

# News Release

## Australia is the preferred destination for residential property among Asia-Pacific wealthy

*China, Hong Kong, Malaysia and South Korea UHNWIs show buying interest in 2019 to 2020*

**Malaysia, 24<sup>th</sup> April 2019** – Australia is the destination of choice for Asian Ultra-High-Net Worth Individuals (UHNWIs) who plan to buy a new home overseas or invest in property in the coming year, based on a Knight Frank survey of 600 private bankers and wealth advisers who between them manage over US\$3 trillion of wealth for UHNWI clients. The respondents included private banks and wealth advisers from UOB Private Bank who participated in the survey and shared their sentiments.

According to the Attitudes Survey in Knight Frank’s Wealth Report, 25% of Asian UHNWIs, defined as those with net assets of US\$30 million or more, plan to buy a home outside their country of residence by 2020, higher than the global average of 22%.

Of those, 45% indicated they would buy in **Australia**, 33% say UK and 32% chose Canada. These buyers are mostly from **China, Hong Kong, Malaysia** and **South Korea**, with one in three indicating their interest to buy a residential property overseas this year or next.

Less than 1 in 20 in **Australia** and **New Zealand** plan to buy a home internationally, and 39% indicated they would buy in **Australia**, according to the survey responses from the wealth managers. Australasians largely prefer to buy in their home country rather than overseas.

“The ultra-wealthy are becoming increasingly strategic in their destination choices, a natural response to global uncertainty and political upheavals. As a result, they are investing in additional homes in cities and countries where they see greater levels of stability,” says **Victoria Garrett, Head of Residential, Asia Pacific**.

“**Australia** continues to draw significant interest from both domestic and overseas buyers, ticking all the boxes not only for stability, but also lifestyle, education, wealth preservation and capital growth,” **Garrett** adds.

### In which country or territory are your clients most likely to buy a new home in 2019/20?

Most likely to buy a new home in	Australia	UK	Canada	US	Singapore
Asian UHNWIs	45%	33%	32%	31%	23%
Australasian UHNWIs	39%	34%	32%	27%	8%
Global average	37%	32%	19%	18%	17%

Source: *The Wealth Report Attitudes Survey 2019*

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## ***Education drives destination choices***

A key driver influencing Asian UHNWIs' decisions to purchase property overseas is education. Australia, the UK, Canada and the US have a high number of top-tier universities, and many UHNWIs send their children abroad for education.

As many as six out of ten Asian UHNWIs, notably those from **China, Hong Kong, Indonesia, Malaysia** and **Taiwan** send their children abroad for higher education. Among the wealth managers surveyed in Malaysia, 96% of them expect the trend of sending children overseas for university education to continue.

**Dominic Heaton-Watson, Associate Director, International Residential Project Marketing, Knight Frank Malaysia**, comments, "We have noted this trend strengthening for some time now. It makes a lot of sense to our Malaysia-based clients to purchase a home (a tangible asset) for their Children use while studying in a global city. The truly savvy clients take a medium-to-long-term approach, and make a purchase many years ahead of their children even starting their overseas education."

## ***Beyond homes - property investments***

Overall, Asia-Pacific UHNW investors still prefer to invest in their local market. According to the wealth managers surveyed, 71% of their clients from **Taiwan** and 68% from **Australia** have property investments domestically. In 2019 to 2020, 43% of their clients from **South Korea**, 41% from **Malaysia** and a similar proportion in the **Philippines** plan to invest in their home country.

For those looking to invest in property (excluding first or second homes) abroad, **Australia** is also the most popular choice, with 41% of the wealth managers indicating that their clients may invest down under in 2019 or 2020. The UHNWI clients' second choice is the US and their third is the UK.

**Heaton-Watson** adds, "Malaysian's have long had an affinity with these destinations, in particular Melbourne, New York and London with regards to the quality of education. Purchasing an overseas property in a city they know so well from personal experience, tends to suggest that knowledge and familiarity, along with language, culture and a transparent legal system play an important role in their decision."

According to the survey, around one in three from **China** (31%), **Malaysia** (33%) and **South Korea** (32%) are likely to invest overseas in 2019 or 2020. When asked about the percentage of clients who have property investments (excluding first and second homes) outside their country of residence, 40% of the managers say Malaysians, 39% indicated Indonesians and another 39% say Hong Kong.

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**In which country or territory are your clients most likely to invest in property (excluding first and second homes) in 2019/20?**

Countries likely to invest in	Australia	United States	United Kingdom	Canada	Singapore
Asian UHNWIs	41%	36%	32%	27%	20%
Australasian UHNWIs	39%	34%	32%	32%	5%
Global average	42%	32%	18%	18%	15%

Source: *The Wealth Report Attitudes Survey 2019*

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

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## Notes to Editors

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