



Mexico is more than just a vacation destination; for many, it's the ultimate place to retire, work remotely, or invest. But the legal system is different from the US or Canada.

Here's what you need to know to buy with confidence.

1. The Restricted Zone & The Fideicomiso

By law, foreigners cannot hold direct title to land within 50 km (31 miles) of the coast or 100 km (62 miles) from the borders.

- **The Solution:** The **Fideicomiso** (Bank Trust).
- **How it works:** A Mexican bank holds the legal title for you, but you have all the rights of ownership: you can sell, lease, or will it to your heirs. It's safe, renewable, and used by thousands of expats.

2. Closing Costs: Budgeting Correctly

Expect to pay between **5% and 8%** of the purchase price in closing costs.

This includes:

- **ISAI (Acquisition Tax):** The largest portion (varies by state).
- **Notary Fees:** Unlike the US, the Notary is a government-appointed lawyer who ensures the transaction is legal.
- **Appraisal and Registry fees.**

3. Due Diligence Checklist

Before you wire a single dollar, ensure your agent verifies:

- **The Deed (Escritura):** To confirm the seller actually owns the property.
- **No-Lien Certificate:** Proof the property has no outstanding debts.
- **Property Tax Receipts:** Ensure the *Predial* is paid up to date.

Estimated Closing Costs in Mexico (2026 Guide)

Disclaimer: These percentages are estimates based on the property's appraisal value. Actual costs vary by state and municipality.

Expense Item	Estimated Cost (%)	Who Pays?	Why is it needed?
ISAI (Acquisition Tax)	2% to 4.5%	Buyer	The state tax for transferring property ownership.
Notary Fees	1% to 1.5%	Buyer	Covers the Notary's legal responsibility and deed drafting.
Public Registry Fee	0.5% to 0.8%	Buyer	To officially record your deed in the government database.
Fideicomiso Setup	\$1,000 - \$2,500 USD	Buyer	Initial fee to the bank to create your Trust (Foreigners only).
Appraisal & Certificates	\$500 - \$1,500 USD	Buyer	Official valuation and "No-Debt" certificates (Water/Tax).
Sales Commission	4% to 8%	Seller	Good news! In Mexico, the seller usually pays the agents.
TOTAL (For Buyer)	Approx. 5% to 8%		Budget this on top of your purchase price.

Example:

If you buy a condo for **\$300,000 USD**, your closing costs will be roughly **\$18,000 to \$24,000 USD**.

No surprises, just clear numbers.

"Want a personalized closing cost estimate for a specific property?"

Contact Us here:





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