

WHAT YOU NEED TO BUILD A HOUSE IN COSTA RICA

Many Americans and other foreigners have decided to settle in Costa Rica and build their own year-round houses in this lovely country. Others just want to build a place where they can go to escape the cold winters back home. However, building a house in Costa Rica requires more than just the purchase of the land and the construction. There are a series of permits and legal procedures that need to be obtained, followed or processed in order to avoid legal trouble. Below you will find a list of these permits and procedures. These permits and procedures are considered in a general perspective and do not take into account specific requirements that might apply to individual buildings, for example, a use other than occupancy for the building or part of the building.

Environmental Viability of the Project

This permit is required from the SeTeNA (Secretaría Técnica Nacional Ambiental), for buildings considered large enough to affect the environment. In buildings dedicated to occupancy, this permit is required when the construction involves more than 500 square meters (approx. 5,380 square feet), or moving land of more than 200 cubic meters (approx. 7,060 cubic feet).

Land Use Certificate Application

For the construction of small houses or houses that have obtained the environmental viability permit, the owner must apply for a Land Use Certificate (Certificado de Uso de Suelo) at the municipal office in the region where the construction will take place. The municipality has to certify that the area where the construction will take place has occupancy status (aptitud residencial). Note that some areas will not have this status, for example, protected nature reserves or areas reserved for commerce or industry (this is similar to zoning regulations in the USA).

Drinkable Water and Sewage Availability Letter

After obtaining the Land Use Certificate, the owner must submit a drinkable water and sewage availability letter to the Costa Rican Aqueducts and Sewage Institute (Instituto Costarricense de Acueductos y Alcantarillados), for the property where the construction will take place in order to obtain these services.

Design and Presentation of the Construction Plans to the CFIA

Once the land use has been certified and the drinkable water and sewage services have been confirmed, the owner needs to hire a professional company that will be in charge of developing the construction and electrical plans for the building. They will be responsible for assuring that the plans have taken into account all possible factors and regulations to prevent any future problems and issues. The company staff will need to include at least one civil engineer and one electrical engineer, and will have the responsibility of presenting these plans to the Federal Board of Engineers and Architects of Costa Rica (Colegio Federado de Ingenieros y Arquitectos de Costa Rica, CFIA) for review and approval.

The presentation of these plans needs to be done through a digital system called Administrador de Proyectos de Construcción, APC.

The CFIA will then review and obtain approvals from the different government offices that are pertinent to the construction in question. These offices might typically include:

- Municipality where the construction will take place
- Ministry of Public Works and Transportation (Ministerio de Obras Públicas y Transportes, MOPT)
- National Habitation and Urbanism Institute (Instituto Nacional de Vivienda y Urbanismo, INVU)
- National Electricity and Power Company or the Costa Rican Electricity Institute (Compañía Nacional de Fuerza y Luz, CNFL, or Instituto Costarricense de Electricidad, ICE)

- Costa Rican Train Institute (Instituto Costarricense de Ferrocarriles or INCOFER)
- Costa Rican Aqueducts and Sewage Institute (Instituto Costarricense de Acueductos y Alcantarillados)

After the CFIA obtains approval from the relevant agencies, it will establish a value for the construction and charge a fee of 0.0265% of the construction value. The owner has five working days to pay the fee or the CFIA will cancel the project and eliminate it from the system. It is strongly advised to estimate the fee and have the funds ready to pay immediately or you will have to start the process from scratch.

Construction Permit Application

The last step before beginning construction is to apply for a construction permit to the municipality of the region where the construction will take place. Each municipality differs in the requirements it asks for before granting the permit, so you will have to ask for the specific requirements for your area. However, those undertaking a construction project in Costa Rica should take into account the following requirements in addition to the requirements of the municipality:

- Construction and electrical plans reviewed and approved by the CFIA as well as by the respective government agencies.
- Labor Risk Policy for the construction workers granted by the National Insurance Institute.
- Proof of payment of a tax of 1% of the total value of the construction.
- Certification from the Costa Rican Social Security Treasury (Caja Costarricense del Seguro Social) that you are up to date with your employer obligations, if you are an employer.

Once these and any other specific requisites have been fulfilled, the Municipality will issue the construction permit and the construction can begin.

The process of establishing the legal right to build a home might seem long and complex to foreigners or people unfamiliar with it, but we hope this article gives you a clear overview. Those who have successfully built their dream home in Costa Rica agree it has been worth it.

If you require assistance or specialized consulting, Arias & Muñoz's Real Estate and Public Law department can assist you through the whole process in order to obtain your construction permit as easily and quickly as possible. We are also available to give you legal advice in the purchase or selling of real estate in Costa Rica. Please feel free to contact us.

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