

# ▶ Nicaragua

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# RADIOGRAFÍA DE LA SITUACIÓN INMOBILIARIA EN AMERICA LATINA

Cifras en U.S. Dólares 2018

(Aplicables a datos de Construcción, Venta y Alquiler)

Notas: - Cifras de Oficinas, Comercio y Bodegas se distorsionan por la variación significativa en valores de ambos.

N/D = No Disponible

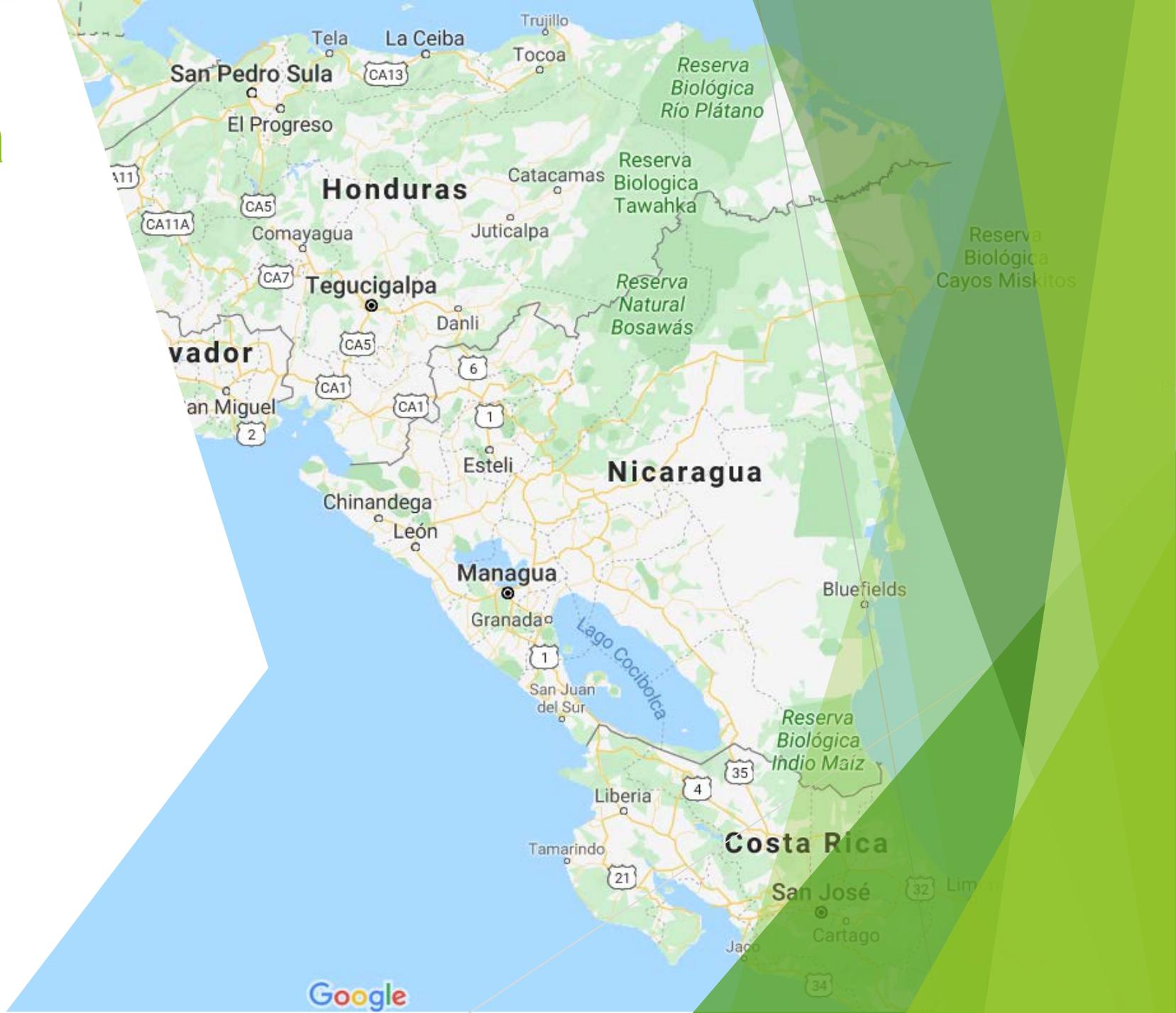


Countries	M2 Construction costs		M2 Sale Price		M2 Rentals		DEFICIT VIVIENDA	PIB POR HABITANTE	HABITANTES
	VIVIENDA HORIZONTAL Y/O VERTICAL	OFICINAS COMERCIO Y BODEGAS	VIVIENDA HORIZONTAL Y/O VERTICAL	OFICINAS COMERCIO Y BODEGAS	VIVIENDA HORIZONTAL Y/O VERTICAL	OFICINAS COMERCIO Y BODEGAS			
ARGENTINA	1,000	900	1,600	1,800	7	18	750,000	15,459	43,600,000
BRASIL	900	980	1,900	2,100	5	6	7,700,000	8,750	207,700,000
COLOMBIA	703	407	1,768	2,516	9	14	500,000	6,475	49,600,000
COSTA RICA	788	700	1,750	2,400	11	20	802,221	11,631	4,947,490
COSTA RICA Guanacaste Puntarenas	1,275	1,450	2,425	N/D	N/D	N/D	104,228	-	631,710
ECUADOR	825	650	1,400	1,100	7	8	700,000	6,098	16,864,977
EL SALVADOR	809	1,012	1,124	1,379	7	11	390,333	3,922	6,522,419
GUATEMALA	975	600	1,866	1,419	8	10	1,627,103	1,812	18,000,000
MÉXICO	622	676	1,551	2,087	10	10	7,000,000	8,903	132,000,000
NICARAGUA	650	850	1,000	1,500	10	N/D	900,000	2,200	6,200,000
PANAMÁ	1,600	1,125	2,200	1,700	10	11	200,000	13,680	4,002,360
PARAGUAY	600	400	1,950	1,350	10	14	400,000	6,245	7,050,000
PERÚ	525	500	2,250	2,250	8	18	1,800,000	6,030	32,000,000
REPÚBLICA DOMINICANA	737	588	1,712	2,500	12	14	950,000	7,052	10,075,000
URUGUAY	1,750	2,000	3,600	2,800	N/D	N/D	90,000	540	3,500,000

# Nicaragua vs Latin America

- ▶ The next slide is of importance, the data is based prior to the social unrest of 2018
- ▶ Our prices in our market prices have dropped approx 20 to 50% all depends on location and what is driving force to the sellers, buyers and renters.
- ▶ Managua - Business and industry
- ▶ San Juan Del Sur - Beach market
- ▶ Granada and Leon - cultural and historical market
- ▶ Estelli - cigar industry
- ▶ Mataglapa - agribusiness

# Map of Nicaragua



# Stats of Nicaragua

## ▶ Country Profile

	2010	2018
▶ Population, total (millions)	5.82	6.47
▶ Population growth (annual %)	1.4	1.3
▶ Surface area (sq. km) (thousands)	130.4	130.4
▶ Population density (people per sq. km of land area)	48.4	53.7

# Industry

- ▶ Rum Flor de Cana
- ▶ Cigars Estelli area
- ▶ Banana
- ▶ Coffee
- ▶ Cattle
- ▶ Minerals - gold
- ▶ FTZ
- ▶ BPO

# Snap shots

- ▶ Foreign franchises operating in Nicaragua, including McDonald's, TGI Friday's, Pizza Hut, Domino's Pizza, Papa John's, Pizza Hut, Subway, Quiznos, Napa Auto Parts, Avis, Budget Rent A Car, DHL, Best Western, Marriott Hotel, Holiday Inn,, and Carl's Jr.
- ▶ Largest mall Galeria in Managua with over 1 million sq ft of space. Galeria has over 100 plus stores, with the following brands: Adidas, Converse, Zara, Calvin Klein, Dockers, Guess, Hush Puppies, Levis, Lacoste, Vision, Pandora, Payless, Polo Club, Radio Shack, Speedo, SportsLine, Benetton
- ▶ Medical - Pella Hospital affiliated with Houston Hospital, Military Hospital received highest rating from Canada.
- ▶ Blood work is \$25 vs \$200 in US
- ▶ Stroke \$10,000 vs \$150,000 in US
- ▶ Dental cost cleaning \$25, KS 200, cavity \$20, xray \$20 compare to KS \$150

# Why retire in Nicaragua

- ▶ Government retirement incentives
- ▶ People retire in Nicaragua for less than \$1200, and most expats carry no medical insurance, they pay as they go.
- ▶ Safety and low cost of living are the main reasons people come to Nicaragua vs Costa Rica, and less commercialized
- ▶ We have many activities we can do on a daily basis, go to the Ocean Atlantic or Pacific, Islands, volcanoes, cuisine, culture, old cities of Leon and Granada, people watching, swimming in a crater lake.
- ▶ <https://expertvagabond.com/volcano-boarding/>



bbqboy.net

# Short video on Nicaragua

- ▶ <https://www.youtube.com/watch?v=p6QTNZxNUCQ>

# Documentation needed prior to closing

Prior to closing: most of these items will be handled by an attorney

- ▶ 1. Escritura (title) with all corresponding easement rights to the property
- ▶ 2. Libertad de Gravamen (certificate of no liens)
- ▶ 3. Solvencia Municipal (municipal tax solvency)
- ▶ 4. Approved Catastral Topography Survey (map)

# Documentation needed after closing

**After closing:** Closing is performed by a notary

Real Estate Transaction costs depends on the value of the property.

- ▶ 6. Annual Property Tax (verification it has been paid) - notary responsibility
- ▶ 7. Attorney and Notary Fee is estimated at one (1) percent. This is equally shared by both Buyer and Seller split ½ % by each party, or depends on terms of contract agreement. Actual fee to be provided by Attorney/Notary.
- ▶ 8. Registration and Transfer fee is paid by the Buyer. Fee can go up to seven (1-7) percent (%), depending on sales value and based on individual ownership. If owned by a company then the cost structure will be different, please check with your accountant. DGI, County and city annual tax
- ▶ Example for our home with value of \$225K we paid approx. \$5K on DGI (compare to a Federal Tax), then we paid approx. \$500 to county, and we pay an **annual property tax of \$15.00.**
- ▶ House is 3000 sq ft with 5 bedrooms and 3BA on 5 acres in the country

**Note of caution:** always ask your buyer agent or notary to provide a detailed estimated closing costs, its far from the norm. We are the only one's using a standard closing costs similar to a HUD.



# Buying a home in Nicaragua

The purchase is to be paid when the following conditions are met:

- ▶ 1) Once the Private Sales Agreement is signed and agreed by both parties, the Buyer(s) will need to start the necessary due diligence on the property, Buyer(s) will send additional funds as a deposit in the total amount of 10% of the purchase price within 5 (five) calendar days from date of last signature. Said amount will be sent to the escrow service of the Buyer(s), or legal representative. Total deposit amount will be held in escrow until closing.
- ▶ 2) Closing will be on or before 45 calendar days, assuming that all legal documents have been provided

# High Context

Central and South America,  
Caribbean

- ▶ Conduct business through relationships
- ▶ Nonverbal communication is important
- ▶ Contracts are the basis of relationships
- ▶ Time is fluid and schedules flexible

# Low Context

United States and  
Canada

- ▶ Relationships interfere with business
- ▶ Precise verbal agreements are important
- ▶ Contracts are binding and exist apart from personal relationships
- ▶ Time is a commodity

# Relationships

- ▶ Take the time and exercise the patience to develop a network
- ▶ Lines between personal and business relationships blur
- ▶ Introduction by a mutual contact comes with responsibility

# Communications

- ▶ South and Central America: Spanish
- ▶ Brazil: Portuguese
- ▶ Bahamas and Jamaica: English, idioms & words from patois or creole
- ▶ Canada: French and English
- ▶ No slang words, hand gestures
- ▶ Indirect communication avoids confrontation
- ▶ “Yes” may be said to
  - ▶ Save face
  - ▶ Confirm understanding
  - ▶ Indicate polite listening
- ▶ Ask so response can be positive

# Time

- ▶ Latin American cultures: relaxed approach to punctuality and schedules
- ▶ Intend to be punctual, but may not succeed
- ▶ Cities, large corporations, punctuality is the norm
- ▶ Simple rules: arrive on time, keep to agreed time schedules, call ahead if delayed, remain patient

# Contracts

- ▶ Where business relies on relationships, personal commitment is more binding than a contract
- ▶ “You have my word on it”
- ▶ Contract may be signed to maintain harmony
- ▶ Expect to renegotiate if problems arise

# The meaning of Good Luck

- ▶ Colombia: hold lentils, eat 12 grapes, wear yellow underwear at New Years
- ▶ Jamaica: sprinkle white rum at corners of a new house
- ▶ Canada: pick up a penny on the street
- ▶ Mexico: shop owners hang mixed herbs over door
- ▶ Panama: sight of a golden frog brings good fortune
- ▶ Brazil: greet the New Year dressed in white
- ▶ Costa Rica: a gecko in the house
- ▶ Bahamas: catch a glimpse of a *chickcharnie*

# Family Ties

- ▶ Extended family may be involved in a business decision
- ▶ Elders are the leaders, primary decision-makers
- ▶ Family before business
- ▶ Traditionally male-oriented, but women are also decision-makers