

'No Fear' Real Estate Investing.

By Rex Freeman

Any astute or experienced ex-pat will tell you that moving to a foreign land, especially with a foreign language, and 'mañana land' culture can test the mettle of the best of us.

Once the bud from the romance of 'living in paradise' wears off, culture shock and the legal reality of 'different' business practices with an archane legal system behind it which we are not used to can be a cold slap in the face for the unwary and ill-prepared. On the other hand, for those who can adapt and manage in a 'new rules' environment, plenty of opportunity can be had. I have seen both.

Real estate investing in Costa Rica can be extremely rewarding. It can also wipe you out if you're not careful. The market and the profession of real estate brokerage is unregulated. Every taxi driver is in 'the business'. The 'professional' brokers have no industry certification or minimal educational or professional standards to which they are accountable. The legal practitioners involved have numerous opportunities to prey on the good intentioned but naïve foreigners who come into town expecting things to work like they do 'at home'. You can only hope you get a good attorney. Squatters can claim legal rights to your property. Crooks who know the Napoleonic civil code legal system here can play it like a violin and get away with almost anything, and the list goes on. That alone attracts them to the area. Thus...Caveat Emptor !

We now have a player on the Costa Rica real estate scene which can be a great 'equalizer' to level the playing field and provide a level and a standard of professionalism, transparency, uniform standards, and most of all: security for investors. This 'player' is the commercial exchange known as Bolcomer.

In Costa Rica, we have two market exchanges: The 'Bolsa de Valores' which is the national stock exchange where registered stocks and securities are bought and sold. And we have Bolcomer, the Bolsa de Comercio, (commercial exchange) where everything 'except' registered stocks and securities are bought and sold, including real estate and project financing.

Bolcomer is operated by a very strict set of internal guidelines and regulations which are approved and sanctioned by the Central Bank of Costa Rica. It deals with the public via one or more of 24 authorized trading seats some of which include large national banks, government procurement agencies and private companies. Its history starts with local agricultural products and it has evolved into an aggressive exchange getting involved in markets as diverse as viatical life insurance policy sales, hydrocarbon certificates for environmental protection, going businesses, products of all kinds and real estate.



United Trading Group, S.A. - Eduardo, Eve and 'Rex'

Entry to the real estate market for Bolcomer began with a very interesting real estate sales mechanism called 're-compras'. The re-compras system allows property owners to 'sell' their property for cash to real estate investors, to be held in trust with the right to purchase it back on agreeable terms without the strict financial requirements of the local banks. For the real estate buyer, it provides opportunities to buy prime real estate for pennies on the dollar and a guaranteed profit when the seller buys it back. All properties have full legal due diligence, title guarantee and current appraisal to secure the confidence of all parties involved.

The recompras business evolved then into a full service escrow and fiduciary service providing foreign and local real estate sellers and investors the peace of mind knowing that when all is said and done with any proposed transaction, it would be a clean deal, done with transparency and executed in the shortest possible time frame with the highest professional standards which every investor should expect and demand.

Using Bolcomer as a tool for real estate investing eliminates many of the potential hazards of an unregulated and archane market and gives the real estate investor the peace of mind knowing that the 'unknown' elements of any transaction which could pose a potential threat to the investor will be accounted for and eliminated and that the intended transaction will be complete, secure and most of all 'productive' as advertised !

Note: United Trading Group manages an authorized trading seat in Bolcomer. For more information see the web page at www.trade-exchange.biz or call (506) 288-2090