

Important New Lot Segregation Laws in Costa Rica

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ADVERTISE

All owners of real estate property with a size greater than 900 square meters (almost 10,000 square feet) who want to segregate lots, could find themselves with an unpleasant surprise as of September 13th 2020. This is because the National Institute of Housing and Urbanism or INVU made an amendment to the Regulation of Fractions and Urbanizations, with which to carry out said segregations of lots, 10% of the land would have to be donated to the local Municipality. (Yes you read that correctly)

For the above to be applied, three requirements must be met:

- A) That the property to be segregated measures more than 900 square meters
- B) The property is located in an undeveloped quadrant where the local Municipality does not have a regulator plan
- C) The property is divided into 8 or more lots.

To use an example: if the property measures 10,000 square meters, is in an undeveloped area and is going to be divided into 9 lots, then 1,000 square meters must be donated to the Municipality.

This applies even if the owner only wants to segregate the lots donate them or only to use them as collateral for a loan. The intention is that the donated area can be used for the benefit of the community with green space, playground, or meeting hall for the community. But in reality, this creates a serious problem. It is known that the Municipalities do not have the resources to take care of these areas and that squatters and homeless people take advantage invading those spaces. In the end they usually become dangerous areas.

After the set date, all the segregations in front of public street will have to go to the INVU to endorse the plans and for each plan of lots to be divided, they would have to present to the INVU and pay, while currently this process is done by the Municipality for free. Even if INVU authorizes the segregation of land, the local Municipality might reject any building permits due to water discharge conditions, property is located in a contingency zone or no

public services are available. Also, lots segregated for purposes of agricultural or forestry bigger than 900 sq. meters can now be segregated without having essential services such as electricity or water.

The College of Topographical Engineers questioned both the regulation and the operating capacity of INVU. Will they have the amount of staff (professionals in surveying) necessary to meet this high demand for services? With the possible modification of article 6, paragraph 48, thousands of documents would go to the INVU. This implies extra weeks of delays. Will inspections be carried out on all documents received? According to the regulation itself, 15 business days per plan are indicated. And once approved those plot maps also require being presented to the local Municipality for approval too.

On any property where segregations are seven lots or less, only the local Municipality needs to approve the new plots maps, and it is not necessary to donate any area. When a property is to be segregated into “agricultural parcels” more than three times, it will be required a study from an entity named Instituto Nacional de Innovación y Transferencia en Tecnología Agropecuaria or INTA.

In my personal opinion, the new regulations will bring problems instead of any solutions. We'll see

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