

Title:

Worldwide Real Estate Prices Compared to Panama: 2007

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1050

Summary:

We are a Panama Law Firm not a real estate business. Our clients are frequently relocating to Panama and we assist in the real estate acquisition for them.

Keywords:

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Article Body:

Introduction - We are a Panama Law Firm not a real estate business. Our clients are frequently relocating to Panama and we assist in the real estate acquisition for them. We are often asked if the real estate bubble is going to bust in Panama or if the boom has just begun. Well we are not sure. We have done a few articles on the Panama real estate bubble breaking but now we are going to present objective data in support of the Panama real estate boom just starting. It could be true and prices may continue to escalate.

Worldwide Residential Real Estate Prices by the Square Meter - These are current prices for some major cities in Europe. This will give you a perspective as to how the Panama market fits into the greater scheme of things. These prices are for serious executive homes in prime locations. A discussion will follow after the prices:

- * London ? \$10,000 Sq. Meter to \$20,000 Sq. Meter
- * Paris - \$9,000 Sq. Meter
- * Amsterdam - \$9,000 Sq. Meter
- * Lichtenstein - \$8,000 Sq. Meter
- * Moscow - \$7,500 Sq. Meter
- * Rome - \$7,200 Sq. Meter
- * Zurich - \$7,000 Sq. Meter
- * Oslo - \$6,900 Sq. Meter
- * Dublin - \$6,800 Sq. Meter
- * Lithuania - \$5,150 Sq. Meter
- * Latvia (Riga) - \$4,100 Sq. Meter
- * Berlin - \$4,300 Sq. Meter
- * Warsaw - \$1,600 Sq. Meter

- * Slovakia - \$1,750 Sq. Meter
- * Seoul - \$11,825 Sq. Meter
- * Sydney - \$7750 Sq. meter
- * San Diego - \$2650 Sq. Meter to \$15,000 Sq. Meter
- * San Francisco - \$5,000 Sq. Meter to \$20,000 Sq. Meter
- * New York - \$15,000 to \$43,000 Sq. Meter
- * Miami Beach - \$9500 Sq. Meter to \$32,000 Sq. Meter
- * Toronto - \$3,000 Sq. Meter
- * Montreal - \$3,200 Sq. Meter
- * Vancouver - \$3,700 Sq. Meter

Panama Real Estate Comparison - In Panama City one can get an executive condo in a new high rise building for \$1,800 to \$3,500 per Sq. Meter and pay less in an older building. We are talking about Condos with a swimming pool and recreation area, balcony, enclosed parking, round the clock security guards, multiple elevators, modern kitchens, city and or water views, beautiful lobbies with marble floors, walls and furniture, and so forth. In the outlying areas single family homes and town homes can be bought for a bit less with \$2,000 to \$3000 a Sq. Meter generally bringing in a home in a gated community with all the features of an executive home.

Discussion of Panama Relative Housing Prices - Panama is priced very low compared to the other markets around the world. The question is can Panama rate with the major cities like Paris, New York, San Francisco, Miami Beach, and London etc. This would be an indicator of the attractiveness of Panama relative to the real estate market prices. Below are some categories where we unilaterally decided to indicate how Panama stands, so this is just our opinion, nothing more.

* Entertainment - DEFICIENT. Panama lacks any serious theatre, opera, orchestra, ballet, museums, foreign film houses, major league baseball, football, basketball, and hockey. There is some soccer and boxing. Panama does have gambling and horse racing. The outlying areas have no entertainment to speak of.

* Crime - EXCELLENT. Most of these major cities have more violent crime in one day than Panama has in one year. Panama has crime but is very safe compared to these cities.

* Traffic - DEFICIENT. Lots of congestion. Wild drivers who disobey traffic laws, stop signs and even red lights. No vehicle safety inspections. Taxi and bus drivers have decided they are the only ones on the road who matter. Outlying areas have far less problems with the traffic than Panama City. As the new housing projects complete and the Canal expansion begins the traffic is expected to get worse. On Fridays closet to pay day the traffic barely moves

- from about 3PM until 8 PM. Most of the stores and restaurants have parking. Lately it is almost impossible to get parking at the Allbrook Mall on weekends.
- * Restaurants - SUPERIOR. Panama is loaded with excellent restaurants at very low prices. Steak dinners for \$10.00 or less are abundant. Food is great.
 - * Shopping - VERY GOOD. You can get whatever you want in Panama City if you know where to find it. Lots of high-end stores are opening up in the malls. Lots of discounters popping up.
 - * Cost of Living - EXCELLENT. Your biggest expense will be real estate.
 - * Domestic Help - EXCELLENT. A live in Maid in Panama City is about \$275 a month with benefits, plus room and board. Most of the condos and houses are built with a maid's room and full bath. A driver runs about \$325 a month.
 - * Airport - GOOD. Lots of airlines going to many cities in Central America, South America and USA. For Europe, India or Asia not so convenient.
 - * Medical - VERY GOOD. There are major hospitals including a full John Hopkins Hospital. Most prescriptions can be obtained in the drug stores. There is an abundance of competent doctors in all specialties. You can even have a doctor make a house call. Health care costs about 40% of what it does in USA.
 - * Weather - VERY GOOD. Panama is a tropical climate. No shoveling snow. It does get hot and humid. Some locations have more moderate weather but they usually have high humidity. No hurricanes, not tornadoes, no earthquakes in Panama City, no volcanoes, no tsunamis.
 - * Boating and Fishing - EXCELLENT. World-class sport fishing with 1200-pound Marlin and 400-pound Grouper. Abundant marinas.
 - * Stable Government - VERY GOOD. Things are most stable.
 - * Banking, Stock Market - EXCELLENT. Great banks and stockbrokers.

Conclusion - It appears likely that Panama could escalate in real estate prices to the \$5,000 a Sq. Meter market price. They are going to have to work on the culture and entertainment to draw in people accustomed to that housing price market. The traffic will need to be addressed and projects to improve congestion are already in the works. The downside of this theory is that there is not enough to draw people to Panama. Culture and entertainment is lacking and it may take many years for this to improve. There are no major industries here such as: banking, insurance, advertising, stock market, general manufacturing, software, high tech manufacturing, entertainment, tourism and so forth. This eliminates large groups of highly paid executives who need to pay high prices for housing to be close to their workplace. Retirees have needs that are fairly simple and can be met in any many different places around the world and it remains to be seen how much the retiree will pay for real estate. Quite possibly Panama Real Estate Prices have not yet even come close to peaking. Time will tell.