

Investment Proposal – Greece’s First Passive House Hotel

About: Interested parties are offered the opportunity to invest in the first certified Passive House Hotel in Greece. The Passive House is the only internationally recognised, performance-based energy standard in construction, resulting in ultra-low energy buildings. The plans have been co-developed with an architect certified by the Hellenic Passive House Institute (EIPAK).

The small-scale luxury boutique resort with a capacity of up to ten guests will be built off-grid on the South Coast of Crete. Its energy supply will be secured through a combination of parabolic reflectors, solar panels, a heat pump and a combined heat and power plant. Guests will be served produce from the hotel gardens and will be offered tours conducted in, and rentals of, electric vehicles. The hotel will operate all year round.

The project’s holistic sustainability approach is in line with Greek government plans for the development of the hospitality industry. It will set a benchmark for sustainable tourism in Greece. Future growth through expansion to neighbouring plots and franchises elsewhere in the Mediterranean is envisioned.

Project volume (total): 1.2 million Euro; already spent by owners: 120.000 Euro (plot, plans, permit and other expenses)

Current phase of the project: The building permit has been issued in July 2023. The construction work can start immediately after the investment is made.

Investment amount sought:

- Minimum of 350.000 Euro as equity for a bank loan with favourable interest (due to Greek banks’ cooperation with the Entrepreneurship Fund II of the Hellenic Fund for Entrepreneurship and with the EIB).
- Further funding will be sought via public funding schemes under Greece’s National Development Law (maximum of 400.000 Euro)

Conditions for four investment scenarios:

We propose the following comprehensive investment package that combines equity, a preferred return, profit-sharing, and a clear exit strategy. We believe this package aligns the interests of the current owners and of the investor, offering all parties security and upside potential. However, the owners remain open to discussing and adjusting the specifics to ensure this partnership meets the investment goals:

- Equity Stake: 15% in the company
- Preferred Return: 10% on the investment annually
- Profit-sharing: 15% of net profits annually
- Exit Strategy: buyback at 1.5 x multiple after 10 years, or sale facilitation

Sources of income:

- Overnight stays
- Sustainable line of merchandise under the hotel brand, in cooperation with local craftspeople.
- Eco-tours and cultural experiences
- Events, weddings, retreats
- Electric scooter rentals
- Consultancy work for sustainable tourism operators

Awards and recognitions:

- The project was awarded a Certificate of Excellence in the GreenTecLab competition for the best sustainable startups in Crete. The price was supported by the German Federal Ministry for Economic Affairs and Climate Action and the European Climate Initiative (EUKI).
- High-placed officials in the EOT and Ministries expressed their support. Meetings with the Development Ministry at GenSec level indicate strong government support for the promotion and funding of the project.
- The project was vetted, and is featured, on the InvestEU Portal, the matchmaking portal of the European Union.
- Company has generated dozens of five-star reviews, reflecting the owner’s expertise.
- Investment in an already profitable company, having increased year-on-year revenue by 150% from hospitality services from 2023 to 2024

About the company owners: Both owners will be on-site managers of the hotel. One has a university diploma in property management and years of experience in the field. The other used to work as a tour guide for an international tour operator and has years of experience in event management and industry lobbyism. Both are running a successful hospitality services company, managing high-end luxury villas, holiday resorts and apartments in South Rethymno.