

Exhibit R-062

Adam Williams,
“Real Estate on Slow Upswing,” *Tico Times*

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Real Estate on Slow Upswing

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The consensus among realtors in Costa Rica is that the national real estate market is beginning to show signs of improvement.

Small, encouraging, but don't-pop-the-corks-yet signs of improvement.

The property market is by no means back to where it was in the boom years of 2006 or 2007, but after demand plummeted during last year's recession, the nation's realtors report that buyers are beginning to express interest, or at least to seriously browse, again.



Inching Up: Builders, like these in western San José, can feel more confident that their units will sell, as the real estate market shows growing signs of life. Nick Coté | Tico Times

"It's no secret that 2009 was completely horrible for just about everyone, both buyers and sellers," said Charles Wanger of Bienes Raíces Talamanca – Caribbean Real Estate, in the Puerto Viejo area. "In 2010, my website has had huge percentage increase in online activity. People are starting to ask again, people are starting to fly down again and realistic buyers are starting to look around again."

He continued, "In 2009, I had about 35 showings. This year I've had over 100 showings. I don't know if that means the economy is coming back, but I do think people are starting to gain a better understanding of where they are financially."

Wanger's outlook on the market is shared by most local realtors interviewed by The Tico Times this week. Interest in Costa Rican homes, condominiums and property is slowly picking up. Potential buyers are sniffing

around, agents' phones are ringing, e-mails with questions about properties regularly arrive, and sales, for the first time in about 20 months, again seem possible.

"We are starting to see more interest now without a doubt," said real estate broker Les Nunez of First Realty in Playa Hermosa, in the northwestern province of Guanacaste.

“Numbers aren’t up yet, but it seems that serious buyers are again out there.”

Improvement Across the Board

This guarded optimism was echoed in a report released last week by the Costa Rican branch of the international commercial real estate firm NAI.

The firm, which monitors monthly activity in residential, commercial, construction and investment markets, found that the Costa Rican real estate market is “recuperating well” after stumbling through late 2008-2009. The report found that markets for housing, offices, retail space and land have all shown signs of improvement through the first half of 2010.

“The Costa Rican market has suffered the last two years, including an almost complete paralysis of big projects outside of the Central Valley, in the area of Guanacaste and other coastal areas,” Carlos Robles, business director of NAI Costa Rica, told The Tico Times. “At the end of last year and the beginning of this year we started to see a slow recovery that is projected to continue in the remaining months of this year. The majority of markets are starting to look more and more positive.”

The NAI report indicated that recovery in the industrial market is playing a vital role in real estate prospects. The study showed a more than 95 percent occupancy rate in warehouses and free-trade zones, that national office space is about 90 percent occupied and demand for retail property is up, as evidenced by the 60,000 square meter expansion of the Multiplaza Escazú shopping mall, the leasing of 6,000 square meters of office space at Avenida Escazú, both west of San José and the construction of the “Momentum” shopping complex on the east side of the capital.

Credit: Foreigners Need Not Apply

Robles points to another facet of the recovery: this time around, local buyers and developers have better access to financing.

Real estate has picked up in large part because national banks have reopened credit lines that were closed in 2009, he said. By unlocking credit, new developments were able to acquire necessary financing and stalled developments were completed. This also has put money in the hands of Costa Rican buyers.

But this has provided little assistance to foreign buyers. Along the coastal region in Guanacaste, the Central Pacific and the southern Caribbean, most potential buyers hail from the North America.

“Foreign buyers are not getting any sort of financing,” said David Karr, a realtor with Coldwell Banker in Jacó. “We’ve always been a cash market with foreign buyers. More than ever right now, we have a market for cash-only buyers. That is another reason the market has been so difficult. A few years ago, people were using equity lines of credit and U.S. buyers had access to bigger amounts of financing. That doesn’t exist today.”

Big Bangs and Bottom Feeders

As financing in the U.S. dried up in the recession, the number of interested buyers in coastal areas in Costa Rica diminished. Squeezed by lessened demand, sellers are forced to decide if they will drop prices to entice purchases or hold firm until the market rebounds. This game of tug-of-war is prevalent in areas popular with foreigners.

“I had some people come in a few weeks ago and ask to see the \$1 million homes,” Nunez said. “After they saw them, they offered \$500,000 to buy. That’s what we in the real estate business call ‘bottom feeding.’ Bottom feeders are people who know the market is down

and can still go out there and pay cash. They are looking to strike at the right time and get a lot of bang for their buck.”

With buyers looking to score a deal, most sellers have lowered asking prices to meet demand. Many realtors mentioned that selling prices are down considerably, though there continues to be resistance by some still looking for 2006 prices in a 2010 market.

“Prices went nuts a few years ago,” Nunez said. “We had rising demand in real estate for a four-year run until 2008. Then the market started sliding. People are still hoping to get those same values. It’s not happening. If the U.S. sneezes, we catch a cold here.”

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