



Everything You Need to Know About Living in Mexico For Subscribers Only

October, 2006
San Carlos, Mexico



Hola *Mexico Insider* Subscriber:

Pack up your water skis and fishing gear and let's hit the road for San Carlos. Less than a day's drive south of the U.S. border at Nogales, Arizona, San Carlos is a sleepy little town that is starting to wake up in a big way.

Every winter, hundreds of "snowbirds" flock to San Carlos...usually in their RVs...in seek of water and warm weather. The Sea of Cortez is one of those magical places. Jacques Cousteau once called it the "world's aquarium." There is nothing like swimming, snorkeling or diving in its soothing waters and then sitting back and watching the sunset.

We think you'll like what you hear about San Carlos...the Mexican government has a new mega-highway in the works that will make getting here even easier. And you can always fly...there is an international airport just a short distance away, at Guaymas.

This month, we also tell you how to legally manage your domestic help in Mexico. This is important information, and not at all complicated.

Also featured is Part 2 of an article on my favorite "hidden beaches." If you're not ready to book a trip to Mexico after reading this, you may never be ready. Relax, read, enjoy...

Felices Viajes a todos!

Suzan Haskins • Editor, *Mexico Insider*

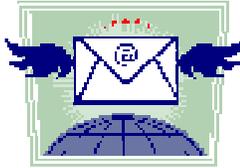
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Email of the Month: What About a Harley Rating?

Dear *Mexico Insiders*,

I have been dreaming of living in Mexico for years now and appreciate the fact the *Mexico Insider* helps keep that dream alive. For the first time ever I will be traveling to Mexico proper in December of this year. Though my destination is to a resort town, Cabo San Lucas, it's a far cry from the border town of Tijuana or even Ensenada where once I snagged a bumper sticker back in the '70s just to prove I'd been there.

This is more of a suggestion than a question. Would it be possible to get a "Harley friendly" category added to the regular critique of locations? I'm guessing Mexico City would rate a 1 but maybe Loreto Bay rates a 6? That kind of thing. The only thing that seems like a drawback to living in Mexico is that I'm unaware of the riding possibilities and conditions. Any assistance there would be greatly appreciated.

Anyway, please keep up the great work and I hope to someday visit with all y'all in person.

Thank you, JC

Dear JC,

Although I come from a long line of Harley riders, I'm not sure I am qualified to give "Harley ratings." Oh, would that I could. I do know that there are many Harley shops in larger cities in Mexico and I have seen some very colorful Mexican riding clubs cruising the roadways. I think just about anywhere in Mexico would get a "thumbs up" from Harley riders, although as you say, Mexico City may not be the best place to ride your bike.

Visit the [Harley Mexico website here](#), although be warned that it is in Spanish, I see there is a rally coming up November 10-12 in San Luis Potosí – just a few hours north of San Miguel de Allende.

When you visit Cabo San Lucas, you will find the Harley store at Puerto Paraiso Entertainment Plaza.

And one definitely "Harley-friendly" place you may want to visit is Mazatlan, during its annual bike rally. The 2007 event will be held April 12-15. One company that offers group tours is [MotoMex](#). There is a [forum devoted to the Mazatlan bike rally](#) here.



Mexico Insider Ratings: San Carlos



Our rating system is entirely subjective. We assign points based (from 1-10 with 1 being dismal and 10 being excellent) on *our perceptions* of what is most important to us. As for housing costs, if we think they are extremely reasonable, we give the location a '10' ranking. This, too, is subjective, as housing costs in resort areas can be extremely expensive yet still reasonable based on the fact that it is a popular destination where prices are likely to continue to appreciate. Total points available for any one destination: 100.

NOTE: Ease of doing business may not be important to you but it is quite important to us. What we mean by this is...can we find an English-speaking person in the local bank, phone company, real estate office, etc.? We assign extra points...from 1 to 10, for this category. We have indicated these points in parenthesis.

Here, along with some basic facts and the pros and cons, are our ratings for...

San Carlos

Altitude: sea level

Climate: Coastal desert with avg. rainfall of approx. 10 inches per year, mostly in summer. Avg. daily high temps range from mid-90s in summer to mid-70s in winter.

Population: 5,000-10,000 (seasonal)

Location: Sea of Cortez, Mexican mainland, state of Sonora



Weather and Climate	8
Health Care	6
Overall Attractiveness	7
Housing Availability	8
Housing Cost	8
Accessibility to an Airport	6
Cultural Activities	6
Other Activities	9
Communication Infrastructure	9
Daily Living Cost	9
TOTAL	76
Ease of Doing Business	8

Pros: Close to the U.S. and on the water, relaxed small-town living. This is for the water-sports lover, and prices here are reasonable.

Cons: The landscape can seem stark and dry... small-town living can get to you after a while.

San Carlos, Sonora: Close to Home, Close to Heaven

By Richard Basch



San Carlos, Sonora, Mexico is a beach town which grew from the vision of Rafael Caballero, now a man in his 80s.

Cesar Estrada, a colleague of Señor Caballero, says, "He used to hike there from the end of a dirt road, when he was a boy and one day he saw it, all of it, pretty much as it is today."

Caballero was dazzled by the sensual beauty of the mountains which dip into the Sea of Cortez in San Carlos, just north of Guaymas. At that time, before the Second World War, San Carlos was really a suburban extension of Guaymas, a large Mexican seaport built on the north of the mainland side of the Sea of Cortez. Certainly a seacoast, but not much more.

What did Caballero see? A long, white sandy beach, palm trees and water. Water that is inexplicably a deeper blue – like the blue of sapphires or unwashed denim – than anywhere beyond the coastal towns of Italy and Greece.

Over the last 70 years, Caballero has seen his vision for San Carlos come to fruition. He started by finding out who owned the land here, Then he bought it. And he started to work. He opened his land to campers who came to enjoy the beach. Gradually, the area began to grow, and by 1980, the town was incorporated. It has grown non-stop ever since.

[Learn more about the history of San Carlos here.](#)

Today there are about 5,000-10,000 people who live here, depending on the season. (The population swells during winter months.) There are shops, restaurants, art galleries, hotels and 20 real estate subdivisions, some with prices for homes beginning at \$70,000.

Many foreigners have made San Carlos their home, either full- or part-time. One reason is because of the area's proximity to the United States. Located just south of the U.S. state of Arizona, San Carlos is less than a day's drive from the border. Unlike many towns in Mexico, the principal language is a mix of English and Spanish. It is easy for the English speaker to get on here.

With an average temperature of 68°F in winter and 95°F in summer, San Carlos is a favorite spot for “snow birds” who arrive during winter in RVs to enjoy the nice weather.

Because Sonora, the second largest Mexican state, is so close to the U.S., one can live here yet still have reasonable access to U.S. health care. It is also easy here to get U.S. satellite TV. But unlike the U.S., you can enjoy the rich and reasonably priced amenities of Mexico – like maids, cooks and gardeners who happily work for a fraction of the cost of similar services at home. (*Editor’s note: see our article on domestic help elsewhere in this issue.*)

Where is it? San Carlos is 250 miles south of the border at Nogales, Arizona. It takes four to five hours to make the drive. By 2010, the Mexican government plans to build a highway from Mexicali, a border town in the neighboring state of Baja Norte, which will connect Southern California to Puerto Peñasco, Bahia Kino and San Carlos – all important second and retirement home destinations.

You can also fly here...to the Guaymas International Airport, about 10 miles away from San Carlos. The airport code is GYM. America West provides daily flights to/from Phoenix.

The state government of Sonora is also very progressive, determined to create a Mexican state that welcomes and nurtures U.S. citizens looking to retire or purchase second homes here. Customs officials, for example, have recently moved the foreign vehicle registration office – to reduce delays for U.S. travelers here.



items and souvenirs.

What can you do here? Favorite pastimes here include snorkeling, scuba diving, and fishing. The crystal clear blue waters offer more than 800 species and some vibrant artificial reefs. Fishermen can catch fantastic species such as marlin and swordfish. There are two marinas: Marina San Carlos and Marina Real, both with complete services for boats. Landlubbers will find plenty to keep them busy, too. For golfers, there is a country club with an 18-hole golf course – tennis courts, too. Shoppers will find numerous handicraft shops and boutiques selling beach

San Carlos Real Estate: Affordable Seaside Villas



And then there are the cliff dwellings. Yes, indeed...but probably not the kind you're thinking of. Mexican builders here specialize in building houses into the mountainsides above the Sea of Cortez. There are very few places on the face of the earth where so much natural beauty is incorporated into the homes. The mountains seem to open, allowing the homes to emerge from their beauty and power. It reminds me of Santorini on Greece's Mediterranean Coast.

These houses in the United States would start at one million dollars. But in San Carlos, you can buy a starter villa for \$350,000, with prices going up from there.

I mentioned the San Carlos Country Club with its 18-hole course. Within the boundaries of the country club there are four subdivisions, some with fairway homes – prices for these run from the low \$100,000s.



A series of six condominium towers called the San Carlos Towers are being built (with underground parking included.) Prices start in the low \$200,000s for a 1,300-square-foot unit, rising to \$450,000 for a penthouse.

There is a neighborhood within the San Carlos Country Club called Villa Serena. Here there are two/three bedroom homes from \$65,000. It's a tidy group of comfortable houses around a swimming pool.

This is really only a small sampling of the pleasures of San Carlos. In neighboring Miramar – a section of Guaymas – one can actually find a home for less than \$40,000. Granted, these are very small, and in a subdivision largely comprised of Mexican nationals – but livable and possible.

San Carlos is a town where real estate is growing in value rapidly. Local realtor Jesus L. Burrola says, "Because the prices will rise in the winter season, it's a good idea to buy soon."

Another says, "We are on the 4th floor of a ten-floor elevator rising all the way to the top!"

In my opinion, San Carlos is a little piece of heaven. Peaceful, beautiful and an excellent value market.

Señor Rafael Caballero must be awed by the reality of his youthful vision.

Want a good real estate contact in San Carlos? E-mail Mexico@InternationalLiving.com.

San Carlos Fast Facts

Official name: San Carlos (Nuevo Guaymas)

State: Sonora

Postal Code: 85506

Telephone Code: 622 (Mexico country code is 52)

Location: 15 Km Northwest of Guaymas, Sonora, Mexico on the Gulf of California, also known as the Sea of Cortez. (Latitude/Longitude: 27° 56'N 111° 03'W)

Timezone: GMT-7 (American/Chihuahua, which is the equivalent of Mountain Standard Time) Daylight Savings time is not observed.

Airport: San Carlos is served by the Guaymas International Airport, about 10 miles away. The airport code is GYM. America West provides daily flights to/from Phoenix.

Climate: Coastal desert with average rainfall of approximately 10 inches per year, mostly in the summer months. Average daily high temperatures range from mid-90s in the summer months to mid-70s in the winter months. The dry Sonoran desert climate is moderated by breezes from the Gulf of California, creating a climate that is agreeable year round.

Topography: This coast area of Mexico is a contrast of mountains and steep cliffs, separated by magnificent stretches of sand beach and tidal estuaries. The prominent terrain feature in the area is Tetakawi Peak, whose distinct twin peak outline is unmistakable and forms the official logo of San Carlos

Vegetation: Typical Sonoran desert-style vegetation including several species of cactus, some of which seem to grow from solid rock in steep cliffs along the coast.

Wildlife: The numerous islands in the area are all bird sanctuaries, making this an ideal location to observe the numerous species of sea birds, including large flights of Mexican Brown Pelicans. Off shore, the area is noted for whales, porpoises, sea lions, and sea turtles in addition to over 600 species of fish.

Schools:

- Ilustracio-Guaymas – Catholic-Private-Elementary; tel: 222--0239
- Navarette-Guaymas –Tec de Monterey- Private-Elementary; tel: 222-1600
- Colegio Americana – Guaymas-Private-English-Elementary; tel: 221-2551
- Kino – Guaymas-Private-Prepa (High School); tel: 222-0387

Churches

- Church of Latter Day Saints (Mormon) – Guaymas; tel: 222-8960
- San Carlos Catholic Church – San Carlos Plaza
- San Carlos Community Church (Inter-denominational)
- Spanish Community Baptist Church

Medical Facilities

[Rescate-San Carlos Emergency Medical Services](#)
[Dr. Jose Luis Canale-Physician and Surgeon-Clinic San Carlos](#)

Others: Dr. Manuel Andueza-Physician and Surgeon; Dr. Marco Fischer-Physician; Dr. Juan Liceaga-Plastic Surgeon; Dr. Gregorio Sanchez-Private Hospital/Medical Center-Guaymas; Dr. Hiram Duarte-Dentist; Dr. Sergio Molina-Dentist

Hospitals in Guaymas:

SSS-HOSPITAL GENERAL

CALLE 15 E 7 Y 8 S-N Col. CENTRO, C.P. 85400
(622)224-2138

CENTRAL QUIRURGICA GUAYMAS S.A. DE C.V.

IBERRI 223, C.P. 85427
(622)222-9520

ISSSTESON

CALLE 16 NO 45 Col. CENTRO, C.P. 83000
(622)222-1623

SANATORIO G A SANCHEZ

AVE. 15 32, Col. GUAYMAS CENTRO, C.P. 85400
(622)222-0766

CRUZ ROJA

CARRETERA INTERNACIONAL KM. 1980
Emergencias: (622)222-5555, (622)224-0876, (622)222-5555

Civic Groups and Clubs

AA (Alcoholics Anonymous) Meets at JC's Café • Sunday & Wednesday, 7pm

[Castaway Kids](#); tel: 226-1169

Club Deportivo - Community Service Club; tel: 227-0048

Daughters of the American Revolution; tel: 226-2017

[Empalme Kids](#) - Orphanage in Empalme

[Friends of Sonora](#)

Humane Society/SBPA; tel: 226-1460

Lions Club - Guaymas; tel: 222-4333

Rotary Club; tel: 226-1160

Yacht Club; tel: 226-0163

The Mexican Dream: Bye Bye Laundry

You can help create jobs and gain more “you” time in the process...hire a maid

By Jessica Ramesch

Seems nowadays many of us are trading in the American Dream for the Mexican Dream...oh it's the same dream, alright—a chance to move to a new country as a sort of pioneer, in hopes of getting rich (or just *living* rich) and finding happiness. And today's expats want even more than the original dream...they're concerned about learning the culture and the socioeconomics of their new homeland and how they can make a difference. Give me the guilt-free goods, they clamor.

The beautiful thing about Mexico is that, by virtue of simply moving there, you may be creating jobs. For who, in the pursuit of their own Mexican dream, doesn't have images of helpers, dancing (or cleaning) in their heads? I ask you: who doesn't silently chant “no more laundry” and dream of all the personal “me time” they'll take while *not* sweeping, *not* mopping and *not* doing dishes?



Hiring a domestic employee really can be a win-win situation. We can guarantee the highest going rate for service will seem exceedingly reasonable to you. Meanwhile, a full-time maid in Mexico can earn as much as a recent college grad taking their first grunt job. Even part-time maids tend to make two or three times the minimum wage (and bully for them).

But the best way to go about hiring the help you want is to do it right the *first* time.

The right way...

Although most maid service in Mexico is conducted “off the books,” the best way to protect yourself as a full-time employer is to actually register yourself and your employee at the *Instituto Mexicano del Seguro Social* or the Mexican Social Security Institute (IMSS). It is not difficult to do, and most of the paperwork and transactions can be completed online.

The IMSS paperwork and websites are, understandably, in Spanish, and so the best option is to ask your lawyer for a little help (unless you are *very* fluent). It won't take very long and once you understand the basics, you'll see that the whole process is really quite simple.

If you are hiring less than five employees, the requirements are few (more than five employees puts you in another category of employer and can get slightly complicated). First and foremost, note that in order to register yourself, you must show two things: proof that you are a legal long-term visitor or resident, and proof that you physically reside in the home where your employee will be working.

As for registering your employee, keep in mind you'll be required to contact the IMSS within five days of hiring. Therefore, it is a good idea not to have your new maid, cook or driver start work until a contract has been signed. Again, all the necessary forms are available online, so neither you nor your lawyer has to go an IMSS office in order to get started. Once you've submitted the paperwork, it is usually okay to allow the employee to start working.

So what will this cost me?

To give you a general idea, minimum wage in Mexico is about \$4.50 for an eight-hour day, with an hour off for lunch. However, good luck finding someone who will work for merely that. The going rate in most cities and sizeable towns is closer to \$15 a day (regardless of whether your maid comes in once or six times a week), though you *can* offer \$5 to \$10 daily for live-in service (as the employee will save a lot by eating and sleeping in your home).

After legally registering your employee, there are a few more payments you'll be expected to make (as well as deductions). For example, you are expected to pay an amount for yearly vacations. The law stipulates that this should be at least six business days paid at 125% of the worker's daily salary. A yearly bonus is not required but it is expected—for the first year, plan on giving half the worker's monthly salary (especially if you want him or her to stick around for another year).

You and your employee should also pay into standard IMSS coverage, as well as the worker's pension fund. You'll need a Spanish-speaking friend or lawyer with experience to help you calculate the amount, but, as a rule, your end is around 27.5% of the employee's total base salary. You can make these payments easily via Internet every month.

In addition, there are holidays to consider, both state-recognized and customary. You can ask an employee if they'd like to work a certain holiday but there are varying payment guidelines for work on state-recognized holidays. The holidays vary slightly from year to year (i.e., some are lunar-based while others get moved when falling close to a weekend), so it is best to get a yearly calendar from the IMSS.

If you decide to terminate employment, workers are entitled to severance equaling three months' salary, plus an additional 32 days' pay for each year worked. This is a very general, minimum guideline and can vary based on the reason for termination

Remember it is to your benefit to notify the IMSS immediately when an employee has been let go. Giving written notification narrows the window of opportunity during which the employee may present claims against the employer. (An employee can request more severance pay if written notification has not been provided.)

Rights and responsibilities: know them both

Here are a few additional points listed on the IMSS official website:



Employer's rights

According to the Mexican Social Security Institute, employers have the right to:

- Obtain a list of required payments and deductions from the IMSS
- Pay no more than seven consecutive days' sick/maternity leave for any one registered employee (after eight days, the IMSS is responsible for paying any additional accrued leave...thus your employee is taken care of at no extra cost to you...talk about guilt-free.)
- Stipulate the work hours and day off convenient to you via a signed contract
- Terminate employment within the trial period without penalty



Employer's duties

As a "small-time employer", you are required by law to:

- Register yourself and your employee with the IMSS

- Clearly define your expectations and the salary you will pay per month (usually broken down by amount to be paid every 15 days)
- Keep a record of payments and deductions for five years
- Assist employees who ask you to make additional deductions on their behalf (i.e. for additional insurance or retirement programs)

The hard part: hanging on to the perfect employee

They say there's nothing worse than having your maid stolen away (really, it's true). Here are some highly useful bits of advice (gathered from savvy home managers with experience running major households):

When searching for the right person, try to get recommendations (from friends or neighbors). If you place a want-ad you may get responses from people without experience or, worse, who plan to quietly pilfer your belongings for as long as they can. That said, there are *plenty* of honest people in search of work, and your neighbor's cook may just have a sister who's available.

When setting up an interview, ask the applicant to bring a letter of recommendation or a phone number for a previous employer. Also clarify whether or not you want live-in service, as this is often the largest deciding factor for an employee with options. This way you'll save your time and the applicant's.

It is okay to refrain from offering salary information until you meet the applicant, but you should ask your neighbors how much they pay their staff and try to stay within that range. Most households pay quite well and you will want to do the same without overdoing it.

This goes without saying, but sometimes a little reminder is in order: the person you hire will *not* speak English. If you don't speak enough broken Spanish to get by, ask a Spanish-speaking friend to sit in on the interview to help avoid misunderstandings. For day-to-day stuff, you'll be surprised how easy it is to get by without an interpreter.

During the first meeting, you should advise how much you plan on paying and whether you require a uniform (if yes, you will be expected to buy the uniform and pay for the fitting). For cleaning staff, let them know off the bat whether or not you'll expect them to cook (this is usually expected).

Once you've decided you have found a match, get your lawyer to draw up a simple contract and clearly define what you want your new employee to do each day and include any special

Around the house...

Here are just a few phrases to get you started on communicating with your maid. Keep in mind that the "h" is silent in Spanish:

Please help me with this (gesticulate wildly at the object of your frustration): *Por favor ayudeme con esto.*

Excuse me, could you stay a little later today? (Put on your best puppy-dog-eyed look.) *Disculpe, podria quedarse un poco mas tarde hoy?*

You can leave early if you like. *Se puede ir temprano si gusta.*

Please clean this for me: *Por favor limpieme esto.*

Please be careful (with that): *Por favor, tenga cuidado (con eso).*

I'll be back in one hour: *Regreso en una hora.*

We'll eat at eight tonight: *Comeremos a las ocho esta noche.*

This is delicious (close eyes in ecstasy): *Esto esta delicioso.*

This is not what I expected: *No es lo que me esperaba.*

Good job: *Bien hecho.*

instructions. The contract should establish the work week (six eight-hour days per week with Sundays off is the norm) and a trial period of perhaps three months during which you can *both* get used to one another.

It is also recommendable to ask about your new employees' health and family situation. You may balk at this idea, but employers in Mexico often establish and pay into their employees' health insurance program, and should thus be aware of any pre-existing conditions. One important thing to remember is that you will be expected to pay medical expenses for work-related injuries and illnesses that develop on the job. That said, take reasonable steps to ensure you provide a safe work environment. (No, you don't have to baby-proof your place, but do take care of leaks, sharpen your knives, provide cleaning gloves, etc.)

One last tip:

One last tip. Naturally, there are many cultural differences that you'll have to bridge. Mexicans pride themselves on being polite and well-mannered. But there is a downside to this—most domestic employees will not speak up when something is bothering them. They will be extremely courteous and respectful, but if you've been unkind (in their eyes) some may use passive-aggressive tactics while others may prefer to take another job and avoid confrontation.

To keep from losing a good employee in Mexico, remember to always be polite, respect their time off (particularly for a live-in maid), try to be flexible, and stress the importance of communication. Let them know that it is okay to ask you questions or for minor changes (in schedule, for example).

And after that...use your newfound time wisely—whether you take that golf lesson you've been putting off or start that book club you've been dreaming of, make a plan and *make it happen*.

Mexico's Best Hidden Beaches, Part 2

By Suzan Haskins

Last month, I wrote about the “hidden” beaches of Mexico. I offered up the first five of my top ten list. This month, we continue the journey...

My criteria: The beach must be clean...no litter or broken glass. The water must be clean, too...and swimmable. The beach must be relatively deserted. In other words, no beach chairs full of people sipping drinks with little paper umbrellas in them. If one or two...or a few...other people are there, that's okay – but no crowds. I prefer beaches that rim wide bays and are lined with palm trees.

My personal and subjective list of Mexico's Top Ten Hidden Beaches (continued):

(in no particular order)

#6) Puerto Escondido: Playa Manzanillo (on the Pacific Coast, state of Oaxaca)



Of all my “hidden” beaches, Playa Manzanillo (*photo, above*) – just west of Puerto Escondido's lighthouse – is one of the most “discovered.” You will rarely be the only one on the beach here. But still, this place is high on charm. You can rent a beach chair under an umbrella and order \$2 beers from a waiter from one of the little seafood restaurants that ring the beach here. Or pop into the restaurant for a great feast. On weekends or holidays you will bob in the water next to Mexican parent and children who come here to happily enjoy the warm, tranquil waters. This is a definite “good vibe” beach.

#7) San Crisanto on the Gulf Coast of the Yucatán Peninsula



I have a personal tie to this beach...my husband and I own two beachfront lots here – literally out in the middle of nowhere. (But only about 90 minutes from one of all-time favorite cities in Mexico, Mérida.) I incessantly daydream about the type of house I will one day build here. I don't know what this place will be like five years from now...when I plan to do my building...but for now, I can almost guarantee that the only footprints there will be yours, should you decide to visit.

If I hadn't seen this area for myself, I would not have believed such a nice beach could be found on Mexico's Gulf

Coast. The beaches here are soft white sand, and the water is shallow for a long ways out...safe and tranquil with little currents or tides – great for swimming, floating, windsurfing, boating, and jet-skiing.

#8) The east side of Cozumel Island

Less than a half-hour jaunt from the noisy hustle and bustle of Mexico's busiest cruise ship piers is a place the cruisers rarely see. That's because there is nothing to buy here. No T-shirt shops, no duty-free zone, no Señor Frog's shoving tequila shots at you. No, when I travel to Cozumel I make it a point to rent a scooter and head for the windward (eastern) side of the island. Here, you will find mostly deserted rocky coves and narrow powdery beaches poised dramatically against the turquoise Caribbean. I warn you that swimming can be treacherous here – the undertow is well known to sweep you out to sea in minutes. But the beaches are perfect for solitary sunbathing and wading. In some isolated spots, you can find a casual...very casual...restaurant where you can swing in a hammock and watch the waves. Heaven on earth.

#9) Isla Mujeres: Playa Norte



As long as we're talking island beaches, I cannot neglect to mention *Playa Norte* (North Beach), also known as Playa Cocos and Nautibeach. Like Puerto Escondido's Playa Manzanillo, it is doubtful that you will have the beach to yourself here. Still, there is something about watching the sunset here that is magical (*photo, left*). Playa Norte is the most popular beach on Isla Mujeres and is easy to get to. (This is a very small island.) You can easily walk there – or take a scooter and drive west until you hit the beach. (The coastline kind of curves which is why you go

west to hit the north beach.) Here, you can rent water toys, kayaks and, snorkeling gear as well as lounge chairs and beach umbrellas. There are several little palapa restaurant/bars that will also bring drinks and snacks to you on the beach. Just flag down a passing waiter and sit back and take it all in.

#10) Tulum: Maroma Beach

The *Travel Channel* annually compiles a list of Top 10 Beaches in the World. One beach in particular in Mexico consistently makes this list. It's called Maroma and you'll find it on Mexico's Riviera Maya, south of Cancún, close to Tulum. This is an exquisite stretch of Caribbean beach...it doesn't get much better...white sand as fine as confectioner's sugar that sticks to your skin and neon-blue water so clear and clean it tastes almost as sweet as it does salty on your lips. The Maroma Beach Resort and Spa is located here and some year, when I have been especially good I will ask Santa to take me there for Christmas. Are you listening, Santa?



There are many more, of course...like those of the Costa Maya



There are so many beautiful beaches in Mexico that one certainly could never visit them all. But I would certainly give it a go if I could find a way to do so. One of my favorite places in Mexico that deserves a mention is the Costa Maya...there are just so many really gorgeous beaches here that I would not know how to pick just one. If you are looking for a place for the perfect vacation...a laidback Caribbean setting with a distinctive Mexican flair, head for the Costa Maya. You will not be disappointed (Think “no shoes, no shirt, no problem.”)

And finally, here is one that I hope really is hidden...and remains so for some time.



#10) Kantenah Bay on the Maya Riviera



An hour south of the Cancún airport on the Maya Riviera is Kantenah Bay. I want to stress that I have not personally visited this beach. But the photos look nice enough...the photos of the beach, that is.

Here, secluded and sequestered by the jungle foliage of the Yucatán, you will find the Hidden Beach Resort Au Naturel Club. It is a hidden Mexico beach, that's true, but not one you are likely to find me at any time soon.

I am not against a little skinny dipping – and most of those beaches I have recommended so far are perfect places for that – but I'd prefer *not* to do my au naturel swimming on a resort beach full of people. In my mind, some things are just meant to remain hidden.

If this sounds like the place of your dreams, [you can find out more here.](#)



Today's Currency Update

A service of <http://www.xe.com>.

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Rates as of October 5, 2006

1 U.S. dollar equals 11.038 peso

1 peso equals .09 U.S. dollar



Updates From Around Mexico

From *International Living* Country Consultant Marzena Romanowicz:

Gone are the days when you could stick your driver's license or other ID in your back pocket and be off to Mexico. If you are planning to fly international (to Mexico or any other country) after January 1, 2007, you will now need a passport valid for at least six months from your date of departure.

This is due to the U.S. government's new passport initiative. The new requirement was established in response to the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), which mandated that U.S. citizens show a valid passport when entering and exiting the country.

Although the deadline has been changed a few times, this one is likely to stick. And according to *Lonely Planet*, less than 23% of Americans have passports, so there is bound to be a rush. In general, applications increase from January through July, so now through December is a good time to apply.

Keep in mind that it takes time for your passport to be issued, and we have heard reports that the U.S. State Department may not be equipped to process all the applications that are expected to be received in the very near future, so apply well in advance of traveling. (*Epecially* if you're planning on taking a winter holiday outside the U.S.)

Note that the 2007 deadline applies to air and sea travel. If you are driving across the U.S. border, you won't *need* a passport till January 1, 2008. There is talk of permitting a border crossing card to be used. However, as yet nothing has been approved. Also, critics say the border crossing card – which can be scanned from over 30 feet – will make for easy identity theft. Overall, your safest bet is to go ahead and get a passport.

Travel to U.S. territories is not deemed international and thus you won't need a passport to get to Puerto Rico, the U.S. Virgin Islands and Guam, to name a few. Nonetheless, it is a good idea to get one (you never know when you'll want to pick up and go.)

Minors will be required to have passports, too – and children age 13 and younger must have *both* parents present in order to apply.

To obtain a passport for the first time, go to your nearest passport acceptance facility. To find the one nearest you (there are over 7,000 nationwide), type your zip code into the finder at www.iafdb.travel.state.gov. You can complete one online – just go to <https://pptform.state.gov/DS11/MainDS11.aspx> – or get a blank application from your post office. Then, take your completed application with you.

In order to apply, first-timers will also need:

- I.D.—two forms are required: (1) a certified copy of your birth certificate (issued by the county in which you were born, not the hospital) *or* your certificate of naturalization *and* (2) a photo I.D. (either driver's license *or* state ID)
- Time—you should apply up to six weeks before your date of departure
- Money—the cost is around \$100

You'll be asked for your social security number, so write it down if you don't have it memorized. Finally, ensure you have enough to pay the fee – currently, a first-time passport costs \$97 for adults over 16 (not including the cost of passport photos). For children under 16, you'll pay \$82. These fees are subject to change.

For more information on how to obtain a passport, go to the [U.S. Department of State Travel website](http://www.travel.state.gov).

It can take up to two months for you to receive your passport (less if you take our advice and avoid both peak periods *and* what's sure to be a frantic rush before the deadline), however, it is good for ten years and renewals can be processed via mail and at a lesser cost (currently just under \$70). There is rush service available, but it'll cost you a pretty penny. Much better to apply early, and save time *and* money.

From Shawn Bandick in Playa del Carmen:

Today let's touch on two major topics Mortgages, Capital Gains Tax.

I am seeing confusion among the buyers, about mortgages. Let me give you the straight scoop as of today. You may be hearing, "yes you can get a loan." But...it is such a different market here that you won't believe all the challenges you may face when you actually try to get a loan here in Mexico.

Now don't get me wrong, there are some great mortgage brokers out there who will do everything they can to help you, but getting approved for the loan is only part of the challenge. After your approval, you have to find the acceptable property with a flexible seller. (Also, please be aware that financing may be easier and more established in other areas of Mexico outside of Playa del Carmen.)

First, let's be clear on what properties you can get a loan on. This is a changing part of the puzzle and I'm sure in the near future more options will be available. But right now it is unlikely that you will be able to get a loan for commercial investment, rental property (apartment building) or raw land. I know some lenders are very close to having construction loans available and are working on options as we speak.

Now, if you want to buy a family vacation home or condo then you have a good chance to get financing. Take note that you are going to need to pick a property that has all the city paperwork ready. What does that mean? It means that new construction or preconstruction will not have all the final paper work registered with the city, including individual title. So you need to choose a condo or house that is not new and has all the title work in place already. Sometimes we find people selling houses that they have had for years and they never went through the title process. This is not so unusual here but it will be a problem for your finance company.

Also, most lenders do not want to hear that you intend to rent this property out. They want it to be your second home and not a rental investment property. Most are okay if you say you may have some incidental rental when your family and friends are not using it.

Now let's talk about sellers. Suppose you find just the right property? Unfortunately, you may still have some challenges with the seller. Why? Because the government here is getting better at collecting capital gains tax. The seller may not want to put the full selling price on the paperwork as he may get hit with a substantial capital gains tax. Unfortunately again, everyone seems to have their own point of view on this and I have seen firsthand where sellers will wait for the cash buyer so they can make their own deal.

Now let's say you make your purchase. How will you set yourself up so you don't pay any more capital gains tax than you have to? At the time of this writing, here's what you as a foreigner have to do: When you purchase your property you apply for an FM3 as a retiree or an investor. On the FM3 you have your new property address as your residence here in Mexico. You have your contract of sale, your fideicomiso, your FM3, and all your bills with your name and the property address on them. Then, as of the law today, when you sell (minimum of two years later) you can show all this information and you will not have to pay capital gains.

This may sound like a lot of hassle, but like almost anywhere, you pay capital gains taxes on an investment property but not on your primary residence if you do things right and qualify for an exemption. Take the time to set thing up properly in the beginning.



Mexico in the News

Business and economy: the booming trend continues

The Mexican economy would survive a U.S. recession, according to Mexican Finance Minister Francisco Gil Diaz. Despite worries and how this would affect certain sectors, Minister Diaz says the economy is strong enough to pull through. Find out why:

<http://www.bloomberg.com/apps/news?pid=20601086&sid=aC0gYXC9L4Q&refer=news>

Mexico has been a front-runner in stable, long-term debt since 2001. The long awaited 30-year peso bond is finally official and indicates increased investor confidence in the country.

http://today.reuters.com/news/articleinvesting.aspx?type=bondsNews&storyID=2006-09-28T151242Z_01_N28348531_RTRIDST_0_ECONOMY-MEXICO-UPDATE-1.XML

More healthcare options in Mexico: Now PacifiCare of Cypress is offering coverage in Mexico:

http://www.ocregister.com/ocregister/homepage/abox/article_1289415.php

Following optimistic third-quarter reporting, Mexico's IPC stock index closed at a record high, and the peso was stronger. Find out which companies' gains led the rise:

http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2006-09-29T205235Z_01_N29367258_RTRIDST_0_MARKETS-MEXICO-UPDATE-1.XML&rpc=66&type=qcna

Are Cancun and “girls gone wild” synonymous? This article serves as a reminder than less than 5% of Cancun’s visitors consist of thrill-seeking frat boys. The town has long been known for luxury and service, and Wilma may have helped that image along:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2006/10/01/TRGJ8LDRR11.DTL>

Mexico has been growing in many ways and business and tourism initiatives are discussed daily. What you don’t hear about as often is the technology revolution. But there is much going on in this area. Read about the Mexican government’s attempts to get Indian IT firms onboard:

<http://www.hindu.com/thehindu/holnus/006200610021140.htm>

Political news from a country in transition:

Mexico’s President-elect, Felipe Calderon, is calling for quick action to restore citizens’ faith in democracy. Congress is being asked to save the nation and repair the rift by being tougher on criminals, providing universal healthcare and generating jobs.

http://www.iht.com/articles/ap/2006/09/28/america/LA_GEN_Mexico_Politics.php

Soon to be Mexican President, Felipe Calderon, thanked current President Vicente Fox for handing him an improved country. Calderon says he will focus on job equality and justice:

http://www.iht.com/articles/ap/2006/09/21/america/LA_GEN_Mexico_New_Leader.php

So what is soon-t-be President Calderon doing to strengthen ties and bring the nation back from the brink? According to this article a regional tour begins this Monday. Read more about it here:

<http://www.falkland-malvinas.com/Detalle.asp?NUM=8864>

A Strong take on Mexico’s tale of two presidents. “Lies, damn lies and blackmail,” says this LA Times article:

<http://www.latimes.com/news/printedition/opinion/la-le-wednesday27.3sep27,1,7868079.story?coll=la-news-comment>

In a different take, this informative article speaks about Mexican democratic history and right-wing control, and presents PRD estimates of electoral fraud:

<http://www.globalresearch.ca/index.php?context=viewArticle&code=WAR20060927&articleId=3348>

According to This Dallas Morning News article, the U.S. will be more focused on Mexico than ever. Following a highly publicized Presidential election and an ensuing rift between Mexico’s haves and have nots, the U.S. will want new President Calderon to reign things in and keep the country on track:

<http://www.mercurynews.com/mld/mercurynews/news/politics/15632859.htm>

You’ve been hearing a great deal about the proposed wall along the U.S. – Mexico border. How do Mexicans feel about it? Not neighborly. Here’s President Fox’s take:

http://news.yahoo.com/s/afp/20061002/pl_afp/mexicousimmigration_061002161518;_ylt=AsiELBtGGFS1vFkQPQvyOtmDl.0A;_ylu=X3oDMTBiMW04NW9mBHNIYwMIJVRPUCU

But there’s also fun stuff to read about:

A classroom poll shows that the most popular Mexican boxer is...Jorge Arce. “Mexico’s biggest little star,” they call him:

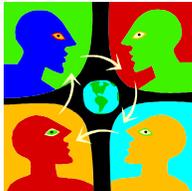
<http://www.thesweetscience.com/boxing-article/4386/jorge-arce-mexico-biggest-little-star/>

Golf: For you World Cup fans, Mexico is *in* after having finished first at a Nations Cup qualifying tournament. The December event will be held in Barbados. More about the cup here: http://today.reuters.co.uk/news/articlenews.aspx?type=golfNews&storyID=2006-10-02T001859Z_01_B885514_RTRIDST_0_SPORT-GOLF-WORLD-UPDATE-1.XML&WTmodLoc=Golf-C1-Headline-1

A fun look at a Mexican food craze that's taken over...Sweden? The taco takeover: cultural exchange or nefarious plot to take over the world? You decide: <http://www.statesmanjournal.com/apps/pbcs.dll/article?AID=/20061002/OPINION/60930014/1049>

A detailed article about historical Guanajuato explores the city's past and a recharged present. Beautiful pictures of restored monuments accompany this riveting piece: <http://travel2.nytimes.com/2006/09/24/travel/tmagazine/24guanajuato.html>

Costa Careyes is *the* exclusive address in Mexico. The *New York Times* profiles it here: <http://travel2.nytimes.com/2006/09/24/travel/24next.html?8td&emc=td>



Upcoming Events

Live and Prosper in Mexico: October 29-31 in San Miguel de Allende.

We're convening again in San Miguel, this time in the fall – and just before Mexico's colorful *Dia de los Muertos* festivities. (Plan to spend some extra time here after the seminar!) Along with our full days of informative speakers, we've scheduled a city tour and several 'fun' events – both in San Miguel and in the beautiful countryside nearby. If you've ever dreamed of living in a place where the weather is perfect, the scenery is beautiful, and there are more cultural activities than you possibly have time to take in, we suggest you investigate San Miguel.

To find out more about our conference, scheduled for October 29-31, [go here](#) or e-mail Events@InternationalLiving.com. Remember, Mexico Insider subscribers get a \$100 discount off the registration price. Sign up soon to reserve your spot.

P.S.: If you are coming to San Miguel for the conference, please plan to spend a couple of extra days here. Free optional real estate tours will be offered on November 1 and 2 (following the conference) by the RE/MAX Real Estate Company. To reserve your spot or to indicate the types of properties you'd be interested in seeing, e-mail sma@mexlinks.com.

**The Ultimate Path to Independence –
Financially, Geographically, Personally
IL's Ultimate Event ~ Panama City ~ October 18- 21**

Join us for *International Living's* Ultimate Event, where you'll enjoy the rare privilege of gathering the latest information on every single aspect of the offshore world. Absolutely no subject will go uncovered. Overseas real estate investing...profitable business opportunities... offshore asset protection...money-saving retirement programs... How to stay in touch while overseas... How to ship your personal belongings... How to work from anywhere in the world... The best beachfront properties in the world... The best retirement bargains in the world...The best health care in the world...and much, much more. Never before in the 26-year history of *International Living* have we organized an event of such magnitude. You will personally get the opportunity to meet and talk at length with the world's foremost experts on living overseas – including your *Mexico Insider* and *IL* Mexico office staff – and learn how to make the most of the offshore world. [Read More Here.](#)

For more information: e-mail: Events@InternationalLiving.com tel: +1-410-223-2688 or toll free (U.S. and Canada only) 1-866-381- 8466.

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