

Mexico Resort Real Estate Update

From The Settlement Company®

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Hurricane Odile Deals a Devastating Blow to Baja California Sur

As I write this, a massive cleanup operation is underway in Baja California Sur. There are too many heroes to be named. Mention must be made of the Mexican armed forces. Two navy cargo ships came to Pichilingue (Port for La Paz) the Electrical Commission (CFE) arrived with heavy equipment and transformers in a convoy of trucks. The army and Mexico's new Gendarmerie are proving security for all and helping restore Los Cabos to its former glory... The three levels of police united to put an early end to some looting that broke out on the first day and was quickly nipped in the bud. Later thieves would be captured as they entered La Paz with stolen goods to sell. (Local police were touring the poor neighborhoods.. They drove those without vehicles and took the markets for food and water..

The two airports were closed (La Paz quickly opened) for commercial traffic. The Mexican air force came into Los Cabos with aid and to evacuate the 30 or 40,000 tourist that had been stranded. In addition American Airlines Alaska, Delta Southwest, Virgin and others got involved in both bringing supplies and the mass evacuation. I saw one photo of an Alaska plane with its seats full of bottled water rather than passengers.

Most hotels will reopen in November. Airlines are flying into La Paz, where damage was less severe and will soon be flying into Los Cabos. The recovery and clean up is underway. B.C.S. will soon be ready for the big tourist season..

Our sympathy is with the hotels, restaurants, merchants and citizens who lost so much.

There are many organizations who have organized fund raising activities. One of these is the International Community Foundation. They have set up a special hurricane relief section. Please see. www.icfdn.org for details as to how you can help.

Breaking News: The international airport at San Jose del Cabo opened October 3, five days before scheduled.

Real Estate Institute Launched in Mexico

Global Mexico Real Estate Institute was recently formed by a group of high profile Mexican REALTORS. It is a bi-lingual, bicultural organization dedicated to delivering international education to the Mexican real estate industry. The four founders have a combined experience of more than 120 years in the international real estate arena.

Having searched for courses in Mexico that would help REALTORS® better serve international clients the group met and decided to create the institute. Its Mission is to provide courses in markets across Mexico so that attendees will not have to incur major expenses to travel to other cities or countries....

Global Mexico Real Estate Institute will focus on courses offered by the National Association of Realtors® (NAR), but not be limited to NAR courses. NAR has forty designations recognized around the world. A course schedule has been created for 2015. Other courses may be added.

The Institute had planned to kick off the new training season with the Certified Negotiation Expert (CNE) class. This two day event had been scheduled to be held in Los Cabos and delivered by Tom Hayman from the Real Estate Negotiation Institute, in Phoenix Arizona. It has been postponed until December. In 2010, Tom was named instructor of the Year by the Seattle –King County Association of Realtors. That was the first time the award was given to someone outside Seattle. Fifty students had registered for this Cabo class.

For a full list of courses to be offered in 2015, please see www.globalmexico.org

Market Update for the Riviera Maya during 2013 and 2014.

Source: Top Mexico Real Estate

Tulum

In 2012, Tulum had slow development; in the downtown area. There were also projects in the jungle, in rural settings. There is a concern because most of these developments were built on *Ejido* land. In addition there is a lack of infrastructure and services...

In the year 2014, Aldea Zama; started work on a master planned community started a booming movement of real estate in the Tulum area. It is attractive because of its , closeness to the beach, infrastructure and full services.

Several area developers have started very interesting projects, increasing the supply of properties by 94%. Developments are increasing in size, moving from a 6-8 unit complex in average to up to 82 units on each complex. The size of the condos has also increased causing an increase on the average price of condominiums from \$ 180,000 to \$ 210,000.

Tulum is a magical town. Life is surrounded with a sense of spirituality; magnified by the Mayan culture, archaeological sites and environmental awareness. International artists, attracted by the town's magical feeling, make Tulum their muse and inspiration and devote entire collections on display around the world.

New trends are making of Tulum a magnet for investors and developers, converting this area into an ideal place to buy property and expect a high financial return..

Playa del Carmen

Playa del Carmen has had a steady development and growth for several years. The influx of tourists seeking vacation rental properties either for short or long periods continues to grow and strengthen, making of Playa del Carmen an ideal destination for investors.

There have been several developments in the touristic areas of Playa del Carmen: some work with a condo-hotel scheme that allows you to enjoy your condo and make a profit the rest of the year. These are practical small units, with a lower total price, which allows a smaller investment with better returns every year.

.There are two trends in the Real Estate Market in Playa del Carmen. Smaller apartments are in the downtown area with bigger units on the outskirts of the city. Sales have soared, but average property prices have dropped from an average of \$ 461,000 USD in 2013 to \$ 356,000 USD this year.

Puerto Vallarta Market Update- 2013 versus 2014

Source: Tropicasa Realty

The market in the Bay of Banderas to including Puerto Vallarta, Nuevo Vallarta, Bucerias and points beyond, have experienced a significant increase in market activity and sales this year over last.

While house sales dropped from \$34.5M in sales last year to \$28M in sales this year, an 18% reduction, condo sales soared from \$37M in sales to \$61M, a 64% increase, netting an overall 24% increase in both condo and home sales. My personal sales this year have doubled from the year previous.

Some of the increases can simply be attributable to the diligence and skills of the agents and/or agencies involved. Some are having great difficulty working in the current climate and are giving up on deals that could be made if it were not for the lack of ingenuity or persistence. But that is clearly not the whole story.

Buyers in all sectors have a renewed interest in buying and a sense of urgency seems to be creeping back to the marketplace. Part of that is that some of the "best deals" are either gone or seemingly on their way out, and thus, the market seems to be turning a corner toward the better. In addition, new construction has seen a resurgence and buyers are much more confident to venture into preconstruction projects again. That said, pricing and location are critical – not just any new development will have success.

As a result, there is increased inventory on the market, which we hope will only keep pace with the interest and not outpace it for the risk of flooding the market with inventory and having the undesirable effect of overpowering the market again and seeing softer prices. So far, that has not happened and numerous sellers have been able to stand firm on their pricing or at least have stronger negotiating positions. Overall, sales prices still seem to hover between 5-10% off the asking price.

The average sales price of condos has also increased from about \$283,000 last year to \$321,000 this year. That is a significant increase when you consider that the \$500,000 to \$800,000 market has been dead for years, and this year saw a significant increase in that market, both in houses as well as in condos. Yet the overall numbers for average sales price of a home decreased from \$565,000 to just under \$510,000. Houses have no doubt seen the biggest hit in this market, but now it seems that buyers feel that it is a good time to trade up or buy into that home that they could not afford before.

REALTORS® Gather in Guadalajara

More than 700 attended the XXIIIrd Annual FORO of the Guadalajara Section of the Mexican Association of Real Estate Professionals.(AMPI) Most of those in the audience were from the Guadalajara region. Others came from Mexican states, including Baja California Sur, Mexico City, Michoacán., Tabasco, and Zacatecas. Three of the Founding Directors of the new Global Mexico Real Estate Institute, A.C. were present.

The day was full of informative and thought provoking presentations and a Trade Show.

Following the salute to the flag and the national anthem, a group of architects took the stage to discuss, "Investment and Real Estate Innovation." One of those participating was Alfonso Gordon, CIPS who traveled from Madrid.

Next up was Mario Rios from the international consulting firm KPMG. His presentation covered the new reforms and structural changes to Mexico's laws and the expectations as to their impact. on the economy and the real estate industry.

Alfonso Gordon, CIPS came from Madrid, Spain to attend and participate. His subject was "Global Real Estate." He spoke about different cultures around the world and how to work with foreign buyers. Alfonso also provided a list of resources with valuable information to help do Global business. These are available online.

The next speaker was thanked with a long standing ovation. Jorge Font Ramirez is a member of Mexico's handicapped Olympic team. His sport is water skiing. Jorge's presentation was entreaty, humorous and sparked positive emotion in the audio.

Leon Zuckerman was the final speaker. He has a rather impressive background. After graduating from the prestigious Colegio de Mexico he went on to study at Oxford University and would later receive a a Doctorate in Political Sciences from Columbia University in New York. His accomplishments as a journalist are too long to list here. Succie to see he writes a daily column in the newspaper Excelsior and appears regularly as an analyst on both TV Azteca and Televisa.

The day ended with a cocktail party where lots of networking took place.

Further Information:

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