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Remote Mexican ranches carry low price tag

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It takes a four-wheel-drive and a couple hours of hiking, or five hours of horseback riding, to get to a remote yet nearby piece of Mexico.

It's the Sonoran home of the ``Huachineras ranches," the Chimboraso and El Salto, only 155 miles south of Douglas.

Elevation: 4,900 to 6,500 feet.

The ranches, which together are 16,000 acres, are but two of numerous Mexican ranches for sale at bargain-basement prices, says Dick Johnson, a Tucson ranch broker who has some of those listings.

These two contiguous ranches, about 10,000 and 6,000 acres and often spoken of as one, can be yours for just \$150,000.

It's that cheap for a combination of reasons, Johnson says. The Huachineras ranches have no utilities and poor access to the property. At \$150,000 for the 16,000 acres, that's just \$9.37 1/2 an acre.

Low-priced ranches on this side of the border commonly sell for \$200 to \$300 an acre. At \$200 an acre, that's \$3.2 million for 16,000 acres. If the land went for \$300 an acre, the purchase price would be \$4.8 million, points out John Heim, an agent with CB Commercial.

On the high side, a currently stocked and operating ranch with good access and a nice ranch house might go for millions, depending on the acreage. The bottom fell out of the Sonoran cattle market and the ranchers lost their land in recent years because of four or five years of drought, and the December 1994 devaluation of the peso.

Johnson, with Tucson Realty & Trust Co., says U.S. beef exports are 10 to every one Mexican beef export to the U.S. Johnson has several of the ranches listed for sale by the Mexican banks who took over the ranches for non-payment.

Another property for sale is the San Miguelito, a 2,357-acre ranch just north of the town of Bavispe, and only 45 miles south of Douglas. The elevation is 3,000 to 4,500 feet. The price of the San Miguelito is \$75,000. The Bavispe River runs along all three ranches. Johnson says a buyer could use the ranch lands for ranching, hunting, fishing, timber, or just recreation.

``It (Huachineras ranches) already has 32 miles of barbed-wire fencing around it," Johnson says, adding it would need an access road put in on the north end.

``It's very remote, but very beautiful," Johnson says of the area he predicts will draw increasing interest.

John W. McDonald, a semi-retired Tucson lawyer, is interested in buying land in Mexico and has made four trips looking around in Chihuahua, south of El Paso, and in Sonora farther south than Huachinera, he says.

McDonald says the Chihuahua country grassland, south of El Paso, is reminiscent of Sonoita and Patagonia. Johnson says the Huachinera area also resembles those areas. McDonald has looked at some of Johnson's listing papers, including the Huachinera ranches, but found the properties not practical for his ranching or farming hopes and his pocketbook.

``You can't even drive into that ranch. It'd take pack mules to get in and out. It looks like the Swiss Alps, another country. How would you get the cattle out?" McDonald asked. Most Tucsonans have never been to that part of Mexico, south of Douglas, and consider it a no man's land.

Perhaps it's the border barrier, unreliable road conditions, and being in a place where the people speak a different language. Neither has this reporter visited that isolated part of our southern neighbor's country, but from other visits to Mexico it brings to mind that famous scene from the movie classic

``The Treasure of the Sierra Madre."

At a risk of misstating it, here it goes, briefly:

The actor Alfonso Bedoya, as a bandido leader pretending to be the law, uttered that famous line when gold prospector Humphrey Bogart asked to see his badge.

Bedoya answered, ``Badge? What badge? We don't need no stinking badges."

Johnson says the area is so remote that there are no drug problems or bandidos.

Johannes von Trapp, who visited the ranches as a prospective buyer with ranch broker Johnson about two months ago, says he feels ``pretty comfortable in Mexico, perhaps because I speak Spanish."

``It's like going back in time 100 years," Trapp says. Trapp, youngest of the famous 10-child family portrayed in ``The Sound of Music," didn't buy anything on his visit. But when this reporter talked with him by telephone last week, he asked if the Huachineras ranches still were available.

Trapp is president of the Trapp Family Lodge in tiny Stowe, Vt. It's a 93-room inn with skiing trails on 2,200 acres. Room rates are \$190 to \$205 a night. Trapp's recent visit to Huachinera was for about six days.

He was interested enough to shell out \$1,000 for a tour in an old twin-engine airplane from Hermosillo before making the ground visit to the ranches with Johnson.

Although Huachinera, a village of about 2,000 people, has modern utilities, horses outnumbered cars on the streets.

“You can see huge satellite dishes around the town with horses grazing around them,” Johnson says, smiling.

The nearest thing to a motel was a hacienda, which the two stayed in for \$12 a day, room and board. It was clean and neat, but you share a bathroom. Meals were always beef because it's “beef country.”

There are two bars in the town. The ranches are 3 miles out of town, but it takes five hours to get there by horseback or two or three by four-wheel-drive and hiking. If you do buy, Johnson advises, go through a Mexican notary public, who in Mexico has a much wider range of duties than his counterpart in the U.S., and a lawyer just to be certain.

Title insurance isn't economically practical for small purchases, but some title companies, like Houston-based Stewart Title, are insuring commercial and residential subdivisions of \$500,000 and up, says Mitch Creekmore, Stewart's director of business development in its Latin American division. The cost is a little more than 1 percent of the purchase price, or about \$5,000 on \$500,000.

If the property being bought is within the prohibited zones - 62 miles of the U.S.-Mexico border or 30 miles of a sea coast - it would have to be bought through a bank trust. Commercial property may be bought outright by non-Mexican corporations. Although the owner banks presumably have clean titles on whatever land they sell, a buyer normally needs to be particularly careful on ranch and agricultural property. Such properties are fraught with possible problems if they should have an ejido classification, says **Dennis Peyton**, a Tijuana-based real estate lawyer.

An ejido is the communal farmland of a village, usually assigned in small parcels to the villagers to be farmed under federally supported tenure. Johnson says his bank clients assure him there is and has not been any ejido problem with their properties.

Peyton says the Mexican government has in recent years allowed privatizing, or conversions, of ejido properties to urban uses, but he cautions, nothing is automatic and it takes a lengthy and costly legal process to get it done on each property. He also recommends that foreigners use lawyers authorized to practice in Mexico when buying property in that country.

Ernie Heltsley's real estate column appears every Sunday in Moneyplus. Questions or comments about the local real estate scene are welcome. Inquiries can be mailed to Heltsley at The Arizona Daily Star, Downtown Bureau, 120 W. Broadway, Suite 1, Tucson, AZ 85701. Comments can also be faxed, 573-4245. For additional information, call 620-0259.