

Malaysia's Ultra Wealthy Population Expected To Surge 33 Per Cent By 2023
Bernama
12 March, 2014

KUALA LUMPUR, March 12 (Bernama) -- Knight Frank, a leading independent global property consultancy, has forecast that Malaysia's ultra-wealthy population will increase by 33 per cent in the next decade.

The ultra wealthy include ultra high-net worth individuals with US\$30 million or more in assets excluding their main residence, as well as cent-millionaires and billionaires.

Knight Frank Managing Director for Malaysia Sarkunan Subramaniam said nine new individuals joined the rank of Ultra High-Net-Worth Individuals (UHNWI) in Malaysia last year, bringing the total to 557, while the higher wealth bracket increased by three to hit 206.

Speaking to reporters at the launch of the Knight Frank Wealth Report 2014 here, he said these new ultra wealthy individuals in Malaysia come from sectors like oil and gas, manufacturing, services and information and telecommunications technology.

The report says although globally about 15 per cent of high net worth individuals plan to change residence, Kuala Lumpur remains home to 53 per cent of Malaysia's ultra high net worth individuals, and the situation is forecast to remain approximately the same in 2023.

Meanwhile, Goh Cheng Ean, United Overseas Bank (Malaysia) Bhd Executive Director and Country Head of High Networth Banking, said the Malaysian ultra wealthy are more sophisticated and invest with a long-term view.

"In the past, investments were made within the region of their comfort zone but now they have more confidence and exposure to invest in developed markets.

"With continued signs of economic recovery in the US and Eurozone, we foresee increasing fund flow from emerging markets into developed markets," she said.

On the Prime International Residential Index (PIRI), Kuala Lumpur has climbed two positions from last year and is ranked 26th globally, while prices were up 5.5 per cent in 2013 compared to only one per cent growth in 2012, according to the report.

Goh said properties in Malaysia remain attractive for local and foreign investors who believe in the country's long-term economic potential.

The appreciation in real estate prices in key economic centres like Kuala Lumpur and Iskandar

Johor was driven by the the implementation of the government's Economic Transformation Programme, the rise of the middle class and rapid urbanisation, she said.

Property valuations in Malaysia, however, are still lower than in other economic centres like Hong Kong and Singapore, she added.

Elsewhere in Asia, Jakarta heads the PIRI, with growth of 38 per cent in 2013, with Bali at number three with a 22 per cent gain.

Indonesia's key markets continued to outperform the rest, the report says.

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