

# american spa

## Living the Spa Life

Canyon Ranch raises the bar for the industry with a residential community designed to promote health and wellness.



An oceanfront Canyon Ranch Café will serve nutritious gourmet cuisine.

ALTHOUGH A FEW HOURS SPENT AT A LOCAL DAY SPA OR A WEEK AWAY at a destination spa can have a profound effect in restoring a person's equilibrium, these visits can also serve to reveal the overall lack of balance most people typically experience in their day-to-day lives. With a renewed sense of self, many return to the stresses and frustrations of their everyday lives determined to maintain a new state of mind. Unfortunately, change can be fleeting. All too often, many soon find themselves falling prey to old patterns and bad habits. With this in mind, Canyon Ranch recently announced the development of its first healthy living residential community, Canyon Ranch Living, in collaboration with WSG Development Company and with financing from a major Wall Street investment bank. Located in Miami Beach and scheduled to open in 2005, the six-acre oceanfront property will feature 151 condominium-hotel

suites and 467 condominium residences in addition to a variety of traditional Canyon Ranch facilities and services. "Canyon Ranch Living is the natural evolution of the Canyon Ranch experience," says Mel Zuckerman, founder of Canyon Ranch. "The project is the fulfillment of Canyon Ranch's longtime mission to develop a community where residents can embrace the joy of healthy living."

According to Canyon Ranch executive vice president and chief strategy officer Kevin M. Kelly, the idea came in response to 25 years of anecdotes from guests about their experiences at Canyon Ranch. Many spoke of their incredible transformations but lamented the fact that support systems weren't available to maintain the healthy changes they had made once they returned home. "We began looking at the idea of how to bring Canyon Ranch into everyday living," says Kelly. What sealed the deal was a

psychographic study Canyon Ranch commissioned in 2002 from market research firm American LIVES. Conducted in nine major U.S. markets, the values-based study examined the thoughts and preferences of respondents in regards to a residential wellness community. According to Kelly, the study revealed that people valued a sense of place and community. They also cared about wellness from an aspirational sense in that it was more about the hope and joy derived from wellness-related activities. The study also confirmed that there was a market for multiculturalism with 47 percent of respondents indicating that they wanted a more diverse community. It is these xenophiles that Canyon Ranch is looking to attract. The study also linked environmentalism with health and wellness. “We commissioned this study because we recognized the need to develop a community such as Canyon Ranch Living that will represent the next phase in healthy living—a viable place for living, raising families, and interacting with others,” says Kelly.

#### The Ideal Location

Several factors were taken into consideration when choosing the setting for Canyon Ranch’s first healthy living residential community. The first was finding the right person to bring the project together. “We had to find a developer who shared our philosophy,” says Kelly. “There are a number of new variables that come into play with a project of this nature. You can’t just use an old template.” In the end, the

right person came to them. Fellow Canyon Rancher Philip Wolman, chairman of WSG Development, not only shared the same vision but also came prepared with the ideal location. On a visit to Canyon Ranch, Wolman scheduled an appointment with Zuckerman to discuss a property his development firm had recently acquired. According to Wolman, his five-minute business proposition turned into a three-hour meeting. In a stroke of serendipity, his timing couldn’t have been better. Canyon Ranch had recently commissioned its American LIVES study and was ready to move forward with the idea of a residential community committed to healthy living.

Fortunately, Wolman’s proposed location fit the criterion imposed by another consideration—that the community be set in a warm-weather destination with beach access. According to Kelly, industry research indicated that people prefer to visit spas in warmer climates. In fact, Canyon Ranch’s own study revealed that when asked where such a community should be developed, 73 percent specified a warm climate. A majority of respondents also expressed a desire for it to be near an ocean or a lake. The final criterion was that the setting be in a secondary-home market. “Building the community in a secondary-home market gives us a better absorption rate,” says Kelly. “Ultimately, we expect to build Canyon Ranch Living communities in primary-housing markets so the lifestyle is incorporated into one’s routine.” Meeting all the requirements, Miami Beach was ultimately chosen as the ideal



A 60,000-square-foot Spa & Fitness Center is planned for Canyon Ranch Living.

Condominium-hotel suites  
will be custom designed  
and fully furnished.



location. Canyon Ranch Living will be built on the oceanfront site of the historic Carillon Hotel, which has been closed since 1987. Plans call for the former hotel to be renovated and preserved as part of the development. The architectural firms of The Rockwell Group (New York City) and Arquitectonica (Miami and New York City) have been chosen to design various aspects of the project.

### The Healthy Highlights

Canyon Ranch Living will feature a 60,000-square-foot state-of-the-art Spa & Fitness Center, complete with ocean views. Wellness services will be available at a Canyon Ranch Health & Healing Center, where private consultations and workshops in lifestyle change, transition, and stress management are planned. Residents of the community will also be able to take advantage of personalized programs for weight loss, disease prevention, nutrition, and more. In line with Canyon Ranch's healthy philosophy, the community will be a smoke-free environment with the exception of private residences and limited designated areas. An oceanfront Canyon Ranch Café will be on-site to serve nutritious gourmet cuisine. In a departure from Canyon Ranch's other restaurants, the Café will offer alcoholic beverages. A juice bar will also be available. Taking advantage of the natural setting, Canyon Ranch Living will

feature walking and biking paths along the beach and common areas ideal for water sports and relaxation. A full array of concierge services will also be available.

### The Cost of Good Living

Buying into this healthy community doesn't come cheap. Custom designed and fully furnished by designer David Rockwell of The Rockwell Group in New York City, the condominium-hotel units start at \$450,000 for a one bedroom with a bath. The units can be enrolled in a hotel rental program or used as individual condominiums. "If the owner enrolls the unit in the Canyon Ranch Hotel Rental Program then they have the right to use the unit between thirty and thirty-six days a year," says Kelly. "The balance of the time the unit has to be available as a hotel unit. If the unit isn't rented for the night by the hotel operator then the owner can also use the unit beyond the guaranteed thirty to thirty-six nights." Designed by Arquitectonica, two new condominium towers will feature one-, two-, three-bedroom, and penthouse residences. Prices start at \$355,000 and can go as high as \$3 million. According to Wolman, prices are escalating based on demand. However, the hefty price tags don't seem to be a deterrent to those interested in the community's range of amenities. Kelly reports that approximately 280

units have been spoken for as of January. “We’re selling a lifestyle,” says Wolman. “And we’ve got Canyon Ranch’s twenty-five years of programming experience behind us.”

### The Challenges

Staking its reputation on this project, Canyon Ranch faces multiple challenges associated with a venture of this magnitude. The company also has much to gain, as do the future residents who take advantage of the opportunity to embark on a healthier lifestyle. Execution is key. According to Kelly, it’s important that the company deliver on the Canyon Ranch promise. For that reason, no unit will be released until it fulfills that promise. Then there is the challenge of building a new staff infrastructure. In an

industry where staffing is always an issue, finding qualified help is never an easy task, especially when standards are high. “It’s important that we not be seduced by the reaction of the marketplace,” says Kelly. “We need to maintain our mission, stay focused, assure brand consistency, and remain humble.” Ultimately, Canyon Ranch Living will give people the opportunity to commit wholeheartedly to the ideas that the spa industry has been championing for years by incorporating them into their everyday lives. “We hope Canyon Ranch Living can provide people with the programs, philosophy, and support found in our immersion resorts and make these services accessible in their daily lives,” says Kelly. “Thus, allowing people to live a more balanced, mindful, and healthy life.”—*Heather Mikesell*

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