

Greetings from the Costa Maya

I'm writing this article on the plane back from another great trip with my wife to the Costa Maya.

I'll update you on a few happenings in the area, but will focus most of my time on describing some great investment opportunities that I found all along the coast. The temperature is rising and the humidity was at 98% one of the days we were there. As you might expect, the next few months are not the optimal months for travel to the area, but with things relatively quiet down there, it's a great opportunity for prospecting for real estate, and the hotel rates are discounted.

Infrastructure

The most notable changes I see each time I visit the area are infrastructure improvements. I've previously mentioned improvements to roads leading to and from the Costa Maya. This is especially true with the section of Rt. 307 between Chetumal (the capital) and the turnoff to Mahajual. Much of this stretch is under major construction, expanding the road to 4 lanes. The benefit of this, of course, is that traffic from Chetumal to the Costa Maya will be much more efficient. One hotel owner indicated that his drive to Chetumal was now 30 minutes shorter because of the improvements. I've always indicated that the Chetumal airport has been slated for expansion to accommodate international flights. There is much construction going on there now. I believe the road improvements are all part of the plan to increase the flow of traffic, once international carriers schedule flights into Chetumal.

Telephone/Internet

Another indication of progress is the improvement in communication services. Just one year ago, you couldn't find a public phone in the town of Mahajual. Now there are several coin operated and Telmex phones. I'm sure these were installed to accommodate the thousands of cruise ship passengers that now visit the area (more on that later). But, whatever the reasons, it's a definite improvement and an indication that this area is expanding. There's also now an internet cafe in Mahajual. At last, a cost effective way of communicating with family and friends while away on extended trips. The internet service is getting better as well. I accessed the internet on 2 different sites while I was there and the wait time and interruptions were significantly reduced from just a few months ago.

Cruise Ships

The cruise ship activity continues to be a major factor for the Costa Maya. Much to the dismay of the locals, when the cruise ship is in town (multiple ships/multiple days), hundreds of people at one time are swimming, walking, jet-skiing, dune-buggy, horseback riding, drinking, eating, etc. The town is alive with activity, providing great exposure to the entire Costa Maya area. There's much discussion about expanding the cruise ship pier to accommodate more ships on a given day. At this time of year, considered the low season, ships come in to port on Mondays, Wednesdays, and alternate Thursdays. Imagine the activity during the high season if the pier is expanded. This cruise ship passenger traffic has spawned an increase in small shops, bars, restaurants, and other commercial activity within 2 km of Mahajual. There are still opportunities to purchase commercial property. From my perspective, these could be the best investments. I purchased a small lot of my own within the Mahajual commercial district just a few months ago. I could sell it today for twice the price I paid.

Mahajual Detour

For those of you who haven't been to Mahajual for some time, it may surprise you to find that the next time you're in town you won't be able to drive down the beach road. Easter week (the most holy week in Mexico) is one of the biggest vacation weeks for Mexicans. During this week many Mexicans come to the Costa Maya and Mahajual to vacation and relax. Add to that the cruise ship passengers, and the small fishing village of Mahajual can be quite chaotic and dangerous from a traffic perspective. The small beach road in town wasn't designed to handle the flood of tourists in taxis, dune buggies, on horseback, etc. It literally was an accident waiting to happen. In order to maintain some semblance of traffic control, the beach road was closed to accommodate only pedestrian traffic, and vehicles were diverted one block west of the beach road. This seemed like such a good idea that the municipality decided to keep it that way on a permanent basis (sort of). On non-cruise ship days, you can still slip by the barricades on the beach road without having to go around, but I think it's just a matter of time before the beach road is permanently blocked from vehicle traffic and only pedestrian traffic will be allowed. Think about this for a minute. Compare it to Playa del Carmen, where most of the vehicle traffic is on 1st Ave. and other streets to the east. The commercial property I referenced earlier can still be purchased on the beach road and one block west. I envision these commercial lots will eventually be like those on 5th Ave. in PDC. Wouldn't you have liked to have purchased one of those 15 or 20 years ago?

I said I would update you on a few happenings. I may have overdone it, but I think these things help give you a perspective for what follows:

INVESTMENT OPPORTUNITIES IN THE COSTA MAYA.

Perspective

In one of my previous newsletters I provided a detailed perspective on why people acquire property in different areas of the Costa Maya. I won't take the time to repeat myself. The bottom line is that much of it comes down to preference. I have as many requests for property in Xcalak as I do for property north of Mahajual. Each prospective buyer has his/her reasons for choosing the locations that they do.

Over the past 4 years I've driven up and down the coast from Xcalak to Tampalam hundreds of times. I've developed a sense for identifying properties that are "investment worthy." I've looked at hundreds of properties that I would not personally own for a variety of reasons. You won't find those properties listed here. The properties that follow are those that I believe represent excellent values with a high potential for appreciation. As you can see, there aren't hundreds. I spend my time looking for the best values and on focusing on those few, and helping you understand the reasons these properties are truly good buying opportunities. I also can feel comfortable knowing that if you purchase one of these, you'll feel good about your purchase for many years to come. I talk to many people who bought several years ago at very inflated prices and realize the price appreciation that they lost over those years.

Over the next several weeks I hope to have a functioning website where I can better describe my services and properties more effectively. I'll also be able to show you pictures of these properties without trying to email them to you and have the message rejected due to a file size limitation. But in the meantime, please bear with me until the website is functional.

Investment Opportunities

Many of you know that I represent the sale of both group buying opportunities and individual size lots. In the end you get what you're looking for. The group buying opportunities are large parcels that are purchased by a group of interested buyers. The main benefit of purchasing large parcels is that the price that this property can be acquired for is generally less. When the parcel is acquired, we have the property sub-divided into individual lot sizes that meet your preference; then the lots are transferred into your trust or corporation. I've successfully purchased 3 of these group properties. One is totally complete. The other 2 are in process. If you would like more details on this, please let me know and I can send you the "Investors Agreement" that spells out the details.

Single Lots*North of Mahajual*

Rio Indio (1) 10m X 73m \$57,500

This lot represents one of the best values in the area. For people that have a limited budget but still want to have an oceanfront property, it won't get any better than this. The lot measures 10 meters by 73 meters and is located in Rio Indio, a beautiful area north of Mahajual known for its coves and tranquil water. The lot has a high elevation and is cleared, with the exception of a small shack on the lot. Located just 3 km north of the access road, this may be the most cost effective way to get you a place on the Caribbean.

Rio Indio (2) 2 - 20m x 80m \$195,000

This lot is located in the same beautiful area but 2 km south of the access road and at the very southern end of the beach road. If it's privacy you're looking for, the only traffic you'll see is people coming to see you. The beach road on this lot has been relocated, providing the entire distance of the lot on the beach side.

Rio Indio (3) 57m x 70m \$350,000

Arguably the most beautiful and meticulously maintained lot in the Costa Maya. Large mature palms. Located approx. 5 km north of the Rio Indio access road. Beautifully maintained beach in small cove with gentle lapping waves. If you're looking for a large buildable lot with all the clearing complete, and no landscaping required, this is the one.

Placer 7 20m x 50m-65m \$165,000-\$182,000

Seven beautiful, contiguous lots located in an area known for its attractive beaches. These lots are located close to the area targeted for future development by Fonatur, the Mexican tourism agency. There's ample distance on the beach side of the road (over 30 m) to build. If you're targeted location is north of Mahajual, there aren't many single lots left. You may want to check these out.

La Cazona 105m x 60m \$495,000

Beautiful, highly vegetated lot with mature palms located 5.5 km north of the Uvero access road. If you're looking for privacy offered by the depth and vegetation of a lot, this one will give you that. This property has been reduced by the seller because of financial difficulties. The Uvero Beach Club is located just 5 km south of this property. This is definitely in the area targeted by Fonatur for

future development.

Mahajual Area

Peraza 40m x 150m \$198,000

This is my favorite lot in the Mahajual community. It is located only 8 km south of town, which makes it very convenient and accessible to all the town's facilities; yet far enough from all the commercial activity. This is a beautifully cleared lot with a wonderful beach with gentle lapping waves. If you're looking for a great oversized lot in close proximity to Mahajual, it doesn't get much better than this.

Commercial Lot 10m x 20m \$140,000

Commercial properties within the Mahajual commercial district may represent the best investment opportunities. With the increased exposure of cruise ship traffic, these properties have appreciated faster than residential property, and the supply is much more limited. This lot is located less than 1.5 km south of Mahajual on the beach road. Concession rights to the Federal Zone provide the opportunity to open a small bar or shop right on the beach. The additional 10 meters by 20 meters located across the road provides ample space to build a shop, restaurant, hotel or other business. Commercial lots like this one allow for much higher density and less restrictions than residential lots. If you're inclined to start a small business or simply rent out the property to a business owner, you'll have difficulty finding a better lot for less in this area.

Xcalak 15m x 40m \$70,000

This heavily vegetated lot with palm and grape trees is one of the few remaining lots located just 1 km north of town. These lots are in demand because of their proximity to town. The lot has 30 meters on the beach side of the road, providing ample distance to build a house. Xcalak is really starting to develop a close-knit community of North American expats. These lots will continue to appreciate given the demand for property in Xcalak.

Group Investments

These properties will continue to provide the best value, simply because the cost of acquisition is generally less than single lots. By buying large parcels, the cost savings can be passed on to the buyers.

The following properties include those that are in the process of being acquired and some that are potential group investments, given the level of interest.

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(1) Uvero 259m x 240/340m \$4,900/meter

Located 1 km north of the Uvero access road, this is a heavily vegetated property with tremendous depth. This group investment has been in process for some time, but we are looking for more investors. For more details, please contact me.

(2) Puerto Angel 400m x 90m +/-

Outstanding property located 17 km south of Mahajual. One of the most beautiful stretches of blue water Caribbean beach. Ample distance to build on the beach side of the road. Still waiting on more details.

(3) La Cazona (see details under single lots)

(4) Rio Indio (3) (see details under single lots)

(5) Tampalam (Biosphere) - multiple properties

Contrary to many reports being circulated, houses can be built in the Biosphere. I personally saw one under construction. The restrictions are more severe, however. A minimum of 50 meters is required to build a basic one or two bedroom house. Although these properties are located some 50 km north of Mahajual, the beaches are stunning. Also, because of the restrictions, properties in this area sell for considerably less; in the range of \$1,300 - \$2,500 per meter; less than one half of what you would pay for other properties in the Costa Maya. I looked at several beautiful properties for sale in this area. If anyone is interested, let me know and we can talk about these properties in more detail.

As you can see, there aren't many properties listed here. But these represent some of the best values on the coast. If you have specific questions about any of these properties, please contact me and we can discuss further. I'll more than likely be making another trip sometime in August. If any of you are interested in joining me to look at some of these, let me know and we can coordinate our schedules.

Saludos,

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Denis