

Mexico Resort Real Estate Update
From The Settlement Company®

Ver el anexo para leerlo en español.

Welcome to our Fourth Quarter 2011 newsletter. For Mexican tourism and real estate it has not been the best year in history. The decline in both sectors that started in 2008 with the N1H1 virus and the start of the U.S. recession to be turning around. I feel vibrations of optimism and hope for 2012. Many forces in Mexico are rising to fight the negative if not sometimes incorrect information coming from the U.S. media. One source speculates that the flames of fear are being fanned by the U.S. tourism industry. The National Association of Realtors® (NAR) continues to lobby the U.S. government to Force the banks to introduce sensible lending policies. NAR has also tried to help put in place legislation that will help the many U.S. homeowners that are, "under water. If the government heads in an intelligent direction, the result will surely have an indirect positive impact on the Mexican real estate market.' One bright spot is the rise in consumer confidence According to the Conference Board the index rose 15 points in November ending the month at 56.0% versus 40.9% in October. Bottom line it is a wait and see situation. But we must start 2012 with positive thinking and activity..

Lopsided Expenditures in War against Drug Cartels:

The Merida Initiative is an unprecedented partnership between the United States and Mexico to fight organized crime and associated violence while furthering respect for human rights and the rule of law. Based on principles of shared responsibility, mutual trust, and respect for sovereign independence, the two countries' efforts have built confidence that is transforming the bilateral relationship.

The initiative recognizes that the drug cartels are not just Mexican problem. In the early years, the U.S. provided helicopters and other equipment to Mexico.

Things have changed and the expenditures are no longer equal. The State Department has revealed that in recent times, Mexico has outspent the U.S. by a ratio of thirteen to one. In other words for every dollar the U.S. has sent to help combat this international problem, Mexico has spent thirteen dollars. This is lopsided.

Tourism in Mexico Increases in 2011



From Mexico Today

Recent statistics from the Bank of Mexico demonstrate that tourism in Mexico has increased by 2 percent in the period between January 2011 and September 2011. A sweeping 16.7 million tourists from all over the world traveled to Mexico during this period of time, spending an average of \$155.90 dollars during their trips. The United States remains one of the primary sources of tourism for Mexico because of its geographical location. Additionally, border tourism went up 8.4 percent, with around 7.4 million visitors.

Mexico's Secretary of Tourism, Gloria Guevara Manzo stated, "During the first nine months (of the year), average spending by international visitors was \$155.90, representing an increase of 5 percent compared to the January-September period last year."

With Mexico's beautiful landscapes, multi-dimensional history, and rich culture, tourists increasingly find themselves wanting to experience the beauty of Mexico during their vacations. Furthermore, in considering recent observations on tourism statistics, it is clear that tourism in Mexico remains one of the most important segments of the country's economy.

Cabo to Host G-20 in a Brand New International Conventions Center

The **Group of Twenty Finance Ministers and Central Bank Governors** (also known as the **G-20**, **G20**, and **Group of Twenty**) is a group of finance ministers and central bank governors from 20 major economies: 19 countries plus the European Union, which is represented by the President of the European Council and by the European Central Bank. Their heads of government or heads of state have also periodically conferred at summits since their initial meeting in 2008. Collectively, the G-20 economies account for more than 80 percent of the global gross national product (GDP), 80 percent of world trade (including EU intra-trade) and two-thirds of the world population. They contribute to 84.1 percent and 82.2 percent of the world's economic growth by nominal GDP and GDP (PPP) respectively from the years 2010 to 2016, according to the International Monetary Fund (IMF).

The G-20 was proposed by former Canadian Finance Minister Paul Martin (later, Prime Minister) for cooperation and consultation on matters pertaining to the international financial system. It studies, reviews, and promotes discussion (among key industrial and emerging market countries) of policy issues pertaining to the promotion of international financial stability, and seeks to address issues that go beyond the responsibilities of any one organization. With the G-20 growing in stature since the 2008 Washington summit, its leaders announced on September 25, 2009, that the group will replace the G8 as the main economic council of wealthy nations.

The heads of the G-20 nations met semi-annually at G-20 summits between 2008 and 2011. Following the most recent summit, which was held in Cannes in November 2011, all future G-20 summits will be held annually.

In 2012, the G20 will convene in Cabo San Lucas, Baja California Sur, Mexico. They will meet on June 18 and June 19. In preparing for their meeting, Los Cabos is constructing a new international level conference center and making improvements to other parts of the municipality's infrastructure. One major project is construction of a new bypass highway from the San Jose International airport to the Convention center in San Jose del .Cabo

Mariachi Music Included on UN Heritage List

Thanks to Doug Jones (Mortgages in Mexico)



Mexico is currently celebrating its national pride, as one of its unique cultural music forms is being placed in the global limelight. Mariachi music, perhaps the most

recognized traditional music of Mexico, has been named as an intangible cultural heritage tradition by UNESCO.

The state of Jalisco is particularly excited because its capital city, Guadalajara, is the birthplace of mariachi music. In fact, Jalisco has been hosting various international mariachi festivals since 1994, with more than 10,000 musicians performing.

The UN cultural agency's list of intangible heritage was established to provide acknowledgement and appreciation of music, dance, and other traditions that do not leave a physical or tangible record. According to UNESCO, mariachi music is one of the essential elements of the Mexican culture as it pertains to heritage, history, and various native and indigenous languages.

UNESCO added that modern mariachi is a collection of songs from various regions of the country and genres. Some are concerned that mariachi is threatened within its home country by the influence of modern music. But, there are many opportunities for people to experience traditional mariachi, and it continues to live on through performances at religious festivities, holiday and town celebrations, and even educational events for tourists.

EDITOR's Note: *Earlier this year UNESCO designated the Pirekua music of Michoacan's Purepecha Indians and their traditional food as Patrimony of Humanity.*

Two Significant Real Estate Events:

October was a busy month for the Mexican Association of Real Estate Professionals (AMPI). The association staged two significant conferences. The first was the annual FORUM of the Mexico City AMPI Section. It is always the largest in the country, with more than 600 attending this year.

Marcelo Ebrard Governor of the Federal District. District delivered the opening address. A key subject was the new real estate law. "My state will pass legislation before the end of December. The law will be aimed at regularizing the real estate industry to help protect consumers from unscrupulous practices." (NOTE: D. F. will be the sixth state to have a real estate law with legislation pending in eight other states.) Meanwhile AMPI President Adan Larracillo is having ongoing meetings with the Federal Government on this important initiative.

Eugene Towle, Director of Mexico's; leading real estate consulting company, SOFTEC made an impressive presentation. It covered everything from Global Cereal Harvesting and Gross National Product per capita to statistics on Mexico's automobile and real estate industries. One chart in his presentation showed the growth of the Mexican middle class from 30% in 1996 to 58% in 2006.

The AMPI Conference in Merida, Yucatan was considered by many to be the biggest and best ever. During her speech opening the event, Yucatan Governor, Ivonne Pacheco promised we would enjoy Merida and the state of Yucatan. Her prediction turned out to be true. "Watch for the smiles on the faces of our citizens." she said. From the waiters at breakfast to the taxi driver going to the airport, always a smile and a pleasant greeting.

The schedule was full of interesting presentations. Two were especially interesting to members doing business in Mexico's "Restricted Zone."

Jennifer Wiziarde, Manager of Global Networks for the National Association of Realtors® (NAR) and Carlos Fuentes, Regional NAR Coordinator for North and Central America, held Networking sessions. They discussed the benefits of NAR for AMPI members and the illegal use of NAR trademarks. The word REALTOR® is trademarked protected as is the "R" logo with the blue background. AMPI members are eligible to become an International REALTOR® and legally use the word and symbol. Jennifer asked that if anyone sees a violation of the trade mark that a report be sent her and she will turn it over to NAR's legal department.

A panel that discussed "Doing Business in the Restricted Zone." was moderated by Linda Neil of AMPI La Paz/Los Cabos. Panelists were Thomas Lloyd an internet marketing specialist from Riviera Maya, Doug Jones an authority on bank financing from Puerto Vallarta and Victor Loza, President of the AMPI-API State Commission for Baja California.

The Annual General Meeting of the International Real Estate Federation (FIABCI) was held concurrently with the Conference. Lupita Duran of Tulum was elected President of FIABCI Mexico.

Two important agreements of cooperation were signed at the Conference. The first was with the Retirement Communities Association in Mexico. (AMAR) Its objective is to promote Mexico as a retirement destination. The second agreement is with the Canadian Real Estate Association. (CREA) The aim is to foster cooperation between AMPI and CREA and to promote referrals between the two countries.

Ten new members of the National Advisory Council were elected at the Annual General Assembly. They will serve a two year term replacing outgoing members. The Advisory Council elected Guillermo Salgado of Cuernavaca as AMPI's new Vice President.

Guadalajara was selected for the site of the 2012 Conference.

Cheran the People govern and Not the Government:

The municipality of **Cherán** is located in the Mexican state of Michoacán, which is situated in the central western portion of the Republic of Mexico and extends to the Pacific Shore. Cherán, itself, lies in the northwestern portion of Michoacán about 200 miles due west of Mexico City and approximately 123 km (76 mi) west of the state capital of Morelia; it is about 2400 meters (7874 feet) above sea level. It has a population of 16,243.. Cherán is one of a contiguous group of eleven municipalities that are demographically denoted as Purépecha. In *Crossing Over*, a book about the migrant community of Cherán, by Ruben Martinez, the author explains that in the Purépecha^[1] language Cherán actually means "a place of fear" alluding to its unfriendly landscape of "abrupt, irregular peaks and chasms" which bodes disaster to anyone taking a careless step. Inhabitants speak the language of the Purépecha, as well as the local variety of Spanish.

Faced with an increase in t organized crime threatening the peace of the town. Cheran has decided to take matters into its own hands. The indigenous people have essentially

established martial law in their of Cheran, They have erected checkpoints, shutting down schools, and running patrols; people have driven out the local police force and armed themselves with police weapons to defend against the criminal element. and their cohorts; their actions come after illegal loggers, who residents say are backed by criminals and the local police, killed two people and injured several others



Townsmen of Cheran guard a barricade in town

Illegal logging has long been a contentious issue for the Purepecha as loggers have cut down thousands of acres of trees that the indigenous people depend on for log cabins and traditional medicine.

According to David Pena, a lawyer who represents the town in protection lawsuits, illegal logging has affected 80 percent of the town's 44,500 acres of forest with some areas entirely devoid of trees.

Two years ago, the situation escalated when illegal loggers began travelling with armed convoys.

.Violence began to erupt on 15 April when the people of Cheran captured five illegal loggers as they attempted to smuggle a truckload of illegal wood out of the town. In response, a few hours a later a group of armed men entered the town with local police to retrieve the loggers.

The gunmen shot one resident in the head and injured several others before the townspeople rallied and drove the attackers out.

The violence spiraled out of control on 27 April, when loggers appeared to retaliate by killing two Cheran men and wounding four others while they were out patrolling the woods.

Infuriated residents took matters into their own hands and stormed the local police headquarters. Armed with eighteen guns stolen from the police station, Cheran men barricaded the town and created checkpoints where they questioned all who sought to

enter. Entrance to the villages is restricted between 8 p.m. and 8 a.m. Signs warn that guns, alcohol and drugs are prohibited.

Above one blockade, a banner reads, **“We want peace and security.”**

“There is no fear here. Here we are fighting a David-and-Goliath battle because we are standing up to organized crime, which is no small adversary,” said one young Cheran man wearing a red bandana.

Meanwhile another anonymous young man wearing a white bandana at a checkpoint appeared much more concerned.

“Similar rebellions have occurred frequently in the past in Mexico’s indigenous communities with locals demanding greater autonomy and accusing the government of neglect and corruption. In the Mexican state of Chiapas many communities successfully gained nearly full autonomy and maintain their own security after revolting in the 1990s.

The men manning the barricades in Cheran say they will not stop until the threat to their traditional way of life is defeated.

“This fight is not for a month or a year. It’s for life,” said the man in the white bandanna. “We don’t believe there will be a quick solution.”

He added that he hopes other local communities will be inspired by their actions and start fighting back.

“We think it’s difficult but not impossible,” he said. “If they can start with Cheran, cutting down the forests, they will continue with other communities. And if the communities don’t organize, in the end, they will destroy everything that for us is life.”

To help resolve the issue Mexican officials met with community leaders to develop a long-term security plan. The government promised that it would establish two bases outside of the town to house troops as well as federal police and state police who will conduct patrols in the surrounding forests. Local residents will be left in charge of maintaining security within the town.

Cheran has recently formed its own style of self government. Representatives of the United Nations have come to investigate the situation, witness the innovative style of government and provide advice to the citizens of the village.

Linda Neil Appointed Presidential Liaison:

The National Association of Realtors® has appointed a new Presidential Liaison, (P.L.) to its bilateral affiliate, The Mexican Association of Real Estate Professionals (AMPI)

Linda Jones Neil of AMPI La Paz/Los Cabos is the new NAR, P.L. with responsibility for Mexico.

NAR has bilateral affiliations with 60 countries. It is the largest trade association in the U.S.A. with one million members. AMPI has Sections in 72 Mexican cities.

In commenting on the appointment, Maurice Veissi, NAR President for 2012, said, "We are pleased to have Linda, a California Broker with more than 40 years experience in Mexico. During her career in our industry she has made major contributions to education in the real estate industry on both sides of the border. This includes being a co-author of our class, "Doing Business in Mexico." We are certain the relationship between NAR and AMPI will continue to prosper and grow, with Linda as our representative in Mexico."

REALTORS® Seize the Day

This year's National Association of Realtors® (NAR) annual Conference and Trade Show was held in Anaheim, California. The theme comes from the fact that with low interest rates and lower prices for homes now is the moment to buy. (Or Seize the Moment)

The attendance of 20,000 exceeded expectations that 18,000 would be there. A large international contingent of 1,500 also attended. In addition to a full week of educational classes, there were a couple of notable social events. One was the International Networking Reception. Mexico's delegation was led by AMPI President Adan Laracilla, Vice President Sergio Gomez and several members from AMPI La Paz. Those attending the Diana Ross, Celebrity Concert entered the auditorium on the traditional Hollywood red carpet.

At the Conference, new executive appointments were made. This year at the Conference, Maurice Veissi officially took office as the NAR President for 2012. On the International front, Teresa King Kenney, CEO of The Miami Association of Realtors replaced Adrian Arriaga, of McAllen Texas, as Chair of Business Global Alliances. Linda Neil of AMPI La Paz was one of 53 from around the world named as Presidential Liaison. Linda will represent NAR in Mexico.

One of the most popular presentations at the Conference was made by NAR Chief Economist, Dr. Lawrence Yun. He presented his Economic and Housing Market Outlook. Dr. Yun did not paint a bright picture of the market in the near future. His projection is for a 2% growth in the market for both 2012 and 2013. Then he projects a 4% growth in 2014.

Mexico had its flag flying at the Annual Trade Show. AMPI La Paz sponsored a booth. Commenting on the show, Jeffrey Hornberger, Director Global Business Alliances said, "This is one of the largest and best organized shows in many years." Adrian Arriaga, Chair of Global Business Alliances had this to say, "Great looking Booth. I had the opportunity to stop by and visit with the group. I look forward to visiting La Paz this coming year."

Next year's NAR Conference and Trade Show will take place in Orlando, Florida November 7 to 12th.

Interesting web Sites About What is REALLY happening in Mexico, Check them out!:

www.abajablis.com

<http://themexicoreport.com>

<http://www.mexperience.com/retirement/>

<http://amar.org.mx/ing/inicio/inicio.php>

<http://visit-lapaz.com/>

<http://theinternationaltv.com/mexico/mexicotraveltchannel.php>

www.twitter.com/mexico-tv

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