

How can I, as a non Mexican, buy property in Manzanillo, Mexico?

There have been many articles written on the subject. I will list a few at the end of this article, or simply Google “ foreigners owning property in the restricted zone in Mexico”.

I will talk about buying property in Manzanillo, with Candy King Real Estate , and the mechanics of the purchase process. In this case I am talking only about a private home, condo or lot that you will use for your residence, full or part time.

The Mexican constitution prohibits foreigners from holding a real estate title within 100 kilometers of the border, or 50 kilometers of any beach . These areas are called the “restricted zones”

Of course Manzanillo, as well as Puerto Vallarta, Cabo, Cancun, and all of the other beach communities are included within this zone.

Prior to 1993 the only way to purchase property in these areas was with a Mexican national as your partner.

In 1993 the government passed a law called the “Foreign Investment Law”, allowing foreigners to safely invest in these “restricted zones”.

The mechanism for the purchase (called a Fideicomiso or trust) sets up a Mexican bank as the partner , where the bank is named as the owner, but the purchaser has ALL of the rights of ownership including naming their heirs, getting a mortgage, or selling. The fideicomiso is granted for 50 years and is renewable for another 50 years.

That is the background. For the priveledge of being your partner the bank charges an annual fee. The fee ranges from 500- 700 US dollars at this time.

Another part of the law requires all foreigners to apply for and obtain a trust permit from the Ministry of foreign affairs prior to setting up the fideicomiso. There is a cost to this also, at this time it is approx. 13,000.00 pesos.

Sound complicated? Don't worry. Everything we are talking about is taken care of by your realtor and your Notaria. Please note that a Notaria has a degree in law PLUS 2 more years of school, an exam, and a political appointment to become a Notario. Notarios are the only lawyers allowed to perform the actual sales of property in Mexico.

The purchase process is simple. You make an offer, including a 10% non refundable deposit to prove you are serious. The time for closing, if the property is owned currently by a National and you need a new trust, is approximately 45 days minimum, but of course is part of the negotiation.

If the property is owned by a foreigner and already has a trust, the sale can be as fast as two weeks, depending always on the speed of the bank involved.

When it comes time to close you send the balance of the money to the seller, sign the papers in the office of the notaria, pay the notaria, and receive the keys to your new home.

The closing costs vary with the price of the purchase as there are a couple of fixed costs such as the foreign ministry permit fees and the first year of the trust . You can expect to pay 3-5% of the price of the purchase on the closing. This is all for the notaria who will pay your transfer taxes, check for no liens, pay the first year of your trust fees, apply and receive your permit from the foreign ministry and set up the fideicomiso with the bank.

What you need to purchase a home in Manzanillo is your tourist visa (that you receive on the plane when you arrive) (minimum) , money, and a desire to change your life.

You do need to remember that you are in a different country and things operate a little differently than you are used to. You need to be sure you are working with a qualified real estate company.

Use your common sense. If you cannot get a fideicomiso on the property, do not buy it. The bank being your partner gives you some added protection as they will not accept properties without clear titles.

Here are some links to other articles:

[Mexonline.com guide to Buying Property in Mexico - Real Estate](http://www.mexonline.com/guide-to-Buying-Property-in-Mexico-Real-Estate)

<http://www.mexicolaw.com/LawInfo14.htm>