#### CIB Facilities Management Conference 2014

# Investigating the energy performance and maintenance resources of quality hotels in Hong Kong

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# Outline of presentation

- Introduction
- Past relevant studies
- Approach
- Findings
- Conclusions

### Global building sector

- more and more buildings
- more and more sophisticated facilities in buildings
- more and more energy consumption
- greenhouse gas emitted → global warming



- Buildings in Hong Kong
  - high-rise, jam-packed



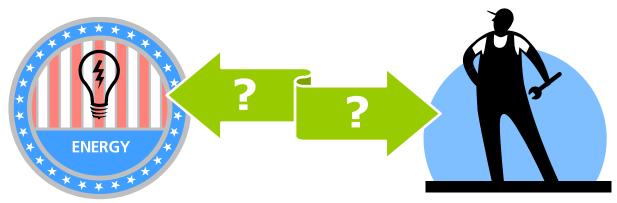
- Hong Kong
  - a popular tourist destination
- **2012** 
  - over 48.6 million visitors
  - over 23.7 million were overnight visitors
  - average length of stay was 3.5 nights
- **2013** 
  - Over 54.3 million visitors
  - more and more hotels are needed



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- Hotels with quality facilities
  - engineering installations (chiller, boiler, lift, and lighting ...)
  - leisure facilities (swimming pool, sauna, gym equipment ...)
- Biggest share (42%) of total energy use due to the commercial sector
- Hotels belong to the commercial segments that used
  - 40,255 TJ in 2000
  - 63,962 TJ in 2010
     (1 TJ = 10<sup>12</sup> J)

- Energy use and occupancy cost during O&M stage of a building life cycle prevail over other stages
- Yet little has been done to research into the relation between energy performance and maintenance effectiveness of hotels



Aimed at contributing knowledge to this area, a study was carried out

## Past relevant studies

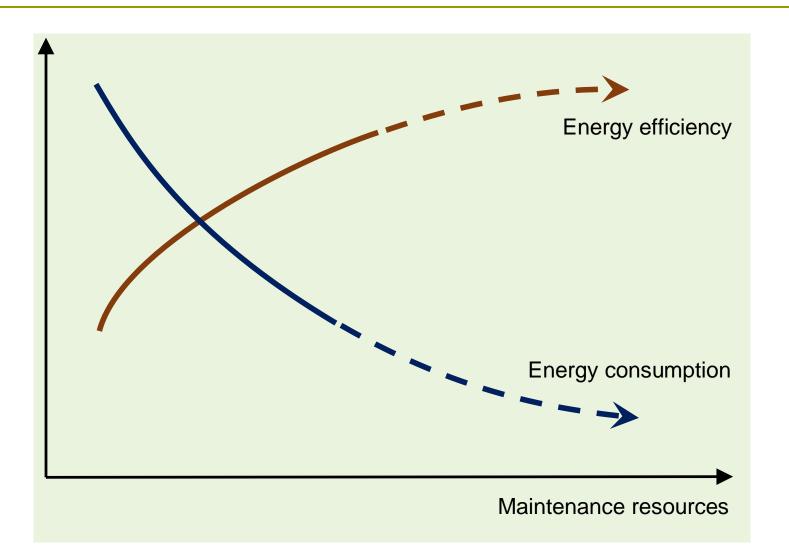
- Many research studies have been carried out to study the energy use of buildings, including hotel buildings.
- Some investigated parameters such as
  - business performance (e.g. revenue, return on investment)
  - management/administrative expenses (e.g. labour cost, front-of-the-house hours)
- Some on O&M costs of hotels
  - energy cost being the greatest

## Past relevant studies

- A group of studies focuses on energy performance of hotels
- Another emerging group probed into the maintenance performance of hotels
- Limited studies on the relation between energy performance and maintenance resources

#### The premise

- energy performance is linked with level of maintenance
- higher level of maintenance resources input
  - allow more and better maintenance work to be carried out
  - enable the energy-consuming facilities to perform more efficiently
  - energy-efficient facilities use less energy



- Energy performance refers to the amounts of utilities the building consumed
- Maintenance resources include those for
  - maintenance staff
  - routine repair and maintenance work
  - some capital projects to improve existing facilities
- Such utilities and costs data are
  - sensitive and difficult to obtain
  - therefore collected by face-to-face interviews
- A data template was designed to facilitate collection of the utilities consumptions and maintenance resources data

- Types of data collected:
  - star rating of hotel
  - building age
  - gross floor area
  - number of guestrooms
  - occupancy rate
  - annual costs of maintenance staff, repair and maintenance work, and capital project
  - annual consumptions of utilities including electricity, diesel oil, town gas, and water
- Maintenance costs include all those required for
  - builder's works (e.g. façade, roof, ground)
  - building services installations (e.g. electrical, air-conditioning, fire, piped services)



- Analysis was started with figuring out the descriptive statistics of the data, including
  - those about the characteristics of the hotels
  - utilities consumptions
  - amounts of maintenance resources input
- Then data were processed to generate benchmarking curves for the various kinds of utilities consumptions and maintenance resources
- Finally correlations between different parameters of energy consumption and maintenance cost were tested to identify the relation between energy performance of the hotels and their maintenance resources.

#### ■ Data of 20 hotels

- Collected from Director of Engineering/ Chief Engineer
- 11 nos. 5-star hotels (e.g. Marriott)
- 9 nos. 4-star hotels (e.g. Holiday Inn)
- total guestrooms: 10,529 nos.



#### Characteristics of the hotels

	Mean	Min.	Max.	S.D.
Star rating	-	4	5	-
Building age (year)	16.9	2	34	9.3
Floor area (m²)	41,401	14,975	65,024	14,359
Guestroom (nos.)	526	113	884	174
Occupancy rate (%)	84.8	65.0	94.0	7.3

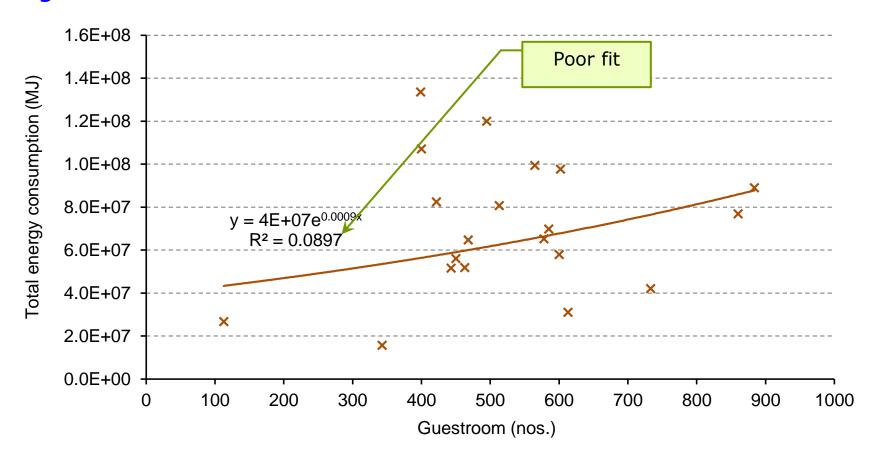
## Annual utilities consumptions of the hotels

	Mean	Min.	Max.	S.D.
Electricity (GJ)	50,197	15,259	109,101	22,605
Town gas (GJ)	11,908	500	55,317	11,984
Diesel oil (GJ)	8,892	0	40,007	13,586
Water (m³)	162,843	43,305	297,000	61,334

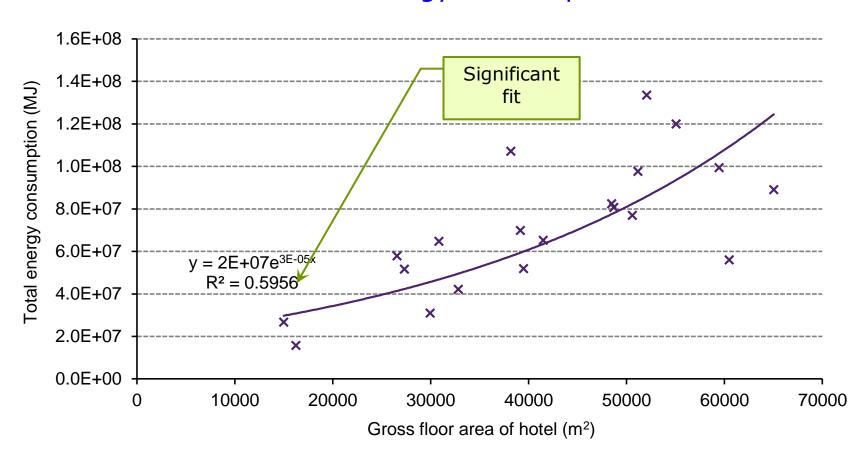
#### Annual maintenance resources of the hotels

	Mean	Min.	Max.	S.D.
Repair & maintenance (HK\$)	8,255,100	1,698,857	18,414,369	4,884,890
Capital project (HK\$)	11,126,478	1,191,000	23,000,000	7,502,980
Maintenance staff (HK\$)	5,692,214	2,469,018	8,845,669	1,917,371
Total (HK\$)	44,117,196	12,253,324	62,898,628	12,745,538

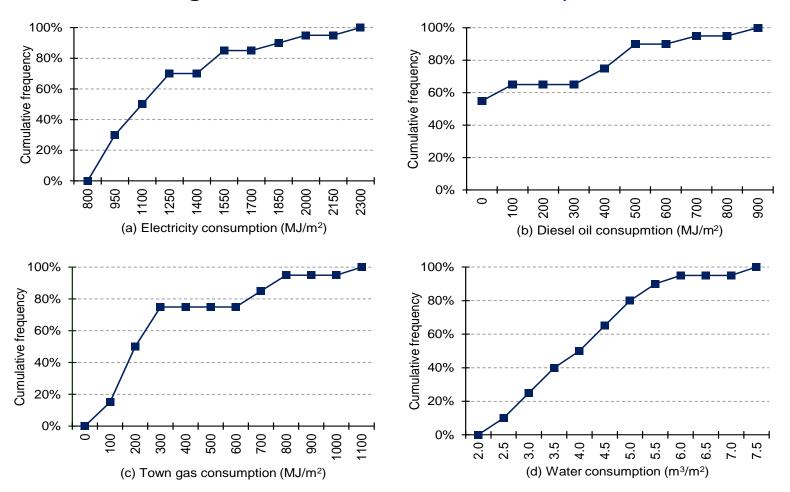
Relation between total energy consumption and number of guestrooms



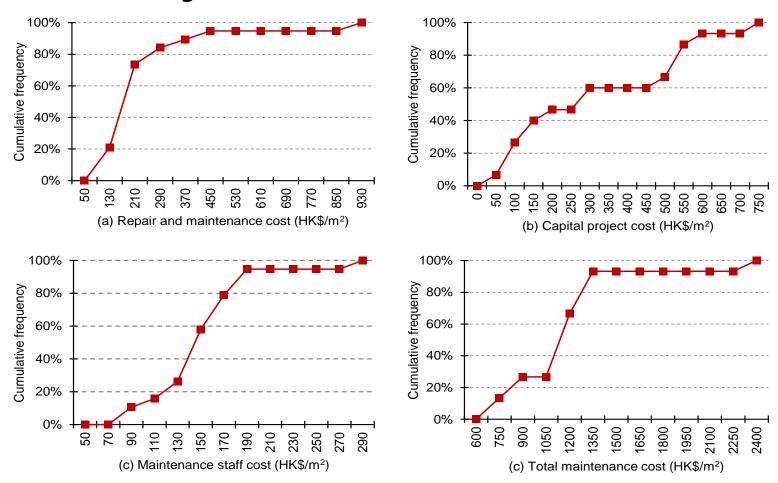
Relation between total energy consumption and floor area



Benchmarking charts for utilities consumptions



#### Benchmarking charts for maintenance resources



Correlations between total energy use and characteristics of the hotels

Parameter	n	Pearson coefficient, r	Sig.
Age (years)	20	0.0574	0.8099
GFA (m <sup>2</sup> )	20	0.7280	0.0002**
Guestroom (nos.)	20	0.1759	0.4581
Occupancy (%)	20	-0.3846	0.0940

<sup>\*\*</sup>correlation is significant at the 0.01 level (2-tailed)

 Correlations between total energy use and maintenance resources

Parameter	n	Pearson coefficient, r	Sig.
Repair and maintenance cost (\$)	19	0.3863	0.1023
Capital project cost (\$)	15	-0.3318	0.2269
Maintenance staff cost (\$)	19	0.6248	0.0042**
Total maintenance cost (\$)	15	0.0865	0.7592

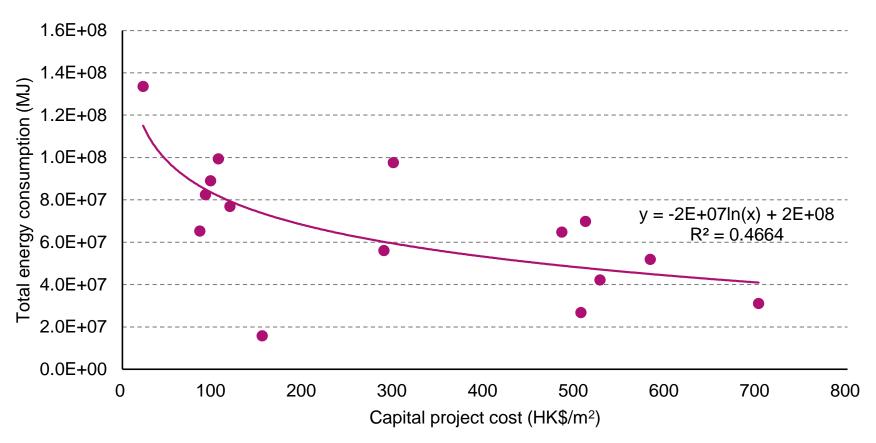
<sup>\*\*</sup>correlation is significant at the 0.01 level (2-tailed)

 Correlations between total energy use and normalised maintenance resources

Parameter	n	Pearson coefficient, r	Sig.
Repair and maintenance cost (\$/m²)	19	-0.1693	0.4884
Capital project cost (\$/m²)	15	-0.5930	0.0198*
Maintenance staff cost (\$/m²)	19	-0.3130	0.1920
Total maintenance cost (\$/m²)	15	-0.5550	0.0317*

<sup>\*</sup>correlation is significant at the 0.05 level (2-tailed)

Relation between total energy use and capital project cost



## **Conclusions**

- The study is among the limited research that attempted to investigate the link between energy performance and resources used for maintaining hotel buildings.
- It showed that among the various energy uses, electricity consumption dominated.
- Enormous amount of maintenance resources
- Capital projects cost generally exceeds cost for maintenance staff or repair and maintenance works

## **Conclusions**

- Instead of number of guestrooms, gross floor area was found to be a better parameter for normalising the total energy consumptions of the hotels.
- Cumulative distributuion curves were developed based on the normalised data for
  - benchmarking energy consumptions
  - benchmarking maintenance resources
- These benchmarking tools can facilitate comparison and evaluation of the energy performance and maintenance effectiveness of similar types of hotels.

## **Conclusions**

- Gross floor area, representing the scale of hotels, was the only characteristic parameter exhibiting a strong correlation with the total energy use of the hotels.
- The correlation analyses showed that hotels with greater investment in capital projects were less demanding in their total energy use.
- This highlights the link between energy performance and maintenance works for improving condition of facilities.
- □ Further work to examine the effects of factors such as grade, age, and occupancy rate on the maintenance resources as well as energy performance of the hotels.

# End of presentation

Thank you!