

How To Be Involved in Successful Mexican Real Estate Transactions

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At the Arizona Association of REALTORS® Arizona-Sonora Real Estate Conference last month, several questions arose about how Arizona licensees can be involved in real estate transactions taking place in Mexico or involving cross-border referrals. Three major questions are addressed below.

Q. Can I make referrals to Mexican real estate practitioners and receive a referral fee?

A. Yes. If you refer an Arizona buyer to an individual legally doing business in Mexico (one who has the right permits, etc.), that individual can pay a referral fee to a licensed Arizona broker for the referral. Tip: make sure that you have a written referral agreement that states exactly your terms of agreement.

Q. Can I enter into an out-of-state broker agreement with a Mexican real estate practitioner in order for each of us to market the other's listings?

A. Yes. Such an agreement could allow you to place listings of Mexican property in your MLS and market them to Arizonans, and your Arizona listings could be promoted to Mexican residents by the Mexican real estate practitioner. The key point is that both would be appropriately licensed or otherwise permitted to do business within their own jurisdictions.

Q. How about Mexican subdivisions? Can they be promoted in Arizona? Can I send buyers to new subdivisions in Mexico?

A. Subdivisions located in Mexico cannot be directly promoted by their developers to Arizonans unless the properties have Arizona Subdivision Reports. If you receive information in Arizona about new subdivisions that are not authorized to advertise in Arizona, be cautious about referring buyers. Tip: Refer your buyer prospects to Mexican real estate practitioners to help them locate the right properties within their jurisdictions, which could include new subdivisions. (Note: the subdivision approval process for Mexican developments is being improved and streamlined, so many more Arizona reports may be approved in the near future.)

In summary, the smart way for Arizona licensees to find properties in Mexico for their buyers is not to try to do it themselves unless they have the necessary expertise, but to find Mexican real estate practitioners who can do it correctly and effectively. In our border state of Sonora, there is no 'licensing' as we know it, but there are certification programs for real estate practitioners, and a voluntary registry of those practitioners who have met certain criteria. Arizona licensees may want to refer to those individuals listed on the Registry, especially as it grows in numbers and awareness by both the real estate world and Sonoran consumers. Be watching for a link to the Sonoran Registry on ADRE's website soon.

Alice Martin has been involved Arizona/Sonora real estate issues for several years, initially serving on a cross-border group who drafted statutes for Sonora real estate licensing in the mid-1990s, until now, where she serves on the Arizona Mexico Commission's Ad Hoc Real Estate Committee.
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