

**Is this a good time to buy, to sell or to wait? Why?**

Although the market for Puerto Vallarta real estate has slowed, it has not stopped. Since closing our physical office and working from home since mid-March, (per government recommendations) we have several new offers in process. Last week, the Google search term "Puerto Vallarta Real Estate" was up by 82%. So clearly, many people are feeling "cooped up" and dreaming about a property in PV when they are able to travel again!

For buyers, it is important to understand that the fundamentals of our market here may be quite different to what they are used to at home. The vast majority of properties for sale here (over 95%) do not carry mortgages. Homeowner fees, utilities and property taxes are also much less than what they are in the US and Canada. Many owners also successfully rent their properties when they are not in residence, further offsetting expenses. Average time on the market for properties here, while coming down in the last few years, is still around one year, not several days or weeks like many metros north of the border. Also, the vast majority of the sellers here are retired or semi-retired, have a comfortable nest egg and are not desperate for money. During the six weeks of shutdown, I have only had one call from a seller, asking what is going on, if there are any showings, etc. The vast majority are willing to just wait out this situation. I have not had any sellers lower their price in response to this pandemic. Sellers understand that while the virus has had devastating impacts to human life, it is not affecting properties. The property will still be here in a week, a month, a year or however long it takes to sell. Over the last few years, properties here have sold in a range of 95-96% of the listing price. Based on offers we are currently working on; I see that trend continuing. There may be the occasional highly motivated seller or developer lowering prices or negotiating on select units, so buyers looking for a good deal should look now. Buyers looking to "steal" a property here at 30-40% off should look elsewhere. That did not happen here in the economic meltdown from 2008-2010 and I do not see it happening now.

Sellers need to understand that for many buyers, the thought of purchasing a property in another country is a daunting task and very stressful. For that reason, sellers (or their agents), should be prepared to answer a multitude of questions about the property that they may not be used to in the US or Canada. Also, the typical buyer here is not purchasing to move here for a job, a certain school district or to take advantage of a very low interest loan that they have been offered. The purchase here is typically something a buyer wants to do, not something they have to do. For sellers, it is important to understand that buyers may have the idea that our market here is a "buyers' market", when in fact it is not, for many of the reasons outlined above. For that reason, sellers should take every inquiry or offer seriously even if they consider it "insulting".

Both buyers and sellers should keep the above in mind and realize that the market here is strong, stable and is not going away. They may be frustrated now that they may be losing money in the stock market or in currency exchanges. But it is important for them to consider that when and if they ever want to sell that they are selling in a stable market, their neighbors are not going to panic and jump in and slash prices like in many other real estate markets or the stock market. Those that buy now will have a great place to enjoy next year and for years to come. Those that panic and give up their dream may lose it. The market will not stop here, buyers will continue to buy and properties will sell. Although this pandemic has caused worldwide disruption, I believe that PV and the PV Real Estate market will survive just fine and this too shall pass.

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