

RETAIL

## China's luxury-buying class continues to grow: Hurun

October 16, 2017



*As China's share of the world's billionaires grows, so too does its luxury market. Image credit: Peninsula Hotels*

---

By DANNY PARISI

The population of affluent consumers in China is continuing to grow at an impressive rate, with the collective wealth of the top 100 consumers in China growing 60 percent year-over-year.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

This data comes from Hurun's annual "Richest People in China Index" which categorizes and ranks the ultra-wealthy in China as well as analyzing the state of affluent consumers in the country. This report shows that China is continuing to be a hub for newly affluent consumers who will be a valuable customer base for luxury brands.

### Affluent growth

China has been undergoing a boom for several years now and the number of luxury-buying affluent customers in the country has grown steadily.

Hurun reports that there are now 2,130 individuals in China who are worth more than \$300 million, which is 74 more people than the year before.

The current wealthiest person in China is Xu Jiayin of Evergrande, a real estate tycoon. Pony Ma of Tencent rose to \$37 billion, surpassing Jack Ma of Alibaba.

	Name	Wealth US\$bn	Change in Wealth	Age	Company
1↑	Xu Jiayin	43	272%	59	Evergrande
2↑	Pony Ma Huateng	37	52%	46	Tencent
3↓	Jack Ma Yun & family	30	-2%	53	Alibaba
4*	Yang Huiyan	24	230%	36	Country Garden
5↓	Wang Jianlin & family	23	-28%	63	Wanda
6*	Wang Wei	22	new	47	SF
7↑	Li Yanhong & Ma Dongmin	19	28%	49, 47	Baidu
8↑	He Xiangjian & He Jianfeng	17	47%	75, 50	Midea
8↓	Yan Hao & family	17	15%	31	China Pacific Construction
10↓	Ding Lei	16	10%	46	Netease
10*	Li Shufu & Li Xingxing	16	261%	54, 32	Geely

Source: Hurun Rich List 2017, in association with 36G

↑Rank increase yoy ↓Rank decrease yoy \*New to Top 10

### *China's 10 wealthiest. Image credit: Hurun Research*

The average wealth of those on the list rose 12.5 percent to \$1.2 billion, signaling the rapid rise of the ultra-wealthy in China who are a prime target for luxury brands.

Manufacturing and real estate are the biggest industries for producing ultra-rich individuals, with a significant portion of the list coming from one of those two industries.

The majority of China's wealthiest individuals reside in mainland China, although a few live in Hong Kong, Taiwan and Singapore.

Currently, almost 40 percent of the world's billionaires are from mainland China and this number is only expected to grow.

### *China's rise*

The rise of Chinese ultra-wealthy individuals has also given the country a renewed taste in luxury goods.

Emigration from China is now the lowest the country has seen in five years and 90 percent of Chinese millionaires are more confident in the nation's economic development, according to another report from Hurun.

The report, Chinese Luxury Consumer Survey and Hurun Best of the Best Awards 2017, shows that Apple, Cartier, Chanel and L.V. Moutai are the top five gifts for the Chinese New Year. Real estate moves into the most popular spot for favored investment because of the booming housing market in China ([see story](#)).

Accordingly, the price of luxury goods increased 16 percent in China this year, an increase from the 13 percent they rose in 2016, according to Hurun.

The majority of the price increase can be attributed to three categories: yachts and aircrafts, high-grade tobacco and alcohol and leisure activities such as golf ([see story](#)).



### *Real estate outside of China is popular among wealthy Chinese. Image credit: Sotheby's*

The rise of ultra-wealthy luxury buyers in China also spells good news for American luxury brands, since many wealthy Chinese emigrate there.

China is poised to be a vital market for real estate now that the country is home to the fastest-growing prices in the world.

According to Hurun's "Global House Price Index for 2017," Wuxi is the fastest growing city in China, along with

Zhengzhou, Changsha, Guangzhou and Shijiazhuang holding top 10 positions. While China saw the fastest rising prices, the United States saw the highest ROI on properties in the world ([see story](#)).

Chinese consumers are some of the most valuable in the world for luxury brands, and their importance will continue to grow in the coming years.

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.