

THE  
**RONAN MCMAHON**  
REPORT



# **COSTA RICA**

## **Real Estate Buyer's Guide**

[www.ronanmcmahonreport.com](http://www.ronanmcmahonreport.com)



## table of contents

---

- 01** WHY COSTA RICA
- 05** THE BEST PLACES TO OWN
- 13** THE BUYING PROCESS
- 16** CAN FOREIGNERS BUY?
- 17** PROPERTY TAXES & FEES
- 19** SAFETY & HEALTHCARE
- 20** INSIDER TIPS



# WHY COSTA RICA

Costa Rica offers a combination of stability, lifestyle, and legal protections that few other countries in the region can match. For foreign buyers, it's one of the most accessible and appealing real estate markets in Latin America.

One of the country's biggest draws is its political and economic stability. Costa Rica has a long history of democracy, no standing military, and a commitment to peaceful governance. This stable environment supports long-term investment and gives buyers confidence in the legal and financial systems.

The use of the U.S. dollar in many real estate transactions makes it easy for North American buyers to navigate pricing and banking. And with well-established property laws that allow foreigners to own real estate outright, Costa Rica offers transparency and security in every deal.

Tourism plays a big role in the real estate market. The country welcomed over 2.6 million international visitors in 2024, a 10% increase on 2023. This fuels demand for vacation rentals, especially in popular regions like Tamarindo, Manuel Antonio, and the Central Pacific Coast. Investors can generate income through short-term rentals while also holding an appreciating asset.



Costa Rica is also a global leader in sustainability and eco-tourism. Protected land and tight building restrictions in many areas help preserve the natural environment and limit overdevelopment, keeping demand strong and supply limited.

Healthcare, infrastructure, and connectivity are better than in many nearby countries. From modern hospitals and high-speed internet to direct flights from major U.S. cities, Costa Rica makes it easy to live or visit comfortably. Many buyers choose to spend part of the year in Costa Rica and rent out their property when they're away.

With a welcoming culture, natural beauty, and favorable real estate laws, Costa Rica continues to attract buyers from around the world looking for more than just a place to live—it's a country where lifestyle and investment go hand in hand.

# THE BEST PLACES IN COSTA RICA

Costa Rica offers a wide variety of real estate options depending on what you're looking for—beachfront access, cooler mountain air, rental income, or long-term retirement living. The country is divided into distinct regions, each offering a different experience and price point.

## The Gold Coast

The Gold Coast, located in the northwest province of Guanacaste, is the most developed beach region in Costa Rica and over the years has become an expat hub.

The region lures new residents with its beautiful coast, world-class surfing, dramatic ocean views, and endless opportunities for dining on local and international cuisine (including fine dining), sport fishing, swimming, golfing, yachting, horseback riding, or just sunning yourself on the beach. Not to mention, you can also enjoy top-notch medical care, shopping, community activities and celebrations, and all the modern conveniences you might need.

Towns like Tamarindo, Flamingo, and Playas del Coco are popular for their beaches, amenities, and access to the international airport in Liberia. This region has a strong rental market, particularly for vacation properties. It's also where many expats choose to settle due to the combination of ocean views and modern infrastructure.





## The Southern Zone

The Southern Zone, including Dominical, Uvita, and Ojochal, is more remote and less developed than the Guanacaste region.

It appeals to buyers seeking privacy, nature, and long-term appreciation. The scenery is dramatic, with jungle-covered mountains dropping into the Pacific, and real estate here often offers larger lots and stunning views.

Infrastructure is improving, but this area still retains a more rustic, off-grid vibe compared to the north. For example, a coastal road that opened in 2010 makes it easy to access and connects the Southern Zone with new highways leading out from the capital, San José. New bridges replaced old, single-car bridges and helped cut drive times from San José to roughly three hours.

Much of the Southern Zone is protected land: forested national parks, marine reserve, wildlife refuges, so it will always be a boutique, low-key region. So, don't expect mass-market resorts or condo towers on the beach here; but there are still plenty of opportunities for buyers and investors.



## Lake Arenal

**Lake Arenal** in the northern highlands, provides a cooler climate and a more rural lifestyle. The area attracts buyers who want to be surrounded by nature and live in a tight-knit community. Property prices are more affordable, and there's less emphasis on short-term rentals, making it ideal for those looking for a permanent home or peaceful retreat.

Dominated by the 33-square-mile Lake Arenal and located about three hours northwest of San José, the Arenal region has been drawing eco-minded travelers in search of opportunities in wildlife watching, jungle hiking, water sports, and other activities for decades.

In recent years it's become much more than a tourist destination, attracting an increasing number of expats interested in making permanent homes here. It must be noted that, while development in this area has increased, it is far from overdeveloped or overrun. The character of the area remains rural and quiet; the pace of life slows. And all the factors that make Arenal so popular with visitors and long-term residents alike remain in place.



## Central Valley

The Central Valley, which includes San José, Escazú, Santa Ana, and Grecia, remains one of the most practical places for full-time living. Expats have been flocking here for decades and it's not hard to see why.

The spring-like climate, central location and ready-made expat community; combined with modern hospitals, shopping centers, international schools, and convenient transport links make it an ideal choice for expats and investors buying real estate in Costa Rica.

It's a favorite among retirees who want easy access to services but don't need to be near the beach.

## Central Pacific

The Central Pacific coast is just an hour or so away from Costa Rica's capital, which gives you the best of both worlds: a laid back beach lifestyle, with big city conveniences, medical care, and the international airport close by.

This region features lush rainforests full of wildlife like the scarlet macaw and capuchin monkeys and bustling fun beach towns like Jaco and Manuel Antonio. Jaco is the largest and most developed of the bunch, with everything you need in town. It's set on a large bay, with condo and hotel towers lining the beach.

# THE BUYING PROCESS

Costa Rica is home to countless expats who have bought property and has been welcoming foreign homebuyers and real estate investors for decades.

The process of buying real estate in Costa Rica is fairly transparent, especially when compared to other countries in Central America. Foreigners can legally own property outright and have the same rights as locals, but there are a few exceptions and laws that you should be aware of before buying real estate here. First, there are special rules for certain types of land which we'll cover in more detail below.

Concession properties (typically beachfront real estate within 200 meters of the high tide line) fall under the Maritime Zone Law and are not owned outright. These are leased from the government, and extra caution is needed when buying this type of property. Foreigners can hold up to 49% of a concession, while a Costa Rican citizen must hold the controlling share.

Costa Rican law requires that all documents relating to an interest and/or title to property be registered in the property section of the [National Registry](#).

Most properties have a title registration number known as the folio real, and the records database can be searched with this number or by name index.

A National Registry report provides detailed information on the property, including the title holder's name, boundary lines, tax appraisal, liens, mortgages, recorded easements, and other recorded instruments that would affect the title. Since Costa Rica follows the doctrine of "first in time, first in right," recorded instruments presented to the National Registry are prioritized according to the date and time they are recorded.



Basically, the rightful owner is whoever has the oldest title to a property. In some cases, a review of the National Registry record will not be enough to uncover all encumbrances.

Even if the seller has a title for the property, there could be someone out there with an older claim.

This is why using a reputable local attorney is strongly recommended. An attorney for the buyer can conduct an independent title search and investigation rather than rely on the seller's attorney.



# CAN FOREIGNERS BUY?

In Costa Rica, foreigners are given the same real estate ownership rights as Costa Ricans. There are some other real estate laws unique to Costa Rica which you should be aware of before buying real estate.

First, only Costa Ricans can purchase land within two kilometers of a national border. Foreigners cannot buy in these zones. This really isn't hard to comply with—the vast majority of expats do not settle this close to the border. However, there is another restriction that you should definitely have on your radar.

No one can own property within 50 meters (164 feet) of the ocean (to allow public access to beaches), and the next 150 meters (492 feet) is classed as a Restricted Zone. There are exceptions to this—some parts of Jaco (on the central Pacific) and Golfito (in the Southern Zone), for example, have titled waterfront and beachfront land, but these are the exception rather than the rule.

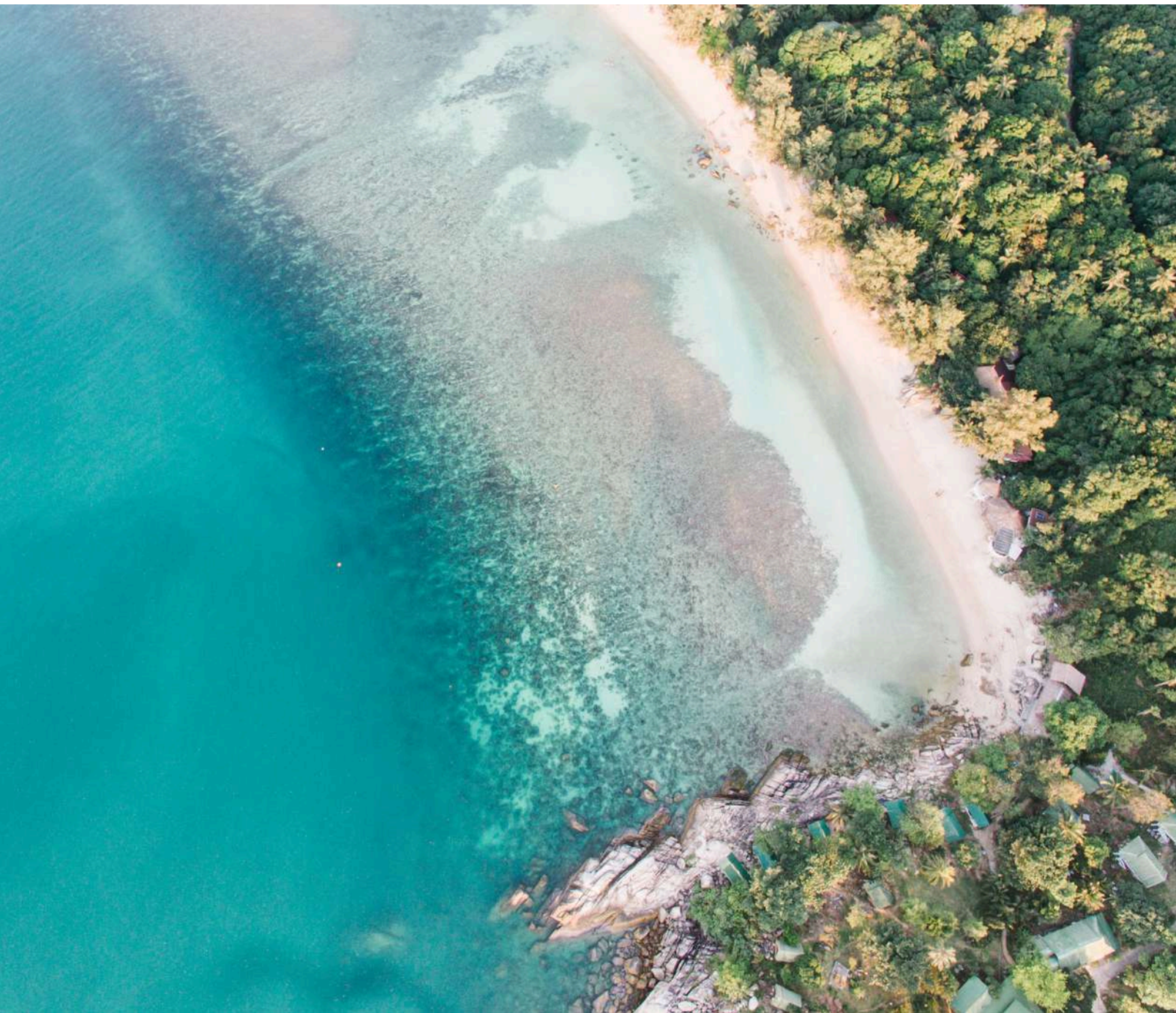
Maritime Zone laws govern these 200 meters of beachfront. Nothing can be built in the 50 meters (164 feet) closest to the water and development is only allowed on the next 150 meters (492 feet) through a government “concession.” This is like a lease... although buyer beware, it is not a secure form of leasehold that you may be used to back home...and there are restrictions on foreigners with these concession leases (it becomes easier if the foreigner has been resident in Costa Rica for more than five years).

You are normally only allowed to build tourist ventures (B&Bs, bars, for example) or temporary structures on concession land, not permanent residences. This means that anyone shopping for property should be doubly cautious about buying oceanfront real estate. Before entering a transaction, insist that your attorney verify that the title is good. Check with a trusted attorney in Costa Rica for details and for help with due diligence on coastal properties.

## Can Foreigners get Mortgages in Costa Rica?

As with many other countries around the world, it is difficult for foreigners to obtain loans in Costa Rica, including mortgages to purchase real estate. Simply put, you don't have a credit history in the country, and banks are very strict. Foreign residents with a temporary or permanent residence visa have better luck, but it's still not an easy process and the terms are often unattractive.

Fortunately, there are alternative forms of financing. With new developments, some top developers will offer financing to buyers.



# TAXES & FEES

Buying property in Costa Rica involves several costs beyond the purchase price, but they are generally lower than what buyers might expect in other international markets. Understanding these fees upfront can help you budget accurately and avoid surprises.

## Closing Costs in Costa Rica

In Costa Rica, closing costs are traditionally paid by the buyer, while the seller pays the real estate commissions.

Closing costs in Costa Rica tend to be higher than in the United States or Canada. However, annual property taxes are much lower, ranging from 0.25% up to 0.55% according to the value of the property.

Closing costs involve the following:

- Transfer taxes (paid to the government).
- Notary fees, documentary stamps, and legal fees.
- VAT/IVA costs.

## Real Estate Transfer Taxes in Costa Rica

The government collects a property transfer tax (Impuesto de Traspaso), equal to 1.5% of the registered value of the property. The National Registry will not record a transfer deed unless the transfer taxes and documentary stamps have been paid.

## What is RETA?

My name is Ronan McMahon. I'm an international real estate scout. My team of researchers and analysts and I spend a small fortune on research and travel as we search out the best real estate opportunities in some of the most appealing locations around the world, including Portugal.

Often, what we find and the deals we make pay off with potential investment opportunities that I share with members of my Real Estate Trend Alert group. **[You can learn more about my RETA group here.](#)**

To be a RETA member is to be first on the very best real estate deals in the world. First to get wind of a big transformation, a big trend or major Path of Progress event, first to get in on the ground floor of that transformation...first to get in on a best-in-class real estate at off-market prices.

The core strength of RETA is our group buying power. It's by acting in unison with like-minded investors—fellow RETA members—that we get the incredible deals that we do.

Over the years, RETA has developed a heavy-hitting reputation in the right circles. Our group buying power is highly respected and sought after. It's how we get deals no one else gets, deals that even the most informed local real estate insiders can't believe. And RETA members will continue to access our pipeline of incredible off-market deals from the world's most desirable locations.

I've been watching Portugal closely and bringing investment opportunities to RETA members for many years, focusing on the appealing beach communities on the Algarve. Let's take a look at our track record.

\* In December 2019, RETA members could buy in a community called Santa Maria from €310,500. Two-bed condos available to RETA members for €390,000 now list for €550,000—a boost of €160,000.

\* In 2020, I recommended condos in a community called Adega in Lagos. RETA members could get penthouses here for the incredible price of €480,000. Those now list for around €1 million...meaning they've doubled in price.

\* In 2021, we had a RETA deal in the luxury community of Dona Maria. One RETA member purchased a penthouse there for €1.1 million. That was recently listed at double that—€2.2 million.

• RETA members could also buy two-bed condos in Dona Maria from €575,000. These now list for about €850,000—an uplift of €275,000.

Nobody I know does the kind of travel and first-hand research we do. Nobody I know has our contacts and ability to negotiate such incredible, off-market deals for members.

And nobody I know has RETA's track record of being ahead as destinations experience major transformations.

Members of Real Estate Trend Alert are the only people who get all my research reports... the inside scoop and contact information for some of the top experts in real estate...and the hottest off market opportunities from around the world.

**[Click this link to learn more about RETA and to join today.](#)**

## **Notary Fees For Real Estate Purchases in Costa Rica**

The notary who drafts the contract for sale, carries out the real estate closing, and records the property title transfer is entitled by law to a fee based on a percentage of the value of the transaction.

The rates work on a sliding scale and are as follows:

- Up to 10,000,000 colones is a 2% fee.
- 10,000,001 to 15,000,000 is an additional 1.5% fee.
- 15,000,001 to 30,000,000 is an additional 1.25% fee.
- 30,000,001 and above is an additional 1.00% fee.

## **VAT (Value Added Tax) on Costa Rica Real Estate Purchases**

A 13% VAT is added to all legal fees when buying real estate in Costa Rica. VAT is known in Costa Rica as IVA, and is added to all services in Costa Rica, not only real estate. The VAT/IVA is paid directly to the government.

## **How are Property Taxes Calculated in Costa Rica?**

The cost of all property taxes is calculated as a percentage of the property's value. The value of the tax is 0.25% of the purchase price of your property, or the value assigned by the National Registry.

As an owner, you are responsible for having your home's value assessed every five years. Failure to do this could result in a penalty.

For properties that are valued at 145 million colones or more, (about \$285,600) at the current exchange rate), a luxury property tax must be paid. The tax rate is on a sliding scale, ranging from 0.25% to 0.55%. This tax is in addition to the annual property tax of 0.25% and equates to roughly \$250 to \$500 per \$100,000 of your declared property value.



# SAFETY IN COSTA RICA

Costa Rica consistently ranks in the top five countries in the [International Living Retirement Index](#), and it's no surprise why. The country's allure entices many people because of its long-established democracy, stable political scene, pristine natural environment, friendly Ticos, and easy access to U.S. airports.

The easy-going pura vida vibe offers the opportunity to slow down and enjoy the good life, which for many here includes spending time outdoors, relishing the beauty of nature, and sharing in community with locals and other expats.

Costa Rica abolished their military in 1948 and pledged that budget to education and healthcare, which has resulted in the country becoming one region's success stories in terms of development, the economy, and foreign investment. It is overall a peace-loving nation and is often referred to as the "Switzerland of Central America." Many expats report that they feel safer in Costa Rica than they do back in the U.S.

The general population is "tranquilo," embracing the Pura Vida lifestyle on many levels. Also, gun laws are strict. In fact, foreigners cannot legally own guns until they have acquired permanent residency status, which takes four years or longer. Like in many places around the world, there is petty theft, especially in tourist areas.

Since many places expats settle have a small-town feel, you will find neighbors look out for neighbors and take care of one another. Many developments are gated and have a guard at the entrance. This does not mean it is a dangerous neighborhood, it is just the way communities are set up in Costa Rica.

It is safe to walk around after dark, but as always, it is recommended to avoid being alone or in dark areas. Like everywhere in the world, it is best not to wear expensive jewelry or flash large amounts of cash. And never leave anything of value within view inside your parked car or by your towel at the beach while you go swimming.

# HEALTHCARE IN COSTA RICA

Costa Rica offers high-quality, low-cost healthcare. There are two systems: private, for which you can pay cash or use insurance, and the government-run public system (Caja Costarricense de Seguro Social [CCSS], known as Caja) which you join when you become a legal resident.

Healthcare costs are about a third to a fifth of what you'd pay in the U.S., depending on the treatment. Many doctors, especially in private practice, speak English and have received training in Europe, Canada, or the U.S. Prescription drugs are also less expensive. And many drugs which require a prescription in North America are available for purchase over the counter in Costa Rica.

Private healthcare is also available, which is affordable and of high quality. There are private hospitals and clinics throughout the country, with the best facilities in and around the capital, San José.

In this private system, you can pay cash out-of-pocket or use insurance, including some policies from the U.S. and Europe, international policies, and insurance from Costa Rican companies.

Health insurance from the Costa Rican government monopoly Instituto de Seguro Nacional (INS), for example, is available to legal residents, affiliated with doctors, hospitals, labs, and pharmacies in the private sector. Familiar names such as Blue Cross/Blue Shield, BMI/Aetna, and Cigna also offer private policies in Costa Rica.

Even if you pay cash, the costs are low. Doctors, for instance, rarely charge more than \$65 to \$85 a visit, even for house calls. And visits to see a specialist, of which there are many in the country, will run you \$90 to \$110. Tests like ultrasounds are \$75. And even major surgeries are half to a quarter of what they'd be in the U.S.

While private healthcare in Costa Rica is more expensive than that offered by the same doctors and surgeons through the public Caja system, the price is still far below that of the average office visit in the U.S. Cost for continued treatments for diagnosed problems will vary, but will almost always be considerably less than comparable treatment in the U.S. Dental work, too, is provided at a much lower cost than in the U.S.

Many expats elect to use a mix of public and private care due to the wait times for certain procedures and treatments in the public system. For example, if a Caja doctor requests an ultrasound but the Caja testing facility has a wait time of a couple of weeks, the patient can get the test done at a private clinic and bring the results back to the Caja doctor. And, many private doctors who also work in the public system can write prescriptions for Caja pharmacies so there's no cost to the patient.





# INSIDER TIPS

Costa Rica is a thoroughly modern country. But as with any place, there are still different customs and ways of doing things you need to get used to if you make it your home. Here are some tips to help you make your way around as expat, especially in the early days.

## **The *Pura Vida* Lifestyle**

There is a national motto that sort of sums up the attitude of a typical local in Costa Rica: *Pura Vida*.

It translates directly to Pure Life, but it means so much more than that. It's more like: Life is Good.

It's a phrase used in everyday conversation. It can mean hello, goodbye... if someone asks how you are doing, you can say "Pura Vida!"

Costa Ricans have a zest for life. They work to live, not live to work. They focus on family and community – those things come first. They work hard... but enjoy their time off too. It's a laidback attitude that rubs off on expats too.

There is a flipside to all this...

*Pura Vida* can also result in a lack of urgency to get things done. Appointments might be missed without notice, repairmen might not show up, or documents might take a long time to be processed. As an expat, you would be expected to adjust. You don't have to let people take advantage of you...But you will have to be patient.

## **Language Barriers**

Many expats living in Costa Rica don't speak Spanish and get by just fine, especially those in tourist areas. The amount of Spanish you hear depends on where you live in Costa Rica.

For example, living in popular beach areas of the Pacific coast, you can find yourself in an "English bubble" due to the high number of tourists and English-speaking expats in the area. Living in the Central Valley means more opportunities to immerse yourself in Spanish.

## Finding a Rental

When you're looking for your perfect spot in Costa Rica, you might decide to rent a place for six months or a year.

Expat Facebook groups are an excellent resource for looking for places to live. Join various groups, especially those focusing on your favorite parts of the country. Ask questions and get to know people so you have some contacts during your scouting trip. Talking with people about their experiences is always a good idea.

Many expats rent an Airbnb in areas they are interested in to get real-life experience. Then, they are on the ground to find more permanent rental opportunities. Keep in mind that other sources of long-term rentals include real estate agencies and property managers. They may even have listings on their websites.

## Banking

To open a bank account, you'll need your passport, residence visa, proof showing the source of your income, and a reference letter from someone who banks there or knows you in a commercial capacity, such as your attorney or landlord. However, each bank has its requirements, so find out what you need according to the bank you choose. Some non-residents can only open an account if they have a corporation.

Banking in Costa Rica is often a practice of patience. Depositing money into your account could take an hour or two. These long waits help you appreciate those rare days when you get in and out quickly. Bring a book, tablet, or something else to keep yourself occupied. Many bank employees do not speak English. So if you have a complicated transaction, bring a translator or friend who speaks Spanish to help.

## Final Thoughts

Buying real estate in Costa Rica offers more than just a tropical escape—it's a chance to invest in a stable, welcoming country with long-term potential. With full ownership rights for foreigners, a clear legal process, and growing demand from both tourists and expats, the market continues to deliver value for buyers.

Whether you're interested in rental income, retirement, or part-time living, Costa Rica has a region to match your goals. From the beaches of the Gold Coast to the mountain towns of the Central Valley, the country offers a wide variety of property types, prices, and lifestyles.

Working with a qualified attorney, understanding the local market, and budgeting for closing costs will help you make a smart, secure purchase. With its strong infrastructure, low property taxes, and focus on sustainability, Costa Rica remains one of the most attractive real estate markets in the region.