

Dominican Republic Buyer's Guide

The Dominican Republic is a destination like no other, with our tropical nature, warm friendly people, interesting rich culture and history. Just 2 hours south of Miami, only 4 hours from New York and 8 hours from most European cities, you could be here enjoying our beautiful beaches and warm sunshine in no time at all. Our island is surrounded by the Atlantic Ocean on the North and the Caribbean Sea on the south and has almost 1,000 miles of coastline, including 250 miles of the world's top beaches.



Real Estate Overview

The Dominican Republic is a magical place with its beauty, laid-back lifestyle, and friendly people. So, it's not surprising that many vacationers have the desire to make it their home away from home after spending some time here. Who hasn't dreamed of owning a vacation home or even permanently relocating to the Caribbean?

If you have been thinking about taking the plunge and making your dream a reality, then Lunovi Real Estate will get you there. The real estate market in the Dominican Republic, especially in the area of Punta Cana, is growing fast, thanks to the growth in tourism and the arrival of several boutique hotels, however, prices have remained stable for some time, creating a buyers' market with plenty of room for negotiations.

Prices per square foot of luxury homes are still very affordable compared to other Caribbean destinations. Many Americans choose the Dominican Republic as a second home, buying luxury homes for an easy to reach retreat from their busy lifestyle in the states. However, thanks to the rise in tourism, the number of Europeans purchasing homes to vacation in, or make a permanent home has been on the rise in the past 15 years. The Dominican Republic has become more attractive to international buyers because:

- the economy is thriving more than ever

- increased daily flights from both Europe and North America
- Punta Cana International airport is one of the most travelled airports in the Caribbean, a second international airport in the area is planned.
- tourism is on the rise
- a large choice of properties available to suit all budgets
- welcoming locals, who speak your language
- beautiful climate with year round sunshine



Buying Basics

Whether your dream home is a new construction or an existing home, you will want to know what to look for as you begin your home search. Lunovi Real Estate sales professionals will help you conduct a home search, negotiate, and close on a new home. We will help you with the process of buying a home while representing your best interests throughout the purchase process.

The Process

Purchasing property in the Dominican Republic is surprisingly easy, and we will make your purchase experience even easier. Below are the simple purchasing procedure points:

**First step:**

Once we have helped you find the property of your dreams, a Sale /

Purchase Agreement with the owner of the property should be signed, which contains the basic terms and conditions applicable for the sale / purchase of the property. This should be accompanied by a deposit which is typically 10%, to be held in an escrow account of the real estate company and released at the time of closing. The Seller is committed to sell the property to you after signing this agreement.

Next step:

The Lawyer / Notary will typically require the following documentation to process the sale / purchase agreements:

- Full name and particulars of the parties. If the seller is married, the spouse must also sign.
- Two copies of identification are required for each person, (Passport, Dominican I.D. card, driver's license).
- Legal description of the property to be purchased.
- Purchase price and payment terms.
- Default clause.
- Date of delivery of the property.
- Due diligence required or done.
- Obligation by seller of signing the Deed of Sale upon receipt of final payment.

Notary process may take maximum 6 -8 weeks; the charges vary depending on the complexity of the transaction. You will be contacted by the notary or your broker for an appointment to sign the deed and make final payments prior to the appointment date. It is recommended that your financing is in place by the time that the official Deeds of Sale / Purchase and Transfer of Property are signed at the notary office.

Closing Costs:

When buying a home, the following costs will be incurred by the Buyer. The closing costs are calculated as follows:

- Transfer Tax 3% of property value, unless the property has CONFOTUR

- Attorney Fee about 1 % - 1,5 % of property value

Annual Property Taxes:

Properties held in the name of an individual are subject to an annual property tax ("IPI") of 1% of government-appraised value in excess of DOP 8.000.000 equaling about 150.000 USD. Properties with values below this amount are not taxed.

Dominican Republic Property Investments

More and more people are turning to property investments as a way to make money as opposed to purchasing stocks and bonds. Many of our clients are purchasing property here in the Dominican Republic with the 'intent to rent', thus providing them with a regular income.. Property rental income can provide higher returns than many other investment opportunities.



Information for International Buyers

The good news is that there are no restrictions on foreigners purchasing property here. The process of purchasing a property as an international buyer is just the same as it would be for a Dominican resident, however buyers are urged to exercise caution and hire a reputable agent and lawyer so that the process is conducted correctly. As an international buyer, if you need financing it is possible to obtain a mortgage here in the Dominican Republic, your realtor will be able to assist you with this process

