

Bricks & Mortar

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• Move to St Lucia and live tax-free

This Caribbean island is the latest to offer perks to homebuyers. Prices should benefit, says Emma Mahony

The second-smallest country in the world, Monaco, is not usually linked with St Lucia, but this month the two places came together. Monaco was the venue where the Caribbean prime minister, Kenny Anthony, launched a citizenship by investment programme (CIP), asking foreign nationals to invest in property in return for a passport and a tax-free lifestyle.

Come January, for a relatively small investment in property of US\$300,000 (£195,000) plus an administration fee for dependants (typically \$168,500 for a family of four), St Lucia will invite those with a total wealth of \$3 million and a good reputation to fly the flag above their new homes — there will be no requirement to live on the island, though.

Peter Foster, the speaker of the House of Assembly in St Lucia's parliament, says: "The prime minister has stated repeatedly that all the processes involved in the investment programme will be transparent. I have every confidence that the programme will be properly administered and the revenues derived expended on developing our island state's economy." So far, so good — but how have other Caribbean countries managed it?

Islands that run CIP — also known as golden visa schemes — include Antigua and Barbuda, Dominica, and Grenada. One of the longest-running, though, is the scheme in St Kitts and Nevis, which has been in existence for more than 30 years, although there are no official figures for how much it has contributed to the economy.

Nevertheless, the St Kitts government has been keen to back developers that build houses at the \$400,000 entry level for citizenship, resulting in a number of fractional-ownership properties in places such as Kittitian Hill, a sustainable community in the north of the island where there are two properties for sale at \$405,000.

Micha Emmett, the group managing director of the immigration and citizenship law firm CS Global Partners, who attended the Monaco launch for St Lucia's scheme, says that a decision to invest is best made for lifestyle reasons



You can purchase a tenth of this four-bedroom villa in Kittitian Hill, St Kitts, for \$405,000 to gain citizenship



rather than tax benefits. "I tell clients, pick a place where you'll be happy. That should be the driving force."

The average age of her clients, some of whom "collect passports almost like trophies", is 35 to 45. She counts North American, Middle Eastern, Chinese and Russian nationals on her books, but no one from the UK yet.

Mid-forties is the age that most people buy in the high-end resort of Sugar Beach in St Lucia, which is studying the CIP programme on behalf of its future buyers. As well as being a five-star Viceroy resort, this 100-acre development next to the Unesco World

Rodney Bay, St Lucia (top), where Savills has a three-bedroom apartment at the Anchorage resort and a two-bedroom apartment at the Landings (above) for sale at \$550,000 and \$675,000 respectively

Heritage site of the Piton mountains was bought by the UK entrepreneur Roger Myers, who founded the Café Rouge chain, and many buyers are wealthy Britons. Co-owned and run by Charlie Myers, the resort has successfully sold all but one plot in the first phase of 15 hotel-serviced residences, built off plan for \$3.5 million to \$4.5 million.

Designed with traditional wooden gingerbread fretwork and shutters, and sold fully furnished ready to rent out, the properties make a return of 7 to 9 per cent a year for buyers.

The next phase, Glenconner Beach, with four plots, includes two huge 8,000 sq ft five-bedroom houses with staff accommodation and their own mooring, for sale for \$14.5 million and \$16 million.

James Burdess, of Savills, the estate agency, has had years of experience with property schemes and developments in the Caribbean. He does not think that the CIP programme will hold much sway with high-net-worth individuals. "From a

UK perspective, it is a lot less relevant than, say, for Asians or Russians, who may want the passport for ease of travel. We are not going to suddenly sell St Lucia to people in the UK because of it."

There are two properties on Savills' books in the north of the island that would meet the property entry level of \$300,000, including a three-bedroom apartment at the Anchorage resort in Rodney Bay, a gated community with a private dock, at \$550,000, and a two-bedroom apartment at the Landings, a five-star resort also in Rodney Bay, for \$675,000. Just launching at the Landings, in the last phase of building at the resort, is a collection of 14 two and three-bedroom beachfront villas and three-bedroom penthouses priced from \$625,000.

Despite the latest figures from HM Revenue & Customs showing that inheritance tax receipts in the UK were up 12 per cent between 2014 and 2015, Burdess is probably right.

Richard Turner-Ward, a financial adviser with a property that he bought in 2005 on the Caribbean island of St Kitts, says that more nuanced factors come into play when considering the CIP programme.

"While it sounds good on paper, especially the 'no tax', the reality for an ageing population is that the health system is not the same as in Britain," he says.

Turner-Ward should know; he was bitten by red ants and went into anaphylactic shock. "It was scary. I spent three days on an adrenaline drip, and, let's say, the hospital was very basic."

However, if he doesn't sell his three-bedroom house on Turtle Beach (priced at \$850,000), Turner-Ward, who is married with four teenage children, says that he might consider applying for citizenship in the Caribbean.

"It's just a completely different way of life, it's an escape from the rat race where you are under pressure from work or school. It's somewhere you go and just sit and relax... it's intoxicating," he says.

With the clocks having gone back and winter beckoning, we Brits sometimes need little reminding.

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