



Residential Market Activity Report 2023

Los Cabos & Baja California Sur

January 2024



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Baja California Sur

Market Activity 2023

Baja California Sur

Closed Listings | Summary

Annual Statistics 2023 vs 2022

Total Sold Volume <i>Amounts in Thousands USD</i>	2023	2022	Variance %
Total	\$1,704,332	\$1,635,468	4.2%
Houses	\$678,716	\$810,872	(16.3%)
Condos	\$772,567	\$580,132	33.2%
Land	\$253,049	\$244,464	3.5%

Units Sold Per Property Type	2023	2022	Variance %
Total	2,389	2,964	(19.4%)
Houses	623	787	(20.8%)
Condos	1,109	1,324	(16.2%)
Land	657	853	(23.0%)

Average Sold Price <i>Amounts in Thousands USD</i>	2023	2022	Variance %
Total	\$713	\$552	29.3%
Houses	\$1,089	\$1,030	5.7%
Condos	\$697	\$438	59.0%
Land	\$385	\$287	34.4%

Average Days on Market	2023	2022	Variance %
Total	280	292	(4.3%)
Houses	233	231	0.6%
Condos	296	275	7.7%
Land	296	375	(21.0%)

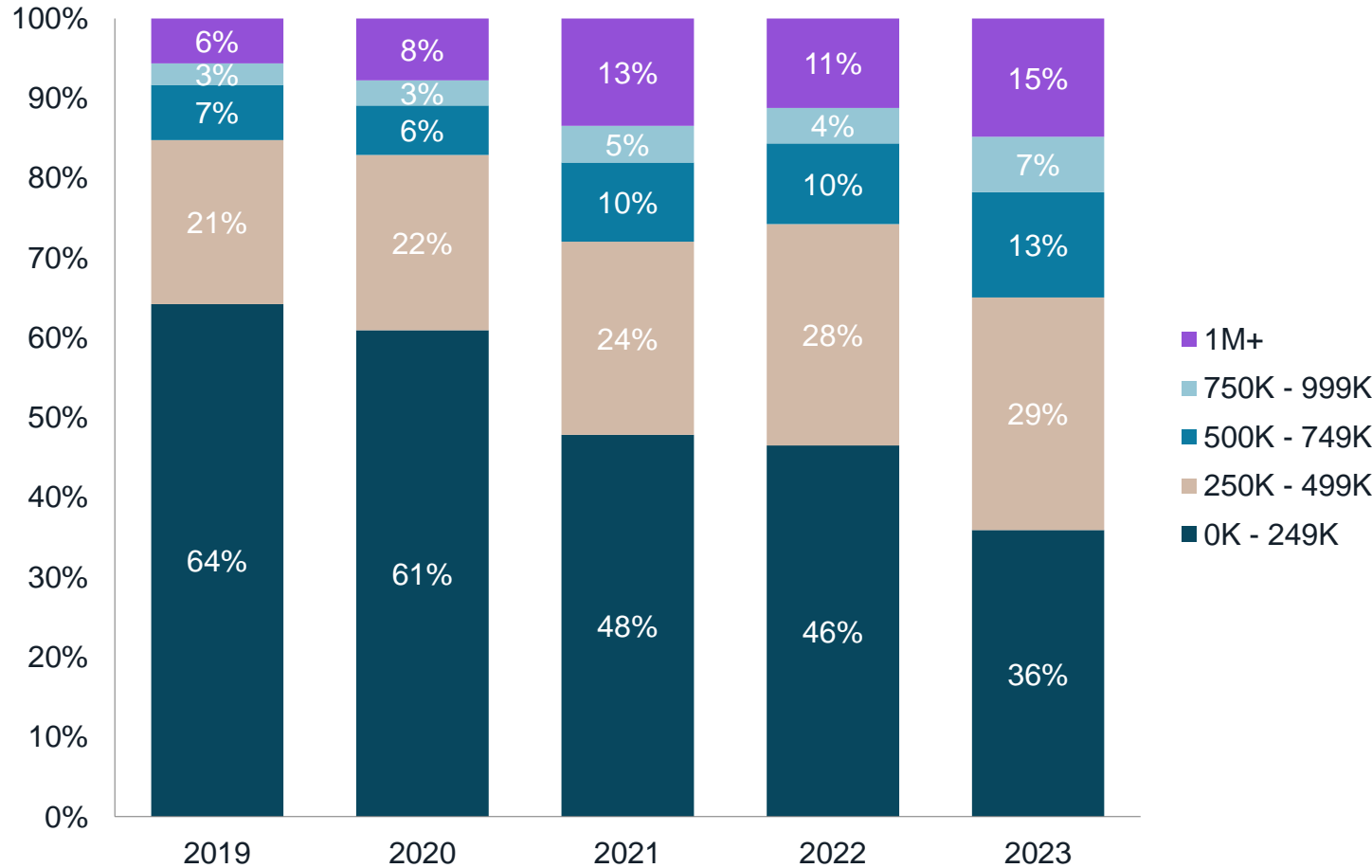
Highlights

- **Strong demand and high transaction volume:** Baja California Sur's (BCS) residential market has witnessed robust demand, with a transaction volume surpassing **US\$1.7 billion** in 2023, representing a **4.2%** increase compared to 2022.
- **Price surge despite decrease in units sold:** Overall, there was an average price spike of **29.3%** compared to 2022, despite a **19.4%** decline in units sold. Condos soared by **59.0%**, land prices surged by **34.4%**, and houses saw a **5.7%** increase.
- **Faster absorption:** Average days on the market reduced by **4.3%** compared to 2022, indicating a faster absorption of units, primarily driven by land, which saw a significant **21.0%** increase in absorption.
- **Increase in value per square meter 2023 vs. 2022:**
 - Condos: 23.5%
 - Houses: 20.4%
 - Land: 37.7%

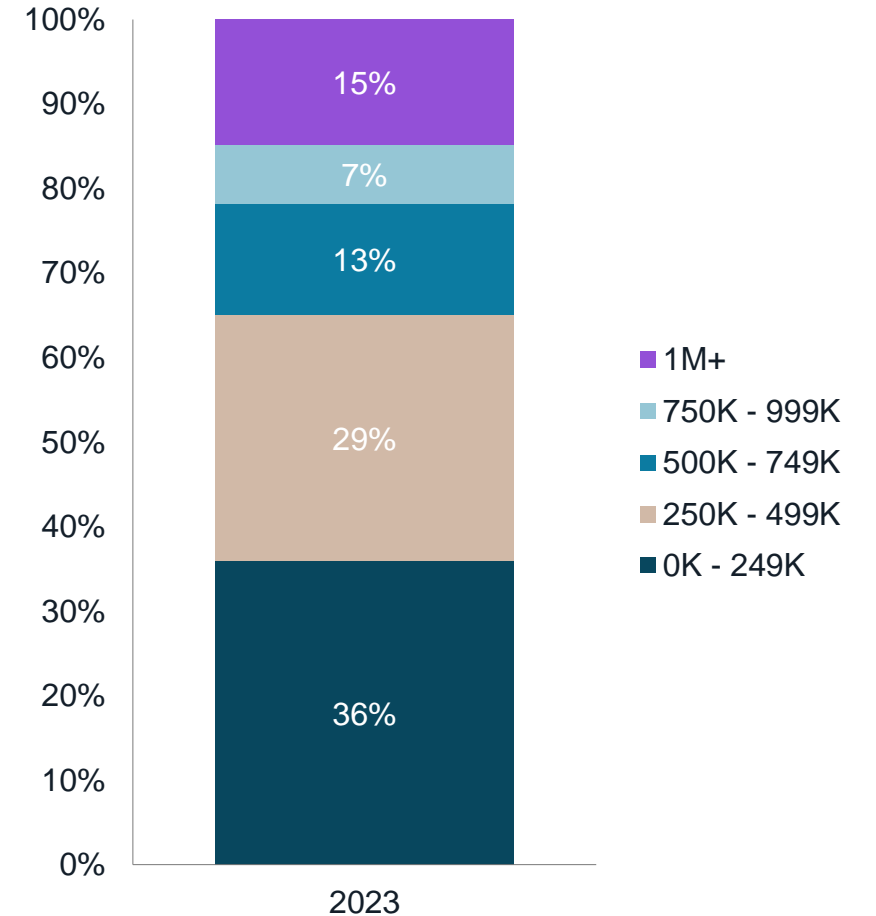
Baja California Sur

Closed Listings | Summary

Units Sold By Price Range Past 5 Years



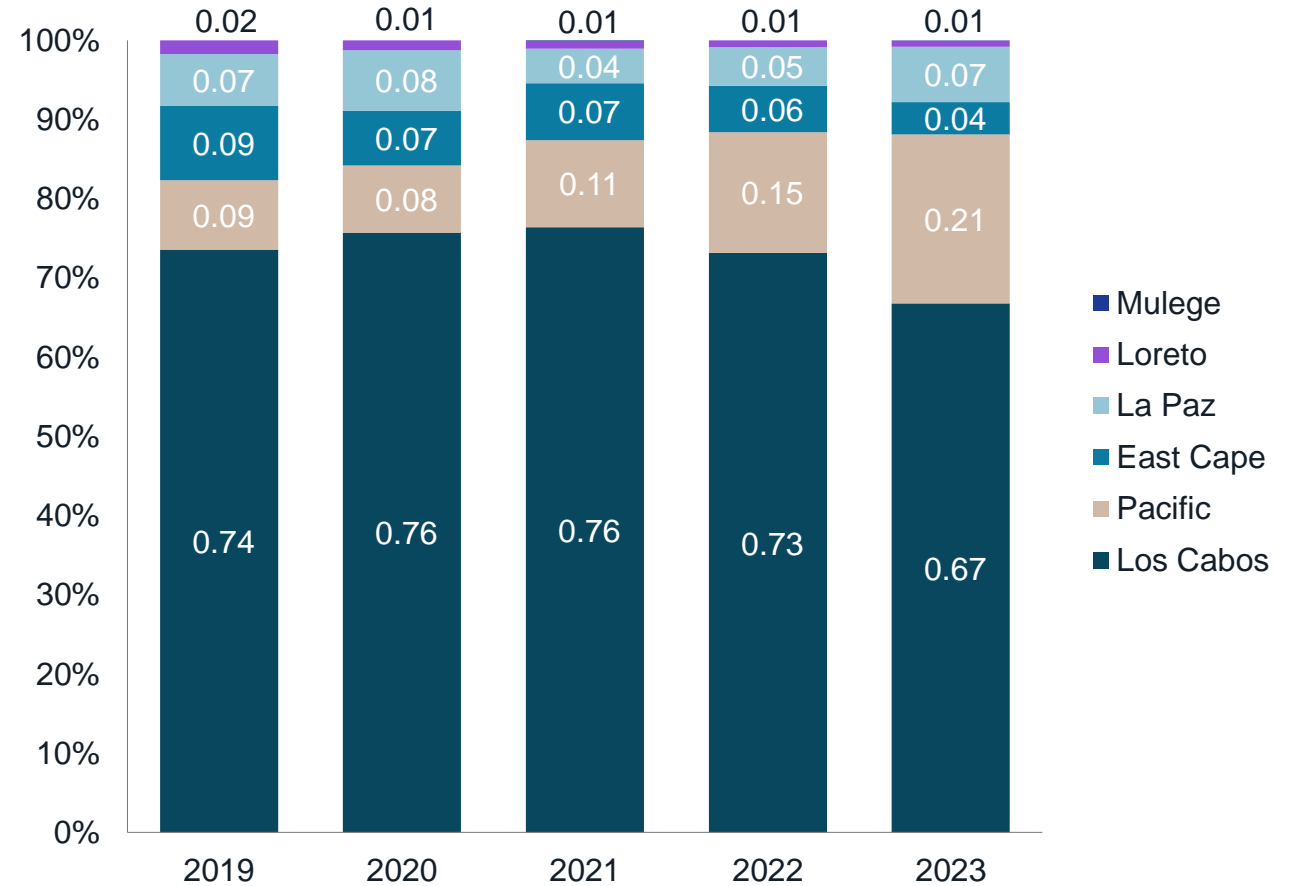
Units Sold By Price Range 2023



Market Activity per Zone

Los Cabos and the Pacific Zone remain the most relevant markets in BCS, however the Pacific Zone in BCS gained market share with a 45.9% increase in transaction volume, driven by the sales of St. Regis Residences in Diamante.

- **Los Cabos:** The dominant market in Baja California Sur, offering a wide range of real estate transactions and developments in areas like Cabo San Lucas, the Tourist Corridor, and San Jose del Cabo.
- **Pacific:** Significant activity in areas such as Todos Santos, Pescadero, and the Cerritos Region, with a focus on coastal properties and developments like Diamante and Quivira.
- **East Cape:** Known for land transactions and Costa Palmas development, offering opportunities for large-scale land development and a serene coastal lifestyle.
- **La Paz:** Demonstrating more modest activity but still offering a range of properties for investors and those seeking a relaxed coastal lifestyle.
- **Loreto and Mulege:** Emerging markets with potential for growth, appealing to buyers in search of an authentic coastal experience.



Zone Activity (MPI*) as Fraction of BCS Market Activity

* Market Penetration Index ("MPI"), represents each zone as a fraction of the total Baja California Sur market activity

Los Cabos

Market Activity 2023

Los Cabos

Market Activity for 2023

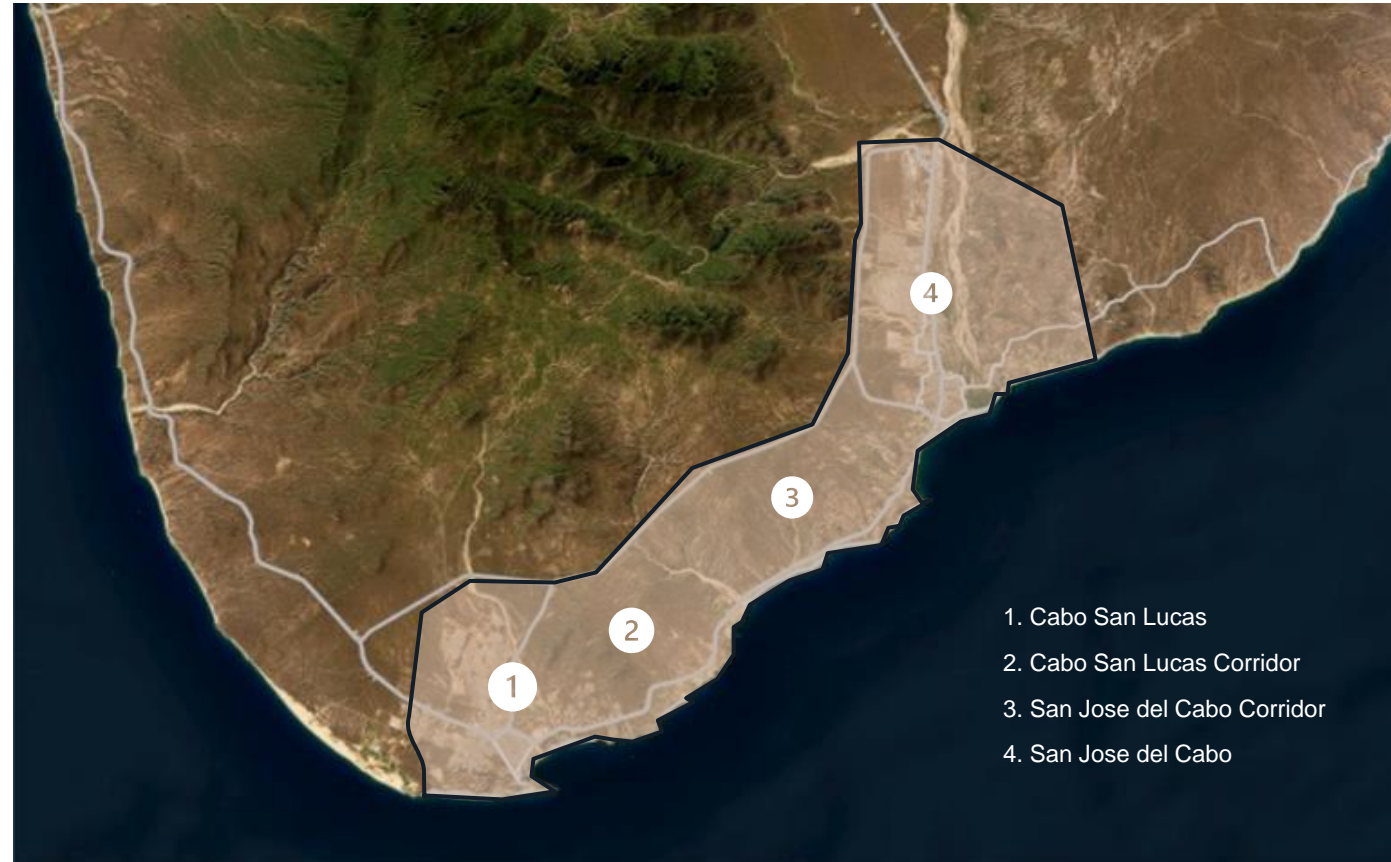
In 2023, the Los Cabos region, covering Cabo San Lucas, San Jose del Cabo, and the Tourist Corridor, contributed 63.2% to Baja California Sur's market activity, with transactions totaling US\$1,138 million.

Cabo San Lucas and Cabo San Lucas Corridor

- **Houses and Condos:** 850 units sold; at an average price of US\$816k for Houses and US\$499k Condos.
- **Land:** 101 plots sold at an average price of US\$349/sq.m., majorly in El Tezal and Pedregal communities.

San Jose del Cabo and San Jose del Cabo Corridor

- **Houses and Condos:** 419 units were sold; at an average price of US\$2.0 million for houses and US\$927k for Condos.
- **Land:** 140 plots sold at an average price of US\$378/sq.m., mostly were single family plots in Querencia, Puerto Los Cabos and Club Campestre communities.



Los Cabos

Closed Listings | Summary

Annual Statistics Los Cabos 2023 vs 2022

Total Sold Volume <i>Amounts in Thousands USD</i>	2023	2022	Variance %
Total	\$1,138,610	\$1,196,592	(4.8%)
Houses	\$410,870	\$578,586	(29.0%)
Condos	\$586,689	\$478,914	22.5%
Land	\$141,051	\$139,092	1.4%
Units Sold Per Property Type	2023	2022	Variance %
Total	1,510	1,839	(17.9%)
Houses	325	473	(31.3%)
Condos	944	1,094	(13.7%)
Land	241	272	(11.4%)
Average Sold Price <i>Amounts in Thousands USD</i>	2023	2022	Variance %
Total	\$754	\$651	15.9%
Houses	\$1,264	\$1,223	3.4%
Condos	\$621	\$438	42.0%
Land	\$585	\$511	14.5%
Average Days on Market	2023	2022	Variance %
Total	277	262	5.6%
Houses	213	219	(2.6%)
Condos	304	274	10.8%
Land	258	290	(11.1%)

Highlights

- In 2023, Los Cabos market followed the trend of BCS with a notable **15.9%** rise in average sold prices, while the number of units sold decreased.
- The overall transaction volume in Los Cabos decreased by just **4.8%**, reflecting a steady market trend in transaction value, with Condo transaction value prominently increasing by **22.5%**.
- Unit sales experienced a decline in 2023, dropping by **17.9%** from 2022 figures, with Houses sales marking the sharpest downturn at **31.3%**.
- Pre-sales of houses increased to **29.1%** in 2023 from **28.9%** in 2022, while condo pre-sales accounted for **55.5%** of the total transaction volume in 2023, up from **46.9%** in 2022.
- Despite lower unit sales, the shift towards higher-priced condos in 2023 has sustained a consistent total transaction volume compared to 2022.

Los Cabos compared to Baja California Sur

Closed Listings | Summary

Annual Statistics Los Cabos and BCS 2023

Total Sold Volume <i>Amounts in Thousands USD</i>	Los Cabos	BCS	MPI
Total	\$1,138,610	\$1,704,332	0.67
Houses	\$410,870	\$678,716	0.61
Condos	\$586,689	\$772,567	0.76
Land	\$141,051	\$253,049	0.56

Units Sold Per Property Type	Los Cabos	BCS	MPI*
Total	1,503	2,389	0.63
Houses	324	623	0.52
Condos	939	1,109	0.85
Land	240	657	0.37

Average Sold Price <i>Amounts in Thousands USD</i>	Los Cabos	BCS	MPI
Total	\$754	\$713	1.06
Houses	\$1,264	\$1,089	1.16
Condos	\$621	\$697	0.89
Land	\$585	\$385	1.52

Average Days on Market	Los Cabos	BCS	MPI
Total	277	280	0.99
Houses	213	233	0.92
Condos	304	296	1.03
Land	258	296	0.87

Highlights

- Los Cabos transaction value represented **67%** of the total in BCS, which is down **800 basis points** (“bps”) compared to past five-year average of **75%**. However, the number of units sold is **550 bps** higher compared to the same period.
- Average sold prices in Los Cabos are **5.7%** higher than in BCS, primarily driven by the Houses and Land which are **16%** and **52%** higher, respectively.

Los Cabos as percentage of BCS 2019-2023

Units Sold	2019	2020	2021	2022	2023
BCS	1,346	1,070	2,704	2,964	2,389
Los Cabos	682	595	1,645	1,839	1,510
%	51%	56%	61%	62%	63%

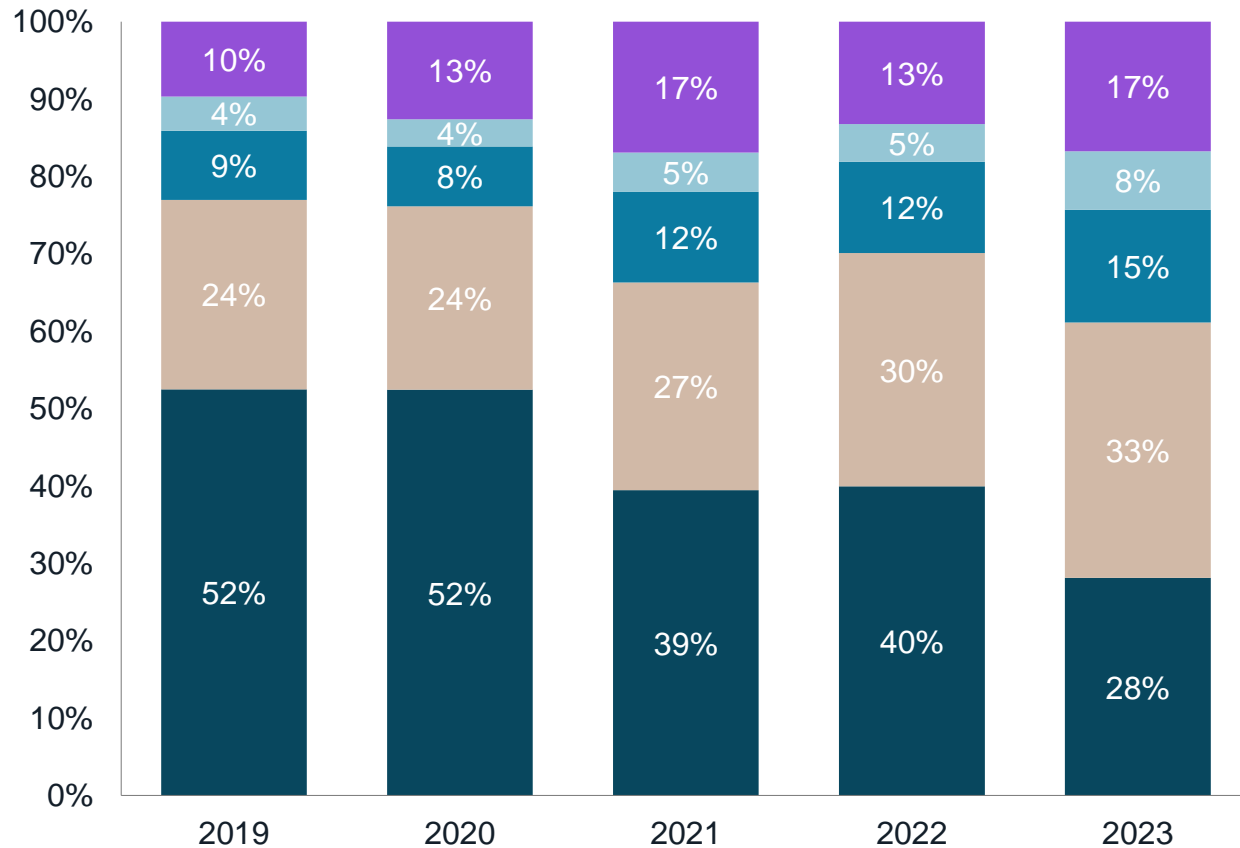
Transaction <i>(Amounts in Thousands USD)</i>	2019	2020	2021	2022	2023
BCS	\$497,381	\$407,696	\$1,662,427	\$1,635,468	\$1,704,332
Los Cabos	\$365,996	\$308,809	\$1,270,510	\$1,196,592	\$1,138,610
%	74%	76%	76%	73%	67%

* Market Penetration Index (“MPI”), represents Los Cabos as a fraction of the total Baja California Sur market activity

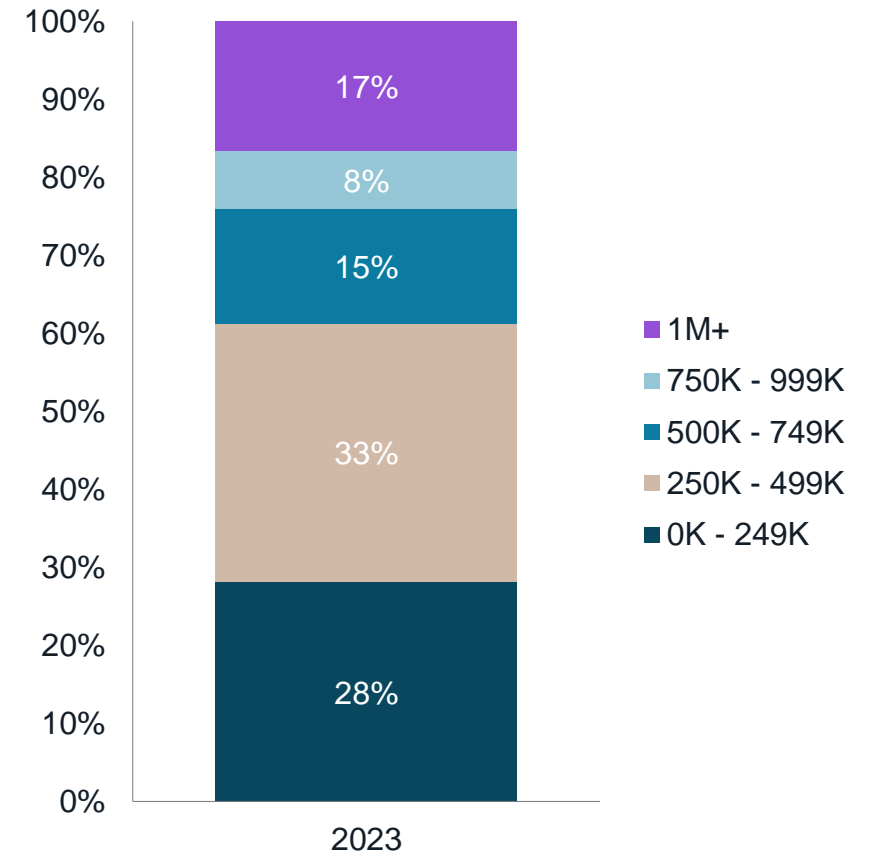
Los Cabos

Closed Listings | Summary

Units Sold By Price Range Past 5 Years



Units Sold By Price Range 2023



Los Cabos

Relevant Market Information

Highlights

- **Demographics:**
 - Los Cabos municipality reached **351,111 inhabitants** in 2020 accounting for **44.0%** of the total population of BCS.
 - Between 2010 and 2020 Los Cabos almost doubled its population growing **47.2% (3.9% CAGR*)**.
- **Hospitality:**
 - Hotel supply is expected to increase approximately **7.5%** by the end of 2025, increasing the estimated number of keys to **16,900**.
 - Hotel occupancy from January to October remained stable at **70%** between 2022 and 2023.
 - Average Daily Rate (ADR) experienced a **5.2%** increase during the same period in 2023, reaching **US\$456**.
- **Air Passenger Arrivals:**
 - As of November 2023, Los Cabos received a total of **7.0 million** passengers, reflecting a **10.8%** increase in international and national passengers compared to the same period in 2022.
- **Employment:**
 - For the second year in a row, BCS ranks as Mexico's top-growth state for employment, with an impressive **8.3%** increase from Dec 2022 to Oct 2023. Quintana Roo ranks first with a **9.8%** increase.



Los Cabos

Market Activity 2023 per Property Type

Los Cabos

Closed Listings | Houses

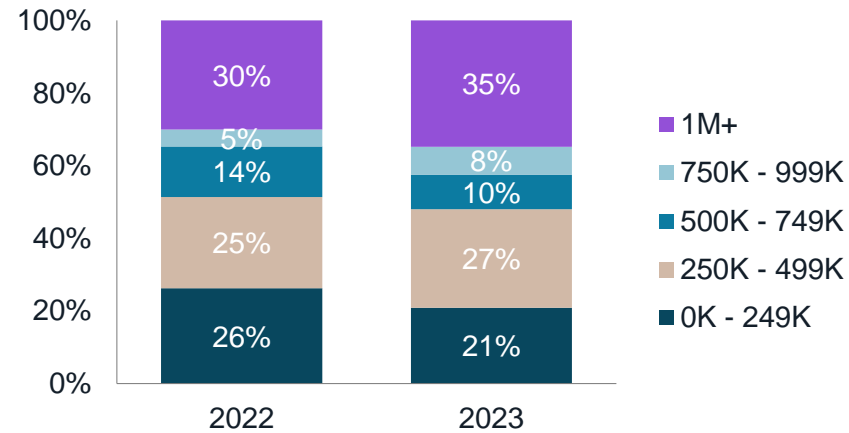
Annual Statistics 2023 vs 2022

Houses	2023	2022	Var. (%)
Units Sold	325	473	(31.3%)
Average Sold Price <i>Amounts in Thousands USD</i>	\$1,264	\$1,223	3.4%
Total Sold Volume <i>Amounts in Thousands USD</i>	\$410,870	\$578,586	(29.0%)
Average Days on Market	213	219	(2.6%)

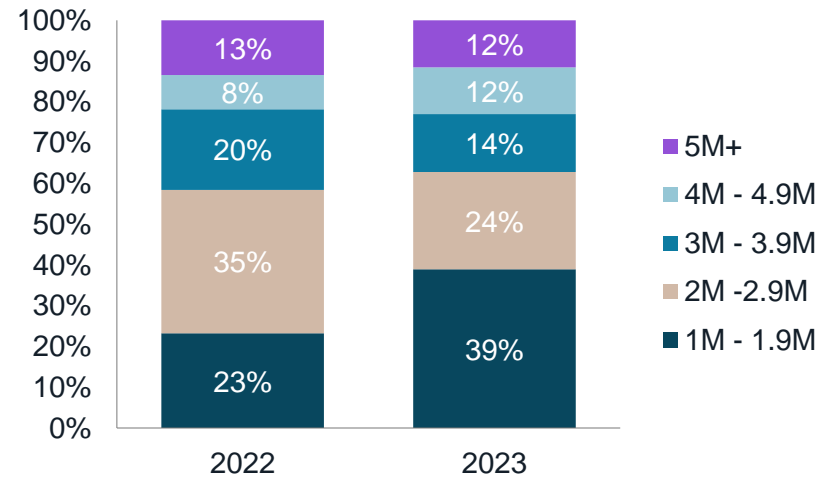
Highlights

- Houses sold in Los Cabos accounted for **60.5%** of the total transaction volume on this property type in BCS.
- **65.2%** of Houses sold were closed below **US\$1 million**
- The average price for Houses sold in Los Cabos was **US\$1.3 million**
- The average Air Conditioned (“AC”) size was **253 m2** and the average AC price was **US\$4,253 per m2**

Houses Sold by Price Range



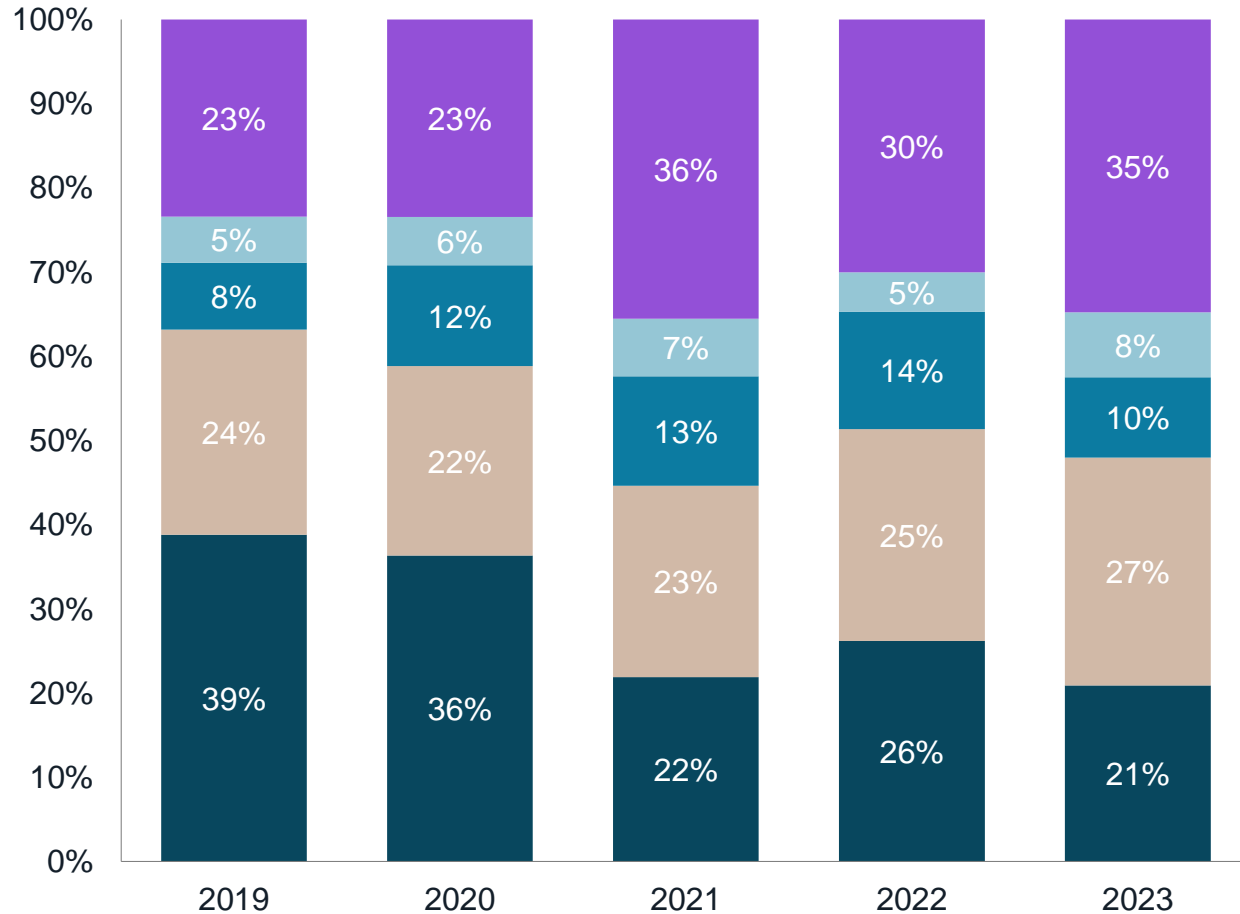
Houses Sold Above 1M



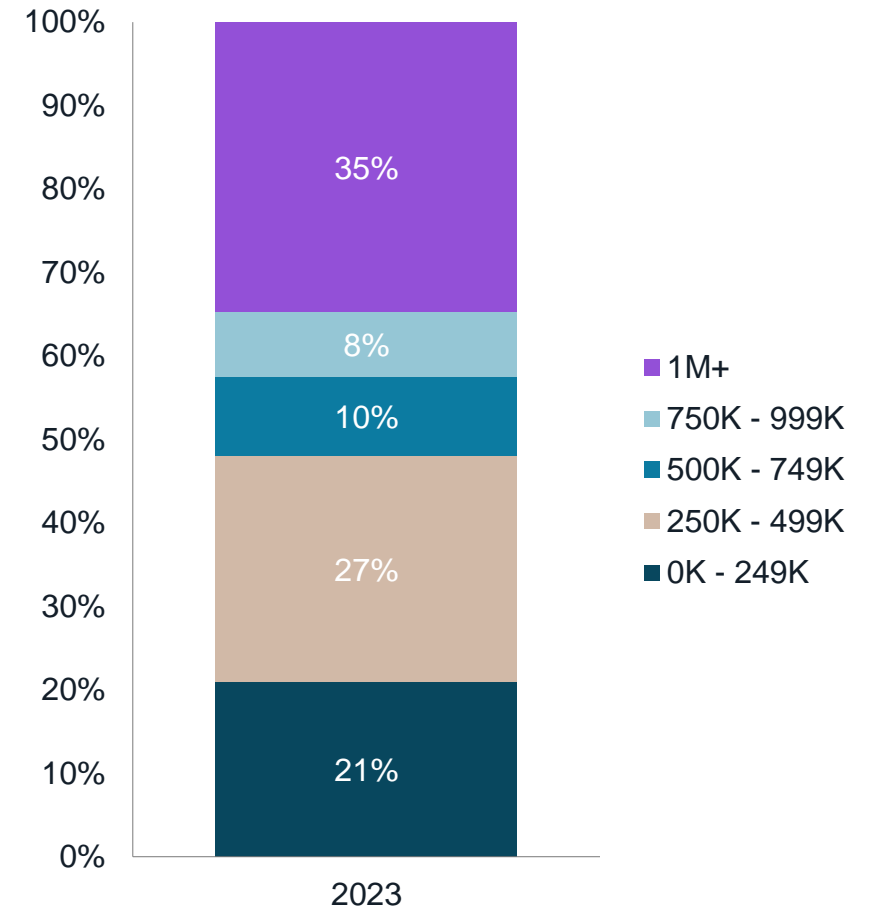
Los Cabos

Closed Listings | Houses

Units Sold By Price Range Past 5 Years



Units Sold By Price Range 2023



Los Cabos

Closed Listings | Condos

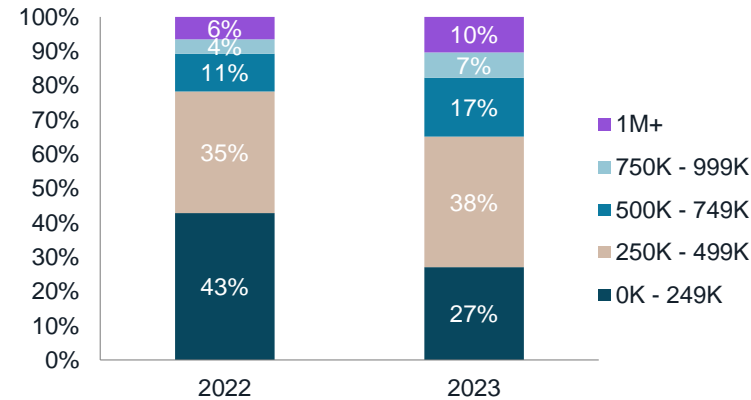
Annual Statistics 2023 vs 2022

Condos	2023	2022	Var. (%)
Units Sold	944	1,094	(13.7%)
Average Sold Price <i>Amounts in Thousands USD</i>	\$621	\$438	42.0%
Total Sold Volume <i>Amounts in Thousands USD</i>	\$586,689	\$478,914	22.5%
Average Days on Market	304	274	10.8%

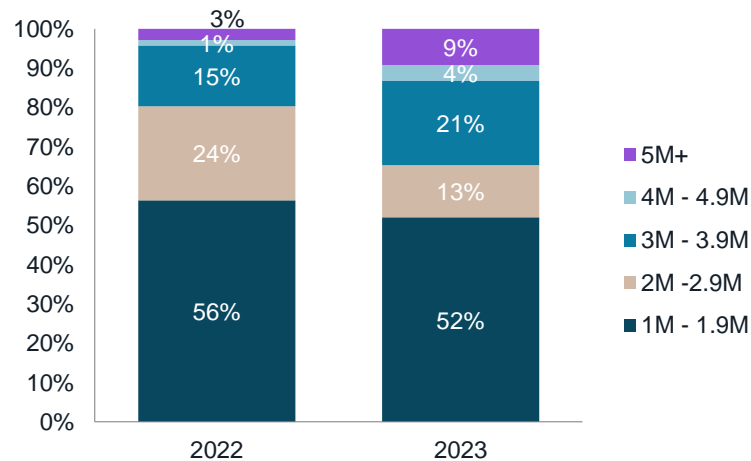
Highlights

- Condos sold in Los Cabos accounted for **75.9%** of the total transaction volume on this property type in BCS.
- 65.1%** of Condos sold were closed below **US\$500,000**.
- The average price for Condos sold in Los Cabos was **US\$617k**.
- The average Air Conditioned (“AC”) size was **153 m2** and the average AC price was **US\$4,186 per m2**.

Condos Sold by Price Range



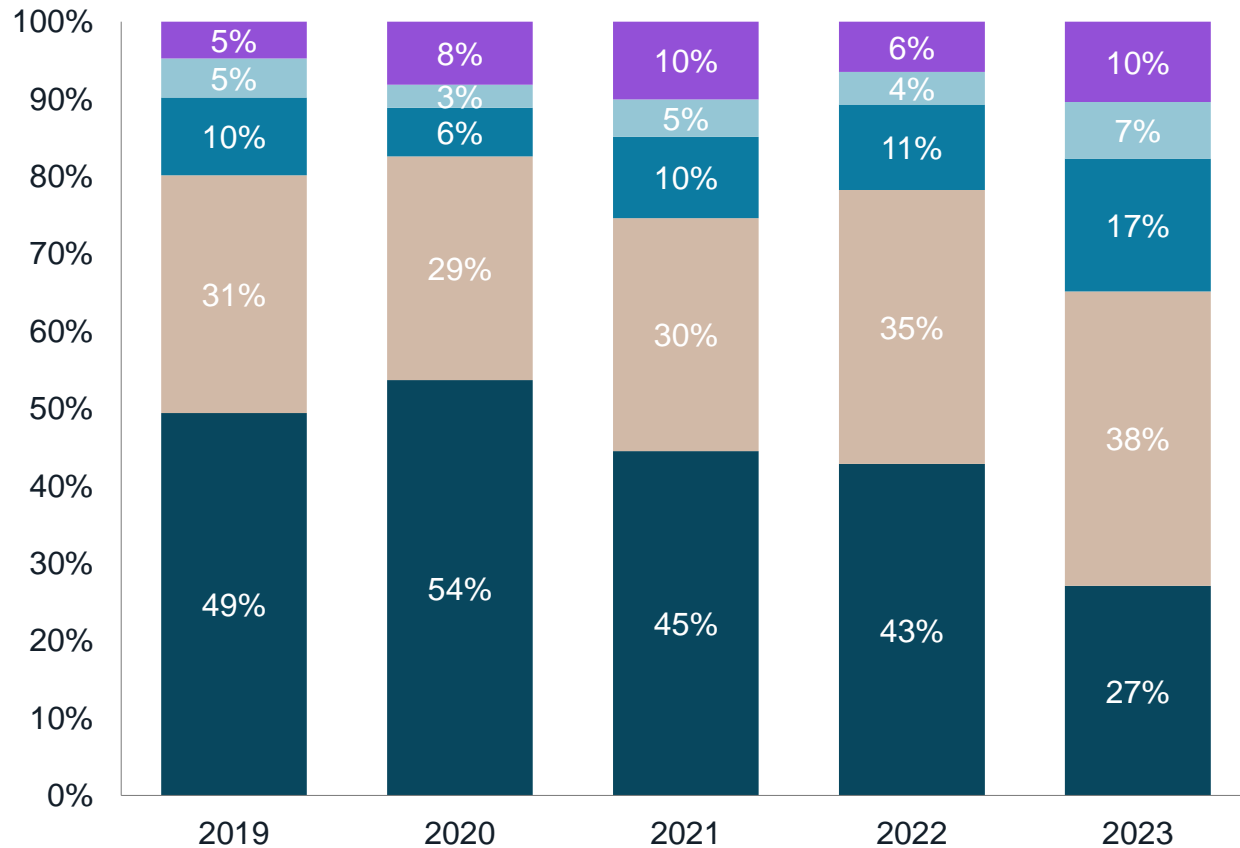
Condos Sold Above 1M



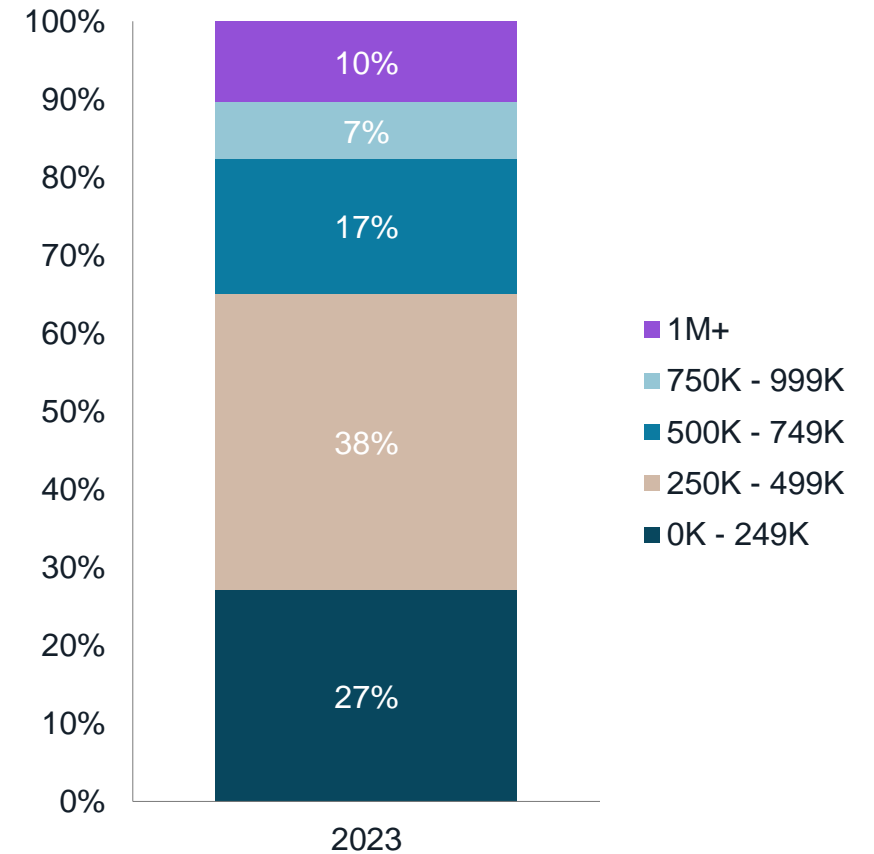
Los Cabos

Closed Listings | Condos

Units Sold By Price Range Past 5 Years



Units Sold By Price Range 2023



Los Cabos

Closed Listings | Land

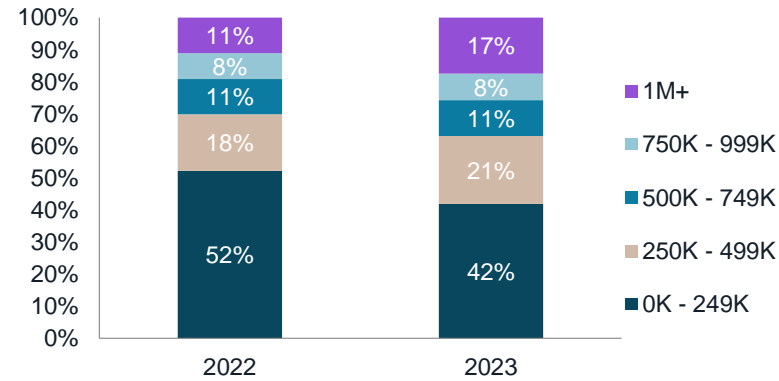
Annual Statistics 2023 vs 2022

Land	2023	2022	Var. (%)
Units Sold	241	272	(11.4%)
Average Sold Price <i>Amounts in Thousands USD</i>	\$585	\$511	14.5%
Total Sold Volume <i>Amounts in Thousands USD</i>	\$141,051	\$139,092	1.4%
Average Sold Price / M2	366	277	32.0%

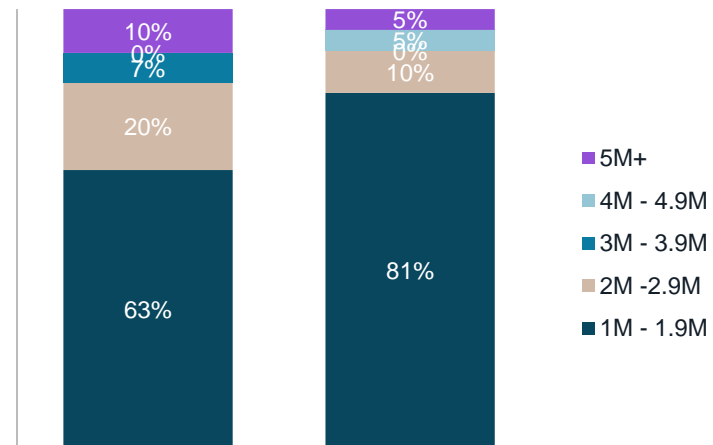
Highlights

- Land sold in Los Cabos accounted for **55.7%** of total transaction volume on this property type in BCS.
- The sales of land valued above **US\$500k** in 2023 accounted for **36.9%** of the total units sold, showcasing a substantial increase compared to previous years where it was **30.1%**.
- The average Lot size was **1,988 m2** and the lot price was **US\$366 per m2** a 32.2% increase in price against 2022.

Land Sold by Price Range



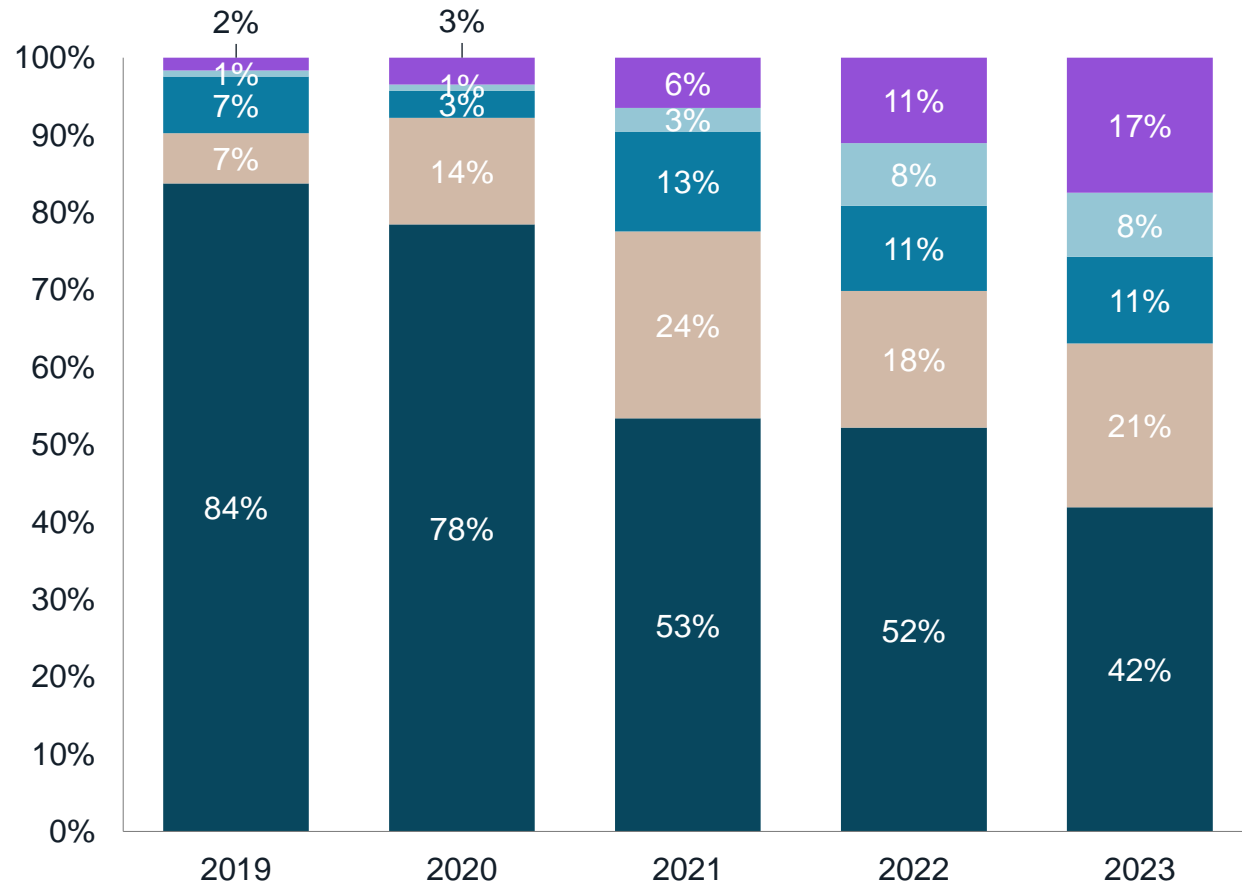
Land Sold Above 1M



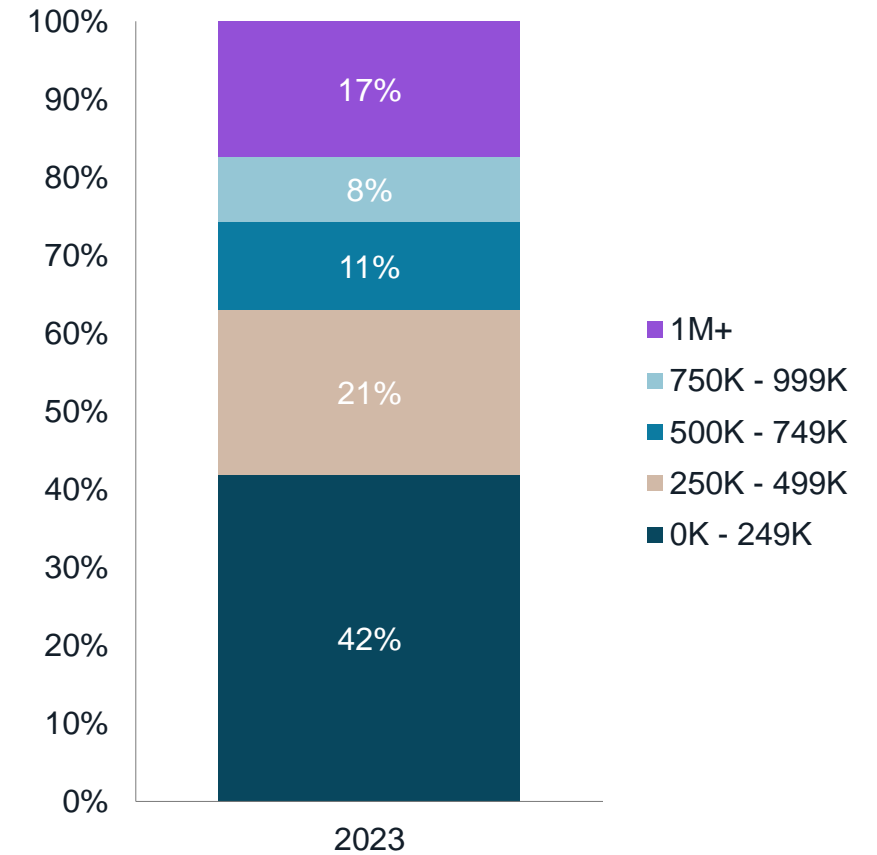
Los Cabos

Closed Listings | Land

Units Sold By Price Range Past 5 Years



Units Sold By Price Range 2023



Los Cabos & Baja California Sur

Active Listings Per Property Type

January 2024

Los Cabos

Active Listings January 2024

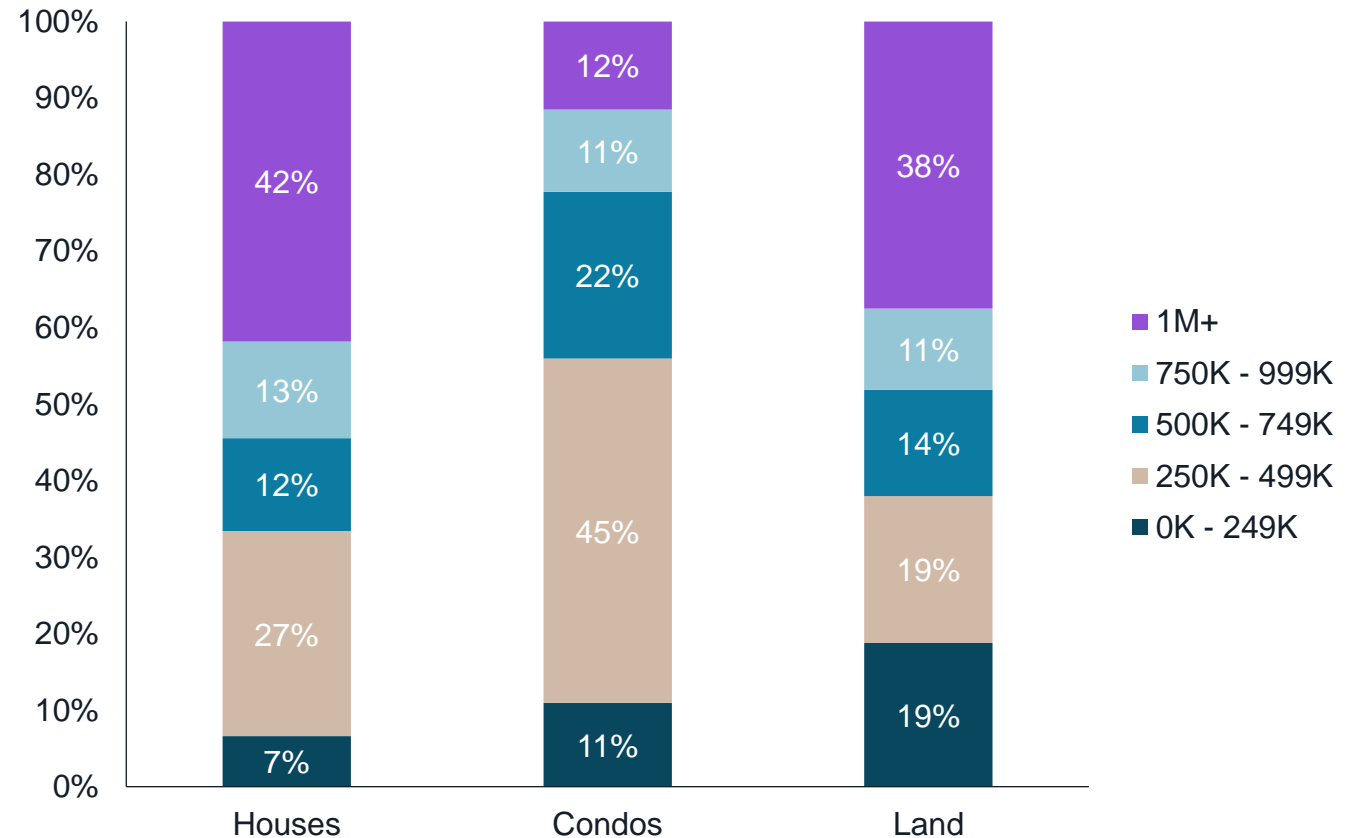
Annual Statistics January 2024

Houses	2024
Units	380
Average Price <i>Amount in Thousands USD</i>	\$2,335
Average Days on Market	145

Condos	2024
Units	858
Average Price <i>Amount in Thousands USD</i>	\$749
Average Days on Market	202

Land	2024
Units	245
Average Price <i>Amount in Thousands USD</i>	\$1,702
Average Days on Market	180

Price Range 2024



Baja California Sur

Active Listings January 2024

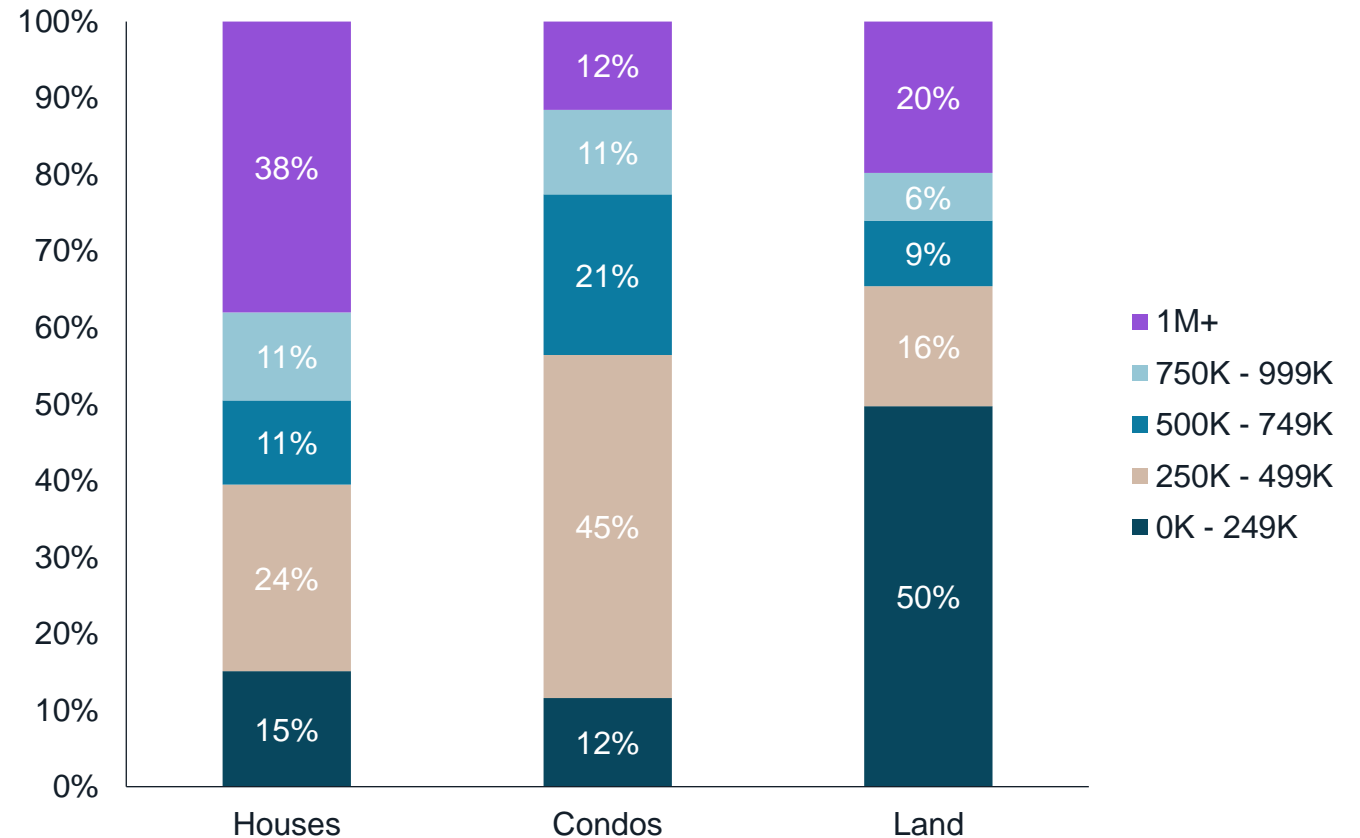
Annual Statistics January 2024

Houses	2024
Units	822
Average Price <i>Amount in Thousands USD</i>	\$1,867
Average Days on Market	156

Condos	2024
Units	1,030
Average Price <i>Amount in Thousands USD</i>	\$738
Average Days on Market	192

Land	2024
Units	1,060
Average Price <i>Amount in Thousands USD</i>	\$1,294
Average Days on Market	237

Price Range 2024



Los Cabos compared to Baja California Sur

Active Listings | Summary

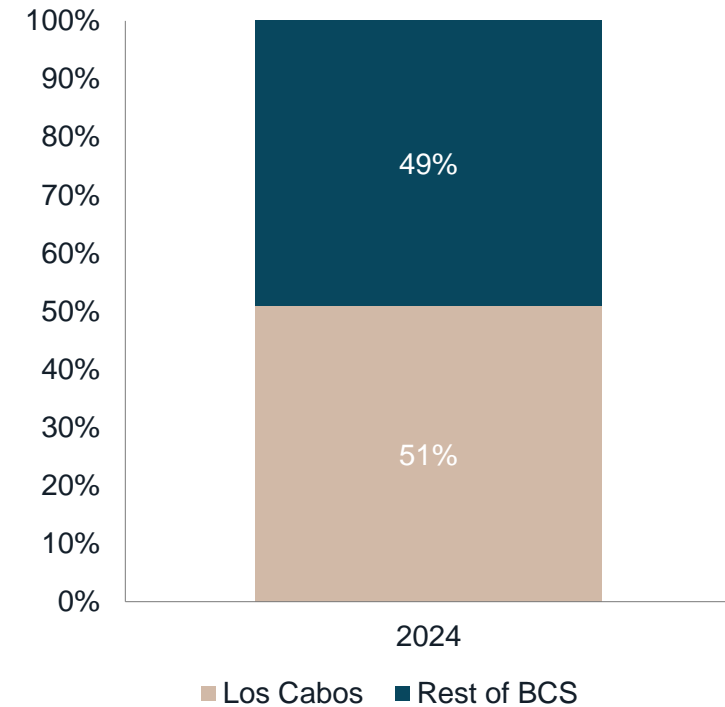
Annual Statistics January 2024

Units Per Property Type	Los Cabos	BCS
Total	1,483	2,912
Houses	380	822
Condos	858	1,030
Land	245	1,060

Average Price <i>Amounts in Thousand USD</i>	Los Cabos	BCS
Total	\$1,313	\$1,259
Houses	\$2,335	\$1,867
Condos	\$749	\$738
Land	\$1,702	\$1,294

Average DOM	Los Cabos	BCS
Total	183	198
Houses	145	156
Condos	202	192
Land	180	237

Active Listings 2024



Los Cabos & Baja California Sur

Key Takeaways

Los Cabos & Baja California Sur

Key Takeaways

- **Luxury Market Growth:** Baja California Sur and Los Cabos are rapidly evolving as luxury real estate destinations, with a noticeable shift towards higher-end properties, emphasizing the region's growing allure.
- **Market Disparity?:** Los Cabos' Condo market showcases a pronounced increase in higher-end luxury properties, yet the decline in sales volume and changing dynamics suggest a potential undersupply in more affordable Condo options, prompting questions about market equilibrium and future demand.
- **Market Stability Despite Climbing Property Values:** Even as property values climb, the overall sales volume in Los Cabos holds its ground. This dynamic suggests that while there might be fewer transactions, the units sold are fetching higher prices.
- **Opportunities in Affordable Housing:** As the availability of lower-priced homes wanes, developers are presented with a ripe opportunity to fill the gap, catering to a market segment hungry for more affordable housing options.
- **Effects of Land Scarcity:** As prices per square meter surge, the noticeable drop in Land sales volume underscores a prominent shift, possibly driven by land scarcity, indicating evolving purchasing behaviors and increased valuation of available land.
- **Rise in Pre-Sale Property Transactions:** Baja California Sur's real estate market has seen a rise in presales due to market demand, high interest rates, and the region's perceived low development risk, attracting buyers eager to enter the market.





Residential Market Activity Report Los Cabos and Baja California Sur 2023

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