

# There's never been a better time to move to Mexico!

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International Living

If you've ever entertained the thought of living the good life in Mexico, heed my words: There's never been an easier...a more lucrative...or a more exciting time to be there.

In fact, there's never been a better time in your lifetime to start a new life in Mexico.

Despite what you think you might know about this huge and diverse country (keep reading, I'm going to dispel some of the most common myths), there has never been a better time to consider a move here.

That's because, right now, three critical factors have come together in a way they rarely do.

My name is Dan Prescher. My wife, Suzan Haskins, and I have been living in Mexico for nearly seven years now. And I can say, with confidence: I've never seen so much opportunity to grab amazing property deals...to live so well for so little...to enjoy so gracious a lifestyle...

You may know that Mexico earned the #1 spot on International Living's Global Retirement Index in 2007 and 2008 and came second in 2009.

It's close to the U.S. and easy to get to... it offers great retiree benefits on everything from medical services to airfares...taxes are low, low, low...and so is the cost of living...

Why is this the best time in your lifetime to start a new life in Mexico?

Here are three compelling reasons in particular for you to investigate Mexico right now:

The peso to dollar value is at a high—your dollar goes farther than ever. The peso has lost around 30% of its value against the dollar since August of 2008. Your dollar buys more in Mexico today than it has in more than 15 years...since 1994, after an economic crisis in which Mexico's government cut three zeros off the end of peso denominations to create a "new peso".

Just from my personal experience: the bottle of wine that cost us \$5.80 last year costs us \$4.60 today. The bill for our phone and high-speed Internet service was \$42 last year and is \$33 today. A housekeeper, at 200 pesos per day, cost us \$18 last year and \$14 today. We're benefiting from even bigger savings on big-ticket items, of course. We recently bought a headboard for our king-size bed. At 6,400 pesos, it would have cost us \$610 last year. But with the exchange rate, we paid just \$457 for it.

As you might imagine, some expats who live here are taking advantage of the weakened peso to

buy larger goods and appliances they've been putting off until now. They're getting a price break and stimulating the economy at the same time.

The recession has created a buyer's market for you. With fewer people shopping for second homes, sellers are willing to negotiate more on price and toss in enticing incentives.

And, of course, where the currency exchange really makes a difference is on property prices. Last year, we were considering buying a small home here in Merida to renovate and use for rental income. The Mexican owners wanted us to lock in the price at 520,000 pesos, which converted to about \$50,000 then. This was at a time when the dollar was weakening against just about every currency in the world. Concerned that the dollar would continue to slide, we decided not to move forward with the transaction. If we had accepted their terms, though, and if the closing had taken place now, the house would have cost us \$40,000. That's a pretty substantial saving.

I should clarify something here: Overall, real estate in Mexico has held its value. That's because Mexico is still basically a cash society. (Yes, you can get mortgage financing in Mexico and we can tell you how...but most people don't. They buy with cash.) Developers, for the most part, have been well capitalized and there hasn't been a "lending crisis" in Mexico.

Prior to the recession there was a real estate boom here, especially among foreign buyers of vacation homes. Property prices rose during that time, although they were never super inflated as they were in the U.S. Since most properties aren't leveraged, there is no reason for prices to fall as drastically as we've seen in the U.S. and elsewhere...although certain market have seen some big price "corrections."

But...while in most parts of Mexico prices aren't falling much, neither are they rising right now. Some owners (particularly those from the U.S.) who overextended themselves are now willing to sell at a discount. In resort communities like Puerto Vallarta and along the Riviera Maya, you'll find particularly good bargains. And because, thanks to the recession, there are fewer buyers, sellers are throwing in lots of extraordinary incentives...like covering association fees for up to five years, throwing in appliance and furniture packages, offering lucrative lease-back options, etc.

And if you buy a resale home or condo direct from the seller...that's where the real bargains are, especially if you buy from a Mexican owner and negotiate the price in pesos...

I'd also be remiss if I didn't explain that the global recession isn't the only reason there are less real estate buyers...especially foreigners...in Mexico today. You can thank the U.S. news media for keeping them away.

The U.S. news media has created a big opportunity for you...

The mainstream media has painted an unfair picture of Mexico. Media coverage of isolated violence and virus outbreaks in Mexico has kept some tourists and potential retirees at home. It's not a fair picture.

Yes, the drug war is real (in my opinion, the Mexican government is winning) and there are areas of Mexico that should be avoided...mostly at the border with the U.S. But the vast majority of Mexico is untouched by all this. (As for the recent flu outbreak, Mexico has received heaps of international praise about the immediate steps taken throughout the country to stop its spread.)

Truthfully, Suzan and I feel safer walking to and from our midtown home in Merida to parks, restaurants, and evening events than we did in Omaha. Rest assured, college students on Spring break, families with children, European backpackers, single women, elderly couples...they're all still safely visiting Mexico.

The window of opportunity won't be open forever. Mexican tourism officials are launching an international public relations campaign to boost Mexico's image as a tourist destination. Tourists become real estate buyers, especially once they learn all that you've just learned about Mexico. If you're looking for a comfortable (even pampered) lifestyle for less than half what it would cost you up north... Mexico makes more sense than any other country

As I mentioned, International Living conducts an annual survey called the Global Retirement Index. In 2007, Mexico won for the first time. It won again in 2008. Here's why:

Mexico is the closest retirement haven to the U.S. This may not seem like a big deal, but believe me, the convenience of a short plane ride makes all the difference in the world when you want to get back home to family and friends or attend to business matters. Flights to and from Mexico are plentiful and inexpensive and most take less time than a coast-to-coast U.S. flight. From my home in Merida in southern Mexico, I can be in Miami or Houston in about two hours. If you want to, you can easily and safely drive here. (Suzan and I have made the drive several times and look forward to our next Mexico road trip.)

It is easier to get a resident visa in Mexico than in any other country. You might think Panama, Belize, and Costa Rica have easy resident requirements. Well, forget everything you might think you know about obtaining a visa anywhere else. The Mexican government has made it very easy for foreigners to live here. As I mentioned, we lived in Panama and Nicaragua (and Ecuador prior to coming to Mexico in 2002)...and the visa process, hands down, is easier in Mexico. The requirements are less restrictive than any country that I know of.

Mexico has a first-class retiree benefits program. You may know about Panama's excellent pensionado program, but to be eligible for it, you have to get a visa. And in Panama, getting a visa can be tough. But see my point above: not only is it easy to get a visa in Mexico, but foreigners who are age 60 or older, with a valid Mexico resident visa are eligible for Mexico's *Personas Adultas Mayores* benefits program.

The program offers discounts on a wide range of services, including health-related ones (hospitals, doctors' visits, lab tests, medical devices, pharmacies, and dental work); cultural activities like theater tickets and entrance fees to museums and archaeological sites; transportation and accommodation, including airline tickets, buses, car rentals and purchase; and at hotels and many stores. Discounts can range from 5% to 50% off the full price of the good or service.

The cost of living in Mexico is low, low, low. With rapidly rising fuel, health care, food, taxes, and travel costs, it's nice to know there are still places where you can live well without burning through your savings. Mexico is one of those special places. Here, you can enjoy a lifestyle that's all but unaffordable for most Americans and Canadians. The cost of real estate is far, far lower than it is in the U.S. and Canada. Could you find a beachfront condo in the U.S. for less than \$100,000? A home smack on the beach for less than \$150,000? You can in Mexico. And you can live very well here on just \$2,000 per month or less. Suzan and I do...

Sample monthly budget for a couple living well in Mexico:

Utilities (electricity, gas, water) \$150

Household help (housekeeper and gardener once a week) \$200

Groceries \$400

Maintenance and fuel for one car \$150

Entertainment (dining out and other activities) \$250

Health care (two people at \$240 per year for IMSS insurance, plus \$70 per month for private-care incidentals) \$110

Incidentals (clothes, household items, etc.) \$300

Communication: phone, internet, cable TV \$100

Monthly Total: \$1,660

These expenses are all variable, of course. You may not use as much electricity or want household help, for example. If you don't own a home, you'll have rental expenses (add \$300-\$1,000/month for that). If you live in a city, you may not need a car so you can subtract those expenses (though you'll need to add bus or taxi fees) Homeowners will want to include an annual property tax—but that rarely comes to more than \$200 per year).

Think of how much money you can save, simply by moving a few hours south!

You can get full-coverage health insurance in Mexico for less than \$1 per day. Hospitals and health care providers in Mexico are of excellent quality. (I know...I live here.) Many doctors were trained in the U.S. or Europe and they speak English. Private health insurance, (through a major global provider) costs one-fourth to one half what you might be paying in the U.S. Doctors' visits and common medical procedures in Mexico, too, cost about one-fourth of what they do in the U.S., so many expats just pay out of pocket. But get this: if you have a resident visa, you can get health coverage through IMSS (Instituto Nacional de Seguridad Social). There's no age limit for signing up. This full-coverage health insurance runs from about \$100 a year for children and adolescents, up to almost \$300 for those over 60—and it includes prescription medications.

Taxes are ridiculously low—need I say more? Taxes are a fact of life, we all know that. And like all countries, Mexico levies a value-added tax on goods and services. But other taxes are practically non-existent. At the beginning of this year, for instance, we paid the annual property taxes on our 5,400-square-foot home in Merida. It was a laughably low \$139! The annual tax bill on the beachfront lots we own on the Gulf Coast...\$10. Unless you're working here, you probably won't pay income taxes. But if you are working...and you're self employed or working for a

Mexican or other foreign corporation...you can legally exempt up to \$91,400 in income on your U.S. taxes for 2009...for both you and your spouse! I'll tell you how to get more details on that in just a minute...but first...

Two more reasons to consider Mexico: full-time household help and the warm and welcoming Mexican people

As I said, Suzan and I live a better life here in Mexico than we've ever lived anywhere else. The quality of our lives has vastly improved since we left the U.S. (A big part of that is the better weather—it makes a big impact on your attitude!)

Another reason we're so happy here is because, for the first time in our lives, we can afford household help. We both like to cook, but we don't necessarily like cleaning up afterwards. And we don't care much for mopping floors or scrubbing toilets either. But for \$20 per day (and in some places in Mexico you'll pay less) you can hire a full-time housekeeper. Same with a gardener and someone to clean your pool. Make no mistake, these are good wages for dignified work...if your experience is like ours, your housekeeper and gardener will be endearingly cheerful and helpful and become like members of your family.

That's the other extraordinary aspect to life in Mexico: the Mexican people themselves. Sociologists who have studied these things say that Mexicans are among the happiest people on earth. It shows in the generous ways they treat people and in the genteel ways they conduct their business and go about their lives.

Truly, Mexico today is like the U.S. was in the 1950s and 60s...but with today's modern amenities, of course. You'll find a strong sense of community and a family-focused life—which makes every day a genuine pleasure.

Plus, Mexico offers an astounding cultural vibrancy that we simply haven't found anywhere else. And while the pace is civilized and the environment welcoming and friendly, you can enjoy the comforts you've grown accustomed to—like Internet access, cable TV, well-stocked grocery stores, and first-run movies. That's all here, too.

In Mexico, you will have more free time to do the things you enjoy, but I daresay you'll enjoy your free time even more than ever before.

Your opportunity to triumph over the recession...

I'm certain you've experienced the backlash of the rotten global economy. Everyone has. Chances are, your dollars aren't going as far as they used to. Maybe your investment nest egg has lost some (or a lot) of its value. Maybe you've worked hard all your life and haven't been able to save much at all...and now you're more worried than ever about how to pay for your retirement...maybe you're worried that you'll never be able to retire.

According to a new report by the Washington, D.C.-based Center for Economic and Policy Research, most baby boomers haven't saved much and will be forced to work longer and/or

move to a place where the cost of living is less. According to the experts, "Property taxes, health care and cost of living will force boomers to strongly consider moving to other countries, especially if they plan on living at the same level of comfort as they do now."

If you've been considering a move overseas...whether to retire or live more economically full-time or part-time...or if you're looking for a laidback, gentler place to live or own a vacation home...you should strongly consider Mexico. Do the research. Get the facts.