Why Investors Are Flocking To Panama

Discover the Hidden Treasures of Panama's Turnkey High Yield Hassle & Stress Free Luxury Investment Property Market
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Panama Is What It Is

That is so true, Panama is what it is, but what is more important is what Panama is becoming. It is evolved from a third world county to just short of a 1st world economy in the last 20 years but not everyone can see the tremendous growth and transition that is happening.

When you are socializing with other Panamanians you often hear a common mantra about the world newspapers and how they have so many articles portraying Panama as a third world country and indicating that is some way Panama is less than a country.

They are sick of hearing about the Panama Papers, being on the grey list for money laundering, countries demanding more transparency for our banking system, all of which are minor fringe financial occurrences in a dynamic economy of Panama especially when you consider that the Canadian Dollar is in the middle of a meltdown hovering around .67 cents to the Dollar and expected to drop more. The Chinese economy is stumbling like a drunk existing a bar after drinking all night and that is slamming the worldwide economy like a sledgehammer. Then you have hundreds of thousands if not millions of refuges flooding Germany and the European Union causing major unrest and further contributing to the weighted economies of the area that is just holding on.

With all that ugliness happening in the rest of the world, when they write about Panama it is always from the slant of how Panama is a third world country, or if they are nice, a second rate country. In reality, at least according to the World Bank, over the past decade, Panama has been one of the fastest growing economies worldwide. Average annual growth was 7.2 percent between 2001 and 2013, more than double the regional average. The Panamanian economy grew by 6.2 percent in 2014, 5.8 percent in 2015, and for 2016 the forecast is 5.9 percent.

Have They Even Been to Panama

Have these people actually been here or are they blind to the real facts? All you have to do is look at Avenida Balboa, which is one of Panama City’s major thoroughfare and is the financial center for Central America along with being a major tourist and recreation spot. It winds with the Bay of Panama with panoramic views that are breathtaking. As you walk along Avenida Balboa and the 4 mile Costa Cintura walkway, you experience brick walkways, immaculate landscaped exercise areas and gathering places, with tennis courts, basketball courts, and workout areas. You can look in any direction and see high rises with grand architecture design being constructed in every direction you look. In fact, you can even see them building a road to an island that does not even exist yet, but soon will have multiple commercial and real estate projects being developed.

I’ve been living and working in Panama for quite a while, and I have seen the progress and trust me this country has progressed at lightning speed and I see no signs of it slowing down and anyone that has been here or come here on a regular basis will certainly agree.
Yes, Panama is a developing country but that is the reason property is so inexpensive. Those who can see where Panama is headed and take advantage of these inexpensive properties will substantially increase their network and will be part thriving world class city as Panama evolves from 2\textsuperscript{nd} world to a 1\textsuperscript{st} class country.

Panamas Future Horizon is nothing but Panoramic

A substantial force in the Panama economy is the existing Panama Canal and the inauguration of the Panama Canal Expansion project, which has reported that reservations to transit the new canal by Neopanamax ships sold out within hours. Panama will realize massive profits which will be applied to world class infrastructure and social programs in Panama.

The investor’s mantra is and always has been location, location, location. and to not see that Panama has the world by its tail and is destined for great things are totally blind. Panama is a strategic player in the world, having one of the world’s top trade ports, tax free zones, attractive investor and retiree tax incentives, and a climate to die for.

Though Panama’s founding was officially in 1821, it is still a baby nation. Panama has only been on its own since 1999 when the Panama Canal was turned over to the people of Panama. Prior to 1999, United States government essentially ran Panama because of their large financial interests in Panama and the canal.

Panama’s development is often compared to Singapore. Both countries are small, are financial centers with major trading ports. Singapore has recently celebrated its 50 years of independence. We
have given Singapore a run for its money in our short 17 year time period vs. their 50 years of economic independence.

In 17 years, Panama has become vibrant and thriving financial powerhouse, generating an immense income each year from the Panama Canal and the fact that Panama has become a major business hub and trading port for Central and South America. Those funds have been used to rebuild Panama’s infrastructure to support a world class city. Panama also has a major drive to teach its citizens English, which is the language of business worldwide, and one of the main factors that turned the tiny island nation of Singapore into a world superpower.

With substantial income flowing into the country described above, and no need to maintain a huge military because of US defense agreement, Panama has substantial incomes to invest in order to turn Panama into a country that is respected as a superpower around the world. It is understandable that people do not see how rapidly Panama is evolving and becoming a strategic, international player, when they do not live here. Panama Property prices are strong, investments are relatively safe if you perform your due diligence and Panama’s economy is based on the US dollar which is we all know is the world’s currency and anchors the world. Panama’s healthy multiple streams of income ensures growth and stability for as far as the eye can see.

History of Panama:

Panama was explored and settled by the Spanish in the 16th century and remained a Spanish colony until 1821 when Panama along with Colombia, Ecuador and Venezuela joined the Republic of Gran Colombia. The Republic of Gran Colombia was dissolved in 1830, just 9 years later though Panama remained part of Colombia. Panama finally achieved independence by seceding from Colombia on November 3rd 1903 with the help of the United States.

Soon thereafter, Panama signed a treaty with the United States allowing the U.S. to complete the construction of the Panama Canal. United States also became its sovereign administrator and controlled the watershed land on either side of the canal structure. This entire area became known as the Panama Canal Zone.

In 1977, Panama and the US entered into an agreement that would transfer the possession and control of the Canal from US control to Panamanian control by 1999. During that 22 year span, Panama increasingly assumed responsibility over the Canal and the portions of the Canal Zone. During that period Panama and the U.S. relations stayed strong, even when the US invaded Panama during the 1989 Operation Just Cause that resulted in the take down of the dictator Manuel Noriega.
In 1999 in accordance with the Torrijos-Carter Treaty, The Panama Canal, the Canal watershed and all the remaining US military bases transferred to Panama.

In 2006, Panamanians voted by referendum to pursue an ambitious endeavor to expand the Canal which started in 2007 and completion was expected by 2014. This expansion doubles the Canal’s capacity.

**Some Panama Facts**

Panama is a holiday destination for many because it has so much going for it and continues to draw tourists in their droves year-on-year increasing substantially year after year. Panama is a combination of lush tropical foliage and landscape, encircled with white sandy beaches along the Caribbean side and on the ocean beaches of the Pacific side. Panama City the largest city in Panama, surprises so many first time panama visitors with its Dubai-like skyline and a mini New York City atmosphere with a vibrant nightlife, hotels, and world class restaurants.

Panama is one of the most popular retirement destination for US citizens for over a decade and has been voted the #1 retirement country by International Living numerous times over the past 10 years. Offering a wide and diverse range of lifestyle and investment features that make it a no-brainer choice for a broad spectrum of property buyers.

Let’s look and learn about some serious Panama facts:

- Panama is located in Central America in the GMT -5 time zone and covers 29,119 square miles or 75,420 square kilometers. Panama is about the same size as the state of South Carolina. Panama the narrowest and lowest part of the Isthmus of Panama and connects Costa Rica on the west and Colombia on the east. The country forms an S shaped isthmus which runs around 480 miles (770km) from east to west and it is between 37 to 110 miles (60 to 200 km) from north coast of the Caribbean Sea (or Atlantic) to the south coast of the Pacific Ocean. This isthmus links North America and South America and the Panama Canal which cuts through the mainland links the Caribbean with the Pacific Ocean. The Republic of Panama is divided into 9 provinces.

- Panama’s central geographic location and offers a warm tropical climate with a yearly average temperature of 88° F and an average humidity of 80%. Panama’s tropical climate has a dry season and a rainy season. The variation of those seasons depend on the region and the altitude. The Caribbean Coast has more rain year-round, while the Pacific Coast has a more pronounced dry season. Each area has very little variation seasonally but the temperatures can vary between night and daytime. The temperature in the Coastal regions reach 95°F (35°C) hot and humid, in contrast to Panama’s cooler regions such as El Valle, Volcan and Cerro Azul. The variations in the

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temperature are linked to altitude in Panama. The temperatures on the Coast regularly reach 95°F (35°C). The temperature drops 34°F (1°C) for every 150 meters (nearly 500 feet) of altitude.

- Panama has some of the densest rain forests in the world.
- Panama is world known for its ecological diversity, whether it be in plant or in animal life.
- Since Panama is situated in between Central America and South America it has a unique blend of plants, herbs, vegetables, and tropical fruits.
- Ecologically, Panama serves as the only land corridor for rare species of birds and other species that migrate between North and South America making bird watching a very popular tourist attraction with over 900 species of birds to find.
- With over 10,000 species of vascular plants, Panama has an incredibly diverse ecosystem upon which neighboring systems rely.
- There are over 1500 Orchids species in Panama.
- The Smithsonian Institution has found Panama as their location for their Institute of Tropical Research.
- Panama’s beaches are so underpopulated with tourists at times you might be the only one on the beach.
- In Panama, there are several mountains where you can see both the Pacific Ocean and the Caribbean Ocean from the same spot.
- Some of the best whitewater rafting and deep-sea sport fishing in the world are located in Panama.
- There are over 1,500 islands off Panama’s coast sporting crystal clear waters that offer unbelievable snorkeling and diving opportunities.
- It is not uncommon to find 10 foot waves in Playa Santa Catalina, so it is a favorite spot for surfers and also surfing competitions.
- You can see sea turtles, crocodiles, pumas, and jaguars in Panama’s 12 national parks just to name a few of the native species.
- Volcan Baru which is known to be a dormant volcano is the highest point of Panama and stands 11,000 feet high.
• A relatively unknown fact is that Panama occasionally has small earthquakes. They occur most frequently in the province of Chiriqui, near the border of Costa Rica. This area of Panama is the most seismically active. They are considered “good” earthquakes because they allow for the gradual and nondestructive release of energy over time, thus preventing the release of the energy all at once in a massive and destructive earthquake.

• The estimated population of Panama is around 3.6 million people with a population density of 44.5 per square kilometer. The capital is Panama City which is located on the Pacific coast of Panama and has a population approaching 1 million people. Only about a quarter of the country is actually inhabited with the majority of the population living around the canal and main cities of Panama City, Colon, or David.

• The currency of Panama is the US Dollar and Panama is Constitutional Democracy that holds elections every 5 years. Carlos Varela won the last presidential ballot in May 2014.

• The official language is Spanish. You’ll find a significant amount of Panamanians speak some level of English, especially from the Caribbean Coast. There is also a large Chinese population here that speak Mandarin and Cantonese. You will find around 80% of Panama’s workforce speaks some level of English as a second language and the majority of Panamanians living in and around the banking area of Panama City are completely bilingual.

• Panama’s religious population is made up of 85% Roman Catholics, and the other 15% consists of Protestants and Judaism with a very small Muslim and Islamic population.

• When meeting someone for the first time, the social norm in Panama would dictate a handshake, and if you know the person you would greet them with a kiss on the cheek. The dress acumen is generally casual. When doing business though Panamanian men tend to dress in long slacks, a button down shirt, and in many cases a suit and tie are required. Women are required to wear a dress suit or dress. Foreigners do not necessarily follow this acumen. Many Panamanians will take your lack of business dress as dis-respect and they will look upon your actions with a little disdain which can leave them with a bad first impressions. Because of this we strongly suggest that you at least wear a pair of dress slacks and a button down shirt to show respect and avoid any bad first impressions so that you can build long term business relationships based on mutual respect.

• As one of the world’s best known retirement haven, Panama is blessed with a low cost of living and a stunning Caribbean location offering panoramic vistas and it also offers the best array of tax exemptions and benefits for retirees under its Pensioner Program anywhere in the world. Many prominent magazines have named Panama as amongst the world’s best places to retire and invest. A country where Real Estate prices have increased five-fold since 2001 and are still cheaper than almost anywhere in the world dollar for dollar.

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In addition, golf courses and planned gated residential complexes that are situated slightly inland, have revolutionized farmland into high-end developments with strong growth potential. Then there is the new Santa Maria Complex just a few miles from the center of the city.

Today’s major High End investment hotspots can be found in Panama City’s banking district, including Avenido Balboa, Paitilla, Punta Pacifica, Costa del Este, and Santa Maria for turnkey properties. If you are more into restoration projects, the Casco Viejo neighborhood is being restored to reflect its 330 year old history.

Panama is expanding rapidly. This expansion is partly due to a large influx of multinational corporations taking advantage of the numerous tax incentive programs available to foreign investors. If you are just exploring Panama as an investment area, you will be amazed by the number of major firms that have setup national or regional headquarters in Panama. Such well known multi-national corporations like: Dell and DHL, while Hewlett Packard, Caterpillar, and many others have announced or are planning new offices in Panama. This increased business activity has created an increased demand for Commercial space. This has also created an ever increasing demand for quality accommodations to house the increasing need by these foreign employees.

Colon is located at the Caribbean entrance of the Panama Canal which affords it enormous advantages as a shipping center, both for commercial trade and cruise liner activity and substantially adds to the business economy and exposure of tourism to Panama. The Colon Free Trade Zone has evolved into the second largest in the world which is located at the Caribbean entrance to the Panama Canal houses 2,000 merchants and entertains over a quarter of a million visitors each year and gives businesses access to over millions of customers worldwide.

On the Caribbean coastline are several natural harbors. The harbor of Cristóbal located at the Caribbean end or entry of the canal depending on how you look at it remained the only important
port into the late 1980s, but by 2010, the Caribbean Port of Colón and the Pacific port of Balboa had become Latin America’s two busiest ports and far more important. In addition, the Caribbean ports Manzanillo International, Cristóbal, and Colón Container Terminal rank number one for container handling in Latin America. Another port, Almirante known as a banana port, located near the Costa Rican border, is provided a natural shield from the weather by the numerous islands of the Archipiélago de Bocas del Toro.

- Panama also includes over 350 San Blas Islands strong our for more than 160 Kilometers or 100 miles along the sheltered Panama Caribbean coastline and over 1,000 islands off the Pacific coast including the principal Pacific islands referred to as the Archipiélago de las Perlas located in the middle of the Gulf of Panama. There is the penal colony on the Isla de Coiba in the Golfo de Chiriquí, and the decorative island of Taboga, a tourist attraction that can be seen from Panama City.

- Panama also has an excellent gaming industry which includes not only casino and gambling services but also offers a huge and active Game Fishing industry. Our game fishing industry has broken over 200 international game and fishing records encouraging some of the world’s best fishermen and enthusiasts to the waters around Panama’s Pearl Islands. In the casino and gambling services industry, the gambling industry now offers world-class facilities and has been blooming since they privatized the sector to 3 separate operators in 1998. This industry has heavily contributes to an upturn in investment in gaming facilities in Panama which in reflects in a boost to the economy and complements the diversification of attractions enticing tourists to visit Panama.

Now let’s look at some fun facts:

- There is nowhere else in the world where you can see the sun rise on the Pacific Ocean and set on the Atlantic Ocean.

- Panama was the first Latin American country to base their economy on the US currency and adopt the US Dollar as its currency. This is one of the major reasons Panama’s economy has remained vibrant as the strength of the US Dollar continues to soar against all major currencies.

- Panama City has the second largest rainforest in the Western hemisphere and is the only capital city in the world to have a rainforest within city limits.
• Panama has the smallest population in Central America of approximately 3.3 million people and is ranked at number 131 among 193 nations of the world.

• The Panama Canal Railroad is the oldest railroad in the world. It transports passengers from Panama City to Colon and back and was the most expensive railway ever built costing nearly $8 million dollars.

• 35 km off the border of Costa Rica lies the “Volcán Barú” which is an active stratovolcano located on the tallest mountain in Panama, at 3,474 meters above sea level.

• Panama is known for the Panama hat which actually originated in Ecuador. It gained its name and reputation because it was originally shipped from Ecuador to Panama before being distributed worldwide, and as a result became known as the Panama hat.

• Over one third of Panama’s economy is derived from the 100 year old Panama Canal. That amount is set to substantially increase as the new Panama Canal extension is put into full operation. Not only does the canal separate two continents, it allow ships to take a short cut saving close to 8,000 miles of travel time. It is also one of man’s greatest feats of engineering. Be sure to visit the Panama Canal Museum when you are in Panama so you can experience the mass efforts that were put forth during the building of the original canal.

• Another piece of useless trivia is that Richard Halliburton swam the canal in 1928, and paid the lowest toll on record of 36 cents to use the Canal crossing whereas the highest toll ever paid for crossing the Panama Canal in 2010 was $376,000 by the Norwegian Pearl cruise ship.

23 Reasons to Invest In Panama

We have found that many international real estate investors who invest in High-end Luxury Turnkey Investment Properties in Panama, do so with the intention of moving to Panama in the long term, or they decide to move to Panama after visiting numerous times and falling in love with the city. This is the reason that I cover some topics that seem to be unrelated to your quest of investing in Real Estate in Panama. So enjoy, you will appreciate the data in the future. I promise you.

1. One of the Lowest Costs of Living and the best place to live and invest in the World

We are not alone when we state that Panama is one of the best places and offers one of the lowest costs of living in the world. Large Prominent publications such as International Living, US News, Forbes, CNN, and many more have consistently rated Panama as one of the best place overseas to play, live, work, and retire. Many of these same prominent publications have also highlighted Panama as one of the top places to invest in real estate. This fact is only known by seasoned investors, and has only become more widely known in the last few years.
Panama has a little something—something for everyone. It does not matter if you are drawn to the breathtaking scenery of sparkling oceans and Caribbean waters, foggy mountains, green valleys and jungles, the availability of a high quality of life and an affordable cost of living, a wide variety of nightlife, shopping, and first class dining choices in the city, or you just want to visit a secluded, unspoiled beach, Panama offers it all and that is why these prominent publications claim what they claim and we agree.

**So why is Panama Booming**

Misconceptions have long blighted Panama. When most people think of Panama, they think of the Panama Canal, Panama hats, cigars and 'Prison Break'. Not to mention when the majority of the press writes about Panama it is negative in nature and refers to Panama as a second class country which is so far from the truth especially if you have ever been to Panama. Because of these facts, Panama has remained somewhat beneath the investor radar.

I compared Panama to Singapore earlier in this report, because during our 17 years of independence Panama has actually achieved China-like growth consistently year-on-year over the past decade. Panama sticks out like a sore thumb compared to its Central and South American neighbors because it has an average annual GDP growth of 7.2% between 2001 and 2013 more than double the regional average. On top of that, the rate of inflation has been a moderate rate of 4% mainly because Panama has the US dollar as its currency. This means Panama can’t print money which neutralizes the inflation rate.

Unless you have lived under a rock all your life, you have heard of the Panama Canal and thus Panama. The Panama Canal provides a shortcut for container ships between the Pacific and Atlantic oceans. The Panama Canal generates over one third of Panamas economy. When the 5.2 billion dollar Canal expansion project is finished the number and size of ships that can travel the Canal will add substantial revenues to Panama’s economy.

Panama has leveraged the Panama Canal into a regional financial and corporate business hub that draws foreign investment like a powerful magnet. Panama has also become the banking and financial powerhouse of Latin and South America with over 100+ local and international banks and approximately 80 billion in assets.

On top of becoming the financial center and trading megahub, over 100 multi-national corporations claim Panama City as their regional headquarters and that includes many blue-chip companies such Ericsson a large international Swedish telecommunications equipment, Electronics giant Koninklijke Phillips, Caterpillar, and Japans Isuzu Motors amongst a few.
Besides being a trading mega-hub and international financial center, Panama has nurtured her tourism industry to a point of exceeding 2 million tourists in 2013, which is slowly surpassing Costa Rica which has been a long-time ecotourism superstar and is losing ground.

The thriving economy has allowed Panama to make significant investment in the country’s infrastructure, spending around $15bn to develop and upgrade airports, highways, ports, schools and hospitals and this will be stepped up once the Panama Canal expansion is fully operational. The government’s steady canal income stream and their commitment to infrastructure improvements provides additional fodder and incentives to foreign investment that are drawn to economies that over the underlying security of well-developed and sustainable services and facilities that create valuable investment opportunities.

So what is it About Panama That Makes It Such a Magnet for Retirees, Investors, Professionals, Families, Tourists, and Adventure Seekers Alike?

For the past 3 years Gallup’s Global Well-Being Index has ranked Panama either #1 or #2. I know that these are just stats but once you live in Panama, you’ll soon agree. Panama offers an extremely high quality of life standard, and the good part is it improves every year.

The cost of living is affordable, Panama has lots of jobs and a stable economy with low inflation, phenomenal weather, and political stability. These are the factors that support the high quality of life standard. In addition, Panamanians are known for being happy and laid back. So if you’re looking to live and/or invest in Panama, you will also be making a quality of life move along with your business move.

The cost and quality of living is one of the largest attractions. A couple can live comfortably for $1,500.00 to $2,000.00 a month in the interior of Panama. Cities like David near the Costa Rican border is an increasingly popular place to live where housing, food, medical services are extremely affordable especially if you eat and live like the locals. David also offers a regional airport.

Every lifestyle level is available and if you want to live in the smaller cities, your lifestyle costs can be even more affordable. Whereas, professionals who want the lights and the glitter of Panama City and live in a major cosmopolitan city with all the amenities of comfort available can expect to spend at least double that depending on your accustomed style of living.

The Hispanic culture is family orientated and the educational system still instills discipline, values, and dress requirements upon the students making it a good environment for raising your family and if you home school your children, you can hire quality assistants at a far reduced rate.

Retirees love Panama because the overall cost of living is affordable, there is plenty of things to do to fill your time, favorable tax benefits, the pensionado program, and impressive health
services and tax benefits. With all the concerns regarding the future of U.S. Social Security and health insurance, Panama provides a safe and inexpensive alternative for retirees.

Investors who take advantage of the low prices on investment properties in Panama will build the net worth of their portfolio with high yield and relatively low risk real estate investments.

The key is quality, quantity, and cost of lifestyle and you basically have the choice of three environments in Panama.

**A Cosmopolitan City** - Everywhere you look in Panama City you see upscale high rises with grand architecture being developed and the city is becoming taller day by day and many are incredibly modern architectural wonders. The Panama Bay skyline is fabulous extending from the old City out past Costa Este and stretching to Santa Maria. The new Trump Ocean Club and Casio commands attention in Punta Pacifica bringing with it International Real Estate and Business scene attention.

Panama’s international banking center located in the heart of the city has drawn many International businesses who are establishing national and regional headquarters in Panama. With this influx of international business headquarters, the demand for high end executive condos and homes has skyrocketed giving a major boost to the real estate market. Even though Panama’s economy has boomed for the past decade, the real estate market still offers incredible deals because of the softened market around the world.

Though foreign investment has slowed down a little in Panama since 2009, it has also caused prices to become much more stable. The important part though is they are still producing positive returns for investors and a steady long term appreciation.

**The Panama Beach Communities** - Beach properties have experienced increased demand in the last decade as potential retirees have learned about the benefits of retiring in Panama. The developments in the beach communities over a wide range of huge beach front mansions, to modest beach villas, to luxury high end high rise condos offering phenomenal views all at a fraction of what you would pay in Miami, East and West coast of the US or the Caribbean.

These beach developments utilize the Tropical beauty and the ecological diversity that Panama beaches offer. In Panama, you do not need to worry about hurricanes and major earthquakes that occurs in many other tropical countries due to Panama’s location. This facts contributes to the low cost of acquiring and maintaining a home by eliminating the need for insurance to cover such natural disasters.

With a combination of your lower housing costs, your reduced cost of groceries and eating out at your favorite restaurants, you have more funds available for entertainment at one of the many casinos, night clubs, and movie theaters. It all provides a better quality and quantity of lifestyle.
Mountain Communities - Panama’s mountain communities have been widely recognized by entities such as International Living and the AARP. Many of these communities offer extremely low cost of living combined with spring like temperatures year round. These communities offer beautiful developments with many ex-pat owners, mountain side homes with breathtaking vistas that will take your breath away. The town of Boquete is one of these cities that both American and Canadian retirees are flocking to by the droves because of its endorsement by International living and the AARP. If you want to be closer to Panama City, you can find several similar developments right outside the city and offered at incredible prices.

As you can imagine, this low cost of living is causing an influx of ex-pats to Panama combined with all the multi-national businesses relocating to Panama has caused an influx and extended need for new businesses and services including higher end luxury rental properties.

So what is the Actual Cost of living in Panama City?

Panama offers a very comfortable retirement solution at any income level. Many visitors are shocked and surprised to find the nation is more modern and developed than expected when they see all the skyscrapers that define Panama City’s skyline.

When you move to Panama, you will quickly take notice and enjoy the benefits of a developing economy. You can still take a taxi across town for a two to three dollars, get your haircut for five dollars, and enjoy dinner for two with a bottle of wine in Panama City for a mere $40. No matter what your taste or budget is, you can fulfill your needs with plenty of quality options. Any amenity you can think of is readily available in Panama City.

Below is a sample monthly budget for two people:

Two Bedroom apartment in central city can cost you $800-$3500 depending on location, your electricity can range from $100-$400 depending on usage and size of your apartment. Your older apartments are normally larger and thus higher electricity bills. You will pay $5-$30 for your Gas for cooking, hot water, and dryer. Your cable, internet, and phone will cost you $125-$200 depending on range of services. Water around $20 if not included in your rent. You will spend $400-$800 on groceries, $150 to $500 on entertainment. Transportation will cost you $75-$300 which is maintenance on a small car. Car insurance is dirt cheap here. That gives you a total of $1500-$5000 a month.

To give you an example for my wife, myself, and my daughter, we pay around $3,500 a month for our living expenses, and we live a pretty great lifestyle in a furnished two bedroom apartment with maid’s quarters with an ocean view from both bedrooms.

Opening a bank account - The major reasons banks in panama weathered the recession so well is because the Banks in Panama are extremely conservative. While Panama banks are happy to do business with most foreigners, the banks will not chase after your business. If you are from the US, you will experience far more problems opening a bank account than other foreigners. Since Panama has reduced their secrecy laws, the banks are avoiding doing business with US citizens because of all paperwork involved with doing business with a US citizen. It will get better over
time, but at this time unless you have a connection, the Panamanian banks find it easier not to do business with US citizens. Whether you are from the US or elsewhere opening a Panama bank account takes time and a lot of patience with many requirements and you will have far less problems if you let an attorney handle to whole process. Meanwhile, you will have no problem operating via credit cards and ATM check card/debit card withdrawals.

**ATMs** - ATMs are abundant in Panama City. You can find one on nearly every corner, in most shopping areas, supermarkets, and convenience stores. Remember Panama has one of the largest financial districts in the world, with over 80 different banks operating here.

### How to Get or Move to Panama

Most travelers arrive via Tocumen International Airport (code: PTY), a major international hub that connects all of North and South America. The alternative is the Marcos A. Gelabert Airport in the Albrook neighborhood which is a smaller domestic airport. This airport is great for short flights to Panama’s beach, country, and mountain destinations, flights to Colombia. The largest domestic airline that offers fairly good pricing most of the time is Air Panama.

From Tocumen International Airport:

- Tocumen offers direct flights from Panama and to Panama from many cities all over the world, including U.S. destinations like Atlanta, Fort Lauderdale, Houston, Miami, Los Angeles, Washington, D.C., Orlando, Newark, and New York. One of Tocumens main airline is Panama’s Copa Air and is part of the star alliance and is aggressively adding new direct flights every year making Panama is one of the world’s most accessible destinations, no matter where you are originating or terminating your flight.

- Many worldwide major carriers fly into Tocumen, including Panama’s highly successful Copa Airlines, and U.S.-based lines like Continental, American, and Delta, along with airlines from other countries and from regional outfits like Taca, Avianca, and Lloyd Aereo Boliviano, to European lines like Iberia and KLM Royal Dutch.

- Direct flight times vary from major U.S. cities but you can fly from almost any city in less than 7 hours. Florida travelers can reach Panama in around 3 hours, Atlanta and Houston takes around 4 hours, from New York and the east coast around 5 hours and Los Angeles in around 7 hours.

**Moving your household goods:** Unless your household goods are irreplaceable and extremely valuable heirlooms, it is far cheaper and makes life far easier if you just buy all new household goods when you move to Panama. They are fairly inexpensive and the selection and availability are abundant plus in most cases, your furnishings in Panama will be far different than what you had at home.

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**Children in Panama:** Panama offers a wide range of activities for children from outdoor activities of all kinds to cultural activities that will keep your children entertained and educated. You and your children can explore awesome beaches, visit lovely small towns, and discover lush forests perfect for children to explore. Panama also offers top-notch schools that are bilingual especially in Panama City. Panama also offers a U.S. university presence with a FSU satellite campus along with the University of Louisville.

**Bringing your pets:** Bringing your family pet to Panama is relatively easy, in most cases. You will need an international health certificate from your vet which verifies all vaccinations and immunizations have been planned. You will need to have the certificate authenticated by the embassy. When you fly into Panama, you will need to present your paperwork to the Panamanian authorities at the international airport. Always check with your consulate and your airline as to the requirements as they change on a regular basis.

**The Possibility of Making Money in Panama**

In order to acquire a work visa in Panama, you will need a criminal background check you’re your home town, a certificate of health, and a job offer with a contract. Generally, you would have to acquire a job offer, then pay a local attorney to assist in obtaining the visa unless of course, the company does all the paperwork as part of the effort. Just so you are aware, the wages paid in Panama will be nowhere near what you were paid at home.

In general, Panamanian companies are only allowed to have 10% of their workforce as foreigners so if you do need to work, and you have a special skill set, the government often make special allowances. Alternatively, I would suggest you consider freelancing, consulting, or starting your own business.

**Establishing a business**

As I stated, if you do need to generate income, I would suggest you consider freelancing, consulting, or starting your own business rather than trying to find a job. Depending on what area you would like to establish your business in the government of Panama has established several attractive programs and have indicated special investment zones in order to attract foreign investors.

These same investment zones are some of the primary reasons that multi-national corporations are setting up shop in Panama, and thus there is an influx of employees on the executive level which feeds the High-end turnkey real estate investments with a hoarde of available renters.

**Tourism is Huge** - In 1994, Panama passed Law No. 8 which is the most modern and comprehensive law for the promotion of tourism investment in Latin America and the Caribbean where in return for establishing a business in the tourism arena you’ll receive some very attractive tax breaks.

**Special Investment Zones**
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Panama also offers some of the world’s best benefits that are connected to specially created zones. For instance, the Colón Free Zone is the world’s second largest duty-free zone. Opening a business in the Colon Free Zone offers tax and financial benefits that cannot be matched anywhere else in the world. The Colon Free Zone gives you easy and cost-effective access to 500 million consumers in Latin America and throughout the Caribbean.

Panama Pacifico is even more exciting. Being a special economic area, Panama Pacifico was claimed free trade zone status and endowed with a host of special benefits. Qualifying businesses in Panama Pacifico pay zero income tax. Many Companies have chosen Panama Pacifico for its incentives, which can include unique labor and trade laws in addition to the special tax regime. If you do want to work in Panama, onsite companies get special allowances for hiring foreign workers.

In addition to the business park and a corporate commercial center, the Panama Pacifico master plan calls for the development of thousands of new homes in designed residential communities, a bustling commercial district with everything from shops to cafes to fitness and recreation facilities, a golf course, and even schools. Panama Pacifico will offer every amenity a resident or worker could ever want and in a state-of-the-art, sustainable design.

The City of Knowledge is another special zone. It offers an excellent location, qualified labor pool, technical connectivity, and sweet tax exemptions. Locally the city of knowledge is referred to as “the technopark,” an international business and technological park, biology lab, academic campus, and residential community.

Of course, this is just the tip of the iceberg when discussing the reasons to relocate to Panama and making Panama your next home and certainly great supporting evidence that Panama is a solid environment to invest

2. The US Dollar as Currency creates massive stability

Panama adopted the U.S. dollar as its currency in 1904, and does not print its own paper currency, Dollars are referred to interchangeably as dólares or balboas. Panama does mint its own coinage: 1, 5, 10, 25 and 50 cent pieces, which are the same shape and size as the US, and are used alongside U.S. coins. Panama also mints collectable $1 coins, too.

This is the major reason that Panama’s economy is so strong and stable. The dollar as currency also contributes to Panama's low inflation rate and its status as the most stable economy in Latin America. Being on the US dollar has given the country a strategic advantage with the dollar surging and as an added benefit there is no need for currency exchange, which makes purchases simple and stress-free. All banking, investments, and purchases are all transacted in U.S. dollars

As we approach 2016, Panama’s dollarized economy is stabilizing foreign investment. Many of the region’s other currencies are plummeting. Living and investing in Panama is the most secure bet

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for Central America, and there can be an argument made as to Latin America as a whole; this all has to do with the dollarized economy of Panama.

3. **Why Retirees Want to Live in Panama**

   Bottom-line, Panama offers the Best Retiree Benefit Program in the World which draws many retirees from across the world at all income levels, and this provides a fluent flow of renters for High End Turnkey Rental Real Estate Investments.

   Many Real Estate Investors have the intentions of building their net worth through turnkey investing so that they can eventually retire to Panama, others invest in Panama with no intention of moving here, but eventually do once they learn more about Panama. Then on the other side of the coin are the non-investor retirees who want to take advantage of the low cost of living in Panama and are looking to stretch their monthly retirement checks. On top of the already low cost of living the retirees also enjoy huge discounts with 25-50% off hotels, flights, restaurants, and more.

   The Panamanian government has developed the world’s most generous retiree program and encourages retirees to retire in Panama. Some of the benefits for retirees are as follows:
   - 50% off closing costs for home loans
   - 50% off hotel accommodations from Monday-Thursday
   - 50% off entertainment including movies, concerts, theater etc.
   - 30% off bus, boat and train fares
   - 25% off all restaurants
   - 25% off domestic and international airline tickets
   - 20% discount off your electric bill
   - 15% off dental and eye exams
   - 10% off prescription medicines which are far cheaper than US prices to begin with
   - There are many more benefits

   To obtain a retiree visa you must prove a $1000 monthly income plus $250 monthly for each dependent, a health certificate and a police report from your country of origin.

   You can get a health certificate from any Panamanian doctor no questions asked. This retirement program is set up so that anyone who joins is guaranteed their status for as long as they reside in Panama.

   An attractive aspect for retirees regarding everyday living in Panama is the low cost of living. For instance, if you are going shopping for food at the fruit and vegetable market, they have a huge variety of produce where you can spend less than $10 and receive what you’re used to paying elsewhere $40 for the same produce. Movie tickets are $4 a piece, National bus service to other
cities in the country is cheap and comfortable, the health care is high in quality for a very low price, you can find full lunch specials for $2.50, and much more.

One thing that people who like beer brag about while living in Panama is that it is known for having the cheapest beer in the world! In Panama you can buy a case of Atlas and Balboa for between $8-$10 Dollars. That is less than 50 cents a beer. You can buy a case of beer for a little bit more than a 12 pack of Coca Cola. A good reason to drink beer.

**What the press says: Is It Really Cheaper To Retire Abroad?**

In Panama, you could go to a Johns Hopkins-affiliated hospital for a small fraction of what that costs in the U.S., You could buy a 2,000-square-foot home living among Panamanians in a beautiful, rural setting for $135,000. If that would be going “too native” for you, a similar house in the popular, well-developed expat community of Boquete, Panama might cost the same as one in Tucson, Ariz. But the Tucson house is 400 miles from the ocean and is in a place where the high temperature can exceed 95° for four months at a time. Boquete has an average high of 75° year-round (no heating or air conditioning needed) and is one hour from the Pacific Ocean, three hours from the Caribbean. Taken from *Forbes May, 2015*

Panama is the smart choice for retirees who want it all—in a country that really wants them. Not only does it feature attractive retirement destinations-sleek capital city, hot beach towns. cool mountain villages- but it offers an unbeatable package of retiree benefits and discounts (and a currency tied to the US dollar ) Little winder there has been a steady stream of expats in the past few years" says *AARP: Best Places to Retire Abroad 2014*

Panama City no longer qualifies as cheap, but other parts of the country certainly do. Panama continues to offer the world's gold standard program of special benefits for retirees. The currency is the U.S. dollar, so there is no exchange rate risk if your retirement savings and income is in dollars. The climate in Panama City and on the coasts is tropical, hot, and humid. However, the climate in the highlands can be temperate and tempting. Panama is the hub of the Americas, meaning it's easily accessible from anywhere in North and South America and Europe." Reported by *U.S. News, March 2014*

4. **Why Panama Has Such A Large Expatriate Community**

In Panama, you'll never feel too far from home because Panama offers an American-Style Infrastructure which is the By-product of the special historical relationship created by the Panama Canal Zone. In addition, Panama has a long history as an international crossroads beginning in Spanish colonial times. The Panama culture is Latin-Caribbean with a mix of US influences.
When you stay for extended periods in another country, you often feel away from it all – all the time. Not so in Panama where you can experience that same distance feeling that travels like, but with the peace of mind that familiar surroundings are just around the corner. No matter where you live in Panama, you can find familiar services and most of the comforts of home within a stone’s throw. Why? 30,000 Americans lived in the Panama Canal Zone next to Panama City for over 80 years. As a result, Panamanians understand the American personality and how to get along and what services they require. Another result of the Canal Zone relationship is an American-style infrastructure. Panama is one of the only countries in Latin America with tap water that is safe to drink.

Today 10’s of thousands of Americans and foreigners live in Panama with many more to come. This allows you to take advantage of the many Ex-Pat organizations. Panama City has both young and Baby Boomer Expat groups. These groups are in the beach areas near Panama City, Panama City, Boquete and Pedasi. If you do not have an all-inclusive Real Estate company that specializes in investment properties, these meetings are the best place to get tips on buying real estate, reliable lawyers, realtors and services etc. or just to gain a better feeling for the Panama environment.

This foreign migration is a booming trend in Panama, due to the great tax benefits and discounts that the country offers, as well a modern infrastructure and warm climate. This trend results in many English speaking expats moving or retiring to Panama and benefiting from a highly appealing lifestyle and an international community with all the related services to make them feel at home.

Many of these Ex-pats enjoy living the high life offered in Panama City that was beyond their pay grade in their home country. Living in a High End luxury Apartment or Condo in the city with ocean views for a fraction of what it costs in their home country substantially increases their lifestyle and fuels the High End Luxury Real Estate market in Panama.

If you are investigating Panama, or plan on moving, or if you’re just thinking of moving, it’s a good idea to talk to people who have already done what you’re about to. Contact some expats in Panama, and get opinions and answers to your questions first hand. InterNations is a large organization of es-pats and can be found on Linked In and Facebook are extremely popular in Panama and great ways to grow your network.

5. Panama is Safe with the Lowest Crime Rate in the Region

Unlike Many Central American Countries Panama is the safest country in the region for tourists and foreigners not to mention Panama has never experienced a Hurricane. You do not need to be constantly on your guard for pick-pockets or purse snatchers like other countries in the region. Like any big city, you do not want to leave your video camera on the front seat of your unlocked car. If you use your common sense, you will not incur any personal losses during your trip to
Panama, unless you are unlucky at the casino. As with every big city, there are some neighborhoods to avoid, but in general, you can go about Panama City and Panama worry free. Ask any foreign resident and they will tell you how safe they feel compared to other countries in the region or world for that fact.

Another major indication that coming to live here is a good idea is that over 100 top US and international companies have moved their regional headquarters here because of the excellent infrastructure and safety. Even diamond traders are here—the Panama Diamond Exchange which has been recently setup in Panama is Latin America’s only diamond house.

6. **Almost impossible to Get Bored in Panama**

Although Panama is a small country about the size of South Carolina, Panama offers a wide variety of world-class attractions. Panama is a blossoming eco-tourism destination due to a vast and diverse countryside. It is a unique geographical location that serves as a land bridge between two continents and has a low density tourism. The country offers one of the most complex ecosystems in the world and Panama authorities have wasted no time recognizing this fact. A plethora of tourist attractions, resort experiences and a cosmopolitan city to enjoy.

For the outdoor enthusiasts you can visit beautiful mountain refuges with panoramic vistas, walk through exotic tropical rainforests, sit on a Caribbean beach and a beach of the Pacific Ocean all within two hours, and explore over 1000 islands while being exposed to seven living indigenous cultures create great opportunities for eco-tourism. Projects are also underway to complement the environment, one such example being the “recycling” of a former radar installation within Soberania National Park. This has now been transformed into an eco-lodge of worldwide repute, specializing in birding. Over 5 million acres have been set aside and efforts are being made to protect its natural environment. 30% of land is set aside for conservation and 25% of which is designated as national parks. Panama offers 29 national parks, forest reserves and wildlife refuges, and has five parks within two hours drive of the City, and one actually within the metropolitan area itself.

If you like to act like a tourist, there are also a plethora of Spanish colonial historical and world Heritage sites to explore not to mention the Panama Canal which is the 8th wonder of the world and an engineering marvel to explore. The World Heritage Committee lists the following Panamanian sites on the World Heritage list:
- Portobelo – San Lorenzo fortifications on the Caribbean side of Panama
- Darien National Park
- Panama Viejo archeological site
- Historic District of Panama City
- Talamanca Range – La Amistad Reserves at La Amistad National Park

If you are more of a resort type person, it is possible to relax at full service exclusive resorts near the city or exotic resorts off the beaten path that offer world class golfing, surfing, diving, game fishing.

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And if you would prefer to party like it is 1999, Panama City is a mini Miami-New York style cosmopolitan city with a wide open and wild nightlife which offers a wide range of everything associated with that lifestyle and every amenity is freely available and easily attainable.

It is hard to think of any other destination in the world that has such a variety of attractions so close by and easy to get to. Panama offers all of the comforts of home surrounded by unspoiled nature and easy access to a cosmopolitan city which is why more people and multi-national corporations are choosing Panama as a relocation destination and that trend is just beginning as Panama becomes better known as a paradise that offers a better quality of lifestyle.

This growth of popularity will continue to provide steady appreciation in real estate prices and a vibrant growing demand for upscale rentals for years and years to come. So whether you are searching for a vacation property, an eventual retirement home, or want to build your net worth with relatively low risk, high yield high end luxury turnkey rental investments, all you have to do is contact House hunters Panama and we will provide you with everything you need to know about Panama and help you find your perfect investment property.

7. Panama Has One of the Strongest Economies in Latin America

The Economy in Panama
Panama’s dollarized economy rests solidly on a well-established services sector accounting for three-quarters of GDP. Services include operating the Panama Canal, logistics, banking, the Colón Free Zone, insurance, container ports, flagship registry, and tourism.

Panama's economy is driven by the booming transportation and logistics services sectors, along with aggressive infrastructure development projects. Foreign investment hovers around 10% of GDP and will continue to be a source of growth. Major Free Trade Agreements have been signed in recent years and Panama currently has Free Trade Agreements with the US, China, and Canada, and in 2016 you can add Mexico to that list. Mexico’s FTA is a strategic trade partnership that will allow Panamanian businesses to import vital materials, as well as export products and agriculture with Latin America’s 2nd largest economy. These free trade agreements combined with being a logistics hub means that when you live and invest in Panama, you have an abundant variety of reasonably priced imports and the ability to export without hassle.

Panama’s labor force stands around 1.8 million people divided 17% agriculture, 18.6% industrial, and 64.5 services industry. Panama’s strong economic performance has greatly improved the income distribution and have reduced the poverty level by 15 percentage points over the last 10 years and unemployment dropped from 12% to 4.5% so great progress has been made but they still have a lot of work to solve the problem as 25% of the population live in poverty and Panama has the second worst income distribution in Latin America.

Panama exports exceed $19 billion by exporting such commodities as: Gold, bananas, shrimp, sugar, iron and steel waste, pineapples, and watermelons whereas the imports exceed $27 billion
which include such commodities as: Fuel products, medicines, vehicles, iron and steel rods, and cellular phones.

We have to be honest and give most of the credit of Panamas rising place in the world to the existence of the Panama Canal. Though the Canal no longer rules as the largest contributor to Panama’s GDP, it is the absolute catalyst that fueled the development and growth of the other industries driving Panama’s economy so let’s take a look at the Canal History.

The Panama Canal project began in 1904 and was completed 10 years later utilizing over 61 million pounds of dynamite. According to historian David McCullough in his book, The Path between the Seas while talking about the volume of explosives used to build the canal paraphrased; the amount of explosives used to build the canal was a greater amount of explosive energy than had been used in all the nations’ wars. This man-made wonder of the world stretches over 9 miles and is responsible for the strategic importance of panama in world trade and it’s rapid rise from a 3rd world country to a country with premier standing and financial respect around the world.

The U.S. handed over the rights to the Canal in 1999 and gave Panama its economic freedom. Since that time Panama’s positive growth has been making headlines in many different sectors. I stated it earlier in this report but it is worth repeating, Panama’s development is often compared to Singapore. Both countries are small and are financial centers with major trading ports. Singapore recently celebrated its 50 years of independence. We have given Singapore a run for its money in our short 17 year time period vs. their 50 years of economic independence.

The Panama Canal expansion mega-project was passed by the people of Panama via referendum in October 2006. This immense undertaking has been the nation’s biggest project since 1914 when the canal was originally completed. The original planned US$5.25 billion expansion of the Panama Canal began in 2007 has experienced delays and cost overruns exceeding US$1.5 billion. It is now scheduled to become operational sometime mid-year 2016. , the completed project can accommodate larger class of vessels referred to as “Post-Panamax” that will pass through the existing canal. This expansion will more than double average annual canal earnings from around US$2 billion, to around US$5 billion which will be a major infusion of cash flow to the Panamanian economy. I personally can’t wait to experience the increase of the quality of lifestyle it will produce for people residing in Panama.

In the 17 years since US handed the Canal over to Panama, it has become vibrant and thriving financial powerhouse, generating an immense income each year from the Panama Canal and the fact that Panama has become a major business hub and trading port for Central and South America. Those funds have been used to rebuild Panama’s infrastructure to support a world class city. Panama also has a major drive to teach its citizens English, which is the language of business worldwide, and one of the main factors that turned the tiny island nation of Singapore into a world superpower.

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After 17 years, Panama enjoys the fastest growing economy in all of Latin America not to mention other regions of the world where the economies are stagnant. Panama's phenomenal growth over the past decade is largely due to the government’s multitude of tax incentive schemes, and increased activity in major sectors such as construction, transportation, the Panama Canal port, and tourism.

Much of the growth can be credited to the implementation of Law 41 which is modeled on Singapore's law. Law 41 gives tax breaks, hiring privileges and other incentives to international corporations. It has caused many major companies to open regional and national headquarters in Panama. Add to the massive influx of multi-national corporations, the expansion of the Canal which will double its capacity, a Panama City subway system and a secure financial sector - this is a strong economy that will continue to roar.

The continued implementation of Panama’s Law 41 will boost an already strong real estate market, by encouraging a greater number of multinational companies to relocate their corporate headquarters to Panama with the incentive of income tax exemption in Panama for all services provided to any entity domiciled outside Panama. In addition, it allows licensed corporations to hire trusted foreign employees to fill management positions, bringing an influx of international professionals moving to Panama to live and work causing a healthy up trending demand for housing rentals and sales.

**GDP Growth Rate**

Panama's economy has been growing at an impressive rate of between 6-10% in recent years. In fact, it has averaged 7.2% GDP growth over the last 12 years which is almost double every other country in the region and in many places in the world.

In 2011-2012, Panama exceeded a 10% annual GDP growth, it then slowed to 8.3% in 2013, and further dropped to 5.8% in 1Q 2014 which was the slowest growth rate Panama had experienced in more than 4 years. This dip in GDP was claimed to be a result of the delayed Panama Canal expansion which was originally planned to be finished this year, along with the termination of multiple public work projects, and a financial dispute that developed between Venezuela and Colombia and Colon Free Zone resulting in a sharp drop of goods flowing through the Free Zone.

With all of those negative factors dragging the GDP down, Panama still managed to finish 2014 with a 6.2% GDP growth which is still extremely strong and the economy is expected to expand by a robust 6% this year, and by another 6.3% in 2016, according to the IMF.

This robust growth has allowed Panama to break all sorts of records in Latin America;

- Fastest growing tourism market by the World Tourism Organization;
• Fastest growing economy by the International Monetary Fund;

• Third (after Chile and Mexico) for economic competitiveness;

• Largest number of international bank offices;

• Largest shipping registry and second largest free-trade zone in the world, after Hong Kong.

• Panama is the second largest banking center in the world, boasting more than 150 different banks from no less than 35 countries.

• Panama is second only to Hong Kong both as a Freeport and as a provider of foreign registration for corporations.

The Panama economy not only has one of the strongest GDP Growth history in the world and certainly in Latin America, Panama is developing a wider and more diverse economy every year. This growth and diversity is being driven by the existence of the Panama Canal, the Panama Canal Extension and Foreign direct investment which is fueling logistics and trade, Banking and Financial services, Insurance, Public works, Tourism, Mining, Real Estate Development, and Shipping Registry.

The deputy commerce and industry minister Pacheco, keen to highlight Panama's other transformations said: "Remember, we aren't just a canal. It is only one of our engines for economic growth. Banking, tourism, regional headquarters for multinationals and mining have propelled Panama to growth and income levels unimaginable even a decade ago".

Frank de Lima, chief of the Ministry of Economy and Finance (MEF) reports that the Foreign Direct Investment (FDI) had increased by $980 Million above the 2012 level in 2013, reaching a record of $4bn. You might say that the future is so bright, you will need shades.

He goes on to state that: "The volume of investment in private sector projects is estimated at $7.65bn between 2010 and 2018. It includes $4bn from mining, about $2.2bn in works to provide energy, $650m in new hotels and $500m at the Port of Corozal." That quotation does not even account for the largest new copper mine in the world being developed by Canada’s First Quantum Minerals who is investing $6.4bn.

FDI has contributed an unbelievable 9% to GDP each year since 2008, which has raised the overall Foreign Direct investment levels to an amazing level reaching 30% of GDP. This is nearly double the Latin American average rate. It seems that foreign investors cannot get enough of Panama.

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Panama's rapid development has been compared with the rapid rise of Singapore several decades ago. Both Panama and Singapore are small countries blessed with favorable geographic locations that have allowed them to develop as logistics hubs. Singapore went on to become a huge financial center and it is obvious that Panama has accomplished the same. Panama was able to become a logistics hub because Panama lies at the narrowest point between the Caribbean and the Pacific Ocean which the Panama Canal traverses allowing large shipping interests to take a short-cut from the Atlantic to the Pacific, whereas Singapore sits in the strategic shipping lanes of the Strait of Malacca.

The blistering economy can be demonstrated by the striking skyline of Panama City. This skyline is truly breath-taking, especially at night. There are more than 50 skyscrapers over 150m high that wraps the wide crescent Bay of Panama, displaying a diverse and vibrant range of architecture and most of these buildings were not even here prior to 2005.

The Punta Pacifica, Paitilla, Aviendo Balboa area of Panama is the nucleus of the Luxury Real Estate Market in Panama, highlighted by the new Trump Ocean Club International Hotel and Tower. A work of architecture that is shaped like a half-open mussel shell towering over 70 stories, offering breathtaking views and every luxury associated with the Trump brand. You can not miss all of these new super structures displaying names of banks on their roofs demonstrating the growth of the financial industry in recent years. This rapid Luxury Real Estate Development efforts goes hand in hand with the Growth of Panama commercial banks that financed a portion of the construction. The remaining balance of the financing was derived from domestic and foreign tenant equity, and investors.

**Ever Growing Tourism**
9.5% of Panamas GDP is credited to the largest single industry in the country, fueled by revenue generated from the Canal, the government has developed policies and plans to pour money into tourism investment programs. They have established Special Tourism Zones that offer a series of tax exemptions and advantages to encourage investors to invest in Panama tourism. New Hotels are under construction everywhere you go in the city including prestigious hotel chains such as Marriott, Holiday Inn, Sheraton, Inter-Continental, Melia, Radisson and Crowne Plaza.

The government is enticing more cruise ship activity by wealthy American and European tourists who are driving the tourism growth by expanding its port infrastructure. The employment estimates are that one new job is created for every 12 foreign visitors.

The Panama Tourism board is also heavily promoting Panama as an exquisite eco-tourism destination since Panama is a large draw to the thriving eco-tourism market as Panama has it all from stunning rainforests, to mountains, to beaches and islands. This rich abundance of natural resources, tax exemptions and advantages, offer investors a great opportunity to flourish.
A Booming Financial Sector
Panama is the second largest banking center in the world after Switzerland. Panama currently hosts over 150 international banks from 35 different countries, including giants such as HSBC, Lloyds, and Citibank which all provide complete financial services to foreign investors in Panama. Panama's banks are flush with cash and are traditionally are very conservative and thus it maintains high cash reserves in comparison to other banking centers. This reduces the losses that can occur in the credit derivatives market and makes Panama banks maintain stability.

Panama City bustles daily with international business activity and many people from many countries come to Panama to do business. The original draw was largely due to the fact that corporations and/or private businesses were legally guaranteed complete anonymity and iron-clad secrecy and privacy, both in terms of business practice and banking activities. These secrecy laws were legally enforced with jail time if a client’s information was shared with outside forces. The other draw was that Panama had no currency exchange controls and this allowed cash to flow in and out of Panama fairly fluidly.

Recently Panama moved to join the international community and as a result were recently removed from the Organization of Economic Development’s gray-list of tax havens. This was mainly accomplished by entering into various double taxation sharing treaties with other nations ending the iron clad secrecy of Panama banking and initiated limited currency exchange controls.

After this legal adjustment, foreign legal entities must meet justification requirements that appear to be pretty rigid, before specific requested documents can be shared with the requesting party. Banking clients also are now required to meet the source of funds requirement. The new laws do not appear to allow any room for legal fishing expeditions or mass access by foreign legal entities but the recent hack and release of the Panama Papers from one of the largest corporate services company in the world, demonstrates the fact that no matter what privacy you do have can disappear as quickly as a key stroke.

To determine the effect on the economy that these legal changes will have would be a total speculation of the amount of funds held in Panama banks as a result of illicit activities. The common consensus and I agree, is that it is a minor percentage of total funds on deposit and will have very little negative effect on the economy. Anyone who was banking in Panama to avoid taxes, or to launder or hide illicit gains had plenty of notice that the secrecy laws were going to change. Those clients who needed to make adjustments already have.

These legal changes have also caused the banking restrictions to tighten a little in the past few years and has caused some havoc in the banking system while they adjust to the new financial reporting requirements. In the long run, it will all shake out and will greatly contribute to the growth of Panama. This has not caused any negative implications in the real estate lending sector as the banks are still writing mortgages, meaning there is ample credit for buyers.
Panama Investment Growth

The real estate investment sector has reached record levels on the back of Panama’s successful business and financial sector. Real Estate investment is turbo-charged by Panama’s pro-active stance that encourages foreign multinationals to become established in Panama which has caused a strong growing demand for residential and commercial real estate and services to support those needs.

As an investor it is important to consider the growth potential of your chosen property in Panama and understand exactly what drives this growth. Buyers will be encouraged with the large number of economic advantages to overseas investors. Shrewd investors are capitalizing on this success and supplying the high demand for property in Panama.

Opportunities do exist for strong capital growth and reliable rental income from carefully selected properties within Panama’s most popular tourist resort areas, such as Bocas del Toro, the Pacific Beach area and Chiriquí. In our opinion though, buying investment property in tourist resort areas might be a good move if your intention is to rent the property until you are ready to occupy the property at a later time but if you are looking for the highest appreciation growth combined with the lowest risk and the most reliable rental incomes you will invest into the Luxury real estate market of Punta Pacifica, Paitilla, Avienda Balboa, Costa del Este and Santa Maria areas of central Panama City.

Infrastructure projects

Panama City had enjoyed numerous Infrastructure upgrades outside of the Canal in recent years which has contributed heavily to Panama’s GDP growth and rise in world respect.

- Panama now has Central Americas first metro rail system. Line 1 was completed in April 2014, while the second line of the Panama Metro rail system is scheduled to begin in 2016 and is expected to be completed in 2017.
- The port of Colon has a planned US$8 billion upgrade.
- Clean Water projects in the bay
- Major enhancements to Panamerican Highway
- Overall Road and traffic improvements

The economic outlook for the next couple years

The economic predictions for the Latin America and the Caribbean region is expected to suffer a 0.5 percent contraction in 2016. The IMF reports that Latin America faces its worst economic scenario since 1982, largely due to the decline of Venezuela, Brazil, and Argentina. According to the IMF, Argentina will experience a recession of 1 percent and Brazil and the largest country in South America will endure a recession of 3.8 percent while Venezuela who has the largest oil reserves in the world will watch their economy shrink by a staggering 8 percent points. According to the IMF report, they blame “weak external demand, decreases in prices of raw materials, volatile financial conditions” and “significant internal imbalances.” For the poor economic performance in the region.
Panama’s economic growth will have better luck and is expected to remain buoyant over the medium term. Panama’s economy does nothing but grow and will be the one small Central American country that will grow the most according to the International Monetary Fund (IMF). The IMF expects panamas GDP to hit 6.1 percent in 2016 and 6.4 in 2017.

Panama is all about business. Panama ranks # 2 as the best place to do business in Latin America, According the 2014-2015 World Competitively Forum. Panama currently has the fastest-growing economy in Latin America as it continues to enhance its regional and global logistics role for the movement of goods, capital, and people and its moderate inflation. Together with other major infrastructure projects, it will also improve the country’s connectivity, and breathe new life to the economy and the real estate market. Panama has a Foreign Investor and Retiree-Friendly Government where most Panamanian businessmen are US-educated and understand and know how to work with foreigners.

8. Political Factors

The Panama Canal was turned over to the people of Panama on the 1st January 2000, as the last American soldier left the canal. After the capture of President Noriega during the invasion of 1989, Panama endured further political instability under Guillermo Endara. The process of economic reform and growth began when Ernesto Perez Balladares took office in 1994.

Even though Panama does not maintain a standing army because of its close association with the United States, the country’s political situation has remained stable. Panama faces no threats of hostility either domestically or externally. Street protests and strikes are regularly used to attempt to sway political decisions and demonstrate public dissatisfaction, as it was the case in March 2010 when police clashed with protesters rallying against a recently passed tax reform bill. These protests however do not pose a threat to the country’s overall security or political stability. Smuggling and money laundering are issues of concern. Lack of aerial surveillance has made Panama a popular location for illegal runways that serve the drug trade. There is also evidence that powerful Mexican cartels are operating in Panama, but it is believed that the fund-raising activities are being conducted in the Free Trade Zone.

Political Risk Services (PRS) has placed Panama in the top three countries of its hemisphere with the best risk-investment qualifications and Panamanian bonds have been awarded a high ranking by both Moody’s and Standard & Poors.

Today Panama’s politics is established by a framework of representative democracy that contains three branches of government: The president and both vice presidents are members of the executive branch. A 72-member unicameral Legislative Assembly makes up the legislative branch while the judicial branch consists of a nine-member Supreme Court, all tribunals and the municipal courts.
The Panamanian government has introduced a great number of fiscal reforms over the years, that make Panama even more attractive for private and corporate foreign investors seeking a highly tax efficient environment in which to operate. Government incentive schemes have produced over 40 decrees offering investors special import, tax and operational advantages. These apply particularly to the tourism, maritime, real estate and mining sectors.

Panama is ranked top of the list of the world's freest economies. According to Canada's Fraser Institute (Economic Freedom of the World), Panama came in eighth with Australia, Ireland, The Netherlands and Luxembourg. Panama therefore represents an environment conducive for the creation of companies, jobs and prosperity.

Panama has an excellent infrastructure, including good hospitals and international schools, the modern Tocumen International Airport and advanced telecommunications. Foreign and local citizens are guaranteed equal treatment in investment and property transactions, reinforcing Panama’s tradition of providing an investment-friendly foreign investment arena, making Panama a very desirable location for expatriates.

The fight for political power in Panama had been essentially limited to the Partido Revolucionario Demócrática (PRD) and the Partido Panameñista (PP) prior to May 2009. Both of these parties consist of elites that move freely between business and politics depending on the opportunities at hand and most of the parties are right on the political spectrum. But In May of 2009, the PP joined forces with the small Democratic Change (CD) party resulting in the election of Ricardo Martinelli as the new President of Panama and the CD’s became political players.

A successful local businessman, Martinelli ran a campaign for “radical change” because at the time, the effects of the global economic downturn were being felt in Panama. During his first weeks in power, President Martinelli praised liberal policies as the essential path to prosperity and development.

Martinelli was a pro-business dynamic president and widely seen as authoritarian and rumors and accusation ran rampant during his administration. An article published in “The Economist” in 2011 and paraphrased here, described foreign investment in Panama was suffering because investors have "doubts about the rule of law". To back their claim they citing suspected corruption in the metro contract bidding. In addition, they cited that planning laws were not enforced for one of his cronies which caused the flooding of a wealthy Panama City neighborhood with sewage. There was also reports that Martinelli received a bribe from Italian president Berlusconi that was harped upon during the election campaign. The campaign was not pretty as there was intense bitterness between the candidates.

**Continued support under the New President**

The Opposition leader Juan Carlos Varela won 2014 presidential elections against José Domingo Arias, President Ricardo Martinelli's choice. The difference in votes were interpreted as a total rebuke for Martinelli.

A former Martinelli ally, Varela is a free-market conservative. Despite winning the presidency, Varela's Panameñista Party only won 11 of the 71 seats in Congress which were also up for
election. This forced Varela to enter office with a legislative minority which will force him to negotiate with the centrist and centre-left politicians that currently dominate Congress. The new president promised continuity of the investment programs that maintained strong economic growth for Panama, but he has also pledged to reduce inequality of income.

No matter who serves as the president of Panama, the impact of the powerful forces of authoritarianism, military dominance, the US presence, and the oligarchy continue to permeate Panamanian politics. This in tandem with the strategic and economic importance of the Panama Canal, are variables that account for current and will reflect heavily on future political strategies.

The Panama Canal is producing over $2 billion dollars in revenue and the expanded canal is predicted to generate twice the traffic as the current canal. That means an additional $4-5B in canal revenues alone which can be reinvested into projects that benefit Panama’s residents. The Panamanian government continues to use this money to invest in new infrastructure projects making the city more attractive and more livable and making it in my opinion one of the best cities I have ever lived in. The government also fast tracks pro-business laws and policies, tax incentives, and government sponsored initiatives in sectors like energy and agriculture including free trade agreements. These projects and more are most definitely moving forward at light speed.

Panama is well on its way to having a world class infrastructure system of roads and mass transit, meaning any new funds can be used for new infrastructure projects. The past administration was pro-growth and pro-business and the administration on office now is much the same as the one that preceded it.

Real Estate Implications
A stable and fiscally sound government that continues to reinvest in infrastructure to create more jobs and a more attractive and livable country will have a compound effect of bringing more business and more immigration. Waves of immigrants flocking to new projects mean increased demand for real estate

Bottom-line, Panama is very attractive to investors given its fully dollarized economy with no exchange risk; an absence of barriers to repatriation of funds, low inflation, and it is a stable and sophisticated banking sector.

9. Demographics – If you compare Costa Rica to Panama, you will note that the appeal of Costa Rica is limited opposed to Panama which appeals to a wide range of demographics. The allure of Panama attracts a wide and diversified group from retiring baby boomers to young tech expats to families looking for a better life and finding it in Panamal.

Families are moving from countries like the UK, Colombia, and Brazil. The affordable lifestyle, superb private school system, and its safe urban center of Panama City is the draw. If you will look at what has happened with Brazilians in Miami, you can understand that major shifts in the demographics of a nation can have a large impact on real estate trends that can stretch for

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several decades. The Massive influx of Venezuelans of which some of them have been in Panama for more than 10 years, has caused a similar impact on Real Estate trends in Panama, and the influx will only substantially increase in relationship to Venezuela’s political chaos. This influx has caused upward pressure on real estate prices amongst other factors.

The change in demographics driving Panama’s growth are not just orientated in one source like retirees. Panama’s growth is being driven by demographic shifts from multiple sources including retirees, Venezuelans, many other central American countries, the US and Canada, and the influx of multi-national corporations moving their national or regional headquarters to Panama, bringing with them an influx of executives and key employees. In addition, many Asian and European countries are just starting to discover Panama and so the demographics driving Panama's growth will only expand. Having multiple sources like Panama does adds extreme stability to the real estate market and tends to cause a strong upward pressure on prices. If there is an increase or reduction in one source, the other sources remain and thus has little effect on the market.

Panama has always been a melting pot of cultures, but now, more than ever, diversity is lending itself to the social landscape. As immigration and working laws are relaxed, we expect an influx of immigrants from countries discovering Panama as well as a second wave from the US, Spain, and Colombia seeking gainful employment and a stake in what may end up being the world’s “golden boy” economy.

In addition to the demographic shift above, there is an additional demographic shift caused by the Business growth in Panama. Since Panama is very pro business, it has enacted broad economic initiatives that incentivizes companies to relocate. Since 2007, Multinational companies have been setting up shop in Panama. We do not see any slowdown in these events and we expect the trend to not only continue but to substantially increase as the Panama Pacifico region heats up as work starts on the new free trade zone in the Pacific.

These companies are flocking to Panama because of its geographic position that allows efficient access to major markets in North America, South America, and Europe. Multi-national Companies like Proctor & Gamble have consolidated their Latin American presence to Panama because it makes financial sense. Panama is centrally located to Central and South America, and so it is only logical that salesmen who call on Mexico and Colombia would be headquartered in a centrally located country like Panama. For a similar reason, Caterpillar is building their regional training headquarters here. Their intention is to fly in distributors to this same headquarters from all over the world to train them on new equipment.

This demographic shift drastically affects the property investment arena in Panama offers highly optimistic prospects for buyers seeking a rapidly growing market in which to gain strong returns on investment. Based on recent years, real estate investors in central business or prime touristic
areas of Panama can expect capital appreciation of up to 20% per annum along with rental yields of around 8% for buy-to-let investors and in our opinion this yield will only increase.

10. Panama is a Close Destination
Most people are surprised to find out that Panama which is Located in Central America, is directly South of Miami. This proximity to the United States makes traveling to Panama an easy international destination that you can reach by plane in 3-7 hours from almost every location in the States.

11. "Globalized", Peaceful, Friendly and Fun-Loving People of Panama
Panamanian has some of the friendliest people in the world which is one reason that makes Panama a great place to live. Panama is a world business and transportation crossroad, thus they have a history of living and working with foreigners. Panamanians were “born globalized" or so the saying goes.

Most Panamanians are considered "mestizos" or persons who are a combination of Spanish and native Indian and blacks. Panama also contains a sizable European, American, Chinese, Jewish, Hindu and Arabic communities. Historically a crossroads, Panama is home to immigrants the world over and all nationalities get along.

Being a fun-loving and laid back country, parties and festivals are a national pastime. This is evident in their Carnival celebrations and lively nightlife scene. As you drive around you will notice the many attractive neighborhoods. Panama is also known for beauty and elegance, which is evident by Indigenous handicrafts and beautifully groomed women.

12. Panama has dependable Roads, Highways and Public Transportation
Travel within Panama is very dependable and really inexpensive. You can catch a taxi almost anytime and anyplace in Panama and go just about anywhere in Panama City for less than $7, with most trips being less than $3. You can also download the Uber application from the internet and have a driver pick you up within minutes. Most Uber trips I have used pick me up at my door and I know exactly how long it will be, they have newer comfortable cars with air conditioning, and normally they are there within 5 minutes in the city, so why wave down a taxi. For those of you who are new to Panama, driving in Panama can be challenging as streets are not always marked, and can go from one way to two way in a minutes notice with no markings. So if it is your first time here, I recommend you use Uber or a taxi to get around the city.

Outside of Panama City, the Inter-American highway is a four-lane highway and runs from the border of Costa Rica to Panama City and on to the Darien Province as 4 lane and 2 lane sections. The other main highways are decent and even the feeder roads off the main highways are excellent. If you want to use the transportation system you can catch a Bus from the Albrook Bus Terminal and travel to most cities in the interior for $12-25. The buses that run from Albrook to the inner cities are modern and comfortable and you can watch the scenery in comfort.

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Air - Tocumen Airport is located only 15-30 minutes from the center of Panama City and is located along the southern Corridor which is a modern 4 lane toll road. There is also an alternative airport names Marcos A. Gelabert or referred to as Albrook. Marcos A. Gelabert airport is also located near Panama City and offers national and international flights.

Tocumen Airport has expansion work underway and when the expansion becomes operational the operation capacity at Tocumen will increase by 38% and will allow the airport to handle 44 aircraft simultaneously and the expectation is that there will be a passenger growth of 15% per annum.

There are non-stop flights from: Atlanta, Miami, Fort Lauderdale, Orlando, Dallas, Houston, New Orleans, Newark, New York, Washington D.C., Chicago, Boston, and Denver. Even flights from Los Angeles, San Francisco, and Flights from Canada, Toronto and Montreal do not take much longer. All of these destinations are served by either Delta, United or Copa. Even European airlines, KLM, Air France and Iberia have direct weekly flights.

**Airlines with connections to Panama:**
- **American Airlines** – offers direct flights from Miami with service connections from Italy, UK, Germany, France, Belgium, Spain and Japan
- **Delta Airlines** – offers direct flights from various North American cities with service connections from Italy, UK, Germany, France, Belgium, Spain
- **Iberia Airlines** – offers direct flights from New York and Miami with service connections from Italy, Switzerland, Sweden, Holland, UK and France
- **KLM, Iberia and American Airlines** – have connections from London Heathrow
- **Continental Airlines** – has flights from Gatwick via Newark, New Jersey
- **Delta Airlines** - via Cincinnati
- **Virgin Atlantic** - via JFK Airport
- **British Airways** - via Atlanta Airport

**Rail** - The 143 year-old Kansas City Railroad which was the first transcontinental railroad still runs parallel to the Panama Canal for 47 miles, and it was and still is today an important means of transport. This railway was recently restored and fully modernized with over USD 90 million worth of rail improvements on the Transisthmus Line by Kansas City Southern Industries, Mi-Jack Products, and concessionaires. This major renovation will enable inter-modal transporters to move a container from one ocean to the other in just 45 minutes and will provide an efficient means of transport for the purposes of enhancing world trade and transportation.

**Road** – Panama is an easy country to navigate, and consists of 11,300Km of networked modern highways which includes the Panamerican Highway, the Northern and Southern Corridor, and the Madden Colon Freeway.

**Bus** – Panama’s highway bus system is highly efficient and relatively advanced offering modern and comfortable air-conditioned buses that can take you to just about any destination. Ideal for inexpensive travel to the interior cities. Albrook is a large shopping Mall and also serves as the main central bus terminal and is an impressive sight. You will be amazed how inexpensive it is to travel cross country in Panama. Rates are low and as a rule of thumb can be calculated by
multiplying $1 USD by the number of hours traveled. You can not travel for less than that anywhere that I am aware of. However, if you are taking the bus from Tocumen Airport, expect to pay a good deal more and a minimum of USD 20.

City buses on the other hand are colorful, crowded and decoratively painted school buses, often without air-conditioning, costing a flat rate of 25 cents to any location and are referred to as diablos because of their get out of my way attitude. Fortunately, these renegade buses are disappearing since the first mass transit subway in Central America went operational last year. The city has bought out all of the diablos and the city now has Modern air conditioned bus fleet to compliment the new subway system. Panama is truly becoming of its own.

Sea – On September 2007, The expansion of the Panama Canal was started and is expected to be completed in the Summer of 2016. This major expansion to incorporate much larger vessels will double the capacity of this congested waterway to over 600 million tons per year. The expansion involves a set of new locks that creates a new lane of traffic along the Canal. Panama's president Martín Torrijos at the time stated that, the Canal will generate enough wealth to transform Panama into a First World country and if you have been to Panama lately you can see the light-speed progress to reach that milestone, and they are not far away now.

Panama’s Transportation and logistics expansion will have over 100 direct flights arriving and departing from Panama, will enjoy increased cruise traffic, improved national highways, and be home to the world’s longest flight from Dubai. Tocumen International is the nation’s biggest airport. Tocumen is also in the middle of a billion dollar terminal expansion will allow the airport to handle even more airlines and direct flights by 2017. Let’s face it, Panama is using it’s influx of cash to modernize and upgrade its infrastructure like nothing I have ever seen. Panama city has experienced a massive transformation.

13. Panama Offers Inexpensive Health Insurance and First Class Health and Medical Services
Panama has very high quality medical care practiced in modern hospitals with the latest in diagnostic testing and services in the metropolitan areas. When you travel to the interior, there are two medical centers with modern facilities found in David, in the western province of Chiriquí. In addition, even towns like Chitré, Santiago and Coronado also have excellent medical centers. For instance, the Johns Hopkins-affiliated Punta Pacifica Hospital located in the Punta Pacifica area of Panama City, is one of the most technologically advanced medical centers in Latin America.

The cost of Health Services and Medical care in Panama varies depending on where you are in the country but no matter where you are, your overall care will cost much less than in the U.S., Canada, and Europe, and other countries. Of course, if you are in desperate need for quality care, cost is secondary. You can put your mind at ease since many Panamanian doctors are U.S.-trained, and the top city hospitals have standards that compare very favorably with those in the U.S., Canada, and Europe.

Private health insurance is also available and much less expensive than insurance in the U.S. The three main reasons why health insurance is so affordable in Panama are:

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1. Doctors' Malpractice insurance is very low because the laws judicial system does not cater to frivolous lawsuits and there is no bulky bureaucracy and red tape.

2. Doctors’ fees and hospital visits are much cheaper

3. Panamanians buy private insurance if they don’t qualify for social security which can occur if they are not part of the formal economy, or if they want added protection, or because it’s offered by their employer as a benefit. You have to keep in mind the reality of salaries in Panama which range from between $800 to $2,000 a month and thus costs including insurance and medical care costs are kept low. Full coverage health insurance policies are very reasonably priced and can be obtained for less than $250 for a couple. For instance: my insurance is only $85.

Not only is medical care and health insurance inexpensive, prescription drugs are also very inexpensive mainly because the manufacturers price them for the market. In addition, many drugs that require a prescription elsewhere are available over the counter in Panama.

Another big health plus is that you can drink the tap water in Panama, a rarity in Latin America. The overall sanitation is good as well, the "Montezumas revenge" illnesses is almost unheard of in Panama, unlike other countries of Latin America.

The combination of English speaking medical and US trained medical personnel, the low cost of health insurance, treatment, and prescriptions are the main reasons many Americans of are deciding to live and/or retire in Panama.

14. Shopping
The best shopping in Latin America can be found in Panama. The supermarkets- Riba Smith, El Rey and Super 99 offer and stock just about anything that you would find in an American supermarket but at lower prices, though they are not always the same brand names you may be use to. There are also five Price Smarts (same as Costco’s) in Panama City, and one in David in Chiriqui.

Panama City has several major shopping malls: Multiplaza in Punta Pacifica, Multicentro on Balboa Ave, Soho in the banking area, Albrook Mall, and Metro Mall near the international airport. Panama has several Do it Centers (Similar to Home Depot), and hardware stores called Novi which are similar to Ace hardware stores in the states, For setting up your home, you'll find large electronic, appliance, computer and furniture stores with familiar brands. Prices that are similar or better than in the USA

15. High Speed Internet and Services
High-speed internet access is actually better than in the US. Phone service and other basic services are also cheaper than the USA in most case for instance my cell phone data plan is only about $15 a month). You also have the ability to have as high a speed as you like both up and down by using private companies like PaNETma.
16. Lots of Good Restaurants
If one of your favorite past times is eating out, Panama city is an international crossroads city and offers a wide range and quality of cuisine and restaurants in all price ranges. The foreign residents really enjoy the restaurant scene in Panama. I hardly ever hear anything negative about the quality of the food. There are negative comments that I hear from visitors and new residents and that is the level of service at the restaurants. Though service at most restaurants have vastly improved over the last 8-10 years, the overall service levels that you are used to in the U.S. do not exist here. My advice, chill be patient, enjoy the atmosphere, sip your drink, enjoy the taste of your food, and take the poor service with a grain of salt.

If you’re homesick, and just want to eat an American burger or eat at an American restaurant, there are many chain restaurants and fast food joints everywhere including TGIF, Benignan’s, Wendy’s, Pizza Hut, KFC, Subway, McDonalds, Burger King, Taco Bell, Domino's, Papa John’s, Dunkin Donuts, and even a couple of Hooters.

17. Banking Conveniences and a Strong Financial Services Sector
You can access your bank account from almost any ATM machines which are widely located throughout Panama City and in many locations outside Panama City. Panama is an international banking center and has a sophisticated banking sector with over a hundred banks.

If you are looking for offshore activities there are specialists who can provide personal or corporate services with strong financial privacy laws and no taxes on offshore profits.

18. Excellent Schools
Families with children will find a number of excellent private schools to choose from. Most foreign capitals have just one American accredited school, but Panama has three: The International School of Panama, Balboa Academy and the Metropolitan.

For more detailed info on schools, see our Living in Panama section.

19. Variety of Residential Venues to Choose From
The most popular places for foreigners to live are: Panama City, the beach areas near Coronado, Los Altos de Maria in the mountains near Panama City, Chiriqui province, especially Boquete, and the sea side town of Pedasi. For Bocas del Toro, we only recommend the villas of Red Frog Resort because of the spectacular beauty and complete safety.

In the beach areas, choose from beachfront lots, homes and condos. Panama's mountain areas like Boquete, Volcan, Sora and El Valle offer perfect all-year-round spring weather. Bargain basement deals are a thing of the past, but prices are still pretty good and you're investing in a country with one of the best futures anywhere.

20. Architectural Variety
Unlike any other country in Latin America, Panama has refreshing variety of architecture styles. In the rest of Latin America Spanish colonial styles dominate, while in Panama there's a refreshing variety of modern, Spanish colonial, American, French and English styles.

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21. Real Estate Property Investment

Panama Offers Real Estate Investment Opportunities
For individuals, companies and institutions interested in investing in Latin America, Panama has become a promising gateway. It welcomes foreign investment and boasts a dynamic economy. For a U.S.-based investor, Panama’s use of the U.S. dollar offers the added benefit of removing currency risk from an investment. Nevertheless, a number of potential pitfalls can complicate a transaction in Panama for an investor not accustomed to doing business there. Here are some of the hazards investors may face in real estate, timberland or agricultural land transactions in Panama.

The Real Estate Property Bargains in Panama are everywhere. Real Estate in Panama has experienced a huge boom in the past 10 years despite declines in most other real estate markets around the world. But, you are still able to find magnificent deals on properties with low prices throughout the country. Caribbean beaches, a tropical climate and a relaxed, affordable lifestyle are all factors that attract foreign investors, holidaymakers and retirees to Panama. As Panama’s fastest growing industry, tourism is of utmost importance and with top-class golf courses and resorts going up, Panama offers a modern tourism infrastructure, ideal to supply the ever-growing international demand for high quality holiday and residential accommodation.

Capital Appreciation
Today, investors can reasonably expect capital appreciation to reach 20% per annum in prime Panamanian locations, such as the City centre and popular tourist resort areas.

Rental Yields
The ongoing arrival of major international businesses and financial organizations, along with a surge in related economic activity, gives rise to a strong demand for rental property particularly in Panama City areas of Punta Pacifica, Paitilla, Ave Balboa, Coste Del Este, and Santa Maria. There is a growing demand to accommodate the increased numbers of multinational professionals seeking top quality property in or near the business district. In high demand areas, rental yields have been reaching approx. 8% per annum.

Reasons Why Panama is an Intelligent Property Investment Location:
While we can’t recommend all of the countries you should diversify your investments into, we can recommend investing in Panama for several reasons and many of them we have discussed in detail in other areas of this report but we will summarize again

1. **Stability**: Since 1989, Panama has had a stable democratically elected government with no political instability or civil unrest.

2. **Economic Growth**: In spite of the worldwide economic crisis Panama’s economy has seen steady growth since 2005 with low inflation, low unemployment, and constant GDP growth. Panama’s consistent growth and economic stability far surpasses the United States in relative GDP terms.

3. **Economic**: Panama has seen a continuing economic expansion, a high rate of foreign investment, and a steady increase in property values over the last decade since the Americans
handed over control of the Canal in 2000. The economic boom since then has translated to Panama’s Political Stability.

4. Expect to see Panama’s open and stable political system continue to help promote economic prosperity, success in its real estate investment, and investment by Panama in its infrastructure in the future.

5. The democratic country of Panama has strong economic assets and is well governed which will exploit these assets to the good of its citizens and those wise enough to invest in Panama’s future. The Canal expansion will boost growth by an average of 1% in each of the next two years, which should partially offset the effects of a still weak U.S. economy.

6. Economists predict and expect the economic growth in Panama to be around 4.5% in 2010 and 5.5% in 2011. Solid economic growth, enhanced tax collection, and spending restraint have helped improve the government’s fiscal position over the past few years.

7. Fiscal improvements have helped reduce Panama’s public debt (domestic and external) from 70% of GDP in 2004 to an estimated 47% last year. In addition, good debt management has allowed the government to extend the average maturity of its obligations and reduce interest rates.

8. Over the medium-long term, Panama’s economy will continue to benefit from its position as a major international hub. Further, the Canal expansion is expected to boost growth above potential until 2014. EDC Economics does not expect any radical change in economic policy by the recently elected government.

- Easy for foreigners to invest on equal terms to Panamanian nationals
- Local professionals speak English and financial and company services are in place to meet foreigners’ needs
- Large expatriate community
- Favourable tax regime and numerous government incentives for investors
- 100% tax haven for income derived from overseas
- USD based economy
- Freedom from currency controls
- Complete anonymity in business and financial activities, and flexible company law systems
- Low inflation (less than cerca 2% p.a.)
- Lowest cost of living in this region of Latin America
- Low risk investment – Panama is one of the top 3 in its hemisphere in terms of Political Risk Services (PRS)
- Eighth freest economy (Fraser Institute, Canada)
- Pensionado Programme offers numerous tax benefits and discounts to retirees in Panama
- Tourism construction projects underway to accommodate rapid growth
- Tocumen International Airport expansion to keep up with visitor demands

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Discounts and Exemptions for Retirees
Panama has been voted number 2 best place in the world to retire to (UK Online) and retired foreigners are eligible for highly beneficial tax exemptions and discounts under the government’s Pensionado Programme. This includes: import tax exemption on household goods and/or cars; no property taxes for up to 15 years depending on the property; up to 20% off health care services; discounts on airfares, restaurants, fast food and movie theatres; discounted closing costs for personal loans and utility bills; and an amazing 50% off public transport (air, ground and sea). In addition, no tax is charged on income generated outside Panama.

Investor Incentive Schemes
Government incentive schemes have produced no less than 40 decrees guaranteeing investors special import, tax and operational advantages when investing in Panama. These apply particularly to the tourism, maritime, real estate and mining sectors. Purchasers of new homes benefit from exemption of property tax for 20 years.

Huge Colon Free Trade Zone (CFZ)
This is the second largest free zone in the world, welcoming some 250,000 international visitors per year, and is a busy hub for the international transshipment of merchandise. As importantly, companies located in the CFZ are exempt from import duties as well as guarantees, licensing, and several other requirements and limitations on imports.

Multinational Companies in Panama
Panama’s Law 41 is set to boost an already strong real estate market, encouraging the establishment of more multinational companies with the incentive of income tax exemption in Panama for all services provided to any entity domiciled outside Panama. In addition, it allows licensed corporations to hire trusted foreign employees to fill management positions, bringing an influx of international professionals moving to Panama to live and work. Already large corporations such as Dell and DHL have established regional hubs in Panama, while Hewlett Packard and Caterpillar have announced new offices there and others, such as Proctor and Gamble, are also rumored to be relocating a significant part of their operations to Panama – all great news for both commercial and residential real estate investors in Panama.

Low inflation
The government has managed to maintain an average inflation level of under 2% per annum.

What are the real estate implications? Executive relocations mean furnished rental demand and increased home sales in certain sectors of Panama City. The mining sector is also starting to ramp up production in several key areas outside of Panama City, and demand for suitable housing has spiked.

Doing Business Abroad
Transactions in Panama, like other foreign investments, may take longer and be more costly than a U.S. investor expects. As in other cross-border transactions, an investor should carefully review tax implications in Panama and in the United States. Perhaps most critically, an investor should identify competent and trustworthy local consultants and counsel. Good local team members will save time, money and heartburn by anticipating problems commonly faced by foreigners. Even
so, both the U.S. investor and the local advisor may have unstated assumptions and expectations based on different customs. Experienced U.S. counsel accustomed to cross-border transactions in Panama can bridge the gap between the U.S. and foreign legal and business principles by anticipating misunderstandings.

22. Foreigners who purchase property in Panama enjoy all the same rights as Panamanians
Unlike other countries, in Panama foreigners who buy property enjoy all the same rights and protections as Panamanians. Panama’s Civil Code, Constitution, and its Foreign Investments Act all provide assurance that foreigners have equal rights as Panamanians when it comes to property ownership, investments, and commerce. Panama also offers tax exemptions for any new building, whether it’s a condo or home. And, income generated outside of Panama will not be taxed.

23. Why Invest In Panama?
Panama’s phenomenal economic development has been driven by the fastest growing tourism market in South America and Panama also has the second largest banking sector in the world. Not to mention the expansion of the Panama Canal and its major Colon Free Trade Zone. These factors are currently precipitating significant growth in the real estate sector and offering investors prime opportunities to supply the huge demand for both commercial and residential property in Panama.

Panama’s house prices are rising strongly
After falling by about 25% during the global crisis, property values are now rising at double-digit figures in Panama’s most sought-after areas, and more modestly, at around 4% to 5%, in other areas, according to local property experts. There is strong foreign property demand, particularly from the U.S., Canada, Venezuela and Colombia.

In Punta Pacifica, a collection of exclusive waterfront skyscrapers, residential prices rose by 14% in 2014, according to Punta Pacifica Realty, and residential sales volumes soared by 35%. The average price in Punta Pacifica now stands at around US$2,500 per square metre (sq. m.), up from about US$2,200 per sq. m. the previous year.

The property market is expected to grow stronger in the medium-term, amidst the opening of the Panama Canal and the continued influx of foreign investors into the country.