



OVERSEAS

Haven Report

**Loja, Ecuador:
Leave The Gringo Trail And Find
A Slice Of The Real Ecuador**



Loja, Ecuador: Leave The Gringo Trail And Find A Slice Of The Real Ecuador

By Lee Harrison

The young priest sitting next to me crossed himself, bowed his head, and began to pray. His eyes were closed tight, as beads of sweat began to appear on his forehead.

As we continued our descent, the pace at which his rosary beads went through his fingers seemed to accelerate along with our airspeed.

What a baby, I thought to myself. *Doesn't he know that we're far safer here than on the bus?* Out of respect, I tried not to smile.

But as we began our final approach into the Loja airport, I understood. In fact, I was hoping that he'd put in a good word for his fellow passengers.

Out the window, the jagged Andean peaks to the east were a vibrant green, lit up by the sun sinking in the west. You could even see the road snaking up the side of the mountains on its way to Loja, and the occasional glint of a bus window. To the west, the peaks were backlit by the sinking sun, as they began to cast their shadows over the airport and the nearby town of Catamayo.

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Live and Invest
OVERSEAS

In order to stay between the surrounding mountains, the pilot began to corkscrew his way down to the runway, descending a bit more with each circle. Experienced aviators could feel that the autopilot was off as he made his final approach, and could recognize the movements of someone who's truly flying manually, in the face of strong, unpredictable winds. At the last minute, the pilot made a tight right-hand turn, and lined up with the runway as he was crossing its threshold. Two thousand feet further on, we touched down safely.



Tucked away, high in an Andean valley



A quiet, colonial street on Sunday morning

The priest—all color now drained from his face—slumped back into his seat in relief. The passengers broke into a round of applause, apparently elated that we hadn't crashed.

We'd arrived in Loja.

A Package That's Hard To Beat

I lived in Ecuador for many years. And if I were to return as a resident today, Loja is where I'd live.

And it's not because it's the most-popular with expats...it's not. In fact, Cuenca, Cotacachi, and even tiny Vilcabamba—just 40 minutes away—are all more popular with North Americans.

Nor is it the biggest city, the most-modern, or the town with the most amenities.

But in my book, it's the perfect fit in a lot of ways.

First, the weather is ideal...at least for most of us. The average high temperature in Loja is 73°F (23°C), with a seasonal variation of only 1 degree. Nights are always cool, with an average low of 45°F (7°C). So you don't need heat, you don't

need air conditioning, and you can retire your winter clothes and your snow shovel.

Author's Note

Loja has some world-class attributes that set it apart from other retirement destinations. But in some cases I like to raise a red flag...because it also has a few characteristics that may not be for everyone. Keep an eye out for the honorable mention 🟢 and the potential weakness 🔴.

The people of Loja are friendly and welcoming, and it's easy to become a part of the community. In fact, on my first visit to Ecuador in 1999, it was the warm welcome I received in Loja—and the friends we made there—that showed me how great the Ecuadorian people can be.

Loja (pronounced LOH-ha) has virtually no expat community. So today, you will still be accepted into the local community on your own merits; rather than being stereotyped as part of the American enclave.

🟢🔴 Of course, lack of a large expat community is a deterrent to some people, while it will be a blessing for others. It depends on the lifestyle and level of cultural immersion that you're looking for.



A city of pleasant, clean parks



A warm welcome awaits you

Loja is a safe city, with less crime than you'll find in the bigger cities of Quito, Guayaquil, or Cuenca. You can walk the streets at all hours of the night downtown, without worrying about running into trouble.

The countryside surrounding Loja is dramatic and beautiful, with green mountain peaks, idyllic valleys, and rushing rivers. There are a number of attractive areas for owning a larger tract of land or a farm. The nearby towns of Malacatos and Vilcabamba are popular vacation spots, with warm climates, charming villages and a pleasant rural atmosphere.

Yet the city of Loja itself is completely walkable, and anyone who can walk a couple of blocks will not need a car for day-to-day life. When you need a taxi, you'll find them plentiful and cheap. Most rides around town are only a dollar.

And for further travel—including interprovincial travel—the public transportation is excellent. You'll enjoy a modern bus system, jet transport to other the major cities, and a fleet of inexpensive taxis to every corner of Ecuador.

Loja has a number of attractive town squares, which serve as the classic city social centers that the Spanish intended them to be. They're a great place to relax, people-watch, get a shoe shine, have a coffee, or meet friends. Have a look at this video showing a few of [Loja's town plazas](#).

Music is a big part of the *Lojano* culture, and in fact, Loja is the undisputed music capital of Ecuador. Many of the country's best musicians and composers came from Loja, and the city currently boasts two orchestras and a noted music conservatory.

I also find Loja a good place to enjoy a healthy lifestyle. Ecuador's year 'round growing season means that fresh tropical fruits and vegetables are always available in the markets at low prices. And the fresh, squeezed-at-the-moment fruit juices are so rich and wholesome that you'll never again be happy with the canned or bottled juices you find most anywhere else.



Forget Home Depot. You'll do more shopping in a mom-and-pop construct on supply

And speaking of health, you'll also see dozens of well-equipped gyms and aerobics centers all over the city, at prices that the tightest budget can afford.

The bottom line is that Loja is no backwater. It's modern, convenient, and with full-city services. Yet it retains the full cultural richness that's made it unique in Ecuador.

Loja And Its People

Ecuador is a country about the size of Nevada, with just over 15 million people; most of whom are an ethnic mixture of Spanish and Native American peoples.

Formerly a part of the northern Inca Empire, Ecuador was conquered by Spain in 1533. They gained independence in 1822 to become part of Gran Colombia; where they remained until total independence in 1830.

Ecuador's government is a representative democracy, with two houses of legislature and a president who can serve two four-year terms.

The country is divided into four major regions: the sierra (the highlands and valleys in the Andes mountains), the coast, the *Oriente* (the Amazon basin), and the Galapagos Islands, some 600 miles off shore in the Pacific.

And thanks to this geographic diversity, Ecuador enjoys environmental "megadiversity", as home to an inordinate percentage of the planet's plant and wildlife species.



Ecuador offers everything perfectly packaged

The city of Loja lies in Ecuador's Southern Sierra region. Loja is capital of Loja province, which is one of Ecuador's two southernmost provinces, bordering Peru.

Loja is home to about 185,000 people. It has a noteworthy indigenous presence, although it's not as omnipresent as in Cuenca or even Quito. The main indigenous people in this region are the Saraguro people; a group from an area north of Loja, who are one of the few indigenous groups who've managed to maintain their strong ethnic identity through the centuries.



Saraguro children pose for the camera

I find that Loja has a homogenous cultural feel, when compared with other Ecuadorian cities. According to the last census, about 4% of the population is Native American, and 3% is of pure European descent, with almost everyone else being a mixture of the two. I think this helps to mitigate the "ruling class vs. indigenous" mentality that's common to many Spanish-American settings.

Originally, the town was located near the present-day airport at La Toma, in the Catamayo Valley. But after plenty of malaria and a severe earthquake, the city was relocated to in a high, stable, Andean valley. One of Ecuador's oldest cities, Loja's present location was founded by Alonso de Mercadillo in 1548, who named it after his home town of Loja, Spain.

First With Electricity

Loja was Ecuador's first city to be electrified, in 1897, using power from an early hydroelectric dam.

Loja was founded as a fortress city, equidistant from the gold mining centers of Zaruma and Nambija. Thanks to the influx of gold, it was once as prominent as Quito and Guayaquil.

Spanish...Lots Of Spanish

The official languages of Ecuador are Spanish and Quichua; the language of the Incas, still spoken by over 10 million Native Americans in the region.

✔ The Spanish spoken in Loja is reputed to be the best in Ecuador; spoken in a clear, crisp, and deliberate fashion. In fact, it's a significant source of pride among *Lojanos*...they even have bumper stickers pointing it out. If you're going to learn the language, this is one of the best places in the world to do it.

🚩 You'll find some English spoken in hotels and restaurants, but in few other situations. When you go to pay your taxes, hook up your phone, or give instructions for your laundry, it will be in Spanish. So if you don't study Spanish before you leave for Loja, I'd commit to doing it shortly after you arrive.

Prior to leaving the US for Ecuador, I studied Spanish using recordings from *Pimsleur* and *Berlitz* while driving to work. (Today, *Rosetta Stone* is also a good option.) Believe it or not, this was enough to get by with when I arrived. Shortly after getting there however, I signed up for language lessons.

But don't look for a broad selection of Spanish schools in Loja. In fact, I couldn't find a single one, anywhere in the city.



**Don't let the sleeping "meter man" fool you...
they enforce the downtown parking laws**

What I did find however, were a number of private tutors, such as Dr. Fabiola Placencia (tel. 258-4075) who came recommended by the department of tourism. Also, most English schools (of which there are plenty) can fix you up with one-on-one Spanish lessons, at a cost of US\$5 to US\$8 per hour. One such quote I got was from the [Canadian House Center](#), at Miguel Riofrío 14-35.

Alternatively, you could study Spanish in Cuenca—a few hours to the north—before you arrive in Loja. In Cuenca, with thousands of expats, you'll find dozens of Spanish schools.

"Real estate Spanish" will come in handy if you enjoy browsing real estate ads on the internet. Follow this link to see my [Real Estate Dictionary](#), to help you get started.

Amazing Real Estate

The most exciting part of getting to know Loja is seeing the low cost of buying a home here. When touring apartments, I found a large selection for less than US\$100,000.

Ecuador And The U.S. Dollar

Ecuador has used the US dollar as its official currency since 2000, when it converted from the sucre. So, American expats in Ecuador will have no foreign currency risk while living abroad.

All transactions will take place in dollars, and US dollars (US\$) are used exclusively in this article.

When looking for real estate, I'd advise you to stick to the historic center; generally, within eight blocks or so from the town square. Once you get outside this area, you can still find nice neighborhoods...but you'll also find areas that are relatively new, yet have a desolate feel to them. Also, the walkability of the outlying suburbs is relatively low.

You'll find that the real estate market is mostly made up of houses, rather than apartments. Apartments are just coming into vogue in Loja, and so far, there is little inventory; especially when compared to cities like Cuenca.

And the apartments you'll find will most often not be in modern highrises, which are not permitted in the historic center. Some are in older buildings and will need some renovation to come up to U.S. standards.

Nonetheless, I found a pretty good selection of apartments here; so apartment shoppers should find a decent choice if they work with a few realtors...

Which brings me to the major downfall of the real estate market here: the realtors.

🚩 I did not find a single English-speaking realtor in town. And the Spanish-speaking realtors were nothing to write home about. One realtor missed our first two appointments; despite having made them a month in advance, and having followed up a day ahead of time. We then found that almost all of his listings were sold; they keep them active in order to bring in clients for the few remaining properties they have.

In the end, our best resource was walking the streets in the desirable areas, looking for sale signs, and writing down the phone numbers. The local papers were also a good source of listings. And to be fair, we also saw a few good properties with local realtors.



This artisan co-op is in the typical colonial style

If you or a friend speak Spanish, this is not a problem...you may just need to work a little harder to find what you're looking for than you would back home.

But if you speak only English, I'd suggest that you have a look at the [Huilco Real Estate website](#). While not actually in Loja, they've got a handful of Loja listings. Then I'd walk around town, and note the address of anything interesting that you see for sale. With that info, you can e-mail [Bernie](#) of Huilco Real Estate (in English), and he'll do his best to arrange a showing for you. If you tell him what you want, he may also be able to scare something up that you hadn't seen.

While these solutions can be a bit of work, it will be worth it. Let's take a look at some example properties.

Real Estate Examples

The first apartment we saw was about 10 minutes' walk from the town square. It has three bedrooms, two-and-a-half baths, and 133 square meters of living space (that's 1,430 square feet). Located on the 3rd floor on a hillside, it has panoramic western and south-western views of Loja from the living and dining rooms. The bedrooms have views as well, but not as good. The finishings are of good quality, and the asking price is US\$85,000. The monthly condo fees (called *alíquota*) are just US\$20.

In the Nueva Granada sector we saw a house, divided into two apartments (one on each floor) with separate entrances. It's located a half-block from the extensive recreation area called *Parque Jipiro* and a half-block from the main road leading north to Cuenca, for easy access to public transit. The bottom floor apartment is finished, with three bedrooms and one-and-a-half baths. The upper apartment isn't finished, but has spaces for four bedrooms (or three bedrooms and a study), with two baths and a rooftop terrace. The realtor believes that US\$10,000 would be required to finish the construction. This one is listed at US\$140,000.



This apartment in the Vista Real building has a super city view

In the attractive Vista Real building at the corner of Cuxibamba and Cañar, a 5th floor apartment is for sale by owner; an apartment with unusually high construction standards. The convenient location is close to a supermarket, hardware store, bakery, and the park surrounding the entrance to Loja city. The 152-square-meter property (1,630 square feet) has three bedrooms, two-and-a-half baths, and underground parking. The asking price is US\$130,000 and the *alíquota* is US\$50 per month. My favorite brand-new project was in the Amazonas building (*Edificio Amazonas*). It's a 13-unit project

located on Calle Bolivar, a block north of Plaza San Francisco, with 11 remaining apartments available. Upon purchase, the new owner will choose the finishings (tiles, cabinets, paint, etc.) and take possession when all is completed two months later. There is a 30% down-payment, with the remaining 70% due at delivery of the unit. Several of the units have excellent views and the building is in an awesome downtown location.

✔ My personal favorite unit here was a large, one-bedroom, two-bath, two-story loft, going for US\$73,000. It would be fun to stay in and would be a great rental. The two-bedroom, two-story lofts are going for US\$89,000. The largest unit—three-bedrooms, two-and-a-half baths, 123 square meters (1,320 square feet) costs US\$109,000. This is a great value for new construction in a historic neighborhood.

The *aliquota* will be between US\$50 and US\$60 dollars per month.

✔ The absolutely best location we saw was an apartment overlooking Plaza San Sebastian; the city's best and most-authentic colonial square. It's a two-bedroom, one-and-a-half bath unit overlooking the square from the southwest corner of *Valdivieso* and *Mercadillo*. The property has 122 square meters of living area (1,310 square feet), wood floors, and great views of San Sebastian Plaza. The place needs some fixing up, and the kitchen and baths need remodeling. Also, the entrance to the building needs to be spruced up and painted. (It's not part of the apartment, but spending US\$200 or so here would increase the value of your investment.) The initial asking price is US\$75,000. I saw this property with José Caraguay Medina, who can be reached at bienesraicescovin@hotmail.com, or via his website at www.bienesraicescovin.com.ec. (José was one of the good realtors I worked with.) The apartment is shown in this video of [San Sebastian Plaza](#).

In the same building, but not facing the square, are two smaller apartments of 90 square meters each (968 square feet). They are single-bedroom, one-and-a-half-bath units priced at US\$65,000.

Keep in mind that there are very few furnished rentals in Loja. If you buy an apartment and bring it up to a high quality standard, you'll have almost no competition when it comes time to rent it out.



Plaza San Sebastián is the most-authentic colonial square in town

Renting From US\$250 Per Month

If you'd prefer to rent rather than buy, Loja is a great place to do it. It's hard to find furnished, short-term rentals here, but there are plenty of long-term, unfurnished rental properties on the market. ("Long term" is usually a year or more.)

We found a 120-square-meter (1,290 square feet) apartment with three bedrooms, three baths that's been newly fixed up, and comes with cable TV and Internet service. The rent is US\$300 per month.



The gateway to the city always makes a good first photo in Loja

A 180-square-meter house (1,940 square feet), has four bedrooms and four baths, in a gated community, for US\$250 per month. If you'd like a *furnished rental*, I found a conveniently located three-bedroom, two-bath unit of 99 square meters (1,070 square feet), going for US\$350 per month, without utilities.

If you're on a budget, renting can be a good option without breaking the bank.

A Simple Property Purchase Process

The process for buying a property in Loja is simple and straightforward.

- There are virtually no restrictions on foreign ownership
- You need not be a resident
- Mortgage loans are generally not available, unless you have a job in Ecuador
- Ecuador uses fee-simple property titles, as in the United states
- Process can happen very quickly, if desired

After choosing a property, the first thing you should do is find a qualified attorney...one who speaks English, if you're not a Spanish-speaker. And no money should change hands until that attorney tells you the title is free and clear.

Here's an outline of the process:

- Make an offer verbally; either in person, through your agent, or through your attorney. Any counter-offers or acceptance will be given verbally.
- Once you've reached an agreement on price, most buyers will execute a sales contract to hold the property. This is called a *promesa de compraventa*, and is useful if you need time to gather the funds, or want to specify any special terms or conditions related to the sale. Normally, the *promesa* is accompanied by a 10% to 30% down payment.
- If you don't need the *promesa* to hold the property or specify terms (and you've got the money), you can go right to the signing of the *escritura de compraventa* at the notary. This process resembles what we'd call "closing."
- Once the *escritura* is signed, the property must be registered by your attorney. At this time— not before—it's completely yours.
- The registered copy of the *escritura* serves as the deed.

It's possible to "close" quickly if you have the cash. On my first house, we made our offer at 2:00 p.m., and closed around 5:00 p.m. on the same day.

A Spanish Transaction

Remember, sales contracts and all processes at the notary will be in Spanish. And under Ecuadorian law, the notary cannot allow you to sign if you're not fairly fluent.

Most non-Spanish speakers have their attorney serve as translator.

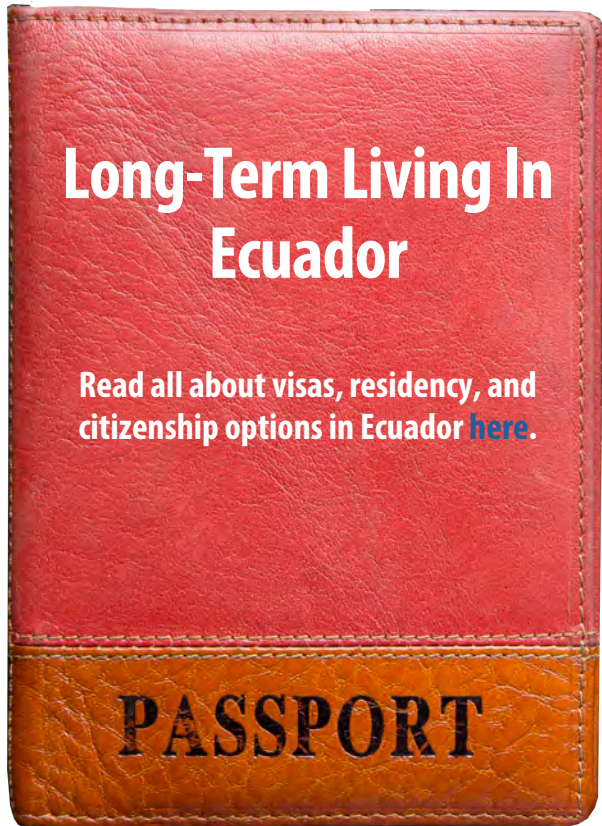
"Closing" in Loja is different however, from what you may be used to. It's a sales transaction between the buyer and seller only. The notary does not hold "escrow" or disburse funds such as real estate commissions, taxes, etc.



The main plaza hosts the cathedral, as well as municipal and provincial offices

Some attorneys however, maintain secure accounts for the purpose of holding and disbursing funds, which is very convenient if you don't yet have a local bank account.

When selling a property in Ecuador, many foreign buyers will pay the sellers outside of Ecuador. In this case, since no money is actually being sent out of Ecuador, the sellers can avoid the 5% exit tax that's imposed on any capital leaving the country above US\$1,158.



Attorney Contact

My own preferred attorney on matters of immigration and importation is the husband/wife team of Nelson Idrovo and Grace Velastegui. Here's Grace's contact info:

Dr. Grace Velastegui
Luis Cordero 6-41 y Pr. Córdova
Cuenca, Ecuador
gracevelastegui@yahoo.com



You can explore Loja's beautiful colonial churches

Importation Of Household Goods And Pets

One big advantage of residency in Ecuador is that you can import your household effects, duty-free.

There are some (reasonable) limits on clothing, in an effort to slow down the black market for American clothes. But otherwise, reasonable household contents won't be a problem.

Moving the household is also covered in more detail in the instructions for [becoming a resident of Ecuador](#).

Pets will require an International Veterinary Health Certificate, available from most any vet's office. It must show that all vaccinations are up to date, and be issued within 10 days prior to your pet's arrival in Ecuador.

The [instructions for becoming a resident of Ecuador](#) will give you more details.

But after all the paperwork hassle, don't be disappointed if no one in Ecuador asks for the animal's papers. I tried my best to have customs look at all my carefully collected paperwork for two pets, but they just waved me through. My efforts weren't wasted however, since I was able to use these same papers to bluff my way onto a national airline for which I had no animal authorization.

Cost Of Living

One of the biggest benefits of living in Loja will be how little it costs to live here.

Country-wide, Ecuador is about as inexpensive as it gets in Latin America. And within Ecuador, Loja's living costs are less than you'll find in other major cities. In fact, it's as cheap as you'll find in any city that still has the full complement of city amenities.

✔ Electricity is cheap here; you can expect to pay about US\$20 per month. Loja has the lowest electric rates of any major city in Ecuador, at 13 cents per kilowatt-hour. This is not all that cheap by U.S. standards, where rates in the Lower-48 run between 08 cents and 18 cents. The difference is that *you'll use almost no electricity in Loja*,



Rio Zamora, as it tumbles through town

with no heat and no A/C...and with gas for cooking, the clothes dryer, and hot water.

And speaking of household gas, you can expect to pay about US\$3 per month, thanks to a government subsidy.

✔ If you own a car, you'll be happy to see that gasoline is still at US\$1.48 per U.S. gallon, and that diesel is just US\$1.03.

A good number of expats use the gym regularly, and this will be another pleasant surprise. I checked out the brand-new *Energym*, on *Lourdes*, between *José Peña* and *24 de Mayo*. The three-story facility was well-equipped, with plenty of aerobic equipment, machines, and free weights. The cost was just US\$25 per month, or US\$110 for six months.

Even things you might not immediately think of could add up... but don't amount to much in Loja. For example, I had a pair of dress pants cleaned and pressed for just US\$1.65.

Ecuador's great package of senior benefits

- 50% off all public transportation
- 50% off national and international airfares
- 50% off all cultural, sports, artistic and recreational events
- 50% off electricity, water, and telephone service
- Special discount on property tax
- Relief from Ecuadorian income tax
- Discount on vehicle tax
- Discount on judicial fees
- Refund of Value Added Tax (sales tax)

And best of all, you never have to stand in line; seniors always go to the front.

A good shoeshine set me back 50 cents, and a taxi ride across town to the bus terminal was only a buck.

Dinner out is inexpensive, and a three-course lunch can still be found for one dollar at many mom-and-pop restaurants.

A Sample Loja Budget

To settle into a comfortable life in Loja, I'd plan on spending US\$1,100 per month if you're renting and US\$800 per month if you own your property. You could live for less but at these levels you'll be able to enjoy life in Loja.



To help with preliminary planning, have a look at the sample budgets below. Remember to add items that are not included (like trips home or health insurance), and to delete things that you don't care about, like maybe cable TV.

Here's one geared towards a couple who is renting:

Renting an Apartment		
Rent	\$400	New, modern, apartment of about 2000 square feet
HOA Fees	\$50	Sometimes required of renters
Property Taxes	\$0	
Car costs	\$0	An unnecessary burden in this city
Auto Insurance	\$0	
Transportation	\$50	
Gas	\$3	Used for hot water and cooking
Electricity	\$22	
Telephone	\$3	600 local minutes, if contracted separately (see package below)
Internet	\$30	4Mb, if contracted separately (see package below)
Cable TV	\$23	157 channels, if contracted separately (see package below)
Cable/Internet/Phone Package	\$56	Includes 4Mb internet, local phone, and 157 cable channels, from Claro
Household help, full time	\$0	Allow \$250 if a full-time maid is required
Food	\$250	
Entertainment	\$250	Orchestra, theater, and cultural activities are usually free in Loja
Total	\$1,081	

For US\$400 per month, you can get a house to rent on a one-year lease in most parts of town. The highest rent I saw—a house—was US\$500 per month.

The lowest—an apartment—was US\$180. You may or may not have to pay Homeowners Association fees, depending on your lease.

Now here's a list for those who own their own property:

Owning an Apartment		
Rent	\$0	New, modern, apartment of about 2000 square feet
HOA Fees	\$50	
Property Taxes	\$17	
Car costs	\$0	An unnecessary burden in this city
Auto Insurance	\$0	
Transportation	\$50	
Gas	\$3	Used for hot water and cooking
Electricity	\$22	
Telephone	\$3	600 local minutes, if contracted separately (see package below)
Internet	\$30	4Mb, if contracted separately (see package below)
Cable TV	\$23	157 channels, if contracted separately (see package below)
Cable/Internet/Phone Package	\$56	Includes 4Mb internet, local phone, and 157 cable channels, from Claro
Household help, full time	\$0	Allow \$250 if a full-time maid is required
Food	\$250	
Entertainment	\$250	Orchestra, theater, and cultural activities are usually free in Loja
Total	\$698	

For grocery items, I took a tour through Super Maxi, the most modern (and most-expensive) supermarket in town. But I then managed to erase half the items from my recorder, and had to finish in two other markets. So my list of grocery items represents a blend of average and high-end supermarkets.

For most things, you can do better by shopping in the local markets, but my figures should give you a very conservative idea of what food items will cost.



Find your best market deals in Loja's colorful central market

To see the details of what things cost in the grocery store, take a look at the [Loja Market Price List](#).

Loja is one of the best places you'll find if you want to live on a budget; yet even at these low prices, you won't have to do without life's comforts.

Is Loja Gay-Friendly?

Up until 1997, homosexuality was a prosecutable offense in Ecuador. And while the equal rights section of the constitution now prohibits discrimination based on sexual orientation, the culture remains very conservative in this area. I've personally seen no outward evidence of a gay community in Loja.

It's normal for women in Ecuador to hold hands, or to walk arm-in-arm; so a female couple will likely go unnoticed on the street. But public displays of affection between men would draw unwanted attention.

A same-sex couple who wants to blend into the community would have an easier time in one of Ecuador's larger cities. But keep in mind that "blending in" in Loja may still be easier than many conservative towns in the United States.

A Low Tax Burden

The biggest source of tax revenue is the Value Added Tax, known by its Spanish acronym IVA (pronounced *EE-vah*). The rate in Ecuador is 12%, which is the second-lowest in South

America, where IVA rates range from 10% (Paraguay) to 22% (Uruguay).

In plain English, this is a sales tax...and, as in most countries outside the US, the tax is included in the marked price, and never added on at the register.

Ecuador charges a 5% capital outflow tax when sending money out of the country. Called Impuesto a la Salida de Divisas (ISD) in Spanish, it's imposed on all outbound transfers that exceed three times the minimum wage (US \$1,158 for 2018).

The only legal way around it is to transfer amounts under US \$1,158 (the limit is two per month), or to carry cash out of the country up to the new limit of US \$1,158 (this limit was previously US\$10,400). Also, when selling a property in Ecuador, many foreign buyers will pay the sellers outside of Ecuador. In this case, since no money is actually being sent out of Ecuador, the sellers can avoid the exit tax.

There is a capital gains tax on the sale of property, but it's calculated as 0.5% on the change in *municipal* value (rather than the actual gain) and it's usually negligible.

Ecuador has a graduated income tax on Ecuadorian-source income, ranging from 10% to 35%. There's no mention in Ecuador's IRS tax regulations of income generated outside Ecuador.

Property taxes in Ecuador are among the lowest in the world, and Loja province is among the lowest of Ecuador's cities. Even on a large house, it's unusual to see an annual tax bill higher than US\$180 per year.

For The Entrepreneur

Loja—and Ecuador in general—can be a great place to run a business. The country is fairly unregulated, and there are loads of untapped opportunities.

I'd caution you however, that larger businesses can be difficult. Ecuador still has a problem with corruption, and government processes are inefficient and time-consuming.

In my experience, the smaller businesses (mom-and-pop operations with few or no local employees) tend to be much

easier to operate, since they tend to have less government or municipal interface.

✔ There were three business ideas that jumped out at me during this visit to Loja:

One is that I could not find an English-speaking realtor; and many of the Spanish-speaking realtors are slackers. The first person to tackle this will have the market to him or herself. If you go in with an Ecuadorian partner, you could probably make strong inroads into the local market as well, by setting a high standard of operation.

Also, I could not find a single Spanish language school. Loja is one of the best places in the world to learn Spanish, so the first person to open and market a small school will, again, have the market to themselves.



The bustling Plaza Santo Domingo is one of many downtown landmarks

Finally, short-term rentals are hard to find. And by that I mean quality, modern, tastefully furnished rentals outfitted to North American standards. This is a perfect solution for the part-year resident who wants to rent their property out when not in town.

There are probably dozens more good ideas. All you need is an entrepreneurial spirit and a bit of time and you'll be on your way.

Health Care In Loja

Loja offers a good healthcare system, at reasonable prices. According to the *Lojanos* I spoke to, the city's best hospital is reputed to be [Hospital Clínica San Agustín](#),

on *Azuay*; between *18 de Noviembre* and *Sucre* (phone 258-8027). Another hospital with good marks is *Clinica Abendaño*, a few blocks away at the corner of *Olmedo* and *Leopoldo Palacios* (255-0076).

✔ We talked to an administrator at *Hospital Clínica San Agustín*, and found that the rate for an overnight stay is just US\$45 per day if you're uninsured, and US\$60 if you're insured. According to the hospital, most insurance plans require the patient to pay 6% of the bill, which means the patient's portion, per day, would be US\$3.60.

To give you some idea of other costs, the out-of-pocket price at San Agustín for an appendectomy was US\$1,000 (non-laparoscopic), while a childbirth was US\$500 (caesarean sections were US\$1,100).

In case you haven't had your appendix out or given birth lately in the US, the non-laparoscopic appendectomy will run between US\$8,000 and US\$11,000...while a normal childbirth averages between US\$9,000 and US\$17,000...and a caesarean goes from US\$14,000 to US\$25,000.

We then got a **health insurance** quote from *Salud*, one of Loja's major insurance carriers, located at the corner of *Calle Quito* and *Valdivieso*. For their plans, outpatient costs, including medicine, are generally paid at 80%, while all in-hospital costs are paid at 100%. Pre-existing conditions are covered, with coverage varying and based on how long you've had the condition.

The plans started at US\$112 per month for a 60-year-old male, and went as high as US\$197 per month.

The main difference between the cheapest plan and the most expensive is the limits on pre-existing conditions, and the overall plan limits.

There will be age limits for signing up with most Ecuadorian insurance carriers; somewhere between 60 and 70 years old. The limit for *Salud* was 65.

🚧 Access for the handicapped is not up to North American standards. You'll find curb ramps at many intersections, but not everywhere in the city. And government buildings are pretty good with access, but not perfect. With other businesses, it's hit-or-miss.



Saint Francis of Assisi, just a block from the central plaza

Getting Connected

Cable TV service is fairly inexpensive. The two major providers are TVCable and Claro. TVCable offers a basic package of 62 channels for US\$27.69 per month; while Claro has a better deal offering 146 channels for only US\$18.50. DirecTV offers 108 channels for US\$33.04. Remember, the cheapest service may not be the best for you, depending on what channels are actually being offered.

Internet service is also provided by TVCable and Claro, with Claro offering better rates at this time. A 2.5 MB speed will start at US\$19.90. At the high end, an 18 MB service will cost US\$110 per month.

Both TVCable and Claro offer local telephone service, starting at US\$3.00 per month for 600 local minutes.

There are a number of cell phone providers, and the one I use is Movistar (formerly Bell South). Rates vary from 5¢ per minute to 26¢ cents per minute, depending on who you're calling and the type of plan you have. All carriers offer prepaid, no-contract accounts as well as monthly service plans. The service plans may be a bit cheaper, but their main advantage is the convenience of not having to "recharge" the phone with minutes.

Remember, once you're outside the United States, you don't pay for incoming calls to a cell phone. Keep that in mind when you're calculating how many minutes you need.

Your Exploratory Trip To Loja

When considering Loja as a retirement destination, the most fun part of your analysis will be your first visit to the area to

check it out. There is no amount of research—no matter how diligent—that can take the place of actually paying a visit. And you'll enjoy a great vacation while you're here.

When to come: The nicest month of the year is usually November; although anytime between May and December should be fairly sunny, with moderate rain. The months with the least sunshine are January through April, with February having the least sun, and most rain. But the temperature will always be comfortable, with highs in the 70s (23°C, average), and you can expect both rain and sunshine, to some extent, any time of the year.

Air Travel: You'll arrive in Ecuador at one of the international airports, in Quito or Guayaquil. The flight time is under four hours from Miami.

Loja is served by a local airport (code LOH), with daily flight service to/from Guayaquil and Quito, provided by TAME airlines. The ticket will cost between US\$37 and US\$81, depending on how far in advance you buy it. Flight time is under an hour to either city.

If my international arrival requires me to spend the night before flying on to Loja, my preference is to fly into Guayaquil rather than Quito. In Guayaquil, you'll find a selection of nice hotels within five minutes of the airport...and downtown hotels just 15 minutes away. In Quito, the new airport is currently an agonizing two-hour drive from town. And because it's new, some airlines are advising that you arrive three hours before flight time.

When our plane pulled up in front of the new Loja terminal, it was obvious that it was still under construction. The block walls were not completed, and the entire building was covered with sheets of Visqueen, flapping in the breeze.

But the baggage-handling system was absolutely the most efficient I've ever seen. The tow tractor pulled the luggage cart into an empty cinder-block bay, and 90 passengers descended on the cart from all sides. Everyone had their bags and was on their way to the parking lot within three minutes.

The airport is located in the town of Catamayo (aka La Toma), about 40 minutes west of the city. The cab ride to town will cost about US\$20.



The free-for-all baggage delivery had us out the door in three minutes

Arriving by bus: If you're traveling to or from Loja, you'll find comfortable, modern bus service (US\$7.50) running every hour or two throughout the day, on several bus lines. Have a look at this video of the sights and sounds of the [Loja bus station](#).

Public Transit: Public transportation is excellent in the entire province, with US\$.25 cent city bus lines, US\$1 taxis, and a good, interprovincial bus network.

Driving around Loja: I wouldn't recommend getting a car to use in town, since Loja is very walkable and a car would only be an annoyance. But you may want to do some exploring outside the city, and a rental car is the best way to do that.

As long as you're on a tourist visa, you can use a valid home-country license along with an International Driver's License (IDL), available from [AAA](#) or in Canada, [CAA](#). You can rent a car without an IDL—and most police won't ask for it—but having one could save you a hassle if you're stopped. Once you've obtained residency, you'll need to begin the process for getting an Ecuadorian driver's license within 30 days.

Buying a car: While you may not need a car to get around Loja, I felt it was really worth having one to explore the rest of Ecuador. You'll find that a car costs more to buy in Ecuador than in the United States or Canada...but you'll also get more when you sell it, so it's a wash. The process for buying a car involves signing a sales contract at the notary, so it's easy.

But the process for registering a car involves visits to about six offices...and it will take the uninitiated two days. (On my second car, I did it in one day.) If you buy the car from a dealer, they can do the registration for you.

Where To Stay

A good guidebook will be your best friend when it comes to selecting hotels and restaurants, but we came across a few new places that really stood out.

✔ People my age will remember **Howard Johnson's** as an economy motel, or if you're old enough, a diner found at turnpike rest stops. But in Ecuador, Howard Johnson's operates a chain of luxury hotels; including the #1-rated hotel in Loja.

About a 10-minute walk from the town square, [Howard Johnson's](#) is a new facility, located on the hillside that borders the east side of downtown. Since it's on a hillside, both the rooms and the restaurant enjoy magnificent views of the city.

An elegant downtown option is the hotel **Grand Victoria**, just a half-block from the main square. The [Grand Victoria](#) is situated in a beautifully restored colonial where no detail was missed. It also houses one of Loja's nicest restaurants.



The elegant Grand Victoria lobby

The **Zamorano Real Hotel** is also conveniently located, between the main plaza and San Sebastián plaza. It's more of a business traveler's hotel. The [Zamorano](#) is fairly new, with a great restaurant, specializing in mouthwatering Ecuadorian dishes. It's also the most economical—at US\$56 for a double—of the three I have listed here. Just make sure you get one of the rooms with an outside window and a view, rather than an interior room

Where To Eat

✔ Since 2002, my favorite restaurant in Loja has been Mar y Cuba, which is now known as **Riscomar**...certainly a

play on the word *marisco*, which means ‘shellfish’ in Spanish. Located at *Rocafuerte* 09-00 near *24 de Mayo*, you can’t beat it for shellfish and seafood. When I first enjoyed *Riscomar*, it was a little-known insider’s find...a fairly simple cafe with good food, and a waiter known for short-changing the customers.

Today, [Riscomar](#) has nice tables with table cloths; it’s tastefully decorated, and plays soft jazz in the background. At times, a live singer will perform. They’ve got the same waiter, but he now has “Elvis” hair and gives the correct change. Their mouthwatering shrimp dinners are all under US\$8, and there are lots of good seafood platters for US\$6.

Otherwise, most of the high-end restaurants are in the nice hotels, such as the Zamorano, Howard Johnson’s, and Gran Victoria. Also, the restaurant at [Hotel Libertador](#) is worth a visit for an evening out.

If you’re in the mood for sushi, check out the **Akemi Sushi Bar** on *Calle Paris*, near *Zoilo Rodriguez*...just a few blocks from the Howard Johnson’s hotel.

And While You’re In The Area...

✔ Try an evening at Loja’s excellent symphony orchestra, which performs in the beautifully restored *Teatro Bolívar*. Admission is free. Also, *Casa de Cultura* often features special cultural events, as well as hosting classes in pottery, painting, and dance.

Another cultural mainstay in Loja is *Alianza Francesa*, which offers French cooking classes, films, and dance classes. You can also use their library or take French lessons here.

✔ You can’t miss the 40-minute trip to **Vilcabamba**, in Ecuador’s famed *Valley of Longevity*...a valley reputed to have the world’s largest percentage of people over 100 years of age. I can’t validate this claim scientifically, but I can tell you as a former Vilcabamba homeowner that you won’t find more dramatic, natural beauty anywhere in the world...or a more healthy environment.

The village of Vilcabamba is ringed with tall Andean peaks, enjoys magnificent weather, and is fed by pure streams tumbling down the mountain from the nearby cloud forest. Residents benefit from organic food, pure air and water, and lots of exercise. It’s no wonder they live long.



Ecuador’s Valley of Longevity

Plan on spending a weekend or more in Vilcabamba, hiking, horseback riding, exploring the village, or relaxing in one of its quaint cafes. Shuttle service runs hourly between Loja and Vilcabamba, departing from the bus station.

Podocarpus National Park is a huge nature preserve of about 565 square miles (1,463 square kilometers), which includes four diverse ecosystems, along with more than 100 lagoons, numerous waterfalls, and an unbelievable array of the world’s flora and fauna.

There are self-guided hikes that run between 15 minutes and three hours, as well as long trails for those who are backpacking, horseback riding, or camping. There are three park entrances near Loja.

Another worthy day trip includes the museum and basilica **El Cisne**; a giant basilica constructed in honor of the Virgin Mary’s appearance (and other miracles) dating from the mid-1500s.



El Cisne draws pilgrims from around the world

Each August, there's a massive pilgrimage to celebrate the *Virgen del Cisne*. People walk from all over Ecuador (and beyond) to the basilica, which is located 45 miles northwest of Loja by road. You can visit the basilica any time of the year; but starting August 20, Loja comes alive with festivities to celebrate the pilgrimage and the virgin.

Exploring the surrounding area will be one of the most attractive benefits of living in Loja. Aside from the city, the province of Loja is a natural wonderland, which will appeal to outdoor enthusiasts, history buffs, and people who really want to know Ecuador's most friendly and welcoming culture.



A world of wonders awaits you


Is Loja For You?

Loja is definitely off the well-worn gringo trail. So if you want to live among hundreds or thousands of other expats—or you plan to speak only English—then Loja will not be a good choice.

Also, remember that Ecuador is a developing country. So while Loja is more developed than average for Ecuador, you'll still find instances of sidewalks in poor repair, substandard building maintenance, and other third-world characteristics.

Expats who settle in Loja will become a part of the local community, which is why many find it attractive.

In Loja, you'll experience life in the *real* Ecuador. You can enjoy a night at the symphony, or appreciate the art and culture that have made Loja unique in the country. Also, here in the southern Andes, you'll be part of a dramatic and beautiful province.

So if you're ready to leave the beaten path for a fascinating lifestyle among warm and welcoming people, then Loja could well be for you. 

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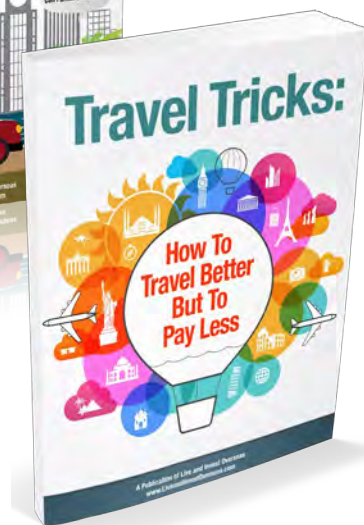


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