

THE
RONAN MCMAHON
REPORT



MEXICO

Real Estate Buyer's Guide

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INTRO TO MEXICO

The time is right for Mexico....

Mexico has a lot to offer in terms of great weather, beautiful scenery, and authentic Latin American culture; plus, you will find lots of affordable real estate in Mexico.

It is the United States' closest neighbor to the south, and at no other time in the long history of that relationship have the benefits of living and investing in Mexico been more apparent...and easier to take advantage of. Not just for U.S. citizens, but for Canadians, Europeans, South Americans...anyone looking for great weather, low prices, rich culture, and potential profits.

Mexico has it all...rich culture, perfect climate...affordable living...not to mention mountains, beaches, deserts, and just about everything in between.

Whether you dream of a colonial home with graceful arches, thick walls, and a garden overflowing with pink bougainvillea; a lazy beachfront retreat where you can sit on your front porch with your feet propped up and watch the Caribbean roll up on the sand; or a dramatic Pacific coast lookout where the waters crash against the cliffs below and you can watch the sun set behind a watery horizon—you can find your dream home in Mexico.

As many as 1 million U.S. and Canadian citizens already call Mexico their home, with more joining them all the time. In terms of numbers, Mexico is the most popular expat destination for North Americans in the world. This should come as no surprise, actually. Mexico has a lot to recommend it.

Convenience, for one thing: From the U.S. and Canada, you can drive to Mexico—in your own car—or fly there in a few hours, in most cases. Mexico offers many of the First-World conveniences we're used to—including good highways, plenty of airports, reliable telephone service, and fast internet connections.



Mexico's lower cost of living means a comfortable, fulfilling life here will likely cost you a fraction of what you pay "back home." As much as 50% below what you'd pay in the rest of North America.

And then there are all those enticing differences that make Mexico so special: the vibrant local culture and rich history; the friendly people and their relaxed lifestyle; the sunny climate; the delicious food and drink; the miles (nearly 6,000) of coastline, much of it warm, sandy beach. You'll also enjoy a slower, more relaxed pace of life here.

All this adds up to an appealing place to own real estate, whether for your expat haven, a second home, a vacation rental for investment (or covers your costs), or even buy-and-hold to take advantage of the appreciation in this dynamic market.

But can foreigners actually legally buy and own real estate in Mexico?

The answer is simple. Absolutely. Yes!

Foreigners can own property in Mexico. It's perfectly legal. And the process is well-established and easy. However, there are some rules that come into play that you'll read about in this report.

In this report, you'll also find details about safety and security...insider tips for getting the most out of your time in Mexico...details on the low-cost/high-quality healthcare...information on easy-to-qualify-for residence visas...and much more.

But first, let's first look at the seven of the best places to buy real estate in Mexico...



THE BEST PLACES IN MEXICO

Los Cabos

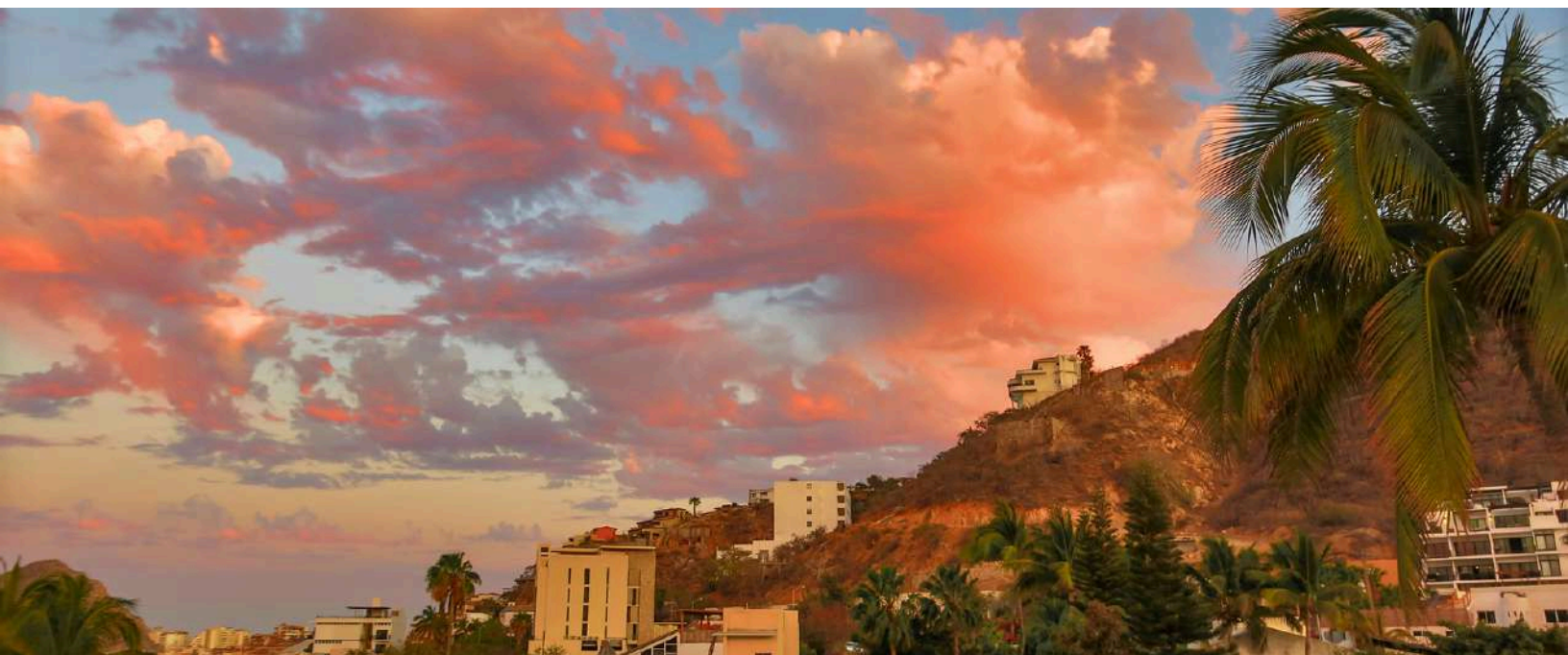
In Spanish, cabo means “cape,” and the tip of the peninsula is often called Los Cabos because of the two major towns, Cabo San Lucas and San José del Cabo. Los Cabos, sometimes called simply “Cabo,” is a thriving town of 350,000 people. It has become synonymous with pristine golden-sand beaches, warm weather year-round, resorts, high-end housing developments, golf courses, and a grand lifestyle.



There are shopping malls, smart boutiques, art galleries, gourmet markets, high end restaurants, world-class marinas, championship golf courses, top notch medical care... and good infrastructure connecting it all, as well as an international airport that has expanded several times over the years to accommodate increasing visitor numbers. In short, Los Cabos is thoroughly modern. A place where you can get every comfort and convenience.

But it's also a natural paradise. With the Pacific Ocean to the west and the Sea of Cortez to the east Cabo was and still is a fisherman's paradise. Jacques Cousteau labelled it "the world's aquarium" because you can see blue whales, dolphins, giant manta rays, sea lions, and more than 900 species of fish.

The Corridor is what expats call the 20-mile stretch of highway between Cabo San Lucas with its vast marina and downtown entertainment zone, and San José del Cabo, which is a historic town at its heart. It's a breathtaking drive that overlooks some gorgeous beaches. Many of the hotels and resorts, as well as commercial and residential development in this area, is on the Corridor.



Riviera Maya

Stretching from Cancún to Tulum, Mexico's Riviera Maya is one of the world's premier beach destinations thanks to its white sands, blue Caribbean waters, and outstanding climate. Plus, thanks to the region's prosperity and high level of investment from the government and the private sector, the feel is First World and modern when it comes to infrastructure, services, and amenities. And traditional Mexican culture, from music to food to cultural events, is still very much alive here.

There is something for everybody when it comes to a place to live on this coast, whether you want a seaside village, resort-style living, or a sophisticated city atmosphere.

Cancún, at the northernmost point of the Riviera, is home to a city of just over 1 million people on the mainland—the center of government and business in the region, as well as a “hotel zone” chock-full of resorts and shopping malls. Some expats live here, both in the hotel zone and in the mainland city.

Playa del Carmen is a rapidly growing seaside town well known for its vibrant nightlife, restaurant scene (everything from traditional Mexican to sushi to Italian gourmet favorites), and world-class shopping centered on the pedestrian-only La Avenida Quinta entertainment district. The cosmopolitan group of expats gives it a real international flavor.



Laidback Tulum is at the far south of the Riviera Maya. Once a stop on the backpacker’s trail through Central America, the town has “grown up” and become a haven for retirees and other expats seeking all the advantages of the Riviera Maya without the crowds and development of the communities to the north. The feel is still bohemian.

Scuba diving and snorkeling, boating, fishing, swimming in freshwater cenotes, exploring the Maya ruins that dot this region...there’s no shortage of things for the active expat to do on the Riviera Maya. And, of course, there are established expat communities you can join very easily and enjoy an active social life of dinner parties, happy hours by the beach, dinners out, and more. Plus, if you’re into volunteering and working in the community there’s plenty of opportunity for that, too.



La Paz

The Baja California peninsula consists of two states, Baja California to the north and Baja California Sur at the lower end of the peninsula. La Paz is the state capital of Baja California Sur (BCS). Much of the BCS population lives in either La Paz or in Los Cabos. The difference between La Paz and Los Cabos is striking. Los Cabos is a tourist destination through and through. If you are looking for an easy transition to a foreign country, check out the English-speaking, English-friendly Los Cabos area. If you are looking to experience true Mexican culture, look no further than La Paz.

Located on the east coast of the peninsula, the city of La Paz hugs an inlet from the Sea of Cortez and expands in rings to the south. Starting at the water is the famous malecón which stretches three-and-a-half miles east to west providing a beautiful area to stroll and enjoy the sunshine.

Heading south and within walking distance from the malecón is the next ring, old town La Paz. Traditional brick buildings line every street. Across Highway 1, the next section of the city finds La Paz beginning to feel like a modern urban city. Local businesses bump against shopping malls. Here you can go shopping at U.S. mainstays like Walmart, Sam's Club, and Home Depot, along with the Mexican superstore, Soriana Híper. The bustle of the city can be felt here.

International air travel is easy due to the La Paz Manuel Márquez de León International Airport.

La Ventana

About 40 minutes' drive south of La Paz is the quiet beach community of La Ventana. It first came on the radar of foreigners due to its consistent winds from October to April, which make it perfect for windsurfing and kite-boarding.

There is only one paved road that runs through town. It's the stellar opposite of Los Cabos two hours south. There are multiple uncrowded beaches with mountain vistas and desert landscapes.

It's a great place to get away from it all, with big city conveniences close by.

Cozumel

Lying only 12 miles offshore from Playa del Carmen, the island of Cozumel is about 30 miles long and 10 miles wide. But this small space has a lot packed into it.

The coastline is typical of a Caribbean island. And the water is so clear, you can see reefs, rock formations, and vividly colored tropical fish just offshore. The island is in the midst of the world's second largest barrier reef, making it a haven for scuba divers and snorkelers. The beaches are spectacular and pristine as well, especially in the protected area that covers much of Cozumel. Kayaking and paddleboarding are also popular.

There is a busy malecón, or boardwalk, running along the shoreline near the ferry terminal and cruise ship docks in San Miguel, which is where the bulk of the population calls home. Arriving by boat, you'll find a vast array of tourist-oriented shops, restaurants, and bars.

With over 300 restaurants, delicious meals of all varieties are easy to find. You can buy a couple of fish tacos for about \$5 and wash them down with a \$2 local brew, or splurge on an elegant steak and lobster dinner by the sea.



A few blocks inland will put you into local neighborhoods, where small houses and apartments line the streets and groups of uniformed children walk to and from school.

Puerto Escondido

The state of Oaxaca is a remarkable area of the southern Pacific coast and Puerto Escondido is its crowning jewel. The popular surfing destination exemplifies the affordable, Mexican, coastal lifestyle that lures so many to the country. Beautiful, with friendly people and a rich history, it truly makes for a wonderful place to visit... and to consider for a transplant into a life of leisure. There is real bohemian vibe that runs through this community.

Whether for retirement, vacationing, or world-class sporting activities, Puerto Escondido has much to offer. Even though there has been a steady growth in development and tourism in the “hidden port” (English for Puerto Escondido), it maintains its small-town feel and is as friendly and inviting as can be.

Puerto Vallarta

Puerto Vallarta, a thriving and sophisticated city of 300,000 people, sits on the Bahía de Banderas, or Bay of Flags, on Mexico's central Pacific coast.

This vast bay, which stretches 20 miles from north to south and 26 miles from east to west, has an incredible coastline. You'll find miles of golden-sand beaches, stunning azure waters, and the jungle-covered Sierra Madre mountain range, which slopes down to the shore.



In addition to this stunning setting, Puerto Vallarta offers lots to see and do, including excellent golf, sunset cruises, whale watching, fine dining, dance clubs, and markets, boutiques, and shopping malls offering everything from traditional crafts to jewelry to chic fashions.

This city has drawn vacationers from the U.S. and around the world for decades. Though lately Puerto Vallarta has been booming. In 2023, the city welcomed a record-shattering 6 million visitors, and 2024 was reportedly on track to break the 7-million-visitor mark.

Given its massive and longstanding popularity with tourists and expats, Puerto Vallarta's real estate market is a mature one. Prices in the best areas tend to be high and there are ready buyers.

Puerto Vallarta's hottest tourist district, the Zona Romántica, is maxed out. This has led merchants and restaurateurs, not to mention second homeowners and real estate investors, to seek out more affordable areas.

These folks are driving the gentrification north of Zona Romántica, which is the direction the development of Puerto Vallarta has taken over the years.





CAN FOREIGNERS GET A MORTGAGE?

In Mexico, as with many other countries around the world, it is difficult for foreigners to obtain loans, including mortgages to purchase real estate.

Simply put, you don't have a credit history in the country, and banks are very strict. Foreign residents with a temporary or permanent residence visa have better luck, but it's still not an easy process and the terms are often unattractive.

Fortunately, there are alternative forms of financing. With new developments, some developers will offer financing to buyers.

With this approach, you can take up the developer finance and rent the condo out to offset costs...while putting your capital to work on another deal. And if the real estate is rising in value at the same time, you've gotten more real estate than you could have done with your own funds at the start of the deal. You get to use someone else's money to finance your gains and to target that capital appreciation.



NUTS & BOLTS OF REAL ESTATE IN MEXICO

First, let's clear up a common misconception that the Mexican government can confiscate the land of foreigners at any time.

The Mexican government cannot just take your land.

There have been cases—such as in Baja California some years ago—when the Mexican government “repossessed” property from foreigners. But when you dig a little deeper, it turns out the property titles didn't hold up to scrutiny—they were essentially fraudulent.

Yes, these expats were defrauded, but not by the government; the government was simply correcting the fraud, applying the law, and returning the property to the rightful owners.

Cases like these are good reminders that you need a competent, honest lawyer protecting your interests in a real estate deal...someone who can make sure a property title is legal, clear, and unencumbered. But IF there is a problem, you are protected as fully under the law as a Mexican citizen would be.

Even as a foreigner, the law is on your side in Mexico. And that extends to a unique way foreigners often hold property in the country.

The Fideicomiso

It's perfectly legal for foreigners to own property in Mexico. But, you have to take an extra step to own property within 50 kilometers (31 miles) of the coast, or within 100 kilometers (62 miles) of an international border. This is called the “restricted zone,” and within it you must use a financial instrument to control the land called the fideicomiso, which was created in 1973.

(Outside of the so-called restricted zones foreigners can hold direct deed to property with the same rights and responsibilities as Mexican nationals.)

With the fideicomiso the property title is held within a bank trust—not directly. This is a safe, legal, and extremely common vehicle for foreign ownership in Mexico.



The property's title is held by the bank, but it is not an asset of the bank. They can only act with written instructions from the beneficiary of the trust, the foreign buyer, who has full control of the property. The foreign buyer can live in it, sell it, rent it out, mortgage it, make improvements, or pass it on to their heirs. It's as if it was a fee simple property.

How did this unique trust arrangement come into play?

An article in the Mexican Constitution of 1917 states that no foreigner can own property in Mexico's "restricted zone." In 1973, however, the government saw the economic wisdom of allowing foreign investment in the "restricted zones" and established the fideicomiso as an instrument to allow such investment in residential real estate.

Since 1973, most foreigners who have bought residential property in "restricted zones" have therefore done so through a fideicomiso. This sort of bank trust grants the title for a piece of property to the bank (the trustee), which in turn is obliged to follow any instructions given by the trust's beneficiary—you, the foreign owner.

The fideicomiso is very secure—only banking institutions authorized and regulated under Mexican banking laws can serve as fideicomiso trustees. And with the fideicomiso you effectively have all the rights you'd have if you owned the property via direct deed.

Fideicomisos do add some time and cost to the buying process. But they are a useful instrument, and many people buying outside the restricted zone— such as expats in the colonial cities, for instance—have chosen to own their property through fideicomisos/bank trusts.

Owning property through a fideicomiso offers several advantages.

First, you can list more than one person as beneficiary. This means, for example, that a husband and wife can essentially be “co-owners.” You can and should structure this in such a way that if one partner dies, the other has immediate, 100% control over the property.

Second, you can list an “heir.” This means that, should both co-owners die, a new beneficiary is already in place—a beneficiary who, incidentally, needn't be related to the original co-owners. Essentially, you write a letter of instruction to the bank naming this heir. When presented with the death certificate(s), the bank immediately and seamlessly passes title to him or her, and they don't even need to be in Mexico for this. For gay couples, friends who own a property jointly, or for couples in a second marriage with different children, this is a very desirable option.

All this is important because it allows the simple and easy transfer of control over the property and avoids the messiness of sorting out ownership in the Mexican courts. Plus, it allows you to avoid inheritance taxes.

Trusts are issued for renewable 50-year periods. If you are buying property currently held in a trust, you can either establish a new trust for the next 50-year period or take over the existing trust deed. Trusts are renewable at any time by simple application. Maintenance fees for this kind of trust are typically \$700 to \$800 per year. Initial set-up may run a few thousand dollars.

Closing Costs in Mexico

Once a buyer's offer on a property in Mexico is accepted, their attorney will provide an estimate of the closing costs, which are entirely the responsibility of the buyer (other than capital gains tax). The estimate may vary due to fluctuations in the exchange rate between the U.S. dollar and the Mexican peso, as property values are often listed in U.S. dollars but officially registered in Mexican pesos.

Buyers are typically required to pay about half of the estimated closing costs in advance to cover the notary's out-of-pocket expenses.

Closing costs in Mexico generally range from 5% to 9% of the purchase price, with additional costs if a mortgage is involved. Closing costs include various fees and expenses, such as:

- Transfer tax: A tax that varies depending on the location, it is 3% to 4% in the Riviera Maya
- Trustee Bank Fee: Around \$2,250 which includes the permit that is issued by the ministry of foreign affairs, one annual bank fee payment, and a bank acceptance fee
- Appraisal for Future Tax Assessment: Varies based on property size, conducted by a locally certified appraiser
- Non-Encumbrance Certificate: Approximately \$50
- Preventative Notice Advice: About \$130
- Public Registry Fees: Approximately \$350
- Notary's Fee: Varies from 0.5% to 1% of the transaction size

It is important to note that while the seller is responsible for any applicable capital gains taxes, the buyer must cover all closing costs associated with the purchase of the property in Mexico.

What is RETA?

My name is Ronan McMahon. I'm an international real estate scout. My team of researchers and analysts and I spend a small fortune on research and travel as we search out the best real estate opportunities in some of the most appealing locations around the world, including Portugal.

Often, what we find and the deals we make pay off with potential investment opportunities that I share with members of my Real Estate Trend Alert group. **[You can learn more about my RETA group here.](#)**

To be a RETA member is to be first on the very best real estate deals in the world. First to get wind of a big transformation, a big trend or major Path of Progress event, first to get in on the ground floor of that transformation...first to get in on a best-in-class real estate at off-market prices.

The core strength of RETA is our group buying power. It's by acting in unison with like-minded investors—fellow RETA members—that we get the incredible deals that we do.

Over the years, RETA has developed a heavy-hitting reputation in the right circles. Our group buying power is highly respected and sought after. It's how we get deals no one else gets, deals that even the most informed local real estate insiders can't believe. And RETA members will continue to access our pipeline of incredible off-market deals from the world's most desirable locations.

I've been watching Portugal closely and bringing investment opportunities to RETA members for many years, focusing on the appealing beach communities on the Algarve. Let's take a look at our track record.

* In December 2019, RETA members could buy in a community called Santa Maria from €310,500. Two-bed condos available to RETA members for €390,000 now list for €550,000—a boost of €160,000.

* In 2020, I recommended condos in a community called Adega in Lagos. RETA members could get penthouses here for the incredible price of €480,000. Those now list for around €1 million...meaning they've doubled in price.

* In 2021, we had a RETA deal in the luxury community of Dona Maria. One RETA member purchased a penthouse there for €1.1 million. That was recently listed at double that—€2.2 million.

• RETA members could also buy two-bed condos in Dona Maria from €575,000. These now list for about €850,000—an uplift of €275,000.

Nobody I know does the kind of travel and first-hand research we do. Nobody I know has our contacts and ability to negotiate such incredible, off-market deals for members.

And nobody I know has RETA's track record of being ahead as destinations experience major transformations.

Members of Real Estate Trend Alert are the only people who get all my research reports... the inside scoop and contact information for some of the top experts in real estate...and the hottest off market opportunities from around the world.

[Click this link to learn more about RETA and to join today.](#)

Property Tax

The property tax on Mexican real estate is called predial. Compared with property taxes in the U.S., the cost of the predial is quite reasonable. It is a local tax and in most areas is payable quarterly. The average is approximately 0.1% of the assessed value of the property at time of sale.

It is very common in many communities in Mexico to use the “assessed” value of the property as the basis for these taxes, and the official assessment can be considerably lower than the market value of the home—often only 30% or 40% of the actual sale price. You should know though that under Mexican law, using an assessed value less than the actual commercial value for tax purposes is illegal. And, it means you’ll likely pay more capital gains tax when you sell.

Rental Income Tax

If you do not reside in Mexico, but rent out your Mexican property, your rental income is subject to tax at a rate of 25%. For residents, rental income is taxable at the regular income tax rates.

Capital Gains Tax

If you sell the property, you’ll owe capital gains tax. This can be up to 35% of the profit, but can be lowered based on how long you have held the property, authorized deductions, etc.

To ensure that capital improvements you make to a property can be deducted, make sure you get the correct receipts. In Mexico, you can only claim deductions for services and materials that are recorded on official receipts and invoices called *facturas*. *Facturas* must be printed on a government-authorized press and have the tax ID number (RFC number) of the company or individual issuing the receipt. No *factura*, no tax deduction.





PRACTICAL TIPS

Many know America's neighbor to the south from vacations and cruise stops. That's how they came to love this charming country... and many have become expats. But there are many misconceptions out there too.

Here's what we know from our on-the-ground experience living, working, and traveling through Mexico.

Safety and Security

While the U.S. press regularly reports on violence in Mexico, the truth is that crime statistics in Mexico almost exactly mirror crime in the U.S.

Anyone paying attention knows that Mexico's most dangerous and violent crimes are related to organized criminal activities such as selling and distributing drugs. Like all business efforts, the sale of drugs in Mexico is competitive, especially in tourist areas. Disputes between rival drug dealers are often settled by very visible displays involving guns. One bad guy protects his territory by eliminating the competition. So stay out of the drug business and chances are, you'll be perfectly safe living in Mexico.



Healthcare in Mexico

Without question, Mexico offers professional and affordable medical care. Residents can choose between two national care plans which are either completely free or almost completely free depending on your situation. Many doctors speak English as their second language, especially in large cities.

Many pharmaceuticals do not require a doctor's prescription, except narcotics and a few strong antibiotics. Simply walk into the pharmacy and tell them what you need. And the cost is literally pennies on the dollar compared to U.S. prices. Typical doctor visits can range from \$15-\$40 depending on the specialty area. With costs so low, many simply pay out-of-pocket.

While hospitals provide excellent results and most have modern, updated equipment, nursing care is not up to the standards we see in U.S. hospitals. Rooms can be shared, and family members are expected, in most cases, to provide meals and incidental care to patients as nurses are scarce.

Given the galloping rise in healthcare costs in the U.S. and elsewhere, Mexico's affordable and top-notch healthcare is a huge benefit to living there. Pretty much across the board, private healthcare in Mexico costs a quarter to a half of what you would pay in the U.S. This is true of doctors' visits, dental work, hospitalization, surgeries, and some medicines.

Medical insurance with one of Mexico's national healthcare services can cost less than \$600 a year (and with the other recently launched program, medical care is free); private insurance will cost more, depending on age and pre-existing conditions—but still a fraction of what you'd pay in the U.S. for similar coverage.



Visas in Mexico

Seeking a residence in Mexico is straightforward, and qualifying for a visa is relatively easy.

There are two broad resident visa categories: temporary resident visas and permanent resident visas. (Within these categories, however, there are various classifications, depending on whether you're seeking residence as a retiree, an artist or scientist, a company employee, self-employed, and the like.)

With this system, you are not required to start as a temporary resident. Anyone wishing to become a permanent resident in Mexico can do so immediately.



Temporary Resident Visa

The temporary resident visa (residente temporal) is designed for those who wish to live in Mexico for more than 180 days but for less than four years. Most expats seeking a temporary resident visa get a temporary resident visa for non-lucrative purposes. This means that you live in Mexico on funds received from abroad. You must begin the application process for a temporary resident visa at the Mexican consulate nearest you in your home country.

Requirements

To qualify for the temporary resident visa, you need to show that you have:

- A monthly income or pension of about of 300 days' worth of Mexican minimum wage. This changes based on exchange rate. Currently that is at least \$4,350 per month. You can also qualify with investments or bank accounts with an average monthly balance during the last 12 months of 20,000 days' worth of Mexico's minimum wage, about \$73,200.
- In addition, a spouse or other dependent must show an income or pension of about \$500 a month, as demonstrated in statements from the previous six months. Alternatively, one spouse can qualify for a residence visa and then bring dependents into Mexico on the grounds of family reunification. The option preferred may depend on which Mexican consulate is processing your application.
- Your marriage certificate (if your spouse also wants a residente temporal visa) and/or a divorce decree if you are divorced.
- You may also be asked to provide a document from your local police stating that you are not a criminal, or a health certificate.

You can stay in Mexico on a temporary resident visa for up to four years.

After beginning the visa process from your home country, you will then need to go to Mexico to complete the process and get your visa. Your Mexican consulate in your home country will put a special 30-day visa stamp in your passport that permits you to visit Mexico specifically to get your residence visa. (When you enter Mexico, make sure that Immigration does not give you the 180-day tourist visa instead.)

With your special visa, you have 30 days from the time you enter Mexico to go to your nearest immigration office and apply for your visa and pay the processing fees associated with it.

Note: After the four-year maximum with a temporary resident visa, you must either:

- Return to your home country and begin the application process again if you want another temporary resident visa, or
- Change over to a permanent resident visa.

Permanent Resident Visa

If you know that you want to live in Mexico, you can opt to apply immediately for a permanent residence visa.

The financial requirements for a permanent resident visa are higher than for a temporary resident visa. But the good news is that this is a one-time process. The permanent visa is open-ended, requires no renewal, and sets no limit on the amount of time you can spend outside Mexico. You'll only need to inform Immigration of changes in your civil status (that is, if you marry or divorce), changes in your nationality, or of your workplace if you work (or accept a job) in Mexico.

Most expats live off funds they have earned outside Mexico. To demonstrate financial solvency, you must show that you have:

Investments or bank accounts with an average monthly balance during the last 12 months of 20,000 days' worth of Mexico's minimum wage, about \$293,200. In addition, if you own a property in Mexico, it is worth mentioning, as this will be considered a point in your favor.

If providing proof that you have a regular pension or Social Security payment, expect to provide receipts for at least the last six months showing evidence of a pension of or 500 days' worth of the Mexican minimum wage, which works out to about \$7,300 or so a month.



As a permanent resident of Mexico, you cannot own a vehicle with foreign license plates. You'll need to send that car back to your home country and get yourself a car in Mexico, with Mexican plates.

It is possible to have certain models of cars in the U.S. nationalized (made legal in Mexico), though you'll want to enlist the services of a broker to do it. And this must be done from outside of Mexico.

The permanent visa also confers the right to work in Mexico. In practice, however, few expats take advantage of this, since it can be relatively difficult to qualify for a job. Mexico officially lists the income and investment amounts you must show to prove financial self-sufficiency in Mexican pesos, its national currency. Your Mexican consulate will set the amount you must show based on the foreign-exchange rate at the time. This holds for both temporary and permanent residence visas.

Also keep in mind that individual consulates may interpret these guidelines slightly differently from place to place. You may find some consulates stricter than others in applying requirements or in granting residence visas. Keep in mind that, while most people apply at their nearest Mexican consulate, you are not required to do so.



Visa Help

In expat areas you can often find attorneys and “consultants” who can help you apply for residence in Mexico, even walking you through the process of first applying at the Mexican consulate in the U.S.

Bringing Your Car Into Mexico

If you are a tourist or on a temporary resident visa, you can bring your personal car into Mexico. The limit is the length of your visa. That’s 180 days for a tourist visa and up to four years for a temporary resident. The car must leave the country before the limit is up or it could be confiscated.

The process is simple and done at the border. There is a deposit and fee. Insurance is required and available online.

You can also temporarily import a motorcycle or RV. Commercial vehicles are generally not allowed.



Getting Money in Mexico

You'll get the best exchange rate from your ATM or home-country credit card. However, many banks now charge a "foreign exchange fee" for using these cards abroad, which can be as much as 3% of the transaction amount.

For your ATM card, you'll also be hit with the out-of-network fee. Ask your bank about fees before you go. And also remind your bank that you'll be abroad: Many banks now automatically block foreign transactions on ATM cards unless notified in advance. If you have an investment account through a brokerage firm, it's worth asking if it provides a debit or credit card that does not charge foreign exchange fees (or, in the case of debit cards, out-of-network fees). Fee-less cards can save you a lot of cash.

Mexican Bank Accounts

Some expats never bother opening a bank account in Mexico—they just use credit cards or ATM cards from their home country account to make purchases and get cash. A local account can be handy, however, especially if you need to write checks or want to wire money to yourself. Major banks with branches all over the country include Banamex, Bancomer, Banco Santander, HSBC, and Scotiabank.

You'll be asked to show your passport (and residence visa if you have one) to open a bank account. You'll likely also have to show proof that you have a permanent address in Mexico, such as a telephone or electricity bill in your name.

Note that, if you want to wire money to your Mexican bank account from your U.S. bank, you may need to set up the original authorization in person at your U.S. or Canadian bank. Ask your bank back home what you'll need to do to be able to authorize transactions online.

Negotiating Your Rent

As you explore Mexico to find your ideal real estate investment or first or second home...you might end up renting for a time. Rents are affordable, although they are pricier in popular expat and tourist areas and the closer you are to a historic centro or the beach.

Buyer beware. Make sure you have a signed lease. Don't send a deposit sight unseen. A deposit, by the way, is usually equivalent to one month's rent. And keep in mind that rents are negotiable. Ask for a lower price. Ask for utility service, or cleaning service, to be included. Private landlords are more likely to be flexible than property management companies.

Making a Will

If you own property in Mexico, have a legal Mexican will written and filed by a Mexican attorney. If you don't, your heirs could spend months, if not years, wrangling with Mexico's bureaucracy over your estate. Save them the torment, time, and expense. Have your attorney draw up a Mexican will in Spanish that disposes of your Mexican possessions. It will simplify matters immensely.

Street-Side Car Wash

In some cities the “free” parking areas—even supermarket car parks—are manned by guys with buckets who will wash your car while you're away running errands. They usually charge about 50 to 70 pesos—a few bucks. It's considered polite to pay them for the car wash if you plan to park, especially if it's on the street. Consider it a parking fee with great side benefits. If you're only running a quick errand and don't want to pay for the car wash, be sure to explain—and try to be back fast.

Watch Out for That *Tope*!

The word *tope*—speed bump—is one Spanish word that you should learn early and never forget. Roads—even major highways (though not toll roads)—that go through rural areas of Mexico will be littered with *topes* near villages to slow down speeding motorists. Some *topes* will be a thin, rounded line of asphalt a couple of inches high that runs across the road. Others will be as much as six or eight inches high, quite solid, and almost vertical rather than sloping. These can do serious damage to a car if you don't slow down and are one of the hazards of driving at night in Mexico.

Spanish Cheat Sheets

Before going shopping, asking for something, or making an appointment, it's a good idea to spend a few minutes with a translation app or even pocket dictionary to study up on the phrases that you'll most likely need to use. Some expats create cheat sheets for vocabulary they need for doctor's appointments, hairdressers, shopping, and the like.





HEALTHCARE

Portugal has some of the best healthcare in the world, a vital necessity for anyone who wishes to make Portugal their home.

Compared to the high cost of U.S. healthcare, Americans can expect to pay just a fraction of what they're used to paying at home. Private health insurance in Portugal is available and affordable for people of all ages—with no deductibles or low copays, and even covers some pre-existing conditions.

Expats who become full-time residents in Portugal will have access to both the public and private healthcare systems, hospitals, and clinics.

Most medications or their equivalent which are available in North America can also be found in Portugal and will cost much less. While some medicines require a doctor's prescription, many can be purchased without one.

Dental procedures and routine care are also excellent in Portugal, not to mention affordable.

Many healthcare professionals speak some English, especially in the private healthcare system, where most are fluent. Doctors in Portugal are unhurried and take all the time they need to treat each patient fully.

All expats living full-time in Portugal have access to the healthcare system. After receiving your initial resident card, called a *Título de Residência*, your local health department, or *saúde*, will issue a health number called a *número de utente*. This unique identifying number will register you with the national healthcare system and be used whenever you visit a private healthcare facility.

Most doctors' offices throughout Portugal are in the same complex as the hospital, and these doctors aren't in private practice, but work for the hospital group. Even in the private healthcare system, doctors and specialists see patients in offices attached to the hospital. If the doctor feels the patient requires further testing, this is ideal as they can simply direct them to the appropriate department.



There Are Public and Private Systems

Private hospital websites offer patients all they need to know, including information about each provider's credentials, what languages they speak, where they studied, and what insurance they accept. Also, patients can easily schedule an appointment on the hospital website or call the helpline, where English-speaking operators are always available.

Doctors in Portugal commonly work on nights and weekends, so it's possible to schedule appointments in the evenings and Saturday/Sunday. Surgeries and other procedures can also be scheduled at these times.

In the public healthcare system, all patients are supposed to be assigned to a doctor upon registering, but since there aren't enough doctors in the public system to go around, most expats and Portuguese have yet to be assigned a doctor. In order to be seen by a doctor in the public system, patients show up at their local public clinic, take a number and wait to see whatever doctor is in attendance that day. Since there's no choice of doctors, they may not speak English.

Even without health insurance, medical costs in Portugal are affordable. In a high-end, private hospital, a patient can expect to pay €50 to see a general practitioner or €90 to see a specialist. In the low-cost public healthcare system cost can be just a few euros and up or sometimes even free, depending on the service.

Private hospitals offer patients modern facilities with the latest technology and private patient rooms. Emergency room triage units include semi-private, curtained-off areas like most U.S. emergency departments.

The Portuguese believe that the public system should be preserved for their elderly population since they often can't afford to use the private system. Those Portuguese that can afford private health insurance prefer to use the private system, as do most expats.

Throughout Portugal, private healthcare clinics offer an array of services, including, dental, clinical analysis, diagnostic exams, and consultations. Most shopping centers even include a private healthcare clinic, perfect for convenience or a sick visit. All clinics feature a doctor on call for walk-in emergency care for minor ailments like respiratory illnesses, fever, scrapes, etc.

Like the rest of Europe, Portugal has access to an emergency response system that can be reached by calling 112. Operators and dispatchers may or may not speak English.

An organization called [iMergencies](#) is geared toward the expat community and offers an emergency support system with English speakers on call around the clock. Foreigners may wish to choose this service for a yearly fee for peace of mind.



Private Health Insurance is Available

All foreigners living in Portugal must show proof of private health insurance when applying for a temporary resident visa, for a period of five years. Private health insurance starts at around €30 a person per month, for someone young but increases with age, pre-existing conditions, and how comprehensive the policy may be. A couple in their 60s can expect to pay €300 a month for both, to have a high-end policy with a €15 copay to see a doctor.

Pre-existing conditions are typically only covered by insurance companies in Portugal when and if the patient can show proof of continuous coverage.

Lower-end private health insurance can be found for less money with higher co-pays. For those expats who rarely seek medical attention, a policy that covers 50% may be a good choice, while others prefer to pay more upfront and less at the doctor's office.

Some insurance providers are Allianz, Fidelidade, Tranquilidade, Multicare, and Medis, but MGEN is the only private health insurance company that covers people of all ages. Those over age 70 have fewer options and MGEN may be their only choice. Most banks throughout Portugal offer private health insurance to their customers, and even grocery store chains offer discount plans.





VISAS IN PORTUGAL

Portugal is, without a doubt, one of the most popular destinations for expats. Recent years have seen significant changes to its visa and tax policies, but there are still several excellent ways to obtain residency there.

Temporary Visas

North Americans are welcome to visit Portugal for up to 90 days as tourists, but if you wish to remain longer, you'll need to apply for a long-stay residency visa.

Long-Term Visas

For most expats, there are three routes to long-term residency in Portugal:

1. *Retiree (D7)*

The most common visa for retirees or those living on passive income from outside of Portugal is the D7. You must show sufficient income from passive sources, suspension, real estate rentals, dividends, or other yielding investments. The minimum required income is around €820 per month for the main applicant, with another €410 for a spouse, and about €300 for each dependent child. Note that these are minimums, and that consular officials have wide discretion to ask for higher incomes.

2. *Digital Nomad (D8)*

The D8 visa is for digital nomads who have guaranteed employment outside the country. You must show a monthly income of at least €3,280 from employment or freelance contracts outside Portugal, and around €10,000 in a savings account. The D8 visa comes in two flavors. There's a temporary stay visa for one year, but it doesn't give you the right to claim a residence permit subsequently and cannot be extended. A long-term visa is valid for four months, allows you to apply for a two-year residence permit on arrival, and can be renewed for 3-year periods. After five years, the residence permit can be converted into permanent residence or citizenship. Both the D7 and D8 visas require that you spend at least 183 days of the year in the country, which triggers tax residency. Failure to do so will result in the visa being canceled.

3. *Golden Visa (D9)*

The D9 or Golden Visa offers residency through investment without having to live full-time in the country. Until October 2023, the D9 was available to people investing in residential property. Currently, the only investment options are venture capital funds (€500,000 minimum), scientific or technical research (also €500,000 minimum), cultural, artistic, or national heritage projects (€250,000), or, less commonly, the creation of 8-10 jobs.

One of the big advantages of the D9 visa is that it doesn't require you to live in Portugal. You retain residency rights, but you only need to spend a few days every year in the country. Note that if you take advantage of this, however, it may affect your ability to apply for permanent residency or citizenship subsequently.

4. Family Reunification (D6)

For all of the above visa types, family members can apply for a D6 visa, which allows them to live with the main visa applicant in Portugal.

Permanent Residency

After living in Portugal for five years on a long-stay residency visa, visa holders may apply for permanent residency. This requires the ability to read, write, speak, and understand the Portuguese language at an A2 level.

Visa holders must adhere to specific "time spent in Portugal" requirements. During the first 24-month cycle, visa holders must be physically present in Portugal for 16 months with no absence lasting longer than six months, and not to exceed eight months during the combined period of validity.

During the subsequent temporary visa cycle, holders must remain in the country for at least 28 months during the three-year cycle with no absence greater than six months. At five years, the visa holder must remain in the country for at least 30 months of the next five-year cycle.

Citizenship

Portugal allows for dual citizenship without having to renounce citizenship in your home country.

The Portuguese passport is one of the most widely accepted in the world, allowing visa-free or visa-upon-arrival entry into 184 countries. Portuguese citizenship allows for free travel and the ability to work and live in any country in the European Union. Becoming a naturalized citizen of Portugal allows for lifetime access to the state healthcare system.

The process to apply for citizenship may be started after living full-time in Portugal for five years. Approval can take up to two additional years after the paperwork has been submitted.

Although both permanent residency and citizenship are similar in that they both require proficiency in the language, only citizenship offers a passport, the right to vote, and the ability to live anywhere in Europe.

Applying for a long-stay residency visa is a two-step process. The first step begins in your home country at a designated office assigned by the government of Portugal. This may be a Portuguese consulate, embassy, or for those applying from the U.S., a third-party company. After applying online, you will need to appear in person at a designated Portuguese consulate.

Once approved, you will need to show your passport, in which the agency will paste a visa stamp valid for 120 days. This will allow you to remain in Portugal legally until you have your face-to-face appointment with SEF, the agency that processes and approves visa applications. This process cannot be started from within Portugal. There are 11 required documents needed to apply, but more may be added by certain consulates or VFS.

- 1.** Application for National Visa, the same as the Schengen visa but specifically for Portugal. Every applicant must have their own packet of documents.
- 2.** A passport valid for at least six months after your 120-day visa expires, two color passport photos, and a notarized copy of the main page of your passport. Passports must have been issued within the last 10 years and have two black pages left. Passports older than 10 years with extensions added will not be accepted.
- 3.** If you are not a citizen of the country from which you're applying, you need to show proof that you are a legal resident in that country. This step does not apply if you apply from your home country.
- 4.** Personal statement from each applicant declaring why they wish to live in Portugal. This should be a brief note, handwritten, dated, signed, and include: a description of yourself, such as your profession, and any ties to Portugal, like friends, family, or if you own property. Include where you plan to live, the name of the town, and the type of dwelling. Mention how you intend to get money for daily expenses.
- 5.** Proof of financial means and/or sufficient funds. You must show that you have at least 100% of the current minimum wage in Portugal. This figure changes annually. Note that applicants who only earn the minimum are less likely to succeed. You'll need bank statements, investments, or other financial means.
- 6.** Proof of a funded bank account in Portugal and a NIF (*Número de Identificação Fiscal*), your Portuguese tax number. You may want to open a bank account and apply for your NIF while in the country. You will need to hire someone to do it for you. It's a good idea to fund this account with at least two years of the Portuguese minimum wage or more to help your visa to get approved.

7. FBI criminal background check, or police check if living in a different country, which must be apostilled, and left in an original unopened envelope. The FBI has been processing these requests in three to five business days and charges a prepayment of \$18 to \$50. Requests can be made online. Children under the age of 16 do not need the FBI criminal record certificate.

8. Request or release for a Portuguese criminal record check by SEF. VFS Global and other consulates outside of the US typically request this, while other consulates do not.

9. Proof of private health insurance that works in Portugal, or Schengen travel insurance with medical benefits and covid coverage. Every applicant must have medical insurance with a minimum of \$30,000 in coverage, valid for 120 days (the duration of your visa), have no deductible, explain what it covers, and must include COVID coverage. Be sure to highlight that Portugal is one of the Schengen states that it covers. Once you settle into life in Portugal, you will need to secure private health insurance to carry for the duration of your five-year temporary visa cycle.

10. Proof of accommodations in Portugal, like a rental contract for one year or a deed to a property. This must be in Portuguese but can be accompanied by an English version. The contract must include the names of all adults who will be living in it, the address of the property, the owner's name, and other pertinent information. If you have bought property, you can submit a home purchase agreement or Promissory Contract, if the sale is still in progress. If renting an Airbnb or similar property, you'll also need a rental contract.

11. Copy of marriage certificate or children's birth certificates, if moving with a family. VFS Global requires these for children or a spouse relying on the other for financial support. Two adults applying individually usually do not need these.



Processing Time

The Portuguese government claims that a decision on visa requests should be made within 15 to 45 days of the documents being submitted, but in reality, approvals can take 180 days or more.

Applications to a Portuguese consulate or embassy should be submitted no more than six months from your intended arrival date. Those who apply through VFS Global should apply no more than 90 days prior to arrival. The FBI report cannot be older than six months. The start date of your rental lease or home contract can be the same as your arrival date, but if you are renting, you will probably be paying rent for several months prior to your arrival to hold your apartment.

You must arrive in Portugal within 90 days of the visa's expiry date and then wait for your appointment with SEF to convert it into a *Título de Residência*.





INSIDER TIPS

Portugal is a thoroughly modern country, steeped in history, with a distinct culture. It offers the good life to many expats. But as with any place, there are still different customs and ways of doing things you need to get used to if you make it your home. Here are some tips to help you make your way around as expat, especially in the early days. Embracing local customs is one of the joys of being an expat.

Cuisine

The Portuguese pride themselves on their cuisine, which focuses on fresh fish—especially sardines, in season—and pork. Bacalhau, their beloved salted cod imported from the North Atlantic, is so popular that one cookbook features recipes for preparing it every day of the year!

You Can Drink the Water

Bottled water is available everywhere, but unnecessary, as water is potable throughout the country.

Tipping

At a café, tipping is not expected. In a mid-range restaurant, you might simply leave the change after you've paid, or if you've had exceptional service, maybe a euro or two, depending on the size of your bill. Only in an expensive restaurant, or of course in a Michelin-starred establishment, is tipping really expected.

Folk Music and Dancing

Fado and folk music and dancing are Portugal's most important forms of musical expression. In fact, fado is on the UNESCO Intangible Cultural Heritage List. Translating to “destiny” or “fate,” it is characterized by mournful tunes and lyrics, often about the sea, and is linked to the concept of saudade, a word connoting homesickness, longing, and nostalgia.

The importance of fado is confirmed by the fact that on the death in 1999 of Amália Rodrigues, the “Queen of Fado,” three days of national mourning were declared. Even the smallest town in Portugal has a square, often by the church, for presentations of regional folklórico. Participants in colorful dress sing traditional songs and perform time-honored dances accompanied by instruments such as guitar, mandolin, bagpipes, accordion, violin, and drums.



Café Culture

From early in the morning until late at night, the Portuguese can be found sipping coffee at their local café. They gather to talk, read the paper, and visit neighbors at all hours. These establishments are magnets for the community and, as a newcomer, you are more than welcome.

Sports

Soccer, futebol, is the most popular sport in Portugal. The oldest club, Boavista, after the Porto neighborhood of the same name, was founded in 1903. Sporting and Benfica are the rivals in Lisbon, and there are other clubs throughout the country. The national team consistently ranks highly in international competition. Learning a bit about the sport will help you connect with your new neighbors.