

Tulum Property Acquisition: Complete Checklist

This document provides a step-by-step guide for acquiring property in Tulum, Mexico, with a focus on fraud prevention and thorough due diligence at every stage.

Phase 1: Preparation & Team Assembly

1.1 Establish Your Investment Parameters

- ☐ Define budget range (purchase price + ~8% closing costs + renovation if needed)
- ☐ Determine property type (condo, villa) and size requirements
- ☐ Identify target neighborhoods (Aldea Zamá vs. alternatives)
- ☐ Clarify investment goals (rental yield, appreciation, personal use mix)
- ☐ Set timeline expectations (search period, closing timeframe, rental readiness)

1.2 Assemble Your Professional Team

- ☐ **Hire an independent real estate attorney** specializing in foreign purchases
 - ☐ Verify they have no ties to developers/sellers
 - ☐ Confirm experience with title disputes and fraud prevention
 - ☐ Check references from other foreign buyers
 - ☐ Execute engagement letter with clear fee structure
- ☐ **Select a buyer's agent/realtor**
 - ☐ Verify AMPI membership and Quintana Roo license
 - ☐ Confirm they work as buyer's representative (not dual agency)
 - ☐ Review testimonials from previous foreign clients
 - ☐ Sign buyer representation agreement
- ☐ **Identify a notario público** (separate from seller's notary)
 - ☐ Research reputation and verify no fraud associations
 - ☐ Confirm experience with fideicomiso transactions
 - ☐ Check if they're on U.S. Consulate's recommended list

1.3 Financial Preparation

- ☐ Set up Mexican bank account (if planning local banking)
- ☐ Arrange financing if not paying cash
 - ☐ Secure pre-approval from cross-border lender
 - ☐ Understand terms, rates, and closing requirements
- ☐ Plan for currency exchange (timing to get best rates)
- ☐ Set aside funds for escrow deposit (~10% of purchase price)

Phase 2: Property Search & Initial Due Diligence

2.1 Property Search Process

- ☐ Brief your buyer's agent on requirements
- ☐ Review current market inventory

- ☐ Visit properties in person (critical to avoid misrepresentation)
- ☐ Document each property (photos, notes on condition, surroundings)
- ☐ Assess neighborhood infrastructure (roads, power reliability, security)
- ☐ Check proximity to amenities and attractions

2.2 Initial Property Screening (For Each Potential Property)

- ☐ Verify the property is **not on ejido land**
 - ☐ Request preliminary title search from attorney
 - ☐ Check with Registro Agrario Nacional if near ejido boundaries
- ☐ Confirm the seller is the registered owner
 - ☐ Request copy of current title from seller
 - ☐ Have attorney verify against public registry records
- ☐ For condos: review HOA documentation
 - ☐ Request last 2 years of HOA meeting minutes
 - ☐ Review HOA financial statements
 - ☐ Check for special assessments or pending litigation
 - ☐ Verify HOA fee structure and reserve fund status
- ☐ For new/recent developments: verify developer reputation
 - ☐ Research developer's track record of completed projects
 - ☐ Check for lawsuits or complaints against developer
 - ☐ Verify all permits and approvals are in place
 - ☐ Confirm development is not subject to environmental challenges

2.3 Preliminary Technical Assessment

- ☐ Arrange property inspection (structure, electrical, plumbing)
- ☐ For beachfront/coastal: assess erosion and hurricane vulnerability
- ☐ For condos: evaluate building's overall condition and maintenance
- ☐ Check water pressure, electricity reliability, internet availability
- ☐ Identify any needed repairs or renovations
- ☐ For pre-construction: verify construction has actually started

Phase 3: Offer & Contract

3.1 Market Analysis & Offer Preparation

- ☐ Research comparable sales in the area
- ☐ Analyze current market conditions (buyer's vs. seller's market)
- ☐ Determine fair offer price based on comps and condition
- ☐ Structure offer with appropriate contingencies
 - ☐ Clean title contingency
 - ☐ Inspection contingency
 - ☐ Financing contingency (if applicable)
 - ☐ HOA document review contingency (for condos)

3.2 Offer Submission & Negotiation

- ☐ Submit formal offer through your buyer's agent
- ☐ Negotiate price and terms
- ☐ Get all counteroffers in writing
- ☐ Once accepted, sign offer acceptance document

3.3 Contract Review & Deposit

- ☐ Have your attorney review the purchase agreement (promesa de compraventa)
 - ☐ Ensure bilingual contract (Spanish/English)
 - ☐ Verify all terms match verbal agreements
 - ☐ Check for unusual clauses or restrictions
 - ☐ Confirm closing timeline and process
- ☐ **Use a secure escrow service for deposit**
 - ☐ Never wire funds directly to seller or developer
 - ☐ Use established escrow company or attorney trust account
 - ☐ Get written confirmation of deposit receipt
- ☐ Execute the purchase agreement with all parties

Phase 4: Comprehensive Due Diligence

4.1 Title Investigation

- ☐ **Commission full title search** through independent agency
 - ☐ Obtain Certificate of No Liens (Certificado de Libertad de Gravamen)
 - ☐ Review chain of title (cadena de título)
 - ☐ Check for encumbrances, easements, or restrictions
 - ☐ Verify property boundaries match registry records
- ☐ Search for any litigation involving the property
 - ☐ Check local court records for disputes
 - ☐ Verify no "avisos preventivos" (notices of pending legal action)
- ☐ For condos: verify the condominium regime is properly registered
- ☐ **Apply for title insurance** from U.S. provider (Stewart or First American)
 - ☐ Submit title search results to insurer
 - ☐ Review preliminary title commitment
 - ☐ Address any exceptions or requirements

4.2 Property Verification

- ☐ Confirm property tax payments are current
 - ☐ Request predial (property tax) payment receipts
 - ☐ Verify with municipal treasury if needed
- ☐ Verify utility accounts are in good standing
 - ☐ Check for unpaid water, electricity bills
 - ☐ Confirm no municipal service liens
- ☐ For condos: confirm HOA dues are current
 - ☐ Get letter from HOA confirming no delinquencies
 - ☐ Review HOA budget and reserve fund adequacy
- ☐ Conduct final property inspection

- ☐ Document current condition
- ☐ Test all systems and appliances
- ☐ Identify any issues to be resolved before closing

4.3 Legal & Regulatory Compliance

- ☐ Verify all building permits and approvals
 - ☐ Check municipal records for proper permits
 - ☐ Confirm compliance with zoning regulations
 - ☐ For newer properties: verify certificate of occupancy
- ☐ For rentals: confirm property can be legally rented
 - ☐ Check municipal rental regulations
 - ☐ Verify HOA allows short-term rentals (if applicable)
 - ☐ Research any pending rental restriction legislation
- ☐ Prepare for fideicomiso (bank trust) setup
 - ☐ Select trustee bank
 - ☐ Gather required documentation
 - ☐ Apply for trust permit from Foreign Affairs Ministry (SRE)

Phase 5: Closing Preparation

5.1 Financial Arrangements

- ☐ Arrange for closing funds transfer
 - ☐ Consider timing for favorable exchange rates
 - ☐ Prepare wire transfer instructions
 - ☐ Verify receiving bank details (avoid fraud)
- ☐ Calculate all closing costs
 - ☐ Acquisition tax (2-4.5%)
 - ☐ Notary fees (~1%)
 - ☐ Registration fees (0.5-1%)
 - ☐ Fideicomiso setup fee (~\$1,000-2,000)
 - ☐ Title insurance premium
 - ☐ Attorney fees
- ☐ For financed purchases: coordinate with lender
 - ☐ Ensure all loan conditions are met
 - ☐ Schedule loan funding
 - ☐ Review final loan documents

5.2 Document Preparation

- ☐ Gather personal documentation
 - ☐ Passport copies
 - ☐ Mexican immigration form (FMM or residency card)
 - ☐ Tax ID (RFC if obtained)
 - ☐ Power of attorney (if not attending closing personally)
- ☐ Review draft closing documents
 - ☐ Draft deed (escritura)

- ☐ Fideicomiso trust agreement
 - ☐ Closing statement with all fees itemized
- ☐ Prepare for utilities transfer
 - ☐ Arrange for meter readings
 - ☐ Complete utility transfer forms
 - ☐ Set up new accounts if needed

5.3 Pre-Closing Verification

- ☐ Conduct final title search update
 - ☐ Get updated Certificate of No Liens (within 30 days of closing)
 - ☐ Verify no new issues have arisen
- ☐ Perform final property walkthrough
 - ☐ Confirm condition matches expectations
 - ☐ Verify any agreed repairs were completed
 - ☐ Document current condition with photos
- ☐ Confirm all closing participants are prepared
 - ☐ Notary has all required documents
 - ☐ Seller has resolved any outstanding issues
 - ☐ Your attorney has reviewed all final documents

Phase 6: Closing & Post-Closing

6.1 Closing Day

- ☐ Attend closing at notary's office
 - ☐ Bring original identification documents
 - ☐ Have your attorney present
 - ☐ Review all documents before signing
- ☐ Sign all required documents
 - ☐ Deed transfer documents
 - ☐ Fideicomiso trust agreement
 - ☐ Tax declarations and payments
- ☐ Pay closing costs and purchase price
 - ☐ Confirm receipt of funds by notary/seller
 - ☐ Get receipts for all payments
- ☐ Receive preliminary closing documents
 - ☐ Copy of signed deed (formal copy comes later)
 - ☐ Payment receipts
 - ☐ Keys and access information

6.2 Immediate Post-Closing Steps

- ☐ Change locks/access codes
- ☐ Notify HOA of ownership change (for condos)
- ☐ Set up utility accounts in your name
 - ☐ Electricity (CFE)
 - ☐ Water

- ☐ Internet/cable
- ☐ Pay initial property tax if needed
- ☐ Arrange property insurance
 - ☐ Obtain quotes from reputable providers
 - ☐ Ensure hurricane coverage is included
 - ☐ Bind coverage immediately

6.3 Documentation & Registration Completion

- ☐ Follow up on deed registration
 - ☐ Confirm notary filed with Public Registry
 - ☐ Get registration number (folio real)
- ☐ Obtain final recorded documents
 - ☐ Registered deed (escritura pública)
 - ☐ Fideicomiso trust certificate
 - ☐ Title insurance policy
- ☐ Create secure digital and physical copies of all documents
- ☐ Set calendar reminders for recurring obligations
 - ☐ Annual fideicomiso fee
 - ☐ Property tax payments
 - ☐ Insurance renewals

Phase 7: Fraud Prevention Checklist

Throughout the entire process, verify these critical fraud prevention measures:

7.1 Title & Ownership Verification

- ☐ **Confirm the property is NOT ejido land**
 - ☐ Get official certification from Registro Agrario Nacional
 - ☐ Verify private ownership history predates ejido claims
- ☐ **Verify seller's identity and authority to sell**
 - ☐ Match ID documents with registry records
 - ☐ For company sellers: verify corporate authority
 - ☐ For trust properties: confirm trustee authorization
- ☐ **Check for double-selling schemes**
 - ☐ Search for multiple listings of same property
 - ☐ Place "aviso preventivo" at registry once under contract
 - ☐ Verify no recent suspicious transfers in title history

7.2 Financial Safeguards

- ☐ **Never wire money directly to seller or developer**
 - ☐ Use only established escrow services
 - ☐ Verify wire instructions via phone (not email)
 - ☐ Send test transfer before large amounts
- ☐ **Document all payments**
 - ☐ Get official receipts for all funds

- ☐ Keep detailed payment records
- ☐ Match payments to contract terms

7.3 Development & Construction Fraud Prevention

- ☐ **For pre-construction: verify project legitimacy**
 - ☐ Confirm land ownership by developer
 - ☐ Verify all permits are authentic (check with municipality)
 - ☐ Visit construction site to confirm active work
 - ☐ Research developer's completion history
- ☐ **Check for permit fraud**
 - ☐ Verify permits directly with issuing authorities
 - ☐ Confirm environmental approvals are legitimate
 - ☐ Check for any stop-work orders or violations

7.4 Professional Verification

- ☐ **Verify all professionals' credentials**
 - ☐ Check notary's official appointment
 - ☐ Verify attorney's bar membership
 - ☐ Confirm realtor's license status
- ☐ **Avoid conflicts of interest**
 - ☐ Ensure your attorney is not also representing seller/developer
 - ☐ Verify your realtor is not secretly developer-affiliated
 - ☐ Use your own notary for document review (even if closing uses seller's)

7.5 Document Authentication

- ☐ **Verify all official documents**
 - ☐ Check for proper seals and signatures
 - ☐ Confirm registry documents are recent (within 30 days)
 - ☐ Verify tax receipts with tax authority if suspicious
- ☐ **Use independent translation for Spanish documents**
 - ☐ Don't rely solely on seller's translations
 - ☐ Have key documents professionally translated

Remember: The most common frauds in Tulum involve ejido land sales, double-selling schemes, pre-construction scams, and title forgeries. This checklist is designed to protect against these specific threats through multiple verification layers and independent professional oversight.

By following this comprehensive checklist, you'll significantly reduce the risk of fraud while ensuring a smooth property acquisition process in Tulum.