

# Spain Residence by Investment Program – Updates and Trends



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« *“It has had a positive effect in the number of inquiries that we see and the number of applications that we have been filing to the Spanish government indeed.”* »

## Which current trends can you pinpoint for the Spanish Golden Visa program?

As we know, the Spanish ‘golden visa’ program allows investors from all over the world to obtain a residence card after passing due diligence checks and making an investment in the country. Such investments can be done in commercial or residential real estate anywhere in Spain for a minimum of EUR 500,000. Also, investments in Spanish financial assets - investment funds or listed shares in Spain of EUR 1 million - and investment in government bonds for EUR 2 million also qualify.

Due to the recent changes proposed in Portugal and different changes in the investment migration industry, what we have seen is an increase of interest from clients all over the world willing to invest in Spain, either by the route of real estate or investment funds, and obtain residence in the country. This allows them and their families to live and work in Spain for three years, initially, and then the renewals of the residence cards are for five years, allowing them access to lifestyle, to education, to healthcare with a long-term view. Certain nationalities as well can obtain Spanish citizenship in a very short period of time of two years.

## What investment strategies do clients tend to choose?

What we see is that around 35-40% of our clients choose to make an investment in investment funds or listed shares in Spain. The investment is more straightforward and the application process is quicker. However, as this investment is EUR 1 million and some clients are willing to invest in real estate with a lower threshold of EUR 500,000, around 60% invest in real estate, especially in commercial real estate.

This is a very interesting proposition, as commercial real estate normally has lower property transfer tax applicable. It is managed 100% by a property management company and at the same time, it will give monthly returns without much of a hassle. It is a very good passive income generator which gives the ability to apply for a residence card in the country.

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I will say around 50% of our clients invest in commercial real estate, while the other 50-55% invest in residential real estate, however taxes are much higher, around 10%. Other clients are willing to invest in investment funds and Spanish-listed shares for EUR 1 million and the process is much faster.

The benefit of the Spanish program is that the qualifying investment can change later in time. Clients sometimes start with an investment of EUR 1 million in investment funds. They obtain residence in Spain and once they get acquainted to the country, they see what they like and what they don't like, and then buy a property.

### **What are consequences of the imminent changes in the Portuguese Golden Visa program for interest in Spain?**

We certainly see an increase of interest in Spain due to these changes. We have seen it during the

entire year, and it is more certain now. Clients that are willing to invest in real estate in Europe and were looking into Portugal, now are willing to look into another option and Spain presents as the best option for such individuals. We are seeing clients that are changing from Portugal to Spain, and other clients that before or at the beginning of the year were between Portugal and Spain, and they have decided on Spain to avoid any future hassles. So, it has had a positive effect in the economy of the country. It has had a positive effect in the number of inquiries that we see and the number of applications that we have been filing to the Spanish government indeed.

### **Can engaging the Spanish Golden Visa program lead to Spanish Citizenship?**

It is something that we get asked a lot. In order for an applicant to be able to apply for Spanish citizenship, that person would have to live effectively here in Spain. Normally this is for 10

years, however, nationals of certain countries can apply for Spanish citizenship after only two years of living here in the country. So basically, they will apply for the Spanish program making their relevant investment. They will get their residence card and after living in Spain for two years, they will be able to apply for Spanish nationality.

The people that can benefit from this two-year fast-track route are nationals from Philippines, Equatorial Guinea, and, Portugal, Andorra and Latin American countries. It is very important that these applicants are citizens of origin. So basically, they have acquired their citizenship by descent or by birth. But other than that, we are seeing a lot of interest and a lot of spikes of interest for specifically Philippines clients that want to come here to Spain, have their children educated in the country, and after two or three years apply for Spanish nationality. ■

