

# Rise of the Super Wealth Hub Series



Hong Kong  
Edition

An Asia-Pacific-Middle East Research Initiative Uncovering the Transformation of Super-Wealth Hubs in Shaping Global Wealth Landscape

<https://apac.knightfrank.com/wealth-in-asia-pacific/rise-of-the-super-wealth-hub-series>



# Hong Kong

Hong Kong boasts robust regulatory and supervisory frameworks, resilient capital markets and strong connectivity to the Chinese mainland. Its expertise in wealth management, fintech and green finance further enhances its appeal as a global financial hub and an international asset and wealth management centre. The city is no stranger to the wealthy, as it has long been recognised as a renowned international metropolis and a major global financial and business centre, attracting substantial wealth, investment and business with its strong rule of law. The city offers a high standard of living, with excellent wellness, healthcare and education services, as well as superb infrastructure. Residents enjoy a vibrant cultural scene, world-class dining, and a mix of modern skyscrapers and historic landmarks.

Hong Kong plays a strategic role as a bridge between the Chinese mainland and the rest of the world. Its quality of life, business opportunities and recreational offerings make it an attractive destination for those seeking wealth and prosperity.

Despite the challenging macroeconomic environment, Hong Kong has seen strong momentum in wealth growth among Hong Kong residents. According to Knight Frank's Wealth Report, released in 2024, Hong Kong has seen an increase in the number of Ultra High Net Worth Individuals (UHNWI) with a net worth of US\$30 million or more. In 2023, there were 5,957 UHNWIs in Hong Kong, representing a 2.5% annual increase. If this growth trend continues, it is projected that the UHNWI population in Hong Kong will reach 7,290 by 2028, a significant increase of 22.4%. This growth rate has surpassed

other Asian territories, including Japan, Singapore, Taiwan, and Thailand.

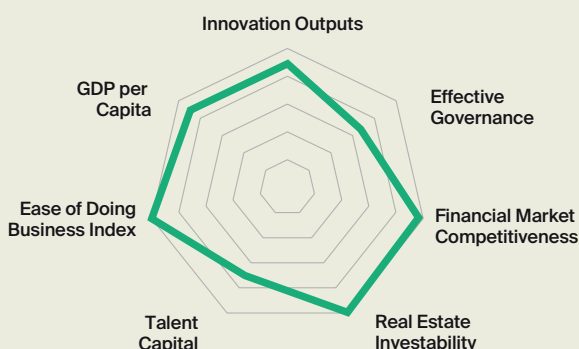
The Hong Kong government recently introduced various talent attraction programmes to fill the talent gap, including the Top Talent Pass Scheme and the Capital Investment Entrant Scheme. These high-end professionals and new investors often come from affluent backgrounds, have rich work experience, and have good academic qualifications. The number of wealthy individuals in Hong Kong is expected to continue to rise, leading to increased demand for luxury homes.

## WORK

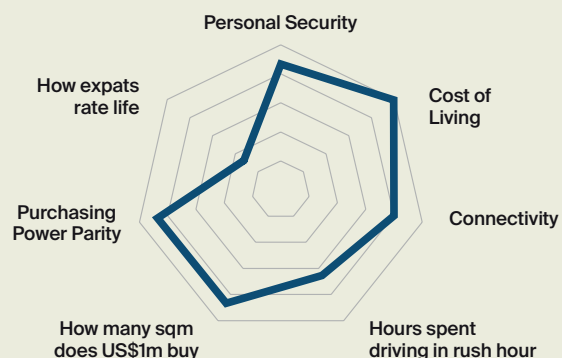
Hong Kong's strategic location in Asia and as a gateway to the Chinese mainland makes it an ideal base for multinational corporations and entrepreneurs. The simple, low-tax system in Hong Kong creates a business-friendly environment and attracts skilled workers and professionals worldwide. Individuals in Hong Kong are taxed at a progressive rate from 2% to 17%, which is low compared to many other countries. In comparison, Singapore's personal income tax starts at 2% and goes up to 24% for higher earners in the 2024 assessment year.

Additionally, Hong Kong is known for its competitive incomes and opportunities for career progression, making the city an appealing place of work for many top talents from around the world and creating a dynamic and diverse workforce. Hong Kong's service sector, including trading, logistics, financial, and professional services, contributes more than 90% of its Gross Domestic Product (GDP).

## WORK



## LIVE



\*The various elements are based on global ranking sources. The closer to the circumference of the radial chart represents a higher rank while a position nearer the centre denotes a weaker one. See appendix 1 and 2 for more details.

## LIVE

With a population of about 7.5 million living in an area of 1,115 square kilometres, Hong Kong is one of the most densely populated cities globally, with towering skyscrapers and compact living spaces. The cityscape is iconic, with neon lights, bustling streets, and the constant buzz of activity. Known as an urban jungle, surprisingly, about 75% of the total land in Hong Kong is protected countryside, with various landscapes, including beaches, woodlands, and mountain ranges, being found within the small territory. People have easy access to beaches and islands, making it a water sports and boating haven. Despite its compact size, Hong Kong offers a vibrant blend of East and West and a thriving lifestyle. It boasts a rich cultural scene, diverse culinary options, modern amenities, and efficient public transportation. Hong Kong also provides great education options, with numerous world-renowned universities. Hong Kong has four distinct seasons, which offer a diverse climate experience throughout the year.

## PLAY

The saying ‘work hard, play hard’ is appropriate for describing Hong Kong's lifestyle. Entertainment and leisure activities are varied and plentiful, making it a great place to explore. Hong Kong's stunning skyline, amazing country parks, beautiful beaches, picturesque harbour, and iconic landmarks provide a unique backdrop for leisure activities.

Hong Kong has firmly established itself as a vibrant regional arts hub. Its dynamic arts scene attracts artists, collectors, and enthusiasts from around the world. The city hosts major art events, including Art Basel Hong Kong, a vital anchor in Asia's art scene and a key global art trade calendar event. Additionally, Hong Kong's galleries, museums and cultural institutions contribute to

its status as a creative and influential arts centre in Asia. Not only does Hong Kong integrate arts and culture, but it is also a place where people from all walks of life and different racial backgrounds get along. Hong Kong is also one of the world's three largest art auction markets. The zero customs tariff facilitates art transactions and helps promote art as an investment and art financing in Hong Kong.

## GREEN

The growing momentum of ESG (Environmental, Social, and Governance) globally has led to remarkable progress in promoting Hong Kong's sustainability agenda. In recent years, Hong Kong has actively fostered a sustainable ecosystem through various ESG initiatives, such as its Climate Action Plan 2050, which encourages energy efficiency, the use of renewable energy, and the development of green buildings. Hong Kong aims to become a premier centre for green and sustainable finance. Its strategic position in the Guangdong-Hong Kong-Macao Greater Bay Area enhances its green finance prospects.

According to Climate Action Plan 2030+ and the updated Climate Action Plan 2050, Hong Kong aims to reduce carbon intensity by 50% by 2035 compared to the 2005 level. It is also committed to reaching carbon neutrality before 2050 and actively promotes green bonds and sustainable investments earmarked for climate change mitigation and adaptation.

## RESIDENTIAL MARKET PERFORMANCE

In the 2024 Budget in late February, the government announced the immediate withdrawal of all property-cooling measures, which had been in place since 2010. The Hong Kong Monetary Authority also eased lending rules for property buyers, including the suspension of stress tests and allowing buyers to purchase self-use apartments with lower down payments. This move has resulted in the most relaxed market conditions in the past 14 years.

Since the withdrawal of the cooling measures, developers have been actively launching new sales, and the pace of buyers entering the market accelerated significantly in March and April. The number of residential transactions rebounded to more than 8,500 in April, the highest single-month transaction number in the past decade. However, owing to factors such as the delay in interest rate cuts and market uncertainty, the number of transactions fell back to about 5,550 in May and slipped another 30% to 3,856 in June. Likewise, home prices increased after the



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withdrawal of cooling measures for two consecutive months in March and April. However, the effects of scrapping the property curbs did not last long. Home prices fell by 1.2% MoM in May 2024, 12.7% lower than in the previous year, according to figures from the Rating and Valuation Department. The data indicates that the positive impact of scrapping the property curbs wore off after some pent-up demand was fulfilled. Still, the rebound in home sales could not continue as buyers remain cautious amid high interest rates.

#### **RESILIENT AND ACTIVE LUXURY RESIDENTIAL SEGMENT**

Following the Hong Kong government's decision to withdraw property-cooling measures in February 2024, developers swiftly responded by launching new sales. Further motivated by a price decline of up to 10% since 2021, buyer activity throughout March and April sharply rose, exhibiting robust performance for the luxury residential market. Amongst the

notable transactions, a US\$128 million (HK\$1 billion) sale of a house in Mont Verra, Beacon Hill was recorded, which set a new Kowloon record at US\$11,045 (HK\$86,289) per square foot. Similarly, a property in Deep Water Bay sold for US\$59.9 million (HK\$468 million), or US\$11,808 (HK\$92,257) per square foot. Mainland buyers, particularly from the financial sector, have played a pivotal role in the market's resurgence.

Furthermore, according to Knight Frank's latest Global Super-Prime Intelligence Report, Hong Kong recorded 36 property transactions valued at US\$10 million or more in the first quarter of this year, more than double the 15 transactions in the previous quarter. For the year ending in March, Hong Kong saw 132 such super-prime transactions, maintaining its position as the leading market in Asia.

Going forward, we can expect Hong Kong's residential landscape to remain resilient, as its prime residential prices are forecast to remain stable in 2024 due to its scarcity.

#### **FAMILY OFFICES POISED FOR PROMISING GROWTH**

Hong Kong serves as a gateway between the Western and Eastern economies. With the free flow of capital and its well-established regulatory framework, it has become a successful private wealth management hub and an attractive destination for family offices. With the government's active promotion of the development of family office businesses, coupled with the city's strengths in the private wealth management sector, Hong Kong's family office sector is flourishing. According to a market study published by Deloitte, in collaboration with FamilyOfficeHK, there were more than 2,700 single-family offices in the city as of the end of 2023.

We have seen a rise in interest in the Hong Kong market from family offices and private investors, focusing on the living and residential sectors. In terms of cross-border investment, there remains strong interest in Japan, and despite values having adjusted slightly downward in London, it is still a popular market. Furthermore, UHNWIs in



general, have seen increased demand in Italy and in particular, Milan, because of the flat-fee non-domiciled tax structure.

Hong Kong's wealth management sector enjoys a compound annual growth rate of 7.6% and is set to overtake Switzerland by 2027. As the largest hedge fund centre in Asia and the second-largest private equity fund centre in the region after the Chinese mainland, Hong Kong is well-positioned for continued growth in the family office sector.

*“Hong Kong has a long-standing and proven history as a global financial hub. The city’s connectivity to the Chinese mainland, robust infrastructure, and extensive experience with legislation and compliance have fostered stability, making it an attractive destination for family offices to establish themselves.*

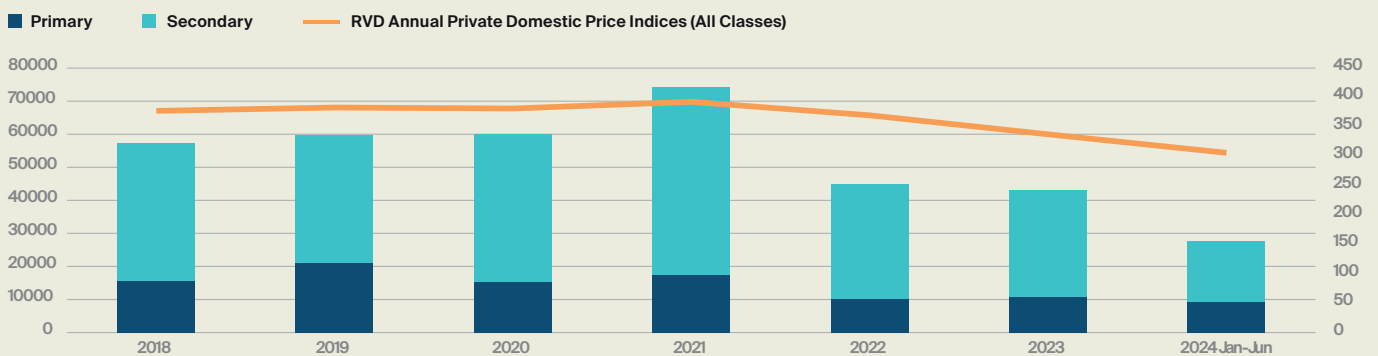
*Amidst ongoing turbulence, changes in legislation, and subsequent new barriers for family offices in other locations, we anticipate that Hong Kong’s position as a global hub for family offices will continue to grow.*”

**Ho-Pin Tung**  
Director, Head of Private Office



### Residential Market Performance

Hong Kong Residential Transactions and Price Indices



Source: Knight Frank Research, RVD, Land Registry

## APPENDICES

### Appendix 1: 'Work' elements and scores

GLOBAL INNOVATION INDEX	CHANDLER GOOD GOVERNMENT INDEX	GLOBAL FINANCIAL CENTRE INDEX	SCHRODERS GLOBAL CITIES INDEX	GLOBAL TALENT COMPETITIVENESS INDEX	WORLD BANK	WORLD POPULATION REVIEW
INNOVATION OUTPUTS	EFFECTIVE GOVERNANCE	FINANCIAL MARKET COMPETITIVENESS	REAL ESTATE INVESTABILITY	TALENT CAPITAL	EASE OF DOING BUSINESS INDEX	GDP PER CAPITA
0.89	0.67	0.97	1.00	0.70	1.00	0.89

### Appendix 2: 'Life' elements and scores

EIU SAFE CITIES INDEX (SCI)	MERCER COST OF LIVING CITY RANKING 2024	OAG MEGAHUBS INTERNATIONAL INDEX	TOMTOM TRAFFIC INDEX	KNIGHT FRANK WEALTH INDEX	BIG MAC INDEX	EXPAT INSIDER SURVEY
PERSONAL SECURITY	COST OF LIVING	CONNECTIVITY	HOURS SPENT DRIVING IN RUSH HOUR	HOW MANY SQM DOES US\$1M BUY	PURCHASING POWER PARITY	HOW EXPATS RATE LIFE
0.87	1.00	0.80	0.65	0.87	0.87	0.33

## METHODOLOGY

The assessment process involves the utilisation of six comprehensive blended indicators, each meticulously designed to capture key dimensions of urban excellence. These indicators encompass Urban Prosperity, Governance and Talent, Legal Framework, Enterprise Excellence, Lifestyle, and Opulence. Our methodology is anchored in a proprietary model that harmoniously amalgamates these indicators, facilitating a comprehensive evaluation of cities based on the work, live, and play paradigm.

The bedrock of our analysis is a compendium of globally recognised

city rankings meticulously curated to encompass a spectrum of categories. These rankings include eminent indices such as the EIU Safe Cities Index, Mercer Cost of Living City Ranking (2024), Chandler Good Government Index, Schrodgers Global Cities Index, and Forbes Travel Guide's 2024 Star Awards. Our model establishes a robust foundation for evaluating cities' performance across multifaceted criteria by sourcing data from these authoritative sources.

A meticulous procedure of normalisation is employed to enable a holistic and nuanced comparison across cities. This critical step involves rebasing raw

indicator data to a standard unit, facilitating aggregation. All indicators within our model are calibrated on a scale of 0 to 1, where a score of 1 signifies the highest attainment of the given indicator, while a score of 0 denotes the lowest.

The resultant indices derived from this process are not standalone; they interweave seamlessly to unveil a comprehensive portrait of urban prowess. The combination of these indices, each highlighting a unique aspect of city excellence, results in a complete evaluation that goes beyond individual factors.

For more updates on the Rise of the Super Wealth Hub series, scan the QR code or visit: <https://apac.knightfrank.com/wealth-in-asia-pacific/rise-of-the-super-wealth-hub-series>



### Recent Research



The Wealth Report 2024



Global Super-Prime Intelligence



Prime Global Rental Index



Hong Kong Monthly Report

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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