Investments

Inside the shifting investing and spending habits of India's ultra-rich

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India's getting richer, and its ultra-rich are getting younger. An all-new cohort of Indian UHNIs has emerged lately, exhibiting varied investing and spending patterns that set them apart from the generationally wealthy and their heirs.

Key Takeaways

- Nearly 20-30% of India's UHNIs are under 40, altering the demographic landscape of the ultra-rich. They are more inclined towards alternate assets like gold, unlisted equities, cryptos and NFTs.
- There's wealth creation happening in Tier-2 and -3 cities too, where UHNIs are moving away from fixed assets to more diversified financial assets, with gold emerging as their key strategic investment choice
- 47% of Indian UHNIs own residential properties abroad, with luxury real estate being lapped up across Dubai, London, and Singapore
- ~10% of India's UHNIs are also exploring dual citizenship in countries that offer tax benefits and global mobility

India's ultra-rich landscape is evolving, marked not only by shifts in spending and investing habits but also by a significant transformation in the demographic makeup of the country's Ultra High Net-worth Individuals (UHNIs) in the past few years.

Today, 20-30% of India's UHNIs are younger than 40—a stark change from a decade ago. This is largely fuelled by the booming tech and startup sectors, alongside robust growth in the pharma and chemicals industries, ushering in an all-new generation of the super wealthy.

“We are seeing more younger people making money through their startups today, either via ESOPs (Employee Stock Ownership Programmes) or by exiting their ventures (IPOs or M&As). And these individuals are typically more global in their mindset and slightly more aggressive than the traditional UHNIs,” says Vodhi Chakravartty, head of strategy at Kotak Private Banking.

A typical UHNI portfolio in the age bracket of 50-60-plus would have more exposure to equity, debt, and real estate, which are the traditional asset classes. “But in the 30-40 age group, you will see stuff like alternates, global assets, startup investments, NFTs, crypto, other currencies, and a much more diverse range of investments in their portfolios,” he tells **The CapTable**.

“Also, in terms of mindset, they are far more open to diversifying their currency risks (by investing in dollars). And now with the RBI permitting each person to spend up to $250,000 annually via the LRS (liberalised remittance scheme), most of the younger UHNIs utilise this limit,” Chakravartty adds.

Changing asset allocation

Alternate investments—spanning gold, silver, private equity, unlisted assets, structured debt, derivatives, REITs (real estate investment trust), InvITs (infrastructure investment trusts), cryptos, and NFTs—which barely existed even two decades ago—are increasingly finding their way into UHNI portfolios.

Globally, approximately 45% of UHNIs' or family offices' wealth is allocated to alternate assets. In India, however, this figure sits at 18-20%, with 32% of UHNI wealth still going towards direct equities and 29% into real estate, according to a Kotak Private Banking report.

The Upshot

But alternate assets are here to stay as the new, emerging cohorts of India's super-rich, which includes billionaire entrepreneurs and professional CXOs—beyond the traditional business families and their inheritors—increasingly warm up to these.

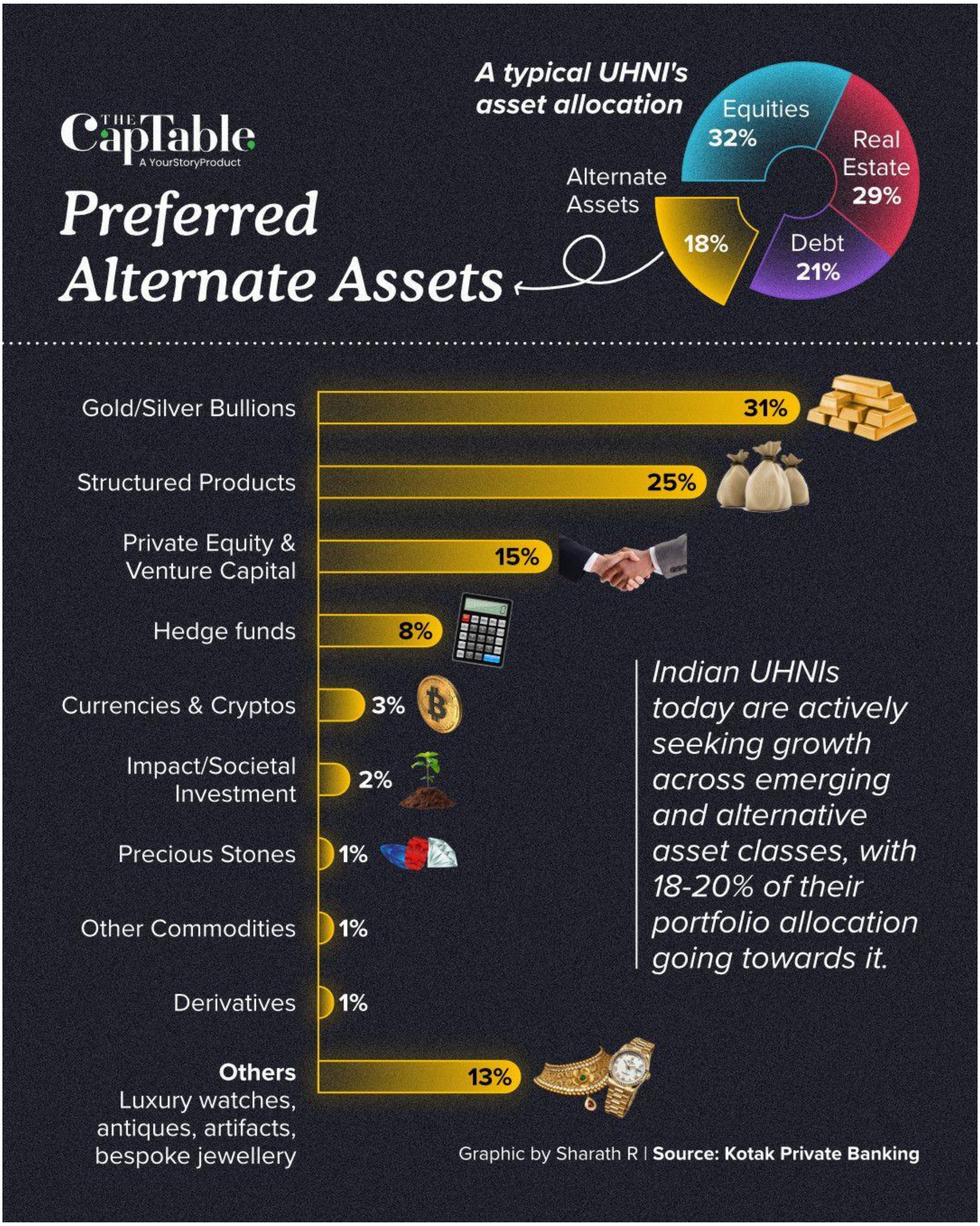
Portfolio managers further note that gold (bullion) today serves as a “strategic investment” for this niche affluent class, particularly during tumultuous times such as global pandemics or international trade conflicts, where the value of the asset fluctuates heavily.

Gold prices, for instance, reached record highs in 2024 and early 2025, driven by geopolitical conflicts and global inflationary pressures. “In alternate assets, we’re seeing more gold and private equity investments now. About 3-7% of the UHNI portfolio is gold, which people use as a tactical play in uncertain times, as we've seen in the last six months," says the Kotak Private banker.

Then there are Virtual Digital Assets (VDAs), with 23% of Indian UHNIs having these in their portfolio. Additionally, NFTs are edging out Blockchain-based currencies as the preferred digital asset, with nearly 1 in 4 among India's super-rich showing intent to purchase more.

The other big trend playing out is the organised wealth creation happening in India's Tier-2 and -3 cities, where the ultra-rich, after selling their fixed assets, are not necessarily ploughing it back into other fixed assets as they would have done in the past.

"It used to be a big trend where people would sell one property to buy another. But what we're seeing now is that those who inherited fixed assets or were sitting on large parcels of land due to factory shutdowns, have now progressed to selling those fixed assets and moving into other financial assets," Srikanth Subramanian, co-founder, MD and CEO of Ionic Wealth, an Angel One-promoted asset management firm, tells **The CapTable**.



And once this section of UHNIs from India's small towns start getting into these new asset classes, they exhibit varied investing patterns. "Some are very favourable towards gold because once you come from a fixed asset mindset, gold is the most obvious choice. But over a period of time, they tend to exhibit very similar qualities as their counterparts in Tier-1 cities, which is to have a more diversified approach across equity, fixed income, global assets, and so on," he explains.

The very nature of asset allocation is also changing due to enhanced availability and improved access to investment instruments, both international and local, and a greater depth of knowledge among today's ultra-rich. Portfolio managers expect almost an equal split between alternate assets and traditional investments in UHNI portfolios two years down the line.

"Once you have very large portfolios, you cannot have tunnel vision in terms of product A or product B. Everyone's starting points [in investing] might be different, but over long periods of time, large portions of portfolios will require a more diversified pool of investing," Subramanian adds.

In addition, India is becoming more prosperous as a nation, which often dictates the investing behaviour of citizens. In absolute terms, the country's UHNI population is expected to grow 50% by 2028 to reach a combined net worth of Rs 359 trillion, per Kotak Private Banking.

Global real estate allure

The super-rich in India also have a pronounced affinity towards real estate, particularly in commercial properties, largely because of the attractive rental yields associated with these investments. But when it comes to global real estate, India's affluent families often gravitate more towards luxury homes and residential properties.

Their motivations could differ. For some, owning a second home abroad is appealing, especially if their children are studying in cities like London or New York, says an asset manager with UHNI clients. Others may seek alternative citizenship in countries such as Portugal, Malta, and the UAE for enhanced financial security, tax benefits, and improved social standing. "We've seen some very large transactions happening in Dubai's Palm Jumeirah from India," the person quoted above tells **The CapTable**.

Roughly 10% of Indian UHNIs are exploring dual citizenship in some of these tax-haven countries, according to Kotak Private Banking's report. It is also the pursuit of global opportunities and upward mobility that is steering India's elite towards foreign assets like international real estate.

"As a lot of young tech entrepreneurs get access to high levels of cash, one of the first things they end up chasing is good quality residential housing, which they believe is relevant to their newfound lifestyle. If someone's net worth is Rs 300-400 crore, then their choice of residential assets will also be reflective of that," Ionic Wealth's Subramanian explains. "And that's why we're seeing a resurgence in luxury real estate."

But sometimes, it could just be about finding the right "mix of privacy and luxury" in a picturesque location, as exemplified by Bollywood actor Saif Ali Khan scooping up a luxury holiday home in the St Regis Marsa Arabia Island in Qatar recently. Nestled in a scenic private island just off Doha, the lavish residence adds to Khan's sprawling real estate portfolio, which also includes a royal palace in Haryana that he inherited from his family, two upscale homes in Mumbai—including a high-end mansion worth over Rs 100 crore—and other rental properties in the film city.

When quizzed about his newest purchase, the actor also indicated that Qatar's easy accessibility from India played a key role in his investment choice—the very reason why scores of ultra-rich Indians are also buying “second homes” in the UAE.

Khan is a part of a growing tide of UHNIs who’re making a beeline for luxury real estate overseas—an asset class that has become one of the most desirable. Currently, almost 47% of India’s UHNIs own residential properties abroad, with emerging hot spots like Dubai, London, and Singapore attracting the super-affluent, according to data from ANAROCK Group, a premier international property consultancy.

Decoding India's Ultra-High Net worth Individuals

Who are they?

A UHNI is an individual—typically an entrepreneur or an inheritor of wealth—with investable assets worth **more than $30 million.**

India has **283,000 UHNIs**, ranking it **6th** globally, and **3rd** in Asia, after China and Japan	Their cumulative net worth: ***₹232 trillion***	Their population is expected to climb to **430,000** by 2028, at a cumulative **₹359 trillion net worth**.

The luxurious lives of the ultra-rich

Over 40% of Indian UHNIs have **set up family offices** to manage their wealth, succession planning, and philanthropic initiatives.

About 10% have secured **alternate citizenships** in 2024, favouring Portugal, Malta, and the UAE for their global mobility and tax benefits.

Nearly 47% **own international properties,** with Dubai, London, and Singapore as primary hubs

23% of UHNIs have **digital assets in their portfolio**, with the penchant for NFTs on the rise

Top spending patterns of UHNIs

Indian UHNIs **donated over ₹60,000 Cr ($7.2B) in 2024,** prioritising education, healthcare, and sustainability.

63% of UHNIs classify them as essential spending.

Over 37% of **bought a luxury car in 2024,** shooting up sales of carmakers like Lamborghini, Porsche, and Rolls Royce

40% consider **memberships of elite private clubs essential** for networking and professional growth opportunities

73% **own collectible art.**

Amrita Sher-Gil's 'The Storyteller' sold for ₹61.8 Crore in 2023, making it India's most expensive art piece.

On average, UHNIs spend an ₹6 Cr annually on bespoke vacations, luxury cruises, and exclusive curated experiences like:

- *Stays at underwater resorts, historic castles and chateaux*
- *Private-island rentals in the Maldives or the Caribbean*
- *Expeditions to the Antarctic*
- *Dinners inside Icelandic volcanos*
- *African safaris, submarine cruises*
- *VIP experiences at global F1 races*

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Graphic by Sharath R | **Sources: Kotak Private Banking, ANAROCK Group**

Real estate remains pivotal in the wealth management strategies of India's UHNIs, with nearly a third of their total riches allocated towards this asset class. Average investment in foreign properties has soared to $1.44 million (approximately Rs 12 crore), per ANAROCK's findings.

Even though residential real estate stands out as the prime choice for these UHNIs as many seek migration and long-term residency abroad, 35% of them have also invested in foreign commercial real estate, with properties in North America and Europe constituting 29% of their overall portfolios—behind only direct equities in the asset allocation pie. The allure of favourable leasing conditions and higher returns vis-à-vis residential properties makes these investments particularly enticing.

Interestingly, it's not India's generationally wealthy but the *nouveau riche* cohorts of founders or CXOs of tech companies that are more keen on owning commercial real estate like an "income-bearing instrument".

"They find more comfort in regulated investments like REITs, which mimic a commercial real estate asset for all practical purposes, and they don't have to get into the administration of the property, tenant management, tax management, and so on," Subramanian says. He adds that UHNIs can even hold a "fractionalised version" of a good quality commercial asset like an entire floor in a prime building in NYC, for example.

Growing luxury spending

As their wealth accumulates, Indian UHNIs are allocating nearly 7% of their annual spends to foreign leisure travel, with 60% of new-age entrepreneurs considering it an "essential spend". More than half of India's socio-economic *crème de la crème* have reported a rise in their foreign travel budgets as they splurge millions on unique, bespoke, and transformative experiences.

On average, UHNIs now spend Rs 6 crore annually on bespoke vacations, replete with exclusive access, well-curated itineraries, lavish accommodations, and exotic activities—from volcanic expeditions and submarine cruises to underwater resort stays, private island rentals, and even space tourism. Premium helicopter tours, private dinners whipped up by Michelin star chefs, VIP sporting experiences (F1 races, Wimbledon, etc.) are also becoming regular affairs in UHNI travels.

"UHNIs are now preferring what you call experiential wealth rather than just (material) possessions," shares Kotak's Chakravartty. "A large percentage of people now see luxury travel as an essential spend. We have clients who've been to Mount Everest, Kilimanjaro, and Antarctica. They all want to experience places in the world where nobody or very few have gone," he says.

Beyond luxury travel, collectables are another growing spending category for India's super-rich. Some wealth managers call it "passion assets" that are accumulated for strategic, economic, or cultural purposes. Luxury watches, vintage automobiles, jewellery, antiques, art, rare coins and stamps, etc., appeal to all generations and can be passed on as heirlooms.

"The older UHNIs might be buying an Aston Martin, while today's generation might be interested in a Ferrari. It's a matter of taste and exclusivity, but they all want assets that can be passed on. These also provide you with that kind of value and are not very volatile in uncertain times," Chakravartty adds.

While supreme wealth turns some into patrons of high art, others are also giving back to society through charitable foundations and CSR initiatives. In 2024, Indian UHNIs donated over Rs 60,000 crore ($7.2 billion), mainly towards education, healthcare, and sustainability causes.

Even though India is nowhere close to its global peers on the giving index, 63% of UHNIs now regard philanthropy as an essential spend, which offers some succour as the growing wealth gap between the richest and the poorest continues to widen, making such causes all the more important.

Edited by Ranjan Crasta