

SECTOR GUIDE CONSTRUCTION 2026



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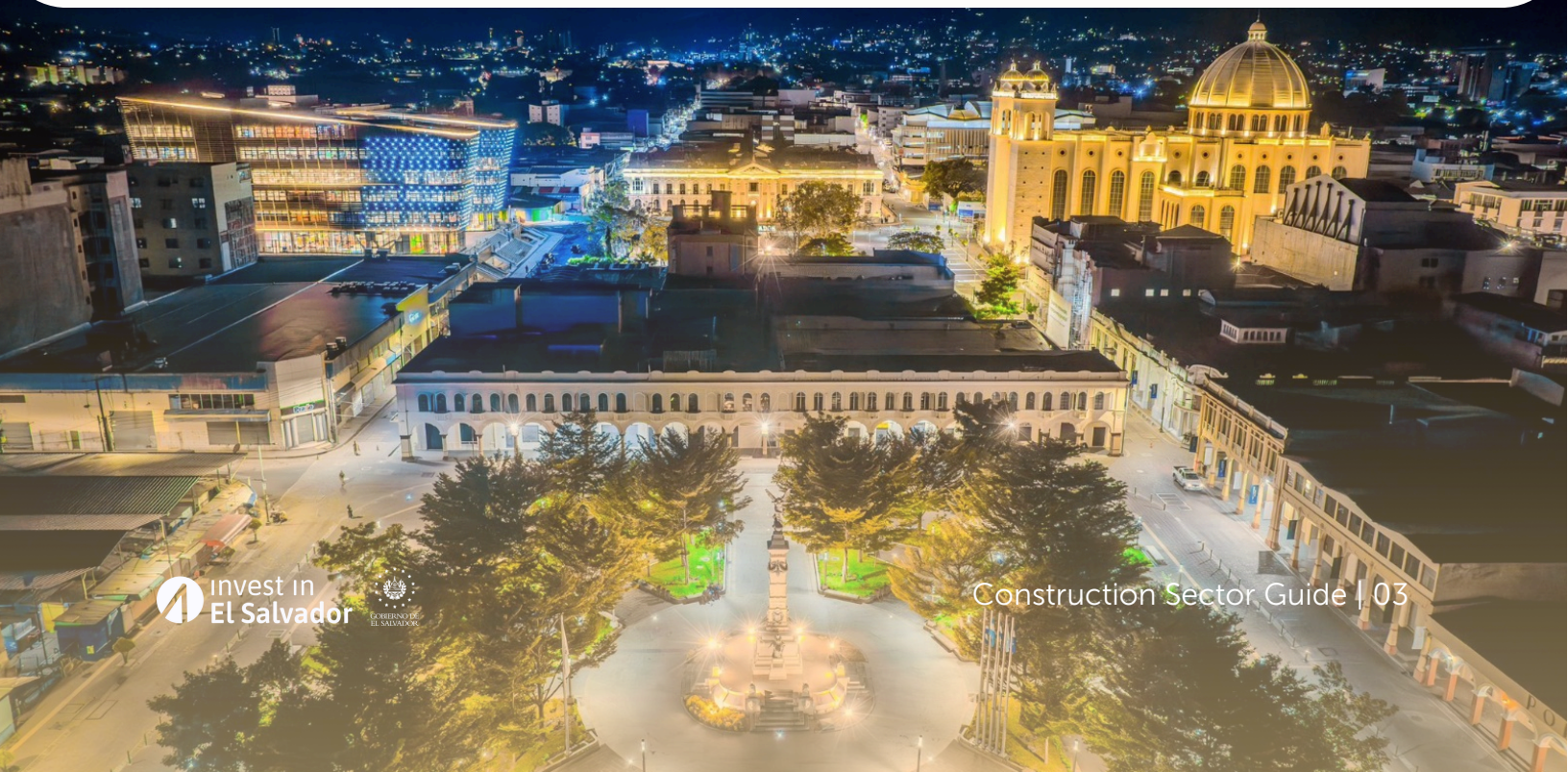
Introduction and overview

**Be part of this story!
Invest in a country that
welcomes you with
open arms and
promises a return that
is not only financial,
but also social and
human.**

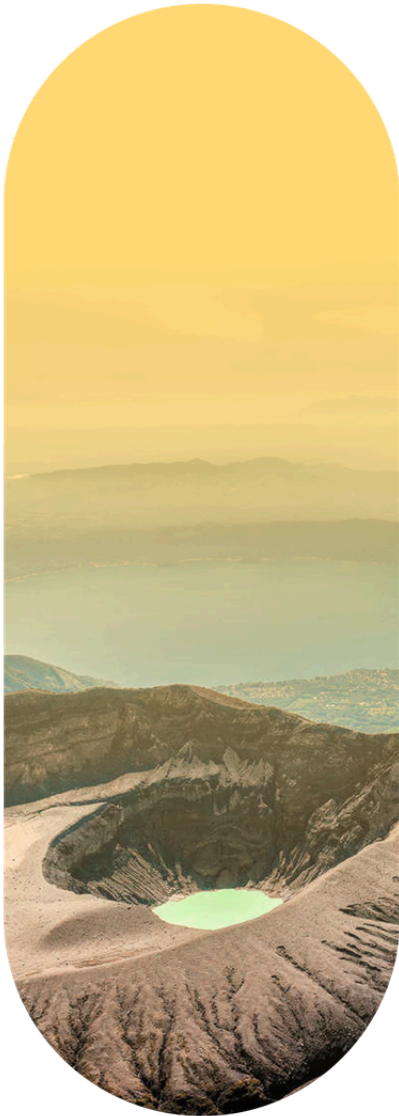
El Salvador, located in the heart of Central America, has become an investment destination in the construction sector with emerging potential thanks to advances in security, unprecedented growth in the tourism sector and current housing demand.

The dynamism of the sector is also accompanied by robust investment in strategic infrastructure driven by the government, which is strengthening the country's connectivity, logistics and territorial development.

El Salvador presents attractive opportunities for those seeking to invest in a sector with high growth potential. This document offers a comprehensive guide for investors, detailing available opportunities and government support policies, and highlighting the advantages of investing in an expanding market with high long-term returns.



Location and characterization of El Salvador



El Salvador is located in Central America, bordering Honduras to the north and east, Guatemala to the west, and the Pacific Ocean to the south. Its strategic position makes it a connection point between North and South America.

The country has a diverse population of 6.3 million inhabitants and an economically active population of approximately 3 million, of which 54% are under 40 years old. The capital, San Salvador, is the country's cultural and economic center.

Geographically, El Salvador is known for its contrasts, from tropical beaches along its 321 kilometers of coastline, making it one of the fastest-growing tourist destinations worldwide, thanks to its beaches, mountains, and picturesque volcanoes. Volcanic activity has shaped its landscape, providing unique tourism opportunities that demand significant activity in the construction sector.

The country is also investing in industry, prioritizing sectors that, along with their growth, attract more investment from both new businesses and established companies seeking to expand. These sectors have specific needs that add value to their processes, resulting in a demand for customized services.

CONSTRUCTION MARKET IN EL SALVADOR



Key performance indicators 2025



**\$3 billion
private
investment
released in
2025**



**+24.41%
Sector growth
2025 vs 2024**



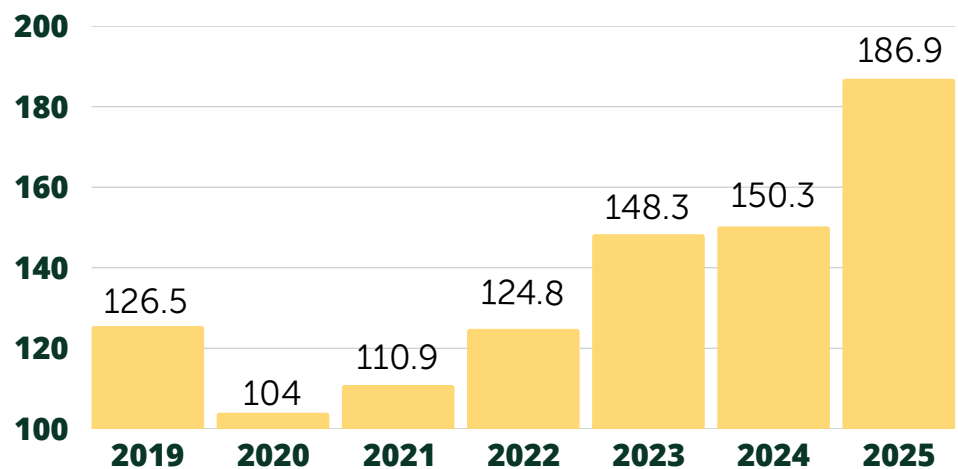
168,000

Jobs created in 2025

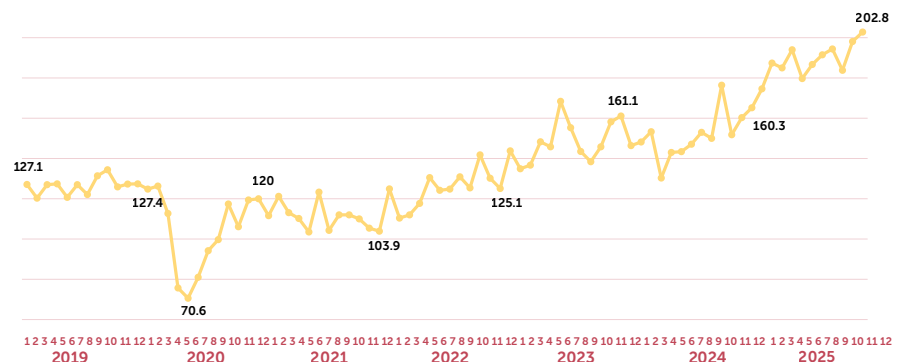
Currently, construction is the fastest-growing sector in the country. By the end of 2025, its contribution to GDP had grown by 24.41% year-on-year, positioning it as the third largest sector in the national economy. In the IVAE (Value Added Tax on Economic Activities), the sector grew by 26.52% annually, representing exponential and consistent growth and maintaining a positive upward trend.

The following are key indicators of the sector's performance in El Salvador:

Growth of the construction sector. Annual GDP index.

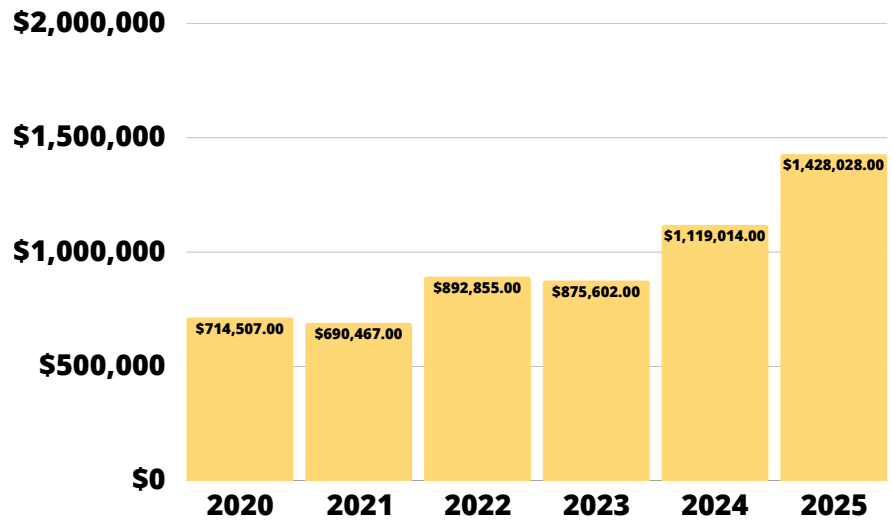


Construction. Economic Activity Volume Index (IVAE)



Sector loan balance as of December (Thousands, USD)

Evolution of
the loan
balance to the
sector



Source: INVEST in El Salvador with data from the Superintendency of the Financial System 2025

Credit in the sector closed 2025 with a growth rate of 27.61%, despite exponential growth in 2024 of 27.8% compared to 2023. This demonstrates that El Salvador has a liquid and sound banking sector that is confident in the industry. Furthermore, other indicators of growth in the sector include the generation of job opportunities.

1. The construction sector generates an average of approximately 168,000 jobs by 2025.
2. The sector boosted the growth of workers' contributions by 17.2%, as of June 2025.
3. The real estate sector also saw an increase in its prices of 13.9%, as of June 2025.

Source: SIMEL, Report on employment trends in El Salvador as of June 2025



CURRENT STATEMENTS AND PROJECTIONS IN THE CONSTRUCTION SECTOR



Events and strategies

The Salvadoran Chamber of Construction projects that investment in the sector will reach between \$3.5 billion and \$4 billion in 2026, after closing 2025 with about \$3 billion and an estimated growth of up to 30%.

Among the projects undertaken by the private sector, in the metropolitan area alone 87 high-rise buildings are being constructed, of which six exceed 35 levels, and therefore enjoy a special tax incentive.

Furthermore, as of the end of 2025, OPAMSS was managing more than 480 active projects within the San Salvador Metropolitan Area. Of these, 52% correspond to residential developments, while the storage, logistics, and industrial sectors represent 11%, and tourism shows a growth of 7%.

El Salvador is recognized as one of the countries with the greatest potential for development and investment today, a perspective supported by the State Department's Bureau of Economic Affairs: "El Salvador is a critical partner of the United States in the Western Hemisphere. President Bukele's law-and-order miracle has not only brought freedom and security to the Salvadoran people, but is also creating one of the best investment climates in the entire region. Our foreign policy interest is in having U.S. companies participate and help drive El Salvador's renaissance."



Real estate



The real estate sector in El Salvador shows sustained growth, with strong demand for commercial and residential properties, especially in coastal tourist areas, and a notable increase in investment and construction.

Customers in El Salvador are showing increasing interest in purchasing real estate, both for residential and commercial purposes. The Salvadoran real estate market is projected to reach a value of \$201.87 billion by 2026. Among the various segments, residential real estate holds the dominant position, with a projected market volume of \$161.21 billion in the same year. This segment is expected to experience a compound annual growth rate (CAGR) of 2.76% between 2026 and 2031, resulting in a market volume of \$231.32 billion in 2031.

Tourism



El Salvador has demonstrated its great tourism potential thanks to its strategic geographic location, its impressive natural attractions, and its rich culture and gastronomy, which has positioned it as the fourth fastest-growing tourism destination in the world from the COVID-19 pandemic until 2025 (UN Tourism). Furthermore, the country ranks among the top ten Latin American countries with the best perception, occupying ninth place in the region according to the 2026 Global Soft Power Index. Government tourism agencies also project 4.2 million international visitors by 2026, accompanied by \$3.636 billion in foreign exchange earnings.

PROJECTS UNDER DEVELOPMENT AND PUBLIC INFRASTRUCTURE



Tourism infrastructure

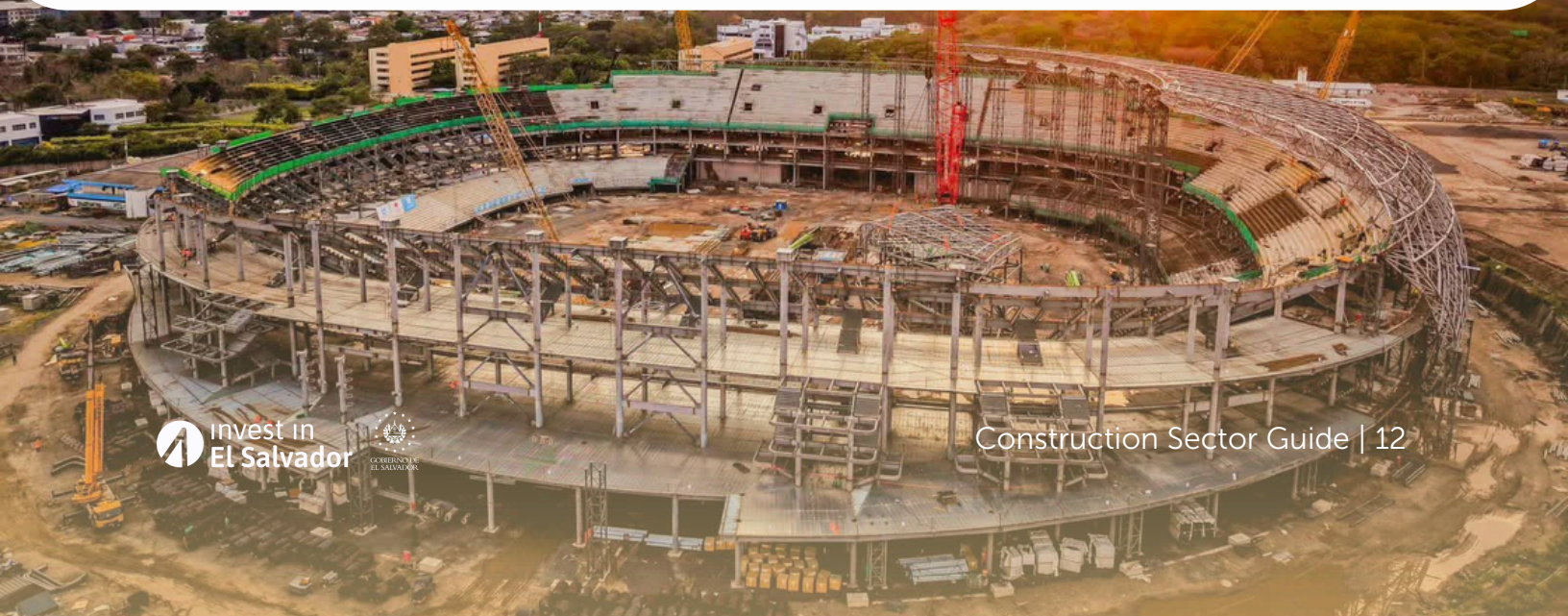
El Salvador boasts a privileged location in the heart of the Americas with a well-developed infrastructure. According to the World Economic Forum's latest Global Competitiveness Index (2019), the country ranks first in road connectivity and second in infrastructure. In terms of air connectivity, it has two international airports connecting to more than 34 routes and 14 countries in the Americas, the Caribbean, and Europe.

El Salvador International Airport is strategically located just 40 minutes from the capital. Due to its size and concentration of tourist attractions, El Salvador offers a competitive advantage for international tourists, allowing them to visit a large number of destinations in a very short time, most of which are less than two hours from the capital or the international airport.

The country operates on the same time zone as the central United States, making it a hub for providing international and commercial services to one of the world's largest markets. In terms of tourism, this combination of advantages in location and infrastructure allows for the arrival of a significant number of international visitors by land and air.

Recent tourism development projects

Some of the public investments made in recent years to strengthen and improve the attractiveness of the country's tourism sector are shown below:



- Infrastructure improvement of El Boquerón National Park.
- Improvement and conditioning of the Puerta del Diablo Recreational Center.
- Design and construction of a tourist corridor and bike path on El Cuco beach.
- Construction of the new National Library of El Salvador
- Design, construction and equipping of the high performance center and facilities for international tourism competitions in Punta Roca, La Libertad, phase I.
- Design and construction of a tourist corridor with a bike path and boardwalk on El Esterón beach, municipality of Intipucá, department of La Unión.
- Design and construction of a tourist corridor with a bike path and boardwalk on El Tamarindo beach, municipality of Conchagua, department of La Unión.
- The remodeling and beautification of the Historic Center of San Salvador.

Mega-infrastructure projects:

Pacific Airport: whose objective will be to strengthen the eastern part of the country as a development hub.

Pacific Train: It will connect the capital, San Salvador, with the port of Acajutla.

1. Shipyard in the Port of La Unión.
2. Recovery and modernization of the Port of Acajutla.
3. Mobility projects such as the Claudia Lars Peripheral, Francisco Morazán viaduct and Gerardo Barrios Peripheral.

As part of its long-term plan, the Ministry of Tourism (MITUR) will implement several public infrastructure projects, such as the construction of ecological boardwalks to promote environmental sustainability, tourist corridors and bike paths on beaches, tourist viewpoints, modernization of the signage system for tourist destinations, and the design of a potable water and sanitation system in priority tourist destinations, among others. Similarly, there are projects to improve the sector's human resources through language training programs to enhance service to international tourists, strengthening of soft skills, and training in technological innovation, among other initiatives.

OPPORTUNITIES AND ADVANTAGES OF INVESTING IN EL SALVADOR



Investment opportunities in tourism infrastructure

El Salvador offers diverse investment opportunities in tourism infrastructure, a key sector for boosting the country's economic growth and competitiveness. With its rich biodiversity, beaches, mountains, and cultural heritage, the country presents ample potential for development projects in areas such as:



Hotels/Shops
Beach hotels
Mountain hotels
Convention centers
Theme parks
Spas and wellness centers
Medical tourism
Food establishments
Port projects / Marinas



Advantages of investing in El Salvador

Strong and growing tourist demand. El Salvador receives more than 3 million visitors annually.

Dollarized economy.

Air traffic hub with more than 812 weekly arrivals and departures.

Skilled workforce with a strong service orientation.

The differentiating value of waves for surf tourism.

- Attractive and diverse tourist offering of sun, beach, volcanoes, mountains and cultural traditions.

INCENTIVES TO INVEST IN EL SALVADOR

TOKENIZATION

The country has the Digital Asset Issuance Act, enacted in 2023 and updated in 2024. The law establishes a specific legal framework for transactions involving digital assets, providing legal certainty for transfers and public offerings. Furthermore, the law does not classify digital assets as securities; therefore, the restrictions of the Commercial Code and the Securities Market Act do not apply to them.

Tax incentives

- **Total Tax Exemption:** Issuers, service providers, and purchasers are exempt from all types of taxes (current or future) on profits, income, or transfers related to digital assets.
- **Income Tax (ISR) and VAT:** Revenue from the initial offering and transfers of digital assets is exempt from ISR and VAT.
- **Capital Gains:** No taxes are levied on gains realized from the sale or transfer of these assets.
- **Benefits for Partners:** These exemptions extend to the partners or shareholders of these companies, who will not pay taxes on dividends or profits generated by these activities.
- **Municipal Taxes:** Companies engaged in this sector are exempt from paying municipal taxes on their assets and operations.

Law Creating the Planning Authority for the Historic Center of San Salvador

Due to the government's strategy to modernize and revitalize the historic center, the Historic Center Planning Authority (APLAN) was created, which grants attractive tax incentives to those who want to develop tourism projects in the delimited area.

Tax incentives

Income Tax Exemption: An exemption from Income Tax for a period of ten years applies to investments in the construction, remodeling, improvement, expansion, restoration, and maintenance of real estate up to USD \$1,000 per m² in properties with a minimum area of 25 m². Properties with a smaller area, where the minimum investment generated is USD \$25,000, will also be eligible for this incentive.

Income Tax Deductible Expenses: 100% of the expenses are recognized as deductible from said tax (according to valuation) by any natural or legal person for the donation of real estate, or for the construction, reconstruction, restoration, maintenance, lighting or improvement of parks, green areas, churches or any other site for public use and purposes located within the delimited area, provided that it is done in accordance with the requirements related to cultural heritage in accordance with applicable laws.

Municipal tax exemption: the right to enjoy an exemption from municipal taxes, equivalent to 100% of the total and for a maximum period of ten years, is recognized and established for all investments authorized by APLAN.

Investments in commercial and tourism activities such as the following will be eligible for these incentives:

Benefits



Feeding



Recreation



Real estate and
housing development



Information
and transport



Parking
development



Cultural
activities



Accommodation



Activities aimed at the rehabilitation, conservation and recovery of properties located within the delimited area of the Historic Center of San Salvador

Benefits for social housing projects

Benefits

- **Streamlining Procedures:** Developers are allowed to manage essential permits directly with the Ministry of Housing, resulting in reduced processing times and bureaucratic procedures.
- **Cost Reduction:** Reductions are granted in the costs associated with connecting drinking water and wastewater services.
- **Exemption from Municipal Procedures:** The presentation of the municipal solvency of the property is not required to develop the project.
- **Reduction of Registration Fees:** A significant discount of 75% is applied to the fees corresponding to registration at the National Registry Center (CNR).
- **Advice and Support:** The Ministry of Housing provides advice and actively collaborates in the management of project procedures with other government institutions.

Requirements

- **Maximum Sale Price:** The retail sale price of each home must not exceed \$100,156, a figure that is approximately equivalent to 245 minimum wages.
- **Minimum Area:** The homes must have a minimum construction area of 36 square meters.
- **Documentation submission:** The developer must submit a technical folder that includes the application form, project description, set of plans, budget and an execution schedule.
- **Regulatory Compliance:** It is mandatory that projects adhere to current regulations on structural safety, universal accessibility and environmental protection.

SUCCESS STORIES AND INVESTOR SUPPORT





Hotel Hyatt Centric

Luxury hotel

It is the first Lifestyle Hotel in El Salvador, combining local culture and art with the comfort of a 5-star hotel. Hyatt Centric San Salvador is operated by GHL, the largest hotel chain in Latin America.

It features 138 rooms inspired by surfing, Salvadoran art and warm colors, 5 versatile and modern event rooms, restaurants with menus inspired by the taste of the sea and authentic Salvadoran food and a Stayfit Gym open 24 hours.



House 1800

Hotels and restaurants

As an investment by Salvadorean Tours, Casa 1800 has managed to position itself as a tourist hub in the Suchitoto area, which in addition to generating jobs, has allowed the growth of the local economy through the use of products made by local artisans.

As part of its social responsibility projects and sustainable tourism development, Casa 1800 is a zero-plastic operation and recycles the drinking water used in the restaurant to irrigate the property's plants. Casa 1800 recently underwent an expansion to create a unique concept in the country and become El Salvador's first luxury colonial hotel. The project was designed preserving and respecting the adobe structure of the property's original construction with the aim of celebrating the country's culture. Each hotel room features a design and concept inspired by relevant aspects of El Salvador's history.



Countryside Group

Mar y Sol Beach Hotel

The renowned Salvadoran group will expand its Mar & Sol hotel and restaurant facilities during 2024, transforming it into a luxury resort and making it the largest in the eastern region of the country. The group's project director, Oswaldo Romero, stated that the expansion of Mar & Sol is a result of the government's openness to investment in El Salvador.

"The improved security conditions in our country allow us to move around freely; we feel safe... and I congratulate the President on the project he is implementing throughout the country. The results are fantastic, and we can see it firsthand. This inspires confidence to invest," said Oswaldo Romero.

Investor Support Services

Contact us!

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INVEST in El Salvador, as an investment promotion agency, offers a wide range of services designed to facilitate capital inflows into the country's tourism sector. Our work includes support and guidance regarding procedures and permits, providing contacts and strategic information, and advising on tax benefits and government incentives available to investors to ensure a streamlined, transparent, and successful investment process.

Personalized assistance



We provide a service tailored to your needs with the goal of delivering valuable solutions.

Strategic information



Up-to-date information on the investment climate, sectors of interest, and opportunities.

Facilitating contacts



Network of contacts with government representatives, local businesses, chambers of commerce and business associations.

Consulting



Technical advice and investment case evaluations.

Customized agendas



We offer a carefully selected program of meetings and appointments tailored to your objectives.



Se exhorta a todos los funcionarios, empleados, proveedores, socios de negocios y demás partes interesadas a abstenerse, negarse o participar de manera activa o pasiva en cualquier actividad que pueda constituir un acto de soborno, contribuyendo así a una gestión íntegra y libre de corrupción. Pueden hacer uso de los canales de denuncia que se encuentran en el sitio web: <https://investinelsalvador.gob.sv/es/>