

6. Hotel Industry Slowly Overcomes Reservations about Green Building

Methodology

In August 2007, *Building Design+Construction* surveyed a scientifically drawn sample of 5,165 readers of *HOTELS* magazine, a sister publication to *BD+C* and a leading source of information for hoteliers competing in today's \$140 billion U.S. hospitality marketplace. Recipients of the online survey were asked to gauge their level of knowledge, interest, and action with regard to green buildings and sustainable practices within their hotel organizations and related businesses.

As an incentive, recipients were eligible to enter a drawing for a \$100 AMEX gift certificate. *BD+C* also pledged a \$5 charitable donation for each of the first 100 responses. Respondents could select from the American Red Cross, Habitat for Humanity, or United Service Organizations (USO).

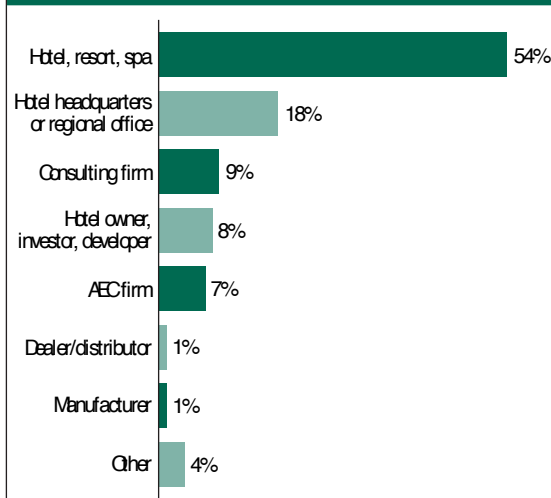
The \$140 billion U.S. hospitality industry is taking a cautiously optimistic approach to sustainable design and green building. While hotels still struggle to define their attitudes toward sustainability and green, wondering if they should concentrate on physical infrastructure or focus more on operational aspects, the industry's familiarity with and increased interest in green building bodes well for the

sector, according to an exclusive August 2007 survey of more than 5,165 corporate managers, operators, and purchasing agents in the hospitality industry by *BD+C* and *HOTELS* magazine.

An overwhelming majority (88%) of survey respondents said that they were somewhat or very familiar with green building, and an equally high percentage (80%) said that they had a medium to high level of interest in

Chart 6.1

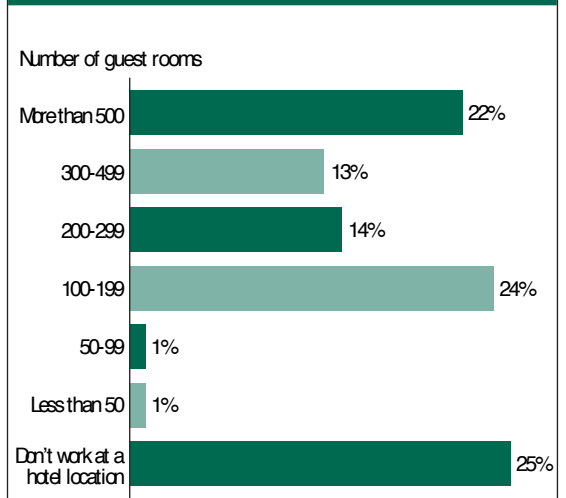
Businesses at which respondents work



BD+C/HOTELS Green Building Survey
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Chart 6.2

Size of hotel at which the respondents work



BD+C/HOTELS Green Building Survey
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Principal findings of the 2007 survey

- Slightly more than half (51%) of respondents have incorporated green building concepts in recent hotel buildings or renovations, while another 33% said they plan to in the near future; 16% have no plans to do so.
- More than half of respondents (58%) cited significant initial construction costs as the biggest obstacle they face with regard to green building and sustainable design.
- A majority of respondents (65%) said that they would give green building and sustainable design significant consideration on their next new or major hotel renovation project, but another 35% said they would give it only minor consideration.
- More than three-fourths of respondents (77%) felt strongly that hotels are more willing today than they were three to four years ago to invest in green/sustainable building projects.
- Hotel guests were cited as the most significant influence by 65% of respondents that incorporated sustainable/green concepts in recent building or renovations. The AEC community was cited as a major influence by only 26% of respondents.
- Energy use is a major concern for hotels, with energy management cited by 75% of respondents as the sustainable/green concept they have already incorporated, and 53% citing it as the concept they soon plan to incorporate.

Attitudes toward green hotels are encouraging, showing that respondents are willing and able to look beyond barriers and see significant advantages to building and operating sustainable hotels.

green building and sustainable design (chart 6.3). However, reflecting the industry's cautious approach to green, only 10% said that their hotels were very experienced in green building and sustainable design practices—exactly the same percentage as those reporting absolutely no experience whatsoever with green building and sustainable design. The majority of respondents fall squarely in the middle, with 39% saying their hotels had modest experience and 41% saying their hotels had little green or sustainable experience, according to the survey.

Another sign of the industry's cautious forward momentum concerns new hotel construction and major remodeling/renovation projects. While a majority of respondents (65%) said that they would give green building and sustainable design significant consideration when it came to those projects, there are still those who remain unconvinced, with 35% of respondents saying

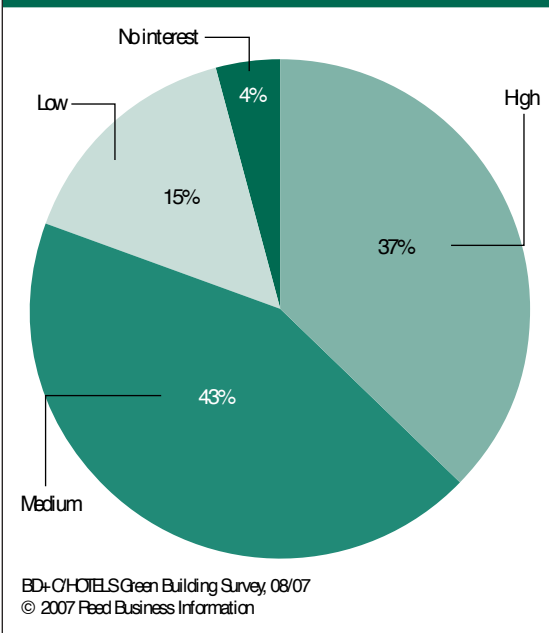
they would only give green/sustainable elements minor consideration.

“Personally, I am surprised that nearly half of hotels surveyed only express medium levels of interest in this matter,” says Larry Traxler, VP Architecture & Design for Hyatt Hotels Corporation. “I see [green building] as potentially the biggest swing in design and operation mindsets in the 20 years I've been involved in the hospitality industry,” he says. “It can truly revolutionize our industry and should be a primary focus for all designers, operators, and developers.”

While not all survey respondents reflect Traxler's level of commitment to greener hotels, the responses are encouraging in that they show the hospitality industry is interested, but the numbers also show that green building and sustainable design still face obstacles to implementation.

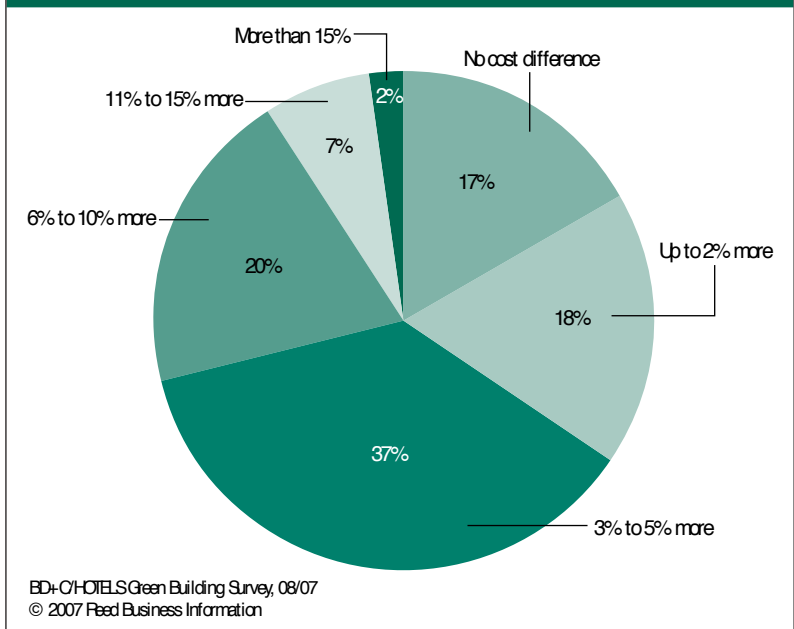
The most daunting of these is cost, with more than half (58%) reporting that they thought sustainable design would add significant initial construction costs. While some added costs were considered acceptable, 17% of respondents said they were unwilling to accept any additional construction costs. Of those saying initial

Chart 6.3
What is your hotel's level of interest in green/sustainable design?



The majority of respondents showed some interest in green/sustainable design (chart 6.3), with 80% expressing interest levels in the high to medium ranges. However, those expressing little to no interest rated a significant 19%. The overall lukewarm results surprised a Hyatt Hotels executive, who views green building as something that can revolutionize the industry. Added costs could be one reason that interest in green design is mixed. Respondents say they are willing to accept slight cost increases, but most indicate that added costs should be less than 5% (chart 6.4).

Chart 6.4
What do you consider an acceptable initial cost difference between a non green hotel and a green hotel?



construction costs are palatable, 37% found it acceptable to pay up to 3-5% in initial cost increases, while 20% found it acceptable to pay as much as 6-10% in additional costs to build a green hotel. Any cost increases

beyond 10% were found acceptable by only 9%.

“Without a doubt, innovation is more expensive at the beginning,” says Traxler of Hyatt Hotels Corporation. “Most early adopters can accept the fact that it costs a little more to be at the front of the pack,” he says. And being an early adopter is important to Jim Root, general manager of spa operations at Sea Island Resorts in Sea Island, Ga. “Our industry can be a lifestyle leader or we can simply wait and be regulated into followers.”

While an initial cost increase was a significant obstacle to green hotels, difficulty in finding contractors with green building or sustainable design experience was seen as problematic by 38% of respondents; 34% said they had more pressing concerns than going green; 32% said that green building expenses were hard to justify even taking into account long-term savings; and 20% didn’t like the volume of paperwork involved. It is also noteworthy that a scattering of respondents (4%) thought that interest in green building would go away, citing it as a passing fad (chart 6.5).

Attitudes toward green hotels are encouraging, showing that respondents are willing and able to look beyond barriers and see significant advantages to building and operating sustainable hotels. And that’s as it should be, according to Traxler. “It is almost a full-time job keeping up with this rapidly progressing field of interest, one that we’re dedicating considerable new resources to.” Adds Hervé Houdré, general manager of Washington,

Chart 6.5
What do you see as barriers to your company’s acceptance of sustainable design/green building?

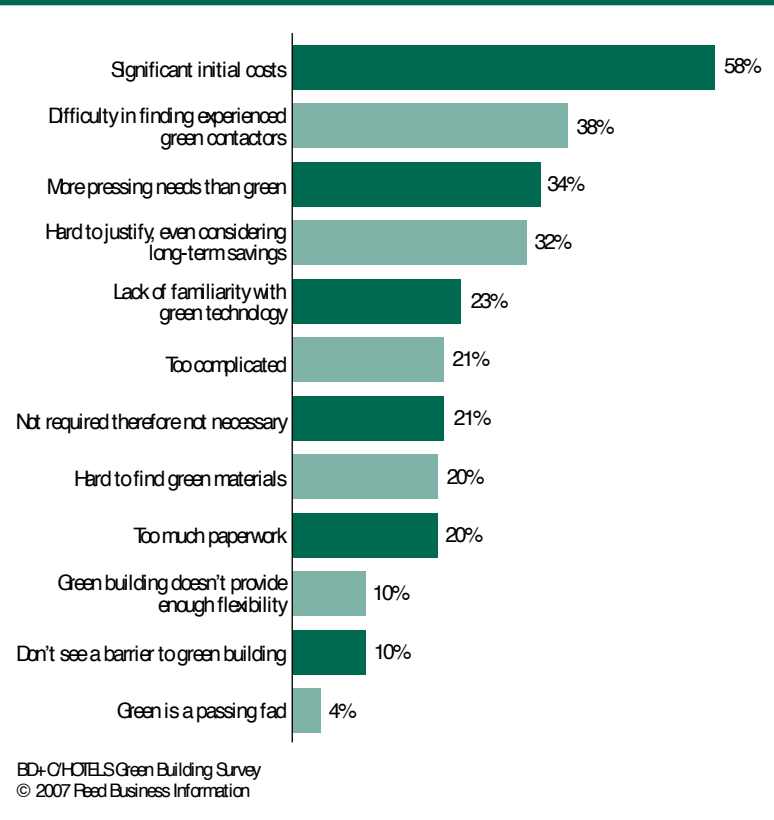


Chart 6.6
What has influenced your company’s decision to incorporate sustainable/green design concepts?

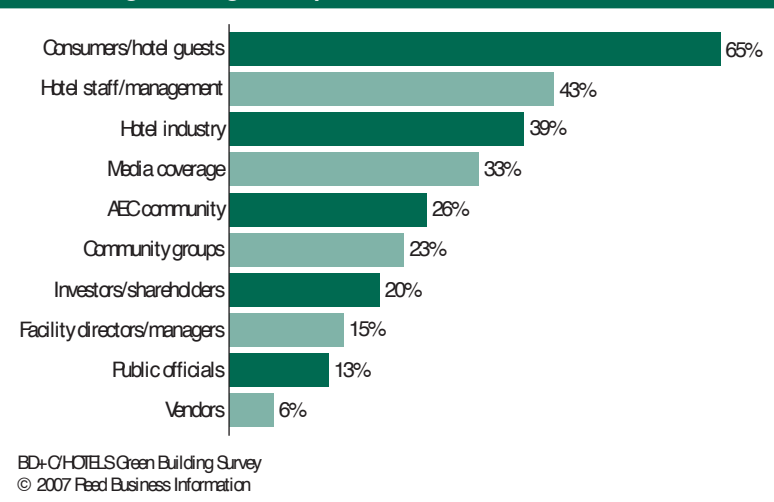
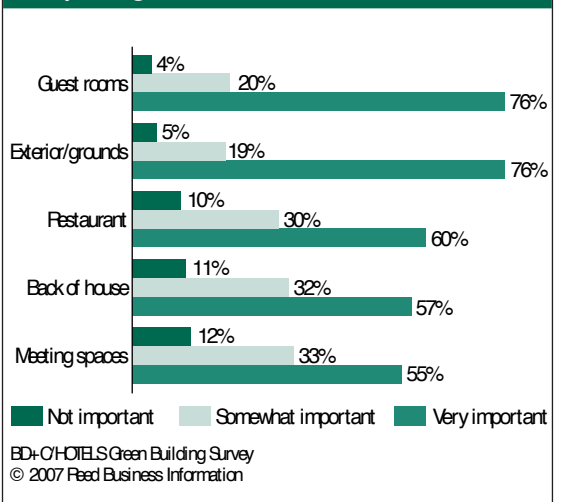


Chart 6.7
Areas of the hotel where it’s important to incorporate green/sustainable elements?



Once again, respondents noted that added costs—in this case significant initial costs—are a barrier to going green (chart 6.5). Thirty-eight percent also say that even factoring in long-term savings, sustainable design elements are hard to justify. Consumers, however, can help persuade hotels to pursue a green agenda, according to 65% of respondents (chart 6.6) who noted that hotel guests influenced their company’s decision to incorporate green design concepts. With that in mind, it seems natural that the majority of respondents (76%) cited guest rooms as one of the two most important area to incorporate sustainable elements (chart 6.7).

Of possible concern to the AEC community, only 26% of respondents cited architects, designers, or engineers as the main reason for their decision to incorporate sustainable/green concepts.

D.C.'s Willard InterContinental Hotel, "We are just at the beginning," he says, "it is not an opportunity but a responsibility of the hospitality industry to lead in terms of sustainability initiatives."

Houdré's comment reflects the respondents' attitudes about taking a lead in sustainability, with a large number (77%) feeling strongly that hotels are more willing today than they were three to four years ago to invest in green/sustainable building projects, although only a little more than half (55%) thought that their organization would be left behind if it does not become active in green building and sustainable design.

Other favorable attitudes include 79% of respondents strongly agreeing that green hotels significantly reduce energy costs and another 71% strongly agreeing that green hotels give them a competitive advantage compared with conventional hotels when it comes to marketing and public relations. However, the marketing only works when green efforts are truly authentic. "Any cosmetic effort to be perceived as green that is not supported by authentic intent is something to avoid," says Sea Island Resorts' Root.

The survey backs up Root's comments, showing that guests aren't always swayed by a sustainable sales pitch. Only 39% of respondents felt strongly that green hotels attract more guests, although 78% of respondents said they feel strongly about a green hotel's ability to increase guest satisfaction. Green guest rooms are considered one of a hotels most important features, tying with exterior and grounds in level of importance. Only 28% of respondents said they strongly agreed that green hotels played a significant role in employee retention and recruitment, although 68% said they strongly agree that green hotels make for happier employees.

For those hotels having already incorporated sustainable/green concepts in recent hotel building or renovations (51% have incorporated elements; 33% plan to in the near future; and 16% have no plans to do so), 65% reported doing so mainly for their customers—their paying guests. Other influences cited include hotel management (43%) and industry or trade associations (39%). Of possible concern to the AEC community, only 26% of respondents cited architects, designers, or engineers as the main reason for their decision to incorporate sustainable/green concepts (chart 6.6).

In reporting on which sustainable/green concepts they

had already incorporated into hotels, respondents' top three items all targeted energy use: 75% had incorporated energy management, 64% had installed automated lighting controls, 47% had employed energy modeling tools, and 46% had made the most of daylighting. Among hotels that had not yet incorporated sustainable/green elements but planned to do so, 53% said they would incorporate energy management tools and 48% planned to use automated lighting controls (chart 6.8). **BDC**

Chart 6.8

Of the following sustainable/green concepts, which ones have you already incorporated or plan to incorporate into your hotels?

	Already incorporated	Plan to incorporate
Energy management	75%	53%
Automated lighting controls	64%	48%
Energy analysis/modeling tools	47%	35%
Environmentally preferred purchasing	47%	33%
Acoustics/sound proofing	46%	34%
Daylighting	46%	31%
Recycled/renewable building materials	46%	40%
Environmentally sensitive landscaping	41%	31%
Green furniture, fixtures, fittings	39%	38%
Low-VOC paints, finishes, adhesives	36%	33%
Low-VOC carpeting	27%	28%
Geothermal heating/cooling	22%	19%
Environmentally responsive site design	21%	26%
Reuse construction and demolition waste	18%	18%
High reflectance roof surfaces	15%	21%
Stormwater collection	14%	21%
Waterless urinals	14%	15%
Building commissioning	13%	14%
Green roof	13%	21%
Passive solar	13%	21%
Photovoltaics	7%	13%
Underfloor air distribution	4%	12%
None of these items	2%	8%
Other items	7%	6%

Source: BDC+O/Hotels Green Building Survey
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Attend emerged when respondents noted sustainable concepts they had already incorporated into their hotels: The top three items—energy management, automated lighting controls, and energy analysis/modeling tools—focused on energy use (chart 6.8). Those same three features scored high with respondents who said they have not yet incorporated them but plan to. Interestingly, some of the sustainable/green concepts considered commonplace, such as low-VOC paints, finishes, adhesives and low-VOC carpeting were incorporated by only 36% and 27%, respectively, with only a small percentage planning to incorporate them. Also worth noting: Waterless urinals were incorporated into more hotels than were green roofs.