



SUNSET MIGRATION: retiring to Spain

Introduction

In the mid-20th century, older people began choosing to spend their declining years in more pleasant surroundings such as coastal and rural areas in the south of England and Wales, where the climate is milder. More recently, cheaper flights to European destinations made France and Spain more attractive; as people can 'churn' between countries more easily the Spanish Mediterranean 'costas' are especially popular. There is now a relatively affluent, healthy and mobile older generation who are retiring early and migrating to warmer environments.

At least one in five British people say they would like to retire abroad if money was no object and one in ten British people aged over 55 do live abroad. Spain has the largest contingent of foreign retirees in Europe; it is the most popular holiday destination for British people (over 10 million in 2002) and so is the most popular destination for 'leisure-oriented senior migration' or 'sunset migration'. The increased affluence of British people, the strong pound (until 2008) and rapidly rising house prices in the UK, have enabled people to sell up and migrate to Spain where property prices have been considerably cheaper.

An older and wealthier sending population

Older people outnumber younger people in Britain. Medical progress and improved diet has enabled life expectancy to increase while people have been retiring earlier. A combination of state and private sector pension schemes, and the increasing affluence of the population overall, enables many older people to enjoy financial security.

Some facts:

- In 1951, 11% of the population were aged 65, now it is 16%, and by 2031 it will be over 22%.
- In 1951, 92% of men aged 50-64 were working, now it is 73%.
- In 1951, one in three men aged 65 or over were still working now it is less than one in ten.
- Between 1971 and 1999, life expectancy rose from 69 to 75 in males and from 75 to 80 in females.
- Between 1980 and 1996, household disposable income rose by 276% for the 55-64 age group and 299% for those aged 65 and over.

Information on UK social security old age pensions paid overseas show that this population is growing. There were a quarter of a million recipients in 1981, and this number grew by 1999 to some 798,000 British retired people who were receiving their state pensions at an overseas address, and by 2007 this had risen to 1.5 million.

Table 1 shows that the age structure of British residents in Spain differs markedly from the sending population.

Table 1: Age structure of British population in Spain in 2006

Age group	Britons in Spain (%)	UK population (%)
0-14	9.5	17.7
15-24	4.9	13.2
25-44	24.7	28.3
45-64	39.4	24.7
64+	21.5	16.0

A growing receiving population

The population of Spain is growing rapidly, from 39.7 million in 1998 to 46.1 million in 2008, mostly due to in-migration. According to the Spanish government there were 4.5 million foreign residents in Spain in 2007, over ten percent of the population. The British contingent forms the fourth largest group of foreigners. There were 352,000 UK nationals registered as resident in Spain on 1st January 2008 but this is only a fraction of those actually living there. The exact numbers of British residents in Spain is difficult to count as many people do not bother to register 'on the padrón', the Spanish census. EU retirees moving to Spain are required to apply for a residence permit but not everyone does, so the data on numbers of foreign residents varies considerably between different sources. Furthermore, there is a migration continuum from permanent international migrants through to second-home owners and seasonal migrants, making it difficult to distinguish them. The figures given in Table 2 are, therefore, approximate.

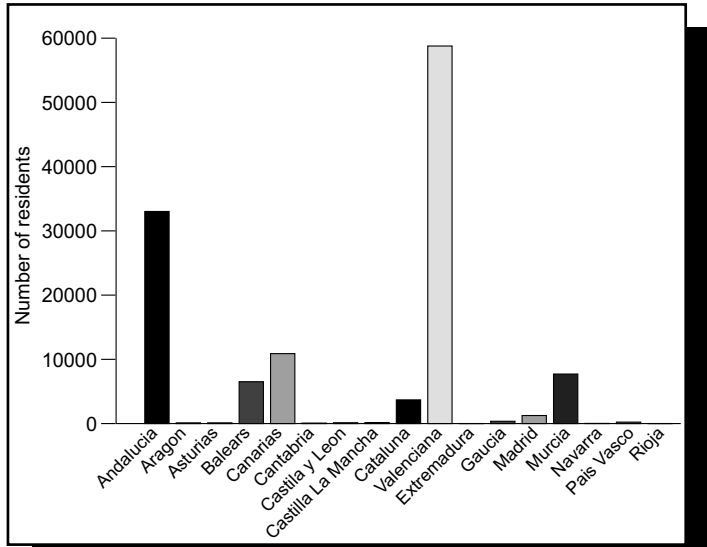
Table 2: Numbers of British people living in Spain in 2006

Total full-time residents	Including part-time residents	Pensioners
761,000	990,000	74,636

The UK Foreign Office works under the assumption that more than one million Britons are living most or all of the year in Spain and it is estimated that over 750,000 British people own properties in Spain. In many places across the sunny south and east of the country, Britons now outnumber Spanish residents, as they tend to cluster in 'ghettos' for English speakers.

Retirement migration is spatially significant because it is concentrated in a few provinces (see Figs 1 and 2). Two Spanish provinces, Alicante on the Costa Blanca and Málaga on the Costa del Sol, account for more than 50% of British residents. The Alicante district has the greatest concentration of Britons anywhere outside the UK. Recently, the fastest-growing area has been the south-eastern province of Murcia (Costa Cálida) where new resorts are springing up in one of the driest corners of Spain.

Fig. 1 UK residents aged over 55 years living in Spanish provinces.



Source: Instituto Nacional de Estadística 2006. <http://eurowatch.blogspot.com/2008/06/non-spanish-population-resident-in.html> accessed 04/08/08 NB: These figures only show those residents who were officially registered, the actual numbers are considerably higher.

Fig. 2 The location of the Spanish costas and provinces.



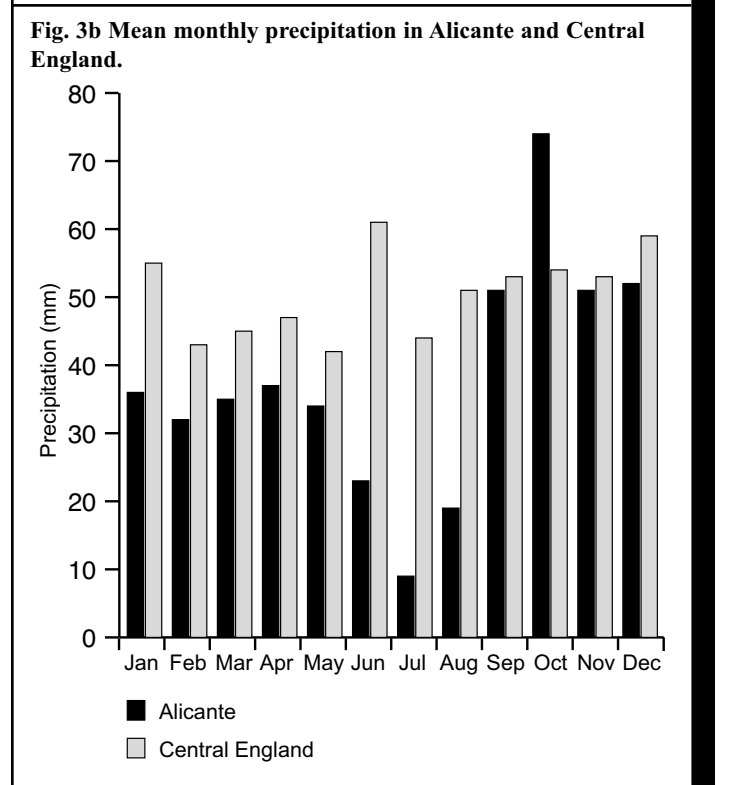
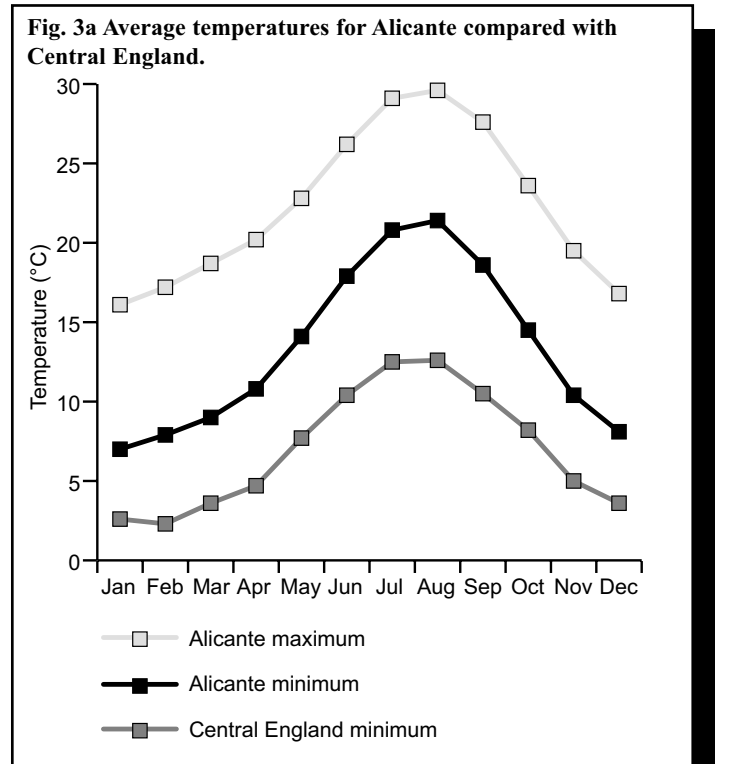
The push and pull factors

Recent surveys of retirement migrants found that the most popular reasons for moving abroad included:

- Climate and environment
- Pace of life and health
- Lower living costs
- Social advantages
- Admiration of the country and its lifestyle
- Cheap flights back home
- Antipathy to the UK

Climate is the most important factor for retirement migrants to Spain, which typically has hot and dry summers and mild winters. The most popular European retirement migrant destination – the Costa Blanca – has 320 days of sunshine per year on average. The graphs (Fig. 3a and 3b) show the temperature range of the Costa Blanca compared to the UK average and the average monthly precipitation totals. Many older people find this milder and drier climate more favourable to their health and they can cope more easily with the slower pace of life.

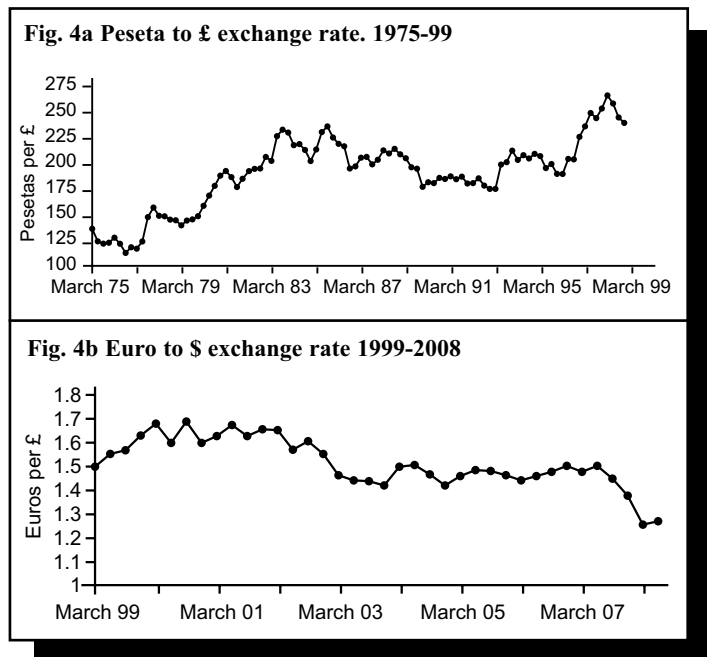
Fig. 3 Climate data for the Costa Blanca compared with Central England.



Sources: www.worldweather.org/083/m083.htm & www.metoffice.gov.uk/climate/uk/averages/index.html

For most of the last 30 years, there has been a good exchange rate with the Spanish currency (the peseta until 1st January 1999 when Spain changed to the euro; see Fig. 4). This has enabled Britons to buy property and live in Spain relatively cheaply. Developers have targeted this market with estates of villas and apartments on the Costa Blanca, the Costa del Sol and elsewhere, built especially for British migrants and second-homers. Indeed, there has been a tendency to create separate ex-patriot communities of British, German and Scandinavian immigrants. There are social advantages for people from similar cultural backgrounds to cluster together in enclaves. Ex-patriots live in their own communities and attract businesses catering for their tastes (providing, for example, typical English food: fish and chips and cooked breakfasts).

Fig. 4 Exchange rates between Britain and Spain, 1975 to 2008.



Source: www.bankofengland.co.uk

Table 3 Living cheaply in Spain in 2007.

Electricity:	about £30 per month for two people, increasing by 30% or more during summer with air conditioning. <i>In the UK it is £35 per month.</i>
Gas:	for two people with a gas water heater and cooker is also about £30 per month. <i>In the UK it is £55 per month.</i>
Water:	about £11 per month but will be four or five times more for a swimming pool and garden. <i>In the UK it is £28 per month.</i>
Local taxes:	may be less than £190 per year as most amenities paid for by the council tax in the UK are covered by a regional component of income tax in Spain. <i>In the UK the council tax is an average £115 per month.</i>
Food:	for two will be around £265 per month, while the average cost of dinner out in non-tourist areas is around £10-15 and a set-price lunch is typically £5-7.

The lifestyle (at least according to the promotional literature) is one of sun-bathed leisure: swimming, playing golf, walking, tennis, and water sports, fiestas and siestas. An international retirement industry has grown by marketing of destinations to pre-retirees offering packages and assistance not only to buy homes abroad but also to furnish them, and to move pets and cars overseas. For second-homers or visits to or by family living in Britain, there are regular and very cheap flights from Malaga, Alicante and other regional airports to Britain with flight times of only two to three hours.

Antipathy to life in the UK is almost a reverse picture to the perception of life in Spain. The cost of living is higher and the pace of life faster in Britain, also crime and a youth culture perceived as threatening are regarded as push factors. Since Spain became a member of the European Union in 1986, and the Single European Act in the same year enabled free movement of people between the member states, the pull factors have proved irresistible to many.

Returning home

There is a return migration flow: as people grow older, they are choosing to return because:

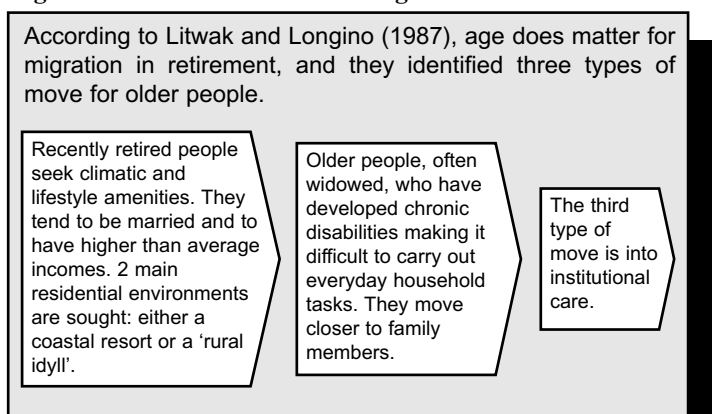
- they miss their family
- they need health care
- their money is no longer enough
- their partner has died
- they need help with daily tasks

At first, people retiring abroad imagine that they will see their family regularly during school holidays, for example, but as time passes they may miss important events in the lives of their grandchildren. Even the advent of ICT and Skype cannot compensate for being there.

Many older people return to the UK for healthcare. Pensioners, the employed and officially registered residents in Spain are entitled to free medical treatment under an agreement whereby the UK pays a set sum each year per person. But they often find that the wide range of facilities available to them in the UK is not on offer in Spain; services such as meals on wheels or daycare centres are less common as traditionally Spanish families takes greater responsibility for care of their elderly relatives.

Private health insurance is widely available and on the costas, at least, there are many schemes specifically aimed at British residents, although prices vary depending on the age and sex of the beneficiary. This became more necessary in 2008 when the UK Department of Health stopped free NHS care for British ex-patriots visiting the UK. Many people are now finding that their savings are running out and their pension no longer covers their expenses, especially if they have rising healthcare costs. This is in part because their pensions are paid in pounds sterling and, since the 'credit crunch', the pound buys fewer euros (see Fig. 4).

Fig. 5 The life-course model of migration.



Source: Adapted from Litwak E, Longino C F, 1987, "Migration patterns among the elderly: a developmental perspective" *The Gerontologist* 27, pp266 – 272.

The dream turns to nightmare

British people who emigrated with dreams of a carefree retirement are returning home in increasing numbers. The push factors causing them to leave Spain include:

- Corruption among planning officials that could result in properties, especially at the coast, being demolished.
- Rising crime and noise pollution.
- Older ex-patriots living in squalor due to the lack of care provision.
- An influx of too many Britons anglicising the local culture.
- Rapidly falling property values which mean that houses bought at very high prices in 2005-7 are now worth much less.

The building boom of the past 20 years, with up to 800,000 houses being built each year, has stalled as the authorities have started to combat illegal building, corruption and damage to the environment. Sales of Spanish properties to foreigners are down by more than two-thirds. In several resorts, council officials have allowed building to go ahead without planning permission, sometimes in conservation areas, and there are many cases of corruption.

The entire town council of Marbella on the Costa del Sol was dismissed in 2007 and 50 officials were accused of corruption in connection with the building of 30,000 illegal houses. In Catral on the Costa Blanca some 1,300 illegal homes were built on farmland without permission and the regional government is planning to demolish these properties. People who had bought such properties in good faith are losing their home without recompense and even being asked to pay the demolition costs.

Less favourable exchange rates, a glut of properties on the market, and news of illegally building have put off potential buyers so British ex-patriots desperate to return home are having problems selling their Spanish homes. Consequently, house prices are falling, in some places by as much as 60%.

From the Spanish viewpoint – the benefits and costs of retirement migration

In the 1960s, Spain was still a developing country. The decision to increase its income through industrialisation and tourism has been very successful; a significant portion of the country's wealth and employment comes from tourism enabling substantial investment in infrastructure. In the last 30 years, Spain has been one of Europe's fastest growing economies and tourist development has transformed many small Mediterranean fishing villages.

The income derived from housing development has been substantial; 135,000 Spanish coastal properties were bought by foreigners during 2003 (about half of whom were British) for an overall value of 7,167 million euros (about £4,778,000). There were tens of thousands of jobs in construction and estate agencies, and many businesses were founded to provide services to foreign residents such as laundering, gardening, cleaning, car hire, and pool maintenance as well as specialist retail.

On the other hand, there has been substantial loss of greenfield land, damage to conservation areas, and the local way of life has been overwhelmed. Affluent immigrants have created problems, for example, much of the east coast of Spain has less than 250mm of rainfall a year, this makes it an arid region vulnerable to water shortages. Raw sewage flows in to the Mediterranean and infrastructural development lags behind house building.

Adverse socio-economic impacts of the growth of self-contained immigrant communities include:

- the potential to encourage xenophobia
- inflated local property prices
- lack of social and medical facilities for ageing migrants
- rising local healthcare costs
- political influence in municipal elections

Conclusion

Despite the current slow-down in the market, retirement migration will continue to grow as people live longer, aided by increased affluence and further developments in telecommunications and transport. But this migration impacts on the local natural, cultural and socio-economic environment. According to Russell King (2007), retirement abroad is a 'life-enhancing strategy', with better health and increased longevity due to a warmer climate and outdoor activities, a wide circle of new friends, and a lower cost of housing and living. But also 'people who move abroad in later life are placing themselves at risk due to social isolation from established personal networks, and may become especially vulnerable when they fall ill or lose their partner'.

Source of quote: Introductory notes by Russell King to Lecture 8 on Sunset migration: migration as lifestyle, Course Code R9003, Contemporary European Studies: Europe and International Migration, Autumn Term 2007, University of Sussex

Questions for discussion

- Should the regional authorities encourage or discourage property development for immigrants?
- How well integrated into the local Spanish community are the migrant retirees?
- What are the planning implications of the growth in international retirement migration?
- What are the longer term environmental consequences of property development on the costas?

Some useful websites

- www.spainexpat.com
- www.euroresidentes.com
- www.ine.es/prodyser/pubweb/indisoc03/pob_extranjera.pdf
- <http://iaea.org/inisnkm/nkm/aws/eedrb/data/ES-gd.html>
- www.bbc.co.uk/weather/world/country_guides
- <http://epp.eurostat.ec.europa.eu/portal>

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