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Costa Rica's Maritime Zone Law 6043 and its Impact on Land Ownership by Timothy Woodruff

The coastal or Maritime Terrestrial Zone ("ZMT") refers to the state-owned, 200 meter strip of land along the shore -- measured from the "average high tide" -- administered by the local Municipality and the ICT. The Maritime Zone Law was established in 1977. It describes the ZMT as having two parts. The first 50 meters is the "public zone" and cannot be built upon or claimed. The next 150 meters is the "restricted zone." This area can be legally acquired by private citizens by applying for the rights before the Municipality through a "concession application."

Submission of this application gives you the right of occupation, called *Permiso de Uso*. This is an "interim right" of ownership, good until proper zoning and concessions come through down the road. You now have the right to occupy the land and build a temporary structure. But note that each Muni applies these rules differently. In the past many pre-concession ZMT occupants have paid a yearly "occupation tax" to the Munis in an effort to bolster their claims. But under the law, such "canones" are not due until after the concessions have been duly issued. Legally registered applicants should also renew their application with the Muni without fail every six months or risk losing their entire claim to the property (Article 33). If along the way they decide to sell, they can transfer their rights by way of a *Cesión de Derechos*. This allows the registered occupant to transfer all his or her rights to another person. The next step towards getting the concession is for the shoreline to qualify for a new zoning scheme, called the *Plan*

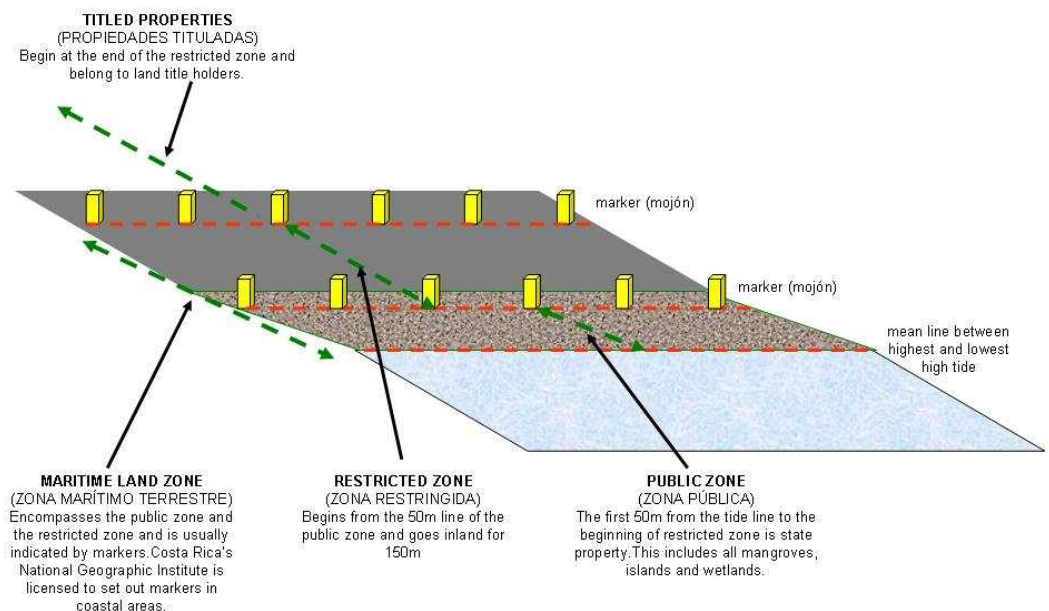
Regulador. The Plan is implemented through a costly (\$30k and up) and complex zoning proposal. This takes a couple of years to get approved. Typically neighbors collaborate on these. That's because at least until recently you needed one kilometer of beachfront to do your own (but now apparently private plans are no longer being allowed and the Munis are being told to do the Plans themselves, as they are required to by law). The process requires getting the ICT, INVU and the Municipality to sign off on the plans.

Once approved, legal occupants inside the newly zoned area can "activate" their *Solicitud de Concesión* and transform their *Permiso de Uso* into a *Concesión*. This is a more permanent and specific form of ownership that can be inscribed in the National Registry. Concessions are as close to a title as you can get for beachfront even though the land technically is still owned by the state. They are typically issued for terms of 5-20 years, and are automatically renewable, assuming applicable laws and regulations have been respected.

(continued on page 4)



Costa Rica's Maritime Zones as per Law 6043





FEATURED LISTINGS

Valle Lindo Tierras Morenas 3.4 hectares 8.3 acres



US\$ 83,000

Beautiful property, 95% of the property is usable land, very private, unbelievable price!

This very affordable property has a lot of acreage, and almost all of it is totally usable land, the terrain being mostly rolling hills.

There is lot of vegetation already on the farm, including a number of different fruit trees, but most of it is the

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classic cattle pasture, thus making it easy to build. It also lends itself perfectly for a reforestation project.

This farm has a creek running along one of its borders, providing the property with year round water supply. Road access is good and there is electricity available on the farm today.

Dominical is about a 30 minutes drive away and you can do your weekly shopping at San Isidro de El General at about a 45 minutes drive from Valle Lindo.

Finca Chirripó Montecarlo 140 hectares 345 acres



US\$ 450,000

This charming farm named after Costa Rica's highest mountain, Mount Chirripó, has rolling pastures and hills located in a cool, agreeable weather area within which you can find lush primary forest, bubbling rivers, and a marvelous waterfall.

This 140 hectare farm has abundant water sources: six springs and two rivers. Besides, it has a beautiful hidden

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waterfall and a dirt road that goes across the hills and through the forest up to the waterfall.

The farm has a quarry from where material can be obtained to provide top cover for the road. There is also a house made of concrete which needs roof and ceiling repairs. The windows and doors need to be repaired or even replaced

and there are various other touch up points.

Montecarlo is located a short drive from San Isidro de El General, the fast growing entry point to Costa Rica's southern zone, three hours drive from the capital city of San José.

This beautiful small farm in the

Valle de Dos Aguas San Juan de Dios 5.5 hectares 13.31 acres



US\$ 75,000

San Juan de Dios valley is located just ten minutes on a well-maintained gravel road off the San Isidro - Dominical highway.

There is a small but very pretty river running along two of the property boundaries and several nice swimming holes. The views of the valley and mountains are spectacular.

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Water and electricity are at the property boundary and thus easy and inexpensive to connect.

The property has several naturally flat areas which lend themselves to building sites, all of them overlooking the river.

Most of the property is currently pasture land.





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US\$ 250,000

**Coronado Heights
Punta Mala
2.5 hectares
6.2 acres**

This beautiful property has four separate spacious housesites, all with killer ocean and mountain views. It is so hot off the press that it's not even listed on our Website yet.

The property is located in the hills of Punta Mala, seven kilometers from the paved coastal highway, the Costanera Sur.

You can see Isla del Caño , the rocks of Ballena Marine Park, and a whole lot of ocean from all points.

The property even includes a tall waterfall on one corner, but you have to be a real hiker to make it all the way there.

This is an up and coming area, with a constantly improving public road that continues up

all the way to Pejibaye and San Isidro.

This one is a great investment to hold, or develop now.



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US\$ 275,000

**Dos Lados
Parrita
23 hectares
55.66 acres**

This very nice farm has two or three house sites with good views of the Pacific and many house sites with valley views and a big river that runs close to the farm.

It is located near Parrita in the first set of hills that come up from the plains that run to the ocean. The farm is called Dos Lados because it can be divided into two sides. One side is flat and is currently being used for

growing Papaya. The other side is a steep hill which provides nice ocean views and pasture which would be great place to plant some trees.

The farm has some ocean view sites at the top even though the road up is not well built and will be a challenge to rebuild. This internal road is about 800 meters to include all three ocean view sites. However, the views are not at

all limited to the ocean and there are lots of places on the farm with great views of the surrounding valley and river. There are also two nicely built Tico style houses on the flat part. It has an abundance of water from various sources on the property.

The farm has electric and cell service from the top. I believe there is wire service nearby.



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US\$ 425,000

**Cadanga
Ojochal
2.88 hectares
7.11 acres**

This gorgeous 360° view split-level building site towering above Ojochal with splendid views of the Pacific Ocean and the Mountains is ideal for a big house or a small hotel or condominium development.

It is located in an upmarket section of town with a well-graded road, bordering a nature reserve. The property is accessed from the rear and is completely private.

The current owner has prepared a split-level building site. The big site is spacious enough to accommodate a big house or a small hotel or condominium development.

The lower, smaller site could be used for a pool, guest houses or staff quarters. Due to the exposed nature of the hill, there is a spectacular surround view encompassing ocean, mountains and an adjacent

forest with lots of wildlife.

This property comes with a clear land title, a Costa Rican corporation, and municipal water from Ojochal.





Dominical · Puntarenas
Costa Rica · Central America

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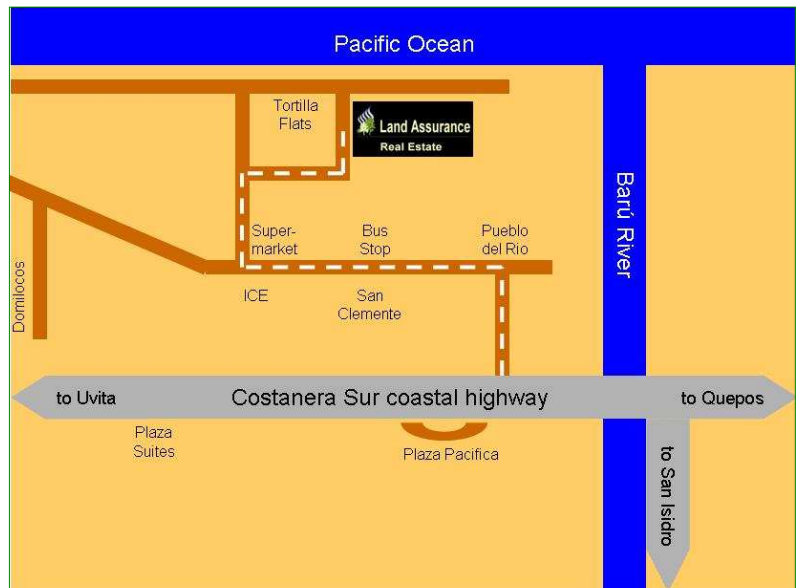
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opening hours

Monday to Friday
8:00am till 5:00pm

Saturday 8:00am till 12:00 noon

This is where you find us



The offices of Land Assurance are tucked away on a side street in the middle of Dominical. Simply follow the discrete signs leading you from the Costanera Sur coastal highway to our offices.

Costa Rica's Maritime Zone Law 6043 and its Impact on Land Ownership

by Timothy Woodruff
(continued from cover page)

Even though certain areas have seen substantial development in the ZMT, over 90% of the coast in CR still lacks approved zoning or concessions. It follows that over 90% of the development inside the ZMT country-wide is illegal. That's because any development at all is prohibited without the proper ZMT zoning under a duly approved *Plan Regulador*. In fact, the majority of occupants of the ZMT in CR today probably don't even have valid first-in-line applications for concessions on file and up to date with their respective Munis. If you are one of these folks, this means that your rights could be at risk.

That's because the ZMT law doesn't care what you may have paid for the land. Neither does the law care how

long you may have lived there, since technically no one can ever acquire any legal rights to the ZMT merely by possessing it over time. What the law does care about is very narrow and specific: who is first in line with a valid and current application for concession? First in line, first in rights. To the winner go the spoils.

We know of some nearby beaches where five or more "owners" of the same parcel are all vying to sell the same dubious "right." Pity the poor buyer who falls into their clutches while looking for a little peace and quiet on the beach. Costa Ricans or foreigners having five years of residency can register beach property in their own name.

Costa Ricans or foreigners having 5 years of residency can register beach property in their own name. Foreign citizens must register the rights to their beach parcel through a Costa Rican corporation formed by an attorney. The corporation must have at least fifty percent of its shares held by a Costa Rican resident. This sounds weird, but can be set up safely in our experience.

In sum, a word of advice from us at Land Assurance: when considering beachfront, be very, very careful. If it comes with a valid concession, then that is as safe as it gets. Just be sure it is zoned for your intended use. But without the all-important concession in hand, it's inherently risky. Then the name of the game is, *caveat emptor times ten!*

Fun Corner

You know you're living in 2006 when ...

- you accidentally enter your password on the microwave
- you haven't played solitaire with real cards in years
- you have a list of 15 phone numbers to reach your family of 3
- you e-mail the person who works at the desk next to you
- your reason for not staying in touch with friends and family is that they don't have e-mail addresses
- you pull up in your own driveway and use your mobile phone to see if anyone is home, to help you carry in the groceries
- every commercial on television has a web site at the bottom of the screen
- leaving the house without your mobile phone, which you didn't have the first 20 or 30 (or 60) years of your life, is now a cause for panic