

90% of Chinese HNWIs considering emigration plan to retire in China

USA Country of Choice for 80% of Chinese HNWIs considering immigration

Investment in overseas real estate expected to increase 50% over next three years. Los Angeles remains most popular overseas property purchase destination, London shoots into sixth place, rising

Concerns in the areas of education and environment remain key drives of emigration, accounting for 83% and 69%, up 7% and 5% on last year respectively

Ireland and Greece emerging immigration destinations

14% regard themselves as global citizens, with financial freedom, visa freedom and overseas education regarded as the defining features of global citizenship

70% own overseas assets, mostly properties, which account today for 11% of total assets. The aim is to have overseas assets accounting for 25% of their total assets

‘Wealth, tax, property’: global asset allocation, tax planning and overseas property purchasing constitute the three main opportunities and challenges

Hurun Report Releases *Immigration and the Chinese HNWIs 2018* in Association with Visas Consulting Group

(30 June 2018, Shanghai) The Hurun Research Institute, in association with Visas Consulting Group, released the *Immigration and the Chinese HNWIs 2018* today. This 36-page report explores the key questions regarding global asset allocation, immigration and overseas property purchasing. This is the fifth consecutive year of the *White Paper*, and this year, the focus is on emerging immigration trends.

The findings in the report are based on a survey of 224 Chinese HNWIs with an average wealth of US\$4.5m who have already emigrated, are applying to emigrate or who plan to do so in future. The survey was conducted between March and June this year.

Over the past year, domestic economic development has been stable, and the Chinese high net worth population has increased steadily. According to the *Hurun Chinese Luxury Consumer Survey 2018*, about 37% of HNWIs respondents are currently considering immigration, a 10% drop compared with last year. 12% of them have already emigrated or are applying to do so.

From the international perspective, many traditional and emerging immigration destinations are implementing various stimulus policies, including the United States' substantial reduction in corporate tax and simplified property purchase immigration policies in a number of European countries. At the same time, various domestic policies, such as increasingly strict foreign exchange controls and property purchase restrictions in first-tier cities, have also stimulated the overseas investment and immigration of Chinese HNWIs to a certain extent.

Rupert Hoogewerf, chairman and chief researcher of Hurun Report, said, "The United States is definitely the first choice for Chinese HNWIs who are considering immigration. 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% of those considering immigration intend to live in China after retirement. I am delighted to release the *White Paper* for the fifth consecutive year in association with leading Chinese immigration brand Visas Consulting Group. We hope that this report will help Chinese HNWIs (those with family assets worth US\$1.5m to US\$31m) considering investment immigration make better decisions."

David Chen, partner lawyer of Visas Consulting Group, said, "We decided to focus on the 'emerging immigration trends' this year in the white paper. From the survey, we can see that visas and overseas property purchases have become the new guarantee of economic security for Chinese HNWIs. 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%. 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."

As China officially launches the CRS global taxation program, immigration needs are constantly being extended and redefined, in addition to the traditional demand for education, welfare and travel convenience. Demand for overseas asset allocation and obtaining residence is now leading emerging migration trends. Some investors put gaining residence overseas at the top of their agenda and focus on passport immigration. With the implementation of China's Belt and Road initiative, changes in taxation pertaining to global investment immigration, and the shifting international outlook, realising a globalised allocation of investment and identity means that investment cannot be limited to domestic stocks and property. We are very glad to release the *Chinese Investment Immigration White Paper* for the fifth consecutive year in association with Hurun Research Institute, a leading global authority on the study of China's high net worth population. Our white papers will always stick to the original intention of providing readable, credible, reliable professional data and expert advice for Chinese investors."

Summary:

Visas Consulting & Hurun Chinese Immigration Index 2018

This year, Visas Consulting Group and Hurun Research reveal the top ten countries that constitute the *Visas Consulting Hurun Report Chinese Immigration Index 2018 (CII 2018)* based on the eight categories of education, investment destination preferences, immigration policy, property purchasing, personal taxation levels, medical care, visa-free travel and ease of adaptability. The United States remains the most popular destination for HNWIs investment emigrants for the fourth year running, while the UK has risen from third place to second. Emerging immigration destinations Ireland and Greece performed well, with Ireland moving up four places to third, and Greece occupying sixth place in its debut appearance on the ranking. Canada falls two places to fourth, while Australia is down one place to fifth. Rupert Hoogewerf said, "The United States far surpasses other countries as the first choice of Chinese HNWIs in terms of immigration destinations."

Chinese Immigrants Index 2018

	Country	Score (Change)
1 -	USA	8.7 (-0.3)
2 ↑	UK	8.5 (+0.1)
3 ↑	Ireland	7.9 (+1.6)
4 ↓	Canada	7.8 (-0.9)
5 ↓	Australia	7.5 (-0.3)
6 *	Greece	7.0
7 ↓	Portugal	6.7 (+0.3)
8 -	Spain	6.5 (+0.3)
9 ↓	Malta	6.4 (-0.1)
10 *	Cyprus	6.3

Source: *Immigration and the Chinese HNWI 2018*, by Visas Consulting Group and Hurun Report

- same as last year ↑ up ↓ down *new to top 10

The United States topped the rankings for the fourth year running with a score of 8.7. In terms of individual factors, the American education system remains one of the main reasons Chinese investors most favour the United States. In addition, it came top in terms of visa-free travel and ease of adaptability. President Trump's tax cuts also saw it score 8 points higher in the tax category this year.

The UK climbed from third place to second with a score of 8.5. Despite the UK being set to leave the EU, London remains one of the world's leading financial centers, and British education is regarded as second only to that of the United States. Investment immigration to the UK comes with the benefits of one's children enjoying an elite British education, and of the family gaining access to its high quality medical and welfare systems. Furthermore, a favourable exchange rate makes investment in the UK more attractive. Rupert Hoogewerf said, "Brexit has had little impact on Chinese entrepreneurs. At present, British property represents good value, with uncertainty over Brexit and the weakness of the pound making it relatively cheap".

With its youthful demographics and a diverse range of advantages, Ireland has moved up by four places to third place with a score of 7.9, becoming the dark horse of the immigration industry. Ireland, conveniently located in the west of Europe near the UK, boasts a beautiful natural environment and strong social welfare, in addition to a low tax burden. It also has a strong knowledge-based sector, and is a world leader in cutting-edge high-tech fields such as computer science.

Canada falls two places to fourth with a score of 7.8. At the end of March 2018, the Quebec Immigration Bureau raised the threshold for investment immigration, upping the net family assets required from CA\$1.6 million to CA\$2 million, and the total investment from CA\$0.8 million to CA\$1.2 million. Furthermore, the number of annual quotas granted remains limited. This, along with the strict auditing standards of its immigration authorities, accounts for Canada's fall of two places.

Greece arrives at sixth place in its maiden entry, with a score of 7. There has been close cooperation between China and Greece under the Belt and Road initiative, providing a timely boost for Greece's economy. With the recovery and continuing development of its economy, Greece provides one of the most cost-effective investment immigration projects among those on offer in Europe, allowing investors to obtain Greek resident status and substantial property investment income. This makes Greece an optimal choice for Chinese investors.

Portugal is down one place in seventh with a score of 6.7. Spain remains in eighth with a score of 6.5. Portugal and Spain's immigration policies make no demands on language, education, business background or funding. Residence requirements are also quite relaxed, allowing investors to purchase property and process immigration in a single step.

Malta moves down by 4 places to ninth with a score of 6.4. Cyprus takes tenth place in its first appearance on the ranking. Demand for overseas asset allocation and obtaining residence is now leading the emerging migration trends. Cyprus does not levy inheritance or dividend tax, among others. Passport holders enjoy visa-free access to 171 countries and regions around the world, which provides HNWIs with comprehensive asset allocation and residence solutions. For savvy investors, Malta and Cyprus are cost-effective, low-risk choices offering significant returns, making them popular destinations.

Preferred Destinations for Overseas Property Purchases

The top five cities for overseas property purchase among Chinese HNWIs remain unchanged from last year. Los Angeles is the most popular for the fifth year running, while New York climbs from the third place to second. Boston is up two places to third. San Francisco remains fourth, tied with Seattle, which falls two places. Greece enters the top ten for the first time, while London leaps eight places to sixth.

	Preferred Destinations for Overseas Property Purchases	Proportion (change)
1 -	Los Angeles	18.7% (+2.5%)
2 ↑	New York	13.4% (+2.5%)
3 ↑	Boston	9.4% (+3%)
4 -	San Francisco	8.9% (-1%)
4 ↓	Seattle	8.9% (-2.3%)
6 ↑	London	8.6% (+6.5%)
7 ↓	Vancouver	5.8% (+0.1%)
8 -	Toronto	3.1% (-1.1%)
8 ↓	Melbourne	3.1% (-1.6%)
8 *	Greece	3.1%
10 ↓	New Zealand	2.9% (-1.3%)
11 ↑	Spain	2.2% (+1.2%)
12 ↑	Chicago	1.9% (-0.4%)
12 ↓	Japan	1.9% (-1.1%)
14 ↓	Sydney	1.7% (-2.5%)
14 ↓	Singapore	1.7% (-1%)
14 ↑	Italy	1.7% (+0.4%)
17 ↓	Hong Kong	1.2% (-0.8%)
17 ↑	Cyprus	1.2% (+0.8%)
17 *	Ireland	1.2%
20 ↓	France	1% (-0.7%)
21 -	Malta	0.7% (0)
22 ↓	Portugal	0.5% (-0.2%)

23 *	Canberra	0.2%
23 -	Hungary	0.2% (-0.4%)

Source: *Immigration and the Chinese HNWI 2018*, by Visas Consulting Group and Hurun Report

- same as last year ↑ up ↓ down *new

The Emerging Immigration Trends: immigration for wealth, tax and property -- global asset allocation, tax planning and overseas property purchasing have become the three main opportunities and challenges

For Wealth: increasing holdings becomes the trend

'Foreign exchange deposit' and 'immovable property' are far the most popular overseas investment options, exceeding others with proportions of 43% and 30%, and they are set to remain their options of choice over the next three years. In addition, insurance and standard financial products will increase by 10 percentage points and 9 percentage points respectively over the next three years, while art investment will decrease by 3 percentage points.

	Overseas Financial Investment Options	Current Proportion	Proportion in Next Three Years
1	Foreign exchange deposits	43%	34%
2	Immovable property	30%	44%
3	Insurance	16%	26%
3	Regular financial products	16%	25%
5	Stocks	15%	15%
6	Funds	10%	17%
7	Bonds	9%	14%
8	Trusts	8%	14%
9	Gold	6%	9%
9	Art investment	6%	3%
11	Futures	4%	4%
12	Establishment of overseas companies	3%	5%
13	VC/PE	2%	5%

Source: *Immigration and the Chinese HNWI 2018*, by Visas Consulting Group and Hurun Report

HNWIs' financial investment outlook has become increasingly conservative. 'Risk control methods' remain their foremost consideration for overseas financial investment, accounting for 72%, way up from 35% last year. 'Real income' jumps to the second place with a proportion of 48%, compared with fourth places and 13% last year.

'Retirement' (43%) and 'property preservation and appreciation' (21%) are regarded as the most important guarantees for the family's future. The interviewees said that their main rationales for overseas investment were 'spreading risk' (42%), 'children's education' (30%) and 'immigration' (14%). 'Stable income' (71%) was their top priority for overseas investment. Their biggest problems were 'lack of knowledge' (49%), 'difficulties in transferring funds' (18%) and 'lack of investment channels' (14%).

For Tax: 'engaging a tax agent' is main tax reporting method

Before considering immigration, 41% of HNWIs indicated that they will plan for 'property declaration in their first year after immigration', followed by 'tax declaration during investment immigration scheduling' (35%).

The range of global tax declarations that HNWIs are most keen to understand more about mainly include salary and bonus income, self-employment income, bank interest income, dividends, stock trading income, house rental income, and EB-5 immigration program income in the United States.

More than 20% HNWIs indicate that they pursue global tax planning. The main methods for tax declaration are 'engaging a tax agent' (46%) and 'engaging a company accountant' (21%).

For property: cost-effectiveness is the priority for overseas property purchasing

The polled HNWIs' overseas assets account for 11% of their total assets, of which property makes up a large majority. They hope that the proportion will increase to 25% in the future.

HNWIs purchase overseas property for three main reasons: for residential purposes, for investment and to obtain holiday homes, accounting for 49%, 46% and 5% respectively. The uses of their overseas property purchases mainly include 'residential (including living and working needs)', accounting for 51%, 'asset allocation' (20%), 'children's education' (16%), 'retirement' (4%), 'obtaining overseas residence' (4%), 'holiday home' (4%) and 'medical care' (1%).

HNWIs' priorities for overseas property purchasing include 'cost-effectiveness' (63%), 'investment value' (46%), 'permanent property rights' (37%) and 'location' (31%). The polled Chinese HNWIs are willing to invest US\$ 0.8 million in overseas property purchases on average. More than half of the HNWIs are willing to invest US\$0.5m-0.9m, with 16% willing to go as high as US\$0.9m-1.8m.

	Purchase Considerations for Overseas Property	Proportion
1	High cost-effectiveness	63%
2	Investment value	46%
3	Permanent property rights	37%
4	Location	31%
5	Immigrant identity acquisition	26%
5	Natural environment	26%
7	Cultural environment	25%
8	Transport links	20%
9	Low maintenance costs	18%
10	Availability of professional assistance	13%
11	Overseas Chinese community	12%
12	Developed economy	11%

Source: *Immigration and the Chinese HNW 2018*, by Visas Consulting Group and Hurun Report

Over the next three years, 52% of HNWIs will give priority to investment when purchasing overseas property. Nearly half of respondents will consider properties in the city center or in a

Chinese community, while properties in the suburbs or school districts are both by more than 30%.

They obtain information on property purchasing mainly from 'professional property agencies' (58%), 'relatives and friends' (47%), and 'immigration companies' (28%).

'Investment consulting' and 'loan financing' are the most sought-after services for HNWIs in their future property purchases.

	Most Sought-after Future Property Purchasing Services	Proportion
1	Investment consulting	52%
2	Loan financing	49%
3	House rental services	47%
4	Housekeeping services	44%
5	Information on overseas housing market system, pricing rules, rental market, purchasing and so on	31%
6	Short-term rental services (guesthouse services)	27%
7	Overseas property brokerage	17%

Source: *Immigration and the Chinese HNWIs 2018*, by Visas Consulting Group and Hurun Report

Preferred Destinations for Immigration

The Preferred Destinations for Immigration ranking is distinct from the *Chinese Immigration Index*. The latter lists the most suitable nations for China's HNWIs investment emigrants based on objective data, while *The Preferred Destinations for Immigration* is drawn up according to HNWIs' own preferences. The United States remains the most popular country with a proportion of 79%, followed by Canada and Australia with 25% and 15% respectively. Ireland has become a new favourite among Chinese HNWIs, becoming the fifth most popular destination this year.

	Preferred Destinations for Immigration	Proportion
1	USA	79.3%
2	Canada	24.6%
3	Australia	14.8%
4	UK	10.8%
5	Ireland	7.9%
6	New Zealand	6.4%
7	Singapore	4.4%
8	Malta	3.9%
9	Japan	2.5%
10	Greece	2.0%
10	Hong Kong	2.0%
12	Spain	1.5%
13	Portugal	1.0%
13	France	1.0%

Source: *Immigration and the Chinese HNWIs 2018*, by Visas Consulting Group and Hurun Report

'Quality of education' remains the most important reason for immigration among HNWIs, with a proportion of 83%, up by 7 percentage points year-on-year. Next comes the 'environment', with 69%, an increase of 5 percentage points. 'Food safety' comes next with 57%, surpassing the two traditional immigration reasons of 'healthcare' (38%) and 'social welfare' (36%).

	Reasons for Immigration	Proportion
1 -	Education	83%
2 -	Environment	69%
3 *	Food safety	57%
4 -	Healthcare	38%
5 *	Social Welfare	36%
6 ↓	Assets Security	28%
7 ↓	Political Environment	21%
8 ↑	Tax Considerations	10%
9 ↑	Business	9%
9 ↓	Social Security	9%
11 ↓	Fertility Considerations	8%

Source: *Immigration and the Chinese HNW 2018*, by Visas Consulting Group and Hurun Report
- same as last year ↑ up ↓ down *new

60% of the HNWIs polled say that their thoughts on immigration are mainly influenced by friends. When selecting immigration agencies, HNWIs pay more attention to their 'professional consulting' abilities and 'successful track record'.

	Factors Affecting Choice of Immigration Agency	Proportion
1	Professional consulting	75%
2	Successful track record	59%
3	Overall impression	52%
4	Service attitude	46%
5	Friends' recommendations	37%
6	Design of immigration plan	32%
7	Business project	30%
8	Consideration of immigration destination	18%

Source: *Immigration and the Chinese HNW 2018*, by Visas Consulting Group and Hurun Report

Chinese Global Citizenship

14% of respondents regard themselves as global citizens. HNWIs regard 'financial freedom' as the most important prerequisite for being a global citizen, followed by 'visa freedom'. 'Overseas education' takes third place.

	Prerequisites for Becoming a Global Citizen	Proportion
1	Financial freedom	59%
2	Visa freedom	22%
3	Overseas education	8%
4	Multi-national business circle	4%
5	Multi-national social circle	3%

Source: *Immigration and the Chinese HNW 2018*, by Visas Consulting Group and Hurun Report

21% of the HNWIs polled have lived abroad for more than one year, and 24% say that they have lived in two or more countries overseas for longer than a month.

65% say that their children's self-confidence and quality of education have both been improved, along with their quality of life (43%). 20% say that they would consider recommending immigration to their friends and relatives.

90% of those considering immigration say that they will live in China after retirement, or maintain residences in both China and overseas.

Scale of Chinese High Net Worth Families

As of January 2017, there were 1.47 million 'high net worth' families worth at least US\$1.5m, an increase of 130,000 on the previous year, with a growth rate of 9.7%. 749,000 such households own US\$1.5m investible assets. There were 99,000 'ultra-high net worth' families worth US\$15.3m or more, up 10,000 on last year, with a growth rate of 11.6%. Among them, 59,000 families own US\$15.3m in investible assets. There were 65,000 'international ultra-high net worth' families worth US\$30m, 7,600 more than the previous year, with a growth rate of 13.3%. Among them, 39,000 families own US\$30m in investible assets. (Source: [Hurun Wealth Report 2017](#))

Immigrant Billionaires

9.1% of the billionaires are first generation immigrants, led by 64 in the USA, 45 in the UK and 40 in Switzerland. (According to [Hurun Global Rich List 2018](#))

Methodology

The results of the *Visas Consulting - Hurun Immigration and the Chinese HNWIs 2018 White Paper* are drawn from the results of a special survey carried out among Chinese HNWIs. The report focuses solely on investment immigration and does not include other categories such as skilled migrants.

The survey was carried out in questionnaire form between March and June 2018 in China's main cities nationwide. Beijing, Shanghai, Guangzhou and Shenzhen accounted for 49% of responses. Respondents had average wealth including property of US\$4.5m, compared with US\$3m last year. Among them, those with US\$1.5m or less accounted for 36%, with those with between US\$1.5-7.7m constituted the majority at 53%. Those with US\$7.7-15.4m accounted for 7%, and over US\$15.4m for 4%. Their wealth is mainly accounted for by investment returns (55%), salaries and bonuses (47%), company operations (45%), as well as donations from elders (14%), business selloffs (5%) and inheritances (4%). Respondents were 39 years old on average, one year older than last year, with 31-45 years old the most numerous (56%), followed by 46 years old and over (31%) and 30 years old and below (13%). Respondents' children were 15 years old on average, with those with children aged ten years or younger accounting for 41%, 10-18 years 39%, and over 18 years with 31%. The survey also includes interviews with industry experts conducted by Visas Consulting Group and Hurun Report.



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This is an executive summary of the Chinese press release. For the full press release, please refer to the Chinese language version. For further information, please contact the relevant contact person.

About Visas Consulting Group

Founded in 1974, Visas Consulting Group is a leading international immigration legal services provider.

Now, 44 years later, Visas Consulting Group has helped tens of thousands of applicants to immigrate. VCG was also one of the earliest immigration advisory companies to enter the Chinese market, and now has branches in top-tier cities nationwide. The professional standards and quality of service have won not only praise from clients, but also formal recognition from the immigration services of the target countries.

VCG is committed to maintaining its leading position in immigration services, providing clients with expert, timely and thorough service, and to satisfying each client's specific needs. Above all, VCG sees protecting each client's interests as its duty, in order to help them build a better future in a new country.

About Hurun Report Inc.

Nobody Knows China's Rich Better!

Established as a research unit in 1999 by British accountant Rupert Hoogewerf, Hurun Report Inc. has grown into a leading media and research house based in Shanghai, China, best-known for its rankings of the richest people in China, India and the rest of the world.

Hurun Report Inc. has four divisions: *Hurun Report Media*, a stable of digital media and four magazines; *Hurun Research Institute*; *Hurun Conferences*, an active events division targeting entrepreneurs and high net worth individuals; and *Hurun Investments*, a US\$20m early stage venture capital fund with investments into tech, media, retail and education.

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