

PRO-INVEST GROUP SUSTAINABILITY CASE STUDY

Holiday Inn Express Sydney Macquarie Park

August 2019



SUMMARY

Located in the heart of the major commercial precinct of North Ryde Sydney, the Sydney-based asset marks Australia’s first Holiday Inn Express hotel and Pro-invest Group’s first operational hotel. Holiday Inn Express Sydney Macquarie Park offers a smart choice for value conscious business and leisure travellers, with the hotel’s business model strongly ingrained in operating ‘smart’ – offering guests everything they need and nothing they don’t. This philosophy extends to the hotel’s sustainability design, considerations for furniture, fixtures and equipment, and operation.

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LOCATION

10 Byfield St Macquarie Park, Sydney NSW 2113, Australia

SPECIFICATION

Property type	Select Service Hotel + Retail (c. 100m2)
GFA	5,957m ² (hotel only)
Floors	Lower Ground, Underground and 7 Levels
Hotel rooms	192
Acquisition date	Q4 2013
Hotel opening	Q2 2016
Current project status	Operational
NABERS Rating	4.5-Star Energy 4.5-Star Water

ACHIEVEMENT

The hotel has achieved a post-construction 4.5-Star rating for both Energy and Water under the National Australian Built Environmental Rating System (NABERS) for two consecutive years.

NABERS assessments are performed by third-party consultants to calculate and rate the performance of real estate assets on a particular environmental indicator at a certain point in time based on 12 months of retrospective consumption using a 6-Star rating scale, with 3-stars being indicative of industry average and 6-stars demonstrating market leading performance. Through continuous efforts to enhance the asset’s efficiency, the hotel reduced its carbon footprint by nearly 64 tonnes of CO₂-e in 12 months. Over the 12-month period, the GHG emissions reduction for scopes 1, 2 and 3 declined by 6% meanwhile GHG emissions for scope 1, 2 and 3 per room experienced a 7% reduction year-on-year. The energy intensity during the 12 months fell by 4%, as electricity usage declined by 1%. Markedly, through Measurabl Sustainability Software analytics, over 10% in electricity expense savings were recorded when comparing the 2017 to 2018 rating periods, which in monetary terms translated to a decline of over A\$23,000.

Further, water consumption during the period reduced by 9%, while water consumption per room too underwent a 9% reduction.

Measurabl analytics demonstrate a usage reduction total of nearly 22%, translating to a water expense savings of over 10% which equates to approximately A\$5,000.

The Sydney-based hotel currently holds the highest NABERS rating for hotel assets in Australia. Despite only three hotels (including that of Sydney Macquarie Park) currently holding NABERS Energy ratings in Australia, Pro-invest Group acknowledges the benefits of the NABERS rating system and as such continue to design its hotel portfolio to achieve a minimum 4.5-star NABERS Energy rating. Pro-invest Group strives to push the boundaries with respect to what the portfolio could achieve, with for example, collaborating with environmentally-focused investors such as the Clean Energy Finance Corporation for a A\$39 million term debt finance facility to assist with the uplift of 0.5-stars to its Holiday Inn Express Melbourne Southbank hotel to achieve a NABER Energy rating of 5-stars upon completion.

The hotel was able to achieve the carbon reduction through Pro-invest Group engaging CIM Enviro to assist in advancing the asset's energy consumption via their building tuning software, which streams live performance data to operators while utilising machine learning and real-time data processing.

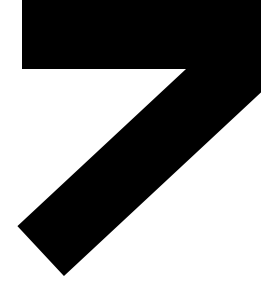
With the analytics of CIM's ACE Platform, the Sydney-based hotel was able to identify a range of opportunities to boost performance, such as identifying anomalies in the Fan Coil Unit's supply air temperature, with CIM Enviro providing recommendations to address the inefficiencies (often without the requirement for any capital investment). A Fan Coil Unit is a device consisting of a heating and / or cooling heat exchanger. Should a Fan Coil Unit not operate efficiently in accordance with a hotel's operational characteristics, impacts to the hotel include that of poor thermal comfort to guests and employees, along with unnecessary expenses reaching well into the thousands while drawing on a greater energy load than necessary.

Further, the Sydney-based hotel has been designed, and continues to operate, with considerations derived from Green Engage. Aligned to ISO Standards and LEED, Green Engage is a sustainable platform developed exclusively for InterContinental Hotels Group (IHG)-branded hotels. Fundamentally, the platform functions as a sustainability guide, offering c. 200 initiatives to implement throughout development, refurbishment and operation phases, and as an Energy Management System and Data Management System.

To track utility consumption on both an asset and portfolio-basis, in January 2019, Pro-invest Group adopted Measurabl – the world's most widely adopted sustainability software for commercial real estate. Measurabl enables Pro-invest Group to track utility consumption on both a portfolio and asset level via the platform's auto utility sync capabilities. The platform is utilised in parallel to IHG's Green Engage platform. Providing investment grade data, Measurabl eases the burden of data collection – freeing up Pro-invest Group resources to focus on other ESG matters, improve consumption monitoring and management, along with simplifying reporting on a company level to the Global Real Estate Sustainability Benchmark's annual Real Estate Assessment.

Further, testament to its sustainable design is the fitout of 100% yarn recycled carpeting, covering over 45% of the asset. The carpet is of a modular structure, meaning less waste is generated during the installation and renovation phases.

The hotel is additionally designed with a smart Energy Management System for all guest rooms. This system determines if a room is occupied or vacant through a series of motion sensors. If the room is deemed vacant, and the guest forgets to manually turn off lights and Air-conditioning, the system automatically shut these down.



KEY FEATURES

At the operational level, the Sydney Macquarie Park asset consistently strives to incorporate sustainable initiatives to lower its overall environmental impact, save costs on utilities and assist the surrounding community. For instance, Pro-invest Group in partnership with IHG introduced the 'A Greener Stay' program to the Asia Pacific region in December 2017, with the program having the key characteristics of generating substantial environmental and financial savings, with the added bonus of encouraging new IHG Rewards Club members. Essentially, the program allows all hotel guests staying more than two nights to forgo housekeeping services and the replacement of bathroom amenities during their stay to reduce the footprint of their stay, with the hotel rewarding those guests with bonus IHG Rewards points. In the 12 months to June 2019, over 2,800 'A Greener Stay' nights were recorded with the initiative generating nearly A\$38,800 in savings. With housekeeping services outsourced as part of the hotel's lean operating model, it has been estimated that as a result of the A Greener Stay program, water consumption during the year ending June 2019 period reduced by over 4,000 litres of water.



Further, under the guidance of IHG and management of Pro-invest Group, as at mid-2018, the Sydney Macquarie Park hotel commenced phasing out the usage of plastic. It is estimated that the hotel will save approximately 3,000-4,000 plastic straws from entering landfill per annum. The hotel has also commenced the removal of plastic water bottles from the hotel offering, providing glass water bottles which can be purchased and refilled with cold water using the hotel's energy and water efficient Zip Taps.

During late 2018, the Sydney-based asset commenced participating in Soap Aid's Hotel to Hands Program which enables waste soap to be diverted away from landfill to a charity with a good cause.



Soap Aid is an Australian based charity whose main mission is to save children's lives through improvement of hygiene while positively impacting the environment. The not for profit organisation collects, sorts, cleans and reprocesses discarded hotel soaps and produces fresh, hygienic soap bars contributed by the Sydney-based hotel and recycles every bar of soap to then distribute to communities and children across the globe facing major hygiene challenges. Since the implementation of the initiative in November 2018, over 53kg of soap have been collected by the hotel, which Soap Aid have turned into 530 bars of soap. Holiday Inn Express Sydney Macquarie Park has additionally partnered with Planet Ark to collect used printer toner cartridges, which will be diverted away from landfill.

INFORMATION

Pro-invest Group
www.proinvestgroup.com

For further information, please contact:
 Dr. Sabine Schaffer, Managing Partner
 Email: sabine.schaffer@proinvestgroup.com
 Main line: +61 (0) 405 014 447

To read about Pro-invest Group and its management of sustainable hotels, please [click here](#).