

REAL ESTATE

US choice emigration destination for ultra-wealthy Chinese: Hurun

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Los Angeles is the top city for emigrating Chinese affluents according to a new report from Hurun. Image credit: Teles

By SARAH RAMIREZ

Chinese ultra-high-net-worth individuals who are considering emigration are looking to the United States and United Kingdom as the most popular investment destinations.

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According to Hurun's annual "Chinese Immigration Index," 37 percent of respondents are currently considering immigration, a drop of 10 percent compared to 2017. Another 12 percent of respondents are in the process of emigrating or have already done so.

"The United States is definitely the first choice for Chinese HNWI's who are considering immigration," said Rupert Hoogewerf, chairman and chief researcher of [Hurun Report](#). "London has risen rapidly to become the sixth most popular destination for purchasing overseas property, overtaking Vancouver, Toronto and Melbourne for the first time.

"It is also interesting to note that 90 percent of those considering immigration intend to live in China after retirement," he said.

Hurun's findings are based on a spring survey of 224 ultra-wealthy Chinese, who have either emigrated or are planning to emigrate in the future. Respondents had an average wealth of \$4.5 million.

Overseas investments

Respondents evaluated potential destinations across eight categories: education, investment destination preferences, immigration policy, property purchasing, personal taxation levels, medical care, visa-free travel and adaptability.

Interviewees cited a variety of reasons for investing overseas. While the majority, 71 percent, listed a "stable income" as their top priority, "spreading risk" and "children's education" were also important factors.



Cyprus made its debut on the Chinese Immigration Index. Image Credit: Akamas Bay Villas

With its reduced corporate tax, the U.S. is among the countries that have implemented policies encouraging immigration from affluents. Various European nations have also simplified policies for immigrants who wish to purchase property.

The United Kingdom and Ireland both moved up to second and third, respectively. Ireland, which had placed seventh in last year's ranking, benefited from a high-quality education system and low corporate tax rate, as well as its proximity to the U.K.

Two Mediterranean countries, Greece and Cyprus, appeared in Hurun's report for the first time, ranking sixth and tenth, respectively. Both countries have cost-effective investment immigration policies, making them ideal choices for Chinese investors.

No South American countries made the top 10, and Australia down one spot to fifth is the only country from the Asia-Pacific region that ranked.



Boston is a popular location for Chinese homebuyers in the U.S. Image credit: Otis & Ahearn

American cities dominate the list of preferred destinations for overseas property purchases, with Los Angeles taking first place. New York, Boston, San Francisco and Seattle round out the top five.

Despite Canada dropping from second to fourth on the immigration index, Vancouver and Toronto remain popular cities for the ultra-wealthy Chinese looking to emigrate.

Real estate ROI

High-net-worth-individuals surveyed strongly consider cost-effectiveness key for overseas property purchasing.

China itself 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 the Hurun "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](#)).

Most ultra-high-net-worth consumers make investments in residential real estate, with 79 percent owning at least two homes, but for those in emerging markets, these property purchases are often for more than pleasure, according to a report from Wealth-X and Sotheby's International Realty.

While many UHNW individuals make their decision to buy a secondary home as a means toward personal enjoyment or financial investment, a number of affluents are now using property for the opportunities afforded to them through their purchase. With the economies and political climates of a number of countries in flux, more wealthy consumers are likely to be looking for these "opportunity gateways," seeking citizenship or financial security outside of their home nation ([see story](#)).

"From the survey, we can see that visas and overseas property purchases have become the new guarantee of economic security for Chinese HNWI," said David Chen, partner lawyer of [Visas Consulting Group](#), which co-produced the Hurun report. "It is worth mentioning that Ireland has become a dark horse this year with its high-quality education system and low corporate tax rate of 12.5 percent.

"Furthermore, along with the recovery and continued development of its economy, Greece provides one of the best choices for investment immigration, allowing investors to obtain immigrant status and substantial property investment income at a low cost," he said.

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