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Six tips on retiring outside the US

What you should consider before packing up the U-Haul and moving to Latin America.

By Daniel B. Wood, Staff writer / December 1, 2013 at 12:01 pm EST

1. Lay out a detailed plan.

Come up with a list of everything you're looking for – from climate to lifestyle to cost of living – and then read and research what countries might best fit your needs. Talk to people about their experiences in living in the countries you've targeted as possible retirement spots.

2. Try it on for size.

Live in the country you've identified for at least several months before making any decision about moving there permanently. Or try a dual retirement – splitting your time between the United States and the other country. "Make a list of what you would like and then find what areas fit your needs, and then rent for at least six months," advises Armand Boissy, a real estate agent in Lake Atitlán, Mexico.

3. Jettison your North American lenses.

Stop comparing your new home with your life in the US. Latin America, for instance, isn't the United States. The pace might be much slower. The roads worse. The services more chaotic. Embrace the new culture.

"It usually takes people about two years to figure out if this is for them," says Kent Davis, a young American expatriate living in Panama.

4. Beware the bad guys.

Crime is a problem in many Central and South American countries. Be cautious about where you travel and when. George Haley, an emerging-economy expert at the University of New Haven in Connecticut, says retirees should check both national and local crime rates before deciding where to settle, and research how stable a country is politically and economically.

5. Be careful about buying land or a home.

Check the ownership laws in the country, independent of what any developer might tell you. Some countries don't allow foreigners to own property. Hire a good lawyer and real estate agent who can vet properties. Jennifer Stevens of International Living magazine says to buy title insurance if possible. If it's not available and you're uncomfortable with risk, then just rent.

Mr. Davis, who founded the real estate company Panama Equity, agrees you should only buy titled property. Scam artists are plentiful. Be wary of anyone overly eager to sell you something.

"I see people who are 65 to 70 years old being swindled into buying homes that will never appreciate in their lifetimes," says Andy Browne, who moved to Costa Rica a few years ago and runs a website, boomersoffshore.com, that offers information to others looking to retire outside the US.

6. Learn the language.

In many places, it isn't essential to speak the native tongue. Bruce Newby, a lawyer from California who lives in Guadalajara, Mexico, says only 20 percent of the Americans there speak Spanish fluently. "They don't need to speak Spanish to come here," he says.

Similarly, Terry Zach, a retired media specialist from San Francisco who lives in the mountain town of Boquete, Panama, says many locals cater to American expats, so he rarely speaks Spanish.

But Joel Moskowitz, a Californian who lives on Roatán, an island off Honduras, echoes the prevailing view among many expats: "In your daily life, you can go a long time without speaking Spanish, but it's much easier if you do."

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