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Module 5
Finding Accommodation



Types of Housing and Navigating Local Real Estate Markets

Finding the right accommodation in Costa Rica represents one of the most significant decisions you'll make during your relocation process. The housing market offers diverse options across different regions, each with distinct advantages depending on your lifestyle preferences, budget constraints, and long-term goals.

When considering housing in Costa Rica, you must first decide between renting and buying. Renting provides flexibility and lower initial commitment, making it an excellent choice for newcomers still exploring different regions. Most expatriates begin by renting for at least 6-12 months to familiarize themselves with their chosen area before making more permanent decisions. Rental properties come in various forms, from apartments and condominiums in urban areas to houses and villas in more rural or beachfront locations. Short-term rentals typically come furnished, while long-term rentals may be offered either furnished or unfurnished, with furnished options commanding premium prices.

Rental agreements in Costa Rica differ from North American standards. While month-to-month arrangements exist, most landlords prefer minimum terms of six months to a year, secured by a security deposit equivalent to one month's rent. Some landlords may request additional guarantees from foreign renters, such as multiple months paid in advance. Notably, Costa Rican law tends to favor tenants in disputes, providing some protection once you've established a rental agreement.

Purchasing property presents a different set of considerations. Unlike some other Latin American countries, Costa Rica allows foreigners to own property with the same rights as citizens in most circumstances, with the exception of certain concession properties in maritime zones. Property types range from condominiums with shared amenities to standalone homes, farms (fincas), and undeveloped land. The purchase process typically involves a 10% earnest money deposit, followed by due diligence and closing within 30–90 days.

The real estate market in Costa Rica operates differently from North America and Europe in several important ways.

First, no centralized Multiple Listing Service (MLS) exists, meaning properties are often listed with multiple agencies at different prices. This requires diligent research and comparison shopping.

Second, real estate agent licensing is not strictly regulated, leading to varying levels of professionalism and expertise. Working with established agencies with solid reputations and testimonials from other expatriates can help mitigate risks.

Property prices vary dramatically by region. The Central Valley areas of Escazú and Santa Ana command premium prices due to their proximity to amenities and expatriate communities. Coastal properties in developed areas like Tamarindo or Manuel Antonio similarly fetch higher prices, while emerging areas may offer better value but with fewer established services. As a general guideline, comfortable condominiums might start around \$150,000 in less developed areas and reach \$300,000+ in prime locations, while houses begin around \$200,000 and can reach well into the millions for luxury properties.

Understanding regional differences becomes crucial when navigating local real estate markets.

The Central Valley is close to medical facilities, shopping centers, and cultural activities in a temperate climate.

Pacific coast areas provide beach access and tourism opportunities but often at higher prices and with more seasonal weather patterns.

Caribbean coast properties typically offer lower entry prices but experience higher rainfall and more limited infrastructure.

Mountain regions like Monteverde or San Ramón provide cooler temperatures and dramatic views, often at lower price points than beach communities.

Due diligence is paramount when purchasing property in Costa Rica. While not universally required, Title insurance provides essential protection against potential claims. Property surveys (planos catastrados) should be carefully verified, as boundary disputes can arise, particularly in rural areas. Environmental regulations also affect development possibilities, especially in coastal zones and protected areas. Working with an experienced real estate attorney who specializes in transactions involving foreigners is essential, not merely recommended.

Additional considerations apply to those interested in purchasing land for development. Zoning regulations, water access, electricity availability, and road conditions can significantly impact property value and development potential. Some buyers have purchased land only to discover that building permits are difficult to obtain due to environmental restrictions or infrastructure limitations. A thorough investigation of these factors before purchase can prevent costly surprises.

Whether renting or buying, location selection requires careful consideration of practical factors beyond aesthetic appeal. Access to groceries, healthcare, transportation, and other essential services varies greatly throughout the country. Internet connectivity, critical for remote workers, remains inconsistent outside major development areas. Water supply reliability differs by region, with some areas experiencing seasonal shortages requiring storage tanks or delivery services. Security concerns also vary by location, with some areas requiring more robust measures than others.

Many successful expatriates recommend a graduated approach: begin with short-term rentals in different regions to experience various microclimates and communities before committing to longer-term arrangements. This exploration period enables you to discover which areas best match your lifestyle preferences while building connections with local residents and other expatriates who can provide valuable insights about specific neighborhoods and properties.





Contracts, Deposits, and Legalities

Navigating housing contracts in Costa Rica requires careful attention to detail and an understanding of local legal practices. Rental contracts can be drafted in Spanish or English, though Spanish versions hold precedence in legal disputes. Therefore, having a bilingual attorney review any contract before signing is highly advisable, even when dealing with seemingly straightforward arrangements.

Rental agreements typically require a security deposit equivalent to one month's rent, though some landlords may request larger deposits from foreigners without an established local credit history. This deposit should be clearly addressed in the contract, including specific conditions for its return. Unlike some countries, Costa Rica doesn't have standardized escrow systems for holding deposits, so they're often held directly by landlords. Documenting property conditions with dated photographs upon moving in can help prevent disputes when reclaiming your deposit.

The standard lease term is one year, though three-month and six-month contracts are available with some properties. Breaking a lease early can result in financial penalties, typically two to three months' rent, though some landlords may waive these penalties if you help find a replacement tenant. Contracts typically include clauses addressing maintenance responsibilities, with structural issues generally falling to landlords, while minor repairs often become tenant responsibilities.

Rent increases deserve special attention in contract negotiations. Costa Rican law permits annual increases tied to inflation (typically 5–15%), but these should be explicitly stated in the contract. Some landlords may attempt to include higher increases or more frequent adjustment periods, which can be negotiated before signing. Understanding utility payment arrangements is equally important, as these can significantly impact your overall housing budget.

The legal process for property purchases differs substantially from North American and European standards. Transactions typically begin with a promise of sale agreement (promesa de compraventa) accompanied by a 10% earnest money deposit held in escrow by an attorney. This agreement outlines the conditions of the sale, including the timeline for due diligence and closing.

The due diligence period, typically 15–30 days, allows for property inspections, title searches, and verification of utility connections. Title searches are conducted through the National Registry (Registro Nacional) and reveal any registered liens, encumbrances, or boundary disputes. While Costa Rica operates a trustworthy property registry system, title insurance remains advisable for foreign buyers as an additional layer of protection against unforeseen claims.

Closing procedures involve signing the final transfer deed (escritura) before a notary public, who must be an attorney in Costa Rica. This document transfers legal ownership and must be registered with the National Registry to complete the process. Property transfer taxes and fees total approximately 3–4% of the registered property value, typically split between buyer and seller, though this division is negotiable. Reviewing homeowners association (HOA) regulations and fee structures is essential for condominiums and planned communities before purchasing. Some developments have significant monthly fees that can impact the long-term affordability of ownership. Additionally, understanding voting rights and decision-making processes within the association can help prevent surprises regarding community management.

Sustainable Renovation Insights

Many expatriates purchase existing properties intending to renovate them to meet their specific needs and incorporate sustainable features. Understanding the renovation landscape in Costa Rica before embarking on such projects can save considerable time, money, and frustration. Obtaining permits for renovations varies in complexity depending on the scope of work and property location. Minor interior renovations may require minimal permitting, while structural changes, additions, or projects in environmentally sensitive areas involve more extensive approvals.

Working with a registered Costa Rican architect or engineer from the planning stages helps navigate these requirements effectively.

Construction costs for renovations typically range from \$60-150 per square foot depending on finishes, complexity, and location. Labor costs are generally lower than in North America, but imported materials can be significantly more expensive due to import taxes and transportation.

Using locally sourced materials reduces costs and often provides better performance in tropical conditions while supporting local economies.

Climate-appropriate design represents a crucial consideration in renovation planning. Effective cross-ventilation can reduce or eliminate the need for air conditioning in many regions. Strategic roof overhangs provide shade while protecting against heavy tropical rains. Selecting locally appropriate materials, such as certain hardwoods that naturally resist insects and humidity, can significantly extend the lifespan of renovations while reducing maintenance requirements.

Water management deserves particular attention in renovation planning. Rainwater harvesting systems can provide substantial water supplies during dry seasons, while properly designed graywater systems can reduce water consumption for landscape irrigation. Solar water heating offers an economical alternative to electric water heaters, with systems typically paying for themselves within 2–3 years through energy savings.

Energy efficiency improvements provide excellent returns on investment in Costa Rica, where electricity costs can be substantial. LED lighting, energy-efficient appliances, and proper insulation in air-conditioned spaces deliver ongoing savings. Solar electric systems have become increasingly viable with improved technology and declining installation costs, though connection policies for grid-tied systems vary by region and utility company.

Finding qualified contractors requires diligence and local connections. Unlike many North American and European countries, Costa Rica doesn't have standardized licensing systems for construction trades. Recommendations from other expatriates, particularly those who have completed similar projects, provide the most reliable guidance for contractor selection. Establishing clear contracts with detailed specifications, payment schedules tied to completion milestones, and explicit warranty provisions helps prevent misunderstandings during renovations.

Hiring a project manager with experience working with local contractors and foreign clients can bridge cultural and communication gaps for those considering substantial renovations. This professional can coordinate schedules, verify quality standards, and ensure that work proceeds according to plans even when you're not personally present to supervise.

By understanding these contract legalities and renovation considerations before committing to property in Costa Rica, you'll be better positioned to make decisions that support your long-term enjoyment of your new home while avoiding common pitfalls that have challenged other expatriates.