

European Spa

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Building wellness into later life

GOCO Hospitality's founder and CEO Ingo Schweder believes the ageing global population will fuel a huge demand for wellness-centric communities in the future

Demographic shifts in Europe, the US, and Asia have created a demand for active, wellness-focused retirement communities. So far, developers have invested in only small numbers, but this is about to change.

Current global statistics indicate that the number of people aged 60 years and older will double to more than 2 billion by 2050. Providing retirement accommodation commensurate with their desired lifestyle preference to remain active and live longer will result in the growth of 'wellness real estate'.

America's innovation-seeking economy has been a forerunner in the development of active retirement communities and wellness centres. Del Webb pioneered the Active Retirement Community Concept in 1960 with the development of Sun City just outside Phoenix, Arizona. More recently, Delos achieved a 30% premium with the launch of New York City Wellness Real Estate.

It is surely only a matter of time until the combination of real estate, at \$150 trillion the largest asset class in the world, and health and wellness, one of the fastest growing and arguably most important industries, filters down into mid-market developments.

According to a report on emerging trends in 2015 published by PwC, some 77m baby-boomers are now reaching retirement age in the US. The expectation a decade or two ago was that they would gravitate towards large retirement communities in the countryside. However, the reality has seen people working longer and preferring smaller, active retirement communities close to friends, families and commercial centres. This shows how important it is to create projects that are targeted to the consumer, but also adaptable to constantly changing market trends.

Over the next 20 years an increase in 50 to 80-year-olds is also set to have a material affect on Asian real estate (Global Demographics Ltd. and PwC, 2015). As such developing economies continue to grow, a higher percentage of older people will choose to live independently, creating demand for suitable housing and assisted living.

The pursuit of a market

For Millennials, spa and wellness is becoming a daily active pursuit; they are exercising more, eating



GOCO Retreat Ubud, Bali is set to open in 2017/18

more healthily, and smoking less than previous generations; they are using apps to track activity data; and going online to find the healthiest foods (Monitoringthefuture.org).

While living longer, many people now have more money to spend and more ways to spend it. Therefore, especially in established regions such as Europe, whose countries also continue to see increasingly aged populations, spas will have to continue to innovate in order to attract this market. This may potentially involve moving some operations from traditional hotel and resort locations into wellness communities.

Indeed, the spa industry is responding in one way with the arrival of 'spa-on-demand' apps, which allow users to order a massage as easily as they order a taxi.

It is clear that huge opportunities exist in the areas of wellness real estate, spa and leisure. There is a whole generation of people waiting for developers and operators to provide creative solutions for today that will continue to evolve as they look forward to healthier lives tomorrow. ●●●●●



Meet the expert

Ingo Schweder is founder and CEO of GOCO Hospitality. Following the opening of GOCO Spa Venice in 2015, the brand is developing a mixed-use wellness retreat and real estate community in Ubud, Bali, and an 85-acre wellness community project in southern California.

www.gocohospitality.com