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House Hunting in ... Panama City



By VIRGINIA C. MCGUIRE

A TWO-BEDROOM PENTHOUSE IN A HISTORIC BUILDING IN PANAMA CITY

\$410,400

This two-bedroom duplex apartment is on the third and fourth floors of a historic building in Panama City's Casco Viejo, or old town. The exposed stone walls in the living room date to the 17th century, and the rest of the building is 19th century. In 2011, a modern renovation converted the building to an eight-unit apartment building.

This unit is a loft-style walk-up penthouse with central air-conditioning, a built-in sound system, and skylights equipped with remote-control sun shades. The floors throughout are Italian ceramic tile with a texture meant to resemble wood grain. French doors in the living room open onto a balcony that overlooks the street, and a concrete center island divides the living room and kitchen. The coffee-colored kitchen cabinets were made by Scavolini. The kitchen is tucked under the mezzanine-level master bedroom, which has an en-suite bathroom and a walk-in closet. A second bedroom, also with en-suite bath, is beside the kitchen. The woodwork throughout the apartment is made of timber recovered from Gatun Lake, a man-made lake created during the construction of the Panama Canal. The apartment's furniture, imported from Bali and the Philippines, is for sale for an additional \$14,000.

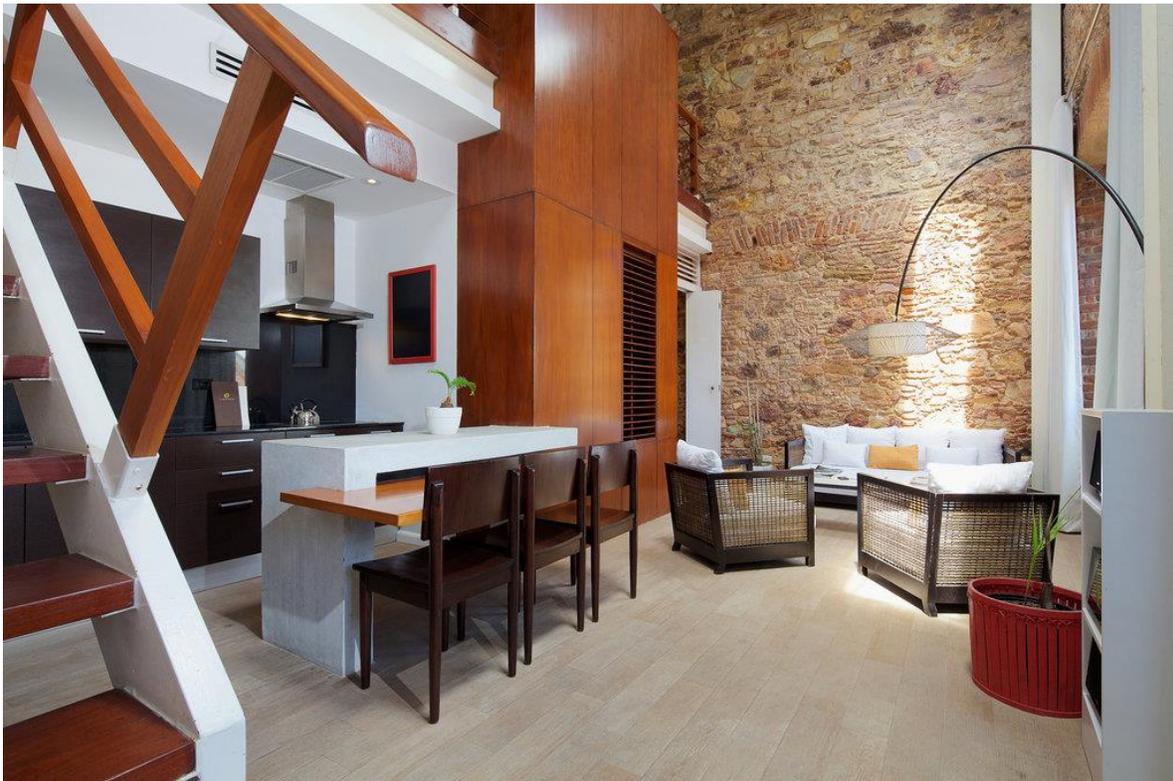
Casco Viejo is a trendy area, buzzing with clubs, restaurants and shops. There's a coffee shop and a restaurant on the ground floor of the building, and many others in the immediate neighborhood. The narrow streets were built before cars, so most residents and visitors walk everywhere. The international airport is a 25-minute taxi ride from the apartment.



MARKET OVERVIEW

Prices have risen about 10 percent in Panama City in the last year and about 5 percent in the country's interior, said Park Wilson, a founder of Emerging Terrains, a real estate investment firm in Panama City. He said prices in the city have surpassed their prerecession highs. In the interior, inventory is low because residential construction had slowed, and as a result, well-priced homes sell quickly.

Apartment prices in Panama City are based on the size of the unit, said Lucia Haines, a real estate agent with Panama Realtor, who has the penthouse listing. Apartments on higher floors command higher prices, and the quality of the renovation also has an affect on price. Ms. Haines said typical prices for a renovated apartment in Casco Viejo are around \$3,000 to \$3,200 per square meter, or around \$279 to \$297 per square foot. This apartment is priced at \$3,700 a square meter, because it is a penthouse and because of the high-end finishes used in the renovation, according to Ms. Haines.



WHO BUYS IN PANAMA CITY

Recent improvements to roads, airports and hospitals have made Panama more attractive to foreigners, according to Mr. Wilson. “Panama really is a unique melting pot,” he said. Wealthy South Americans are frequent buyers in Panama, and there is an increasing number of buyers from North America and Europe. Enrique Bermudez, a founding partner of the Panamanian law firm De La Guardia, Neuman, Faraudo & Bermudez, said there are also buyers from other parts of Central America.

BUYING BASICS

“In Panama, foreigners have the same rights as locals when it comes to purchasing property,” Ms. Haines said.

Between legal fees, notary fees and deed registration, buyers can anticipate around 1 to 1.5 percent of the value of the purchase in closing costs, according to Mr. Bermudez. Transfer taxes and real estate commissions are paid by the seller.

The United States dollar is accepted in Panama, so real estate is priced in dollars, Ms. Haines said.

WEB SITES

Panama tourism site: visitpanama.com

Panama City official site: municipio.gob.pa

LANGUAGES AND CURRENCY

Spanish; Panamanian balboa, American dollar (1 balboa=\$1)

TAXES AND FEES

Monthly maintenance fees are \$228, and annual property taxes are \$7,873, according to Ms. Haines.

CONTACT

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