

How to buy a home in Baja without losing your mind or your money!

Remember, you are buying property in a different country but you are still buying property and it is your responsibility to know the laws that affect property ownership. Don't do anything that you wouldn't do in your own neighborhood and don't let your excitement about owning a house on the beach allow you to make bad decisions. If you do your homework and seek good legal advice you will enjoy your Baja Homes for many years.

Here are a few questions you should **always ask your real estate agent before** entering into any agreement of purchase in Mexico.

1. Can I speak to someone who listed their house successfully with you as well as someone who bought a home from you?

Ask your agent to provide you with testimonials from previous clients and then contact them.

2. How many homes have you sold?

If you are not satisfied with the answer, ask to speak to the company owner. There is nothing wrong with someone who is just starting out, but make sure they will be supervised by a more experienced agent.

3. Does your company provide transaction services? Will there be extra charges for this? Some companies like to add extra hidden costs. Be sure you get a list of any extra costs.

4. Is title insurance available on the properties you will be showing?

This is the best way to assure you are buying a secure property. It doesn't mean you should only buy if the property already has title insurance but the property should qualify for it. Always get a title search done. If the answer is no and there is mention of a **"disclosure"** with the purchase, find another property. Disclosures are a way of avoiding liability by realtors selling untitled property.

5. Is it safe to buy lease land? Will you be showing me any?

Lease land is sometimes a good choice but make sure you get good legal advice (not from your agent).

6. Do Americans always need a Bank Trust?

Yes, they do unless it is lease land. Always ask if the property you are seeing has a Bank Trust.

7. Is American finance available for the homes you will be showing me?

This is just beginning to happen so don't be fooled into thinking it will be easy and ask for separate verification from the finance source before signing a contract. Make sure the seller knows you will be seeking finance. If the developer is guaranteeing finance, be sure it is included in the contract. Many times the developer will say you are getting it but in the contract it will say "if you don't, then you are responsible for settling the property or you lose your deposit. To be on the safe side, don't buy anything you can't pay cash for.

8. Will I be able to write my deposit check to an escrow account or a title company?

Not always but if the developer tells you that you must release the deposit (sometimes as much as 50%) consider other properties. Make sure you know if the agent or the seller can

cash your check and that if they do the person you have agreed to release the money to really will get it.

9. Can you tell me what the closing costs will be?

Get advice from a good legal source as well as someone who has purchased similar property. Ask if the seller is willing to pay some of the costs. Ask the seller what closing costs were when they purchased the property. Get a list of the closing costs and add a clause in the contract that says you will not have to pay anything you haven't already agreed to.

10. Can I have the house I am interested in inspected before I buy it?

Some agents will tell you that you have to accept the property "as is". This is not true and you can have an impartial inspection.

11. Can I have an appraisal before purchasing?

The answer should be yes. There are appraisers in Mexico just like anywhere else.

12. Will you be able to assist me in my move to Mexico?

Many agents will just walk away after the sale or after they have been paid. The best way to avoid this is to discuss with your lawyer and with the seller the follow up expected by the agent. There are services like Baja Relocation that provide separate services for assisting you in you move. Inquire from your agent if they can recommend one.

13. Will you be getting paid your commission before closing?

If the answer is yes, this is a very dangerous action if it is an existing home. If something goes wrong and you don't purchase the home, you will find it hard to get the commission returned.

14. Is it best to work with a well known American franchise here in Mexico?

If the answer is yes, be very cautious because there is very little connection, if any, between the American franchise and the Mexican one. Almost anyone can acquire a franchise in Mexico. And sometimes the best way to cover up bad business practices is to hide behind a familiar franchise. Ask around.



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