

CLOSE

## CROSS-BORDER CAPITAL FLOW

Financial markets . . . tanking. Real-estate market . . . tanked. What's a home-buying trader to do? Flee to Mexico, where the beer is cold, the sand is white and the high-end homes actually maintain some of their value BY CRISTINA VELOCCI

### HOME EQUITY

**THIRTEEN YEARS AGO**, Mexico's economy was in a state of abject crisis: weak banking systems, the devaluation of the peso, a \$50 billion bailout. *¡Ay caramba*, how the *mesas* have turned! Today, by contrast, not only is Mexico enjoying a stable, growing economy, bolstered in part by a recent housing boom, but its little neighbor to the north is now getting to appreciate the unique satisfaction of being tethered to a

crippled Second World economy.

Silly gringos!

Indeed, in times such as these, it's only natural for a trader embroiled in the turmoil of the markets to get a sudden urge to run the hell away. And if you've considered fleeing — um, we mean, *relocating* — across the border, you're hardly the only one: Over the past three years, investments in vacation homes in Mexico, primarily by buyers from the United States and

Canada, have risen 60 percent.

It's not hard to see why. There are the powdery beaches. There's the fabulous weather. There's enough tequila to repress the memory of your \$147 million portfolio of mortgage-backed securities. There's also the stabilization of the peso, new president Felipe Calderón's U.S.-friendly government and recent legal changes allowing for foreign ownership of coastal land. "Mexico is weathering the financial crisis



much better than the United States because there's a lot of Mexican buying power in Mexico," says Carlos Rosso, vice president of the Related Group.

That's not to say that the country's housing market has been completely immune; sales have slowed in recent months as a result of the U.S. economy being, well, you know . . . *the U.S. economy*. Still, Mexico remains one of the few places where the dollar continues to go a long

way — and not just because its cost of living is 30 percent cheaper than that of the U.S. "Property tax in Mexico has never been a source of income for the country, so it's very, very low," says Alan Becker, developer of Nizuc.

At last, then, we might finally have found the silver lining of the tornado clouds of America's current financial turmoil: If you *must* shelter your assets somewhere, well, these are some lovely shelters. ■

## NIZUC

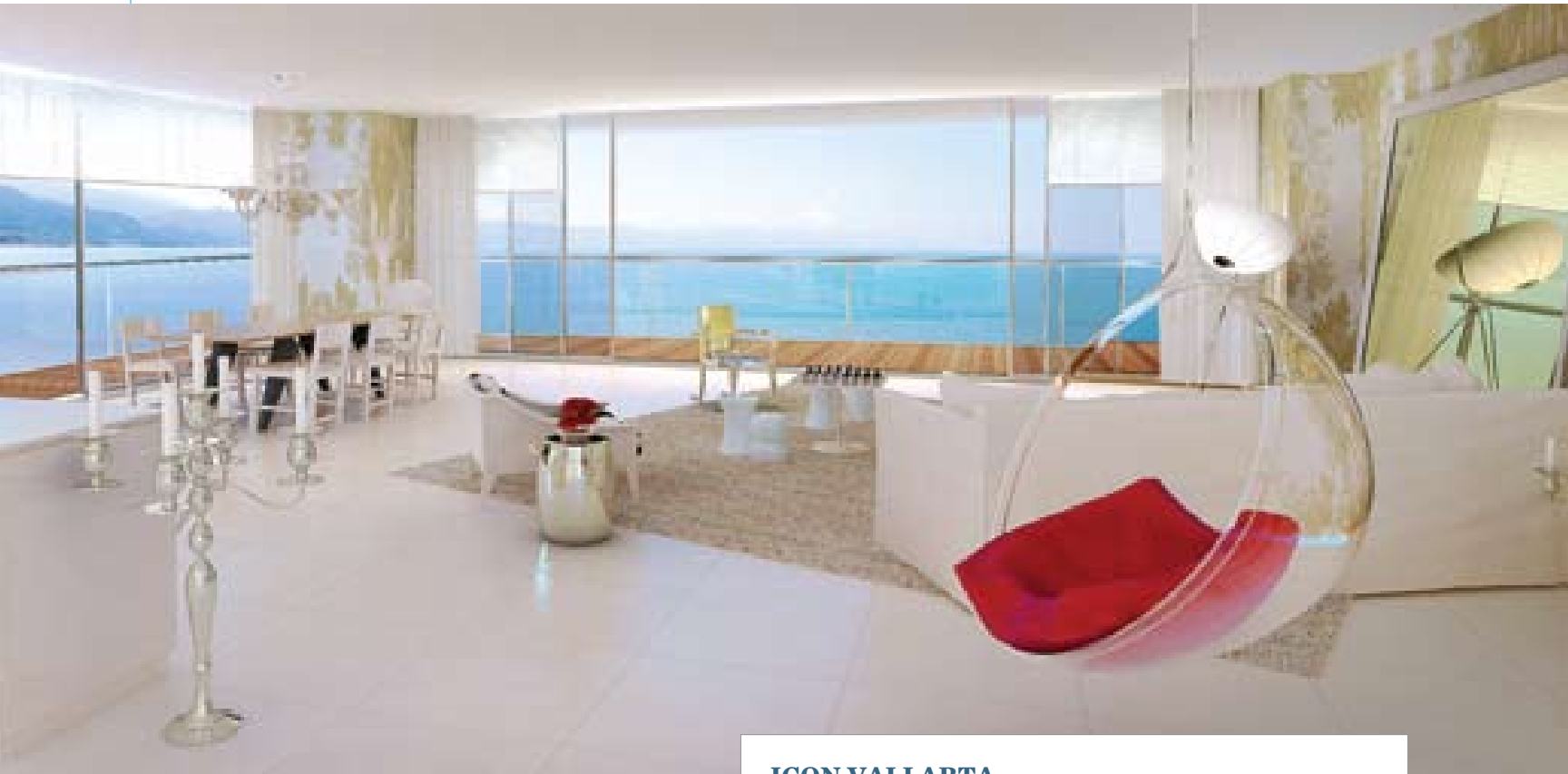
**LOCATION:** Riviera Maya  
**OPENING:** Fall 2009 **UNITS:** 91  
**PRICES:** \$1.3 million–\$13 million  
**ARCHITECT:** Becker Arquitectos  
**CONTACT:** 888-696-4982; nizuc.com

For several years, an influx of luxury developments has been transforming the Riviera Maya into a haven of high-end eateries, shops and hotels — at times, cloyingly so. For this reason, Nizuc's geographic hedge, straddling the last block of Cancún and the first block of the Mayan Riviera, does more than set it apart. It ensures you'll never have any actual neighbors, as the property is surrounded by the waters of the Caribbean, a channel and a lagoon. Also notable: The land itself was once grounds for Mexico's presidential retreat, and as such has hosted such dignitaries as Kofi Annan and Tony Blair.

Perhaps it's no coincidence, then, that you can expect to receive the royal treatment here. "From the moment you arrive at the airport, you'll be treated like a Mayan king," says owner Alan Becker. That might be true, assuming Mayan kings were once chauffeured from the private-plane terminal at Cancún International Airport to their beachfront villas with private infinity or plunge pools; ferried along private waterways to two signature Jack Nicklaus golf courses; provided with a marina for yachting and kayaking; and given helicopter tours of their own ruins.

Which would be surprising. But where Nizuc stays true to its Mayan roots is by retaining the natives to infuse the resort with an authentic local culture. "The biggest asset we have is our culture and our people," Becker says. "The Mayans were one of the few cultures that, while everyone else was fighting, they were enjoying life next to the ocean, studying the stars." Just the company a market-weary trader might, in other words, want to keep.

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## ICON VALLARTA

**LOCATION:** Puerto Vallarta **OPENING:** Winter 2009 **UNITS:** 342  
**PRICES:** \$775,000–\$1.4 million **ARCHITECT:** Arquitectonica/  
Philippe Starck (interiors) **CONTACT:** 877-295-4266; iconvallarta.com

Mexico might not be known for cutting-edge design, but Philippe Starck is — and he brings his surrealist interiors to Puerto Vallarta in this, his third collaboration with Miami-based developers the Related Group. “The residential spaces we normally conceive become magical spaces with Philippe Starck,” says developer Carlos Rosso. To wit, a shallow pool designed to flow through one lobby and bistro tables set within an outdoor pool (or perhaps someone just left the faucets on).

Which is not to say the Icon Vallarta’s natural setting is any less notable: The floor-to-ceiling energy-efficient tinted-glass windows in each of the three 26-story towers boast unobstructed views of the Pacific ocean, nearby mountains and downtown Puerto Vallarta — whose winding streets and boardwalks are filled with art galleries, restaurants and sculptures, all of which have maintained a bohemian vibe. “It’s difficult to find cities or towns in Mexico, particularly on the ocean, that have retained the Mexican flavor,” Rosso says. “A lot of them have been changed or modified because of the influx of tourists, but Puerto Vallarta has a downtown that really preserves that Mexican charm.”

Still, call us crass, but our favorite charms are Icon Vallarta’s Olympic-length infinity-edge pool, its 20-seat theater, its oceanfront gym, its spa with sauna and steam rooms, its outdoor terraces with teak flooring, its wine refrigerators and its hotel-caliber services such as housekeeping, dry cleaning and pet grooming. But maybe that’s just us; admittedly, we do hate grooming pets.



## QUERENCIA

**LOCATION:** Los Cabos **OPENING:** 2010 (Phase II) **UNITS:** 35 Club Villas, 14 Las Cabañas condominiums, 16 Las Cañadas homes, 175 home sites **PRICES:** \$680,000–\$1.2 million (home lots); \$900,000–\$1.5 million (Las Cabañas); \$2.1 million+ (Club Villas); \$2.4 million–\$2.75 million (Las Cañadas); \$3.6 million+ (custom homes) **ARCHITECT:** Arturo Ponce de Leon **CONTACT:** 888-236-2229; loscabosquerencia.com

Bigger isn't always better (case in point: a ginormous RMBS play or, say, 33-to-1 leverage). But sometimes, big bets pay off big — as with this gated 1,800-acre residential golf community. As Jorge Carrera, the president of Querencia, says, "Because we're the biggest development, we have the most offerings. There's a lot of diversity in what you can find inside Querencia, depending on your preferences."

Do those preferences include private verandas with sweeping views of the Sea of Cortez? Then consider the three-bedroom Las Cabañas condos. If you'd rather gaze upon the Tom Fazio-designed clifftop golf course and swim in a private pool, the three- to four-bedroom Club Villas should fit the bill. There are also three- to four-bedroom Las Cañadas homes with outdoor fireplaces, Jacuzzis and two-car garages, and hacienda-like custom homes of up to 12,000 square feet.

Common grounds include a 58,000-square-foot Club Village, replete with wine cellar, fire pit, infinity and lap pools, spa, yoga pavilion and private beach cabanas, plus a driving range, tennis courts and a forthcoming Gil Hanse golf course. (What, no luge run?) And considering the range of amenities, it's easy to forget you're less than 15 minutes from San Jose del Cabo, one of Mexico's fastest-growing resort areas. "In Cabo," Carrera says, "we've seen solid appreciation for the past 10 years." Now that's our idea of big.

## LOS VENEROS

**LOCATION:** Punta de Mita **OPENING:** January 2009 **UNITS:** 239 **PRICES:** \$700,000–\$2 million+ **ARCHITECT:** Barba+Ramirez Arquitectos **CONTACT:** 877-656-9809; losveneros.com

If luxury properties in Mexico could be personified by exchanges, Los Veneros would undoubtedly be the NYMEX, considering the sheer quantity of commodities listed within the kitchens of its three- and four-bedroom homes: Wolf six-burner stoves, Sub-Zero refrigerators, Golden Tepeji Busardeado marble floors, Santa Cecilia granite countertops. (See? Commodities? Get it? Oh, come on, that's clever!)

Regardless, if kitchens don't exactly turn you on, you can find whatever sort of thing you're into here, whether it's massages in a private beach palapa; deep-sea fishing for marlin, tuna and swordfish; surfing in Banderas Bay; or bossing around the concierge. And that's just on-site. "There are a ton of activities in the area that Los Veneros will capitalize on," says Adolfo Fastlicht Kurian, CEO of the ICON Group, who acquired the land for Punta Mita two years ago. "We detected back then that the area was of interest because the Four Seasons had already been established there and was doing very well; things were taking off."

In truth, Four Seasons isn't the area's only high-thread-count haven: The 37-acre Los Veneros will also host a 100-room boutique hotel, though presumably the best accommodations will lie within your own abode. After all, thanks to the sloping terrain, each is privy to unobstructed ocean views, and with more than 85 pools (80 of which are private), you can always respond to the market turmoil by either drowning your sorrows . . . or yourself.



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## CAPRICO RESIDENCES

**LOCATION:** Playa Mujeres **OPENING:** 2010 **UNITS:** 220  
**PRICES:** \$560,000–\$1.4 million **ARCHITECT:** Architectural Design Team/HKS, Inc. **CONTACT:** 866-520-8089; caprichoresidences.com

Though gated luxury communities are nothing new in Mexico — the rich down there like to avoid the poor just as much as you do! — this 900-acre low-density development is the first in Playa Mujeres on the Isla Blanca peninsula, just north of Cancún. Call it Mayakoba 2.0: When completed, it will boast two Greg Norman golf courses and more than two miles of white sandy beachfront.

When the Insotel Hotel Group, a Spanish company with luxury hotels throughout the Balearic Islands of Spain, first started scouting land in 1996, it considered developing in the Caribbean as well. “Ultimately, we decided on Mexico because of its stability as a country,” says developer Marcos Mari. “Mexico has matured in the last five years. We were observing what the market was doing.”

The group’s longstanding hospitality experience should come in handy running the 16-room boutique hotel on-site, which will provide concierge services to residents of the two- to four-bedroom homes that boast rooftop gardens, oversized terraces and patios, fire pits and plunge pools. “It’s a very cosmopolitan product,” Mari says. “We wanted something different, private, exclusive.” The private 170-slip megayacht marina, private helipad, private beach club, private gym and private spa would seem to fulfill that mission.



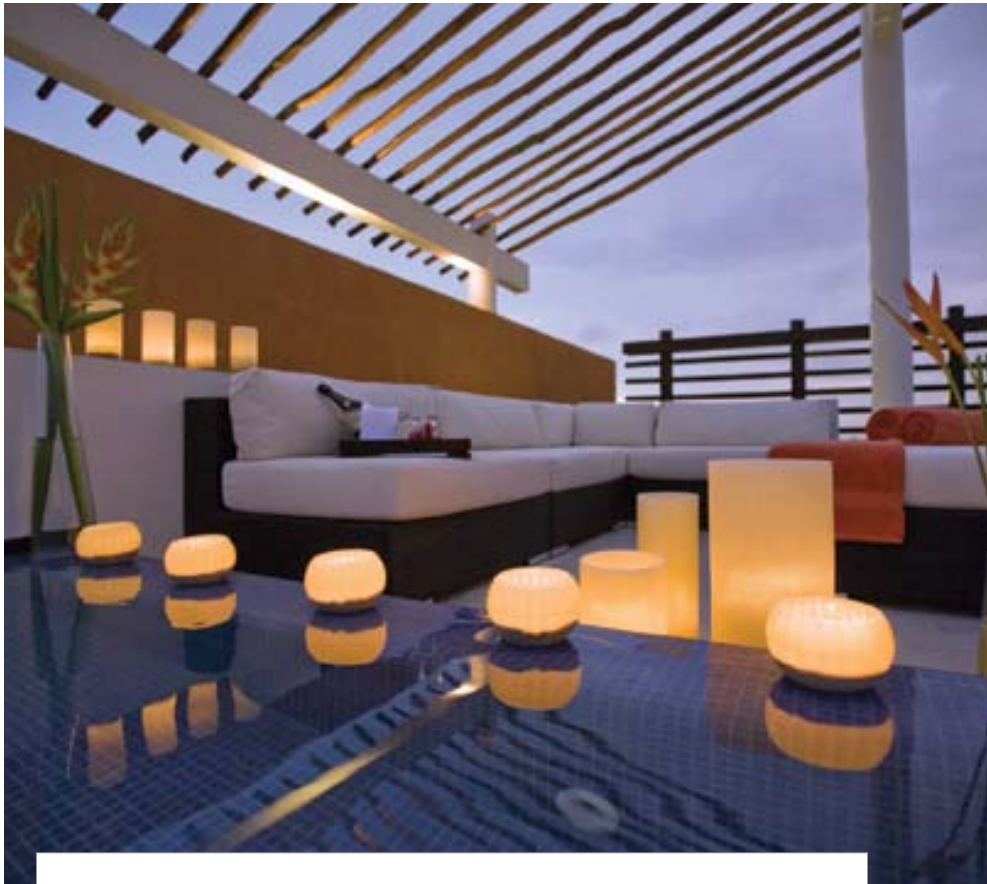
## ST. REGIS RESIDENCES MEXICO CITY

**LOCATION:** Mexico City **OPENING:** March 2009 **UNITS:** 104  
**PRICES:** \$660,000–\$1.9 million **ARCHITECT:** Cesar Pelli **CONTACT:** 011-52-555-208-8708; stregisresidences.com/mexicocity

You can take the trader out of the big city, but you can’t always take the big city out of the trader; seriously, how many fish tacos can a cosmopolitan man be expected to eat in his life? If such is the case with you, only a bustling metropolis such as Mexico City will do.

Indeed, for the diehard urbanite seeking respite south of the border, Mexico’s dynamic capital offers everything you’d ever expect in a big city: film festivals, art museums, regional cuisine and enough luxury to make it the eighth-richest city in the world, by GDP. That, of course, and a horrific crime rate, including a bull market in kidnappings — but hey, no place is perfect.

Indeed, the “City of Palaces” is a promising place to lay claim to one of your own — namely, at the first St. Regis outpost in all of Latin America. Aside from the brand already being AAA-rated, the 189-room hotel and residences were designed by architect Cesar Pelli and are located on the famed Paseo de la Reforma, just 10 minutes from the Polanco financial district and the Mexican Stock Exchange. The one- to three-bedroom residences spread throughout floors 16 to 31 receive the same gilded amenities — butler service, concierge, Remede spa services — that hotel rooms do, including limo transfers to and from Benito Juárez International Airport and in-room dining courtesy of a signature eatery by Jean-Georges Vongerichten. And presumably, he could always make you a fish taco, if you like.



### **BANYAN TREE RESIDENCES MAYAKOBA**

**LOCATION:** Riviera Maya **OPENING:** February 2009 **UNITS:** 50  
**PRICES:** \$1.2 million–\$4.8 million **ARCHITECT:** Architrave Design  
 and Planning **CONTACT:** 866-540-6512; banyantreemayakoba.com

You are a trader. By definition, you follow market trends. (Or if not, then, by definition, you're probably a very bad trader.) Thus, you'll likely enjoy this argument for buying the full-ownership villas and terrace residences at Banyan Tree Mayakoba: One of five luxury branded resorts to open within this exclusive enclave on the Riviera Maya (along with Rosewood, Fairmont and Viceroy), the 132-villa hotel marks the Singapore-based chain's first foray into the North American market — a significant move, considering that when Banyan Tree opened its flagship property in Thailand's Laguna Phuket, the land there had been written off by the United Nations as being of no commercial use whatsoever; it's now home to five additional high-end resorts and is a resoundingly profitable success.

See? Right there. Market trend.

All the resorts at Mayakoba share access to the PGA Tour–hosting Greg Norman–designed El Camaleón championship golf course (so named for its ever-changing landscape, which traverses mangrove, seaside and jungle ecosystems), along with 15 restaurants, five spas and a mile of white sandy beach. Within the Banyan Tree, though, it's all liquid assets: Each of the one- to three-bedroom villas not only fronts either the lagoon or the beach but also comes with its own outdoor Jacuzzi, bathtub, shower and 650-square-foot private pool. There's even an option pool: Owners can choose to enter their villa in the resort's rental program, whereby they receive up to 56 days per year at this or any other Banyan Tree outpost in the Middle East, North Africa and Asia.

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