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While Home Front Cools, Housing Development in the Dominican Republic is Hot *U.S. Home Purchases Stall, International Real Estate Opportunities Soar*

CABRERA, DOMINICAN REPUBLIC – May 3, 2007 – Chances are, you’ve been hearing a lot about downturns in the U.S. housing market. But, while new home sales are down in the U.S., real estate investment activity and opportunities on the North Coast of the Dominican Republic are on the upswing.

Michelle Matthews, managing director of Inversiones Playa Grande, S.A. (IPG), a company offering a complete portfolio of real estate services on the North Coast of the Dominican Republic, shares her expertise on the top three reasons the Dominican Republic housing market is enticing U.S. investors, developers and owners.

Reason #1 – Location.

While many of the most desirable housing locations in the U.S. have been developed to the maximum, the Dominican Republic offers numerous areas where breathtaking beauty and an abundance of property converge. One such region is the largely untapped North Coast of the Dominican Republic. This location embodies a tropical paradise with a unique blend of coconut palms, azure water, golden sand beaches and sweeping mountain vistas. The topography of the area, particularly in the areas of Gaspar Hernández, Rio San Juan, Cabrera and Nagua (between Cabrera and Puerto Plata), is very unique, with high cliffs inland located less than one mile from the ocean.



“Purchasing property on this cliff top gives owners a breathtaking, unobstructed view of the ocean. This is a key reason the area is rapidly becoming a prime location,” said Matthews. “Still, despite this, the prices are definitely affordable by Caribbean and U.S. standards.”

The area around Cabrera itself is selling very briskly as well.

“In this area, investors, developers and individual land owners are purchasing real estate at a steady pace,” said Matthews. “It is very lush, has many local activities nearby, and is more affordable than most other areas of the country which helps to propel the desire to purchase there.”

Reason #2 – Price.

Higher interest rates and increased home prices have affected the housing market in the U.S. The North Coast of the Dominican Republic, however, continues to offer reasonable land and development costs.

On the ocean, buyers can still find prime development property for as little as \$20 per square meter. Land is typically sold by the square meter; there are about 4,046 square meters in one acre.

Reason #3 – Return on Investment.

While the U.S. housing market is seeing a plateau and downfall of housing appreciation, the Dominican Republic has some of the most under-valued real estate, including highly desirable beach front and oceanview locations

“With the rest of the Caribbean reaching the point of saturation, we feel the Dominican Republic is particularly well-suited for rapid real estate asset appreciation over the next decade,” said Matthews.

As an example, a PGI client purchased a ranch on the hillside, overlooking the ocean. He paid less than \$100,000 for the property, which entailed almost 30 acres of land. During the course of three years, he invested another \$100,000 in rebuilding the house, strengthening the fencing, installing generators, and more. The property was recently appraised at more than \$1,000,000.

“At IPG, we use our resources to seek out real estate opportunities that will be profitable for our clients over time. So, we see examples of ROI increasing for our clients every day,” said Matthews.

With its continued growth and accessibility, the Dominican Republic is poised for growth and will continue to offer an attractive real estate environment.

For more information on real estate investment opportunities, visit <http://www.playa-grande-real-estate.com>. Here, clients can begin making the first steps to owning a piece of paradise.

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Inversiones Playa Grande, S.A. (Playa Grande Investments) offers a complete gamut of real estate services for various property types on the North Coast of the Dominican Republic. A full-service real estate company, Playa Grande Investments provides sales, finance options, development resources, and marketing programs to enable clients to buy or sell property in the country. Real estate opportunities for sale include luxury vacation villas; development property; gated community lots; beachfront, oceanview and oceanfront property; and hotels, condos and apartments.