

Welcome to the May issue of the Sinclair and Ruiz E-Newsletter. In our last issue, the 2008-2009 high season had recently started. There was a sense of uncertainty regarding how the season would unfold. This issue will discuss our perception of how the season transpired in terms of recreational real estate in Mexico.

In addition to our main topic, you will read about a seminar organized by Sinclair and Ruiz in Vancouver this past February. The seminar was hosted by Atlas Developments and the speaker series included special guest Tracy McLean, Mortgage Development Manager for Scotiabank.

On a different note, we are excited to announce a new service Sinclair and Ruiz has added to facilitate the investment process in Mexico: Incorporating Mexican Companies. You will find further detail regarding this service, as well as upcoming events throughout our newsletter.

Enjoy!

Not All Destinations are Created Equal: Recreation and Retirement in Cabo

On February 7th Sinclair and Ruiz organized a seminar hosted by Atlas Developments. The seminar focused on retirement and recreation in Cabo. Guvan Giray, President of Atlas Developments, spoke to guests in Vancouver about his company's experience in residential development throughout Mexico. Mr. Giray also discussed Atlas' reasons for choosing Cabo as the setting for "Las Misiones" – a residential development and joint venture with Morgan Stanley. Ramiro Palenque, Head of Baja California for Atlas, presented further detail about the lifestyle that Cabo represents and the benefits of enjoying Cabo from Las Misiones homes.



Tracy McLean, Mortgage Development Manager for Scotiabank discussed the financing opportunities available to Canadians through the Scotiabank Vacation Homebuyers Program. The presentation touched upon the process and requirements needed to apply for a mortgage for your Mexican property, as well as Scotiabank's approach to addressing buyers' needs.

To conclude the seminar, Sinclair and Ruiz presented a step by step account to obtaining your 1st FM3 (temporary resident permit).



Las
MISIONES

For more information on Las Misiones and Atlas please visit www.lasmisionescabo.com; and for the Scotiabank Vacation Home Buyers Program you may go to www.scotiabank.com/homeinparadise



INCORPORATING A MEXICAN COMPANY

Sinclair and Ruiz can now coordinate the incorporation of a Mexican company. We can provide this service to individuals or companies that wish to start a Mexican company for business purposes or in order to acquire property without the need for a bank trust. We can provide one time set-up coordination or ongoing support (including the coordination of legal procedures and Mexican fiscal requirements) in order to simplify the process for investors. Contact us to learn more.

IN OUR NEXT ISSUE...

Why do Americans and Canadians invest in recreational property and retire in Mexico? This is a question that appears to have an obvious answer rooted in the climate and setting of Mexican Resorts. In fact, the motivations behind the phenomenon - whether conscious or unconscious - are based on meeting some of the most important retirement challenges currently faced Baby Boomers.

Reflecting on the season

At the beginning of the season, people had different expectations on how the Mexican real estate market would perform given the state of the economic turmoil in the US and its spread to other countries. We offer some insight on the past few months:

- Results varied from one destination to another, and sales slowed compared to the high volume of sales of 2007 and the beginning of 2008. However, there continue to be buyers in the market. The number of American buyers decreased significantly, as was expected by most. Canadians have still been active in the market, although not as vigorously. The big surprise this season was the important participation of Mexicans buying recreational and non-recreational property. This is taking place as a result of the devaluation of the peso, as Mexicans are looking for tangible assets.
- The phrase "location, location, location" has continued to apply. Some developers and realtors with unique products in good locations continued to sell at a positive pace. However, the constant changes in value of the Peso and the Canadian dollar prompted some creative compromise between buyers and sellers in certain cases.
- Compared to previous years, buyers had (and continue to have) greater choice.
- Although prices adjusted somewhat – in most cases they did not fall as significantly as some buyers had hoped for, especially when speaking of developments that are in the last stages of construction. In the case of resales, prices remained relatively stable because much of the recreational property was acquired outright, and many owners were not in a rush to sell. Also, Mexicans have been buying.
- Although some new projects were put on hold, many others continued to move forward.
- Due to the fact that the Peso continued to loose value over the past few months, the American and Canadian dollar continued to go far in Mexico.

For a detailed analysis of this topic we recommend reading the full article found on our website titled "REFLECTING ON THE 2008-2009 RECREATIONAL REAL ESTATE SEASON".

Upcoming event

Stay tuned for an invitation to an upcoming golf tournament organized S&R currently in the planning stages.