

A topographic map of Costa Rica, showing the country's terrain with various shades of green, yellow, and red representing different elevations. The map is overlaid with a black outline of the country's borders and a dashed line indicating a specific region or boundary. The map is set against a light blue background.

The Economic Impact of Land Administration on Costa Rica

A vision for legal security and sustainable development

Alexander Gonzalez Salas

Amsterdam, April 23rd, 2012

MAIN FOCUS

How has the system of land administration influenced the Costa Rican economy?

GEOGRAPHIC SITUATION



EXTENSION AND POPULATION

Land area: 51 100 km²

Includes the Island of Coco (22 km²) (87°W 5.5°N)

Population: 4,6 Millions, (2011)

OUTSTANDING ECONOMIC FACTS

For 2011

GDP: US\$ 40.1 billion

Exports to US\$ 10.4 billion

Inflation rate : 4.21%.

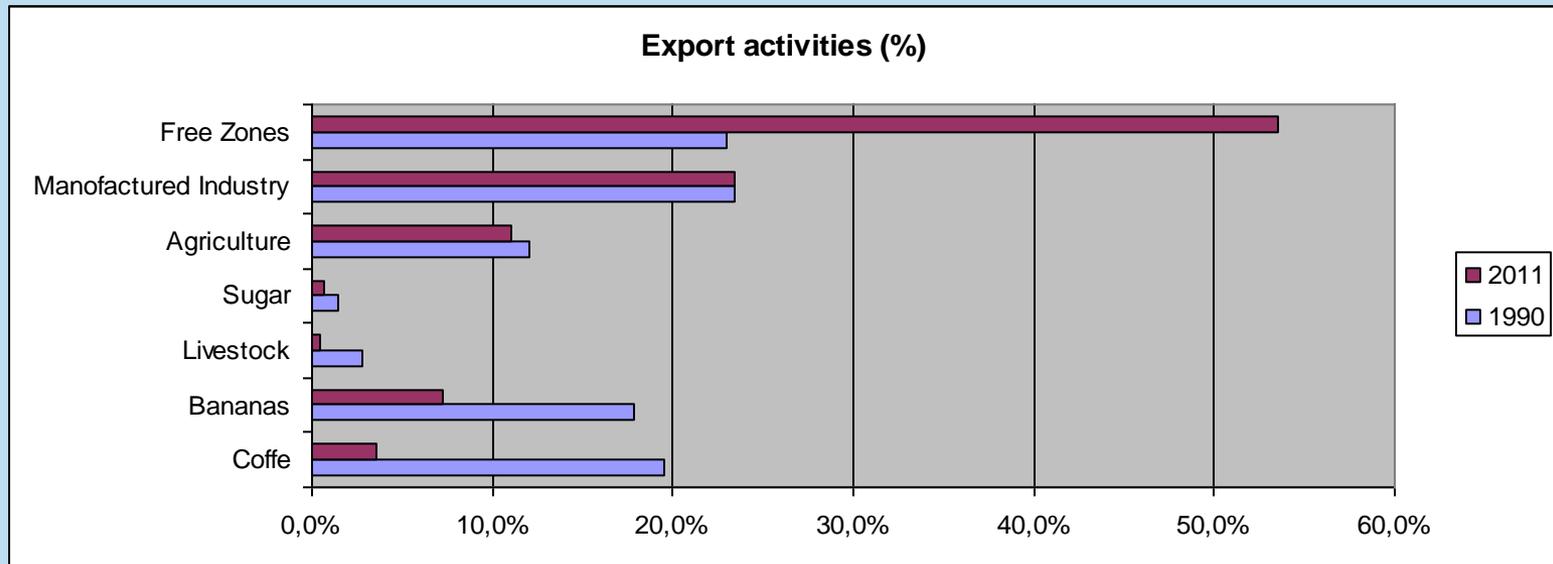
OUTSTANDING ECONOMIC FACTS

Before the independence (1821), had been based on "near-subsistence" activities with coffee as the primary product that was exported.

Between 1950 and 1980, expansion of agriculture occurred, with extensive new activities. Mainly production of bananas and livestock

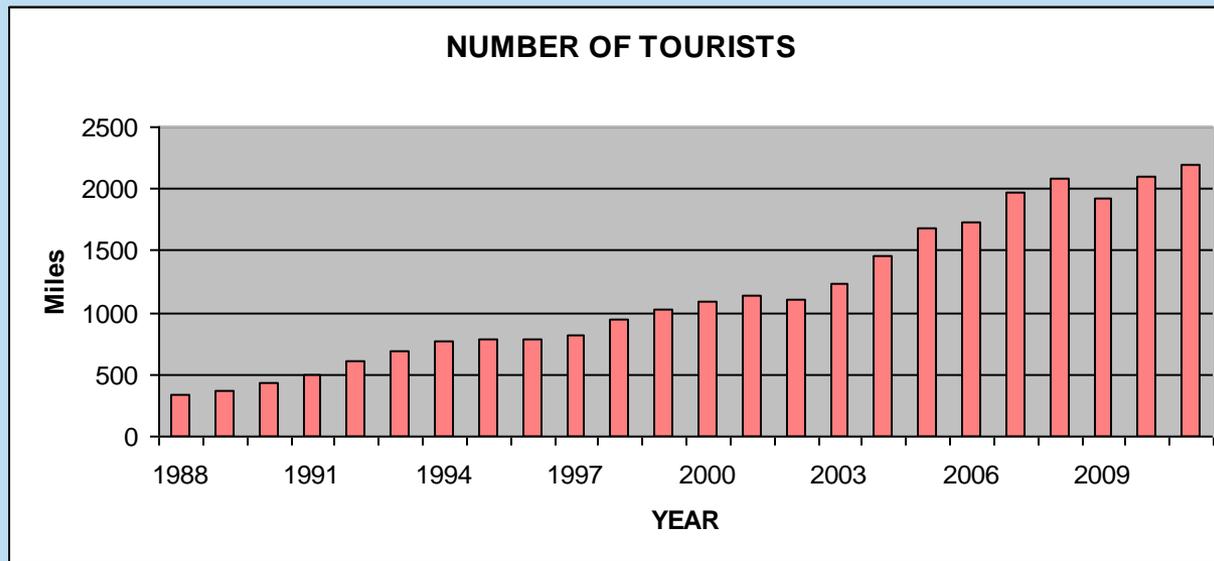
OUTSTANDING ECONOMIC FACTS

But presently, the production that takes place in tax free zones is the main export activity.



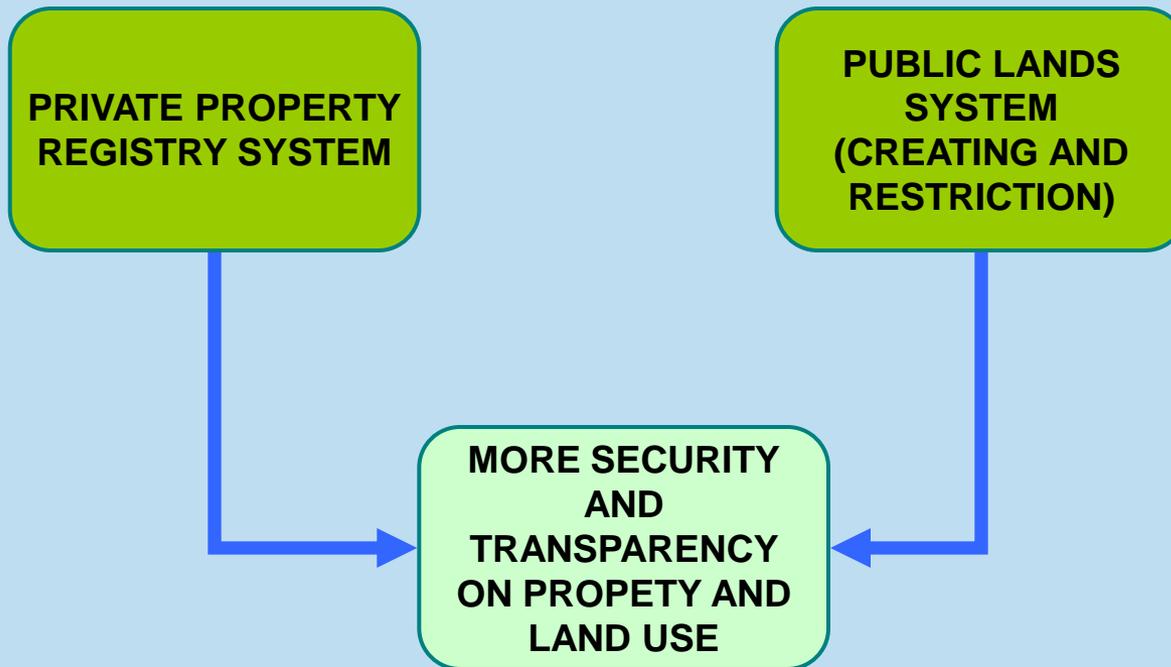
TOURISM THE OTHER ECONOMIC FACT

By 2011 the number of foreign tourists was 2.2 million in a country with a population of 4.5 million. Income from tourist trade was estimated at US\$ 2.1 billion, which represents 20% of exports.



THE SYSTEM OF LAND ADMINISTRATION

TWO BASIC COMPONENTS



1st. PUBLIC REGISTRY

Creating in 1865. In general it can be regarded as a system that:

- provides security and transparency in real estate transactions.**
- increase legal certainty and economic activity.**

PUBLIC REGISTRY

The principle of public access to the data has been a main factor in real estate transactions.

- 90% of the territory under private ownership (urban and rural) is enrolled in the registry.**
- In 2011 less than 1% of registered properties were involved in court cases related to disputes.**

REGISTRY AND MORTGAGES MARKET

Over 1.7 million properties are enrolled on the Registry, and 0.6 million mortgages (of all categories) were registered.

Considering the economic situation and the public confidence in the registry, in 2006 a new law established the legal framework for Secondary Market Mortgages, based on the Primary Market Mortgages of US\$ 1.0 Billion.

REGISTRY AND MORTGAGES MARKET

Usually the mortgage applies to:

Property purchase

House building

72% of the population live on own property.

12% of residences have a mortgage.

2nd. PUBLIC LANDS

With regard to public lands from the 1970's, a series of laws was developed. These laws had the goal of the creation, protection and consolidation of public domain lands.

Urban Planning

Forest Land

Coastal Zone

National Parks

Indigenous Territories, and..

PUBLIC LANDS

National Cadastre (1981)

Created to complement the Public Registry so that the state had a physical description of the property.

With the National Cadastre Law, mechanisms to order and control public and private lands were defined.

PUBLIC LANDS/ECOTURISM

With this legal framework, conservation and sustainability were achieved through the investment of financial resources (which came primarily from international organizations). This advantage allowed for the promotion of ecotourism.

PUBLIC LANDS/ECOTURISM

The country has established ecotourism as a main economic activity as a result of “better” management of the beaches and National Parks.

25% of territory is under some kind of protection



ANSWER

How has the system of land administration influenced the Costa Rican economy?

ANSWER

How has the system of land administration influenced the Costa Rican economy?

The combination of a real estate registration system and a legal framework governing public lands has been of great benefit to the Costa Rican economy, not just for creating tourist attractions but also in establishing a system of transparency and certainty

ANSWER

Climate that is attractive for foreign investors involved in sectors of real estate development and tourism.

Direct Foreign Investment

1970, US\$ 26.3 million.

devoted exclusively to agriculture and industry.

2008, US \$ 2.1 billion.

tourism accounted for 14%

real estate accounted for 23%.

CONCLUSIONS/IMPROVE THE SYSTEM

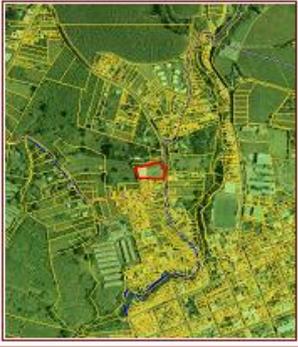
Despite their limitations, the land administration system in Costa Rica has influenced the Costa Rican economy mainly by providing security with respect to private property. To a “lesser” degree, it also provides protection for public lands and transparency with respect to the way which land can be used for other purposes.

CONCLUSIONS/BEST PRACTICES

The Costa Rican government has recognized the importance of Land administration System, and is currently developing a program aimed at regularizing the data related to private property and public lands.

This program has as its goal the unification of the Cadastre and Registration under a new Land Registry (Registro Inmobiliario) which fully manages all data and transactions related to public and private property, including restrictions.

CONCLUSIONS/BEST PRACTICES

| | | |
|--|--|---|
|  | CERTIFICADO CATASTRAL | 16/9/2010 10:55:40 |
| REPÚBLICA DE COSTA RICA VISTA GENERAL | PROVINCIA DE HEREDIA  | |
|  | INFORMACIÓN DEL PREDIO INCONSISTENCIAS: NO TIENE INCONSISTENCIAS MODIFICACIONES: NO TIENE MODIFICACIONES VER DETALLE AL CORISO | |
| UBICACION: DISTRITO: 05 - PURABA CANTÓN: 04 - SANTA BARBARA PROVINCIA: 4 - HEREDIA | NÚMERO DE IDENTIFICADOR PRECIAL 40406004619200 | CERTIFICADOR: |
| FINCA A CERTIFICAR: 046 192 PLANO CATASTRADO: 402017831994 | ÁREA PREDIO MAPA: 4006,39 m ² ÁREA SEGÚN REGISTRO: 473,97 m ² | PARA INFORMACIÓN JURÍDICA DEBERÁ SOLICITAR LA CERTIFICACIÓN RESPECTIVA |

CONCLUSIONS/BEST PRACTICES

This modernization process has recently seen its first results. With regularization comes the challenge of consolidating the new system for improved legal certainty.

THANK YOU

