

WELL AND FITWEL

Wellbeing and real estate trends

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WHAT IS WELL AND FITWEL?



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People spend about 90% of their time indoors and businesses typically spend 90% of their budgets on people. In a well-regarded survey of global corporate executives, 90% reported that they expected to improve their approach to employee wellbeing. It is little wonder why health and wellness have become a dominant concern for the real estate and construction industry.

This “Rule of 90” - as the World Green Building Council has labelled it – demonstrates just how important

it is to provide environments that benefit people. Two important building certifications have been developed to provide guidance and accreditation for healthy buildings – the WELL Building Standard (“WELL”) and Fitwel. Both of these certifications are recent (less than five years old) but have captured the attention of the industry for a simple reason: real estate is the world’s biggest asset class and health and wellbeing is the world’s largest social trend.

In this piece we highlight the main features of the WELL and Fitwel certifications, report on their market penetration (particularly in the UK) and provide some outline costs. We then conclude with some thoughts on how this emerging agenda may continue to develop and affect our clients.

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WELL FEATURES

[WELL](#) was launched in October 2014 and seeks to measure, validate and accredit projects that support and advance human health and wellness. Version One of the standard (which covers most projects under development to date) measures performance across seven categories – air, water, nourishment, light, fitness, comfort and mind.

Earlier this summer, WELL Version Two was launched which contains 10 categories, fewer preconditions and revised pricing/verification procedures. Each of these changes was designed to make WELL accreditation more accessible, inclusive and streamlined.

Under WELL, projects can range from smaller fit-outs to shell and core to entire communities. There are three levels of achievement - Silver, Gold or Platinum – that can be met by satisfying “pre-conditions” and then adding “optimisations” (i.e. points like those with LEED and BREEAM). WELL Certification is administered through the Green Business Certification Inc. (GBCI), which also administers LEED certification.

WELL MARKET PENETRATION

We are aware that a number of clients are looking closely at WELL, including performing gap analyses, but who have not yet committed to the certification process or registered with WELL.

A full list of WELL projects can be found [here](#).

Some headline findings include:

- As of September 2018, there are nearly 1,000 projects totalling more than 180 million square feet across 35 countries
- There are 37 projects listed as completed or underway in the UK
- In the UK, four projects have been certified and 33 are still in process
- Projects may be listed with public details or simply as “Private”. In the UK, there are public details for 17 of the 37 projects

WELL COSTS

At G&T, we have costed out a handful of projects - mostly those looking at achieving shell and core certification and found:

- The uplift for achieving WELL for shell and core is in the range of £1.00-1.50 per square foot on larger projects
- This number is derived from projects that already have a high standard of base build

Our sources tell us that tenant fit-out costs appear to be higher, in the range of a 2-4% uplift, or around £150-£200 per head

As with other certifications, there are registration and consulting fees:

- WELL registration and certification fees depend on your project type and size, and can be seen [here](#)
- Consulting fees are consistent with LEED/BREEAM projects

WELL Certification is valid for three years, with additional [fees](#) for recertification required.



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FITWEL FEATURES

The Fitwel certification, like WELL, was developed and is based in the US. It covers seven health impact categories – community health, morbidity and absenteeism, social equity and vulnerable populations, wellbeing, healthy food, occupant safety and physical activity.

The standard is further divided into 12 sections – location, building access, outdoor spaces, entrances and ground floor, stairwells, indoor environment, workspaces, shared spaces, water supply, cafeterias and prepared food retail, vending machines and snack bars and emergency procedures. There are points available for each section and achievement levels are based on a star rating, with “3” being the highest level.

Fitwel provides a “scorecard” that can be filled out online by organisations themselves, so there is less need for external consultancy. The scorecard includes 55+ evidence-based design and operational strategies that enhance buildings by addressing a broad range of health behaviours and risks. Scorecards are available for the following categories: multi-tenant base building, multi-tenant whole building, single tenant building, commercial interior space and multi-family residential.

To be certified, the information provided online requires external verification by Fitwel. This involves some costs, as outlined over the page.



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FITWELL MARKET PENETRATION

There is no online global registry of projects for Fitwel as there is for WELL, so it is more difficult to get a sense of the full take-up of the standard. Nevertheless, we have been told by Fitwel representatives that:

- To date, there about 400 projects registered in 20 countries
- There are three projects completed or underway in the UK:

Elementa (Integral Group) HQ, Cheapside

Bouygues HQ, Waterloo

BUPA HQ, Angel Court

FITWEL COSTS

We do not as yet have robust figures to report on Fitwel, but the general consensus is that the uplifts are minimal to attain a higher rating.

- Fitwel has flat registration (\$500) and certification (\$6,000) fees, although these may vary depending upon locations outside of the US
- Like WELL, certification lasts for three years and there are additional costs for recertification



SOME FINAL THOUGHTS

As wellness heads towards becoming the next trillion dollar industry (currently at three times the pharmaceutical market) there are few signs of it slowing down. Real estate is just one of the many traditional industries being pulled into its orbit as people make more connections between where they are and how they are.

It is early days for healthy building certifications like WELL and Fitwel, and though the market is growing, the relative market penetration of WELL and Fitwel is still small. Observers of this quickly point to organic food and natural beauty products, two other sectors where market share is small but where healthy product growth greatly exceeds conventional items.

No matter how WELL and Fitwel play out, it is clear that expectations about buildings and what they should provide are rising. Providing a healthy user experience – and knowing how to deliver it – will become something that clients and their service providers will need to consider as the market for healthy environments continues to evolve.