

Mexico Resort Real Estate Update

From The Settlement Company®

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Welcome to our Second Quarter, 2013 Newsletter. There were four significant events during the quarter. First was the National Association of Realtors® (NAR) mid-year meetings, second was the investment, resort second home forum in San Jose del Cabo, third was the CIPS Instate in English for the first time in Mexico and fourth what appears to be the start of recovery for the resale sate market in various parts of the U.S.A.

International Real Estate Event

As usual the mid-year meeting of the National Association of Realtors ® (NAR) had a truly international flavor. It was held in May in Washington, D.C.

The Global Networking Reception presented an opportunity for REALTORS® from around the Globe to renew acquaintances with old friends and make new ones

Dr. Lawrence Yun NAR's Chief Encomiast shared the podium with La Vaughn Henry from the Federal Reserve Bank at a very popular session, "Residential Economic Issues & Trends."

The Global Business & Alliances Committee takes place with a back drop of international flags from over 60 countries affiliated with NAR. A new twist this year was added this year. A panel representing three of the largest franchises in the U.S. discussed international real estate business issues.

There were two dinner parties attended by AMPI (MEXICO) leaders. John Glaab and Linda Neil and a small group of association leaders from Latin America were entertained by the President of the Miami Association of Realtors. The Canadian Real Estate Association (CREA) hosted the AMPI delegation. Attending wee AMPI President Guillermo Salgado, V.P. Martha Ramirez, Advisory Board Member and head of AMPI's International Commission, Linda Neil, Past President Sergio Gomez and John Glaab, Founding Member of AMPI Los Cabos. CREA leaders expressed a wish to repeat the evening at the NAR Conference in San Francisco, come November.

Embassy visits occur at midyear meetings. A few embassies are vested by small groups of CIPS Designees. John Glaab and Linda Neil were selected to visit the Mexican Embassy. Actually this took place at Mexico's NAFTA office.

At the CIPS Designee breakfast 120 REALTORS® received pins and certificates bringing the number of Designees worldwide to nearly 4,000. In addition to a large

number from the U.S.A., new Designees came from such far flung places as India, Malaysia, Korea, Singapore, the Philippines (they had 42 last year) and Canada.

Many of those who traveled to Washington will meet again, at NAR's annual Conference & Expo. The Conference will take place in San Francisco, come November.

VIVA Mexico... Largest International Real Estate Event in Mexico ...

A Huge Success

Viva Mexico, an investment, resort and second home forum was recently held in San Jose del Cabo, Mexico. It was an integral part of the National Association of Realtors, Spotlight Mexico 2013 program. The Forum was hosted by the Los Cabos Section of the Mexican Association of Real Estate Professionals with strategic support from the National Association of Realtors® (NAR). Following the Forum a five day CIPS Institute was presented.

More than 200 Realtors came for the event from several Mexican cities as well as NAR members from states such as Illinois, Arkansas, Texas and Missouri. Offshore attendees came from Costa Rico and Brazil. In attendance were Guillermo Salgado, President of AMPI National and Past President Sergio Gomez. Included in the NAR delegation were Chris Polychron, First Vice President, Past President, Richard Mendenhall, Vice President, Leslie Rouda Smith and Jeffrey Hornberger, Director, Commercial and Global Business Alliances.

There were two full days of panels and seminars with three evenings of social event. Linda Neil, CIPS and NAR' Presidential Liaison to Mexico kicked off the educational part of the Forum with excerpts from the course "Doing Business in Mexico. Restricted Zone in Mexico Linda spoke about the basics, including terms such as, fideicomiso, maritime trust and Ejido property.

Adrian Arriaga Commissioner of the Texas Association of Realtors and NAR's Presidential Liaison to China moderated a property show case. Participants promoted a property they had listed. (Even First V.P Polychon got into the act, presenting a project he is marketing in Hot Springs.AR.)

Claudia Velasquez, Director of Development and New Business at Softec, Mexico made a key presentation. It was, "Mexican Second Home Markets: Evolution and Investment Options for Retirement and Leisure." The company specializes in determining market trends, highest and best use for land, sit evaluations, site searches, financial modeling and demographics analysis> Its database is updated quarterly in the 29 largest cities in

Mexico. This includes the fourteen cities where foreigners purchase Mexican real estate.

Another well attended panel was "Sustainability in Real Estate Development." Luis Fernando Pinto Barcellor. Vice President of the Brazilian Association of Realtors participated in this panel.

This attending were able to network and enjoy the hospitality of three of the most prestigious developments in Los Cabos. First was a property tour and cocktail reception at Querencia Golf Course. This project sits high on a hill overlooking San Jose del Cabo and the East Cape. Multimillion dollar homes are located here. On the second night, attendees went by bus to the Pacific side. Here they enjoyed a convivial evening hosted by the Diamante Club. A new Tiger Wood course is being constructed here as well as a ten acre swimming pool (Yes that is the correct size.) The final social event was hosted by El Encanto de la Laguna. This is a development of Casas, Villas and condos on the East Cape, just a short drive from San Jose del Cabo.

Commenting on the Resort and Second Home Forum, Guillermo Salgado, President of AMPI National said." This was a great day for AMPI Los Cabos. It presented an opportunity for all attending, to network with members of NAR and AMPI members from other Sections in Mexico. In my opinion the event should be repeated in Los Cabos in 2014."

On the Monday following the successful Forum a five day, Certified International Property Specialist (CIPS) was presented. Most of the 39 attends were from Los Cabos, but there were also students from Cancun, Mexico City, Patzcuaro and Los Bariles. The students were fortunate to have two NAR Presidential Liaisons as instructors. These were Adrian Arriaga (P.L. to China) and Linda Neil (P.L. to Mexico)

Twenty seven of the attendees have submitted application to obtain the CIPS Designation. This will almost double the number of those in Mexico who have the designation.

Property Prices Rise in Most Global Markets

Source: NAR Global Weekly Update

Average residential property prices around the world increased by 6.6 percent on an annual basis, the highest rate of growth since the second quarter of 2010, [according to the Knight Frank global house price index](#). The index also shows overall global prices rose by 2 percent in the first quarter of 2013. Europe was the only world region that did not see prices rise, and housing values in Greece, Hungary and the Netherlands were hit especially hard.

Existing-Home Sales Rise in May with Strong Price Increases

Source: National Association of Realtors®

WASHINGTON (June 20, 2013) – Existing-home sales improved in May and remain solidly above a year ago, while the median price continued to rise by double-digit rates from a year earlier, according to the National Association of Realtors®.

Total [existing-home sales](#)¹, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, rose 4.2 percent to a seasonally adjusted annual rate of 5.18 million in May from 4.97 million in April, and is 12.9 percent above the 4.59 million-unit pace in May 2012.

[Lawrence Yun](#), NAR chief economist, said the recovery is strengthening and to expect limited housing supplies for the balance of the year in much of the country. “The housing numbers are overwhelmingly positive. However, the number of available homes is unlikely to grow, despite a nice gain in May, unless new home construction ramps up quickly by an additional 50 percent,” he said. “The home price growth is too fast, and only additional supply from new homebuilding can moderate future price growth.”

Existing-home sales are at the highest level since November 2009 when the market jumped to 5.44 million as buyers took advantage of tax stimulus. Sales have stayed above year-ago levels for 23 months, while the national median price shows 15 consecutive months of year-over-year increases.

Total housing inventory at the end of May rose 3.3 percent to 2.22 million existing homes available for sale, which represents a 5.1-month supply² at the current sales pace, down from 5.2 months in April. Listed inventory is 10.1 percent below a year ago, when there was a 6.5-month supply.

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