

Sustainable Hotels without Reservations

While green hotels are by no means a new concept, the hospitality industry in Asia is currently enjoying a period of profound evolutionary change in the way that its buildings are designed, constructed and operated. Sustainability Asia Pacific examines this trend, talks the companies behind some of the truly game-changing projects in the region and looks to what's ahead.



naked Stables Private Reserve in the forested mountains of Zhejiang province, China

Green hotels...no really...

Most green travelers are by now fairly anaesthetized to the ubiquitous guest room tent card requesting cooperation in hanging up towels so they don't get laundered every day, only to have the towels laundered every day regardless. In Asia it's not uncommon for guest rooms to be colder than the mini-bar when one firsts walks in. Many hotels make the right noises about the environment but those seemingly little details that guests always seem to notice conspire to demonstrate that following through with environmental commitments is rarely straight forward. However, as some hoteliers have been forced to point out, this has been due in part to the perceived demand from some guests for levels of service and standards that are intrinsically less environmentally responsible, presenting a sustainability dilemma in terms of achieving environmental performance while sufficiently satisfying stakeholders to remain profitable.

Many hotels make the right noises about the environment but following through is rarely straightforward

There is growing evidence that this position is broadly changing. Back in 2008, a Deloitte business traveler survey¹ reported that 90% of respondents expected hotel facilities to be implementing environmental initiatives and 20% even claimed they had stayed in lodgings that did not allow their experience to be as green as they had wanted. Consumer concerns regarding "green washing" in the industry are now a key issue providing a strong imperative to demonstrate real environmental

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performance through actions, rather than discuss it through copy on the corporate website.

Fortunately, the strong link between environmental impact and operating costs in the hotel business, coupled with the industry's highly competitive nature, provide a particularly sound business case to drive the current deep green revolution. But to the outside observer, the industry as a whole still appears to be grappling with developing standards by which to benchmark and communicate actual green performance in a standardised, transparent manner.

The green hotel tower of Babel

As consumer awareness of environmental issues and the contributors to them increase, being able to demonstrate environmental commitment through actual performance becomes more of a competitive advantage issue. To that end it is important to have some method of evaluating that performance to help verify achievements and provide clear messaging to stakeholders that environmental goals are being met. Arguably the problem for the hotel industry is not that these certification schemes do not exist, it's that there are too many of them vying for global dominance (see inset on P.18), providing a lack of clarity to the market, and consumers in particular. This is confusion is perhaps not lost on some major players in the industry, with some going as far as creating their own internal standards, such as Hilton's "Green Engage" system.

Perhaps due to the inextricable link between hotels and buildings, the hospitality industry has increasingly turned to established green building rating systems to certify the sustainability of

their facilities, most notably in Singapore where thirteen hotel facilities have been certified using the Green Mark rating system to date. Elsewhere in the region, the industry has shown considerable interest in using LEED to certify hotel buildings.

Taking the LEED in green hotels

Green Hotels are, in fact, nothing new to Asia and neither is using LEED to provide third party certification. Back in 2000 the Heritage Kandalama hotel in Sri Lanka became the first LEED certified building outside of the USA and the first LEED certified hotel anywhere in the world when it received a bronze certification under, the then just launched pilot of, LEED for New Construction thus setting the pace for the industry to follow.

Recently, both Starwood and Marriott committed to passing designs through the LEED volume registration program to streamline the LEED documentation and certification as well as project design process, thereby providing triple bottom line benefits to their businesses. Other major operators such as Fairmont have also made commitments to using LEED as a framework to green the production of new hotels.

In Asia there are 13 LEED certified hotels, including 7 recent LEED for Existing Buildings Platinum projects in India, and a further 73 hotel projects across the region have been registered with the USGBC that are pending award of certification.

It's not just the global giants of the hotel industry that are embracing LEED as a framework to green their premises. Founder and Managing Director of BEE inc. (a Shanghai and Hong Kong-based

¹ "The Staying Power of Sustainability – balancing opportunity and risk in the hospitality industry" Deloitte 2008



Green Hotel Certification Standards

The hotel industry has no shortage of schemes through which to demonstrate environmentally responsible performance. Many of these relate to the management of the hotel operator including:

- Green Globe
- Earth Check
- Green Hotels Global
- Green Seal
- ENERGY STAR for Hospitality
- Audubon Green Leaf Eco Rating Program
- Sustainable Tourism Eco-Certification Program
- ASEAN Green Hotels Standard
- China National Green Hotel Standard
- Green Leaf Standard (Thailand)
- EcoTel (India Focused)
- The Green Key International (in Asia only represented in Japan with four hotels)
- Green Key Global (no Asian representation)

In terms of actually certifying buildings, hotel companies have thus far sought to use the various green building rating systems created for general commercial property. The USGBC's LEED green building rating system has proved universally popular for this purpose and there is a growing number of registered and certified, new and existing building LEED hotel projects throughout the region.

The USGBC has created a dedicated web page for the industry, providing specific advice and downloadable content for hotel project stakeholders. Moreover the USGBC is creating specialty LEED for Hospitality versions of both LEED NC and LEED EB:OM for the 4th iteration of the system due to be launched in 2012.

sustainable engineering consultancy and sourcing company), Alessandro Bisagni, who has worked on several new green hotel projects across the region, comments: "Often because they are smaller, the boutique hotel projects are more flexible in their decision making and able to push boundaries further. This means that while they take LEED as a

framework to aid in the green design of their project, they use it to go beyond the prescriptive

requirements of the LEED platform, enabling them to take sustainable performance to new levels."

Hotels that restore more than just your sense of wellbeing

One such example of a boutique hotelier who has gained success from pushing environmental performance beyond conventional norms is the URBN group, famous for opening China's first carbon neutral hotel. URBN Shanghai was built within a renovated industrial building yet delivers luxury and cutting edge contemporary design to the growing market of guests who appreciate the inherent beauty of using recycled and natural materials, such as locally sourced old wood and bricks reused from homes undergoing renovation in the old French concession. URBN's commitment goes far beyond the aesthetic side of sustainability though and a lot of its environmental performance happens behind the scenes, unbeknown to guests. For example URBN Shanghai employs an energy efficient water recycling and purification system that

allows the hotel to reduce its load on the municipal supply by up to 70% than it would otherwise need. Shortly after opening URBN participated in a joint program between the US Agency for International Development (USAID), US-China Sustainable Buildings Partnership (SBP), and ICF International to investigate no cost and low cost solutions to improve the energy efficiency of URBN Shanghai resulting in a 36% reduction in overall electricity consumption in 2009 versus their 2008 baseline, despite a 12% increase in occupancy rates for the same period.

URBN's Marketing Director, Victoria Hajjar notes "Our energy efficiency project took a holistic approach to reducing demand from structural aspects like insulation and double glazing to using vegetation to help with cooling and setting lights to lower levels of illumination. We've been able to demonstrate significant reduction in energy usage with minimal cost outlay and this is something we're going to take even further with our next two projects."

A lot of the environmental performance of URBN Shanghai happens behind the scenes, unbeknown to guests

Those two new projects were announced in the past few months. URBN Sanlin in Pudong is a joint venture with Vanke to be built on the old Shanghai Village Expo site, and URBN Luxiangyuan is a joint venture with Shanghai's largest publically listed developer, Chengtou. URBN Salin will pursue LEED certification (targeting gold) as well as the China '3 Star' green building rating system certification as frameworks to incorporate more green features. URBN Sanlin, which will employ glamorous Japanese design interiors, will take the green aesthetics of URBN Shanghai and "pump them up" with installations from old cars and carpet made from bamboo fibre. From a technology perspective the project will incorporate features such as a ground



Above and top right: URBN Shanghai was built within a renovated industrial building using recycled and natural materials



A rendering of URBN Sanlin

source heat pump and a vegetated green roof which will combine to reduce cooling demand in the summer and reduce the need for fossil fuel powered heating in the winter, as well as indoor environment focused initiatives such as CO₂ monitors in guest rooms. The building is designed on stilts to reduce site impact and will have a water recycling and purification system that delivers cleaner water to the Shanghai municipal system than it receives. “Our intention is that URBN Sanlin should have a positive environmental impact; not just preserving, but enhancing the local environment and providing an ecological refuge for local wildlife.” says Hajjar.

People, planet and profit in practice

Encouragingly, this drive to move beyond ‘green buildings’ that do less harm to the environment towards ‘restorative buildings’ that have a positive effect on it is also being adopted by other visionaries in China. naked Retreats, also based in Shanghai, serves another sector of the hospitality market in Eastern China, as the company’s name suggests, stripping away

the stress and providing an escape from the pressures of city living in the world’s second largest economy.

naked’s first project, opened in 2007, was a chic complex created out of six renovated traditional homes in Sanjiuwu, a small rural village in the bamboo forested mountains of Zhejiang province. naked Home Village was conceptualized as a home away from home, Managing Director, Gabriela Lo, explains, “Because we’re a relatively young company at naked we didn’t inherit an existing corporate culture, we had the freedom to create our own based on our philosophy of living a simple and sustainable life.”

When renovating the traditional village houses to create the hotel, green building features were included, such as local building materials (many of which were recycled); a grey water recycling system; solar panels for water heating; and the use of a bamboo pellet boiler for heating in the winter. naked Home Village extends its positive impact through community engagement, employing local villagers (literally the neighbours) as staff, setting

up a waste management scheme for the village and engaging the local school children on environmental issues generating strong local support for naked’s vision.

naked’s next project, the naked Stables Private Reserve, is a luxury Afro-Asian themed eco-resort of statuesque tree-top villas and rammed earth huts, set amongst the forests and tea plantations of Moganshan. Targeting LEED Platinum, this project has taken the lessons learned from naked Home Village to the next



naked Stables Private Reserve highlights traditional building techniques using natural materials such as bamboo

naked Home Village extends its positive impact through community engagement by employing local villagers and educating local school children on environmental issues



naked Stables Private Reserve is targeting LEED Platinum certification

level. A comprehensive sustainability approach has been adopted for all aspects of the project, from master planning, design and construction, to engaging with the local community to help build and later run the resort, maximizing the socio-economic benefits of the development and fostering a local sense of pride in its presence. Site disturbance in the forest was minimized by the use of stilt-borne treetop villas that utilize pre-fabricated panels, reducing construction work and waste on site.

naked Stables Private Reserve showcases the vernacular of traditional building techniques from the area, including stonework, buildings made entirely from bamboo and employing some of the few remaining local craftsmen who know the old techniques used to make traditional rammed earth walls, which have the additional benefit of providing excellent insulation qualities. The project also blends in modern technology to enhance environmental performance, including low-e double glazed fenestration, rain water collection systems for roof and road run off coupled with grey water recycling for use in toilet flushing. All black water is treated before being discharged. Along with passive design to reduce energy demand naked have taken the innovative step (for the hotel industry) of installing electricity sub meters on the individual buildings to be able to engage guests on the issue of energy use and provide them

with incentives to become part of the team in lowering demand.

Taking the green back downtown

A far cry from the serenity of the eco-retreats of the Zhejiang mountains is the hustle and bustle of Hong Kong's business hotel market. When it first opened in 2001, the Rosedale Hotel in Causeway Bay set a new benchmark for sustainability in Hong Kong's hotel industry. Rosedale, and its development partner ITC, were the first to employ a prefabricated façade in Hong Kong, benefiting from the consistent high quality production of the pre-cast formwork to reduce costs associated with construction time and interior fit out. The building has since been a case study in the region for this building process, including being used by the Hong Kong SAR government in the development of its GFA concession legislation.

For their latest project, in Tai Kok Tsui, near the Olympic MTR station, Rosedale and ITC are again raising the bar. The Rosedale Kowloon is expected to open in Q1 2012, and at which point should be the first certified green hotel building in Hong Kong (targeting LEED Gold). This move is driven in part from senior management commitment to green building at ITC, who have a number of other non-hotel green developments in the pipeline.

There are also tangible business benefits in

pursuing green for Rosedale as an operator in the highly competitive business hotel market. As Director of Business Development, Lucas Chanter, explains, "Rosedale is developing the brand to widen our client base. Demonstrating a commitment to environmental responsibility is a key aspect to augmenting that brand enhancement. Our guests are getting greener and achieving LEED certification is a differentiator that is potentially worth a couple of room-nights a year extra to our business."

Rosedale's guests are getting greener and achieving LEED certification is a big differentiator

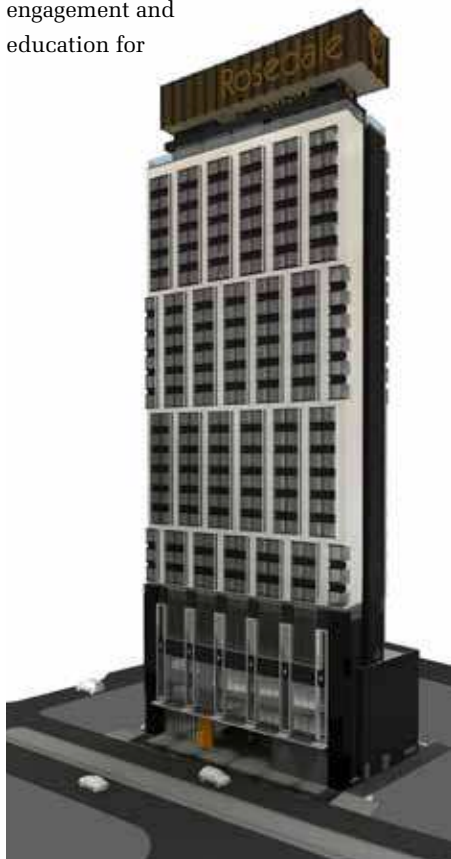
In addition to being able to tick off an increasingly important box for some corporate (and personal) travelers, Chanter is looking forward to realising the bottom line benefits that the buildings' green features will provide in terms of reduced operating costs. As a unique class of commercial real estate, hotels have a singular environmental footprint. If managed poorly they can be hugely energy and water inefficient and generate proportionally more waste than other non-residential assets. While this is in some sense a challenge, it also presents a great opportunity because when managed properly the savings from realising efficiencies in these buildings are that much greater.

Although the LEED design process caused Rosedale and ITC to rethink some specifications, such as inclusion of a real time energy monitoring BMS coupled with an upgraded HVAC system with variable speed drives, a green roof and sky lounge with high solar reflective index (SRI) decking made from recycled plastic, as well as LED and T5 lighting and low-flow showers in guest rooms, all of these features will contribute to significant operation savings.

Some ideas that came out of the LEED design process turned out not to be feasible. A rainwater capture and storage system was ruled out due to current Hong Kong legislation and the small plot area combining to make it impossible to site the storage tank. While some aspects of LEED for New Construction may not be open to Rosedale and ITC, it hasn't stopped them from looking beyond the framework at other areas in which they can drive environmental performance throughout their brand.

For example, the company is installing a new smart room card system connected to all power supply in each room, including lighting, AC and plug sockets. This new system cannot be fooled by guests into thinking they're present when they leave the room by placing another card in the slot, it has to be their specific room key.

Rosedale is also looking beyond technology at stakeholder engagement and education for



Rosedale Kowloon, which is expected to be the first certified green hotel building in Hong Kong when it opens in Q1 2012

both staff and guests, green procurement and hotel management practices. "We're looking at everything right down to the soap for the guest rooms," says Chanter, "We recognise that we can't just rest on the laurels of a LEED certification for the building itself and are looking at other systems, like Green Globes, to ensure our ongoing operations and services to guests are increasingly greener."

Checking out

The future for green hotels in Asia is therefore a very bright one. From a real estate perspective, many eyes are trained on the hospitality sector specializations that are due to come out in version 4 of the building design and construction and building operation and maintenance versions of LEED, to be released next year. In the long term, expected increases in energy and food prices coupled with growing stress on the region's water supplies should also give the greener hotels a tangible competitive advantage.

The uncompromising back to basics, total sustainability, success of naked Retreats; the big picture environmental responsibility, city oases of URBAN; and Rosedale's reinventing approach to green business hotels without capital premiums are all standard bearers for flags under which several other companies also march. However it should be noted that as with all industries, as a whole, real sustainability is not yet the norm. For the solution to making this the case we need to look towards collective stakeholder participation.

According to BEE inc.'s Bisagni, "The drive for sustainability in the hotel sector needs to come from the bottom-up as well as from the top-down. Government regulations and certification systems like LEED will drive market adoption, but consultants still need to have confidence to propose sustainable ideas and solutions to clients. Smart design does not always mean additional cost; consultants know

this but are often afraid to speak up. The more we collectively strive to find viable sustainable solutions to projects, the more these solutions will become the norm."

Therefore, as a final footnote to this article, which necessarily infers a lot of onus is on the broader hotel industry to put its house in order with respect to sustainability, it should be noted that we all have a significant part to play in helping the hospitality sector to be more environmentally sustainable. Empowering decision makers within the hotel industry to move towards greener strategies can be as simple leaving comments regarding green features or operational procedures you'd like to see on the in-room suggestion form. At a corporate level, more companies are choosing to require hotels to complete environmental surveys as part of their review for trips, events or corporate packages. If your company does not yet have one, the USGBC produces a good example available for download from its dedicated green hospitality web page – Green Venue Selection Guide (USGBC). ■

Disclosure statement: CB Richard Ellis is the sole marketing agent for naked Stables Private Reserve