

**BERKSHIRE
HATHAWAY**
HOMESERVICES

BAJA
REAL ESTATE

An overview of the buying process in
Baja and all the people you will need
along the way.

A full-page background image of a young man and woman smiling and looking at each other on a beach. The man is wearing a blue and white striped t-shirt and sunglasses hanging from his shirt. The woman is wearing a white lace top and has sunglasses on her head. The background is a bright, sunny beach scene.

CABO HOME
**BUYER'S
GUIDE**



About Berkshire Hathaway HomeServices



Berkshire Hathaway HomeServices is a real estate brokerage franchise network designed for today's market.

From first-time home buyers to luxury markets and commercial real estate, our team is down-to-earth, nimble, and local experts. When our name is on a real estate sign, it means something so much more. It represents a promise of trust, integrity, stability, longevity, and the highest work standards. A promise that we don't take lightly. As a client, you will see first-hand how these values are reflected in every real estate business and transaction aspect. Berkshire Hathaway HomeServices is the name buyers and sellers trust.



Quality of Life in Los Cabos

One of the major reasons for Los Cabos's increasing popularity among homebuyers and investors is its high quality of life. The unique mix of natural beauty, climate, culture, and activities contributes to a vibrant and relaxing lifestyle. Here's an in-depth look at the key factors that enhance the quality of life in Los Cabos.

Beautiful Scenery

Los Cabos is nestled between the Pacific Ocean and the Sea of Cortez, boasting stunning landscapes that combine desert, mountain ranges, and miles of pristine coastline. From the iconic Arch of Cabo San Lucas to the vibrant sea life of the coral reefs, the area offers breathtaking vistas that residents can enjoy every day.

Warm Climate

Los Cabos enjoys a sunny, tropical desert climate, with over 300 days of sunshine yearly. The average temperature hovers around 78°F (25°C), making it an ideal location for those who enjoy warm weather. The sunny climate allows residents to partake in outdoor activities all year round, from beach days to hiking in the desert.

Friendly Locals

The welcoming nature of the local people significantly adds to the quality of life in Los Cabos. Known for their warmth and friendliness, locals create an atmosphere of community that makes newcomers feel right at home. Moreover, English is widely spoken, making the transition easier for many international buyers.



Quality of Life in Los Cabos

Recreational Activities

Los Cabos offers various activities catering to various interests and lifestyles. For outdoor enthusiasts, everything from world-class golf courses, sport fishing, surfing, hiking, and horse riding. If you love marine life, there are regular whale-watching tours and opportunities for snorkeling and scuba diving. In addition, the vibrant local culture is reflected in the range of music and arts festivals. At the same time, food lovers can enjoy the local cuisine at numerous high-quality restaurants and festivals.

Safety and Security

Los Cabos has prioritized safety, with dedicated tourist police and focusing on maintaining a peaceful community. This sense of security contributes greatly to the overall quality of life.

Access to Modern Amenities

Despite its tranquil seaside town feel, Los Cabos provides access to all modern amenities. From high-end shopping malls and top-notch medical facilities to international schools and a well-connected airport, residents can access the conveniences in larger cities.

In essence, the quality of life in Los Cabos is enhanced by natural beauty, a favorable climate, a welcoming community, and the availability of recreational activities and modern conveniences. It offers a relaxed yet enriching lifestyle, making it a desirable place to live and invest in.



Reasons To Invest in Los Cabos

Rapidly Growing Real Estate Market in Los Cabos

Los Cabos has been experiencing an unprecedented real estate boom over the last few years. This Southern tip of the Baja California Peninsula is witnessing a surge in interest from investors worldwide, making it a hotspot in the global real estate market. The market's growth can be attributed to several factors that we'll delve deeper into below.

Consistent Appreciation of Property Values

In Los Cabos, property values have been consistently appreciating due to the high demand for homes and the scarcity of prime property. Year after year, residential and commercial properties have seen a substantial rise in value. Given the area's popularity, this trend has led to excellent investment returns for property owners and investors and is projected to continue.

Increasing Foreign Interest

Los Cabos is particularly attractive to international buyers, especially from the United States and Canada. Its proximity to the U.S., natural beauty, and desirable climate make it an ideal destination for retirement or vacation homes. This international demand contributes to escalating real estate prices and market growth.



Reasons To Invest in Los Cabos

Tourism Growth

The continual growth of tourism in Los Cabos has been another driving force in the escalating real estate market. As more people visit and fall in love with the area, there's an increased desire to invest in a second home or vacation property, further fueling the market's expansion.

Infrastructure Development

The Mexican government has proactively improved and expanded the infrastructure in Los Cabos. There have been significant investments in transportation, utilities, and public services. Developing new resorts, golf courses, marinas, and shopping centers has increased the area's desirability and added value to the surrounding properties.

Strong Rental Market

The strong and growing vacation rental market in Los Cabos allows property owners to generate rental income when not using their homes. This potential for a steady income stream increases the attractiveness of investing in this market.

The amalgamation of these factors presents Los Cabos as a solid and appealing prospect for real estate investment. While property values are consistently appreciating, offering great returns on investment, buyers should conduct thorough research and work with a reputable local real estate agent to identify the best opportunities and navigate the buying process.



Types of Properties in Los Cabos

Los Cabos offers various property types to cater to its diverse population's varied needs and preferences. Whether you are looking for a vacation home, a permanent residence, or an investment property, this type of property will match your requirements. Here are the main types of properties you will find in Los Cabos.

Residential Homes

Residential homes in Los Cabos range from traditional Mexican-style homes to contemporary villas. They can be found in the heart of the towns or quiet, residential neighborhoods. Many homes come with private pools, landscaped gardens, and stunning views of the ocean or mountains. Luxury villas within gated communities offer additional features like private beach access, fitness centers, and concierge services.

Condominiums (Condos)

Condominiums are popular choices among buyers due to their affordability and the sense of community they provide. Condos in Los Cabos often come with shared amenities such as swimming pools, fitness centers, and 24-hour security. They range from studio units to large, multi-bedroom penthouses with spectacular views. Many are near the beach, golf courses, shopping centers, and restaurants.



Types of Properties in Los Cabos

Vacation Homes/Resort Properties

These properties are usually located within resort communities, providing many amenities and services. These include golf courses, tennis courts, spas, restaurants, and shopping centers. Some resort properties also offer rental programs, allowing owners to generate income from their property when not using it.

Commercial Properties

Commercial properties are available in Los Cabos for those interested in business opportunities. These include retail spaces, offices, restaurants, or hospitality properties such as hotels and bed-and-breakfast establishments.

Land

Buying undeveloped land in Los Cabos allows you to build your dream home or investment property from scratch. There are options available in town, in the countryside, and along the beachfront.

Remember that as a non-Mexican, buying property in Los Cabos within the "restricted zone" (50 km from the coast and 100 km from international borders) requires a bank trust known as a Fideicomiso. This agreement with a Mexican bank allows foreign buyers to hold and manage the property. This process is standard and is something a good local real estate agent can guide you through. Each property type has pros and cons; the best choice depends on your lifestyle, budget, and long-term plans. Careful consideration, research, and expert advice from a local real estate agent can help you find the perfect property in Los Cabos.



The Buying Process in Los Cabos

The process of buying a property in Los Cabos, while simple, is unique due to certain requirements and laws governing foreign ownership in Mexico. Here's an overview of the steps typically involved in the buying process.

Find a Real Estate Agent

Hiring a reputable, bilingual real estate agent with experience in the Los Cabos market is your first step. They can guide you through the process, provide valuable insights, and help you negotiate the best deal.

Identify Your Preferences

Determine what you're looking for in a property - location, size, price range, or property type. Share these details with your agent so they can help you find relevant listings.

Property Viewing and Selection

Your agent will arrange viewings of potential properties, which means your opportunity to assess the property's condition, location, and value for money. Once you've chosen a property, you can make an offer.

Making an Offer

Your real estate agent will help you determine a fair offer price based on the property's value and market conditions. They'll then present the offer to the seller on your behalf.



The Buying Process in Los Cabos

Sales Agreement

If your offer is accepted, your real estate agent or lawyer will draft a sales agreement, which outlines the terms and conditions of the sale and includes details such as the purchase price, payment schedule, and closing date. It's crucial to have a lawyer review this document to ensure that all the terms are in your best interest.

Opening a Fideicomiso (Bank Trust)

If you're a foreign buyer purchasing residential property within the "restricted zone," this step involves setting up a Fideicomiso. A Mexican bank will act as a trustee, holding the deed to the property on your behalf while you retain full control. An experienced real estate agent or attorney can guide you through this process.

Due Diligence

This is where your lawyer verifies the seller's ownership of the property, confirms there are no liens or debts against the property, and checks for any legal issues that might affect the transfer of ownership.

Title Insurance

It's recommended to purchase title insurance to protect your investment. This insurance covers you in disputes related to the property's ownership.



The Buying Process in Los Cabos

Closing the Sale

If all checks out, the next step is to finalize the purchase. Your lawyer and the seller's lawyer will prepare the deed transfer, signed before a Mexican Notary Public. The Notary Public will then register the deed with the Public Registry of Property, officially transferring ownership to you.

Payment

The payment process can vary, but usually, a deposit is paid upon signing the sales agreement, and the remainder is paid at closing. It's essential to ensure that all funds are securely transferred through an escrow service to protect all parties involved.

Taking Possession

Once the sale is closed, you take possession of your new property in Los Cabos. Now it's time to celebrate and enjoy your new home!

Remember, the buying process in Mexico might differ from what you're used to in your home country. Therefore, working with experienced professionals, such as reputable real estate agents and lawyers, is crucial to ensure a smooth and successful property purchase in Los Cabos.



Important Considerations When Buying Property in Los Cabos

Like any major investment, purchasing a property in Los Cabos requires careful planning and consideration. Understanding the local real estate market and legal requirements is crucial to making an informed decision. Here are some important factors to keep in mind.

Property Management

Consider hiring a company if you plan to use your property as a vacation home or rental. These professionals can handle everything from property maintenance and tenant management to local tax obligations, especially when you are not in the country.

Legal Representation

While not mandatory, hiring a lawyer to represent you during buying can be beneficial. They can verify contracts, clarify legal terms, and ensure the transaction complies with all Mexican laws.

Costs of Ownership

In addition to the purchase price, consider the ongoing costs of owning a property in Los Cabos. Such costs include property taxes, utility bills, homeowners association (HOA) fees, and insurance. If you plan to rent out the property, there may be marketing and management services costs.



Important Considerations When Buying Property in Los Cabos

Market Conditions

Like any real estate market, Los Cabos has periods of growth and contraction. Blocking market conditions like housing prices and interest rates can help you determine the best buying time.

Location

The property's location within Los Cabos can significantly impact its price, rental potential, and resale value. Factors to consider include proximity to the beach, access to amenities, and future development plans in the area.

Resale Potential

If you may sell the property, consider its resale potential. Features like ocean views, proximity to amenities, and the number of bedrooms and bathrooms can impact its attractiveness to future buyers.

Considering these factors, you can ensure a smoother and more successful property-buying experience in Los Cabos. It's always recommended to seek advice from real estate professionals familiar with the Los Cabos market to guide you through the process.



Are You Still With Us? We know it is a lot of information to take in.



For your convenience, we have created a simple step-by-step guide on the following pages that you can use to get started.

We are here with you every step of the way, available to answer any of your questions and guide you through the process without any commitments.



Step 01.

Choosing a Realtor

Realtors wear many hats, which is why selecting the right one is such an important step in the buying process. The difference between a good agent and a not-so qualified one, not only lies in their ability to find you a great property, but more so in their ability to make the experience a positive one. Below are some of the qualities you should look for in your Realtor:

- Knowledge of the trends and directions of the market as well as in specific areas and communities.
- Negotiating skills, and the ability to properly assess a property's worth.
- Legal skills and the ability to put together an offer that protects the client's interests.
- A network of proven professionals. From lawyers to contractors, an agent's network is a valuable asset to their clients.
- Member of AMPI
- Internationally recognized brokerage



Step 02.

Take your pick!

Deciding on a neighborhood is a crucial step in finding the perfect property in Baja Sur, Mexico property. From San Jose del Cabo to East Cape and Todos Santos, each community has its own charm. When choosing a destination to settle into, it's important to decide what features are most important to you.

Use the checklist below to prioritize the features that are most important to you in a community. Once you have completed the checklist, share it with your Realtor in order to get feedback on the best areas for you.

WHAT'S MOST IMPORTANT TO YOU?

Rate each from 1 - 10 (10 being most important)

- | | | |
|---|--|--|
| ☐ RESTAURANTS | ☐ HOSPITALS | ☐ ARTS + CULTURE |
| ☐ OUTDOOR ACTIVITIES | ☐ AMENITIES | ☐ SAFETY |
| ☐ BARS/NIGHTLIFE | ☐ BEACHES | ☐ FAMILY COMMUNITY |
| ☐ SCHOOLS | ☐ DISTANCE TO AIRPORT | ☐ ACCESS TO ELECTRICITY AND WATER |



Step 03.

Buyer's Questionnaire

In order to find you the perfect home it is important that we know what is important to you! Please fill out the questionnaire below so we can send you properties that match your needs and wants.

Price range:

Move-in date:

**Interested in renting your
property?**

Communities of interest:

Describe your lifestyle:

Anything else?

House Features:

- ☐ detached home
- ☐ condo
- ☐ land to build
- ☐ pool
- ☐ casita
- ☐ pre-construction
- ☐ already built
- ☐ garage
- ☐ _____ storeys
- ☐ _____ parking
- ☐ _____ lot width
- ☐ _____ # of bedrooms
- ☐ _____ # of bathrooms
- ☐ _____ min sqft



Step 04.

Searching for Properties

Our website is easy to use, informative and beautifully designed. Every detail has been analyzed to help you find just the properties that are relevant to you. Some of the key features include:



Community Expertise: Our community pages are designed to help you find the area that best fits your lifestyle.



Search: We have created a property updates tool where you can select from all relevant criteria, and even set yourself up on an automated alert so that anytime a new property meeting your needs becomes available, you will be the first to know.



Step 05.

Making an Offer

You have been touring different properties with your agent and have finally found THE ONE! The next step involves making an offer to purchase, which your agent will handle. There may be several counter-offers from both sides before you have an accepted offer.



Step 06.

Closing Real Estate In Mexico Timeline

DAY 1 - Accepted Offer

Once you have an accepted offer, the buyer will be asked to provide personal identification, including a copy of their passport and driver's license, Mexican law also requires the buyer to provide a "Know Your Customer" form that your agent will provide you with.

DAY 2 - 15: The Due Diligence Period

The real estate purchase agreement may often call for some points of due diligence, e.g., a copy of the deed, tax, HOA receipts, inspections, etc.

Following the Offer to Purchase structure, the purchaser will deposit the agreed refundable deposit, usually \$10,000, plus an escrow fee (\$750) within 3 (three) business days of the accepted offer.

Day 16: Earnest Money Deposit/ End of Due Diligence

Purchaser will now fund the Earnest Money Deposit, as indicated in the offer to purchase (usually 10% of total purchase price) plus a closing costs retainer fee of \$5000. This retainer fee payment will be applied to the cost of pre-closing documentation and will go toward closing costs.



Step 06.

Closing Real Estate In Mexico Timeline Cont.

Day 16 - 90+ - Transfer of Title

The Notary will prepare the Deed of Title held in Trust ('Trust Deed') for the Trustee Bank's review, as well as the parties. The Trust Deed (fideicomiso), is the ownership mechanism for foreigners (non-Mexican citizens) in Los Cabos.

Upon review and acceptance of the Trust Deed and the additional closing documentation requirements, the Trustee will authorize the Notary to execute the Trust Deed with the Parties.

Day 90+ Settlement & Closing

Upon the Notary's receipt from the Trustee Bank and authorization to close on behalf of both parties, the notary will notify the purchaser to fund escrow within 5 (five) days of the closing date.

Final signatures are required, and escrow releases the funds in accordance with the Escrow Agreement. Congratulations, you can now take possession of your new home!



Frequently Asked Questions

WHO PAYS THE SELLER AND BUYER REAL ESTATE COMMISSIONS?

The seller pays the commissions for buying and selling Realtors in a residential real estate transaction.

HOW LONG DOES IT TAKE TO CLOSE REAL ESTATE IN MEXICO?

In most cases, in Los Cabos, a property can be closed in 90 days for a cash transaction however, variations in these timelines may occur, due to delays with the trustee bank, municipal permitting, etc.

WHAT IS A NOTARY?

A Notary Public (Notario Publico) is a licensed and expert attorney, certified by the state government and appointed as a Notary Public to act as an official and unbiased government representative. The Notary performs various tasks, including the authentication of legal documents and acts, including real estate deeds to the title. All real estate transactions in Mexico must be ratified before a Notary Public and duly recorded within the Public Registry to be valid and enforceable.

WHAT IS A FIDEICOMISO?

In Mexico's 'restricted zone' (100 kilometers from the border and 50 kilometers from the coast), a foreigner may purchase real estate only using a FIDEICOMISO (Trust). The fideicomiso is a bank trust, granted in a 50-year renewable term, in which the Trustee Bank holds the property in trust for the beneficial use of the purchaser (beneficiary). While the trustee is the 'legal owner' of the real estate, the beneficiary retains all ownership rights and responsibilities and may sell, lease, improve, mortgage, and will the property to heirs. Essentially, the beneficiary of the property enjoys all the rights he would if ownership were fee-simple.



Frequently Asked Questions

CAN I RENEW MY FIDEICOMISO WHEN IT EXPIRES?

A fideicomiso is issued in 50-yr increments, which can automatically be extended by an additional 50 years at the end of that term. Under current law, at the end of the combined 100-yr term, you must apply for a new foreign affairs permit to extend the term.

DO I NEED TO BE PRESENT IN MEXICO AT CLOSING?

In most cases, the answer is No. In most transactions, the Notary will prepare a simple bank instruction letter with a specific power of attorney for the purchaser and seller to sign remotely. These letters will advise the Trustee bank of the Party's intentions regarding the purchase and sale of the property and direct the trustee to act on their behalf. This letter will be attached to the fideicomiso at closing instead of the parties' signatures.

WHEN DO I GET POSSESSION OF MY NEW PROPERTY?

Unless otherwise negotiated by the parties, the possession of the property is transferred simultaneously with the transfer of title and release of funds from escrow to the Seller.

WHEN DO I GET THE TITLE TO MY NEW PROPERTY?

On the day that all parties sign the title; Purchaser, Seller, Notary, and Trustee Officer, the title is officially and irrevocably transferred. However, the Notary must record the newly transferred deed for public record. This process takes approximately three months, and sometimes a bit more. Once fully recorded in the local tax office and public registry, the Notary will prepare final statements, submit a copy of the fully registered deed to the title insurance company, and forward the final closing package to the Closing Officer, who in turn will forward it to their Clients.



The secret to a great buying
experience is simple...

just work with us!