

The Wealth Report - September Issue

by [Marc Cohen](#) - 1 Sep 2009

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In their monthly Wealth Report for Luxury Society members, [Marc Cohen](#), Director of [Ledbury Research](#), a London-based research agency and [James Lawson](#), Editor of [High Net Worth](#), the agency's flagship publication, report on the evolving state of world wealth.

Number of US Millionaires Drops

The number of millionaires (\$1m or more in investable or liquid assets, excluding sponsored retirement plans and real estate) in the US has declined by 14% over the past two years (Phoenix). However, the ranking of states has varied little, with Hawaii leading the nation with a ratio to millionaire to total population of 6.4%. While the top states in millionaire percentages are much the same, overall the market downturn has taken its toll on the ranks of millionaires in most states: there are only 5m households in the US that qualify as millionaires compared to 6m two years ago. The table to the right shows the ratio of millionaires by state.10 Wealthiest US States

10 Wealthiest US States			
Rank	State	\$1m+	Millionaire Ratio
1	Hawaii	28,363	6.4%
2	Maryland	133,299	6.3%
3	New Jersey	197,694	6.2%
4	Connecticut	82,837	6.2%
5	Virginia	166,596	5.5%
6	Massachusetts	137,792	5.5%
7	Alaska	13,348	5.4%
8	New Hampshire	27,562	5.3%
9	California	662,738	5.3%
10	D.C.	13,028	5.0%

Source: Phoenix

Residency Offered to Wealthy Investors

US companies have been offering green cards to wealthy foreigners as an incentive to invest their money in the US (Daily Business Review). The US immigration Act of 1990 established the EB-5 immigrant investor visa program which offers a green card to those having invested \$1m in a US business.

This idea being mirrored by other countries around the world in the hope of attracting wealthy individuals. New Zealand recently announced that it had relaxed its rules on immigration in a bid to attract wealthy entrepreneurs (Agence France Presse).

Migrants with at least \$6.6m will no longer need English language skills or business experience, and the maximum age limit has been removed. Those moving to the country will be required to stay there at least a fifth of every year and the invested money will have to stay in the country for at least three years.

Shanghai has also released residency rules aimed at attracting and retaining quality personnel from other cities (EIU). HNWI's (paying over \$146,000 in annual income tax for three consecutive years) may qualify immediately for household residency in the city. Less wealthy individuals will need to have a city residence card for seven consecutive years and work in certain state-prescribed employment grades to qualify.

World's Most Expensive Streets Drop in Value

Prime residential property on the world's top ten most expensive streets saw their overall value fall by 12% in the last year (Wealth-Bulletin). The most expensive street on the list fell from \$190,000 per square metre a year ago, to \$120,000 per square metre this year. Only one street from an emerging market made this year's list, Ostozhenka Street in Moscow. The table to the right shows the top ten most expensive streets this year, and their value last year.

World's Most Expensive Streets		
Street	Price per sq m '09	Price per sq m '08
Avenue Pr. Grace, Monaco	\$120,000	\$190,000
Chemin de St-Hospice, France	\$100,000	N/A
Fifth Avenue, NY, US	\$72,000	\$80,000
Kensington Palace Gardens, UK	\$65,000	\$77,000
Avenue Montaigne, Paris, France	\$54,000	\$54,000
Via Suvretta, Switzerland	\$45,000	N/A
Via Romazzino, Sardinia	\$42,000	N/A
Severn Road, Hong Kong	\$40,000	\$121,000
Ostozhenka Street, Moscow	\$35,000	\$40,000
Wolseley Road, Australia	\$28,000	\$28,000

Source: Wealth-Bulletin

Wealthy from Emerging Markets Buoy Offshore Financial Centres

Although offshore financial centres have been feeling pressure from Washington, Paris and Berlin, they may have a new ally in the wealthy from emerging markets (Wealth-Bulletin). Wealth managers in Switzerland have seen a surge of money from the Middle East and Latin America in the past six months; members of the Channel Islands' financial community make regular trips to Asia and the Middle East to sell their offshore services. These individuals put their money in offshore centres for security reasons as they want their money looked after in a country safe from social upheaval.

Financial Crisis Takes Toll on Asia's Wealthy

44% of Asia's wealthy individuals (at least \$2,150 income and over \$91,000 in liquid assets) suffered losses in the past six months due to the market turmoil. Singapore's wealthy saw the biggest drop in assets with 56% affected by the economic downturn (HSBC). The crisis has not only taken a toll on personal wealth but has also affected investors' risk appetite and private consumption. Despite the downturn, 46% of wealthy Chinese saw their wealth rise by as much as 50% in the last six months.

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