

# Prepackaged Sales Meeting Tips for Business Success: Focus on Mexico



## **Introduction to Prepackaged Sales Meeting**

### ***Module: Tips for Business Success: Focus on Mexico***

Dear Broker/Firm Trainer:

NAR research indicates that 1 in 5 REALTORS® has been involved in an international real estate transaction. If this surprises you, you might ask yourself if business opportunities are being lost because your agents do not understand the elements of an international real estate transaction. The bulk of “international” business takes place in local markets and sales agents need a base level of knowledge to help them attract (and keep) this business, which often comes about from a former client whose needs have expanded beyond the domestic level.

NAR has created a series of modules to help you provide an introduction to global market transaction elements. These modules are designed to be incorporated into your regular sales meetings; many of which can be expanded, based on the firm’s needs. They include resources for additional information for agents seeking a more in-depth understanding of the topic.

Keep in mind that these modules *will not* make your agents “international experts.” (NAR offers advanced training and certification for REALTORS® who work in markets where they will benefit from this.) Rather this information is designed to provide agents with enough basic information on a range of topics so that when the potential client walks through the door who:

- *is looking to buy a vacation home in Mexico,*
- *has recently immigrated to the U.S. and is unfamiliar with U.S. industry practices,*
- *has recently inherited a property in Europe,*
- *wants to invest in an London flat to house a child studying abroad for a year or, a U.S. flat for a student coming to the U.S.,*
- *is a U.S. military spouse from Iraq, Germany, Korea, or any number of countries where U.S. military personnel is based and may marry local citizens,*
- *received in inquiry from oversees about a new development, or*
- *a dozen other possible scenarios...*

...Your agents will be able to assure this potential client or customer that they can help with this transaction!

This module introduces licensees to some cultural and socioeconomic issues they should know to successfully do business with clients and customers from Mexico. Real estate sales both in Mexico and by Mexican consumers in the U.S. is on the upswing and property in parts of Mexico is proving to be a valuable investment. To engage in successful business transactions you should be aware of the information offered in this exercise and refer to the Resources page for additional reading material.

We hope you’ll find this module useful in your sales agent training program, and we welcome your feedback. Questions or comments can be sent to [NARglobe@realtors.org](mailto:NARglobe@realtors.org). For information on other international training resources from NAR, visit our web site at [www.REALTOR.org/international](http://www.REALTOR.org/international), or contact Heidi Henning, Manager, International Education and Membership at [hhenning@realtors.org](mailto:hhenning@realtors.org) (800.874.6500; x8376).



## Broker/Trainer Instructions

1. Time required: 15 – 20 minutes.
2. Pass out a copy of the T/F quiz without answers to each attendee. You may wish to let them know in advance they won't have to turn in their answers and that correct answers and notes will be provided at the end of the session.
3. The broker/trainer should read each item, ask for a class response, then discuss the correct answer. Remember to ask for input from the audience. Keep them involved.
4. Occasionally the facilitator, after reading the statement, might ask “How many of you think this is true?” then, “How many of you think this is false?” then, “How many don't care?” This always gets a laugh and keeps the audience's attention.
5. At the end of the exercise distribute the broker copy with the correct information and notes for future reference and refer the attendees to the Resources page for additional reading material.
6. (Optional) As time allows, the broker/trainer may also wish to discuss some of the information on the “Additional Information for Broker Use” page, or save for a future training session.

## How Well Do We Know our Mexican Neighbors?

**T F 1. Mexico is half the size of the United States.**

**FALSE:** Mexico is 3 times the size of Texas which is considerably less than half the size of the U.S. However, Mexico's population is 1/3 of the U.S. 100 million in Mexico and 300 million in the U.S.

**T F 2. Mexico is the 3<sup>rd</sup> largest exporter to the U.S.**

**TRUE:** Oil, tourism and manufacturing products lead the list. The tourism sector has created a strong 2<sup>nd</sup> home market in Mexico, especially in coastal areas and colonial-historical cities.

**T F 3. When working with Mexican clients and customers, the man makes the buying decisions.**

**FALSE:** On the outside it may appear that way but on the inside the family discusses matters and makes the decisions as a group. Women are often times the dominant key decision-maker in home selection. They are in charge of the house and are called the domesticated ones.

**T F 4. Gifts of silver and knives are well received by our Mexican neighbors.**

**FALSE:** Knives indicate the severing of a relationship and silver is associated with the trinkets most often sold to tourists.

**T F 5. U.S. lenders provide mortgages to Americans buying Mexican real estate.**

**TRUE:** A handful of banks now provide such mortgages. Marshall & Ilsley, Sonada Financial Group and Collateral Mortgage are among the first. GS Mortgage Securities have Programs focusing on the Cancun and Riviera Maya markets. This company also offers title insurance in Mexico.

**T F 6. Approximately 1.5 million Americans now own property in Mexico.**

**FALSE:** There are approximately one million Americans living in Mexico and approximately ½ of those own property.

**T F 7. Under NAFTA and other reforms, the Mexican government can not discriminate against foreigners in terms of property ownership.**

**TRUE:** This is bringing Americans and Canadians to Mexico, especially those who have been priced out of the U.S. resort areas. Foreigners should always purchase title insurance to guarantee land title is free and clear since land title problems and issues are a real factor in Mexico.

**T F 8. Closing costs on Mexican property are about 6%.**

**TRUE:** There is a 2% mandatory real estate transfer tax, a 1-3% fee for a government-appointed “notario publico” for processing and transaction certification, plus a bank appraisal fee.

**T F 9. U.S. lenders charge the same rates for Mexican purchases as those in the U.S.**

**FALSE:** U.S. lenders offer more competitive rates than their Mexican counterparts however, rates are slightly higher for Mexican purchases because there are added risks and extra legal precautions.

**T F 10. There are 33.5 million foreign born residents in the U.S. and 53% of them are from Latin America.**

**TRUE:** This information is from the most current data of the U.S. Census Bureau. Fannie Mae, citing statistics that show minorities—many of whom are immigrants—will account for nearly 2/3 of household growth from 2000-2010.

**T F 11. More than half of the U.S. foreign-born households live in 10 metropolitan areas.** *[After the answer is established as being true, ask attendees to name the cities.]*

**TRUE:** Miami, Los Angeles, New York, San Francisco, Houston, Chicago, Washington, D.C., Boston, Dallas and Atlanta.

**T F 12. Latin Americans move less frequently than their US counterparts.**

**TRUE:** They will usually buy a home intending to stay there forever and pass the home through the generations. They prefer brick or stucco construction, ceramic tile and wood. bright colors, formal living and dining rooms and an in—law room.

**T F 13. Mexican purchasers of high end properties like to have them showcased for everyone to see.**

**FALSE:** Safety is a major concern so they prefer to hide, rather than show off, their residence. Safe, secure, gated communities are important due to their perception of safety.

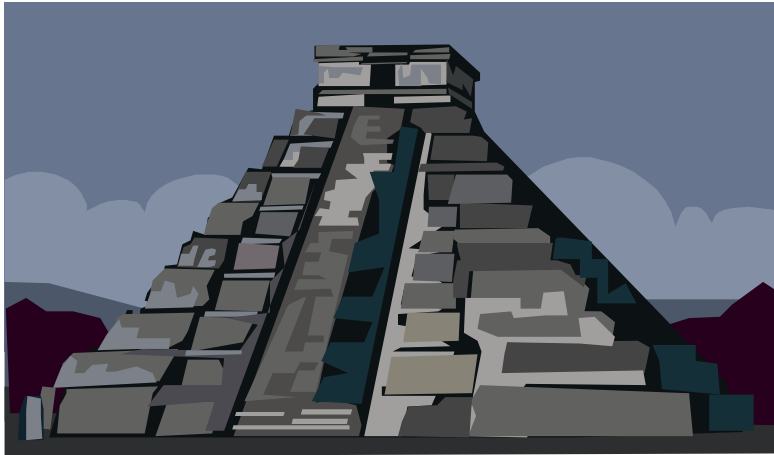
## Additional Information for Broker Use

The following information is provided to better understand the *broader* Latin American market—specifically when doing business with resident Latin Americans or when in their country. This information is general in nature, however, and exceptions exist in all instances. Never assume this information applies to a *specific* individual, but rather use this to help gain a general understanding of the Latin culture.

- **Race.** “Hispanic” is a generic term used for Latin Americans who reside in the U.S., many of whom are Mexican. However, like the U.S., the region is ethnically and culturally diverse and some Latins may not wish to be referred to as “Hispanic” as this may suggest someone of mixed race primarily from Mexico. Countries such as Mexico, Peru and Ecuador are made up of “mestizo” races, or mixed European/Native American ancestry, while Chile and Argentina are 90% European. Brazil is a true melting pot and does not resemble anything that North Americans would consider “Hispanic.” Brazil has large immigrant populations of Italians, Lebanese and Japanese. The largest Japanese population outside of Japan is found in Brazil.
- **Names and formalities.** Latin Americans often use multiple last names, taking both their maternal and paternal last names. Also, many Spanish-origin names consist of two words, resulting in a first and last name of four to six words. To avoid offending Latin Americans for whom names carry prestige and social status, do not shorten last names or misunderstand the first and last names. Similarly, there are “rules” for properly addressing Latins. Elders and persons of higher authority are addressed formally and peers and/or friends are greeted informally. Also, some wish to be referred to by their formal title, e.g., “Doctor,” “Professor,” or “Engineer.” Listen carefully to hear how one is addressed (or introduces oneself) and follow suit. When in doubt, ask how the person wishes to be addressed.
- **Relationship with the United States.** Latin Americans are typically familiar with U.S. customs and culture. Given geographical proximity, many travel regularly to the U.S. and are familiar with pop culture, movies, sports teams, etc., far more so than U.S. residents are of Latin culture. You may find Latins to be curious about U.S. citizens and may ask personal questions upon initial meeting (e.g., marital status, ethnic background). While most Latin Americans genuinely like U.S. citizens, they may feel they are culturally, economically, and politically dominated by the U.S. To offset this, compliment their country (do your research so it’s genuine); minimize criticism of the country; and be open to local/native foods and drinks to immerse yourself in their culture and show that you appreciate their country as much as they appreciate yours.
- **Greetings/Gifts.** Latin Americans who know each other well tend to be affectionate, with men often hugging each other and women/men kissing each other on the cheek when greeting. You may adopt this local custom only when you have a good, established rapport with a person; otherwise a formal handshake is acceptable and expected from a foreigner. There is no formal protocol to exchanging business cards. Similarly there is not formal gift-giving practice; gifts should be given from one’s heart.

## Resources

1. Kiss, Bow, or Shake Hands, Terri Morrison, Wayne A. Conaway, & George A. Borden, PhD.
2. DO'S and TABOOS of Hosting International Visitors, Roger E. Axtell, John Wiley & Sons, Inc. 1990
3. DO'S and TABOOS of INTERNATIONAL TRADE, Roger E. Axtell, John Wiley & Sons, 1989
4. Website: [www.culturegrams.com](http://www.culturegrams.com)
5. DVD: "REALTORS® Reaching Out to the World Around Us" The CENTER for Education and Private Enterprise, P.O. Box 1327, Columbia, MO. 65205 or NAR Library, 430 North Michigan Avenue, Chicago, IL. 60611-4087
6. "Lawful Targeting" by Nan Roytberg. REALTOR® Magazine, April 2005 (pp. 20-21).
7. CIPS Course: The Americas and International Real Estate. Course description, schedule and sponsorship information available at:  
<http://www.realtor.org/cipshome.nsf/pages/Education#CourseDescriptions>



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## Participant Handout

## How Well Do We Know our Mexican Neighbors?

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- T F 4. Gifts of silver and knives are well received by our Mexican neighbors.
- T F 5. U.S. lenders provide mortgages to Americans buying Mexican real estate.
- T F 6. Approximately 1.5 million Americans now own property in Mexico.
- T F 7. Under NAFTA and other reforms, the Mexican government can not discriminate against foreigners in terms of property ownership.
- T F 8. Closing costs on Mexican property are about 6%.
- T F 9. U.S. lenders charge the same rates for Mexican purchases as those in the U.S.
- T F 10. There are 33.5 million foreign born residents in the U.S. and 53% of them are from Latin America.
- T F 11. More than half of the U.S. foreign-born households live in 10 metropolitan areas.
- T F 12. Latin Americans move less frequently than their US counterparts.
- T F 13. Mexican purchasers of high end properties like to have them showcased for everyone to see.

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