



STEP-BY-STEP: BUYING A PROPERTY IN BAJA

By: **Hola, Zai!**

“I am a non-Mexican citizen looking to buy a home at the paradise known as Baja California Sur, however I have heard a number of horror stories from scams to incredibly lengthy and costly closing process and I don’t know where to start.”

This is the story that we hear as lawyers in the real estate field and that we’re committed to change with the aim of making it as simple for you as possible. What should you do before, during and after the purchase of a home in Mexico?



| FIND YOUR REALTOR

The first key step in the purchase process is hiring a professional real estate agent that can help you make smart decisions and avoid costly mistakes. We advise you to ask friends and colleagues for referrals to find several prospective agents, look up the websites and online profiles of the real estate agents to learn about their specialties and experience in the market and check out past customer reviews. Your real estate agent will help you navigate the beautiful yet complicated world of real estate in Los Cabos to find your dream home.

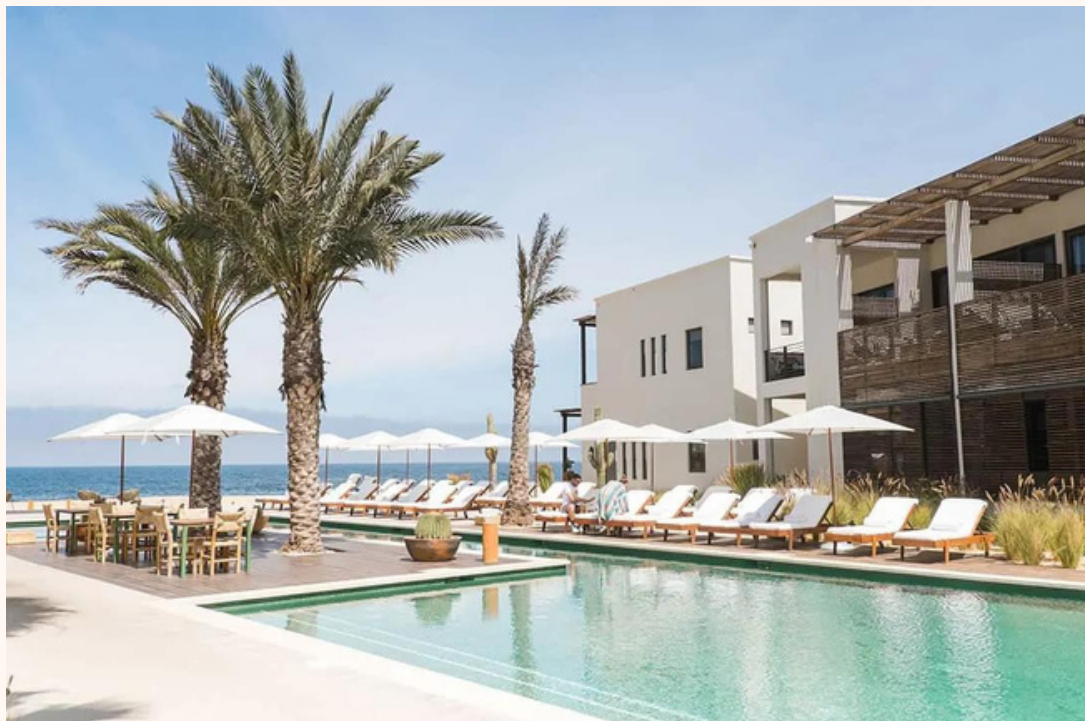


FIND YOUR PROPERTY

A good real estate agent will guide you through the process of selection of your home, yet there are some key elements you should consider, here are some of our tips for finding the right property for you.

Choose the right location for you:

Los Cabos is a municipality formed by two cities Cabo San Lucas and San José del Cabo, both beautiful but very different from each other. You might also want to explore the surrounding areas of East Cape, Todos Santos and even La Paz. Don't be afraid of hitting the road and walking around the area to get a general feel of the place, the living conditions, amenities, etcetera.



CONSIDER YOUR PRICE RANGE

- **Before you start looking for properties:** run some numbers to work out what properties are within your range of affordability, consider the factors of renovation and decoration, as well as the average closing costs in the area.



MAKE A LIST OF YOUR HOME REQUIREMENTS

- Consider early in the process which of your requirements are non-negotiable and which you could consider waiving, always keeping in mind the purpose of getting the property (whether it is for short- or long-term investment, a secondary source of income, or your retirement home).



TAKE YOUR TIME

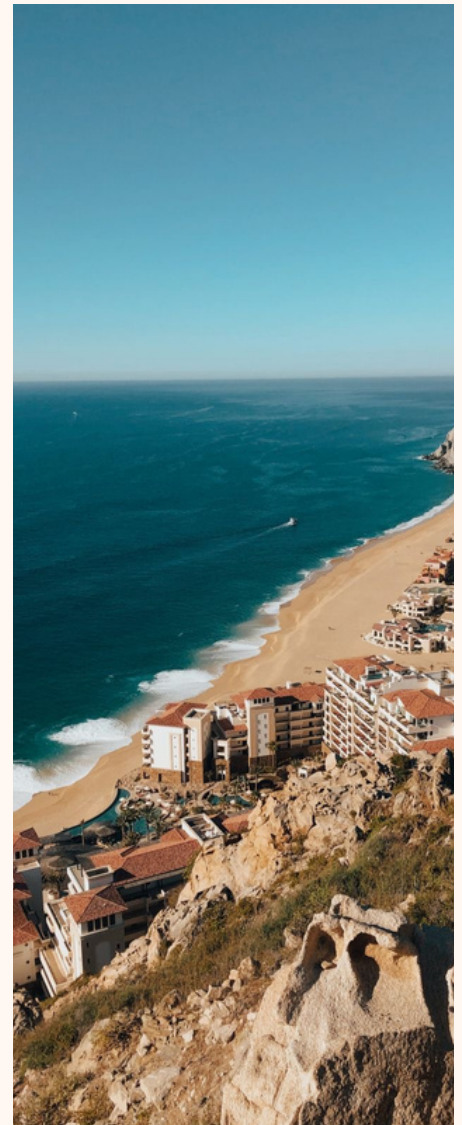
- Unless you absolutely fall in love with it, don't buy the first property you visit. It might end up being the right one, however be sure to visit other properties to compare and ensure you are choosing right.

| SUBMIT AN OFFER

Your real estate agent will be of great help on this part, but understanding the process of making an offer on a house is important. If you're a first-time buyer in a foreign country, consider home buyer education to hit the ground running.

One of the key considerations are:

- **Decide your earnest money:** This amount may vary depending on the type of transaction you're engaging in (a home already in inventory or a pre-construction property).
- **Consider your contingencies and concessions:** Common contingencies and contingencies are home inspection, inventory, appraisal, the signature of a promissory contract after all the contingencies are removed, and title search or due diligence period.
- **Establish clear dates:** These are the dates that you'd like to close on the home, your preferred move-in dates, deadlines to respond to the offer, due diligence period, etcetera.



FIND A RESIDENT CLOSING LAWYER

There is a misconception that, as a foreigner, during the closing process in Mexico you do not need to retain the services of a lawyer since the Notary Public is required to register your home's deed. While this is true, it is important to note that a Notary Public in Mexico is a lawyer licensed by the Federal and State government to give public faith to civil and mercantile acts, so his/her involvement is key. However, the Notary acts as an impartial third party merely for the formalization and record of the transaction with the different government dependencies, in other words the notary does not represent your interests.



This remarks on the importance of having someone on your corner both as a pre-emptive measure to avoid common mistakes, as well as to have resources to defend your money and your interest in the event of controversies. Your closing lawyer will work hand in hand with your real estate agent on the review of the offer, the due diligence of the property, and the whole closing process for you to get your bank trust (in Mexico known as fideicomiso).

We strongly encourage you to choose a local lawyer that can effectively communicate with you in your language, that can solve your doubts and concerns in an understandable way, as well as to be familiar with the type of transaction you are about to engage in. At **Hola, Zai!** we believe that effective communication and transparency are key for you to relax and enjoy this new yet exciting process.



PREPARE FOR CLOSING

A couple of weeks before your closing date, your closing lawyer will get in touch with you to schedule your closing date and will give you some final instructions on the paperwork you need to bring with yourself as well as the documentation you will be signing at the Notary's office. After closing, your lawyer will follow up with the notary and other dependencies until your deed is duly registered and ready to be hand delivered to you along with instructions for the payment of property taxes, annual bank trust fees, changing the home utilities to your name, among others.



While the process can be different and at times intimidating, we hope this step-by-step helps you navigate it with more confidence. The team of **Hola, Zai!** will be happy to give you a free 40 minute consultation to go over any question you still have on the closing process.

Schedule your consultation here:
https://calendly.com/zaira-_6e/free-consultation

See you soon!

Zaira & Fernando
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