



PRIME
SAN MIGUEL DE ALLENDE REALTY

THE BUYER'S GUIDE

How to buy property in *San Miguel de Allende*

A clear guide for buyers, local and international: how the process works, what foreigners can own, the legal steps, what it costs, and what to think about before you commit.

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Why buy in San Miguel

San Miguel de Allende draws buyers who want a full-time home, a second residence, a place to retire or a property that earns rental income. Its historic centre, its colonias, its climate and its international community give it a pull that few Mexican towns share.

It is also a market where details matter. Homes differ widely in legal standing, construction and location, and the best purchases come from knowing what to ask. That is what this guide is for.

The buying process, step by step

1

Define what you want

Budget, neighbourhood, size, how you will use the home, and whether you plan to rent it.

2

Search and visit

We shortlist properties and arrange viewings, in person or by video if you are abroad.

3

Make an offer

Your offer is put in writing, usually with a deposit that shows you are serious.

4

Sign a promissory contract

Once terms are agreed, a contract of promise to sell (promesa de compraventa) sets price, deposit, timing and conditions.

5

Due diligence

Your lawyer or notary checks the title, taxes, permits and the property's legal status.

6

Inspection

An independent inspector reviews the building, roof, plumbing, electrical and structure.

7

Deed preparation

The notary prepares the deed (escritura) and calculates taxes and fees.

8

Closing

You sign the deed before the notary, funds are paid and the property is registered in your name.

You receive the keys and the transfer of utilities and services begins.

03

Foreign ownership of property

Foreigners can buy and own property in Mexico. The rules depend on where the property is, and for San Miguel de Allende the news is good.

Inland: direct ownership

San Miguel is outside the restricted zone, so a foreign buyer can hold title in their own name, just like a Mexican citizen.

Restricted zone: bank trust

Within 50 km of the coast and 100 km of a border, foreigners use a bank trust (fideicomiso). This does not apply in San Miguel.

Ejido land: caution

Ejido (communal) land follows different rules and cannot simply be sold to a foreigner. It must be properly converted to full private title first.

Buying through a company

Some buyers hold property through a Mexican company. It has tax and legal consequences, so take advice before choosing this route.

In an inland purchase the notary handles the formalities that apply to foreign buyers, such as the required agreement with the Mexican government about the property. Your notary will explain what you are signing.

04

Legal procedures and due diligence

Mexican property law is workable and well established, but it rewards careful checking. These are the steps that protect you:

- Title search: confirm the seller really owns the property and that the deed matches the land
- Certificate of no liens (libertad de gravamen) from the Public Registry of Property, showing no mortgage or debt
- Property tax (predial) and water accounts paid up to date
- Land use and permits: that the building was legally built and any additions are authorised
- Boundaries and survey: that the lot matches what is described and sold

- Condominium or community documents, fees and rules, where they apply
- Historic-zone rules: in the centro histórico, renovations are regulated and need approval

The notary (notario público) is a neutral public official, not your personal lawyer. Many buyers also hire an independent lawyer to look after their own interests. For a significant purchase, we recommend it.

The notary prepares the deed, calculates and collects the taxes, and files the deed with the Public Registry. Ownership is only complete once the deed is registered, and the notary arranges this.

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Closing costs

In Mexico the buyer generally carries most of the closing costs. These are the main items:

ITEM	WHAT TO EXPECT
Acquisition tax (ISAI)	A percentage of the purchase or appraised value, set locally
Notary fees and deed	Depends on the value and the notary; ask for a written quote
Public Registry fees	Modest fees to register the deed in your name
Appraisal (avalúo)	A fixed fee for the valuation required for the deed
Inspection	A fee set by the inspector, paid by you
Independent lawyer	Optional; flat or percentage fee agreed with them
Bank trust (fideicomiso)	Not needed for San Miguel de Allende

As a rough planning figure, many buyers set aside somewhere between 3% and 6% of the purchase price for closing. The exact amount depends on the value and the property, so ask the notary for an itemised estimate early on.

Financing and payments

- Most foreign buyers pay in cash. Mexican mortgages for foreigners exist but are limited and often costly.
- Some sellers offer financing, and some buyers borrow against property in their home country.
- Payments go by bank transfer, not cash, and you will be asked for ID and information about the source of funds.
- Prices are often set in US dollars or pesos. Agree the currency in writing and plan for exchange-rate movement.
- Use a licensed escrow or the notary's process for deposits. Never hand over a deposit without a written contract.

Moving large sums between countries takes time. Open your Mexican bank account, or arrange your international transfer, well before closing day.

Practical considerations

Water and utilities

Ask about water supply, storage tanks, and whether the home is on the municipal network.

Construction

Older homes can hide moisture, roof and structural issues. An inspection is money well spent.

Maintenance

Budget for upkeep. Stone, roofs and terraces need regular attention in this climate.

Property management

If you will be away, a manager can handle security, cleaning, repairs and rentals.

Insurance

Home and contents insurance is available in Mexico. Confirm what is covered.

Renting it out

Short-term rentals can have local rules, taxes or community restrictions. Check before you count on the income.

Property taxes

Annual predial is generally modest, but confirm the figure for the specific property.

Neighbourhood

Visit at different times of day. Noise, traffic and access vary a lot from one street to the next.

08

Advice for international buyers

- See your tax adviser at home. Owning, renting or selling a Mexican property can carry reporting duties in your home country.
- Plan your estate. A Mexican will covering your property can simplify matters for your heirs.
- Understand residency. Owning property does not by itself grant residency, though it can support an application. Check the current rules.
- Buy remotely with care. A notarised power of attorney lets someone sign for you, but only grant it to someone you fully trust, and for a defined purpose.
- Visit if you can. Walk the neighbourhood, meet the neighbours and see the home in different seasons.
- Get documents in a language you understand. Ask for translations of anything you sign, and keep both versions.
- Choose your own advisers. A lawyer, notary and inspector who work for you are the best protection you have.

09

Common buyer mistakes to avoid

Paying before a contract

A deposit should only change hands against a signed written agreement.

Skipping the title check

A home that looks perfect can still carry debts, disputes or unclear ownership.

Buying ejido land by accident

Confirm the property has full private title before you commit.

Relying on one set of advisers

The seller's side cannot also be your only source of legal advice.

Ignoring the building

Charm hides problems. Inspect before closing, not after.

Forgetting the extra costs

Closing costs, furnishing, maintenance and management all add up.

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A typical buyer timeline

STAGE	TYPICAL TIME
Searching and viewing	A few days to several months
Offer and contract	1 to 2 weeks
Due diligence and inspection	2 to 6 weeks
Deed preparation	1 to 3 weeks
Closing	Roughly 1 to 3 months after an accepted offer

These are estimates. A seller with complete paperwork and a buyer with funds ready close the fastest.

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Frequently asked questions

Can a foreigner buy property in San Miguel de Allende?

Yes. San Miguel is outside the restricted coastal and border zones, so a foreign buyer can hold title directly in their own name.

Do I need a Mexican bank trust (fideicomiso)?

No, not for an inland purchase in San Miguel. A fideicomiso is for property within 50 km of the coast or 100 km of a border.

Do I need to be in Mexico to buy?

Not necessarily. Many buyers complete a purchase remotely using a notarised power of attorney. It is still wise to visit first if you can.

How much are closing costs?

Many buyers budget roughly 3% to 6% of the price. Ask the notary for an itemised estimate for your specific property.

Can I get a mortgage as a foreigner?

Mexican mortgages for foreign buyers exist but are limited. Most buyers pay in cash or finance through assets in their home country.

Does buying a home give me residency?

Not automatically. Property ownership can support a residency application, but the rules change, so confirm the current requirements.

What should I check before I pay a deposit?

That there is a written agreement, that the seller is the registered owner, and that the property has clear, private title. Your lawyer or notary can confirm this.

Ready to start your search?

Tell us what you are looking for and we will show you properties that fit, and walk you through every step.

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Estimates only. This guide is general information, not legal or tax advice.