

THANK YOU FOR YOUR INQUIRY REGARDING INVESTING IN THE LOS CABOS, MEXICO MARKET



# Investing in Los Cabos, México

It has been proven year after year that **earning an 8% to 12% return on either a condo or home purchase in Los Cabos is very doable**. The number one reason is the cost of ownership is very affordable in Los Cabos. For example, the annual property tax for a **\$300,000 USD condo is \$210.00** and if paid in full in January, **you receive a 20% discount for a net cost of \$168.00**. The second reason is that Los Cabos is the 4th leading vacation destination in the world according to Forbes Travel magazine as a result of our great weather, world- class fishing, top golf courses, and delicious food, not to mention the margaritas.

I am attaching financial performance for existing clients who own one-bedroom, two-bedroom, and three-bedroom condos in three different communities. You can see the monthly expenses are very reasonable and the commission for putting your unit on multiple websites like **VRBO, Airbnb, and Hotels.com are lower than what most rental property owners pay in the US**. You only have to rent your property for 2 to 3 days a month to cover all your expenses so you get to keep a larger share of the rental income.

**Occupancy rates had been averaging 70-73% pre-Covid** and **since then have been averaging 80-85%** because visitors are more comfortable renting a private condo or home to avoid the large crowds in the hotels.

**If you are interested in owning an income-producing property AND have a great place to stay when you visit Los Cabos**, email us a budget and we can send you several great rental options that will fit your budget.

## Investment Analysis

LIST PRICE	SOLARIA 1 BEDROOM \$270,000 USD		SOLARIA 2 BEDROOMS \$369,000 USD		CASCADA 3 BEDROOMS \$610,000 USD	
Rental Income	Per Night		Per Night		Per Night	
56 Days Low Season(Jun-Sep)	USD \$160.00	USD \$8,960.00	USD \$225.00	USD \$12,600.00	USD \$275.00	USD \$15,400.00
21 Days Holiday(Tksg, Xmas)	USD \$200.00	USD \$4,200.00	USD \$275.00	USD \$5,775.00	USD \$450.00	USD \$9,450.00
160 Days High Season(Oct-May)	USD \$180.00	USD \$28,800.00	USD \$250.00	USD \$40,000.00	USD \$325.00	USD \$52,000.00
Total 237 days of 50%		USD \$41,960.00		USD \$58,375.00		USD \$76,850.00
Expenses	Month		Month		Month	
HOA	USD \$150.00	USD \$1,800.00	USD \$225.00	USD \$2,700.00	USD \$300.00	USD \$3,600.00
Electric	USD \$50.00	USD \$600.00	USD \$75.00	USD \$900.00	USD \$100.00	USD \$1,200.00
Internet / TV / Phone		USD \$300.00	USD \$25.00	USD \$300.00	USD \$25.00	USD \$300.00
Trust Fee		USD \$500.00		USD \$500.00		USD \$500.00
Property Tax		USD \$189.00		USD \$280.00		USD \$427.00
Total Fixed Expenses		USD \$3,389.00		USD \$4,658.00		USD \$6,027.00
Insurance	USD \$30.00	USD \$360.00	USD \$30.00	USD \$360.00	USD \$40.00	USD \$480.00
Commissions at 20%		USD \$8,392.00		USD \$11,675.00		USD \$15,370.00
Total Variable Expenses		USD \$8,752.00		USD \$12,035.00		USD \$15,850.00
Total Expenses		USD \$12,141.00		USD \$16,693.00		USD \$21,877.00
Net Income		USD \$29,819.00		USD \$41,682.00		USD \$54,973.00
Return on Investment		11.04%		11.30%		9.01%
Purchase Price		USD \$270,000.00		USD \$369,000.00		USD \$610,000.00
Closing Cost 4%		USD \$10,800.00		USD \$14,760.00		USD \$24,400.00
Furniture at \$20,000 / \$10,000		USD \$10,000.00		USD \$20,000.00		USD \$30,000.00
Total		USD \$290,800.00		USD \$403,760.00		USD \$664,400.00

