Knight Frank

The global perspective on
prime property and investment

THE WEALTH REPORT

20th edition

2026

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20TH EDITION

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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*

DEFINITIONS AND DATA

HNWI
High-net-worth individual – someone with a net worth of US$1 million or more.

UHNWI
Ultra-high-net-worth individual – someone with a net worth of US$30 million or more.

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 20th 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 alpine resorts.

THE KNIGHT FRANK WEALTH SIZING MODEL
The model, created by our Data Science team, measures the size of wealth cohorts globally. Full methodology available on request.

THE WEALTH REPORT AT 20

This year, *The Wealth Report* marks its 20th anniversary. Since our first edition in 2007, we have made a series of "big calls" on the outlook for wealth, property, luxury and investment. In this edition, in our pink pages, we revisit those predictions and put them under scrutiny – were we right? Find out inside.

HOW WE CHOSE OUR COVER

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Benoit Aupoix's illustration distils the vision of *The Wealth Report*, spanning assets, ideas and time. His distinctive style – rich in detail and shaped by unexpected perspectives – draws the viewer in, creating a feeling of immersion. The visual language reflects not only the assets we track, but the creativity and long-term thinking that underpin how wealth is deployed.

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Welcome

This year's edition of *The Wealth Report* reveals how private capital is adapting to a fractured geopolitical landscape, seeking agility, targeting value-add opportunities and responding to significant shifts in real estate markets

It is my pleasure to introduce the 20th edition of *The Wealth Report*.

In last year's report, we highlighted the resilience of private capital amid shifting interest rates. This year, even as the global economy adjusts to renewed geopolitical uncertainty, we report on the continued creation of wealth, anchored firmly by the US, despite intense technological competition from China and other markets, and on the expanding role of private wealth across real estate and other asset classes.

Despite this momentum, the year ahead presents complex challenges. The Iran war has unsettled financial markets, feeding through to higher energy prices and renewed inflationary pressures, and complicating the outlook for central bank interest rate setting.

In this year's edition, our exclusive 2026 Family Office Survey, drawing on interviews across major global hubs, provides clear evidence of evolving investment strategies. Driven by a desire for agility and long-term performance, private investors are professionalising their operations, actively pursuing co-investment opportunities, and targeting value-add and operational real estate with increasing conviction.

A key theme to emerge from this year's report is the relentless rise in the mobility of both capital and people. We explore how tax, risk, investment and lifestyle-driven moves are reshaping more than 100 prime residential markets, as well as commercial real estate.

We also examine changing luxury consumer requirements and their implications for property owners and investors. Alongside this, we take the pulse of passion investments, from fine wine to art, and explore how the emerging transformation economy is redefining luxury for a younger generation that prioritises wellness and purpose.

> **"A key theme to emerge from this year's report is the relentless rise in the mobility of both capital and people**

Accessing exceptional property opportunities in uncertain markets is the challenge our clients are seeking to meet. Our Private Office network operates from London, Dubai, Singapore, Mumbai, Sydney and Hong Kong. Supported by a robust, cross-sector global private capital offering, we are well placed to help clients navigate volatility and achieve their goals.

Please do get in touch. The Private Office, together with the wider Knight Frank network, would be delighted to assist. ■

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

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 and invest

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Photo credit: David Owen

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From the editor

Liam Bailey, Knight Frank's Global Head of Research, shares his key takeaways from the 20th edition of *The Wealth Report*

> **In a more uncertain world, the challenge for private investors is to preserve, position and deploy wealth intelligently**

Private investors today face a more fractured and complex world than at any point since the publication of the first edition of *The Wealth Report* in 2007. The past two decades were characterised by falling inflation, abundant liquidity and an increasingly globalised economic system. Now, that environment has shifted decisively.

Recent events, brought into sharp focus by the conflict in Iran, have reinforced a pattern already established by the Covid-19 pandemic and the war in Ukraine: shocks are becoming more frequent, more unpredictable, and more deeply embedded in the global economic system.

In this 20th edition of *The Wealth Report*, we bring together our widest ranging body of insight yet. From our updated global Wealth Sizing Model to an assessment of the outlook for prime real estate markets, from a deep dive into family office strategies to specialist themes including vineyard investment, the evolution of the luxury consumer, and the future direction of luxury asset prices, the aim is to help you navigate risk and opportunity amid heightened volatility.

At the heart of this edition is a reassessment of the forces shaping the global economy. Rolling crises are revealing structural vulnerabilities. Inflation has proved stubborn and is prone to renewed pressure, particularly from energy markets and fractured supply chains. At the same time, central banks face an increasingly delicate task. The era of straightforward rate setting has given way to a far more fragile balancing act, between controlling inflation, sustaining growth and managing unprecedented levels of public debt.

Compounding this uncertainty is the interaction between powerful and, at times conflicting, forces. AI and tech more generally offer a potentially deflationary impulse. Yet this is offset by geopolitical tension and fiscal pressures, pointing to a more inflationary and volatile regime.

For investors, the landscape is a challenging one. As recent weeks have shown, transactions can stall, risk appetite can evaporate, and pricing can adjust rapidly. Yet within this complexity there lies opportunity.

Throughout this edition, we highlight areas of resilience: those markets, sectors and strategies that continue to perform despite heightened uncertainty. We also identify emerging opportunities, from niche real estate assets to evolving luxury demand, and the growing sophistication of family office capital.

In a more uncertain world, the challenge for private investors is no longer simply to grow wealth, but to preserve, position and deploy it intelligently. *The Wealth Report* 2026 is designed to provide a framework for doing exactly that.

EDITOR
THE WEALTH REPORT XX
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The big themes

1 GLOBAL WEALTH GROWS

The Knight Frank Wealth Sizing Model reveals the extraordinary pace of global wealth creation. With 89 people crossing the US$30 million threshold every day for the past five years, the global UHNWI population reached 713,626 in 2026. The US firmly dominates this expansion, claiming 41% of all newly minted UHNWIs, while dynamic growth in India and China continues to act as a secondary engine reshaping the global wealth landscape (page 8).

2 PLUTONOMY REMAINS INTACT

First highlighted in our inaugural edition, **plutonomy, an economic model where the ultra-wealthy command a disproportionate share of global wealth, remains intact.** Driven by technology and the financialisation of economies, the outsized economic influence of wealth has only deepened. This accumulation of capital continues to reshape global luxury and prime real estate, even as it faces mounting political pushback (page 12).

3 THE REIMAGINED FAMILY OFFICE

The world's 10,000 family offices are evolving into **highly professionalised investment platforms.** Moving beyond capital preservation, they are recruiting in-house specialists, pursuing co-investment opportunities and targeting value-add real estate. Some are also embracing **leaner, tech-enabled structures**, allowing them to navigate complex markets and deploy capital efficiently across multiple global hubs (page 18).

4 PRIME IS ON THE RISE

Our unique Prime International Residential Index (PIRI 100) recorded a **3.2% average rise in global luxury residential prices in 2025**, outperforming broader mainstream housing markets. **The Middle East led with a 9.4% surge**, heavily driven by Dubai's 25.1% growth. Other astounding individual performances included Tokyo's 58.5% spike. We point to future growth markets, including Mumbai, Brisbane and Miami – yes, there's room for more growth in Florida (page 24)!

> **Investors continue to diversify into fascinating new sectors. Energy-hungry data centres are becoming critical infrastructure plays, driven by the relentless AI boom**

5 STRUCTURAL FORCES AT WORK

Several powerful structural forces are currently shaping global prime residential markets. **Accelerating wealth creation continues to provide some insulation for luxury properties from broader economic volatility.** Simultaneously, **rising wealth taxes and political rhetoric are triggering unprecedented ultra-mobility**, resulting in a "dip-in, dip-out" lifestyle. This demand, coupled with a chronic scarcity of turnkey homes, is driving up values and boosting the branded residence sector (page 28).

6 COMMERCIAL REAL ESTATE DIVERSIFIES

Investors continue to diversify into fascinating new sectors. **Energy-hungry data centres are becoming critical infrastructure plays**, driven by the relentless AI boom. Simultaneously, **climate shifts and changing consumer tastes are radically reshaping the global vineyard market**. Investors are also exploring technological frontiers, where AI could, finally, be poised to unlock blockchain's potential for property transactions, and "space in space" satellite infrastructure is actively protecting earthly real estate assets (page 42).

7 LUXURY STABILISES

The Knight Frank Luxury Investment Index (KFLII) stabilised in 2025, closing down just 0.4% as the market found its footing following a prolonged correction. While Impressionist art and watches posted solid gains, buyers have generally remained highly disciplined. **New investment sectors are gaining traction, including vintage haute couture, rare fossils and fractional ownership platforms**, which are successfully opening up luxury collectibles to a passionate, younger demographic of investors (page 66).

8 THE TRANSFORMATION ECONOMY

Luxury is fundamentally evolving from the simple accumulation of goods towards more meaningful, experience-led consumption. **Consumer choices underpin the growth of the "transformation economy"**, prioritising investments that facilitate personal growth, wellness and a sense of belonging. Consequently, **luxury brands and private members' clubs are shifting strategies**, focusing on offering purposeful engagement rather than mere status display (page 58).

Wealth

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

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Data and trends from Knight Frank's global Wealth Sizing Model

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How the "rich economy" came to shape global markets

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Even in challenging times, the show goes on for the UK capital

18 **LEVERAGE AND LEGACY**
Insights from the 2026 Knight Frank Family Office Survey

Growth engine India is seeing a significant increase in its UHNW population

Wealth gathers pace

For our 20th edition we have revised and extended our Wealth Sizing Model to provide a comprehensive view of fast-changing global wealth dynamics

Knight Frank's new Wealth Sizing Model highlights the extraordinary pace of global wealth creation over the past five years, led decisively by the US, with China and India as key engines of growth.

Between 2021 and 2026, the global population of UHNWIs (those worth more than US$30 million) rose from 551,435 to 713,626. That equates to 162,191 new UHNWIs in just five years – or 89 people, somewhere in the world, crossing the US$30 million threshold every single day.

The US has dominated this expansion. Of all newly minted UHNWIs over the period, 41% were created in the US, reflecting the scale, depth and capital-generating power of the American economy. As a result, the US's share of global UHNWIs rose steadily from 33% in 2021 to 35% in 2026. Our forecasts suggest this concentration will intensify further, with the US accounting for 41% of the world's UHNWIs by 2031.

China remains the second major pole of wealth creation, although its relative position is easing. Its share of global UHNWIs slipped from 18% in 2021 to 17% in 2026, and is projected to fall to 15% by 2031. In practice, almost every country is losing global market share to accommodate the relentless expansion of US wealth.

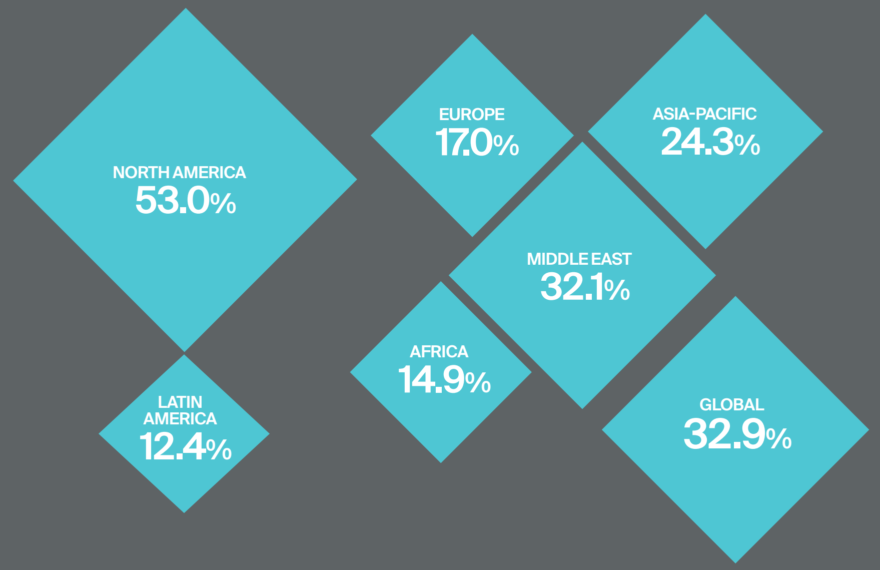
India, however, stands out as a compelling counterpoint. While it accounted for just 2.8% of global UHNWIs in 2026, up from a little over 2% five years earlier, its trajectory is unmistakably upward. India's UHNW population is forecast to rise from 19,877 today to 25,217 by 2031, underscoring its growing role in the global wealth landscape. ▸

Wealth in numbers

The Knight Frank Wealth Sizing Model provides a unique perspective on the creation of private wealth globally. Here we share the headline figures from this year's analysis.

Regional wealth growth

Forecast change in UHNW populations (US$30m+), 2026 to 2031



UHNWI growth

Fastest forecast five-year growth in UHNW (US$30m+) populations*

		2026	2031	% change
1	Indonesia	3,833	6,966	82%
2	Saudi Arabia	4,388	7,162	63%
3	Poland	3,017	4,906	63%
4	Vietnam	1,233	1,960	59%
5	Australia	16,460	26,095	59%
6	Sweden	6,845	10,633	55%
7	US	251,352	387,422	54%
8	Romania	749	1,120	50%
9	Philippines	1,910	2,844	49%
10	Singapore	7,171	10,495	46%
11	UAE	4,851	6,588	36%
12	Norway	2,460	3,296	34%
13	Canada	12,920	16,796	30%
14	New Zealand	1,710	2,198	29%
15	India	19,877	25,217	27%
16	Israel	5,462	6,889	26%
17	Thailand	2,853	3,582	26%
18	Greece	910	1,140	25%
19	Hong Kong SAR	6,788	8,485	25%
20	Germany	38,215	47,004	23%

* Only includes countries with more than 500 UHNWIs in 2026

Billionaire growth

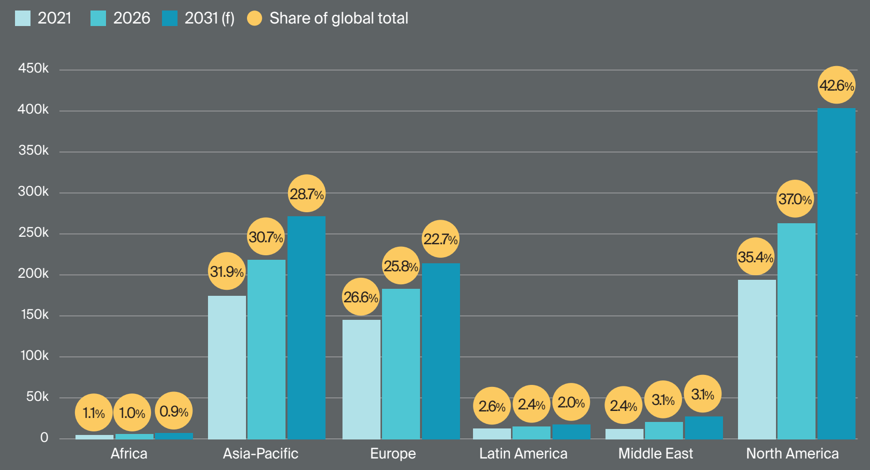
Fastest forecast five-year growth in billionaire populations*

		2026	2031	% change
1	Saudi Arabia	23	65	183%
2	Poland	13	29	123%
3	Sweden	32	58	81%
4	Australia	48	85	77%
5	Denmark	12	21	75%
6	Japan	43	71	65%
7	Mexico	24	39	63%
8	Philippines	16	26	63%
9	Norway	17	26	53%
10	India	207	313	51%
11	Austria	12	18	50%
12	Indonesia	33	49	49%
13	South Africa	10	14	40%
14	Spain	38	53	40%
15	Malaysia	13	18	39%
16	Singapore	63	85	35%
17	Italy	61	82	34%
18	Canada	49	65	33%
19	Turkey	35	46	31%
20	Brazil	51	67	31%

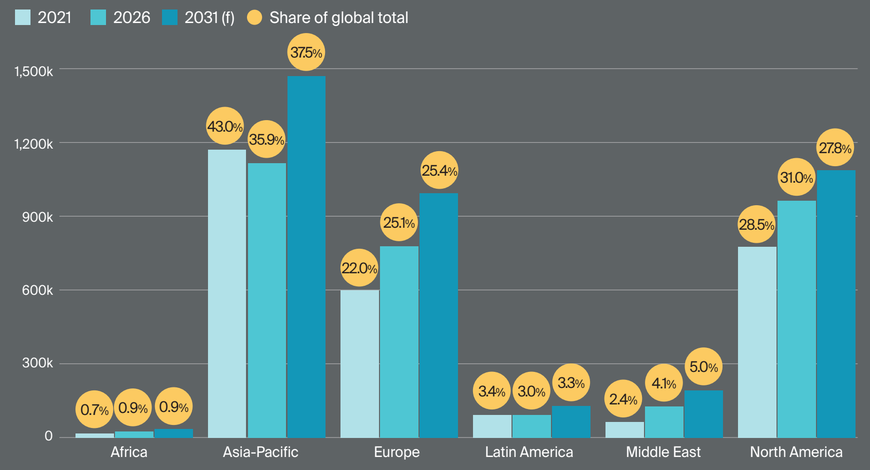
* Only includes countries with more than five billionaires in 2026

Sources: Knight Frank Research, Forbes
For more data see Databank (page 76)

Global UHNW (US$30m+) populations



Global billionaire populations



Key takeaways

North America continues to dominate, billionaires go global and new markets emerge in our round-up of trends from this year's Wealth Sizing Model

1 REGIONAL ROUND-UP

Three world regions dominate the global wealth story. North America leads, accounting for 37% of the global UHNW population in 2026, and is set to extend its dominance to 43% by 2031. Asia-Pacific represents almost 31% of UHNWIs in 2026, with numbers projected to rise from 219,310 to 272,530 over the same period. Europe follows, with 183,953 very wealthy residents, or just over a quarter of the global total.

Beyond these blocs, the Middle East stands out. Its share of the world's wealthy has increased from 2.4% to 3.1% over the past five years. Notably, it is the only region expected to maintain a similar global share through to 2031, when its forecast 28,956 UHNWIs will still account for 3.1% of the total.

2 BILLIONAIRE DISPERSAL

The world's 3,110 billionaires are more geographically dispersed than the broader UHNW population. Asia-Pacific hosts the largest share, with 1,116 billionaires, ahead of North America's 965. The Middle East accounts for just over 4% of the global billionaire population – well above its share of UHNWIs overall – highlighting the region's concentration of extreme wealth.

Looking ahead, growth is expected to be highly geographically diverse. In percentage terms, Saudi Arabia is forecast to lead, with billionaire numbers rising by 183%, followed by Poland (123%), Sweden (81%) and Australia (77%). Denmark completes the top five, underlining the increasingly global nature of future billionaire growth.

Aussie rules Australia's UHNW population is forecast to rise almost 60% over the next five years

3 NEW MARKETS

Global UHNWI growth over the next five years is not being led by the usual suspects, but by rapidly maturing economies. Indonesia tops the rankings, with its US$30 million+ population forecast to surge 82% by 2031, followed closely by Saudi Arabia and Poland, both growing at over 60%. Vietnam's near 60% rise underlines the speed at which new centres of wealth are forming across South-East Asia.

Europe also features strongly, with Sweden, Romania and Greece all posting robust gains. The picture is one of wealth broadening geographically, even as it continues to concentrate in a handful of global powerhouses.

4 ANTIPODEAN SURGE

Australia punches well above its weight in the global wealth landscape. Its UHNW population is forecast to rise by almost 60% over the next five years, reaching 26,095 individuals – almost one in every 1,000 residents. This expansion reflects more than just rising asset prices. It speaks to a broad-based, resilient economy anchored in agriculture and mining, and increasingly powered by finance, business services and a fast-maturing technology sector.

Together, these engines have created a depth of wealth that outstrips many comparable economies. The result is a billionaire population where numbers are forecast to grow by 77% between 2026 and 2031. In a world where wealth is becoming more mobile, Australia stands out for the diversity and durability of its wealth creation story.

5 US DOMINANCE

Scale still matters – and nowhere is this clearer than in the US. Despite a growth rate that looks modest relative to faster-rising emerging markets, the US is set to add more than 136,000 UHNWIs over the next five years, dwarfing the total UHNW populations of entire world regions. This reflects the depth of America's wealth-creation infrastructure. The world's largest and most liquid capital markets continue to mint fortunes through finance, private equity and public markets alike.

Tech remains a powerful multiplier, from platform giants to AI, biotech and deep-tech ecosystems that recycle capital at speed. Crucially, the US combines innovation with scale: a vast domestic market, sophisticated legal and financial systems, and unrivalled access to capital. The result is sustained, repeatable wealth creation at an industrial scale.

> **“**
> **Global UHNWI growth over the next five years is being led by rapidly maturing economies**

6 INDIA'S RISE

India's UHNW story is one of rapid expansion followed by consolidation at scale. Between 2021 and 2026, its US$30 million+ population surged by 63%, rising from just over 12,000 to nearly 20,000, a reflection of extraordinary wealth creation across technology, industrials and capital markets. Growth is set to continue, albeit at a more measured pace, with a further 27% increase forecast by 2031, taking the total to more than 25,000.

This trajectory mirrors India's economic evolution: an entrepreneurial economy maturing into one with deeper capital pools, more sophisticated financial markets and a growing cohort of globally connected founders and investors. Digitalisation, listed equities, private capital and family-owned businesses all play a role. The result is a widening, increasingly durable base of ultra-wealth, anchored in long-term structural growth. ■

New heights London's One Hyde Park

Plutonomy: 20 years on

The first edition of *The Wealth Report* argued that plutonomy would reshape global markets. Two decades on, we ask the people who were there at the start: has that call stood the test of time?

Back in 2007, Knight Frank researchers met with Citi Private Bank to discuss the concept of plutonomy, the economic model in which the wealthy command a disproportionate – and growing – share of global wealth.

The term had been coined by Ajay Kapur, then Citi's Global Equity Strategist. For his team, it was an investment thesis. If wealth was concentrating at the top, it made sense to funnel capital into investments that would benefit. At Knight Frank, this dynamic was reflected in prime property markets. Trophy homes, developments such as London's One Hyde Park – construction of which began that same year – and the most desirable locations were being shaped by a rapidly expanding class of ultra-wealthy buyers. In the naming, Citi turned a cluster of economic forces into a recognisable phenomenon that could be studied and acted upon.

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The drivers were clearly visible: financial innovation, technology-driven wealth creation, broadly capitalist-friendly policy environments, relatively light touch regulation and an openness to global talent through immigration. These conditions were prevalent in many leading economies, from the US and the UK to parts of Europe, Russia at the time, and key Asian markets.

Knight Frank left that meeting with a plan to produce a report that would explore the implications of plutonomy for global real estate markets. The result was *The Wealth Report*. Its conclusion was clear: these structural forces were now embedded in the global economy and would shape the trajectory of prime real estate and luxury markets worldwide for decades.

Twenty years on, we caught up with three key individuals who were active in the market when that call was first made to examine how our prediction has played out.

The banker: David Poole

Seasoned private banker David Poole was among the group of Citi executives at that first meeting. Indeed, it was Poole who suggested that "we need to document and analyse what is happening to our economy". The first six editions of *The Wealth Report* were produced together with Citi Private Bank.

Nearly 20 years after the concept of plutonomy emerged, the outsized economic influence of the ultra-wealthy has only deepened. For Poole, it's a validation of the original thesis. "The world has and does favour wealthier people," he says. Over the past two decades, "incremental wealth creation increases the higher up the pyramid you go".

This divergence accelerated in the wake of the global financial crisis. Unprecedented access to cheap credit allowed the world's wealthiest individuals to heavily leverage their existing assets, accumulating capital against a backdrop of steady asset inflation. Banks readily facilitated this, effectively lending their balance sheets at low single-digit rates while clients generated double-digit returns through investments and commercial projects. Poole highlights how significant property entrepreneurs would often commit minimal equity while banks financed the rest.

Beyond financialisation, technology and shifting risk appetites played crucial roles in cementing capital power. Poole contrasts the aggressive, innovation-driven capital of the US, which "benefited massively from the tech boom", with more risk-averse, pension-driven markets like the UK. At the same time, the ultra-wealthy have become increasingly mobile, seamlessly shifting capital, investments and residences across global hubs.

But while a combination of low interest rates, technological innovation and the financialisation of economies may have supercharged the concentration of wealth, the resulting geopolitical and social fractures now pose a profound risk to global capital, Poole argues.

The compounding nature of elite wealth has, he says, become "politically charged". As the top tier captures an ever larger share of the market, the legitimacy of the system is increasingly questioned. "That line can't keep going," he warns, noting that extreme inequality ultimately breeds "a backlash".

The political response is already manifesting in the rise of populism on both the left and right, alongside a sharp pivot away from global free trade. Poole points to the expansive imposition of tariffs and creeping protectionism as mechanisms by which nations and disenfranchised populations are pushing back against a system that appears to favour wealth.

Looking ahead, he suggests that preserving wealth in such a fraught environment will require a return to "middle-ground politics and economics" in order to restore stability and curb wealth-destroying political acrimony. While he views the current geopolitical landscape as the most complex he has seen in his multi-decade career, he remains resolute that "optimism and confidence" are essential market attributes. The ultra-wealthy may have dominated recent decades by riding the wave of globalisation and cheap credit, but retaining their economic influence over the next 20 years will depend heavily on their ability to navigate a profoundly fractured world.

DAVID POOLE Former Head of Citi Private Bank, UK & Ireland, David is now Senior Adviser at Smith Square Partners and New Quadrant Partners, and to significant global families

The agent: Andrew Hay

In 2001, a client walked into Andrew Hay's office to discuss a trophy home in the English countryside, originally purchased for US$3.4 million. When Hay suggested a record-breaking US$5.4 million valuation, the client demurred, predicting a far higher figure. A month later, the house sold for US$12.1 million. "The client said, 'Andrew, there has been an enormous surge in wealth'," Hay recalls. "'It's not yet visible, but it is happening.'"

Throughout the early 2000s, this wealth creation was propelled by early globalisation and a shift from traditional merchant bankers to technologically empowered financiers. "Technology was really beginning to cut in," Hay notes, driving a "quantum shift" that ▸

“enabled people to generate a lot of money very quickly”.

Post-global financial crisis, surging private capital fundamentally altered the behavioural norms of the wealthy. The traditional model of owning a single primary residence gave way to cross-border footprints, creating exponential demand for super-prime assets globally. As Hay puts it, “Suddenly 100 rich people wanted five houses each.”

At the same time, communication advances untethered the elite from physical boardrooms. Today, “wealth is truly, truly mobile,” Hay observes, pointing out that a modern superyacht now functions as a six-star hotel equipped with the infrastructure to run a global enterprise.

Yet the frictionless era of borderless capital is fracturing. Over the past decade, Hay has watched the global map shrink for the ultra-wealthy. Whereas capital allocators once comfortably considered up to 15 different destination markets, “volatility has reduced the number of places where people are really comfortable investing”. This has concentrated capital into a few core hubs, including New York, Florida, Dubai, London and Singapore. As Hay says, “With rising uncertainty, will that list reduce further?”

To navigate this tightening landscape, billionaires are relying heavily on family offices. The most sophisticated families now divide their wealth across multiple offices – typically the Americas, Europe and Asia-Pacific. This diversification is driven by a profound need for security and the rule of law. Despite high taxes and political inconsistency in the UK, some prominent families still flock to London because “the rule of law still holds firm”, even as other global investors increasingly view Europe as “a museum, not somewhere to invest”, as one Australian mining billionaire put it.

The modern wealth landscape is also clouded by expanding regulatory burdens. Stringent anti-money laundering checks mean that operating across multiple jurisdictions severely compromises a family’s discretion. As Hay notes, quoting a former colleague, “ultimately, the greatest luxury for these families will be privacy”.

Looking ahead to the next half decade, Hay anticipates that the US will remain the undisputed engine of global wealth creation, fuelled by a relentless “entrepreneurial spirit” and the immense, decentralised power of its economy. Meanwhile, as societal tensions over extreme wealth concentration simmer globally, Hay remains highly attuned to geopolitical risks. Asked whether this expanding inequality could spark a dramatic political reckoning, he is circumspect. “Will there be a substantial change? I don’t know. I don’t think it’ll be about wealth. I think it’ll probably be about water and critical resources.” Going forward, the global elite will likely continue their defensive diversification, anchoring their fortunes only where dynamic growth is matched by unshakeable legal security.

> **“**
>
> **The traditional model of owning a single primary residence gave way to cross-border footprints, creating exponential demand for super-prime assets globally**

ANDREW HAY Former Global Head of Residential at Knight Frank, Andrew is now a strategic adviser to global private families and businesses

The investor: Jonathan Goldstein

Jonathan Goldstein, CEO and co-founder of Cain, remains staunchly committed to the view that the global economy can still outperform for investors focused on what the wealthy want.

This is not mere economic theory: backed by sovereign and family office capital, Goldstein is carefully deploying funds into ultra-luxury real estate and hospitality. As unprecedented wealth creation and capital mobility reshape the global landscape, his strategy offers a decisive blueprint for investing in a plutonomy future.

Goldstein notes that, not only has the economy delivered extraordinary wealth creation, but the way this wealth is spent has shifted. “We came out of the pandemic environment and consumers suddenly really wanted to spend their money on experiences, not just on accumulating stuff,” he observes, pointing to a marked pivot towards exclusivity and privacy.

This structural shift has transformed the global elite into hyper-mobile consumers and allocators, increasingly untethered from traditional borders. “People have never been as mobile as they are today,” Goldstein remarks, noting a growing detachment from traditional nation states.

He is backing this conviction with significant capital, focusing on the super-luxury market, particularly branded residences, elite hotels and private clubs. Supported by major family offices, his investments span high-barrier markets from Beverly Hills to Miami, Europe and the Middle East.

For Goldstein, true value is found in uncompromising quality and established brand trust. In the upper echelons of the market, “people are prepared to pay a premium for truly exclusive access to truly luxury experiences,” he explains.

However, executing this strategy is intensely demanding and labour intensive. “It’s not a world for amateurs,” Goldstein warns, adding that “the intense focus on every conceivable detail of the real estate and final service delivery means that knowing your clients and their world is hugely, hugely important”.

Tax factor Miami ticks all the boxes

> **“**
>
> **People are prepared to pay over the average for truly exclusive access to truly luxury experiences**

Goldstein is not blind to the risks inherent in wealth concentration. He frankly acknowledges the mounting political backlash and the lack of a “trickle-down” effect, warning that ignoring these issues “poses genuine risks for social cohesion, which is a real threat to the model”.

Yet rather than invalidating his investment thesis, these pressures are, it seems, simply redrawing the map. As politicians weigh wealth taxes, the ultra-rich are migrating. “If you’ve got the choice, you’re moving to Miami,” Goldstein says, pointing to a broader flight towards low-tax, high-amenity hubs such as the UAE and Italy, while traditionally dominant markets like London stutter under harsher tax regimes that have resulted in “oxygen being taken out of the market”.

Looking ahead, Goldstein views this as a multi-decade structural trend rather than a late-cycle trade. He believes understanding the future of this sector requires examining markets that seamlessly blend luxury with favourable regulatory environments. “In my view, you cannot understand the luxury market today unless you understand Dubai,” he asserts as an example.

Despite geopolitical noise and macroeconomic shifts, Goldstein’s conviction in the enduring spending power of the global elite remains unshaken. For him, the strategy of servicing the ultra-wealthy is clear and enduring: “I think it’s a growing asset class and it’s only going one way.”

JONATHAN GOLDSTEIN Jonathan is co-founder and chief executive officer of Cain, a multinational real estate-focused investment firm

London's next act

The UK capital wrote the script for an era of global plutonomy. Now it's having to learn to share the spotlight

If the mid-2000s marked the start of a new era of global plutonomy, London was where it really took shape.

A mix of pre-global financial crisis confidence, free-flowing capital and light-touch regulation – along with a political class that was broadly comfortable with extreme wealth – led the 2007 edition of *The Wealth Report* to describe London as the "de facto capital of the new plutonomy".

The conditions had been long in the making. Until around the mid-1980s, big cities were widely seen as being in decline. London's population fell from 8.6 million pre-war to 6.6 million by 1985. Economic liberalisation, beginning with the financial "Big Bang", reversed the trend, ushering in a two-decade recovery culminating in the optimism of the early years of Prime Minister Tony Blair's administration. London epitomised the modern global city, combining finance, law, language, culture and connectivity in a way few, if any, rivals could match.

The first real stress test arrived with the 2008 financial crisis, followed by Brexit, the Covid-19 pandemic and a prolonged period of political instability, driven by economic pressures, the debate around issues such as immigration and the rise of more extreme political parties. Each episode sparked predictions of decline that ultimately proved unfounded. Benchmarking by the City of London Corporation still places London as the world's top financial centre. The London-based think tank Z/Yen's most recent *Global Financial Centres Index*, based on 140 metrics, ranks New York first and London second, with just one point between them.

DOMINANCE UNDER THREAT

Threats to London's dominance tend to materialise suddenly, but the prevailing anxiety about the city's role in the world has crept up slowly. Tinkering with wealth and property taxes has continued alongside the rise of low-tax competitors like Dubai. Changes to the non-dom regime announced in October 2024 prompted a flurry of high-profile wealthy individuals to announce they were relocating. Office for Budget Responsibility projections suggest that as many as 20% of affected non-doms might leave, roughly 1,200 people. The Centre for Economics and Business Research suggests the figure could be closer to a quarter.

Professor Tony Travers of the Department of Government at the London School of Economics remains sanguine about London's role as a wealth and business hub. Predictions of decline, he says, "go well beyond any rational interpretation of change". London remains the third-largest city region economy in the world, and the sheer scale and multifaceted nature of activity taking place across the capital is exceptionally hard to replicate elsewhere. Brexit, in his view, is proof that, once capital and economic activity concentrate in a place like London, they are difficult to dislodge.

The city's inherited advantages matter too. Major infrastructure such as Transport for London's new Elizabeth line has reinforced connectivity, while cultural assets remain deeply embedded. London's West End, for example, recovered far faster from the pandemic than New York's Broadway, and continues to attract more visitors each year than Premier League football matches. The latest edition of the Michelin Guide shows London's restaurant scene fast closing the gap on Paris, and on track to have more stars than the French capital in the next 10 years.

> “London remains the world's third-largest city region economy, and the sheer scale and multifaceted nature of activity is hard to replicate

ERODING CONFIDENCE

Still, governments overlook the role of the wealthy in London's flourishing cultural scene at their peril, according to Travers. Underpinning it all, "you need the lawyers, hedge funds, private equity people and the financial and business services industry. You need more than the bright lights of a big city."

London now needs a period of stability to preserve its advantages. Travers argues that the risk is not that London suddenly becomes uncompetitive, but that prolonged political and fiscal uncertainty slowly erode confidence at the margins. "You do not want political instability, and you do not want a perception that your tax system is always just about to be reformed in a way that makes it even less attractive than it is already," he says. "Successive governments have managed to do that for some years now."

Reliable numbers for wealth migration are rare, but luxury residential markets provide a good barometer. Globally, sales of homes worth US$10 million+ are rising, but London is moving backwards, Knight Frank data shows. There were just 35 such deals in the capital during the final quarter of 2025, pushing London into seventh place – behind Sydney, Miami and Singapore. Pre-Iran war Dubai, by contrast, saw 143 deals worth US$2.5 billion, up 39% quarter on quarter by count and 27% by value.

But the numbers can be read in two ways. While fewer people are buying, owners are not selling in large numbers either – at least not yet. Knight Frank agents report that purchasers who might once have sought out a grand house are now more likely to opt for an apartment. "It's weighted to how much time they're going to spend here," says Alasdair Pritchard, a partner in Knight Frank's Private Office (see page 30 for more on this trend).

BREADTH AND DEPTH

Even those wealthy Londoners who do leave are often finding that the grass is not always greener. The likes of the UAE, Italy and Switzerland may now present London with stiffer competition than they once did, but there remains a sense that none yet offer the same breadth of opportunity, institutions and cultural depth. Nor is the UK unique in asking the wealthy to pay more in the wake of pandemic-era spending, or London alone in being governed from a left-leaning city hall. The result has been a thinning of demand rather than an exodus.

"We've gone from the peak, when finance was cheap and changes to the non-dom regime weren't a concern, and there were 10 buyers for every house, to perhaps three or four today," says Pritchard. "London's had competition for the last five years, but what changed things was the non-dom moment. That pushed some people who were on the margin to leave. But they're not selling their houses. That's the point." ■

> “Those wealthy Londoners who do leave are finding that the grass is not always greener

Bright lights London's cultural scene exerts a powerful draw

Leverage and legacy

Once seen as discreet stewards of private wealth, family offices wield growing investment power. The 2026 Knight Frank Family Office Survey reveals shifting strategies, rising ambitions and the forces reshaping this opaque yet critical financial sector

Measuring the unmeasurable

Sometime in 2026, the number of family offices worldwide will reach five figures. These roughly 10,000 entities are now a worldwide fixture. North America hosts the largest share with around 40% – testament to the power of the US economy. Europe and Asia-Pacific follow, each accounting for around a quarter of the total, with the Middle East, Latin America and Africa making up the balance. Growing at roughly 5% a year, the sector is expanding faster than the global economy itself – another telling indicator of the strength of global plutonomy.

No longer niche, family offices have rapidly become a standard requirement for today's ultra-wealthy. Responsibilities span overseeing investments, managing assets and delivering services from routine household payments to complex succession planning. The biggest have evolved into formidable investment platforms, with global capability. But despite its importance, the sector remains opaque, with substantial functions outside regulators' control.

This year's Knight Frank Family Office Survey draws from exclusive interviews with more than 40 family offices in Q1 2026, spanning London, New York, Dubai, Singapore, Hong Kong and beyond. It explores wealth migration, generational strategy clashes, the relentless hunt for "alpha", and the emerging disruption in wealth management beyond the constraints of traditional private banking.

The rise of the modern family office is, at its core, a story about the extraordinary expansion of global wealth. From technology and entertainment to sport and finance, massive fortunes are being created at unprecedented pace. Yet while the sector is growing rapidly, it remains remarkably heterogeneous, from highly institutionalised platforms with internal investment teams to smaller, informal operations built around a handful of trusted advisers or, in some cases, just one. The adage "when you've met one family office, you've met one family office" remains as true as ever.

A LONG-TERM VIEW

Despite this diversity – and occasional informality – there is a shift away from capital preservation towards a more structured approach. Portfolios are increasingly monitored against explicit targets, investment processes formalised, and decisions supported by deeper analysis and governance. The aim is not simply to take more risk, but to manage capital more deliberately, tracking performance and ensuring that assets are working to meet long-term objectives.

Several trends illustrate this shift. First, growing collaboration. Co-investment with peers allows families to share expertise, spread risk and access larger opportunities. One family office explained that it would "never lead on an opportunity", preferring to co-invest alongside other trusted family offices or individuals, providing reassurance in deal selection.

Second, professionalisation. While early family offices might have relied on external advisers, many now employ internal specialists in private equity, venture capital and real estate. Some are building their own operational capabilities, for example by acquiring development, planning or construction businesses to support real estate investment strategies.

Third, diversification. Portfolios increasingly combine traditional liquid assets with private equity, venture capital, infrastructure and direct property investments. The objective is not diversification for its own sake, but the pursuit of durable, long-term returns across multiple economic cycles.

THE AGILITY ADVANTAGE

This drive for performance is also accelerating globalisation. Wealthy families are increasingly establishing multiple bases in order to access deals, networks and talent. London and New York remain important centres, but newer hubs such as Dubai, Hong Kong and Singapore are gaining momentum. Despite the uncertainty caused by the Iran war Dubai feels, as one interviewee put it, like "the" corridor through which global wealth is flowing, thanks to its connectivity and pro-business environment.

Despite the growth of internal capabilities, family offices maintain close relationships with private banks and wealth managers: essential providers of custody, liquidity management and market intelligence. There are complaints about banks offering overly "vanilla" products, but there is also broad recognition that regulation limits how innovative banks can be.

Looking ahead, disruption is likely to reshape the broader wealth management ecosystem. Technology, data platforms and improved deal-sourcing tools are enabling institutions to analyse vast numbers of investment opportunities and deliver them to clients more efficiently. Banks and asset managers see family offices as one of the most attractive segments of the market and are investing heavily in a bid to remain relevant.

In this landscape, the single family office in particular may prove uniquely resilient. Flexibility, speed of decision-making and alignment with a single capital base allow it to adapt quickly to new opportunities. In a world of rapidly expanding wealth and increasingly complex markets, could agility be the greatest advantage? See overleaf for more on the key themes highlighted by our panel. ▸

THE KNIGHT FRANK FAMILY OFFICE SURVEY 2026

Sign up to receive detailed updates from the Family Office Survey 2026, straight to your inbox

Key themes

From real estate to frictionless wealth, we dive into five areas of focus emerging from the Knight Frank Family Office Survey 2026

1 REAL ESTATE IN DEMAND

Many families describe property as a "core passion", and a natural asset class for wealth created through entrepreneurship or operating businesses. "It's almost seen as a safe haven," said one. "It's a tangible asset … and the fact that it's asset-backed gives peace of mind."

Direct ownership remains particularly attractive, allowing families to shape development strategies, manage risk and capture the full upside rather than sharing returns through fund structures.

Real estate also aligns well with long-term horizons. With no pressure from external investors or fund lifecycles, family offices can weather market volatility and focus on steady income and intergenerational wealth preservation.

> "There is a massive opportunity to look for value-add projects. Construction everywhere has struggled due to high build costs, so there is a real lack of best-in-class product across Europe

> "We are hugely bought into digital infrastructure, not just data centres, but utility projects that are powering data centres

2 VALUE-ADD OPPORTUNITIES

While real estate remains a cornerstone of many portfolios, investment strategies are becoming more targeted and thematic. Data centres have emerged as one of the most attractive opportunities, driven by the rapid growth of AI, cloud computing and digital infrastructure.

Several interviewees also highlight interest in other operational real estate sectors where income is supported by underlying demographic or economic trends. Student accommodation continues to appeal due to resilient demand from global education markets, while logistics and distribution assets are benefiting from the continued expansion of e-commerce. Healthcare-linked real estate is also gaining attention as populations age.

These sectors combine stable income with long-term growth potential, aligning well with patient capital and the ability to hold assets through multiple economic cycles.

CRYPTO
DON'T MISS OUT !!!
GOLD

3 THE POTENTIAL FOR DISRUPTION

Interviews highlighted the need for disruption in wealth management more broadly. Private banks are constrained by post-2008 regulation and compliance, leaving a gap for family offices that require complex leverage, direct private deals, and high-yield "alpha" strategies.

Our panel identified two main opportunities: first, a model that would provide institutional-grade deal flow without the rigid operational friction of traditional banks (although they recognised the near impossibility of escaping regulation); and second, digital aggregation, enabling live, consolidated tracking of complex portfolios, from liquid assets to superyachts and real estate.

Additionally, it was noted that disruption is already occurring through disintermediation. "The best investment houses are removing intermediation," noted one respondent. "There is massive investment from these players in building their networks with families and not waiting for banks to provide the access."

> "You've got a rising generation who want instant access to all their investments. They want to be able to view the trades in real time, on a daily basis live with currency overlay

4 THE CHANGING ROLE OF LONDON

Across the interviews, London emerges as a city under pressure. Sentiment is noticeably more cautious than a decade ago, yet few believe London's importance will disappear.

Many point to a tangible erosion in the UK's appeal. Unpredictable government decisions and shifting regulation are pushing some investors to look more actively at the Middle East, Europe and even Asia. As one participant observed, "There will never be a place that is geographically, legally and structurally as well set up to attract wealth and investment as London. But it has been taken for granted. The loss of tax to the UK is staggering."

Yet London's decline is relative rather than absolute. The city's deep financial ecosystem, global connectivity and time zone advantages remain powerful anchors in an era of increased global mobility. Even when principals relocate, family offices frequently retain a London base because, as one interviewee noted, "this is where business happens".

> "Principals want a small core team and a network they can tap when needed

> "If the government taxes offshore structures linked to the UK, family offices will just get up and leave

5 THE "CARRY-ON" BILLIONAIRE: FRICTIONLESS WEALTH

"Ten years ago the ambition was to build an office with dozens of staff," said one respondent. But, as another noted, "some families realised they'd built mini institutions that were becoming slow – and expensive". This is driving a growing preference among some wealthy families for lighter, more flexible structures.

In practice, this can mean day-to-day co-ordination handled through messaging platforms and remote assistants rather than large permanent offices. This reflects a broader shift in ultra-wealthy lifestyles towards convenience and immediacy. In aviation, for example, clients are comfortable paying premiums for last-minute access rather than maintaining their own assets. Some family offices are applying the same logic internally: keeping structures lean while tapping external expertise and networks when opportunities arise. ■

Key family office hubs: a quick guide

London: The emotional and social centre of global wealth has experienced a "reluctant exodus" of wealthy principals. Changes to the non-dom tax regime have turned some former residents into "wealth tourists", flying in briefly to access elite clubs before departing. Even so, London remains a critical financial command centre, with families continuing to rely on its deep transactional and advisory ecosystem.

Dubai: Dubai has successfully positioned itself as a tax efficient hub for highly mobile wealth. While its lifestyle offering has developed rapidly over the past five years, the emergence of Abu Dhabi as an alternative lifestyle option could help reinforce Dubai's long-term proposition. The long-term impact of the Iranian conflict on the UAE's hub status will take some time to assess.

Hong Kong vs Singapore: Hong Kong is steadily capturing market share as a family office hub by focusing on removing friction from its regulatory regime. Despite the competition, Singapore continues to stand out, cited by respondents as a "necessary" hub location.

Emerging alternatives: Italy's flat tax regime has become a powerful magnet for flight capital. UHNWIs are injecting substantial sums into the Italian economy through localised lifestyle spending, staffing, real estate and legal services, suggesting that investment and consumption deliver the real economic dividend alongside tax receipts. Meanwhile, the UK's Channel Islands are attracting US domestic families seeking geopolitical insulation and asset protection, rather than simple tax efficiency.

Property

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

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Results and insights from our 2025 Prime International Residential Index

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We take a deep dive into Europe's top-performing markets

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The sectors – and investors – driving commercial real estate markets

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How private money is changing commercial real estate

PIRI 100: the *ultimate* prime residential index

For 20 years, our Prime International Residential Index (PIRI 100) has provided a unique insight into price moves across the world's leading housing markets. We share this year's results

Cloud busting New York rose above tax threats

Global luxury residential prices rose by 3.2% in 2025, slightly below the 3.6% increase recorded in the previous year. Of the 100 markets tracked by PIRI, 73 saw prices increase while 24 experienced declines. The average growth rate masks significant divergence, ranging from surging values in top-tier new-build apartments in Tokyo (58.5%) to notable retreats in major Chinese cities such as Guangzhou (-12.2%).

Regional performance varied markedly. Markets in the Middle East led with average growth of 9.4%, driven largely by Dubai's 25.1% increase. Latin America and the Caribbean followed with average growth of 4.7%, with Asia-Pacific (3.6%) and Europe (3.3%) close behind. Only North America hit negative territory, with prices falling by an average 0.9%, reflecting weakness in Canadian markets.

With mainstream global house prices rising by 2.9% in 2025, prime markets continue to outperform their wider national peers, a trend evident since early 2023, reflecting their lower reliance on mortgage finance and a degree of insulation from post-2022 interest rate hikes. This momentum has played out against a challenging backdrop of persistent inflation, higher-for-longer interest rates and geopolitical volatility that has reshaped cross-border wealth flows.

3.2%
RISE IN GLOBAL LUXURY RESIDENTIAL PRICES IN 2025

> **“Prime markets continue to outperform their wider national peers**

NORTH AMERICA

New York is defying fears of wealth and property tax threats from the city's new mayor, Zohran Mamdani. While prices are up marginally (0.8%), inventory for the highest-quality, turnkey properties is remarkably low. The Upper East Side, in particular, is experiencing a strong resurgence. Los Angeles (1%) is grappling with Measure ULA, the so-called “mansion tax”, and a potential billionaire tax, which have cooled super-prime liquidity, although exempt enclaves like Beverly Hills remain strong, and the wider market ranked third globally for US$10 million+ sales in 2025.

Prices fell slightly in Miami (-0.5%), but this followed a stellar run since 2021 as the city has transformed from a second home and sunbelt wealth destination to a growing international business hub, absorbing US$4.4 billion in foreign residential investment in 2025 (see page 32).

Aspen (2.3%) posted its third-highest annual sales volume on record (see page 33), while further north, higher debt costs prompted a reversal in Vancouver (-7%) and continued decline in Toronto (-7.8%). Despite these near-term pressures, the latter continues to position itself as a cross-border wealth centre driven by surging tech and AI sectors.

MIDDLE EAST

While the war in Iran has become a defining backdrop to regional markets in 2026, many key locations entered the year on the back of an exceptionally strong 2025. In the Gulf, the UAE remained the global leader in super-prime residential performance. Dubai (25.1%) continued to dominate the headlines, recording 500 home sales above US$10 million in 2025, up from just 113 in 2021. Beyond Dubai, Abu Dhabi has been steadily emerging as a destination for UHNWIs seeking a more discreet, lower-profile lifestyle proposition (see page 32).

ASIA-PACIFIC

Asian city markets are diverging sharply. While values in Hong Kong (-2.1%) slipped back in 2025, the city is seeing one of the strongest upticks in super-prime sales with 81 US$10 million+ transactions in Q4, second only to Dubai. Momentum is being driven by a resurgent IPO market, inflows of mainland Chinese wealth and the introduction of a new talent visa scheme.

Singapore, by contrast, continues to set price records, with transactions regularly exceeding US$6,000 per sq ft, but volumes remain constrained by the 60% Additional Buyer's Stamp Duty, which impacts most foreign purchasers.

In India, rapid domestic wealth creation is reshaping the top end of the market, particularly in Mumbai (see page 33). Performance is strong in lifestyle-led and second-home markets across Australia. The Gold Coast and Brisbane are standouts (see page 33), while Sydney had a stellar Q4, with 52 super-prime sales – the highest on record. Conditions in New Zealand are more uneven. Auckland's (-5.2%) prime segment was subdued but stable, with tight high-end supply and selective demand. There is ready demand across the country for trophy properties from UHNW buyers.

EUROPE

Many markets are in a state of transition. London (-4.7%) is evolving as shifts in tax rules on wealthy residents push budgets lower and encourage some to consider renting rather than buying. While challenger cities like Milan (0.4%) and Madrid (5%) are capturing some of this mobile capital, the true strength of the European luxury market lies in its traditional second-home destinations. Méribel (9%) and Marbella (8.1%) remain in strong demand, as they continue to absorb capital from buyers prioritising generational family retreats (see page 34). ▸

On the up Hong Kong saw a boost in super-prime sales

The world in data

Knight Frank's PIRI 100 provides a definitive view of how the world's leading luxury residential markets are performing. By analysing data across regions and property sectors, the index highlights global trends as well as the standout individual markets that are outperforming today.

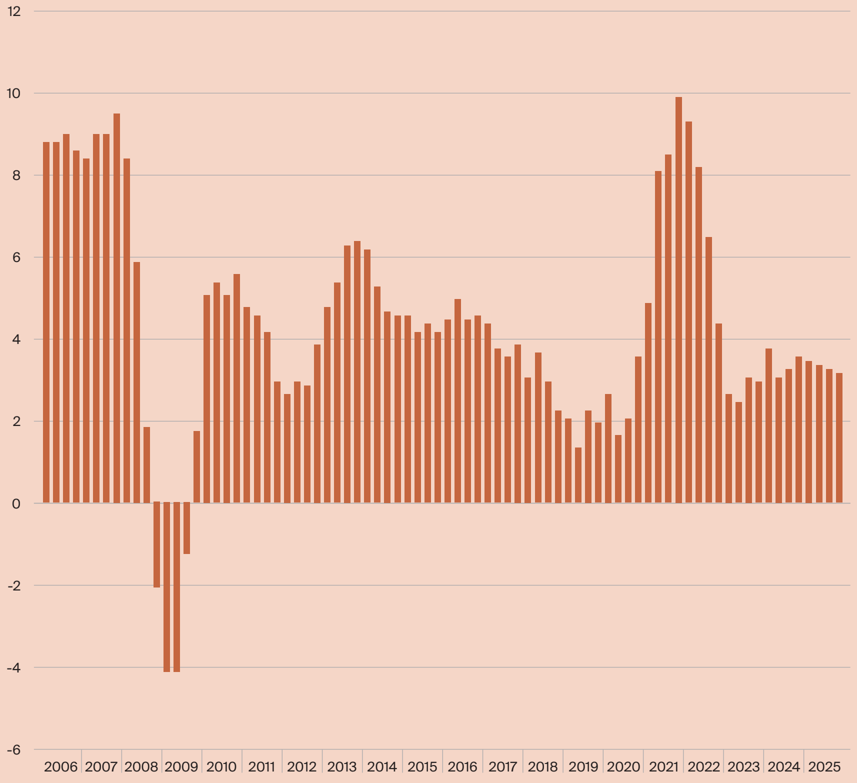
Performance in focus

Average annual prime price change by region and market type

	2024	2025
Asia-Pacific	3.6%	3.7%
Europe	2.6%	3.3%
Latam & Caribbean	5.3%	4.7%
Middle East	9.5%	9.4%
North America	3.1%	-0.9%
City	4.1%	3.1%
Alpine	3.4%	4.6%
Sun	3.1%	3.8%

The two-decade rollercoaster ride

Annual % change in prime residential prices since *The Wealth Report* was first published



58.5% **Tokyo's** new-build apartment market has been boosted by scarcity, low interest rates and strong inward demand from Asia-Pacific

8.7% **Mumbai** prices surged on strong prime and super-prime demand, with record new-build sales above US$2 million

67.1% Florida's hotspot markets have seen one of the most dramatic pricing shifts in the past five years, with **Miami** the key hub

61.2% Portugal's tax and visa offering, limited stock and new direct flight routes from the US have broadened the appeal of **Quinta do Lago**

-8.8% **Auckland's** recent price falls reflect a correction following a surge in values through the Covid-19 pandemic

-4.7% Changes to wealth taxation have weighed on the **London** market since 2014, with recent changes to non-dom rules contributing to recent falls

Going up ...

Rank	12-month price change		5-year price change	
	Market	% change	Market	% change
1	Tokyo	58.5	Dubai	193.9
2	Dubai	25.1	Tokyo	159.3
3	Manila	17.5	Palm Beach	90.5
4	Seoul	14.7	Manila	84.9
5	Prague	14.6	Riyadh	77.7
6	Cayman Islands	11.0	Miami	67.1
7	Mexico City	9.4	Seoul	64.8
8	Bengaluru	9.4	St Tropez	64.0
9	Méribel	9.0	Cayman Islands	62.0
10	Mumbai	8.7	Quinta do Lago	61.2
11	Porto	8.5	Aspen	57.7
12	Marbella	8.1	Mexico City	56.8
13	Singapore	7.9	Orange County	53.6
14	Cape Town	7.4	The Hamptons	52.2
15	Jeddah	7.2	St Barts	50.5

... Going down

Rank	12-month price change		5-year price change	
	Market	% change	Market	% change
86	Phnom Penh	-1.4	Stockholm	4.7
87	Jersey	-1.4	Saint-Jean-Cap-Ferrat	4.4
88	Ibiza	-1.8	Marrakesh	4.0
89	Hong Kong	-2.1	New York	3.1
90	Dallas	-3.0	Cannes	1.1
91	Wellington	-3.1	Hong Kong	0.9
92	Austin	-4.5	Kuala Lumpur	0.6
93	London	-4.7	Guangzhou	-0.3
94	Beijing	-4.9	Jakarta	-1.3
95	Shanghai	-5.0	London	-4.7
96	Auckland	-5.2	Phnom Penh	-5.6
97	Vancouver	-7.0	Shenzhen	-6.6
98	Shenzhen	-7.2	Auckland	-8.8
99	Toronto	-7.8	Buenos Aires	-11.1
100	Guangzhou	-12.2	Wellington	-14.7

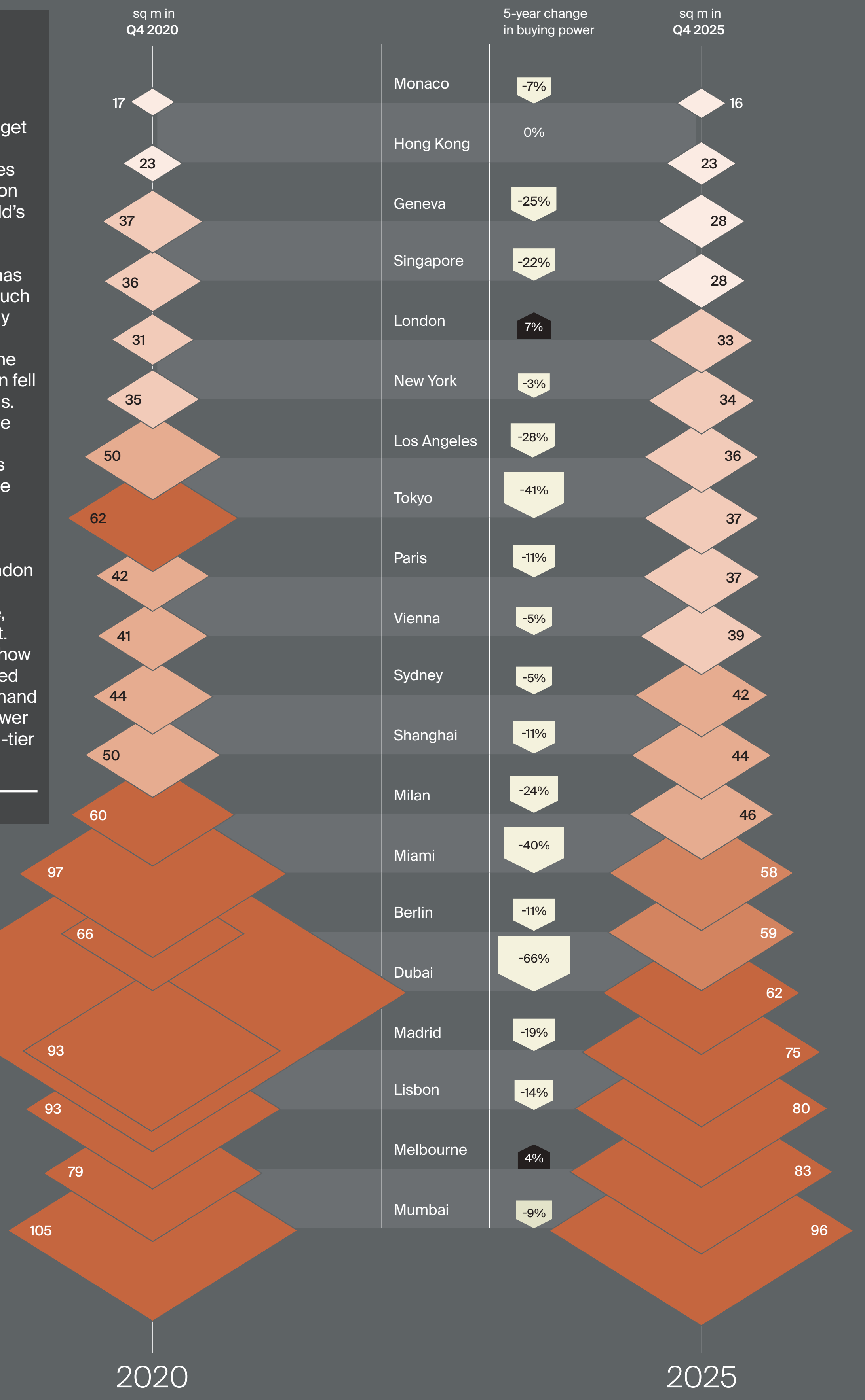
Sources: Knight Frank Research, Macrobond
For more data see Databank (page 76)

The PIRI tracker

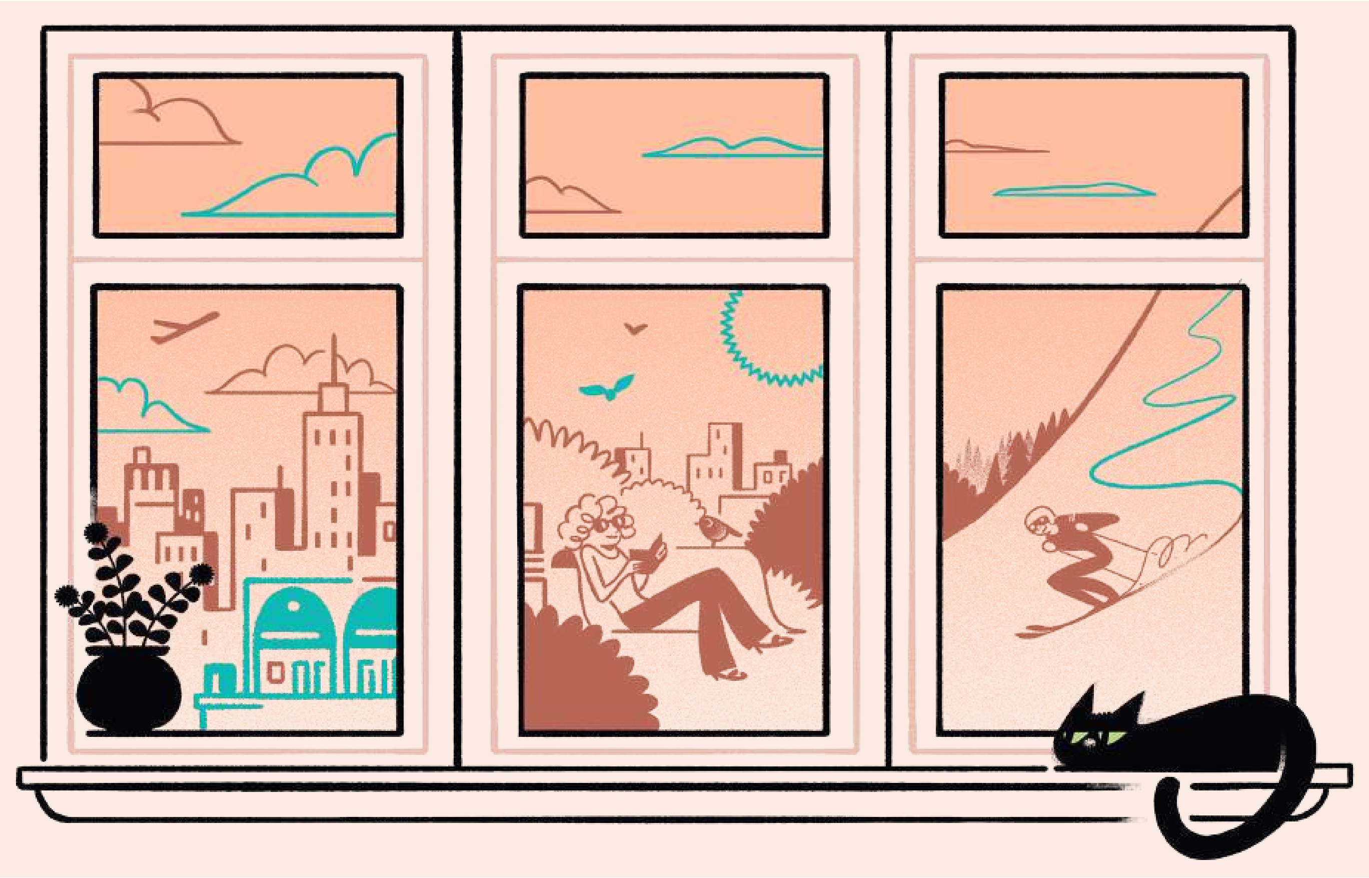
How much prime property does US$1m buy?

Want to know how far your budget will stretch? Our price tracker shows how many square metres of typical luxury accommodation US$1 million will buy in the world's top markets. This year, we've added a five-year perspective, illustrating how buying power has shifted since 2020 and how much space the same budget will buy you today.

Between 2020 and 2025, the spending power of US$1 million fell sharply in many prime locations. The steepest contractions were in Dubai (-66%), Tokyo (-41%), Miami (-40%) and Los Angeles (-28%), reflecting intense prime market appreciation. Geneva, Singapore and Milan also saw notable declines. A handful of markets bucked the trend: London (+7%) and Melbourne (+4%) offered slightly improved value, while Hong Kong remained flat. Overall, the data underscores how rapid wealth growth, constrained supply and global investor demand have reduced dollar buying power across many of the world's top-tier residential markets.



Sources: Knight Frank Research, Macrobond
For more data see Databank (page 76)



Six themes shaping the global residential market

From wealth creation and tax-driven mobility to scarcity, branding and competing global hubs, we explore six structural forces driving prime residential market performance today

1 THE RISE AND RISE OF WEALTH CREATION

In many markets the prime residential sector has decoupled from the broader housing sector, sustained by the outperformance of wealth creation, which is running at 5.3% annually against global GDP growth of 3.3%. While mainstream markets remain highly sensitive to macroeconomic headwinds, the sheer velocity of wealth creation ensures demand for luxury real estate remains more insulated, especially from recent volatility in debt costs. In prime central London, for instance, nearly 50% of purchases are unleveraged. Consequently, in major global hubs, the luxury segment is outpacing the rest of the housing market.

2 TAX AND POLITICAL RHETORIC DRIVE WEALTH MIGRATION

Taxes and anti-wealth rhetoric are becoming a structural theme shaping residential markets. In Los Angeles, the Measure ULA "mansion tax" and talk of a billionaire levy have dented sentiment, yet demand remains deep, delivering record super-prime deals. New York faces similar noise around wealth and property taxes, without a decisive hit to volumes. The pattern reflects politics: successful global cities tend to lean left, so fiscal pressure encourages politicians towards asset taxation. Constrained sales in Melbourne, where property taxes are higher than in Sydney, illustrate the potential risk. In the UK, non-dom reforms have pushed mobile capital towards Monaco, Italy, the UAE, Switzerland and elsewhere. Expect more of the same.

> **"In Los Angeles, the Measure ULA "mansion tax" and talk of a billionaire levy have dented sentiment, yet demand remains deep, delivering record super-prime deals**

3 HIGH MOBILITY AND THE "DIP-IN, DIP-OUT" LIFESTYLE

Rising tax and growing regulatory pressures are accelerating the global mobility of wealth. UHNWIs are increasingly organising their lives across multiple jurisdictions, with family offices actively managing tax, lifestyle and political risk. As a result, established hubs such as London are shifting towards a "dip-in, dip-out" model: places to spend time for business, culture and connectivity rather than a permanent residence (see page 30 for more). European buyers in particular are gravitating toward more tax-efficient bases such as Milan, Madrid and Malta, using major global cities selectively rather than settling in them full-time. This mobility is reshaping prime residential demand, with flexibility becoming a core driver of value.

4 WEALTH HUBS COMPETING – AND CONNECTING

If the wealthy are living increasingly footloose lives, so too are their advisers. London, New York and Dubai reflect an emerging pattern, with family offices establishing outposts across multiple global hubs. In Asia, this has reshaped the long-running rivalry between Hong Kong and Singapore for wealth leadership. Singapore enjoyed a post-pandemic boom, reinforcing its safe-haven status and attracting large numbers of family offices. But physical constraints, high living costs and tighter regulation have slowed momentum. Hong Kong, by contrast, is rebounding. Buoyed by a resurgent IPO market and an influx of mainland professionals via new talent visa schemes, the city is reasserting its appeal, offering lower income taxes, discounted real estate and rapid family office set-up times. As wealth creation accelerates across Asia and family offices increasingly favour multi-hub strategies, the two centres are operating more as complementary nodes, with prime housing demand following.

> **"Buyers now demand more than turnkey luxury; they are willing to pay premiums for curated communities, assured top-tier service, privacy, convenience and high-quality amenities**

5 SCARCITY SHAPES PRIME MARKETS

A chronic shortage of prime, move-in-ready housing is becoming a defining feature of global luxury markets. Across New York, London, Los Angeles and Sydney, affluent buyers are increasingly unwilling to absorb renovation risk amid rising construction costs, planning delays and regulatory friction. As a result, well-priced turnkey homes attract intense competition and transact quickly. Constraints vary by market, tax policy, environmental disruption, restrictive planning systems and limited land, but the outcome is consistent. From Miami Beach to Singapore and Aspen, scarcity is underpinning values, compressing choice, and reinforcing the premium attached to high-quality, immediately occupiable assets across major wealth hubs.

6 THE PREMIUM ON BOUTIQUE BRANDED RESIDENCES

Scarcity of completed stock and global wealth growth are driving a rapid expansion in branded residences, with Knight Frank projections pointing to more than 1,000 live schemes worldwide by 2030. The sector is evolving beyond traditional hotel partnerships, with a growing share of standalone developments and non-hotel brands emerging from the fashion and wellness sectors. Buyers now demand more than turnkey luxury; they are willing to pay premiums for curated communities, assured top-tier service, convenience, privacy and high-quality amenities. At the same time, the market's geographic centre is shifting eastward, with the Middle East and Asia leading the pipeline for these highly personalised residences. Expect the branded sector to exert an increasing influence on the wider luxury market. ■

Rent demand Apartment in Cheyne Walk, Chelsea, available through Knight Frank

Presence over residence

A potent mix of tax pressure, frictionless technology and shifting lifestyles is driving unprecedented mobility among the wealthy, reshaping where they live, invest and buy luxury homes, with profound implications for developers and investors

"I have a live instruction to buy seven townhouses in central London." In the spring of 2026, that is not a sentence heard often in a luxury market still reeling from sweeping tax reforms. Yet over breakfast in St James's in London, it was precisely the brief on the table, with each of the properties in question priced at well above US$20 million.

The objective is not ownership but flexibility. Each house will be furnished to the highest specification and fully staffed. But these are not family homes. Rather, they are turnkey residences for the ultra-wealthy who might stay a month, a fortnight, or even less; people for whom the world's largest financial centre is simply a short-term base.

As Knight Frank's Head of Prime Central London Developments Rupert des Forges puts it, "London is now a dip-in, dip-out city. My clients are deeply connected to it socially and professionally, but some won't live here because the tax framework no longer works for them. They arrive Tuesday morning, stay till maybe Wednesday night, then head back to Milan, Madrid or Malta for the weekend."

Taxes and wealth levies, sharpened by political rhetoric, have broken the long-standing bond between the rich and any single place. London is not alone. Los Angeles, New York and a growing number of Western cities are testing how hard they can squeeze affluent residents before they trade permanent residency for a life lived out of a suitcase.

The problem for would-be tax raisers is that technology has all but erased the friction of running a global business empire. According to Knight Frank's Head of Private Office Paddy Dring, his clients have "an almost nomadic ability to switch from one location to another". Today's ultra-wealthy are buttressed by sophisticated family offices spanning multiple time zones, always-on communications and a normalisation of remote management that allows an entrepreneur to oversee business from a yacht in the Mediterranean or a beach in the Bahamas. Travel has kept pace: private jets and superyachts now offer communications infrastructure and operational capability to rival a six-star hotel.

Push the tax lever too far and the wealthy will simply leave and, as Milan, Monaco, Switzerland, Dubai and Miami have learned, they gravitate to markets where politicians are content to court them at something closer to the Laffer curve's sweet spot. The loss for departing cities is a full-time resident; the gain, for receiving markets, is a stream of transient occupiers and the tax revenues that travel with them. Which is why those seven townhouses in Belgravia and Knightsbridge will not be the last. ■

FOUR WAYS ULTRA-MOBILITY IS AFFECTING REAL ESTATE

The shrinking "trophy" budget and the rise of the bolthole(s)

As UHNWIs increasingly spend fewer than 90 days a year in traditional hubs, their property requirements have scaled down. In London, des Forges notes that buyers who would historically have spent US$30 million to US$50 million on a primary residence are now allocating around US$15 million for a more practical bolthole. The appetite for vast square footage in a global centre has been replaced by a demand for convenience.

A feverish super-prime rental market

With buyers reluctant to incur stamp duty or mansion taxes on properties they will use only a few days a month, the super-prime rental market has surged. Many mobile UHNWIs are opting for exceptionally high-end rentals, willing to pay considerable sums for the freedom to leave whenever tax laws or personal circumstances dictate, without the friction of offloading an illiquid asset. Top-end rents in New York, London and Singapore have risen by 63%, 53% and 48% respectively over the past five years.

A renewed premium on turnkey and managed residences

Mobility demands properties that function effortlessly. When a buyer touches down on a Tuesday morning, they want the fridge stocked, the heating on and the concierge waiting. Demand for highly serviced residences has followed. Hotel brands are moving aggressively into the space and, as Paddy Dring of Knight Frank's Private Office confirms, "Buyers don't want the hassle of managing large properties, they want turnkey perfection. Everything has to be curated to the nth degree."

The private members' club as the ultimate city base

When the wealthy are in a city for just 48 hours of dealmaking and socialising, a club provides a ready-made base. As Alasdair Pritchard of Knight Frank's Private Office puts it: "You have limited time, you need to make it work. Being right in the middle of Mayfair does that. My clients use their clubs to bring their network together." As key cities evolve into temporary nodes for a globally mobile wealthy class, the club boom that took hold in London and New York is spreading to Miami, Milan, Singapore and beyond.

The new *geography* of prime living

A cluster of key markets are experiencing unprecedented change in their luxury appeal. Abu Dhabi, Miami, Mumbai and Brisbane are reshaping the geography of prime real estate

ABU DHABI: A NEW MIDDLE EAST CULTURAL HUB

Structural market shifts continue across the UAE, even as the war in Iran has unsettled sentiment. Dubai's rise remains one of the defining narratives of the post-pandemic era, with record global super-prime (US$10 million+) residential sales in 2025, driven by buyers from the Middle East, Europe, China and India. Meanwhile, neighbouring Abu Dhabi has been emerging as a culturally rich alternative. Home to outposts of the Louvre and the Guggenheim, and set against stretches of unspoilt coastline, it is drawing ultra-wealthy families seeking the UAE's economic advantages with a less frenetic pace of life.

MIAMI: THE US WEALTH MAGNET

Miami is firmly established as the US's leading destination for foreign residential investment, recording US$3 billion in super-prime sales in 2025, alongside US$2.4 billion in neighbouring Palm Beach. But Miami's story is no longer one of foreign capital and vacation homes; the city is being rewired as a tech and finance hub. High-profile buyers such as Ken Griffin and Peter Thiel have accelerated a shift in domestic wealth that shows no sign of slowing. The ultra-prime market has followed: one South Beach sale breached US$5,000 per sq ft in late 2025, a level that would have seemed implausible even two years ago.

Fast track Brisbane is seeing rapid growth

MUMBAI: THE DOMESTIC GIANT

A rise in GDP of 38% in five years is fuelling the domestic ultra-luxury market, with India's financial capital leading the charge. The city functions much like India's New York: restricted coastal geography and chronic land scarcity naturally command a substantial premium. In 2025, Mumbai recorded 56 new-build sales in the US$5 million+ category. Wealth creation in technology and industry, combined with a post-pandemic appetite for lifestyle upgrades, is driving affluent domestic buyers to seek expansive views and world-class amenities, and pulling a new wave of developers into the luxury segment.

BRISBANE: THE INFRASTRUCTURE PLAY

Australia's third largest city is experiencing rapid growth propelled by the 2032 Olympic Games and significant government infrastructure investment. A favourable planning environment has allowed developers to fast-track luxury projects, pushing top-end apartment prices from a historical ceiling of around US$6 million to over US$10 million in just 12 months. Super-prime product in Brisbane is now exceeding US$32,000 per sq m, reflecting intense demand for high-quality, turnkey stock.

THE REST OF THE PACK

While the meteoric rise of the new wealth centres grabs the headlines, several established markets are quietly staging prime and super-prime surges of their own. In Asia, Hong Kong is mounting a fierce rebound: fuelled by a booming IPO market, favourable tax conditions and an influx of mainland Chinese wealth, the city logged 81 sales above US$10 million in the final quarter of 2025 alone, more than any global city outside Dubai. Singapore's luxury condo market recorded a 50.6% year-on-year jump in transaction values as global investors sought safe-haven trophy assets and branded residences. In the US, brokers on New York's Upper East Side are reporting their busiest months on record and unprecedented transaction speeds for premium, move-in-ready homes. Lifestyle and resort markets are proving equally resilient. The best prime homes in Queensland are now seeing sales above US$15 million – a level that would once have seemed remarkable. Elsewhere, Aspen posted US$2.25 billion in residential sales volumes, its third-highest figure ever, driven by unprecedented number of transactions above US$30 million and record per sq ft prices at the very top of the market. ■

In their own words

Our experts on where the global prime property market is now – and where it's heading

“

Miami's luxury spread

South Beach is pushing ahead again at the very top end. There are now five five-star, hotel-linked residences taking shape at the southern tip of Miami Beach, putting it back at the epicentre of true, resort-led ultra-luxury in North America.

“

New York, new mayor

January 2026 was probably the busiest month for high-end transactions we've ever seen. The Mamdami issue? Zero impact – at least so far ...

“

Abu Dhabi's quiet rise

Abu Dhabi has the beaches, the sea, the calmness. The Dubai International Financial Centre on a Friday night is great, but downtown Abu Dhabi is just a different place to be.

“

Taxing times in Los Angeles

The “mansion tax” and the billionaire tax have split the market. If you're a developer trying to sell something at US$20 million to US$30 million, it's doable, but it's hard. But in the Beverly Hills Flats right now? Try buying anything under US$10 million, you're getting a tear-down –at best. The market's hot.

“

The Hong Kong opportunity

Hong Kong has never been a market when it comes to yield. It's always been a capital-gain play, and, honestly, I've never seen a bigger opportunity in my career. This is a true buyer's market.

“

Mumbai's relentless upward climb

Mumbai luxury is shaped by land scarcity. The city is defined by the sea, Delhi can grow laterally. In Mumbai, you need to go vertical. Towers are the luxury form of housing.

“

Singapore's domestic reliance

Singapore is different from other major gateway markets. We've seen a number of record-breaking deals, new prices, new highs, new benchmarks for property investment, and that's largely being driven by locals. It's not international buyers setting these records; they're limited by tax.

“

Brisbane's arrival

Until last year, the apartment price ceiling in Brisbane was about US$6 million. In the space of 12 months, that's moved to US$10 million. There's a real can-do attitude here. You can get an 80-storey tower approved in four months. Anywhere else in Australia, that's simply not happening.

WITH THANKS TO:

Adam Modlin, Founder & CEO, The Modlin Group, New York

Adam Ross, Head of International and Private Clients, McGrath Estate Agents, Sydney

Alasdair Pritchard, Private Office, Knight Frank London

Ankita Sood, National Director Research, Knight Frank India, Gurgaon

Christine Li, Head of Research Asia-Pacific, Knight Frank Singapore

Ho-Pin Tung, Head of Private Office, Knight Frank Hong Kong SAR

Nick Segal, Managing Broker, Carolwood Estates, Beverly Hills

Paddy Dring, Head of Private Office, Knight Frank London

Will McKintosh, Head of Residential, Knight Frank Dubai

Europe in *focus*

Viewed as a safe haven in uncertain times, Europe's top-tier housing markets navigated an uneven 2025. But, far from splintering demand, the uncertainty has intensified the flow of global capital into prime and super-prime homes

Golden year Marbella is one of Europe's hotspots (available through Knight Frank)

Europe's offer came into sharp focus during the first half of 2025. A softer euro offered a potential discount for dollar-based buyers in particular, and cheaper debt sweetened the proposition as the European Central Bank (ECB) delivered four rate cuts across the whole year, matching the tally from 2024.

TAX RESHAPES THE WEALTH MAP

The abolition of the UK's 200-year-old non-dom tax regime triggered meaningful, if undramatic, wealth outflows to Europe and beyond. While many relocations out of the UK were to Dubai, the US and further afield, some targeted European markets, with Italy, Monaco and Switzerland proving attractive.

"The direction of travel is already clear," says Mark Harvey, Head of Knight Frank's International Department. "Countries offering stable tax regimes and predictable governance continue to draw the most interest."

Early signs point to incremental movement rather than a surge. Many departing households are opting to keep their UK property assets and rent them out, rather than selling.

ITALY TOPS WISH LISTS

Italy is fast becoming Europe's tax-led magnet. Its nationwide flat-tax regime – even after an increase in the annual charge to €300,000 – is continuing to attract internationally mobile wealth. In 2025, Milan remained the principal beneficiary, with demand exceeding prime stock. As supply tightened, buyers looked to Rome, Tuscany and the shores of Lake Como.

DIVERGING FORTUNES IN EUROPE'S TRADITIONAL HUBS

Elsewhere, Europe's established top-tier cities moved in different directions. Zurich rose 4.6%, Frankfurt ended the year up 4%, Paris saw prime values edge up 1.3% and Milan by 0.4%, while London recorded a decline of -4.7%.

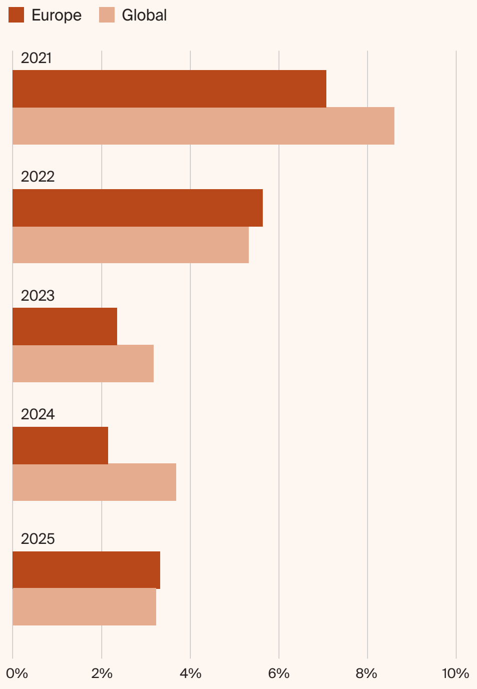
IBERIA COMES OF AGE

Iberia's fortunes reflected its broader economic performance. Spain and Portugal delivered some of Europe's strongest growth in 2025. The region also posted robust price gains (Porto 8.5%, Marbella 8.1%), supported by inflows from northern Europe, the US and Latin America. Quality of life, schools and improving infrastructure cemented its place on global relocation maps.

In Portugal, the closure of the real estate pathway for the Golden Visa scheme and the shift to a more restrictive Non-Habitual Resident (NHR) tax regime – now focused on specific scientific professions – may soften, but is unlikely to derail, international demand. ▸

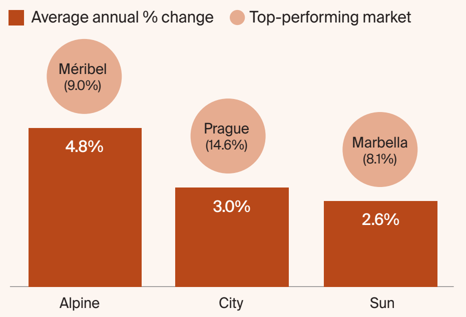
Europe vs the world

Average annual prime residential price change



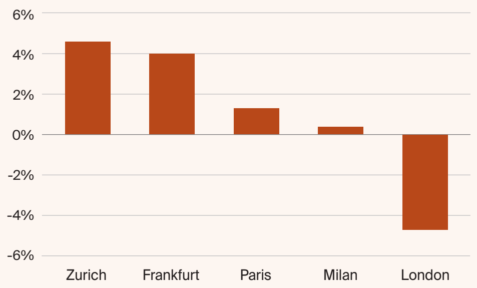
Mountains outshine metros and the Med

Average annual % change by location type, 2025



Europe's financial capitals diverge

Annual % change, 2025



Source: Knight Frank Insight. For more data see Databank (page 76)

Dreaming domes Florence tops wish lists

Chalets shine Méribel reaches the peaks

3.3%

AVERAGE ANNUAL PRIME PRICE CHANGE ACROSS EUROPEAN RESIDENTIAL MARKETS

MONACO AND THE CÔTE D'AZUR: PRESSURE AND SPILLOVER

Price premiums in Monaco reached new heights in 2025. New-build homes in the principality averaged US$47.9 million according to IMSEE, Monaco's Statistics Office, more than five times the US$8.9 million achieved by existing properties in 2025.

Monaco's combination of high prices and a limited supply of large homes pushed some buyers to look along the French Riviera, driving interest in neighbouring coastal markets.

Roquebrune-Cap-Martin recorded several transactions in the US$30 million to US$70 million range, largely to Monaco-based buyers seeking turnkey homes. Les Parcs de St Tropez, Saint-Jean-Cap-Ferrat and select addresses in Cannes also saw a number of high value sales. However, behind these headlines, overall sales volumes on the Côte d'Azur slipped. Buyers paused for clarity on interest rate policy and the direction of France's political and wealth tax landscape.

THE ALPS HOLD STEADY

The picture was markedly different in the Alps. Resorts such as Gstaad, Courchevel and Verbier recorded healthy levels of activity. "Demand remained robust in Verbier, but caps on second-home purchases mean more buyers are seeking residency in order to access a broader pool of properties," says Alex Koch de Gooreynd of Knight Frank's Swiss Desk.

Policy shifts and geopolitical tensions have reinforced Switzerland's appeal, with its political stability and safe-haven currency drawing international buyers. Zurich, for example, has seen growing interest from German and Nordic purchasers. Meanwhile Geneva's Left Bank – particularly Cologny – has been especially active, accounting for roughly 75% of sales above US$12.5 million across the wider Lake Geneva market.

Another emerging theme – mirrored elsewhere in Europe – is the growing importance of hotel investment and branded residences, which are increasingly functioning as a leading indicator of prime residential demand.

THE AMERICAN PRESENCE: VISIBLE, BUT NOT TRANSFORMATIVE

Talk of an American buying wave often exceeded the evidence in 2025. US buyers were indeed more noticeable in Paris, Italy, Portugal and the South of France, but quantifying the trend is difficult. One hard data point comes from Knight Frank's Madrid office, where the US share of prime sales rose from 0.5% in 2018 to more than 8% in 2025. ■

2026: SAFE HAVENS BACK IN THE SPOTLIGHT

The first quarter of 2026 was marked by heightened volatility. Investors were already navigating a shifting tariff landscape and surging AI valuations before the outbreak of war in the Middle East added a further layer of uncertainty.

The conflict has unsettled financial markets through rising energy prices and inflation expectations. Against this backdrop, Europe's luxury residential markets enter the year with cautious optimism.

For the ECB, the outlook for interest rates has become less straightforward. Markets had begun to price in a gradual easing cycle, but a sustained rise in energy costs could slow the pace of cuts in Europe. Switzerland may still drift back towards negative rates over time, reinforcing the appeal of real estate as a store of capital relative to cash.

Infrastructure investment continues, and Europe's relative political stability still carries weight with internationally mobile wealth.

The headwinds for Europe are clear: elevated public debt and subdued economic growth, as well as tightening regulatory and tax scrutiny. The IMF forecasts eurozone GDP growth of around 1.3% in 2026, with only a handful of economies exceeding that level.

The likely outcome is firm rather than frenetic demand in the prime sector. Cities are regaining momentum as they align with the priorities of UHNW buyers – convenience, culture and discretion. Lifestyle markets, from Marbella to Corfu and Tuscany to the Alps, retain their appeal.

Turnkey homes will command a widening premium as buyers avoid costly renovations. Holiday rental rules are tightening, and energy-efficiency standards will bite more sharply. Branded residences continue to proliferate.

At the same time, wealth and exit taxes are becoming more intricate – often with uneven results. President Macron's wealth tax, for instance, raised barely a quarter of what had been expected last year, while Swiss voters rejected an inheritance tax proposal.

In 2026, Europe may need to work harder to attract wealth from emerging markets, but it still faces few credible rivals for globally mobile capital. If policymakers can offer stability while maintaining a measured regulatory approach, the region's long-standing advantages will endure.

8

NUMBER OF ECB RATE CUTS SINCE LATEST EASING CYCLE BEGAN IN JUNE 2024

Hottest housing markets

Colleagues from Knight Frank's global network share their take on the neighbourhoods set to outperform

Via Veneto, Rome, Italy

Andrew Blandford-Newson, Italian Desk

Once synonymous with Fellini's seminal 1960s film *La Dolce Vita*, Via Veneto is reclaiming its status as one of Rome's most glamorous addresses. A wave of new five-star openings – including W Rome, The Edition and the upcoming Rosewood and Four Seasons – has reshaped the district, anchored by the revived business hub around Via Leonida Bissolati and Piazza Barberini, minutes from Termini station. Elegant cafés, historic hotels and landmark restaurants such as Nobu sit alongside the buzz of new investment.

WHO'S BUYING?

International investors seeking a Roman pied-à-terre, private equity and family offices backing change-of-use schemes, corporate tenants linked to nearby HQs and embassies. Alongside Italian purchasers, American and Polish buyers currently dominate in the prime segment.

WHAT YOU PAY

With a budget of around US$1.2 million, buyers can secure a fully renovated 100 sq m apartment – the most sought-after size for professional tenants – while a five-bedroom villa in the area commands upwards of US$19 million.

WHAT TO EXPECT

A cosmopolitan, hotel-led lifestyle, the evening passeggiata along Via Veneto, aperitivi on sun-dappled terraces and a front row seat to Rome's modern revival.

Deià, Mallorca, Spain

Jack Harris, Spanish Desk

Nestled at the foot of the Teix mountain on Mallorca's north west coast, Deià is one of Europe's most famous and treasured villages. Long favoured by artists and writers, its honey-coloured stone houses, terraced olive groves and winding lanes create a distinct sense of place. Views that sweep across the village, mountains and sea define its appeal, as does the gentle rhythm of life shaped between home, village and the cala.

WHO'S BUYING?

Primarily British, US and northern European second-home owners, with longer stays and relocations becoming common as the village attracts a broader international audience.

WHAT YOU PAY

Strict planning controls and UNESCO protection limit supply. Two-bedroom village homes start at around US$2.4 million; four-bedroom villas with pools and sea views are available from roughly US$8 million.

WHAT TO EXPECT

Exceptional light, crystalline coves and a strong, characterful community. ▸

Light fantastic Waterfront living in Deià

All properties available through Knight Frank

Dalefield, Queenstown, New Zealand

Chris Farhi, Head of Insights, Data & Consulting, Bayleys

Set against the dramatic backdrop of the Southern Alps, Queenstown remains one of the southern hemisphere's most established lifestyle destinations, drawing visitors year round for its alpine scenery, winter snow and vibrant calendar of food, wine and outdoor pursuits. Residents of Dalefield enjoy proximity to Millbrook golf course, home of the New Zealand Open, along with an evolving culinary scene anchored by neighbourhood destinations such as Ayrburn.

WHO'S BUYING?

Lifestyle-led buyers seeking privacy, scale and a strong connection to nature. Demand comes from a mix of New Zealand-based and offshore buyers. The government's new visa rules allow certain classes of investors to purchase one home valued above US$3 million.

WHAT YOU PAY

Modern homes on lifestyle estates typically range from US$3 million to US$5 million upwards depending on size, aspect and positioning. From time to time, exceptional estates commanding significantly higher prices also become available.

WHAT TO EXPECT

Space, privacy and expansive alpine views, combined with easy access to Queenstown with its year-round recreation, hospitality and infrastructure.

Shore thing Historic villa apartment, Como

Southern star Secluded luxury, Dalefield

Lake Como, Italy

Isabella Foster, Italian Desk

Long regarded as an elegant classic for Italians and affluent Europeans, Lake Como has attracted international wealth for generations. Framed by the Alps and within easy reach of Milan and Switzerland, it serves both as a seasonal retreat and a popular relocation base. Prices continue to register steady growth, driven by the scarcity of historical lakefront villas with private gardens, boat houses and broad terraces, and by the market's long-term stability. Life by the lake is centred on the water, with Como and villages such as Bellagio, Tremezzo, Menaggio and Varenna easily reached by road and boat.

WHO'S BUYING?

Demand comes from international families and Milan-based business owners seeking a long-term European base. Interest is strongest from American and northern European buyers, alongside a growing number from the Middle East, with Italy's flat-tax regime a key driver. Strong services and infrastructure – from international schools to Michelin-starred restaurants – provide further stability.

WHAT YOU PAY

Three-bedroom apartments range from US$2 million to US$5 million, while four- or five-bedroom villas with direct lake frontage command US$14 million to US$18 million.

WHAT TO EXPECT

Discretion, a slower pace of life and enduring appeal.

St-Martin-de-Belleville, French Alps

Roddy Aris, Alpine Desk

Still relatively undiscovered, St-Martin-de-Belleville offers direct access to the world-renowned Les Trois Vallées ski area. The village combines an authentic alpine lifestyle with excellent connectivity: Geneva Airport is around two hours away, and Lyon 90 minutes.

St-Martin has a strong gastronomic reputation, anchored by the Michelin-starred La Bouitte. Outside the ski season, the area offers exceptional hiking, traditional alpine farms and renowned climbing routes such as the Via Ferrata Le Cochet. Local favourites for relaxed après-ski dining include the five-star M Lodge and the four-star Lodji Hotel.

WHO'S BUYING?

Lifestyle-led buyers drawn to a more discreet alternative to the headline resorts, prioritising privacy, year-round use and long-term value.

WHAT YOU PAY

Three-bedroom apartments start from around US$1.1 million, with four-bedroom chalets from US$1.8 million, depending on views, positioning and wellness amenities.

WHAT TO EXPECT

A refined, authentic alpine community prized for quality and a strong sense of place.

Upper East Side, Manhattan, New York City, US

Adam Modlin, Founder & CEO, The Modlin Group

Known for its elegant pre-war buildings and classic townhouses, the Upper East Side is home to The Met and MoMA, high-end boutiques and designer stores, excellent private schools and healthcare institutions.

WHO'S BUYING?

Domestic and international buyers drawn to the prestige of this coveted neighbourhood.

WHAT YOU PAY

New condos and pre-war residences start at US$3,000 per sq ft and can exceed US$6,000 to US$7,000 per sq ft. Townhouses in need of renovation trade between US$2,500 and US$3,000 per sq ft, rising to US$4,000 per sq ft for a turnkey residence.

WHAT TO EXPECT

World-class culture, restaurants, private members' clubs and boutiques amid pristine tree-lined blocks.

> “ Lower profile than the Gold Coast, the Silberküste attracts buyers seeking privacy, space and long-term value

Silberküste, Zurich, Switzerland

Alex Koch de Gooreynd, Swiss Desk

Stretching along the western shore of Lake Zurich, the Silberküste is one of the city's most discreet and established residential districts. Lower profile than the better known Goldküste, it attracts buyers seeking privacy, space and long-term value. Lex Koller requires non-resident buyers to take Swiss residency, attracting committed long-term internationals, while corporate purchases need Swiss control.

The area offers lakeside living with swift access to Zurich, plus amenities such as the Golf & Country Club Schönenberg and the Zurich Yacht Club. Residents also enjoy local traditions, including April's Sechseläuten, best experienced from the lake.

WHO'S BUYING?

Swiss families, senior executives and business owners, including buyers from the US, UK and northern Europe relocating as Swiss residents.

WHAT YOU PAY

Two-bedroom apartments start at around US$1.9 million, while prime waterfront villas start at around US$25 million.

WHAT TO EXPECT

A refined, understated lifestyle centred on swimming, sailing and dining at longstanding favourites such as Chez Fritz or Tracht. ▸

Discreet charm Lakefront apartment, Silberküste

Chelsea, London, UK

Stuart Bailey, Head of Super Prime London Sales

Chelsea's Tudor, Georgian and Victorian architecture has evolved naturally rather than through wholesale redevelopment, with former artists' studios sitting alongside townhouses and atmospheric mews. Quiet tree-lined streets and a certain creative spirit create a genuine sense of "home" for a settled population of residents, supported by schools and local amenities including the iconic Peter Jones department store, the Saatchi Gallery and Bluebird restaurant.

WHO'S BUYING?

Demand is anchored by domestic buyers, although international interest is growing, particularly from the US, increasing the diversity of overseas buyers. Prices are down by around a quarter since the last peak a decade ago, compared with 11% in neighbouring Fulham, underlying why buyers increasingly sense value in Chelsea.

WHAT YOU PAY

Two-bedroom apartments range from US$875,000 to US$2.7 million, three-bedroom houses from US$2.7 million to US$5 million, and larger family houses in the region of US$7.4 million to US$13.4 million.

WHAT TO EXPECT

Genteel bohemian energy in a traditional residential area with beautiful architecture.

> “Chelsea offers genteel bohemian energy in a traditional residential area with beautiful architecture

Artist in residence Mallord Street, Chelsea

Geelong, Victoria, Australia

Michelle Ciesielski, National Head of Research, McGrath

Geelong's waterfront has emerged as one of the region's most sought-after neighbourhoods. Nearby leisure options include the Surf Coast's beaches and the Bellarine Peninsula's wineries and golf courses, as well as marina facilities. Significant public and private investment is helping boost cultural and recreational opportunities and improving links to Melbourne and major airports, while the city retains its relaxed coastal character.

WHO'S BUYING?

Melbourne lifestyle movers, professionals, downsizing retirees, and investors seeking coastal areas with steady long-term prospects.

WHAT YOU PAY

A modern two-bedroom waterfront apartment typically starts from US$1.5 million, while a four-bedroom detached home close to the bay commands more than US$2 million.

WHAT TO EXPECT

Expansive views across Corio Bay and a vibrant, walkable foreshore.

Pacific Palisades, Los Angeles, US

Nick Segal, Managing Broker, Carolwood Estates

This affluent residential neighbourhood tucked between the Santa Monica Mountains and the Pacific Ocean offers hiking trails with sweeping coastline views, while the sandy Will Rogers State Beach provides access to a 22-mile beachfront bike path. Landmarks include the Getty Villa Museum and mid-20th century architectural gem The Eames House.

WHO'S BUYING?

Homeowners are rebuilding following 2025's devastating wildfires, restoring the area's picturesque beauty. For those looking to join the community, beautiful estates command between US$10 million and US$25 million.

WHAT YOU PAY

In a global context, Los Angeles is attractive, with prices typically between US$2,000 and US$2,500 per sq ft.

WHAT TO EXPECT

Proximity to the beach, soft breezes and magnificent ocean views lower pulse rates and offer a relaxing alternative to much of the rest of the city. ■

Chain *reaction*

Blockchain has fallen short of disrupting the real estate sector – so far. Now AI looks set to unlock its potential

The word "blockchain" began leaking out from obscure corners of the internet in late 2008, when Satoshi Nakamoto published the white paper *Bitcoin: A Peer-to-Peer Electronic Cash System*. Excitement about its potential to disrupt industries such as investing and real estate followed, including discussions in *The Wealth Report*.

The predictions were twofold. First, transactions would increasingly become encoded on blockchains: decentralised, distributed digital ledgers that provide an incorruptible source of truth. Second, this technology – which also underlies cryptocurrencies – would enable fractional investment in large assets, including real estate, with small slices available to buy or sell, similar to how investors trade equities.

There have been plenty of pilots from both governments and start-ups. As long ago as 2019, the UK Land Registry demonstrated a blockchain-based prototype that carried out conveyancing in less than 10 minutes. In the US, companies including Propy and Beeline offer services that bring many aspects of the home purchase process on-chain.

But such initiatives have yet to enter the mainstream. The average real estate purchase, whether for a three-bedroom apartment or a 30-storey office building, still goes nowhere near a blockchain. Beeline's shares have fallen 99% over the past five years. The market value of Propy's crypto token has slipped to about US$24 million, one-tenth of its 2022 peak.

"The predictions didn't play out, at least not yet," says Mats Snäll, a senior adviser at Sweden's Agency for Digital Government. "Blockchain has always been regarded as 'unexplainable' and, so, untrustworthy."

Part of the problem is that, while blockchain is good at tracking purely digitally based financial assets, it's less good when it comes to the physical. A blockchain simply records a state of ownership across many computers, easily updated in the software realm. But when trading tangible assets, an external body still needs to ensure the state of the blockchain accurately reflects the state of the world, which undermines the entire endeavour.

LAYING THE FOUNDATIONS

Because traditional records can't be replaced overnight, introducing a new system risks doubling the cost, argues Andrew Baum, emeritus professor at the Saïd Business School, who founded the Oxford Future of Real Estate Initiative. "Blockchain will probably be transformative in the long run, but in the short run it certainly hasn't been," he says. "Paper-based or old-fashioned computer-based records still have to be maintained while you're introducing a new technology like blockchain."

Despite these challenges, some still say blockchain will eventually bring efficiency and transparency to property markets. As an April 2025 report from JPMorgan points out, blockchain's ability to encode smart contracts – software that can execute automatically once predefined conditions are met – appears ideal for managing complex property transactions. Snäll argues that smaller countries such as Georgia, which may not have a long history of paper property records, have benefited from blockchain-related initiatives.

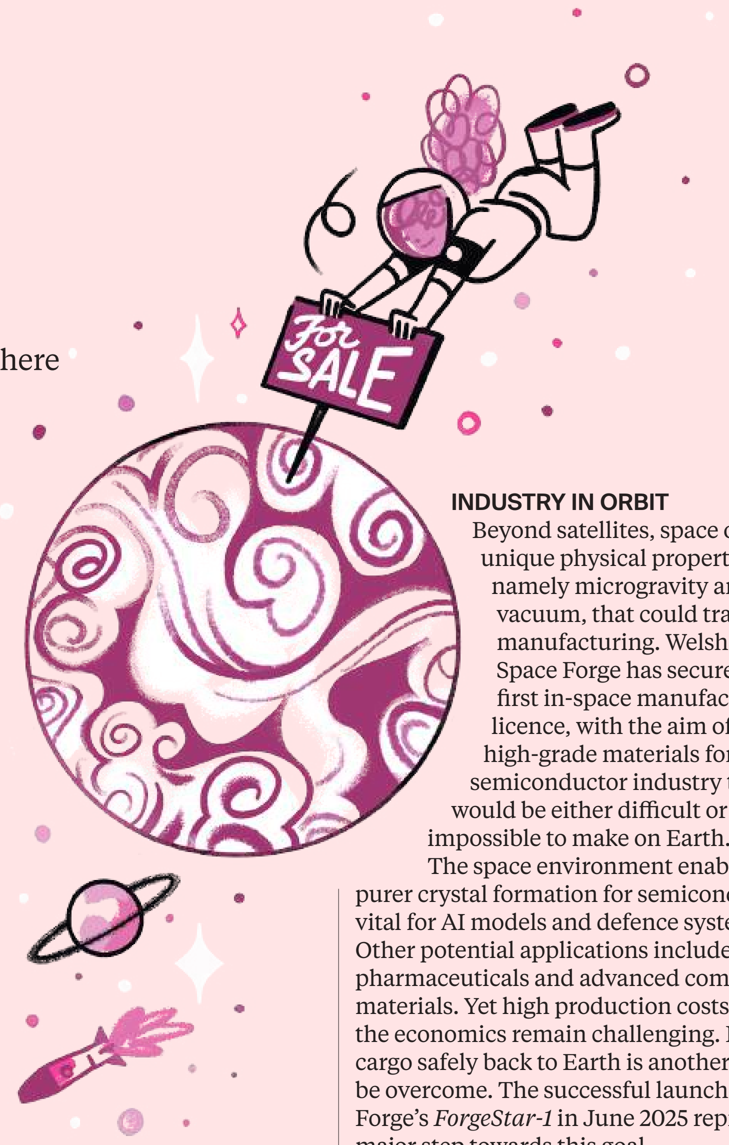
AI may also open up new opportunities. Charlie Nunn, CEO of Lloyds Banking Group, told a conference in December that the UK's biggest mortgage provider plans to pair blockchain with AI to smooth residential property purchases. Propy has launched an AI escrow agent. AI may yet upend residential deals where data is generally copious and public, but Baum says he's sceptical the impact will be as large in the commercial sector. "I can't see why anyone would make the necessary data available. The lease that my lawyers have signed on the building that I've just developed is not going to be public information, and I'm not going to let it be."

So where next? Blockchain in real estate appears proven in principle but unproven in practice, held back less by technology than by distrust and industry inertia. Yet as AI accelerates the digitisation of transactions, the foundations for a genuine breakthrough may finally be falling into place. ■

THE WEALTH REPORT AT 20

The final frontier

Long tipped as one to watch, is space where investors should boldly go next?



Back in 2014, *The Wealth Report* predicted that sub-orbital travel could eventually revolutionise global mobility, slashing intercontinental journey times – London to Sydney in two hours, anyone? – and reshaping prime property demand.

By 2022, we were anticipating the launch of commercial space tourism within three years, with the first hotel on the Moon slated for 2075, and a city on Mars by a very specific 2117. Space was expected to become a legitimate economic sphere, though costs and risks remained a significant barrier.

So did space really turn out to be the next frontier? Fast forward to today and, while the 11-minute sub-orbital trip enjoyed by a high-profile all-female crew including singer Katy Perry may have grabbed headlines in 2025, with seats still reportedly costing millions of dollars, space tourism remains a niche experience rather than a scalable investment opportunity.

But the story doesn't end there. Space is already influencing real estate profoundly – but not in the way early forecasts imagined.

MAKING IT REAL

Although physical real estate in space is still a distant prospect, "space in space" is already delivering tangible benefits on Earth, where satellites underpin global connectivity, enable economic and environmental reporting, and support climate resilience strategies.

For investors, this means space is already investable indirectly, through data infrastructure, analytics platforms and companies enabling satellite intelligence.

Goldman Sachs estimates that the satellite market could grow sevenfold to at least US$108 billion and possibly as high as US$457 billion by 2035, from US$15 billion in 2025. Costs remain high, but are set to fall. Goldman Sachs figures put current costs at up to US$12,000 per kg of satellite payload, although they predict a future where this could fall to as little as US$100.

> “Space is already influencing real estate – but not in the way early forecasts imagined

INDUSTRY IN ORBIT

Beyond satellites, space offers unique physical properties, namely microgravity and a vacuum, that could transform manufacturing. Welsh start-up Space Forge has secured Britain's first in-space manufacturing licence, with the aim of producing high-grade materials for the semiconductor industry that would be either difficult or impossible to make on Earth.

The space environment enables purer crystal formation for semiconductors – vital for AI models and defence systems. Other potential applications include pharmaceuticals and advanced composite materials. Yet high production costs mean the economics remain challenging. Bringing cargo safely back to Earth is another hurdle to be overcome. The successful launch of Space Forge's *ForgeStar-1* in June 2025 represents a major step towards this goal.

Also worth watching is Google's Project Suncatcher: an AI-focused data centre designed to harness near-unlimited solar energy. The UK government has even explored the feasibility of space-based solar as a means of procuring round-the-clock renewable power. With energy consumption for data centres increasingly under the microscope (see opposite), the potential is clear. Yet latency and reliability – good luck sending an engineer round if something goes wrong – may prove insurmountable hurdles.

BRINGING IT BACK TO EARTH

The prospect of space one day hosting physical real estate may no longer be light years away – but it remains a distant horizon. Today, the real opportunity lies in infrastructure and intelligence: satellites, data platforms and technologies that connect and protect assets on Earth. Space may not be the next Mayfair – but it has the capability to create real tangible value here on Earth. ■

Power, power everywhere?

As AI-driven data centres accelerate demand for power, we explore the opportunities this creates for investors

The global economy is electrifying at speed. Heating and cooling systems, electric vehicle fleets and energy-hungry AI-driven data centres are all pushing demand for power sharply higher. Yet the infrastructure to deliver it is struggling to keep up. For investors, this represents a strategic opportunity.

In the 2023 edition of *The Wealth Report*, we argued that it was time to simplify ESG by focusing on the "E" – clear, measurable environmental targets. Now, as demand for electricity accelerates, should investors be focusing on another "E" – for energy – instead?

Our review of nearly 50 public real estate sustainability reports from 2025 suggests they should. Energy initiatives are driving intervention and, crucially, delivering measurable returns. This is not philanthropy; it's about value, performance and resilience.

The numbers underline the urgency. In its *World Energy Outlook 2025*, the International Energy Agency (IEA) projects that global energy consumption will rise 15.5% between 2024 and 2035, while supply will increase by 14%. Although renewables supply is set to increase by 72%, this is still only enough to cover 85% of the increase in final consumption – even less once conversion losses are factored in.

Homing in on real estate, buildings already account for nearly 30% of global energy use, and the IEA forecasts a further 15% rise in consumption by 2035. Growth will be uneven: demand is expected to increase 30% in the Middle East and 26% in China, compared with 4% in Europe and 6% in North America.

INDUSTRY IN ORBIT

Much of the pressure stems from the AI and data centre boom. The IEA predicts an increase of 127% in data centre electricity consumption by 2030, with Asia-Pacific up 152% and the US up 133%. In the US, data centres alone are set to grow from 4.5% to nearly 9% of total electricity consumption.

This makes efficient buildings and secure power supply increasingly critical. Reliable energy helps preserve value and shields operational performance. Energy prices across many countries have been volatile over the past five years and, although down from the 2022 peak, remain elevated and likely to rise further as a consequence of the war in Iran.

There are also marked disparities within countries. In the US, average commercial electricity prices rose 4% between October 2024 and October 2025, but increases ranged from 26% in the District of Columbia and 17% in Pennsylvania, while states including Oklahoma and Nevada saw a fall of around 6%, according to data from the US Energy Information Administration.

Price volatility is not the only challenge. Blackouts are increasingly making headlines – notably across the Iberian Peninsula in April 2025. Globally, 45% of businesses have experienced power outages, according to the World Bank, including one in four in the US. For sectors such as data centres, unbroken power supply is not optional – it is existential.

Access to dependable energy determines whether a hyperscale data centre can open or whether an industrial facility can scale. For real estate, this creates two requirements: securing supply to reduce operational risk and exposure to volatile prices; and investing in efficiency and renewable procurement to enhance resilience. This dual imperative is driving investment into real assets: almost a quarter of respondents to our Active Capital Investor Survey 2026 anticipate investing in infrastructure by the end of the year, up from the current figure of 12%.

At the same time, ensuring assets are using energy efficiently is key. Retrofits may not be glamorous, but they can deliver meaningful returns through lower operating costs, improved tenant comfort and potentially better financing terms. As we explore in our *Meeting the Commercial Retrofit Challenge* series, timing and planning are essential. Increasingly, owners are not only investing in energy supply expansion but integrating it with retrofit measures to improve flexibility, resilience and overall system performance. ■

Number crunching Data centres use huge amounts of power

© Milos (stock.adobe.com)

Glass *half* full

Despite persistent headwinds, the vineyard market is far from being in decline. Alexander Hall, Head of Knight Frank's new International Vineyard Services division, looks at the forces reshaping the global wine production map – and creating exciting opportunities for forward-looking winemakers and investors

> **Lighter, more tension-driven reds and vibrant, precise whites – combined with the effects of climate change – are reshaping the opportunity map. The southern Mâconnais and northern Beaujolais are attracting attention, while the Loire Valley shows similar momentum.**
>
> Nicolas Parmentier, Head of Vineyard Transactions, Janssens Immobilier Knight Frank

Last year's edition of *The Wealth Report* painted a sobering picture of the challenges facing the wine industry. A year on, while those challenges have definitely not disappeared, some – such as the tendency of younger people to drink less alcohol – have arguably been overstated. Drinking habits may be changing; but forward-thinking producers are taking advantage of the shift.

As is often the case, with challenge comes opportunity. For example, while climate change is undoubtedly having an adverse impact on some established wine-growing regions, it is also opening up new areas for commercial wine production.

Opportunities also overlap. A move towards fresher and lighter wines, for example, benefits cooler vineyards located at higher altitudes or in areas influenced by maritime weather patterns, which are also less at risk from rising temperatures.

Below, we outline five trends impacting the global wine industry – and highlight some of the regions best placed to benefit, while experts from across the division share their local perspectives.

CLIMATE CHANGE

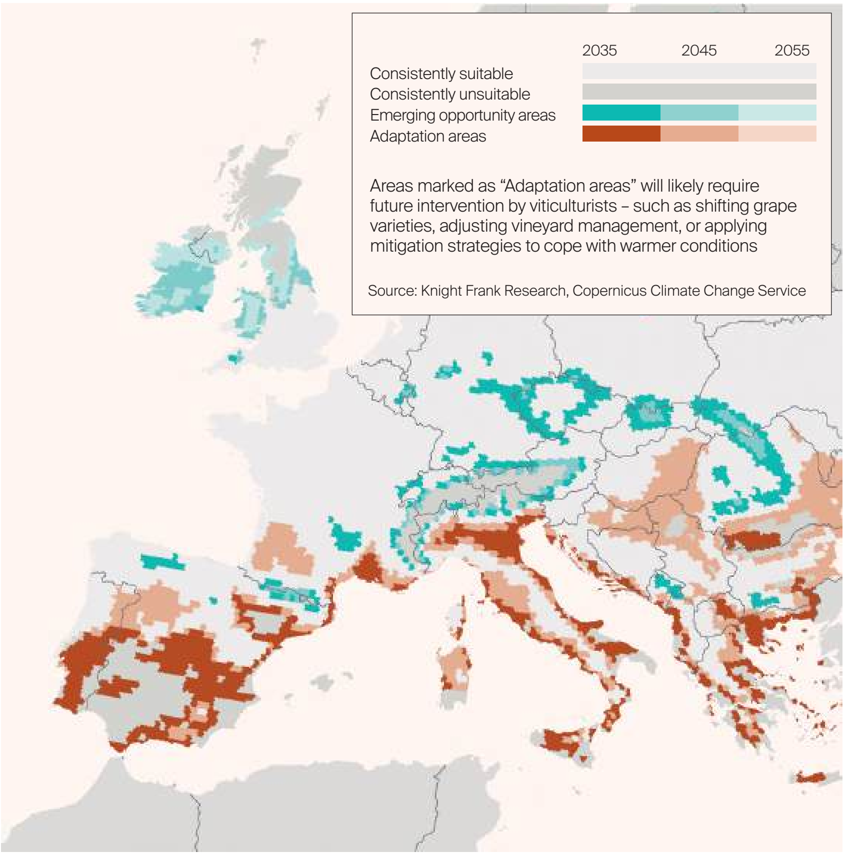
As our map (see left) clearly shows, climate change is having a profound effect on some of Europe's traditional grape-growing regions. Rising temperatures, extreme weather events and unpredictable seasons are reducing yields and altering grape quality in parts of southern Europe, as well as in other parts of the world including California and Australia.

Growers in affected areas are taking steps to adapt by recalibrating their varieties and adopting new growing and winemaking techniques, while production is also shifting to cool-climate wine regions or to areas where rising average temperatures have made wine production, once unfeasible, commercially viable.

Grapes grown in cooler conditions also produce the lighter styles of wine that consumers are switching to, away from the increasingly alcohol-heavy types produced in hotter climates.

European wine-growing areas best aligned with this trend include the Loire Valley and Limoux in France, the Mosel and Rheingau in Germany and Alto Adige and Friuli in northern Italy, where more northerly latitudes and higher altitudes ensure lighter, fresher styles of both white and red wines.

How future climate conditions could reshape Europe's viticultural landscape



Areas marked as "Adaptation areas" will likely require future intervention by viticulturists – such as shifting grape varieties, adjusting vineyard management, or applying mitigation strategies to cope with warmer conditions

Source: Knight Frank Research, Copernicus Climate Change Service

The rise of English wine has been well documented, with an increasing area of the country now viable for wine production and warming temperatures improving ripeness. Good reds are now being bottled as well as sparkling and still white wines.

In the southern hemisphere, vineyards at higher altitudes or cooled by coastal breezes are coming to the fore, such as the foothills of the Andes in Chile, Tasmania and New Zealand's central Otago and Malborough regions, while in the US, Oregon's Willamette Valley is a cool-climate sweet spot for Pinot Noir and Chardonnay.

Regions to watch – Climate change

Germany – Mosel, Rheingau

France – Loire Valley, Limoux

Italy – Alto Adige, Friuli

US – Willamette Valley (Oregon)

Chile – coastal and Andes foothills

Australasia – Tasmania, Central Otago, Marlborough

England – Sussex, Kent, Essex

Light fantastic Estate in Limoux, available through Knight Frank SNC

> **In Tuscany we are seeing a big change towards quality over quantity, organic over ordinary, and a movement towards better growing areas, while turning over less suitable land to other production, such as olives and fruit trees. This is mirrored in changes in the cellars of the better producers.**
>
> Bill Thomson, Chairman, Knight Frank Italian Network

TRADING UP

Quality over quantity is the wine industry's new mantra. Overall, global consumption may be falling, but values are rising with drinkers increasingly choosing higher-quality, artisanal and terroir-specific wines, rather than mass-market bottles.

Premium segments often grow faster in value than volume, showing that people are willing to pay more for quality and authenticity. Even when markets are affected by economic headwinds, consumers still want good value, so brands often balance "quiet luxury" with tangible quality.

Nevertheless, this is a competitive segment of the market, and those vineyards with a strong narrative story focusing on provenance and craftsmanship are best placed to differentiate themselves.

Regions that best align with this trend include some of the world's wine powerhouses, where opportunities to acquire vineyards are extremely rare. Champagne is the industry's premiumisation engine, with unrivalled collective brand strength driven by occasion-led demand.

Although Burgundy faces some climate challenges, it has an unmatched terroir narrative, and there is deep global demand for its scarce, ultra-premium brands. The same can be said of the Piedmont region of Italy, where the wines of Barolo and Barbaresco still hold huge allure, while the top Bordeaux chateaux continue to drive the global fine wine market.

For the investor, scarcity beats scale. Vineyards in the top regions such as Champagne and Bordeaux are where the worlds of luxury brands and commercial winemaking overlap, creating a highly resilient asset class.

However, the New World also offers opportunities for those looking to tap into the premiumisation trend. Oregon's Willamette Valley delivers Burgundy-adjacent appeal at lower absolute prices, while Australia's Barossa and Eden Valleys produce some of the world's most iconic wines. ▸

Regions to watch – Trading up

France – Champagne, Burgundy, Bordeaux

US – Napa Valley (California), Willamette Valley (Oregon)

Italy – Piedmont (Barolo/Barbaresco), Montalcino, Bolgheri

Australia – Barossa Valley, Eden Valley

CHANGING TASTES

The way people drink wine is changing and this offers potentially the most exciting opportunities for vineyard investors looking to add to their portfolios.

Some of the biggest consumption shifts are being driven by a greater focus on health and wellbeing, combined with evolving generational tastes.

Younger audiences including millennials, but most notably Gen Z, are less bound to traditional wine culture than previous generations. They favour lighter styles, including chillable reds, novel varieties and approachable flavour profiles.

The surge in the popularity of rosé beyond its traditional sunny summer niche has been well documented, but ever more innovative options are emerging. White is the new rosé, and consumers are seeking out fresh, aromatic wines, with varieties such as Grüner Veltliner, Albariño and Viognier gaining international appeal.

In terms of creating wines to satisfy changing palates, a number of areas of Europe once considered peripheral for premium winemakers are now in the ascendancy.

These include Vinho Verde and Bairrada in Portugal's Atlantic zones, growing indigenous varieties with saline freshness and modern finesse, and northern Italy's Friuli and Alto Adige regions, which offer crisp whites and alpine reds tailor-made for the moderation trend.

German Riesling has naturally lower alcohol with aromatic precision and gastronomic appeal, while still English whites, with their characteristic mouth-watering acidity, are growing in credibility.

Regions to watch – Changing tastes

France – Loire Valley (Anjou, Saumur, Touraine)
Germany – Mosel, Rheingau, Pfalz
Austria – Kamptalm Kremstal, Wachau, Burgenland (for reds)
Portugal – Atlantic zones (Vinho Verde, Bairrada, Lisboa)
Italy – Alto Adige, Friuli
UK – all areas

SUSTAINABILITY

Ethical consumption, driven by environmental and social responsibility, is now a major purchasing motivation, particularly for younger drinkers. Socially conscious consumers favour organic, biodynamic, carbon-neutral, regenerative and low-impact wines, while the stigma once attached to lightweight bottles and alternative packaging, such as bag-in-box and cans, has faded as they seek ways to reduce their own carbon footprints.

And it's not just retail sales where sustainability is becoming increasingly important for winemakers. It is also a growing selling point in the premium on-trade, marrying neatly with ethical and environmental sourcing policies at quality restaurants and cafés.

However, as sustainability moves from being a brand differentiator to a baseline requirement for an increasing number of consumers, wine producers must now offer credible evidence rather than just claims if they want to compound their brand equity.

Regions of the world that offer great sustainability stories include South Africa's Cape South Coast with its heritage vineyards and community-led sustainability stories. The climate advantages of Chile's Itata, Limarí and Biobío regions support low-input viticulture and old vine recovery, while New Zealand has strong national sustainability leadership and clear export proof points. In Europe, the French regions of Alsace and Languedoc-Roussillon have seen significant adoption of organic and biodynamic practices.

> **Despite multiple challenges facing the industry, New Zealand wine growers remain focused on producing premium branded wines and are leading the way in sustainability, with 98% of all producing vineyard areas now certified under the Sustainable Winegrowing New Zealand programme.**
>
> Kurt Lindsay, Viticulture Specialist, Bayleys

> **The UK is innovating beyond traditional sparkling wines, with forward-thinking producers testing new products and packaging. Cans of rosé spritz from a Devon vineyard have been a hit with thirsty beachgoers, while a Sussex producer is selling a pint-sized bottle of traditional Blanc de Blancs – a uniquely British offering.**
>
> Will Banham, Knight Frank UK Viticulture Team

Regions to watch – Sustainability

New Zealand – all areas
US – Willamette Valley (Oregon)
France – Loire Valley, Alsace, Languedoc-Roussillon
Chile – Itata, Limarí, Biobío
South Africa – Cape South Coast

EXPERIENTIAL CONSUMPTION

The vineyard tour is not a new phenomenon, but experiential consumption is moving beyond wine tourism and can help shape long-term consumer habits reflecting broader lifestyle shifts.

Premium and personalised experiences are taking over from "habit" drinking, while cellar-door sales offer producers much higher margins than selling to retailers and distributors.

Wine, however, is just one of the things competing for consumers' experiential spend; regions that deliver immersive hospitality, education and place-based storytelling will capture margin and loyalty, even as routine consumption declines.

The most durable margins accrue where place, people and hospitality convert visitors into advocates, and California's Napa Valley has long set the global benchmark for wine hospitality and lifestyle luxury. Provence, Tuscany and Stellenbosch all have deep experiential pedigrees, combining stunning landscapes with premium hospitality and excellent wines.

But for those looking to attract younger, more adventurous wine lovers, there are opportunities across the globe. In Argentina, the Mendoza region's Uco Valley offers scenic high-altitude terroir and a dynamic tourism infrastructure, while Georgia, on the frontier of Europe and Asia, delivers a unique wine story steeped in religion, culture and history. ■

> **Our winemakers continue to struggle with oversupply and the shift in consumer tastes towards lighter wines. But those who are pursuing premiumisation strategies, focusing on higher quality regional wines, like Tasmanian Pinot Noirs, and offering consumers unique provenance and storytelling, often through cellar-door sales, will thrive and weather the storm.**
>
> Jason Oster, Agribusiness, Knight Frank Australia

Regions to watch – Experiential consumption

US – Napa Valley (California)
France – Champagne, Provence
Italy – Tuscany (Chianti Classico, Montalcino)
Argentina – Mendoza (Uco Valley)
South Africa – Stellenbosch and Cape South Coast
Georgia – Kakheti, Kartli, Imereti

Building a vineyard portfolio

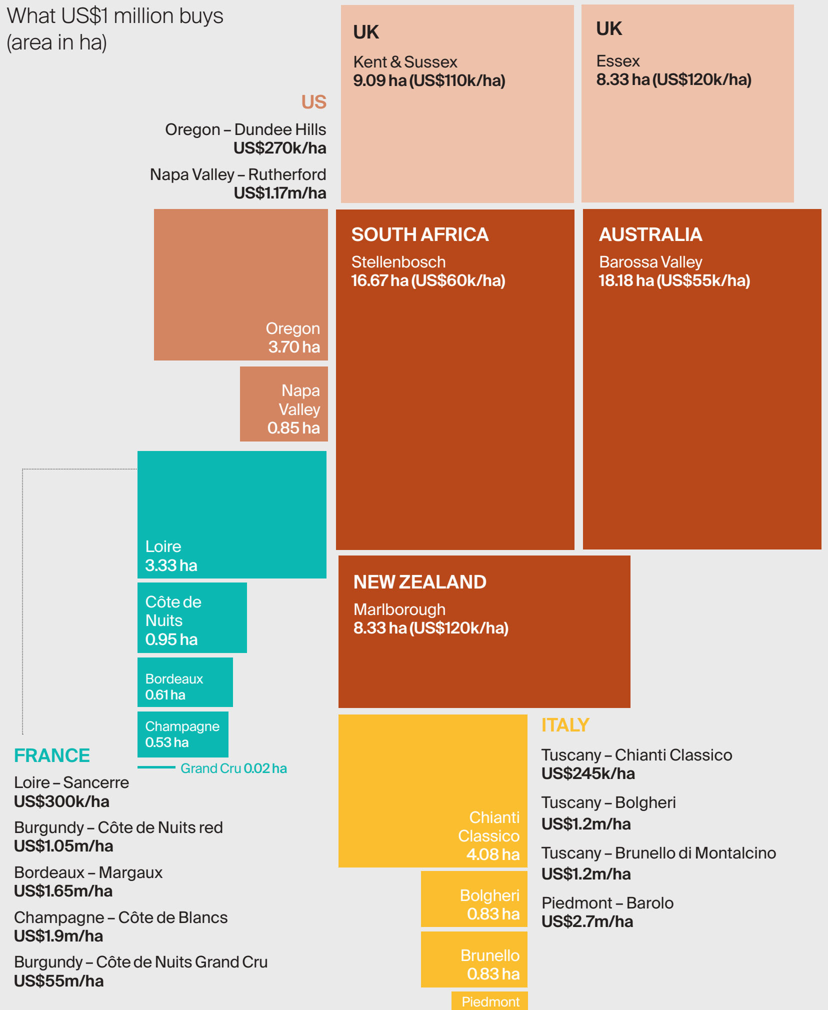
Knight Frank's Global Vineyard Index offers a distinctive perspective on the price of vineyard land around the world. Our graphic shows how much land US$1 million typically buys across key vineyard markets.

If production volume is your priority, Australia and South Africa stand out, offering 16 to 18 hectares for a US$1 million budget. Further up the list, both the UK and New Zealand still deliver solid value, providing around eight to nine hectares. As we progress through the US and into the prestigious vineyards of Italy and France, your money buys less land, but the trade-off comes in the form of higher-value output. In regions such as Napa Valley, Tuscany and Burgundy, US$1 million will still secure around one hectare of vines with bragging rights attached.

But here's the twist: look more closely at Burgundy and while US$1 million may buy a hectare in certain parts of the Côte de Nuits, in the rarefied parcels designated Grand Cru you would be fortunate to acquire 0.02 hectares. That's just 200 sq m, or a plot measuring around 14m by 14m. Transactions in these areas are few and far between, although a 0.25 hectare parcel of white Grand Cru vines sold recently for just under US$18 million, equivalent to around US$70 million per hectare, and demand for red Grand Cru vines in the Côte de Nuits is even stronger. Eighteen hectares or 200 sq m – the choice is yours.

Vineyard values

What US$1 million buys (area in ha)



Sources: See Databank (page 76)

The magnificent seven

Knight Frank's Commercial Insight team takes a personal look at the standout investment trends of 2025 – and offers some tips for private investors in 2026

This year is poised to witness a significant resurgence in global commercial real estate (CRE) activity, predicts William Matthews, Knight Frank's Head of Commercial Insight. Our Active Capital Survey of CRE investors shows that institutions alone have over US$144 billion of capital primed to invest in 2026. Private investors are also keen to maintain their firm grip on the market which, as detailed on page 52, has seen increasing flows of wealth into property assets across multiple sectors and geographies over the past two decades. Investors, however, will need their wits about them to navigate an increasingly complex CRE landscape that rewards agility and due diligence, but holds plenty of traps for the unwary. Here, Matthews' research colleagues from across Knight Frank's international network select the trends from 2025 that will help guide CRE investment strategies in 2026.

Bouncing back Australia is seeing a revival of interest in retail

Westfield
Westfield

Insight: the year's key trends

1. Look beyond the noise

Victoria Ormond, Head of Capital Markets Research

It would be easy to assume that politics, tax and regulatory changes dominate CRE investment decisions and are major drivers of capital flows, but the results of our latest Active Capital Survey reveal this is not the case. Only 15% of respondents, representing US$1.4 trillion of assets under management, cite domestic politics as a key theme, and just 5% highlight regulation and tax. While these issues may dominate headlines, they are not needle-movers for most investors. At the top of the list is interest rates. Even with rates easing and debt becoming more accretive, unlevered private capital continues to hold a structural advantage. It's important to go back to the fundamentals because there are likely to be opportunities in contrarian investing. The UK, for example, may be attracting more than its fair share of gloomy economic headlines, but it remains a top destination for our survey respondents.

2. Don't write off retail

Ben Burston, Chief Economist, Australia

The stratospheric rise of online shopping platforms like Amazon and Alibaba over the past decade has severely tarnished the lustre of retail property as an asset class, with many questioning its long-term viability in the face of such a concerted digital assault. However, it appears the doom merchants spoke too soon. Last year, retail was the strongest-performing CRE asset class in Australia, with a total return of 9.2% according to MSCI, the highest since 2017. Reasons for the bounceback include a decline in the amount of retail space per person, resulting from a prolonged lack of new development, coupled with strong population growth. In turn, this has led to rising turnover in existing centres and, consequently, a rapid about-face in investor sentiment. The lesson for investors in 2026 is to continually question the herd mentality and seek opportunities where others may fear to tread.

3. New investment destinations

Faisal Durrani, Head of Research, Middle East and Africa

Geopolitical risks aside, the UAE has begun to attract global institutional capital interest in a way that we have not seen historically. Brookfield, Hines, Gaw Capital and Blackstone are all now active in the market, some for the first time, seeking income-generating assets. Most are focusing on industrial and logistics assets, driven by the shortage of supply in the twin commercial centres of Abu Dhabi and Dubai. Build-to-rent residential is also high on the agenda, following several years of stellar house price growth: Dubai has ranked as the busiest luxury homes market globally since the end of 2022. The UAE's position as the region's primary commercial and financial gateway, anchored by Dubai, means its risk profile has improved among global investors. The country's property market is deepening in its sophistication and gradually moving from being a peripheral consideration to a core contender for global institutional capital.

4. The office – back in demand, back in use

Lee Elliott, Global Head of Occupier Research

The workstyle pendulum has swung decisively back towards the office. While the early Covid era fuelled bold predictions of fully flexible or remote-first working, six years on, the reality is far more tempered. The fourth edition of (Y)OUR SPACE, Knight Frank's global survey of nearly 300 corporate occupiers renting more than 650 million sq ft worldwide, shows hybrid workstyles (e.g. three days a week office presence) stabilising, while office-first models (four days a week office presence) are gaining clear momentum, particularly among financial and professional service firms. This model is expected to see the strongest growth in adoption over the next three years. As a consequence, global markets are recording new post-Covid highs as occupiers expand footprints to support rising attendance, secure quality space in low-supply markets, or enable broader business transformation. The much-touted "death of the office" has, once again, proved overstated; instead, CRE strategy is recalibrating around renewed, purposeful office use.

Stay and play Marina Bay Sands, Singapore

> **"While the early Covid era fuelled bold predictions of fully flexible or remote-first working, six years on, the reality is far more tempered**

5. Appetite for risk rises

Christine Li, Head of Research, Asia-Pacific

In 2025, HNWI cross-border investment in Asia-Pacific CRE surged to its highest level since 2019, with Chinese mainland capital driving 46% of buying interest. This renewed appetite is fuelled by attractive valuations and a generational shift, with younger investors targeting retail, office and hotel assets. A strategic pivot is also under way. Singapore-based private capital, prompted by exchange-rate volatility eroding overseas returns, is increasingly rebalancing towards the domestic market. The focus is shifting from passive, trophy acquisitions to active, value-add strategies, often pursued through direct investments or fund partnerships. This creates a dual opportunity in 2026: a pool of returning cross-border capital, alongside a sophisticated and growing domestic investor base seeking direct deals, especially in resurgent core markets like Singapore and Hong Kong. ▸

6. The big deal is back

Judith Fischer, Partner, European Commercial Insight

The lesson from Europe is that not only are offices back in the game, with both private and institutional investors putting more of their chips on the table, but big-ticket deals are making a comeback. Blackstone's US$820 million acquisition of the Trocadéro building in Paris was one of the largest and most symbolic office transactions of the year – and its first Paris deal since 2018. After a few tough years for the European office market, 2025 saw a rebound, with private investors spending US$18.9 billion in the sector last year. The trend looks set to continue in 2026, with offices the most targeted sector by respondents to our Active Capital Survey. Investors, particularly institutional, are likely to focus on prime, ESG-compliant assets in core CBDs, where there is income resilience. Well-located assets in secondary geographies, where pricing has adjusted to a level to make refurbishing or repricing accretive, are also likely to be of interest.

> **“After a few tough years for the European office market, 2025 saw a rebound, with private investors spending US$18.9 billion in the sector last year**

7. Domestic investors derisk re-entry

Vivek Rathi, National Research Director, India

India's CRE investment cycle faced headwinds post-Covid as foreign investors grew cautious. At a critical juncture, rising domestic participation stepped in to bridge the gap. The domestic share of private equity investments, which averaged about 11% before Covid, reached nearly 26% in 2025. This shift reflects the growing financialisation of Indian CRE. Domestic capital was further encouraged by India's strong macroeconomic backdrop, with GDP growth above 7%, easing inflation, and a turning interest rate cycle. Underlying asset performance also remained resilient. Office and warehouse leasing reached new highs, residential demand stayed firm, and retail staged a clear comeback. Now, as global conditions stabilise and rates begin to ease, foreign investor interest is gradually returning. With domestic capital firmly entrenched, India has already been stress-tested. For global investors, this creates a relatively derisked re-entry opportunity, particularly for those looking to partner locally and participate early in the next phase of the cycle rather than wait for a full recovery to be priced in. ■

Renewed purpose Office and retail at 7 Brook St in London's Mayfair

The market in numbers

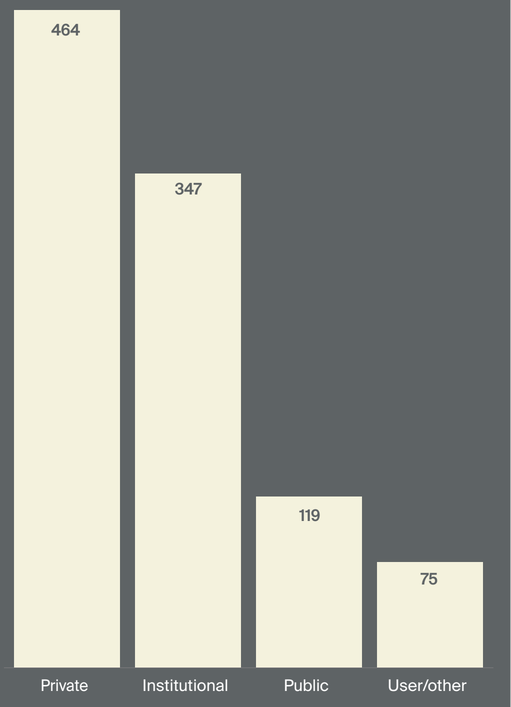
Investment in commercial real estate (CRE) grew by 12% last year – a decent rise by any measure, and one that we saw reflected across all the major sectors. There was a notable preference for the big, liquid markets of the US, Europe and Asia, which was unsurprising given the volatile nature of economics and geopolitics at the time.

As we predicted in last year's edition of *The Wealth Report*, the appeal of more traditional sectors, including offices and retail, has experienced a revival. Why? Part of the reason is that occupier demand has returned and is now sufficient to push up rents in many locations.

That said, responses to our Active Capital Survey also highlighted how thematic diversification and exposure remain on the agenda. The potential reward from investing in this broadening range of assets is clear, but so too is the execution risk. Getting the deal done calls for partnerships and specialist capability.

Investment by buyer type

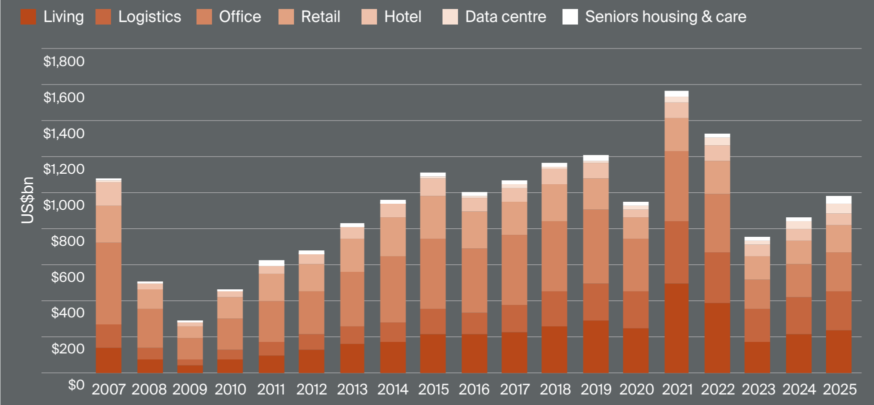
For the fourth year running, private capital, which includes wealthy individuals and private equity, was the biggest source of funding for CRE deals in 2025 (US$bn)



Sources: Knight Frank Insight, MSCI RCA

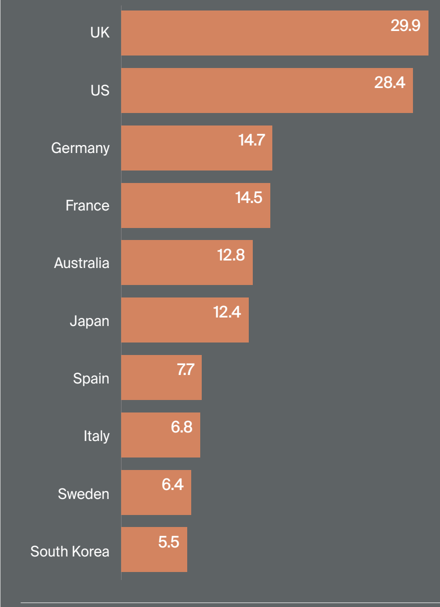
Investment by sector

CRE investment levels continued to recover in 2025 but are still some way below their 2021 peak. The industrial, office and living sectors saw the highest capital allocations in 2025. Data centres enjoyed a 36% year-on-year hike



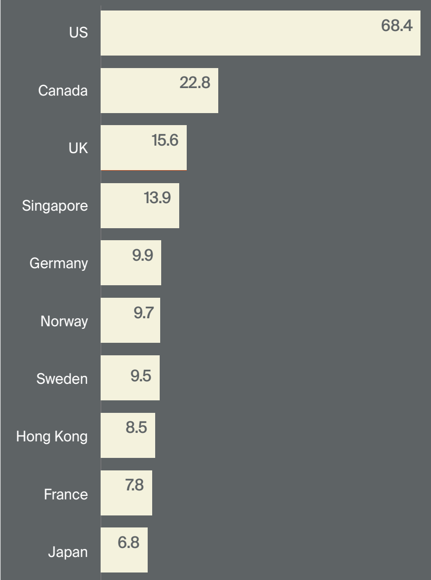
Investment by location

The UK just beat the US to receive the largest allocation of cross-border CRE investment in 2025 (US$bn)



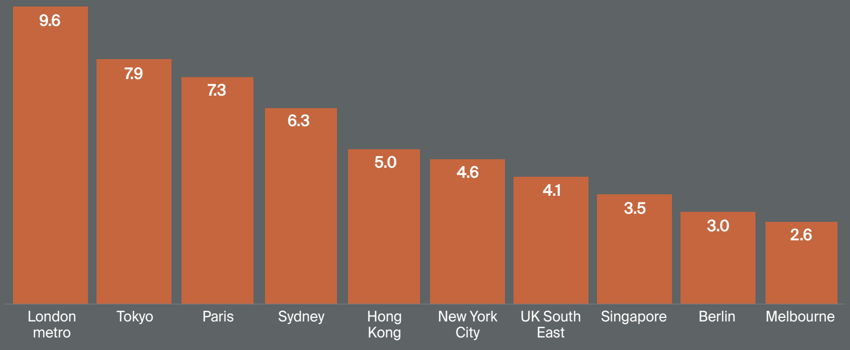
Sources of capital

North American capital comfortably led the way when it came to funding CRE deals in 2025 (US$bn)



Most popular markets

London's CRE market attracted the highest levels of investment during 2025 (US$bn)



Private wealth *emerges*

From its earliest editions, *The Wealth Report* forecast that private capital would emerge as a dominant force in commercial property investment. With the help of key Knight Frank dealmakers and a nod to some high-profile interviewees of the past 20 years, we track how and why that prediction was right on the money

> “ Property has always had an emotional pull for private investors, but [now] they are more aware of the other contributions CRE can make to their investment portfolios

THE WEALTH REPORT AT 20

“In 2017, there were two Chinese buyers who were both desperate to spend over a billion pounds to get their hands on an iconic London skyscraper,” says Nick Braybrook, Head of Knight Frank’s Global Capital Markets team.

“Back then, there was a lot of competition to see who could own the tallest building, but the owners of The Shard weren’t prepared to sell. In the end, the buyers bought 20 Fenchurch Street and the Leadenhall Building, popularly known as the Walkie-Talkie and the Cheesegrater respectively,” says Braybrook, who has been buying and selling real estate on behalf of Knight Frank’s clients for more than 30 years.

Looking back, he cites the deals as a turning point, after which it was impossible to deny that private investors were setting the pace in the world’s prime commercial real estate (CRE) markets.

Data compiled by Knight Frank’s number crunchers confirms the trend. “Private capital – which includes private equity and HNWI wealth – has accounted for the biggest share of commercial deals for the past four years,” says William Matthews, Head of Commercial Insight.

We can trace the genesis of this trend to the first edition of *The Wealth Report*, back in 2007. According to the results of our inaugural Attitudes Survey, HNWIs were primarily focused on residential property, with houses accounting for some 30% of their total asset portfolios. CRE accounted for just 2.6%. Interviewed for the report the following year, a certain Donald Trump commented, “Not seeing the opportunity in the first place is the biggest missed opportunity.”

By 2023, many more HNWIs had heeded that advice. Based on the Attitudes Survey results for that year, 21% of HNWI investable wealth was now allocated to directly owned commercial property.

STRATEGIC FRAMEWORK

A number of factors are behind the trend. First, the sheer firepower at the disposal of private investors has grown significantly, especially the staggering rise in emerging market wealth. When *The Wealth Report* produced its first estimates of global wealth populations in 2008, there were 373,000 HNWIs in the Chinese mainland, compared with 3.1 million in the US. Almost two decades later, looking at UHNWIs – individuals worth more than US$30 million – there were over 121,000 in mainland China, and just over 251,000 in the US.

The overall rise of wealth at a country level – China’s GDP has grown by more than 600% over the past 20 years – has also created more investment opportunities around the world for HNWIs to take advantage of. Talking to *The Wealth Report* in 2011, legendary investor Jim Rogers, co-founder of the Quantum Fund with George Soros in 1970, explained why he had decided to move to Asia: “In my view, China is going to be the most important country of the 21st century.”

But perhaps even more important is the changing attitude of the wealthy towards their investment decisions. “It has become much more professional,” says Alasdair Pritchard, a partner in Knight Frank’s Private Office, who works with some of the world’s wealthiest individuals.

“Previously, a lot of investments were one-off deals driven by personal interest, whether that was in hotels or luxury retail, but now decisions are taken much more within a strategic framework,” he says. “Far more families now use a private office to look after their wealth, and those offices are recruiting talent from some of the biggest wealth advisory and property investment firms.”

Braybrook agrees. “Property has always had an emotional pull for private investors, and I don’t think that is going to change, but this new professionalisation means they are much more aware of the other contributions CRE can make to their investment portfolios. It can generate long-running income return, it can be enhanced and repurposed and, if bought correctly, it has a degree of liquidity. It’s typically less volatile than equities, and rents can also increase while the interest from bonds remains fixed, making property a good hedge against inflation.”

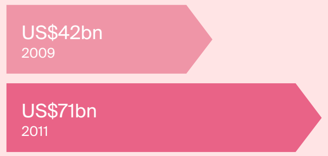
Turning point Private investors are making their presence felt in the City of London

21%

PROPORTION OF HNWI INVESTABLE WEALTH ALLOCATED TO DIRECTLY OWNED CRE

Source: Attitudes Survey 2023

Increase in private capital invested in CRE, 2009 to 2011



Source: Knight Frank Research

FLEXIBLE FIREPOWER

This level of awareness, the ability to make quick decisions, their access to more diverse capital streams and a higher tolerance for risk can put HNWIs in a better position to take advantage of global property cycles than institutional funds, says Braybrook.

By the final quarter of 2009, for example, barely a year after the global financial crisis had wreaked havoc across markets, *The Wealth Report* recounted how HNWIs were piling back into CRE as annual capital growth bounced back to nearly 9%, according to data from IPD. In 2012, the report noted that almost US$71 billion of private capital had been invested in CRE during 2011, up from just under US$42 billion in 2009.

“More recently, when interest rates rose sharply from the extremely low levels seen between 2009 and 2022, there was a period where the main buyers of London offices – institutions, sovereign wealth and private equity – to some extent withdrew from the market,” says Braybrook. “Conversely, private individuals and the offices of private investors were very active.

“If you’d invested in commercial property in London when the first edition of *The Wealth Report* was highlighting its potential, you’d have done very well. Even during the downturns, your investment would still have been generating a good income. What’s not to like?” ■

Luxury

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

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The evolution of indulgence

Luxury is no longer just about what you own – it's about who you're becoming. From the fallout of the financial crisis to the rise of wellness retreats and quiet wealth, we trace the shifting desires of the world's wealthiest consumers

Wealth trends typically evolve slowly – shaped over generations by shifting values rather than fleeting fads. That steady rhythm was disrupted between the 2007 and 2009 editions of *The Wealth Report*. In the run-up to the global financial crisis, wealth was becoming more concentrated, with the top 1% of UK households increasing their share of national income to 13%, up from 6% in the late 1970s. The 2007 report highlighted the phenomenon of luxury items that grew more desirable the more expensive they became.

The economic crash that began that year transformed how the wealthy purchased products and services. *The Wealth Report* 2009 opened with a three-page feature spotlighting fashion icon Karl Lagerfeld's assertion that "bling is over", replaced by what he called a "new modesty". We predicted that a fundamental shift in luxury consumer behaviour was occurring, from conspicuous consumption towards intentional, value-driven and experience-based spending.

"From fashion to design, the new emphasis is on recessionary luxury," we said. "There is a tangible shift towards something more considered in terms of consumption and lifestyle – more suited to these crisis-ridden times."

STEALTH WEALTH

That prediction has played out clearly in the shifting shape of luxury. Pleasure outstripped status and capital appreciation as the main driver behind luxury purchases in *The Wealth Report*'s 2014 Attitudes Survey. By 2015, younger UHNWIs were confirmed as bigger spenders than their parents, reshaping generational expectations around wealth. Between 2020 and 2021, wellness (the theme of the 2020 edition of *The Wealth Report*), longevity and a pandemic-fuelled appetite for "emotional luxury" emerged. Cultural touchstones like HBO's *Succession* helped popularise the concept of "stealth wealth" and "quiet luxury" – expensive, unbranded and deliberately understated.

> **"It isn't that the young generation lost interest in luxury. They lost interest in a broken value proposition**

THE WEALTH REPORT AT 20

Bling never really went away, of course – to suggest otherwise would be foolhardy in the era of President Donald Trump – but a divergent interpretation of luxury took hold. Martin Raymond, co-founder of research consultancy The Future Laboratory, describes it as "a more quiet, sustained, careful, conscious-based wealth that is associated with a European way of looking at the world".

As the world emerged from the pandemic, wealthy consumers began scrutinising not just the values of the companies they bought from, but whether the products they were buying still represented good value. Price increases of more than 50% for largely unchanged products were dubbed "greedflation" by analysts and alienated aspirational consumers. That, coupled with waning demand from China, sparked a renewed effort among brands to justify their value and relevance.

"Luxury brands became way too expensive and way too repetitive," says Erwan Rambourg, Managing Director, Global Head of Consumer and Retail Equity Research at HSBC. "It isn't that the young generation in China or elsewhere lost interest in luxury. They lost interest in a broken value proposition."

TELL ME A STORY

Rambourg describes a "transfer of consumption" from goods to experiences – particularly travel, fine dining, hotels and homes. Private members clubs proliferated, offering wealthy consumers the chance to exchange money for connection, a sense of belonging, and access to wellness facilities more typically found in high-end clinics.

The clamour for unique experiences was already audible before the pandemic, but the crisis gave it fresh momentum, experts say. Even before lockdowns, luxury brands were rethinking their strategies: "The future of luxury is in luxury goods and luxury experiences," said LVMH finance chief Jean-Jacques Guiony following the group's US$3.2 billion acquisition of Belmond in 2019.

Always a bellwether for the luxury sector, LVMH deepened its commitment to immersive, experience-led retail spaces during 2025. In December, the company opened a new six-floor flagship in Seoul featuring two restaurants – Le Café by Maxime Frédéric and JP at Louis Vuitton. During the summer, the brand unveiled a vast, ship-like structure in Shanghai, standing nearly 100 feet tall, that ties Louis Vuitton's travel heritage to the city's maritime history. Its approach may herald the end of identikit luxury stores, Rambourg says, and underscores the growing importance of real estate as a platform for storytelling.

THE ART of BELONGING
LIVIN WEL
FIND YOUR PURPOSE
9 LIVES, 1 YOU

> **"Today we stand at the threshold of a new era – one in which personal growth is the ultimate aspiration**

"In five to 10 years, if you travel the world – London, New York, Tokyo, Seoul, Shanghai – you won't have the impression of déjà vu," he adds. "Brands will go from product hyper-segmentation to retail hyper-segmentation."

EXCEPTIONAL ACCESS

The experience economy altered the transactional relationship between brands and wealthy consumers. Purchasing a product is a one-for-one exchange – money for a bag or watch – but luxury experiences "offer people exceptional access to the five senses," says The Future Laboratory's Raymond.

However, the surge in demand for luxury experiences could be considered a transitional phase – a bridge to the transformation economy, he adds. This new era sees wealthy consumers gravitate towards brands that enable personal transformation – whether through self-improvement, health optimisation or increased longevity.

"It's often about life-changing moments – that might be extreme travel or a rare encounter with a person or an object – something so unique it makes you stop and say, 'Oh my God'," he explains. "There's purpose in it. There's exceptionalism. It's about genuine, vital change."

Brands best positioned for the transformation economy will offer access to at least one of three pillars: belonging, purpose or wellness, Raymond says. Overleaf, we explore three examples of this in practice, but they also occur throughout the report. Purchasing objects of passion will still play a central role – but these items are becoming increasingly esoteric: think dinosaur bones (see page 66) or rare artefacts that defy easy classification. At the same time, new ownership models like fractional ownership are gaining ground, offering access to one-off pieces that are otherwise out of reach through traditional retail channels.

It marks the next phase in a journey that began with the financial crisis, and has seen luxury evolve through phases of modesty, emotional spending and wellness. Today, we stand at the threshold of a new era – one in which personal growth is the ultimate aspiration.

"Consumers are thinking, I'm not getting this from my government, I'm not getting this from big corporations ... and I'm having to rebuild it," Raymond concludes. "Brands are taking advantage of this need and rebuilding spaces that allow you to explore and self-actualise." ■

Welcome to the *transformation economy*

Keeping it real Discover Collection's Ras Amud retreat

On the previous pages, we explored how indulgence is evolving – from acquisition to experience, from excess to optimisation, and from status to meaning. The following ventures show that shift in practice

EXPLORATION AS MEMBERSHIP

On Oman's remote Musandam Peninsula, where the Hajar Mountains drop sharply into the sea, Discover Collection is opening Ras Amud: a low-density retreat within a landscape more often associated with geology than glamour.

Founded by former Six Senses Chief Executive Bernhard Bohnenberger, Discover Collection is structured as a membership-led hospitality network rather than a conventional hotel group. Members will be able to access hotels – whether purpose-built or chosen for their architectural and cultural significance – that are small in scale and offer an alternative to traditional luxury venues. There will be no cheaper second rows set back from the water, nor overspill villas creeping up the hillside.

"I think people – especially those who have been through various phases of exploring luxury at different levels – are tired of more of the same," Bohnenberger says. "They want something unique, real, genuine and honest."

That difference is built into the operating model. Each property will host experts in relevant fields and wellness practitioners in residence. Members might find themselves learning from a marine biologist, working with a nutritionist or hypnotherapist, or joining an artist or geologist exploring the surrounding landscape, Bohnenberger says. Wellness and wellbeing are constants, but each destination will also draw on local expertise tied to its specific environment.

The model reflects the "transfer of consumption" described by HSBC's Erwan Rambourg – a shift away from accumulating goods towards investing in experiences. Bohnenberger has argued that affluent travellers have grown weary of interchangeable five-star resorts that could exist anywhere. What they increasingly seek are environments that feel location-specific, difficult to access and intellectually engaging. Membership acts as a filter, helping to create a community rather than a revolving door of guests.

"We want to revolutionise luxury hospitality in a dramatic way," Bohnenberger adds. "That is through enriching and transformational experiences, life-enhancing journeys and regenerative development."

HEALTHY HEDONISM

Tramp members' club in Mayfair has long been synonymous with privacy, celebrity clientele and excess – The Who drummer Keith Moon was famously banned after smashing a chandelier.

Members of the club's newest iteration are likely to be less interested in destruction than in optimisation. In spring 2026, Tramp Health opened in Grosvenor Square, occupying 16,000 sq ft within the former US Embassy. While the Jermyn Street club continues to operate as Tramp's social core, this new venture places greater emphasis on preventative health and performance.

"My goal is to be the first member club with decades of history to understand the full human experiences of both worlds," says Luca Maggiora, the Italian hospitality entrepreneur behind Tramp's revival. "Think unforgettable nights and meaningful mornings."

Facilities at Tramp Health include gym and HIIT studios, breathwork spaces, sauna and recovery areas, and a wellness café. Dedicated zones for Pilates, diagnostics and IV therapy sit alongside red-light therapy and hyperbaric oxygen, supported by practitioners specialising in medicine, nutrition and movement. Programmes are structured around biometric testing and personalised guidance.

Maggiora bought Tramp in 2023 before closing the Jermyn Street club for refurbishment and reimbursing existing members. He reopened the venue in September 2024 with a revised membership model and refreshed programming. Maggiora meets every prospective member for coffee; the club currently has 1,100 members and plans to expand to 1,600 by summer.

The model reflects the broader shift identified by The Future Laboratory's Martin Raymond: a move from transactional luxury to what he describes as a transformation economy. By combining a traditional members' club with state-of-the-art wellbeing infrastructure, Tramp Health embeds wellness within an existing social ecosystem. The result aims to pair pleasure with performance, and belonging with longevity. The club's evolution mirrors a wider recalibration among affluent consumers, for whom status alone is no longer sufficient without meaning, health and wellbeing.

THE RETURN OF THE PATRON

The UK's history of patronage stretches back to the Reformation, when the Church, the Crown and the aristocracy commissioned art works as expressions of power and belief. In the centuries that followed, the state assumed a greater role as sponsor of the arts. But as pressure on the public purse has intensified, that funding model has steadily weakened.

Into the gap steps a new generation of private patrons, but this wave of benefactors are now participants, too. Projects such as Artistry Townhall in Fulham are bringing artists and wealthy individuals together, with a percentage of membership fees funnelled into supporting young creatives.

> **"Rather than treating art as occasional programming layered onto hospitality, these schemes place it at the core**

This new generation of clubs "are curated communities," says Jamie Caring, a members' club consultant and specialist in community building at Sevengage. "Their entire reason for existing is to explore, celebrate and collaborate around arts, ideas and creativity."

Artistry is not alone. Camden's House of KOKO club, launched in 2022, was designed to support emerging talent across the creative industries, an early move towards embedding patronage within the club model. Now the redevelopment of Camden Town Hall will include the Town Hall members' club, alongside other member-led cultural spaces that embed performance and creative production into their operating models.

Rather than treating art as occasional programming layered onto hospitality, these schemes place it at the core. In doing so, they reflect a broader repositioning of private clubs to appeal to a younger generation of wealthy individuals who are as focused on accruing cultural capital as they are on building financial capital. "There's a much stronger desire now to be part of something meaningful, rather than just somewhere exclusive," Caring adds.

For much of the 20th century, exclusivity was measured in access. Today, status is increasingly tied to contribution. While many of the buildings date from the Victorian era, the operating model is distinctly modern, prioritising belonging over access, and participation over passive consumption. ■

In balance Tramp Health's breathwork space

The high street, *curated*

Hugh Seaborn, CEO of The Cadogan Estate, doesn't act like a typical landlord – and that's the point. His plan for London's Chelsea neighbourhood is measured in generations

In 2018, Hugh Seaborn walked into the lobby of the Hotel Costes in Paris and asked to speak to its storied founder Jean-Louis Costes. He was hoping to convince Costes to bring his unique brand of hospitality to a site on Chelsea's Sloane Street. Instead, he was politely turned away at the front desk.

Seaborn left his card and returned to London, where he struck a deal with LVMH-owned Belmond for the site. Roughly two years passed before Costes got in touch and agreed to take on 1 Sloane Gardens – a site that would become At Sloane, his first hotel outside France.

"It's intended to be, and it is succeeding at being, the most fashionable, exciting bar, restaurant and hotel in London," Seaborn says. "Our whole philosophy is about actively curating the area … getting the layering of uses right so we create an experience that draws people in."

SETTING THE SCENE

Showing up unannounced isn't how most property CEOs operate, but Seaborn – who has led Cadogan for 15 years – sees the company less as a conventional landlord than as a "stage manager": responsible for setting the scene, curating the cast and making sure the performance holds together over time. That means securing the right blend of occupiers, even if it means the occasional fruitless trip overseas.

Control of a 93-acre swathe of London's most coveted real estate, combined with investment horizons spanning generations, are rare privileges, typically reserved for royalty, universities, or great public institutions. The Cadogan Estate traces its origins to the early 18th century, when Sir Hans Sloane purchased the Manor of Chelsea, a parcel of farmland and nursery gardens on the edge of the rapidly growing city. When he died in 1753, he passed the estate to his daughters. The younger, Elizabeth, married into the Cadogan family.

The estate we see today is the result of several phases of development and redevelopment through the 18th and 19th centuries – peaking with the so-called Pont Street Dutch style, a unique contribution to the British architectural story. A string of cultural icons, from Oscar Wilde to the Rolling Stones, made Chelsea their stamping ground, cementing the area's reputation for creativity and artistic edge. By the 1960s and 70s, King's Road had become a byword for counterculture and style – a legacy still visible in the estate's blend of independent boutiques, galleries and destination retail.

Retail remains the dominant sector, accounting for almost half of the portfolio. The estate seeks out "first-to-London" concepts, much like Seaborn's pursuit of Costes, because "they create excitement and wonder," he says. That said, it's more common for brands to approach Cadogan. As many retailers scale back their physical footprints, they are focusing on a smaller number of prime locations – a trend that has worked to the estate's advantage. The latest data points to retail vacancy levels averaging just 2.9%, with strong rental performance.

Shop tactics Retail is key to Cadogan's Chelsea vision

Cartier
Cartier

NEW PARTNERS

In 2020, Cadogan opted to begin addressing a historical shortage of places to eat and drink on the estate. Since then, the number of food and drink locations, including those currently in development, has increased by 70%. Recent additions include Three Darlings, Jason Atherton's latest restaurant; The Trafalgar, the first new pub to open on the King's Road in over a century; and Martino's, the Italian restaurant by Martin Kuczmarski, former COO of Soho House and founder of The Dover in Mayfair. The process "isn't so much about driving rent, it's about creating greater interest and diversity in the area," Seaborn says.

The push for diversity prompted the company to begin bringing in the leases on boutique hotels so it could form partnerships with exciting operators – a system that gave birth both to Costes' At Sloane and The Beaverbrook Townhouse on Sloane Street. "We run them with partners who are good at it, but we take the business risk so we can have more input and control," Seaborn says. "We can also position them so they're at different pricing levels and have different characters and styles."

PEOPLE POWER

The reshaping of the estate doesn't always start in the boardroom. The redevelopment of two large office buildings on Sloane Street beginning in 2016 opened up a chance to reposition Pavilion Road, the quiet mews they backed onto. Following a consultation with residents, the company brought in artisan food businesses including a butcher, fishmonger and cheesemonger. Cadogan later pedestrianised the mews, which was named "Street of the Year" at the 2023 London Lifestyle Awards.

"The transactions tend to be low value, but people can go often," Seaborn says. "The street is bustling, and it isn't long before people are nodding at each other and saying hello."

Pavilion Road became the model Cadogan followed as part of its US$316 million mixed-use development, The Gaumont on King's Road, which completed last year. The development's flagship store, a branch of Scandi design and lifestyle brand ARKET, opened in September, and a public consultation led to the launch of five subsidised retail units on nearby Chelsea Manor Street. These include BookBar, an independent bookshop serving wine and hosting regular author events; New Forms, a vinyl café and listening bar; and Art Play, a not-for-profit space offering workshops, exhibitions and a collaborative studio environment.

The local consultations hint at how Seaborn sees the estate's role in the world: globally relevant, but fundamentally resident-led. He compares Sloane Street to Madison Avenue in New York or Avenue Montaigne in Paris – prestigious, but rooted in local life – as opposed to say Bond Street or Fifth Avenue, which, he says, are "much more visitor-led".

PROSPERITY OVER PROFIT

Amid all the glamour, the estate's immediate challenges are more mundane. The company has committed to being net zero by 2030, achieved via low-carbon retrofits, a US$120 million decarbonisation programme and exceeding minimum energy efficiency standards. The current phase includes installing secondary glazing across the estate, which has 2,000 windows.

"It's the sheer complexity of converting numerous period buildings subject to listings and in conservation areas that are several hundred years old themselves," Seaborn says. "Doing it at scale in such a densely built area is extremely challenging."

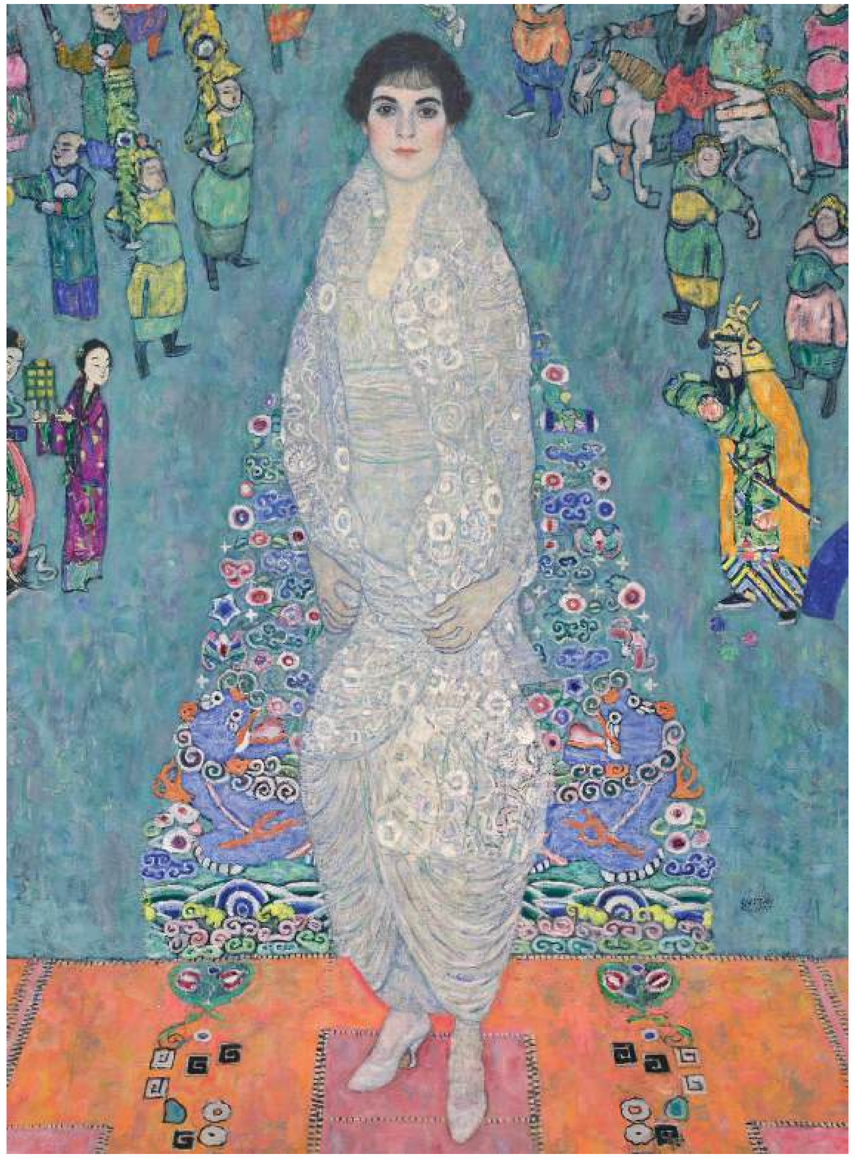
The 2030 deadline is clear, but for most of Seaborn's ambitions, time is on his side. Central to Cadogan's approach is a willingness to sacrifice short-term gains in favour of long-term value – guided by the mantra "prosperity over profit". Seaborn is quick to stress that the board is "pretty hard-nosed", but the ability to think over generational timescales, backed by meaningful control of the estate, is a luxury few executives enjoy. So what, then, would he defend if he worked at a more conventional firm?

"I'd fight to keep the power of clustering uses, where creating beautiful environments comes first," he says. "Not because I like it or it's rewarding – although it is both – but because it's commercially most beneficial, provided you can wait long enough for it. But even aggressive capital should be able to wait five years." ■

> " It isn't so much about driving rent, it's about creating greater interest and diversity in the area

In the mix From top to bottom, At Sloane, Martino's and New Forms

Images courtesy of Bonhams, Christie's Images Ltd 2025, RM Sotheby's, © Estate of Roy Lichtenstein, Sotheby's



Rich pickings Gustav Klimt's *Portrait of Elisabeth Lederer* set a new record for a modern work and became the second-most expensive painting to sell at auction when it went under the hammer with Sotheby's in November, fetching US$236.4 million against a reported estimate of US$150 million

Luxury holds steady

Against a volatile backdrop, the results of Knight Frank's Luxury Investment Index suggest that luxury collectibles are finding their footing again

The Knight Frank Luxury Investment Index (KFLII) closed 2025 down 0.4%, marking a year of stabilisation after two years of sustained losses. While values remained under pressure, the pace of annual decline slowed steadily through the year, from -5.3% in Q1 to -0.4% by Q4, suggesting the market is beginning to find its footing. This resilience came despite a volatile macro backdrop, with tariffs disrupting cross-border trade and, in many cases, curtailing US buying power for assets located overseas.

This moderation follows an extraordinary cycle. Between 2020 and early 2022, luxury assets recorded their strongest gains since 2013, with quarterly growth peaking at 19.1%. That surge unwound as higher interest rates reset liquidity conditions and pricing expectations, with 2023 and 2024 marked by broad-based declines across most asset classes. Even so, the longer-term picture remains resilient: the KFLII has risen 38.6% over the past decade.

Performance over the past 12 months has been uneven. Impressionist and modern art, and watches, delivered solid gains, while contemporary art, fine wine, prints and whisky all recorded declines. Buyers remain active, but are increasingly disciplined, favouring rarity, provenance and relative value over momentum-driven purchasing. This is evident across asset classes, from the outperformance of trophy artworks to the resilience of more accessible, well-priced segments.

As the market moves into 2026, the key question is whether this period of stabilisation will translate into recovery, or whether a more selective market will persist.

Art: Impressionists make their mark

The US$236.4 million sale of Gustav Klimt's *Bildnis Elisabeth Lederer (Portrait of Elisabeth Lederer)* at Sotheby's in New York spearheaded an Impressionist-led reversal for the global art market in 2025. After contracting in consecutive years since 2022, combined fine art sales across major auction houses climbed to US$4.56 billion, up 11% year on year.

The Viennese artist's World War One-era portrait appeared for the first time at auction in November 2025 as part of The Leonard A. Lauder Collection, where it achieved the highest price ever paid for a modern artwork under the hammer. Lauder's was just one of a number of high-profile single owner collections offered for sale in 2025. Others included the landmark Pritzker and Karpidas collections. Together they generated US$884.9 million in sales, evidence of what ArtTactic founder Anders Petterson calls "a shift in market psychology", as the supply of top-end artworks strengthens after years of collectors hedging their bets during the downturn.

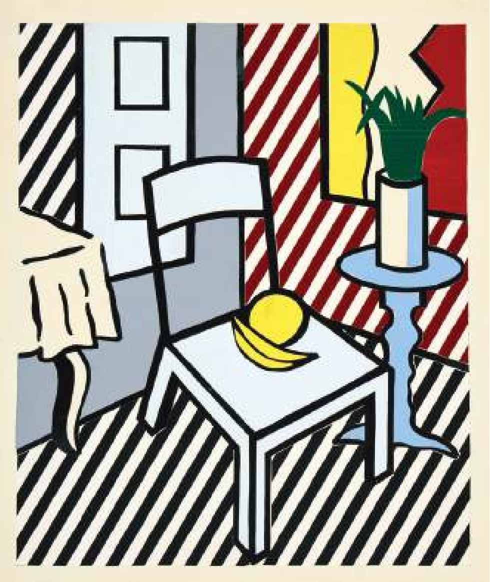
Impressionist sales surged 80.4% to US$1.04 billion – thanks not just to Klimt but also important pieces by Van Gogh, Munch and Monet – while modern art advanced 19.4% to US$1.38 billion and Old Masters registered a robust 68.7% uplift to US$282.5 million. The US$10 million+ segment saw its own lift, up 19.4% to US$1.48 billion, signalling renewed momentum at the very top end of the market.

The recovery remains tentative and uneven, with total sales still 42% below the 2022 peak, and contemporary art sales weakening again for a fourth consecutive year, down 12.3% to US$1.06 billion. But evidence of stabilisation and selective outperformance, particularly in the second half of 2025, points to a stronger pipeline of high-quality artworks and major collections in the year ahead.

Fine prints: Hockney's arrival

The MyArtBroker MAB100 Print Market Index may have fallen by 6.6%, but the year nevertheless saw a distinct shift towards value-conscious collecting. In May, Sotheby's anchored its contemporary day sale with works from the Roy and Dorothy Lichtenstein Collection. Despite the lower-profile time slot, bidding was more intense than for many of the seven-figure paintings in the evening sale, says Sheena Carrington, Market Editor at MyArtBroker. It was a turning point that underscored that much of the action is ▸

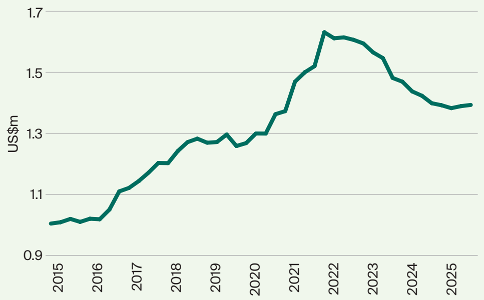
Turning point Roy Lichtenstein's *Hologram Interior (Study)* sold for US$215,900 at Sotheby's, more than twice its high estimate



Luxury in numbers

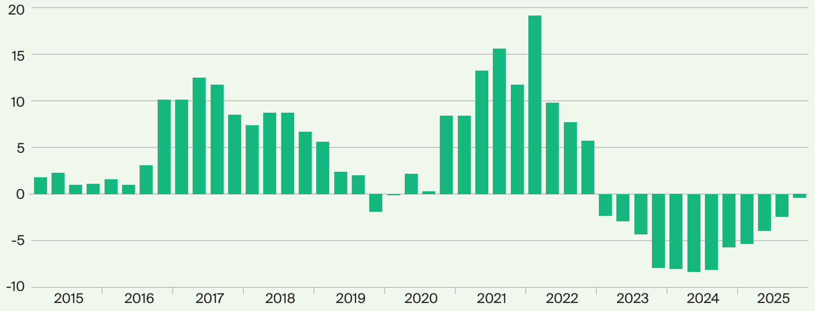
The results of this year's Knight Frank Luxury Investment Index (KFLII) suggest that, after three years of falling values, luxury assets may be about to turn a corner.

US$1 million invested in luxury assets in January 2015 became ...



A volatile decade in luxury investment

KFLII annual % change



The Knight Frank Luxury Investment Index (KFLII)

Q4 2025

	12-month % change	10-year % change
KFLII	-0.4	38.6
Art (Impressionist)	13.6	0.0
Art (modern)	7.1	-9.3
Art (post-war)	5.2	-0.2
Watches	5.1	n/a
Art (top 100 artists)	3.6	-8.1
Art (European Old Masters)	1.7	2.2
Handbags (Birkin)	-0.2	n/a
Colour diamonds	-1.0	3.1
Wine (Liv-ex Italy 100)	-1.7	60.8
Wine (Liv-ex 100)	-2.5	34.1
Cars	-3.7	31.3
Wine (Liv-ex Burgundy 100)	-4.8	105.8
Art (contemporary)	-6.0	-0.3
Prints	-6.6	n/a
Whisky bottles	-10.9	111.9

Sources: Knight Frank Research, Artnet, Fancy Color Research Foundation, HAGI, Liv-ex, LUXUS, MyArtBroker, Rare Whisky 101, WatchCharts Notes: All data to Q4 2025. The KFLII is a weighted average of asset performance. For 2025, the index has been expanded to provide a more granular view, e.g. splitting the art market into six segments and the wine market into three. For more data see Databank (page 76) not at the top end of the market, which has weighed on average fine print values, but in well-curated, competitively priced editions.

However, the biggest story of the year was the sale of David Hockney's *Arrival of Spring* series – a collection of iPad drawings, offered by Sotheby's in October 2025 – which cleared estimates across the board. With prices ranging from US$108,000 to US$242,000, these were not inexpensive works. But the strategy of opening the evening sale with 17 works paid off handsomely: all sold for a total of US$8.3 million, resetting benchmarks for Hockney prints. In March 2026, a second release of 16 works sold for US$4.7 million, 136% above the low estimate.

Classic cars: Monterey momentum

Monterey Car Week in California offered a rare bright spot during an otherwise subdued year for the global classic car market. The Historic Automobile Group International (HAGI) Top 50 Index recorded a 3.7% decline in 2025. However, the six major auctions held at Monterey in August provided a window of opportunity for buyers eager to acquire US-based cars unencumbered by tariffs.

"When certain cars were available, buyers just went for it," says HAGI founder Dietrich Hatlapa. "It wasn't about 'am I paying the right price?', it was more about 'can I get one?'". A yellow 1995 Ferrari F50 was among the standouts, achieving US$9.2 million. These flagship "halo" models have proven resilient amid a downturn that reversed the modest 1.2% gain recorded in 2024.

> **"'Halo' cars have proven particularly resilient amid a downturn that reversed the modest gain recorded in 2024**

Other top performers included a sharply rising BMW CI Index (up 22.3%), propelled by demand for models such as the E30 M3 and 850 CSI. Lamborghini also posted strong results, led by the Countach, Miura and Diablo – poster supercars with limited supply and growing appeal among younger and emerging collectors. This is part of a broader trend; performance and halo cars dating from the late 1980s through to the early 2000s – so-called "Youngtimer" models – are firmly entering collectible territory, often outperforming traditional classics.

The broader outlook remains clouded by tariff uncertainty, but 2026 began with a bang. Mecum's 17 January auction in Kissimmee, Florida, saw sales of a 1962 Ferrari 250 GTO for US$38.5 million, a 2003 Ferrari Enzo for nearly US$18 million and a 1995 Ferrari F50 for US$12 million, underlining the strength of US buying power when tariffs aren't part of the picture. Some European auction houses have also had a better start to 2026; an unrestored, "time warp" 1956 Mercedes Benz 300 SL Gullwing offered by Artcurial in Paris in late January fetched US$5 million.

Halo effect This 1995 Ferrari F50 was among the stars at Monterey Car Week in August, sold by RM Sotheby's for US$9.2 million

Watches: sticking with icons

A turn in the secondary watch market that began in May 2025 continued through the final quarter. The WatchCharts Overall Market climbed 2.3% during the quarter, culminating in a 5.1% increase for the full year.

The dominance of the largest two brands in the secondary market masks weakness elsewhere. Most other brands and collections continue to drift lower as demand has remained consistent in the face of rising supply, though in most cases declines are slowing.

The Rolex Market Index rose by 4.6% over the year, with nearly all models posting solid performances – exceptions being the Sea-Dweller and Sky-Dweller. For many, Rolex remains the first port of call in the secondary market, a kind of bellwether: when prices begin to stabilise, demand tends to follow. Meanwhile, the Patek Philippe Market Index outpaced Rolex, climbing 12.1% over the same period, largely driven by two standout models – the Aquanaut and the Nautilus.

The Aquanaut 5167A has been Patek's star performer. One of the more accessible models in its line-up, it remains one of the hardest to source, thanks to overwhelming demand. More traditional Patek offerings – such as the Gondolo and Calatrava – have continued to languish.

Ticking over Patek Philippe's Aquanaut 5167A has proved a resilient performer. This model sold for US$95,250 at Sotheby's

Wine: Tuscany top as tariffs bite

The Liv-ex Fine Wine 100 Index posted another decline of 2.5% in 2025, extending total losses to more than 24.7% since its 2022 peak. The steepest falls have come from illiquid wines – those that cannot easily be converted into cash without a significant loss in value, for example because of high transaction fees – in the very regions that had surged most during the pandemic-era boom, including Champagne and Burgundy.

Hopes of a recovery were dealt a blow in April 2025 with the introduction of US tariffs. The country's buyers, formerly a dominant force in global fine wine demand, have since halved their purchase value.

Tuscan wines have continued to prove themselves as the most resilient wines through the downturn. Widely consumed and well known, they offer a compelling mix of familiarity, volume and value. Many top Tuscan wines boast quality scores on par with Bordeaux and Burgundy vintages, yet trade at around half the price. Over the past 12 months, average values for top-end super-Tuscans – wines made in Tuscany, using non-indigenous grapes – have risen by 0.3%, reducing their two-year decline to 1.4% compared with 11.3% in the wider market.

This emphasis on quality and value is increasingly shaping global demand. In Asia, for instance, buyers are shifting away from off-vintage purchases and second labels from marquee names, instead seeking out wines that deliver a strong drinking experience. The growing prevalence of glass-fronted wine rooms in prime homes is also influencing what collectors buy: the number of standard bottles traded is up 39% since 2015, but magnums have climbed 143% and even larger formats are up 66%.

The focus on quality is also driving interest at the very top end of the market. Buyers are once again beginning to seek out high-value, illiquid bottles from Burgundy and Champagne. A case of Domaine Leroy Musigny Grand Cru 2009 recently sold for over US$590,000, for example.

As demand from Europe and Asia gathers momentum, the outlook for 2026 hinges on whether a shift in the US tariff regime will revive demand from one of the market's most influential buyer bases. ▸

Superstar performer A mixed case of pioneering super-Tuscan Sassicaia from the cellars of landmark London restaurant Locanda Locatelli sold for US$5,000 at Bonhams in October

Roaring returns

Fractional ownership is opening up the luxury market to a new generation of investors

In 2025, a rare 66 million-year-old Edmontosaurus skull delivered a 22.4% return in just eight and a half months' holding time on online trading platform Timeless Investments. The Berlin-based start-up sells fractions from as little as US$60 each in collectibles ranging from cars to wine to sneakers.

Interest is growing too in more esoteric objects. Fossils, minerals, meteorites – and dinosaurs – are gaining momentum, "driven by cultural significance and finite supply, and fired up by the auction houses," says Timeless's Managing Director Malte Häusler. The Edmontosaurus sale is a case in point – and also evidence of a trend to look beyond traditional luxury items like handbags and diamonds. In response, the company is developing a broader investment basket, with enhanced diversification options.

Consumers are drawn to rare curiosities for a range of reasons, including the desire to diversify their portfolios through non-correlated asset classes, or simply because they feel a connection, Häusler says. Whether it's a pair of basketball player Kobe Bryant's signed trainers or a black 1976 first-generation BMW 6 Series Coupé, "people are really keen to invest in items they feel passionate about," he adds.

YOUTH APPEAL

Timeless has almost 100,000 customers in the EU and UK. Investors aged 20–30 represent 32% of the total, despite accounting for just 13% of the population, while those aged 30–40 are similarly over-represented.

Transactions are handled through an app. Timeless stores, insures and maintains the assets and, when it believes market conditions are favourable, proposes a sale. Investors then vote on whether to proceed before the asset is sold and returns distributed. Customers can also trade fractions within the app.

The company's strongest returns come from watches, whisky and art. Average holding periods are typically around a year, with returns equivalent to compound annual growth rates (CAGR) of 35%, 29% and 29% respectively. Standout successes include the 2021 sale of a Vacheron Constantin 222 Jumbo, a Swiss luxury sports watch, bought for US$35,000 and sold eight months later for US$105,000. From 2022 to 2025, the portfolio has successfully exited 63 collectibles across a range of categories, with an average CAGR of 16%.

Assets with heritage and a story, as opposed to purely abstract financial instruments, exert a unique pull. As Timeless Asset and Partnerships Manager Leonardo De Keersmaeker puts it, "We see a lot of interest driven by the tangibility, and the emotional factor. It's about diversification of assets, with a fun story to tell."

34%
AVERAGE GROSS ROI ON WATCHES

Most popular Timeless investments

Most active investment categories by age group

	Under 20	20–30	30–40	40–50	50–60	60–70	70+	All
Wines & spirits	2	2	1	1	1	2	1	1
Watches	1	1	2	2	2	1	2	2
Cars	3	3	3	3	4	4	4	3
Art	4	4	4	4	3	3	3	4
Sneakers	5	5	5	5	5	5	5	5
Other	6	6	6	6	6	6	5	6
Memorabilia	7	7	8	8	7	7		7
Cards & games	8	8	7	7	8			8
NFTs		9	9	9	8			9

The Timeless luxury investor universe

Investor base = EU and UK

Age	Market share	Population share	Over- or under-indexed
Under 20	3.9%	5.4%	-29%
20–30	31.9%	12.9%	147%
30–40	28.7%	15.5%	85%
40–50	19.5%	14.5%	34%
50–60	11.7%	18.1%	-36%
60–70	4.1%	16.4%	-75%
70+	0.4%	17.1%	-98%

Timeless investment exits

Average investment returns by category, 2022–2025

Category	Average gross ROI*	Av. holding period (mths)	CAGR
Art	27%	11.3	29%
Card & game	17%	28.8	7%
Memorabilia	20%	27.7	8%
Other	26%	15.3	20%
Sneakers	31%	33.6	10%
Watches	34%	11.9	35%
Whisky	21%	8.8	29%
Wine	17%	12.0	17%

Source: Timeless

* Gross ROI = the difference between the acquisition price and the exit price. Fees are not included and this does not reflect the net return to investors

RUTLEY
AUCTIONEERS

Blue chip The Mellon Blue diamond owned by Bunny Mellon, designer of The White House Rose Garden, sold for US$25.6 million at Christie's in November

Diamonds: brilliant blues

The global natural diamond industry faced another challenging year in 2025, with pressures spanning the shift towards lab-grown diamonds and continued weakness in Chinese demand. Against that backdrop, however, fancy colour diamonds (FCDs) – which account for less than 0.1% of global diamond supply – remained relatively stable.

The Fancy Color Diamond Index, a benchmark produced by the Fancy Color Research Foundation (FCRF) measuring prices for selected pink, blue and yellow diamonds, stayed flat for three consecutive quarters and declined by 1% during the year.

Blue stones were the standout performers in 2025, rising about 0.3% in Q4. The year's biggest FCD auction sales were the 9.51-carat Mellon Blue – formerly owned by US philanthropist, horticulturist and socialite Rachel "Bunny" Mellon – sold at Christie's Geneva in November for US$25.6 million and the 10.03-carat Mediterranean Blue, sold at Sotheby's Geneva in May for US$21.5 million.

Many luxury jewellery houses highlighted colour diamonds in high-end collections. Tiffany & Co. featured an 18-carat fancy intense yellow diamond in its 2025 Blue Book showcase. Roy Safit, Chief Executive of the FCRF, says more maisons are entering the colour diamond market as clients seek stones with greater rarity and lasting value.

Lab-grown diamonds, he says, have "pulled the rug" from under the feet of the colourless market by offering larger stones at a fraction of the price, yet have had little impact on FCDs. "People buying fancy colour diamonds are looking for something that holds its value," he says.

Bags: Beater Birkins

Despite broader turbulence across the luxury sector, Hermès' iconic Birkin and Kelly bags have retained their pricing power, with the index down only marginally at -0.2% over 2025. To some investors on the lookout for inflation hedges and alternatives to gold, they represent a quasi-haven asset, according to Dana Auslander, CEO and founder of luxury alternative asset manager LUXUS.

But where luxury handbag collectors once chased pristine blue box Birkins and Kellys, demand is rotating toward pre-owned, visibly worn pieces – so-called beater bags, prized for their authentic patina and relative accessibility. Perhaps the ultimate beater bag, a well-travelled Birkin belonging to the eponymous model and actor Jane Birkin, fetched US$10.1 million at Sotheby's in July, making it the most expensive handbag ever sold.

Headline-grabbing sales aside, the most active segment now sits in the US$6,000–US$9,000 range, driven by younger buyers and Gen Z collectors, according to LUXUS. Resale platforms and auction houses are increasingly being asked to source at this level, reflecting both nostalgia and a preference for bags that can be used rather than preserved. By contrast, immaculate collector examples above US$50,000 are taking longer to sell. ■

Beatnik style A loveworn Hermès Birkin owned by model and actress Jane Birkin sold for a record-breaking US$10.1 million at Sotheby's Paris

Wealth *without* borders

As mobility becomes ever more important to the wealthy, we navigate the latest trends emerging from the superyacht and private jet worlds

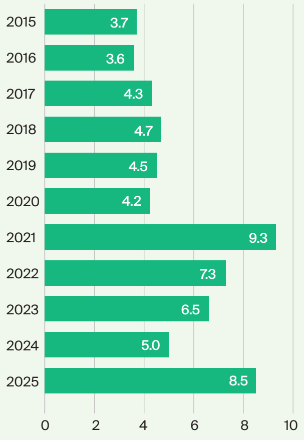
The superyacht market rebounded spectacularly in 2025. Total sales value saw a remarkable 70% year-on-year rise, surging to US$8.5 billion, a figure eclipsed only by the post-Covid peak of 2021. Stewart Campbell, Managing Director of BOAT International, points to a necessary “adjustment in pricing”, bringing asking prices closer to market realities and unlocking buyer activity.

However, the biggest catalyst was a surge in demand from the US – by far the largest global market, accounting for around 45% to 50% of all transactions, Campbell estimates. Buoyed by resilient equity markets and the reintroduction of a 100% depreciation tax bonus under President Donald Trump’s “One Big Beautiful Bill Act”, buyers rushed to close deals before the year’s end.

While US “Liberation Day” tariffs briefly paused buyer activity in April 2025, they had virtually no impact on the broader superyacht sector (boats over 24m). While all segments experienced solid growth, the ultra-large bracket again performed exceptionally well, with sales of yachts over 70m sailing ahead by 60% compared with the previous year. This top-end activity pushed the average asking price of a sold yacht to US$16.6 million. It seems fitting that the year also saw some historic megayacht deals, notably the record-breaking nine-figure sale of Dutch shipbuilder Feadship’s 118.8m *Breakthrough*.

Superyacht surge

Annual estimated sales of 24m+ boats, based on asking prices (total global sales value, US$bn)



Source: BOAT International

Aiding this recovery was a healthy injection of fresh inventory, with the highest number of new yachts entering the brokerage market in 2025 in seven years.

BOAT International data confirms that momentum has continued into early 2026. By mid-February, 58 sales had generated US$647 million, up 34.6% year on year. Provided prices remain realistic and inventory is available, the lifestyle appetite of UHNWIs points to continued activity in 2026.

FIVE BIG THEMES SHAPING THE SUPERYACHT WORLD

Unrivalled American dominance The global brokerage industry lives and dies by the American consumer, who consistently accounts for around half of all purchases. Driven by thriving equity markets and domestic tax incentives, US confidence remains the singular most vital economic engine for worldwide superyacht sales.

The rise of Indian wealth While China’s superyacht footprint remains small and inconsistent, India’s phenomenal wealth generation is one of the industry’s next big hopes. Wealthy Indian entrepreneurs are primarily buying vessels to keep and cruise in the Mediterranean, with some choosing Dubai or Abu Dhabi.

The emergence of Japan Traditionally overlooked, Japan is slowly realising its potential as a premier yachting destination. The government is actively investing in new marine infrastructure, relaxing regulations, and promoting its islands to make it far easier for foreign superyachts to visit, charter and cruise in its stunning waters.

The Red Sea riviera Saudi Arabia is investing heavily in terraforming its Red Sea coast with pro-yacht developments like Amala. While many projects are running behind schedule, the region from Jeddah to Aqaba promises incredible facilities, with some of the world’s best sailing.

The one to watch With 17,000 islands and unparalleled diving, Indonesia is a prime cruising ground. However, strict local laws preventing foreign-flagged vessels from chartering, combined with a lack of infrastructure, currently deter superyachts. Liberalising these laws and building marinas could unleash a massive money-generating machine for the region.

12 private jet routes seeing soaring traffic in 2025 – and the factors driving growth

Jeddah and Riyadh
Saudi domestic transformation
+269%

Abu Dhabi and London
Capital flows, sovereign wealth, education
+238%

Nantucket and New York
Multi-home lifestyle boom
+192%

Nice and Palma
Mediterranean luxury circuit expansion
+137%

Farnborough (London) and Samedan (Switzerland)
Alpine luxury travel and winter sports
+133%

Washington and White Plains (New York)
Government and finance corridor
+107%

Cannes and Paris
Global festivals and events
+100%

Boca Raton (Florida) and New York
Wealth and financier co-location
+70%

Mumbai and New Delhi
Start-up and enterprise growth
+68%

Milan and Paris
Fashion, luxury and business travel
+66%

Hong Kong and Tokyo
Regional economic integration
+65%

London and Savoy (Switzerland)
Alpine luxury travel and winter sports
+50%

The long-haul boom

Fastest year-on-year cross-continental route growth (2025)

Africa to Asia	+42%
Asia to Middle East	+20%
Europe to Middle East	+17%
Middle East to North America	+28%
North America to Africa	+26%
South America to Europe	+28%

Source: VistaJet

47%

SHARE OF PRIVATE FIRST-TIME FLYERS UNDER 45 IN Q1 2026, A RECORD HIGH

Upwardly mobile

From London to the Alps and New York to Nantucket, private jet data reveals a shift from travel to multi-location living among the world’s wealthiest

When Joe Bae, Co-chief Executive of US$322 billion private equity firm KKR, opened a new office in Abu Dhabi in November 2025, he described the emirate as “one of the world’s most important financial and investment hubs”. KKR followed the likes of Ray Dalio’s Bridgewater Associates and US$185 billion money manager Partners Group, reinforcing Abu Dhabi’s position alongside established centres such as London and New York.

Geopolitical risk aside, the expansion of these hubs is reshaping how wealth operates. Wealthy individuals are owning homes and running businesses across multiple cities – and moving between them more frequently. Data from the private global aviation company VistaJet confirms rising activity across a range of routes linking financial centres and lifestyle destinations. Private jet flights between Abu Dhabi and London, for example, soared by +238% in 2025.

While the leading routes remain familiar, the fastest-growing corridors tell a different story. Connections between New York, London and Miami continue to dominate, but it is the sharp growth in less traditional pairings – from Milan to Paris, to routes linking alpine resorts, Mediterranean second-home markets and secondary US cities – that underscores the shift towards multi-location living.

Milan to Paris, up 66%, reflects the pull of fashion, luxury and dealmaking. The 50% hike in flights from London to Switzerland’s Savoy points to the increasing importance of alpine second homes and seasonal living. Nantucket to New York (+192%) underlines the rise of dual-location lifestyles in the US, with financiers and entrepreneurs splitting their time between primary and secondary residences.

The profile of clients is changing too. A record 47% of first-time private jet flyers are now under 45, pointing to the growing influence of newer mobile wealth. The direction of travel is towards movement across a network of homes, offices and lifestyle hubs – underpinning demand for prime property in multiple markets. ■

THE WEALTH REPORT AT 20

After the gold rush

The art market defied gravity for years – but no more. We reflect on the ups and downs of the past two decades, highlight today's brightest opportunities and explore shifting attitudes to acquisition among the new generation of collectors

Star quality Installation of *Estelas* by Olga de Amaral

© Olga de Amaral, courtesy of Lisson Gallery

For much of the past 20 years, art has been a sound investment. Following the wider market crash of 2008/09, the value of art sales globally grew from around US$40 billion to US$64 billion by 2011, hovering around that level ever since. Even during pandemic-hit 2020, sales remained above their 2009 trough.

Indeed, between 2017 and 2021, in an environment of low interest rates and high liquidity, art seemed unstoppable. Auction sensations included Leonardo da Vinci's early 16th century masterpiece *Salvator Mundi*, which sold for an all-time high of US$450.3 million in 2017. In 2018, Kerry James Marshall's Seurat-influenced *Past Times* (1997) set a new auction benchmark for a living African-American artist when it sold for US$21.1 million. And in 2019, Jeff Koons' supersized stainless steel *Rabbit* (1986) became the priciest work ever sold by a living artist at auction at US$91 million.

And while the Covid-19 pandemic forced a switch to surfing online for an art fix, the craze for non-fungible tokens (NFTs) – digital imagery minted on a blockchain and previously unheard of outside of the tech crowd – peaked. In 2021 a work by the previously unheard-of graphic designer Beeple (aka Mike Winkelmann) sold online for a staggering US$69.3 million, by far the highest public price ever paid for an NFT.

Art seemed to rise in both good times and bad, benefiting from growing wealth around the world while looking like a hedge against downturns in the wider economy. As an investment, it was touted as the best of both worlds. But since that 2022 peak, the mood has shifted sharply, particularly in relation to more traditional investments. "Look at gold," says independent art adviser Nazy Vassegh. "It's gone up in value by 60% in a year and will always have strong residual value. I can't think of one artist or work of art that could claim that."

Come 2025, the idea that art was a safe investment had all but disappeared. The drivers of the boom were varied, but critically the evidence of art's potential to deliver a return on investment had been overhyped, leading to price inflation that couldn't ultimately be justified. "For the past several years prices have been waning," says Jo Stella-Sawicka, partner at Goodman Gallery, which has locations in South Africa, London and New York. She points to what she calls an "over-saturation of fairs and auctions" as a contributory factor.

WHEN THE TIDE GOES OUT

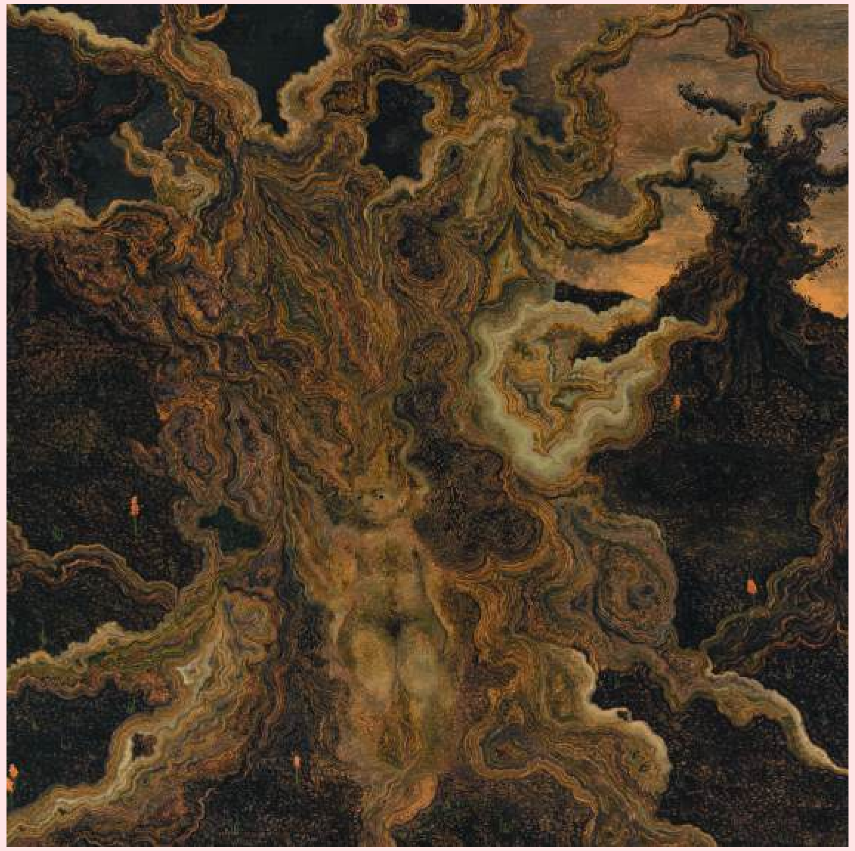
The Leonardo was an obvious beneficiary of the art boom. But works bought during the heady years that have come to auction recently demonstrate just how far values can go down as well as up. A late landscape by J.M.W. Turner, suffused in a golden light and sold from the estate of the philanthropist Elaine Wynn, sold for US$11.9 million at Christie's in November 2025. Wynn had bought it for the equivalent of US$24 million in 2017. In the same sale, *La Coiffure*, an iconic pastel by Edgar Degas, sold for US$3.7 million, just over half its 2021 sale price of US$7 million.

In the primary market, dominated by private galleries offering new works by living artists, the reversal of fortunes has been particularly stark. Speculation, in the hope of quick returns, had led to six- and even seven-figure prices for works by young and untested artists. Flora Yukhnovich, whose Rococo-inspired paintings were selling for around US$40,500 in 2019, made an auction record of US$3.6 million in 2022. This proved as unsustainable as it seemed: since 2023, Yukhnovich has only had one work sell for more than US$1.3 million.

Nevertheless, for those prepared to look beyond the big names and genres, opportunities remain. Practitioners currently in vogue include many artists who have been underrepresented and therefore undervalued in the past. This is helping to boost areas such as surrealism, for long not taken seriously, as well as previously overlooked female artists. Notable beneficiaries include the works of Leonora Carrington and Dorothea Tanning, which tick both boxes.

Contemporary surrealism is also in vogue. The London gallerist Pilar Corrias, whose recent shows include new works by Georg Wilson, whose "para-pastoral" paintings draw on ▸

Images © Georg Wilson, courtesy the artist and Pilar Corrias, London; and Maak London Ltd (www.maaklondon.com)



Imaginary worlds *Host (Cuckoo Pint)* (2025) by Georg Wilson

folklore and myth, believes the trend reflects a more sombre society looking for escape. "In a time of reckoning with our impact on the planet, we are all questioning what it means to be human today," she says.

There is a greater emphasis and value put on categories beyond oil painting, including those that celebrate the power of the human hand, such as ceramics and textiles. Historic ceramicists such as Lucie Rie and her mentee and collaborator Hans Coper are keeping the auction houses happily busy – the Lucie Rie bowl pictured right fetched a hammer price of US$83,500 in May 2025, nearly three times the estimate. Clay works by contemporary artists such as Lindsey Mendick and Lucia Pizzani are selling out at art fairs.

Olga de Amaral, a 93-year-old artist from Colombia whose works – including the *Estelas* series – use linen, paper and gold leaf, had her first major European exhibition last year, at the Fondation Cartier in Paris, and in November broke an auction record when her textile piece *Pueblo H* sold for US$3.1 million. Meanwhile, digital art, still slightly tarnished by the fall of the NFT market, is a niche, burgeoning category.

Such swings are part of the art market's usual cycle, says Marc Glimcher, President of contemporary art gallery Pace. He admits though that the latest swing has been "more intense" than anything before. Vassegh, who worked at Sotheby's for nearly 20 years prior to becoming an art adviser, sees something more fundamental. "It isn't new that the younger generation doesn't want to buy what their parents did," she says. "But this generation doesn't want to accumulate stuff and status in the same way. They have a different value system. They're more interested in a sense of community."

A NEW PERSPECTIVE

In terms of collecting, Vassegh believes, the emphasis is shifting away from the objects themselves and on to "the artists, the makers and the people looking after them". She cites grassroots institutions such as the UK's Delfina Foundation and The Showroom that are actively attracting more project-based philanthropy and helping support artists to "research, experiment and take risks". See page 58 for more on the new wave of clubs enabling just these types of connections.

Another example comes from Justas Janauskas, co-founder of the secondhand clothes phenomenon Vinted, who is funding curator fellowship programmes between institutions in the UK and the Baltic. "I can do more in terms of the fabric of the art world by organising these than by buying objects for the same amount of money," he says.

The next generation "loves the idea of this sort of funding as a way of giving back, getting an artist's career going, without necessarily buying their work," says Vassegh. Ultimately, she believes that "without the speculation, there is a return to art for art's sake". It might not be an investment in the traditional sense, but its real-life rewards could prove richer. ■

Maker's marks Sgraffito bowl by Lucie Rie

THE DIGITAL CONNOISSEUR

While overhyped NFTs have fallen out of favour, they have not taken all technology down with them. The creative industries are not immune to the march of AI, both as an art form and an operational tool.

This year's Art Basel Miami Beach had a special section dedicated to digital art, Zero 10, which included works that incorporated AI by the likes of former NFT hero Beeple, as well as more traditional digital works by light artist James Turrell. Meanwhile, the humanoid, female-gendered robot Ai-Da, conceived by the gallerist Aidan Meller, continues to make art and, more recently, architecture. While many feel she is "somewhat gimmicky," says specialist author and journalist Jo Lawson-Tancred, one of her works, *A.I. God. Portrait of Alan Turing*, sold for over US$1 million in 2024.

As for AI-powered operational innovations, examples include valuation businesses, which attempt to accelerate the work of a team of real-life researchers, and start-ups that harness AI to authenticate art. While (human) artists tackle issues of copyright infringement, with some more open to their work being mined than others, the wider industry is troubled by the threat that AI poses to the so-called "connoisseur", the real-life expert with an instinct and a well-trained eye.

These concerns go beyond job losses for a handful of well-educated art historians, regrettable though that might be. After all, it's "connoisseurship" – when liberated from its ivory tower overtones – that places emphasis on the time, personal investment and thoughtfulness that make works of art more than just pictures. In a fast-paced, "too-long-don't-read" society, no wonder people are worried.

Nevertheless, the vagaries of traditional valuation and authentication have long been problematic: reliance on one or two experts seems risky, and many have been known to change their minds over time. Stakes are so high that experts are under threat of litigation should they demote, for example, a Rembrandt to a much lower-valued studio work. Given the risks, artist estates, including those of Andy Warhol, Jean-Michel Basquiat and Keith Haring, have stopped authenticating works.

Offloading this risk on to a machine is tempting, though with AI in its relative infancy, not yet compelling for all. The current compromise is that a combination of man and machine is the safest bet, as with other scientific analyses. At a recent art conference in London (which included predictions deliberately generated by AI), organiser Sigrid Kirk, a cultural strategist and the co-founder of the Association of Women in the Arts, summed up the art world's current position on the complexities that AI could face: "Art doesn't move in straight lines, it resists consistency, it is shaped by instinct, taste, emotion and refusal as much as by data."

> **"Art doesn't move in straight lines, it resists consistency, it is shaped by instinct, taste, emotion and refusal as much as by data**

Conspicuous taste

Collector and CEO of hand-painted advertising company Global Street Art, Lee Bofkin believes the real value of collecting lies not in money, but in taste, knowledge and time

Lee Bofkin is arguably among Britain's most prolific private collectors. His studio at Global Street Art's headquarters in Shoreditch, east London, contains more than 100,000 objects – fragments of advertising history, packaging, postcards, badges and ephemera spanning more than a century of visual culture, assembled over decades of obsessive collecting.

When asked which piece matters most, Bofkin reaches for one of roughly 1,000 carefully catalogued folders. This one contains fragments of pottery he has personally recovered while mudlarking on the banks of the River Thames. His favourite is a small Limoges brooch showing the profile of a woman in period dress.

"You can see this has been in the Thames for more than 100 years," Bofkin says, turning the piece over in his hands. "For me, it represents the time, effort, care, curation and skill that's gone into this whole project."

> **Collecting is not conspicuous consumption – it's conspicuous taste**

This edition of *The Wealth Report* has charted a broad transfer of consumption away from the accumulation of luxury objects towards experiences – particularly travel, wellness and longevity (see page 58). Yet enthusiasm for collecting itself shows little sign of waning. Instead, it has increasingly shifted towards more esoteric objects whose value lies in knowledge, rarity and personal meaning rather than brand prestige. As Future Laboratory co-founder Martin Raymond argues, affluent consumers are increasingly drawn to spending that delivers a sense of self-actualisation rather than simple display.

This has long been the case for many seasoned collectors, but emerging tools such as fractional ownership are scaling accessibility (see page 66). For Bofkin, this style of investing reflects an important difference between accumulating and collecting: while the former might display wealth, the latter signals something much more culturally important.

"Collecting is not conspicuous consumption – it's conspicuous taste," he says. "More than consumption, people want to demonstrate luxury as a sense of taste. If you've got that and it's internalised, it commands respect."

Bofkin's fascination with cultural artefacts also informs his day job as founder of Global Street Art, Europe's largest hand-painted mural advertising company, which produces work for brands including Apple, Coca-Cola and Fendi. For luxury brands, the appeal lies partly in craft. As Ian Rogers, former Chief Digital Officer at LVMH, puts it, the group sells culture as a prequisite to selling products. Murals offer a way to embed brands in that cultural conversation.

Hand-painted walls deliver something digital media struggles to replicate: attention, emotion and a sense of human effort. "The effort you can't fake, the human aspect you can't fake," Bofkin says. Where algorithmic advertising can feel disposable, a mural becomes part of the urban landscape, photographed, shared and remembered.

In that sense, the murals mirror Bofkin's archive. Both capture fragments of culture in a particular moment in time – a visual shorthand that might otherwise fade away. Collecting, like painting a wall by hand, is ultimately an act of preservation. "The reason this stuff is so valuable is that money can't buy it," Bofkin adds. "Only time can." ■

Popular history Lee Bofkin's collection reflects a century of visual culture

GLOBAL
STREET
ART.™

Classic with a twist A mural for iconic British brand Wedgwood

THE NEXT WAVE OF LUXURY COLLECTIBLES

Wondering what to collect next? We asked a panel of market specialists for their picks of the assets gaining traction, from haute couture to certified watches

Dana Auslander, founder, LUXUS

What? Vintage haute couture and designer accessories

Why? Investment-grade fashion is going mainstream, illustrated by recent auction results – including Carolyn Bessette Kennedy's Prada coat selling for US$192,000 and Jane Birkin's eponymous bag (see page 67). Designers such as Karl Lagerfeld and John Galliano are increasingly viewed through the same lens as artists, with provenance and rarity driving value. The category also brings more female-led demand into a market historically dominated by watches and cars.

Sheena Carrington, Market Editor, MyArtBroker

What? Prints and editions

Why? Unlike one-off works, editions circulate more frequently, allowing price discovery and broader participation. This creates a more transparent and active secondary market. Works that combine cultural significance with recognisable visual identity tend to sustain long-term demand.

Anders Petterson, CEO & founder, ArtTactic

What? South Asian modern and contemporary art

Why? This once peripheral market is expanding rapidly, thanks to rising domestic wealth and improving market infrastructure. Auction sales have surged, with Indian modernists achieving global recognition. Despite recent records, pricing still sits below Western equivalents of similar stature, suggesting further room for growth as international demand deepens and that valuation gap narrows.

Dietrich Hatlapa, founder, Historic Automobile Group International

What? "Poster cars" and race winners

Why? "Poster cars" such as the Porsche Carrera GT, alongside rare-specification vehicles with delivery mileage, are increasingly scarce. Over time, untouched examples become rarer than restored cars, underpinning value. A track record – particularly of Le Mans or Formula One success – further enhances collectibility. Provenance and originality remain critical.

Hamza Masood, Head of Partnerships, WatchCharts

What? Certified pre-owned luxury watches

Why? Brand-backed resale is reshaping the market. Rolex and Vacheron Constantin are formalising the secondary segment, improving trust and price stability. By setting benchmarks above non-certified pieces, such schemes are likely to support long-term value while reinforcing brand equity in a growing resale market.

Databank

The numbers behind *The Wealth Report*

THE KNIGHT FRANK WEALTH SIZING MODEL

Global wealth populations

BY REGION

GLOBAL UHNW (US$30M+) POPULATIONS

	Number			Share of global total		
	2021	2026	2031 (f)	2021	2026	2031 (f)
Africa	6,275	7,322	8,412	1.1%	1.0%	0.9%
Asia-Pacific	175,776	219,310	272,530	31.9%	30.7%	28.7%
Europe	146,525	183,953	215,195	26.6%	25.8%	22.7%
Latin America	14,284	16,847	18,930	2.6%	2.4%	2.0%
Middle East	13,486	21,922	28,956	2.4%	3.1%	3.1%
North America	195,089	264,272	404,218	35.4%	37.0%	42.6%
Total	**551,435**	**713,626**	**948,241**	**100.0%**	**100.0%**	**100.0%**

GLOBAL BILLIONAIRE POPULATIONS

	Number			Share of global total		
	2021	2026	2031 (f)	2021	2026	2031 (f)
Africa	18	27	37	0.7%	0.9%	0.9%
Asia-Pacific	1,171	1,116	1,470	43.0%	35.9%	37.5%
Europe	600	780	994	22.0%	25.1%	25.4%
Latin America	93	94	131	3.4%	3.0%	3.3%
Middle East	64	128	194	2.4%	4.1%	5.0%
North America	777	965	1,089	28.5%	31.0%	27.8%
Total	**2,723**	**3,110**	**3,915**	**100.0%**	**100.0%**	**100.0%**

Sources: Knight Frank Research, Forbes

THE KNIGHT FRANK WEALTH SIZING MODEL

Global wealth populations

BY MARKET

	UHNWI populations (US$30m+)			Five-year % change	
	2021	2026	2031 (f)	2021 to 2026	2026 to 2031 (f)
Argentina	1,160	1,554	1,772	34.0%	14.0%
Australia	12,424	16,460	26,095	32.5%	58.5%
Austria	3,329	4,188	5,067	25.8%	21.0%
Brazil	5,431	5,808	6,505	6.9%	12.0%
Canada	10,653	12,920	16,796	21.3%	30.0%
Mainland China	98,924	121,677	144,602	23.0%	18.8%
Czech Republic	1,356	2,270	2,667	67.4%	17.5%
Denmark	3,862	4,657	5,095	20.6%	9.4%
Egypt	802	822	977	2.5%	18.9%
Finland	1,174	1,317	1,397	12.2%	6.1%
France	17,737	21,518	24,703	21.3%	14.8%
Germany	28,942	38,215	47,004	32.0%	23.0%
Greece	523	910	1,140	74.0%	25.3%
Hong Kong SAR	7,017	6,788	8,485	-3.3%	25.0%
India	12,161	19,877	25,217	63.4%	26.9%
Indonesia	2,805	3,833	6,966	36.6%	81.7%
Ireland	1,660	2,196	2,481	32.3%	13.0%
Israel	3,186	5,462	6,889	71.4%	26.1%
Italy	12,547	15,433	16,667	23.0%	8.0%
Japan	16,305	18,914	21,634	16.0%	14.4%
Malaysia	1,471	1,566	1,881	6.5%	20.1%
Mexico	3,299	3,860	4,551	17.0%	17.9%
Monaco	181	239	280	32.0%	17.2%
Morocco	305	432	550	41.6%	27.3%
Netherlands	4,493	5,077	5,950	13.0%	17.2%
New Zealand	1,540	1,710	2,198	11.0%	28.5%
Norway	2,033	2,460	3,296	21.0%	34.0%
Philippines	1,575	1,910	2,844	21.3%	48.9%
Poland	1,442	3,017	4,906	109.2%	62.6%
Portugal	1,462	2,187	2,452	49.6%	12.1%
Qatar	405	838	1,007	106.9%	20.2%
Romania	388	749	1,120	93.0%	49.5%
Russia	7,855	8,399	9,326	6.9%	11.0%
Saudi Arabia	2,593	4,388	7,162	69.2%	63.2%
Singapore	4,642	7,171	10,495	54.5%	46.4%
South Africa	1,047	1,347	1,564	28.7%	16.1%
Spain	6,478	9,186	10,169	41.8%	10.7%
Sweden	6,355	6,845	10,633	7.7%	55.3%
Switzerland	12,724	17,692	19,806	39.0%	11.9%
Thailand	2,606	2,853	3,582	9.5%	25.6%
Turkey	2,174	4,208	4,772	93.6%	13.4%
UAE	3,139	4,851	6,588	54.5%	35.8%
UK	24,871	27,876	30,942	12.1%	11.0%
US	184,436	251,352	387,422	36.3%	54.1%
Vietnam	954	1,233	1,960	29.2%	59.0%

PRIME INTERNATIONAL RESIDENTIAL INDEX
PIRI 100

Annual % change in prime residential prices, 2025

RANK	MARKET	%
1	Tokyo	58.5
2	Dubai	25.1
3	Manila	17.5
4	Seoul	14.7
5	Prague	14.6
6	Cayman Islands	11.0
7	Mexico City	9.4
8	Bengaluru	9.4
9	Méribel	9.0
10	Mumbai	8.7
11	Porto	8.5
12	Marbella	8.1
13	Singapore	7.9
14	Cape Town	7.4
15	Jeddah	7.2
16	Courchevel 1850	6.9
17	Delhi	6.9
18	Florence	6.7
19	Lake Como	6.5
20	Bangkok	6.3
21	Nairobi	6.2
22	Gstaad	5.5
23	Rome	5.5
24	Quinta do Lago	5.2
25	Rio de Janeiro	5.2
26	Verbier	5.0
27	Madrid	5.0
28	Chamonix	5.0
29	Lucca	4.9
30	St Moritz	4.8
31	St Tropez	4.8
32	Geneva	4.7
33	São Paulo	4.6
34	Cortina d'Ampezzo	4.5
35	Corfu	4.5
36	Oslo	4.2
37	Perth	4.1
38	Frankfurt	4.0
39	St Barts	4.0
40	Marrakesh	4.0
41	Riyadh	3.5
42	Berlin	3.4
43	Val d'Isère	3.3
44	The Hamptons	3.2
45	Buenos Aires	3.2
46	Monaco	3.1
47	Saint-Remy-de-Provence	3.0
48	Gold Coast	2.8
49	Lisbon	2.7
50	Munich	2.5
51	Aspen	2.3
52	Dublin	2.3
53	Christchurch	2.1
54	Brisbane	2.1
55	San Francisco	2.0
56	Doha	2.0
57	Boston	1.9
58	Venice	1.5
59	Saint-Jean-Cap-Ferrat	1.4
60	Vienna	1.3
61	Paris	1.3
62	Kuala Lumpur	1.1
63	Los Angeles	1.0
64	Cannes	1.0
65	Oxford	0.9
66	Jakarta	0.8
67	New York	0.8
68	Milan	0.4
69	Bucharest	0.4
70	Orange County	0.4
71	Washington DC	0.1
72	Taipei	0.1
73	Barcelona	0.0
74	Costa Smeralda	0.0
75	Edinburgh	0.0
76	Mustique	0.0
77	Barbados	-0.0
78	Mallorca	-0.4
78	Sydney	-0.4
80	Miami	-0.5
81	Stockholm	-0.7
82	Megève	-1.0
83	Lausanne	-1.3
84	Melbourne	-1.3
85	Palm Beach	-1.3
86	Phnom Penh	-1.4
87	Jersey	-1.4
88	Ibiza	-1.8
89	Hong Kong	-2.1
90	Dallas	-3.0
91	Wellington	-3.1
92	Austin	-4.5
93	London	-4.7
94	Beijing	-4.9
95	Shanghai	-5.0
96	Auckland	-5.2
97	Vancouver	-7.0
98	Shenzhen	-7.2
99	Toronto	-7.8
100	Guangzhou	-12.2

Sources: Knight Frank Research, Macrobond

THE KNIGHT FRANK VINEYARD INDEX

Typical US$/ha across key global winemaking markets*

Region	US$/ha Q4 2025**	12-month % change to Q4 2025	Area under vines (ha)
Italy Piedmont (Barolo)	2,700,000	15%	2,280
France Champagne (Côte de Blancs)	1,900,000	-3%	6,304
France Bordeaux (Margaux)	1,650,000	-7%	1,500
Italy Tuscany (Brunello di Montalcino)	1,200,000	0%	2,100
Italy Tuscany (Bolgheri)	1,200,000	0%	1,380
US Napa Valley (Rutherford)	1,170,000	-3%	1,770
France Burgundy (Côte de Nuits red)	1,050,000	9%	3,500
France Loire (Sancerre)	300,000	0%	3,050
US Oregon (Dundee Hills)	270,000	-10%	900
Italy Tuscany (Chianti Classico)	245,000	0%	7,200
UK Essex	120,000	0%	470
New Zealand Marlborough	120,000	-25%	31,000
UK Kent & Sussex	110,000	0%	2,370
South Africa Stellenbosch	60,000	-25%	11,653
Australia Barossa Valley	55,000	-10%	11,600

Sources: Consorzio del Vino Brunello di Montalcino, Consorzio di Tutela Barolo Barbaresco Alba Langhe e Dogliani, Consorzio per la Tutela dei Vini DOC Bolgheri e DOC Bolgheri Sassicaia, Consorzio Vino Chianti Classico, Les Vins du Médoc, New Zealand Winegrowers, South African Wine Industry Information and Systems, Union des Maisons de Champagne, Vins de Bourgogne, Vins du Centre Loire, Willamette Valley Wine, Wine Australia and Wine GB

* Price per ha of vines is indicative only and could vary widely between vineyards within the same area or region ** Exchange rate as at 31 December 2025

THE KNIGHT FRANK LUXURY INVESTMENT INDEX
(KFLII)

Q4 2025 results

	12-month % change	5-year % change	10-year % change
KFLII	-0.4	2.2	38.6
Art (Impressionist)	13.6	-8.5	-0.0
Art (modern)	7.1	-13.0	-9.3
Art (post-war)	5.2	-4.7	-0.2
Watches	5.1	9.0	n/a
Art (top 100 artists)	3.6	-13.8	-8.1
Art (European Old Masters)	1.7	-2.9	2.2
Handbags (Hermès Birkin)	-0.2	n/a	n/a
Colour diamonds	-1.0	4.6	3.1
Wine (Liv-ex Italy 100)	-1.7	7.0	60.8
Wine (Liv-ex 100)	-2.5	0.2	34.1
Cars	-3.7	17.4	31.3
Wine (Liv-ex Burgundy 100)	-4.8	12.4	105.8
Art (contemporary)	-6.0	-17.8	-0.3
Prints	-6.6	-12.9	n/a
Whisky	-10.9	-19.6	111.9

Sources: Knight Frank Research, Artnet, Fancy Color Research Foundation, HAGI, Liv-ex, LUXUS, MyArtBroker, Rare Whisky 101, WatchCharts Notes: All data are to Q4 2025. The KFLII is a weighted average of asset performance. For 2025, the index has been extended and expanded to provide a more granular view of assets, e.g. splitting the art market into six segments and the wine market into three

Final word

We asked our contributors for their take on what's next in wealth, investing and property. Here's what they told us ...

“ The tech titans moving into yachting are having a huge impact. They're building very large and complex vessels, driving innovation. Now all the industry needs is for Elon Musk to buy a boat ...

Stewart Campbell, BOAT International

“ Younger wealthy investors in Asia are more attuned to innovation, technology, and demographics, and that's guiding where they invest.

Christine Li, Head of Research, Knight Frank Asia-Pacific

“ There is so much opportunity in Sydney. The lack of new-build volume means buyers are looking for redevelopment opportunities in the very best suburbs.

Michelle Ciesielski, McGrath Real Estate, Australia

“ The best residential deals are always the ones where the news doesn't come out before, during or after the transaction.

Paddy Dring, Knight Frank Private Office

“ The ULA tax and the billionaire tax debate may have dampened demand in the short term, but LA will remain one of the most important super-prime markets in the world.

Nick Segal, Carolwood Estates, Beverly Hills

“ Hong Kong has shown that it can reinvent itself – and do so rapidly. After a challenging couple of years, that ability to adapt is positioning the city to come back even stronger.

Ho Pin Tung, Knight Frank Private Office

“ London will remain hugely relevant. My clients will still be meeting their bankers in the City, arranging capital raises, and networking at places like 5 Hertford Street – try doing that in Lisbon or Valletta.

Rupert des Forges, Knight Frank London

“ I think people are now far more resilient to black swan moments. What once felt extraordinary – new taxes or geopolitical surprises – is becoming the norm. The focus now is on how to navigate it.

Alasdair Pritchard, Knight Frank Private Office

“ Property will continue to be one of the most important asset classes for private investors. It's durable, it's flexible, and its relative illiquidity is its strength – it forces a focus on the long view.

David Poole, Smith Square Partners, London

“ Mumbai has enormous growth potential ahead. The number of super-prime sales is rising steadily, and that creates real opportunity for developers in the years to come.

Ankita Sood, Knight Frank India

We're here to help you uncover global opportunities.

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