

# Beyond Real Estate – Alternative Investment Migration Options to Obtain Residence in Europe

As conflict persists and polarization mounts across the globe, wealthy families want to ensure their capital and their access to jurisdictions that offer them and their children viable education and medical services, a good quality of life, and increasingly importantly, a more secure environment. Historically, in times of volatility, investors have sought out the reliability and security of brick-and-mortar investments, and while this trend persists today, we are noting divergences in this choice.

Investor migrants' needs are evolving rapidly as they are looking at building portfolios of global investment migration options that include a broader range of investment choices, whether these be property, funds, government bonds, donations, or shares. They are prioritizing global mobility solutions that offer attractive yields, mitigate their risk exposure, and are well-regulated.

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## The funds versus real estate paradigm

The funds route to [residence](#) and [citizenship by investment](#) presents a smart diversification tool that is wrapped in a global mobility solution. Fund investments are well regulated and spread the risk of injecting capital across several assets as opposed to just one real estate target. Furthermore, withholding taxes on dividends and income taxes on rental yields are more prohibitive for real estate properties than they are for funds. Moreover, the acquisition and transaction fees for fund investments are significantly lower than for realty as there are no hefty stamp duty taxes, land registry fees, or notary fees for fund assets.

## Shifting investor migrant mindsets

Traditionally, our global high-net-worth clientele has favored real estate-linked investment migration as a secure asset class, but mindsets are shifting as the programs themselves change with the times. For example, the Portuguese authorities are likely to permit only capital and fund investments in the near future, but we anticipate that the [Portugal Golden Residence Permit Program](#) will continue to prove a success as the funds and capital investment routes have already gained traction among investors.

The [Spain Residence by Investment Program](#) also has an option to invest a minimum of EUR 1 million in investment funds, bank deposits, or listed company shares in Spanish financial institutions.

Ireland, too, has demonstrated that funds are a viable choice as the country has attracted substantial foreign investment through the [Ireland Residence by Investment Program](#), which is currently in its sunset stage and will be wound down entirely at the end of 2023.

Over and above the diversified risk that they offer, many investors are steering towards fund investments because they get the peace of mind that their capital is being professionally managed by expert third parties, mitigating their own investment risk. Governments often offer fiscal incentives for fund investors to promote further economic development.



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## The capital route to residence in Europe

The success of the [Greece Golden Visa Program](#) has been based predominantly on its [real estate](#) route, but more entrepreneurs and savvy investors are beginning to explore the capital contribution path. This gives affluent individuals the option to inject capital worth EUR 400,000 in a closed-end investment company, shares, or bonds that are listed on a regulated trading mechanism or market, or in a Greek real estate investment company.

For those who prefer government bonds, several residence by investment programs in Europe offer that route including Greece and [Spain](#), which mandates a minimum investment of EUR 2 million for at least three years.

## The global entrepreneurship effect on investment migration

With entrepreneurialism on a steep ascent across the world, investments in company shares and units will likely continue to grow in popularity. In Latvia, a EUR 50,000 contribution to an active trading company's shareholding, plus a donation to the national budget of EUR 10,000, makes an investor [eligible for residence in a secure European domicile](#) that offers numerous lifestyle and fiscal benefits.





Investors with an entrepreneurial flair and appetite for higher risks and returns can also opt for the [Italy Residency by Investment Program](#) by investing EUR 500,000 in an established company's shares. As an incentive to bolster the start-up and technology sector, the government also offers a reduced investment amount of EUR 250,000 to qualify for residence by investment in an innovative start-up's share capital.

### Strategic investments of a philanthropic nature

The pursuit of profitable returns is not the sole motivating factor for many wealthy families. Since the tumultuous 2020s commenced, many are seeking to implement integrated investment strategies that are

more purpose-driven and aligned with their values. This has led many family offices to opt for global mobility solutions that have an altruistic purpose, such as [Italy's](#) option for investors to contribute a non-refundable EUR 1 million in projects of public interest related to arts, culture, ecology, education, heritage, immigration management, or research and development to qualify.

While there is no doubt that [real estate](#) will continue to hold its allure as a tried and tested route for investment migration, as affluent clients become more informed, alternative pathways to [residence](#) and [citizenship by investment](#) will undoubtedly assume a greater role on the global mobility stage. ■

