



The Ultimate
PROPERTY
Buying
GUIDE

Everything You Need To Know



A Buyer's Guide to Real Estate in Los Cabos, Mexico

Everything You Need to Know Before Purchasing Property in Paradise

Presented by

Michael & Susan Nicol And the Cabo4Sale Real Estate Team

Nearly 30 Years of Experience Helping Buyers Navigate Los Cabos Real Estate

A QUICK OVERVIEW (FOR READERS WHO WANT THE HIGHLIGHTS)

Buying real estate in Los Cabos is a straightforward and secure process when guided by experienced, licensed professionals. Foreign buyers can legally own property in Mexico, most commonly through a bank trust. Los Cabos offers a world-class lifestyle, strong rental demand, and long-term desirability, making it attractive for both personal enjoyment and investment. With nearly 29 years of local experience, Michael and Sue Nicol specialize in helping first-time international buyers navigate the process smoothly, from initial search through closing and long after the sale. We have a frequently asked question section at the end of this guide.

WELCOME TO LOS CABOS

Purchasing real estate in Los Cabos is both an exciting lifestyle decision and a meaningful investment. Whether you are searching for a vacation retreat, a full-time residence, or an income-producing property, the idea of buying outside of the United States or Canada can feel unfamiliar at first. Different laws, different purchase processes, and a new market often raise important questions for buyers who want to make sure they are doing things the right way. That is where we come in.

Michael and Sue Nicol have lived and worked full-time in Cabo San Lucas since 1996. What began as a one-year adventure nearly three decades ago has turned into a lifetime of experience, local knowledge, and trusted relationships throughout Los Cabos. For almost 29 years, we have guided buyers through every stage of the purchase process—before, during, and long after the sale—ensuring clarity, security, and confidence at every step.

This guide is designed to walk you through the Los Cabos real estate process in clear, straightforward terms. Our goal is to remove uncertainty, answer common questions, and help you understand exactly what to expect so that buying property in Los Cabos feels not only achievable, but enjoyable.

WHY LOS CABOS IS A WORLD-RENOWNED DESTINATION

Los Cabos has earned its reputation as one of the world's most desirable travel destinations, consistently attracting visitors from the United States, Canada, and around the globe. With dramatic desert landscapes meeting the Sea of Cortez, a year-round warm climate, and modern infrastructure, it offers a rare combination of natural beauty and comfort.

Beyond its scenery, Los Cabos is known for its accessibility. Direct flights from major North American cities make it easy to visit for a long weekend or extended stay. Once here, visitors enjoy world-class dining, modern healthcare facilities, international schools, and a wide range of services that make long-term ownership both practical and appealing.

For many buyers, Los Cabos becomes more than a vacation destination. It becomes a place where families gather year after year, where holiday traditions are redefined, and where meaningful time is spent together. Celebrating Thanksgiving, Christmas, or New Year's in 80-degree weather, enjoying outdoor meals, beach walks, and relaxed family time has become a powerful motivation for buyers looking to create lasting traditions.

WHY PEOPLE CHOOSE TO BUY REAL ESTATE IN LOS CABOS

Los Cabos has evolved into a truly global luxury real estate market, now competing with some of the world's most prestigious destinations, including Dubai, Paris, London, New York, Los Angeles, and Palm Beach. In recent years, international demand has accelerated as high-net-worth buyers recognize Los Cabos not only as a lifestyle destination, but as a secure and desirable place to own real estate.

A key reason for this continued demand is that Los Cabos has proven itself to be a safe destination with a strong focus on security and quality of life. Gated communities, professionally managed developments, and a well-established legal framework provide peace of mind for homeowners. Equally important is the welcoming nature of the local community. The warmth and friendliness of the people of Los Cabos often leaves a lasting impression on visitors, making them feel comfortable, welcomed, and truly at home. This sense of connection is one of the reasons so many first-time visitors eventually become homeowners.

For affluent buyers, safety, privacy, and long-term stability are essential considerations, and Los Cabos consistently delivers on all three. Modern infrastructure, dependable services, and a mature real estate market allow buyers to enjoy their homes with confidence while also protecting their investment. These attributes have positioned Los Cabos alongside the world's top luxury destinations as a serious and respected market for international buyers.

Beyond luxury and security, Los Cabos is also widely recognized for its strong focus on health and wellness. A growing farm-to-table culture allows residents to purchase freshly grown fruits and vegetables at local farmers markets, supporting a healthy, outdoor-oriented lifestyle. Yoga studios, wellness retreats, fitness facilities, and spa-focused communities further reinforce Los Cabos as a destination where well-being is part of everyday life.

Healthcare is another important factor for many buyers. Los Cabos offers excellent medical and dental care, with modern hospitals, highly trained doctors, dentists, and specialists. Many homeowners choose to schedule dental work, cosmetic procedures, and other healthcare appointments during their stays,

often at a fraction of the cost they would expect in the United States. The availability of quality care provides added reassurance, particularly for those considering longer stays or full-time living.

At the same time, Los Cabos remains remarkably diverse and approachable. While it attracts celebrities, business leaders, and professional athletes and is often seen as a playground for the rich and famous, we firmly believe there is something here for everyone. From thoughtfully priced condominiums and family-friendly communities to luxury estates and legacy properties, Los Cabos offers opportunities across a wide range of lifestyles and budgets. Whether your goal is investment, personal enjoyment, or creating meaningful family traditions, Los Cabos continues to capture hearts in a way few destinations can.

UNDERSTANDING PROPERTY OWNERSHIP IN MEXICO

Foreign buyers can legally purchase real estate in Mexico. Properties located within 50 kilometers of the coastline or 100 kilometers of an international border are commonly held through a bank trust known as a *fideicomiso*. This ownership structure has been in place for decades and is widely used throughout Los Cabos by foreign homeowners purchasing condominiums, homes, and luxury estates.

In simple terms, a Mexican bank holds legal title to the property in trust on behalf of the buyer, while the buyer is named as the beneficiary with full ownership rights. As the beneficiary, you have the same rights you would expect with traditional ownership: you may sell the property, rent it, remodel it, live in it full time, or pass it on to your heirs. The *fideicomiso* is initially issued for a **50-year term** and can be **renewed indefinitely in additional 50-year increments**, allowing for long-term and multigenerational ownership of the asset.

When the trust is renewed, there is a notary fee and a registration fee that typically totals **approximately \$3,000 USD**. Importantly, you do **not** repurchase the property when renewing the *fideicomiso*. Ownership continues seamlessly, and the property remains yours in perpetuity. The renewal process is administrative in nature and is handled through a notary and the trustee bank.

Another important advantage of the *fideicomiso* is estate planning simplicity. Heirs are named directly in the bank trust, which allows the property to transfer smoothly to the designated beneficiaries upon the owner's passing, without the need for probate. This makes the *fideicomiso* an effective tool for long-term family ownership and legacy planning.

The *fideicomiso* is not a lease, nor does it limit how you use your property. It is a secure, well-established ownership structure recognized under Mexican law that provides foreign buyers with the legal right to own real estate in Mexico with confidence, clarity, and continuity for future generations.

TYPES OF PROPERTIES IN LOS CABOS

Los Cabos offers a wide variety of property types, each appealing to different buyer goals and lifestyles. Condominiums are particularly popular with vacation homeowners and investors, as they often include amenities such as swimming pools, fitness centers, security, and beach access. Homeowners' associations typically manage maintenance and common areas, making ownership simpler and more convenient.

Single-family homes offer greater privacy and outdoor living space. These properties may be located within gated communities or in standalone neighborhoods, and homeowners' association fees can vary widely depending on location and amenities. Many families and full-time residents prefer this option for its flexibility and sense of permanence.

Luxury and estate properties are often located oceanfront or on elevated hillsides with sweeping views. These homes typically feature custom architecture, premium finishes, and expansive outdoor living areas. Many are purchased as long-term lifestyle or legacy properties intended to be enjoyed by generations.

THE BUYING PROCESS IN LOS CABOS

The buying process begins by clearly defining your goals. Understanding whether the property will be used as a vacation home, a rental investment, a full-time residence, or a combination of lifestyle and income helps determine the most suitable locations, property types, and price range.

Once criteria are established, we curate listings that genuinely align with your goals. Showings can be arranged in person or virtually, and we provide honest feedback on market value, resale potential, and rental performance. Our role is not to sell you a property—it is to help you make a smart, well-informed decision.

When the right property is identified, we prepare a written offer and negotiate terms on your behalf. Once an agreement is reached, earnest money is typically deposited into a neutral escrow account. From there, the transaction moves into due diligence, one of the most important phases of the process.

During due diligence, an independent attorney reviews title, property history, permits, and any potential liens. Homeowners association documents, budgets, and rules are carefully reviewed, and inspections or surveys are coordinated when appropriate. Our experience allows us to guide you through this phase thoroughly so there are no surprises.

Closings in Mexico are handled by a government-appointed Notary Public. The notary confirms legal ownership, collects taxes and fees, records the deed, and finalizes the fideicomiso. Once closing is complete, you receive your official recorded title.

CLOSING COSTS, FINANCING, AND RENTAL CONSIDERATIONS

Buyers should budget approximately six to eight percent of the purchase price for closing costs. These typically include acquisition tax, notary fees, bank trust setup, legal review, and recording fees. We provide clear estimates early in the process so clients can plan with confidence.

While most purchases in Los Cabos are cash transactions, financing options do exist. These may include Mexican bank financing, developer financing on select properties, or seller financing in certain cases. We can introduce trusted lenders if financing is part of your plan.

For buyers considering rental income, we evaluate properties with proven rental demand, review homeowners association rules regarding short-term rentals, and introduce reputable property management companies. Understanding realistic net returns—not just gross income—is key to making a sound investment decision.

MAKING BUYING IN LOS CABOS EASY

Buying real estate in a foreign country does not have to be complicated. With nearly 29 years of experience, we have refined a process that makes buying in Los Cabos clear, organized, and manageable. Most of our clients are first-time international buyers, and we specialize in guiding them through unfamiliar territory with patience and transparency.

We explain how ownership works, what due diligence really means, how closing differs from what you may be used to, and what to expect after the sale. We anticipate questions before they arise and remain available long after closing. Our clients often tell us that the process was far easier than they expected—and that is exactly our goal.

PROFESSIONAL LICENSING & WHY IT MATTERS

Cabo4Sale Real Estate is a member of the Los Cabos MLS, and our agents are licensed as required by the State of Baja California Sur. Licensing is an important layer of protection for buyers and ensures that agents meet state requirements and professional standards.

When purchasing real estate in Los Cabos, it is important to work with a licensed brokerage. Buyers are encouraged to ask their agent to show a copy of their real estate license. Working with properly licensed professionals helps ensure transparency, accountability, and a higher level of professionalism throughout the transaction.

LIFE AFTER CLOSING

Our relationship with our clients does not end at closing. We assist with utilities and service setup, property management introductions, insurance guidance, remodeling and furnishing resources, and long-term ownership questions. Many of our clients become repeat buyers or lifelong friends, returning to us year after year as their needs evolve.

WHY WORK WITH THE CABO4SALE TEAM?

With nearly 30 years of living and working full-time in Los Cabos, the Cabo4Sale team brings unmatched local knowledge, a hands-on, concierge-level approach, and a trusted network of legal and real estate professionals to every transaction. Our team of agents and office staff are long-term residents of Los Cabos—many having lived here for a decade or several decades—which gives us an in-depth understanding of the communities, neighborhoods, lifestyle, and day-to-day realities of living in the area.

For most of our clients, purchasing real estate in Los Cabos is their first international property acquisition. We understand the questions and adjustments that come with relocating or owning abroad, and we take pride in helping our clients transition smoothly into their new life in paradise. From navigating the buying process to settling into the community, our role is to make the experience clear, secure, and enjoyable. By combining transparency, personalized service, and proven results, we ensure that buying property in Los Cabos feels not only comfortable and informed, but like the beginning of something truly special.

Los Cabos Real Estate Buyer FAQ

Clear Answers for Buyers Who Want to Understand the Process Quickly

Can foreigners buy real estate in Los Cabos, Mexico?

Yes. Foreign buyers can legally purchase real estate in Los Cabos. Properties located within 50 kilometers of the coast or 100 kilometers of an international border are typically held through a bank trust known as a *fideicomiso*, which provides foreign buyers with full ownership rights under Mexican law.

What is a fideicomiso (bank trust) and how does it work?

A fideicomiso is a secure bank trust in which a Mexican bank holds legal title to the property on behalf of the foreign buyer, who is named as the beneficiary. As the beneficiary, you have full ownership rights, including the ability to sell, rent, remodel, live in, or pass the property on to your heirs.

How long does a fideicomiso last? Can it be renewed?

A fideicomiso is issued for an initial term of 50 years and can be renewed indefinitely in additional 50-year increments. This allows for long-term and multigenerational ownership of real estate in Los Cabos.

Do I need to buy the property again when the trust is renewed?

No. When a fideicomiso is renewed, you do not repurchase the property. Ownership continues seamlessly. The renewal process is administrative and typically involves a notary fee and a registration fee totaling approximately \$3,000 USD.

Can the property be passed down to my heirs easily?

Yes. Heirs are named directly in the fideicomiso, allowing the property to transfer smoothly to designated beneficiaries without probate. This makes the fideicomiso an effective estate-planning tool for long-term family ownership.

Is the fideicomiso a lease? Does it limit how I use the property?

No. A fideicomiso is not a lease and does not limit how you use your property. It is a legally recognized ownership structure that provides foreign buyers with full rights and control over their real estate in Mexico.

Is buying property in Los Cabos safe?

Yes. Los Cabos has proven to be a safe destination with a strong focus on security, modern infrastructure, and professionally managed communities. Gated developments and well-established legal protections provide peace of mind for both homeowners and investors.

Why do high-net-worth buyers choose Los Cabos?

Los Cabos now competes with global luxury destinations such as Dubai, Paris, London, New York, Los Angeles, and Palm Beach. Buyers are drawn to its safety, privacy, world-class amenities, stable real estate market, and high quality of life, making it both a lifestyle destination and a sound long-term investment.

Is Los Cabos only for luxury buyers?

No. While Los Cabos is known as a playground for the rich and famous, it offers real estate opportunities across a wide range of lifestyles and budgets. From well-priced condominiums and family-friendly communities to luxury estates, there is something here for everyone.

What lifestyle amenities does Los Cabos offer homeowners?

Los Cabos offers world-class golf, sportfishing, beaches, wellness retreats, fitness facilities, and a growing farm-to-table culture. Fresh produce is widely available at local farmers markets, supporting a healthy, outdoor-oriented lifestyle.

Is healthcare in Los Cabos reliable?

Yes. Los Cabos offers excellent medical and dental care, with modern hospitals and highly trained doctors and specialists. Many homeowners schedule dental work, cosmetic procedures, and healthcare appointments during their stays, often at a fraction of U.S. costs.

How long does it take to buy property in Los Cabos?

Most transactions take approximately 30 to 60 days from accepted offer to closing, depending on due diligence, financing, and property type. The process is well-structured and overseen by a government-appointed Notary Public.

What are the typical closing costs for buyers in Los Cabos?

Buyers should budget approximately 6% to 8% of the purchase price for closing costs. These typically include acquisition tax, notary fees, bank trust setup, legal review, and registration costs.

Can I finance a property purchase in Los Cabos?

Yes. While most purchases are cash, financing options may include Mexican bank loans, developer financing on select properties, or seller financing in certain cases.

Can I rent out my property in Los Cabos?

Yes, provided the homeowners association allows short-term rentals. Rental demand in Los Cabos is strong, and many owners generate income when they are not using their property.

Do I need a licensed real estate agent in Los Cabos?

Yes. Buyers should always work with a licensed real estate agent. Cabo4Sale Real Estate is a member of the Los Cabos MLS, and its agents are licensed as required by the State of Baja California Sur. Buyers are encouraged to ask any agent to show a copy of their license.

Why work with the Cabo4Sale Real Estate team?

With nearly 30 years of living and working full-time in Los Cabos, the Cabo4Sale team specializes in helping first-time international buyers navigate the process smoothly. Our agents and office staff are long-term residents who understand the local market and help clients transition confidently into life in Los Cabos.

What happens after closing?

The relationship does not end at closing. Cabo4Sale assists clients with utilities, property management, insurance guidance, remodeling resources, and long-term ownership questions.

Key Takeaway for Buyers

Buying real estate in Los Cabos is legal, secure, and straightforward when guided by experienced, licensed professionals. With the right team, the process is clear, enjoyable, and well-protected—allowing buyers to focus on enjoying their new life in paradise.

Experience the Cabo Lifestyle—with Experts Who Know It Best.

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