

Paradise Post

News From Ojochal, Costa Ballena,
Costa Rica and Beyond

December 2019



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Updates from the Osa

Lots to write about this quarter and things are looking great. Kristina and I were in Costa Rica for our new 10 day Costa Rica Panama tour in July and had a ball. We ran the tour again in September and again in November. We're offering that tour again in January and March since it has sold out every time. In Ojochal the new plaza at the front of town is now completely finished and all the storefronts are occupied. The Envision Festival is coming up in February and tickets are now on sale. see <https://envisionfestival.com/>
Condor Airlines starts direct flights from Frankfurt Germany in 2020 and American Airlines just added a direct flight from New York. Costa Rica added a capital gains tax this year on real estate at 15% but for those who owned their property prior to the new law, You can pay either 15% of the gain or just 2.25% of the sales price, whichever is less.

Upcoming Tour Dates 2020

[Sign up HERE for 10 day tour](#)

January 8 - 11 4 day tour

January 13 - 22 Costa Rica & Panama tour 10 day tour

January 29 - February 1 4 day

February 12 - 15 4 day

February 26 - 29 4 day

March 11 - 14 4 day

March 17 - 26 Costa Rica & Panama 10 day tour

4 day tour is \$299 per person

10 day tour is \$3,000 per couple or \$1,800 per single in a single room.

[Sign up HERE for the 4 day tour](#)

Costa Rica One of the Safest Countries in Latin America

According to the recent Global Peace Index (GPI) studies Costa Rica has remained one of the safest and most peaceful countries in Latin America. The country is ranked 3rd behind Chile and Uruguay and 33rd worldwide. The US ranked 128, dropping 4 places this year and dropping 40 positions in the past 7 years. The least peaceful countries in Latin America are Columbia (143), Mexico (140) Nicaragua (120) and Honduras (123).

The GPI evaluates multiple factors when determining the ranking. The analysts look at things such as; violent demonstrations, access to weapons, homicides and terrorist acts. They also take into account the functioning of government, civil liberties,

literacy rates and gender equality. The report noted that after a continuous decline the world became slightly more peaceful compared to last year. Steve Killelea, of the Institute for Economics and Peace, stated "What comes across dramatically in this year's results and the six year trend is a shift in global priorities. Nations have become externally more peaceful as they compete through economic, rather than military means."

The safest country in the world is Iceland and Somalia was ranked as the least peaceful. You can find more information here:

<http://visionofhumanity.org/app/uploads/2019/07/GPI-2019web.pdf/>

www.PacificLots.com



Warner Rojas:

Congratulations to the first Costa Rican to reach the top of Mount Everest!

Costa Rica Remains the Happiest Place on Earth

The most recent Happy Planet Index (HPI) was released and for the fourth time Costa Rica ranked first as the happiest country on earth. Costa Rica has the second highest life expectancy in the Americas, experiences well-being higher than many richer nations and a per capita ecological footprint 1/3 the size of the USA's.

Costa Rica's life expectancy at 80.19 is higher than the USA which is 78.5 and 4.1 years lower than that of Japan which has the highest life expectancy in the world.

Costa Rica has promoted sustainability in its policies and produces 99% of all its energy from renewable sources such as hydro-electric, wind, and geothermal power. The country has reversed deforestation and committed to becoming carbon neutral by 2021.

The GDP in the country is \$15,647 per capita which is slightly less than 1/4 of the USA's.

The HPI blends subjective and objective data to build a picture of progress within a country. The Index uses global data on life expectancy, experienced well-being and ecological footprint to rank countries. It asks the question: "How much well-being is achieved per unit of resource consumption?" You can find more information here: <http://www.happyplanetindex.org/>



Where we are located. The southern region of Costa Rica is the most bio-diverse part of the entire country

Costa Rica is Region's Best Country for Raising Children

Save the Children recently ranked Costa Rica 13th out of 80 Tier II countries on their *Mother's Index* and 3rd out of 81 on their *Children's Index*. This 13th annual study documents conditions for mothers and children in 165 countries and shows where mothers fare best and where they face the greatest hardships. Their studies have shown that providing mothers with access to education, economic opportunities and maternal and child health care give them and their children the best

chance to survive and thrive. The study pointed out that wealth and healthy children don't necessarily go hand in hand.

Costa Rica, Brazil and Chile are 3 countries performing better on child nutrition than their national wealth may suggest. You can find the full results here:

[State of the World Mother's Report](#)



	Costa Rica	Belize	Ecuador	Panama	USA
% of births attended by skilled health personnel	99%	95%	98%	89%	n/a
% of women using modern contraception	72%	31%	59%	54%	73%
Female life expectancy	82	78	79	79	81
Expected # of years of formal school	12	13	12	14	18
Ratio of female to male income	.46	.43	.51	.58	.62
Participation of women in government	39%	11%	32%	9%	17%
Under 5 mortality rate per 1000	10	17	20	20	8
% of children under 5 moderately or severely underweight	1	4	6	4	n/a
% of pop. with access to safe drinking water	97%	98%	94%	93%	n/a
Mother's Index Rank (out of 80 countries, 43 for the USA)	13	42	20	24	25
Women's Index Rank (out of 81 countries, 43 for the USA)	20	51	30	22	19
Children's Index Rank (out of 83 countries, 44 for the USA)	3	24	33	32	31

Residency Papers Can Now Be Renewed at the Post Office

What was recently a bit of a headache has been greatly simplified. Foreign residents in Costa Rica are now able to renew their residency cedula (official residency document) at several post offices in the country. In a joint program between the immigration service and the post office the country has not only made the process simpler but also faster.

Previously it was necessary for residents to travel to immigration's main office in San Jose. The first phase of the program added 12 new locations situated around the central valley and there are now a total of 60 post offices around the country able to provide renewed residency status.

Why Live Outside the US or Canada?

I'm sometimes asked the advantages are in living outside the US or Canada. My standard answer is taxes, insurance and health care costs. Those are typically your largest expenses when living in the US.

Property taxes are a great example. The average US homeowner pays 1.3% of the assessed value per year for property tax. Many pay more than double that amount. US assessments tend to be pretty close to market value. The average property tax bill in Costa Rica is .25% of assessed value and assessed values tend to be very low by US standards. In Mexico property taxes average less than .2% of assessed value. In Panama property taxes vary depending on if it is your primary residence or not. If it is your primary residence, the first \$120,000 is tax exempt and owners pay 0.5% of the value from \$120,000 to \$250,000. Over \$250,000 after the exemption, owners pay .07%. Again assessed values tend to be very low. Insurance is also much cheaper in Latin America, health, property and casualty included. Expect to pay .28% of what you'd pay in the US. Health care costs vary from .15% of what you'd pay in the US to .27%, depending on the country. The cost of living is typically less as well. These savings result in more disposable income to spend on things like travel, entertainment, domestic services and more.



Pat and Joe from Ocean Pines, MD

Greetings from Costa Rica! We are setting our sites to relocate to Costa Rica in the near future! The road less travelled has lead us to the Osa Peninsula! Our two sons and their families are looking forward to our next move. I am hoping to retire from my dental hygiene career and my husband, Joe, will continue his career in real estate and life insurance planning. We are so excited to plan for a future in Costa Rica and a more relaxed life in the Osa Peninsula. Life just feels 'right' in Costa Rica. We look forward to making new friends and enjoying the beauty of nature in Costa Rica! Pura Vida! Pat and Joe

Linda and Mike are from Reno, NV. They recently retired as anesthesiologists. Linda also owns a real estate brokerage that she created about five years ago to keep her amused in retirement. She says "Will have to rethink that now! We enjoy running, biking, backpacking, and sailing and look forward to learning Spanish (Mike actually speaks it a bit), and maybe how to surf. Can't wait to meet all the new neighbors and get started building our home."



Linda and Mike on the floating islands of Lake Titicaca, Peru

Our Costa Rica Panama tour has been a huge success. We offered 3 Costa Rica Panama tours in 2019. This was the first year we've offered that tour and response was amazing. We've scheduled two additional Costa Rica Panama tours so far for 2020. The first is January 13 - 22 and the next is March 17 - 26. These tours hit the highlights of both Costa Rica and Panama and are mostly about tourism but with a smattering of real estate viewings mixed in. High season (winter) tours are difficult, we struggle to get sufficient hotel rooms for our groups since we need 10 rooms in logistical order of the tour. We visit some of the best tourist attractions in both countries and we are still adjusting the tour to make it even better. The high season tour costs us a bit more to run since nearly every hotel has a high season rate increase but we're waiving the increase on these next two tours since we had to drop one of the most expensive hotels due to unavailability. Sign up now if you want to join either of these two tours since we won't likely be offering another until summer. We expect these two to sell out quickly so don't delay if you want to join, [you can sign up here](#).



Obligatory Registry of Transparency and Final Beneficiaries law

There's a new law that came into effect September 1st in Costa Rica designed to indicate the legal owners or beneficiaries of a Costa Rican corporation. The law has caused both concern and confusion to many of our owners since prior to the law, corporate ownership was "anonymous". The law is adopting international standards of tax and transparency of ownership. Under the new law you must disclose all owners of a corporation in Costa Rica as well as any beneficiaries of that corporation.

Disclosure includes providing a copy of the passport of all registered owners of the corporation, as well as the legal address, email address, phone number, place of birth, date of birth and details of share ownership. The filing can be done online at the web portal of the Costa Rica central bank. To be able to file the form you must have a digital signature certificate which can only be provided by a Costa Rican national or a foreigner residing in Costa Rica. Many of our owners meet neither requirement in which case you would need a designated agent that requires giving a Power of Attorney to that agent. Our staff has notified all owners of the new law and we are proving the registration service and Power of Attorney.

Filing deadlines depend on the last number of your corporate ID as follows: Corporate ID's ending in 0 or 1 must file by September 30, ID's ending in 2 or 3 must file by October 31, ID's ending in 4 or 5 must file by November 30, ID's ending in 6 or 7 must file by December 31 and ID's ending in 8 or 9 must file by January 31.

The penalties for not filing are steep, with a minimum of roughly \$2,500 to a maximum of nearly \$78,000. Anyone who has a minimum of a 15% ownership interest in a Costa Rican corporation must file. All Costa Rican SA corporation, Limited Liability corporations, General Partnerships, Limited Partnerships, Branches of foreign corporations within Costa Rica, Individual companies with limited liability and Civil Law corporations must comply with the new law.

Costa Rica Exports Increase

For the first half of the year Costa Rica's exports grew by 16% over 2019. Data released by PROCOMER (Foreign Trade Corporation of Costa Rica) showed that electronics, particularly the manufacture of microprocessors grew by 54.7%, agriculture grew by 7.3% and manufacturing by 19%.

Luis Liberman, Vice President, announced that banana exports declined a bit and that 20 years ago it would have been a tragedy for the country but now with diversification it wasn't crucial. One fruit that's experiencing a boom are Costa Rican mangoes. Mango consumption in the USA has grown substantially and Costa Rica supplied the USA with 24.5% of the tropical fruit for the first half of 2019. According to PROCOMER the country exports more than 4000 products with the USA being the major importer but there has been substantial growth with China and Chile. The Vice President said that they are in the process of approving

Free Trade Agreements with Peru, Singapore and Korea. Jorge Sequeira, PROCOMER General Manager also said that 25 foreign companies have made investments in the country in recent months.

Costa Rica's top exports are: integrated circuits, medical equipment, bananas, pineapples, coffee, melons, ornamental plants, sugar, textiles and electronic components.



Intel is Costa Rica's largest employer

Costa Rica's Economic Forecast Grows by 4.8%

Costa Rica's Central Bank has raised its 2019 economic growth forecast from 3.8% to 4.8%. The increase is primarily due to stronger than expected activity in the manufacturing sector, said Rodrigo Bolaños, president of the Central Bank. "This is due to growth in demand in both the external and internal markets, but we forecast a slowdown for the second half of 2019," he said. The Central Bank also forecast inflation to remain at about 5% through 2019. The rate is now at 4.6 percent. Costa Rica's economy grew by 4.2 percent last year.

GDP in Costa Rica Expected to Rise 5.5%

According to Nomura Securities International Costa Rica's economy will expand faster than earlier forecasts and will outpace inflation. GDP will climb 5.5% which is an increase from the earlier forecast of 4%. Boris Segura, an analyst for Nomura wrote "For the first time in recent memory, Costa Rica is poised to show real GDP growth that exceeds its inflation rate. This speaks volumes about Costa Rica's macroeconomic stability."

Costa Rica Great for Outsourcing

Tholons, the international business consulting firm, recently revealed in a study named "The 100 best destinations for outsourced operations by 2012", that San Jose, Costa Rica is considered one of the top 10 emerging cities closely behind Sao Paulo, Brazil and Buenos Aires, Argentina. The country also ranks 18 among the best in the world to outsource operations, business and information technology.

The services sector in the country has been increasingly offering more sophisticated services and is well positioned around the world.

Considerations When Comparing Areas and Developers

With any development be sure to ask the following questions, there have been a lot of failed projects in Costa Rica.

- Is the developer financially stable?
- Is any of the development funded by loans (potential for default)?
- Is the infrastructure complete (road, water, electric)?
- What is the track record and history of the development?
- Is your potential purchase in a development or stand alone, is it secure when you are not there?
- If you will be building, do you have a reliable, experienced, financially sound builder?
- Are there time limits that you must comply to, can you build your own home or hire any builder of your choice?
- Is the development sustainable? Is there adequate water supply, environmental issues?
- Are their environmental permits in hand (MINEA SETENA) from the regulatory overseers?
- What services are available from the developer/builder? Rental management? Property management? Residency assistance? Landscape services? Pool design/build?, Interior design? Help with banking?
- Is there a resale market readily available?
- How is the property zoned, farm zoning or residential zoning, mixed use, commercial, en condominio, can you do what you want?
- Is there an HOA and CC&R's? HOA's in Costa Rica are important to ensure funds are available for future maintenance but be sure they are reasonable, ours average about \$300 per year
- How large is the expat community? Are there services readily available: shopping, domestic help, gardening, pool cleaning, things to do?
- How safe and secure is the community, the development and the individual property?
- How far away are health care services and what level and quality of service is available?
- Are there ample restaurants, retail, philanthropic activities?
- How accessible is the area by air, bus, taxi, car, 4 wheel drive or 2 wheel drive? Drive time from International airport?
- Stability of the government, currency, democracy, property rights, banking system? Political stability?
- What is the level of income in the area compared to you, will you be a target, rich and poor in the community and the local crime rate.
- What is the social community like, unemployment level, opportunities, happy people?
- Economic conditions within the country and area in particular?
- How is the cost of living, specifically property tax, cost of health care, insurance, inflation?
- What is the future outlook of the area you are considering? Accessibility, infrastructure, major projects, health care?
- Any environmental issues, volcanoes, flooding, dry spells, fires, rain, cold, hot?

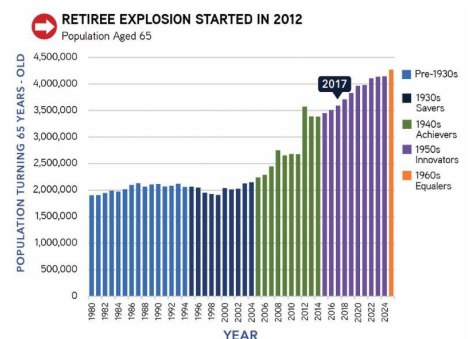


Don't let a nice gated entrance fool you. These are failed developments in Costa Rica.

Economic Development in Costa Rica

CINDE, the Costa Rica Investment Promotion Agency has reported that 2019 has been a very healthy year for the Costa Rican Economy. It was reported that multinational companies realized a net increase of 10,141 net new jobs in Costa Rica so far in 2019. The greater metropolitan area has seen an average increase in jobs topping 10%

per year for the past 4 years. There are over 300 multinationals offering direct and indirect employment in Costa Rica and Amazon now employs over 9,500. There are over 175,000 direct and indirect jobs provided by multinationals doing business in Costa Rica. See <https://www.cinde.org/en/why/business-environment>



Greetings from Pacific Lots of Costa Rica. It's been another busy year. We recently started offering a new 10 day Costa Rica Panama tour that has been hugely popular. Our first tour was in July and using our brand new 18 passenger Mercedes Sprinter. We've scheduled another January 13 - 22 and still have a few spaces available. The tour includes all lodging, nearly all meals, all activity and entrance fees, all ground transportation even including airport transfer. We start in San Jose Costa Rica and end the tour in Panama City Panama. We visit national parks, private reserves, beaches, mountains, cruise the Sierpe River, see the Panama Canal, Casco Viejo, the oldest working coffee processing mill in Costa Rica, Jaco, Manuel Antonio, visit and even swim in one of 6 waterfalls and more. We see monkeys, sloths, toucans, macaws, hummingbirds, frogs, big cats, orchids, bromeliads and more

<https://www.pacificlots.com/costa->

[rica-panama-tour](#). We also have one scheduled for March 17 - 26.

In other news, the town of Ojochal continues to grow and prosper. The Lookout hotel was recently purchased and is undergoing a complete renovation. The famed "Envision festival" returns to Uvita in February and our high tourist season is nearly in full swing.

I've got a few notable real estate offerings at the moment. One is an 80 x 100 foot lot in our gated phase 6, flat and all usable with taxes of less than \$200 annually, priced at \$20,000 quick sale. We also have a STUNNING ocean view parcel in our gated phase 10, over 3 acres with plenty of room and designs and plans in place for 5 homes. This parcel is priced at \$325,000 and is remarkable. I also have a 704 acre development parcel just north of Manuel Antonio priced at 1.1 million and a 1/2 acre super ocean view parcel in our Suenos del Tropicos phase with a motivated owner looking for

\$120,000. We have been showing in Panama City, Panama on our new Costa Rica Panama tour a spacious 2 bed, 2 bath condo with incredible ocean views, roof top pool, gym, elevator and parking offered at \$275,000 fully furnished. At this price this unit won't last long. Come see any of these on our upcoming Panama tour with an optional chance to see real estate while others do their tourist thing.



Stephen Linder

Steve Linder
 Steve@PacificLots.com
 305-295-0137

Developer's Dream, Hotel Site?

Recently I was contacted by an attorney in San Jose about a development parcel owned by a family in Guanacaste. The area is on the inside of Nicoya bay, a serene area dotted with small islands and sandy beaches. A new highway is now being cut through the area making this amazing parcel right in the "path of progress". I usually don't get excited about such prospects but this one ticks all the boxes.

A wealthy family owned the 388 hectares of land that fronts the ocean right along path of the new highway 160, undergoing a \$27.5 million dollar upgrade. The new highway puts this property just minutes from the ferry terminal. The parcel not only has nearly 30 home sites already in place but has numerous trails, stunning ocean views, room for and plans for an airstrip and with plans, expertise and connections to be able to quickly capitalize on an opportunity of this scale. If anyone knows of a hotel chain, development group or investor group looking for a perfect par-

cel, complete with the preliminary plans, contacts and team in place to get the job done, please contact me. The \$5 million dollar price tag is insignificant when considering what this parcel has to offer. The real selling point is that the parcel is located in the calm waters of Nicoya bay dotted nearby with pristine islands and amazing views.

