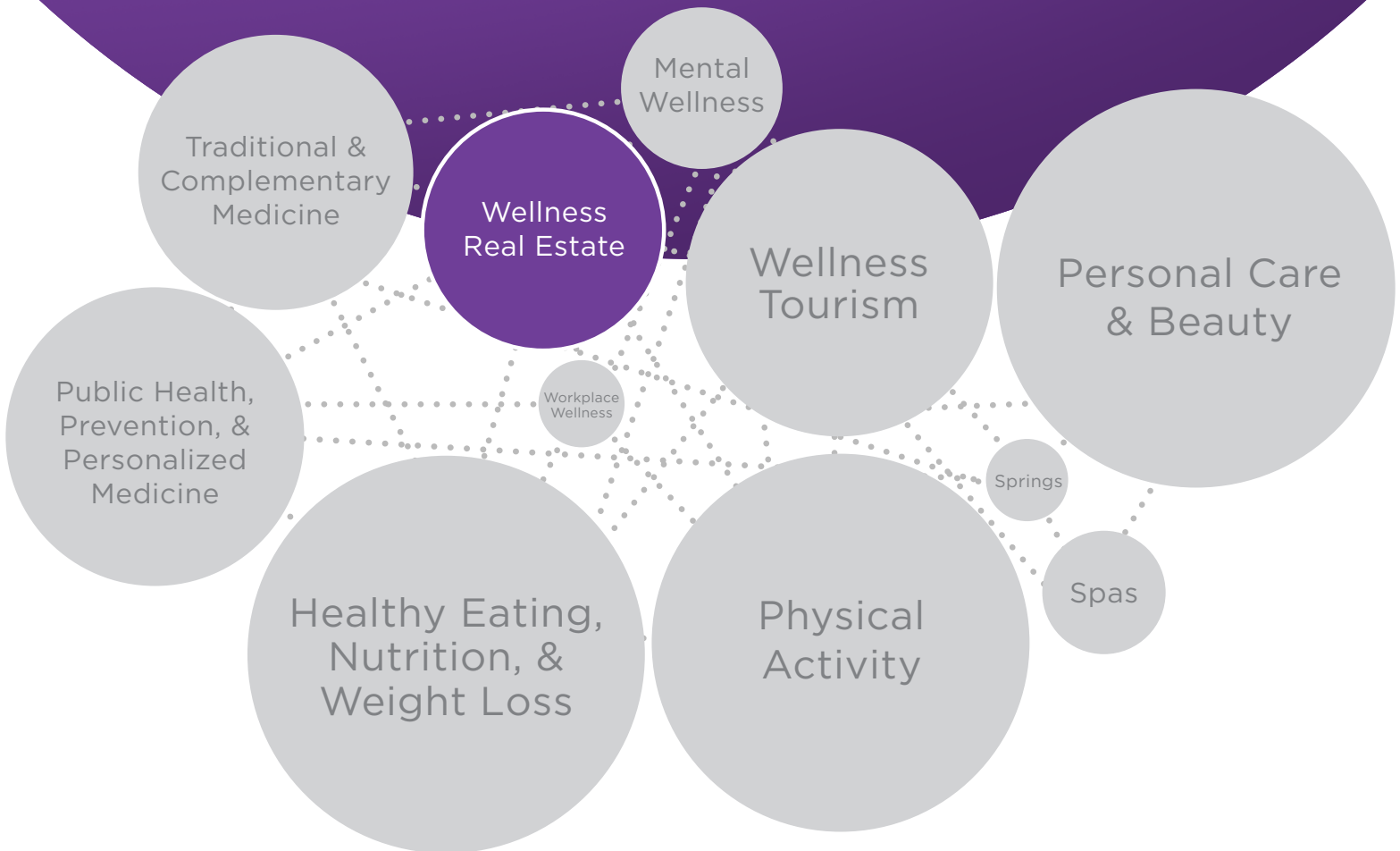




**GLOBAL WELLNESS  
INSTITUTE™**  
EMPOWERING WELLNESS WORLDWIDE

# Wellness Real Estate

## Market Growth (2019-2023) and Future Developments





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## Market Growth (2019-2023) and Future Developments

MAY 2024

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## About the Global Wellness Institute

The Global Wellness Institute (GWI), a 501(c)(3) non-profit organization, is considered the leading global research and educational resource for the global wellness industry and is known for introducing major industry initiatives and regional events that bring together leaders and visionaries to chart the future. GWI positively impacts global health and wellness by advocating for both public institutions and businesses that are working to help prevent disease, reduce stress, and enhance overall quality of life. Its mission is to empower wellness worldwide.

[www.globalwellnessinstitute.org](http://www.globalwellnessinstitute.org)

## About the Authors

*Wellness Real Estate: Market Growth (2019-2023) and Future Developments* was prepared by Katherine Johnston and Ophelia Yeung. As GWI's principal researchers, they are the team that has defined and measured the size of the global wellness economy and its sectors over the last fifteen years. Their academic and professional background is in economic analysis, international development, and public policy. Ms. Johnston and Ms. Yeung received post-graduate degrees from Georgetown and Princeton Universities, respectively. Together, they bring many decades of experience conducting research, impact assessments, and strategy development for countries, regions, industry consortia, companies, and nonprofit institutions around the world.

# Wellness Real Estate Sector Overview



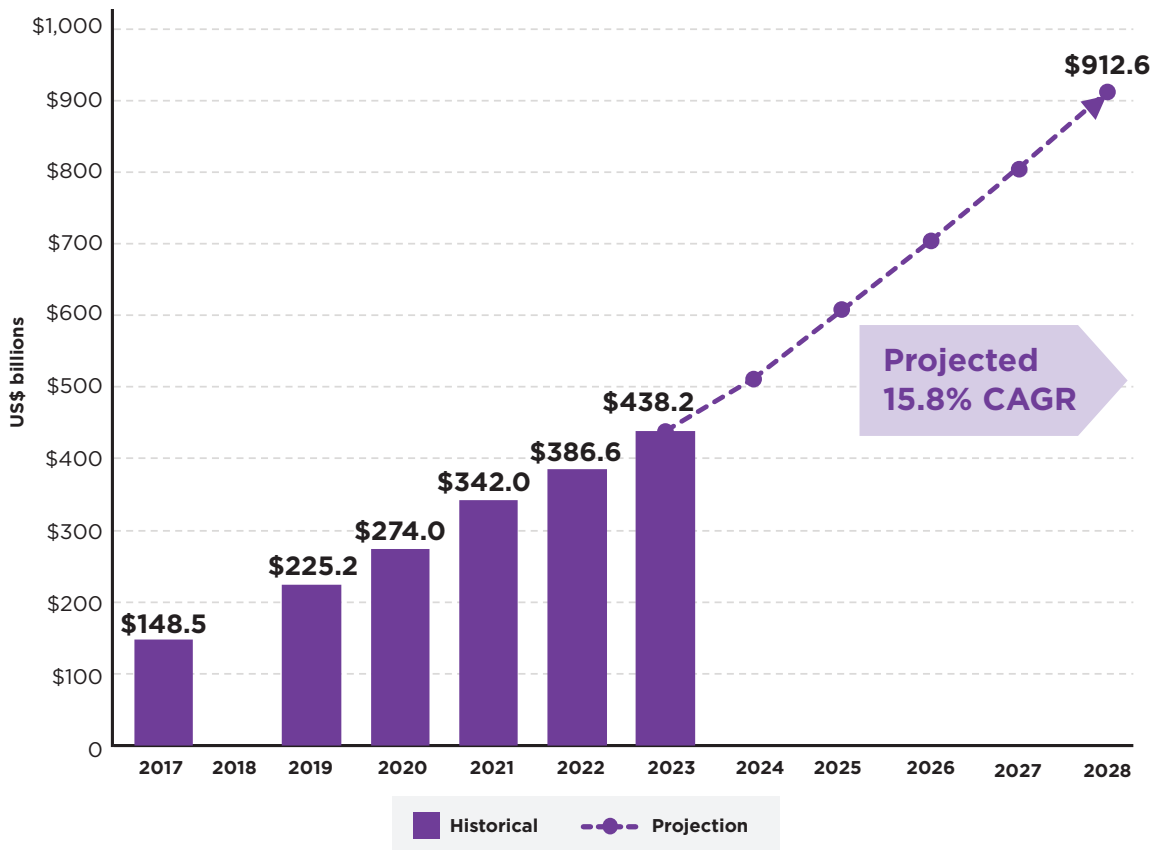
## Sector Definition

Expenditures on the construction of residential and commercial/institutional properties (including office, hospitality, mixed-use/multi-family, medical, and leisure) that incorporate intentional wellness elements in their design, materials, and building, as well as their amenities, services, and/or programming.

**\$438.2b**  
Global Market  
In 2023

**18.1%**  
CAGR  
2020-2023

Figure 1: Global Market Size and Growth Projections, 2017-2028



CAGR=Compound Annual Growth Rate  
Source: Global Wellness Institute

## Wellness Real Estate

### Market size and growth

Wellness real estate has long been the fastest-growing sector in the wellness economy. The COVID-19 pandemic has only accelerated a growing understanding among consumers and the building industry about the critical role that external environments play in our physical and mental health and well-being. During the pandemic year (2019-2020), wellness real estate was one of the few wellness sectors that continued to grow rapidly (21.6% growth), even as overall construction output and global GDP shrank (-0.8% and -2.6%, respectively<sup>1</sup>). From 2019-2023, the wellness real estate sector has maintained a robust average annual growth rate of 18.1%, as compared to 5.1% average annual growth for overall construction. GWI estimates that the wellness real estate market rose to \$438.2 billion in 2023, representing about 2.9% of global annual construction output.

The wellness real estate market is heavily concentrated in North America, Asia-Pacific, and Europe; these regions together account for 99% of the global market. North America remains the largest regional market in 2023, accounting for 44% of the global total.

**Table 1: Wellness Real Estate Market by Region  
2019-2023**

	Wellness Real Estate Market						Average Annual Growth Rate
	(US\$ billions)					Per Capita 2023	2019-2023
	2019	2020	2021*	2022*	2023		
North America	\$100.19	\$118.82	\$146.89	\$175.99	\$193.98	\$518.29	18.0%
Asia-Pacific	\$77.51	\$97.70	\$119.36	\$127.33	\$145.33	\$33.98	17.0%
Europe	\$46.03	\$55.84	\$73.68	\$80.72	\$95.91	\$104.09	20.1%
Middle East-North Africa	\$0.71	\$0.78	\$0.96	\$1.21	\$1.41	\$2.60	18.7%
Latin America-Caribbean	\$0.55	\$0.61	\$0.80	\$0.95	\$1.21	\$1.82	22.0%
Sub-Saharan Africa	\$0.24	\$0.25	\$0.30	\$0.34	\$0.39	\$0.31	13.1%
<b>WORLD</b>	<b>\$225.23</b>	<b>\$273.99</b>	<b>\$342.00</b>	<b>\$386.56</b>	<b>\$438.22</b>	<b>\$54.62</b>	<b>18.1%</b>

\* 2021 and 2022 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the United Nations.

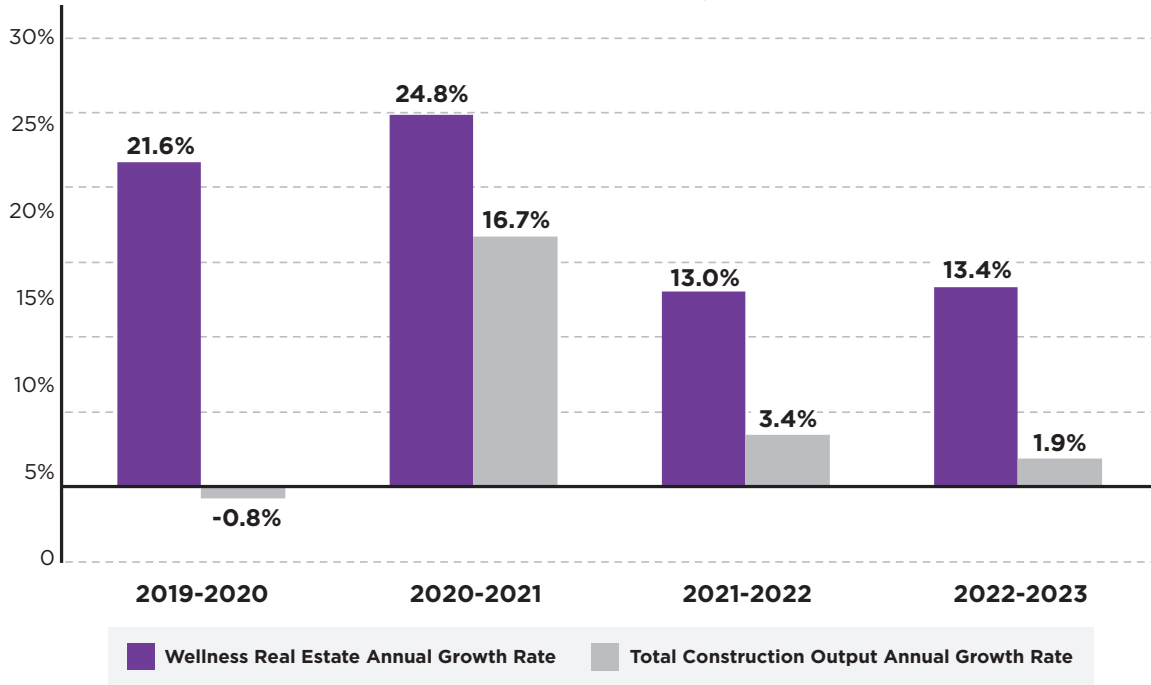
Note: Figures may not sum to total due to rounding.

Source: Global Wellness Institute, based on construction output data from the United Nations.

<sup>1</sup> Global construction figures estimated by GWI, based on data from: United Nations Statistics Division, *National Accounts Official Country Data Database*, <https://unstats.un.org/unsd/nationalaccount/default.asp>, accessed 26 March 2024. Global GDP data from: IMF, *World Economic Outlook Database*, April 2024 Edition, <https://www.imf.org/en/Publications/WEO/weo-database/2024/April>.

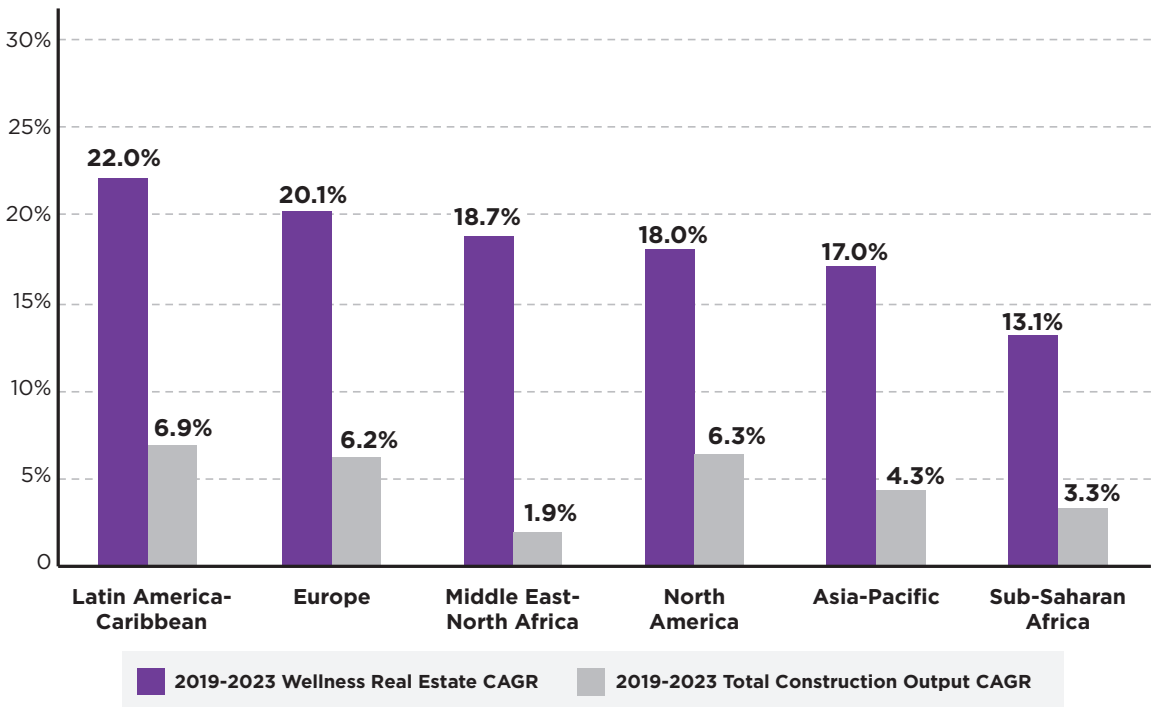


**Figure 2: Wellness Real Estate Versus Construction Output Global, Annual Growth Rate, 2019-2023**



Source: Global Wellness Institute, based on construction output data from the United Nations

**Figure 3: Wellness Real Estate Versus Construction Output Regional, Compound Annual Growth Rate, 2019-2023**



CAGR = Compound Annual Growth Rate

Source: Global Wellness Institute, based on construction output data from the United Nations

Because the COVID-19 pandemic was such a massive economic shock around the world, the current analysis of industry growth tends to focus on pre- and post-pandemic shifts, or a 2020 dip and post-2020 recovery. Wellness real estate is a unique case – since this sector maintained a strong growth rate throughout the pandemic, we can focus on the longer-term, uninterrupted growth trend.

Over the last couple of years, global construction growth has slowed considerably, from 16.7% growth in 2020-2021 to only 1.9% growth in 2022-2023 (see *Figure 2*). This shift has been driven by an overall slowdown in economic growth, a major real estate crisis in China (which is the world's largest construction market), and a negative construction market growth rate across several regions in 2022-2023, including Asia-Pacific (-1.3%), Middle East-North Africa (-2.2%), and Sub-Saharan Africa (-7.6%). While the growth rate for wellness real estate has remained well above that for overall construction, the sector's annual growth rate has also tapered off a bit in the last few years, from a 24.8% increase in 2020-2021 to 13.4% growth in 2022-2023 (see *Figure 2*).

At the regional level, wellness real estate growth has outpaced overall construction growth across every single region from 2019-2023, by a factor of 3-4 times or more (see *Figure 3*). Latin America-Caribbean and Europe have been the fastest-growing regional markets for wellness real estate over the 2019-2023 time period, mirroring their relatively high growth rates for overall construction. North America has maintained a very strong growth for wellness real estate ever since GWI started measuring this sector in 2017, but the regional growth rate has tapered off in 2022-2023 alongside a slowdown in overall construction. Interestingly, Middle East-North Africa has remained one of the fastest-growing regional markets for wellness real estate investment over the last four years, even alongside relatively slower construction growth (and including a significant construction downturn in 2022-2023). Asia-Pacific is home to a number of very large and fast-growing countries for wellness real estate (e.g., Australia, Japan, China, India), but the overall regional growth trend in the last several years has been dampened by economic volatility and a construction market downturn across a number of countries in 2022 and 2023 (including China, Japan, and South Korea).

## Wellness Real Estate

### Largest markets

The top twenty largest country markets for wellness real estate (see *Table 2*) have remained the same since 2019, with very little movement up or down within these rankings. The list of the largest markets further illustrates how heavily concentrated the wellness real estate sector is in just a few major countries. The United States accounts for 41% of the global market in 2023. The United States and Canada, plus a few key countries in Asia (China, Australia, Japan) and Europe (United Kingdom, France, Germany), account for 85% of the global market. Average annual growth rates for 2019-2023 have remained quite high across all of the largest country markets, and many of the countries on this list have been growing faster than the global sector average (18.1%) during this time period.

**Table 2: Wellness Real Estate: Top Twenty Markets in 2023**

	Wellness Real Estate Market					Rank in 2023	Average Annual Growth Rate
	(US\$ billions)						2019-2023
	2019	2020	2021*	2022*	2023		
United States	\$94.32	\$110.99	\$136.85	\$164.22	\$180.65	<b>1</b>	17.6%
China	\$36.96	\$50.90	\$62.13	\$63.37	\$72.74	<b>2</b>	18.4%
United Kingdom	\$10.77	\$14.76	\$21.40	\$23.37	\$28.89	<b>3</b>	28.0%
Australia	\$15.58	\$16.54	\$21.12	\$22.52	\$25.65	<b>4</b>	13.3%
France	\$9.55	\$11.24	\$15.47	\$16.91	\$20.70	<b>5</b>	21.3%
Japan	\$7.60	\$11.47	\$13.21	\$14.99	\$17.05	<b>6</b>	22.4%
Germany	\$8.67	\$9.71	\$11.10	\$12.16	\$13.69	<b>7</b>	12.1%
Canada	\$5.87	\$7.83	\$10.04	\$11.77	\$13.33	<b>8</b>	22.7%
South Korea	\$5.67	\$6.17	\$7.16	\$8.37	\$9.50	<b>9</b>	13.8%
India	\$5.01	\$5.25	\$7.00	\$8.12	\$9.08	<b>10</b>	16.0%
Netherlands	\$2.88	\$4.00	\$5.50	\$6.29	\$7.51	<b>11</b>	27.1%
Switzerland	\$2.27	\$2.51	\$2.88	\$3.08	\$3.56	<b>12</b>	11.9%
Norway	\$2.04	\$2.30	\$2.80	\$3.22	\$3.35	<b>13</b>	13.1%
Sweden	\$1.63	\$1.80	\$2.71	\$2.84	\$3.20	<b>14</b>	18.3%
Italy	\$1.29	\$1.46	\$2.07	\$2.17	\$2.58	<b>15</b>	19.0%
Austria	\$1.50	\$1.73	\$2.06	\$2.22	\$2.43	<b>16</b>	12.9%
New Zealand	\$1.47	\$1.55	\$1.91	\$2.06	\$2.29	<b>17</b>	11.8%
Singapore	\$1.14	\$1.25	\$1.71	\$2.07	\$2.29	<b>18</b>	18.9%
Denmark	\$1.32	\$1.52	\$1.81	\$1.95	\$2.18	<b>19</b>	13.4%
Finland	\$1.02	\$1.19	\$1.40	\$1.55	\$1.74	<b>20</b>	14.3%

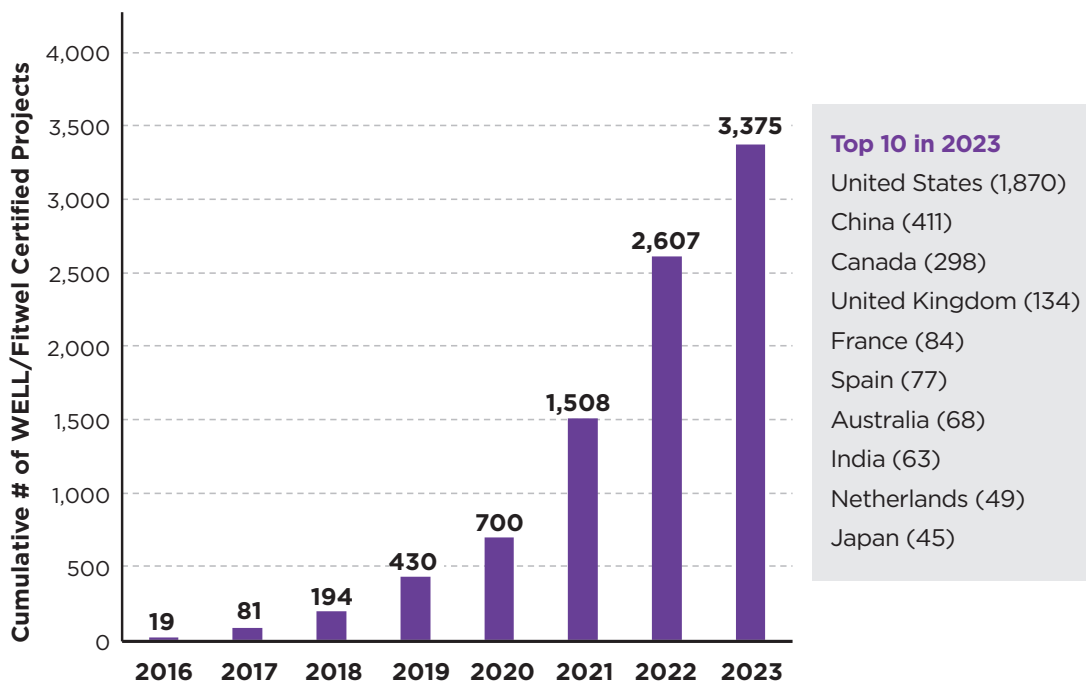
\* 2021 and 2022 figures for this sector have been revised since GWI released the previous version of the Wellness Economy Monitor, due to data revisions and updates made by key underlying data sources such as the United Nations.  
Source: Global Wellness Institute, based on construction output data from the United Nations.

## Wellness Real Estate

# Wellness building certifications

One good way to understand the rapid growth trajectory of wellness real estate is to look at the number of projects earning wellness building certifications in recent years. The WELL Building Standard (WELL) and Fitwel are the two major third-party rating systems that focus specifically on health and wellness of building occupants and that operate in multiple countries. WELL awarded its first certifications in 2014, while Fitwel certified its first projects in 2016. As illustrated in *Figure 4*, interest in wellness certifications has risen rapidly since that time, with the total number of wellness-certified building projects increasing by more than forty-fold from 2017 to 2023. At the end 2023, there were over 3,300 WELL and Fitwel certified projects around the world. Over 55% of these certifications are located in the United States. The majority of the certifications are for office/commercial, hospitality, and retail properties, with about 19% in residential projects. As of March 2024, an additional 1,800 projects were in progress for certification (Fitwel) or pre-certified (WELL), with the majority of these located in the United States, China, and Canada.

**Figure 4: WELL and Fitwel Certifications  
Cumulative, 2016-2023**



*These figures measure fully certified projects, and they are cumulative (showing the increase in the total number of certified projects over time). Data compiled by GWI using publicly-available online project databases from WELL and Fitwel. Note that the data have been revised slightly since the previous version of the Wellness Economy Monitor, due to changes in these underlying project databases.  
Source: Global Wellness Institute*

It is important to keep in mind that WELL and Fitwel certifications represent only a small fraction of the wellness real estate market as defined by GWI. The impact of these rating systems extends far beyond the simple number of certifications awarded. For example, large, multi-location companies are increasingly consulting with these rating systems to enhance healthy features across their entire portfolio of buildings, even though they may only officially certify their headquarters. Although WELL and Fitwel are the most well-known and most global programs, a wide range of other wellness-related certifications and toolkits are available in the market, many of which focus more broadly on sustainability or regenerative living rather than just wellness (e.g., Living Building Challenge, One Planet Living).<sup>2</sup> In recent years, well-established green building certifications like LEED and BREEAM have been shifting toward a more holistic emphasis on human health and have added criteria related to indoor environments and occupant health and well-being.<sup>3</sup> In Japan, the government has worked with the Institute for Building Environment and Energy Conservation (IBEC) to develop a health and wellness certification for offices as part of the country's CASBEE certification system. The first project evaluations took place in 2019, and 153 properties have been certified as of April 2024.<sup>4</sup>

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<sup>2</sup> For a more comprehensive list of wellness-related certifications, toolkits, and design principles, see: GWI (2018), *Build Well to Live Well*, <https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

<sup>3</sup> For more information, see: <https://tools.breeam.com/filelibrary/Briefing%20Papers/99427-BREEAM-Health---Wellbeing-Briefing.pdf> and <https://www.usgbc.org/articles/human-health-and-wellbeing-through-leed>.

<sup>4</sup> See: 1) Japan readies certification for healthier office buildings. *Nikkei Asian Review*. 16 Aug. 2017. <https://asia.nikkei.com/Politics/Japan-readies-certification-for-healthier-office-buildings2>. 2) CASBEE Wellness Office Evaluation Certification. *IBEC*. [http://www.ibec.or.jp/CASBEE/certification/WO\\_certification.html](http://www.ibec.or.jp/CASBEE/certification/WO_certification.html).

# Future developments

## Key drivers and opportunities for wellness real estate

There are many value systems and drivers for wellness real estate, and these are constantly evolving with the market. Rapidly growing consumer needs and interests, alongside emerging knowledge and understanding of the built environment, will drive the ongoing expansion of the wellness real estate market in the coming years for residential, commercial, hospitality, institutional, and other types of properties.

- **The COVID-19 pandemic has forced us to reckon with how our health is shaped by our built environment, and wellness real estate will continue to be a winner amidst this shift.** In the past, people often associated wellness real estate with amenity-filled resort properties and retirement communities, but they are now seeing it in a more holistic light – incorporating diverse features like strong air filtration, better sound proofing, facilities for outdoor exercise, ample community and social spaces, and access to nature. Across the world, there is rising demand for buildings, homes, and communities that help people to live a healthier lifestyle and protect their health, creating vast potential for the wellness real estate sector.
- **Healthy indoor air is quickly becoming an essential feature.** The pandemic has focused public attention on indoor air and ventilation, while the smoke and toxic air from the record-breaking wildfires around the world have heightened concerns about air quality in general. A growing body of research is increasing our knowledge of how air quality can affect our cognition, mood, and productivity. Safe and healthy air is not only important for our homes, but is also top-of-mind for managers and occupants of non-residential buildings, including workplaces, schools, hospitals, retail, industrial, and other public buildings.
- **Wellness real estate will increasingly leverage natural assets.** A renewed appreciation for green assets that began during the pandemic has continued to build, with a growing interest in incorporating more parks, natural areas for outdoor recreation, landscaping, trees, and green public spaces into more projects and communities. There are also louder voices that advocate for a more equitable distribution of, and better access to, these natural assets for traditionally underserved populations.
- **Environmental design holds the key to our mental and social wellness.** Mental wellness has been declining around the world for many decades, and our modern living environments have accelerated this trend. Fortunately, research is bringing new understanding of how to use our built environment to reverse this trend. It is now well-established that green space and biophilic elements can help to relieve stress, bring positive emotions, improve cognitive functioning, and accelerate healing.<sup>5</sup> Emerging research on neuroaesthetics is demonstrating that our brain, our mood, and our emotions all respond to beauty and to our environment. There are multiple senses at work – sight, sound, scent, and touch – and urban planners, designers, builders, and policymakers can leverage this emerging science to optimize the mental well-being of their communities' residents and visitors. To combat loneliness and social isolation, many projects are employing pro-social design features to make people feel more connected to street life and to their neighbors, to allow people to gather in public spaces, and to encourage spontaneous social interactions.

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<sup>5</sup> Bratma, G. et al. (2012, February 9). The impacts of nature experience on human cognitive function and mental health. *Annals of the New York Academy of Sciences*, 1249, 118-136. <https://doi.org/10.1111/j.1749-6632.2011.06400.x>.

- **Healthy buildings are becoming an important part of public health strategy, as chronic disease and mental health issues create an ever-rising healthcare burden.** In particular, countries with publicly funded health systems will help to push health-protecting/health-enhancing features into affordable/subsidized housing, as a front-end investment to lower public health spending. Many wellness features that were first pioneered in wellness real estate will become increasingly embedded in broader architecture, design, and planning for communities and cities, and will be incorporated into urban placemaking and quality-of-life/quality-of-place strategies.
- **Wellness features and healthy design have become nearly ubiquitous in luxury properties.** Health is the new wealth, and the new luxury “must have” is wellness. Wellness amenities for luxury properties have expanded from gyms, spas, and swimming pools to a wide variety of design features that encourage contact with nature, mindfulness, sleep, and other aspects of mental and social wellness. We predict that many of these features will increasingly be found in mid-market and affordable properties, including purpose-built rental communities of single and multi-family homes.
- **Wellness tourism often serves as a gateway to wellness real estate, converting wellness travelers into buyers of wellness properties.** Just as many travelers discover new wellness modalities during their vacations, visitors to wellness resorts may return home aspiring to live in a community where they can carry on a 24/7 holistic wellness lifestyle. The demand for “retreat style” wellness living concepts is accelerating, for primary homes, second home/vacation properties, timeshares, and other ownership-sharing formats. Major destination spas and luxury hospitality brands are developing branded residences (e.g., Six Senses, SHA, Canyon Ranch, Rancho La Puerta, Aman, Mandarin Oriental, Mission Hills, GOCO, etc.), not only adjacent to their existing properties but also in urban areas. We expect more real estate developers to get into this space, and they will be looking to partner with established wellness brands – from the spa, hospitality, fitness, and even mental wellness sectors – to leverage the wellness knowledge, reputation, and existing customer base of these brands.
- **Healthy workspaces can help entice people to come back to the office.** After several years of working remotely, some employers are still meeting resistance from employees to return to the office. Workspaces that are equipped with wellness design and wellness-enhancing features provide better incentives for employees to return. In a global office market with excess capacity, commercial tenants are in a good position to demand more value for their leases, including better wellness features and upgrades. This dynamic will continue to propel demand for wellness real estate in the commercial market.
- **A growing emphasis on the “S” of ESG metrics will support demand for wellness real estate.** In spite of the recent political environment driving resistance in the U.S. market, ESG (environmental, social, and corporate governance) investing has grown into an enormous global sector, with tens of trillions of dollars of assets under management.<sup>6</sup> As these assets grow, the corresponding reporting rules and required disclosures for ESG activities are also being tightened by governments around the world.<sup>7</sup> In the past, ESG metrics have been heavily weighted toward the “E” for environment, with paltry attention paid to the social side

<sup>6</sup> Bloomberg Intelligence (2024, Feb. 8). Global ESG assets predicted to hit \$40 trillion by 2030, despite challenging environment, forecasts Bloomberg Intelligence. *Bloomberg*. <https://www.bloomberg.com/company/press/global-esg-assets-predicted-to-hit-40-trillion-by-2030-despite-challenging-environment-forecasts-bloomberg-intelligence/>.

<sup>7</sup> Cifrino, D.A., et al (2023, June 29). The Rise of International ESG Disclosure Standards. *Harvard Law School Forum on Corporate Governance*. <https://corpgov.law.harvard.edu/2023/06/29/the-rise-of-international-esg-disclosure-standards/>.

of the equation. Fortunately, the rise of wellness is redirecting attention to the “S.” Fitwel, for example, has recently launched a “Social Performance” tool, which is aimed at strengthening ESG reporting.<sup>8</sup> Its assessment tool links metrics to financial risks in six areas: environmental health hazards, climate resilience, stakeholder engagement, equity, physical activity and active transportation, and biophilic elements. The increasing emphasis on the “S” in ESG will support growing demand for and investment in wellness real estate.

- **Interest in planetary health and sustainability is converging with human health and wellness.** Green building is a well-established and fast-growing niche within the global construction market, with demand driven by government policies aimed at fulfilling their commitments to global climate agreements and emissions goals. Policies encouraging green and sustainable building include energy efficiency standards, green building codes and standards, appliance standards, greenhouse gas reduction mandates, green financing tools, etc. Outside of public policy initiatives, business and consumer demand for green buildings has been driven by a combination of factors, including cost savings as well as the desire for healthier environments for occupants. There is growing recognition that human health and environmental health are intrinsically linked. In 2020, the World Green Building Council launched a Health and Wellbeing Framework to extend the sustainability concept beyond emissions to human health, equity, and resilience.<sup>9</sup> Recognizing this convergence and the overlap between green building and healthy building, the International WELL Building Institute (IWBI) and U.S. Green Building Council (USGBC) have recently created a streamlined certification process for projects that are pursuing both WELL and LEED certifications.<sup>10</sup>
- **There is vast potential for differentiation in wellness real estate to address diverse needs and target audiences, and to leverage unique site characteristics.** There is growing demand across all demographic groups to incorporate more wellness into all types of living environments – urban high-rises, suburban homes for families, rental apartments, university/college housing, senior independent living, assisted living, co-living and cohousing for all age groups, digital nomads looking for co-working and short-term living arrangements, and so on. There are rapidly accelerating opportunities to create increasingly diverse wellness real estate models to meet the varying needs of these populations. In the global megacities, consumers may be most concerned about air and water quality; noise pollution; mental wellness; and access to green spaces, fitness, and other wellness amenities. In countries with large suburban developments, residents may be seeking better walkability and mass transit options, bike paths, outdoor recreation, and more social interaction and connection with their neighbors. Developers also have opportunities to create unique wellness living concepts by leveraging locational and site-specific characteristics, such as unique city amenities; urban greenspaces; nature preserves; mountains and bodies of water; outdoor sports facilities, thermal/mineral springs; local, historical, and cultural heritage sites; and even proximity to world-class medical technologies and health offerings.

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<sup>8</sup> See: 1) Fitwel Launches Relational Data Tool that Ranks Portfolio Performance Amongst Peers. 21 Feb. 2024. <https://www.fitwel.org/blog/fitwel-launches-relational-data-tool>. 2) Fitwel, *Social Performance by Fitwel*, <https://www.fitwel.org/social-performance>.

<sup>9</sup> World Green Building Council. (2020, Nov.). *Health and Wellbeing Framework: Six Principles for a Healthy, Sustainable Built Environment*. [https://worldgbc.org/wp-content/uploads/2022/03/WorldGBC-Health-Wellbeing-Framework\\_Exec-Report\\_FINAL.pdf](https://worldgbc.org/wp-content/uploads/2022/03/WorldGBC-Health-Wellbeing-Framework_Exec-Report_FINAL.pdf).

<sup>10</sup> WELL, *LEED + WELL Streamlined Certification Process*, <https://www.wellcertified.com/certification/leed-well>.



## Key challenges facing wellness real estate

- **The rise of extreme weather and increased risks of floods, wildfires, and power outages will drive demand for climate-adaptive features as part of wellness real estate.** Unusual climate events like extreme heat, freak storms, torrential rain, and flooding have become so common and widespread that they are impossible to ignore. Buyers, investors, and developers of wellness real estate have to contend with many new and emerging risks, and **adaptability and resilience are now an essential component of the wellness framework.** At a minimum, wellness real estate will have to double down on the features that help protect people from unhealthy air, contaminated water, extreme temperatures, and storms. In response to these climate-related pressures, there is a growing consumer appetite for low-carbon homes; renewable energy sources; heat-reflecting materials, green roofs; climate-appropriate landscaping; and protection of surrounding natural habitats, wetlands, and watersheds. More people are becoming interested in communities built around environmental sustainability, circular/regenerative living systems, and energy independence through renewable energy based microgrids. **With rising climate anxiety, a wellness community that is earth-friendly can help residents become part of the solution rather than the problem, and can even help to improve their mental wellness.**
- **Rising temperatures are threatening the health and safety of workers worldwide, and construction workers are among the occupational groups that suffer the most from extreme heat.** In countries around the world, the construction industry has been recording an increasing number of deaths from heat stroke; the mortality rates from extreme heat are likely undercounted, as workers also die by on-the-job accidents that are caused by heat-induced exhaustion or impaired cognition. **The safety and wellbeing of workers are mostly invisible to the buyers of wellness real estate, but it would be antithetical to the ethos of wellness if workers are harmed in the process of building them.** Therefore, we note this challenge to the builders of wellness real estate and to the entire construction industry, to take precautions that protect the health of workers who are vital to the creation of wellness-inspired buildings and communities.
- **An overall trend of premiumization is widening the gap between the ultra-wellness real estate built for the wealthy and the housing built for the average family.** In the media, wellness real estate is frequently associated with luxury – and indeed, the luxury end of wellness real estate today enables owners to live permanently in a wellness retreat. For the wealthiest buyers, there is no limit to the wellness features and amenities that can be included in their homes: a private gym and spa, recovery equipment, a meditation space, a hyperbaric oxygen chamber, an infrared sauna, a cold plunge tub, disease-detecting toilets and mirrors, beyond-premium filtration systems and circadian lighting, dramatic and awe-inspiring views, direct access to outdoor recreation, healthy food options, and private social wellness clubs. This is in stark contrast to the rest of the market, where many people are struggling to find starter homes and affordable rental housing. At the middle and lower end of the market, buyers are seeking a more basic range of wellness-supporting features: homes free from lead and mold; protection from air, noise, and light pollution; access to public transit; access to a grocery store; access to nature and green space; and a safe and stable community. In recent years, housing costs have risen significantly in desirable cities and suburbs all around the world, and home ownership is made more unattainable by inflation and rising interest rates.

**This housing gap and the desire for affordable and rental wellness homes represent important opportunities for new kinds of wellness real estate and business models.** Affordable wellness communities do not need expensive amenities. It is more important that they are built with

non-toxic materials, good ventilation, natural light, biophilic features, outdoor spaces, and pro-social public spaces for gathering, and are connected to a vibrant local economy. Developers can bring their expertise and partner with governments and communities to create wellness communities that will meet these different types of needs and priorities. In some places, careful guidance from local policymakers (via incentives or regulations) may be needed to encourage developers, designers, and builders to look beyond their “business as usual” approach and to invest the extra thoughtfulness, time, and money needed for creating wellness-supporting buildings and neighborhoods.

- **The regulatory environment for construction and urban planning frequently stands in the way of wellness real estate and healthier built environments.** Our understanding of how the built environment shapes our health and well-being has evolved rapidly in recent decades; however, the regulations governing how we build our homes, offices, retail, neighborhoods, and cities have not evolved at the same time. **Construction is mostly regulated at the local level, and in cities all around the world, there are regulations that prohibit healthier urban design and building practices** – for example, zoning, land use, and building codes that prohibit mixed-use, higher density developments; street design and parking rules that inhibit walkability and encourage car-dependency; exclusionary zoning laws that result in communities segregated by income, age, and race. When developers and builders have to jump through hoops or work against the system in order to build wellness real estate, they are far less likely to do so, because regulatory, permitting, and approval delays cost time and money.
- **An additional regulatory challenge is the rampant problem with building safety and poor building health all around the world.** In recent years, the global media has been filled with stories about illnesses and deaths related to unhealthy and unsafe built environments: the contaminated water crisis in Flint, Michigan; the condominium tower collapse in Surfside, Florida; the building collapses after the earthquake in southern Turkey; the high-rise fire from combustible building cladding in London, UK. Beyond these high-profile examples, the incidence of building-related ill-health and deaths is on the rise everywhere: “sick” office buildings; schools infected with mold; old buildings plagued by lead, asbestos, and other toxins; use of building materials that off-gas volatile organic compounds (VOCs) or contain other contaminants like chlorinated plastics and flame retardants; indoor air pollution from solid and gas cooking fuels in stoves. There are many reasons for these problems, including regulations not keeping up with current knowledge and needs, existing regulations not being enforced, and a massive lack of funding to remediate known problems. In addition, our current scientific knowledge of the linkages between environmental contaminants and health is rudimentary at best. For those seeking to build wellness real estate and create healthier built environments, addressing these challenges must be paramount – because **what good are all of the top-of-the-line wellness amenities if the very building we live/work in, or the materials used inside our homes, can make us sick or kill us?**

## Definitions: What we measure and what we do not

We define wellness real estate as ***buildings, neighborhoods, and communities that are proactively designed and built to support the holistic health of their residents, occupants, and visitors.***<sup>11</sup>

Following this definition, we measure the wellness real estate market by estimating ***expenditures on the construction of residential and commercial/institutional properties (including office, hospitality, mixed-use/multi-family, medical, and leisure) that incorporate intentional wellness elements in their design, materials, and building, as well as their amenities, services, and/or programming.***

Certifications and rating systems, such as the ones noted above, are becoming increasingly popular as developers are looking for templates and guidance for incorporating wellness design into their projects. Certifications are also a useful signal to tenants about what wellness features a building offers. Beyond these certifications, there is a vast and ever-growing array of wellness-focused buildings and real estate projects around the world, in both new developments and the redesign of existing properties. The diversity of the market is especially apparent in the residential space, where for over two decades, developers and builders have been experimenting with different ways to protect and enhance residents' health and well-being through the built environment. Many different types of wellness living concepts are being developed across all types of residential projects, including master-planned communities; multifamily projects (apartments and condominiums); urban districts and mixed-use projects; resort/spa/hospitality-based wellness real estate; affordable/subsidized housing; and other wellness concepts based on eco-communities, co-living, senior living, and more.

Our measurement of the wellness real estate market tries to capture these developments, and it is important to note that **wellness real estate is not limited to those developments that have obtained certifications.** Wellness real estate is extremely diverse, and it is not possible to create a checklist of what we do and do not count as “wellness real estate” when we estimate the size of this market. Wellness real estate concepts can encompass many different elements that address different aspects of our health and well-being, including some or all of the following:

- **Physical wellness:** Both passive and active design features enhance occupants' physical health and encourage physical activity. Materials, fixtures, and furnishings are non-toxic and health-enhancing, ensure clean air and water, and support good sleep. Design, amenities, and services encourage exercise, active recreation, active transportation (walking, cycling, etc.) and other healthy behaviors. Residents have easy access to healthy foods as well as preventive health/wellness services. *Examples: fitness/wellness facilities; walking trails; parks and playgrounds; car share; bike racks; circadian lighting; thermal comfort; air circulation; etc.*

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<sup>11</sup> GWI defined and measured wellness real estate for the first time in the 2018 research report, *Build Well to Live Well*. In that report, we focused more narrowly on “wellness lifestyle real estate” or the residential portion of the market. In this report, we use a broader definition to measure the sector, encompassing both residential and commercial/institutional properties. See: Global Wellness Institute (2018). *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities*. <https://globalwellnessinstitute.org/industry-research/wellness-real-estate-communities-research/>.

- **Social wellness:** Social connections are facilitated through the design of living spaces, public/common spaces, and amenities/services/programming. Residents are encouraged to get to know their neighbors. Location, transportation, and convenience features in the project design may provide residents with more time to spend on social activities. *Examples: layout and circulation of floor plans; multigenerational units; common/public spaces; community events/programs; etc.*
- **Mental/emotional/spiritual wellness:** Project, design, amenities, and services facilitate residents' mental, emotional, and spiritual wellness by encouraging connection with nature and animals (biophilia), connection to culture and traditions, connection to beauty, and connection to a greater purpose. The design may provide space and support for contemplation, rest, and solace; encourage residents to pursue personal hobbies, interests, and spiritual practices; and support residents in managing technology and work/life balance. An emerging understanding of how our minds respond to multiple senses (sight, sound, scent, and feel) will increasingly inform mental wellness design in the future. *Examples: natural, biophilic, or aesthetic design and materials; green space and water features; public art; meditation spaces; etc.*
- **Environmental wellness:** Materials, design, and construction are non-toxic, renewable, waste-reducing, energy efficient, natural/organic, and/or locally sourced. The design encourages residents to adopt a lifestyle that is sustainable and regenerative, supporting behaviors such as use of public and alternative transit (less driving), reduce/reuse/recycle, community gardening and local food production, conservation of natural resources, and preservation of green space and animal habitats. With the rise of extreme weather, climate-adaptive features that enhance resilience will emerge in future wellness real estate design. *Examples: preserved open space/wetlands; clean/green energy and energy-independent communities; green roofs and heat-reflecting materials; recycling and composting programs; native or edible landscaping; community garden or community supported agriculture (CSA); etc.*
- **Community wellness:** By design, the project or community supports and embraces diversity (e.g., mixed-use, mixed incomes, mixed ages, and diverse races and cultures). Residents are encouraged to engage with and care about the wider community and people outside their immediate social spheres. Design of living spaces, public/common spaces, and amenities/services facilitates strong social capital, trust, and civic engagement. *Examples: scale and situation of homes relative to others; connectivity and flow of streets; diverse housing types/prices; public plaza/parks; community center; community events and programs; etc.*
- **Economic/financial wellness:** The community enables residents to conduct their daily activities, such as work, school, shopping, recreation, etc. within a short distance and with different transportation options. Housing in the community is affordable at a variety of income levels, and residents have an opportunity for upward mobility over time. *Examples: mixed-use planning/zoning; walkable "town center" and schools; live-work units; co-working facilities; affordable housing policy; public transit planning; etc.*

**It is important to recognize that healthy communities and health/wellness in the built environment do not always require purpose-built wellness real estate.** While we do not specifically measure these as part of our wellness real estate data, “wellness communities” can and do exist independently from wellness real estate in many places around the world. For example, the “Blue Zones” are communities identified around the world that exemplify the critical habits, values, and lifestyles leading to a long, healthy, and happy life.<sup>12</sup> In Japan, dozens of cities participate in a Smart Wellness City initiative, where local governments support healthy aging in the community by improving parks, sidewalks, and city aesthetics; developing community fitness programs; making more digital health tools available; and investing in public transit and walkability to promote active transportation and socialization.<sup>13</sup> The Wellness Valley in Romagna, Italy, is a self-branded wellness district that links thousands of local businesses, organizations, and individuals together to provide services, programming, and events that encourage exercise, sports, mind-body health, slow food, and connections to nature and culture.<sup>14</sup> **All these communities provide a collective culture and lifestyle of wellness for their residents, bringing many similar benefits to wellness real estate, without having to invest in intentional, purpose-built developments.**

When governments invest more in health-enhancing and environment-protecting infrastructure at the neighborhood, community, city, and regional levels, purpose built/privately developed wellness real estate may become less necessary. These kinds of public investments can include active design, public transit, public parks, trails, sports and recreation facilities, community centers, community events, and much more. However, until populations around the world have direct access to these kinds of healthy built environments, wellness real estate will continue to see rising demand and adoption in the foreseeable future.

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<sup>12</sup> See: Buettner, D. (2016, November 10). *Power 9®: Reverse Engineering Longevity*. <https://bluezones.com/2016/11/power-9/>.

<sup>13</sup> See: <http://www.swc.jp/>

<sup>14</sup> See: <https://www.wellnessfoundation.it/wellness-valley/>



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