



# THE BUYING PROCESS

## HOW TO BUY PROPERTY IN COSTA RICA

### 1 Schedule a Call with an Agent

Most of our clients find it extremely beneficial to hop on a call with one of our agents early on in their search process to find out more about exactly what they need to purchase a home here, which areas are best for expats, and, of course, to answer any and all questions you may have.

### 2 Identify the Property

KRAIN assists its clients in this process by identifying and reviewing all of the available properties in the area, narrowing the list of available properties to those that best meet the clients needs, and advising the client on the true market value of such properties based on comparable sales data in the area. There is no unified multilisting service ("MLS") in Costa Rica, so it is of the upmost importance to use a reputable brokerage and knowledgeable agent for this process.

### 3 Submit an Offer

Once our clients have found that perfect property, the next step is to submit a written offer, in the form of a Purchase and Sale Agreement ("PSA"). The PSA includes the terms of the offer, the purchase price, the property description, the time frame and parameters of the due diligence items to be completed by the buyer's professionals, items requested to be included in the sale, the amounts to be held in escrow, which party is responsible for closing costs, and a closing date. It is common for the buyer and seller to negotiate upon the price of the offer after a PSA has been submitted.

### 4 Set Up Amounts in Escrow

After the PSA is signed by both parties, the buyer needs to deposit the agreed-upon sum in escrow. KRAIN works with several reputable escrow companies throughout the country and is happy to refer these companies upon request. To establish an escrow account, the buyer needs to submit copies of utility bills from the country of origin, a valid passport, a copy of last year's tax returns, and a copy of the executed PSA. The buyers will also need to fill out various "Know Your Client" forms.

### 5 Due Diligence



Once the PSA has been executed and the escrow deposit has been made, the Due Diligence Period begins. Within this time frame, the buyer, through his or her attorney and agents, will need to conduct all necessary or desired inspections of the property, including a home/building inspection, a survey report to verify all boundary lines are accurate, a review of the chain of title to ensure there are no liens and encumbrances against the property, and, if the home is part of a condo or homeowner's association, a review of all HOA documents, meeting minutes, and past and proposed budgets. In certain circumstances, soil tests, topographical studies, and structural assessments may be needed. KRAIN has a trusted group of field professionals to handle each of these inspections.

### 6 Closing

While both the seller and buyer—along with their respective agents and attorneys—have the right to attend the closing and often do, it is not legally necessary to attend in person so long as a proper and limited power of attorney is executed.

At the closing, the attorney will bring a recently-drafted transfer deed (or Escritura), which is necessary to transfer the Costa Rican property from the seller to the buyer. This deed must be executed in front of a Notary Public.

### 7 Register the Transfer Deed

After the closing, the attorney will engage in a two-step process to notify the government and the public that the buyer is the new owner of the property. Buyers receive notification once this is complete, and the notification typically is completed in two to three weeks.