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BOOK REVIEW

Finding real estate bargains in Central America

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DURING most of the 20th century, Central America didn't just seem exotic; it also appeared downright dangerous, and certainly not a place to host a seaside card game with other retirees from the U.S.

Today, however, because of ongoing economic development, stronger (and democratic) governments, increasingly reliable Internet access and regular air service to that part of the world, authors Tom Kelly, Mitch Creekmore and Jeff Hornberger provide a compelling case for buying property there, and a country-by-country road map for the adventurous American bored with the typical Sunbelt states.

Including the countries of Panama, Costa Rica, Honduras, Nicaragua, Guatemala and Belize (formerly British Honduras), the first part of "Cashing In on a Second Home in Central America" provides brief historical contexts for the political, economic and ethnic differences among those countries before digging a little further for suggested cities and even up-and-coming neighborhoods.

Looking for a more exotic version of home? Perhaps Panama, with its world-class water system, large middle-class population and melting pot of Asian, European and Latin American cultures, is the spot for you.

But perhaps better deals are to be found in a potentially riskier Nicaragua -- yes, *that* Nicaragua -- and it's in dispelling common notions about mysterious countries that this book excels.

For example, nearly 30 years after Daniel Ortega's Sandinista revolution of 1979, we're told that the country was so enamored of its 16 years of continuous democracy and peace that during 2006, its voters -- in a 90% turnout -- reelected Ortega as their president.

Nicaragua is reportedly the safest of all Central American countries today, according to a study by INCAE, the Harvard Business School affiliate in Managua, and strongly encourages tourism and foreign investment. Moreover, with prices along its Pacific Riviera one-fifth of those in already discovered Costa Rica, a 45-minute drive to the south, local experts claim that the second-home market is now mirroring the first wave of Costa Rican real estate investments by North Americans 20 years ago.

For the realist in your household, Part 1 also reviews the specifics of establishing residency and the purchase process in each country -- escrow services, transferring and holding title, fees and taxes. In each case, the authors are serious about reminding the reader to use the book primarily as an educational guide and that no investments should be made without several trips to a favored country, a properly certified sales agent and, in some cases, the close guidance of skilled and local attorneys.

Parts 2, 3 and 4 are more generic but also useful, including "Preparing, Planning and Renting" for income property investors; "The Money Picture," suggesting creative ways to finance a second home, such as self-directed IRAs, group purchasing and reverse mortgages on primary homes; and "Helpful Sources," nearly 50 pages listing contact information for agents specializing in Central American real estate and local consulate or embassy offices.

Despite its somewhat cheerleading title, this book can't promise that anyone can simply "cash in" on Central America, but it offers an interesting and affordable start -- provided, of course, that any serious investors keep in mind "*confianza, pero verifican.*" Trust, but verify.

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