

# CANDY GPS REPORT

ISLAND REAL ESTATE IN THE GLOBAL PRIME SECTOR



Research by



In partnership with  
Deutsche Asset  
& Wealth Management

# WELCOME...

In this issue of the Candy GPS Report, produced in partnership with Deutsche Asset & Wealth Management and featuring exclusive research from Savills, we focus on island real estate around the world. Surrounded by water and finite in number, islands encapsulate much of what is desired by ultra-high-net-worth individuals (UHNWIs). They are both exclusive and rare, where the best properties carry a significant price premium over their mainland counterparts. Our research looks in depth at these markets and pinpoints the hot spots around the globe. We also look at the sustainability of these islands and the rise of private planes that are putting them within easy reach.



*N. Candy*

Nicholas Candy  
CEO, Candy & Candy



Mallorca, Spain

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# PRIVATE PARADISE

The gaze of the ultra-high-net-worth individual (UHNWI) has settled upon the remotest of trophy assets - the private island. Anna White debates the allure of this real estate market with the experts from Candy & Candy, Savills and Deutsche Asset & Wealth Management



Steele Point, Tortola

A world away from city super flats or countryside retreats, the purchase of a private island is an emotional one, driven by a desire to discover a new lifestyle. To the established wealth of the Americas, Western Europe, and Russia, the allure of such real estate is not new. "A private island is the ultimate trophy asset," says Nicholas Candy, CEO, Candy & Candy. "But financial return is not the primary motivation. These buyers are seeking the ultimate hideaway and a chance to shape their own world."

There is a strong correlation between Northern Hemisphere-dwelling UHNWIs chasing the sun and buying in the Southern Hemisphere. The Seychelles, in the Indian Ocean, or Florida Quays, off the east coast of the US, for example, both appeal as retreats for family and friends.

In some cases the purchase of a private island is an eco-philanthropic gesture to preserve the natural habitat of an island at risk and restrict public use. Such an investment is about lifestyle choice over financial return. For the super rich or a Hollywood

star, the qualities "remote" and "private" are priceless. Albeit a piece of Alaskan wilderness, for the sole purpose of fishing, or a peaceful paradise in the South Pacific, the buyer has to balance deserted but accessible, and untouched but connected, while the price is determined by necessities such as

“FOR THE SUPER RICH, THE QUALITIES "REMOTE" AND "PRIVATE" ARE PRICELESS”

running water, power, internet access and sanitation. However this intrepid investor is at the very top of a complex, multi-layered island market place which is inhabited by many different species of buyer. "There are three main categories of buyer," says Salman Madhi, Head of Key Clients Relationship Management, Deutsche Asset & Wealth Management. "Developers looking for opportunities

to create luxury resorts, wealthy conservationists working in tandem with governments to preserve wildlife havens and high-net-worth individuals who consider the urban playground to have become too accessible and lost its glamour."

According to private fortune experts, Wealth X, there has been a 4% rise in the size of the global UHNW community, with a 5.4% jump in value. And of the \$56 trillion pool of wealth held by the world's super rich families, 25% of their investment portfolio is dedicated to real estate - much or which is return-generating for family offices and HNWI's. While British entrepreneur Sir Richard Branson uses his private island as a family retreat, it is also a luxury resort. Dietrich Mateschitz, owner of the Fijian Laucala Island, has developed what is arguably the ultimate, exclusive island retreat for paying guests. Multi-national hotel groups are now considering buying entire islands for development.

Pockets of new, emerging wealth are particularly prevalent in Asia. This burgeoning class of UHNWIs is still young, fixated with urban investments, ▶



# THE WORLD OF ISLAND REAL ESTATE

particularly in London and New York. Although yields have dropped from double to single digits over the last few years these global cities offer financial and political stability, luxury shopping with a "doing business" culture. The immature Asian market therefore continues to put its money into property in these high status urban locations.

"But while the top end of the private island market remains largely uncharted territory for new Chinese money, they are starting to dip their toe in the water, purchasing uber prime property on the party islands off the south coast of China, not to mention Ibiza and Sardinia," says Yolande Barnes, Director, Savills World Research.

Between 2009 and 2014 the number of super yachts - defined as in excess of 24m - has tripled from 74 to 212. A luxury boat and a paradisaical destination, such as a private beach or resort on an inhabited island or a wholly private island, are two complimentary investments, with the former providing access.

During the recession, the fortunes of the world's UHNWIs flourished, as they were well positioned to take advantage of unusual investments. However the aspirational market - those purchasing luxury holiday homes - slowed down. While this buyer is slowly returning, the global financial downturn has thrown up a more unlikely class of investor.

For those retiring from career earnings of plus

£100,000 per year, pension pots have been ravaged, there is little return on bank savings accounts and rising property prices in the UK are deterring them from investing savings in domestic real estate.

The affluent silver spender is buying up prime island holiday homes, staying there for more than 182 days a year and saving on tax. In the main, tax efficiency, as a motivation to buy on an island, is diminishing. In this era of transparency buying on Jersey, Guernsey or Cyprus, is being replaced by other drivers, such as the pursuit of the island lifestyle.

**UHNWIS IN SEARCH OF ADVENTURE SEEK OUT THE RAREST OPPORTUNITY**

But purchasing an island, or a slice of an island, is not without concerns. Even the reclusive billionaire wants relatively easy access to his new hideaway. Piracy worries those buying in the Seychelles with its proximity to Somalia, and off the coast of Northern Australia the population of salt water crocodiles pushes global investors south to the Whitsunday Islands and those around the Great Barrier Reef. Those considering the Mediterranean should also be aware that there is no such thing

as a private beach - the public can legally moor and visit a sandy shoreline.

"Governments are also piling into the private island market," says Charles Weston-Baker, Director, Savills International Residential. Recession-ravaged countries such as Greece have woken up to the wave of revenue that could be generated by leasing clusters of private islands. But investors must approach the purchase of a private island with caution, and not be swept away with the romance of owning their own mini kingdom. Access, running water, sanitation and power supply are all major considerations," he says.

The last 10 years were the decade of prime urban property investment, the next 10 years will see a growing appetite for island lifestyle. The lower end of the luxury island market is set to explode as young money buys into ultra prime property and resorts on the world's most sociable islands.

This spurt of activity will also drive demand at the top end of the market. The uber wealthy, in search of the ultimate adventure, will seek out the rarest opportunity, paying a premium for scarcity. Whether the buyer seeks a fishing island in Uganda's Victoria Lake, or invests in the boutique islands off Fiji, the world's wealth is soon to discover the island lifestyle, adding to their portfolio of urban mansion blocks, farmland or gaming reserves, and chasing a sense of being somewhere, not just anywhere.

The pinnacle of achievement is to own what is exclusive and rare, so for the world's wealthy an island property goes hand in hand with their luxury apartment in a prime city district. Yolande Barnes of Savills World Research looks at the global drivers and identifies four distinct island real estate markets

When it comes to owning island real estate, buyers fall into two main categories of "Agglomerators" and "Dispersers".

Dispersers are, by definition, difficult to define because they seek independence and seclusion. Some will seek real estate in their home patch, others will simply seek to get away from it all. For those in this group buying islands, the lure is more likely to be an "invisible" island; difficult to reach, away from prying eyes and possibly undeveloped.

Agglomerators are those who seek real estate in close proximity to others like themselves. When it comes to islands, this is more likely to mean developed and resort islands with a strong social aspect. Agglomerator islands can be either "visible" or "invisible". "Visible" islands are often in high demand. They are close to land, serviced and often developed, but the surrounding water acts as a transparent barrier. The owners are there to be seen and envied. "Invisible" agglomerator islands have a similar social cachet but may be less well known to the outside world. Often more remote and difficult to reach, the surrounding water forms a natural "gated community" away from onlookers, other than those you want to share your view with.

We have identified four distinct island sub markets:

## PRIVATE ISLANDS THE ULTIMATE TROPHY ASSET

Particularly appealing to "Dispersers", private islands represent the ultimate trophy asset. This is a small segment of the real estate market, behaving more like fine art or precious jewellery, which operates quite independently of the wider property world. Buying an island is a "purchase of passion" not driven by need or economics, and the best islands often stay within families for generations.

The private island market is a two tier one. According to Vladi Private Islands, just 5% can be classed as "quality islands", that is those in close proximity to the mainland, in regions of political stability, with development permits, the potential to add services and infrastructure and with security of tenure. The remainder "private islands" do not meet all these criteria and have limited potential for permanent habitation. This is particularly the case in



Marina Cay and Virgin Gorda, British Virgin Islands

developing nations.

In the quality island market, prices fell during the global financial crisis when discretionary purchases of all types were curbed. In core markets, such as the Bahamas, prices are still yet to recover from their pre-recessionary highs. Price falls have been most acute among secondary islands, where prices have fallen by as much as 90%. National governments and preservation organisations are taking advantage of this and buying up swathes of island real estate. At the other extreme, some European markets have performed strongly - notably the Mediterranean - underpinned by the extreme scarcity of quality islands with development rights.

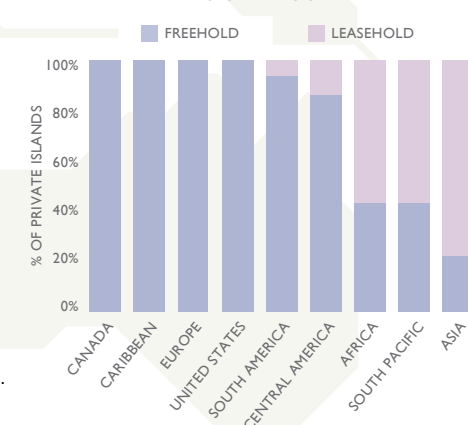
There are two approaches to securing, managing and maintaining a private island. The first is transforming it into an income-generating asset by developing a resort and amenities suitable for letting. This ensures all the facilities and staff are operational and regularly utilised, while contributing to running costs. It is the approach taken by Richard Branson at Necker Island in the British Virgin Islands.

The second approach is to leave the island undeveloped, the owner instead visiting by yacht, which acts as residence during the stay. No staff are

required on site, minimising costs, while the island remains open and unsecured (but without built assets to protect). Johnny Depp takes this approach at his island Little Hall's Pond Cay in the Bahamas.

There are distinct trends among regional purchasers. Europeans are increasingly turning to the overseas market given the very restricted,

TABLE 1 - PRIVATE ISLAND TENURE TYPE BY GLOBAL REGION



Source: Savills World Research, Private Islands Inc, listings as at Q3 2014



Desroches Island, Seychelles



Buggerru, Sardinia, Italy



Assos, Kefalonia, Greece





Edgartown Harbour, Martha's Vineyard, USA

and expensive, European private island market. Comparatively affordable Caribbean and North American islands are popular with these buyers, particularly those islands with a climate suited to winter vacations.

The private island market in Asia is extremely small, partly because, in most countries, foreigners may only purchase leasehold (see Table 1 on previous page). Asian buyers typically do not buy islands for leisure purposes, rather they seek an asset that will generate income, developing a resort or subdividing for onward sale.

The private island model has been replicated in man-made form, most famously with Dubai's "The World", an artificial archipelago of 300 small islands constructed in the shape of a world map. The majority of these islands are being developed for commercial use, with a mixture of resorts and retail.

### LEISURE ISLANDS

#### SECOND, THIRD OR FOURTH HOMES

Leisure islands can be "visible" or "invisible", depending on the nature of amenities and pursuits involved. Most leisure island real estate is at the heart of the additional home market for UHNWIs, representing the ultimate "get away" from city living. Additional home purchases on islands are nearly always discretionary, made when economic conditions have created spare cash. As such, islands with large second home markets did suffer disproportionately in the global economic downturn.

Examples of "visible" leisure islands are the Hawaiian islands and Martha's Vineyard. These stand out as attracting the most UHNWI second home owners globally, benefitting from their proximity to the United States with its 70,485

individuals with assets in excess of \$30m.

The Balearics have a similar role for European UHNWIs, where the likes of Ibiza and Mallorca have long established second home markets. Ibiza attracts a diverse range of sophisticated buyers from the Spanish mainland and across Europe. This diversity of buyers has helped it to quickly recover from recessionary lows. Villa prices in the best spots have already returned to their pre-peak levels.

In cooler climes, leisure islands are more likely to be "invisible". The Scottish islands of Islay, along

with neighbouring Jura in the Inner Hebrides, attract UHNWI second home purchasers. Country pursuits are at the heart of these islands' appeal: Islay is famous for its woodcock, while Jura is renowned for its stalking. Both islands attract wealthy visitors from around the world, some of whom chose to make a more permanent investment. On Jura, a former city banker purchased the 14,000 acre Ardfin Estate in 2012, comprising a 16 bedroom mansion, seven uninhabited islands and 10 miles of coast.

**TABLE 2 – TOP 10 "LEISURE ISLANDS" BY VOLUME OF UHNWI ADDITIONAL HOME OWNERSHIP**

RANK	ISLAND	COUNTRY
1	HAWAIIAN ISLANDS	USA
2	MARTHA'S VINEYARD	USA
3	TASMANIA	AUSTRALIA
4	BALEARICS	SPAIN
5	IONIAN ISLANDS	GREECE
6	WHITSUNDAY ISLANDS	AUSTRALIA
7	SARDINIA	ITALY
8	ISLAY, SCOTLAND	UK
9	PANGKOR	MALAYSIA
10	KOH SAMUI	THAILAND

Source: Savills World Research, Wealth X



Tanera Mòr, Summer Isles, Scotland. Photography by: Colin Prior

### RELOCATION ISLANDS

#### A PERMANENT LIFESTYLE OR BUSINESS MOVE

Agglomerators may seek "relocation islands" for specific tax, business or social aims, but they also appeal to dispersers wishing to be more discreet. This class of island attracts the world's wealthy who seek a more permanent move, whether to take advantages of the local tax regime, lifestyle, or for business. Bermuda, the Bahamas, the Channel Islands, Antigua, British Virgin Islands, the US Virgin Islands and the Isle of Man all come under this category. Self-governing, "low tax jurisdictions", they offer low levels of personal taxation and generally no capital gains or inheritance taxes (see Table 3 below). Economic activity in these islands is dominated by professional financial services, which accounts between a third and half of GDP, bringing with it highly paid jobs and attracting residents relocating for business and employment.

ISLANDS CAN BE SAFE HAVENS DURING GLOBAL ECONOMIC UNREST

These islands have strong links to city markets (Channel Islands to London, Bermuda to New York, for example), feeding both financial capital and property buyers. They share some characteristics of city real estate markets and can be safe havens during global economic unrest. A high exposure to the financial services sector has left some of these islands exposed to changes in the financial services landscape. The wider international regulatory regime and general clamp down by western governments on tax avoidance also threatens those islands whose only raison d'être is tax.

In light of this, these islands are diversifying their

financial services offer and also developing other areas of industry. In Cayman, for example, where finance contributes 55% of the island's GDP, "Health City", is being developed, a medical tourism facility aimed at providing affordable healthcare to the US and Canadian market. It has also established "Cayman Enterprise City", a special economic zone planned to attract new technology, finance and education investment.

### CITY-LINKED ISLANDS

#### ISLAND LIFE BUT WITH CITY CONVENIENCE

City-linked islands attract both agglomerator and dispersers but it is more difficult to be "invisible"

close to a city. In the Florida Keys, for example, the islands become progressively less intensively developed and more 'invisible' the more causeways that are crossed and the further they are from the mainland. Near to shore, they are connected to the mainland by road and easily commutable to major cities and conurbations. Our analysis of UHNWI holdings of island real estate reveals a huge bias towards city-linked islands, and is concentrated within the United States (see Table 4 overleaf).

A property on this kind of island provides the benefits of island living: a peaceful environment, beaches, golf courses, and sea views, but with the city and all its amenities, business opportunities



Ibiza, The Balearic Islands

**TABLE 3 – HEADLINE TAX RATES IN SELECTED ISLAND JURISDICTIONS**

	GUERNSEY	JERSEY	CAYMAN	BERMUDA	BAHAMAS	ANTIGUA	UK
PERSONAL INCOME TAX	20%	20%	0%	0%	0%	0%-25%	20%-45%
CORPORATE TAX	0%-20%	0%-20%	0%	0%	0%	0%-25%	21%
CAPITAL GAINS TAX	0%	0%	0%	0%	0%	0%	18% OR 28%
STAMP DUTY	2%-3%	1.5%-5%	4%-7.5%	1%-7%*	4%-10%	2.5% OR 7.5%*	0%-15%
VAT OR EQUIVALENT	0%	5%	0%	0%	0%	15%	20%

\* For non citizens

Sources: Savills World Research, States of Guernsey, States of Jersey, Cayman Islands Government, Government of Bermuda, Government of Bahamas, Government of Antigua and Barbuda, UK HM Revenue and Customs

“ Premier "city-linked" island real estate can cost up to four times that on the mainland ”

and infrastructure just a bridge crossing away. In the US, property in the premier "city-linked" island real estate markets can cost up to four times that on the neighbouring mainland (see Table 4 below).

The popularity of city-linked islands is not just a US phenomenon. Some islands in Hong Kong's harbour and within a ferry or power-boat ride of the city are starting to enjoy more popularity and have the potential to become desirable boltholes or commuter islands.

The model has been replicated in Dubai with the man-made Palm Jumeirah, one of the world's largest artificial islands. Extending to 5km<sup>2</sup>, it has more than doubled Dubai's coastline. The market on the man-made island has rebounded strongly from Dubai's market downturn as the development establishes itself and retail elements come on stream. Prices have increased by up to 50% in the last year, making it one of Dubai's top performing sub markets.



Key Largo, Florida Keys

TABLE 4 – TOP "CITY-LINKED ISLANDS" IN THE US BY VOLUME OF UHNWI REAL ESTATE INVESTMENT

UHNWI RANK	ISLAND	CITY LINK	STATE	PRICE PREMIUM OVER NEIGHBOURING CITY
1	KEY LARGO	MIAMI	FLORIDA	90%
2	LONGBOAT KEY	SARASOTA	FLORIDA	89%
3	KEY BISCAIYNE	MIAMI	FLORIDA	281%
4	SANIBEL ISLAND	CAPE CORAL	FLORIDA	295%
5	JOHNS ISLAND	CHARLESTON	SOUTH CAROLINA	52%
6	MARCO ISLAND	NAPLES	FLORIDA	62%
7	KEY WEST	MIAMI	FLORIDA	134%
8	BOCO GRANDE	CAPE CORAL	FLORIDA	494%
9	HILTON HEAD ISLAND	SAVANNAH	SOUTH CAROLINA/GEORGIA	76%
10	ISLAMORADA	MIAMI	FLORIDA	144%

Source: Savills World Research, Wealth X, Tullia

**5%**  
OF PRIVATE ISLANDS CAN BE CLASSED AS "QUALITY ISLANDS" CLOSE TO THE MAINLAND, POLITICALLY STABLE WITH SECURITY OF TENURE, DEVELOPMENT PERMITS AND POTENTIAL TO ADD INFRASTRUCTURE

**US CITY-LINKED**  
ISLAND REAL ESTATE CAN COST UP TO FOUR TIMES THAT ON THE NEIGHBOURING MAINLAND



**LOCAL TAX REGIMES**  
AND STRONG LINKS TO WORLD CITY MARKETS IN GUERNSEY, JERSEY, CAYMAN, BERMUDA, BAHAMAS AND ANTIGUA APPEAL TO RESIDENTS RELOCATING FOR BUSINESS



THE PRIVATE ISLAND MODEL HAS BEEN REPLICATED IN MAN-MADE FORM, MOST FAMOUSLY WITH DUBAI'S "THE WORLD"



THE **SECOND HOME** MARKET IS BUOYANT IN HAWAII, MARTHA'S VINEYARD AND THE BALEARICS



REAL ESTATE **GOLDEN VISA** OR **VISA INVESTOR** PROGRAMMES ARE OFTEN KEY TO REVIVING RESIDENTIAL MARKETS. THE LONGEST RUNNING STARTED IN ST KITTS AND NEVIS IN 1984





# TOP 20 A LIST ISLANDS

## TOP 20 A LIST ISLANDS

RANK	GROUP	REGION	ISLAND TYPE	POPULATION	CONNECTIVITY	PRIMARY SOURCES OF OCCUPIERS	PRIME 4 BED HOUSE (TYPICAL PRICE)
1	BERMUDA	NORTH ATLANTIC	RELOCATION	64,000	INTERNATIONAL AIRPORT	GLOBAL	\$4,000,000
2	BAHAMAS	CARIBBEAN	RELOCATION	319,000	INTERNATIONAL AIRPORT	GLOBAL	\$1,700,000
3	CHANNEL ISLANDS	EUROPE	RELOCATION	165,000	REGIONAL AIRPORT	REGIONAL	\$2,500,000
4	BRITISH VIRGIN ISLANDS	CARIBBEAN	RELOCATION	27,000	REGIONAL AIRPORT	GLOBAL	\$3,000,000
5	ANTIGUA	CARIBBEAN	RELOCATION	80,000	INTERNATIONAL AIRPORT	GLOBAL	\$1,500,000
6	ISLANDS ADJOINING WEST COAST OF FLORIDA*	NORTH AMERICA	CITY-LINKED	57,000	ROAD TO MAINLAND	NATIONAL	\$1,710,000
7	US VIRGIN ISLANDS	CARIBBEAN	RELOCATION	106,000	REGIONAL AIRPORT	GLOBAL	\$1,910,000
8	HAWAIIAN ISLANDS	NORTH AMERICA	LEISURE	1,353,000	INTERNATIONAL AIRPORT	NATIONAL	\$2,000,000
9	ISLANDS ADJOINING EAST COAST OF FLORIDA**	NORTH AMERICA	CITY-LINKED	47,000	ROAD TO MAINLAND	NATIONAL	\$2,000,000
10	CAYMAN ISLANDS	CARIBBEAN	RELOCATION	57,000	INTERNATIONAL AIRPORT	GLOBAL	\$2,370,000
11	ISLANDS ADJOINING THE CAROLINAS***	NORTH AMERICA	CITY-LINKED	51,000	ROAD TO MAINLAND	NATIONAL	\$1,670,000
12	FLORIDA KEYS	NORTH AMERICA	CITY-LINKED	80,000	ROAD TO MAINLAND	NATIONAL	\$1,410,000
13	NANTUCKET	NORTH AMERICA	LEISURE	10,000	NATIONAL AIRPORT	NATIONAL	\$2,400,000
14	SAINT MARTIN	CARIBBEAN	LEISURE	78,000	INTERNATIONAL AIRPORT	GLOBAL	\$1,500,000
15	FIJIAN ISLANDS	PACIFIC ASIA	LEISURE	858,000	REGIONAL AIRPORT	REGIONAL	\$1,970,000
16	SAINT BARTHELEMY	CARIBBEAN	LEISURE	9,000	LOCAL AIRPORT	GLOBAL	\$7,000,000
17	MARTHA'S VINEYARD	NORTH AMERICA	LEISURE	15,000	NATIONAL AIRPORT	NATIONAL	\$2,000,000
18	SEYCHELLES	AFRICA	RELOCATION	90,000	INTERNATIONAL AIRPORT	GLOBAL	\$980,000
19	MAN MADE ISLANDS OFF DUBAI ****	MIDDLE EAST	CITY-LINKED	N/A	ROAD TO MAINLAND	GLOBAL	\$4,000,000
20	SAN JUAN ISLANDS & WHIDBEY ISLAND	NORTH AMERICA	LEISURE	67,000	FERRY / ROAD TO MAINLAND	NATIONAL	\$1,460,000

Source: Savills World Research

\* Longboat Key, Sanibel & Marco Islands

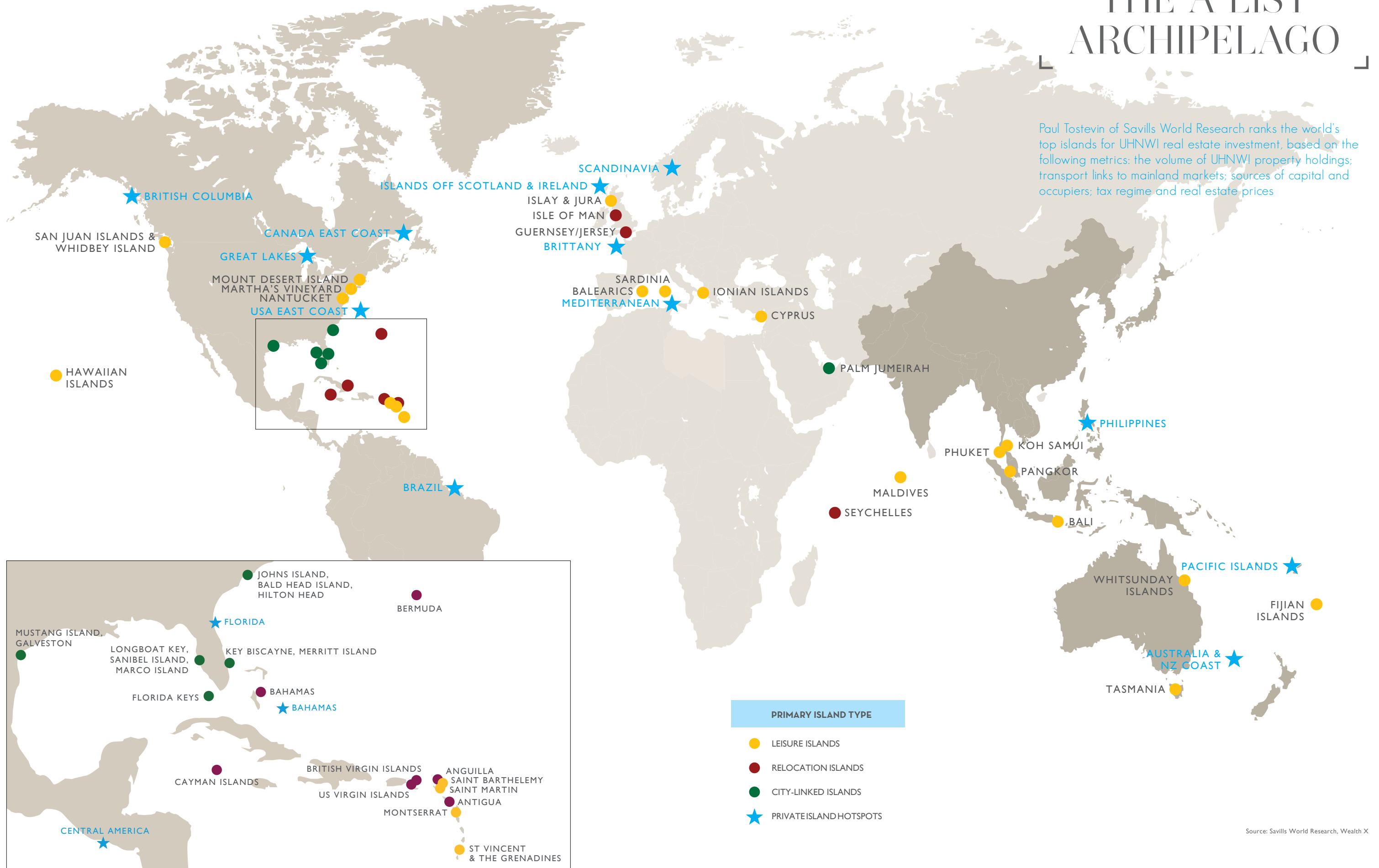
\*\* Key Biscayne, Merritt Island

\*\*\* Johns Island, Bald Head Island, Hilton Head Island

\*\*\*\* Palm Islands

# THE A LIST ARCHIPELAGO

Paul Tostevin of Savills World Research ranks the world's top islands for UHNWI real estate investment, based on the following metrics: the volume of UHNWI property holdings; transport links to mainland markets; sources of capital and occupiers; tax regime and real estate prices



### PRIMARY ISLAND TYPE

- LEISURE ISLANDS
- RELOCATION ISLANDS
- CITY-LINKED ISLANDS
- PRIVATE ISLAND HOTSPOTS

Source: Savills World Research, Wealth X



# PLANE TRUTHS

Private jets put the remotest corners of the earth within reach. With the aircraft finance industry on the flight path to recovery, buying one is getting a little easier - though not, alas, any cheaper. Deutsche Asset & Wealth Management looks at the options available

Nothing shrinks the planet like a private jet. A top-end model will get you where you want to be quicker than anything in the skies that isn't armed to the teeth and being flown by a military pilot.

The Gulfstream G650, for instance, can cover the 6,800 miles between the islands of Honolulu and Singapore in 14 hours. With a maximum operating speed of over 700 mph, it comfortably outpaces commercial aircraft, and that's before you factor in the go-when-you-want convenience of private aviation and the delays avoided in by passing public terminals. It will also set you back \$65 million, but what price time?

## A SMALL WORLD

Worldwide there are approximately 15,000 business aircraft, twice as many as 15 years ago. Roughly two-thirds of them are in North America, with Europe accounting for another 15%. Not surprisingly, the growth of private jet use is fastest in dynamic economies. Indonesia's business aircraft fleet, for instance, has doubled in size in the last five years, which must make things very much easier for executives needing to get about a country with 922 inhabited islands (and, pertinently, 210 airports).

Private jet travel makes a global work/lifestyle not only possible but just about tolerable. It's not only the airborne hours that are more comfortable. The morning-after-the-flight-before is better too: the cabin pressure on a G650 is set lower than on commercial airliners to alleviate jet lag.

For island habitués and other time-pressed travellers en route to the remote, access to private air travel is even more of a blessing. The nearest stop-off served by a commercial airline may be a many-legged journey from your island paradise or prospective oil field. In any case, no matter how billiard-table flat the first-class bed may claim to be, it's not your bed, is it?

## CLEANER AIR

With a vast array of customisation options available to buyers, life onboard a private aircraft can be as luxurious as it gets at 41,000 feet. Down on the factory floor, however, conditions have been turbulent in the wake of the financial crisis. The good news is that the business aviation industry is recovering steadily, if patchily. New orders are rising slowly and used jet prices are improving.

Another sign business aviation is healing is that some of the financial institutions that pulled out of aircraft finance in the credit crunch have returned, but by no means all. "Liquidity is still quite tight," says Chris Partridge, a 30-plus year industry veteran who is Head of Aircraft Finance at Deutsche Asset & Wealth Management, part of Deutsche Bank, which itself has been financing jets continuously for more than a quarter of a century.

Chris' job is to sort out the funding to get high-net-worth individuals aloft. Clients like his are a mainstay of the private jet industry. Manufacturer Bombardier estimates that about one third of all business aircraft sales are made to the ultra wealthy.



Gulfstream G650

## MECHANICS OF FINANCING

The essentials of jet financing are fairly straightforward. Like getting a mortgage on a house, purchasers borrow against the value of the jet (though sometimes other assets are used as additional loan security). The aircraft is typically owned by a bankruptcy-remote special purpose company, a structure designed to protect the lender if something financially untoward should happen to the client.

As with most loans, terms and conditions depend

on the creditworthiness of the borrower, but a rule of thumb is that mainstream lenders will advance up to 75% of the purchase price of a new or nearly new private jet, and up to 50% to 60% of a used aircraft.

However, only a relatively select group of lenders are currently active in the pre-loved plane space, which saw prices drop by over half in some aircraft categories. "You need a depth of experience and knowledge, both of the aircraft industry and of credit risk, to accurately price loans on used jets," explains Chris. For a suitable client, Deutsche AWM will finance or re-finance jets even up to 20 years old.

## FINANCE, YOUR STYLE

Beyond the basics, financing rapidly becomes as bespoke as private jet interiors. "The circumstances of every wealthy individual are unique, so a customised solution is essential," says Dubai-based Callum Watts-Rehman, Head of the Gulf for Deutsche AWM business, whose clients include jet-owning UHNWIs. "From where the jet is registered to the repayment structure, everything needs to be tailored."

For example, while some lenders will only provide full payout facilities - meaning the total amount borrowed is paid back evenly over the loan term - others will structure loans with lower interim repayments and a lump sum due at the end, which helps buyers manage their cash flows. Loan periods also vary, with some financiers lending for a maximum of five years and others prepared to advance funds for eight or more.

## ENTER THE MIDDLEMAN

Getting the right lending structure is crucial, but is about more than simply providing money. Unlike a home mortgage, the contact between the aircraft finance provider and the client remains close throughout the term of the loan. For instance, for every private jet it finances Deutsche AWM conducts annual audits to make sure the aircraft is being maintained and operated in line with the highest industry standards.

"Buyers are looking for a trusted partner to guide them through the entire process," says Steve Wainwright, who heads a team that looks after wealthy Deutsche AWM clients in Africa and Israel. "That can even include helping our clients choose a model of aircraft that's right for them, as well as finding a suitable operator."

Because manufacturers typically require purchasers to part-fund construction of an aircraft, lenders play a key middleman role even before a jet is airworthy. "The lender is often the only party with strong relationships with both buyer and manufacturer," says Eva Pace, a Deutsche AWM relationship manager who looks after wealth clients in Latin America. That puts them in an ideal position to keep negotiations on track, particularly when a little give and take is required on either side.

"It's crucial to pick a lender with not only a strong balance sheet, but also a good industry reputation and a strong network," adds Eva. "The type of people whose lifestyle requires a private jet are busy enough. They don't just want a lender. They want someone who can sort out problems."

## PRIVATE JETS: GET ONBOARD

### FULL OWNERSHIP

Buying a private jet outright can cost anywhere from a handful of million dollars for a pre-owned model to around \$200 million for adaptations of the new Boeing Dreamliner and latest Airbus A350 Jetliners.

### FRACTIONAL OWNERSHIP

Fractional jet ownership shares start at one-sixteenth, which equates to about 50 flying hours a year. Fractional programmes are usually administered by a company that owns several jets and takes care of the piloting, maintenance and so on.

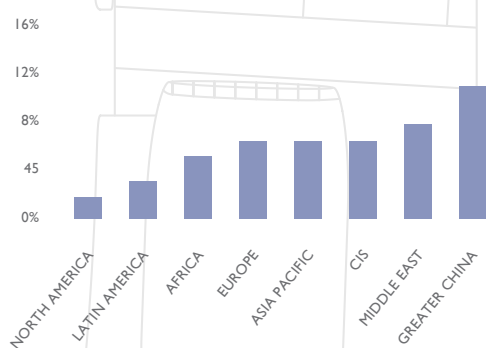
### OPERATING LEASE

Owning an aircraft involves a number of time-consuming commitments. Operating leases provide a way to effectively hire a jet for a specified period. Leases can be wet or dry: i.e. with or without a crew.

### OTHER

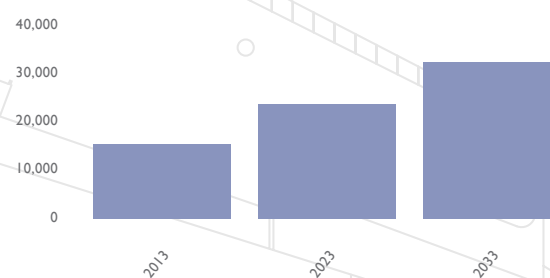
Jet card programmes are a bit like an old-fashioned phone card: you buy a pre-paid card with a set number of flying hours. Other options for on-demand private jet travel include branded charter services and air taxis.

ANNUAL FLEET GROWTH RATE \* FORECASTS 2013-2033



Source: Bombardier Business Aircraft, Market Forecast 2013-2033  
\* Chart shows forecast compound annual growth rates

GLOBAL BUSINESS JET FLEET FORECAST 2013-2033



Source: Bombardier Business Aircraft, Market Forecast 2013-2033



Embraer Lineage 1000



# ISLAND MARKETS IN FOCUS

Whether it is for business, leisure or investment, there is an island to suit your requirements. Paul Tostevin of Savills World Research looks in depth at three very different island real estate markets



## EUROPE'S SAFE HAVEN THE CHANNEL ISLANDS

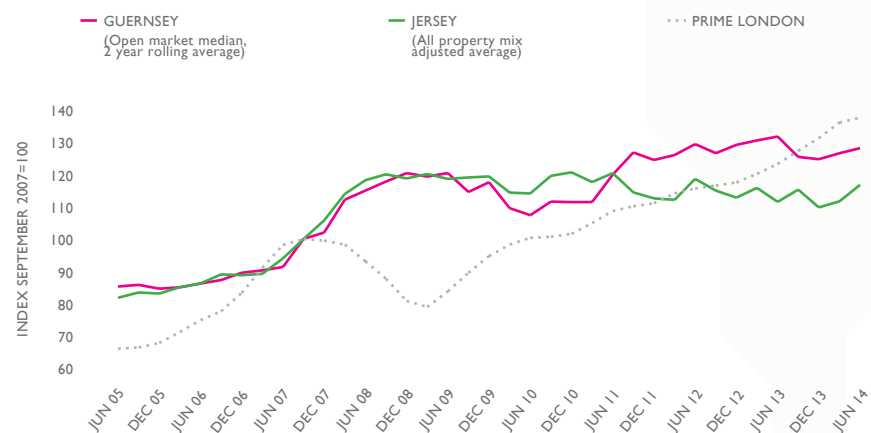
Located off the coast of northern France, the Channel Islands enjoy a mild climate, beautiful natural environment and safe and secure surroundings. With a combined population of 165,000, they sustain a wide range of retail, entertainment and dining, and are extremely well connected to the UK and Europe through the local airports and harbours. The Channel Islands comprise of two jurisdictions, the Bailiwick of Guernsey (encompassing Guernsey, Alderney, Herm, Sark, Jethou and Lihou) and the Bailiwick of Jersey. As Crown Dependencies the islands are self governing, setting their own laws and taxation and have developed a strong financial services sector. The islands have long attracted wealthy individuals from the UK and beyond who seek a high quality of life combined with an advantageous tax environment. Limited in land, the islands operate

restrictions on residency. Guernsey operates a two tier market, with the bulk of properties reserved for those locally born, while just 1,600 properties, or 6% of the island's housing stock, are classed as "open market" and available for any UK or EU national to buy. In Jersey, those who are not locally born may qualify under the "High Value Residency" system, which requires a minimum annual tax contribution of £125,000. Both islands have systems in place for non-locals deemed "essentially employed".

Having seen substantial price growth throughout the 1990s and 2000s, the markets continued to record price rises at a time when many major economies were seeing price falls, reflecting the islands' safe haven qualities. Between September 2007 and March 2009 prices rose by around 20% in both the Jersey market and Guernsey's open market, over the same period, prices in Prime London fell by 21% (see Figure 1 below).

Having proved resilient during the global financial crisis, price growth has been flat over the last year, offset by high levels of stock in the markets aimed at UK and international buyers - a group that remains price sensitive. Recent active buyer groups include those relocating within the financial services sector, and returning expats: UK nationals formerly based in Asia or North America, seeking a low tax base closer to family.

FIGURE 1 - GUERNSEY AND JERSEY HOUSE PRICE PERFORMANCE



Source: Savills World Research, Guernsey Policy and Research Unit, Jersey Statistics Unit



## BUSINESS AND LEISURE THE CARIBBEAN, BAHAMAS AND BERMUDA

The Caribbean is a long established tourist hotspot, a popular wintering destination for the super-rich of the northern hemisphere. These islands are a mixture of independent nations and overseas territories and dependencies of European and North American countries. Many can be classed as low tax jurisdictions, which also makes them appealing from a business and relocation point of view.

The islands' residential markets are heavily influenced by these historic ties, and buyers of prime residential property from "country home" markets dominate market activity. For example, Barbados, formerly a British colony and today still part of the Commonwealth, continues to enjoy the patronage of high-profile British buyers.

When it comes to concentration of wealth in the region, Bermuda tops the list, with the highest GDP per capita of \$84,000 - fourth highest in the world by some measures. Bermuda also has the highest concentration of UHNWI property holdings of any island outside the US. Billionaires including Michael Bloomberg and Ross Perot have homes on the island. Located just two to three hours from the US east coast, there is no income tax. Most homes are understated, built in the "Bermuda vernacular" of painted stone with wooden shutters. Tucker's Town is the area of the island where the ultra-wealthy congregate, enjoying some of the island's best views and adjacent to the island's best golf courses.

Real estate "golden visas" or visa investor programmes are increasingly a key strategy of reviving depressed residential markets around the world and building on wider economic recovery. Some of the first of these schemes were introduced in the Caribbean, the longest running of which was established in St Kitts and Nevis in 1984.

The St Kitts scheme offers citizenship (and in turn visa free travel to in excess of 120 countries worldwide) for those buying property over \$400,000. Crucially, no visit is required. Supported by the scheme, the island's real estate market remained buoyant throughout the global financial crisis, with citizenship-investors accounting for around 60% of all residential transactions. In spite of foreign investor demand, property prices remain low by Caribbean standards, tempered by high stamp duties and sustained levels of new development.

It takes a special combination of tax policies, real estate laws and business-friendly initiatives to continue to attract this kind of wealth. These are initiatives that can be replicated anywhere, but the Caribbean, Bermuda and the Bahamas have two major USPs: proximity to the huge wealth generating market of the United States and an appealing climate.

“ HUGE INTEGRATED RESORTS HAVE BEEN DEVELOPED IN SANYA ”



Quan Yin in Sanya city, Hainan Province, China



## CHINESE INVESTMENT HAINAN AND JEJU ISLAND

Hainan and Jeju are two islands that provide an insight into the future Chinese wealth in island real estate. Hainan is an island province of the People's Republic of China, located in the South China Sea. Three times the size of Jamaica, Hainan has a population of 8.9 million. It was earmarked by the Chinese government in 2010 as a test case for developing an "internationally competitive tourist destination".

Huge integrated resorts have been developed in Sanya, on Hainan's south coast, the area which attracts the bulk of mainland Chinese property buyers. These resorts with luxury shopping centres and casinos cater specifically to China's new wealthy with leisure time and disposable income to spend. Apartments in resort developments with entertainment and shopping are favoured over secluded villas.

Chinese investment in resort locations is an emerging phenomenon, as the majority of wealthy Chinese spend their leisure time visiting cities. Consequently, prices in Hainan have significantly underperformed those of the major mainland cities (see Figure 2 below). The price of newly built

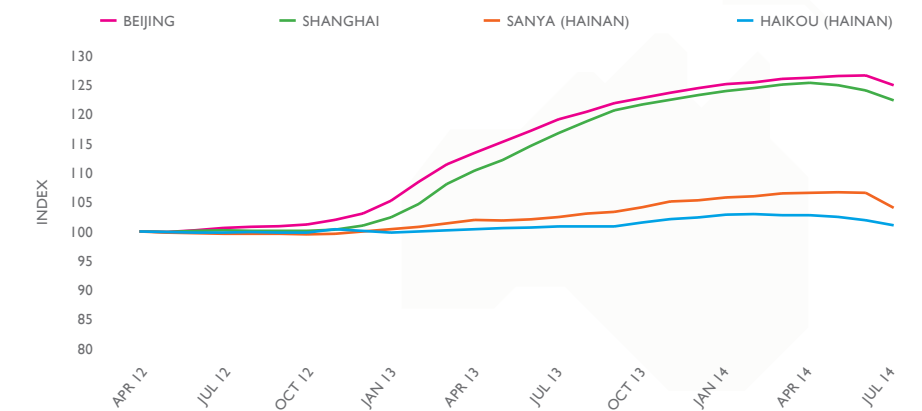
properties in Beijing and Shanghai grew 24% and 22% in the two years to July 2014, compared to just 4% in Sanya over the same period. Longer term, the opportunity is huge, however, particularly as China's ageing and increasingly wealthy population realise the benefits of a winter retreat close to their city base.

Another major recipient of Chinese investment into island real estate is Jeju, an island off South Korea's south coast. Jeju attracted 1.8 million Chinese visitors in 2013, accounting for 45% of all Chinese travelling to South Korea that year. A short flight from China's major east coast cities, the Chinese are attracted by the natural environment (the island is home to the natural World Heritage Site Jeju Volcanic Island and Lava Tubes), but significantly, for gambling in the large integrated resorts and casinos.

Permanent residency is awarded to those who invest more than \$500,000 in the island, a policy introduced in 2010. After five years residents are eligible to apply for a South Korean passport, which in turn has the benefit of visa exemptions in more than 180 countries worldwide. This fuelled a wave of Chinese second home buyers, who now account for the majority of second home purchasers on the island. Prices have since more than doubled since 2011.

Jeju has proved popular with the Chinese because of its accessibility to the Chinese mainland, gambling and resort offer, coupled with a favourable immigration regime. In spite of recent price rises, the island is comparatively cheap compared to the mainland Chinese cities.

FIGURE 2 - HAINAN VERSUS BEIJING AND SHANGHAI HOUSE PRICE GROWTH (NEW PROPERTIES)



Source: Savills World Research, National Bureau of Statistics

# A GREEN AND PLEASANT ISLAND?

Investors in islands need to be mindful of how vulnerable these micro economies can be. Due to climate change and other factors, the sustainability of island life is under greater threat than ever, says Michael Schneider of Deutsche Asset & Wealth Management

Islands have long held a special allure for ultra high net worth individuals: as locations for holiday homes, as development and investment opportunities, even as secluded permanent residences. But these bounded habitats are fragile: environmentally, economically and culturally. When things go wrong the tourists stop coming, property and land prices plummet, populations decline - islands can die (see box: "Micro (un)economics").

Consequently, investors need to take extra care before committing capital to an island economy. "Some of the biggest long-term risks to your investment on an island won't show up in traditional financial analysis," says Michael Schneider, Head of Environmental, Social & Governance at Deutsche Asset & Wealth Management. "For example, transportation costs, local fossil fuel subsidies and a lack of proper waste and fresh water management may require you to adjust conventional assumptions."

## UNDER THREAT

Michael leads a team that specialises in ESG (environmental, social & governance) investing, an approach that incorporates non-financial factors into the investment process with the aim of generating superior risk-adjusted returns over the long term. When analysing a single stock, to take the simplest example, a portfolio manager might examine a company's environmental track record and the social cost of its business activities, both of which can have a major impact on long-term profitability.

It's a holistic way of looking at potential investments that is especially relevant to islands. With climate change, market forces and economic development endangering the viability of island communities worldwide, the threat to the world's minor land masses is greater than ever. According to a 2012 United Nations study of island communities in the Pacific ocean, for instance, "sea level rise, tropical cyclones, floods and drought, combined with pressures from unsustainable fishing practices and coastal development, and consumption and production trends, are rendering the livelihoods of some 10 million people increasingly vulnerable."

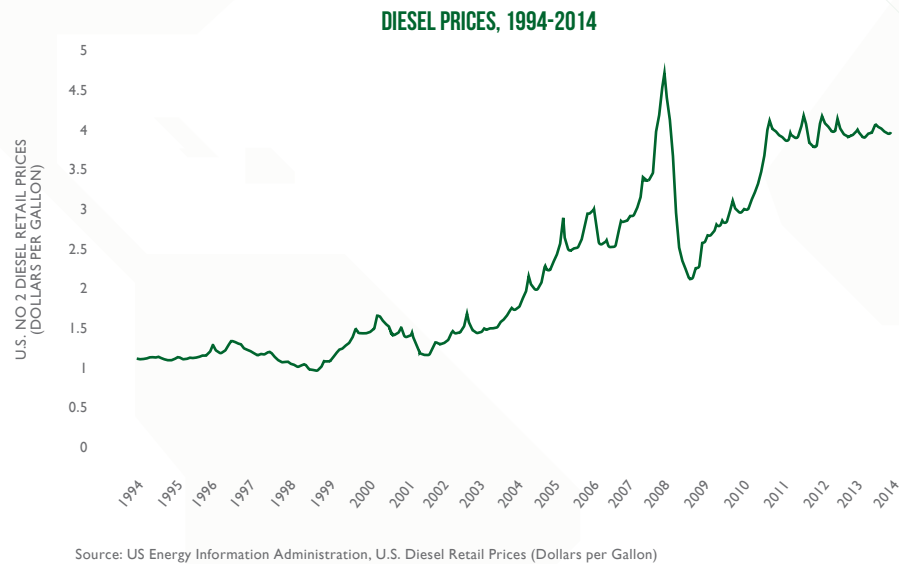
## HOOKED ON DIESEL

It was not ever thus. Alex Voigt, a serial entrepreneur in the renewable energy space who has worked on projects on a number of islands, says: "A hundred years ago, most islands were self-sufficient. People travelled under sail, and for fuel they primarily burned materials that had grown on the island. Now everything is driven by diesel: from the water treatment plants, to the electricity generators, to agriculture."

With diesel prices rising over past decades (see chart below), many island economies - and the mainland governments that typically have to subsidise them - are feeling the strain. It's a double

## WASTE DEEP

Often isolated, resource poor and with concentrated economies, islands face other challenges besides high fuel prices. Waste management is often an acute problem, especially for islands whose populations are periodically swelled by temporary visitors. The million tourists who descend on the Maldives each year produce 3.5kg of rubbish each per day. Most of it ends up on an island called Thilafushi, a giant landfill site that some environmental groups say poses a threat to the local environment. Water management and dependency on food imports are other common challenges.



whammy: not only is the fuel itself pricier, islanders also have to pay more for it to be imported. "Expensive fuel is making it difficult for many islands to survive," says Voigt, who founded Youcinis, a Berlin-based energy management startup. The Maldives, for instance, spends more than one-quarter of its GDP on diesel to run electricity generators, with the government paying substantial subsidies to keep energy bills affordable for the 400,000 residents. On the Caribbean islands, electricity costs about five times what it does on the mainland United States.

## A WILL AND A WAY

Encouragingly for would-be investors, the cloud over island life has a silver lining: rising fuel costs and other threats are motivating islanders to seek more sustainable ways of life. Around the world, individuals and institutions are seeking to mobilise private and public sector funds to wean islands off fossil fuels and establish more robust economic models, including UHNWIs Larry Ellison and Richard Branson (see box: "Sustainabillionaires").

According to Voigt, it is now economically viable to switch to an energy network based on renewables such as solar and wind power, natural resources

that are abundant on many islands. "At current price levels, renewables combined with energy storage solutions can compete with diesel-generated electricity without any subsidy," he says.

When it comes to investing in renewables, islands are in many instances streets ahead of their mainland neighbours. Some of the most ambitious renewable energy programmes on the planet - in scope if not in scale - are taking place on islands. The Marshall Islands in the North Pacific, for example, are in the process of constructing the world's first ocean thermal energy conversion plant. Once operational, it is expected to produce electricity below \$0.20 per kilowatt hour - two thirds cheaper than the cost of diesel-generated power.

Solutions do not necessarily need to be hi-tech: a social venture in Vanuatu has brought clean electric light to more than half the island's off-grid households by distributing 40,000 affordable solar-powered lanterns. Whereas rural families previously had no option but to use kerosene-fuelled lamps, the eco-friendly alternatives have the added benefit of freeing up fuel to use for cooking and heating in the winter.

"From water management to electricity generation, the technologies already exist to make island life sustainable," says Voigt. "What's important is to integrate appropriate solutions as part of a comprehensive, long-term strategy."

## HURDLES

Though there are good reasons to be hopeful, Schneider says it is crucial for wealthy investors to take a holistic approach in analysing whether an island makes a good home for their capital. "The biggest obstacles to switching to a more sustainable approach are often not technological, or even financial," he says. "Legislative and regulatory barriers in many instances make it very difficult to effect change. For instance, some island economies are locked into long-term contracts with fossil fuel providers, or they have monopolistic laws that actually preclude renewable energy providers from installing generation capacity."

Nevertheless, Schneider remains optimistic about the future of islands and their potential as investment destinations for ultra-high net worth individuals. "The sustainability-related initiatives taking place on islands around the world are incredibly exciting. If they succeed, islands will not only become even more attractive investment locations. They'll potentially also establish a template for improved living conditions in the rest of the world, whether that is a waste management solution for Asia's mega-cities or an electricity solution for an off-grid location in Africa."



Maldives

## SUSTAINABILLIONAIRES

The earth's island jewels face an uncertain future. But at least there are plenty of people eager to fight their corner - including some high profile UHNWIs.

In 2012, Oracle CEO Larry Ellison bought the Hawaiian island of Lanai for an undisclosed sum. Once the world's biggest pineapple plantation, then a resort, the 141-square mile isle, which has few paved roads and not a single traffic light, has suffered economically in recent years as tourism waned in the last global downturn.

According to Pulama Lanai, Ellison's local development corporation, the billionaire's vision is to turn Lanai into self-sufficient "thriving model of sustainability", establishing a community "powered by solar energy, where electric cars would replace gasoline-powered ones, and seawater would be transformed into fresh water and used to sustain a new organic farming industry that would feed the island and supply produce for export." Pulama Lanai's hope is to create a model of sustainability for others to follow.

Richard Branson is backing a similar initiative focused on the Caribbean. The 10 Island Challenge - established by a sustainability-focused non-governmental organisation called the Carbon War Room, which Branson co-founded - aims to wean islands off carbon-based fuels. Branson's own island, Necker, will

be the first to make the transition. Within three years the Virgin boss wants solar and wind to supply 80% of Necker's energy needs. The long-term goal is 100%.

## MICRO (UN)ECONOMICS ISLAND TALES

### NAURA, MICRONESIA

Naura's wealth was a blessing from above: the Micronesian nation's phosphate deposits were derived from the droppings of sea birds. Its fortunes turned in the 1980s when phosphate started to run out. Today, 90% of the islanders are believed to be unemployed.

### MAMAIA, ROMANIA

Five miles long and just 300 yards wide, Mamaia is one of Romania's most popular tourist destinations. Though still popular, the resort faces a battle for survival against coastal erosion, primarily due to reduced sediment flow as a result of engineering works on the Danube and its tributaries.

### SAINT LUCIA, CARIBBEAN

Once over-reliant on its banana crop, Saint Lucia has successfully diversified its economy. The returns brought to the island by tourism, trans-shipment and petroleum storage have been sweeter than the potassium-rich fruit could ever produce alone.

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# FUTURE TRENDS

Yolande Barnes of Savills World Research looks at the factors that are changing the shape of island real estate markets

## THREE GAME CHANGERS

### DRIVE FOR GLOBAL TAX TRANSPARENCY:

The role of offshore financial centres is evolving in the global drive for tax transparency. In the latest Global Financial Centres Index, offshore centres have seen their ratings build, but lose ground relative to "onshore" financial centres. Islands are carving out niches through specialising, leveraging skilled workforces and building on links to city-financial centres, while establishing relationship with new markets. Economic diversification is becoming a priority for many. The real estate landscape will be shaped by the success of these initiatives.

### NEW TRANSPORT INFRASTRUCTURE:

Air travel revolutionised the real estate market on many islands. It also provides important links to major cities, critical to the development of offshore financial centres. A new airport can bring an island to the global stage: on St Helena, currently one of the most remote islands in the world, an airport is under construction. Set to open in 2016, direct flights from the UK will open up the island to tourism, and in the longer term, paves the way for wider real estate investment. Further ahead still, the prospect of rapid intercontinental travel will bring remote islands and archipelagos within closer reach. This will open up more island markets to a wider audience, but may actually threaten the hideaways of the "dispersers".

### ISLANDS TO REVIVE A COUNTRY'S ECONOMIC PROSPECTS:

For indebted economies still reeling from the global financial crisis, islands are a saleable asset that can help to balance the books. Greece boasts 6,000 islands, and has embarked in selling off some of these to revive its economic prospects.

## THREE NEW TRENDS

### THE DESIRE FOR THE AUTHENTIC:

The wealthy seek what is rare, and "authentic" islands offering culture, history and heritage may find themselves with an edge, particularly as the buying habits of the emerging wealthy mature. European islands with a rich built environment, distinct heritage and culture will appeal as an antidote to ever more globalised world cities. Another trend may be the wealthy seeking to preserve or even restore natural landscapes, with a view to create a long lasting legacy as well as experience it and become part of it.

### INCREASING GLOBAL WEALTH:

The global UHNW population reached an all-time high of nearly 200,000 in 2013, and is forecast grow by 22% by 2018. The growth in wealth will fuel demand for alternative real estate, with a particular boost from Asia, the region where it is set to grow fastest. For these newly wealthy "agglomerators", leisure islands are most likely to appeal. Asian wealth will demand a very different product to that desired by the west. The Chinese, for example, are yet to seek remote hideaways. Rather, integrated resorts with entertainment, shopping and importantly, gambling, will drive demand. The success of Sanya, Hainan and Jeju is testament to this.

### PHILANTHROPY AND CONSERVATION:

Second or third generation wealthy individuals, accustomed to money and becoming more interested in its lasting impact, will pay an important role in island markets. We anticipate that a proportion of these philanthropic UNWIs will seek their own "eco domains", islands where they can restore or maintain whole ecosystems and do their bit for the planet. These buyers are behaving in a similar way to some government and non government organisations who seek to preserve ecosystems by purchasing islands for prosperity, and who currently constitute one of the largest buyer groups in the private islands market.

# CONTRIBUTORS

## CANDY & CANDY



NICHOLAS CANDY

Nick is CEO of global luxury real estate brand Candy & Candy.

Previously Nick worked at KPMG, advertising agency J. Walter Thompson and Dentsu Group for Europe, where he became the youngest director. Since its conception in 1999, Candy & Candy has become one of London's leading interior design and development management firms; its most notable projects to date include 21 Chesham Place, Belgravia, and the globally celebrated One Hyde Park (onehydepark.com) in Knightsbridge.



KATY LONG

Sales Manager at Candy & Candy, Katy's primary focus is on business development from new and emerging markets (Russia and former CIS). Having graduated from Edinburgh University with a degree in Russian, Katy lived and worked in Moscow for five years as Editor of Conde Nast Russia and Conde Nast New Markets. Fluent in Russian, Katy contributed articles to several Russian news outlets, including Ria Novosti, Kommersant, Afisha.

## OMNI CAPITAL



DAN SMITH

Dan embarked on his career in real estate at Land Securities Trillium and then went on to join Eurohypo in 2003. As Managing Director he was primarily focussed on structured finance and development finance, responsible for originating, structuring and managing many central London residential developments, including financing the development of One Hyde Park. Dan is now at Omni Capital, where he specialises in structured financed and residential development financing.

## SAVILLS



YOLANDE BARNES

Yolande set up Savills residential research department in 1989

and today has expanded her remit as head of Savills World Research to all types of cross-border real estate in both established and emerging markets. She advises a wide variety of high level clients on strategic, development, investment and policy issues, producing regular reports and articles on UK and global cross-sector market trends. Yolande regularly appears in the international press, on television and radio.



PAUL TOSTEVIN

An Associate Director in Savills World Research, Paul delivers market-leading research on major global real estate markets and the forces that shape them. Writing research publications, he also undertakes consultancy for clients with cross-border requirements, and has been a commentator in the international press. Paul joined Savills in 2008, initially focusing on UK residential and development research. Prior to Savills, Paul worked in finance in both London and New York.



CHARLES WESTON-BAKER

Charles heads up Savills International Residential & Resorts team and has over 30 years of development, consultancy and sales and marketing experience in international residential and resort property. He has provided consultancy and agency work on over 200 development projects in over 80 countries on four continents. Prior to joining Savills, he was with Bovis/P&O for 11-years, where he was director responsible for a number of major international development projects.

## DEUTSCHE ASSET & WEALTH MANAGEMENT



SALMAN MAHDI

Following 18 years in corporate and investment banking, private equity and wealth management at American Express Bank, Merrill Lynch and Abraaj Capital, the latter where he was a founding Partner, Salman joined Deutsche Bank in 2003. Currently Head of Key Clients Relationship Management and the WM-Corporate Finance Partnership, he is also coordinator of the "Platinum Clients" programme and is responsible for the delivery of One Bank services to Deutsche AWM's most significant clients.



TOM SLOCOCK

Assumed the role of CEO of Deutsche Bank's UK Wealth Management division on 1 March 2009. Tom has spent his entire career in the wealth management industry, having previously worked in the Private Client Services groups at Credit Suisse, Goldman Sachs and Lehman Brothers. Tom's focus has been working with wealthy and sophisticated UK based individuals and families, and helping to source bespoke solutions tailored to their specific needs.



CHRIS PARTRIDGE

Chris has 30 years experience in the aviation sector, starting out training as a pilot before becoming an aerial surveyor in the Middle East. He joined Deutsche Bank 20 years ago and currently leads Deutsche Asset & Wealth Management's global private jet financing team. Since early 2013, Deutsche AWM has financed jets worth in excess of \$700 million for private clients in Europe, the Middle East, Asia, South America and Africa.



As global wealth increases and infrastructure is revolutionised, investors seek island opportunities that are both rare and authentic



Nicholas Candy, CEO, Candy & Candy



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