

Timeshare GOES GREEN



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Resorts are realizing that energy efficiency, sustainability serve multiple bottom lines

BY ED FINKEL

Timeshare companies are going well beyond recycling programs and biodegradable straws in the search for energy and water efficiency, sustainability, and conservation. Along the way, they're realizing that such initiatives can make them greener in more ways than one.

Rhiannon Jacobsen of the U.S. Green Building Council said she sees continued progress in the sector, noting that more than 1,000 hotel or resort projects are LEED (Leadership in Energy and Environmental Design) certified by the USGBC, of which more than 600 are in the U.S. The USGBC does not break down those statistics into timeshare versus other types of properties, said Jacobsen, managing director, U.S. market transformation and development.

"Hospitality is definitely moving forward," she said. "We are seeing more and more properties move through the LEED certification process, measuring energy, water, and waste." She added that while people are most aware of timeshare brands, it's vital that all parties be involved in such conversations. "We want the owners to be present," Jacobsen said.

EVs at BGV

Breckenridge Grand Vacations in Breckenridge, Colorado, puts sustainability front and center, according to Juli Rathke, executive director and director, corporate communications. The timeshare company ensures this by not only setting enterprisewide goals but also by encouraging "sustainability champions" to set department-by-department goals, and to think about not only the workplace but the wider community as well.

For starters, BGV is endeavoring to be part of the "electric vehicle revolution," Rathke said. "We are trying to be a leader in making charging stations available, and not just at resorts. In any future projects, we will go above and beyond, and not just in drip capacity but with superchargers [which charge many times more quickly]. Our charging stations at all resorts have been retrofitted. We're looking at doing this at a massive scale for future developments."

BGV also has invested \$1 million in a solar "garden" comprising solar panels that are planted in the ground and used to offset energy use in the company's administrative buildings, Rathke said. In 2018, these panels offset 423,000 kilowatt hours of energy use, covering several office

buildings and the Breck Inn, a small hotel the company owns, she said. Constructed in conjunction with the town of Breckenridge, the investment takes advantage of being in a location that enjoys more than 300 days of sunshine per year, she added.

In addition to the solar "garden," BGV maintains an actual garden that's part of a community-garden zone with the town of Breckenridge. Employee volunteers sign up on a seasonal basis to maintain and harvest a mix of greens, herbs, tomatoes, peppers, zucchini, and other vegetables, which are then distributed to their fellow employees, Rathke said. "BGV sustainability champions put the schedule together," she said. "It's all above their typical scope of work."

BGV attempts to recapture energy use in other ways, as well. The energy from cooling towers in an ice rink at one of the company's resorts is captured and reused to heat areas of the building, Rathke said. "That is state-of-the-art HVAC technology," she said. And the company takes extra steps to make events as sustainable as possible — for example, at one recent event attended by 600 people, the total amount of trash headed to a landfill was probably comparable to two families' garbage over a week's time, Rathke said.

Conservation Over the Long Run at River Run

From the beginning of its nearly half-century in business, Bartlett, New Hampshire-based River Run Co. has always been sustainability- and conservation-focused, said Joe Berry, company president. He remembers the genesis of River Run in the mid-1970s when he built 18 houses along a ski trail and kept most of the trees surrounding the trails in place.

"I was surprised when I went across to the other mountain and couldn't see any of the 18 houses," Berry said. "It's about being subtle — doing new construction that's not very impactful, being aware of how to build things that have minimal destruction. Some of the owners from that first phase are still living there. They've never cut down any of the trees."

River Run has used "dozens of tricks" to make its properties as energy-efficient as possible over the decades, Berry said. "We've always put in wood-burning stoves," he said. "We've showed people how to keep their utilities [bills] low by turning their refrigerator to the least cold setting, and to turn their hot water down to 115 degrees. Most people have it at 140 degrees, and every time you use hot water, you're damping it with cold water. ... One of the things I've discovered — the good news about being environmentally conscious — is that every single thing you do is, coincidentally and wonderfully, very economical."

River Run is future-focused as well, having installed solar panels on the roof of one of its office buildings that have significantly cut down on energy usage, Berry said. "We have oil-fired boilers for our domestic heat and hot water. We hardly even need those anymore," he said. "We have them hooked up for those times you do need them."

The company also is adding two electrical vehicle hookups in its parking lots at each resort this year, for six total, Berry said. "It is attracting a more environmentally sensitive buyer for their weeks," he said. "We will be adding those as the need demands."

In addition, River Run has longstanding, "very friendly" relationships with conservationist groups such as The Nature

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Conservancy and the Audubon Society, which have used River Run's facilities in various ways, and the local Upper Saco Valley Land Trust, of which the company was a founding member, Berry said. And he's been part of environmentally focused committees both regionally and nationally through ARDA, in addition to serving on ARDA's national board, he said.

Timeshare is inherently conservationist by its very nature, Berry noted, because its buildings are almost always occupied — whereas other types of properties along a ski trail might only be occupied 20 nights a year. "They're big houses, they're pretty and so forth, but they have a lot of impact on the environment and very little use," he said. "When we build our houses to put into a vacation-ownership regime, they get used at least 45 weeks. That is conservation. That is very green, in terms of buildings having high occupancy versus very little occupancy."

Lemonjuice Opens Revitalization Opportunities

Although its core business for the past 37 years has revolved around managing timeshare properties, Lemonjuice Capital Solutions possesses the additional competency of restructuring legacy properties that don't function as well for timeshare anymore and returning them to a more traditional real estate model, said Scott MacGregor, executive vice president and chief operating officer. That, in return, leads to energy efficiencies.

"We're dealing with old buildings that, by their nature, tend to be very inefficient," he said, adding that aged resorts tend to lack capital reserve funds, which can make

reengineering a facility more difficult despite the desire to be more efficient.

Lemonjuice itself handles a certain amount of this, replacing features like windows and HVAC systems to prepare properties to be sold, although that is done "as we go, and not at scale," MacGregor said. But what Lemonjuice doesn't bring up to date, the new buyers of the properties end up doing, sometimes based on regulatory requirements.

"Out of necessity, they are substantially reinvesting in those projects to bring them up to better operating standards for their new business model," he said. "Our business model is providing an opportunity for a new level of reinvestment in these properties when they're trying to make budget from year to year, dealing with whatever they can from owner reassessments."

Lemonjuice is also mindful of sustainable features at the properties the company manages, MacGregor said. "Like everybody else, we're trying to use the green chemicals in our housekeeping, [and other] green and recyclable materials," he said. "These bigger systemic fixes of changing out the energy systems or the HVAC systems within the properties takes a multiyear plan and commitment to make that happen."

A companywide initiative called "All LED by 2023" will have an all-encompassing impact, MacGregor believes. "I'm talking about parking-lot lights, safety lights in the hallways, when we're replacing light bulbs in units or common elements as they go [out], we're upgrading to LED," he said. "We're challenging resort managers to find components in their property that they might not think about and put them into budgeting for the next couple of years — that we're going to be proactively replacing things, not

because they're at the end of their useful life but because it's part of this initiative. ... It's a fairly big undertaking."

The All LED initiative began at the Bay Club Resort in Ocean City, Maryland, a 60-unit legacy property that Lemonjuice manages, half of which is being converted to luxury ownership condominiums, MacGregor said. The company is doing a full-blown engineering study of the project and figures to be replacing all the windows and sliding-glass doors.

"It's a multimillion-dollar undertaking to get them up to modern standards," he said. "In that process, we're evaluating all the energy efficiency we can do. We'll be installing HVAC shutoff switches so that if people leave their doors open, they're not running the air-conditioner out of the room. ... I'm going through the property at a very detailed level, with parking lights, and emergency lights in the stairwells. In some of the common areas, we're installing motion-sensor switches, if we don't need lighting constantly for safety reasons."

Green Buildings Pay Off

Jacobsen of the USGBC points to research performed by her organization and others that underscores the benefits of sustainable operations. For one, consumers purchase from and invest in companies and brands that "represent the attributes they feel committed to," she said. "Sustainability is one of those."

Secondly, one silver lining of the COVID-19 pandemic has been the greatly increased focus on indoor air quality, Jacobsen said. "Two years ago, you would never have heard people talk about indoor air quality," she said. "In today's world, they are concerned about the air they breathe. Things like healthy air quality, or reduced use of energy and water, these are things people are committing to on a personal level, and they expect from properties."

The USGBC's own research and that of other groups showed that LEED-certified buildings use 30% less energy and a similar figure with regard to water, Jacobsen said. "The business proposition for this is huge," she said. "Outside of the notion that people

Green Initiatives Around the Planet

The concepts of sustainability and conservationism have taken hold over the decades throughout the timeshare industry. Here's a sampling of what some of ARDA's key developer members have been doing to preserve the planet while running their successful businesses:

HGV

Hilton Grand Vacations has worked to reduce its carbon footprint through energy-efficient programs and updates like LED lighting, energy-efficient appliances, and higher-efficiency HVAC systems. The company leverages technology to cut its water consumption, reclaim as much water as possible, and lower the impact on water resources near its properties. For more than a decade, HGV has tracked its environmental and overall social responsibility performance through the comprehensive LightStay platform.

WYNDHAM DESTINATIONS/ TRAVEL + LEISURE CO.

Wyndham and Travel + Leisure has put forth specific performance targets for sustainability initiatives, including a 20% threshold for renewable energy use for total electricity consumption in its managed resorts, 2 million trees planted by 2025 through a partnership with the Arbor Day Foundation, a 35% reduction in water withdrawal per square foot by 2025 as compared with 2010, and a 40% reduction in carbon intensity per square foot over that same time period.

MARRIOTT VACATIONS WORLDWIDE

Since becoming the first timeshare partner of the Clean the World Foundation in 2012, Marriott Vacations Worldwide has diverted more than 2 tons of waste from landfills and donated nearly 10,000 bars of soap along with hygiene kits to communities where lack of such items leads to preventable disease and death. The company also has enrolled its

properties in Audubon International's Great Lodging Program, which provides third-party verification of environmental best practices such as water conservation and energy efficiency, and which has bestowed top-level "platinum" status on four Marriott resorts.

WESTGATE RESORTS

Among the most noteworthy contributions to sustainability that Westgate has undertaken are water-related initiatives such as energy-efficient pool pumps, timed public hot tubs that automatically turn off at 11 p.m. and turn on an hour before the pool opens, and overall reduced water consumption. The company has gained energy efficiency through solar film on windows, solar panels to save on electricity in daytime, use of compact fluorescent and LED lighting, additional attic insulation, and timers on lighting in all electrical, mechanical, and housekeeping rooms. Staff also have been trained to become more energy-conscious.

HICV

Holiday Inn Club Vacations has joined Marriott in the effort to fight disease, donating more than 23,000 pounds of soap and over 16,000 pounds of plastic to Clean the World. To reduce its carbon footprint and adopt more sustainable practices, the company also uses the IHG Green Engage system at its resorts, which measures and manages a property's environmental impact and identifies ways to reduce energy, water, and waste. Additionally, HICV offers electric-car charging stations at several resorts and its corporate campus in Orlando.

will be booking properties based on these attributes, there are a series of economic reasons why these are the right types of activities to take part in."

That's partly due to the 24/7 nature of timeshare properties, Jacobsen said. "These are properties constantly in motion, if

you will," she said. "Which means there is a huge benefit to changing operating practices — both at the business level, but also to move in a greener, more sustainable, more high-performance direction that's going to get the outcomes a lot of us are looking for." ■