



Real Estate Guide

Learn how to start navigating the real estate market with our important tips and advice.



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INTRODUCTION

THE PURPOSE OF THIS GUIDE IS **NOT** TO GIVE YOU STEP-BY-STEP INSTRUCTIONS AND EVERY TINY DETAIL ABOUT REAL ESTATE.

WHY?

Things change rapidly here. So what is true for today may be outdated by next week. In this guide, you'll find a high-level of relevant information that will help you understand the differences of here vs. there (your home country) and that's the intention.

My position is to empower you so that you can become aware of what is the right path and what is the wrong path. After all, investing in real estate as a buyer can be risky if they aren't aware of all the details. Providing 3+ months of deposits and fees as a renter can be risky if they aren't aware of all the details. Lack of knowledge about tax implications as a seller can be risky if they aren't aware of all of the details. Are you getting the point?

Therefore, the information you'll find in this guide helps mitigate those risks. It's your job to find the right team of professionals to help you through the process resulting in a successful transaction.

WARNING

THE EASIEST AND FASTEST WAY TO GET SCAMMED HERE IS NOT HAVING QUALITY REPRESENTATION OF A PROFESSIONAL REAL ESTATE AGENT.

Maybe you're one of those people who has a limitless supply of money and/or money is no object. However, for the majority of us, the one thing that we want to avoid is being taken advantage of.

Unfortunately, many people claim to get "gringo-priced."

The sad, tragic reality they get themselves into when they:

- put their fate into the hands of people who don't speak their language or know their culture.
- automatically trust English speakers.
- want to do it themselves.
- do not want to be educated about the differences of the real estate market here vs. "there."
- take bad advice from Facebook groups and posts.
- think that nothing is going to happen even though there's a long history of being scammed in real estate transactions.

Why in the world would a foreigner think that representing themselves in a real estate transaction is a good idea? I don't mean to come across as harsh but this is the harsh reality. And, it absolutely floors me every single time I read someone complaining about getting "gringo-priced" on a rental or purchase and they have no clue about how things actually work here.

It almost seems like that's the catch-all phrase when people make massive mistakes.

WARNING

Guess what? When representing yourself in a real estate transaction, the likelihood of getting scammed, being taken advantage of and “gringo-priced” increases exponentially. As does not vetting the person you choose to work with.

Think about it this way, would you take the risk of representing yourself in your home country? If the answer is no, then why would you do it in a foreign country? If the answer is yes, then good luck to you and I hope you are one of the small percentage of people who don't get themselves in a bind when unknowns pop up.

Don't just take my word for it . . .

“Only 10% of the people who offer real estate services in Yucatan have the capacity, training, professionalism, certification, and recognition to advise the public on real estate investment,” said Enrique Trava Griffin, 2023/2024 local president of the Mexican Association of Real Estate Professionals (AMPI). According to Trava Griffin, there are 174 AMPI certified real estate companies with about 550 professionals practicing in the real estate sector. *In contrast, more than 5,000 people offer a variety of real estate services without any fiscal accreditation.*

There are more real estate agents than listings on the market. Additionally, most real estate agents don't take the profession seriously and it is not their primary or secondary source of income. A plumber, a grocery store clerk, and an Uber driver ALL sell real estate.

At the end of the day, only YOU can decide what risks you're willing to take by setting yourself up for success vs. scammed. 90% of the time when a foreigner thinks they are getting “gringo-priced,” it's because they are not aware of the customs, cultures, norms, and regulations that are common here. They entrap themselves into situations that do not have positive outcomes and to be at a severe disadvantage.

WARNING



So, my best advice is to READ the details contained in this guide so that, at the very least, you have some idea of what you'll be walking into. Over the last five years, Angel and I have researched, inquired, experienced, and tested different negotiation points that can make or break a real estate transaction. These are our secret weapons to help our clients have the best possible transaction.

While it's true that everything is negotiable, are you aware of every single item to negotiate? The return of deposits? Repairs? Deferred maintenance? and the list goes on. This is where we excel and can help save you time and MONEY!

If you find you'd like our assistance, fill out one of the questionnaires on page 36, subscribe to our newsletter, or schedule a consultation. At the very least, let us explain the fine print before you're caught in a precarious situation. Our goal is to provide resources and information so that you can make educated decisions.

At the end of this guide, you'll find real-life examples of what has happened to people BEFORE they became our clients. Grab your popcorn and get ready to laugh, cry, or experience their horror from the reality of real estate in Mérida. We promise that by taking 30 minutes to read this guide, you'll position yourself for success!

WELCOME

YOU'LL FIND REAL ESTATE HERE IS THE WILD WEST, AS MANY CALL IT. NO REGULATORY OR OVERSIGHT COMMITTEE, NO LICENSING, AND CONFLICTING INFORMATION ABOUND.

Thanks for your interest in our Real Estate Guide. We've put together some valuable information about all aspects of real estate. There's nothing worse than relocating to a foreign country and being overwhelmed with a new culture, language, and customs.

It's common to only be shown part of the picture. But how can you make an informed decision unless you know all of the components? Unfortunately, that's exactly what you'll find in Mérida. Why? It's just part of the culture. There's no frame of reference for the local community to know or understand what a foreigner needs, knows, or doesn't know. Offering advice is not common because it's considered rude. Anticipating needs is another consideration. Locals deal with a vast amount of foreigners. It's impossible to understand what different cultures need.



WELCOME

The same can be said for managing expectations. It is the job and duty of the foreigner to manage their expectations keeping in mind at all times that here is going to be different from there.

It's impossible for a local to duplicate service expectations that a foreigner may have when they've never experienced the foreign service for themselves.

It's like expecting a local to speak English. This is Mexico and the language is Spanish. It is not reasonable nor acceptable to expect that locals know English. Only 5-12% of Mexicans speak English. To take it one step further for perspective, the top 3 languages in Mexico are Spanish, Nahuatl and Yucatec Maya.



And while Mérida is a tourism destination, most of the tourism comes from Mexican Nationals and Europeans. More importantly, while beach and coastal destinations do have more English-speaking locals, it's due to catering to those tourists. Because Mérida is not a beach or coastal destination, it attracts a different type of tourist. So, now you know . . .

RENTING SHORT-TERM

YOU'LL FIND SEVERAL CHOICES OF PLATFORMS FOR SHORT-TERM RENTALS, INCLUDING AIRBNB, VRBO, FACEBOOK MARKETPLACE, AND LISTINGS ON FACEBOOK GROUPS. YOU'LL PAY MORE FOR A SHORT-TERM RENTAL VS. A ONE-YEAR CONTRACT.



While finding a short-term through Facebook Marketplace or on one of the expat groups, be sure to vet the owner, the property, and the information presented thoroughly. Keep in mind that you're in a foreign country with a different language, customs, and processes. Unfortunately, Marketplace is one of the platforms where scammers run rampant and you'll have no recourse.

Air-Conditioning

A/C is not a given in every house or room because central air systems are not part of the construction. The A/C units, called mini-splits, are strategically placed in the house. Typically, the bedroom and at least one other area have one, BUT don't assume this.

RENTING SHORT-TERM

Consistent Wi-Fi

Believe it or not, depending on where you are in Mérida, the Wi-Fi can go down if the wind changes direction. What you expect as consistent and high speed is entirely different from what a local may offer and understand.

Swimming Pool

Do you really need a swimming pool? In the cooler months, from November to March, this may be negotiable. Pools come in various sizes, from small, dipping pools without equipment to larger pools with equipment.

Washer and Dryer

While having a washer and dryer may be a necessity, your choices are limited. Also, expect a higher rental price for this amenity. If your rental doesn't have one, you'll need to find the closest laundry service called a lavandería.

Services/Service Providers

Does the property come with services or service providers such as house or pool cleaning or a gardener? Is the price included or separate? Do any of the service providers have keys? Are you expected to let them in? What happens if you have an issue with a service provider?

Electricity

Electricity is not typically included in your rental rate. If included, you may be limited to a certain number of kilowatts and then have to pay any overage. If this is the case, negotiate your cost per kilowatt upfront. Be sure to take a photo of the electric meter when you check in and out, regardless of whether electricity is included. This helps you budget in the future.

RENTING SHORT-TERM

Instruction Manual

Does the property have instructions for trash, emergencies, and other details? Whether this essential information is located in the house or part of the online agreement does not matter. You'll need this, or you may find yourself contacting the owner/house manager frequently.

Important questions to ask:

- Are you on a busy street such as a bus route?
- Does the bedroom face the street?
- Where is the nearest grocery store or market?
- Ask the number of blocks, not a general question such as, "Are you within walking distance?"
- What size are the current beds? I've been surprised before when booking a house that advertised a matrimonial-sized bed only to find two twins pushed together.
- Is any construction happening close by or next door?
- Will I be responsible for paying for electricity costs?

ADDITIONAL TIPS

Find reviews of the property and host: See what other people say about the property, the location, and the host.

Look at the photographs of the property: Examine the furniture, location of beds, window coverings, and all the property angles. This helps if you don't have a coffee pot when one was shown in the photograph.

Review the cancellation policy: Understanding your agreement if you need to cancel is helpful. Moderate to strict policies may cause you to second-guess your preference if the policy is too restrictive.

Understand the house rules: Thoroughly examine the rules for smoking, pets, and other important information.

RENTING LONG-TERM

RENTING IN MÉRIDA IS VERY DIFFERENT FROM RENTING IN THE U.S. AND OTHER COUNTRIES WITH MANY UNIQUE AND CONTRACTUAL NUANCES.

There are distinct differences between American owners and local owners; both of which have challenges and similarities. This is why it's important and recommended to hire a reputable professional. Knowing specific details helps you make informed decisions. Don't put yourself in the position, "Why didn't anyone tell me?" or "Why didn't I know that?" At times, you aren't aware of what questions you need to ask . . .

Join Facebook Groups

There are postings by landlords, property managers, owners, and, yes, scammers. Conduct due diligence on any and all of the properties posted. Remember, it's the Wild, Wild, Wild West where ANYTHING goes. Don't get duped or scammed. And remember, if you DIY you set yourself up for potential issues.



RENTING LONG-TERM

One very important item to consider if you do find a property in one of these groups is to vet the owner, the property, and the information provided.

Online Listing Advice

Because there is no MLS (Multiple Listing System) in Mérida, you'll find the same property listed by multiple people. Never, ever give money upfront. Visit the property, meet the owner or agent. Do your research and collect in-depth facts and particulars.

Needs, Wants, and Deal Breakers

Make a list of needs, wants, and deal breakers. Whether renting or buying, emotions become involved. Think back to the real estate decisions you've made in the past. How many times did you make a choice based on emotions? Keep a record of needs, wants, and deal breakers listed somewhere handy. Make notes, jot down thoughts, and keep it as a reference point.

Finding Your Perfect Spot

Renting short-term in a few different neighborhoods helps you discover parts of the city. This is especially important if you plan to buy in the future.

- Are you centrally located to establishments you visit frequently (grocery stores, pharmacies, shops)?
- Will you need a car, public transportation, Uber, or can you walk?
- Do you feel safe at all times of the day and night?
- Is the noise level acceptable?
- Would you feel comfortable inviting visitors over?
- What is the general makeup of the area? Mostly locals? Expats? A combination?
- Compare pricing in various neighborhoods. Is it better to spend a little more for a better location?

RENTING LONG-TERM



Understanding Cultural Differences

Undoubtedly, what we know as customary in the U.S., Canada, or other countries can get lost in translation in Mexico. Yes, Mérida is a sophisticated and popular destination. However, cultural differences exist in customer service, common sense, and other important areas. It is important to be comfortable with the owner, landlord, or management company.

You may find inconsistent service. For example, a great service provider who, after a few weeks or months, suddenly does not return calls or show up to work. Getting used to how things work in Mérida, including understanding cultural differences is a big benefit.

Contract Validity

Keep in mind, the rental contract must be in Spanish to be valid. You may want to request that the contract be translated to English which may incur an additional fee. Not only will this help to understand the details, it will also provide peace of mind. It's imperative to be aware of all nuances, differences, terms, and agreements. When in doubt, defer to your real estate agent to assist you.

RENTING LONG-TERM

Professional Fees

The owner, landlord, or property manager is responsible for paying commission to the agent. When two agents are involved, then the commission is typically shared but not always. Some commissions on rentals are as low as \$2,000 mx. Your agent will spend time, energy, and gas money finding you the right property.

Please, please, please do not expect your agent to work for free or to enlist the help of several agents. It's not fair to expect an agent to invest and be committed to you if you are not invested and committed to them.

It's also likely you'll look for and may even find a property on your own. If you've already enlisted the help of an agent, allow them to represent you. It's in your best interest. In addition, it's not saving you any money to go direct to the owner, landlord, or property manager. It's more money in their pocket AND they may not be completely up front and honest with some of the contract or property details.



RENTING LONG-TERM

Deposits

Background checks, references, prior rental history, credit reports, and verification of income are all critical components of ensuring a renter is qualified. But, in Mérida, owners, landlords, and property managers don't ask for these things. Renting as a foreigner incurs additional fees to ensure and guarantee the owner, landlord, or property manager is covered in the event of loss, damage, or outstanding utility bills.

Renting to a foreigner can be risky for locals. Put yourself in their position and ask what would make you comfortable if renting to a foreigner. Therefore, a double deposit provides peace of mind in the event issues are found once a renter vacates the property. Issues include outstanding utility bills such as electricity, gas, water, trash, and internet services.

- **Security Deposit:** One month's rent.
- **Aval:** An aval can be one of two things: 1) a local property owned by the renter that can be used as collateral OR 2) a third-party guarantor that will co-sign or allow their property to be used as collateral.
- OR
- **Guarantee Deposit:** Required when an Aval is not available. This is equivalent to one month's rent.
- **Contract Fee:** There are no standard contracts in Mérida. When a contract is drafted or information changes, then another contract needs to be drafted. The contract fee covers the cost for the notario to draft the contract AND to register it to make it legal and binding.
- **Proof of Funds:** With so many foreigners leaving properties in bad condition and/or not honoring the length of the contract, proof of funds is now required by about 80% of landlords and property managers.

RENTING LONG-TERM

Property Owner, Landlord, or Property Manager Information

Just as one of the above may require qualifying information from you, you unquestionably have the right to ask for information as well. Dealing with the owner, landlord, or property manager should be a pleasant experience. If they have a Facebook or other social media account, do some research on them. What are they posting? How do they comment? Are they respectful?

Pay attention to how they interact with others to gain more information. First impressions count both ways. It is just as important for you to like the owner as for the owner to like you.

Utilities

Who is responsible for utilities and other services such as electric, gas, water, trash, pool and grounds maintenance, house cleaning, etc.? It is customary for most utilities to remain in the name of the owner, such as electricity, water, and trash. While others, such as the internet, may be in your name. Ask the owner about how and when to pay utility payments and service providers such as pool maintenance or house cleaning. Be clear about who is responsible for paying, how to pay, and any recourse if they are not paid.



RENTING FAQ'S

Will I get my deposit(s) back at the end of the lease term?

It depends on many factors.

- Are all bills paid including outstanding rents and utilities?
- Is there any damage to the property?
- Did you and your agent perform a walk-through at the beginning of the lease term?
- Did you and your agent perform a walk-through at the end of the lease term?
- Is there verbiage in the contract that outlines when and if the deposits are refundable?

Most importantly, are you represented by a reputable agent that can assist you with this important step? Without an agent, your negotiating power is diluted, especially not knowing the nuances of relationships, what to ask for, and what is reasonable.

What happens if I break my lease?

Technically, you are responsible for the remaining months on the lease AND you will loose ALL of your deposits. Breaking your lease puts undue stress on the landlord and it may affect your ability to rent in the future. This is a very small town where many people know each other, chat, and share experiences, positive and negative, about renters, agents, and the market.

Who is responsible for repairs, whether large or small?

Typically, the renter is responsible for any and all repairs and maintenance including cleaning mini-splits, tinacos, cisternas, fumigation, and items that may break during the course of the rental term.

Some landlords/owners use renters to remedy deferred maintenance. This can be a huge investment for the renter when it's not budgeted or expected. This is another area where a reputable agent can help you. They know what to look for and how to negotiate items that should not be included in the repair clause.

BUYING

UNDER MEXICAN LAW, FOREIGNERS CANNOT OWN PROPERTY WITHIN THE RESTRICTED ZONE. THE RESTRICTED ZONE IS 50 KM FROM THE COASTLINE AND 100 KM FROM THE BORDER.

In order to own property in the restricted zone – the vast majority of the state of Yucatán – a Fideicomiso is required. The Fideicomiso is a trust held by the bank providing a foreign buyer (beneficiary) all the benefits of direct ownership. The Fideicomiso remains with the property for a period of 50 years.

If a trust is transferred to a new owner, the new owner has two options:

- (1) to continue the trust for the remainder of its 50-year period
- OR
- (2) the process can begin again and restart the 50-year timeframe.

Both choices have a cost.



BUYING

Be Aware: If a real estate agent, homeowner, landlord, or property manager suggest you do not need a Fideicomiso and you can save money by not having one; this is NOT TRUE! If this happens to you, you need to STOP the transaction immediately and find a reputable agent to assist you.

Other challenges include the same exact house listed by multiple agents, sometimes at different prices. Likewise, there are also For Sale by Owner (Trato Directo). Some For Sale by Owners do not want to work with agents. Whether wanting to save commissions or not disclosing critical details, these should be approached with caution. At a minimum, hire an attorney to assist you to avoid surprises. What may look like savings, in the beginning, may end up costing you dearly when critical details are missed or not disclosed.

Who's involved in a real estate transaction:

- Real Estate Agent
- Buyer's Lawyer (Abogado)
- Fideicomiso Bank
- Notary Public (Notario)

Real Estate Agent

Interview multiple agents and choose ONE to represent you. Engaging the services of multiple agents is not fair to the agent's time and investment to find you a property. Also, it can be confusing if multiple agents inquire about the same property on your behalf.

Notably, it creates conflicts and conflicts of interest within the real estate community when a client works with multiple agents. It doesn't give the impression of loyalty or respect for time if working with multiple agents. Be sure and protect your reputation as a buyer as well.

BUYING



Buyer's Lawyer (Abogado)

The buyer has the right to have their own attorney vs. using the seller's attorney. Importantly, if an attorney is licensed in Mexico, he should be able to produce a document called a cedula profesional. This formal licensing instrument grants permission to practice law in Mexico and includes a photo of the attorney and his signature. Foreign attorneys are not licensed to practice law in Mexico and should not advise on Mexican law.

Fideicomiso Bank

Many banks offer the Fideicomiso process. If a foreign owner is selling the property you're interested in, you may be able to transfer the existing Fideicomiso into your name. If being sold by a local owner, your notario or attorney can advise on what bank is best to start the process. You'll also pay an annual Fideicomiso maintenance fee at the bank.

Notary Public (Notario)

The role of a Notary Public is to witness and certify important business and civil documents which require authenticity. The Notary is responsible for filing legal documents with the Public Registry of Property as well as managing and securing the original legal records. It's important to note that a Notario can be held liable in both civil and criminal terms.

BUYING

A Notary is required to ratify all parts of the real estate transaction, including contract terms, transfer of title, calculate capital gains tax, order an appraisal for tax purposes, and record the transaction Public Registry. Although a Notary is a lawyer, they do not function as your lawyer in real estate transactions. Their job is to be neutral and perform their duties for the buyer, the seller, and the government.

Price Range

For many years, purchasing a property in Mexico has been a cash transaction only, especially when a Fideicomiso is required. However, there are a few mortgage companies that offer loans to foreigners. While this may seem attractive, local owners may be hesitant about accepting this type of financing in the offer. Be sure to factor in closing costs, the Fideicomiso fee, and other related fees (see below).

Choose a Property

Location, Location, Location - this is and always will be the name of the game in real estate. This part of the process may take some time. Be patient, and the right property will appear at the right time. Factor in the emotional value as well as the financial investment.

Make an Offer

The list price of the property may be in U.S. dollars. Therefore, determine the best possible outcome for your offer. Rely on your agent to assist with the negotiation process. They can provide valuable advice on how to make an offer so it's not offensive to the seller. Remember, this culture is very respectful. While negotiating is acceptable, be prepared to pay full price if that's what it'll take to get the property you want.

BUYING

Deposits

As part of your contract, you'll agree on what amount of deposit to pay – this is typically 10% of the purchase price. Deposits are held in escrow with the Notario. NEVER, EVER give your deposit to the real estate agent or the owner of the property!

Finalize Details

Sign the contract, determine the closing date, and pay related fees. Depending upon the location in the city or at the beach, approximate closing costs* can range from 5% to 7% of the sales price and include Acquisition Tax, Notary Fee, Registration Fee, Title Insurance, and Miscellaneous Fees.

**Fees subject to change without notice. We recommend planning for 10% to avoid financial surprises.*



BUYING FAQ'S

Is a closing statement provided to line item all the fees included? If you've bought real estate in the U.S. or Canada, receiving a HUD-1 or closing statement in advance is normal. Although this is not a common practice, a list of approximate fees can be provided upon request.

How are property taxes paid? Predial is the name of the annual tax paid for real estate. The average predial is 0.1% of the property's assessed value at the time of sale.

Who holds the deposit or down payment for the property? In most cases, the notario holds all monies for the real estate transaction in an escrow account and is in charge of the money transfers, etc.

Is it possible to buy property without a Fideicomiso? If someone advises you do not need a Fideicomiso as a foreign buyer, this is 100% incorrect. Walk away immediately and find a reputable agent to help you.

What is ejido land, and can a foreigner purchase it? Ejido land is communal property belonging to an indigenous community. In order to purchase ejido land, 100% of the community must agree to sell it. It is common to find Ejido land in parts of the Yucatán peninsula. Only a Mexican National can legally purchase Ejido land.

SELLING

SELLING A PROPERTY IN MÉRIDA CAN BE A CHALLENGING TASK. NOT ONLY ARE THERE DIFFERENT RULES AND REGULATIONS, THERE ARE ALSO DIFFERENT EXPERIENCES THAT FOREIGNERS BRING FROM THEIR HOME COUNTRY.



Certain regulations and requirements are unique to foreigners, making the process more tedious and complex. Finding the right people and professionals to assist in the process, due diligence, and being well-informed on the real estate market can make a huge difference in making the selling process smoother and less intimidating. Therefore, it is important to have patience and resilience when selling a property in Mérida.

Take the time to familiarize yourself with the local real estate market by previewing comparable properties in the area. This is where a great agent exceeds a good agent. A great agent makes you aware of your competition, challenges, and other factors that come into play, including managing expectations of the process. Keep in mind prices vary depending on factors such as location, size, and amenities. Location ALWAYS plays an important role in real estate, especially in Mérida.

SELLING

Determining a List Price

You want to ensure you're getting a fair price for your property while attracting potential buyers. Pricing property in Mérida can be a challenge. Therefore, when setting the price, it's important to be realistic. While it's natural to want to get top dollar, setting the price too high can turn off potential buyers. It's better to set a competitive price to attract interest. Setting the price too high can also mean many months on the market with no interest. Don't make the mistake of creating a longer sales cycle with an unrealistic list price.

In other markets, using comparable properties currently for sale and comparable properties that have sold helps determine a starting point for a list price. However, in Mérida, it's hard to know what a property sold for. While an amount is listed on the tax records for tax purposes, it may or may not reflect the actual sales price. At the end of the day, it's up to the buyer to determine how much they are willing to pay. Likewise, it's up to the seller to determine how much they are willing to accept.

Additionally, the property appraisal plays a part too. If you have an unusual property, consider getting a professional appraisal. This provides an unbiased estimate of the property's value and prevents unexpected surprises before closing.

Engage the Services of a Professional Real Estate Agent

Selling the property yourself or having multiple agents market it may not be the best decision. More often than not, having multiple agents market your property is the norm. However, it may dilute their marketing efforts or decrease their motivation. Choosing someone who is just as invested in your property as you are is important – investing financially and energetically for professional photos, professional staging, and marketing through open houses, online, social media groups, personal contact, and email newsletters.

SELLING

Preparing Your Property for Sale

Preparing your property for sale is a crucial step in attracting potential buyers and getting the best price for the property. There's only one chance to make a great first impression when appealing to local, national, and international buyers. Cluttered, messy, or dirty spaces are a turn-off for potential buyers, especially in photographs. It gives the buyer a feel for how the property has been cared for and potential hidden issues.

Additionally, you want to help a buyer envision themselves living in the space. Walking through the property and imagining their life while living in the home is critical to helping buyers decide whether a property is right for them. If noticeable repairs need to be addressed, now is the time to do them. The more appealing your property is from the start, the shorter the sales cycle will be.



Staging

This is another critical component of preparing your property for photography and presenting it to potential buyers. Staging is the art of arranging your furniture and decor to highlight your property's best features and create an inviting atmosphere. Cluttered countertops and furniture pushed together give the appearance of making spaces look smaller than they are. Creating open and inviting spaces throughout the property may help a potential buyer decide that your property is better than another because of how it looks and feels. A welcoming entrance automatically sets the mood, as does lighting. Make sure all lights are working throughout.

SELLING

Marketing Your Property for Maximum Exposure

Once you've priced and prepared your property for sale, it's time to focus on marketing it for maximum exposure. This step is key to attracting potential buyers and increasing your chances of a successful sale. A knowledgeable agent utilizes multiple marketing channels to expose your property to a wide audience. They provide valuable insights on positioning your property in the market and targeting the right buyers. Make sure to include high-quality photos and a compelling description of your property. Because the location is a vital component of real estate in Mérida, letting buyers know where the property is in comparison to grocery stores, clinics and hospitals, restaurants, and cultural activities is especially important.

Your buyer may or may not be familiar with the layout of the city. Providing all of this information upfront will assist them exponentially. While you may not want to give the exact address due to privacy concerns, highlighting the general area and what it offers generates excitement and creates a sense of urgency among potential buyers.



SELLING

Closing Costs

It's important to understand the expected closing costs you'll be responsible for, including real estate agent fees. These costs can vary depending on various factors, so being prepared is essential. Transfer taxes vary based on the property's appraised value and location and are payable to the local government. Bank fees may include costs for wire transfers or currency exchange fees if you're receiving payment in a foreign currency. It's important to note that these closing costs are just estimates and can vary depending on the specific details of your transaction.

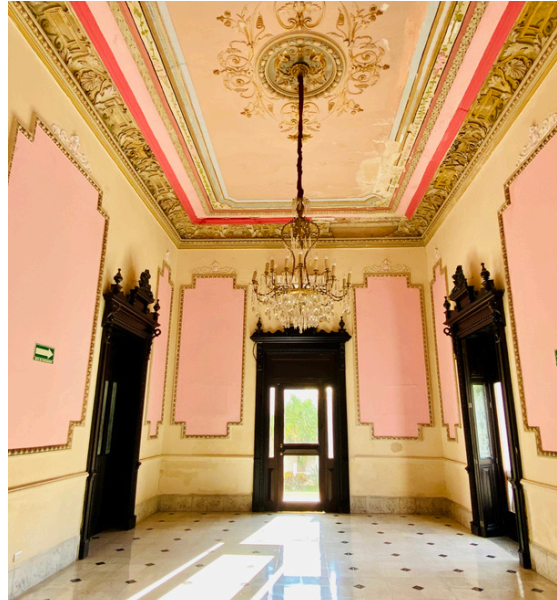
It's advisable to consult with your real estate agent and a real estate attorney to inquire about more accurate numbers and information based on your unique situation. Understanding expected costs in advance helps avoid financial surprises and ensures a smooth and successful closing process.

Another expense you'll need to consider is mandatory notary fees for real estate transactions. The notary is responsible for preparing the necessary legal documents and ensuring the transaction is legally binding. Other closing costs are involved, such as transfer taxes and bank fees.

Also be aware of the real estate agent commission. The seller is responsible for paying the commission to both the buyer's and seller's agent. Commission rates vary between 5% to 6% of the property's selling price and is split between agents. However, discussing and negotiating these fees upfront with your real estate agent is essential to avoid any surprises.

Notably, this is an area where it's important to hire the experience, resources, and advice of a knowledgeable agent. When pricing your home, be sure to factor in the commission - real estate agents work hard for their money!

SELLING



Negotiating Offers and Closing the Deal

First and foremost, remember that negotiation is a give-and-take process. It's important to be open to compromise. Review the offer you've received and consider factors such as the price, terms, and conditions. Identify what is most important to you and what you're willing to negotiate on. Real estate is a highly emotional process, especially in a foreign country.

If the initial offer is too low or not what you expected, justify a counteroffer by explaining why your property is worth more. Maybe you've completed upgrades unknown to the buyer, or you know about a new restaurant or development in the area. Remember, this is a business transaction, and do not be offended by what happens during this process. Establishing a balance between being firm and flexible in your negotiations is important.

If you encounter any challenges or disagreements during the negotiation process, don't hesitate to seek advice from your real estate agent or attorney. They can provide valuable insights and guidance based on their experience, helping you navigate obstacles. Last, finalize the paperwork and transfer ownership of the property.

SELLING FAQs

What are the costs and taxes involved in selling property in Mexico? Costs and taxes can vary. It is important to consider factors such as capital gains tax, currency exchange, real estate agent commission, professional fees, and the role of the Notary Public in the transaction. Estimated closing costs are approximately 10% to 12% but can vary according to location, appraisal, and other factors.

Can I sell my property if it is held in a Fideicomiso (bank trust)? Yes, however it will be the buyer's choice. The buyer has the option to take over the existing trust or they may decide to begin a new trust.

Do I have to pay taxes in the U.S. if I sell a house in Mexico as a U.S. citizen? Tax obligations can vary depending on individual circumstances and tax laws. It is advisable to consult with an international tax professional to understand the tax implications of selling a property in Mexico as a U.S. citizen.

Am I automatically subject to capital gains when I sell my property? No, again this will depend upon many factors. There are some ways to save taxes when you go to sell your house. One of the best pieces of advice we've heard is to start planning for capital gains taxes immediately after buying the house.

If you are doing any updates, upgrades, or general maintenance, be sure to ask for a factura, especially when purchasing the products needed. A factura is an official receipt that is required to help offset capital gains. However, don't worry if you don't have the factura or your service professional can't provide one. Keep your receipts and you will be entitled to a percentage discount.

ECONOMIC DEVELOPMENT

MÉRIDA IS EXPERIENCING RAPID GROWTH AND DEVELOPMENT, WITH EXCITING OPPORTUNITIES FOR BUSINESSES AND RESIDENTS.



Projects Driving Merida's Growth - There is a surge of ambitious commercial and industrial projects significantly contributing to the city's economy. Mérida is transforming into a bustling hub for both business and tourism.

The government has implemented various incentives and programs to encourage investment, such as tax breaks and grants for businesses that create jobs in the area. Additionally, the government has invested in infrastructure, including creating technology parks and expanding high-speed internet access. The construction of new highways and bridges and expanding public transportation have made it easier for people to travel.

ECONOMIC DEVELOPMENT

As a result, many companies have established regional operations, creating job opportunities and contributing to the local economy.

From commercial projects and warehousing to a new U.S. Consulate, here are some exciting facts:

- Since 2018, investments in Yucatán have boosted economic growth by more than 2%. Thus, Mérida is one of the best cities in Mexico to invest in.
- Projects such as the Mayan Train will boost its tourist attraction.
- In the coming years, Mérida is expected to be a pillar city of the country, reaching a growth of 4%.
- Mérida is ranked third in Mexico for growth in manufacturing.
- Mérida ranks first in the nation for ease of doing business.
- The U.S. Chamber of Commerce declared the Yucatan is the best state in Mexico to invest in due to ease of doing business, energy, security, and investment in infrastructure.
- Located just twenty miles from the commercial Port of Progreso, manufacturing in Mérida is expanding rapidly.
- North Mérida is the fastest-growing area in the Yucatan Peninsula.

One of the notable developments is the 59-hectare **Progreso Industrial Park** located in the municipality of Hunucmá. This park will offer world-class infrastructure to industrial companies looking to establish operations there. The park has attracted major automotive, electronics, and food and beverage industry players.

ECONOMIC DEVELOPMENT

Another significant project is the **Via Montejo** mixed-use development, covering 4.2 million square feet and featuring offices, retail spaces, luxury residences, and a hotel. Its goal is to establish itself as Mérida's new central business district, providing modern facilities and infrastructure to fuel the city's expansion.

The **Yucatan International Convention Center** is expanding to accommodate more events and draw in more tourists, leading to a rise in demand for hotel rooms and the construction of multiple new hotels in the vicinity.

A thrilling project in progress is "**The Sky**," a towering skyscraper that will dominate the city's skyline upon completion. This 37-story structure will be the tallest in Southeastern Mexico, offering a mix of office space, residential units, and commercial areas like shops and restaurants. The developers envision this building as a new landmark for the city.

The groundbreaking ceremony for the new **U.S. Consulate** was held in 2018. In February 2021, the U.S. Consulate General celebrated the completion of the building's main structure, marking a significant milestone in the construction process.

The new consulate will feature state-of-the-art facilities, including a spacious consular waiting room and multiple interview windows to accommodate the growing demand for U.S. visas. It will also have a consular section equipped with modern technology and advanced security measures to ensure the safety of U.S. citizens and staff.

ECONOMIC DEVELOPMENT

Tren Maya is one of the most significant transportation projects currently underway in Mexico. This massive railway system will connect five Mexican states across the Yucatan Peninsula: Campeche, Chiapas, Quintana Roo, Tabasco, and Yucatan. The project aims to boost the region's tourism, increase connectivity, and support the local economy by providing thousands of jobs for the people in the surrounding areas.

Once completed, the train will be around 1,500 kilometers long. Travelers can see various parts of the peninsula, significant archaeological sites, and beach destinations. Tren Maya will provide a new transportation option for locals and businesses alike. This is expected to further stimulate the local economy by making moving goods and services across the region easier.



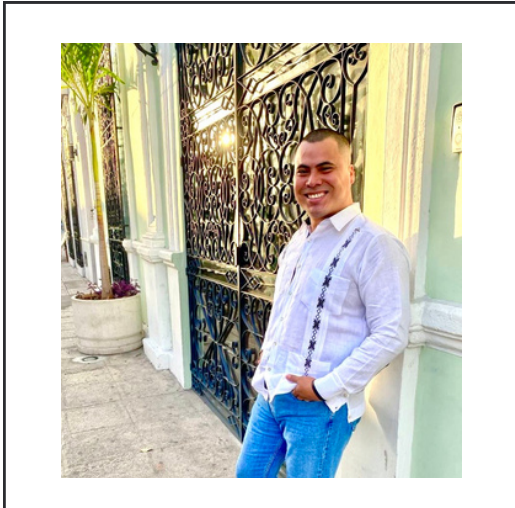
ECONOMIC DEVELOPMENT

Aside from the projects mentioned above, other companies are taking advantage of the growing industrial scene in Mérida.

- **Nemak:** This Mexican company is a global leader in producing aluminum components for the automotive industry and has a plant in Mérida.
- **Henkel:** This German chemical company recently opened a new production facility in Mérida's Technological Innovation Park. The plant manufactures adhesives and coatings for the automotive, aerospace, and industrial sectors.
- **Euroceramica:** Operating in Mérida for over 30 years, this Spanish tile manufacturer exports products to countries such as the U.S., Canada, and Brazil.
- **Ficosa:** A Catalan company that specializes in designing and producing automotive components and serves clients such as BMW, Ford, and GM from their plant in Mérida.
- **HPE:** Hewlett Packard Enterprise has a Global Delivery Center in Mérida that provides IT and business process outsourcing services to clients worldwide.

These companies are just a few examples of the diverse range of industries that are investing in Mérida. With a strong focus on innovation and development, Mérida's north quickly becomes a key player in Mexico's tech industry. With its strategic location, skilled workforce, and business-friendly environment, the city is poised to continue attracting new businesses and driving economic growth in the years to come.

ABOUT THE TEAM



I WAS BORN IN TABASCO AND MY FAMILY MOVED TO MÉRIDA IN 1993 WHEN I WAS TWO.

Angel Rodriguez

My first job was at the age of 7 working in a tienda as a bagging boy. It was here that began my love of music. Listening to the words and the stories of the singers, helped me see that the only person who would help me get ahead in life was myself and who I surrounded myself with.

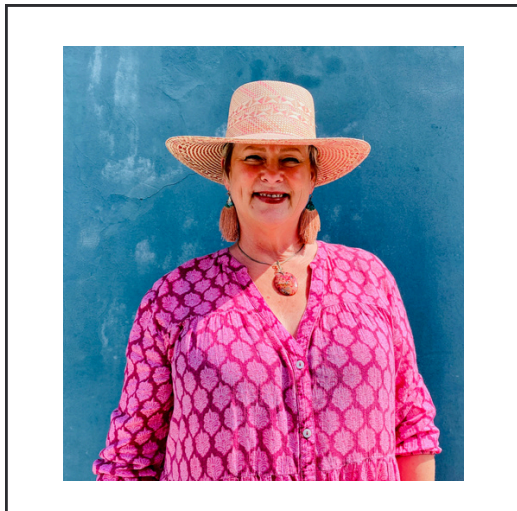
Eventually, I ended up in the food service industry. I began learning about customer service and how to create relationships with clients. Even though I didn't recognize it at the time, living all over the city of Mérida gave me an insider's perspective on different areas, socio-economic dynamics, and types of housing. You might say that it was only natural that I would enter the real estate industry.

Real estate is a great fit for me because I am passionate about people, sharing interesting facts, and providing a quick Spanish lesson. I have built valuable relationships with many service providers you need for your real estate transaction. I'll show you the nearest grocery stores, hospitals, gas stations, and restaurants so you can learn all you need to know about the area.

I've also made it my priority to learn about culture, history, and especially the gastronomy of Mérida. Once we meet, you'll understand my love of Yucatecan food. It's one of the reasons I've spent most of my years in the food and customer service industry.

It's my pleasure to help you find the next place you'll call home, if you choose to work with us!

ABOUT THE TEAM



AFTER 30 YEARS IN DALLAS, TEXAS, I MOVED TO MÉRIDA THREE MONTHS AFTER MY RESEARCH TRIP.

Amy Jones

There's something about this magical city that's hard to describe. It's a feeling. It's an energy. It's a fusion of cultures, history, and surprises. People feel it, or they don't. They love it, or they don't. For those of us that feel it and love it, Mérida is enchanting.

I find something new to fall in love with every single day. I feel incredibly fortunate and grateful to be able to help others learn and experience the beauty, the magic, and the uniqueness of the city and country I now call home.

I started Life in Mérida™ in 2019 with the goal of creating a variety of services and tours to improve understanding of the culture, the differences, and the details they need to integrate and thrive in Mérida. We continue to add services and guides as we see needs in the marketplace.

Angel and I started Life in Mérida™ Real Estate in April of 2024 offering services to buyers, sellers, renters, and landlords. Our primary goal is to educate all parties involved in a real estate transaction so that they understand the process in a clear and concise manner. We have a comprehensive service provider directory to assist our clients in their transition.

For Angel and I, our services are a labor of love. We've accomplished our goal if we've helped one person. We are here to help you through challenges.

REAL-LIFE MISHAPS

Chris and Marie relocated here from the U.S. Chris is retired and Marie still works remotely. They visited Mérida on a research trip and fell in love with the city and the culture. Chris, a world-traveler, understood living in different locations but had only lived abroad for limited periods of time on short-term assignments through his employer. Marie, a native Spanish-speaker from Puerto Rico, was confident they could navigate, negotiate, and manage their own long-term rental.

Their first rental was a complete disaster and they ended up breaking their lease after only 3 months. Deferred maintenance by the owner created not only hazards in the house but also a financial investment they weren't willing to take on a property they did not own.

While property #2 was better, inconsistent internet became a problem when Marie needed to conduct video calls with her team in the U.S. After some time, they found a resolution but decided they would find a rental where fiber optic internet was an option. While negotiating terms on property #3, they noticed flooding might be an issue during rainy season.

They made a verbal agreement with the owner that he would take care of any issues. However, once rainy season started he didn't honor his verbal request. Unfortunately, the leaking house ended up damaging some of their electronic equipment. They finally came to us to help them after trying it themselves on three different occasions.

We were able to find them a better property, negotiate more favorable terms such as maintenance and when their deposit would be returned, and what they could expect from the owner when something major went wrong.

REAL-LIFE MISHAPS

Nick moved here on his own after watching YouTube videos and joining Facebook groups. He wanted a better quality of life and to be in a culturally diverse city. He conducted several research trips and did all the right things. He took his time to learn different areas of the city and decided he wanted to live in the northern part.

He found an English-speaking real estate agent to help him find a long-term rental in a popular high-rise condo community. He described his unit as perfect for him, just the right size, right price, and was very happy. Until he began talking to other expats in the high-rise. They began comparing prices of what they were paying and told Nick he was getting “gringo-priced.”

At the time, Angel and I were living in the same high-rise and met Nick at the pool one day. He shared his concern about what he was paying and what others were telling him. So that I could have a frame of reference, I asked to see his unit which he kindly showed us. It was a corner unit and one of only a few that had an additional study. This was an unusual layout as most one-bedroom units did not have this feature.

When he was comparing his unit to others, this feature was left out because he assumed all the other units were the same. Not only was he not getting “gringo-priced,” he was actually under market value by about \$2,000 mx (\$100 U.S. at that time). Imagine his surprise when he found this out!

With this in mind, he decided to renew his lease without his real estate agent’s help. The owner decided she would raise his rent 30%!!! Well, that didn’t fly with Nick. He asked for our assistance and I contacted his agent to help him. I never, ever want to step on any toes because this is a small community. Fortunately, after she got involved, she negotiated a reasonable increase of 5% and he paid her a consulting fee at my request. At the end of the day, everyone was happy and it all worked out.

REAL-LIFE MISHAPS

Angel and I wanted to try out a short-term rental in a neighborhood we were interested in. The goal was to rent short-term and try out the location while looking for a long-term rental in the same area. On the first day of our 3-month rental, we were given the wrong address and then the wrong security code to access the house. This set the stage for the next few weeks when we finally decided to cut the rental short due to ongoing issues and no response from the property manager.

After finally accessing the property, we noticed the house wasn't clean. Dead bugs, crumbs on the kitchen counter, and unemptied trash cans met us in all the bathrooms. The pool was filthy and the lock on the back door was broken.

We rented a 2-bedroom / 2-bath so we could each have our own space. But quickly noticed only one of the showers had enough water pressure to take a shower. The listing also promised we would have a coffee maker, blender, toaster oven, and fully equipped kitchen.

You know what's coming next . . .

No coffee maker, no blender, no toaster oven, and a 2-burner hot plate that looked ancient and only one of the burners worked. A few dishes, pieces of silverware, and other odds and ends were strewn about the kitchen. Neither one of us had a good feeling but we were willing to be patient and give the property manager time to rectify all the issues.

A couple of days turned into a week, a week turned into two weeks and finally, by the third week we decided to leave for security reasons. Not having a door that would lock in an area we weren't familiar with just wasn't worth it . . . we also found out that an unresponsive property manager is more common than not.

REAL-LIFE MISHAPS

Carol and Ben had been coming to Mérida for many, many years. They purchased a property and lived in it for about 8 years. However, there came a time when they had to sell in order to move back to the U.S. and take care of family business knowing they would return at some point in the future.

Fast-forward three years and the time was right to move back but it would only be seasonally. The agent they had worked with previously was retired so they decided to go with a popular agent that many expats use. The agent would only show them their own listings and not any properties listed by other agents. It was strange but Carol and Ben trusted this agent.

Showing after showing, Carol and Ben weren't finding anything they liked in their price range. The agent recommended that they increase their price and several months later they found something they liked.

We were at dinner with them one evening and discussing the differences of living in Mérida vs. other countries as they were world-travelers by choice and occupation. I don't know how it came up but the subject of not being able to flush toilet paper came up. Ben looked at me in horror and almost spit out his steak. Even though they had lived here before, this was something they weren't aware of.

Notably, the type of plumbing system that's present in the house is incredibly important to know. Some people upgrade this when they remodel and others don't. Because the agent didn't disclose this, they were deeply concerned. If they didn't disclose this, what else had they hidden? They had already paid a 10% deposit to purchase the property. If they backed out, they would lose a significant amount of money. What to do? They asked the agent some specific questions and learned that the plumbing had been upgraded so there was no need to worry. But their trust in the agent was broken.

REAL-LIFE MISHAPS

Frank was selling his property at the beach. Angel and I represented the buyers and all was going well. Until it came time for closing. This is when the series of unfortunate events began.

1. Frank did not update his electric bill when he bought the property. Not only was it NOT in his name, the address was off by one letter. Time it took to fix this seemingly small issue? One billing cycle equal to two months.
2. Frank hadn't paid his annual water bill for 2024. He had to visit the government agency, pay his bill plus a small fine. Time it took to fix this issue? Four hours of standing in line.
3. Frank didn't have a Mexican bank account; one of the requirements for him in order to receive the proceeds.
4. Total time it took to resolve all these issues? One month making the total time for the closing process four months.

Nadia, from California, moved here alone proclaiming she could speak a bit of Spanish. Representing herself in her first long-term rental, she and the owner began having issues after the first four months. She ended up spending her own money to repair items due to deferred maintenance.

She began to chat with the service providers she had contracted, offering them elegant lunches, loaning them money, and giving them items such as clothing for their families. Over time, she noticed they raised the price of their services until finally she couldn't afford it.

Over lunch one day, she explained what was going on - both with her landlord and the workers. She couldn't understand why she was being taken advantage of. Unfortunately, her cultural unawareness caused her to overstep boundaries; putting her in a precarious position until finally she had to move. You'd think that people might learn a lesson from representing themselves but . . . guess what? She did it again with the same results. Very unfortunate . . .

RESOURCES



When you engage us to represent you in a real estate transaction, you'll also have a team of professionals to assist you every step of the way. We provide resources for anything you may need including medical, rental cars and insurance, getting to know the neighborhoods and the city, and much, much more! With 50+ years of experience in customer service and the real estate industry, [Life in Mérida™ Real Estate](#) is committed to helping our clients with the most current information, and understanding what is involved in a real estate transaction.



[Life in Mérida™](#) provides a variety of important information for those currently living in OR researching a move to Mérida, Yucatan, Mexico. With helpful articles, insights, recommendations, and interviews with professionals, people can learn more about the vibrant colonial city as well as how to adapt and thrive in the culture. FeedSpot Blog Reader rated us in the top 20 out of 60 Best Mexico Travel Blogs & Websites in 2024.



Our customized tours show you all of the wonderful aspects of our beautiful city. From to gastronomy to culture to art to music, Mérida has something for everyone. We look forward to meeting you and being your personal tour guides!