

MUST READ



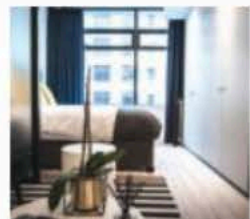
New Protégé: Asia meets Provençale

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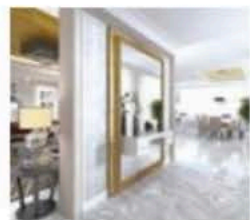
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## Offshore investing: six top choices

● More South Africans than ever are looking for lifestyle and property investment opportunities overseas. Attracted by citizenship and residency programmes, these are the most enticing destinations

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# REAL LIFE

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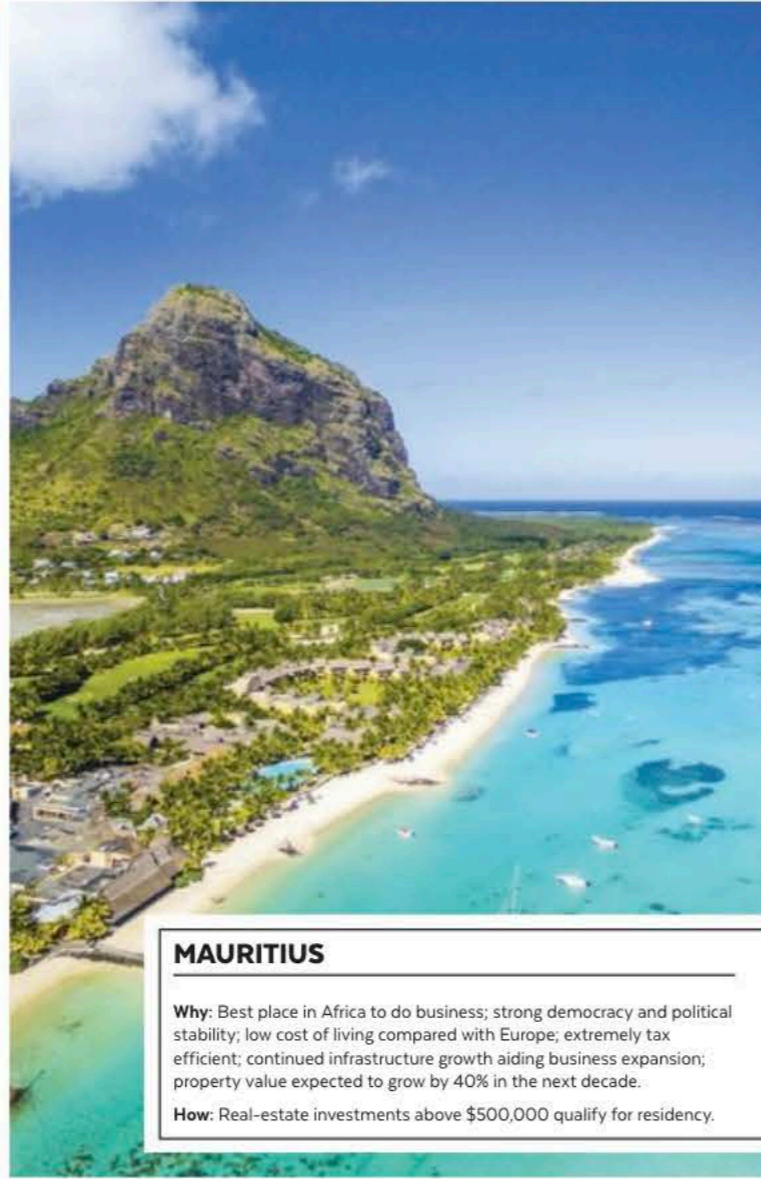


## HOMEFRONT

### PORTUGAL

**Why:** Visa-free travel in the Schengen area; right to live, work and study in Portugal; eligibility to apply for citizenship after six years.

**How:** Invest €500,000 in real estate or €350,000 if the property is older than 30 years in an area of historical significance or urban regeneration.



### MAURITIUS

**Why:** Best place in Africa to do business; strong democracy and political stability; low cost of living compared with Europe; extremely tax efficient; continued infrastructure growth aiding business expansion; property value expected to grow by 40% in the next decade.

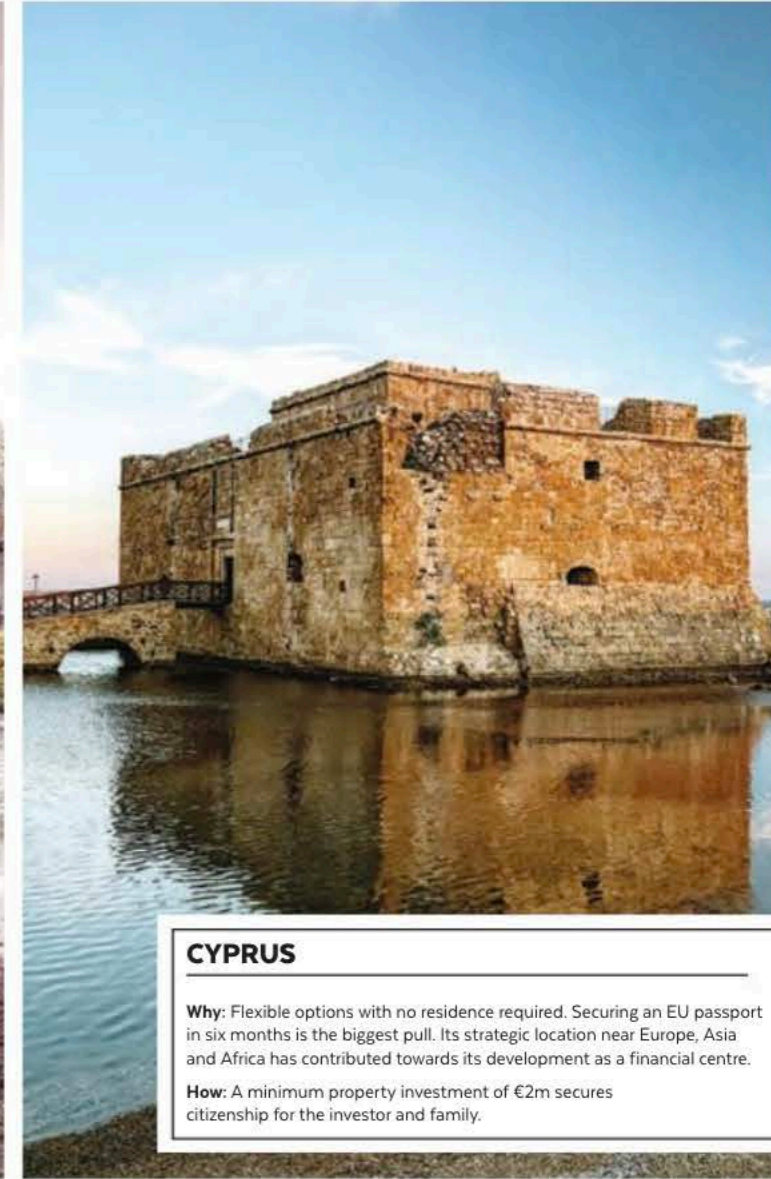
**How:** Real-estate investments above \$500,000 qualify for residency.

## HOMEFRONT

### MALTA

**Why:** Citizens have the right to enter, work and live in all 28 EU countries and Switzerland through the Malta Individual Investors Programme.

**How:** Contribute €650,000 to the National Development and Social Fund and acquire real estate for a minimum of €350,000, or lease an immovable residential property for five years or more for minimum of €16,000 a year.



### CYPRUS

**Why:** Flexible options with no residence required. Securing an EU passport in six months is the biggest pull. Its strategic location near Europe, Asia and Africa has contributed towards its development as a financial centre.

**How:** A minimum property investment of €2m secures citizenship for the investor and family.

## INTERNATIONAL

# Offshore investing: six top choices

*More South Africans than ever are looking for lifestyle and property investment opportunities overseas. Attracted by citizenship and residency programmes, these are the most enticing destinations*

WORDS: DEBBIE HATHWAY :: PHOTOS: SUPPLIED AND SHUTTERSTOCK

In its exploration of the movement of wealth around the world and the fluctuations of the world's luxury residential property markets, the Knight Frank Wealth Report 2018 notes that demand for second passports and residencies continues to grow.

The report, which provides a global perspective on prime property and investment, reveals that "34% of UHNWIs already hold a second passport and 29% are planning to purchase one, while 21% are considering emigrating permanently".

With more South Africans than ever looking for alternative lifestyle and property investment opportunities overseas for reasons that include lifestyle, safety and security, education, travel freedom, tax and citizenship incentives, governments have been said to be in a bidding war to win foreign direct investment.

"The only (investment) programmes worth

considering are those that uphold high standards of due diligence and are free of corruption," says Amanda Smit, director at Henley & Partners South Africa.

"These are the ones that draw credible, wealthy and talented individuals with valuable business networks and entrepreneurial expertise to a country, enriching its social and economic capital.

### RESIDENCE

"Global families – and their businesses – today span countries and even continents. Acquiring alternative residence or citizenship is a means of participating in and moving through this interconnected world with greater ease, and we expect that the value of this kind of mobility and access will only increase as the tendency towards isolationist, immigration-hostile policies becomes more prominent worldwide."

Some of the most sought after locations include Portugal, Mauritius, Malta, Cyprus, Grenada and Antigua and Barbuda, all

## RESIDENCY VS CITIZENSHIP

Residency allows the person to live, work and study in a specific country, but it is usually linked to property ownership and could have other conditions linked to it such as language tests, age restrictions on dependent children and minimum stay requirements. Residency is also usually renewable and is therefore riskier in terms of possible legislation changes.

Citizenship gives full citizenship rights, such as living, working and studying in that country or the jurisdiction it is part of, such as the EU. These rights could also include access to all benefits such as healthcare and education and could include the right to vote. Citizenship is usually given for a lifetime and will often also include citizenship for children and grandchildren.

Source: Nadia Read Thaele, LIO Global, World Residence and Citizenship

**"The only (investment) programmes worth considering are those that uphold high standards of due diligence and are free of corruption"**

Amanda Smit, director, Henley & Partners South Africa

of which have the added attraction of their island or coastal location. James Bowling, international CEO and founder of Monarch and Co, says the three most popular countries for South African investors are Portugal, Grenada and Antigua and Barbuda.

### PASS THE PORT

Portugal is a leading migration destination for South Africans drawn by the prospects of a strong return on investment, residency, potential citizenship, quality of life and freedom to travel in the Schengen area.

Lisbon, Cascais and Porto are still the favourites for property investment and good long-term value. "In the super-prime areas of Lisbon a three-bedroom apartment would cost upwards of €2m – about €9,000/m<sup>2</sup>, while something similar in Porto would cost about €6,000/m<sup>2</sup> to €1.3m," says Pam Golding International head Chris Immelman.

"However, you could still find something just off super prime, so still very good, for below €1m in Lisbon

and below €800,000 in Porto," he says. "Most South Africans will spend between €500,000 and €800,000 – mostly for one- or two-bedroom apartments in the good areas."

### ISLAND LIFE

In Mauritius, now ranked 20th among 190 countries by the World Bank for ease of doing business, people who invest in property for a minimum \$500,000 gain residency and can open a company on this "paradise island" off the east coast of Africa. Registration takes as little as two hours.

The Economic Development Board Mauritius highlights the country's rank among 51 upper middle-income economies.

The island distinguishes itself ahead of countries such as Canada (22), Germany (24), France (32), Japan (39) and China (46). The top five countries in Africa include Mauritius (20), Rwanda (29), Morocco (60), Kenya (61) and Tunisia (80). Mauritius is ranked 31st for visa-free access in the

Henley Passport Index 2018. Portugal is in the top five.

One of the top drivers of a country's wealth is safety and security, especially of women and children. New World Wealth rates Mauritius, Botswana and Namibia as the safest countries in Africa and Malta as the second-safest country in the world for women.

Malta is an archipelago in the central Mediterranean between Sicily and the North African coast. "Most of the countries in our top five are popular destinations for migrating HNWIs. Also, most have experienced strong wealth growth over the past 20 years," say the authors of the New World Wealth Woman Safety Review, published in October.

### POTENTIAL

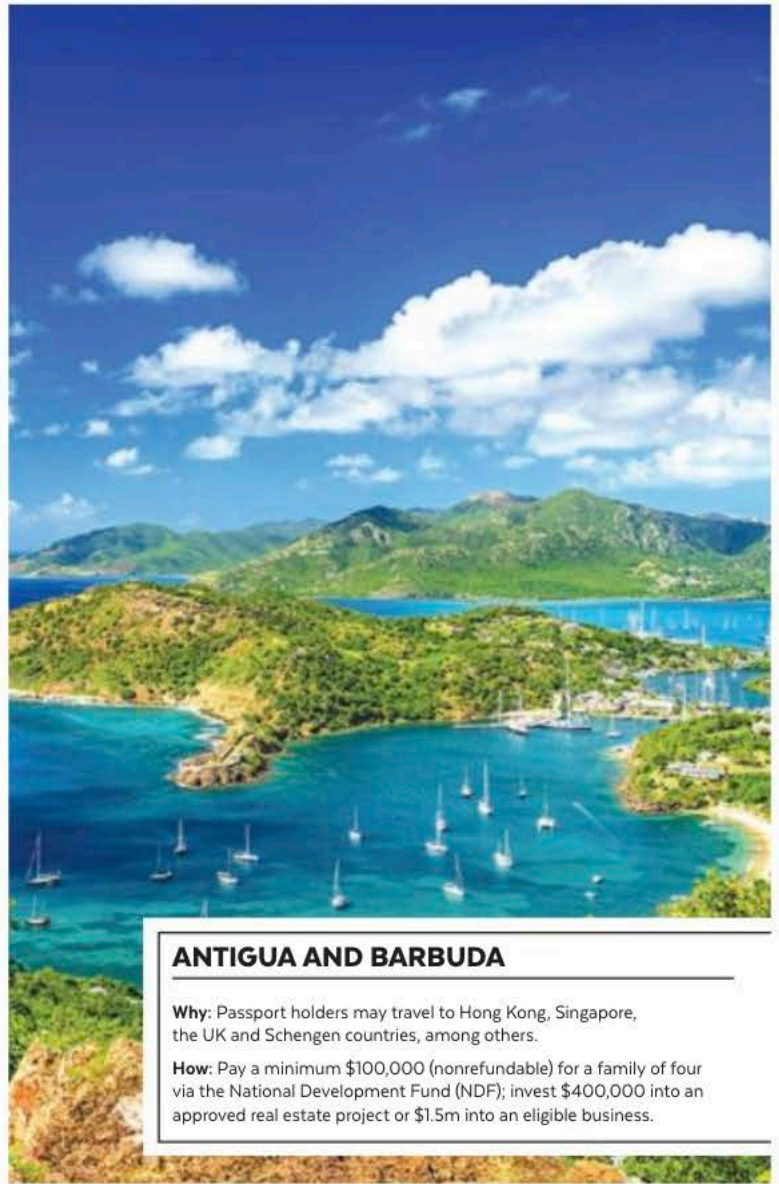
The report rates safety of women as "one of the best ways to gauge a country's long-term wealth growth potential, with a correlation of 92% between historic wealth growth and woman safety levels". So it concludes that a country's wealth

# HOMEFRONT

## GRENADA

**Why:** Grenada is one of the friendliest and safest islands in the Caribbean. Citizenship gains travel freedom to the UK and Schengen area and eligibility to apply for a US nonimmigrant visa.

**How:** Investment in government-approved real estate for a minimum of \$350,000, to be held for a minimum of three years.



## ANTIGUA AND BARBUDA

**Why:** Passport holders may travel to Hong Kong, Singapore, the UK and Schengen countries, among others.

**How:** Pay a minimum \$100,000 (nonrefundable) for a family of four via the National Development Fund (NDF); invest \$400,000 into an approved real estate project or \$1.5m into an eligible business.

growth is boosted by strong levels of female safety.

Cyprus, the third-largest and third most-populous island in the Mediterranean, is geared towards those who want to obtain a European passport in six months. When you acquire citizenship under the Cyprus Citizen-by-Investment Programme, you and your family enjoy full citizenship for life, which can be passed on to future generations by descent. The cost? A minimum €2m – a bit steep for many South Africans.

### ACCESSIBLE

"In Portugal, it will take you the best part of six years to get an EU passport, but it's the best investment you're going to make in mainland Europe," says Immelman. "It's easily accessible, English is widely spoken and it's a developed world environment. It's cheaper to live there than in Greece or Spain and they've got unemployment below 6%."

By comparison, he explains, you have to invest €2m in property in Cyprus to get your passport – you

can sell your property after three years and get your money back. The Maltese government, however, requires you to make a substantial nonrefundable donation (about €850,000), as well as buy an apartment and not let it for five years. An investment in Malta is rewarded with EU citizenship in about two-and-a-half years.

### MICROSTATES

"For microstates with small economies, the benefits of citizenship and residency by investment programmes can be substantial," says Dr Kristin Surak of The School of Oriental and African Studies, University of London, in Knight Frank's The Wealth Report 2018.

"In certain Caribbean islands, programme revenues account for up to a third of GDP."

She says the potential profitability of these programmes has led to investment migration policies spreading, allowing small economies to formalise and scale up previous informal offerings

## "Grenada is one of the top options for South Africans seeking a foreign bolt hole"

of residency and citizenship.

"Nonetheless, the overall effectiveness of the programmes depends on how funds are used," says Surak. "They may be spent responsibly to support long-term economic growth, along with educational opportunities, medical facilities, pensions and other forms of social support, but such assurances are typically not written into the policies. Whether the programmes deliver the benefits they promise is a

question of implementation and oversight."

### CARIBBEAN

In the Caribbean, Grenada is one of the top options for South Africans seeking a foreign bolt hole. Dubbed the Spice Isle because of its plentiful nutmeg plantations, it is home to only 100,000 people.

Grenada is the only Caribbean country with a CBI programme that has visa-free access to China. Grenadian citizens

can also apply for a USA E-2 Investor Visa, which entitles them to start a business and live in the US.

Meanwhile in Antigua and Barbuda, from the Spanish words for "ancient" and "bearded", located where the Atlantic and Caribbean meet, it's possible to gain citizenship after living in the country for seven years continuously. It has one of the best education systems in the area and the most modern hospital of all the Caribbean islands.

Passport ranking	Country	Countries offering visa-free access	Minimum capital requirement
5	Portugal	186	€350,000
7	Malta	183	€1m
15	Cyprus	173	€2m
27	Antigua and Barbuda*	150	\$100,000
31	Mauritius	146	\$500,000
33	Grenada*	144	\$150,000

Source: Henley Passport Index

\*Excluding fees. Calculated if the client does not purchase real estate, but makes the required government contribution.