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# Mexico Insight

## Guide to Realty Developments in Mexico

2021 Edition



### About Mexico Insight

*Mexico Insight is a continuously updated series of concise guides and reports that share local knowledge and helpful advice about lifestyle and living in Mexico.*

*The series is published and distributed by Mexperience.com*



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## Foreword

It's hard to visit one of Mexico's popular resort regions or popular colonial enclaves and not see some construction work going on these days. The last decade has witnessed a tremendous growth in residential development; from exclusive boutique-style projects featuring a small handful of luxury homes within a defined enclosure, to extensive new gated communities settling 100 or more living spaces in an area that encompasses gardens, swimming pools, and other social amenities.

Property developments in Mexico are modeled on property developments in other countries: developers acquire a tract of land and arrange all the permissions to build on it. Then they create a residential community that might also incorporate local amenities and leisure facilities into the design.

Many developments in Mexico are condominium buildings (condos), although non-condo developments are also being built; for example, homes designed with a certain theme and built-up around a golf course or parkland, either near a colonial city or next to the ocean, or a lake. 'Boutique' developers have also been active in recent years, buying a relatively small parcel of land and building intimate projects that create unique and comfortable homes within a small compound.

Modern developments are usually designed around a specific theme: they have a lifestyle *concept* entwined into their design. To create more than just a group of homes, developers often attempt to create a community or 'village feel' with each project. This adds intrinsic value to the properties and gives buyers additional incentives to acquire them.

This guide has been composed to help you to understand real estate developments in Mexico as well as the developers who build them and guide you through some key aspects of this type of home purchase; for example, by explaining how they are built and marketed, and what they offer that is distinct to other types of home purchase. The guide will help you to make a more informed choice should you decide to buy property from a developer directly, or through the developer's agent.



## About property developers in Mexico

Property developers have weighed-in to Mexico's real estate market, and collectively invested billions of dollars of capital over the last decade to build modern residential property developments.

The developers are not throwing their money into the market idly. They are doing their homework: choosing their locations with care, conducting extensive research about what their customers want in terms of services, features, and facilities, and some are building not just homes but entirely new serviced communities where people, spaces and environment may blend and interact together. The people who are buying homes in these new developments are being marketed a lifestyle, not just a new home.

Some development projects also encompass ecologically sustainable practices and new technologies that intend to save natural resources and money. Rainwater collection and recycling, sustainable landscaping, and solar panels are just a few of the initiatives being implemented in some Mexican residential development projects today. With increasing awareness of environmental issues, we can expect to see a surge in the use of eco-friendly building materials and technologies in the years ahead.

There are several sensible reasons why buying a home from a property development in Mexico is proving popular with investors. These are discussed in detail later in this guide.

Most of the major investments are being made along Mexico's coasts. They provide year-round warmth, and an idyllic environment in which to live, work, or retire. Mexico's established coastal resort areas, which were there long before the new developers arrived, have themselves been planned and developed over decades so the availability of, and access to, local services, utilities, transport systems and health care exists already in most instances, and where these don't exist, the real estate capital is bringing with it an influx of investment in new local services and facilities.

The growth in residential development projects isn't limited to the coasts and popular ocean-side locations. Mexican colonial cities, towns and even some villages are benefiting from the inward investment in Mexican real estate. Decent air and road transport infrastructure is making Mexico's colonial towns and cities more accessible than ever, and as people are searching for beautiful places to live, work or retire, the developers are providing turnkey solutions to people who want to buy a modern and comfortable dwelling space amidst the atmosphere of old historical towns and cities.

Small towns and villages that were considered 'outposts' a decade ago are today evolving into bustling local communities in their own right: the foreign investment being poured into real estate in certain local areas is creating some knock-on effects: bringing investment, jobs, and a new lease of life to previously 'back-water' or under-developed rural areas.

The social-economic role being played by property developers in Mexico is substantial and it is one of the reasons why Mexican state and local authorities are keen to work with and support real estate investment projects in their areas. Realty development can bring more people and their energy, experience, and capital to the locale. Over time, the effect of their contribution to the new community and the continual re-investment can create a significant and long-lasting transformation.



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## Prime locations for property developments in Mexico

This section of the guide offers a précis of the key locations where property real estate developments are currently being undertaken in Mexico.

### The Baja California peninsula

San Felipe, Loreto, Los Cabos: The Baja region of Mexico has always been popular with American and Canadian retirees. San Felipe is a prime example of a small rural fishing hamlet that is being transformed into a thriving local community as a direct result of property development in the area. Loreto has experienced an enormous wave of inward investment since the turn of the century and Los Cabos—more precisely Cabo San Lucas, San Jose del Cabo, and the ‘coastal corridor’ that is situated between these—continues to be one of the most popular regions for foreign buyers seeking to buy oceanfront property in Mexico.

### The Pacific coast

Mazatlán, Puerto Vallarta, Manzanillo, Ixtapa & Zihuatanejo, Acapulco, Huatulco: Mexico's Pacific coast is still one of the most romantic and charismatic settings for property investment. Puerto Vallarta has experienced one of the highest influxes of real estate capital in the Americas; Mazatlán, Manzanillo and Ixtapa-Zihuatanejo are less well-known but hold a lot of future potential; developers have been working in these locations for some years and foreigner residents are beginning to discover these once-sleeping towns and choosing to live there. Acapulco, once out of fashion, is making a comeback with its high-end “*Punta Diamante*” area, although the old part of Acapulco—where the rich and famous lounged in the 1950’s—is also witnessing something of a renaissance, with tired old buildings being restored, or demolished to make way for new build projects. Huatulco, a purpose-built vacation resort is also being developed—with low-rise, intimate developments which complement this magnificent and naturally beautiful part of the world.

### The Yucatan peninsula

Playa del Carmen, Cancún, Mérida: The Yucatan region of Mexico has experienced a colossal surge in foreign interest over the last ten years. The region remains one of the most popular investment areas for foreigner residents and Mexicans alike. The Riviera Maya, that encompasses the towns of Cancún, Akumal, Playa del Carmen, and Tulum have become ‘Caribbean meccas’ for foreign residents seeking the good life; the area beyond Cancún is virtually unrecognizable in comparison to what it was like at the turn of the century, and some people argue that this has spoiled its charms, while others say that the new diversity of the population and inward investment has added new vigor to it. Mérida is a sleeping giant beginning to awaken: the last decade has brought substantial growth of population of both Mexican and foreign residents, and the decade ahead could well see this city emerging as one of the most important provincial cities in all Mexico. Mérida is vibrant, well-connected, and offers a good range of amenities and facilities; if it wasn’t for the intense heat of this region, it might also have become one of Mexico’s most populous cities.





## The coast along the Gulf of Mexico

[Campeche](#) and [Veracruz](#): These two remarkable settings along Mexico's Gulf coast have yet to see the limelight being enjoyed now by places like Merida. Campeche is experiencing some serious inward investment, especially by Spanish developers, although it has yet to mature as a living and retirement destination for foreign residents. Veracruz, with its authentic feel, Caribbean vibe, and excellent connections to Puebla and Mexico City, still remains a largely unknown destination by most foreign travelers and expatriates. Mexico's Gulf coast region offers a distinct experience for foreign expatriates and is already attracting discerning investors who are looking for something authentic and away from the places which have become over-populated by foreign residents.

## Colonial towns and cities

[Morelia](#) and [San Cristobal de las Casas](#) are colonial locations which are already beginning to attract investment from developers and more interest is likely to follow in the coming years. If you can handle the remote mountain location, San Cristobal offers some of the best value real estate you'll find in Mexico today. [San Miguel de Allende](#) has been popular for decades; many of the people who moved here in the 1950s and 1960s have left, as an influx of people and money have transformed the center of town from its sleepy, bohemian, roots with artisans and craft-hands into a chic and cosmopolitan playground for the well-heeled. The historic center has seen a transformation with many old ruins now developed and sold-off as beautiful colonial homes; and the edges of this old town are now witnessing a wave of substantial planned communities funded and built by developers.

### FURTHER INSIGHT

- ❖ Connect to the [living places section](#) on Mexperience
- ❖ Discover [beach locations](#) in Mexico
- ❖ Discover [colonial cities](#) in Mexico
- ❖ Discover Mexico's [three big cities](#)
- ❖ Articles about [living in Mexico](#)
- ❖ Articles about [retirement in Mexico](#)



## Buying real estate 'off-plan' in Mexico

### What is an 'off-plan' property investment in Mexico?

Buying a property 'off-plan' in Mexico is like buying 'off-plan' anywhere else in the world: it is the investment in a property which has not yet been built; that is, the property (or development) is at the 'planning stage' and you are therefore buying it "off the plan," so to speak.

Property developers like off-plan sales as it helps their cash-flow and the project's building costs can be at least partly allayed before any ground is broken, or construction begins. It also helps them to gauge the level of interest for the project in the market and even the price level which buyers are prepared to pay for properties being offered as part of the prospectus.

There is an additional element of risk with off-plan purchases that does not exist when buying a pre-built home, and in return for assuming the additional risks off-plan investors (buyers) are enticed with a number of incentives. The most prevalent are a discount on the advertised sale price, a custom choice of decorations and furnishings, and the opportunity to pick from the 'best available lots' within the development complex.

Off-plan investments have become more popular as property buyers have become more affable towards investment risks of various types in return for a higher potential reward: the most sought-after element of off-plan purchases is a generous discount against the advertised market price, offering the potential of a bigger capital gain and in some cases, buyers may try to quickly sell the property (called 'flipping') when construction is completed if the market is buoyant and buyers are willing to pay a premium when they see the completed project. Securing a good lot (that usually means a decent garden space and/or view) is also attractive to off-plan buyers as the location of the lot within a complex or the view offered by a particular condo unit can add value and make it easier to sell.

Turning a profit in a rising market can be straightforward with off-plan investing; however, care must be taken to gauge market conditions and you must have an excellent understanding of true market values *in the locality where you are buying* in order to negotiate the right level of discount for the additional risk you are assuming as an integral part of the contract.

### The process of buying 'off-plan' in Mexico

Like other countries, the process of buying 'off plan' in Mexico is straightforward: you agree to buy a certain property based on an architect's plan (a scale model might also be shown) using staged payments.

Payments are completed in pre-agreed stages, with a final payment stage usually held back until you are fully satisfied with the delivery of the property and facilities you expected under the terms of the contract. Potential buyers should extend caution if a developer insists on being paid a large sum (as a percentage of the total sales price) in any of the staged payments.

### Project inauguration events

Most off-plan contracts are sold 'by invitation' only, although it depends on the buoyancy of the local market at any given time. The people invited to buy off-plan are often invited as guests at an opening event or party hosted by the developer. They are called opening or inauguration events, but they are in every sense a *sales event*—and they're designed as such.

# Insurance Coverage for Your Home in Mexico

Protecting your most valuable physical asset against unforeseen events is an essential consideration as you formulate your lifestyle budget.

[Learn how to cover your home in Mexico](#)



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These occasions are usually expertly hosted and include an array of visual and audible displays, professional presentations delivered by trained salespeople, and a friendly, energetic atmosphere.

These 'inauguration' events are carefully planned, and a lot of psychology goes into their design. Attending the event is an ideal opportunity to get yourself informed about the offer, but approach the occasion with diligence and care. Here are some tips:

- **it's a good idea to take someone impartial with you** to these events; that is, someone who has *no emotional or financial interest in the proposed investment*;
- moderate your alcohol intake if drinks are offered to you at the event; if you are seriously interested in buying it may be best to abstain from alcohol altogether;
- do not be afraid to ask direct, incisive questions about the project, the developer, and the offers being tabled;
- try not to become consumed by the occasion, and take a step back and reflect on what is being offered to you and compare that with your personal needs and intentions;
- the 'off plan' events are as much a testing ground for the developer as they are a negotiating ground for you. The meeting offers you an opportunity to ask questions, discuss lower prices and more advantageous staged-payments, or ask about additional extras that might be included in the price like furnishings, kitchens, or appliances;
- do not be pressured into making any decisions on the day of the event; fear of 'losing out' on something is one of the common tactics employed (explicitly or implicitly) at these events;
- an accompanying impartial friend or family member can provide additional support for you on the day, and their reasoning might prevent you from deciding in haste.

Many people have bought and continue to buy properties successfully 'off-plan' in Mexico and enjoy the benefits of this type of investment.

There are additional risks to off-plan property investment, but these might be offset by the potentially greater rewards on offer.

The next section of this guide provides a checklist of considerations which are relevant whether you are buying off-plan or buying when the development is complete.



## Key considerations for buying a new build home in Mexico

There are several important considerations to reflect upon when you approach a property investment in Mexico and *additional* matters to consider when buying a brand-new home from a development project.

### Check the developer

Check out the developer. What other projects have they worked on? What projects are they working on now, other than this one? When were their projects scheduled for completion and when did they complete? What is the local reputation of this firm? What are previous customers' experiences dealing with the developer? Don't be afraid to ask for references, and follow-up with those references.

Don't take prominent or extensive advertisement placements in magazines and newspapers as proof of establishment or reliability. Ask locally and do your research. Don't be afraid to ask incisive questions which put the developer on the spot about their reputation and track record.

### If you are buying off-plan:

Here are some additional pointers to consider if you are buying off-plan:

- ◆ remember that when you buy off-plan you are taking a commercial risk on the property development *as well as* the developer;
- ◆ check the developer's credentials, permits and licenses; a [local Notary Public](#) will be able to ascertain the current legal state of a property development (you will need to hire their services at your own expense);
- ◆ get a competent professional to draw up a comprehensive contract that is specific about what is being agreed and includes clauses about what happens if things don't go to plan, for example:
  - ◆ if the development is cancelled or left incomplete, what happens to the payments you have made?
  - ◆ what are the realistic prospects of getting a refund if things go awry, and how will those payments be made to you? (Payments made on account are not kept in escrow and if the development project folds, the company you paid might not have any assets to refund you. Understand that this is one of the risks of buying off-plan.);
  - ◆ what happens if you need to withdraw from the contract due to unforeseen circumstances in your own personal situation?
- ◆ remember that you are handing over cash for something that *only exists in concept*, and the money you are handing over *is real*;
- ◆ when you buy a property off-plan, there is no 'real' in the 'estate' until the building is completed and you take physical possession of the property; up to that point, what you are entering into a *contractual arrangement* wherein you agree to pay money in instalments and the developer agrees to deliver a completed property to you at some future time;
- ◆ do your homework and be knowledgeable about the developer and the local market.





## Checking the development plans

If you are buying off-plan, be sure to have the plans checked thoroughly, preferably by a legal professional with extensive experience in the field of 'off plan' property investments.

It sounds obvious to say, 'check the plans,' but some people really do buy on the face value of the marketing brochures and pretty-looking model mock-ups on display at the sales office or launch event. It may work out fine, but not checking the plans increases the risk of your investment.

Some plans never get approval from local authorities, some plans come up against a plethora of other complications—too numerous to mention here—but suffice to say that an off-plan contract is just that: a plan, a *proposal* that is not yet realized—and you need to stay rooted with that truth when you sign the contract.

When you are buying a pre-built property, a good Notary Public and/or lawyer will check the plans and permits carefully and tell you about any legal problems that may be present with them. Before you buy off-plan, you should consider paying for legal services to check the status of the development.

In all cases, the developer's permits and licenses should be verified. This is done by the Notary Public when you buy a pre-built property, and you should exercise the same diligence when buying 'off plan.'

### FURTHER INSIGHT

- ❖ [Finding a Notary Public in Mexico](#)
- ❖ [Legal title of Mexican property](#)
- ❖ [Getting documents apostilled \(legalized\) for use in Mexico](#)

## Checking the location AND the locality

Consider the location in regard to your personal and, perhaps, professional needs. What transport connections does it have? Does the topography suit you (will walking up that hill in your later years be practical?). When you are satisfied that the location is right for you, check the locality where the development is situated (or planned to be situated). Also check the surrounding neighborhoods. The nicest development in the world isn't likely to bode well situated in the wrong place.

Take time to visit the area, eat at the local restaurants, talk to people at the local café, buy something from the local shops and get a feel for the place. Get informed about local issues and, if you can, connect with locals at the bars or cafés and find people who have bought in the area before you to absorb knowledge from their experience: most people who have purchased locally will be pleased to share their experiences. Doing this will help you to make informed choices about your investment and learning from others may help you to avoid potential setbacks.

Most developers work with local realty agents to market and sell the project, and you might be introduced to the development by an agent. If this is the case, you can leverage that relationship to get helpful background and insights from the agent about the developer and the locality where the development is located. A good agent will give you an impartial view and offer several choices of property types. While an agent's assistance can be helpful, it's not a substitute for due diligence in regard to background checks



and ensuring that the development is legally sound; especially when you're buying off-plan. (See the previous section about [checking the developer](#).)

The locality of a property development will have a significant impact on the value of the property over the long term. If you are buying off-plan, it's even more important to double-check this consideration. Getting informed mitigates risk and helps you to better value (price) the property you are considering for purchase.

Internet research is an ideal way to find opportunities and conduct your background checks, but there is no substitute for visiting the area personally and spending some time there. Don't just take the developer's or their agent's word on the potential. Look at the other developments being constructed nearby and consider their impact, positive and negative, on your own investment.

If the locality is good, chances are that the potential for other quality projects being developed exists too. Also consider what the secondary market (i.e., selling your property to others in the future) will be like now and in future—demographics and characteristics of the locality will influence this.

#### FURTHER INSIGHT

- ❖ [Matching your lifestyle needs with your location](#)
- ❖ [Planning a new lifestyle in Mexico](#)
- ❖ [Tell-tale signs of a good realty agent](#)

### Purchase price and total cost of ownership

Buying any real estate entails more than just the price of the property; 'closing costs' (legal and professional fees) and any associated taxes also need to be considered. See the Mexperience Guide to Buying Real Estate in Mexico (link below) for a full briefing about the buying and selling process in Mexico—it's relevant whether you are buying from a developer or an existing homeowner.

If the property you buy is part of a condominium building or a gated community of some type—and all developments tend to be one or both of these—there will be monthly management fees (homeowner fees) to pay in addition to any other costs of ongoing ownership. Find out what the management charges are going to be and remember that these can (and usually always do) rise year-on-year. Check the contract and its covenants carefully or, better still, get a qualified and experienced professional to check it for you to explain the conditions and the obligations that you are subscribing to when you buy that property.

If you are buying 'off-plan' you should negotiate a worthwhile discount that reflects the additional risk that you are assuming as part of the investment. The discount should be based on your own impartial assessment of the estimated value of the property when it is fully completed and delivered. If you cannot see enough reward for the risk you are buying into, be prepared to walk away if you cannot negotiate a better deal from the developer. Your 'off-plan' risk investment should represent a value proposition and the developer knows that, too.

#### FURTHER INSIGHT

- ❖ [Guide to buying and selling real estate in Mexico](#)

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- ❖ [Total cost of property ownership in Mexico](#)
- ❖ [Costs and taxes of selling property in Mexico](#)
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## Check the rental yields

A rental yield is a simple calculation that works out how much ‘interest’ you are earning for your money (in this case, the investment in the property purchase) through rental income before costs and taxes.

For example, if you spend \$100,000 on a property and the market will yield a rent of \$10,000 a year, that is a gross return yield of 10%. It's a good idea to compare this figure against other asset classes, including cash or bonds, to give you an idea of the value and risk of the investment you're considering. Remember that the gross yield does *not* account for operational costs (e.g., marketing and agency fees, ongoing maintenance and repair costs, insurance, homeowner fees, repairs, etc.); nor does it account for interest on any financing you might use to acquire the property, or taxes you have to pay on the rental income.

This gross rental yield calculation is a baseline number that people who are buying property with the intention to rent undertake to get an understanding about whether a potential investment is viable. To make the calculation you'll need to make an *accurate estimate* of the rental income. If it's a brand-new property, the only way to do is to compare rents in the location *and* locality of similar-type properties to the one you will rent. Experienced investors are realistic with comparisons and be prudent with forecasts. Remember that advertised rents are negotiable, and market conditions can shift without notice, so the sums you see advertised locally may not be a true reflection of what people are actually paying in rent, and you also need to account for fallow periods between tenants when the property may lay empty and not generating a rental income.

### FURTHER INSIGHT

- ❖ [Guide to renting property in Mexico](#)
- ❖ [The theory and practice of renting a property in Mexico](#)
- ❖ [The AirBnB rental revolution in Mexico](#)
- ❖ [Articles about property rental in Mexico](#)

## Checking for snags on delivery

When you buy from a property developer, you are buying a brand-new property, and like anything bought new, you can and should expect a certain standard of finishing (in line with the price and category of the development) and you ought to ensure that everything is delivered in top condition, as you are paying a premium for this.

When you take delivery of your new home, be sure to check it thoroughly for 'snags.' Just as you would check a new car, a piece of clothing, or a new appliance to make sure it is in perfect order and working, you should apply the same level of diligence when you take possession of your new home.



## The 'snags' list

- ◆ *Be methodical* with your list: go around every inch of the property and check for 'snags.' Developers are often working to tight deadlines and they can miss details or accidentally damage something while they are putting something else in place.
- ◆ Make a detailed inventory of all your snags. Give each snag a reference number—something to identify it when you are corresponding or talking with the developer about it, so you both know the specific snag is being referred to and, when it's fixed, you know exactly which one is cleared. Without numbers, you may end up getting confused about similarly labeled snags in similar or different places, confusing yourself and the developer. Using reference numbers ensures that the inventory of snags is properly logged, managed, and can be methodically discharged.
- ◆ Small snags may include places that need a lick of paint or need 'making good' after a scrape or incomplete finish. Check doors, windows (and their frames and locks). Check bathrooms, showers units, toilets, and around basins for leaks, gaps or cracks, and the water pressure is adequate and consistent; check the kitchen area for leaks, water pressure, and craftsmanship too;
- ◆ Check all appliances that might have been included like the dishwasher, fridge and washing machine; air conditioning units; ceiling fans (make sure they spin evenly especially at high speed); also check heating units if these are installed.
- ◆ Check the utilities: test electricity circuits, ensuring that all lights, switches, and plugs are functional; check the gas installation (kitchen hob, oven if it's gas fired, and your hot water system and heater); check the water pressure and the drainage to ensure everything is in order; check that your cable or telephone connections are working too—the wiring for these is usually pre-installed in new buildings and the telephone or cable company won't be held responsible if there's a fault in the local wiring.
- ◆ Most snags are not serious and only require some re-decoration, repainting, or professional finishing to put things right; serious snags include incomplete or faulty installations of essential services (plumbing, electric, gas) incomplete or non-functional furnishings or appliances (e.g., fitted kitchens or dishwashers), missing features promised in the contract, or even structural problems like doors and windows that are jammed, issues with leakages and damp, or other structural issues like uneven floors.
- ◆ Some snags may not be noticeable until later, for example, when it rains you may discover that part of the roof leaks; you should have clauses (guarantees) in the contract that allow reasonable time for these types of problems to make themselves apparent after the building is fully completed.
- ◆ You need to *actively manage your snag-list as well as the developer until the list is clear* and you are completely satisfied that the property and its furnishings are delivered to the standard you expected and/or contracted for.
- ◆ It's important that you take the time to make this list as soon as you move in as it will be difficult or impossible to seek redress weeks or months afterwards. Check any clauses in your contract that might stipulate time limits on reporting of snags and other issues.





## Advantages and disadvantages of buying a newly built home in Mexico

As with any type of investment, buying a new home from a developer (instead of buying in the secondary market) carries its pros and cons. This section highlights the advantages and disadvantages of buying new so that you can consider these matters as you explore options to buy a home in Mexico.

### Advantages of buying a newly built home

**Tailor-made décor:** Buying a brand-new home enables you to choose the interior décor, in many cases right down to the last detail. Some developers also work with companies who will provide a complete decorating and furnishing service for you if you want that. However, despite the flexibility, some buildings will require you to keep the wall coverings simple while the building settles and dries out. This can take up to two years, depending on the local climate.

**Modern, more energy efficient:** Most new build developments use the latest techniques and modern materials which can make the property energy efficient. As mentioned earlier in this guide, some even have eco-friendly features like rain collection and recycling and solar panels built-in to the design. Many modern designs also allow large quantities of natural light to pour into the building, lessening the reliance on artificial light; but do check as each development is unique and different developers will design-in energy efficiency in different ways.

**Minimum logistics:** No one has to move out of the property before you can move in, and a good developer will have everything arranged for you on your closing date. The property will be ready for you to move into, and if you paid for a 'turnkey' living experience, the whole place may be furnished right down to the last teaspoon, only requiring you to unpack your personal belongings before you begin enjoying the property.

**Community benefit:** When buying into a development, you are often buying into a 'community.' This means that you may have access to shared services and facilities as part of your normal maintenance fees which you would otherwise need to pay for, e.g., a golf course, a swimming pool, a lake, parklands, etc. Some gated communities also offer local 'focus points' that can include facilities like a club house, a gymnasium or spa, a restaurant or café, or other facilities where residents can meet and socialize.

**Safer, more secure:** Modern homes usually have the latest electricity and gas safety technologies installed. They may have water filters plumbed-in, and smoke alarms fitted throughout the building. Fire safety exits and other emergency exits are usually more ample than those found in old buildings. [Disabled access](#) is usually designed-in to the building, whereas people with mobility issues can find difficulty navigating older properties. Security lighting and security systems might also be built-in to the design. The wiring and plumbing will be new, and they will be free of asbestos and other known-hazardous materials, for example, lead-based paints.

**Easier to finance, cheaper to insure:** If you are [financing your home](#) with a mortgage, some finance companies will look more favorably upon modern homes when making a lending decision. In fact, getting a mortgage on some older homes or historical properties (however beautiful) is sometimes impossible because of the additional inherent risks older properties carry. [Property insurance premiums](#) are usually lower on newer properties too, although it does depend on where the property is located and what you are insuring against.



**Staged payments:** If you are buying ‘off-plan’ you will be able to pay for the property in pre-agreed staged payments: but beware of the additional risks and seek professional legal advice when buying off plan. See the section about [buying off-plan](#) in this guide for more details.

**Lower maintenance:** [Maintaining](#) a newer property in the early years is much less expensive than maintaining an old one. Over time, as the property ages, your maintenance costs will rise, but you will have had the advantage of a few years of low maintenance costs.

**Warranty on the build:** Although some developers offer warranties of various kinds, these may be difficult to claim in practice. However, you can produce a [snagging list](#) (see earlier section in this guide) and insist the developer makes good on the snags before making your final staged payment.

### Disadvantages of buying a newly built home

**Buying ‘off-plan’:** You cannot see what you are buying, and you never know precisely what the décor or furnishing items will look like until they are physically in place. Try and get contractual commitments about the detail of any off-plan investment, especially if you are paying more for up-scale décor, furnishings, and decorations.

**Delays in delivery:** If the property is not completed (or purchased off-plan) you may not have a home to move into for months, or even years, and if the development is delayed, your lifestyle plans (including moves) will be interrupted. This compares unfavorably with a pre-built property, whether it’s a development or otherwise.

**Discounts might be disguised:** Prices might be flexible, but developers may feel disinclined to offer a lower rate on a unit, especially early in the sales cycle, as doing so would lower the estimate price for all other units in the same development. That’s why developers usually offer ‘upgrades’ or higher-grade décor or furnishings as part of a package deal instead of lower prices.

**Maintenance costs:** Condo developments and gated communities usually have annual maintenance fees to cover communal facilities and services. Golf courses, tennis courts, swimming pools, lakes, etc. all need constant attention and it’s up to the new owners to continually fund and manage the maintenance for these. The advantage of this system is that you get access to facilities which would normally be out of reach to most people if they wanted to acquire the facilities privately. Remember, too, that the costs for additional services and amenities only represent value for money *if you plan to actively use them on a regular basis* or if they add additional rental value and/or desirability to a property.

**Higher cost per square foot:** Usually (but not always) the cost per square foot of a new build home is higher than that of a preowned home. Some of this additional cost may be offset by the advantages; for example, better efficiency, higher safety, amenities, disabled access, community services, etc. It’s a trade-off and one that needs to be considered as part of your [wider lifestyle and investment choices](#).

**Moving-in during the building phase:** Some developers release certain units while other units (whether it’s a condo or a house) are still being built. This means that you may have to be tolerant of building work going on around you for months, and perhaps some years if the development is large. Most developers will attempt to keep the disturbances to a minimum, but you should check with the developer about the planned stages of build and corresponding schedules, and what procedures they have to manage the build to discern how these may affect your living circumstances in the early months or years of ownership.

# Assistance with your Mexico residency application

Get personalized consultation and advice on your approach, as well as practical assistance and support whether it's your initial application, a renewal, or troubleshooting

[The Mexico Immigration Assistance service is here to help you](#)



Immigration Assistance



**Early years aesthetics:** In the early years, new developments can look a little raw, for example, the trees may be planted as saplings and take years to mature; the grounds may look barren or bare. The flora take time to grow and mature and you need to accept this as part of your investment. Also, in newly developed areas, other building work may be taking place nearby; shops and services may not be fully developed from day one; and roads and pathways may take time to properly complete. Some developments are fully landscaped and look 'mature' very quickly indeed, but it does vary. You may need to take a longer-term view with regard to the aesthetics of your local environment in the early years.

**Love your neighbor?** When you buy into a condominium development, you will be sharing a significant amount of space with other people. Your neighbors may or may not share the same interests and aspirations; they may be friendly; they may be reclusive. It's impossible to predict. If you buy into a condo or similar development where the units are in close proximity to each other, be sure you know yourself and how you feel about living in close-knit environments. Some property developments are built in an 'open plan' design whereby the units have plenty of open space between them and none 'overlook' each other; others have a more compact design. If you know that you are the type of person that needs open space between you and your neighbors, be sure you buy something that will suit your lifestyle needs in that respect.

#### FURTHER INSIGHT

- ❖ [Matching your lifestyle needs with your location](#)
- ❖ [Planning a new lifestyle in Mexico](#)
- ❖ [Property insurance guide](#)
- ❖ [Disability access in Mexico](#)
- ❖ [Property maintenance and security](#)

#### Property references

- ❖ [Real estate in Mexico](#)
- ❖ [Articles about real estate](#)
- ❖ [Property insurance](#)
- ❖ [Real estate agents in Mexico](#)
- ❖ [Eco and energy efficient homes](#)
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## References & further reading

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- ❖ [Mexico Home Life](#) (Mexperience)
- ❖ [Articles about real estate in Mexico](#)
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