

ITV: Spain - Paradise Lost

What They Failed To Mention

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Eye on Spain

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:: Introduction

I have just finished watching both episodes of ITV's Spain: Paradise Lost documentary streaming via the ITV website. I had to watch it after seeing so many comments about the programs on various forums.

If you haven't had the "pleasure" of watching it then let me tell you what it's about or can you guess for yourself?

The program follows the lives of several people who have moved to Spain and bought a property or set up a business here. It looks at how the "Spanish dream" has literally turned into a nightmare for them.

So why am I writing this report?

There are two reasons really.

1. I can't help myself.

As I watched the program I kept thinking that there was some very good editing going on and they didn't answer many of the questions which I kept asking myself. I want to provide some advice on the different issues raised so that people don't make the same mistakes. Maybe I'll suggest to ITV that they do the same next time they want to pull Spain apart again.

2. I can empathise with the people in the program.

As many of you know next Tuesday (30 June 2009) marks our five years in Spain and we've been through a lot of the problems which the people in the program faced. I think I'm in a good position to provide some advice on these subjects.

So what will you gain from this report?

The idea is that I can give a real perspective of the cases featured in the ITV program and give some helpful advice to those looking to move to Spain or to buy a property here. I hope to expand on some of the comments and "lessons learnt" from the show and give you some real practical advice.

So here goes...

:: Spain A Paradise? Since When?

I really think the title of the ITV program sets it off with the wrong connotation. Since when has Spain been considered a paradise?

Wikipedia defines paradise as:

"Paradise is an idealized place in which existence is positive, harmonious and timeless. It is conceptually a counter-image of the miseries of human civilization, and in paradise there is only peace, prosperity, and happiness. Paradise is a place of contentment, but it is not necessarily a land of luxury and idleness. It is often used in the same context as that of utopia."

Spain is a country like any other. If anyone considers Spain as a paradise then they will be sorely disappointed when they arrive here.

Most people that move to Spain have to work, they have to deal with the nightmare which is Telefonica and struggle along with a language which the majority of expats fail to master.

"Living the dream" is certainly not like "living in paradise". For most people moving to Spain is a dream. They want to change their life in some way or another and many believe that moving to Spain is the solution to a problem.

So now I'm sounding just as negative as the ITV program! That's not my intention but as I go through the different cases covered by ITV you will see that a lot of the issues that these people have suffered could have been avoided. We actually cover most of these issues in our new Spain Uncut DVDs

www.spainuncutvideos.com

Let's go through them and see what was done right and what was done wrong.

:: Spain: Paradise Lost Part 1

Darren the Estate Agent

Episode 1 kicks off with Darren the estate agent telling us how he loves to help people fulfill their dreams. Hmm, I'm sure he does but unfortunately many agents have not done themselves any favours over the past few years and you are left wondering whether he really does enjoy helping people realise their dreams or if he just enjoys the commissions he gets at the end of it.

Still, to be fair I don't know and we didn't see enough of him to be really able to tell but that's a little of how he came across. Mind you, one of the other agents featured later on in the episode really didn't come across well at all...but we'll come to him in a moment.

Mandy from Bradford

The program then swung to Mandy from Bradford who was looking to buy a real distressed/bargain/reduced property on the Costa del Sol. I really felt Mandy had her head screwed on properly as she really wasn't going to budge on anything unless she was going to pocket an absolute bargain.

This is where our next estate agent comes in, Bob from Bargain Quality Homes.

Mandy is shown a penthouse apartment around the back of Marbella which the agent reckons is the best thing since sliced bread. He keeps saying that the beaches are the best in the area (err, I disagree) and that Nikki Beach is just down the road. He failed to mention that you'll need a small mortgage just to buy a sangria there.

Bob the Estate Agent

Bob then totally shocked me by "getting all heavy" with Mandy. I can't believe some agents are still trying the old techniques. He told Mandy that these apartments at these prices won't be on the market for long so she better hurry and they won't reduce the price any further so don't even think of trying to haggle! I'm sorry, has he not realised that the market has ground to a halt?

There are no longer bus loads of foreigners ready to hand over their life savings.

I bet you anything that those apartments are still on the market today!

Total respect to Mandy, she was not impressed and decided to keep looking. Go girl!

Inez Rix from Direct Auctions

I like Inez. She's one of the most decent estate agents I've ever met on the Coast. Saying that, I don't think Inez was really portrayed in the way that she really is. They sort of made her come across a little greedy which isn't at all the way she is.

Inez did make some very good and honest comments about the fact that the property boom was fueled by human nature wanting to make the most of a situation. She also talked about banks being irresponsible and I loved her comment that "if you had a pulse and a passport you could get a mortgage".

That really was the case then, although it's a very different situation today.

There are very few cranes still working away and to get a mortgage you will need considerably more than a pulse now. The banks have tightened things up, maybe a little too much, and it is causing a problem for those who genuinely do want to and can afford to buy in Spain today.

We actually cover this subject in detail in video number 11 of Spain Uncut, www.spainuncutvideos.com

David from Manilva Beach

If you're reading this David then I'm sorry, I find it difficult to feel sorry for the situation that you are in. That may sound harsh but at the end of the day when you invest in something you are essentially taking a risk. You are gambling with your money and you have to be able to afford to lose it or not risk it at all.

David was sold an apartment off plan at the notorious Manilva Beach complex on the Costa del Sol. I know who the agents were who sold it and David said that when he paid his money over to the agent, he had never even been out to look at the area or the proposed location of the development.

Come on, would you really hand over your life savings without even doing some proper research?

Was it greed? The agent had told David that the apartment would be worth loads more when it was built making him a nice sum of money for very little effort.

Don't get me wrong, a huge number of people made astonishing amounts of money by selling their properties just before the market collapsed. They took a risk and it paid off handsomely. Others were far less fortunate losing their entire savings, especially those where the agents had convinced them to buy three properties and then sell two of them before they were completed to pay for the third. This was very common practice going back just 3 or 4 years.

Although I do feel sorry for David in that he was probably totally sucked in by a very good salesman, the fact is that he took a risk and it didn't pay off. He's

now over 70,000 pounds out of pocket and cannot even sell the apartment for a fraction of what he paid for it.

David mentioned that he hadn't been able to rent it out much either to try and cover the mortgage costs. This was not covered much in the program but what has David done to try and rent out his property? Has he proactively marketed it on various websites and in his pub back in the UK (he is a pub landlord)? In Lisa Kilkenny's e-book, Fully Booked www.fullybookedabroad.com, she compares renting out your property to running a business. You have to work it, especially these days as there is so much competition.

I do hope that David does find a way out soon as he seems like an honest and normal guy for whom buying in Spain has really turned into a nightmare, although it seems he was buying more for the investment opportunity than following a dream. He was certainly unfortunate in choosing such an awful agent.

There are very few off plan developments these days so it is going to be much more difficult to be affected by build delays and build problems and dodgy off plan agents! However, when buying a property in Spain just follow these simple steps and you can't go wrong:

1. If you can't afford it just don't do it! If you want to live here then simply rent, there's plenty of choice.
2. Use an **INDEPENDENT** lawyer to check out contracts and licences for you.
3. Pay your deposit using a credit card so that you can easily get it back.
4. Don't believe everything an estate agent tells you, their job is to sell you a property!
5. There are loads of properties on the market so take your time and **DO YOUR RESEARCH.**

We discuss all this in further detail in video number 10 of Spain Uncut, www.spainuncutvideos.com

Wally at Colinas de la Zenia Elite

I very much felt for Wally. He really is living a nightmare in Spain.

Wally and his neighbours bought off plan on a complex which they believed (and was sold as) a true dream lifestyle in Spain. The reality couldn't be more different.

As times have toughened the developer has totally vanished, is no longer in business and has left the complex half finished. Live high tension cables exposed, horrendous sewage issues, no gardens or pools in use and it's still a building site in many places.

Wally has even taken it upon himself to finish building the urbanisation.

This could literally take him years and he's supposed to be retired.

The town hall appears to have been close to useless too (no surprises there then) especially in not sorting out the sewage issues which causes all the sewage to run along the road and onto the beach when it rains. Nice!

I am constantly moaning about the fact that we don't have street lights and our streets never get cleaned, but after watching this I feel we've been lucky that those are our only issues.

Now, at this point I was expecting someone to ask Wally and his neighbours why he moved in at all.

Firstly, on a new development you should never complete on the property until it has the licence of first occupation. Looking at Wally's urbanisation there is NO

WAY that could have the licence yet. Most banks won't actually let you have the mortgage without the licence and also without it you can't connect to proper mains electricity and water.

So why did Wally and his neighbours complete on the property? It doesn't make sense to me after seeing how unfinished it all is.

There is a valuable lesson there for anyone still waiting to complete on their off plan property. **DON'T DO IT UNTIL YOUR LAWYER HAS A COPY OF THE FIRST OCCUPATION LICENCE!**

We actually cover this topic in video number 10 of Spain uncut, www.spainuncutvideos.com

Phil & Nicky and their Huge Mortgage

The last couple featured in the first part of the program were Phil and Nicky who had bought a huge villa with an equally large mortgage (3000 Euros per month) which they could not afford to pay.

Their comment that "it was easy to get a large mortgage" makes me think that perhaps they didn't use the most legitimate method in obtaining a mortgage, as did many others. I'm not saying they did but it was quite common up until last year to "just need a pulse and a passport" and know the right person to get whatever mortgage you wanted.

To me this couple seem to have simply over-committed. They just totally loved the house and wanted it and they did what they felt was right at the time to get it. This isn't really a "Spain" issue, it just seems that they set their sights too high and the banks made it way too easy for them to achieve that goal.

The main lesson here again is if you can't afford it then don't do it.

To be honest though, when we first put a deposit down on an apartment in 2003 we couldn't afford it either! We really shouldn't have done it but we did and somehow we managed to follow it right through to completion, which was a miracle.

We talk about this in videos 3 and 10 of Spain Uncut,
www.spainuncutvideos.com

Spain: Paradise Lost Part 2

Let's move on now to the second episode of Spain: Paradise Lost.

This episode kicks off in the area of La Marina on the Costa Blanca where, allegedly, the British outnumber the Spanish 4:1. I have never been to the area but that figure seems incredibly high. Is it really like that?

Top tip: If you want to learn Spanish in Spain don't move to La Marina!

In fact, some of the British residents interviewed said that they could buy all their British products there and that there was "no need to learn Spanish". The program commentator called it "Little Britain".

I really think the program made all these people seem somewhat ignorant. La Marina wouldn't be for me but if they are happy living in an expat community in Spain then so be it. They aren't harming anyone and on the contrary, most expats have probably brought a considerable amount of money to the area. If they're happy having Britain in the sun well let them enjoy it.

The Commercial Agent

At this point a commercial estate agent, whose name I can't remember, came on and started saying that they are living their British life in the sun and it's cheaper.

I beg to differ. Spain is no longer the cheap country that it used to be. If you smoke and drink you'll save a fortune but generally it is rarely cheaper than the UK these days, especially as many bars and restaurants have "tourist prices" which are considerably more than they should be.

Don't be fooled into thinking that Spain is cheap. The coasts in particular can be very expensive.

We actually discuss the cost of living in Spain in video 17 of Spain Uncut, www.spainuncutvideos.com

Joe and Jane and The Rusty Nail

Joe and Jane moved to Benidorm for a better quality of life and to work for themselves.

They bought a bar (which had been for sale for over 3 years, hmmm, a warning sign there perhaps?) called "The Rusty Nail". Joe and Jane had never run a bar before and had never worked for themselves....and they decided to do this in Spain!

The reality soon hit home for this couple. Business was very slow (one day they took just 3 Euros), they were working flat out from 8:30 in the morning until 10:30 at night and had no life outside of the bar.

They didn't speak Spanish so couldn't communicate with Spanish customers and depression was soon appearing in Jane's eyes.

I also really felt for Joe and Jane. They seem like decent people trying to make a new life for themselves but it's just not happening. This also isn't a "Spain" issue, this could happen to anyone anywhere.

I think there is a valuable lesson to be learnt here.

We moved over five years ago and set up a business here and it too was a total disaster.

Like Joe I had to get some other work to keep our new business alive. Like us, Joe and Jane were eating through the savings considerably quicker than they had planned.

We discuss all this in video number 12 and 13 of Spain Uncut,
www.spainuncutvideos.com

The points to note here are:

1. Try setting up a business you actually know something about
2. Plan to need a lot more money than you think
3. Always plan for worst case
4. Leave yourself an exit strategy in case it all goes wrong (we never had one of these!)
5. Running your own business requires massive effort, no matter what it is. You won't be lazing around on the beach much
6. We are in a recession, there is less money around so make sure you take this into account

George and Judith and their Illegal Home

Another very unfortunate case highlighted by ITV was that of George and Judith who bought a villa in Cantoria in Almeria which was built illegally.

Unfortunately this practice of building unauthorised villas on rustic land has been quite rife in the Almeria province, probably due to the slack town halls and corrupt officials.

Most of the owners actually have all the paperwork from the town hall, it's just that it's not really valid as the town hall didn't have the rights to issue the licences in the first place.

Anyway, not wanting to get into any political discussion here, George and Judith are one of many unfortunate exapts whose properties are under the threat of demolition having been built on rustic land. This is a retired couple who had bought their dream house in Spain using every last pound that they had saved.

After the demolition of Len and Helen Prior's house in January 2008 in Almeria, I really hope that no one else has to go through what they have been through.

People like Lenox Napier (featured on the program but not given any credit) and groups like AUAN and others are all trying to stop any further demolitions and fighting for the rights of the innocent owners.

George and Judith had become so distressed with the threat of their home being knocked down that they headed off back to Wales where George would have to come out of retirement and get a job so that they could stay in the UK.

For those already caught up in this mess there is very little they can do. They can't sell their properties and most have used all of their life savings to buy them.

We can only hope that the regional governments see some sense and realise the damage this is doing to the market and finally legalise all these properties. Most were bought innocently and in total faith. It's not their fault that dodgy developers and town halls have allowed this to happen. Come on Zapatero, get involved and sort this out.

If you are looking to buy a property and are concerned about the legality then make sure your lawyer carries out the necessary checks:

1. Check that what was built is actually what is in the deeds.
2. Check the licence of occupation is in place.
3. Check that the land is not classified as rustic and that permission to build it was there in the first place.
4. If there are no mains water and electricity it could signal a legal problem with the property so check these.

You can never be too careful, use a good lawyer and make sure they really have checked everything before you part with any money.

Kristina Szeckley Marbella Socialite

Kristina Szeckley who is an estate agent in Marbella, dealing with very exclusive properties only (average price 800,000 Euros) had quite a bit of time in the program but I'm not yet sure why. It didn't really fit in with anything else.

The properties she sells are out of reach for the majority of people so it's unlikely to be a dream any of us aspire to. Most of us are happy to have a 2 bed 2 bath in a nice location with a pool!

Big luxury villas are very lonely places....who would want one anyway??

Sorry Kristina, not sure why you were in the program.

Robert the Not Gay Hairdresser

Robert, who seemed to want it be made clear that he is NOT gay, moved to Marbella to set up an exclusive hairdressing salon. On his opening day who should appear but none other than regular Marbella Socialite Kristina Szeckley. Staged for ITV prehaps?

Hmmm. Anyway, she didn't look overly impressed with her new hairstyle which, I think, looked just like her hairstyle before she went in there. Did Kristina get ripped off right before our very eyes?

Not much was made of Robert and his business. He seemed to have a good opening first day and the cameras never went back to him to see how he was getting on. I can only assume that it went very well for him and that doesn't make good TV so they didn't bother with Robert again.

I hope it has worked well for Robert, it's always tough setting up a business in a new country, although at least he was doing something he actually had a background in.

Pat & Jim and their Illegal House

Pat and Jim's story is similar to George and Judith's in that they bought a house which was then deemed to be illegal and is under threat of demolition. Pat has been even more unfortunate in that Jim suffered a stroke whilst in Spain, was then diagnosed with cancer too and passed away 6 months later.

Healthcare is a big issue for expats living in Spain. A foreign system in a foreign language often has many expats heading back home to a system they know and understand. Many, pensioners particularly, can't afford private healthcare and rely on the state system instead. This can be quite daunting for many people.

We actually cover healthcare issues in video number 8 of Spain Uncut, www.spainuncutvideos.com

Pat actually wants to return to the UK now that she is on her own but can't sell her property as it's illegal. She is essentially stuck in Spain.

Cases like Pat's really make us realise the importance of making sure EVERYTHING is in order before buying a property in Spain.

I sincerely hope that Pat can get this matter resolved soon so that she can return to the UK to have her friends around her.

In Conclusion

I have to say that I don't think that the program was as bad as it could have been. They still didn't really balance things out very well and you have to

remember that there are still hundreds of thousands of expats living very happily in Spain, as was demonstrated by those Brits living in La Marina.

I'm not saying that everything is great here, far from it. We still get frustrated with the town halls, the poor postal service, the complexities of running a business here and the high costs involved in doing so.

Spain is no longer as cheap as it used to be and the property market has practically ground to a halt meaning that those wanting to sell up today are finding it very tough.

However, five years on we're still here with our kids. We've defied all odds, we really did struggle badly at first but we've made a life for ourselves here and our kids are very happy too, which at the end of the day is what matters most.

I really don't think anyone should consider Spain to be a paradise or the solution to their problems. Moving abroad is a very stressful and often expensive process and it can take many months if not years to truly settle down. Earning a living here is another total headache in its own right and is the reason why so many people return back home.

We discuss this in video number 12 of Spain Uncut.

It is for this reason that we have been working very hard to put together our DVD series called "Spain Uncut",

www.spainuncutvideos.com. In it myself and Susan recount our move to and time in Spain over the past five years, covering just about every subject that matters. The idea is to provide the sort of information and guidance to everyone that we wished we'd had when we decided to move here, maybe then we wouldn't have found it so hard.

Spain Uncut is available for sale on Tuesday 30 June 2009 at midday.

Sign up for more information and our special launch offer at

www.spainuncutvideos.com

If you are planning to move to Spain or buy a property here let me just take this opportunity to wish you the best of luck with it. Do plenty of research, keep your head well screwed on and hopefully you should be fine.

Most of our friends are very happy here and you could be too!

Thanks for reading this and I hope you got something out of it.

Justin Aldridge

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