

Africa Wealth Report 2023

NWWealth



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Locations of city photographs: p. 1 Johannesburg, South Africa, p. 3 Cape Town, South Africa, p. 23 Luanda, Angola, p. 45 Windhoek, Namibia, p. 50 Port Louis, Mauritius, p. 54 Cape Town, South Africa



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Introduction

The *Africa Wealth Report* is the definitive guide to Africa's wealth and luxury sector, published annually by *Henley & Partners* – the global leader in residence and citizenship by investment – in partnership with wealth intelligence firm New World Wealth.

The report provides a comprehensive review of private wealth in Africa, including high-net-worth-individual, luxury, and wealth management trends, as well as expert insights on investing in Africa, the investment migration sector, and economic mobility on the continent.

The following wealth bands are considered in our analysis.

Wealth Tier	Definition
Billionaires	Individuals with wealth of USD 1 billion or more
Centi-millionaires	Individuals with wealth of USD 100 million or more
Millionaires (high-net-worth individuals)	Individuals with wealth of USD 1 million or more

Note: For our purposes, 'wealth' refers to an individual's net investable assets, namely, all their investable assets (property, cash, and listed company holdings) less any liabilities.

Source: New World Wealth





Investing in Africa

Africa – despite its many challenges, own goals, misperceptions, and negative international press – is undoubtedly open for business in 2023.

Louisa Mojela

Group Chairman
of WIPHOLD (wiphold.com)

Nontobeko Ndhrazi

Group CFO
of WIPHOLD (wiphold.com)

Known as the continent with both the youngest and fastest growing populations means that Africa naturally holds the greatest potential for investment prospects. Additionally, having the dubious honor of also being the poorest continent opens a myriad opportunities in terms of investment growth potential but, most importantly, magnifies the power of impact investing, especially for investors who have this as a focused investment strategy.

Impact investing is defined as investing in a manner that produces a quantifiable positive social and/or environmental impact in addition to generating a positive financial return. It is astonishing that this

investment strategy has only gained prominence and popularity in recent years when arguably it should have been the go-to strategy for companies and investors since the dawn of capitalism. Be that as it may, Africa does provide the broadest and most fulfilling opportunities for impact investing.

The *Africa Wealth Report 2023* reveals that the growth in high-net-worth individuals on the continent is expected to be 42% over the next 10 years. Another two interesting trends emanating from the report are an increase in the popularity of eco pursuits among Africans, and particularly high-net-worth individuals in Africa, and a rise in the popularity of rainforest and

jungle lodges, especially among the same affluent cohort. The amazing fauna, flora, natural landscapes, and rich cultures inherent to African countries ensure that tourism is already vital to many of their economies, and the rebuilding that is required as a result of the devastation of the Covid-19 pandemic lockdowns on the sector is top of most agendas. The insights into the future are important indicators that the tourism sector has remarkable potential for growth in addition to being a significant employment creator, both internally and in the related food, services, and manufacturing sectors.

Although eco-tourism demands a more nuanced and intentional approach than regular tourism, the presence of top international hotel groups across the continent illustrates that players with deep pockets are already invested and are likely to take up the opportunity to enter this new space. This of course does not preclude new homegrown entrants from investing in the sector or from partnering with established international hospitality chains. As evidenced in many other sectors, partnering with locals, who bring a deep understanding of domestic and regional markets and cultures, almost always proves to be more profitable than going it alone in foreign territories.

Beyond the financial benefits of eco-tourism, the boost it gives to conservation, the empowerment of local populations it engenders financially and through celebrating and preserving cultures, and the environmental awareness in and about the relevant regions it raises demonstrate its potential for being a poster child for impact investing.

Another sector where impact investing has held influence beyond the obvious is agriculture. A case in point is an agricultural business that South

African investment holding company WIPHOLD has started with a local community in the Eastern Cape. Centane and Mbashe, where the initiative is situated, are among South Africa's poorest rural areas. Over time, WIPHOLD worked to understand the local socio-economic realities and concluded that large-scale commercial investments were needed to have any chance of turning around deep economic and social destitution. The initiative was conceptualized with a vision to build a commercially sustainable agricultural value chain in the area involving a mixed farming operation (crop and livestock production) and downstream agro-processing. Now in its eighth year, the business has enhanced food security, improved income generation and reduced poverty, created jobs, facilitated the transfer of skills, heightened social cohesion in the community along with the self-esteem and dignity of community partners, and initiated systemic change. It has also started to see the crowding in of assets and infrastructure in the area, which should serve to accelerate the economic and social objectives further.

Africa is said to have the highest rate of women starting up businesses, with the *Global Entrepreneurship Monitor 2021/22 Women's Entrepreneurship Report* finding that women are more likely than men to be entrepreneurs.¹ Women in Africa also contribute significantly in multiple ways to general wealth creation on the continent, for example, through consumer spending, workforce participation, and business ownership, and women entrepreneurs drive innovation and economic growth. It would be wonderful to see the women of Africa leading the foray into eco-tourism and growing their existing small agricultural businesses into formidable enterprises, so that in future, more women enter the ranks of high-net-worth individuals, centi-millionaires, and eventually billionaires.



Africa's burgeoning investment migration sector

With millionaire growth of 42% projected on the African continent over the next decade, entrepreneurs, businesspeople, and wealthy families are embracing investment migration as a strategy to improve their travel freedom and economic mobility, secure location optionality, and mitigate risk.

Dominic Volek

Group Head of Private Clients at
Henley & Partners (henleyglobal.com)

In an increasingly unpredictable world, investing in multiple residences and alternative citizenships with the additional passports and personal access rights that accompany them is becoming the norm. Investment migration programs provide numerous benefits such as increased global mobility, improved access to premium education and healthcare, and expanded business opportunities. Our recent Henley Passport Power research reveals that the ability

to visit a greater number of destinations visa-free offers far more than ease of travel – there are concomitant economic and financial advantages as well as greater personal freedoms for investors and their families. Having a geographically diversified portfolio of residences and citizenships not only protects our wealth but also significantly enhances our prosperity, enabling us to leave a greater legacy for future generations.

Africa's economic recovery over the past year has been hindered by a series of events that have intensified inflation and borrowing costs, which were already on the rise. These range from climate emergencies such as droughts and floods, to the impact of the ongoing war in Ukraine, which has led to higher commodity, food, and fuel prices that have caused a surge in headline inflation. The cumulative effect of these internal and external challenges has been heightened political instability. Regional conflict persists, and the 2020s have already seen a dozen coups.

Such crises negatively impact individuals in countless ways, including their mobility and economic activity. Total high-net-worth individual numbers on the continent have dropped by 12% since 2012, as this report reveals, with poor growth in the three largest markets: South Africa, Egypt, and Nigeria. But the future looks brighter, as New World Wealth predicts Africa's millionaire population will rise by 42% over the next decade, reaching 195,000 by 2032.

With volatility the order of the day, it remains vital for governments and investors to make building resilience a top priority. This includes preparing for future shocks. An effective way to achieve this is through investment migration, whether inbound in the case of countries attracting foreign direct investment, or outbound in the case of affluent families securing access to additional jurisdictions. African investors are increasingly aware of this, and the recent surge in interest in residence and citizenship by investment shows no sign of slowing down. *Henley & Partners* successfully assisted clients from 90 different countries in 2022, including 16 African nations spanning the continent from Egypt to South Africa, and from Cameroon to Kenya.

The investment migration sector has been on a growth trajectory for over 25 years, but the surge in Africa is a relatively new phenomenon. *Henley & Partners* has seen a significant spike in interest in residence and citizenship by investment globally, with a 46% increase in enquiries in 2022. Africa is continuing its trajectory as a growth market following a 23% increase in enquiries last year. In the first two months of 2023 alone, we had already received 27% of the total 2022 enquiries. This trend will no doubt continue throughout the year as wealthy African investors focus on diversifying their domiciles and building a

complimentary portfolio of residence permits and citizenships to secure greater global access and optionality in order to mitigate unrelenting market and political instability.

From a global perspective, South Africa, Nigeria, Egypt, and Algeria were among the Top 20 nationalities in terms of enquiries *Henley & Partners* received last year. Nigeria was in 4th place globally, with growth of 62% in 2022, South Africa was 8th after a record year in 2021, Egypt was 14th with 18% growth, and Algeria entered the Top 20 in 18th spot with remarkable growth of 85%. The fifth member of the Big 5 African markets for investment migration last year was Morocco, with growth of 20%.

Although popular residence and citizenship by investment programs vary by country, the Top 3 chosen by African families in 2022 were the Portugal Golden Residence Permit Program, the St. Kitts and Nevis Citizenship by Investment Program, and the Antigua and Barbuda Citizenship by Investment Program.

An exciting new trend is the expansion of the inbound investment migration market in Africa, with the launch of Namibia's Residence by Investment offering in February – the continent's second after the Mauritius Residence by Investment Program. More African countries are setting their sights on attracting high-net-worth individuals by providing residence and citizenship opportunities through investment migration programs, which are an innovative financing tool and have the potential to transform economies by injecting essential foreign capital and encouraging sustainable economic growth.

As wealth grows on the continent, and countries realize the benefits of programs in aiding economic progress, we expect to see investment migration continue to gain ground in Africa in the coming years – not only on the demand side from high-net-worth investors in Africa looking to obtain alternative residences and citizenships, but also on the supply side, with more and more African countries looking to launch their own investment migration programs to increase the inflow of both capital and talent. Namibia and Mauritius's highly attractive real estate-linked residence by investment offerings are discussed on the following pages.

Residence by investment in Namibia

Recognized for its highly stable political and economic environment, Namibia is one of Africa's gems. Considered among the safest nations in Africa, the democratic country of Namibia offers an impressive infrastructure and an excellent quality of life. The Namibian government is actively seeking foreign investment to boost the country's economic growth and diversify the economy. It provides many opportunities for international investors seeking a foothold and growth on the African continent, including tax incentives,

financing, and a one-stop bureau service for international companies. Namibia offers an attractive territorial tax system, which means that residents will not generally be taxed on income generated outside the country.

To gain a work permit and residence rights in Namibia, investors can acquire real estate with a minimum value of USD 300,000 through a company in the modern and sophisticated President's Links Estate in Walvis Bay.

Eco-friendly	The estate is an eco-friendly residential and golf estate, located at the edge of the Dorob National Park in Walvis Bay and offering modern and sophisticated houses and villas. 'The Bay of Whales', Walvis Bay is home to a pristine coastal area with high-quality fish, oysters, rock lobsters, and salt fields.
World-class amenities	President's Links Estate has a limited offering, with under 600 units available to investors younger than 60 years old (not recognized as retirees in Namibia) to qualify for the work permit. The estate features world-class lifestyle amenities and an environment that celebrates Namibia's rich nature.
Good air links	There are regular flights between Namibia and Germany, as well as many sub-Saharan cities such as Cape Town and Johannesburg, Gaborone, Harare, Luanda, and Lusaka. Several private charter companies offer regional flights.
Excellent connectivity	Communication is easy, with Namibia being one of the first countries in sub-Saharan Africa to achieve full internet connectivity. 4G is available across 85% of the country, and the regulator issued spectrum for 5G in February 2023.
Close to nature	Besides that, Namibia is beautiful, home to the world's oldest desert – the Namib – and Africa's largest canyon – Fish River Canyon. The country also has abundant wildlife, such as black rhinos, cheetahs, cape fur seals, elephants and more, making Namibia a paradise for those looking to connect with nature.



Residence by investment in Mauritius

With its competitive, broad-based economy, the Indian Ocean island nation of Mauritius is attracting considerable foreign investment. Mauritius is known for its political, social, and economic stability, safe environment, pleasant tropical climate, multiculturalism, and high quality of life, and its dynamic economy, attractive tax regimes, and competitive business landscape have bolstered the country's global stature and are drawing high-net-worth individuals and families from around the globe.

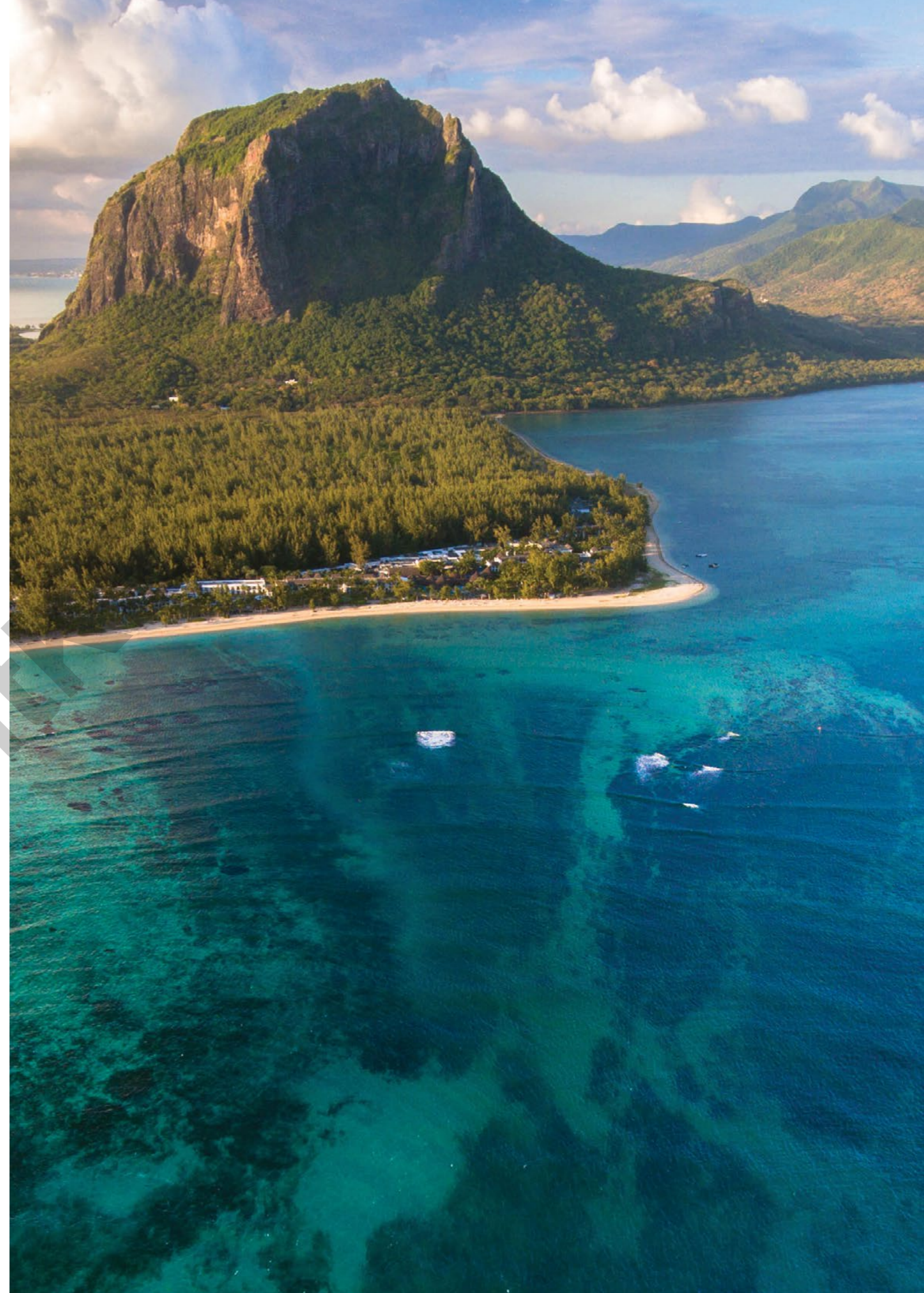
Residence brings many benefits, and the Mauritius Residence by Investment Program is the most efficient way to acquire such status, allowing foreign nationals to make a real estate investment in the country, apply for a residence permit, and become Mauritian residents within six to eight months.

Successful applicants are granted full residence rights including the right to live, work, and retire in Mauritius. Residence applies to the whole family – including a spouse or common law partner, parents, and natural, step-, or adopted children of any age who are fully dependent on the main

applicant, unmarried, and who should not engage in any employment.

There are two main pathways to long-term residence: real estate investment and 20-year permanent residence. The real estate route has six main options, each requiring a minimum investment of USD 375,000 in luxury property.

Acknowledging its potential as an attractive destination for residence and senior living, to reinforce the positioning of the silver economy the Government of Mauritius offers three cost-effective routes for non-citizens aged 50 years and over: a monthly transfer of USD 1,500 (or USD 18,000 yearly), to a Mauritian bank account; acquiring a residential duplex, villa, or apartment in a property development scheme for senior living (no minimum acquisition amount) or a conventional property development scheme or smart city scheme, in which case the minimum acquisition amount is USD 375,000; and the Premium Visa route, which allows non-citizens from over 100 countries to stay in Mauritius for six months to one year subject to certain conditions, with the option to renew.





African economic mobility

When it comes to visa-free access to global economic output, the citizens of African countries and other developing nations with sizable and growing private wealth are at a distinct disadvantage. More than just a travel document, our passports can define our financial freedoms regarding access to international investment and business opportunities.

Dr. Areef Suleman

Director of Economic Research and Statistics at the Islamic Development Bank (IsDB) Institute (isdbinstitute.org)*

Cross-country access and mobility are increasingly viewed as an insurance policy against economic and political uncertainties in the current precarious global landscape. The Covid-19 pandemic revealed the disparate impacts of global shocks due to country-specific differences. As such, investors and businesspeople are looking for ways to ensure a steady stream of profits and stable consumption in unpredictable times. Economic mobility in terms of visa-free access to more stable and larger economies is one way to achieve this objective.

By combining Henley Passport Index data and World Bank GDP data, *Henley & Partners'* revelatory new research ranks all 199 passports in the world in terms of their Henley Passport Power score, a newly developed term that indicates the percentage of global

GDP each passport provides to its holders visa-free. What emerges is an unequivocal link between passport strength and economic power.

Passport holders of Africa's wealthiest country, South Africa, which scores 106 on the Henley Passport Index, can access almost half of the world's 227 destinations visa-free. While this might sound reasonable, a better measure of mobility for investors lies in their access to the world's economic output. This is reflected in the Henley Passport Power score, which completely changes the picture. The 106 (47%) of the world's destinations South Africans can access without a prior visa account for only about 15% of the world's GDP.

Egyptians can access even fewer destinations visa-free – just 53, representing nearly a quarter of the

globe, but they account for a mere 4% of global GDP. While the 46 destinations Nigerians can travel to without needing a visa represent 20% of the destinations worldwide, they account for only around 2% of global GDP. When viewed through this lens, the citizens of Africa's wealthiest countries have very low passport power, and poor economic mobility.

Investment migration is attractive to investors who intend to maximize and stabilize their profits by diversifying their activities across more reliable economies, making this kind of investment a form of insurance against global volatility. Generally, what investment migrants hope to achieve are benefits within the host country (social security, economic stability, or tax savings) as well as the rights they secure in additional countries.

For example, one may invest in St. Kitts and Nevis – a country with a GDP share of 0.001%, a visa-free score of 156 destinations, and a Henley Passport Power score of 37% access – because of the rights gained within the country as well as in the rest of the 156 destinations one can travel to visa-free, including

Hong Kong, Singapore, the UK, and all the countries in Europe's Schengen Area.

Understanding the difference between mobility using Henley Passport Index and Henley Passport Power scores allows investors to assess whether acquiring residence or citizenship status in another country serves their unique objectives. Henley Passport Power might be a more relevant statistic in business migration because access to larger markets is necessary for scale economies. Larger markets are likewise associated with a bigger cross-country workforce, a more stable infrastructure for business development, stronger property rights, and greater investor protection – all attractive market characteristics.

Securing greater access to the world's economic output is vital to investors because it expands the basket of available products. Increased access is also attainable through international trade, but the options available with physical access are far greater, extending to the use of services that are non-exportable such as better-quality education and healthcare.

Africa's 10 Wealthiest Countries	Visa-free score on the Henley Passport Index	% of the world's destinations that can be accessed visa-free	National share of global GDP	Henley Passport Power Score (% of global GDP that can be accessed visa-free)
South Africa	106	47.14%	0.45%	15.36%
Egypt	53	23.79%	0.43%	4.30%
Nigeria	46	20.70%	0.47%	1.50%
Kenya	72	32.16%	0.12%	4.16%
Morocco	65	29.07%	0.14%	9.33%
Mauritius	146	64.76%	0.01%	57.30%
Algeria	52	23.35%	0.18%	3.02%
Ethiopia	46	20.70%	0.12%	3.38%
Ghana	64	28.63%	0.08%	3.91%
Tanzania	71	31.72%	0.07%	4.90%

Sources: Henley Global Mobility Report Q1 2023, henleyglobal.com/publications/global-mobility-report/2023-q1

Notes: The relationship between visa-free access versus GDP access was initially alluded to by Martin Emodi in his essay in the Henley Global Citizens Report Q3 2022, henleyglobal.com/publications/henley-global-citizens-report/2022-q3/regional-insights/skip-dreaded-visa-queue-and-travel-unrestricted

*The views expressed in this essay are those of the author and do not imply or reflect the views of the IsDB Institute or IsDB Group.

Africa's Top 20 passports

Country	Rank in Africa	Visa-free score
Seychelles	1	153
Mauritius	2	146
South Africa	3	106
Botswana	4	86
Namibia	5	78
Lesotho	6	77
eSwatini	7	74
Malawi	8	73
Kenya	9	72
Tanzania	10	71
Tunisia	10	71
Zambia	11	70
The Gambia	12	68
Uganda	13	66
Cape Verde Islands	14	65
Morocco	14	65
Zimbabwe	14	65
Ghana	15	64
Sierra Leone	15	64
Mozambique	16	61
Benin	17	60
Rwanda	17	60
Sao Tome and Principe	18	59
Mauritania	19	58
Burkina Faso	20	57

Sources: Henley Passport Index Q1 2023, henleyglobal.com/passport-index

Benchmarking Africa's wealth in context

Africa statistics (for December 2022)

USD 2.4 trillion

Total investable wealth held on the continent.

138,000

Millionaires living in Africa, each with wealth of USD 1 million or more.

328

Centi-millionaires living in Africa, each with wealth of USD 100 million or more.

23

Billionaires living in Africa, each with wealth of USD 1 billion or more.

For our purposes, 'wealth' refers to an individual's net investable assets, namely, all their investable assets (property, cash, and listed company holdings) less any liabilities.

Note: Millionaire figure rounded to nearest 100.
Source: New World Wealth



Top 10 wealthiest countries in Africa

The 'Big 5' wealth markets in Africa – South Africa, Egypt, Nigeria, Kenya, and Morocco – together account for 56% of Africa's high-net-worth individuals and over 90% of the continent's billionaires.

South Africa tops the list of the Top 10 wealthiest countries in Africa in terms of resident high-net-worth individuals by some margin. Mauritius' high ranking is also impressive when considering its small size and population.

South Africa's high centi-millionaire count is particularly notable. Centi-millionaires are typically the founders of large multi-national companies, making their presence in a country particularly valuable when it comes to creating employment.

Growth trends on the continent

Total high-net-worth individual numbers in Africa have fallen by 12% over the past decade (2012 to 2022). Performance was constrained by poor growth in the three largest African markets, South Africa, Egypt, and Nigeria.

Rwanda was the top performing market in Africa during the period, with millionaire growth of 72%, followed by Mauritius, the

Seychelles, Uganda, and the Democratic Republic of the Congo. Morocco and Kenya's high-net-worth individual populations also grew solidly.

Ethiopia and Ghana, whose millionaire populations had been growing rapidly until 2019, have struggled over the past few years, which has pulled back their 10-year growth rates.

Country	Millionaires (USD1m+)	Centi-millionaires (USD100m+)	Billionaires (USD1bn+)	Millionaire growth (2012 to 2022)
South Africa	37,800	98	5	-21%
Egypt	16,100	54	8	-25%
Nigeria	9,800	27	4	-30%
Kenya	7,700	15	-	30%
Morocco	5,800	28	4	28%
Mauritius	4,900	10	-	69%
Algeria	2,800	8	1	-26%
Ethiopia	2,700	4	-	23%
Ghana	2,600	5	-	24%
Tanzania	2,400	6	1	20%
Africa Total	138,000	328	23	-12%

Notes: Includes only individuals living in each country (residents). Figures for December 2022. Millionaire figure rounded to nearest 100. Source: New World Wealth

Africa's next 10 wealthiest countries

The list of Africa's 11th to 20th wealthiest countries includes several fast-growing markets – notably, Rwanda, the Seychelles, the Democratic Republic of the Congo, and Uganda.

Other major markets	Millionaires (USD1m+)	Centi-millionaires (USD100m+)	Billionaires (USD1bn+)	Millionaire growth (2012 to 2022)
Angola	2,400	4	–	-28%
Cote d'Ivoire	2,200	4	–	27%
Namibia	2,100	3	–	20%
Botswana	1,900	2	–	-10%
Uganda	1,500	5	–	45%
Mozambique	1,100	2	–	18%
Rwanda	1,000	2	–	72%
Zambia	900	3	–	22%
Democratic Republic of the Congo	600	1	–	35%
Seychelles	400	5	–	54%

Notes: Includes only individuals living in each country (residents). Figures for December 2022.

Millionaire figure rounded to nearest 100.

Source: New World Wealth



Africa's wealthiest cities

South African cities dominate the list of Africa's Top 10 wealthiest cities by the number of resident millionaires.

City	Millionaires (USD1m+)	Centi-millionaires (USD100m+)	Billionaires (USD1bn+)
Johannesburg	14,600	30	2
Cairo	7,400	27	5
Cape Town	7,200	26	1
Lagos	5,400	16	3
Nairobi	4,700	11	-
Durban*	3,600	10	-
Casablanca	2,800	14	2
Pretoria	2,400	2	-
Accra	2,000	4	-
Luanda	1,800	3	-

Notes: Includes only individuals living in each city (residents). Figures for December 2022. Millionaire figure rounded to nearest 100.

*Our figures for Durban include wealth held in Durban, Umhlanga, Ballito, and La Lucia.

Source: New World Wealth

Johannesburg



The most affluent city in Africa, most of Johannesburg's top-end wealth is concentrated in the suburbs surrounding Sandton City shopping mall, an area which has been dubbed "the richest square mile in Africa". The Sandton suburbs of Hyde Park, Inanda, and Sandhurst in particular are home to large numbers of high-net-worth individuals. The "old money" suburb of Westcliff is also extremely affluent.

Cairo



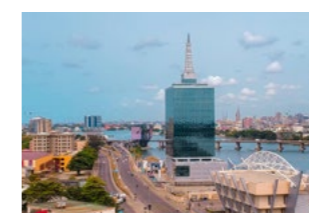
Located on the Nile River, Cairo is one of the world's most important cities historically. It is also home to more billionaires than any other city in Africa. Major sectors there include: financial services, telecoms, retail, tourism and basic materials.

Cape Town



Affectionately known as the "Mother City", Cape Town is home to some of the world's most prestigious residential suburbs including Bantry Bay, Bishopscourt, Camps Bay, Clifton, Constantia, Fresnaye, and Llandudno. The cosmopolitan city is also home to several luxury lifestyle estates such as Atlantic Beach, Erinvale, Silverhurst, Steenberg, Stonehurst Mountain Estate, and Sunset Links.

Lagos



The largest city in Africa in terms of its overall population and the economic hub of West Africa. Lagos is home to over half of Nigeria's high-net-worth individuals. Major sectors in the city include: basic materials, oil and gas, transport and financial services.

Nairobi



The economic hub of East Africa, Nairobi is one of the fastest growing cities in the world. It is also home to some of Africa's oldest and most established luxury residential suburbs and streets, including Karen and Muthaiga. Major industries include financial services, tourism, media, real estate, tea, textiles, and tobacco.

Wealth insights

Wealth growth

Africa's millionaire population is expected to rise by 42% over the next 10 years, reaching around 195,000 by 2032. Mauritius is predicted to be the standout, with 75% growth forecast for the next decade. Strong

high-net-worth individual growth of 60%+ is also forecast in Namibia, Rwanda, Zambia, the Seychelles, the Democratic Republic of the Congo, and Morocco.

Millionaires on the move

Approximately 18,500 high-net-worth individuals have left Africa over the past decade (2012 to 2022). Most have relocated to the UK, the USA, and the UAE. Significant numbers have also moved to Australia, Canada, France, Israel, Monaco, New Zealand, Portugal, and Switzerland.

In terms of internal millionaire migration within the continent, approximately 1,200 high-net-worth individuals have moved between African countries over the 10-year period, with most relocating to Mauritius and South Africa.

Spotlight on billionaires

A large number of billionaires have left Africa over the past 20 years or so. Notably, there are 52 African born billionaires globally, of whom only 23 still live on African soil. This is a significant concern as many billionaires are entrepreneurs and company founders

who therefore have the ability to create significant employment in their host countries. Billionaires rarely move for tax reasons. They usually relocate to expand their businesses or due to safety concerns.

Future trends

Eco pursuits

Ecologically friendly hobbies such as bird watching and catch and release fly fishing will likely become increasingly popular in

Africa, particularly among high-net-worth individuals. Astronomy should also see a rise in popularity.

Jungle and rainforest lodges

Rainforest lodges represent the next frontier in eco-tourism and are key to preserving the world's remaining rainforests and jungle habitats. They are expected to gain in popularity in Africa, especially among

high-net-worth individuals. Current top-end retreats include Sanctuary Gorilla Forest Camp in Uganda and One&Only Nyungwe House in Rwanda.

Classic car collecting

Classic car collecting is forecast to become significantly more popular in Africa going forward, especially in the more established car markets such as South Africa, Kenya, Egypt, and Morocco. The following models are expected to be in high demand: the

original Porsche 911 Turbo (1970s), the Ferrari 355 (1990s), the Porsche 911 Carrera RS (1970s), the Aston Martin DB5 (1960s), the Lamborghini Countach (1980s), and the Mercedes-Benz 300 SL 'Gullwing' (1950s).

Wealth management in Africa

Approximately USD 150 billion of Africa's high-net-worth individual wealth is tied up with wealth managers and private banks. Typically, wealth managers in Africa target individuals with over USD 500,000 in investable assets. Services that are in highest demand include asset management, financial planning, and inheritance planning.

South Africa (mainly Johannesburg) is the leading wealth management hub in Africa, with assets under management (AuM) of just over USD 85 billion (as at December 2022). The African wealth management market is estimated to grow by an impressive 60% over the next decade, driven by strong AuM growth in most major markets.

Family offices on the rise

As they are throughout the world, family offices are a fast-growing wealth management segment in Africa, and in South Africa in particular. They traditionally provide a more customized offering than wealth managers and private banks with services that include family education management, household staff management, intergenerational transfer and legal and tax services, philanthropy coordination, and

property management in addition to the usual investment services.

Typically, family offices are exclusively for family members and family-related foundations, trusts, and venture capital companies. Single family offices are generally viable only for individuals with investable assets of over USD 50 million.



Educating Africa's super-wealthy

Although Africa has a wealth of tertiary institutions, with over 270 universities in Nigeria alone, overseas universities continue to attract and produce a substantial portion of African high-net-worth individuals, especially in the top wealth bands.

Securing access to the best international education for their children has become a key motivation for African investors considering residence and citizenship by investment program options. Over 70% of the Top 1,000 tertiary institutions ranked in the recent Times Higher Education World University Ranking are in countries that host investment migration programs, with 18% in the USA and 10% in the UK.²

Over 30%

of Africa's centi-millionaires completed their studies in just two countries – the UK and the USA. Most earned post-graduate qualifications such as MBAs and subsequently returned to Africa where they made their fortunes.

5%

of Africa's centi-millionaires attended the University of Oxford in the UK.

7%

of Africa's centi-millionaires studied at the University of Cape Town, which is ranked as the top university in Africa.

4%

of Africa's centi-millionaires graduated from Harvard University in the USA.

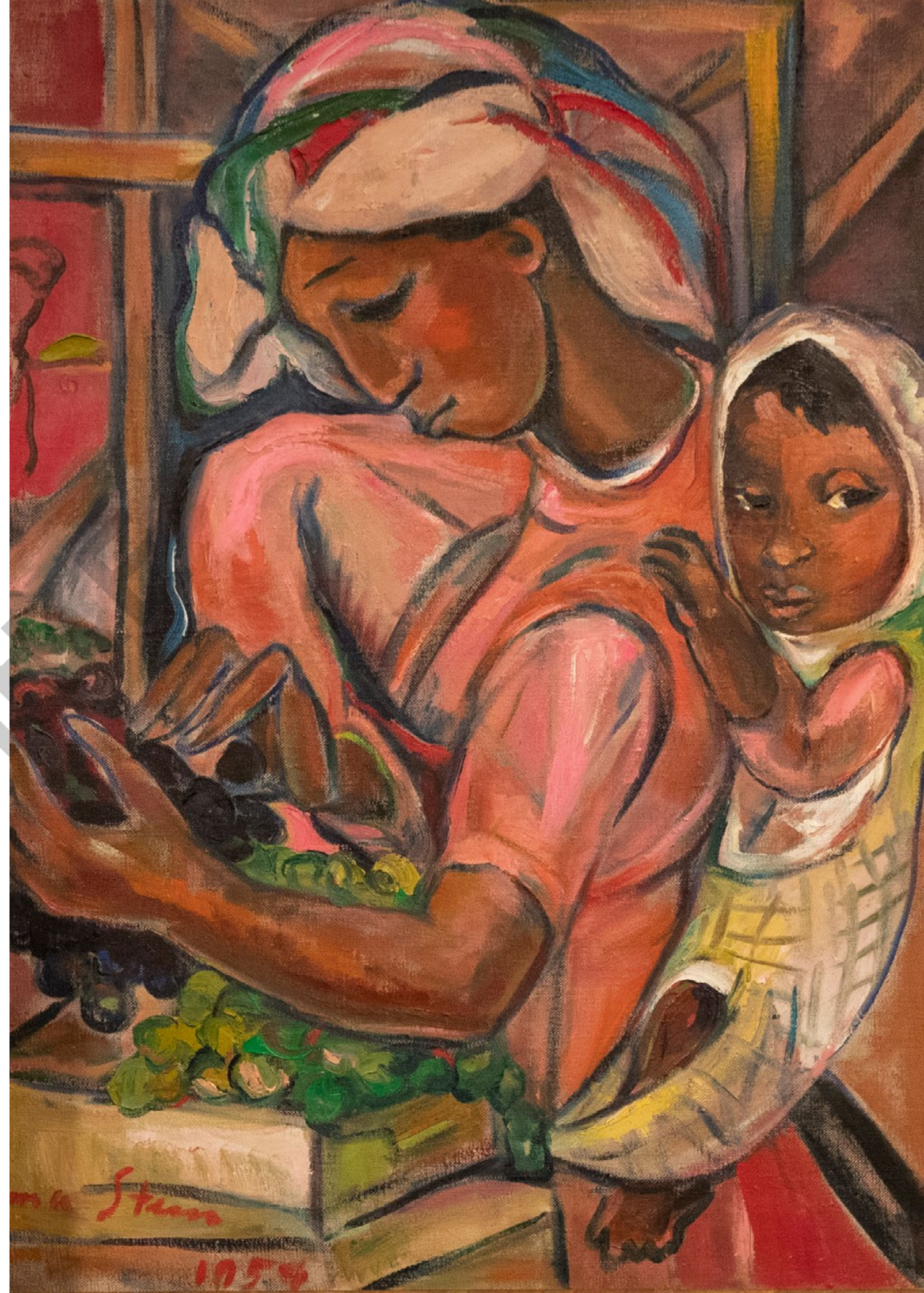


Investing in African art

Art collecting is one of the top pursuits for wealthy people in Africa and globally. The African fine art market is valued at just over USD 1.8 billion (as at December 2022) – this refers to the combined value of the artworks that are traded regularly at auction. Works by the following African artists are especially popular among wealthy art collectors the world over (listed in alphabetical order):

El Anatsui	Ghana
Alexander Boghossian	Ethiopia
Ben Enwonwu	Nigeria
Hassan El Glaoui	Morocco
Omar El Nagdi	Egypt
Sydney Kumalo	South Africa
Julie Mehretu	Ethiopia
JH Pierneef	South Africa
Gerard Sekoto	South Africa
Irma Stern	South Africa

Irma Stern traditionally sets the top prices at art auctions in Africa. Her paintings can fetch up to USD 3 million each, with an average price of around USD 300,000 per painting.



Africa's luxury hotel sector

South Africa is Africa's primary luxury tourist destination, with Cape Town, Franschhoek, Umhlanga, and the Kruger National Park and surrounds (especially Sabi Sands) attracting many wealthy travelers each year.

Africa is home to approximately 138,000 high-net-worth individuals (as at December 2022), most of whom travel extensively across the continent. An additional 300,000+ millionaires, predominantly from France, Germany, Switzerland, the UK, and the USA regularly visit African countries for vacation and leisure purposes.

The luxury hotel sector is one of the most important in Africa as it brings substantial foreign exchange spending into the continent. The sector also creates thousands of well-paying jobs for local hoteliers, chefs, game

rangers, and support staff. Much of the income is seasonal in the form of tips.

Beyond South Africa, top vacation destinations for high-net-worth families include Cairo in Egypt, Livingstone in Zambia, Marrakech in Morocco, the Masai Mara National Reserve in Kenya, the Okavango Delta in Botswana, the Serengeti National Park in Tanzania, Sharm el-Sheikh in Egypt, and Etosha National Park in Namibia. Gorilla trekking safaris in the Virunga Mountains in Rwanda and the Bwindi Forest in Uganda are also popular.



Top hotels on the continent

The following hotels are especially favored by high-net-worth individuals visiting Africa:

1

The Oyster Box South Africa

Situated overlooking the Indian Ocean on the Umhlanga beachfront, near Durban, this iconic hotel dates back to the 1950s, when it was a popular spot for Johannesburgers to spend their summers. In 2007, the property was renovated and transformed by Red Carnation Hotels into what it is today – the epitome of luxury.

2

Ellerman House South Africa

A top boutique hotel, Ellerman House is situated in Bantry Bay in Cape Town, promising magnificent views of the Atlantic Ocean. With just 13 rooms, residents are treated to privacy and tranquility, making this a hotspot for the rich and famous that is known for its jet-set appeal.

3

Royal Mansour Morocco

The exquisite Royal Mansour is in the heart of Marrakech, a short walk from Jemaa El Fna square. Built in 2010 at the behest of King Mohammed VI, it features 53 private riads set in five hectares of lush Moorish gardens and a spa with a unique birdcage-style atrium, which is considered among the world's best.

4

Four Seasons Resort Sharm El Sheikh Egypt

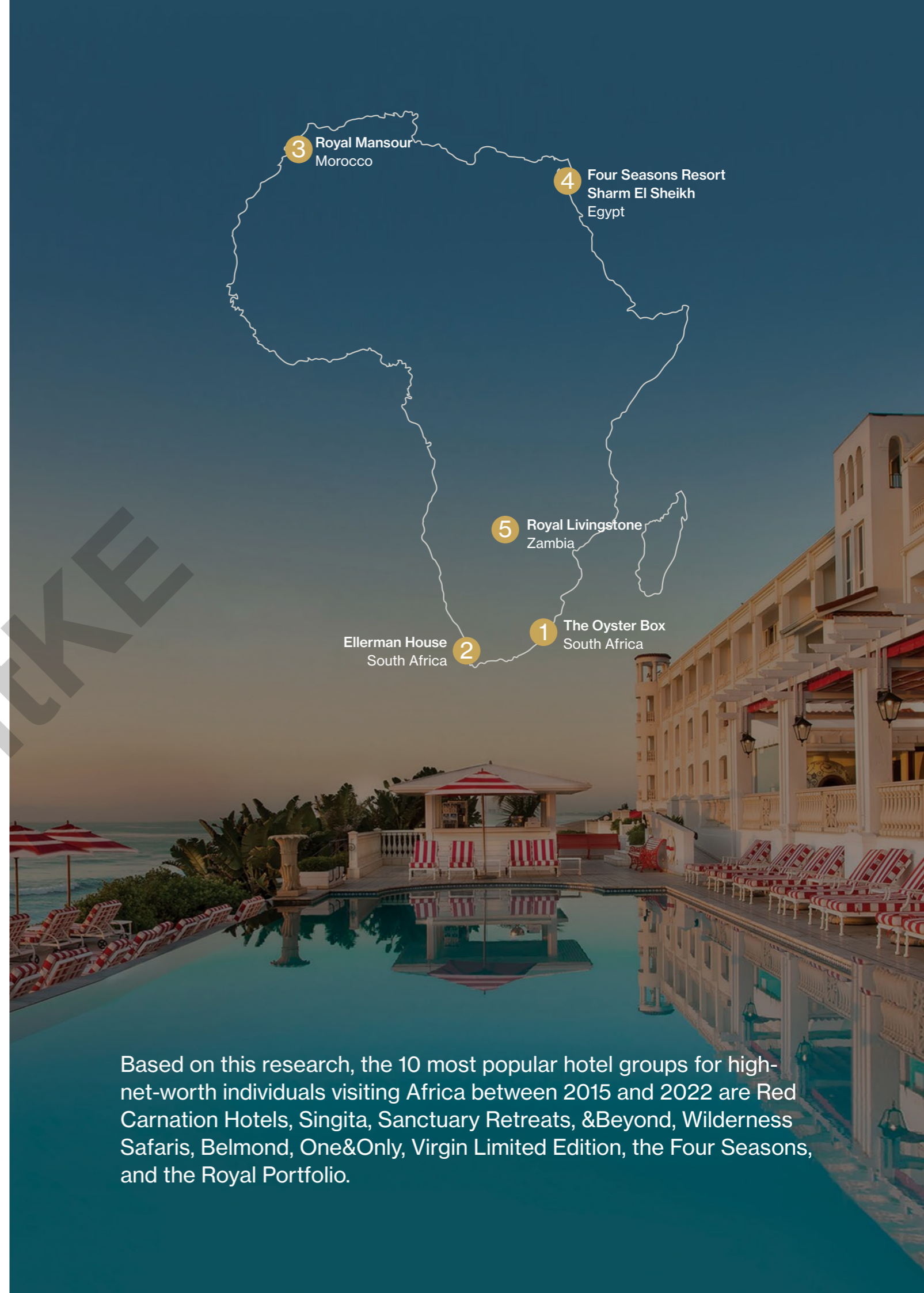
Located along one of the most desirable stretches of the Red Sea, with crystal waters and access to a protected marine reserve, the Four Seasons Resort at Sharm El Sheikh is a must for snorkeling and diving enthusiasts. The resort offers world-class luxury, with spacious rooms, oversized suites, and a wide range of restaurants with al fresco dining.

5

Royal Livingstone Zambia

Managed by Anantara, the Royal Livingstone on the banks of the Zambezi River overlooks the Victoria Falls from the Zambian side, with guests enjoying unlimited access. Zebras roam the grounds, and spa therapies can be enjoyed in privacy on the banks of the river. The hotel is also known for its unique river safari experiences.

Source: New World Wealth



Based on this research, the 10 most popular hotel groups for high-net-worth individuals visiting Africa between 2015 and 2022 are Red Carnation Hotels, Singita, Sanctuary Retreats, &Beyond, Wilderness Safaris, Belmond, One&Only, Virgin Limited Edition, the Four Seasons, and the Royal Portfolio.

Africa's premium safari lodges

The following safari lodges are especially popular among high-net-worth individuals visiting Africa.



Singita Ebony Lodge
South Africa



Singita Sabora Tented Camp
Tanzania



Londolozi
South Africa



One&Only Nyungwe House
Rwanda



Sanctuary Chief's Camp
Botswana



Sanctuary Gorilla Forest Camp
Uganda



Cottars 1920s Camp
Kenya



Xigera Safari Lodge
Botswana



Wilderness Damaraland Camp
Namibia



&Beyond Bateleur Camp
Kenya

Source: New World Wealth



High-net-worth individuals from Africa and elsewhere are also increasingly investing in private homes in the African bushveld in exclusive estates and reserves such as Elephant Point, Gondwana Private Residences, Leopard Creek, Mjejane, and Royalston.

Africa's Apex 7

A wealth of natural assets

Eco-tourism is one of Africa's most important sectors. While both conserving and enhancing the abundance of natural ecological resources of the continent, it provides a valuable strategic platform through which governments can create jobs, empower communities economically, reduce poverty, and strengthen economic growth.

African leopard

Cheetah

Ethiopian wolf

Martial eagle

As the continent's top apex predators, these species also serve as indicators for the health of Africa's various habitats (desert, jungle, mountain, and savannah). The crowned eagle, for instance, is widely seen as a vital barometer for the condition of Africa's jungles, while the martial eagle is

Africa's 'Apex 7' perform a vital role in keeping the various ecosystems on the continent in balance.

The seven iconic predators are also sometimes referred to as 'umbrella species' as they help keep the populations of other animals in their respective habitats at optimal levels.

Caracal

Crowned eagle

Lion

used to gauge the state of the savannahs. Concerningly, most of the Apex 7 are currently listed as endangered or vulnerable.

Protecting these species indirectly protects the many others that make up the ecological community and natural wealth of Africa.



Namibia: Africa's new frontier

Namibia is expected to be one of Africa's fastest growing markets going forward, with high-net-worth growth of 60%+ forecast for the next decade (to 2032).

Namibia statistics (for December 2022)

USD 26 billion

Total investable wealth held in Namibia.

USD 10,050

The average wealth of a person living in Namibia. This ranks as the 3rd highest average wealth level in Africa, after Mauritius and South Africa.

2,100

Millionaires living in Namibia, each with wealth of USD 1 million or more.

3

Centi-millionaires living in Namibia, each with wealth of USD 100 million or more.

Major industries in the country include:

- Mining (diamonds, uranium, gold, zinc, and copper)
- Eco-tourism (safari lodges and hunting)
- Farming
- Fishing
- Manufacturing

Note: Millionaires figure rounded to nearest 100.
Source: New World Wealth



Namibia's wealthiest cities

The table below ranks Namibia's major cities by the number of resident millionaires. It also compares their relative wealth growth rates over the past 10 years.

City/Area	Millionaires (USD1m+)	Centi-millionaires (USD100m+)	Millionaire growth (2012 to 2022)
Windhoek	1,100	2	16%
Swakopmund	350	1	25%
Walvis Bay	320	–	22%

Popular suburbs among high-net-worth individuals living in the country include:

- Ludwigsdorf, Windhoek
- Klein Windhoek, Windhoek
- Vogelstrand, Swakopmund
- Langstrand, Walvis Bay
- Dolphin Beach, Walvis Bay

Notes: Includes only individuals living in each city (residents). Figures for December 2022. Millionaire numbers rounded to nearest 10. Source: New World Wealth



Namibia's great allure

The large, sub-Saharan country has many positive attributes. According to New World Wealth's in-house safety index for 2022, Namibia ranks as the 2nd safest country in Africa (after Mauritius). Below are a few more drawcards.

The low population density advantage

Namibia has one of the lowest population densities in the world, with only three people per square kilometer. This is a major advantage for the following reasons:

- Water and river systems are usually cleaner and less polluted in countries with low population densities.
- There is less dependence on other countries for trade and resources, as

well as less competition for land within the country.

- Low population density countries tend to be wealthier (on a wealth per capita basis). Australia and Canada are good examples.
- Having a sparse population allows for more wild open spaces, giving wildlife the opportunity to thrive, which improves the quality of life for locals and boosts eco-tourism opportunities.

An attractive tax system

- Tax rates are relatively low in Namibia when compared to most other African markets. The top rate of income tax in the country is a relatively modest 37%, and perhaps most notably there is no estate duty or capital gains tax* in the country.
- Namibia operates a source-based tax system, which means that foreign residents are only taxed on the income that they generate in Namibia.

Note: *Other than profits on the sale of mining and petroleum licences/rights, and the transfer of any share/interest in a company owning a mineral/petroleum licence or right, capital gains are not taxed in Namibia.

A resilient, well-run banking system

- According to the IMF, Namibia has one of the most sophisticated and highly developed financial systems in Africa.
- Both the banking system and wealth management sector in the country are closely linked to neighboring South Africa, with South African banks dominating the local market.
- The Namibian dollar is pegged to the South African rand, which means that the country is relatively stable economically, as the South African rand is the most heavily traded currency in Africa and one of the world's leading emerging market currencies. The peg also creates a convenience factor for expats who move frequently between the two countries.

A thriving eco-tourism industry

- Namibia is home to an array of wildlife, including the world's largest remaining populations of cheetah and desert elephants.
- The eco-tourism industry, which generates around 15% of the country's GDP, is centered in the Caprivi Strip, Damaraland, Etosha, Fish River Canyon, the Skeleton Coast, and the Sossusvlei.
- Popular top-end lodges for high-net-worth individuals visiting the country include &Beyond Sossusvlei Desert Lodge in Sossusvlei, Chobe Water Villas on the Caprivi Strip, Shipwreck Lodge on the Skeleton Coast, and Wilderness Damaraland Camp in Damaraland.
- Several luxury hotel groups have entered the country over the past couple of years. Perhaps most notably, Sanctuary Retreats extended its portfolio to Namibia in 2022.
- According to Birdlife International,³ Namibia is home to 599 bird species, which is impressively high when considering its dry climate. It also reflects the remarkable biodiversity that exists there. Interestingly, the number of bird species in Namibia ranks above neighboring Botswana (which is often seen as a bird lover's paradise).
- Almost 20% of Namibia is protected by national parks – one of the highest percentages in the world.

Estate living on the rise

Estate living is gaining in popularity in Namibia, especially among wealthy expats and retirees. Possible reasons for its growing appeal include:

- Birdlife, wildlife, and scenery.
- Safety and security, with limited and controlled traffic making it safer for children.
- A sense of community, enhanced by green spaces and children's playgrounds.
- Top-end facilities and activities, such as gyms, jogging paths, golf courses, tennis courts, shops, and restaurants.
- The combination of safety and shared facilities make estate living particularly convenient for affluent expats who travel frequently and have homes in several countries around the world.



Namibia's attractive investment climate

Catherine Shipushu

Senior Manager: Marketing, Branding & Communications at the Namibia Investment Promotion and Development Board (nipdb.com)

Namibia, a land of endless horizons, is located on the southern western coast of Africa. With a population of 2.5 million people inhabiting 825,615 km², the country is known for its vast spaces, offering airy experiences away from the hustle and bustle of the fast life.

Visitors are offered a wide variety of activities and experiences to enjoy while they are in the beautiful land of contrasts. For the discerning traveler, Namibia offers a plethora of exquisite sights and exhilarating activities, from sand dunes plunging down to the Atlantic Ocean at Sandwich Harbour, to the world's second largest canyon – Fish River Canyon, to unforgettable stargazing experiences in the NamibRand Nature Reserve, the first African location to obtain International Dark Sky certification.

Positioning itself as a lucrative investment destination, Namibia is endowed with abundant natural resources including diamonds, uranium, copper, and gold. The country has one of the largest uranium reserves in the world and is currently attracting global attention with recent oil and gas discoveries of oil reserves off the coast. With bold ambitions of becoming the sustainable energy capital of Africa, Namibia is well on its way to

becoming a major player in the global oil and energy market.

Namibia offers a conducive business environment anchored by advanced financial systems and a sophisticated banking sector, a strong macroeconomic framework, globally competitive infrastructure, and good governance, as well as a young, educated, and trainable workforce. The country's strategic location and world-class port make it an ideal gateway to over 300 million people in other African markets. Furthermore, Namibia boasts a strong legal system that protects the rights of investors in that disputes can be settled through the courts or international arbitration.

Among the significant value propositions that set Namibia apart are its safety, security, and political stability, which have been maintained since the country attained independence just over three decades ago.

Namibia certainly offers international investors a unique and attractive investment opportunity. With a growing economy and a commitment to sustainable development, the country holds the potential for long-term growth and profitability.



Mauritius: Africa's big success story

A large number of wealthy individuals have moved to Mauritius over the past decade. In addition, many locally born millionaires have been created as the economy has grown. Mauritius is now home to approximately 4,900 high-net-worth individuals, compared to under 3,000 a decade ago.

Mauritius statistics (for December 2022)

USD 48 billion

Total investable wealth held in Mauritius.

USD 37,500

The average wealth of a person living in Mauritius. This ranks as the highest average wealth level in Africa.

4,900

Millionaires living in Mauritius, each with wealth of USD 1 million or more.

10

Centi-millionaires living in Mauritius, each with wealth of USD 100 million or more.

Note: Millionaire figure rounded to the nearest 100.
Source: New World Wealth



Mauritius: A millionaire magnet

Perhaps better known for its appealing island lifestyle, stable Mauritius has grown to become a top investment destination in Africa and a hub for business, perfectly positioned between Asia and Europe.

Mauritius has many pull factors, including its:

- Fast growing financial services sector and stock market (SEMDEX) – highly respected thanks to the country's strong democracy and political stability
- Ease of doing business – Mauritius ranked 1st in Africa and 13th worldwide in the World Bank's 2020 Doing Business Report (no newer editions available)
- Low taxes, which encourage business formation and appeal to retirees – there is no estate duty or capital gains tax in Mauritius
- Safety and security – according to New World Wealth's in-house safety index for 2022, Mauritius ranks as the safest country in Africa and among the 20 safest countries on earth
- High per capita income levels – the World Bank officially classified Mauritius as a high-income country in July 2020
- Prime real estate – in exclusive residential areas such as Grand Baie and top-end lifestyle estates such as Anahita, Heritage Villas Valriche, and Mont Choisy
- Glorious beaches, nature, scenery, and weather – residents of Mauritius enjoy a mild tropical climate throughout the year

As mentioned in the Wealth insights section, the growth projections for Mauritius are strong. The island nation is expected to experience wealth growth of 75% over the next decade (to 2032). This will make it the fourth fastest growing country in the world over this period in millionaire growth

percentage terms, after Vietnam, India, and New Zealand. By 2032, Mauritius's millionaire population is predicted to exceed 8,500, driven by steady inward wealth migration and rapid growth in the local entertainment, financial services, real estate, and tech sectors.



South Africa: The great elephant of Africa

Despite a challenging past decade, South Africa is still home to over twice as many high-net-worth individuals as any other African country. It ranks 30th in the world by this measure, ahead of major economies such as Indonesia, Malaysia, and Thailand.

South Africa statistics (for December 2022)

USD 645 billion

Total investable wealth held in South Africa.

USD 10,880

The average wealth of a person living in South Africa. This ranks as the second highest average wealth level in Africa, after Mauritius.

37,800

Millionaires living in South Africa, each with wealth of USD 1 million or more.

98

Centi-millionaires living in South Africa, each with wealth of USD 100 million or more.

5

Billionaires living in South Africa, each with wealth of USD 1 billion or more.

Note: Millionaire figure rounded to the nearest 100.
Source: New World Wealth



South Africa's wealthiest cities

The table below ranks South Africa's major cities by the number of resident millionaires. It also compares their relative wealth growth rates over the past 10 years. Johannesburg and Pretoria performed relatively poorly in terms of growth when compared to the other cities and areas listed, mainly due to coastal semigration. If the current rate of internal relocation continues, Cape Town is on track to overtake Johannesburg to become South Africa's wealthiest city by 2040.

City/Area	Millionaires (USD1m+)	Centi-millionaires (USD100m+)	Billionaires (USD1bn+)	Millionaire growth (2012 to 2022)
Johannesburg	14,600	30	2	-40%
Cape Town	7,200	26	1	10%
Durban*	3,600	10	-	-6%
Cape Winelands	3,400	15	2	18%
The Garden Route	3,000	5	-	22%
Pretoria	2,400	2	-	-35%
The Whale Coast	1,100	5	-	25%

Notes: Includes only individuals living in each city (residents). Figures for December 2022.

*Our figures for Durban include wealth held in Durban, Umhlanga, Ballito, and La Lucia.

Millionaire figure rounded to nearest 100.

Source: New World Wealth

Johannesburg



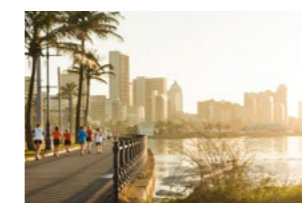
Hyde Park, Sandhurst, and Westcliff are among Johannesburg's most exclusive suburbs. There are also numerous lifestyle estates on the outskirts of the city that are tailored to the super-wealthy, including Dainfern, Steyn City, and Waterfall Equestrian Estate.

Cape Town



The most affluent suburbs of Cape Town include Bakoven, Bantry Bay, Bishopscourt, Camps Bay, Clifton, Constantia, Fresnaye, and Llandudno. Slightly further afield, there are also significant numbers of wealthy individuals residing in Somerset West, St. James, and Tokai.

Durban



Our figures here include wealth held in Durban, Umhlanga, Ballito, and La Lucia. This combined area features some of Africa's top lifestyle estates including Zimbali, Simbithi, Brettenwood, Izinga, and Hawaan Forest Estate. Lagoon Drive in Umhlanga is also home to a large number of exclusive apartment complexes.

The Cape Winelands



This picturesque region includes the towns of Paarl, Franschhoek, and Stellenbosch. There are several exclusive lifestyle estates in this area, including Val de Vie, De Zalze, Domaine des Anges, and Winelands Estate. Many of the wine farms in the area are owned by wealthy individuals, who often retire there.

The Garden Route



A beautiful section of the coastline, stretching from Mossel Bay to Storms River, with popular towns for the affluent including Plettenberg Bay, George, Keurboomstrand, Knysna, Mossel Bay, and Wilderness as well as the village of Nature's Valley.

Pretoria



Affluent parts of Pretoria, South Africa's administrative capital that hosts all foreign embassies, include Waterkloof and Waterkloof Ridge, as well as luxury lifestyle estates such as Mooikloof Equestrian Estate and Silver Lakes.

The Whale Coast



This coastal area lies between Cape Town and the Garden Route and includes the wealth hotspot of Hermanus, as well as the seaside villages of Betty's Bay and Rooi Els. This region is the fastest growing area in South Africa for high-net-worth individuals.

Prime suburbs in South Africa

South Africa's most exclusive suburbs and streets are shown in the table opposite. Although Cape Town suburbs dominate the list, it should be noted that square meter prices in certain parts of Hermanus and Plettenberg Bay are beginning to catch up with those in the Mother City.

South Africa is home to some of the world's most upmarket residential areas including Clifton in Cape Town, Beachy Head Drive in Plettenberg Bay, and Sandhurst in Johannesburg.

3,700

According to New World Wealth's latest figures, there are approximately 3,700 homes in South Africa that are valued at over USD 1 million (as at December 2022). By this measure, South Africa ranks as one of the 20 largest prime residential markets in the world, well ahead of the other countries in Africa and in line with big emerging markets such as India and Brazil.

40%

Just over 40% of South Africa's million-dollar homes are located in the 'Prime 7' suburbs of Cape Town, namely Bantry Bay, Bishopscourt, Camps Bay, Clifton, Constantia, Fresnaye, and Llandudno.

Suburb/Street	ZAR per square meter	USD per square meter
Most expensive suburbs in South Africa (all are in Cape Town)		
Clifton	88,000	5,200
Bantry Bay	82,000	4,800
Fresnaye	60,000	3,500
Camps Bay & Bakoven	54,000	3,200
Llandudno	52,000	3,100
Most expensive streets/suburbs (outside Cape Town)		
Beachy Head Drive, Plettenberg Bay	38,000	2,200
Eastcliff, Hermanus	37,000	2,200
Lagoon Drive, Umhlanga	36,000	2,100
Kwaaiwater, Hermanus	34,000	2,000
Central Sandton	32,000	1,900

Notes: Refers to the typical square meter price of a top-end 200 to 400 square meter apartment/villa in street or suburb. Figures for December 2022. Translated at ZAR 17.01/USD. Source: New World Wealth

South Africa's up-and-coming wealth hubs

In 2023, especially strong wealth growth is expected in the following towns.

Plettenberg Bay and Keurboomstrand

Plettenberg Bay (known as 'Plett') is a major wealth hotspot on the Garden Route. After Johannesburg and Cape Town, it is the top location in South Africa for ultra-luxury homes, with approximately 350 homes valued at over USD 1 million (as at December 2022). Plett has seen a big rise in permanent residents over the past few years, which has boosted its wealth. Keurboomstrand, located just next to Plett, is also expected to see exceptional growth over the coming decade.

Hermanus

Traditionally seen as the safest and best run town in South Africa, Hermanus holds great appeal for high-net-worth individuals and is also an increasingly popular retirement destination. Affluent parts of Hermanus include Eastcliff, Fernkloof Estate, Kwaiwater, Onrus, and Voëlklip.

Nature's Valley

Located on the Garden Route, about 30 minutes east of Plettenberg Bay, Nature's Valley is a hidden gem. The forest and lagoon are relatively untouched, making it a paradise for nature lovers, and no motor boats are allowed on the lagoon – which is a popular spot among canoeists.



The rise of apartment living in South Africa

When it comes to price growth, luxury apartments have been the best performing residential segment in South Africa over the past decade, as many buyers have moved away from houses. Apartments in Hermanus, Plettenberg Bay, and Umhlanga have all performed especially well over this period. Possible reasons for the trend include:

- Running costs** Municipal rates tend to be lower on apartments than houses.
- Safety and security** Apartments generally only have one access point, which makes them safer. They also usually have security guards at the entrance.
- Maintenance** Apartments are smaller and usually easier to maintain than houses.

Some of South Africa's top luxury apartment complexes include:

The Oysters	Umhlanga
V&A Marina Apartments, Waterfront	Cape Town
Eventide, Clifton	Cape Town
San Michele, Clifton	Cape Town
Melrose Arch, Sandton	Johannesburg
The Houghton, Houghton	Johannesburg
The Bantry, Bantry Bay	Cape Town
The Water Club, Mouille Point	Cape Town
The Hermanus, Eastcliff	Hermanus
De Meermin	Plettenberg Bay



Millionaire growth rates: Comparing South Africa, Africa, and the world

The graph opposite compares how South Africa's high-net-worth individuals have performed relative to those in Africa and globally over the past decade (2012 to 2022) in US dollar terms. It also reviews the performance of the MSCI World Equity Index, which significantly outperformed the JSE All Share Index over the past decade (in USD terms).

Key findings

MSCI World Equity Index

The MSCI World Equity Index rose dramatically during the review period – from 1,320 at the end of 2012 to 2,603 at the end of 2022. The index had a poor past year, however, as it dropped back almost 20% in 2022.

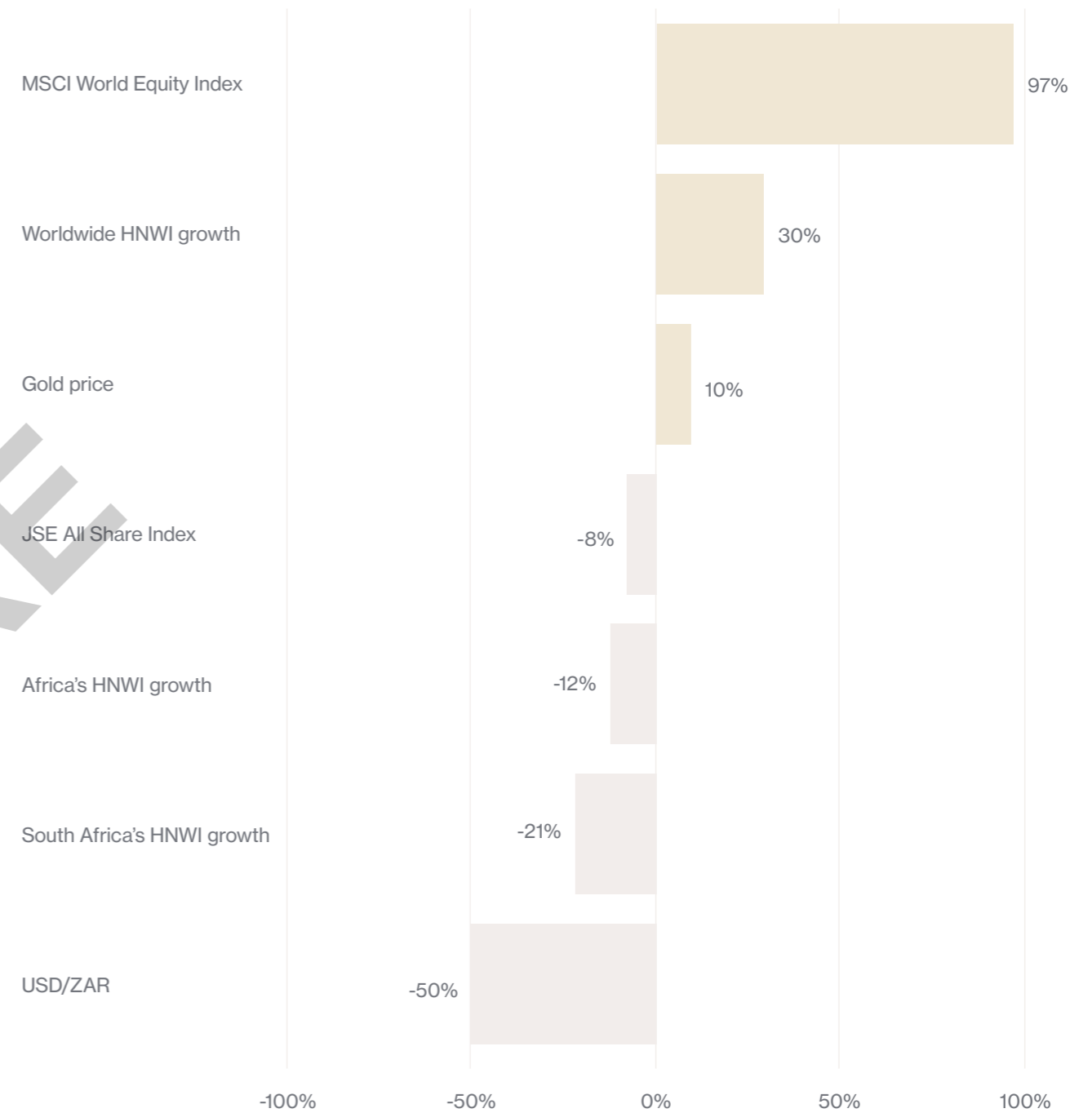
JSE All Share Index

South Africa's main stock market index, the JSE All Share Index was up by a healthy 86% in local currency terms, rising from around 39,250 at the end of 2012 to 73,048 at the end of 2022. However, when measured in US dollar terms, the index was down by 8%.

South African Rand versus US Dollar

The South African rand depreciated against the US dollar by 50% during the review period, from ZAR 8.45/USD at the end of 2012 to ZAR 17.01/USD at the end of 2022.

US dollar indices



Sources: MSCI World Index – Markets by Business Insider,⁴ HNWI growth rates – New World Wealth (see Research and methodology section at the end of this report), Gold price – The Economist,⁵ JSE All Share Index – Trading Economics,⁶ USD/Rand – Daily Investor.⁷

Key drivers of wealth growth

Based on our research, the top factors that encourage wealth growth in a country include:

Strong safety and security

The safety levels in a country and the efficiency of the local police are probably the most critical factors in encouraging long-term wealth growth. According to New World Wealth's in-house safety index for 2022, Mauritius ranks as the safest country in Africa, followed by Namibia.

Growth in key sectors

Most industries boost GDP, but very few boost wealth. Generally, only industries that bring new money (foreign exchange) into a country help to build its wealth. Notable examples include export sectors such as tech, mining, and manufacturing, and tourism sectors such as luxury hotels and lodges.

Media freedom

It is important that major news outlets in a country are neutral and objective. A well-developed financial media is especially important as it helps to disseminate information to investors. South Africa scores strongly in this aspect.

Robust ownership rights

Zimbabwe stands out as a case study of the consequences of taking away the legal ownership rights of individuals – once assets are stripped away they tend to devalue because potential purchasers become no longer willing to risk buying and/or investing in property.

A well-developed banking system and stock market

Ensures that individuals invest and grow their wealth locally. Kenya, Mauritius, and South Africa all score strongly on this point.

Tax rates

Globally, the UAE, Mauritius, and Singapore are examples of the power that tax rates can have in encouraging business formation – all have very competitive tax rates.

Wealth migration

The migration of high-net-worth individuals to a country increases foreign exchange inflows, boosting wealth growth.

Wealth versus GDP

We consider wealth to be a far better measure of the financial health of an economy than GDP. Reasons for this include:

- In many developing countries, a large portion of GDP flows to the government and therefore has little impact on private wealth creation.
- GDP counts items multiple times. For instance, if someone is paid USD 100 for a product/service and they then pay someone else that same USD 100 for another product/service, the two transactions add USD 200 to the country's GDP, even though only USD 100 was produced at the outset.
- GDP ignores the efficiency of the local banking sector and the local stock market at retaining wealth in a country.
- GDP largely ignores the impact of property and stock market moves, yet these two factors clearly have a significant impact on wealth.
- GDP is a fairly static measure that tends to move only slightly year on year and, as a result, it is not a sufficiently true and adequate gauge of the performance of an economy.

Wealth figures, on the other hand, have none of these limitations, making them a far more accurate gauge of the financial health of an economy than its GDP figures.



Research and methodology

The *Africa Wealth Report* is published by *Henley & Partners*, the global leader in residence and citizenship by investment, in partnership with wealth intelligence firm *New World Wealth*.

About New World Wealth

New World Wealth is currently the only known independent wealth research firm systematically tracking global wealth migration trends between countries and cities. The firm was established in 2013 and has been tracking the movements and spending habits of the world's wealthiest people for almost a decade.

New World Wealth has an impressive track record in providing robust, reliable wealth data and insights for key publications, such as *AfrAsia Bank's Global Wealth Migration Review*, *Knight Frank's Wealth Report*, as well as *Henley & Partners' Centi-Millionaire Report*, *USA Wealth Report*, and the *Henley Wealth Migration Dashboard*. The firm's reports and findings have been referenced by

the Australian and UK governments, as well as by global news outlets such as the *BBC*, *CNN*, *Forbes*, and the *New York Times*.

New World Wealth has a sample of over 150,000 high-net-worth individuals in its in-house database, with a special focus on individuals with over USD 10 million in investable assets. The database is focused on affluent individuals with the following work titles: chairperson, CEO, founder, director, and president. This data forms the basis of all New World Wealth's country and city private wealth and wealth migration modeling.

For more information on New World Wealth, please visit newworldwealth.com

About Henley & Partners

Henley & Partners is the global leader in residence and citizenship by investment. Each year, hundreds of wealthy individuals and their advisors rely on our expertise and experience in this area. The firm's highly qualified professionals work together as one team in over 40 offices worldwide.

The concept of residence and citizenship by investment was created by *Henley & Partners* in the 1990s. As globalization has expanded, residence and citizenship have become topics of significant interest among the increasing number of internationally mobile entrepreneurs and investors whom we proudly serve every day.

The firm also runs a leading government advisory practice that has raised more than USD 10 billion in foreign direct investment. Trusted by governments, the firm has been involved in strategic consulting and in the design, set-up, and operation of the world's most successful residence and citizenship programs.

For more information, visit henleyglobal.com

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