

Mexico Resort Real Estate Update

From The Settlement Company®

Welcome to our Third Quarter 2021 newsletter

In this edition blah, blah, blah

La Paz Featured in Time Magazine

Courtesy Gringo Gazette

Well, our state capitol, La Paz made it, as it was chosen as One of the World's Greatest Places 2021. TIME said, "The Mexican seaside city of La Paz is two hours north of the popular Cabo San Lucas and its busy resorts, but with its laid-back vibe, it might as well be a world away. Visitors can take a relaxed stroll on the Malecon, a three-mile-long pedestrian walkway right along the Sea of Cortez, lined with ocean-inspired sculptures and open-air cafés. Epic marine-life encounters are the main draw to La Paz and its surrounds—these are the waters Jacques Cousteau referred to as "the world's aquarium"—and there are plenty of boat excursions to choose from. On uninhabited Espiritu Santo Island, just offshore, the glorious Camp Cecil de la Isla has luxe canvas tents with a canopy of stars overhead. With new American Airlines direct flights from Dallas and Phoenix, La Paz is primed to welcome many more guests this year. —Terry Ward."

WISE HARNESS SOLUTIONS EXPANDS INTO EMPLAME, SONORA, MEXICO

EXCERPTS FROM THE MEXICO CITY NEWS.

Tetakawi Connects Wire Harness Manufacturer with Convenient Location, Skilled Workforce

Tetakawi, the leading provider of services for foreign manufacturing companies in Mexico, is pleased to welcome Wise Harness Solutions to its Bella Vista Manufacturing Community in [Empalme, Sonora](#).

The decision to expand into Mexico came as Wise Harness Solutions executives sought a solution to the ongoing labor shortage plaguing manufacturers across the U.S. The company had found itself struggling to grow its Wisconsin workforce to support the demand from its customers. With more of its competitors moving into Mexico, the company recognized that the lack of a Mexican presence, combined

with this workforce shortage, would make it more difficult to provide the highest quality products, on-time delivery, at the competitive price its customers expected. Upon talking with colleagues who had made the move into Mexico, Wise Harness Solutions leaders discovered the advantages of operating through the maquiladora program under the umbrella of an experienced [shelter service provider](#) like Tetakawi.

“While competitive labor costs may lead many manufacturers to consider an operation in Mexico, it’s the technical excellence available from this workforce that encourages manufacturers to stay and flourish,” says Luis Felipe Seldner, President, Tetakawi. “We take pride in connecting foreign investors with a skilled workforce to support their manufacturing excellence, and look forward to supporting Wise Harness Solutions’ ongoing growth.”

FOLLOW THE TREASURE! RUTA DEL TESORO

The Treasure Route (*Ruta del Tesoro*) is that incredible stretch of highway between the Magic Village (*Pueblo Magico*) Todos Santos and fabled Cabo San Lucas. It follows the Pacific Coast where, during the 16th and 17th centuries, pirate ships pillaged the gold laden galleons coming from the Philippine Islands. Punta Gaspareño, is the mighty rocky mount, where legend has it that the Spanish Galleon Gaspareño went aground leaving treasure, yet undiscovered.

This fabled coastline, forty-one miles long, is populated with long beaches, rocky bluffs and a few beautiful homes. The surf break at Los Cerritos Beach is said to be one of the best along the Pacific Coast. The mountains and canyons to the east harbor fresh springs, waterfalls, and marvelous hiking and riding spots.

There are few properties suitable for development along this route which is ideal for enjoyment of the whales migrating from Alaska, the convenient and fashionable shopping of Los Cabos and the arts and music of Todos Santos.

WHAT ELSE IS EXCITING ABOUT RUTA DEL TESORO??

Residential development in this area is moving north from Quivira and Rancho San Lucas on the outskirts of Cabo San Lucas and is also moving south from Todos Santos through Pescadero and Los Cerritos toward Cabo San Lucas.

Closed sales of homes of US 500,000. plus, in this zone have increased 50% in the past year and pending sales are up between 133% and 313% in the US 250,000. to US 500,000. + price range. The absorption rate for this class of home has been reduced from 25 months in January 2020 to under 10 months in 2021. New listings in the same period have decreased 46%. This points to an increasing need for new construction in the luxury home development area.

Pre-pandemic Baja California Sur was the fastest growing state in the country with 18.1% annual growth. It boasted of 92% growth in industry (including tourism) between 2017 and 2018. Souce.Inegi. .

Continuing Care Retirement Communities (CCRC) are greatly needed for our aging ex-pat population in Baja California Sur. With its proximity to international air service, fine hospitals and an amazing cost of living, the *Ruta de Tesoro* corridor is an outstanding location for a high-quality community meeting today's requirement for resort type accommodations.

When is the best time of year to visit Los Cabos? Great Fourth Quarter Activities Courtesy Destino Magazine

October marks the beginning of the "high season" in Los Cabos, which means that tourism kicks back-up after the hot and slower summer months. The weather is still warm and it's the last month of hurricane season, so tropical storms and humid weather are possible. October is also known for Sammy Hagar's infamous birthday bash at Cabo Wabo, which has been taking place yearly for over two decades, as well as the world-renowned Bisbee's Fishing Tournaments. November is a favorite weather-wise: the weather is ideal; warm but not hot, and the ocean water is still nice and warm. Seasonal happenings start back up, such as the San José del Cabo Art walk and organic markets. Several sporting events take place, from marathons to biking races, the weather is ideal for outdoor high endurance activities. Los Cabos is an excellent place to spend the holiday season if you need a break from the cold; even though the weather is still warm through December (although it begins to cool off in the evenings) the holiday spirit can be felt everywhere.

Canadian Pacific and Kansas City Southern Execute Agreement to Combine, Creating First Single-Line Rail Network Linking U.S.-Mexico-Canada

September 15, 2021 Calgary and Kansas City, Mo

Editor's Note: *For several months now, I have been watching the struggle between Canadian National Railway (CNR) and Canadian Pacific Railway (CPR). Trying to reach a merger agreement with Kansas City Southern Railway (KCS) The initiative will create a North American Rail Super Highway. It will have a tremendous effect on the North American economy with the most significant impact on the Ports of Lazaro Cardenas in Michoacan, Mexico and Vancouver in British Columbia, Canada.*

Canadian Pacific Railway Limited and Kansas City Southern today announced they have entered into a merger agreement, under which CP has agreed to acquire KCS in a stock and cash transaction representing an enterprise value of approximately USD\$31 billion¹, which includes the assumption of \$3.8 billion of outstanding KCS debt. The transaction, which has the unanimous support of both boards of directors.

“Our path to this historic agreement only reinforces our conviction in this once-in-a-lifetime partnership,” said CP President and Chief Executive Officer Keith Creel. “We are excited to get to work bringing these two railroads together. By combining, we will unlock the full potential of our networks and our people while providing industry-best service for our customers. This perfect end-to-end combination creates the first U.S.-Mexico-Canada rail network. with new single-line offerings that will deliver dramatically expanded market reach for CP and KCS customers, provide new competitive transportation options, and support North American economic growth.”

A CP-KCS combination would provide unprecedented reach via new single-line hauls across a combined network, offering:

- New single-line competitive options for domestic intermodal shipments between Mexico, the U.S. Midwest, and Canada, providing a truck competitive product for time-sensitive shipments in the high-value parts, perishables, and expedited markets.
- New single-line hauls linking key automotive manufacturing and distribution centers in Mexico, the U.S. Midwest, and Canada, capitalizing on CP’s best-in-class automotive compound network.
- New single-line routes linking energy, chemical, and merchandise shippers to more quickly and efficiently connect origin and destination facilities and reach new markets and global consumers.
- Unmatched access to Atlantic, Gulf, and Pacific ports, linking international intermodal shippers with North America’s largest consumer markets providing new optionality, capacity, and resiliency.
- New single-line routes allowing the efficient flow of agricultural products from CP’s origin-rich franchise to KCS’ destination-rich franchise, generating new optionality for shippers and receivers.
- Extended reach for short line and regional railroads coupled with new optionality for non-rail served customers via our extensive A CP-KCS combination would preserve the six-railroad structure of the North American Class 1 rail network: two in the west, two in the east and two in Canada, each with access to the U.S. Gulf Coast. The two companies once

LAZARO CARDENAS PORT STATISTICS:

SOURCE: La Voz de Michoacan

Comparisons : July 2021 compared to July 2020. 828 arrivals represented a 13% increase in maritime traffic, a 43% percent increase in Containers and 45% increase in the importation of vehicles from Asia.

Los Cabos Real Estate Market Report

By Connie Bezeredi

Engels ^Volkers Snell Real Estate

The Real Estate market in Los Cabos remains robust while covid continues to fuel sales. Sept. our slowest time of year 2020 was when the surge began and it remained busy right thru June 2021. A slow-down mid-month but that extended the normal winter selling season as people headed "home" for spring. Sales typically continue through the summer months but at a slower pace. Rentals are in huge demand with people continuing to adjust their work/home lifestyle and choosing to do it in sunny Los Cabos. Mexico's open border policy has been fueling tourism and those numbers are way up. More airlines are returning and new ones adding flights to our destination. With vaccines available to everyone who wants one those who didn't make it down last winter will surely be coming this year to get their Cabo fix.

2nd quarter of 2021

Properties under contract: condos +902%, single family homes +418%, land +185%.

Sold & Closed sales: condos +552%, single family homes +220%, land +185%

3rd quarter 2021

Properties under contract: condos up + 200%, single family homes +71%, land +81%

Sold & Closed sales: condos +178%, single family homes +109%, land +122%

The average selling price of properties is up on average of 40% to 132% but this does not mean properties are appreciating by that percentage, buyers are spending in a higher price point year over year. Inventory is dwindling and new construction is booming. If you're a buyer don't wait too long to get into the market, be prepared to act fast. And if you're a seller get in gear and get listed for this next season, you shouldn't be waiting either if you really want to sell.

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Busy Season for R.E. Associations

Mexican and U.S. real estate associations will have conferences and annual general meetings in October and November.

The Mexican Association of Real Estate Professionals (AMPI) will convene in Tampico, Tamaulipas from October 27-29. During its Annual General Meeting, new representatives of its Advisory Council and a Vice President will be elected. As well the site for next year's Conference will be decided.

NAR-The national Association of Realtors® will hold its annual REALTOR® Conference and Expo in San Diego. It will take place November 12 -15. A highlight of the week will be the inauguration of 2022 President Leslie Rouda Smith. She will

be following in the footsteps of her father Harley E Rouda Sr., who was NAR President in 1991,

Members of the Associated Realty of the Americas (AREA) will enjoy a sunset cruise on November 9

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