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EMPOWERING WELLNESS WORLDWIDE

Global Wellness Economy Monitor

OCTOBER 2018

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ABOUT THE AUTHORS

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

ABOUT THE AUTHORS

The *Global Wellness Economy Monitor* was prepared by Ophelia Yeung and Katherine Johnston, Senior Research Fellows at the Global Wellness Institute. Together, they have four decades of experience leading research and strategy development for businesses, universities, research institutions, and multilateral and government organizations under the auspices of SRI International, a Silicon Valley-based technology and innovation company. Since 2008, Ms. Yeung and Ms. Johnston have worked with the team at what has become the Global Wellness Institute to pioneer groundbreaking research on the global wellness economy and its subsectors. They were assisted in this research by Tonia Callender, GWI Research Fellow.

Global Wellness Economy Monitor

Executive Summary

OCTOBER 2018

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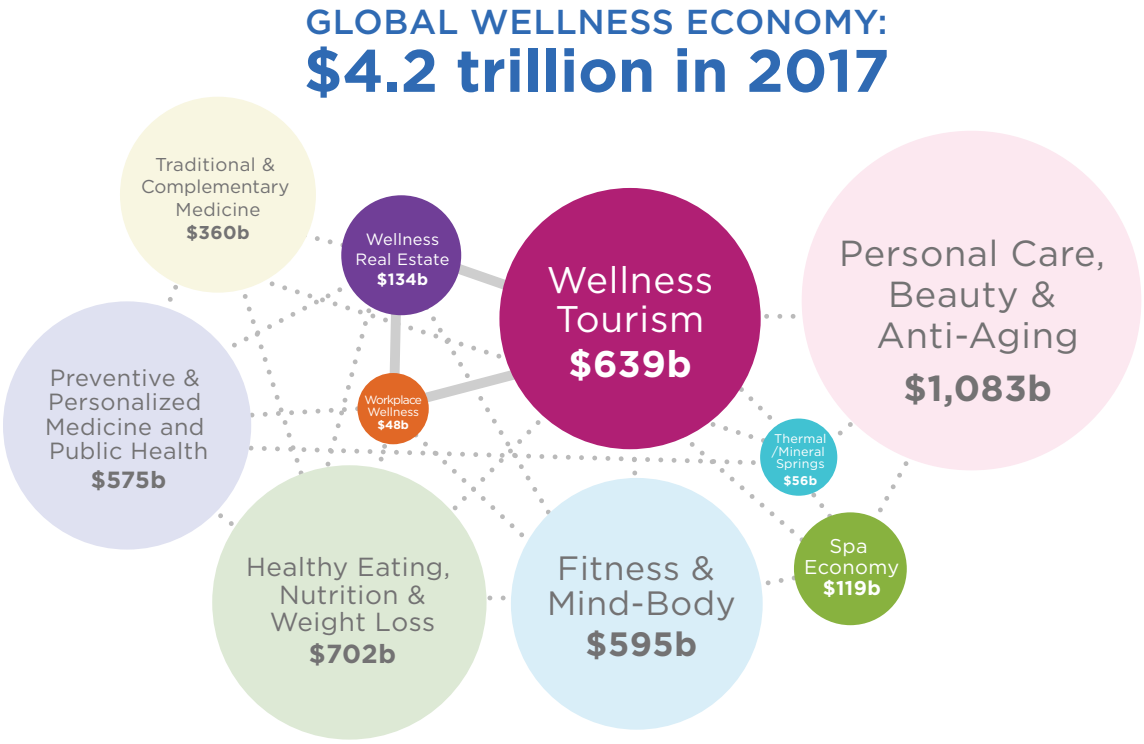
EMPOWERING WELLNESS WORLDWIDE

EXECUTIVE SUMMARY

Valued at $4.2 trillion in 2017, the wellness economy continues to expand faster than global economic growth.

The Global Wellness Institute (GWI) defines wellness as t***he active pursuit of activities, choices, and lifestyles that lead to a state of holistic health.*** In 2014, GWI published the first Global Spa & Wellness Economy Monitor, measuring the size of the global wellness economy for the first time. ***The wellness economy encompasses industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives.*** We include ten sectors in the global wellness economy (see figure below), which together are worth $4.2 trillion in 2017, representing 5.3% of global economic output.[1] By comparison, global health expenditures were estimated at $7.3 trillion in 2015.[2] From 2015-2017, the wellness economy grew from $3.7 trillion to $4.2 trillion, or by 6.4% annually, a growth rate nearly twice as fast as global economic growth (3.6%).[3]



Note: Numbers do not add due to overlap in segments. Dark colored bubbles are the sectors for which GWI conducts in-depth, country-level primary research. Light colored bubbles are sectors for which GWI aggregates global estimates only, drawing from secondary sources. Source: Global Wellness Institute.

[1] See *Appendix A* for definitions of the ten wellness economy sectors.

[2] Global health expenditures data from: WHO, *Global Health Expenditures Database,* http://apps.who.int/nha/database/Home/Index/en. 2015 is the most recent year available.

[3] Global GDP data from: IMF, *World Economic Outlook Database,* April 2018 Edition, https://www.imf.org/external/pubs/ft/weo/2018/01/weodata/index.aspx.

Since 2014, GWI has extended its detailed market estimates to include five wellness economy sectors: *Wellness Real Estate*, *Workplace Wellness*, *Wellness Tourism*, *Spa,* and *Thermal/Mineral Springs*. For the other five sectors, we aggregate secondary global industry data from multiple sources to arrive at the estimated market size. This report provides original data and discusses the development and prospects of the five wellness sectors that GWI tracks in detail.

Wellness Economy Sectors, 2015 and 2017

	Market Size (US$ billions)		Average Annual Growth Rate
	2015	**2017**	**2015-2017**
Personal Care, Beauty, & Anti-Aging	$999.0	$1,082.9	4.1%
Healthy Eating, Nutrition, & Weight Loss	$647.8	$702.1	4.1%
Wellness Tourism	$563.2	$639.4	6.5%
Fitness & Mind-Body	$542.0	$595.4	4.8%
Preventive & Personalized Medicine and Public Health	$534.3	$574.8	3.7%
Traditional & Complementary Medicine**	**$199.0	**$359.7	**
Wellness Real Estate***	$118.6	$134.3	6.4%
Spa Economy *(Spa Facilities)*	$98.6 *($77.6)*	$118.8 *($93.6)*	****9.8% ****(9.9%)*
Thermal/Mineral Springs	$51.0	$56.2	4.9%
Workplace Wellness	$43.3	$47.5	4.8%
Wellness Economy	***$3,724.4**	***$4,220.2**	**6.4%**

** Figures do not sum to total due to overlap in segments.*

*** The definition and measurement of this sector has changed from 2015 to 2017, and so the two numbers should not be directly compared as a time series. In 2017 we have incorporated an expanded measurement of traditional medicine into this sector (e.g., Traditional Chinese Medicine, Ayurveda, etc.) due to improved global data availability on those segments. The nomenclature for this sector is evolving alongside growing consumer adoption of traditional/indigenous, complementary, alternative, and integrative medical practices outside of the conventional/Western medical system.*

**** The name for this sector has changed from 2015 to 2017, based on the methodology elaborated in GWI's recent "Build Well to Live Well" report. It is now labelled "wellness real estate" to emphasize that the measurement includes residential AND commercial/institutional building, as opposed to "wellness lifestyle real estate" (which focuses on the residential component).*

***** The high growth rate for spa revenues is not entirely due to new builds, but also due to a dramatic increase in the number of hotels/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries.*

Source: Global Wellness Institute, based upon extensive primary research and secondary data sources

The environments in which we live, work, and travel are critical yet largely underappreciated determinants of our wellness.

Our health is a result of complex interactions among genetic factors and numerous interrelated external determinants (e.g., socio-economic factors, our physical environment, access to healthcare). These external factors form a complex "wellness ecosystem"[4] that can augment or reduce the impacts of our genes. What may be surprising from recent research findings is that genetics may account for as little as 10-15% of our health outcomes, while external and environmental factors play a much more important role.[5] There is ample and growing evidence that our health and longevity are greatly affected by the physical environments in which we live, work, and travel, and yet these environments continue to receive scant attention from the medical community. This lopsided investment calculus needs to change. To combat the growing epidemic and escalating costs of chronic disease, we must address the many aspects of our daily environments that drive our individual and collective health and wellbeing.

Wellness sectors are no longer siloed industries. They will increasingly converge as we integrate wellness into our homes and communities, our work, and our travel.

All ten wellness sectors are dynamic and interconnected, intrinsically linked to the wellness economy as a whole. In the face of longer lifespans, rising chronic disease, stress, and unhappiness, we are reexamining our lives and refocusing our attention on what makes us well – particularly the places and manner in which we live, work, and travel. The wellness economy mirrors those shifting priorities, alongside a growing recognition of the critical impact of external environments on our health and wellbeing. Among the ten wellness economy sectors, three of them represent those critical, interrelated environments in which we live our daily lives – *wellness lifestyle real estate and communities* (live)*, workplace wellness* (work)*, and wellness tourism* (travel). However, the other seven wellness sectors do not operate independently from, or outside of, these spheres. They are all essential components of a **"wellness ecosystem"** that nurtures a lifestyle of wellbeing and longevity, because we consume wellness goods and services in the homes and communities where we live, where we work, or when we travel. As we integrate wellness into all aspects of our daily lives, we can expect increasing convergence of all wellness sectors into these three core spheres, through acquisitions, partnerships, horizontal/cross-category expansions and innovations, and emergence of new business models.

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[4] See: Institute of Medicine (2006). *Genes, Behavior, and the Social Environment: Moving Beyond the Nature/Nurture Debate.* Washington, DC: The National Academies Press.

[5] See: Global Wellness Institute (2018). *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities.*

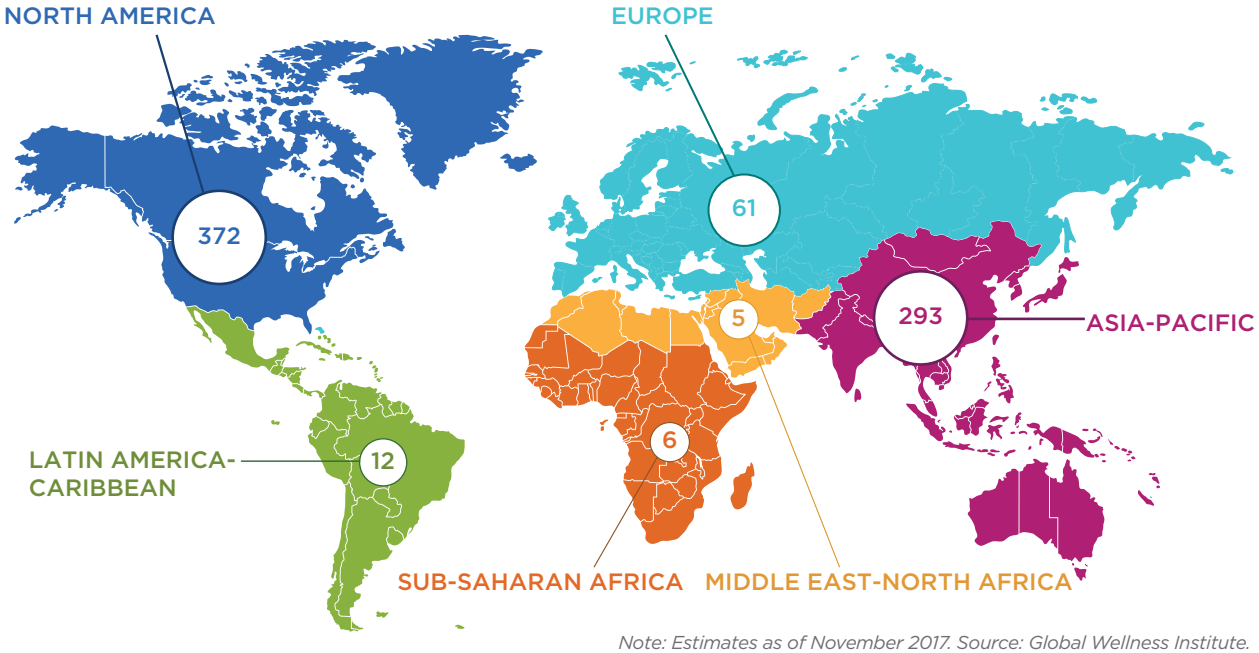
Wellness real estate is a fast-growing $134 billion industry, buoyed by rising health consciousness and a desire to bring wellness into the places where we spend the majority of our time.

Earlier in 2018, GWI unveiled the research report Build Well to Live Well, where we defined wellness real estate as ***the construction of residential and commercial/institutional properties that incorporate intentional wellness elements into their design, materials, and building as well as their amenities, services, and/or programming.*** GWI estimates that the global wellness real estate sector is worth $134 billion in 2017, growing at 6.4% annually since 2015. For comparison, this is about 1.5% of the total annual global construction market and about half the size of the global green building industry.[6] Note that wellness real estate is broader than (but encompasses) wellness lifestyle real estate, which focuses on the residential component.[7]

GWI's research found more than 740 wellness lifestyle real estate and community developments built, partially built, or in development, across 34 countries as of November 2017, and this number is growing every day. These include master-planned communities, multi-family housing, urban districts and mixed-use projects, resort- and spa-based real estate, and other types of projects around the world.

Wellness Lifestyle Real Estate Pipeline in 2017:

Over **740** projects across **34** countries



Note: Estimates as of November 2017. Source: Global Wellness Institute.

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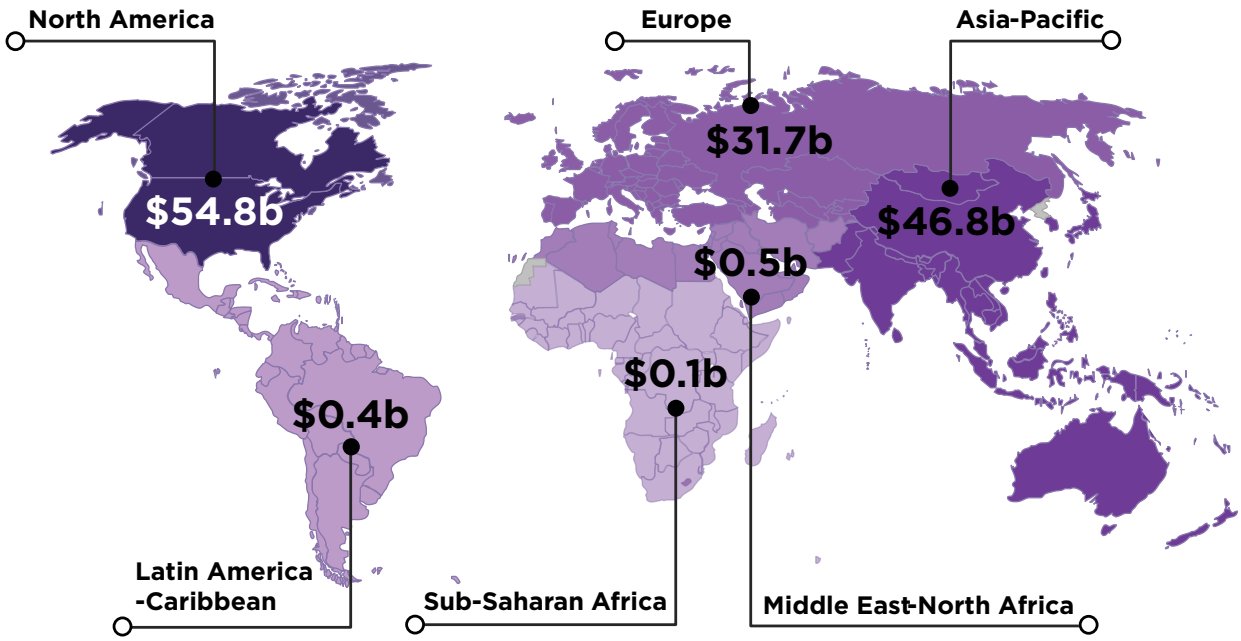
[6] U.S. Green Building Council (2015). *The Business Case for Green Building.* https://www.usgbc.org/articles/business-case-green-building.

[7] Because it is impossible to separate out the residential and non-residential components in commercial/institutional projects (e.g., mixed-use, hospitality, etc.), GWI estimates *wellness real estate* in aggregate, although the focus in this report is on the residential component or *wellness lifestyle real estate*.

Around the world, there is rising consumer interest in extending our wellness experiences from our vacation destinations and leisure activities to our homes and everyday lives. For most of us, our home represents our most important personal investment and one of our largest expenditures (about 20% of all consumer spending, or more than $9 trillion in 2017[8]), so it is only logical that our home should also be an investment in our health and wellbeing. Based on strong demand, GWI estimates that wellness lifestyle real estate and community projects positioned at the middle and upper ends of the market are currently achieving price premiums of 10-25%. The United States, along with a few key countries in Asia (China, Australia, India) and Europe (UK, Germany), account for three-quarters of the global wellness real estate market.

Wellness Real Estate Market by Region, 2017

Size of wellness real estate market



Source: Global Wellness Institute

[8] Global Wellness Institute analysis of global consumer expenditures data from Euromonitor International.

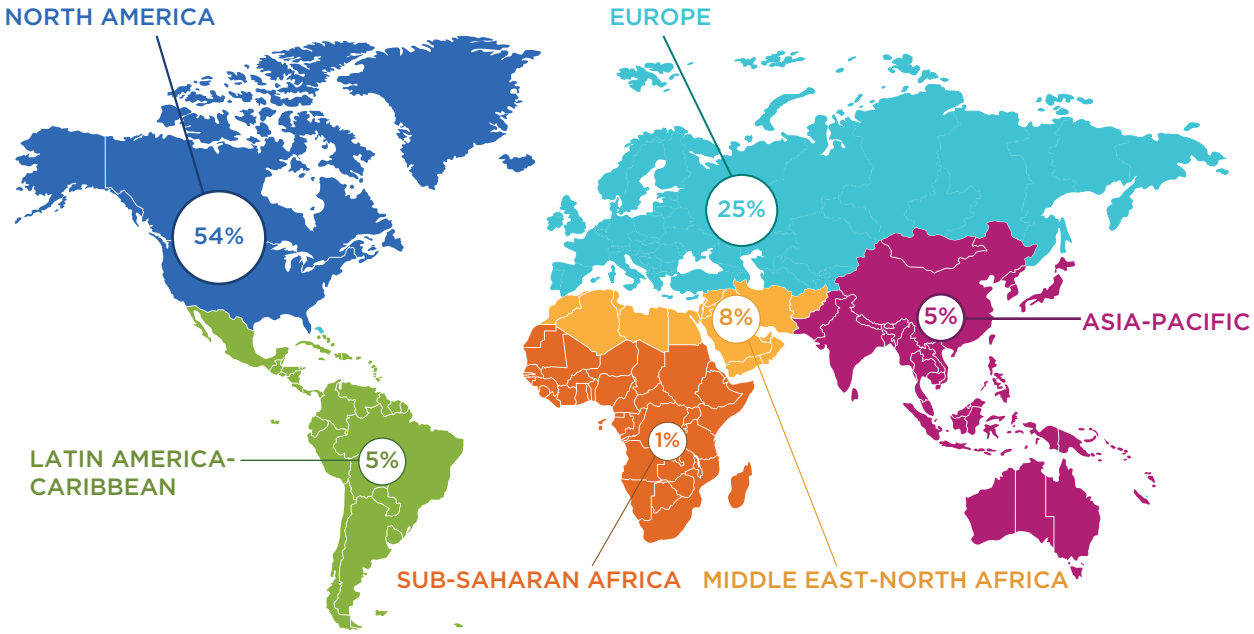
Valued at $48 billion, the workplace wellness market is small in comparison to the massive economic burden and productivity losses associated with an unwell workforce and widespread worker disengagement.

GWI measures the size of the global workplace wellness industry by estimating the ***expenditures made by employers to improve employee wellness.*** These include a wide variety of services, products, and platforms, such as health screening assessments, diagnostic tests, incentive programs, wearable devices, counseling services, etc., and they serve a wide range of needs, from exercise, healthy eating, and sleep, to chronic illness, obesity, addiction, depression, and stress. GWI estimates that this market grew by 4.8% annually over the past two years to reach $47.5 billion in 2017 (as compared to $43.3 billion in 2015).

However, this market is very small when compared to the economic burden of an unwell workforce – a cost estimated by GWI at 10-15% of global economic output (factoring in the medical costs and productivity losses caused by chronic diseases, work-related stress, injuries and illnesses, and disengagement).[9] Globally, less than 10% of the workforce benefits from workplace wellness initiatives, primarily those who live in the world's wealthiest economies or work for large or multinational companies. The majority of workers around the world are more concerned with meeting basic needs, such as earning a living wage, job stability, workplace safety, and access to basic healthcare.

Access to Workplace Wellness in 2017

Only **10%** of the world's workers have access to workplace wellness programs & services



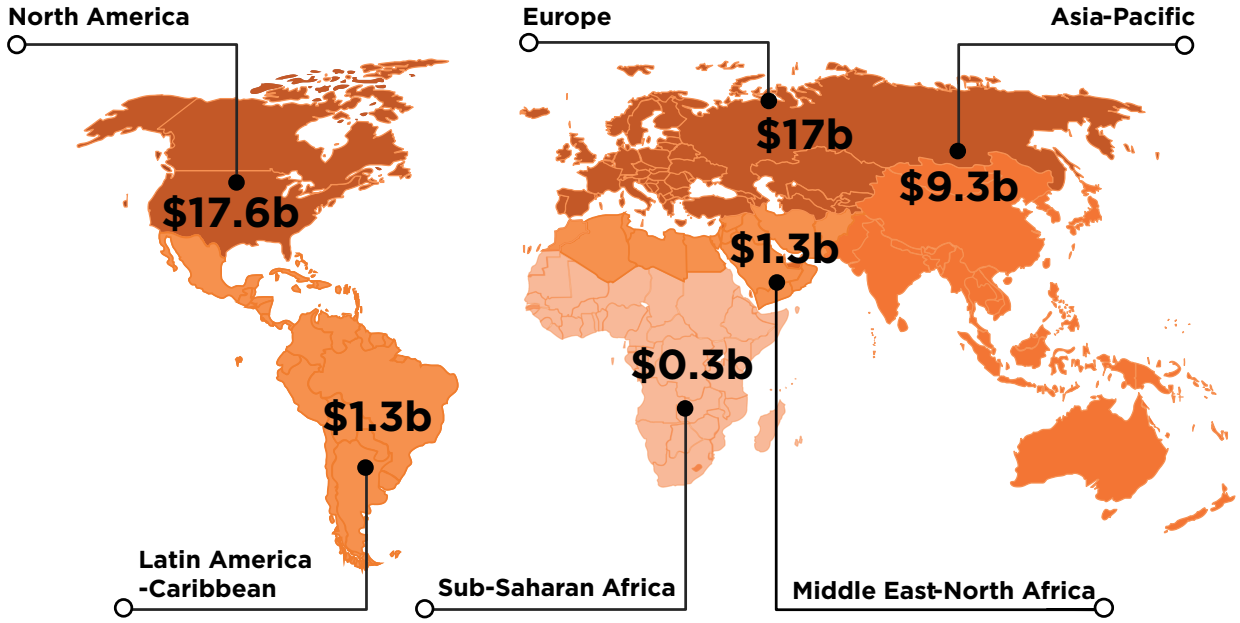
Percent of employed workers in each region who have access to workplace wellness programs/services.

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants.

Overall, the global market for workplace wellness is concentrated in the high-income countries in North America, Western Europe, and Asia. Together, the top twenty markets in workplace wellness account for nearly 84% of global spending. Much of this spending is motivated by employers' desire to lower healthcare costs; improve morale, retention, and recruitment; and increase productivity and competitiveness. The United States remains by far the world's largest market for workplace wellness expenditures, estimated at more than $15 billion in 2017. Since the healthcare burden is mostly borne by employers in the United States, U.S. companies have the strongest incentives to control escalating medical costs while also improving productivity.

Workplace Wellness Market by Region, 2017

Employer expenditures on workplace wellness programs/services



Source: Global Wellness Institute.

[9] Global Wellness Institute (2016). *The Future of Wellness at Work.*

At $639 billion, wellness tourism is a significant and fast-growing segment of global tourism.

In the 2013 *Wellness Tourism Economy* inaugural study, GWI defined wellness tourism as ***travel associated with the pursuit of maintaining or enhancing one's personal wellbeing*** and measured its global size for the first time. Fast-forward five years, wellness tourism is now recognized as a significant and fast-growing tourism segment. Globally, wellness tourism has expanded from $563.2 billion in 2015 to $639.4 billion in 2017. The sector's 6.5% annual growth rate from 2015-2017 is more than double the 3.2% growth rate for general tourism. Travelers made 830 million wellness trips in 2017, which is 139 million more than in 2015.

Wellness tourism creates opportunities for wellness businesses and other businesses. The expenditures of wellness travelers benefit all travel industry segments (see figure below). While some expenditures are made on wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), others are "generic" travel expenditures (such as transportation, food and lodging, shopping, etc.). As more consumers incorporate wellness into their lifestyles, there are many opportunities for all businesses to infuse wellness into their offerings and capture spending by wellness travelers.

Wellness Tourism Industry in 2017

Data combine both inbound/international and domestic wellness tourism spending, and also include both primary and secondary wellness trips.

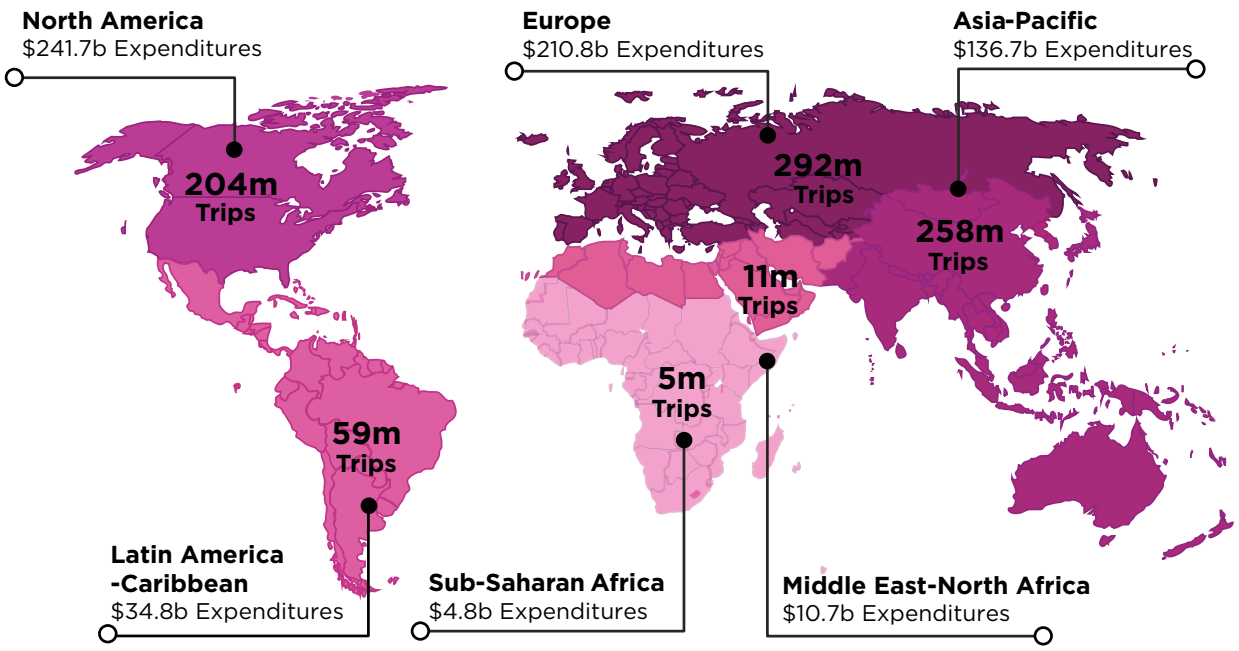
Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International.

The wellness tourism market includes two types of travelers: those who are motivated by wellness to take the trip or choose the destination ***(primary wellness travelers)*** and those who seek to maintain wellness or engage in wellness activities during travel ***(secondary wellness travelers)***. The bulk of wellness travel is done by secondary wellness travelers, who account for 89% of wellness tourism trips and 86% of expenditures in 2017. Wellness tourism is also high-yield tourism. GWI estimates that international wellness travelers spend at a 53% premium (over the average international tourist), while domestic wellness travelers spend at a 178% premium (over the average domestic tourist).

The rapid growth of wellness tourism around the world has been stimulated by a rising global middle class, increasing consumer desire to adopt a wellness lifestyle, and a growing interest in experiential travel. Across the world, Europe remains the destination for the largest number of wellness trips. North America continues to lead in wellness tourism expenditures because average spending per trip is higher. In the past five years, Asia has made the most gains in the number of wellness trips and wellness tourism expenditures, with demand stimulated by strong economies and an expanding middle class.

Wellness Tourism by Region, 2017

Number of wellness tourism trips and expenditures (inbound and domestic)



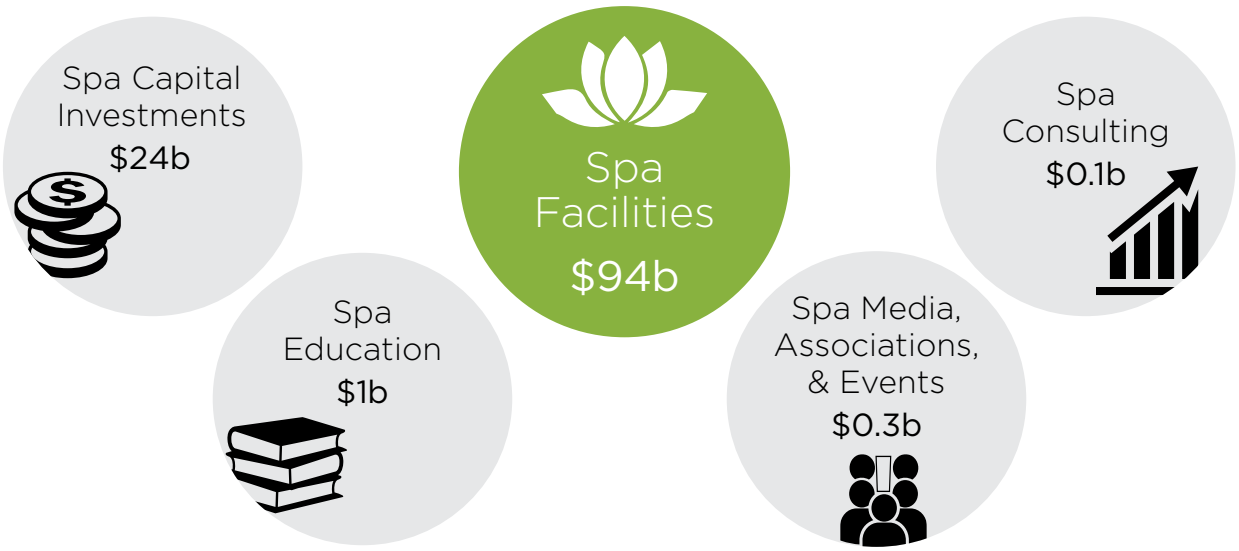
Source: Global Wellness Institute.

The $119 billion spa economy has grown in number of facilities, revenues, and employment, driven by strong economic growth and rising consumer interest in wellness.

Ten years ago, GWI unveiled The Global Spa Economy 2007 study, where we defined spas as ***establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit.*** In 2017, GWI estimates that the number of spas has grown to over 149,000, earning $93.6 billion in revenues and employing nearly 2.6 million workers. This represents 9.9% annual revenue growth, which is much higher than the pace observed in the previous two-year period. The main drivers of the spa industry are rising incomes, rapid growth of wellness tourism, and an increasing consumer propensity to spend on all things related to wellness.

The broader spa economy encompasses not only spa facility revenues, but also sectors that support and enable spa businesses, including capital investment; consulting; training of spa therapists and education of managers; and associations, media, and events businesses that promote spas. In 2017, these related sectors added $25.2 billion to the spa facility revenues of $93.6 billion, to create a $118.8 billion global spa economy.

Spa Economy: $119 billion in 2017

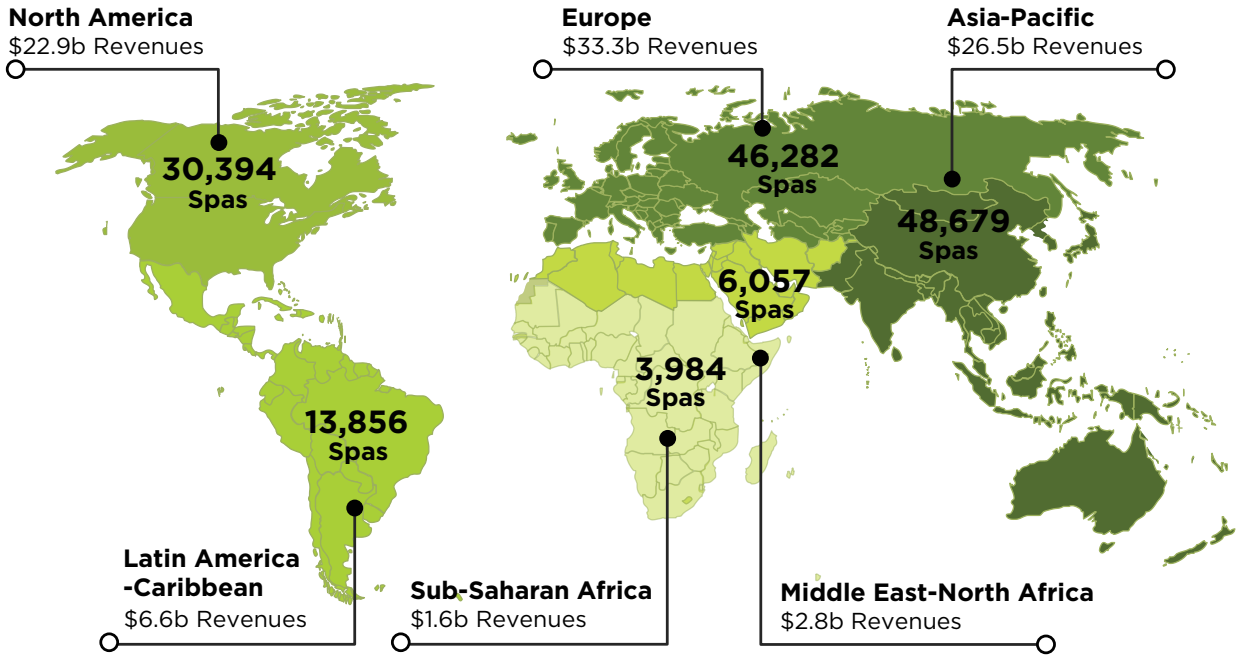


Note: Figures may not sum to total due to rounding.
Source: Global Wellness Institute

Asia-Pacific is home to the largest number of spas and also added the greatest number of new spas from 2015-2017. Europe led in total spa revenues in 2017. Across the world, the spa industry remains quite concentrated in the top markets. The top five countries (United States, China, Germany, Japan, and France) account for 48% of global revenues, while the top twenty countries represent 77% of the global market. However, the industry is becoming slightly more dispersed over time. In 2017, 18 countries had annual spa revenues exceeding $1 billion, and Indonesia and Australia each surpassed the $1b threshold for the first time.

Spa Facilities by Region, 2017

Number of spas and spa facility revenues



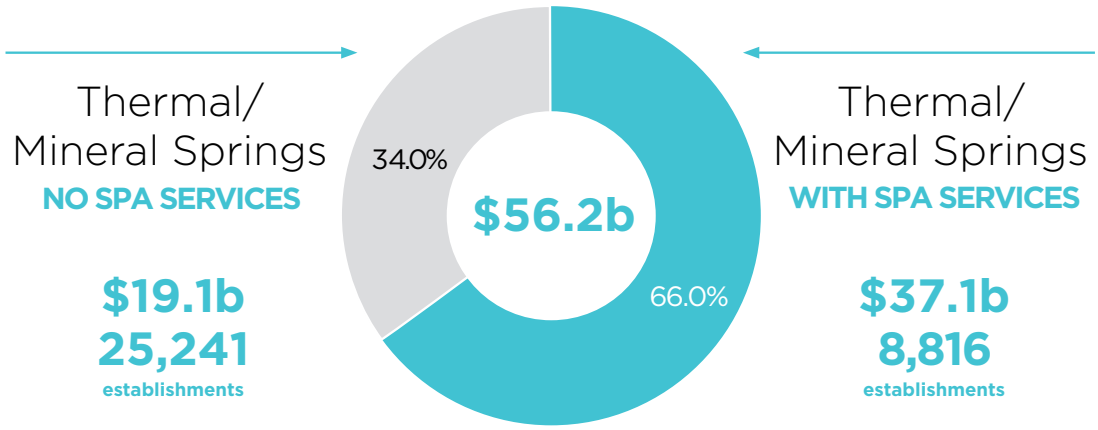
Source: Global Wellness Institute.

The $56 billion thermal/mineral springs industry has continued its strong growth as consumers turn to water for relaxation, community, and healing.

GWI defines the thermal/mineral springs industry as encompassing ***revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties.*** Consistent with that definition and previous methodologies, we estimate that there are 34,057 thermal/mineral springs establishments operating in 127 countries. These businesses earned $56.2 billion in revenues in 2017, and they employed an estimated 1.8 million workers.

The majority of thermal/mineral establishments around the world are rustic and traditional bathing and swimming facilities. They target their local markets and charge relatively low admission fees. About a quarter of the establishments are higher-end, targeting tourists and offering value-added spa services. Those that offer spa services account for a much greater share of industry revenues (66%), and also experienced higher revenue growth (7.4% average annual growth versus 0.5% for those without spa services, over 2015-2017).

Thermal/Mineral Springs Industry in 2017



Note: The thermal/mineral springs revenue estimates include all revenues earned by these establishments, from bathing/ swimming offerings, spa/wellness services and other treatments, other recreational activities, food & beverage, lodging, and other services. See Appendix A for additional definitions and descriptions of categories.

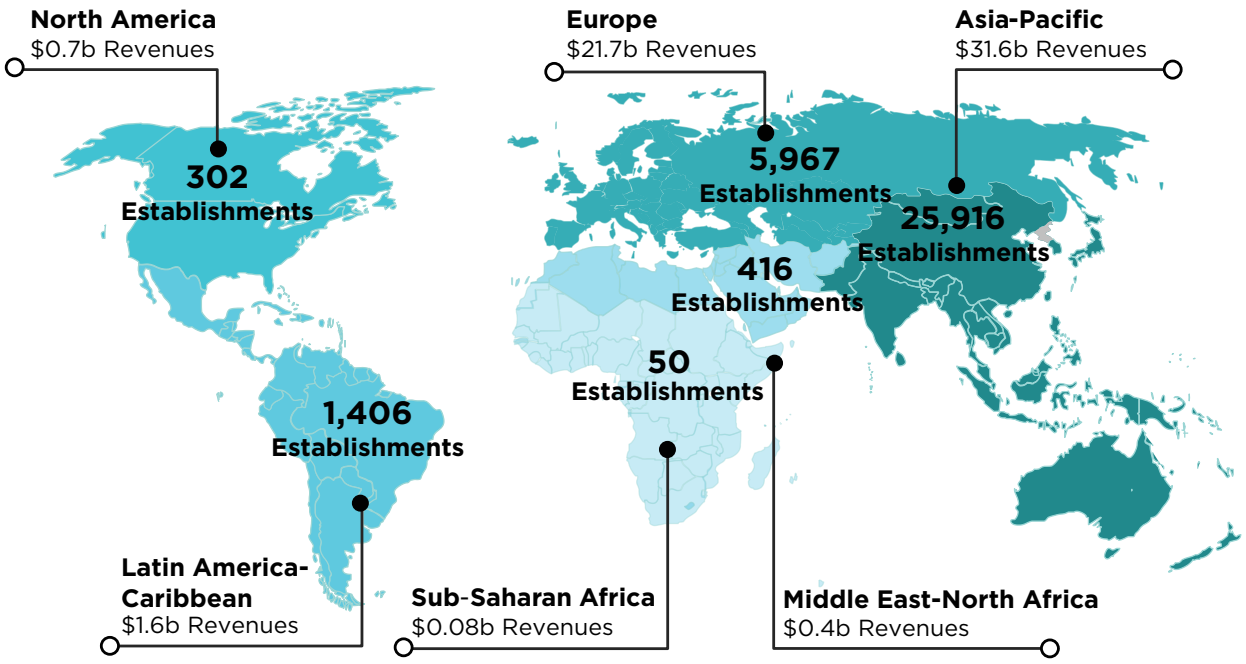
Source: Global Wellness Institute

The thermal/mineral springs industry is heavily concentrated in Asia-Pacific and Europe, reflecting the centuries-old history of water-based healing and relaxation in these two regions. Together, Asia-Pacific and Europe account for 95% of industry revenues and 94% of establishments.

Thermal/mineral springs bathing experiences appeal to a growing segment of consumers who are seeking to connect with nature, experience cultural traditions, and pursue alternative modalities for healing, rehabilitation, and prevention. Responding to these trends, both private investors and governments across many countries are investing in the sector. In countries with long-established thermal bathing traditions, governments are increasingly promoting these as a key wellness tourism offering. They are investing in renovation and reopening of primitive, outdated, and closed-down facilities, as well as upgrading service standards and training to meet the expectations of international tourists.

Thermal/Mineral Springs by Region, 2017

Number of thermal/mineral springs establishments and revenues



Source: Global Wellness Institute.

GWI predicts that the wellness economy will continue to grow at a healthy pace over the next five years and will expand its share of the global economy.

Within a relatively short span of time, wellness as a holistic concept has become more broadly understood and adopted all around the world. And there is no sign that this movement is slowing down. For the next five years, GWI projects robust growth in the five wellness sectors we track in detail (see table below), based on our own data sources and estimation models. We also believe the three sectors that represent the three core spheres of life will have the strongest growth – *wellness real estate*, *workplace wellness*, and *wellness tourism* – while the other wellness sectors will continue to grow as they support the integration of a wellness lifestyle into all aspects of our daily lives.

Wellness Sector Growth Projections, 2017-2022

	Projected Market Size (US$ billions)		Projected Average Annual Growth Rate
	2017	**2022**	**2017-2022**
Wellness Real Estate	$134.3	$197.4	8.0%
Workplace Wellness	$47.5	$65.6	6.7%
Wellness Tourism	$639.4	$919.4	7.5%
Spa Facilities	$93.6	$127.6	6.4%
Thermal/Mineral Springs	$56.2	$77.1	6.5%

Source: Global Wellness Institute estimates, based upon economic and industry sector projections from the IMF, ILO, Euromonitor, and GWI's data and projection model

However, an industry that focuses primarily on the wealthiest customers is addressing a limited market and may face a backlash.

As the wellness economy grows, there is simultaneously a growing perception that most of the latest products, services, technologies, and innovations are catering to the wealthiest consumers. For the wealthy, there are now a plethora of options – superfoods, boutique studios, wellness resorts, alternative healing modalities, DNA testing, sleep aids, micro-procedures, injectable/edible substances, gadgets, and more – to aid in their quest to feel good and be "forever young," or better yet, immortal. Meanwhile, income inequality is rising across the world, and poor people are growing sicker and more depressed, and are dying younger than those who are more well off.

So, it is not surprising that global conversations about wellness mirror this bifurcation of wealth and wellbeing. On one end, there is an intense race to promote the latest, most exclusive, and sophisticated offerings to the wealthy, such as housing, vacations, technologies, experiences, lifestyles, and even life transformations. On the other end, there is a media ready to ridicule and vilify the latest wellness businesses, modalities, and innovations as yet another sign that the privileged "one-percenters" are narcissistic and out of touch with the rest of humanity. In a free market, it is a business's prerogative to pursue whichever consumer markets and segments they consider promising and profitable. Collectively, however, the wellness market will not be healthy and sustainable if this polarization continues or worsens, possibly leading to a stagnant or shrinking customer base.

Focusing on the "we" of wellness can be a winning value proposition for customers, employees, investors, and other stakeholders.

One consistent finding from our ten years of wellness economy research – from wellness tourism and workplace wellness to wellness communities and lifestyle real estate – is the evolution of wellness from a personal aspiration to an emerging value system that recognizes our connection to the collective. Our individual health and wellbeing are inextricably linked to the wellbeing of other people, our communities, and the planet. We cannot be truly well if we confine our existence to a personal wellness bubble. For wellness economy businesses, this means more than philanthropy or corporate social responsibility. In the marketplace, customers increasingly make decisions based on emotions and their value systems: Does the brand story resonate with what I care about? What are the environmental and social consequences of my purchase? A company whose true compass is wellbeing for all delivers a much more powerful emotional story that will appeal to this growing segment of consumers.

At the same time, widespread disengagement has left a vast majority of the global workforce feeling disaffected, unmotivated, and unhappy at work – threatening business competitiveness and success. Research has shown that our discretionary efforts are tied to our intrinsic motivations, which, in turn, are driven by a sense of purpose, autonomy, personal growth, and teamwork. This is reinforced by findings from an expanding field of happiness research: We are much more likely to feel happy and fulfilled when we give, help others, contribute to something larger than ourselves, and feel that the world is fair. Companies whose mission is to bring wellness to the people who need it the most – rather than targeting the privileged few – will offer a more compelling case for their teams to infuse their daily work with meaning and purpose. Ultimately, it is the creativity, passion, energy, and commitment of motivated people that will deliver for customers, business owners, and investors.

Global Wellness Economy Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$134.3 billion (6.4% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
over 740 projects in 34 countries

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
321.7 million (9.8% of employed workers)

Expenditures on Workplace Wellness:
$47.5 billion (4.8% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
830.0 million (9.6% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$639.4 billion (6.5% CAGR from 2015-2017)

Average Expenditure per Trip:
$1,528 for intl./inbound (53% premium);
$609 for domestic (178% premium)

Spas

Number of Spas:
149,252 (10.8% CAGR from 2015-2017)

Spa Revenues:
$93.6 billion (9.9% CAGR from 2015-2017)

Spa Employment:
2,594,507 (9.8% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
34,057 (11.3% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$56.2 billion (4.9% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
1,772,775 (13.1% CAGR from 2015-2017)

Global Wellness Economy Monitor

Full Report

OCTOBER 2018

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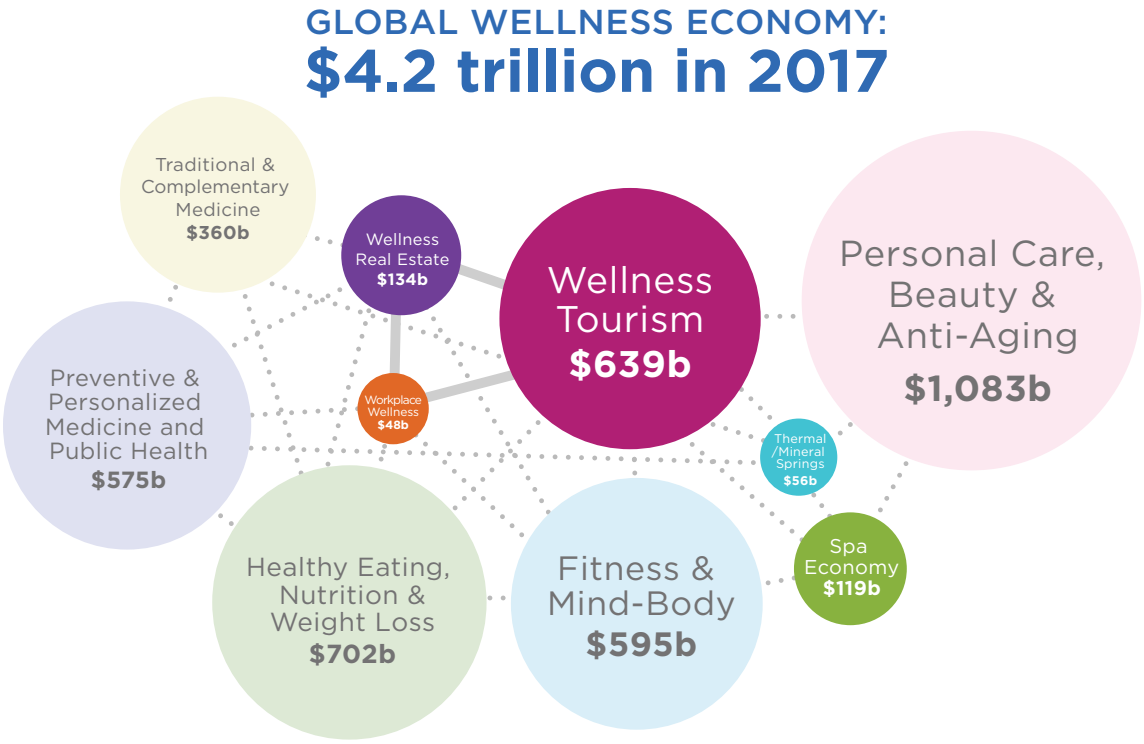
I. THE GLOBAL WELLNESS ECONOMY

Valued at $4.2 trillion in 2017, the wellness economy continues to expand faster than global economic growth.

Wellness is a word that was not used or heard often just ten years ago. Yet, in a short span of time, it has become embedded in the mainstream consumer lifestyle and ubiquitous in media and retail. Wellness is now a differentiator or selling point for all kinds of products, services, and technologies – from food supplements to vacations, from furniture to DNA testing, from gym memberships to hotel rooms. However, despite the popularity of wellness branding, there are important questions. Is wellness the answer to unsustainably rising healthcare costs? Would higher consumer spending on wellness reduce or displace some of the spending on medical/sick care? Clearly, the potential of, and the opportunities offered by, the wellness economy are of great interest to consumers, entrepreneurs, investors, and policymakers.



Note: Numbers do not add due to overlap in segments. Dark colored bubbles are the sectors for which GWI conducts in-depth, country-level primary research. Light colored bubbles are sectors for which GWI aggregates global estimates only, drawing from secondary sources. Source: Global Wellness Institute.

The Global Wellness Institute (GWI) defines wellness as ***the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health.*** Wellness is multi-dimensional and preventive; it relies on individual responsibility to integrate a holistic health paradigm into everyday life – how we live, eat, work, play, travel, maintain vitality, deal with stress, and respond to the first signs of illness.

In 2014, GWI published the first *Global Spa & Wellness Economy Monitor,* measuring the size of the global wellness economy for the first time. ***The wellness economy encompasses industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives.*** GWI includes ten sectors in the wellness economy[10], and we develop original estimates for five of these sectors, including *Spa, Wellness Tourism, Thermal/Mineral Springs, Workplace Wellness,* and *Wellness Real Estate.* For the other five sectors (see table below), we aggregate secondary global industry data from multiple sources to arrive at the estimated market size. This study provides an update for all wellness economy sectors, using methodologies that are consistent with GWI's previous studies.

GWI estimates that the wellness economy has grown from $3.7 trillion in 2015 to $4.2 trillion in 2017, representing 5.3% of global economic output. By comparison, global health expenditures were estimated at $7.3 trillion in 2015 (the most recent year for which data are available).[11] From 2015-2017, the wellness economy grew by 6.4% annually, a growth rate nearly twice as fast as global economic growth (3.6% annually).[12] The wellness sectors that have experienced the fastest growth rates are *Spa, Wellness Tourism,* and *Wellness Real Estate.*

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[10] See *Appendix A* for definitions of the ten wellness economy sectors.

[11] Global health expenditures data from: WHO, *Global Health Expenditures Database,* http://apps.who.int/nha/database/Home/Index/en. 2015 is the most recent year available.

[12] Global GDP data from: IMF, *World Economic Outlook Database,* April 2018 Edition, https://www.imf.org/external/pubs/ft/weo/2018/01/weodata/index.aspx.

Wellness Economy Sectors, 2015 and 2017

	Market Size (US$ billions)		Average Annual Growth Rate
	2015	**2017**	**2015-2017**
Personal Care, Beauty, & Anti-Aging	$999.0	$1,082.9	4.1%
Healthy Eating, Nutrition, & Weight Loss	$647.8	$702.1	4.1%
Wellness Tourism	$563.2	$639.4	6.5%
Fitness & Mind-Body	$542.0	$595.4	4.8%
Preventive & Personalized Medicine and Public Health	$534.3	$574.8	3.7%
Traditional & Complementary Medicine**	**$199.0	**$359.7	**
Wellness Real Estate***	$118.6	$134.3	6.4%
Spa Economy *(Spa Facilities)*	$98.6 *($77.6)*	$118.8 *($93.6)*	****9.8% ****(9.9%)*
Thermal/Mineral Springs	$51.0	$56.2	4.9%
Workplace Wellness	$43.3	$47.5	4.8%
Wellness Economy	***$3,724.4**	***$4,220.2**	**6.4%**

** Figures do not sum to total due to overlap in segments.*

*** The definition and measurement of this sector has changed from 2015 to 2017, and so the two numbers should not be directly compared as a time series. In 2017 we have incorporated an expanded measurement of traditional medicine into this sector (e.g., Traditional Chinese Medicine, Ayurveda, etc.) due to improved global data availability on those segments. The nomenclature for this sector is evolving alongside growing consumer adoption of traditional/indigenous, complementary, alternative, and integrative medical practices outside of the conventional/Western medical system.*

**** The name for this sector has changed from 2015 to 2017, based on the methodology elaborated in GWI's recent "Build Well to Live Well" report. It is now labelled "wellness real estate" to emphasize that the measurement includes residential AND commercial/institutional building, as opposed to "wellness lifestyle real estate" (which focuses on the residential component).*

***** The high growth rate for spa revenues is not entirely due to new builds, but also due to a dramatic increase in the number of hotels/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries.*

Source: Global Wellness Institute, based upon extensive primary research and secondary data sources

The environments in which we live, work, and travel are critical yet largely underappreciated determinants of our wellness.

Our health is a result of complex interactions among genetic factors and numerous interrelated external determinants (e.g., socio-economic factors, our physical environment, access to healthcare). These external factors form a complex "wellness ecosystem"[13] that can augment or reduce the impacts of our genes; for example, someone with a genetic predisposition for breast cancer can increase that risk through exposure to endocrine disrupting compounds, unhealthy eating, and a sedentary lifestyle. Those who are young, elderly, disabled, or poor are particularly vulnerable to these external factors.[14]

What may be surprising from recent research findings is that genetics may account for as little as 10-15% of our health outcomes, while external and environmental factors play a much more important role. For example, research shows that the *exposome* (the environments in which our genes live) may account for 70-90% of our disease risks,[15] while external and environmental factors may cause 70-90% of cancers.16 In the United States, research studies show that the neighborhood or county where we live can predict our life expectancy as well as how we will die,[17] and these differences persist even after adjusting for socioeconomic and demographic factors.[18] Healthy behaviors and lifestyles have a profound impact on our health; yet, our habits are very difficult to change. Fortunately, psychology shows that changing our living environments can greatly impact our behaviors – establishing the "default" choices in our daily activities and routines, and nudging us to behave in one way or another.[19]

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[13] Over the last 10-15 years, researchers and public health officials have increasingly emphasized an *ecological model of health* that captures the complex linkages and relationships among many external factors to determine our health and wellbeing. See: Institute of Medicine (2006). *Genes, Behavior, and the Social Environment: Moving Beyond the Nature/Nurture Debate.* Washington, DC: The National Academies Press.

[14] Robert Wood Johnson Foundation (2011). *Issue Brief #8: Neighborhoods and Health.* http://www.rwjf.org/en/library/research/2011/05/neighborhoods-and-health-.html.

[15] Rappaport, S.M. and Smith, M.T. (2010). Environment and Disease Risks. *Science*, 330(6003), 460–461. See also: U.S. Centers for Disease Control, *Exposome and Exposomics,* https://www.cdc.gov/niosh/topics/exposome/default.html.

[16] Wu, S., et al (2016). Substantial contribution of extrinsic risk factors to cancer development. *Nature*, 529(7584), 43-47.

[17] Gounder, C. (2016, December 14). How long will you live? That depends on your zip code. *The Guardian.* https://www.theguardian.com/commentisfree/2016/dec/14/life-expectancy-depends-on-zip-code-inequality.

[18] Institute of Medicine and National Research Council (2013). *U.S. Health in International Perspective: Shorter Lives, Poorer Health.* Washington, DC: The National Academies Press.

[19] See, for example: 1) Kelly, M. and Barker, M. (2016). Why is changing health-related behavior so difficult? *Public Health,* 136, 109-116. 2) Stulburg, B. (2014). The Key to Changing Individual Health Behaviors: Change the Environments That Give Rise to Them. *Harvard Public Health Review,* vol. 2. 3) Kahan, S., et al (2014). *Health Behavior Change in Populations.* Baltimore, MD: Johns Hopkins University Press.

There is ample and growing evidence that our health and longevity are greatly affected by the physical environments in which we live, work, and travel, and yet these environments continue to receive scant attention from the medical community. At least $260 billion is spent globally on biomedical R&D every year.[20] In spite of major advances in genetics, drugs, medical technologies, and disease treatments, very few research dollars have been directed toward addressing the external/environmental factors that affect our health behaviors, risks, and outcomes.[21] Likewise, only 4% of annual global health expenditures are spent on public health, risk reduction, and prevention.[22] This lopsided investment calculus needs to change. To combat the growing epidemic and escalating costs of chronic disease, we must address the many aspects of our living and working environments that drive our individual and collective health and wellbeing.

Wellness sectors are no longer siloed industries. They will increasingly converge as we integrate wellness into our homes and communities, our work, and our travel.

While each of the ten wellness sectors is sizable and important in its own right, they are also dynamic and interconnected, and they are intrinsically linked to the wellness economy as a whole. Once upon a time, our contact with wellness might have been episodic – when we went to the gym, got a massage, or traveled to a destination spa. That is no longer the case. In the face of longer lifespans, rising chronic disease, stress, and unhappiness, wellness is becoming essential. We are reexamining our lives and refocusing our attention on what makes us well – particularly the places and manner in which we live, work, and travel. As a result, consumers are increasingly seeking opportunities to integrate wellness into all aspects of their daily lives.

The wellness economy mirrors those shifting priorities, alongside a growing recognition of the critical impact of external environments on our health and wellbeing. Among the ten wellness economy sectors, three of them represent those critical, interrelated environments in which we live our lives – *wellness lifestyle real estate and communities* (live), *workplace wellness* (work), and wellness tourism (travel). The other seven wellness sectors do not operate independently from, or outside of, these core spheres. They are all essential components of a **"wellness ecosystem"** that nurtures a lifestyle of wellbeing and longevity, because we consume wellness goods and services in the homes and communities where we live, where we work, or when we travel.

The world's greatest innovations have typically occurred at the intersections of disparate disciplines, industries, and cultures[23] – and wellness is no exception. There are immense opportunities for innovation as diverse wellness sectors find new opportunities to deliver their offerings into the three core spheres of our daily lives. In the past few years, there has been rapid acceleration of

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[20] Chakma, J., et al (2014). Asia's Ascent — Global Trends in Biomedical R&D Expenditures. *New England Journal of Medicine,* 370(1), 3-6.

[21] Institute of Medicine (2000). *Promoting Health: Intervention Strategies from Social and Behavioral Research.* Washington, DC: The National Academies Press.

[22] GWI analysis of global health expenditures data from: WHO, *Global Health Expenditures Database*.

[23] See, for example: Johansson, F. (2004). *The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts, and Cultures.* Boston, MA: Harvard Business School Press.

acquisitions, partnerships, horizontal/cross-category expansions, and emergence of new business models across all of the wellness economy sectors. Examples include:

- Hyatt Hotel's acquisition of Miraval and Exhale (wellness tourism, spa, and fitness).
- Equinox and other fitness companies opening branded hotels (fitness and wellness tourism).
- Introduction of healthy food options by many hotel brands (healthy eating and wellness tourism).
- China infusing Traditional Chinese Medicine into hot spring resort developments (traditional and complementary medicine, thermal/mineral springs, and wellness tourism).
- Residential development around hot springs and spa at Glen Ivy/Goco Retreat Temescal Valley in California (thermal/mineral springs, spa, wellness tourism, and wellness lifestyle real estate).
- Connected City in greater Tampa, Florida – a smart gigabit/Ultrafi community with integrated telemedicine (preventive/personalized medicine and public health, wellness lifestyle real estate, and wellness tourism).
- Destination Medical City, a Mayo Clinic-led urban renewal initiative to bring wellness to employees and adjacent communities, and to create a healthy destination for patients (wellness lifestyle real estate/communities, workplace wellness, preventive/personalized medicine and public health).
- The integrated co-living, co-working, and fitness/wellness concepts being launched by We Work/We Live/Rise by We and LifeTime Fitness/Living/Work in the United States (wellness lifestyle real estate, workplace wellness, and fitness).
- The rise of minimally-invasive treatments (acupuncture, botox and fillers, etc.) in cruise ship spas (beauty, wellness tourism, spa).

Going forward, we expect to see more and more cross-sector convergence, innovation, and integrated concepts appearing in the wellness economy.

GWI predicts that the wellness economy will grow at a healthy pace in the next five years and will expand its share of the global economy.

Since GWI began tracking the wellness economy sectors ten years ago, we have observed accelerating consumer spending on wellness and rapid adoption of all kinds of wellness-related behaviors and lifestyles. For many people, wellness no longer means just scheduling activities like a massage appointment or gym visit into their day. Instead, a wellness-mindset is starting to permeate the global consumer consciousness, affecting people's daily routines and decision-making, such as: food purchases and the way food is cooked and eaten; mitigating stress and mental wellness; incorporating movement into daily activities; environmental consciousness; the yearning for connection; the desire for self-actualization; and a search for happiness. Within a short span of time, wellness as a holistic concept is now more broadly understood and adopted all around the world. And there is no sign that this movement is slowing down.

For the next five years, GWI projects robust growth in the five wellness sectors we track, based on our own data sources and estimation models. The upward momentum for the wellness economy is strong, as the underlying trends that propel it remain as compelling as ever, including: rising global prosperity, population aging, the rise of chronic disease, and consumer awareness and lifestyle changes. We believe the three sectors that represent our three core spheres of life will have the strongest growth – *wellness real estate, workplace wellness,* and *wellness tourism* – while the other wellness sectors will continue to grow as they support our integration of a wellness lifestyle into all aspects of our daily lives.

Wellness Sector Growth Projections, 2017-2022

	Projected Market Size (US$ billions)		**Projected Average Annual Growth Rate**
	2017	**2022**	**2017-2022**
Wellness Real Estate	$134.3	$197.4	8.0%
Workplace Wellness	$47.5	$65.6	6.7%
Wellness Tourism	$639.4	$919.4	7.5%
Spa Facilities	$93.6	$127.6	6.4%
Thermal/Mineral Springs	$56.2	$77.1	6.5%

Source: Global Wellness Institute estimates, based upon economic and industry sector projections from the IMF, ILO, Euromonitor, and GWI's data and projection model

However, an industry that focuses primarily on the wealthiest customers is addressing a limited market and may face a backlash.

As the wellness economy grows, there is simultaneously a growing perception that most of the latest products, services, technologies, and innovations are catering to the wealthiest consumers. In consumer media, it is hard to miss the promotion of $1,000 hotel rooms, $600 facials, $300 athleisure leggings, $15 cold-pressed juices, and multi-million dollar properties laden with wellness features and amenities. For those with the financial resources, there are now a plethora of options – superfoods, boutique studios, wellness resorts, alternative healing modalities, DNA testing, sleep aids, micro-procedures, injectable/edible substances, gadgets, and more – to aid in their quest to feel good and be "forever young," or better yet, immortal.

Meanwhile, rising income inequality is an alarming trend across the world. Without more equitable access to basic healthcare, safe homes, stable incomes, and social safety nets, poor people are growing sicker and more depressed, and are dying younger than those who are more well off. In the United States, mortality rates have been rising for middle-aged, working class whites over the past two decades, despite rising life expectancy among the overall population.[24] So, it is not surprising that global conversations about wellness mirror this bifurcation of wealth and wellbeing. On one end, there is an intense race to promote the latest, most exclusive, and sophisticated offerings to the wealthy – housing, vacations, technologies, experiences, lifestyles, and even life transformations. On the other end, there is a media ready to ridicule and vilify the latest wellness business, modalities, and innovations as yet another sign that the privileged "one-percenters" are narcissistic and out of touch with the rest of humanity. In a free market, it is a business's prerogative to pursue whichever consumer markets and segments they consider promising and profitable. Collectively, however, the wellness market will not be healthy and sustainable if this polarization continues or worsens, possibly leading to a stagnant or shrinking customer base.

Focusing on the "we" of wellness can be a winning value proposition for customers, employees, investors, and other stakeholders.

One consistent finding from GWI's ten years of wellness economy research – from wellness tourism and workplace wellness to wellness lifestyle real estate and communities – is the evolution of wellness from a personal aspiration to an emerging value system that recognizes our connection to the collective. Our individual health and wellbeing are inextricably linked to the wellbeing of other people, our communities, and the planet. We cannot be truly well if we confine our existence to a personal wellness bubble. For wellness economy businesses, this means more than philanthropy or corporate social responsibility. In the marketplace, customers increasingly make decisions based on emotions and their value systems: Does the brand story resonate with what I care about? What are the environmental and social consequences of my purchase? A company

[24] Case, A., and Deaton, A. (2015, December 8). Rising Morbidity and Mortality in Midlife among White Non-Hispanic Americans in the 21st Century. *PNAS*, 112 (49), 15078-15083. http://www.pnas.org/content/112/49/15078.

whose true compass is wellbeing for all delivers a much more powerful emotional story that will appeal to this growing segment of consumers.

At the same time, widespread disengagement has left a vast majority of the global workforce feeling disaffected, unmotivated, and unhappy at work – threatening business competitiveness and success. Research has shown that our discretionary efforts are tied to our intrinsic motivations, which, in turn, are driven by a sense of purpose, autonomy, personal growth, and teamwork. This is reinforced by findings from an expanding field of happiness research: We are much more likely to feel happy and fulfilled when we give, help others, contribute to something larger than ourselves, and feel that the world is fair. Companies whose mission is to bring wellness to the people who need it the most – rather than targeting the privileged few – will offer a more compelling case for their teams to infuse their daily work with meaning and purpose. Ultimately, it is the creativity, passion, energy, and commitment of motivated people that will deliver for customers, business owners, and investors.

Research Scope and Methodology

The global wellness economy and industry data presented in this report are for the year 2017. The definitions, conceptual framework, and estimation models for the various wellness sectors are developed by the authors under the auspices of the Global Wellness Institute (GWI), consistent with the data and methodologies used in prior GWI studies over the last decade. The authors have developed original, country-level data estimates for five wellness economy sectors: spa, wellness tourism, thermal/mineral springs, workplace wellness, and wellness real estate, based on GWI's proprietary models and databases. Global figures for the other five wellness sectors are aggregated from secondary sources.

The analysis is based on extensive primary and secondary research conducted from January to August 2018, including literature reviews, data research, and dozens of expert interviews. Key public and private sources consulted include: Euromonitor International, World Bank, International Monetary Fund, World Health Organization, International Labour Organization, World Travel & Tourism Council, World Tourism Organization (UNWTO), U.S. Bureau of Labor Statistics, U.S. National Institutes of Health, ISPA, IHRSA, global travel promotion and booking websites; along with numerous country-specific and industry-specific organizations, databases, publications and media sources (e.g., the *2018 Global Wellness Trends Report* by the Global Wellness Summit, *Spa Business Handbook, Spa Business Magazine*, etc.).

The authors also benefited from the industry insights and technical inputs from several Global Wellness Institute Initiatives, including: Wellness Tourism Initiative, Wellness Communities Initiative, Wellness at Work Initiative, and Hot Springs Initiative.

II. WELLNESS LIFESTYLE REAL ESTATE

Wellness real estate is a fast-growing $134b industry, buoyed by rising health consciousness and a desire to bring wellness into the places where we spend the majority of our time.

GWI estimates that the global wellness real estate sector is worth $134 billion in 2017, growing at 6.4% annually since 2015. For comparison, this is about 1.5% of the total annual global construction market and about half the size of the global green building industry.[25] GWI defines wellness real estate as ***the construction of residential and commercial/institutional (office, hospitality, mixed-use/multi-family, medical, leisure, etc.) properties that incorporate intentional wellness elements in their design, materials, and building as well as their amenities, services, and/or programming.*** Note that *wellness real estate* is broader than (but encompasses) *wellness lifestyle real estate,* which focuses on the residential component and is the primary focus of this chapter.[26]

Wellness Real Estate Market by Region, 2015 and 2017

	Wellness Real Estate Market (US$ billions)	
	2015	**2017**
North America	$47.94	$54.84
Asia-Pacific	$40.66	$46.78
Europe	$29.05	$31.73
Middle East-North Africa	$0.46	$0.51
Latin America-Caribbean	$0.35	$0.36
Sub-Saharan Africa	$0.09	$0.10
Total Wellness Real Estate Industry	**$118.56**	**$134.32**

Note: Figures may not sum to total due to rounding. Source: Estimates by the Global Wellness Institute, based upon construction industry data from the United Nations

[25] U.S. Green Building Council (2015). *The Business Case for Green Building.* https://www.usgbc.org/articles/business-case-green-building.

[26] Because it is impossible to separate out the residential and non-residential components in commercial/institutional projects (e.g., mixed-use, hospitality, etc.), GWI estimates *wellness real estate* in aggregate, although the focus of this chapter is on the residential component or *wellness lifestyle real estate*.

Around the world, there is rising consumer interest in extending our wellness experiences from our vacation destinations and leisure activities to our homes and everyday lives. A number of destination spas and wellness resorts are adding a residential component for customers looking for second homes, vacation properties, or to live a full-time wellness lifestyle. Upscale residential projects are adding wellness components to appeal to high-income buyers/renters. Demand also comes from the middle and upper-middle income markets for homes and neighborhoods that support a healthy lifestyle. Increasingly, there are projects in the affordable and lower-income segment, where buildings are incorporating wellness design features to address crucial public health needs, often in collaboration with public policy initiatives.

Overall, the wellness real estate market is heavily concentrated in North America, Asia, and Europe. The United States, along with a few key countries in Asia (China, Australia, India) and Europe (United Kingdom, Germany), account for three-quarters of the industry.

Top Twenty Wellness Real Estate Markets, 2017

	Wellness Real Estate Market (US$ billions)	**Rank in 2017**
United States	$52,481.2	**1**
China	$19,939.6	**2**
Australia	$9,471.4	**3**
United Kingdom	$9,016.4	**4**
Germany	$6,439.9	**5**
India	$6,088.3	**6**
France	$5,814.5	**7**
South Korea	$4,194.8	**8**
Canada	$2,355.1	**9**
Japan	$2,246.4	**10**
Netherlands	$1,850.5	**11**
Switzerland	$1,607.0	**12**
Norway	$1,216.7	**13**
Sweden	$1,139.9	**14**
Austria	$1,099.1	**15**
Italy	$1,001.0	**16**
Malaysia	$917.1	**17**
Singapore	$818.7	**18**
New Zealand	$802.6	**19**
Taiwan	$652.0	**20**

Source: Estimates by the Global Wellness Institute, based upon construction industry data from the United Nations

Investment in our homes should also be a strategic investment in our health.

For most people, our home represents our most important personal investment and one of our largest expenditures (about 20% of all consumer spending, or more than $9 trillion in 2017[27]), so it is only logical that our home should also be an investment in our health and wellbeing. Yet, wellness lifestyle real estate is a nascent industry that is not well understood by consumers, real estate developers, and investors. In the 2018 GWI research report, *Build Well to Live Well,* we developed definitions for *wellness lifestyle real estate* and *wellness communities* to promote better understanding of this important sector.

Defining *Wellness Lifestyle Real Estate* and *Wellness Communities*

Wellness lifestyle real estate is defined as homes that are proactively designed and built to support the holistic health of their residents.

Wellness community is a group of people living in close proximity who share common goals, interests, and experiences in proactively pursuing wellness across its many dimensions. It can be rooted in a purpose-built physical space, or it can be cultivated around shared culture or social networks without purpose-built structures.

The power of wellness lifestyle real estate lies in its potential to foster wellness communities. However, to do so requires a clear intention, along with supporting design and operational principles:

- **From "do no harm" to optimizing wellness:** Not only preventing sick buildings but intentionally building homes that help us enhance our health and wellbeing.
- **From passive to active wellness:** Encouraging proactive behaviors and habits that drive wellness.
- **From hardware to software:** Complementing bricks and mortar with policies, management, and programing that build social connections and nurture healthy behaviors.
- **From "me" to "we:"** Creating awareness that our individual health and wellbeing is intrinsically linked to our broader environment and the social fabric around us.

[27] Global Wellness Institute analysis of global consumer expenditures data from Euromonitor International.

Consumers are demanding healthier built environments and are willing to pay more for them.

GWI's review of more than 220 academic, peer-reviewed, and independent studies found solid evidence that homebuyers are willing to pay more for wellness-enhancing features, including:[28]

- **Proximity and easy access to high-quality natural and recreational amenities:** Price premiums of 3-12% for nearby open space, greenbelts, and conservation areas; 4-20% for nearby parks and multi-use trails; and 5-15% for recreational programming and amenities within the community (e.g., fitness centers, swimming pools, golf courses, etc.).
- **New Urbanist features such as mixed-use, higher-density, transit-oriented, and traditional neighborhood design:** Price premiums of 5-20% across the United States.
- **Neighborhood walkability:** Price premiums of $4,000-$34,000 for above-average walkability, or a 1% increase in home price for every one-point increase in a neighborhood's walkability score in the United States.[29]
- **Sustainability features:** Price premiums of 1-10% for homes with green certification labels and energy-efficient features.
- **Healthy home features:** Recent surveys in the United States, United Kingdom, India, and China indicate strong consumer demand, with a range of 30% to nearly 90% of surveyed consumers indicating a willingness to pay extra for a healthier home.

GWI estimates that wellness lifestyle real estate and community projects positioned at the middle and upper ends of the market are currently achieving **price premiums of 10-25%**. One reason for this premium is that there is not enough supply to meet demand. Based on a survey conducted by the market research firm American LIVES Inc., GWI estimates that there are **1.3 million potential buyers each year in the United States** alone for wellness-infused homes and communities.[30]

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[28] GWI synthesis of data, based on a literature review of 220 scholarly articles, peer-reviewed studies, and independent reports, spanning more than 20 countries. For more information, see Global Wellness Institute (2018). *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities.*

[29] See: Cortright, J. (2009). *Walking the Walk: How Walkability Raises Home Values in U.S. Cities.* Cleveland, OH: CEOs for Cities. Bokhari, S. (2016). How Much is a Point of Walk Score Worth? *RedFin Real Estate News & Analysis.*

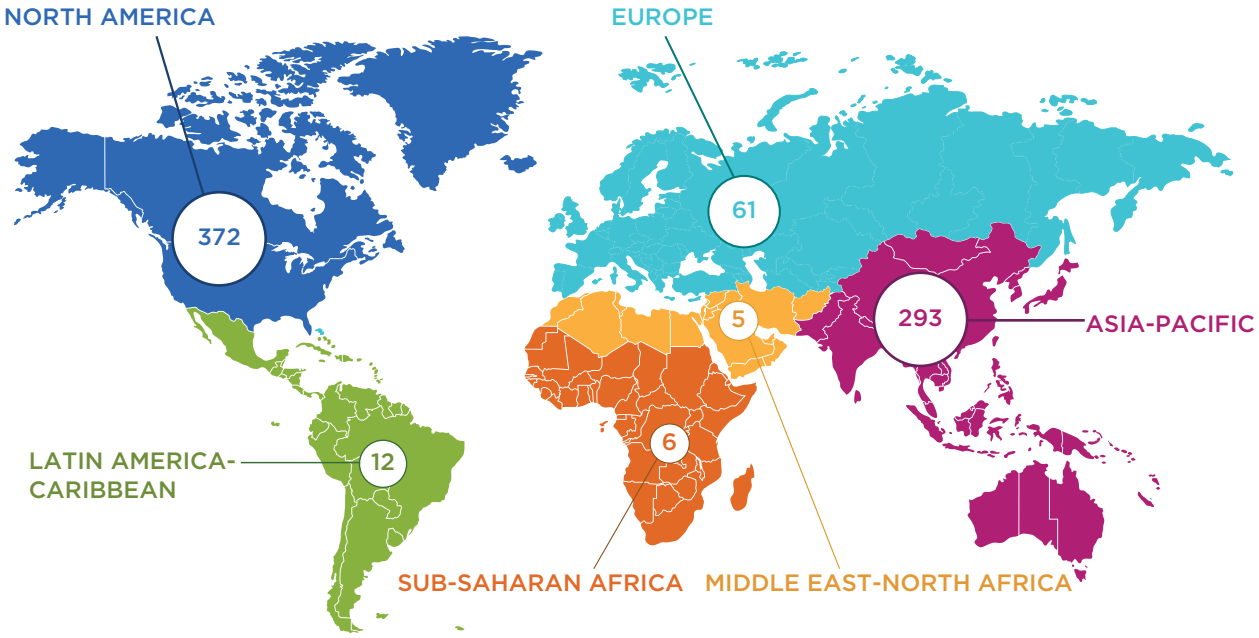
[30] See: Global Wellness Institute (2018). *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities.*

As the global pipeline of wellness lifestyle real estate projects grows, there is enormous potential for differentiation based on market needs, specific preferences, and unique site characteristics.

GWI's research found more than 740 wellness lifestyle real estate and community developments built, partially built, or in development, across 34 countries (as of November 2017), and this number is growing every day. These include master-planned communities, multi-family housing, urban districts and mixed-use projects, resort- and spa-based real estate, and other types of projects around the world.

Wellness Lifestyle Real Estate Pipeline in 2017:

Over **740** projects across **34** countries



Note: Estimates as of November 2017. Source: Global Wellness Institute.

Looking to the future, GWI has identified several emerging wellness living concepts that we predict will drive the future development of wellness lifestyle real estate and will push the design of healthy living environments to the next level:

- **Blurring the lines between home, work, and leisure:** Strategic colocation and integration of homes, coworking facilities, and ample wellness amenities and programming (in both urban and suburban contexts), in response to the rapid rise of remote work, sharing economy, and the travails of loneliness and work-life balance.
- **Making healthy homes affordable:** Developers collaborating with governments to target lower-income and vulnerable populations who are at the highest risk for many health conditions.
- **Bringing back multigenerational and diverse neighborhoods:** Catering to people seeking communities with greater diversity of ages, life stages, backgrounds, and social classes, recognizing the growing evidence that social connections in the physical realm are essential for our health and wellbeing, our society, and our economy.
- **Catalyzing medical industry clusters and health services to build wellness communities:** Building world-class wellness communities by creating a geographic concentration of cutting-edge medical industry companies and research organizations (the economic concept of industry clusters); a concentration of high-quality hospitals, clinics, and health services for consumers; and holistically-designed wellness-infused homes and neighborhoods.
- **Moving from green to regenerative living:** Moving beyond green building certifications to create innovative, regenerative residential communities on the cutting edge of green, biophilic, sustainable, and healthy design. These communities will produce their own healthy food and renewable energy, clean the air, recycle their own water, and be net positive for people and planet.
- **Leveraging technologies to create smart-healthy homes and cities:** Harnessing future technologies (advanced telemedicine, smart homes, sensors, artificial intelligence, etc.) to bring state-of-the-art on-demand wellness into the design of homes, neighborhoods, and cities.
- **Rediscovering hot springs as a wellness living anchor:** A rise of new residences located near natural thermal and mineral springs (both primary and vacation homes) – as people rediscover their therapeutic properties and the benefits of communal bathing – and the redevelopment of historic spa towns as holistic wellness living communities.

III. WORKPLACE WELLNESS

Valued at $48 billion, the workplace wellness market remains small in comparison to the massive economic burden and productivity losses associated with an unwell workforce and widespread worker disengagement.

GWI measures the size of the global workplace wellness industry by estimating the ***expenditures made by employers to improve employee wellness.*** These include a wide variety of services, products, and platforms, such as health screening assessments, diagnostic tests, incentive programs, wearable devices, counseling services, etc., and they serve a wide range of needs, from exercise, healthy eating, and sleep, to chronic illness, obesity, addiction, depression, and stress. GWI estimates that this market grew by 4.8% annually over the past two years to reach $47.5 billion in 2017. Much of this spending is motivated by employers' desires to lower healthcare costs; improve morale, retention, and recruitment; and increase productivity and competitiveness.

Workplace Wellness Market Size by Region, 2015 and 2017

	No. of Workers Covered by Workplace Wellness Programs & Services (millions)		**Workplace Wellness Expenditures** (US$ billions)	
	2015	**2017**	**2015**	**2017**
Europe	96.2	101.3	$16.10	$17.74
North America	89.8	93.9	$16.16	$17.56
Asia-Pacific	92.6	97.8	$8.41	$9.29
Latin America-Caribbean	14.1	14.3	$1.23	$1.31
Middle East-North Africa	9.1	10.2	$1.12	$1.29
Sub-Saharan Africa	3.7	4.4	$0.28	$0.33
Total Workplace Wellness Industry	**305.5**	**321.7**	**$43.29**	**$47.52**

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

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Buck Consultants

The workplace wellness market is small when compared to the economic burden of an unwell and disengaged workforce – a cost estimated by GWI at 10-15% of global economic output when we factor in the medical costs and productivity losses caused by chronic diseases, work-related stress, injuries and illnesses, and widespread disengagement at work.[31] This estimate does not include the human suffering and the unsustainable burden on the healthcare system associated with treating an unwell workforce. A recently-released book by Stanford Business School professor Jeffrey Pfeffer claims that workplace-related stress – a combination of long or unpredictable hours, high job demands, low autonomy, and lack of health insurance – is responsible for more than 120,000 deaths a year and roughly 5-8% of annual healthcare costs in the United States alone.[32]

Overall, the global market for workplace wellness is concentrated in the high-income countries in North America, Western Europe, and Asia. Together, the top twenty markets in workplace wellness account for nearly 85% of global spending. The United States remains by far the world's largest market for workplace wellness expenditures, estimated at more than $15 billion. Since the healthcare burden is mostly borne by employers in the United States, U.S. companies have strong incentives to control escalating medical costs while also improving productivity.

Top Twenty Workplace Wellness Markets, 2017

	Workplace Wellness Expenditures (US$ billions)	Rank in 2017
United States	$15.68	**1**
Japan	$3.92	**2**
Germany	$3.54	**3**
United Kingdom	$2.55	**4**
France	$2.28	**5**
Canada	$1.88	**6**
Italy	$1.67	**7**
South Korea	$1.52	**8**
Spain	$1.36	**9**
Australia	$1.11	**10**
Netherlands	$0.72	**11**
Sweden	$0.67	**12**
Taiwan	$0.63	**13**
China	$0.50	**14**
Switzerland	$0.43	**15**
Austria	$0.41	**16**
Belgium	$0.41	**17**
Norway	$0.39	**18**
Denmark	$0.38	**19**
Finland	$0.34	**20**

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants

[31] See: Global Wellness Institute (2016). *The Future of Wellness at Work.*

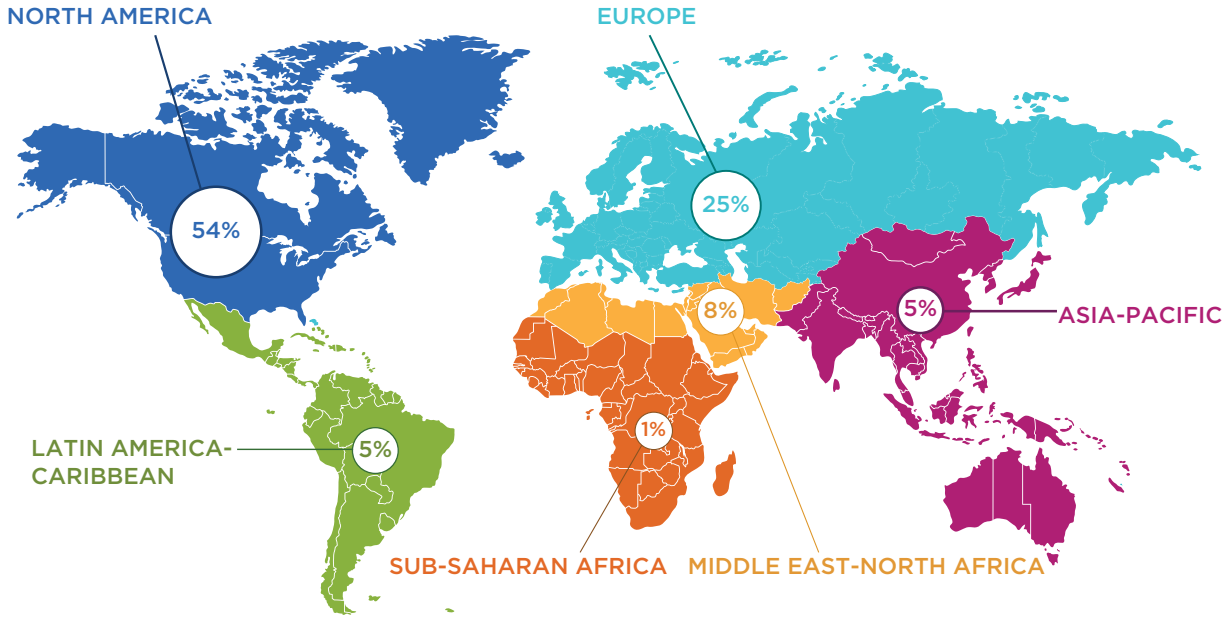
[32] Pfeffer, J. (2018). *Dying for a Paycheck.* New York, NY: Harper Collins.

Less than 10% of the global workforce benefits from workplace wellness initiatives. The majority of workers are more concerned with meeting basic needs, such as earning a living wage, job stability, workplace safety, and access to basic healthcare.

GWI estimates that less than 10% of the global workforce is covered by any kind of workplace wellness programs or services, and these workers remain highly concentrated in North America and Europe. This luckier slice of the workforce mostly lives in the world's wealthiest economies or works for large or multinational companies. For these workers, workplace wellness concerns typically revolve around preventable/chronic disease, mitigating stress, improving work-life balance, enhancing engagement, and improving workplace culture and management structures. Yet, work-related fatalities and injuries remain far too high around the world, and billions of workers do not have access to basic healthcare and essential medications, do not have a stable job, do not make a living wage, and work in fundamentally dangerous or unhealthy conditions. Globally, only one in four workers are in full-time positions with a permanent contract and job security.[33] As we advance the conversation on wellness at work, we must not forget this "ninety percent" and the importance of protecting them and enhancing their welfare.

Access to Workplace Wellness in 2017

Only **10%** of the world's workers have access to workplace wellness programs & services



Percent of employed workers in each region who have access to workplace wellness programs/services.

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants.

[33] International Labour Organization (2015). *World Employment and Social Outlook: The Changing Nature of Jobs 2015.* Geneva, Switzerland: International Labour Office.

Several key shifts are driving a new "thrive" revolution at work.

As we look to the future, conversations around wellness at work will no longer center on mitigating work-related ills, but on enhancing motivation, commitment, creativity, flow, cognitive abilities, etc. – in other words, thriving at work. The Global Wellness Institute's Wellness at Work initiative recently released a white paper that outlines many key shifts driving this "thrive" revolution. Among them are:[34]

- **Thriving and the wellbeing of "WE:"** Employers recognize that thriving is core to sustainable success, and a thriving work culture is key to attracting and retaining talent. Technological, economic, cultural, and demographic shifts are changing the nature and meaning of work as a human experience, requiring work to be reinvented in a way that enhances human potential while bringing people joy and wellbeing every day. As work units evolve to teams, global networks, partnerships, and ad hoc project groups, we need a high-trust environment of mutual respect and psychological safety to improve shared outcomes.
- **Purpose-driven workplace and conscious evolution of leadership:** A leadership evolution has powered many of the shifts toward a thriving workplace. More leaders are realizing that technology, the built environment, culture, brands, operations, etc. have impacts beyond profits and are trying to cultivate more conscious and caring worldviews. Employers that build purpose-driven workplaces are better positioned to energize employees and customer relationships, direct operations with clarity and effectiveness, and (re)build trust between business and society.
- **Women-friendly workplaces and deep inclusivity:** Women-friendly workplaces bring a focus on diversity, the challenges of care-giving, pay inequities, ageism, and other well-being concerns that can particularly plague women. Harnessing all talent requires deep inclusion. Research suggests that true diversity and inclusion will produce more innovative, engaged, and high-performing teams; increase profitability; enhance brand appeal; and attract talent.
- **Mental wellness and individualized wellbeing:** Employee mental wellness can foster happiness, generativity, effectiveness, and wisdom at work. Brain sciences and new technologies have advanced ways to boost brain activity, reduce stress, and increase productivity. Meanwhile, new technologies and scientific discoveries (e.g. DNA and other biomarker testing, cognitive technologies for behavior change, etc.) are facilitating an unprecedented degree of individualized and personalized diagnostics and employee wellbeing solutions.

[34] Moorefield, R. (June, 2018). *Ten Shifts Driving a New 'Thrive' Revolution at Work.* Miami, FL: Global Wellness Institute. https://globalwellnessinstitute.org/wp-content/uploads/2018/06/WorkplaceWellnessTrends_April2018.pdf.

IV. WELLNESS TOURISM

At $639 billion, wellness tourism is a significant and fast-growing segment of global tourism.

In the 2013 *Wellness Tourism Economy* inaugural study, GWI defined wellness tourism as ***travel associated with the pursuit of maintaining or enhancing one's personal wellbeing,*** and we measured the size of global wellness tourism for the first time. Fast forward five years, wellness tourism is now widely recognized as a fast-growing, high-opportunity tourism niche segment. GWI estimates that wellness tourism expenditures reached $639.4 billion in 2017, as compared to $563.2 billion in 2015. The sector's 6.5% annual growth rate from 2015-2017 is more than double the 3.2% annual growth rate for general tourism. Wellness travelers made 830 million international and domestic wellness trips in 2017, which is 139 million more than in 2015. Wellness trips account for 6.6% of all tourism trips but represent 16.8% of total tourism expenditures. This is because wellness travelers tend to spend much more per trip than the average traveler.

Europe remains the region with the largest number of wellness trips. North America continues to lead in wellness tourism expenditures because average spending per trip is higher. In the past five years, Asia has made the most gains in the number of wellness trips and wellness tourism expenditures, with demand stimulated by strong economies and an expanding middle class.

Wellness Tourism Trips and Expenditures by Region, 2015 and 2017

	Number of Trips (millions)		**Expenditures** (US$ billions)	
	2015	**2017**	**2015**	**2017**
North America	186.5	204.1	$215.7	$241.7
Europe	249.9	291.8	$193.4	$210.8
Asia-Pacific	193.9	257.6	$111.2	$136.7
Latin America-Caribbean	46.8	59.1	$30.4	$34.8
Middle East-North Africa	8.5	11.0	$8.3	$10.7
Africa	5.4	6.5	$4.2	$4.8
Total Wellness Tourism Industry	**691.0**	**830.0**	**$563.2**	**$639.4**

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Figures may not sum to total due to rounding.

Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International

Wellness tourism is heavily concentrated in several major countries across North America, Europe, and Asia-Pacific. The United States alone accounts for over one-third of global revenues. The top five countries (United States, Germany, China, France, Japan) represent 59% of the global market, and the top twenty countries represent 84%. Since 2013, China has continued to move up in the rankings for wellness tourism expenditures (and is now in the top three). India has moved into the top ten, while Malaysia has entered the top twenty for the first time (supplanting Russia).

Top Twenty Wellness Tourism Destination Markets, 2017

	Number of Trips (millions)	**Direct Employment** (millions)	**Expenditures** (US$ billions)	**Rank in 2017**
United States	176.5	1.88	$226.0	**1**
Germany	66.1	1.13	$65.7	**2**
China	70.2	1.78	$31.7	**3**
France	32.4	0.31	$30.7	**4**
Japan	40.5	0.18	$22.5	**5**
Austria	16.8	0.16	$16.5	**6**
India	56.0	3.74	$16.3	**7**
Canada	27.5	0.29	$15.7	**8**
United Kingdom	23.2	0.20	$13.5	**9**
Italy	13.1	0.15	$13.4	**10**
Mexico	18.7	0.49	$12.8	**11**
Switzerland	9.7	0.10	$12.6	**12**
Thailand	12.5	0.53	$12.0	**13**
Australia	10.0	0.11	$10.5	**14**
Spain	18.8	0.10	$9.9	**15**
South Korea	19.6	0.13	$7.2	**16**
Indonesia	8.3	1.31	$6.9	**17**
Malaysia	8.3	0.18	$5.0	**18**
Turkey	9.1	0.05	$4.4	**19**
Brazil	10.5	0.13	$4.1	**20**

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips.

Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Wellness tourism growth is distributed across the world.

The rapid growth of wellness tourism around the world has been stimulated by a rising global middle class, increasing consumer desire to adopt a wellness lifestyle, and a growing interest in experiential travel. The developing markets in Asia-Pacific, Latin America-Caribbean, Middle East-North Africa, and Sub-Saharan Africa have posted robust growth in recent years. While these regions represented only 40% of wellness trips in 2017, they accounted for 57% of the increase in trips since 2015. China and India are both growth leaders, adding over 12 million and 17 million wellness trips respectively (inbound and domestic) from 2015-2017. Wellness tourism continues to grow steadily across the leading developed markets, including the United States and several major European countries.

Leading Growth Markets for Wellness Tourism Trips, 2015-2017

	Number of Wellness Arrivals/Trips Added from 2015-2017 (millions)	**Average Annual Growth Rate from 2015-2017**
China	21.9	20.6%
India	17.3	20.3%
United States	15.4	4.7%
Germany	7.5	6.2%
Spain	5.2	17.5%
Mexico	3.3	10.3%
Malaysia	3.3	28.6%
Vietnam	3.2	22.8%
Chile	3.2	29.3%
Thailand	2.7	13.1%
Japan	2.7	3.5%
Italy	2.7	12.2%
Indonesia	2.7	21.5%
United Kingdom	2.6	6.1%
Russia	2.3	8.4%
Czech Republic	2.2	18.1%
Austria	2.2	7.3%
Canada	2.2	4.2%
Poland	2.0	14.7%
Brazil	1.9	10.4%
France	1.8	2.8%
South Korea	1.6	4.5%
Australia	1.5	8.3%
Slovakia	1.4	36.9%
Philippines	1.1	31.1%

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Secondary wellness travelers account for the bulk of wellness tourism trips and growth.

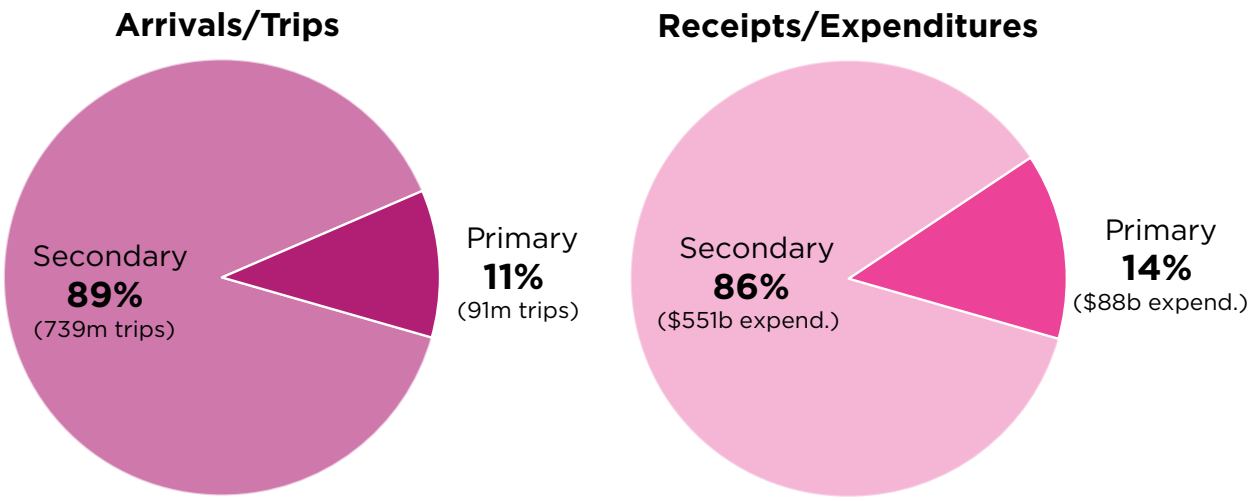
Wellness travelers comprise a broad and diverse group of consumers with many motivations, interests, and values. GWI defines and measures two major segments:

Primary wellness travelers: A traveler whose trip or destination choice is primarily motivated by wellness.

Secondary wellness travelers: A traveler who seeks to maintain wellness while traveling or who participates in wellness experiences while taking any type of trip for leisure or business.

The bulk of wellness travel is done by secondary wellness tourists – i.e., those who seek wellness experiences during their travel, when wellness is not the primary motivation for their trip or destination. Secondary wellness tourism accounted for 89% of wellness tourism trips and 86% of wellness tourism expenditures in 2017. Secondary wellness tourism also continues to grow at a faster rate than primary wellness tourism; secondary wellness tourism trips grew by 10% annually, while primary trips grew by 8% annually from 2015-2017.

Secondary wellness travel leads in trips and expenditures

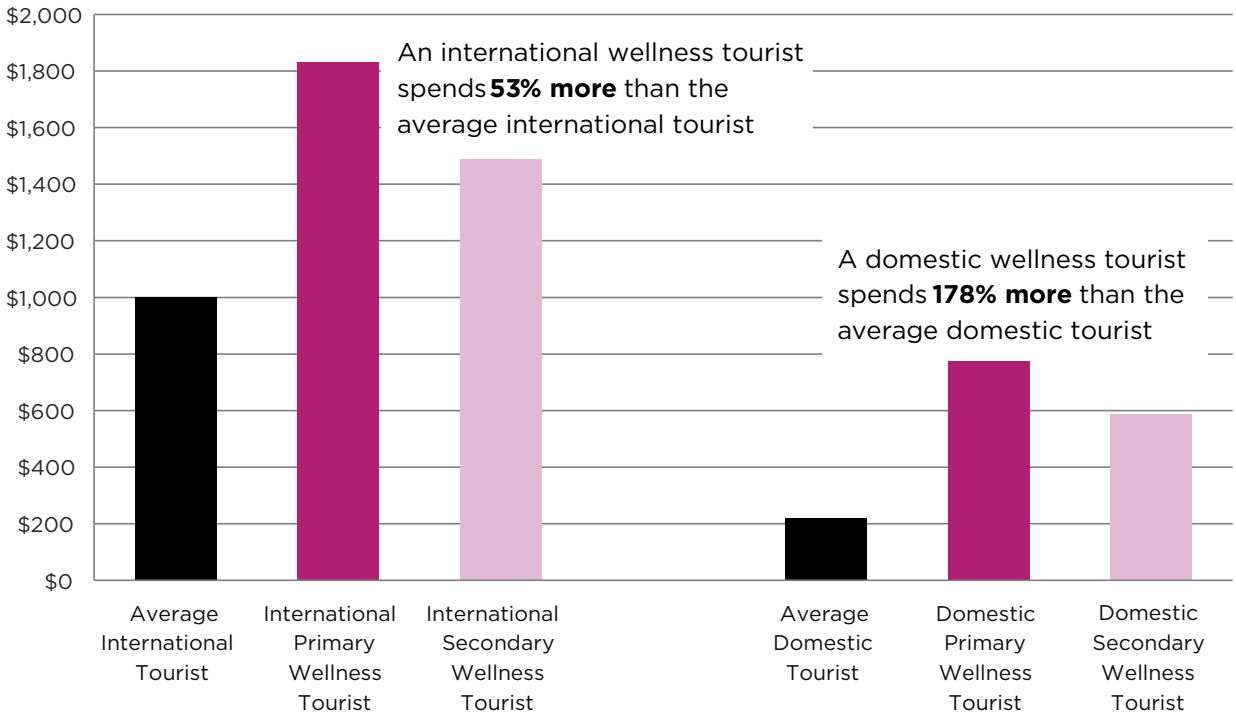


Note: These figures combine both international/inbound and domestic wellness tourism spending. Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Wellness tourism is high-yield tourism.

Wellness travelers spend more per trip than the average tourist, and this holds true for both domestic and international travelers. In 2017, international wellness tourists on average spent $1,528 per trip, 53% more than the typical international tourist. The premium for domestic wellness tourists is even higher, at $609 per trip and 178% more than the typical domestic tourist. This is because wellness travelers are typically more affluent, educated, and well-traveled, and they tend to be early adopters who will try out new and novel experiences.

Wellness Tourism Spending Premiums, 2017



Source: Estimates by the Global Wellness Institute, based upon tourism industry data from Euromonitor International

Wellness tourism creates opportunities for wellness and other businesses.

The $639.4 billion spent globally by wellness travelers is distributed among many segments of the tourism industry, from food and lodging, to activities, excursions, shopping, and other services. Within each segment, some expenditures may include wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), while other expenditures may be "generic" (such as transportation, general food and lodging, or buying souvenirs). As more consumers incorporate wellness into their lifestyles, there are many opportunities for the "generic" businesses to infuse wellness into their offerings, which can help them differentiate, provide more value, and capture higher spending by wellness travelers. For example, mainstream hotel brands are now promoting wellness features such as in-room exercise equipment and special beds and lighting that help people sleep better. Airports are offering in-transit gyms, spas, and walking circuits around their terminals, and airlines are promoting in-flight meditation and stretching apps. Museums offer yoga and meditation classes right in their art galleries, while gift shops stock products connected to unique local wellness traditions and stories.

Wellness Tourism Industry in 2017

Data combine both inbound/international and domestic wellness tourism spending, and also include both primary and secondary wellness trips.

Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International.

What is included in wellness tourism?

GWI measures the size of the wellness tourism industry by estimating all expenditures made by wellness tourists – both international and domestic – including spending on lodging, food and beverage, activities and excursions, shopping, and in-country transportation:[35]

- **International wellness tourism expenditures:** All receipts earned by a country from inbound wellness tourists visiting from abroad, with an overnight stay.
- **Domestic wellness tourism expenditures:** All expenditures in a country made by wellness tourists who are traveling within their own country, with an overnight stay.

Within each of the international and domestic tourism segments, we estimate the portion of trips and expenditures that are represented by wellness tourists, including both the primary and secondary wellness tourism segments:

- **Primary wellness tourist:** A tourist whose trip or destination is primarily motivated by wellness.
- **Secondary wellness tourist:** A tourist who seeks to maintain wellness while traveling, or who participates in wellness experiences while taking any type of trip, for leisure or business.

Finally, we aggregate the spending of primary and secondary wellness tourists, both international/inbound and domestic, across 212 countries, to arrive at the size of the global wellness tourism industry.

[35] Following the convention for calculation of international tourism statistics, we exclude international airfare from the calculation of wellness tourism. The international airfare paid by international tourists does not necessarily accrue to the country he/she is visiting. Therefore, expenditures on international airfare are typically not included in the tourism receipts reported by individual countries, but instead are covered in a different line item in balance of payment statistics.

V. THE SPA ECONOMY

The spa economy has grown in number of facilities, revenues, and employment, driven by strong economic growth and rising consumer interest in wellness.

Ten years ago, GWI unveiled *The Global Spa Economy* 2007, where we defined spas as ***establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit,*** and we estimated the size of the global spa economy for the first time. Consistent with the methodology established in that study, GWI estimates that the number of spas has grown to over 149,000, earning $93.6 billion in revenues and employing nearly 2.6 million workers in 2017. This represents 9.9% annual revenue growth, which is much higher than the pace observed in the previous two-year period. The main drivers of this growth are rising consumer incomes and an increasing propensity to spend on all things related to wellness.

Asia-Pacific continues to host the largest number of spas and also added the greatest number of new spas from 2015-2017. Europe led in total spa revenues in 2017.

Spa Facilities and Revenues by Region, 2015 and 2017

	Number of Spas		Spa Revenues (US$ millions)	
	2015	2017	2015	2017
Europe	37,420	46,282	$27.5	$33.3
Asia-Pacific	38,819	48,679	$21.4	$26.5
North America	28,306	30,394	$20.6	$22.9
Latin America-Caribbean	10,269	13,856	$4.9	$6.6
Middle East-North Africa	4,465	6,057	$2.1	$2.8
Sub-Saharan Africa	2,316	3,984	$1.1	$1.6
Total	**121,595**	***149,252**	**$77.6**	***$93.6**

*Note: Revenue figures may not sum to total due to rounding. * The large increase in spas and spa revenues is not entirely due to new builds, but also due to a dramatic increase in the number of hotels/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries.*

Source: Global Wellness Institute

The global spa industry remains quite concentrated, with the top five countries (United States, China, Germany, Japan, and France) accounting for 48% of global revenues, while the top twenty countries represent 77% of the global market. The industry is becoming slightly more dispersed over time; just two years ago the top five and top twenty markets held an even higher share of global revenues (51% and 80%, respectively). In 2017, 18 countries had annual spa revenues exceeding $1 billion. Since 2017, India has moved into the top ten countries and Brazil has moved into the top twenty, while Indonesia and Australia each surpassed the $1b threshold for the first time.

Top Twenty Spa Markets, 2017

	Number of Spas	Spa Facility Employment	Spa Facility Revenues (US$ billions)	Rank in 2017
United States	26,317	395,707	$20.83	**1**
China	15,664	376,576	$8.24	**2**
Germany	7,060	153,660	$6.66	**3**
Japan	7,359	121,781	$5.72	**4**
France	4,653	88,709	$3.59	**5**
Italy	3,954	83,139	$3.24	**6**
United Kingdom	3,547	62,849	$2.70	**7**
Spain	3,304	58,532	$2.46	**8**
Russia	3,446	114,261	$2.29	**9**
India	5,990	74,977	$2.13	**10**
Canada	4,077	47,712	$2.05	**11**
Austria	2,229	48,674	$2.05	**12**
Mexico	3,837	61,718	$1.77	**13**
South Korea	3,146	41,434	$1.62	**14**
Switzerland	978	23,798	$1.41	**15**
Thailand	2,760	84,176	$1.32	**16**
Indonesia	2,692	77,309	$1.30	**17**
Australia	1,593	16,303	$1.09	**18**
United Arab Emirates	933	25,569	$0.87	**19**
Brazil	2,211	31,043	$0.81	**20**

Source: Global Wellness Institute

Hotel/resort spas remain the fastest growing category.

Spas can come in many forms and sizes across different countries and regions. GWI defines and measures six categories of spas in order to track their growth (see *Appendix A* for category definitions). From 2015-2017, the hotel/resort spas category added the largest number of spas and gained the most revenue growth. Since 2015, hotel/resort spas have also surpassed day/club/salon spas in their share of total global revenues.

The rapid growth in the hotel/resort spas category is underpinned by the strong growth in wellness tourism (see Chapter IV), as more consumers seek to bring their wellness lifestyle with them when they travel. In response, more hotels and resorts are adding and marketing spa services and facilities to accommodate growing demand. Since much of the growth is in smaller and lower-tier properties, typically with more modest facilities, average revenue per hotel/resort spa has fallen significantly in recent years. *A note on the 2017 hotel/resort spa numbers as compared to 2015:* not all of the dramatic increase in spas and revenues in this category is due to new builds. Our methodology includes surveying global online booking sites, and the last few years have brought massive growth in hotel/resort listings, as well as properties listing themselves as providing spa facilities and services, particularly in the emerging markets of Sub-Saharan Africa and Latin America and the Caribbean. [36]

Spa Facilities and Revenues by Type, 2015 and 2017

	Number of Spas		Spa Facility Revenues (US$ billions)	
	2015	**2017**	**2015**	**2017**
Hotel/Resort Spas	30,180	*48,248	$25.6	*$36.4
Day/Club/Salon Spas	64,262	68,917	$30.8	$33.4
Destination Spas & Health Resorts	2,374	2,633	$7.7	$8.3
Medical Spas	5,502	6,827	$5.7	$6.6
Thermal/Mineral Springs Spas	7,171	8,816	$4.7	$5.3
Other Spas	12,106	13,811	$3.1	$3.7
Total	**121,595**	**149,252**	**$77.6**	**$93.6**

*Note: Revenue figures may not sum to total due to rounding. See Appendix A for descriptions of the spa categories. *See text above for notes on hotel/resort spa category growth.*
Source: Global Wellness Institute

[36] For example, the number of lodging properties listed in Bookings.com (the largest worldwide accommodations search platform), increased by over 80% globally from 2015 to 2017, with listings in regions such as Sub-Saharan Africa and Latin America-Caribbean more than doubling. Global listings of lodging properties with spas increased by over 35% during this period.

Adjacent, supporting sectors add another $25 billion to the global spa economy.

The spa industry is greater than just spa facilities operations. A host of other sectors enable and support spa businesses, including capital investment; consulting; training of spa therapists and education of managers; and associations, media, and events businesses that promote spas. In 2017, these related sectors added $25.2 billion to the spa facilities revenues of $93.6 billion, to create a **$118.8 billion global spa economy.**

Global Spa Economy, 2015 and 2017

	Spa Economy Sector Revenues (US$ billions)	
	2015	**2017**
Spa Facility Operations	$77.57	$93.64
Spa Capital Investments	$19.82	$23.70
Spa Education	$0.85	$1.02
Spa Media, Associations, & Events	$0.25	$0.28
Spa Consulting	$0.12	$0.15
Total Spa Economy	**$98.62**	**$118.79**

Note: Revenue figures may not sum to total due to rounding. See Appendix A for descriptions of the spa economy sectors.
Source: Global Wellness Institute

A growing spa industry means a greater need for trained staff.

Spa facilities employed nearly 2.6 million people in 2017, including over 1.4 million spa therapists and 260,000 spa managers and directors. Since 2015, spas added over 444,000 jobs to the global economy.

GWI projects that spa employment will continue to grow along with the spa industry, reaching 3.1 million in 2022. In other words, in order to staff the growing business, the global spa industry will need an additional 300,000 trained spa therapists and 54,000 experienced spa managers/directors (above the current level) by 2022. The greatest need for additional spa industry staff would be in Asia.

Spa Facility Employment by Region, 2015, 2017, and 2022 (Projected)

	Total Employees in Spa Facilities		
	2015	**2017**	**Projected Need in 2022**
Europe	745,583	883,353	959,938
Asia-Pacific	722,588	918,675	1,209,751
North America	424,174	443,419	543,627
Latin America-Caribbean	164,909	215,899	233,552
Middle East-North Africa	63,982	86,990	110,499
Sub-Saharan Africa	28,911	46,171	76,537
Total	**2,150,147**	**2,594,507**	**3,133,904**

Source: Global Wellness Institute

VI. THERMAL/MINERAL SPRINGS

The thermal/mineral springs industry has continued its strong growth as consumers turn to water for relaxation, community, and healing.

GWI defines the thermal/mineral springs industry as encompassing ***revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties.*** Consistent with that definition and our previous methodologies, we estimate that there are 34,057 thermal/mineral springs establishments operating in 127 countries. These businesses earned $56.2 billion in revenues in 2017, and they employed an estimated 1.8 million workers.

The thermal/mineral springs industry is heavily concentrated in Asia-Pacific and Europe, reflecting the centuries-old history of water-based healing and relaxation in these two regions. Together, Asia-Pacific and Europe account for 95% of industry revenues and 94% of establishments.

Thermal/Mineral Springs Facilities and Revenues by Region, 2015 and 2017

	Number of Establishments		Revenues (US$ billions)	
	2015	**2017**	**2015**	**2017**
Asia-Pacific	20,146	25,916	$29.23	$31.60
Europe	5,613	5,967	$19.74	$21.73
Latin America-Caribbean	1,148	1,406	$1.20	$1.60
North America	237	302	$0.57	$0.73
Middle East-North Africa	324	416	$0.24	$0.41
Sub-Saharan Africa	39	50	$0.06	$0.08
Total Thermal/Mineral Springs Industry	**27,507**	***34,057**	**$51.04**	**$56.16**

Note: The thermal/mineral springs revenue estimates include all revenues earned by these establishments, from bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food & beverage, lodging, and other services.

*Revenue figures may not sum to total due to rounding. *See text below for notes on establishment growth.*

Source: Global Wellness Institute

A note on the 2017 thermal/mineral springs numbers as compared to 2015: not all of the increase in establishments and revenues in this category is due to new builds. We estimate that about 450 new establishments opened during this time period (primarily in China), with the remaining increase accounted for by improved information as more thermal/mineral springs properties start marketing themselves beyond their local markets to capture the growing consumer and tourist interest in their offerings.

GWI projects a steady and increasing growth trajectory for the thermal/mineral springs industry over the next 5-10 years, building on rapidly growing consumer, business, and government interest in this sector. Thermal/mineral springs bathing experiences appeal to a growing segment of consumers who are seeking to connect with nature, experience cultural traditions, and pursue alternative modalities for healing, rehabilitation, and prevention. Responding to these trends, both private investors and governments across many countries are investing in the sector. In countries with long-established thermal bathing traditions, governments are increasingly promoting these as a key wellness tourism offering. They are investing in renovation and reopening of primitive, outdated, and closed-down facilities, as well as upgrading service standards and training to meet expectations of international tourists. Meanwhile, a number of countries that have thermal water resources but no (or few) commercial bathing facilities are starting to take notice of the opportunities to develop this sector as a new high-value tourism offering (e.g., Kenya, Rwanda, Ethiopia, Saudi Arabia, Cambodia, India).

China continues to see steady investment in new hot springs resorts and strong growth in hot spring-based tourism, while seeking to infuse more wellness-focused services (such as Traditional Chinese Medicine) into its primarily recreational hot spring offerings. Elsewhere around the world, there are several dozen medium- and large-scale thermal mineral/springs projects and major refurbishments/renovations currently in development, in countries as diverse as Brazil, United States, Australia, New Zealand, Japan, Malaysia, Tunisia, France, United Kingdom, Switzerland, and many others.

The thermal/mineral springs industry is concentrated in Asia-Pacific and Europe.

The top twenty countries – concentrated mostly in Asia-Pacific and Europe – represented 92% of the global market in 2017. China and Japan together account for 54% of global revenues and 73% of all establishments. Japan alone, with its estimated 20,972 onsen, is home to nearly two-thirds of all thermal/mineral springs establishments in the world. The remainder of the top markets include a large number of European countries with a long history of using thermal/mineral waters for curative and therapeutic purposes (often subsidized by government insurance systems, although this practice is declining in many countries), along with the United States, Brazil, and Taiwan and South Korea in Asia. The ranked order and list of countries in the top twenty has changed only slightly in recent years. Taiwan has re-entered the top twenty since 2015. Brazil has moved up in the rankings over the last five years, with ongoing strong growth and private/government investment in its thermal springs offerings.

Top Twenty Thermal/Mineral Springs Markets, 2017

	Number of Establishments	Revenues (US$ billions)	Rank in 2017
China	3,900	$17,501.1	**1**
Japan	20,972	$12,795.5	**2**
Germany	1,265	$7,151.9	**3**
Russia	838	$3,667.2	**4**
Italy	768	$1,718.3	**5**
Austria	181	$961.1	**6**
Hungary	546	$793.2	**7**
Brazil	207	$718.0	**8**
Spain	293	$683.1	**9**
Poland	203	$674.5	**10**
Turkey	295	$667.3	**11**
United States	280	$631.0	**12**
Czech Republic	131	$627.8	**13**
France	175	$627.7	**14**
Switzerland	73	$479.5	**15**
Slovenia	86	$451.0	**16**
Slovakia	116	$439.8	**17**
Taiwan	251	$434.5	**18**
Iceland	154	$432.6	**19**
South Korea	108	$336.1	**20**

Source: Global Wellness Institute

Facilities offering value-added spa services account for only one-quarter of thermal/mineral springs establishments but two-thirds of industry revenues.

The thermal/mineral springs industry encompasses a wide variety of different types of establishments; some are recreational in nature (e.g., thermal water swimming pools and waterparks), some are medical or therapeutic (e.g., many sanatoria in Europe), and some focus on wellness-enhancing experiences (e.g., onsen, thermal springs spas) (see Appendix A for additional definitions). Since many thermal/mineral springs facilities overlap multiple categories, for this study GWI simply segments the industry into two groups: establishments that offer spa services (e.g., massage, facials, hydrotherapy, other treatments) alongside their bathing offerings, and those that do not.

In most countries, thermal/mineral bathing and swimming establishments tend to have rustic or traditional facilities and relatively low admission fees, and they tend to target a local market; these represent the majority of establishments around the world in terms of numbers. However, the establishments that offer value-added spa services tend to be higher-end and more tourism-focused, with more developed facilities and a wider range of offerings. While representing only 26% of establishments, the facilities offering spa services account for a much greater share of industry revenues (66%). Revenue growth has also been higher for facilities offering spa services (7.4% average annual growth globally for those with spa services, versus 0.5% for those without, over 2015-2017).

Thermal/Mineral Springs Facilities and Revenues by Type, 2017

	Number of Establishments	Revenues (US$ billions)	Avg. Annual Revenues per Establishment
With Spa Services	8,816	$37.1	$4,202,972
No Spa Services	25,241	$19.1	$756,825
Total Thermal/Mineral Springs Industry	**34,057**	**$56.2**	**$1,648,904**

Note: The thermal/mineral springs revenue estimates include all revenues earned by these establishments, from bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food & beverage, lodging, and other services.

Revenue figures may not sum to total due to rounding. See Appendix A for additional definitions and descriptions of categories.

Source: Global Wellness Institute

VII. REGIONAL HIGHLIGHTS

Asia-Pacific Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$46.8 billion (7.3% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
293 projects

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
97.8 million (5.2% of employed workers)

Expenditures on Workplace Wellness:
$9.3 billion (5.1% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
257.6 million (15.3% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$136.7 billion (10.9% CAGR from 2015-2017)

Average Expenditure per Trip:
$1,741 for intl./inbound (33% premium);
$268 for domestic (120% premium)

Spas

Number of Spas:
48,679 (12.0% CAGR from 2015-2017)

Spa Revenues:
$26.5 billion (11.2% CAGR from 2015-2017)

Spa Employment:
918,675 (12.8% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
25,916 (13.4% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$31.6 billion (4.0% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
1,244,661 (17.5% CAGR from 2015-2017)

Top Ten Wellness Real Estate Markets in Asia-Pacific, 2017

	Market Size (US$ millions)
China	$19,939.6
Australia	$9,471.4
India	$6,088.3
South Korea	$4,194.8
Japan	$2,246.4
Malaysia	$917.1
Singapore	$818.7
New Zealand	$802.6
Taiwan	$652.0
Indonesia	$570.6

Source: Global Wellness Institute

Top Ten Workplace Wellness Markets in Asia-Pacific, 2017

	# of Workers Covered (millions)	Expenditures (US$ millions)
Japan	21.4	$3,915.2
South Korea	8.3	$1,524.8
Australia	5.9	$1,112.1
Taiwan	3.5	$634.6
China	33.1	$496.7
Indonesia	2.5	$222.6
Hong Kong, China	1.2	$220.4
New Zealand	1.2	$212.5
Singapore	1.0	$186.5
India	9.2	$184.2

Source: Global Wellness Institute

Top Ten Wellness Tourism Markets in Asia-Pacific, 2017

	Number of Trips (millions)	Receipts/Expenditures (US$ millions)
China	70.2	$31,705.9
Japan	40.5	$22,466.1
India	56.0	$16,299.7
Thailand	12.5	$12,018.4
Australia	10.0	$10,520.9
South Korea	19.6	$7,186.6
Indonesia	8.3	$6,928.5
Malaysia	8.3	$5,019.2
Vietnam	9.6	$4,001.1
New Zealand	3.1	$3,036.0

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Global Wellness Institute

Top Ten Spa Markets in Asia-Pacific, 2017

	Number of Spas	Spa Revenues (US$ millions)	Spa Employment
China	15,664	$8,244.5	376,576
Japan	7,359	$5,717.6	121,781
India	5,990	$2,127.1	74,977
South Korea	3,146	$1,620.8	41,434
Thailand	2,760	$1,317.4	84,176
Indonesia	2,692	$1,299.0	77,309
Australia	1,593	$1,089.9	16,303
Hong Kong	825	$813.0	14,037
Vietnam	1,652	$612.8	17,677
Taiwan	959	$585.1	13,280

Source: Global Wellness Institute

Top Ten Thermal/Mineral Springs Markets in Asia-Pacific, 2017

	Number of Establishments	Revenues (US$ millions)
China	3,900	$17,501.1
Japan	20,972	$12,795.5
Taiwan	251	$434.5
South Korea	108	$336.1
New Zealand	120	$285.2
Philippines	153	$70.7
Australia	42	$68.1
Vietnam	32	$23.7
Indonesia	46	$22.9
Thailand	58	$16.9

Source: Global Wellness Institute

Asia-Pacific Developments

Wellness Lifestyle Real Estate

- Australia has been a trailblazer in the region, with its wellness lifestyle real estate market starting in the early-2000s and encouraged by public policy in a number of metropolitan areas. In the last five years, development has ramped up dramatically, as national development companies plan and build a large number of medium- to large-scale suburban mixed-used and master-planned communities in every major metropolitan market across the country.

- China has a rapidly growing number of projects in the pipeline, and the country is poised for robust growth, driven by its growing middle-upper class and rising concerns about unhealthy urban pollution and sprawl. India is similarly positioned for strong growth but is less far along than China in terms of its development pipeline. Wellness-focused projects include luxury high-rises and co-living-style projects in urban centers, suburban master-planned developments, and high-end resort-based homes.

- Healthy growth is occurring in Southeast Asia as well (notably Malaysia, Singapore, and Vietnam), including a growing number of master-planned, mixed-use, and urban high-rise developments. Some of these communities are adding a healthcare angle to target aging populations, leveraging existing medical tourism infrastructure (e.g., Medini Iskandar in Malaysia). These and other Asian countries with a strong wellness tourism sector (e.g., Indonesia and Thailand) are also growing in the resort-based wellness lifestyle real estate segment.

Workplace Wellness

- In Asia, workplace wellness is still not a widespread concept, benefiting only a small slice of workers who mostly work for multinational corporations and in knowledge-intensive industries (finance, consulting, high-tech, etc.). Wellness needs in relation to work vary dramatically from one country to the next – from basic rights and working conditions in lower-/middle-income countries, to stress and work-life balance in the metropolises. In Asia's fast-paced, competitive cities, the costs of unwell workplaces can be very high. A 2017 survey by AIA found that 64% of Hong Kong employees suffer from at least one dimension of work-related stress, 85% have at least one musculoskeletal condition; and health productivity loss averaged 70 days per year.[37] In a 2017 GSK study, more than 67% of workers in China, India, Philippines, and Indonesia felt that their work environment caused their body pain, and more than 60% said their work environment caused them head pain, leading to significant productivity loss and human suffering.[38] These issues are garnering increased attention in Asia, as they become important considerations for worker recruitment and retention, in addition to corporate healthcare costs and competitiveness. A recent survey of office-based companies in the Asia-Pacific region found that about 60% of the companies surveyed either had or intended to start some type of workplace wellness program in the near future.[39]

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[37] AIA Vitality (2018). *Healthiest Workplace Survey.* https://healthiestworkplace.aia.com/regional/eng/#.

[38] GSK Consumer Healthcare (2017). *GSK Global Pain Index 2017, Global Research Report.* https://www.gsk.com/media/3814/global-pain-index-2017-report.pdf.

39 CBRE Group (2017). *Workplace Wellness gains traction in Asia Pacific.* https://www.cbre.com.au/about/media-center/workplace-wellness-gains-traction-in-asia-pacific0.

- In Japan, where grueling work hours have been the norm for decades, and where there is a word (*karoshi*) for "dying from overwork," the government decided to limit overtime work to 720 hours per year, or 60 hours per month. Prime Minister Abe Shinzo has made Work Style Reform (*hatarakikata kaikaku*) part of his core economic agenda, seeking to reverse the trend of dangerously long work hours and the wide wage gaps between "regular" and "non-regular" workers. The law sends a strong signal, and there are signs that work culture is slowly changing in Japan. There are now specialized consulting firms that help companies transform their workplace culture, sometimes resorting to shaming of employees who fail to leave before the lights are turned off. To encourage companies to focus on improving their work environments, the Japanese government will also publicly recognize companies that have taken positive steps toward improving workplace wellness.

Wellness Tourism

- Wellness tourism continues its rapid growth trajectory in the Asia-Pacific region, as more stressed-out people look to travel for respite and rejuvenation. To meet the growing wellness sophistication of Asian travelers, wellness travel offerings have expanded tremendously in breadth and depth, moving far beyond typical offerings such as detox, weight loss, spa treatments in a gazebo, and yoga on the beach. Across Asian destinations, there is tremendous increase in demand for all types of wellness modalities and experiences – from sound therapy to tai chi, and from meditation to spiritual guidance. Many travelers are interested in what a specific place has to offer, creating opportunities for destinations to dig into their own traditions, healing modalities, natural settings, and local ingredients to create a differentiated experience.

- India and other destinations in South Asia and the Himalayan region are capitalizing on the rising global interest in yoga, meditation, and Ayurvedic health to promote wellness tourism. In 2016, India set up a National Medical & Wellness Tourism Promotion board to provide policy advice on these sectors. Measures to support wellness tourism include guidelines for quality and training, financial assistance, and investment promotion for wellness centers catering to tourists. Sri Lanka aggressively promotes wellness tourism with an Ayurvedic flavor, in conjunction with its wildlife, history, nature, and cultural offerings, and the country has seen a tremendous rise in investment and arrivals. Bhutan's distinct focus on low-volume, high-spend tourism (requirement of $200-250 spending per day) aligns well with its growing wellness tourism industry, which has received massive investment that turns its various assets – nature, hot springs, antiquity, culture, and spiritual heritage – into specially curated healing journeys for guests.

- The Chinese wellness tourism sector, while enormous, mostly caters to its domestic travelers. The interest and appetite for wellness travel continue to rise among Chinese consumers, many of whom are rediscovering their wellness heritage and healing systems – from Traditional Chinese Medicine (TCM) and herbal medicine, to qigong, meditation, and martial arts. In recent years China has placed increased attention on developing its health and wellness industry, marketing to both domestic and international tourists the variety of health and wellness services offered across the country, especially those derived from TCM. Since the first Chinese Wellness Tourism Conference was held in 2016, a number of health and wellness conferences

have emerged, including the Wellness China Expo, to promote wellness tourism products, investment, and financing.

- Some countries are leveraging their advanced medical industries and wellness sectors to cross-promote wellness and medical tourism, such as Malaysia, Singapore, South Korea, Thailand, and Philippines. Their strengths in both segments allow them to tap into overlapping opportunities, such as: stressed out executives who want a medical checkup, detox, meditation, and life coaching while on vacation; patients recovering from minor procedures (and their families) looking for a healing setting; as well as travelers seeking TCM, Ayurveda, Tibetan, and other integrative medicine and related wellness modalities to address chronic heath or mental wellness issues.

- Australia is both a major source and destination for wellness travelers. Australians are enthusiastic and sophisticated wellness consumers, and the diversity, vast size, and resources of the country create many opportunities to combine wellness with outdoor, nature, adventure, cultural, culinary, and other travel interests. Already home to a number of well-known wellness resorts and hot springs, Australia now also hosts a growing number of festivals and events that focus on wellness. The potential for wellness tourism has caught the government's attention. Tourism Australia has named wellness as one of five key niches for regional tourism development and is now actively promoting private investment in this sector.

Spas

- Asia-Pacific remains the region with the highest number of spas and the fastest growth, with the hotel/resort spa category leading in new investments and openings. Much of the growth is driven by demand from enthusiastic wellness travelers. Whether primary or secondary, wellness travelers seek a wide range of wellness experiences and options at their destination, while also expecting more personalization. Luxury urban hotels and resort hotels have been best able to adapt their facilities and offerings to meet these demands, and numerous luxury hotels have opened with sumptuous spas in diverse markets stretching from China to Vietnam to the Maldives.

- There is a marked increase among Asian hotels and resorts advertising their spas and wellness packages, and also developing offerings to meet the fast-growing demand for retreats along a full range of wellness themes/interests – yoga, meditation, detox, fitness/boot camp, personal transformation, surfing, etc. More spas are promoting traditional Asian wellness modalities and programming, from Ayurvedic treatments to TCM, from chi gong to yoga and meditation, and from Tibetan medicine to Balinese healing. In countries such as Sri Lanka and India, a growing number of hotel/resort spas and traditional Ayurvedic resorts are transforming themselves into destination spas and wellness retreats that provide a holistic package of services, experiences, or journeys. The Carnoustie Group, known for its Ayurveda and wellness resorts in India, has announced plans to develop luxury wellness centers throughout China.

- The underlying demand for the Asian spa industry is driven by growing consumer interest in living healthier and more fulfilled lives, against the rise of chronic disease, stress levels, mental imbalance, and unhappiness. It is increasingly common for consumers to turn to body work to relieve stress and chronic pain, and to seek treatments that help maintain vitality and good

health. Interest in yoga, meditation, and mind-body practices is on the rise across the region. In many Asian metropolises, spas have turned into urban sanctuaries where guests seek much more than just a facial or massage, but a full range of holistic wellness experiences. The need to inject wellness into ever busier lives has given rise to half-day and one-day urban retreat programs that combine a range of modalities (meditation, yoga, coaching/spiritual guidance, body work, hydrotherapy, sound healing, energy treatments, etc.). The Four Seasons in Hong Kong, for example, has created a "Masters of Wellness" program that allows guests to learn from top-notch visiting healers and wellness experts in various therapies and treatments.

- Asia has some of the fastest growing beauty markets in the world, and the spa industry reflects this consumer interest. Cosmoprof Asia, the premier beauty and spa event of Asia, grows every year in size and scope. Asian spas, focused on the beauty aspect of wellness, have expanded their services to meet a growing demand for cosmetic enhancements. Consumers from Korea to China to India are sophisticated in what they seek and expect results in their spa and beauty treatments. Less stringent industry regulation sometimes allows the region's spa industry to offer technology-enhanced treatments that may not be available in North America and Europe.

Thermal/Mineral Springs

- With its vast thermal resources and bathing traditions dating back more than a thousand years, Asia is home to the largest thermal/mineral springs markets in the world. Countries are recognizing the potential of springs for wellness tourism and economic development, and a growing number of destinations (including Japan, Taiwan, New Zealand, Australia, Vietnam, and Laos) are highlighting their hot springs attractions to international visitors.

- The Chinese hot spring sector, while enormous, mainly caters to domestic visitors. The industry comprises the remnants of historic Soviet-style sanatoria, rustic day-use hot springs/traditional bathhouses, and privately-owned and operated hot springs resorts and towns focused on recreation and family holidays. In order to raise standards and industry quality, China has established a national hot spring committee and regulations related to water quality, safety management, and the rating of "hot springs towns." Over the past five years, the industry has experienced strong growth, changing business models, and increased private investment, encouraged by rising consumer interest in healthy lifestyles and wellness tourism on the one hand, and government support for preventive health on the other hand. There are opportunities to upgrade existing facilities to world-class standards, and to integrate TCM with European-style hydro/balneotherapy to create Chinese-style hot spring wellness resorts. Some resorts also see potential for packaging employer-sponsored hot springs wellness holidays, developed as part of companies' employee wellness programs, which can create additional revenue for the sector (especially in the low seasons).

- While Japan's hot spring inns are gaining in popularity among international tourists, most of these properties continue to operate in their traditional style, without facility upgrades or modernization of offerings to cater to a rising clientele of international wellness tourists. Recently, the industry has received substantial new investments in preparation for a visitor surge for the 2020 Tokyo Olympics. These include new high-end bathing facilities and

hotels/resorts with onsen in the center of Tokyo, and several large hotel brands such as InterContinental and Marriott opening new properties with their own private and communal hot springs. Elsewhere in East Asia, South Korea and Taiwan also have active hot springs sectors and traditions, evolving out of historical Japanese cultural influence. In recent years, Taiwan's hot springs sector has benefitted from aggressive tourism promotion to attract international visitors, families, wellness tourists, and even the MICE market. The sector is also actively linking hot springs to other types of tourism and interests. Taiwan hosts an annual Hot Spring & Fine Cuisine Festival, and a healthy hot spring cuisine concept has emerged focusing on locally-sourced fresh fish and vegetables. Hiking to one of Taiwan's more than 100 wild/undeveloped hot springs has also become a popular niche wellness tourism activity.

- Australia and New Zealand are leveraging their thermal resources aggressively for tourism promotion. The Peninsula Hot Springs in Australia is undergoing a significant expansion that will add overnight accommodations, new hot pools, ice cave/plunge pools, a group sauna area, an amphitheater, a "Food Bowl" that will promote organic produce, and expanded wellness programming. It is also working to create an official hot springs region near its location in Victoria. New Zealand is developing the city of Rotorua as a wellness destination focusing on its healing hot springs and mineral baths. The government is co-investing with private investors in a new hot spring facility (total investment US$21.5m) on the lakefront, with the aim of developing a world-class spa, a thermal, and wellness tourism district with linkages to the local Maori culture. Other thermal springs around the country (e.g., Te Aroha and Okoroire) are seeking investments to upgrade facilities and create new destinations for luxury and short-break tourism.

- South and Southeast Asian countries also have considerable thermal resources but are generally at earlier stages of development. In recent years, governments that have designated hot spring areas for tourism development include Thailand (Klong Thom as a pilot "spa city"), Cambodia (Kampong Speu province), and Laos (Hiem district hot springs in Huaphan province). India has hundreds of hot springs, many of which are located near temples with religious significance. In 2016, the State of Uttarakhand tourism department announced plans to develop the region as a thermal wellness destination, with world-class facilities to be built across five thermal sites (including spa complexes, golf courses, yoga and meditation centers, etc.). In Bhutan and Nepal, thermal springs traditionally have been used for medical and therapeutic purposes (rather than recreation), and they are therefore tied to the indigenous healing systems and spiritual heritage and remain rustic and undeveloped. There is an emerging interest in Nepal to further develop these resources into wellness tourism destinations by tying thermal bathing with yoga, Ayurveda, and even shamanism.

Europe Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$31.7 billion (4.5% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
61 projects

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
101.3 million (25.0% of employed workers)

Expenditures on Workplace Wellness:
$17.7 billion (5.0% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
291.8 million (8.1% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$210.8 billion (4.4% CAGR from 2015-2017)

Average Expenditure per Trip:
$1,209 for intl./inbound (65% premium);
$594 for domestic (105% premium)

Spas

Number of Spas:
46,282 (11.2% CAGR from 2015-2017)

Spa Revenues:
$33.3 billion (10.1% CAGR from 2015-2017)

Spa Employment:
883,352 (8.8% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
5,967 (3.1% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$21.7 billion (4.9% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
438,424 (2.6% CAGR from 2015-2017)

Top Ten Wellness Real Estate Markets in Europe, 2017

	Market Size (US$ millions)
United Kingdom	$9,016.4
Germany	$6,439.9
France	$5,814.5
Netherlands	$1,850.5
Switzerland	$1,607.0
Norway	$1,216.7
Sweden	$1,139.9
Austria	$1,099.1
Italy	$1,001.0
Finland	$650.5

Source: Global Wellness Institute

Top Ten Workplace Wellness Markets in Europe, 2017

	# of Workers Covered (millions)	Expenditures (US$ millions)
Germany	18.6	$3,537.7
United Kingdom	14.5	$2,546.1
France	12.0	$2,275.3
Italy	9.3	$1,671.6
Spain	7.1	$1,357.9
Netherlands	3.8	$716.7
Sweden	2.6	$669.5
Switzerland	2.2	$429.4
Austria	2.1	$415.0
Belgium	2.1	$407.0

Source: Global Wellness Institute

Top Ten Wellness Tourism Markets in Europe, 2017

	Number of Trips (millions)	Receipts/Expenditures (US$ millions)
Germany	66.1	$65,746.3
France	32.4	$30,714.6
Austria	16.8	$16,509.8
United Kingdom	23.2	$13,478.1
Italy	13.1	$13,428.4
Switzerland	9.7	$12,571.3
Spain	18.8	$9,885.6
Turkey	9.1	$4,387.7
Russia	15.8	$3,997.4
Portugal	4.6	$3,405.2

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Global Wellness Institute

Top Ten Spa Markets in Europe, 2017

	Number of Spas	Spa Revenues (US$ millions)	Spa Employment
Germany	7,060	$6,659.1	153,660
France	4,653	$3,588.9	88,709
Italy	3,954	$3,238.7	83,139
United Kingdom	3,547	$2,696.8	62,849
Spain	3,304	$2,459.2	58,532
Russia	3,446	$2,291.8	114,261
Austria	2,229	$2,054.4	48,674
Switzerland	978	$1,405.0	23,798
Poland	1,517	$752.0	23,689
Portugal	831	$716.3	14,835

Source: Global Wellness Institute

Top Ten Thermal/Mineral Springs Markets in Europe, 2017

	Number of Establishments	Revenues (US$ millions)
Germany	1,265	$7,151.9
Russia	838	$3,667.2
Italy	768	$1,718.3
Austria	181	$961.1
Hungary	546	$793.2
Spain	293	$683.1
Poland	203	$674.5
Turkey	295	$667.3
Czech Republic	131	$627.8
France	175	$627.7

Source: Global Wellness Institute

Europe Developments

Wellness Lifestyle Real Estate

- The United Kingdom has been a regional and global leader in this sector – less in terms of the number of projects, and more in terms of thoughtful and innovative planning and public policy approaches to improving built environments (the country's legacy in this space goes back the early/mid-20th century Garden Cities and New Towns movements). British developers and organizations have also been leading innovators in developing sustainable healthy communities (BioRegional and One Planet Living), integrating health services into community design (NHS England Healthy New Towns initiative; Llanelli Wellness Village in Wales), and in measuring the linkages between home/ community design and health/wellbeing/happiness.

- Outside the UK, the European project pipeline includes a variety of smaller-scale, experimental approaches focused on sustainable/regenerative living (e.g., ReGen Villages in Netherlands), healthy/sustainable urban development (e.g., Utrecht Healthy Urban Quarter/Wonderwoods in Netherlands, Muižas Nami in Latvia), and innovative human-centered architecture (e.g., Bjark Ingels' Mountain Dwellings and 8 House in Denmark, Bosco Verticale in Italy).

- Europe has long been a pioneer in innovative intentional living concepts that overlap with wellness lifestyle real estate, such as the cohousing communities that originated in Northern Europe in the 1960s. There is also opportunity for Europe's historic spa towns to redevelop and reposition themselves as healthy living communities (although to date the focus for these redevelopment projects has been on tourism and less on residents).

- There is a strong, longstanding focus in many European countries on supporting healthy/active and sustainable built environments in existing communities via public policy initiatives (such as the WHO European Healthy Cities network, launched in 1987) and infrastructure initiatives (such as efforts in Copenhagen and Amsterdam to build bicycle-friendly infrastructure since the 1970s).

Workplace Wellness

- Many European country governments, which fund and deliver the majority of healthcare to their citizens, have viewed workplace as an important sphere of public health where they can mitigate the rise of chronic disease. In recent years, a globalized 24/7 work culture, declining job and financial insecurity, and rise of loneliness have brought increased attention to issues of financial wellness, work-life balance, stress management, and mental health in the workplace. Since 1996, the European Commission has established a holistic framework to advance workplace health promotion. Governments are offering financial incentives to employers for workplace health promotion in many countries, including Germany, Austria, Ireland, Sweden, and Finland. In Scotland, a network of "healthy working lives" specialists makes free and confidential workplace visits to give advice on issues related to occupational

health safety and wellbeing. Recently, a new labor agreement between employers and IG Metall (a union representing 900,000 metal and electrical workers) will permit workers to work less (28 hours instead of 35 hours per week) for lower pay, with the discretion to return to full time employment later. This agreement is expected to reverberate across Germany and Europe, signaling a new recognition by employers that workers today value their time and work-life balance more than wages alone.

Wellness Tourism

- Wellness tourism has deep roots in Europe. For centuries, people have traveled within the region to take advantage of hot springs, alpine air, sea breezes, slow food, and idyllic landscapes, in order to escape from everyday life and pursue recreation and healing. Europeans are sophisticated wellness consumers, based on longstanding cultural and historical traditions across the region, and this influences their propensity for wellness travel. In a Eurobarometer survey of 30,000 Europeans across 33 countries, 13% indicated that wellness/spa/health treatments were their primary or secondary motivation for going on holiday in 2015 (and the share of trips for which wellness was a primary motivation has doubled, from 3% in 2010 to 6% in 2015). In several countries, the propensity for primary-motivation wellness trips is very high, including Iceland (19% of survey respondents), Sweden (17%), Hungary (16%), Portugal and Slovakia (15%), and Czech Republic (10%).[40]

- Europe's wellness tourism industry continues to leverage its historic wellness assets, while upgrading its infrastructure (spas, wellness hotels, health resorts, etc.) and service offerings to attract the modern consumer. Throughout the region, governments and destinations are looking to wellness tourism to diversify their tourism sector, carve out a unique niche, reduce seasonality, combat over-tourism in some cases, and bring more benefits to their local communities and small businesses. For example, Russia's tourism plan for 2020 emphasizes the importance of enhancing spa and wellness sector quality and offerings to attract domestic and international wellness tourists. Italy recently launched Terme d'Italia, a project aimed at stimulating demand for spas and wellness resorts in eight regions. Azerbaijan, a relative newcomer that has received attention from the National Geographic Traveler Awards, is highlighting its thermal wealth and the unique quality of its mud to elevate its wellness tourism standing.

- In Central and Eastern Europe, wellness tourism is intrinsically linked to thermal resources and an extensive network of historic health resorts and sanatoria, where guests stay for doctor-supervised, water-based medical treatments, financed wholly or partially by national insurance systems. Many of these sanatoriums are now undergoing renovations, modernization, and wellness menu enhancements (mostly with private investment) in order to attract a younger clientele who are seeking wellness rather than medical treatments, and who are more likely to spend on room upgrades, add-on services, and a higher quality experience.

[40] 1) European Commission (2016). *Preferences of Europeans towards Tourism.* Flash Eurobarometer Report No. 432. 2) European Commission (2011). *Survey on the attitudes of Europeans towards tourism.* Flash Eurobarometer Report No. 328. Both available at: https://ec.europa.eu/growth/tools-databases/vto/eurobarometer.

- The quest for differentiation and authenticity has led many industry players to refocus on their own traditions and wellness modalities in designing destinations and crafting guest experiences. Some look to their bathing traditions; for example, Finnish saunas, Austrian sauna aufguss, and Russia banya all offer distinctive experiences that combine wellness with rituals, community, fun, and entertainment, within a specific cultural context. With Scandinavians consistently ranking as the happiest people in the world, there is also surging interest in Nordic lifestyle concepts such as *hygge* ("cozy" for the Danish and Norwegians) and *lagom* ("balanced" or "just right" for the Swedish), which can be incorporated into facility design, guest experiences, wellness offerings, and marketing/promotion.

- Wellness trips and retreats that are built around a specific wellness activity are on the rise, from boot camps to meditation and silence retreats. There is more demand to combine activities in nature with wellness modalities, such as hiking to a scenic location for meditation, or yoga and tai chi in an outdoor setting. Short-haul, weekend getaways continue to grow – not only for couples and girlfriends, but increasingly for families (including multi-generations) – and destinations are modifying their amenities and programming to accommodate this trend.

Spas

- Across the region, the spa market has been growing at a steady pace alongside stable economic growth and rising consumer interest in services and activities that align with their wellness lifestyle. Spa offerings are proliferating to provide novelty, diversity, and choices to customers. Some spas are expanding along a full range of holistic health and preventive services that extend to nutritional advice, sleep therapy, sound therapy, gut microbe analysis, energy healing, and so forth. Others are adopting wellness and healing modalities from different traditions and cultures: Finnish saunas, Japanese onsens, Turkish hammams, Traditional Chinese Medicine, and Ayurveda are no longer confined to their country or region of origin, or to niche spas. At the same time, establishments that provide a single, specialized wellness service/treatment also continue to grow, from beauty treatments, massage, and reflexology, to reiki, flotation tanks, cryotherapy, salt caves, etc., competing with similar offerings at conventional full-service day spas and hotel/resort spas.

- Spas are also responding to a rising need for mental wellness and stress reduction, along with growing interest in igniting and supporting behavioral change that will lead to a more healthful, balanced, and fulfilled life for guests outside of the spa. To complement body/energy work, many spas are beginning to offer more personalized and tailored services, such as nutritional assessments, individual counseling/advice, holistic personal wellness plans, coaching, etc. Overall, there is a gradual shift and expansion in offerings, as more spas recognize that they are no longer operating within the confines of the spa sector but competing in a much broader and quickly evolving landscape of the wellness industry.

- Consumer adoption and understanding of wellness is quickly evolving, and many spas are undergoing redesign/refurbishments of their facilities and offerings, reflecting emerging needs and preferences, such as: the desire for community (e.g., creating club-like settings and atmospheres, or group programs and classes that facilitate connections among guests); intergenerational wellness experiences (e.g., "better-aging" modalities; kids/teen spa

treatments, classes, and activities); water for healing (e.g., hydrotherapy, watsu, therapeutic thermal/mineral spring bathing and treatments); and using nature to enhance our sense of wellbeing (e.g., forest bathing; use of natural, organic, and local ingredients; biophilic design of facilities).

Thermal/Mineral Springs

- Thermal and mineral springs have been a part of wellness rituals in many European countries for centuries, and they are intrinsically linked to the strong bathing culture and tradition across the continent. Natural therapies related to water are as extensive as they are varied: balneotherapy, thalassotherapy, mud, salts, algae, etc.

- European countries that have a large sector of sanatoria-style health resorts catering to government-funded patients are looking to upgrade, privatize, and diversify many of these establishments. Investments are being made in thermal resorts and spas all over Europe, some in major expansions of well-established assets – for example, the addition of a subterranean spa, a Retreat Lagoon, hotel, and restaurant at the renowned Blue Lagoon in Iceland. Some investments aim to introduce cross-cultural bathing experience, such as introducing Japanese-style onsens or Turkish baths to European bathers at existing or new thermal resorts. Many facilities receive new investments to add spa and complementary wellness services, facilities, and programming that will appear to a broader range of guests, such as health food restaurants, beauty treatments, fitness studios, and mind-body classes.

- With the rise of wellness and wellness tourism, thermal/mineral springs across Europe are viewed as a vital resource for tourism and economic development. Many new investments and marketing initiatives have been launched in recent years, from "the Year of Healthy Waters" promotion in Slovenia, to a Spain-Portugal partnership to jointly promote thermal establishments along their border. "Roman Thermal Spas of Europe" is a multi-country (Greece, Germany, Hungary, Portugal, France, and Bulgaria) partnership to develop and promote thermal tourism packages involving spas and health resorts with a Roman origin. Greece and Turkey, among other countries, have placed hot springs at the center of their tourism promotion themes, seeking investments to modernize and upgrade thermal offerings.

North America Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$54.8 billion (7.9% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
372 projects

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
93.9 million (53.8% of employed workers)

Expenditures on Workplace Wellness:
$17.6 billion (4.2% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
204.1 million (4.6% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$241.7 billion (5.8% CAGR from 2015-2017)

Average Expenditure per Trip:
$3,285 for intl./inbound (44% premium);
$1,058 for domestic (57% premium)

Spas

Number of Spas:
30,394 (3.6% CAGR from 2015-2017)

Spa Revenues:
$22.9 billion (5.5% CAGR from 2015-2017)

Spa Employment:
443,419 (2.2% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
302 (12.9% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$0.7 billion (12.6% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
10,660 (12.3% CAGR from 2015-2017)

Wellness Real Estate Markets in North America, 2017

	Market Size (US$ millions)
United States	$52,481.2
Canada	$2,355.1

Source: Global Wellness Institute

Workplace Wellness in North America, 2017

	# of Workers Covered (millions)	Expenditures (US$ millions)
United States	83.8	$15,678.8
Canada	10.0	$1,876.6

Source: Global Wellness Institute

Wellness Tourism Markets in North America, 2017

	Number of Trips (millions)	Receipts/Expenditures (US$ millions)
United States	176.5	$226,017.7
Canada	27.5	$15,652.6

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Global Wellness Institute

Spa Markets in North America, 2017

	Number of Spas	Spa Revenues (US$ millions)	Spa Employment
United States	26,317	$20,830.2	395,707
Canada	4,077	$2,054.9	47,712

Source: Global Wellness Institute

Thermal/Mineral Springs Markets in North America, 2017

	Number of Establishments	Revenues (US$ millions)
United States	280	$631.0
Canada	22	$97.1

Source: Global Wellness Institute

North America Developments

Wellness Lifestyle Real Estate

- The United States leads the world in wellness lifestyle real estate development, accounting for almost half the projects in the global pipeline. Since the 1990s, experimental and innovative wellness community projects have been pioneered across different parts of the country. In the last decade, projects have rapidly proliferated in the Sun Belt states (Arizona, Texas, Florida, South Carolina, Georgia, etc.), where wellness-focused design, facilities, and amenities have become a differentiating selling point for large-scale master-planned communities and urban/suburban mixed-use projects.

- The United States originated the concept of "agrihoods," i.e., planned communities built around farms. It has also been a leader in experimenting with new urban design and planning concepts (New Urbanism); launching wellness-related residential/community certification schemes (WELL™, Fitwel™, Living Communities, etc.); innovating new senior living concepts; and bringing healthy/active design into affordable housing (through the Center for Active Design, Fannie Mae Healthy Housing Rewards™ program, and a variety of municipal housing authorities).

Workplace Wellness

- The United States is the largest workplace wellness market in the world because employers are conscious of both productivity and healthcare costs. But, the conventional preventive measures and focus on physical health are becoming a thing of the past. A recently released book by Stanford Business School professor Jeffrey Pfeffer claims that workplace-related stress – a combination of long or unpredictable hours, high job demands, low autonomy, and a lack of health insurance – is responsible for more than 120,000 deaths a year and roughly 5-8% of annual healthcare costs in the United States.[41]

- In recent years, workplace wellness conversations have been shifting from health checkups, ergonomic furniture, free gym memberships, and other preventive health offerings toward broader issues of stress management and maximizing engagement, joy, and flow at work. More employers are now focused on creating a culture of health and wellbeing, incorporating features such as a healthy workplace design, less hierarchical organization and management, flexible and remote work, expanded vacation time and personal leave, minimum pay increases, and company-sponsored community service, with the aim of improving employees' engagement, work-life balance, and overall satisfaction and happiness at work. Successful programs focus on tailoring wellness offerings to meet employees' specific workplace challenges and needs. The most vocal proponent of this shift is the Millennial generation, which has embraced an array of health and fitness apps and wearable technologies. Some of the key shifts identified by the Global Wellness Institute's Wellness At Work Initiative include: purpose-driven organizations, women-friendly workplaces, deep inclusivity, the power of teams, mental wellbeing, and biophilic design.[42]

[41] Pfeffer, J. (2018). *Dying for a Paycheck.* New York, NY: Harper Collins.

[42] Moorefield, R. (2018). *Ten Shifts Driving a New 'Thrive' Revolution at Work.* Miami, FL: Global Wellness Institute. https://globalwellnessinstitute.org/wp-content/uploads/2018/06/WorkplaceWellnessTrends_April2018.pdf.

Wellness Tourism

- The rise of wellness travel is driving new positioning and promotion strategies in North America's hospitality industry. Industry leaders recognize the growing demand for wellness, not just at destination getaways but also in urban locations. Companies such as Canyon Ranch and Six Senses are expanding from their base of destination resorts into major U.S. metropolitan areas (e.g., Six Senses announced that their first North American property will be a luxury urban hotel adjacent to Manhattan's popular High Line). Luxury brands such as Four Seasons, Ritz-Carlton, and Mandarin Oriental have created wellness programs and health and fitness offerings that rival the top destination spa resorts. Mandarin Oriental hotels, for example, have on-site wellness professionals who offer customized Pilates, yoga, meditation, and tai chi classes. Meanwhile, numerous brands are rolling out new wellness initiatives to appeal to the growing number of business and leisure travelers who value healthy food, fitness, and mind-body balance. Leisure hotels aggressively market wellness weekends and rejuvenation retreats, and they promote their wellness offerings and environments as distinguishing characteristics. Business hotels address the time constraints of their guests by providing options such as shorter massages or in-room fitness equipment. Hilton, for example, launched "Five Feet to Fitness," which provides more than 11 different equipment and accessory options to guests in premium fitness rooms (which cost $45 more than a standard room).

- Many hotel chains have developed partnerships with recognized wellness industry leaders to increase flexibility and offer expanded services/programming to guests. These partnerships can range from streaming content (e.g., Pilates, yoga, meditation) to providing interactive fitness equipment (e.g., Peloton). Examples of partnerships between major brands include: Shangri-La and Lululemon; Mandarin Oriental Hotels and the Mayo Clinic; Park Hyatt Hotels and MNDFL Meditation; Fairmont Hotels and Technogym; and Wyndham Hotels and Resorts with Stay Well[ä]/Delos. For urban hotels where space is more challenging, some brands have formed partnerships with local boutique exercise studios, massage therapists, and spas to package offerings close to their properties.

- Airports and airlines continue to step up their wellness amenities to target secondary wellness travelers (i.e., those who want to maintain wellness during travel). Airport spas – in small kiosks and stores within terminals, as well as in airline first-class lounges – have proliferated in North American airports. Offerings can range from saunas, massages, manicures, pedicures, and haircuts to oxygen therapy, cryotherapy, guided meditation, and VR-assisted relaxation. While airline lounges are generally reserved for first- and business-class passengers or club members, many airlines sell spa access for a daily or half-day fee. Wellness services are also extended in other ways. American Express partners with Exhale to offer spa services at airport lounges. Delta has employee-only spas at several airports. Canyon Ranch is partnering with Singapore Airlines to step-up wellness amenities for passengers on ultra-long-haul flights. Additional airport wellness offerings on the rise include: "silent airports," yoga rooms, in-transit fitness clubs, therapy dogs, napping pods and suites, treadmill desks, and designated terminal walking circuits.

Spas

- The spa industry has enjoyed steady growth in North America, driven by a steady economy and rising consumer spending on all things related to wellness. Growth has been led by hotel/resort spas as well as medical spas. A 2017 ISPA survey reported that 42% of hotel/resort sector respondents cite "wellness, health and fitness" as the top trend affecting the spa industry.[43] Luxury branded hotels (e.g., Four Seasons, Fairmont, Ritz-Carlton, etc.) increasingly use their spas and wellness programs as a marketing tool for hotel guests and to generate revenue from non-guest customers. Some hotels have begun charging a general "resort fee" whether guests use the wellness amenities or not.

- Medical spas are enjoying rising demand, reflecting increased consumer interest in self-care, maintenance, anti-aging, and beauty. While the majority of customers are women between the ages of 35-54, there is also rising interest from men and under-35 customers. According to the American Med Spa Association, in recent years there is a pronounced increase in demand for less invasive treatments such as injectables, chemical peels, and non-surgical skin tightening, in addition to body sculpting and tattoo removal. Many medical spas are investing in a more spa-like and less clinical/medical environments and atmospheres for their customers. Capitalizing on rising demand and the success of single service models such as Drybar (for blowouts), Alchemy 43 has attracted seed funding to launch a series of locations that focus on Botox and fillers in a spa/salon-like setting in major cities.

- Franchises such as Massage Envy, Elements Massage, Massage Heights, and Hand & Stone continued to grow from 2015-2017, particularly in the suburbs and secondary city markets, but at a slower rate as compared to the previous two years. This leveling of growth is probably attributed to a maturing market, cost pressures, and aggressive discounting and competition from small, single-service establishments (e.g., reflexology centers, Thai massage clinics, etc.). GWI estimates that there were about 2,500 franchised spas in the United States in 2017, up from about 1,500 locations just five years earlier in 2012.[44]

- Zeel, a pioneer in the model of massage-on-demand, has expanded to more than 75 U.S. cities, and has launched a new platform that places licensed massage therapists on-demand at hundreds of spas, salons, and hotel partners, to help manage staffing and demand surges. Meanwhile, Soothe – a newcomer to massage-on-demand – recently raised $31 million in new capital to fund expansion in the U.S. market and to launch new services in the UK and Australia. Similar on-demand and app-based services are also proliferating in the salon and beauty sector, with the growth of companies such as Glamsquad, BeGlammed, TheGlamApp, and BeautyLynk.

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[43] International SPA Association (2017). *2017 U.S. Spa Industry Study*. Lexington, KY: International SPA Association.

[44] Global Wellness Institute analysis of data from Entrepreneur.com.

Thermal/Mineral Springs

- The majority of thermal/mineral springs are located in the Western and Southwestern United States and Western Canada, and these establishments tend to be fairly rustic bathing- and swimming-focused facilities. The thermal/mineral springs sector is quite underdeveloped in North America as compared to other wellness sectors, mainly because North Americans have not developed the type of bathing culture prevalent in much of Europe and East Asia. But that is changing, with a rising interest in and visitation to springs due to a confluence of consumer values and lifestyle preferences. Overall, more people are looking to nature and its power to calm and rejuvenate. Across North America and especially in Canada, consumers are discovering the healing powers of water, from Nordic spa circuits to hydrotherapy. Finally, the rise of loneliness has created awareness of the value of "third places" – social environments outside of home and work, where people can find community with one another. These trends, and the accessibility and affordability of visiting hot springs, are expected to drive the growth of the springs sector over the next decade.

- Business owners and investors are taking note of these trends and are renovating, expanding, and reopening historic hot springs facilities in many locations across the United States. Multi-million dollar expansions continue at California's iconic Two Bunch Palms and Glen Ivy Hot Springs. Several new facilities and reopenings of shuttered properties are slated over the next few years in Arizona, Wyoming, Montana, and California, while longer-term thermal spring redevelopment projects are in the works from California to Texas to South Dakota.

Latin America-Caribbean Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$0.4 billion (2.1% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
12 projects

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
14.3 million (5.0% of employed workers)

Expenditures on Workplace Wellness:
$1.3 billion (3.4% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
59.1 million (12.4% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$34.8 billion (7.0% CAGR from 2015-2017)

Average Expenditure per Trip:
$1,067 for intl./inbound (31% premium);
$380 for domestic (26% premium)

Spas

Number of Spas:
13,856 (16.2% CAGR from 2015-2017)

Spa Revenues:
$6.6 billion (15.9% CAGR from 2015-2017)

Spa Employment:
215,898 (14.4% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
1,406 (10.7% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$1.6 billion (15.4% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
57,576 (15.0% CAGR from 2015-2017)

Top Five Wellness Real Estate Markets in Latin America-Caribbean, 2017

	Market Size (US$ millions)
Mexico	$290.3
Brazil	$38.0
Costa Rica	$16.6
Argentina	$12.3
Chile	$7.6

Source: Global Wellness Institute

Top Ten Workplace Wellness Markets in Latin America-Caribbean, 2017

	# of Workers Covered (millions)	Expenditures (US$ millions)
Brazil	4.0	$341.5
Mexico	2.4	$223.8
Argentina	1.3	$114.1
Colombia	1.0	$89.3
Peru	1.0	$87.4
Venezuela	0.9	$71.4
Chile	0.6	$54.9
Ecuador	0.4	$33.4
Guatemala	0.4	$30.9
Costa Rica	0.3	$30.7

Source: Global Wellness Institute

Top Ten Wellness Tourism Markets in Latin America-Caribbean, 2017

	Number of Trips (millions)	Receipts/Expenditures (US$ millions)
Mexico	18.7	$12,845.0
Brazil	10.5	$4,068.9
Chile	7.9	$2,223.5
Argentina	4.3	$2,112.4
Dominican Republic	1.0	$1,352.6
Costa Rica	1.0	$1,350.0
Peru	2.3	$1,262.9
Ecuador	1.0	$1,059.6
Colombia	1.9	$984.9
Jamaica	0.7	$739.0

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Global Wellness Institute

Top Ten Spa Markets in Latin America-Caribbean, 2017

	Number of Spas	Spa Revenues (US$ millions)	Spa Employment
Mexico	3,837	$1,772.8	61,718
Brazil	2,211	$813.2	31,043
Argentina	2,413	$778.7	31,092
Costa Rica	357	$398.8	9,491
Colombia	829	$332.6	12,800
Chile	517	$240.1	7,412
Peru	328	$219.5	5,949
Ecuador	288	$213.8	5,465
Dominican Republic	311	$162.0	4,899
Uruguay	169	$134.5	2,781

Source: Global Wellness Institute

Top Ten Thermal/Mineral Springs Markets in Latin America-Caribbean, 2017

	Number of Establishments	Revenues (US$ millions)
Brazil	207	$718.0
Argentina	179	$251.3
Mexico	587	$216.0
Costa Rica	45	$140.2
Chile	78	$87.1
Uruguay	32	$68.4
Peru	44	$39.8
Ecuador	50	$22.8
Colombia	52	$21.1
Guatemala	18	$8.3

Source: Global Wellness Institute

Latin America-Caribbean Developments

Wellness Lifestyle Real Estate

- The wellness lifestyle real estate market is nascent in Latin America. There are a handful of resort-based wellness living projects in Mexico and Costa Rica (mostly still in the development phase). In Bogota, Colombia, former mayor Enrique Peñalosa has been widely lauded for his efforts to transform the city's infrastructure and policy environment to make residents happier. In response to rapid urbanization and sprawl, there is also growing attention on healthy built environments at the public policy and research level in countries across the continent.

Workplace Wellness

- Workplace wellness is not a common concept in Latin America and the Caribbean – typically extending only to those working for large or multinational corporations in countries such as Brazil, Argentina, Chile, and Mexico – and programs are much less robust than those offered by comparably sized companies in the United States and Europe. A significant number of employers continue to view workplace wellness as synonymous with medical insurance and sick leave; however, a recent study by MetLife suggested a growing level of interest among employers in offering wellness benefits as part of their recruitment and staff retention strategy, as well as to reign in rising health insurance costs.[45] Meanwhile, the wellness priorities for workers in the agricultural, manufacturing, and informal sectors across Latin America are mainly in the spheres of working conditions and fair labor practices.

Wellness Tourism

- There is strong momentum to develop wellness tourism in Latin America and the Caribbean based on the region's diverse natural and cultural assets, alongside the motivations of key visitor segments: rest and relaxation; experiencing nature, biodiversity, adventure, active vacations, and ecotourism; and beauty and medical tourism. Many countries are discovering the potential of promoting thermal/mineral springs in conjunction with wellness tourism. Overall, we observe destinations adopting different strategies and positioning based on their unique assets and advantages. Caribbean tourism and destination marketing organizations are working to promote the region as a wellness destination by adopting spa facility standards, training personnel, and creating a wellness tourism identity. Nonetheless, the promotion of wellness tourism in the region will continue to be affected by various natural and human-made events and issues, such as hurricanes, earthquakes, safety, and travel warnings.

- To appeal to visitors who are already familiar with spas and R&R offerings, many destinations (e.g., Mexico and several Caribbean countries) are upgrading their spas and reorienting their programming and positioning from luxury and pampering to active lifestyle and holistic wellness. These initiatives include building new wellness resorts/retreats, as well as developing rigorous programs and offerings of holistic wellness that focus on prevention and human performance, integrative medicine, and indigenous healing modalities.

[45] MetLife (2013). *Latin America Employee Benefits Trends Study,* https://benefittrends.metlife.com/global-perspectives/a-latin-american-perspective/.

- In countries with advanced medical and esthetic markets, the promotion of wellness tourism often builds off of strengths in beauty enhancement treatments (e.g., Argentina, Brazil), strong medicine and surgery sectors (e.g., Mexico, Cuba, Colombia), and the therapeutic properties of thermal/mineral waters (e.g., Ecuador). These nations' clinics and hospitals are partnering with resorts and hotels to create facilities that have the same attributes as U.S. medical spas.
- Countries such as Costa Rica and Belize are well-established eco-tourism destinations that have pioneered concepts such as jungle/eco-spas. Visitors who are interested in nature and biodiversity are already taking advantage of offerings such as coffee scrubs and volcanic mud wraps, or doing yoga and meditation retreats against a backdrop of pristine nature and diverse wildlife. Costa Rica has the ambition of branding its country as not only a wellness destination, but as a country of wellness, with special attention to the wellbeing of the people and the protection of its natural environment and cultural heritage. It has recently expanded its national promotional slogan from "Pura Vida" to "Wellness Pura Vida," and it is working on a long-term strategy to develop seven areas of the country around their unique wellness tourism assets.

Spas

- The spa market in Latin American and the Caribbean is robust, reflecting strong tourism arrivals, steady economic growth, and rising interest in wellness among both residents and visitors. Hotel and resort developments have been especially strong in popular destinations (e.g., Mexico, Costa Rica, Colombia, Brazil, Belize, St. Kitts, etc.), and spas are nearly ubiquitous, as guests have come to expect spa services in resorts and city hotels alike. Many resort hotels are transforming their spas and expanding their offerings to meet the growing demand for more holistic wellness services, therapies, and programming that target prevention rather than pampering (e.g., hydrotherapy, circuit training, tai chi, meditation, etc.). Some are drawing inspiration from indigenous healing modalities (e.g., Mexican sweat lodges or temazcals) to create new experiences for guests interested in authenticity and local cultures.
- The region's spa sector has a strong association with beauty and slimming. Beyond spas catering to tourists, there is a robust market for esthetic and body treatments for a growing middle class, marked by the arrival of chains/franchises and the proliferation of massage clinics and esthetic salons in major urban areas (especially in Mexico and Brazil). Product companies are leveraging the region's biodiversity and local ingredients to create treatments tailored to specific health, wellness, beauty, and anti-aging needs. In particular, Jamaica, Nicaragua, Costa Rica, and Mexico are encouraging the promotion of locally made skincare products and native-based treatments in their spa industry.

Thermal/Mineral Springs

- Latin America and the Caribbean hosts extensive thermal/mineral water resources that extend from the Sierra Madre mountains in Central America to the Guaraní Aquifer in the Southern Cone. The region's rich natural offerings (biodiversity, beaches/coastlines, jungles and forests, wildlife, etc.), combined with its history and culture, offers tremendous opportunities for differentiation and unique positioning. However, today most facilities are traditional/rustic

bathing and swimming establishments (e.g., *balnearios* and *baños termales*) or modern/themed waterparks primarily used by residents and regional tourists for recreation. Countries in the region are in various stages of development to exploit new opportunities in this sector.

- Brazil has the largest and most developed thermal tourism sector in the region, with several major spa towns/regions hosting dozens of large-scale recreational resorts and waterparks. There are many major investments and new projects in the pipeline. In the Olimpia region, the $29 million Hot Beach waterpark and resort opened in 2017. The Foz de Ignaçu region is investing heavily in its facilities, including development of the new Foz de Ignaçu Blue Park (the world's largest artificial thermal beach when completed, and inspired by Orlando theme parks) and a $242 million expansion of its flagship Itaipuland thermal park (adding 2,500 timeshare apartments and an entertainment/hospitality complex). Other major developments include the Gramado Termas Resort (Brazil's first indoor thermal waterpark, with timeshare apartments), as well as new ancillary attractions in the Rio Quente Hot Park (rafting, archery, zipline, and a 1,200-person concert/event center).

- Nicaragua, Ecuador, and Colombia have recently begun to explore and develop their natural springs, through site surveys and inventories, feasibility studies, and private-public partnerships. Other countries such as Jamaica and Mexico have made aggressive investments to upgrade hospitality infrastructure and complementary wellness services around the springs in order to target international tourists. In Argentina, where thermal springs are promoted by many provinces but lacking in basic tourism infrastructure, the government is conducting assessments to determine how to standardize and improve quality and services. The Uruguayan government has made the thermal sector a major tourism development priority, investing in a cluster of six hot springs on its western coast and opening a new 4-star resort, Salinas del Almiron in 2016. Costa Rica, with its well-developed eco/nature tourism clientele, is working to heighten the quality and diversity of its offerings with new investments in hot spring parks and hotels.

- Some countries focus on the therapeutic benefits of thermal springs as a healthcare and medical tourism resource. The Chilean government, for example, subsidizes older citizens to visit hot springs for rest and recuperation. Guatemala has many medical thermal spas and medical centers that offer rehabilitation, nutrition services as well as yoga. Its tourism promotion emphasizes the use of hot spring and mineral treatments in combination with the latest medical technology. Similarly, Cuba emphasizes the medicinal properties of its historic thermal/mineral springs and baths as it promotes itself as a medical travel destination.

Middle East-North Africa Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$0.5 billion (5.2% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
5 projects

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
10.2 million (7.6% of employed workers)

Expenditures on Workplace Wellness:
$1.3 billion (7.4% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
11.0 million (13.4% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$10.7 billion (13.3% CAGR from 2015-2017)

Average Expenditure per Trip:
$1,305 for intl./inbound (44% premium);
$599 for domestic (65% premium)

Spas

Number of Spas:
6,057 (16.5% CAGR from 2015-2017)

Spa Revenues:
$0.4 billion (30.4% CAGR from 2015-2017)

Spa Employment:
86,990 (16.6% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
416 (13.3% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$0.4 billion (30.4% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
20,324 (16.3% CAGR from 2015-2017)

Top Five Wellness Real Estate Markets in Middle East-North Africa, 2017

	Market Size (US$ millions)
United Arab Emirates	$446.3
Saudi Arabia	$31.9
Israel	$12.4
Qatar	$11.5
Oman	$3.9

Source: Global Wellness Institute

Top Five Workplace Wellness Markets in Middle East-North Africa, 2017

	# of Workers Covered (millions)	Expenditures (US$ millions)
United Arab Emirates	2.1	$342.8
Saudi Arabia	2.5	$286.0
Israel	0.8	$140.1
Oman	0.5	$89.0
Kuwait	0.5	$84.2

Source: Global Wellness Institute

Top Ten Wellness Tourism Markets in Middle East-North Africa, 2017

	Number of Trips (millions)	Receipts/Expenditures (US$ millions)
United Arab Emirates	1.8	$3,750.0
Morocco	2.8	$1,717.8
Israel	0.9	$1,131.3
Jordan	0.5	$604.3
Bahrain	0.3	$563.8
Saudi Arabia	0.7	$492.2
Oman	0.4	$473.5
Egypt	1.2	$427.3
Iran	0.6	$388.5
Tunisia	0.6	$313.8

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Global Wellness Institute

Top Ten Spa Markets in Middle East-North Africa, 2017

	Number of Spas	Spa Revenues (US$ millions)	Spa Employment
United Arab Emirates	933	$873.1	25,569
Saudi Arabia	510	$347.3	9,298
Morocco	2,107	$294.8	17,366
Israel	520	$281.8	7,424
Bahrain	129	$178.1	2,894
Kuwait	136	$135.0	2,867
Qatar	103	$126.8	2,226
Egypt	608	$125.4	5,399
Oman	105	$125.3	2,237
Tunisia	303	$117.5	4,335

Source: Global Wellness Institute

Top Five Thermal/Mineral Springs Markets in Middle East-North Africa, 2017

	Number of Establishments	Revenues (US$ millions)
Tunisia	126	$189.8
Israel	6	$66.5
Algeria	181	$45.4
Iran	46	$34.3
Morocco	18	$29.6

Source: Global Wellness Institute

Middle East-North Africa Developments

Wellness Lifestyle Real Estate

- The wellness lifestyle real estate market in the Middle East is nascent, with a handful of projects in Dubai that are linked to the large-scale Dubai Healthcare City and Dubai Sustainable City initiatives. However, there is significant and growing interest in health/wellness as a differentiating feature in the region's competitive real estate market, and we expect to see a number of new projects in the coming years at the luxury end of the market, including multi-family housing, urban mixed-use developments, and resort-based wellness residences. These projects are also more likely to seek out international wellness certifications/ratings. Dubai has recently been focusing on quality of life and happiness of its citizens via the Dubai Happiness Agenda, but these efforts are primarily focused on public policy and smart city infrastructure rather than purpose-built real estate.

Workplace Wellness

- Even with the growing concerns about obesity, chronic disease, and rising stress as a negative health factor in many countries, workplace wellness is still a relatively uncommon concept among the region's employers and employees. The market for workplace wellness is the most active in the UAE, where there is a high concentration of multinational companies, expatriate professionals, and knowledge workers, who expect human resource and company practices to be more aligned with those in North American and Europe. Outside the professional, technology, and knowledge sectors, workplace wellness concerns are less about fitness, eating habits, or stress, and are primarily focused on the treatment and working conditions of guest workers, many of whom work in the construction, transportation, and service sectors.

Wellness Tourism

- Several Middle East and North Africa region countries prominently promote wellness tourism on their national tourism websites, but many focus exclusively on spas (e.g., Dubai, Abu Dhabi, Qatar, Morocco, and Egypt). Tunisia and Algeria tend to highlight their traditional thermal offerings, while Jordan promotes a diverse wellness tourism experience that extends from natural healing around the Dead Sea, to spas and meditation tourism. Israel has leveraged the therapeutic properties of the Dead Sea for wellness tourism as well as promoting skincare/cosmetic products. However, thousands of sinkholes have closed down beaches, damaged resorts, and halted developments, highlighting the conflict between fragile natural resources and the tourism and economic development that depends on them.

- Many regions within Egypt are historically famous for therapeutic tourism anchored on unique natural features, e.g., the black sands of the Safaga/Red Sea region, the sand baths and hot springs in the Siwa Oasis, and sulfur springs in Helwan. These regions currently receive local and regional tourists, and their offerings tend to be European-style natural resource-based therapies that occupy the grey area between wellness and medical tourism. National and regional government authorities (including Ministries of Environment and Health) have recently started to redevelop and promote these regions, and they are seeking investments to build new therapeutic and wellness resorts.

- While wellness tourism in the Gulf region continues to be dominated by secondary wellness travelers – those who have come to expect extensive spa and fitness facilities in both city and resort hotels when they travel – the region is starting to develop offerings that cater to primary wellness travelers. The Gulf's first holistic wellness retreat/destination spa opened at the Retreat Palm Dubai in 2017, and the integrative Zalal Wellness Destination Retreat is currently under construction in Qatar. The healthy hotel concept is also growing in the region. The Al Shaqab healthy/active lifestyle concept hotel opened in Qatar's Education City in 2016. In Dubai, Smartotels is launching its FORM Hotel concept in 2018, focused on wellbeing, lifestyle, and technology-driven and socially-responsible design.

- Several Gulf country governments (e.g., Bahrain, Kuwait, Saudi Arabia) are looking to tourism for economic diversification strategy and investing in large-scale resort spa developments. They often use "health tourism" as an umbrella term to capture both wellness tourism and medical tourism, which they are also targeting. Some countries are spending billions of dollars to build large-scale mixed-use projects that combine residential, tourism/hospitality, commercial, and health/medical components, aiming to promote tourism and economic development while encouraging healthy lifestyles among the local population. Most of these projects include green/sustainable building, outdoor and fitness amenities, world-class medical services, alternative/complementary wellness services, and other offerings for residents and visitors. Examples include the Dubai Healthcare City/WorldCare Wellness Village in UAE; the Dilmunia Island project in Bahrain; the Kuwait Silk City project, and the Qatar Foundation Stadium and Health & Wellness Precinct/Education City project.

Spas

- The Gulf region has long had a reputation for leisure, shopping, and beach tourism, and the spa sector may be finally catching up with its highly developed hospitality industry. Hotels continue to be built at a rapid pace, and spas are now seen as integral/central part of hotels from the mid-price ranges and up. In particular, the UAE and Qatar have benefitted from significant investments in new hotels and resort properties in preparation for Expo 2020 and the FIFA World Cup 2022. A number of high-end spas have been planned or opened recently in new hotels and resorts, and as part of entertainment/retail complexes in Doha and UAE. Across the Middle East and North Africa, a rising consumer preference for healthy lifestyles has increased demand for wellness services, especially in spa and fitness. Saudi Arabia is often regarded as a high-potential market with its rapidly growing population, rising incomes, and a growing chronic disease epidemic.

- Spas in the region have long been associated with beauty and pampering. The UAE continues to be the region's largest spa market, with its cosmopolitan residents increasingly adopting health and wellness lifestyles that include spa-going, fitness, and healthy eating. The market serves a diverse customer base, including middle/professional-class expatriates, wealthy Emiratis, and European tourists who expect high quality services. Increasing demand for spa/wellness services and programming has driven growth in hotel and resort spas, as well as international brands, chains, and franchises, enhancing treatment offerings at a variety of price points. Competition is especially tough in the day spa market, where new entrants and aggressive promotion and discounting have created intense price pressures for many businesses.

Thermal/Mineral Springs

- Tunisia and Algeria have the region's most established thermal bathing and thalassotherapy sectors, rooted in the French tradition of "thermalisme." In recent years, many formerly medical-oriented thermal centers have been adding complementary spa treatments, recreational options, lodging, and other offerings to attract wellness tourists. Governments in both countries have long supported the therapeutic and medical use of thermal/mineral/sea waters, and both countries have national tourism strategies that leverage thermal resources for diversification and growth. Several major projects are underway throughout Tunisia, where there are plans to privatize some of the historic thermal centers and build 54 new ones by 2020. There are many new developments in Algeria, where 70 springs have been granted to private investors, 13 new private facilities have opened, and $100 million is being invested to modernize eight publicly-owned thermal centers and 40 traditional thermal hammams. Both countries are also raising quality standards through workforce training (Algeria) and new ISO certification for thalassotherapy facilities (Tunisia).

- Meanwhile, several countries that do not have an established hot springs industry or tradition are recognizing the value of these natural resources for tourism development. For example, Oman is now promoting its natural springs on its national tourism website. Saudi Arabia is promoting investment in hot springs to establish therapeutic, recreational, and wellness resorts that will attract domestic and regional tourists for both wellness and medical tourism. Even Iraq has recently reopened its historic Hammam al-Alil, a historic hot springs facility that used to receive thousands of wellness and medical tourism visitors prior to the war.

Sub-Saharan Africa Highlights (2017)

Wellness Real Estate

Wellness Real Estate Market:
$0.1 billion (3.4% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:
6 projects

Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:
4.4 million (1.1% of employed workers)

Expenditures on Workplace Wellness:
$0.3 billion (9.5% CAGR from 2015-2017)

Wellness Tourism

Number of Wellness Trips:
6.5 million (10.1% CAGR from 2015-2017)

Wellness Tourism Expenditures:
$4.8 billion (7.0% CAGR from 2015-2017)

Average Expenditure per Trip:
$1,215 for intl./inbound (63% premium);
$194 for domestic (126% premium)

Spas

Number of Spas:
3,984 (31.1% CAGR from 2015-2017)

Spa Revenues:
$1.6 billion (20.3% CAGR from 2015-2017)

Spa Employment:
46,171 (26.4% CAGR from 2015-2017)

Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:
50 (13.2% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:
$0.08 billion (18.4% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:
1,130 (14.1% CAGR from 2015-2017)

Top Four Wellness Real Estate Markets in Sub-Saharan Africa, 2017

	Market Size (US$ millions)
South Africa	$93.8
Botswana	$2.0
Namibia	$1.5
Mauritius	$1.3

Source: Global Wellness Institute

Top Four Workplace Wellness Markets in Sub-Saharan Africa, 2017

	# of Workers Covered (millions)	Expenditures (US$ millions)
South Africa	1.3	$101.9
Nigeria	0.8	$56.3
Kenya	0.4	$29.2
Ghana	0.3	$22.5

Source: Global Wellness Institute

Top Ten Wellness Tourism Markets in Sub-Saharan Africa, 2017

	Number of Trips (millions)	Receipts/Expenditures (US$ millions)
South Africa	4.0	$2,250.3
Kenya	0.3	$412.3
Mauritius	0.2	$315.1
Tanzania	0.2	$302.7
Seychelles	0.1	$282.8
Uganda	0.2	$146.6
Nigeria	0.1	$134.0
Madagascar	0.1	$120.5
Zimbabwe	0.2	$117.8
Botswana	0.3	$115.0

Note: These figures combine both international/inbound and domestic wellness tourism spending, and also include both primary and secondary wellness trips. Source: Global Wellness Institute

Top Ten Spa Markets in Sub-Saharan Africa, 2017

	Number of Spas	Spa Revenues (US$ millions)	Spa Employment
South Africa	1,161	$715.0	23,053
Kenya	304	$133.6	3,062
Tanzania	261	$104.7	2,469
Seychelles	70	$88.6	953
Nigeria	362	$82.7	2,508
Mauritius	216	$78.9	2,203
Uganda	145	$48.1	1,035
Madagascar	120	$44.0	1,162
Ghana	144	$38.5	966
Namibia	88	$35.8	1,247

Source: Global Wellness Institute

Top Four Thermal/Mineral Springs Markets in Sub-Saharan Africa, 2017

	Number of Establishments	Revenues (US$ millions)
South Africa	29	$58.2
Ethiopia	4	$7.1
Namibia	3	$5.9
Madagascar	4	$4.1

Source: Global Wellness Institute

Sub-Saharan Africa Developments

Wellness Lifestyle Real Estate

- In Africa, wellness lifestyle real estate is just starting to garner interest in South Africa, with a small handful of mixed-use development projects adding healthy and active design features and amenities. In 2016, the Green Building Council of South Africa launched a Green Star Sustainable Precincts Tool for certifying sustainable/healthy communities, with eight pilot projects committed to pursuing certification. There has also been some focus on building healthier communities in selected cities across Africa via the WHO's Healthy Cities network and the Healthy Cities CityLab program, but these have primarily been public policy and research-focused efforts.

Workplace Wellness

- Only a miniscule portion of the region's workforce (about 1%) benefits from any kind of workplace wellness program, with the majority of these workers in South Africa. As an early adopter of employee wellness initiatives (beginning in the 1980s), South Africa has a robust sector of wellness programs, third party providers, and research initiatives in workplace wellness. Elsewhere in Africa, even though chronic disease is rising and interest in fitness and healthy eating is increasing among a burgeoning middle class, the concept of wellness has not yet flowed into the workplace. With many people living in subsistence and low-income conditions, workforce health concerns have focused on basic workers' rights, amenities, and services such as safe drinking water, primary health care, working conditions, and safety. Most employers with wellness programs are focusing on HIV/AIDS prevention, education, free screenings, emergency medical care, etc., because their impacts are felt directly by employers in terms of absenteeism, presenteeism, hospitalization rates/costs, and worker deaths.

Wellness Tourism

- Several African countries are actively promoting wellness tourism, including Mauritius, Namibia, South Africa, and Tanzania, primarily focusing on spa offerings to diversify from the traditional safari or beach tourism for international visitors. While "spafari" – high-end safari lodges that offer spas services - has been around for a while, many destinations have moved from a spa/pampering focus to holistic wellness, adding offerings such as "mindfulness safaris," "yoga in the wilderness," and "body treatments in the bush," and incorporating local ingredients and treatments/therapies rooted in African traditions.

- All across Africa, from island resort destinations (e.g., Seychelles, Mauritius, Madagascar) to the Southern and Eastern African nations strong in the safari/wildlife/ecotourism niche, destinations are adding wellness offerings to their product mix. We have also seen tremendous growth in the number of wellness retreats and yoga retreats in Africa, combining wellness with complementary travel interests in the eco, adventure, spiritual, and cultural categories. The natural beauty and wilderness across this vast continent create unique opportunities, such as stargazing in Namibia, meditation among wildlife in Zambia, and long uninterrupted beach walks in Mozambique.

- Overall, wellness tourism has the potential to offer enormous economic, social, conservation, and branding benefits to the African continent. Tourism has long been an ambassador industry for any country or region. With its focus on holistic health, healing, and authentic experiences, wellness tourism highlights and promotes a country's strengths that are rooted in nature, culture, heritage, and traditions. These are strong counters to the negative images often promoted in the media about Africa (e.g., underdevelopment, disease, political instability, etc.). Because indigenous culture and the environment are so important in this niche market, wellness tourism can increase the motivations among government, businesses, and communities to protect wildlife, natural resources, and local culture and promote environmental sustainability. And, with wellness experiences increasingly linked to the wellness of the place, wellness tourists are more aware of and interested in the wellbeing of the local people and their communities. Therefore, it will be important in Africa to ensure that wellness tourism development is aligned with the development needs of local communities and brings benefits in all aspects (economic, social, environmental, etc.).

Spas

- Many countries in Sub-Saharan Africa have well-established spa industries (e.g., South Africa, Nigeria, Kenya, Mauritius, etc.) but in most countries, spa clients are expats or wealthy/upper-middle-class consumers who have traveled internationally and have been exposed to spas elsewhere. While this is changing, the perception of spa as a luxury service for the wealthy can narrow the market growth opportunities. Other forces that may hold back the industry include the lack of standards/regulations and skilled workforce.

- In the past, spa offerings/products/menus have been relatively homogenous and based on western spa models. In recent years, there is increasing interest in and demand for uniquely African wellness treatments and healing traditions. Offerings from calabash massage to the izinyawo foot cleanse to drumming meditation and healing are increasingly appearing in spas across the region. There is also rising demand for homegrown products and brands, especially herbal blends and natural and organic beauty/skin care products that are rooted in local ingredients and traditions. Many African ingredients (e.g., argan oil, shea butter, rooibos, etc.) have already found their way into mainstream beauty/skin products around the world. There is also more awareness of the need to cater to different skin types. With consumer interest pushing the global beauty/skincare industry toward natural and new botanical ingredients, the continent's rich cultural heritage and biodiversity offers exciting opportunities.

Thermal/Mineral Springs

- Many countries in Sub-Saharan Africa are rich in thermal waters, but the thermal/mineral bathing sector remains primitive and underdeveloped across the region. South Africa is the only country with a significant thermal/mineral springs industry. Its hot spring resorts tend to focus on recreation and leisure (rather than health and wellness offerings), and most offer relatively rustic accommodations (e.g., camping, cabins, and self-catering chalets). These almost exclusively serve the domestic market. A number of historic hot springs resorts in South Africa, dating from the early 20th century, have fallen into disuse and disrepair, and efforts to renovate and revitalize these facilities have been limited and small in scale. Meanwhile, Namibia recently made significant investments in modernizing its two major hot springs resorts (Gross Barmen in 2014 and Ai-Ais in 2017), and Madagascar has renovated and reopened its historic Hotel Thermal Ranomafana.

- Kenya and Rwanda, both of which have robust and high-growth tourism industries, are now looking to tap their undeveloped thermal water resources to boost wellness tourism. Thermal/mineral waters can help diversify their tourism offerings and can appeal to wealthy, safari-seeking international visitors as well the growing market of intra-regional African travelers. Rwanda is currently seeking investment to develop its first hot springs-based wellness and eco resorts (at Gihaya Island and Rubavu). Kenya recently opened the KenGen Olkaria Geothermal Spa, the continent's largest thermal bathing facility, modeled after Iceland's Blue Lagoon.

APPENDIX A: WELLNESS ECONOMY DEFINITIONS

1. Wellness Economy Sectors

Wellness real estate: The construction of residential and commercial/institutional (office, hospitality, mixed-use/multi-family, medical, leisure, etc.) properties that incorporate intentional wellness elements in their design, materials, and building as well as their amenities, services, and/or programming. Note that *wellness real estate* is broader than (but encompasses) *wellness lifestyle real estate*, which focuses on the residential component.

Workplace wellness: Includes expenditures on programs, services, activities, and equipment by employers aimed at improving their employees' health and wellness. These expenditures aim to raise awareness, provide education, and offer incentives that address specific health risk factors and behaviors (e.g., lack of exercise, poor eating habits, stress, obesity, smoking) and encourage employees to adopt healthier lifestyles.

Wellness tourism: The aggregation of all expenditures made by wellness tourists – primary and secondary, international and domestic – including spending on lodging, food and beverage, activities and excursions, shopping, and in-country transportation.

Spa economy: Refers to spas and the related cluster of sectors that support and enable spa businesses. The spa economy includes: spa facilities, spa education (for therapists and managers/directors, both initial training and continuing education), spa consulting, spa capital investments, spa associations, and spa-related media and events.

Thermal/mineral springs: Encompasses the revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of water with special properties, including thermal water, mineral water, and seawater.

Fitness and mind-body: Includes gyms and health clubs; personal training; yoga, Pilates, Tai Chi, martial arts, and other mind-body practices; fitness and exercise clothing; fitness and exercise equipment; and wearable devices.

Healthy eating, nutrition, and weight loss: Includes vitamins and supplements, fortified/functional foods and nutraceuticals, natural and organic foods, health foods, sports nutrition, nutrition and dietary services, and weight loss/management products and services.

Personal care, beauty, and anti-aging: Includes beauty and salon services (excluding spas); skin, hair, and nail care services and products; cosmetics, toiletries, and other personal care products; dermatology; prescription pharmaceuticals for skin care; as well as products and services that specifically address age-related health and appearance issues, such as cosmetics/cosmeceuticals for skin/face/body care, hair care/growth, and pharmaceuticals/supplements that treat age-related health conditions.

Preventive and personalized medicine and public health: Includes medical services that focus on treating "well" people, preventing disease, or detecting risk factors – for example, routine physical exams, diagnostic and screening tests, genetic testing, etc. Personalized health uses sophisticated information and data for individual patients (including genetic, molecular, and environmental screening, analysis, and diagnostics; personalized disease management services; and health IT such as electronic health records, telemedicine, and remote patient monitoring) to provide tailored approaches for preventing disease, diagnosing and managing risk factors, or managing and treating conditions.

Traditional and complementary medicine: Encompasses diverse medical, healthcare, holistic, and mentally or spiritually-based systems, services, and products that are not generally considered to be part of conventional medicine or the dominant health care system – including homeopathic, naturopathic, chiropractic, Traditional Chinese Medicine, Ayurveda, energy healing, traditional/herbal remedies and supplements, etc. The nomenclature for this sector is evolving alongside growing consumer adoption of traditional/indigenous, complementary, alternative, and integrative medical practices outside of the conventional/Western medical system.

2. Wellness Tourism

Wellness tourism: Travel associated with the pursuit of maintaining or enhancing one's personal wellbeing.

Primary wellness tourist: A tourist whose trip or destination is primarily motivated by wellness.

Secondary wellness tourist: A tourist who seeks to maintain wellness while traveling, or who participates in wellness experiences while taking any type of trip for leisure or business.

International wellness tourism receipts: All receipts earned by a country from inbound wellness tourists visiting from abroad with an overnight stay.

Domestic wellness tourism expenditures: All expenditures in a country made by wellness tourists who are traveling within their own country with an overnight stay.

3. Spa Economy

SPA ECONOMY SECTORS

Spa facilities: Spas are defined as establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit. The core of the spa economy, spa facilities offer a wide variety of services (e.g., massages, facials, body treatments, salon services, water-based treatments, health assessments, and more) as well as sales of related products.

Spa capital investment: Includes expenditures on the construction and finishing of new spa facilities, initial outlays for spa equipment and amenities, and expenditures for major upgrades and expansions of existing spa facilities beyond regular upkeep and maintenance.

Spa education: Encompasses individual expenditures by spa therapists and spa managers, both to enter the profession (initial degrees or certifications) and to advance in their jobs (continuing

education). Includes training and certification programs offered by private and public trade schools, colleges, and universities; professional programs provided by hospitality, tourism, and business schools; and continuing education, workshops, and short courses offered by associations, private companies, and nonprofits.

Spa media, associations, and events: Represents important activities that support and promote spas and connect industry stakeholders. Often businesses in this sector are engaged in all three of these activities – for example, spa associations often organize trade shows, while also operating websites and distributing publications that promote the industry.

Spa consulting: Include many activities: conceptualization, design, and branding of new spas; spa management and operational consulting; spa training solutions; spa research and benchmarking; and other related services.

SPA FACILITY CATEGORIES

Day/club/salon spas: Offer a variety of spa services (e.g., massages, facials, body treatments, etc.) by trained professionals on a day-use basis. Club spas are similar to day spas, but operate out of facilities whose primary purpose is often fitness. Salon spas operate out of facilities that provide beauty services (such as hair, cosmetics, nails, etc.).

Destination spas and health resorts: Offer a full-immersion spa experience in which all guests participate. In addition to spa and body treatments, all-inclusive programs typically include a myriad of other offerings such as: fitness, mind/body, special diets and cleanses, energy work, personal coaching, nutritional counseling, weight loss, sports medicine, preventive or curative medical services, etc. This category also includes the traditional sanatoria and health resorts in Europe that offer spa-like services (e.g., massage, hydrotherapy, thermal water bathing, etc.) for wellness and therapeutic purposes.

Hotel/resort spas: Located within a resort or hotel property, providing spa services on an à la carte basis to hotel guests and outside/local guests. Spa treatments and services generally complement a hotel stay or a wide range of other activities at a resort.

Thermal/mineral springs spas: Include the revenues generated by spa- and wellness-related treatments (such as massage, facials, hydrotherapy, etc.) at the following types of establishments: day-use spa facilities and destination/health resorts that incorporate an on-site source of natural mineral, thermal, or seawater into their spa treatments, as well as other bathing/recreational springs establishments that offer complementary spa services.

Medical spas: Operate under the full-time, on-site supervision of a licensed healthcare professional, providing comprehensive medical and/or wellness care in an environment that integrates spa services with traditional, alternative, or cosmetic medical therapies and treatments.

Other spas: Includes all other facilities that are not captured by the categories described above, such as cruise ship spas, airport spas, mobile spas, as well as historically-/culturally-based facilities (e.g., Turkish hammams, Indian Ayurveda centers, etc.) that have incorporated spa-like services into their offerings.

4. Thermal/Mineral Springs

Thermal/mineral springs establishments: Revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties. Our figures count thermal/mineral springs establishments that operate as a business, and as such, do not include springs that do not have any built facilities and/or do not charge any kind of fee for access. Establishments that use heated water – not naturally-sourced thermal/mineral water – are also excluded from this category. There are many categories and types of thermal/mineral springs establishments, as illustrated below:

Types of Thermal/Mineral Springs Establishments

<table>
<tr><th>Primarily
Recreational</th><th>Primarily
Wellness</th><th>Primarily
Therapeutic or Curative</th></tr>
<tr><td>Thermal/mineral water
swimming pool facilities</td><td>Thermal/mineral water
bathing facilities</td><td rowspan="2">Health resorts and sanatoria
that use thermal/mineral
waters for treatments</td></tr>
<tr><td>Thermal/mineral
water-based waterparks</td><td>Thermal/mineral
water-based spas</td></tr>
<tr><td>Hotels/resorts with thermal/
mineral water swimming pools</td><td colspan="2">Thalassotherapy spas and resorts</td></tr>
<tr><td colspan="2">Thermal or hot springs resorts</td><td></td></tr>
</table>

Our revenue estimates include all revenues earned by the establishments in the above categories (not just revenues from thermal/mineral-water bathing and treatments). Therefore, our estimates include revenues earned from: bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food and beverage, lodging, and other services offered by the establishment.

Our figures are further broken down into two categories:

Thermal/mineral springs establishments that offer spa services: These facilities offer complementary, spa-like services (e.g., massage, facials, hydrotherapy, other treatments) alongside their bathing offerings, and often incorporate the thermal/mineral water into treatments. They include the health resorts and sanatoria across Europe that use thermal/mineral waters for therapies and the hot springs resorts common in China and Taiwan, as well as the growing number of bathing establishments that are offering add-on spa services alongside thermal/mineral water bathing and relaxation.

Thermal/mineral springs establishments with no spa services: These are typically recreational and bathing-only facilities, such as most of the onsen in Japan, the thermal pools and waterparks that are common in Latin America, and the thermal water swimming pool facilities prevalent in Iceland.

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Cannuka is a medically inspired natural skincare line that combines two powerful ingredients; cannabis CBD and Manuka honey. Together, the unique healing properties of cannabis CBD and Manuka honey provide a daily skin therapy that both calms and heals skin — for your face, lips, cuticles, elbows, and anywhere else there's dryness or inflammation. In fact, it's the natural, potent anti-inflammatory characteristics of the ingredients that make it so effective. Inflammation is the one constant in skin problems, and Cannuka is specifically designed to help reduce inflammation and soothe skin. Visit Cannuka at www.cannuka.com.

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MIRAVAL AND EXHALE

Hyatt's wellness brands are Miraval and exhale. Miraval is a global leader in wellness resorts and spas. Opened in 1995 Miraval Arizona pioneered the destination wellness spa resort category with its comprehensive program of activities, experiences, and personal treatments. Miraval's core is mindfulness, and its motto "life is better when in balance" guides each visit. Activities include fitness, meditation, yoga, well-being, equine, hiking, biking, and metaphysical exploration. Miraval Life in Balance Spa opened in April 2016 at Monarch Beach Resort in Dana Point, CA, and in November 2017 at Park Hyatt St. Kitts Christophe Harbour. Additionally, Miraval will unveil two new properties including Miraval Austin in Fall 2018 and Miraval in the Berkshires in 2019. With 24 locations worldwide, exhale offers a combination of cardio, barre, and yoga classes along with healing spa therapies, providing a sanctuary for people to escape the day-to-day and take time to be well. Visit Miraval Group at www.miravalresorts.com and exhale at www.exhalespa.com.

OM4 ORGANIC MALE

OM4 Organic Male is the first skin type and condition-specific professional men's line to launch in the US. On the leading edge of performance-based, green science organics, OM4 globally sources clinically-advanced, socially-responsible ingredients to target the unique biological skin differences and concerns of men. The brand mantra: 4 PRODUCTS | 4 STEPS | 4 MINUTES | 4 MEN. Color coded by skin type with each step numbered, OM4 is intuitively designed to be fast, easy and effective. OM4's core business is to help partners: (1) grasp the psychology of selling to men, and (2) capture a greater percentage of the fastest growing market in spa. Visit OM4 Organic Male at www.om4men.com.

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Six Senses Hotels Resorts Spas are discovered in some of the world's most beautiful places. They are synonymous with a unique style – authentic, personal and sustainable, and in harmony with individual surroundings; local, yet in tune with the wider world. They are intimate, offering an emotionally intelligent approach to anticipative service, which supports delightful and unexpected surprises. Crafted guest experiences stimulate, energize and revitalize the human spirit, spa and wellness programming is all pervasive. All aspects of Six Senses' operations, including the Evason brand, embrace these values, which define the brand and the enduring Six Senses mission: To help people reconnect with themselves, others and the world around them. Visit Six Senses at www.sixsenses.com.

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