

Mexico Resort Real Estate Update
From The Settlement Company®
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Welcome to our Second Quarter, 2015 Newsletter. In this edition, we bring you a Los Cabos market report courtesy Martin Posch of Windemere realty, a report from the National Association of Realtors® and economic news from Mexico

President Peña Nieto wraps up state visit as relations thaw

Mexico News Daily | Thursday, July 16, 2015

More than 60 agreements, letters of intent, joint declarations and memorandums of understanding have been signed between Mexico and France during a state visit to the latter country by President Peña Nieto.

The president wrapped up a six-day visit today with a joint press conference at which he and French President François Hollande underscored the new relationship between the two countries: the period of estrangement, they said, is over.

Peña Nieto said the “storm clouds” have blown away in preparation for a constructive and positive relationship.

The new agreements cover a wide range of themes, from environmental protection to education to health.

To begin, both countries will work together for an international agreement on climate change while in terms of education one initiative will see some 400 normal school students — those studying to be teachers — have an opportunity to study in France.

A health accord will permit the development in Mexico of a nutritional program for seniors.

A memorandum of understanding signed today between Air France and Mexico’s Directorate General of Civil Aeronautics makes it official that beginning next January, Air France will begin operating the Airbus A380, the world’s largest passenger aircraft, between Paris and Mexico City with three flights a week.

Mexico and France agreed three years ago to renew their relationship, which soured after Mexican authorities jailed a French national, Florence Cassez, on kidnapping charges.

In the three years since, trade between the two has increased at a rate of 10% per year, and so far this year it is up 30%.

One of about 20 events held during Peña Nieto's visit was the France-Mexico Economic Forum, designed to encourage business investment between the two. There are 550 French companies currently operating in Mexico, but only three Mexican companies in France, an imbalance Mexico would like to correct.

Opportunities for further commercial cooperation have been identified in aerospace, aeronautics, automotive, infrastructure, transportation and energy.

The state visit was held in conjunction with France's main national celebration, Bastille Day, held Tuesday, at which Mexico was the guest of honor. That night, the Eiffel Tower was lit up with the colors of the Mexican flag before a crowd of half a million on the ground, and millions more television viewers.

The trip by the president and his wife, Angélica Rivera, was not without some controversy over the size of the entourage. More than 400 people made the journey, rather more than the 232 who traveled with the president [to the United Kingdom in May](#), which itself was somewhat controversial for its size.

Of those who went to France, 141 were cabinet secretaries, agency heads, support staff and others in the federal administration, while 156 were members of the Armed Forces, who went to participate in the July 14 military parade. Heads of universities, business leaders and reporters made up the rest.

Source: [El Universal](#) (sp), [El Financiero](#) (sp), [CNN](#) (sp)

Los Cabos Residential Market Report

Courtesy Martin Posh

The residential real estate market is recovering slowly, here in Los Cabos. All the numbers reported are compared to the first five months of 2014.

The good news is that the number of sales (closed transactions) for the first five months has gone up a 4% to 167 transactions.

Total sales volume is down by 37% to \$68.272.000 US Dollars.

Total transactions under contract are down 40% to 129. The average sales price is down 39% to \$409,000 US Dollars.

Now let's take a look at how the numbers look like for condos and single family home market:

During the first five months of 2015 the total number of closed transactions for condos was down by 21% to 71 units. The total sales volume was down by 30% to \$25,230,000 US Dollars. The average sales price was down 12% to \$355,000 US Dollars. The list to sales ratio is up by one point to 91%.

Closed transactions for single family homes were up by 35% to 96 units. The total sales volume is down by 40% to 43,042,000 US Dollars. The average sales price was also down by 55% to \$448,000 US Dollars. The list of sale ratio was down three points to 87%.

These numbers reflect a lack of sales for properties of one Million plus US Dollars. Total numbers of closed sales for properties above \$1,000,000 US Dollars was down 52% to only 14 closed escrows. The total sales volume is down by 72% to 19,578,000 US Dollars. The average sales price was down by 42% to \$1,398,000 US Dollars.

News from our NAFTA Team and Other economic News

Mexico's Economic Reforms Open Wide Opportunities for Investment

Mexico's competitiveness agenda, championed by President Enrique Peña Nieto and widely supported by the Mexican Congress, includes specific actions oriented toward promoting larger inflows of foreign investment by opening strategic economic sectors to private participation. By virtue of this agenda, the energy, telecommunications and financial services sectors have lifted previous limits to foreign investment, unlocking 29% of Mexico's \$1.2 trillion GDP, to new business opportunities.

Mexico Makes Strides in Protecting Intellectual Property Rights

Mexico has emerged as a leader in promoting effective software asset management (SAM) in the public sector and protecting intellectual property rights. On February 25th, 2015, the Mexican Institute of Industrial Property (IMPI in Spanish), Mexico's intellectual property government agency, became the first patent office in the world to be awarded the *Verafirm Certification* by the BSA | The Software Alliance, a global leading association of software companies.

Success Stories

1. Volkswagen Expands Assembly Plant in Puebla
2. Toyota to Invest in Mexico to Build Corollas
3. Heineken Is Building a New Brewery in Mexico
4. Magna Invests in a New Exteriors Plant in Mexico
5. IBM Brings Its Cloud to Mexico

Late Breaking Economic News:

Grupo Bimbo has announced the purchase of two Canadian bakeries. These are Italian Home Bakery and Canada bread. A few years ago Bimbo bought Sarah Lee.

T.T. Blues is opening the world's most modern denim plant in Coahuila. Once production goal is met, T.T. Blues will commence producing premium fabrics.

Mexico has signed the Pacific Trade Alliance. Other signatories to this free trade treaty are. Columbia, Chile and Peru.

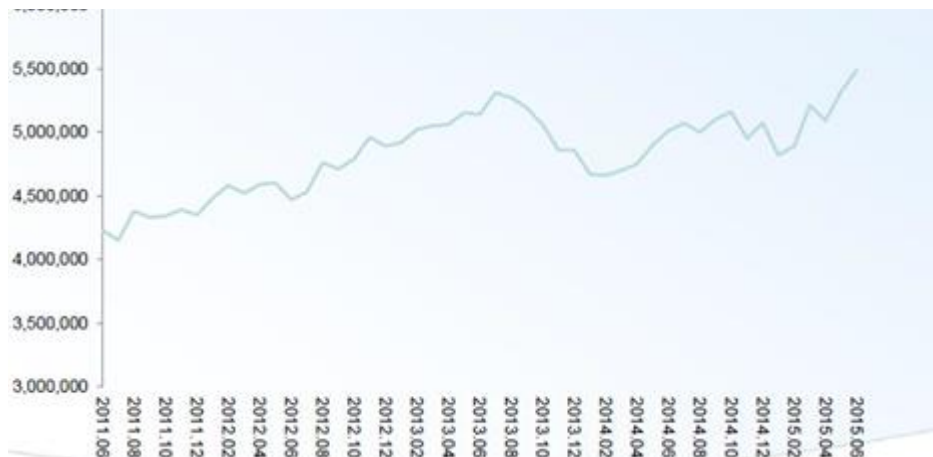
U.S. Home Sales Strong in First Half



[National Association of REALTORS®](#)

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Existing-home sales increased in June to their highest pace in over eight years, while the cumulative effect of rising demand and limited supply helped push the national median sales price to an all-time high.



[Existing-Home Sales Rise in June as Home Prices Surpass July 2006 Peak](#)

All major regions experienced sales gains in June and have now risen above year-over-year levels for six consecutive months.

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Global Mexico Concludes First Half with a class in Spanish

Global Mexico (IIGM) is the organization that was created to bring international education to Mexican REALTORS®.

During the first half of 2015, classes certified by the National Association of Realtors (NAR) and the Arizona based Center for Real Estate Negotiations (RENI) were delivered in Mexico. NAR classes included a Certified International Property Specialist (CIPS) Institute and Accredited Buyer Representative classes (ABR). The RENI class

Certified Negotiation Expert (CNE) was also presented. Global concluded the first half of 2015 with the ABR class being taught for the first time in Spanish. Linda Neil a Global Mexico Founder was the instructor for the class held in La Paz B.C.S. It was attended by members of the two local real estate associations (AMPI and ASPI). A special salute to Monica Rodriguez, ABR, Manager of the La Paz Settlement Company® office for her support in organizing the event.

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