



Mucha gente (corredores) trabajan aquí con visa de turista y no pagan impuestos.

Nicolás Viale
Century 21



OSTENTOSO. Esta residencia ubicada en Tamarindo, Santa Cruz, tiene un valor de US\$7 millones y fue construida por un inversionista estadounidense.



Guanacaste es un lugar que se está vendiendo solo. Eso es una realidad.

Tomás Fernández
RCB

Areas | Price of properties compared to the sea increased 63 times in 10 years

Real estate market rises like the tide

Brokers increase in the region

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EL FINANCIERO

Just think — ten years ago, the price of a square meter of beachfront property in Langosta (Santa Cruz) cost \$15. Today that same square meter would cost \$950.

This explains why the real estate market in Guanacaste has grown so much so quickly, and clearly shows the impact of the construction of houses in the area. It also explains the appearance of so many real estate agents. It is estimated that in Papagayo, Tamarindo and Junquillal alone there are now over 200 real estate companies, but has nearly 100 more that are operating without licenses, and outside the law.

However, this number of real estate agents might be justified if one takes into account that these agents are not only trying to sell these houses, but also rent them out to others when they are not in use. This not only generates income for the owner of the house or condominium, but also for the developer, as well as a commission for those who maintain them. "Guanacaste is being sold piecemeal, that's the reality of it" affirmed Tomás Fernández, president of the Real Estate Consulting Bureau (RCB).

A survey done by the Camera de Guanacasteca de Turismo (Caturgua) in August 2006 of visitors who left the country



TO THE CLOUDS. This area of 3,000 square meters across from Langosta, in Santa Cruz, is valued at \$950 per square meter, an example of the high values in the area.

through Liberia Airport shows that %50 of those polled that visited the area are interested in buying property and would be willing to invest between \$120,000 and \$200,000.

Rising prices

A large part of what makes Guanacaste attractive to foreign investors is that prices continue to be attractive in comparison to other tourist destinations. For example, a condominium in Guanacaste can be had for \$150,000. A comparable condominium in the Dominican Republic would cost, at a minimum, \$700,000.

While it is true that prices are rising, everything depends on the location of the lot; but that can be somewhat controlled by an investor with enough initiative and power.

It all depends on if the property is ocean-front, if it has a panoramic ocean view, if

it is in a closed community, where on the street it is located, and if there are basic services offered.

Based on this, there are some lots in Papagayo that can be had for \$8.00 per square meter, whereas in the Lomas del Mar project, in the Pinilla property, lots sell for \$100 per square meter.

Likewise, there are properties on Langosta Beach, in Tamarindo, that cost \$950 per square meter. The same happens to the prices of condominiums and cottages already built. Prices increase because, for the most part, they are luxuriously equipped for the demanding tourist with such amenities as paved streets and electricity.

Even so, condominiums of 35 square meters can be found for \$35,000 in the Las Palmas project in Playas del Coco. Meanwhile, in Concha Reserva a 700 square meter condo would cost \$1.5

million.

But in general, homes in the Tamarindo area run between \$150,000 and \$400,000. In the Meridian project, the least expensive condominiums cost \$195,000 and in the Oaks project they cost \$130,000.

However, the tourism board in the province complain that the vast majority of these projects are focused on foreign investors with high spending power, which leaves few options for the average worker in the area, who may have limited options for renting.

For this reason, companies like Grupo Mapeche, Florianópolis and The Oaks try to cover that need.

In spite of the high prices, a large majority of the houses have already sold. For example, Conchal has already sold the 100 condominiums it built last year; 70% of the lots at Lomas del Mar have been sold as well as 20% of those in the . . .

Construction in the region

(DIFF. SQUARE METERS BETWEEN 2005 AND SEPTEMBER, 2006)



* Mejores cuadrantes en el país: San José (1.239.685), Guanacaste (947.973), Alajuela (609.641), Puntarenas (609.641), Cartago (305.625) y Limón (151.625). Fuente: Cámara Costarricense de la Construcción.

TRANSLATION FACSIMILE