

First it was Costa Rica, Belize, and Honduras. Now foreigners looking for retirement are arriving in Nicaragua by the planeload seeking cheap real estate. For first world country residents, one factor normally outweighs all others in their decision to retire to Nicaragua: price. {loadposition user4}{loadposition user3}

With the low cost of living overall, an attractive and beautiful countryside comparable to other parts of the developing world, and relatively cheap real estate, Nicaragua is the first choice of many seeking a place to settle and call their own.

One US expatriate stated, "I was really surprised, because I owned land in Roatan, Honduras and in Belize. But here you can purchase land for much less than in other central American countries:", where at 58, as he rests in a hammock on the terrace of his new home. "The [real estate] market here reminds me of what it was like in Costa Rica 20 years ago.

He purchased land here in 1997 in La Boquita, a beachside area about 45 minutes from Managua along the west coast, for US\$18,000. {loadposition user5}{loadposition user3}

Construction of the 2,000 square foot home with a view of the ocean set him back \$50,000. "In Costa Rica it would have [cost] some \$225,000. And in California, no less than a million:" he said.

International Living is an organization that looks for real estate opportunities world wide for its membership. They found that a beach front property on Nicaragua's Pacific (western) coast can sell for as much as \$25,000 USD. Comparing that to the options Belize can cost three times more, four times that in Honduras, Costa Rica about five times as much. In the states, a piece of land similar to this could go anywhere from 10 to 50 times or more.

INVESTORS

Many investors come looking to escape the complexity of their home country, and for many, the

cold as well. Those who followed the growth of Central American real estate speculation--which initiated in Costa Rica back in the 1970s--saw it repeat in Belize again in '85 and sometime later in Honduras at the start of the '90s. Opportunities in Nicaragua, many experts say, are just beginning.

Even though the majority of foreign investors looking for retirement in Nicaragua are elderly, larger numbers of people between the ages of 40 and 50 are arriving each day. Many of these newly arrived expats are in good shape and are seeking new adventures: They purchase properties close to volcanoes and beside rivers, lakes and beaches, where they can spend their time in pursuit of their favorite sport or just enjoy the fresh and somewhat tropical air. Others come seeking sanity after the rat race of modern society of the large U.S., Canadian, and European metropolises. At the time of this writing approx. 6,000 retired persons in Nicaragua came from the U.S. and Canada. Compare that with about 50,000 in the country of Costa Rica, about 15,000 in Panama and around 5,000 or so in Belize.

"These markets take years to mature, which is when the great flow of money arrives, generally from retirees with means," says Robert Ford, who firmly believes along the Pacific Ocean and on Lake Nicaragua (one of the 10 largest in the world) exist the best opportunities. {loadposition user6}{loadposition user3}

The real estate expansion in Nicaragua "started off slowly in 1997," he says. "But activity and interest has become more intense over the past few months. "

He (Ford) seeks out investment opportunities in real estate and arranges trips for viewing through International Living. Small groups (15 people or so) travel with him to make contact with the local real estate agents, accountants, lawyers, and politicians. He says the real estate market normally sees real growth when the local governments enact policies designed to attract foreign capital. In the case of Nicaragua, real estate pricing and the real estate transactions started to increase in 1997, after the government enacted new laws and programs to entice foreign persons seeking a place to retire. A policy similar to this was highly successful in Costa Rica in the '80s.

CHANGES TO THE LAW

The law in Nicaragua offers tax breaks and investment incentives. Those who want to take advantage of this program must be 45 years or older and have monthly incomes of at least \$400 USD, plus another \$100 USD monthly for each additional individual in their household. These Retirees pay no taxes on their income (from foreign sources) and can bring up to \$10,000 worth of personal household goods, as well as a car, into the country duty free.

"The initial investors and retirees started arriving," as soon as the law went was written into the books, says Alvaro Saballos, a partner in Snider Realty, a Managuan agency dealing in real estate and founded in Costa Rica during {loadposition user7}{loadposition user3}

that country's real estate upswing. Saballos, a Nicaraguan by birth, returned to his home country in '95 when his brother-in-law, Steve Snider, suggested starting up a similar real estate venture in Nicaragua. Snider had sold a number of properties to IL investors, and began to speak to them about Nicaragua in 1996.

A BUMPY HISTORY

In the case of Nicaragua, efforts to attract foreign investors were made somewhat more difficult than it neighbors due to it's history of violence. This is no longer the case in Nicaragua but as the stigma has remained it has helped to keep prices lower and make Nicaragua a place for bargain hunters seeking a real deal on real estate and properties to invest in and build the retirement home of their dreams.

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