

REAL ESTATE

## US creates 500K new millionaires a year

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*Douglas Elliman and Knight Frank's report highlighted trends in global wealth. Image credit: Douglas Elliman*

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By DANNY PARISI

NEW YORK Despite massive growth in China and from Chinese buyers, the United States is the biggest driver of wealth creation in the world right now, according to research from Knight Frank and Douglas Elliman.

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At the New York Public Library on March 21, Knight Frank and Douglas Elliman came together to host an event celebrating the release of their joint 2018 Wealth Report, a document that examines the state of high-net-worth individuals in the world today. The report digs deep into the current status of wealth, showing a world that has more than fully recovered from the devastation of the 2008 financial crisis.

"This reflects \$1 trillion in annual investment in global real estate," said Andrew Hay, global head of residential for **Knight Frank**. "It is the strongest piece of research on the high-net-worth sector there is."

### Wealth creation

Knight Frank and Douglas Elliman's Wealth Report looked deep into the state of global wealth.

After the terrible situation of the late 2000s financial crisis, the global economy is doing far better this year.

The speakers pointed to global wealth creation as one of the key factors in the successes of the last year. While the big story has been about China and the massive wealth being created there, the U.S. is still the biggest wealth creator in the world.



*The Wealth Report. Image credit: Douglas Elliman*

However, China is still competitive because its wealth is more mobile than that in the U.S. Chinese HNWIs tend to have their assets spread out far more, often having homes in other countries or having dual nationalities and citizenships.

China has created roughly 160,000 millionaires a year while the U.S. creates about 500,000 millionaires a year.

The ranks of the world's wealth are also swelling each year.

"Four thousand new HNWIs are being created each year," said Liam Bailey, global head of research for Knight Frank. "We see 1,000 sales a year of over \$10 million in the residential market.

"If you average where wealth is being created, in 2007 the dot was in the middle of the Atlantic, but now it is going further south and further east thanks to China and southeast Asia."

### **Global real estate**

2017 saw a massive explosion in global growth of billionaires, with China seeing an average of four new billionaires a week.

This growth is not limited to China alone however, with the entire world seeing 437 new billionaires over the course of 2017 alone. This data comes from Hurun's annual Global Rich List report, which found that China was increasingly pulling away from its nearest competitors in terms of total wealth ([see story](#)).



*The Wealth Report investigated how wealth is evolving. Image credit: Douglas Elliman*

While the report focused on wealth in general, both Douglas Elliman and Knight Frank are focused on real estate and property values around the globe, which also figured heavily into their research.

"Over the past 12 months there have been some dramatic changes in asset divisions," Mr. Bailey said. "Global house prices rose by 6 percent in 2016. That's the strongest rate of growth since 2008."