

# GLOBAL LIFESTYLE REVIEW



# INTRODUCTION

Knight Frank is often approached by private individuals considering a relocation for their businesses and families. Usually initiated having been advised by wealth management and taxation teams, clients are often asked to focus on destinations that will maximise the efficiency of their tax arrangements rather than those offering the best lifestyle.

The Knight Frank Global Lifestyle review was therefore developed as a guide for individuals considering the lifestyle element of a potential location alongside the recommendations of their advisors. With our global network now extending to over 370 offices worldwide, Knight Frank is uniquely positioned to use the extensive experience and local area knowledge of our native teams to provide this initial overview. Should a particular location be of specific interest, our teams are on hand to provide more in-depth analysis.

We have avoided making any suggestions regarding the potential taxation benefits of each location as this is not our area of expertise. If more bespoke advice is required this should be sought from a specialist.

We hope you enjoy this review, Knight Frank is on hand to advise and provide you with knowledge on lifestyle rather than fiscal savings alone to help you make an informed decision on your relocation and investments.

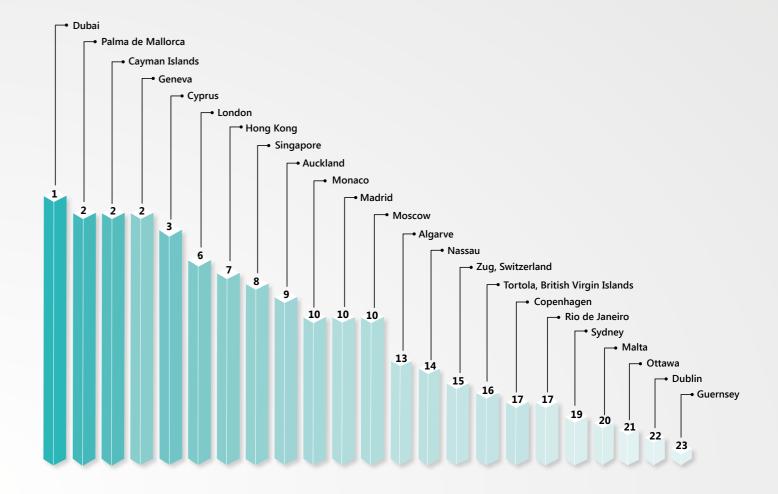
# **KEY FINDINGS**

Whilst the rest of this report provides more in-depth observations on each of the selected locations, we felt that it may be interesting to note the overall leading locations, taking what we believe to be the key lifestyle factors into account.

For the majority of individuals, these key factors were: education, climate, leisure pursuits and the availability of quality restaurants. Interestingly the majority of the more traditional locations did well in certain categories, but were further down the list on others. This gave us a clear message that if you want to find the best location across the board, providing there was a reasonable presentation in each category, consistency was key.

On this basis, Dubai came out on top as it boasted a top three position in three out of the four categories, while the Cayman Islands and Mallorca were consistently strong but without very high scores in any given area. Of the other major cities, Geneva came out on top, closely followed by Hong Kong as both could offer strong figures in the education and restaurant categories, but were down in the sunshine index compared to others.

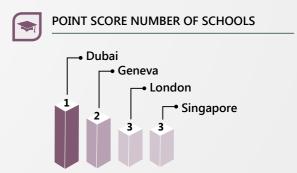
# LIFESTYLE RANKINGS

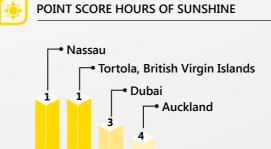


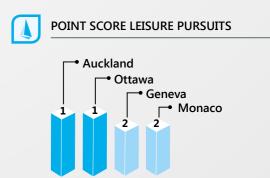
# KEY LIFESTYLE RANKINGS



POINT SCORE RESTAURANT







# LIFESTYLE COMPARISON

We felt that it might also be interesting to consider the different factors that may motivate a client when considering the lifestyle element of their relocation.

For example, whilst a young entrepreneur will want certain factors to support their lifestyle, a family is focused on different considerations. We therefore decided to demonstrate this by selecting three rather typical client genres; the entrepreneur, the family and the retiring couple.

#### The Entrepreneur

Moving due to success of a business, this individual needs political stability, ease of travel, good climate and an array of restaurants and bars for personal and business entertainment.

#### The Family

THE ENTREPRENEUR

The initial drivers may be similar, however education and security are the key considerations. Leisure pursuits are also important to entertain a young family and entice them to stay at home during the holidays.

THE FAMILY

#### The Retired Couple

Quality of life, cost of living and personal security are the chief drivers, with a degree of interest in leisure pursuits, but mainly in ease of travel both for holidays and to visit family. After discussions with many clients on this subject, healthcare was often mentioned as another clear factor. All locations in our list offer numerous hospitals, but only a few offer specific medical speciality centres making it hard to make a comparison.

The overall outcome is very interesting with all three groups showing different results except for strong representation from both Auckland and Geneva. This was mainly due to being the top two locations in the Mercer's Quality of Living rankings and having low political risk. They also offer a variety of leisure pursuits and a well serviced airport. The results were as follows:

THE RETIRED COUPLE

# Auckland Geneva Grand Cayman Monaco Monaco Geneva Dubai Auckland Ottawa Tortola, British Virgin Islands

Naturally these are general observations and any individual wishing to tailor their own selection of criteria should refer to the databank on the last two pages of this report.

## **ICON SUITE**

This icon suite has been developed to provide a quick reference guide to the Global Taxation Locations section of this review.

ICON		RESULTS BASED ON THE FOLLOWING RESPONSES			
<b>*</b>	Hours of sunshine	How many days of sunshine are there per year?			
	Cost of a premium bottle of champagne	What is the current cost of a bottle of premium champagne in a 5* hotel or bar?			
X	Number of Michelin starred restaurants	How many Michelin starred restaurants (1* or above) are there?			
	Number of international schools	How many international schools are there within a 50km radius of the city?			
X	Distance to the airport	Is there a major international airport within 50km and a direct flight from three of the following: London, Paris, New York, Singapore and Moscow?			
	Available leisure pursuits	Which leisure pursuits are located in the city or nearby (within 50km)?			
	Average cost of a litre of petrol	What has been the average cost of a litre of petrol over the last 12 months?			
	Political risk	The risk of loss when investing in a given country caused by changes in a country's political structure or policies, such as tax laws, tariffs, expropriation of assets, or restriction in repatriation of profits.			
	Quality of life	Mercer conducts the Quality of Living survey annually to help multinational companies and other organisations compensate employees fairly when placing them on international assignments. Mercer's Quality of Living Index list cover 221 cities, ranked against New York as the base city (Low = good).			
	Cost of living	Mercer's Cost of Living information provides all the key elements needed to calculate the cost of living allowances, which is based on over 200 goods and services. Discerning vendors reflect only those outlets where expatriates can buy goods and services of international quality (Low = good).			
%	Property market performance	Residential market average price changes (PIRI data - Knight Frank Wealth Report 2013) (High = good).			

# GLOBAL TAXATION MAP

#### **Explanation of international taxation systems**

**ENGLAND** RUSSIA DENMARK **IRELAND SWITZERLAND** CHANNEL ISLANDS CANADA MONACO **PORTUGAL CYPRUS** GIBRALTAR UNITED ARAB EMIRATES HONG KONG MALTA THE BAHAMAS SPAIN **BRITISH VIRGIN ISLANDS** CAYMAN ISLANDS SINGAPORE BRAZIL AUSTRALIA **NEW ZEALAND** 



#### Low tax/no tax (sub-20%)

Countries who offer a headline rate of tax on income and capital gains of 20% or less.



#### Remittance basis

Countries who offer a regime whereby foreigners can pay tax on their foreign income or capital gains in accordance with the amount remitted to that country.



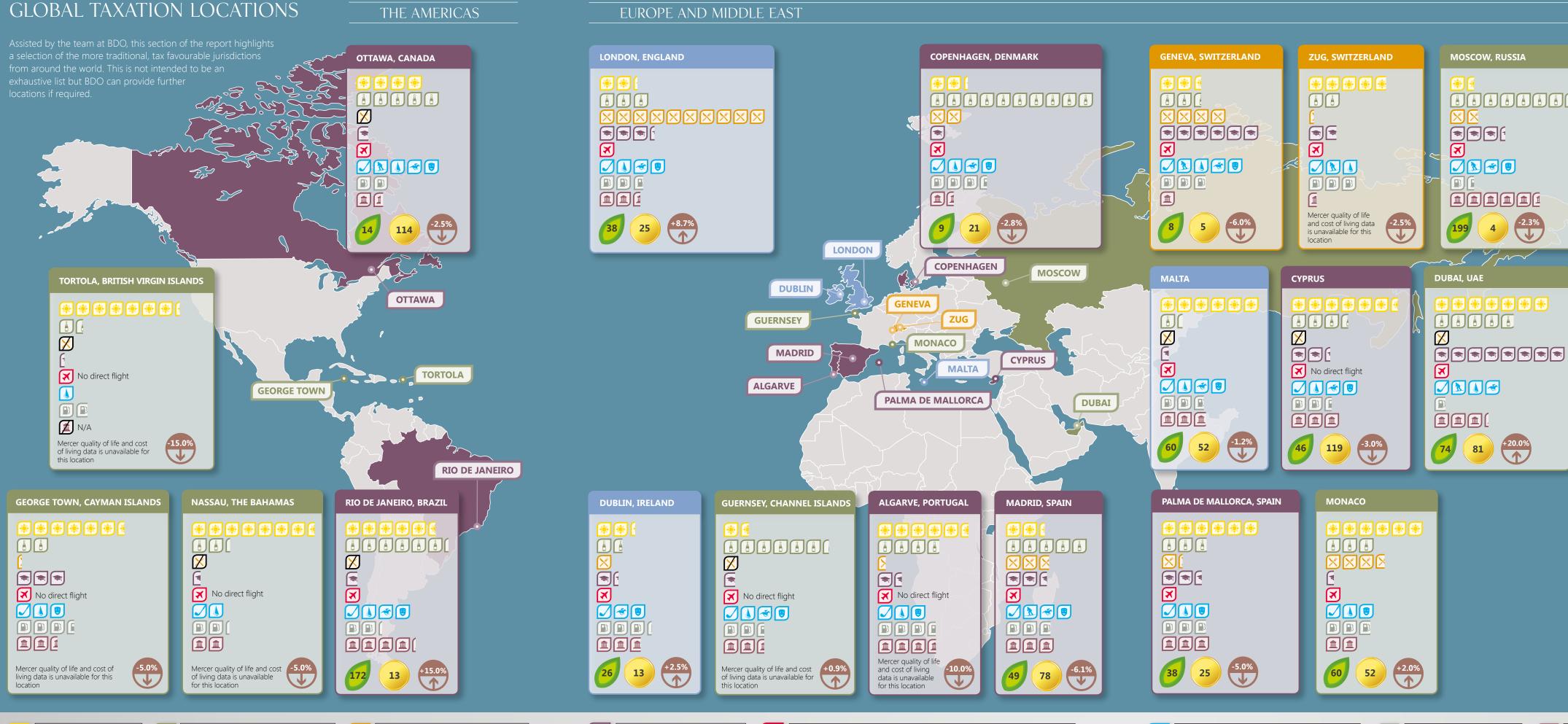
#### Favourable tax regime for new residents

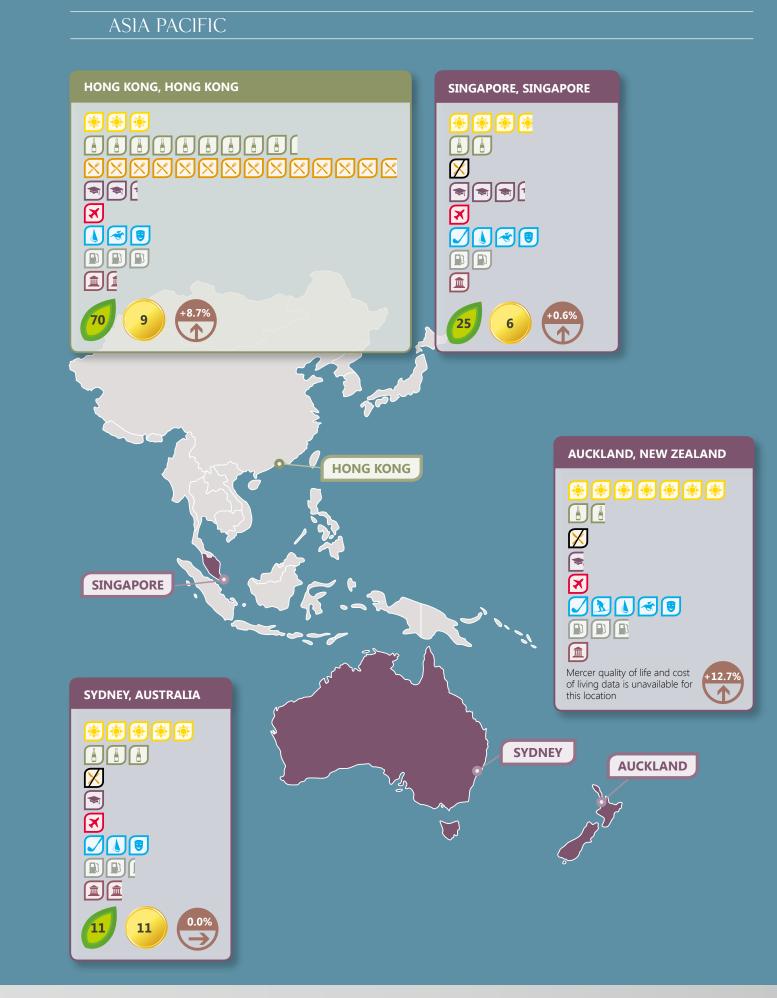
Countries who offer tax breaks for new residents to their country on passive income and capital gains, or on pensions and/or income from employment.



#### Lump sum

Countries who offer a lump sum tax regime where an agreed amount of tax can be paid on an annual basis regardless of actual income earned and capital gains realised.

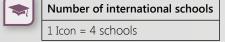










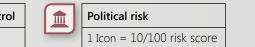






MOSCOW, RUSSIA

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#### How many days of sunshine are there per year?

City/Location		
Nassau	365	1
Tortola, British Virgin Islands	365	1
Dubai	350	3
Auckland	348	4
Cyprus	320	5
Cayman Islands	320	5
Palma de Mallorca	300	7
Monaco	300	7
Malta	300	7
Rio de Janeiro	280	10
Algarve	270	11
Sydney	245	12
Zug	240	13
Singapore	186	14
Ottawa	185	15
Hong Kong	150	16
Geneva	138	17
Copenhagen	122	18
Madrid	120	19
London	120	20
Dublin	113	21
Moscow	82	22
Guernsey	76	23
	Source: The Knight F	rank Global Network

#### What is the current cost of a bottle of premium champagne in a 5\* hotel or bar?

City	Conversion to Euros	Conversion to US\$	Ranking
Malta	€63.50	\$82.74	1
Tortola, British Virgin Islands	€76.00	\$100.00	2
Dublin	€80.00	\$104.24	3
Auckland	€90.00	\$117.27	4
Singapore	€94.00	\$122.48	5
Cayman Islands	€104.00	\$138.12	6
Zug	€106.00	\$138.12	7
Nassau	€114.00	\$148.54	8
Geneva	€124.00	\$161.57	9
Palma de Mallorca	€140.00	\$182.42	10
Monaco	€150.00	\$195.45	11
Sydney	€157.00	\$204.57	12
London	€162.00	\$211.09	13
Cyprus	€175.00	\$228.03	14
Algarve	€195.00	\$254.09	15
Rio de Janeiro	€239.00	\$311.42	16
Dubai	€246.00	\$322.00	17
Madrid	€250.00	\$325.00	18
Ottawa	€274.00	\$357.02	19
Guernsey	€315.00	\$150.00	20
Hong Kong	€416.00	\$542.05	21
Copenhagen	€499.00	\$650.20	22
Moscow	€544.00	\$708.83	23
		Exchange rate	e as at April 201
		Source: The Knight Fran	k Global Netwo

#### How many international schools are there within 50km radius of the city?

City	Number of international schools within 50km radius	School	Day student 16-18yrs	Conversion to US\$	Ranking
Dubai	32	American Academy of Dubai	AED 69,186	\$18,834	1
Geneva	25	International School of Geneva	CHF 30,755	\$31,701	2
London	13	ACS Cobham International School	£11,575	\$17,900	3
Singapore	13	Chatsworth International School	S\$26,735	\$20,761	3
Moscow	13	International School of Moscow	€20,235.00	\$26,306	3
Cayman Islands	12	Cayman International School	CI\$16,066	\$19,051	6
Palma de Mallorca	10	Institut D'Educacio Secundaria Son Pacs	€9,510	\$12,363	7
Madrid	10	Kings College	€9,590	\$12,487	7
Cyprus	9	American International School in Cyprus	€13,080	\$17,004	8
Hong Kong	9	Canadian International School of Hong Kong	HK\$ 140,300	\$18,070	8
Zug	7	International School of Zug	CHF 32,000	\$33,817	11
Algarve	6	International School of the Algarve	€16,000	\$22,000	12
Dublin	5	International School of Dublin	€8,200	\$10,660	13
Copenhagen	4	Copenhagen International School	Krone 138,000	\$22,989	14
Sydney	4	International Grammar School	AUS\$15,276	\$23,619	14
Guernsey	3	No Baccalaureate fee-paying school	£8,151	\$12,390	16
Auckland	3	St Cuthberts School	NZ\$18,920	\$16,000	16
Ottawa	3	Elmwood school	CAD 20,400	\$19,800	16
Rio de Janeiro	3	American School of Rio de Janeiro	R\$65,328	\$32,354	16
Malta	2	Verdala International School	€7,686	\$9,992	20
Nassau	2	St Andrews School	BSD\$12,000	\$12,000	20
Monaco	2	International School of Monaco	€19,800	\$25,740	20
Tortola, British Virgin Islands	1	Cedar International School	\$15,986	\$15,986	21

#### How many Michelin starred restaurants (1\* or above) are there?

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#### How far is the closest major International Airport?

City/Location	How far is the closest major International Airport?	Is there a direct flight from three of the following: London, Paris, New York, Singapore and Moscow?	Ranking
Cayman Islands	1.6km	N	1
Palma de Mallorca	5km	Υ	2
Guernsey	5.2km	N	3
Geneva	6km	Υ	4
Sydney	8km	Υ	5
Copenhagen	10km	Υ	6
Dubai	10.3km	Υ	7
Auckland	11.5km	Υ	8
Nassau	11.8km	N	9
Dublin	12.8km	Υ	10
Malta	13km	N	11
Tortola, British Virgin Islands	13.7km	N	12
Ottawa	14.5km	Υ	13
Madrid	15km	Υ	14
Rio de Janeiro	20km	Υ	15
Monaco	22km	Υ	16
Singapore	23km	Υ	17
London	24km	Υ	18
Moscow	31km	Υ	19
Hong Kong	43km	Υ	20
Zug	50km	Υ	21
Cyprus*	55km	N	22
Algarve	78km	N	23
*Distance calculated to N	icosia, Capital City	Source: The Knight Frank Glob	al Network

#### What leisure pursuits are located in or nearby?

	Golf	Skiing	Watersports	Horse Racing	Theatre	Total (out of 5)	Ranking
Auckland	1	1	1	1	1	5	1
Ottawa	1	1	1	1	1	5	1
Madrid	1	1	0	1	1	4	2
Singapore	1	0	1	1	1	4	2
London	1	0	1	1	1	4	2
Dubai	1	1	1	1	0	4	2
Rio de Janeiro	1	0	1	1	1	4	2
Cyprus	1	0	1	1	1	4	2
Copenhagen	1	0	1	1	1	4	2
Malta	1	0	1	1	1	4	2
Moscow	1	1	0	1	1	4	2
Guernsey	1	0	1	1	1	4	2
Geneva	1	1	1	0	1	4	2
Monaco	1	1	1	0	1	4	2
Algarve	1	0	1	0	1	3	3
Sydney	1	0	1	0	1	3	3
Hong Kong	0	0	1	1	1	3	3
Cayman Islands	1	0	1	0	1	3	3
Palma de Mallorca	1	0	1	0	1	3	3
Dublin	1	0	0	1	1	3	3
Zug	1	1	1	0	0	3	3
Nassau	1	0	1	0	0	2	4
Tortola, British Virgin Islands	0	0	1	0	0	1	5

#### What is the political risk?

City	Risk score (100 = most risky)	Ranking
Zug	5	1
	-	
Geneva	10	2
Auckland	10	2
Singapore	11	4
Hong Kong	15	5
Copenhagen	15	5
Ottawa	17	7
Sydney	18	8
Nassau	20	9
Monaco	22	10
Cayman Islands	25	11
London	26	12
Guernsey	26	12
Dublin	28	14
Malta	28	14
Cyprus	30	16
Palma de Mallorca	30	16
Madrid	30	16
Dubai	33	19
Algarve	35	20
Rio de Janiero	43	21
Moscow	54	22
Tortola, British Virgin Islands	N/A	23
	9	ource : EIU

#### What has been the average cost of a litre of petrol over the last 12 months?

City/Location	What has been the average cost of a litre of petrol over the last 12 months?	Conversion to Euros	Conversion to US\$	
Dubai	0.47 USD	€0.38	\$0.47	1
Moscow	£0.60	€0.75	\$0.93	2
Tortola, British Virgin Islands	\$1.05	€0.80	\$0.99	3
Ottawa	CAD 1.26	€1.01	\$1.26	4
Singapore	S\$1.70	€1.07	\$1.32	5
Nassau	BSD\$1.45	€1.10	\$1.36	6
Sydney	AUS\$1.45	€1.14	\$1.41	7
Rio de Janeiro	R\$2.90 (approximatelly US\$1.53)	€1.16	\$1.43	8
Guernsey	£1.16	€1.26	\$1.56	9
Cyprus	€1.30	€1.30	\$1.61	10
Malta	€1.35	€1.35	\$1.67	11
Auckland	NZ\$2.13	€1.37	\$1.70	12
Geneva	CHF 1.67	€1.39	\$1.72	13
Monaco	€1.39	€1.39	\$1.72	13
Madrid	€1.40	€1.40	\$1.73	15
Palma de Mallorca	€1.41	€1.41	\$1.75	16
Zug	CHF 1.80	€1.50	\$1.86	17
Cayman Islands	US\$1.90	€1.54	\$1.90	18
Dublin	€1.60	€1.60	\$1.98	19
London	£1.33	€1.66	\$2.06	20
Hong Kong	HK\$16	€1.66	\$2.06	20
Copenhagen	£1.37	€1.71	\$2.12	22
Algarve	€1.76	€1.76	\$2.18	23
			Exchange rate as at April 2013. Source:	http://chartsbin.com/view/1

#### Cost of Living

City	Mercer Ranking	Ranking
Cyprus	119	1
Ottawa	114	2
Mumbai	95	3
Dubai	81	4
Madrid	78	5
Munich	78	5
Dublin	72	7
Palma de Mallorca	66	8
Auckland	56	9
Malta	52	10
Monaco	52	10
Guernsey	52	10
Cayman Islands	52	10
London	25	14
Copenhagen	21	15
Rio de Janeiro	13	16
Sydney	11	17
Hong Kong	9	18
Singapore	6	19
Geneva	5	20
Moscow	4	21
Algarve	N/A	
Zug	N/A	
Nassau	N/A	
Tortola, British Virgin Islands	N/A	

#### Quality of Living

City	Mercer Ranking (Low = Good, High = Worst)	Ranking
Auckland	3	1
Geneva	8	2
Copenhagen	9	3
Sydney	11	4
Ottawa	14	5
Singapore	25	6
Dublin	26	7
London	38	8
Palma de Mallorca	40	9
Cyprus	46	10
Madrid	49	11
Malta	60	12
Monaco	60	12
Guernsey	60	12
Cayman Islands	60	12
Hong Kong	70	16
Dubai	74	17
Rio de Janeiro	172	18
Moscow	199	19
Algarve	N/A	
Zug	N/A	
Nassau	N/A	
Tortola, British Virgin Islands	N/A	
		Source: Mercer



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# AS THE LOCAL KNIGHT FRANK TEAMS

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