PUERTO VALLARTA REAL ESTATE

BUYER PREPARATION GUIDE

Buying property in Mexico isn't necessarily complicated, but the process may be different from what you're used to. A little preparation can help avoid delays and make the process easier to navigate.

This isn't a comprehensive checklist - it's a practical starting point to help you get organized and anticipate some of the things that commonly come up during a purchase.

BEFORE YOU START

- Define your approximate budget and property requirements
- Decide how the purchase will be funded
- Consider the impact of purchase currency and the currency your funds are held in
- Think about how you intend to hold title (Usually fideicomiso if foreign buyer)
- Discuss early whether you expect to be in Puerto Vallarta for closing. If not talk to your agent about options.
- Understand funding. Puerto Vallarta is largely a cash market. A **10% escrow deposit is typical but negotiable**, and buyers should generally plan for **closing costs of approximately 4-7%** of the purchase price.

GET YOUR DOCUMENTS READY

Having these available early can prevent unnecessary closing delays:

- **Buyer ID's - Two valid photo IDs** - flatbed scanned in color at original size
- **Beneficiary ID's - One valid photo ID for each** - flatbed scanned in color at original size
- **Mexican residency card** – If applicable
- **Proof of address** - no older than 90 days, showing your name and address
- **Marriage certificate** - if married
- **Tax ID documentation** - requirements depend on your circumstances (ask your agent)
- **Bank Information** – Account from where the funds will be wired. Account, SWIFT, Routing number, Address of bank

PLAN YOUR FUNDS

Don't wait until closing to figure out how the money will move. Does your bank have restrictions on wire transfer amounts or foreign transfers? Insure that your bank can provide the closing team with documentation showing the **initiation of each wire transfer**, including your name, sending account information, recipient escrow information and the amount transferred.

If funds are coming from a company, partnership, trust or another account not in the purchaser's name, additional documentation may be required.

IF YOU'RE A FOREIGN BUYER

Foreign buyers can own property in Puerto Vallarta. Because the area is within Mexico's restricted coastal zone, ownership is generally held through a Mexican bank trust called a **fideicomiso**.

When a fideicomiso must be created, transferred or dissolved, allow roughly **30-60 days**. A straightforward direct-title transfer can sometimes close in **2-3 weeks**.

READ THE PENALTY CLAUSES

Understand the penalty provisions in the offer **before signing**. Depending on the terms, failure to perform can result in substantial penalties and may involve the buyer's escrow deposit.

YOU DON'T NEED TO KNOW HOW TO DO ALL OF THIS.
Part of our job is making sure you know what's needed, what's happening next, and who is responsible for it.

THE BUYING PROCESS AT A GLANCE

01	02	03	04	05	06
OFFER	**DUE DILIGENCE & INSPECTION**	**ESCROW**	**NOTARY / TRUST**	**CLOSE**	**KEYS**
Agree on key terms and sign a purchase agreement.	Property inspection and review of key documents – title, condominium regime, meeting records, etc.	Deposit funds as specified in the signed contract.	File permits, finalize paperwork, fideicomiso coordination with bank, etc.	Complete the transaction with signatures on final paperwork.	Receive the keys and take possession.

Gerry Ray -- gerry@ronmorgan.net -- Ron Morgan Properties