
Investment Report

Dominican Republic 2025

LOGAN

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Introduction

This report analyses the region's institutional real estate market from two perspectives: the value of Assets Under Management (AUM) of regulated vehicles and the results of surveys of General Partners (GPs) and Limited Partners (LPs). The information comes from public financial statements, managers' reports and annual surveys conducted by LOGAN, which ensures a reliable and updated analysis.

The document is aimed at managers, developers, brokers, consultants and limited partners such as pension funds, insurance companies, financial institutions, family offices and non-profit institutions. Its purpose is to provide a strategic vision of market developments, facilitate comparison between countries, identify opportunities and support decision-making with a long-term approach.



Methodology

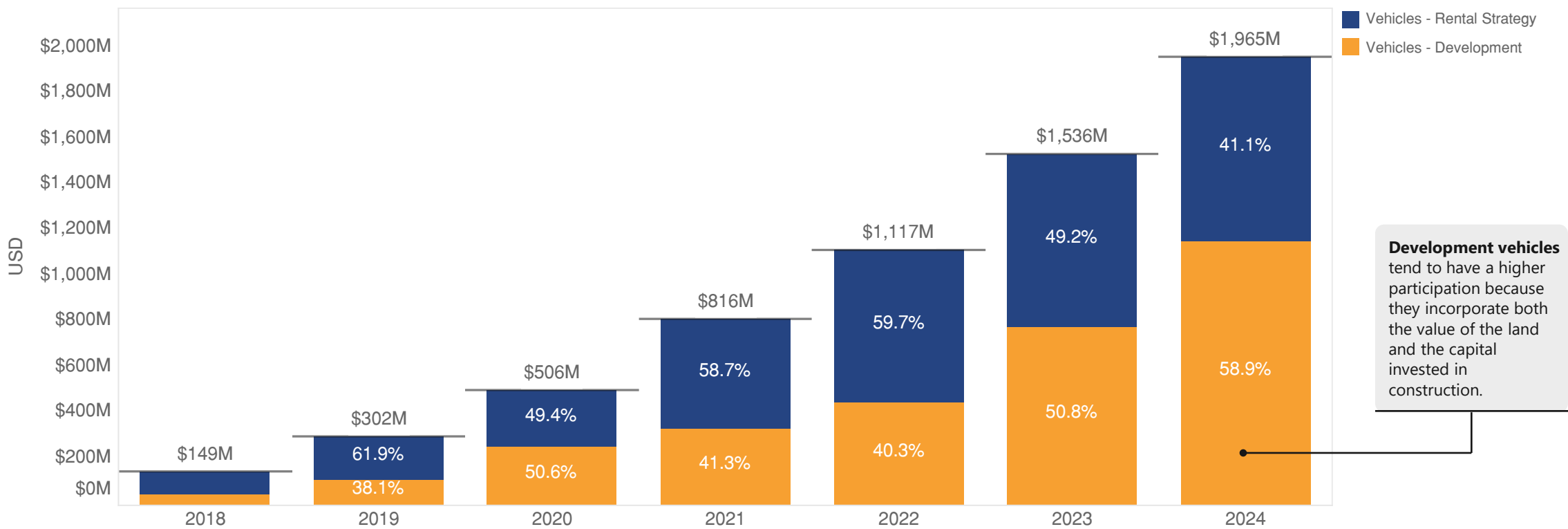
- **AUM (Assets Under Management):** The information is based on public financial statements and managers' reports, which allows us to measure the size of the market and analyse the evolution of portfolios and strategies.
- **GPs (General Partners):** Annual survey addressed to professional managers, developers, real estate brokers and real estate consultants.
- **LPs (Limited Partners):** Annual survey addressed to institutional real estate investors such as Pension Funds, Insurance Companies, Financial Institutions, Family Offices and Non-Profit Institutions.

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Assets Under Management by Type of Vehicle

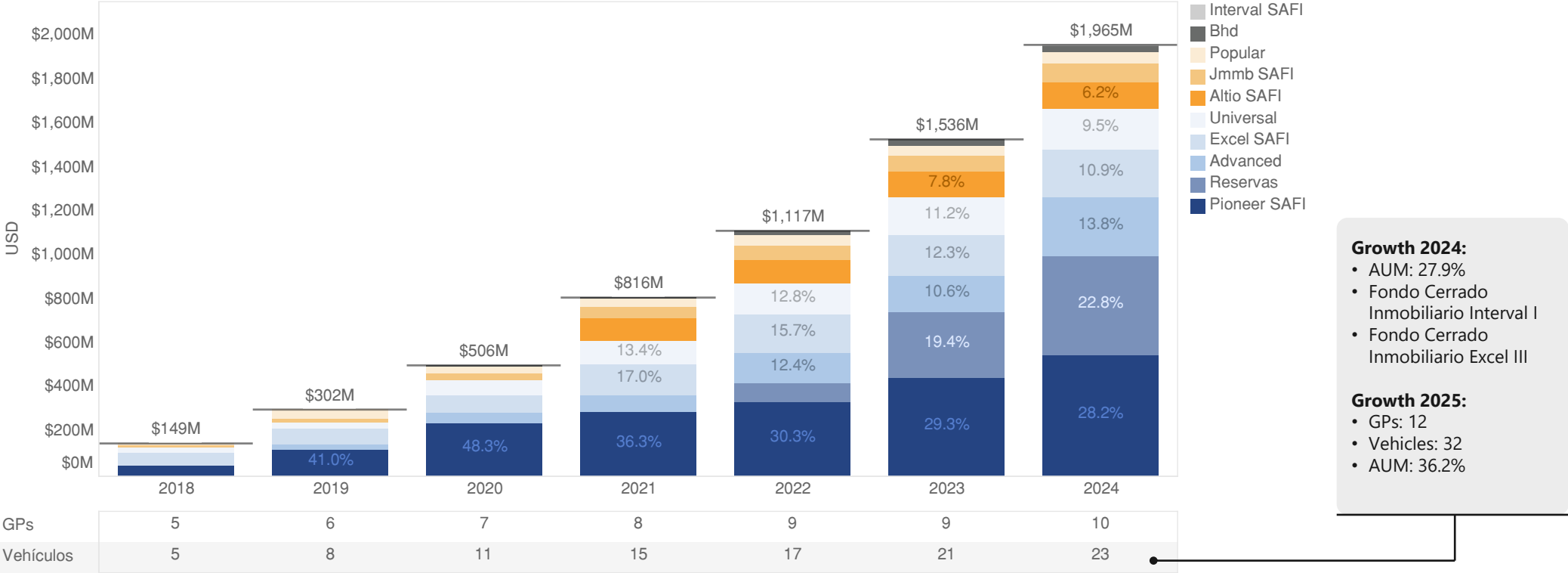
Between 2018 and 2024, the value of real estate investment vehicles in the Dominican Republic showed sustained growth, particularly driven by an increase in vehicles with a development strategy. This reflects increased activity in creating vehicles focused on developing projects with specific characteristics, such as single-owner assets and properties in strategic locations. The aim is to provide appealing and accessible properties that core investment funds can include in their portfolios.



Source: Financial statements publicly available on the websites of 'Superintendencia del Mercado de Valores' of the Dominican Republic.
Notes:
1. For development vehicles, the total value of the "assets" line item is used, and for rental vehicles, the "investment properties" line item is used.

Assets Under Management

For the first time, the values of development vehicles were included in the information reported between 2018 and 2024. This increased their share of total assets under management (AUM) compared to the previous year's report. This allowed for a more accurate reflection of market developments, considering the important role that development projects play in driving growth and catalysing the real estate sector in the Dominican Republic.



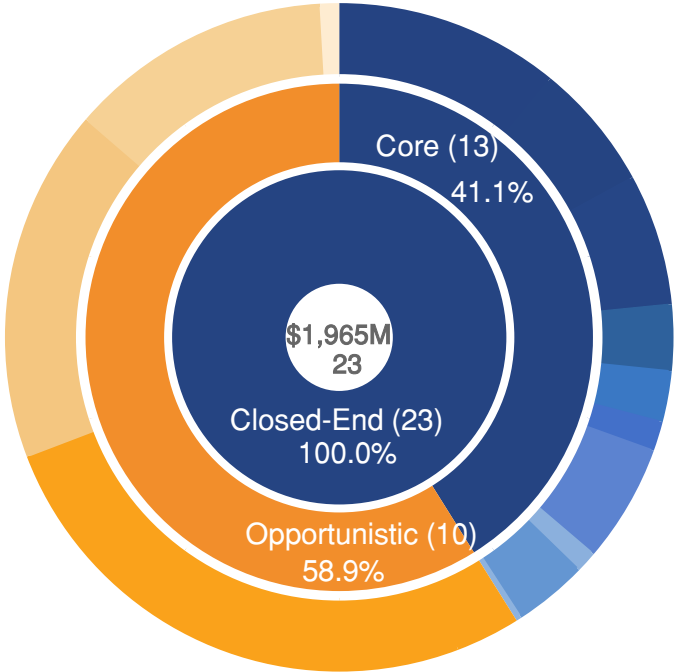
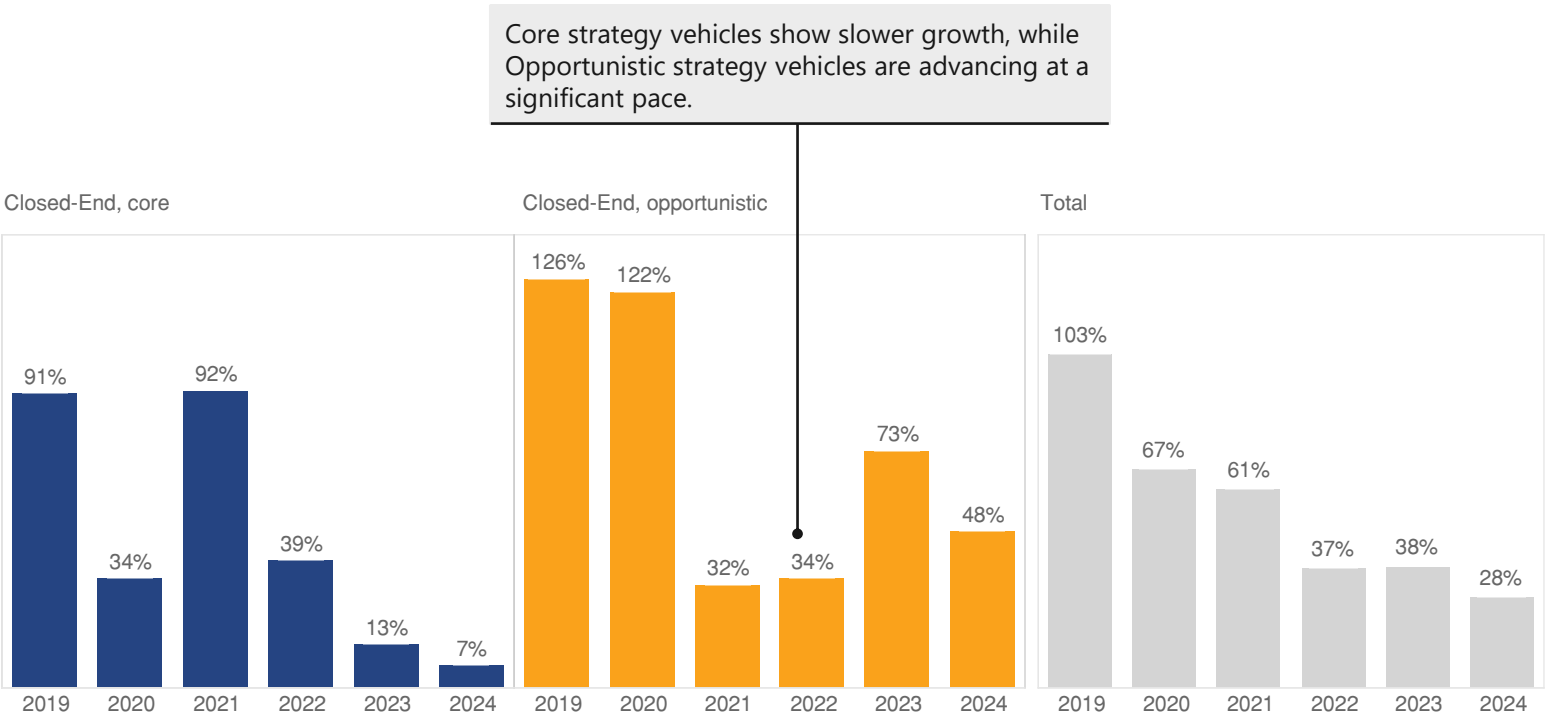
Source: Financial statements publicly available on the websites of 'Superintendencia del Mercado de Valores' of the Dominican Republic.

Notas:

- For development vehicles, the total assets of the balance sheet reported in books are used, and for rental vehicles, the investment property line item is used.
- The information reported in 2025 may vary from 2024 due to the inclusion of development vehicles.
- These vehicles have a real estate strategy, but without public information due to their recent incorporation. They are expected to be included in the analysis next year: Fondo de Inversión Cerrado Renta Inmobiliaria Pesos Popular, Fondo de Inversión Cerrado Inmobiliario Universal II, Fondo de Inversión Cerrado Inmobiliario Reservas II, Fondo de Inversión Cerrado Inmobiliario Excel IV, Fondo de Inversión Cerrado Inmobiliario Emergent I, Fondo de Inversión Cerrado Desarrollo Turístico Excel I, Fondo de Inversión Cerrado Desarrollo Excel I, Fondo de Inversión Cerrado de Desarrollo TC RD I, Fondo de Inversión Cerrado de Desarrollo Reservas III.

Assets Under Management - Growth

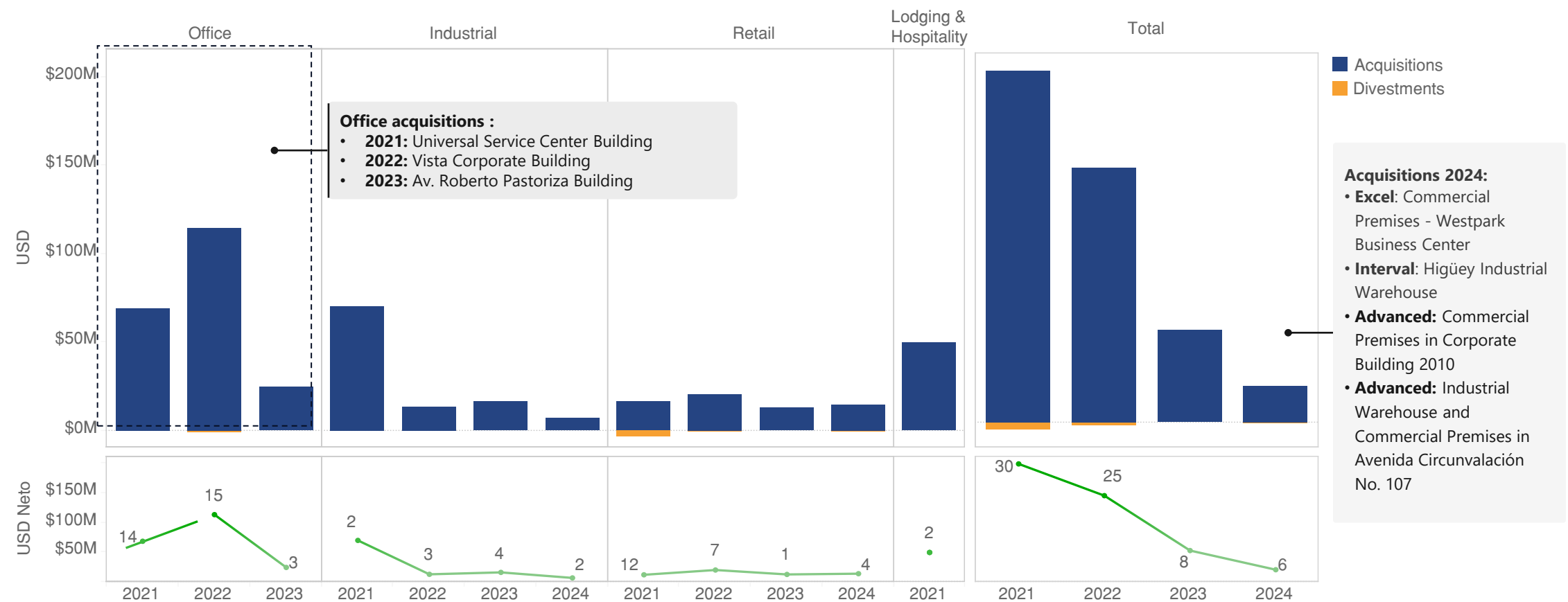
By 2024, growth of 28% is projected compared to 2023, a significant increase that can be explained by the fact that the real estate sector in the Dominican Republic is still expanding. In growing markets, annual increases tend to be high, driven by greater availability of capital and the existence of attractive opportunities for real estate vehicles.



Fuente: Financial statements publicly available on the websites of 'Superintendencia del Mercado de Valores' of the Dominican Republic.
Notas:
1. For development vehicles, the total value of the "assets" line item is used, and for rental vehicles, the "investment properties" line item is used.
2. The development vehicles follow a mixed strategy, as they participate in the development of real estate properties, in addition to operating or maintaining projects intended for rental purposes.

Acquisitions and Sales

Historically, the largest investment amounts have been concentrated in the office sector, reflecting its role as one of the most strategic and traditional options in the real estate market. This is typical of growing markets, where offices are a popular choice. Investing early provides access to major projects, whereas these opportunities become more difficult to find when the market becomes saturated.

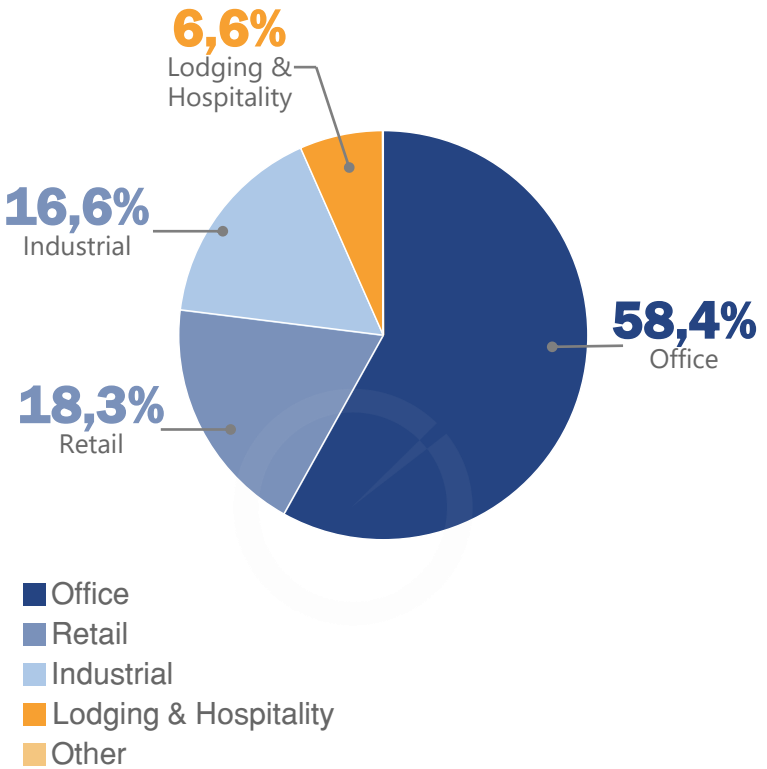
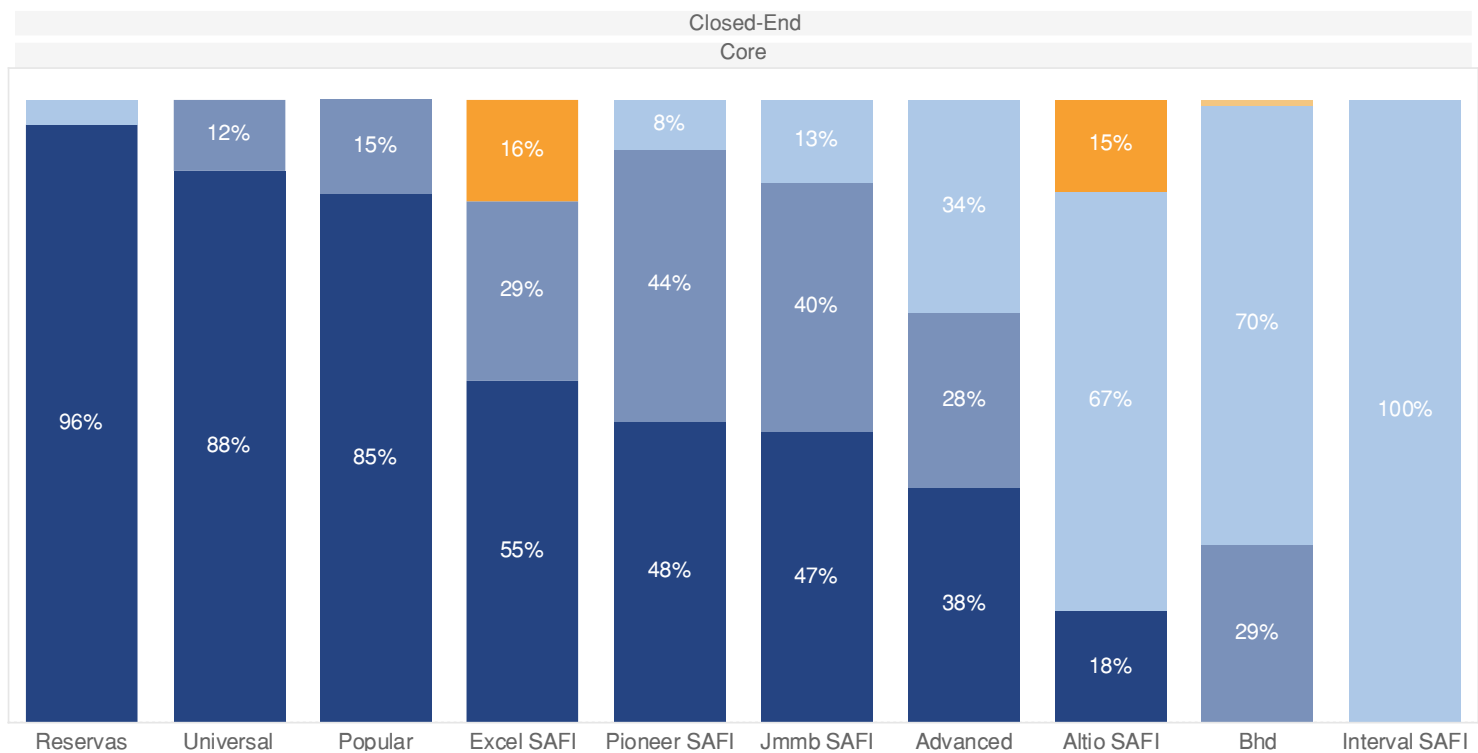


Notas:

Acquisitions include new assets reported by managers as additions to their portfolio. Divestitures correspond to assets leaving the portfolio, including assets that are transferred to funds or other players outside the sample.

Assets Under Management by Sector

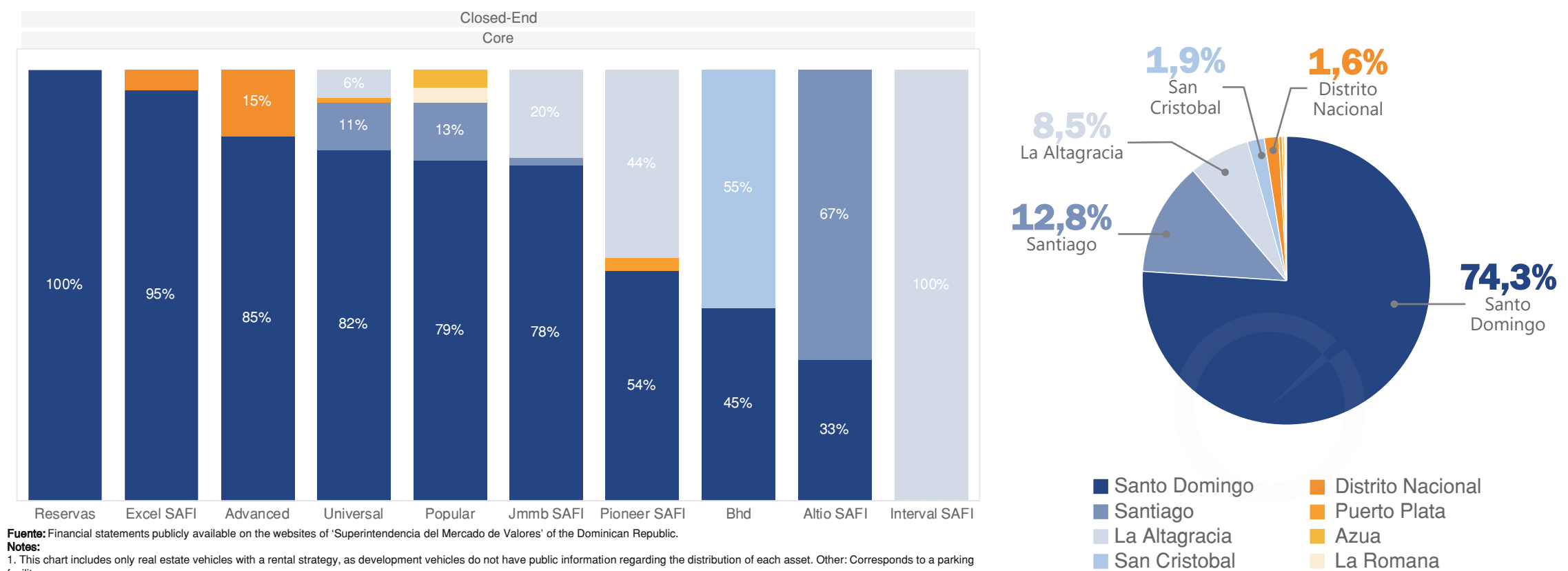
According to the World Tourism Organization, the tourism sector accounts for 8.1% of the GDP in the Dominican Republic, a representative figure that reflects its significance within the economy. This is related to the fact that the country’s hospitality sector holds a high share of Assets Under Management (AUM), driven by the interest of major international hotel chains that view it as a key gateway to the market.



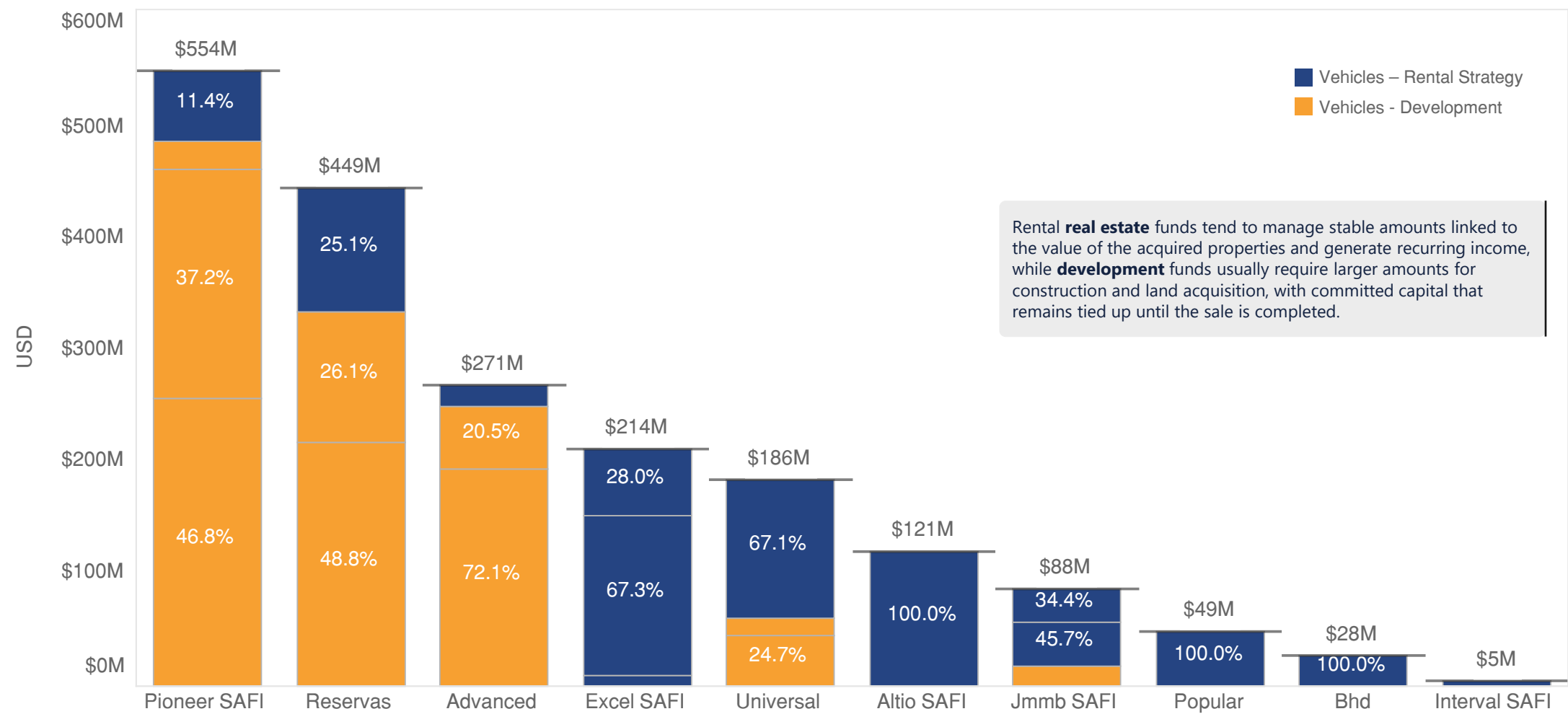
Fuente: Financial statements publicly available on the websites of 'Superintendencia del Mercado de Valores' of the Dominican Republic.
Notes:
1. This chart includes only real estate vehicles with a rental strategy, as development vehicles do not have public information regarding the distribution of each asset. Other: Corresponds to a parking facility.
2. Other: Corresponds to a parking facility.
3. **Core vehicle:** Invests in high-quality, low-risk assets.
4. **Closed-end vehicle:** Fixed capital with no withdrawals until maturity.

Assets Under Management by Geographic Location

Santo Domingo concentrates the largest share of AUM investment, as it functions as a business cluster. However, this concentration is expected to decrease as the Dominican real estate market matures, and the Investment Fund Management Companies (SAFIs) seek greater diversification of their assets. Such diversification allows them to rebalance their portfolios and reduce risk amid shifts in market dynamics, such as periods of high vacancy in certain sectors.



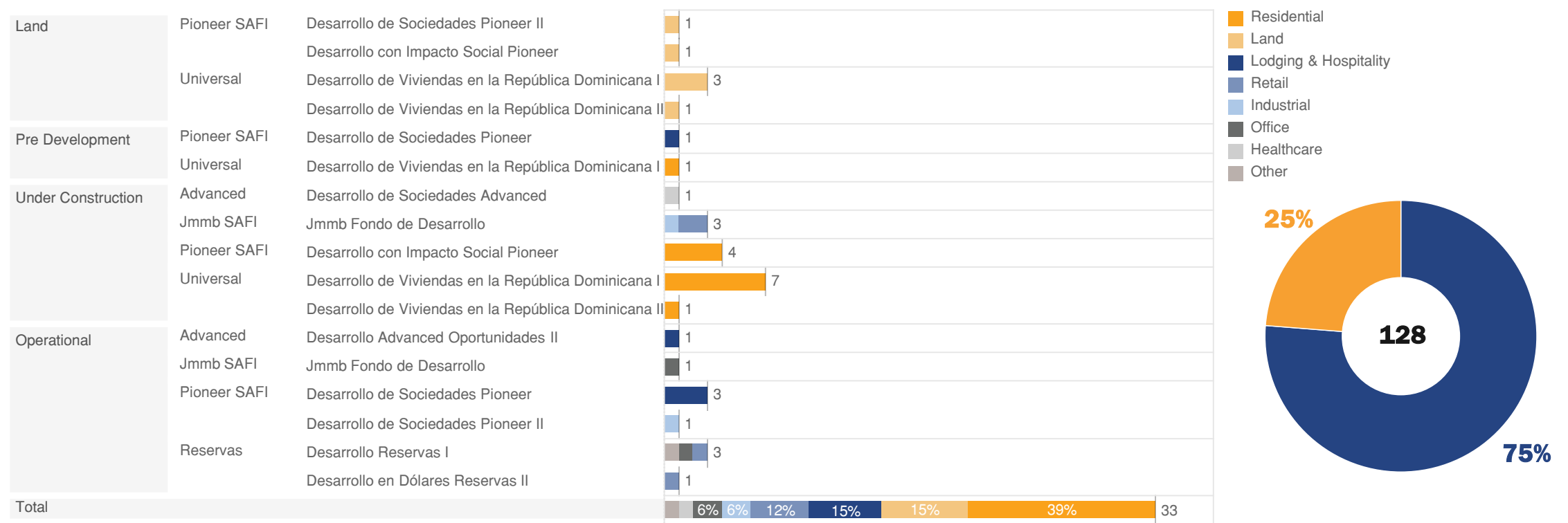
Assets Under Management by Type of Vehicle



Source: Financial statements publicly available on the websites of 'Superintendencia del Mercado de Valores' of the Dominican Republic.

Real Estate Projects

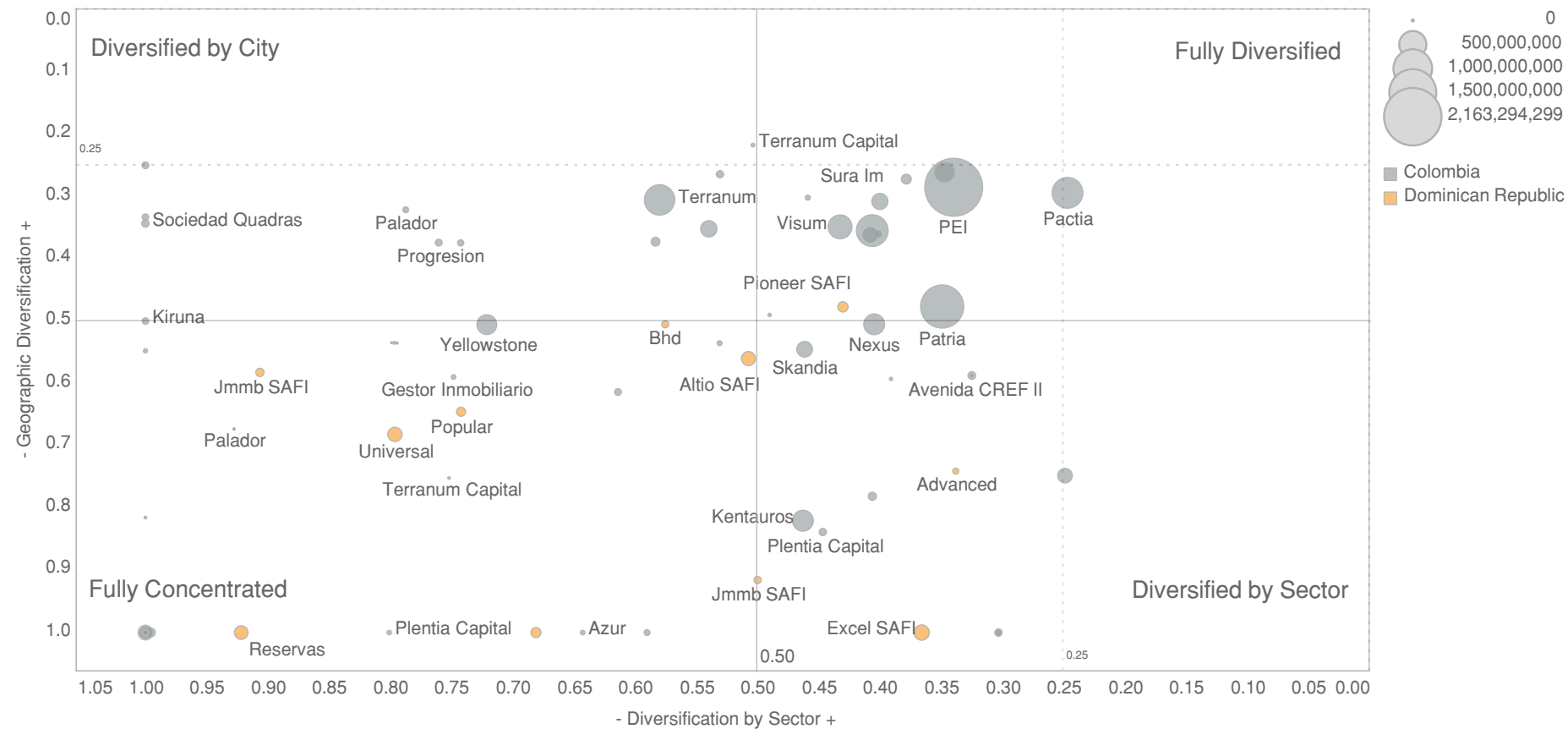
Currently, 16 real estate projects are under development in the Dominican Republic, according to information reported by the vehicles regulated by the Superintendency of the Securities Market. Of these, 75% correspond to the residential sector, which may be related to the fact that this type of development offers attractive returns driven by the development margin — that is, the profit generated from the difference between the construction cost and the sale price of the completed asset.



Notes:
- **Pre-Development:** The value of Vitalia Capital S.L. is considered, whose main objective is to invest in tourism development projects. As of 2024, it does not yet have an underlying asset; the Torre Jardines del Parque Project is currently in the launch phase.
- **Operational:** It refers to projects that are already in operation, in which the development vehicle maintains a partial ownership or participation..

Diversification

Currently, most funds in the Dominican Republic are not highly diversified and tend to concentrate by sector or location, unlike what occurs in more mature markets. It is expected that, as more open-end funds emerge and the market becomes more institutionalized, the diversification of investment vehicles will increase.

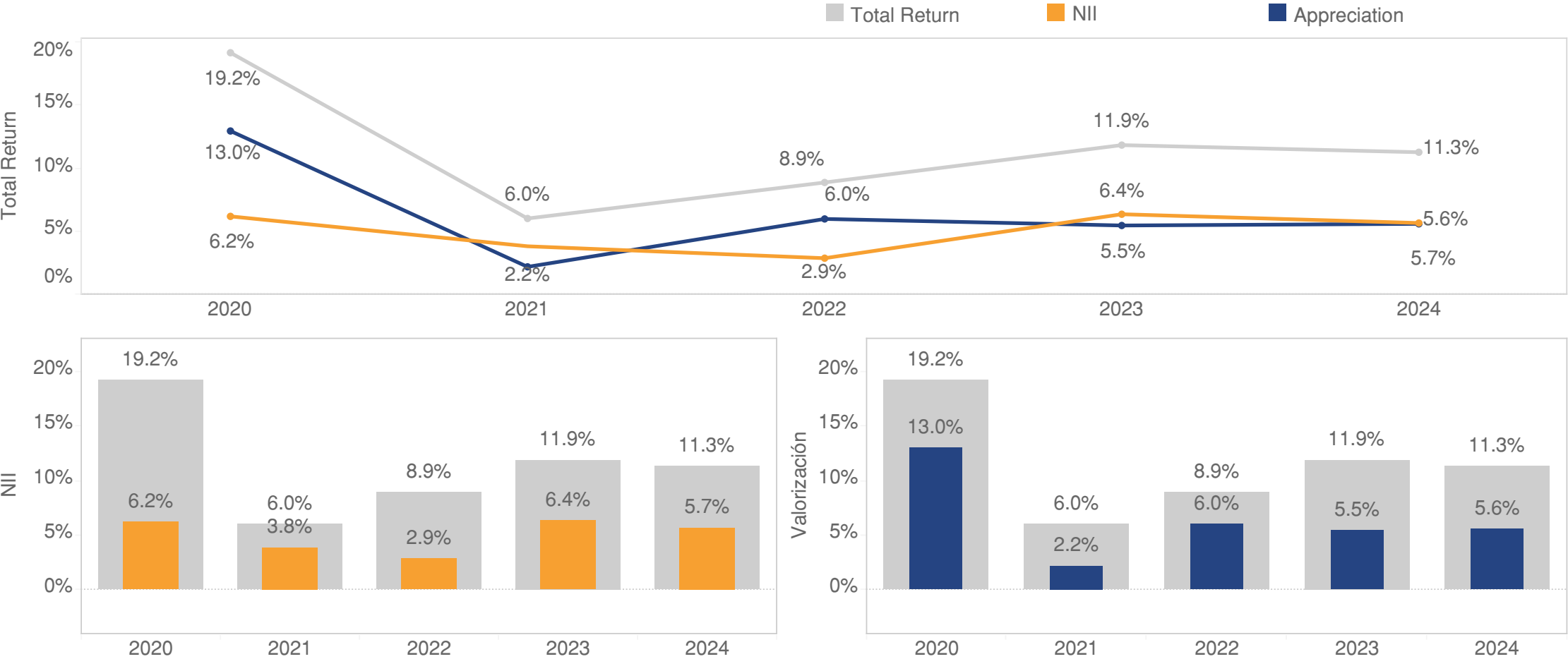


Notes:

1. This chart includes only real estate vehicles with a rental strategy in the Dominican Republic, as development vehicles do not have public information available regarding the distribution of each asset.

2. The chart shows the Herfindahl-Hirschman Index (HHI) by sector and geographic location (both axes are inverted): the closer the value is to zero, the higher the level of diversification. The results show that most real estate vehicles maintain a geographic concentration, although in the Dominican Republic, diversified portfolios predominate.

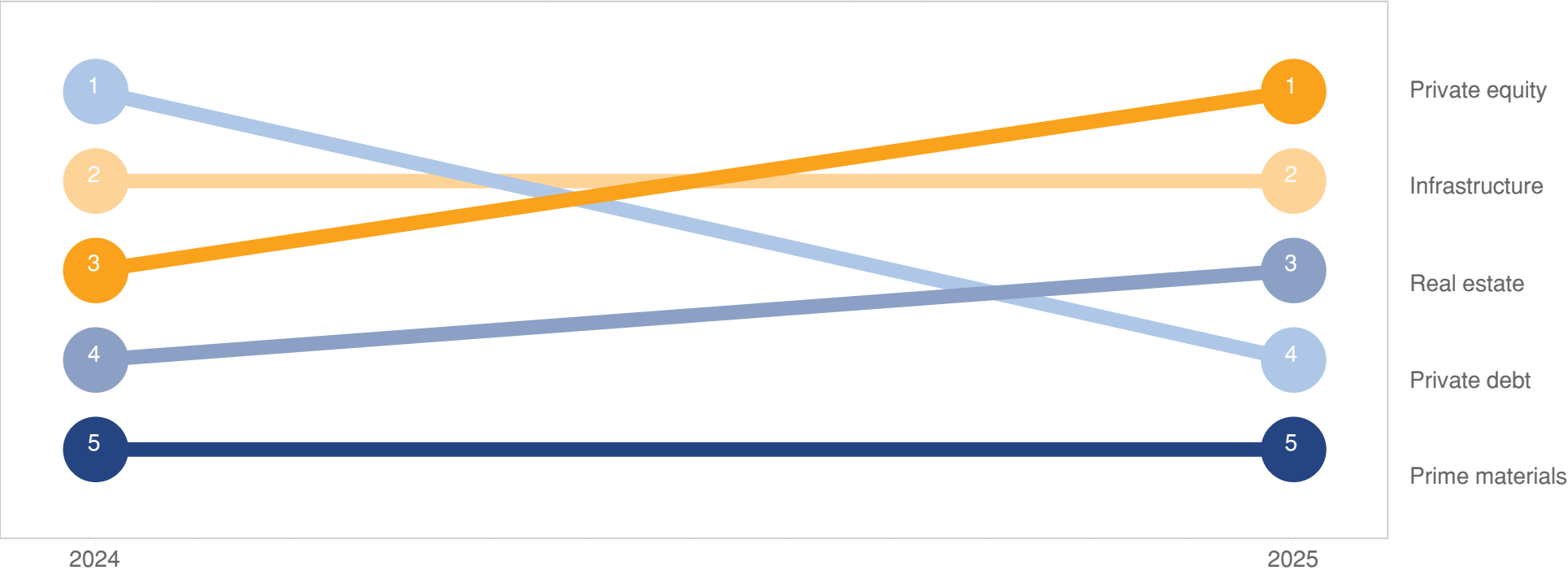
CORE Index – Total Profitability, Revenues and Appreciation



Source: Financial statements publicly available on the websites of 'Superintendencia del Mercado de Valores' of the Dominican Republic.

Returns by Type of Investment

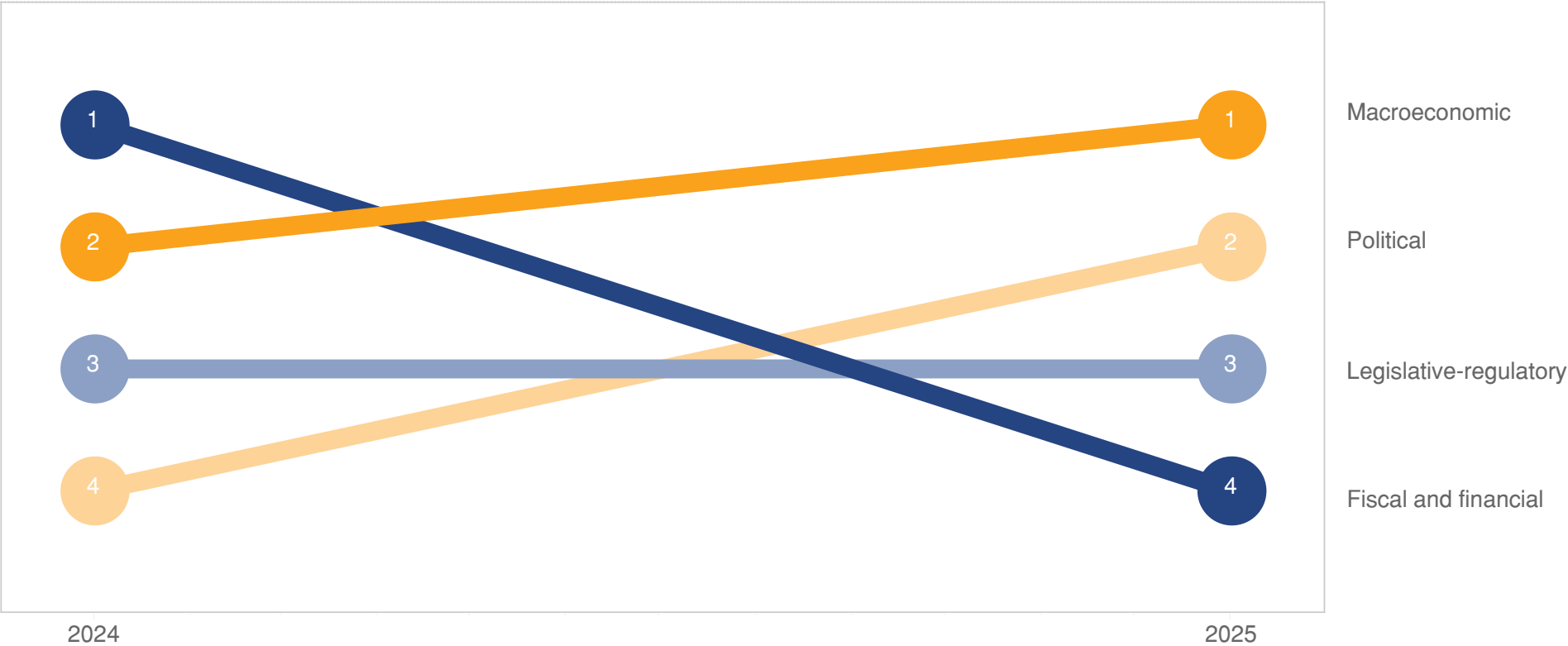
In the Dominican Republic, the private equity sector continues to perform well, thanks to diversification strategies and a stable macroeconomic environment. By contrast, the real estate sector is facing greater challenges due to persistently high interest rates, increased borrowing costs and reduced liquidity in the financial system. This has limited access to financing and reduced activity in new projects.



Notes:
1. An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.
2. In 2024, new responses were included after the graph was published, so some positions in the ranking do not match the published report.

Real Estate Investment Risk Ranking

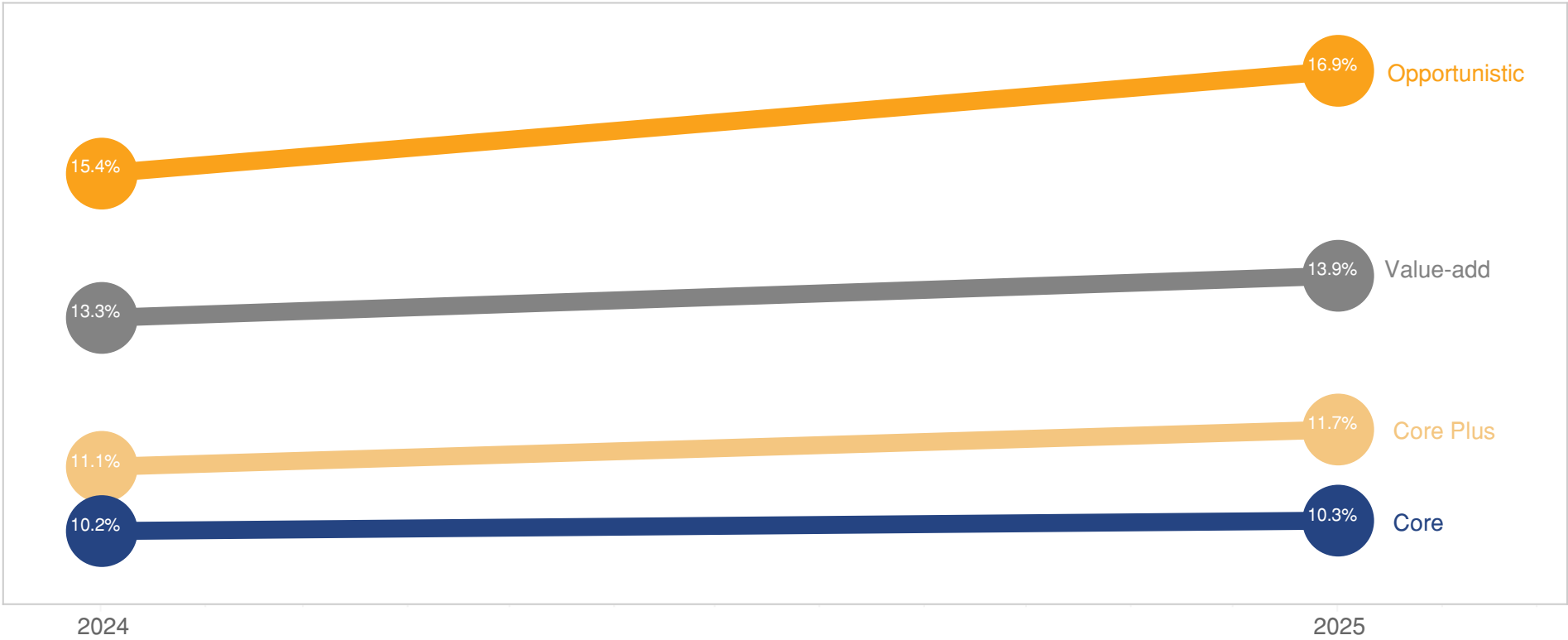
The macroeconomic environment remains the main factor in investment decisions, given its direct impact on interest rates, inflation and economic growth — the factors that determine a sector's profitability and sustainability. Additionally, the political context will play an important role be following the 2024 elections. Institutional stability and the continuity of economic policies will be key in strengthening confidence and encouraging new investments in the Dominican Republic.



Note: An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.

Annual Return Expectations - IRR

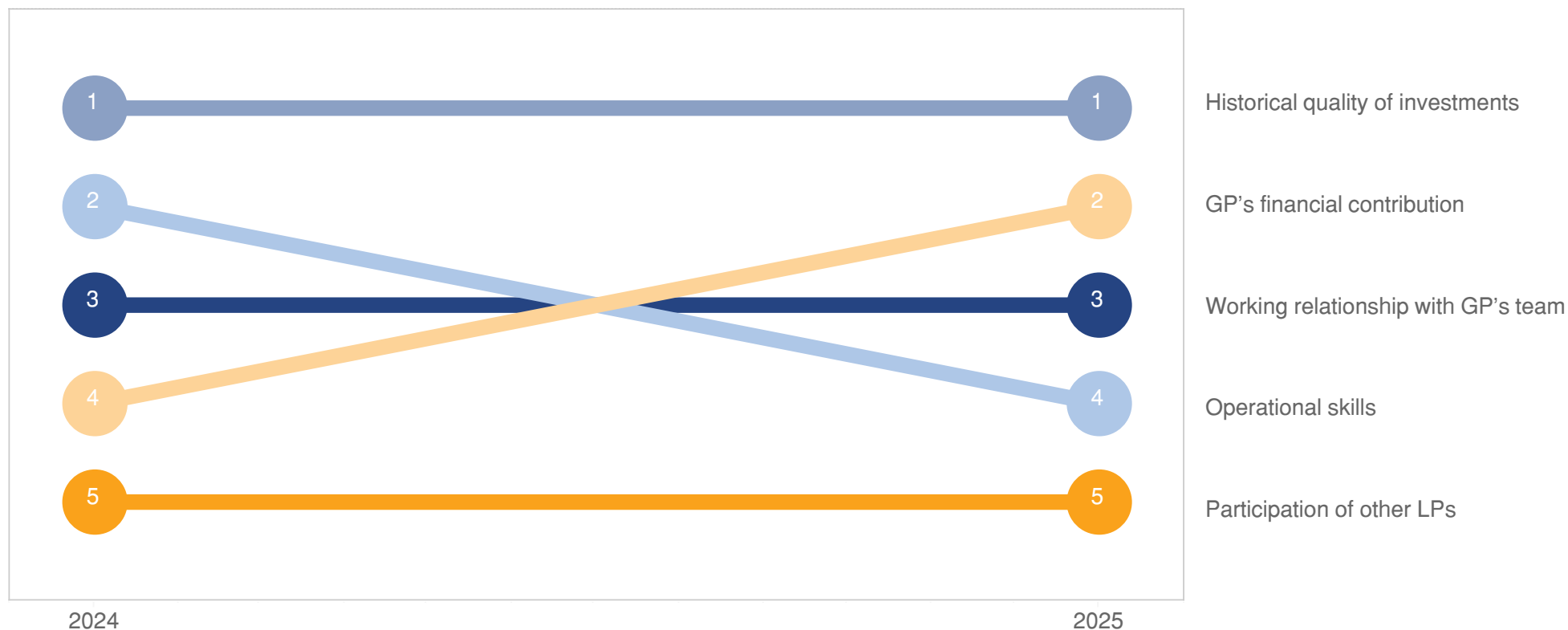
The responses reflect the expected long-term profitability of an investment vehicle, which is defined as the minimum return required to justify its inclusion in a portfolio. This threshold is used as a benchmark to measure relative attractiveness compared to other investment alternatives, and it is measured in terms of net returns. This allows for a more accurate assessment of the vehicle's ability to generate sustained value over time.



Note: An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.

Manager Selection Criteria Ranking

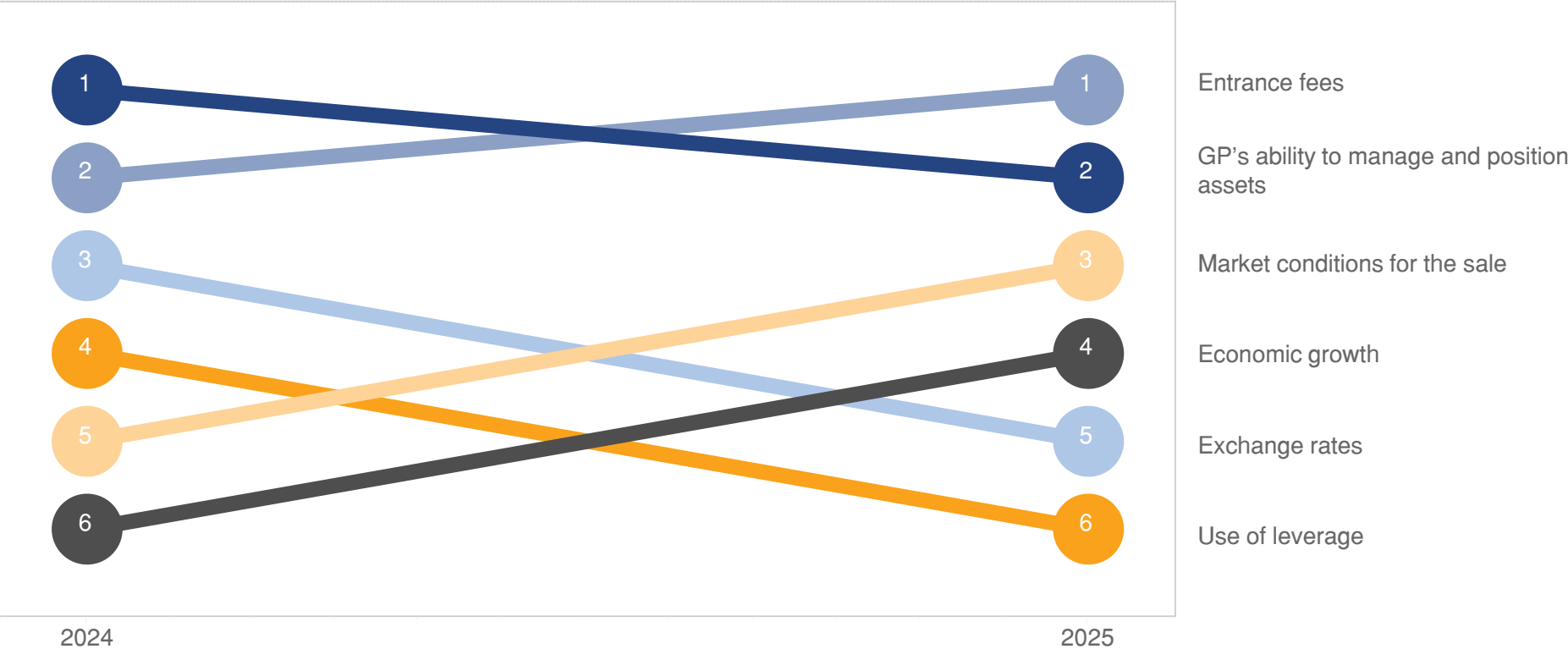
In 2025, historical investment quality was considered the most important factor, as it enables the evaluation of projects that the manager has stabilized, as well as the real estate sectors in which they have invested. It also reflects their ability to adapt to drastic market changes. In contexts such as the Dominican Republic, which are characterized by weak institutions and high levels of perceived corruption, having a team with solid operational capacity provides greater stability and confidence to investors.



Note: An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.

Drivers of Funds Performance Ranking

By 2025, entry prices will be the most decisive factor in investment profitability. Acquiring an asset at a favourable price provides significant scope for manoeuvre in the event of market fluctuations, enabling returns to be maximized. Conversely, when the entry price is high, opportunities to generate attractive returns may be limited.



Note: An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.

Investment Experience with Real Estate Managers

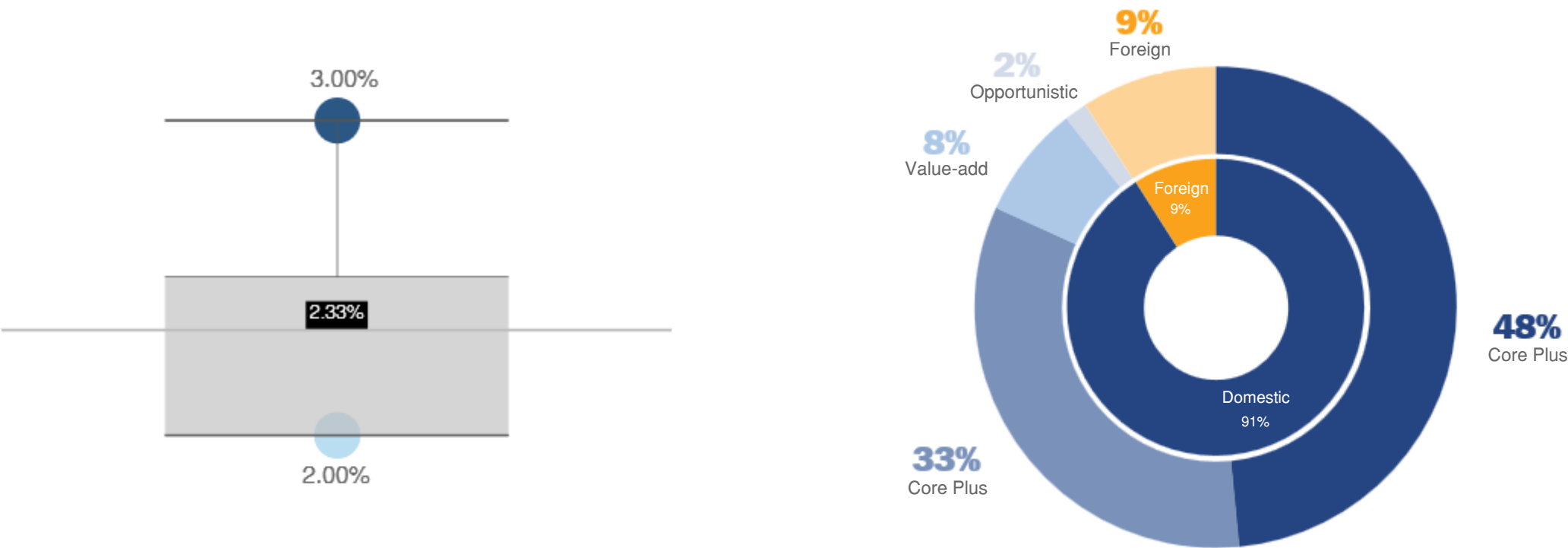
In terms of assessing and perceiving risk, the lack of standardized, easily accessible information makes it difficult to compare risks, creating greater uncertainty in decision-making. While some real estate vehicles in the Dominican Republic publish financial reports, not all of them make public information available. This is particularly the case for newly created vehicles and certain family offices that do not disclose data on their assets.



Note: An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.

Real Estate Investment Allocation

In the Dominican Republic, real estate investment is primarily concentrated in the local market, driven by regulatory and market conditions that favor this approach. The most adopted strategy is Core, as institutional investors—such as pension funds and insurance companies—manage third-party resources and must act with great prudence. Consequently, they seek secure and stable assets that enable them to meet their long-term commitments.



Note: An annual survey conducted by LOGAN is the source of this information. The survey targets limited partners in the real estate sector.

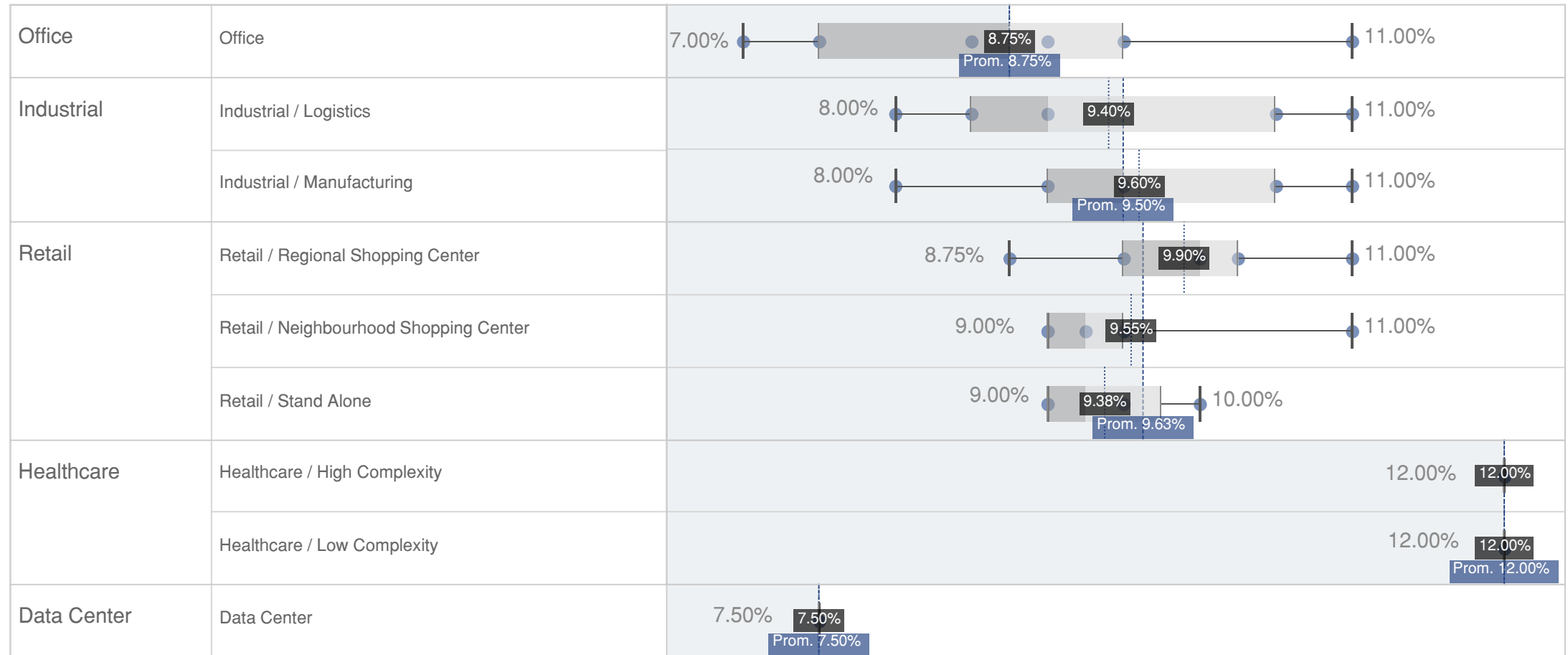
Net Capitalization Rate

The imbalance between supply and demand in the retail sector is creating a favourable scenario for real growth in market rents. This factor is exerting downward pressure on capitalization rates. Conversely, in sectors where supply and demand are more balanced, or where industry-specific uncertainties persist, capitalization rates have shown upward pressure, and no significant changes are anticipated in the short term.

	2024	2025	2024	2025	2024 vs. 2025	Forecast
Office	10.00% 	11.00% 	8.6%	8.8%	+19 bps	
Industrial	10.00% 	11.00% 	9.1%	9.5%	+39 bps	
Retail	10.68% 	11.00% 	9.7%	9.6%	-7 bps	
Lodging & Hospitality	16.86% 	13.42% 	11.0%	12.9%	+192 bps	
Healthcare	9.75% 	12.00% 	8.9%	12.0%	+313 bps	
Data Center	nd	7.50% 	nd	7.5%	nd	

Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

Net Capitalization Rate by Subsector



Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

Internal Rate of Return

In 2025, the perception of internal rates of return (IRR) increased across nearly all sectors compared to 2024, reflecting a more cautious market sentiment. This occurred despite the Central Bank of the Dominican Republic reducing its monetary policy rate by 25 basis points, in line with the overall downward trend in interest rates during the same period.

	2024	2025	2024	2025	2024 vs. 2025	Forecast
Office	13.0% 8.0%	15.0% 8.5%	11.3%	11.8%	+59 bps	➤
Industrial	13.0% 10.0%	16.0% 12.0%	11.5%	13.8%	+229 bps	⬆
Retail	13.5% 9.7%	15.0% 11.0%	11.8%	11.8%	0 bps	➤
Lodging & Hospitality	21.4% 11.3%	22.5% 14.4%	15.8%	16.8%	+98 bps	⬆
Healthcare	14.0% 9.5%	13.5%	11.8%	13.5%	+175 bps	⬆

Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

Internal Rate of Return by Subsector



Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

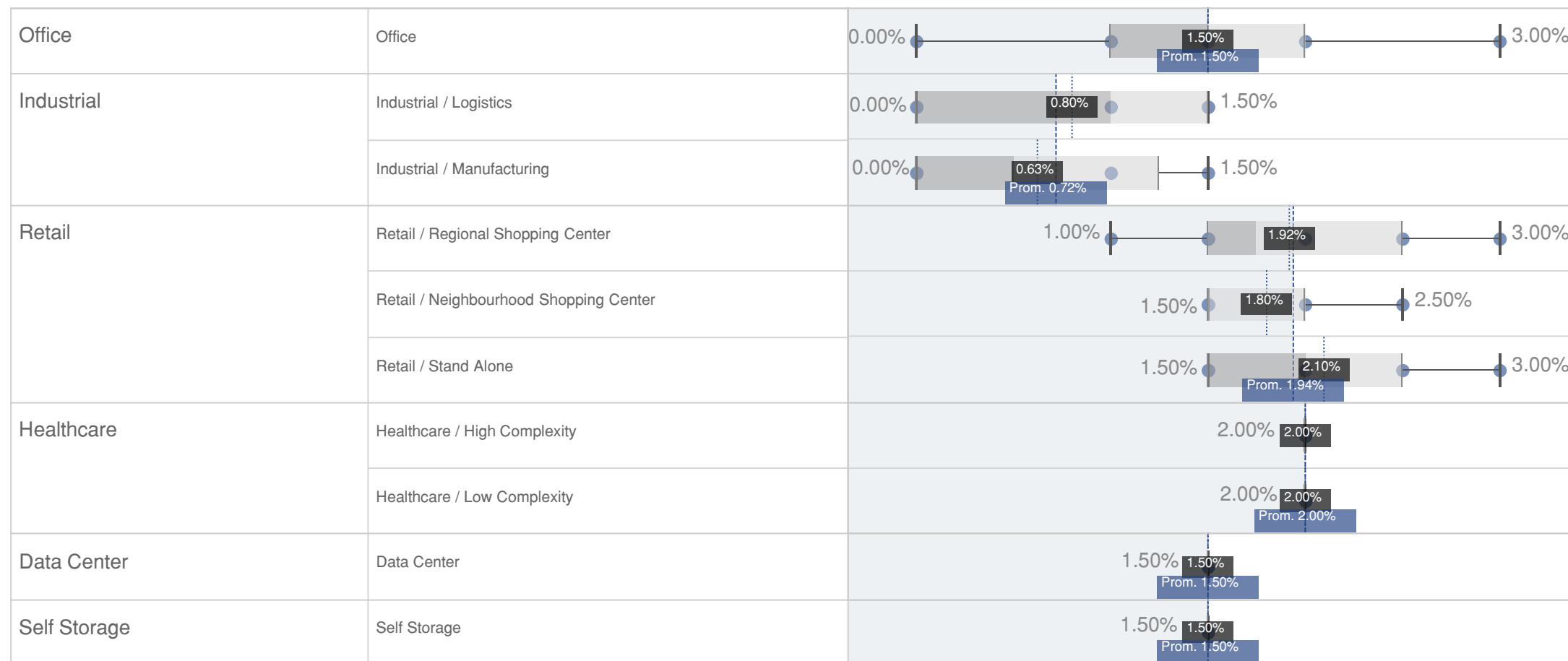
Real Market Rent Growth

In the Dominican market, strong tenant demand and the limited availability of spaces designated for healthcare services are expected to create an imbalance in which demand exceeds supply, potentially driving a gradual increase in market rents. In the other real estate segments, supply and demand remain relatively balanced, so no significant variations in rent levels are anticipated during the period.

	2024	2025	2024	2025	2024 vs. 2025	Forecast
Office			1.3%	1.5%	+25 bps	
Industrial			1.6%	0.7%	-87 bps	
Retail			1.5%	1.9%	+47 bps	
Healthcare			1.8%	2.0%	+25 bps	
Data Center	nd		nd	1.5%	nd	
Self Storage	nd		nd	1.5%	nd	

Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

Real Market Rent Growth by Subsector



Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

Cap Rate - IRR

Sector	Subsector	Capitalization Rate	Internal Rate of Return	Margin
Office	Office	8.75%	11.84%	309 pbs.
Industrial	Industrial / Logistics	9.40%	13.83%	443 pbs.
	Industrial / Manufacturing	9.60%	13.83%	423 pbs.
Retail	Retail / Regional Shopping Center	9.90%	12.42%	252 pbs.
	Retail /Neighbourhood Shopping Center	9.55%	11.50%	195 pbs.
	Retail / Stand Alone	9.38%	11.25%	188 pbs.
Healthcare	Healthcare / High Complexity	12.00%	13.50%	150 pbs.
	Healthcare / Low Complexity	12.00%	13.50%	150 pbs.

Note: The information source comes from an annual survey conducted by LOGAN, targeting general partners and developers in the real estate sector.

Glossary

AUM (Assets Under Management):

This corresponds to the gross value of assets, taken from the Financial Statements under the heading Investment Properties.

Market Rent Growth:

Percentage that measures the average annual increase in rental prices of a property or sector, based on market values, over inflation for the next 5 years.

Core Strategy:

The Core real estate strategy focuses on stable, well-located assets with long-term leases, prioritizing security and steady cash flows over high returns.

Core Plus Strategy:

This is a strategy of investing in high quality properties located in consolidated markets, which generate stable income, but with an additional risk component with respect to core, since they require management improvements, maintenance or repositioning to increase their profitability.

Opportunistic Strategy:

The opportunistic real estate strategy seeks high returns by assuming greater risk, investing in developments, distressed assets or assets in great need of transformation.

Value-add Strategy:

The value-add strategy in real estate focuses on assets that already generate income but require improvements, such as remodelling or management changes, to increase their value and profitability.

Herfindahl-Hirschman Index (HHI):

A measure of market concentration obtained by adding the squares of the shares of each player. A high value indicates greater concentration and less competition.

Nearshoring:

Strategy to relocate production processes to countries close to the final consumer market. Increased demand for industrial and logistics assets.

Risk Prime:

Percentage difference representing the additional return expected from investing in a riskier asset or project versus a less risky one. In real estate, it can be measured, for example, as the difference between the IRR of Development and the IRR of a stabilized asset.

Returns:

In real estate, returns are the profit that an investor obtains on his capital, either through rental income or through the appreciation of the property by selling it at a higher price.

Return Risk:

In real estate, return risk is the possibility that the return obtained will be lower than expected, due to factors such as vacancy, market changes or unforeseen costs.

Net Capitalization Rate (Cap Rate):

Percentage that measures the annual profitability of a property, calculated by dividing its Net Operating Income (NOI) by its market value or acquisition price.

Internal Rate of Development (IRR of development):

Percentage that measures the average annual profitability of a real estate project from its development stage to its sale or stabilization, considering all cash flows and the initial investment.

Internal Rate of Return (IRR):

Percentage that measures the average annual return on an investment, considering all future cash flows and its initial value, where the net present value equals zero.

Transparency:

In real estate, transparency refers to the availability and quality of market information, such as prices, rents and transactions, which allows for safer and more reliable investment decisions.

Valorization:

In real estate, valorization is the increase in value of a property over time.

LOGAN Valuation is an appraisal and consulting firm specializing in institutional real estate assets in Latin America. With a presence in six countries and a certified team (MAI, RICS), we offer rigorous technical analysis, market research and strategic advice for investment decisions. Our work spans multiple asset classes and combines regional reach with in-depth knowledge of each local market.

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