



Purchasing a property in Costa Rica can be an attractive option for both investors and individuals looking for a vacation home or permanent residence. The process is relatively straightforward, but it is important to understand the requirements and steps involved to ensure a smooth transaction. Here's a detailed guide on the process and requirements:

Process to Purchase a Property in Costa Rica

1. **Choose a Property:**

- Start by identifying the type of property you want (e.g., residential, commercial, land).
- Work with a reputable real estate agent who is familiar with the local market and legal procedures.

2. **Make an Offer:**

- Once you find a property you like, submit a written offer to the seller.
- Negotiations may follow until both parties agree on the price and terms.

3. **Hire an Attorney:**

- It is highly recommended to hire a Costa Rican attorney who specializes in real estate to guide you through the legal process.
- Your attorney will perform a title search to ensure the property is free of any liens or encumbrances.

4. **Due Diligence:**

- Conduct thorough due diligence, including verifying property boundaries, zoning laws, and environmental regulations.
- Check for any outstanding taxes or utility bills. Your realtor or lawyer can do it also.

5. **Sales Agreement:**

- Draft and sign a formal sales agreement (Contrato de Promesa de Venta) outlining the terms of the sale.
- This agreement typically includes a deposit, usually 10% of the purchase price, held in escrow. (Your realtor or lawyer can recommend a reputable Escrow service).

6. **Property Transfer:**

- Your attorney will prepare a transfer deed (Escritura de Traspaso).
- Both parties (buyer and seller) will sign the deed in the presence of a notary public.
- The notary will then register the transfer with the National Registry (Registro Nacional).

7. **Final Payment and Closing:**

- Pay the remaining balance of the purchase price.
- Closing costs, including legal fees, notary fees, and transfer taxes, are usually around 3-4% of the purchase price. Must add also the Escrow fee around 0,5-1%.

8. **Registration:**

- The property must be registered in your name at the National Registry.
- This ensures you are the legal owner and the property title is updated.

Requirements for Purchasing Property

1. **Identification:**

- Foreign buyers need a valid passport.
- Local buyers need a valid Costa Rican ID (cédula).

2. **Legal Representation:**

- A Costa Rican attorney is essential to handle legal aspects and ensure compliance with local laws.

3. **Financial Requirements:**

- Proof of funds or financing (if applicable).
- Ability to pay the deposit and closing costs.

4. **Bank Account:**

- Having a Costa Rican bank account can be beneficial for managing payments and other financial transactions like payment of utilities bills, taxes, etc.

Additional Tips

- **Title Insurance:** Consider purchasing title insurance for added protection against potential issues with the property title.
- **Home Inspection:** Conduct a professional home inspection to uncover any potential issues with the property if you want.
- **Understand Property Taxes:** Be aware of ongoing property taxes and maintenance costs.

Conclusion

Purchasing a property in Costa Rica involves several key steps, from selecting a property and making an offer to conducting due diligence and finalizing the transaction. Working with knowledgeable professionals, such as real estate agents and attorneys, is crucial to navigate the process smoothly and ensure all legal requirements are met. With proper planning and guidance, buying property in Costa Rica can be a rewarding investment.

Welcome to Costa Rica!

Regards!

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Broker/Owner



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