



ENGAGING TO IMPROVE THE ENERGY EFFICIENCY OF HOSPITALITY ASSETS

PROJECT: To identify and implement an energy management solution specific to the hospitality sector, which not only improves energy efficiency but also maintains guest comfort. The solution would need to be cost-effective and deliver a Return on Investment (RoI) within the hold period of the assets.

Four hotel/co-living assets in Hong Kong were identified on acquisition to have unnecessarily high energy consumption. The high energy consumption was a result of the inefficient heating, ventilation and air conditioning (HVAC) operations to the guest rooms. Focusing on energy management practises, as a first step to decarbonization, helps properties operate more efficiently, which can reduce operating costs and increases net operating income.

ACTION: The asset management team identified a Smart Room Energy Management (SmartREM) solution which leverages Internet of Things (IoT) sensors to monitor room occupancy, guest temperature preferences, and HVAC performance in real-time. By automatically adjusting the

HVAC system based on room occupancy and pre-set parameters, the SmartREM solution significantly reduces energy waste while maintaining optimal conditions for guest comfort. The team engaged with the operators of the four hotel/co-living assets and between February and July 2024 implemented pilots across all 761 rooms.

OUTCOME: The pilots delivered measurable sustainability and financial benefits. By way of example, one of the co-living assets, which comprised 435 rooms, recorded a 26% reduction in energy usage of the HVAC over six months (equivalent saving of 105.6 tonnes carbon dioxide). A clear return on investment was evident through the Capex Model. The SmartREM solution has subsequently been purchased and considered for other hospitality assets.