

Buying Properties in Vallarta

First of all, let me make a small precision, Vallarta? Well in fact I refer to this entire beautiful bay, the *Bahia de Banderas* as coldly written in geography books. Paradise shared by the states of Jalisco and Nayarit. *Vallartita* (diminutive of Vallarta), as some of us call it, like if it was our youngest daughter, or to show more affection and forget that it has grown so much, this small and picturesque fishing town, Puerto Vallarta. Her beauty and attraction is such that extends to neighbor shores. To the south, the municipality of Cabo Corrientes and its beautiful beaches and bays as Tehuamixtle or *Tehua* commonly called by friends. To the north, countless havens to go as the Bay of Sayulita and San Francisco to the north, that for affection or to avoid confusion with the other San Francisco in the U.S., we call it *San Pancho*.

Who would not want a piece of this beautiful place? Lots of people why? Quite simply, when the economy is bad in this complicated world, we protect ourselves in safe and simple values such as gold and real estate. If in addition to protecting us, we can take full advantage of the investment, the answer is clear: invest in this paradise. Another important factor is not only to find shelter, but to invest when prices are low. The global economic situation has had the effect of a reduction in transactions in Vallarta and a decrease in the construction of new developments. Clearly it is a buyer's market, with more supply than demand. This is definitely the perfect time to make acquisitions, as after several years of price reductions, these have now stabilized and expected to increase next season.

But, Where to start? and How? Very simple, nothing different to what you are used to do when making a purchase at home. Of course you know what purchasing power you have, which basically is the budget you have prepared to make the investment. To take full advantage of existing offers, the funds must be available in short term.

What kind of property you are looking? The options are many and each for particular lifestyles. None is better than another, all have their advantages and disadvantages, it is a personal matter. The two main branches are 1) private property with its variants: isolated, in a gated community or subdivision, the other option 2) condominium which may be horizontal or vertical. The main advantage of the first is the privacy and freedom of action, but it is required to assume directly the maintenance and administration of it. As for the condo, its main advantage is to have the maintenance infrastructure so you just enjoy the property, but losing some flexibility as being subject to specific regulations of the condominium.

Now the question is to determine the location, fundamental parameter in real estate. This is true both for investors seeking to ensure a successful marketing as well as to people seeking a location that meets the lifestyle that is required. There are many different topologies and regions across the bay, all attractive but different. Having a clear idea of the desired region and location (at or near the beach, overlooking the ocean, mountains, etc.), it is time to start the search.

As anywhere in the world, you need to be supported and represented throughout the sale process by a professional real estate agent. This will prevent and resolve problems that may arise. This is true for Mexicans and even more for foreigners that do not have the knowledge of the process, language and even less of the local business culture.

When you have found the best options, the negotiations start through written offers. It is common practice to present the offers in the form of a purchasing contract with all terms and conditions specified, this unilateral offer once accepted by the seller, it becomes a bilateral contract binding both parties, which are governed by the terms and conditions stipulated. One of the main conditions for this contract to be valid, is the establishment of a conditional irrevocable deposit, executed by the buyer. This deposit is generally 10% of the total amount of the operation and is done through an "escrow" bank account.

The final formalization of the contract is made when all the conditions have been met, the deed is executed on the buyer's name and the total transaction amount has been deposited in the "escrow" bank account in order to

be disbursed to different parties as agreed. With this last act, the legal and physical delivery of the property to the buyer is executed.

The main actors in this process are the buyer, the seller and the real estate agents who represent them as well as the Notary Public. The representative of the buyer agent is supported by managers to obtain and complete the documentation required for the transfer of ownership to be made by the Notary Public. Sometimes, depending on the type of property or the complexity of the transaction, it may be required to hire an attorney specializing in a particular subject. It should be noted that in Mexico, the Public Notary is an attorney appointed by the government and is responsible and liable for the property transfer process, certification, registration in the public registry and collection of taxes to be incurred. It is his obligation to require and integrate a certificate of no liens, no debts and an updated appraisal of the property. Foreigners (optional for Mexicans) purchasing in restricted zones, have to establish a Trust with a credited bank in Mexico, who will hold the deed. In this Trust are defined owners and beneficiaries participation.

Buying property in Mexico and particularly in Vallarta, it is not complicated and does not involve risks, as long as the services of professional real estate agents and agencies duly registered and qualified are used. The Mexican Association of Real Estate Professionals (AMPI) is the national body that brings together real estate professionals with the obligation to comply with strict guidelines of ethics, knowledge base, continuous training and experience.

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