

News Release

UNDER STRICT EMBARGO UNTIL THURSDAY 7TH MARCH 2019 00:01 AEDT

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Australia's ultra-wealthy population predicted to rise by 20%

- *Over the next five years, Australia's UHNWI population is expected to rise by 20% - so an extra 600 ultra-wealthy people – compared to 18% growth over the past five years*
- *Australian UHNWI population growth was 4% in 2018 to 3,060 UHNWIs*
- *Globally, the UHNWI population is forecast to grow by 22% over the next five years*

Australia – New data prepared exclusively for The Wealth Report highlights that the number of ultra-wealthy people in Australia (those with net assets of US\$30 million or more) is expected to rise by 20% over the next five years, equivalent to an extra 600 ultra-wealthy people.

The data provided by GlobalData WealthInsight highlights that the ultra-wealthy population is projected to grow at an accelerated rate when compared with the past five years, which saw ultra-high-net-worth individuals (UHNWI) numbers rise by 18% both globally and in Australia.

According to **Knight Frank's Head of Residential Research, Australia Michelle Ciesielski**, "GlobalData WealthInsight predicts the number of UHNWIs globally will rise by 22% over the next five years to 2023 – so an extra 43,000 ultra-wealthy people – taking the global number to nearly 250,000. This growth was 4% in 2018 to stand at 198,000 UHNWIs.

Ms Ciesielski said, "Locally, UHNWIs are projected to rise by 20% over the next five years – equating to an extra 600 ultra-wealthy people living in Australia – in comparison with 12% growth over the past five years. In 2018 alone, we saw the Australian UHNW population grow by 4% to currently stand at 3,060 UHNWIs."

Knight Frank's Head of Residential, Australia Sarah Harding said, "Globally, Australia remains one of the top destinations for ultra-high-net-worth individuals. For example, we know Chinese and South-East Asian buyers continue to look at familiar global markets, such as Sydney, Melbourne, London and Hong Kong, which offer language advantages and immigration possibilities, as well as remaining outside any trade disputes.

"According to Knight Frank's Attitude Survey, almost half of UHNWIs in Australia saw the most significant increase in wealth in 2018, with 93% of the wealth advisors surveyed reporting an improvement in their clients' fortunes and 72% expecting their clients to increase their wealth in 2019."

Ms Harding said, "Across Australia's major cities, GlobalData WealthInsight predicts a fairly consistent rise in ultra-wealthy populations. Sydney and Brisbane's UHNW populations are expected to rise by 20% over the next five years, while Melbourne and Perth are forecast to rise by 21%."

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Ms Ciesielski said, “Global wealth creation will remain constant in 2019. Although growth was good in 2018, it was not able to replicate the outstanding performance of equity markets, prime property and luxury investments a year earlier.

“There are headwinds looming with potential moderation in wealth growth, with global political and economic concerns becoming more complex. There is increased uncertainty and upheaval with all eyes on the rising trade tensions between China and the US.

“Despite this, 2019 will still see the number of millionaires (those with net assets of US\$1 million or more) exceed 20 million for the first time ever. Some 6.6 million of these individuals will be based in North America, with 5.9 million in Europe and a further 5.8 million in Asia.”

According to **Ms Ciesielski**, globally, the high-net-worth individual (HNWI) population is projected to rise by 19% over the next five years – equating to an extra 3.8m millionaires – compared with growth of 13% over the past five years.

“This growth was 3% in 2018 to record 19.9 million HNWI globally,” said **Ms Ciesielski**.

“In Australia, the HNWI population is projected to rise by 18% over the next five years – equating to an extra 60,000 millionaires – compared with growth of 9% over the past five years. In 2018, we saw growth of 3% to register a total 330,000 HNWI.

“There will be challenges over the coming year, but we’re also going to see opportunities for private individuals and corporations to create wealth by delivering a wide range of public goods – most prevalent in countries without clear political leadership,” concluded **Ms Ciesielski**.

Wealth distribution data - Australia

Millionaires (US\$1M+)					% CHANGE		
	2013	2017	2018	2023	2013-2018	2017-2018	2018-2023
TOTAL	302,000	318,737	329,643	389,303	9%	3%	18%
Ultra-High-Net-Worth Individuals (US\$30M+)					% CHANGE		
TOTAL	2,740	2,951	3,062	3,675	12%	4%	20%
Billionaires (US\$1B+)					% CHANGE		
TOTAL	22	33	43	49	95%	30%	14%

Wealth distribution data – Top 4 cities in Australia

Ultra-High-Net-Worth Individuals (US\$30M+)					% CHANGE		
	2013	2017	2018	2023	2013-2018	2017-2018	2018-2023
SYDNEY	782	838	875	1,054	12%	4%	20%
MELBOURNE	466	497	519	626	11%	4%	21%
PERTH	280	305	318	385	14%	4%	21%
BRISBANE	222	234	245	295	10%	5%	20%

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Wealth distribution data – Global

Millionaires (US\$1M+)					% CHANGE		
	2013	2017	2018	2023	2013-2018	2017-2018	2018-2023
TOTAL	17,330,650	18,985,606	19,603,681	23,404,810	13%	3%	19%
Ultra-High-Net-Worth Individuals (US\$30M+)					% CHANGE		
TOTAL	167,669	191,251	198,342	241,053	18%	4%	22%
Billionaires (US\$1B+)					% CHANGE		
TOTAL	1,440	2,057	2,229	2,696	55%	8%	21%

For more information, please visit: <http://www.knightfrank.com/wealthreport>

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Notes to Editors

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Definitions

UHNWI – Ultra-high-net-worth individual – someone with a net worth of over US\$30 million; excluding their primary residence.

HNWI – High-net-worth individual – someone with a net worth of over US\$1 million; excluding their primary residence.

The Knight Frank Attitudes Survey – Unique survey based on the responses of 600 private bankers and wealth advisors who between them manage over US\$3 trillion of wealth for UHNW clients.

GlobalData WealthInsight – Provider of the 2018 high-net-worth wealth distribution data.