

Greetings,

I recently returned from another property hunting trip to the Costa Maya. As always, it was adventure filled, with too many properties to see in the 2 days that we spent looking. This time we had a group of 8 adults and 2 children. The destinations included Lake Bacalar and areas north and south of Majahual. We didn't even have time to visit Xcalak. Nevertheless, there were lots of nice properties with high investment potential to see.

Property Values on the Rise

Let me say up front that property values are by no means stabilizing. The trend is definitely up in all areas with prices rising faster in areas north of Majahual. The news that a large hotel chain will be building there soon is fueling much of that speculation. The reported destination for the hotel is the section between the Placer and Uvero access roads. Not many more details at this point.

We spent much time looking at property in the Rio Indio, Placer and Uvero areas, all north of Majahual. Rio Indio prices have escalated considerably. Just a year ago, 20 meter lots could be found in the range of \$100 to \$120,000. Everything we looked at in Rio Indio on this trip was at least \$140,000.

The Placer and Uvero areas have also seen price increases. Prices in Placer, noted for its beautiful beaches, are in the range of \$11,000 to \$15,000 per lineal beachfront meter. The Uvero area a few kilometers north with calmer more placid beaches is seeing prices in the range of \$8,000 to \$10,000 per meter. The advantage of both of these areas is the higher building density allowed. The Placer/Uvero areas have building densities in the range of 20 - 30 units/hectare. This is significant when compared to most areas south of Majahual with densities ranging from 5 - 10 units/hectare. The higher density provides for building larger homes and even decent sized hotels or B & B's depending on the size of the parcel purchased. So for those of you looking to build a multi-unit home or if you have aspirations of running a B & B some day, your best bet is on property in the Placer/Uvero area. My guess is that you'll also see continued appreciation at a faster rate in this area because of the higher density.

The down side, if there is one, is that when the large hotel chains arrive this area will no longer be the quiet little get-away that you've come to love. Not to mention the golf courses and theme parks that are planned for this area as well. Well, as they say, "that's progress" and "you can't have your cake and eat it too."

Lake Bacalar

I've written about this undiscovered jewel in past newsletters. Arguably this is one of the most beautiful fresh water lakes in the world with several shades of blue often referred to as "the lake of seven colors." More and more people are discovering this haven of beauty. Prices have generally been lower than property on the coast, although that's changing fast.

There are several advantages to owning property on this lake. For one, homes on fresh water lakes do not experience the corrosive effects that salt water air has on homes built on the coast. Any homeowner on the coast will tell you that every 2-4 years a fresh coat of paint and varnish or stain is Lake Bacalar needed because of the effects of salt. In addition, most of the fixtures need replacement usually within 10 years because of the corrosive effect of salt.



Lake Bacalar

Secondly, the town of Bacalar is only one half hour away from the capital city and metropolitan area of Chetumal. The city of Chetumal has all the services of a large metropolitan U. S. city including most major chains and restaurants. Close proximity to this city makes it much more convenient to stock up on supplies when needed than any of the areas on the coast. A city the size of Chetumal also provides better access to medical services, especially in emergencies.

Most of Lake Bacalar is also situated at the base of a moderate to steep embankment. This allows for building homes on the slope which provides for stunning views of the lake. If you get a chance, spend the night at the Hotel Laguna and you'll see what I mean. One caveat. The Hotel Laguna is by no means a 5 star hotel. It's 60's vintage and quite "gawdy" looking, but clean and situated on a beautiful spot overlooking the lake.

The last point and probably the most significant is that properties on Lake Bacalar are not as affected by hurricanes as those on the coast for obvious reasons. For some people, this alone is reason enough to choose Lake Bacalar over property on the coast.

Tapas & Fences

Tapos

Did you ever wonder if the property you were shown by Joe Realtor is in fact the property you ended up buying? I know I did.

There is a way you can know for sure that the property being advertised for sale is the one you're buying. This is done through a topographical survey performed by the office of Catastro. Catastro is the official office for the county that determines the boundaries and marks the corners of the property in the field. Without having Catastro do a survey, you have no way of knowing what you're buying other than to trust the realtor or seller that's showing you the property. Is a survey always done as part of purchasing property? Absolutely not, unless you ask for it and pay for it. Most uninformed buyers assume that because it's standard in the U. S. for a survey to be done prior to purchasing property, that it's also the case in Mexico. You see, in the U. S. most of the time a bank holds the mortgage. The bank requires that a survey be done before it loans money to purchase a property. In the Costa Maya, where most deals are cash deals, there's no requirement that a survey be done since there's no lending institution involved. So, it behooves the buyer to have one done prior to purchasing property. Also, don't assume that a title insurance company requires it either. You would think they would before issuing title insurance. If a survey is not performed, the title company will simply issue the policy with an "exception" stating that without a survey no claim can be made against the insurance company in the event of a boundary dispute. Wow. And you thought you were protected against this, didn't you? So, buyer beware. Before you purchase property have your attorney or some other contact, order a survey of the property and get a surveyor's affidavit. The title company will also require this for the survey to be considered legitimate. On typical 20-25 meter lots, a survey should cost somewhere between \$400 and \$600 U. S. dollars. If you pay much more than this, your attorney or someone else may be profiting at your expense. One more thing about surveys. Unlike surveys in the U. S. where corner posts are usually marked with concrete bounds, those in Mexico are not. Unless you specifically ask (and pay extra), corner posts marking your property will be made of wood. These are typically a tree trunk no more than 3-4" in diameter and not much longer than 12" in depth (if that) driven into the ground. Guess what happens when a good storm surge comes along or someone decides to give it a good kick? You guessed it-it's gone and so is the survey you just spent several hundred dollars on. Ask the surveyor to use "mojoneras," usually concrete markers, sometimes poured in tubes. These will last longer than the wooden posts. You'll pay a bit more, but it's definitely worth it.

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Placer (1 & 2) \$230,000 each
Outstanding beach in one of most desirable areas of the Costa Maya.
20m x 55-60m

Sapphire 22 \$315,000
Popular Sapphire beach located in Placer. Outstanding depth and beach quality.
20m x 100m +

Puerto Angel (13 & 14) \$150,000 each
Two contiguous lots in beautiful Puerto Angel area located right at paved access
road. 20m x 47m

Tanquilla (25 & 26) \$115,000 each
Two contiguous lots in Tanquilla. Owner financing available. High density zoning
of 20 units/hectare. 20m x 80m

Guadalupe 29 \$150,000
Located only 5 km north of Xcalak, the beautifully cleaned lot is only minutes
from Xcalak. 18m x 50m

Puerto Angel (#4) \$562,500
Large 75m lot in beautiful Puerto Angel area. Located at paved access road.

Gavilan \$275, 000
Large 62m lot located in popular Gavilan area located 10km north of Xcalak.
Exceptional depth. Property can easily be subdivided. 62m x 160m

High Value Investment Opportunities

I'm convinced that any property bought today in the Costa Maya will yield
outstanding returns over the next several years.

There are several potential opportunities available now in the Uvero and Placer
areas. These are parcels that are a minimum of 100 meters of lineal beachfront.



Generally, larger parcels
can be acquired for less
than smaller parcels. I've
acquired 3 large parcels at
discounted prices and
subdivided them. Buyers
participating in these
investments can, in effect,
purchase lots that meet



their specific Uvero size preferences at discounted prices. Please contact me if you are
interested in any of these large parcel investment opportunities.

That about does it for this time around. If you have any suggestions for improving this newsletter, please let me know. Also, if you have particular topics you would like to see discussed, let me know and I may be able to include them in a future issue.

Keep in mind that I make property hunting trips to the Costa Maya about every 2 months. If you'd like to join me on a future trip, let me know and I'll keep you posted on my next travel dates.

Saludos,

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Denis