



The Beach House

Luquillo, Puerto Rico

THE OFFERING

- **IN 1ST LINE OF BEACH.** Magnificent opportunity to acquire this property in a spectacular position from where you can contemplate spectacular sunrises over the sea. Located in the picturesque town of Luquillo known as LA PUERTA DEL SOL and ten minutes from the gastronomic area known as Los Kioscos. This privileged north facing house has sun all day long, offers PANORAMIC SEA VIEWS, direct access to the beach from the first floor and in its terrace you can enjoy total tranquility, privacy and great comfort as you can make life on one level. It consists of 6 bedrooms, 2 bathrooms and two half kitchens with plenty of natural light and with great potential for reform. In addition, it is close to shopping centers, and 4 competitive golf courses including PGA Championship. St. Regis Resort, Coco Beach, Rio Mar, El Conquistador. Good restaurants and with very good access to the highway. It needs some renovations but it is a magnificent opportunity. Viewing is highly recommended.



SITE DETAILS AND USE

ADDRESS

Calle Ocean Boulevard Luquillo
PR 00773

PRODUCT TYPE

Mix use (Income Property)

LOCATION

(Lat: 18.37991431, Lon: -65.71660239)

SIZE

2000 SF

PARCEL NUMBER

092-076-029-01

ZONING

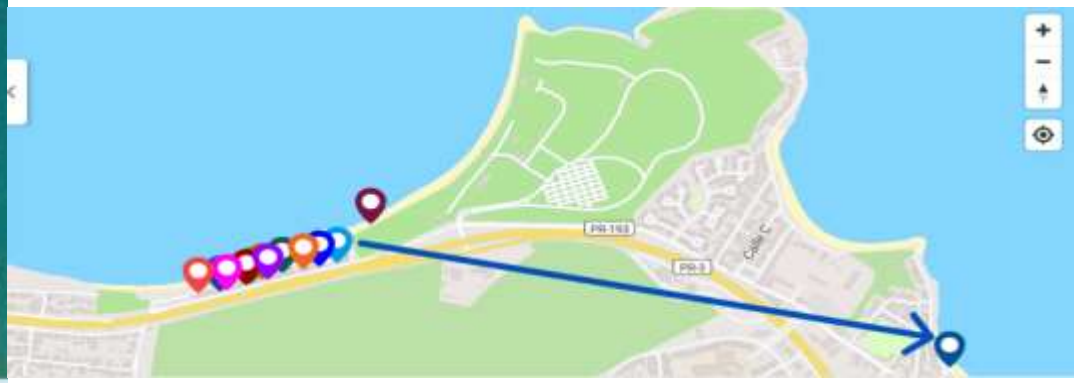
R-1(Intermediate Residential)

FLOOD

x

PRICING

\$1,150,000



Usos Permitidos Por Reglamento

- **Calificación: RT-IAgencias de Viaje**
 - Agro-hospedaje
 - Agro-hospedería
 - Alojamiento suplementario a corto plazo
 - Alojamiento y Desayuno (Bed & Breakfast)
 - Casa de apartamento
 - Casa de huéspedes (guest-house)
 - Casa en hilera
 - Casa patio
 - Casa remolque
 - Centro vacacional
 - Centros de cuidado
 - Condohotel
 - Eco-hospedería
 - Empresas Emergentes (startup) limitada al veinticinco por ciento (25%) de la propiedad o estructura, ésta no podrán producir ruidos, polvos, ni olores objetables.
 - Estacionamiento
-

Area Aprox. (m.c.)	435.5568
Municipio	Luquillo
Barrio	Mata de Plátano
Características Ambientales	
Zona Inund. Advisory	
Zona Inundabilidad (firm)	X
Panel Inundabilidad (advisory)	
Floodway	No ubica en floodway
Suelo (NRCS)	SNS (Soil not surveyed)
Calificación y Clasificación de Suelo	
Calificación	R-I (Residencial Intermedio)
Clasificación PT	SU (Suelo Urbano)
Clasificación PUT	SU (Suelo Urbano)
Mapas de Calificación	
Distrito Sobrepuesto	
Zona Histórica	
Sitio Histórico	
Reglamento Aplicable	<ul style="list-style-type: none"> • Plan de Uso de Terrenos • Reglamento Conjunto de Permisos para Obras de Construcción y Usos de Terrenos Vigente • Reglamento de Zonificación especial para las Zonas no Urbanas de los Municipios Circundantes al Bosque Nacional del caribe (El Yunque) incorporado en Reglamento Conjunto Vigente • Reglamento Núm. 13 - Sobre Áreas Especiales de Riesgo a Inundación
Vigencia de Clasificación PUT	30-nov-2015
Vigencia de GeoDato de Calificación	11-JUN-2024
Status PT	Luquillo: Municipio autónomo (aprobado: junio 11 2024) - Fase I: Municipios sin POT
Usos Permitidos Por Reglamento	<ul style="list-style-type: none"> • Calificación: RT-IAAgencias de Viaje • Agro-hospedaje • Agro-hospedería • Alojamiento suplementario a corto plazo • Alojamiento y Desayuno (Bed & Breakfast) • Casa de apartamento



GOBIERNO DE PUERTO RICO
Junta de Planificación



Documento Adoptado en Reunión de Junta

Julio Lassús Ruiz, LLM, MP, PPL
Presidente

JUN 3 1 2024

Fecha

Leyenda

Red Vial

-  Autopistas
-  Red Intermodal
-  Red Secundaria
-  Red Terciaria



Centro Urbano



Limite de Barrios

Certificación

Adoptado por la Junta de Planificación de Puerto Rico conforme a la resolución JP-PT-23-01 el 31 de enero de 2024.

Edgardo Vázquez Rivera
Secretario de Junta

JUN 1 1 2024

Vigencia



GOBIERNO DE PUERTO RICO
Junta de Planificación



Documento Adoptado en Reunión de Junta

Julio Lassús Ruiz, LLM, MP, PPL
Presidente

JAN 31 2024

Fecha

Leyenda

Limite Proclama El Yunque

Distritos de Calificación Propuesta

- AD-00, Área Desarrollada Doble Cero
- A-B, Área de Bosques
- A-G, Agrícola General
- A-P, Agrícola Productivo
- ARD, Área Rural Desarrollada
- BQ-00, Bosque Doble Cero
- CE-CEN, Conservación Ecológica
- C-I, Comercial Intermedio
- C-R, Conservación de Recursos
- CR-00, Conservación de Recursos Doble Cero
- D-A, Dotacional Área Abierta
- D-G, Dotacional General

- DTS, Desarrollo Turístico Selectivo
- DE-1-CEN, Desarrollo Especial Uno
- I-L, Industrial Liviano
- P-P, Playa Pública
- P-R, Preservación de Recursos
- R-B, Residencial de Baja Densidad
- R-G, Rural General
- R-I, Residencial Intermedio
- R-U, Residencial Urbano
- UM, Uso Mixto

Elemento geográfico

- Cuerpo de agua
- Sistema vial

Certificación

Adoptado por la Junta de Planificación de Puerto Rico conforme a la resolución JP-PT-23-01 el 31 de enero de 2024.

Edgardo Vázquez Rivera
Secretario de Junta

JUN 11 2024

Vigencia

LUQUILLO QUIOSKOS

About

The Luquillo Kiosks are comprised of a row of around 60 family-owned kiosks selling food, drinks, and souvenirs. Visitors to the kiosks will find that they vary in style, taste, and price. They're all open air, and while some face the street, others have beautiful views of the beach. This is a perfect pitstop after enjoying a beach day on the east coast or a hiking day at El Yunque.

























TAXATION AND INCENTIVES

Puerto Rico is home to some of the best tax incentives in the world, and nearly every type of business activity is eligible for benefits. Originally these benefits were known as Act 20 and 22. The incentives were confirmed and clarified under a new Act 60. This centralized all incentives activity under the Incentive Office at the Department of Economic Development and Commerce (DEDC). Decrees are now available for 15 years, after which deals can be renegotiated and extended for an additional 15 years.

Act 60 is known as the Incentives Code of Puerto Rico. The Act 60 codifies incentives granted for diverse purposes throughout decades with the aim to foster economic development more effectively. Some standard incentives include:

- A 75% exemption on property tax for all incentives. This reduces the 90% or 100% exemption that was applicable under most of the laws. In addition, eligible businesses will enjoy a 50% exemption on municipal taxes, such as municipal license and construction excise taxes.
- A flat 4% income tax rate applicable to exempt income generated by an exempt business, 0% capital gains tax on qualifying transactions and a flat 4% income tax rate for export activities.
- Act No. 273 offers International Financial and Banking Entities (IFE/ IBE) a myriad of tax benefits intended to help expand the economy of Puerto Rico. The Department of Economic Development issues the Grant of Tax Exemption -a contract between both parties- so the benefits stay constant irrespective of changes in the tax laws. The tax benefits include: 1) An initial 15-year tax decree in which the IFE pays a 4% income tax rate, renewable for two additional 15-year terms, the 2nd term at a 4% rate; 2) 100% exclusion of interest, financing charges or participation in partnerships benefits; 3) 6% fixed income tax rate on dividends and pro-rata share of benefits for shareholders or partners of an IFE; 4) 100% exemption on property tax belonging to an IFE; and 5) 100% exemption on the municipal tax.

The benefits of living and or investing in Puerto Rico are further defined on pages 26-29 of this offering. For more information consult your tax professional and visit <https://www.ddec.pr.gov/en/incentives>

Opportunity Zones

On December 22, 2017, the Opportunity Zones Program was enacted and added to the tax code by the Tax Cuts and Jobs Act in order to spur investment, encourage

economic development and job creation in distressed communities. The Opportunity Zones Program is designed to drive long-term capital to rural and low-income urban communities throughout the U.S. and its territories and uses tax incentives to encourage private investment in impact funds.

Qualified Opportunity Zones are specific geographical areas in the United States and Puerto Rico that were designated by the Federal Government. The zones are designed to spur economic growth development by offering tax benefits to individuals and institutions that invest eligible capital into the zones.

How they work:

1. Sell asset for capital gain
2. Invest some or all of gains in a qualified opportunity fund within 180 days from the day in which the capital gain would be recognized for federal income tax purposes.

All incentives are linked to the duration of the qualified investment.

Opportunity Zones are designed to spur long-term investments in low-income urban and rural communities through investment via Qualified Opportunity Funds (Form 8996). There are 3 types of qualified opportunity zone properties, including businesses, which must be located in Qualified Zones:

1. Qualified Opportunity Zone Stock
2. Qualified Opportunity Zone Partnership Interest
3. Qualified Opportunity Zone Business Property
 - a. 50 of total gross income must be from active conduct of business in QOZ
 - b. Intangible property must be used in the active conduct of the business
 - c. Less than 5 percent of the business can be attributable to non-qualified financed property
 - d. Principal business cannot be gambling/alcohol sales

With the Opportunity Zone (OZ) designation an investor interested in investing in a business in Puerto Rico can expect a tax deferral of all capital gains invested in a Qualified Zone Fund ("QZF"). Additionally, investing in an OZ in Puerto Rico could potentially eliminate up to 15% of the deferred capital gains (10% if the investment is held for at least 5 years and 15% if held for at least 7 years in a QZF). Moreover, an interested investor may eliminate all taxes on all capital gains earned on the amount invested in a QZF if he or she holds such investment for at least 10 years. The Incentives Code provides for a 18.5% fixed income tax rate, a 100% tax exemption on dividends and distributions to its shareholders, 25% tax exemption on municipal license tax and property tax and up to 25% tax credits for OZ projects in Puerto Rico.

95 percent of the Island qualifies as an opportunity zone. See the green area of the maps on the next page.

Incentives

Incentives for Business by Industry

The main tax benefits and incentives contemplated under the Incentives Code are the following:

Export Activities

The Incentives Code promotes the export of services and goods by offering attractive tax incentives to companies with minimal requirements that establish and expand the export services industry on the island. The Incentives Code includes a fixed 4% income tax rate, a 100% exemption from dividend distributions, a 75% exemption on property taxes, and a 50% exemption from municipal license taxes. The tax grants for export services under the Incentives Code have a term of 15 years. One key change to Act 20 passed in 2019 in the Incentives Code is that businesses with more than USD 3 million of actual or projected total revenue must now directly employ at least one full-time employee, which may be the business owner; and

in the case of manufacturing businesses, three full-time employees. Creative industries, network and cloud computing are considered export services. The Incentives Code also establishes as new export service activities the sale of tickets outside of Puerto Rico or the sale of tickets that are purchased by tourists in Puerto Rico, as well as income related to the transmission or sale of rights to the recording of shows, musical productions and events of Sports and Fantasy Leagues held in Puerto Rico for audiences outside of Puerto Rico.

Manufacturing and Related Activities

This incentive was established to provide an efficient business environment, and to provide opportunities for the development of local and foreign industries. The Incentives Code offers an attractive contributory proposal to attract foreign direct investment and to promote the economic and social development of Puerto Rico. The incentives for manufacturing and key supplier services for manufacturers are subject to a 4% fixed income tax rate, a 50% exemption on municipal taxes and 75% exemption on property taxes.

Tourism Activities

The Incentives Code incentivizes tourism development providing the taxpayer with a 4% flat income tax rate on tourism development income, 75% exemption on property taxes, and a 50% exemption from municipal license taxes. Tourism activities are now 100% exempted from income taxes on dividend distributions. The benefits are valid for 15 years. This incentive is most commonly used by large hotel projects, but a variety of projects can qualify.

Renewable Energy

The Incentives Code provides a 4% flat income tax rate on the net income generated from the renewable energy activity, 100% exemption on dividend distributions income, 75% exemption on property taxes, and a 50% exemption from municipal license taxes.

Financial Services

Act 273-2012, also known as the "International Financial Center Regulatory Act", regulates the organization and operation of international financial institutions authorized by the Office of the Commissioner of Financial Institutions to operate in Puerto Rico. The Incentives Code provides tax exemption decrees, among other benefits, to international financial entities ("IFE"). The export of services is an economic activity that has been identified as one of the key pieces for the economic development of Puerto Rico and financial services employ the largest number of people per business under the tax incentives. The IFE tax incentive is primarily used by international banks, investment funds, hedge funds and family offices. IFEs are in general subject to a 4% fixed income tax rate, 50% exemption of municipal taxes and 75% exemption on property taxes.

Incentives for Private Equity Funds

The Incentives Code offers certain tax incentives to attract and retain Private Equity Funds (PEF) on the island. The main PR tax incentives under the Incentives Code are the following: 60% income tax deduction on the initial investment by PR investors in a PR-PEF (deduction up to 30% of the investor's taxable net income per year for up to 15 years); 30% income tax deduction on the initial investment by PR investors in a PEF (deduction up to 15% of the investor's taxable net income per year for up to 10 years); 0% tax on capital gains realized through the PEF by its investors from Puerto Rico sources; and, the PEF is 75% exempt from personal and real estate taxes on property owned by the PEF.

Insurance Services

Act 399-2004, also known as the "International Insurers and Reinsurers Act of Puerto Rico", establishes the legal framework to develop an International Insurance Center in Puerto Rico, through which insurers and reinsurers may export insurance and reinsurance services to international markets outside of Puerto Rico. The Incentives Code provides tax exemptions for international insurers, segregated assets plans and international insurer holding companies. An international insurer benefits from a 4% rate on net income in excess of \$1.2 million. The Incentives Code grants new applicants a 50% exemption from the payment of municipal license taxes to the Puerto Rico municipality in which the international insurer has a physical office and from which it generates income related to the business it conducts (under Act No. 399-2004 international insurers were totally exempted from municipal taxes). Additionally, the new Incentives Code reduces the exemption from the payment of personal and real



property taxes to a 75% exemption. Also, 100% tax exemption on dividends and distributions to its shareholders. Moreover, interest, dividends or distributions paid to foreign entities or non-residents, not engaged in business in Puerto Rico are tax free. Captive insurance in Puerto Rico facilitates business through alternative risk management strategies and as a vehicle to enter Latin America and U.S. markets. Integrated insurance plans and segregated assets plans serving high net worth individual markets are the focus of most companies using this tax incentive.

Infrastructure

The tax benefits under this category varies. In general, specific housing projects and other infrastructure businesses are generally subject to a 4% income tax rate.

Agro-Industries

Are generally subject to a 90% income tax exemption and 100% exemption in property and municipal license taxes.

Creative Industries

Creative industries, such as the film making industry are subject to a 4% income tax rate, 100% exemption from municipal license taxes and 75% on property taxes. Film production expenses could generate tax credits under the Incentives Code.

Other Business

New Small and Medium-Size Businesses

The Incentives Code recognizes a new tax benefit afforded to new small and medium-size businesses ("PYMES", by its acronym in Spanish) established in Puerto Rico. PYMES are defined as businesses with an average volume

of business of three (3) million or less during the three (3) previous tax years. This tax benefit includes a 2% special income tax rate and a 100% exemption from property and municipal taxes during the first years of operations. After the initial five (5) years, these businesses will enjoy a 4% income tax rate and a 75% and 50% exemption for property and municipal taxes, respectively.

Business in Vieques and Culebra

The Incentives Code recognizes a new tax benefit for businesses establishing operations in Vieques and Culebra. The tax benefits for businesses in Vieques and Culebra includes a 2% special income tax rate and a 100% exemption from property and municipal taxes during the first five (5) years of operations. After the initial five (5) years, these businesses will enjoy a 4% income tax rate and a 75% and 50% exemption for property and municipal taxes, respectively.



Incentives for Individuals Individual Resident Investors (Formerly known as Act 22)

The Incentives Code encourages the relocation of individual investors to Puerto Rico and seeks to attract new residents to the Island. It offers a

significant tax exemption on passive income generated or accumulated once the individual is a bona fide resident of Puerto Rico. As in Act 22, passive income, including interests, dividends and certain capital gains are 100% exempted from Puerto Rico income taxation.

Under the Incentives Code, commodities, currencies and any digital asset based on block-chain technology will be subject to a special capital gain treatment. To qualify, an individual must not have been a resident of Puerto Rico during the six-year period ending on January 17, 2012. In addition, the individual must purchase residential property within two years after becoming a Puerto Rico resident, must open a bank account in Puerto Rico, and must comply with the annual charitable donation to any approved Puerto Rico not-for-profit organization in the amount of US \$10,000.

Difficult Recruitment Professionals

These are defined as professionals who are residents of Puerto Rico who have a specialized knowledge in the operation of an exempted business under the Incentives Code or under a superseded tax incentives act. These individuals will enjoy a 100% income tax exemption on salaries in excess of \$100,000 per year.

Incentive for Medical Professionals

The Incentives Code incentivizes the retention and return of medical professionals by offering them tax incentives. The Incentives Code provides qualified medical professionals with a fixed 4% income tax rate, and a 100% tax exemption on dividend distributions. In addition, eligible dividends of qualified physicians are exempt from withholding tax on income at the source and payment of income taxes up to a maximum of \$250,000. The tax grants for qualified medical professionals under the

Incentives Code have a term of 15 years, which may be extended to an additional 15 years, for a total of 30 years.

Researchers & Scientists

Certain researchers are not subject to income tax up to \$250,000.

Incentive for Young Entrepreneurs

The Incentives Code promotes young individuals within the ages of 16 to 35 to start companies in Puerto Rico. The Incentives Code grants a 100% tax exemption on both personal and corporate income for individuals (from ages 16 to 26 making under \$40,000) and on new businesses that operate under a Young Entity Agreement with the Secretary of the Department of Economic Development and Commerce with revenues of up to \$500,000 annually. This tax exemption has a term of 3 years.



CDBG-DR Funding

Community Development Block Grant Disaster Recovery Program (CDBG-DR) Funding Allocated to Puerto Rico

Due to the substantial damages to life, property and Puerto Rico's housing and other critical infrastructure caused by Hurricanes Irma and María in September 2017, Congress passed the "Supplemental Appropriations for Disaster Relief Requirements, 2017" (Pub. L. 115-56, approved on September 8, 2017), as subsequently amended by Pub. L. 115-72 as well as the "Further Additional Supplemental Appropriations for Disaster for Relief Requirements Act, 2018" (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018) (Pub. L. 115-123, approved on February 9, 2018) through which, jointly, approximately a total of \$20 billion of CDBG-DR funds were allocated to Puerto Rico. CDBG-DR funds are subject to federal oversight and a tight fiscal control on the part of the U.S. Department of Housing and Urban Development (HUD). HUD has appointed a Federal Financial Monitor to oversee the grant administration and disbursement process for CDBG-DR funds assigned to Puerto Rico. Locally, the Puerto Rico Department of Housing (PRDOH) is the Puerto Rico administrative agency responsible for managing the CDBG-DR program. The PRDOH works in close collaboration with the Central Office of Recovery, Reconstruction and Resilience (COR3). The COR3 is a Puerto Rico government agency organized in December 2017 as a division of the Public-Private Partnerships Authority in order to identify, manage and coordinate available funding sources for infrastructure recovery projects in Puerto Rico.

Generally, CDBG-DR funds cover a variety of disaster recovery activities, including housing redevelopment and rebuilding, business assistance, economic development and revitalization, infrastructure repair such as repairs and upgrades to Puerto Rico's power plants and electric grid, which suffered significant damages as a result of the hurricanes. The amount of \$2 billion in the CDBG-DR funds allocated to Puerto Rico have been assigned by HUD to restore, enhance and improve Puerto Rico's electric power grid and systems.

In order to allow the release of CDBG-DR funds through HUD, Puerto Rico has adopted a "Disaster Recovery Action Plan" that sets forth the critical areas and proposed uses for CDBG-DR funds consistent with both CDBG-DR program requirements and Puerto Rico's Fiscal Plan as submitted to the Financial Oversight and Management Board created by the Puerto Rico Oversight, Management and Economic Stability Act (PROMESA) approved by Congress in June 2016 to address Puerto Rico's fiscal situation and its recovery. These critical areas, per CDBG-DR program requirements, must address the general segments of housing, planning,

economic development and infrastructure. Further, they must meet at least one of the following objectives, namely, benefit low- or moderate-income population segments, help to prevent or eliminate deteriorating areas, or satisfy an urgent need.

On July 29, 2018, HUD approved the use by Puerto Rico of the initial \$1.5 billion allocation in CDBG-DR funding pursuant to the terms of the "Disaster Recovery Action Plan" filed by the PRDOH with HUD. Shortly thereafter, a grant agreement between both parties was entered into in September 2018. In February 2019, HUD approved an amended "Disaster Recovery Plan" filed by the PRDOH for the use of an additional \$8.22 billion of CDBG-DR funds.

In January 2020, HUD issued a notice in the Federal Register informing of the allocation to Puerto Rico of \$8.285 billion of Community Block Grant mitigation (CDBG-MIT) funds being made under the requirements of Pub. L. 115-123. CDBG-MIT funds are used with the primary purpose of strengthening the grantee's program management capacity, financial management and internal controls. In the case of Puerto Rico, HUD has recognized the governance and financial management challenges faced by the jurisdiction. Therefore, the HUD notice contemplates that, in the case of Puerto Rico, these CDBG-MIT funds, their use and the satisfaction of the program's underlying objectives may be accomplished through reforms in land ownership records and addressing the occurrence of informal housing and contributing to enhance the safety and well-being of Puerto Rico residents.

During the initial phase of CDBG-DR grant program in Puerto Rico after Hurricanes Irma and María, over \$2 billion of the funds have been procured by the PRDOH and expended to address the repair, reconstruction and/ or relocation of single-family homes in Puerto Rico, including title clearance issues. Due to the tight fiscal controls imposed by HUD with respect to CDBG-PR program funding in Puerto Rico, the release of program funding on the part of HUD has been very measured. The authorization and release of CDBG-DR and CDBG-MIT funds allocated to Puerto Rico on the part of HUD is expected during the current and following years consistent with the proposed uses included in the amended "Disaster Recovery Action Plan" adopted by the PRDOH. This funding is directed at critical areas, such as in the economic development front, tourism and business marketing programs, strategic projects and commercial redevelopment, construction and commercial development loans, small business financing, incubators and accelerators, workforce training, urban and rural agricultural programs, among others.

\$20 B

of CDBG-DR funds
were allocated to
Puerto Rico.

MARKET OVERVIEW

Puerto Rico, officially known as the Commonwealth of Puerto Rico (Estado Libre Asociado de Puerto Rico), is an unincorporated territory of the United States, located in the northeastern Caribbean, east of the Dominican Republic and west of both the U.S. Virgin Islands and the British Virgin Islands. As a Commonwealth, Puerto Rico shares citizen rights, a common currency, customs, postal service, and a legal system with the United States. Puerto Ricans have a degree of administrative autonomy similar to citizens of a U.S. state and like the States. Because of that, the Island can operate its own system of taxation.

Puerto Rico is 100 miles long and 35 miles wide, making it the smallest island of the Greater Antilles. Puerto Rico (Spanish for "rich port") consists of an archipelago that includes the main island of Puerto Rico and several islands: Vieques, Culebra, Mona and numerous islets.

The archipelago is home to 3.2 million people; its capital San Juan harbors almost 418,140 citizens making it the most populated city on the main island.

The primary languages of Puerto Rico are Spanish and English, Spanish being the dominant language of education and daily life on the island spoken by over 95% of the population. Public school instruction in Puerto Rico is conducted entirely in Spanish.

3.2 M

Residents

The largest city is San Juan, the island's capital making it the 46th largest city in USA



Federal Government Investment in Puerto Rico

The Federal Government of the United States has approved USD 7.4 billion in funding to the Federal Emergency Management Agency (FEMA) for individual (USD 1.4 billion) and public (USD 6 billion) assistance in the wake of Hurricane Maria. In addition, FEMA's additional, indirect assistance includes disaster unemployment assistance (USD 16 billion), Small Business Loans (USD 2 billion), and HUD community development block grants (USD 20 billion). The total amount of direct and indirect federal aid approved for the Puerto Rico recovery effort is USD 44.4 billion. In addition to hurricane relief funding, federal assistance also has come in the form of power generators, temporary roofing, and other essential commodities such as food and water. To date, approximately one third of the USD 44.4 billion approved has been released to the island.

Working

28%

Population holds a bachelor's degree or higher

8%

Unemployment Rate as of October 2018
Unemployment is Lowest Rate in 30 Years



Wholesale, Insurance, Retail Service and Healthcare companies Lead Top 400 with combined revenue \$21.4B since 2015.

Living

\$650

Median rent (2 bedroom)

54%

Puerto Rico rent is lower than United State



300 days of sunshine

\$129

Single family median house price

82°F

Average temperature

#46

46th-largest city under the jurisdiction of the United States, with a population of 395,326

Traveling

28.4

28.4 minute average commute time to work



No. 1 busiest airport in the Caribbean with 8.8M passengers



Easy access throughout Metropolitan Area with 3 major freeways



Tren Urbano consists of 16 stations operating on 10.7 miles (17.2 km) of track along a single line.

Learning

60K

62,182 students in University of Puerto Rico



Medical School is accredited by Liaison Committee on Medical Education

605

University of Puerto Rico world ranking

11

11 Campus and 5,300 faculty members



University of Puerto Rico / Mayagüez Campus Presidential Award Bright Spot in Hispanic Education (2015) Science and Technology (2005 and 2018)

Living

Tax incentives and industrial employment are driving the demand for housing in Puerto Rico, mainly law 60 and the new home buyer incentive (HBA). In Puerto Rico, the residential sector is largely concentrated in the San Juan Metro Area and its demand is subject to different macroeconomic trends and demographic factors. From an economic perspective, growth and employment rates affect the demand for private housing, and thus positive growth in these measures drives up the demand for the home market. In addition, demographic factors such as population and education growth also drive residential demand. Since the expiration of code 936 at the end of 2005, the island has experienced population and economic contractions that have depressed the majority of residential prices. However; with the potential return of additional pharmaceutical manufacturing and increased demand for class A residential properties as more expats move to the island due to the COVID-19 pandemic, the residential sector is poised to perform well over the coming months and years.



Employment

Diverse Employment Growth

GDP Manufacturing Sector

Bio Pharma /Life Science	44.6%
Computer and Electronics	20.2%
Basic Chemicals	19.8%
Medical Devices	5.4%
Beverages & Tobacco	3.1%
Food	2.4%
Electrical Equipment & Components	1.4%
Others	3.1%

Top 5 employment sectors

- Trade, Transportation & Utilities
- Professional & Business Services
- Education & Health Services
- Government
- Leisure & Hospitality

Emerging industries

- High technology
- Manufacturing
- Bioscience research
- Advanced business services



Transportation Facilities



Airports

World-Class Air Service

- Puerto Rico has eleven airports servicing residents and visitors.
- Luis Muñoz Marín International Airport (SJU) handles around 5,000 cargo flights per month and over 2,200 weekly flights from more than 20 airlines.
- Typical flight time from Miami to San Juan is approximately two hours and a half.
- Two other international airports: Mercedita Airport (PSE), located on the south side of the island in Ponce and Rafael Hernández Airport (BQN), which is located on the west side of the island in Aguadilla.
- Regional airports are located : Arcibo, Isla Grande, Mayagüez (Eugenio María de Hostos), Fajardo, Humacao, Vieques, Culebra and Ceiba. The Ceiba Regional Airport has an 11,000-foot runway.



Seaports

Major Seaports

- Puerto Rico has nine modern maritime ports.
- Main seaport is located in San Juan and another major seaport is being developed in Ponce, which is aimed at becoming one of the most important transshipment maritime facilities in the hemisphere.
- There are also industrial shipping seaports in Guánica, Guayama, Guayanilla and Yabucoa.
- The Port of San Juan is ranked 9th in container movement in the U.S. with 40 shipping lines and service to 80 domestic and international ports.
- The Mayagüez seaport is expected to become an important cruise ship and tourism hub on the island as more than 1 million passengers visit the island on cruise ships every year.
- The seaports located in the East (Fajardo, Vieques and Culebra) are mainly for tourists and passengers moving from the main island to Vieques, Culebra and other Caribbean islands.



Highways

Modern Transportation Network

- More than 24,000 miles of highway make all points on Puerto Rico no more than two hours from an airport or seaport.
- In addition, an efficient mass transit system, known as "Tren Urbano", interconnects the San Juan metro area.
- Puerto Rico has an extensive road system with a main freeway crossing the north side from San Juan to Arecibo.
- Another one linking San Juan to Ponce that crosses the central east side from the north to the south coasts.
- Another important freeway goes from San Juan to Canóvanas in the northeast.





ETHIC TRUST COMMITMENT



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