The Five Golden Rules of Buying Property in Mexico

The five checks that stop the most expensive mistakes — from someone who buys here.

I'm Ken. I've been buying, building, and renovating property in Progreso and Mérida since 2018, and I don't sell property — no developer or agent pays me a cent. These are the five rules I'd give a friend before they wired a single peso. They won't make you an expert. But they'll keep you out of the traps that cost other foreign buyers everything.

1

Understand where your deposit goes — and get it in writing.

The most common loss isn't dramatic. It's a deposit wired somewhere the buyer never really understood, into a personal account, that simply vanishes. In Mexico a deposit can legitimately be held several ways — **direct to the seller, the broker, an independent escrow company, an attorney's client trust account, or a notary-controlled deposit** — and a good attorney or realtor guides you to the right one for your deal. In a resale, holding funds until conditions are met is realistic; in pre-construction, your deposit usually funds the build, so protection comes from milestone-tied payments and refund-on-default terms instead. The danger isn't which avenue — it's money going into **anyone's personal account with no written agreement**. Get the destination and terms in writing, confirm them independently, and be thoughtful about how much you release before your conditions are met.

2

Confirm the land can legally be sold. (Read this twice if you're buying land.)

Ejido land — communal land created by land reform and marketed as if it were private — is the single most common way foreigners lose everything. It often cannot legally be sold until it has been formally converted to private title. The price looks like the bargain of a lifetime because what you're being shown frequently can't legally become yours. Demand the escritura (deed), and have your own attorney verify the title at the public registry (Registro Público de la Propiedad). No verified title, no deal.

3

Hire your own independent, bilingual attorney.

The Notario is a neutral, government-appointed official — not your advocate. The agent is paid when the deal closes. The only person who works for you is an attorney you hire and pay. Never use the one the seller or agent “recommends.”

4

Budget the true all-in cost, not the sticker price.

Closing costs run roughly 5–8% of the price — and more in the restricted zone along the coast or border, where you'll buy through a bank trust (fideicomiso) that carries setup and annual fees. Know your ISAI (acquisition tax), notario fees, appraisal, and trust costs before you commit, so nothing at the closing table is a surprise.

5

Treat every quoted number as a starting point, not a promise.

A quoted rental “yield” is almost always gross. Management, platform fees, IVA, and income tax (ISR) can cut it in half or more. Confirm your real net — and your tax outcome — with a cross-border CPA before you count on a single peso of income.

Educational only; not legal, tax, or engineering advice. Confirm the specifics with your own Notario, attorney, and cross-border CPA before you rely on them.