

Paradise Post

News From Ojochal, Costa Ballena,
Costa Rica and Beyond

JANUARY 2016



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UPCOMING TOUR DATES

Discovery Property Tours are \$299 per person, 4 days all inclusive. We don't bill until a week before the tour.

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|----------|--------------|
| January | 27 - 30 |
| February | 2 - 5 |
| February | 5 - 8 |
| February | 17 - 20 |
| February | 27 - March 1 |
| March | 3 - 6 |
| March | 16 - 19 |
| March | 30 - April 2 |
| April | 13 - 16 |
| April | 27 - 30 |
| May | 11 - 14 |
| June | 15 - 18 |

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Updates from the OSA

Well here we are at the end of January and the weather in the north is on the cold side now. I've been busy doing shows, last weekend in Long Island, New York with www.Ideal-Living.com. Last month in Tulum, Mexico with www.Internationalliving.com, This weekend in Atlanta with another Ideal Living event, next week in Panama City, Panama as the Costa Rica bonus session for the International Living's Panama Fast Track event and the two weeks later in Fairfield, CT again with Ideal Living. I was deep in the middle of the blizzard in New York last weekend, to experience the 2nd most snow ever recorded in Long Island.

Our tours have been steady, some full, some with only a handful of visitors, due to a few last minute cancellations amid concern about the ZIKA virus. Let me assure you, the ZIKA virus is not a concern yet in Costa Rica. There have been two confirmed cases, both by travelers who'd contacted the virus outside of Costa Rica (Columbia and Honduras). To date we have had no cases confirmed as contacted in Costa Rica. The virus should be a major concern to pregnant women but to others, indications are fairly mild, causing headache, joint pains and conjunctivitis like eye symptoms.

We have lots of tours planned for the rest of the winter, in fact five tours are scheduled in February at this time. This is a great time to visit on our 4 day all inclusive tour and at \$299 per person, you can't beat

the value.

Town has seen a lot of building in the past year. A few new businesses have opened but of special note is the new Bamboo Room at the Hotel Alma de Ojochal. This new venue features great food, a great jungle bar with incredible views, and poolside live music and a vibe that has taken Ojochal by storm. There's also new construction right at the entrance to town, where La Jungla Colono is building a large hardware store. The new airport has yet to begin construction but the domestic airport in Palmar Sur has daily flights now from San Jose on both Sansa and Nature Air.

Because I've been doing so many shows, I have not been seen many of the new homes we are building but I did include one new home feature located in our Las Brisas phase that will soon be available to rent. Speaking of rentals, homes found in town on www.VRBO.com are earning great return on investment since holding costs (property tax, HOA and home owners insurance) is so low.

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Costa Ricans ranked high for good health and happiness



The official report is in. Not only are Costa Ricans among the world's healthiest people, they are also among the happiest.

When Bloomberg News Service compiled its ranking of countries with the healthiest populations, Costa Rica ranked number one in Latin America with a health grade of 74.01. It is interesting to note that Cuba, which has a reputation for its excellent healthcare system, was ranked

lower at 72.11. And, on a global scale, Costa Rica came in at number 24 out of 145 countries ranked, which is also quite impressive. For comparison, the United States was ranked 33.

In Costa Rica, good health and happiness seem to go hand in hand. According to the Happy Planet Index, Costa Rica has a score of 64.0 %, and ranks number twelve out of 151 countries that have been analyzed.

According to report from The Tico Times, Latin American countries generally fare well on happiness surveys. In fact, in March of this year Gallup reported that Latin Americans were among the "happiest" people on the planet.

Perhaps this combination of good health and a generally happy outlook accounts for the fact that the average life expectancy in Costa Rica is an impressive 79 years. For comparison, the average life expectancy in the United States is 77.9 years.

Did you know...

Names are confusing in Costa Rica. Ticas do not take their husband's last name. The woman uses her full maiden name for life. No changing of national ID cards, drivers licenses, etc. She also adds her mother's maiden name. Children take their father's name.

U.S and Costa Rica strengthen conservation partnership

In November, 2015, the governments of Costa Rica and the United States signed a new agreement to develop joint environmental protection programs over the next five years

Under the agreement, the countries will promote projects to benefit protected areas, including the exchange of experts, researchers and students from both countries. It also calls for more expeditious and severe punishment for people found guilty of trafficking endangered wildlife species. Plans include support for improving care for confiscated or rescued animals and support for Costa Rica's wildlife rescue centers.

According to Costa Rican Environmental Minister Édgar Gutiérrez, more than 26 percent of Costa Rica's land mass is protected as reserves and national parks, including two parks considered "World Heritage," Cocos Island and La Amistad National Park

According to Senior Gutiérrez "It's for this reason that the government is taking all of these actions and making agreements with other countries that will help us preserve our biggest treasure: our biodiversity."

Both governments agreed to provide all necessary resources to carry out the projects over the five-year life of the memorandum of understanding, which can be extended by mutual agreement.

Chip technology for credit/debit cards becomes mandatory on January 1st

For New Years Day 2016, Costa Rica is ringing in the new and ringing out the old—the old credit/debit card technology, that is.

Starting in January, all credit and debit cards in Costa Rica must be compliant with the smart chip and PIN technology known as EMV, which stands for Electron-MasterCard-Visa, an international initiative to prevent financial fraud at the consumer level. New credit and debit cards must include the EMV chip in addition to the traditional magnetic stripe.

The EMV chip and PIN system has been in used in Europe for years and is also being implemented in the United States.

This system requires individuals who make payments with their credit and debit cards to input their PIN numbers in lieu of a signature to finalize a purchase of goods or payment for services. The system



features a dynamic encryption mode, and the chips are much more difficult to clone than the legacy cards.

According to Costa Rican Banking Association spokesman Jose Ignacio Cordero, about 80 percent of merchants have already completed the process of installing the new card reading equipment that will allow them to process both EMV and legacy magnetic stripe transactions.

Osa Peninsula is a nursery for humpback whales

Every year, hundreds of humpback whales from as far away as Alaska and Hawaii migrate down to Marino Ballena National Park to mate and give birth to their young.

From December through April, our relatively shallow waters offer a natural sanctuary for these giant creatures, providing energy-conserving warmth and protection from large predators, such as sharks and orcas.

Their proximity gives park visitors an outstanding opportunity to view one of the world's largest animals. The whales put on a spectacular show. Their acrobatic leaps, the sound of their breathing and the height of their blows, their huge size and complex song are some of the attractions these creatures offer to whale watchers positioned just a few meters (yards) away.



Established in 1990 Marino Ballena is one of Costa Rica's newest national parks. It is located close to Manuel Antonio on the South Pacific side of Costa Rica approximately 10 kilometers from Ojochal.

Tax Tip: FATCA, FBAR & Form 8938



In 2013, Costa Rica signed the FATCA (Foreign Account Tax Compliance Act) agreement with the U.S. If you have a local bank account in Costa Rica, you are required to report the foreign earned interest on your U.S. income tax return.

With FATCA, IRS computers will receive your account information, and will reconcile it against your tax return. Identifying delinquent taxpayers will be an automated process.

In addition to reporting foreign earned interest, you may need to file informational reports if you exceed certain financial thresholds. There are two such reports: FBAR and Form 8938.

Overview of FBAR

U.S. citizens, permanent residents and legal entities with an interest or signature authority over foreign financial accounts that have an aggregate balance exceeding \$10,000 are required to file the FBAR (Foreign Bank Account Report). Foreign financial accounts include: banks accounts, brokerage accounts, mutual funds, annuities, life insurance policies with cash value, and indirect interests in foreign financial assets through an entity (if less than 50% ownership).

The \$10,000 threshold is met if the aggregate balance (combining all the accounts) exceeds \$10,000 at any point during the year. The FBAR is separate from your income tax filing, and the due date is June 30th of each year (with no extensions). Account balances need to be converted to U.S. dollars, using the exchange rate as of the last day of the year. Failure to report (non-willful) carries a penalty up to \$10,000. Willful non-compliance potentially raises the penalty up to \$100,000 or 50% of the taxpayer's foreign assets (whichever is greater).

Overview of Form 8938

The FATCA reporting requirement is part of a broader effort by the U.S. government to combat offshore tax evasion. Form 8938 is included with your income tax filing. All U.S. persons who receive proceeds from foreign financial accounts that have an aggregate balance exceeding certain thresholds are required to file this report:

The threshold for expats filing an individual tax return is \$200,000 aggregate balance on the last day of the year, or \$300,000 aggregate balance at any point during the year. The threshold for expats filing a joint tax return is \$400,000 aggregate balance on the last day of the year, or \$600,000 aggregate balance at any point during the year.

The maximum penalty for failing to file Form 8938 is \$60,000 for each foreign asset that you failed to report (even more onerous than for the FBAR).

Bottom line: It is absolutely in your best interest to get tax-compliant. When in doubt, speak to a tax pro experienced in expatriate tax matters.

DESIGNING A RENTAL COMPOUND



A few years back I joined a partnership of five and collectively we bought one of the best lots in Pacific Lots (most expensive, too). Our team realized that the highest and best use of the property would be to build a collection of rental homes on it. We've since met with land use specialists, civil engineers and site development experts to determine how best to use the 3.17 acres of ocean view ridge top, located in phase 10, right in Ojochal. I've decided it would be an interesting article for the newsletter so here's a brief look at the process. One thing to note, when doing a project of this magnitude, you need special permitting and review not typically required for single homes. This adds to the cost but ensures the project is seismically stable, environmentally sound and coordinated as a whole.

1. The first step was to buy the property and draft a partnership agreement between the partners.
2. The next step was to open a bank account so all of us could contribute to a fund to use to hire site work engineers and people involved in permitting.
3. Next we had to have soil samples completed to see what we were working with.



Continued on next page

Designing A Rental Compound, continued

4. Now we needed to decide collectively what we wanted to do with the property based on potential usage. We agreed on a collection of smaller rental homes, each with pool.
5. At this point the initial master plan was made of the site and homes.
6. Next a 3D rendering was done to get an idea what the finished project would look like. Better to make changes at this point than after site work is complete, potentially having to move roads, pipes or electrical lines.



7. Now financing options and a timeline of construction are being discussed.
8. We are now getting ready to start the site work, including driveway, sewer hookups, retaining walls and hard-scape.
9. Once the site work is done, we will begin construction on the homes, doing one at a time rather than all six at once, but keeping in mind any item that we can realize an economy of scale be completed to take advantage of that economy of scale. Putting pools in, for example, is easier to do all at once.



Meet Our New Neighbors



Tom and Laura Carswell reside in the Mountains of North Georgia. Laura owns her own business and Tom works for one of her clients, Toyota. Tom is from North Carolina and Laura is from Atlanta, Georgia.

As a 15 year anniversary present to each other, the Carswell's decided to vacation in Costa Rica and that's when Laura fell in love with the country. In 2012, Laura attended one of the International Living Conferences and decided to visit Pacific Lots. A lot was purchased in Area #11 and Tom visited in 2015 to see where their second home is going to be! Their goal is to start construction in the next two years and spend their time between Amelia Island, FL and Ojochal, Costa Rica.



DOES KERMIT THE FROG VACATION IN COSTA RICA?

A new species of frog has been discovered in Costa Rica – and people have been quick to notice an unerring likeness to a certain Muppet.

Environmentalists weren't the only ones celebrating when a new species of frog – *Hyalinobatrachium diana* – was discovered recently in Costa Rica.

Fans of *The Muppet Show* and *Sesame Street* have been quick to notice that this new species of glass frog, which was found by Costa Rican Amphibian Research Centre founder Brian Kubicki in the southern Talamanca mountains, bears a striking resemblance to Kermit the Frog.

For those more interested in science than popular culture, the discovery is a new species of glass frog. Glass frogs are only found in certain parts of Central and South America and are characterized by skin so translucent that their organs are visible.

While in Ojochal: Why not take a trip to the **Cascada Pavon Waterfall**. It is ranked as an excellent activity by Trip Advisor and has numerous positive reviews. Visit the Trip Advisor website and check it out.

FEATURED HOME

Here's another new home currently in construction in our Las Brisas phase. This two bedroom home will be 1770 square feet with two baths, great room and a smaller dipping pool.

The home is in a nice jungle setting with ocean view and will likely rent in the \$250 per night range. Presently the railings, cabinetry and fixtures are being installed.



The home should be completed by early summer and available to rent.

Rental inquiries should be sent to bhanna2222@gmail.com attention Bernie.



Fresh Red Snapper
With Roadside Service
Imagine Living Here!

