WELLNESS REAL ESTATE REPORT

2024

wellnessrealestatereport.com

RLA® Global

Headline Summary

There was a positive growth trend in all three categories of Major, Minor, and No Wellness in conjunction with all main year-on-year KPI results: ADR, RevPAR, TRevPAR, and occupancy. However, performances also indicated a fragmented hotel wellness market that investors should pay close attention to.

All the examined hotel categories of wellness increased occupancy in 2023 compared to 2022, with Minor Wellness displaying the strongest growth among the three wellness categories.

Upper Upscale properties outperformed Luxury and Upscale by delivering the best performance in ADR and TRevPAR growth in all three categories of wellness.

Geographically, the Americas continue to lead the global TRevPAR performance in both the Major and Minor Wellness categories, with the APAC markets and Africa displaying a massive GOPPAR growth.

Major Wellness continues to carry higher operating expenses, while Minor Wellness demonstrates great flexibility to optimize these costs.

Luxury properties outperformed Upper Upscale and Upscale properties in GOPPAR in all three wellness categories. However, when we get to the vitally important bottom line, Upper Upscale tends to outperform Luxury with a stronger profit performance in all wellness categories.

The 2024 trends that we believe are here to stay and are not just passing fads include 'Fitting Longevity Needs into Lifestyle', 'Wellness Influence on Branded Residences', and lastly, 'AI's Impact on Wellness' by enabling hyper-personalization and business process optimization.

Table of Contents

Headline Summary 2
Methodology 3
Impact of Wellness on Hotel Performance 4
Leisure Department Performance 9
Operating Costs 11
F&B Performance 12
Impact of Wellness on Profitability 14
Industry Trends 17
Fitting Longevity Needs into Lifestyle 18
Wellness in Branded Residences 20
AI Tranforms Wellness 22
Glossary of Terms 23
Sources 23

Roger A. Allen

Group CEO, RLA Global

I am pleased to share the 2024 Wellness Real Estate Report, which now includes data on hotel asset class performance,
Our team hopes you'll find this report an indispensable tool in achieving success with your ongoing and future wellness real estate projects.

Methodology

Differentiating between wellbeing and wellness can help investors and developers assess the value and impact of wellbeing activities and facilities on real estate, including hotels, resorts, active living and real estate communities as well as mixed-use developments.[1] This may provide higher transparency on the expected financial success of such operations, which follows a Wellbeing Hospitality® approach.[2] Wellbeing and wellness are both multi-dimensional concepts, but they are based on different assumptions: while wellness is seen to relate to action and has strong physical dimension, wellbeing is perceived as a state of being with a key mental or emotional aspect. Wellbeing can be considered as a holistic approach to improve health and achieve happiness through forms of leisure, recreation, sport, spa, wellness, healthcare, better social interactions and higher eco-consciousness.[3]

Calculating wellbeing value

Investors and developers need to be aware that wellbeing hotel investment spans an ever-broadening range of activities and specialties.

Aligning the wellbeing activities with the specific characteristics of the property is important, whilst understanding the direct internal rate of return (IRR) on investments related to wellbeing is fundamental when looking at such hotel investments.

The EBITDA analysis of a real estate development with wellness should include all direct operating expenses and revenue streams. Revenues may also include the spa utilization credit (SUC)[4] as an allowance for hotel guests to use spa and wellness facilities without charge, calculated on a per-occupied room basis.

When all revenues and costs are correctly listed, the profit method can be used for valuation, because it brings measurability and transparency to identifying the contribution of wellbeing operations or facilities to the overall property performance and value.

Data and definitions

The Wellness Real Estate Report evaluates average hotel performance based on data from P&L benchmarking company HotStats covering over 11,000 hotels of all classes worldwide. Our report breaks down and compares revenue, cost and profitability data for three categories of hotels, differentiated by the revenue amount of their wellness operations.

Hotels with Major Wellness

Wellness and Leisure Revenue annually exceeding US$1mn or more than 10% of total hotel revenues.

Hotels with Minor Wellness

Wellness and Leisure Revenue annually achieving less than US$1mn or less than 10% of total hotel revenues.

Hotels with No Wellness

No Wellness-related income.

Chain scale or asset class segments are grouped primarily based on actual average room rates. The Wellness Real Estate Report focuses only on the segments of Luxury, Upper Upscale and Upscale, given they are the most prominent in offering wellness.

The classification of the wellness data referenced follows the departmental categorisation of health club and spa according to the Uniform Systems of Accounts for the Lodging Industry (USALI), the standard way of reporting trading data for the industry. For evaluating the performance of hotel leisure departments, our data sample incorporates all leisure services and activities including membership programs and golf.

Impact of Wellness on Hotel Performance

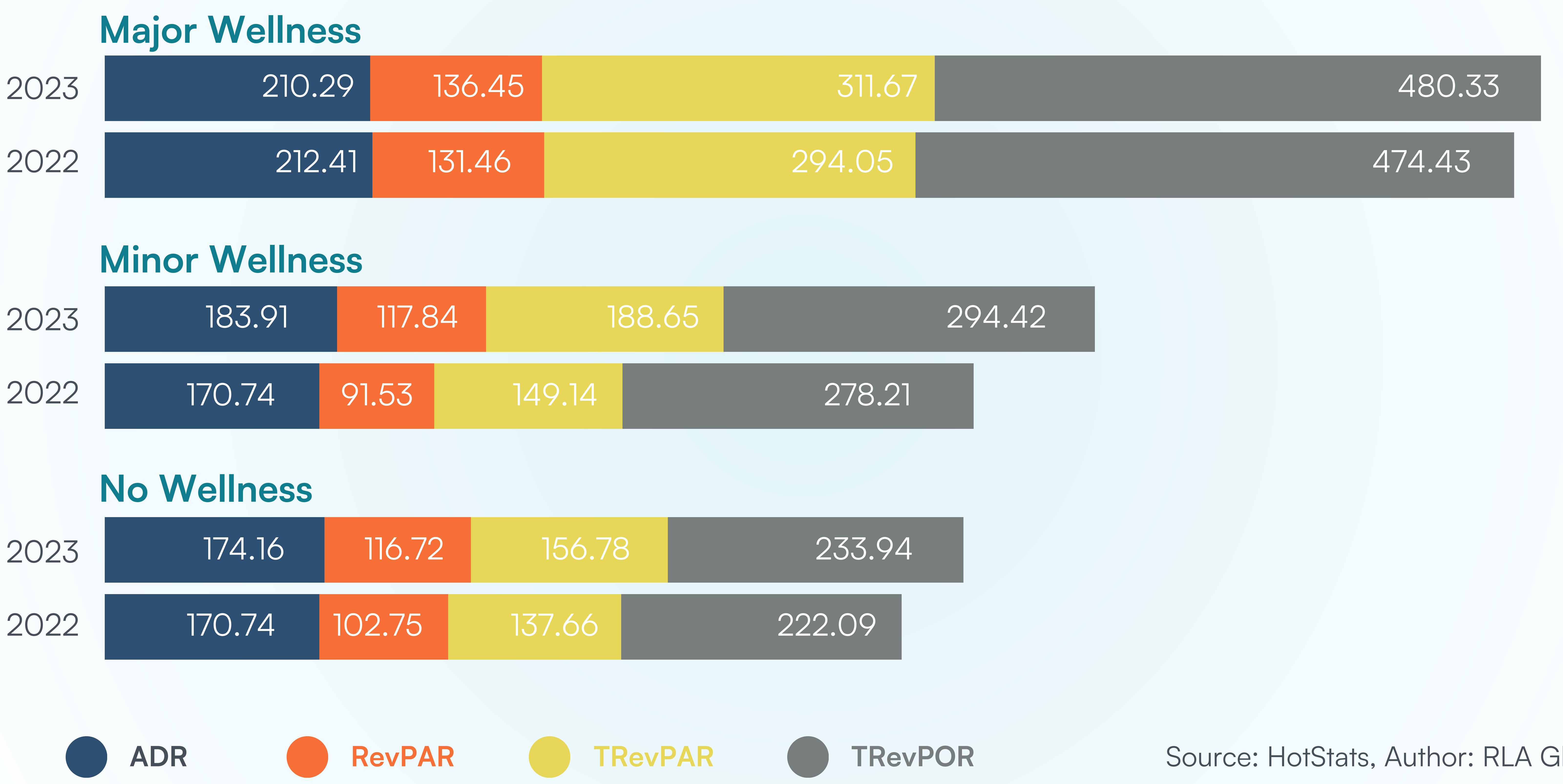
Top line KPIs

The year 2023 displayed positive trends with a year-on-year RevPAR growth for all three categories of wellness, but performances also indicated a fragmented wellness market with uneven progress across the different wellness categories.

Minor Wellness properties were able to drive a 29% increase year-on-year in RevPAR and a 26% growth in total revenue per available room (TRevPAR).

Major Wellness had the highest ADR at US$210 and a 65% higher TRevPAR compared to the Minor Wellness category. But Major Wellness recorded just a modest 6% year-on-year growth in TRevPAR and it saw a 1% (US$2.1) decline in ADR.

Pricing and Revenue (US$)



Source: HotStats, Author: RLA Global

- Properties with Major Wellness were able to drive non-room revenues resulting in a 128% better TRevPAR performance over RevPAR.
- TRevPAR was 60% and 34% higher than their RevPAR in the case of properties with Minor Wellness and No Wellness offering, respectively.

We have entered a phase of normalized top line growth with continued pressure on margins. Therefore, if returns are a hotel investor's goal, it is essential to analyse the report data by asset class, amenity, and price point to be able to understand what key economic returns can be expected.

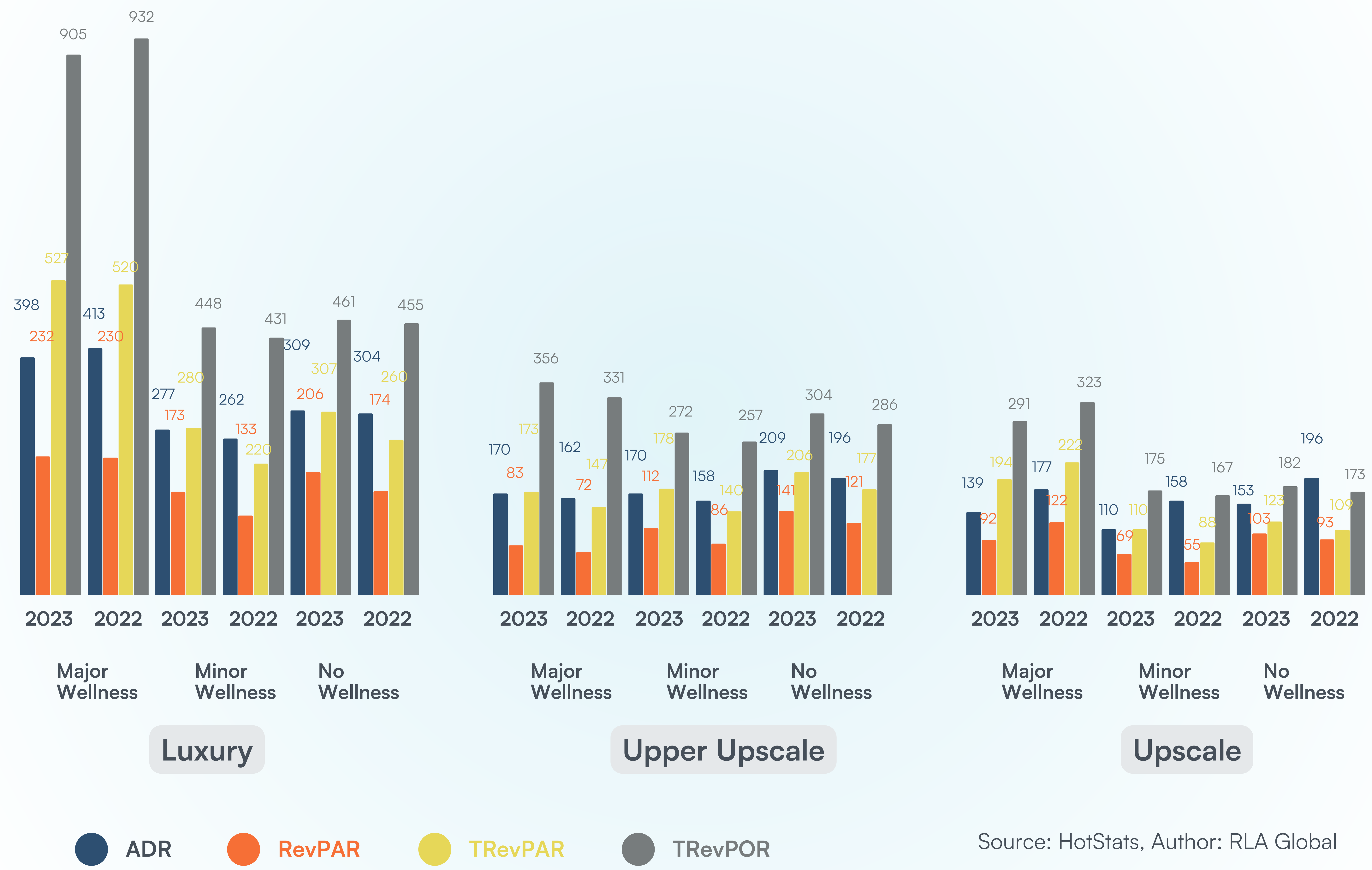
Rachael Rothman
Head of Hotels Research and Data Analytics at CBRE

Top line KPIs by Asset Class

Top line KPIs by asset class give an interesting perspective and help put wellness performance into the context of the properties' profile.

- Within the Upper Upscale asset class, Minor Wellness properties show the highest growth in both ADR (+8%) and TRevPAR (+27%) whilst Major Wellness properties and No Wellness properties' TRevPAR increased by 18% and 16%, respectively.
- Upper Upscale properties delivered the best performance in terms of ADR and TRevPAR growth whether they operate Major, Minor or No Wellness. Upper Upscale properties with Major Wellness achieving an ADR growth of 5% and 15% RevPAR, respectively, whilst Luxury properties with Major Wellness experienced a drop in ADR of 4% and 1% increase in RevPAR.
- Luxury properties with Major Wellness' TRevPAR performance is triple of Major Wellness Upper Upscale properties' TRevPAR result, although they hardly increased their top line performance in 2023 (+1%) with a decrease in ADR of 4%.
- Luxury properties with Minor Wellness show a 28% increase in TRevPAR that was 57% higher than the same KPI of the Upper Upscale segment.

Impact of Wellness on Hotel Pricing and Revenue per Asset Class (US$)

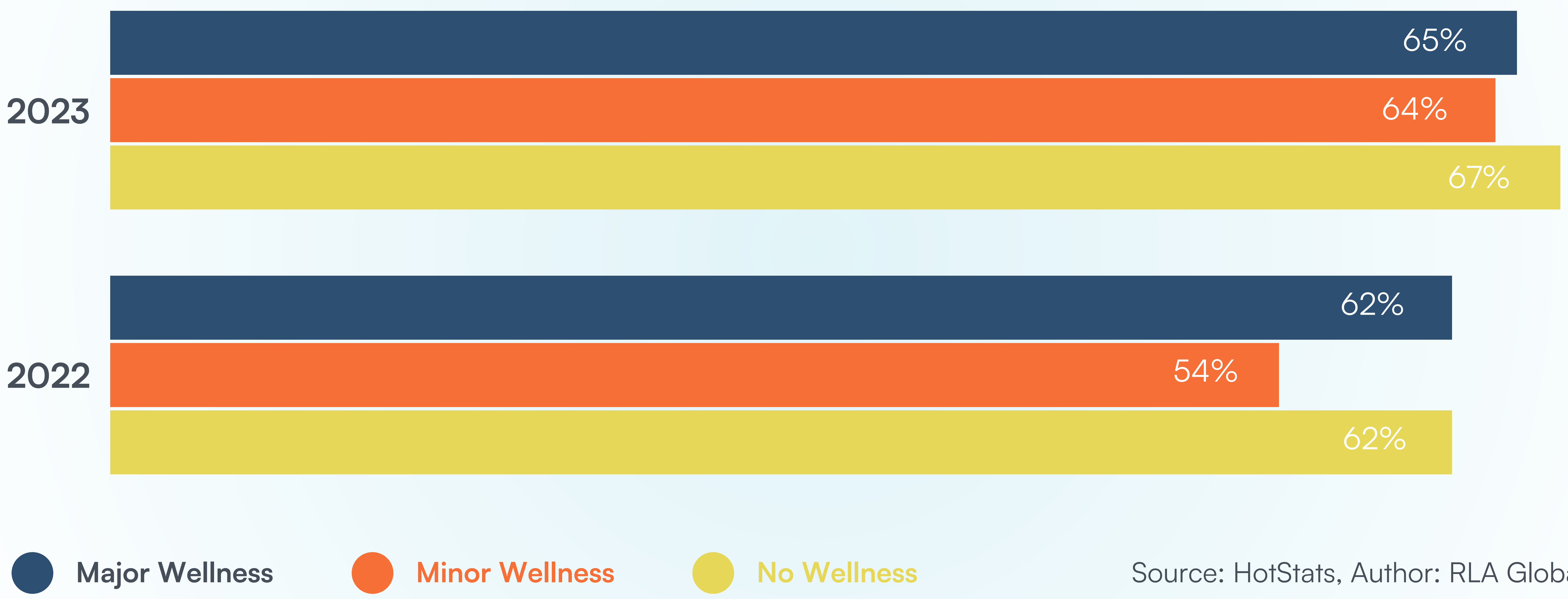


Source: HotStats, Author: RLA Global

Room Occupancy

All the examined hotel categories of wellness increased occupancy in 2023 compared to 2022. Major Wellness properties experienced a 5-points growth and a slightly higher occupancy level (65%) when compared to Minor hotels' result (64%), although the latter achieved a 10-points increase year-on-year. Both remain below No Wellness hotels (67%).

Impact of Wellness on Hotel Pricing and Revenue per Asset Class (US$)



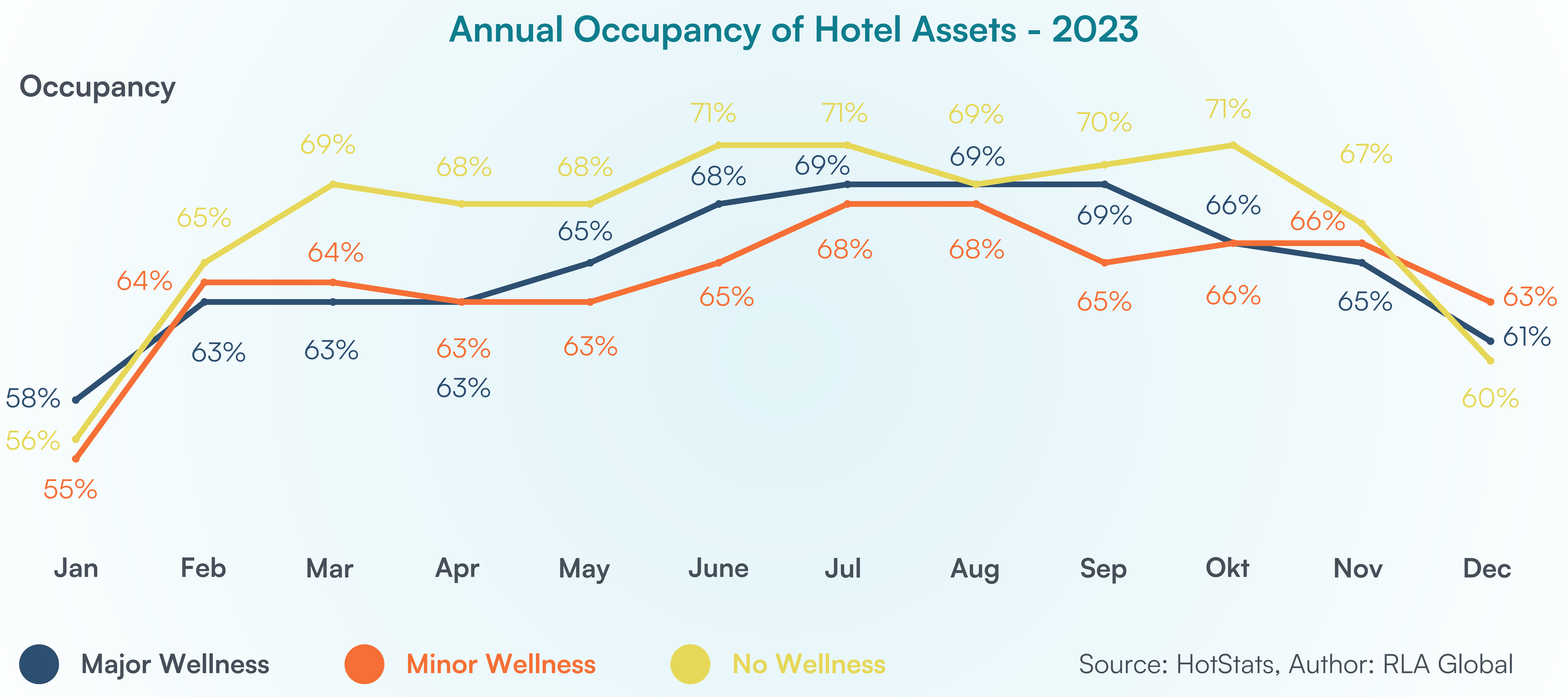
Source: HotStats, Author: RLA Global

The top 5 best-performing Major Wellness hotels showed a higher occupancy (+3 points) when compared to the top 5 Minor Wellness properties, but interestingly, the top 5 Minor Wellness properties were also able to drive significantly higher ADR (+183%) than the Top 5 Major Wellness properties.

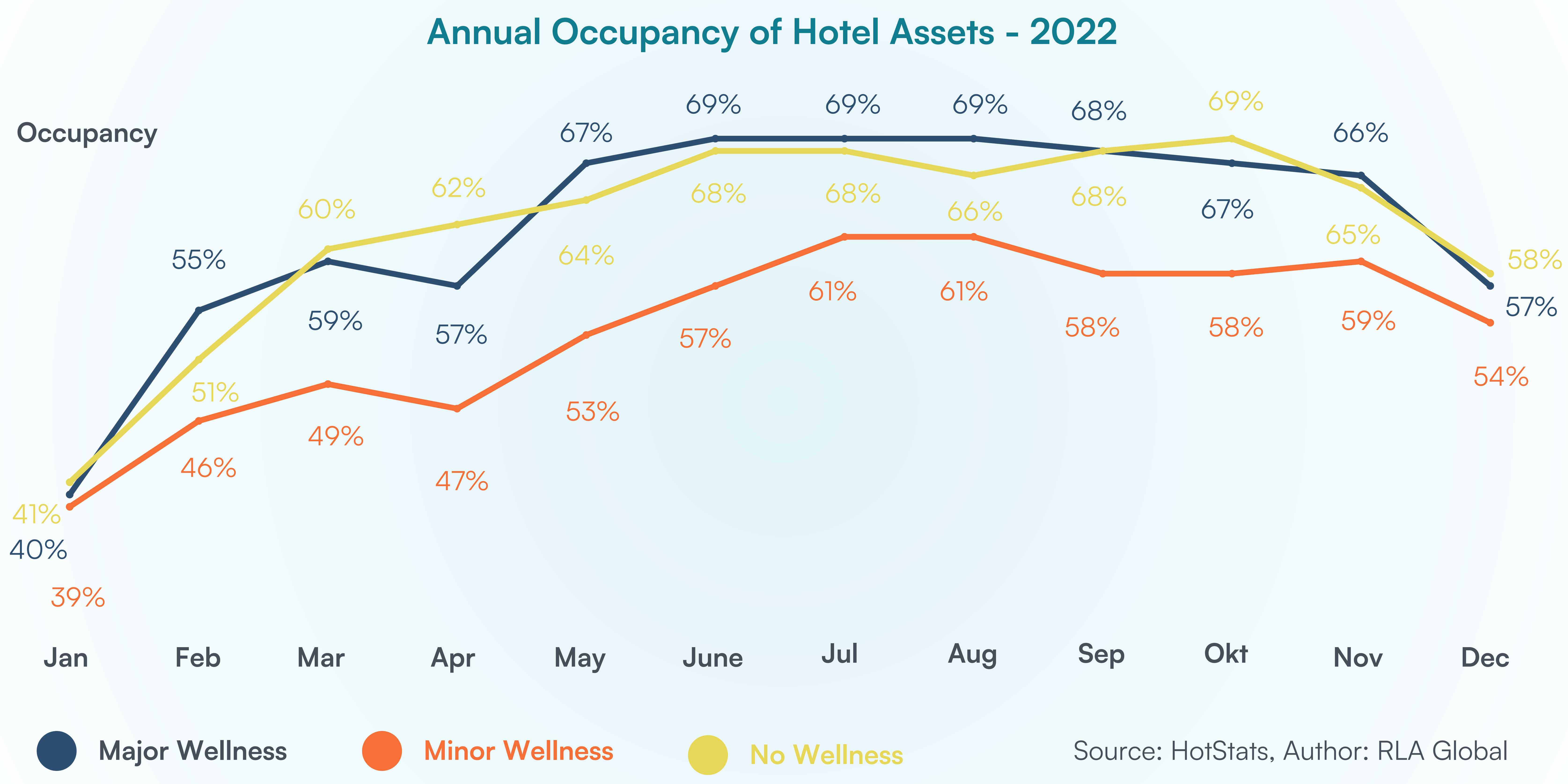
When compared to the top 5 Major Wellness, the top 5 best-performing Minor Wellness hotels achieved higher profit conversion levels (+6 points) due to lower levels of payroll (-9.4pts) with Minor Wellness showing payroll of 31.4% of total revenue and Major Wellness properties having payroll of 40.8% of total revenue.

There is a noticeable consistent uplift in occupancy for Major, Minor and No Wellness properties throughout the year with the exception of Q4. Annual occupancy at Minor Wellness properties increased 10 points in 2023, from 54% to 64%, the strongest growth among the three categories.

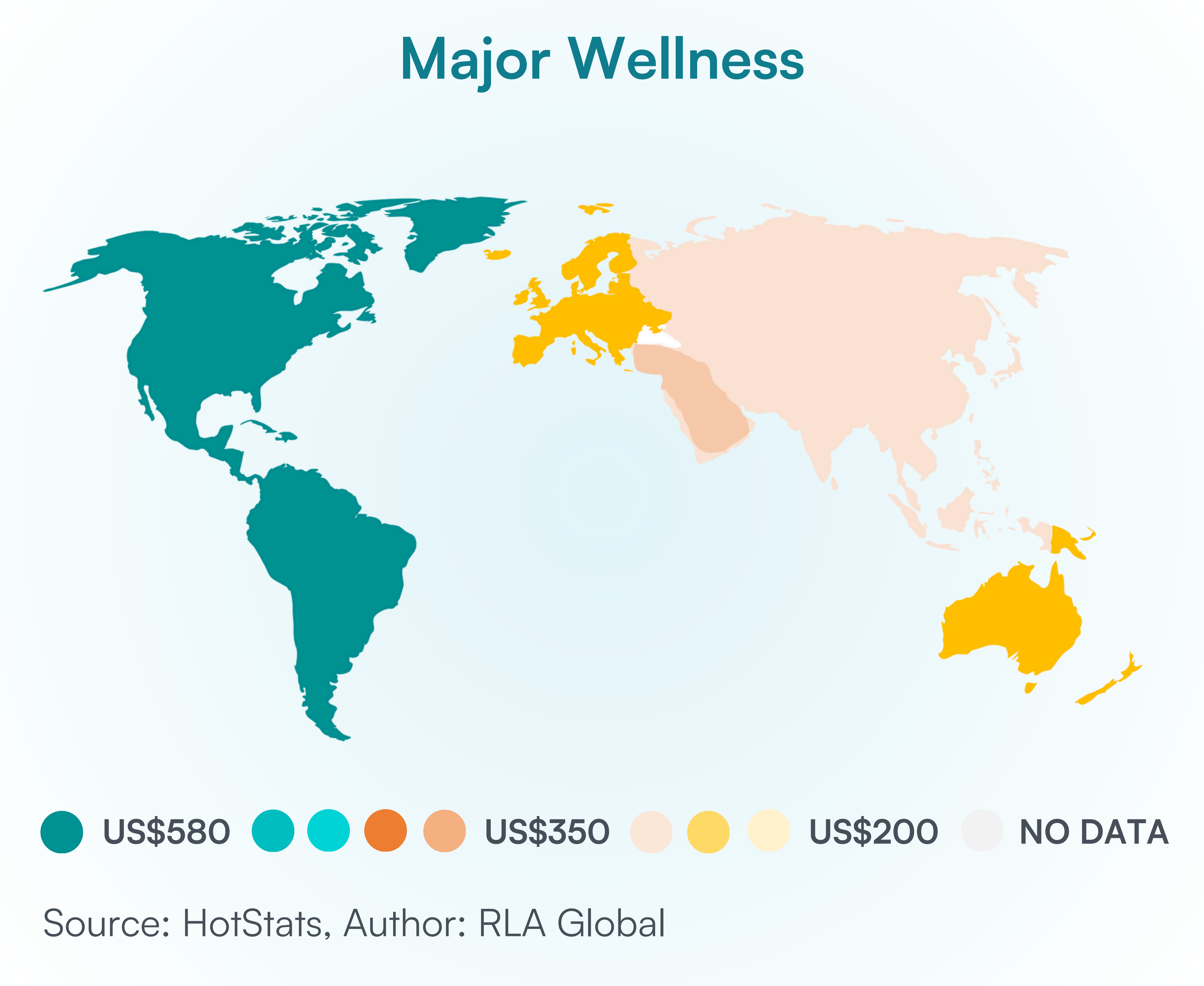
Seasonality Performance

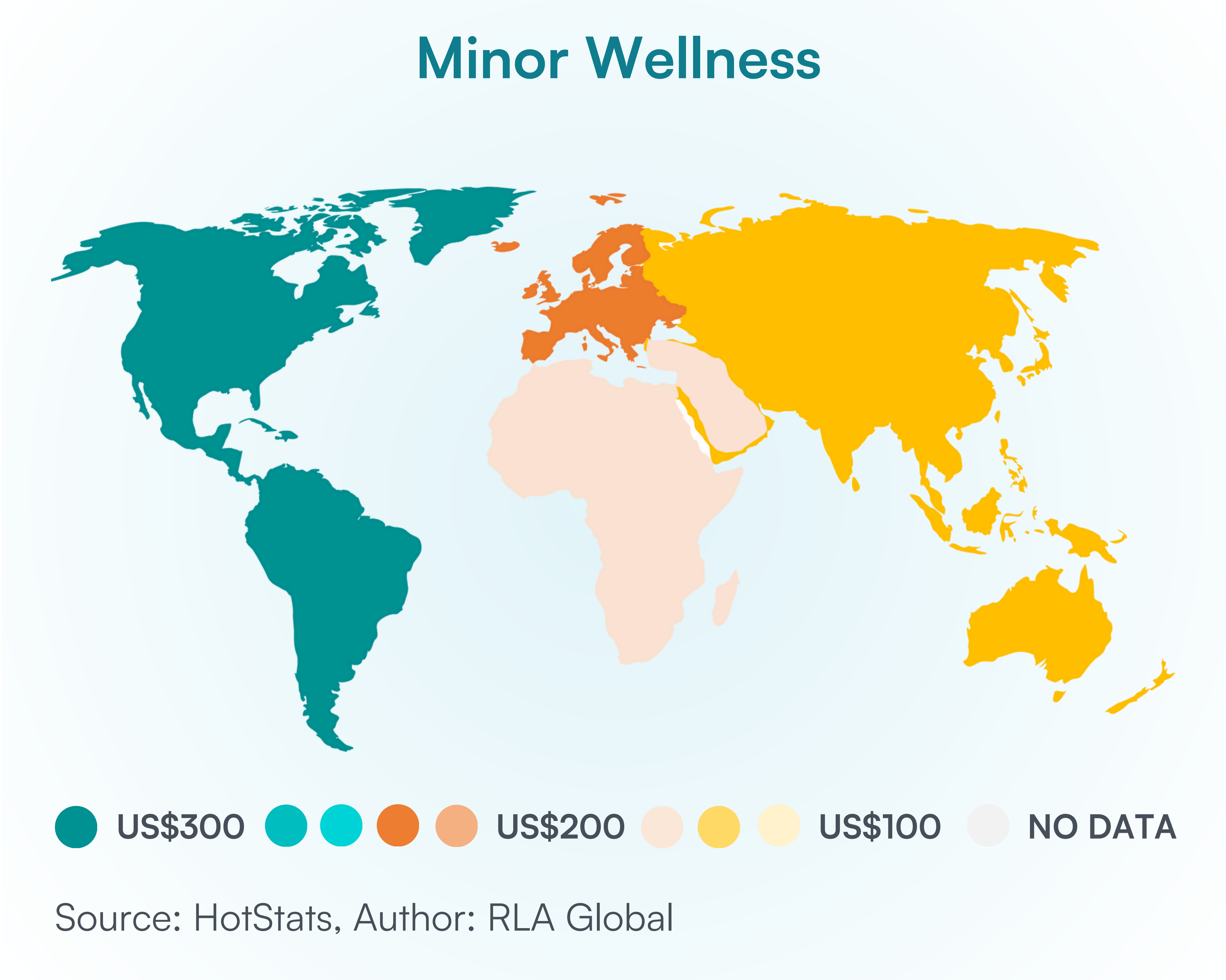


No Wellness was the best-performing category in terms of occupancy through most of 2023, and the data also suggest that having an extensive wellness offering doesn't necessarily translate into higher occupancy. However, Major and Minor Wellness properties have reached stabilized occupancy levels, allowing a strategic focus on ADR and TRevPAR, which can be driven by the wellness offering as an added value, particularly at Minor Wellness properties.



Geographical TRevPAR Performance





Most hotel operators focus too much on departmental profit and fail to consider how to best leverage the wellness offerings to drive total hotel performance. Looking at TRevPAR data is a great way to discover the greater upside on wellness investments.

Jeremy McCarthy
Group Director of Leisure, Spa & Wellness Mandarin Oriental Hotel Group

The above maps provide a snapshot of global TRevPAR performance in the Major, Minor and No Wellness categories. The Americas' performance reflects the massive post-pandemic wellness trend observed in the continent, especially in the Major Wellness category, whilst Asia and Africa still show lower TRevPAR.

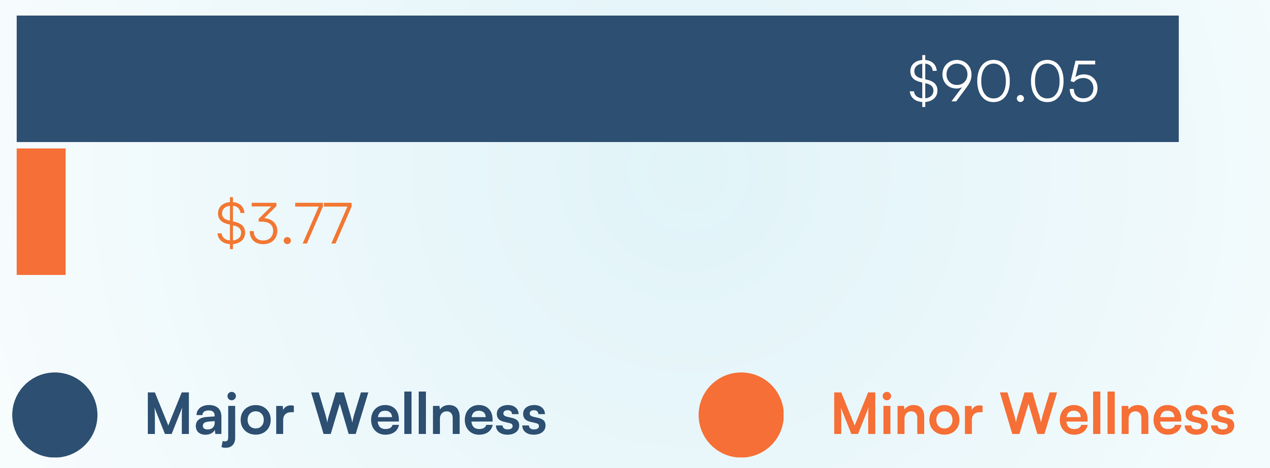
All geographical markets display a significant year-on-year improvement in TRevPAR, with growth ranging from +13% in the Americas to 48% in the APAC region. GOPPAR performance follows a similar trend, with all markets showing consistent growth. The APAC region was able to more than double GOPPAR and Africa achieved a 25% GOPPAR increase.

Leisure Department Performance

Major Wellness properties drive significantly higher Leisure Revenue Per Occupied Room (POR) (US$90) than Minor Wellness properties (US$4), as they tend to offer more expansive facilities and services along with the possibility of membership sales, which invariably leads to a higher revenue POR.

Major Wellness properties yielded a 7% year-on-year increase in Leisure Revenue POR, showing revenue optimisation opportunities by increasing capture rates and average service rates, whilst leisure revenue growth at Minor Wellness hotels was stagnant.

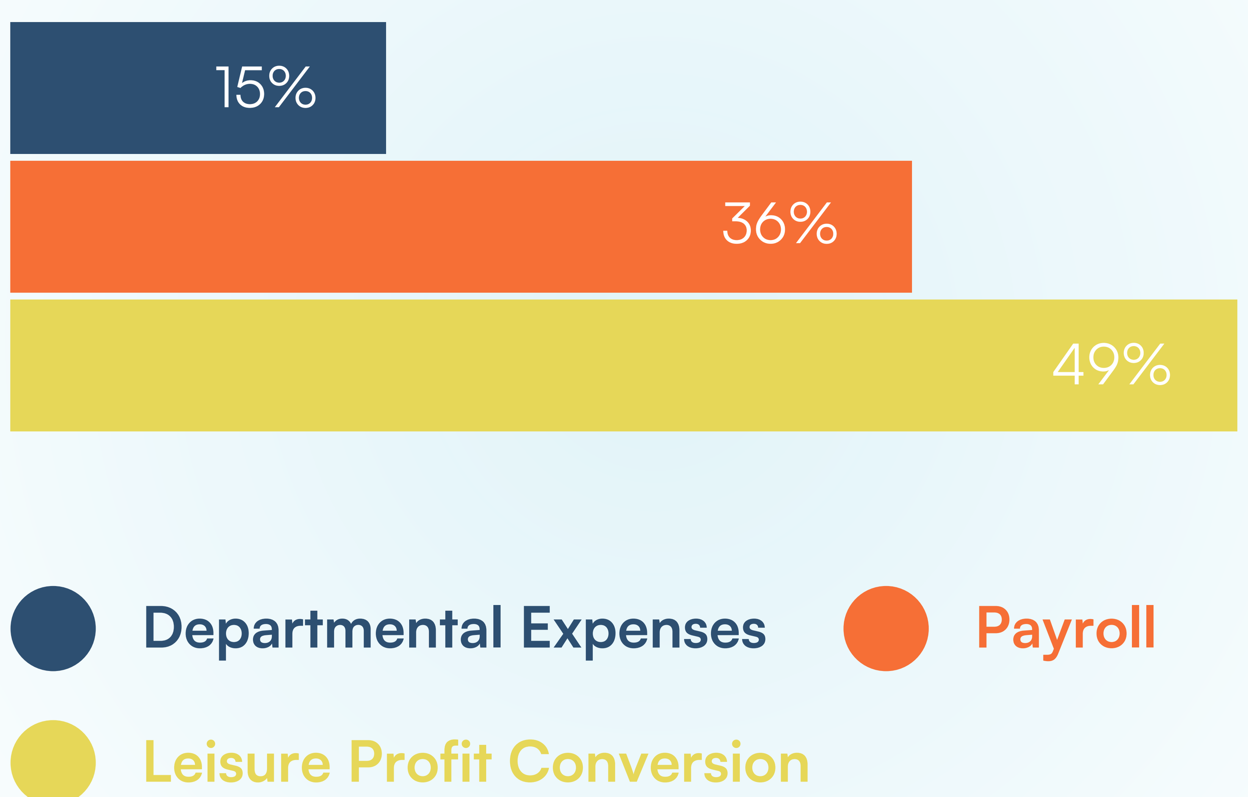
Leisure Department's Revenue Per Occupied Room



Source: HotStats, Author: RLA Global

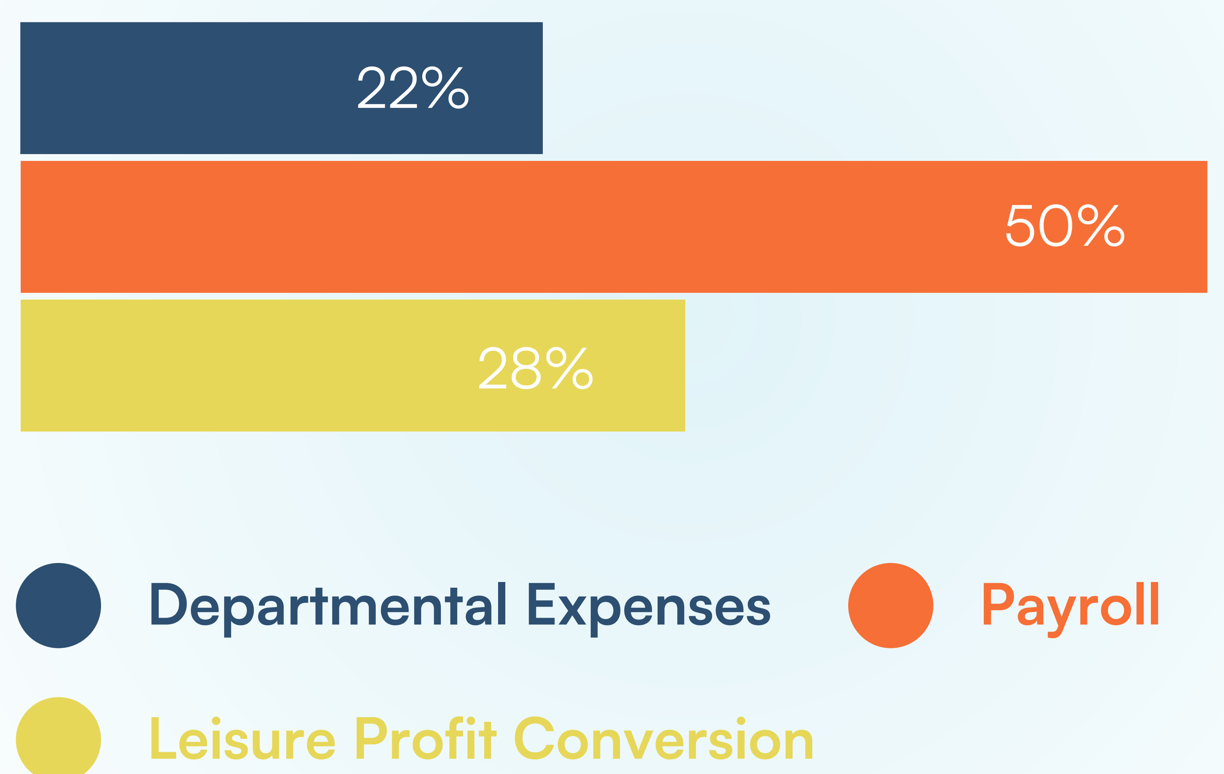
> *As ADR and ancillary guest spend has slowed around the world, growth in wellness spend per occupied room is proof of the trend towards health and wellbeing. Wellness resorts, although challenged by the operational headwinds in staffing, energy and supply costs, have continued to go from strength to strength, making it a very attractive asset class for investors.*
>
> *Michael Grove, CEO, HotStats*

Major Wellness Departmental Leisure Profit Performance 2023



Source: HotStats, Author: RLA Global

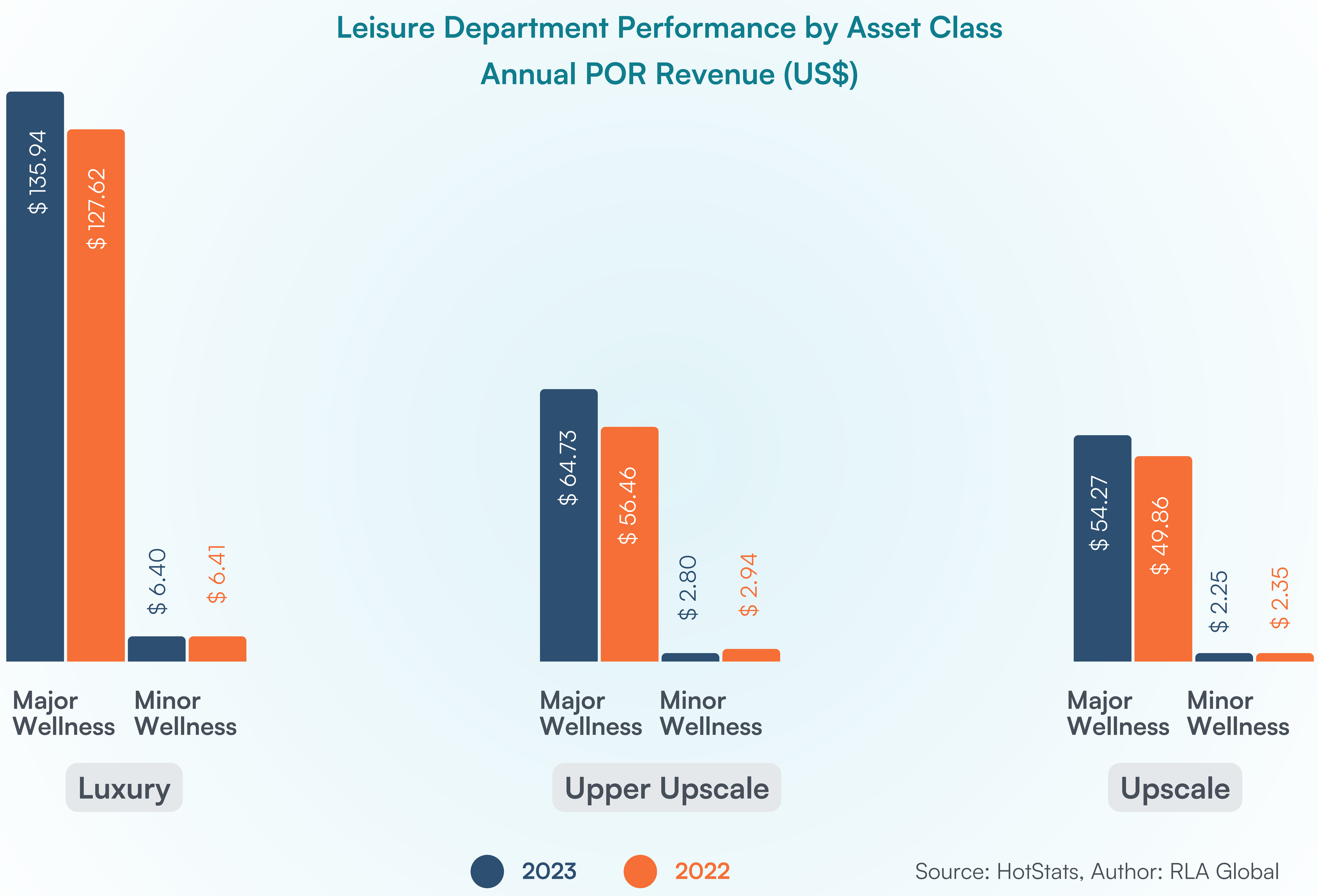
Minor Wellness Departmental Leisure Profit Performance 2023



Source: HotStats, Author: RLA Global

Wellness operations typically incur higher fixed costs than other departments due to the nature of the wellness concepts. Minor Wellness properties have lower absorption levels of these fixed costs due to lower revenues, resulting in the departmental expenses and payroll ratios being higher by +7% and +14%, respectively.

These dynamics lead to a profit conversion that is 21% lower at Minor Wellness properties than at Major Wellness hotels. Both Major and Minor Wellness properties, however, have been able to maintain the 2022 profitability, underlining stabilization.

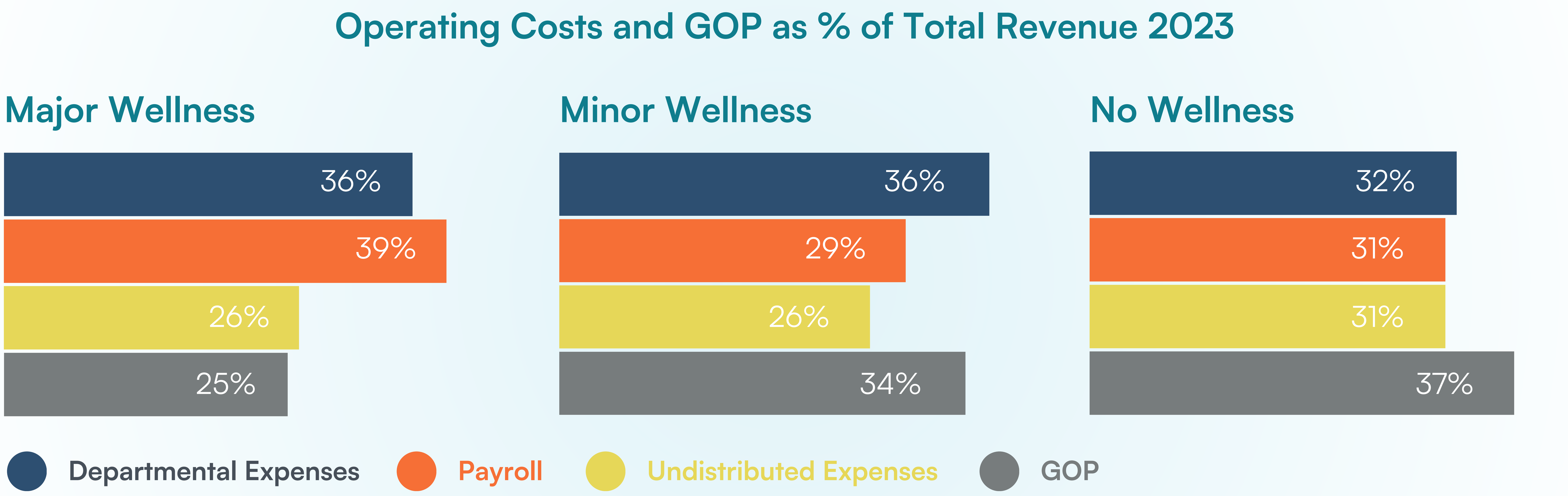


Major and Minor Wellness performances differ depending on the positioning of the properties.

- Luxury properties unsurprisingly drive higher Leisure Revenue Per Occupied Room, notably in the Major Wellness category (US$136).
- The ratio of leisure department revenue to total revenue at Major Wellness properties is higher in the Upscale segment (19%), whilst Luxury properties have the lowest ratio (15%) as higher ADR leads to higher revenue.
- Looking at leisure department profitability, Upper Upscale properties yield a higher bottom line (54%) in the Major Wellness category, primarily due to lower payroll. Upper Upscale payroll is 7% and 5% lower in the Major and Minor Wellness categories, respectively, when compared to Luxury payroll.
- Upscale properties typically have fewer wellness amenities and employees than Upper Upscale and Luxury properties that is required to yield more opportunities that drive profitability.

Operating Costs

While the analysis of revenue trends shows that Major Wellness properties have a strong competitive advantage, it is important to put that performance into context and understand the related operating costs and payroll, thus ultimately the bottom line.



Source: HotStats, Author: RLA Global

Operating expenses to Total Revenue are 3 points higher in hotels with Minor Wellness and 12 points higher in hotels with Major operations than at properties with No Wellness operations. This is mainly due to the extra resources needed to run a wellness department and maintain the quality of wellness experiences and services; the cost of these resources cannot fully be reflected in the price of services offered at Major Wellness properties.

The ratio of departmental expenses at Major and Minor Wellness properties are comparatively similar, yet 4 points higher than in No Wellness properties.

Unsurprisingly, payroll is significantly higher in Major Wellness (39%) when compared with Minor Wellness (29%) and No Wellness (31%). Major Wellness operations require a high number of staff, and those expenses are not fully absorbed by the higher revenue.

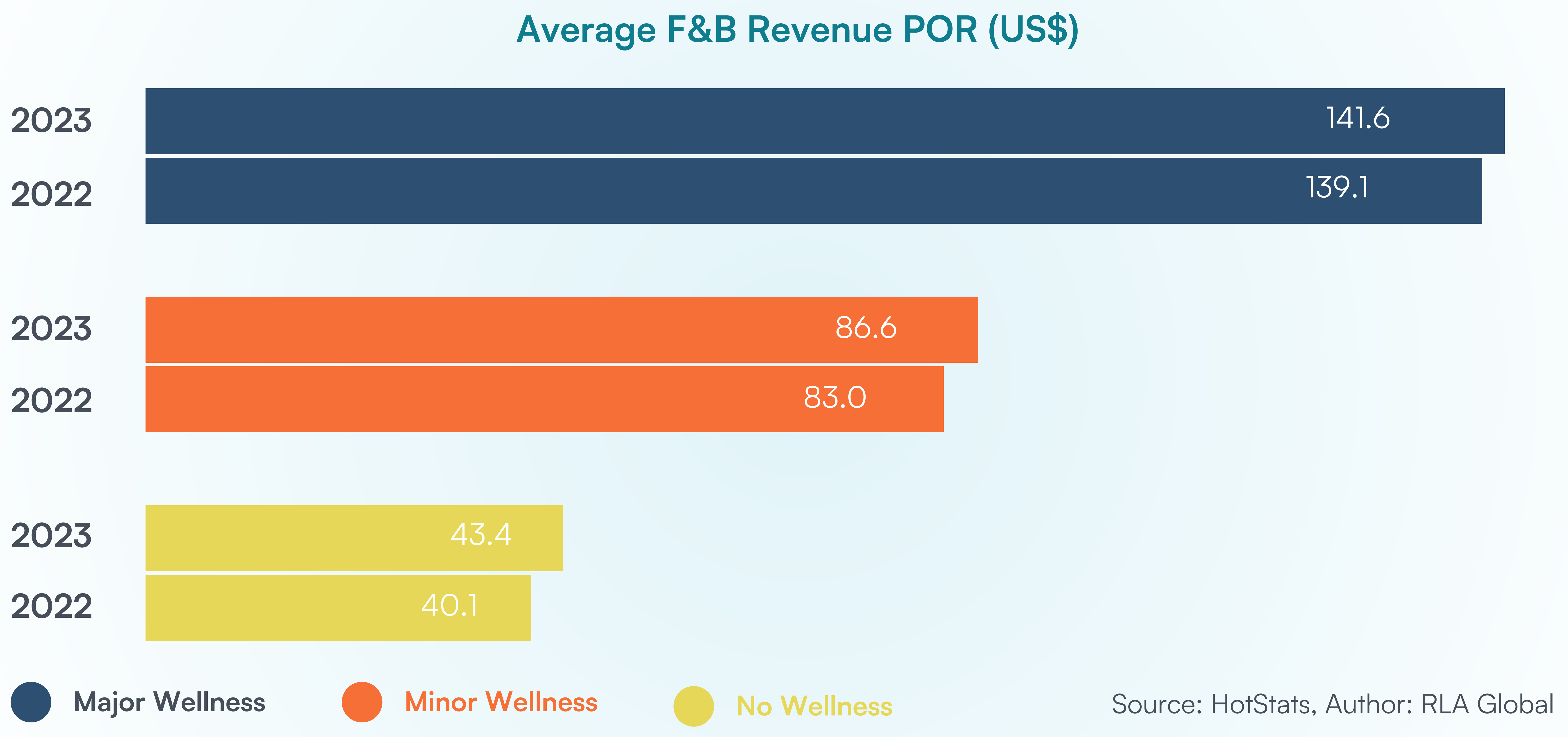
Whilst No Wellness maintained levels of operating costs, Minor Wellness successfully decreased payroll by 2%. Major Wellness, on the other hand, experienced a 2% increase.

- Minor Wellness properties were able to better optimize their operations driving higher revenue in 2023, whilst reducing payroll costs, which had a direct impact on the GOP margins (+3%).
- Major Wellness properties show higher revenue but an increase in payroll levels.

The undistributed expenses ratio to Total Revenue is lower at Major and Minor Wellness properties due to their ability to drive higher Total Revenue levels thus neutralizing the cost burden compared to their No Wellness counterparts.

Food & Beverage Performance

The share of F&B revenue in Total Revenue was in line with 2022 for all three observed categories, with comparable results at Major and Minor Wellness hotels (29%) and showing 19% in No Wellness hotels.



An encouraging upward trend can be observed across all categories.

- Major Wellness properties show the highest F&B spend Per Occupied Room (US$142), which is more than three times of the F&B spend POR at No Wellness properties.
- No Wellness has experienced the highest growth in F&B revenue (+8%) year-on-year, with Major Wellness showing a shy 2% growth in F&B spend POR.

F&B growth is driven by restaurant spend, whilst bar and room services represent the polar opposite with a decrease in consumption:

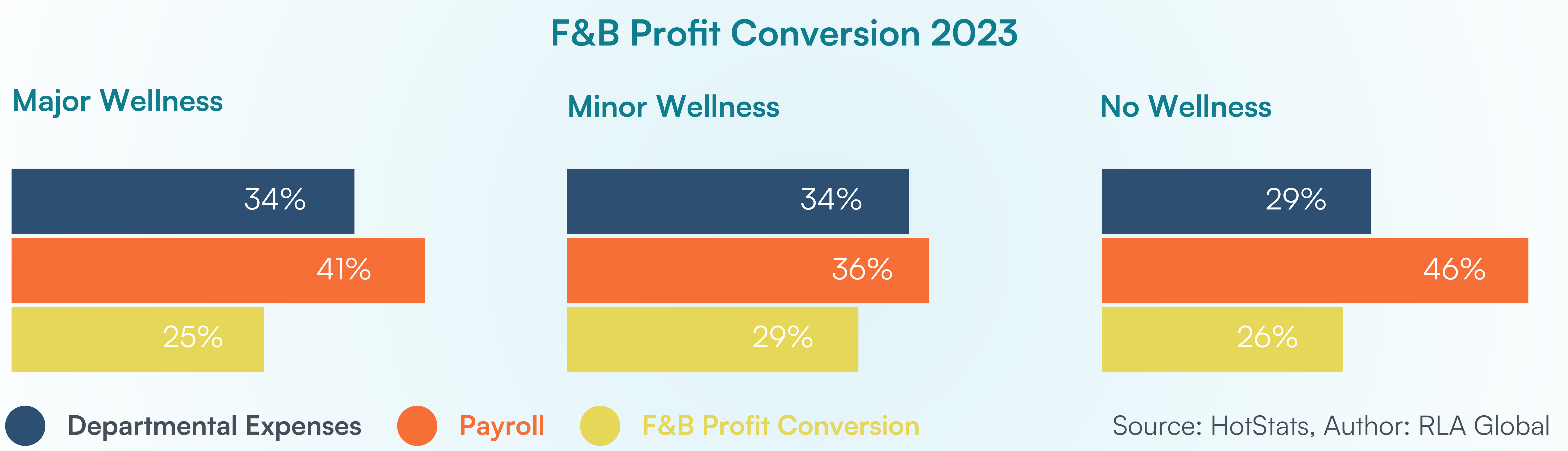
- No Wellness properties' numbers demonstrated the ability to drive growth at both restaurants and bars, unlike properties with Major and Minor Wellness.

The declining bar and room service revenues in city center hotels reflects the latest trends of guests becoming more health conscious and drinking less alcohol, whilst food delivery service apps are providing guests with more compelling and cheaper options than the hotel offering.

Alexandre Santamaria
Founder, Aware Hospitality

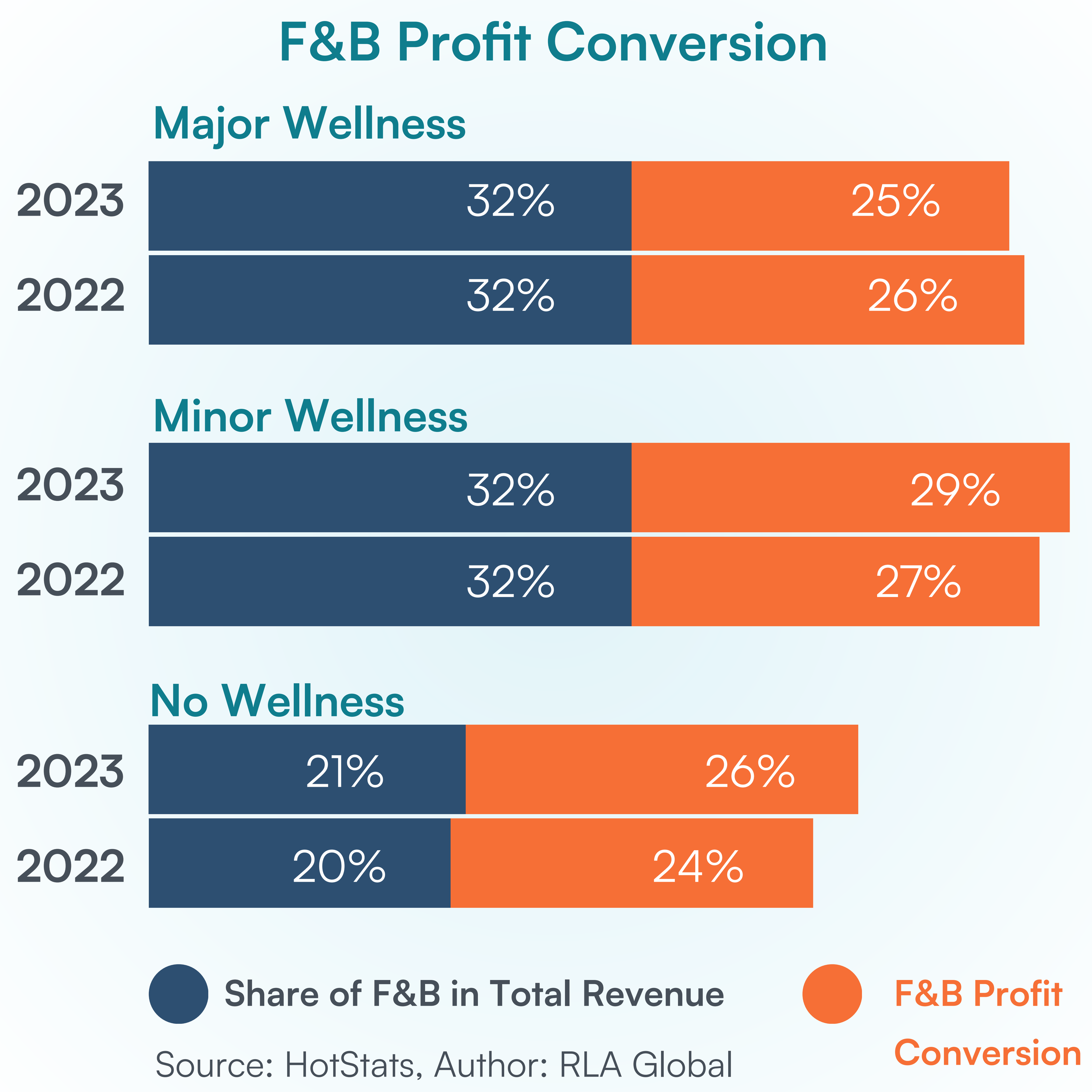
'Food & Beverage Performance' Continues...

- Decreasing beverage sales strongly contributed to the lower F&B revenue at Major and Minor Wellness hotels.
- Major Wellness properties saw beverage sales decrease by 1%, led by a 3% drop at the bars.
- Restaurant revenue increased by 10% in Minor Wellness properties. However, this growth could not fully compensate for beverage revenue dropping 4% per room, a 13% fall in room service and a 10% decrease in bar revenue.
- Room service revenue fell by 13% and 12% at Major and Minor Wellness hotels, respectively, which indicates evolving in-room dining habits.
- Beverage sales at Major Wellness properties were down by 15%, which will have F&B managers look closer at guest demands.



Minor Wellness was able to drive a higher, 29% F&B profit conversion, whilst Major Wellness and No Wellness recorded largely similar conversion rates, at 25% and 26%, respectively. The F&B expense structure is similar for all three categories.

Payroll represents the highest cost within the department. Properties with No Wellness spend 46% of their F&B revenue on payroll, while those with Major Wellness spend 41%. Minor Wellness properties show the lowest payroll-to-total-revenue ratio, with payroll accounting for 36% of F&B revenue.



Impact of Wellness on Profitability at Property Level

2023 GOPPAR results vary throughout the three categories (Major, Minor and No Wellness). Major Wellness properties have a 21% higher GOPPAR than Minor Wellness hotels and 34% more than No Wellness assets and the latter being the only category showing a downward trend (-2%).

The GOPPAR decline in the Major Wellness category is likely due to a 2% higher payroll, while No Wellness could raise GOPPAR because of lower operating costs.

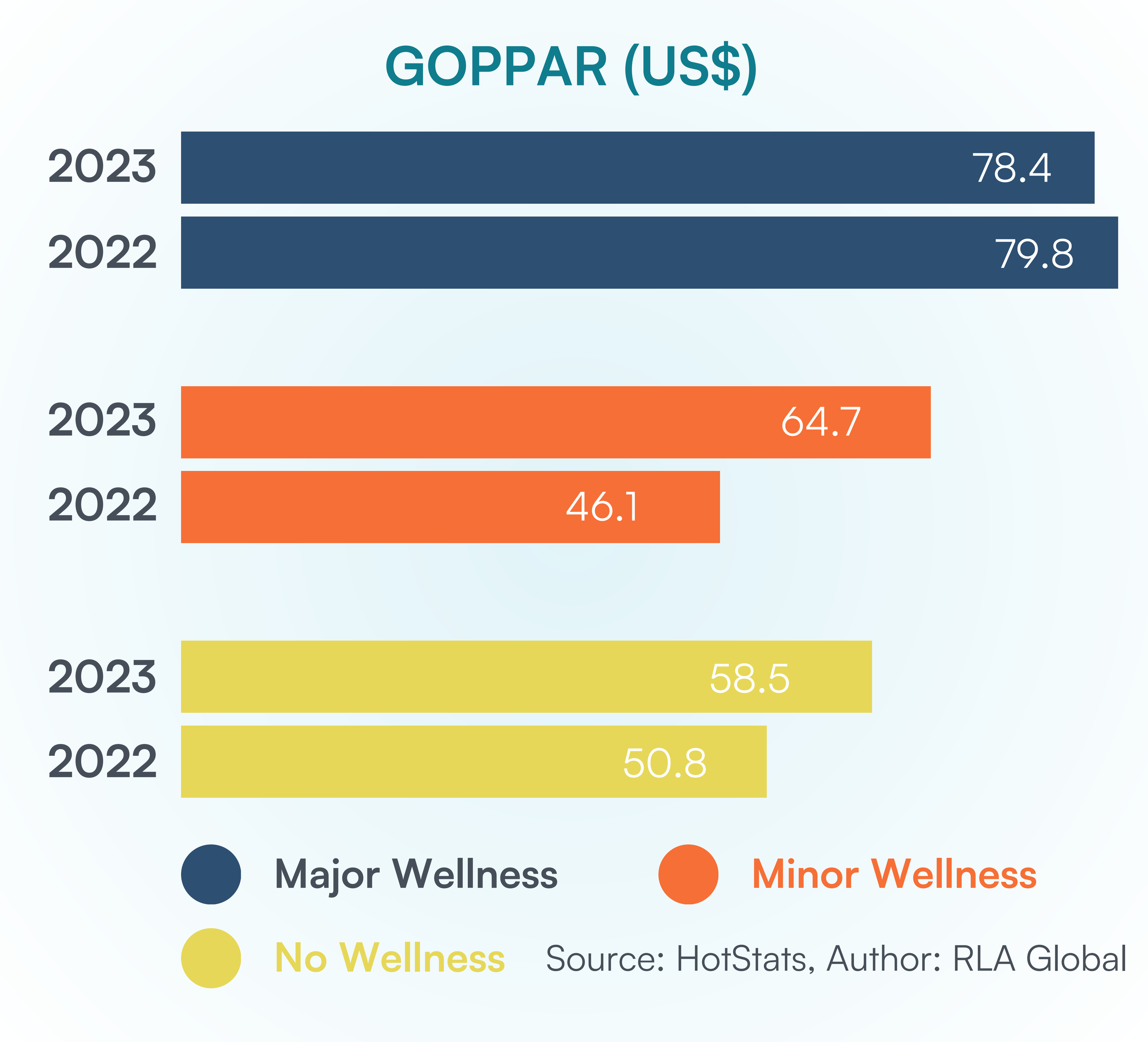
The 26% TRevPAR growth and 41% GOPPAR increase at Minor Wellness hotels underline this category's appeal to both investors and operators. The 2023 GOPPAR year-on-year performance displayed a remarkable year-on-year increase, certainly achieved with optimized operations and being more cost-efficient," said Laura Dutrieux, Senior Tourism & Hospitality Consultant at RLA Global.

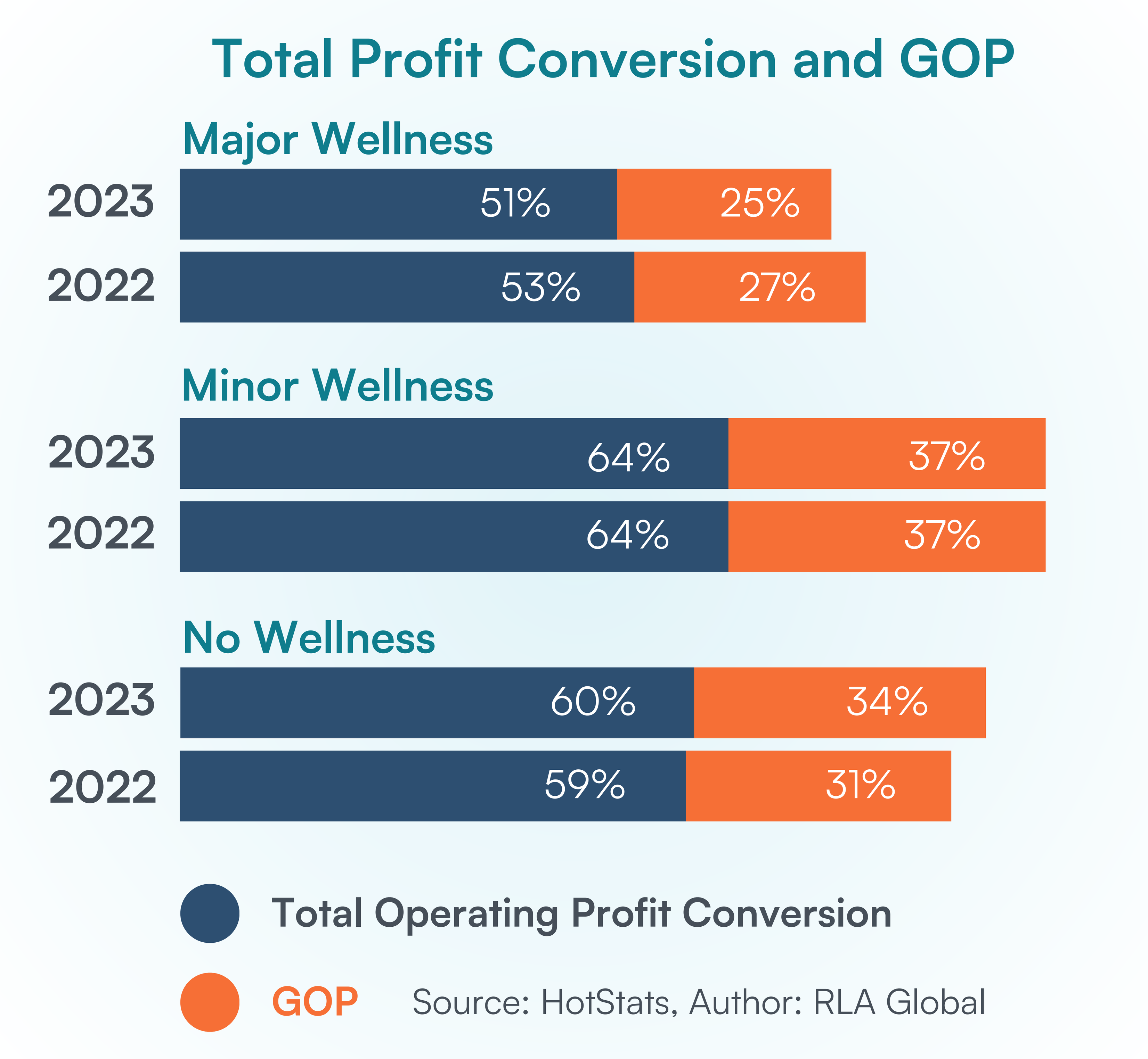
No Wellness properties show a stable GOP and GOPPAR performance. The increase in revenue did not translate into higher profits to Total Revenue, but a 15% increase in GOPPAR performance.

When considering investment in wellness, it is important to keep in mind that higher conversion doesn't necessarily result in increased cash returns. Although profit might be higher in US$ terms, Major Wellness might incur more resources and costs, which could mean lower return on investment and longer payback.

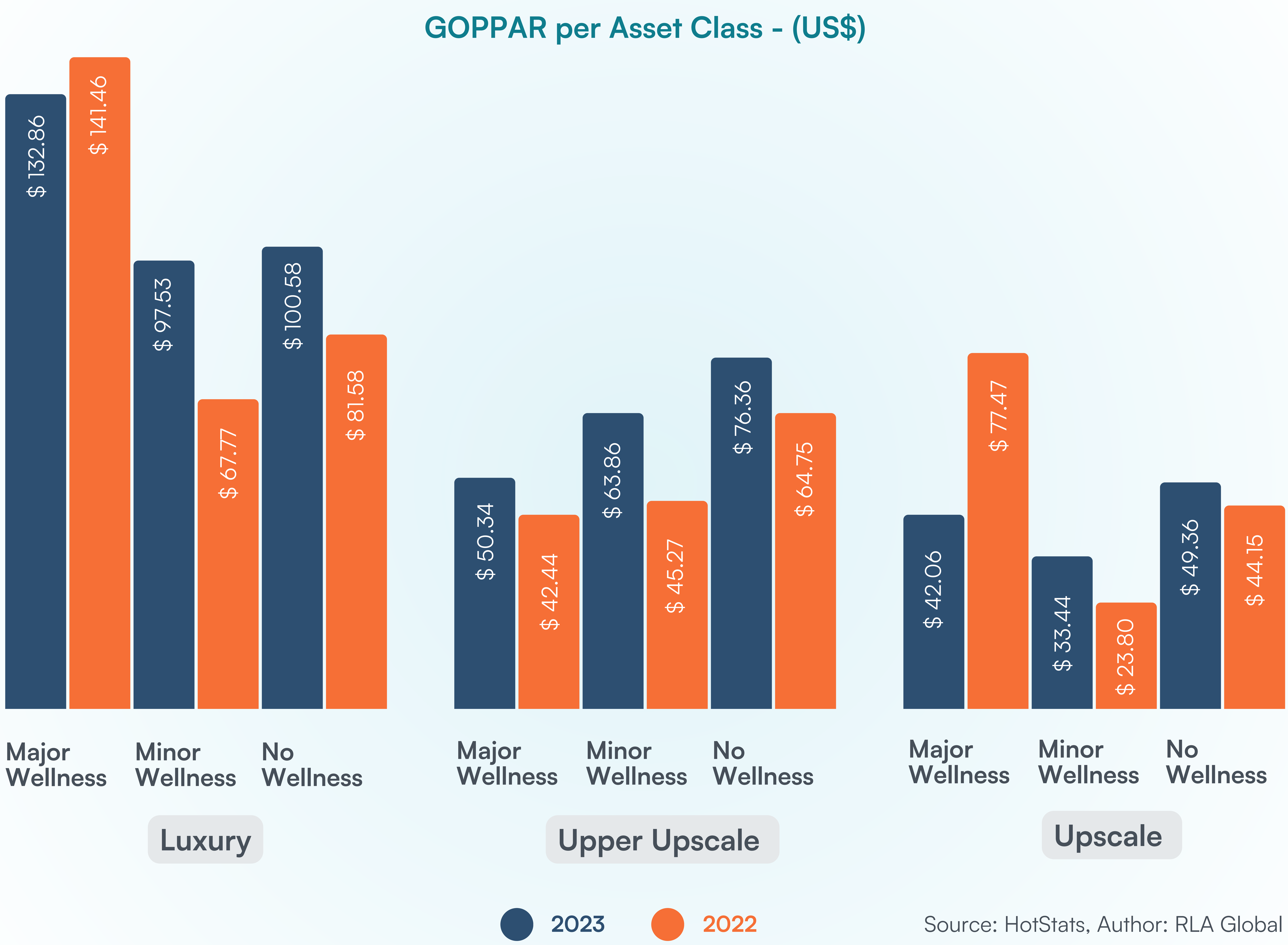
The asset class performance data and annual GOP figures underline how vital it is that investors and developers have a clear perspective of how wellness will contribute to the financial returns of the project.

Roger A. Allen
Group CEO, RLA Global



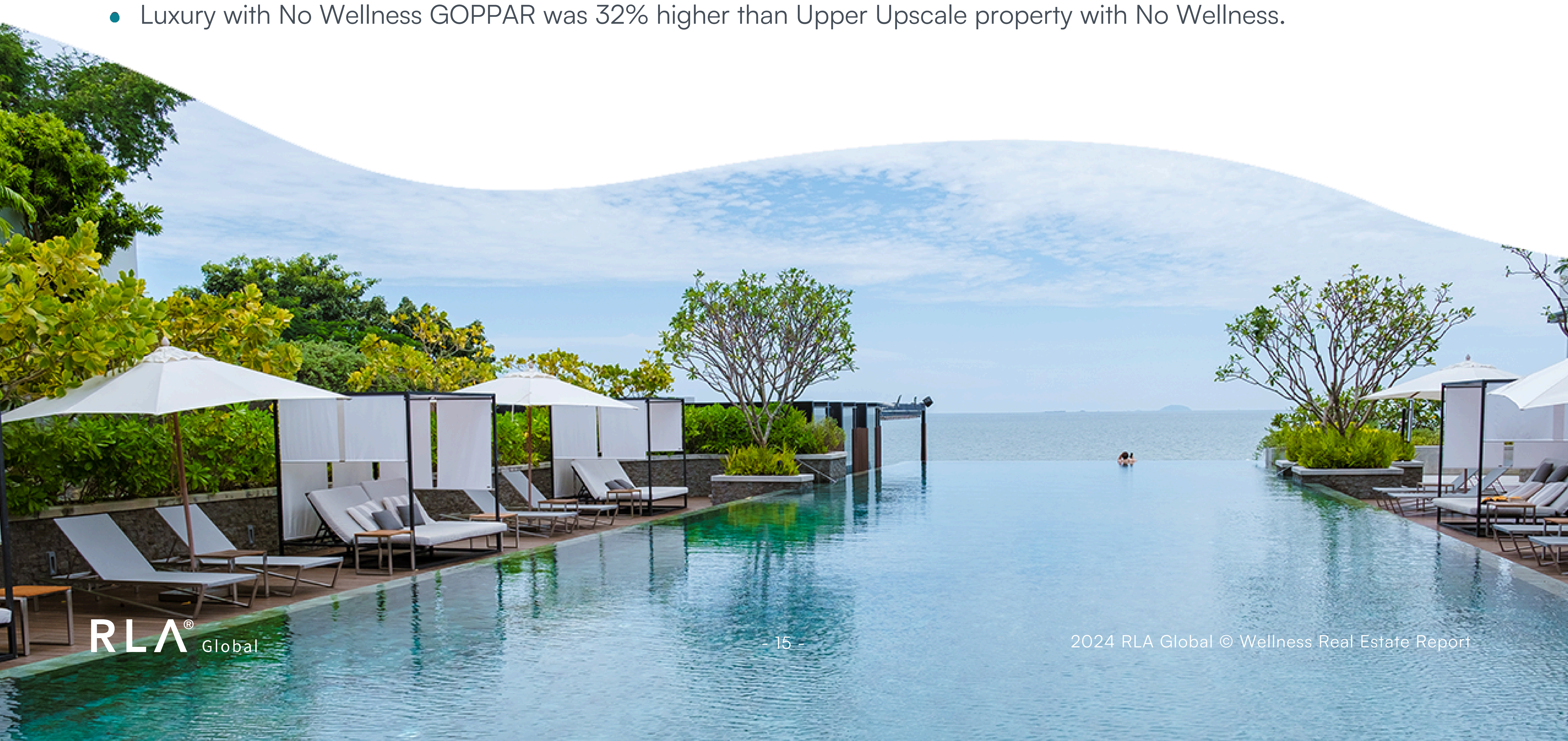


'Impact of Wellness on Profitability at Property Level' Continues...



Luxury properties outperformed Upper Upscale and Upscale properties in GOPPAR in all three wellness categories in 2023.

- Luxury with Major Wellness had a GOPPAR 164% higher than Upper Upscale.
- Luxury with No Wellness GOPPAR was 32% higher than Upper Upscale property with No Wellness.

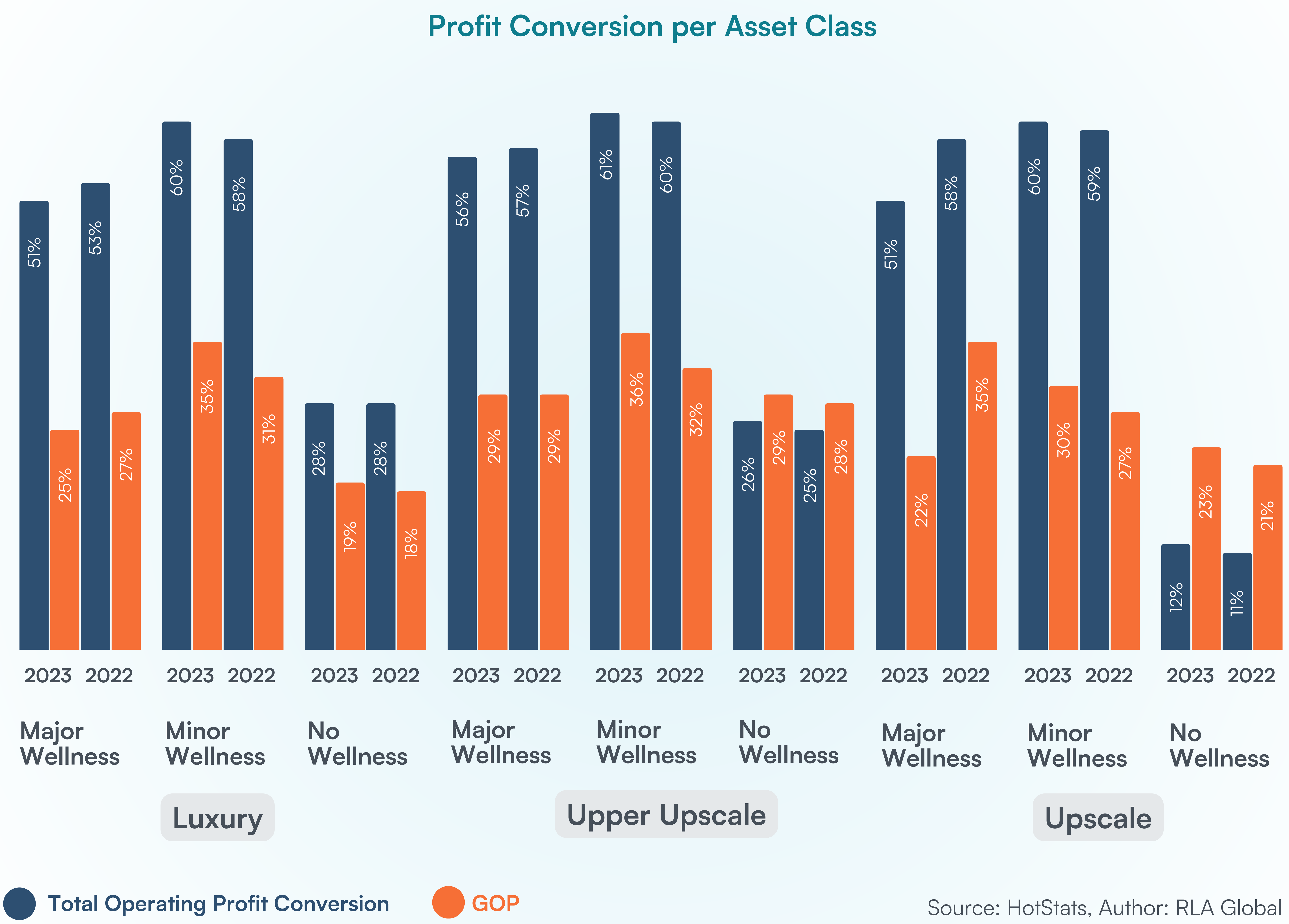


'Impact of Wellness on Profitability at Property Level' Continues...

However, when we get to the most important indicator, the bottom line, Upper Upscale tends to outperform Luxury with a higher profit performance in all wellness categories.

- Upper Upscale with Major Wellness has a profit conversion 5 pts higher than Luxury and Upscale in the same wellness category. Upper Upscale also shows a 4 pts and a 7 pts higher GOP compared with Luxury and Upscale in the Major Wellness category.
- Upper Upscale with Minor Wellness is also ahead of Luxury and Upscale in the same wellness category in terms of GOP, by 1 pt and 6 pts, respectively. Profit conversion is largely similar in all asset classes with Minor Wellness.

It is important to understand the dynamics between a property asset class and its wellness categories. Major and Minor Wellness tend to lift the profit performance of Upper Upscale properties, while Upscale properties would perform best with No Wellness.



Source: HotStats, Author: RLA Global

Industry Trends That Will Last and Influence Wellness in Real Estate

*Image courtesy of Melia Koh Samui

Trend #1

Fitting Longevity Needs into Lifestyle

Hotels need to be much more aware of how they can better accommodate the health-improving habits or biohacking rituals their guests increasingly integrate into their daily lifestyle.

Consumers today tend to be more health-conscious, more informed about their state of wellbeing and also more knowledgeable about available options to optimize health and prolong healthspan.

As part of these aspirations, more and more follow daily habits or biohacking rituals throughout the day — from getting cold showers in the morning or direct sunlight right after waking up for increased serotonin levels and having warm lemon water or ginger shots for better digestion to gradually reducing light in the evening and using blackout curtains at night for quality sleep.

The increasing popularity of such routines is part of what seems to be a lasting trend. Nearly a third of consumers exercised to lead a long and healthy life in 2023, a “significant bump” from 2022, US fitness software firm Mindbody found in a survey. About 46% told Forbes in a recent poll that they eat a balanced diet to stay healthy longer, 44% do cardiovascular exercise and 42% take vitamins or other supplements.

Higher demand appears to translate into increased spending in this market. Around 70% of consumers in the UK and the US, and 85% in China purchased more products or services that help with healthy aging and longevity in 2023 than in earlier years, McKinsey said in its latest Future of Wellness research in 2023. Over 60% of those surveyed considered it very or extremely important to buy such products or services.

This is all good news to hotels, as guests don’t want to suspend their health-improving habits while traveling and want to continue with their biohacking activities while on a business trip or a holiday.

'Fitting Longevity Needs into Lifestyle' Continues...

But operators should be more cognizant of how they can better cater to the needs of guests with daily health routines. They may have to look beyond the traditional spa or gym sections to fully showcase their wellbeing offerings, as it is more about the hotel's overall operation, how food & beverage menus are put together or what type of exercise equipment or sleep amenities are offered in the guest rooms.

Hotels need to understand the expectations of this group of consumers and clearly identify appropriate offerings according to the guest profile. Also important is to tailor offerings to the hotel asset. Upper Upscale resorts will have different requirements than those of upper upscale city hotels and their specific features, natural or urban settings and immediate surroundings could define the possible variety and scope of services.

> *Travelers, particularly those who travel frequently for business, consistently express concerns that travel disrupts their health routines — spanning sleep, exercise, and diet — due to inadequate support from their accommodations.*
> *This persistent issue not only influences their choice of hotels but underscores a critical demand: maintaining a healthy lifestyle is essential for their performance, affecting everything from physical stamina to mental acuity, including memory, concentration, focus, creativity, and mood.*
>
> *Dr. Maria Ridao Alonso*
> *Founder and Medical Director, Maison Santé Longevity Clinic, Dubai*

Trend #2

The Rising Influence of Wellness in Branded Residences

by Riyan Itani, Director and Founder, Global Branded Residences

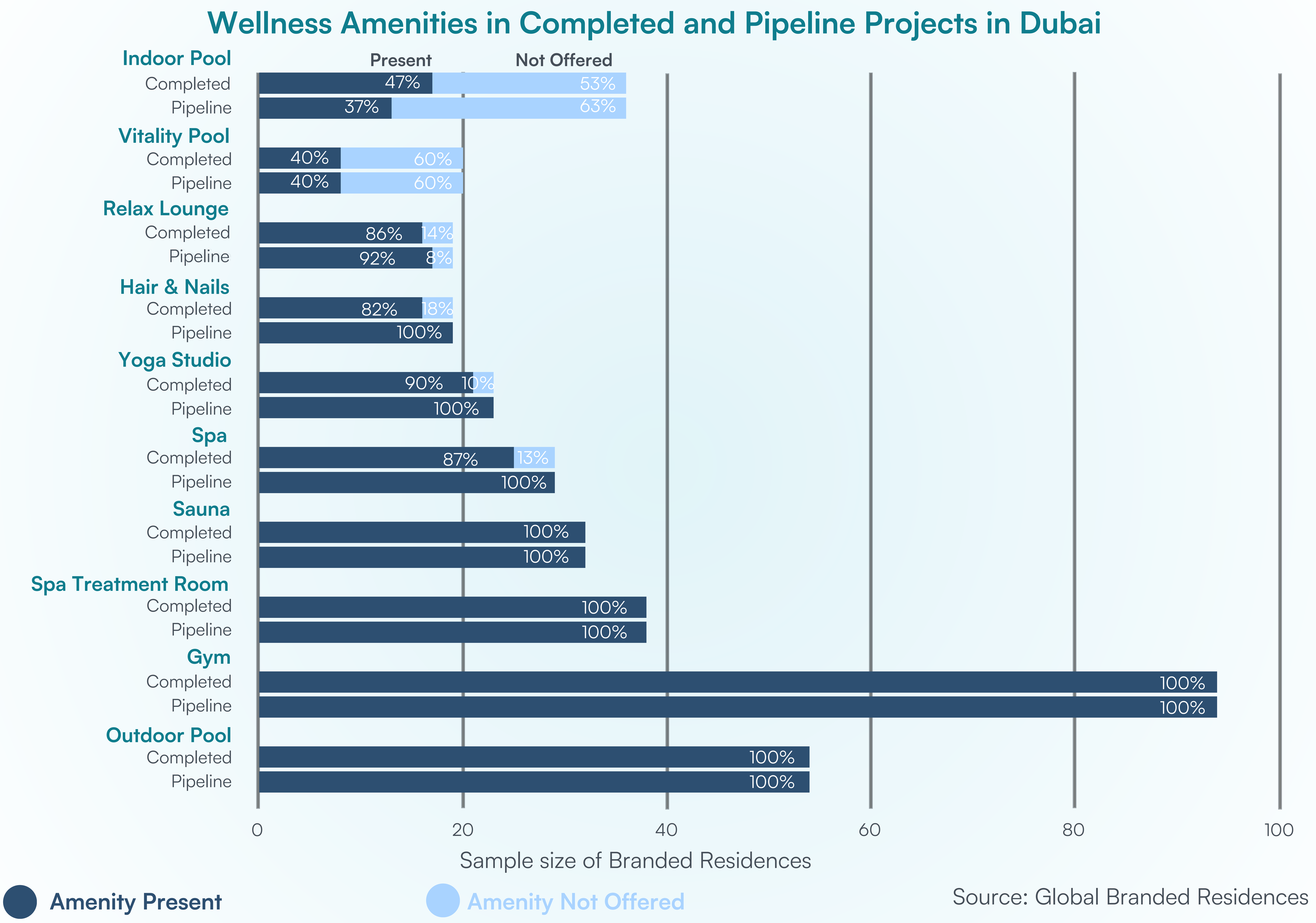
Wellness facilities now form a core element of the value proposition of branded residences developments worldwide, whether in association with a hotel or as standalone developments that exclude a hotel element (even if branded by a hotel operator).

In order to take a deeper dive into the wellness trends in branded residences, GBR focused its research on the world's premier hotspot for branded residences project, Dubai.

> *Dubai is the current global capital for branded residences developments with 54 completed projects and a further 82 developments in the pipeline to be delivered over the next 5 years.*
>
> *Riyan Itani*
> *Director & Founder, Global Branded Residences*

The volume of projects in Dubai enabled GBR to analyse which wellness amenities have been prioritised by developers in Dubai and, by looking at the pipeline of branded residences developments, GBR could identify which wellness amenities buyers are increasingly demanding in the future.

The chart below shows the presence of 10 key wellness facilities in the completed and pipeline projects in Dubai, as well as the total sample sizes per wellness amenity. It should be noted that the sample size analysed for each wellness amenity varies on a case-by-case basis, as data for each project are either not available publicly or are yet to be announced in the case of pipeline developments.



'The Rising Influence of Wellness in Branded Residences' Continues...

The Core - Outdoor Pools, Spa Treatment Rooms, Sauna, and Gym Facilities

In Dubai, outdoor pools, Spa treatment rooms, saunas, and gym facilities are included in all developments within the samples analysed. This trend is observed in both the completed as well as the pipeline developments, showing that these represent the core facilities for the Dubai branded residences market.

The New Core - Spa, Hair & Nail, Yoga Studio

Hair & nail salons are to be included in 100% of the pipeline sample, which is an increase compared to the already completed Dubai developments, where we observed 82% of the analysed sample including this facility within their amenity mix. This could indicate a rise in the importance of including beauty-related facilities within the new Dubai projects. A similar trend is observed with yoga studios and Spa facilities, where we see that 90% and 87% of the completed developments, respectively, had these facilities present, compared to 100% of the pipeline projects.

The Trending - Relax Lounge

The pipeline developments also seem to indicate an increase in the inclusion of a relax lounge facility, as we see the proportion of those projects including the facility increase from 86% (in the completed sample) to 92% (in the pipeline sample).

Business as Usual - Vitality Pools

Comparing the wellness facility mixes of completed and planned developments, we see vitality pools remain in the same proportion — 40% of both completed and pipeline projects sampled. A vitality pool, also referred to as a spa pool or hydrotherapy (hydro) pool, is similar to a hot tub or Jacuzzi but larger in size. They are usually kept at a temperature of around 33ºC to 36ºC and tend to include features such as built-in massaging jets, hydromassage beds and waterfalls to boost wellness and relaxation.

Off-Trend - Indoor Pools

Our analysis shows a decrease in the proportion of pipeline developments that include indoor pools, going from 47% (in the completed sample) to 37% (in the pipeline sample), which could indicate a declining demand for this type of facility. This is the only wellness facility observed experiencing a decrease in upcoming projects. This trend may well be attributable to the fact that the number of co-located hotel-branded developments is decreasing as well in Dubai. Indoor pools often feature as a standard amenity in hotel projects to ensure there is a pool facility off season and in a location such as Dubai with high ambient temperatures for most of the year, indoor pools are being less favoured by developers.

Trend #3

AI Transforms Wellness

Integrating artificial intelligence (AI) in wellness hospitality holds a significant promise for enhancing guest experiences, optimizing operations and personalizing services.

Today's hotel guests tend to have increasingly sophisticated wellness routines, with access to personal health care technology, home wellness and fitness equipment, and online services creating an advanced daily wellness routine that is focused on a range of preventative, curative and performance-enhancing methodologies.

How can hospitality match the expectations of guests and keep pace with these personal healthstyles, and how may AI assist in this process?

- Virtual assistants equipped with natural language processing (NLP) capabilities can interact with guests to provide recommendations, make reservations, and offer guidance on wellness activities and experiences throughout their stay.
- AI-powered guest profiling and data analytics enable hotels to understand guest preferences, behaviours and needs better. The information attained can assist in the delivery of hyper-personalized experiences. Examples of the utilization of data includes customized wellness programs, individual biohacks, linking treatments to physical activities and dietary options.

The analysis of guest behaviours and recognition of patterns enables management teams to make informed decisions about product development, marketing, and resource allocation based on data. Automated scheduling and resource allocation algorithms can streamline staff workflows, allowing wellness facilities to operate more efficiently while maintaining service quality.

Glossary of Terms

ADR	Average Daily Rate
TRevPOR	Total Revenue Per Occupied Room
TRevPAR	Total Revenue Per Available Room
SUC	Spa Utilization Credit
Payroll	Total amount of salaries and benefits
MICE	Meetings, Incentives, Conferences & Exhibitions
Total Operating Profit Conversion	Aggregate of all departmental profits
GOPPAR	Gross Operating Profit Per Available Room
GOP	Gross Operating Profit
POR	Per Occupied Room
Wellness Data	The classification of the wellness data referenced follows the departmental categorisation of health club and spa according to Uniform Systems of Accounts for the Lodging Industry (USALI), the standard way of reporting trading data for the industry.

Sources

1. Definition for wellness real estate: The construction of residential and commercial or institutional (office, hospitality, mixed-use, or multi-family, medical and leisure) properties that incorporate wellness elements in their design, materials and building as well as their amenities, services or programming. Global Wellness Institute (GWI)
2. Reframing your challenge to access untapped potential, RLA Global
3. Wellness definitions, (GWI)
4. Allen R & Harper D 2017, 'Spa Values and how they are determined', in Harper D, Hotels and Resorts, An Investor's Guide, Routledge, 2017, pp 325-346.

RLA® Global

EUBusiness news
European Travel Awards 2024
Winner!
RLA Global
Best International Leisure & Hospitality Advisory 2024

RLA Global is an award-winning, recognized global advisory to investors, owners, developers and management companies. Specialized in hospitality, leisure, recreation, wellbeing and tourism related to hotels, resorts, residential, mixed-use, healthcare, active living communities and destination tourism developments.

RLA Global works closely with the public and private sector in the Americas, Europe, Middle East and Africa to provide conceptual planning, feasibility and financial analysis and asset management of complex properties such as resorts & hotels, health-wellness-medical & spa, leisure experiential and life enhancing destinations.

Americas
+1 707 933 0408

Europe
+36 1 920 1025

Middle East & Africa
+971 4 313 2019

General inquiries: inquiry@rlaglobal.com

rlaglobal.com

HOTSTATS

HotStats is a global data benchmarking company that provides specialized performance analysis and benchmarking platform that services hotels around the world. HotStats collects financial and operational data from 11.000+ hotels globally to provide hotel owners, operators, and investors with valuable insights into the financial performance of their properties against their competitors, an invaluable resource for evaluating investment opportunities and weighing options for prospective investors.

hotstats.com