



Dominican Republic

REAL ESTATE INVESTOR GUIDE

Information for anyone considering buying
income producing properties in the DR





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Welcome to the DOMINICAN REPUBLIC (DR)

Images of the DR conjure up beautiful beaches, perpetual summer weather and all inclusive hotels. All true, but for investors it's much more. It's long been a thriving expat community, as well as an area with unlimited potential for real estate generated wealth for investors. Before we delve into that, let's look at the DR as a country.

It's a destination like no other: unspoiled beaches, clear blue sea, friendly people, democratic government, and secure real estate investment. Located about 1,000 miles south east of Florida, the DR is the second-largest Caribbean nation (after Cuba), with 48,445 square kilometres.

Discovered in 1492 by Christopher Columbus, the country overflows with fascinating history, museums and

cultural experiences like music, art and festivals, plus uniquely Dominican specialties such as cigars, rum, chocolate, coffee, merengue, amber and larimar.

A Country of Firsts

The DR became the site of the first permanent European settlement in the Americas, with Santo Domingo being the oldest continuously inhabited city and the first seat of the Spanish colonial rule in the New World.

A Place Like No Other

The country offers a stunning topography with mountains, valleys and beaches making a beautiful, diverse landscape. Three large mountain ranges run through the island, and there are almost 1000 miles of beautiful Caribbean beaches.



The climate is tropical with average year-round temperature of 28° Celsius or 82° Fahrenheit. Summer and winter vary only slightly; the DR enjoys a steady climate, with no extreme highs or lows. There are no large predator animals or snakes, and the north coast of the DR does not experience hurricanes. This is one of the most idyllic environments on Earth.

25% of the DR's land & coastal shores are preserved as national parks, reserves and sanctuaries.

The government is a long standing, stable representative democracy. U.S. and Canadian relations with the Dominican Republic are excellent, with free trade agreements, economic investment, and a huge tourist market that continues to grow.

The DR government is very foreign investment friendly with low taxes; and simple residency requirements. Foreigners enjoy the same rights and obligations as Dominican citizens when buying/owning property. The Dominican people are friendly, welcoming and very helpful. A mixture of Taino Indian, African, and Spanish ethnicities, Dominicans have rich cultural traditions that they love to share. There is so much to explore on the island, including the rich history of its people. Baseball is the much loved national sport, with many US players coming straight from the DR.





Government & Growth

The Dominican government is a representative democracy. With the largest economy in Central America and the Caribbean, the DR is known for its positive attitude towards foreign investments and is focussed on continued economic growth and strong relationships with the United States, Canada, and the rest of the world. The DR is an upper middle income developing country.

DR is a member of the United Nations and participates in many of its specialized and related agencies, including the World Bank, International Labor Organization, International Atomic Energy Agency, and International Civil Aviation Organization.

The DR is on track to achieve its goal of becoming a high-income country by 2030, and is expected to grow 79% in this decade.

According to the World Bank, The DR's real GDP grew by 4.9% in 2022. The hotels, bar and restaurants sector grew by 24%. The government was very proactive during Covid with a robust vaccination campaign, and investment in recovering tourism lost during the pandemic. Expansionary fiscal policy also contributed to growth.

Like any developing country there are challenges, economic growth has slowed in to 4.4% in 2023. However, structural reforms to energy, water and public-private partnerships, efforts to improve human capital and attract additional foreign investment, are expected to sustain growth potential. Growth is projected to accelerate to 5% after 2023.

For greater detail please [visit the World Bank Page on the DR economy](#)



WHY INVEST?

As Investors, we usually benefit handsomely when we invest in a developing market. We like to ride positive trends! We clearly see today in the Dominican Republic positive trends that point toward further growth in the number of transactions and price appreciation.

What we we see:

✓ **Economic Expansion**

The Dominican Republic is the fastest growing economy in Latin America and the Caribbean (GDP up 5.8% annually since 2010). A robust and growing economy usually strengthens the property market.

✓ **Booming Tourism Industry**

The Dominican Republic is the #1 tourist destination in the Caribbean. In 2022, more than 8.5 million people visited, this is 3.7% more than the previous year.

✓ **Safe Investment Environment**

The government is open for business and welcomes foreign investments.

There are important tax incentives for both new construction developers and foreign buyers to invest. Foreign buyers receive important tax exemptions both at the time of purchase as well as during the first 10 or 15-years of owning the property.

The government is constantly investing in infrastructure that supports the tourism industry and the economy. Examples of such can be found in recent investments to expand cruise ports and airports.

Relative Affordability

Property prices in the Dominican Republic are still very attractive compared to other destinations that compete for the same buying groups (i.e. retirees and investors)

Property Rights for Foreigners

Foreigners enjoy the exact same property rights as Dominicans. Property can be owned directly in the buyer/s names, or by local corporations that foreigners can set up easily.

Local Mortgage Market Expansion

This market is still relatively small but growing at a fast pace. From our experience, whenever the available credit grows for the purchase of properties, this constitutes fuel for price appreciation, since buyers find it increasingly easier to purchase properties since a portion of the purchase can now be financed.

There are a few programs for foreigners to finance a purchase of a vacation rental. These programs are still relatively new and small but we see evidence of significant growth. This will make it easier for many foreigners (primarily from countries like the US and Canada) to purchase property in the Dominican Republic.





SUPPLY & DEMAND

The property market in the Dominican Republic is currently very strong. Since early 2021, we have experienced a significant increase in demand for properties. We have seen also significant price appreciation (we estimate around 30%)

We see strong demand from all type of buyers:

Retirees or soon to retire individuals

- Couples and individuals want to live here full time or spend a significant portion of the year (especially during winter in the northern hemisphere)

Digital nomads

- Families and individuals that earn income working remotely and are able to living anywhere in the world they choose to

Real Estate Investors

- Individuals primarily from the US and Canada

Dominicans

- Given the huge economic growth the Dominican Republic is experiencing, there are many Dominicans (who currently live here or abroad) that are investing in property both for their own use and as an investment

The demand supply equation right now is very tight. Unfortunately, there is no Multiple Listing Service for property transactions in the Dominican Republic, so it's very difficult to obtain hard market data.

However, those of us working in the trenches know that inventory is very tight. Properties that are priced right sell quickly, sometimes with multiple offers. We also see many new construction projects, and more have passed permitting stage and will soon start construction. This is the way that the market compensates for the low inventory level: new construction is needed to add inventory to a growing property market.

One aspect that is optimal is the fact that the Dominican Republic is a relatively large country, with a population of almost 11 million people and over 48,730 square kilometres. Investing in the Dominican Republic is truly investing in a country. Tourism is certainly very important to the local economy, but it's not the most important economic driver as it would be in the case you invest in a small island. The DR is economically diverse and well known as a producer of bananas, mangos, sugar, coffee, cocoa, and tobacco. Dominican rum and cigars are highly rated by connoisseurs all over the world. Two semi-precious stones - amber and larimar - are also associated with the country. The top trading partners with the DR are China, Mexico, Spain, Brazil, the US and Canada.



RENTAL MARKET

If you are purchasing an investment property, it's critical that you understand the rental market in the specific location where you are investing.

The most important factor to consider in your assessment is the rental income you forecast. This is one of the main drivers of the property P&L (profit and loss statement). You need to assume realistic (even conservative) assumptions in terms of rental income and occupancy rate.

Assessments need to take into account:

- Strategies that work well (i.e short term rentals, long term rentals, etc.)
- The property types that work well (eg. villas, condos, multi-family properties)
- Specific location dynamics (eg. do people need to rent a car in addition to paying rent?)
- The tenant / guest profile
- How do you find tenants (i.e. preferred platforms)
- Seasonality (will determine rents and occupancy rates)

In the regions where we invest, there are definitely properties that work well as rentals, but definitely not all of them. Many properties will not make sense as an investment, since its projected income is not likely to cover its projected expenses, or the purchase price is too high to deliver an acceptable rate of return. It's very critical that we pick the right combination of property type, location and rental strategy that makes sense financially.



In some cases, based on the property type and location, a combination of short term rentals during the high season and mid/long term rental during the low season can be the best strategy.

Short Term Rental Strategy

A critical factor to consider for short term rentals is seasonality. Rental demand can fluctuate dramatically through the year. Some periods such as December-March, are usually high season, and nightly rates and occupancy rates are higher. Other periods, such as April-November, can be considered mid to low season. Nightly rates and occupancy rate will likely be lower than what you can expect during high season. There are some specific periods (eg. Easter weekend) where we can expect the absolute best results with a short term rental strategy.

Short term rentals will feed on tourism, both domestic and foreign. The most common length of stay would probably be one to two weeks for foreign tourists. Dominican nationals tend to come from larger cities to the coastal areas and stay for weekends, long weekends, and holidays. Both villas and condos work well on a short term rental strategy, but location is key. Properties that are close to the beach and amenities will yield better results, since many tourists will prioritize properties in which a car rental is not needed.

The most effective platforms for this strategy are travel companies like Airbnb.





VRBO and Booking.com. Most good rental management companies also actively market properties through digital ads, social media, local marketing and their own websites (which often have large followings).

In terms of managing the property, it is advisable that you work with one of these professional and reputable property management companies. Short term rentals are a very active and demanding investment strategy. You may want to do this yourself only if you live in the proximity of the property. Otherwise we would strongly encourage you to outsource this function to an expert.

Mid - Long Term Rental Strategy

In the past, for the most part, most people would assume a vacation rental would be a short term rental exclusively (maybe renting for a full month at the most). However, longer term rentals are growing significantly, and will continue to grow based on the market trends we see.

There is now a growing demand from families and individuals that want to rent furnished properties for 6 to 12 months. This demand is often from foreigners that have just landed in the Dominican Republic. Normally they would have a strong tenant profile, and may even be willing to pay a few months in advance to secure a rental property. These foreigners may choose to rent for a while in order to get to know the area before purchasing, or they need to rent for a while because they are building a property or waiting for the completion of a pre-construction project. Some simply don't want to buy and "snowbird" for the winter months.



WHERE DO YOU START?

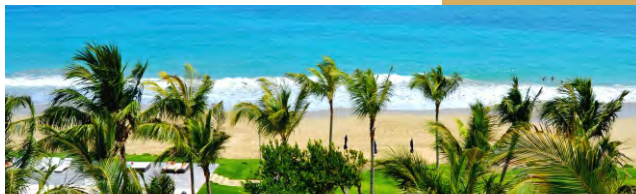
In short, with us. Here's why:

As investors, we've learned that information and connections equal power. Investors are interested in facts, projections, solid advice and someone with experience and knowledge who can help them navigate a purchase. Buying foreign property can be a great financial decision, but it also can come with pitfalls. We have experience. Our principle, Bernie Tietz, has lived and worked with DR investment real estate for over 25-years.

Our focussed agents can support investors end to end. We're committed to understanding your goals and needs. We'll walk you through the different markets and investment strategies that we know work well in the areas where we operate. We'll guide you through the whole process of purchasing a property, and continue with advice, service, and recommendations after the sale.

We have experience with multiple investment strategies that can be attractive to clients based on their investment needs and time lines, such as:

- ✓ Buy and hold for long term passive income and wealth generation
- ✓ Pre-construction (villas and condos) for long term passive income and wealth generation
- ✓ Fix and flip for rapid capital turnover
- ✓ Multi family properties (both fix and flip opportunities as well as passive income)
- ✓ Land development
- ✓ Hotels & tourism opportunities
- ✓ Commercial properties



Our team and approach can effectively support you in the following ways:

We can save you money

- Making sure you purchase a property at the right price
- Making sure you invest your money exclusively through trustworthy partners (lawyers, developers)
- Ensure that the property is the right one for investment, and that it has all proper permits, environment impact statements, isn't tied up in any legal issues, was well built, and a multitude of other due diligence

We can save you time and effort

- We either have already done or will do the research for you so you don't have to
- We will provide you with the right support team

We can save you stress and frustration

- We will direct you to work only with reliable and efficient partners
- We will guide you through the purchase process step by step
- We will provide you and help you with any local paperwork or administrative process

Our Investor Team



Bernie Tietz has been working in DR real estate for over 25-years. He develops large projects, as well as works with investors to help them find success. He often acts as a mediator and facilitates bringing developers and investors together.

A transplant from Germany, Bernie came to the DR on vacation in his 20's and never left! He is an invaluable resource with a treasure trove of experience as well as valuable connections to local government, tourism and local stakeholders.



Sergio Manzur is a highly accomplished Canadian real estate investor who recently relocated to the Dominican Republic with his family. He is dedicated to empowering individuals and families to build wealth through smart property investments.

With a philosophy of only recommending investments he would personally make, Sergio ensures that each opportunity offers a solid return on investment in addition to covering its own expenses. Fluent in both English and Spanish, Sergio's commitment is to help his clients realize their dreams of financial prosperity.

An aerial photograph of a resort complex. In the foreground, there's a sandy beach with a large, white, foamy wave breaking. Behind the beach is a large, irregularly shaped swimming pool with a blue interior. The pool is surrounded by lounge chairs and palm trees. In the background, there are several multi-story resort buildings with balconies, nestled among more palm trees and lush greenery. The sky is clear and blue.

THE PROCESS

1 ASSESSMENT

We get to know you, your situation and your future goals

2 PLANNING

We create a plan tailored to you that will include defined criteria for properties that meet your plan

3 FIND THE RIGHT PROPERTY

We look for the right properties on the market or development projects, we assessed them against the defined criteria, and we run financial projections

4 PURCHASE THE PROPERTY

We help you with the purchase process end to end (offer, negotiation, due diligence, completion)

5 ASSET MANAGEMENT

We help you set up the right property/rental management solution for your property, so you can trust that your investment will be professionally maintained, marketed and earning money.



WE'RE STANDING BY.

Ask us questions.

We're here to provide useful, detailed information tailored for your situation.

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