

Greetings,

I just returned from another great but uneventful trip to the Costa Maya. Although this trip was planned for some time, I only had one person accompanying me. I want to thank Mike Johnson for coming along on his third trip with me to the Costa Maya. We covered a lot of ground and looked at new properties, and as always property prices are still increasing so the bottom line is that if you've decided to purchase property in the Costa Maya for personal or investment reasons, don't wait—prices will only go higher.

As I always do in my newsletters, I will address new developments in the Costa Maya as well as profile new high value properties. In addition, since this is the property tax season, I will discuss my experiences in paying property taxes. I learned some good lessons that I think property owners can all benefit from. That should be enough to go around for this newsletter.

Infrastructure Development

Road Construction

At the risk of repeating myself, I can tell you that the Mexican government is serious about building up this part of the infrastructure. Driving south from Playa del Carmen, you'll come upon miles of road under new construction as well as many more miles that have recently been completed. Before long there will be four lanes of road in many stretches between Playa and Chetumal. Even between the Cafetal junction and Chetumal, there's major bridge construction going on as well as road expansion. Maybe that Chetumal airport really is being expanded to handle international travel. American Airlines, United and Mexicana are now flying into Chetumal from Dallas. Prices I ranged from \$524 to \$764.

Without question, there's a definite attempt at increasing the traffic flow between Playa and the capital city of Chetumal. Could it be that they know something we don't about what is going to happen in the next few years in the Costa Maya and Lake Bacalar. Not if you've been reading my newsletters over the past 2 years. Major development in these areas is definitely the trend in the coming years.

Road Relocation

In one of my past newsletters I described the ordeal of relocating a stretch of road approximately 300 meters in the Costa Maya. I won't go into all of those details again. You can refer to the previous newsletter. But all the costs are in and the project was successfully completed. For those of you who may be interested in pursuing this, you may want to reconsider. It's not an easy process, but in case you muster up the nerve

to do this you might be interested in knowing that the relocation cost me approximately \$85 per lineal meter of road.

It's Property Tax Time

"If you think you have this figured out---think again."

For those of us who own property in Mexico, this is the time of year we turn our attention to paying our property taxes. December is an important month because taxes paid in December are discounted by 25%, with a lower discount if paid in January. The process of paying your property tax can and should be a simple one, and occasionally it is. But not this year. At least for me it wasn't.

Here's the routine. You drive to Chetumal to the Palacio Municipal. (I know that there are some alternate locations (one in Mahajual». Take last year's tax bill with you and hand it to the clerk in the "Predial" office. She/he types in your "catastral number" into the computer. You are then issued a computerized printout listing the breakdown of taxes you owe, showing the 25% discount. You can easily read the amount of tax you owe. Now walk a few feet to your left and stand in the cashier's line. That's where you hand your printout to the cashier who then collects your money and issues you a new tax receipt. It couldn't be any simpler. Ah, but not so fast. This is Mexico. We need to complicate things a bit. It's endemic to the culture to create bureaucracy and inefficiency.

Bet You Didn't Know (at least I didn't)

Did you know that every two years you need to have the value of your property re-assessed? I didn't. That means that if the year shown next to the word "avaluo" on your previous year's tax receipt is over 2 years from the current tax year, you need to get an up-dated assessment. In other words, if the "avaluo" year is 2004 and you're paying 2007 taxes, you need are-assessment. The system kicks it out and you cannot pay your tax. What does this mean?

To get this re-assessed value, you literally walk out the back door of the predial (tax) office and go to the Catastro office next door. This is the equivalent of the tax assessor's office in the states. At this point you better have a copy of your "Cedula Catastral" or your deed. I didn't, but was with someone who knew people in the office so I was able to get by with my previous year's tax receipt. You now have to officially request a new copy of the "Cedula Catastral" which has the updated assessed value of the property. But guess what? You can't get it that day. You need to come back the next day, usually no earlier than 11 :00 a.m. If you have nothing better to do, that's no problem, but if you're on a tight schedule and run into these kinds of problems it can cost 2 days, like it did me.

Let's Complicate Things Just a Little More

If things go smoothly, you can now pick up the "Cedula Catastral" and take it back to the cashier in the predial office and simply pay your taxes. But upon your return to the Catastro office the next day, you find that there's another problem. Somehow and for no apparent reason the catastral number which identifies your property has changed. What's with that? Now they want a copy of your deed (not the original). If you don't have a copy and you're fortunate enough to have brought your deed, there's a small market across the street that has a single page copy machine that constantly churns out copies for unsuspecting people who may run into these difficulties. Once you have the copy you go back to the Catastro's office and try to get them to make sense of things and why the catastral number may have changed. If you're lucky you'll get this resolved. I simply ran out of time and had to leave, knowing that I would not resolve these issues until my next trip 2 months later. That's where I'm at right now. I managed to get my taxes paid on several properties, but not all. That also means I'll forfeit the 25% discount that I would have received had I been able to stay longer. Lessons learned from this experience in paying property taxes:

- (1) Always bring copies (not originals) of your previous year's tax receipt, Cedula Catastral, and escritura (deed).
- (2) Give your self enough time. If you're lucky you can be out of there in 10 minutes, but don't count on it.
- (3) Remember, if your "avaluo" date is over 2 years old, you'll have to order a new "Cedula Catastral" and come back the following day.
- (4) Take this all in stride. No sense in getting all worked up. Adjust to the culture and it will be less stressful.

I hope these experiences and lessons learned can help simplify your life as a property owner in the Costa Maya. In my next newsletter I'll discuss the process of subdividing property in the Costa Maya. There are lessons to be learned from this as well. For those of you interested, I've highlighted some of the latest property picks in the following section. These are properties which I consider to be high value, based on several factors including price and quality. If you or someone you know is considering buying property in the Costa Maya, take a serious look at these. You can also find all the properties I have listed on my website: www.mexicocaribbean.net
MexicoCaribbean@AOL.com

Property Picks

Xcalak - 7.0

\$115,000 each

Two great contiguous lots measuring 18 m x 50 m located 7 km north of town. These lots are discounted for a quick sale. If you're looking for a value and quality lots in Xcalak, this is the best there is.



Rio Indio #3

\$140,000



Outstanding lot located at paved access road. Lot measures 20 m x 90 m with 70 m on the beach side of the road. Lot provides great depth for building and privacy. You won't find a better lot for this price in Rio Indio.



Xcalak - 10

\$4,300 per meter



Oversized 50 m x 134 m lot located 10 km north of town in popular Gavilan area with established community of homes. Near impossible to find property for less than \$5,000 per meter anymore.



Puerto Angel - 75

\$510,000

Outstanding quality beach. This is the kind of beach pictured in your dreams. Located just off a paved access road, 14 km south of Majahual. This lot measures 75 m x 130 m. Good depth on beach side of the road provides adequate distance to build and privacy. Seller will subdivide into 25 meter lots if desired.



Rio Indio – 5.0

\$890,000



The owner just contacted me about this 150 meter lot. He's looking for a quick sale of his 150 meter by 90 meter lot located 5 km north of the Rio Indio access road. Most of the 90 meters is on the beach side of the road.

This is an exceptional lot in Rio Indio. If you're interested in 20 or 25 meters, we can subdivide a lot for you. This process only takes one month. The price for one lot is \$6,500 per meter.



Saludos,



Denis