THE CABO INSIDER · BUYER'S CHECKLIST

Fractional Ownership in Cabo: Buyer's Checklist

A plain-English guide to owning part of a luxury home in Los Cabos — the right questions to ask before you sign anything.

Inside this checklist

- What fractional ownership is (and what it is not)
- Fractional vs. timeshare, side by side
- 20 questions to ask the seller
- The real costs to add up
- Who it's a good fit for — and who should pass
- Red flags to watch for

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1. What fractional ownership is

You buy a share of one specific home, together with a small group of other owners.

In simple words: instead of buying 100% of a villa you use a few weeks a year, you buy a fraction of it — for example 1/8 or 1/12 — and you get a set amount of time there each year. The owners share the costs, and usually a professional company manages the home.

"Deeded" is the key word. In a deeded fractional, your share is real property in your name (or, in Mexico's coastal zone, held for you through a bank trust called a *fideicomiso*). That means you can sell it, rent your time if the rules allow, and leave it to your heirs. Always ask exactly how your share is titled.

2. Fractional vs. timeshare

They sound similar. They are not the same.

	Deeded fractional	Typical timeshare
What you own	A share of one specific property	Usually a right to use, often for a set number of years
Number of owners	Small group (often 4–12 per home)	Many (often 50 or more per unit)
Time per year	Usually several weeks	Usually 1–2 weeks
Can you sell it?	Yes, as real property (resale can take time)	Often very hard; resale value is usually low
Can value change?	Yes — it can go up or down with the market	Rarely holds its value
Can you leave it to heirs?	Yes, if it is deeded / held in trust	Depends on the contract

General comparison. Every project is different — read your own contract.

3. Questions to ask before you buy

Ask for every answer in writing. Check each box when you have it.

OWNERSHIP & LEGAL

- [ ] How is my share titled? (deed, *fideicomiso*, shares, or a right-to-use contract)
- [ ] Who is the bank trustee, and what are its yearly fees?
- [ ] Is the property fully built and delivered, or still in pre-sale?
- [ ] Can I name beneficiaries for my share?
- [ ] Who reviews the contract for me? (independent attorney / notary)

MONEY

- [ ] What is the total price, and what is included? (furniture, closing costs)
- [ ] What are the yearly fees, and what did they go up in past years?
- [ ] Are there special assessments or a reserve fund?
- [ ] What are the closing costs and taxes at purchase?
- [ ] Is there financing, and on what terms?

USING YOUR HOME

- [ ] How many weeks do I get, and how are they assigned? (fixed, rotating, or booked)
- [ ] How far ahead must I book? Can I get holidays?
- [ ] Can family or friends use my time?
- [ ] Can I rent out my weeks? Who manages it, and what is the commission?
- [ ] Is there an exchange program with other destinations?

SELLING LATER

- [ ] Can I sell my share freely, or does the developer have a first right to buy?
- [ ] Is there a resale program, and what does it cost?
- [ ] How many shares have resold, and at what prices?
- [ ] Are there transfer fees when I sell?
- [ ] What happens if the management company changes?

4. The real costs to add up

The price of the share is only the beginning. Ask for each number in US dollars, per year.

Cost	What to ask	Your number
Purchase price	Price of your fraction and what it includes	
Closing costs	Notary, taxes, trust set-up, appraisal	
Yearly owner fees	Maintenance, management, utilities, staff	
Bank trust fee	Yearly *fideicomiso* fee (if any)	
Property tax	Your share of the yearly *predial*	
Insurance & reserves	Included in fees, or extra?	
Travel & extras	Flights, cleaning, resort services	
Total per year	Divide by the weeks you will really use	

5. Is it right for you?

A good fit if you...

- Want to spend a few weeks a year in Cabo, every year
- Want a luxury home without the full price or upkeep
- Like "lock and leave": someone else takes care of everything
- Are a snowbird or retiree planning regular visits
- Want something you can leave to your family

Probably not for you if you...

- Want to live in Cabo most of the year
- Are buying mainly to make money or "flip"
- Need to get your money back quickly
- Don't like sharing rules or schedules
- Want to remodel and decorate your own way

6. Red flags

If you see any of these, slow down and get a second opinion.

- **"Sign today" pressure** — a special price that disappears if you don't sign right now.
- **Promised returns.** No one can guarantee rental income or that your share will go up in value.
- **No clear title.** They can't explain in writing how your share is owned.
- **Vague fees.** No written history of yearly fees, or "we'll know later".
- **No resale information.** They can't tell you how owners sell their shares.
- **Contract only in Spanish, or no independent review.** Always have your own attorney or notary review it.
- **It's really a timeshare** with a nicer name: many owners, right-to-use only, no deed.

Want to see a real fractional villa in Cabo?

I'm a baby boomer myself, and I live and work in Los Cabos. Send me a message on WhatsApp and I'll share the details, prices and how it works — with honest answers and no pressure.

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This checklist is for educational purposes only and is not legal, tax or financial advice. Fractional ownership structures, fees, rules and resale options vary by project; always read your own contract and have it reviewed by an independent attorney or notary public in Mexico. Gina Ochoa does not promise or guarantee rental income, appreciation or resale value. Information current as of October 2026.