



Frequently Asked Questions

What and where is Punta Perla?

Punta Perla is a master planned resort envisaged to become one of the worlds finest resorts offering luxury accommodation and world class amenities. It is situated in approximately 2,700 acres (10.2 million sq metres) of prime beachfront land in the Punta Cana region on the Eastern tip of the Dominican Republic, located on the Caribbean's second largest island, Hispaniola. The site has 3.5 km's of beachfront and stretches inland for 5 km's.

How many properties will there be on Punta Perla?

There will be approximately 8500 properties on Punta Perla. Punta Perla will be a low density build offering just 11 people per acre.

Is the property freehold or leasehold?

All properties on Punta Perla are freehold.

Who is developing Punta Perla?

Punta Perla is being developed and project managed by Pariso Tropical S.A, a Dominican Republic company headed up by Spanish developer, Ricardo Miranda.

Has the developer got land title?

Yes, the developer has full legal title to the land.

When will the Property be completed?

The property that we are currently marketing along with the major facilities including the marina and first signature golf course will be ready within 30 months from the signing of contract. Punta Perla in its entirety is a 5 – 6 year project

What are the payment terms on the property?

\$10,000, £6,000 or €8,000 reserves the property and on contract, 30% of the purchase price (minus the reservation fee) is payable. There is then nothing further to pay until completion.

How long after reservation will contracts be and when will my 30% deposit be due?

The contract will be with you within 14 days of reservation and you will have 21 days to sign the contract and pay the deposit before the reservation is cancelled and the property re-marketed. The reservation fee is fully refundable up until signature of contract.

Will I be offered a mortgage on any Punta Perla properties I buy?

Yes, the developer will make available, through a nominated bank, a mortgage for 70% of the purchase price on completion. The term is currently up to 15 years at a rate of 7% interest for a repayment mortgage although the lenders anticipate the rate to be lower by completion. There will

also be more mortgage options in place by completion. The mortgage offer is related to the property purchase price.

How do I know I will qualify for the mortgage?

You will need to provide identification to prove you are who you say you are. Assuming this is possible then the mortgage will be granted, the mortgage is not based on personal income.

Is there a guaranteed rental return with Punta Perla property?

Yes, every purchaser on Punta Perla will be offered a fixed annual rental return equating to 8% of the purchase price (less the \$10,000 resort membership fee – See resort membership question) for a period of 5 years. This return will then be renewable annually for up to another 5 years at the agreement of both parties. The rental contract will be with a company partly owned by the developer who will make agreements with major tour operators who will in turn guarantee the rental return.

A second option of a variable return will be available where 70% of all income in the pool will be split amongst the owners equally with the remanding 30% being used for the services associated with running the rental pool. This option offers the possibility of achieving a higher return than the fixed rental return option although no guarantee.

Can I have personal use of the property?

Yes, subject to availability and your rental pool agreement. You will have to rent the property back from the tour operator and this will be deducted from your rental income subject to the amount of day's personal use that you have. This will work as follows:

The personal use for the fixed option is as follows:

- 30 days of use of the PROPERTY-----7% return
- 60 days of use of the PROPERTY-----6% return
- 90 days of use of the PROPERTY-----5% return
- If the owner decides to use the PROPERTY during 180 days, these will have to be during the months of June, July, August, September, October and November-----3% return

The personal use for the variable option is as follows:

- 30 days of use of the PROPERTY-----1% deduction from return
- 60 days of use of the PROPERTY-----2% deduction from return
- 90 days of use of the PROPERTY-----3% deduction from return
- If the owner decides to use the PROPERTY during 180 days, these will have to be during the months of June, July, August, September, October and November-----5% deduction from return

How is the rental return paid?

The rental return will be paid quarterly in arrears in US dollars.

What costs must be deducted from the guaranteed rental return?

The 8% guarantee is a net return however it will be up to the owner to cover the buildings insurance and hurricane insurance and yearly resort membership fees. The Insurance we estimate will not exceed \$1200 per annum and the resort fees will be \$1,500 per annum (see also access to facilities question)

When will the properties be rentable?

All properties and surrounding areas will be rentable no more than three months after completion and handover.

Are the properties sold fully furnished?

No although, white goods are included in the purchase price. Purchasers wishing to enter the rental pool will be obliged to purchase a compulsory furniture package. From past experience, we estimate this will cost no more than \$25,000.

What is the monthly maintenance fee?

Every property will be subject to a monthly maintenance fee of around \$250 to \$350. If the property is entered into the rental pool then this fee will be payable by the pool and not owner.

Do I need to pay property insurance?

Yes you will need to take out insurance on the property. This will include Hurricane insurance (see guaranteed rental return deductions question)

What currency is the property transaction carried out in?

All transactions are in US Dollars.

What are the tax incentives for purchasing at Punta Perla?

Continued Government incentives to attract both real estate investment and tourism continue with the introduction of Law 158. This entitles investors in the country several benefits such as no stamp duty on purchases saving in excess of 4% of the property price, no tax liability on rental incomes and no capital gains tax. These exemptions have been applied for at Punta Perla and are expected to be granted shortly.

What are the normal fees and taxes involved in purchasing property in the DR?

Taxes must be paid before filing the purchase at the Title Registry Office. Taxes and expenses on the conveyance of real property are approximately of 4.4% of the market value of the property, as follows:

- 3% Transfer Tax (Law # 288-04)
- 1.3% Document Stamp Tax (Law # 835-45) (Actually, RD\$232 pesos for the first RD\$20,000 pesos and 13 per thousand for the rest).
- Minor expenses such as tax on certified check, sundry stamps.

Transfer taxes are paid based on the market value of the property as determined by the tax authorities, not based on the price of purchase stated in the deed of sale.

What annual property and land taxes have to be paid by purchases in the DR?

Tax on Luxury Dwellings and Empty Urban Lots ("IVSS Tax") is payable annually on the holding of luxury dwellings and empty urban lots whose market value exceeds RD\$5,000,000. Such tax quota is determined by the Tax authorities (DGII for its initials in spanish), upon declaration of the land ownership.

Can I sell my contract before completion?

Yes. The issue of a new contract is subject to a fee equal of 2% of the sale price.

Can I buy a boat mooring?

Yes there will be a number of moorings for purchase. You can join the waiting list when you make your reservation and potential purchasers will be approached on a first come first served basis. There are also a limited number of properties that include their own boat moorings. Final details of moorings will be available mid 2006.

How big is the La Marina de Punta Perla?

The Marina is approx. 0.7km across at it's widest (to give you a comparison, Puerto Banus, Spain is 0.8km wide). It will provide berth for approx 150 boats up to 42m in length.

Will there be any hotels on the site?

Yes, there will be 4 Five Star boutique hotels of the highest quality. They will not be all inclusive.

Can I buy a plot to build my own villa?

Yes, there are a limited number of 3,500m² beachfront founder plots which are not released yet.

Will parking be provided with each property?

Yes, either underground or aboveground parking is available with each property dependent on development.

What is the main mode of transport on the resort?

Golf buggies will be the main preferred method of transport around the resort. There will also be plenty of resort taxis and Vaparetto water taxis available for the use of residents and guests.

What is the position with regard to 'Signatures' for the golf courses?

Each of the three golf courses will bear a different signature, the first course is a Colin Montgomerie signature course and will be designed in conjunction with European Golf Design (www.egd.com). The remaining two course signatures will be announced when the paperwork contracting their services is finalised. The first signature course will be built to a championship standard.

Who will carry out the actual construction?

The developer is in advanced negotiations with one of Spain's largest companies with turnover in excess of €2 billion.

Is access to all facilities on Punta Perla included in the purchase price?

Yes the purchase price includes a \$10,000 resort membership for Punta Perla that allows access to **all** facilities. The yearly resort membership fees will be between \$1,000 and \$1,500 per annum. Facilities may then be used on a pay per play basis (golf, horse riding etc) however will be greatly subsidized for dwellers in Punta Perla properties.

What is the general overview of the Dominican Republic?

The Dominican Republic is an independent country in the West Indies, a region of the Caribbean Sea. It occupies two-thirds of Hispaniola, the second largest island in the Greater Antilles. Hispaniola lies between the islands of Cuba and Puerto Rico and is located about 1000 kilometers southeast of Florida, USA. The Dominican Republic's land area is of 48442km² and has a coastline of 1288 km including rocky cliffs and 300km of sandy beaches. The Dominican Republic is bathed by the Atlantic Ocean to the North and the Caribbean Sea to the South.

The Capital of the Dominican Republic is Santo Domingo and the main industries are tourism, sugar processing, ferronickel and gold mining, textiles, cement, tobacco.

In May 2004 the country's citizens voted in the current president Dr Leonel Fernandez and his Dominican Liberation Party. In recent years the Dominican Republic has evolved into a free and Democratic nation.

The Dominican Republic enjoys a year round tropical maritime climate. A latitude of 17° 36, - 19° 58, places the Dominican Republic at the border of the tropical zone. Sea breezes refresh the insular territory, evening out temperatures to average 23°C in the early mornings to 32°C at mid-day. The months of May to November are regarded as the rainy season. The hurricane season lasts from June through November with August-September being the peak months.

How long is the rental season?

The rental season is all year round.

What are the likely rental rates?

It is difficult to find a directly comparable development of the quality and scale of Punta Perla, but similar 2 bed villas (in inferior resorts) rent at approx. \$800 per night.

What about occupancy rates?

Hotels in the region of Punta Cana enjoy occupancy rates of over 86%.

How important is tourism to the Dominican Republic?

The tourist industry is the Dominican Republic's main hard-currency earner, followed by money remittances and duty-free zones.

What about Hurricanes?

Hurricanes are a part of life to everybody living in this part of the world. Records show that Punta Cana has had 1 named hurricane pass within 60 nautical miles since 1944 placing it at number 45 out of a list of the hurricane capitals of the 60 major Caribbean Islands and Bermuda.

All properties on Punta Perla are built to recognized Hurricane proof standards and insurance is widely available.

Is the Dominican Republic safe?

Violent crime against tourists in the Dominican Republic is rare and although petty crimes and pick pocketing are more common in some areas, the Dominican Republic is a safe country. Punta Perla is a totally private gated community for residents and guests only and is protected by 24 hour security.

How far is Punta Perla from the Airport?

Punta Cana international airport is the busiest and possibly prettiest airport on the Island and is just 15 minutes from Punta Perla. This will reduce to less than 10 minutes, once El Coral is completed (see question on roads).

How easy is it to get flights into Punta Cana?

Routes into Puna Cana International Airport continue to increase. Travel to most European and American cities is well catered for by a host of major scheduled and charter airlines.

Can I visit Punta Perla now?

Yes we are running regular inspection tours to Punta Perla. The trip is a subsidised 4 day trip flying via Miami. Please contact your introducing agent or Punta Perla Sales team for more information

What about the roads?

A US\$255million four lane highway, El Coral, has started construction which will link La Romana in the South with Higuey in the north. This will revolutionise the area of Punta Cana as it passes directly past and will make travel in the area far easier and quicker, as well as reducing travel time from the airport to Punta Perla to less than ten minutes. It will also make access to other areas of the Island far easier, opening up a greater choice of off resort activities.

Does Punta Perla have the support of the government?

Yes, the developer recently met with the President of the Dominican Republic whose government has chosen to embrace this project because of the obvious prosperity and kudos it will bring to his country. The meeting was widely reported throughout the Caribbean. The President of the Dominican Republic also attended an investment conference in London in March 2006 where he met with representatives of the developer and Punta Perla Sales.

What is the build density at Punta Perla?

The building density to land percentage at Punta Perla is 10units per hectare (10,000 m²), but the legal or allowed density in the Dominican Republic is 27.5 units per hectare. This means that Punta Perla is going to be built 65% below the permitted rate. The build density to land is 15%.

What is the policy for the disabled at Punta Perla? both in facilities and property e.g. are doors wide enough for wheelchairs etc.

The developer is very much aware of the needs of the disabled and therefore the project will have all the necessary facilities so that handicapped people can enjoy the resort. The project will be equipped with ramps or elevators where there are staircases, all doors will be wide enough to fit a wheel chair, side walks will have their corresponding ramps, access to the beach will be facilitated by appropriate paths, etc.

How wide are the moorings of the Star Island Water Bungalows?

46 feet

What will be the depth of the marina?

6 meters in the public area (marina A and B), and 3.5 meters in the private area (Marina C).

Will apartment owners in the marina have the opportunity to buy a mooring, if so how much will they be?

We are drafting a contract for the reservations of moorings and commercial premises at the moment. It is almost ready in Spanish and then we will translate that into English and send it to you. The idea is to have a contract to reserve moorings until they are finally released to be rented. The rent would be \$550 per square meter per year. When the marina is finished PT will carry out a market study and we will determine the fixed price for the rent. PT intends to rent the moorings, although

purchasers will have the opportunity to have an option to purchase in case the moorings are released for sale.

Will other property owners in Punta Perla have the opportunity to buy a mooring (i.e. people who have purchased a villa on the golf course?)

Following with the point above, the idea is to rent the moorings. Clients will have the opportunity to have an option to purchase. Clients who have purchased in the marina will have preference over other clients. You will have to control this so that there aren't any future problems. Other than that, the order will be first come first serve.

This means that, even if there is a list of clients from different areas interested in purchasing in the project, and a marina client is interested, the marina client should go before the other clients on the list, but situated after the other marina clients that want an option to purchase and have signed up for the list earlier.

The prices for the rental of the moorings will be in the region of \$550 per square meter per year. When the marina is finished, the developer will carry out a market study and fix the definite price for the mooring. All this will be reflected in the reservation agreement that you will be receiving soon.

The reservation fee for the moorings is of \$10,000 and it will need to be paid to the developer.

Commercial Units

With regards to the commercial areas, the shops will be of 50 square meters on the first line of the marina and the reservation fee to be paid to the developer is of \$20,000. If the client needs a bigger commercial area, he can rent two spaces of 50 square meters. The Colonial Village will have bigger shops of 100 square meters. The reservation fee is of \$10,000.

The prices for the business premises have not been defined yet. I am waiting to receive an answer about this to add it to the contract (at least an orientation of the price although it would need to be adjusted after the market study).

Waste Water

The waste water will be treated in a water treatment plant and it will be reused for watering purposes (golf etc.). It is important that you know that no waste water will ever be poured into the sea, rivers, lakes etc. The waste water will always be treated and filtered before being disposed.

There will also be collection areas such as artificial lakes (in the golf) to collect rain water to use it for watering purposes as well.

The intention is to make the maximum use of the natural resources.

With regards to the community water, the running water for the properties will come from a number of wells that are located in another plot outside the project and will be taken up to the project through water pipe lines. This water is for human use, but it's not at a recommended level for drinking purposes.

This is a common problem in the region, as the ph levels of the water are not adjusted to human needs.

Inheritance of Real Estate by Foreigners

There are no restrictions on foreigners inheriting title to real property in the Dominican Republic. Inheritance taxes range from 17% to 32% of the appraised value of the estate depending on the relationship between the beneficiary and the deceased. If the beneficiary resides outside the Dominican Republic, inheritance taxes are subject to a 50% surcharge.

Inheritance of real property is governed by Dominican law which provides for "forced heirship": part of the estate must go to certain heirs by law. For example, a foreigner with a child must reserve 50% of the estate to that child despite the existence of a will or of the law of his country of residence. **To avoid the application of Dominican rules of inheritance to the estate, it is advisable for foreigners to hold real property indirectly through a holding company.**

LIFTS

All apartment buildings have lifts for general use. It is represented on the floor plans as a square next to the stair cases.

BEACH FRONT PARKING

The parking in this area is behind the blocks, next to the road that goes behind the buildings.

Residency

How long does it take to get a residency?

Provisional residencies can be obtained by law firms for clients in 4 to 6 months. Provisional residency is granted for a year and only at the expiration of that year can the application for permanent residency be filed. It takes approx. 2-3 months after filing for the permanent residency to be granted. Therefore, minimum time for a permanent residency = 4 months + 12 months + 2 months = 18 months

Are proxy divorces possible by Dominican law?

No. At least one of the couple needs to travel to the DR for the divorce. The other couple needs to provide written legalized consent to the divorce. US citizens cannot file for divorce by proxy in the Dominican Republic. For more information on divorces, see [Divorces](#)

If I extend my stay over the 90 period tourist card, what happens?

Nothing. You have to pay a penalty. The scale starts at RD\$60 for up to nine months. RD\$100 for a year, RD\$160 for a year to a year and a half. RD\$200 for a year-and-a-half to two years. The maximum is RD\$600 for staying more than five years.

What kind of businesses can be incorporated?

Dominican law only recognizes three kinds of business forms. These are a corporation of at least seven shareholders and an individually owned company or a partnership.

What are the advantages to getting a residency?

To become a legal resident in the DR, foreigners need to obtain a residence visa, provisional residence card and finally a permanent residence card. The entire process will take over a year and a half. Many persons contract the services of an experienced Dominican migration lawyer because it is a very time-consuming process. Following is the listing of requirements as indicated at the Ministry of Foreign Relations (Residence Visa) and the Department of Migration (Provisional Residence and Permanent Residence).

A permanent residence can be obtained in a minimum of 18 months. It takes about four to six months to obtain the provisional residence. Provisional residences are granted for a year and only at the expiration of that year can the application for the permanent residence be filed. It takes 2-3 months to obtain the permanent residence after paper work is submitted.

Tourism

- Over 4,000,000 international visitors PA

- Tourism now accounts for 21% of the country's GDP (over US\$8 billion)
- Has grown an average of 12% PA in the last 25 years
- Tourism generates over 656,000 jobs (18% of total workforce)
- Tourism growth surpassed Dubai
- 65,000 hotel rooms – many international groups
- 7 airports on the island. More than any other Caribbean island
- 76% of International arrivals – foreign tourists
- 1,161,583 tourists Q1 2007
- 4% more compared to January-March 2006.
- Courses of tourists:- 29% Canada - 28% - US - 11% France, Germany with 6.30%, Spain with 5.21%, Italy with 4.49% and the UK with 3.87%.
- Punta Cana region is the all-inclusive capital of the world
- 52% of DR's international traffic goes through Punta Cana International Airport
- Many scheduled and chartered airlines
- Punta Cana International Airport – privately owned & expanding
- Attracting higher income tourists- most from US
- Attracting brand such as Ritz Carlton, Trump, Conrad and Fairmount
- New developments:- Capa Cana, Roco Ki
- Government led tax incentives :- law 158

Huge investment in tourist sector

The Dominican Republic's leading tourist areas are due to get a huge injection of government sponsored projects aimed at improving the local infrastructure in the areas surrounding the most popular destinations. According to Listin Diario, more than US\$250 million is to be invested. Projects include housing, churches, aqueducts, post offices, markets, sanitation systems and government offices.

The money comes from the special tax (US\$5.00) on tourists arriving by air. In its first year, the tax has raised over US\$20 million for the Executive Committee on Infrastructure in the Tourist Zones (Ceiztur). According to Tourism Minister and realtor Felix Jimenez, the RD\$8.37 billion investment will enable the country to maintain its status as a top tourist destination.

Speaking at the most recent DATE 2007 convention, the president of the National Hotels and Restaurants Association (ASONAHORES) predicted a 90% increase in tourism over the next eight years.

Tourism – Why so successful ?

- Climate 80'c +/- 4'c all year

- Friendly people
- Low operating costs for operators/hotels
- Low local wages
- Locally produced food and drink (low cost)
- Many national parks
- Natural beauty – flora/fauna – 350 species of orchid. Powder white beaches- turquoise sea
- Natural wildlife – land or sea- 300 species of birds
- Whale watching, dolphins
- Massive investment in infrastructure

**If you have any further questions please do not hesitate to
E-mail your introducing agent or our Sales Department on team@puntaperlasales.com
Or call 0845 604 1208**

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