

Overview of the
Real Estate Transactions
in Costa Rica



Alfredo Fournier & Asociados

ABOGADOS Y NOTARIOS

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REAL ESTATE TRANSACTIONS

➔ Ownership of Land

Costa Rican Constitution and Laws protect private ownership of land. Foreigners enjoy the same rights as citizens. There are almost no restrictions to ownership of private land, except those given or sold to Costa Rican citizens as part of government programs. Real estate can be freely traded or acquired by. Neither citizenship nor residence or even presence in the country is required for land ownership.

➔ Registration

Costa Rica provides a safe form of title registration to protect buyers from hidden claims. It is centered in the Registro Público de la Propiedad (Public Property Registry), where both title documents and a catastral plan for every property are recorded and, any change in the status of a title or any claim that might affect it must also be noted on the title registry page, thus making it easy to verify.

Alfredo Fournier & Asociados provides legal advice for those who want to buy land in Costa Rica. An up to date study must be made on the land. Our study includes a search of the title in the Registry, so as to confirm there are no liens on it, and to establish its proper ownership. Once a transaction is completed, Alfredo Fournier & Asociados, also secure your documents to prove that the sale was fully registered, for your own safety and to prevent the previous owner from reselling the property to somebody else.

➔ Financing

Alfredo Fournier & Asociados, works closely with Financial Corporations and Business entities that could give you a loan by signing a mortgage on a property if some requirements are met.

➔ Zoning

Zoning regulations in Costa Rica are reasonable and logical, although far less stringent than in countries such as the United States: All building and subdivision plans must be signed by a registered local engineer and they also require approval by the local municipality, the Ministry of Health, and the government Housing Department.

➔ Brokers

Alfredo Fournier & Asociados works closely with real estate brokers that are licensed and recommended by the Chamber of Real State Brokers.

➔ Taxes

The taxes paid on properties in Costa Rica are very low. Yearly property taxes are 0.25 % of the declared value of the property. This declared value is a common practice in which a property's values according to the government very low, almost always lower than the sale price.

➔ Closing Costs

Closing cost for a sale includes a transfer land tax, a stamp tax, and legal fees. Closing costs typically run 5% to 6% of sales price and are usually paid by the buyer, unless the buyer and the seller agree to split costs. The transfer and land taxes are assessed based on the declared value, while legal fees are charged based on the sales prices of the property.

➔ Currency Law

Costa Rica has recently made a radical change, for the better, in its currency law. While until recently sales negotiated in dollars had to be written in Colones, it is now possible to have a contract in dollars which gives both buyer and seller a peace of mind previously unavailable.

➔ Regulations for Beachfront Property

When buying beachfront properties, one must be aware of regulations Costa Rica's coastline is public. By law, the first 50 meters above the mean high tide line are inalienable public; define by what is known as the 50-meter line. No one can restrict accesses or have a totally private beach. There are some exceptions, but they include port areas, old land grants, and some titles prior to 1973.

On 80% to 85% of the coast, the next 150 meters are government owned lease and also known as the maritime-terrestrial zone (or just maritime zone). Restrictions on maritime zone land for foreigner are that one must establish five years residency to own more than 49% of the rights to a lease. Two loopholes include holding the lease with a corporation that is wholly owned by a foreigner, or by having a Costa Rican hold 51% of the lease in name only. Development of the maritime zone does not discriminate against foreigners.

Alfredo Fournier & Asociados, will assist you in buying a land located in the maritime zone. Our firm will make a deep study on the Concession Department of the Public Registry in order to locate the land and check if the Municipality of the area where the land is located gave a concession. Our firm will also check the property in the Municipality where the land is located.

If you would like more information, please contact us at:

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