

Editor's Choice From This Month's Issue

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Gibraltar is a popular expat haven for those seeking a more moderate climate. ©swilmor/iStock

BONUS CONTENT

By David Gibb [May 2022](#)

Red Pillar Boxes and Mushy Peas—An Outpost of British Life on the Mediterranean

Imagine, if you will, a charming seaside community of 33,000 jovial residents. A village yearning to become a thriving metropolis, yet content enough to

take forever getting there. Where the seemingly endless rain transforms into bountiful sunshine, traffic-congested roads are traded for beautiful sandy beaches, and double-decker buses meander amongst breezy palms. A place where cheeky monkeys swoop down to loot muffins as accommodating shopkeepers turn a blind eye. Where you can go shopping in Spain in less than an hour—or jump aboard a 90-minute ferry ride to explore the mystical kingdom of Morocco for the day.

While it might sound as though you've entered the Twilight Zone, such a place really exists.

Gibraltar, a British overseas territory on the tip of the Iberian Peninsula, is a popular yet often-overlooked retirement destination. The climate upgrade is certainly a selling point (it's the U.K. in the sub-tropics, after all), as are the many fiscal benefits it offers residents. Retirees pay no taxes on their pensions here, there's no capital gains tax, sales tax, or VAT. Nor are there inheritance taxes or taxes on interest or share dividends. Income tax is only 20%, standard corporation tax—10%.

But it's not cheap to live here. The absence of a VAT doesn't lock down low prices. While Britons will find many of their home pleasures, that comfort comes saddled with importation costs. (Booze, however, with low tariffs and zero VAT, is a welcome exception. If you're like me, you'll enjoy the bountiful selection—at unbelievably low prices!)

Despite its cost, Gibraltar is home to many happy expats, who extol its many perks—especially to those retirees able to cash in their chips or sell foreign property to move to sunnier pastures. With 300 days of sunshine each year, a relaxed way of life with many clean, sandy beaches, peace and quiet, a charming sense of community, and a business-friendly environment, expats here have much to praise.

That's why we decided to investigate a little further.

Beverley and I arrived on foot, crossing from the Spanish border town of La Linea de la Concepción. Skimming through our Canadian passports, the border officer greeted us with a beaming smile, hearty chuckle, and a cordial, “Welcome home, cousins!” After the fastest border crossing ever, we found ourselves suddenly standing on the runway of an international airport, fighting against gale force winds mercilessly knocking us sideways. “No worries, mate,” a polite fellow in a bright orange vest promised us, as we struggled across the tarmac to reach the town. “If the barriers aren’t up, and the lights aren’t flashing, keep your eyes on the sky and you’ll probably be fine.”

The timing of our visit wasn’t great. It was a chilly 55 F, with overcast skies, pouring rain, and a blustery wind. Things weren’t expected to change much over the course of the next several days, challenging its reputation as a tropical England. Each Gibraltarian who cordially welcomed us on the street, however, obligingly assured us that the weather was normally “brilliant” in November.

“It doesn’t usually rain ‘ere,” said one happy chap out walking his fluffy sheepdog. “But when she does, she rains a whole bloody lot. Sorry, mates!”

Our Airbnb unit at Both Worlds apartments, a tranquil oasis overlooking the pristine copper beach of Sandy Bay, perched below the east side of the Rock, felt secluded from the beehive center of Gibraltar Town. Our host, Bob Massey, a retired officer from the Royal Gibraltar Police, picked us up along the way, promptly assuring us that the area was extremely safe. “There’s virtually no crime here,” he bragged. “We always leave the doors unlocked and there’s never any problem,” he continued, leaving us to wonder how he had managed to earn his pension.

Our studio unit was what real estate agents would describe as “very cozy.” But it afforded a million-dollar view of the Strait of Gibraltar from its raised

terrace, as the waves crashed mightily against the limestone rocks on our left and calmer ripples gently blanketed the sandy beach below us.

Nearby Both Worlds is an area known as Little Italy, rimming Catalan Bay (originally known as La Caleta). Populated by immigrants from northern Italy during the 16th century, many descendants from these Genoese fishermen and craftsmen still reside in this cobblestoned neighborhood—its modest two-story, pastel-colored homes painted various shades of red, blue, yellow and green, with traditional wooden shutters and decorated courtyards. Here you can find traditional Italian meals at Nunos Restaurant in the Caleta Hotel, on a terrace overlooking the Mediterranean.

A red double-decker bus, running twice hourly, picked us up in front of these Italian villas and delivered us into the heart of town 10 minutes later, for only £1. That's about \$1.30 (a day pass sells for £2.50, about \$3.25).

We arrived at the depot by one of the three concrete arches leading into Grand Casemates Square, a former military barracks now re-imagined as the town's main meeting and shopping district.

I grabbed a pint of lager and some lightly battered British cod with sausage-sized chips (prepared by a Moroccan), served with the obligatory mushy peas and malt vinegar, while Beverley grabbed a cappuccino from Costa Coffee. We kicked back in the large outdoor eating terrace to enjoy some good old-fashioned people-watching.

The hordes of shoppers and diners chatting and socializing around the myriad of pubs, cafés, restaurants, and ice cream parlors all seemed to know each other by name (no surprise that there's a "Cheers" bar around the corner!) British accents surrounded us, and with the two vintage red phone booths, sadly unusable, sitting alongside a cast-iron post box and some very historic-looking cannons, it was all a little like the London of yesteryear.

Main Street, a pedestrianized zone comprising the bulk of Gibraltar's retail shops, radiates from the square. You'll find designer clothes, makeup, jewelry, perfumes, liquor, leather goods...it's a British Medina! Every Saturday at noon, re-enactors parade down the street, clad in red and white vintage military uniforms, recreating the Ceremony of the Keys, which commemorates Great Britain's capture of the Rock in 1704.

Since U.K. residents are entitled to live and work in Gibraltar, it's a particularly attractive destination for those seeking a more moderate climate in which to retire. Those who choose to continue working can reap the benefits of Gibraltar's free healthcare, available to all who pay employment taxes. Most retail and service industry jobs are filled by Spanish workers, however, who commute across the border to the tune of 12,000 per day to take advantage of Gibraltar's higher minimum wage (£7.50/hour—about \$9.75.)

However, thanks to Gibraltar's status as a corporate tax haven (including many tax benefits for non-resident companies), well-paying opportunities within the online gaming industry abound—with many companies offering paid training for ambitious recruits (check for frequent listings on LinkedIn). Other well-paying positions can be found within the financial services sector, IT, and the legal and accounting fields. Tourism is also booming, with Gibraltar being a popular port-of-call for cruise ships.

Since Gibraltar is only 2.6 square-miles, the high demand for land is reflected in the cost of real estate. As a result, many expats choose to live across the border in Spain—where the cost of living is substantially lower—and commute to work in Gibraltar.

Studio flats here rent for about \$1,170 per month, with one-bedrooms costing \$1,400. For the budget-conscious, cheaper roomshare options exist. However, most expats here concede that a single retiree would require a monthly

stipend of \$2,600 to live comfortably.

If you're looking to buy, a small condo unit, such as the one we rented at Both Worlds, lists around \$254,000, while a three-bedroom house often fetches about \$520,000. (See: [Propertygibraltar.com](https://www.propertygibraltar.com) for listings and prices.)

While Beverley and I thoroughly enjoyed our time in Gibraltar, and the kind and generous people we encountered there, we decided the cost of living was just too steep for us.

But, as expats continue to come and go, one demographic is destined to remain in Gibraltar forever. And its population continues to grow.

A popular Gibraltar belief, its origin uncertain, holds that as long as the Barbary macaque monkeys exist on the Rock, Gibraltar will remain safely under British rule. Upon learning that their population was down to seven during the war-torn days of 1942, British PM Winston Churchill ordered more monkeys to be brought in from Morocco to stem the decline.

Nowadays, over 250 monkeys occupy the 1,398-foot limestone formation affectionately known as "the Rock". And they're all micro-chipped...just to be sure they stay!

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