



WE
MAKE IT
HAPPEN.

**BUYING
REAL ESTATE**
AND OWNING PROPERTY IN
**PLAYA DEL CARMEN
& MEXICO**

playarealtors.co

BUYING *Real Estate* AND OWNING PROPERTY *in Playa del Carmen* & MEXICO

CAN FOREIGNERS REALLY OWN PROPERTY IN MEXICO?

Yes! Today, Mexican laws give foreigners the ability to own real estate in Mexico. There is, however, a Restricted Zone that extends 50 km inland from the coastline. Outside the Restricted Zone, a foreigner may purchase land and be direct owners of the property with all the rights of a Mexican national in compliance with Mexican Law. Inside the Restricted Zone, there are two alternatives for foreigners who wish to buy real estate. Since 1973, foreigners have been able to purchase coastal property through a Mexican bank trust, known as a Fideicomiso.

A Fideicomiso is established by the government and gives foreigners the same rights of ownership as Mexican citizens. The only difference is that they never receive the actual fee simple title. A bank holds it in trust for them. The Trust system of ownership is sanctioned by the Mexican government, provided for under the Mexican Constitution, and secured by the Central Bank of Mexico, all exclusively for the purpose and protection of enabling foreign ownership of coastal property in Mexico.



Alternatively, you may own property by establishing a Mexican corporation. The corporation is the direct owner of the property and enjoys the right to conduct business in Mexico. (Consult your agent and attorney to find out which form is best in your case).

WHAT IS A FIDEICOMISO?

A fideicomiso is a real estate trust held on your behalf by a Mexican bank of your choosing (Scotiabank, HSBC, Banamex (Citigroup), Santander etc.). The bank acts as the Trustee, and you and those you designate are the

Beneficiaries of the trust. As the beneficiary of the trust, you maintain complete control over it, retaining the use of the property and making all investment decisions. This is not a lease, it is equivalent to a Living Trust in the US. A fideicomiso bestows upon the Beneficiary of the Trust (you) absolute and irrevocable control over the property: to enjoy, lease, improve, mortgage, sell, inherit and will. Simply stated, your property is placed in a trust that you own to be administered by a Mexican bank of your behalf.

WHY IS A FIDEICOMISO NECESSARY?

The purpose of the fideicomiso is to allow foreigners to buy prime Mexico real estate inside the “restricted zone”, and ensure a safe and secure transaction. The restricted zone is any land within 31 miles (50 km) of the coastline and 62 miles (100 km) of the borders. The Mexican Constitution, when created, was designed to protect their land and prevent the kind of massive land loss they had endured through their history. Rather than

amend their constitution, Mexico created and added the fideicomiso to encourage foreign investment in the highly desirable areas, particularly along the coastline. Residential properties outside of the restricted zone can be acquired directly by foreigners without the need for a bank trust, although some buyers opt to use it.

IS THE FIDEICOMISO AN ASSET OF THE BANK?

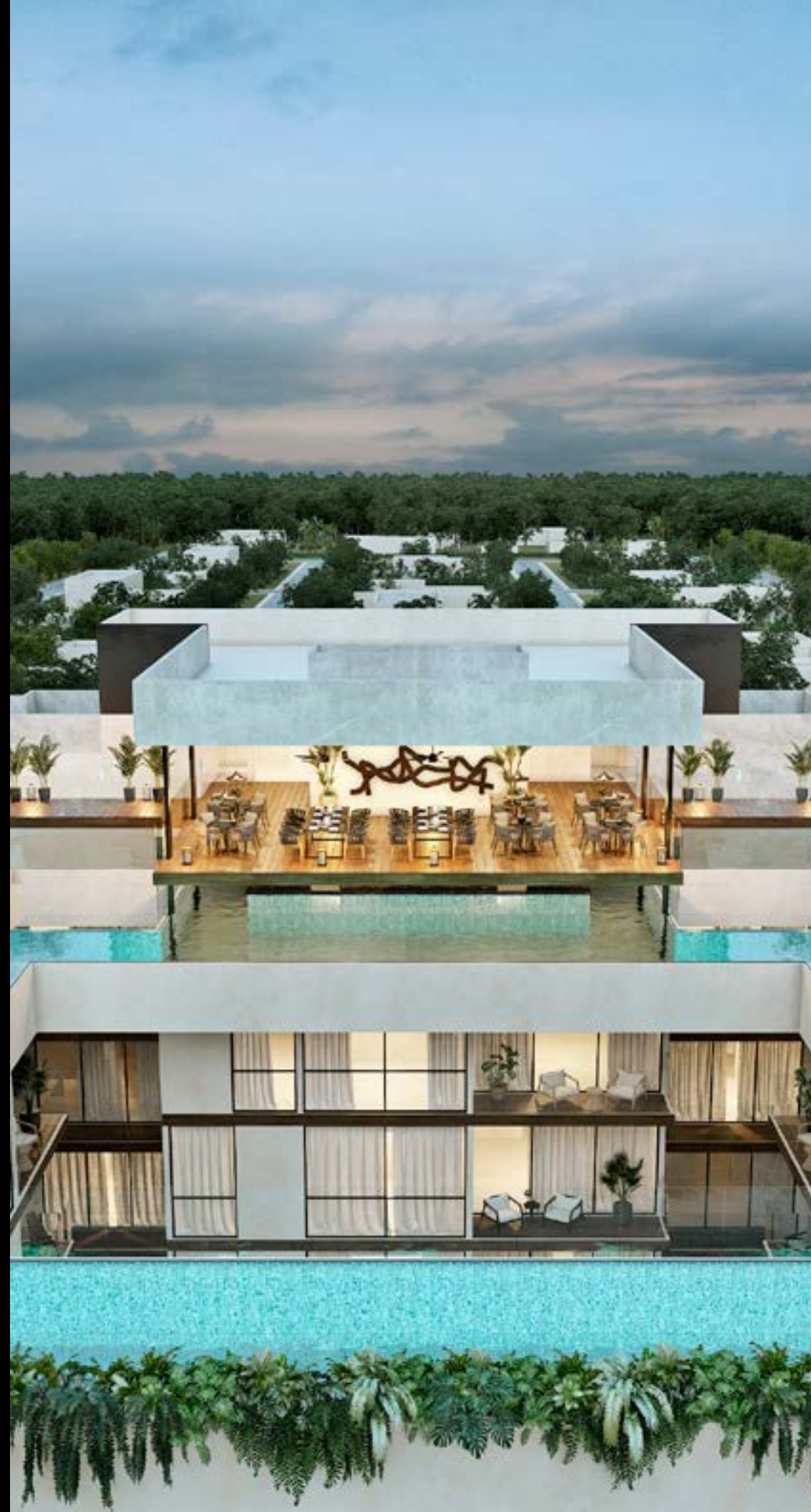
No. Your trust is not an asset of the bank; they are merely the stewards of the trust. You and those your designate are the beneficiaries. The trust to your Mexico real estate property is held by the bank for the beneficiary (you) and is not considered an asset of the bank therefore not exposed to any legal action that the bank might find itself in. The trust is the beneficiary's property.

CAN I GET FINANCING FOR MY REAL ESTATE PURCHASE IN MEXICO?

Yes, for sure. We have special companies who borrow money to American and Canadian citizens.

CAN YOU RECOMMEND A GOOD ENGLISH SPEAKING ATTORNEY?

Over the years, we have orchestrated the sales of hundreds pieces of Mexico real estate, representing both Buyers and Sellers as well as developing properties of our own. In that time, we have carefully created a team of trusted attorneys who we recommend to our clients. Each has been chosen



for their honesty, integrity, their tenacity and their knowledge of the intricacies of the real estate transaction for foreigners investing Mexico. Our customers have full access to all of their services. We will arrange a meeting early on to insure that you are comfortable with the process and fully understand all of the documentation you are presented with. Just as each Playa Realtors agent adheres to a strict Code of Ethics, our attorneys also have a fiduciary responsibility to you the client. This is a responsibility we take very seriously to minimize any risk and protect you at all times. We usually work with MexLaw, they are super professional and expedite.

WHAT ABOUT THE AVAILABILITY OF TITLE INSURANCE?

Beginning in 1996, Stewart Title Mexico began underwriting title insurance for Mexican properties at an approximate cost of 1% of the insured amount. Other types of insurance, including property, liability, damage, and earthquake, are all readily available in Mexico, at low cost, and policies can be written to pay claims in U.S. dollars. MexLaw also provide this service.

WHAT CAN I EXPECT TO PAY IN PROPERTY TAXES?

Property taxes have historically been low in Mexico because they have never been considered a source of governmental revenue. Known as Predial, the tax is calculated as a percentage (currently .25% of the assessed value), determined at the time of sale. Generally speaking, you can expect to pay \$100 usd per \$100,000 usd of assessed value yearly.

HOW WILL I FURNISH MY NEW CONDO OR VILLA IN MEXICO?

In an effort to provide the best possible buying experience for our customers, Playa Realtors4U recently expanded its services to provide furniture packages for Buyers who have purchased new and unfurnished villas or condominiums.

This company, Actual, provides furniture packages for clients who have purchased a new home in Mexico and want to avoid the pitfalls associated with purchasing and arranging for delivery of furniture while thousands of miles away. Our mission is to provide our clients with high quality furnishings at a reasonable price and to eliminate the stress and uncertainty that naturally comes with making a significant purchase from afar.

We will also work in coordination with the property management company of your choice to be sure that your new investment is completely outfitted and ready to welcome vacation renters.

WHO WILL MANAGE MY PROPERTY WHEN I AM NOT USING IT?

Our sister company PLAYA MOMENTS will! Choosing the right Property Management company can mean the difference between an excellent appreciating investment and a huge liability. If you are a property owner in search of Property Management, we are happy to be able to refer you to the best, most professional Property Management Company and will gladly arrange a meeting with their teams.



The right management company for you will take the time to construct a cohesive plan that will best serve your particular needs and help you to realize your property's maximum potential and protect your investment. If you are looking for Professional Property Management Services for your home in Playa del Carmen or the Riviera Maya, please visit our Sister company www.playamoments.com page.

WHY SHOULD I CONSIDER BUYING PROPERTY IN MEXICO?

The coastal real estate market in Mexico is booming. Mexico's economy, the 9th largest in the world, values and encourages foreign investment dollars and especially tourism; Mexico is a top world-destination for both vacation and retirement among US and Canadian citizens.

CAN THE GOVERNMENT TAKE MY PROPERTY?

The answer is NO. Foreigners often worry about their land being expropriated by the Mexican government. Under the North American Free Trade Agreement, NAFTA, Mexico may not directly or indirectly, expropriate property except for a public purpose (i.e. building roads). And only through a legal condemnation proceeding will this be possible. In the rare case where it is necessary to expropriate land, the government will pay swift and fair market compensation to the owner, together with accrued interest. This is the same process known as Eminent Domain in the USA, Compulsory Purchase in the UK or Expropriation in Canada.

someone getting their property taken by the Mexican government, it is because the unfortunate person bought Ejido land, which is untitled land that only a Mexican national can legally own. Ejido land is the only land in Mexico that is without title.

WHAT ARE THE TYPES OF MEXICAN CORPORATIONS?

There are several different types of Mexican corporations, however the two most common are a limited liability corporation (LLC) and a limited liability partnership (LLP). Choosing which type of corporation to set up is important for tax purposes in both the US and Mexico, and you should speak with an attorney or accountant on both sides of the border to understand the benefits and costs each one entails. Making sure the choice is made correctly from the beginning will save you time and money.

Mexico Real Estate has a lot to offer in terms of great weather, beautiful scenery, and authentic Latin American culture; plus, you will find lots of affordable real estate in Mexico. It is perfectly legal for foreigners to own Mexican real estate.

THE TIME IS RIGHT FOR MEXICO ...

It is the United States' closest neighbor to the south, and at no other time in the long history of that relationship have the benefits of living and investing in Mexico been more apparent...and easier to take advantage of. Not just for U.S. citizens, but for Canadians, Europeans, South



Americans... anyone looking for great weather, low prices, rich culture, and potential profits.

Mexico is also one of International Living's top retirement destinations. The annual Global Retirement Index looks at the best opportunities worldwide for retirement living. Mexico is regularly in the top 10.

Mexico has it all...rich culture, perfect climate...affordable living...not to mention mountains, beaches, deserts, and just about everything in between.

Whether you dream of a colonial home with graceful arches, thick walls, and a garden overflowing with pink bougainvillea; a lazy beachfront retreat where you can sit on your front porch with your feet propped up and watch the Caribbean roll up on the sand; or a dramatic Pacific coast lookout where the waters crash against the cliffs below and you can watch the sun set behind a watery horizon - you can find your dream home in RIVIERA MAYA, MEXICO.



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