

# Cape Town best luxury-for-price proposition for retirement property

Retirement property markets worldwide are strengthening. Driven by increasing longevity and quality of lifestyle trends, retirees are now looking to dual citizenships and investment in international destinations. Cape Town is, once again, the best luxury-for-price proposition, according to the [Knight Frank 2018 Wealth Report's Prime International Residential Index \(PIRI 100\)](#).



Image courtesy of Knight Frank

The second largest rise in investment equities over the past year was in property, with private investors looking to capitalise in overseas properties in 2018, highlights the report. Further analysis of global luxury residential property markets reveals the comparative floor space \$1m can buy in 20 key cities highlighting Monaco as the most expensive city for retirees to invest in at just 16m<sup>2</sup> compared to Cape Town as the most competitive at 157m<sup>2</sup> from its position as an international city ranked as the second top-performing market in the world. For the same price of \$1m, property investors in New York can buy 25m<sup>2</sup>, in Sydney 48m<sup>2</sup> and Berlin 77m<sup>2</sup>.

## Cape Town offers excellent value for money

Richard Hardie, Knight Frank CEO (residential) confirmed: “We have identified that retirement living options in other countries are very expensive when compared to the quality and excellent value for money offered by Cape Town. For example, the asking price for a 91m<sup>2</sup>, two-bedroom flat in London is £4.1m, whereas £3.9m (R65m) in Cape Town would fetch a five-bedroomed homestead with two guest cottages, staff accommodation and stabling for five horses, totalling a whopping 18,926m<sup>2</sup>.”

On the ground, property market activities in Cape Town confirm both the international trends and Cape Town’s allure of luxury floor space with Knight Frank’s South Africa agents welcoming a number of foreign buyers at luxury retirement living complexes. Two most recent examples have been a 36m<sup>2</sup> Beach Road Mouille Point studio apartment in an inclusive frail care retirement complex for R1.7m and a two-bedroom apartment with parking bay in Hout Bay, in one of the premier secure retirement villages selling for R2,640,000.

Further Hardie says: “We’ve noticed that a lot of people are looking for options where they can get a dual-citizenship, especially if they can get a passport, so countries like Malta is an example that seems to prove very popular. It is

affordable, easy to buy property (with options to either buy real estate or lease a property), put a certain amount of euros in, then get a residency within two years with Schengen access and include all EU countries. There are also countries like Portugal, Greece, Spain, Cyprus and Bulgaria that South Africans are looking at."

## **South Africans abroad**

Paul Heisjman from Next Generation Equity, a provider of second citizenship and residency options with offices in South Africa says: "Amongst South Africans, dual-citizenship is also extremely prevalent. They prefer an option of a second passport for visa-free travel particularly to all Schengen visa countries and as an option for future relocation. We are finding the top three European destinations for South Africans are Portugal, Malta and Cyprus. In the Caribbean, the top three destination are Antigua, Granada (which offers easy access to the USA) and Saint Kitts with real estate resorts already available to South Africans which are proving very popular."

With the world's 'ultra-wealthy' individuals predicted to increase by 40% by the year 2022, already the super-wealthy are acquiring both secondary properties and passports. In fact, the world's ultra-high-net-worth individuals spend over \$ 2.4bn each year acquiring new citizenship.

Says Hardie: "Cape Town's luxury residential retiree market is in a prime position within the investment landscape, further compounded by the city's limited space to build, which is driving prices and increasing demand from current 'semigration' trends of property buyers from other provinces like Gauteng.

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