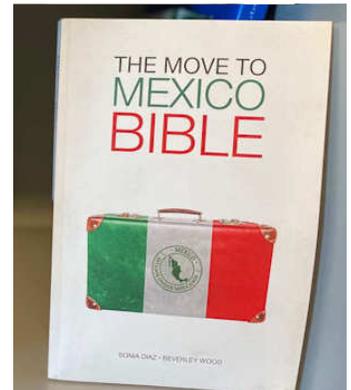




- [SONIA](#)
- [EXPATS IN MEXICO](#)
- [THE MOVE TO MEXICO BIBLE](#)
- [MEXICO CLASSIFIEDS](#)
- [SAN MIGUEL DE ALLENDE](#)

OUR BEST-SELLING BOOK



THE MOVE TO MEXICO BIBLE

Mexico is an incredible country with many unique living experiences to choose from. Our best-selling guide helps make your move to Mexico a little bit easier. [Read More](#)

EMAIL: SONIA

DID YOU KNOW?



There are many things in Mexico that aren't like back home. Different laws, different procedures for banking, and many different ways of thinking. We'll look at "Did You Know?" topics on this page. I bet you didn't know at least some of them. [Read More](#)

MEXICO NEWS IN ENGLISH:



Buying Real Estate

It is usually better to rent first prior to buying. If you need a referral to a trustworthy realtor in San Miguel de Allende, please email me and I'll be happy to share an excellent resource (Sonia@SoniaDiazMexico.com). We can also supply renters and property insurance for anywhere in Mexico.

Pay attention to the colonia where the potential house is located (the neighborhood). There are few building codes and restrictions. Hence, you may be in an area with a carpenter shop, metal worker, event center, or retail outlet very nearby, or one may appear at any time. That little store selling soda, bread, junk food, and beer may seem handy but quite possibly on a Saturday night, it is a local hangout for beer drinking, crude language, loud music, etc. for which complaining may mean they will make sure you move. Children play on the street as many homes have no yard. Your front and/or garage door becomes the stop for their soccer balls, and this may go on until late. Complaining may result in retaliation and you are being forced to move.

Fireworks may initially be a novelty as may be church bells but after some time a distraction. As noted below you are likely not familiar with Mexican building techniques and the lack of codes so while the granite may impress you but the wiring, plumbing, unstable ground, poor quality of windows and doors, lack of screens and improperly mixed concrete may become a major negative. If the company representing you as a purchaser does not provide a real estate disclosure form, and few do, then insist on the seller completing it before proceeding with a purchase.

Deed versus Fideicomiso

Some property falls within a 'restricted zone' and cannot be owned outright by non-citizens. This includes any land situated within 100 km (60 mi) of an international border and any land situated within 50 km (30 mi) of the ocean. In 1993, this was adapted so that foreigners can purchase property in the restricted zone, but in a trust, with the bank as the holder of the title. It was a way to allow foreign development in tourist zones. This vehicle, or trust instrument, is called a fideicomiso—it remains valid for 50 years and is renewable. It's in your name, but the bank holds the paperwork on your behalf in a trust.



Rental Income

(country), this is the ownership you'll have.

Previous Post

Agents

Visit a few local real estate websites and send emails to agents you click with. Ask for recommendations on expat forums and expat Facebook groups.

Termination Pay



Next Post

It's hard to get some agents to show houses that belong to other brokerages. So, you need to be proactive. Check all the local sites and you tell them which houses you would like to see—and take advice on other houses as well.

©2022 Sonia Diaz. All rights reserved.

BACK TO TOP

There is limited MLS meaning no often there is no formal market comparison on sales prices. Someone could list a property for \$800,000 but only get \$500,000—you don't know in México. It may only be what the agent tells you.

There are good agents out there. But you have to use your gut and find the right one for you. I am happy to recommend good real estate agents in San Miguel de Allende.

Mortgages

Mortgages are available with a typical rate of 8 to 12% interest. More and more Mexican banks and financial institutions will lend to expats. Commission plus life and property insurance are usually a must. Mortgages may have to be paid off by the time you are in your early 70s but some financial institutions have raised the age to when you are age 80. So, one of your first questions will be at what age must my mortgage be paid off.

To qualify for a mortgage, Mexican banks usually only consider your Mexican credit score and the amount you deposit into a Mexican financial institution. However, some other mortgages sources will consider your US or Canadian credit score. If a bank will not consider your foreign credit score my suggestion is to open a Mexican bank account. Once you have done so, obtain a charge card. Initially, the limit on your card will be low and 5000 pesos limit is not uncommon. You can have your bank automatically pay each month's charges in full avoiding high interest which are typically 40 to 65% with the upper range being more common. Each month buy something on credit or buy an item with 12 payments with zero interest. When allowed, which is usually annually, increase your card's limit.

A mortgage takes many weeks to approve. There will be pages and pages of forms, all in Spanish. Typically, plan to start an application 3 – 4 months in advance.

The Process

Unlike north of the border, the seller is often in the house and they are at the notario's office with you on both occasions—the signing of the official contract to purchase (our equivalent of an accepted offer) and the closing.

I would suggest to wire transfer the funds when the deal is closed. This is the way Mexican notaries normally receive payment. Seldom do notaries / lawyers retain an escrow company as they are barely regulated by Mexican law. Plus, they charge a high fee just for transferring funds, which you may do yourself.

You pay the owner directly in many cases. And that's certainly the case if they are

The deposit is an agreed-upon figure—10% is not uncommon.

Generally, people don't use home inspectors. You can find them but there is no formal training nor licensing.

You may be given a day or two to inspect the house prior to signing on the dotted line. A few months after the transaction is complete, the Notario will call to tell you that your deed is ready.

If you're buying a home in Mexico, you will face closing costs of 5–10% of the property's value, including professional fees and taxes. Add 10% in your planning to be safe.

Property Tax

The property tax on homes (impuesto predial) is due in the first 3 months of each year and there are discounts for paying before the end of March with the greatest discounts being offered in January. Depending on your region and services (cities are generally more expensive) and what you own, your property taxes will start at about \$2,000 pesos and seldom over 20,000 pesos per year. Kiosks are set up in many cities to facilitate payment.

It is your responsibility to pay your property tax (and all utility bills). Do not assume that an invoice will arrive in the mail. You need to be proactive and note when bills and taxes are due and please pay them on time.

San Miguel property taxes may be paid online and they are due in the first 3 months of the year. There is a 15% discount when taxes are paid in January and 10% when paid in February. Your account number is on your tax bill called CUENTA PREDIAL. It is 12 digits and when you pay online please omit the first two digits. Pay your San Miguel property tax [online here](#).

SHARE  