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THE BAJA OPTION

Mexico offers relief from high San Diego housing costs

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The San Diego region's affordable-housing crisis is becoming an international affair, as increasing numbers of U.S. residents look to northern Baja California for low-cost shelter.

Like southwest Riverside County, Tijuana has become a safety valve for San Diego County workers who find themselves priced out of costly apartments and a skyrocketing real estate market, says demographer Rodolfo Cruz Pineiro of El Colegio de la Frontera Norte.

Despite lengthy border-crossing delays since the Sept. 11 attacks, Baja California offers viable housing to expatriates who can adjust to life in another culture, Cruz holds. Based on Mexican census data and employment surveys, the researcher estimates the number of legal U.S. residents now living in Tijuana alone at between 50,000 and 60,000.

They largely are a mixture of American citizens and Mexican nationals with documentation to live and work north of the border. The population is in "an upward trend," but more studies are needed to fully understand the phenomenon, he said. The recently deceased Chuck Nathanson, who promoted cross-border cooperation as executive director of the San Diego Dialogue group, recognized Baja's growing attraction to Americans in search of inexpensive shelter.

"The binational housing market has been with us for a long time," he said in a recent interview. "It has been true for mainly Spanish-speaking people, but the affordable housing crisis has extended its scope and reach into the community."

While the average rent for a two-bedroom apartment exceeds \$1,000 a month in San Diego County, Cruz said two-bedroom apartments in Tijuana can be found for \$400. The search for affordable shelter is drawing away residents on two fronts. Many San Diego housing refugees move to Riverside County. An estimated 29,000 commute to work from that jurisdiction. There is no consensus on the number of San Diegans who have moved to Baja, however. In 1992, San Diego Dialogue surveyed cross-border travel patterns, estimating that 10,000 U.S. citizens who resided in Mexico were making the commute.

With the escalation of home prices in recent years, that number may have greatly increased, Nathanson said. The California Association of Realtors estimates that a household income of \$92,000 typically is needed to purchase a median-priced home in the San Diego region.

If not for border-crossing delays, "you would see a tremendous boom in the housing market down there," Nathanson said.

The San Diego Association of Governments has come to recognize that a sizable number of local workers are commuting from Riverside County and Mexico. "As our housing prices continue to rise, more people are making the choice to live outside our borders," said Jeff Tayman, the agency's director of research and information systems. Jearl O'Neal, who works for San Diego Data Processing Corp., has moved to Mexico twice in recent years to take advantage of cheaper housing. He learned Spanish while renting a home near Tijuana.

"It had a different feeling from the hustle and bustle of San Diego and was truly more affordable," he said of the border community. "I could rent a three-bedroom, furnished home with a 30-foot terrace overlooking the Pacific Ocean for \$750 a month."

Not all rental housing is so desirable. Many dwellings lack central heating. Despite the savings, family law attorney Kacey Coony says Americans should think hard before moving to a developing country.

Moving south

Unable to afford a home in San Diego, Coony commutes to Rosarito Beach, where she lives with her family. For the most part, Americans who choose to live in Mexico are a breed apart, she stressed. "You tend to find athletes, adventurers, convicts, retired people who are on the more adventurous side," she said.

"If you don't know what you are doing, it can be dangerous. The people drive differently. The laws are different down there. There is not a basic premise that you are innocent until proven guilty."

Many border watchers say there is plenty of anecdotal evidence that Americans increasingly are looking to Baja California for affordable housing. Dennis Peyton, an American who practices real estate law in Tijuana, has observed a sharp rise in the number of U.S. residents living south of the border.

"There is no question," said the attorney, who commutes to Tijuana from Chula Vista. "It is safe to say that it is increasing every year. I get requests for information every day." Some San Diegans have come to view Tijuana more as a low-rent neighborhood than a foreign city, said Steve Kellman of the Tenants Legal Center. Mario C. Lopez, director of operations for the Chula Vista-based South County Economic Development Council, is living there until he can save enough to buy a home in the United States.

"In San Diego, it is hard to afford appropriate housing," the U.S.-born Lopez said. "You can't afford a house. You have a one- or two-bedroom apartment. For the same amount in Tijuana, you have a little house on the beach. You can have a middle-to-upper-class lifestyle."

O'Neal remembers his time in Baja with fondness. Coming home each evening was "like going on vacation," he recalled wistfully. "I would leave my troubles at the border. The people in Mexico are friendly and open."

Peyton enjoys working in Baja, but he isn't ready to live there. "I want my children to go to certain schools that I don't think are available in Tijuana," he said. "There seems to be a lot of problems with services: electricity, water, what have you."

Don't ask, don't tell

While researchers like Cruz are trying to paint a more complete picture of cross-border residency, prejudice against hiring Baja residents in the United States has made some "hesitant to publicize the fact that they live in Mexico," said Kellman. Some American employers fear that border delays will make their workers chronically late, he explained. Others dislike the idea of having to make an international phone call to reach employees after hours.

American-born Jorge Herrera, 22, isn't living in Tijuana by choice. Raised in San Diego, he says he was driven south by high apartment prices. The security guard lives with his Mexican-born wife and year-old daughter in a home owned by his wife's parents. Herrera routinely commiserates about his long commute to work with fellow Americans at the San Ysidro border crossing.

"You are surprised every morning at 5 a.m. how many Americans you see in line," he said.

The presence of Americans in Baja reflects San Diego County's status as one of the costliest housing markets in the United States. Home prices continued to set record highs in May, as the median cost of a dwelling hit \$375,000. That price is beyond the financial reach of more than three-quarters of the county's population.

The vanishing dream of homeownership in San Diego is sending residents into the Mexican market. Peyton, who wrote the 1995 book "How to Buy Real Estate In Mexico," said acquiring a home south of the border can be confusing. The attorney says some Americans follow the law only to find themselves embroiled in title disputes. Potential buyers should seek legal advice to make sure trusts are legitimate and properties have no liens, said Diane Gibbs, who sells real estate in Baja California. In the "restricted zone" within 31 miles of the coast and 62 miles of the border, foreigners cannot own land outright. Americans typically lease the land or acquire a land trust, which gives them ownership rights through a Mexican bank.

Most trusts last for 50 years and are renewable, Peyton said.

San Diegans worry about the growing housing crisis more than any other municipal problem, according to a citywide poll released last summer by the San Diego Organizing Project. Despite the inconvenience of living in a foreign country, Mexico "has acted as a safety valve for some time," said Robert Turner, a former banker who specializes in affordable housing.

"The unfortunate byproduct of that is local government hasn't been forced to come up with policies that would ensure adequate housing for people at all income levels," he said.

Andrea Skorepa of Casa Familiar, a nonprofit community development agency, doesn't need more studies to convince her that more county residents are moving south. "I know of many non-Spanish speakers who are over there," she said. "If it is not for homeownership, it is to have an adequate rental unit."

The fact that some Americans would turn to a developing nation for shelter underscores the deficiency of San Diego County's housing inventory, said Randy Shaw, director of the San Francisco-based Housing America group. "It's a sad comment."

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