

# WESTERN INVESTOR

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COMMERCIAL REAL ESTATE | FRANCHISES | BUSINESS OPPORTUNITIES \$4.29 · MARCH 2017 · VOL32/3



**MULTI-FAMILY** | 7

## WINNIPEG TOP RENTAL MARKET

Manitoba capital has lowest vacancies and best "per-door" value among Prairie cities



**OILPATCH** | 8

## FAKE NEWS HIDES FACTS

Gwyn Morgan warns "post-truths" cloak true potential of western Canadian oil and gas

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**CARY MULLEN**

## CALGARY BUILDER PLUNGES INTO MEXICO MARKET

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The Saskatchewan Real Estate Forum prepares for its April launch in Regina – and a full house is expected



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**100 Mile House Motel**

- 26 Unit Motel on Highway 97
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- 3-4 Bedroom Family Sized Living Space

**\$1,498,000**



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**Cariboo Resort**

- 3.75 Acres of Flat Waterfront (500 ft.+/-) Property
- 5 Hours from Vancouver, Beautiful Setting & Private
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- Residence Above Small Store

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**Osoyoos, BC**

- Waterfront Motel on Lake Osoyoos
- 22 Units, 18 Face the Lake
- Beautiful Decks and Setting
- Same Owner for 18 Years Retiring!

**Asking \$2,058,000 – Call Ron**



**Southern BC Ramada**

- 54 Units in Two Buildings
- Swimming Pool & Waterslide
- New Roofs and Bathroom Reno's
- 3 Bdrm Managers Suite & 2 Other Suites

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**Excellent Kamloops Package**

- 2 Liquor Stores, 1 Pub & Lease Space - Seller May Buy Back the Pub and Lease
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**Silverton Building Supplies**

- Excellent Hardware and Building Supply Business
- Same Owners for 40 Years! Financing Available
- Great Buildings! Great Community
- Limited Competition!

**\$799,000 + Stock - Call Larry**



**North Okanagan Car Wash**

- Only Car Wash in Enderby – Built 2000
- 3 Interior Bays + 1 Exterior
- Excess Land for your Ideas!
- Nice 2 Bedroom Suite on Second Floor

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**Southern BC Motel**

- 10 Unit Motel in Excellent Condition
- Restaurant that is Leased at \$ 1,300 / month
- Very nice shop for the Handyman
- Excellent Income. Ideal for a Couple

**Asking \$599,000 – Call Ron**



**Radium Hot Springs**

- Excellent 22 Unit Motel Near National Park
- Spacious Owner's Living Area
- Beautiful Outdoor Pool and Hot Tub
- 3 Hours from Calgary! Beautiful Area!

**Asking \$1,049,000 – Call Larry**



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# Calgary developer finds welcome mat on Mexico beach

**RECREATION | His due diligence discovered recent rule changes allow Canadians more freedom, flexibility and safety with Mexican real estate**

By **BAILA LAZARUS**  
wieditor@biv.com

Former Canadian Olympian and current Calgary developer **Cary Mullen** has blown up some myths about investing in Mexican real estate, but it took diligent digging to discover a route to safety and potential profit.

The 100-year-old regulations covering foreign ownership within 50 kilometres (31 miles) of a coastline have been relaxed somewhat, but using a “fideicomiso” (bank trust) is still required, Mullen found. Even so, there’s a lot of old thought and misinformation around about what can and can’t be done.

Mullen, a World Cup champion downhill skier who represented Canada at the 1996 Lillehammer and 1992 Albertville Olympics, applied the same training discipline when he began to research Mexico’s real estate investments.

“When I first started, I believed the rumours rather than knowing

the facts,” said Mullen. “I spent thousands of dollars with lawyers in Mexico learning about the specific steps and process.”

Mullen purchased oceanfront property near Puerto Escondido in Oaxaca to build Vivo Resorts, a 76-acre gated community of luxury residences.

Some of the rumours Mullen refers to were that developers had to have property held by a Mexican bank trust and that they had to have Mexican partners.

## Outright ownership

“I learned that you could also have the trust be through some international banks such as **HSBC or Scotiabank**,” Mullen explained. “I learned the government had changed that rule [about partners] and a Mexican company can be owned 100 per cent by a foreigner and it can own Mexican property outright.”

Vivo, which offers built, under-construction and pre-construction condos, overlooks 800



Calgary-based developer Cary Mullen at his Vivo Resorts near Puerto Escondido, Mexico. New rules make it safer and easier for Canadians to invest in Mexico’s booming resort market. | DHZ MEDIA



metres (2,624 feet) of beachfront. At full build-out Mullen expects to have 114 home sites and 400 condos. Priced from US\$249,000 to US\$500,000, condominiums range from 1,288 square feet to 1,600 square feet. Private homes with pools range from US\$329,000 to US\$949,000.

Mullen said that despite some confusion in property ownership rules, sales have not been impacted. As soon as the owners find out the facts, they feel confident about buying, he said.

**Diane and Bill Veniot** of Edmonton were two owners who bought into the Vivo development in early stages when it only had one building up. They heard about it at a home show in 2012 and, knowing they didn’t want fractionals or time-shares, Vivo – and Mullen – attracted them.

“Cary was able to explain the ins and outs of buying,” said Diane Veniot. “He knew how to do business here, so we were confident.”

They estimate their \$250,000 purchase has gone up by 40 per

cent in four years.

**Colin Richardson** of Vancouver has had his eye on Mexican properties for about a decade, watching values tank with the rest of the world in 2008. When he started to see movement again in 2014, he began to look seriously. In November 2016, he paid US\$70,000 for 15,000 square feet of property in a gated community in La Paz, in Baja California Sur, where he plans to build a vacation home.

He chose La Paz for its stability, citing a strong middle-class and the presence of a research facility and university, as well as its proximity to swimmable beaches, but with less of a touristy crowd.

Richardson advises buyers to be clear around issues of purchase and construction currency.

## Low construction cost

“You purchase the property in U.S. dollars but when you build, the construction cost is in pesos,” Richardson said. “Because the

peso has devalued against our dollar, that’s a big advantage.” He said this is not the case everywhere in Mexico, such as in Cabo San Lucas, just a few hours away, so buyers need to add that to the list of questions to ask.

**Les Twarog**, a realtor with **Re/Max Crest Realty Westside** in Vancouver, has several investment properties in Mexico in his portfolio.

The strip between Cabo San Lucas and San José del Cabo is undergoing rapid development, he said.

“In the last year and half, there’s a building boom like I’ve never seen in 20 years,” said Twarog. “There were 20 to 30 cranes building hotels and high-end developments, like Coal Harbour, at \$2,000 per square foot.”

Like Mullen, Twarog conceded some Canadians have doubts about Mexican real estate.

“Many investors are leery of buying,” said Twarog. “But really sophisticated investors will choose Mexico.” ■

# FOR SALE

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  - Less than 8 minutes to Downtown Kelowna
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Call Larry



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