

Real Estate Development in Mexico

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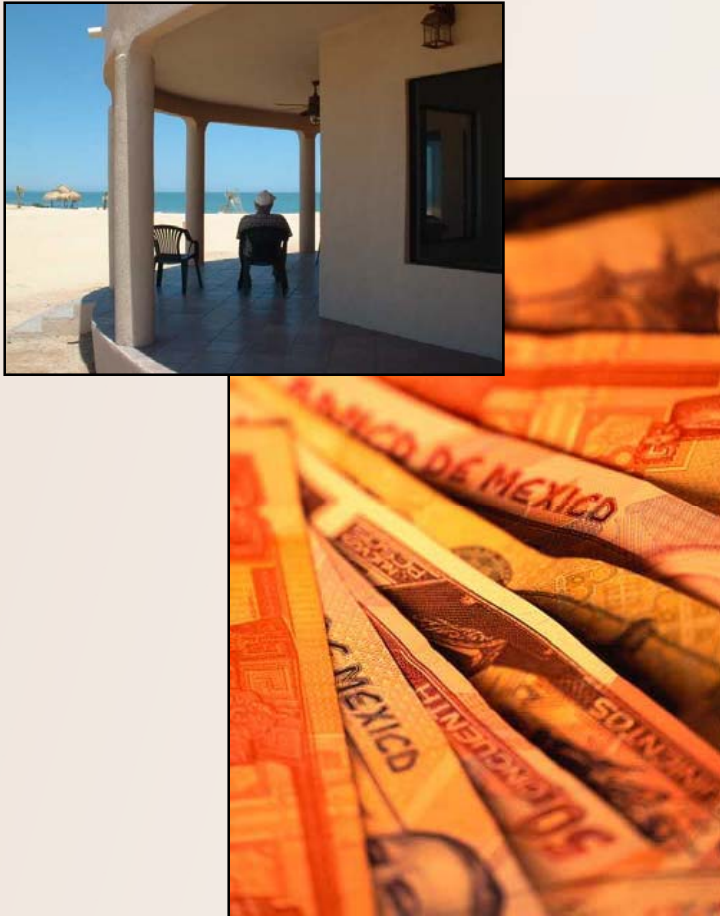
Real Estate: Issues Unique to Mexico

Ownership of Real Property in Mexico

- Introduction: history of US-Mexico trade and investment
- In Mexico's interior: similar to ownership in the United States
- Mexico City, Monterrey, Guadalajara, and the expat communities in San Miguel de Allende and Ajijic
- In restricted zone: constitutional restrictions on non-Mexicans



Real Estate: Issues Unique to Mexico



Solution:

- The Mexican bank trust
- Non-Mexicans can effectively acquire land in the restricted zone
- American and Canadian investment boom in such places as Los Cabos, Puerto Penasco, Puerto Vallarta, Cancun and others.

Real Estate: Issues Unique to Mexico

- Use of a Mexican company for commercial ownership and development
- Use of Mexican bank trusts

Examples:

- Ownership and Operational Structures
- Financing Structures



Role of Notary Public

- The Mexican legal system is based on the civil law system of Continental Europe
- The US system is based on the British common law
- Notary publics in Civil Law system
- “Public” documents
- “Public faith” and presumed authenticity and enforceability



Role of Notary Public

- Duty to correctly calculate, withhold and pay taxes
- Purchase agreement as “deed”



Other Key Points

- Regulation of resort developments
- Structuring resort developments – CC&Rs and the condominium regime
- Title issues, ejidos, insurance and escrow
- Financing



Mexico Today

- Positive structural changes
- Stable politics
- Economy: Sound Macro-economic fundamentals
- Safe and profitable business investment environment