

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

### **From The Settlement Company®**

Welcome to our 4th Quarter newsletter. It is the final edition for this decade. The decade started out with a strong world-wide economy and few if any signs as to how it would close. It has been a rather rocky road. The words, "bail out" are heard almost daily. The latest of course is the bail out of the Irish banks by the European Community. Economists are sending mixed signals. The stock issuance by General Motors was a bright spot, but followed too quickly by events on the Korean peninsula which set back the market. A new book, "All the Devils are Here; the Hidden History of the Financial Crisis, is co-authored by Barbara McLean. While it does not place blame, it is a rather accurate chronicle of what has caused the crisis. "Black Friday" was hopefully a good omen for retailers in the U.S. Shoppers came to buy in droves. Macy's Inc C.E.O. said the retailer had 7,000 shoppers outside its flagship Herald Square store in Manhattan at 4.am. on Black Friday. That is 2,000 more than last year.

All of us at The Settlement Company® wish you and yours Health and Prosperity for 2011 and indeed for the new decade.

## **Mexico and Brazil Started Trade Negotiations Toward Bilateral Partnership**

On November 8, Mexico and Brazil announced the ti of trade talks to move toward a Strategic Agreement for Economic Integration between Latin America's largest economies. The agreement would cover a thriving market with a combined output of over \$2.4 trillion affecting a population of nearly 300 million people. Mexico and Brazil have also been among the largest recipients of foreign direct investment among the emerging economies, receiving more than \$710 million until 2009. Both countries have become leading global traders, conducting exports and imports of over \$750 billion annually. Bi-lateral trade between Mexico and Brazil totaled just \$5.9 billion in 2009 which does not measure the potential of both countries to increase the flow of goods and services

The agreement aims to diversify exports, and promote bilateral trade and investment in order to boost economic growth and create jobs

The agreement will be broad and reflects the commitment of both governments in the following aspects:

It will be comprehensive; meaning that in addition to duties on goods, it will include services, investment, government procurement, and intellectual property rights, among others. It will recognize sensitive sectors of both countries. It will ensure market access by addressing non-tariff barriers.

**La Paz Makes Record Book:** Those who habitually walk and exercise on the Malecon had a surprise on day, last month. Lining the route were tables with a white paper covering. We left the house early for our normal trip to the gym, but the road was closed. So we walked to the start of the Malecon. On the way we saw a large unit making dough. We continued to the end where we met Ralph Hannah who had been sent from Uruguay by the Guinness Book of Records group. He had been sent to La Paz to act as Adjudicator. Employees from 54 restaurants, along with 3000 volunteers were busy creating the world's largest burrito. A pickup truck had been modified so that a conveyor coming out of the back would spew out a seamless tortilla. As the truck moved ever so slowly down the Malecon, and workers lifted the tortilla on to the line of tables.

The tortilla would be filled to create the burrito. Ingredients used were, two tons of flour, 250 liters of milk, 400 kilos of tomatoes, 40 large onions. 300 chiles 200 kilos of salt 3 tons of minced fish. When finished, the burrito weighed 5.7 tons. I walked down to the Malecon a couple of times to watch the work in progress. On one trip, I was treated to a famous La Paz sunset in the background.

After 15 hours of work (and two years of planning) Adjudicator Hannah proclaimed the record was official. The burrito was then cut into 27,000 pieces to be shared by the spectators. Mr. Hannah mentioned there were several Mexican groups seeking a record this year. These included Guadalajara (largest Mariachi Group) and Mexico City a large enchilada which he told me was smaller than the burrito. Mr. Hannah accredited the activity to Mexico's celebration of Independence and the end of the revolution. .

**Calderon Opens Center for UN-Protected Butterfly:** President Felipe Calderon officiated in November at a ribbon cutting ceremony in Angangueo, Michoacán. It was the inauguration of the Sierra Chincua Cultural Center for Conservation in the Monarch Butterfly Biosphere Reserve.

The President said, "Places such as this should serve as a model solution for other regions to alleviate poverty while protecting the environment."

"With the Sierra Chincua Center for the Conservation of the Monarch Butterfly, we are fulfilling a promise. Through this measure, we will be helping this region, which has suffered so much, Angangueo." he added.

Accompanied by his wife, Margarita Zavala, and State Governor, Leonel Godoy, he said that it is crucial for this Cultural Center to be a world-class facility in order to be able to attract both butterflies and tourists.

Calderon said," the aim of the Center is to promote tourism and provide another source of income for the citizens of the area."

"This is a clear example of how we can promote productive activities at the same time as we protect our natural environment."

Together with the sanctuaries of El Rosario, La Mesa, and Cerro Pelón, this zone forms part of the most emblematic Protected Natural Areas of Mexico," he explained.

### **Mexico Still Safe:**

By MAX HARROLD, The Gazette November 4, 2010

The apparent slaying of another Canadian in Mexico may further stain the Latin American country's safety record, but experts agree it probably won't prevent tourists from Quebec and elsewhere in Canada from continuing to visit there in huge numbers.

"All those good travel deals are just too tempting," Jean-Francois Mayer, a Concordia University political science professor who is an expert on Latin America, said yesterday. This is despite increasing drug-related violence and fear in Mexico's north, he noted, where 28,000 lives have been claimed since 2006.

"It's become a real psychosis among Mexicans," Mayer said.

He noted that Daniel Dion, 51, a Canadian businessman last seen alive in Acapulco Oct. 22, was working in Mexico with prison inmates -whom he employed to make purses out of recycled materials.

Dion's relatives from Quebec were escorted last week to his burnt-out rental car, in a remote area about 115 kilometers from Acapulco, in southern Mexico. Remains found in the car are being tested to see if they are Dion's.

Dion's daughter Alexandra Dion said yesterday the family is "saddened and angered" by media reports about his criminal record in Canada, including a 1995 conviction for drug possession for the purpose of exporting, possession for the purpose of trafficking and carrying a concealed weapon. His sister Silvy Dion said on Facebook: "It was after a car accident and his doctor told him to take some drugs because he could barely move."

Alberto Lozano, press attaché at Mexico's embassy in Ottawa, said Dion's death should be put in context.

"Fifteen Canadians died in Mexico out of more than 4 million who have visited since 2006. And some of those were drownings and falling off balconies."

Canada's Foreign Affairs Department warns Canadians to "exercise a high degree of caution" when travelling to Mexico. Lozano said Mexico's government is "working to ensure first-class safety" in all regions of the country.

Colette Brown, of the House of Travel Westmount travel agency, said she advises clients going to Mexico to stay in all-inclusive resort compounds that have their own beaches, entertainment and high-level security.

The south is safer because of tourism, she added.

"People have jobs there and so they're not busy doing other things," she said.

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Canadians heading down Mexico way

1,222,739: Canadians who visited Mexico in 2009.

925,401: Canadians who visited Mexico between January and June 2010.

18.2 per cent: The increase in the number of Canadian tourists to Mexico from the same period in 2009.

500,000 plus: Canadians who have visited Cancun this year.

Six-year record: If this trend continues in 2010, Mexico will register a record number of Canadian visitors for the sixth consecutive year.

3.59 per cent: Percentage of Canadian citizens travelling to Mexico in 2009, compared with 1.73 per cent of Americans who went to Mexico.

2.8 per cent: Canadians who entered Mexico across its land border with the United States in 2009. Most others went by airplane.

Mexican Embassy

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**AMPI Meets in Monterrey Nuevo Leon:** The Mexican Association of Real Estate Professionals (AMPI) recently held its 39th Annual Conference and Trade Show in Monterrey, N.L.

Members assembled from across Mexico to exchange ideas, hear speakers on various subjects of interest, network, socialize and hold AMPI's annual meeting.

Two special events took place during the week. The first was the signing of an agreement of cooperation between AMPI and four other real estate associations. These are Brazil, Colombia, Peru and the Federation of Central America, Panama and the Caribbean. The second event during the week was the annual meeting of the Mexican section of the International Real Estate Federation. (FIABCI) The home office for FIABCI is in Paris.

I found three of the presentations during the week, particularly interesting. Two were made by personnel from banks and the third was a panel of international REALTORS®

Everardo Elizonda, Chief Economist at BANORTE, addressed the subject, "The Mexican economy at the end of 2010, Accuracy and Guess." He reported the descent in the Mexican construction business was rapid, but recent statistics indicated a turn around. Everardo echoed something we frequently hear in this country, "The Mexican crisis was not made in Mexico, but in New York and in the District of Columbia. Employment in Mexico is 10-15 % below the plateau of 2008. So far in 2010 1.850,000 jobs have been created in this county. He predicted the GNP will increase by 3.9% in 2011, (The Organization for Economic Cooperation and Development-Paris, projects Mexico's growth at 3.5%) inflation will be 3.7% the interest rate will be 5.0% and the peso will be at 12.7 to the U.S. dollar. Concerning 2011, he stated that since the Mexican economy is export driven its health will depend to a large extent on the U.S. economic recovery. For this reason he sees growth in 2011 slower than in 2010. Everardo does feel positive about exports to Latin America, especially Brazil.

Elizabeth Bermudez of BANCOMER came from Chicago to address the conference. She is Director, " Hipotecari (mortgage program) Mexicana." She opened her presentation by reporting that the Hispanic population of the United States is 333 million. Elizabeth presented a video about "BUSH" beans, the leading seller of frijoles (beans) in the U.S. She also cited other advertising campaigns aimed at Latinos. Mention was made of several companies such as Sara Lee that are owned in Mexico

Next she made a presentation on the bank's program Tu Vivienda en Mexico. (Your home in Mexico) The program was launched in the United States six and a half years ago. It is aimed at Mexicans living in the U.S. who may wish to purchase property in Mexico. The immigration status of those applying for mortgages is not an issue.

Featured on the international panel of REALTORS® were Nelson Germano. Brazil: Federico Estrada of Columbia: Juan Pareja, Peru: and Lucia Solorzano-Secasa, representing the Central America Federation and the Panama and Caribbean associations of REALTORS®. They were joined by Adrian Arriaga from Mc Allen Texas. He is the past ambassador of the National Association of REALTORS® (NAR) to AMPI and the Chair of NAR's Global Business Alliances, operations committee. Adrian is a member of the Texas Real Estate Commission.

The discussion focused on real estate licensing (Editors note: only a handful of states in Mexico have a licensing law at the moment, while several others will be presenting proposed legislation to their state governments in the near future) and the need for more cooperation among associations in Latin America. According to

Nelson Germano from Brazil that country has had licensing since 1964. In Peru, one wanting to sell real estate has eighteen months to register with the housing ministry. Adrian Arriaga pointed out that in the U.S. licensing is regulated by each state. All of the panelists felt they would feel more secure when referring their clients to another jurisdiction that has a licensing law.

There was a discussion on how could the Latin American associations work better together. The countries represented on the panel had signed an agreement to cooperate in another meeting held the day before.. A need for a group such as the International Consortium of Realtors (worldwide and known as ICREA) in Latin America was recognized. An organization to be known as ICREA Latin America should be established to encourage cooperation between the countries. It was mentioned, "We all speak the same language" (not Spanish but real estate.)

At the Annual General meeting, seven members were elected to AMPI's National Advisory Board. (Consejeros) They replaced seven who had completed their two year term. The Consejeros represent a good cross section of Mexico. There are two in Mexico City and one each in Cancun and Tijuana. A new Vice President was elected. The name will not be made public until President Elect Adrian Larracilla Marquez (from Puebla, Puebla) is inaugurated in January.

Finally, Merida, Yucatan has been selected as the site for the Congreso in 2011

### **A New Specialized Hospital for La Paz**

Courtesy Se Hable La Paz

The new hospital has 210 beds with 10-20 more possible in specialty areas. It is more than double in bed capacity from the old hospital. There are 30 clinical offices for ambulatory care. As well, there are both In and Out patient labs and x-ray areas that are spacious with seating and of course, TV's while waiting.

The hospital features out-patient lab areas, in and out patient radiology, kidney and cornea transplant areas, There are 8 surgical suites, waiting and changing areas for personnel, equipment sterilization areas. It has catheter areas with 20 procedures possible including angioplasties.

The building includes large intensive and step down intermediate care areas as well as a pediatric intensive care and NICU (neo-natal intensive care).

The emergency room 8 beds operating at this time with the potential for 20. Waiting time, on average for the ER, is 15-20 minutes or less depending on the severity and influx of patients.

The general floors are divided into men's and women's and within those floors are divided according to diagnosis. There are private and semi-private rooms, with in suite bathrooms, electric beds, etc.

The hospital has a helipad for patient transportation from around the state as it is the primary and best-equipped hospital in the state. It has is a hyperbaric unit and state-of-the-art radiography that includes the latest MRI and CT, scanners.

A company has been hired by State Health Department to handle bio-hazard waste and disposal according to national standards.

## **Cheery Tourist Arrival Numbers for Mexico**

*TravelVideo.tv*

About 22.6 million tourists, 80% of them from the United States and Canada, are expected to have visited Mexico by the end of 2010.

As of September, inbound tourism was up 18.8% compared with 2009 (the worst year on record) and 6% better than 2008.

Arrivals from Canada are up almost 22% over 2009 and 32% over 2008, with 1 million air arrivals this year.

And, despite the much-publicized bankruptcy of Mexicana Airlines earlier this year, air arrivals from the U.S. were up 15% compared with 2009.

The growth in visitors from other countries is even greater. Italy is up 22%; Germany, 18%; and Brazil, 94%.

**Editor's note:** Mexican de Aviacion , Mexico's oldest airline, (established in 1921) has resumed flights. This is good news for Mexico's tourism industry. The company has received financial assistance from PC Holdings. Mexicana will shortly resume its national and international routes.

The popular airline became part of Star Alliance in 2000. Its subsidiary CLICK a budget airline, services Mexican's national destinations.

**New Head Appointed for ProMexico:** President Felipe Calderon has appointed Carlos Guzman Bofil as the head of the country's investment and export authority known as ProMexico.

Mr. Guzman has a bachelor's degree in chemical engineering from Iberoamericana, a masters in engineering from the Massachusetts Institute of Technology (MIT) and a master's degree in business administration from Stanford University. He has broad public sector experience including work at Hewlett Packard where he was General Manager of Commercial Computing for Latin America and Treasury Manager in the Financial Division in Palo Alto, California.

His task will be to attract foreign investment and to promote Mexican products abroad. At the designation event, President Calderon said, "ProMexico must sell, acting as a sales organization for Mexico." ProMexico has been involved in attracting direct foreign investment in the amount of \$12 billion. It has nine offices in North America.

**La Paz Adds its Second Golf Course:** The city waited 475 years for its first golf course to open at Paraiso del Mar, in 2009. In November of 2010 the Costa Baja golf course and club house were inaugurated. Participating in the opening were golf legend Gary Player and perennial number one ranked female golfer, Lorena Ochoa. Following the ribbon cutting ceremony Gary and Lorena conducted a driving range and bunker clinic. Later the two teed off for six holes in front of a large crowd. This is Player's first golf course in Latin America The winner of 163 tournaments; he has designed 300 courses spread over five continents." This one is really special, he said, nowhere else can you see the desert and the sea meet like this."

The last tournament played by Ochoa was earlier this year, in May at Tres Marias in Morelia, Michoacan. She manages a successful golf school and sponsors a high school in her native Guadalajara. The Lorena Ochoa Invitational is held annually at the Guadalajara Country Club.

Costa Baja Resort and Marina is a 550 acre development situated on the Sea of Cortez, just north of La Paz, Baja California Sur. In other news from the resort, the former Hotel Fiesta Inn has been renovated, upgraded and opened as a Heritage Hotel.

**Pirekua y La Cocina- Patrimonio Cultural de La Humanidad:** If you drive across the meseta (plateau) Purhepecha and around Lake Patzcuaro, both in the state of Michoacan, you will pass through many interesting villages. These have names such as Paracho (known for its production of fine guitars and an international guitar festival) Zacan (known for its annual completion of dance, singing, brass bands and more) Quiroga (known for its artisans and Tzintzintzun (the first capital of the Tarascan nation.) The Tarascans were fierce warriors and fought several times with the Aztecs, always winning.

In the newspaper La Voz de Michoacan, each Sunday there is a full page in the Purhepecha idiom. The group is known for its special music the Pirekua. It also has a special cuisine with dishes called atole, pozole, corundas and churipos.

The United Nations through its cultural branch UNESCO has named the Pirekua and the food of the Tarascos as Patrimonio de la Humanidad. It is worth a trip to the state of Michoacan to see and enjoy its vast cultural richness

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