

Mexico—still the world’s best retirement haven

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by the staff of *International Living*

For the second year running, [Mexico](#) wins our annual Global Retirement Index.

With rapidly rising fuel, health care, food, and travel costs, it’s nice to know there are still places where you can live well without burning through your retirement nest-egg. And Mexico is one of those special places. In Mexico, you can still enjoy a lifestyle that’s probably all but unaffordable for most people in the U.S. and Canada.

IL’s top 5 retirement havens in 2008

1. Mexico
2. Ecuador
3. Panama
4. Uruguay
5. Italy

Mexico offers the perfect mix of centuries-old traditions and contemporary lifestyles. It’s easy to get a residence visa. And the services, amenities, and discounts offered to retirees here are just as bountiful as in Panama, with its famous *pensionado* program—as are the overall cost savings. Plus, Mexico is closer to home.

Moving to Mexico means you can still have all the comforts you are used to north of the border: cable TV, high-speed Internet, and modern home appliances. And if you prefer, when you move to Mexico you can even bring all your favorite things with you without paying import taxes.

Goods and services cost less, so you can afford the kinds of luxuries only the wealthy enjoy up north: a maid, a cook, and a gardener, for example. Whether your vision of the ideal retirement involves shopping, fishing, sunbathing, diving, biking, mountain climbing, parasailing, collecting crafts, visiting archeological sites, partying, going to concerts, attending the theater, or fine dining, in Mexico you can engage in all these activities, and many more.

Live well in Mexico on \$2,135 a month

Housing (rental of a two-bedroom home)	\$800
Utilities (electricity, gas, water)	\$125
Household help (housekeeper and gardener three days a week)	\$150
Groceries	\$300
Maintenance and fuel for one car	\$150

Entertainment (dining out and other activities)	\$250
Health care (two people at \$280 per year for IMSS insurance, plus \$63 per month for private-care incidentals)	\$110
Incidentals (clothes, household items, etc.)	\$100
Communication: phone, internet, cable TV	\$150
Monthly total:	\$2,135

This country is so diverse that everybody can find exactly what they want: beautiful, warm oceans, crystal-clear tropical lakes, fertile farmlands, temperate-but-majestic mountains, starkly gorgeous deserts, small towns or sophisticated cities.

And because of its geographic diversity, you can also choose your favorite climate: from warm and dry to warm and sultry to spring-like temperatures all year in the Colonial Highlands.

And if you're looking for the home of your dreams, you can find it in Mexico—for much less than it would cost you most anywhere in the US or Canada. The real estate market offers endless possibilities for your retirement. You can own beachfront—not just ocean-view property—in Mexico for less than \$100,000.

Mexico's top 3 retirement havens

Mexico is a big country. So, for your convenience, we have chosen our top three retirement havens, offering you three different areas of Mexico. These are: Merida, Manzanillo, and Xalapa. First up (and in no particular order) is Merida.

Merida: A bohemian "people city"

Weather and climate: 7
 Health care: 10
 Overall attractiveness: 9
 Housing availability: 9
 Housing cost: 9
 Accessibility to an airport: 10
 Cultural activities: 10
 Other activities: 9
 Communication infrastructure: 9
 Daily living cost: 8
TOTAL: 90

Merida is a "people city." A few months ago Mexico City's leading La Reforma newspaper polled the country's citizens and asked them to name the most livable cities in Mexico. Merida ranked second, behind Colima, near the Pacific coast. Every night of the week you will find live music of a different variety in a different plaza around town. The food vendors will be there...grab a freshly made hotdog, hamburger, or taco for a buck or two, and for dessert, a cone filled with homemade ice cream will set you back another buck.

During the day, you'll often find students in these same plazas (Merida is known for its fine high schools, technical schools, colleges and universities), some diligently tapping away on laptop keyboards. The mayor of Merida is installing free wireless Internet service in 50 locations around the city, including parks. The most popular gathering spots are already wired.

The city has also allocated 60 million pesos (about \$6 million) to beautify its central historic district. Workers are busily restoring and painting building facades, and removing overhead power lines and placing them underground. Some city streets will be inaccessible to bus traffic.

"Merida is like the French Quarter, but cleaner and safer, like Santa Fe but cheaper, and it's what Key West used to be," says real estate agent Eric Partney. "There is a lively street life here, and that gives the city a bohemian feel."

Merida is the best of genteel, easygoing Old Mexico, yet it offers the sophistication you'd expect of a city with nearly 1 million inhabitants. You'll find Mexico's largest shopping mall here, the Gran Plaza. Two more mega shopping malls are now also being built. The city offers a lively cultural life, with several theaters where you can take in a play, the symphony, or the ballet. There are also several excellent health care facilities, including the Clínica Merida and the new Star Medica, featuring state-of-the-art laboratory and diagnostic equipment.

As for the property market, if you're interested in renovating, there are plenty of colonial homes for sale in Merida. In *Centro*, you'll find small fixer-uppers of 1,000 to 2,000 square feet for as little as \$30,000 (although there aren't as many at that price as there used to be). Labor and construction costs are low, too—the average construction laborer makes \$85 to \$100 per week. Spend just a little and live in a comfortable humble home or spend a bit more and turn your pumpkin into a palace.

Keep in mind that there aren't as many of these old homes at rock-bottom prices as there used to be. Prices for colonial-style homes in need of complete renovation run from about \$30,000 and up. Renovated homes typically start at about \$100,000, although occasionally you can find them for less.

You can still find old haciendas, too, if that kind of property appeals to you. In the city limits of Merida, just minutes from *Centro*, one is currently offered for \$250,000. On 2.4 acres of land, it has been somewhat restored and features a large living room and dining hall with a beamed ceiling. There's even the requisite chapel.

What about the suburbs? You can find a well-built modern home in Merida's suburbs for \$60,000 and up. In the most elite neighborhoods, including Country Club and Campestre, you will pay much more.

Manzanillo: A casual city-living lifestyle

Weather and climate: 9

Health care: 8

Overall attractiveness: 9

Housing availability: 8

Housing cost: 8

Accessibility to an airport: 10

Cultural activities: 7

Other activities: 10

Communication infrastructure: 8

Daily living cost: 8

TOTAL: 85

Manzanillo—along with Puerto Vallarta, which lies about 165 miles north—is one of the biggest beach resort cities on this part of Mexico's Pacific coast. But where Vallarta is sleek and chic, with great shopping and high-end restaurants, Manzanillo offers a more casual lifestyle. Here there are great (but simple) seafood restaurants, scuba shacks, and great beaches. The city boasts two five-mile stretches of beach, on two bays that are separated by a peninsula.

One of the nicest, cleanest beaches is at Las Brisas, in the Bay of Manzanillo. This area tends to be more residential, with condominium complexes and the occasional small B&B. It lies right beside a naval base, and on some mornings you can hear the naval band or see teams of naval recruits and officers exercising on the beach. (Their presence may also account in part for Las Brisas's reputation for safety.)

Transportation connections are good, too. It is well connected by road with communities up and down the coast and with cities in the interior. Manzanillo has an international airport, with direct flights from Houston and Los Angeles. In addition, the large international airport at Guadalajara is only three hours away by highway.

To keep you busy in your retirement, the area offers many sports-related activities, including sport fishing, golf (there are five golf courses in the area), hiking, horseback riding, and boating. Swimming, surfing, scuba diving, and snorkeling, of course, are popular, and the equipment is readily available. Plus, Manzanillo also has several spas and gyms for indoor workouts.

Real estate in Manzanillo, even for beachfront property, remains surprisingly affordable.

Single-family homes right on the beach are much rarer here than condominiums. We did recently view one 4,000-square-foot house on the first line of beach, however. It sits at one end of a double lot, with 132 feet of frontage, so there is plenty of open space to build on. (There's even space for a second house or guest quarters.) The asking price is \$500,000.

Once you get away from the first-line beach, property prices begin to drop and can be dramatically lower even a few blocks inland. Lot size, as a result, can go up. Single-family homes become both more affordable and more available. Many of the gated communities fall into this category—offering sea views but no direct beach access. For example, you can get a single-family house in a gated community from \$150,000 to \$200,000.

In addition, many small subdivisions are being built on the inland side of Manzanillo, often with small parks and pools as amenities in the public areas. Small two- and three-bedroom modern houses in these subdivisions sell for anywhere from \$55,000 to \$100,000 each, with many falling in the \$60,000 to \$80,000 range. Houses at this price and in this area can command monthly rents in the \$800 to \$900 range.

There's a lot to like in Manzanillo: a warm climate; attractive beaches; friendly population; scores of restaurants and hotels; and still-affordable real estate.

For real estate information for Manzanillo: [Property Pros](#) (Susan Dearing and Carlos Cuellar), *tel. (52)314-333-0642 (office) or (52)1-314-358-5042 (cell); e-mail: propertypros@gomanzanillo.com*

Xalapa: An affordable cultural gem

Weather and climate: 8
Health care: 8
Overall attractiveness: 8
Housing availability: 9
Housing cost: 9
Accessibility to an airport: 10
Cultural activities: 10
Other activities: 8
Communication infrastructure: 9
Daily living cost: 8
TOTAL: 87

In Xalapa, the roads wind among lushly green hills and ravines, where rivulets and small waterfalls are a common sight. In spring, coffee bushes in bloom, their tiny white flowers scattered like snowflakes on the green leaves, grow in every ravine under arching banana trees. This is the heart of Veracruz State's coffee-growing region, where the foothills meet the mountains.

The air here is rich and moist and the temperature mild, though you may need a light jacket in the evening. It's hard to believe that you're only an hour from the coast, with its temperatures in the 90s. But in that hour's drive you've gone from sea level to 4,000 feet, and from Veracruz's black-sand beaches to this capital city nestled in the hills.

With a population of about 400,000, Xalapa is no longer a tiny capital.. But it still gives the feeling of a small city that you can easily escape into the countryside. From the city's heights you can see green hills in almost every direction, blending into blue-tinged mountains. It's no surprise that Xalapa is a hub for mountain sports, especially eco-tourism and white-water rafting on the area's many little rivers.

For many people, though, Xalapa's cultural life is the main draw. This is a city that exudes creative, intellectual energy. Known as the "Athens of Veracruz," Xalapa is home to three universities and arguably the best music school in Mexico. Chic coffee shops and bistros fill during the day with shoppers and into the evening with students, academics, and writers, their conversations a roar over the tinkle of wine glasses and coffee cups. Walking through the city center, you see placards at almost every corner announcing concerts and plays. Xalapa's symphony orchestra is considered the best in Mexico—but there are all styles of music here, from rock to jazz as well as classical. And if history is your passion, you're in for a treat—Xalapa's anthropological museum is widely considered the best in Mexico after the one in Mexico City.

If you're looking for a medium-sized inland city with great amenities, Xalapa (sometimes spelled *Jalapa* but always pronounced ha-LAP-ah) could be a good fit. From film to theater to music, it offers as many cultural activities as a city twice its size.

Housing and overall cost of living are remarkably inexpensive. There are plenty of properties for sale for less than \$150,000. And there are lots of options on where to buy—city neighborhoods where you can walk to shops, gated communities with expansive green areas, and nearby villages that offer colonial charm and are within an easy drive of Xalapa's cultural amenities. One modern house recently for sale offers the advantages of city living and all the space of suburban life. It's just a few minutes' drive from Xalapa's colonial center and is in a gated community. There are parks, a small supermarket, and other shops practically next door. Even better, there is an open-air vegetable market three blocks away where you can also get freshly prepared, handmade tacos hot off the grill. ..

The two-story, three-bedroom house has more than 2,100 feet of construction on a 1,600-square-foot lot. Price: \$150,000.

Just 10 to 15 minutes by car outside the city, there is a three-bedroom home for sale for \$95,000. The house has a large balcony offering mountain views.

For colonials and rentals in the Xalapa area, contact: [Bienes Raices Xalapa](#)

For real estate in general, contact: [Cassa Bienes Raices](#) (Ileana Cruz), e-mail: informes@cassabiensraices.com

Editor's note: Our rating system for our three favorite Mexico retirement havens, above, is entirely subjective. (Note that these ratings are not the same as our rating in the overall Retirement Index, where we rate countries as a whole.) We assign points based (from 1 to 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 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.

How our Global Retirement Index is scored

Real estate: Countries where real estate prices are low and the purchase of real estate is relatively easy receive the highest scores. We use our own experiences plus reports from our contributing editors and real estate contacts around the world to rate each country. Weight: 15%

Entertainment, recreation, and culture: This category considers the number of newspapers per 1,000 citizens, the number of museums and cinemas per capita, the number of university students, the literacy rate, and the variety of cultural and recreational offerings. Weight: 10%

Cost of living: This score is based on statistics from the Indexes of Living Costs Abroad, Quarter Allowances, and Hardship Differentials, published by the U.S. Department of State, and on data published by Business International. We also use our firsthand experiences living and traveling in these countries. The lower the score, the higher the cost of living. Weight: 20%

Safety and stability: This measure of unrest in each country is based primarily on Interpol data and State Department statistics. It also takes into account the civil liberties and political rights granted by each government. Our own experiences and reports from expatriates living in these countries also influence the safety scores. Weight: 5%

Health care: Considered in this category are the cost of a typical visit to a general practitioner and the cost and coverage particulars of health insurance. Weight: 20%

Climate: Countries with temperate weather throughout the year, moderate rainfall, and little risk of natural disaster come out on top in this category. We use data representing each country as a whole instead of favoring one region over another. Weight: 5%

Special benefits: This category considers government provisions that make moving to and living in each country easier and more affordable for foreigners. Taken into account are property rights for foreign residents, property tax rates, duty-free imports on personal belongings, currency controls, employment restrictions, voting rights, and transportation discounts for seniors. Weight: 20%

Infrastructure: This section considers the number of cars and telephones per 1,000 residents, the length of railroad track in usable condition, the number of airports, the quality of the country's road and highway network, and the availability of telecommunications. Weight: 5%

Country	Real Estate	Special Benefits	Cost of Living	Culture	Health	Infra.	Safety/Stability	Climate	Total
<i>Mexico</i>	85	72	68	72	82	62	92	90	77
<i>Ecuador</i>	90	75	72	63	73	47	88	100	76
<i>Panama</i>	80	85	63	66	75	63	100	65	75
<i>Uruguay</i>	90	57	67	70	79	62	100	93	74
<i>Italy</i>	63	63	51	100	93	65	100	87	73

<i>Brazil</i>	92	45	75	66	79	65	92	83	72
<i>France</i>	60	45	50	98	100	95	100	87	72
<i>Argentina</i>	83	40	68	71	86	63	100	93	71
<i>Costa Rica</i>	72	70	60	64	78	65	93	75	70
<i>Australia</i>	65	52	55	68	90	90	100	89	70
<i>Malta</i>	64	65	52	70	91	34	100	96	70
<i>Belize</i>	67	84	65	50	69	53	93	60	69
<i>Malaysia</i>	92	65	66	70	65	47	86	40	69
<i>Nicaragua</i>	87	68	62	60	69	38	79	75	68
<i>Spain</i>	55	49	50	72	94	71	100	87	67
<i>South Africa</i>	87	23	47	63	56	47	86	98	67
<i>New Zealand</i>	75	36	43	87	92	65	100	84	67
<i>Greece</i>	75	49	55	68	79	60	100	79	67

<i>Chile</i>	70	47	68	71	76	51	100	48	66
<i>Thailand</i>	80	50	62	69	70	49	71	43	63
<i>U.S.</i>	58	27	59	79	74	100	100	86	63
<i>Colombia</i>	83	34	57	63	76	47	71	91	63
<i>Portugal</i>	66	23	58	76	80	62	100	93	62
<i>Slovenia</i>	72	46	42	65	76	56	100	83	62
<i>Ireland</i>	20	79	29	85	85	57	100	59	61
<i>Dominican Republic</i>	67	55	52	50	72	34	86	57	60
<i>Honduras</i>	68	35	66	34	69	41	79	83	58
<i>Croatia</i>	61	20	45	70	80	56	100	95	58
<i>U.K.</i>	20	55	25	87	81	71	100	60	55