

BYE-BYE GOLF.

The Rise of Wellness Communities and Multigenerational Retirement

FOR DECADES NOW, SENIOR LIVING has followed one dominant paradigm in the United States: as one ages, one either moves to an institutional facility (such as assisted living) or a retirement community built around a shared interest (golf, boating, RVs) where one lives only with those aged 55 or older.

This paradigm, however, is shifting. As Boomers age—with Gen X right behind them—they're shunning the typical retirement experience in favor for something that engages more holistically with their health: wellness communities with spa at the center of everything.

Defining the Concept

On the surface, the aim of a wellness community and a golf community might not seem that different. Many golf communities, like wellness communities, permit all ages, but generally comprise an older demographic due to the financial resources required to buy in. Similarly, both put something active at the core of the experience—for one, golf; for the other, general well-being. And at the topmost level, both congregate people around a shared interest.

However, the similarities end there. The key difference is intention, and the way in which that difference in intent spirals out to affect the on-theground experience. First and foremost, wellness communities are defined by the Global Wellness Institute (GWI) as "communities and buildings proactively developed with the holistic health of its residents, quest, environment-both natural and built-and local community in mind." In that sense, wellness communities' scope encompasses more than a simple shared interest: wellness communities are about a top-to-bottom consideration of all stakeholders' well-being. In other words, says Mia Kyricos—who served in the GWI group that produced that definition—"It's a much more connected community, a much more intentional community, than those that have been built in more disparate ways." Whereas a traditional retirement community is exclusive often gated, with restricted visitor access—a true wellness community is inclusive, reaching out to and integrating with the existing community.

Although cost pressures mean that residents are more likely to be older, a true wellness community is also inherently multi-generational, a point made by Kyricos, Rancho La Puerta

CEO Roberto Arjona, and Contento Marketing Principal Nancy Griffin. Thus, the distinction between senior living and other types of living will likely disintegrate in the coming decades: a wellness community will also be a senior community (and vice versa) because multigenerational interaction is healthy for all parties in-

volved, and the goal of a wellness community is to prioritize health for all."The research will tell you that [traditional retirement communities] are not the healthiest places," Griffin says. She further adds that "having a purpose and interacting between generations are super important" to over-



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all well-being, and that both attributes were ignored by previous models of senior living that isolated retirees among their own age groups. Kyricos puts it succinctly: "The way we've been doing senior living has gotten it wrong. We've shortened people's lives, because now we understand what really affects our well-being—yes, it's the environment around us and how we eat, but it's also having a sense of purpose. In multigenerational homes

in Europe and elsewhere, people feel they have purpose until the last day of their life." A shift to a wellness community model for those in life's later acts provides an opportunity to recalibrate retirement living around pur-

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pose and connection, both of which drive overall health.

Essential to be Environmental

Kyricos also argues that such communities must be inherently eco-friendly: because nature supports human health, it is essential to support nature's health. Rancho La Puerta's Arjona agrees with Kyricos: "I

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believe that it's integral to be in the right environment to do well. I think that resorts that have nature should embrace nature."

Rancho La Puerta announced in mid-2020 the addition of residences to the Ranch's 4,000 acre grounds. The plan, says Arjona, had been in development for quite some time before then. "Since our founding in 1940, the founders have looked to acquire land with the purpose of conservancy...

ultimately, we began to have conversations about how [to use that land] to inspire the community and inspire others to develop in the way that we believe the area should be developed—that means sustainable practices and environmentally conscious developments. We thought that creating a community next to the Ranch was one of the best ways to do that." The residences, priced between \$665,000 and \$1.5 million, are built to be healthy for both inhabitants and the environment by using reclaimed water for irrigation, offering solar energy, and providing ample natural lighting and ventilation, among other features. Rather than being built over the existing landscape, the residences are being built alongside the landscape, integrating an existing creek into the overall design.

Another new wellness community, Amrit Ocean Resort & Residences in Palm Beach, Florida, took a similar approach despite working with a much



more limited supply of land. The newbuild community, constructed on seven-and-a-half acres of oceanfront property, was designed around existing estuaries and natural greenspace, says Director of Wellness & Spa Danny Silva. "In addition to that," adds Silva, "we're just a short bike ride away from a nature park that's also a sea turtle preserve and sanctuary, with a natural lagoon." While wellness communities in urban environments may not have the same space as more secluded resorts and destination spas, creating a true wellness community is still possible

as long as one works with—and for—the natural environment.

Spa at the Center

True wellness communities—though still rare today, according to Nancy Griffin—are ascendent, and this rise brings "only pluses" for the spa industry, says Kyricos. As a spa resort operator, adding

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THE IMPACT OF COVID-19

The effects of the COVID-19 pandemic on the spa and hospitality industries were severe. Similar to what was experienced at the peak of the Great Recession in 2009, the dramatic drop in immediate demand and revenue has stalled out the trend towards retirement communities, says Griffin, primarily due to limited capital available for immediate investment. The intensity of the contraction, it must be said, has been more severe than what was experienced in 2009. Furthermore, fear of COVID-19 has sharply dropped interest in institutional senior living facilities; that is, large-building multi-occupant operations.

On the flipside, many believe that the pandemic has actually increased both short-term and long-term consumer interest in wellness communities. COVID-19 has brought an increased awareness of the importance of a healthy lifestyle for resilience and overcrisis that is in some ways exacerbated by the challenges in our own health our nutrition, our healthy habits." Heightened awareness of how healthy habits mitigate the effects of disease, in turn, is spurring consumers to consider more seriously the importance of a healthy life; in Kyricos's words, people are "sacrificing less and demanding more" when it comes to their health. Additionally, the increased acceptance of remote work in the wake of the pandemic has untethered people from physical offices, allowing them to enter wellness communities at ages well betrend that was surging prior to the spread of COVID-19 and continue to drive growth in the coming years.

residences around an existing spa property serves as a sure-fire way to turn your most dedicated transient spagoers into full-time locals. When a spa tourist purchases a residence in the community, what was a one-week revenue stream becomes a year-round one. Says Arjona: "One benefit of creating a neighborhood around us is that it allows us to deliver a 365-day-a-year experience that we're currently only delivering on a weekly basis." Converting tourism guests into part- or fulltime residents makes a spa's revenue more predictable and consistent month-to-month, especially in highly seasonal destinations or during economic downturns.

The spa serves as the glue of the wellness community experience because, as Griffin points out, wellness communities are attempting to capture the same zeitgeist that drove the development of spa. "Spa got hijacked by beauty somewhere along the line and people forgot that our roots are in preventative medicine and integrated health. That's where I see the parallel." Indeed, the same demographic that is currently driving the trend towards wellness communities—those who are now 55 to 75—is the very same demographic of 25- to 45-year-olds that catalyzed the mainstream spa movement thirty years ago. Therefore, this shift is reflective of a worldview that seasoned spa directors already know well.

At both Rancho La Puerta and Amrit Ocean Resort & Residences, the spa serves as a focal point for the community—in essence slotting into a role similar to that of the clubhouse at the middle of a golf-centered retirement community. However, due to a stronger alignment of values, the spa plays a much larger role, comparatively, in uniting both residents and guests into a community. At Rancho La Puerta, the

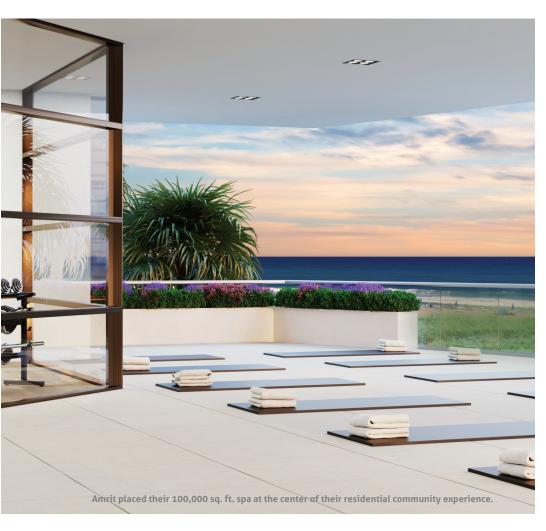
same staff that operates the Ranch's spa and wellness programs will also operate the residences' village center, creating continuity between the two. Just like Rancho La Puerta's one-week guests, residents will be able to dine at the Ranch's restaurants, make use of the grounds and trails, and access the spa with a day pass. Both residents and guests will be invited to evening performances and programming, some of which will be held at the Ranch and some of which will be at the residences. In this way, says Arjona, Ranch guests and residents are "ultimately the same," and spa and fitness are what bind the two groups.

In Palm Beach, Amrit has placed the spa quite literally at the center of the experience, devoting prime oceanview real estate to the 100,000-squarefoot spa facilities rather than "the undesirable real estate" typical of most resort spa facilities in urban environments, says Silva. The rest of the project was then designed around the core spa-going experience. The spa is responsible for the bulk of the property's programming, which includes the usual lectures, classes and demonstrations, in addition to nightly satsang gatherings where residents and resort guests intermingle to discuss the day's activities. Furthermore, the spa's extensive hydrotherapy facilities-most of which are communal—allow for guests and residents to come together and socialize in impromptu contexts.

In both of these communities—and wellness communities in general—the importance of actively working to cultivate community cannot be overstated. The spa's role is to proactively facilitate the creation of strong guest-to-guest, resident-to-resident, and quest-toresident bonds though deliberate programming and shared spaces.

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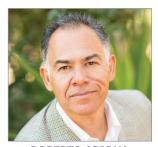
- MIA KYRICOS



Looking Ahead

According to Griffin, most resorts with the space to add residences have likely already considered doing so; if not, it's advised that resort and spa owners look seriously at the idea of wellness community. "I think the future for the development of wellness communities is very bright," says Kyricos, "and I think we have a great opportunity to rethink how and where we live and work." And because the biggest differentiator of a wellness community is its intent—its overall philosophy—Arjona implores others to make sure they're building true wellness communities, rather than just engaging with a buzzword."I think that everyone should be building wellness communities, but I think that everyone should be doing it right. This is about the environment; this is about space; this is about breathing fresh air; this is about humans touching humans." Put like that, it's easy to see why spas are now center-stage in the future of community-based living and retirement.

FEATURED SOURCES



ROBERTO ARJONA
CEO
RANCHO LA PUERTA



NANCY GRIFFIN

Principal

CONTENTO MARKETING



MIA KYRICOS

President & CEO

KYRICOS & ASSOCIATES, LLC



DANNY SILVA
Director of Wellness & Spa
AMRIT OCEAN RESORT & RESIDENCES