

Mexico Resort Real Estate Update **From The Settlement Company®**

Ver el anexo para leerlo en español.

Welcome to our first Quarter newsletter for 2012. We are off to a slow start this year in the Tourism and Real Estate Sectors. Mexico, in large part due to industrial activity, is riding out the global economic crisis. The real estate market in the tourist zone remains soft, but there are some a few bright spots and REALTORS® are entering the year with cautious optimism. The global economic crisis and the misleading and sometimes inaccurate reports emanating from the U.S. are not helping us. One Puerto Vallarta real estate company Tropicasa is pushing back. The company is running full page advertisement in Vallarta Lifestyles. The advertisements “Travel Advisory: Puerto Vallarta, Mexico” poke fun at the alerts.

Mexico Pushes Back Against Texas and U.S.Travel Alerts

The Governor of Quintana Roo and the Mayor of Los Cabos, B.C.S. have energetically rejected the claim of the State of Texas that Cancun and Los Cabos are not safe destinations for Spring Breakers. Both agreed that the warning is absurd, frivolous and without fact.

Meanwhile, at the national level, the President of the Mexican Hotel Association has lashed out against Travel Warnings that are sometimes inaccurate if not false. Speaking at the annual hotel convention in Irapuato, Guanajuato Fernando Olivera had this to say on the subject. “It is unfair that the United States spends more than \$250 million to lure Mexican tourists to the U.S. while belittling Mexico. Perhaps the income from Mexican tourists is one way to help combat the economic crisis of the country to the North.””

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The Mexican Association of Real Estate Professionals (AMPI) and the National Association of Realtors® (NAR) have renewed their working relationship and affiliation.

Below are some of the key points outlined in the agreement:

- AMPI will prepare a marketing program and will encourage its members to become members of NAR’s International Section.
- NAR will promote AMPI international memberships to its members, particularly those in the border and tourist areas. Marketing to NAR members will include active and on-going promotions to Certified International Property Specialists, (CIPS) and the International Real Estate Federation(FIABCI)

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- AMPI to hold a CIPS Institute in Mexico City in July and NAR/AMPI will work to identify current AMPI-CIPS designees who could monitor the course and become certified as instructors.
- NAR to promote participation in the Tourism Symposium in San Miguel de Allende Guanajuato in late September, 2012 and AMPI trade missions for Texas Realtors® in Cozumel, Quintana Roo, as well as the Annual AMPI Conference to be held in Guadalajara, November 1-3
- Any AMPI Broker office with 100% membership in the NAR International Section shall have the right to use the NAR logos in its office windows and advertising.

AMPI has 79 Sections spread across the Republic. The National Association of Realtors® is the largest trade organization in the United States with more than one million members.

Commenting on the initiative, Jennifer Wiziarde Manger of NAR's Global Network said, "We are pleased to have Mexico as one of the sixty countries (eighty organizations) connected to NAR. Our members and AMPI members work with professionals across the globe who share a common code of ethics."

Mexican Housing Industry Predicted to Remain Stable

Ariel Cano Cuevas is the Director General of Vivienda, Mexico's national housing agency. He delivered the key note speech at the recent Mexican Association of Real Estate Professionals (AMPI) Toma de Protesta (Inauguration) in Mexico City. During the presentation he announced new initiatives for two social housing agencies, INFONAVIT and FOVISSTE. He concluded his remarks by predicting the housing industry in this country will remain strong throughout 2012.

Sharing the Presidium with Ariel were; Adan Laracilla from Pueblo, outgoing President of AMPI, Sergio Gomez Rabago, AMPI's new President from the State of Mexico, Guillermo Salgado AMPI's new Vice President from Cuernavaca, Alfredo Rabell Manaon, Supervisor of Mortgages for INFONAVIT, Javier Gonzalez Rubio, Director General of FONATUR (the economic arm of Mexico's tourism industry) and Joao Teadora de Silva. Joao is President of Brazil's Federal Council of Real Estate Agents.

Several real estate officials from outside Mexico attended the event. These included Joao Teadora da Silva, Katia Cubel, Frederico Mendonca, Jucelia Silva and Marta Mendonca all from Brazil. Among U.S. representatives at the TOMA were, Jennifer Wiziarde, Coordinator for Latin America for the National Association of Realtors® (NAR) and Alston Boyd, who came from Austin, Texas. He is the International Chair of the Texas Association of Realtors, and is also NAR's Presidential

Liaison for Central America. Thijs Stoffer, C.E.O. of the International Consortium of Real Estate Associations, came from Switzerland to attend the TOMA

Ariel Cano Cuevas officiated at the Inauguration ceremony. Those being sworn in were AMPI's new President, Vice President, and ten new members of AMPI's National Advisory Board. Linda Neil of AMPI La Paz/Los Cabos was among those taking the oath. She will head up AMPI's International Commission. As well she has been named NAR's Presidential Liaison to Mexico. John Glaab of AMPI La Paz has been appointed Sub-Director of AMPI's Seniors Real Estate Section (SRE) program.

Other events during the week included a breakfast of Past Presidents and a one day leadership class. Attending were members of the Advisory Council, Regional Coordinators and the Presidents of AMPI's 75 Sections.

AMPI's forty first Annual Conference will be held in Guadalajara from October 30th to November 3rd. One full day of meetings will be in Tequila, Jalisco.

Consistent Growth in Mexico's Auto Industry

Mexico's Auto manufacturing industry continues to grow. Mexico has become one of the world's leaders for production of automobiles. . Adding to this is the announcement last week b the Audi division of Volkswagen. A new plant in Mexico is scheduled to open in 2015 according to the German newspaper Der Spiegel. Final detailed plans will be announced at a meeting in Mexico City on April 18. The first product to be manufacture in this country will be the all terrain vehicle Q5. AUDI in making the announcement recognized the high level of productivity in the Mexican auto industry and its marketing ability as a NAFTA country.

News From Baja California Sur

Historic Number of Whales Born in B.C.S.: During the past five years more than 3, 553 whales have been born in the lagoons and coastal waters of Baja California Sur. Commenting on this, Marco Antonio Gonzalez Vizcarra, local delegate for the Secretary of the Environment and Natural Resources had this to say," The Mexican waters and the ecosystems of the

Gulf of California provides a safe and friendly environment for the reproduction of the species. (Grey whale.)

Preparations are well under way for the G-20 Economic Summit I Cabo this June. Hilary Clinton and other Chancellors met at a planning meeting in Cabo San Lucas during March. Work on the new Intentional Conference Center named after Hotel and fishing fleet pioneer Luis Bulnes is underway 24/7 . A new bypass road is being constructed from the airport in San Jose to the new international conventions center. Rentals in Hotels and condominiums have been brisk. A corps of media from around the world will cover the Summit. It is sure to have a positive impact on the Los Cabos and San Jose economy.

New Boutique hotel for La Paz.... Our Mayor, Esthela Ponce Beltran, laid the “la primera piedra” (corner stone) last week for the new boutique hotel, to be called Hotel La Posada. Among other dignitaries attending this event were Ruben Reachi Lugo, Secretary of Tourism for B.C.S. and Carlos Estrada Talamantes. His company DECOPE will construct the new facility. Carlos and his company are well known for their social and economic contributions to Baja California Sur.

The new hotel will be located on the property that for many years was Posada Humberdinck. It was a favourite gathering place for locals and tourists, to gather to watch the sunset, with a cocktail.

There will be 24 Master Suites of 110 square meters, a restaurant, bar, spa, gymnasium and swimming pool. Mayor Ponce said, “It will be a site for use by all Pacenos. The hotel will be an additional piece of infrastructure for our tourism industry. I congratulate the investors.” The investment group is headed by Julio Bonis Alvarez.

Strong surge in remittances. Mexicans living in the United States are increasing the amount of money they send home in the fastest pace in a year boosting the outlook for the world's best performing major currency. Remittances jumped 19 percent in February, the biggest monthly increase since March 2011. To US\$ 1.79 billion, the central bank said April 2. The peso has surged 8.5 % this year the most among the major currencies tracked by Bloomberg. According to Alberto Ramos a Latin American economist at Goldman Sachs, Remittances which totaled US\$ 22.9 billion in 2011 are Mexico's third largest saucer of foreign income after automobile and oil exports, the nation's mining chamber said in a March report.

ALERT FROM THE MEXICAN NAFTA TEAM

NAFTA works is the newsletter published by the Mexican NAFTA team in Washington, D.C. Below is an important message from the team.

April 2012, Volume 4, Alert 6
Important Alert

In accordance with article 41 of the Mexican Constitution, during election campaign periods and up to the conclusion of the election period, dissemination of information of government information in public media must be suspended. Therefore, from March 30th through July 1st, 2012, the NAFTA Works® monthly publication will be suspended, including access to previous volumes due to the fact that they may contain programs, actions or achievements of the current Administration.

NAFTA Works volumes for April, May and June of 2012 will be issued on a weekly basis during the month of July.

Mexico's High Tech Industry is Flying High

Pounce Electronics has announced that it will construct a new manufacturing facility in Morelia Michoacan. It will be located in the Information Technology Cluster adjacent to Tres Marias a new "city" that

has been constructed in suburban Morelia. Tres Marias is a project with new homes, building lots, condominiums, a PGA type golf course, equestrian center, other athletic facilities, and a spa.

Pounce will manufacture. "chips" for use in the automotive, telephone industries and hospitals.

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