

A woman with long hair in a bun is shown in profile, looking out at the ocean during a sunset. The sky is filled with golden light and clouds, and the water reflects the sun. The overall mood is serene and contemplative.

How can foreigners purchase vacation rental homes or develop a real estate project in Mexico?

Legal and Real Estate
Investment Guide

Presented by
Adan Aranda

Program

What do we have for today?

- 01** About D'Ster Group and Myself
- 02** Legal Framework to Purchase Property in Mexico
- 03** The Purchase Process
- 04** The Short-Term Rental Business Model
- 05** How to Finance your STR in Mexico
- 06** Appendix: Realty Joint Venture with **MIKA & MAYA REAL** for investment and development projects



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D'STER[®]
INVESTLAND

ONE-STOP REALTY INVEST

Real Estate, Mortgages &
Legal Representation

Mexico - Canada



01



About D'Ster Group

We are Real Estate Brokers and Lawyers in Mexico, with more than 20 years of helping companies and investors to establish their businesses. And we are also Canadian and Mexican Mortgage Brokers so you will find a bridge of services for your investment projects in Mexico.

Our companies

2001

Law Firm

Located in Mexico -
Cancun and Tulum.

Legal Advice to Foreign
Investment, Compliance,
Corporate & Immigration.



2006

Real Estate Brokerage

Located in Mexico -
Cancun and Tulum.

Master Brokers & Market Place in
Península de Yucatan and Puerto
Vallarta.



2020

Mortgage Specialist in Canada & Mexico

Serving Ottawa and the Rest of
Canada under the umbrella of
Referral Mortgages with more than
40 lenders, all types of mortgages,
with the Brokerage:



01



About Myself

Hello! My name is

Adan Aranda

I am a Lawyer in Mexico and a Mortgage Broker in Canada. CEO of Abro & Associates (Legal Bureau) and CEO-Partner of D'Ster Investland (Real Estate Group).

My clients remember me for my knowledge and legal advice on foreign investment, for creating the right strategy for their real estate investment in Mexico, and for my commitment to finding the best mortgage option for their purposes in Canada or Mexico.

My professional career

1996

Master's Degree in
Law (*Mexico*)

1998

Master's Degree
*Foreign
Investment in
Mexico &
Compliance*

2000

Master's Degree
*International
Private Law
(Madrid)*

2001

Founder -
Law Firm

Located in Mexico -
Cancun and Tulum.

Legal Advice to Foreign
Investment, Compliance,
Corporate & Immigration.



2006

Founder -
Real Estate
Brokerage

Located in Mexico -
Cancun and Tulum.

Master Brokers & Market
Place in Peninsula de
Yucatan and Puerto
Vallarta.



2020

Mortgage
Agent in
Canada

Serving Ottawa and
the Rest of Canada
with more than 40
lenders, all types of
mortgages, with the
Brokerage:



Download

Resume and
Contact
Information



Snowbirds and Expats

One-Stop Realty Invest in Mexico where the investors will find out:

- Options to finance their vacation home
- Where and how to make a smart investment and
- Legal advice to make a safe purchase

One-Stop Realty Invest

Real Estate

Sale of properties

Property rental

Real estate business models

Real estate advice

Accompaniment in the transaction

Foreign Investment Law

Legal advice

Trust (real estate purchase in touristic areas)

Incorporate Mexican companies

Immigration residency

Mortgages

Mexican mortgages for Mexicans

Mexican mortgages for Canadian and USA investors

Equity mortgages options in Canada

Clients Testimonials



Alejandro Jorge

Since 2006 Adan and his legal office have been the Compliance Attorney of our company, leading investments in Mexico, Panama and Cuba. In 2021 he was appointed President of our company. It has always been very valuable to have his support and knowledge to build our business strategies.

 **Alianza & Companies**



Laura Castillo

Since 2008 ABRO & Associates and D'Ster Investland have been very strategic business allies for Grupo Murano, both in Cancun and Puerto Vallarta. Currently, Adan Aranda is part of our Corporate in the Risk Committee and as an Independent Member of the Board.

GRAND ISLAND



Marco Bolognini

Since 2011, ABRO & Associates and D'Ster Investland have represented the interests of Grupo BEL (Italy and Luxembourg), and we can affirm very satisfactorily that Adan Aranda, as Sole Administrator of our companies in Mexico, has been the trigger in developing our properties in Tulum.

BEL/ PROP MEX

These are some of the
Properties and STR -Vacations
Rental Homes we have sold.

We can also help you find a
suitable investment.



02

Legal Framework to Purchase a Property in Mexico

How can foreign investors
purchase a property?



Is it a smart decision to purchase in the Yucatan Peninsula?

If you have ever been in the Riviera Maya or in Yucatan, you already know that investing here is a smart decision.

Most people know that the Riviera Maya and Peninsula de Yucatan is one of the most popular destinations, with millions of tourists coming from all over the world every year.

Here are a few interesting insights:

- 2 International airports with direct flights to the US, CA, and Europe.
- If Merida is your choice, 1 International airport
- In the near future, there will be a Peninsular Train running through 5 Provinces
- Very inexpensive cost of living
- English spoken everywhere
- Affordable and excellent quality medical care
- Activities to do every day: golf, yoga, diving, snorkelling, walking, thematic parks, nature, shopping, cinemas, and more
- The annual Property tax is approximately 90% less than in USA or Canada, and the ROI is also high.



The Maya Train



**Everything sounds fantastic,
but before you take the next
step, knowing the legal
framework of acquiring a
property in Mexico is essential**

Principal Statement: Foreign investment is allowed to purchase real estate.

In some areas of the country, the direct route of ownership is allowed; in others, an innovative and secure method was created to hold the property. This method, which can raise some questions about its operation, is known as "**Fideicomiso**" or **Trust in English**, and is regulated by the Foreign Investment Law, which was strengthened and regulated to provide security to the direct participation of foreign investment in Mexico, all thanks to and since the North American Free Trade Agreement (NAFTA) between the United States, Mexico and Canada was signed.

Two Basics Concepts:

Non Restricted Zone

In all the Mexican areas outside of the Restricted Zone, foreign investment can purchase and hold the ownership in a simple deed.

Restricted Zone

In a strip of 100 kilometres along the borders and 50 on the beaches, for no reason can foreigners acquire direct ownership of the land and waters; they must do it through a "Fideicomiso".

Restricted Zone for Foreign Investment in Mexico

Within 60 miles (100 km) of the international borders with the United States, Belize and Guatemala and within 30 miles (50 km) of the Mexican coast.

The Riviera Maya and Yucatan are within the Restrictive Zone, so you need to purchase through the Fideicomiso.



8 legal questions you should know

1. Which are the legal vehicles to purchase within the restricted area?

For a foreigner to buy real estate in this zone, they can do so only by means of a fideicomiso (Real Estate Bank Trust) or by owning foreign-owned Mexican corporation. We suggested opening a bank trust, especially if you will only have one property.

A foreign-owned Mexican corporation is recommended for commercial property or more than one property.

2. What is a fideicomiso on the restricted zone?

The fideicomiso is a bank trust, granted in a 50-year renewable term, in which the Trustee Bank holds the property in trust for the beneficial use of the purchaser (beneficiary).

The fideicomiso is authorized via a permit issued by the Mexican Ministry of Foreign Affairs (Secretary of Foreign Relations) and in accordance with Article 7 of the Mexican Constitution.



3. Who is the trustee bank?

The Trustee bank is a Mexican bank authorized by the federal government to act as a trustee (Fiduciario). It is worth mentioning that the properties held in trust are not assets of the bank, and the size of the bank does not affect the properties they represent. In the rare case that the bank goes into financial difficulty, the property is transferred to another trustee bank; you do not need to file for a new permit in such case.



4. The parties in the Mexican real estate trust (fideicomiso) transaction are:

- *Buyer (Trustee) / Substitute Trustee (takes the place of the main trustee on his/her death, they can be cross-referenced for better protection of their rights Seller (Trustor)*
- *Seller (Trustor). Could be the Owner or a Real Estate Developer.*
- *The Trustee Bank represents the trustee's interest during the period of the trust permit. Approves the draft and signs to get ready for the seller and buyer to close the transaction.*

5. What is the Notary's role in Mexico?

A Notary Public is a licensed and expert attorney, certified and appointed by the state government as a Notary Public to act as an official representative of the government. A Notary in Mexico has a far greater responsibility than a notary in the United States or Canada. The Notary will certify the transaction is a legal deal for the Buyer.

6. Can I renew my fideicomiso if it expires?

At present, a trust is issued in 50-year increments, which can be automatically extended by an additional 50 years at the end of that term. Under current law, at the end of the combined 100-year period, you will need to apply for a new foreign affairs permit to extend the term.

7. What is an assignment of rights (cesión de derechos) / and can I resell the unit?

An Assignment of Rights of the existing trust (Cesión de Derechos) is a manner of transferring title by assigning the rights of the Seller's existing trust. This method of transfer of title is used primarily in the private resale of property held in trust. In this case, the Purchaser assumes the Seller's existing trust term and existing foreign-affairs permit.

8. Do I need a specific immigration status to purchase a property in Mexico?

There is no limitation for a foreigner to purchase a Mexican property, regardless of whether he wishes to enter as a tourist or as a resident in the country; however, if you want to sell the property or look to be eligible for a capital gains tax exemption, one of the requirements is to have the immigration status as a resident.

INVESTORS: There are two types of residency you can get depending on the requirements you meet; temporary residence and permanent residence. By investing more than C\$450k Canadian dollars, or C\$225K Canadian dollars as a foreign investor in a Mexican Company, you could be eligible to get a permanent resident in Mexico.

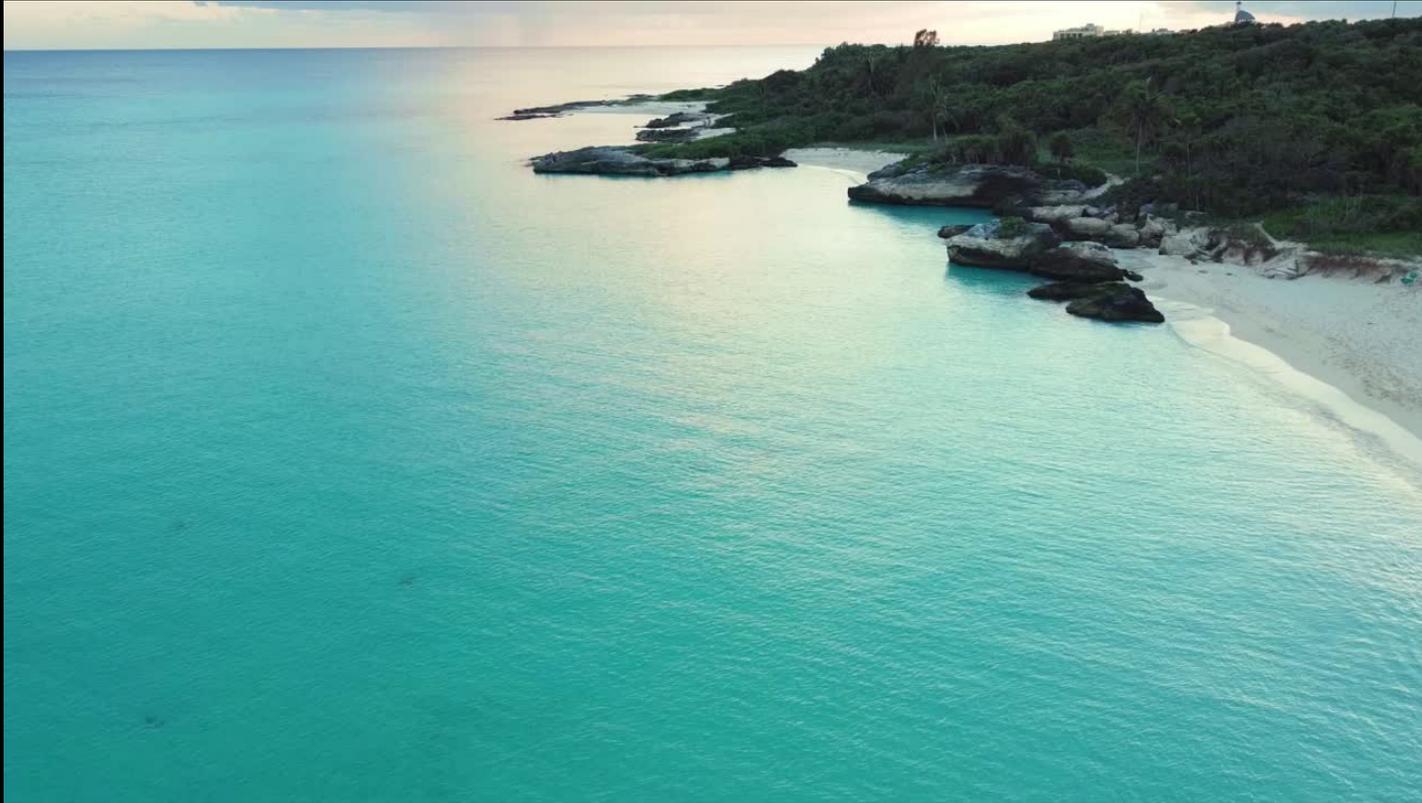


Download

Read more



So YES, we are pretty sure that it's an easy and smart decision to invest in Mexico!!



Let's take 10 minutes for a coffee



03

The Home Buying Process in Mexico: Overview

The steps you should follow

- 01** Ask your Mortgage Broker to check your credit capacity
- 02** Get pre-approved for a loan
- 03** Calculate how much you can afford
- 04** Decide, a house to live as an expat or a house to spend the winter and that has an attractive location for a vacation rental business
- 05** Select the a Real Estate agent who looks for the best options for you
- 06** Select the house, ask about all the discounts, benefits, amenities and make an offer
- 07** Schedule a home inspection or make sure the developer is trustworthy in case of pre-sale
- 08** Run the numbers that the vacation rental administration offers along with your mortgage
- 09** Prepare the closing with your Lawyer
- 10** Enjoy your new lifestyle.



04

The Short-Term Rental Business Model

What investors must know about the STR real estate business (Vacation Homes)



Key Takeaways

Ever since many pandemic travel restrictions were lifted, the short-term rental (STR) real estate market has been on a tear. According to the STR data research firm AirDNA, revenue from STRs listed full time hit an all-time high last year, and guest demand for STR real estate has been growing more than 14% in this 2022.



STR is generally rented for less than 31 days to the same tenant.

Advantages to owning STR real estate often include higher annual gross rental incomes and more flexible use of the property because guests only stay for a few days at a time.

Although STRs have higher operating expenses, annual returns from STR real estate can be the same or more compared to a property rented in the long term.

Examples of STR real estate include:

- Vacation rental homes listed full time, such as an Airbnb business
- Second homes that are rented out part of the time
- A lock-off or spare bedroom rented out of a primary residence, known as house hacking



STR vs. LTR real estate investing

Long-term rentals (LTRs) and STRs are the most common ways to directly invest in real estate, and both have distinct advantages and disadvantages. Here are some of the similarities and differences between owning and operating STRs vs. LTRs.

- Income stream
- Tenant turnover
- Operating expenses
- Financing options
- Exit strategies

Run de the Numbers:

Short-Term Rental Scenario of Expenses and ROI vs. Mortgage Financing

Remember, each case can be different

**Ceiba 38, Depto 501,
Playa del Carmen, Mex.**



Expenses and Income

STR Administration

Annual Occupation: 74%

Annual ROI *after expenses*:

DISTRIBUCIÓN POR MES			
MES	USD	MXN	PROM \$/NOCHE
Enero	\$2,864.52	\$57,290.40	\$4,192.00
Febrero	\$2,546.24	\$50,924.80	\$3,772.80
Marzo	\$2,588.68	\$51,773.55	\$3,709.92
Abril	\$1,909.68	\$38,193.60	\$2,096.00
Mayo	\$1,803.59	\$36,071.73	\$1,572.00
Junio	\$1,909.68	\$38,193.60	\$1,676.80
Julio	\$2,036.99	\$40,739.84	\$1,886.40
Agosto	\$1,739.93	\$34,798.61	\$1,781.60
Septiembre	\$1,464.09	\$29,281.76	\$1,446.24
Octubre	\$1,548.96	\$30,979.25	\$1,530.08
Noviembre	\$1,761.15	\$35,222.99	\$1,572.00
Diciembre	\$3,288.89	\$65,777.87	\$3,144.00
Total Anual:	\$25,462.40	\$509,248.00	\$2,096.00

Mortgage / Financing

Property Value \$273,647.40

Down Payment: \$35% (\$95,776.59)

LTV: \$65% (\$177,870.81)

Length of Loan: 25 years

Fixed interest Rate 9.10%

Montly Payment: \$1,720.25

**Download the
Scenario**



How to invest in STR real estate

1. Determine the reason for investing
2. Research the local regulations
3. Locate the best STR real estate markets
4. Create a budget and financial projections
5. Arrange to finance
6. Make an offer
7. Close the transaction



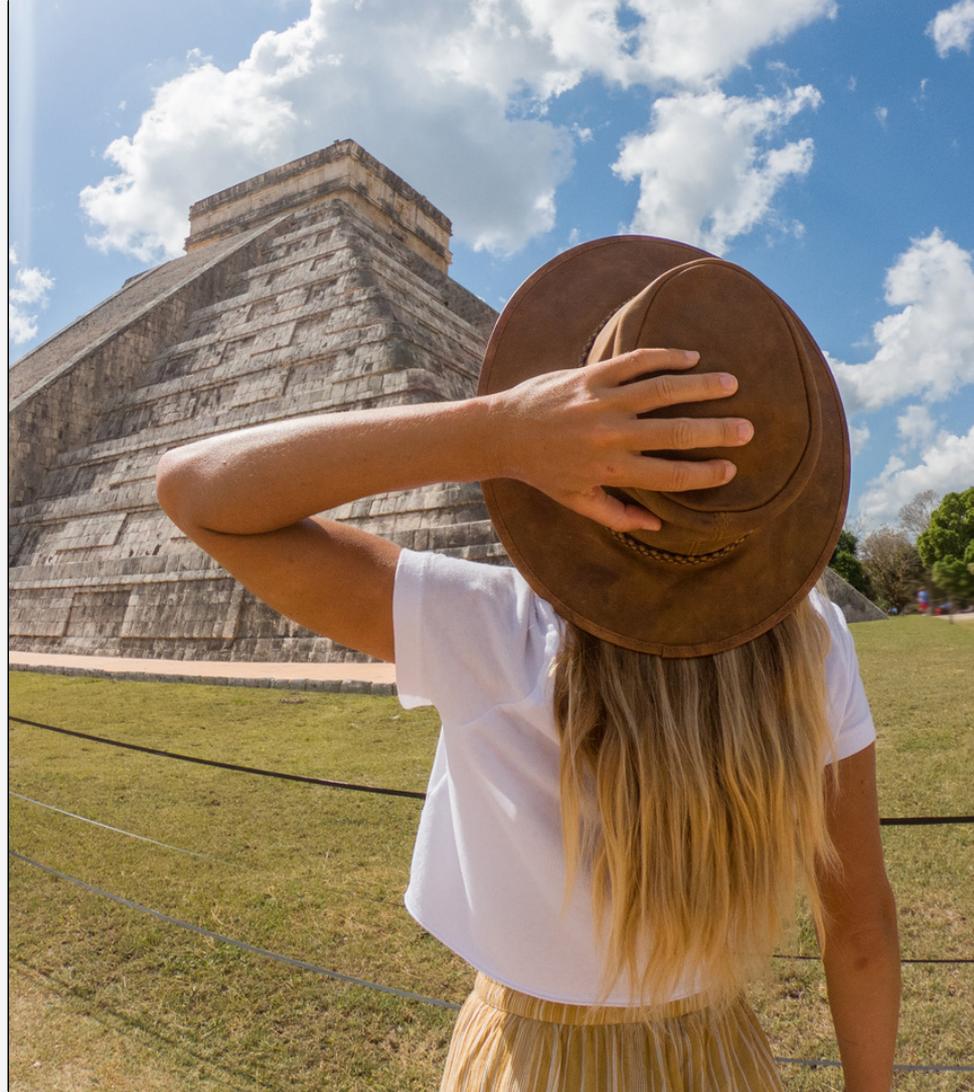
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05

How to Finance your STR in Mexico

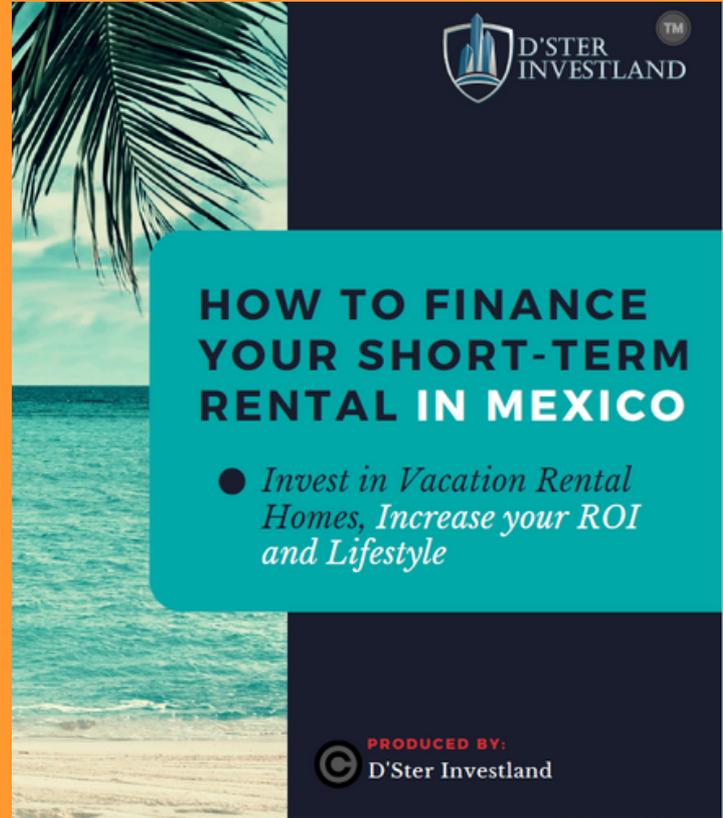


The Guide index

1 - Mexican mortgages for foreign investors guaranteed with the Mexican "STR" property.

2 - Financing options with Mexican developers.

3 - Alliances with mortgage Brokers in Canada. Your Canadian property financing your "STR" property in Mexico.



Read more
Download





**Be part of this new
community &
enjoy your
Mexican property**



Snowbirds Guide is a "ONE-STOP INVESTMENT SERVICE IN MEXICO" where the investors will find out:

- Options to finance their vacation home
- Where and how to make a smart investment and
- Legal advice to make a safe purchase



Snowbirds Guide

One-Stop Realty Invest Service in Mexico

Financing Options

Mexican Mortgage - APPLY NOW

STR Pays Mortgage

Real Estate Law

Immigration & Corporate La

Index of the Guide 2023

1 - Mexican mortgages for foreign investors guaranteed with the Mexican "STR" property.

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HOW TO FINANCE YOUR SHORT-TERM RENTAL IN MEXICO

- Invest in Vacation Rental Homes, Increase your ROI and Lifestyle

[Download](#)



SCAN ME

06 Appendix

Realty Joint Venture Agreement with **MIKA & MAYA REAL**

Why?



Realty Joint Venture

Investment & Development

Mexico

- Development
- Strategy
- Architecture
- Construction
- Financing
- Real Estate
- Investment Law



MAYA REAL
Bienes Raíces



D'STER[®]
INVESTLAND

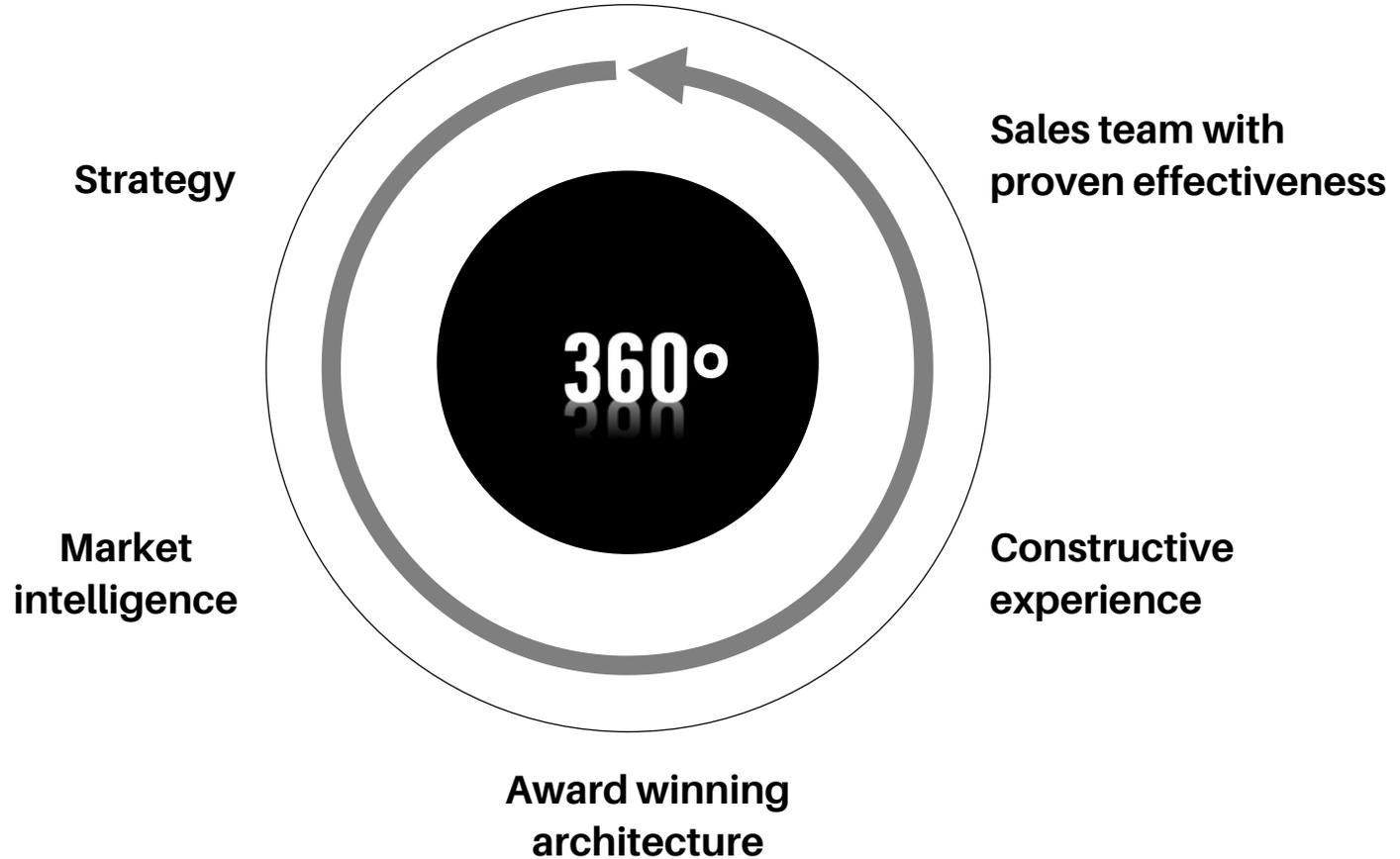


For investors who would like to build or develop their project

- Find the land and the place where to invest
- Architectural design
- Design and urban planning
- Executive project in architecture and urbanism
- Comprehensive real estate developments
- Business strategies to optimize real estate projects
- Planning and analysis of new projects defining the model and the market
- interior design
- Business strategy and plans
- Strategy and creation of real estate branding
- Marketing of real estate products
- Construction, urbanization and building

**No matter if they are
Small, Medium,
Large or XL projects**

**ROI
Maximization**





About MIKA Group

They were born from the synergy of two important pillars in real estate development: business strategy and architectural design. Both existing in equal degree of importance.

They are focused on providing clients with profitable and successful investment opportunities with architectural design that is collaborative, outstanding, unique and recognized.

+\$300 millions of
pesos

In sales of our projects in 2022

**million M2
projected**

BUSINESS
GROWTH



XL

L

M

S

We do not discriminate between scales

XL - Projects



MASTER PLAN LA SEPEZIA, ITALIA



MASTER PLAN BARU, COLOMBIA



MASTER PLAN LLOYD G SMITH, ARUBA

L - Projects



POKTAPOK 18 CANCUN, MEXICO



THE MARIA COZUMEL, MEXICO



MUSEO FERRARI, LA SPEZIA, ITALIA



DEPARTAMENTOS CDMX, MEXICO



CENTRO DE CONVENCIONES CANCUN, MEXICO



CENTRO DE CONVENCIONES CANCUN, MEXICO

M - Projects



NODO TULUM, MEXICO



NODO TULUM, MEXICO



RAXA TULUM, MEXICO



RAXA TULUM, MEXICO



ESKINA URBAN CORNER LIVING, PLAYA DEL CARMEN,



HIVE PLAYA SOCIETY, PLAYA DEL CARMEN, MEXICO

S - Projects



POP UP FORUM, CDMX, MEXICO



CASA MONTECRISTO MERIDA, MEXICO



KREI TULUM, MEXICO



CASA MONTECRISTO MERIDA, MEXICO



EUGENIO SUE, POLANCO, CDMX, MEXICO



RESTAURANTE TULUM, MEXICO

MIKA

MAYA REAL
Bienes Raíces

About Maya Real

Inmobiliaria Maya Real S.A. is founded de C. V. to formalize with Century 21 system, and achieve excellence in customer service.

Independent developers and brokers for various financial institutions such as Bancomer Real Estate, GMAC Real Estate, Banorte Real Estate and IPAB. We participate in investment projects for recognized institutions such as Bepensa, (Coca Cola), Grupo Nacional Provincial among others.

We have a wide portfolio of clients for the brokerage and Investors.

Barlovento - Merida

BARLOVENTO RESIDENCIAL TEMOZÓN

BARLOVENTO RESIDENCIAL TEMOZÓN es una privada exclusiva que cuenta con 20 CASAS en 2 MODELOS a elegir, ubicada en MÉRIDA, YUCATÁN, una de las mejores zonas para vivir gracias a la cercanía con diversos servicios de primer nivel como plazas comerciales, hospitales, y escuelas de gran prestigio.



ENTRADA CASA CLUB



Barlovento - Merida

DISPONIBILIDAD

-  Vendidas
-  Apartadas



Barlovento - Merida



Barlovento - Merida





D'STER[®]
INVESTLAND

MARKETPLACE

WWW.DSTERINVESTLAND.COM



Find Your Property in Mexico

You can find your right property; We offer different options with many properties in the inventory of each development listed below. Take a look at all these options and let us know your questions.



CEIBA 38 Playa del Carmen



TAO Riviera Maya



EOS by Hilton - Tulum



Kumar - Playa del Carmen



Marezul - Playa del Carmen



Punta Cancun Pent House



MAHA Art - Tulum



K'INO - Cozumel



NODO - Tulum



ESKINA - Playa del Carmen



ZAGORA - Yucatan (20 mins. to Merida)

CLICK



Do you have any question?

Let's chat and schedule a virtual meeting



MANY THANKS



CONTACT US



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+1.647.704.2209 . Canada



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