

## **Snell Real Estate Winter Newsletter**

### **WHAT'S HOT IN LOS CABOS?**

#### **Snell Real Estate's top news tips for the winter season**

#### **Palmilla Properties adds new sparkle to Snell sales portfolio**

After seven years of building a reputation as Southern Baja's top real estate brokerage, Chris Snell, Snell Real Estate president and founder, has returned to his roots. In October, Snell Real Estate officially took over the real estate sales division of the Palmilla Resort, where Chris Snell started his Cabo career nearly 15 years ago.



Snell arrived to Cabo in 1991 and was director of sales at Palmilla Properties and Cabo Del Sol for six years, after which he started his own brokerage. "It's like coming home for me," Snell said. "I've always loved Palmilla, I believe in Palmilla and I even live in Palmilla. I'm looking forward to taking its real estate sales division to the next level."

Along with Snell Real Estate's 16 current agents, the existing Palmilla Properties sales professionals will continue serving under the direction of Snell Real Estate. Alina Garcia will remain as concierge, and Loreen Geneth has joined with Snell Real Estate's vacation rental division, Elite Destinations, as rental coordinator.



#### **Snell Real Estate kicks sales up a notch with strategic new hire**

Snell Real Estate welcomes Greg Filardi, MBA and former IBM sales executive, to the team as vice president of resort sales. Greg, who spent 17 years as one of IBM's top sales and management leaders, excelled in positions ranging from executive operations manager to sales manager and national marketing programs manager to sales representative. Making the move to Los Cabos, Greg's extensive background in a range of sales, marketing and management functions positions him to lead resort sales at Snell Real Estate.

"There's nobody better equipped to be at the helm of our sales team than Greg Filardi," said Chris Snell, Snell Real Estate president and owner. "He knows sales, he knows management and he's going to help take this company to the next level."

Greg hails from Raleigh, N.C., where he was IBM's national channel sales executive. At Snell Real Estate, he will be managing the 20-person sales team and overseeing all of the company's sales and marketing for Palmilla, Villas Del Mar, Cabo del Sol and Punta Ballena. "It's an opportunity I'm honored to accept," Greg said. "It's not every day you get the chance to live in paradise, manage the top sales team in Los Cabos and work with a company that operates on integrity."

He comes to Los Cabos with his wife, Kim, and his one-year-old son, Christopher. Although he was born in Brooklyn, N.Y., Greg was raised in Atlanta, Ga., where he later attended the Georgia Institute of Technology. There he received his bachelor's

degree in mechanical engineering, which he followed with an MBA in management at Georgia State University. In his spare time, Greg is an avid golfer and enjoys tennis, four wheeling, fishing, college football and basketball.

To speak with Greg Filardi, contact him at 1-866-801-0633 or email him at [greg@snellrealestate.com](mailto:greg@snellrealestate.com).

## Snell Real Estate Web sites get high-style makeover

Armed with a new look and increased capabilities, Elite Destinations, Snell Real Estate's vacation rental division, announces [www.CaboElite.com](http://www.CaboElite.com). A new Web site designed for travelers who want to vacation in style, CaboElite.com allows visitors to search photos and information on rental properties, arrange concierge services such as grocery shopping and golf tee times and reserve their stay at one of Los Cabos' finest properties. Visit [www.CaboElite.com](http://www.CaboElite.com) to see for yourself.



\*\*Coming soon: The new SnellRealEstate.com will be better than ever this January. Stay tuned for more information.

## SEPARATING FACT FROM FICTION IN MEXICAN REAL ESTATE



Each month, the Snell Real Estate newsletter highlights a helpful hint for current and potential investors. As the local authority on Mexican real estate, Chris Snell is available to answer questions ranging from title insurance to home design. If you have a question you'd like answered in the next newsletter, email [Emily@snellrealestate.com](mailto:Emily@snellrealestate.com).

**Q: Can I take title in a U.S. corporation and sell the property to avoid Mexican taxes?**

**A:** No. In light of an emerging practice of taking title in a U.S. corporation and then selling the corporation to avoid taxation, I want to help you separate fact from fiction.

Facts:

- It **is** legal to take title for your property in a living trust, U.S. corporation, Delaware corporation, Nevada corporation, etc.
- It is not legal to sell that corporation to bypass Mexican taxes.
- There is no tax advantage to taking title in a corporation versus as a private individual. Both methods are secure means of owning Mexican real estate.
- International tax treaties between countries prevent double taxation. Therefore, taxes you pay in Mexico can be applied as credit to U.S. taxes.

Article 190 of the Mexican Revenue Code states that if Mexican real estate accounts for more than 50 percent of a U.S. corporation, the owner is responsible for a capital gains tax of 25 percent of the total amount of the transaction, with no deductions. For example, if the property is \$1 million, the capital gains tax is \$250,000. Bypassing taxes by selling the U.S. corporation violates international tax law and places the tax burden on the property for the subsequent owner.

Many local agents advocate that buyers avoid taxation because there's no way to get caught. That is until they sell, gift or trade the corporation, in which case it becomes the new owner's tax burden. Buyer beware: The only way to buy a specific property when someone owns it in a U.S. corporation is to get a brand new trust or reassign the rights of the existing trust and record the value of what you're paying. **Do not buy the company.** Buy the property so A. the seller pays their capital gains tax, B. you don't violate Mexican tax law, C. you are covered within the scope of international tax law and D. you don't assume the tax burden of the seller.

Snell Real Estate protects buyers from inheriting tax burdens by having every sale reviewed by Federal Notary, Lic. Javier Mazoy Camara, an expert in Mexican real estate tax law who is responsible before the Mexican Tax Authority for the calculation and payment of all taxes. Lic. Mazoy, Corredor Publico No. 2 B.C.S. [Commercial (Federal) Notary No. 2 B.C.S.], reviews every transaction and all taxes and fees that must be paid upon disbursement of funds from the escrow account to the seller at closing. At Snell Real Estate, we know the difference between fact and fiction, and we'll help you do the right thing in all your transactions.

*Although Chris Snell is an expert on Mexican real estate, he is not a tax professional. Please consult your own State or Federal Notario Publico, attorney or your personal tax consultant for further information. For an English-language copy of Article 190 of the Mexican Revenue Code, visit the news and editorials section of [www.snellrealestate.com](http://www.snellrealestate.com).*

## SNELL REAL ESTATE PROPERTY PROFILE



### **Casa Lolita masters hacienda elegance beside the green and the sea**

Located in the prestigious Buena Vista community within Cabo del Sol, Casa Lolita blends all the charm of Mexican architecture with the finest furnishings and a premier view overlooking Sea of Cortez sunsets and the 8<sup>th</sup> hole of the Jack Nicklaus Signature design Cabo del Sol Ocean Course. Accommodations include two master suites, three guest suites and 5 ½ bathrooms, and the remaining indoor space

includes a professional-quality kitchen and an elegant living/dining area, totaling 5,200 square feet.

Pocket sliding doors open from inside to unveil an expansive outdoor living area where the pool, palapa-covered swim-up bar, Jacuzzi, fire pit and barbecue grill make way for the home's direct access to the beach. Granite countertops, marble floors, tasteful furnishings, servant's quarters and the home's two-car garage define the lifestyle at Casa Lolita, which is available at \$3.85 million. To visit Casa Lolita or another home in Cabo del Sol, contact Erin Ortiz or Tad Snell toll free at 1-877-255-6977 or locally at 145-8210.