

BLOCK BEACHES · 2026 EDITION

Don't get burned: the Panama property due-diligence checklist

The 27 checks to run before you sign anything in Panama, in the order a purchase actually happens. Title, taxes, the building, water and flood risk, short-stay rules, and the contract.

How to use this checklist

Work through it in order with your own Panama-licensed attorney. Each check is marked **Dossier** (a fact from our cited 2026 market dossier) or **Practice** (standard buyer practice to confirm with your attorney); **Decree 17** marks the 2026 residency rule. Attorney review pending.

1. Title and ownership

The single biggest source of lost money in Panama is buying something that isn't what the listing says it is.

- ☐ **Confirm the land is titled, not "rights of possession" DOSSIER**
Titled land is registered at the Registro Público with a finca number. Rights of possession (ROP) is an occupancy claim on state land.

- ☐ **If it's ROP, price in what you can't get DOSSIER**
No bank financing, no title insurance, harder resale; converting to titled takes years and may never succeed. Common in Bocas del Toro.

- ☐ **Pull a current Registro Público certificate PRACTICE**
Check the registered owner, and any mortgage, lien or encumbrance, before any money moves.

- ☐ **If a company owns the property, confirm who can sign PRACTICE**
Ask your attorney to verify the company's registered officers and that the signer is authorised to sell.

- ☐ **Check it's outside the restricted zones DOSSIER**
Foreigners own with the same rights as citizens, except within 10 km of the Costa Rica or Colombia borders and inside indigenous comarcas.

- ☐ **Beachfront: know which strip you're buying DOSSIER**
The first 22 m from the high-tide line is public domain and can't be titled. The titleable band runs 22–200 m inland; beyond that is concession or rights of possession.

2. Money, taxes and closing costs

Know who pays what before you sign, and keep the paperwork you'll need when you sell.

- ☐ **Agree in writing who pays the 2% transfer tax DOSSIER**
It's charged on the higher of the sale price or cadastral value, and by law the seller is liable. A 2026 law exempts the first \$120,000 on new homes; confirm how it applies.

- ☐ **Get proof the property tax is paid up PRACTICE**
Ask for the tax clearance certificate (paz y salvo) so no arrears pass to you.

☐ **Know which property-tax schedule you'll be on** DOSSIER
A registered primary residence and an investment property are taxed on different schedules.

☐ **New construction: check whether ITBMS applies** DOSSIER
Residential resale is exempt from the 7% ITBMS; a first transfer of new construction can carry a reduced rate.

☐ **Keep every purchase record for the day you sell** DOSSIER
On a sale, 3% of the price is withheld at closing against a 10% tax on the actual gain; records support a refund if the gain is lower.

3. The building, the HOA and the developer

Quality varies building to building, not neighbourhood to neighbourhood.

☐ **Read the HOA's finances and rules** DOSSIER
Monthly fee, reserves, special assessments, arrears, and the rules on short stays and pets. HOA covenants can restrict short-term stays even where the law allows them.

☐ **Judge the building, not the brochure** DOSSIER
Construction quality varies building to building in Panama City. Look at age, maintenance and the reserve fund.

☐ **Pre-construction: ask how your deposit is protected** PRACTICE
Get in writing where deposits are held, the delivery date, and what happens if it slips. Check the developer's completed projects and permits.

☐ **Get an independent inspection and appraisal** PRACTICE
Hire them yourself, not through the seller or agent.

4. Land, water and hazards

Outside the capital, infrastructure is the difference between a good buy and a headache.

☐ **River-adjacent or low land: check flood history and elevation** DOSSIER
The dossier flags this as critical on the El Palmar / San Carlos corridor.

☐ **Confirm the water supply before you buy** DOSSIER
Around 20% of Panama's population lacks 24-hour water; beach projects outside Coronado proper are most exposed.

☐ **Check power and road access at the actual lot** DOSSIER
Coverage is high nationally, but quality is uneven in rural areas and on the beach corridor.

- ☐ **Drive to the nearest real hospital DOSSIER**
Outside Panama City, serious medical care usually means a trip to the capital.
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5. If you plan to host short stays

The rules depend on exactly where the property is.

- ☐ **Inside the District of Panama: stays under 45 days need a permit DOSSIER**
Rentals under 45 consecutive days are prohibited without an ATP tourism lodging permit; fines run \$5,000–\$50,000.
 - ☐ **Outside the District: check local and HOA rules anyway DOSSIER**
The 45-day rule doesn't apply in Coronado, San Carlos, Boquete, Pedasí or Bocas, but an Aviso de Operación and HOA covenants can.
 - ☐ **Watch the pending national short-stay bill DOSSIER**
Bill 301 would legalise short stays nationally with ITBMS and DGI reporting; it was not law as of August 2026.
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6. Residency, your lawyer and the contract

The steps that protect everything above.

- ☐ **Check the purchase actually meets the residency rule DECREE 17**
For the Qualified Investor visa, property bought new from the developer counts at \$300,000; resale needs \$500,000 (Executive Decree No. 17, from 16 Sept 2026), after subtracting any mortgage. Confirm with a Panama-licensed immigration attorney before you sign.
 - ☐ **Hire your own Panama-licensed attorney PRACTICE**
Never the seller's or the developer's.
 - ☐ **Put the promise-to-purchase terms in writing PRACTICE**
Deposit amount, who holds it, refund conditions and deadlines.
 - ☐ **Close before a notary and confirm the deed is registered PRACTICE**
Your purchase isn't finished until the deed is recorded at the Registro Público in your name (or your company's).
 - ☐ **Visit before you commit PRACTICE**
Spend a weekday and a weekend in the town; drive the route to the hospital and the supermarket.
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Before you wire any money

☐ Title confirmed, certificate current

☐ Deposit terms in writing

☐ Your own attorney has read the contract

☐ Residency assumptions confirmed, if they matter to you

Checks marked Dossier come from our 2026 Panama market dossier (89 cited public sources); Decree 17 is Panama's Executive Decree No. 17 of 2026 (in force 16 Sept 2026). Checks marked Practice are standard buyer practice to confirm with your attorney. Attorney review pending.

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