

BLOCK BEACHES · 2026 EDITION

Panama: the complete buyer's brief

Residency, tax, where to live, what it costs, and the honest risks, in one place. Every number is sourced, including the investor-visa rules that changed in September 2026.

Panama at a glance

1904

US dollar legal tender since 1904, the oldest dollarization in Latin America

BBB-

S&P rating, stable (Sept 2026); Moody's Baa3 negative; Fitch BB+

4.4%

GDP growth in 2025 (IMF, World Bank, CEPAL: 3.8–4.0% projected for 2026)

0.9%

inflation, year on year, April 2026

3.0M

international visitors in 2025, a record; +17.4% in H1 2026

90+

international destinations from Tocumen (PTY)

Territorial

tax system: foreign-source income is generally not taxed in Panama

Why serious buyers look at Panama

Dollarized

Prices, mortgages and savings are in US dollars, so there is no currency conversion for dollar-based buyers.

Territorial tax

Panama taxes income earned in Panama. Foreign-source income is generally not taxed there. US citizens still owe US tax on worldwide income (see the tax section).

Three residency paths

Qualified Investor, Friendly Nations and Pensionado. Two of them can be tied to a property purchase.

An infrastructure wave

Metro Line 3 (77% complete mid-2026), the \$2.1B fourth Canal bridge, and the Panama–David railway, with future stations at Chame/Coronado and Río Hato.

Healthcare

Panama City's Hospital Punta Pacífica is a Johns Hopkins affiliate. Private care runs 40–60% below US prices; a hip replacement costs \$12K–\$18K vs \$35K–\$65K.

Many climates, one country

City, Pacific beach corridor, cool highlands at Boquete, and the Caribbean islands of Bocas del Toro.

The three residency paths

PATH	WHAT IT TAKES	WHAT YOU GET
Qualified Investor	Real estate: \$300,000 new from the developer or \$500,000 resale (Executive Decree No. 17, in force 16 Sept 2026), net of any mortgage. Or \$500,000 in securities, or a bank deposit of \$500,000 (state bank) / \$750,000 (private bank) under Decree 17. Five-year hold.	Permanent residency on approval
Friendly Nations	Nationals of 50+ listed countries (including the US, UK, Canada, Australia and most of the EU): \$200,000 in real estate, a \$200,000 three-year bank deposit, or a Panamanian job (2026 dossier)	Two-year temporary residency, then permanent
Pensionado	A lifetime pension of \$1,000/month (\$750 if you also buy real estate worth at least \$100,000) (2026 dossier)	Permanent residency, plus the retiree discount card

Citizenship is a separate step. After five years of residence you can apply to naturalize (Spanish, history and civics exams), and Panama's constitution requires you to renounce your prior nationality, with limited exceptions for Spain and Latin-American nationals by birth. Our free guide "New or resale? Panama's 2026 investor-visa rules" covers Decree 17 in detail. Confirm your route with a Panama-licensed immigration attorney.

Tax, in plain terms



Territorial system

Foreign-source income is generally not taxed in Panama.



US citizens and green-card holders still owe US tax

On worldwide income, wherever they live, with US reporting of foreign accounts. Take cross-border tax advice before you move.



Annual property tax

Primary residence: 0% on the first \$120,000 of cadastral value, 0.5% from \$120K to \$700K, 0.7% above. Investment property: 0% to \$30K, 0.6% to \$250K, 0.8% to \$500K, 1% above.

- ☐ **Transfer tax: 2%**
On the higher of the sale price or cadastral value; by law the seller is liable. A 2026 law (Law 546) exempts the first \$120,000 on new homes, so check how it applies to yours.
- ☐ **Capital gains when you sell**
10% of the actual gain, with 3% of the sale price withheld at closing (refundable if 10% of the real gain is lower).
- ☐ **Money earned renting a property in Panama is taxable there**
As ordinary income: 0% to \$11K, 15% to \$50K, 25% above.
- ☐ **ITBMS (VAT) is 7%**
Residential resale is exempt; a first transfer of new construction can carry a reduced rate.

Which Panama fits you

IF YOU ARE...	LOOK AT	TYPICAL POSITION
A family with school-age children	Panama City: Costa del Este or Clayton	\$300K–\$500K near ISP, King's, Balboa or Metropolitan
A retiree or lifestyle buyer on a budget	Boquete, Pedasí, Bocas (with title diligence)	\$200K–\$400K
A yield investor with no Panama presence	Panama City mid-market (El Cangrejo, San Francisco, Bella Vista)	\$150K–\$220K studios and 1-beds; 7–9% gross, 4–5% net, long-term lets
Building a finished-product business	Coronado, San Carlos, El Palmar	2–3 bed villas at \$200K–\$280K all-in
Land banking	Pedasí / Azuero, El Palmar / San Carlos	Titled lots, 2–5 year hold

Area-by-area prices: our free guide “Where to buy in Panama”.

What it costs to live there

- ☐ **Boquete: about \$1,500–\$2,500 a month**
For a comfortable couple; electricity \$25–\$50 because the highlands need no air conditioning.
- ☐ **Beach corridor and Panama City electricity: \$150–\$300 a month**
Air conditioning is the difference. Water \$5–\$60, broadband \$30–\$90.
- ☐ **International schools**
ISP \$9,565–\$18,120 a year; Metropolitan \$12,410–\$20,475; outside the capital the choice drops sharply.

☐ **Healthcare**

Specialist consults \$60–\$100 (vs \$250–\$400 in the US). The Pensionado card gives 20% off private consultations.

The honest risks

☐ **Crime is concentrated**

About 13 per 100,000 nationally in 2025 (593 homicides; the US is about 5), 80% of them in three areas (Panamá province, San Miguelito, Colón). Expat districts report mostly petty crime. Panamá Oeste homicides rose 17% in H1 2026: small numbers, wrong direction.

☐ **Title**

Titled land vs rights of possession is the costliest mistake, especially in Bocas del Toro.

☐ **Short stays in Panama City**

Rentals under 45 days are prohibited in the District of Panama without an ATP permit.

☐ **Water, flood and roads outside the capital**

About 20% of the population lacks 24-hour water; river-adjacent lots need flood checks.

☐ **US tax doesn't stop at the border**

Panama's territorial system doesn't change what a US person owes the IRS.

☐ **Rules change**

The investor-visa thresholds changed in September 2026 and could change again.

☐ **Country risk**

Investment grade at S&P (BBB-) and Moody's (Baa3, negative outlook) but not at Fitch (BB+). Panama is off the FATF grey list since 2023 but still on the EU's list of non-cooperative tax jurisdictions (February 2026).

☐ **Storms and earthquakes are rare, not absent**

Hurricane Eta (2020) caused deaths in Chiriquí; the 1991 Limón earthquake (magnitude 7.6) hit the Caribbean side.

Where Panama fits in a bigger plan

Panama is rarely the whole plan. Buyers use it as a dollarized, territorially taxed base in the Americas and combine it with other places for other jobs: a second passport through another country's citizenship program, European residency for Schengen access, or a banking and custody hub. Each of those programs has its own current rules and costs. Our Sovereignty Stack Optimizer takes your situation and works out your Panama route instantly; the multi-country part comes back as a written outline after review.

What's changed elsewhere in 2025–26 (checked 29 Sept 2026):



Portugal

The Golden Visa fund route is €500,000 (the real-estate route closed in 2023); naturalization now takes 10 years for most nationalities (in force 19 May 2026; checked Sept 2026).



United Arab Emirates

A 10-year Golden Visa for property worth AED 2 million (about \$545,000), with family sponsorship (checked Sept 2026).



Caribbean citizenship programs

Antigua is \$230,000 for a family of up to four and Grenada \$235,000, but in June 2026 the EU asked these programs to end by 1 June 2028; factor that risk in (checked Sept 2026).



Greece

€800,000 in Athens, Thessaloniki and the main islands, €400,000 elsewhere, for one property of at least 120 m² (checked Sept 2026).



Malta

No longer has an investment route to citizenship (EU court ruling, April 2025).

Figures from our 2026 Panama market dossier (89 cited public sources: IMF, World Bank, CEPAL, Panama's tourism and statistics offices, hospital and school fee schedules, and others), Panama's Executive Decree No. 17 of 2026 for the Qualified Investor visa, and a 29 September 2026 fact-check of credit ratings, tax, citizenship and other countries' programs (rating agencies, Panama's tax authority, PwC, the constitution, official program sites). Rules and prices change: confirm anything you rely on with a Panama-licensed attorney and your own tax adviser.