



The global perspective on
prime property and investment

**THE
WEALTH
REPORT**

19th edition

2025

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Definitions and data

HNWI

High-net-worth individual – someone with a net worth of US\$1 million or more. In our Wealth Sizing Model (page 14), we define HNWIs as those with a net worth of at least US\$10 million.

UHNWI

Ultra-high-net-worth individual – someone with a net worth of US\$30 million or more. In our Wealth Sizing Model (page 14), we define UHNWIs as those with a net worth of at least US\$100 million.

PRIME PROPERTY

The most desirable and most expensive property in a given location, generally defined as the top 5% of each market by value. Prime markets often have a significant international bias in terms of buyer profile.

THE PIRI 100

Now in its 18th year, the Knight Frank Prime International Residential Index tracks movements in luxury prices across the world's top residential markets. The index, compiled using data from our research teams around the world, covers major financial centres, gateway cities and second-home hotspots – both coastal and rural – as well as leading luxury ski resorts.

THE KNIGHT FRANK WEALTH SIZING MODEL

The model, created by our data engineering team, measures the size of wealth cohorts globally.

How we chose our cover



This year’s cover underscores the connections between global markets and the ability of investors to engage with opportunities anywhere in the world. By placing the globe inside a landscape, the illustration not only highlights our ability as advisors to bring the world to our clients but also emphasises the increasing importance of environmental considerations as the next generation begins to create and manage wealth portfolios. The illustration conveys the scale of both the uncertainty and the prospects that investors face. As we note in this edition, while volatility in economics and geopolitics appears to rise inexorably, the prospects for growth remain compelling for those brave enough to look beyond the risks.

FIND OUT MORE
Knight Frank Research provides a range of market-leading insights through the year covering all major global real estate sectors and markets. To get the best of Knight Frank straight to your inbox, visit knightfrank.com/ResearchNewsletters

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Welcome

This year’s edition of *The Wealth Report* finds private investors keen to broaden their exposure to real estate, a sector they view as offering both growth potential and wealth preservation

RORY PENN
HEAD OF LONDON RESIDENTIAL SALES
& CHAIR OF PRIVATE OFFICE



It is my pleasure to introduce *The Wealth Report* 2025, our 19th edition.

In last year’s report, we revealed a rise in wealth creation globally, led by the US and the Middle East. We also confirmed continued demand from private investors for real estate, with around a fifth looking for residential property and a similar proportion looking at commercial opportunities.

This year our new survey of family offices – The Knight Frank 150 – provides a look at how demand for property is evolving, with 25% of family offices with existing residential portfolios considering further purchases, and 44% looking to expand their exposure to commercial property over the next 18 months.

But despite the positivity around property, the year ahead presents plenty of challenges. Debt costs are higher than many of us would like, and the pace of interest rate cuts remains uncertain. Yet economic growth, likely super-charged by the US, will continue to be a huge support for demand for best-in-class assets, whatever the sector.

To provide you with a rounded view of the private investment landscape, we have assessed the current state of global wealth creation, the desire for and limits to the mobility of this wealth, investment opportunities across commercial and residential real estate and the outlook for the top end of the property market. We also take the pulse of luxury investment markets and consider the impact of younger investors and their evolving priorities.

It is not always as easy to gain exposure to property as it is to other assets. In this year’s report, private investors confirm that barriers continue to limit their ability to invest in or develop real estate. These challenges underpin our commitment to providing you with the support you need to take advantage of these opportunities.

Our Private Office network operates from London, New York, Dubai, Singapore and Hong Kong. With our team supported by a cross-sector and global private capital offering, we are well placed to help you achieve your goals.

Please do get in touch. The Private Office and the wider Knight Frank network would love to be of assistance.

“It is not always easy to gain exposure to property. These challenges underpin our commitment to providing you with the support you need”

The Wealth Report's unique data, expert insights, thought-provoking interviews and future views help shed light on the key issues affecting how you live, work, invest and give back

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The biggest threats facing the world economy in 2025 and beyond

US\$3m
US\$2.5m
US\$2m
US\$1.5m
US\$1m
Value of investment →
2020 2021 2022 2023 2024

Over the past five years, geopolitical and economic turmoil have reshaped global property markets. Amid the Covid-19 pandemic, inflation and rising interest rates, markets such as Miami and Dubai have thrived, driven by shifting work, tax and lifestyle patterns. According to our PIRI 100, a US\$1 million luxury residential property investment in January 2020 would have grown to US\$1.9 million in Miami and US\$2.7 million in Dubai by 2025. Our timeline sums up a tumultuous half decade

The five-year view



30 Jan 2020
The World Health Organization declares Covid-19 a public health emergency of international concern. By March, its status has been upgraded to a pandemic.



31 Dec 2020
Despite pandemic dislocation, *The Wealth Report* confirms an increase in the world's UHNWIs, fuelled by government stimuli. Asia sees the most significant upswing, with a 16% rise.



16 Dec 2021
The Bank of England is the first of the major central banks to announce an interest rate hike, reversing two years of near-zero rates and triggering a race to defeat surging inflation.



24 Feb 2022
Russia's invasion of Ukraine marks a significant escalation in the conflict that began in 2014 with the annexation of Crimea, raising geopolitical risks in Europe to a post-war high.



15 Mar 2020
In response to the economic impact of the pandemic, the US Federal Reserve lowers its benchmark interest rate to near zero. This was maintained until early 2022.



23 Mar 2021
Chinese container ship the *Ever Given* runs aground in the Suez Canal. The resulting disruption highlights the vulnerability of global supply chains, and threatens to further boost inflation.



31 Dec 2021
As asset prices surge, investors appear to shrug off early signs of inflation. *The Wealth Report* reveals a 9.3% increase in the number of UHNWIs, with luxury house prices up 8.4%.



1 Oct 2022
Driven by rising energy prices amid geopolitical tensions following Russia's invasion of Ukraine and pandemic disruptions, annual inflation in the eurozone reaches 11.5%.



Apr 2023
India overtakes China as the world's most populous country, with far-reaching implications for its economy, society and global influence.



31 Dec 2023
The Wealth Report records a 4.2% rise in the global UHNWI population as asset prices rebound, with prime residential values increasing by 3.1%.



18 Sep 2024
The Federal Reserve cuts the benchmark federal funds rate by 0.5%. This significant reduction is the first since March 2020 and the largest non-Covid era cut since 2008.



7 Dec 2022
China officially announces the end of its zero-Covid policy, implementing sweeping changes to revitalise the economy and attract foreign investment after nearly three years of stringent restrictions.



31 Dec 2022
Surging inflation and rising interest rates wipe US\$10.1 trillion off global wealth portfolios through 2022, according to *The Wealth Report*. Despite market disruption, the Knight Frank Luxury Investment Index jumps by 16% as investors target tangible assets.



7 Oct 2023
Significant conflict reignites in the Middle East, leading to heightened geopolitical risk within the region and beyond.



5 Nov 2024
Former Republican President Donald Trump, seeking a non-consecutive second term, wins a decisive – and historic – victory against Democrat Vice President Kamala Harris.



31 Dec 2024
Economic and geopolitical volatility hasn't weighed on our outlook for luxury housing markets – we forecast price rises in 2025 across nine out of 10 markets.

US\$1m invested in prime residential property in Dubai in January 2020 on average rose to US\$2.7m by January 2025

US\$1m invested in prime residential property in Miami in January 2020 on average rose to US\$1.9m by January 2025

Threats and opportunities

The Wealth Report’s editor Liam Bailey shares his key takeaways from this year’s edition

In each of the past 18 editions of *The Wealth Report*, it has been tempting to characterise the investment landscape as one of unprecedented volatility and risk. The first two months of 2025 have continued the same narrative: the promised model of AI disruption has itself been disrupted, geopolitical power seems to be shifting more rapidly than

ever, and investor allocations are moving at a record pace in reaction to the risks of bubbles forming in financial markets. That said, although tariffs risk denting economic expansion and complicating the inflation narrative, most economists predict another year of relatively healthy global GDP growth. We might even see growth exceed that of the



past two years. Inflation has not yet been subdued in the developed world, but the consensus is that rates will gradually fall from here.

Any easing of rates will be particularly welcomed in the real estate world. Higher debt costs and a sharp rise in fixed income returns have contributed to a near 60% drop in investment volumes across global property markets since the market peak in 2021. The most recent data indicate a significant slowdown in the pace of this decline, with investment volumes in the second half of last year rising year on year.

This recovery underscores one of the key findings from this year’s report – there is a huge, sustained interest in real estate investment from private capital, with 44% of global family offices indicating they are looking to increase allocations to the sector. A brief appraisal of two key property markets confirms the extent of the need for this investment.

If you want to occupy a new office headquarters in central London right now, you’ll need to get in line. Knight Frank counts 62 live requirements, each looking for upwards of 50,000 sq ft. Waits of up to three years to occupy space are common. As a result, a growing number of occupiers are bringing forward their requirements, well ahead of lease expiry, to be assured of the right space.

For residential property, our data confirm that every G20 nation has failed to meet its annual housing target for the past five years. This has resulted in growth in both house prices and rents, stretching affordability. The opportunity for investment in living sectors is huge and growing – the market share for build-to-rent accommodation remains 1% or less of all rental stock in cities such as Tokyo, Paris and Sydney.

Even with elevated global risks, for me the standout takeaway from this year’s report is the breadth of investor opportunities. From growing luxury residential markets, through established, as well as new, commercial property opportunities, to the next big collectible sectors, the prospects for growth are compelling for those willing and able to look beyond the risks.

44%

Global family offices indicating they are looking to increase allocations to real estate

The big themes

THE INDISPENSABLE NATION

The US remains the undisputed leader in global wealth creation. Our Wealth Sizing Model confirms that nearly 40% of the world’s wealthy reside here (page 14). No other country is as successful at creating homegrown wealth or attracting migrant UHNWIs. For luxury homes, private jets and super-yachts, what happens in the US shapes global markets.

THE NEXT WEALTH POWERHOUSE?

While still small in global terms, Africa is rapidly emerging as a growth hub for wealth creation, with an increasing number of individuals joining the US\$10 million-plus wealth club. Although North America and Asia remain central to global affluence, Africa’s young population, rich natural resources and improving infrastructure position it as a future leader in wealth generation (page 14).

MOBILITY IS SHAPING WEALTH DISTRIBUTION

The mobility of wealth is only set to increase. This theme is fuelling super-charged growth in some housing markets, with Miami, Palm Beach and Aspen in the US serving as prime examples (page 54). The ease with which wealth can move is driving efforts to attract it and attempts to control it (page 24). While private jets and yachts should promote mobility, we delve into some surprising limitations (page 84).

THE GREAT WEALTH TRANSFER ACCELERATES

Baby boomers still control the majority of global wealth, but the transfer to younger generations is well underway. This year’s Next Generation Survey and the Knight Frank 150 survey of family offices both highlight future wealth and investment priorities. Despite the US administration’s pivot away from ESG, we expect the focus on purposeful and sustainable investment will continue to grow as younger generations make their mark (page 20).

ENVIRONMENTAL CONCERNS WILL RESHAPE WEALTH

On the theme of sustainability, concerns about climate change are increasingly influencing the decisions of the wealthy, impacting everything from real estate to luxury investments. Vineyards

(page 40), yachts (page 68), and prime residential markets (page 54) are being reshaped by changing weather patterns and environmental concerns. The future of luxury markets and commercial real estate is being defined by sustainability and climate resilience.

DEMAND FOR REAL ESTATE IS RISING

Despite a sharp fall in investment volumes from the 2021 peak, we confirm an ongoing desire for property from private capital. While direct real estate ownership already accounts for 22.5% of the typical family office’s portfolio, more than four in 10 are looking to grow this allocation over the next 18 months. Sectors in demand are led by living, logistics and luxury residential. In addition to this desired expansion of investment portfolios, nearly a quarter of family offices that manage private residential portfolios are considering new acquisitions (page 28). These requirements are set to feed through to positive price growth in key luxury residential markets in 2025 (page 61).

BUYING POWER IS SHIFTING

Moves in market pricing and currencies have shifted the landscape of luxury property. Our review of changes to buying power in our graphic (page 56) confirms that while London offers savings of 43% for dollar-based buyers compared with pricing in 2014, other markets have seen equally dramatic falls in relative buying power, with some weakening by more than 50% over the period.

LUXURY ON PAUSE

Our roundup of luxury collectible performance (page 70) reveals that values for a basket of 10 leading assets fell by an average of 3.3% in 2024. The art market underperformed, with values down by 18.3%, while wine and whisky also contributed to pulling our overall luxury index into negative territory. Despite the market correction in 2024, we note key growth prospects across the collectibles market (page 78).

NOT FORGETTING...

In our effort to provide the most comprehensive picture of wealth and investment trends, this year we have also made room to explore the techniques used by property developers to attract and retain the world’s most valuable workers and consumers, examine the rising power of online luxury sales, highlight the big collectible sales of the year, and describe what the billionaire of tomorrow will look like. All this and much more...

“The mobility of wealth is only set to increase. This theme is fuelling super-charged growth in some housing markets, with Miami, Palm Beach and Aspen in the US serving as prime examples”

The risk landscape

Against a backdrop of conflict, financial turmoil and President Trump’s return to power, we assess the biggest threats facing the world economy

The world economy has had a good run. Global GDP surpassed its pre-pandemic peak in mid-2021 and has continued to expand at around 3% every year since. Will 2025 be the year that run ends?

It’s possible, perhaps even likely. The US has a new, volatile president, a man inviting trade wars on multiple fronts. Inflation isn’t quite tamed. Government deficits appear out of control. Stock market valuations are inflated. War is ongoing in various theatres, and could spread to others.

“What might be deemed to be a plausible risk has expanded massively over the past five years because of the pandemic, because of the war in Ukraine, because of Trump and because of the shifts in politics,” says Neil Shearing, Group Chief Economist at Capital Economics. “If we’d said 10 years ago, there’ll be a global trade war, war in Europe, escalating US–China tensions and seemingly genuine threats to Taiwan, all these things would have seemed implausible. That’s no longer the case.”

Understanding whether these risks will matter from an economic perspective presents another challenge. Last year, despite regional conflict and major disruptions to Red Sea shipping lanes, oil price rises were relatively muted. Similarly, the US S&P 500 has gained more than 20% for two consecutive years despite the steepest rise in interest rates

since the 1980s. Given these competing uncertainties, what are the most likely threats to growth?

A TRADE WAR

Almost two-thirds of business leaders recently surveyed by Oxford Economics believe that a trade war poses a very significant risk to the global economy over the next two years.

During his first month in office, US President Trump announced 25% tariffs on Canada and Mexico, before granting both a month’s reprieve. The President levied another 10% on Chinese goods, to which China responded with its own tariffs. The situation will remain unpredictable, hinging on factors spanning the performance of financial markets, the trajectory of the US economy, the flow of illegal drugs into the US and Trump’s unique approach to diplomacy.

Still, US GDP will be 0.7% weaker this year, even if Trump reaches key exemptions with his North American counterparts, says Oxford Economics. The outlook for Canada and Mexico will remain weak and, at the time of writing, the threat of tariffs hangs over Europe.

The crucial question for the global economy will be how other nations retaliate. “If they respond in a much more aggressive way the whole thing escalates,” Shearing says.

STUBBORN INFLATION

Economists tend to agree that inflation is almost tamed, but a couple of percentage points can make a big difference in key sectors, particularly real estate.

“Extend and pretend” strategies – where lenders extend loan periods in the hope of avoiding having to recognise losses – hinge on rate cuts, but potential inflationary shocks lie around many corners. Trump’s plan to cut taxes while deporting large numbers of workers could be inflationary, as could conflict in the Middle East. Meanwhile, many governments have expansionary fiscal policies and wages continue to grow, despite slowing growth.

“None of this is going to get us back to 7%, 8% or 9% inflation, but it could get stuck at 3% or 4%,” Shearing says. “That’s important because I think at 2% or 3%, you can still get rate cuts next year, but if you’re at 3% or 4%, you can’t.”

FISCAL ILL-DISCIPLINE

The private sector was historically perceived as the bigger risk to financial stability, but across G7 economies government debt servicing costs are increasing – debt loads in many advanced economies stand at 100% of GDP or more.

The brief premiership of Liz Truss in the UK, and its aftermath, illustrated how markets can punish governments guilty of fiscal ill-discipline – and the risks are rising. No candidate is more vulnerable than the US, where national debt exceeded US\$36 trillion in January, surpassing its GDP and marking an historic high. More than half of those responding to a survey in October by the US Federal Reserve survey flagged fiscal debt sustainability as a salient risk, up from 40% just six months ago.

“It’s entirely conceivable that we could get to the next presidential election with both sides talking about continuing to run big deficits,” says Ben May, Director of Global Macroeconomic Research at Oxford Economics. “Whether that happens or not, in the end, comes down to whether markets let them.”

“Inflation is almost tamed, but a couple of percentage points can make a big difference in key sectors, particularly real estate”

THE BUBBLE BURSTS

The January release of DeepSeek, a Chinese-made AI model similar to Open AI’s ChatGPT, knocked US\$1 trillion off the value of AI-linked companies. Shares in chip-maker Nvidia fell 17% in a day, wiping US\$589 billion off its market value.

The Chinese model, apparently developed at a fraction of the cost of its American-made rivals, undermined two prevailing narratives that have underpinned the sector’s sky-high valuations – that a single winner is likely to take most of the spoils, and that hugely expensive hardware and infrastructure will be required to power its growth.

Nvidia and its peers quickly recovered some of their losses as bargain hunters returned, but the saga highlighted how exposed the American stock market has become to a single sector. The largest 10 stocks in the S&P 500, many of which are AI-related, trade at a 12-month forward

price-to-earnings ratio of 29x. Investors in these stocks are paying for companies’ profits for many decades into the future. The market is in bubble territory.

Whether 2025 will be the year that bubble bursts remains uncertain. Investors are often right about the potential of transformative technologies, but wrong about the time it can take to reach commercial success. The dotcom boom and bust in the 1990s is a good example. Meanwhile, a loss of faith in one industry bubble can shatter confidence in entire markets. The S&P 500 is vulnerable to a correction.

THE GREAT UNKNOWNNS

There are other risks, particularly the escalation of armed conflicts, though economists perceive the chances to be too remote, or hard to predict, to produce forecasts. The same goes for pandemics and natural disasters.

A Chinese invasion of Taiwan, for example, where as much as 65% of the world’s chip industry resides, would present a larger risk than almost all those listed above, but the likelihood is too difficult to gauge. Investors can only hope that remains the case.

“Investors are often right about the potential of transformative technologies, but wrong about the time it can take to reach commercial success”





Affluence

The locations, sectors and demographic shifts driving the movement of wealth around the world

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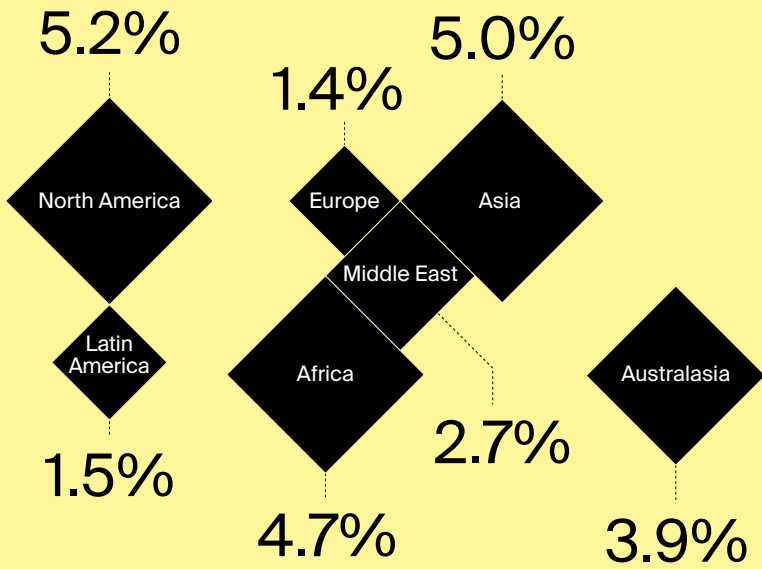
Global wealth expands

The Knight Frank Wealth Sizing Model

In 2024, the fortunes of the wealthy improved, with a 4.4% hike in the number of individuals worth over US\$10 million. All regions saw an uptick, but North America led with growth of 5.2%. Future wealth creation, especially in the ultra-wealthy (US\$100 million+) segment, is likely to be subject to a more activist regulatory and tax response

Wealth in flux

Change in US\$10m+ populations by region
2023 vs 2024



The world's wealthy

	US\$10m+ 2023	2024	2028*	% change 2024–2028*	US\$100m+ 2024
Africa	18,629	19,496	22,964	17.8%	1,464
Asia	814,133	854,465	928,722	8.7%	33,084
Europe	338,366	343,176	359,624	4.8%	16,268
Latin America	56,205	57,036	62,571	9.7%	2,413
Middle East	46,199	47,437	50,813	7.1%	4,696
North America	922,247	970,401	1,026,684	5.8%	44,218
Australasia	47,521	49,367	51,983	5.3%	1,918
World	2,243,300	2,341,378	2,503,361	6.9%	104,060

Top 10 US\$10m+ populations

Share of
global
US\$10m+
population

US

905,413

38.7%

Chinese mainland

471,634

20.1%

Japan

122,119

5.2%

India

85,698

3.7%

Germany

69,798

3%

Canada

64,988

2.8%

UK

55,667

2.4%

France

51,254

2.2%

Australia

42,789

1.8%

Hong Kong SAR

42,715

1.8%

The story behind the statistics

POWERING WEALTH CREATION

While the global economy slowed through 2024, the resilience of the US helped prop up investor confidence. The trends powering wealth creation in 2023, including growth in financial markets led by equity markets and the bitcoin run, continued. And despite geopolitical tensions, resilient global trade further contributed to growth.

THE AMERICAN CENTURY

At the US\$10 million+ level, the US is home to almost 39% of all wealthy individuals, nearly twice the level of the China. In the US\$100 million+ bracket, the figure rises to over 40%. Despite our forecast that Asia will outpace North America in wealth creation over the next four years, there is no realistic challenge to US dominance. Outside of stock valuations, the much-heralded AI-powered boom has yet to arrive – if it does, the US and China seem poised to benefit more than any other country.

AFRICA TO OUTPERFORM

While North America and Asia lead the narrative, we believe Africa is poised to outperform in future wealth creation – in growth, if not in absolute terms. A fast-growing young population, rich natural resources, rapidly improving infrastructure, and significant foreign investment provide strong foundations, while the potential for significant growth in consumption from an expanding middle class is creating opportunities for entrepreneurs across manufacturing and services.

THE TAX RESPONSE

With many governments running record deficits and accumulating significant debt, the growth of private wealth presents a tempting target. Last year saw the UK government announce the end of the country's 200-year-old non-domiciled tax regime, and France also made moves to target the wealthy. With wealth growing faster than the economy in most regions, this trend is likely to continue. Opponents of wealth taxes argue that targeting the world's most mobile population is folly. However, proponents point to the UN Convention on International Tax Cooperation which, despite the new US administration's views, could still have significant ramifications for wealth taxation.

Patrick Gower delves into our wealth sizing data and finds that, despite the emergence of a new dynamic breed of Asian entrepreneurs, the US still leads the world in wealth creation

Investors entered 2024 knowing that rate cuts were coming, it was simply a question of when.

Consensus that central banks had reached the end of their tightening campaigns fuelled big bets on risk assets like equities and crypto. The US’s S&P 500 index rose more than 20% for the second consecutive year as investors clamoured for a piece of AI powerhouses like Nvidia. Bitcoin surged 120%, helped in the latter weeks of the year by the election of Donald Trump, who pledged to loosen regulatory standards.

That made it another good year for the wealthy. According to our Wealth Sizing Model (page 14), the global population of HNWIs expanded by 4.4% to more than 2.3 million people. The population of individuals worth at least US\$100 million climbed 4.2%, surpassing the 100,000 mark for the first time.

“Rates coming down has clearly played a role in supporting risk asset prices,” says James Pomeroy, a global economist at HSBC. “You could also park capital in cash at the beginning of last year and get 5% in most parts of the world. That plays a huge role in keeping wealth growing for people who have been able to accumulate it historically.”

WEALTH HUBS

America’s position as the world’s primary hub for wealth creation remains unchallenged. Almost 40% of the world’s HNWIs live in the US, compared with 20% for its nearest rival, China. Japan is the only other nation to

boast a share of wealthy individuals larger than 5%.

It’s perhaps unsurprising, then, that the US led the world in wealth creation during 2024, with a 5.2% expansion in its population of HNWIs. Asia was close behind with growth of 5%, followed by Africa, which saw a 4.7% surge, albeit from a much lower base. Australasia’s HNWIs population rose 3.9%, helped by its access to both Asian and North American markets.

Appetite for risk assets like equities has expanded rapidly in emerging markets like India, while European and Japanese attitudes to investing tend to be more conservative, Pomeroy says. India now has 85,698 HNWIs, which puts it fourth behind the US, China and Japan.

“Economic dynamism is vital for wealth creation. Regional economies lacking it occupy lower positions in our Wealth Sizing Model”

EMERGING ENTREPRENEURS

But this is not just about the rich getting richer. An explosion in smartphone access in emerging economies has created “a very entrepreneurial population that is able to grow businesses internationally

more quickly than they otherwise would have done,” Pomeroy explains.

“This has created a start-up culture that’s been a big part of the growth story in places like India and the Philippines,” he adds. “These entrepreneurs can then become super wealthy, so we’re seeing a broadening out from that old Asia driven by manufacturing into a new Asia with a high-tech enterprise culture.” This economic dynamism is vital for wealth creation. Regional economies lacking it tend to occupy lower positions in our Wealth Sizing Model.

The population of individuals worth at least US\$10 million in the Middle East rose 2.7% last year, placing the region fifth. Almost 10% of its population of HNWIs fall into our US\$100 million-plus category, a far larger proportion than any other region, which hints at the scale of wealth generated by legacy energy economies.

Many of the region’s largest economies, most notably Saudi Arabia, are seeking to diversify away from oil and gas by investing heavily in tourism and hospitality, technology and innovation, biotechnology and renewable energy. Whether they are successful will show up in our numbers in the years ahead.

DEMOGRAPHIC HEADWINDS

Europe occupies the final place in our rankings, with 1.4% growth, behind Latin America. A September report by Mario Draghi, Italy’s former prime minister, said the EU lacked competitiveness with comparable economies, in part due to its complex and bloated regulatory system. The bloc issued approximately 13,000 new regulations in the five years to 2024, compared with just 5,500 in the US, for example.

“Europe is overburdened with regulation,” says Kallum Pickering, Chief Economist at Peel Hunt. “Just compare it with places like Singapore, which are so pro-business. Investors know where they are likely to get better returns.”

Demographic headwinds arguably pose even more complex challenges. Unlike Asia, where many working age populations are growing at a rate well in excess of 3%, Europe’s working age populations are generally declining, and business sentiment remains weak.

“Anything growing at all in Europe is incredible when you consider the demographics,” Pomeroy says. “You’re also looking at a market with relatively subdued growth prospects, which takes away a lot of that willingness to invest and take risks, certainly compared with other, more dynamic economies.”

What does it take to create serious wealth? In collaboration with Forbes, *The Wealth Report* has conducted a detailed analysis of the 2,700-plus billionaires featured in Forbes’ annual wealth list. We provide a snapshot of what it takes to surpass the nine-figure wealth mark today – and what will be needed to join the billionaire club of tomorrow – along with our graphical guide (overleaf) ›

The billionaire of today

Finance and investment win the numbers race, but when it comes to money, tech is the big winner in today’s billionaire landscape.

INDUSTRY

Finance and investment lead, accounting for 427 of the billionaires on Forbes’ list, including Warren Buffett and Michael Bloomberg. But tech dominates in terms of total wealth, with US\$2.6 trillion spread across 342 billionaires. Nine tech billionaires surpass US\$50 billion each – more than any other industry. Fashion and retail follow, with six billionaires in the US\$50 billion-plus range.

US\$5.7trn

The amount of wealth held by billionaires in the US

AGE

The average billionaire age in 2024 was 65.7, up from 63.3 in 2014 and higher than the 10-year average of 64. Tech billionaires, the youngest of the bunch, average 57.2 years. Only four industries have an average age under 65. → **Key insight:** Wealth accumulation is a long-term pursuit, no matter the sector.

GENDER

Men represent 87% of billionaires, holding US\$12.4

trillion. Women account for just 13% of the list and hold US\$1.78 trillion. The richest woman, L’Oréal heiress Françoise Bettencourt Meyers, is worth US\$99.5 billion (15th overall). The richest self-made woman, Rafaela Aponte-Diamant, is 48th with US\$33.1 billion. → **Key insight:** Female billionaires have grown from 10% to 13% over a decade, yet the gender wealth gap persists.

LOCATION

The US dominates, with 30% of billionaires and 40% of total billionaire wealth, a 10-year high. It has extended its lead over runner-up China, whose 406 billionaires have seen its share of billionaire wealth fall below 10%.

CHECKLIST

- Predominantly in tech or finance
- Mostly male
- Average age: mid-60s
- Primarily US-based

14

Members of the US\$100 billion club, who collectively hold US\$2 trillion – 14% of total billionaire wealth, but just 0.5% of the billionaire population

The billionaire of tomorrow

New industries and regions are shaping the next generation of billionaires – and driving the future of global wealth.

INDUSTRY

Perhaps surprisingly, manufacturing has produced more new billionaires than tech over the past 10 years. Half are in China, reflecting the nation’s industrial strength. Despite recent challenges, China also leads in the creation of new tech billionaires over the same period.

→ **Key insight:** Manufacturing is outpacing tech in new wealth creation.

AGE

The age gap between new billionaires and the overall list has widened from two years in 2014 to six today, peaking at nine years in 2020 amid an IPO boom. Tomorrow’s billionaires may skew younger.

GENDER

In 2024, over 82% of new billionaires were male, down from 90% four years ago. Of the billionaires under 30, nearly 47% were female last year, potentially pointing the way to a more balanced future. → **Key insight:** The new generation of billionaires is more gender-balanced than before.

LOCATION

Geopolitical shifts will always influence wealth creation. India, where the billionaire population grew 12% from 2023 to 2024, now hosts 191 billionaires, 26 of them created within the past year – up from just seven in 2019. France, Brazil, and Russia are also seeing significant increases.

→ **Key insight:** The billionaire landscape is now more global, with new hubs emerging outside the traditional powerhouses.

CHECKLIST

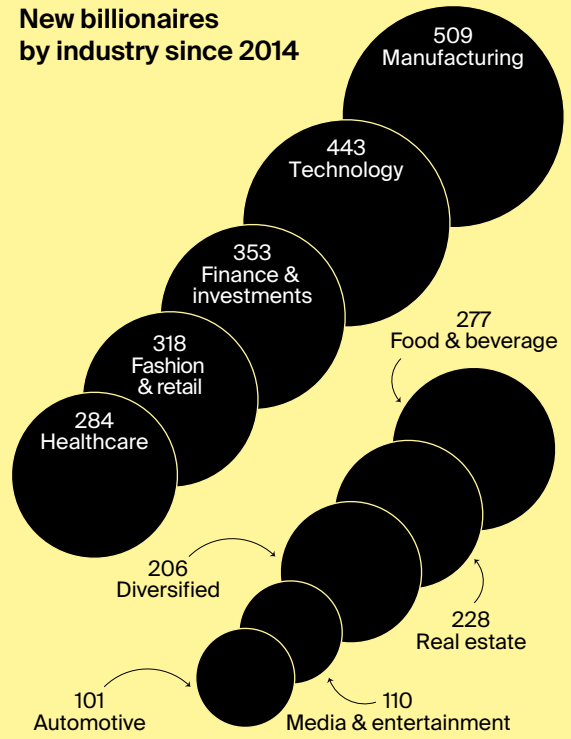
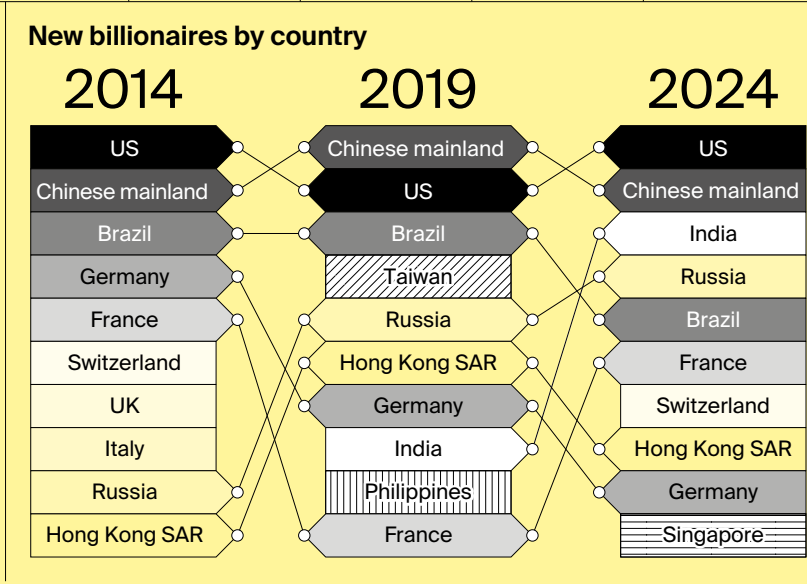
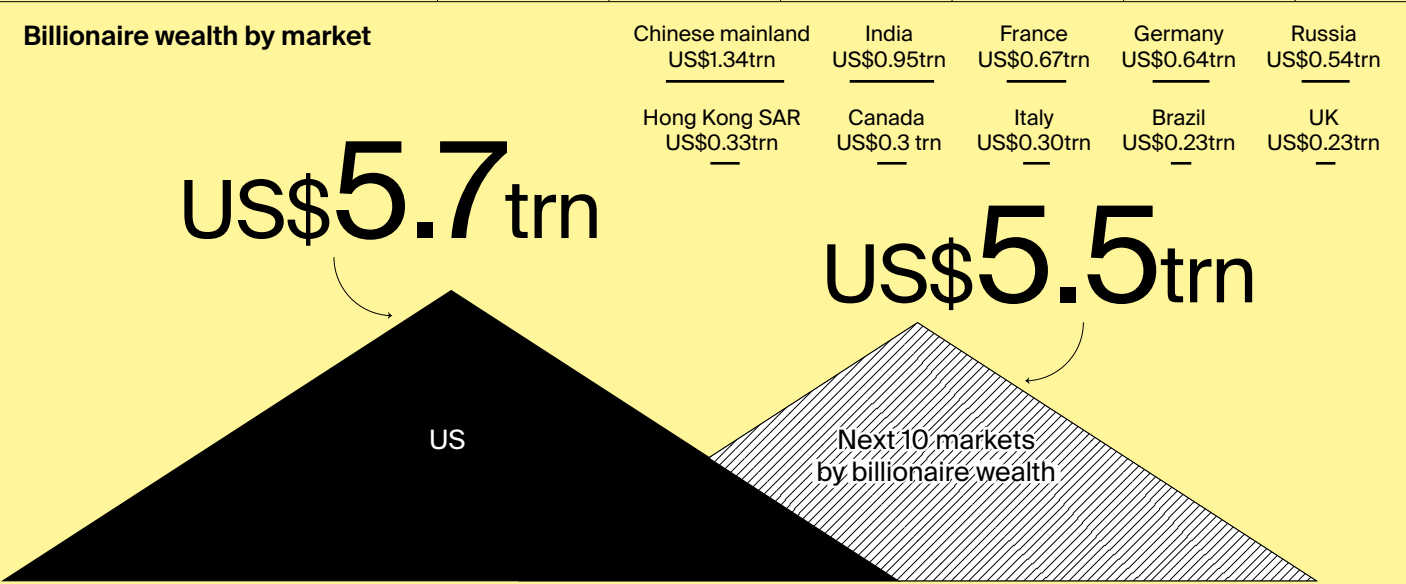
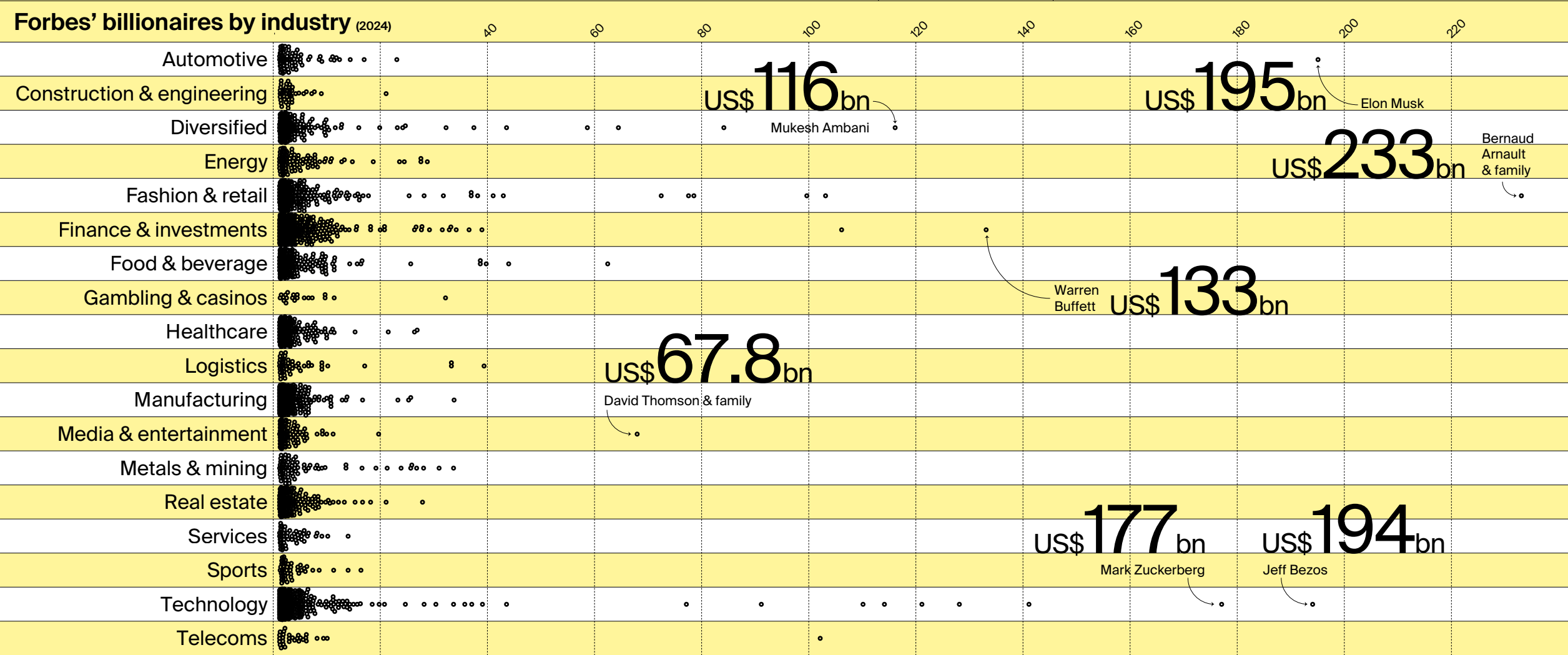
- More likely to work in manufacturing or fashion
- Increasingly likely to be female, especially among younger billionaires
- Getting younger, as older generations pass on wealth
- More global, reflecting a connected economy

26.6%

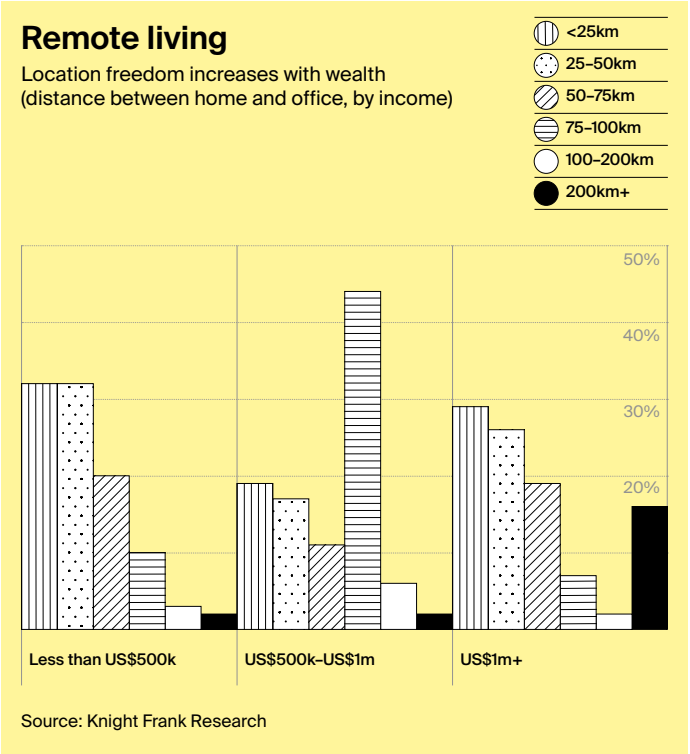
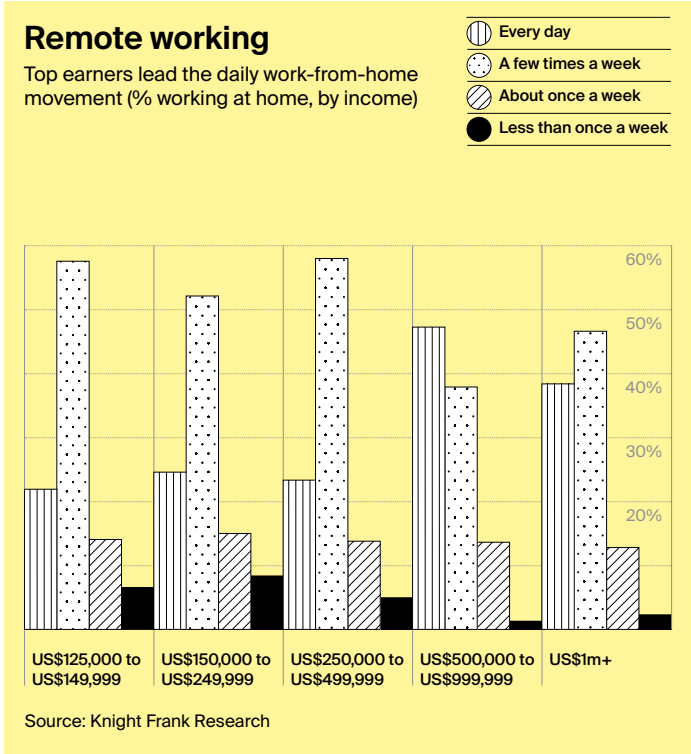
The share of billionaire wealth held by Gen X at its peak in 2021. Since then, baby boomers have bounced back to take a dominant share

Billionaires deconstructed

The Wealth Report and Forbes graphical guide



Sources: Knight Frank Research, Forbes



Generation Wealth

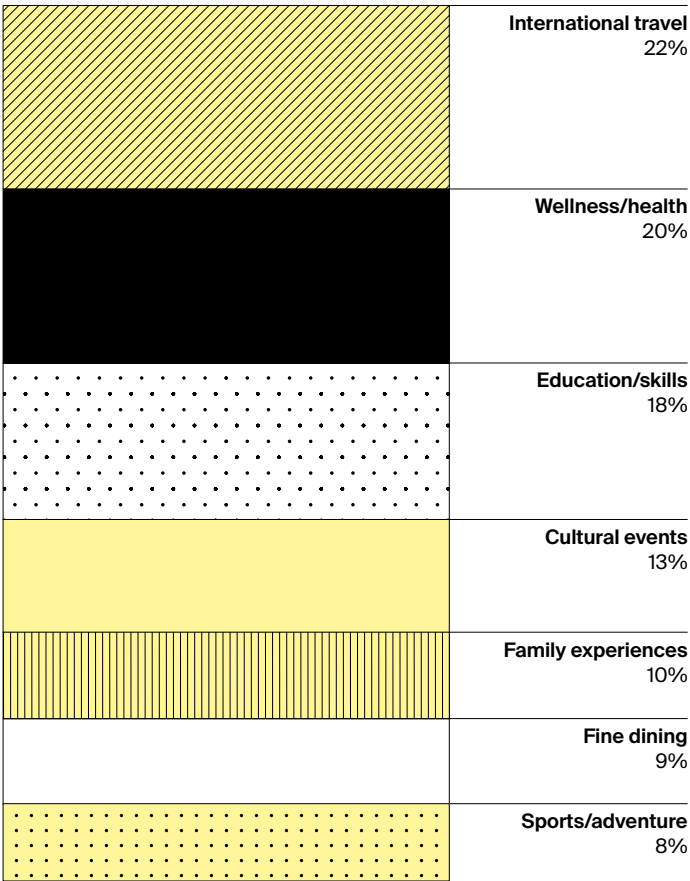
Knight Frank’s Next Generation Survey, a first-of-its-kind global study of 1,788 wealthy 18- to 35-year-olds, offers new insights into the priorities and preferences of the new Generation Wealth

WORK
The lowest income respondents to our survey – those with a household income between US\$125,000 and US\$150,000 – tend to live closer to their offices, but the trend shifts dramatically as incomes rise.
Respondents in the second-highest income bracket (US\$500,000 to US\$1 million) typically live more than 75km from their workplace while more than 15% of the highest earners – those making over US\$1 million – live at least 200km from the office.
These HNWIs aren’t daily jetsetters; rather, they have mastered flexible working. While remote work is possible for over 80% of survey respondents, it’s the highest income earners who most frequently work remotely.
International work opportunities have expanded their horizons, too. A large portion of those earning more than US\$500,000 actively pursue cross-border career opportunities.

81%
of respondents say it’s feasible for them to work remotely

All about the journey

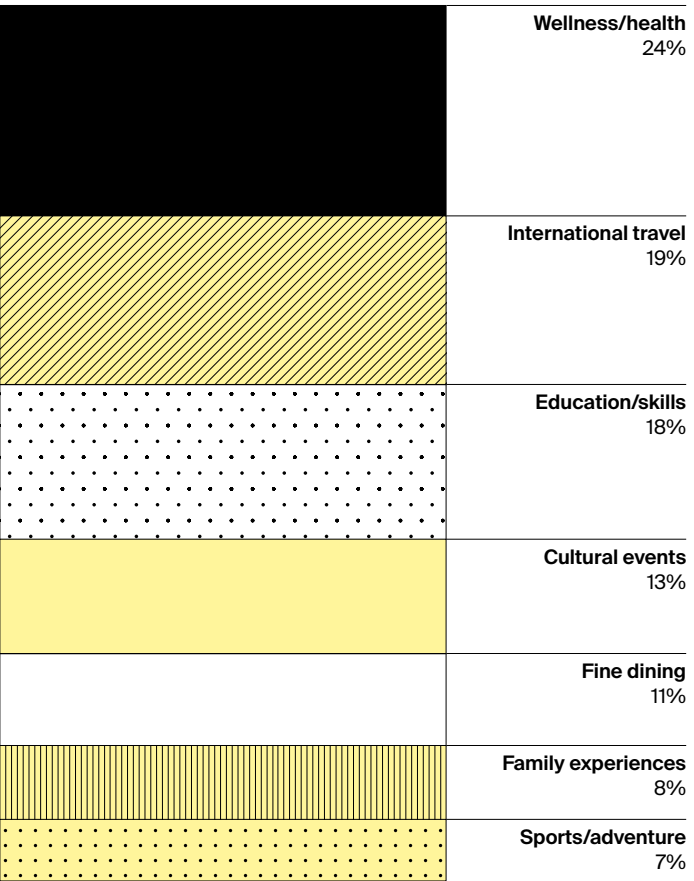
Travel tops Next Gen wish lists (% of survey respondents)



Source: Knight Frank Research

Health first

...but the highest earners prioritise health (% of US\$1m+ survey respondents)



LIFESTYLE

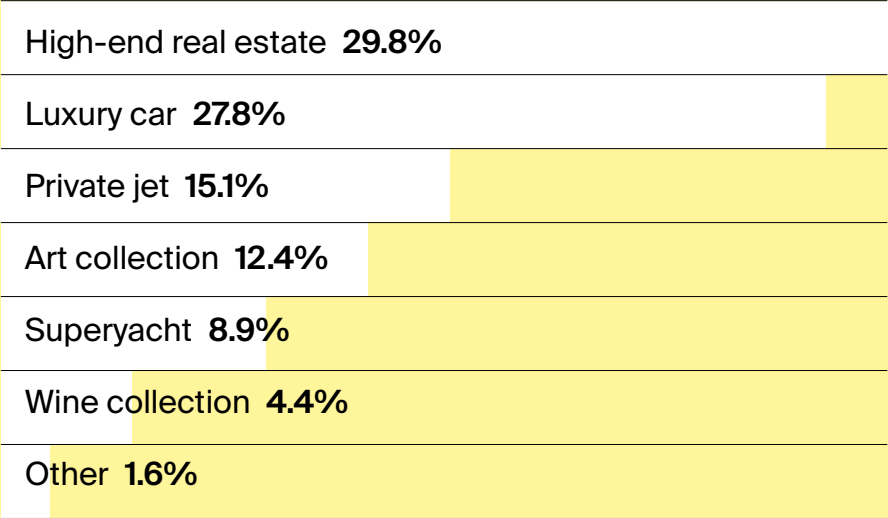
If our respondents were to receive a substantial windfall, almost half said they would spend the money on experiences rather than material possessions. The luxury industry has sought to adjust to these changing tastes by turning the purchase of a Rolex watch or a Lamborghini into a premium shopping journey. Gucci has opened a string of restaurants, Chanel now hosts “Art of Living” events, and Louis Vuitton’s parent company has expanded into curated travel experiences.

Escaping the daily grind through travel tops the experience wish list. However, this shifts among the highest earners, who increasingly focus on longevity. Those earning over US\$1 million place the most value on health and wellness experiences.

When pushed to confirm the luxury asset they would most like to own, real estate leads the pack. ▶

Top property

Real estate tops the luxury asset list for the Next Gen (% of respondents)



Source: Knight Frank Research

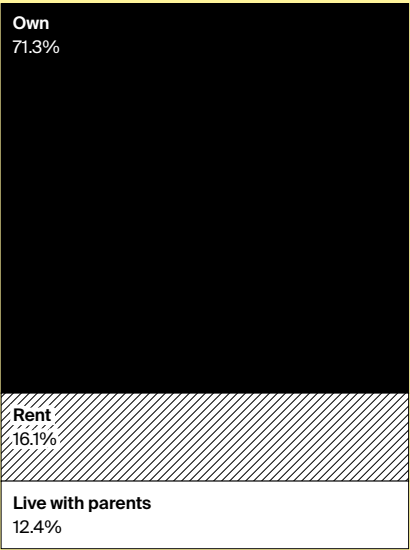
HOUSING
For some, though, high-end real estate remains an elusive goal. While 70% of respondents currently own property, renting has gained appeal, particularly among the second-highest income bracket (US\$500,000 to US\$1 million). This cohort’s high likelihood of working abroad makes them too mobile to commit to property ownership, yet not quite financially positioned to maintain multiple global properties.

Ever chasing the opportunity to enter the US\$1 million+ club, this group is the most likely to move within the next 12 months. Their professional and geographical flexibility is epitomised by the mobility that renting provides.

For those navigating the housing market, interest rates have become a crucial factor. Many affluent young survey respondents have reacted to the higher interest rate environment by adjusting their property purchase budgets and timing.

Taking ownership

More than seven in 10 Next Gen Survey respondents own their own homes



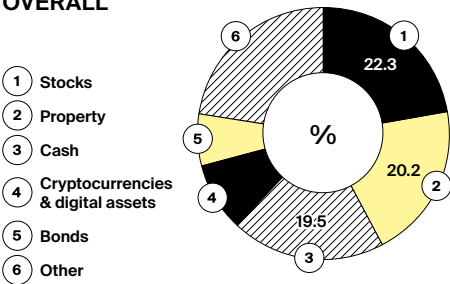
INVESTMENTS
While cryptocurrencies, venture capital or prized art pieces may generate the headlines, the younger affluent generation is still drawn to the classic trio of stocks, property and cash, which remain the most popular investment avenues across income levels.

Analysis by gender reveals nuanced investment preferences, with males gravitating towards stocks while females prefer property and cash investments.

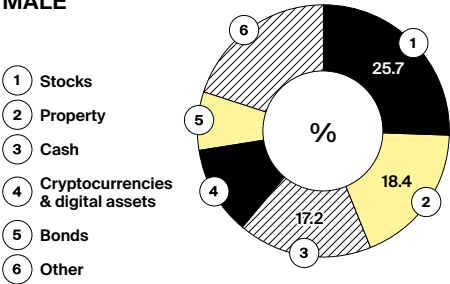
Asset management

% of respondents choosing asset as their top investment priority (by gender)

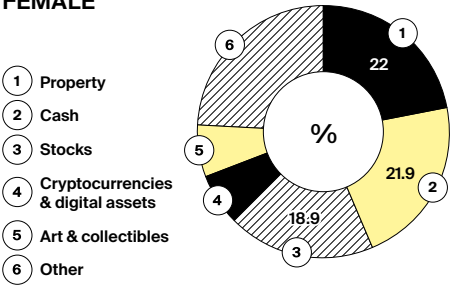
OVERALL



MALE

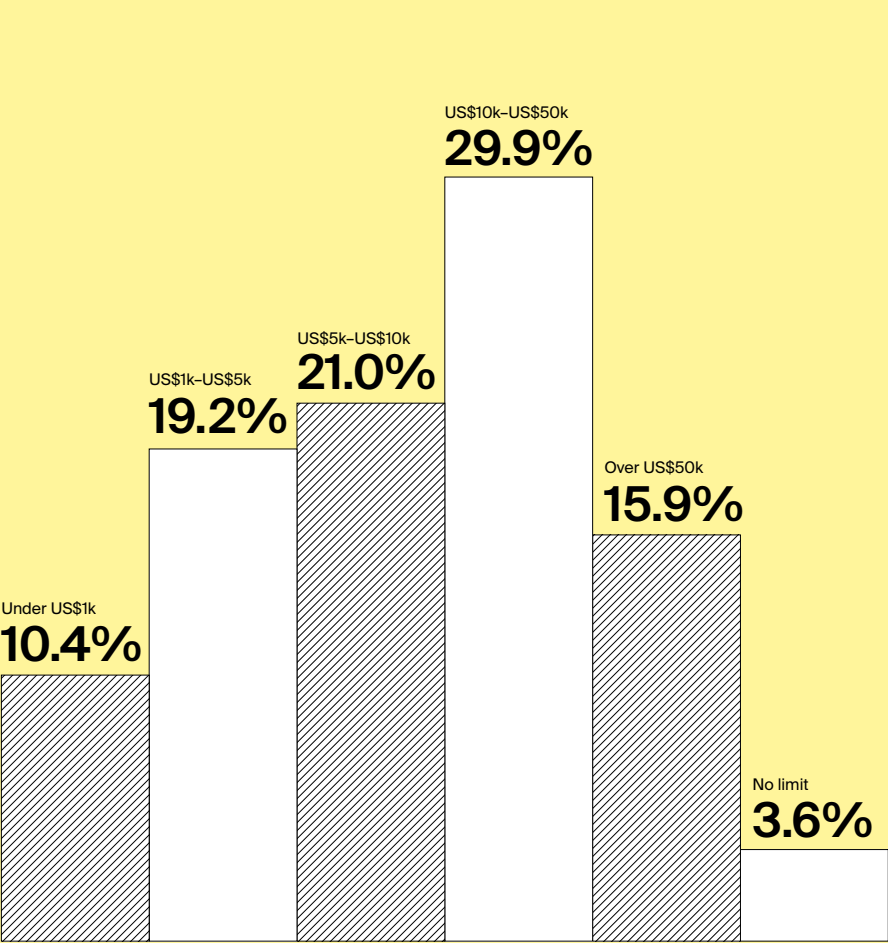


FEMALE



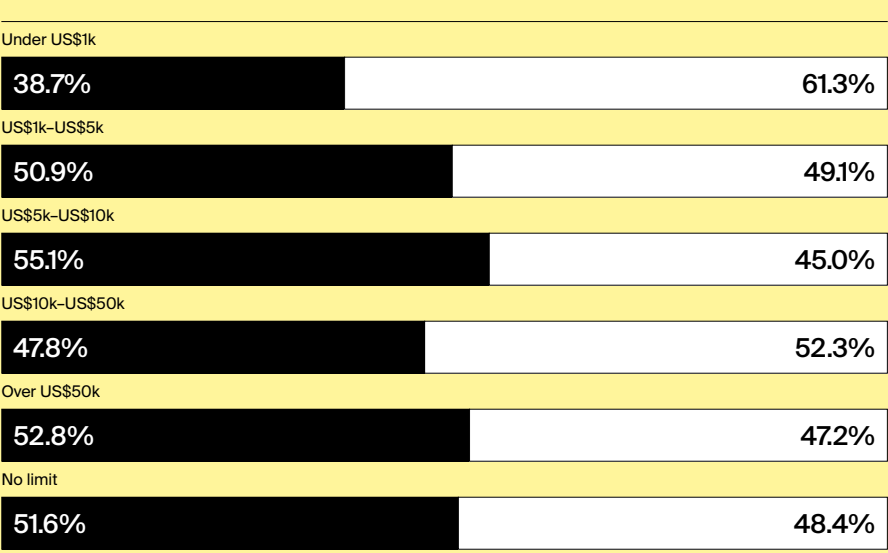
Spending habits

The price point at which Next Gen respondents prefer to purchase in person than online (% of respondents)



Spending in focus

The price point at which Next Gen respondents prefer to purchase in person than online (by gender)



DIGITAL FLUENCY

Respondents indicated that personal interaction becomes necessary for purchases between US\$10,000 and US\$50,000. This means even high-value items like a Rolex or Louis Vuitton handbag are products consumers feel comfortable purchasing online. As we examine the upper income brackets, “no limit” becomes increasingly common, emerging as the third most frequent response for the top income group.

At the opposite end of the spectrum, females demonstrate the greatest hesitancy towards online purchases of substantial value. Of the 10% that selected the “under US\$1,000” category, over 60% were female respondents.

The primary motivations for seeking personal assistance reveal nuanced insights. For most, the “amount of money involved” is the top reason to seek personal interaction. However, for those respondents in the highest income bracket (US\$1 million+), “complexity of the product” emerges as the principal driver, suggesting these UHNWIs are more focused on tailored solutions and personalised service.

“Even high-value items like a Rolex or Louis Vuitton handbag are products consumers feel comfortable purchasing online”

Digital nomad detox

A new breed of laptop-wielding travellers is transforming the world’s most beautiful cities. The impact on locals is stark, say campaigners, prompting calls for greater regulation and a reassessment of global mobility. Patrick Gower explores



Hot spot An influx of foreign residents drove Lisbon's population up more than 8% in a decade

Residents of the coastal cities of Barcelona, Venice and Lisbon have watched visitors come and go for millennia. But one modern band of travellers is proving increasingly difficult to cope with. Laptop-wielding digital nomads – globally mobile remote workers – have compounded the already thorny problem of rampant tourism in the world’s most desirable cities. The influx of new residents has driven up house prices and eroded local character, campaign groups say. Supporters argue that the newcomers bring much-needed economic activity, especially those entrepreneurial nomads who start businesses and bring fresh ideas.

“People in Lisbon often lament how much the city has changed,” says Sergio Rebelo, Professor of International Finance at the Kellogg School of Management, Northwestern University. “They recall a time when downtown was filled with charming local restaurants. Now it’s dominated by cheap pizzerias and food options lacking local character. The real challenge for cities as attractive as Lisbon is figuring out how to welcome a growing influx of potential residents while preserving the city’s character and ensuring it remains liveable for locals.” Governments stepped up competition for digital nomads during the pandemic-induced boom in remote working.

Administrations dished out incentives from specialised visas to tax breaks. However, the resulting runaway growth in house prices and rents prompted soul searching among officials as to the benefits such new overseas residents bring to cities, and whether these can ever outweigh the negatives. Rebelo is Portuguese, so he has skin in the game. Alongside fellow academics Joao Guerreiro, Pedro Teles and Miguel Godinho de Matos, he set about charting how foreign residents had transformed Lisbon, and what policy responses might alleviate the negative effects felt by locals. The results were stark. The Lisbon municipality attracted more than 20,000 new foreign residents between 2011 and 2022. During the same period, the number of family homes in the city centre declined by 3,000 units. The mismatch between supply and demand drove rents up by more than 40%. House prices climbed 25%. Complaints were made that local residents were displaced: about 27,500 city centre residents moved to peripheral areas during the same decade. A quarter of a million workers now spend an average 81 minutes commuting during rush hour each day. “People commute a lot now, which wastes time and effort,” Rebelo notes. “In the long run, the ideal solution is for people to live and work in the same place.”

OFFSET THE HARMS

Governments have tried various ways to offset the negative aspects of inflows of foreign residents. Most efforts to increase housing supply have been unsuccessful – developers are entangled in red tape and, more recently, hesitant to commit to new projects due to elevated interest rates. Portugal, Spain and Thailand have all tightened policies for digital nomads, and many more, including Canada, Australia, New Zealand, Switzerland and Denmark, have implemented regulations that limit foreign property ownership. Others have sought to introduce fees to regulate the flow of tourists generally, including arrival and departure taxes, daily levies and charges per night for accommodation. These methods are inefficient, says Rebelo. Instead, the researchers recommend taxing capital gains on property sales for everybody and using the revenue to offset any harms. The tax, which Rebelo refers to as the “foreign resident surplus”, can be set at a level that raises enough to outweigh the costs borne by the locals. The money raised could be spent on subsidising rents in areas of high demand, he suggests.

The solution hints at an uncomfortable truth in an era defined by the global mobility of workers: that digital nomads bring gains in property values and little else. “We believe that’s largely the case,” Rebelo says. “Tourism creates jobs in restaurants and hotels, and foreign residents can generate some economic activity – perhaps by improving product marketing or leveraging knowledge of distribution across different regions. Some of that is happening. However, for the most part, foreign residents bring capital gains to local real estate owners.”

A PLANNING OVERHAUL

Still, governments are unlikely to ever tighten digital nomad policies or taxes to a degree that meaningfully curtails the travel of remote workers to beautiful cities. Even if ministers were to tax capital gains on a large scale to subsidise housing, the migration of local people to suburbs would continue to some degree. The long-term solution, then, is to rethink how cities are designed so places of work are positioned closer to where workers live, say Rebelo and his peers. They hold up Paris as a model: in the 19th century, Napoleon III gave Baron Haussmann carte blanche powers to reshape Paris. The overhaul resulted in the famous wide boulevards with their uninterrupted views of the Eiffel Tower, but perhaps most importantly, over time office buildings, production facilities and residential complexes were moved to La Défense and other peripheral areas. “In Paris, the city centre has evolved into a leisure space, beautifully curated with strict zoning rules. For example, there are no skyscrapers blocking views of the Eiffel Tower,” Rebelo explains. “At the same time, significant investments were made to develop suburbs where people can live and work comfortably.” In the absence of sweeping powers granted by a Napoleonic dictatorship, European governments can introduce policies to repurpose office buildings into homes and encourage companies to move offices nearer to where workers live. Taxing capital gains in the near term offers shorter-term relief, without being so heavy-handed as to lose the gains that remote workers bring. So, is the Portuguese government listening? “We did get some interest from public officials, but I wouldn’t say we had much real influence,” Rebelo admits. “There’s a tendency to focus on taxing foreign home buyers as a solution, but this approach overlooks the large capital gains missed in the process. I think that’s the key point people are missing.”

Still want to join the ranks of digital nomads? As our round-up of global schemes and incentives shows, you’re spoiled for choice...

EUROPE

- Portugal**
Provides a Digital Nomad Visa for stays up to one year, with a minimum income requirement of €3,040 per month.
- Croatia**
Introduced a Digital Nomad Residence Permit for stays up to a year, targeting non-EU citizens.
- Spain**
Launched a Digital Nomad Visa under the Start-up Law, allowing stays up to five years with tax benefits.
- Greece**
Provides a Digital Nomad Visa for up to 12 months, extendable, with a minimum income requirement of €3,500 per month.

AMERICAS

- Barbados**
Introduced the Welcome Stamp Visa, allowing remote workers to stay for 12 months, renewable, with a minimum annual income of US\$50,000.
- Costa Rica**
Offers the Rentista Visa for remote workers, valid for up to two years, with a minimum monthly income requirement of US\$2,500.
- Mexico**
Provides a Temporary Resident Visa for remote workers, valid for one year, extendable, with proof of sufficient income or savings.
- Brazil**
Introduced a Digital Nomad Visa valid for one year, renewable, with a minimum monthly income requirement of US\$1,500.

ASIA-PACIFIC

- Bali, Indonesia**
Plans to introduce a Second Home Visa for remote workers, allowing stays of up to five years, with proof of funds amounting to IDR 2 billion.
- Thailand**
Offers a Long-Term Resident Visa for remote workers, valid for up to 10 years, with a minimum annual income requirement of US\$80,000.
- Malaysia**
Introduced the DE Rantau Nomad Pass, allowing stays up to 12 months, renewable, with a minimum monthly income requirement of US\$2,000.
- South Korea**
Announced plans for a Workation Visa (F-1-D) to facilitate remote work. Details pending.

AFRICA AND THE MIDDLE EAST

- Dubai, United Arab Emirates**
Offers a Virtual Working Program for one year, renewable, with a minimum monthly income requirement of US\$5,000.
- Mauritius**
Provides a Premium Visa for remote workers, allowing stays up to one year, renewable, with proof of sufficient income.
- Namibia**
Introduced a Digital Nomad Visa for six months, with a minimum monthly income requirement of US\$2,000.
- Cape Verde**
Offers a Remote Working Program for six months, extendable, with proof of income and health insurance.



Investment

The drivers and trends steering global investment and commercial markets now, and in the future

28	THE KNIGHT FRANK 150 Results and insights from our survey of family offices
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34	COMMERCIAL AWARENESS The sectors – and investors – driving commercial real estate markets
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38	KEEPING IT REAL Our mythbuster separates commercial property fact from fiction
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44	THE EVOLUTION OF ESG How the changing sustainability landscape is shaping investor priorities
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The Knight Frank 150

Global family office investment strategies. Defined.

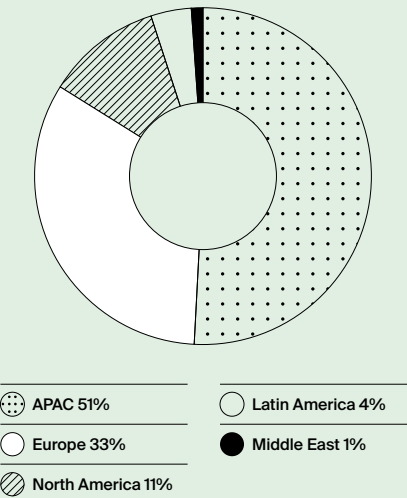
Our survey of 150 family offices finds investors keen to broaden their exposure to real estate, a sector they view as offering both growth potential and wealth preservation. Welcome to the inaugural edition of the Knight Frank 150

THE FAMILY OFFICE

Through November and December 2024, we interviewed 150 single and multi-family offices across the globe. Our family office (FO) panel covered 121 single-family and 18 multi-family offices as well as 11 heads of more diverse structures. The FOs were headquartered in 29 cities across Asia, Europe, the Middle East and the Americas, with strong representation from FOs based in London, Singapore, New York, Geneva, Sydney and Hong Kong SAR.

Family offices by region

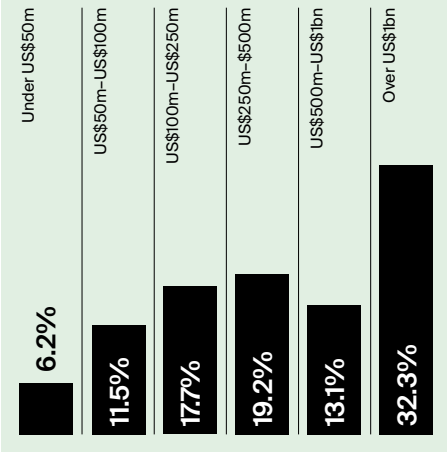
Our family office panel, with representation from single- and multi-family offices in 29 world cities, provides a global perspective on this critical investor group



Assets under management (AUM) averaged US\$560 million, totalling more than US\$84 billion across the 150 FOs. Around 40% of FOs surveyed had operating businesses with a focus on real estate within their portfolios.

Family offices by assets under management

Almost a third of our panel controls AUM exceeding US\$1 billion, while another third manages between US\$250 million and US\$1 billion



THE PORTFOLIO

Real estate features strongly in the portfolios of the FOs surveyed: direct real estate was the third most common allocation, behind equities and cash, with indirect real estate investment coming in seventh place.

Allocations to real estate rose over the past 18 months, with 28% of FOs increasing their allocation, compared with 17% reducing their exposure. The top real estate sectors for current allocations are led by offices (20%), luxury residential (17%), industrial (14%) and hotels (12%). Some 70% of real estate investment is domestic, with the most domestically minded FOs based in New Zealand (93%), Australia (90%) and the US (86%). The most geographically diverse portfolios are those of FOs based in Switzerland (31% domestically invested), Hong Kong SAR (33%) and Singapore (41%).

70%

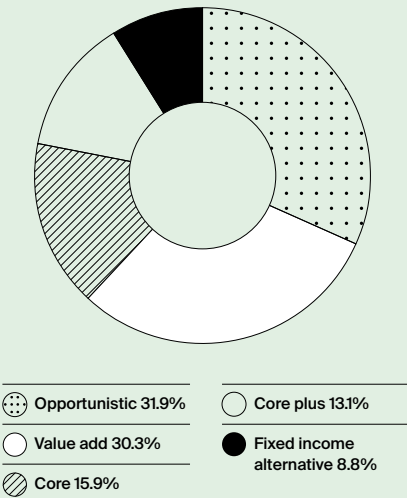
Share of real estate portfolio invested domestically

INVESTMENT STRATEGIES

Most respondents view real estate as one component within a broader investment strategy, balancing it alongside listed equities, venture capital or other private investments. Some continue to hold real estate for core commercial operations and see it as a strategic asset that underpins FO activities. For others, real estate is treated as a fixed income proxy, held long term to protect purchasing power and provide stable returns.

Preferred real estate investment strategies

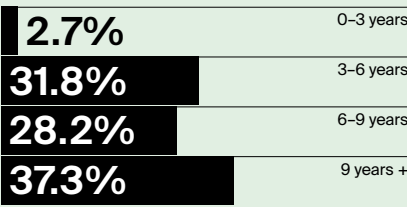
While opportunistic strategies lead, family offices are employing a range of risk approaches in their real estate portfolios



Real estate strategies are led by Opportunistic (32% of respondents), Value add (30%) and Core (16%) investment approaches. For most FOs real estate investment is viewed as a medium- to long-term strategy, with few investments made with a sub three-year time horizon (3%). The proportions are similar for three to six year (32%) and six to nine year (28%) horizons, although the largest share of investments is made with an outlook of nine years or more (37%).

Preferred duration for real estate investments

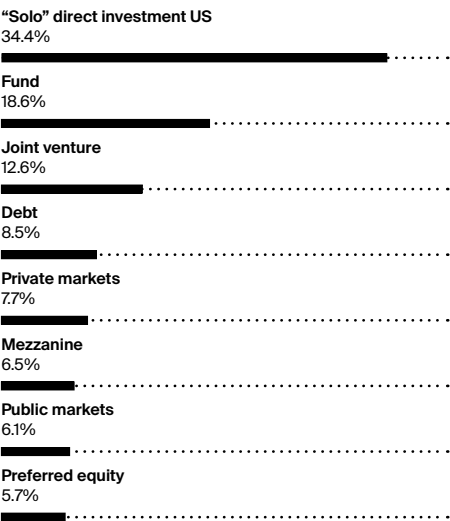
The time horizon for real estate investments by family offices is dominated by medium- to long-term holdings



The most popular investment route was “Solo” direct investment (34%), followed by Fund (19%) and Joint venture (13%) routes.

Preferred routes for real estate investments

Preferred investment routes are dominated by direct investments, fund structures and joint ventures

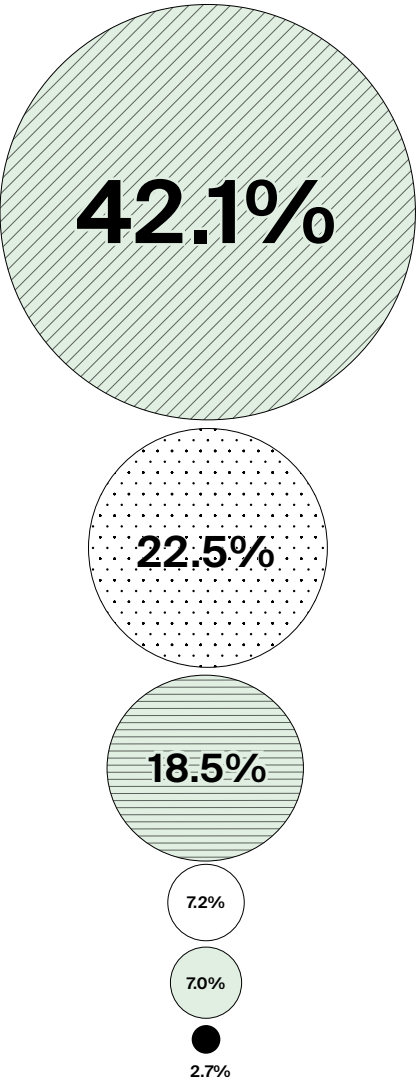
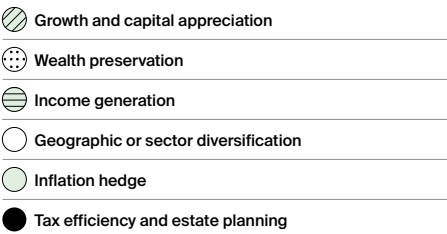


In terms of measuring real estate investment returns, the majority of FOs consider either Total return (31%) or Internal rate of return (31%) metrics.

Across the different metrics employed, FOs on average target an unleveraged 13.8% return. In terms of the objectives that real estate fulfils in the wider investment portfolio Growth and capital appreciation (42%) dominates, with Wealth preservation (23%) and Income generation (19%) in second and third places.

Preferred real estate investment objectives

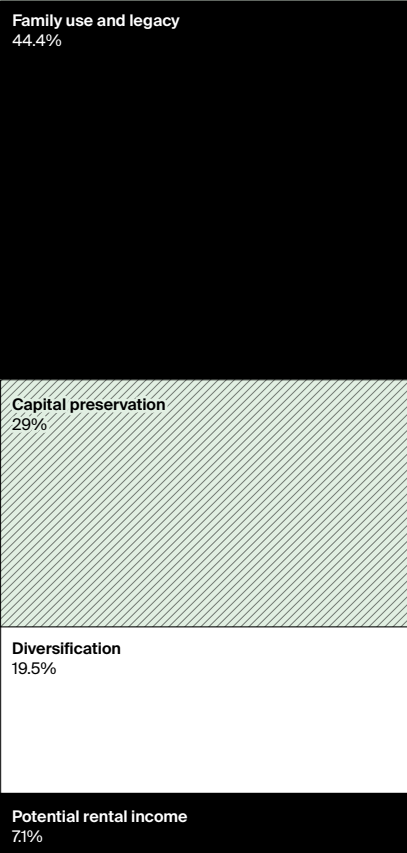
Capital growth, wealth preservation, and income generation dominate real estate investment objectives



PRIVATE RESIDENTIAL PROPERTY Nearly two-thirds of FOs manage private family residential properties. The main objectives for this management are Family use and legacy (44%), Capital preservation (29%) and Diversification (20%), with Potential rental income coming in last at 7%.

Drivers for maintaining a private residential portfolio

There are four key drivers behind the management of private family residential properties, with family use and legacy being the main considerations



On average, those FOs managing private family residential properties are responsible for 4.7 properties, ranging from five in Latin America to 4.2 in North America. ▶

4.7

Average number of homes in the private family residential portfolio

Of those with an active family residential portfolio, 25% are considering the acquisition of property over the next 18 months, and 20% are considering a disposal of homes.

FUTURE PLANS

While our respondents see opportunity in real estate, and on balance want to increase exposure, there is a note of caution in the responses received. There is a desire from some to exit specific deals, where problematic loans or projects that no longer align with broader strategy need to be managed. While most respondents see opportunity in a medium-term upturn in the real estate cycle, they remain cautious about the speed of interest rate cuts and high building costs.

Despite concerns over the macro environment, 44% of respondents expect to increase their exposure to real estate over the next 18 months, compared with only 10% looking to reduce their investments.

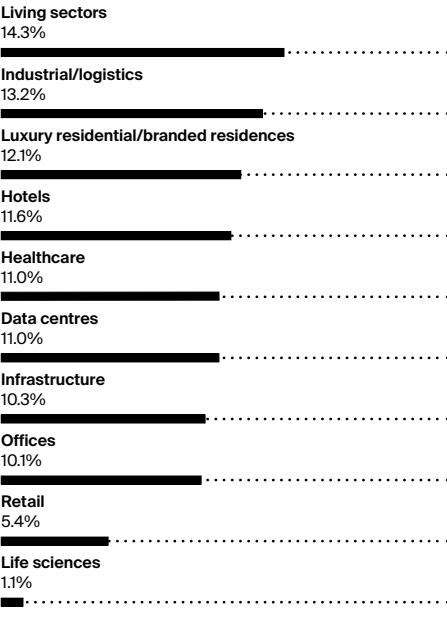
44%

Share of family offices looking to increase investment in direct real estate over the next 18 months

In terms of sectors in demand, the top three targets across our panel of FOs are Living sectors (14%), Industrial/logistics (13%) and Luxury residential (12%).

Real estate sectors in demand

Family offices are interested in additional real estate investment opportunities, with living sectors, logistics, luxury residential and hotels leading the pack

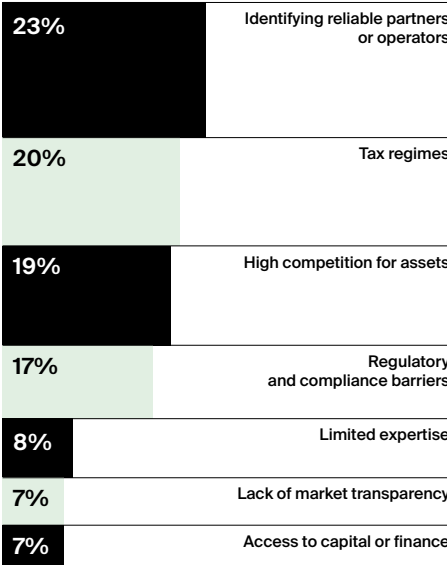


While the general tenor is for more rather than less exposure to real estate, there are a number of challenges that FOs face

in meeting these investment objectives. The biggest barrier to increased real estate activity was defined as a difficulty in identifying reliable partners or operators (23%), followed by challenging tax regimes (20%), high competition for assets and the need for speed to access opportunities (19%). Regulatory and compliance barriers (17%) were also noted as major concerns.

Barriers to further real estate investment

Appetite for additional real estate investment is sometimes held back by barriers to entry, ranging from a lack of partners to taxation, regulation and more



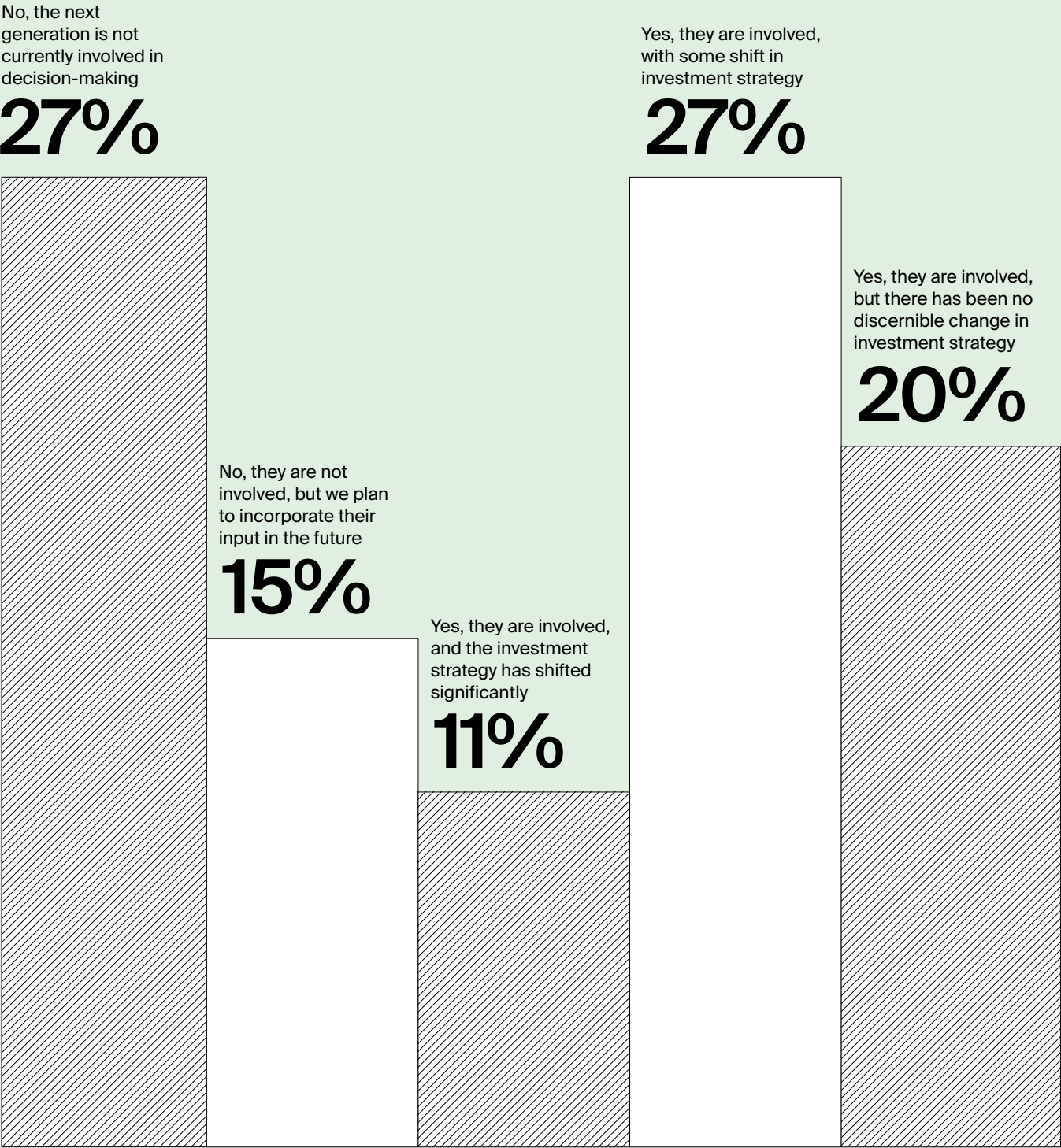
NEXT GENERATION LEADERS

Baby boomers (60 to 78 years) lead in terms of primary decision-making across our panel, heading up 50% of the FOs surveyed. Gen X (44 to 59 years) is the next largest cohort, with 36% holding primary decision-making control. The baton is slowly being passed to millennials (28 to 43 years), who make up the remaining leaders.

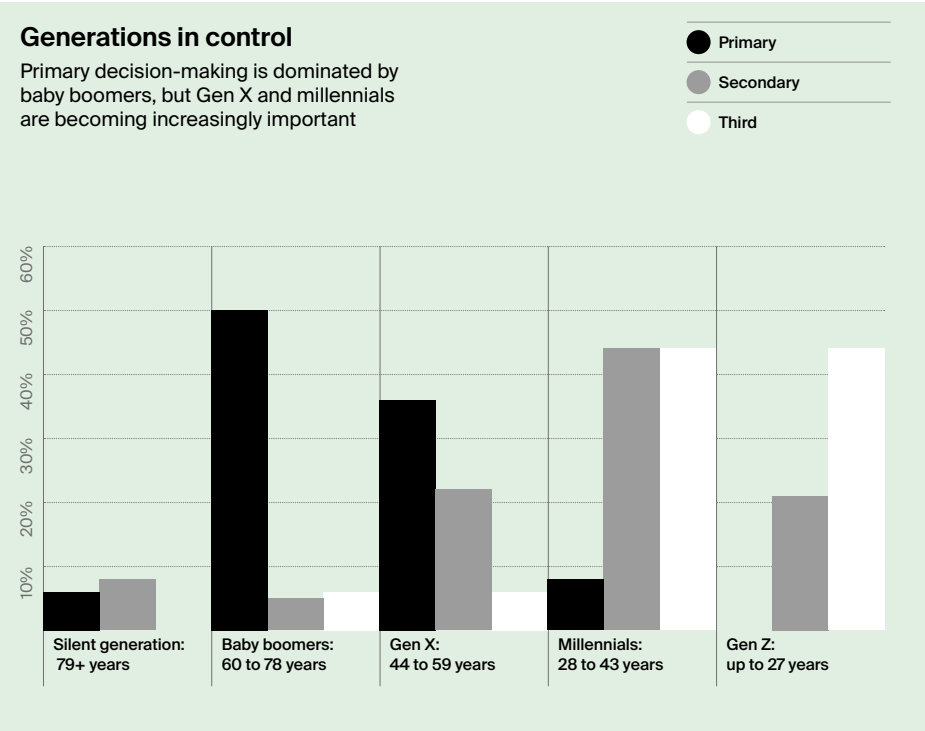
While primary decision-making responsibility appears to be tightly held by older age groups, 58% of FOs are actively involving the next generation. While 35% of those who have involved the next generation have seen no shift in strategy, 47% have seen “some” shift and 18% have been rewarded by a “significant” shift.

Decision-makers of the future

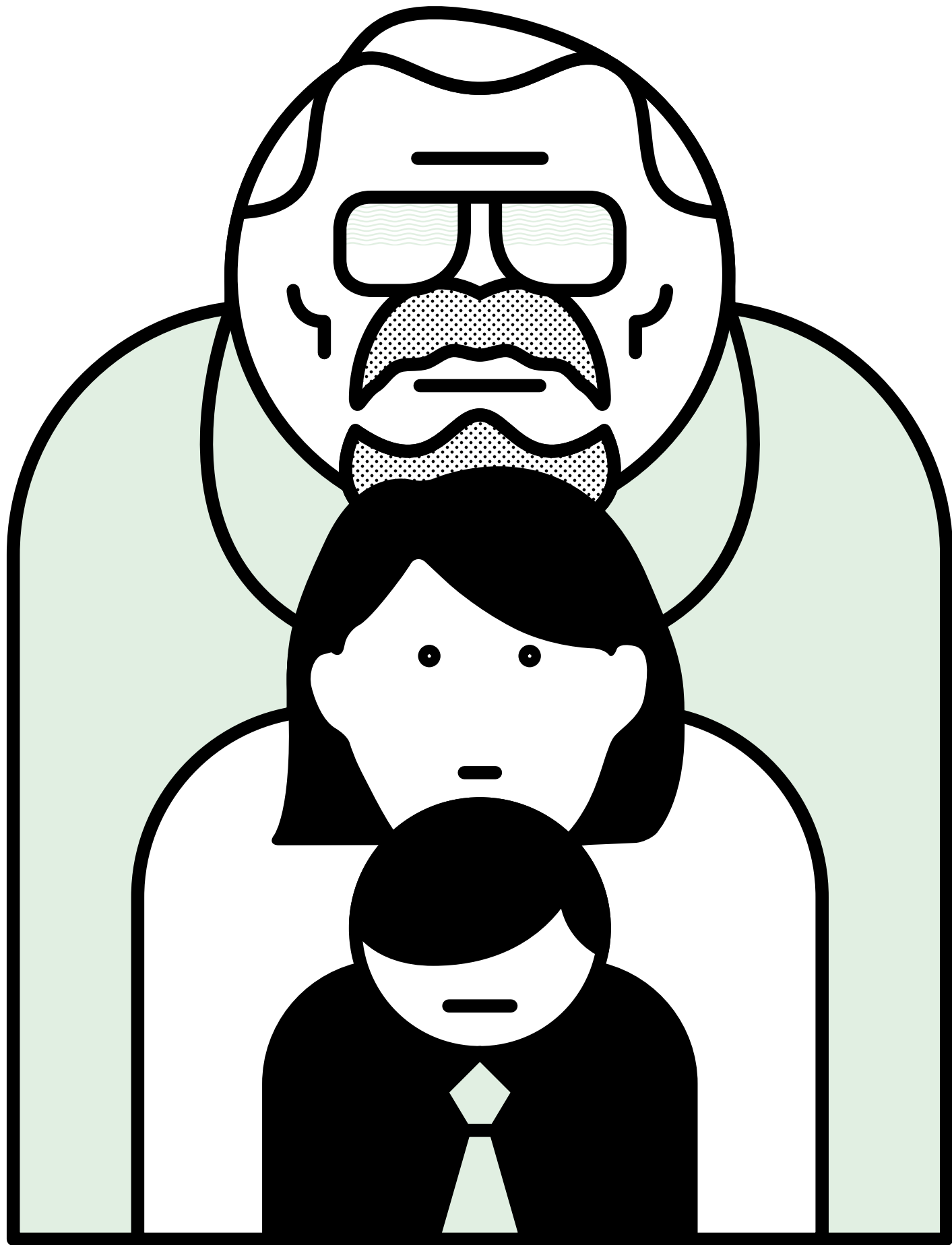
We asked: Is the next generation involved in your family office decision-making process, and, if so, has this impacted on your investment strategy?



Source: Knight Frank Research



Note: Summary survey results from The Knight Frank 150 are provided in Databank on page 80



“The dinosaur is having one last roar at the meteor before it wipes him out”

Kendall Roy, *Succession*
Season 1, Episode 4

HBO’s *Succession* racked up 81 awards over the duration of its run, a rate of more than two per episode. What did audiences find so compelling about a new generation clamouring for control of the family billions?

Maybe it was the sharp dialogue, or the “stealth wealth” fashion sported by the characters – or perhaps it was because viewers knew they were getting a realistic glimpse of a world previously shrouded in mystery.

Because whether it’s confusion over a principal’s post-death wishes or the division of wealth after divorce, many of the issues explored in the show crop up in real life, legal experts say. How they are resolved will have a big influence as to how trillions of dollars are spent. Some US\$18 trillion in assets will be handed down globally in the next five years, according to Vanguard – the largest intergenerational transfer of assets in history.

“Obviously *Succession* was dramatised, but a lot of these issues come up when individuals are vying for control of the empire,” says Graeme Kleiner, Partner, Private Wealth Disputes at law firm Charles Russell Speechlys. “Part of the magic is building a coalition of the willing, so finding roles within the family – and potentially the family office – within which individual family members feel fulfilled. Otherwise, you end up with these tensions, and the structure starts to get stressed.”

FAMILY FORTUNES

The maturity of the family fortune influences the degree to which new generations hold sway over investing strategies. Guardrails emerge as wealth passes through generations, whether through structures like trusts or as family

offices designate roles to investment professionals. Some of the larger family offices in Europe or the US, for example, are virtually indistinguishable from institutional investors.

Beginning this process can be difficult for the original generators of wealth, who may eye financial institutions with distrust, or view their children as inexperienced. “These first-generation types have been successful because they’ve made strong and successful decisions themselves,” says Marcus Yorke-Long, Head of Private Office at Charles Russell Speechlys. “It takes quite a long time to generate that willingness to award mandates to third parties.”

Still, a handover is under way. Of the 150 family offices surveyed by Knight Frank, 58% said that the next generation is already involved in investment decision-making. Almost 40% said there had subsequently been a change in the investing strategy. Some 11% said the strategy had “shifted significantly”.

GENERATIONAL SHIFTS

Questions as to how succession will be managed tend to be more pressing in Asia, where much of the wealth being passed down is to the second or third generations. Private capital in the Asia-Pacific region expanded at an annual rate of 13% during the decade to 2023, according to EY. That’s driven rapid growth in the family office industry: approximately 80% of the region’s family offices were founded after 2000, according to a 2022 report by Campden Wealth. Two-thirds of those were founded after 2010.

Many of the newly minted families send the next generation to top universities in the US or UK. Those returning are often faced with the choice: run the family business or the family office. And while the Roy children in *Succession* were unified in their desire to take the helm of Waystar Royco, the global media conglomerate founded by their father, millennials and Gen Z show increasing interest in investing roles, says Emily Petersen, a sustainability and impact portfolio director at Cazenove Capital. That has risen in tandem with

access to trading apps like Robinhood, experts say.

“In Asia, that generational shift is not just about who takes control of the business that creates the wealth, but what do you do with the cash that’s being thrown off by that business,” adds Kleiner, who recently travelled to the region to meet wealthy families. “We sat opposite 30- or 35-year-olds who were running hundreds of millions of dollars in investible assets.”

STEPPING UP

Our survey confirms that millennials and Gen Z are being prepared for primary decision-making positions. Almost one in ten respondents said millennials are already the primary decision-makers, and 44% said millennials hold secondary powers. A fifth of respondents said members of Gen Z hold secondary powers.

Moral and cultural differences between generations does influence investing strategies, our experts say. Some 63% of our millennial respondents said they had already put money into sustainable investments, compared with just 35% of baby boomers, for example.

For wealthy individuals seeking some control over how their capital is used or protected by future generations, instilling some sense of values or purpose at the outset is vital, says Clare Anderson, Global Head of Schroder’s Family Office Service at Cazenove Capital. “If those aren’t in place already, by the time you start handing wealth on to the next generation, you’ve started to lose control.”

Family offices have many methods to install guardrails, whether for investment professionals or future generations. That might include putting funds into a series of trusts or foundations that come with protections. Trustees are bound to act in the interest of beneficiaries, for example. Family offices might also set up committees of family members with special powers, including abilities to change trustees or to make recommendations to professional investment managers.

“Large families might have a constitution or a similar document which sets out agreed principles for how the family will regulate itself and who gets a seat at the table,” says Piers Master, a partner at Charles Russell Speechlys. “It’s very hard for any successful entrepreneur, in my experience, to be willing to give up control of their money to a trustee or to a family office. It’s not in their DNA to do that.” Just like *Succession*’s Logan Roy, it seems the older generation is not about to relinquish control easily.

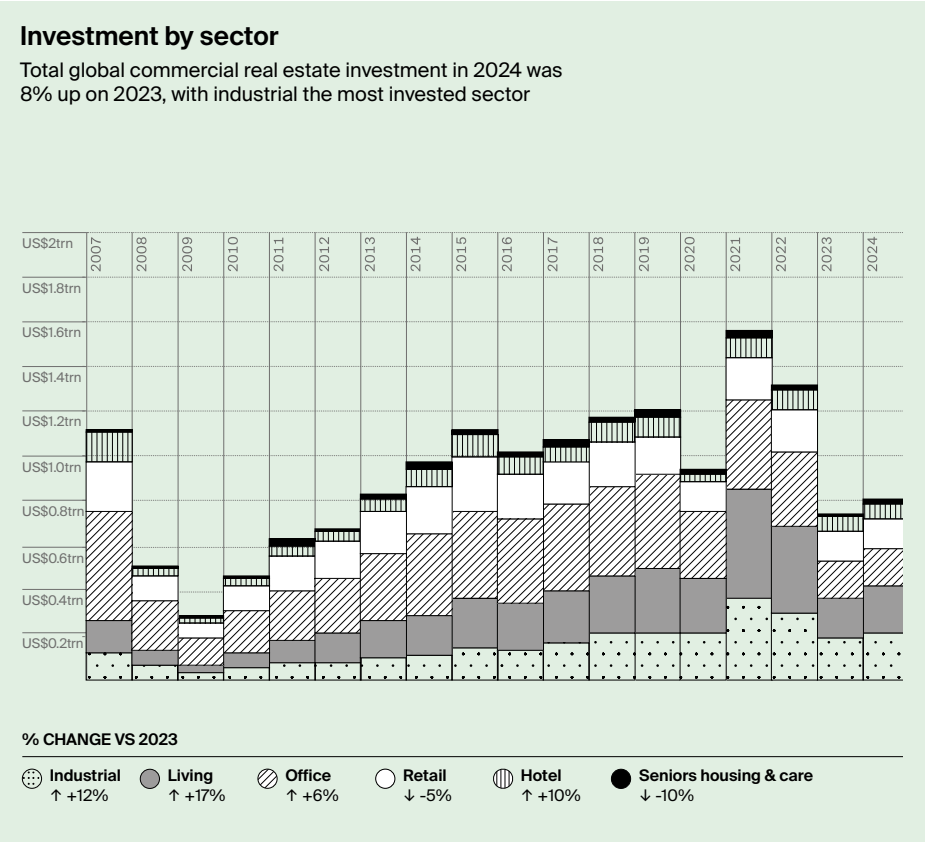
Patrick Gower takes a deep dive into the results of our Knight Frank 150 survey of family offices – and finds that the old guard is not quite ready to hand over the reins

One last roar

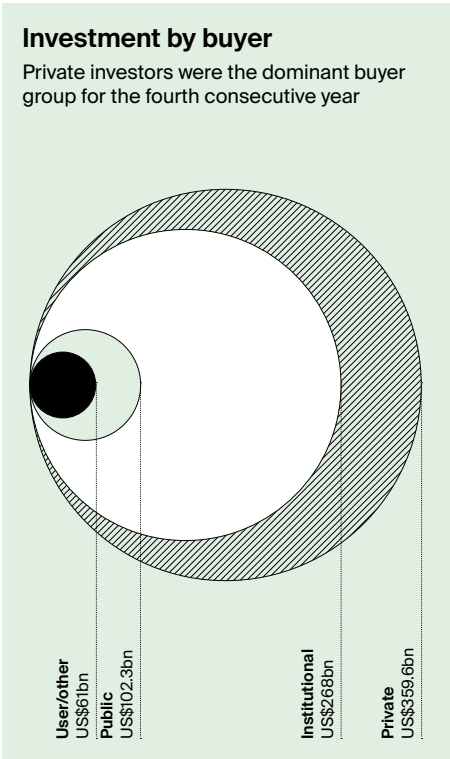
Commercial awareness

Against a backdrop of improving economics, evolving geopolitics, and the slow shift to lower interest rates, the outlook for commercial real estate is cautiously optimistic, says Will Matthews

Total global commercial real estate (CRE) investment rose to US\$806 billion in 2024, marking a +8% year on year increase, a significant rebound on the sharp 43% contraction recorded in 2023. Private investors dominated for the fourth consecutive year, contributing US\$360 billion or 45% of total global investment volume, down slightly from 48% in 2023. Institutional buyers were the second most active group, deploying US\$268 billion, some 33% of the total. Private, Institutional and Public buyers all recorded a rise in investment compared with 2023, with the exception of the User/other group, which fell 6%. Buyers in public markets saw the largest rise, posting a year on year increase of



22% in 2024. While investor confidence remains resilient, institutional investors have adopted a more cautious approach, with their share of total investment standing below their long-term average of 40%. Meanwhile, private capital continues to be a key driver of the



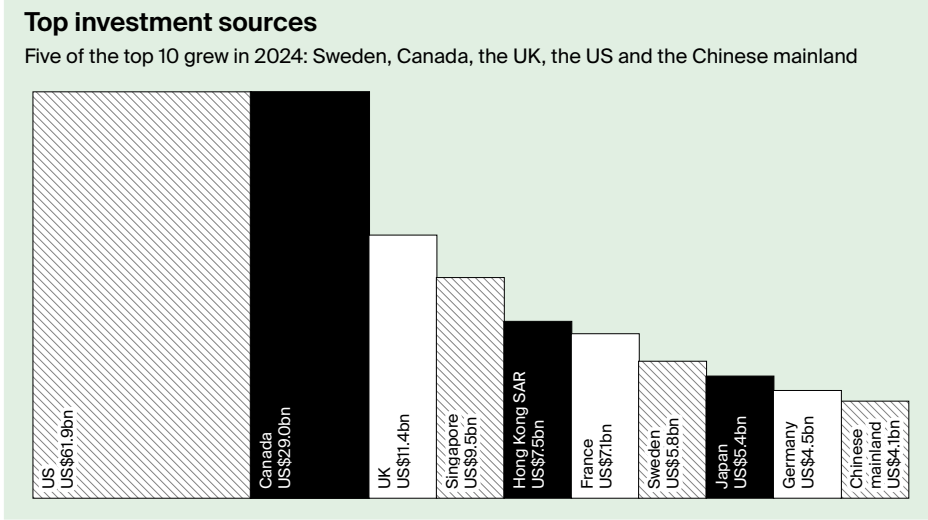
recovery, able to access a broad range of funding, allowing these buyers to act more opportunistically in the market.

SECTORS IN DEMAND

Just as in 2023, Industrial was the most invested CRE sector, accounting for just over a quarter of all global investment at US\$216 billion. Living was close behind at US\$205 billion, while Office investment reached US\$173 billion. Although the Industrial, Office, Hotel and Living sectors all increased their share of total investment in 2024, Retail investment declined, its global share falling from 18% in 2023 to 16%. Similarly, Seniors housing & care shrank from 3% to 2%.

WHO'S BUYING?

Investors from the US, Canada and the UK were the most active sources of cross-border capital in 2024. Among the top 10 global cross-border capital sources, the only investors to increase investment in 2024 were from Sweden (+128%), Canada (+73%), the UK (+70%), the US (+61%) and the Chinese mainland (+41%). The UK was the largest source of private cross-border capital in 2024,



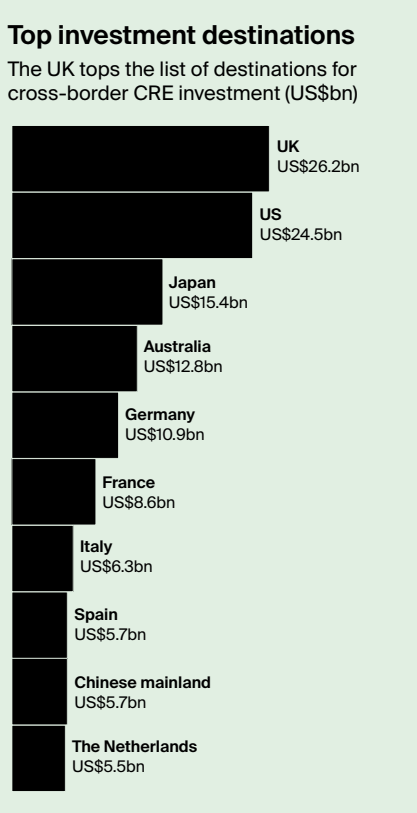
with investment increasing 224% year on year to US\$3.3 billion – their first time topping the rankings since 2008. Private UK capital primarily targeted assets in Europe (France, Spain and Germany) and the US. By contrast, while private US capital grew modestly by +2% year on year to US\$1.6 billion in 2024, the US slipped to fifth place in the top 10. London was the top metro destination for cross-border investment in 2024, attracting a total of US\$9.6 billion. Notably, the UK capital also reclaimed the top spot for overseas private capital, overtaking New York, which topped the rankings last year.

THE OUTLOOK FOR 2025

The overall picture in 2024 was one of economic resilience. The global battle against inflation had largely been won, interest rates were drifting downwards and many economies were navigating a soft landing. However, considerable downside risks remain, including geopolitical uncertainties and uneven regional recoveries. Despite these challenges, a significant pool of capital remains ready for deployment. Anticipated interest rate cuts in the first half of 2025, combined with the continued decline in swap rates, are expected to create a more favourable investment environment. This should bolster investor confidence, improve market sentiment and helping unlock greater transaction volumes. Borrowing against property is already showing an upward trend, reflecting growing investor appetite, while global CRE pricing is beginning to stabilise. All this suggests that 2025 could usher in a stronger phase of recovery, with increased capital flows and renewed momentum in the CRE sector.

WHAT WILL INVESTORS BE TARGETING?

Growth opportunities are emerging in select sectors. According to our Capital Gravity Model, from our Active Capital report, the logistics and living sectors are expected to attract the most significant investment, driven by long-term solid structural tailwinds. More specialist sectors such as healthcare and student housing are often high on investors’ wish lists due to their strong rental growth prospects and counter-cyclical nature. However, the operational complexities, compliance challenges and liquidity constraints associated with these assets may create hesitation among investors. Consequently, investors may be more inclined to transact within the more conventional CRE sectors.



Sectors to watch

From retail to operational real estate, we highlight some of the most exciting opportunities for those investing in commercial property

1 Safe havens

Geopolitical risk will remain heightened in 2025, in particular across Europe, Asia and the Middle East. Investors will again take a positive view of commercial property in safe-haven locations. Offices in gateway cities remain one of the archetypal volatility hedges. Although there may be few outright bargains, the asset class is liquid, well-understood and accurately priced. For example, despite a somewhat subdued market over the past year, London was one of the largest recipients of cross-border real estate investment, demonstrating the ongoing appeal of its commercial property sector.

HOW MUCH?
Budget for an entry price of between US\$20 million and US\$30 million.

WHO'S BUYING?
Private buyers have been active recently, but demand is broadening to a range of global investor types.

HOW LIQUID IS THE MARKET?
This is one of the commercial property sector's most liquid markets.

2

European retail

Economic prospects remain mixed but will not eclipse the attractions of European markets. Interest rates, already lower than most developed markets, are set to fall further, and this will be boosted by the relative liquidity of commercial property markets in Germany, France, Spain, Italy and the Netherlands. We anticipate many investors will remain focused on sectors with structural tailwinds, such as logistics and living (senior housing, student accommodation and build-to-rent), where it is easy to articulate the case for long-term investment. One sector to note is retail, especially in developed markets. Pricing has come under downward pressure in recent years, thanks to concerns – real or imagined – over the rise of e-commerce, the Covid-19 pandemic and the pace of wider economic growth. Current pricing could represent an attractive entry point for well-chosen retail assets.

HOW MUCH?
Prices for retail assets can start as low as US\$3 million but, as always, quality is key.

WHO'S BUYING?
Some larger investors have started to test the waters, but for now smaller private players still dominate.

HOW LIQUID IS THE MARKET?
Despite strong competition, retail property can be relatively easy to acquire – the key is to have a clear plan for holding, managing and exiting.

3

Logistics

The logistics sector has been revolutionised over the past decade, with record investment volumes targeting available assets. As pricing has risen sharply, the question for investors is how many opportunities remain. In our view, the outlook is positive. Geopolitical uncertainty is driving a reassessment of optimal supply chains and, at the margins, an increase in demand for space. More generally, supply chains are subject to continuous refinement, leading to a steady flow of new leasing demand. Unlike some other commercial property types, lot sizes can be helpfully modest for those testing the waters. But what makes the sector particularly compelling for those with a longer-term horizon is the potential for redevelopment. Although far from a guaranteed possibility for every site, as cities grow and demand for infrastructure proliferates, the ability to reimagine well-located logistics assets for other uses will become an increasingly valuable option.

HOW MUCH?
The price of entry for large-scale logistics facilities is typically between US\$10 million and US\$20 million, but smaller assets start at a much lower price point.

WHO'S BUYING?
A competitive market, with purchasers coming from a variety of backgrounds.

HOW LIQUID IS THE MARKET?
Typically, a very liquid market, but with a strong story supporting growth in the sector, potential vendors need an incentive to sell.

4

Operational real estate

The rise of operational real estate – in which the asset is intrinsically linked to the relevant business model – is one of the big growth stories in commercial property in recent years. From student housing to hotels, healthcare to data centres, such investments typically require buyers to run the assets as a business, or at least put in place a team to do so. In their infancy, operational markets can seem opaque compared to more established alternatives. Inevitably, there is less data to draw on, and less history to study. However, as they mature, the picture can flip, with these assets generating very detailed information about performance precisely because they are so intertwined with the underlying business.

HOW MUCH?
A wide range of property types mean that there is almost no lower limit for acquiring operational real estate. However, economies of scale mean it may be prudent to purchase in lot sizes of US\$5 million and above.

WHO'S BUYING?
A mix of private equity, institutions, private property companies and individuals.

HOW LIQUID IS THE MARKET?
Liquidity depends on maturity, but for sectors with five to 10 years of history, transaction volumes can rival their more established counterparts.

5

ESG assets

Surveys carried out for *The Wealth Report* show a longstanding desire among respondents to engage in philanthropy and/or to make investment decisions based on more than hard financial considerations. In recent years, this has led to a big shift among private investors towards acquiring assets that support ESG strategies (for example through retrofitting or refurbishing, see page 47). So far, much of the focus has been on the “E” (environmental) part, perhaps unsurprising given our own research shows a clear link between assets that meet modern sustainability standards and investment performance. The “S” (social) aspect is harder to measure and attracts less attention, but is arguably no less important. In fact, when we surveyed institutional investors in commercial property, nine in 10 had social targets. So, what does this mean in practice? At one end of the spectrum, 73% were targeting workplace wellbeing. More ambitious were the 56% seeking improvements in the public realm, and the 35% looking to support local communities. Measuring the efficacy of such investment goals can involve more than just straightforward financial metrics with investors relying on an alphabet soup of frameworks, benchmarks and tools – GRESB, SDGs, RESVI, ESRS, CSRD and SROI, to name just a few – to help quantify and report social impact.

HOW MUCH?
It's less about the amount, and more about how capital is deployed in pursuit of social goals.

WHO'S BUYING?
Institutional investors have led the charge – but others are now following what is recognised as a sound future-proofing strategy.

HOW LIQUID IS THE MARKET?
Assets able to demonstrate a measure of social value will have a broader appeal and be more readily transacted than those that cannot.

Keeping it real

From the rise of online shopping to the post-pandemic work-from-home trend, shifts in real estate markets are fuelling assumptions that could lead to missed opportunities for investors. We separate the myths from the reality

1 The office is dead

Post-pandemic, more people are working from home and office occupancy is falling

Far from being obsolete, the office is evolving to meet the demands of modern work and shifting employee expectations. Hybrid working is driving companies to rethink office spaces, emphasising flexibility and purpose. As businesses adapt, the office will transform into a dynamic hub for meaningful workplace experiences and a strong organisational culture.



Future work Rethinking the office

86%
Share of global occupiers anticipating their future workstyles to be office-only, office-centric or hybrid by 2026*



Top shops Retail outperformed in 2024

20%
Proportion of retail sales accounted for by e-commerce

2 Retail is history

The rise of online has made retail real estate uninvestable

Retail remains a key driver of global economic growth, fuelled by population increases and rising per capita spending. Online sales still represent a small share of global retail, and multi-channel models are outpacing online-only, with store-based ecosystems outperforming. After past corrections, retail has reclaimed top asset-class status in some markets including the UK, delivering total returns in 2024 of 8.2% vs 5.1% for all property.

3 ESG is no longer relevant

Governments around the world are placing less emphasis on ESG, and investors should do the same

This argument is flawed for several reasons. COP29 brought a renewed focus on climate action, making it risky to downplay ESG concerns. Institutional investors, key drivers of green building progress, are unlikely to abandon sustainability for short-term political shifts. Additionally, legislation and public demand for sustainable investments can quickly rebound, leaving those acquiring non-compliant buildings with no clear mitigation strategy and vulnerable to illiquidity.

200
Number of governments tightening their climate action plans following COP29



Smart future Data centres are going green(er)

4 There's no place for data centres in a sustainable investment strategy

High energy use conflicts with environmental goals

While they remain major consumers of energy and water, data centres are transitioning towards renewable energy sources with many also adopting more sustainable practices such as using recycled water for cooling and selecting sites to minimise ecological disruption. Data centres also enable environmental



Machine age AI is driving innovation across sectors

efficiencies by deploying technologies such as AI and big data analytics, which enhance energy and resource management. Cloud computing infrastructures reduce the need for physical hardware, cutting waste and supporting virtual services that lower carbon footprints.

20%
Data centres have a key role to play in driving down global CO₂ emissions by one-fifth by 2030

5 Geopolitical tensions are bad for supply chains

Demand for logistics real estate will suffer as a consequence of instability

Geopolitical upheaval can disrupt trade routes and sourcing strategies, affecting warehousing needs. However, it also creates opportunities. Companies may shift production closer to consumers, shortening supply chains, or hold more stock to safeguard against disruptions. Both strategies boost demand for local industrial and logistics facilities.

6%
Estimated increase in logistics floorspace needed to support longer lead times

6 AI is stealing our jobs

Demand for office space will plummet as a result of technological advances

Fears that AI will eliminate jobs oversimplify its impact. AI is reshaping work by augmenting roles, not erasing them, and could solve the productivity puzzle. Rather than reducing the workforce, AI drives innovation and creates dynamic career opportunities in a changing economy.

97m
Number of new roles created by AI between 2020 and 2025**



Solid bet Traditional sectors still deliver

7 Repurposing is the answer for every challenged asset

Changing use is an easy way to enhance value

Building obsolescence comes in many flavours: regulatory, functional, physical and financial. When these limits are reached, the call to “repurpose” grows louder. But one size does not fit all. We identify five types of renovation: from light-touch retrofitting, all the way to full-scale redevelopment. The key to identifying the appropriate action is viability. Simply put, an approach that is financially viable in one location may not stack up in another.

70%
Share of commercial floorspace in the UK at risk of environmental (regulatory) obsolescence

8 It's all about the Next Big Thing

The key to success in real estate investing is to be at the forefront of the latest trends

For a class of assets with a potentially indefinite lifespan, the world of commercial real estate can seem oddly fixated on the new. Riding these waves can be one way to generate attractive returns. But an almost universal truth in commercial real estate is that income trumps capital growth over the longer term. That means some of the most attractive performance might, in fact, come from resolutely unexciting real estate sectors.

2/3
Share of commercial real estate return typically driven by income

FIND OUT MORE
For more insight on the future of the workplace head to (Y)OURSOURCE

*Source: Knight Frank (Y)OURSOURCE. **Source: World Economic Forum. Office image: Courtesy of Ministry of Design Pte Ltd

Message in a bottle

Against a backdrop of wilting wine consumption and geopolitical tensions, rural commentator Andrew Shirley takes a global vineyard tour to assess how markets are faring

Global wine consumption is down 12% from its 2007 peak, and even though production has also fallen by 20% over the past 20 years, few of the world’s key vineyard regions remain unscathed.

Areas with vineyards supplying grapes in bulk to large-scale winemakers are most exposed. New Zealand’s Marlborough region, for example, saw vineyard values correct by as much as 33% in 2024 after hitting a peak in 2023, says Kurt Lindsay of Bayleys, Knight Frank’s local partner. “A lot of firms were still sitting on 2023 stock, and bulk wine prices fell from NZ\$7 to NZ\$3/litre.”

Lindsay isn’t too pessimistic, though. “The Marlborough Sauvignon brand is very strong and I think we are close to the bottom of the trough. Now is a good opportunity to buy vineyards at 2019 prices.”

Producers in Chile’s Colchagua Valley have also been hit hard. “Over the past few years, grape prices have been horrific,” says Matt Ridgway of Chile Investments. However, the availability of alternative options, such as planting cherry trees, means land values haven’t fallen. “People won’t sell for a loss,” notes Ridgway. “There are still no bargains.”

Elsewhere in Latin America, a similar trend is being seen in Argentina’s Mendoza region, says Patrick Kinnerly of real estate agent Contacto Propiedades. “A lot of vines have been replaced by vegetables. Garlic is now one of our biggest exports.”

Despite this, vineyard prices have remained firm during 2024. “We are seeing more foreign investment since President Javier Milei’s economic reforms, and businesses are more optimistic,” explains Kinnerly.

TARIFFS MATTER

Winemakers in the US’s biggest grape-growing regions are also on tenterhooks to see what impact President Donald Trump’s second term might have on a market that is already feeling the pressure from the drop in consumption.

Deporting immigrants who do a lot of the work on vineyards would push up production costs, while the implementation of tariffs would hit exports, points out David Ashcraft of Vintroux Real Estate, which specialises in the Napa and Sonoma Valley markets. Values for premier Napa vineyards remain stable, but prices in less exalted areas could have fallen by 10% to 30% during 2024, reckons Ashcraft.

Australia’s wine market is one that knows only too well the damage that trade tariffs can cause. Wine exports to China totalled A\$1.4 billion in 2019, but the imposition of punitive import tariffs by the Chinese government as part of a trade dispute saw sales crash to virtually zero in 2023.

The tariffs were lifted in April 2024, but vineyard prices in South Australia’s Riverland region are still likely to have fallen by as much as 50% last year, says Jason Oster, an agribusiness specialist and valuer at Knight Frank Australia.

Prices in the Barossa Valley, which produces higher-value wines, have seen smaller declines, he adds. “Buyers, ironically including Chinese HNW investors, are coming back to the market.”

STORYTELLING

A recurring theme around the world is the wide variation in vineyard values and performance, even within relatively small regions. Small boutique or lifestyle

vineyards and larger brands seem to be weathering the storm better than medium-sized businesses that can’t rely on scale or provenance.

The North Fork area of Long Island, New York, is an example of a smaller wine-producing area with a good story to tell that has proved resilient in the face of global pressures. “We’re in the backyard of Manhattan and there is huge demand for local food and drink,” says Melissa Principi, a broker for Douglas Elliman, Knight Frank’s residential partner in the US. “North Fork has become a real destination.”

Many of the people buying vineyards are successful financiers looking for a lifestyle investment who have added stylish tasting rooms and restaurants to their purchases, adds Principi.

“Fifteen years ago, the wine here wasn’t great, and there wasn’t much to do for tourists, especially outside of summer,” says Kristy Naddell, another Elliman broker from the area. “But over the past five to seven years, a lot of wineries have changed hands and are now offering much higher-end experiences.”

CHAMPAGNE SUPERNOVA

Vineyard values have always varied hugely in France, with vines in appellation d’origine contrôlée (AOC)-designated areas and those, such as Provence, that are popular with second-home and lifestyle buyers worth far more. However, the gap seems to be widening.

According to data from French land registry authority SAFER, the average price for AOC vineyards is currently around €150,000/ha, but this slides to just €15,000/ha for non-AOC areas.

In Bordeaux, home to the bulk of the world’s investment-grade wines, prices also vary widely. However, only the most prestigious vineyards, which can sell for well over €1 million/ha and rarely come to the market anyway, would find buyers at the moment, points out Nicolas Parmentier, Head of Vineyard Transactions at Janssens Knight Frank.

This lack of market evidence means the official SAFER figures, which show an average sales price for AOC vineyards of €109,000/ha and an annual drop in values of just 4%, don’t accurately reflect the challenges facing the region. “Only about 5% of vineyards are doing okay. Thousands of hectares are being uprooted,” explains Parmentier.

Elsewhere, prices for the most iconic Burgundy vineyards can still exceed €1 million/ha with no weakening of values. The Champagne region, despite pumping out huge volumes of the fizzy stuff each

year, also seems immune to the global downturn, with vineyard values nudging up.

EMOTIONAL ASSET

Like Bordeaux, Spain’s main red wine-producing areas such as La Rioja are suffering from overproduction, but there is a clear distinction between the market for wineries and the vines themselves, says Puri Mancebo of specialist agency Rimontgó.

“There are a lot of wineries for sale with the prices open for negotiation, but selling a vineyard is much more emotional. They have often been in the hands of the same families for generations and so far we haven’t seen enough forced sales to bring values down. But that could change.”

Demand for wineries in areas specialising in white wine, like Galicia, is buoyant, notes Mancebo. “There is local and international interest, including from Latin Americans.”

CLIMATE CHANGE

Shifting weather patterns are starting to influence the global vineyard market, with some regions set to benefit. “The Loire, south Burgundy and Beaujolais, where the climate is becoming more conducive to winemaking, are the future of wine in France,” says Parmentier.

With average temperatures rising, the area of vines in the UK, not to mention the quality of the wine produced, is growing significantly, reports Will Banham of Knight Frank’s Viticulture team.

“Counties such as Kent in the south-east of England producing predominantly sparkling wine have traditionally been the heartland of the industry,” says Will. “But now we are seeing vineyard values rising more rapidly in other counties such as Essex in the east where growers are experimenting with different grape varieties to create still rosé and red wines.”

Climate change mitigation is also influencing land use in the traditional wine-growing areas of Portugal, says João Pinto Marques of the Private Consulting team at Quintela Penalva Knight Frank. “People are looking for land for carbon sequestration projects in tandem with vines. There have been some big deals.”

With Gen Z reportedly set to be the most alcohol-shy generation ever, global weather conditions becoming increasingly erratic, and a tariff enthusiast in residence at the White House for the next four years, interesting times lie ahead for winemakers and vineyards around the world.

See overleaf for our graphical overview of global vineyard trends. ▶

For those looking to invest in a vineyard, *The Wealth Report* has curated a global selection to suit buyers with a wide range of budgets



ELEPHANT HILL, HAWKE’S BAY, NEW ZEALAND

This innovative winery occupies 52 hectares in the east of the North Island, one of the warmest regions in New Zealand. Award-winning wines – including “icons” Airavata Syrah and Cabernet/Merlot blend Hieronymus – benefit from the unique terroirs of three vineyards, located in the region’s finest viticultural areas: Te Awanga, Gimblett Gravels and Bridge Pa. The guide price is in the region of US\$12 million.



OSPREY’S DOMINION NORTH FORK, US

This winery and vineyard in Long Island’s up-and-coming North Fork area includes 14 hectares of Carménère, Pinot Gris and Sauvignon Blanc grapes as well as a 5,000 sq ft tasting room, ideal for events or hosting intimate wine experiences. The 21-hectare property is for sale at US\$6.9 million via Kristy Naddell of Douglas Elliman.



POGGIO LA NOCE, TUSCANY, ITALY

Just 30 minutes from the centre of Florence, this 18-hectare organic wine and olive oil estate comprises two farmhouses, a cantina and four hectares of vines, with a fifth to be added this year. The flagship Gigiò wine is a complex blend of mostly Sangiovese with a touch of Colorino, an intense black-red grape synonymous with Tuscany. The estate is priced at US\$14 million.



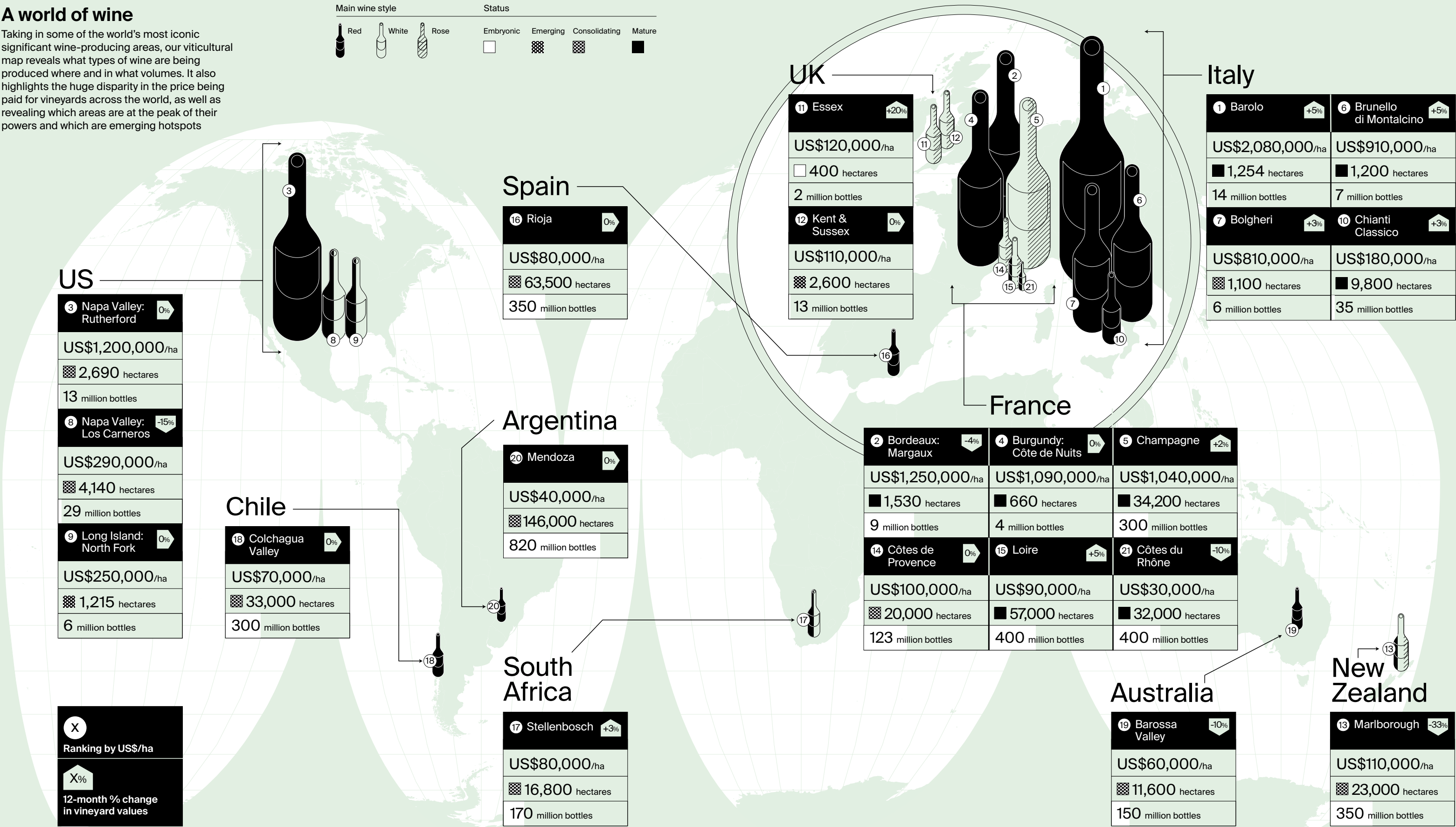
GRAMBOIS, VAUCLUSE, FRANCE

This 62-hectare estate includes 16 hectares of vineyards, 2.5 hectares of olive trees and 36.5 hectares of woods and forests. There is an extensive range of outbuildings and agricultural buildings as well as a spacious main house. The estate is for sale at US\$3.4 million through Knight Frank SNC.

For more information please contact: mark.harvey@knightfrank.com
For information on Grambois, contact: knightfrank.snc@fr.knightfrank.com

A world of wine

Taking in some of the world's most iconic significant wine-producing areas, our viticultural map reveals what types of wine are being produced where and in what volumes. It also highlights the huge disparity in the price being paid for vineyards across the world, as well as revealing which areas are at the peak of their powers and which are emerging hotspots



Sources: Knight Frank, Bayleys, Chile Investments, Contacto Propiedades, Douglas Elliman, Janssens Knight Frank, Rimontgó, Vintroux Real Estate
Note: The price per ha of vines is indicative only and could vary widely between vineyards within the same area or region

The evolution of ESG

In the 18 years since *The Wealth Report* was first published, sustainability has become a cornerstone of wealth management and investment strategies. Flora Harley sets the changing priorities of UHNWIs against a shifting global investment landscape



Back to nature The 3,600-acre Far Ralla estate in Scotland, for sale through Knight Frank, offers one of the UK’s largest quantified carbon sequestration opportunities



Power play Battery storage is in demand

FROM PHILANTHROPY TO IMPACT

In 2013, *The Wealth Report* noted the rise of hands-on philanthropy, including impact investing and venture philanthropy. Over the past five years, this trend has accelerated dramatically, particularly among younger investors. More than a quarter of the family offices responding to our Knight Frank 150 survey (page 28) have invested in climate and environment sustainability, with 42% looking to do so. In our Next Generation Survey (page 20), the figures are 55% and 45% respectively, while three-quarters of respondents said they would choose a more environmentally friendly product even if it cost 20% more.

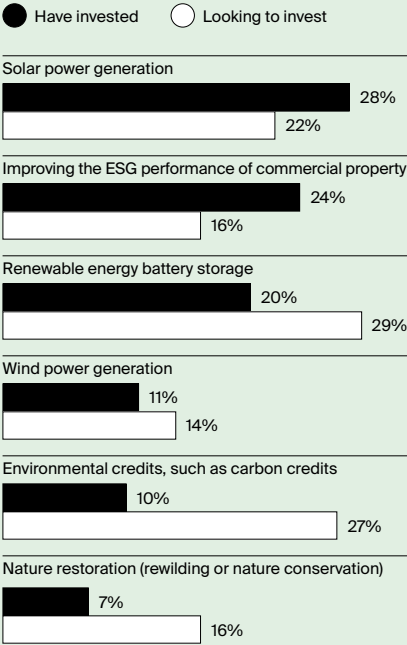
If these figures focus mainly on the “E” part of ESG, the “S” – or social – aspect has also gained momentum. More than a fifth (22%) of our family office survey respondents have supported the arts, culture and heritage preservation, while healthcare and medical research is the second most popular category for future investment (behind climate and environmental sustainability). A fifth (21%) say they plan to focus on the arts.

APPETITE FOR PROPERTY

The integration of ESG into property investment has evolved significantly. In 2020, 73% of respondents to our Attitudes Survey noted growing awareness among UHNWIs about climate change, with 45% concerned with the environmental impact of their real estate investments. By 2023, 76% were reporting environmental considerations as a key factor in investment decisions. In 2024, two-thirds were actively working to cut emissions.

Action on sustainability

% of respondents to the Knight Frank 150 family office survey who have invested or are looking to invest in ESG-related sectors



Source: Knight Frank Research

Our survey of family offices also highlights the rise in ESG-related property investments. Some 28% have invested in solar power generation and 24% in improving the ESG performance of commercial property. Going forward, the most in-demand category is renewable energy provision, with 29% looking for opportunities in battery storage investment and 22% in solar power generation. The greater interest

in battery storage systems could be due to potential for leasing to operators at higher rental values and with lower land area requirements.

TALENT RETENTION

Driven by the pandemic-fuelled “flight to quality”, amenities supporting staff wellbeing and sustainable buildings became essential in attracting and retaining talent. In 2020, Lee Elliott, Knight Frank’s Global Head of Occupier Research, noted the strategic role of real estate in workplace design. While this trend has continued, he now questions whether we’ve reached “peak amenity”, with the focus shifting to sustainable, purpose-driven spaces, as explored in the research series *Meeting the Commercial Retrofit Challenge* and *UK Cities DNA*.

METRICS THAT MATTER

In the 2024 edition of *The Wealth Report*, we started to uncover how UHNWIs view ESG in real estate acquisitions, with 61% looking for energy efficiency ratings and 48% for on-site renewable power (both up on previous years). Investors more broadly are looking beyond green certifications (cited by 53% of respondents to our 2025 ESG Property Investor Survey) to the capital expenditure required to meet future sustainability related regulation (75%) and the actual energy data (47%) required to understand building performance.

NATURE AS AN INVESTMENT

Interest is growing in nature-based solutions, with rewilding getting its first mention in 2019, followed by carbon farming in 2021. According to this year’s survey of family offices, 27% are looking to invest in environmental credits, with 10% already having done so, up from 21% looking to invest in nature-based solutions and 19% in carbon sequestration last year. The evolution continues, with the next frontier focusing on “vintage carbon” and its valuation (see next page), adding depth to the growing intersection of wealth, sustainability and nature. ▶

75%

Proportion of Next Gen Survey respondents who would pay more for an environmentally friendly product

Vintage carbon

As the race to meet net zero goals gathers pace, could vintage carbon offer a useful way of bridging the gap? Flora Harley explores an evolving market



Green land Investing in vintage carbon supports nature-based solutions

In the pursuit of net zero targets, the “gold standard” approach – such as the Science Based Targets initiative (SBTi) – allows for 5–10% of emissions to be offset after all reasonable reduction efforts. With nearly 4,000 companies committed to net zero through SBTi alone, demand for offsets is set to grow, particularly for hard-to-abate emissions.

THE OPPORTUNITY

For those entering the vintage carbon market, several opportunities are emerging, chief among them the ability to produce carbon credits. Verified, high-quality credits – such as those covered by the UK’s Woodland Carbon Code and Verra’s Verified Carbon Standard – are essential to market integrity. As the market matures, the ability to connect credits with buyers becomes critical. Rich Stockdale, founder of Oxygen Conservation, which aims to

“store carbon, provide space for nature, and deliver positive environmental and social impacts”, talks of “partnerships rather than transactions” and likens quality carbon vintages to luxury goods such as watches. “They take years to produce, but the result is high-quality, limited edition pieces that command a premium – and may have a waiting list,” he says. He describes Oxygen’s 2024 credits as “the result of meticulously crafted ecological restoration projects, maturing in some of the UK’s most cherished landscapes. This vintage is our ‘prestige reserve’.” As discussed on page 28, appetite from wealthy individuals continues to grow. Understanding the value of a carbon credit is key for producers and buyers alike. BloombergNEF estimates the voluntary carbon market could grow from US\$2 billion today to US\$34 billion annually by 2050. Oxygen’s

own Stockdale-Winter Curve projects UK carbon credit prices to rise from £50 per tonne in 2024 to £150 by 2030, potentially exceeding £500 by 2050. With Nattergal achieving £84 per tonne last year, Stockdale notes “a robust upward trend, driven by tightening targets and escalating demand for verified high-integrity credits”. The Curve is currently being revised to reflect this. This variability in pricing creates opportunities: producers can lock in future prices to support investment in projects like nature-based solutions and carbon sequestration, while buyers can hedge against rising costs and insure against future volatility.

BALANCING ACT

For businesses and investors, the forward price of carbon credits could justify abatement measures today, or indeed investing in freehold land with carbon credit potential as a hedge. If the cost will be higher in 2030 or 2050, there’s a compelling argument for taking action now or locking in future prices. However, this raises a question: does buying credits today indicate confidence that net zero goals will be met, or suggest they are unlikely to be achieved without offsets? The carbon market’s reputation as a “wild west” is starting to shift. COP29 saw the adoption of a new framework for standardised global carbon markets which should bolster trust and transparency, making vintage carbon an even more attractive proposition. But being able to see it and touch it, as Stockdale notes, can provide even greater comfort.

For forward-looking investors and businesses, vintage carbon offers a way to manage long-term costs, invest in high-quality offsets, and support nature-based and technological solutions to climate challenges. With the race to net zero intensifying, vintage carbon could be a game-changer – both for those producing credits and those investing in them.

The “vintage” of a carbon credit refers to the year it was or will be generated: that is, the year in which the carbon emissions in question were or will be avoided, reduced or sequestered, and the credit verified and issued. By itself, vintage is not an indication of quality. Nor is it the case that older credits are worth less because they were issued at a time when market regulation was possibly less stringent. As with any purchase, due diligence is key. What matters is the quality and rigour of the project, not the date on the label.

Where should sustainability-minded investors be focusing their attention in 2025? Our experts offer their insights into broader market trends

ESG top picks



Retrofitting and refurbishing offices in London – and beyond

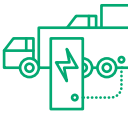
Nick Braybrook
Head of London Capital Markets

Some £2.8 billion was invested in value-add assets in London in 2024, almost 30% of it by private investors. Investing in assets with lower ESG credentials and upgrading them offers both financial and environmental rewards. Currently, 75% of office floor space across England and Wales is rated EPC C or below, making it vulnerable to regulatory obsolescence by 2030. In London, take-up for new and/or refurbished space accounted for around two-thirds of the market in 2024. Retrofitting to higher levels of sustainability ensures compliance and can unlock value, aided by strong demand for best-in-class offices and the dwindling supply of new space. With the global march towards decarbonisation of buildings already well under way, this is a trend that transcends borders.

INVESTMENT AMOUNT
US\$20–US\$25 million

HOLD PERIOD
5 years

TARGET RETURN
10%–15 %



Green-certified logistics, Malaysia

Amy Wong
Executive Director, Research & Consultancy Malaysia

In Malaysia, the green logistics sector has been expanding rapidly. Asset Enhancement Initiatives, which typically encompass substantial upgrades aimed at improving energy efficiency, sustainability and asset quality, have been on the rise and are likely to grow further with the new Energy Efficiency and Conservation Act from January 2025. However, a notable supply–demand imbalance persists, creating a lucrative window of opportunity for investors. As the market stabilises and yields normalise, green logistics investments stand to offer both financial and environmental returns, making them an attractive proposition for forward-thinking investors.

INVESTMENT AMOUNT
US\$10–US\$100 million

HOLD PERIOD
3+ years

TARGET RETURN
4.1% net yield on green-certified properties



Renewables, Australia and UK

David Goatman
Global Head of Energy & Sustainability Services

Last year’s edition of *The Wealth Report* confirmed that 27% of UHNWIs were interested in investing in renewable energy projects. According to this year’s Family Office Survey, 28% have already invested in solar and 11% in wind, with 22% and 14% respectively looking to do so. Markets as different as Australia (sunny) and the UK (windy) are showing how investors can access these projects. Australia’s trajectory is set, with more than a third of electricity generation already coming from renewables and a target to reach 82% by 2030. In the UK, the new government’s plan to decarbonise the electricity grid by 2030 provides a basis for wide-ranging growth. The investment required to meet these targets opens up huge opportunities for investors.

INVESTMENT AMOUNT*
£500,000–£20 million

HOLD PERIOD
25–40 years

TARGET RETURN
5%–7% freehold



Sustainable homes, New Zealand and Barbados

Andrew Blandford-Newson
Associate, International Residential

With two-thirds of UHNWIs aiming to cut their personal carbon emissions according to last year’s edition of *The Wealth Report*, developers are looking to capitalise on the trend. Several exemplar developments have come forward in the past 12 months, including Five Mile Villas in Frankton, New Zealand, with 226 new homes incorporating significant sustainability features, and Brighton Beach, St Michael in Barbados where properties feature specialty-coated Solar E glass to minimise heat and glare. The attention to detail extends to coastal landscaping, with turtle-friendly lighting to protect the endangered hawksbill turtles that nest on the beach.

INVESTMENT AMOUNT
From NZ\$884,000

HOLD PERIOD
Minimum 12 months

TARGET RETURN
0% if rented out short term or 4.3% for long term (NZ)

* Figures relate to freehold investments only and are based on typical/average investment ranges and indications of past performance

Magnetising affluence

Ben Whattam, co-founder of the Modern Affluence Summit and Venture Partner at independent consultancy Zag, on creating real estate propositions that exert a magnetic pull on the world’s most valuable audiences



Community spirit Koichi Takada's Upper House in Brisbane, Australia

How to achieve maximum occupancy, improving returns and capital growth? If the Holy Grail of real estate is out there, it will very likely need to include magnetising the modern affluent: a group of increasingly influential, globally mobile individuals with disposable incomes and an appetite to live life in a truly modern context. So how to create, develop and nurture propositions that will attract and retain these individuals?

THINKING GENERATIONALLY
Before we get lost in a swamp of stereotypes and unhelpful references, let’s acknowledge one simple truth. Yes, Gen Z *will* become the wealthiest and most influential generation ever seen, but the boomers, Gen Xers and millennials will continue to be the dominant economic force for the next 20 years (see chart top right).

FUTURE WEALTH
Strategies that focus on Gen Z alone are therefore unlikely to manifest in the short- or mid-term performance demanded by

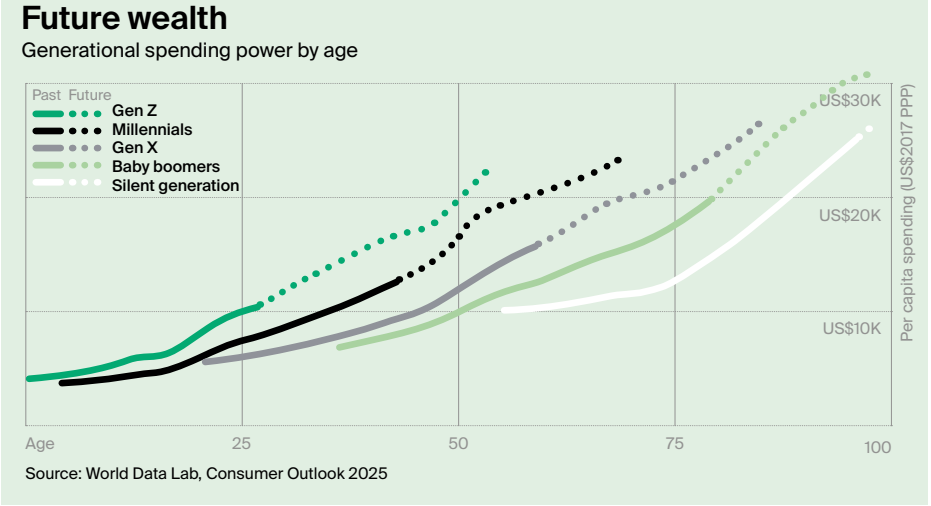
shareholders. Instead, a psychographic approach allows us to look at the shared values and attitudes that bind groups together across generational boundaries and define what we mean by a modern affluent outlook.
In the course of the search for that Holy Grail, we spoke to a cross-section of global experts. Active and influential in the world of real estate, they also excel in branding, culture and community knowledge, seeking to better understand the opportunities a growing pool of private capital and affluent consumers can offer to investors, developers and operators.

Combining their insights with our own, derived from five years spent studying this group, we can identify four shared values that underpin the leading modern affluent real estate propositions, capitalising and leveraging cross-generational wealth.

1. NON-CONFORMITY
Entrepreneurialism has defined the past half century of wealth creation, and this spirit, energy and mindset is an underlying attitude seen across generational wealth today. Non-conformists challenge the status quo, pride themselves on thinking differently and actively drive change, believing that this is the key to unlocking disproportionate returns.

For an example of non-conformity in action – and what it can deliver – look to Tokyo where Mori Building Co, which led the development of the Roppongi Hills mega-complex in 2003, recently launched another innovative mixed use inner-city redevelopment at Azabudai Hills. “The ethos is one of a vertical city, working in collaboration with local residents to create transformative space for nature, community and culture,” says Andreas Seidler, Senior Director at consultancy Anchorstar. The reward? The highest rents per sq ft in Tokyo.

Elsewhere, Hugh Dixon of Knight Frank’s Private Office points to the transformation of 22 Vanderbilt in Midtown Manhattan, highlighting not only the originality of its design and vision for the physical space, but the opportunity for start-ups locating there to benefit from a truly innovative space-for-equity offer, combined with world-class wellness facilities, hospitality and community in one membership. “Elevating amenities has been a long-term trend,” he says, “but we’re seeing the very concept of integrated amenities being challenged in exciting ways, and rewarded with rental values and occupancy.”



2. RESILIENCE
The emergence of more collective decision-making within families around long-term investment points to our next value, resilience, and the idea of an enduring legacy. While wealth may not be being transferred literally, it is nevertheless moving away from being “owned” by the patriarch to being more widely shared. “It’s now more of a family discussion and a shared interest than simply a principal’s perspective and decision,” agrees Ho-Pin Tung from Knight Frank’s Private Office in Hong Kong.

Take the concept a step further and we see the build-to-rent trend supercharging this need for resilience as developers become operators for the long term. Yasmin Jones-Henry, *Financial Times* contributing writer and curator of The Lab E20, a partnership between Get Living and RÆBURN located in the Olympic Park in Stratford, east London, comments: “It’s about prioritising developing a culture and cultivating community. Property has no real value without people desiring to work or live in it. Engineering social value is a long-term commitment.” Introducing social use cases and creating cultural lighthouses that resonate with the lifestyle aspirations of residents and the commercial ambitions of landlords can transform urban areas, driving rental yields and boosting underlying asset values.

On a smaller scale, award-winning architect Koichi Takada’s Upper House in Brisbane, Australia, takes the principles of re-use and resilience to new practical and emotional levels. By putting community space at the rooftop, where the most expensive square footage has traditionally been, it fosters strong social bonds in a resort-style living context. The design integrates natural materials, biodiverse landscaping and sustainable

design, addressing environmental challenges while honouring Australia’s cultural history.
Thoughtful consideration was also given to the future-proofing of apartment layouts, enabling flexibility and adaptation to meet changing needs. “Upper House is a space that engages and connects, allowing it to stay relevant for years to come [and] proactively preparing for renewal is the new challenge,” says Takada. In doing so, he creates resilience, both commercially and culturally.

3. FRIENDSHIP
In a period of civilisation when the human attention span has reduced to a mere 8.5 seconds and more than 5 billion people are accessing social media platforms each day, it’s reassuring to learn that friendship and connection are emerging as a driving value of modern affluence. Sam Blenkinsopp of travel platform Trippin puts it succinctly: “Now when people are looking for accommodation, a workplace or a hospitality destination they are looking for something more than the physical, they’re looking for a sense of belonging.”

The magnetising effect of niche communities, bound by a shared interest or motivation, is increasingly delivering

“Property has no real value without people desiring to work or live in it. Engineering social value is a long term commitment”

– Yasmin Jones-Henry

shareholder value across fashion, technology and most recently sport. In the property sector, one of the pioneers is Orascom Development which, since its inception in 1989, has planned and developed with the objective of “building communities”. Based on a recent survey of more than 3,600 people across Europe, the Middle East and North America, Erica Pettit, Group Head of Corporate Communications & ESG at the business, points to insights that cement this strategy, with “70% of respondents stating they would like to have more community groups where they can regularly meet and socialise with other residents”.

180 The Strand, a development from The Vinyl Factory, may not be a residential development but it demonstrates a similar philosophy. Servicing a tribe of creatives from across London – including Soho House, TikTok, Founders Forum and Dazed – the mixed use space includes work areas, hospitality, retail, wellness and most recently accommodation. What stands out here is the scale and the attention focused on programming a space that brings the community together and allows new connections to thrive.

4. RELEVANCE

If there’s one word that sums up the growing importance of cultural capital to modern affluent consumers, it’s relevance. But writing it is easier than achieving it. Money does not translate to taste, and the ability to create relevance does not correlate with the investment per square foot. “Everyone wants to be in the right place at the right time. Our job is to create the right place and the right time, even on a wet Monday evening in January,” comments Richie Notar, consultant and former Managing Partner at hospitality group Nobu.

Relevance is in many ways the by-product of non-conformity, resilience and friendship. As one industry leader and investor commented, “It’s the secret sauce that has made us successful.” The result of deep cultural understanding, relevance also demands a genuine passion to create the unique: it’s hard work to break away from the playbook.

Look to London’s Mayfair, where luxury leather goods brand Tanner Krolle is leading the development of a new retail and hospitality concept at 127 Mount Street. Damian Mould of One Luxury Group, the driving force behind the development, which will feature the return of the much missed “posh diner” Automat, describes it as “a destination people want to socialise in, with

informality and an approachable menu, and the highest standards”.

Soho House has been under increased scrutiny since its IPO, but given the extent to which its values align with those of the modern affluent audience, and its commitment to staying relevant, the group remains a global leader and is still one to watch. At the same time, though, a host of other private members’ clubs are vying to make themselves the destination of choice for this coveted community. See The Ned’s expansion to Doha, New York and (in the near future) Washington DC, the Arts Club’s new home in Dubai and The Twenty Two’s second home in New York.

“Everyone wants to be in the right place at the right time. Our job is to create the right place and the right time, even on a wet Monday evening in January”

— Richie Notar

5. BRAVE LEADERSHIP

In an industry dominated by habitual behaviours and de-risking strategies, the overriding takeout is the need to be bold. Brave leadership – along with private capital – is the key to creating compelling real estate propositions that attract the world’s affluent. Maybe, as diversified balance sheets and increased returns over the long term emerge, these vanguard strategies will be adopted into the mainstream. As Yasmin Jones-Henry comments: “A few mavericks are flipping the table, but we need more.”

The values of modern affluence are rapidly evolving, transcending the traditional. Freed from convention, these consumers seek experiences and investments that align with their contemporary worldview. Propositions that are non-conformist, resilient and foster genuine human connections will increasingly attract and retain affluent individuals and their capital. We are confident that this trend will only intensify, shaping the future of real estate across the globe.

Five developments shaping the future of real estate

- 1

The Lab E20, London
Get Living/ RÆBURN
- 2

Azabudai Hills, Tokyo
Mori Building Company
- 3

Upper House, Brisbane
Koichi Takada Architects
- 4

180 The Strand, London
The Vinyl Factory
- 5

127 Mount Street, London
One Luxury Group

For more insights into why private members’ clubs are one of the fastest growing subsectors in real estate, download Knight Frank’s *A Guide to Private Members’ Clubs*





Luxury

The assets and collectibles capturing the hearts as well as the heads of wealthy investors

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Five collectible categories to watch

The trends driving this year’s Prime International Residential Index

THE HEADLINES

Global luxury house prices rose 3.6% through 2024, marginally up on the 3.3% seen in 2023 but still lagging the long-run trend of 4.5% seen over the past two decades. Fully 77 of the 100 markets we track saw price growth in 2024, three were at a standstill and 20 saw prices fall.

The improvement in the annual growth rate was driven by strong regional performance in the Middle East (7.2%) and Latin America and the Caribbean (6.3%). Europe lagged at 2.5%, with high interest rates, slowing economies and weakened consumer confidence weighing on activity in some key markets. There were, however, bright spots, especially in key second-home markets. North American growth (2.4%) was held back by weaker growth in Canadian prime markets and some US markets, such as Miami, which slowed after recent strong growth.

With average growth of 3.7%, sunbelt markets led city markets (3.5%) and ski destinations (2.6%). The year's strong showing from resort markets continues the trend seen since the pandemic with nearly 30% growth in values in these markets, against 25% for ski markets, and cities lagging posting only 19% growth.

MARKETS IN DETAIL

The top six spots in our ranking are taken by Asian and Middle Eastern markets, with Seoul (18.4%), Manila (17.9%) and Dubai (16.9%) leading the list. Saudi Arabian markets performed strongly this year, with Riyadh and Jeddah both making the top six.

At the other end of the table the weaker performers included some of the bigger global hub markets such as New York (-0.3%), London (-1%) and Hong Kong (-2.2%), which have struggled to gain traction since the pandemic, as well



The sky’s the limit Prices in Palm Beach have climbed 117% in the past five years

as some markets that have seen strong growth in recent years but which took a back seat in 2024. These included Austin (-4.3%) and Melbourne (-1.9%).

MARKET DRIVERS

Even for prime markets, interest rates remain the key story. Rates are still very high in most developed markets compared with where they were as recently as 2022, but the past 12 months have seen central banks move decisively into a new era, with cuts outpacing rate rises for the first time in three years.

While the direction of travel is positive for house prices and has supported the growth we have seen in over three-quarters of markets, the reduction in debt costs is still not sufficient to turn this into a trend in most markets. It will take additional rate cuts during 2025 to restore momentums.

On the supply side, a lack of new-build inventory is still impacting many markets. Disruption to supply chains, high build cost inflation and wage hikes have all conspired to reduce delivery of new luxury projects. To take central London as one example, new-build activity is currently running 25% below the 10-year average.

Aside from new-build volumes, a low inventory of existing homes to buy is

also supporting prices. The collapse in property listings, a feature of prime US markets in 2023 and early 2024, has eased recently – but markets such as New York are still seeing listings 10% to 20% below the five-year average.

On the demand side, while buyers are price conscious, especially with relatively high debt costs, there remains strong appetite for residential property among wealthy buyers. Our survey of family offices (page 28) confirms that 25% of offices with an active family residential portfolio are planning new acquisitions over the next 18 months.

THE LONG VIEW

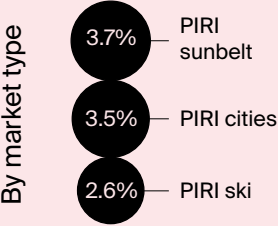
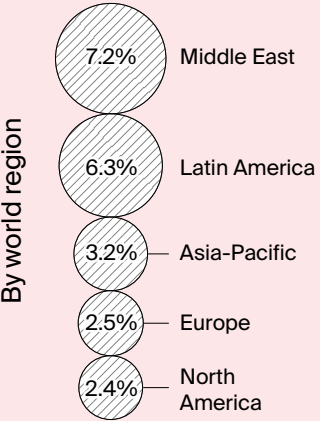
Over the past five years a number of markets have seen significant upwards repricing, with Dubai leading with a 147% rise. This year’s second strongest market, Manila, has seen consistently strong growth over the same period with an 87% rise powered by an expanding economy and interest from expat Filipinos reinvesting in the city.

It is the US, however, which had the biggest cluster of growth markets over this period. Palm Beach (117%), Miami (84%) and Aspen (73%) are the standout performers, where the strength of the US economy and investment markets has fed through to substantial price rises. ▶

With global interest rates edging lower over the past 12 months, prime residential price growth started to tick higher in 2024. Our unique Prime International Residential Index confirms the big themes across the world's 100 leading luxury city, sun and ski destinations

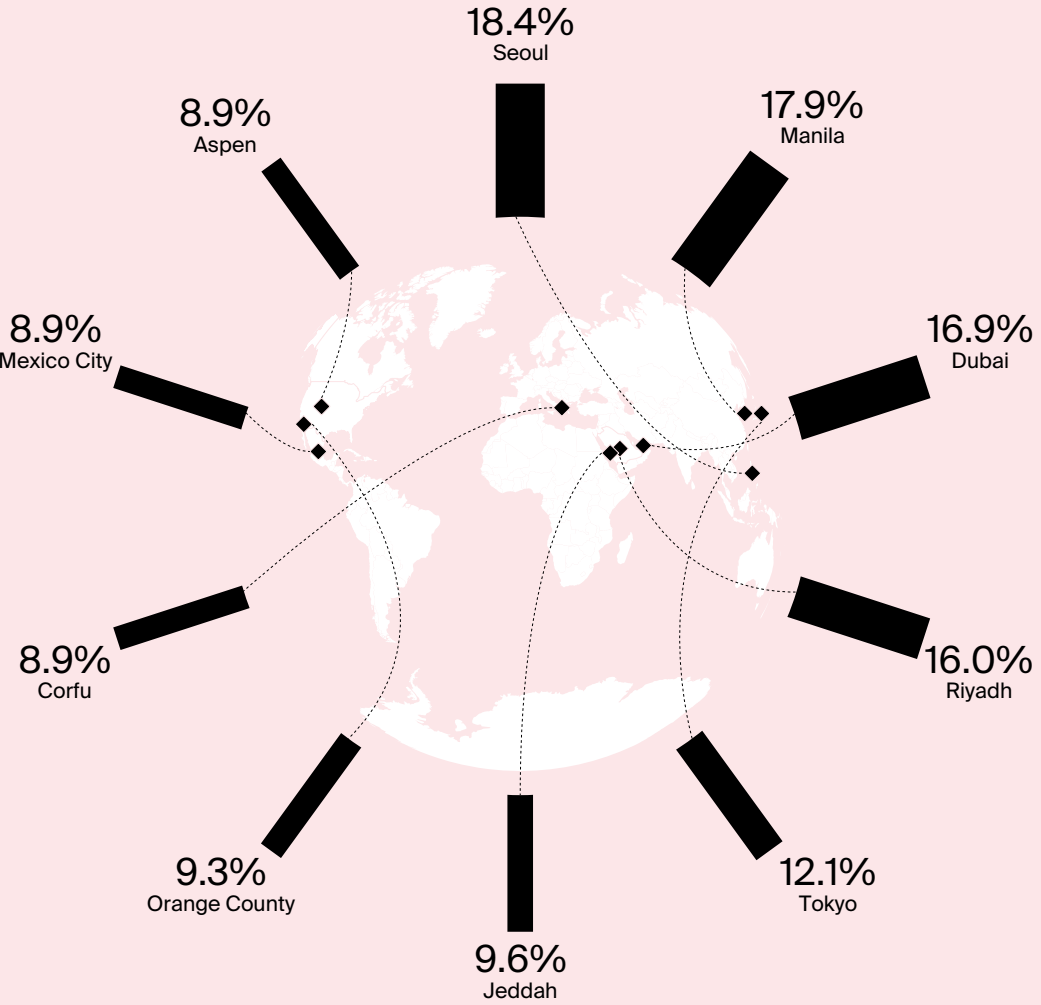
Growth in focus

Prime residential price changes by region and market type



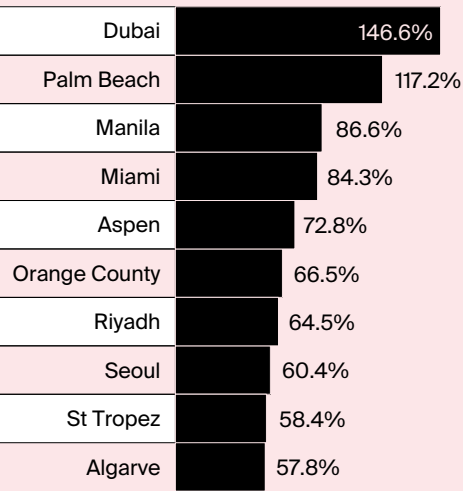
Growth markets

Top 10 markets for annual prime price growth in 2024



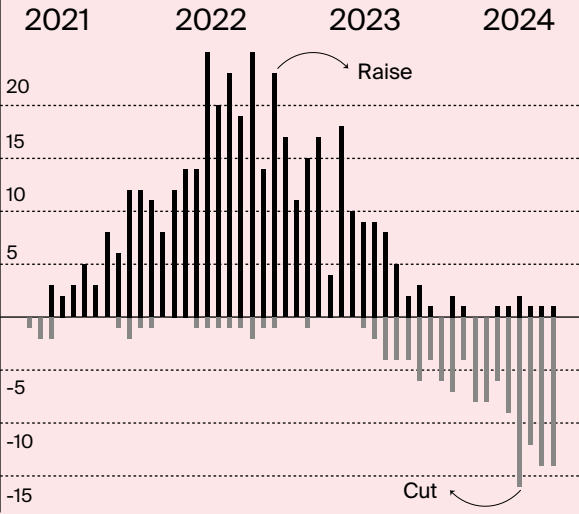
Long view

Top 10 markets for five-year growth to Q4 2024



Hikes and lows

Global central banks changing interest rates each month

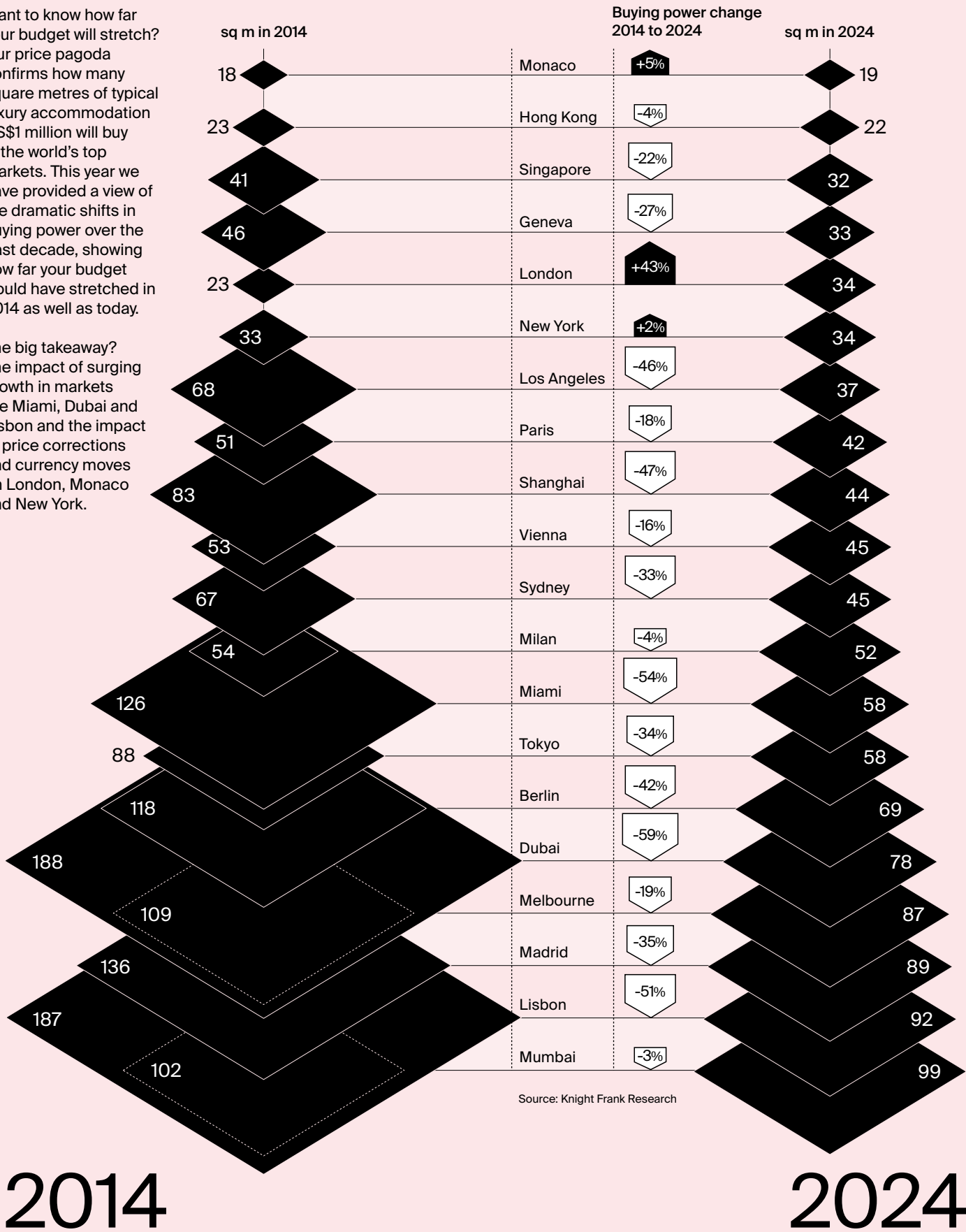


Sources: Knight Frank Research, Macrobond

What US\$1m buys where

Want to know how far your budget will stretch? Our price pagoda confirms how many square metres of typical luxury accommodation US\$1 million will buy in the world's top markets. This year we have provided a view of the dramatic shifts in buying power over the past decade, showing how far your budget would have stretched in 2014 as well as today.

The big takeaway? The impact of surging growth in markets like Miami, Dubai and Lisbon and the impact of price corrections and currency moves on London, Monaco and New York.



Regional focus

Knight Frank’s global research team takes a deep dive into key prime residential markets and share their views on the outlook for the year ahead

Europe

Kate Everett-Allen

In 2024, Europe’s prime property markets registered modest price growth. It was a year of normalisation as the final tailwinds of the pandemic disappeared and stock returned to 2019 levels. Prime prices increased by 2.5% on average over the 12-month period.

BUYERS IN THE ASCENDANCY

Power has been shifting slowly from sellers to buyers since late 2022 as the impact of rate rises takes effect. Over the past 12 months the negotiating power of buyers has increased further with demand softening. This is due in part to the higher cost of debt but also the growing supply of homes. Several markets saw inventory levels build steadily through 2024.

THE SOUTH LEADS

Southern Europe emerged as the standout region, with Corfu (8.9%), Porto (6.8%) and Lucca (6.2%) leading the top-performing markets. Eight of the top 10 European locations for growth were in Spain, Portugal, Italy and Greece.

CITY REVIVAL

While at a global level cities underperformed resort markets, in Europe it was a different story. Last year saw Europe’s cities record a 2.7% rise in prime prices, outperforming sun (-0.1%) and alpine (2.2%) locations for the first time since the pandemic.

SUPER-PRIME CAUTION

As with many global super-prime (US\$10 million+) markets, 2024 saw a slowing in Europe’s top-tier sales. Across

France, Switzerland and other hotspots, sales above this level fell back as some prospective buyers chose to rent first, reflecting more cautious sentiment at the top end of the market. The outlier to this



Capital gains Apartments in Clarges, Mayfair, exemplify London's dominant super-prime market, available through Knight Frank

trend was Geneva, which saw 57 sales at this level in the year to September 2024 compared with 54 in the previous year.

OUTLOOK

Despite relatively modest 1.7% growth compared with other global regions, Europe remains unmatched in terms of market transparency, cultural appeal, security and lifestyle, reaffirming its enduring appeal for prime property buyers. In addition to these drivers, benign taxation is acting as a pull factor for some buyers looking at Italy, Monaco and Switzerland. ▶

21.6%

Europe five-year growth*

Super-prime hotspot 2024**
London 208 sales

*Prime residential price growth five years to Q4 2024 **All hotspots 12 months to Q3 2024

Asia-Pacific

Christine Li

Prices rose 3.2% on average across Asia-Pacific’s key luxury markets. While below the 4.6% 10-year average, the figure is only marginally down on last year’s level and reflects a region adapting to the challenge of higher interest rates.

TOP OF THE TABLE

Seoul led the globe as well as the region in terms of annual price growth in 2024,with a rise of 18.4% over the year. This performance was supported by significant local wealth creation and the expansion of investable luxury residential developments within the capital.

CURRENCY MOVES

Tokyo’s residential prices also rose strongly, with the city posting a 12.1% gain. This was fuelled by looser monetary policy as well as surging stock market returns, which fed investor confidence. The yen’s depreciation also sparked interest, propelling foreign investment in real estate, as evidenced by an estimated 20% of high-priced condominiums transacted in central Tokyo being purchased by foreign buyers.

RATE IMPACT

Despite a series of rate hikes, prime residential prices in Australian cities have largely remained on an uptrend. Shielded by cash buyers who are less dependent on financing and by lower supply, prices in markets like Perth and Brisbane rose ahead of our PIRI 100 average. Prices in Chinese mainland cities and Hong Kong SAR, which fell back in 2024, are expected to turn the corner in 2025 amid recent moves to roll back buying curbs as well as softer interest rates.

CHINESE MAINLAND BUYERS

Property market challenges in the Chinese mainland have pushed some buyers to explore other markets and helped shape residential property investments in the region. Chinese mainland buyers were especially active through 2024 in Thailand and Australia and, as noted above, in Tokyo, where international demand has helped push prices higher for new-build apartments in city centre locations.

INVESTOR OPPORTUNITIES

There are several themes influencing investor decision-making within the region and potentially supporting

pricing in 2025. The Malaysian market is increasingly being viewed as a lifestyle destination alongside Singapore and Australia. Tokyo’s market is attracting global capital and is increasingly seen as an investment hotspot, while Vietnam is fast emerging as a luxury residential market with significant potential upside in key markets.

21.9%

Asia-Pacific five-year growth

Super-prime hotspot 2024
Hong Kong 166 sales



Sunny outlook Prices in Hong Kong SAR are expected to turn a corner in 2025

The US

Liam Bailey

Prime US markets have seen some of the most dramatic transformations of recent years. While most markets are still seeing growth, the stickiness of interest rates remains the key barrier to a more liquid and dynamic market. If rates fall in 2025, the market will move rapidly.

FUNDAMENTALS

Inflation and interest rates dominate the outlook for US prime housing markets. With mortgage rates hovering around 6.9% at the end of 2024, the willingness of existing owners to transact is limited. This inertia has affected inventory levels, which are 20% below the five-year average nationally. In some markets, such as New York, they are down by more than 40%.

AFFORDABILITY IS KEY

This squeeze on available stock has driven prices back up after they fell during late 2022 and into 2023. With prices at record highs, affordability is tight in most mainstream markets. However, with the economy continuing to expand and both job and wage growth above trend, there appears to be some headroom for further price growth.

OUTPERFORMANCE

Luxury US housing markets have generally seen considerable outperformance over recent years. Prime hotspots in Florida have experienced price growth at more than double the national average, with prices in Palm Beach, for example, up by 117% since Q4 2019. This repricing process has extended from Palm Beach and Miami to key hubs in Texas, such as Dallas and Austin, as well as Aspen in Colorado, where surging demand has pushed prices sharply higher in recent years.

ASPEN CLIMBS HIGH

Prime residential prices across Aspen rose by a healthy 8.9% through 2024. This was second only to Orange County (9.3%) in our PIRI 100 basket of prime US markets. This recent surge in prices reflects a structural change that has affected the Aspen market over recent years, driven by a wave of new demand from across the US and beyond. These buyers, seeking space and healthy lifestyles, were enabled by changes in working practices that made remote working viable. This contributed to a price jump of 72.8% in the local market over the past five years.

NEW YORK REVIVAL

The key outlier has been prime New York, where prices have fallen 3.1% over the past five years, following an inventory overhang that weighed on the market during 2020 and 2021, and the city missing out on the second-home market boom through 2022. However, with listings increasing by 5% over the past 12 months and prices comparing favourably with US boom markets, it is beginning to look like a buying opportunity once more.

46.7%

North America five-year growth

Super-prime hotspot 2024
New York 230 sales

Middle East – Dubai

Faisal Durrani

In 2024, Dubai’s prime residential market delivered another year of strong growth. Prices rose by 16.9% through the end of Q3 and are on track to reach 20% growth for the full calendar year. Over the past five years, the luxury market has undergone a remarkable transformation, with prices now 147% higher than at the end of 2019.

RISING LIQUIDITY

Along with rising prices, transaction volumes have continued to climb. Between January and September 2024, the total value of sales across the city reached nearly US\$31.9 billion, which is 36% higher than the corresponding period in 2023.

SUPER-PRIME LEAD

The transformation in Dubai’s market pricing has been accompanied by a sharp rise in the number of super-prime (US\$10 million+) transactions. The city has topped our ranking of the deepest super-prime markets for two consecutive years, recording 388 sales at this level in the 12 months to September 2024, compared with second-placed New York’s 230 sales.

TIGHT SUPPLY

While sales volumes across the city have risen, new supply has been squeezed. In 2024, the number of homes available for purchase fell by 30%, with conditions even more extreme at the top of the



High rise Dubai tops the PIRI 100 five-year growth chart

market. The boom in super-prime sales has driven a 65% reduction in the inventory of US\$10 million+ properties over the past year.

CASH IS KING

Cash purchases accounted for 89% of the total value of all transactions in 2024, highlighting the ongoing depth of international capital chasing assets across the emirate. Mortgage-backed purchases, particularly in the secondary market, are starting to grow, supported by lower interest rates that have improved purchaser affordability.

NEW PRIME DESTINATION

Palm Jebel Ali has quietly emerged as a new prime market. Our analysis shows that nine US\$10 million+ sales were recorded here in Q3 2024, totalling US\$97 million. This brought the total value of sales on Dubai’s second palm-shaped island to US\$1.1 billion between January and September 2024, representing 24.4% of all luxury home sales in the city during that period. ▶

63.9%

Middle East five-year growth

Super-prime hotspot 2024
Dubai 388 sales

Focus on Riyadh

If you’d visited Riyadh via the King Khalid International Airport just five years ago, you would have driven 45 minutes through unremarkable desert before reaching the city.

Now, you arrive at an airport being transformed to handle 120 million annual passengers by 2030. After driving just 10 minutes, you arrive at ROSHN Front, an 80,000 sq m mixed use retail development featuring lifestyle and food outlets. The adjacent ROSHN business district brings the total area to 160,000 sq m. Fifteen minutes further on, you’re moving through the towers of the King Abdullah Financial District, now home to the regional headquarters of 75 global companies, including Goldman Sachs, Deloitte, Accenture and ExxonMobil.

The speed and scale of change is unprecedented – and these two areas represent the tiniest fraction of the investment the Saudi government has poured into its capital in just a few years. The Public Investment Fund (PIF), the nation’s sovereign wealth fund, has announced US\$314 billion in city real estate and infrastructure projects since 2016. That’s almost 14 times the value of London’s Crossrail project, or nearly 13 times the development value of Hudson Yards in New York. The PIF has awarded some US\$60 billion in construction contracts so far.

DRIVING GROWTH

The transformation is part of Saudi Arabia’s ambitious plan to wean its economy off fossil fuels. The country’s Vision 2030 framework outlines sweeping proposals to modernise infrastructure while nurturing growth in tourism, technology and entertainment. Growth has been underpinned by the 2021 Regional Headquarters Program, which mandates that multinational companies establish their regional headquarters in Saudi Arabia if they are to succeed in securing lucrative government contracts. As of January 2025, more than 400 international companies had relocated regional headquarters to Riyadh.

As massive influx of overseas residents has pushed home values close to new records. Apartment prices have risen 75% since 2019, while villa prices are up 40%. Growth has tapered more recently as values reach the limits of affordability. Still, residential transactions climbed 44% during 2024 to 63,006 sales, while the value of those sales rose 30% to US\$20.2 billion.

Prime sales have been supported by visas connected to the ownership of real estate. One option under the 2024 Premium Residency Visa scheme, for example, can be allocated to individuals who own real estate with a value of at least US\$1 million.

PRIME LIVING

The PIF has sought to promote the development of homes that match the expectations of wealthy buyers. The US\$63 billion, 20,000-home Diriyah Gate

Despite this rapid progress, the transformation is at an early stage, according to Susan Amawi, Knight Frank’s General Manager in Saudi Arabia. She highlights new commitments from the Saudi government, along with the 2030 Expo and the 2034 World Cup, as evidence that the pace of change is only set to pick up in the years ahead.

“There’s a real sense that this is just the beginning,” she says. “The Premium Residency Visa options were only launched last year and people are only



project in northern Riyadh is among the capital’s most sought-after prime neighbourhoods. Launch prices for branded residences from the Ritz-Carlton, Corinthia and Raffles have been set as high as 10 times the price of non-branded homes elsewhere in the city.

Alongside buildings, a Royal Commission for Riyadh City is seeking to increase liveability while ensuring that new development retains the city’s cultural heritage. The body aims to plant 7.5 million trees and increase green space to 9% of the city’s footprint, up from 1.5%. A metro system that opened in September 2023 will eventually comprise six lines connecting 85 stations across the city, giving Riyadh a distinctly European feel.

just starting to apply. That will be pivotal for the real estate industry, but you can get a sense of the momentum just by visiting. You used to feel the difference every three or four years, but now you see a similar scale of change every four or five months.”

“You used to feel the difference every three or four years, but now you see a similar scale of change every four or five months”

Outlook 2025

With interest rates likely to shift lower our forecast points to positive, if modest, growth in 2025 for most prime housing markets. We provide our predictions for key world cities for the year ahead

DUBAI +5%

With limited luxury supply and a rapidly growing population, Dubai’s prime real estate market will see growth in 2025. Listings in prime neighbourhoods have fallen sharply over the past 12 months, with the shortage even more pronounced in the US\$10 million+ segment, where available properties have dropped by 65%.

NEW YORK +3%

Following five years of sub-par growth, prime New York has regained its confidence, and a truly positive market expansion – absent since 2019 – is set to return in 2025. Inventory levels remain over 50% below the five-year average, which will help support pricing as the selling season starts to gather pace in the spring.

GENEVA +3%

Geneva’s 3% growth forecast reflects its continued status as a safe haven for global elites. With a strong currency, low taxes and excellent quality of life, the city remains a favourite among UHNWIs. A planned income tax cut in 2025 in the Canton of Geneva looks set to further bolster its appeal.

PARIS +2.5%

Despite political instability, Paris is drawing increasing interest from UK and US buyers, driven by a weak euro. Buyers whose plans have been on hold are eager to move forward following the 2024 Olympics and France’s general election.

LONDON +2%

Expect slower recovery in the short term as non-dom tax status ends and stamp duty for second homes is hiked. However, the relative value since the last peak,

greater political certainty, a high presence of cash buyers and rising levels of global wealth mean price growth should strengthen over the next five years.

SYDNEY +1%

Price growth is likely to further moderate in 2025, due to a federal election and ongoing geopolitical uncertainty. Underlying this though, the stock market is buoyant, properties remain tightly held, and there is still a significant number of cash buyers seeking downsized homes.

84%
Miami price rise over five years

MIAMI 0%

After experiencing substantial growth – prices have risen by 84% over the past five years – the prime Miami market is set to relax in 2025. Annual growth slowed to 3.8% at the end of 2024, and we anticipate this trend continuing into next year. With listing volumes up 36% over the past 12 months, market power is shifting from sellers to buyers. That said, anyone who purchased even a few years ago and is now selling will still have done very well indeed.

HONG KONG 0%

With the relaxation of the New Capital Investment Entrant Scheme to cover the residential sector, we expect the residential market above US\$6 million to be more active. While mortgage rates remain relatively high compared to rental yields, scarcity of supply and attractive pricing will entice potential investors to re-enter the market.

SINGAPORE 0%

2025 will see buyers grow in confidence as rates fall. However, exuberance will be held in check by the prevailing Additional Buyer’s Stamp Duty rates for both local and foreign home buyers, especially for investors not purchasing for owner occupation. As such, price movement is expected to remain flat in 2025.

How did our 2024 forecasts stand up?

In last year’s report we provided house price forecasts for 2024 covering 25 locations. We were most positive on Auckland (+10%) and most bearish on Edinburgh (-2%). In the spirit of transparency, here’s how our forecasts fared.

Spot on (within 1%)

For six markets, 24% of the total, we were pretty much on the money with our forecasts, the closest being Miami where we predicted 4% growth against the eventual outturn of 3.8%. For both Madrid and Vancouver we were within 0.5% of the final growth figure.

Not bad (within 1% to 3%)

Ten markets, or 42% of the total, saw us within 3% either side of the actual result. We were marginally too positive on London (+1% expected, -1% delivered) and New York (+2% expected, -0.3% delivered).

Could try harder (within 3% to 5%)

Five markets, 20% of the total, saw us a little further off target. These included Singapore where we expected a fall of 0.5% due in part to stricter curbs on foreign investment but where the market delivered a healthy 3.6% uptick in prices.

Forget it (more than 10% out)

In four markets we went way off track, undercooking the growth potential in markets such as Tokyo (2% expected, 12.1% delivered) and Seoul (2.5% expected, 18.4% delivered) and taking rather too positive a view on Auckland (+10% expected, -3.2% delivered).

Hottest housing markets

Knight Frank’s global teams report on the markets set to outperform

Downtown Dubai and Business Bay, Dubai, UAE

Faisal Durrani, Knight Frank Middle East

Anchored by the iconic Burj Khalifa, Downtown Dubai offers a world-class lifestyle with attractions such as the Dubai Mall, Dubai Opera and Dubai Fountain. Property prices have surged 13.7% to US\$765 per sq ft in the past year, driven by strong population growth and a shortage of luxury homes in the city. A recent record-breaking US\$21.8 million sale of a Kempinski residence underscores the area’s appeal. Adjacent Business Bay, defined by the Dubai Canal, is emerging as a hub for luxury branded residences and offers premium waterfront living.

WHO’S BUYING

Business executives looking for easy access to the Dubai International Financial Centre, as well as investors – demand from tourists for proximity to Dubai’s top attractions is endless.

WHAT YOU PAY

US\$12.4 million secures a three-bedroom, 6,295 sq ft apartment at The Vela Dorchester Collection, with direct views of the Burj Khalifa.

DO EXPECT

A non-stop parade of luxury yachts navigating the Dubai Canal, the world’s largest pyrotechnics display on New Year’s Eve at the Burj Khalifa, and an endless selection of global cuisines served everywhere from street-side cafés to fine-dining restaurants.



Toujours Provence The Luberon, France

Jerónimos, Madrid, Spain

Kate Everett-Allen, Knight Frank Research

Madrid is attracting prime buyers with its safety, culture, climate, green spaces, international schools and business-friendly environment. Developers are crafting luxurious homes across branded residences and boutique projects. The city’s enviable lifestyle and warm climate appeal to northern Europeans as well as a growing number of North and Latin Americans. Many view Madrid as their gateway to Europe, drawn by its language and cultural ties. One area to watch is Jerónimos, located next to El Retiro Park, which offers access to green spaces and many historic buildings.

WHO’S BUYING

Northern Europeans with young families looking for a sunny, safe, cultural city with top international schools.

WHAT YOU PAY

US\$7 million buys a three-bedroom penthouse looking across El Retiro Park.

DON’T EXPECT

A fast pace – this is Spain, where life revolves around relaxed al fresco dining and socialising late into the night.

The Luberon, Provence, France

Kate Everett-Allen, Knight Frank Research

With global accessibility and wealth mobility on the rise, the Luberon, in the heart of Provence, remains a favourite for wealthy buyers from across Europe and beyond. Top-class international schooling supports those looking for a primary residence, while the world-renowned culture, weather and activities entice second-home buyers. The region benefits from demand from Monaco, Italy and Switzerland, with buyers seeking holiday or weekend residences within easy reach of their main home.

WHO’S BUYING

Wealthy Europeans looking for an easily accessed holiday or permanent home with proximity to the Mediterranean.

WHAT YOU PAY

US\$1.5 million will buy a four-bedroom farmhouse in the Luberon, around half of what you’d pay for a similarly sized property in the hills behind Cannes.

DO EXPECT

To enjoy a relaxed pace of life within a two-hour flight of London, Paris or Berlin.

Snowmass, Colorado, US

Riley Warwick, Douglas Elliman

Long overshadowed by Aspen, Snowmass has outperformed over the past five years, with prime prices increasing by more than 100% since the beginning of 2020, compared with a 70% increase in its more famous neighbour. Retail, restaurants and lifestyle amenities have significantly improved. Local recommendations include Heather’s, Rock Island Oyster Bar and Kenichi. Despite the recent boom, the best properties in Snowmass still command prices nearly 40% lower than their counterparts in Aspen.

WHO’S BUYING

Once primarily a haven for second-home buyers, the number of people seeking a full-time base is rapidly increasing.

WHAT YOU PAY

US\$11.3 million buys a four-bedroom, 4,236 sq ft ranch home with views across the mountains.

DON’T EXPECT

To take it easy. Mountain activities continue beyond the snow season, with hiking, mountain biking and rodeo taking centre stage.

Sunshine Coast, Queensland, Australia

Michelle Ciesielski, McGrath

The Sunshine Coast is on the radar for downsizers and families attracted to the region’s magnificent beaches, the rolling hills of the hinterland, and the modern healthcare and education facilities. Prices reflect limited prime supply in the Noosa waterfronts, with new luxury homes mostly confined to a handful of projects. New apartment opportunities are likely to grow as Maroochydore emerges as the new city centre for the region. The Sunshine Coast, along with the city of Brisbane, will co-host the Olympic and Paralympic Games in 2032.

WHO’S BUYING

Active retirees seeking a relaxed lifestyle by the seaside and thriving families immersed in community activities.

WHAT YOU PAY

US\$2 million buys a three-bedroom luxury apartment with expansive water views close to Hastings Street village.

DO EXPECT

Year-round sunshine and the perfect climate for taking a dip in the ocean or enjoying the great outdoors.

Manila Bay, Manila, Philippines

Christine Li, Knight Frank Asia-Pacific

Manila’s prime residential prices are the fastest growing across the world, topping Knight Frank’s Prime Global Cities Index since 2023. Luxury residential properties in and around Manila Bay have enjoyed a surge in popularity, resulting in significant appreciation in valuations driven by high pre-selling prices. Local wealth creation has spurred the rapid expansion of investable luxury residential developments, particularly in the city’s core business districts, enticing foreign investors from within Asia-Pacific. Interest is particularly strong in leisure-oriented residential properties.

WHO’S BUYING

Buyers from the wider Asia-Pacific region seeking luxury at an attractive price point.

WHAT YOU PAY

US\$14 million buys a 10,000 sq ft penthouse overlooking Manila Bay with hospitality services.

DO EXPECT

To be flanked by iconic resort complexes that have transformed the Bay area into a leading lifestyle destination. ▶



Magic mountains Snowmass, Colorado

Kai Tak, Hong Kong SAR

Lucia Leung,
Knight Frank Hong Kong

The former Kai Tak Airport by Victoria Harbour is being transformed into a vibrant new urban hub, with residential and commercial developments focusing on tourism, culture, recreation, sports and community facilities. Plans are under way for new mass transit systems to connect Kai Tak with East Kowloon. Several residential projects are proving popular, including Cullinan Sky, Pavillia Forest, The Henley and Monaco.

WHO’S BUYING

Families seeking a cosmopolitan lifestyle and access to sports and leisure facilities.

WHAT YOU PAY

US\$10.4 million buys a 1,870 sq ft apartment at Pano Harbour, where around 90% of the units enjoy views over Victoria Harbour.

DO EXPECT

All the buzz and bustle of the city, plus easy access to mountains and extensive hiking trails for outdoor enthusiasts.

Phuket, Thailand

Christine Li,
Knight Frank Asia-Pacific

Dubbed the Pearl of the Andaman, Phuket’s beaches are world renowned, boasting turquoise waters set against spectacular limestone cliffs. Combined with vibrant nightlife, this makes it the perfect getaway for holidays, but the idyllic natural setting has also made the island paradise the ideal destination for a second home. Demand for quality residences on the island from diverse international sources remains high and sales of condominiums have soared in recent years, with the residential market entering a development boom.

WHO’S BUYING

International buyers looking at a top-tier destination for luxury retreats.

WHAT YOU PAY

Just under US\$4 million buys a 7,000 sq ft beachfront penthouse with a private pool.

DON’T EXPECT

Unbroken scenes of arcadian tranquillity – the island is transforming into a global luxury destination with international schools and wellness facilities.



Harbouring ambitions Kai Tak, Hong Kong SAR



Beach life Phuket, Thailand



Period charm Islington, London

Islington, London, UK

Tom Bill,
Head of UK Residential Research

This north London neighbourhood is popular with professionals who like the proximity to the City and central London, while more creative types like being close to areas such as Shoreditch and Hoxton. High-quality state schools mean it is also popular with families. Housing is varied, with warehouse conversions and new builds joining the area’s period homes.

WHO’S BUYING

Anyone looking for a high-quality period home with a private garden. The area is well-known for its abundance of Georgian terraced houses and Victorian villas.

WHAT YOU PAY

US\$2.75 million will buy a classic Georgian townhouse with a garden. Prices per sq ft are less than half those in nearby Notting Hill.

DON’T EXPECT

Anonymous urban living. Despite being close to central London, Islington has retained its local feel with a strong sense of community.

Sevenoaks, Kent, UK

Tom Bill,
Head of UK Residential Research

This picturesque town is popular with families for its high-quality amenities, and sub-30-minute train journey to central London. Heathrow and Gatwick airports are less than an hour away by car. Highly rated state grammar schools in Kent add to the appeal, particularly after the recent tax increase on private school fees.

WHO’S BUYING

Anyone looking to move out of London but retain easy access to the capital. The area offers relative value compared with locations such as Surrey and Berkshire.

WHAT YOU PAY

Detached houses in Sevenoaks start at about US\$1.5 million for four bedrooms. Expect to pay US\$2.5 million-plus for a five-bed property on an in-demand road and US\$3.75 million to US\$5 million or more on a private road.

DO EXPECT

The number of luxury amenities to grow. Several high-end hotels are planned in and around Sevenoaks.

“Despite being close to central London, Islington has retained its local feel with a strong sense of community”

Through a glass, sparkly

The world's leading cities have experienced a surge in new luxury hotel and restaurant openings over the past few years. London alone will have seen the arrival of 20 new five-star hotels in the five years to 2028 – a global record. To determine which city is leading in terms of its luxury offerings, *The Wealth Report* has collaborated with data analytics firm Wine Services to assess the diversity, quality and range of fine wines being poured in the best restaurants in 30 global cities

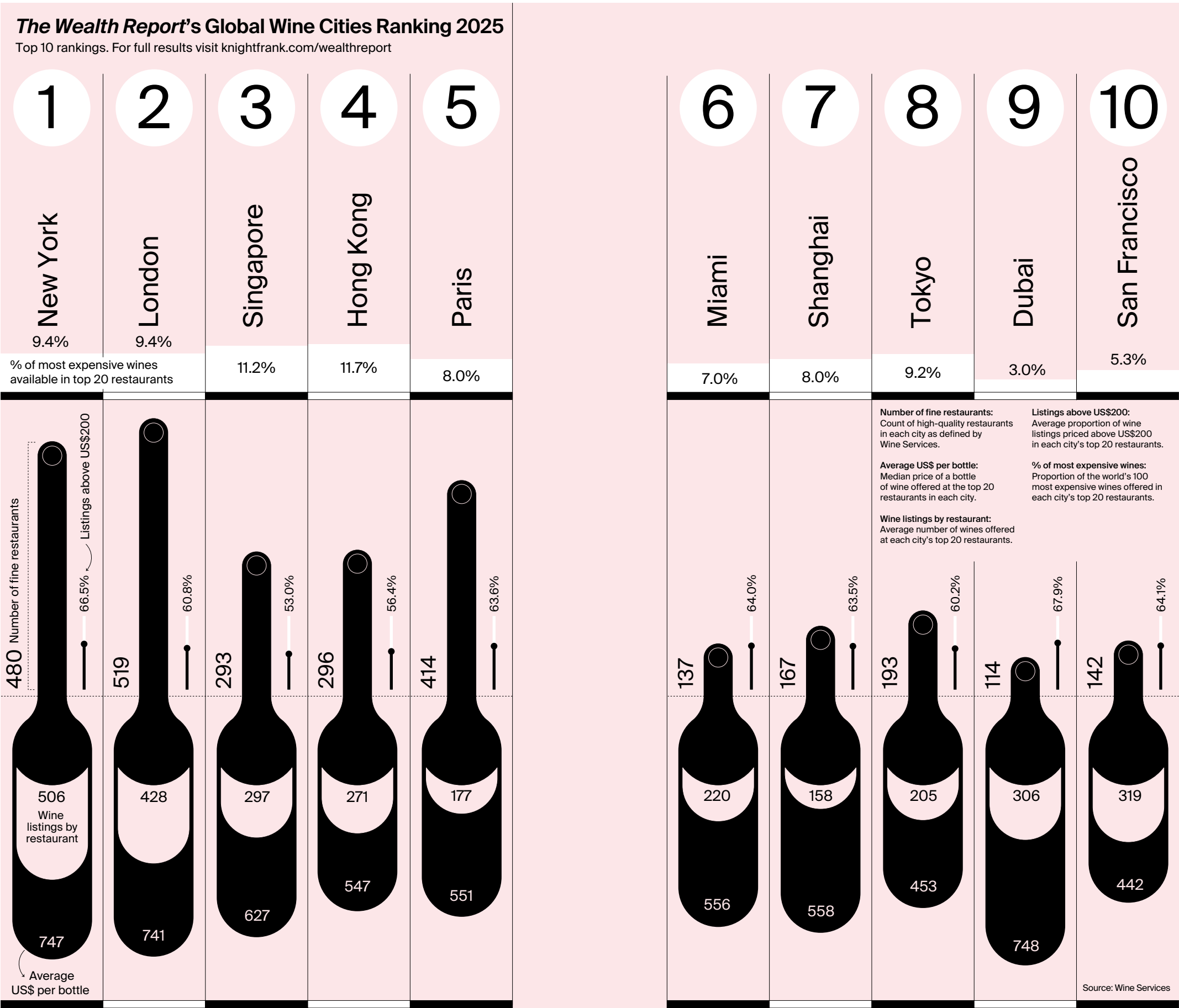
In terms of depth of offer, London leads with 519 restaurants featuring fine wines from the world's top 250 wine and champagne houses. New York and Paris follow with 480 and 414 respectively.

If you want to indulge in the most expensive wines, New York, London and Dubai are your best bets, with the median price per bottle at the top 20 restaurants in each city coming in above US\$740. Dubai ranks highest for the most expensive wines on offer, with nearly 68% of wines priced over US\$200. Alternatively, if you don't want to risk breaking the bank, Frankfurt is your destination of choice, with two-thirds of the wine list priced comfortably below this level.

But if you prize choice above all else, then New York is where you'll probably be well into your second gin martini before you've got to the bottom of the list, with an average of 506 wines on offer across the city's top restaurants. Spare a thought for those New Yorkers who have moved to Miami in recent years; they are getting by with less than half the choice.

If you simply want to impress your guests with a selection of big-name wines, go to Hong Kong, where an average of nearly 12% of the world's most expensive wines are available at each of the city's top 20 restaurants.

Our view of luxury through the lens of a wine glass confirms New York in top spot, with London, Singapore, Hong Kong and Paris making up the top five.



Fine wine's new frontier

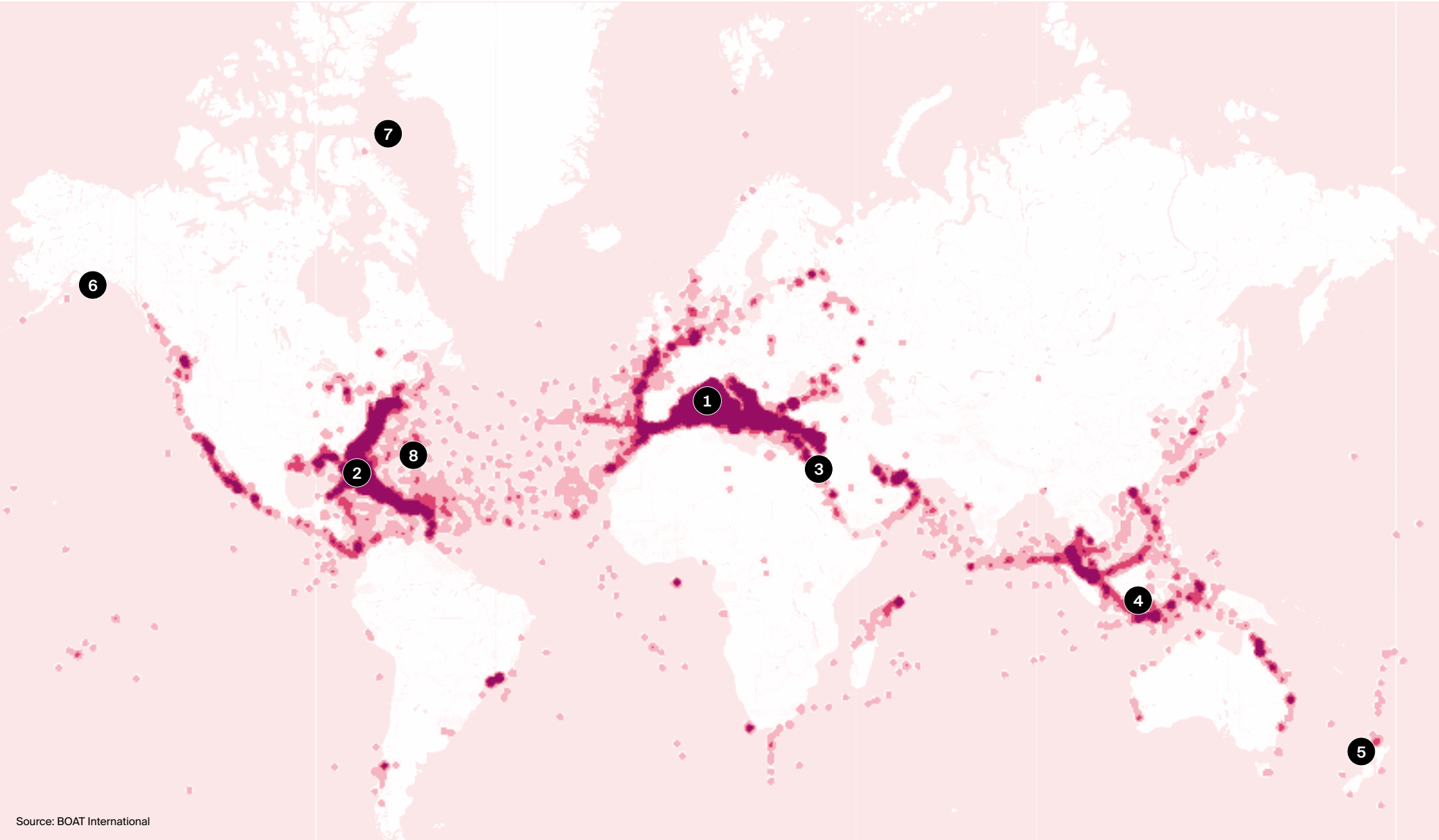
Caroline Meesemaecker, owner and CEO of Wine Services, on the cities and trends currently shaping the industry

CITIES TO WATCH
The scene in Monaco continues to develop rapidly, with ambitious newcomers such as Yannick Alléno's L'Abygge Monte-Carlo joining established players such as Yoshi and Alain Ducasse. Dubai is emerging as a global hub, with the highest price positioning and widest range across venues such as Ristorante L'Olivio and Dinner by Heston Blumenthal. Appetite for premium wine is growing in Seoul too – discerning drinkers should head to upscale spots such as Evett and Cesta.

THE MARKET IS BOOMING – AT BOTH ENDS
The US\$200–US\$400 range thrives on experience-driven consumers, especially millennials, who are choosing premium wines such as Tignanello and Lynch-Bages. The US\$1,000+ segment is surging with demand from collectors and investors for labels such as La Tâche, Pétrus, Domaine de la Romanée-Conti and Harlan Estate. This polarisation signals a market where affordable luxury and ultra-rare investments are shaping the future, while mid-tier spending remains stagnant.

DRINK LESS, DRINK BETTER
Post-pandemic, fine wine consumption is focused on quality over quantity, with younger, knowledgeable consumers seeking heritage, authenticity and memorable dining experiences. As a result, restaurants are seeing stable volumes but higher spend per bottle, ushering in a new era of selectivity and luxury.

WHAT'S TRENDING NOW?
For champagne, I'd pick out Dom Pérignon Vintage – the perfect balance between luxury and tradition. And for still wine, I'd point to Sassicaia. The original super-Tuscan, it remains a stalwart on top restaurant wine lists worldwide, offering Bordeaux-like elegance with a distinct Italian identity.



Source: BOAT International

While the classic superyacht hotspots retain their status, a wave of alternative destinations are attracting owners seeking something beyond the traditional cruising grounds

Yacht spots

-  Hedonist
-  Traditionalist
-  Diver
-  Explorer
-  Angler
-  Racer

This heatmap, using data from BOAT International, captures the movement of the global superyacht fleet over the past 12 months, confirming established luxury hotspots and highlighting emerging hubs.

THE CLASSICS

- 1



The Mediterranean remains the undisputed summer paradise for superyacht owners. As Stewart Campbell, Editor-in-Chief of BOAT International, puts it, “there is no rival” during the May to September season. The glamorous stretch from Monaco to Genoa forms the heart of the action, while the waters around Greece and Turkey hold growing appeal, and the timeless charm of Capri continues to captivate the yachting elite. Contrary to popular belief, Campbell notes that the off-season doesn’t trigger a mass exodus to the Caribbean – only about 10% of the Mediterranean fleet makes the transatlantic journey, with many owners instead using the winter for maintenance and refurbishment.

- 2



Southern Florida is the second cornerstone of classic yachting destinations, particularly for American owners. This sun-drenched hub sees a rhythmic migration pattern, with vessels cruising between southern Florida and New England during summer months, while winter draws many to the glistening waters of the Caribbean.

...AND BEYOND

- 3



The Red Sea is a promising new frontier in luxury yachting, with its unexplored waters and pristine coral reefs. Saudi Arabia’s ambitious coastal developments aim to position the region as a winter alternative to the Caribbean, leveraging its proximity to the Mediterranean and connection to Indian Ocean gems like the Seychelles and Maldives. However, infrastructure gaps and security concerns around the Gulf of Aden pose challenges, with exorbitant insurance premiums creating a growing trend for owners to opt for the longer route around the Cape of Good Hope.

- 4



Indonesia’s 18,000 islands offer endless possibilities for discovery. Campbell highlights Wayag Island as a perfect showcase for the area’s spectacular beauty, epitomising its appeal for adventurous owners.

- 5



New Zealand stands out as the Pacific’s premier yachting haven. According to Campbell, Australia “can’t compete with the cruising grounds that New Zealand offers”. Its strategic position provides perfect access to French Polynesia and Fiji, though Mediterranean-based owners face significant challenges. The substantial fuel costs of relocating yachts there, combined with long-haul flights for visits, explain why many are, as Campbell puts it, “quite happy to stick to the Med.”

- 6



Alaska and western Canada, while less frequented due to limited harbours along the Pacific coast, rewards intrepid sailors with breathtaking scenery once they reach British Columbia and beyond. The region particularly appeals to owners seeking solitude and natural grandeur.

- 7



For the growing fleet of explorer yachts, owned by a younger generation of more adventurous owners, the Northwest Passage and the Arctic represent the ultimate challenges. These vessels, capable of two to three months of autonomous operation, appeal to those seeking exclusive experiences – with only a few hundred boats ever completing the Northwest Passage, such journeys offer entry to an elite club of adventurers.

- 8



For those drawn to sporting pursuits, Bermuda and the Bahamas reign supreme as fishing destinations. They are particularly popular among American and Middle Eastern owners, combining world-class angling with luxurious amenities.

The Knight Frank Luxury Investment Index (KFLII)
Q4 2024

	12-MONTH % CHANGE	5-YEAR % CHANGE	10-YEAR % CHANGE
KFLII	-3.3	21.4	72.6
HANDBAGS	2.8	34.0	85.5
JEWELLERY	2.3	20.2	33.5
COINS	2.1	23.6	47.5
WATCHES	1.7	52.7	125.1
CARS	1.2	29.5	58.9
COLOUR DIAMONDS	-2.2	4.8	3.8
FURNITURE	-2.8	60.5	140.9
WHISKY	-9.0	-9.9	191.7
WINE	-9.1	8.3	37.4
ART	-18.3	1.9	54.0

Sources: Compiled by Knight Frank Research using data from Art Market Research, Fancy Color Research Foundation, HAGI, Rare Whisky 101 and Liv-ex

Notes: All data to Q4 2024 except colour diamonds (Q3). KFLII is a weighted average of individual asset performance. Contact liam.bailey@knightfrank.com for full methodology

As financial markets soared in 2024, the Knight Frank Luxury Investment Index (KFLII) fell by 3.3%, leaving collectors and investors to navigate a changing landscape where scarcity no longer guarantees returns

The great luxury correction

THE YEAR IN REVIEW

While five out of the 10 collectibles sectors we track managed growth in 2024, even for the top performers the uptick was modest. The best – handbags – only managed 2.8%. The most surprising was classic cars, which eked out growth of 1.2% through the year, following a sharp bear market through 2023 and the first half of 2024.

As with several of our collectible sectors, the low growth seen in handbag values belies some real strength in the market. According to Sebastian Duthy of Art Market Research, “the ultimate classic handbag, the Hermès Birkin in black Togo leather, is now more valuable than ever when sold on the secondary market.”

The weakest sectors were fine art, wine and whisky. Art was down 18.3%, with the market seeing a total reversal from the double-digit growth of 2023 and a worse performance than during the

Covid-19 crisis when values fell 17%. The next weakest sector was fine wine, down by 9.1%, impacted by rapidly changing consumption patterns (see page 44).

Tom Burchfield of Liv-ex, the global fine wine exchange, notes that the “fine wine market enjoyed a bull run inspired by low interest rates during Covid. This resulted in a lot more speculation and prices rose across the board, with Champagne and Burgundy in particular surging in price.”

Beyond interest rate rises, Burchfield points to other factors behind the downturn. “First, prices did get overinflated during the bull run. A correction was needed. Second, there is a significant stock overhang. The Chinese market has not returned in force, many traditional fine wine collectors now have enough in their cellars, and the next generation is not yet picking up the slack. Third, release pricing. Recent en primeur

release seasons have been a bit of a slog, with prices out of kilter with market conditions, resulting in a build-up of stock.”

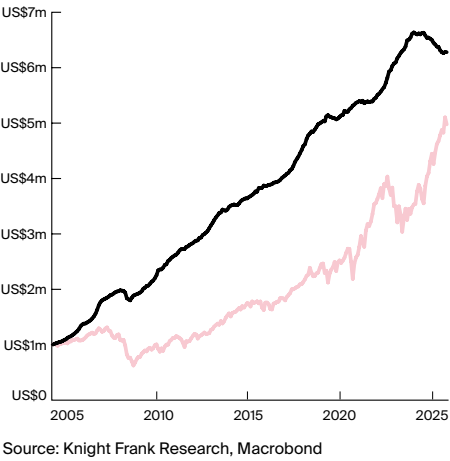
Rare whisky, a market weighed down by a rapid growth in stock returning to the secondary market after a decade of strong growth, had its second poor year with values down 9% in 2024, and is now lower by 19.3% from the market’s peak in summer 2022.

INVESTMENT RETURNS

Take the long view and luxury collectibles have delivered for investors. If you had invested US\$1 million in 2005 and tracked KFLII, your pot would now be worth US\$5.4 million. The same amount invested in the S&P 500 would have been worth US\$5 million by the end of 2024.

The problem for luxury collectors is that a lot of that growth was front-loaded.

US\$1 million invested 20 years ago



Unsurprisingly, the luxury sector weathered the global financial crisis better than financial investments, and with the ability to leverage these investments through financing, the boom for collectibles lasted for well over a decade from 2008. While it took equities several years to catch up, the past decade, and the past five years in particular, has seen a consistent pattern of stronger returns from the financial sector.

Right now, with equities’ impressive performance, relatively attractive cash yields, and strong traditional safe havens like gold, investors need good reasons to venture into the world of luxury. In many cases these reasons come down to the pleasure of investing. As we noted in last year’s edition of *The Wealth Report*, the biggest driver for purchasing luxury collectibles was “The joy of ownership”, which was ahead of “Investment” in every world region in our Attitudes Survey except for Asia.

DIGITAL DISRUPTION

As we note on page 78, the rise of online marketplaces has significantly altered the luxury landscape. For established sectors, like art, it has aided transparency and given new buyers confidence to enter the market. At the same time, online has encouraged the expansion of the definition of luxury collectibles. Over the past decade we have seen handbags joined by NFTs, rare sneakers, Pokémon cards and many other items. Increasingly, the latest collectible trend is amplified and disseminated rapidly through social media. While this proliferation increases the market size in terms of willing investors, it also creates huge competition for where investment is directed.

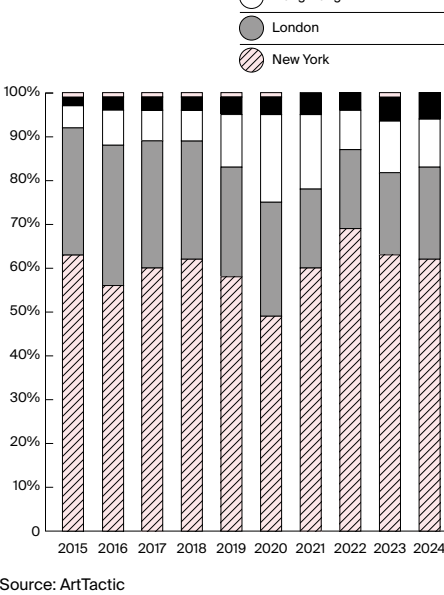
ART IN DEPTH

The art market is undergoing significant structural change, not only in how art is marketed and purchased, but also in terms of changing demand. Working with ArtTactic, we have assessed the shifts taking place in this market.

Looking just at auction sales from the big three houses, Sotheby’s, Christie’s and Phillips, we can see that global art sales peaked at US\$7.8 billion in 2022, after a two-year climb from the Covid low, but by 2024 volumes had slumped by 48% to US\$4.1 billion. This lack of activity impacted on values achieved – which reached 70% of their high estimate in 2024, down from 87% in 2021.

In a smaller market, contemporary art continued its growth in terms of share of all sales, rising from 31% in 2021 to 38% last year. Young contemporary art grew from 10% to 13% over the period.

Market size by value

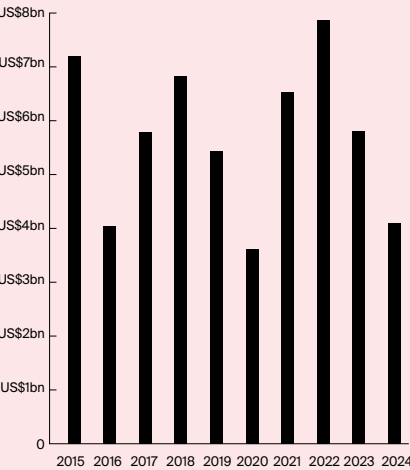


Female artists also attracted attention, with their share of sales rising to account for 33% of post-war art sales and 56% of all young contemporary sales.

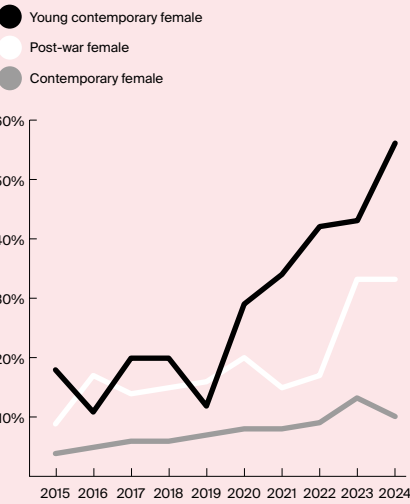
In terms of the centre of gravity of the world art market, New York still dominates, with a 62% market share by value sold in 2024, although London took its biggest share in four years, with 21%.

If all sales are down, one area of the market is demonstrating real strength. The number of lots sold under US\$50,000 rose from 6,500 in 2019 to over 11,000 in 2024, representing 69% growth. In contrast, over the same period lots sold over US\$1 million fell by 28%.

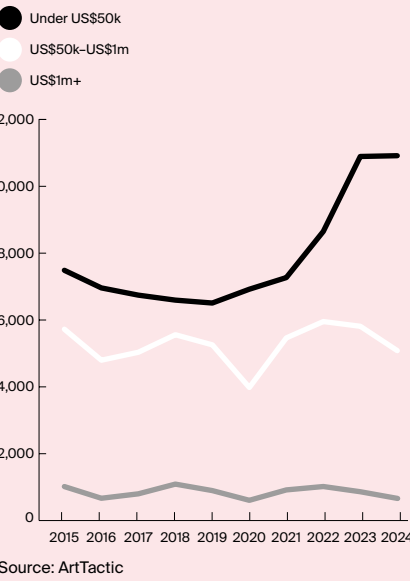
Global art sales at auction



Female artist share of auction sales



Lots sold by value*



*Includes lots sold at Christie’s, Sotheby’s and Phillips



The Dynasty Collection – comprising six Air Jordan sneakers worn by basketball legend Michael Jordan in the clinching games of his six NBA championships – fetched US\$8 million at Sotheby’s in February.



A pair of ruby slippers worn by Judy Garland in *The Wizard of Oz* became the most valuable item of movie memorabilia ever, selling for US\$28 million at Heritage Auctions in December.

A bidding war at Sotheby’s in June saw Thomas Taylor’s original cover art for JK Rowling’s *Harry Potter and the Philosopher’s Stone* sell for US\$1.9 million, a new record for Potter ephemera.



The first of just 56 examples made, this 1960 Ferrari 250 GT SWB California Spyder by Scaglietti fetched US\$17 million at RM Sotheby’s in August, the first time it had ever been offered for sale publicly.



A diamond necklace linked to the downfall of doomed French queen Marie Antoinette sold for US\$4.8 million at Sotheby’s in November.



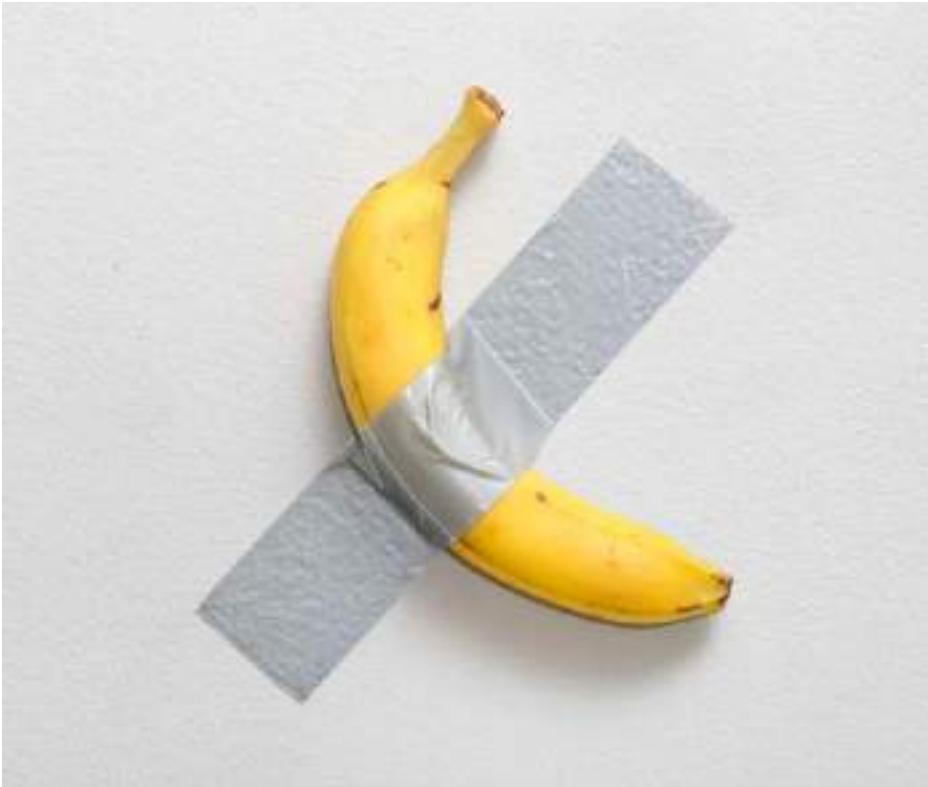
The baseball jersey worn by Babe Ruth in the final home run of the 1932 World Series became the world’s most expensive sports memorabilia when it sold for US\$24 million at Heritage Auctions in August.



A 150 million-year-old stegosaurus nicknamed Apex marked a new peak in fossil sales when it fetched US\$44.6 million at Sotheby’s in July.



Hidden in an attic for almost 50 years, John Lennon’s long-lost Framus “Help!” Hootenanny guitar sold for US\$2.85 million at Julien’s Auctions in Times Square, making it the fifth most expensive guitar ever sold.



Maurizio Cattelan’s duct-taped banana attracted both headlines and bidders, fetching over US\$6 million at Sotheby’s in November.



CHRISTIE’S IMAGES LTD 2024
René Magritte’s *L’empire des lumières* fetched US\$121 million at Christie’s New York in November, setting a new record for the surrealist master.



Described as the Holy Grail of watches, a Patek Philippe Grandmaster Chime 6300 owned by Hollywood legend Sylvester Stallone sold for US\$5.4 million at Sotheby’s in June.



CHRISTIE’S IMAGES LTD 2024
A rare square 37 carat emerald owned by the Aga Khan became the most expensive green stone ever sold when it fetched US\$9 million at Christie’s in November. For more on coloured gemstones and other collectibles to watch, turn to page 78.

In what was overall a subdued year for the big auction houses, some stellar lots bucked the trend in 2024 – including a certain pair of sparkly slippers and what must surely be the most expensive banana in history

Standout sales

The power of online

Turbocharged by the pandemic, online continues to transform the marketplace for art, luxury and other collectibles, making it more global, more democratic and more appealing to a new breed of buyer

In a generally gloomy year for art sales, the online market stands out as a rare ray of sunshine. According to estimates by ArtTactic, the leaders in tracking this space, online art sales grew 6.3% in the first half of 2024 compared with H1 2023 and were on track to reach US\$11.6 billion by the end of the year – the highest total since the pandemic peak in 2021.

At the auction houses, online sales across all categories proved strikingly resilient in a challenging year. While total 2024 sales for Christie’s, Sotheby’s and Phillips were down 25.9% to US\$8.27 billion – the second lowest result since 2016 (only the pandemic year of 2020 was lower) – online-only sales dipped just 4.5% to US\$736.3 million. Meanwhile, average prices at online-only auctions rose 12.7%, reflecting a strategic shift by auction houses as well as buyers’ growing confidence in purchasing art and collectibles online.

Online is impacting traditional sales too. At the Sotheby’s New York day sales (Modern, Contemporary and The Collection of Sydel Miller) in November, for example, more than a third of buyers bought online. Sotheby’s is not alone. “Online engagement and online bidding is growing across all our auctions,” says Olivia Van Horn, Phillips’ Associate Specialist, Head of Online Sales. “In H1 2024, 70% of works sold across all auction formats – both live and online – were purchased via online bidding.”

ACCELERATING CHANGE

It’s hard to overestimate the impact of the pandemic on this shift. The auction houses and the wider art world had been developing online prior to Covid-19, but

gingerly. Then the pandemic hit. “It was such a driver for this part of our business,” says Anthea Peers, President of Christie’s EMEA. “Events forced us to move our business online almost overnight. What we hadn’t anticipated was the adaptability of the business and how well our clients responded to online bidding.”

“People became very comfortable buying online very quickly, and were bidding six, seven, eight figures within months,” says Lindsay Dewar, COO and Head of Analytics at ArtTactic. Any concerns that competitive bidding wouldn’t be the same, or that people wouldn’t buy lots sight unseen proved unfounded, says Sebastian Fahey, Managing Director of Sotheby’s Global Fine Art.

Of course, lack of choice was a factor: it was online or nothing. Online sales inevitably declined post-lockdown, as physical channels reopened. But a general shift online has continued post-pandemic, supported by ongoing investment in digital platforms, better curated sales, lower price points and improved user experiences: better photography, more detailed information, improved navigation and more robust bidding tools.

“The growth in online-only auction sales is a clear indication of evolving buyer preferences,” says Van Horn. She points out that 42% of art buyers reported purchasing online from auction houses in the past 12 months, according to ArtTactic’s *Online Art Market Report Autumn 2024*. “This trend is particularly pronounced among new buyers and younger collectors, who are drawn to the convenience and accessibility that online platforms offer.” ▶



Up and coming *Untitled* by Ayako Kokkaku

Images courtesy of Christie’s, Phillips and Sotheby’s

Online sale highlights in 2024

SEBASTIAN FAHEY, SOTHEBY’S
“The Bibliothèque de Pierre Bergé sale in October achieved US\$2.3 million (est. US\$1.1–US\$1.6 million), with an average of seven bidders per lot and almost 460 bidders across 35 different countries. In total, 70% of lots sold above their high estimate. Basketball legend Kobe Bryant’s locker sold for US\$2.9 million (est. US\$1 million–US\$1.5 million) in August, with 19 bids placed over a 20-minute battle, making it among the most valuable items of Kobe Bryant memorabilia sold at auction.”

OLIVIA VAN HORN, PHILLIPS
“Notable online sales include nine Modern and Contemporary Art auctions, a standalone sale of Helmut Newton photographs – which achieved a 100% sell-through rate – and a dedicated Damien Hirst auction that exceeded expectations, achieving double its pre-sale estimate. Artists including Louis Fratino, Rafa Macarrón, Ayako Rokkaku and Caroline Walker have continued to achieve impressive results.”

ANTHEA PEERS, CHRISTIE’S
“The charitable sale in June in London of the Collection of Vivienne Westwood is up there for me. Live and online sales worked alongside each other and made £754,488. There was such an energy around the building and the many events we hosted. The online sales gave everyone an opportunity to participate.”

JEFFREY YIN, ARTSY
“Pop artists and street artists are generally strong across the board. We’re seeing a slight shift in interest away from 20th century and modern artists, such as Picasso or Dali or Basquiat, and towards more contemporary names. We’re seeing stable or increasing interest in contemporary artists like Inès Longevial, Daniel Arsham and Yayoi Kusama, and we’re seeing rising visibility and interest in some emerging artists like Alfie Caine and Louis Fratino.”

“The number of millennial buyers participating in our online auctions this year has more than tripled since 2019, and the number of Gen Z buyers has increased by more than seven times,” says Fahey. Some buyers don’t just accept the online channel, they prefer it. While around half of the art buyers surveyed by ArtTactic said they preferred buying art through a physical space (gallery exhibition, art fair



Open and shut Kobe Bryant’s locker

or artist’s studio), one in five said they now prefer to buy art online – rising to one in four for younger buyers.

NEW COLLECTORS
But online is not just for the young, stresses Olivia Van Horn. “While there is a common perception that online-only buyers are primarily younger, tech-savvy individuals comfortable with making high-value purchases digitally, it’s important to challenge that assumption. Our online auctions attract collectors ranging from their early 20s to their 90s, with the average age being 51. They include professionals and entrepreneurs from industries such as tech, finance and other innovative sectors. Many of these buyers are new collectors entering the art market for the first time.”
Arguably, it’s that newness that’s most significant. “Christie’s online is consistently the number one channel for attracting new clients,” says Anthea

Peers. Sebastian Fahey concurs. “We find that online auctions are the perfect vehicle for acquiring new customers and reaching new audiences. Over a third of bidders and buyers at online auctions in 2024 have been new to Sotheby’s.”
Part of the reason is reach. While traditional live sales are regional – London, New York, Hong Kong SAR – online has no borders. “Buyers are completely global,” says Fahey. He adds that online is particularly important for reaching new audiences in emerging markets. There are opportunities the other way around too, adds Lindsay Dewar. “In South Africa, for example, the art market is growing, but from the outside it looks like it’s falling because the rand is so weak against the dollar. So you can buy an artwork from Strauss [a respected local auction house], and have it shipped for a much better price than buying the same kind of thing in New York.”
Online has transformed the breadth of the auction houses’ offerings, too. “Online works alongside the live auction,” says Van Horn. “We often have a sister sale to sit alongside our live auction calendar. For collection sales this allows us to sell a larger number of objects than would physically be possible in our saleroom spaces.”

BREAKING DOWN BARRIERS
Another aspect is democratisation. “While online platforms have yet to make significant inroads at the highest end of the art market – 95% of online sales in 2023 involved works priced under US\$50,000 – they excel in drawing a diverse and expansive audience to the middle market,” says Van Horn. “This evolution is reshaping the collector base and cultivating a new generation of buyers who have the potential to move into higher-value segments over time.”
It’s notable that this end of the market demonstrated stability in 2024, with auction sales of artworks under US\$50,000 recording only a modest decline of 2.1% – a strong performance given the drop in total art sales of 29.3% compared with 2023 and 47.9% compared with 2022.
“Online is breaking down barriers,” says Fahey. “I think there was a belief that most of our lots are, say, above a million dollars. In fact, the vast majority of items are below US\$10,000. The ability to view sales via websites and apps has opened up a much wider audience, particularly for those starting their collecting journeys.”
Sotheby’s global digital audience today is vast: it is the industry leader in social media, with 6.7 million followers



Dress for success Christie’s Vivienne Westwood sale

CHRISTIE’S IMAGES LTD 2024

across all platforms, while its website has 2 million visits per month – 1 million of which are unique. “We’ve observed double-digit traffic growth year over year for the past five years,” says Fahey.
Beyond the auction houses, online marketplaces offer yet more choice and reach, and are the most popular destination for art online: more than half of art buyers make a purchase from one of these. Artsy is the world’s largest, connecting more than 4,000 galleries, auction houses, art fairs and institutions from 100 countries with collectors worldwide. “We’ve got about 1.2 million works of art for sale on Artsy,” says Jeffrey Yin, who became Artsy’s CEO in July 2024. “More than half a million are available for direct checkout through e-commerce.” Artsy is shining through the economic gloom: it saw its second and third best e-commerce months in May and June of this year, says Yin. “Also, comparing the first four months of

2023 with 2024, we’ve seen a 50% increase in new partners joining Artsy.”
The art market has historically been quite opaque, but digital is changing that. “We use algorithms and generate a lot of data-driven insights,” says Yin. “We have access to all the secondary market data that other participants have, but we also have data on our own activity, giving us probably the largest database of primary market activity in one place. All of that information helps us to strengthen personalised recommendations and offer better curation.”
Yin sees a change in buyer behaviour in the general art market, which he describes as currently being “a little bit more anaemic than it has been in the past. Collection activity is still happening. People continue to love and have a human passion for art, but the sales cycle is taking longer. Some collectors are not necessarily purchasing the work of art at a fair or the moment they walk into the

gallery. Rather they’re starting to build that relationship with the galleries, or with the artists.” The actual purchase comes later – and it may be made online.
Fahey is seeing changing behaviour too. “We closely track the life cycle of a bidder,” he says. “We see online purchasers move into live sales, and we see them cross categories too. Younger bidders in particular are buying across multiple categories, rather than focusing and collecting deeply in one sector. They’re buying what they like, rather than building a collection that falls within a particular period or movement. I think online is part of that, allowing people to look easily across multiple sales and categories.”

“It’s not just the preserve of art world insiders to discover new, cool artists. That should be accessible to everyone”

GROWTH POTENTIAL
Looking ahead, the consensus is that online’s strong performance will continue. “As we move into 2025, online art sales are poised to remain strong,” says Van Horn. “Key trends include a growing focus on the middle market and a continued emphasis on user experience and personalisation. Advances in technology will further enhance buyer confidence and engagement.” Peers also sees continued upside: “We believe there remains huge growth potential in online sales because we know how many potential clients exist globally.”
“Looking back even just five years, it would have been difficult to believe how far the technologies have advanced and how confidence in these platforms has become the norm,” says Fahey. “We haven’t really found a category where online doesn’t work. I think this trend will continue and the value of items traded will continue to increase as people become increasingly confident.”
“We’re going to continue to expand the reach of artists and galleries to collectors that they otherwise wouldn’t be able to connect with,” says Yin. “On the collector side, I think about making the art world more accessible for them. It’s not just the preserve of art world insiders to be able to discover new, cool artists that really resonate with them. That should be accessible to everyone.”

Collectors' corner

Some of the shine may have come off the luxury collectibles market, but there are still opportunities out there. Andrew Shirley curates a roundup of sectors to watch and highlights some notable recent sales

Ranking details
Inspired by our five picks? To help you decide if you'd like to take the plunge, we've ranked each asset out of 5 based on the following factors:

OUTLAY
1 = Super-rich only
5 = Pocket money

RISK
1 = Caveat emptor
5 = Carpe diem

UPKEEP
1 = TLC 24/7
5 = File and forget

FUN
1 = A quiet night in
5 = Tell all your friends

1180s sports cars

It's fair to say that the classic car market isn't firing on all cylinders at the moment, with the HAGI Top Index down on the year. 1960s classics such as the Jaguar E-type are being overtaken by their brasher counterparts from the 1980s and early 1990s. Newly minted younger buyers are turning the posters from their bedroom walls into reality and snapping up supercars such as the Lamborghini Countach LP5000 QV, which appeared in shows like *Miami Vice*. The iconic car has risen in value by around 60% over the past five years. But it's not just the era's supercars that are doing well, says HAGI's Dietrich Hatlapa. According to his data, a Mercedes 190E 2.5-16 Evo II will now set you back by up to £400,000, double what it was worth five years ago. An BMW E30 Sport Evo is pegged at about £150,000, up 50% over the same period.



BMW M3 EVOLUTION 1988
Sold for US\$162,400, RM Sotheby's

OUTLAY	2
RISK	1
UPKEEP	1
FUN	5

2Works by female surrealists

The art market came out of the Covid-19 lockdown period with all guns blazing. Global growth was 29% in 2022, according to Art Market Research. Since then, the picture hasn't been quite so pretty. Works by female surrealists, however, have bucked the trend. Leonora Carrington, a British painter who lived in South America, set a new record in 2024 when *Les Distractions de Dagobert* was sold by Sotheby's for US\$28.5 million to Argentinian billionaire Eduardo Costantini, founder of the Latin American Art Museum of Buenos Aires. A good return, considering the vendor paid US\$475,500 for the work in 1995. The market is "on fire", confirms Anders Petterson of analyst ArtTactic, driven by the trend for institutions and museums to restructure their collections to better reflect the contribution of female artists in general, and the staging of more surrealist exhibitions around the world.



LES DISTRACTIONS DE DAGOBERT BY LEONORA CARRINGTON
Sold for US\$28.5 million, Sotheby's

OUTLAY	1
RISK	3
UPKEEP	3
FUN	2

3Rare maps

In a digital world where an app on your phone can plot a course from A to B in milliseconds, old paper maps and atlases might seem an anachronism. However, in a world of shifting geopolitical tides and data visualisations, they have never been more relevant, and collectable. The market is global, but Silicon Valley tech bros (most collectors are male) who appreciate the synthesis between art and science that maps offer are big buyers, says leading London-based dealer and authority Daniel Crouch. As a result, prices are heading north. Crouch says a rare map produced for a Chinese emperor by the Jesuit priest Matteo Ricci in the early 1600s that he sold for £1.5 million in 2010 would sell for "five times" that now. Despite the price rises, it is still much cheaper to build a world-renowned map collection than to amass art of comparable rarity and historical importance, he points out.



AMERICAN WAR ATLAS (1776) OF MAJOR-GENERAL GEORGE PARKER
Sold for £1 million, Daniel Crouch

OUTLAY	3
RISK	3
UPKEEP	3
FUN	2

4Pokémon cards

Do you know your Pikachu from your Blastoise? If not, it's time to get up to speed with the Pokémon card-collecting craze. And if you think buying strange Japanese Pocket Monster characters, to give them their full name, is just for kids, think again. "Au contraire", agrees François Thierry, a collecting card specialist at Paris auction house Aguttes. Thierry reports an increasing number of investors looking for better returns than the stock market or real estate. Good card pickers can make profits of up to 50% a year, he reckons. Although Thierry recently sold a rare Pikachu card for €148,000, and the record price paid for a card was a whopping US\$5.3 million, investment-grade cards can be had for hundreds if not tens of dollars. Thierry says Van Gogh or Munch promotional Pikachu cards have been good recent investments. As with other collectibles, fakes are rife, so care is needed when building a collection.



PIKACHU ILLUSTRATOR CARD
Sold for €148,000, Aguttes

OUTLAY	5
RISK	4
UPKEEP	5
FUN	3

5Coloured gemstones

For millennia, jewellery has provided a highly portable store of wearable wealth, and coloured gemstones offer careful connoisseurs fantastic opportunities, says Guy Burton, Managing Director of London jeweller Hancocks. Burmese pigeon blood rubies, Colombian emeralds and velvet blue Kashmir sapphires are the go-to stones, although spinels remain undervalued, he says. To prove Burton's point, a 10.33 carat Burmese ruby ring sold for US\$5.5 million at Sotheby's Magnificent Jewels auction in New York last December – almost double its high estimate. US and Asian HNWIs are some of the most knowledgeable buyers, says Burton. Although some collect purely as investments, most also like to wear their collections, he says. Buyers, however, must be careful, warns jewellery historian Vivienne Becker, who says the gemstone market is less regulated than for colour diamonds. Stones have to be best in class with good provenance and ideally older examples from classic mines such as Muzo in Colombia.



THE INCHIQUN EMERALD
Sold for £625,000, Hancocks

OUTLAY	3
RISK	2
UPKEEP	4
FUN	2

Databank

The numbers behind *The Wealth Report*

THE KNIGHT FRANK 150
FAMILY OFFICE SURVEY, 2025 EDITION

The survey is based on interviews with 150 global family offices undertaken during November and December 2024

1. THE FAMILY OFFICE	
What type of family office best describes your structure?	
Single	81%
Multi	12%
Other structure	7%
Where is your family office headquartered?	
Asia-Pacific	51%
Europe	33%
North America	11%
Latam	4%
Middle East	1%
What is the value of assets under management (AUM)?	
<US\$50m	6%
US\$50m–US\$100m	12%
US\$100m–US\$250m	18%
US\$250m–US\$500m	19%
US\$500m–US\$1bn	13%
>US\$1bn	32%
Do you have an operating business in your portfolio?	
Yes	69%
No	31%
If yes, are real estate activities a significant focus of that operating business?	
Yes	58%
No	42%

2. THE PORTFOLIO	
Primary investments listed in descending order of portfolio share	
1	Equities
2	Cash
3	Direct real estate
3	Private equity
5	Fixed income
6	Private debt
7	Indirect real estate
8	Hedge funds
9	Art/collectibles
10	Gold/precious metals
11	Commodities
12	Crypto/digital assets
What share of your investment portfolio is dedicated to indirect real estate?	
All	8%
<i>Split by AUM</i>	
<US\$50m	6%
US\$50m–US\$100m	6%
US\$100m–US\$1bn	8%
>US\$1bn	10%
What share of your investment portfolio is dedicated to direct real estate?	
All	23%
<i>Split by AUM</i>	
<US\$50m	25%
US\$50m–US\$100m	24%
US\$100m–US\$1bn	23%
>US\$1bn	22%

3. THE REAL ESTATE PORTFOLIO	
For real estate assets, what is your preferred investment duration?	
0–3 years	3%
3–6 years	32%
6–9 years	28%
9 years +	37%
How do you prefer to access real estate investment opportunities?	
“Solo” direct investment	34%
Fund	19%
Joint venture	13%
Debt	9%
Private markets	8%
Mezzanine	7%
Public markets	6%
Preferred equity	6%
What is your preferred measure of real estate investment returns?	
Total return	31%
IRR	31%
Income return	11%
Cash on cash	10%
Equity multiple	6%
Cap rate	6%
NPV	5%
Which real estate sectors are you exposed to?	
Offices	20%
Luxury residential/branded residences	17%
Industrial/logistics	14%
Hotels	12%
Living sectors	10%
Retail	9%
Infrastructure	7%
Data centres	5%
Healthcare	4%
Life sciences	1%
<i>Living sectors comprises:</i>	
Private rental sector/build to rent	4%
Student accommodation	3%
Affordable housing	2%
Seniors housing	1%

Which real estate sectors would you like to gain more exposure to over the next 18 months?		
Living sectors	14%	
Industrial/logistics	13%	
Luxury residential/branded residences	12%	
Hotels	12%	
Healthcare	11%	
Data centres	11%	
Infrastructure	10%	
Offices	10%	
Retail	5%	
Life sciences	1%	
Living sectors comprises:		
Student accommodation	4%	
Affordable housing	4%	
Private rented sector/multifamily	4%	
Seniors housing	3%	
What are the main challenges to investment in real estate?		
Identifying reliable partners or operators	23%	
Tax regimes	20%	
High competition for assets	19%	
Regulatory and compliance barriers	17%	
Limited expertise	8%	
Lack of market transparency	7%	
Access to capital or finance	7%	
Which of the following ESG-related property investments have you invested in or are you looking to invest in?		
	Have invested	Looking to invest
Improving the ESG performance of commercial property	24%	16%
Solar power generation	28%	22%
Wind power generation	11%	14%
Renewable energy battery storage	20%	29%
Environmental credits, such as carbon credits	10%	27%
Nature restoration, such as rewilding or nature conservation	7%	16%
Which of the following impact investment strategies have you considered?		
	Have invested	Looking to invest
Climate and environmental sustainability	26%	42%
Education and skills development	16%	17%
Healthcare and medical research	17%	27%
Social equity and inclusion	11%	12%
Community development and economic empowerment	9%	17%
Arts, culture and heritage preservation	22%	21%

4. THE PRIVATE RESIDENTIAL PORTFOLIO	
Does your family office manage a private family residential portfolio?	
Yes	64%
No	37%
What are the primary objectives of maintaining a private residential portfolio?	
Family use and legacy	44%
Capital preservation	29%
Diversification	20%
Potential rental income	7%
What is the average number of homes in the private family residential portfolio?	
All	4.7
Asia-Pacific	4.7
Europe	4.8
Latin America	5.0
North America	4.2
Are you considering a change to the portfolio in the next 18 months?	
No changes planned	62%
Undecided	9%
Yes, considering both purchase and sale of homes	16%
Yes, considering the purchase of additional home(s)	9%
Yes, considering the sale of home(s)	4%

5. THE YACHT PORTFOLIO	
Does your family office currently own or charter a large yacht (24m or larger)?	
No	74%
No, but we are considering it	7%
Yes, we own	18%
Yes, we lease	1%
How do you foresee the preferred model for yacht ownership evolving in your family office?	
Charter will become more attractive	23%
Ownership will become more attractive	46%
We will explore other models	31%
If your family office owns a yacht, is it used for any philanthropic activities, such as marine conservation efforts or hosting charitable events?	
No	89%
Yes	11%

6. THE FAMILY OFFICE STRUCTURE			
Is the next generation actively involved in investment decision-making within your family office? If so, how has this influenced investment strategy?			
No, they are not currently involved in decision-making		27%	
No, they are not involved, but we plan to incorporate their input in the future		15%	
Yes, they are involved, and the investment strategy has shifted significantly		11%	
Yes, they are involved, but there has been no discernible change in investment strategy		20%	
Yes, they are involved, with some shift in investment strategy		27%	
Which family generations hold primary decision-making control within your family office?			
	Primary	Secondary	Third
Silent generation: 79+ years	6%	8%	0%
Baby boomers: 60 to 78 years	51%	5%	6%
Gen X: 44 to 59 years	36%	22%	6%
Millennials: 28 to 43 years	8%	44%	44%
Gen Z: up to 27 years	0%	21%	44%
Is the family office's leadership primarily represented by male or female family members?			
Mixed		31%	
Primarily female		9%	
Primarily male		60%	

PRIME INTERNATIONAL RESIDENTIAL INDEX PIRI 100
Annual % change in prime residential prices, 2024

RANK	MARKET	%
1	Seoul	18.4
2	Manila	17.9
3	Dubai	16.9
4	Riyadh	16.0
5	Tokyo	12.1
6	Jeddah	9.6
7	Orange County	9.3
8	Corfu	8.9
9	Mexico City	8.9
10	Aspen	8.9
11	Mustique	8.8
12	Nairobi	8.3
13	Cayman Islands	8.0
13	Marrakesh	8.0
15	Buenos Aires	7.3
16	Portofino	7.1
17	Porto	6.8
18	Delhi	6.7
19	São Paulo	6.6
20	Lucca	6.2
21	Mumbai	6.1
22	Val d'Isère	6.0
23	Prague	5.8
24	Palm Beach	5.8
25	Algarve	5.6
26	Madrid	5.5
27	Perth	5.3
28	Lisbon	5.3
29	Boston	5.2
30	Florence	5.2
31	Bahamas	5.1
32	Cape Town	5.1
33	British Virgin Islands	5.0
34	Marbella	4.8
35	St Moritz	4.5
36	Zurich	4.4
37	Barcelona	4.4
38	Brisbane	4.1
39	Oslo	4.1
40	Bengaluru	4.1
41	St Barts	4.0
42	Mallorca	4.0
43	Dublin	3.9
44	Méribel	3.8
45	Miami	3.8
46	Washington DC	3.7
47	Singapore	3.6
48	Gold Coast	3.6
49	The Hamptons	3.5
50	Milan	3.5

RANK	MARKET	%
51	Los Angeles	3.4
52	Rio de Janeiro	3.1
53	Bucharest	2.3
54	Geneva	2.0
55	Courchevel 1850	2.0
56	Lausanne	2.0
57	Gstaad	2.0
58	Lake Como	1.8
59	Oxford	1.6
60	Vancouver	1.5
61	Venice	1.5
62	Bangkok	1.4
63	Verbier	1.1
64	Dallas	1.1
65	Taipei	1.1
66	Berlin	1.1
67	Sydney	1.1
68	Shanghai	1.0
69	Rome	0.9
70	Paris	0.8
71	Guangzhou	0.7
72	Ibiza	0.7
73	Stockholm	0.6
74	Jakarta	0.5
75	Monaco	0.4
76	Edinburgh	0.4
77	Kuala Lumpur	0.1
78	Chamonix	—
78	Jersey	—
78	Sardinia	—
81	Frankfurt	-0.1
82	New York	-0.3
83	London	-1.0
84	Christchurch	-1.5
85	Shenzhen	-1.6
86	Melbourne	-1.9
87	Megève	-2.0
88	St Tropez	-2.0
89	Hong Kong SAR	-2.2
90	Vienna	-2.6
91	Toronto	-2.6
92	Auckland	-3.2
93	Barbados	-3.3
94	Provence	-3.6
95	Beijing	-4.2
96	Austin	-4.3
97	Wellington	-4.9
98	Saint-Jean-Cap-Ferrat	-5.0
99	Cannes	-6.0
100	Doha	-9.6

THE KNIGHT FRANK WEALTH SIZING MODEL
Global wealth populations

REGIONAL ANALYSIS						
WEALTH POPULATION						
	Net worth US\$10m+			Net worth US\$100m+		
	2023	2024	2028	2023	2024	2028
Africa	18,629	19,496	22,964	1,391	1,464	1,746
Asia	814,133	854,465	928,722	31,472	33,084	35,895
Europe	338,366	343,176	359,624	16,071	16,268	17,041
Latin America	56,205	57,036	62,571	2,379	2,413	2,648
Middle East	46,199	47,437	50,813	4,659	4,696	5,085
North America	922,247	970,401	1,026,684	42,005	44,218	46,518
Australasia	47,521	49,367	51,983	1,846	1,918	2,010
World	2,243,300	2,341,378	2,503,361	99,825	104,060	110,942
TOTAL PRIVATE WEALTH (US\$BN)						
	US\$10m–US\$30m		US\$30m–US\$100m		US\$100m+	
	2024		2024		2024	
Africa	167		86		156	
Asia	9,362		2,711		4,053	
Europe	2,571		1,658		1,544	
Latin America	403		415		241	
Middle East	248		230		296	
North America	11,336		4,496		6,184	
Australasia	339		168		156	
World	24,426		9,764		12,631	

MARKET ANALYSIS		
	US\$10m+ population	Share of global US\$10m+ population
US	905,413	38.7%
Chinese mainland	471,634	20.1%
Japan	122,119	5.2%
India	85,698	3.7%
Germany	69,798	3.0%
Canada	64,988	2.8%
UK	55,667	2.4%
France	51,254	2.2%
Australia	42,789	1.8%
Hong Kong SAR	42,715	1.8%
Italy	41,080	1.8%
South Korea	39,210	1.7%
Taiwan	28,391	1.2%
Brazil	21,974	0.9%
Spain	21,275	0.9%

MARKET ANALYSIS		
	US\$10m+ population	Share of global US\$10m+ population
Mexico	18,184	0.8%
Switzerland	14,307	0.6%
Belgium	13,973	0.6%
Singapore	9,674	0.4%
Thailand	9,192	0.4%
Indonesia	8,120	0.3%
Malaysia	7,490	0.3%
Netherlands	7,315	0.3%
Sweden	7,133	0.3%
Turkey	6,138	0.3%
Philippines	5,748	0.2%
New Zealand	5,512	0.2%
Vietnam	5,459	0.2%
South Africa	5,212	0.2%
Austria	5,168	0.2%

Bigger, bolder, beyond

The world’s ultra-wealthy are thinking bigger – literally. Private jets are reaching record heights, yachts are growing longer and car collections are expanding. But as luxury assets increase in size, what does this mean for real estate?

A GROWING CHALLENGE

The private jet landscape is evolving, with a clear shift towards larger, long-range aircraft: in the US, 37.5% of private jets now fall into this category. However, bigger jets present logistical challenges.

Large aircraft require runways of at least 1,500m–2,500m, along with refuelling, customs and hangar space. “The challenge when a client wants to buy their third, fourth or even fifth home is: can they land their jet nearby” says Alasdair Pritchard, a partner in Knight Frank’s Private Office.

Saint-Tropez’s La Môle airfield has a short runway, for example, restricting access for larger aircraft, while Venice and island destinations in the Caribbean or Greece often lack the necessary infrastructure. “This can dictate property decisions,” Pritchard adds, “so we help clients explore alternatives, whether that’s nearby airports with helicopter access or private airstrips on larger estates.”

NAVIGATING THE RISE OF SUPERYACHTS

The same thinking applies to luxury yachts. Since the early 21st century, 73 yachts measuring 100m or more have been built, with nearly half of these constructed in the past decade, according to BOATPro.

This shift is being driven by the growing wealth of UHNWIs, who are demanding grander designs, expansive living spaces and elaborate amenities. According to BOAT International, the 50m to 100m segment is also experiencing rapid growth, reflecting demand for floating palaces that blend luxury with functionality.

However, many of the world’s most exclusive yachting destinations are struggling to accommodate larger vessels. “This can really challenge a buyer’s aspirations, particularly in spots such as Marbella’s Golden Mile,” says Pritchard. As a result, those investing in waterfront property are prioritising access to world-class berthing facilities, which in many cases has become just as important as the home itself.

SPACE FOR A GROWING PASSION

The appetite for collectable cars is accelerating at an unprecedented pace. Auctioneer RM Sotheby’s recorded a milestone year in 2024, with global sales exceeding US\$887 million. Over 126 vehicles sold for more than US\$1 million, 50 auction records were broken, and a 96% sell-through rate underscored the demand for rare and historic models.

As collections grow in both value and volume, the practicalities of storage and security are becoming increasingly important. Many prime real estate locations, particularly historic European cities like Florence, were never designed to accommodate extensive car collections.

Narrow streets, limited private parking and strict conservation regulations all equate to buyers factoring in bespoke solutions, from underground garages to purpose-built offsite storage.

“I recently had a European client who had spent a lifetime building an unbelievable specialist car collection,” says Pritchard. “At the same time, he wanted a lifestyle change from his busy resident city and was eyeing up a smaller medieval location. But there was no way a property there could accommodate his collection. For serious collectors like my client, the right property isn’t just about location. It has to work for their lifestyle, their collection, and their long-term vision.”

As luxury assets continue to grow, the real estate market is evolving. Whether it’s runway access for private jets, deep-water berths for superyachts, or bespoke storage for car collections, the demand for space, infrastructure, and accessibility is shaping luxury property searches like never before.

Big ticket items

The Wealth Report’s unique analysis of the big investments (US\$10m+) made by the big investments (US\$10+) made over the past 12 months.

ART: US\$1.2 BILLION

In 2024, US\$1.2 billion was spent at auction on artworks priced over US\$10 million, a fall from the US\$2.2 billion spent in 2023, and down sharply from the recent peak of US\$3.9 billion in 2022. Although the market for art over US\$10 million mirrored the overall slowdown in the art market, the more exclusive segment of works priced over US\$100 million performed slightly better, dipping only 13% year on year in 2024.

SUPERYACHTS: US\$3.6 BILLION

2024 saw US\$3.6 billion spent on 131 US\$10 million+ yachts, with an average price of US\$27million. This is down from the US\$5 billion spent in 2023 across 133 larger, newer yachts, with an average price of US\$37.3 million.

JETS: US\$22.7 BILLION

The private jet market experienced growth in both the number of jets sold and the total value of sales between 2023 and 2024. The latest estimate for full-year private jet sales in 2024 confirms that 874 jets were sold for US\$22.7 billion, up 7% from the US\$21.2 billion spent in 2023 when 854 jets were purchased, with an average ticket price of US\$26 million.

HOMES: US\$32.6 BILLION

US\$32.6 billion was spent on US\$10 million+ homes across the world’s leading 12 super-prime residential markets in 2024. Although this is down from US\$34.2 billion in 2023, it still significantly exceeds the pre-Covid 2019 total of US\$18.8 billion. Dubai alone accounted for US\$6.5 billion of last year’s sales.

Sources: ArtTactic, BOAT International, Aerodynamic Advisory, Knight Frank Global Super-Prime Intelligence

We’re here to help you uncover global opportunities.

Please contact our team to discuss your goals and strategies for the year ahead.

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