

Itineraries

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Going Green, Gradually

For Hotels, Eco-Friendly Ideas Await a Friendlier Economy

By MARTHA C. WHITE

Hotels eager to satisfy the growing desire of business travelers for eco-friendly lodging are finding that their environmental ambitions have run headlong into the harsh realities of the recession.

When the economy was thriving, developers were promoting environmental flourishes like roof gardens, floors of reclaimed wood, and solar panels. When the Orchard Garden Hotel opened in San Francisco in 2006, it featured furniture made from sustainably grown wood.

But now, with reduced operating budgets, hotel owners are putting off the kind of sweeping projects that were common during the bull market and instead focusing on smaller environmental initiatives that don't cost as much and may even save money at the same time.

"Big-ticket items that have long-term return on investment have definitely been put on the back burner," said Steve Faulstick, general manager of the Doubletree Hotel in Portland, Ore., and a board member of the Green Meeting Industry Council. "We'd love to be completely green and sustainable, but we're not going to do that at the expense of laying people off."

The lodging industry is still working its way through a prolonged slump. Hotel occupancy rates have recovered a bit from the trough of 2009, especially at business hotels in big cities. But they remain depressed over all, and average occupancy for all domestic hotels in the second quarter was 60.7 percent, compared with the 69.3 percent the industry enjoyed in the third quarter of 2009, according to STR Global. This makes it extraordinarily difficult for hotels to pay for big-ticket green renovations, especially with a tight credit market.

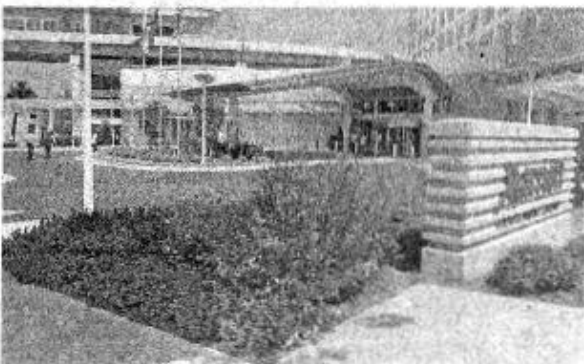
"The traditional sources of that financing, which are local and regional banks, are stressed by their commercial real estate exposure," said David Loeb, senior research analyst at the investment firm Robert W. Baird & Company.

This curb on green projects comes even as a growing number of corporations are reviewing a hotel's green credentials when they solicit bids for contracts. In a business climate where trips and meetings are subject to greater scrutiny, companies are "really trying to look like good corporate citizens," said Nancy J. Wilson, principal of MeetGreen, a company that plans events along eco-friendly guidelines.

The technology company Cisco asks hotels about several areas of environmental awareness, like recycling protocol, the use of eco-friendly housecleaning products and water conservation. Those with programs addressing at least five categories are identified on the company's in-house travel booking tool with a green leaf symbol, said Pam Honeycutt, Cisco's travel manager for the Americas and Europe.

Evaluating a hotel's operational impact on the environment is difficult given the lack of an industry standard, she said. "There's not one definition of what a green hotel would be," she said. "They all get there by doing multiple things."

To address this demand without going into the red, hotels are looking at what Mr. Faulstick calls "low-hanging fruit." Lacking the capital to sink into big expensive, retrofits, hotels are turning to



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The SpringHill Suites Atlanta Airport Gateway, top, uses 90 percent natural light to brighten the lobby. Above, flowers and shrubbery in the drive outside the Atlanta Airport Marriott Gateway, are sustained with recycled water.

small-scale conservation programs that will satisfy corporate buyers. As a bonus, many of these programs also reduce their energy and water bills.

This includes practices such as training staff to switch off lights and televisions, encouraging guests to embrace less-frequent sheet and towel changes and installing lower-cost fixtures like water-conserving showerheads and compact fluorescent light bulbs. "Low-flow faucets and toilets can bring an immediate savings of 10 to 20 percent," Mr. Faulstick said.

Starwood Hotels & Resorts is among those exploring ways to save both money and resources. At its Element brand hotel in Lexington, Mass., energy- and water-efficient products like compact fluorescent light bulbs, Energy Star-rated appliances and low-flow plumbing fixtures in guest rooms save the company about \$52,000 annually, according to Brian McGuinness, a senior vice president at Starwood.

Since energy use is the second-largest expense a hotel incurs after salary and benefit costs, practices that reduce this are widely embraced. David Jerome, a corporate responsibility executive with the InterContinental Hotels Group, says the economic downturn accelerated the company's green plans. One program intended only as a pilot is being expanded

to the InterContinental's entire portfolio because of the potential cost savings.

Hotels have had to strike a balance, though. They need to simultaneously keep their green initiatives unobtrusive so that guests don't feel inconvenienced, but make them visible enough to satisfy environmentally-conscious travelers.

Bjorn Hanson, dean of the Tisch Center for Hospitality, Tourism and Sports Management at New York University, said research shows that even guests who say they are environmentally aware won't pay more or accept inconvenience. If bottles of shampoo, conditioner or other items are replaced with wall dispensers, guests complain, he said.

Mr. Jerome said the InterContinental is trying to focus on environmental steps that guests either won't notice or won't mind. "We don't want the guest to feel like it's all up to them," he said. "We have to balance the guest experience versus the environmental benefits."

Marriott International is using unobtrusive green elements in a pair of new properties near Atlanta's Hartsfield-Jackson airport. The properties, the SpringHill Suites Atlanta Airport Gateway and the Atlanta Airport Marriott Gateway, incorporate low-flow plumbing, water-conserving landscaping and energy-efficient lighting, with an emphasis on natural light.