

Dominican Republic is Bucking the U.S. Slowing Trend

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U.S. hotel investors are developing 4- and 5-star properties at rapid rates

To-date indicators show that the Dominican Republic's diverse hospitality market is well positioned to weather the economic slowdown in the U.S. With recent political advancements, significant investments in infrastructure, and a large number of European-based travellers, U.S. hotel investors are finding the Dominican Republic to be a favorable destination for investments.

'The Dominican Republic's high number of European-based travellers makes the country more resistant to economic changes than other Caribbean destinations which are more dependent on U.S. demand. This in turn has helped spur resort developments,' said Fernando Garcia-Chacon, senior vice president for Jones Lang LaSalle Hotels. Garcia-Chacon reports an increase from European-based investors seeking valuation and or feasibility studies on various projects based in this area.

The Dominican Republic has beautiful beaches, a hospitable population, low labor costs, and, to a lesser degree, lower construction costs. 'Punta Cana is now shedding its all-inclusive label and is attracting investment in 4- and 5-star properties under brands such as Ritz-Carlton, Westin, and Fairmont,' said Garcia-Chacon. 'Additionally, Cap Cana, located adjacent to Punta Cana, features a major in-progress upscale hotel and residential development. This development offers multiple golf courses, one of the Caribbean's largest marinas, as well as retail and other services required by a resort of this magnitude.'

Other Dominican Republic destinations are also receiving attention and investment. A Four Seasons resort is being developed in Casa de Campo-a major golf and residential community about two hours east of the capital city. In addition, there are numerous hotel and residential resort developments along the North Coast, attracting a number of boutique operators.

Proposed Luxury Resort Developments in Dominican Republic

Hotel Location Opening Date

Fairmont Roco Ki Punta Cana 2010

Westin Roco Ki Beach & Golf Resort Punta Cana 2009

Ritz-Carlton Cap Cana 2010

Trump at Cap Cana Cap Cana 2010

Sotogrande (NH Hotels) Cap Cana 2010

Amman Resorts Playa Grande 2010

Banyan Tree Samana 2010

Four Seasons Casa de Campo 2009

Recent statistics from the Central Bank show a 7% increase in air arrivals to the Dominican Republic in year-to-date 2008. With more than 250 weekly flights, the country experienced a steady 4% compound annual growth rate in passenger arrivals over the past five years. 'It would not be surprising to see other upscale and luxury brands announce development plans as air arrivals increase and demand fundamentals remain strong,' said Kristina Paider, senior vice president for Jones Lang LaSalle Hotels.

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The global team comprises 236 hotel specialists, operating from 27 offices in 16 countries. The firm's advice is supported by a dedicated global research team, which produced over 45 publications in 2007 in addition to client research. Jones Lang LaSalle Hotels' services span the hospitality spectrum, from luxury single assets and large portfolios to select service and budget hotels, resorts and pubs. Their services include investment sales, mergers and acquisitions, capital raising, valuation and appraisal, asset management, strategic planning, operator selection, management contract negotiation, consulting, industry research and project development services. Jones Lang LaSalle Hotels' clients have access to the resources of its parent company, Jones Lang LaSalle (NYSE: JLL). www.joneslanglasallehotels.com

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