



The Kernans' home in the El Cid resort.

## RETIREMENT LIVING

# A Dream to Move to Mexico's Mazatlán

**T**HE MID-WINTER temperature in Milwaukee was as low as the balance of our retirement account. Rental properties we own were depreciating in value, and many of our tenants were having difficulty paying rent.

So when my husband, Tim, and I, both in our fifties, received an invitation to attend a free real estate tour in Mazatlán, Mexico, we jumped at the chance. Perhaps, we thought, we could retire comfortably by investing in Mexican real estate or by relocating to Mexico.

The invitation came from MexicoAlive, a real estate sales and marketing company. The three-day event in the Pacific Coast colonial city of 600,000 was targeted at investors, baby-boomers seeking a second home and retirees looking for a more affordable lifestyle.

Tim couldn't take time off from work, so I went alone. MexicoAlive provided free lodging, food and a sunset cruise. Guests covered the airfare. Five company representatives escorted five guests around the El Cid resort, where we toured housing at different price points.

The "Discovery Weekend" offered seminars covering real estate laws, purchase procedures, cultural differences, cost of living, health care, taxes and insurance. The company gave us a tour of downtown Mazatlán.

The El Cid resort is a 667-acre gated community on the Pacific with its own marina, a 27-hole golf course, clubhouse, hotels and restaurants. Home prices range from \$180,000 for two-bedroom, two-bath condominiums to \$630,000 for large single-family homes.

During my tour, I met Toby and MaryBeth Kernan, expatriates from Houston. Toby spoke at one of the workshops, and I later visited the couple at their home. Toby, 63, and MaryBeth, 56, had been visiting Mazatlán for ten years before they bought a condominium at El Cid five years ago. They originally planned to live there part-time. But after three days, they decided to move down full-time and buy a bigger home in the same community. They have been living year-round in their \$237,000, three-bedroom house since July 2006.

"We are living a perpetual vacation, in a wonderful community that became our family," says MaryBeth, a former nurse. They both could afford to retire early because expenses are considerably lower in Mexico than in the U.S. For instance, electricity costs about \$50 a month, and a maid costs \$2.50 an hour.

### Conduct Independent Research

Anyone considering a move to Mazatlán—or anywhere, for that matter—should be skeptical of the sales pitch. El Cid's representatives assured us that we would have little trouble renting out our units when we were not there. They said that Mazatlán attracts international renters and well-to-do Mexican tourists. A handout showed how a buyer could earn profits of between \$17,028 and \$22,548 a year.

However, I later learned there is a 25% tax on rental income that was not included in the calculations. Also, exchange rates and property appreciation fluctuate, which can affect your investment.

El Cid reps also told us that over the past ten years, appreciation averaged 10% a year. But Mazatlán real estate agent and expatriate Roger Culberston says that this year's appreciation has been close to zero.

If you're considering buying property in Mazatlán, visit the city in all seasons and stay in a variety of apartments in different neighborhoods. If you decide to buy, make sure your agent belongs to AMPI, the Mexican Association of Real Estate Professionals.

To get an idea of real estate options outside El Cid, I went exploring with Culberston in his 1963 baby-blue Falcon convertible. When he first arrived 20 years ago, there were 300 expatriates, compared with more than 9,000 today—70% from the U.S. He bought his 180-year-old home with furnished antiques for \$25,000. The house is now worth \$485,000 unfurnished.

In the end, our sagging bank account forced us to forgo a Mazatlán purchase. But when winter approaches, I will dream of Mazatlán's white Pacific beaches and what might have been. **K** —LEAH DOBKIN