

# The boom

Bling was the order of the day as City bonuses fuelled house price inflation and conspicuous consumption of jewels, fast cars and super-yachts. Insurers developed new products to keep up with demand.

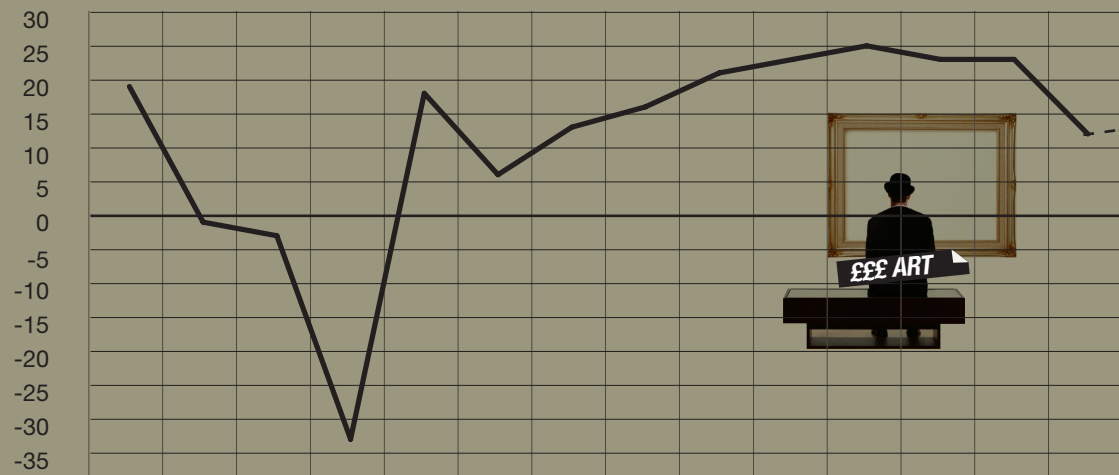


# The bust

The value of stocks and other financial investments dropped sharply as the credit crunch hit. Sales of luxury cars, art and yachts fell off a cliff.

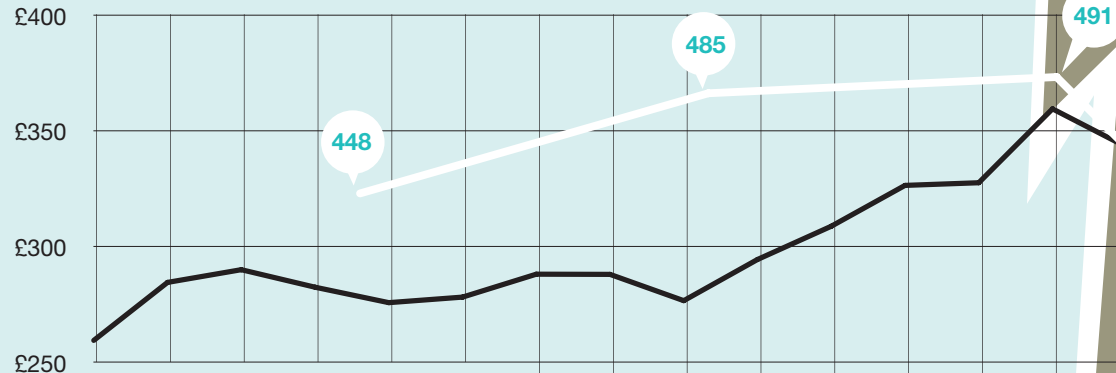


Arts and antiques price rise index (000s)

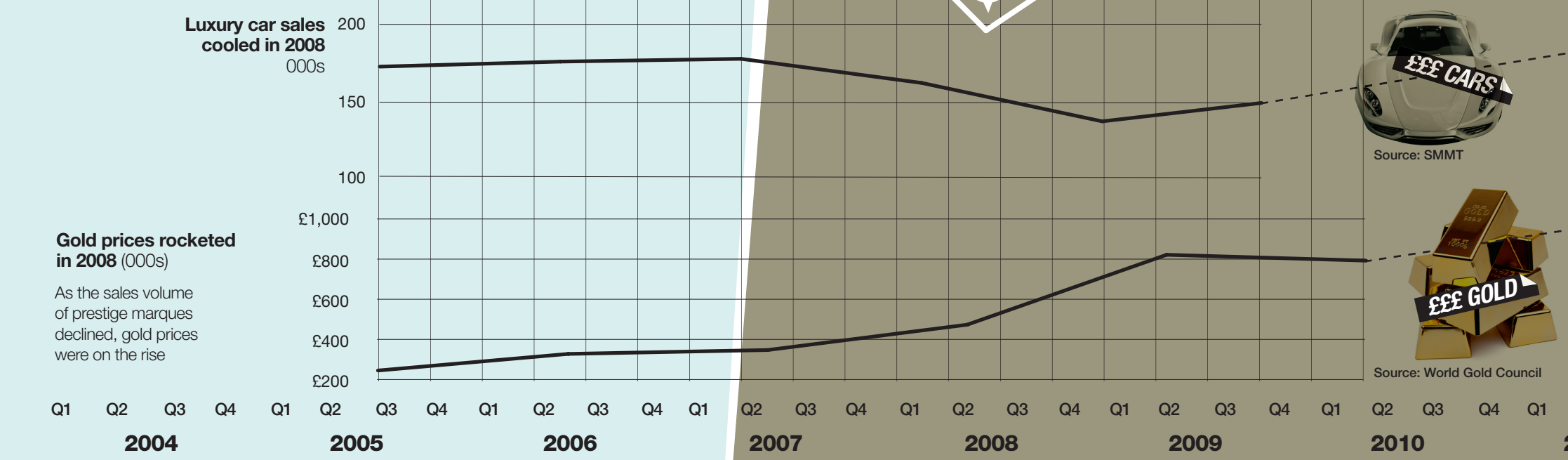


Source: Royal Institute of Chartered Surveyors

Detached house prices peaked in 2007 (000s)

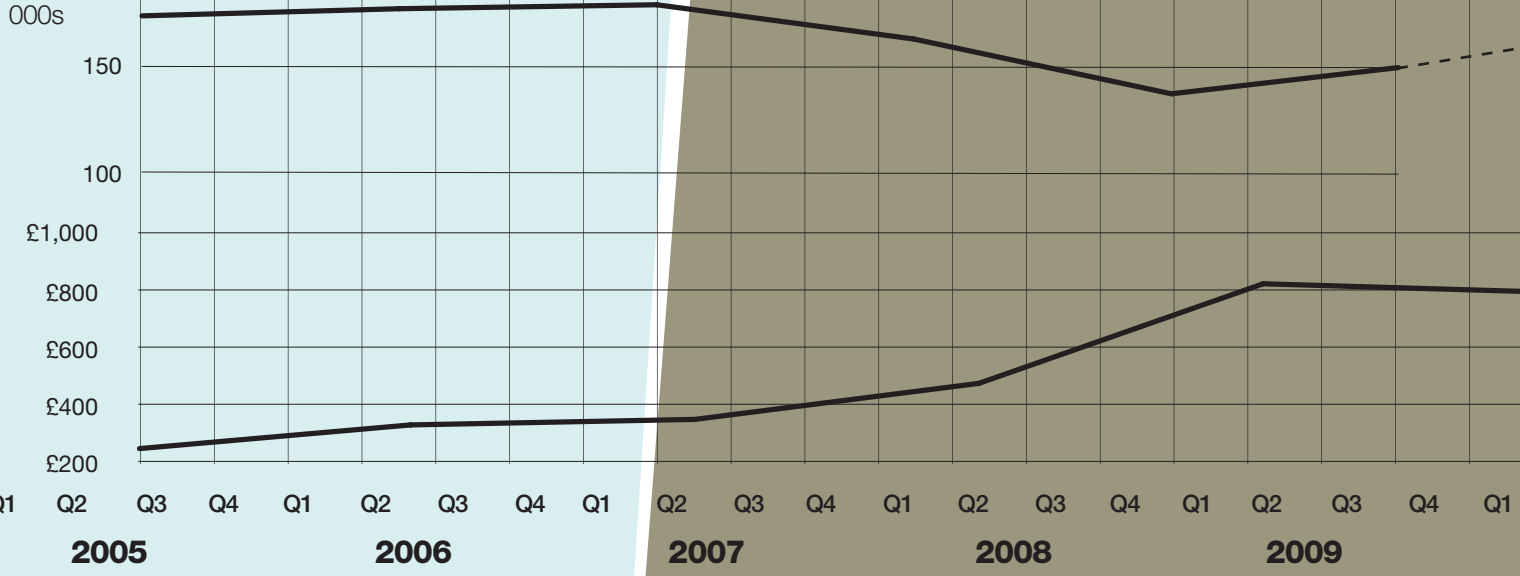


Number of high net worth people in the UK (000s)



Source: Council of Mortgage Lenders

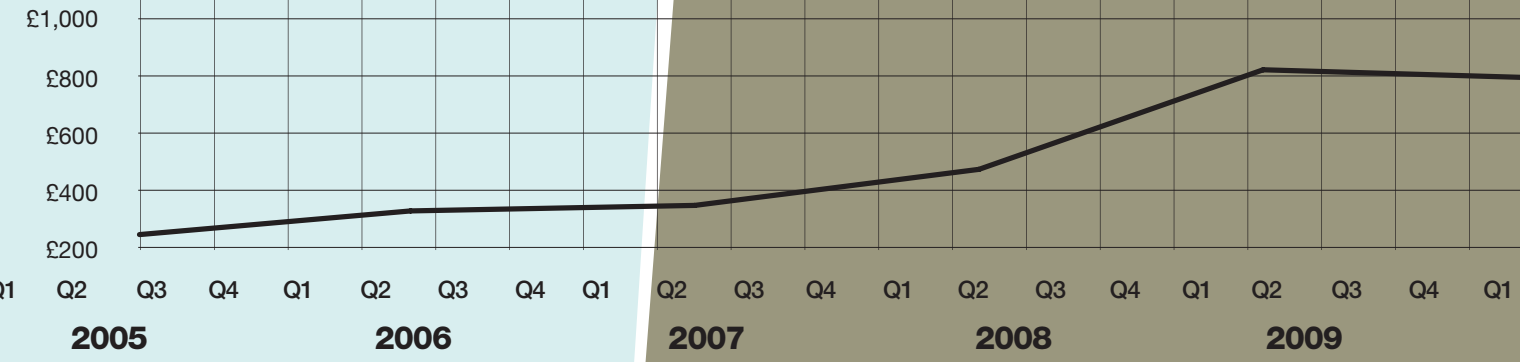
Luxury car sales cooled in 2008



Source: SMMT

Gold prices rocketed in 2008 (000s)

As the sales volume of prestige marques declined, gold prices were on the rise



Source: World Gold Council

# The recovery

## Loss of wealth

The sluggish UK economy is in little danger of hitting the seriously wealthy, although some clients at the lower end of the high net worth spectrum could slip down to become mid net worth.

## Flight to safety

Continued low interest rates and poor-performing investments are resulting in money flowing into gold, diamonds and old masters, potentially resulting in higher premiums.

## High-priced property

Sales of properties worth more than £1m rose 40% between 2008 and 2010, suggesting growth for property cover, while more modest property sales have slowed.