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Understanding the Current State of Wealth Assets

Although the ratio of housing and residential land is high as a whole, the situation differs depending on the region.

Financial and Capital Market Research Dept.
Tsubasa Fujiwara

Summary

- This report analyzes assets held by wealthy individuals (financial assets, housing and residential properties) based on the Ministry of Internal Affairs and Communications' 2019 National Survey of Family Income and Expenditure, which has been released gradually since 2021.
- Looking at the breakdown of assets in the top 1% of households based on total net assets, on average the ratio of housing and residential properties was high, which was the main cause of the difference in total net assets compared to other classes. However, the portfolios of wealthy individuals is not uniform and varies by region. For example, Tokyo has the second highest ratio after Okinawa Prefecture of housing and residential properties among households with total net assets of 100 million yen or more. Residential land prices are high in Tokyo in the first place, and particularly in central Tokyo, a marked rise in prices can be confirmed in recent years. In regional cities, on the other hand, there are cases in which the ratio of financial assets is higher than that of housing and residential land in assets.
- There is also a regional bias in the distribution of wealthy households. Of the households with total net assets of 100 million yen or more, the number of households in Tokyo accounted for 32%, and the top five regions accounted for 64%. The distribution of households with financial assets of 100 million yen or more, on the other hand, shows that the Tokyo metropolitan area accounts for 18%, and the top five regions account for 55% of the total. The distribution bias based on financial assets is somewhat smaller than that based on total net assets.
- As housing and residential land prices rise in some regions, we will be paying attention to whether the asset selection behavior of the wealthy will change. In addition, this point is not limited to the wealthy in the metropolitan areas, and it is also assumed that the financial assets of the wealthy in the rural cities will be directed to housing and residential areas in the metropolitan areas.

Attention

This report is a summary translation. The official document is only in Japanese.

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