

REAL ESTATE

HNWIs relocating in record levels amidst looming recession: report

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While moving house in the richest segment of the global population is normal, the firm's projections for 2023 and 2024 would set decade highs and mark shifting tides for several countries. Image credit: Engel & Völkers

By ZACH JAMES

The wealthy population is seeking new horizons at a record level, moving away from established affluent hubs in Asia and Europe, according to a new report.

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Tracking the trends of relocation among HNWIs, London-based investment migration consultancy Henley & Partners' newest report shows a shifting tide in where the most affluent are choosing to reside. While moving house in the richest segment of the global population is normal, the firm's projections for 2023 and 2024 would set decade highs and mark shifting tides for several countries.

"Just like less affluent people, high-net-worth individuals want to go where the living is good but they are not hampered by lack of means as those with less wealth," said Pam Danziger, president of **Unity Marketing**, Stevens.

"They are looking to enhance their quality of life, with many personal, societal and cultural factors playing into the equation."

Ms. Danziger is not affiliated with Henley & Partners, but agreed to comment as an industry expert.

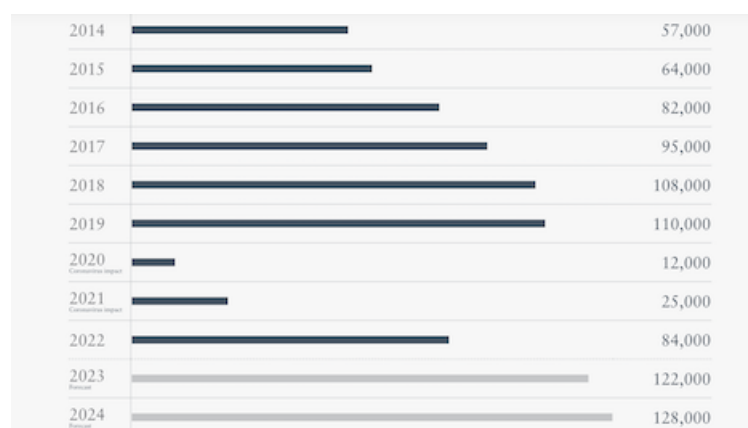
The Henley Private Wealth Migration Report 2023 uses data supplied by wealth intelligence firm New World Wealth, which tracks more than 150,000 of the world's HNWIs using an in-house database. The firm defines a HNWI as a person with an investible wealth of \$1 million or more, with separate designations for individuals with \$100 million, called "centi-millionaires," and billionaires. The data for projections was compiled from January 1, 2023, to June 1, 2023.

History repeats itself

The surge in relocation is expected to be at least on par with the most recent recession, which took place from 2017 to 2019.

In the three-year span of the last economic slump, the number of HNWIs who moved totaled 95,000, 108,000 and 110,000 in 2017, 2018 and 2019, respectively.

In 2023, the count of affluent individuals packing their bags is projected to be 122,000, with 128,000 forecasted to join in the year after.



The firm's projections show decade-high figures of HNWIs moving somewhere new. Image credit: Henley & Partners

"What popped for me in the Henley and Partners' report is how the last surge tracked in HNWI movements came in 2017 through 2019, associated with the last global recession," said Ms. Danziger.

"We are seeing the same trend taking shape in 2022 and picking up steam in 2023 and predicted for 2024," she said. "This may be a bellwether of a rough road ahead for the global economy since HNWIs are keenly attuned to their personal financial status and investment prospects."

"The data suggests the HNWIs are getting out while the getting is good and moving where their future prospects are brighter, leaving the rest of us to bear the brunt of the economic fallout."

While a recession has been widely predicted to occur in 2023, the first half of the year has held off the supposedly incoming economic collapse. *CNBC's* recent reporting on the issue found that, while the threat is still looming, U.S. consumers have been able to hold off the downturn, at least domestically.

Among UHNWIs, financial hardships have become commonplace since the end of 2022, with the total population of billionaires reducing by 3.5 percent (*see story*); with that, the highest echelon of the elite monetary few saw their wealth grow by 8 percent in 2023 (*see story*).

Regions of growth and decline

With so much movement projected, different countries are going to benefit and others will not, with some already on the decline starting in 2022.

The two countries benefiting most from the mass relocation are Australia and the United Arab Emirates, with HNWI inflows of 3,800 and 5,200, respectively, in 2022. Projections for 2023 have the world's smallest continent gaining a further 5,200 of the world's most affluent people, with a further 4,500 migrating to the UAE.

As those countries' wealthy populations rise, other nations, naturally, have tumbled.

Key takeouts from this year's Henley Private Wealth Migration Report 2023, published today:

The **#UK** is expected to see a net outflow of 3,200 HNWIs in 2023 higher than the projected net loss for **#Russia**. pic.twitter.com/4wwHW2p70b

Henley & Partners (@HenleyPartners) **June 13, 2023**

China and Russia saw the largest decline in 2022, with outgoing populations of 10,800 and 8,500, individually. India followed closely behind in third.

India is also expected to see the second-largest exodus in 2023, with China, again, taking the top spot, with a forecasted loss of 13,500 of the world's richest.

China's tumble shows a contradiction in Henley & Partners' last report, which stated that Chinese and U.S. cities were the most popular choices for HNWIs' residencies (*see story*). In the new report, the U.S. was found to have healthy gains of 1,500 in 2022, with a further expected influx of 2,100 in 2023.

Among the most surprising statistics, the U.K. is projected to lose more of its HNWI population in 2023 than Russia will.

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