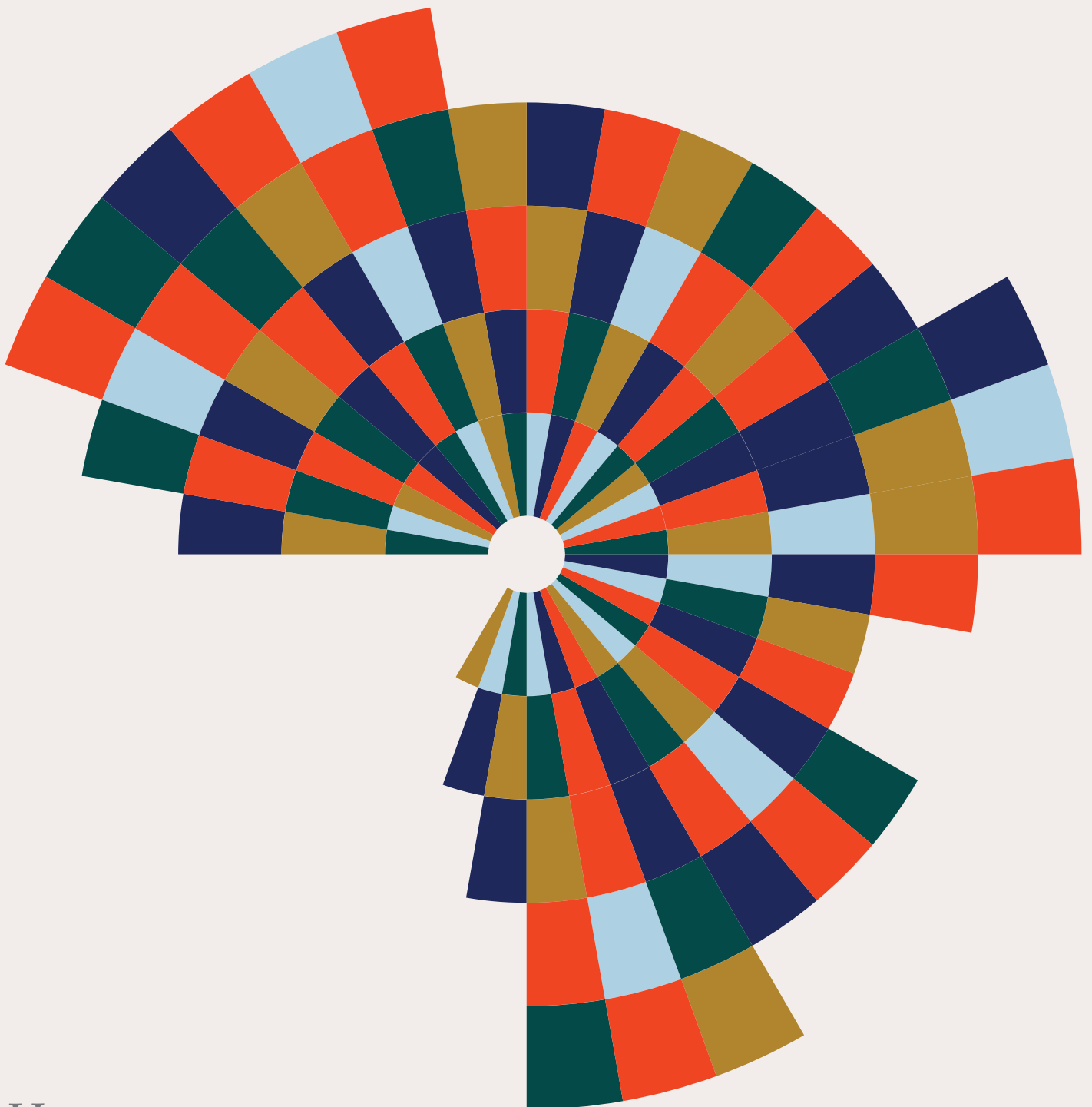


Africa Wealth Report 2022

NWWealth

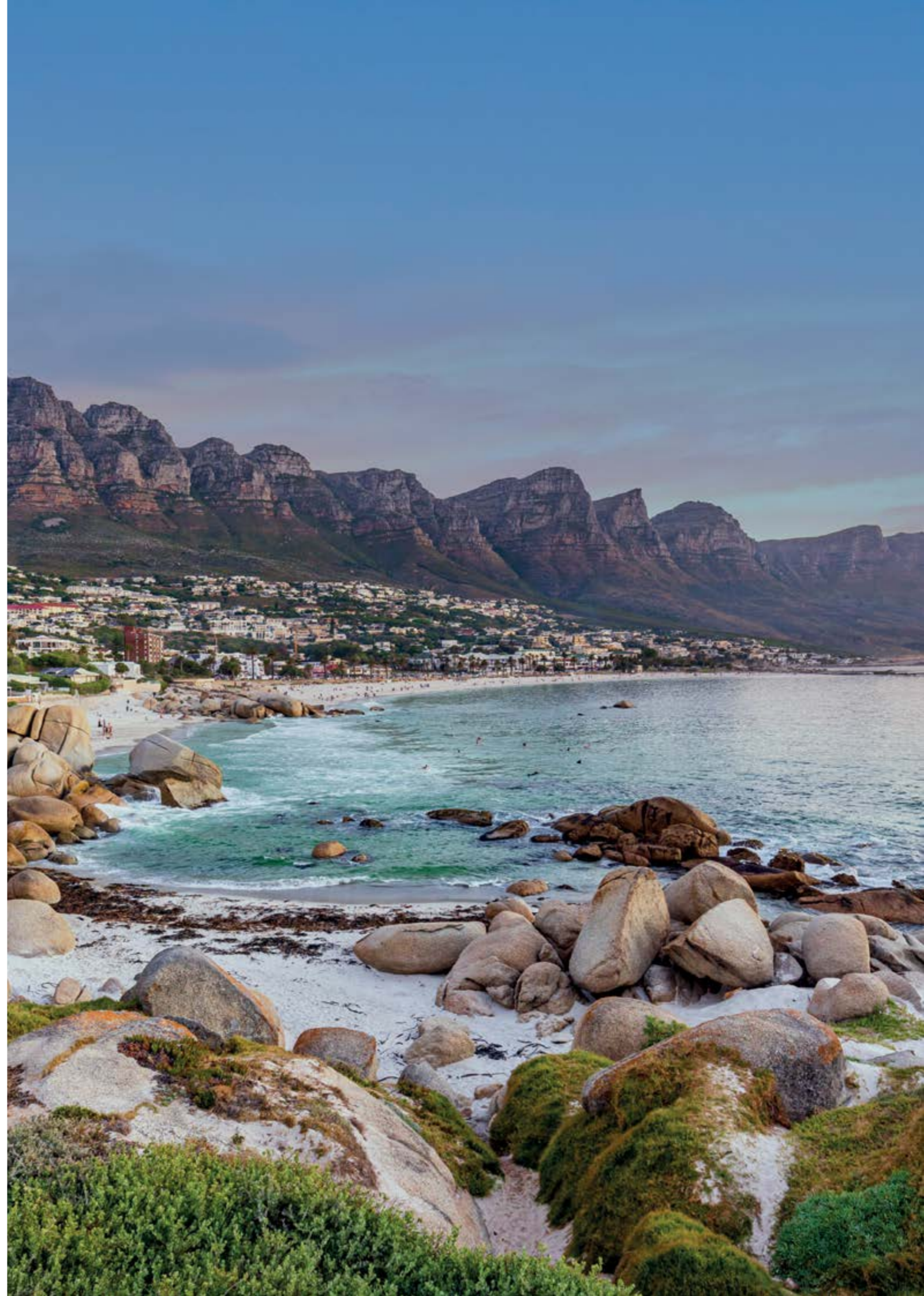


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Introduction

The Africa Wealth Report is published by *Henley & Partners*, the global leader in residence and citizenship by investment, in partnership with South African wealth intelligence firm New World Wealth.

The report provides a comprehensive review of the wealth sector in Africa, including trends among high-net-worth individuals (HNWIs), the luxury market, and the wealth management sector on the continent. The wealth tiers opposite are considered in our analysis.

The Africa Wealth Report is the benchmark of luxury sector research in Africa. Knowing where affluent individuals live, understanding their spending habits and being aware of

their preferences is critically important to the providers of wealth management and luxury services in Africa and globally.

Africa is home to some of the world's fastest growing markets, including the likes of Rwanda and Mauritius. There are also several well-established wealth hubs on the continent, including South Africa, Egypt and Morocco, that already host large numbers of HNWIs.

HNWIs in Africa are extremely mobile and their movements provide a valuable insight into future economic trends in each country. For instance, countries such as Mauritius that attract HNWIs through migration have a significant economic advantage over the rest.

Wealth tiers	Definition
Billionaires	Individuals with wealth of US\$1 billion or more.
Centi-millionaires	Individuals with wealth of US\$100 million or more.
Multi-millionaires	Individuals with wealth of US\$10 million or more.
Millionaires (HNWIs)	Individuals with wealth of US\$1 million or more.
Mass affluent	Individuals with wealth of US\$100,000 or more.

Source: New World Wealth.



The new world of African wealth

The rise of frontier economies and megacities along with the diversification of wealth-creating sources are just some of the trends driving the creation, flow and preservation of capital across the continent.

Vusi Thembekwayo

Venture capitalist, global business speaker, author and CEO, MyGrowthFund Venture Partners

The pursuit of wealth is among the most universal of human endeavors. Regardless of their culture, their time of existence or the value system of their society, throughout civilizations and whichever deity they may have praised, humankind has pursued wealth.

In today's world of rapid advancements in disruptive technologies, shortened life cycles of companies and globalized market volatility, designing a strategy to preserve your wealth is both a science and an art. Throw into this

salad bowl of complexity the emerging asset classes of the world, the democratization of capital markets, the digitization of money and the generous supply of influencers who have no track record of successfully managing client wealth, and you have a festival of financial potholes to fall into at every turn.

So, the message is clear: investors beware. But although times are treacherous, they are also good. In many respects, we have been lulled into a false sense of security by the

longer-than-average period of global peace that humanity has enjoyed and the global hegemon of the USA.

However, we are also living in a world where global inequality, slave-wage-fueled forced labor and the lack of diversity, equity and inclusion in the financial markets are real threats to the sustainability of the system of wealth creation and distribution.

The continent of Africa and Africans themselves have a rather curious relationship with wealth. Pop culture, musicians and celebrity status have sold a brand of wealth accumulation that is simply not attainable for the vast majority of Africans. What started out as an aspirational culture has fast become a status quo of attaining relevance for the 'clout chasers' found in the popular arts and culture.

Africa's story is more one of polar domination, with the largest wealth management centers traditionally situated in the most extreme south, South Africa, and the most extreme north, Egypt and Morocco. The rise of frontier economies that are attracting new wealth by positioning themselves as preferred investment destinations is challenging this narrative. Mauritius and the Seychelles have recently been the most deliberate with this strategy.

While the number of millionaires on the continent over the past decade has not increased exponentially, the number of centi-millionaires and billionaires has shot up. This theme supports the idea that the continent needs to deal with the legacy industries whose ownership structures perpetuate inequality. Not only that but it also supports the notion that the continent needs to increase the exposure of and education regarding financial markets to ordinary households. The populations of most countries on the continent have asymmetric knowledge of finance, which constrains the growth of retail participation in financial markets.

The tide is swinging in the direction of smaller emerging economies. The delta in

new wealth creation has been strongest in countries such as Mauritius and Rwanda. Key drivers of this trend are the recognition by these economies that they can attract substantial capital if they have the right regulatory framework. This regulatory regime includes preferential terms for capital gains tax and inheritance tax and an environment that allows for ease of doing business.

The disaggregation of the nation state and the rise of megacities whose economies are larger than the budgets of many mid-sized countries have also been themes that have driven the creation, preservation and flow of wealth across the continent. Civic authorities are positioning their cities as preferred destinations for wealth in order to stimulate inflows of capital, talent and prosperity. All these factors also spur an increase in consumption and consumption-led growth, while the inflow of talent generally leads to an increase in productivity.

As an investor myself, the emergence of specialist investment offices staffed by highly skilled advisors, transactors and brokers has been a welcome trend in the marketplace. This network of firms provides one with access to alternative asset classes such as rare art, vintage cars, and limited-edition timepieces whose price escalation has proven a good hedge against the most insidious of wealth destruction tools: inflation.

What is exciting about the prospects for wealth in future for the African continent is the diversification of the sources of creating wealth. The new economies that are built on technologies, driving inclusion and the now in-vogue environmental, social and corporate governance criteria are attracting new capital into the fold and creating more liquidity in the secondary capital markets.

Over the next decade, the trend of accumulating wealth will continue, but the unanswered question is whether this growth will be more evenly spread and begin to reduce inequality.



The push and pull factors driving wealth migration in Africa

With private wealth on the continent set to rise by 38% over the next decade, investors are embracing investment migration as a means of enhancing their global mobility and mitigating regional risk.

Dominic Volek

Group Head of Private Clients
Henley & Partners

The 2020s have heralded an era of extreme instability across the globe. Since the decade began, two Cs have consistently driven interest in residence and citizenship by investment: Covid and climate change. In Africa, a third C – conflict – has also been a push factor for some time. Yet in 2022, conflict took center-stage as a global driver. The shockwaves that followed Russia's invasion of Ukraine have reverberated across the world, creating even greater levels of uncertainty and volatility for

individuals, families, businesses, investors and governments alike.

While the coronavirus appears to be in retreat, it remains an unpredictable adversary. On the other hand, the Intergovernmental Panel on Climate Change is very clear in its severe warnings on impending climate breakdown, recently confirming that the world will warm by 3.2° C this century. Our own research in the Henley Global Mobility Report 2022 Q2 revealed that many sub-

Saharan countries are doubly disadvantaged, being among the most vulnerable to climate change as well as having poor global mobility, with their passports ranking consistently low on the Henley Passport Index. Regional conflict, meanwhile, is ever present. Political instability has seen the continent plagued by multiple coups in the past year alone.

These events and circumstances impact the lives of people in multiple ways, including their mobility and economic activity. In Africa, we see this impact reflected in the decline in total wealth on the continent over the past decade, as this report reveals. But there is optimism for the future, as New World Wealth predicts that the total private wealth held in Africa will rise by 38% over the next 10 years, to reach US\$3 trillion by 2031.

One thing is very clear in our new Age of Uncertainty – governments and investors alike must focus on building resilience. Preparing for the next shock is imperative, and one proven means of doing so is via investment migration, whereby investors can acquire and secure an alternative residence or second citizenship in a different jurisdiction in return for investing in a host country. Last year was a record-breaking year all around for *Henley & Partners*, in which we assisted clients representing 79 different nationalities, including citizens of 15 African countries ranging from Algeria to South Africa, and from Liberia to Ethiopia.

The investment migration industry has been growing steadily for over 25 years. This positive trend has continued in 2022. *Henley & Partners* has seen a significant spike in interest in residence and citizenship by investment programs globally, with a healthy 55% increase in enquiries in Q1 2022 compared to Q4 2021. Africa is no exception and continues its trajectory as a growth market for investment migration. We saw an overall increase of 18% in enquiries from Africans seeking alternative residence and/or citizenship last year, and by the end of Q1 2022, we had already received over 29% of total 2021 enquiries. We predict that this trend will continue throughout the year as wealthy investors continue to concentrate

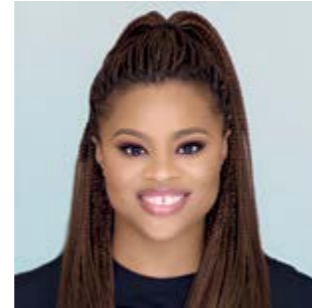
on diversifying their domiciles at the same time as their investment portfolios to secure greater global access and optionality as a hedge against unrelenting market and political volatility.

From a global perspective, South Africa, Nigeria and Egypt were among the top 15 nationalities in terms of the enquiries *Henley & Partners* received last year. South Africa was in 5th place globally, with growth of 38% in 2021, Nigeria in 7th place with growth of 15% and Egypt in 14th place with growth of 25%.

Looking at the exclusive New World Wealth country wealth rankings in this report, it is no coincidence that the top four of the 'Big 5' wealth markets in Africa were also the top four investment migration markets in terms of the applications *Henley & Partners* received last year. The African countries that occupied the top three places were South Africa, then Nigeria, followed by Egypt. Algeria and Morocco were joint-4th, and Ghana took 5th place in terms of the number of applications we received for investment migration programs.

Today, residence and citizenship by investment programs are widely accepted wealth management and legacy planning tools. The range of programs is steadily increasing as governments tap into their capital- and talent-boosting potential. Nineteen of the G20 nations offer some form of mechanism to encourage inward investment in exchange for residence rights. The 20th G20 member is the EU, and 60% of EU member states offer investment migration options.

The appeal of investment migration for affluent families is truly universal due to its many benefits, ranging from domicile diversification to global mobility enhancement, to accessing world-class education and healthcare, to having a plan B in times of turmoil. No matter where you were born, or where you currently reside, wealthy investors can futureproof themselves and their families for whatever might lie ahead through investment migration.



The move to futureproof families and legacies

African HNWIs place a particularly high value on family and leaving a lasting legacy for the benefit of future generations.

Stuart Wakeling

Managing Partner
Head of *Henley & Partners* Nigeria

Chidinma Okebalama

Senior Consultant
Henley & Partners Nigeria

Appetite for investment migration in markets beyond Southern Africa has been growing steadily over the past few years. Nigeria was the second-largest market (after South Africa) in terms of enquiries received by *Henley & Partners* in 2021, with growth of 15%. Three Northern African countries – Egypt, Morocco and Algeria – came in third, fourth and fifth, in terms of the number of enquiries last year, with respective growth of 25%, 19% and 33%.

In 2022, we are seeing a significant spike in interest in investment migration in Nigeria, which was the leading African country in terms of the number of enquiries we received in Q1, overtaking South Africa, which came in second, followed by Algeria, Egypt and Morocco, which make up the rest of the top five.

There has also been a notable surge of interest from countries in North Africa this

year, particularly from citizens of Algeria and Tunisia. By the end of Q1 2022, we had already received 63% of the enquiries made by Algerians in the whole of 2021, and a remarkable 70% of the enquiries we received from Tunisians.

According to *Henley & Partners'* data, the top three investment migration programs that African investors applied for last year were the Antigua and Barbuda Citizenship by Investment Program, the Portugal Golden Residence Permit Program and the St. Kitts and Nevis Citizenship by Investment Program. In 2022, while Antigua and Portugal's programs remain the top two, the Montenegro Citizenship by Investment Program in Europe has risen to third place in terms of applications – an interesting new trend to follow.

Antigua and Barbuda's highly successful investment migration offering has perennially been the top program overall in terms of the number of applications we receive from citizens of African countries. It remains one of the Caribbean's most competitive programs, as options start at US\$100,000 in the form of a non-refundable contribution to the dual-island nation's National Development Fund. There is also an attractive real estate investment route, whereby investors can purchase real estate with a minimum value of US\$200,000, which must then be held for at least five years. In return, successful applicants benefit from acquiring citizenship of a country that ranks consistently highly on the Henley Passport Index, with visa-free access to approximately 150 destinations including Europe's Schengen Area, Hong

Kong, Singapore and the UK. The physical presence requirements are not onerous. Investors only need to spend five days in Antigua and Barbuda during the first five years of citizenship – which is not much of an obligation given the islands are considered among the most beautiful places in the world. The application process can take as little as three to four months, making this a highly efficient choice, adding to its appeal.

Most investment migration programs enable investors to include family members in their applications, and some allow qualifying siblings, parents and grandparents as well, making these programs an ideal mechanism for protecting loved ones by ensuring that they have optionality in terms of where they can live, work, study and retire to in the years ahead.

New World Wealth has predicted a healthy wealth growth of 38% for Africa in the next decade, and several Eastern African countries stand out – with over 60% growth expected in Uganda and Rwanda by 2031, and over 50% in Kenya and Zambia. This increase is likely to supercharge the investment migration industry across the continent. In addition to the traditional benefits of enhanced global mobility, for the African investor, residence and citizenship by investment programs offer a proven diversification strategy in terms of wealth and legacy management and domicile optionality, and many programs also include the option to invest in real estate, which itself has multiple yields.



The multiple yields of domicile diversification

African investors have shown a preference for real estate-linked investment migration programs as a hedge against unrelenting currency, market and political volatility on the continent.

Amanda Smit

Managing Partner
Henley & Partners South Africa

Southern African countries predominated the growth markets on the continent in 2021. We saw the highest level of growth in Zimbabwe, with a remarkable increase of 48% in enquiries in 2021 compared to 2020. Neighboring South Africa reported the second-highest level of growth, with an increase of 40% in enquiries, and had a record-breaking year in terms of the total number of enquiries ever received by Henley & Partners from South African citizens.

In 2022, the Caribbean island nations of St. Kitts and Nevis, Antigua and Barbuda and Grenada are the top three most popular citizenship by investment programs that African nationals are enquiring about. Other favorites are the Montenegro Citizenship by Investment Program, which offers citizenship in Europe and all its associated benefits, such as visa-free travel to Europe's Schengen Area countries, and the Turkey Citizenship by Investment Program, which has the

added appeal of enabling eligibility for an E-2 Investor Visa in the USA for a five-year renewable period.

In terms of residence by investment, the Portugal Golden Residence Permit Program remains one of the most popular programs overall for African high-net-worth investors. Successful applicants and their families are granted full residence rights, including the right to live, work and retire in Portugal, along with visa-free travel across Europe's Schengen Area. They are also eligible to apply for citizenship after five years as a legal resident while keeping their other citizenship(s). The country offers excellent international schools and universities, with a high quality of life, a rich culture, a mild climate and a high level of security as well as international-quality healthcare clinics and hospitals.

On the supply side, as one of just two investment migration programs in Africa, the Mauritius Residence by Investment Program is also attracting a great deal of interest from investors. This appeal is not surprising given that over the past decade, Mauritius was the fastest growing wealth market in

Africa in percentage growth terms, with growth of 74% between 2011 and 2021. The multicultural Indian Ocean island nation also has the highest wealth per capita in Africa of US\$34,500.

Investment migration programs such as those offered by Mauritius and Portugal, which have the option of real estate investment as a pathway to residence rights or citizenship acquisition, are particularly popular among African investors. International real estate has always been a reliable and attractive asset class due to its great staying power. Real estate-linked investment migration programs have the added advantages of enhancing your global mobility through the acquisition of multiple passports, and expanding your personal access rights as a resident or a citizen of additional jurisdictions. The combined effect is increased optionality in terms of where you and your family can live, work, invest, study and retire. The possible gains over the lifetime of the investment include the core value of the real estate asset, potential rental yields and extended global access, giving you the opportunity to diversify your assets, grow your business and enhance your lifestyle.

Benchmarking Africa's private wealth

'Private wealth' refers to an individual's net assets, namely all their assets (property, cash, equities, and business interests) less any liabilities.

Africa statistics (for December 2021)

US\$2.1 trillion

Total private wealth held on the continent.

136,000

Approximate number of millionaires (HNWIs) living in Africa, each with net assets of US\$1 million or more.

6,700

Approximate number of multi-millionaires living in Africa, each with net assets of US\$10 million or more.

305

Centi-millionaires living in Africa, each with net assets of US\$100 million or more.

21

Billionaires living in Africa, each with net assets of US\$1 billion or more.

Year	Total wealth in Africa (US\$ trillion)	HNWIs (US\$1m+)
2021	2.1	136,000
2020	2.0	125,000
2019	2.2	138,000
2018	2.2	140,000
2017	2.3	148,000
2016	2.2	145,000
2015	2.1	135,000
2014	2.3	140,000
2013	2.3	142,000
2012	2.4	147,000
2011	2.2	138,000

Note: HNWI numbers rounded to nearest 1,000. Includes only people living in Africa (residents). Figures for December 2021. Source: New World Wealth.

Country wealth rankings

The table opposite ranks major African countries by their total wealth. Larger countries have an obvious advantage because of their higher populations. As reflected, the 'Big 5' wealth markets in Africa are: South Africa, Egypt, Nigeria, Morocco and Kenya – together these five countries account for over 50% of Africa's total wealth.

'Total wealth' refers to the private wealth held by all the individuals living in a country,

including all their assets (property, cash, equities and business interests) less any liabilities. We exclude government funds from our figures.

The table overleaf ranks major African countries on a wealth per capita basis. **Mauritius** is the wealthiest country in the region, followed by **South Africa** and **Namibia**.

Notably, South Africa is home to over twice as many millionaires as any other African country, while Egypt has the most billionaires on the continent.

Country	Total private wealth (US\$bn)	HNWIs (US\$1m+)	Multi-millionaires (US\$10m+)	Centi-millionaires (US\$100m+)	Billionaires (US\$1bn+)
South Africa	651	39,300	2,080	94	5
Egypt	307	16,900	880	57	7
Nigeria	228	10,000	510	28	4
Morocco	125	5,000	220	22	3
Kenya	91	8,500	340	15	–
Ghana	59	2,900	120	4	–
Tanzania	56	2,400	80	8	1
Angola	53	2,400	110	3	1
Ethiopia	52	2,900	140	4	–
Mauritius	44	4,800	210	6	–
Côte d'Ivoire	43	2,500	100	2	–
Uganda	37	1,500	60	8	–
Namibia	24	1,700	60	3	–
Mozambique	20	1,100	60	1	–
Botswana	19	2,100	80	2	–
Zambia	14	800	30	2	–
Rwanda	11	700	30	–	–

Notes: HNWI numbers rounded to nearest 100. Multi-millionaire figures rounded to nearest 10. Includes only people living in each country (residents). Figures for December 2021. Source: New World Wealth.

Country	Wealth per capita (US\$)
Mauritius	34,500
South Africa	10,970
Namibia	9,320
Botswana	7,880
Morocco	3,380
Egypt	3,000
Ghana	1,890
Kenya	1,700
Angola	1,620
Côte d'Ivoire	1,610
Nigeria	1,100
Tanzania	940
Rwanda	850
Uganda	820
Zambia	760
Mozambique	650
Ethiopia	540

Note: Figures for December 2021. Refers to the average wealth of a person living in each country. Rounded to nearest 10.
Source: New World Wealth.



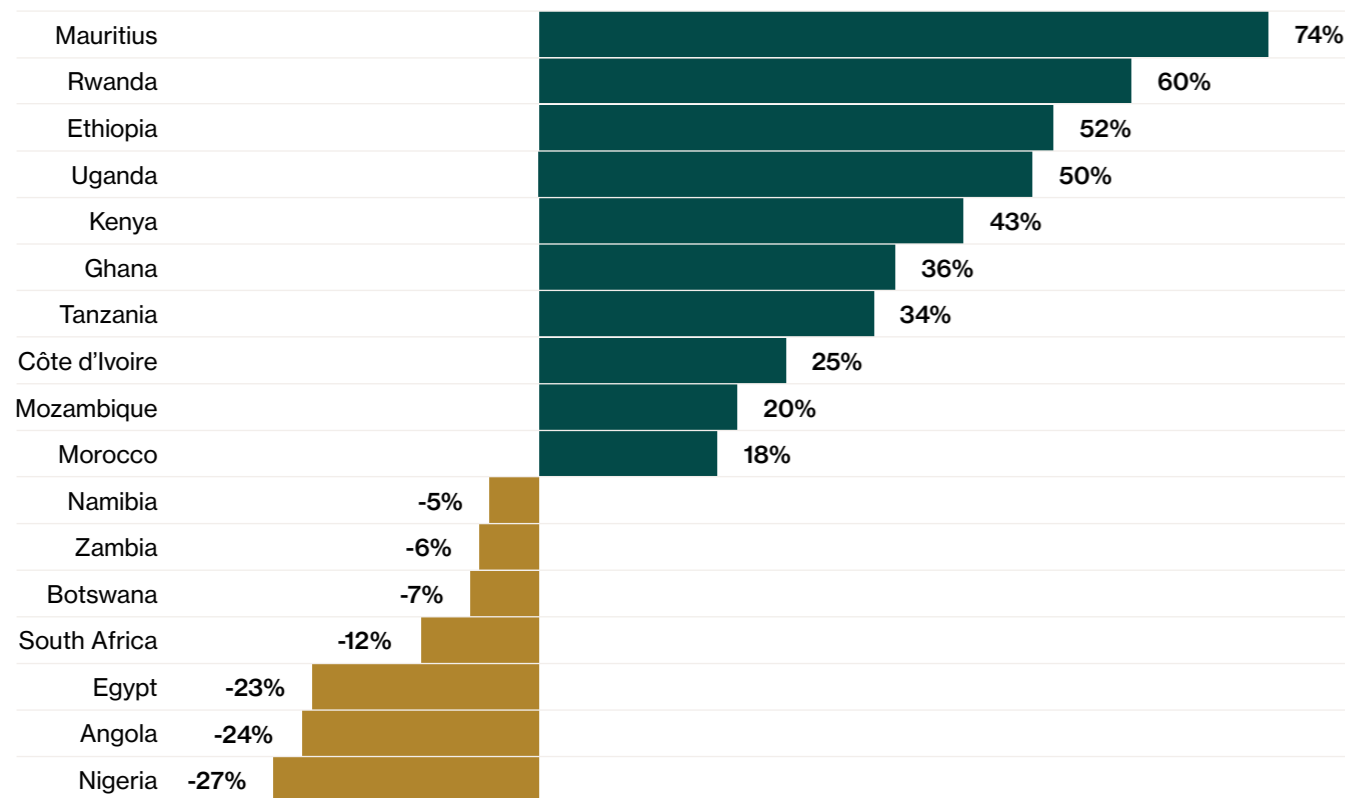
Wealth growth trends

The total wealth held in Africa has fallen by **7%** over the past decade (2011 to 2021). Performance was constrained by poor returns in the three largest African markets, namely South Africa, Egypt and Nigeria. Angola also performed poorly.

Mauritius was the fastest growing market in Africa during the review period (in percentage growth terms), followed by **Rwanda**.

Ethiopia came in at 3rd place. It should be noted that wealth in Ethiopia grew rapidly until 2019, but has struggled over the past two years (2020 and 2021).

10-year growth rate of total wealth in Africa



Source: New World Wealth.

Spotlight on Mauritius

Following several decades of strong growth, Mauritius now ranks as the wealthiest country in Africa by a significant margin (on a wealth per capita basis). This amounted to US\$34,500 as at December 2021, which is well above second-placed South Africa (US\$10,970).

Possible reasons for Mauritius' high wealth per capita



Ease of doing business in the country – Mauritius ranks 1st in Africa and 13th worldwide in the World Bank's 2020 Doing Business Report.



Low taxes, which encourage business creation and appeal to retirees. Notably, there is no inheritance tax or capital gains tax in Mauritius.



Safety – Mauritius was recently rated by New World Wealth as the safest country in Africa, along with Namibia and Botswana. Notably, safety is one of the key drivers of wealth growth in any country.



Strong millionaire growth – a large number of wealthy individuals has relocated to Mauritius over the past decade. In addition, many locally born HNWI's have been created as the economy has grown. Mauritius is now home to around 4,800 HNWI's, compared to 2,700 HNWI's a decade ago.



A fast-growing local financial services sector and stock market (SEMDEX).



High per capita income levels. In July 2020, the World Bank officially classified Mauritius as a high-income country.

Our growth projections for Mauritius are strong – we expect the country to experience wealth growth of 80% over the next decade (to 2031). This will make it one of the fastest growing high-income markets in the world over this period (in % growth terms), together with Australia, New Zealand, Switzerland and Malta. By 2031, HNWI numbers in Mauritius are expected to reach over 8,000.

Forecasts to 2031

01

Total private wealth held in Africa is expected to rise by 38% over the next 10 years, reaching US\$3 trillion by 2031.

03

Strong growth is also forecast in Kenya, Morocco, Mozambique and Zambia (50%+ growth rates).

02

We expect Mauritius, Rwanda and Uganda to be the strongest performing wealth markets in Africa during this period (60%+ growth rates).

04

The other countries on our list should all see positive wealth growth of between 20% and 40% over the forecast period.

Our overall 38% growth forecast for Africa is very healthy when compared to most other regions globally. It will be driven by especially strong growth in the technology and professional services sectors in Africa.



Africa's wealthiest cities

We recently reviewed the wealthiest cities in Africa by total wealth. 'Total private wealth' refers to the private wealth held by all the individuals living

in each city, including all their assets (property, cash, equities and business interests) less any liabilities.

Africa's two wealthiest cities are in South Africa. Johannesburg is the wealthiest, with total private wealth of US\$239 billion, while Cape Town in second place has total private wealth of US\$131 billion.

City	Total private wealth (US\$bn)	HNWIs (US\$1m+)	Multi-millionaires (US\$10m+)	Centi-millionaires (US\$100m+)	Billionaires (US\$1bn+)
Johannesburg	239	16,000	840	34	2
Cape Town	131	6,900	420	25	1
Cairo	128	8,200	440	29	4
Lagos	97	5,500	290	17	3
Durban and Umhlanga	60	3,700	230	11	–
Nairobi	48	5,400	260	12	–
Pretoria	45	2,600	110	2	–
Casablanca	43	2,500	120	13	2
Accra	35	2,400	110	4	–
Luanda	32	2,000	90	3	1
Abidjan	25	1,900	90	2	–
Dar Es Salaam	24	1,300	50	7	1
Alexandria	23	1,700	100	8	1
Kampala	16	900	40	6	–
Addis Ababa	13	700	40	2	–
Gaborone	12	1,200	50	2	–
Marrakesh	12	600	30	5	1
Tangier	12	600	30	3	–
Abuja	11	700	30	3	–
Windhoek	11	1,000	40	2	–
Maputo	10	800	40	1	–
Lusaka	8	400	20	2	–
Mombasa	7	800	40	2	–

Notes: HNWI numbers rounded to nearest 100. Multi-millionaire figures rounded to nearest 10. Includes only people living in each city (residents). Figures for December 2021. Source: New World Wealth.

Johannesburg

The wealthiest city in Africa. Most of Johannesburg's HNWI wealth is concentrated in the suburbs of Sandhurst, Hyde Park and Westcliff. Major sectors in the city include financial services (banks) and professional services (law firms, consultancies).

Cape Town

Home to many of Africa's most exclusive suburbs including Clifton, Bantry Bay, Fresnaye, Llandudno, Camps Bay, Bishopscourt and Constantia. Home also to a number of top-end lifestyle estates including Steenberg, Atlantic Beach and Silverhurst Estate. Major sectors include real estate and fund management.

Cairo

Located along the Nile River, Cairo is one of the world's most important cities historically. It is also home to more billionaires than any other city in Africa. Major sectors there include financial services, telecoms, retail, tourism and basic materials.

Lagos

The largest city in Africa (in terms of its overall population) and the economic hub of West Africa. Affluent parts of Lagos include Ikoyi and Victoria Island. Major sectors in the city include basic materials, oil and gas, transport and financial services.

Durban and Umhlanga

Our figures for this area include wealth held in Durban, South Africa's third-largest city, and the residential towns of Umhlanga, La Lucia and Ballito, which lie to the north of Durban. Umhlanga is especially affluent and is home to a large number of HNWIs.

Nairobi

Nairobi is the economic hub of East Africa and one of the fastest growing cities in the world. Affluent parts of Nairobi include Runda Estate, Lavington, Kitisuru, Karen and Muthaiga. Major industries there include financial services, real estate, tourism, media, clothing, textiles, processed foods, beverages and cigarettes.



Luxury market

Luxury hotels and lodges

The luxury hotel sector is one of the most important sectors in Africa as it brings in a large amount of forex spending to the continent. It also creates a large number of well-paying jobs for local hoteliers, chefs, game rangers, waiters etc. Much of this income is seasonal in the form of tips.

The coronavirus outbreak has severely impacted on this sector and hotel occupancy rates are down substantially in most African countries. A lack of international visitors has forced many luxury hotels and lodges to lower their prices to appeal to the local population.

South Africa is the main luxury tourist destination in Africa. Major South African destinations for wealthy people include

Cape Town, Umhlanga, Franschhoek and the Kruger National Park area (especially Sabi Sands).

Major destinations for HNWIs in the rest of Africa include Marrakech in Morocco, Cairo in Egypt, the Serengeti in Tanzania, Sharm El Sheikh in Egypt, the Masai Mara in Kenya, Livingstone in Zambia and the Okavango Delta in Botswana. Gorilla safaris in the Virunga Mountains in Rwanda and the Bwindi Forest in Uganda are also popular.

Popular hotel groups for HNWIs visiting Africa include Singita, &Beyond, Red Carnation, Sanctuary Retreats, Belmond, Wilderness Safaris, Virgin Limited Edition, Four Seasons and the Royal Portfolio.

South Africa is home to the largest luxury market in Africa by revenue, followed by Kenya and then Morocco. Major components of this include luxury hotels and lodges, cars, clothing and accessories, watches, private jets and yachts.



Top safari lodges in Africa

The Africa Wealth Report's top 10 safari lodge choices for 2022 are shown below (in no particular order).



Singita Sabora Tented Camp
Tanzania



Singita Mara River Tented Camp
Tanzania



&Beyond Klein's Camp
Tanzania



Londolozi
South Africa



Sanctuary Gorilla Forest Camp
Uganda



Cottar's 1920s Camp
Kenya



&Beyond Bateleur Camp
Kenya



Sanctuary Chief's Camp
Botswana



Chobe Game Lodge
Botswana



&Beyond Xaranna Okavango Camp
Botswana

Ratings criteria – these lodges score highly in the following

- Reputation for quality and service
- Location, views and scenery
- Authentic bush feel
- Biodiversity: birdlife and wildlife experience



Luxury cars

Luxury car brands with a presence in Africa are listed below, ranked by the number of dealerships. As reflected, Porsche has dealerships in South Africa, Kenya, Egypt, Mauritius and Morocco. Porsche usually sells around 2,000 cars in Africa per annum (of which about 1,200 are sold in South Africa).

Brands	Dealership locations
Porsche	South Africa, Kenya, Egypt, Mauritius, Morocco
Bentley	South Africa, Egypt, Morocco
Ferrari	South Africa, Morocco
Aston Martin	South Africa, Egypt, Morocco
Rolls-Royce	South Africa
Lamborghini	South Africa
McLaren	South Africa

Source: New World Wealth.

Luxury SUVs are especially popular in Africa. Reasons for their popularity include

- High road clearance. SUVs handle speed bumps, potholes and poorly maintained roads better than luxury sedans and sports cars
- Safety aspects
- Space for children
- Useful for holidays – off road, game drives etc.

Some of the more popular SUVs for HNWI in Africa include

- Range Rover (all models)
- Porsche Cayenne
- Mercedes GLE
- BMW X6
- Bentley Bentayga
- Rolls-Royce Cullinan
- Lamborghini Urus
- Aston Martin DBX



Luxury clothing and accessory brands

A large number of exclusive brand stores were put up in Africa between 2002 and 2007 during the global consumer boom period. Growth in this sector has since slowed. Notable luxury brands with stores in Africa are listed in the following table (ranked by number of stores).

Most of these stores are based in exclusive shopping centers such as Sandton City in Johannesburg and the V&A Waterfront in Cape Town.

Prada had a store in South Africa (Sandton City), which it closed in 2020.

Brands	Specialty	Store locations
Zegna	Men's clothing	South Africa, Nigeria, Egypt
Louis Vuitton	Clothing and accessories	South Africa, Morocco
Burberry	Clothing and accessories	South Africa, Egypt
Gucci	Clothing and accessories	South Africa, Morocco
Salvatore Ferragamo	Clothing and accessories	South Africa, Egypt
Paul Smith	Men's clothing	South Africa
Dolce & Gabbana	Clothing and accessories	South Africa
Jimmy Choo	Women's shoes	South Africa
Patek Philippe	Watches	South Africa

Source: New World Wealth.



Wealth management sector

Spotlight on family offices

Family offices are a fast-growing wealth management segment in Africa and throughout the world. They traditionally provide a more customized service than wealth managers and private banks. Services they offer include:

- Managing household staff
- Property management
- Philanthropy coordination
- Managing family education

- Intergenerational transfer
- Legal and tax services
- Investment services

Typically, family offices are exclusively for family members and family related trusts, foundations and venture capital companies. They are especially popular in South Africa.

US\$140 billion

Amount of HNWI wealth tied up with wealth managers in Africa.

US\$500,000

Typically, wealth managers in Africa target individuals with over US\$500,000 in investable assets. Services that are most in demand from them include asset management, financial planning and inheritance planning.

US\$80 billion

Assets under management (AuM) in the main wealth management hub in Africa – South Africa.

60%

Estimated growth of the African wealth management market over the next decade, driven by strong AuM growth in South Africa, Kenya and Mauritius.

Usually, only individuals with net assets of over US\$50 million are wealthy enough to have family offices.



Best ways to contact HNWIs

The most effective way to contact HNWIs in Africa is via their brokers. It is therefore important to build strong relationships with individual brokers to obtain exposure.

1



2

Another practical way of contacting HNWIs is via their foundations and venture capital companies. Usually, only individuals with net assets of over **US\$50 million** are wealthy enough to have such organizations, which are often linked to their family offices.



The coronavirus impact

Apart from the human cost, the coronavirus outbreak has had a severe economic impact on the continent. The travel, hospitality and entertainment sectors have been the most severely affected, and HNWIs involved in these sectors have lost significant portions of their wealth.

The pandemic has also caused HNWIs in Africa to change their habits. Recent new trends include:

- A move towards private jet travel, especially among the super-rich (i.e. centi-millionaires and billionaires). This is a global trend seen also in the Americas and Europe.

- Opting to work remotely and live in smaller towns and more remote locations.
- Less international tourism. The luxury hotel sector in each country has as a result become more dependent on local HNWIs. Countries with fewer local HNWIs have suffered the most.
- Outdoor hobbies and sports that allow for easy social distancing (such as golf, hiking, fishing, cycling and bird-watching) have become more popular.



The rise of lifestyle estate living

Lifestyle estate living is on the rise in Africa, especially among the wealthy.

South Africa is a global pioneer in estate living and is home to many of the world's best lifestyle estates, including the likes of Val de Vie, Steyn City, Fancourt, Pezula and Steenberg.

Estate living is also very popular in Mauritius, especially among wealthy expats. Notable top-end estates in the

country include Anahita Mauritius, Mont Choisy Le Parc and the One&Only Le Saint Géran Private Homes. Thanks to recent strong price growth, luxury estate apartments in Mauritius are now among the most valuable in Africa, with prime prices reaching as high as US\$5,000 per square meter, similar to prices in Clifton and Bantry Bay (the most exclusive property sectors of Cape Town in South Africa).

Apartments in Mauritius are now among the most valuable in Africa, with prime prices reaching as high as US\$5,000 per square meter.

Estate living is also starting to take off in several other African countries, including Morocco and Egypt. Reasons for its rising appeal across Africa include:

- **Security and privacy** – access gate, private security personnel.
- **Lifestyle and community** – large open spaces, communal leisure facilities, children's playgrounds and schools.

- **Facilities** – on-site gyms, spas, golf courses, horse riding, tennis, cycling, fishing and jogging paths.
- **Limited and controlled traffic** – greater safety for children.



Recent lifestyle estate trends in South Africa

01

Based on latest estimates (for June 2021), 48% of South African HNWIs either live or have second homes on lifestyle estates. This percentage has been rising steadily over the past decade – in 2011 it stood at about 30%.

02

Affluent buyers in South Africa are increasingly moving towards estates that have apartments. In line with this, most new luxury estate developments in South Africa focus on apartment living rather than houses.

03

There is a general movement away from traditional golf estates and towards wildlife and parkland estates. Retirement estates (for over 60s) are also becoming more popular.

04

Most developers are now creating small neighborhoods within their lifestyle estates, as opposed to the old model where houses were spaced evenly around the entire property. The new model allows for more parkland and open spaces in between neighborhoods.

Notable lifestyle estate trends linked to the coronavirus include



Lifestyle estates with parklands and wilderness areas have become more popular (as buyers seek more open space).



Many HNWIs have chosen to work remotely and live in smaller towns. For instance, a large number of South African HNWIs are now working remotely from affluent small towns such as Hermanus, Plettenberg Bay and Franschhoek. Lifestyle estates in these towns have benefited.



Spotlight on South Africa

Despite a tough decade to date, South Africa is still home to more than twice as many millionaires as any other African country. South Africa ranks 28th in the world by this measure, ahead of major economies such as Turkey, Argentina, Malaysia and Thailand.

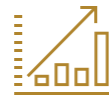
Factors that attract HNWIs to South Africa



Weather, beaches and scenery



Well-established top-end residential areas such as Camps Bay, Constantia, Umhlanga and Sandton



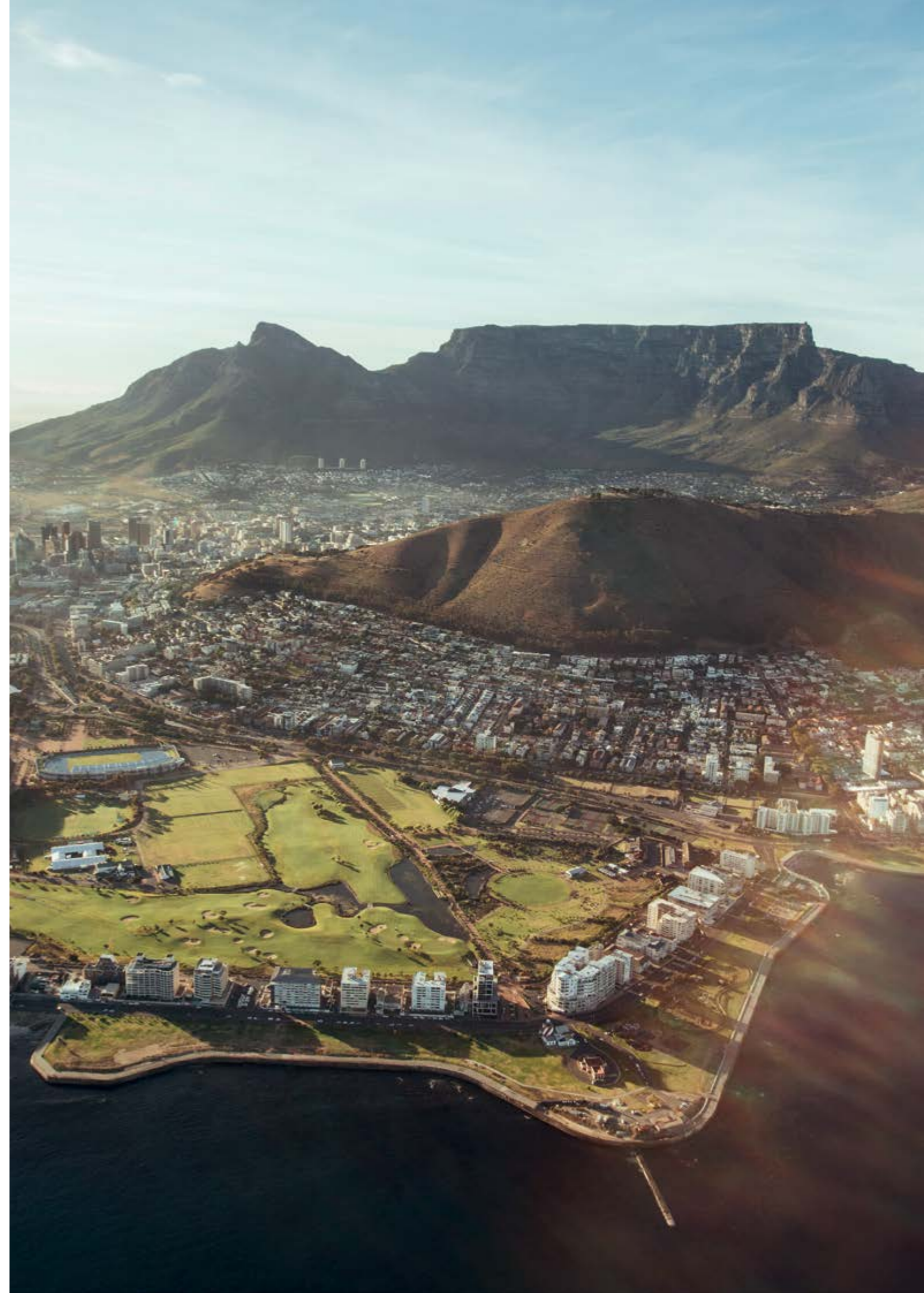
One of the 20 biggest stock exchanges in the world (by market cap)



A large, free media that supports the dissemination of reliable information to investors. This sets South Africa apart from most other emerging markets globally



A well-developed banking system and wealth management sector



Total wealth and HNWI figures

Year	Total wealth (US\$bn)	HNWIs (US\$1m+)
2021	651	39,300
2020	604	36,500
2019	636	38,400
2018	649	39,200
2017	722	43,600
2016	665	40,400
2015	633	38,500
2014	770	46,800
2013	773	46,900
2012	795	48,200
2011	739	44,800

Note: HNWI numbers rounded to nearest 100. Includes only people living in country (residents). Figures for year end.
Source: New World Wealth

Wealth trends

South Africa's performance over the past decade has been poor, with total private wealth held in the country declining by 12% from US\$739 billion in 2011 to US\$651 billion in 2021. Performance was negatively impacted by:

01

A declining currency – the Rand depreciated from R8.10/US\$ at the end of 2011 to R15.90/US\$ at the end of 2021.

02

A sluggish local property market – prime residential indices are down significantly when measured in US\$ terms.

03

A large number of local businesses closed down during the period, especially in the small and medium-sized enterprise sectors.

04

The ongoing migration of wealthy people out of the country (see below).

HNWI migration trends

01

Approximately 4,500 HNWIs have left South Africa over the past decade (2011 to 2021). Most of these individuals have gone to the UK, Australia, and the USA. Significant numbers have also gone to Portugal, Switzerland, Israel, Mauritius, New Zealand, the UAE, Canada, Monaco and Malta.

02

In particular, a large number of South African billionaires have left the country over the past 10 to 20 years. Notably, there are 15 South African born billionaires in the world, but only 5 of them still live in South Africa.

03

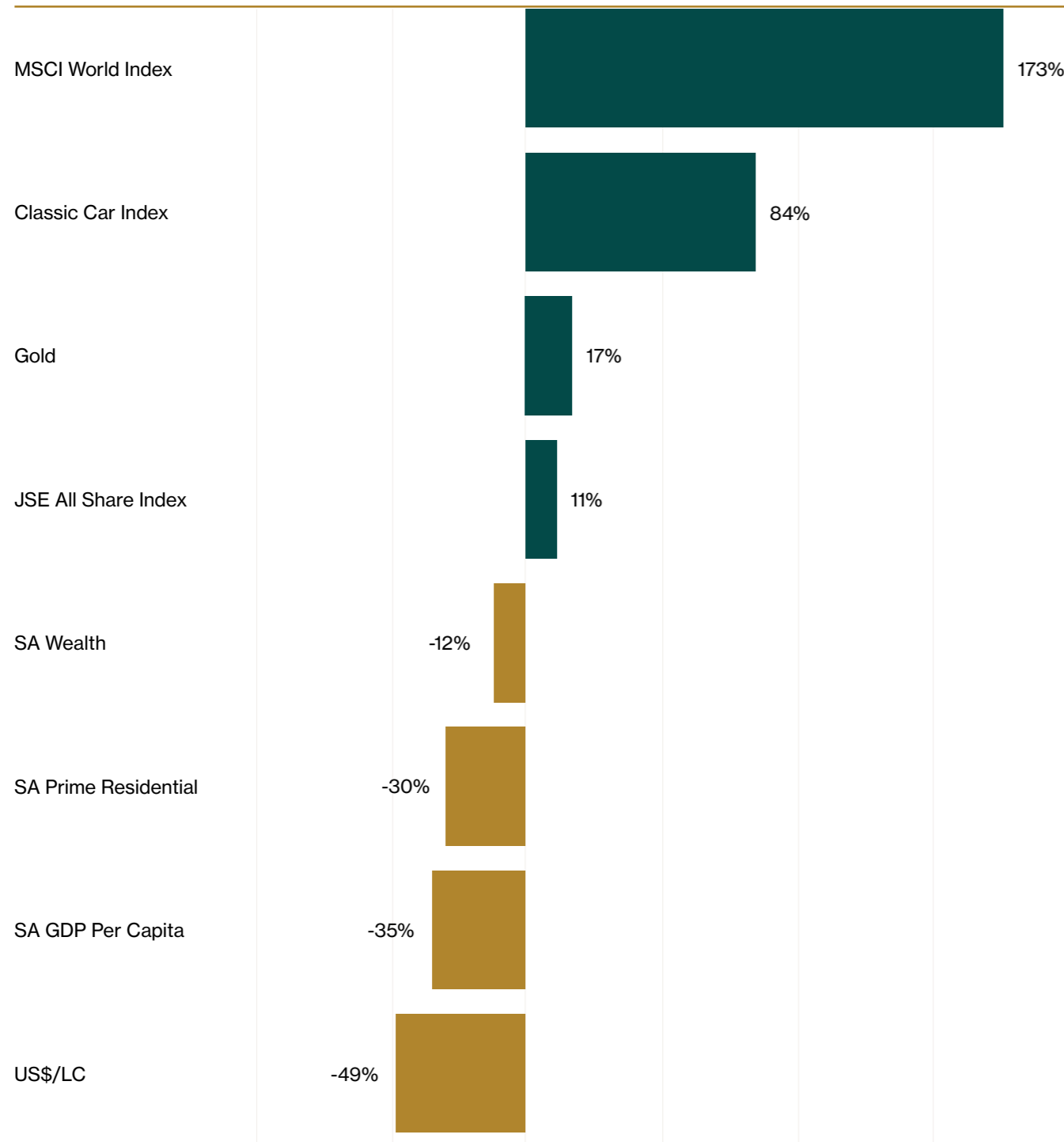
It should be noted that South Africa is by no means alone in losing wealthy people. All the BRICS countries have lost large numbers of HNWIs to migration over the past decade. Egypt, Turkey and Nigeria have also lost a substantial number.

04

On a positive note, there is a trend of wealthy people returning to South Africa, in particular from the UK. This is a notable trend that we are tracking and we should have more statistics available for this in the next report.

South Africa: Drivers of wealth (in US\$) for the period 2011 to 2021

US\$ indices



Key findings

GDP PER CAPITA

US\$5,700

South Africa's GDP per capita was down heavily over the past decade. According to the World Bank, this measure dropped from US\$8,800 in 2011 to US\$5,700 in 2020 (at current US\$ prices).

MSCI WORLD EQUITY INDEX

3,230

The MSCI World Equity Index rose dramatically during the review period – it went from 1,180 in December 2011 to 3,230 in December 2021. This rise was driven by strong growth in global tech stocks.

JSE ALL SHARE INDEX

73,700

In Rand terms, the JSE All Share Index was up by a healthy 120% over the review period (the index rose from 33,800 in December 2011 to 73,700 in December 2021). However, in US\$ terms the index was up by only 11%.

Sources:

- MSCI World Index – Markets by Business Insider.
- Classic Car Index – New World Wealth. Our classic car index tracks the prices of 14 highly sought-after classic car models (see 'Spotlight on classic cars').
- Gold price – The Economist.
- JSE All Share Index – Trading Economics.
- South African wealth – New World Wealth. (see 'Research and methodology').
- South African GDP per capita – The World Bank (at current US\$ prices).
- South African prime residential – New World Wealth. Our residential index tracks the square meter prices of prime 200 to 400 square meter apartments in South Africa. 'Prime' refers to top-end residential units in elite areas.
- US\$/LC – The Economist.

The table below ranks South African areas by total wealth. Note that 'total wealth' refers to the private wealth held by all the individuals living in each area. It includes all their assets (property, cash, equities and business interests) less any liabilities.

Top 10 areas	Total wealth (US\$bn)	HNWIs (US\$1m+)	Multi-millionaires (US\$10m+)	Centi-millionaires (US\$100m+)	Billionaires (US\$1bn+)
Johannesburg	239	16,000	840	34	2
Cape Town	131	6,900	420	25	1
Durban and Umhlanga	60	3,700	230	11	–
Paarl, Franschhoek and Stellenbosch	53	3,200	180	14	2
The Garden Route	46	2,800	110	3	–
Pretoria	45	2,600	110	2	–
The Cape Whale Coast	26	900	70	4	–
The Sunshine Coast	14	300	40	1	–
Pietermaritzburg and Natal Midlands	7	200	20	–	–
Bloemfontein	3	100	10	–	–

Notes: HNWI numbers rounded to nearest 100. Multi-millionaire figures rounded to nearest 10. Includes only people living in each area (residents). Figures for December 2021. Source: New World Wealth.

Fastest growing areas in South Africa

Despite the overall decline, there were still a number of South African areas that experienced positive US\$ wealth growth over the past decade.

The Cape Whale Coast was the top performer, driven by strong HNWI growth in the Hermanus area. The Cape Winelands towns of Paarl, Franschhoek and Stellenbosch also grew strongly, as did the Garden Route (especially Plettenberg Bay) along the country's south-eastern coast. There was also solid HNWI growth in Umhlanga and Ballito in KwaZulu-Natal.

Area definitions

Johannesburg

Our figures for Johannesburg include Sandton.

Durban and Umhlanga

Our figures for this area include wealth held in Durban, Umhlanga, Ballito and La Lucia.

The Garden Route

This stretches from Mossell Bay to Storms River on the south coast. Notable towns include Plettenberg Bay, George, Knysna, Wilderness, Nature's Valley, Keurboomstrand and Mossell Bay.

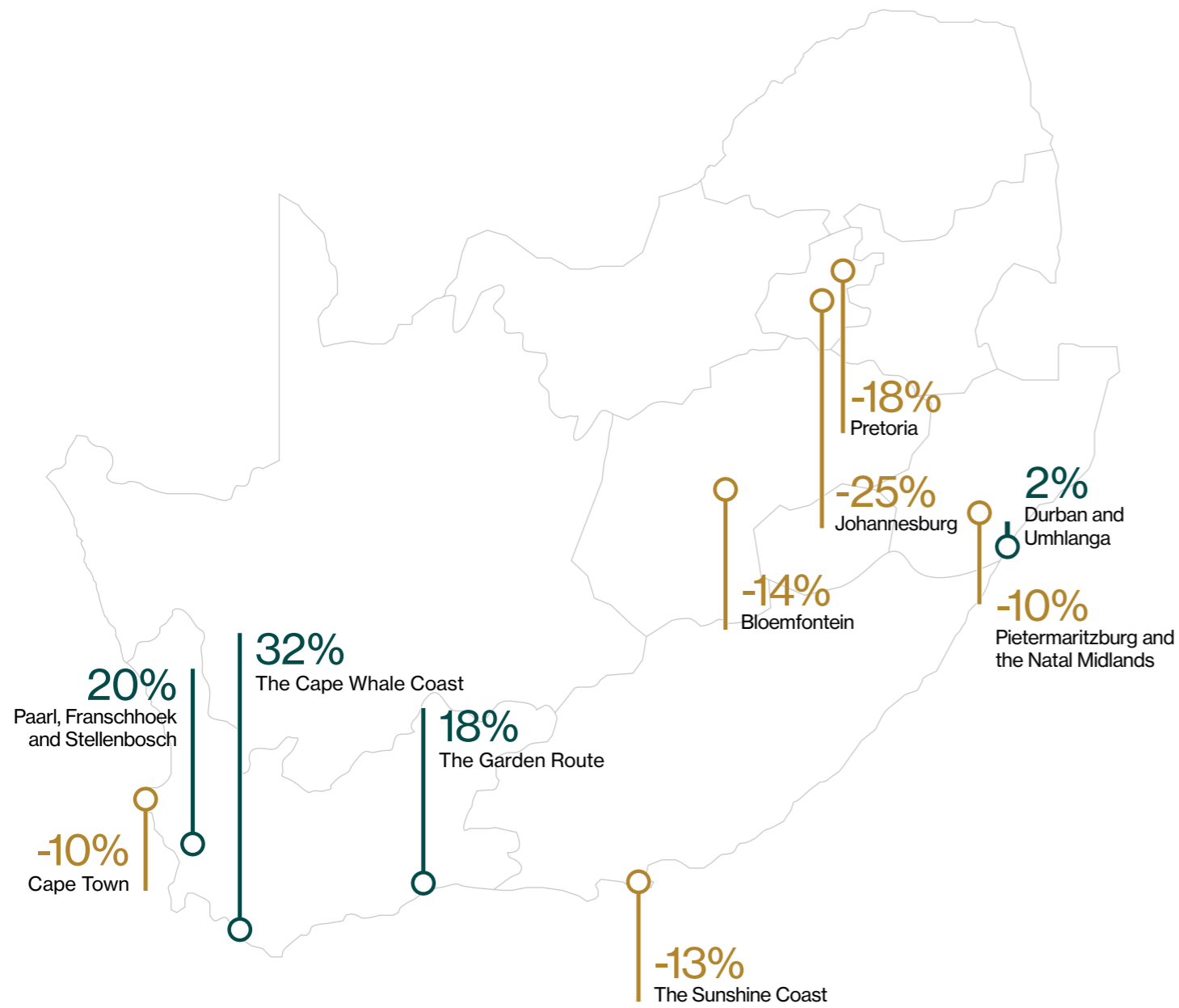
The Cape Whale Coast

The area between Cape Town and the Garden Route. Notable towns include Hermanus, Rooi Els and Betty's Bay.

The Sunshine Coast

The area around Gqeberha (formerly known as Port Elizabeth). This includes Gqeberha, Kenton-on-Sea, St. Francis Bay, Makhanda (formerly known as Grahamstown) and Port Alfred.

Wealth growth rate from 2011 to 2021 (US\$)



Source: New World Wealth.



Up-and-coming towns in South Africa

The following South African towns and villages are becoming increasingly popular among HNWIs.

Hermanus

The fastest growing South African town for HNWIs. A significant number of wealthy Cape Town, Pretoria and Johannesburg residents have relocated to Hermanus over the past decade. As probably the safest town in South Africa, this would explain its appeal. Affluent parts of Hermanus include Eastcliff, Voelklip, Kwaaiwater, Onrus and Fernkloof Estate.

Paarl, Franschhoek and Stellenbosch

These three towns are situated very near one another. Combined, they form one of the fastest growing areas in South Africa for HNWIs. Notably, a large number of retired HNWIs have moved to these towns over the past decade. There are also several exclusive residential estates in this area that have attracted HNWIs, including Val de Vie, De Zalze and Domaine des Anges. In addition, many of South Africa's wealthiest families (especially centi-millionaires) own wine farms in this area.

Umhlanga and La Lucia

Umhlanga has been the top second-home hotspot for wealthy Johannesburg residents since the 1970s. Following the construction of the Gateway Theatre of Shopping mall in 2001, Umhlanga has become a major business hub in which wealthy residents live and work. Apartments on Lagoon Drive in Umhlanga are some of the most exclusive in South Africa – notable top-end complexes in the area include the Oysters, the Bermudas and Edge of the Sea.

Ballito

Ballito is a world leader in estate living and home to many top estates including Zimbali Coastal Estate, Simbithi Eco-Estate, Brettenwood Coastal Estate and Dunkirk Estate. Prince's Grant Golf Estate is also in the vicinity (between Ballito and Zinkwazi). There are, in addition, a number of exclusive estates under construction.

Plettenberg Bay

Plettenberg Bay (otherwise known as 'Plett') is a major HNW hotspot on the Garden Route. After Johannesburg and Cape Town, it is the top location in South Africa for ultra luxury homes, with over 150 homes valued at over R20 million (South African Rand) in the small town. Beachyhead Drive is especially affluent. There are several top-end estates in the area that have attracted HNWIs, including Whale Rock Ridge, Brackenridge Estate, Whale Rock Heights and De Meermin.

Knysna

Knysna is situated on the Garden Route, just west of Plettenberg Bay. Affluent parts of Knysna include The Heads, Leisure Island and top-end lifestyle estates such as Pezula Private Estate, Simola Golf and Country Estate and Thesen Islands.

George

George is the largest town on the Garden Route and a major retirement destination for wealthy South Africans. It is home to some of South Africa's top lifestyle estates, including Fancourt and Oubaai Golf Estate.

Wilderness

Wilderness is a small coastal town on the Garden Route, situated about 5km east of George. It is home to some of the most spectacular beachfront houses in the country.

Nature's Valley

Nature's Valley is an up-and-coming HNW hotspot on the Garden Route, a 30-minute drive east of Plettenberg Bay. The forest and lagoon in the area are relatively untouched, which appeals to nature lovers. Notably, no motorboats are allowed on the lagoon, which is a hotspot for canoeing.

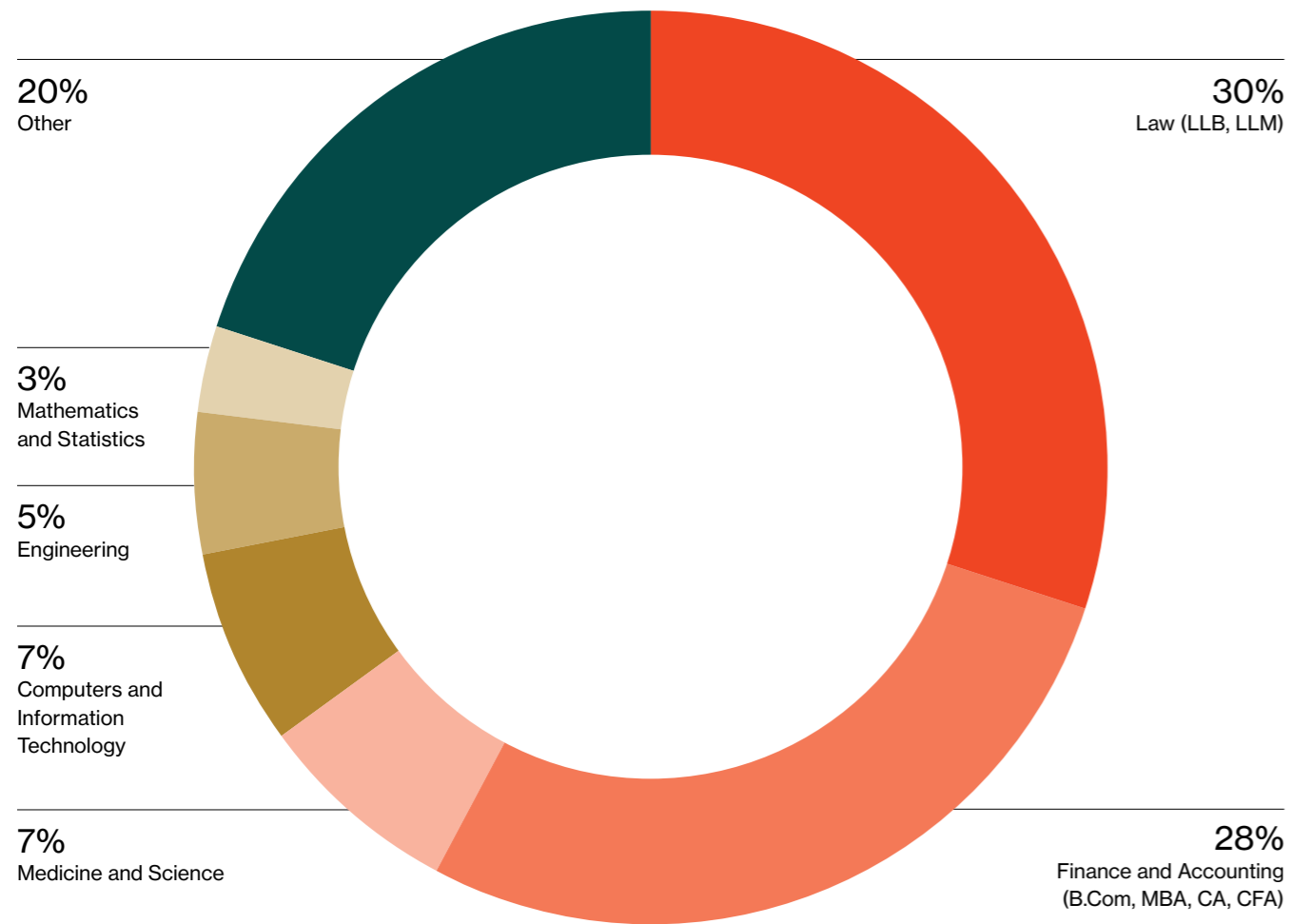
Other emerging HNW hotspots in South Africa include:

- Keurboomstrand on the Garden Route in the Western Cape
- Zinkwazi Beach on the north coast of KwaZulu-Natal
- Kenton-on-Sea on the Sunshine Coast in the Eastern Cape
- Umdloti on the north coast of KwaZulu-Natal

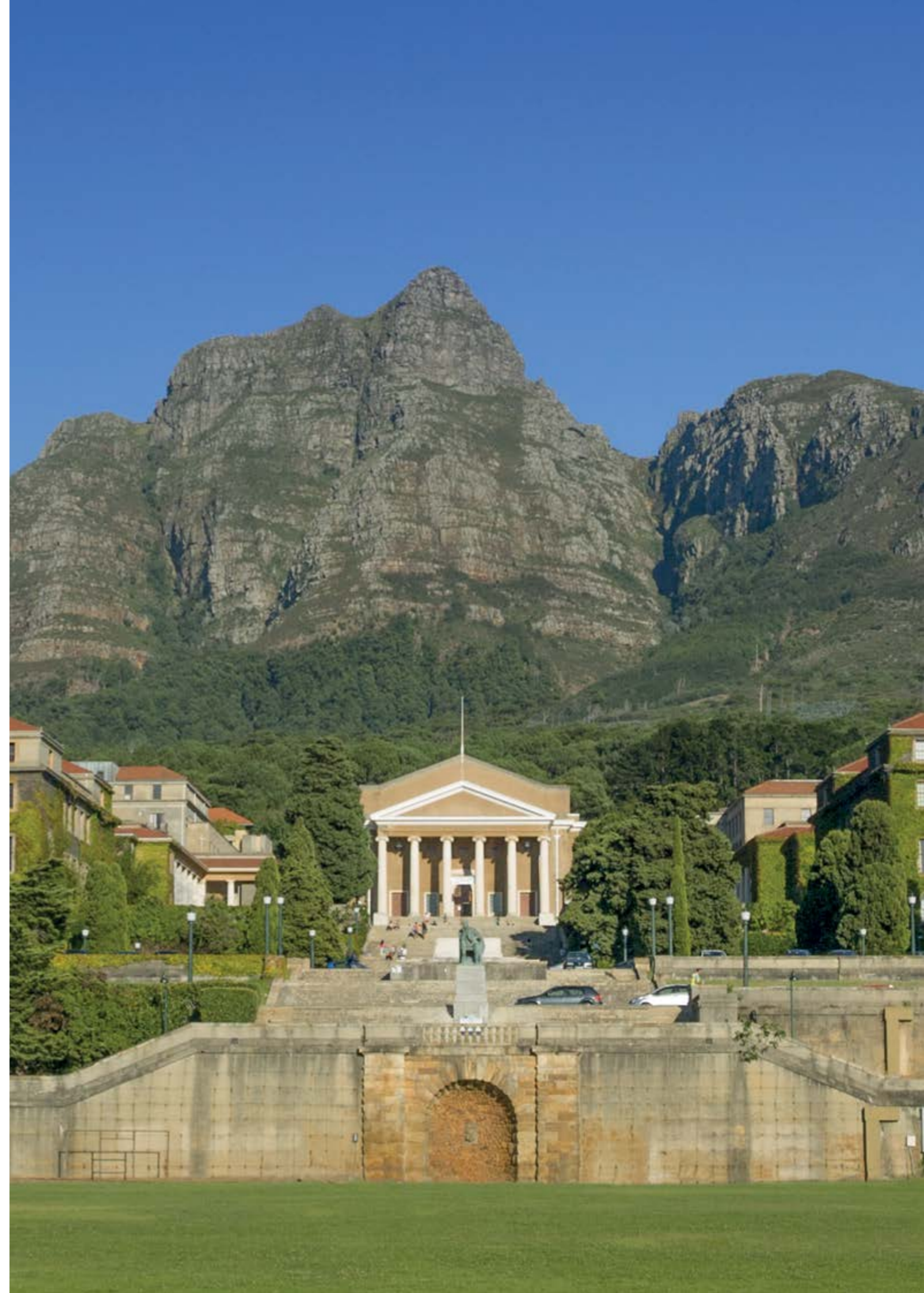
HNWI demographics in South Africa

Fields of study pursued by South African HNWI

The chart below shows the most common degrees and certifications held by South African HNWI. As revealed, high percentages of South African HNWI have law and finance qualifications.

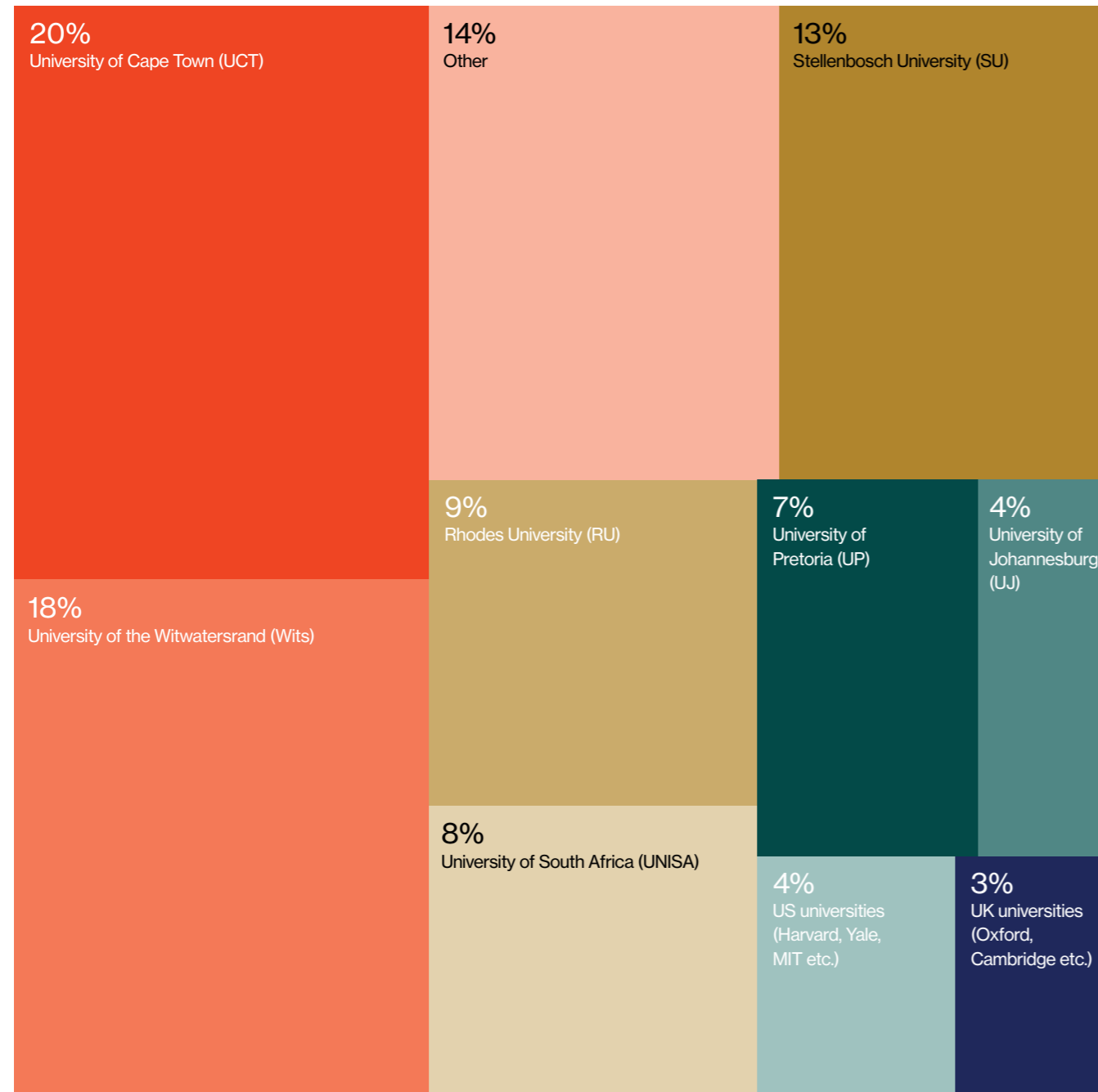


Note: Refers to the last degree or certification achieved by the HNWI. Figures for December 2021. Source: New World Wealth.



Top universities for producing HNWLs

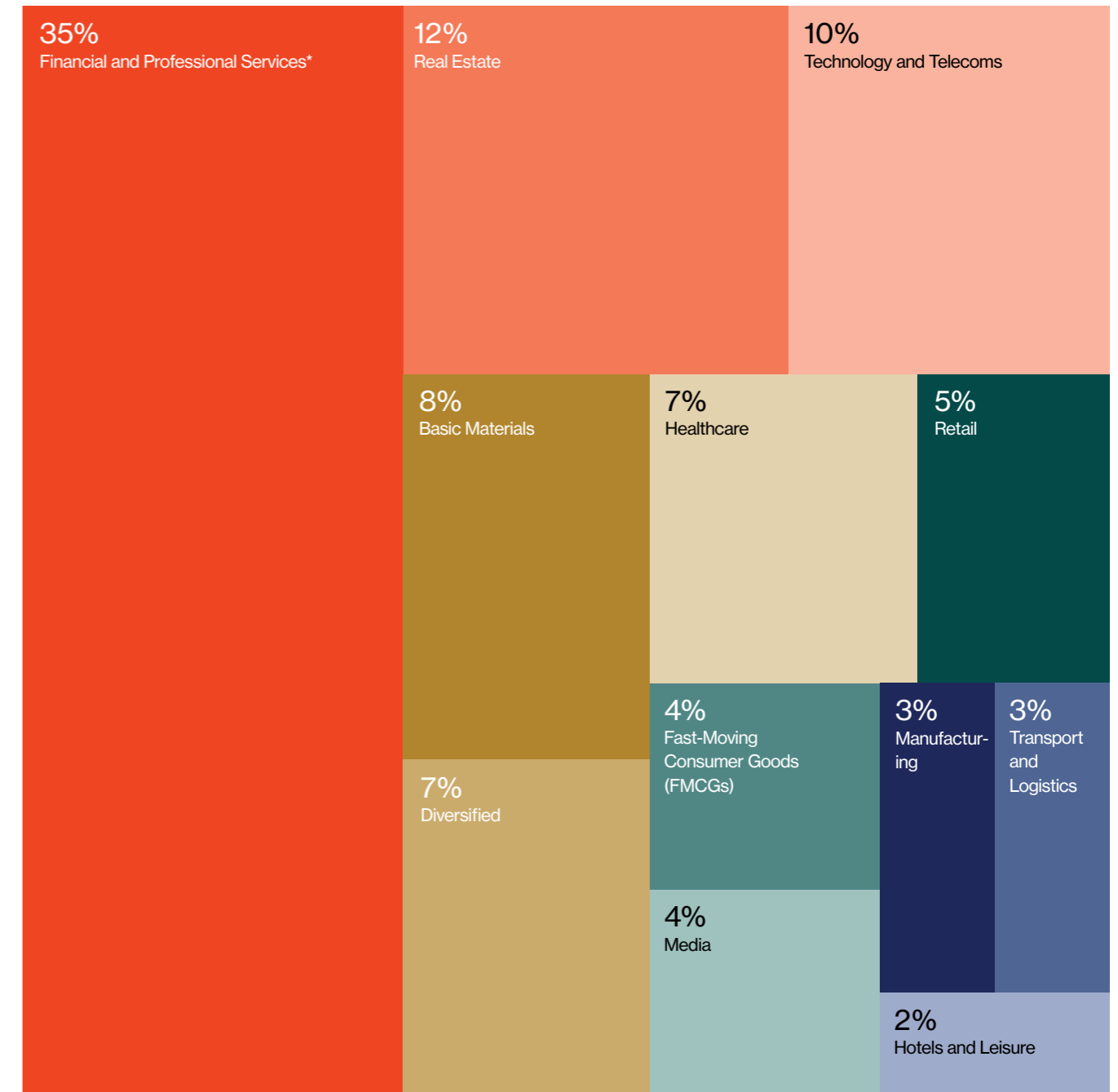
The chart below provides a breakdown of the top universities for producing South African HNWLs.



Note: Refers to last university attended by the HNWL. Figures for December 2021. Source: New World Wealth.

Main industries

The chart below provides a breakdown of the main industries in which HNWLs in South Africa have acquired their wealth.



* Financial and Professional Services includes banks, law firms, consulting firms, fund managers and wealth managers. Note: Figures for December 2021. Source: New World Wealth.

South African prime property index

In local currency (Rand) terms, South African prime residential prices were up by 37% over the past decade. However, when measured in US\$ terms, prime prices were down by 30%.

Possible reasons for the poor performance



A dip in the top-end market. In particular, free-standing houses valued at over R10 million have become very difficult to sell.



Increased utility bills (rates, electricity and water), which have risen by more than three times over the 10 year period. This has discouraged people from buying property and has forced many people to downsize.



High transfer duties of up to 13%. Notably, for properties valued at R10 million and over, transfer duty exceeds R900,000.



High crime levels, which have deterred people from buying free-standing houses, in particular.



Threats of land redistribution without compensation, which may have discouraged people from making large scale property purchases.

Our in-house residential index tracks the square meter prices of prime 200 to 400 square meter apartments in South Africa. 'Prime' refers to top-end residential units in elite areas.

The rise of luxury apartments

Notably, luxury apartments have been the best performing residential segment in South Africa over the past decade as many buyers have moved away from purchasing houses. Apartments in Umhlanga, Hermanus and Plettenberg Bay have performed especially well.

Possible reasons for the shifting trend from houses to apartments in South Africa



Running costs

Municipal rates and taxes tend to be lower on apartments than houses.



Safety and security

Apartments generally have only one access point, which makes them safer.



Maintainance

Apartments are usually smaller and easier to maintain, with less cleaning and repair work required.

Most expensive suburbs in South Africa

Suburb	Rand per square meter	US\$ per square meter
Clifton	80,000	5,000
Bantry Bay	75,000	4,700
Fresnaye	58,000	3,600
Camps Bay and Bakoven	52,000	3,300
Llandudno	50,000	3,100

Most expensive streets or suburbs (excluding Cape Town)

Suburb / Street	Rand per square meter	US\$ per square meter
Lagoon Drive, Umhlanga	36,000	2,300
Eastcliff, Hermanus	35,000	2,200
Beachyhead Drive, Plettenberg Bay	34,000	2,100
Central Sandton	32,000	2,000
Marine Drive, Umhlanga	30,000	1,900

Note: Refers to the average square meter price of a prime 200 to 400 square meter apartment in road or suburb. Figures for December 2021. Translated at R15.90/US\$. Source: New World Wealth.

South African HNWI asset allocation trends

This information is gathered via regular interviews with intermediaries (wealth managers and fund managers). We calibrate wealth across six asset classes, these being real estate, cash and bonds, equities, business interests, alternatives and collectables.

Asset allocation breakdown (for December 2021)

30% equities

Equities is currently the largest asset class for HNWIs in South Africa (accounting for about 30% of their assets), followed by real estate (23%), business interests (20%), cash and bonds (14%), alternatives (10%) and collectables (3%). Over the past 10 years, there has been a movement of funds away from real estate and towards equities and alternatives.

24% offshore

The average South African HNWI currently holds 24% of their wealth offshore. This compares with 15% a decade ago. Popular foreign investments for South African HNWIs include USA exchange-traded funds (ETFs), US\$ in cash and second homes in Europe.

Notes:

- 'Alternatives' include private equity holdings, venture capital investments and commodities.
- 'Business Interests' refer to local holdings in businesses in which HNWIs are or were actively involved.
- 'Collectables' include any luxury item that holds its value reasonably well over time. Prominent examples include art, classic cars, top-end watches, jewelry, fine wine and stamps.

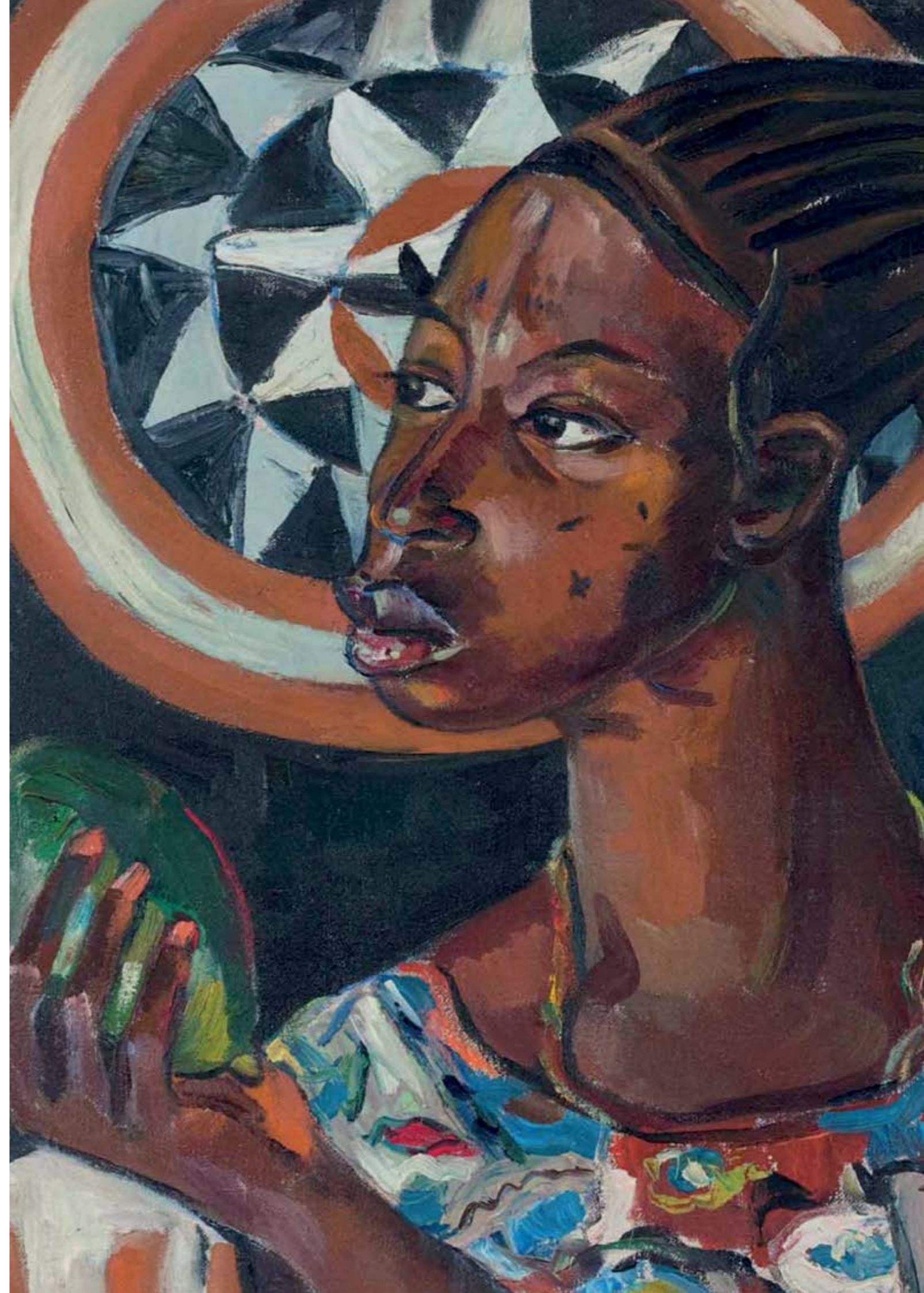
Spotlight on art

The following South African artists are popular among HNWI art collectors, with approximate price ranges for their artworks reflected (in South African Rand).

Artist	Value
Irma Stern	R3m to R50m
JH Pierneef	R3m to R25m
Alexis Preller	R2m to R20m
Vladimir Tretchikoff	R1m to R15m
Anton van Wouw	R1m to R10m
William Kentridge	R1m to R10m
Gerard Sekoto	R0.5m to R5m
Maggie Laubser	R0.5m to R5m
Sydney Kumalo	R0.3m to R3m
John Meyer	R0.3m to R3m
Walter Battiss	R0.3m to R3m
Ezrom Legae	R0.3m to R2m
Cecil Skotnes	R0.2m to R2m
George Pemba	R0.2m to R1m
Adriaan Boshoff	R0.2m to R1m

Art trends

- 01 South African HNWI's held approximately US\$520 million's worth of fine art (as at December 2021) making South Africa the 18th largest fine art market in the world.
- 02 Strauss & Co. is the top auction house for HNWI's in South Africa.
- 03 Irma Stern is currently the most valuable South African artist. Her paintings can fetch up to R50 million each, with an average price of around R6 million per painting (figures in South African Rand).
- 04 The highest price ever achieved for a South African painting was for Irma Stern's 'Arab Priest', which sold for £3.0 million (British Pounds) at an auction by Bonhams in London in 2011.
- 05 We expect the value of Gerard Sekoto, Sydney Kumalo and Maggie Laubser's respective works to appreciate significantly over the coming decade.



Spotlight on classic cars

Notable top-end classic cars that are owned and held by South African HNWI's are listed below (ranked by their approximate value in US\$).

Car	Value	Year
McLaren F1	US\$20m	1990s
Ferrari 250 GT SWB	US\$8m	1960s
Ford GT40	US\$5m	1960s
Aston Martin DB4 GT	US\$4m	1960s
Ferrari F40	US\$2m	1980s
Mercedes Gullwing 300sl	US\$1.6m	1950s
Lamborghini Miura	US\$1.5m	1970s
Aston Martin DB5	US\$1m	1960s
Lamborghini Countach	US\$0.5m	1980s
Porsche 911 Carrera RS	US\$0.4m	1970s
Porsche 911 Turbo	US\$0.15m	1970s

Top-end classic cars that are not in the South African market

Car	Value	Year
Ferrari 250 GTO	US\$48m	1960s
Ferrari 250 California Spider	US\$16m	1950s
Porsche 959	US\$2m	1980s

According to New World Wealth's in-house indices, global classic car prices have risen by 84% over the past decade in US\$ terms, making this one of the best performing investment categories globally over this period.

The McLaren F1's price rise has been especially dramatic and it is now one of the world's most expensive classic cars. It is considered by some to be the greatest supercar ever made – it held the world road speed record for 12 years.

Notably, there are several other classic cars on our list that have also held the world road speed record at some point, including:

- Mercedes Gullwing 300sl
- Aston Martin DB4 GT
- Lamborghini Miura
- Lamborghini Countach
- Porsche 959



Spotlight on top-end watches

Popular watch brands for South African HNWI collectors include the likes of Patek Philippe, Breguet, Vacheron Constantin and Audemars Piguet. Their prices range from US\$20,000 to well over US\$1 million.

These watchmakers specialize in handmade watches. They are mechanical (either self-winding or manual winding) as opposed to modern battery-operated watches.

Their value comes not so much from the materials used to make them, but rather in the precision, expertise and time taken to individually construct each watch. Amazingly, one watch can take over a year to make.

Vacheron Constantin is considered the oldest watch making establishment in the world – it was founded in 1755. Patek Philippe, founded about 100 years later (in 1839), tends to achieve the highest prices, for both classic and new watches.

A decade ago, wealthy South Africans would need to order these watches through relevant retailers overseas or travel to places such as Bond Street in London to buy them. They can now, however, be purchased over the counter from a number of local jewelry and watch stores.

The top luxury brands in South Africa

The South African luxury sector generates revenue of approximately US\$2 billion a year, making it the largest luxury market in Africa by quite a substantial margin. Much of this revenue is generated from the sale of foreign brands such as Porsche and Louis Vuitton. There are also, however, some local brands supplying this sector. We recently reviewed the top local South African luxury brands for 2022 based on their reputation for quality and their popularity among HNWIs.

Our top choices for 2022 include (in no particular order)



Singita
Safari lodges



&Beyond
Safari lodges



Strauss & Co.
Fine art auctioneers



Robertson and Caine
Boat builders



Shilton Reels
Fishing reels












Rain Natural Skincare
Body and skincare products

Ratings criteria:

These brands were selected based on their reputation for quality and their popularity among HNWIs. Winemakers and other top-end beverage producers are excluded from our ratings.

Drivers of wealth growth

Based on our research, the most important factors that encourage wealth growth in a country include:

	High safety and security	The safety levels in a country and the efficiency of the local police are probably the most critical factors in encouraging long-term wealth growth. Based on our latest safety index, the safest countries in Africa are Mauritius, Botswana and Namibia.
	Media freedom	It is important that major news outlets in a country are neutral and objective. A well-developed financial media is especially important because it helps to disseminate information to investors. South Africa, Mauritius and Kenya score strongly here.
	Robust ownership rights	Zimbabwe stands out as a case study of the consequences of taking away the legal ownership rights of individuals – once assets are stripped away they tend to devalue because potential purchasers become no longer willing to risk buying and/or investing in goods.
	Strong economic growth	Strong economic growth is usually linked to wealth growth.
	A well-developed banking system and stock market	Ensures that people invest and grow their wealth locally.
	Low level of government intervention	Government tampering in the business sector creates large inefficiencies within an economy. Government-owned enterprises and parastatals can pose problems (as in the case of electricity utility Eskom in South Africa).
	Low income tax and company tax rates	Dubai and Singapore are examples of the power that tax rates can have in encouraging business creation – both countries have very low tax rates.
	Ease of investment	Barriers such as exchange controls inhibit wealth growth.
	Wealth migration	The migration of HNWI's to a country helps build wealth, while HNWI migration from a country slows down the creation of wealth.

Wealth versus GDP

We consider wealth to be a far better measure of the financial health of an economy than GDP. Reasons for this include:

- In many developing countries a large portion of the GDP flows to the government and therefore has little impact on private wealth creation.
- GDP counts items multiple times (for instance, when someone is paid US\$100 for a product or service, which they in turn use to pay for another product or service, the two transactions add US\$200 to a country's GDP, even though only the original US\$100 were produced at the start).
- GDP ignores the efficiency of the local banking sector and stock market in retaining wealth in a country.
- GDP largely ignores the impact of property and stock market moves, yet these two factors clearly have an enormous impact on wealth.
- GDP is a fairly static measure – it tends to move only slightly year on year and, as a result, is not a sufficiently true and comprehensive gauge of the performance of an economy.

Wealth figures, on the other hand, have none of these limitations, making them a far more accurate gauge of the financial health of an economy than its GDP figures.

Research and methodology

About New World Wealth

New World Wealth is a global wealth intelligence firm based in South Africa. We have been tracking the movements and spending habits of the world's wealthiest people for over seven years. Our research covers 90 countries and 150 cities worldwide.

HNWI database

We have a sample of over 150,000 HNWI's worldwide in our database. The database is focused on HNWI's with the following work titles: Director, Chairman, CEO, Founder and Partner. We do not give out the names of these individuals to anyone. We use this database purely for in-house statistical studies.

Demographic breakdowns

We rely mainly on our in-house HNWI database for the demographic splits within each country (i.e. city, suburb and sector wealth breakdowns). For our city breakdowns, we also take into account public prime property statistics (property registers and property sales statistics) – specifically, we look at the number of highly-priced homes in each area.

Country wealth breakdowns

We use a model to determine the wealth tiers in each country, with key inputs that include:

- Wealth data from our in-house HNWI database
- Stock market statistics in each market
- Property statistics in each market
- Household income statistics in each market
- Household savings and household debt statistics in each market

These metrics are combined in our model to calculate the total wealth held in each country and to calculate the number of people in each wealth tier. For the top wealth tiers (such as billionaires and centi-millionaires) we rely mainly on our in-house HNWI database.

Our model also maps historical wealth growth trends in each country by considering:

- Currency movements versus the US\$ (note that all our statistics are in US\$ terms)
- Stock market movements (in US\$ terms)
- Property price movements (in US\$ terms)

It should be noted that the average HNWI worldwide has the bulk of their wealth tied up in residential property and equities, so large movements in these two segments impact heavily on the total private wealth held in a country.

For more information on New World Wealth, call Wealth Analyst Andrew Amoils at +27 81 832 2185 or email andrew@newworldwealth.com

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About *Henley & Partners*

Henley & Partners is the global leader in residence and citizenship by investment. Each year, hundreds of wealthy individuals and their advisors rely on our expertise and experience in this area. The firm's highly qualified professionals work together as one team in over 35 offices worldwide.

The firm also runs a leading government advisory practice that has raised more than USD 10 billion in foreign direct investment. Trusted by governments, the firm has been involved in strategic consulting and in the design, set-up, and operation of the world's most successful residence and citizenship programs.

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