



JACO EMERGING

CATCHING THE WAVE OF GROWTH ON THE PACIFIC COAST

Destined for greatness” is how Pat Hundley, President of Day Star Properties, describes Jaco’s recent facelift, as development continues to transform the once-sleepy surf town into a burgeoning tourist destination and up-and-coming commercial center. With development progressing full speed ahead, a new Jaco is emerging in its wake, with exciting changes for business, tourism, and the quality of life for residents and foreign visitors alike.

According to municipality statistics, 2007 has seen the completion of over 1000 condos in more than 15 properties, including the first three of Day Star’s seven beachfront condos and VistaMar, the first of four new VistaCR properties. Acqua Residences’ 8-floor beachfront property is near-completion and service-oriented Macaws Ocean Club has completed phase one of its two-phase project.

Developer projections for 2008 predict even more growth, with the scheduled completion of VistaCR’s remaining 3 properties, including Jaco Beach Towers, “the first major beachfront development in the Central Pacific to be sold on a fractional basis,” says developer Brad Sanson. Also up for completion is Ramada’s JacoBay Resort and Residences, with 226 condos under construction. Envisioning Jaco’s five-year development projection, we’re looking at upwards of 3,000 condos in more than 25 new properties by the year 2013.

Developers are optimistic about Jaco’s future. Brad Sanson, VistaCR Developer predicts that “Jaco will become the coastal city of Costa Rica,” responding to an ever-growing influx of international developers, seasonal foreign residents, business owners and vacationers. “Jaco is undervalued compared to other top spots, and titled property is a big draw here versus other towns where it’s mainly concession property. Here, we can own and build fifty meters from the beach, so beachfront really means beachfront.” Sanson also mentions the significance of the new road between Jaco and Escazú, which will “cut driving time to 45 minutes from San Jose.”

Attracted by Jaco’s proximity to the capital and increasing availability of services like banking, health care, and wireless internet, Jaco is becoming a prime destination for retirement and seasonal living. Christina Marshall Truitt, Co-Director of the Central Pacific Chamber of Commerce envisions Jaco as the “Escazú at the beach, an internationally-recognized seasonal living area—changing the dynamic of what services and activities need to be here.”

Jaco’s growth spurt includes a social aspect as well, and developers are playing a proactive role in providing community

support. Day Star, in addition to creating the Central Pacific Chamber of Commerce, has provided over \$200,000 in community support with the recent donation of two beach clean-up machines. Acqua Residences donated 20 recycling receptacles and is supporting municipal trash collection throughout Jaco. Chamber of Commerce President and Day Star owner Pat Hundley is proud to lead the group of Jaco's "responsible developers, who have proven to be good neighbors and partners for this community, providing employment at a local level and access to a clean beach, clean water, and basic infrastructure."

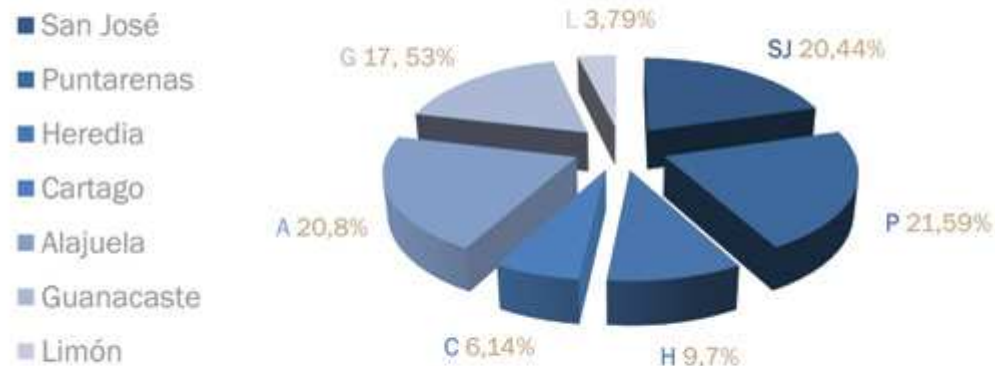
The local municipality is on board, too, working alongside developers to improve infrastructure and regulate the growth process. As a result, all of Jaco's major roads have been paved and a beachfront boardwalk is currently under construction. The Chamber of Commerce has outfitted a local tourist police force and is supporting the training of municipal police. These efforts are proof of a new resilient relationship between developers and the municipality—with great benefits for Jaco's townspeople and visitors.

The recent growth in Jaco begs a need for regulation to prevent overdevelopment and address social concerns. The municipality has responded by drafting Jaco's detailed Plan Regulador (zoning plan), set for completion in early 2008. The Plan specifies the regulations for building heights and land development, and distributional zoning for commercial, residential, and tourist ventures. According to Roy Castellón, Municipal Geographer for the Plan Regulador, "new developments must not exceed 25 stories on the beach, including a required first floor for commercial use only." The Plan also includes land coverage restrictions, by which 60% of a given property may be developed and the remaining 40% must be reserved as green areas. Additional zoning restrictions will prevent disorganized development, such as "the construction of a night club in a primarily residential area."

The municipality also intends to build upwards of 200 houses in town as part of a larger "social development effort responding to the needs of low-income households." As the municipality targets social issues, Castellón lauds the benefits of development in Jaco. "Development has generated new employment opportunities; increased municipal resources to invest in infrastructure, social

CONSTRUCTION PROJECTS TRANSACTED IN 2007

*Puntarenas is the province with larger number of projects



Source: CFIA (Colegio Federado de Ingenieros y Arquitectos)

alternatives and community projects; and improved Jaco's international image as a world-renowned tourist destination, sparking more reinvestment in the area."

The new face of Jaco has provided a range of benefits for the people of the town, from the increase in tourism and employment to improved access to quality services—and Jaco residents are excited about the changes they're seeing.

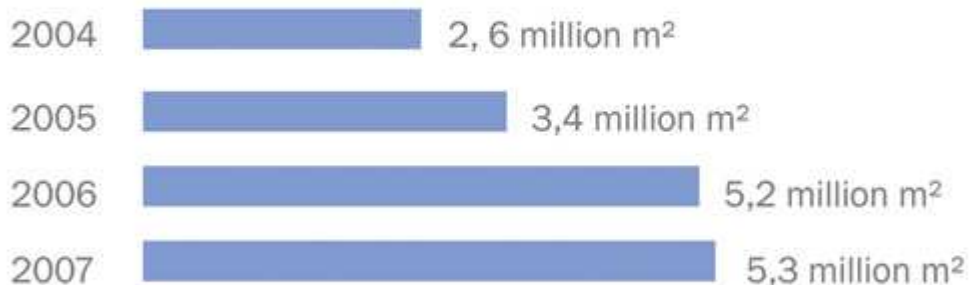
Dr. Selena Cubero of Jaco's Orthodontic Dental Care Center is a San Jose native, but has spent the past seven years building her practice in Jaco. According to Dr. Cubero, "Jaco has changed tremendously, with many new options for employment, so the economic level has increased and the quality of life here is better than in San Jose. We love Jaco." She also applauds local developers for their "super-positive" role in bringing about community progress.

Native Jaco resident Gustavo Castillo, founder of Jaco Surf School, credits the development boom for the increase in tourism over the past few years. "Jaco is becoming very popular, and it's great for those of us who work in the tourism industry who will benefit from the improvements this high season. We're a town that lives on tourism." Castillo praises the efforts of Jaco's new mayor, Marvin Elizondo, for his work on infrastructure and keeping the beaches and streets clean and safe. "We all work hard for the community," says Castillo, "and the improvements in security and beach cleaning have helped make people feel comfortable at the beach."

For a town that thrives and survives on tourism, development has transformed the overall quality of life in Jaco. Municipal officials, local developers and residents are all optimistic about the future of Jaco, working together to ensure a smooth transition from the Jaco we know today to the new Jaco emerging: a complete seasonal living area, up-and-coming commercial center, and world-renowned tourist destination with true international appeal.

PUNTARENAS

Million square meters transacted before the CFIA



Source: CFIA (Colegio Federado de Ingenieros y Arquitectos)