

ACTIVE LIVING.....ASSISTED LIVING

Is this a niche market that can help the Mexican real estate market come back?

By Linda Jones Neil

With millions of baby boomers reaching retirement age every day, the market for a lovely place to live with the security and services required is growing exponentially.

Many baby boomers no longer want the five bedroom home and quarter to half acre home in the suburbs. Nor does the luxurious and prestigious home on the beach seem as attractive as it once was. Too much work! Too much upkeep! And too much money! Today's couple reaching retirement age is looking for an interesting and inviting place to live that promises outstanding value and something different!

Many are coming to recognize that Mexico with its lower cost of living, culture and tradition for caring, with outstanding medical services, may be the new place for Americans and Canadians looking for retirement. Perhaps Mexico will no longer be just a vacation in an exotic place!

When the crisis really hit the U.S., many of the buyers of Mexican vacation properties left the market. Their investment funds came from the stock market, 401 Ks and home equity. These sources obviously dried up and the resort and vacation market hit bottom. Prices, however, have not necessarily come down in the resort areas since many sellers do not have bank loans on their properties and are in a position to hold on to their properties until that market returns.

These properties may not sell soon, however. There seems to be a feeling among those who suffered reverses in their portfolios that this time they will look for quality, value and security rather than plunk down money on an emotional and perhaps exotic purchase.

There is a delayed demand – many of those who left the property market in 2007 and 2008 did so because they were suffering devastating losses in U.S. investments. Now that those markets are beginning to recuperate, it seems that the home or condominium for vacations, rentals, active retirement will be more attractive if of high quality, easily accessible and not exceed 200,000. to 300,000. USD in price. Also very desirable is the development that integrates the Mexican culture into its overall concept. The home away from home of yesteryear, insulated from the Mexican culture, may not be quite as attractive as it used to be.

What may be sought after in this new market is the development that offers Active Living and Aging in Place. In other words, independent living modules, either separate homes or condominiums within a secure community with many activities available either on site or in the community: such as biking, hiking, fitness, swimming, crafts classes, music activities. These activities are geared to the mature active adult who has always wanted time to do these things and can live independently. Within the same community, however, are medical facilities, and increased services available such as the preparation of meals, home visits and so forth. Different packages of services are available to fit the various levels and requirements and can be purchased from a hospitality company operating the development.

These independent living units can either be purchased or leased. The move to assisted living will focus on a more institutional environment which features everything from meal preparation to intensive care.

Under consideration at present in the U.S. government, is an initiative to permit Medicare benefits to extend to care received in Mexico. Since health care costs are substantially less in Mexico for the same level of care, both the U.S. government and the patients will benefit.

In all cases, the successful Active Living to Assisted Care development will require excellent access to health facilities, airports for quick access by loved ones, and outstanding communications systems in the community. There are perhaps a dozen cities in interior Mexico which may fit the bill for this new focus on sales to the foreign market.

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