

# THE VALUE OF WELLNESS

**Perspectives on health and wellbeing from commercial and residential property**

## Introduction

Martin King, Director of Business Development, Marketing and Communication, FirstPort

**Wellness, a combination of physical, mental, and social wellbeing, is a concept that has come to the fore in various sectors. It affects all of us – as individuals, businesses, employers and employees – and has been both driven and reflected by policy in health, the labour market and, increasingly, the built environment.**

The spaces we inhabit are key. How can the design and operation of places support greater wellbeing? What more can be done from our sector and from policy makers to reflect the wellness agenda? How is wellness best measured and what metrics can we use to show its value?

If proof were needed of the importance of the wellness agenda, the question of measurement is being debated on an international level as the UN sets Sustainable Development Goals for its member states.

The commercial property sector is waking up to the value of wellness, recognising that a healthy employee is a productive one, and that building design, amenities and operational culture can help create healthy, vibrant – and more profitable – working environments.

The workplace is more than square footage and increasingly forms part of a business's offer to its employees. The rapidly expanding co-working

sector is demonstrating the importance of culture, comfort and high quality design for businesses and their workers.

Employee wellbeing is a determinant of workplace performance, but wellness at work actually begins at home. Home and neighbourhood are increasingly relevant to the commercial sector.

Ensuring wellbeing at home is important in terms of long-term value creation, too. With the rise of Build to Rent and increasing demands in residential, the property sector is waking up to the fact that wellbeing is more than a corporate social responsibility trend; by improving buildings to help people work, live, perform and feel their best, we can create clear value for customers.



This briefing paper accompanies the wellness briefing for residential and commercial property industry professionals, hosted by FirstPort and held at the Mondrian London at Sea Containers on Wednesday 16th May 2018.

# Planning for wellness

Embedding health and wellbeing in the heart of new developments

Louisa Nie, Senior Development Manager, Grosvenor

There is a wealth of evidence showing that the built environment is critical to improving health and wellbeing among populations. Building homes, neighbourhoods and communities in the right way can contribute to healthier lifestyles, something now clearly acknowledged by the NHS.

## THE HEALTH IMPERATIVE

The NHS has set out three gaps the health service must close to be sustainable into the future:

- The **HEALTH** gap – through the improvement of prevention mechanisms
- The **CARE** gap – through re-designing how we deliver health and social care services
- The **FINANCIAL** gap – delivering greater efficiencies within the NHS funding base

The housing and health service crises meet when we design new places to live. New settlements, according to the NHS's Five Year Forward View (October 2014), "offer the opportunity to design modern services from scratch, with fewer legacy constraints – integrating not only health and social care, but also other public services such as welfare, education and affordable housing."

Building new towns from scratch allows the vision for a community to be framed around health and wellbeing from the outset. Places can be built as safe, accessible and conducive to walking and cycling; outdoor spaces can be planned to encourage community interaction; and parks and open spaces can be woven into the fabric of communities, with residential and commercial uses created around them. This ambition is reflected in the Sustainable Development Goals set by the UN. Goal 11 notes that "better urban planning and management are needed to make the world's urban spaces more inclusive, safe, resilient and sustainable."

**"Amongst the most significant influences on population health is the built environment, which is intrinsically linked to our opportunities for an active and healthy lifestyle."**

Keir Shillaker, Deputy Director,  
Strategy Group, NHS England

## THE PLANNING CONTEXT

How do we integrate healthy living into our urban fabric?

The Urban Land Institute's **Building Healthy Places Toolkit** (2015) made several recommendations for how good design in the residential sector can contribute towards health.

### • PHYSICAL ACTIVITY

- Design well-connected and enticing street networks at a human scale
- Provide infrastructure to support biking and high-quality space for multigenerational play and recreation.

### • HEALTHY FOOD AND DRINKING WATER

- Support onsite gardening and farming
- Promote healthy retail.

### • HEALTHY ENVIRONMENT AND SOCIAL WELLBEING

- Facilitate social engagement
- Increase access to nature.

The **Town and Country Planning Association** (TCPA) makes similar recommendations, focusing on movement and access, open space, and high quality, human scale buildings. The association also promotes design that results in access to diverse food outlets, community and health infrastructure, and local industries, services and facilities.

While some developers have always – to a greater or lesser extent – been interested in these ideas, in recent years they have taken on a more "explicit public health perspective" according to the TCPA, helping to build on the Garden City principles of the early 20th century.

## THEORY IN PRACTICE: BARTON PARK

Barton Park is a major development that has been drawn up in partnership between Oxford City Council and Grosvenor. Together, they have set out to create an integrated, vibrant neighbourhood with a clear sense of place and identity.



Partnership has been critical – the interests of the two partners are complementary and their shared placemaking objectives are focused on: place, community, function, landscape, street, and healthier lifestyles.

The award winning masterplan for the development – “a 21st century garden suburb” in one of the UK’s most physically constrained cities – will provide 885 new homes (40 per cent at social rent), and new community facilities including schools, community hubs, parks and public squares. The development was selected as an NHS Healthy New Town demonstration site in 2016.

Importantly, Barton Park is also seeking to serve existing communities nearby. There is a significant health gap between Barton (the existing community that will neighbour the new development) and the rest of Oxford. The council and Grosvenor want to help bridge this gap.

The partners are cultivating a grassroots approach – building on existing initiatives in the area and avoiding a top-down, prescriptive, approach. This means the new environment must be built in the right way, but also activate communities – both existing and new – to make the most of it.



**The partners at Barton Park want to:**

- **BUILD THE RIGHT ENVIRONMENT**, through:
  - smart street design and public space, including linear parks and greenways
  - providing the right infrastructure
  - creating the right kinds of community facilities – education, sport, recreation – and enabling effective use of space.
- **ACTIVATE WELLNESS**, by:
  - supporting existing and new local schemes and groups, including initiatives such as: food education classes; reminiscing workshops; healthy cookery classes; and mental health support programmes
  - avoiding segregation between new and old – this requires early and genuine community engagement with the wider area
  - applying a real understanding of the local area and its economy.



# The business case

The value of wellness in the commercial and residential sectors

Ashley Bateson, Partner and Head of Sustainability, Hoare Lea

The sustainability agenda has changed. Formerly about resources and energy efficiency alone, now we're increasingly interested in a more holistic definition of sustainability, one which emphasises health and wellbeing.

There is often a false distinction drawn between wellbeing in the residential and commercial sectors. In reality, the same factors affect our health both at home and in the workplace. Putting people at the centre is therefore important in the design of all buildings.

To this end, planning and design need to be aligned to the requirements of the occupant. Take Build to Rent as an example: when the end operator is involved from an early stage they can provide an important long-term view as they will hold a long-term stake in the asset. This helps create a thread of continuity from design, through to build and operation.

The imperative in the commercial sector is clear too. The greatest cost to a business, according to the UK Green Building Council, is not rental costs or other overheads such as energy, but 'occupants'.

Meanwhile, from an employee perspective, nearly half of people say workplace environment is important to them. This translates into profitability – according to Hoare Lea's Wellness Together research project it's 30 per cent higher in businesses where staff are fit and healthy.

## Wellness at work translates into profitability

(Wellness Together research project, Hoare Lea)

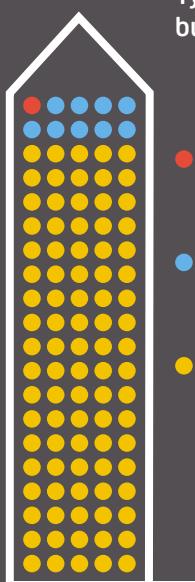
**48%**  
said 'workplace design' impacted decision to stay with firm

**30%**  
higher profit in firms with employees that feel physically and mentally fit

The figures speak for themselves: time and effort can often be spent most effectively taking steps to improve the productivity of a business's workforce. The research project has also shown there is a "strong correlation between productivity, creativity and even profitability with employee working conditions, such as: light, air, noise, health, culture, design, movement and the quality of furniture."

**Better environment = better wellbeing  
= better productivity**

### 90 per cent of business costs are attributable to talent



Typical annual business costs	A 10% variation applied equally to each cost has a far from equal impact
• 1% Energy costs	+/- 0.1% Energy costs
• 9% Rental costs	+/- 0.9% Rental costs
• 90% Staff costs in salaries and benefits	+/- 9.0% Staff costs

## WHAT DETERMINES WORKPLACE WELLBEING?

- **LIGHT:** This is probably the most important factor – quality and quantity of daylight both have a significant impact on wellbeing
- **DESIGN:** Including layout, occupation density and ergonomics
- **INDOOR AIR QUALITY AND YEAR-ROUND COMFORT:** Design should account for different seasons and weather variation
- **AMENITIES:** Including somewhere to shower, eat, relax, meet
- **WORKPLACE PRACTICES:** These remain critical – people still need to get on with colleagues and enjoy a good relationship with management. Yet good quality design can encourage constructive interaction with colleagues and help support a collaborative culture.

## HOW DO WE MEASURE IT?

We can measure energy consumption and efficiency by analysing cost and applying measurement technology, but how do we measure broader concepts such as sustainable design?

Basic certificates, such as those for energy performance, are widespread. But more holistic measures for measuring sustainability and wellness are in their infancy. One such measure, the WELL Building Standard, offers an evidence-based approach using seven design concepts – air, water, nourishment, light, fitness, comfort and mind – to consider how the built environment affects the body.

## IF LANDLORDS WON'T MEASURE IT, TENANTS WILL

While there isn't a single measurement of what constitutes a healthy space, one thing's for sure: consumers value it, and are keen to find it. People are more and more information hungry, and it is increasingly cost effective to measure factors such as air quality and temperature. It's up to developers, landlords and managing agents to ensure that their product is up to scratch. The value is clear: 30 per cent of people say they will pay more for a healthy home. Try flipping this question – how many people would be happy to live in an unhealthy home?

The old fashioned stuff is important too – adequate space, for example, continues to be a key driver in what people look for in a property. In European terms the UK is a relative outlier, lacking proper space regulation, which has arguably led to an inclination to cram more and more homes into less space, often leading to dissatisfaction among customers. While many traditional models of housing delivery are outdated, careful consideration needs to be given to how we replace in home amenities such as living areas and storage space.

## EXPECTATIONS ARE INCREASING IN (AND OUT OF) THE WORKPLACE

Work is increasingly something you can do anywhere and not necessarily a place you go to. The ability to provide more flexibility and agile working, demanded by an increasingly digital native workforce, is pushing up expectations of the quality of the workspace. A younger, more dynamic generation is experiencing more flexibility in day-to-day life and this is increasingly demanded in the workspace too. People are rightly asking: if I can be comfortable when I work from home, why shouldn't I be comfortable when I work at work?

# Getting the work-life blend right

How to improve the wellbeing of the individual

**Christopher Allen, Head of Workspace Consulting,  
Morgan Lovell**

Wellbeing is mental and physical health. While it doesn't take long to conjure up a prescription for a healthy physical life, doing the same for our mental health is more challenging – it's still unclear or too scientific.

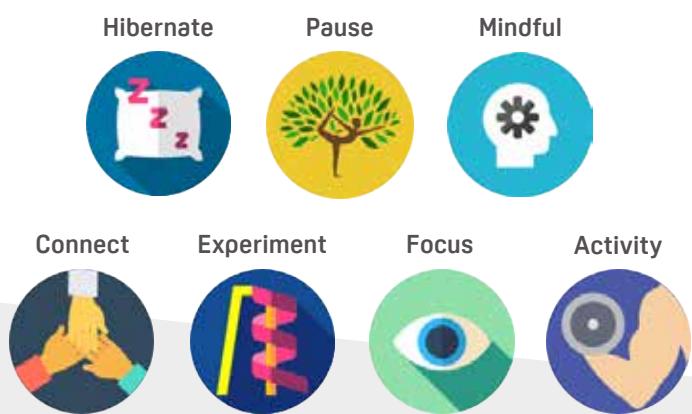
The optimal workplaces and homes allow people, technology and place to work together in harmony to promote lifestyles that suit the need of the individual. Wellness shouldn't be rooted in one or the other.

## THE HEALTHY MIND PLATE

We understand optimal physical wellbeing, but mental wellbeing is often more abstract. If we can look after our bodies through a balanced diet and exercise, then what is the equivalent for our minds? A business can't simply address wellness at work by providing fruit bowls and yoga classes. It's a start, but what are the factors that can help get your mind into the best possible shape to think and work?

The Healthy Mind Plate is a concept developed by academics, Dr David Rock and Dr Daniel Siegel.

Like a healthy body, a healthy mind also requires careful and active cultivation, with seven elements for the ideal 'diet' for our brains to thrive. Further research is needed to determine the extent of each element, but each activity makes a unique and positive contribution to wellbeing and productivity.



## **1. HIBERNATE to refresh**

It's important to refresh the mind and body. Good quality sleep is critical for consolidating memory and aiding productivity. The golden rule of thumb is to have one hour of sleep for every two hours we spend awake.

There is growing evidence that working with, not against, our circadian rhythm (our biologically determined daily cycle) is a key factor to improving long-term health.

Businesses are introducing 'sleep pods', 'snooze-friendly policies' and areas to rest at work. Although a 20-minute nap is effective, it's important to recognise these should not – and cannot – replace the need for adequate sleep at night time.

## **2. PAUSE to disconnect**

We need to disconnect for insight, to take time for ourselves and connect with family and friends – but how does this fit in the context of home / work blend?

Businesses, such as Volkswagen, BMW and Reboot, prevent the server sending out work emails during non-work hours. Will the future be a shift from an individual decision to disengage to an organisational, or even governmental decision?

Whether it's your daily commute, physical activity, or a form of meditation, we all need to remember the importance of 'white space' – the transitional place between home and work. The blur between our home and working lives shouldn't creep into our important time-out – it's crucial to set boundaries and create breathing space.

## **3. BEING MINDFUL to reflect**

Too often, we're on autopilot – our attention is absorbed in our wandering minds and not really present. Research shows the more our minds wander, the less happy we are, and we tend to get lost in 'doing'. How often are we truly present in the moment?

Once our survival needs are met, mindfulness is the single most important determining factor of happiness. It's not about emptying your mind, but about consciously paying attention in the present moment. It's important to practice it frequently – after 8 weeks, there can be changes to brain activity.

We should ask: how can our home and work environments promote this? And do we need them to? Paying attention to small parts of your life, such as routine activities, is the first step towards being more mindful.

## **4. CONNECT to energise**

Connecting with those around us, with colleagues, friends and family, and with our purpose. This is important to creating more engaging and happier workplaces.

How do you create a water cooler moment for the digital generation? The quality and frequency of the connections made are strong predictors of your performance. We need to design places that encourage spontaneous and genuine encounters in the workplace. Work should become somewhere you want to be, rather than somewhere you have to go.

## **5. EXPERIMENT to innovate**

Experimentation breeds innovation. There's value in trying something new, even if it doesn't work first time. You may learn more than expected about your workplace, your team, or yourself. Availability of different spaces is important and can be seen as a perk that reinforces the sense that staff are valued.

## **6. FOCUS to perform**

The goal with performance is not endless activity, but sustainable engagement. If we want to perform, we need to be able to focus effectively and engage with what we're doing. How can we design the workspace, and working day, to ensure we can do this, and avoid moving between multiple tasks at the same time? Consider how different things would be if we started the day after a good night's sleep, with morning mindfulness, using our restored minds to prioritise the activities of the day ahead.

## **7. ACTIVITY to replenish**

It's important to cultivate a culture of activity at work, whether designing spaces to encourage stair use instead of lifts, or providing space for physical exercise at work. Fuelled with productivity and competition, it's often difficult to put our wellbeing first. 'Activity' encourages our happy hormones, aiding motivation and concentration, reducing stress.

# Conclusions

Whether operating in the residential or commercial sector, as professionals in the property industry we need to properly articulate the value of designing and maintaining healthy places which encourage wellness.

It's often the 'second order' effects that are most important. The upfront cost of taking steps to improve spaces in health terms can be marginal when compared to the benefit in the long run. At FirstPort, it's clear to us that the investor and developer community is taking an increasingly long-term view, understanding that operational costs can be reduced through effective design and planning of spaces to promote healthy lifestyles.

The aftercare is vital too. The property management sector needs to appreciate that wellness is more than an on-trend word and requires more than lip service. Whether it's commercial or residential,

property design needs to be managed and maintained with understanding and care.

The benefits of investing in wellbeing need to be effectively communicated to customers, and we need better metrics to measure success. Counting the number of bedrooms in a property or listing its energy efficiency won't give a full enough picture. Customers need us to demonstrate tangible outcomes in human terms.

This means moving beyond traditional measures for wellbeing and sustainability. We should focus on people and outcomes, rather than process.

Finally, with the individual at the heart of the concept, we should remember that a broad brush approach to wellness won't cut it. Whether it's in the workplace, at home, or in the community, we need to design and create spaces to suit increasingly diverse needs.

## Meet the speakers



### Martin King

Director of Business Development, Marketing and Communication, FirstPort

Martin joined FirstPort in 2016 having left CBRE Asset Services and Rating where he was Head of Business Development.

A member of the Institute of Directors with over 15 years at board level, Martin has a wealth of experience in delivering increased sales and sustained company growth.



### Louisa Nie

Senior Development Manager, Grosvenor

Louisa is a Senior Development Manager from Grosvenor's Strategic Land business. She is working on Barton Park, a 94-acre residential-led scheme to the north-east of Oxford, England.

Louisa joined Grosvenor Britain & Ireland in 2012 and qualified as a chartered surveyor in 2014. Prior to working on Barton Park, Louisa worked on delivering the Southampton Arts Complex – a mixed use development in Southampton city centre, and a number of luxury residential developments in central London in partnership with Native Land.



### Ashley Bateson

Partner, Head of Sustainability, Hoare Lea

Ashley specialises in resource efficient building design and sustainable development. His research interests include wellbeing and performance evaluation of buildings.

With project experience in most property sectors, including residential, workplace, retail, education and mixed-use regeneration, Ashley delivers projects of high environmental performance that work well for the occupants.

Ashley is Vice President of the Chartered Institution of Building Services Engineers (CIBSE) and currently chairs the CIBSE Homes for the Future Group.

He is a member of the RIBA Sustainable Futures Group and sits on the design review panels for the Design Commission for Wales and the Cambridge Quality Panel.

### Christopher Allen

Head of Workspace Consulting, Morgan Lovell

Christopher joined Morgan Lovell in 2017 as Head of Workplace Consulting. Prior to this he was Head of Client Strategies & Management Consulting at CBRE, having previously led their Global Corporate Services Workplace Consulting team.

Christopher is a change management leader and describes himself as a workplace anthropologist. He is deeply interested in the future of work and helping people have better lives.

A former Army Officer, Christopher spent twenty years in the Parachute Artillery. He is a Chartered Manager and Fellow of the CMI and ILM.

## Like to explore more?

FirstPort is the UK's premier property management group, spanning 184,000 homes across more than 3,900 developments in the residential, retirement and luxury markets. With a 40-year track record, we offer home builders and institutional investors a uniquely scalable combination of residential property planning and asset management backed by our national reach.

If you would like to discuss the findings from this paper in more detail, or if you would like to learn more about the comprehensive range of expert residential management services we provide, then come and talk to us.



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