



WORDS LUCY PALK

WELCOME TO

THE AGE OF AGEING

**AND THE
UPSCALE HOMES
TO GO WITH IT**

People of 50 and older – many with accumulated wealth – will drive prime residential markets around the world over the next decade

The percentage of people aged 50 and above is forecast to reach 28.4 per cent globally by 2033. For some countries, it will be more. In 47 of 165 countries we analysed for our Savills Prime of Life Residential Index, the figure will be at least 40 per cent.

The global trend is towards lower birth rates and increasing life expectancy. Health and educational improvements are driving demographic change. As nations advance, older people tend to accumulate wealth. There's a correlation between better health, fewer children and rising incomes. Populations that are getting older also tend to be getting wealthier.

In other words, many countries are seeing significant growth in the number of affluent, mature people, many of whom are seeking more from their homes.

What do affluent, mature homebuyers want?

This is not a homogenous group. The 50-plus category includes everyone from busy working parents to carefree retirees.



GETTY IMAGES

When it comes to property, their top priorities are quality and space – for example enough space to comfortably work from home.

They may also be looking for ease of ownership. The US branded residence trend, now gaining popularity in Europe and Asia, provides a hassle-free turnkey experience that appeals to many in this age group – especially those who own multiple properties around the world. Those seeking the city lifestyle but larger living spaces increasingly opt for smaller cities, which offer the advantages of urban centres but often at lower costs.

The country picture

Using Oxford Economics data, Savills quantified the trends by country over time.

First, we focused on countries whose 50-plus populations are forecast to grow by more than 10 per cent in the next 10 years. They also had to be

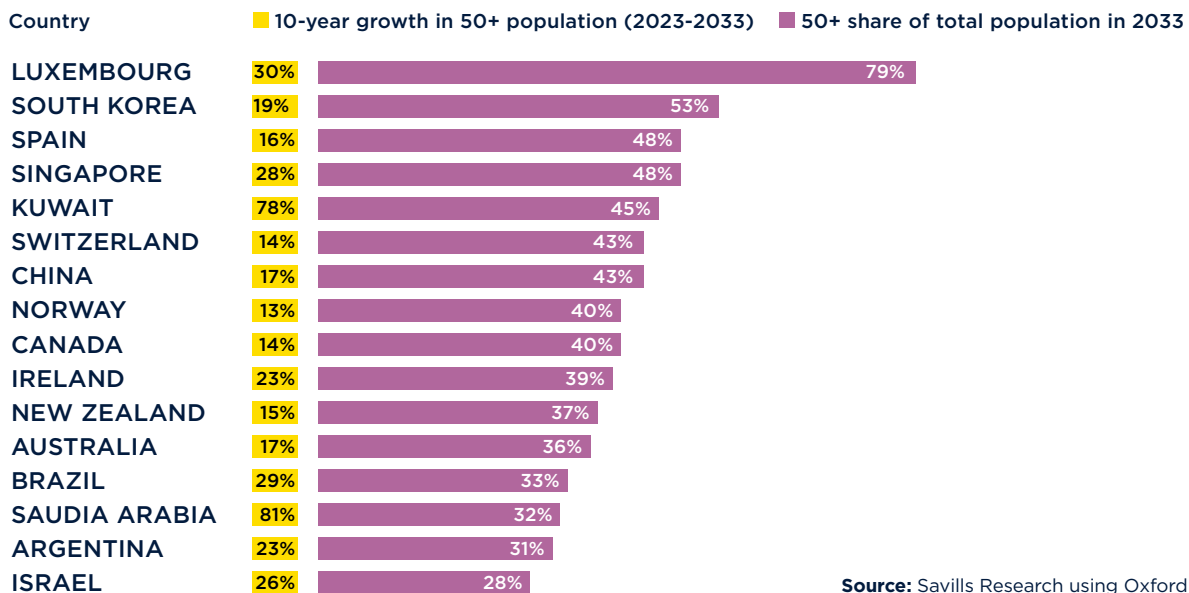
home to at least 10,000 households with incomes of \$250,000 or more.

Our top 16 is striking in its geographic diversity. Luxembourg will have the largest share of over-50-year-olds in 2033 (79 per cent), with South Korea (53 per cent) in second place. But the fastest growth in this age group over the next decade will be in Saudi Arabia and Kuwait. European nations already have high proportions of people over 50. A large number of Asian and Middle Eastern countries will see their mature populations explode, as more people become richer. And while some cities will attract more newcomers, many will rely on domestic trends to drive growth.

The result for real estate is the same. Prime residential hotspots around the world should prepare for influxes of affluent over-50s, with different sets of expectations around what a home should be.

[TURN TO SEE THE SAVILLS PRIME OF LIFE INDEX](#) ▶

COUNTRIES WITH THE LARGEST AND FASTEST-GROWING SHARES OF WEALTHY OVER-50s, 2033

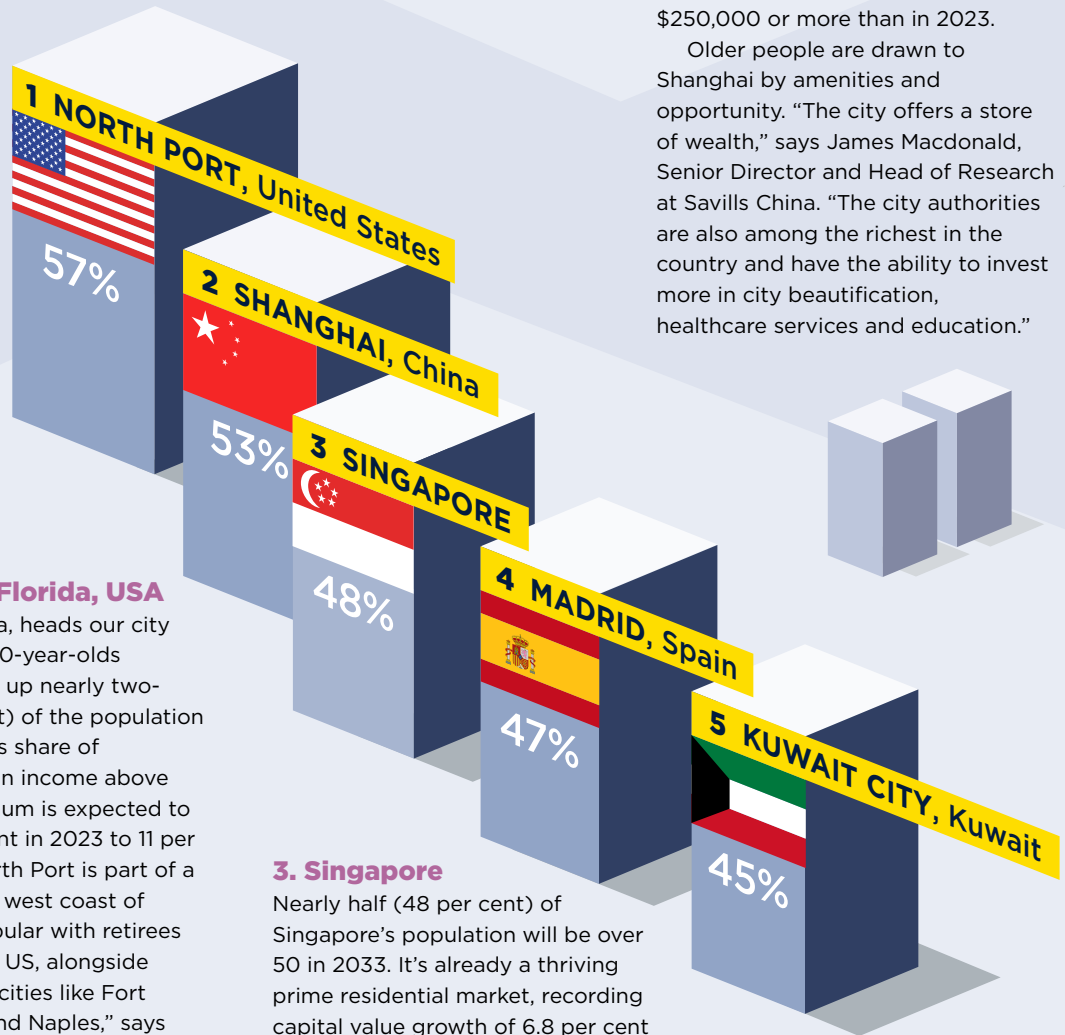


Source: Savills Research using Oxford Economics

Note: Analysis focuses on countries with a population greater than half a million people, more than 10,000 households with an income of \$250,000 per annum or higher, and forecast to see more than 10% growth in their over-50s populations between 2023 and 2033.

THE SAVILLS PRIME OF LIFE INDEX

Percentage of population over 50



1. North Port, Florida, USA

North Port, Florida, heads our city index, with over-50-year-olds expected to make up nearly two-thirds (57 per cent) of the population by 2033. The city's share of households with an income above \$250,000 per annum is expected to rise from 9 per cent in 2023 to 11 per cent in 2033. "North Port is part of a larger area on the west coast of Florida that is popular with retirees from the northern US, alongside more well-known cities like Fort Myers, Sarasota and Naples," says Ryan Schleis, Senior Vice President of Research at Corcoran.

3. Singapore

Nearly half (48 per cent) of Singapore's population will be over 50 in 2033. It's already a thriving prime residential market, recording capital value growth of 6.8 per cent last year.

A maturing and affluent population presents challenges alongside opportunities. A growing number of fifty-somethings in the city are single. Future development will have to include a large number of apartments and smaller homes that meet their needs, forcing residential developers to be creative with space.

2. Shanghai, China

By 2033, slightly more than half (53 per cent) of Shanghai's population will be over 50, up from 47 per cent today. Strikingly, by 2033, four times as many households will be earning \$250,000 or more than in 2023.

Older people are drawn to Shanghai by amenities and opportunity. "The city offers a store of wealth," says James Macdonald, Senior Director and Head of Research at Savills China. "The city authorities are also among the richest in the country and have the ability to invest more in city beautification, healthcare services and education."

4. Madrid, Spain

Madrid's attractions are no secret. "It has an incredible offer when it comes to entertainment, gastronomy and luxury shopping," says Pelayo Barroso, Research Director at Savills Spain. "Madrid has become one of the most sought-after European capital cities over the past few years."

Around 47 per cent of the population will be 50 or over in 2033, with affluent households (incomes of \$250,000 or more) set to double in that time.

That will be a challenge for the prime residential market in particular, given that demand already outstrips supply in central areas. "In the centre, buyers are looking for renovated apartments in classical buildings with historic façades, but these are often protected and don't have parking," says Barroso. "The farther you move out of the centre, the more opportunities there are for projects."



5. Kuwait City, Kuwait

Kuwait is a microcosm of the modern Middle East, with a rapidly expanding middle class. At the same time, the city has become a thriving location for second homes. The share of its population aged 50 and above will rise dramatically over the next 10 years, from 27 per cent to 45 per cent, alongside a 39 per cent growth in households with annual incomes of \$250,000 and more.

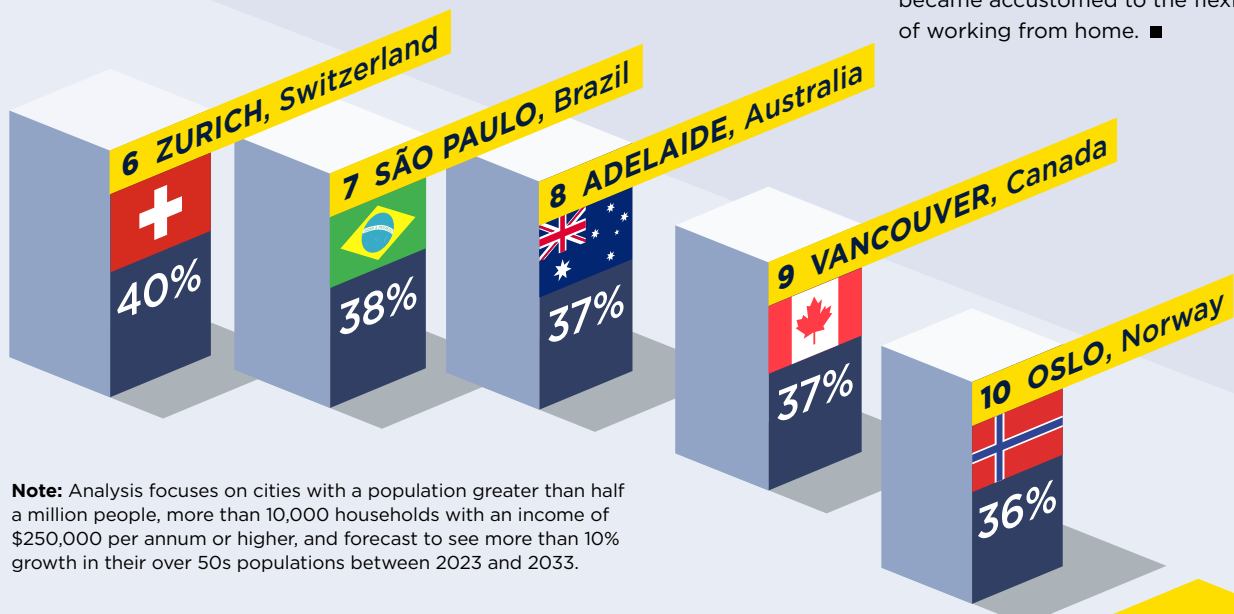
Many of these affluent and mature homebuyers - nearly one-third (32 per cent) of the population as a whole - will still be of working age. Their demands for space, entertainment and lifestyle factors will shape the prime residential market in Kuwait over the next decade.



6. Zurich, Switzerland

The Swiss city already boasts one of the highest figures for GDP per capita in the world and its wealth is only likely to increase over the next decade. That's especially true if the Swiss retirement age is raised to counter perceived labour shortages. A national debate is currently underway.

Increasing wealth, driven by longer careers, will shape the city's prime residential market. Zurich's economy is largely service-based and, during the Covid-19 pandemic, many service-sector employees became accustomed to the flexibility of working from home. ■



Note: Analysis focuses on cities with a population greater than half a million people, more than 10,000 households with an income of \$250,000 per annum or higher, and forecast to see more than 10% growth in their over 50s populations between 2023 and 2033.

Source: Savills Research using Oxford Economics