


# Legal Advice you Need to Know After You Purchase a Home in Costa Rica

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Buying property in Costa Rica involves a prior process called Due Diligence. This involves making a study of the status of the property in the Land Registry, checking for the existence of encumbrances and easements, analyzing the plot map, verifying that municipal taxes are paid, and getting a document certifying that the property is suitable for development or construction, just to name a few. All these points (and more) must be properly determined before it comes the time to set a date for the closing.

Closing is when the parties meet in front of a Public Notary to sign the transfer deed and pay the final price agreed. From that moment on it is the responsibility of the notary to undertake the registration of the title transfer in favor of the new buyer, something that under normal circumstances should be completed in the following 10 – 15 days. Notwithstanding the foregoing, it is important to note that once the transfer documents are registered with the Land Registry, there are other tasks that are equally important and should be taken.

The first thing a buyer, or their representative, should do is go to the local Municipality where the property is located and request a change of ownership in their records. This requires filling out a form updating the value of the property as well as providing other documents, such as a certificate of ownership, a copy of the plot map, and a copy of the new owner's identification document (cedula or passport.) Thus, the tax payment receipts and other services will show the name of the new owner.

The same procedure is required to update the owner's name on the accounts of the utilities, such as water, electricity, cable, and anyone else who provide services to the property. The new owner's information must be filed with each separate institution providing the services by completing documents that are similar to those to be provided to the local municipality. Usually, private companies tend to ask for fewer requirements and are more flexible than public institutions to record the changes. This is the usual way things are in Costa Rica.

If the new owners do not make the above mentioned changes, the result is that future bills and payment receipts will continue to be issued in the name of the previous owner. Further, if a company providing a service requires contacting the property owner for some reason, it will use the old phone number/email address or similar information recorded in their system. Not to mention that in order to obtain bank services or receive a debit or credit card, it is required to present a copy of a utility receipt in order to verify the petitioner's address.

If the property is located within a condominium, it is important to deliver a set of the documents that prove the ownership change to the Condo Management offices. This is important not only to insure that future bills/receipts will appear under the new owner's name, but also so that the

new owner will be informed of all meetings scheduled by the Homeowners Association, where each owner has the right to participate and have a vote in making decisions relevant to the condominium.

Owners should remember that it is important to keep a copy of all the documents submitted to these businesses and institutions, and the receipts. These papers should be retained for the eventuality that one of the institutions will call and say they have lost the first set of documents, something which sometimes happens in Costa Rica.

In summary, it is important for new property owners to remember that a change of ownership recorded in the Land Registry does not automatically change the records of other institutions which provide services and utilities to the property. There is more work needed to be accomplished after the purchase.

**About the Author:** Allan Garro was incorporated as a lawyer and public notary in 1996. He specializes in Litigation, Corporate and Real Estate Law. He has also acted as external legal consultant to Congress. He has been the author of more than 100 published English Language articles and can be reached at [\[email protected\]](#)