Residential Real Estate 2023

Spotlight on the world's leading markets for the wealthy

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Executive summary

All residential homes of the wealthy matter. Wealthy individuals often have multiple homes and business interests in multiple locations. Any residential presence or 'footprint' — even if only for a few days a year in a primary residence or a secondary (or additional) home – represents an opportunity for organizations looking to connect, interact and nurture relationships with the wealthy.

The US dominates the list of the world's top 20 cities by ultra high net worth (UHNW) residential footprint. With a total UHNW footprint approaching 22,000 individuals, New York is the leading global city of the wealthy, while Los Angeles and Miami both have a footprint in excess of 10,000. This reflects not only the sheer size of the US wealth market, but also its geographic and business diversity.

Three Asian and two European cities are represented in the top 20. London ranks in second place with a UHNW footprint of close to 16,000, and Hong Kong follows closely behind in third position, with 15,175. Beijing has overtaken Singapore in the top 10 – the UHNW footprint in China's largest wealth market has increased steadily over recent years, driven by strong demand from the UHNW second-homer population. With a UHNW footprint of around 5,200, Paris ranks 13th.

Among the leading cities for UHNW second-home owners, Naples is a huge outlier. While a relatively small metro area by general population, Naples (Florida) has by far the highest ratio of UHNW second-homers to primary residence owners at 23:1. The ski resort of Aspen in Colorado, lower down the rankings, is the only other location with a ratio above five.

Monaco has by far and away the highest level of UHNW density. The city state on the French Riviera has one UHNW individual (as a primary resident or with a second home) for every 39 residents. Aspen ranks second and, among US cities, Naples and Greenwich also rank very highly.

Ultra wealthy home owners in Dubai, Los Angeles and Monaco show distinctive characteristics. Dubai's ultra wealthy home owners tend to be younger than those in the other two cities of focus and mainly comprise primary residents; those with homes in Los Angeles have a high share of self-made fortunes and private jets (about 10%); while Monaco's home owners are a broad mix of ages and nationalities, and have a strong interest in boating, travel and sports.

Foreword

Over time, luxury has become a ubiquitous term. In one manner, it was being overused long before the paradigm-shift of COVID and the dynamics of 2020 and 2021, but it's also illustrative of the especially dynamic nature of "luxury" in recent years. For example, Baby Boomers' definition of luxury may have been encapsulated in the "things" that they collected, the status implied by driving a European sportscar, owning a fine watch, or carrying a specific handbag. Subsequent generations have shifted that definition of luxury to the currency of "experiences." These consumers focused on the adventure of travel, the joy of live entertainment, the energy of sporting events shared with friends and loved ones. Of course, unless you were there, these luxuries were less apparent than a hood ornament or a label but, enter the technology of social media, and we all get to share in the indulgences of our friends and family as they tout their experiences in real time.

And now, we are in a new age of innovation and change. We are seeing a new breed of trusted advisor emerge; a colleague who is both valued by their personal relationships and enhanced by the data available through technology. As we've emerged from 2020 and 2021, years riddled with uncertainty around a global pandemic, social unrest, political discourse, and natural disasters, regardless of your age or demographic, luxury has made a monumental shift in the minds of the global population and we are all, perhaps, a little more united in how we describe, seek and experience "luxury" in our daily life. Technology enables connectedness, insight and efficiency that never existed before and how that has shaped the UHNW is evident in how they are living as global citizens.

The value and emphasis on how and where we spend our time was no more evident than the global pandemic. Emerging from quarantine those with the flexibility to ensure they are not separated from their family or loved ones are seeking refuge with larger properties and compounds. The ability to accommodate generations of family, extended family and the necessary support staff is critical and driving demand for properties that, historically, would have been more challenging to sell. Families traveling with chefs, educators, trainers, etc. who want to ensure that they have the services they need in accordance with their schedule and location is imperative. Even now, the borders have opened, travel has increased, and technology provides a key aspect to the flexibility desired by today's affluent.

Through REALM, our members are so generous in constantly and unabashedly providing knowledge and insight to those around them. And to be cultivating such an insightful membership, we must align ourselves with the best resources in the industry.
We are proud to debut our most recent collaboration with Altrata — *Residential Real Estate 2023: Spotlight on the World's Leading Markets for the Wealthy*. Informed by Wealth-X analysis of its data which covers 4 million of the wealthiest people in the world from over 175 countries combined with the global insights from REALM's membership comprised of elite real estate professionals from over 100 different brands, 40 states and 12 countries, the report represents some of the most comprehensive observations available in the industry. As REALM continues to grow as a network of trusted advisors, we are looking not just within our sphere of influence but to other trusted advisors that offer their own perspectives regarding the psychology of the affluent. As the industry's most diverse group of thought leaders, REALM does more than merely report data, we offer a forward-looking view of what the industry looks like from a futurist perspective.

Julie Faupel
Founder and CEO | **REALM**

Introduction

In a world of volatile politics, uncertain economic prospects and rapid social and technological change, the wealthy population's preferences for how and where they live are constantly shifting. Yet the significance of 'home' for the wealthy — as a haven for family, a place of work or a vacation escape for personal wellbeing — remains as strong as ever. Moreover, the allure of the city, whether for business, cultural, family or lifestyle reasons, remains strong, driving demand across the world's luxury residential real estate market.

Altrata's *Residential Real Estate 2023: Spotlight on the World's Leading Markets for the Wealthy* is the second edition of this report, powered by Wealth-X and sponsored by **REALM**. Since the first edition was published in early 2021, there have been changes across the global wealth map and, alongside a comprehensive update to our Wealth and Investable Assets Model[1], this new report presents a concise and informative snapshot of where the wealthy choose to live, work and play, with a focus on ultra high net worth (UHNW) individuals with a net worth of more than $30m (an exclusive group totaling around 400,000 individuals[2]).

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

We begin with an overview of the importance of cities to the wealthy and highlight recent global trends and their impact on the luxury real estate market. The core section of the report then focuses on the world's top cities ranked by total UHNW residential footprint, counting individuals with a primary residence and/or secondary home(s) in these locations.

The report then shines a spotlight on the world's most popular cities for secondary homes of the wealthy, with a geographic focus on the US and the rest of the world. Many of these urban centers, but not all, also feature prominently in our examination of cities by UHNW density, that is, the number of general residents per UHNW primary resident or secondary home owner.

The final section, using a study of archetypes, explores the different characteristics of UHNW primary and secondary home owners in three distinctive cities – Dubai, Los Angeles and Monaco — profiling their age and gender distribution, wealth source, primary industry, personal interests and luxury travel assets.

Altrata's *Residential Real Estate 2023: Spotlight on the World's Leading Markets for the Wealthy* provides exclusive insights on the intersection between luxury real estate and wealth, making it an essential read for any organization looking to connect, interact and nurture relationships with this exclusive group.

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1 Since our last edition, we have comprehensively updated our Wealth and Investable Assets Model, which has led to changes in our data. As a result, the data in this report is not directly comparable with previously published numbers.

2 For further information on the ultra wealthy, see Altrata's *World Ultra Wealth Report 2022*.

Footprint matters

Organizations classify the location of a wealthy individual in different ways, usually based on their commercial or not-for-profit objectives and focusing on their 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.

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

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

Adapting to change

Cities remain as important as ever to the wealthy

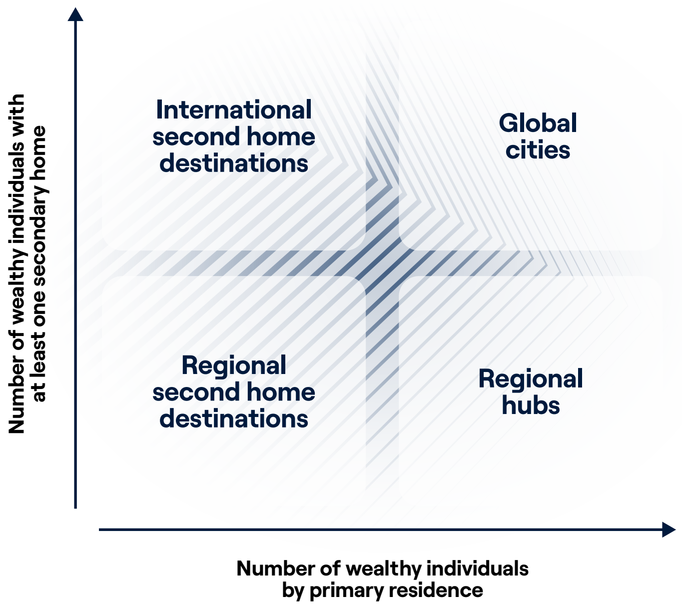
The cities of the world are where most wealthy individuals tend to congregate and reside, often close to their primary commercial interests and in proximity to social and talent networks, new investment opportunities, and an array of cultural, educational, entertainment and lifestyle services.

While the distribution of wealth across countries and regions has evolved steadily over the past decade, the allure of the largest global cities – and their accompanying luxury real estate locations – has remained strong. This is by no means a static process, however, particularly considering the huge social and economic shifts of recent years. Beyond these top-tier cities, a diverse mix of urban centers around the world are in constant flux, their appeal to the wealthy shaped by increasingly complex geopolitics and the ebbs and flows of wealth creation and destruction.

The wealthy often have multiple homes and business interests across various locations. Their primary residence is where they spend most of their time over the course of the year and, more often than not, it will be near where their primary business is based. However, their secondary homes are often just as important, whether for vacations and leisure pursuits, family commitments, as an investment or for use during frequent business trips.

The wealthy's residential city footprint

Global city differentiation among the wealthy



The pandemic may have blurred some of the boundaries between the wealthy's expectations for their primary and secondary residences, whether for reasons of personal wellbeing, mobility, lifestyle, security or in response to revamped business models, new technologies or the rapid transition to hybrid and remote working. However, the distinction between a primary and secondary home — and thus between distinctive luxury real estate markets — still stands. With the direct effects of the pandemic gradually diminishing and the global economy adjusting to new challenges and realities, the competition between cities to attract the wealthy remains as strong as ever.

A robust asset class

The market for luxury real estate boomed during the pandemic as strong growth in private wealth portfolios (notwithstanding the more recent decline since early 2022), rapidly shifting buyer preferences, policy stimulus and low borrowing costs drove a spike in housing demand and residential prices.

Much changed in 2022: the global economy remained volatile, emerging from a worldwide pandemic to a new war in Europe, deepening US-China tensions and an extreme inflationary cycle, triggering a rapid tightening of monetary conditions and a slowdown in growth. Nonetheless, while not immune to the pressures of higher inflation and financing costs (for the first time in more than a decade), the affluence of buyers in these markets does afford them a considerable degree of protection.

Demand for, and supply of, luxury residential real estate in cities around the world will continue to be influenced by numerous other factors: political instability, social unrest, residency rules, energy disruption, climate change, new technologies and country-specific reforms. And, generally speaking, cities and governments remain keen to attract wealthy residential property buyers at a domestic level and from abroad. Despite a backdrop of more volatile global politics and more visible east-west tensions, the globalization of luxury real estate is a trend that is unlikely to halt any time soon.

> "Demand for luxury real estate is, and will continue to be, driven by the offer of prestige, status and a lifestyle, an attraction to unique and one-of-a-kind properties, and diversification of investment portfolios, as well as ongoing changes in preferences, such as the increase in remote work and an increase in cross-border investment among the younger generation of wealthy.
>
> - Beqo Hoti, Founder and CEO, Shaza Luxury Real Estate"

In the sections that follow, we use a number of different measures to uncover the key characteristics of the world's most popular cities according to the ultra wealthy's residential footprint.

Leading markets

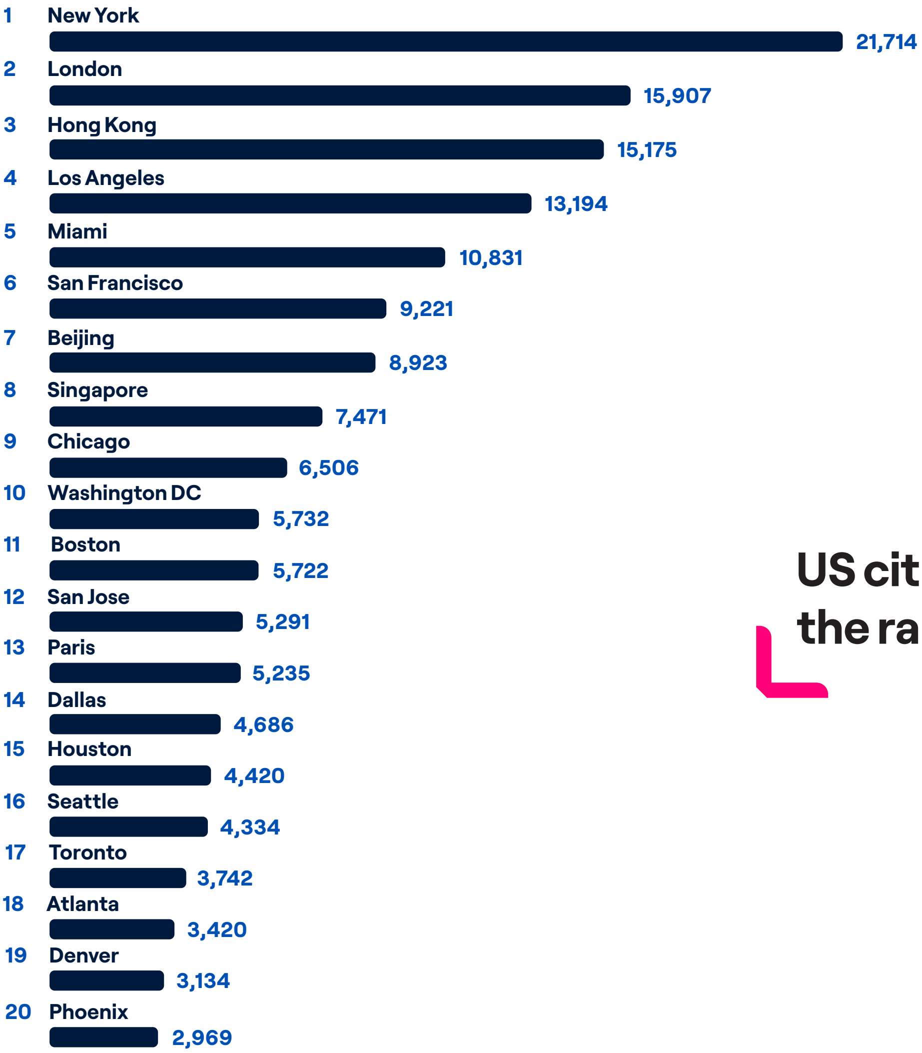
Top cities by total residential footprint

Where do the wealthy have homes to live, vacation and work in? As the country with by far the largest ultra wealthy population, the US dominates the rankings, accounting for well over half of the world's top 20 cities ranked by total UHNW residential footprint (primary residence and all additional homes). Three Asian cities are represented, along with two in Europe.

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.

Note: For details on the methodology, please see the Methodology section. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core.

Source: Wealth-X, an Altrata company, January 2023

New York is the leading global city of the wealthy. The financial center of the world's largest wealth market and the biggest regional economy in the US, New York reigns at the top of the city rankings, with a total UHNW footprint approaching 22,000 individuals. Its five boroughs of Brooklyn, Queens, Manhattan, The Bronx and Staten Island offer a rich blend of culture, luxury consumption, high-quality education and prime real estate. New York's dominant status is reflected in its top ranking not only for the number of UHNW individuals by primary residence but also for second-homers.

> One dramatic effect of the pandemic was that many UHNW buyers shifted their focus to larger residences that enable them to be close to family and pursue their businesses and passions all in one location. Such highly serviced and amenitized New York-branded residences have attracted an experienced and savvy buyer demographic that stretches across the world and from coast to coast here in the US.
>
> - Dan Tubb, Senior Director of Sales, The Towers of the Waldorf Astoria Residences, New York

London ranks in second place. Despite the UK's current economic travails, London remains a powerful magnet for the wealthy, exhibiting a total UHNW footprint of close to 16,000 people. In an economy strongly geared towards wealth preservation, London stands out among the leading cities as having one of the higher shares of UHNW second-homers.

Hong Kong follows closely behind in third position. The territory has a total UHNW footprint of 15,175 individuals. This comprises mostly primary residences of the wealthy, attracted by its unrivalled links to mainland China, low taxation and status as a major global financial services hub. However, recent political developments have diminished Hong Kong's attractiveness to non-financial international companies.

Some 14 US cities feature in the top 20, with six in the top 10. 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. These qualities offer considerable scope for 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.

New York leads with a total UHNW footprint of almost 22,000 individuals.

Both in the global top five, Los Angeles and Miami have a UHNW footprint above 10,000.

Photo: LPG Productions. Represented by Elena Bluntzer and Jonathan Garcia, The Bluntzer Group - Sotheby's International Realty (Miami)

Los Angeles and Miami both have a UHNW residential footprint in excess of 10,000 people. Los Angeles is the second-largest wealth market in the US, with its diverse economy and coastal location proving a strong draw as a location of choice for primary residences. In contrast, Miami stands out as having a large population of UHNW second-homers, among them a sizeable Latin American diaspora.

Beijing has overtaken Singapore in the top 10. The UHNW footprint in China's largest wealth market has increased steadily over recent years, driven by strong demand from UHNW second-homers. (Note that Japanese cities do not feature in the rankings due to the opacity of Japan's real estate market data – Tokyo would almost certainly rank among the top five cities.)

Germany, the world's third-largest UHNW market, has no city representation in the top 25. This is largely explained by the stock of private wealth being dispersed more evenly across the country's domestic urban centers than is the case in other leading UHNW markets.

> The pandemic had a tremendous impact on Miami's ultra luxury residential market — it has become a preferred city for a substantial proportion of the world's wealthiest individuals. The appeal of the city continues to drive this migration, and from a business perspective, our city is becoming increasingly diverse.
>
> - Jonathan Garcia, Realtor, ONE Sotheby's International Realty, Miami

Leading markets

Top cities by secondary home owners

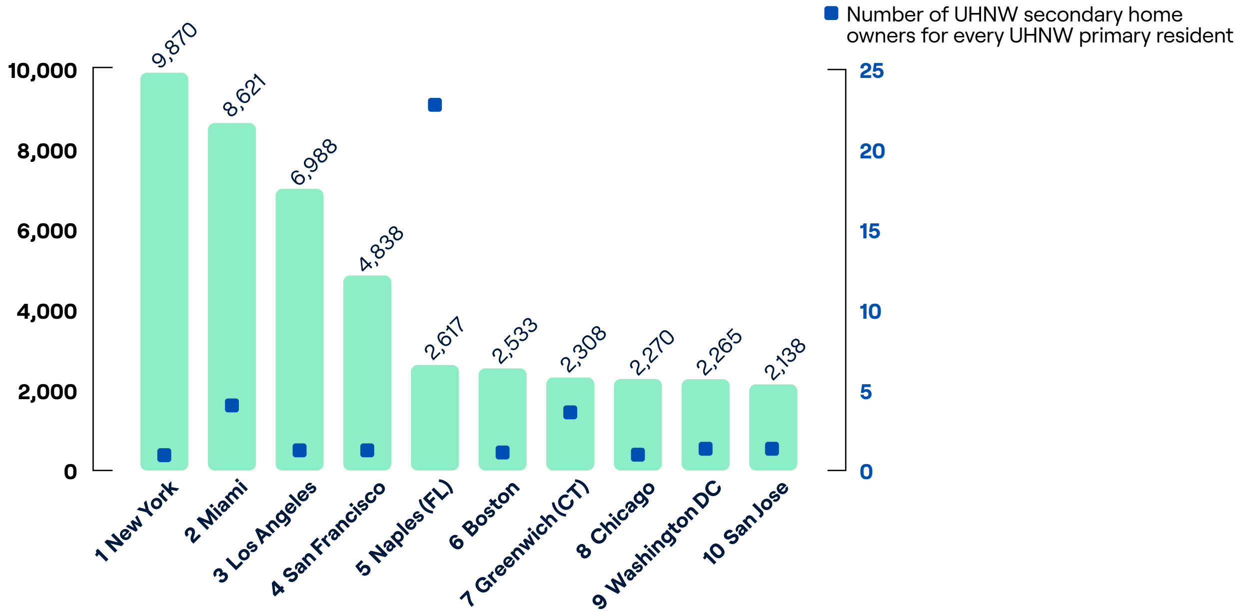
A wealthy individual's primary residence is where they spend most of their time and, invariably, this property is close to their primary business. However, their second (and additional) homes are used for a multitude of purposes. These include work reasons (having a home near to an important secondary business or operation); for leisure and recreation; for their children to use while in education; for investment purposes; as a step towards gaining citizenship of a country; and for their personal interest in real estate (moreover, these reasons are not mutually exclusive).

Photo: Jonathan Golden, Blue Gold Media. Represented by Ernie Carswell, Ernie Carswell & Associates - Douglas Elliman (Beverly Hills)

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



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. Greenwich refers to the Bridgeport–Stamford–Norwalk–Danbury metropolitan area.

Source: Wealth-X, an Altrata company, January 2023

New York and Miami are the most popular US cities for second homes among the ultra wealthy. Reflecting its global stature, private wealth and high-end appeal, New York's UHNW residential footprint is fairly evenly split between secondary homes and primary residences. This contrasts with Miami, which has the highest ratio of UHNW second-homers to primary residence owners (almost 4:1) of any major global city. A hub for tourism, business and finance, with a favorable climate, Miami attracts many wealthy domestic and international second-home buyers, particularly retirees and high net worth individuals from Latin America.

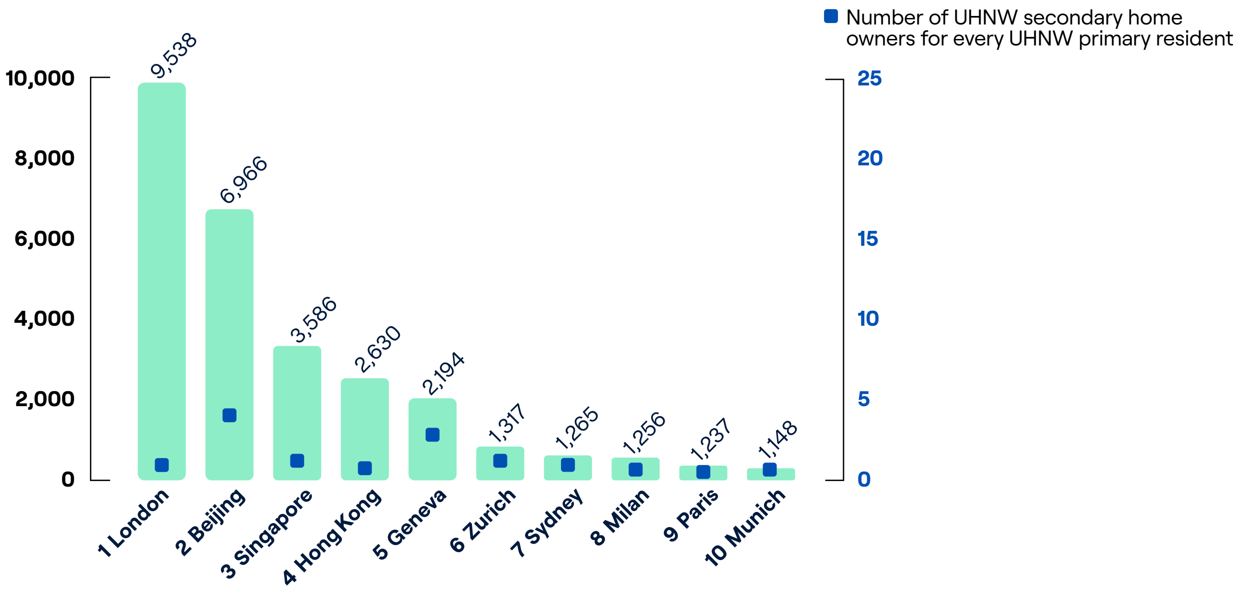
Los Angeles and San Francisco, ranked third and fourth respectively, have slightly more UHNW second homes than primary residences. The residential footprint in both cities is only slightly skewed towards ultra wealthy second-homers, but this differs from the other major urban centers in the top 10. In the case of Boston, Washington DC, San Jose and particularly Chicago, the number of UHNW second homes, while sizeable, is smaller than the respective number of UHNW primary residences.

Naples and Greenwich are highly sought-after second-home locations. 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. (The US ski resort of Aspen in Colorado, lower down the rankings, is the only other location with a ratio above 10.) Given its location and prime real estate, Greenwich (a principal city of and what we refer to as the Bridgeport–Stamford–Norwalk–Danbury metro area) is an appealing alternative to New York for the ultra wealthy and is particularly attractive to those working in financial services.

Global (ex US) cities by secondary home owners

Non-US top 10 UHNW cities by secondary home owners

Number of UHNW individuals with at least one secondary home in these cities, 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.

Source: Wealth-X, an Altrata company, January 2023

Among the top-tier global UHNW cities, London stands out as a second-home location. Although trailing New York slightly in absolute numbers, London has a higher ratio of UHNW second homes to primary residences (1.5:1) than any other UHNW city in the top 10. Despite structural economic weaknesses emerging in the UK, the capital remains a favored second-home base for many wealthy individuals, whether for its financial, cultural, real estate or tax-planning credentials.

Beijing and Geneva have especially high shares of UHNW second-homers. China's capital ranks seventh globally for its ultra wealthy residential footprint and has the second highest ratio of UHNW second homes to primary residences (at 3.6:1) of any major city in our study after Miami. The Swiss private banking and diplomatic hub of Geneva is also a hugely popular location for UHNW second-homers, who number more than three times those with primary residences. On a smaller scale, the city state of Monaco on the French Riviera is another long-favored second-home destination.

In contrast, Hong Kong and Paris are notable for their low proportions of ultra wealthy second-home owners. While the size and status of the two cities still deliver a fairly large footprint of UHNW second-homers, their share relative to owners of primary residences is considerably lower than in other major global centers. Hong Kong has the lowest ratio of all the cities in our study, with second-homers accounting for just 20% of its total UHNW footprint.

Among the top 10 (ex US), Beijing and Geneva have particularly high shares of UHNW second-homers.

07

Leading markets

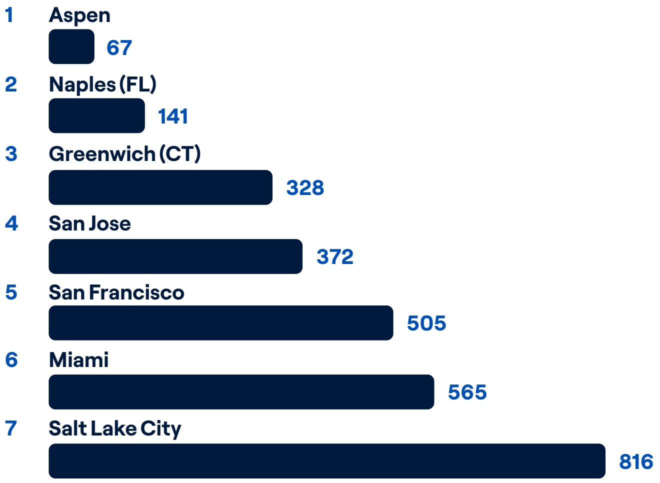
Top cities by UHNW density

The world's leading cities differ markedly in terms of their UHNW density — that is, the number of general residents per ultra wealthy resident or second-homer. Aside from a city's total UHNW residential footprint, its general population size and the demarcation of physical boundaries, UHNW density can often reflect the character of a city, its cultural history and business focus, and can also be influenced by the concentration of its prime real estate, be it residential, commercial or retail.

US cities by UHNW density

Top seven US cities by UHNW density

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. The exception here is Aspen, which, due to its very high number of UHNW secondary home owners, is included, despite not making up its own metropolitan area. Greenwich refers to the Bridgeport-Stamford-Norwalk-Danbury metropolitan area. City residents refer to a city's adult population that resides here on a permanent basis.

Source: Wealth-X, an Altrata company, January 2023

> Aspen is unique. It is a small town for "big city people," and provides a "blue chip" safety net for multi-generational investors knowing that the town is surrounded by undevelopable public land.
>
> - Doug Leibinger, Founding Broker, Compass, Aspen, Colorado

Aspen has by far the highest level of UHNW density in the US. The small mountain resort in Colorado has long been a haven for the wealthy, particularly from within North America, with one UHNW individual (as a primary resident or, more likely, a second-homer) for every 67 residents. As a comparison, this is almost 15 times greater than the UHNW density in New York.

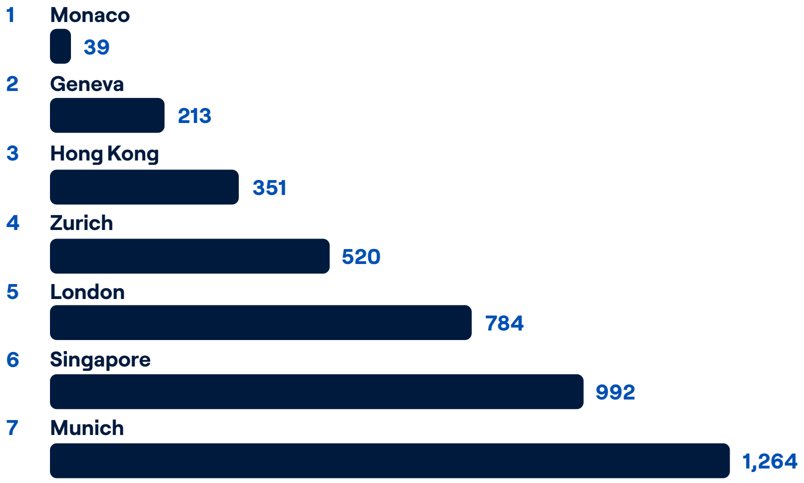
Florida is home to two of the top-ranked cities by UHNW density. Naples on the south-west coast and much larger Miami in the south east are ranked second and sixth respectively. The past decade has seen a gradual flow of the US ultra wealthy from north to south, from areas such as Boston and New York to Florida (and Texas), a trend that was likely accelerated by the pandemic. Miami and especially Naples are principally UHNW second-homer locations, but the number of primary residences is also growing as wealthy retirees move south and more US corporates bolster their presence in the state.

Northern California is also a stand-out location for UHNW density. As the cultural and wealth center of the Silicon Valley technology hub, the metro area of San Jose has one UHNW home owner for every 372 city residents. Its close neighbor to the north, San Francisco, also ranks highly for the density of its ultra wealthy home owners.

UHNW density in many of the largest US cities is quite similar to that of New York. The Big Apple has one UHNW resident or second-homer for every 946 city residents, which is broadly comparable to the situation in Boston, Seattle, Denver, Los Angeles and Washington DC.

Global (ex US) cities by UHNW density

Top seven non-US cities by UHNW density
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.

Source: Wealth-X, an Altrata company, January 2023

Monaco has the world's highest density of ultra wealthy residents and second-homers. The city state on the French Riviera has one UHNW individual (as a primary resident or with a second home) for every 39 residents. Key attractions are its climate and location, low-tax environment and high levels of security. Demand for real estate far exceeds constrained supply in the coastal principality, adding to its exclusivity.

Switzerland's two most populous cities, Geneva and Zurich, rank highly for UHNW density. A favorable tax system, political stability, prestigious education establishments, access to outdoor pursuits and a high quality of life draw many wealthy individuals to these modestly sized but highly international cities, both of which have a long-standing focus on financial services and private wealth.

Hong Kong and (to a more modest extent) London have higher levels of UHNW density than the premier wealth markets in the US. Hong Kong stands out among the top-tier global cities, with one ultra wealthy resident or second-homer for every 351 city residents, around three times the UHNW density level of New York and Los Angeles.

Monaco leads by some margin, with one UHNW home owner for every 39 residents.

City profiles

Exploring the ultra wealthy with homes in Dubai, Los Angeles and Monaco

In this section, we highlight some of the key characteristics of ultra wealthy individuals with a footprint in three distinctive cities: the tourism and expatriate hub of Dubai, the more traditional luxury haven of Monaco, and the larger global business and entertainment center of Los Angeles. While there is naturally some overlap across the three cohorts, each displays a number of distinctive traits, whether related to gender, wealth source, age, personal interests and primary industry focus.

Dubai

Younger and with a more industry-oriented business focus

The total UHNW residential footprint in Dubai is the smallest of the three cities but it has the largest share (two-thirds) of primary residents. Male representation among this ultra wealthy population, at 91%, is higher than in both Monaco and particularly Los Angeles, and also exceeds the share of the global ultra wealthy population (89%). The age distribution of Dubai's UHNW cohort is the youngest of the three cities: while the proportion of home owners aged under 50 is similar to that of Monaco, the emirate has a far smaller share aged over 70.

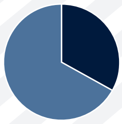
In terms of the interests and hobbies of these ultra wealthy home owners, Dubai is the only city of the three in which technology ranks highly, behind sports and public speaking. Its ultra wealthy primary and secondary home owners exhibit the lowest share of self-made fortunes but also the lowest prevalence of solely inherited wealth. Almost two-fifths have channeled a combination of self-created wealth and a capital boost from inheritance to amass their net worth, a considerably higher share than the global average and a nod to the concentrated distribution of wealth in the UAE and the above-average share of privately owned family businesses.

The oil sector remains a core driver of growth and wealth creation in the UAE but key policies are aimed at strengthening its credentials as a regional business hub, which is reflected in the primary industry focus of Dubai's UHNW residents. While banking and finance is the most common (as it is in Los Angeles and Monaco), there is a much larger representation in industrial conglomerates, construction and manufacturing than in the other two cities.

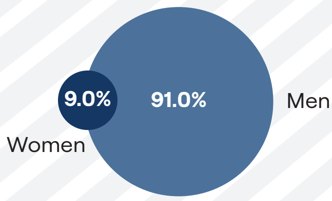
A snapshot of Dubai

UHNW primary residents and secondary home owners

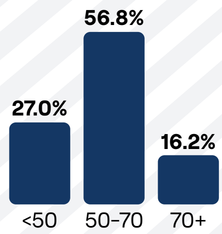
830 UHNW primary residents and secondary home owners



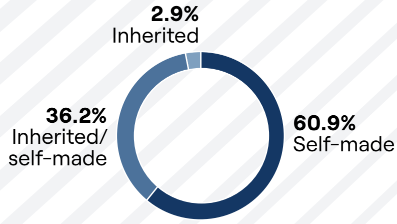
Gender



Age



Source of wealth



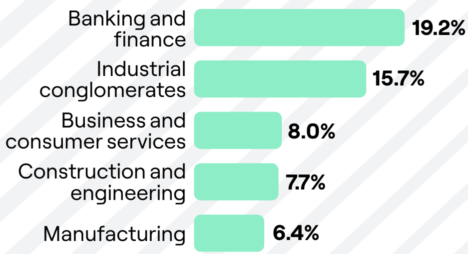
1.4% are known jet owners

0.7% are known yacht owners

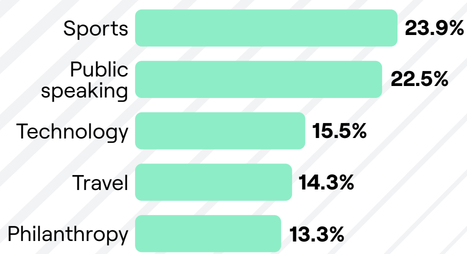
UK
France
Switzerland

Top three countries by origin of primary residence among secondary home owners

Top five primary industries
% individuals



Top five interests, passions and hobbies
% individuals



Note: The totals may not add up to 100% as a result of rounding. 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. Jet ownership refers to individuals who wholly own an aircraft or own one via fractional ownership, whereby they own a share of a jet.

Source: Wealth-X, an Altrata company, January 2023

Sports and technology are among the most popular pursuits of Dubai's UHNW residents and secondary home owners.

Los Angeles

Self-made fortunes and a high level of private jet ownership

The UHNW residential footprint in Los Angeles is approximately 14 times larger than that of Monaco and Dubai, and the fourth biggest of any global city. There is a broadly even split between UHNW primary residents and secondary home owners, with female representation the highest of the three cities (and four percentage points above the average of the global UHNW population).

Banking and finance is the primary industry for just over one-fifth of its ultra wealthy home owners, followed closely by business and consumer services, which ranks higher than in the other two cities. While the economy of Los Angeles is highly diversified, hospitality and media also feature prominently, as would be expected in a city globally renowned for its film and entertainment industry. This extends to the most popular interests, with public speaking, writing and film among UHNW home owners' top five, albeit some way behind sports.

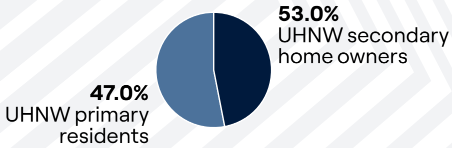
The age distribution of the city's ultra wealthy home owners is more skewed towards the older generation, particularly when compared with Dubai. Los Angeles has by far the lowest share of ultra wealthy home owners below the age of 50 of the three cities, but a slightly smaller proportion of those aged 70+ than Monaco. More than four-fifths of this UHNW group have self-made fortunes, above the global average for ultra wealthy individuals and a significantly higher share than in the other two cities. A larger proportion of UHNW home owners in Los Angeles are also owners of a private jet (about 10%), compared with just over 1% in Dubai.

Photo: Brian Kaplan, Ernie Carswell & Associates. Represented by Ernie Carswell, Ernie Carswell & Associates - Douglas Elliman (Beverly Hills)

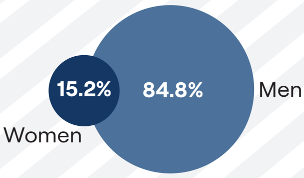
A snapshot of Los Angeles

UHNW primary residents and secondary home owners

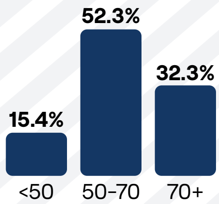
13,194 **UHNW primary residents and secondary home owners**



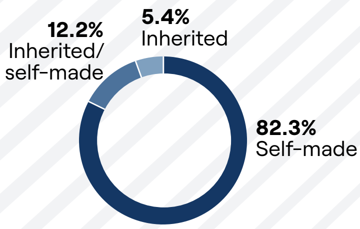
Gender



Age



Source of wealth

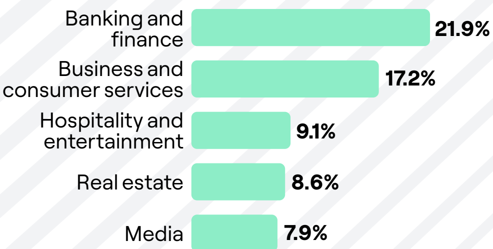


10.1% are known jet owners

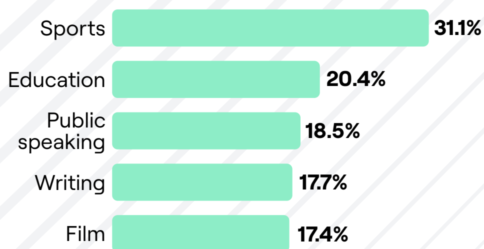
1.9% are known yacht owners

US
China
South Korea
Top three countries by origin of primary residence among secondary home owners

Top five primary industries
% individuals



Top five interests, passions and hobbies
% individuals



Note: The totals may not add up to 100% as a result of rounding.
Source: Wealth-X, an Altrata company, January 2023

> More homes sold in excess of $30m in 2022 in Los Angeles than in any year in history. The market remains strong, but not as strong as 2021-2022, which is a good thing on the whole.
>
> – Gary Gold, Luxury Property Specialist, Coldwell Banker, Beverly Hills, California

Monaco

Mostly second-homers with a broad mix of ages and nationalities, and a strong interest in boating, travel and sports

The total UHNW residential footprint in Monaco is slightly larger than that of Dubai, with by far the highest share of secondary home owners (76%) of the three cities. The city state is unique in many respects, from its diminutive size to its (related) very high density of high net worth individuals, their diverse mix of nationalities, a highly appealing tax environment and the wide range of exclusive cultural and sporting events on offer.

Around two-thirds of Monaco's ultra wealthy home owners have self-made fortunes, slightly below the average for the global UHNW population but a higher share than Dubai's. The proportion of solely inherited wealth is the highest of the three cities, although still comparatively low at 6%. Female representation is below that in Los Angeles but marginally greater than across the global ultra wealthy cohort.

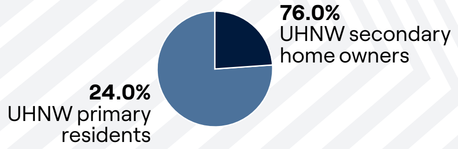
As in most UHNW cities, banking and finance is the most common primary industry but, beyond that, Monaco's ultra wealthy home owners exhibit a more even distribution across other sectors (including hospitality, real estate and non-profit organizations) than is the case in Dubai and Los Angeles. In part, this may reflect Monaco's very strong international appeal as a second-home location, attracting a more varied cohort of wealthy individuals than many UHNW centers.

The leading interests are boating and travel, pushing the still highly popular category of sports (the top interest in Dubai and Los Angeles) down to third position. Yacht ownership among Monaco's predominantly second-homer UHNW population stands at around 10%, with the share of private jet ownership well above that of Dubai.

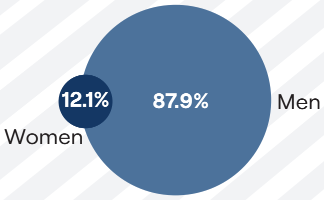
A snapshot of Monaco

UHNW primary residents and secondary home owners

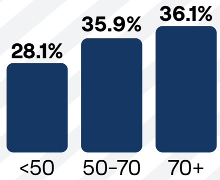
944 UHNW primary residents and secondary home owners



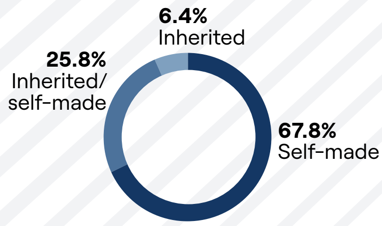
Gender



Age



Source of wealth

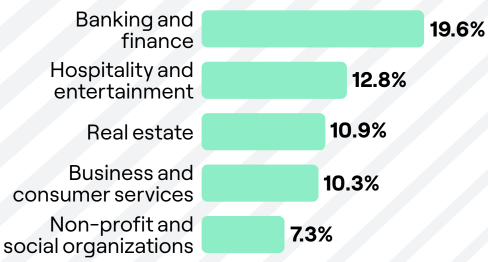


5.6% are known jet owners

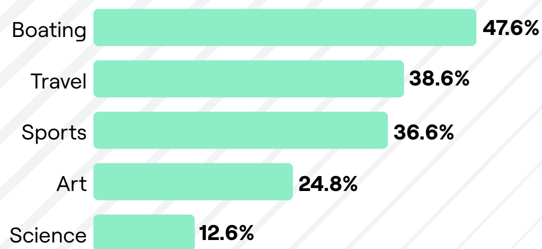
9.8% are known yacht owners

UK
Switzerland
France
Top three countries by origin of primary residence among secondary home owners

Top five primary industries
% individuals



Top five interests, passions and hobbies
% individuals



Note: The totals may not add up to 100% as a result of rounding.

Source: Wealth-X, an Altrata company, January 2023

Almost 10% of Monaco's predominantly second-homer UHNW population owns a yacht.

Methodology

This report is based on analysis using the unique and proprietary **Wealth-X Database**, the world's most extensive collection of curated research and intelligence on the wealthy, and our proprietary and recently updated[3] **Wealth and Investable Assets Model**. Since this report's last edition, we have comprehensively updated our Wealth and Investable Assets Model, which has led to changes in our data. As a result, the data in this report is not directly comparable with previously published numbers.

We use 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.

First, to size the wealthy population by 'primary residence' at the city level, we use our proprietary Wealth and Investable Assets Model. 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 200 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 US cities (such as Aspen), we have used city-proper level data because such data was not available at the metropolitan level.

Second, to size the number of wealthy with secondary homes, we use the Wealth-X Database. 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 an organization's needs.

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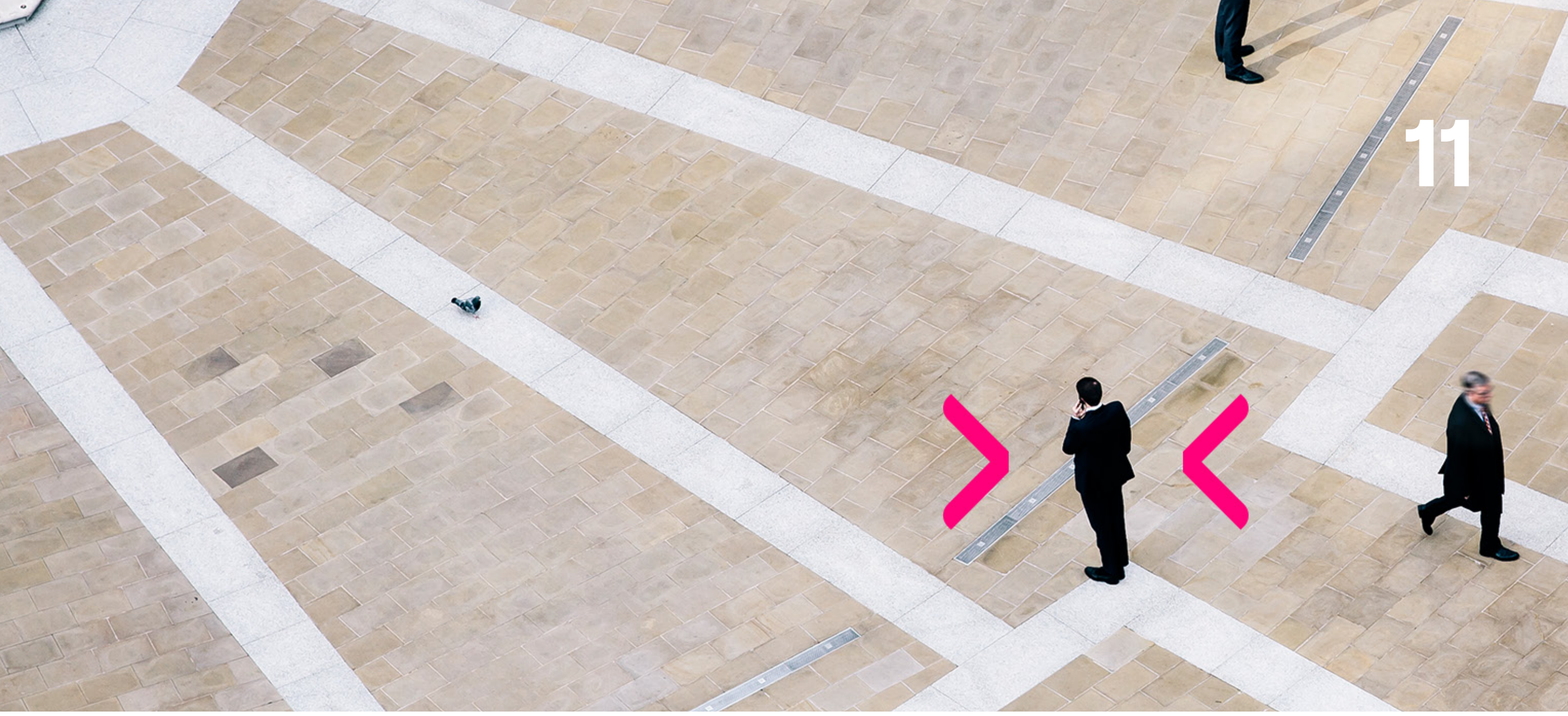
3 For more information on this update, please see our 2022 press release.

About REALM

REALM is the most elite collection of real estate professionals ever assembled.

REALM is the only collaborative real estate platform that combines real-time data with human experience and networking. The invitation-only membership is comprised of the top 1% of real estate professionals globally. Representing 40 states, 14 countries and over 100 different brands, REALM abolishes the historic silos of communication between brokers and strengthens our members through the power of community. Utilizing intelligence to enhance relationships, the patented technology platform augments client data, provides 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 in their repertoire. With the most robust events schedule in the industry, unique networking opportunities and strategic alliances with some of the top advisors and luxury brands in the world, REALM makes connections daily that create relationships that are fostered forever.

To learn more, go to **realm-global.com**



About Altrata

Altrata is a data powerhouse, built to deliver more value to our clients. We are the global leader in data-driven people intelligence on the wealthy and influential. We work at scale with businesses and nonprofits across the world from a variety of industries. We help our clients connect with confidence to the people who have the greatest impact on their business.

Our products give our clients all the information they need on everyone they need to know. Our data is actionable, accurate, and comprehensive. And our global team of more than 400 researchers is committed to maintaining millions of profiles and changing data points, so our clients can effectively engage their target audience and make meaningful, lasting connections.

Altrata™ is a registered trademark of Delinian Limited and its affiliated companies, which comprises five dynamic offerings: BoardEx, Boardroom Insiders, RelSci, WealthEngine and Wealth-X.

About Wealth-X

Wealth-X is an Altrata company and the global leader in wealth information and insight. Wealth-X partners with prestige brands across the financial services, luxury, nonprofit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X has developed the world's largest 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 a team spanning North America, Europe and Asia, Wealth-X provides unique data, analysis, and counsel to a diverse roster of worldwide clients.

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