

FINANCIAL SERVICES

Global UHNW population set to increase by 27pc: report

March 2, 2021



The number of ultra-high-net-worth individuals is growing. Image credit: UBS

By KATIE TAMOLA

Despite the ongoing disruption of a global pandemic, the number of ultra-high-net-worth individuals (UHNWIs) continues to climb.

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

"The Wealth Report 2021" from real estate brokerages Douglas Elliman and Knight Frank identifies regions where numbers of UHNWIs are growing, where these affluents are living and their desires to buy additional homes. Rising populations of the ultra-wealthy has implications for real estate and financial markets around the world.

"The Wealth Report confirms a clear rise in demand for residential property with 26 percent of global UHNWIs looking to buy a new home in 2021, a sharp increase from the 21 percent we revealed in 2020," said Liam Bailey, global head of research at Knight Frank, in a statement. "Demand is especially strong for rural and coastal properties, with access to open space being the most highly desired feature.

"The pandemic is super-charging demand for locations that offer a surfeit of wellness think mountains, lakes and coastal hot-spots," he said. "Demand will help fuel price rises of up to 7 percent for our key markets this year."

The report defines UHNWIs as consumers who are worth \$30 million or more.

Home is where the wealth is

According to "The Wealth Report 2021," the number of UHNWIs is expected to grow by 27 percent in the next five years, with a global population of 663,483.

The number of millionaires is also slated to rise globally by 41 percent.

Knight Frank is predicting that Asia will see the largest rise in the number of UHNWIs with growth of 39 percent, compared to the global average of 27 percent. Asia's growth will be led by Indonesia with 67 percent, and India with 63 percent.

The report also states that London and New York are the most important cities for UHNWIs to live, invest and do business in.



New York City currently houses the most UHNWIs, with 7,743 people worth over \$30 million living in the city. Image credit: Leslie J. Garfield & Co

Paris is ranked as the third most important city, the report citing the city's lifestyle as enticing for affluents.

New York City reigns in first position globally with number of most UHNWIs at 7,743. London has the most high-net-worth-individuals (HNWIs), categorized as individuals worth less than \$30 million, recording 870,000 millionaires.

London also holds the top spot for the largest number of homes considered "prime" in each city, with over 68,000 homes worth 2 million euros, or more than \$2.4 million at current exchange.

Although the COVID-19 pandemic and its effects have proven severe, the report shows that UHNWIs are still flocking to and utilizing cities. Cities are financial and cultural hubs, and the report predicts they will continue to overcome.



More affluents are expected to buy properties. Image credit: Coldwell Banker

UHNWIs have shown increased interest in buying additional homes as well.

Knight Frank is reporting that 26 percent of UHNWIs are planning to buy a new home in 2021, reflecting an increase in demand for residential property.

Growth in and outside of the home

With increasing demand, lower interest rates and uncertainty regarding the landscape of future workplaces, affluents are continuing to buy more homes.

Interest in million-dollar-plus homes among affluents in the United States continues to climb, nearly a year into the COVID-19 pandemic. In January, more than one in 10 saved searches on Redfin.com filtered for homes priced at \$1 million and above ([see story](#)).

The panic and disruptions triggered by the pandemic are encouraging millionaires to change the way they spend money and throw more of it at new homes as they take advantage of rock-bottom interest rates. Thanks to the sea change in how affluents are making lifestyle choices amid the pandemic, the luxury real estate market is booming ([see story](#)).

The pandemic has fueled affluents' considerations for residential properties and second homes, with individuals seeking more in their property searches. UHNWIs are adding to their wish lists, with more focus on work from home spaces, technological accoutrements and more.

"Expectations on second homes are increasing," said Kate Everett-Allen, head of international residential research at Knight Frank, in a statement. "With greater flexibility around remote working, owners are lengthening their stays

with many now viewing them as co-primary' homes.

"From fast broadband to cinema rooms, gyms and A-grade technology, a second home now has a longer wish list to fulfill."

© 2021 Napean LLC. All rights reserved.

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