



**GLOBAL WELLNESS
INSTITUTE™**
EMPOWERING WELLNESS WORLDWIDE

2017 ROUNDTABLE REPORT

Redefining What it Means to Live Well:

**Exploring Wellness Communities
& Lifestyle Real Estate**

**JANUARY 31, 2017
NEW YORK, NY**

SUMMARY REPORT

Redefining What it Means to Live Well:

Exploring Wellness Communities & Lifestyle Real Estate



I. A GLOBAL WELLNESS INSTITUTE ROUNDTABLE

On January 31, 2017, a group of senior, invite-only executives and wellness experts convened in New York City at Steelcase Headquarters to discuss the emerging \$119 billion “wellness lifestyle real estate” sector. The roundtable was hosted by the Global Wellness Institute (GWI) CEO & Chairman, Susie Ellis, and moderated by Mia Kyricos, Chair of GWI’s Wellness Communities Initiative.

This forum was designed to jumpstart discussion around global wellness communities/lifestyle real estate, in advance of the GWI’s in-depth (and first-ever) research report on this market, which will be introduced in October 2017 at the Global Wellness Summit taking place in Palm Beach, Florida. This research will analyze consumer trends driving demand, identify case studies and innovative models worldwide, develop a KPI framework to communicate the value and impact to consumers, investors, developers, and policymakers.

Invited roundtable participants were multidisciplinary including leaders from urban design, hospitality, mind-body health, neuroscience, psychiatry, fitness, architecture and real estate investment.

Anna Bjurstam, Vice President of Spas & Wellness, Six Senses Hotels Resorts Spas

James Brewer, Workspace Consultant, Steelcase

Dr. Anjan Chatterjee, Elliott Professor of Neurology, The University of Pennsylvania

Dr. Lawrence Choy, Co-Founder and Medical Director, Elite Focus Clinic

Susie Ellis, Chairman and CEO, Global Wellness Institute

Joanna Frank, Executive Director, Center for Active Design

Andrew Gibson, Vice President, Well Being Luxury Brands, AccorHotels

Ben H. Gill, One Planet Communities Manager, Bioregional

Ross Guttler, Vice President, Business Development, Delos Living LLC

Katherine Johnston, Senior Research Fellow, Global Wellness Institute

Saskia Kunst, Founder & CEO, Consiglio Corporate Development

Mia Kyricos, President, Kyricos & Associates LLC

Abby Levy, President, Thrive Global

Joshua Luckow, Executive Director, Canyon Ranch, U.S.

Christopher Norton, CEO, Equinox

Veronica Schreibeis Smith, Principal Architect, Vera Iconica Architecture

Brooke Warrick, American LIVES, Inc.

David Wickline, Chairman, Alchemy Ventures Group

Ophelia Yeung, Senior Research Fellow, Global Wellness Institute

Read more about participants' backgrounds here: <https://www.globalwellnessinstitute.org/redefining-what-it-means-to-live-well-participants>



II. DISCUSSION TOPIC, MARKET GROWTH & KEY DEFINITIONS

According to the Global Wellness Institute's proprietary research released the day of the roundtable, **the global wellness economy is now a \$3.72 trillion dollar industry.** And one of the newest wellness segments – wellness lifestyle real estate – is considered “the next frontier” by wellness industry researchers and experts.

GROWTH: The market for residential, hospitality and mixed-used real estate that incorporates wellness elements (i.e., human, social and environmental health) into its design, construction, amenities and services is now one of the three fastest-growing global wellness industries.

- This **market grew from \$100 billion in 2013 to \$118.6 billion in 2015** – nearly 20% in two years.
- And the GWI estimates that the worldwide wellness communities/lifestyle real estate segment **will grow to \$152.8 billion by 2020 – or 5.2% each year from 2015-2020.**

The global models are extremely diverse: both for wellness developments that are up-and-running, like Serenbe (outside Atlanta, Georgia) to Lake Nona (Orlando, Florida) to BedZED (in the UK) to Tres Santos (Mexico) – and those under development, like Avira (Malaysia) or Llanelli Wellness Village (Wales).

To explore sample wellness communities worldwide (and access other key resources), visit: <https://www.globalwellnessinstitute.org/wellness-communities-resources>

The purpose of the roundtable was to discuss the future of the wellness communities market, and the key factors that should be considered when attempting to live and “build well” going forward.

To help set the stage, moderator Mia Kyricos asked “why now?” and cited an ongoing, strategic shift in the wellness marketplace: from places where we would once only sporadically visit (i.e., day spas, wellness retreats and health resorts) to places we now hope to live. She also reviewed related definitions and concepts generally accepted to date, noting that they're likely to evolve further in the future.



KEY DEFINITIONS:

- **Wellness Lifestyle Real Estate** is defined by the GWI as “homes and communities expressly designed for residents’ physical, mental, social and environmental health.”
- **Wellness Communities** is defined by the GWI as “communities proactively developed with the holistic health of its residents, guests, environment (both natural and built) and local community in mind”. (Note: communities may include buildings, neighborhoods, residential developments and even whole towns/cities.)

Minimum requirements associated with a wellness community, as further identified by the Initiative in a recently published white paper, currently include:

- 1. Environmental consciousness:** Demonstrated by sustainable development and operating practices
- 2. Holistic health and wellness offerings:** Demonstrated by offering residents opportunities via “soft” programs and facilities – whether indoor or outdoor – to programs that proactively help residents take care of themselves and enhance their overall quality of life and wellbeing
- 3. Social Connectedness:** Demonstrated by both physical and programmatic elements that foster intergenerational socialization among fellow residents. (As Kyricos noted, “These are elements that foster connectivity in a community, so people are encouraged and enabled to engage with each other and know each others’ names.)

III. ROUNDTABLE DISCUSSION POINTS:

The roundtable discussion was shaped by (6) key questions prepared by Kyrlicos and Ellis – and answered in an open debate format. Key insights (per question) included:

1. What do you hope to get out of today's roundtable discussion?

- Understanding the importance of increasing environmental health in the built environment
- Expanding the knowledge base available to help inform the design strategies and experiences offered that will support wellbeing in these communities - including both “green field” and (just as critically) for existing cities/projects
- How to leverage everything we have learned to date in a multidisciplinary way: from hospitality to urban design to architecture to mind-body health and medicine
- Understanding the range of wellness dimensions that can be associated with these kinds of communities, and how we could measure their effectiveness
- Exploring the potential implications of wellness communities for mental illness/issues
- Evaluating how mindfulness can intersect with wellness communities/lifestyle real estate, as it has in the corporate and consumer worlds
- Reviewing the needs being addressed by new models using a wellness focus for retirement communities/developments
- Exploring the need to expand the concept (and the implications for) low income communities

The experts involved in developing wellness communities agreed that while they're seeing these projects deliver from both a financial and human wellbeing perspective, that the need now is moving the concept from the niche to the mainstream. For instance, Benjamin Gill (One Planet communities, UK) argued, “We need to address how to get more investors involved and to bring in more architecture and design teams. And most importantly, we need to get sales and marketing heavily on board.”

And experts beyond real estate illustrated how new concepts could transform the wellness communities of the future. For instance, Dr. Anjan Chatterjee (Professor of Neurology, University of Pennsylvania) explained a growing interest in the intersection of neuroscience and architecture, for instance, at organizations like the Association of Neuroscience for Architecture (ANFA) at the prestigious Salk Institute. “Neuroscience and architecture is now about ten years behind where neuroaesthetics is today, but it’s picking up – and the study of behavioral and brain responses to architectural/living spaces should provide new evidence-based directions for the design of wellness communities.”

2. What does an ideal wellness community look like? And/or, what are we missing?

- **Take into account the environmental impact of the built environment**, which currently uses an astounding 30% of the world’s energy sources and 40% of its mined resources. For instance, Veronica Schreiber Smith (Vera Iconica Architecture) argued, “If buildings poison the earth and release toxins/pollution into the environment, it, by default, cannot be a ‘well’ community.” Mia Kyricos added, “Environmental consciousness is important both inside and outside of the buildings, not just because it’s good for the planet, but because the perceived value perception to prospective residents is high and can generate real economic return to developers and homeowners alike.”
- **Does not merely focus on “green-field” developments but also on existing communities.** Joanna Frank (Center for Active Design) stressed that in discussions of wellness real estate, built-from-the-ground-up developments take center stage, but “we know from an environmental standpoint, it’s better to build on/redesign an existing community...and existing communities are much more likely to be vibrant and intergenerational.”
- **Tackles clean air - both inside and outside.** As Anna Bjurstam (Six Senses) noted, “Air pollution is fast becoming one of the world’s top health issues, and we even have research indicating the connection between pollution and increased diseases like Alzheimer’s.”

- **Fosters connectedness and a sense of community in our global “Age of Loneliness”.** Wellness communities are not just about environmentalism and wellness programming for residents, but incorporate an understanding of what truly enables wellbeing: human connection. As Dr. Chatterjee noted, “When the U.S. Surgeon General was recently asked about important measures of health, rather than emphasizing heart disease, cancer or Alzheimer’s – he named loneliness. People are hyper-connected digitally, but people need to get connected in real life and where they live. It’s a serious mental and physical health issue and fundamental to a wellness community.”
- **Create environments and programs that specifically tackle stress.** As Dr. Lawrence Choy (Elite Focus Clinic) stated, “Our society has never been more stressed out, and wellness communities must focus on helping us live with balance and reduce the ‘fight or flight’ response constantly plaguing us.”
- **Fosters education and healthy habits at a very young age.** As Christopher Norton (Equinox) put it, “Vital to the success of any wellness community is the educational piece – both in family education and in the local school system.”
- **Makes it easy for residents to access their jobs, schools, etc.** Wellness communities need to foster walkability vs. more common “car-based” developments, which do not have the added benefit of inciting people to “bump into” neighbors (building relationships and connection). As Katherine Johnston (GWI) argued, “We have these beautiful wellness communities where the three identified key components - environmental, wellness lifestyle programs and community - are all in place. But if people can’t access their jobs or schools close to where they live, they’re never going to be entirely environmental or entirely ‘well’ concepts. We see so many major problems from car-based developments, especially in the United States.”
- **Are designed for all income levels, not just the wealthy.** As Ben Gill pointed out, “The focus has been on high-end offerings, but the very idea that a wellness community has a fence around it, does not open up into the wider community, or work to make communities more equal, really means it is not ‘well.’ There has to be new models for all income levels.”
- **Is inclusive of multigenerational living, where young and old can live side by side.** As Ophelia Yeung (GWI) noted, “Cities are fast becoming places for young people (in cities like San Francisco, children are disappearing), while suburbs are for families, and then there are the isolated retirement

communities for the elderly. Where we live is increasingly segmented by age. But research shows that it's not healthy for people to only interact with people at the same stage of life. Wellness communities need to think beyond the atomized nuclear family, and create a lifecycle of 'living well in place', where all ages connect." And Saskia Kunst (Consiglio Corporate Development) added that we could learn much from Northern European cultures, citing interesting experiments in her country, the Netherlands. "Homes for the elderly are being combined with childcare facilities and playgrounds. We have a massive problem worldwide with people not having a meaningful life after their work-life ends, adding to dementia and other health issues. Putting older people together with young children has led to magnificent outcomes, and intergenerational communities are an interesting dimension to a sustainable wellness community."

3. Where are consumers in the demand for wellness communities? How has demand for health/wellness shifted?

- **For more and more consumers, as Chris Norton (Equinox) neatly put it, there is no wealth without health.** "They want complete wellbeing and how that translates into a high performance lifestyle."
- **The consumer seeks holistic wellness living - not just a gym.** People don't only seek physical wellness, but social, emotional, mental and cognitive aspects, along with a focus on financial, family and community wellbeing. And experts from the hospitality and spa industries, which have recently seen a macro shift from narrow, amenity-based wellness programming to "total wellness" have much to teach the wellness real estate world. Anna Bjurstam noted, "In hotels, it's no longer about spaces or departments that 'do' wellness, it's about integrated wellness: everything from air, light, water and sleep quality to the food you eat to the sounds you hear (and don't). And people want to know the personal, scientific impact, like engaging in ongoing biomarker testing. And this 'total wellness' phenomenon will define future wellness developments." Andrew Gibson (AccorHotels) concurred:

“Wellness is breaking out of the four walls of a fitness center or spa and is being integrated into everything, deep down into every design decision.”

- **Trust is huge:** consumers need to trust the inherent institutions in their community as well as their neighbors to experience a well life. Joanna Frank explained how the Center for Active Design just completed research on what people perceive as the most valuable components in a community, and “trust” scored highest of all measures - trust in institutions, but also in neighbors. “The design of the community, including the maintenance and interaction design, had a startling impact on trust. The deterioration of common ground (i.e., litter, graffiti, vacant lots) has a massive negative impact on people’s perceptions of whether they trust their neighbors and whether they would help their neighbors. These are incredibly simple things one can do to improve trust and create a well community.”
- Brooke Warrick (American LIVES) noted that **people who have higher present states of wellbeing are more interested in these kinds of communities** (i.e., they already have similar values).
- People increasingly understand that **the need for a meaningful and healthy life after their working life** is important to avoid health problems such as dementia. The retirement opportunity is huge.
- **Consumers are struggling with too much choice in wellness.** With an explosion in wellness innovations and products - and the tradeoffs between price and quality - you need to bridge the gap between hard science and making sure you hit people’s hearts as well as their minds. Abby Levy (Thrive Global) advised: “Storytelling is so important, and to date, the wellness and wellness real estate story has been told by ‘outliers.’ It needs to become more mainstream, engaging and accessible. ‘Stories’ and offerings need to be rebuilt around people’s passions and aspirations and relate to their situations at the most personal and local level.”
- **Simpler lives are well lives.** As Veronica Schreibeis Smith put it, “The faster we progress (i.e. the continual profusion of new wellness technologies and approaches), the more complex the solution becomes. The simpler we live, the more naturally true wellness comes. We need to embrace simpler wellness philosophies/concepts and communicate them to potential residents.”

4. What about affordability? How do we bring the concept of wellness communities to people who need them most? We have multimillion-dollar “wellbeing condos,” but how do we tackle the other side of the spectrum?

- **We’re at a tipping point** with the highest net worth segment of the population, who now enjoy access to everything. And while the global majority now visits doctors for curative purposes, they are also seeking all kinds of wellness approaches – from yoga to healthy food. Wellness and wellness communities will ultimately trickle down to the bottom third, many of which are indigenous populations, and some of which are already inherently more holistic in their approach to living.
- **The key will be to create communities** and living options that are not expensive, per se, but that have fostered key within-reach aspects of healthy living, and have figured out how to replicate them.
- Consider the model (and components) of **“Blue Zone” communities** that have common elements with community members that drive a sense of purpose and belonging.
- **The “sharing economy” will help wellness community/lifestyle real estate access and affordability.** As David Wickline (Alchemy Ventures Group) noted, much of the focus so far has been on primary wellness homes near urban areas, but there should be an increased focus on fractional and shared use; you need to adopt models to all the different uses and time periods that people have available.
- **Affordable, sustainable communities depend upon the reduction of cars and car parks.** As Ben Gill pointed out, fewer cars, and the land needed to park them on, keeps living cost down. (Not to mention the many studies that indicate that the busier a street gets with cars, the fewer social connections on that street.) Fewer cars break down social barriers and makes wellness housing development/pricing more affordable.
- **We need testing and experimentation to identify wellness designs and principles that have the biggest impact “for the buck” and apply them to lower-income communities.** As Dr. Chatterjee noted, scientists conduct experiments relentlessly and in controlled environments. Developers, hotels and spas could act more like labs, manipulate variables, and collect robust info to find “magic (wellness) ingredients that can then be generalized to low- and middle-income communities.” The most impactful, evidence-based approaches may not be the most expensive.

5. What Is the ROI (Return-On-Investment) to Investors and/or the ROW (Return-on-Wellness) to Consumers/Residents?

- “Wellness homes” in comparable neighborhoods offer 5-20% premiums in most cases. There is mounting positive ROI data and ways to attract investment via: price-per-square-foot (people are generally willing to pay more), energy costs and savings, and higher homeowners’ association fees (HOAs), etc.
- But the real “astonishing data” comes from measuring and monetizing the productivity gains and lowered healthcare costs of happy, healthy people.
- We need to measure and then promote the benefits of healthier populations, as healthy individuals are more stable and likely to pay their bills and rent (and contribute more positively to society and work).
- It’s not just about cost savings and traditional real estate development metrics, but also the benefits (and hard return) of everything from improved productivity to sleep quality (i.e., myriad resident health measures). We must continue to work on methods to translate and communicate these benefits to the investor community – and to buyers and renters. As Ross Guttler (Delos) put it, “When you look at the per-person cost of many key wellness components (healthy air, water, light, sound, sleep, etc.), it costs just pennies a day. Who wouldn’t spend pennies a day to create healthier living environments?” And Veronica Schreibeis Smith added context to the wellness design/building outlay: “Over a 30-year lifespan, only two percent of the cost of a building is the initial cost of work, six percent is the maintenance over the lifetime, so, 92 percent is personnel.”
- Many of the amenities built into wellness communities today are costly and not necessarily timeless in their appeal. Communities that can be developed with this insight in mind will help increase their long-term viability and financial return.
- The value proposition is not just about the home/asset that one is buying, but also the neighborhood that you’re buying into (which needs to be monetized and explained) – the school, a walk-able neighborhood, access to green space, healthy food, etc.
- Some of the happiest and fittest people in the world live in the poorest communities; we need to look hard at that reality and, as Christopher Norton stressed, “grasp that wellness does not necessarily begin and end with one’s pocketbook.”

6. What is the future of wellness communities?

- As roundtable moderator, Mia Kyricos noted: “We **no longer need to create demand**; we now have the privilege to cater to it, which is a strategic shift in both wellness communities and lifestyle real estate, as it is to the enabling industries of hospitality, tourism and consumer health and wellness.”
- The future is mixed use, **mixed income and multi-generational** – the barriers to entry will slowly be eliminated.
- In the wellness developments/communities of the future there will be **“microcosms of familiarity”** where you identify with your neighbor and the products and services around you, and you see, work and socialize with the same people and shop at the same markets.
- **Metrics about the ROI and ROW of wellness real estate will continue to grow** across operations, development and marketing; our challenge will be to bring the numbers together in a more compelling and clear way.
- The future is **renovating and “making well” existing communities (and in a not overly-contrived way)**. The world is undergoing an urbanization crush (80% of us will live in cities within just a few decades). But cities – from London to San Francisco – have become ridiculously expensive and the people that make the city “go” (teachers, healthcare workers, public services, etc.) can’t afford to live there. The busy revitalization of urban-near communities/towns (and the development of wellness-focused communities there), as Susan Harmsworth MBE (founder, ESPA International) stressed, needs to embrace the mixed-use: market-priced residences right alongside public housing, with shared green space and healthy programs.” She added: “I believe that you cannot artificially contrive a true wellness community, or overly master-plan what you think everyone wants. You need to build authentically within existing communities and improve upon the “wellness” it already has.”
- **More public-private partnerships:** To realize larger and more meaningful developments, the public and private sectors will need to work together, embracing creative compromise. Jean-Claude Baumgarten (chairman/CEO, CREWE Associates; former president, WTTC) argued that convincing and benefiting local politicians is key. He recounted a project he’s working on that’s now underway, where the Prime Minister gave them the land, and they gave back new roads to a national park where everyone in the community can visit.

IV. FINAL TAKE-AWAYS:

The event concluded with **participants highlighting the one thing from the roundtable that surprised them most.** A few responses:

- Wellness communities may prove key to tackling the most challenging health issues, from obesity to mental issues
- Focus less narrowly on “green-field” developments, and more on “making well” existing communities
- The amount of choice needs to be reduced to get people into (and understanding) wellness communities
- Trust is a huge issue, affecting where we choose to live and the health/wellness advice that we “hear” and adopt
- The ways we could democratize wellness communities, and make them accessible beyond the one-percent
- The very broad, multi-dimensional notion of “value” that needs to be considered (for both investors/developers and residents) when it comes to investing in a wellness community
- Artificial intelligence’s impact on the planning and design of wellness communities was missing from the discussion, yet is key to its future
- The concept of a “shared” community and its potential impact on wellness-related development
- The destructive role of loneliness in today’s society & how wellness communities could be key players in eradicating this epidemic
- How communities can not only be environmentally “neutral,” but positively regenerative: giving back more than they take in resources
- The positive returns and premiums that “building well” can provide
- That many indigenous, lower-income communities are inherently “well”, and that we need to learn from them
- The simpler we live, the more natural wellness becomes. We need to get back to wellness basics (like social connection) and translate them back into our lives and homes
- We’re metrics-obsessed in order to justify this kind of investment (to developers, governments and residents), yet there’s still a lack of strong data (which will be critical for continued growth of the segment)

CO-AUTHORS

Beth McGroarty, Research Director, GWI

Mia Kyricos, Chair, GWI's Wellness Communities Initiative

LEARN MORE

To learn more about GWI's Wellness Communities Initiative, visit: www.globalwellnessinstitute.org/wellness-communities or contact **Mia Kyricos** at mia@kyricos.com

For more information on the GWI or the roundtable, contact: **Beth McGroarty** at beth.mcgroarty@globalwellnessinstitute.org or (+1) 213-300-0107

For more information on the Global Wellness Institute research study on wellness communities/lifestyle real estate currently underway, contact senior researchers, **Ophelia Yeung** (ophelia.yeung@globalwellnessinstitute.org) and **Katherine Johnston** (katherine.johnston@globalwellnessinstitute.org).

To contribute to the research through sponsorship, contact: **Michelle Gamble** at michelle.gamble@globalwellnesssummit.com



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333 S.E. 2nd Avenue, Suite 3750, Miami, FL 33131
www.globalwellnessinstitute.org