PARADISE ISLAND, BAHAMAS | $39,500,000

THE GREAT WELLNESS SURGE: BRINGING THE BEST LIFE HOME

2020

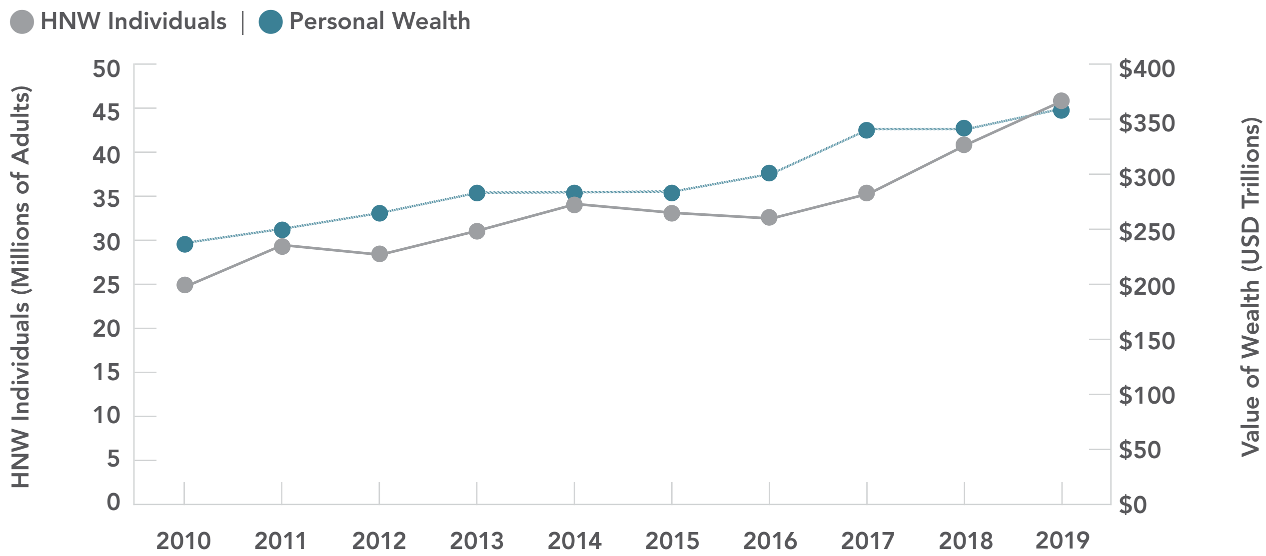
YouGov Affluent Perspective

LUXURY PORTFOLIO INTERNATIONAL®

Introduction

The world of affluence and wealth continues its healthy growth worldwide. Estimates from the Credit Suisse global wealth report indicate there are more than 45 million individuals with a net worth exceeding $1 million USD and the total value of their personal wealth is north of $360 trillion USD. Both are record highs and exceed benchmark growth rates in population and wealth creation. In short, there has never been a larger market of potential luxury homebuyers available.

GLOBAL PERSONAL WEALTH[1]



[1]Credit Suisse Global Wealth Report 2019

Despite the financial health of the affluent, there are challenges for the luxury property market to overcome. Buyers face the possibility of economic or political instability, evolving tax structures and climate-related purchase considerations. Beyond these evergreen challenges, novel issues like the Coronavirus (COVID-19) have impacted market activity in China and across all luxury sectors including technology, travel, manufacturing, luxury retail and more.

What is the response to these outsized trends? In a word—wellness. Of luxury homeowners, 48% are tuning out the noise of the world, while 72% say wellness is important because it contributes to their overall happiness. Each year Luxury Portfolio International® and YouGov Affluent Perspective delve into the trends, habits and opinions of luxury homeowners around the world to understand what motivates them today. This report covers five trends shaping how homeowners view wellness in their life. Wellness is a growing trend among affluent consumers overall, and specifically among the next generation of buyers, and is estimated to be a $4.2 trillion USD industry worldwide, growing at twice the rate of the global economy.[2]

As wellness shapes decisions made on a daily basis, real estate professionals can expect that these same sensibilities will be incorporated into one of the most important purchases someone makes—their home. These trends are impacting buyers and sellers all over the world:

1. Wellness is central to a life well-lived
2. Home wellness is in growing demand
3. Wellness through intentional travel is gaining momentum
4. Total wellness includes mind, body and soul
5. Wellness is key to managing the stress of success

[2] Global Wellness Institute, *Global Wellness Economy Monitor,* October 2018

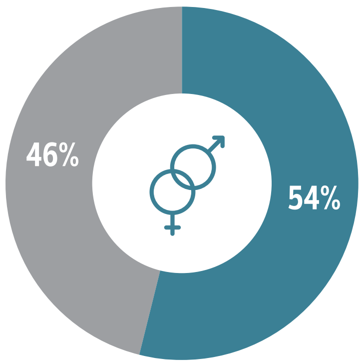
The Consumer Profile

This report is among global luxury homeowners with a primary residence valued at $1 million USD or more. A total of 1,565 respondents in the YouGov Affluent Perspective 2019 Global study met this criterion with 861 in the $1 million to $2 million range, 536 in the $2 million to $5 million range and 168 in the $5 million or more range. The margin of error among luxury homeowners is ±2.5%, at the 95% confidence level.

Demographics of Luxury Homeowners $1 Million USD or More

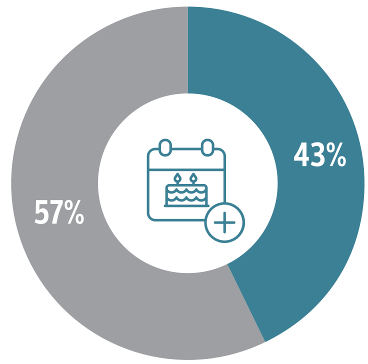
GENDER

- Male
- Female



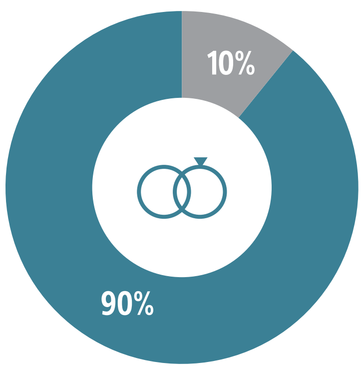
AGE

- 18–44
- 45 and Older



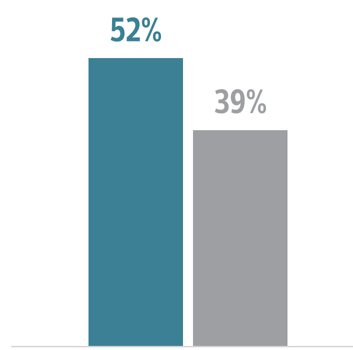
MARITAL STATUS

- Married/ Living Together
- Single



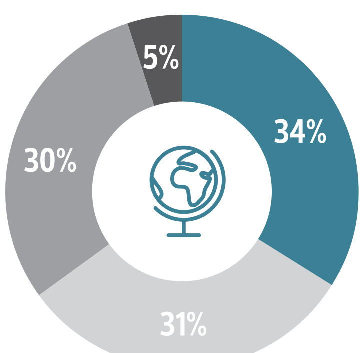
CHILDREN BY AGE

- Under 18
- 18 and Older



REGION OF PRIMARY RESIDENCE

- North America
- Europe
- Asia-Pacific
- Latin America



AVERAGE HOUSEHOLD INCOME

US $459,000

AVERAGE VALUE OF ASSETS

US $5.22M

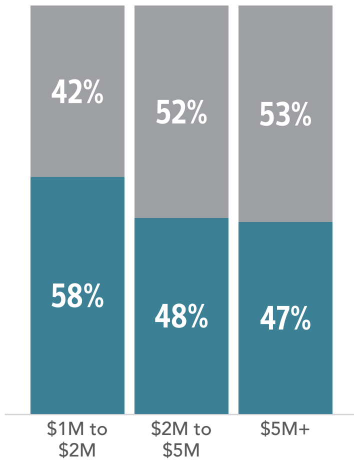
Income and assets asked in local currency and converted to USD as of March 31, 2019

Demographics of Luxury Homeowners by Value of Primary Residence

GENDER

Male

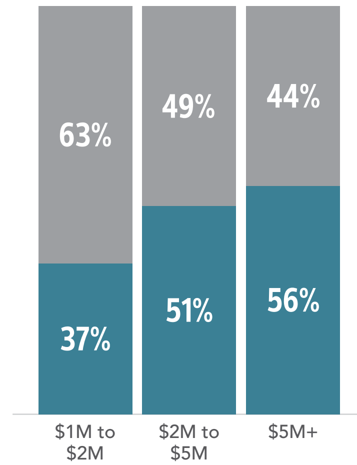
Female



AGE

18–44

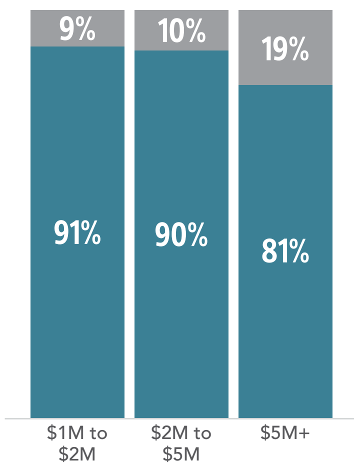
45 and Older



MARITAL STATUS

Married/ Living Together

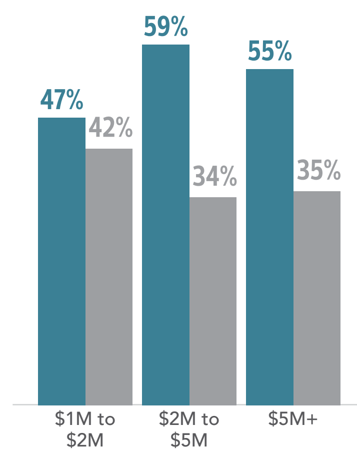
Single



CHILDREN BY AGE

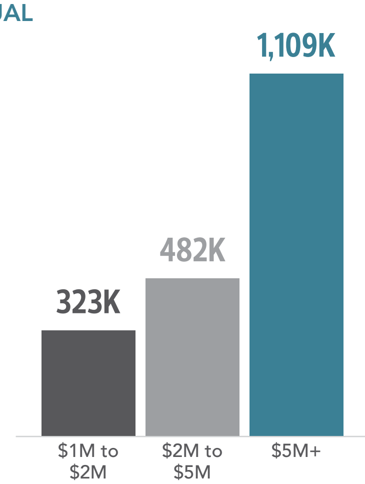
Under 18

18 and Older



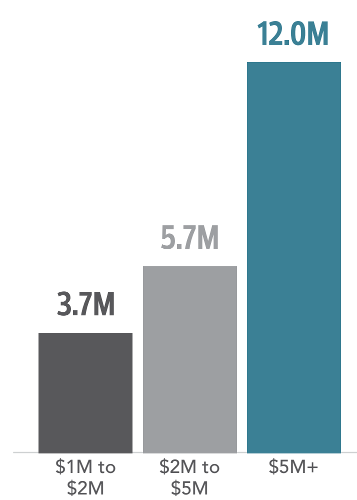
AVERAGE ANNUAL HOUSEHOLD INCOME

(USD Thousands)



AVERAGE VALUE OF ASSETS

(USD Millions)

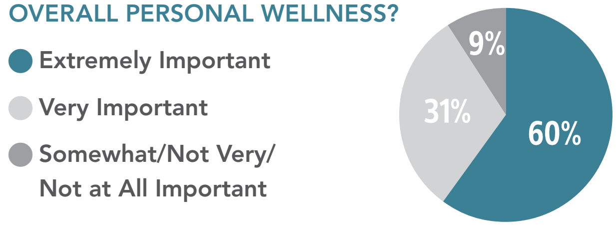


Income and assets asked in local currency and converted to USD as of March 31, 2019

Trend #1: Wellness is central to a life well-lived

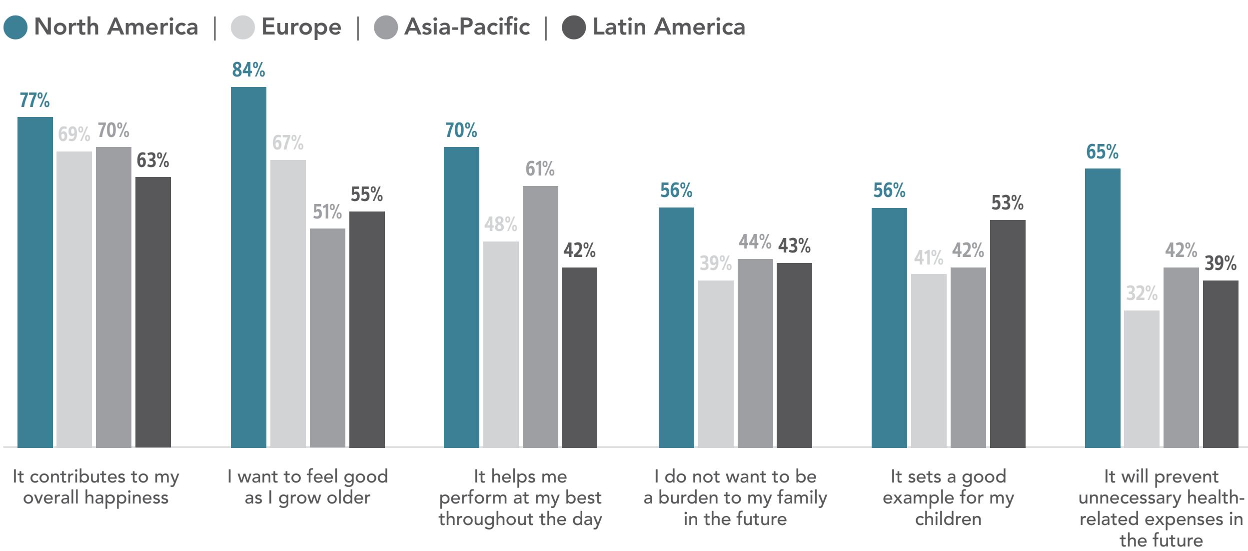
Over 90% of luxury homeowners say their overall personal wellness is very important. Luxury brands have caught on to the trend with wellness-focused spas, travel/tourism, and even in the workplace. Check out the top social media sites and you will find millions of posts tagged with #relax, #selfcare and #liveyourbestlife used regularly. Google indexes over two million podcasts with thousands of them focused on health and well-being. Luxury homeowners are thick in this trend with 78% using social media and 42% listening to podcasts, giving them a direct line to experts honing in on what they care about most.

HOW IMPORTANT IS YOUR OVERALL PERSONAL WELLNESS?



Globally, affluent consumers are focusing on wellness as a way to build fulfillment and happiness in their life. After so much effort in striving, chasing, and working toward success, they find they need ways to build up their own resilience. For Westerners, this can mean maintaining their health as they grow older and not being a burden on their children. For those in Asia-Pacific, wellness is a path to high performance, and it leads to comparative advantage in a competitive working environment.

WHY IS WELLNESS IMPORTANT TO YOU? BY REGION

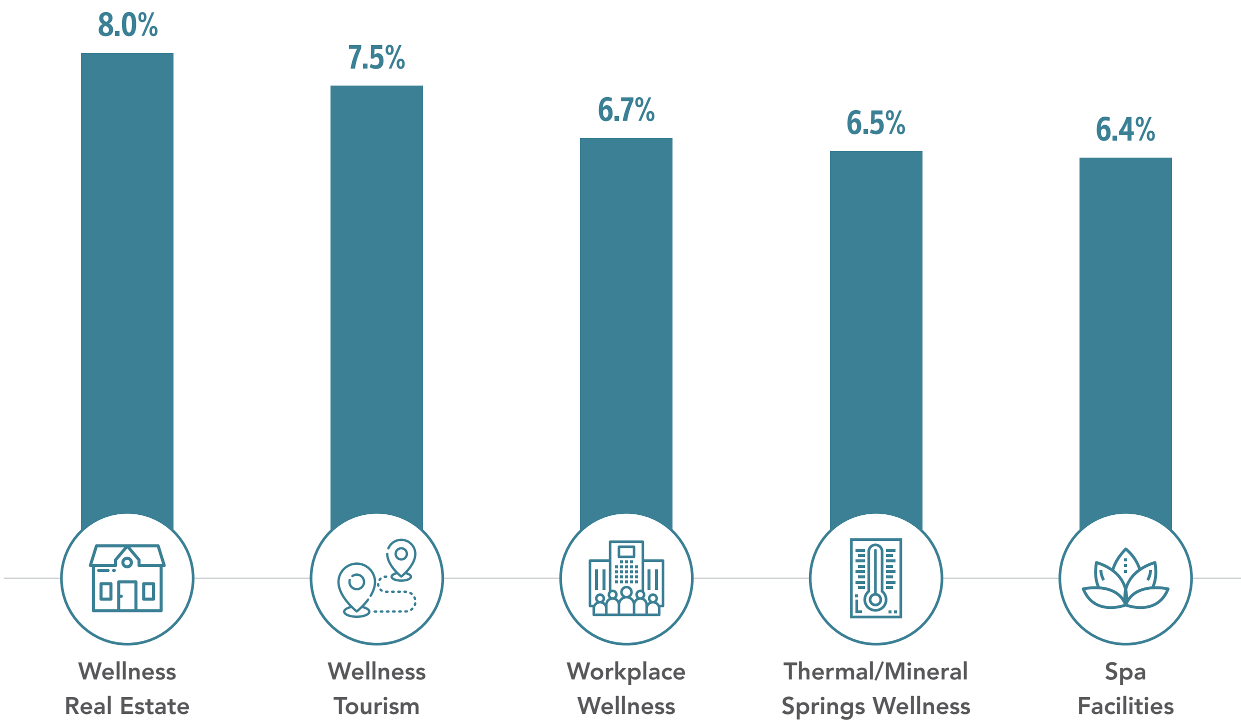


INSIGHT: Wellness has become a feature of the culture. A life well-lived is the goal. Taking care of the mind, body and soul are essential ways to spend their precious time. It builds internal strength and forms tighter bonds with those they care about most. Wellness activities often require daily practice, making the home the ideal focal point for most consumers.

Trend #2: Home wellness is in growing demand

Projections by the *Global Wellness Institute* show Wellness Real Estate[3] is growing faster than other aspects of wellness investment. With 740 residential projects in the pipeline worldwide as of 2017 there is certainly appetite at the consumer end.

PROJECTED AVERAGE ANNUAL GROWTH RATE 2017–2022



Since it is early in the trend for Wellness Real Estate, new ways of meeting this desire are emerging all the time. Wellness at home can be found, for example, with **specific kitchen elements*** for the management of dietary preferences (e.g., temperature and humidity controlled cabinets, cellar-like storage for root vegetables, apples and other fall harvest produce), meditation spaces, exercise rooms, home spas or saunas, special lighting features for sleep hygiene, air and water filtration and more.

Wellness Real Estate includes both residential and commercial/institutional developments (such as master-planned communities, multi-family housing, urban districts and mixed-use projects, resort and spa-based real estate and others). These developments include elements of wellness in design, materials, and building in addition to amenities, services and activities.

Urban mixed-use areas are particularly benefitting from the Wellness Real Estate boom, especially those catering to younger consumers who are even more interested in focusing on their wellness. This fits perfectly with Millennials, who are keen to have an urban life free from hassles (for example, 47% agree they can see themselves not owning a car one day). Changing work styles from in-office to remote also promotes less need for permanently owned mobility and an increased need for self-care at home.

At the same time, older Baby Boomers also benefit from the Wellness Real Estate trend as their needs change and downsizing become a priority. Downsizing to a socially-focused community offers the appealing option of an easy way to stay in touch with a community. By being near others it builds up *social wellness*, which 34% report is a focus in their lives.

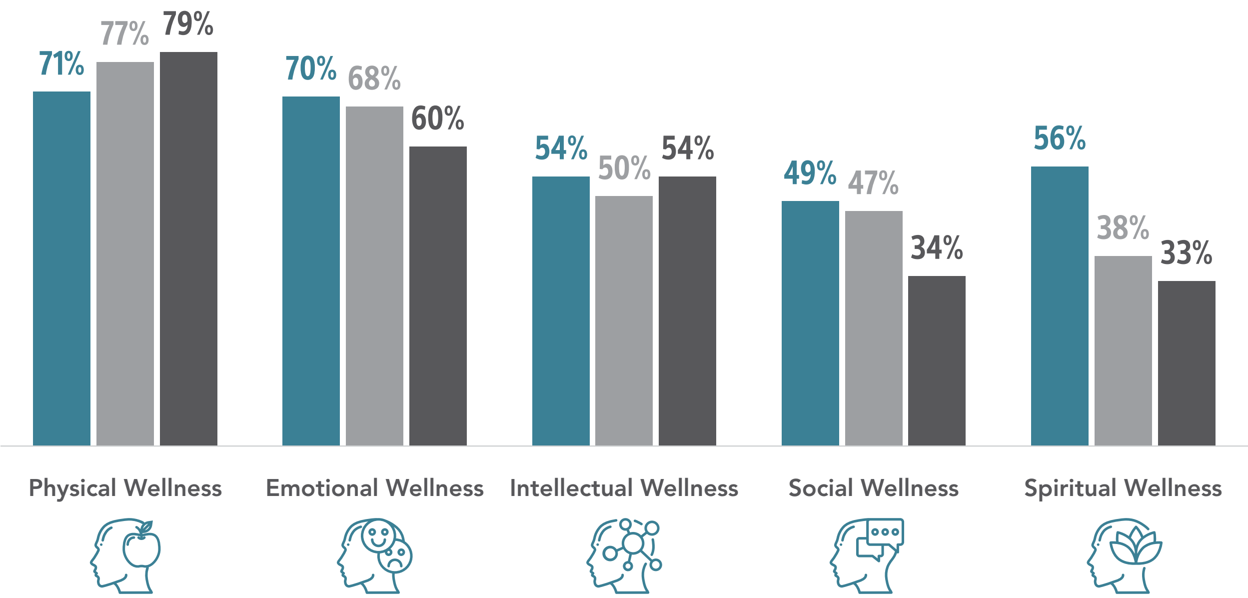
* Learn more about the wellness kitchen in LPI Magazine — Vol. 9, Issue 2

[3] Global Wellness Institute, *Global Wellness Economy Monitor*, October 2018

LA QUINTA, CALIFORNIA, USA | $2,850,000

ELEMENTS OF PERSONAL WELLNESS ARE A FOCUS IN YOUR LIFE

Millennials (23–40) | Gen X (41–54) | Baby Boomers (55–73)



INSIGHT: New ways of working and living are contributing to the way affluent consumers think about their home environment. Home choices are becoming more complex as this new factor of wellness becomes available in the very places they live. Experts say convenience and accessibility are valuable components for an effective wellness program.

Trend #3: Wellness through intentional travel is gaining momentum

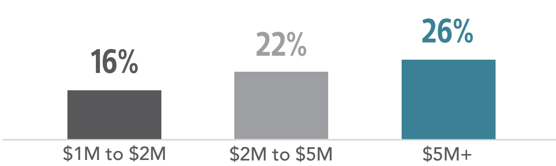
Wellness is a long-standing trend in the travel business, but the evolution continues. Major wellness players such as the flagship Canyon Ranch resort in Tucson, Arizona, USA, recently injected $30 million USD to improve, upgrade and add guestrooms across the property. The Four Seasons has created customizable beds to help guests get a good night's sleep. Rosewood Hotels offers family-friendly options allowing parents and children to learn about health together.

The pillars of wellness travel go far beyond the spa experience these days. Today wellness travel is focused also on healthy eating, fitness, nature and activities that build internal strength, such as classes, quiet spaces and digital detoxes.

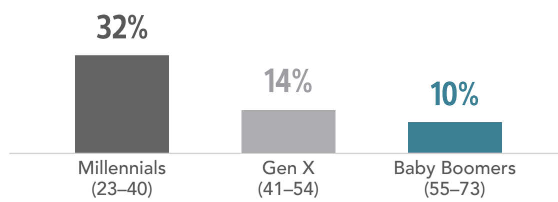
19% have taken a wellness vacation in the past year

Wellness travelers seek out activities centered on emotional wellness (such as, quiet contemplation), social wellness (for example, interacting with other travelers), and feelings of belonging (like going to a local sporting event).

BY PRIMARY HOME VALUE IN USD

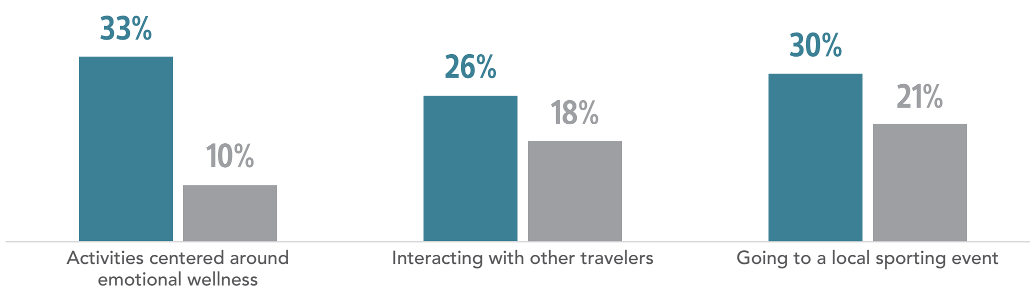


BY GENERATION



UNIQUE EXPERIENCES WHILE TRAVELING

- Wellness Vacationers
- All Others



Luxury homeowners today are more frequently opting for multiple, smaller homes rather than one large estate. Because convenience, ease and simplicity are drivers for wealthy homebuyers, we see increasing demand for "lock and leave" properties that can be used for short stays and then easily left for months at a time, without security or maintenance concerns. While it may be a smaller footprint, high end finishes and details often drive prices much higher per square foot. Indeed, the sharing economy has firmly arrived in the luxury sphere, with Airbnb Luxe, Third Home, Inspirato, Exclusive Resorts and others offering the ability to stay in, or rent, a significantly priced property.

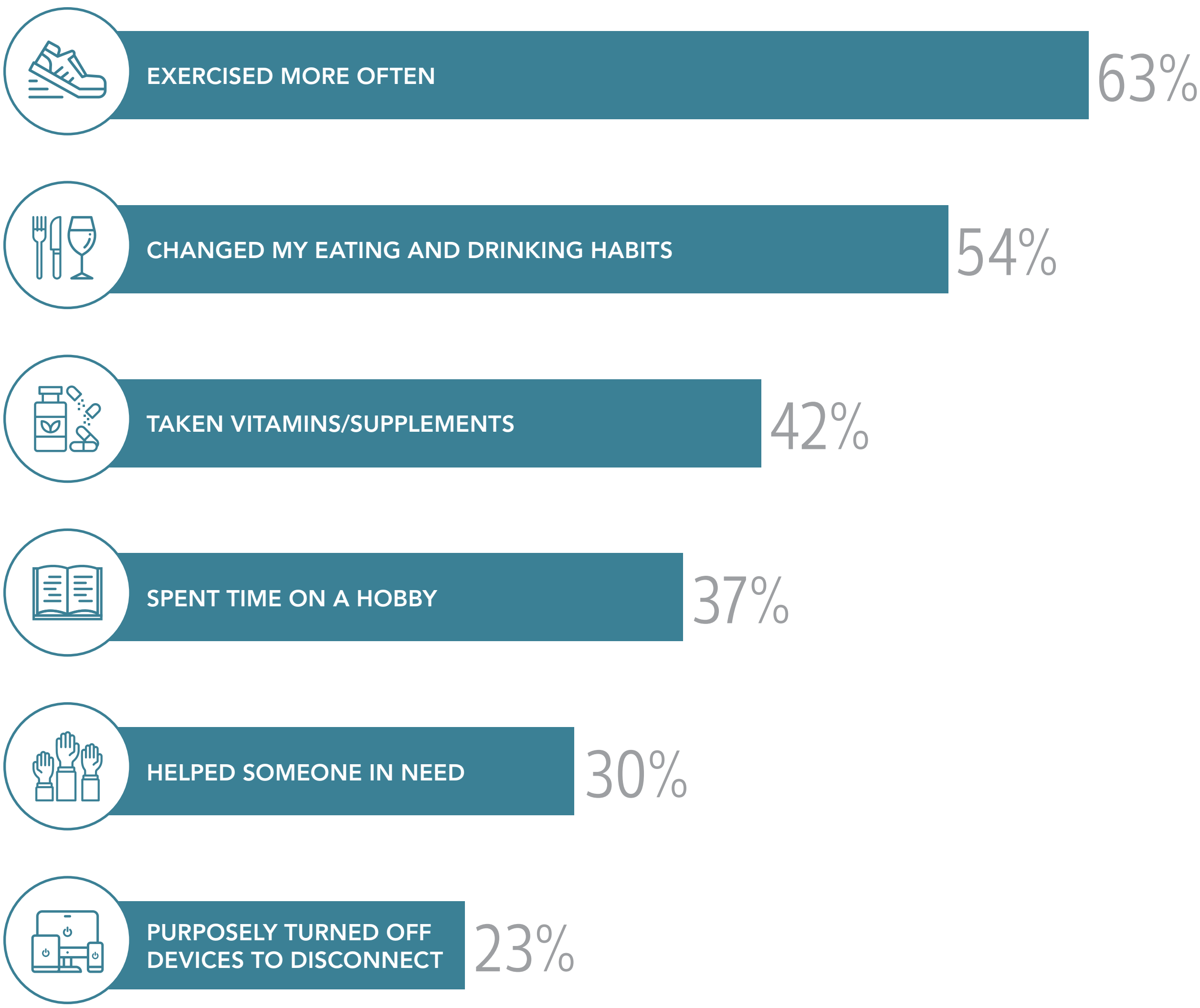
INSIGHT: Just as consumers brought home the 'spa-like retreat,' so too will they bring home what they learn on wellness vacations. This process impacts what they seek in a home: a sacred space where they can honor their commitment to living their best life. Many wellness-related themes originate with teachings from Eastern cultures, such as Feng Shui, which may create additional appeal to Western buyers.

Trend #4: Total wellness includes mind, body and soul

A healthy mind, body and soul are of paramount importance for luxury homeowners. As people live longer, it is a priority to take care of the whole person. For example, 90% of luxury homeowners are focused on a healthy body through factors such as exercise/sports/running, avoiding alcohol and smoking, and regular doctor visits. To cultivate a healthy soul, 83% of luxury homeowners focus on relationships and quality time, volunteering, and quiet contemplation through prayer or meditation. Last, but not least, 82% are focused on healthy mind activities such as reading, taking continuing education courses, participating in creative activities, and even seeking professional help for stress management or emotional issues.

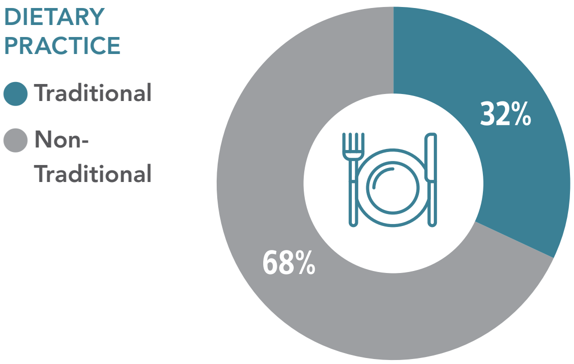
Globally, the trend to eating green is both literal and figurative. Wellness is a whole-body experience that includes better eating and drinking habits and taking the right vitamins and supplements.

WHICH OF THE FOLLOWING HAVE YOU EVER DONE SPECIFICALLY FOR WELLNESS PURPOSES?



Two-thirds (68%) of luxury homeowners follow a non-traditional diet that focuses on limiting processed foods, fewer carbohydrates and farm-raised meats. These choices are not only healthier, but better for the environment and local economy. Low carb, vegetarian and vegan dietary practices are also more popular with homeowners above $2,000,000 USD.

Wellness is also impacting the food-buying experience both in and out of the home. More than half will frequent the local farmer's market (59%) and put a priority on restaurants that source food responsibly (61%). This trend is teaching consumers to be careful about what they take in and to know the origin of their food.



WHICH, IF ANY, OF THESE DIETARY PRACTICES DO YOU FOLLOW?	TOTAL $1M+
Limited processed foods	43%
Low carb (e.g. Keto)	24%
Farm-raised meats	22%
Organic only	15%
Vegetarian	10%
Pescitarian	9%
Vegan	5%

INSIGHT: As buyers move to urban, walkable areas the desire for accessibility to healthy foods is going to increase. Local farmer's markets and responsibly sourced products will also be important to wellness-influenced buyers.

Trend #5: Wellness is key to managing the stress of success

In a global economy that seems to fluctuate between boom and doom, affluent consumers have decided that it is important to focus on work to maintain their status quo. As work time encroaches on personal time, wellness-minded consumers push back.

It is not just about working too much; more than half of luxury homeowners feel that money can add undue stress from having to manage wealth, deal with family matters, and basically worry about money.

50% agree:
I prioritize work over my personal life

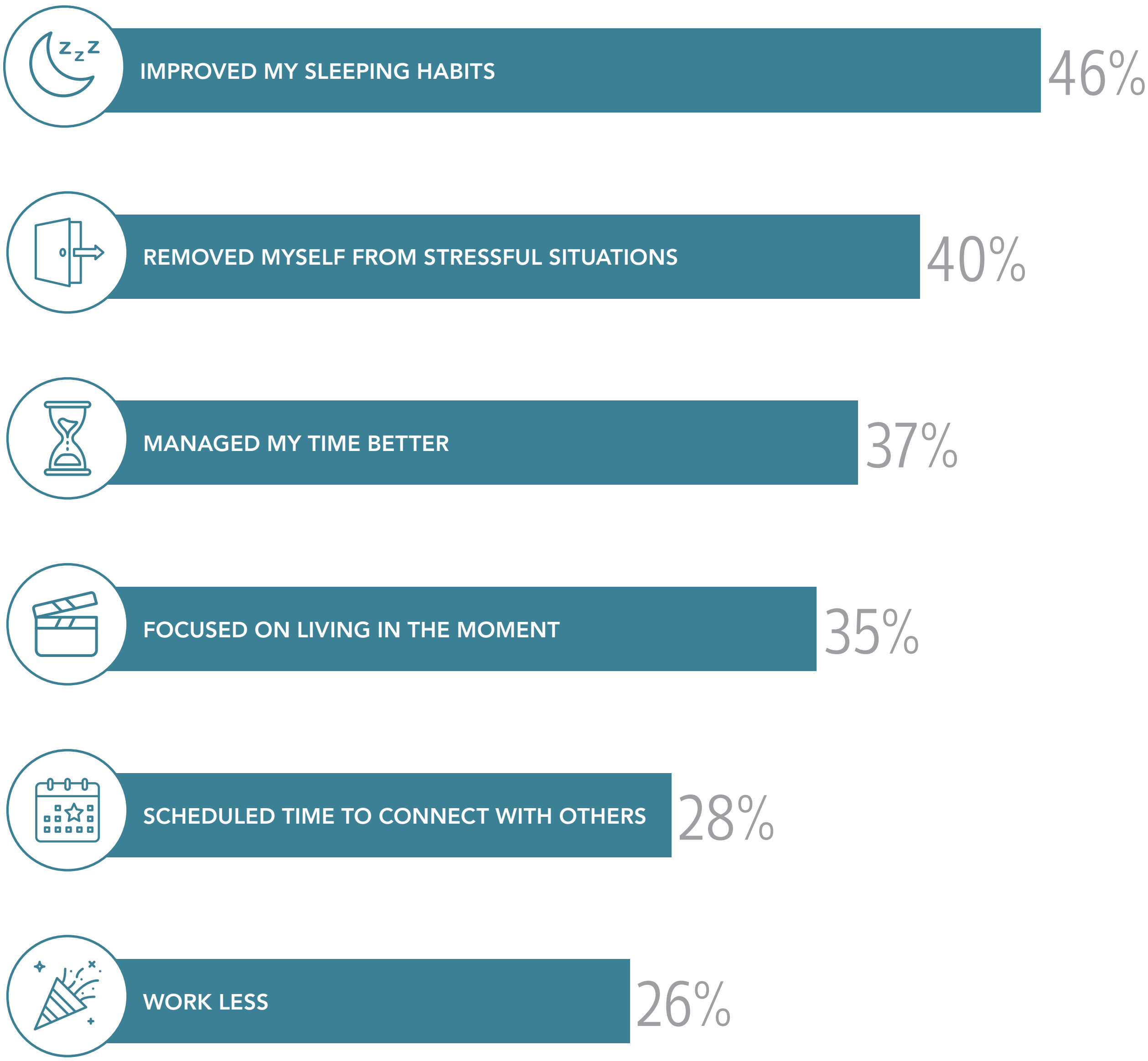
Increased 16% since 2018

WHICH OF THE FOLLOWING WOULD YOU SAY ARE TRUE ABOUT HAVING MONEY? PLEASE SELECT ALL THAT APPLY.

	TOTAL $1M+	$1M to $2M	$2M to $5M	$5M+
EMPOWERING (NET)	79%	82%	76%	77%
Money gives me freedom	65%	70%	56%	64%
Having money contributes to my self-esteem	32%	31%	33%	35%
Money gives me power	28%	27%	27%	39%
Money buys happiness	17%	16%	14%	28%
STRESSFUL/ABSORBING (NET)	53%	50%	55%	62%
You can never have enough money	23%	24%	19%	29%
I think about my net worth all the time	14%	14%	15%	16%
Money has changed me	12%	9%	16%	15%
Money can be isolating	12%	11%	15%	11%
Managing my personal assets is stressful	12%	12%	11%	17%
Family and friends want access to my money	8%	7%	7%	18%

Consumers are taking back control of their personal time with improved time-management. Boutique wellness consulting firms help busy executives design fitness and nutrition plans that work while traveling, increase exercise efficiency, and use body weight to reduce the need to hit the gym or have bulky equipment. To treat the mind, they focus on stress management, self-care, and creating balance for much needed personal and family time.

WHICH OF THE FOLLOWING HAVE YOU EVER DONE SPECIFICALLY FOR WELLNESS PURPOSES?



INSIGHT: Consumers are optimizing their life from the inside out. Personal time is spent on mitigating the negatives (stress) and accentuating the positives (socializing, physical activity and mental stimulation). Several amenities can help with this issue, from a spa-like bathroom in the master suite to a private terrace courtyard, to indoor/outdoor living, which is not only convenient but offers quiet relaxation.

Key Takeaways

1 A life well-lived is the ultimate goal for today's luxury homeowner.

Consider it the foundational value they have, upon which care for health, family, learning, doing and working are built upon.

2 Wellness amenities in the home are increasingly desirable.

This fairly recent development has made for a new level of excitement and complexity in the home purchase. Learning about what is available—and what is worth it to have—are questions buyers are likely to ask.

3 Precious free time is being committed to wellness activities.

Whether it is a leisure trip or the hour before bed, people are taking time for self-care, social bonding and feeling at one with themselves. As people learn more about what helps them get to a place of relaxation, they will want to find ways to incorporate it into their daily life.

4 Wellness is about transformational experiences.

The point of a life well-lived is not to have many luxurious items and all the hottest brands (for most people, anyway). It is the extension of life-long learning pointed inward. As people live longer, they want their mind, body and soul to operate at peak levels for the long haul.

5 Success breeds stress.

With increased personal and professional success comes complexities to the management of life. This is especially true for wealthy homebuyers and sellers which can hit a high point around the sale or a purchase of a new home. Incorporating elements of wellness for the mind, body and soul, into every aspect of real estate—even the transaction itself—will assist with reducing stress for all parties throughout the process.


LANTANA, FLORIDA, USA | $3,995,000

Well Connected.™

Study Methodology

YouGov Affluent Perspective is a global consumer research study taking place in 26 countries and 5 continents. The research is among 8,200+ consumers in the top 10% or higher in their local economy.

This report is among global luxury homeowners with a primary residence valued at $1 million USD or more. A total of 1,565 respondents in the YouGov Affluent Perspective 2019 Global study met this criterion with 861 in the $1 million to $2 million range, 536 in the $2 million to $5 million range and 168 in the $5 million or more range. The margin of error among luxury homeowners is ±2.5%, at the 95% confidence level.

About Luxury Portfolio International®

LPI (luxuryportfolio.com) is the luxury marketing division of Leading Real Estate Companies of the World,® the largest global network of premier locally branded firms dominated by many of the world's most powerful, independent luxury brands. LPI attracts a global audience of visitors from over 200 countries/territories every month and markets more than 50,000 luxury homes annually.

LUXURY PORTFOLIO INTERNATIONAL®

Leading® REAL ESTATE COMPANIES OF THE WORLD

CHICAGO | 161 N. Clark Street, Suite 1200 | Chicago, IL 60601 | USA | +1 312 424 0400
LONDON | 1 Northumberland Avenue | Trafalgar Square | London WC2N 5BW | UK | +44 20 3399 9040
SINGAPORE | 1 Raffles Place | #20-61 Tower 2 | Singapore 048616 | +65 6808 6984

© 2020 Luxury Portfolio International®
All data is from YouGov Affluent Perspective, unless otherwise noted. Icons made by Freepik from flaticon.com.

Please recycle.