

Barclays Wealth 2011 UK Wealth Map

A white paper in co-operation with Ledbury Research

March 2011



About Barclays Wealth

Barclays Wealth is a leading global wealth manager, and the UK's largest, with total client assets of £164bn, as at 31 December 2010. With offices in over 20 countries, Barclays Wealth focuses on private and intermediary clients worldwide, providing international and private banking, investment management, fiduciary services and brokerage.

Barclays is a major global financial services provider engaged in retail banking, credit cards, corporate and investment banking and wealth management with an extensive international presence in Europe, the Americas, Africa and Asia. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs 147,500 people. Barclays moves, lends, invests and protects money for customers and clients worldwide

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Our panel

Andrew Carter, Director of Policy & Research, Centre for Cities

Jonathan Levie, Hunter Centre for Entrepreneurship at the University of Strathclyde and Global Entrepreneurship Monitor UK Team Leader

Alex Cheatle, Founder and CEO, Ten Lifestyle Management

Guy Salter, Deputy Chairman, Walpole

Rob Williamson, Chief Executive, Community Foundation

Foreword

The recent financial crisis has impacted many areas of our lives, and the current economic landscape is much changed from the one in which we lived just a few years ago. One area that has seen significant change is wealth, and for the first time this has been mapped in this report, the *Barclays Wealth 2011 UK Wealth Map*, produced in conjunction with Ledbury Research.

Understanding what is happening to wealth now, and in the future, is at the heart of what we do as a business, and this report goes to the very core of that ideal. Looking at the household wealth in each region of the UK for the first time, we have detailed the effect of the past few years, alongside a picture of what wealth distribution looks like today. We are able to demonstrate the extent to which wealth is set to grow, as well as the forces that are likely to drive this growth. Critically, we are able to draw comparisons on a region-by-region basis, thus shedding light on the differences that exist throughout this unique market.

Anecdotally – from speaking to clients across the UK – we know of a strengthening business environment, where confidence is returning, and the creation of wealth is once again to the fore. However, business owners, entrepreneurs and investors alike are operating in a changed environment, and we aim to help them make sense of what this environment looks like, across the UK regions.

With that in mind, I hope this report provides a useful, interesting and informative read.



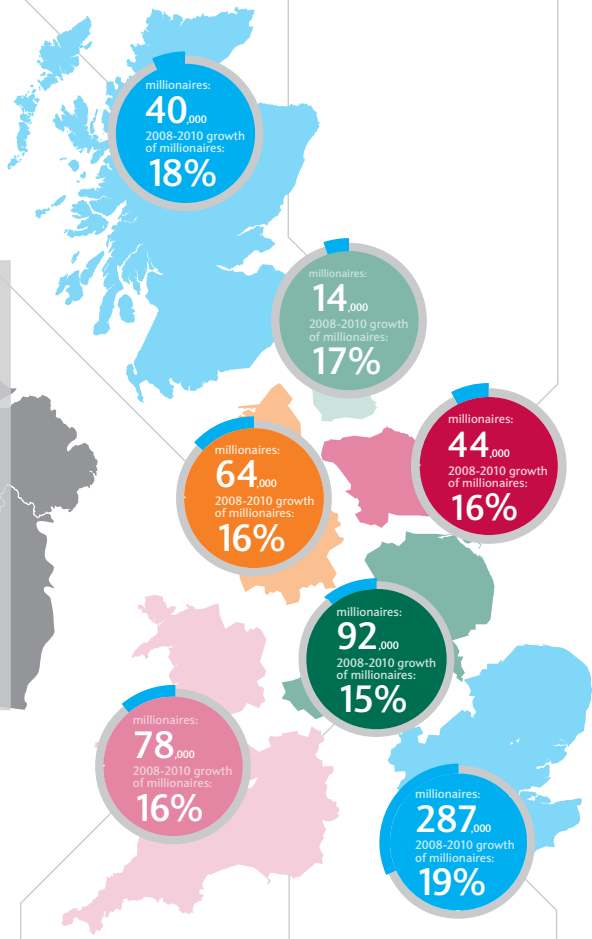
David Semaya

Head of UK and Ireland Private Bank at Barclays Wealth

Regional Wealth Map

North West	Scotland	North East	Yorkshire
Total millionaire population	64,000	Total millionaire population	40,000
Total population worth >£5m	9,000	Total population worth >£5m	7,000
Millionaires per 1,000 residents	1.30	Millionaires per 1,000 residents	1.34
Total millionaire growth to 2020	35%	Total millionaire growth to 2020	38%

- There are now **619,000** millionaires in the UK and **86,000** have more than £5m
- The number of UK millionaires is set to grow by a third by 2020 – meaning there will be **826,000** millionaires in the UK
- The number of individuals with over £5m has risen by 19% over the last two years from **72,000** to **86,000**



South West and Wales	Midlands	London and South East	
Total millionaire population	78,000	Total millionaire population	92,000
Total population worth >£5m	10,000	Total population worth >£5m	5,000
Millionaires per 1,000 residents	1.21	Millionaires per 1,000 residents	0.50
Total millionaire growth to 2020	29%	Total millionaire growth to 2020	30%

Executive Summary

Over the last three years, the impact of the economic crisis on UK wealth has been discussed, debated and dissected. However, until now, it hasn't been mapped.

Between 2008 and 2010, movements in the UK's stock market reflected a period of great turmoil. From peak to trough, the FTSE 100 Index fell 47 per cent then rose by a further 72 per cent. As the credit markets froze, the repercussions were felt across a range of wealth-creating industries throughout the UK.

By the end of 2008 – when the downturn was at its worst – the Office of National Statistics calculated that the total net worth of the population as a whole had fallen by 12 per cent, from £7.5 trillion to £6.6 trillion. The wealthy did not escape this and, as the report shows, the number of people in the UK who had a net worth of over £1m had fallen by 15 per cent to 528,000.

Since then, there has been a sustained, if sometimes fragile, recovery from this dip. This report provides a first snapshot of the UK wealth landscape and the concentration of wealth throughout the UK in 2011. Not only does it create a vivid picture of where wealth is located across the country, it also predicts where wealth will grow between now and 2020. In addition, the report tracks the performance of key wealth indicators including property, philanthropy, private education and leisure.

Headline findings from the report

- In 2010 there were 619,000 millionaires in the UK, and 86,000 had more than £5m
- The number of UK millionaires is set to grow by a third by 2020, according to Ledbury's forecasts – meaning there will then be 826,000 millionaires in the UK
- The percentage of millionaires with over £5m has risen by 19 per cent over the last two years from 70,000 to 86,000
- The majority of the UK's wealth is based around London and the South East: in 2010 this region accounted for 46 per cent of the UK's millionaire population
- The Midlands is second in this list, home to 15 per cent of the UK's millionaires, followed by the South West and Wales and North West, at 13 per cent and 10 per cent respectively
- In the next ten years, the North East will grow fastest in terms of numbers of millionaires, with a 46 per cent increase in the number of millionaires between now and 2020
- Scotland's millionaire population will grow the next fastest, by 38 per cent in total, followed by the North West and London and South East, both rising by 35 per cent
- Per 1,000 millionaires, the North East is the philanthropic capital of the UK, having the highest proportion of new charities set up in 2010

Section 1: Wealth Sizings

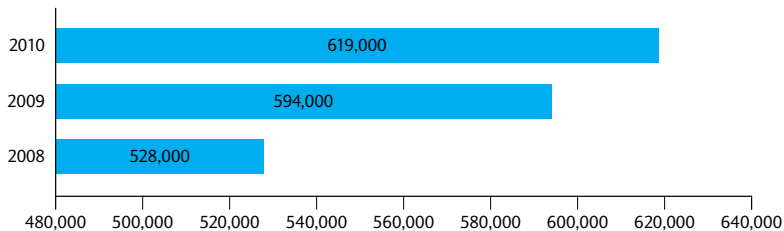
Today, the wealthy are concentrated in London and the South East, as well as the Midlands and South West and Wales. However, looking forward to 2020, the fastest growing millionaire population will be in the North East.

Where the wealthy live today...

- There were 619,000 millionaires in the UK as of 2010
- 46 per cent of millionaires live in London and South East

When the downturn was at its worst point, at the end of 2008, the effects of the credit crunch had been felt across the UK, with the total net worth of the population as a whole falling by 12 per cent. The number of millionaires fell by 15 per cent. As a result, by the end of 2008, there were 528,000 individuals living in the UK who had a net worth of over £1m. But by the end of 2010, this number had risen to 619,000, or by 17 per cent. The number of people with net worth of over £5m rose by 19 per cent over these two years, from 70,000 to 85,000.

Chart 1: UK millionaire population, 2008-2010

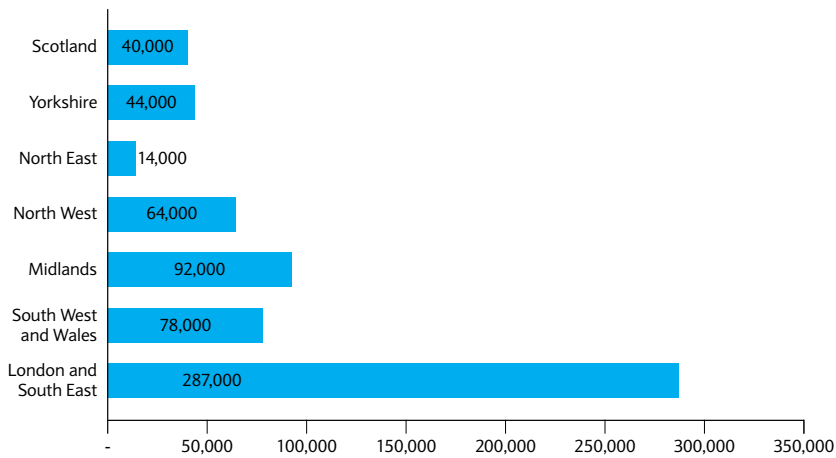


■ £1m

Source: Ledbury Research

For the first time, Ledbury's analysis breaks down where the wealthy are located around the UK (based on their main residence). The majority of wealth is based around London and South East: in 2010 this region accounted for 46 per cent of the UK's millionaire population and 55 per cent of those with over £5m in net worth. The Midlands is the next largest region, home to 15 per cent of the UK's millionaires, followed by the South West and Wales and North West, with 13 per cent and 10 per cent respectively.

Chart 2: Regional millionaire population, 2010

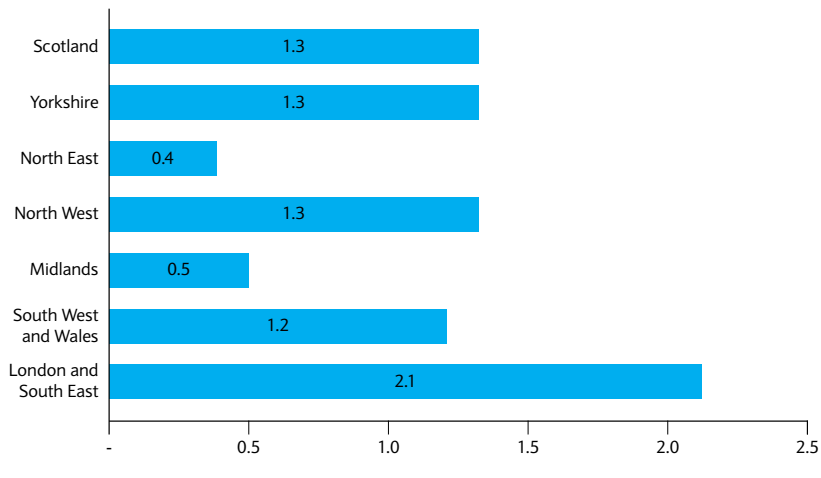


2010

Source: Ledbury Research

In addition to the overall number of wealthy individuals in each region, it is important to understand the relative number – the number of millionaires in the total population. London and South East has 2.1 millionaires in every 1000 residents; the next highest regions are Scotland, Yorkshire and the North West, all with 1.3 millionaires per 1000. The lowest incidence is in the Midlands and North East.

Chart 3: Regional millionaire incidence per 1,000 people, 2010



2010

Source: Ledbury Research

...and where they will live

- By 2020, the number of millionaires in the North East will have increased from 14,000 to over 20,000 – a rise of 46 per cent
- There will be almost 390,000 millionaires in London and South East by 2020 – a rise of 35 per cent

Guy Salter of Walpole, the UK's luxury industry body, believes that “despite talks of austerity and cuts, the overall tidal mark of wealth will continue to rise in the UK.” This is confirmed by looking at emerging regional trends over the last decade, from which Ledbury has also been able to forecast the growth in the number of millionaires in each region over the medium term.

It is forecast that from now to 2020, the fastest growing region – in terms of numbers of millionaires – will be the North East, which will grow at an average of just over four per cent a year, or 46 per cent, between now and 2020. This will take the total number of millionaires in the North East to close to 20,000.

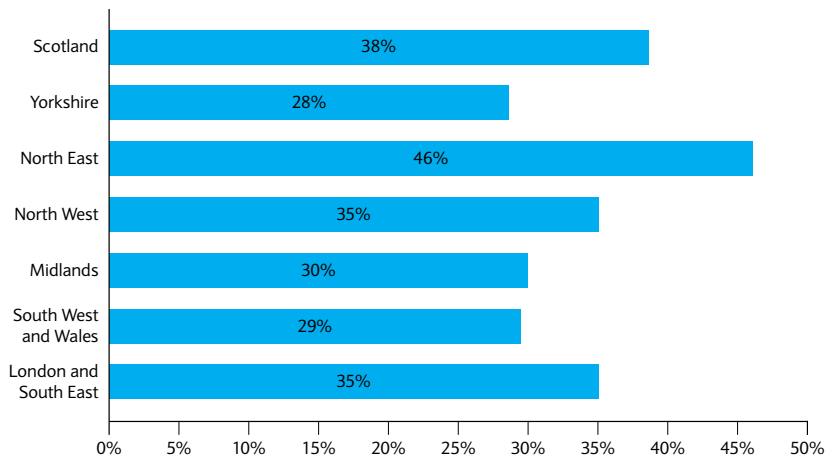
Scotland's millionaire population will be the next fastest growing, at 38 per cent in total, followed by the North West and London and South East, both at 35 per cent.

There are a number of key components to consider when looking to the future. One is the number of active businesses. In 2010, the total number of businesses is estimated to have fallen by two to three per cent. However, looking over the past five years, the fastest growing regions in terms of numbers of businesses were Scotland and the North East at 1.8 per cent and 1.4 per cent respectively. The slowest growth was seen in the South West and Wales, Yorkshire and the Midlands. Andrew Carter of Centre for Cities, an independent research and policy institute committed to improving the economic performance of UK cities supports this, saying that “over the last ten years the populations of Northern and Midland cities, big and small, have tended to be stable at best and in many instances have been reducing.”

Another forecasting indicator is the total economic output of a region, measured as Gross Value Added (GVA). GVA contracted earlier than the numbers of businesses and in 2009, all regions contracted as the recession took hold. However, over the past five years, the two fastest growing regions have been Scotland and the North East again, growing at 2 per cent and 1.9 per cent on average. The slowest growth was seen in the South West and Wales and Yorkshire regions.

London and South East is expected to carry on growing, a view reinforced by Alex Cheatle of Ten Lifestyle Management, the lifestyle concierge and professional support provider, “the region will be led by London as an international centre and a magnet for successful people from all over the world, and their children.” In addition to this, foreign wealth is expected to keep coming to the UK, thanks in part to the high number of foreign students in private education. Alex Cheatle continues: “People have a bond with England because very often they were educated here, or their children are being educated here.”

Chart 4: Regional millionaire 10 year growth rate, 2010-2020



2010-20

Source: Ledbury Research

Section 2: What the wealthy do

This research has measured and compared the various lifestyles of millionaires across the country. These can be divided into five categories: property, education, dining, shopping, and philanthropy. Using these, some strong regional differences are clear:

London and South East	Property wealth and education are most important to the region's wealthy
South West and Wales	Has highest property values outside London and South East; the wealthy here also enjoy fine dining
Midlands	Education is very important, whereas shopping is lower down the wealthy's list of interests
North West	The UK's home of luxury shopping
North East	Highest charitable activity, as well as strong interest in property and education
Yorkshire	Charities are important, as is education, despite the low property values
Scotland	Fine dining capital of the UK, as well as a high interest in shopping

Property

The number of properties sold for more than £1m increased by over 50 per cent in 2010; 60 per cent of these were based in London.

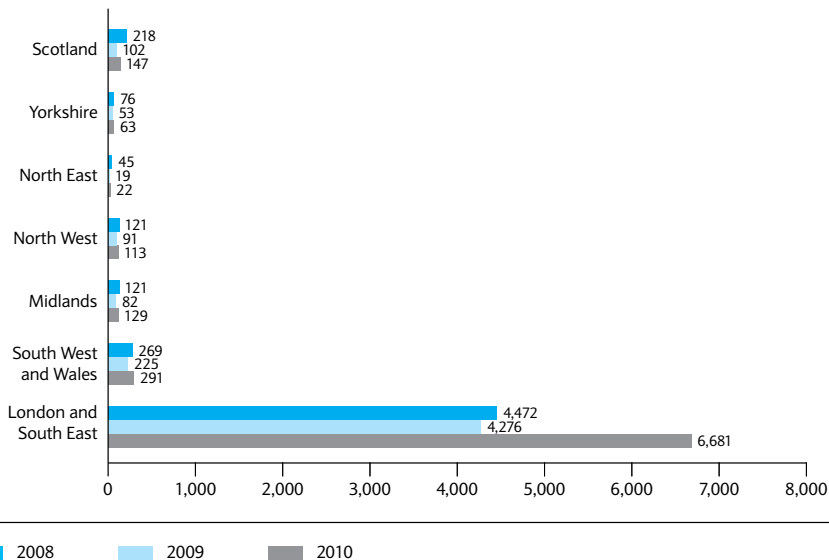
- Sales of properties worth over £1m rose 40 per cent from 2008 to 2010
- Over 7,000 properties were sold for over £1m in 2010, 6,680 of them in London and South East

A large proportion of the country's most expensive residential property in the UK is in London, where areas such as Mayfair, Kensington, Chelsea and Belgravia have attracted interest from international buyers the world over. Indeed, foreign purchases account for 60 per cent of transactions in luxury homes worth in excess of £2m. Over the past ten years, these buyers have mainly come from Europe, Russia and North America, but more recently, investors from Asia Pacific and India have become more prominent in this market. The temporary fall in prices in London from July to October of last year (Knight Frank Prime Central London Index), despite limited supply of properties, suggests that uncertainty still prevails among prospective buyers of high-end homes for the foreseeable future. Alex Cheatle of Ten Lifestyle Management observes that the property market has been flat across the UK and that wealthy British buyers have also been holding off from buying properties abroad, as many are finding it difficult to sell those they already own.

Elsewhere in the UK, the North East has the lowest number of sales of properties worth over £1m, followed by Yorkshire. The South West and Wales comes a distant second, in terms of the number of prime properties in the region. However, at 291 sales in 2010; this is more than double the numbers for the Midlands and the North West, which stand at 129 and 113 respectively.

To put this analysis into perspective, these sales figures can be compared to the millionaire population of the region. From this we see that London and South East has an overwhelmingly larger proportion of high-end properties per 1,000 millionaires than any other region. While the ratio of property sales worth over £1m to 1,000 millionaires fell considerably across the UK in 2009, gains in 2010 mean that the ratio in London and South East is now approximately 30 per cent higher than 2008, while the South West and Wales, the Midlands and the North West have made up most of their lost ground. The number of prime properties per 1,000 millionaires more than halved in the North East in 2009, and at 2.1 in 2010 this is still a relatively reduced market. The aggregate figures echoed the regional pattern as the number of properties sold worth more than £1m fell by nine per cent in 2009, from 5,322 to 4,848, followed by a considerable increase in 2010, showing signs of recovery in the sector.

Chart 5: £1m property sales by region, 2008-2010



Source: Ledbury Research, Land Registry, Registry of Scotland

Education

There were just under half a million pupils in independent schools in 2010; this number has fallen due to the lagged impact of the recession

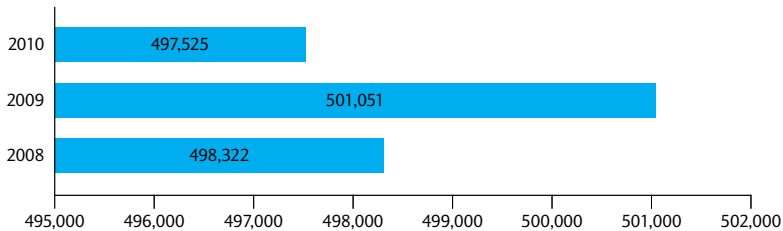
- There are almost 498,000 privately educated pupils in the UK
- Almost every region saw a minor rise in pupils enrolled into independent schools for 2009, followed by a widespread fall in 2010

Independent schools have been hurt by the downturn and, unlike some other sectors which started to show signs of recovery in 2010, pupil numbers continued to decline last year, falling to 498,000, below the number achieved in 2008. This time lag between the onset of the economic downturn and the decline in pupil numbers relates to the nature of the academic year. The beginning of the academic year, in September, is the least disruptive time to change schools; as a result there are frequently several months between a decision being made to move schools and this taking place. As a result of pressures on pupil numbers, many independent schools have merged, while others have had to shut down. Others have worked actively to attract international pupils, with the result that the number of foreign students in independent schools in the UK is now up by 7.4 per cent compared to 2009. The majority come from China, Hong Kong and Germany. In addition, school fees were raised by the lowest amount since 1994. The biggest drop in pupil numbers was among four year olds starting in private education, with more parents opting for the state system.

Jonathan Levie of the Global Entrepreneurship Monitor (GEM), the not-for-profit academic research consortium, highlights the importance of education to each region as his research has shown that “the more people in a region with relatively high educational qualifications, the higher the entrepreneurial activity in that region.”

The chart shows how numbers increased in 2009, with the effects of the recession only filtering through the following year. Regionally, the majority of independent schools are concentrated around London and South East, where most of the country's renowned public schools are based. Scotland has the lowest number of independent schools.

Chart 6: Total UK independent pupils, 2008-2010



■ All

Source: Ledbury Research, ISC

Analysing these pupil figures by millionaires in the region, London and South East still has the highest proportion of private school pupils in the country, at almost one for every millionaire. However, since 2008, the decline has been more pronounced here than in the other regions. The South West and Wales has the greatest number of privately educated students outside of the capital, while the Midlands has the highest proportion when compared to its millionaire population.

Across the rest of the UK, the concentration of students relative to the millionaire population is spread relatively evenly. Furthermore, the proportional declines have been consistent across the South West and Wales, the Midlands, the North and Scotland, showing an overall tendency among the wealthy in the UK to cut back on private education during challenging economic times. Interestingly, the trends point to a general decrease in the number of boarding students enrolled in independent schools, while there has been an increase in day students in London and South East.

Dining

The UK continues to build both its demand and supply of fine dining; these establishments are gaining the most ground outside London

- In 2010, the UK had more Michelin-starred restaurants than ever before
- There has been a growth since 2008, and a dramatic increase since the 25 stars awarded in Britain for the first Michelin Guide published here, in 1974

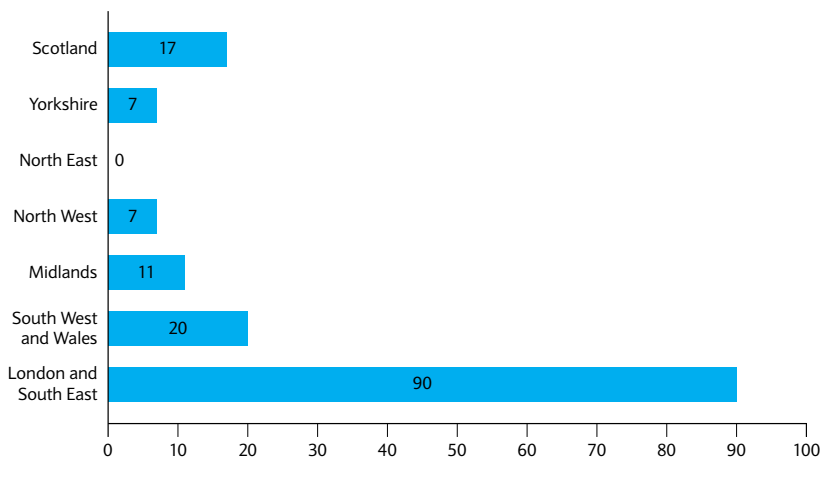
High-end restaurants around the world were expected to suffer the brunt of the recession, with past trends pointing to dining as one of the first elements of discretionary spending to be reined in during times of economic constraint. Certainly this appeared to be the case initially, as the number of net new restaurants (openings less closures) steadily declined from mid-2007 for about a year. However, this trend was short-lived and the most recent edition of *Harden's London Restaurants* indicates that fine dining is enjoying a resurgence in popularity. Alex Cheatele, of Ten Lifestyle Management, agrees, pointing out that “we have absolutely not seen a decline at all in people eating out. All of the popular restaurants are just as busy now as they were at the height of the boom.”

London restaurants had one of the highest levels of annual growth ever in 2010, with 140 new restaurant openings against 72 closures. These opening levels are among the highest over the past 10 years, while closures were better than expected.

Analysing the number of Michelin-starred restaurants across the country over the past three years adds further insight to these findings. Firstly, there are now close to one fifth (18 per cent) more Michelin-starred restaurants in the UK, increasing to 131 in 2010. Further, the total number of stars has also grown by the same proportion between 2008 and 2010. All of this indicates that despite the recession, wealthy individuals in the UK still regard fine dining as an important part of their lives and will continue to enjoy it for as long as they can. These figures point towards a strong growing trend in the number of both fine restaurants and Michelin stars in the UK. This is the highest number of stars the UK has ever had, and the biggest number of three-starred restaurants since the mid-1990s.

Looking at the results on a regional basis helps to identify where expensive restaurants are most in demand. Not surprisingly, London and South East has the highest number of Michelin stars in the country, followed by the South West and Wales. However, one key trend is the emergence of locations outside the capital: in 2008, 41 per cent of Michelin-starred restaurants were based in London; by 2010 the capital's share had fallen to 37 per cent.

Chart 7: Michelin stars by region, 2008-2010



2010

Source: Ledbury Research, Michelin Guide

To contextualise these figures, we can look at the number of Michelin stars in proportion to the millionaire population in the region, which tells a different story. Scotland has the highest number of Michelin stars, with 0.43 stars for every 1,000 millionaires there and the trend is growing year-on-year. Yorkshire is the only other region to show such a definite rising trend. The South West and Wales is also gaining prominence in this respect. By contrast, on this measure, the trend for fine dining is only waning slightly in London and South East and the Midlands.

Shopping

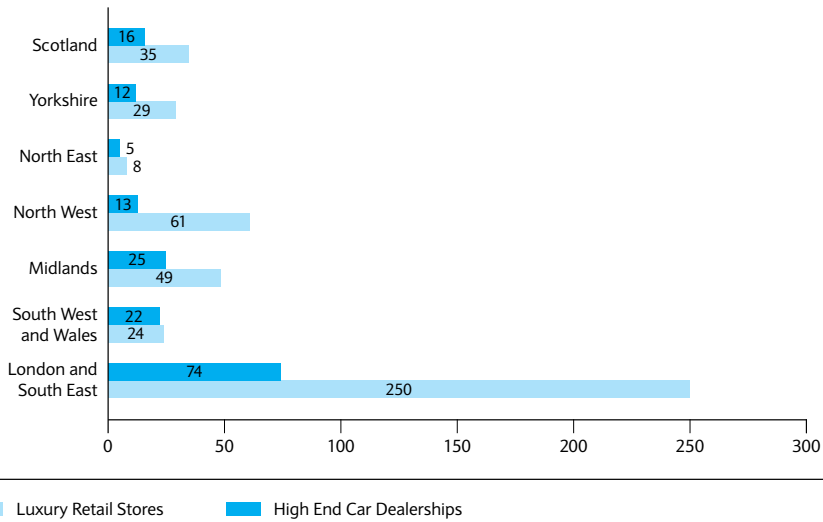
The UK is a key luxury marketplace; though tourists boost the capital's share, the country's most avid luxury shoppers are based in the North

- London and South East has almost three times the average number of luxury outlets
- The North West has almost one luxury retailer per 1,000 millionaires, over three times more than the South West and Wales

The luxury sectors have been amongst the highest profile industries to experience the financial market turmoil. Looking at the luxury car brands, production cut backs were made at key UK companies such as Rolls Royce, Aston Martin and Bentley. However, many of the leading brands are reporting renewed optimism emerging from the beginning of 2010, and according to Guy Salter of Walpole, "the diversity in the UK is greater than Paris or Milan in terms of availability of everything, from large very well-known brands to niche craftsmanship businesses."

Looking at where these luxury store and car showrooms are based, London is quite clearly the luxury centre of the UK. London and South East has four times the number of luxury stores as the next largest region, the North West. London and South East also has almost three times the number of luxury auto retailers as the Midlands, the next largest in this sector.

Chart 8: Luxury stores and autos dealerships, by region, 2010



Source: Ledbury Research

According to Guy Salter, “luxury shopping is primarily a metropolitan activity, and even within the core of that you have to rely on a ‘luxury capsule’, primarily provided by the department stores.” Outside London, luxury department stores create a micro diversity of luxury brands within cities that lack the wealth concentration to have a number of individual luxury retailers or a ‘luxury street’. As a result, “shopping remains weighted towards the capital because we are a small country.”

When contextualised as the number of retailers per 1,000 millionaires, the North West and Scotland stand out as having a high proportion of stores. This can be partly explained by the presence of wealthy professional sports clubs in these areas, particularly football clubs. The phenomenon of football players as celebrities has been characterised by very high salaries and conspicuous spending, which provides a context for luxury stores in areas that have relatively few other millionaires. Alex Cheatle observes that the demand for luxury is a reflection on the nature of wealth in the Northern regions, where emerging groups of wealthy enjoy luxury and prestige brands.

Philanthropy

The number of new charities founded fell in 2009 but stabilised in 2010; these new charities were increasingly prevalent outside London, especially in the North.

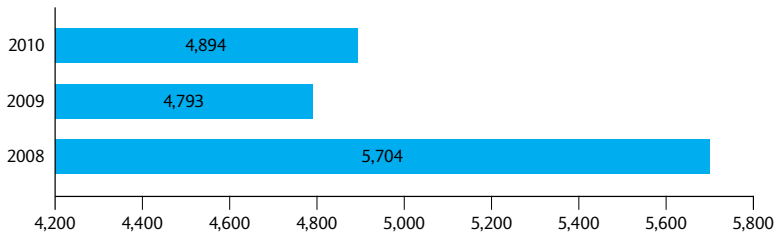
- Almost 4,900 charities were established in 2010, compared to over 5,700 in 2008
- The North East has almost twice the number of new charities founded in 2010 as the next largest number in the UK, proportionate to millionaire population

Despite the recent downturn, the commitment to philanthropy has not diminished and in some cases it has increased. Reports such as Barclays Wealth's *Tomorrow's Philanthropist* show that the wealthy are becoming more socially aware and are beginning to be more involved in where their donations go, seeking solutions rather than support. Similar patterns in the US suggest that the UK government may increasingly rely on the wealthy to fund welfare projects which have historically been the government's responsibility. Millionaires are also expected to feel peer pressure to increase their involvement, particularly given projects such as the Buffett-Gates pledge.

One way to measure philanthropy is to analyse the number of new charities set up each year. The number of charities established annually in the UK fell in 2009, but grew by just under 5,000 in 2010. The largest decline in activity occurred during 2009 in London and South East, where the number of charities fell by 31 per cent.

Despite this, there is "a huge hub of economic activity in the charitable sector based around London," according to Rob Williamson of the Community Foundation, a hub for community philanthropy, "because that's where most of the national charities are headquartered." Nevertheless, in 2010, London and South East, South West and Wales and the Midlands all registered a fall in charitable activity on this measure.

Chart 9: Number of new charities founded, 2008-2010



■ All

Source: Ledbury Research, Charities Commission

Comparing this activity to the wealthy population in each region, it is clear that the North East is the most charitable region, with twice the number of charities founded per 1,000 millionaires than the second-placed region (Yorkshire). Using this measure, Yorkshire, the North West and North East regions all saw their activity rise in 2010, closing in on their neighbours. All other regions, however, have seen a decline in the number of charities founded over the past few years, showing a clear trend. Rob Williamson points out that “this sector is more exposed to the shrinking of state finances” and may well go into considerable decline as the active public money sources it has previously benefitted from are reduced.

Section 3: Regional Spotlights

- London and South East
- South West and Wales
- Midlands
- North West
- North East
- Yorkshire
- Scotland

London and South East

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **19%**, from 242,000 to 287,000
- It is home to the **largest millionaire population**, whose numbers are expected to grow by just over a third (35 per cent) by 2020
- Private education is at its highest close to the capital, with an increasing number of day pupils in independent schooling; **the only increasing trend in the country**
- This region has the **most expensive property in the country**, with nine in every ten £1m property sales based in the region

	Regional Statistics	Versus Regional Average
Total millionaire population	287,000	+225%
Total population worth >£5m	47,000	+283%
Millionaires per 1,000 residents	2.12	+81%
Total millionaire growth to 2020	35%	0%

London and South East includes the country's capital and as a result, comes out at or near the top of most of the rankings. Almost 90 per cent of all million pound property sales are based in the region, as are 94 per cent of properties sold for over £2m.

In terms of dining, London and South East is beaten only by Scotland in numbers of Michelin stars per millionaire. London and its outskirts are world famous for the number and quality of restaurants, with 13 of the 17 restaurants with more than one star being based in this region.

This region also has the largest number of luxury outlets and dealerships. Again, London, as the capital, has a large base of wealthy consumers for luxury shopping, as does the South East, in areas such as Bicester and Cambridge. The region is also boosted by the influence of wealthy tourists, not only from abroad but also from other parts of Britain. Guy Salter points out that many of the wealthy in other regions "come to London regularly... often have a property there [and] do a lot of their high-spend entertaining and so on in London." He also points out that 'young wealth' is located in London, and there are other millionaire hotspots in this region, such as a number of biotech millionaires living outside Cambridge.

Guy Salter indicates that the importance of London cannot be underestimated: "it is completely separate from any other parts of the country... almost like a hyper wealthy economy on its own right." Its influence is not limited to luxury and wealth. Jonathan Levie of the Global Entrepreneurship Monitor supports this, saying that "the further away a city or region is from London in travel time, the lower its entrepreneurial activity."

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	6681	+528%
Property sales over £2m in 2010	1390	+559%
£1m property sales per 1,000 millionaires	23.28	+342%
Total number of Michelin-starred restaurants	73	+290%
Total number of Michelin stars	90	+314%
Michelin restaurants per 1,000 millionaires	0.25	+41%
Michelin stars per 1,000 millionaires	0.31	+59%
Number of luxury retail outlets in 2010	250	+284%
Number of luxury car dealerships in 2010	74	+210%
Luxury retail outlets per 1,000 millionaires	0.87	+26%
Luxury car dealerships per 1,000 millionaires	0.26	-13%
Total pupils in independent schools in 2010	275,428	+177%
Day pupils in independent schools 2010	240,633	+179%
Independent pupils per millionaire	0.96	+84%
Day pupils per millionaire	0.84	+87%
Total number of charities set up in 2010	2028	+149%
New charities per millionaire in 2010	7.07	-35%

South West and Wales

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **16%**, from 67,000 to 78,000
- South West and Wales has the **second highest number of individuals worth more than £5 million**, after London and South East
- This region is characterised by expensive properties, a focus on independent boarding school pupils and the **highest number of Michelin stars outside London and South East**
- At the same time, the South West and Wales has the **lowest incidence of luxury outlets**

	Regional Statistics	Versus Regional Average
Total millionaire population	78,000	-12%
Total population worth >£5m	10,000	-19%
Millionaires per 1,000 residents	1.21	+3%
Total millionaire growth to 2020	29%	-15%

The South West and Wales sits just behind London and South East in terms of property sales and also scores highly in terms of dining. Luxury properties in counties such as Cornwall and Devon are highly priced, with coastal towns being amongst the most sought after locations for second homes or retirement properties, and 35 properties worth over £2m were sold there over the past year. The region has a high proportion of well-known fine dining establishments, giving the area 20 Michelin stars in total, up 11 per cent in 2010.

This region ranks towards the bottom in terms of shopping, which can partly be explained by the lack of large retail centres in the area. Although South West and Wales has over 58,000 students in private education, the number of day pupils per millionaire is low. This is driven by the larger number of boarding pupils, which account for 25 per cent of those in independent schools – the highest incidence of all the regions. This number has also steadily decreased in recent years. Philanthropy in the area has seen a downward trend over the past few years.

Andrew Carter at Centre for Cities predicts that Bristol will continue to be an important economic hub of this region. This is down to its “good mix and diverse economy and a high skills base within its resident population. Its strong economic performance is reflected in the fact that it has been in the top ten fastest growing cities for the last ten years.” In addition, the wealthy can enjoy a balance by living in large houses and yet easily commute in for work.

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	291	-73%
Property sales over £2m in 2010	36	-83%
£1m property sales per 1,000 millionaires	3.73	-29%
Total number of Michelin-starred restaurants	17	-9%
Total number of Michelin stars	20	-8%
Michelin restaurants per 1,000 millionaires	0.22	+21%
Michelin stars per 1,000 millionaires	0.26	+30%
Number of luxury retail outlets in 2010	24	-63%
Number of luxury car dealerships in 2010	22	-8%
Luxury retail outlets per 1,000 millionaires	0.31	-55%
Luxury car dealerships per 1,000 millionaires	0.28	-3%
Total pupils in independent schools in 2010	58,090	-42%
Day pupils in independent schools 2010	43,302	-50%
Independent pupils per millionaire	0.74	+44%
Day pupils per millionaire	0.56	+25%
Total number of charities set up in 2010	713	-13%
New charities per millionaire in 2010	9.14	-15%

Midlands

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **15%**, from 80,000 to 92,000
- There are just under 100,000 millionaires in the Midlands, **second only to London and South East**
- **The region's focus is independent schooling** and it is home to 60,000 pupils. In addition, it contains the second largest number of luxury car dealerships
- The number of new charities set up in the region in 2010 fell, against a growing number across the country as a whole

	Regional Statistics	Versus Regional Average
Total millionaire population	92,000	+4%
Total population worth >£5m	5,000	-59%
Millionaires per 1,000 residents	0.50	-57%
Total millionaire growth to 2020	30%	-13%

As a region, the Midlands does not rank highly across many of the metrics, and has the lowest proportion of luxury property sales per millionaire, as well as close to the lowest levels of fine dining and luxury shopping. Alex Cheatle of Ten Lifestyle Management does provide an optimistic view of the region, however: “We expect to see some growth in the manufacturing heartland of England; around the Midlands and Birmingham, if the exchange rate stays advantageous.”

The key factor in the Midlands is education. There are over 63,500 pupils in independent schools, which equates to 0.6 day pupils per millionaire – this is the highest ranking outside of London and South East. Despite this, the number of pupils in independent schools, as with the rest of the UK, has declined over the past few years.

Shopping and dining, however, are not as much of a priority. The Midlands as a whole has only 11 Michelin restaurants in the region, and over the last three years it has never had a restaurant with more than one star. Philanthropy in the area, measured by the number of new charities established, has been declining.

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	129	-88%
Property sales over £2m in 2010	7	-97%
£1m property sales per 1,000 millionaires	1.40	-73%
Total number of Michelin-starred restaurants	11	-41%
Total number of Michelin stars	11	-49%
Michelin restaurants per 1,000 millionaires	0.12	-34%
Michelin stars per 1,000 millionaires	0.12	-39%
Number of luxury retail outlets in 2010	49	-25%
Number of luxury car dealerships in 2010	25	+5%
Luxury retail outlets per 1,000 millionaires	0.53	-22%
Luxury car dealerships per 1,000 millionaires	0.27	-7%
Total pupils in independent schools in 2010	63,664	-36%
Day pupils in independent schools 2010	54,353	-37%
Independent pupils per millionaire	0.69	+33%
Day pupils per millionaire	0.59	+33%
Total number of charities set up in 2010	804	-1%
New charities per millionaire in 2010	8.74	-19%

North West

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **16%**, from 55,000 to 64,000
- The North West has the **third largest number of millionaires in the UK**, whose numbers will grow by 36 per cent by 2020
- **The region is the luxury shopping capital of the UK**, with a higher proportion of luxury retailers than anywhere else. This does not extend to an appetite for luxury cars, as the region has the lowest incidence of dealerships per millionaire
- The North West has a relatively low appetite for fine dining, with the **lowest incidence of Michelin stars per millionaire apart from the North East**

	Regional Statistics	Versus Regional Average
Total millionaire population	64,000	-28%
Total population worth >£5m	9,000	-27%
Millionaires per 1,000 residents	1.30	+11%
Total millionaire growth to 2020	35%	+2%

The North West is the UK's capital for luxury shopping. It is home to 61 of the luxury retail outlets from the brands analysed, which is second only to London and South East – the latter being boosted by tourist sales. Alex Cheadle, from Ten Lifestyle Management, believes this is due to the largely entrepreneurial wealth found in the North West. This new wealth enjoys rewarding their success, using “brands to identify and self-express.” Furthermore, when comparing the retail outlets to the millionaire proportion, it is the highest ranked, with a proportionate score 40 per cent higher than the UK average.

Manchester emerges as the economic and trend driver for this region, having benefitted more than Liverpool in terms of industrial heritage, relative wealth, and proportion of people of different social classes, all of which help entrepreneurial development. However “Liverpool is evolving, not standing still, and its entrepreneurial activity may increase if it manages to attract creative people and develop new industries,” according to Jonathan Levie of GEM.

Education and Philanthropy also rank relatively high in the North West. However, the former has been declining across the North for the past few years. While it has a high number of day pupils in absolute terms, it has the lowest proportion of boarders (compared to day students) of any region. There are fewer luxury properties to be found, reflecting lower real estate values in this area.

The North West ranks at the lower end for fine dining. The region has only seven Michelin restaurants, none with more than one star; it has the second lowest proportion of stars to millionaires, only above the North East – a region with no Michelin-starred restaurants.

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	113	-89%
Property sales over £2m in 2010	26	-88%
£1m property sales per 1,000 millionaires	1.77	-66%
Total number of Michelin-starred restaurants	7	-63%
Total number of Michelin stars	7	-68%
Michelin restaurants per 1,000 millionaires	0.11	-39%
Michelin stars per 1,000 millionaires	0.11	-45%
Number of luxury retail outlets in 2010	61	-6%
Number of luxury car dealerships in 2010	13	-46%
Luxury retail outlets per 1,000 millionaires	0.95	+40%
Luxury car dealerships per 1,000 millionaires	0.20	-30%
Total pupils in independent schools in 2010	75,891	-24%
Day pupils in independent schools 2010	70,469	-18%
Independent pupils per millionaire	0.62	+20%
Day pupils per millionaire	0.58	+30%
Total number of charities set up in 2010	605	-26%
New charities per millionaire in 2010	9.45	-12%

NB ISC collect pupil numbers across the North West, North East and Yorkshire in aggregate

North East

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **17%**, from 12,000 to 14,000
- **The North East has the lowest number of wealthy individuals in the UK**, both in terms of their numbers and as a proportion of the population. However, **their population will be the fastest growing of any region between now and 2020**
- In terms of new charities per millionaire, **the region has the highest level of philanthropy in the UK**
- Though there are relatively few luxury retailers, the region has the **second highest number of luxury car dealerships per millionaire**

	Regional Statistics	Versus Regional Average
Total millionaire population	14,000	-84%
Total population worth >£5m	1,000	-92%
Millionaires per 1,000 residents	0.39	-67%
Total millionaire growth to 2020	46%	+33%

The North East is the philanthropic capital of the UK, with the highest proportion of new charities compared to the wealthy population. In 2010 there were 21 registered charities founded for every 1,000 millionaires, almost twice that of the next highest region. Even so, this figure has declined in the past few years. The high level of charitable giving in this region is explained by Rob Williamson of the Community Foundation as being due to the 'branch-economy' in the region, where there is "a strong sense in the business community and amongst individuals who have made their wealth and are from this region; that they give back to this region." The charities in the North East also tend to be smaller than in other parts of the country, and more engaged with regeneration.

The North East also has a high ranking in terms of education, as with all the Northern regions, driven by its reputation in day and boarding schools. Nevertheless, the number of pupils in independent education has shown a decreasing trend across the North East in recent years,

The North East has a relatively low level of luxury properties, with only two properties worth over £2m sold in 2010 and 22 properties sold worth over £1 m.

The North East has little luxury shopping with only eight luxury retailers in the region. However, wealthy residents like their performance cars: the North East has the second highest proportion of dealerships in comparison to millionaires.

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	22	-98%
Property sales over £2m in 2010	2	-99%
£1m property sales per 1,000 millionaires	1.57	-70%
Total number of Michelin-starred restaurants	0	-100%
Total number of Michelin stars	0	-100%
Michelin restaurants per 1,000 millionaires	0.00	-100%
Michelin stars per 1,000 millionaires	0.00	-100%
Number of luxury retail outlets in 2010	8	-88%
Number of luxury car dealerships in 2010	5	-79%
Luxury retail outlets per 1,000 millionaires	0.57	-16%
Luxury car dealerships per 1,000 millionaires	0.36	+22%
Total pupils in independent schools in 2010	75,891	-24%
Day pupils in independent schools 2010	70,469	-18%
Independent pupils per millionaire	0.62	+20%
Day pupils per millionaire	0.58	+30%
Total number of charities set up in 2010	277	-66%
New charities per millionaire in 2010	19.79	+83%

NB ISC collect pupil numbers across the North West, North East and Yorkshire in aggregate

Yorkshire

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **16%**, from 38,000 to 44,000
- Whilst the region is home to nearly 50,000 millionaires, **Yorkshire will have the slowest growth in wealthy numbers** between now and 2020
- **Yorkshire has the second highest level of charitable activity** after the North East
- The region has one of the **fastest-growing luxury property markets**

	Regional Statistics	Versus Regional Average
Total millionaire population	44,000	-50%
Total population worth >£5m	7,000	-43%
Millionaires per 1,000 residents	1.32	+13%
Total millionaire growth to 2020	28%	-19%

The number of high value properties sold in Yorkshire rose in 2010, with million pound sales up 19 per cent. Yorkshire, with the North West and North East, has a moderately high ranking in terms of education; with over 75,000 pupils across these three regions (the ISC combines the three regions in its data releases). Yorkshire, like the other two regions, has seen a decline in the number of pupils in independent education over the past few years.

Though low in comparison to some regions, fine dining is growing in the region. The number of Michelin stars per millionaire places the region ahead of the Midlands, North West and North East. In addition, the number of stars rose from five to seven in 2010, strengthening the growing trend of recent years.

Similarly to the North East, Yorkshire shows a high degree of charitable activity, with 467 new charities registered in 2010. The 11 registered charities per 1000 millionaires is the second highest proportion in the UK, after the North East.

Yorkshire benefits from Leeds being a “strong economy” according to Andrew Carter of the Centre for Cities, successful from a national perspective as well as within its region. Building on its past performance Leeds is likely to generate more wealth in the future, thanks to its “nascent but growing financial services industry.”

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	63	-94%
Property sales over £2m in 2010	2	-99%
£1m property sales per 1,000 millionaires	1.43	-75%
Total number of Michelin-starred restaurants	7	-63%
Total number of Michelin stars	7	-68%
Michelin restaurants per 1,000 millionaires	0.16	-12%
Michelin stars per 1,000 millionaires	0.16	-19%
Number of luxury retail outlets in 2010	29	-55%
Number of luxury car dealerships in 2010	12	-50%
Luxury retail outlets per 1,000 millionaires	0.66	-3%
Luxury car dealerships per 1,000 millionaires	0.27	-7%
Total pupils in independent schools in 2010	75,891	-24%
Day pupils in independent schools 2010	70,469	-18%
Independent pupils per millionaire	0.62	+20%
Day pupils per millionaire	0.58	+30%
Total number of charities set up in 2010	467	-43%
New charities per millionaire in 2010	10.61	-2%

NB ISC collect pupil numbers across the North West, North East and Yorkshire in aggregate

Scotland

- Between 2008 and 2010 this region saw an increase in its number of millionaires of **18%**, from 34,000 to 40,000
- **Scotland has the highest incidence of millionaires in the population outside London and South East.** Their total numbers will grow to 38 per cent by 2020, the second fastest of any UK region
- The region gained the distinction of being **the UK's capital for gastronomy**, having the highest proportion of Michelin stars per millionaire, and this number is rising
- Scotland also has a large luxury appetite, with **the highest incidence of high end car dealerships per millionaire** and second highest incidence of luxury retail stores

	Regional Statistics	Versus Regional Average
Total millionaire population	40,000	-55%
Total population worth >£5m	7,000	-43%
Millionaires per 1,000 residents	1.34	+15%
Total millionaire growth to 2020	38%	+11%

Scotland ranks highly across many of the categories covered. The research reveals it to be the gastronomic capital of the UK, having 17 Michelin stars in total and the highest number of stars per 1,000 millionaires. The number of stars has consistently risen in 2010 and 2009. Not only is it proportionally the highest, but its total number of stars place it just behind London and South East, and South West and Wales.

The region also ranks highly for shopping, being 28 per cent higher than the average when comparing the relative incidence of luxury retailers.

Scotland has the third highest proportion of luxury home sales to millionaires, with just fewer than four £1m sales per 1,000 millionaire residents.

Scotland's lowest scores are in independent education. It has just over 0.5 independent day pupils in comparison to millionaires, the lowest across all the UK regions, and this figure is decreasing.

Wealth is expected to increase in Scotland: "Places like Aberdeen will do well because of the oil industry," according to Andrew Carter, with specific sectors creating a localised type of wealth. Guy Salter of Walpole supports this forecast: "There is a small, but very interesting group of wealthy Scots, especially in areas such as retail and technology, who are very active in London, but who would never want to live anywhere other than Scotland" and this group is set to increase.

	Regional Statistics	Versus Regional Average
Property sales over £1m in 2010	147	-86%
Property sales over £2m in 2010	13	-94%
£1m property sales per 1,000 millionaires	3.68	-30%
Total number of Michelin-starred restaurants	16	-15%
Total number of Michelin stars	17	-22%
Michelin restaurants per 1,000 millionaires	0.40	+122%
Michelin stars per 1,000 millionaires	0.43	+115%
Number of luxury retail outlets in 2010	35	-46%
Number of luxury car dealerships in 2010	16	-33%
Luxury retail outlets per 1,000 millionaires	0.88	+28%
Luxury car dealerships per 1,000 millionaires	0.40	+37%
Total pupils in independent schools in 2010	24,452	-75%
Day pupils in independent schools 2010	22,198	-74%
Independent pupils per millionaire	0.61	+18%
Day pupils per millionaire	0.55	+25%

Methodology

Wealthy Populations. The wealth sizings are based on the number of UK resident adults who have a total net worth of over £1m at the end of each calendar year. The sizings are based on Ledbury Research's wealth model, which is used internationally to size and forecast the levels of wealthy populations around the world. The model is based on the country's total adult population, total wealth and the distribution of this wealth. Alternative third-party models base wealth distribution estimates on income distribution; however, there is a wide disparity between income and asset distribution and, as a result, Ledbury uses the latter. The inputs for this wealth distribution are taken from primary research sources. These sources include Ledbury's decade-long experience in interviewing the wealthy directly, as well as other primary and secondary surveys and studies.

The model has been tailored in this application to allocate the total UK wealthy population to each region where the millionaire is resident. This is done using Ledbury's primary research interviewing experience, as well as regional economic inputs such as GVA, business demography and property transactions.

Property. The analysis is based on the number of properties sold for over £1m, as registered with the Land Registry and Registers of Scotland.

Education. Pupil numbers were taken from the Independent Schools Council. The regional analysis was based on day pupils, rather than boarding, given the potentially larger distance between boarding schools and parents.

Dining. The analysis uses the number of Michelin restaurants and the aggregate number of their stars over time.

Luxury Shopping. The analysis here uses a basket of 25 leading luxury goods brands, covering the retail, fashion, watch, jewellery, and autos sectors, to be representative of the markets as a whole.

Philanthropy. To get a proxy for charitable activity, the number of charities established each year has been analysed using data from the Charities Commission. Those charities solely associated with a religious cause were filtered out.

We are grateful to the teams at the Office of National Statistics, Land Registry, Registers of Scotland, Independent Schools Council, Michelin Guides, and Charities Commission for their help.

Legal note

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