

Greetings,

I'm writing this newsletter on my flight back from the Costa Maya and Lake Bacalar. The weather was spectacular with a temperature of 80 to 85 degrees every day and occasional but brief showers.

This was a multi-purpose trip including:

1. showing properties to prospective buyers
2. paying property taxes
3. sub-dividing property

I also did manage to do a little snorkeling in a cenote. Great experience if you've never done this. Some of you have inquired about the process of sub-dividing property. I'll take some time to discuss this. I know that this will not apply to most of you, but some of you with larger parcels may benefit from this discussion.

### *Can I Sub-divide Property?*

Yes, almost anything is possible in Mexico. The key to getting things done here is knowing the process or knowing someone well connected who can get things done. There's no substitute for knowing the right people.

I've been involved in 3 major sub-divisions:

- 8 lot
- 18 lot
- 6 lot

Some sub-divisions are simpler and less time consuming.

### *Smaller is Better*

Sub-divisions that involve splitting a parcel into two lots can take far less time than a sub-division of 3 or more lots. The reason for this is that 2 lot subdivisions only require approval at the local municipal level. Because of this, the normal timeframe for getting one approved is generally 2 months and quite often only one month.

If you have a parcel that you would like to sub-divide into 3 or more lots, higher level government authorities like SEDUMA will need to be involved at the Federal level. This will require considerably more time, depending on the size of the sub-division, location, density, and probably other factors I'm not aware of.

The timeframe for larger sub-divisions is hard to predict, but as an example, my 18 lot sub-division has been in process for almost one year. For anyone in a hurry to make happen, don't count on it.

### *Multi-Lot Workaround*

Depending on the size of your parcel and your need to get it done sooner rather than later, there is an alternative. It's not uncommon to submit an application to sub-divide a parcel into 2, wait until it's approved, then start the process all over again. Remember that a 2 lot sub-division can be completed in as little as 1 month. You may get your entire parcel sub-divided into the number of lots you want in much less time than it would take for a multi-lot (3 and above) sub-division, which requires Federal approval.

### *How Do I Get Started?*

The first step in beginning a sub-division is to contact a licensed engineer or surveyor if you know one or ask for help in finding one. A qualified surveyor will approach the project professionally and will also be familiar with the practices and information on file with the Office of Catastro located in Chetumal (state capital of Quintana Roo).

Once the property is surveyed, you should obtain a *registrada de certificada* from the Catastro Office that certifies that the property has been properly surveyed and is approved by Catastro. Incidentally, this certificate is also what is needed by title insurance companies in order to insure against claims that may arise due to improper surveys.

### *What Will a Sub-division Cost?*

The cost involved in sub-dividing consists of the surveyor's fees and taxes to the state. Generally, larger sub-divisions will cost more. My 6 lot sub-division cost me \$2,900 in surveyor's fees and \$600 in taxes. I paid \$8,000 to have my 18 lot parcel surveyed. This did not include the work associated with laying out each of the lots. This was an additional cost of \$4,800. I was recently quoted a price of \$2,000 for a simple two lot sub-division and an additional \$500 for taxes. So you can see that there's quite a bit of variation in process, time and cost, depending on the size and complexity of a sub-division.

The bottom line is that property can be sub-divided. For those of you with larger parcels, this may be the best way for you to recover some of your costs and maximize your investment. It may also be the best way to market your

**Newsletter — February, 2007**

property if you're looking to sell. One of my clients has a 150 meter parcel. It's not as easy to find buyers for larger parcels like this, and generally if you do, you often have to discount the property to sell it. Consider sub-dividing it into 20 or 25 meter lots which are much more marketable and can command full market price. The process can be slow, but if you're patient the benefits are worth it.

Saludos,

[MexicoCaribbean@AOL.com](mailto:MexicoCaribbean@AOL.com)



*Denis*