



WEALTH-X

presents

SPOTLIGHT ON THE
WORLD'S LEADING MARKETS
FOR THE WEALTHY:
RESIDENTIAL REAL ESTATE 2021

Sponsored by

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SPOTLIGHT ON THE WORLD'S LEADING MARKETS FOR THE WEALTHY: RESIDENTIAL REAL ESTATE 2021



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EXECUTIVE SUMMARY

1

All residential homes of the wealthy matter. The wealthy often have multiple homes and business interests in multiple locations. If only for days or weeks in a given year, any residential footprint — whether in a primary residence or a secondary (or additional) home — represents an opportunity for organizations that prospect for, and engage with, the wealthy.

2

New York is the pre-eminent global city of the wealthy.

New York has a total ultra high net worth (UHNW) footprint approaching 25,000 individuals — counting both UHNW individuals' primary residence and their additional secondary homes. The city's rank reflects its status as a global center for finance and commerce, and its rich blend of culture, luxury lifestyle and shopping opportunities, high-quality education and prime real estate.

3

London, Hong Kong and Paris rank the highest among non-US cities. When examining total UHNW footprint, London comes in third place (not far behind Los Angeles) followed by Hong Kong and Paris in fourth and fifth position respectively. All three cities offer prime real estate, high-end retail, a luxury lifestyle and are major centers for regional and international business. The US dominates the top 20 rankings (with 11 cities), while no Chinese or German cities appear in the top 10.

4

Second-home destinations are dominated by cities in the West.

Of the top global cities, London has one of the highest shares of UHNW secondary home owners, while Miami is the 'best of the rest' performer away from the dominant top-four cities. While demand for second homes in Asia among the wealthy has grown in the past decade (mainly within the region itself), established cities in the West (including those in Australia) still dominate for the most part.

5

Monaco and Aspen have far and away the highest levels of UHNW density.

The city state of Monaco has one UHNW individual (as a primary resident or with a second home) for every 29 residents. In Aspen, one in every 47 residents is a UHNW individual. Both locations offer real estate and amenities that are highly targeted towards the wealthy.

6

There are differences between UHNW primary residents and secondary home owners in Hong Kong, London and New York.

UHNW secondary home owners are generally slightly younger and have a higher female representation than their primary resident counterparts. The latter, reflecting their choice to spend most of their time in the world's leading global financial centers, comprise a high proportion of self-made wealthy individuals with a higher-than-average focus on banking and finance as their primary industry.

FOREWORD

As we welcome 2021, REALM is honored to partner with Wealth-X to examine how the events of the past year impacted the luxury residential real estate market. We'll look at how new priorities of HNW and UHNW consumers are inspiring a historic migration of this population and explore an evolution in primary and secondary home markets that represents new core values, including health and well-being.

2020 was a year of incredible uncertainty and unrest on a scale never-before encountered. We watched as the psychology of the world shifted, driven by a global pandemic, social and geopolitical unrest, and deep economic uncertainty that in turn dramatically shifted the very definition of luxury itself. HNW and UHNW consumers prioritized peace of mind and safety over formerly prized shared experiences.

Throughout time, the greatest adversity has yielded the most positive change. While there are sure to be long-lasting effects of the challenges of 2020, our return to family and more organic values have placed a greater emphasis on 'home'. New goals for where and how we live have never been clearer. Science, technology and business models are speedily evolving, offering greater freedom of choice in where and how people live, especially amongst the HNW and UHNW sectors.

There is no doubt that at this time in our collective history it is critical that we develop a deeper understanding about how these trends in housing and lifestyle are shaping the future in the wider world. We are in historic times and the lessons of tomorrow will be defined by how we live today.

As thought leaders in luxury real estate, REALM is committed to collaborating with the industry during this journey. Here's to a year filled with learning, and success.



JULIE FAUPEL
Founder and CEO | REALM

INTRODUCTION

Amid the ongoing Covid-19 pandemic and an atmosphere of heightened political instability, the significance of the home for the wealthy has never been more important: a place of work, for family and for personal well-being. The wealthy's preferences are changing too.

“2020 was a year that no one could have ever predicted. Those who previously lived close to work moved further away to avoid denser areas and the wealthy buyer quickly sought to invest in sub markets for both primary and secondary residences. Demand was unprecedented, inventory was extremely limited, and the essence of home became paramount.”

— Mauricio Umansky,
Founder and CEO, The Agency

Spotlight on the World's Leading Markets for the Wealthy: Residential Real Estate 2021 is the second report on this subject. The global wealth map has changed since the first edition was published in 2017 and, along with significant expansions to the Wealth-X Database¹, this report sheds new light on where the wealthy congregate. There is a particular focus on ultra high net worth (UHNW) individuals — people with a net worth of more than \$30m.

By taking into account all the residential addresses of an individual — not just their primary residence — this new report takes a holistic view of location, focusing on the potential of residential footprint. This footprint is significant because, even if only for days or weeks in a given year, any type of residential presence represents an opportunity for organizations that seek to engage with the world's wealthy.

We begin with an overview of the importance of cities to the wealthy and their broad differentiation according to a variety of metrics. The core section of the report focuses on the world's top UHNW cities by total footprint: counting individuals with a primary residence and/or secondary home(s) in these locations. We also examine the top US cities for very high net worth (VHNW) individuals, those with a net worth of between \$5m and \$30m.

Next we take a deeper look at the world's leading cities when it comes to second homes. Many of these cities, but not all, also make the cut in our examination of cities by UHNW density, that is, the number of general residents per UHNW primary resident or secondary home owner.

Moving away from a global focus, we highlight the top five cities by UHNW footprint in each of the world's three major regions: North America, EMEA and Asia Pacific. To end, using a study of archetypes, we examine the different characteristics of UHNW primary residents and secondary home owners in the major cities of Hong Kong, London and New York, looking at average wealth, gender, wealth source, age and primary industry.

The world is in a state of flux and the wealthy's preferences for how and where they live are changing. However, cities will undoubtedly remain core to where the wealthy work and play.

¹ In recent years, Wealth-X has made significant expansions to its global database. With this greater coverage, the data for a number of locations now differs substantially from that published in our previous report of 2017. As a result, the data in this report is not directly comparable with previously published numbers.

FOOTPRINT MATTERS

Organizations classify the location of a wealthy individual in different ways, usually based on their commercial or not-for-profit objectives and a focus on an individual's primary business or primary residential address. While these approaches avoid complications caused by double counting, they do not account for the fact that wealthy individuals often have multiple homes and business interests in multiple locations. This report measures the wealthy's presence in cities without prejudice to double counting.

KEY DEFINITIONS

Primary resident

An individual is termed a 'primary resident' of a city if the property they own privately (not via a company) is where they spend most of their time over the course of the year. This city, more often than not, is also where their primary business is based.

Secondary home owner

An individual who owns a second property (or more) in addition to their primary residence. This ownership is held privately, not via a company they own.

Very high net worth (VHNW) individuals

Those with a net worth of \$5m-\$30m.

Ultra high net worth (UHNW) individuals

Those with a net worth of \$30m+ (also referred to as the 'ultra wealthy').

Total footprint

The number of individuals by residential presence, including both primary residents and secondary home owners.

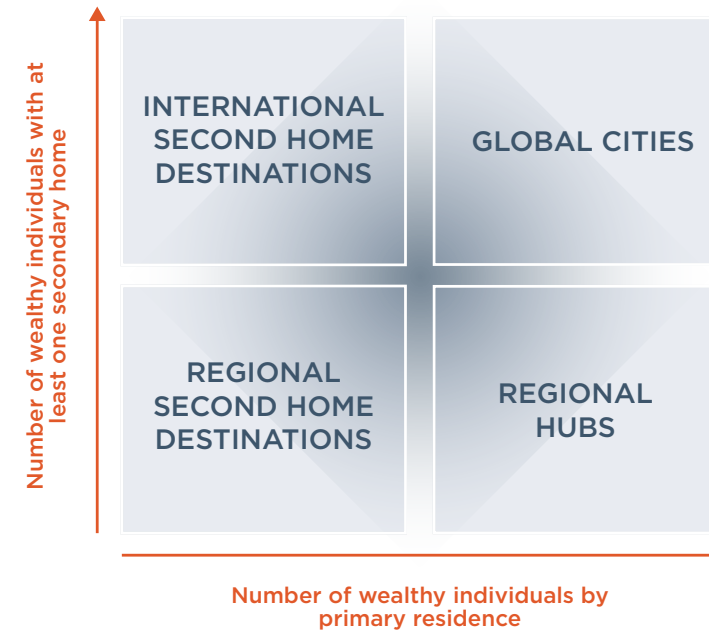
MAPPING THE WEALTHY'S RESIDENTIAL CITY FOOTPRINT

Cities, by and large, are where the wealthy congregate, attracted by the commercial and financial opportunities, social and talent networks, and an array of cultural, educational and lifestyle services. And while the largest and most dynamic global cities tend to remain among the most popular locations for the wealthy over long periods of time, other urban centers move with the ebb and flow of wealth creation and destruction around the world. Highlighting their importance, the world's top 100 cities by nominal GDP account for almost half of all individuals with a net worth of \$5m or more.

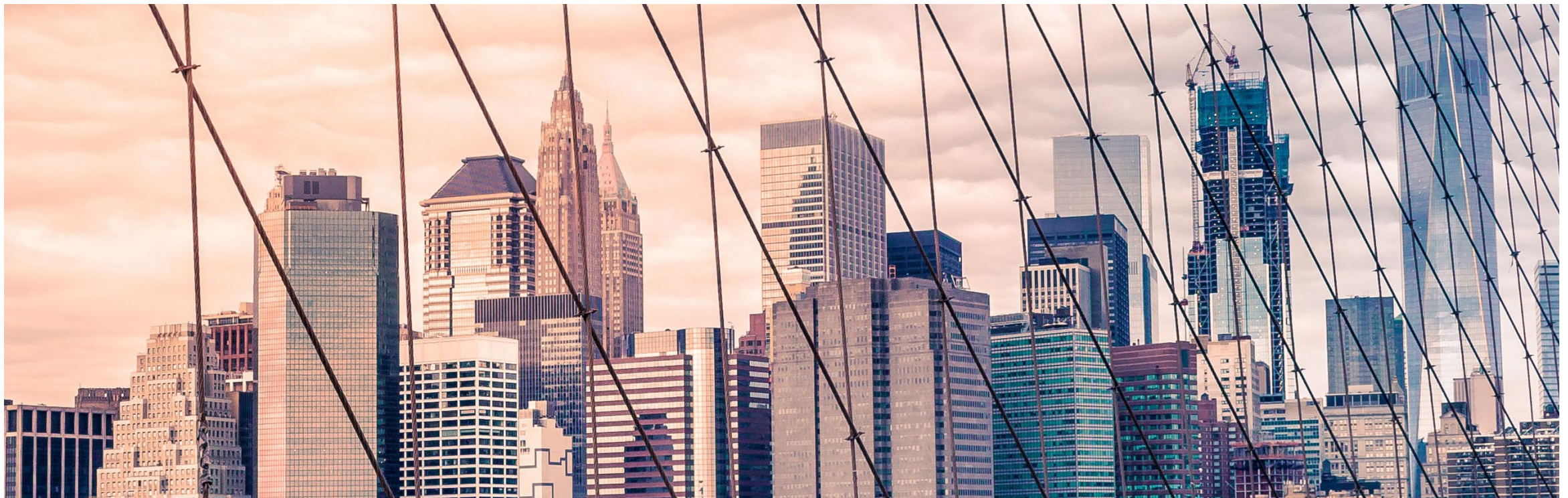
The wealthy often have multiple homes and business interests in multiple locations. Their primary residence is where they spend most of their time over the course of the year and, more often than not, it is also close to where their primary business is based. However, their secondary homes are often just as important, whether for leisure and vacation purposes, family commitments or for use during frequent business trips. In fact, 2020 has seen the blurring of boundaries between primary and secondary homes among the wealthy, with many opting to spend more time in their other residences (or seek out new ones) over the course of the pandemic.

In analyzing the wealthy's residential footprint around the world, we find, broadly, four types of cities. **Global cities** attract the wealthy on a large and international scale, both as a location for their primary residence and for second homes. **Regional hubs** are especially popular as a location for the wealthy's primary residence, while mainly attracting secondary home owners from around the region. **Second home destinations**, meanwhile, tend to delineate around the number of wealthy individuals and their attraction to those on an international or regional scale.

GLOBAL CITY DIFFERENTIATION AMONG THE WEALTHY



In the sections that follow, we explore this city mapping under different measures to uncover the key characteristics of the world's most popular cities according to the wealthy's residential footprint.

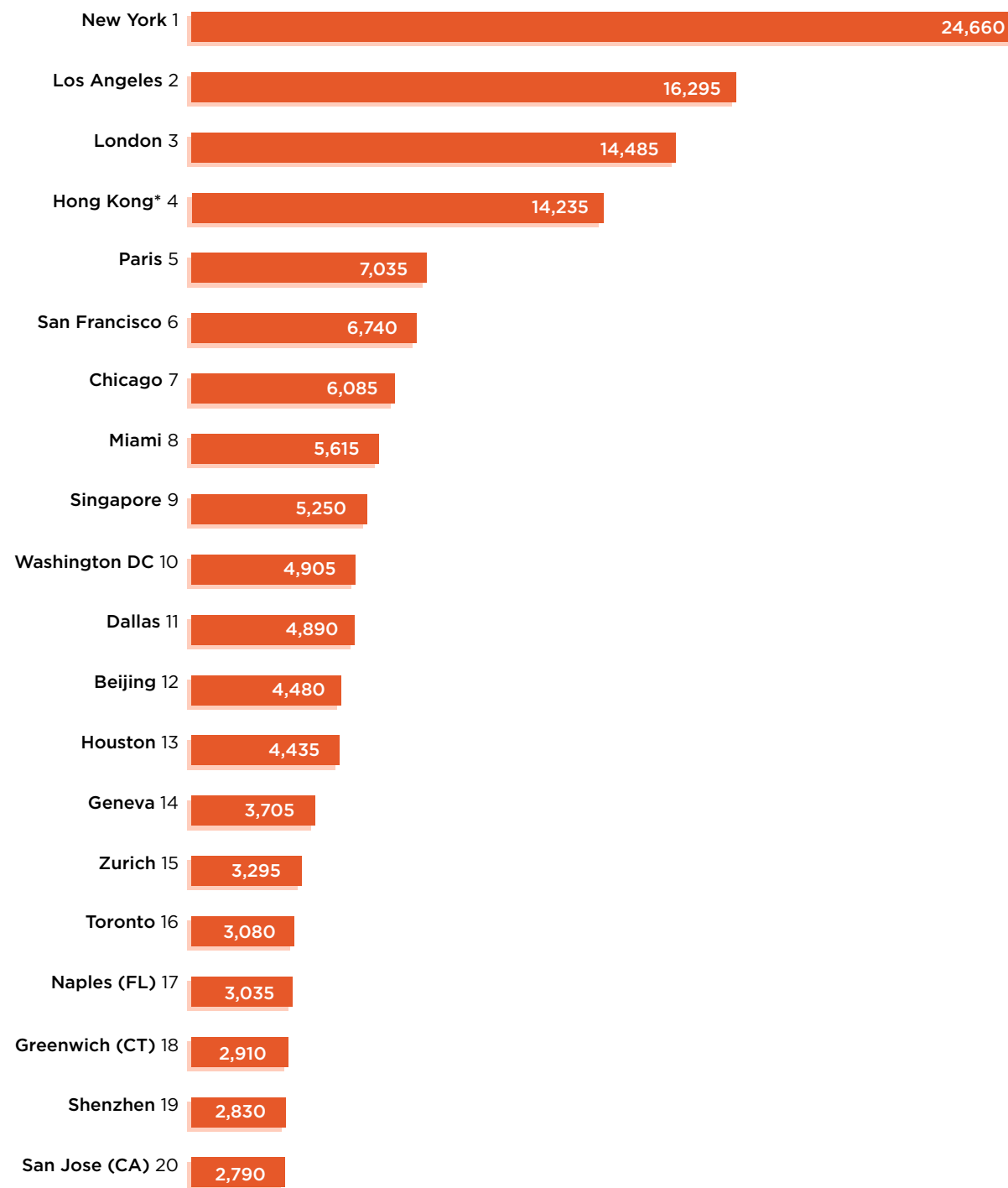


TOP 20 UHNW CITIES BY TOTAL RESIDENTIAL FOOTPRINT

What are the world's top cities by total residential footprint? Taking account of UHNW individuals' homes used for primary residence and all of their additional secondary homes, we find that:

GLOBAL TOP 20 CITIES BY TOTAL UHNW FOOTPRINT

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



New York is the pre-eminent global city of the wealthy. By absolute number, New York is well ahead of any other city, with a total UHNW footprint approaching 25,000 individuals. The largest regional economy in the US ranks first, both for the number of UHNW individuals by primary residence and those with second homes. This reflects New York's status as a global center for finance and commerce that offers a rich blend of cultural and luxury lifestyle opportunities, high-quality education and prime real estate.

Los Angeles takes second position. The second largest wealth center in the US exhibits a total UHNW footprint of close to 16,300 individuals, of which the ultra wealthy secondary home owner population accounts for a sizeable two-thirds share (compared with just over half in New York).

US cities dominate the rankings. Eleven US cities feature in the top 20, while Asia and Europe account for four cities each. Two factors are at play here: the US is by far the world's largest wealth market and the number of UHNW secondary home owners is boosted by the sheer size — and geographic diversity — of the country, with many wealthy individuals selecting secondary or additional homes within the country rather than abroad. The leading US cities comprise a mix of those dominated by UHNW individuals with a primary residence, such as San Francisco and Chicago, and those with a greater UHNW secondary home owner population, such as New York, Los Angeles and Miami. While both are technically smaller than a metropolitan area, the US cities of Naples and Greenwich each have a UHNW footprint among the top 20 globally.

London, Hong Kong, and Paris rank the highest among non-US cities. London comes in third place, not far behind Los Angeles, followed by Hong Kong and Paris in fourth and fifth position respectively. All three cities offer prime real estate, high-end retail, a luxury lifestyle and are major centers for regional and international business. London has one of the highest shares of UHNW secondary home owners among the top 20 cities.

No Chinese or German cities appear in the top 10. This is despite the fact that the two countries are, respectively, home to the world's second and fourth largest UHNW populations. Beijing and Shenzhen appear in the teens but Munich (Germany's largest UHNW city) ranks outside the top 20. All three cities have sizeable UHNW secondary home owner populations and so their modest ranks are largely explained by private wealth — and, therefore, residential holdings — being more evenly dispersed in urban centers across the two respective countries than in other leading UHNW markets.

New York is the pre-eminent global city of the wealthy.

Note: Total UHNW footprint numbers are rounded to the nearest 5. The primary residence of an UHNW individual is based on their spending the majority of the year in a particular city and having their primary business address (if they have one) in the same city. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core. For example, New York includes New York City, Newark and Jersey City. Globally comparable city-level data is not available; as such, to ensure comparability is as precise as possible, we focus on metro areas. The exceptions here are Naples and Greenwich, which, due to their very high numbers of UHNW secondary home owners, are included, despite not making up their own metropolitan areas. For further details on the methodology, please see the Methodology section. *Hong Kong is a semi-autonomous, special administrative region of China.

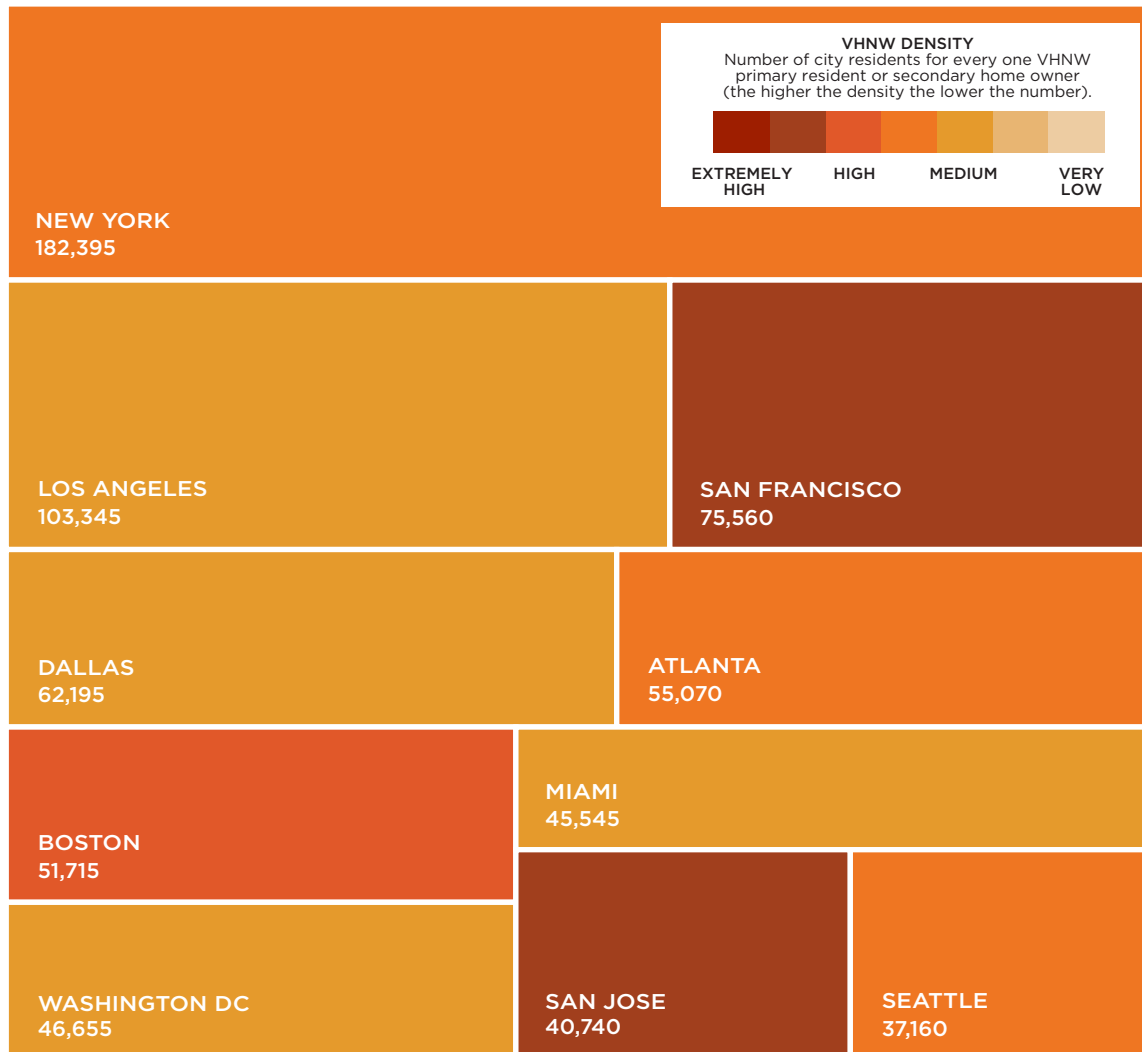
Source: Wealth-X December 2020

TOP 10 VHNW US CITIES BY TOTAL RESIDENTIAL FOOTPRINT

Residential footprint differs depending on wealth level. At lower levels of wealth, individuals are likely to own fewer residences, though the extent of the difference will vary by geography and individual. Examining the residential footprint of VHNW individuals, those with \$5m to \$30m in net worth, in the US (the world’s largest wealth market), we find that:

TOP 10 VHNW US CITIES BY TOTAL FOOTPRINT

Number of VHNW individuals with a primary residence or secondary home in this location



Note: Total VHNW footprint numbers are rounded to the nearest 5. Categorizations of VHNW density are based on brackets of the number of city residents for every one VHNW primary resident or secondary home owner. A low number, in fact, indicates high VHNW density: 1 in 25-50 for extremely high VHNW density; 50-75 for very high; 75-100 for high; 100-125 for medium high; 125-150 for medium; 150-175 for low and 175 and more for very low. For example, with one VHNW primary resident or secondary home owner for every 112 city residents, New York has a medium-high level of VHNW density.

Source: Wealth-X December 2020

San Jose, San Francisco, Boston and Seattle rank significantly higher for their VHNW residential footprint than for their relative general populations. All four cities have smaller general populations than cities that rank lower by VHNW residential footprint (Chicago, for example, as the country’s third most populous metro area, comes in 11th position for its VHNW residential footprint). Apart from San Francisco, these cities have a larger footprint of primary residents than secondary home owners. As the center of Silicon Valley, the metro area of San Jose is the major standout: with a relatively modest general population of around 2 million, its total VHNW footprint numbers almost 41,000, not far behind that of Miami (which has a significantly larger general population).

Density is significantly higher at the VHNW level. The absolute number of individuals in this wealth bracket by city can be 10 times that of the UHNW population and, therefore, the density — the number of general residents per VHNW resident or secondary home owner — is far higher. For example, in the two leading cities of New York and Los Angeles, the VHNW density is six to seven times greater than at the UHNW level.

San Jose has the highest VHNW density, followed by San Francisco. Some cities skew more highly towards one wealth tier than another on account of their economy, attractions, historic connections and character. The two Northern Californian cities show the highest levels of VHNW density by some margin. The wealthy here are often involved in the global tech sphere or in financial services, such as private equity. Boston has the third highest VHNW density.

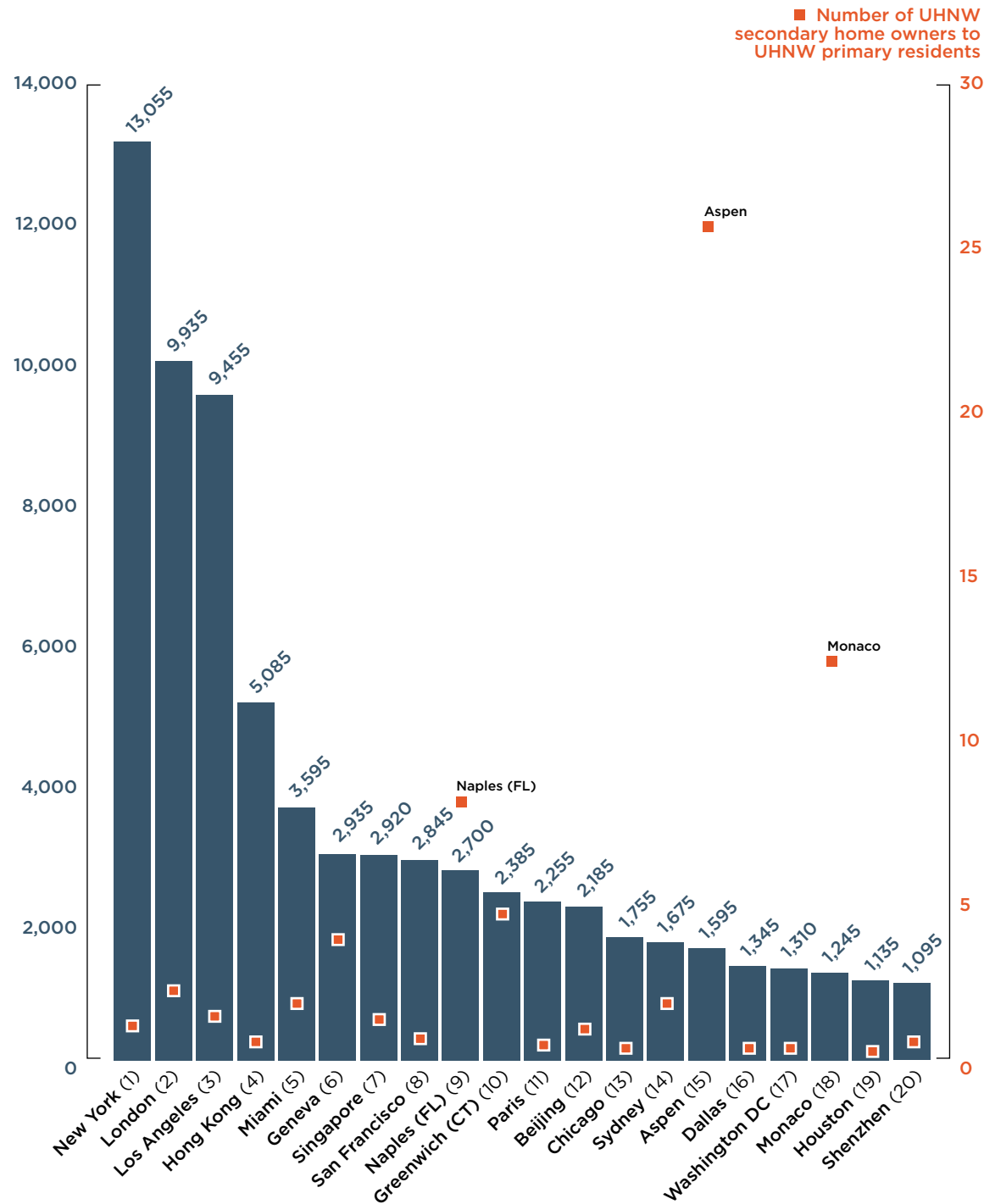
“Some of the leading features that luxury clients are now looking for are turnkey, tech-savvy smart homes with more indoor-outdoor living space, a summer kitchen and privacy.”

— Creig Northrop, President and CEO, Northrop Realty, Baltimore and Washington DC Metropolitan Regions

TOP 20 UHNW CITIES BY SECONDARY HOME OWNERS

The wealthy's primary residence is where they spend most of their time and it is usually close to their primary business. However, their second (and additional) homes are used for a multitude of (often overlapping) purposes, such as providing a working base close to an important secondary business or operation; leisure and recreation; a residence for children to use while in education; an investment; a road to citizenship as well as being a reflection of the owner's personal interest in real estate. We find that:

NUMBER OF UHNW INDIVIDUALS WITH AT LEAST ONE SECONDARY HOME IN THE TOP 20 CITIES (RANK)



Of the top global cities, London, in particular, stands out as a second-home destination. New York, London, Los Angeles and Hong Kong are far and away the most popular global cities for second-home ownership among the ultra wealthy. While New York leads in absolute terms, London has a significantly higher ratio of UHNW secondary home owners to UHNWs with their primary residence (at 2.2:1). The UK capital is a favored second-home base for the wealthy from all corners of the globe, whether for its commercial, financial, cultural or tax-planning credentials.

Second-home destinations are dominated by cities in the West. Just four Asian cities rank in the top 20 (Hong Kong is the highest in fourth position). While demand for second homes in Asia among the wealthy has grown in the past decade (mainly from within the region itself), established cities in the West (including those in Australia) still dominate for the most part. This is because of factors such as political and cultural leanings, education and leisure opportunities, and status.

Miami ranks fifth for UHNW second homes. Away from the dominant top-four cities, the 'best of the rest' performer is Miami. It is one of the world's most popular holiday destinations and a leading international second-home location, with an expensive luxury real estate market. Miami offers residents and secondary home owners a coastal lifestyle, vibrant nightlife, plentiful luxury shopping and year-round warm weather.

Aspen and Monaco are major international second-home locations. The US ski resort of Aspen (Colorado) has by far the highest proportion of UHNW secondary home owners in the top 20 (at 26.1:1) and is a magnet for many high-profile figures. In Europe, Monaco is a hugely popular second-home destination, offering a glamorous lifestyle, prestigious events and attractive tax benefits. In the US, and comprising a more domestic crowd, both Naples (Florida) and Greenwich (Connecticut) are also highly sought-after second-home locations that attract a significant number of UHNW individuals, despite both cities' modest size.

“The pandemic has set up the best market for second and even third homes in the luxury real estate market. Regardless of how amazing their main residence is, this group of wealthy individuals is used to travel, and it's hard for them to stay put. Variety is the spice of life.”

— Joanne Nemerovski, Luxury Real Estate Advisor, Compass, Chicago

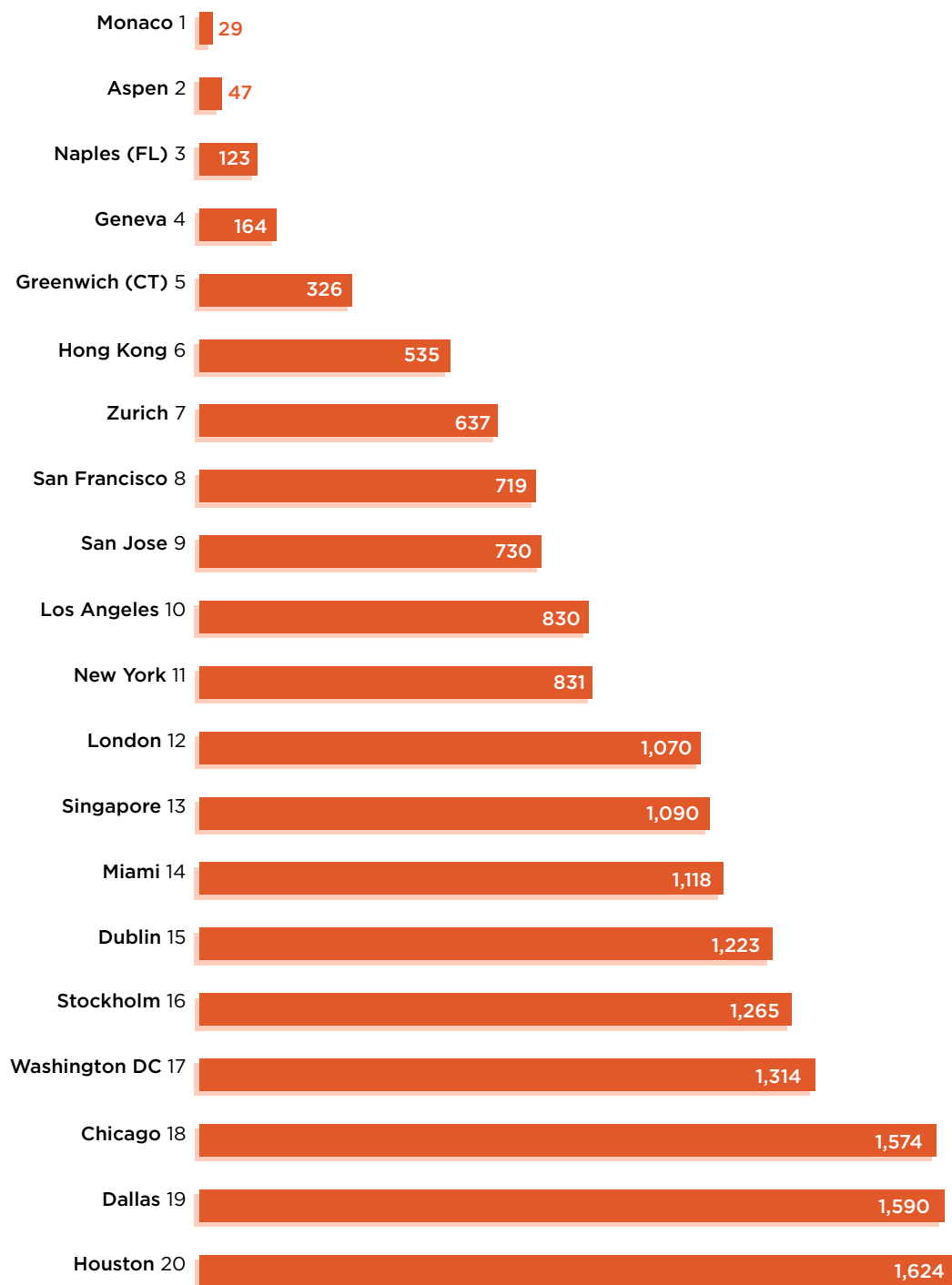
Note: The number of UHNW individuals with a second home are rounded to the nearest 5. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core. For example, New York includes New York City, Newark and Jersey City. Globally comparable city-level data is not available; as such, to ensure comparability is as precise as possible, we focus on metro areas. The exceptions here are Naples, Greenwich and Aspen, which, due to their very high numbers of UHNW secondary home owners, are included, despite not making up their own metropolitan areas.

Source: Wealth-X December 2020

TOP 20 CITIES BY UHNW DENSITY

Leading cities differ markedly by UHNW density, that is, the number of general residents per UHNW resident or secondary home owner. Aside from the UHNW footprint, the size of a city's general population and the demarcation of physical city limits, UHNW density can also reflect the character of a city and be influenced by the concentration of its prime real estate, be it residential, commercial or retail.

NUMBER OF CITY RESIDENTS PER UHNW PRIMARY RESIDENT OR SECONDARY HOME OWNER, AND RANK



Note: Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core. For example, New York includes New York City, Newark and Jersey City. Globally comparable city-level data is not available; as such, to ensure comparability is as precise as possible, we focus on metro areas. The exceptions here are Naples, Greenwich and Aspen, which, due to their very high numbers of UHNW secondary home owners, are included, despite not making up their own metropolitan areas.

Source: Wealth-X December 2020

Monaco and Aspen have far and away the highest levels of UHNW density.

The city state of Monaco has the world's highest density of the ultra wealthy — with one UHNW individual (as a primary resident or with a second home) for every 29 residents. In Aspen, one in every 47 residents is UHNW. Both locations offer real estate and amenities that are highly targeted towards the wealthy.

Switzerland's two most-populous cities, Geneva and Zurich, rank in the top seven for UHNW density. A favorable tax system, political stability, high-end education, outdoor pursuits and a high quality of life draw many wealthy people to these modestly sized but highly international cities.

Hong Kong is the highest-ranked global city, in sixth position. Its position is explained by Hong Kong's attraction as both a primary residence and second home to the wealthy, coupled with the city's natural geography, high population density and a large number of high-rise apartments. Singapore is the only other Asian city in the top 20. This reflects, in part, the comparatively high general population densities in many of the region's major cities, and also (particularly in the case of China) a more even dispersion of wealth across the country's main urban centers than is the case in many other leading UHNW markets.

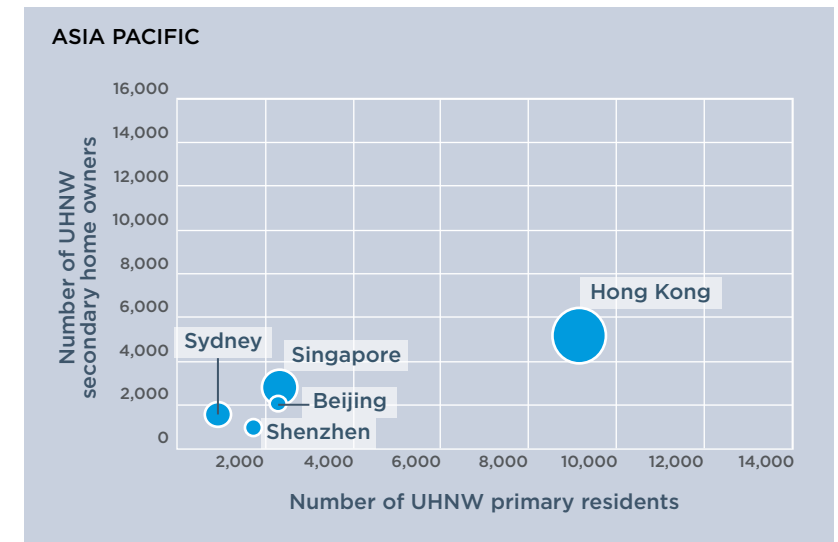
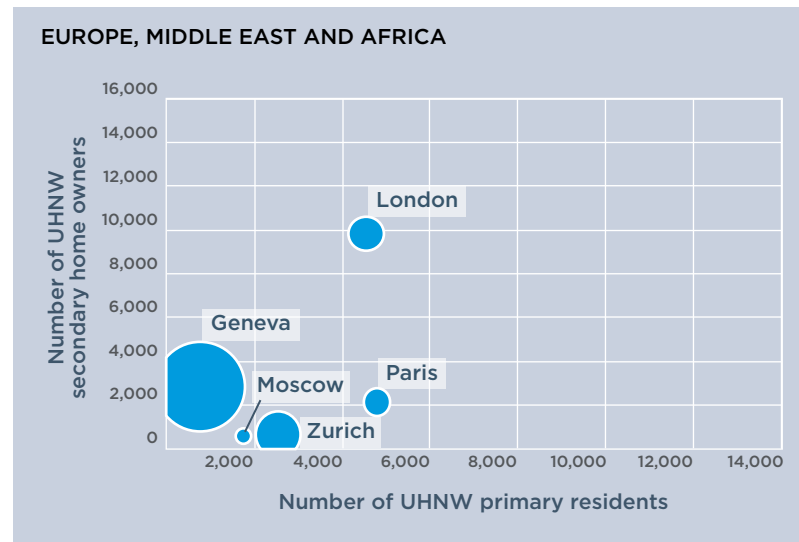
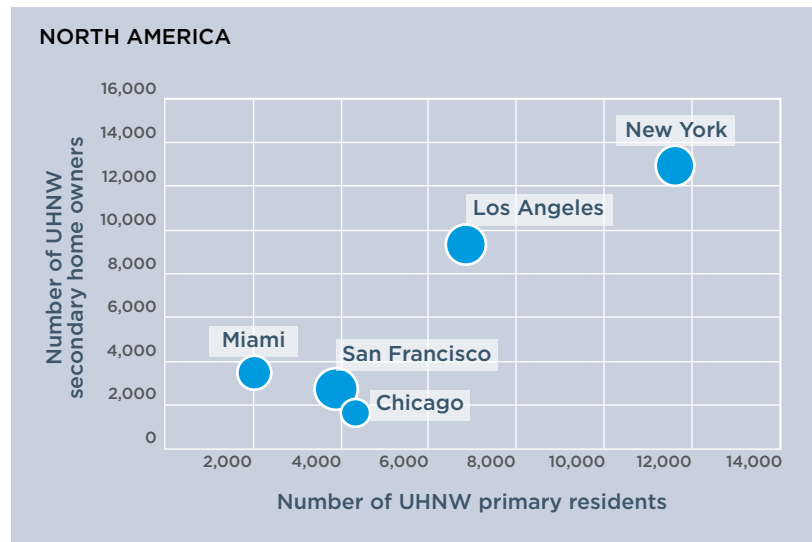
The other large global cities rank — perhaps surprisingly — in the middle of the top 20. Despite their large general populations, the global cities of Los Angeles, New York and London rank from 11th to 13th respectively. This is a testament to their broad appeal to many UHNW individuals as a location for a primary residence and a second home.

“2020 has seen large changes to the luxury real estate market. Many of my clients have made the decision to make a life change. As they can work anywhere, many are choosing quieter locations, with beaches or mountains, or moving away from the typically more congested cities.”

— Bonneau Ansley III, Founder and CEO, Ansley Atlanta, GA

TOP FIVE CITIES PER REGION BY UHNW TOTAL FOOTPRINT

● UHNW density
The UHNW total footprint out of the total number of city residents (the bigger the circle, the greater the density)



Source: Wealth-X December 2020

NORTH AMERICA

After New York and Los Angeles, San Francisco has the region's third largest UHNW footprint. While ranked in absolute terms behind the global outliers of New York and Los Angeles, the tech hub of San Francisco has the highest UHNW density of all the region's major cities, with one UHNW primary resident or secondary home owner for every 719 residents.

Chicago and Miami rank fourth and fifth respectively for total UHNW footprint. The US Midwest's largest city, Chicago, is a prime destination for business and residence among the wealthy; second homes are used here by those who may require a luxury pied-à-terre for frequent visits. Miami is the region's leading coastal second-home hub but it also draws significant numbers of residents and holiday-home owners from outside North America.

EUROPE, THE MIDDLE EAST AND AFRICA

Paris has the second-largest UHNW footprint in the EMEA region after London. Paris has a larger number of ultra wealthy primary residents than London, but it trails the UK capital significantly once individuals with second homes are included. Although still ranked in the top 10 globally for the number of UHNW secondary home owners, Paris has just one for every two with a primary residence, a ratio more than four times lower than that of London.

Moscow ranks fifth behind the dense UHNW cities of Geneva and Zurich. In Switzerland's two biggest wealth markets, Zurich serves largely as a primary residence hub for the wealthy, with Geneva more popular for second homes. Moscow has by far the largest UHNW footprint in Russia and its neighboring countries — and it also has a very high proportion of ultra wealthy individuals whose net worth is at the upper end of this wealth tier (above \$100m).

No German, Middle East or African cities appear in the top five. Despite having the largest UHNW population of any country in the EMEA region, no German city ranks among the top five. This reflects the fact that — similarly to China — wealthy individuals are more evenly dispersed across Germany's major cities than is the case for most of the region's other major economies, particularly the UK, France and Russia. Among Middle Eastern and African cities, Riyadh and Dubai are the largest by UHNW footprint but they rank outside of the top 20 globally.

ASIA PACIFIC

Hong Kong is by far the leading UHNW city by total footprint in Asia Pacific. Numbering more than 14,200 ultra wealthy individuals, the global financial hub of Hong Kong has a footprint almost triple that of second-ranked Singapore. Among global cities and its regional cohort, Hong Kong has a high concentration of UHNW primary residents compared with its UHNW secondary home owners.

Beijing and Shenzhen rank third and fourth respectively. China's sprawling capital and the modern metropolis of Shenzhen are now major hubs for business, finance, technology and luxury consumption, and are popular among the wealthy as a location for primary residence and second homes.

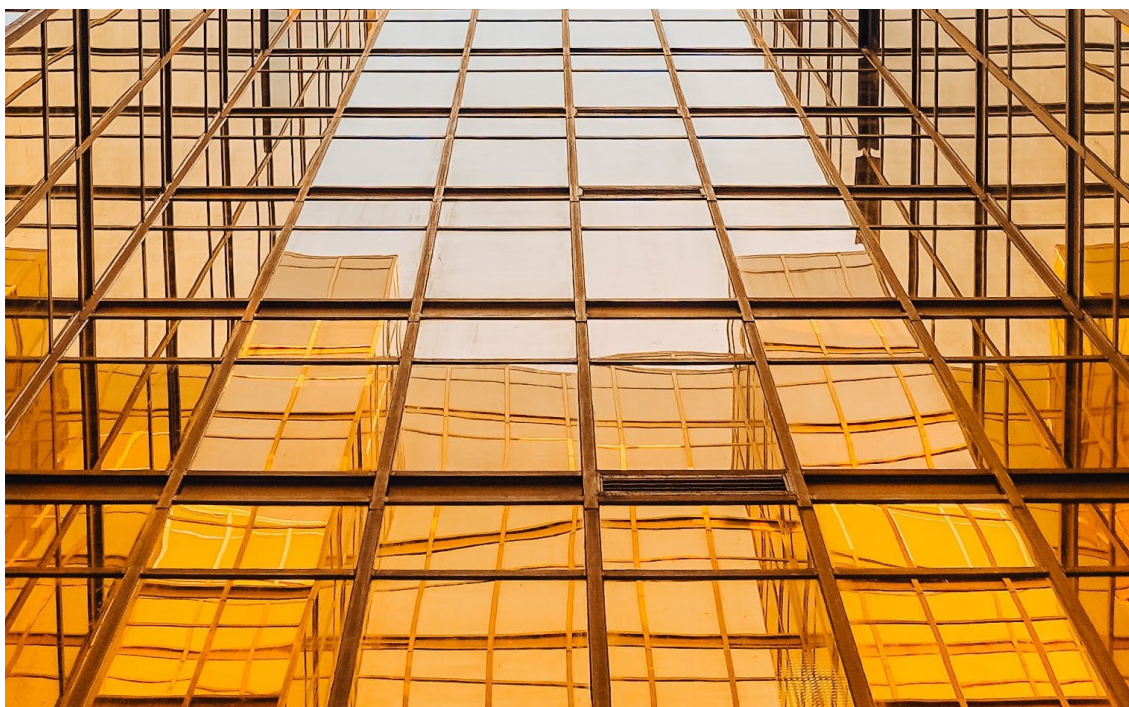
Popular as a second-home destination, Sydney ranks fifth. Australia's largest wealth market completes the top-five ranking in the Asia Pacific region, mainly owing to the city's evident attractions as a second-home location for the wealthy. There has been a huge expansion in high-end real estate activity in and around Sydney over the past decade. In particular, this has involved wealthy individuals from China and across Asia, who have been drawn by factors including lifestyle, investment return, education and potential future migration.

UHNW CITY ARCHETYPES: PRIMARY RESIDENTS AND SECONDARY HOME OWNERS

There are characteristic differences between UHNW primary residents and secondary home owners in Hong Kong, London and New York.

In this section we examine in more detail some of the key characteristics of — and differences between — UHNW primary residents and UHNW secondary home owners in the three leading cities of Hong Kong, London and New York. We find that while there is naturally some overlap across the six chosen groups, each one displays a number of distinctive traits among its cohort, whether related to gender, wealth source, age or primary industry.

Across Hong Kong, London and New York, UHNW secondary home owners are generally slightly younger and have a higher female representation than their primary resident counterparts.



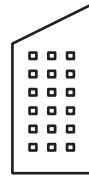
UHNW CITY ARCHETYPES: HONG KONG

UHNW PRIMARY RESIDENTS



Dominant in total footprint; strong banking/finance focus

UHNW SECONDARY HOME OWNERS

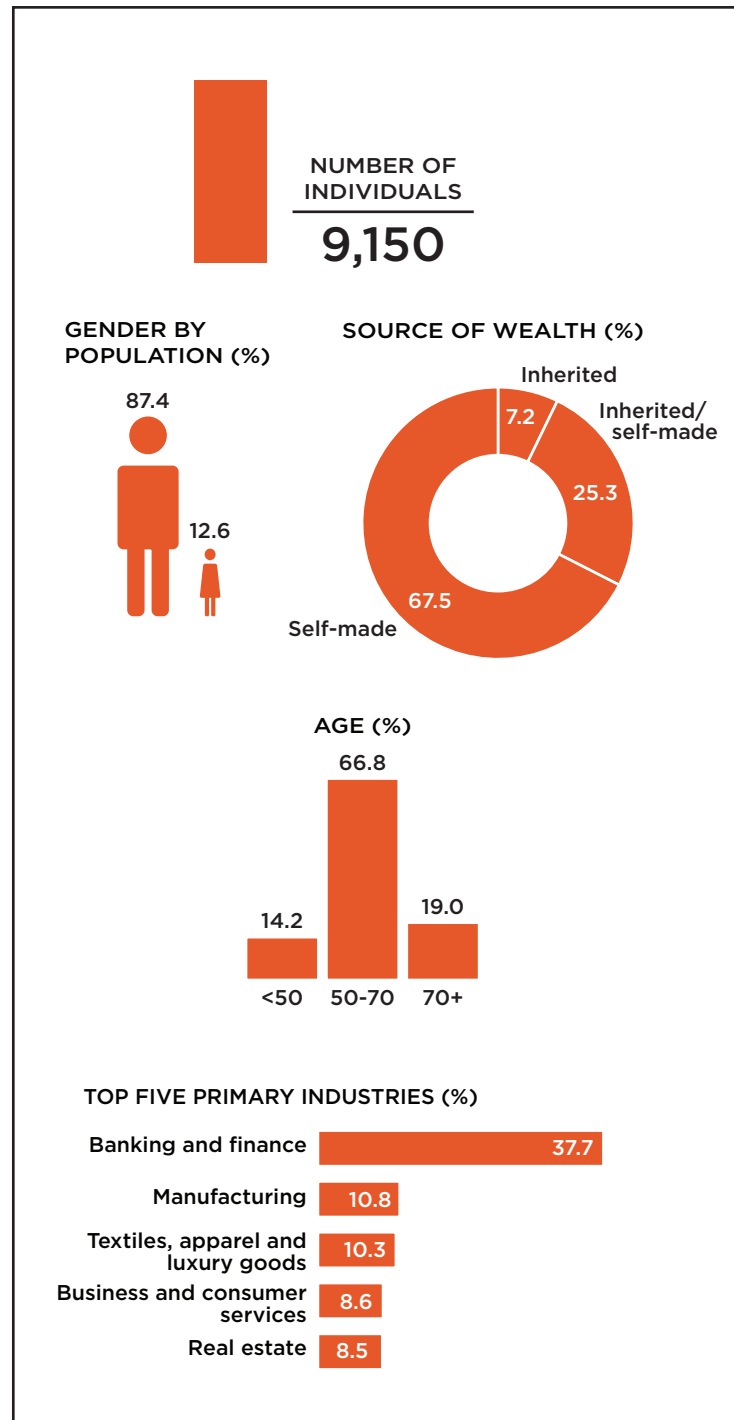


A largely Chinese demographic

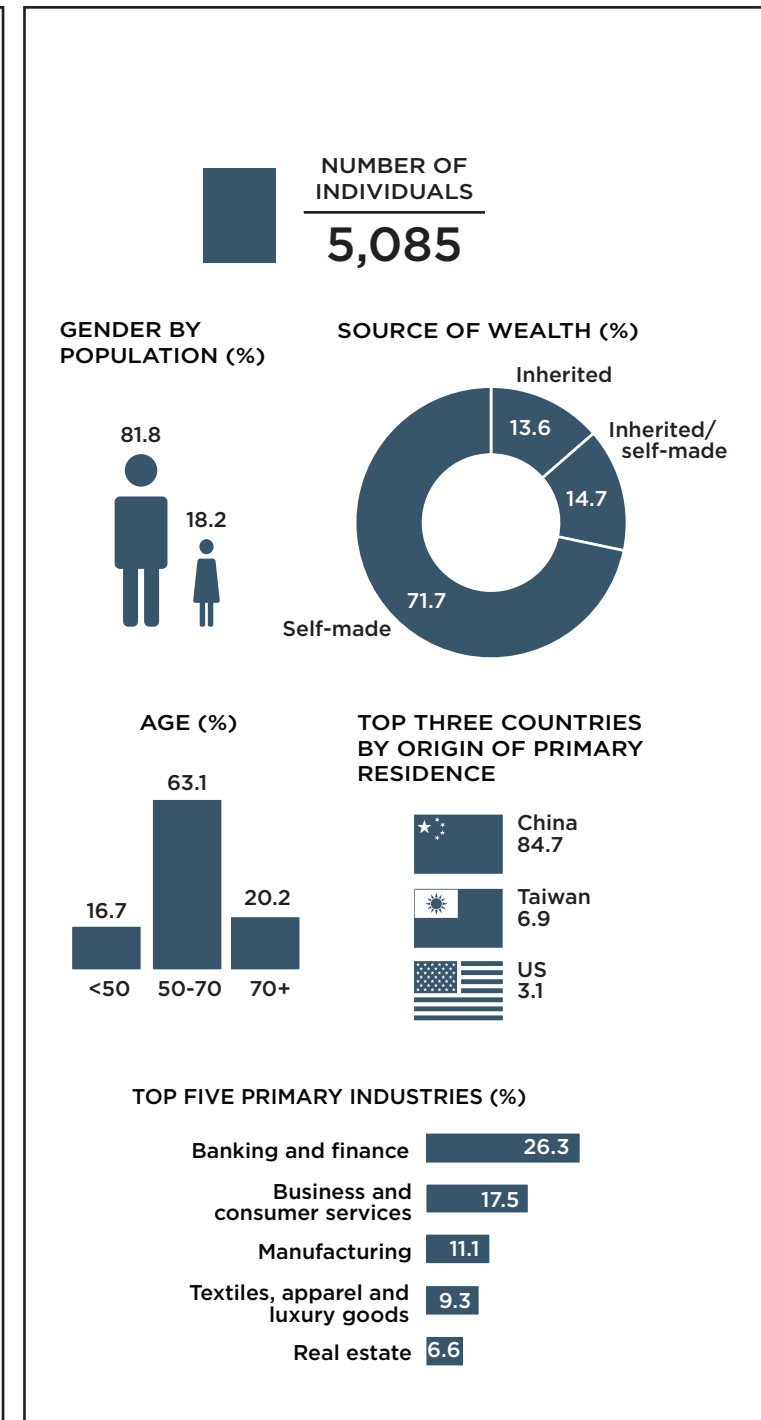
With the smallest UHNW total footprint of the three global cities, Hong Kong differs first and foremost in that its population of UHNW secondary home owners is smaller than that of its UHNW primary residents, in contrast with London and New York². As a global financial center, the dominant primary industry³ among Hong Kong's UHNW primary resident population is banking and finance, which is similar to both other cities of focus. Reflecting its close proximity and strong trading links, China accounts overwhelmingly for the territory's UHNW secondary home owner population, representing a less banking-dominated array of industries, particularly business and consumer services. Over the past decade, there has been a huge increase in demand for real estate from the mainland's wealthy for the purposes of investment, convenience of doing business, as well as wealth diversification and preservation.

Similarly to New York, a significantly greater proportion of UHNW secondary home owners are women (at 18%). Despite China's wealthy class being largely young and self-made, the distribution by age and wealth source of Hong Kong's secondary home owners is more similar to that of the global ultra wealthy population, on account of the more varied characteristics of secondary home owners from around the region.

UHNW PRIMARY RESIDENTS



UHNW SECONDARY HOME OWNERS



Note: The totals may not add up to 100% as a result of rounding.
Source: Wealth-X December 2020

² Hong Kong has experienced substantial real estate investment from China over the past decade. Still, much of this has been channeled via the business concerns of the wealthy, rather than by private ownership.
³ Primary industry refers to the industry to which the wealthy devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.

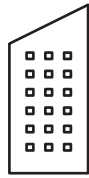
UHNW CITY ARCHETYPES: LONDON

UHNW PRIMARY RESIDENTS



Mostly self-made fortunes; younger than average

UHNW SECONDARY HOME OWNERS

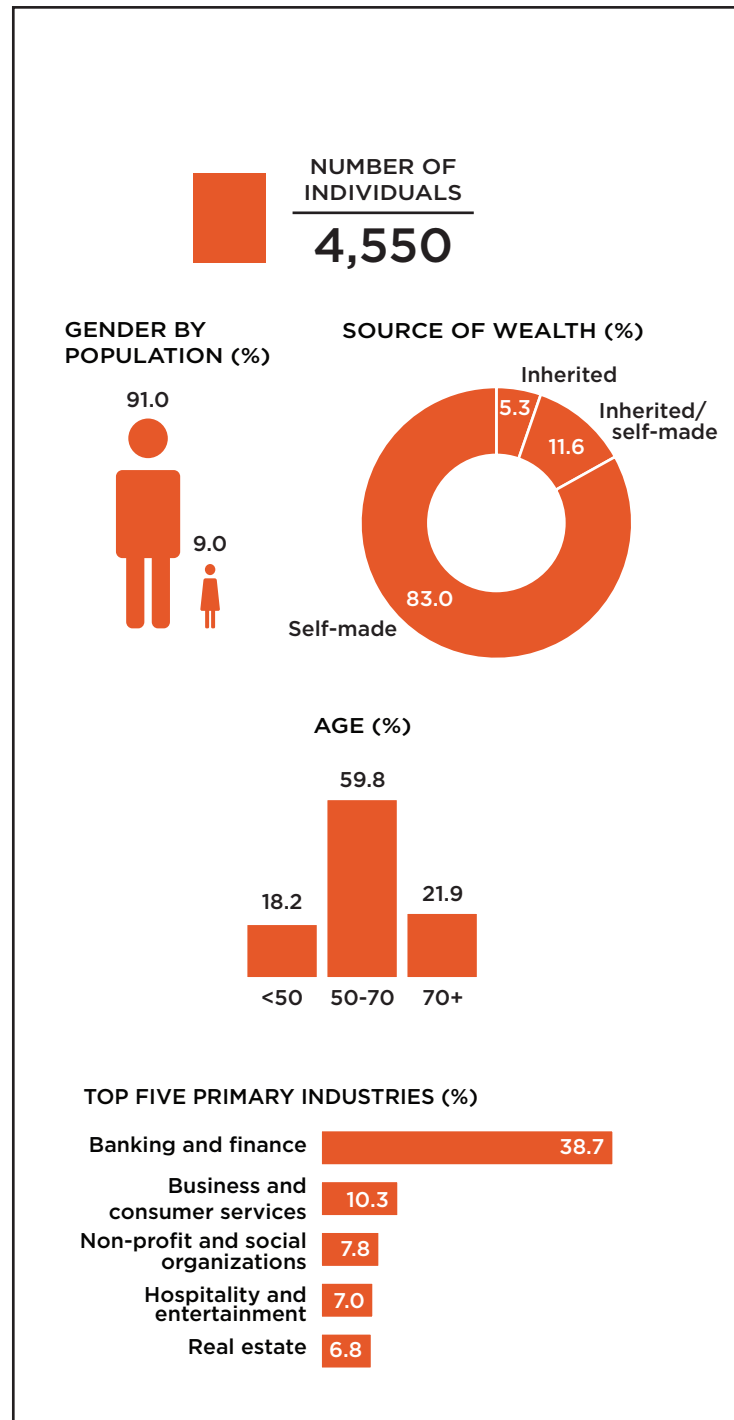


Large in number; internationally diverse

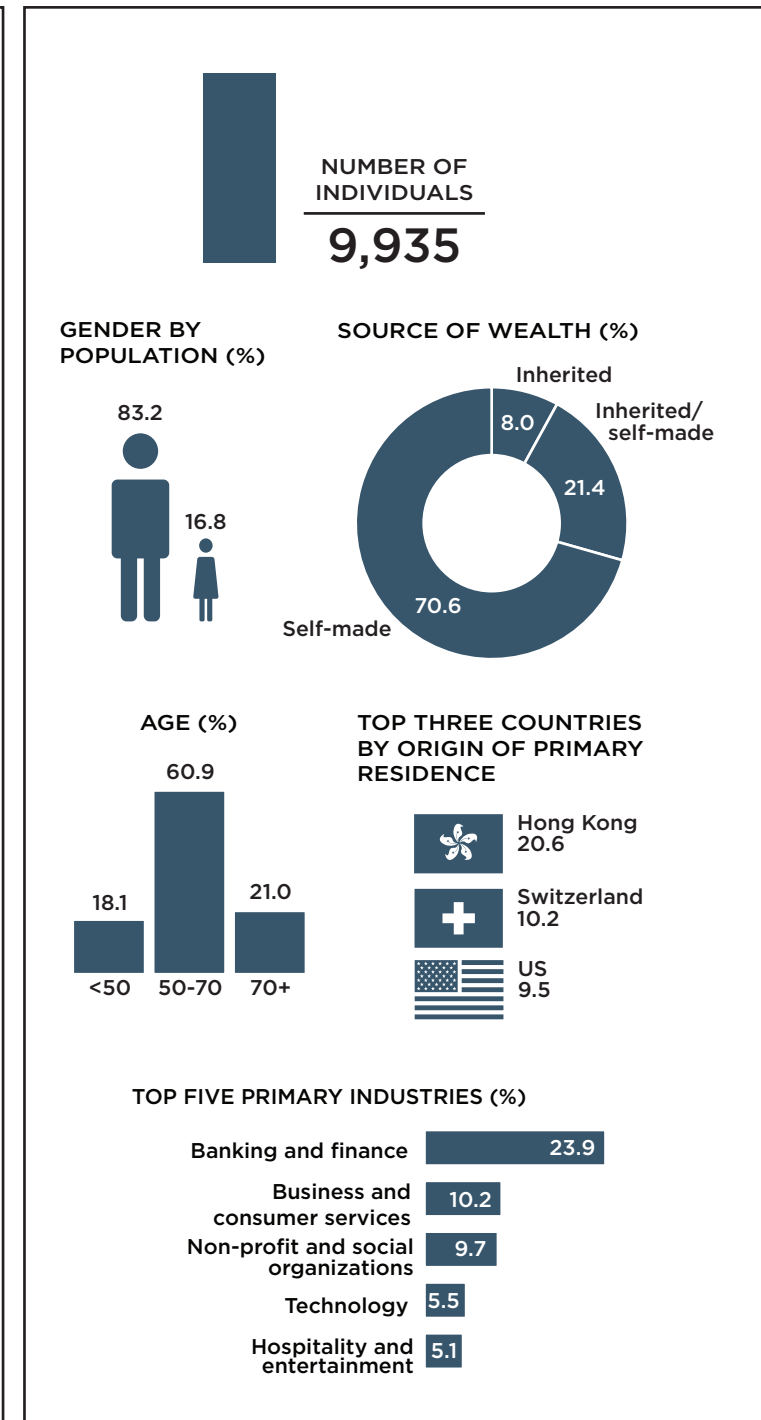
Among the three cities, London has the highest ratio of UHNW secondary home owners to UHNW primary residents by some margin. In a nod to the city's broad range of commercial opportunities, the primary residence cohort comprises an above-average proportion of individuals with self-made fortunes (83%), whereas a breakdown of wealth source among London's UHNW secondary home owners is more typical of the global ultra wealthy population. This is reflected in the country origin of UHNW secondary home owners: the wealthy come to London from all over the world, with the top three origin countries representing three different regions (unique among the three cities studied).

Women account for a significantly larger proportion of UHNW secondary home owners (17%) than in the primary residence cohort, and also than the general UHNW population. London's UHNW class is also younger than average, with little difference between the age distribution of secondary home owners and primary residents.

UHNW PRIMARY RESIDENTS



UHNW SECONDARY HOME OWNERS



Note: The totals may not add up to 100% as a result of rounding.
Source: Wealth-X December 2020

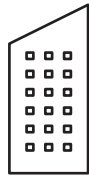
UHNW CITY ARCHETYPES: NEW YORK

UHNW PRIMARY RESIDENTS



High share of self-made fortunes; very strong banking/finance focus

UHNW SECONDARY HOME OWNERS

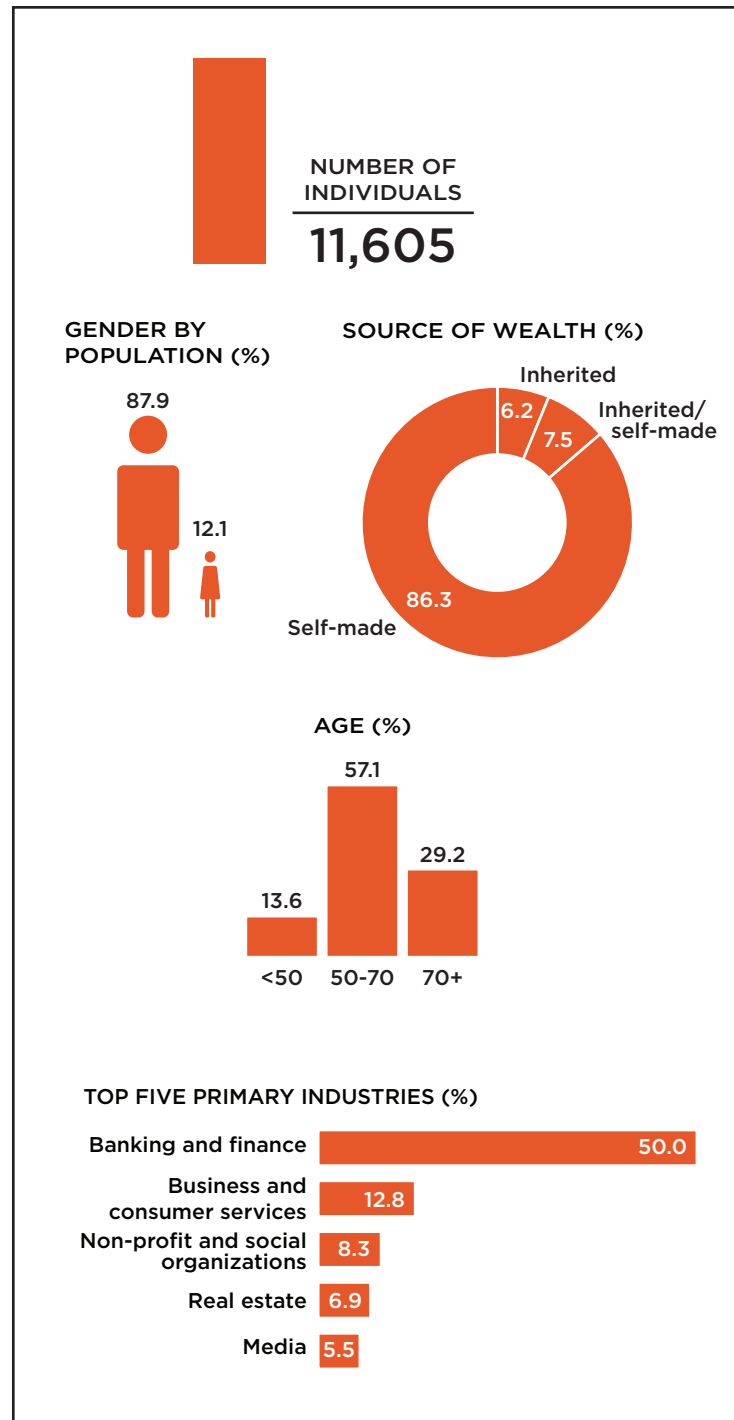


Predominantly from the US; higher female representation

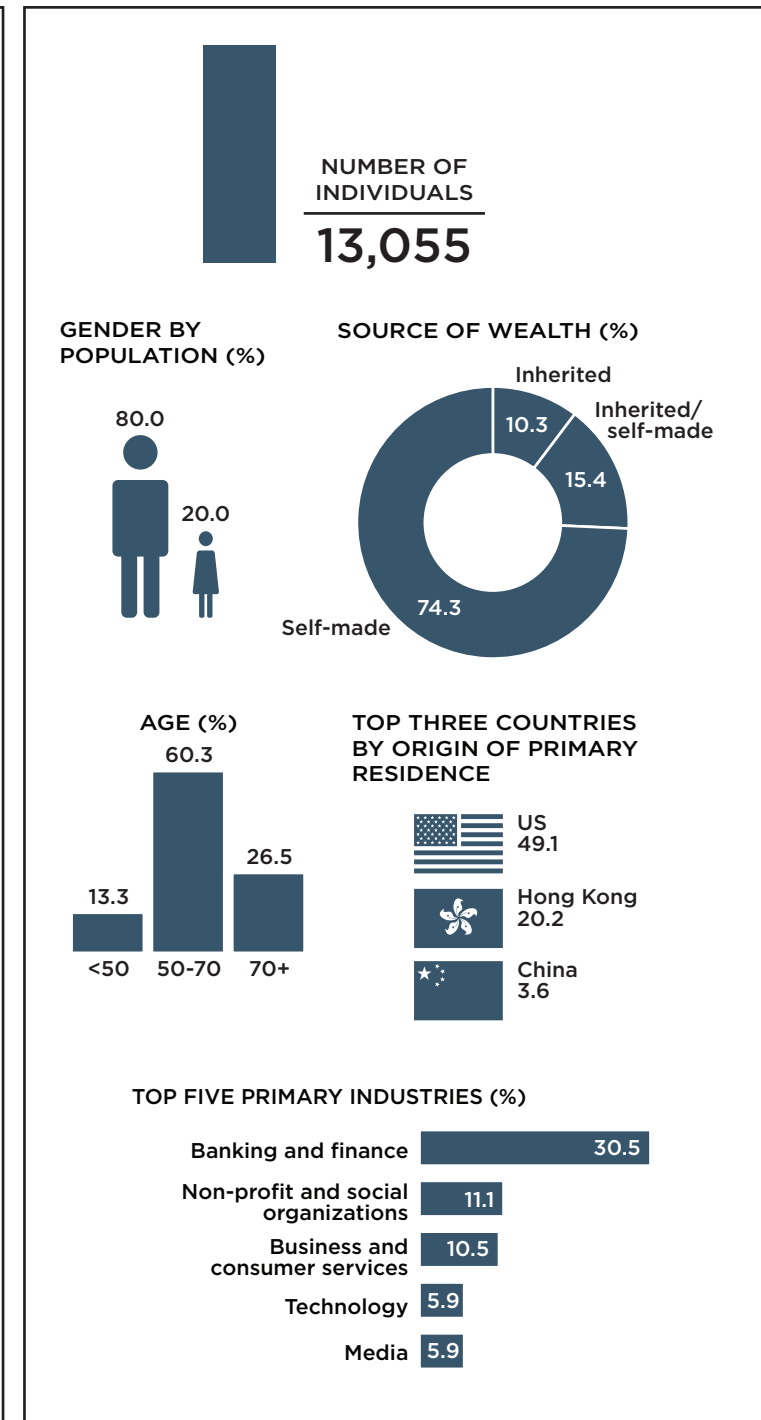
The world's leading global city for the wealthy, New York has a slightly larger number of UHNW secondary home owners than UHNW primary residents (though the ratio is not nearly as high as for London). Across all three cities there is a greater female representation among UHNW secondary home owners than those with a primary residence, and this is particularly the case for New York, where women account for a significant 20% (far higher than the average global figure of 10%) – testament to the attractions and character of the city.

In contrast to both Hong Kong and London, where a large proportion of UHNW secondary home owners are from overseas, almost half of this New York cohort has the US as its primary residence. Hong Kong is the second-ranked country of origin for secondary home owners, demonstrating the attraction of having residences in more than one global city. The Big Apple's UHNW primary resident population has the highest proportion of self-made individuals (86%), while banking and finance dominate as a primary industry. This group also has a higher representation of not-for-profit and social organizations as the primary industry focus, compared with London and especially Hong Kong.

UHNW PRIMARY RESIDENTS



UHNW SECONDARY HOME OWNERS



Note: The totals may not add up to 100% as a result of rounding.
Source: Wealth-X December 2020

METHODOLOGY

This report uses two steps to calculate the number of wealthy individuals in each city by residential presence: counting those with a ‘primary residence’ and those with ‘secondary homes’ (equating to the ‘total footprint’). Primary residence is determined by whether the property is owned privately (not via a company) and it is where the owner spends most of their time over the course of the year. Invariably, the city of primary residence is, more often than not, also where the property owner’s primary business is based. A secondary home is determined by whether the property is owned in addition to a primary residence by the same person. Again, this ownership is held privately.

Firstly, to size the wealthy population by ‘primary residence’ at the city level, we use our proprietary **Wealth and Investable Assets Model**⁴. The model uses residency as the determinant of an individual’s location. This model produces statistically significant estimates for the size of the population by level of wealth and investable assets for the world’s major cities as ranked by nominal GDP in \$. These cities are defined on the basis of urban agglomerations (UAs) and metropolitan (metro) areas, which include the built-up areas outside the administrative core. We find that metro and urban areas are closer to self-contained entities compared with city administrative cores (city proper) because more residents are likely to work and spend within the metro/UA boundaries. We focus on metro areas to ensure comparability because globally comparable city-level data is not available. For a very small number of cities we have used city-proper level data as such data was not available at the metropolitan level.

Second, in order to size the number of wealthy with secondary homes, we use the unique and proprietary **Wealth-X Database**, the world’s most extensive collection of curated research and intelligence on wealthy individuals. For this exercise, all known residences of the wealthy are counted, including those in a different location to their primary residence. This sample is then used to extrapolate from our model estimates of counts by city, to arrive at the residential second-home footprint. The database is also used to profile the ultra wealthy in greater depth.

The Wealth-X Database provides insights into the wealthy’s financial profile, career history, known associates, affiliations, family background, education, philanthropic endeavors, passions, hobbies, interests and much more. Our proprietary valuation model (as defined by net worth) assesses all asset holdings, including privately and publicly held businesses and investable assets. The database uses the primary business address as the determinant of a wealthy individual’s location. References to \$ or dollars refer to US dollars.

Analysis of the data and additional insights were provided by the **Wealth-X Analytics** team. Leveraging the Wealth-X Database and its own data models, Wealth-X Analytics provides customizable data assets tailored to your organization’s needs. Wealth-X Analytics is uniquely positioned to provide market-level data and analysis to inform strategies across the financial services, luxury, not-for-profit and education industries.

The Wealth-X Analytics team is composed of experienced analysts, economists and thought leaders, armed with deep sector knowledge and unique skills. The team regularly collaborates with clients across industries to provide:

- Market sizing and forecasting
- Profiling/archetyping
- Indexing
- Inputs for thought leadership

To learn how Wealth-X Analytics complements our full suite of data-driven products and services, email us at contact@wealthx.com.

⁴ Please see our *World Ultra Wealth Report 2020* for more detailed information on our Wealth and Investable Assets Model.

ABOUT REALM

REALM is the first globally collaborative real estate platform that combines real-time data with human experience and networking, and its membership is comprised of the most accomplished real estate professionals ever assembled. A REALM membership is a relationship enhancer, and includes a game-changing technology platform that will enhance client data, provide a lifestyle profile for a member's clients, and then matches elite REALM members anywhere in the world based on the clients they represent and the listings they have.

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ABOUT WEALTH-X

The global leader in wealth information and insight, Wealth-X partners with leading prestige brands across the financial services, luxury, not-for-profit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X boasts the world's most extensive collection of records on wealthy individuals and produces unparalleled data analysis to help organizations uncover, understand and engage their target audience, as well as mitigate risk. Founded in 2010, with staff across North America, Europe and Asia, Wealth-X provides unique data, analysis and counsel to a growing roster of more than 500 clients worldwide.



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