

Property Health & Wellness ROI Excel Model for New and Existing Office Buildings

Hypothetical Banking Firm Example*

			Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Health Insurance	Health Insurance Premium per Employee		\$ 12,288	\$ 12,288	\$ 12,288	\$ 12,288	\$ 12,288	\$ 12,288	
	Share Covered by Employee		29%	29%	29%	29%	29%	29%	
	Total Employer Health Care Spend		\$ 8,724,480	\$ 8,724,480	\$ 8,724,480	\$ 8,724,480	\$ 8,724,480	\$ 8,724,480	
	Health Insurance Premium Reduction (%)		0%	3%	3%	5%	5%	5%	
	Total Healthcare Cost Savings		\$ -	\$ 261,734	\$ 261,734	\$ 436,224	\$ 436,224	\$ 436,224	\$ 1,395,917
Productivity	Total Salaries + Benefits (1)		\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	
	Productivity Increase (%)		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
	Total Productivity Gains		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 7,500,000
Recruiting	Annual Turnover Rate (%)		13%	13%	13%	13%	13%	13%	
	Avg Recruiting Cost per Employee (% of Comp)		50%	50%	50%	50%	50%	50%	
	Total Employee Recruiting Costs		\$ 6,650,000	\$ 6,650,000	\$ 6,650,000	\$ 6,650,000	\$ 6,650,000	\$ 6,650,000	
	Reduction in Turnover (%)		10%	10%	10%	10%	10%	10%	
	Total Recruiting Cost Savings		\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 665,000	\$ 3,325,000
Absenteeism	Total Salary + Benefits		\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	
	Designated Work Days per Year		250	250	250	250	250	250	
	Total Employees Cost per Absence		400,000	400,000	400,000	400,000	400,000	400,000	
	Absences per Employee		2.90	2.90	2.90	2.90	2.90	2.90	
	Reduction in Absences (%)		10%	10%	10%	10%	10%	10%	
	Total Absenteeism Cost Savings		\$ 116,000	\$ 116,000	\$ 116,000	\$ 116,000	\$ 116,000	\$ 116,000	\$ 580,000
	Annual WELL Operating Costs		\$ (74,000)	\$ (74,000)	\$ (74,000)	\$ (74,000)	\$ (74,000)	\$ (74,000)	
	Certification & Consulting Costs	\$ (227,000)				\$ (60,000)			
	Hard Costs	\$ (200,000)							
	WELL Investment Net Cash Flow		\$ (427,000)	\$ 2,207,000	\$ 2,468,734	\$ 2,468,734	\$ 2,583,224	\$ 2,643,224	\$ 12,800,917
	NPV		\$ (427,000)	\$ 2,062,617	\$ 2,156,288	\$ 2,015,223	\$ 1,970,729	\$ 1,884,582	\$ 9,662,439

Total Employees	1,000
Total Square Footage	200,000
Health Ins Prem(2)	\$ 12,288
Avg Salary + Benefits	\$ 100,000
Annual Turnover Rate	13.3%
Absences per Employee	2.90
Health Ins Reduction	10%
Productivity Increase	1.5%
Turnover Reduction	10%
Absence Reduction	10%
Annual Operating Costs	
Operating Costs	\$ 50,000
Policy Costs	\$ 24,000
Total Operating Costs	\$ 74,000
WELL Investment	
Certification	\$ 102,000
Consulting	\$ 125,000
Hard Costs / SF	\$ 1.00/sf
Total Hard Costs	\$ 200,000
Total Initial Investment	\$ 427,000
Recertification	\$ 60,000
Total Investment	\$ 487,000
Financial Results	
Net Cash Flow	\$ 12,800,917
IRR	527%
Discount Rate	7%
NPV	\$ 9,662,439

Productivity Sensitivity Analysis

0.5%	
Net Cash Flow	\$ 7,800,917
IRR	298%
NPV	\$ 5,562,242
2.5%	
Net Cash Flow	\$ 17,800,917
IRR	758%
NPV	\$ 13,762,637

*This hypothetical bank company example is provided for illustrative purposes only.

Assumptions and inputs presented are for illustrative purposes only based upon a hypothetical financial institution certifying a 200,000 sq. ft. building with 1000 employees. The WELL New and Existing Building Certification includes certification of both the Core and Shell and interiors. The Model is designed for users to provide their own assumptions and inputs reflective of their company, employees, specific project attributes, assessment of research and determinations pertaining to possible health insurance reductions, productivity increases, turnover reduction and absence reduction. The Property Health and WELLness ROI Model is defined and documented in the "Property Health & Wellness ROI Model for New and Existing Buildings, Model Documentation" and subject to all disclaimers contained in that document.

Prepared by The Muldavin Company, Inc.