

# A Well of Opportunities

Wellness and Healthcare in Southeast Asia

February 2025





# Executive Summary

The remarkable growth of the wellness economy signals a profound shift in societal priorities. Healthcare has transformed from a passive to an active experience, as consumers increasingly take ownership of their health, expect enhanced services, and demonstrate a greater willingness to invest in wellness.

In Southeast Asia (SEA), the wellness and healthcare real estate (RE) sector is experiencing rapid growth and is expected to continue its upward trajectory. SEA is uniquely positioned to capitalise on the global embrace of health and wellness as a lifestyle priority. With an ageing population and rising affluence, the region is redefining its approach to health and longevity, making it a prime hub for wellness, innovation and investment.

SEA has also emerged as a premier hub for medical tourism, with **Thailand**, **Malaysia**, and **Singapore** at the forefront. The appeal is especially compelling in these three key SEA markets, where various wellness and healthcare related opportunities in the RE sector are evolving rapidly. This presents unique opportunities for investors to create long-term, sustainable investments that capitalise on changing demographics and the growing demand for wellness and healthcare.



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## A New Era of Wellness

The Global Wellness Institute (GWI) has described wellness as “the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health”. This goes beyond physical health to include mental, spiritual, emotional, social, and environmental well-being, supporting a balanced and fulfilling lifestyle.

While the COVID-19 pandemic presented unprecedented challenges, it also sparked a renewed focus on health. Consumers have emerged with heightened awareness, sensitivity and commitment to health and wellness in the post-pandemic era.

## Favourable Trends in SEA Supporting the Wellness Economy

### 1. CHANGING DEMOGRAPHICS - TOWARDS “AGEING SOCIETIES”

Local populations within SEA are expected to age rapidly, driven by declining birth rates and longer life expectancies.

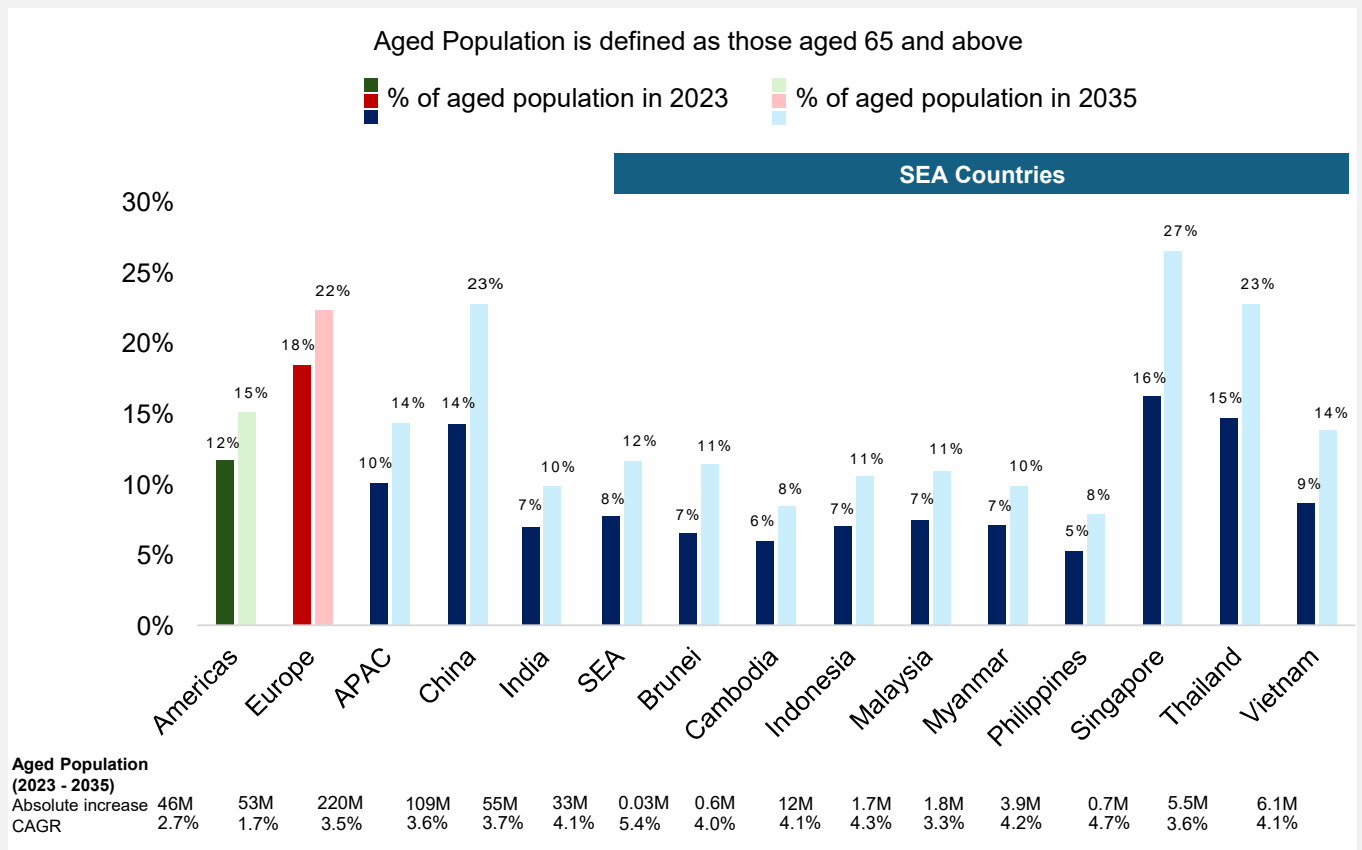
Consequently, the population aged 65 and above in SEA is projected to increase by 32.7 million between 2023 and 2035, reflecting a compound annual growth rate (CAGR) of 4.1% and bringing the proportion of ageing population to 11.6% by 2035 (Figure 1).

Classified by World Health Organisation as “ageing societies”, Thailand and Singapore are expected to see the most pronounced impacts, with the proportion of the ageing population reaching 22.8% and 26.5% respectively by 2035, on par with many European countries<sup>1</sup>. This demographic shift is spurring a “longevity economy”, creating higher demand for health and wellness services, preventive and diagnostic medicine, and senior housing facilities.

### 2. AFFLUENCE MEETS HEALTH - RISING LEVEL OF WEALTH FUELS WELLNESS SPENDING

SEA’s gross domestic product (GDP) is forecasted to expand by 4.6% in 2024 even as growth worldwide slows to 2.7% over the same period. By 2035, SEA’s pace of economic expansion is expected to surpass that of major economies like the United States (U.S.), Europe as well as the wider Asia Pacific (APAC) region (Figure 2).

Figure 1: Ageing Population in SEA in Comparison with Other Regions



Source: CLI Group Research, Oxford Economics, February 2025

1. Source: Oxford Economics, November 2024.

**Figure 2: SEA GDP Growth in Comparison with Other Economies**

GDP Growth	10-year Historical Average (2014 - 2023)	10-year Forecast Average (2024 - 2035)
<b>SEA</b>	<b>3.9%</b>	<b>4.3%</b>
APAC	4.3%	3.4%
U.S.	2.5%	2.1%
Europe	1.8%	1.4%
World	2.8%	2.5%

Source: CLI Group Research, Oxford Economics, February 2025

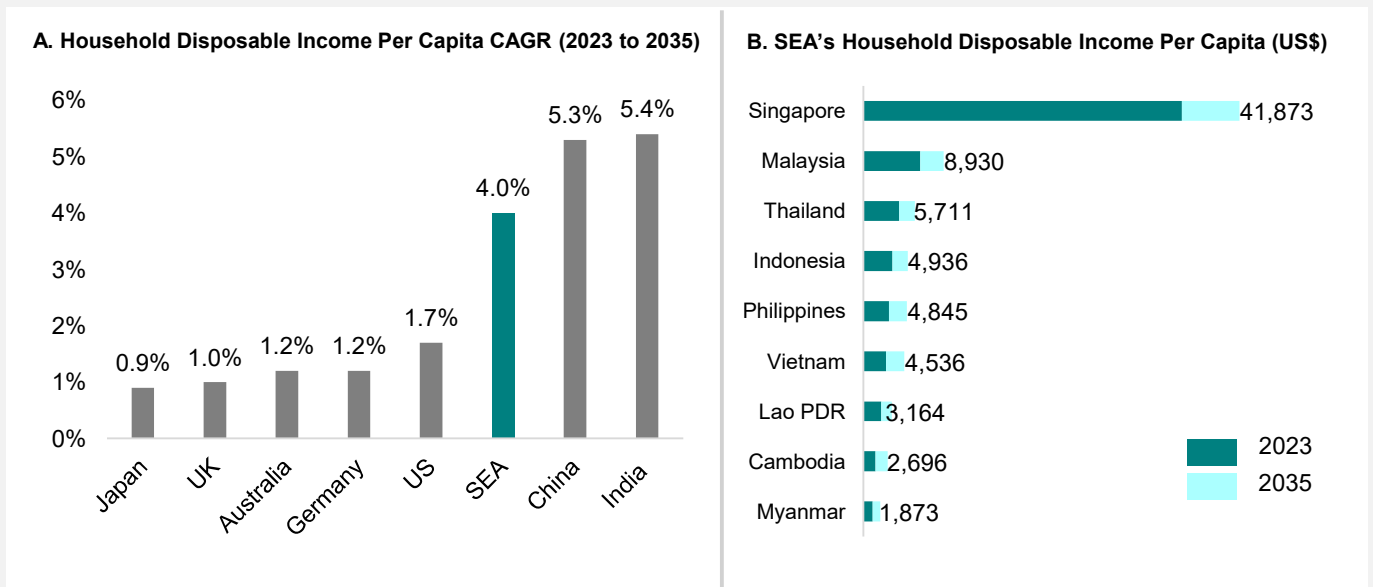
For SEA countries including Singapore, Malaysia and Thailand, approximately 5.5 million households will be added to the high (>US\$25,000 disposable income) and upper middle income class (US\$10,000-US\$25,000 disposable income) by 2030<sup>2</sup>. On average, household disposable income per capita in SEA is projected to grow at a CAGR of 4.0% between 2023 and 2035, ahead that of other developed countries in APAC and globally (Figure 3).

Total consumer healthcare related spending in SEA registered US\$92 billion in 2023, reflecting a 10-year CAGR of 6.1%.

This is expected to more than double to US\$234 billion by 2035, at a CAGR of 8.1%. In 2023, more than half of the expenditure went towards the purchase of medical products, appliances and equipment, driven in part by consumers taking a proactive approach to managing their health. Meanwhile, outpatient services and hospital services contributed 31.3% and 18.3% of total spending, respectively<sup>3</sup>.

Overall, rising affluence is driving a heightened focus on wellness and healthcare, with consumers prioritising preventive care, fitness, and quality of life with the goal of improving their health and wellness.

**Figure 3: SEA's Household Disposable Income**



Source: CLI Group Research, Oxford Economics, February 2025

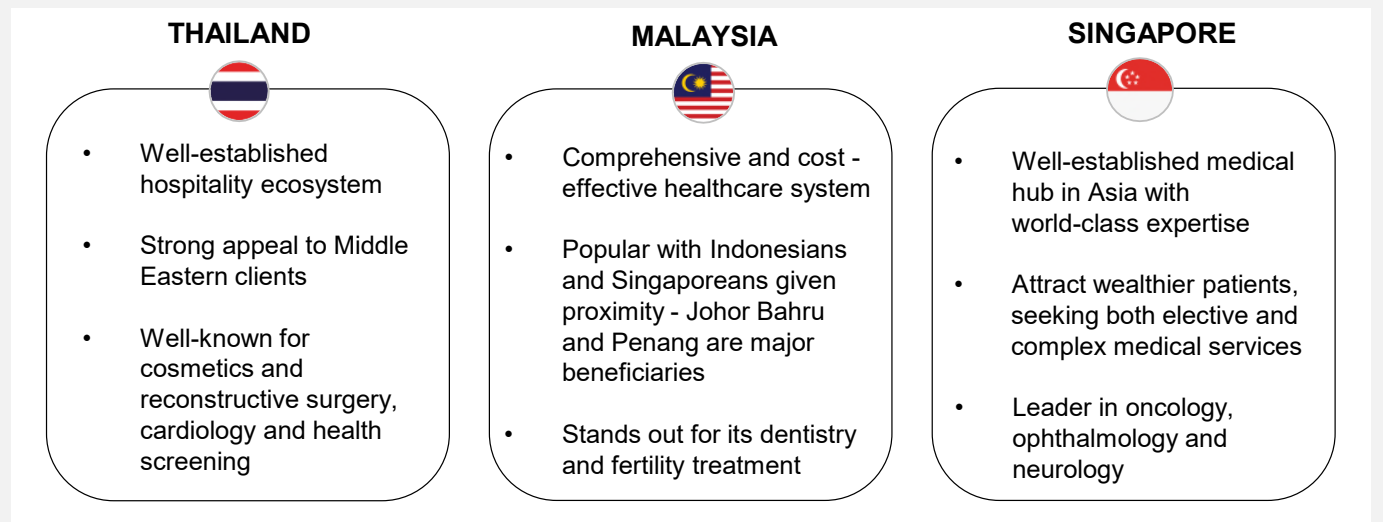
2. Source: Meta, Bain & Company, DSG Consumer Partners - "Bold moves: Leading Southeast Asia's next wave of consumer growth", October 2023.  
 3. Source: Oxford Economics, November 2024.

### 3. GROWING MEDICAL TOURISM - SEA'S EMERGENCE AS A PREMIER GLOBAL HUB

While the domestic client base for healthcare-oriented and wellness services is growing rapidly across SEA, international consumers are increasingly becoming a substantial part of the mix. SEA, with its appeal in terms of climate, culture, and relatively lower service sector costs, has emerged as a premier destination for medical tourism. Thailand, Malaysia and Singapore are the largest medical tourism markets in SEA, generating revenue of US\$850 million, US\$444 million and US\$250 million in 2023 respectively<sup>4</sup>.

These markets offer a combination of advanced medical facilities, skilled healthcare professionals, and competitive prices that appeal to international patients (Figure 4). Health screening and diagnostic services, as well as procedures ranging from cosmetic surgery, dental care to specialty treatments and surgeries are widely sought after in the region, with each country developing reputations for excellence in specific fields. Many hospitals and clinics in the region are internationally accredited by Joint Commission International<sup>5</sup>, ensuring high standards of care. They cater to a global clientele while increasingly integrating wellness services into their portfolios.

Figure 4: Competitive Advantages and Key Clients of Thailand, Malaysia and Singapore Medical Tourism



Source: CLI Group Research, JP Morgan, February 2025

### A Growing Opportunity for Wellness Real Estate

Wellness RE<sup>6</sup> includes assets that are designed, built and operated to promote the holistic health of its residents, incorporating a broad range of concepts that can extend beyond the traditional scope of primary healthcare. These assets can be broadly categorised into two main segments: Living and Healthcare, as shown in Figure 5.

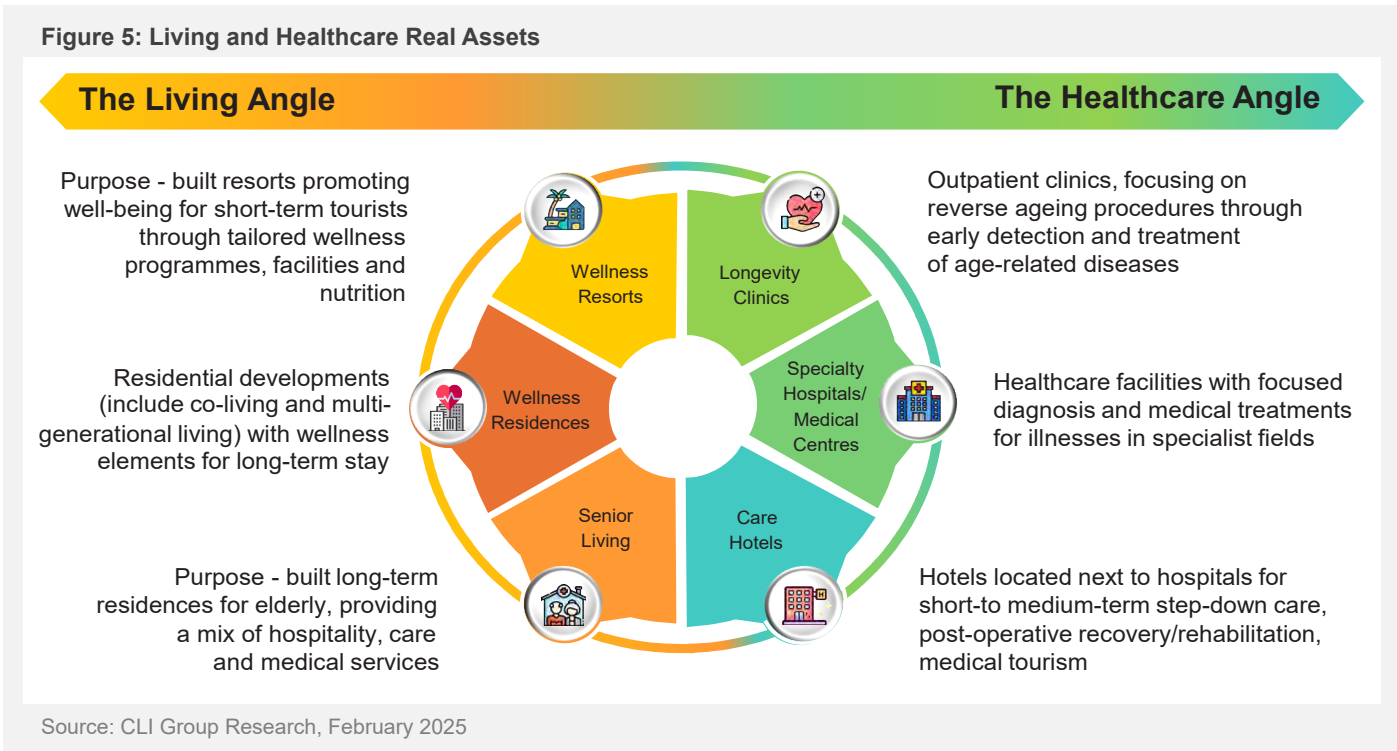
Living-oriented facilities typically include residences or resorts designed for both short-term and long-term stays with wellness

features/programmes and generally lower levels of medical care required. In contrast, healthcare focused assets are specialised facilities dedicated to diagnostics, treatments, rehabilitation and recovery services.

With a rapidly growing wellness RE market, developers are incorporating wellness focused designs and construction practices, and including wellness related amenities and services in their properties. The global wellness RE market grew at a CAGR of 16.9%, expanding from US\$274 billion in 2020 to US\$438 billion in 2023, and is expected to reach US\$913 billion by 2028 (15.8% CAGR)<sup>7</sup>.

4. Source: RHB - "Health Care Facilities & Services-Connecting Wellness & Tourism", August 2024.  
 5. Joint Commission International (JCI) is an independent, non-profit international accreditation organisation that identifies, measures, and shares best practices in quality and patient safety around the world. It also accredits healthcare organisations from academic medical centres and hospitals to primary care providers.  
 6. Wellness RE is defined by GWI as expenditures on the construction of residential and commercial/institutional properties (including office, hospitality, mixed-use/multifamily, medical, and leisure) that incorporate intentional wellness elements in their design, materials, and building, as well as their amenities, services, and/or programming.  
 7. Source: Global Wellness Institute, May 2024.

Figure 5: Living and Healthcare Real Assets



## 1. The Living Angle

Living related real assets typically feature designs and facilities that promote wellness, incorporating natural spaces and a suite of wellness programmes. In some instances, they also provide care, hospitality, medical and diagnostic services, helping guests and residents achieve their overall health and wellness goals. Examples include wellness resorts, wellness residences and senior living developments.

### WELLNESS RESORTS

The global wellness retreat market was valued at US\$181 billion in 2022 and is projected to reach US\$364 billion by 2032, registering a CAGR of 7.4%<sup>8</sup>. This is driven by increased stress levels, the desire for digital detoxification and a growing focus on holistic health and wellness.

Often set in serene natural landscapes that foster relaxation and introspection, wellness resorts generate captive revenue by offering stay-in multi-day programmes and retreats designed to promote guests' holistic wellbeing and

rejuvenation through a distinct array of wellness services and treatments (Figure 6).

### WELLNESS RESIDENCES

Wellness residences (including condominiums, landed enclaves, serviced apartments and mixed-use residential projects) cater to long-term stays and incorporate holistic living through premium amenities, wellness programmes and activities, and sustainable designs that support an active lifestyle (Figure 6). These residences can also feature multigenerational housing allowing senior citizens to live with their families, a crucial need underscored by some cultures and ageing demographics.

Home buyers now consider wellness services and facilities essential when choosing a branded residence<sup>9</sup>. Despite this growing demand, the pipeline of dedicated wellness themed branded residences has not increased proportionately. Incorporating wellness features into a residential development requires sophisticated profiling of guests for tailored services and experiences, while ensuring that the added value is reflected in the project's returns<sup>10</sup>.

8. Source: Allied Market Research - "Wellness Retreat Market", March 2024.

9. More than 60% of home buyers indicate that wellness services and facilities are essential to a branded residence purchase. Source: Savills Research - "Amenities: creating a point of difference", November 2024.

10. Source: RLA Global - "Wellness-Dedicated Branded Residence All Hype But No Volume", December 2022.

**Figure 6: Examples of Wellness Facilities, Programmes, Services and Designs in Living Related Real Assets**



Source: CLI Group Research, February 2025

## SENIOR LIVING

Senior living developments offer environments that cater to older adults, generally those over the age of 50. Such properties are designed to serve the ageing population by providing a mix of care and medical services to support the evolving needs of elderly residents<sup>11</sup>. Services include hospitality, care and/or medical support.

The community aspect of senior living is also essential in ensuring that residents' social, emotional, and mental well-being are addressed. Residents benefit from a network of peers, shared spaces, and structured activities that foster a sense of belonging and community (Figure 6).

There has been a rising demand for senior living assets over the years as many countries struggle to prepare their healthcare and social systems for ageing societies.

However, cultural nuances, regulatory hurdles, pension systems and sustainable business models across different markets can impact the supply of suitable assets to cater to the growing needs for senior living.

## 2. The Healthcare Angle

Healthcare related real assets focus on services such as targeted preventive health assessments, medical treatments for illnesses, both inpatient and outpatient procedures, as well as non-acute care and rehabilitation (Figure 7). Examples include longevity clinics, speciality hospitals/medical centres, and care hotels.

### LONGEVITY CLINICS

Longevity clinics are medical centres focused on slowing biological ageing through the early detection and treatment of age-related diseases. Using advanced health technologies, screening tools, and diagnostic labs, these centres provide a comprehensive assessment of clients' health status (Figure 7).

While longevity clinics<sup>12</sup> are still pending full medical validation, global venture capital investment in longevity clinics have more than doubled from 2021 to 2022, reaching approximately US\$57 billion. In 2023, the opening of new clinics continued at a rapid pace, with around 800 opening in the U.S., more than 40 in Switzerland, and 25 in the United Kingdom<sup>13</sup>. In SEA, the longevity industry is still in a nascent stage, with Singapore taking the lead by opening the world's first public "Healthy Longevity Clinic"<sup>14</sup> to enhance preventive healthcare for its ageing population.

11. Source: National Investment Centre for Seniors Housing & Care - "Investing in Seniors Housing & Care Properties", September 2024.

12. Longevity clinics are facilities that offer specific supplement regimens, off-label drug prescriptions, and stem cell therapies.

13. Source: Global Wellness Summit - "Wellness Real Estate & Communities Symposium", May 2024.

14. Source: Straits Times - "Longevity clinic opens at Alexandra Hospital to help Singaporeans spend fewer years in ill health", September 2023.

Figure 7: Services, Diagnosis and Treatments Offered at Healthcare Related Real Assets



Source: CLI Group Research, February 2025

### SPECIALTY HOSPITALS/MEDICAL CENTRES

Specialty hospitals and medical centres are healthcare facilities dedicated to specific areas of expertise, distinguishing them from general hospitals. Specialty care is a regulated area that has traditionally been the domain of tertiary hospitals. However, opportunities are emerging in smaller-scale medical centres that offer ambulatory care in fields such as orthopaedics, oncology, cardiology, eye care, women's and men's health, amongst others (Figure 7).

These niche facilities are increasingly in demand given the rise of noncommunicable diseases and an ageing population. For example, cardiovascular disease accounts for nearly one third of all deaths in SEA, killing 4 million people every year<sup>15</sup>. With ageing populations and increasing rates of obesity and injury, the prevalence of osteoarthritis is expected to continue to increase globally. Approximately 73% of individuals with osteoarthritis are over 55 years old, with the knee being the most affected joint<sup>16</sup>. Furthermore, the demand for eye care services in SEA is significantly increasing with approximately 30% of the world's 2.2 billion individuals with vision impairment living in the region<sup>17</sup>.

### CARE HOTELS

Care hotels combine hospitality aesthetics with medical services, staffed by hospitality-oriented workers who have medical training, including nurses and physicians. These facilities serve the needs of those who benefit from staying near a hospital, such as patients seeking step-down care, pre and postpartum services, low-risk postoperative recovery or rehabilitation, seniors looking for short-term care, as well as medical tourists (Figure 7). As such, care hotels are a cost-effective option for both the patients and healthcare providers.

Care hotels are more common in Scandinavian countries, with costs frequently covered by national health insurance. In the U.S., some hospitals partner with nearby hotels to offer recovery programmes. In Asia, this concept is relatively nascent. Postpartum hotels or confinement centres are becoming more popular in Singapore, Malaysia, Japan, Korea and Taiwan. Although the current market for care hotel is small, there is substantial growth potential with rising healthcare costs across the region.

15. Source: World Heart Federation - "SEA Hearts", September 2023.

16. Source: World Health Organization - "Osteoarthritis", July 2023.

17. Source: World Health Organization - "Action plan for integrated people - centred eye care in South-East Asia 2022 - 2030", October 2022.

## Increasing Investor Interest in Living and Healthcare Related Real Estate

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Investors are increasingly attracted to wellness RE that incorporate elements of living and healthcare, such as apartments, hotels, senior living developments, and medical use facilities. Since 2014, the contribution of these assets to the total RE transaction volume has been growing across regions, compared with other commercial asset classes. In 2023, the absolute investment volume of wellness RE reached US\$221 billion, with US\$144 billion in the Americas, US\$55 billion in Europe, Middle East and Africa (EMEA) and US\$22 billion in APAC. When comparing the average transaction volumes for 2019 to 2023 against those for 2014 to 2018, APAC RE with elements of living and healthcare saw the largest increase of 32.0%, compared to 29.2% and 23.2% in Americas and EMEA, respectively<sup>18</sup>. This indicates significant growth potential for the APAC market.

Investment approaches for living and healthcare related RE vary based on investor risk appetite, control preferences, and holding periods. In developed economies like the U.S. and Europe, there are many listed real estate investment trusts (REITs) investing mainly in senior living, medical offices/centres, clinics, as well as hospitals and inpatient facilities. Sizeable private funds and programmatic platforms of at least close to US\$1 billion have been launched in recent years targeting healthcare/living real estate in the U.S. and Europe.

Within APAC, listed REITs and RE/real asset investment firms in Australia, New Zealand and Japan are more active players. For example, some Australian fund managers have been expanding their market share through acquisitions of living and healthcare related assets/portfolios of assets, fund platforms and even operators that are in the wellness and healthcare businesses. Meanwhile, China and SEA are fast growing markets with the living sector being more institutionalised than healthcare sector.

Notably, SEA offers substantial untapped potential, especially given its relatively nascent state compared to other markets. Living and healthcare operators in SEA are looking to expand to accommodate the region's increasing demand for wellness and healthcare services. Prominent operators are looking to scale their operations through strategic partnerships, investments in infrastructure and merger and acquisitions. These trends present attractive investment opportunities in wellness and healthcare related real estate, where real estate asset owners typically entrust the operation of their assets to established and reputable healthcare or wellness operators. This is done through master lease arrangements, ensuring professional and efficient management.

## SEA's Wellness and Health Journey into the Future

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The large pool of opportunities within SEA's health and wellness industries is bolstered by a unique convergence of economic and demographic tailwinds. Key factors include the rise of both foreign tourism and the local middle class, increasing consumer affluence, a persistent shortage of existing facilities and heightened demand for wellness services post-COVID-19.

Notwithstanding the clear opportunities, investing in SEA's burgeoning health and wellness sector requires careful thought and the right choice of partner. Given the importance of policies around medical tourism and healthcare, it is critical to identify trusted partners with access to deal flow and strong wellness/healthcare operating capabilities. By effectively addressing and navigating these factors, investors and operators can collaborate to leverage the wellness momentum, advancing efforts in wellness RE to enhance health and longevity.

18. Living and healthcare real estate transaction refers to hotels, apartment, senior living and medical offices.  
Source: Real Capital Analytics, November 2024.

# About CapitaLand Investment Limited

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 30 September 2024, CLI had S\$134 billion of assets under management, as well as S\$102 billion of funds under management held via seven listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in demographics, disruption and digitalisation-themed strategies. Its diversified real asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. In 2025, CapitaLand Group celebrates 25 years of excellence in real estate and continues to innovate and shape the industry.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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