

OWNING PROPERTY IN MEXICO

YES! YOU CAN OWN REAL ESTATE IN MEXICO.

Through a trust managed by a bank, foreign individuals and corporations are permitted to own property in Mexico. The real estate property must be located within a range of 100 kilometers of the borders of Mexico and within a range of 50 kilometers from coastal areas. The Las Palomas Seaside Golf Community fits within these parameters.

Trusts are legally established by the Mexican Foreign Investment Law, Title Second, Chapter II, Articles 11 to 14, Fifth Transitory.

In the arrangement, a Mexican bank (*the fiduciary*) will have ownership of the real estate property, subject to the direction of the foreign buyer (*the beneficiary of the trust*). The foreign buyer has the right to use the property, rent the property, sell the property, or in case of death, transfer the property to designated heirs. All proceeds belong to the beneficiary of the trust subject to paying all appropriate taxes.

BASIC PRINCIPLES OF MEXICO PROPERTY OWNERSHIP

- A foreigner may acquire rights over real estate in Mexican coastal and border zones through a trust, which is a legal instrument similar to those in the United States.
- Through a trust, real estate is administered by a qualified and licensed bank on behalf of the beneficiary of the trust (the owner). The legal effect of the trust allows the fiduciary to act as the owner of the real estate, and thus, the trust complies with Mexican laws.
- The beneficiary has the right to the full use, enjoyment and profit from the real estate. The beneficiary can rent the property, borrow against the property, and sell the property.
- Mexican law provides that the original trust term of 50 years may be renewed for additional 50-year periods upon written request by the beneficiary of the trust.
- When the beneficiary desires, the property may be sold outright or sold subject to an assumption of the existing trust.

NOTE: While this document is meant to help non-Mexican buyers better understand how real estate works in Mexico, it is not a legal opinion, nor is it intended as a substitute for potential buyers' own due diligence. As with all business dealings, it is highly recommended that those seeking to purchase real estate in Mexico deal only with established, reputable companies, such as the Las Palomas Resales, S.A. de C.V.
