The Smart Foreigner's Guide to Buying Property & Homes in Costa Rica

How to verify paradise before you pay for it

Introduction: The Paradise You Were Sold vs. The Property You Bought

Every year, thousands of foreigners fall in love with Costa Rica — the beaches, the mountains, the "pura vida" lifestyle. And every year, some of them buy a piece of that dream without verifying what they were actually sold.

It usually goes something like this: a stunning view, a persuasive listing, a friendly seller. Six months later, the buyer discovers there is no legal water connection, the lot can't be built on at the density they were promised, the "road access" becomes a riverbed during the rainy season, or the nearest hospital is four hours away on unpaved roads.

This guide exists so that doesn't happen to you. It is not a sales pitch — it is the checklist we would want any friend or family member to have before buying property in this country. Costa Rica is a wonderful place to invest, and foreign buyers enjoy essentially the same property rights as citizens. The system works well. But it only works for you if you do the verification before you sign, not after.

Work through this guide before you make an offer, and you will already be ahead of the majority of foreign buyers in the market.

1. Can Foreigners Buy Property in Costa Rica?

Short answer: yes, and with the same rights as Costa Rican citizens.

Foreigners can own titled property (fee simple) in their own name or through a Costa Rican corporation (S.A. or SRL). There is no special foreign-buyer tax, and no citizenship or residency requirement to purchase.

The one big exception is the **Maritime-Terrestrial Zone (Zona Marítimo Terrestre)**:

- The first **50 meters** from the high-tide line are public land. No one can own them, and they can never be sold.
- The next **150 meters** inland are a regulated concession zone. You do not own this land — you lease rights from the municipality under a concession that can run from 20 to 99 years.
- Concessions in the maritime zone historically require majority Costa Rican ownership (with certain exceptions for specific hotel and tourism projects), and concession rights are weaker than fee-simple title.

Rule of thumb: if a property touches the beach, assume it is concession land until proven otherwise, and demand the full concession file before you spend another dollar. If the seller says it's "titled to the beach," verify it independently — this claim is often wrong.

2. Water: The Deal-Breaker Most Foreigners Never Think About

This is the single most important section of this guide.

In much of Costa Rica — especially Guanacaste and the dry Pacific coast — **a lot without a legal water connection is not a buildable lot.** You cannot get a construction permit without proof of water, and in many communities the local water systems simply have no capacity left for new connections. Sellers rarely volunteer this information.

What you must verify

The Carta de Disponibilidad de Agua (water availability letter). This is an official letter from AyA (the national water institute) or the local ASADA (the community water association) confirming that the water system has capacity to serve **your specific lot**. Key points:

- The letter must match **your property** — not the neighboring lot, not "the development in general." Cross-check it against the property's registration number (folio real) and survey plan (plano catastrado).

- **Water letters expire.** They are typically valid for around a year. An old letter a seller hands you may no longer mean anything.
- **Confirm it directly.** Call or visit the ASADA yourself, or have your lawyer do it. Ask the crucial question: *are you still granting new connections?* A letter from two years ago does not answer that.
- **If the property uses a well,** confirm the well has a registered water concession through the relevant authorities (MINAE/SENARA). A physical well on the land is not the same as a legal right to draw water.

How to protect yourself

Make a valid, current water availability letter a **written condition** of any purchase offer on land or a new-build lot. If the seller can't produce one, either walk away or make the deal contingent on obtaining it — with your deposit safely refundable.

3. Land Use: What Percentage Can You Actually Build On?

The second classic "sold paradise" trap: the buyer is told they can build their dream home (or several homes, or a small rental development), and later learns the zoning doesn't allow it.

What you must verify

The Certificado de Uso de Suelo (land-use / zoning certificate). Issued by the municipality where the property is located, this document states what can legally be built on the lot: residential, commercial, mixed; maximum coverage (what percentage of the land can be occupied by construction); density (how many units); height limits; setbacks; and any special restrictions.

Critical points:

- **Zoning is municipal and parcel-specific.** Two neighboring lots can have completely different rules. Never assume the rules from a nearby development apply to your lot.
- **Coverage and density are not negotiable.** If the zoning allows 30% coverage, no lawyer or friendly official can legally approve a house covering 60%.

- **Check environmental layers.** Some properties include protected forest, water springs, or fall within environmental regulation categories that restrict clearing and construction on parts of the land. A lot may be 5,000 m^2 but only half of it buildable.
- **If you're buying part of a larger property,** confirm the piece you're buying has its own approved, segregated survey plan. Buying "the right half of that farm" without a registered segregation is a common and expensive mistake.

How to protect yourself

Get the uso de suelo certificate yourself (or through your lawyer) directly from the municipality — not a copy provided by the seller — and read what it actually says, not what the listing says.

4. Location Reality Checks: The Things Photos Don't Show

A property listing shows you the property on a sunny day in dry season. It does not show you the property in October. Before you buy, verify these four things in person, in person during rainy season if at all possible.

a) Access roads

- Is access over a public road, a private easement (servidumbre), or an informal path across a neighbor's farm? Ask to see it **registered** — informal "the neighbor never minded" access can disappear when the neighbor sells.
- What is the road made of, and what happens to it after three days of rain? A 25-minute drive in March can become a 90-minute ordeal (or impossible) in September.
- If the road is private, are there maintenance agreements or fees?

b) Hospitals and healthcare

Know the real distance and drive time — in rainy season — to the nearest hospital (public or private) and the nearest 24-hour clinic. This matters most in the coastal zones, where the nearest full hospital may be one to two hours away. If you're buying for retirement, this should weigh heavily.

c) How the land behaves with rain (seasonality)

- **Visit in the rainy season (roughly May to November).** Look for standing water, erosion, unstable slopes, and how the drainage naturally flows across the lot.
- Ask locals and neighbors whether the area floods, whether the creek rises, and how the roads hold up. Neighbors will tell you the truth; sellers rarely will.
- Check the canton's hazard maps for flood and landslide zones. Slopes that drain badly affect not just comfort but foundation costs and insurability.

d) Proximity — the honest version

"Close to town" in a listing can mean 15 minutes on pavement or 40 minutes on gravel. Map the real distances yourself: grocery stores, schools, airports, pharmacies, and the expat community if you want one. Drive the routes at night and in the rain before committing.

5. Due Diligence: The Paper Trail That Protects You

Costa Rica has an excellent property registration system — but it only protects you if you actually read it. Your lawyer should perform a full title study, and you should understand what it covers:

The title study (estudio de título) at the National Registry (Registro Nacional):

- **Folio real** — the property's registration record. It shows the true owner, and every mortgage, lien, easement, lawsuit, or annotation affecting the property. If the person signing the sale is not the person in the registry, stop.
- **Plano catastrado** — the official survey plan. It must match the physical property, the boundaries, and the area being sold. Have a licensed surveyor verify boundaries if anything is unclear.
- **Municipal certifications** — proof property taxes are paid (unpaid property tax stays with the property, not the seller) and confirmation of any pending municipal issues.

Additional checks:

- **Concession properties:** the complete concession file at the municipality.

- **Condos:** the condo declaration, bylaws, HOA financials, and — critically — the **rental rules** if you plan to rent the unit out. Some condo regimes prohibit or restrict short-term rentals.
- **Utilities:** confirm electricity and internet service actually reach the property, the same way you confirm water. Proximity to a road does not guarantee a connection.

The golden rule of due diligence: verify everything against official registry and municipal documents, never against the listing, the seller's word, or a friend-of-the-seller's opinion.

6. Your Lawyer: The Most Important Hire of the Entire Process

In Costa Rica, the transfer of property must be executed by a **Notary Public** (a licensed attorney with additional notarial authority). Your lawyer will run the due diligence, structure the purchase, draft the deed, and register it. Choose this person carefully.

How to choose well

- **Hire your own lawyer** — never the seller's lawyer, never the developer's lawyer, and never a lawyer who "represents both sides" as a favor. Independence is the entire point.
- **Verify the license.** Costa Rican attorneys are members of the Colegio de Abogados (national bar association). Confirm the attorney is an active member in good standing.
- **Ask for English-language communication if you need it** — many established real-estate attorneys work with foreign clients routinely, but confirm before you start.
- **Ask exactly what the due diligence includes** and get it in writing: title study, survey verification, water letter, municipal certifications, concession review if applicable. A lawyer who quotes "due diligence" without itemizing is a red flag.
- **Insist on a written fee quote** before work begins.

How to pay safely

Use a regulated escrow arrangement (through a SUGEF-registered escrow agent or a trusted attorney trust structure) rather than wiring large sums directly to a seller. Escrow typically costs around 0.25% of

the price or a flat fee in the range of $600–$1,200. It is money well spent. Never put significant money into a deal without a signed purchase agreement that makes your deposit refundable if due diligence fails.

7. The Buying Process, Step by Step

1. **Find the property** and get the property ID (folio real) and survey plan number.
2. **Hire your own lawyer** and commission due diligence: title study, survey, water letter, land-use certificate, municipal certifications.
3. **Make an offer** through a written purchase agreement (promesa de compra-venta or similar), with your deposit held in escrow and the deal made **conditional** on clean due diligence, water, and land use.
4. **Complete due diligence** and resolve any issues — or exit with your deposit refunded.
5. **Sign the transfer deed (escritura)** before your notary, pay the transfer tax and fees, and have the notary register the deed at the National Registry.
6. **After registration:** update the property in your name at the municipality, transfer utilities, notify the HOA if it's a condo, and (if using a corporation) keep corporate filings current.

A typical closing runs 30 to 60 days from signed agreement, assuming due diligence is clean. Budget more time if the property needs a segregation, concession review, or corrections.

8. What It Costs: The Honest Numbers

All figures below are the standard rates in effect for 2026.

One-time buying costs (typically 3.5%–5% of purchase price)

Item	Amount	Notes
Property transfer tax (impuesto de traspaso)	1.5%	On the higher of sale price or registered fiscal value (Law 6999)
Registry fees & documentary stamps	~0.5%–0.85%	National Registry, fiscal and agrarian stamps

Notary / legal fees	~1%–1.5%	Regulated schedule, plus 13% VAT on the fee
Escrow (optional but recommended)	~0.25% or $600–$1,200 flat	SUGEF-regulated providers

By law the transfer tax is owed in equal parts by buyer and seller, and in practice buyers and sellers often split closing costs 50/50 — but this is negotiable and should be settled in writing in the purchase agreement.

Ongoing costs after purchase

- **Annual property tax:** 0.25% of the registered value (Law 7509) — remarkably low by U.S./Canadian/European standards.
- **Luxury home tax (impuesto solidario):** applies to high-value homes; for 2026 the threshold applies where construction and fixed installations reach approximately ₡143 million. If you're buying a premium home, have your lawyer confirm whether it applies.
- **Condo HOA fees** where applicable, plus insurance, maintenance, and (if renting out) management fees and income-tax obligations.
- **Corporation annual fees** if you hold the property in a company.

There is **no extra tax or surcharge for foreign buyers.** Foreigners pay exactly the same rates as Costa Ricans.

9. Building After You Buy

If you're buying land to build (or buying a home you plan to remodel), know that construction is its own permitting world:

- **No building permit without the water letter.** This is why Section 2 comes first.
- You'll need the land-use certificate, a project designed by licensed professionals (architect and, where required, engineers), municipal building permits, and in some cases environmental approvals (SETENA) depending on the project's size and location.

- Remodeling and expansions also require permits — unpermitted work creates problems when you eventually sell or insure.

Companies like ours — local construction and project-management firms that work bilingually with foreign clients — exist precisely because this process is unfamiliar to most buyers. A local partner can translate plans and quotes, coordinate lawyers, surveyors, and permit processes, verify that what's being built matches what was designed, and manage the project when you're out of the country. If you don't use our firm, use a firm like it: the goal of this guide is that someone competent is in your corner.

10. Your Pre-Purchase Checklist

Print this. Do not sign anything until every box is checked.

- [ ] Folio real pulled and reviewed — owner confirmed, no surprise liens or easements
- [ ] Plano catastrado verified against the physical property and boundaries
- [ ] Valid, current water availability letter from AyA/ASADA — confirmed directly with the issuer
- [ ] Land-use certificate (uso de suelo) obtained from the municipality — coverage, density, and use match your plans
- [ ] Titled vs. concession status confirmed in writing; concession file reviewed if applicable
- [ ] Municipal property taxes confirmed paid
- [ ] Access road verified in person, and easements confirmed as registered
- [ ] Property visited during rainy season; drainage, flooding, and road conditions observed
- [ ] Real drive times mapped to hospital, clinic, groceries, and airport
- [ ] Condo bylaws and rental rules reviewed (if applicable)
- [ ] Your own independent, licensed lawyer retained — not the seller's
- [ ] Written fee quote from your lawyer, itemizing due diligence scope
- [ ] Purchase agreement signed with deposit in escrow, refundable on failed due diligence
- [ ] Pro-forma closing-cost estimate (3.5%–5%) received before signing

A Final Word

Costa Rica rewards buyers who verify. Every horror story you've heard about a foreigner losing money on property here traces back to skipping one of the steps in this guide — usually water, zoning, or an independent lawyer. Every satisfied foreign homeowner you'll meet did the homework first.

The good news: the homework is straightforward, the system is transparent, and you now have the checklist.

When you're ready for the next step — whether that's evaluating a specific property, planning a build, or simply getting a second pair of eyes on a deal — work with people who will tell you what's true about a property, not what's convenient. That's the standard we hold ourselves to, and it's the standard you should demand from anyone you work with here.

Welcome to Costa Rica. May your paradise be exactly what it looked like in the photos.

Sources & Further Reading

- Coldwell Banker Costa Rica — How to Buy Property in Costa Rica as a Foreigner
- The Tico Times — Buying Costa Rica Real Estate: What Foreign Buyers Need to Know
- Century 21 Ballena Properties — Due Diligence Checklist Before Buying Land in Costa Rica
- The Latin Investor — Can Foreigners Buy Property in Costa Rica? and Property Taxes, Fees and Costs in Costa Rica (2026)
- ExpatDen — Buying a House in Costa Rica: A Step-by-Step Guide
- Tropical Realty Costa Rica — Costs of Buying Real Estate in Costa Rica
- Taxes for Expats — Buying Property in Costa Rica as an American: 2026 Guide

This guide is provided for general information and does not constitute legal advice. Always consult a licensed Costa Rican attorney before purchasing property.