

Austin American-Statesman



Austin developers planting homes in Mexican jungle

***Warehouse District business
owners cutting through
foreign-ownership red tape
to build eco-friendly
subdivision.***

A road being built in Los Arboles Tulum is one of few infrastructure amenities at the jungle subdivision. Buyers will be expected to live off the grid, on no more than 5 percent of their five-acre lots.

By Jeremy Schwartz
Photos by Nancy Flores

Monday, November 10, 2008

TULUM, QUINTANA ROO — When everyone else was looking to the beach, the Schnurr family set its sights on the jungle.

About five years ago, the Austin family — which owns such Warehouse District haunts as Malaga and Cedar Street Courtyard — hit upon a vision of an eco-friendly development. Their plan called for a subdivision of solar-powered resort and retirement homes in the lush jungle two hours south of Cancun.

The Schnurrs had a hunch that the jungle, filled with rare orchids, underground rivers, toucans and howler monkeys, would entice buyers willing to live off the power grid in a beautiful, but sometimes unforgiving, environment.

"We had no idea what we were getting into, but we set sail," said Jason Schnurr, a University of Texas graduate and director of business development for the project, dubbed Los Arboles Tulum, or the Trees of Tulum. "We really went out on a limb on this one."

It turns out people were fascinated by the idea. More than 40 of the 221 lots have been pre-sold, Schnurr said. Buyers include lawyers, teachers and movie directors. Most of the early buyers are Austinites, but also come from as far away as England and Africa.

Individual five-acre lots cost \$55,000 and buyers then build their own homes following environmental safeguards.

The Schnurrs just got their last legal permits, so individual owners can now start building. Some work has been done on roads inside the subdivision, as well as a preliminary work on a community center, but the land remains almost entirely virgin jungle.

The 1,200-acre project has sparked a host of copycat developers. The once-ignored land near Los Arboles is now the scene of several other jungle-living projects.

"They are light-years ahead of the competition," said R.J. Thoman, a native of Carthage in East Texas and a long-time real estate agent in Tulum.

"We're all here because of the beach, but most people can't afford the beach."

Since the onset of the financial crisis, Thoman said, the jungle lots have been outselling the much pricier beach lots, which can reach \$500,000 for a third of an acre.

Schnurr Ventures, made up of father and founder Greg Schnurr and sons Jason and Matt, was originally drawn to the Yucatán to develop a beachside housing development in Tulum, a free-spirited, eco-conscious town that some say shares a vibe with "Keep it Weird" Austin.

After the success of the original project, the group came upon an available parcel of land about eight miles away in the jungle. With help from family friend Cameron Crow, the developers came up with the concept for Los Arboles.

"Tulum has a kind of eco-boutique feel, and we said, 'Let's extend that out to a residential community out in the jungle,'" said Crow, now the company's sales director. "The first day you're out there and a toucan flies by or you see monkeys running through the trees, you realize you have an opportunity, but also a responsibility."

To preserve the jungle, the developers only allow buyers to build on 5 percent of their five-acre lots. Homes cannot be connected to outside electricity or wastewater systems, and owners will be encouraged to come up with eco-friendly solutions like solar panels.

But the Austin developers had no idea of the challenges they would face negotiating Mexico's bureaucracy. Only in the past month have the Schnurrs cleared the last legal hurdles of environmental studies, municipal permits and, most importantly, individual titles for the subdivided lots, something they say had never been attempted in the Mexican jungle.

Spooked by stories of American buyers caught in legal nightmares, the Schnurrs say they made proper permitting and titling a priority. Crow said the four years spent wrangling with Mexican bureaucrats was worth it because it will give buyers legal security.

With an inexpensive local work force, Crow said buyers can build a top-quality home for as little as \$200,000, including the price of the lot and extras such as solar panels, a well and a natural septic system.

Crow said he expects most people to build at least three stories high into the jungle canopy, where solar panels can catch sunlight and cooler winds decrease the need for air conditioning. Thus, the homes will probably be more vertical than horizontal.

"It's about your aesthetic, your budget," Crow said. "Economically, we wanted more diversity, too."

Austin attorney Malcolm Nettles decided to buy a lot in Los Arboles after hunting around for property in Latin America. Nettles said he thought living in the jungle would be safer than on the beach and was intrigued by the chance to use alternative energy.

"We liked the idea of living off the grid," said Nettles, 56. "The thought was that, initially, it would be a good investment and then be a place to live in the future."

Some potential buyers are wary about Mexico's plans to build a second international airport, possibly nearby. But others see the possibility of a new airport as a plus, offering quicker travel to and from their jungle homes than the two-lane highway from the Cancun airport.



Living in the jungle is challenging, but is also 'an adventure,' says Mari Pintkowski, owner of the eco-friendly La Selva Mariposa bed-and-breakfast near the Schnurr family's Los Arboles Tulum project.

Mari Pintkowski, who runs an eco-friendly bed-and breakfast nearby, said that living in the jungle takes some getting used to.

"The idea of the jungle is frightening for a lot of people," she said. "But you have to step back and look at it with amazement and wonder. Living in the jungle is exciting; it's an adventure."

For the local communities, made up mostly of Mayan villagers, the coming of high-end developments to their once-quiet jungle has been a blessing and a curse.

Francisco Loria, who runs a taco stand in the nearby village of Macario Gomez, said that though some residents worry that the arrival of outsiders in the jungle means an end to their way of life, others say the developers bring badly needed jobs and increase the value of their land.

"I think it will be good, because before there was so much poverty," Loria said. "Even if people had land, all they did was sell wood or hunt. You can't plant crops here in the jungle."

The Schnurrs say they want to respect local Mayans by making the project as unobtrusive as possible.

"You see some of the big resorts on the road from Cancun, and they project the image that, 'We are here to dominate the land.' " Crow said.

"We didn't want to convey that feeling. We wanted it look as if it had been there for a long time."



Greg Schnurr 'Went out on a limb' for this project.



Cameron Crow helped craft development's concept.



BUYING IN MEXICO

Mexican law governing property ownership can be complicated, especially for foreigners. Foreigners are prevented from directly owning land within 31 miles of the coast and instead must place ownership in a trust held by a Mexican bank. And much of Mexico's rural land is held by ejidos, swaths of communal lands carved out in the agrarian reform following the Mexican Revolution. Sales of ejidal lands have led to some of the nastiest fights over ownership. But real estate experts say buying property in Mexico has gotten much easier in recent years, thanks to the availability of title insurance and laws streamlining the process. The top advice from experts is to find a reputable real estate agent.

ENVIRONMENTAL GUIDELINES AT LOS ARBOLES TULUM

- Buyers are only allowed to build on 5 percent of their five-acre lots and 90 percent must remain in its natural state.
- Because electricity won't be provided, residents must generate their own, most likely through wind or solar panels.
- Residents will get their potable water from wells drilled into underground aquifers.
- Residents will use natural filtering systems for their wastewater, which will flow into wetlands where indigenous plants process harmful bacteria.
- Buyers will be encouraged to use natural construction materials like wood and clay roofing tiles.