

View of the Sandy Beach
condo zone, and Rocky Point.

As Seen in
Western Canadian
Resorts & Investment
Properties Magazine



PUERTO PEÑASCO

THE WORD IS OUT ON MEXICO'S NEWEST RESORT **HOT SPOT**

By Colleen Seto | Photos by Don Molyneaux

Ask the average Canadian sunseeker about Puerto Peñasco in the Sonora state of Mexico, and they're likely to say, "Port of what?" But that won't be the case for long as this once-sleepy fishing village transforms into the next Puerto Vallarta or Cancun.

LOCATED ABOUT FOUR HOURS south of Phoenix, Arizona, on the sea of Cortez, the city of about 45,000 has changed dramatically over the past five to seven years, and still more change is inevitable. Mostly known as the beach playground for Arizonan campers and "spring breakers," Puerto Peñasco, aka Rocky Point, has since exploded onto the real estate market with high-rise, high-end condos and houses taking over the landscape.

Why the big change? For one, the attacks of 9/11 had Americans looking for vacation spots closer to home that don't require air travel. As well, legal changes in foreign ownership of Mexican property have made it possible to buy along the ocean, and with the area's near ruin of the fish and shrimp industry, the government has turned to tourism. With these factors at play, Puerto Peñasco is no longer a temporary hosting ground for sun-burnt visitors, but the site for many existing and soon-to-be-built vacation homes. The Sandy Beach Resorts—a master-planned

development with a dozen resorts or so—encompasses 4,600 acres alone.

Though Peñasco's beaches are riddled with developments in various stages of construction, the burgeoning resort town is still quite light when it comes to amenities. According to Scott Poturalski of The Coastal Group, builders of the swanky Bella Sirena development on Sandy Beach, that's actually a major incentive to buy now. "The value of buying 'pre' is huge," he says in reference to projects on the horizon for Puerto Peñasco. Currently, the city is pre-airport; pre-competitive mortgage dollars—there are only four major lending groups at the moment; pre-nautical ladder—the plan is to bring 20-plus sailing ports along the gulf for nautical tourism; pre-infrastructure—the city still must develop more services like paved roads, restaurants and shops; pre-coastal highway—in the works to link Mexican coastal cities and California;

and pre-golf—there are only a handful of courses built. But the wheels are in motion for all of these pieces to fall into place. Already, the 134-kilometre section of the coastal highway from north of Peñasco to the Gulf of Santa Clara is expected to be 95 per cent complete by November of this year.

"PEÑASCO IS THE SECOND LARGEST RESORT REAL ESTATE AREA IN MEXICO [BEHIND CABO], AND NO ONE'S EVEN HEARD OF IT..."

Poturalski epitomizes the energy and spirit of what's to come in the new Puerto Peñasco. Having grown up with a beach shack in the Las Conchas area to the east of the city, he sees the potential of the area, and recognizes that much is already underway. "Golf built Cabo [San Lucas], and now you can't touch it," he says. "Peñasco is the second largest

resort real estate area in Mexico [behind Cabo], and no one's even heard of it. Five years ago, there wasn't a condo on this beach." Standing on the stunning terrace of the US\$1.3 million four-bedroom Bella Sirena penthouse, gazing out over the 220-residence resort, it's hard to believe.

Still, the area is hardly crowded compared to other Mexican destinations. Strolling down the beach in Las Conchas, you might not meet a single other beachgoer. So why hasn't every last square inch been scooped up? First off, foreign ownership of oceanfront property wasn't even possible about a decade ago in Mexico, and there are regulations for how this can be done. The biggest objection, however, is still Mexico itself. "Now that the big lenders and U.S. land title insurers will cover property in Mexico, the area's projects have been legitimized, and the fears quelled a bit."

When it comes to warm and affordable oceanfront property, the options, at least affordable ones, can be pretty slim picking. Puerto Peñasco offers among the best in what's left in such desirable properties, and for Western Canadians, it's prime time. Our dollar is strong, and from Calgary, it's a three-hour flight to Phoenix, then a four-hour drive—similar traveling time as driving to the Okanagan. In a year or two, the local airport will accept flights from Phoenix and Las Vegas, cutting the travel time significantly. And the area still holds the Mexican charm that many of its resort counterparts have lost with the overwhelming influx of big American chains. Dining at local restaurants and bars is the norm for visitors in Peñasco, and is also one of the best highlights of visiting the city.

The variety of vacation homes available in Puerto Peñasco ranges as much as the number of Mexican dishes that involve tortillas. In other words, a lot. Choose from high-rise condo towers

such as the Sonoran Sky Resort in Sandy Beach, which offers one- to four-bedroom units; Las Palomas, one of the area's first developments, featuring a 350-acre golf community with full and fractional ownership for one- to five-bedroom units; low-rise condos at the likes of the gated community by Caracoles Homes or the 99-unit Linda Vista project, not to mention fully equipped villas and beach homes such as those offered by Calgary-owned La Bella Vita.

Prices also vary, and compared to other sun destinations, can seem downright cheap. At Villa Cortez, for example, another property with Alberta connections, selections range from one-bedroom condos starting at US\$299,000 to a US\$1.85 million penthouse suite. "There is a lot of interest," affirms Milton Kiehlbauch with ConCor Pacific Inc., which represents Villa Cortez in Western Canada. "The big reason is proximity to major centres like Phoenix and San Diego. There is a high level of comfort in knowing you can be at a resort, but still within driving distance from civilization. Also, who can complain about leaving Calgary at 7 a.m. and being on a beach in Mexico by 1 p.m.?"

With such real estate opportunities, it's likely that visitors will wind up coming home from Mexico with more than just cheap jewelry and a sombrero. R

THE AREA STILL HOLDS THE MEXICAN CHARM THAT MANY OF ITS RESORTS COUNTERPARTS HAVE LOST WITH THE OVERWHELMING INFLUXING OF BIG AMERICAN CHAINS

The glistening waters of the Sea of Cortez provide a captivating backdrop for the Bella Sirena development at Sandy Beach.



Shrimp boat enters the bay with Sandy Beach condo zone in the background.



Surreal panoramic of La Bella Vita villas.



The Sea of Cortez is just a stone's throw away!