

## **Mexico Resort Real Estate Update .....**

### **From The Settlement Company®**

Welcome to Fourth Quarter, 2015 newsletter. . Above all The Settlement Company® team wishes you Happy Holidays and a safe, healthy and prosperous 2016. The coming year marks our 25 year Anniversary of serving the Mexican real estate industry. We thank everyone for your support and look forward to many more years of service to our industry.

In this edition, reports of three real estate conferences, Mexico condominium owners receiving titles after a twenty year struggle and a report on the Mexican economy

### **The 44th Annual AMPI Conference**

The annual conference of the Mexican Association of Real Estate professionals (AMPI) is held in a different city each year. This year it was in Zacatecas, ZAC (Last year in Tijuana, B.C.)

The “silver city” was founded on June 20, 1548 by silver prospector Juan de Tolosa along with Diego de Ibarra, Cristobal de Onate and Baltasar Tamino. It has been dubbed the “Silver City” due to the many veins that were mined in the area, especially in the 19th Century.

AMPI members come together to hold their Annual General Meeting attend social and education functions, elect new members of the National Advisory Board and decide on the location of the Conference for the following year.

This year saw a talented array of speakers including Chris Polychron, President of the National Association of Realtors®. (NAR) In addition to Chris, Past President Steve Brown attended along with staff members Janet Branton and Bethsy Sachs...

Ten new members of the National Advisory Board were elected. They represent a cross section of the Republic. Beatriz Gamboa Lago was elected AMPI's new Vice President President. In 2017, she will become only the second female to hold the title of President in the fifty-nine year history of the organization.

AMPI's 2016 Conference will be held in Puebla, Puebla.

## **La Paz Real Estate Conference- Huge Success**

**By Anabelle Rossell, La Paz Bay Real Estate and Rentals**

The first Regional Real Estate Conference in La Paz was a huge success. It was presented by The South Baja Real Estate Association. (ASPI) Carlos Estrada, President of DECOPE a local development company officiated at the opening ceremony. More than 150 attended the two day event. The night before a rompe hielo (Ice Breaker)) was a chance to network with those from La Paz and from outside the state

Among those assisting at the event were real estate consultants, the President of a national franchise. Appraisers, lawyers and a mortgage broker. There were three major presentations by national and international speakers. All focused on mega trends in the industry. The subject of the challenge for a female as a REALTOR® was discussed. One of the presenters talked about how to become a “bad ass” agent without being a Harvard graduate.

Congratulations to ASPI for the hard work in organizing and presenting a professional and highly motivational event.

### **About the author:**

Anabelle Rossell is a veteran La Paz REALTOR® .She has held office in the local real estate association. (AMPI) and is a co-Broker at La Paz Bay Rentals and Real Estate.

## **Cabo Condo Owners Receive Titles – Finally**

After a twenty year struggle led by The Settlement Company® and its legal team, a group of condo owners in Cabo San Lucas have finally obtained titles to their units.

It all started when Phase 2 of Terrasol, one of the most attractive projects in Los Cabos ran into financial problems during the “ peso meltdown” in the early 1990s. It was compounded by a problem with Mexico’s finance department. Some of the owners had made payment in full, but did not receive title. Once that was resolved,

the bank failed to cooperate and the titles were in limbo. As well, there were units in Terasol Phase 2 that were never finished.

A few years ago a group of investors known as “The Terrasol Relief Group” (TRG) bought out the remaining debt. It was still not over as the bank continued to throw up road blocks. Eventually the problem was resolved, by creating a new master title. It did not end there. Terms and conditions for payment of the TRG expenses had to be negotiated with The Settlement Company® team led by Linda Neil. The issue has been resolved and owners are now starting to receive their titles.

During the years of overcoming issues, The Settlement Company® kept in touch with its clients by writing and distributing 136 Bulletins. These were created to keep clients informed of the twists and turns along the way.

Commenting on the victory, Settlement Founder Linda Neil said, “The completion of the project comes at an auspicious moment. The Settlement Company® is preparing to celebrate its 25th Anniversary of serving the Mexican real estate industry. The company opened its doors in May of 1991. Mexico’s oldest escrow and title company has been dubbed, ” your safety net in Mexican real estate.”

## **IF YOU OR YOUR FOREIGN CLIENTS OWN RENTAL PROPERTY ANYWHERE IN MEXICO**

### **THESE MEXICAN TAXES MUST BE PAID**

- **Mexico Income Taxes**
- **Mexico Value Added Taxes – IVA (16%)\***
- Many nonresidents of Mexico have never paid any taxes on their rental income from properties they own in Mexico. This is against Mexican tax law. The Mexico tax code clearly states that these Mexican taxes must be paid on rental income from apartments, houses, and commercial property. Failure to do so can result (and has resulted ) in substantial penalties and legal problems with the Mexican tax authorities.

It is now easy to pay these taxes and avoid problems even if you or your foreign non-resident clients do not have a Mexican tax identification number (RFC). The Settlement Company® has developed a simple and easy procedure which will allow you to be tax compliant on rental income. You do not have to suffer the consequences of failing to pay. Email or phone us now to learn more and to get started.

Our rental tax advisor Todd can provide you with all of the information and answers. Email him at [todd@settlement-co.com](mailto:todd@settlement-co.com) or phone him at US 415- 513-0992 or in Mexico at 52-612-123-5056 Ext 0.

## **REALTORS® from Around the Globe Congregate in San Diego.**

More than 19, 000 REALTORS® from around the Globe attended the 2015 REALTORS® Conference & Expo. The week-long event was sponsored by the National Association of Realtors® and this year, was held at the Convention Center in San Diego, California. It featured education, social activities, celebrity entertainment and a trade show.

The Conference had a large international component. More than 1,500 International Real Estate Members from sixty-six countries were in attendance. During the week, three new NAR bi-lateral agreements were signed .These were with the Argentine Federation of Real Estate (FIRA) The Spanish Real Estate Alliance (SIRA) and The Ghana Professional Real Estate Association ((GREPA)

The International Real Estate Reception is always held early in the week. It provides an opportunity to visit with old friends and make new acquaintances.

I attended the Advisory Board Meeting of the Certified Institute of Property Specialists. (CIPS) At that meeting, At that session it was announced that 802 new REALTORS® had been awarded the CIPS Designation in 2015.As of now there are 3,000 ACTIVE Designees around the world. ( PINS and Certificates are handed out at the CIPS Breakfast, held twice a year.)

Of all of the classes and presentations, one of the most popular is that of Dr. Lawrence Yun. He is Chief economist for NAR. During his presentation, " Residential Economic Issues and Trends, he explained the current situation in the U.S. real estate market. Dr. Yun said, " Rising home prices is a threat to home buyers and the lack of inventory in certain segments is not helping a recovery of the market." He went on to say, " Rising prices makes it difficult for first time buyers and move-up buyers to purchase the home of their dreams. Yun stated the first time buyer is about 30 years old. Multi- family construction is up but single-family starts are still depressed. There are massive housing shortages in cities such as San Francisco and Grand Rapids. Yun received a round of applause from the REALTORS® audience when he reported that the FSBO market is in serious decline. He explained the REALTORS® face-to-face interaction with their clients is crucial to building relationships and to enforce our value with consumers.

The General Session features an address from a high profile celebrity, journalist or politician. This year, the Conference heard from National Football Hall of Famer Emmett Smith He is a successful commercial REALTOR® and holds the Commercial Investment Member (CCIM) designation from NAR. Emmitt delivered an inspirational address, drawing from his experiences as an athlete, entertainer and real estate developer. He is best known as a star of the Dallas Cowboys, Arizona Cardinals and member of three Super Bowl teams. Emmett was also a participant in "Dancing with the

Stars.” The Parade of the Flags”, has become a tradition at this event. REALTORS® from 50 countries walk on stage waving their nation’s flag. Seeing all of the flags standing against the wall is a good indication that real estate is indeed global.

There are two evening events of interest. The International Night out and Awards black tie ceremony has all of the glitz of an Oscar Night. Awards are given to associations and to individuals. Tony Hanna, President of the Mexican Association of Real Estate Professionals was named International Realtor of the Year. He is the third person from Mexico to receive this prestigious award, since its inception in 2012. The two recipients from Mexico are John Glaab and Linda Neil.

Another evening event is the Celebrity Concert and Realtors® Have Talent. Actor, singer and song writer John Legend performed to a full house and received rave reviews, with several standing ovations. “Realtors Have Talent”, is a talent competition. This year’s winner was Jeff Foo from Singapore. Louise Giuliani from Niskayuna, New York placed second

Next year’s conference will take place in November in Orlando, Florida.

## **Mexican Investment Activity**

Canadian investment soars in Querétaro

Automotive, aerospace and mining see the most activity  
Mexico News Daily | Thursday, December 24, 2015

Foreign direct investment (FDI) by Canadian companies in Querétaro soared by 215% in the first nine months of the year, according to data collected by the Secretariat of the Economy.

Canadian firms invested US \$27.7 million during that period, primarily in the automotive and aerospace sectors and mining, and a business group sees potential for more in those fields and others.

There has been so much Canadian activity in the state that CanCham, the Chamber of Commerce of Canada in Mexico, has opened a Bajío chapter with the participation of businesses such as Bombardier, Magna and Scotiabank. At least 75 others in the region have been identified as potential members.

Chapter vice-president Francois Ouellet said there are additional opportunities for Canadian firms in electronics and mining. With its new office, he said CanCham will be able to support Canadian businesses in the Bajío states — which include Guanajuato, Aguascalientes and Jalisco as well as Querétaro — in establishing themselves and growing.

One of the chapter’s first initiatives will be a Canadian Manufacturing Day on January 20 in Querétaro. It will offer panel discussions on economic outlook, financing, energy and development of the automotive sector, among others.

In dollar terms, Canadian FDI in Querétaro is still small in relation to the total. In 2014, the state recorded FDI of \$650 million, which was 2.9% of the total for Mexico as a whole, according to ProMéxico, the state promotional agency.

Source: [\*El Economista\*](#) (sp)

In other economic news, unemployment in Mexico has been lowered to the 2008 level. Currently it is reported that 4.1% of Mexicans are unemployed.

Sales of new automobiles have increased by 20%. In 2015. Nissan has a 25 % share of the 1.3 million cars sold this year.

Another bright spot is the increase in remesas. (Money sent to Mexico by citizens living abroad) The amount of money flowing into this country increased by 6% in 2015. That is the largest increase since 2009 which followed the economic crisis in the U.S.A.

**For further information:**

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