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Doing Business in Dominican Republic

Buying Dominican Property: Avoiding Conflicts

Many foreigners who come to the Dominican Republic, for either business or pleasure, discover the many different environments found within a short drive: major internationally-linked cities, scenic tropical country sides, serene mountain ranges, and pristine white sand beaches.

The idea of buying real estate property in the Dominican Republic may come to mind, whether it be for a second or third home, as part of initiating a new business in the country or retiring to a sunnier location.

This article attempts to cover some aspects of buying Dominican real estate property, from the perspective of an experienced Dominican Republic real estate attorney.

Getting Advice to Buy Dominican Real Estate Property

Potential buyers of Dominican real estate property often go to real estate brokers for information on available properties for sale at specific or several different locations.

There are plenty of property brokers in the Dominican Republic and they are very good salespeople, but buyers should note that real estate brokering is a largely unregulated activity in the Dominican Republic, meaning that brokers are not subject to the disclosure rules and ethical principles applicable elsewhere.

In lack of regulation, brokers may lack property law knowledge and cannot advise on legal status of property and implications for buyer. For instance, brokers are not required to offer only saleable properties with a clean title. Missing knowledge of what a good and marketable title means can complicate purchase sale closings or the impossibility for purchaser to immediately transfer the property to its name or finance its acquisition.

In light of the above, Dominican real estate buyers should engage independent and reputable real estate attorneys to verify property documents and that their brokers are looking out for the buyer's (not seller's) interests. It is imperative that legal assistance is sought and retained prior to signing property reservation, purchase sale documents, making reservation or promise of sale payments.

Avoiding Conflicts of Interests in Dominican Real Estate Transactions

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Dominican property buyers can retain the services of real estate property brokers and real estate attorneys for seeking saleable properties and verifying their overall legal and practical status, but they should verify that both their broker and their real estate lawyer are independent from the seller.

In some cases, property sellers in tourism projects and communities will offer (and sometimes almost require) for closing that you empower and pay their attorney at law or large law firm to perform the property purchase closing and transfer process for you. In the end, you should always seek the advice of qualified and independent legal counsel.

The above is a difficult situation involving broker and attorney conflicts of interests. How much can a broker working for the seller or an imposed attorney or law firm can do for your interests should your property purchase or title delivery go wrong? To whom will they respond in case of complications?

The purchase of any real estate property is such an important time of our lives. The purchase of a second or third home to live or to invest is also a very important decision, reason why you should always be accompanied with the best professionals and people who will look out for your interests only.

By [Felipe Isa Castillo \(fcastillo@aclaw.com\)](mailto:fcastillo@aclaw.com)

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