

# LindaNeil.Com

## BUYING REAL ESTATE IN MEXICO

Mexico is a wonderful and very beautiful country. If you enjoy your visit you may begin to think about acquiring a bit of our paradise. We have mountains, lakes, rivers, forests, deserts and seashore in Mexico. We also have history, ancient cultures, handcrafts, folklore and many other wonderful things to share. Buying property in ANY country can be stressful. A property purchase in Mexico can be just as safe and secure as in the U.S. or Canada... IF it is done correctly! Here are some guidelines for success in a real estate acquisition in Mexico:

1. Be sure the agent you select to represent you is a member of AMPI, the Mexican National Real Estate Association. Ask for references, check them out. Be satisfied the person representing you is experienced in Mexican transactions.
2. *Insist that the person representing you, represent ONLY you, the buyer, and not also the seller unless you understand, agree to and sign an agency disclosure agreement.*
3. Consider only the purchase of PRIVATE property. Ejidal property is often offered at a far lower price but it cannot legally be sold or promised to be sold until it becomes private property.
4. *Be certain that you and your agent are dealing ONLY with the owner of record or his or her legitimate power of attorney. Insist upon receiving a copy of the seller's deed as a condition of your offer. If you and /or your agent don't understand Spanish, get it translated.*
5. . Avoid costly and time consuming litigation, insist upon including a binding arbitration clause in your contracts with the seller and other parties involved.
6. *Get a title investigation and buy title insurance for the full amount of your purchase price. While the initial search may seem expensive for some areas, the title policy transfers risk to the insurance company, and minimizes yours as the buyer.*
7. Think carefully about how you acquire title in order to avoid or minimize probate and transfer costs in the future.
8. *Closing costs may run from 13% to 20% of the cost of a \$50,000. dll. property! The multimillion dollar property will be about 3.5% of purchase price. Certain costs are fixed regardless of value. Be sure to budget for closing costs and get a full estimate in writing from the company supervising your transfer.*
9. The major portion of your payment for the property should be withheld or held in escrow until the deed

has been signed by the seller and, if applicable, the bank trustee (if a *fideicomiso*).

10. **INSIST** upon receiving a registered title document for your property. If the seller is financing the property, sign a document protecting his interests in the event of your default. **Be SURE you know the amount which is declared in your deed and understand the tax implications of same.**

11. Use an experienced neutral third party to supervise the transfer of title to you.  
**the settlement company ®**

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*Linda Neil is founder and CEO of the settlement company®, consultants and land use professionals specializing in legal and tax matters affecting real properties in Mexico. The company provides escrow services and supervises the transfer of titles on Mexican properties located anywhere in the country. Ms. Neil, a California-licensed real estate broker with 30 years of experience in Mexican real estate, is a member of AMPI, NAR and FIABCI. For further information on these subjects, e-mail: [info@settlement-co.com](mailto:info@settlement-co.com).*