PUERTO VALLARTA VILLAS
REAL ESTATE

Buyers Guide

Puerto Vallarta Real Estate 101

The Buying Process

Visas

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Owning property in Mexico

Foreign nationals often have questions about what's legally possible when it comes to owning property in Mexico. The short answer: you can. Even in the constitutionally restricted coastal and border zones, foreign buyers can gain full ownership rights through a legal structure called a *Fideicomiso*.

According to Article 27 of the Mexican Constitution, foreigners cannot directly own property within 100 kilometers (62 miles) of international borders or 50 kilometers (31 miles) of the coast. This restriction was originally designed to protect Mexico's territorial integrity. However, since 1973, Mexico has permitted non-Mexican citizens to purchase property in the Restricted Zone through a Fideicomiso, or bank trust.

The 'Fideicomiso' Trusts

A Fideicomiso is a renewable 50-year trust established with a Mexican bank of your choice.

- The bank acts as the trustee, holding legal title to the property.
- The foreign buyer becomes the beneficiary of the trust, with full rights of ownership.
- The property is the subject of the trust, and the buyer maintains control over it.
- The trustor or *fideicomitente* is the seller/current owner of the property.

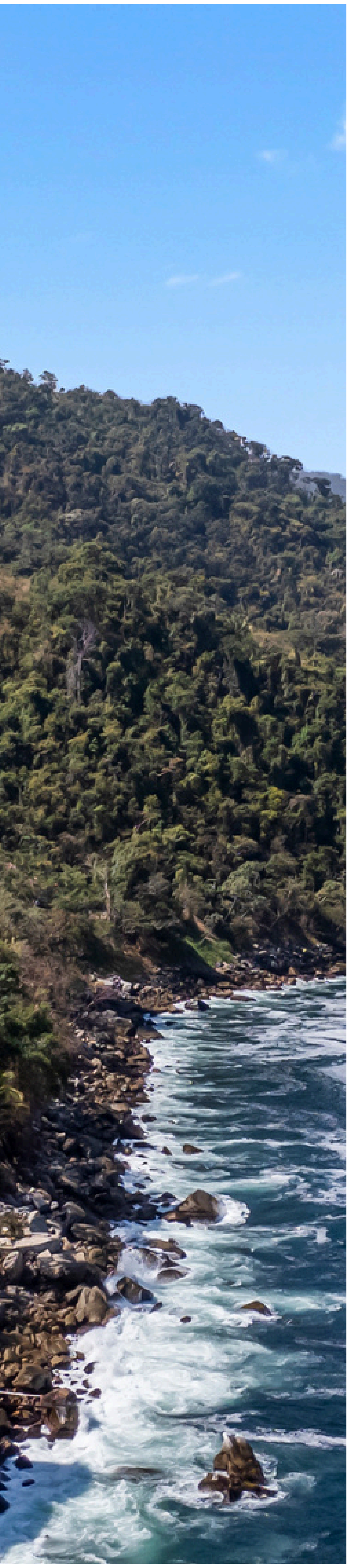
As the beneficiary, you enjoy all the rights and privileges of ownership. This includes the ability to:

- Use, occupy, or lease the property;
- Improve or remodel the property (in accordance with local regulations);
- Transfer the title to heirs or sell the property to another qualified buyer.

Fideicomisos are safe, legal, and renewable for additional 50-year periods. Property held in trust can be sold to another foreigner, transferred to a Mexican national, or inherited by beneficiaries without probate (all sales and changes must be notiarzed and approved by Meixcan authorites). But, most importantly, the bank (trustee) doesn't own the property—it simply manages the trust and ensures your rights are protected under Mexican law.

Alternatively, foreigners can acquire non-residential property (commercial, tourist, or industrial use) through a Mexican corporation, and will be subject to an additional 16% VAT on the improved (building) value of the property.

Fideicomiso Key Steps



I TRUST CREATION PROCESS

- Submit the purchase agreement and documentation to the Mexican bank.
- The bank applies to the Foreign Affairs Ministry (Secretaría de Relaciones Exteriores) for a permit.
- Upon approval, the deed is formalized before a Mexican Notary Public—a legal authority authorized to ratify real estate transfers.
- The deed is then registered in the Public Registry of Property.

II Required Documents

- Copy of property title
- Free of lien certificate
- Tax payment receipts (property, utilities, etc.)
- Buyer's passport, address, and nationality
- Substitute beneficiary information

III FINANCIAL CONSIDERATIONS

- To establish a fideicomiso, Mexican banks typically charge an annual trust maintenance fee of approximately $450–$550 USD.
- Closing costs in Mexico are generally higher than in the U.S. or Canada, ranging from aprox 3-5% of the purchase price, and can reach up to 10% for properties under $100,000 USD due to fixed administrative fees.
- Escrow services are standard in nearly all transactions in Puerto Vallarta, with typical fees starting at around $750 USD.
- The annual trust renewal fee is approximately $500–$700 USD.
- Additional taxes and duties may include property tax, water and maintenance fees, electricity, and transfer tax

Insurance and Financing:

Financing property in Mexico is relatively new and still limited—most buyers pay in cash or secure financing from institutions in their home country.

Traditional financing companies are available locally; however, we recommend that most clients begin by exploring financing options in their home country. Additional information is available upon request.

A mortgage broker in Puerto Vallarta can help guide you through available local options and find competitive terms.

Title insurance and standard property coverage—like earthquake, fire, hurricane, or liability insurance—are readily available in Mexico and usually affordable.

It's best to have coverage in place before closing, especially in high-risk zones.

The Property Searching Process

I. Decide your Goals

When you start thinking about buying in the Puerto Vallarta area, begin by clarifying your goals—whether it's a vacation home, rental property, or full-time residence—as this will guide your budget, timeline, and property search.

II. Explore Different Areas

Puerto Vallarta is densely packed with a variety of unique neighborhoods—each offering its own style, vibe, amenities, price range, and community. We recommend spending time walking or driving around to find what suits you best. From the Romantic Zone in the Centro to Versalles, the Marina, Nuevo Vallarta, and beyond - explore and decide what matters most to you, whether it's walkability, beach access, scenic views, peace and quiet, or proximity to shops and restaurants.

III. Decide your Budget

Before you start seriously shopping, it's important to establish what your budget is . Consider your total purchase budget along with additional costs like closing fees, which typically range from 4–7% of the purchase price. Think about whether you'll be paying in cash or exploring financing options. You will also want to factor in ongoing expenses such as HOA fees, maintenance, utilities, and property taxes to get a clear picture of your long-term costs.

IV. Find the Right Real Estate Agent

It's important to find a professional, licensed agent who understands the Puerto Vallarta market and can guide you through the buying process. Look for someone accredited with AMPI, Mexico's national real estate association, and who has strong local experience and in-depth neighborhood knowledge. A good agent will take the time to understand your goals (rather than just push listings), work with a reputable agency, communicate clearly, and be transparent about the process. This person will be your key guide, so choose someone you trust and feel comfortable with.

V. Start Browsing Listings

Once you have a clearer idea of what and where you're interested in, your agent can set you up on MLSVallarta or other local listing platforms. This will help you start browsing available properties, compare options, and get a better sense of what's on the market in your preferred neighborhoods. Keep in mind, though, that not all properties or details are publicly listed, so working with a local agent gives you access more in-depth information.

VI. Touring Properties

Once you're ready to shop seriously, your agent can start scheduling property showings, either in person or virtually. Visiting a variety of properties will help you clarify your priorities, so take the opportunity to ask key questions about each property's legal and financial status. Confirm that the title is clean and in the seller's name, utilities and HOA fees are current, and the property qualifies for a fideicomiso (bank trust) if needed. You may also want to know whether the home has been used as a vacation rental or full-time residence, as this can impact its condition and rental potential. A good agent will help you gather this information and assess each option based on your goals.

The Buying Process:

I. Making an offer

The process begins when a buyer submits a formal written offer through their real estate agent. This offer outlines the proposed price, terms, and any contingencies. Once the seller accepts, both parties move forward with a Promissory Agreement.

II. Signing the Purchase-Sale Agreement

Once the offer is accepted, the buyer and seller sign a legally binding Purchase-Sale Agreement outlining the closing timeline, purchase price, payment schedule, and any penalties for withdrawal. At this stage, the buyer typically deposits 10% into a third-party escrow account for security and legal protection—never directly to the agents or seller.

III. Setting Up an Escrow Account

To protect your funds, all payments—including the 10% deposit—should be made through a licensed escrow account. Several escrow companies are available, including TLA Services, a U.S.-registered company based in Texas specializing in international real estate. They offer secure, transparent fund management and are experienced in cross-border transactions. Reputable Mexico-based escrow providers are also available; we can share that information upon request. Escrow fees are typically paid by the buyer. Funds are held securely until closing and released to the seller upon signing of the final deed.

IV. Notary Review

All real estate transactions in Mexico must be reviewed and certified by a Notario Público—a government-appointed attorney, not to be confused with a U.S. notary. The Notary prepares and registers the official deed (escritura pública), ensures the legal transfer of ownership, and confirms that all taxes are paid. They are also responsible for verifying clear title, obtaining certificates from the Public Registry, and confirming the property's tax and utility status.

V. Final Payment and Closing

Roughly one week before closing, the buyer sends the remaining balance into the escrow account. On the agreed closing date, funds are released to the seller after all documents are signed in the presence of the Notary. The deed (escritura) is then registered with the local Public Registry, and the property is formally transferred. The exchange rate used to convert foreign currency into pesos is finalized on the day the funds are disbursed from escrow—typically the day of closing.

VI. Closing Costs and Taxes

Buyers in Puerto Vallarta should budget approximately 3-5% of the property's purchase price to cover closing costs. These expenses generally include the transfer or acquisition tax, which ranges from 1–4% of the appraised tax value of the property (not necessarily the sales price), as well as Notary fees, escrow service fees, and any applicable bank trust (Fideicomiso) setup or renewal costs for foreign buyers purchasing in the restricted zone. Additional optional costs may include title insurance and homeowner's insurance, which are recommended for added security and protection. On the seller's side, costs typically include real estate agent commissions and any capital gains taxes due at closing. These amounts can vary based on factors such as property value, ownership duration, and the seller's residency status.

MLS Listings

Unlike some other regions, Puerto Vallarta has a well-established Multiple Listing Service (MLS) system

. There are two main trustworthy platforms to explore real estate in Puerto Vallarta:

- MLS Vallarta – The original and oldest in Mexico, running online since 1989! You can find them at www.mlsvallarta.com.
- AMPI MLS – Another reputable option at www.vallartanayaritmls.com.

MLS has many benefits, including being a centralized place for property listings, having professional oversight, and helpful search tools, maps, and market information.

As an interested buyer, you can create an account with MLS to receive recommendations from your agent or to explore local properties yourself.

Apart from working directly with your agent, exploring MLS listings is a great way to get familiar with the market, discover the types of properties and neighborhoods you like, and move closer to finding the perfect home!

Immigration and Visas for Foreign Buyers

Purchasing property in Mexico does not automatically grant residency. However, owning property or making financial investments can support a visa application or long-term stay.

What can you do without a visa?

Foreign nationals from visa-exempt countries (such as the U.S., Canada, most of the EU, and others) can enter Mexico as a tourist and stay for up to 180 days without applying for a visa. During that time, you're allowed to search for property and make purchases, set up a Fideicomiso, and attend meetings or conduct due diligence (non-remunerated activities only).

If you hold permanent residency in the U.S., Canada, Japan, the U.K., the Schengen Zone, or are a member of the Pacific Alliance (Chile, Colombia, Peru), you do not need a separate Mexican visa to enter the country for short visits.

When do you need a visa?

If you plan to stay longer than 180 days or wish to live in or frequently visit your property, you'll need to apply for one of the following:

- Temporary Resident Visa (up to 4 years)
- Visitor Visa Without Permission to Work (Long Stay) – valid for up to 10 years
- Permanent Residency Visa

Visa applications are usually processed at a Mexican consulate abroad, requiring an application form, valid passport, passport photo, financial documents showing sufficient income, and proof of property ownership or real estate investment in Mexico

Types of Visas

- **Short-Stay Visitors Visa** (up to 180 days): No work permitted; ideal for visitors, investors, and seasonal owners.
- **Long-Stay Visitor Visa** (valid up to 10 years): Allows extended visits but does not permit work or residency. Ideal for those with a second home or who visit frequently.
- **Temporary or Permanent Residency Visas:** Ideal for long-term residents, retirees, or remote workers, allowing you to live in Mexico full- or part-time and access benefits like opening a bank account, registering a vehicle, and staying year-round.

Visa rules and eligibility can vary. It's best to consult a licensed immigration attorney or agent in Puerto Vallarta to guide you through the process and ensure compliance with Mexican law.

Residency Requirements Living in Mexico Full Time

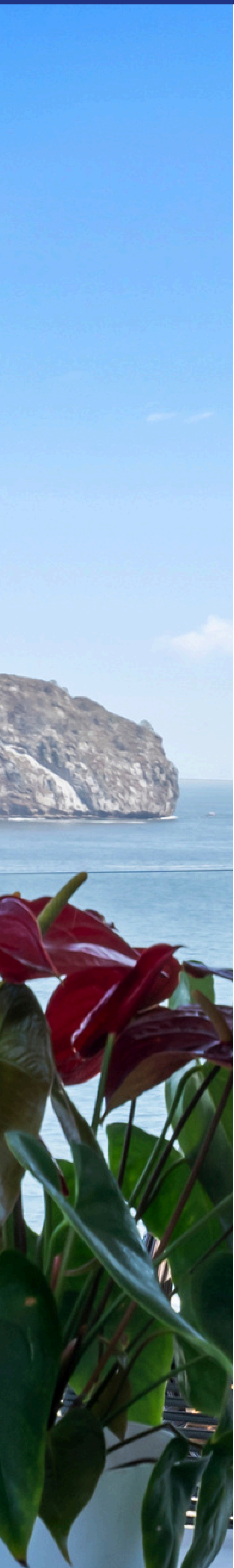
You can only live in your Mexican property year-round if your immigration status permits it. Tourist visas limit stays to 180 days, so if you plan to reside in Mexico full- or part-time, you'll need to obtain Temporary or Permanent Residency.

Residency eligibility is often based on different factors:

- **Economic solvency** — proof of sufficient monthly income or significant savings/investments;
- **Property ownership** — owning a Mexican property in your name for at least 2 years;
- **Family ties** — having close relatives who are Mexican citizens or residents;
- **Other criteria** — such as frequent travel to Mexico or holding a managerial/executive position in a foreign-owned Mexican business.

Start the residency process early—even before finalizing your real estate purchase. The process can be time-consuming, requiring documentation, income verification, and often in-person appointments at a Mexican consulate in your home country.

Frequently Asked Questions:



Working with Real Estate Agents?

Since real estate transactions in Mexico can be complex, it's highly recommended that buyers and sellers work with a trusted local real estate agent. Most agents can assist with bilingual communication and are well-versed in the legal and procedural steps specific to Mexico—such as working with notaries, setting up trusts (fideicomisos), and understanding closing costs and taxes. They have full access to multiple MLS listing platforms, can provide more detailed information, and can help you navigate different neighborhood dynamics, pricing trends, investment potential, ect.

In most cases, buyers do not pay commission—agents are compensated by the seller. Sellers typically pay a 5–8% commission, depending on the agency and property value.

Popular Areas in Puerto Vallarta

Banderas Bay, from Mismaloya to Puerto Vallarta to Nuevo Vallarta, offers a range of areas with distinct virtues, lifestyles, and neighborhoods. The main areas are:

- **Centro/Downtown Vallarta**: Walkable, charming, cultural hub in the center of PV.
- **Zona Romántica**: Popular with expats and LGBTQ+ community, great restaurants and nightlife
- **Amapas/Conchas Chinas:** Hillside areas with luxury properties and ocean views, located on the south side beyond the Zona Romántica.
- **South Shore / Mismaloya:** Mountainous and coastal areas known for their natural beauty, stretching past Conchas Chinas to Boca de Tomatlán.
- **Nuevo Vallarta**: Planned community with modern condos and wide beaches across the bay.
- **Bucerías/Sayulita/San Pancho**: Smaller, laid-back beach towns in Nayarit.
- **Marina Vallarta**: Upscale, golf, near airport and amenities.
- **Versalles or Fluvial:** Local, family-friendly area with a growing restaurant scene.

Common Types of Property

- **Condos:** The most common option, with choices across all price points.
- **Single-Family Homes**: Less frequent in tourist areas, more common in local neighborhoods.
- **Townhouses:** A hybrid between a condo and a detached home.
- Pre-Sale Units: New builds with modern features, sold before construction is finished.
- **Resale Properties**: Move-in ready homes, often with rental history and established features.
- **Fractional or Timeshare Ownership**: Ideal for buyers who only plan to use the property part-time.

Questions? Contact us!

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