

Your Guide to the Pura Vida Lifestyle

LUXURY COSTA RICA HOMES



A brief guide to life in Costa Rica and answers to your questions about living, buying and selling real estate in paradise.

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Our Geography and Climate

While there are many beautiful and welcoming areas in this country, in this guide I'll focus primarily on the North Pacific Coast highlighted by the green circle on the map. One great feature of our area is that the International Airport in Liberia is a quick 25-35 minutes to the well-developed coastal areas of Playa Panama, Playa Hermosa, Playas del Coco and Playa Ocotol. This area is the hottest and driest in the country with no rain falling between mid-December and the end of April. This makes for over four months of rain-free, sunny and hot weather. In this area, most years the green season sees sporadic rain and clouds with most days having at least a few hours of sun. The temperatures are typically between 25-35C at the coast and 21-30C in the mountain areas depending on the season. The region is famous for the Papagayo Winds that blow down the coast from November to April and bring hot dry air after the heavier rains of October and November. The area is mainly rural and features cattle and horse ranching, sugar cane, rice and corn production, and in the mountain areas some fruit production as well.



BEACHES, BEACHES...AND MORE BEACHES!

While the area contains several micro-climates because of the close proximity of the mountains to the coast, Guanacaste is likely best-known for its world-class beaches. There are over 250 in the province, and in the circled area above there are approximately 80 unique and gorgeous beaches that you can explore. All beaches in Costa Rica are open to the public! NO ONE OWNS THE BEACH HERE!



WHY COSTA RICA?



Stable Democracy and Economy

Costa Rica is the most stable democracy in Central America. It also has a strong, stable economy that has been growing steadily. Costa Rica has not had an army since 1949. Foreigners can buy and own property or businesses and outside investment is encouraged.

Beauty and Serenity

Escape the stress. Trade the 'concrete jungle' for the natural jungles, beaches, mountains and the incredible diversity of plants, animals, sea life and climate zones in this amazing place! It is always warm and beautiful!

Find your zone and your center here.



The People.

The Costa Rican people are world-renowned for their friendly, helpful and happy culture. This country consistently ranks in the top 5 'Happiest Countries on Earth'. Enjoy delicious local cuisine, community festivals and the laid back pace of life in Costa Rica.



Convenience

The Liberia International Airport is the gateway to the North Pacific Coast and is only 25 minutes from Playas Del Coco and the surrounding area. You can use Costa Rican or US currency here. Several different types of residency are available to foreigners.

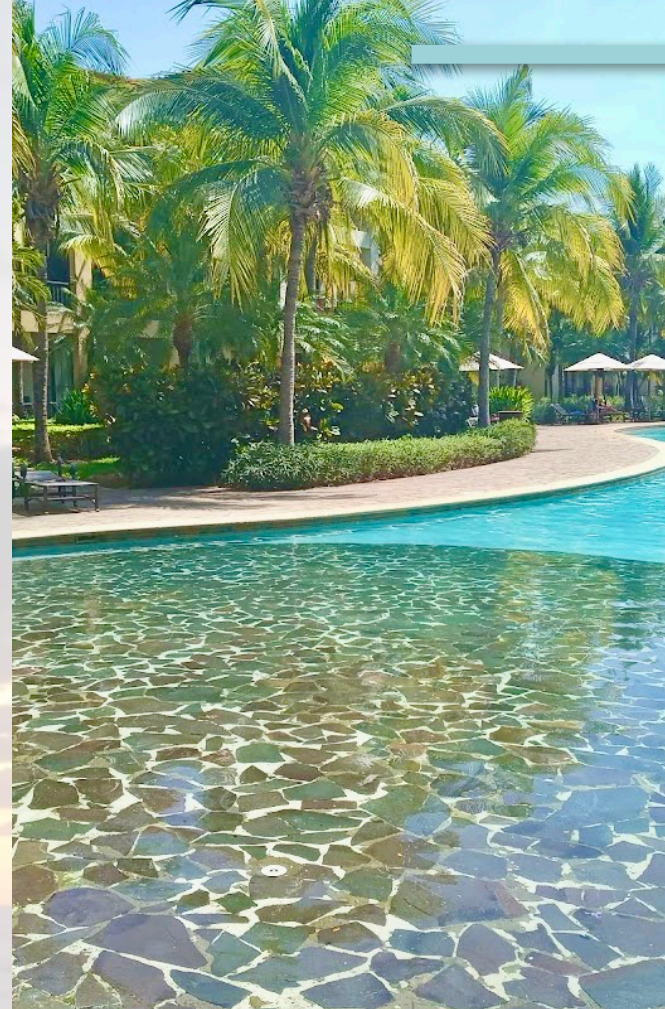


Safety

Costa Rica is the safest country in Latin America and the Pacific Northwest Coast is considered a safe area for tourists and residents by both Canada and the US. It's also a safe place to invest, do business and to raise a family.



TAKE THE PLUNGE! THE WATER IS BEAUTIFUL HERE EVERY DAY!



BUYING IN COSTA RICA

Can foreigners own property in Costa Rica?

Yes, foreigners are permitted to own property outright in Costa Rica. Foreigners have the same property rights as Costa Ricans. Private property is protected by the Constitution of Costa Rica. It is no different than owning real estate in the US or Europe. Costa Rica is definitely a beautiful country to live, invest and retire in.

What are the restrictions for a foreigner to buy property in Costa Rica?

There are no restrictions that specifically apply to foreigners when purchasing property in Costa Rica. A Costa Rican partner is not required to buy land in Costa Rica with the exception of some beachfront properties.

What is the procedure to buy a Costa Rica property?

First: After you have found the right property with your **Real Estate agent**, have them submit an Offer to Purchase (also known as a Letter of Intent) to the Seller or the Seller's listing agent in order to agree upon the sales price and basic terms of the deal.

Second: Once the Offer is accepted, you take it to your Costa Rica attorney and they draft the formal Sale and Purchase Agreement. This document is a legally binding document, and it clearly states all conditions necessary for the transfer of the deed.

Third: The **period of Due Diligence** starts when the signed agreement is presented to the lawyer and is generally 21 business days. This includes the complete legal research of the property to insure there are no liens, contingencies, legal issues, and that it has absolute fee simple title. Surveys, home inspections, and other studies requiring professional services are included in this period. If the property is being sold with an existing company, then the research of the company for any legal contingencies will also be completed during Due Diligence.

Fourth: The Closing (conveyance of the deed) occurs before a Costa Rican Notary Public, who will register the property under the new company or owner. Alternatively, if the property is being purchased with an existing company, then the shares of the company are transferred at this time by a Shares Transfer Agreement. In this case the Notary Public will make the corresponding changes to the company's ownership in the National Registry.

Fifth: Declaring the property before the corresponding Municipality for property tax purposes by filling out a simple form and presenting it along with the some other documents either yourself or through your attorney.



BUYING IN COSTA RICA

Can I acquire a property under my personal name, even being a foreigner?

Yes, or, depending on the use of the property, it may be recommended to acquire the property through a corporation in order to separate potential personal liabilities, facilitate the closing procedure, and allow for easier transfer to relatives in case of casualty. The Costa Rica holding company will also make it easier to obtain services such as electricity and cell phones, as well as opening a bank account. The cost of purchasing and registering a corporation is approximately \$800 USD and can be handled by your legal representative here in Costa Rica.

If I live outside of Costa Rica, do I need to be present to sign for the transfer of the deed at closing?

Although recommended, **the answer is no**. The closing can be executed through a Power of Attorney with a third party in Costa Rica that you trust. This Power of Attorney can be specifically for the sole purchase and signing the closing document. This can be done by your lawyer here. Another option is to DHL or FedEx the documents after signing them in front of a licensed Notary Public at your nearest Costa Rica Consulate. Considering the cost of the shipping and the distance to the nearest Costa Rica Consulate, many buyers fly down or use a POA.

What are the common taxes, legal fees, and closing expenses included in the purchase of property in Costa Rica?

Every property acquisition in Costa Rica has to pay the following National Registry Fees:

Transfer Tax: This is a national tax of 1.5% of the purchase price that is paid (by your lawyer) to the National Registry. These costs are most often paid by the buyer.

Legal Fees: for the purchase of property in Costa Rica are 1% to 2% depending on the sales price, complexity of the transaction, and the allotted time spent by the attorney on the deal. Additional legal costs may include the formation of a Costa Rica corporation; drafting of any supplementary contracts or Seller Financing Agreements and registering of such contracts; and translation of contracts into your native language.



Other Closing Fees: may include topographer fees if you survey the boundaries of the property (the cost of which varies depending on the size and terrain), soil tests, home inspections, etc. These items are typically paid by the Buyer.

Total property transaction costs are about 4-5% of the property's value, and are usually paid for by the buyer. The seller pays their own legal fees.

How can I transfer funds for a property acquisition from my home country?

The easiest way is to make an international wire transfer from your home bank to an **escrow company in Costa Rica**. These registered companies are dedicated to protect funds and provide escrow services in Costa Rica. A direct wire transfer from the Buyer to the Seller can be done in certain cases.

Where and how are properties registered in Costa Rica?

All titled properties are registered in the Registro Nacional or National Registry located in Zapote, San Jose, Costa Rica. There are satellite offices of the "Registro" around the country in larger cities. This is the agency that keeps the public, property record with the owner's name or corporate name, any liens, mortgages, or damages against the property. In order to transfer a registered property the recorded owner must appear before a Notary Public and that signed documentation is then presented and recorded in the National Registry. The Buyer and Seller typically pay for the separate attorneys. If one attorney is used by both Buyer and Seller, then some for these legal fees can be split. However, the Buyer is usually solely responsible for starting a new company, any contracts for Seller Financing (if needed) and registration of those contracts, and translations if the Seller is Spanish speaking.



TAXES IN COSTA RICA

One of the best reasons to invest in real estate in Costa Rica is the very favorable tax environment in the country.

Property Tax: This annual tax is 0.0025% (one quarter of one percent) of the registered property value and are paid to the local Municipality for where the property is located. These taxes are paid every 3 months or can be paid in full for the year in advance. For example a \$100,000 USD property pays \$250 USD per year in Property Tax. Low property tax is one of the many reasons to invest in Costa Rica real estate.

Why buy in Costa Rica rather than any other Central American or Caribbean country?

Costa Rica is, by far, the best place to invest in Central America. Over 150 years of democratic tradition, no army, 97% literacy, and a prosperous, fast developing country makes buying and investing attractive. Costa Rica is a great place to retire, invest or raise a family. An ecologically oriented country, Costa Rica offers beautiful national parks, amazing beaches, wonderful adventure sports, and a different way of life - Pura Vida - the pure life. Here you will enjoy the advantages of living in the tropics with all the conveniences of a developed country.

Corporation Tax: This new tax was passed in 2012, and it is a fixed fee of \$180 USD for inactive corporations and \$360 USD for active corporations. Most properties are held in an inactive corporation, because it will not be reporting income. If you have a rental property, you can open an additional, active corporation to report income and expenses. These taxes are paid to the “Ministerio de Hacienda”.

Luxury Tax: A tax levied against luxury homes valued at \$250,000 USD and is also paid to the “Ministerio de Hacienda”.



FREQUENTLY ASKED QUESTIONS:

Can we bring our pets if we move to Costa Rica? Yes! Our clients have told us that the most reliable way to transport dogs is to use Pet Lounge - you can find them online. Cats and other small pets can usually be taken in the cabin in a carrier. Contact your vet for more information. Costa Rica loves animals!

Can I ship cars and household goods from North America? Yes. We have information for reliable shippers. Most move containers through Miami and then to CR. If you love your vehicle, bring it, but realise that it may be difficult to get parts for North American cars here. There are local new car dealerships for Toyota, Mitsubishi, Ford, Chevrolet, Kia, Mazda, RAM, and more in the Liberia area 30 minutes from Coco.

Are there places to buy furniture in the area? Yes! There are several great places to buy furniture for your home or condo. Here is a short list of some preferred locations:

El Bodogon de Asia - <https://elbodegondiasia.com/en/home/> - Asian furniture and home accessories located 10 minutes from Coco.

La Artistica - <https://www.laartistica.net> - Modern, upscale home furnishings and decor located in the Solarium across from the Liberia Airport.

DO-IT Center - <https://www.ellagar.com/ecommerce> - Costa Rica's answer to Home Depot but with better furniture! They have a good selection of indoor and outdoor/patio furniture as well as bbq's, dining sets and all home improvement needs.

Casa Bohemia - <https://casabohemiacr.com> - funky furniture and home decor - located in San Jose but will ship to anywhere in Guanacaste.

There are also PriceSmart (Costco), WalMart, Pequeño Mundo and many other furniture stores and craftsmen in the area - ask me!

Can I get residency if I buy in Costa Rica? Yes! If you purchase a property with an assessed value of over \$150,000 USD you can apply for residency here in CR, which means you do not need to leave the country every 90 days like a tourist does. **You can also bring many items into the country DUTY FREE.** Contact me today for more information about anything to do with buying or selling here in Costa Rica.



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