

## viva espana or is it?

Contributed by Helene & Ann

### Viva España or is it?

Each year thousands of people move to Spain in search of a better life. Over the last few years there has been an array of television programmes in the UK, which have portrayed a glossy, sun drenched and relaxed way of life, that is so appealing. But without the right planning, it can be a case of Spain, Sun, Sea and more debt!

Everything seems so easy, from finding a property at the right price, to finding work and 'fitting in', to the new lifestyle. It all looks so simple, especially when the skies are gloomy and grey and the cost of living seems to be so expensive in Britain.

Families want a better environment to bring their children up and retired couples want their savings to go further. All arrive in Spain with great expectations and enthusiasm and most find what they are looking for.

However, more often than not, the reality is that many don't and for those people the main reason is, things have not worked out as they had hoped. 'Things' being money!

But, and this is a big 'BUT', with a little common sense and few cost cutting measures the future can live up to their expectations.

Like many of these 'Ex-pats' Ann Hobbs, 54, from West London, moved to Spain some years ago. Having lived abroad previously in France, she was already wise to the simple mistakes people make when moving abroad. Ann's credentials in money matters started with an MBA Masters degree and in the UK she was as an accountant, with roles as Financial Controller and Director; latterly for a large private company in the South East. She also spent two years as presenter of an hour long weekly business programme on the south cable channel Thames Valley Television. The programme reviewed current business trends and personal financial issues as they related to the 250,000 potential viewers.

Now, having been in Spain for a couple of years and seeing the increase in recent times of British people making the move to Spain, then making the same mistakes again with money; she is keen to pass on her knowledge and guidance in these matters. (more to follow)

She says, 'Most people buy a property of some kind that needs some reforming. And even if it is ready to move into there are always those 'unexpected' expenses, like furniture, white goods and decorating to name the obvious'.

She added, 'The result is, RESERVES DWINDLE! Very quickly and suddenly the dream disappears and reality kicks in.'

The reality is that living in Spain is only about a third cheaper than the UK. Now that may sound like a healthy margin and for some it is. But once you have spent your reserves or can't find work; what it can mean is a very dismal penny pinching existence'.

So what is the answer?

'Well, to help you make the transition it is all in the planning. The same rules apply as in the UK, common sense', Ann says.

Her advice is simple, 'Be honest about your spending. Once you have made the move, living in Spain is for keeps so stop spending like you are on holiday - you are not. Stop looking at prices in Euros and converting them into Pounds, they may seem cheaper, but you are now living in 'Euro-land' so look at your Euro income.'

She goes on to say, 'Don't arrive in Spain and expect to get a job immediately without any knowledge of the language. You need to be able to speak Spanish. If you want to run your own business, do not think it will be easy to set up and that the work will come flooding in. Result - IT DOESN'T. And for those of you who have retired, I understand that all you want is a nice house and an easy life in the sun making your pension stretch a lot further than it would in the UK - Result - IT WON'T. All British come to Spain expecting the cost of living to be much cheaper. Result - IT ISN'T.'

Here are some of Ann's 'top tips' to help you and your finances stay in check.

Stop buying designer labels. Its quality of life you're looking for not names on labels. In fact stop spending!

Make a truthful list of all your outgoings. Carry it through for a period of twelve months. It may seem rather a long time

but it is the only way to truly see what your situation is. Make sure you include everything, evenings out, visits to the coast. If you don't then you will not be able to set your life in Spain on an even footing.

Look at your actual income. Do not include any income that is not 100%. Potential this or probable something else is no good. Real money is the only thing that counts. Now take one from the other and you will probably be very surprised at the difference between the two.

If you have a mortgage, look at reducing the rate either by changing banks or speaking to the manager. You may be able to stretch the term. You can have a mortgage up to age 70 in Spain. But don't take on more debt. The idea is to live within your current means. Also check transfer rates from the UK and interest on savings.

Beware of taking on a Spanish credit card "just to ease the demand on your cash". They are as expensive as in the UK. Taking on another debt to pay off the first is not a good move. Rates may look attractive but they relate to Euros.

Trips to the UK when flights seem cheap. Add the cost of getting to and from the airport and spending money. The answer is not to go. You live in Spain now not in the UK.

With more time to relax it's easy to wander the shops and local markets or take a trip to the coast. This costs money. The best place to save money is at home.

Pace yourself, keep to budgets and you will stay out of debt. It is much easier to keep to a budget than to get out of debt whatever country you live in. If you want trips out then budget for them. Spain is a good country to live in. With your spending under control it is also a wonderful country to enjoy!

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