

# HOTEL OWNERS FOR TOMORROW



## Roundtable Series – Manila

28 August 2018

Hosted by Tajara Hospitality & Leisure Group and the New World Hotel Makati



Hotel Owners for Tomorrow is a coalition rallying owners across the world to demonstrate their commitment to helping the planet and its people.

## 2018 MANILA ROUNDTABLE PARTICIPANTS

- **Zed Avecilla**, President, Subic Bay Hotels, Attractions, and Tourism Stakeholders Visitors Board
- **John Dustin Chan**, Managing Director, The Bellevue Hotels and Resorts
- **Santiago R. Elizalde**, President & CEO, Roxaco Land Corporation
- **Brix Ganipis**, Manager, Corporate Responsibility EMEA & Asia, IHG
- **Cyndy Tan Jarabata**, CEO/Founder, Tajara Leisure & Hospitality Group
- **Mariglo I. Lararit**, Director of Sustainability, Ten Knots Group Ayala Hotels and Resorts Corporation
- **Hanky Lee**, Owner, Henry Hotels
- **James Montenegro**, Country Manager, Chroma Hospitality
- **Margie F. Munsayac**, VP Sales & Marketing, Bluewater Resorts
- **Eric Ricaurte**, Founder & CEO, Greenview
- **Alfredo Roca**, Managing Director, ANYA Hospitality Group
- **Jose Mari del Rosario**, President & CEO, PHINMA Microtel Hotels Inc.
- **Raymond Rufino**, Chair and Co-founder, Philippine Green Building Council
- **Neil M. Rumbaoa**, Vice President – Marketing, SM Hotels and Conventions
- **Arch Cathy S. Saldaña**, Managing Director, PDP Architects
- **Ari Ben Sebastian**, Legal Counsel, Boracay Chamber of Commerce and Industry

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# THE 5 ACTIONS FOR BUILDING A SUSTAINABLE FUTURE

To take sustainability to the next level in our industry, hotel owners will make the difference. HOT is simple: hotel owners commit to 5 basic actions. There is no cost to join, and the 5 actions do not require a financial commitment. To support HOT, a coalition is being built of hotel brands, management companies, industry bodies, and other supporters in hotel development to help owners carry out the actions.



**1**  
Incorporate sustainability from the beginning of investment decisions

- Discuss sustainability at the onset of developing a project or acquiring a property to explore opportunities to improve.
- Talk about sustainability, its challenges, and its opportunities with capital advisors, developers, managers, and brands.
- Talk about energy, water, waste and carbon footprint of the building as well as external factors such as climate risk, water stress and protecting nature to identify risks and opportunities to get more value out of your investment.



**2**  
Evaluate one renewable energy project efficiency project per property per year

- Review and consider at least one renewable energy-related project and at least one project relating to reducing energy, water, or waste for each property in the portfolio per year, either onsite or offsite.
- Encourage partners to develop good projects for you to review.
- If you have a portfolio, you can consider one project and see how it may apply across your properties.



**3**  
Routinely monitor and benchmark sustainability performance

- Track each property's energy, water, waste, carbon emissions, and community impact for the entire portfolio.
- Review at least once a quarter.
- Benchmark these results among your portfolio, among peers, or through industry benchmarking.



**4**  
Support brand efforts

- Encourage your property teams to actively participate in brand- and management company-led initiatives.
- No-cost options include participating in surveys, using their sustainability software, communicating their initiatives, keeping related signage updated, and participating in global volunteer or community events.
- For independent hotels, demonstrate how you support the branding of sustainability.



**5**  
Share your best practices






- Help spread awareness and best practices that demonstrate solutions that are working to create value for the owner with the investment community.
- Communication methods include case studies, articles, and reports.



## ROUNDTABLE SUMMARY

Industry leaders from the Hotel Owners for Tomorrow (HOT) Coalition in the Philippines convened in Manila in a closed-door session of distinguished hotel developers, owners, operators, industry body representatives, hotel development professionals, and experts. The two-hour event divided sessions into thematic topics, with participants taking turns facilitating the topic and the facilitators engaging the participants toward a productive discussion on the overarching topic of the pilot roundtables: *how to get hotel owners engaged and build a successful coalition to support them.*

## WINS FROM THE MANILA HOT ROUNDTABLE

-  In preparation for the roundtable, Henry Hotels' owner inquired about sustainability being embedded into the design of the current hotels projects, and became more aware of opportunities in passive design and efficient lighting as a starting point.
-  Two hotels agreed to pilot the free rating system of the Philippine Green Building Council.
-  A commitment to draft the "Boracay Clause" - basic language relating to sustainability in management agreements - was made so that language could be socialized among legal professionals to incorporate as a standard point in contract negotiation and bring more awareness of the topic.
-  A group WhatsApp chat was started among roundtable participants to informally and quickly share best practice and updates for sustainability in hotel development, ownership, and operations and extend it beyond
-  An agreement was reached to host a HOT roundtable and similar trends presentation in Subic Bay with the hotel association.

## “WE CAN’T HAVE ANOTHER BORACAY”

The closure of Boracay has been a call to action for hotel owners, developers, operators, and associations in the Philippines. The central issue of Boracay framed the afternoon’s discussion as led by Cyndy Tan Jarabata, CEO/Founder of Tajara Leisure & Hospitality Group. Participants opened the conversation with a recap of issues relating to Boracay’s closure including the need for destination masterplanning, auditing and inspection of adherence to the regulations on sewage treatment, land easements, and waste management.

In Boracay and many other places, regulations – and their adherence – in the Philippines are central to the issue. Some are counter-intuitive to sustainability, was mentioned in the case of the DOT penalizing of using carafes instead of plastic bottles in quality standards. Others are on par with

global standards and in some cases even exceed them. The regulatory framework for decentralized energy grids, for example, is well developed in the Philippines. LGU ordinances also demonstrate initiative. Tagaytay for example has a regulation that new businesses and even couples applying for a marriage license must plant trees as part of the process, as mandated by local ordinance. However, though regulations or codes exist, lack of enforcement has been a challenge not only in Boracay but in many destinations as Mariglo I. Lararit, Director of Sustainability at Ten Knots Group / Ayala Hotels and Resorts Corporation, pointed out in the case of El Nido. “Single-use plastic were banned by the LGU in 2013,” explained Lararit. “But the ordinance was never implemented by the new administration.” With the current global attention to reduction and elimination of single-used plastic for consumers and guests, now is the time to take a fresh look at the ordinance. The issue has also helped drive more interest in sustainability from owners, as the case in El Nido where Lararit indicated that the owner of the resort became aware of the ordinance and influenced the management to comply with it and help drive the transition.

Though many of Boracay’s hundreds of hotels were fully compliant with regulations, they were all affected negatively by the closure resulting from peers who had not. Jose Mari del Rosario, President & CEO PHINMA Microtel Hotels Inc., was the first international chain on the island, discussed how the island’s development could be seen in a trend toward non-compliance because of lack of enforcement. Other participants expressed the difficulties faced resulting from Boracay, and the need for industry collaboration to improve practices as well as coordinating or structuring response mechanisms for grievances before larger impacts occur. Boracay has been a wake-up call for other small island destinations in the Philippines such as Coron, El Nido, Puerto Princesa, Siargao, Panglao, and Puerto Galera now attempting to correct similar issues before threats of closure ensue. Most importantly, the Boracay case has been a call to action for hotel owners to convene and discuss sustainability.



## NOW IS THE TIME, AND THIS IS THE GROUP TO MAKE AN IMPACT

The impressive list of developers, owners, and managing directors from operators at the table was a testament to the willingness to pursue more discussion in hotel sustainability. “This is the group to have an impact. We are small but by collaborating, we can make a big impact,” said Santiago R. Elizalde, President & CEO of Roxaco Land Corporation. Elizalde called action for effective collaboration by starting a group chat for the roundtable to begin easily [the WhatsApp Group Chat was activated shortly after].

Jarabata invited discussion regarding the opportunities for Public-Private Partnerships (PPPs) to interface better with government. James Montenegro, country manager for Chroma Hospitality, outlined their case of a green resort development in Clarke, an LGU that operates extremely efficiently. Chroma brought in their own providers for many of the smaller infrastructure upgrades, signing a tripartite agreement, and collaborating to improve the regulations within the LGU. Such action makes the project more viable and embed renewable energy, energy efficiency, and management of water and waste.

Zed Avecilla, President of the Subic Bay Hotels, Attractions, and Tourism Stakeholders Visitors Board, exemplified the continued approach in Subic Bay, “You can’t fight the battle alone, you have to collaborate.” As discussions toggled between national-level opportunities versus local engagement, Avecilla described how each area will have its own local issues and convening locally is needed. In Subic Bay, a campaign on waste generated over 90,000 volunteers because it is a central issue. The Visitors Board also was coordinating a sustainable hotel conference in September to build capacity in the destination. Montenegro called for opportunity to engage the Hotel Owner Associations which can develop more leadership in sustainability. All agreed recurrently, however, that the awareness and collaboration needs to spread beyond Metro Manila and into the other key destinations across the Philippines.

## BUILDING AWARENESS ACROSS THE HOTEL COMMUNITY

“Sustainability is an overused word, but there is no similar understanding of it,” said Jarabata in one of many entry points for discussion facilitated by her throughout the roundtable.



Jose Mari del Rosario, President & CEO, PHINMA Microtel Hotels Inc.

Understanding of sustainability as a concept will only work in practical terms for hotel owners. “Owners want to apply solutions that are simple, low-cost, and are proven to improve the bottom line,” said John Dustin Chan, Managing Director of The Bellevue Hotels and Resorts. Chan, like many others at the table, admitted only recently starting to more formally approach the topic of sustainability. “We are just now starting to explore and figure it out.” Chan reiterated the opportunity for building awareness directly when more information can be spread. Hanky Lee, owner of Henry Hotels, offered that as a result of the HOT engagement, has started to inquire more specifically to the architects on their latest resort projects

regarding the aspects that are being incorporated. Asking questions during the development process – the first tenet of the HOT Coalition commitment – is an easy start that can bring results. Del Rosario discussed their use of inverters, which had been seen as too costly to implement but can

generate returns. Spreading more knowledge of how to implement benefits all and in particular owners with limited capital.

Raymond Rufino, Chair and Co-founder of the Philippine Green Building Council, facilitated the second session with the perspective of Green Building in the country. Rufino first highlighted the awareness components not only serve for best practice, but for opportunities. “There is a lot of capital available that is marked in quotas for green building incentives and loans,” he explained. Such opportunities to reduce capital costs or come to favorable Purchase Power Agreement (PPA) terms can be brought to the deal if understood.



Rufino outlined the case of the Philippines for Green Building as a matter of getting started. As opposed to other types of building certification, the [Building for Ecologically Responsive Design Excellence \(BERDE\)](#) Rating Tool they designed is geared toward best practices and encourages utilizing the criteria as a starting point. “Even if you only implement half of the criteria, that is much better than doing none of it,” said Rufino who outlined the rating scheme addressing the most practical opportunities with less than a three-year payback, but also giving a roadmap for owners and developers’ project teams to utilize throughout developments and renovations. Certification carries fees, though the rating tool itself is publicly available free of charge. Several others reiterated the benefits of this approach, including Elizalde who offered that the simple start is to pick the 30 criteria that make the most sense for the project, citing the example of Tagaytay where water cost is high and efficiency pays.

Though the rating system has been successful in the Philippines for other asset classes, Rufino reiterated the lack of awareness being a challenge and specific to the industry. Prior to the roundtable, the pilot rating system had not been able to attract any pilot hotel participants. As a result of the roundtable, two hotels offered to participate during the discussion.

Other frameworks are useful to help structure the discussion and engage both owners and customers. Both Neil Rumbaoa, Vice President of Marketing at SM Hotels and Conventions, and Margie Munsayac, VP of Sales & Marketing at Bluewater Resorts explained their adoption of the UN Sustainable Development Goals and alignment to some of them as an approach for their activities.

Finally, one interesting idea emerged from the roundtable of drafting standardized language to include in operating agreements, and to disseminate this “Boracay Clause” among the legal professionals in the industry to incorporate as part of their points for negotiation. As Ari Ben Sebastian explained, just having a clause with that language will help build awareness among the legal community, and in turn will help get the discussion going among key stakeholders. Relating it to Boracay is both an opportunity to relate it to the risks of not addressing sustainability, as well as a

case for how Boracay and its constituents are helping bounce back from the closure with efforts to improve the vitality of its own destination as well as others.



Cyndy Tan  
Jarabata,  
CEO/Founder,  
Tajara Leisure &  
Hospitality Group

“Sustainability is an overused word, while also not similarly understood. There is so much interest in the Philippines at the moment to act, and we have started to embed the discussion in our own design briefs, but also to engage destinations across the region, including Boracay to bounce back even better. I am glad the Hotel Owners for Tomorrow Coalition is able to provide a platform for discussion here.” – Cyndy Tan Jarabata, CEO/Founder, Tajara Leisure & Hospitality Group



## JOIN THE COALITION

HOT is a true a coalition, with limited overhead or administrative structure, intended to advance peer-to-peer sustainability discussion among owners and investors. Ongoing roll-out is undertaken by the coalition's constituents through their various roles, channels and initiatives including roundtables, internal presentations, and a resource library. Types of entities that may join the Coalition:



**Signatories** – owners of hotel real estate who commit to the principles and follow them. Some entities may play a dual role for both owning hotels and managing hotels for other owners.



**Industry Partners** - entities with a direct relationship with owners and whose performance directly benefit from owner commitments (e.g. hotel brands and management companies).



**Network Partners** - entities that benefit indirectly from the initiative's success because it is also aligned with their mission, purpose, or complementary initiatives (e.g. industry associations and initiatives).



**Supporters** – entities that help hotel owners make investment decisions, or media that helps promote them. ***Not vendors of green products or services.***

## HOW TO JOIN THE HOT COALITION



The entity or a significant portion of its parent ownership of the entity is **headquartered in an Asian country** and owns a controlling interest in at least one property classified as a hotel/resort.



**All four types of Coalition members**, including Signatories, Industry Partners, Network Partners, and Supporters can **join by signing a commitment form** found here: <http://www.hotelsfortomorrow.org/jointhecoalition/>, subject to approval for meeting the criteria for each membership type.



The Owner Signatory **carries out its commitments** and **promotes becoming a signatory** to other entities who become interested.



The Industry Partner and Development Supporter roles are to **engage owners to become signatories**, and **support signatories in implementing the principles**.



The Network Partner and Media Supporter roles are to **provide external credibility to the initiative** and **help disseminate it throughout their networks**, further enabling signatories to be recognized.

# COALITION MEMBERS

As of 1 October 2018

## OWNER SIGNATORIES

Akaryn Hotel Group  
Brightland Hotel Pvt Ltd  
Cempedak Private Island  
Crystal Creek Meadows  
GreenPlace Assets  
Harilela Hotels  
The Hongkong & Shanghai Hotels  
Hong Kong Cyberport  
Intermass Engineering & Contractors  
ITC Hotels  
Jasminn by Mango Hotels  
The Lighthouse Marina Resort  
Nikoi Island  
Pt Dua Cahaya Anugrah  
Pt Anugrah Karya Bangsa  
Swire Hotels  
Taj Hotels Resorts and Palaces

## INDUSTRY PARTNERS

Estilo Hotels  
Hyatt Hotels Corporation  
Kokotel Bed & Café  
Marriott International  
Meritus Hotels & Resorts  
Six Senses Hotels, Resorts, Spas  
Wyndham Worldwide

## NETWORK PARTNERS

GreenOtels  
International Tourism Partnership  
Pacific Asia Travel Association  
Subic Bay Hotels, Attractions, And  
Tourism Stakeholders Visitors Board

## SUPPORTERS

C9 Hotelworks  
Horwath HTL  
Greenview  
Northside Consulting  
Tajara Leisure & Hospitality Group  
Tourism Solutions International  
TTG Publishing Travel Trade

Hotel Owners for Tomorrow is a grass-roots initiative of the hotel industry, launched in late 2016 and currently under pilot in Asia for bringing hotel owners to the global discussion of sustainability with financial acumen. There is no cost for owners to join, as this is a voluntary pledge, and the 5 actions do not require a financial commitment.

For more information and to join the coalition, visit [www.hotelsfortomorrow.org](http://www.hotelsfortomorrow.org).

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