

Playa Grande and Ventanas during 2005. There were a brisk number of inquiries and tours and several deals closed at new high values. Lot A55 in the northern portion of Playa Grande was sold for \$350,000 in 2005 and asking prices on the beachfront went through the roof. The beachfront properties along Playa Grande and Playa Ventanas, being the most desired property in town and with a limited supply, saw values go from there to around \$500,000, an increase of approximately 40% during the year. The properties were worth \$450-550 per square meter during this year.

2006 was another year with big increases in the number of purchase and sale transactions, number of construction projects, and a large increase in values. Investors were seeing large gains in the values of their properties and many people were receiving offers as soon as they had bought their properties. The beachfront lots that were going for \$500,000 in 2005 were asking \$650-750,000 and bidding situations ensued in 2006. Beachfront land values rose to \$674-778 per square meter.

Many factors helped Playa Grande's small real estate market during this time. Property values were around 67% less than those in Tamarindo at the time, which led to many transactions in town, and as a result, values went up quickly to close the gap – many people who were priced out of Tamarindo came to Playa Grande's and Playa Ventanas' beautiful beaches. Playa Grande is arguably one of the most consistent surfing waves in Central America, and is extremely accessible. It is one hour from an international airport and since 2006 has had a high-quality paved road all the way to the beach. In addition to the surf, the readily available water and electrical service, and the road, Playa Grande had the advantage of being a place that hadn't seen uncontrolled development like some of the larger towns in the area. It had kept its charm and was protected from over-development with stricter building regulations in place for years. Finally, since Playa Grande's land is private property all the way up to the public beach (the 50 meter line), buyers were attracted by the opportunity to have title on the beachfront instead of the concession lots that make up most of the coastlines of Costa Rica.

2007 was the high point of the market in Playa Grande. Much of the supply had been bought and the number of available properties was lower. Construction in town continued at its high level, approximately 10 projects being completed per year. Values for beachfront properties peaked at \$1000-1100 per square meter, with lots in the million-dollar range being common and the average being approximately \$885,000.

In 2008, we saw the market correct after several years of fast growth. Beachfront land values came down around 15% during the course of the year to an average of a \$754,000 per lot or \$810 per square meter. Construction remained robust during 2008 at around the same 10 projects per year pace.

Sincerely,



David J. Corredor, Owner