

DallasNews.com

THE DALLAS MORNING NEWS
August 25, 2007 Saturday
FIRST EDITION

New land of opportunity Los Cabos rises as place to realize the Mexican dream With its booming economy, resort community offers workers pay, quality of life often sought north of the border

BYLINE: ALFREDO CORCHADO, Mexico Bureau acorchado@dallasnews.com

SECTION: NEWS; Pg. 1A

LENGTH: 1399 words

CABO SAN LUCAS, Mexico - This seaside jewel is the stuff of immigrant dreams.

Maribel Uribe, 38, still can't get over her first glimpse of beauty: a paycheck "three times what I made in my hometown," says the single mother of two. "Opportunities are everywhere."

Humberto Lozada Balderas, a waiter, is just as effusive: "The demand is insatiable."

While this may sound like Mexicans waxing poetic about the American dream, this dreamscape is actually hundreds of miles south of the U.S. border with Mexico - in the state of Baja California Sur.

Construction here is booming. U.S. tourists and residents arrive in droves - buying million-dollar homes or paying hundreds for luxurious overnight hotels. The economy is growing at an average rate of 15 percent, compared with 3 percent for the rest of the country.

The result: fierce competition for Mexican workers by both U.S. and Mexican employers in Cabo San Lucas and San Jose del Cabo - a resort community commonly known as Los Cabos.

In many ways, this area represents the kind of prosperity that Mexico wants to duplicate in other parts of the country to keep its workers at home. And much of that investment - in the billions of dollars - comes

from Americans, particularly Texans, seeking a second home and a different lifestyle.

Juan Mucino, a developer at La Vista, a posh residential project with a stunning view of the Gulf of California, recalls greeting workers from the interior of Mexico as the ships landed in nearby La Paz.

"I'd tell them, 'Welcome to Baja California,'" he recalls. "And the workers would totally ignore the word 'Baja' and think they were actually in California.

"Overnight, they'd hightail it out looking for Los Angeles," he said. "It took a while for them to realize that we are hours away from the border, and that we would pay them good money, sometimes as much as a U.S. employer."

Mr. Mucino and other employers often pay up to \$200 a week - three to four times the going rate in the rest of Mexico - for workers to build half million- and million-dollar homes.

The result is rare opulence in a largely impoverished country.

Tourism is Mexico's new oil - "a powerful engine to create jobs" - President Felipe Calderón has said and others have echoed.

"For every worker who finds a job in Los Cabos, that's one less worker heading to the United States," said Arturo Treviño, state tourism minister for Baja California Sur. "You never know. With more Cabos, the United States may actually miss our countrymen someday."

Chris Snell, owner of Snell Real Estate in Los Cabos, sees the influx of dollars as "an immigration stopgap" and jobs engine.

"Not only are workers employed, but we're talking about good-paying jobs," said Mr. Snell, who was born in San Antonio. He pays bonuses and other perks to his employees after every sale. "We're talking about jobs that offer Mexicans the kind of quality of life that they seek across the border."

Mexico's bright spot

Los Cabos is far from typical.

Mexico is at least decades away from repeating the Ireland experience, immigration experts say. The booming economy in that once-impoverished European nation continues to draw thousands of Irishmen back home - so

many that some employers in New York City and Boston are beginning to feel their loss.

Similarly, if Mexico manages to attract more immigrants back, their loss would be felt north of the border, experts say.

"Mexican laborers have been a part of our economy and society for over 100 years," said Hilary Dick, a specialist on Mexican migration at Pennsylvania's Bryn Mawr College. "It would be a tremendous loss to the U.S. if we were to drive out this dedicated labor force."

For the most part, Mexicans today still scrape for a living, as the exodus of their countrymen, including some of the brightest and most ambitious, continues.

But Los Cabos represents a bright spot for Mexico - a peek at what could be ahead as the country's birthrate falls and the economy gradually improves.

Private investment has increased from \$9 billion in 2000 to \$12.85 billion in 2006 . Much of that investment was earmarked for communities along the Pacific Coast and Gulf of California, particularly the Baja California Sur region, said Bertha Villalobos, spokeswoman for the Secretary of Tourism department.

Los Cabos, in particular, continues to be "a very strong market for foreign investment," Ms. Villalobos said, "and a magnet for job creation."

About 90 percent of the initial investment in Los Cabos came from Americans, Mr. Snell said, although Mexican investors are now catching up.

Personal stories underscore the hope that Los Cabos has come to represent for many Mexicans.

José Antonio Mendoza Sarabia was a college graduate going nowhere. He thought of heading to the United States to work, make some money, return to Mexico, buy a home and get married. And he thought Los Cabos would be an ideal place to make enough money to pay a smuggler.

Instead, Mr. Sarabia met Mr. Mucino, the developer, who hired him as his personal driver.

After a few months of work and witnessing the economic explosion around him, Mr. Sarabia saw his own future. And it was bright.

He quit his job, started his own coconut business and found the woman of his dreams, Gilda.

He now owns Cocorchata, one of two fresh coconut shops here in Los Cabos. He and his wife have a 4-month-old son, Amado Rodrigo, and own their first home. Thoughts of heading to the United States have evaporated. Instead, he plans to expand into a shopping mall crawling with Americans.

"I have everything I need here, job security, a home, a family and plans to expand," Mr. Sarabia said. "I know it sounds strange, but this is the Mexican dream made right here in Mexico."

Rigoberto Rodriguez Ruelas, 32, from a small town in Sinaloa, moved here after working in California for five years. He began working at a golf course, manicuring the greens and caddying.

He has since learned to play.

"Everything I have, I owe to American investment," he said. "Why would I think of going back to the U.S. and risking my life? I'm doing things I never thought of, like playing golf. How many Mexican immigrants to the U.S. can say that?"

Growing pains

With the growth in the economy have come the growing pains. Los Cabos is experiencing a dilemma reminiscent of several U.S. cities, particularly Farmers Branch, where an immigration debate is raging.

Of the estimated 200,000 residents, about 12,000 are Americans - some legal, some not.

The region has English language newspapers, including The Gringo Gazette, and daily hourlong English-language radio programming. Prices are usually in dollars.

Most Americans came here legally to work in the hospitality industry. But others overstayed tourism visas and now work illegally, just like their Mexican counterparts in the United States.

At a surf shop just outside San Jose del Cabo, a tall, wiry American from San Diego is getting a massage after surfing in the Gulf of California.

Asked for his name, the 25-year-old with a deep tan and long blond hair says, "Are you crazy? I'll get booted out of here. Just say I'm Dick Cheney in an undisclosed location."

He hops into his Toyota 4Runner with California plates, surfboard on top and music blaring, and disappears.

For the most part, Mexicans shrug off the influx of U.S. citizens.

"We have no problems with anyone who wants to contribute positively to our growth and the betterment of this community," said Mayor Luis Armando Diaz.

But others aren't pleased.

"I don't like that they take the best jobs in town," said Judith Valencia, a 22-year-old hotel hostess from Querétaro. "I speak English, and yet the company picked an American over me. That's not fair."

Andrés Rivera, 40, a chef, says the 'Mexican dream' is being ruined by too many outsiders, including Americans.

"I hear Puerto Peñasco is the next big thing," he said, referring to a seaside community in the state of Sonora.

Victorio Angel Asdodillo, 41, originally from the southern state of Guerrero, said he's found in Los Cabos what he could not in California, Arizona or Texas.

He was deported by the U.S. Border Patrol five years ago and works in construction here. While the pay is less than what he'd generally make in the U.S., "it is money I make without the insults and risks," he said.

He's now building a home for his family of four.

The lesson?

He mulls the question as he slaps cement, then adds, "Prosperity knows no borders."

LOAD-DATE: August 25, 2007

(6. TITLE OPTIONS CLEAR WAY FOR U.S. REAL-ESTATE BUYERS IN MEXICO
The Houston Chronicle, December 28, 2004. By Jenalia Moreno.)

The Houston Chronicle
December 28, 2004, Tuesday

Title options clear way for U.S. real-estate buyers in Mexico

BYLINE: By Jenalia Moreno

LENGTH: 1113 words

PUERTO VALLARTA, Mexico -- Burros hauled construction materials up the jungle-covered mountain when Angela and Tom LeBrun began building their vacation home 15 years ago.

To survey their property overlooking Banderas Bay, the Dallas couple had to cling to tree branches as they climbed down the lush mountainside. Cobblestone streets now lead up to their colonial-style casa in the Conchas Chinas neighborhood, which is filled with luxurious homes and condominiums owned mostly by American retirees and vacationers.

Such Mexican beach resorts are so popular with retired Americans, baby boomers nearing retirement age and even middle-aged couples wanting vacation homes that condominium and housing developments are often sold out before construction is complete.

"It's grown by leaps and bounds," Angela LeBrun, 58, said about Puerto Vallarta as she sat on her bougainvillea-covered terrace.

Now, with more U.S. companies, including Houston-based businesses, offering title insurance and mortgages for homes in Mexico, the LeBrunns can soon expect to be sharing their beach resort.

"It's going to increase the activity of buyers. This has been one of the most dynamic and dramatic markets I've ever seen," said Mike Corning, a broker and co-owner of Playa Real Estate Services about the Riviera Maya, the coast that stretches from the party town of Cancun to the Mayan ruins of Tulum. "You add to that the safety of title insurance and long-term mortgages. Wow! You open the floodgates."

When the LeBrunns bought their property alongside the Sierra Madre Occidental Mountains, title insurance wasn't available.

But, like thousands of other Americans, they accepted the risk of purchasing property in Mexico and are pleased with their investment in what is now a 20,000-square-foot home they sometimes rent out for weddings, family reunions and corporate getaways.

Decades ago, Tom LeBrun wasn't as lucky. Now 73, he bought a parcel of oceanfront land in Puerto Vallarta that the Mexican government later seized. But that didn't dissuade the retired software engineer from wanting to buy more property. Foreign buyers often hear such tales of the government declaring titles invalid, thus forcing retirees off their property.

For years, an amendment to the Mexican Constitution prevented foreigners from buying homes within 30 miles of Mexico's beaches and 60 miles of its borders.

Now the government allows foreigners the right to acquire land in this restricted zone through a fideicomiso, a trust agreement between the seller and a Mexican bank.

Although such protections exist, Americans have lost land after dealing with peasant landowners.

In 2000, dozens of Americans lost their expensive homes on a Baja California beach after the Mexican Supreme Court declared that land had been unlawfully taken from landowners nearly three decades earlier. The homes were given to a communal group, which leased the property to Americans.

Despite such setbacks, Americans continue to buy homes in Mexico, where they can often find picturesque views for far less than a comparable home in Southern California, said Bob Hartye, a Coldwell Banker agent in Puerto Vallarta.

"You can still retire in paradise, even if you don't have a lot of money," said Hartye, a Texas A&M University graduate who worked in finance and venture capital marketing before he moved to Puerto Vallarta in 1992.

Realizing that a significant population of Americans not only wanted land south of the border but also a sense of security about their investment, companies like Stewart Title began offering title insurance in Mexico at about the same time NAFTA took effect a decade ago.

"You're assured that nobody will come take the home away from you," said Brad DeLoach, customer information manager for Houston-based

Stewart International. "It's kind of like the stamp of approval in delivering an American-style closing."

With offices in Mexico City and beach resorts in the Riviera Maya and Los Cabos areas, Stewart has already guaranteed more than \$ 2 billion worth of property in Mexico.

"With that simple change, we've taken the scariness out of buying real estate in Mexico," said Chris Snell, president of Snell Real Estate in San Jose del Cabo. Snell, from San Antonio, said he introduced third-party escrow and title insurance to the Los Cabos market by working with Stewart.

Expecting even more Americans to buy in Mexico, Stewart Title Guaranty de Mexico will open offices in the beach cities of Puerto Vallarta and Puerto Penasco; the border city of Tijuana; the city of San Miguel de Allende; and Guadalajara, near the community off Lake Chapala.

"Mexico is the largest market for title insurance right now," said Christopher Hill, chief executive officer of Stewart Title Latin America.

Banks and financial institutions have taken notice.

Shortly after the free trade agreement between Canada, the United States and Mexico went into effect in 1994, several banks and financial service companies attempted to issue loans in this market but didn't have much success, said Jeronimo Gomez del Campo, counsel in the Phoenix, Ariz., office of Bryan Cave.

"These things take time for investors and financial institutions to put this to the test and get comfortable with it," Gomez del Campo said.

One of the few companies with staying power is Collateral International. The Birmingham, Ala.-based company issued its first mortgage for a home in Mexico in 1996 and now makes loans of \$ 100,000 to \$ 800,000, Vice President Aida Pantoja Maynard said.

Three years ago, Houston-based Conficasa began offering mortgages to Mexican immigrants who live in the United States and want to buy property in Mexico. As they introduced the service, brokers kept asking about loans for vacation homes in Mexico for Americans. And since the beginning of this year, they've been offering them.

LOAD-DATE: December 29, 2004

Copyright 2004 Knight Ridder/Tribune Business News, Copyright 2004 The Houston Chronicle