

REAL ESTATE

Density of UHNWI second-home owners highest in Monaco, Beijing, Geneva: report

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The data points to resort towns welcoming an influx of UHNWI homeowners as they seek more recreation-friendly lifestyles. Image credit: Altrata

By EMILY IRIS DEGN

A breaking report reveals that in the face of the pandemic, secondary homes are increasingly becoming more important to UHNWI homeowners, resulting in the rise of resort destination-based homes.

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Data intelligence firm Altrata has released data outlining the real estate habits and preferences of the world's most affluent people. The new report "[Residential Real Estate 2023: Spotlight on the World's Leading Markets for the Wealthy](#)" is the second release of the report first released in 2021, filled with new developments within the market.

"There were a lot of surprising findings, for example, that Naples is a huge outlier in terms of its residential footprint, with by far the highest ratio of UHNW second-homers to primary residence owners at 23:1," said Maya Imberg, head of thought leadership at [Altrata](#), New York.

"Another one is that a full 10 percent of UHNW homeowners in Los Angeles are also owners of a private jet, a higher proportion than UHNW individuals with a home in Monaco."

Using data covering the world's wealthiest four thousand people, spanning more than 175 countries, the report is a comprehensive outline of where those making over \$30 million annually are choosing to call home. Adding in insights from international real estate experts across a dozen countries, representing 100 brands, the result is a holistic look at post-pandemic trends.

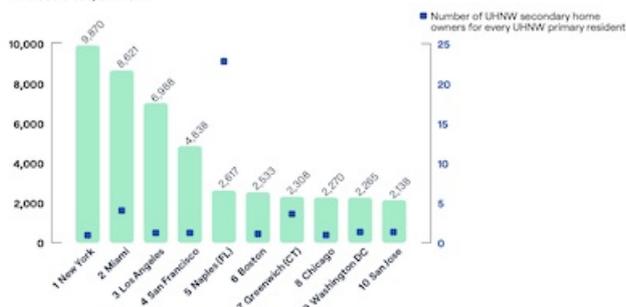
Vacation mode

While the luxury homes of UHNWI continue to be located in densely populated cities, these homeowners are spending more and more time in their secondary home locations.

Since the pandemic, the affluent demographic has been putting a bigger emphasis on recreation and access to outdoor spaces, centering well-being rather than business opportunity at increasing rates ([see story](#)). The report indicates that while vacation homes of the wealthy have historically been common in resort towns, UHNWI are spending a growing amount of time in these homes, shifting them from purely vacation spots and into second residences ([see story](#)).

US cities by secondary home owners

US top 10 UHNW cities by secondary home owners
Number of UHNW individuals with at least one secondary home in these cities, and rank



Secondary homes are becoming a more ordinary part of wealthy peoples' lives, as more people want aspirational living to be their reality. Image credit: Altrata

This move into second homes is also reported to be fueled by the rise of remote work and changing trends on social media, as real estate influencers gain popularity, showcasing their remote, recreation-friendly houses. The social media influencers' effect on real estate habits will only get bigger as young people increasingly take over the market ([see story](#)).

The reasons behind traditional secondary homeowners owning these homes in the first place are also diversifying, with the additional purposes of the houses lengthening the amount of time that homeowners are spending in these locations. While second homes used to only be for vacations, now they are considered ideal remote work locations, safe destinations for families, greater investments and key assets in gaining additional citizenships a practice on the rise within wealthy circles since the shutdowns of the pandemic.

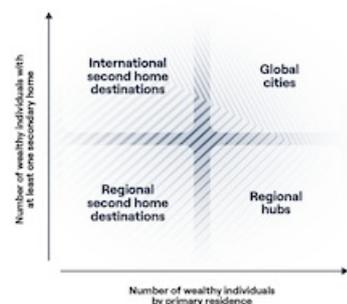
The growing power of secondary homes is demonstrated by the fact that Aspen, Colorado in the United States has the most UHNWI per capita, by far. In the ski resort town in the mountains, there is one UHNWI for every 67 residents a density 15 times greater than that of New York City.

"Aspen is unique," said Doug Leibinger, founding broker of Compass, in a statement.

"It is a small town for big city people,' and provides a blue chip' safety net for multigenerational investors knowing that the town is surrounded by undevelopable public land."

The wealthy's residential city footprint

Global city differentiation among the wealthy



The pandemic has resulted in a psychological shift within UHNWI real estate habits, deeming the second home market more lucrative than ever before. Image credit: Altrata

This prioritization of natural spaces among the affluent is growing, with counties that possess state or national parks seeing the biggest growth of second homes in 2022 ([see story](#)).

Outside the United States, Geneva and Zurich in Switzerland both make the top five most wealthy dense places for secondary homes, ranking second and fourth respectively. It should be noted that both of these destinations are world-renowned for their ski resorts and outdoor opportunities.

American dream

According to the report, the United States is home to the wealthiest cities, with American urban spots hosting the highest amount of UHNWI.

New York comes out on top in first place with 21,714 UHNWI homeowners, deeming it the wealthy real estate capital of the world. In second and third place behind New York City is London and Hong Kong, followed by a slew of

American cities including Los Angeles, Miami, San Francisco, Chicago and Washington D.C. in fourth through 10th place.

14 of the top 20 cities are also located in the country, with six being in the top 10.

Total residential footprint

Global 20 cities by UHNW footprint

Number of UHNW individuals with a primary residence or secondary home in this location, and rank



US cities dominate
the rankings.

The United States dominates the luxury home market, hosting more UHNWI than anywhere else in the world. Image credit: Altrata

"This reflects not only the sheer size of the US wealth market (its relative position has strengthened over recent years, amid solid wealth gains) but also its geographic and business diversity," Ms. Imberg said.

"These qualities offer considerable scope for US wealthy individuals in search of a secondary home to stay in the country rather than look abroad, and also mirrors a broader US trend over recent years of migration to smaller cities," she said. "To be sure the US is also popular among non-US UHNW individuals, such as New York, LA and Miami to name a few cities, but it is largely domestic factors that propel US cities up the global rankings."

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