

How Washington, DC Hotels are Embracing Sustainability

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The 5 Green-Key rated Fairmont Hotel in Washington, D.C., was the perfect setting for an event titled *Checking In as the Hospitality Industry Embraces Sustainability*, hosted on March 30. The event, sponsored by the DC|MD chapter of [NAIOP's Sustainable Development Committee](#) and the [USGBC National Capital Region chapter](#), hosted three panelists who left no doubt that now is the time to pursue sustainability in hotels.

Jim Landau, director, MetLife Real Estate (owner of the Fairmont) was a gracious host. Landau emphasized that while 'green' may still be catching on for the individual luxury guest, the Fairmont, with over 400 rooms (considerably more than the competitive set), sees group business as an important factor. The event industry has embraced sustainability as it becomes common for RFPs to stipulate environmentally friendly practices. In D.C., this means being more than a green building (LEED is code for construction projects over 50,000 square feet in Washington). This levels the playing field and means hotels like the Fairmont, which is currently pursuing LEED for operations and maintenance, have to go above and beyond to differentiate not only in luxury, but in sustainability.

“The demands for sustainability are growing among consumers and businesses. At our properties, we seek operating improvements across a broad spectrum, ranging from new cooling towers and lighting retrofits to using renewable materials. These improvements not only improve the asset's cash flow, value and longevity but are important to the occupiers including commercial tenants, multifamily residents and hotel guests,” Landau said.

Next, Deborah Cloutier, principal, JDM Associates, drew on her more than 25 years of sustainability experience to share key trends pertinent to hospitality. She said to measure what matters – if it matters to your investors, it should matter to you. Increasingly, as investors are evaluating risks associated with sustainability, debt financing for assets will require materiality reporting, and insurance rates will depend on the resilience of the city or region. This requires a long-term and more stakeholder-centric approach to asset management.

A plethora of standards have emerged to guide businesses in reporting on triple bottom line impacts with frameworks like [SASB](#) and [PRI](#) and specific to real estate with [GRESB](#). Landau echoed this sentiment when he stressed the importance of having metrics for their sustainability programs.

As examples of greater expectations on sustainability performance of assets, Cloutier highlighted a Department of Energy program that her team developed to educate commercial building appraisers to account for sustainability ([Energy Matters](#)), as well as global agreements such as the Paris Accord. Both demonstrate how the public sector is driving change.

“Savvy owners are investing in operational changes and capital projects to significantly reduce utility expenses, enhance the guest experience and differentiate their assets to increase revenue from green meetings and conference services,” Cloutier said. “Unlike other property types within commercial real estate, the hospitality sector directly benefits from investments in energy efficiency and sustainability because hotels and resorts typically operate 24/7, and the utility bill savings go directly to the owner.”

Perhaps the most significant trend Cloutier shared was the opportunity to leverage big data. There are billions of devices and sensors in hotel rooms; the data these generate need to be better leveraged to drive ROI. Not only does this data enable improvement in energy performance, it provides incredible insight for enhancing the overall product and service.

The low-hanging fruit for sustainability returns is in hotel staff. Cloutier explained that her team assesses the operational and maintenance performance of assets, as well as the acumen of the current staff to see if they are the right team to take you there (I agree – [here’s my recent article on this](#)). She claimed it's possible to get 10- to 30-percent savings based on improving operational practices. A small investment in training and policies enforcement goes a long way.

Next on the agenda was Anica Landreneau, principal, director of sustainable design + consulting, HOK. She took us on a tour around the world of some hotel and resort properties with exemplary and innovative eco-practices.

In the US, the [Chicago Clark and Grand Hotels](#), one building that is the home to an Aloft, Hyatt Place and Fairfield Inn & Suites, achieved a 38-percent reduction in energy use compared to a typical hotel. The Marriott Marquis in Washington, D.C., achieved a \$500 reduction in energy costs per year. And the Home2 by Hilton in Silver Spring, Md., was designed for a 42-percent reduction in water use.

The [Radisson Blu in Accra, Ghana](#) was a project with two audacious goals: a 20-percent reduction in energy, water and embodied energy, and [EDGE certification](#), which validates such reductions and provides the property with a marketing tool to communicate these achievements to investors and customers.

Landreneau stressed that certifications are important. One HOK project, Playa Blanca Resort in Cartagena, Colombia, sought multiple sustainability certifications: LEED, Green Key, [Blue Flag](#) Beach and Marina, and [Audubon](#) for the golf course. This demonstrates to stakeholders that *all* elements of the property and experience were designed with sustainability in mind.

[Driftscape](#) was winner of the 10th annual Radical Innovation Award. The significance of this fascinating drone hotel concept is that such accolades attract clients who will, by default, be pursuing sustainability because of [HOK’s leadership](#) in the American Institute of Architects [2030 Commitment](#) to work towards carbon neutrality in buildings by 2030.