PELLERANO
& HERRERA

NAVIGATING THE DOMINICAN REAL ESTATE MARKET: ESSENTIAL STEPS FOR A SAFE AND TRANSPARENT ACQUISITION



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The Dominican Republic has become one of the most attractive destinations for real estate investment in Latin America, ranking as the **second most visited country in the region**, surpassed only by Mexico. With a stable economy, a constantly expanding tourism sector, and a government that actively promotes investor incentives, property acquisition in the country represents a strategic opportunity with high returns.

Currently, the diversification of the tourism offering is driving the development of new destinations and segments such as eco, luxury, cultural and wellness tourism. Areas like Punta Cana, Miches, Las Terrenas, Puerto Plata, and Cabarete lead the demand in the vacation market, while Santo Domingo, Santiago, and La Vega stand out for their urban and commercial growth. Likewise cities such as Jarabacoa and Constanza offer an ideal environment for mountain developments and sustainable housing projects.



Investing in real estate in the Dominican Republic not only ensures property appreciation in strategic locations but also offers attractive tax benefits through laws such as **No. 158-01 for the Promotion of Tourism (CONFOTUR)**, which grants exemptions from property taxes for up to 15 years in designated tourism zones. Additionally, the country allows foreign nationals to purchase property without restrictions and provides various pathways to residency, both through investment and retirement programs.

These advantages—combined with high returns on vacation rentals and the overall stability of the real estate market—make the Dominican Republic an ideal destination for property acquisition.

In this guide, **Pellerano & Herrera** provides a detailed **checklist** outlining the essential steps to ensure a safe and transparent real estate acquisition, guaranteeing that your investment is supported by a solid and trustworthy legal process.

LEGAL STEPS FOR PROPERTY ACQUISITION

CHECKLIST ✔

1. LEGAL ASSISTANCE

- ❑ Seek for a law firm or an attorney specialized in real estate law with proven experience.



2. SELLER VERIFICATION

IF THE SELLER IS A LEGAL ENTITY (COMPANY), REQUEST:

- ❑ Company bylaws.
- ❑ Commercial Registry Certificate.
- ❑ National Taxpayer Registry Number (RNC).
- ❑ Shareholders' resolution appointing the company representative authorized to sell the property, duly certified by the corresponding Chamber of Commerce and Production.
- ❑ Copy of the company representative's identification document (ID card or passport).

IF THE SELLER IS AN INDIVIDUAL, REQUEST:

- ❑ Copy of the identification document (ID card or passport).

3. PROJECT PERMITS

- ❑ Construction license issued by the Ministerio de Vivienda y Edificaciones (MIVED).
- ❑ Verify the corresponding authorizations issued by the Urban Planning Department of the relevant City Hall (Departamento de Planeamiento Urbano de la Alcaldía).
- ❑ Building permit.
- ❑ Certificate of Title of the Property.
- ❑ If the project or property is covered under Law No. 158-01 (CONFOTUR), verify the documentation confirming the granted license (applicable only to tourism developments).

4. TAX ASPECT



Request the following documents from the seller:

LEGAL ENTITY (COMPANY)

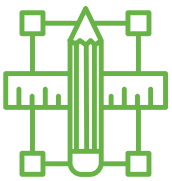
- ❑ Tax compliance certificate issued by the national tax authority (Dirección General de Impuestos Internos- DGII).

- [ ] Real estate property tax certificate (Certificación Impuesto Patrimonio Inmobiliario- IPI).

INDIVIDUAL

- [ ] Real estate property tax certificate (Certificación Impuesto Patrimonio Inmobiliario- IPI).

5. CADASTRAL EVALUATION



- [ ] Verify the property's location and boundaries with a certified land surveyor.
- [ ] Ensure that the property's boundaries are properly defined and match the legal documents (property titles, registered plans, etc.).
- [ ] Confirm there are no disputes related to the property's boundaries.
- [ ] Confirm that the property's location matches the information recorded in the Dirección Nacional de Mensuras Catastrales (DNMC) - National Cadastral Survey Office.

6. LEGAL STATUS OF PROPERTY

- [ ] Request the legal status certificate (Certificación de Estado Jurídico) from the corresponding Title Registry office. This document confirms the property's registration status, including any liens, encumbrances, claims, disputes, or other legal restrictions that may affect the property.

7. PROPERTY APPRAISAL (OPTIONAL)

- [ ] Hire a certified appraiser or review the property appraisal to determine its market value.

8. FINACIAL BANKING AND GUARANTEES

- [ ] Verify the project's financial Backing and Guarantees (trusts, financial institutions, developer's track record).

9. DEFINE METHOD OF PURCHASE

- [ ] Determine whether the property will be financed or purchased with personal funds (check or wire transfer).

10. SIGN A PROMISE OF SALE AGREEMENT

- [ ] Specify the amount of the transaction and term for the final contract.
- [ ] Review the document with an expert attorney.

11. SIGNING OF THE DEFINITIVE CONTRACT



- [ ] Verify with your lawyer that you have all the aforementioned documentation prior signing of the Definitive Contract.
- [ ] Once the definitive contract is signed it must be legalized by a notary public.

- Buyer and seller must keep an original of the signed contract.

12. PAYMENT OF REAL ESTATE TRANSFER TAX

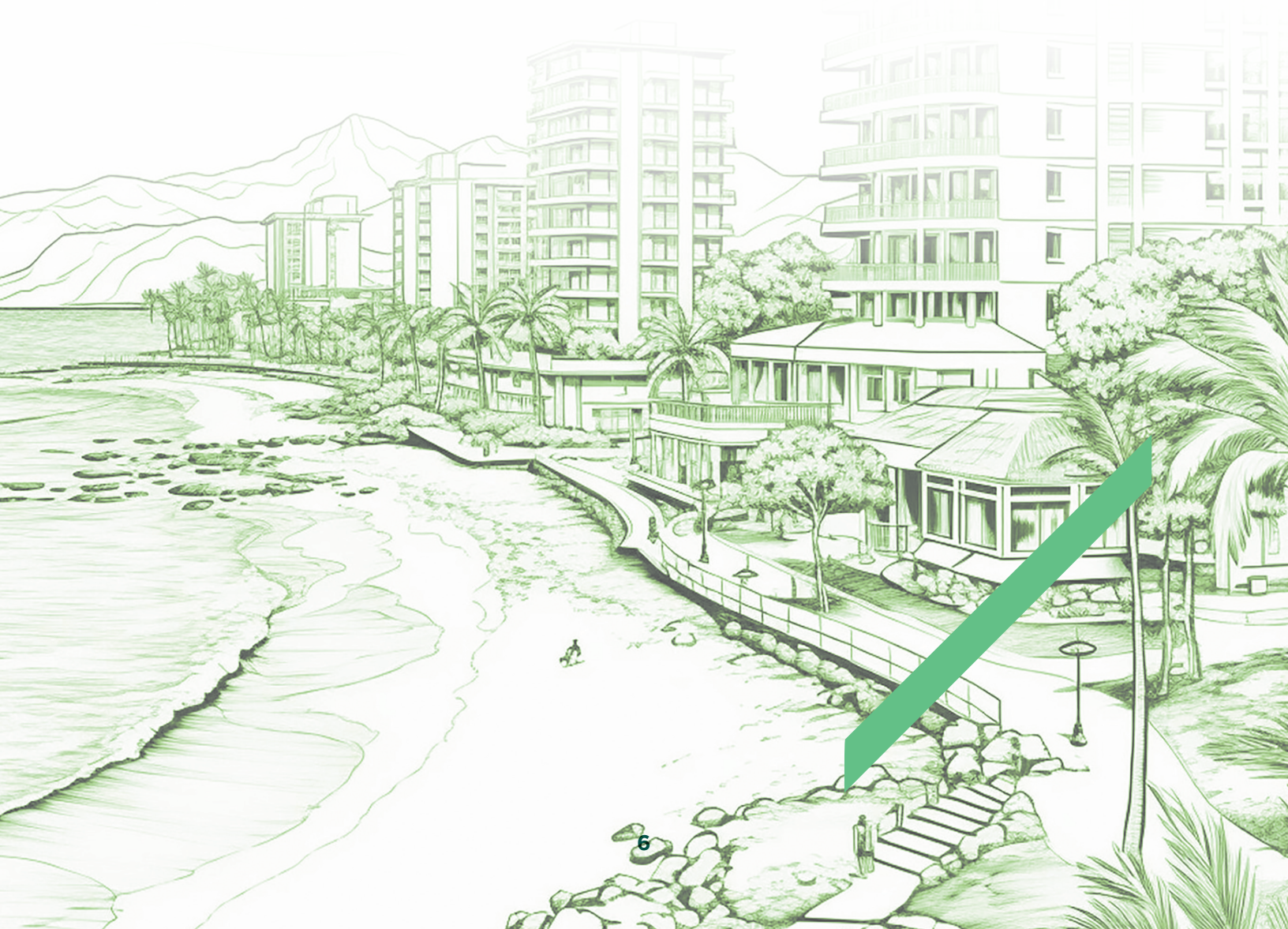
- 3% of the property's sale value must be paid to the national tax authority (Dirección General de Impuestos Internos- DGII). This does not apply if the property is covered under a low-cost housing trust or under Law No. 158-01 (CONFOTUR).

13. FILING OF DOCUMENTS BEFORE THE TITLE REGISTRY

- After completing step 12, the buyer must file the documentation before the corresponding Title Registry office in order to obtain a new property title certificate issued in their name.

14. OBTAINING THE PROPERTY TITLE

- When collecting the new property title certificate, the buyer must verify that all the information is accurate.



GREEN FLAGS vs RED FLAGS

Identifying positive and negative signs in a real estate acquisition

GREEN FLAGS	RED FLAGS
The broker or real estate agency recommends that the buyer seek legal counsel throughout the entire purchase process (including contract review, drafting, and signing).	The broker or real estate agency does not allow the client to have legal representation throughout the purchase process.
The seller provides access to all project-related documentation.	The seller restricts access to the project's relevant documentation.
The broker requests that all deposits be made to the project's official account.	The broker requests that payments be made directly to their personal account.
The project has an up-to-date cadastral evaluation and boundary verification conducted by a certified surveyor.	The broker or real estate agency does not allow a cadastral evaluation or boundary verification by a surveyor.
Having confirmation of the property's value in comparison to neighboring properties.	The property's value is not cross-checked against neighboring properties.
The broker or real estate agency encourages that the contract be drafted and reviewed with legal counsel.	The broker or real estate agency does not allow the contract to be drafted or reviewed by legal counsel.

ABOUT PELLERANO & HERRERA

Pellerano & Herrera is one of the leading law firms in the Dominican Republic, recognized for its longstanding trajectory, impact on the legal market, and involvement in the largest and most significant transactions in the country's history. **Founded in 1952, the firm offers a broad range of legal services across various areas**, including corporate law, tax, real estate, intellectual property, energy, tourism, and more.

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Caphé con Ley