



PONCHO DAVALOS REAL ESTATE
— YOUR REALTOR FOR LIFE —

Pre-Construction Buyers Guide

www.ponchodavalos.com.mx

Who I am.

Alfonso “Poncho” Davalos is a boutique real estate broker and content creator based in Puerto Vallarta, Mexico, specializing in condos and homes across Puerto Vallarta and Riviera Nayarit. Originally from Monterrey, he moved to Vallarta in 2009 and blended his background in tourism and hospitality with a passion for helping people find their place in paradise. He became a certified AMPI agent in 2010 and has since built a reputation as one of the most trusted names in the local market, with more than 12 years of experience guiding both Mexican and international buyers and sellers.

In the summer of 2024, Poncho launched his own brokerage, Poncho Davalos Real Estate, a boutique firm dedicated to personalized, relationship-driven service and clear education around topics like fideicomisos, escrows, and pre-construction purchases. His mission is simple: be his clients’ “realtor for life,” combining strong negotiation skills with a calm, transparent process from first showing to closing.

Poncho’s work has reached a global audience through his appearances on HGTV’s Mexico Life and Netflix’s Buying Beverly Hills, where he helped showcase Puerto Vallarta’s lifestyle and investment potential to viewers around the world. Beyond TV, he hosts real estate talks such as “Cocktail Conversations: Real Estate 101,” produces educational video content on YouTube and social media, and writes articles and guides for buyers and sellers in the region. When he’s not touring properties or filming, Poncho is a fitness enthusiast and dog lover, often spotted in the gym, walking his rescue dogs, or spotlighting local charities and community projects that make Vallarta the vibrant, welcoming city he proudly calls home.



Pre-Construction Buyer's Guide



For Puerto Vallarta & Riviera Nayarit

1. What Does It Really Mean to Buy Pre-Construction?

Picture this:

You're standing on a dusty lot. No pool, no lobby, no rooftop yet. The developer shows you renders, floor plans, a beautiful brochure, and says:

“Here’s your future ocean-view condo.”

That’s pre-construction (pre-sale):

- The project is designed and planned.
- Permits are in process or granted.
- There’s a payment schedule instead of one big payment.
- In exchange for entering early, you get better pricing and upside as the project advances.
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Buying pre-construction is basically saying:

“I’m willing to get in before the rest of the market arrives, so I capture the growth.”



2. Before You Sign Anything: The Most Important Phase.

This is where you protect yourself and your money.

a) Check the Developer, Not Just the Renders

Smart buyers ask:

- What other projects has this developer delivered?
- Were they delivered on time?
- What was the quality like?
- What do other agents and owners say?

We had a client who fell in love with a brochure from a first-time developer with no track record. Instead, we guided him to a similar project by a developer who had already delivered three successful buildings. He paid a little more, but got strong appreciation and no headaches. He didn't just buy a condo; he purchased peace of mind.

b) Legal & Technical Due Diligence

Before committing:

- Confirm title of the land is clean and in the developer's name (or their entity).
 - Verify zoning and construction permits.
 - Review the planned condo regime (how the building will be legally divided).
 - Understand the contract structure (promise-to-purchase, trust, etc.).
- It's not glamorous, but it's what separates "Instagram investment" from "real investment."



3. During the Purchase: How the Process Usually Works

Think in three stages: Deposit, Construction, Delivery.

3.1 Reservation & Down Payment

Reservation fee.

A small amount (for example, US\$5,000–10,000) to hold your unit while the contract is drafted and documents are reviewed. Sometimes refundable, sometimes not—this must be crystal clear in writing.

Pre-construction / Promise Contract

This is the backbone of your deal. It should clearly state:

- Price and currency
- Payment schedule
- Estimated delivery date
- What exactly is included (finishes, appliances, parking, storage, etc.)
- Penalties for delay and clauses for cancellation

Initial down payment

Often 30–35% of the total price, but it varies by project.

Example:

“A buyer came in early on a solid project with a 30% down payment. While the building was under construction, prices increased 15–20%. By delivery, he already had equity on paper before even sleeping one night in the condo.”

3.2 Payments During Construction

Common structures:

- Monthly payments spread over the build period,
- Payments tied to construction milestones (foundations, structure, finishes, delivery),
- Or a hybrid: down payment + stage payments + final balance at delivery.

“You’re not only buying a condo; you’re agreeing to a cash-flow schedule. You must feel comfortable with both the property and the payment plan.”

3.3 Closing & Delivery

When the project is near completion:

- You’ll do a walk-through of the unit.
- You create a punch list of details (paint, doors, fixtures, appliances, etc.).
- The legal team coordinates all documents for your title / fideicomiso.
- You pay the final balance

Then comes the formal closing with the Notary, which will most likely take place around 12 months after delivery. But don’t worry—you’ll already have possession of the property as long as all payments have been made.



4. The Real Risks of Pre-Construction (and How to Reduce Them)

Being honest with clients builds trust.

Possible risks:

- Construction delays.
- Changes in finishes or materials.
- Design adjustments.
- In extreme cases: project doesn't complete.

How to reduce them:

- Choose developers with a strong delivery record.
- Use reputable legal counsel that knows the local market.
- Negotiate clear clauses for delays, warranties, and obligations.
- Structure payments so you're paying for real progress, not blind faith.

“Pre-construction done right is a wealth-building tool. Pre-construction done blindly is a stress machine. My job is to keep you firmly in the first category.”



5. After Delivery: Where the Real Strategy Starts



Most people think the story ends with the keys. That's actually Act Two.

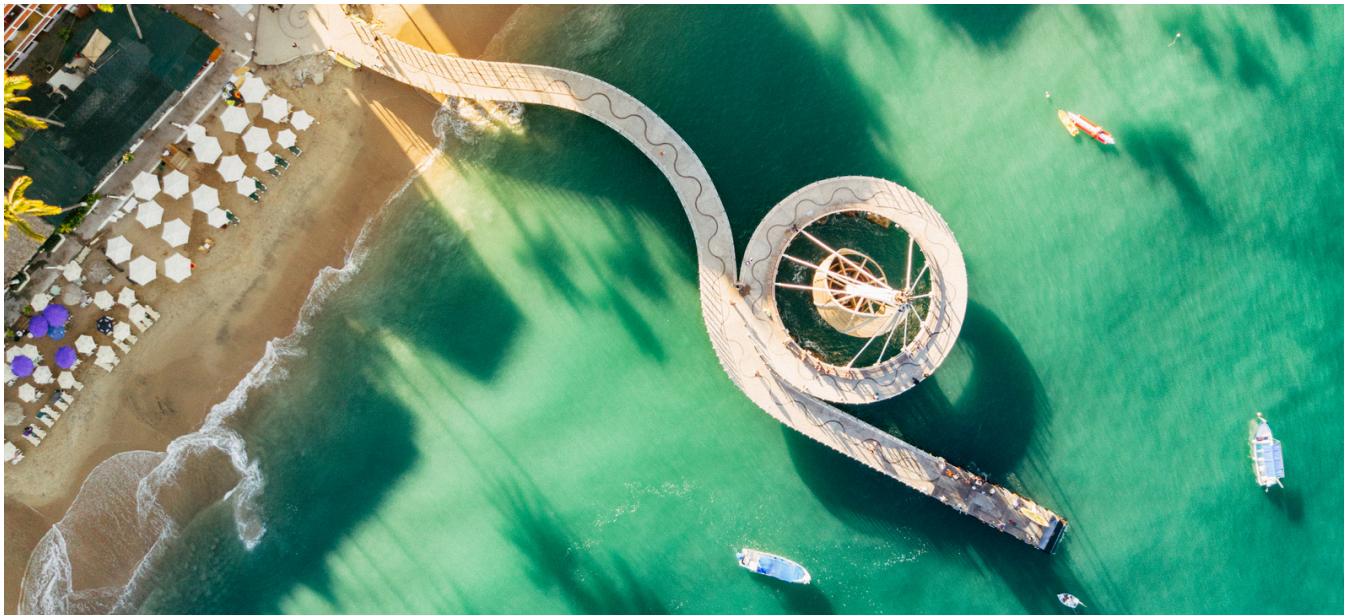
a) Immediate Post-Delivery

- Confirm the developer completes your punch-list items.
- Review warranties (structure, waterproofing, equipment, woodwork, etc.).
- Get your property registered for property tax and utilities (electricity, water, etc.).

b) If It's an Investment: Turn It Into an Asset

- Decide: short-term rentals (Airbnb-style) or long-term rentals.
- Select a property manager or decide to self-manage.
- Furnish and style the property for your target guest (tourists, digital nomads, retirees).





“Buying pre-construction is not just buying a unit in a building; it’s joining the project from the very beginning.

Before we commit, we investigate the developer, the paperwork, and the numbers so your risk is intelligent, not blind.

During the build, we follow the payment schedule, the contract, and the progress, so you always know where you stand.

After delivery, we help you protect your asset and, if you’re an investor, turn it into a cash-flow machine.

It’s not about selling you a dream. It’s about building it with strategy, information, and the right team around you.”

