

International Living

Ajijic, Mexico and the Rise of Rental Real Estate

By Dan Prescher

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It's high season in Ajijic, Mexico, which means the restaurants are crowded, the main drag is chockablock with traffic, and the rentals are as rare as they are pricey.

This little mountain town by the lake has been popular with North American retirees and snowbirds for decades thanks to its beautiful year-around weather, quaint main square, and the logistical ease of Guadalajara's nearby international airport.

It used to be possible to rent a lovely one- or two-bedroom place within walking distance of the main square during high season here. These days you have to work to find an available rental near the square...and you might not succeed. The good ones are generally locked down, often long-term and long in advance.

Owning a decent rental property almost anywhere in the general area is now a money-maker no matter what time of year it is.

They even say that there really is no high or low season here anymore...that the place is topped up with full- and part-time expats and tourists year-round.

That's not true in my experience, as there is a clear difference in the number of expats here now during the holiday season (and the deepening winter in North America) compared to the middle of summer.

But to me it seems like a difference between full and fuller. And as far as the rental market goes, no well-maintained place anywhere near the village stays unoccupied at any time of year now unless, for some reason, the owner doesn't want or need it rented.

It looks to me like the kind of rental market—and residential real estate market in general—that has achieved a peak. The cherries are picked. Anyone who bought here years ago is sitting on big appreciation and a nearly guaranteed rental income if they

want it. New projects aren't coming online fast enough to satisfy the demand for expat homes and rental properties. If you want to get a deal in this market, you have to be here with your eyes and ears open, ready to act on whatever fire sales and hidden gems the fates churn up.

Because it is so unconscionably beautiful and offers such an amazing lifestyle, that churn is pretty slow here right now...and this isn't even beachfront. That's why so many people like it, of course. It has enough altitude to offer near-perfect weather, and with the surrounding mountains on one side and Lake Chapala on the other, it can be picturesque beyond belief—a place with the kind of light and atmosphere that has been drawing painters, poets, writers, and photographers for years.

I don't know when you could have gotten in on the "ground floor" of this real estate market. It's been around as an expat haven a long time, and there have been lots of ups and downs in this market over the years.

But certainly now, with high season getting higher all the time, the ground floor is a distant memory. It's a market that has already rewarded those who got in early and punished procrastinators. There are still plenty of properties on offer here if you're simply willing to pay the price. But getting a raging deal in this market now takes time, patience, and luck.