



## How To Put Your Money To Work In Mexico (Part Two)

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In this part of our series on investing in Mexican real estate we will focus on two strategies for participating in Rocky Points' booming real estate market: acquisition of raw land for re-sale, or as the site of future spec-built homes; and buying and remodeling existing properties for re-sale or fractional or multi-fractional use.

Both of these strategies have specific advantages, and represent unique types of opportunities. Let us begin with the acquisition of raw land outside central Rocky Point for re-sale, or as the site of future spec-built homes.

Acquisition of raw land just outside central Rocky Point can be one of the least expensive -- and most profitable -- strategies for investing in our community. Even within mature neighborhoods such as Las Conchas and Playa Encanto ocean view or close to the ocean lots with electrical infrastructure -- and some times existing water resources -- can still be purchased for as little as \$65,000. While this price may seem high to those who have long-familiarity with our market, they are still extremely low compared to coastal real estate prices in the United States, and are very likely to continue to rapidly appreciate as demand exceeds supply for the limited number of properties available close to central Rocky Point.

For those willing to consider investing in land further outside Rocky Point a wide array of options exist, including Miramar-- with highly desirable lots from \$105,000 -- where ocean view lots are still within the reach of many investors. The 70 miles of the Sonora Gold Coast that goes from Playa Palomas to Puerto Lobos -- little over 4 hours from Tucson -- exemplifies these opportunities, with large beachfront lots priced from as little as \$200,000.

Sonoras' Gold Coast is the place where prices will rise most dramatically after the international commercial airport starts operations -- September 2008 -- since Puerto Lobos will be only 45 minutes drive from this new facility, and once the coastal highway is completed this stretch of the coast will compete with the Mayan Riviera in quality in every sense, and at remarkably lower prices. Now is the time to invest there!

In either case -- closer to Rocky Point or further afield -- the investor has a choice: develop the land now, or wait. The good news is that the choice need not be made at the time of purchase, and the investor will most likely be seeing a healthy rate of appreciation over the time he is deciding! Lots in Miramar appreciated over 2,500% in the past five years! Yes, those zeros are correct! If you don't believe it just ask to those homeowners about this fact. Lots in Las Conchas -- and even lots in town -- have appreciated in the same period between

200% to 500% depending on location. While no one can guarantee specific rates of return on any investment, we see no reason why the next several years shouldn't bring very healthy returns for investors in this price range.

It is also worth noting that a number of current offerings are being offered with a non-qualifying owner-financing and -- even if this option isn't advertised -- a reputable and experienced real estate investment specialist may very well be able to secure this arrangement for you.

Another strategy is to purchase an existing house, re-model it, and sell it immediately. While this strategy obviously requires more capital than the lower-end of raw land acquisition, the rate of return can be quite healthy, and rapid.

This strategy can be great if you choose a property in Las Conchas, Miramar, or Playa Encanto. As these communities have rapidly developed, a number of older houses built by the pioneer generation of homeowners are now on the market, many at very attractive prices.

These homes, which may seem small or simple by contemporary standards, often occupy some of the most desirable lots (the pioneers had their "pick of the litter" of lots!), and are not necessarily "tear-downs". We have found that creative investor/homeowners are often able to rapidly transform or use the basic structure of these homes -- usually with some increase in living space through an appropriately-scaled addition -- into radically more valuable properties.

As these are existing homes, in most cases they also offer the advantages that they have existing electrical and water connections, proper access, and all the other amenities that made them habitable by the previous owners. It is also worth noting that many of these homes are part of estates; unoccupied and ready for immediate possession by the new owner/ investor; and are often either being offered with seller-financing by the estate or your real estate investment specialist may be able to secure this arrangement for you.

Beyond simply re-selling your property when its' renovation is complete, these properties -- modest in scale and inexpensive to maintain -- often make great fractional ownership offerings, as they can make ideal vacation getaways for 4-6 fractional owners, and the individual fractions can be marketed -- highly profitably -- at prices that facilitate rapid sales.

Another option for owner/investors of this type of property is to contribute all or part of their ownership interest in the property to a multi-fractional Owners Club, such as those being pioneered by the Mexico Real Estate & Yacht Club. Owners Clubs are an innovative way to own Mexican Real Estate. Long-popular in Europe, they are designed for those who already own homes and want to cash-out part of the profits of their investment -- without sacrificing the use the property -- as well as gain access to additional properties and toys.

Under this creative mechanism owners of existing properties can contribute all -- or part -- of the ownership interest in their home to an Owners Club in return for cash, as well as shares in the club. By contributing all or part of the home to an Owners Club the owner/investor can enjoy the property that they have renovated, gain access to other properties that the club owns, get cash out of their equity, and eliminate any ongoing responsibilities for maintenance of the physical structure, the bank trust, taxes, and legal housekeeping associated with their renovated home.

O'Farrill & Associates -- and our associated firm, OTP Trust -- are proud to have played a central and pioneering role in bringing this creative ownership mechanism to Mexico, and creating the robust legal structures that assure the security of Owners Club members' investments. For further information on multi-fractional ownership opportunities in Rocky Point we encourage you to visit [www.mexicorealestate.cc](http://www.mexicorealestate.cc)

As with all real estate purchase, whether in Mexico, the United States, or Canada, exemplary legal and investment counsel -- and RIGOROUS title verification -- are critical to the security of your investment. We invite you to visit our website, [ofarrill.tv](http://ofarrill.tv), where numerous resources regarding title verification, title insurance, bank trusts, and ownership mechanisms and options can be accessed online and downloaded in .pdf format.

Always remember that Mexico wants it's non-Mexican real estate owners to be and feel perfectly secure that their investment in Mexico is as safe as their other holdings in their home countries. With proper legal advice and investment counsel Mexican property ownership and investment need be no more "complicated" for a non-Mexican than property ownership in your home country. We urge to to consider the wonderful economic advantages of Mexican property ownership -- especially in Rocky Point and along Sonora's majestic Gold Coast -- and look forward to your fullest participation in the remarkable development of our Greater Rocky Point community.

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