

About the Office

We are **Warren
Brander Realty Group.**



A group of highly trained agents from
México, Canada, US and Colombia.

We speak Spanish, English, French and even Dutch.



WARREN BRANDER
REALTY GROUP

FROM LISTING TO LIVING

Warren Brander Realty Group is "with you every step of the way"—
and beyond.



The home buying process in **7 steps**

The process of purchasing a home in Puerto Vallarta and surrounding Bay area.



01

Choose an Agent

Make sure the office is **AMPI** affiliated.

AMPI is the most recognizable association of realtors here in México. This is important because currently there are no licensing requirements to sell real estate in the country.

AMPI affiliated agents are held to high ethical standards and must complete extensive training initially and ongoing. They also have access to the most extensive Multiple Listing Service (MLS) in the region.

Now that you have found an AMPI agency, make sure you feel comfortable with them. Remember you will be spending a lot of time with your agent, so it is really important that you trust and like them.

02

The Search Process

So you have an Agent picked out, it's time to **start searching for homes!**



To make sure your tour is succesful, provide your Agent the most information about your dream home you can.

- Are you looking for a condo, house, land?
- How many bedrooms/bathrooms?
- Do you want beachfront?
- Do you require a specific view (ocean, mountains, city)?
- Does it need to be pet friendly?
- Any facilities that are a must have (pool, gym, pet area)?

- Do you require parking?
- Are there any special needs they need to be aware of (mobility issues, need to be near good schools, etc.)?
- What area of town would you like to be in?
- What is your preferred price range for your new home?

Now your Agent can take you out on a tour!

Usually we require 24 hrs notice , as we need to set up appointments with the listing agents to be there and notify renters.



03

Found your Dream Home?

It's time to **decide**
on a **price.**

This is where a good Agent makes their earnings. They should provide you with comparables that will help you decide what the right price for the place is.

While this is not an exact science, knowledge is power.

Now you have a price you feel comfortable with, let's write up the offer.

WB
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The offer will include many conditions and unless waived to your satisfaction the contract is null and void.

A 10% of purchase price deposit to escrow will be done after conditions (below) are waived.

For condos

- Inspection.
- Copy of the current deed.
- Copy of condo regime.
- Three years of condo homeowner association minutes and budgets.
- Condominium rules/regulations.
- List of inclusion/exclusions.
- Info on federal zone if applicable.

For a house

- Inspection.
- Copy of current deed.
- Survey of land, if required.
- Info on federal zone concessions if applicable.
- List of inclusions/exclusions.

04

The Offer

For land

- Proof of services (electricity, water, sewage, internet).
- Time for buyer to secure zoning and proof they can build what they want.
- Info on federal zone concessions if applicable.

Now your agent will present your offer and negotiate on your behalf. Once the price is agreed and the conditions are waived to your satisfaction, then and only then we make the earnest deposit to escrow and then officially you are under contract.

The Offer

05

Now we start the closing process.

This usually takes between 6 weeks to 2 months.

Closing costs can be a little higher than many expect and are paid by the buyer.

They range from 4-8% of the purchase price. This includes all legal fees and acquisition tax.

Documents that will be required:

- For Mexican residents INE, CURP, RFC are required.
- Marriage certificate if applicable.
- The client's KYC forms.
- Escrow account information.
- Proof of address for your home residence (usually an utility bill).
- If you won't be attending the closing in person then we will need a power of attorney.

06

And next?

Now we wait.

While you are preparing your paperwork the Notario and closing coordinator are working diligently to get your property closed. They will make sure you have a clean title and that no liens or unpaid debts are on the home. All these certificates are included in your actual deed.





07

So now are you ready to close?

Please wire the final amount owing to the escrow company at least three days prior to closing. Now it is closing day and we will take you or your power of attorney to the Notario to sign all the documents. It usually takes an hour or two as there is a lot of paperwork. Next you get the keys and you are a proud owner of a place here in the beautiful Banderas Bay. You will get a simple copy of the deed but this now needs to go to the government registry which takes about 4-6 months to get a registered copy of the deed.

But don't think you get rid of us yet.

Now we step in again and get all your utilities set up, take you shopping and anything else you need to live here in Paradise.

Misconceptions about **Buying in México.**

Why is a trust required?

It's an antiquated part of the constitution to protect Mexican borders. All property within 100km of the borders or 50km of the ocean must be held in a trust if you are not a Mexican citizen. New trusts are for 50 years automatically renewing again when they expire. You may choose to assume the trust of the current owner (if applicable) and they will run the rest of the term left and then renew again for 50 years. The trust is really misunderstood and a lot of misinformation is handed out there. It is not a lease. You have full ownership rights. You can sell it, renovate it, rent it and vote at HOA meetings. Essentially the Bank holds the property in trust and you own the trust. There is a cost for this which is currently from \$500-800USD per year. In our opinion this is well worth it. As a non-Mexican citizen if you pass away the property quickly can pass to your beneficiaries you designated without a need to go through probate.

What is a notario?

Another misconception many have is that a Notario (Notary) is similar to Notaries outside of México. This is not the case. Notarios here are lawyers and appointed by the Government to make sure the transactions done are legal and they are held accountable. The closing coordinators we work with are also highly qualified lawyers who work with the Notarios to make sure all documents are in order.

FREQUENT FIRST TIME BUYER QUESTIONS

Q: Can a USA or Canadian citizen own real estate in Mexico?

A: Yes, by placing the property in a bank trust. (Fideicomiso)

Q: Can I own property near or in front of the ocean?

A: Yes, laws passed in 1973 and 1993 have made it possible for foreigners, foreign firms, and Mexican firms with foreign participation to acquire interests in coastal real estate through a bank trust.

Q: Who is involved in a bank trust?

A: Three parties. The seller of the property is the Trustor, the bank is the Trustee (Fiduciario), and the buyer is the Beneficiary (Fideicomisario.)

Q: How much does the Bank Trust cost? A: Based on the current fees, the bank charges parties opening a Bank Trust the initial fee of approximately \$500 USD for establishing the Trust plus they collect the first year's annual fee of about \$500 depending on the bank.

Q: Are there additional fees for the Bank Trust?

A: Yes. The bank charges an annual fee to cover its services as a Trustee. This fee is usually between \$450 and \$600 USD.

Q: How does the trust function?

A: Title of the property is transferred to a trust with a Mexican bank acting as Trustee. The Trust Agreement is formalized by the issuance of a permit from the Mexican Ministry of Foreign Affairs. The property buyer is designated as Beneficiary in the Trust and the beneficiary rights are recorded in the public record by a Notary Public.

Q: What are my rights as a buyer?

A: The Trust is a legal substitute for fee simple ownership, but in many cases, the Trustee is the legal holder of the property. As Beneficiary, you have the right to sell your property without restriction. You may also transfer your rights to a third party or pass it on to named heirs.

Q: Is the Trust Renewable?

A: Yes. According to the Foreign Investment Law passed in 1993, trusts can be renewed for an indefinite number of successive 50 year periods. In effect they can run in perpetuity if you do not change your trust administration bank at any time.

Q: Who is involved in Real Estate transactions in Mexico?

A: Normally there are five players involved in a real estate transaction. These are the real estate company(ies), the seller, the buyer, a bank, and a Public Notary.

Q: What role does a Public Notary play?

A: A Public Notary is a government-appointed lawyer who processes and certifies all real estate transactions including drawing up and reviewing all official documents to ensure the proper transfer of the property.

Q: What are these official documents?

A: The official documents which are required by law in order to transfer the ownership of property in Mexico include a no-lien certificate based on a complete title search from the Public Property Registry, a statement from the municipality regarding property assessments, water bills, and other pertinent taxes that might be due, and an appraisal of the property for tax purposes.

Q: If at a later date I decide to sell my property, can anyone buy it?

A: Yes. If the buyer is also a foreigner, you can simply assign the beneficial rights to our trust. If the buyer decides to open their own new trust with a bank, they also have that option. If the new buyer is a Mexican National, you can instruct the bank to transfer title to the buyer.

Q: If the buyer is a foreigner, is his interest limited to the balance of my 50-year period?

A: Yes and No. If a buyer takes over an existing trust they can renew or extend the trust for an additional 50 years after the remaining years expire. For a buyer getting a new trust they will automatically have a 50-year trust.

Q: When buying or selling a property in Mexico, who pays the closing costs?

A: It is common practice that the buyer pays the transfer of acquisition tax and all other closing costs, including the Notary's fees and expenses, while the seller pays his capital gains tax and the broker's commission.

Q: How much is the transfer tax?

A: The real estate transfer tax ranges between 2% to 4% of the tax appraisal value, which is generally less than the sales value.

Q: How much are closing costs?

A: The rest of the closing costs, excluding the transfer taxes, vary from 3% to 5% of the selling price.

Q: How long does the home buying process take?

A: The buying process takes from 30 to 60 days when using a Bank Trust. The process usually takes a week for Mexican national buyers.

Q: How do I pay for a real estate purchase?

A: An Escrow service held by a third party on behalf of the buyer and seller manages the money portion of the transaction.

Q: Is there a difference between an agent and a realtor?

A: Yes, a REALTOR is a professional real estate agent who holds membership in the National Association of Realtors through membership in the Mexican Association of Professional Real Estate Agents (AMPI). A REALTOR is held to a higher standard of ethics and strict codes of conduct and continuing education. Ask for an AMPI agent.



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