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Cali, The Salsa Capital And City Of Eternal Summer In Colombia

By Jeff Paschke

Santiago de Cali, also known as Cali, is considered the salsa capital of Colombia and the "city of eternal summer." I have traveled to Cali several times and, considering the low cost of living and many things to do nearby, I don't understand why more foreigners haven't discovered this attractive city.

At an elevation of 3,340 feet (1,018 meters), Cali is located in a valley with mountains to the west, the Cauca River to the east and plains to the north and south.

In some ways, this city is like Medellín 10-plus years ago—before all the positive press brought many foreigners there. Cali has a warmer, summerlike climate that doesn't change much during the year... but real estate can be up to 50% cheaper when compared to Medellín, and even cheaper when compared to Bogotá or Cartagena.

While in Cali recently, I met a couple of expats living in the city. One said he had lived in Medellín for a few years until he discovered Cali, which he says he likes better, as he prefers a warmer climate with more sun, along with the lower cost of living, less traffic, and less pollution.



What Sets Cali Apart



El Gato del Río sculpture by artist Hernando Tejadaa bronze cat at a small park next to the Cali River (Copyright Jeff Paschke)

The real estate market in Cali is active and undervalued... There's a well-organized real estate industry in Cali, with a fairly generous inventory of quality properties. Construction standards are high—even in older buildings—yet prices are lower than you'll find in many other cities in Colombia... an amazing value when compared to Cali's quality of life and amenities.

It's near the Pacific Coast and the coffee region... Cali is only about two hours by road from the Pacific Coast and only about three hours by road from Colombia's coffee region, meaning you can go whale watching or explore the "Eje Cafetero" on the weekends. Some expats living in Cali tell me the city frequently clears out on the weekends, as there is so much to do within easy driving distance.

It's a first-world environment... Cali boasts drinkable water along with dependable phone service, electricity, and high-speed internet. You'll find many shopping options, from mom-and-pop stores to upscale boutiques... as well as several large, modern shopping malls, including the Chipichape and Unicentro malls. The banks and financial services in the city are the same as you will find in Bogotá and Medellín, and they are solid and dependable.



(Copyright Hilcias Salazar)

It's the salsa capital of Colombia... and is considered by many to have the best nightlife in Colombia. There are countless bars and clubs in Cali, many salsa-based, but also with other themes like rock and reggaeton. If you like dancing, brush up on a few steps before you arrive or take some classes once you get here. In Cali, knowing how to dance may even be more important than knowing Spanish.

It's an enjoyable place to be... From the hole-in-thewall shop selling homemade empanadas to elegant restaurants with fine cuisine, your dining experience will be varied in Cali with a tremendous number of options in the city. And what's more, the sizzling nightlife in Cali draws visitors from the entire country.

It's away from the typical gringo trail... Cali is not a typical tourist destination in Colombia (yet), and the city hasn't gotten much press, so not many foreigners have discovered or visited (again... yet). This is currently changing, with foreign tourism in Cali growing at double-digit rates.

Cali is Colombia's Pacific gateway... With its proximity to the Pacific port of Buenaventura, Cali has attracted a major multinational presence, with over 150 multinational companies including Abbott, Bristol-Myers Squibb, Colgate-Palmolive, Johnson & Johnson, Nestlé, Unilever, and many more.



Cali's History

Cali is one of the oldest cities in the Americas, Before the Spaniards founded the city in 1536, the area was inhabited by various indigenous tribes. The city's founder, Sebastián de Belalcázar came to the South American continent on the third voyage of Columbus in 1498, serving in the Darién region and Nicaragua. In 1532, he joined forces with Francisco Pizarro in the conquest of Peru, but separated from Pizarro in 1534 to found the city of Quito, Ecuador. Later he entered what is now Colombia while looking for "El Dorado" gold and founded the cities of Pasto and Popayán.

In July 1536, Belalcázar founded Santiago de Cali, which was first established a few kilometers from the current location and later moved. During the colonial period, Cali was part of the Popayán government. Until the 18th century, most of the territory of what is now Cali was occupied by cattle farms and plantations. Cali was strategically positioned for trade, centrally located in relation to the mining regions of Antioquia, Chocó, and Popayán.

In July 1810, Cali refused to recognize the Council of Regency of Spain and organized its own junta (this took place right before a national uprising in Bogotá). In March 1811 in the battle of Bajo Palacé, the first in Colombia's Independence, the royalist Spanish army was defeated by the revolutionary army. In the following years, there were many battles between royalists and the revolutionary

army, with Cali supplying troops for the efforts. In 1816, a large army restored royalist Spanish rule under the command of Pablo Morillo, the bulk of which was defeated in 1819 by forces under Simón Bolívar. Cali was considered an important military outpost during all this.

Modern Cali

In the 19th century, Cali, the capital of the Valley of the Cauca river department, was a quiet community with no more than 20,000 inhabitants. The city was surrounded by farmland that was transferred to the working class from the Spanish Crown. Since that time, Cali has grown rapidly with its strategic position for trade being near Colombia's Pacific Coast. Many Colombian exports now travel through Cali on their way to the port of Buenaventura.

Say Sí To Español

The official language of Colombia (and Cali) is Spanish, used for all government transactions, as well as in most business situations. For a beginner, comprehension is easy when compared to places like Cuba or Uruguay... but not as easy as Ecuador, Costa Rica, or Mexico.

English is not widely spoken in Cali outside the service and tourist industries. However, Cali has many multinational businesses in the city, so you'll sometimes find English speakers in hotels and restaurants. Even some of the taxi drivers and shopkeepers in Cali speak some English. Out of the cities in Colombia, only in Bogotá and Cartagena are you likely to find more English speakers than in Cali.

If you plan to be more than a tourist and you don't know any Spanish before coming, I suggest you take a class after you arrive. It won't be easy to sustain your day-to-day life over the long term with no Spanish at all. I do have friends in Colombia who speak little to no Spanish... but it's always harder for them to get things done.

Cali has at least a couple Spanish language schools, see Rolodex for more details.



Summer All Year Long

Cali is known to have an eternal summer climate, with temperatures averaging 75°F (23.9°C) year round with little variation. The daily average high ranges from 84°F to 86.4°F (28.9°C to 30.2°C), but the high does get above 90°F at times. The record high in Cali is 97.9°F (36.6°C). The daily average low temperature ranges from 65.1°F to 63.3°F (16.5°C to 17.4°C).

(Copyright Jeff Paschke)

Average annual humidity is 74%, and you'll only see about 35 inches of rain per year, with only two months with over 100 mm of rain on average (October and November).

In general, the climate here is cooler than in Cartagena and warmer than in Medellín or Bogotá.

Most expats have air conditioning, but I met a couple that don't have air conditioning, as they said their properties get a nice Pacific breeze and fans are sufficient.

A Quick Area Overview

Colombia lies where the Andes converge with the Pacific and the Caribbean, providing a dramatically beautiful country with two coasts and lots of geographic and cultural diversity along with strong regional identities. Colombia is considered the second most biodiverse country in the world after Brazil. Its population is about 50 million, and it has the third largest economy in South America, after Brazil and Argentina.

Cali is located in the western part of Colombia, only a couple hours from the Pacific coast of Colombia. The Cali metro area is home to a population of over 3.4 million, making it the third largest city in Colombia after Bogotá and Medellín.

The city is divided into 22 *comunas*, in turn are subdivided into 249 official small neighborhoods (barrios).

Safety Concerns

Crime in Cali is a mixed bag depending on where you are, similar to other cities in Colombia and in Latin America. Most of the western neighborhoods are considered some of the safest areas, with virtually no homicides and little crime. Some of the northern neighborhoods are also considered safe, including Santa Mónica, Granada, Centenario, and Juanambú. The far south neighborhoods of Ciudad Jardín and Pance are generally considered safe, too.

Like any big city, Cali has some neighborhoods were crime is prevalent. It remains on the list of the world's most dangerous cities with a homicide rate of 52 per 100,000 residents in 2018, but keep in mind that many of these homicides were gang- or drug-related and generally don't happen in the safer neighborhoods I mentioned above. If you stay out of the bad neighborhoods, you will likely avoid 95% of the problems that give the city a bad reputation.

Clean, safe residential areas in Cali include El Peñón, Santa Teresita, Santa Rita, Arboledas, Bellavista to the west, and Santa Mónica and Granada to the north.

LGBT-Friendly?

Same-sex couples are still a bit unusual in Cali, but not as uncommon as they were just a few years ago. Couples who are walking about town or dining out don't seem to raise eyebrows in Cali, although public displays of affection between men will likely draw unwanted attention. Colombian culture remains conservative, especially from a religious point of view. But it's not

unusual for Colombian women in Cali or other cities in Colombia to hold hands or walk arm-in-arm, so this would be unremarkable.

Colombia is an advanced country based on legislation on LGBT rights. Same-sex couples in Colombia can marry and have the same rights as heterosexual couples.

In Cali, there are a number of gay nightclubs including Betty Blu, Celeste, Contravá, and Maraka.

Handicapped Accessible?

Many businesses and government buildings in Cali have installed ramps and lifts at their entrances, and curb ramps at intersections in the city are increasingly common. Disabled people can plan an exploratory trip and likely have a good time. Once here, you can see if you think Cali will meet your personal needs long term.

What About Kids?

As Cali is the third-largest city in Colombia, you'll find many bilingual schooling options. There are reportedly over 20 bilingual schools in Cali including Colegio Alemán de Cali, Colegio Bennett, Colegio Berchmans, Colegio Bolívar Cali, Colegio Colombo Británico Cali, Colegio Jefferson Cali and Liceo Francés Paul Valery (see Rolodex for contact details).

However, the best school here is often not the one that teaches in English... A quality private school in Cali—even without much English—may result in a better education, given how quickly kids learn the language. Also, students in English schools are often kids of multinational corporation executives or NGO staff... which may not be the cultural experience you had in mind for them when coming to Cali.

The Best Areas Of Cali

Let's take a look around the city at some of the best areas for living, investing, and retiring...

Western Cali (Occidente)

Most tourists and expats agree that Western Cali (blue in the map) is one of the most attractive areas of the city and one of the best parts of the city to live in.



Normandía and the first part of Aguacatal, both of which lie north of the river near the mountain with the Three Crosses, are considered attractive residential barrios.



Parque El Peñón in Cali with apartments in background (Copyright Jeff Paschke)

Southwest of the Cali River, starting at the Hotel Intercontinental, begins the barrio of El Peñón where many foreigners hang out (along with the historical barrios of San Antonio and San Cayetano). This is due to several small parks, many great restaurants, a few bars... plus, it's a central, walkable location.

Further west along the river begin the old-money neighborhoods of Santa Teresita and Santa Rita that stretch all the way along the river until the Cali Zoo. And further up the mountain lies Arboledas, a fancy residential neighborhood. And even further up the mountain is Bellavista, with great views of the city.

These are all considered good places to live, offering close proximity to many of the best parts of Cali and are generally considered safe. The cooling Pacific breeze that the flows down the mountains in the afternoons is another benefit to this area.

The Estrato System

Colombia classifies properties by assigning a "social stratum" to each neighborhood. You'll frequently see this on property listings using the term estrato. estrato 1 is the poorest of neighborhoods, while estrato 6 is the most upscale. This can be a terrific aid to buyers who may not know the area.

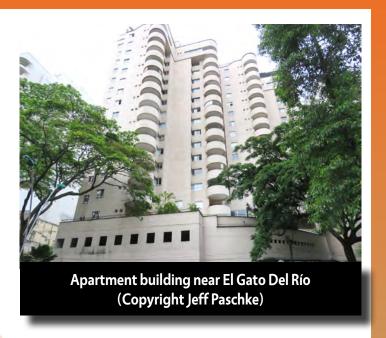
Estratos 5 and 6 are wealthy neighborhoods, while 3 and 4 are what are known as "working class." Estrato 1 and 2 are poor. Expats living in estrato 3 and 4 areas will be those who typically learn Spanish, want to save money on properties and living costs, and can adapt to the culture. For example, I happen to live in an estrato 4 neighborhood with lower costs than are found in estrato 5 or 6.

The *estrato* scheme is also used to calculate what you'll pay for taxes and utilities (more on that later).

Generally, properties range in price depending on the age of buildings and whether renovations have been done recently or are needed. All things being equal, smaller properties are can be more expensive per square meter than larger ones.

Exchange Rate

The prices throughout this article are all in Colombian pesos (COP). To convert at today's rate, go <u>here</u>.



Here are some sample properties available in Western Cali:

In El Peñón...

- A 130-square-meter home (1,292 square feet) near the Cali River and one block from a park. With three bedrooms, four baths, and two parking spaces. The price is 315,000,000 pesos (2,423,076 pesos per square meter).
- A large 314-square-meter penthouse (3,380 square feet) with good views and a hot tub. Four bedrooms, four baths, and two garage spots. The asking price is 685,000,000 pesos (2,181,528 pesos per square meter).
- A 157-square-meter apartment (1,690 square feet) in a good location behind the Hotel Intercontinental. With three bedrooms, two baths, and two garage spots. The asking price is 360,000,000 pesos (2,292,993 pesos per square meter).

In Santa Teresita...

• A 228-square-meter apartment (2,454 square feet) with a private pool and good views. With four bedrooms, six baths, and two garage spots. The asking price is 550,000,000 pesos (2,412,280 pesos per square meter).

In Arboledas...

 A 114-square-meter apartment (1,227 square feet) on the third floor with three bedrooms, three baths, and two garage spots. The asking price is 298,000,000 pesos (2,614,035 pesos per square meter). In Normandía...

 A 100-square-meters apartment (1,076 square feet) on the 12th floor with a good view. Three bedrooms, two baths, and two garage spots. The asking price is 340,000,000 pesos (3,400,000 pesos per square meter). South of La Flora lies Santa Mónica, a pretty upscale area. It has the huge shopping mall Chipichape with the attached Pacific Mall and the five-star Spiwak hotel plus a HomeCenter (like a Home Depot). This area also has new restaurants opening all the time.



Apartment building near Chipichape mall in Northern Cali (Copyright Jeff Paschke)

Northern Cali (Norte)

Most of northern Cali (red in the map) is industrial; it's also home to an air force base (Base Aérea Marco Fidel Suárez). In the most northwestern part lies the entrance to Menga, an area of heavy industry (and one part nightclubs). Because of noise regulations, most nightlife in Cali ends between 2 to 3 a.m., when partygoers tend to swarm to Menga. In the daytime, there's not much of interest this far north.

South of Menga is the residential barrio La Flora, home to a PriceSmart big-box membership megastore. It's a quiet middle-class neighborhood favored by people working further north.



Apartment building near Chipichape mall in Northern Cali (Copyright Jeff Paschke)

Continuing south and west, you'll find Granada, a mix of fancy restaurants, bars, and hotels, with some residential properties mixed in. This gastronomic area is another expat-popular area. South and west of Granada lie Centenario and Juanambú, two nice residential barrios within walking distance to many places in the western and northern parts of Cali.

Take a look at a few sample properties available in Northern Cali:

In Granada...

- A 207-square-meter apartment (2,228 square feet) on the 9th floor with four bedrooms, four baths, and a garage spot. The asking price is 385,000,000 pesos (1,859,903 pesos per square meter).
- A 210-square-meter apartment (2,260 square feet) on the 7th floor with four bedrooms, four baths, and a garage spot. The asking price is 325,000,000 pesos (1,547,619 pesos per square meter).

In Santa Mónica...

 A 128-square-meter apartment (1,152 square feet) near Chipichape on the 7th floor, mall with four bedrooms, three baths, and two garage spots. The asking price is 365,000,000 (2,851,562 pesos per square meter).

In Juanambú...

• A 135-square-meter apartment for sale (1,690 square feet) with a large terrace and three bedrooms, three baths, and two garage spots. The asking price is 390,000,000 pesos (2,363,636 pesos per square meter).

In Centenario...

• A large 300-square-meter penthouse (3,229 square feet) with three levels and four bedrooms, four baths, and three garage spots. The asking price is 630,000,000 pesos (2,100,000 pesos per square meter).

Southern Cali (Sur)

Anything south of Carrera 40 is generally considered south in Cali (green in the map)... but from Carrera 40 through 80, there's little of interest to expats.

It's only when you get further south than Carrera 80 that it becomes interesting. El Ingenio has a massive park that is a good place for jogging. And south of El Ingenio is Ciudad Jardín, which is almost a city within a city. Ciudad Jardín is a wealthy area with mansions and fancy restaurants and tree-lined streets. And further south is Pance, which is generally considered safe like Ciudad Jardín with some nice gated communities and some of the best high schools and universities in Cali. Both Ciudad Jardín and Pance are nice neighborhoods in Cali but they are far away from the rest of the city. So, the western and northern parts of Cali remain the most popular areas for most expats.

Here are some sample properties available in Southern Cali:

In Ciudad Jardín...

• An older, 121-square-meter apartment (1,302 square feet) with three bedrooms, three baths, and no garage spots. The asking price is 220,000,000 pesos (1,818,181 pesos per square meter).

- A newer, 146-square-meter apartment (1,571 square feet) with a great view and three bedrooms, five baths, and two garage spots. The asking price is 550,000,000 pesos (3,767,123 pesos per square meter).
- A large 346-square-meter penthouse apartment (3,724 square feet) with a large terrace and five bedrooms, six baths, and four garage spots. The asking price is 950,000,000 pesos (2,745,664 pesos per square meter).
- A 217-square-meter apartment (2,335 square feet) with three bedrooms, five baths, and two garage spots. The asking price is 650,000,000 pesos (2,995,391 pesos per square meter).

In Pance...

- A 112-square-meter (1,205 square feet) on the second floor with four bedrooms, three baths, and two garage spots. The asking price is 380,000,000 pesos (3,392,857 pesos per square meter).
- A 122-square-meter apartment (1,313 square feet) on the second floor near shopping and schools with three bedrooms, three baths, and two garage spots. The asking price is 460,000,000 pesos (4,107,142 pesos per square meter).



(Copyright Jeff Paschke)

Which Lifestyle Is For You?

In Cali, you can choose from a wide range of lifestyles. Enjoy the old-money neighborhoods of Santa Teresita and Santa Rita ... the bohemian feel of restaurants and shops in San Antonio ... the popular gastronomic neighborhoods like El Peñón or Granada... or the mansions of Ciudad Jardín.

No matter what your personal dream calls for, Cali will likely offer a lifestyle and a price-point for you that can be cheaper than many other cities in Colombia.

Renting Instead Of Buying

Rents can be reasonable in Cali. An unfurnished apartment rental in a nice *estrato* 4 to 6 area typically costs somewhere between 1.2 million and 1.8 million pesos per month. This will get you a modern, two-bedroom apartment in a nice area. I looked at 15 such unfurnished apartments in Cali, and came up with an average of about 1.5 million pesos.

As we always advise at Live and Invest Overseas: Rent before you buy.

Renting for up to one year is a good idea (though you don't have to lock yourself into a single property for one year). By renting you get a feel for everyday life and, most importantly, explore the area fully, so you know you're buying a property in an area that will suit your lifestyle and longer-term plans. With renting you will also have much more flexibility, making it easy to pick up and move. And, of course, while you're in Colombia, you may find another part of the beautiful country that appeals to you more...

Managing A Rental Property

Some homeowners in Cali like to rent their properties out when not in residence; I've met a couple of expats with property in Cali that do this. The returns can be good, and occupancies can be high for quality properties, especially considering it's still an emerging tourist destination and there aren't many high-quality furnished apartment rentals available in the city.

Furnished mid-term rentals of 30-day increments can earn around a 4% to 7% net annual return, after taxes, HOA fees, management fees, and maintenance.

Short-term furnished rentals in Cali (less than 30 days) typically earn more, usually a net in excess of 8% and sometimes much higher.

Unfurnished, long-term rentals (such as yearly contracts) will bring you the lowest return, usually between 2% and 3%. Yes, this is low... but you don't have to buy furniture, the renter manages the utilities, and your management fees are lower.

So renting long term can be a way to cover your costs of ownership in a hassle-free way. It's perfect for younger people who want to get a foot in Cali's door now while costs are still relatively low and have a retirement home waiting in the future.

Property Purchase Process

The purchase process is straightforward in Colombia, but I consider an attorney to be essential. Your attorney should be bilingual if you're not fluent in Spanish.

Here are four basic points to remember:

- There are no restrictions on foreign buyers in Colombia, and you do not need to be a resident to purchase.
- You can repatriate your gains and earnings to your home country.

However...

- You must follow the rules when bringing money into the country to preserve your right to take it out and enjoy favorable tax treatment.
- Colombia has a sound process for tracking property titles and for recording liens and encumbrances against titles.

Moving Money

Colombia has a system of exchange controls and currency restrictions that will affect anyone buying property or investing here. (If you're bringing in money simply for living expenses, they won't affect you.)

For nonresidents, money coming into the country for a property purchase (or other investment) must be registered as a Foreign Direct Investment (FDI) when you bring it in to preserve your right to take it back out when you sell... along with any profits you made. Funds such as these are declared on what's commonly called a Form 4.



These currency controls make moving money harder than moving money into and out of the United States or most other countries, but the process is manageable, and I know several expats that filled the forms themselves. However, I'd advise you to use an attorney the first time, just to make sure you understand the process.

And if you're not in the country when the money arrives, you'll need someone with Power of Attorney to complete the Form 4 on your behalf.

The easiest way to move money into Colombia is by means of a foreign exchange intermediary. Get in touch with <u>our preferred company here</u>. They have an office in Cali and more throughout Colombia. In addition to processing your money, they also offer high-interest CDs and other financial instruments as well as market access.

Where Are The Expats In Cali?

Cali has a small but slowly growing permanent expat community as well as a growing "snowbird" expat community that are in the city to escape the snow during winter months up north. The city has a much smaller permanent expat community than is found in Bogotá or Medellín. I asked some local expats how many foreigners from North America and Europe they thought lived full-time in Cali and I commonly heard "less than 2,500."



Each time I have been to Cali I have encountered expats most frequently in the Northern and Western areas, with all the shopping, cafés, restaurants, and bars.



When I became a resident of Colombia, I found the visa process to be simple and straightforward; it worked just as advertised with very little red tape and time involved, and I was able to do all the paperwork without assistance.

Bringing The Household And Pets

Colombia is very explicit about what you can bring into the country and what you can't. So explicit in fact, that you'd think it was a duty-free benefit... which it's not.

At this time, you'll pay about 15% of the market value to import household effects. But just because it's not duty free doesn't mean that it's not an economically sound alternative; you just need to take the duty (and hassle) into account, along with the relatively high shipping cost.

That said, I found it refreshing to buy all new things when moving to Colombia for a completely fresh start and for avoiding the cost of importing. Not only is everything new and modern, but it's all better suited to our home.

The process for bringing in a pet is fairly standard, and there is no quarantine period. The International Veterinary Health Certificate must state that the dog or cat is free from the parasite *Cochliomyia hominivorax* in addition to the standard certifications.

Dogs must have a vaccination certificate showing vaccinations against rabies, distemper, hepatitis, leptospirosis, and parvovirus. And unless you're moving from another Andean country, you'll also need parainfluenza and coronavirus. Cats do not need these vaccinations.

Also note that the International Veterinary Health Certificate must be endorsed by the federal agricultural authority (in the Unites States that's USDA, in Canada it's CFIA). If coming from the States, the form must be endorsed by the USDA in the state from which you are traveling (not necessarily the state you live in or depart from).

Once you've landed at the airport, head to the immigration office (Migración Colombia) and hand in your paperwork. They'll check it over, charge you a fee, and then issue you an inspection certificate, called Certificado de Inspección Sanitaria.

With this certificate, your pet is legal in Colombia.

Cost Of Living

A budget of 4.8 million pesos or more will put you in one of the city's better neighborhoods, in a higher-end

residence. If you wanted to live for less, you could easily do it by settling in a middle-class neighborhood and staying away from the high-end restaurants. You could also spend much more living in a luxury residence.

Cali offers a fashionable and modern lifestyle that's quite challenging to find in Latin America. It is possible to live in Cali for about 4 million pesos per month for a couple. If you're renting, you'll likely pay more; a bit under 4.8 million pesos.

To convert at today's rate, go here.

Keep in mind that Colombia is currently experiencing inflation of between 3% and 5%. This means that a number of costs have been increasing in terms of pesos—but, at the same time, the exchange rate has been favorable and at near-record numbers historically if you have a Western currency like the U.S. dollar or euro. So in terms of U.S. dollars, the cost of living has actually dropped substantially in Colombia over the past few years despite inflation.

Take a look at the <u>budget numbers I used for Cali</u> for detailed, line-by-line expenses. The costs of utilities, internet, HOA fees, etc., are actual costs for two expat couples I met in Cali (budgets for two people).

Tipping

Restaurants in Cali will often (but not always) include the 10% tip with your bill, so check it before paying. (Most often, they ask your permission to add the tip.) They'll call it either *propina* or *servicio*.

Renting will cost more than owning a home, of course, but this doesn't factor in the substantial cost of buying a property. To obtain the rental cost, I averaged 15 unfurnished, two-bedroom apartments in *estrato* 4 to 6 neighborhoods.

When reviewing these budget tables, watch out for what I did not include. There are no trips back home, no car,

no allowance to send your kids money for Christmas, no savings, no gifts, and not too much of a bar bill. Also there is no health insurance or medical costs. So start with this table, add the extras you need, and delete the things you don't care about.

At today's exchange rates and fuel prices, the ongoing costs of owning a car in Cali will be at least 425,000 pesos per month. This includes registration, gas, maintenance, and the basic minimum car insurance, for a 2.5-liter passenger car. Note that new car prices in Colombia are typically substantially higher than in the States.

The estrato system affects your cost of living, as it determines what you pay for property taxes and utilities (see earlier sidebar on the estrato system). Electricity for example, will cost about 20% more in estrato 6 than in estrato 4; water will be about 60% higher in 6 than in 4. Property taxes can differ widely between estratos, but it's largely due to the homes' values, rather than the actual tax rates.

The difference between *estrato* 5 and 6 is minimal, so if you want to save appreciable money, drop to *estrato* 4 or 3.

What You'll Pay In Taxes

Taxes here in Colombia are not bad. Even as a Colombian resident who must file taxes in Colombia due to my income in the United States, I paid no Colombian income taxes when I filed in 2014 and 2015. But I did pay a small amount in Colombian income taxes when I filed in 2016 and 2017 (less than 10% of the income taxes I paid in the States.).

Colombia taxes worldwide income, and it is certainly no tax haven. Tax neutral is the best you can legally hope for.

There are a number of tax deductions available in Colombia, including mortgage interest, Colombian health insurance, economic support of dependents, and pension or retirement savings contributions. Also, up to 25% of your labor salary (up to a limit) is exempt from taxes.

Colombia has taxation treaties with several countries, including Bolivia, Canada, Chile, Czech Republic, Ecuador, France (in 2018), India, Mexico, Peru, Portugal, South Korea, Spain, Switzerland, and the United Kingdom. These include a tax credit for income taxes paid in the other country.

Colombia does not yet have a tax treaty with the United States (or many other countries), but the country still permits a tax credit for some income taxes paid in other countries—even without a tax treaty in place.

You are subject to Colombia's tax regime if you spend a total of more than 183 days in-country during the calendar year whether or not you have residency. The former five-year income-tax hiatus for new residents was dropped in 2013.

Here's a quick rundown of your potential tax liability in Colombia.

Value Added Tax (IVA; pronounced EE-vah): Throughout Latin America, this is a sales tax. The rate in Colombia varies between 0% and 19%, depending on the item purchased. Like most of the world outside the United States, this sales tax is always included in the marked price, so you won't see it at the register.

Income tax: Colombia has a graduated income tax, with four tax brackets ranging from 0% to 33%. For the 2016 tax year in Colombia (filed in 2017), you wouldn't have to file or pay Colombian income tax on income less than 41.7 million pesos. Note that Colombia taxes worldwide income.

Capital Gains Tax: Generally, capital gains are taxed at a rate of 10%, with generous exclusions allowed for qualifying properties. If you've owned your property less than two years, the gain will be taxed as ordinary income.

Property tax: Property taxes can be all over the board depending on the type of neighborhood you live in, ranging from 0.3% to 3.3%.

There are no estate, inheritance, wealth, or gift taxes at this time.

Banking And Doing Business

In Cali, you will find branches of the same banks found in Bogotá including Bancolombia, Banco de Bogotá, Davivienda, Colpatria, and several others.

I never decided to open a bank account in Colombia before I had a visa and *cédula* (local ID card). Once I had a local ID card, it was easy to open a bank account. I have heard from several nonresidents without a local ID that ran into all kinds of problems trying to open a bank account here.

Once you have an ID card, you can also easily sign up for internet, cable, and telephone services, all within a single day. This may not be remarkable by U.S. standards, but it's amazing by Latin American standards.

Also, once I had a bank account, I could easily pay my bills via direct-debit or electronic transfer using my bank's website.

Getting residency and an ID card in Colombia is relatively easy so the benefits far outweigh the hassles of obtaining it.

Getting yourself connected in Cali is very easy and efficient if you're a Colombian resident, but it feels like everything is a workaround if you're not. Many new property owners need the assistance of their real estate agent or property manager to get established without a local ID card.

Running a business, however, is a different matter. Among the 31 countries rated by the World Bank in Latin America and the Caribbean, Colombia—countrywide—comes in at a respectable number three. Mexico and Chile are the only countries in Latin America and the Caribbean to beat Colombia on the World Bank's "Ease of Doing Business" index.

In terms of the cities in Colombia, Cali is ranked by World Bank as the 30th easiest city to do business among 32 cities it ranked. But Cali is also ranked as the 6th easiest city in Colombia to start a business. Where Cali ranks poorly compared to other cities in Colombia is in dealing with construction permits—Cali ranks 31 out of 32 cities in this category. (But if you aren't building, it is relatively easy to start a business here.)

Health Care

According to the World Health Organization, Colombia has one of the world's best health care systems. In fact, it surpasses many developed countries such as the United States, Canada, Switzerland, and Germany.



Fundación Valle del Lili, the best hospital in Cali and in Colombia (Copyright Fundación Valle del Lili)

Quality of care is not an issue. Cali has several quality medical facilities and many highly-skilled doctors. In fact, Cali has the highest-rated hospital in all of Colombia. Fundación Valle Del Lili Hospital is the top-rated hospital in the country and the third highest-rated hospital in Latin America. Cali has another highly ranked hospital—Centro Médico Imbanaco is ranked #12 out of the top 58 hospitals in Latin America.

The basic government-subsidized health plan in Colombia is called EPS. With no Colombian income, this will cost you 12% of the minimum wage; which at today's exchange rates would be a premium of about US\$32 per month. On this plan, you would use the facilities they specify, which are basic.

From there you can buy add-on plans, many of which require that you have EPS as a prerequisite. These entitle you to faster service and better, more upscale facilities. Not everyone offers add-on coverage to people over 60, so you may need to shop around if you're older.

For the uninsured (as many expats are who chose to "go naked" with health insurance), you can expect to pay

between 50% and 90% less than you'd pay in the US for most procedures. A private office visit in Cali will run around 60,000 pesos, while a specialist will be closer to 130,000. A visit to a subsidized clinic will start at about 40,000 pesos.

You can be sure that Cali will have the medical sophistication that you need for most procedures at a reasonable cost. But finding an English-speaking doctor will be somewhat more of a challenge in Cali than in the bigger cities such as Bogotá or Medellín.

Getting Hooked Up And Staying In Touch

There are three major cell phone providers in Cali: Claro, Movistar, and Tigo-UNE. Claro is the largest provider in Colombia and has the best coverage across the country. Getting a cell phone in Cali is easy, and establishing service takes about 30 minutes at the offices or kiosks that are all over town.

Internet, cable TV, and landline phone service is provided in Cali primarily by Claro, Tigo-UNE, and EMCALI, with prices that are substantially cheaper than in the States. And both Claro and EMCALI offer internet speeds of up to 100 Mbps... but all providers may not be available in all buildings.

In my experience in Colombia, the most painless way to obtain internet, telephone, and cable TV is to get a triple-play package deal that includes all three. It will be easier to manage, and it will also save you around 40% to 50% when compared to contracting each service separately.

Your Exploratory Visit To Cali

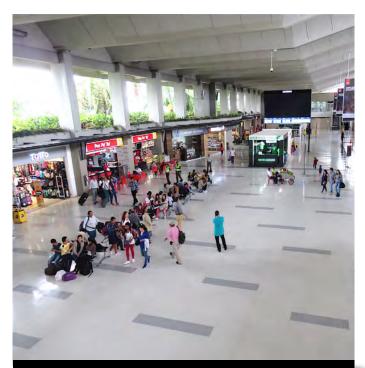
No matter how much research you do, there's no way to know if Cali is really for you unless you visit. This section will help you get here, find your way around, and enjoy yourself on the trip.

When To Come?

Historically, the wettest months in Cali are March to May and October and November. The other months it typically rains only 1 to 3 inches per month with five to six hours of sunshine per day on average.

Easy Riding...

There currently are daily flights from Cali to Miami in the United States on Avianca and American Airlines, and there is an Avianca flight to New York City (JFK), but it stops in Medellín. There are also direct flights from Cali to Madrid and Lima, as well as direct flights from Cali to/from Panama City and Bogotá, which are big hub cities with many flights from the States and Europe.



Inside the Cali airport (Copyright Fundación Valle del Lili)

Here are some sample round-trip non-stop prices to Cali from Miami as of this writing for a trip in April 2019.

- Miami: US\$311 (on Avianca)
- Miami: US\$350 (on American Airlines)

Keep in mind it may be cheaper to connect in Bogotá or Panama City when flying to Cali.

The worst place to exchange money will be inside the Cali airport. My advice is to exit the baggage claim and enter the ticketing/check-in area of the airport, where you'll find a few ATM machines.

I'd suggest that you do not rent a car. In Cali, in many cases, it's faster to walk and cheap taxis are everywhere. If you want a car to see the surrounding areas, you can rent one online for the occasion or take a taxi or bus. You can easily grab a taxi at the airport or use the EasyTaxi mobile app on your smartphone.

Navigating Colombia

Throughout Colombia, it's important to remember that a *carrera* is a road that generally runs north and south, while a *calle* runs east and west. If you see an address shown as CRA 32 #41-59, the property will be on Carrera 32 near the intersection with Calle 41. Likewise, an address shown as CI 55 #32-99 would be on Calle 55, near its intersection with Carrera 32. Many of the roads in Cali follow this standard but not all.

Taxis in Cali are cheap and plentiful and are normally the best way to get around. Many also have air conditioning and are metered. Here are the current taxi tariffs in Cali:

- Taximeter starts at 2,500 pesos
- Minimum fare (daytime) is 4,700 pesos (US\$1.55)
- Fare for every 80 meters is 100 pesos
- Fare to wait 50 seconds is 100 pesos
- Surcharge of 1,200 pesos for nighttime (8 p.m. to 5 a.m.),
 Sunday or holidays



Taxi drivers in Cali do not get tips and it's not customary to give tips to taxi drivers here or other cities in Colombia. Also make sure to carry change and small bills with you, as drivers frequently won't be able to provide change.

Cali has an elongated bus rapid transit system known as MIO Megabús that is similar to the TransMilenio in Bogotá. Fares on Mio are 2,100 pesos. Regular buses are also cheap with a similar fare.

Getting To Know Cali

A good way I have used to get to know a city is to hire a taxi or a driver to show me around. If you speak Spanish, you can rent a taxi by the hour by just flagging someone down. I've done this in several Colombian cities I've visited.

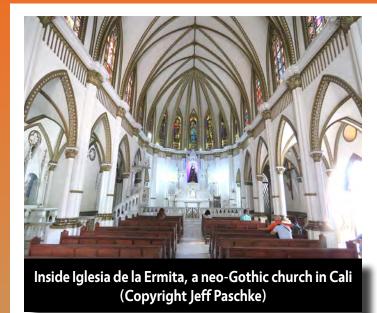
As a minimum, in Cali I would tour the western and northern neighborhoods and also El Centro. Take your time on your tour... your first impression is a good piece of knowledge you'll acquire when it comes time to deciding where to settle.

While you're in the northern neighborhoods, be sure to stop at the Chipichape mall, it's one of the largest and most upscale malls in Cali, with Pacific Mall attached (Cali's newest mall). You'll find several stores from the United States here.



View of Cali from the Three Crosses hill in Cali (Copyright C Arrango)

In the western neighborhoods stop to see Gato de Tejada, the cat park along the river. And it's also worth going to Mirador Sebastián Belalcázar, which has a good view of the city. Other good views of the city include from the hill with the Cristo Rey statue, from the Iglesia de San Antonio and from the Three Crosses hill (Cerro de las Tres Cruces). Note it's a hefty two- to three-hour hike, but you can take a taxi up to Three Crosses hill.

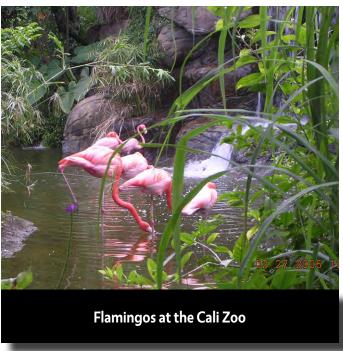


While you're in El Centro, be sure to walk along the river and see Iglesia Ermita. Also, it's worth seeing Iglesia de la Merced, the city's oldest church in the Spanish colonial style. And Museo Arqueológico la Merced nearby is an interesting museum with pre-Columbian pottery left behind by cultures from central and southern Colombia.



For a special dinner try Restaurante Rayuela, an Argentinian steak place in Chipichape mall on the second floor. It has some good steaks. Another favorite of mine is Platillos Voladores with some good seafood and Colombian food located at Av. 3 North # 7-19. Cali has hundreds of restaurants and you can find all different types of cuisines. For a great burger for lunch or dinner I recommend Chef Burger, which is a gourmet burger chain based in Medellín but has a location in Cali at Calle

1A # 2-61 in El Peñón. Cali also surprisingly has a good Lebanese/Middle Eastern restaurant named Restaurante Litany located at Calle 15A 9N-35.



Visit the Cali Zoo. It is considered the nicest zoo in Colombia and is home to over 1,200 animals representing about 180 species. The layout of the zoo is themed around the type of species you'll see. The monkeys, big cats, and amphibian section were my favorites. The Cali River runs through the zoo and the zoo was planned to incorporate naturally occurring plant and trees of the area in its design. I recommend avoiding the hottest hours of the day from noon to 2 p.m. as some animals retreat to shady corners. The entrance fee is 20,900 pesos for adults and 13,900 pesos for kids.

Hike to Pico Loro... If you like hiking, one of Cali's most iconic mountain peaks can be hiked in about half a day with moderate difficulty in my experience. Pico Loro (or Parrot Peak) is part of the Farallones de Cali National Park. On the trail to the peak, you will likely see tropical birds, humming birds and many types of butterflies, and, if you're lucky, deer and other wildlife. The trail to the summit is protected by Colombia's National Natural Parks Service, and the trail is safe and well-marked. However, reportedly there is a limit of 30 hikers per day, so on the weekend you need to go very early. Depending on your shape, it's about three to four hours to reach the top where you'll have great views of Cali and the surrounding mountains. We recommend going with a group. There are many other hiking opportunities around Cali, too.



Hotel Dann in Cali (Copyright Jeff Paschke)

For hotels in Cali, the Hotel Dann in El Peñón is a very good option located within easy walking distance to some of the best restaurants in Cali, as well as the river, and El Centro, and several of the tourist spots.



The Hotel Spiwak is a five-star recommended hotel conveniently located in the Chipichape shopping mall complex. A recommended boutique hotel in Cali is New Hotel that is located in Granada and near many good restaurants.

Is Cali For You?

It's hard to think of someone who would not like Cali... although if an eternal summer climate doesn't sound appealing, then Cali may not be for you.

If you're looking for a location with a year-round summer-like climate but plan to speak only English, there will be better choices out there than Cali. If English is a requirement, you could go to an English-speaking country or somewhere with a dense enough expat community to allow you to get by among them. You won't yet find that many full-time expats in Cali or foreign tourists.

To many potential expats, vacation homebuyers, snowbirds, investors, and workers with portable careers, you'll find Cali can be a lower cost and viable alternative to many other cities in Colombia and many other cities in other countries in Latin America.



About The Author

Jeff Paschke first discovered Colombia back in 2006 and has traveled to all the major cities in the country, as well as extensively throughout Latin America. He has lived in Colombia full-time for over five years. Jeff is a digital nomad. While he's got a full-time job in the United States, it allows him the location flexibility to live in Colombia. He is also a freelance writer in his spare time, covering Colombia for a number of publications.

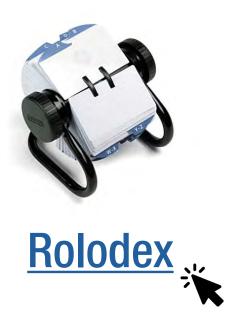


Video Resource

To view our November Overseas Living Letter video feature "Live and Invest Overseas in Cali, Colombia" click the link below.

Cali, Colombia, Overview











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