

# DOMINICAN REPUBLIC BUYING GUIDE



# DOMINICAN REPUBLIC BUYING GUIDE



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## INTRODUCTION TO THE DOMINICAN REPUBLIC

The Dominican Republic is a destination like no other, with our astounding nature, warm friendly people, interesting rich culture and history, you will find it hard not to fall in love with our wonderful country as soon as you arrive.

Just 2 hours south of Miami, only 4 hours from New York and a mere 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.



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The Dominican Republic is the second largest Caribbean country and has become the Caribbean's most visited destination, with adventure seekers coming to hike, climb and mountain bike around our surprisingly diverse landscape. Blissful beaches, tropical rainforests, alpine ranges, mangrove swamps, and even a semi-desert await you!

Food, drink, clothes, and music are some of the things that the Dominican people do best:

- The country is home to Oscar de la Renta, one of the best-known fashion designers of the century
- The merengue originated here
- The Dominican Republic is known for its excellent rum and Mamajuana – A special local spirit
- Sugar, cocoa and coffee are 3 of the country's main agricultural exports
- Comida criolla is just one of our delicious local cuisines





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## 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 Coldwell Banker Prime Realty will get you there.

The real estate market in the Dominican 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.

Tel: (829) 423-8907 | Email: [info@coldwellbankerdr.com](mailto:info@coldwellbankerdr.com) | Web: [www.coldwellbankerdr.com](http://www.coldwellbankerdr.com)

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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 recent 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
- The Punta Cana International airport is one of the most travelled airports in the Caribbean
- 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
- Views, Views Views!



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## 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. Think of features that are important to you and create a checklist to serve as your road-map for buying a home. Using your checklist, our Coldwell Banker Prime Realty 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.





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## THE PROCESS

Purchasing property in the Dominican Republic is surprisingly easy, and here at Coldwell Banker Prime Realty we will make your purchase experience even easier.

Below are the simple purchasing procedure points:

Once we have helped you find the property of your dreams, a preliminary 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 and released at the time of closing. The Seller is committed to sell the property to you after signing this agreement.



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## 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 Coldwell Banker Prime Realty 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.



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## 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- 0.5%- 1% of property value



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## 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 DOP6,800,000. Properties with values below the threshold amount are not taxed.



If the property is held by a corporation, no property tax is due. Instead, the corporation must pay a 1% tax on corporate assets.

However, any income tax paid by the corporation will constitute a credit toward the tax on assets, so that if corporate income taxes paid are equal to or higher than the taxes on assets due, the corporation will have no obligation to pay taxes on its assets.



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## Title Insurance in the Dominican Republic

When a property (a home, condo, land or any other type of building) is purchased, Title Insurance can also be purchased in the Dominican Republic. Owning your property free and clear involves more than having a deed in hand. A deed does not cancel certain prior “rights” and “claims” other people may have to your property.

A title guaranty (such as Stewart Title or first American) is purchased for a one-time fee and once acquired, protects the policy holder as long as there is an interest in the property. Title insurance is a contract of indemnity that protects the property rights transmitted to a new property owner/lender and indemnifies the policy holder against damage or loss arising from a defect in the title to real property. Based upon a search of public records, a Title Search brings attention to any known property title problems before the closing takes place:



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## Covered title risks include:

- Invalid documents executed under expired/non-existent power
- False assumption of identity concerning the legitimate property owner
- Liens and financial burdens charged to the previous property owner
- Non-registered property easements
- Hidden heirs of previous property owners

## What does a title guaranty provide?

- Payment of legal expenses to defend a guaranteed title
- Payment of valid claims up to the value of the guaranty
- Thorough investigation of the title prior to issuance of title guaranty

Please contact us today for more information



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## 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. Due to Coldwell Banker Prime Realty's unique position in the Dominican Republic property market, we have access to numerous properties with proven and checkable rental income. Property rental income can provide higher returns than many other investment opportunities.





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## INFORMATION FOR INTERNATIONAL BUYERS

The good news is that there are no restrictions on foreigners purchasing property here, in fact the only requirement for ownership is that the Title Registry Offices keep a record for statistical purposes.

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.



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## RESIDENCY

Foreign nationals in the Dominican Republic are classed as either “Resident” or “Non-resident”, the non-resident status are for those who only wish to visit the country for a limited amount of time, for instance if you have purchased a property here for vacation purposes only.

A resident status will need to be obtained for those foreign nationals who wish to stay in the country for an extended period of time.

Any foreigner wishing to live or work in the country will need to obtain residency status, which is a 3-step process:

1. An application for residence visa will need to be lodged at the Ministry of foreign affairs
2. When the visa is granted, the application for provisional residency must be made within 2 months. The applicant will be granted with a 1 year provisional residency status
3. Once the provisional residency visa has expired, the applicant may apply for the permanent status.





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In order to apply for the residency visa's, the following paperwork will be required:

- Birth certificate
- Marriage certificate – If a joint application
- Passport
- Tourist card or business visa showing the applicant's last date of entry into the Dominican Republic;
- Evidence of wealth such as bank deposits, property titles, or a work contract
- A certificate of good behaviour from the Dominican authorities;
- Medical exam performed in the Dominican Republic
- 4 front photos 2 x 2
- 4 profile photos 2 x 2
- Completed application forms.



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## CITIZENSHIP

After a foreign national has had 7 years of legal residence in the Dominican Republic, it will be possible for them to apply for full citizenship:

1. File the application with the Department of Interior
2. Attend an interview at the home office
3. Attend the home office and take the oath of citizenship
4. Approximately 2 months after taking the oath the Dominican birth certificate will be issued, and the applicant can apply for the Dominican identification card





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## A LITTLE HISTORY OF THE DOMINICAN REPUBLIC

Dominican Republic history is fascinating. It began more than 500 years ago when the peaceful Taino's first inhabited the island, spending their days fishing, hunting and farming. Christopher Columbus arrived on the island on December 5, 1492, and named it Hispaniola, the meeting of these two cultures set the wheels in motion for Santo Domingo to later become the first city in the Americas.

- Spain surrendered the colony to France in 1795
- Haitian blacks (under Toussaint L'Ouverture) conquered it in 1801
- In 1808 the people revolted and captured Santo Domingo the following year, setting up the first republic
- In 1814 Spain regained the title to the colony
- In 1821 Spanish rule was overthrown, but in 1822 the colony was recaptured by the Haitians
- 1844 saw the Haitians thrown out, and the Dominican Republic was established headed by Pedro Santana.





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With uprisings, and conflicts, Santana went on to make the country a province of Spain from 1861 to 1865. President Buenaventura Baez was in charge of a country whose economy was in shambles and he attempted to have the country annexed to the US in 1870, however the US senate refused to cooperate. Unrest and disorder continued until the dictatorship of Ulises Heureaux in 1916 when pandemonium broke out again.

The US sent a contingent of marines to the country, who stayed there until 1924, it was at this time that Horacio Vasques was democratically elected as president of the country serving until 1930. Rafael Leonides overthrew Horacio and established a dictatorship that lasted until he was assassinated in 1961.



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Rafael Leonides overthrew Horacio and established a dictatorship that lasted until he was assassinated in 1961. In the first free democratic elections in four decades, Juan Bosch was elected president and then overthrown seven months later resulting in civil war. 1966 saw Joaquin Balaguer elected and he led the country through 12 years of political repression.

In 1978 the country returned to the polls once again and elected Antonio Guzman of the Dominican Revolutionary Party. The Dominican Republic was well on its way to becoming a democracy at this time. Up until today, the Dominican Republic has remained a peaceful democratic country with an economy that thrives on tourism.





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## SHOPPING AND COST OF LIVING IN THE DOMINICAN REPUBLIC

The Dominican Republic is known as a shopping giant in the Caribbean, with its malls such as Blue Mall and Ágora which are full of designer stores. There are also many international boutiques in Punta Cana and La Romana. If local arts and crafts interest you, it is said that the best can be found near city centers such as in the Colonial City's galleries. There is no shortage of options for shopping for just about anything you want here in The Dominican Republic.

When you are considering moving to another country, one of the most important things to be aware of is the average cost of day to day living in that country. From grocery shopping bills, to transportation, childcare, utilities, and eating out, [Click here](#) to find out some very important information on the cost of living in The Dominican Republic.



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## INTERNET AND CELL PHONE INFORMATION

### Internet Speed in The Dominican Republic

One of the most important factors to consider for many of us when we move is the internet speed available in the new country or area, we have included the details below

#### Average Download Speed

24.68 mbps

#### Average Upload Speed

6.57mbps

Another very important factor is cell phone coverage and price, almost every Caribbean island has good cell service, however if you are not a permanent resident, and are bringing your cell phone with you, it is best to check with your provider about costs of overseas use. Another great option is to purchase a pay as you go sim card so that you can use your phone anywhere in the Caribbean without the hidden surprises. iRoam have some good deals.





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## USEFUL INFORMATION

### Education

The Education system in the Dominican Republic is free and compulsory at elementary level, and free but not obligatory at secondary level. The system has four stages:

- Preschool Education
- Primary Education
- Secondary Education
- Higher Education

There are many schools to choose from, which are both private and public, and a huge choice of universities for those who want to continue their education further. Click [here](#) for more information on Education in the Dominican Republic.





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## Utility Companies

Electricity – Edeeste- (809) 788-2373

Water – Instituto Nacional de Aguas Potables y Alcantarillados (INAPA)- 809-567-1241

Gas – There is no gas mains supply in the Dominican Republic, gas cylinders are used instead, which need to be re-filled. There are several companies offering the service of collecting your gas cylinder from your house and refilling it.

Telecommunications – Claro Dominicana- (809) 220-1111



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## DOMINICAN REPUBLIC FAQ

### Is the tap Water Safe to Drink?

It is not safe to drink the tap water in The Dominican Republic, as it is not purified. It is always necessary to drink bottled water which is readily available at your resort and neighborhood supermarkets.

### Is the Dominican Republic in the Hurricane Belt?

The Dominican Republic is in the Hurricane belt, although the last direct hit was in 1998, so the chances of one occurring are slim. The Hurricane season runs from June 1st to November 30th each year.

### What languages are spoken in The Dominican Republic?

The official language spoken in The Dominican Republic is Spanish, and there are many different dialects spoken across the country. There are also variations of the Arawak language.





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## What Time Zone is the Dominican Republic in?

The time zone in The Dominican Republic is Atlantic Standard Time which is GMT-4. The Dominican Republic does not observe Daylight Savings time.

## What Currency is used in the Dominican Republic?

The currency of The Dominican Republic is the Dominican Peso (DOP), each Peso is divided into 100 cents.

## What supermarkets are available in the Dominican Republic?

- Jumbo
- Nacional
- Pricesmart
- Sirena Market

## How accessible is the internet?

The Dominican Republic has a limited number of internet cafes, with many charging an hourly rate. However, the internet is available free to customers in most cafes, restaurants, hotels and more.



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## What are the Liquor and Drug Laws in the Dominican Republic?

The legal age to drink alcohol here is 18 and bars will not admit anyone under this age, even when accompanied by an adult. All drugs are illegal.

## What is the percentage of Consumer Tax?

Consumer tax in The Dominican Republic is 18% for purchases, there is also an extra 10% charge added in restaurants, bars and hotels as a service charge.

## Can I Retire in the Dominican Republic?

The Dominican Republic allows anyone to retire to the country provided they can show proof of a monthly pension, plus an additional \$250 for each person who is joining the move. The application usually takes around 45 days, and the residency program comes with benefits and tax breaks.





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What Embassies and Consulates are there in The Dominican Republic?

## Embassies -

- Argentina- Santo Domingo
- Austria- Santo Domingo
- Belize- Santo Domingo
- Brazil- Santo Domingo
- Canada- Santo Domingo
- Chile- Santo Domingo
- China- Santo Domingo
- Colombia- Santo Domingo
- Costa Rica- Santo Domingo
- Cuba- Santo Domingo
- Ecuador- Santo Domingo
- El Salvador- Santo Domingo
- France- Santo Domingo
- Germany- Santo Domingo
- Guatemala- Santo Domingo
- Haiti- Santo Domingo
- Holy See- Santo Domingo
- Honduras- Santo Domingo
- Israel- Santo Domingo
- Jamaica- Santo Domingo
- Japan- Santo Domingo
- Korea (Republic)- Santo Domingo
- Mexico- Santo Domingo
- Morocco- Santo Domingo
- Netherlands- Santo Domingo
- Nicaragua- Santo Domingo
- Panama- Santo Domingo
- Paraguay- Santo Domingo
- Peru- Santo Domingo
- Qatar- Santo Domingo
- Spain- Santo Domingo
- Switzerland- Santo Domingo
- Turkey- Santo Domingo
- United Kingdom- Santo Domingo
- United States- Santo Domingo
- Uruguay- Santo Domingo
- Venezuela- Santo Domingo



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## Consulates -

Albania- Santo Domingo  
Antigua and Barbuda- Santo Domingo  
Bahamas- Santo Domingo  
Barbados- Santo Domingo  
Belarus- Santo Domingo  
Bolivia- Santo Domingo  
Brazil- Santiago  
Canada- Puerto Plata  
Chile- Punta Cana  
Cyprus- Santo Domingo  
Czech Republic- Santo Domingo  
Denmark- Santo Domingo  
Dominica- Santo Domingo  
Ecuador- La Romana & Santiago  
Estonia- Santo Domingo  
Finland- Santo Domingo  
France- La Romana, Las Terrenas, Punta Cana & Santiago

Guyana- Santo Domingo  
Haiti- Barahona, Dajabon, Higüey & Santiago  
Iceland- Santo Domingo  
India- Santo Domingo  
Israel- Santiago





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## Consulates continued...

Italy- La Romana, Puerto Plata & Santiago  
Jordan- Santo Domingo  
Latvia- Santo Domingo  
Lithuania- Santo Domingo  
Monaco- Santo Domingo  
Netherlands- Puerto Plata  
Norway- Santo Domingo  
Norway- Puerto Plata  
Philippines- Santo Domingo

Poland- Santo Domingo  
Poland- Puerto Plata  
Portugal- Santo Domingo  
Romania- Santo Domingo  
Russia- Santo Domingo  
Saint Kitts and Nevis- Santo Domingo  
Saint Lucia- Santo Domingo  
Saint Vincent and Grenadines- Santo Domingo

Serbia- Santo Domingo  
Sweden- Santo Domingo  
Trinidad and Tobago- Santo Domingo  
Ukraine- Santo Domingo  
United Kingdom- Puerto Plata  
United Kingdom- Punta Cana  
United States- Puerto Plata





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## ABOUT US

Here at Coldwell Banker Prime Realty, we pride ourselves in being able to provide the best customer service experience possible while helping you buy, sell, or rent a new home in the beautiful Dominican Republic.

