WHITEBOX

REAL ESTATE DEVELOPMENT AND INVESTMENT FIRM

MARKET REPORT · EDITION 2026

PLAYA DEL CARMEN INVESTMENT REPORT

A practical guide for buyers, investors, property owners, and future residents of the Mexican Caribbean's most livable beach city.

Based on experience acquiring land, developing projects, raising capital, reviewing contracts, and operating real estate in Playa del Carmen.

18 CHAPTERS · 10 WORKSHEETS

PLAYA DEL CARMEN, MX

W.

BEFORE YOU BEGIN

How to read this report

This report is not a sales brochure. It is not a legal opinion. It is not a promise of returns. It is a practical guide for people who want to understand what they are buying, why the market behaves the way it does, and what can go wrong when expectations are built on slogans instead of numbers.

IMPORTANT NOTE

Mexican real estate is local, legal, operational, and sometimes messy. Public data is useful, but it is not perfect. Playa del Carmen does not have the same transparent MLS infrastructure that many US and Canadian buyers are used to. Asking prices are not closing prices. Rental projections are not rental results. A beautiful rendering is not a building. A high gross yield is not net profit.

The numbers in this report are practical working examples, not appraisals or guarantees. Every buyer should review live comparable sales, legal documents, tax position, rental assumptions, HOA rules, and exit strategy before making a purchase.

SELECTED SOURCE NOTES

This report uses a mix of public data, market observation, and practical underwriting examples. Public sources reviewed include INEGI census materials for Quintana Roo, SEDETUR and SITUR-Q tourism indicators, ASUR passenger traffic releases, the official Tren Maya platform, the H. Ayuntamiento de Playa del Carmen ISABI page, Mexican fideicomiso legal references, public mortgage pages from Mexican banks, SHF housing index reporting, and public short-term rental data providers including AirDNA, AirROI, and Airbtics.

Where exact local transaction data is not publicly reliable, the report uses conservative ranges and explains the assumption.

WHITEBOX · PLAYA DEL CARMEN, MX EDITION 2026

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FOREWORD

Why This Report Exists

Most buyers arrive in Playa del Carmen with a few simple but important questions. Is it still a good time to buy? Can I make money on Airbnb? Is buying in Mexico safe? Which area should I be looking at? Which developer can I trust? What will this property actually cost me after everything is included?

These are fair questions. They are also harder to answer properly than most people expect.

The challenge is that real estate advice in Playa del Carmen often comes from one side of the table. A broker wants you to reserve a unit. A developer wants you to trust the project. A lawyer wants you to understand the documents. A property manager wants you to believe the rental projection. Each person may be telling the truth from their own perspective, but the buyer still needs the whole picture.

That is why we created this report.

At WHITEBOX, we see the market from several sides. We are developers, investors, and legal advisors. We have purchased land, structured investment deals, raised capital, managed construction, reviewed contracts, completed closings, sold units, operated properties, and worked with buyers long after the transaction was finished. That experience does not make every answer simple, but it does give us a practical view of what happens after the brochure, after the sales presentation, and after the excitement of the purchase fades.

Buying property in Playa del Carmen is not complicated because Mexico is impossible. It is complicated because people often simplify the wrong things. They simplify ownership. They simplify rental income. They simplify construction risk. They simplify taxes. They simplify property management. They simplify exit strategy. Then they are surprised when the real world is more detailed than the sales deck.

This report tries to do the opposite.

It slows things down. It explains why Playa del Carmen grew, how the market has changed since 2020, where demand is strong, where the market is crowded, how returns actually work, what ownership costs, how the fideicomiso works, what to review before signing, and what the next few years could look like.

The purpose is not to convince every reader to buy property in Playa del Carmen. The purpose is to help every serious reader think more clearly before making a decision.

We believe a good property should still make sense after the difficult questions have been asked. It should make sense after closing costs, HOA fees, rental management, taxes, maintenance, delays, and resale realities are included. It should not depend only on lifestyle photos, optimistic projections, or someone speaking quickly.

A good investment should survive explanation.

Executive Summary

Playa del Carmen remains one of the most important real estate markets in the Mexican Caribbean. It benefits from tourism, population growth, foreign demand, improving infrastructure, lifestyle migration, and a location between Cancun and Tulum that continues to matter. But the easy-money version of Playa is mostly gone. From 2020 to 2022, many buyers could purchase almost anything in the right general area and look smart because the market was moving quickly. Prices rose. Rental demand recovered. Remote workers arrived. Developers launched aggressively. Inventory that once looked expensive suddenly looked cheap.

By 2026, the market is more mature and less forgiving. Good properties can still perform well. Weak properties are easier to spot. Generic studios compete with hundreds of similar listings. Buildings with poor administration lose value quietly. Developers without strong capitalization create buyer risk. Rental projections are being questioned more seriously. Buyers are asking better questions. That is healthy. A stronger market is not one where everything sells quickly. A stronger market is one where quality, location, execution, and operations matter.

Key findings

- Playa is no longer just a vacation town. It has become a year-round city with a large resident population and multiple buyer profiles.
- Demand has broadened. Buyers include investors, retirees, remote workers, lifestyle buyers, Mexicans relocating from other states, and foreign owners who use their property part time.
- Infrastructure has changed the regional map. Tulum Airport, Tren Maya, highway upgrades, and continued airport traffic in Cancun all influence how people move through the region.
- Pricing has moved materially since 2020. Official SHF-backed reporting shows strong growth in Quintana Roo and Playa del Carmen (former Solidaridad), but local pricing varies sharply by street, product type, and building quality.
- Short-term rental supply is large. That does not mean every property is doomed. It means underwriting has to be honest. Location, unit type, amenities, management, and seasonality matter more than ever.
- Net yield is usually much lower than advertised gross yield. After HOA, management, repairs, utilities, taxes, vacancy, replacements, and marketing, many realistic net returns are in the mid single digits before appreciation.
- The fideicomiso is widely misunderstood. It is not fake ownership. It is a bank trust structure used in the restricted zone, and the beneficiary rights are what matter.
- Closing costs are meaningful. In Playa del Carmen, the ISABI acquisition tax increased to 4 percent for operations from December 10, 2025, before adding notary, registration, trust, appraisal, legal, and bank costs.
- The exit strategy matters before the purchase. The easiest unit to reserve in pre-sale is not always the easiest unit to resell.

The simplest conclusion

Playa del Carmen remains a market worth studying seriously. Educated buyers can still find value when they understand the difference between the city's growth story and the strength of a specific property, between projected rental income and real net returns, and between a sales presentation and the legal documents that define the purchase.

CHAPTER 1

Playa del Carmen Story

How a beach town between Cancún and Tulum became a year-round city, and what that means for the people who buy here.

What Playa was before 2020

Before 2020, Playa del Carmen already had a strong identity. It was not unknown. It was not undiscovered. It had 5th Avenue, the beach, the Cozumel ferry, international restaurants, boutique hotels, nightlife, growing condo inventory, and a steady stream of foreign buyers. But the city still felt different from what it feels like today. For many people, Playa was a place to visit. For some, it was a place to spend a winter. For fewer, it was a place to build a long-term life.

The market was largely driven by three groups:

- Tourists who wanted short stays near the beach
- Foreign buyers looking for a vacation property
- Investors buying small rental units in Centro and nearby neighborhoods

There were local residents, of course. There were Mexican families, workers, entrepreneurs, and long-term foreign residents. But the international real estate narrative was still strongly tied to vacation. Then 2020 changed the way people thought about place.

The pandemic did not create Playa. It accelerated Playa.

A common mistake is to say that Playa grew because of the pandemic. That is too simple. Playa was already growing. Quintana Roo had one of the strongest population growth stories in Mexico. Tourism had been expanding for years. Foreign buyers already understood the Mexican Caribbean. Developers were already launching projects. What the pandemic did was compress several years of lifestyle change into a short period of time. People asked questions they had been avoiding. Why do I live in a cold city if I can work remotely?

Why am I waiting until retirement? Why am I holding all my wealth in one country? Why not own something I can use, rent, and eventually sell? That change in mindset mattered. It did not only bring tourists. It brought remote workers, young families, digital entrepreneurs, early retirees, and investors who wanted both lifestyle and hard-asset exposure.

Tourism growth and the return of demand

Tourism is still the engine under the market. Even when people talk about remote work, lifestyle migration, and foreign capital, the first layer of demand is the same: people want to come here. The tourism recovery after 2020 was not smooth every month, but the direction was clear. Cancun Airport remained one of the main international gateways into Mexico. Riviera Maya hotel occupancy, passenger flow, and visitor arrivals kept Playa connected to global travel demand.

Public tourism platforms in Quintana Roo track hotel supply, visitor flow, hotel occupancy, air passenger movement, and Tren Maya passenger movement. That matters because real estate buyers should not treat tourism as a vague feeling. It is a measurable demand driver. Still, the practical lesson is this: tourism growth does not automatically make every condo a good investment. A city can have millions of visitors and still have bad rental units. Demand enters through the market, but performance is captured by individual properties.

Population growth changed the character of demand

When a town becomes a city, real estate changes. A vacation market cares mostly about proximity to the beach, nightly rate, and lifestyle photos. A city cares about groceries, parking, schools, internet, maintenance, safety, doctors, shaded streets, traffic, noise, waste collection, building administration, and how people actually live daily.

Playa crossed that line gradually. The population growth of Quintana Roo and the growth of Solidaridad made the market deeper. More people needed long-term rentals. More restaurants, gyms, clinics, coworking spaces, schools, and service businesses became viable. More neighborhoods became real neighborhoods, not just speculative land on the way to somewhere else. This is one of the biggest changes investors often miss. They look at Playa as a tourism market, then ignore the local resident base. But long-term value is usually strongest when a property can appeal to more than one type of demand.

> Long-term value is strongest when a property can appeal to more than one type of demand.

A unit that can be used by tourists, remote workers, winter residents, and long-term renters has more resilience than a unit that only works for one narrow use.

Figure 1 Demand pyramid. Playa's strongest properties can serve several demand layers, not only short-term vacation guests.

Infrastructure changed the map

Infrastructure does not create value equally. It changes access, confidence, and imagination.

Since 2020, the region has seen several major infrastructure stories:

- Tulum International Airport opened in late 2023 and added a second major gateway south of Playa.
- Tren Maya began operating routes across the Yucatan Peninsula, changing how the region is discussed and connected.
- Road and highway improvements continued to support movement between Cancun, Playa, Tulum, and inland areas.
- Cancun Airport remained a dominant air access point for the region.
- Public and private investment continued to follow tourism and population growth.

For Playa, the effect is not only about distance. It is about positioning. Playa sits between Cancun and Tulum. It is close enough to both airports to benefit, but it has a different identity from each. Cancun is more hotel and resort driven. Tulum is more lifestyle, brand, and nature driven, but also more polarizing and expensive in certain areas. Playa sits in the middle as a practical city with beach access, services, walkability, and a broader price range. That middle position is one reason the market remains important.

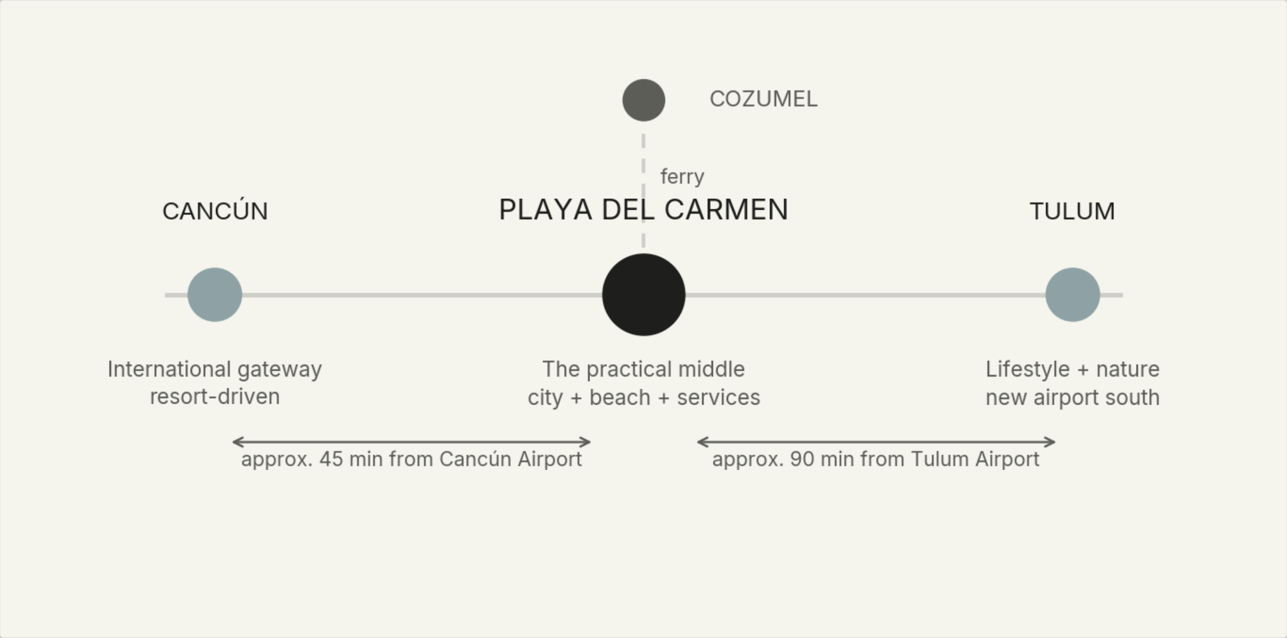

Figure 2 Regional context schematic. Playa is shown as a practical midpoint between Cancun, Cozumel, and Tulum. Schematic only, not to scale.

International buyer demand

Foreign buyers come to Playa for different reasons. Some want income. Some want lifestyle. Some want a place for retirement. Some want a hedge outside their home country. Some want a future residence. Some want a property their children will use. Some want to participate in a market they believe will mature over the next decade. The mistake is assuming all foreign buyers are the same.

A retired Canadian couple looking for quiet winter use does not evaluate property like a 32-year-old remote worker from New York. A German buyer who wants six months a year in Mexico does not evaluate property like a Mexican investor buying rental inventory. A lifestyle buyer may happily accept a lower yield for a better daily living experience. A pure investor may care more about entry price, operating efficiency, and exit liquidity. Good projects understand this. Weak projects pretend every buyer wants the same studio, the same rooftop, the same rental projection, and the same sales argument.

Foreign capital inflows

Capital followed the story. Developers bought land. Brokers expanded. Property managers professionalized. Foreign buyers brought cash. Investors funded projects. Local service businesses grew around construction, hospitality, design, law, accounting, management, and sales. Capital is useful, but it also creates risk. When too much capital arrives too quickly, landowners raise prices. Developers underwrite aggressively. Buyers compare monthly payment plans instead of replacement value. Brokers sell future appreciation as if it already happened. Small investors start believing every pre-sale is a discount.

That is when research and understanding matters.

Timeline: 2020 to 2026

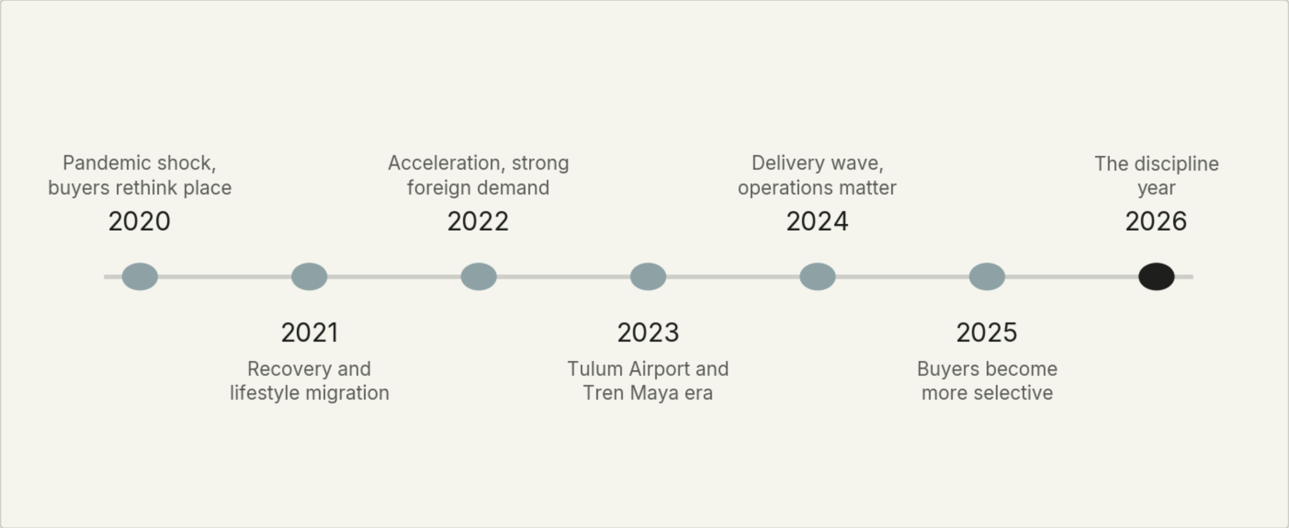

Figure 3 Playa del Carmen market timeline, 2020 to 2026. The point is not one single event. It is the layering of tourism recovery, migration, infrastructure, delivery, and buyer selectivity.

Year	Market milestone	What it changed
2020	Pandemic shock, travel disruption, early remote work migration	Buyers paused, then began rethinking where they wanted to live and own
2021	Demand recovery and lifestyle migration	Inventory tightened in good locations, pre-sale activity returned
2022	Strong foreign buyer interest and rising construction costs	Developers launched aggressively, buyers accepted higher prices
2023	Tulum Airport opened, regional infrastructure became central to the story	The south of the Riviera Maya gained visibility, Playa's middle position became more valuable
2024	More inventory delivered, rental competition increased	Quality, management, reviews, and unit type began separating winners from generic product
2025	More mature buyer questions, more developer incentives	Buyers became more selective, strong developers gained trust advantage
2026	Market becomes more disciplined	The best opportunities require underwriting, not optimism

MISCONCEPTION

"Infrastructure automatically raises every property value." Infrastructure can increase attention, confidence, and access. Property value still depends on location, legal clarity, construction quality, building management, and whether a future buyer understands the asset.

KEY TAKEAWAYS

- Playa did not suddenly become popular. It was already growing before 2020.
- The pandemic accelerated lifestyle migration and remote work demand.
- Infrastructure improved the regional story, but property-level knowledge and understanding still matters.
- The city is now deeper than tourism alone.
- The best investments serve multiple demand sources, not only short-term vacation guests.

CHAPTER 2

How the Market Has Changed Since 2020

Six years, four phases: reset, recovery, acceleration, selectiveness. The market did not move in one straight line, and neither did the returns.

The market did not move in one straight line

From the outside, people often talk about Playa as if one number explains everything. "Prices are up." "Airbnb is saturated." "Centro is expensive." "Colosio is next." Each statement may contain some truth, but none is enough. The market changed by year, neighborhood, unit type, buyer profile, and developer quality. Some properties appreciated strongly. Others were simply repriced on paper. Some buildings rented well. Others looked good in brochures but struggled operationally. Some buyers made good money. Others bought the wrong unit at the wrong price with the wrong assumptions.

That is normal in a maturing market.

Price per square meter growth

Official SHF-backed reporting shows strong housing price growth in Quintana Roo and in Playa del Carmen (former Solidaridad) in recent years. That gives a useful macro signal. But buyers should understand the limitation. SHF data reflects mortgage-linked formal transactions, not every cash deal, presale assignment, foreign buyer purchase, or off-market resale. For Playa, the more practical way to think about price per square meter is by product category.

Product category	2020 feel	2026 feel	Practical observation
Generic central studio	Affordable and easy to rent	More competitive and harder to differentiate	Entry price matters more than the marketing package
Quality 1-bedroom	Strong investor product	Still liquid if well located and well designed	Usually the broadest buyer and renter pool
2-bedroom lifestyle unit	Sometimes overlooked by investors	More attractive to hybrid buyers and families	Can be less generic and more defensible
Boutique low-density building	Niche product	More attractive to buyers seeking livability	Administration and maintenance matter a lot
Peripheral speculative unit	Cheap entry point	Riskier if infrastructure and demand lag	Cheap is not the same as safe

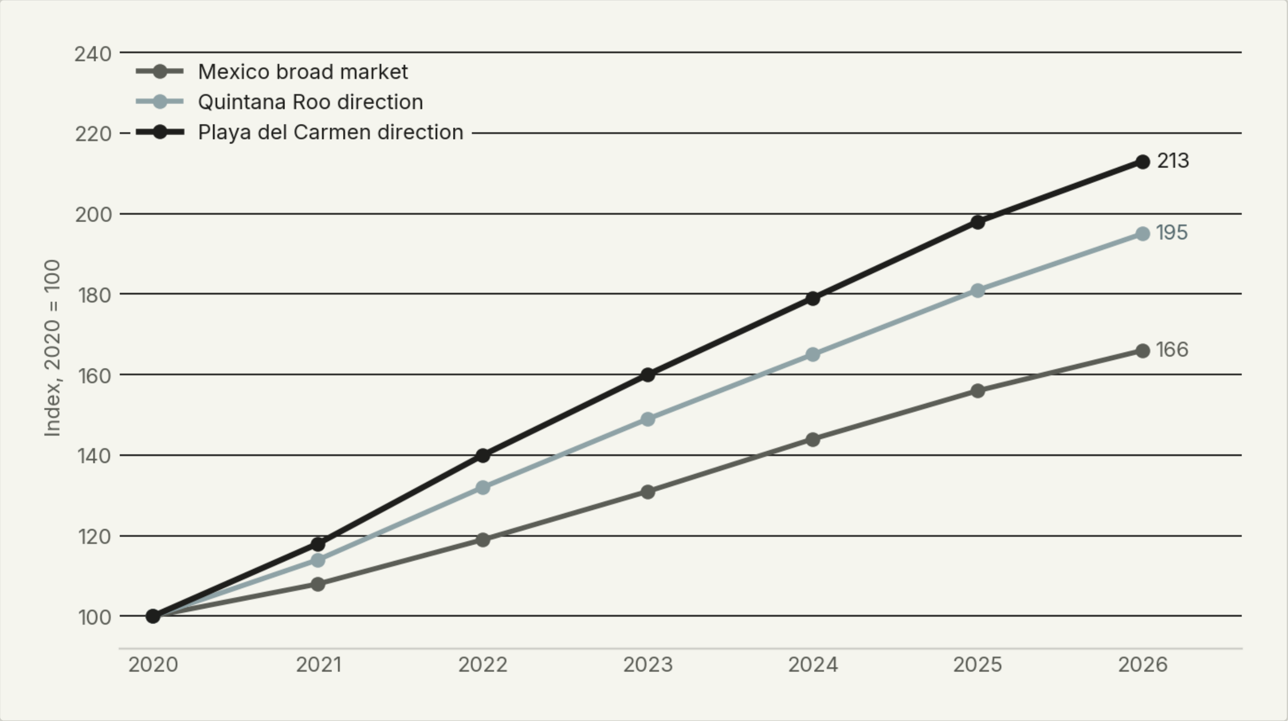

Figure 4 Indexed price trend model. This is a directional framework for reading the market, not a transaction database or appraisal.

A useful rule: the market did not reward square meters equally. It rewarded location, scarcity, livability, and execution.

2020: The reset year

2020 was a shock. Tourism paused. Buyers hesitated. Developers became cautious. Some owners needed liquidity. Some renters left. Everyone had to reassess risk. But the reset was not the end of the Playa story. It created a window where serious buyers could negotiate. People who understood the city and could move decisively found opportunities that look obvious now but did not feel obvious at the time.

Practical example: A well-located central unit purchased during uncertainty could later benefit from both rental recovery and appreciation. But that result depended on having a property people wanted after the market reopened. A poorly located unit did not magically become strong just because the market recovered.

2021: Confidence returned faster than expected

By 2021, demand came back. Buyers who had delayed decisions returned with more urgency. Remote workers arrived. People started extending stays. Developers resumed launches. Good locations tightened. This was also when many buyers began to accept pre-construction again. Payment plans mattered. The ability to reserve with a lower initial payment attracted buyers who wanted exposure without paying all cash upfront. The risk was that rising demand made people less skeptical. When a market is moving, weak assumptions hide easily.

2022: The acceleration year

2022 was the year many people started saying, "I wish I bought last year." Prices moved. Landowners became more confident. Developers faced higher construction costs, material volatility, labor pressure, and higher expectations from buyers. New development launches increased, and the market absorbed a lot because demand was still strong. This year also created some of the overconfidence we still see today. When buyers see early appreciation, they can start believing appreciation is automatic. It is not. A rising market can rescue imperfect decisions for a while. A selective market exposes them.

> A rising market can rescue imperfect decisions for a while. A selective market exposes them.

2023: Infrastructure became part of every conversation

The opening of Tulum Airport and the broader Tren Maya narrative changed how buyers thought about the region. Even buyers focused only on Playa started asking regional questions. Will Tulum Airport pull demand south? Will Playa benefit from being between Cancun and Tulum? Will Tren Maya create new demand corridors? Will infrastructure improve or overload the region? The honest answer is mixed. Infrastructure increases connectivity and attention. It also increases competition, traffic, land speculation, and pressure on public services.

For Playa, 2023 reinforced the value of being a practical, connected, established city.

2024: Delivery and operations started to matter more

A lot of inventory launched in prior years began moving toward delivery. Buyers could compare actual buildings instead of renderings. Property managers could compare real rental performance instead of projections. This is when the difference between a good development and a good sales campaign became clearer.

A finished building needs:

- Working elevators
- Clean common areas
- Rules that make sense
- HOA collection discipline
- Maintenance reserves
- Reliable internet
- Water pressure
- Security routines
- Noise management
- A property manager who communicates

Those things do not photograph as well as a rooftop pool, but they protect value.

2025: Buyers became more selective

By 2025, buyers were still interested, but they were asking better questions. How many units are in the building? What is already sold? What is the construction status? Who is the developer? What is the HOA budget? What are comparable resales? What happens if I need to sell? What are the real net returns? This selectivity is not a bad sign. It is a sign that the market is maturing. Developers with documentation, communication, and delivery history benefit from this environment. Developers who rely only on urgency, discounts, and broker pressure struggle more.

2026: The selectiveness year

In 2026, Playa is not a simple buy-anything market. It is a market where selectiveness matters. That does not mean opportunity is gone. It means the opportunity is no longer obvious from a headline.

A good 2026 investment usually has several of the following:

- A location that works for more than one buyer profile
- A unit type that is not lost in a sea of identical inventory
- Realistic net operating assumptions
- A developer with proof, not only promise
- Legal documents that match the sales presentation
- An HOA structure that can maintain the asset
- An exit story that a future buyer will understand

Areas that outperformed

Generally, the strongest performance has been in locations with clear demand and limited replacement options. Centro remained liquid because it is close to the beach, restaurants, services, nightlife, and transit. Zazil-Ha benefited from its position as a more residential, slightly quieter extension of the central market. Certain parts of Colosio improved as infrastructure and buyer acceptance increased. Well-priced Ejidal product served the affordability and resident-demand side of the market.

But performance was not uniform. A bad street in a good neighborhood can underperform. A strong block in an overlooked area can surprise people.

Areas that underperformed

Underperformance usually came from one of four problems:

- Weak location, even if the brochure called it "minutes from everything"
- Generic unit type with too much direct competition
- Poor building administration or high HOA fees
- Overpaying in pre-sale without enough discount for the risk taken

The underperformers were not always ugly. Some looked very attractive online. The issue was not appearance. It was fit, pricing, operations, and liquidity.

IN PRACTICE

The market has become less forgiving, and that is a good thing for serious buyers.

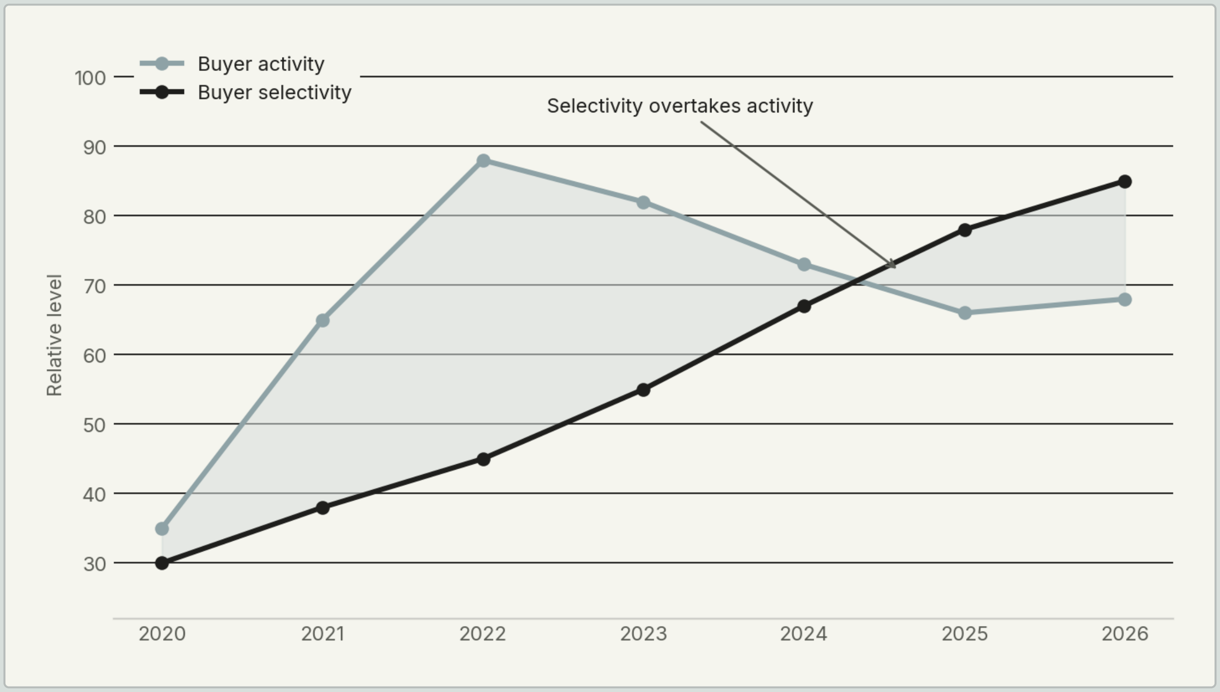

Figure 5 Market maturity curve. Playa moved from uncertainty to acceleration, then into a more selective phase where operations and exit matter more.

When everything sells, buyers stop thinking. When buyers become selective, better product wins.

KEY TAKEAWAYS

- The strongest post-2020 returns came from the combination of location, timing, and product fit.
- Public index data is helpful, but it does not replace live comps.
- The market has shifted from broad optimism to more thought through underwriting.
- Delivery quality and building operations now matter as much as pre-sale pricing.
- Future appreciation will likely be more selective than the appreciation seen after 2020.

CHAPTER 3

Top 5 Areas to Watch in 2026

Five areas, ranked by what can be explained: demand, liquidity, supply, and risk. Not slogans.

How we ranked the areas

A neighborhood is not strong because people talk about it. It is strong because demand can be explained.

> A neighborhood is not strong because people talk about it. It is strong because demand can be explained.

For this report, we ranked areas using practical investment factors:

- Depth of buyer demand
- Depth of rental demand
- Walkability and daily convenience
- Infrastructure and public realm
- Liquidity in resale
- Supply levels and competition
- Price relative to replacement value
- Long-term resident appeal
- Risk profile
- Appreciation drivers

The ranking is not a promise. It is a framework.

Comparison table

Rank	Area	Best fit	Main strength	Main risk	Liquidity
1	Centro	Lifestyle buyers, STR investors, hybrid owners	Walkability and demand depth	Higher entry price and competition	High
2	Zazil-Ha	Hybrid buyers, remote workers, boutique investors	Central but more livable	Block-by-block differences	High to medium
3	Ejidal	Value investors, local residents, long-term rentals	Affordability and resident demand	Less tourist appeal in some blocks	Medium
4	Colosio	Growth investors, lifestyle buyers willing to be patient	Improving perception and coastal proximity	Uneven infrastructure and supply	Medium
5	Emerging Growth Area	Patient investors, land buyers, future residents	Lower basis and future optionality	Timing, liquidity, infrastructure	Low to medium

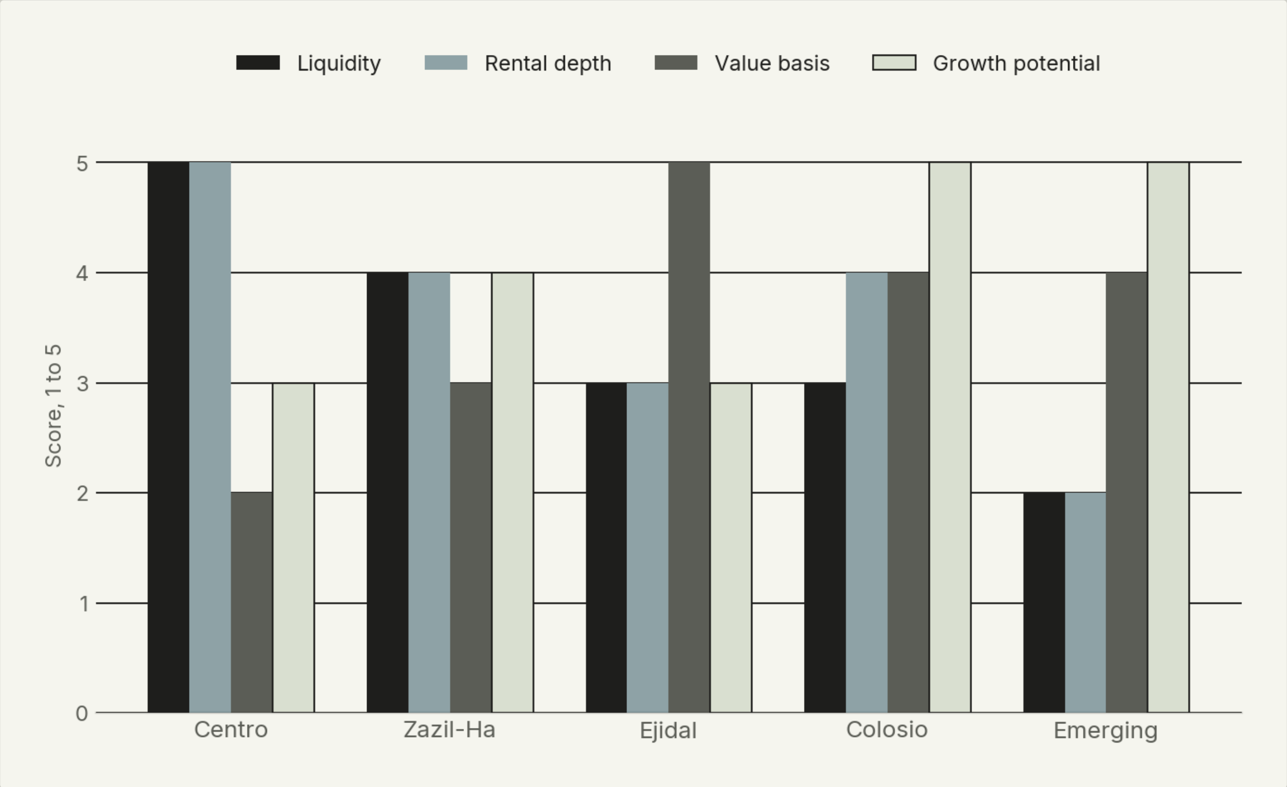

Figure 6 Neighborhood scorecard. Scores are practical investment lenses from 1 to 5, not guarantees.

1. Centro

Centro is still the reference point. People can argue about whether it is expensive, crowded, noisy, or overbuilt. Some of those criticisms are fair. But Centro remains the easiest area for most foreign buyers to understand. It has the beach, 5th Avenue, restaurants, nightlife, supermarkets, gyms, clinics, coworking options, taxis, buses, the ferry to Cozumel, and the daily convenience that visitors understand immediately.

WHO BUYS THERE

- First-time foreign buyers who want confidence
- Investors who want short-term rental demand
- Lifestyle buyers who want to walk everywhere
- Retirees who do not want to drive
- Hybrid owners who use the unit part time and rent it part time

WHO RENTS THERE

- Vacation guests
- Couples
- Remote workers
- Digital nomads
- Long-stay winter visitors
- Conference and event travelers
- People who want convenience more than quiet

TYPICAL PRICING

Centro pricing varies sharply by block, building age, view, amenities, parking, and rental history. It is usually the highest-liquidity market, but not always the highest-return market.

A buyer should compare:

- Price per m2
- Actual building condition
- HOA fee and reserves
- Noise exposure
- Elevator and access quality
- Rental rules
- Resale history
- Nearby competing inventory

RENTAL DEMAND

Rental demand is deep, but competition is intense. A generic studio with ugly furniture, poor photos, little to no reviews, and average management will struggle even in a strong location. A well-designed condo with good light, strong reviews, and competitive pricing can still perform.

SUPPLY LEVELS

Supply is high. That is not automatically bad. High supply also means high demand and a large pool of buyers and renters. But it makes differentiation essential.

INFRASTRUCTURE

Centro has the best daily infrastructure in Playa. It also has the most pressure. Noise, traffic, parking, waste collection, construction activity, and nightlife can all affect ownership experience.

FUTURE GROWTH POTENTIAL

Centro is more of a liquidity and scarcity play than an early-stage appreciation play. The best Centro properties are hard to replace because land is limited and walkable central locations are already built out.

RISK PROFILE

The biggest risks are overpaying, buying the wrong unit type, buying into a weak HOA, or misunderstanding the difference between tourist convenience and residential comfort.

WHY CENTRO MADE THE LIST

Centro is not the cheapest. It is not the quietest. It is not undiscovered. It made the list because liquidity matters. In real estate, the ability to rent and resell is part of the investment.

2. Zazil-Ha

Zazil-Ha is one of the most interesting areas because it sits close to the central tourism core but has a more residential feel in many pockets. It is close enough to 5th Avenue and the beach to appeal to visitors, but some streets feel calmer than the busiest parts of Centro. That creates a strong hybrid story.

WHO BUYS THERE

- Remote workers
- Lifestyle buyers
- Investors seeking central demand without the most intense Centro feel
- Buyers who want boutique buildings
- Owners who care about daily comfort

WHO RENTS THERE

- Couples
- Longer-stay visitors
- Remote workers
- People who want central access but do not need to be directly in the nightlife core

TYPICAL PRICING

Pricing can be close to Centro in the strongest blocks. Buyers should not assume Zazil-Ha is automatically a discount. In some cases, its quieter character and proximity to the beach justify premium pricing.

RENTAL DEMAND

Good. Often strong for guests who want walkability without the loudest location. Longer stays can be attractive if the unit is comfortable and operationally ready.

SUPPLY LEVELS

Moderate to high. There are many boutique and mid-size buildings. Differentiation still matters.

INFRASTRUCTURE

Better in some blocks than others. Sidewalks, lighting, drainage, nearby construction, and street feel should be inspected in person.

FUTURE GROWTH POTENTIAL

Zazil-Ha can continue to benefit from buyers who want central access but reject the most intense areas. Its long-term strength depends on building quality, street maturity, and administration.

RISK PROFILE

The main risk is assuming every block is equal. Some streets feel strong. Others are less comfortable. Noise and construction can change the experience quickly.

WHY ZAZIL-HA MADE THE LIST

It has one of the best combinations of walkability, livability, rental demand, and resale story in Playa.

3. Ejidal

Ejidal is not a simple neighborhood for foreign buyers. That is exactly why it deserves attention. It is more local, more varied, and less polished than Centro. Some blocks are not right for a first-time foreign buyer. Other pockets offer real value because they serve resident demand, local professionals, long-term renters, and buyers who want more space for less money.

WHO BUYS THERE

- Value-oriented investors
- Mexican buyers
- Long-term residents
- Buyers seeking larger units at lower price points
- Owners comfortable with less tourist polish

WHO RENTS THERE

- Local workers
- Mexican families
- Long-term foreign residents
- Remote workers on a budget
- Tenants who need practical access rather than beach proximity

TYPICAL PRICING

Ejidal usually offers lower entry prices than central beach-proximate areas. But the discount is not always enough to compensate for weaker liquidity or lower tourist appeal. The numbers must be tested.

RENTAL DEMAND

Long-term rental demand can be strong. Short-term rental performance is more dependent on exact location, amenities, and pricing.

SUPPLY LEVELS

Growing. Developers have looked to Ejidal because land can be more feasible than in Centro. That can create opportunity, but also product risk if too many similar units target the same buyer.

INFRASTRUCTURE

Mixed. Some pockets are improving. Others remain less polished. Buyers should walk the streets in the morning, afternoon, and evening.

FUTURE GROWTH POTENTIAL

Ejidal benefits from the fact that Playa needs housing for people who actually live and work here. That is a different demand story from tourism, and it may be more durable in some cycles.

RISK PROFILE

The main risk is confusing affordability with undervaluation. A cheaper unit is only a good investment if demand, management, legal clarity, and exit support the price.

WHY EJIDAL MADE THE LIST

Because Playa is not only a tourist market. As the city grows, resident-oriented locations matter more.

4. Colosio

Colosio has been described as "emerging" for a long time. That word can be dangerous because it makes buyers think appreciation is guaranteed. The real story is more nuanced. Colosio has proximity to the beach, improving services, buyer curiosity, and pockets of real momentum. It also has uneven infrastructure, mixed streets, and a growing inventory pipeline.

WHO BUYS THERE

- Growth-focused investors
- Lifestyle buyers who want proximity to the coast
- Buyers priced out of prime Centro
- People willing to accept unevenness for future upside

WHO RENTS THERE

- Travelers seeking value near the beach
- Longer-stay guests
- Younger lifestyle renters
- Remote workers who want local character with coastal access

TYPICAL PRICING

Prices vary widely. Some blocks price aggressively because of the beach story. Others still trade at a discount to Centro. Buyers should be careful when a project uses Colosio's future potential to justify today's premium.

RENTAL DEMAND

Good in the right pockets, but not automatic. The best rental units combine walkability, amenities, good design, safety perception, and professional management.

SUPPLY LEVELS

Increasing. Colosio has attracted many developers, which means future buyers will compare multiple options.

INFRASTRUCTURE

This is the key issue. Streets, drainage, lighting, sidewalks, noise, and access can vary dramatically. Inspect the specific block.

FUTURE GROWTH POTENTIAL

Meaningful, but uneven. Colosio can continue to mature, but it will likely mature block by block, not all at once.

RISK PROFILE

The biggest risk is buying the story without checking the street.

WHY COLOSIO MADE THE LIST

Because mature markets need growth zones, and Colosio still has a credible long-term story when the specific product and block make sense.

5. Emerging Growth Area

This category includes several corridors and pockets that do not fit neatly into the classic Centro, Zazil-Ha, Ejidal, or Colosio conversation. Depending on the buyer, it may include areas west of the highway, selected north-growth pockets, Xcalacoco influence zones, and locations tied to future infrastructure, services, and residential expansion. This is the least simple category and the easiest to misunderstand.

WHO BUYS THERE

- Patient investors
- Land buyers
- Developers
- Future residents
- Buyers with a longer timeline

WHO RENTS THERE

- Long-term residents
- Local workers
- Families
- Budget-conscious tenants
- Eventually, lifestyle renters if services improve

TYPICAL PRICING

Usually lower than prime central locations, but the lower price comes with timing risk. Buyers need to ask whether the discount is enough.

RENTAL DEMAND

Often more long-term than short-term. Some areas may not be suitable for STR investment today.

SUPPLY LEVELS

Variable. Some pockets have little quality supply. Others may see heavy future development.

INFRASTRUCTURE

Infrastructure is the whole question. Access, services, roads, security perception, and daily convenience drive value.

FUTURE GROWTH POTENTIAL

Can be strong, but timing is uncertain. A good emerging-area investment often requires patience and conservative leverage.

RISK PROFILE

Higher. Liquidity can be weaker. The buyer pool may be narrower. Development timelines may take longer than expected.

WHY IT MADE THE LIST

Because every mature city expands. The question is not whether Playa grows. The question is where growth becomes livable, serviceable, and liquid.

Investment suitability ranking

Buyer type	Centro	Zazil-Ha	Ejidal	Colosio	Emerging Growth Area
First-time foreign buyer	5	5	3	3	2
Short-term rental investor	5	4	2	4	2
Long-term rental investor	3	4	5	3	4
Retiree lifestyle buyer	5	4	3	3	2
Remote worker	5	5	4	4	3
Patient appreciation investor	3	4	4	5	5
Liquidity-focused buyer	5	4	3	3	2
Total	31	30	24	25	20

Rating scale: 1 low fit, 5 strong fit.

> **MISCONCEPTION**
>
> "The next area is always the best investment." Sometimes the best investment is not the next area. Sometimes it is the established area with better liquidity. Sometimes it is the overlooked unit type in a known area. Sometimes it is the property you can exit cleanly.

> **KEY TAKEAWAYS**
>
> - Centro and Zazil-Ha remain strong because demand is easy to explain.
> - Ejidal matters because Playa needs resident housing, not only vacation units.
> - Colosio offers growth potential, but only on the right block and at the right price.
> - Emerging areas require patience and a wider margin of safety.
> - Neighborhoods mature block by block, not through slogans.

CHAPTER 4

Real ROI Story

Gross yield is a marketing number. Net yield is an ownership number. This chapter is about the difference.

The difference between income and return

This is one of the most important chapters in the report. Most buyers do not lose money because they cannot calculate. They lose money because they calculate the wrong thing. They look at projected revenue and call it ROI. That is not ROI. Revenue is what comes in before expenses. Return is what remains after the property has been operated, maintained, taxed, repaired, cleaned, marketed, managed, and occasionally left empty.

> Most buyers do not lose money because they cannot calculate. They lose money because they calculate the wrong thing.

If a unit produces $30,000 in gross annual rental income and costs $18,000 to operate, the investor did not make $30,000. They made $12,000 before income tax and before considering capital items. That difference changes everything.

Key definitions

Term	Simple meaning	Why it matters
Gross yield	Annual gross rent divided by purchase price	Useful for screening, dangerous if treated as profit
Net yield	Net operating income divided by purchase price	Better measure of real income performance
Cash-on-cash return	Annual cash flow divided by actual cash invested	Useful when financing or staged payments are involved
Appreciation	Increase in property value over time	Important, but not guaranteed and not liquid until sale
Total return	Net income plus appreciation	Best full-picture measure, but still depends on exit price

Why advertised ROI is often misleading

Rental projections often exclude or underestimate:

- HOA fees

- Property management
- Cleaning coordination
- Repairs and replacements
- Electricity and utilities
- Linen replacement
- Furniture depreciation
- Platform fees
- Accounting and tax filings
- Vacancy
- Owner usage
- Bad reviews
- Low season discounts
- Special assessments

The projection may not be intentionally dishonest. It may simply be incomplete. But incomplete numbers are still dangerous.

Example 1: Studio

Item	Typical case assumption
Purchase price	$165,000
Furniture and setup	$14,000
Closing costs	$11,500
Total cash basis before reserves	$190,500
Gross annual rental income	$18,000
HOA	$2,400
Management	$3,600
Utilities and internet	$2,100
Maintenance and small repairs	$1,200
Cleaning gap, supplies, linens	$1,100
Tax and accounting allowance	$1,200
Marketing, platform, misc.	$900
Net operating income	$5,500
Net yield on purchase price	3.3 percent
Net yield on total cash basis	2.9 percent

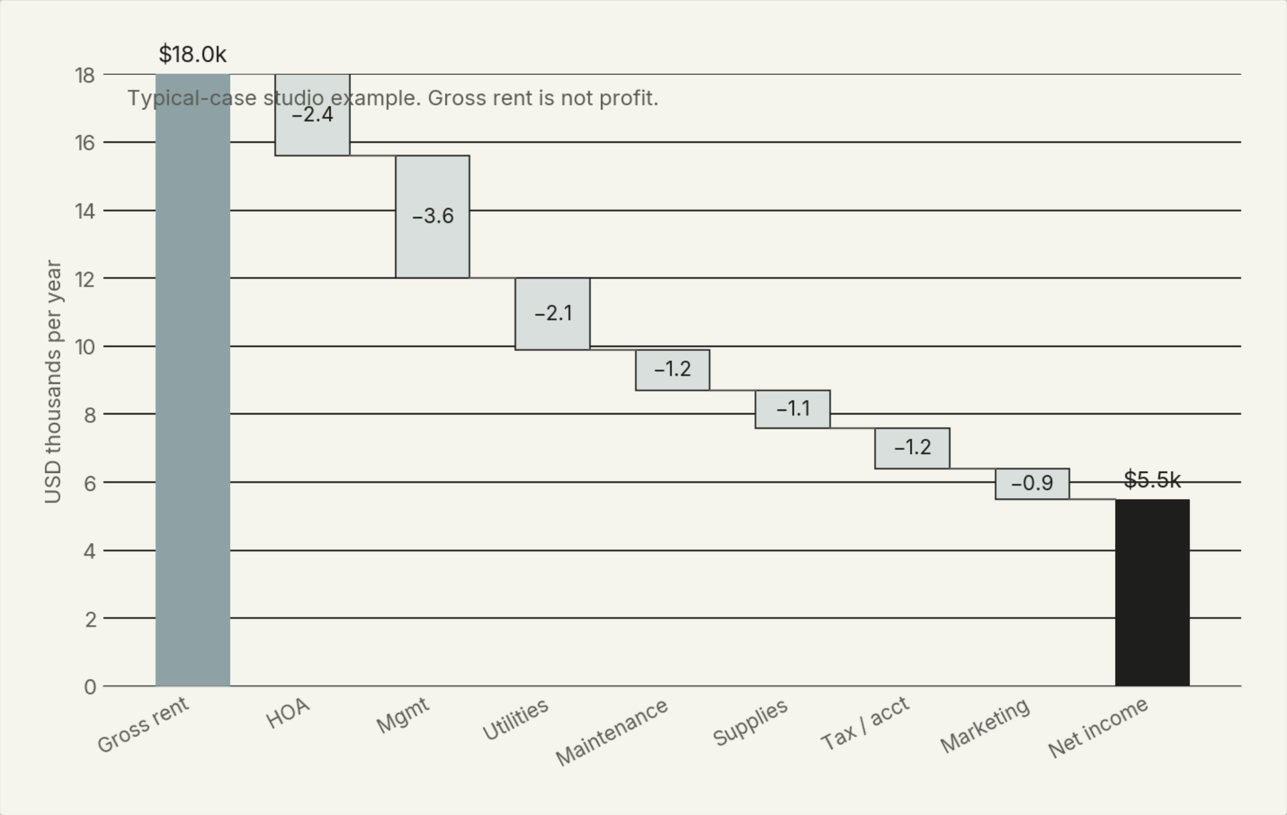

Figure 7 Studio ROI waterfall. The gap between gross rent and net income is where many buyer expectations change.

The studio can still make sense if purchased well, in the right location, with strong liquidity and appreciation potential. But the income alone may not justify the purchase if the buyer expected 8 to 10 percent net.

Example 2: 1-bedroom

Item	Typical case assumption
Purchase price	$240,000
Furniture and setup	$20,000
Closing costs	$16,500
Total cash basis before reserves	$276,500
Gross annual rental income	$27,000
HOA	$3,600
Management	$5,400
Utilities and internet	$2,700
Maintenance and repairs	$1,800
Cleaning gap, supplies, linens	$1,500

Item	Typical case assumption
Tax and accounting allowance	$1,700
Marketing, platform, misc.	$1,200
Net operating income	$9,100
Net yield on purchase price	3.8 percent
Net yield on total cash basis	3.3 percent

A strong 1-bedroom can be one of the most balanced assets in Playa because the buyer pool is broad. It can appeal to tourists, couples, remote workers, and future resale buyers. But the numbers still need to be net.

Example 3: 2-bedroom

Item	Typical case assumption
Purchase price	$390,000
Furniture and setup	$32,000
Closing costs	$26,000
Total cash basis before reserves	$448,000
Gross annual rental income	$48,000
HOA	$5,400
Management	$9,600
Utilities and internet	$3,900
Maintenance and repairs	$2,700
Cleaning gap, supplies, linens	$2,100
Tax and accounting allowance	$3,000
Marketing, platform, misc.	$1,800
Net operating income	$19,500
Net yield on purchase price	5.0 percent
Net yield on total cash basis	4.4 percent

Two-bedroom units can perform better if they attract families, couples traveling together, longer stays, and owners who value personal use. They can also be less liquid if overpriced because the buyer pool has a higher ticket size.

Best case, typical case, worst case

Scenario	Studio net yield	1-bedroom net yield	2-bedroom net yield	What has to be true
Best case	5 to 7 percent	5 to 7 percent	6 to 8 percent	Strong location, excellent management, limited owner use, good reviews, disciplined expenses
Typical case	3 to 5 percent	3.5 to 5.5 percent	4 to 6 percent	Normal seasonality, professional management, realistic pricing, ongoing repairs
Worst case	0 to 2 percent	1 to 3 percent	1 to 3 percent	Weak location, poor reviews, high expenses, bad HOA, too much competition, heavy owner use

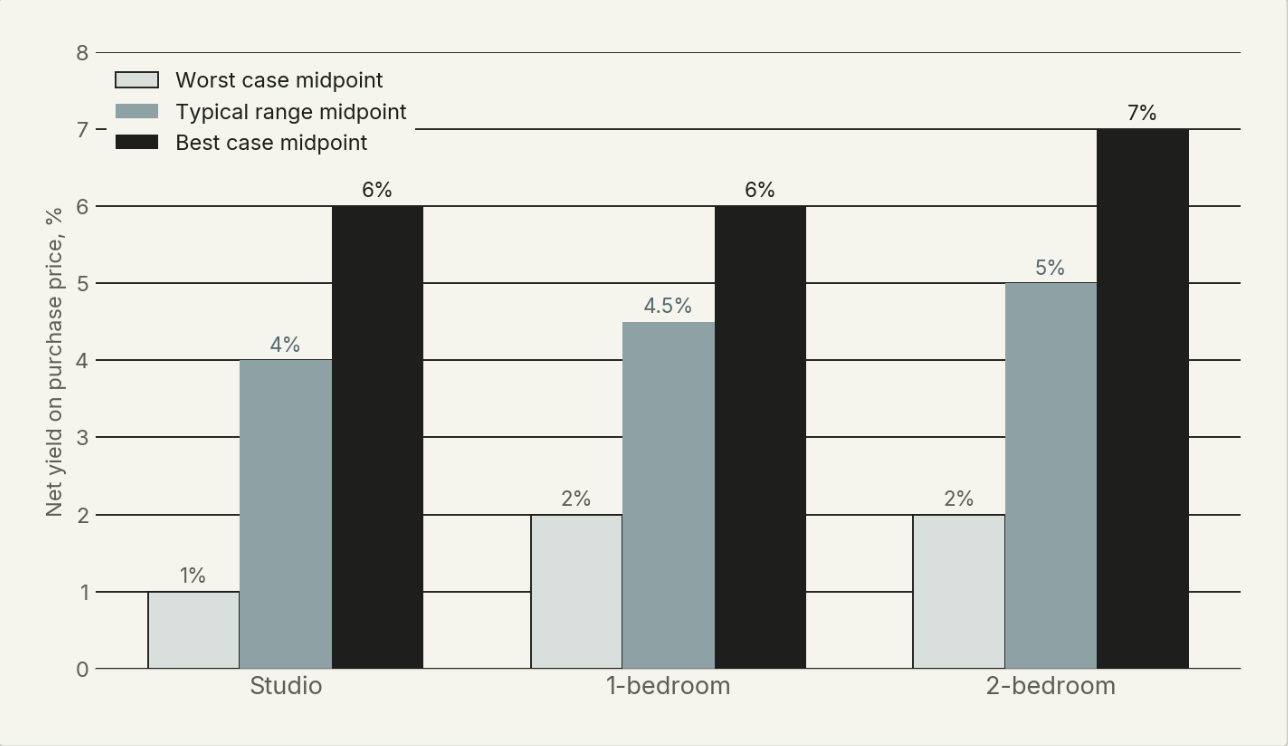

Figure 8 Net yield comparison by unit type. These are sober underwriting ranges, not income promises.

These ranges are deliberately sober. Some properties outperform them. Some underperform badly. The point is not to be pessimistic. The point is to stop underwriting with fantasy numbers.

Appreciation and total return

Income is only one part of the Playa investment story. Appreciation can be meaningful, especially for well-located assets purchased at a reasonable basis. But appreciation is not cash flow. If a property rises from $250,000 to $325,000 on paper, that is useful. But the owner only captures the gain when they sell, refinance, or otherwise monetize it. Selling has costs. Pricing takes time. Currency moves. Taxes matter. Buyers negotiate.

The best investments usually have two ways to win:

- They can operate reasonably while owned
- They can be resold to a clear buyer profile later

If the only way the deal works is future appreciation, the buyer is speculating. That may be acceptable if understood. It is not the same as investing for stable yield.

IN PRACTICE

A boring 4.5 percent net yield in a strong, liquid, well-managed asset may be better than a projected 9 percent yield in a weak asset with no exit.

MISCONCEPTION

"Airbnb income pays for everything." Sometimes it does. Often it pays for some things. It depends on purchase price, expenses, management, taxes, occupancy, reviews, and owner usage.

KEY TAKEAWAYS

- Gross income is not profit.
- Net yield should include all ownership costs.
- Furniture and closing costs should be included in cash-basis return.
- Appreciation matters, but only becomes real at exit.
- A realistic underwriting model protects buyers from disappointment.

CHAPTER 5

True Cost of Buying Property in Mexico

The purchase price is the beginning of the math, not the end of it. Closing costs, setup, and reserves shape the real basis.

Purchase price is not the total cost

Foreign buyers often focus on the unit price and forget the transaction. In Mexico, the buyer should budget for acquisition tax, notary fees, registration, appraisal, legal review, fideicomiso setup, bank fees, and miscellaneous administrative costs. The exact number varies by municipality, property value, notary, bank, structure, and transaction details. But buyers should not be surprised if total closing costs run roughly 6 to 9 percent in many practical situations, especially after the ISABI increase in Playa del Carmen.

Main cost categories

Cost	One-time or recurring	Practical note
Purchase price	One-time	Usually paid according to contract or closing schedule
ISABI acquisition tax	One-time	In Playa del Carmen, rate depends on transaction date and taxable base
Notary fees	One-time	Notaries formalize the transaction and calculate taxes
Public registry fees	One-time	Required to register ownership or trust rights
Fideicomiso setup	One-time	Applies to many foreign residential buyers in the restricted zone
Trust annual fee	Recurring	Paid to the trustee bank
Appraisal	One-time	Used for tax and transaction purposes
Legal review	One-time	Independent review before signing and closing
Bank fees	One-time and recurring	Trust setup and annual administration can vary
HOA	Recurring	Begins after delivery or ownership, depending on documents
Property tax	Recurring	Usually low compared with many foreign markets, but must be paid

ISABI in Playa del Carmen

The acquisition tax matters. The municipal page for Playa del Carmen lists ISABI as a variable cost based on the highest operation value, with 4 percent for operations from December 10, 2025. This change is important because many older buyer guides still assume lower acquisition-tax costs.

Closing cost examples

These are simplified examples. Actual closing statements should be prepared by the notary and reviewed before closing.

Purchase price	ISABI at 4 percent	Estimated notary, registry, trust, appraisal, legal	Estimated total closing costs	Approx. total percent
$150,000	$6,000	$5,000	$11,000	7.3 percent
$250,000	$10,000	$7,000	$17,000	6.8 percent
$500,000	$20,000	$13,000	$33,000	6.6 percent

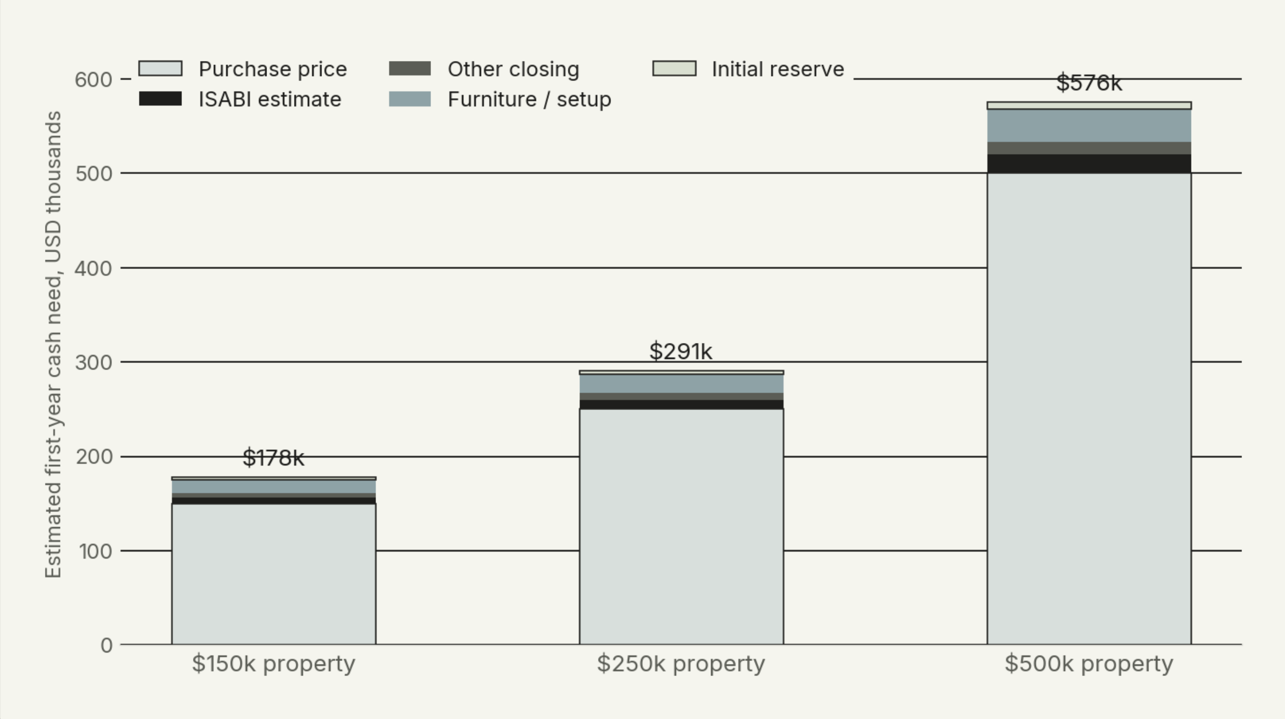

Figure 9 Closing cost and setup stack. The investment basis is usually higher than the purchase price.

Why does the percentage fall slightly at higher prices? Because some costs are fixed or semi-fixed. The acquisition tax is percentage based, but certain administrative costs do not double exactly when the property value doubles.

One-time vs recurring costs

Cost	One-time	Recurring
Purchase price	Yes	No
ISABI	Yes	No
Notary fees	Yes	No
Registry fees	Yes	No

Cost	One-time	Recurring
Fideicomiso setup	Yes	No
Fideicomiso annual fee	No	Yes
Legal review	Usually	Sometimes
Property tax	No	Yes
HOA	No	Yes
Accounting and tax filings	No	Yes if renting
Property management	No	Yes if managed

IN PRACTICE

A buyer sees a $250,000 condo and thinks they need $250,000.

In reality, they may need:

- $250,000 purchase price
- About $17,000 closing costs
- $20,000 furniture and equipment if not included
- $3,000 initial operating reserve
- $2,000 to $5,000 early ownership cushion

The real first-year cash requirement may be closer to $290,000. That changes the return calculation.

MISCONCEPTION

"The closing cost is just the notary fee." No. The notary is part of the process, but the buyer is also paying tax, registration, trust costs, appraisal, and other items.

KEY TAKEAWAYS

- Closing costs are meaningful and should be included in underwriting.
- Playa del Carmen's ISABI rate is a major component of closing costs.
- Buyers should request a closing-cost estimate before signing if possible.
- Furniture, reserves, and setup costs also affect the cash basis.
- A cheaper property with high closing and setup costs may not be as cheap as it looks.

CHAPTER 6

Understanding the Fideicomiso

The bank trust that worries foreign buyers most, explained in plain language.

Why this chapter matters

The fideicomiso is one of the most misunderstood parts of buying property in Mexico. Some buyers hear the word "trust" and panic. Others hear that the bank is involved and assume they do not really own the property. Some think foreigners cannot own beach property. Some think the government can take the property away at the end of the trust term. Most of the fear comes from not understanding the structure.

What is a fideicomiso?

A fideicomiso is a bank trust. In the restricted zone, many foreign buyers acquire residential property rights through a trust with a Mexican bank acting as trustee and the foreign buyer acting as beneficiary. The bank holds title according to the trust purpose. The buyer, as beneficiary, has the practical ownership rights established in the trust, including the ability to use, rent, sell, transfer, and name beneficiaries, subject to law and contract terms.

Why does it exist?

Mexico's Constitution restricts direct foreign ownership of land in the restricted zone, generally understood as land within 50 kilometers of the coast and 100 kilometers of the borders. Playa del Carmen is in the restricted zone. The fideicomiso is the mechanism that allows foreign residential buyers to hold beneficial rights in property in these areas.

Does the bank own my property?

This is the most common question. The bank is the trustee. The bank is not buying your condo for itself. It is not supposed to use it, rent it, sell it for its own benefit, or live in it. The trust exists for your benefit as beneficiary, according to the trust document.

A practical way to think about it:

The bank holds legal title in its trustee capacity. You hold the beneficial rights that allow you to use, rent, sell, and pass on the property.

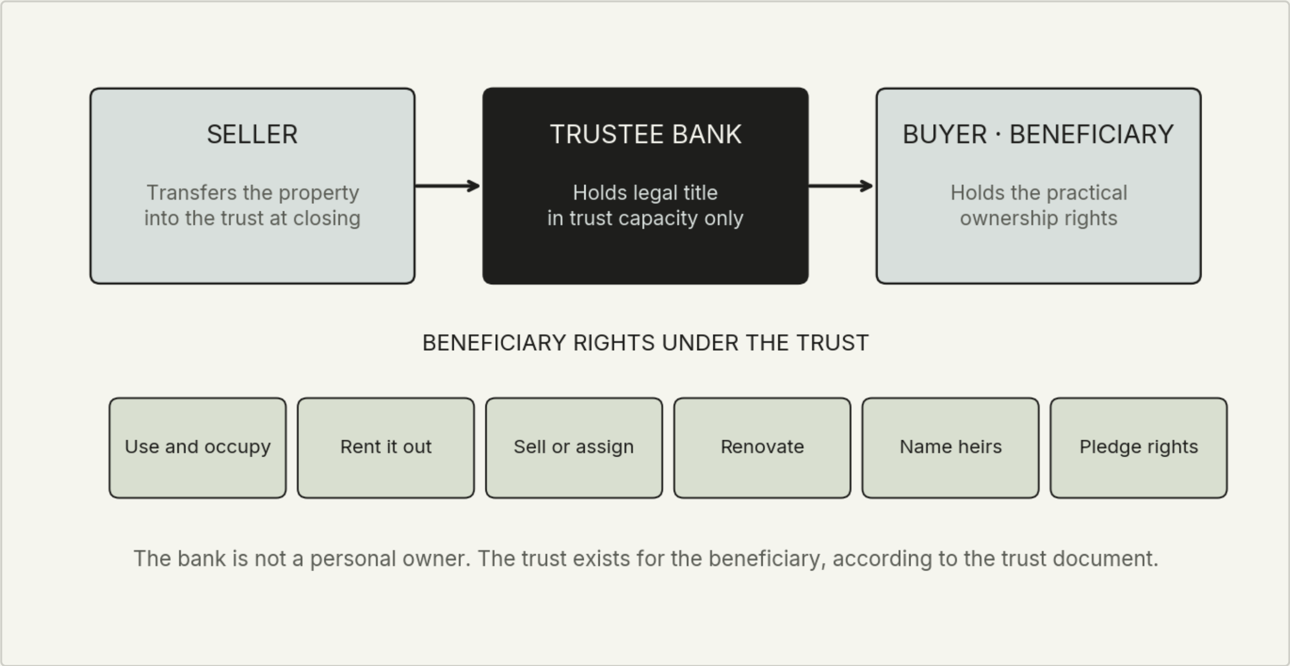

Figure 10 Fideicomiso structure. The bank acts as trustee. The buyer holds the practical beneficiary rights described in the trust.

That difference sounds technical, but in daily life it is usually simple. You hold the economic and practical ownership rights.

Can I sell the property?

Yes. A buyer with fideicomiso rights can sell. The sale is handled through notary and bank processes. The trust can be assigned, modified, or cancelled and replaced, depending on the structure and the buyer. The important point is that selling is a normal part of fideicomiso ownership.

Can I rent the property?

Generally yes, subject to tax compliance, HOA rules, local regulations, and platform requirements. The trust structure itself is not the main obstacle. The bigger issues are income tax, VAT or lodging taxes where applicable, HOA rental rules, and property management.

What about inheritance?

A fideicomiso allows the buyer to name substitute beneficiaries. This can simplify succession compared with leaving the property unclear. That does not mean estate planning can be ignored. Buyers should coordinate their Mexican trust beneficiaries with their broader estate plan in their home country.

What happens after the trust term?

Fideicomisos are commonly created for a fixed term and can generally be renewed. Buyers should not ignore renewal dates or annual bank fees. A responsible owner keeps the trust current, pays annual trustee fees, updates beneficiary information when needed, and stores documents carefully.

Common myths

Myth	Reality
The bank owns my property	The bank acts as trustee. The beneficiary has the practical rights under the trust
I do not really own it	You own beneficial rights that allow use, rental, sale, transfer, and inheritance planning
The government can take it at the end	Properly maintained trusts are renewable and transferable, subject to legal requirements
Foreigners cannot own beachfront property	Foreigners use fideicomiso structures in the restricted zone for residential property
A fideicomiso is dangerous	A poorly understood or poorly managed transaction is dangerous. The structure itself is normal

IN PRACTICE

A Canadian buyer purchases a condo in Centro. Because the property is in the restricted zone, a bank trust is established. The buyer is named as first beneficiary. Their spouse and children are named as substitute beneficiaries. The buyer can use the condo, rent it, pay expenses, and sell it later. If the buyer passes away, the substitute beneficiary structure helps determine who receives the rights, according to the trust and legal process. This is not fake ownership. It is structured ownership.

What buyers should check

- Correct buyer names and passport details
- Correct property description
- Correct unit, parking, storage, and common-area rights
- Trust term and renewal obligations
- First and substitute beneficiaries
- Trustee bank fees
- Process for selling or assigning rights
- Consistency between contract, deed, condo regime, and trust documents

MISCONCEPTION

"The fideicomiso is the risky part of buying in Mexico." The fideicomiso is a standard ownership structure. Greater risk usually comes from the transaction itself: title, contracts, permits, developer strength, HOA rules, tax planning, and rental assumptions.

KEY TAKEAWAYS

- A fideicomiso is a normal ownership structure for foreign residential buyers in the restricted zone.
- The bank acts as trustee, not as a personal owner using the property.
- Beneficiaries can use, rent, sell, transfer, and plan inheritance, subject to documents and law.
- The trust must be maintained and renewed.
- Buyers should have the documents reviewed by qualified professionals.

CHAPTER 7

New Development vs Resale

Pre-sale or delivered? Neither is automatically better. The right answer depends on risk, timing, and exit.

The wrong question

Buyers often ask: "Is new development better than resale?" That is the wrong question. The better question is: "Which option matches my risk tolerance, timeline, cash flow needs, and exit strategy?" New development and resale are different investments. One is partly a bet on delivery. The other is a bet on existing condition, current pricing, and operation.

Comparison table

Factor	New development	Resale
Price	May offer early-stage pricing or payment plan	Usually reflects current market and condition
Risk	Developer, construction, timing, permits, delivery	Physical condition, HOA history, rental history, title review
Financing	Often developer payment plans	More likely cash or mortgage, depending on property
Customization	Sometimes possible before delivery	Limited to renovation or furnishing
Rental readiness	May require furniture, setup, reviews, operations	May already have rental history and reviews
Appreciation potential	Can be strong if bought early and delivered well	Depends on entry price and market growth
Liquidity	Assignment may be limited before delivery	Resale market exists but depends on asset quality
Transparency	Documents and progress must be checked	Buyer can inspect actual building and operation
Emotional appeal	New finishes, renderings, launch energy	Real spaces, real light, real noise, real defects

	NEW DEVELOPMENT	RESALE
YOU ARE BUYING	future execution	what already exists
PRICING	early-stage, plan-based	current market evidence
INCOME	starts after delivery	can start immediately
KEY RISK	developer and delivery	condition, HOA, history
BEST WHEN	discount compensates risk	documents check out

Neither is automatically better. Match the path to your timeline, risk tolerance, and exit.

Figure 11 New development vs resale framework. Neither option is automatically better. The right path depends on risk tolerance, timing, and buyer objective.

When new development makes sense

New development can make sense when:

- The developer is credible
- The land and permits are clean
- The payment plan compensates for construction risk
- The buyer does not need immediate income
- The unit type has future resale demand
- The price is meaningfully better than comparable delivered product
- The contract is clear on delivery, penalties, finishes, and remedies

New development is not automatically riskier, but the risk is different. The buyer is trusting future execution.

When resale makes sense

Resale can make sense when:

- The buyer wants to inspect the finished product
- Income is needed immediately
- The HOA history can be reviewed

- Rental history exists
- The buyer wants less delivery risk
- The property is underpriced due to owner motivation
- The buyer can improve the unit through furniture, design, or management

Resale is not automatically safer. A finished building can still have legal issues, poor administration, hidden maintenance, bad neighbors, weak reserves, or unrealistic pricing.

Real-world example: new development

A buyer reserves a 1-bedroom in a boutique building 18 months before delivery. The price is $225,000, while comparable delivered units in the area are listed around $260,000 to $285,000. The developer has delivered before, construction is financed, permits are documented, and the buyer's payment schedule keeps meaningful leverage until progress is visible. That can be a reasonable risk.

Now change the facts. The developer has no track record. The contract does not attach specifications. The land title is unclear. The payment schedule requires 80 percent before major construction. The broker pressures the buyer to sign immediately. That is not the same investment.

Real-world example: resale

A buyer purchases a delivered 2-bedroom in a strong central building. The seller is motivated because they are moving money elsewhere. The buyer reviews HOA statements, rental history, electricity bills, maintenance history, and title documents. The unit needs better furniture and photography. That can be a strong acquisition if the price reflects the work needed. Now change the facts. The building has unpaid HOA balances, elevator problems, weak reserves, and unclear rental rules. The unit looks cheap, but the building is fragile.

Cheap can become expensive.

Cheap can become expensive.

> **MISCONCEPTION**
>
> "Pre-sale is always discounted." Not always. Some pre-sale pricing already includes future appreciation. A buyer should compare the price to delivered alternatives and ask whether the discount is enough for the risk taken.

KEY TAKEAWAYS

- New development and resale carry different risks.
- Pre-sale should offer enough value to compensate for waiting and construction risk.
- Resale should be evaluated through real documents, not just photos.
- The best choice depends on timeline, risk tolerance, income needs, and exit strategy.
- A good asset can be new or resale. A bad asset can also be new or resale.

CHAPTER 8

The Developer Risk Scorecard

In pre-construction you are not only buying a unit. You are lending trust to a developer. Score it.

Why developer risk matters

In pre-construction, you are not only buying a unit. You are lending trust to a developer. You are trusting them to control land, obtain permits, manage costs, supervise construction, communicate honestly, handle buyer funds, solve problems, deliver title, set up the HOA, and support the building after delivery. That is a lot of trust. A brochure cannot carry that much weight.

In pre-construction, you are lending trust to a developer. A brochure cannot carry that much weight.

What to evaluate

Category	What to ask	Why it matters
Corporate structure	Who is the legal seller? Is it properly registered?	The contract must be with a real legal entity
Land ownership	Does the seller own or control the land?	Without land control, everything else is theoretical
Permits	What permits exist and what is pending?	A project can be delayed or blocked without approvals
Track record	What has the developer completed?	Completed projects show execution ability
Construction progress	What is visible today?	Progress reduces some delivery risk
Capitalization	How is construction funded?	Weak capitalization increases default risk
Payment plan	How much money is paid before progress?	Buyer leverage matters
Contract quality	Are finishes, timelines, penalties, and remedies written?	Verbal promises do not protect buyers
Communication	Does the team answer hard questions?	Good process reveals discipline
References	Can previous buyers, suppliers, or partners verify delivery?	Reputation is evidence when checked properly

Developer evaluation scorecard

Factor	Score 1 to 5	Notes
Legal entity and tax registration		
Land title or control		
Permit status		
Completed project history		
Construction progress		
Financial capacity		
Payment plan fairness		
Contract specificity		
Finish schedule attached		
Delivery timeline and remedies		
Buyer communication quality		
HOA setup plan		
Warranty and post-delivery support		
Reputation among professionals		
Transparency under pressure		

Total score: 75 possible points.

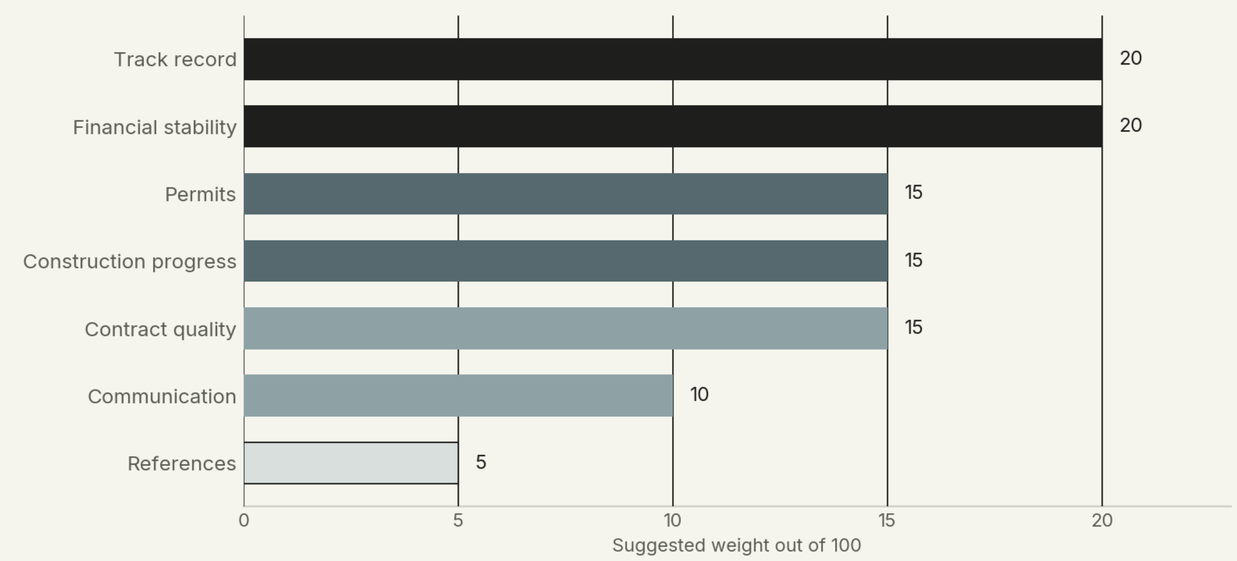

Figure 12 Developer risk scorecard. A high score does not remove risk, but it makes the buyer's questions more disciplined.

Interpretation:

Score	Meaning
60 to 75	Strong candidate, still verify documents
45 to 59	Potentially workable, but risk areas require attention
30 to 44	High caution, negotiate protections or reconsider
Under 30	Walk away unless there is a very specific reason and strong legal protection

Warning signs

Be careful when a developer or sales team:

- Refuses independent legal review
- Pressures the buyer to sign immediately
- Cannot explain land ownership
- Cannot provide permit status
- Has no clear legal seller entity
- Uses vague finish descriptions
- Promises unrealistic rental returns
- Says "everyone does it this way" when asked about documents
- Requires too much payment too early
- Avoids questions about what happens if delivery is delayed
- Relies only on broker confidence
- Has no visible construction plan or budget discipline

Real-world mistakes buyers make

MISTAKE 1: TRUSTING THE BROKER INSTEAD OF THE CONTRACT

A broker may be professional, experienced, and honest. But the broker is usually not the legal seller. If the broker promised marble, delivery by December, or rental income, that promise must appear in the contract or supporting legal documents.

MISTAKE 2: BELIEVING RENDERINGS ARE SPECIFICATIONS

A rendering is a marketing image. It is not a legal list of finishes. Buyers should ask for the actual finish schedule, appliance list, furniture inclusion, brand or quality standards, and what substitutions are allowed.

MISTAKE 3: IGNORING THE PAYMENT SCHEDULE

A buyer who pays too much too early loses leverage. A fair payment plan should reflect project progress, risk, and developer credibility.

MISTAKE 4: ASSUMING A SMALL DEVELOPER IS RISKY AND A LARGE DEVELOPER IS SAFE

Size is not the only issue. Small developers can be careful and well capitalized. Large developers can be overextended. Evaluate evidence, not image.

> **MISCONCEPTION**
>
> "A beautiful sales office means the developer is solid." A sales office proves the developer can sell. It does not prove they can deliver.

> **KEY TAKEAWAYS**
>
> - In pre-construction, developer quality is part of the asset.
> - Legal review should happen before deposit when possible.
> - Payment plans affect buyer risk.
> - Contract details matter more than verbal confidence.
> - A transparent developer should be comfortable with serious questions.

CHAPTER 9

The Airbnb Saturation Question

Is Playa overbuilt? Wrong question. Saturation is a product question, not a city question.

Is Playa del Carmen overbuilt?

The honest answer is: parts of it are crowded, some product types are oversupplied, and good assets can still perform. The market is not one single bucket. A well-located, well-managed, well-designed 2-bedroom is not competing in the same way as a generic 28 m2 studio with average furniture, poor photos, and no reviews. A ground-floor unit facing a service corridor is not the same as a bright unit with usable outdoor space. A building with strong administration is not the same as a building where nobody pays HOA. Overbuilding is rarely a city-wide yes-or-no question. It is usually a product question.

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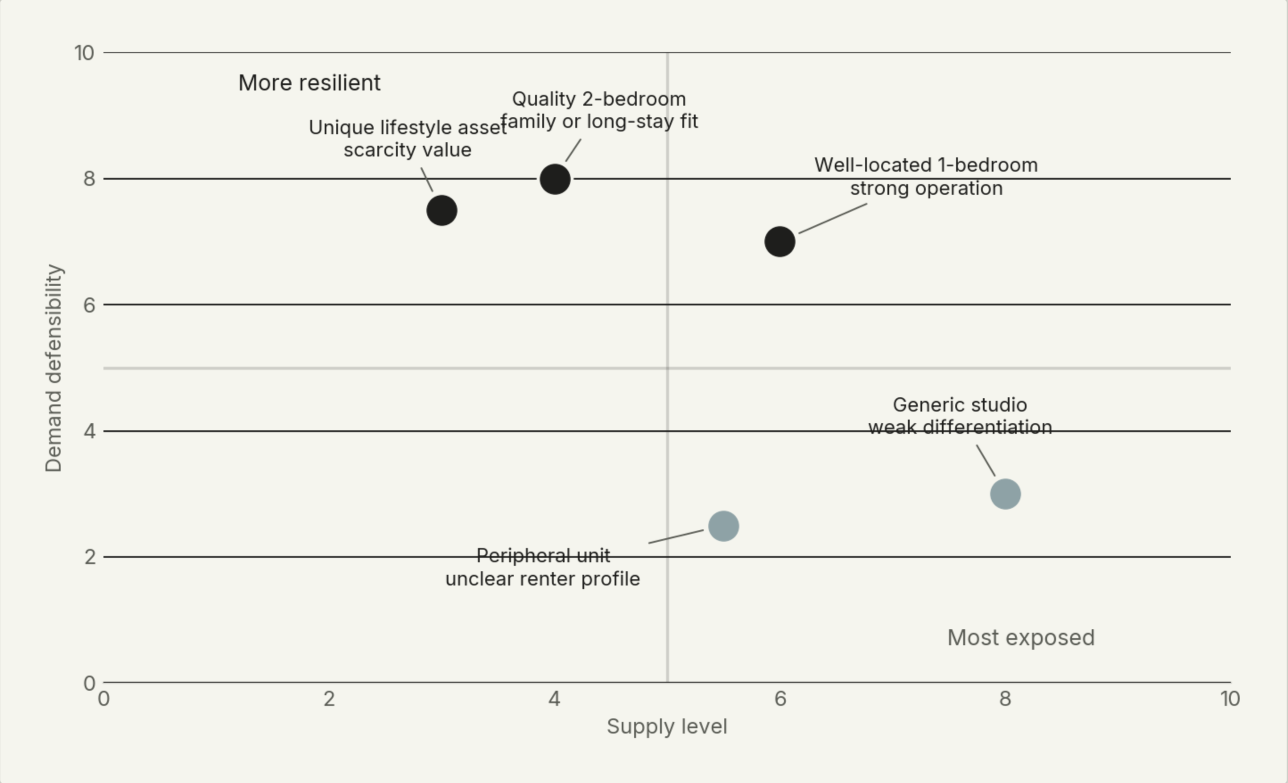

Figure 13 STR supply and demand matrix. The problem is rarely 'Playa' as a whole. The problem is usually the wrong unit type, location, price, or operation.

What public short-term rental data shows

Public STR data providers show a large short-term rental market in Playa del Carmen, but they do not all report the same numbers. That is important. One provider may count active listings differently from another. Some include Airbnb and Vrbo. Some count entire homes differently from private rooms. Some report median revenue, others average revenue. Some use different date windows. The practical conclusion is not that one number is perfect. The practical conclusion is that supply is significant and buyers should underwrite carefully.

What is oversupplied

Product type	Why it is vulnerable
Generic small studios	Too many similar units, limited differentiation
Weak locations marketed as "close to everything"	Guests compare map position quickly
Units without natural light	Harder to photograph and live in
Buildings with poor administration	Reviews and owner experience suffer
Units with high HOA and average income	Net yield gets compressed
Properties relying only on launch hype	Long-term performance depends on operations

What remains underserved

Product type	Why it can be stronger
Comfortable 1-bedrooms with real living space	Broad demand from couples and remote workers
2-bedrooms suitable for families or shared travel	Less generic, stronger lifestyle appeal
Units with outdoor space	Useful for longer stays and lifestyle buyers
Quiet central locations	Hard to replace and attractive for hybrid use
Well-managed buildings	Better reviews, lower friction, stronger resale
Long-term rental quality units	Resident demand continues as the city grows

Seasonality matters

Playa has strong seasons and soft seasons. A good January does not mean a good September. Buyers should underwrite annually, not based on peak months.

Ask:

- What is realistic occupancy in high season?
- What is realistic occupancy in low season?
- What nightly rates are needed to compete?
- How many similar units are nearby?

- What happens if occupancy drops 15 percent?
- What happens if electricity costs rise?
- What happens if the owner uses the unit during peak season?

Hotel competition

Hotels are not irrelevant. They compete for tourists, especially short-stay visitors who want full service. But condos compete differently. Condos can offer kitchens, laundry, more space, privacy, and longer-stay comfort. The strongest rental units know exactly who they are for. A condo should not try to be a hotel room unless it is better at something.

Neighborhood differences

Centro has the strongest convenience and the highest competition. Zazil-Ha has strong hybrid appeal. Colosio can work if the block and product are right. Ejidal may make more sense for long-term renters than tourists in many cases. Emerging areas may be premature for STR unless there is a specific demand driver.

MISCONCEPTION

Myth	Reality
Playa is overbuilt, so nothing works	Weak product struggles, but strong product can still perform
Airbnb always beats long-term rental	Not after expenses, seasonality, and management in every case
Occupancy is the only metric	Net income, reviews, costs, and owner use matter too
A rooftop pool guarantees bookings	Amenities help, but they do not overcome bad pricing or weak location
More tourists means higher returns for everyone	Demand growth can be absorbed by new supply

IN PRACTICE

Short-term rental still works for the right property, bought at the right basis, managed well, with realistic expectations. It is not a magic solution for an overpriced or poorly selected unit.

KEY TAKEAWAYS

- Supply is significant and underwriting must be realistic.
- Generic studios face more competition.
- Larger, better-located, better-managed, more livable units can be more defensible.
- Public STR data varies by provider, so buyers should compare multiple sources.
- Net income matters more than headline revenue.

CHAPTER 10

Property Management Economics

After closing, the spreadsheet becomes a small hospitality business. Management is where returns are protected or lost.

What happens after you buy?

This is where the investment becomes real. Before closing, ownership feels like a spreadsheet. After closing, it becomes guest messages, air conditioning repairs, HOA meetings, stained towels, electricity bills, tax questions, low-season pricing, broken coffee machines, check-in instructions, and owners asking why revenue is lower than projected. Property management is not just opening the door. Good management protects the asset.

Property management is not just opening the door. Good management protects the asset.

What property management actually does

Function	What it includes	Why it matters
Guest communication	Inquiries, check-in, problems, reviews	Reviews affect future bookings
Pricing	Seasonal pricing, discounts, promotions	Revenue management changes results
Maintenance	Repairs, inspections, supplier coordination	Deferred maintenance destroys value
Cleaning	Turnovers, quality control, supplies	Cleanliness drives reviews
Owner reporting	Monthly statements, expense records	Owners need transparency
HOA coordination	Rules, access, building issues	Building operations affect guests
Tax support	Invoices, records, reporting coordination	Compliance matters
Asset protection	Preventing misuse and deterioration	A rental property wears down faster than a home

Typical fee structures

Property management fees vary. Common structures include:

- Percentage of gross rental revenue
- Fixed monthly fee plus commission
- Cleaning charged separately to guest or owner
- Maintenance coordination fee

- Setup fee for onboarding
- Marketing or photography fee
- Accounting or reporting fee

A low headline management fee is not always cheaper. The question is what is included.

Example annual budget: 1-bedroom STR

Item	Annual amount
Gross rental income	$27,000
Management fee at 20 percent	$5,400
HOA	$3,600
Electricity, water, internet	$2,700
Maintenance and repairs	$1,800
Linens, supplies, small replacements	$1,200
Deep cleaning and refresh	$600
Accounting and tax support	$1,700
Platform and marketing allowance	$1,200
Net before income tax	$8,800

This is why realistic owners think in net numbers.

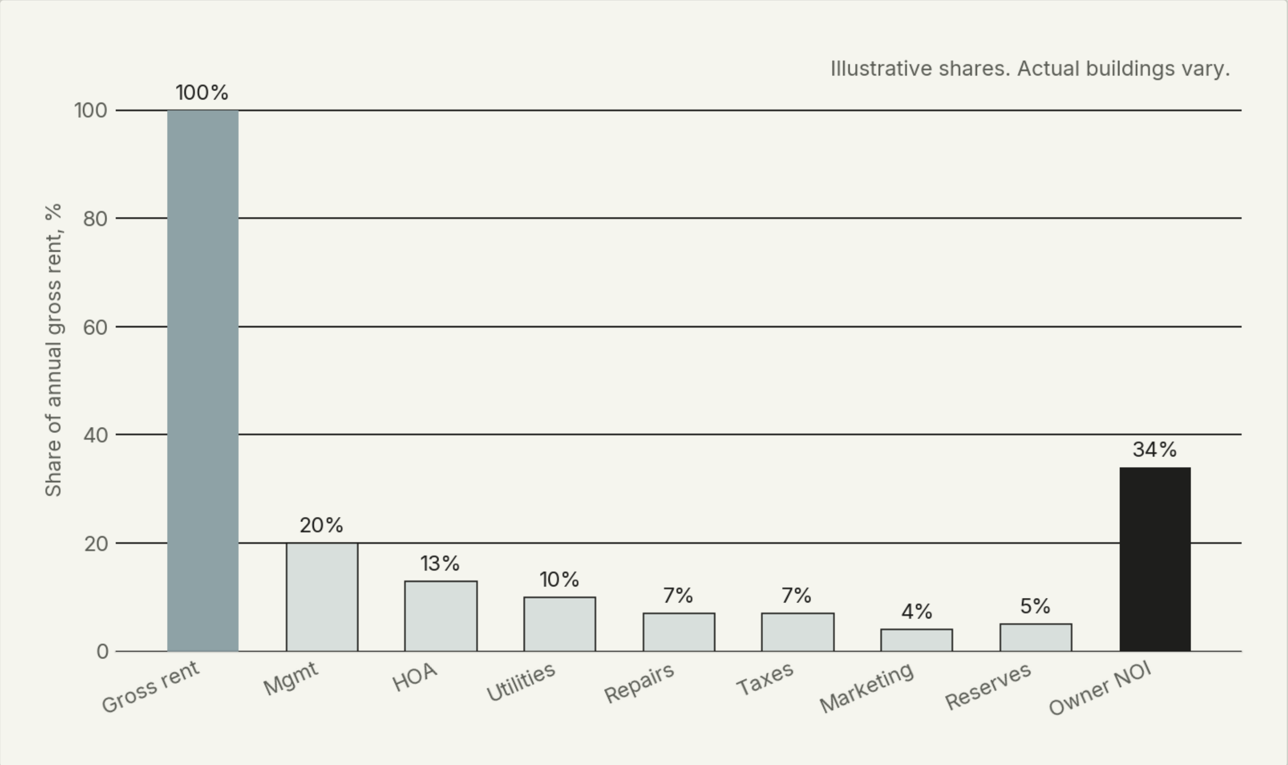

Figure 14 Property management cost stack. Gross revenue must support management, HOA, utilities, repairs, taxes, marketing, and reserves before it becomes owner profit.

Owner expectations vs reality

Expectation	Reality
The unit will be mostly passive	Someone still has to manage decisions and review statements
Guests will treat it like a home	Some will, some will not
New furniture will last years	STR furniture wears faster than expected
High season will cover everything	Low season still exists
The property manager controls all outcomes	Location, building, price, reviews, and owner use also matter
The HOA is separate from rental performance	HOA quality directly affects guest experience

HOA coordination

A weak HOA can damage an otherwise good investment. If elevators fail, common areas deteriorate, pool rules are unclear, water pressure is unreliable, or owners do not pay dues, guests notice. Resale buyers notice too. Good property managers work with HOAs, but they cannot replace a functioning building administration.

Revenue optimization

Good pricing is active. It changes by season, day of week, events, booking window, competitive supply, and occupancy pacing. A manager who sets one nightly rate and walks away is not optimizing. But optimization has limits. No pricing strategy can fully solve a bad unit or overpriced acquisition.

IN PRACTICE

After purchase, the owner becomes a small hospitality business owner, whether they wanted that title or not.

MISCONCEPTION

"The management company will make the numbers work." A good manager can improve performance. They cannot change the purchase price, the unit layout, the street, the HOA budget, or the amount of competition in the building.

KEY TAKEAWAYS

- Property management is operational, not passive.
- Fees should be evaluated based on services and transparency.
- Furniture, repairs, supplies, and replacements are real expenses.
- HOA health affects rental income and resale value.
- Owners should review monthly statements and maintain reserves.

CHAPTER 11

Financing Property in Mexico

Cash, payment plans, Mexican mortgages, and cross-border options, and the risk each one carries.

The cash market is still dominant

Many foreign buyers in Playa purchase with cash. That does not always mean they are wealthy enough to ignore financing. It often means financing is less available, slower, more expensive, or less convenient than in their home country.

Cash has advantages:

- Faster closing
- Stronger negotiating position
- No lender conditions
- No interest cost
- Easier for pre-construction purchases

But cash also has opportunity cost. Money used to buy a condo cannot be used elsewhere.

Developer financing

Developer financing is common in pre-construction. It is usually not a mortgage. It is a payment plan.

A buyer may pay:

- Reservation deposit
- Contract signing payment
- Construction-stage payments
- Delivery payment
- Sometimes a short post-delivery payment plan

The advantage is simplicity. The risk is that the buyer may pay large amounts before delivery.

Questions to ask:

- What percentage is due before construction reaches major milestones?
- Is the payment schedule tied to progress or dates?
- What happens if the developer is delayed?
- What happens if the buyer cannot complete?
- Is interest charged?
- Is title delivered only after full payment?

Mexican mortgages

Mexican mortgages exist, including fixed-rate products from major banks. Public bank pages show rates in the high single digits to low double digits, with CAT disclosures that include broader credit costs. Foreign buyers may find qualification more difficult than locals, depending on residency, income documentation, credit history, age, property type, and bank policy.

Mexican mortgage pros:

- Allows leverage
- Can preserve cash
- Fixed-rate options may be available
- Useful for delivered resale property

Mexican mortgage cons:

- Documentation can be heavy
- Approval can take time
- Interest rates are often higher than buyers expect
- Some properties may not qualify
- Pre-sale may be harder to finance through a bank

Cross-border lending

Some buyers use home-country assets, lines of credit, refinancing, or cross-border lending to fund Mexico purchases. This can work, but it creates currency and repayment risk. The loan may be in dollars or Canadian dollars while the property expenses and local taxes are in pesos. Rental income may be received in multiple currencies depending on platforms and management structure.

Private lending

Private lending exists, but buyers should be careful. Higher flexibility usually comes with higher rates, fees, or collateral requirements. Private lending may make sense for short-term bridge situations. It is rarely a substitute for a weak deal.

Construction financing

Developers face their own financing challenges. Traditional bank construction financing can be limited, especially for smaller developments, because lenders want clean collateral, permits, pre-sales, sponsor strength, and equity. That is why many projects rely on a mix of developer equity, investor capital, supplier terms, and buyer payments. This matters because buyers should understand how the project is funded. A beautiful project with no realistic capital stack is risky.

> A beautiful project with no realistic capital stack is risky.

Financing comparison

Financing type	Best for	Main advantage	Main risk
Cash	Most buyers, especially pre-sale	Simple and fast	Opportunity cost
Developer payment plan	Pre-construction buyers	Easy access, staged payments	Delivery and payment-plan risk
Mexican mortgage	Delivered property buyers	Leverage	Qualification, rate, timing
Cross-border lending	Buyers with home-country assets	Uses existing credit relationships	Currency and collateral risk
Private lending	Bridge situations	Flexibility	Higher cost and legal complexity
Construction financing	Developers	Funds delivery	Sponsor and project risk

MISCONCEPTION

"Developer financing means the developer is lending me money." Usually it means you are paying over time before delivery. That is not the same as a bank mortgage.

KEY TAKEAWAYS

- Cash remains common, but it has opportunity cost.
- Developer payment plans affect buyer risk and leverage.
- Mexican mortgages exist, but qualification and timing vary.
- Cross-border lending can work but creates currency complexity.
- Buyers should understand how their project is financed, not only how they are paying.

CHAPTER 12

Foreign Buyer Tax Guide

Tax planning starts before the purchase, not after the first booking. What to ask, in Mexico and at home.

Taxes are not optional

Many foreign buyers ask about taxes only after the property starts producing income. That is backwards. Tax planning should happen before buying, before renting, and before selling. This chapter is not tax advice. It is a practical guide to the conversations buyers should have with qualified professionals.

Tax planning should happen before buying, before renting, and before selling.

Rental income taxation

If a property produces rental income in Mexico, the owner should understand Mexican tax obligations.

Depending on structure and activity, issues may include:

- Income tax on rental income
- VAT treatment for furnished lodging or services
- Lodging taxes or local hospitality-related obligations
- Platform reporting
- Need for RFC registration
- Electronic invoicing obligations
- Deductibility of expenses
- Accounting records

Foreign owners should not assume that income is tax-free because the money is received through a platform or foreign account.

Common deductible categories to discuss

Expense	Potential treatment to discuss
HOA fees	May be deductible if properly documented and related to rental activity
Property management	Usually important operating expense
Utilities	Needs proper records
Repairs	Different treatment from improvements

Expense	Potential treatment to discuss
Furniture and equipment	May be depreciated or treated according to rules
Accounting fees	Often deductible if connected to rental activity
Platform fees	Should be tracked
Property tax	Usually small but should be recorded

Do not assume deductibility. Ask a Mexican accountant.

Capital gains tax

When selling property in Mexico, capital gains tax can be significant. The calculation is not simply sale price minus purchase price.

Important factors may include:

- Deed value
- Official appraisal values
- Documented improvements
- Inflation adjustment
- Residency status
- Exemptions where applicable
- Notary calculation
- Ownership structure
- Proper invoices for improvements

One of the biggest mistakes is under-declaring values or failing to document improvements. That can create problems at exit.

Residency considerations

Some buyers eventually become temporary or permanent residents. Residency can affect tax planning, banking, documentation, and long-term ownership strategy. Residency does not automatically solve every tax question. It simply changes the conversation.

Home-country reporting

Americans, Canadians, and Europeans may have reporting obligations in their home country even if the property is in Mexico. These may involve foreign rental income, foreign accounts, entities, trusts, or asset reporting. This is where cross-border advice matters. A Mexican accountant may not know US reporting rules. A US CPA may not understand Mexican notary and tax practice. The buyer may need both.

Structuring ownership

Common ownership structures include:

- Individual ownership through fideicomiso
- Joint ownership through fideicomiso
- Mexican corporation in certain commercial or investment contexts
- Foreign entity ownership, if appropriate and properly advised
- Trust and estate planning structures

The best structure depends on use, rental activity, liability, estate planning, tax residency, and exit strategy.

MISCONCEPTION

Misconception	Better answer
I only pay tax in my home country	Mexico may tax Mexican-source rental income and gains
Airbnb handles the taxes	Platforms may withhold or report, but that does not mean everything is complete
I can deduct everything	Deductions need documentation and proper treatment
Capital gains are based only on actual profit	Notary and tax calculations follow Mexican rules
Tax planning can wait until sale	Poor documentation today can cost money years later

IN PRACTICE

The cleanest exit usually starts with clean records from day one.

KEY TAKEAWAYS

- Tax planning should happen before renting or selling.
- Rental income can create Mexican tax obligations.
- Proper invoices and records matter.
- Capital gains planning begins at purchase.
- Cross-border buyers often need advice in both Mexico and their home country.

CHAPTER 13

Liquidity and Exit Strategy

A property is worth what the next buyer can understand, finance, and justify. Plan the exit before the entry.

Most people focus on buying

Almost nobody focuses on selling. That is a mistake. The exit strategy should be part of the purchase decision. A property is not only worth what you pay. It is worth what the next buyer can understand, finance, use, rent, and emotionally justify.

What affects liquidity

Factor	Impact on liquidity
Location	Strong locations create larger buyer pools
Unit type	Broad-appeal units are easier to resell
Building quality	Buyers discount visible problems
HOA health	Weak administration scares serious buyers
Rental history	Clean records support investor buyers
Legal clarity	Missing documents delay or kill sales
Pricing	Overpricing is the biggest liquidity killer
Developer reputation	Known delivery issues affect resale
Furniture condition	Poor presentation reduces urgency
Carrying costs	High HOA narrows buyer pool

Resale timelines

A strong, well-priced property in a liquid area can move faster. An overpriced, generic, poorly documented unit can sit. In Playa, buyers should avoid assuming US-style liquidity. A resale can take months, especially if pricing is aspirational, the market is seasonal, documents are incomplete, or the buyer pool is narrow.

Who buys resales?

Resale buyers often include:

- Foreign lifestyle buyers who want finished product
- Investors who want immediate rental income

- Buyers nervous about pre-construction
- Mexicans relocating or investing
- Owners upgrading or changing neighborhoods
- Buyers looking for discounts from motivated sellers

Each group has different priorities. An investor wants numbers. A lifestyle buyer wants feeling. A retiree wants comfort. A remote worker wants internet, light, and livability. A resale that appeals to several groups is more liquid.

Pricing mistakes

The most common resale mistake is pricing based on emotion or neighbor gossip. "My neighbor listed for $400,000" does not mean your unit is worth $400,000.

Ask:

- Did it sell or only list?
- Was it larger?
- Was it furnished better?
- Did it include parking?
- Was it in better condition?
- Did it have a view?
- Was the seller flexible?
- Were closing costs included?

Listings are opinions. Closed sales are evidence.

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Exit strategy before purchase

Before buying, ask:

- Who is the future buyer?
- Will this unit appeal to more than one buyer profile?
- Is the price defensible against delivered comps?
- Will the building age well?
- Are HOA fees likely to remain reasonable?
- Is the unit type already oversupplied?
- Is there something scarce about the property?
- Can I hold through a slow market?

- What would make this hard to sell?

Real example

Two buyers purchase at the same price. Buyer A purchases a bright 1-bedroom in a walkable area with good building management, reasonable HOA, and broad rental appeal. Buyer B purchases a small studio in a crowded building with high HOA, limited light, and dozens of similar units. Both may rent. Both may appreciate in a strong market. But when the market slows, Buyer A has a wider buyer pool. Buyer B competes mostly on price. Liquidity is not visible on day one. It becomes visible when you need it.

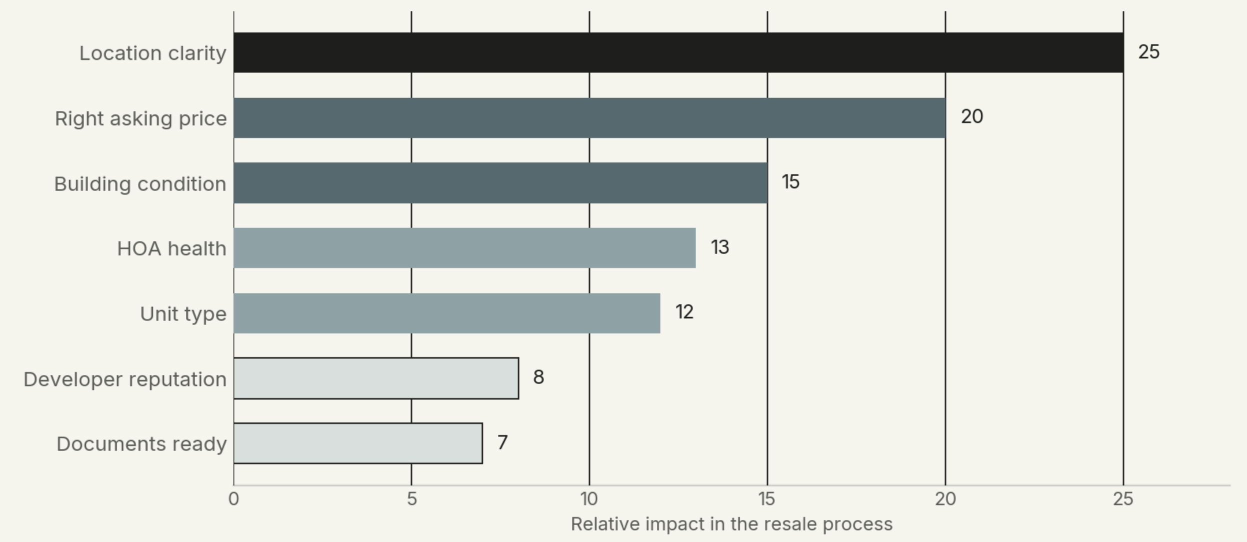

Figure 15 Liquidity drivers. A future buyer cares about more than the original sales brochure.

MISCONCEPTION

"I can always sell if I need to." You can always list. Selling depends on price, market, documents, demand, and competition.

KEY TAKEAWAYS

- Exit strategy should be considered before purchase.
- Liquidity depends on location, unit type, building health, pricing, and documentation.
- Broad buyer appeal reduces risk.
- Overpricing is the fastest way to create a stale listing.
- The easiest property to buy is not always the easiest property to sell.

CHAPTER 14

Common Mistakes Foreign Buyers Make

Thirteen preventable mistakes, collected from real transactions and real regrets.

Mistake 1: Buying solely for ROI

ROI matters. But buying only for ROI often leads buyers into weak locations, tiny units, aggressive rental projections, and poor exit stories. A good investment should also make sense as real estate. If the income projection disappears, would someone still want the property?

> If the income projection disappears, would someone still want the property?

Mistake 2: Ignoring HOA fees

HOA is not just a monthly cost. It is the financial health of the building. Low HOA can be a problem if it means no reserves, poor maintenance, unpaid staff, and future special assessments. High HOA can be a problem if it destroys net yield or does not deliver value. The right question is not whether the HOA is low. The right question is whether the HOA is realistic, well managed, and properly collected.

Mistake 3: Ignoring management costs

A rental property needs management. Even if the owner self-manages, their time has value. Buyers who ignore management costs almost always overstate returns.

Mistake 4: Buying from weak developers

The cheapest pre-sale is rarely cheap if the project is delayed, undercapitalized, poorly documented, or delivered below expectation. Developer quality is not a nice detail. It is part of the investment.

Mistake 5: Poor legal review

A buyer should not rely on the broker, the developer's lawyer, or a translated summary. Contracts matter. Attachments matter. Corporate parties matter. Deadlines matter. Remedies matter. Independent review is not a formality.

Mistake 6: Assuming Airbnb solves everything

Airbnb can create income, but it does not fix overpaying, weak location, high expenses, poor building operations, or bad furniture. Short-term rental is a business model, not a rescue plan.

Mistake 7: Buying the wrong unit type

The cheapest unit can have the narrowest buyer pool. A strange layout, dark interior, poor access, loud location, or no usable living space may rent occasionally but struggle on resale.

Mistake 8: Overpaying in pre-sale

Pre-sale should compensate the buyer for risk and waiting. If the pre-sale price is the same as delivered comparable product, the buyer may be taking construction risk without enough reward.

Mistake 9: Misunderstanding liquidity

Many foreign buyers assume they can sell quickly if plans change. That is not always true. Liquidity depends on the asset, price, documentation, and market cycle.

Mistake 10: Ignoring exit strategy

Before signing, the buyer should know who might buy the property later and why. If the answer is "someone will want it because Playa is growing," that is not enough.

Mistake 11: Falling in love with renderings

Renderings show intention. Contracts show obligation. Construction shows ability. Delivery shows truth. Buyers should enjoy renderings but verify documents.

Mistake 12: Not walking the street

Some buyers buy from abroad without understanding the block. In Playa, the block matters. Noise, shade, lighting, sidewalks, nearby lots, trash areas, traffic, and neighboring businesses can change value.

Mistake 13: Confusing lifestyle with investment

It is fine to buy for lifestyle. It is fine to accept a lower return because you love the property. The mistake is pretending a lifestyle decision is a pure investment decision.

MISCONCEPTION

"Foreign buyers get in trouble because Mexico is unsafe." More often, buyers get in trouble because they skip process: legal review, due diligence, realistic underwriting, tax planning, and exit strategy.

KEY TAKEAWAYS

- Most mistakes are preventable.
- Buyers should slow down before signing.
- Legal, financial, operational, and resale questions all matter.
- A good process protects the buyer more than a good pitch.
- The best buyers are curious, not rushed.

CHAPTER 15

What We Are Seeing on the Ground in 2026

Field notes from 2026: what buyers are asking, what sellers are offering, and what the market is rewarding.

Buyer sentiment

Buyers are still interested, but they are more selective. That is the main difference. In 2021 and 2022, many buyers asked, "What is available?" In 2026, better buyers ask, "Why this property, why this price, why this developer, and what happens after I own it?" That is a healthier conversation.

Sales activity

Good product still sells. Weak product needs incentives. The market has not disappeared. It has become more honest. Buyers compare. They ask for documents. They request rental history. They check public listings. They watch construction progress. They ask about HOA. Projects that can answer those questions professionally have an advantage.

> The market has not disappeared. It has become more honest.

Inventory

Inventory is larger than it was several years ago. That gives buyers more choice. It also increases pressure on sellers and developers who do not have a clear product position. The inventory that concerns us most is not all inventory. It is undifferentiated inventory. Too many similar units with the same story, same finishes, same rooftop, same rental promise, and same buyer profile create competition.

Construction trends

Construction remains challenging. Costs, labor, timing, permitting, and supervision all require discipline. Buyers rarely see the complexity behind a delivered building. A project can fail financially even if demand exists, because construction cost and timing can destroy the margin. This is why buyers should care about feasibility. A developer who bought land too expensively, underpriced units, and underbudgeted construction may look attractive in pre-sale but become fragile during delivery.

Financing availability

Financing is still more limited than many foreign buyers expect. Developer payment plans remain important. Bank mortgages exist but are not as frictionless as in the US or Canada. Investor capital continues to play a role in development. This financing environment rewards developers who plan conservatively and buyers who understand payment risk.

Rental market conditions

Short-term rental demand exists, but it is competitive and seasonal. Strong units with professional management can perform. Weak units get exposed. Long-term rental demand also matters. Playa has a growing resident base, and not every property should be forced into Airbnb. Some properties make more sense as stable long-term rentals.

Developer incentives

We are seeing more incentives in certain segments:

- Flexible payment plans
- Furniture packages
- Closing cost support
- Limited-time discounts
- Broker promotions
- Guaranteed rental language in some cases

Incentives are not automatically bad. They can create opportunity. But buyers should ask why the incentive exists and whether the base price already absorbed it. A discount from an inflated price is not a discount.

Investor behavior

Investors are more cautious. They are not only asking about projected returns. They are asking about downside, documentation, capitalization, and exit. That is exactly what serious investors should do.

Market confidence

Confidence is still present, but it is more qualified. People still believe in Playa. They still want to live here, invest here, and own here. But belief is not blind. The market is rewarding those who combine long-term confidence with short-term discipline.

> **IN PRACTICE**
>
> The best buyers in 2026 are not pessimists. They are educated optimists. They believe in Playa, but they still read the contract.

MISCONCEPTION

"Slower sales mean the market is bad." Slower sales can mean buyers are becoming rational. That is different from demand disappearing.

KEY TAKEAWAYS

- Buyer demand remains, but selectivity has increased.
- Inventory quality varies widely.
- Incentives should be analyzed, not accepted blindly.
- Construction and financing discipline matter.
- The market is rewarding clarity, trust, and good execution.

CHAPTER 16

Outlook for 2026 to 2030

Bull, base, and bear. The next five years through scenarios instead of slogans.

Forecasting with humility

Anyone who gives a single confident forecast for the next five years is guessing. The better approach is scenarios. What could happen if things go well? What is the reasonable base case? What could go wrong? Investors should not underwrite only the bull case.

Anyone who gives a single confident forecast for the next five years is guessing.

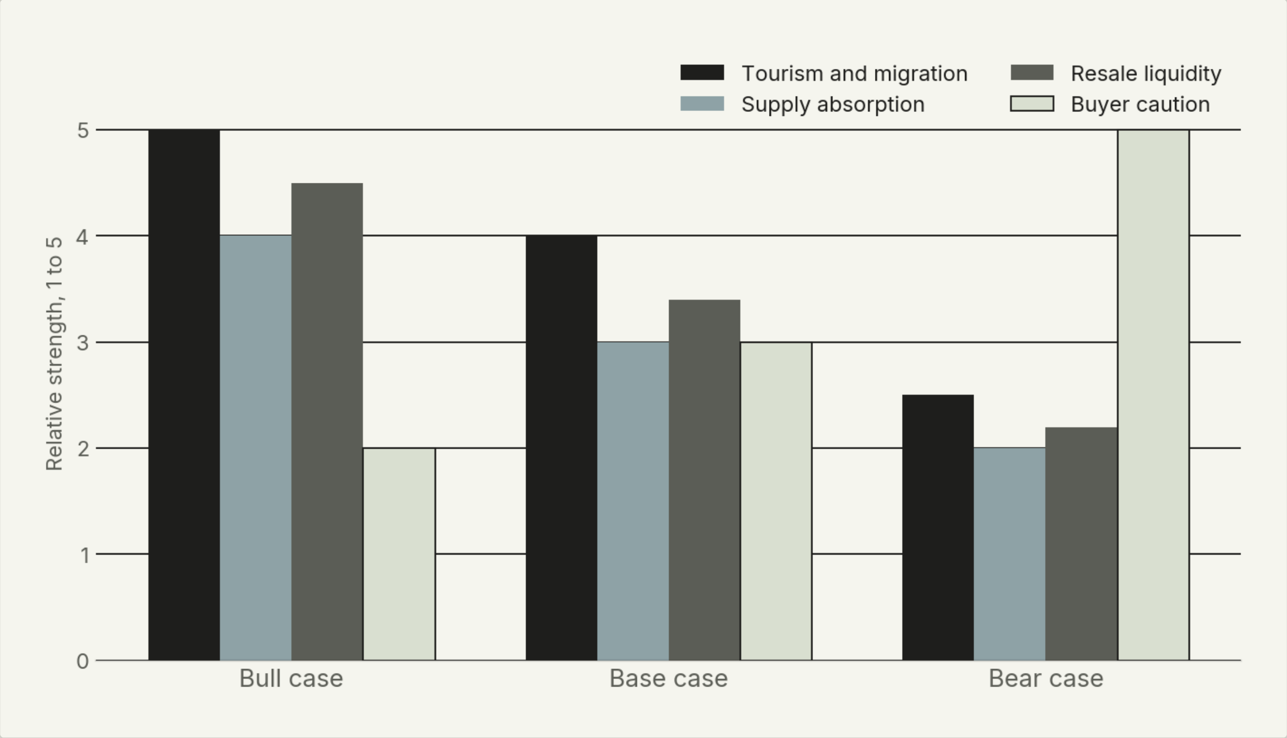

Figure 16 Outlook scenarios, 2026 to 2030. Scenario planning is useful because good investments should not depend on only the bull case.

Bull case

In the bull case, Playa continues to benefit from population growth, tourism, infrastructure, foreign demand, and regional connectivity. Tulum Airport matures. Tren Maya improves regional movement.

Cancun Airport remains strong. More buyers look for practical alternatives to expensive US, Canadian, and European coastal markets. Playa's year-round city character deepens.

In this scenario:

- Quality central assets appreciate further
- Well-managed buildings outperform
- Larger and more livable units gain appeal
- Long-term rental demand strengthens
- Developers with strong track records capture buyer trust
- Resale liquidity improves for good assets

In a stronger market, the best assets separate themselves through location, execution, management, and resale strength.

Base case

In the base case, Playa continues growing but with more selective appreciation. Inventory remains high in some product categories. Buyers stay price sensitive. Rental income remains seasonal and competitive. Construction costs stay meaningful. Developers offer incentives in crowded segments.

In this scenario:

- Appreciation continues but at a more moderate pace
- Generic units underperform
- Net yields remain realistic, not spectacular
- Exit strategy becomes more important
- Neighborhoods mature unevenly
- Quality and location drive dispersion

This is the scenario we think buyers should underwrite most often.

Bear case

In the bear case, several pressures arrive together:

- Too much new inventory in similar product categories
- Lower tourism demand or weaker occupancy
- Global recession or reduced foreign buyer liquidity
- Currency volatility
- Higher interest rates or tighter financing
- Construction delays or developer failures
- Policy changes affecting short-term rentals
- Infrastructure strain or negative press

In this scenario:

- Weak developers struggle
- Overpriced pre-sales become difficult to assign
- Generic studios compete on price
- Resale timelines lengthen
- Buyers with heavy carrying costs feel pressure
- Cash buyers with patience can find opportunities

A bear case helps buyers understand what could go wrong, where pressure could appear, and which assumptions need to be tested before purchasing.

Scenario table

Factor	Bull case	Base case	Bear case
Tourism	Strong growth	Stable to moderate growth	Weak or volatile
Population	Continued growth	Continued but uneven growth	Slower migration
Infrastructure	Improves access and confidence	Helps but with friction	Under-delivers or creates strain
Supply	Absorbed by demand	Selective absorption	Oversupply in weak segments
Prices	Strong appreciation in quality assets	Moderate appreciation	Flat or down for weak assets
Rentals	Strong in differentiated units	Competitive and seasonal	Rate pressure and lower occupancy
Liquidity	Good assets sell well	Liquidity varies	Buyers demand discounts
Best strategy	Buy quality early	Buy quality carefully	Preserve cash and wait for distress

Currency considerations

Foreign buyers often think in dollars, Canadians in Canadian dollars, Europeans in euros, and Mexican expenses in pesos. Currency can affect affordability, rental income, taxes, and exit proceeds.

A buyer should ask:

- What currency is the purchase price in?
- What currency are payments made in?
- What currency is rental income received in?
- What currency are expenses paid in?
- What happens if exchange rates move?

Currency risk does not mean do not buy. It means model the investment honestly.

Political and regulatory risks

Real estate is affected by regulation. Potential issues include short-term rental rules, tax enforcement, environmental rules, permitting, beach access policies, trust requirements, and municipal fees. Buyers should not panic about regulation, but they should avoid assuming rules never change.

What this means for investors

For 2026 to 2030, the market likely rewards:

- Better locations
- Better buildings
- Better legal documents
- Better management
- Better capitalized developers
- Better underwriting
- Better exit planning

It likely punishes:

- Generic product
- Unrealistic rental assumptions
- Weak HOAs
- Poor construction
- Overleveraged developers
- Buyers who cannot hold through slower periods

> **MISCONCEPTION**
>
> "If Playa grows, every property appreciates." Growth helps the market. Selection determines the property outcome.

> **KEY TAKEAWAYS**
>
> - The next five years should be viewed through scenarios.
> - The base case is continued growth with more selectivity.
> - The bull case favors quality and scarcity.
> - The bear case exposes weak product and weak capitalization.
> - Buyers should underwrite downside before hoping for upside.

FINAL CHAPTER

Is Playa del Carmen Still Worth Investing In?

The honest answer is not yes or no. It is: for whom, at what price, and with what expectations.

Not yes or no

The honest answer is not a simple yes or no. Playa is worth investing in for the right buyer, in the right property, at the right price, with the right expectations. It is not worth investing in for buyers who need guaranteed income, instant liquidity, zero maintenance, no legal process, no tax obligations, and no operational responsibility. Real estate does not work that way here. It does not work that way anywhere.

Who should invest

Playa may make sense for buyers who:

- Believe in the long-term growth of the city
- Want lifestyle plus investment potential
- Can hold for several years
- Understand that net yield is not gross revenue
- Are willing to do legal and financial due diligence
- Value liquidity and exit strategy
- Can maintain reserves
- Choose quality over hype
- Accept that Mexico has its own process

Who should not invest

Playa may not make sense for buyers who:

- Need short-term guaranteed returns
- Cannot tolerate delays or uncertainty
- Are using money they cannot afford to lock up
- Expect US or Canadian processes in Mexico
- Refuse professional legal and tax advice
- Believe Airbnb income is automatic
- Buy only because a broker says prices are going up
- Cannot hold through a slow resale market

What type of investment works best

In 2026, the most defensible investments often share several traits:

- Walkable or clearly livable location
- Broad buyer and renter appeal
- Quality developer or proven resale building
- Reasonable HOA and maintenance structure
- Unit type that is not overly generic
- Realistic net income potential
- Legal clarity
- Exit story that makes sense

That can be a studio, 1-bedroom, 2-bedroom, house, land, or development investment. The asset type is less important than the fit.

Realistic expectations

A realistic buyer should expect:

- Closing costs that matter
- Setup costs after purchase
- Net yields lower than advertised gross yields
- Rental seasonality
- Maintenance surprises
- HOA issues that require attention
- Potential delays in pre-construction
- Resale timelines that vary
- Long-term value tied to quality and location

That sounds less exciting than a sales pitch. It is also more useful.

The WHITEBOX view

We remain confident in Playa del Carmen because the city continues to have the foundations that matter: tourism, population growth, foreign demand, lifestyle migration, improving infrastructure, and a position between Cancún and Tulum that continues to be valuable.

But confidence in the city still requires property-level selectivity.

Long-term confidence means walking away from properties when the numbers do not work. It means asking whether a unit will be easy to resell before asking how quickly it can be sold today. It means paying attention to maintenance reserves, HOA culture, construction quality, natural light, noise, street feel, legal documents, rental assumptions, and the way a building will actually operate after delivery.

The strongest real estate investments often feel simple once the logic is clear.

They do not rely on perfect conditions, exaggerated projections, or a buyer ignoring the details. They make sense because the location, product, legal structure, operations, and exit story all support each other.

Final thought

Playa del Carmen has moved beyond the small town story. It is now a real market with real opportunity, real competition, and real risk. That is what makes it worth studying seriously.

A buyer who understands the city, the neighborhood, the property, the numbers, the legal structure, the operations, and the exit can still find compelling opportunities here.

A buyer who skips those steps may receive an expensive education.

The market will not protect careless decisions. But it can still reward informed ones.

APPENDIX A

Glossary of Mexican Real Estate Terms

Term	Simple explanation
Escritura	Public deed formalized before a notary
Notario publico	Highly regulated legal professional who formalizes transactions and calculates certain taxes
Fideicomiso	Bank trust used by many foreign buyers in the restricted zone
Fiduciario	Trustee bank
Fideicomisario	Beneficiary of the trust
ISABI	Acquisition tax paid when property is acquired
Predial	Annual property tax
Avaluo	Appraisal or valuation used in transaction process
Registro Publico	Public Registry where property rights are recorded
Regimen de condominio	Condominium regime establishing private and common areas
HOA	Homeowners association or building administration structure
RFC	Mexican tax registration number
CFDI	Mexican electronic invoice
Escritura publica	Formal public instrument prepared through a notary
Cesion de derechos	Assignment of rights, often relevant in pre-sale or trust transfers

APPENDIX B

Fideicomiso Glossary

Term	Meaning
Trustor	Party that creates or transfers rights into the trust
Trustee bank	Mexican bank holding title in trustee capacity
Beneficiary	Buyer who holds beneficial rights
Substitute beneficiary	Person named to receive rights after beneficiary death
Trust term	Length of the trust before renewal
Annual trustee fee	Fee paid to the bank for administration
Assignment	Transfer of trust rights to another buyer
Renewal	Extension of trust term
Cancellation	Ending a trust, often when replacing structure or transferring

APPENDIX C

Buyer Due Diligence Checklist

Question	Yes or no	Notes
Have I reviewed the legal seller entity?		
Have I reviewed title or land-control documents?		
Have I reviewed the condominium regime?		
Have I reviewed the purchase contract with independent counsel?		
Are finishes and inclusions attached in writing?		
Do I understand the payment schedule?		
Do I understand closing costs?		
Have I modeled net yield, not gross revenue?		
Have I reviewed HOA fees and rules?		
Have I considered tax obligations?		
Have I walked the street or had someone inspect it?		
Do I know my exit buyer?		
Can I hold if resale takes longer than expected?		

APPENDIX D

Developer Evaluation Checklist

Item	What to request
Legal entity	Corporate documents, tax registration, authorized signatory
Land	Title, deed, acquisition documents, liens if any
Permits	Construction permits, land-use documentation, environmental or municipal approvals if applicable
Plans	Architectural plans, unit plans, common area plans
Specifications	Written finish schedule and equipment list
Budget	Evidence of realistic construction budget and contingency
Capital	Explanation of funding sources and construction financing
Track record	Completed projects, references, delivery dates
Contract	Draft purchase agreement before deposit where possible
Payment plan	Payment milestones and buyer remedies
Delivery	Timeline, delay language, penalty or remedy structure
HOA	Proposed budget, rules, management plan
Warranty	Post-delivery defect process

APPENDIX E

Closing Cost Calculator Examples

Purchase price	Acquisition tax estimate	Other closing costs estimate	Furniture/setup estimate	Suggested initial reserve	Total estimated cash need
$150,000	$6,000	$5,000	$14,000	$3,000	$178,000
$250,000	$10,000	$7,000	$20,000	$4,000	$291,000
$500,000	$20,000	$13,000	$35,000	$7,500	$575,500

Use this as a planning tool only. Confirm actual costs with notary, bank, lawyer, accountant, and property manager.

APPENDIX F

Investment Property Comparison Worksheet

Property	Option A	Option B	Option C
Area			
Price			
Size			
Price/m2			
Unit type			
HOA			
Est. gross rent			
Est. net income			
Exit score			
Notes			

Suggested exit score: 1 weak to 5 strong.

APPENDIX G

Questions Every Buyer Should Ask Before Purchasing

- Who is the legal seller?
- What exactly am I buying?
- Is the land title clean?
- Are permits issued or pending?
- What is included in the price?
- Are finishes written into the contract?
- What are the closing costs?
- What are the HOA fees and what do they cover?
- Can the property be rented short term?
- What taxes apply to rental income?
- What happens if delivery is delayed?
- What happens if I cannot complete payment?
- What is the realistic net yield?
- Who will manage the property?
- Who is the future resale buyer?
- How long can I hold if the market slows?
- What would make me walk away?

APPENDIX H

Rental Property Underwriting Worksheet

Item	Amount
Purchase price	
Closing costs	
Furniture and setup	
Initial reserve	
Total cash basis	
Expected annual gross income	
Vacancy adjustment	
HOA	
Management	
Utilities	
Repairs	
Cleaning and supplies	
Taxes and accounting	
Platform and marketing	
Net operating income	
Net yield on purchase price	
Net yield on total cash basis	

APPENDIX I

Annual Ownership Cost Worksheet

Annual cost	Budget
HOA	
Property tax	
Trust annual fee	
Insurance	
Utilities	
Internet	
Repairs and maintenance	
Furniture reserve	
Accounting	
Property management	
Deep cleaning	
Special assessment reserve	
Total annual ownership cost	

APPENDIX J

Visual Index

The visuals in this edition are included as reading aids, not as appraisals or promises. They are designed to make the main ideas easier to understand: where demand comes from, how neighborhoods compare, how gross rent becomes net income, why closing costs matter, and how to think about exit strategy before buying.

Visual	Primary chapter	What it clarifies
Regional context schematic	Chapter 1	Why Playa's position between Cancun, Cozumel, and Tulum matters
2020 to 2026 market timeline	Chapter 1	How the city story changed after 2020
Demand pyramid	Chapter 1	Why Playa is no longer supported only by vacation demand
Indexed price trend model	Chapter 2	Why pricing should be read by category and location, not headline alone
Market maturity curve	Chapter 2	How the market moved from shock to discipline
Neighborhood scorecard	Chapter 3	How Centro, Zazil-Ha, Ejidal, Colosio, and emerging areas differ
ROI waterfall	Chapter 4	How gross rent becomes net operating income
Net yield comparison	Chapter 4	Why different unit types produce different risk and income profiles
Closing cost stack	Chapter 5	Why the purchase price is not the full cash requirement
Fideicomiso structure diagram	Chapter 6	How buyer, bank trustee, property, and beneficiaries relate
New development vs resale framework	Chapter 7	When each path can make sense
Developer risk scorecard	Chapter 8	How to turn due diligence into practical questions
STR supply and demand matrix	Chapter 9	Why saturation is product-specific, not market-wide
Property management cost stack	Chapter 10	Where rental revenue goes after ownership begins
Liquidity driver chart	Chapter 13	What affects future resale
2026 to 2030 scenario graphic	Chapter 16	How bull, base, and bear cases differ

Closing Note

The best real estate decisions are rarely rushed. They come from understanding what you are buying, why it has value, what can go wrong, and who will want it after you. That is the standard this report encourages. Not hype. Not fear. Clarity.

WHITEBOX

WHITEBOX began in Playa del Carmen as a real estate law firm, helping buyers understand contracts, closings, ownership structures, and the risks that often sit behind a transaction.

Over time, that legal foundation became something larger. We saw the same problems recur: projects that looked good in sales materials but were weak in structure, buyers who did not understand what they were signing, developments that were not planned with long-term ownership in mind, and investors who needed clearer information before committing capital.

That experience eventually led us into development.

Today, WHITEBOX is a real estate development and investment firm. We still draw on the knowledge of our legal background, but we now apply it much earlier in the process: when we acquire land, structure capital, design buildings, manage construction, sell units, deliver projects, and consider how a building will operate after completion.

We build a small number of low-density, design-led projects with a focus on quality, livability, clear structure, and long-term value.

Talk to the team that wrote this report

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