SCOTTS INTERNATIONAL

Residential Real Estate In Mexico - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2020 - 2029

Market Report | 2024-02-17 | 150 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License $4750.00
- Team License (1-7 Users) $5250.00
- Site License $6500.00
- Corporate License $8750.00

Report description:

The Residential Real Estate Market In Mexico Market size is estimated at USD 14.51 billion in 2024, and is expected to reach USD 17.78 billion by 2029, growing at a CAGR of 4.14% during the forecast period (2024-2029).

The market is driven by the demand for housing from new residents. Furthermore, the maket is driven by the huge flock of tourists residing in the country for longer vacations and second homes.

Key Highlights
-Mexico's destination markets are heating up, particularly as remote workers seek a year-round, resort-style living due to flexible, remote work policies. Buyers continue to snap up vacation homes that they can use more frequently and then rent out for income the rest of the year.
-The global rental market has remained at an all-time high for the past two years as demand continues to outpace supply. Due to the constant demand and transactional complexities that may arise, high-profile real-estate firms have set up shops in Mexico's resort markets to assist buyers. One of these brokerages is The Agency, a global billion-dollar real-estate brokerage with more than 60 offices in luxury markets throughout the United States, Canada, Mexico, Europe and the Caribbean. The Agency now has seven office locations in Mexico, including Los Cabos, Todos Santos, La Paz, Puerto Vallarta, Punta de Mita, Riviera Maya and San Miguel de Allende.
-Mexico's housing market is cooling again, with the nationwide house price index rising by a minuscule 0.41% year on year in Q1 2022, after rising by 2.5% year on year in Q1 2021. House prices remained nearly unchanged in each quarter. The housing market has gradually improved in recent years, with real house prices increasing by an annual average of 2.75% between 2016 and 2021. Before that, the Mexican housing market had been relatively stable for nearly a decade. Many Mexico City residents are selling their homes and relocating to more spacious areas or reinvesting in other countries.

-After a brief pause during the pandemic, the housing market in Mexico City is reviving, fueled in particular by rising demand in the city's prime areas. There is no centralized database for real estate transactions in Mexico. However, according to the data platform Statista, the average home price in Mexico City in the first quarter of this year was around 2.9 million pesos (USD 148,000), making it Mexico's most expensive market. Condesa, Polanco, and Roma, a cluster of upscale districts prized for their architecture, culture, and culinary scenes, have some of the city's highest prices, ranging from USD 465 to USD 555 per square foot.

Mexico Residential Real Estate Market Trends

Increasing Residential Real Estate Demand by Young People

According to the Q4 of 2021, the generation of young adults between the ages of 27 and 40 is driving the growth in housing demand. Since they can now buy a home far from their workplaces or neighborhoods that fulfill their social and economic expectations, this sector has significantly benefited from adopting a new kind of working from home. For instance, closeness to work hubs has taken a backseat in Mexico City. Since the trend is now to have "home offices," that is, work from home on a property anywhere in the country, this change in working conditions opens up various opportunities for housing developers around the nation.

Real estate developments must respond to this new requirement by updating the complex's recreational areas and ensuring technical coverage while adjusting to recent market trends and preferences. With this innovative method of working, employees can conduct their tasks from wherever makes them feel most at ease, giving them the option of working in the heart of Mexico, the United States, Canada, or anywhere else in the world while conducting "home offices" from the Riviera Maya.

The Mexican residential real estate industry is growing due to young people demanding a place to live. The housing demand projected for the next few years will be driven by people under 30 (representing 55% of the country's population). The Bajio zone, formed by Aguascalientes, San Luis Potosi, Guanajuato, Queretaro, and the northern region of Mexico, is exciting. Cities like Monterrey are growing because of the demand for corporate and residential spaces. Tourism growth in destinations like Cancun, Los Cabos, and Puerto Vallarta also encourages real estate developments. The statistic shows Mexico's age distribution between 2011 and 2021. About 25.49% of Mexicans in 2021 were under 14, 66.68% were between 15 and 64, and 7.83% were 65 or older.

Increase in Average Housing Price in Mexico

The graph shows an increase in Mexico's average housing prices by State. Mexicans paid, on average, MXN 1.31 million (USD 6.76 million) to acquire a residential property. Compared to the same period of the previous year, the nominal price increased by more than 15%.
Mexico City registered the highest price for this type of property, with an average exceeding MXN 3 million (USD 1.54 million)per residential unit as of the first quarter of 2021. Compared to renting or borrowing, house ownership is Mexico's preferred form of housing tenure.

Mexico City was the most expensive city to buy a home in the first quarter of 2022. The average price of real estate in the nation's capital city is about MXN 3 million (USD 1.54 million), or roughly double the national average. With a contribution to the GDP of over 6%, the housing sector is one of Mexico's most essential and steady markets. With only 15% of homes being rented, the market is mainly an owner's market, with approximately 69% of properties in the nation being fully paid off by their owners. Nationally, housing costs had been rising until the start of 2021. The country saw a 15% increase in residential property prices between Q1 2020 and Q1 2021.

The residential real estate market in Mexico is fragmented due to the presence of many players in the market. Speculators do not drive the housing market. Some of the major players are Ruba, Consorcio Ara, Sab de CV, Grupo Garza Ponce, Groupo Lar, and Grupo Jomer. There are many developers, and the market is highly competitive. Access to financing has become an indispensable component of the Mexican residential market, with public institutions and private banks having a key role.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

Table of Contents:

SCOTTS INTERNATIONAL

Residential Real Estate In Mexico - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2020 - 2029

Market Report | 2024-02-17 | 150 pages | Mordor Intelligence

To place an Order with Scotts International:
- - Print this form
- - Complete the relevant blank fields and sign
- - Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	$4750.00
	Team License (1-7 Users)	$5250.00
	Site License	$6500.00
	Corporate License	$8750.00
	VAT	
	Total	

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*		Phone*	
First Name*		Last Name*	
Job title*			
Company Name*		EU Vat / Tax ID / NIP number*	
Address*		City*	
Zip Code*		Country*	
		Date	2026-03-02
		Signature	

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com