

# PANAMA

## *Special Report*



**Panama Pacifico:**

**Panama's Most Exciting Business Development...**

The logo features the letters 'PSR' in a large, bold, black font with a white horizontal bar across the top. Below this, the word 'PANAMA' is written in a bold, red, sans-serif font. Underneath 'PANAMA', the words 'SPECIAL REPORT' are written in a smaller, grey, sans-serif font.

**PSR**  
**PANAMA**  
SPECIAL REPORT

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# PANAMA

## SPECIAL REPORT

### INSIDE

Panama Pacifico – A New City in the Tropics...page 1



### Panama Pacifico—Building A New City In The Tropics

*By Jocelyn Carnegie*

Sepia-toned images and flickering Super-8 cine film show us Howard Air Force Base's military past; but its story goes even further back than those images would suggest. The first U.S. military base was established in Panama in the 1920s; it was originally named Fort Bruja (literally, Fort Witch). The base was then renamed after Major Charles Howard, an early Panama aviator. Howard Air Force Base officially came into being in 1948, and it was to become one of the most important Air Force bases in U.S. military history--becoming a hub for the whole of Central and South America for more than 50 years.

Howard was used to making history even before it was an apple in the eye of the U.S. military. General Hap Arnold's first-ever U.S. air unit foray to Panama in 1917 landed in this spot, and from then on the airfield grew in importance, culminating in it being the only fighter jet- and large transport aircraft-capable airfield south of the Rio Grande with its 8,500-foot runway.

Howard played a leading role in regional military exercises and anti-drug operations, most notably during the WWII era and the 1989 invasion of Panama.

As part of the massive portfolio of assets belonging to the Former Canal Zone, Howard was eventually closed as a military airfield and handed back to the government of Panama in 1999 following the terms of the Torrijos-Carter Treaty.

## Globalization

The transition period and decommissioning of Howard Air Force Base took some years to achieve, but by 2004 the government of Panama was actively ready to seek new regeneration opportunities. The former base was a prime candidate for real estate development (residential, commercial, and industrial), a working airport located adjacent to the Canal, and multimodal transport links.



Military past

The government of the day had already begun to identify Panama as one of the most strategic geopolitical locations on earth; it was poised to start a campaign to establish the country as the Hub of the Americas.

## The Scene Is Set

By that time, real estate in Panama was on its stellar growth curve--everyone from the local cabbie to the maid was likely to try to pitch the latest too-good-to-be-true real estate deal to the unsuspecting yet opportunity-hungry Gringo market. Visitor numbers from both North and South America were also growing exponentially. In common with most nascent real estate markets, overheating seemed inevitable. Speculation was rife, with a large proportion of new residential units in glossy and outlandishly large towers being bought and flipped in minutes by Venezuelan and local dealers.

“Unsustainable--it’s a bubble,” cried the Ivy League and Wall Street in unison. Economists and commentators couldn’t quite

fathom what was happening. Always expecting the market to fall on its face, the bars and hotels of Panama City still seemed to be the favored sales floor for the real estate exchange frenzy that wouldn’t quiet down. This particular bull refused to enter the ring.

Then why were there so many new buildings in the city? At one point there were nearly 200 buildings of more than 40 floors under construction and, in those recently finished, barely a light to punch a hole in the night.

By 2007 the city’s wretched infrastructure was already groaning. Building safety standards were non-existent, planning regulations absent, and zoning seemed to be the decision of a few regulars of the city’s elite Union Club.

Still the developers came...from Spain, Canada, Venezuela, and Colombia. Money poured into the city’s 85-plus international banks, and the number of floors per tower increased outlandishly alongside the price per square meter.

People started to be concerned about things like tourism and infrastructure at this point, as there weren’t enough hotel beds in the city. Panama’s “tourism” figures at the time were almost purely based on business travelers, of whom 90% never left the confines of Panama City. Occupancy rates in Panama City hotels were sky-high regardless of the season.

In order to preempt a correction, several of the loftiest towers (over 60 floors) were cancelled--some cleaner than others. The 100-storey Ice Tower died alongside all the melting puns and clichés in the press. Everyone quivered while waiting for the shockwave to pass. And, eyes tight shut, it did indeed pass. A few buildings were repackaged as hotels or condo-hotels and the market has generally held since then, even through and after the dark days of 2008.

## Uninterrupted Growth

“Panama has demonstrated its ability to maintain positive growth perspectives and financial strength despite the world economic turmoil.” says the Agencia Panama Pacifico (APP), the special agency established to administer Law 41 in the Panama Pacifico Special Economic Area (SEA).

Such bold statements are rare these days, especially on the national level. But the proof is in the figures. At over 10% growth in 2012 and an average of over 8% across the last 10

years, Panama Pacifico has one of the highest rates of growth around the globe, let alone Latin America!

The last three to four years has seen the Government of Panama rushing hastily to tackle the city's "infrastructure deficit." The first line of the new metro is nearing completion and new road systems and congestion easing measures are well underway. Of course, we cannot mention infrastructure without mentioning the expansion of the Canal which continues apace despite some recent financial setbacks on the part of the contractors. It's been a nightmare to get around the city during all of this work but it seems to be bearing fruit already.

### Along Came Midas

Back in 2004, the government had wanted to incentivize an increase in foreign direct investment inflows to Panama and they decided that the former Canal Zone assets would constitute the perfect springboard.

Howard was chosen as the first test case. It turned out to be a foray into international real estate history--at least in this region. A few sniffs in the ensuing years led to nothing, but in 2006 a group came forward, headed by a consortium of local bankers and business leaders and the multi-billion yet low profile UK developer, London & Regional.



Howard from the ocean

About a year, some nail-biting, and a lot of private jets later, one of the largest land regeneration deals in Latin American history was struck. The elusive and enigmatic Livingstone brothers, the brains and cash behind London & Regional, teamed up with one of the largest private shareholders in HSBC bank to come out on top of 17 other tenders in a process which saw them offer to invest over US\$700 million in cash terms over the project's 40-year life.

According to the terms of the license agreement more than US\$400 million had to be invested within the first eight years of operation. But, as with many things in Panama, timing is not a strong point and we have to remember that 2008 hit the fan not a year after the project had begun to get off the ground.

According to the master developer, some US\$250 million has already been spent on the project and residential construction is proceeding at a remarkable pace.

Thus 2007 saw the final laying to rest of Howard's pioneering aviation history and the birth of Panama Pacifico.

### The Doubters

It was a big ask to get anyone to believe that this wasn't just another well-meaning but flawed pie-in-the-sky project. "I'll believe it when I see it" remembers Julianne Murphy of her initial reaction to being told of the size and scope of the project. Julianne was the first Marketing Director. For the first five years she was responsible for enthusing a doubtful public and breathing life into this titan of a concept.

Reasons to doubt were plentiful. As the world economies continued to head toward the abyss, to embark on a project of this scale seemed foolhardy to say the least. The largest city projects were being cancelled or repackaged and real estate "people" were still talking a good story in the chrome and white-leather bars and clubs.

The difference with this project is that it had been well planned and well thought through by a group of people who had the financial wherewithal, business acumen, and development experience to pull it off. They also had a committed government from a country all too willing to be flexible to receive and protect foreign investment. Vindication that the early vision was not merely a pipe dream can be seen today in the shiny new International Business Center and Panama Corporate Center, the schools, shops, medical center, and multiple-phase residential building program currently under way.

### Legal Wrapper

Some groundbreaking stuff had to happen even to get the idea to float. A lot of preparatory work had to be done first and it transpired that some clever types had been sniffing around as early as 2001. Questions had been asked, and the government



**Panama Pacifico -- how to get there**

responded by creating a law in which to wrap the area in order to present it to investors in a more palatable package.

Under the auspices of Law 41, the Panama Pacifico SEA was born. The government had a vision and looked overseas to find a model upon which to base its first protected economic zone. The mission was to encourage FDI, to offer better pay for Panamanian employees, and to attract new industry to establish bases in Panama.

The incentives offered by the SEA are more extensive and wider reaching than any other program we know of in Latin America. A whole government agency, the APP, has been established to offer investors and corporations a chance to avail themselves efficiently and rapidly to all the incentives available. And there are lots of them.

A list of “special business activities” such as logistics, technology, offshore services, and numerous others provide 100% exemptions on various taxes such as income tax, corporation tax, tax on dividends, and any taxes on international monetary transfers.

Panama has a highly controlled labor code. For every foreign national employed, a certain number of Panamanians must also be on the payroll. Highly attractive labor incentives exist within the SEA allowing companies to bring key staff and skills

from overseas. Training assistance is also provided for Panamanian workers.

Immigration can be similarly complicated outside these areas, yet provisions have been made for a simplified process allowing for much more fluidity in the passage of key employees.

There is a legally established system for protection of investment and a special corporate tax regime for 10 years after establishment within the SEA. Multinational corporations are similarly incentivized to establish regional hub headquarters at Panama Pacifico.

All duties and tariffs on imported goods, equipment, and machinery are exempt for individuals and corporations.

While most of the above incentives will not apply to private individuals, they do make for a positive administrative atmosphere, certainly in contrast to sweating in the immigration department in town for two hours on a hot Monday morning. The normal Panamanian incentive packages for retirees and expats of course still apply to residents at Panama Pacifico and the best thing about it all is that you can fulfill all of the procedures right on-site.

### **Assets and Infrastructure**

APP has responsibility for administering 5,000 acres. Panama Pacifico is located adjacent to the Panama Canal within the Former Canal Zone, half a mile from the Panamerican Highway. Access to multimodal transport and communications connects Panama Pacifico with the rest of the country, the region, and the world.

Originally, the APP and London & Regional Panama assumed control of more than 1,000 real estate units, of which about half were residential and half commercial. There were gas stations, a swimming pool, recreation facilities, tennis courts, theatres, gyms, a 38,000-square-foot hospital building, and, of course, churches and schools. All this is not to mention an international airport with all the associated facilities such as maintenance hangars, immigration, a small terminal building, and an 8,500-foot runway.

### **The Vision**

Henry Kardonski describes the project he has nursed to life since the very beginning as “one of the most ambitious urban

development projects in Latin America.” To me, that’s not enough--clearly some British understatement has rubbed off on one of the local partners. From the outset, the vision for Panama Pacifico was massive.

Kardonski is a business leader from one of Panama’s best-known corporate families. He summarizes, “Over the course of the next four decades, London & Regional Panama, the project’s master developer, will invest US\$705 million to create a mixed use complex of residences, industrial facilities, and business centers built with state-of-the-art design standards, well-planned infrastructure, and a vast array of services and facilities envisioned to establish a vibrant, comfortable community amidst the verdant forests of Panama’s Pacific coast.” The Panama Pacifico vision in a nutshell, straight from the horse’s mouth.

London & Regional brought many years of international development experience and US\$20 billion of real estate know-how to the table, with local knowledge and finance provided by an equally strong regional group.

In a rare article longer than three sentences on the Livingstone Brothers, London’s Evening Standard newspaper said, “These most secretive of brothers...have built up a global empire with combined assets worth more than £4 billion [\$6.5 billion] without generating much more than a handful of articles in the business pages of the newspapers.” For the Livingstone Bros. some good old-fashioned hard work and anonymity is the name of the game, and they were last seen at number 375 on the Forbes Billionaires list.

### **The Proof of the Pudding**

But it’s not quite as simple as “build it and they will come.” In 2003, Dell had already established a regional call center, but this has now grown into one of Dell’s largest hubs outside the United States employing over 2,500 personnel and handling 360,000 contacts per day from all over the United States. As there was already a “test case” on-site to back-up the development group’s arguments, their idea hinged on the fact that the industrial and commercial real estate would act as the driver for the residential and community growth.

“Live. Work. Play” was the initial tenet of Ian Livingstone, co-founder and owner of London & Regional. He saw the Howard project and recognized its unique location close to Panama City and some of the world’s major transport links.



Clearly his idea was sound: create something for people to do and somewhere for them to live and they will come. With that vision set, the group started to win the hearts and minds of a skeptical public and business community.

The development goal of the group is the creation of a new mixed-use tropical city incorporating premium standards in sustainable design across product classes in a total area of around 3,500 acres. At 14 square kilometers, Panama Pacifico is one of the largest regeneration projects in the world.

The idea is that everything should exist onsite thereby reducing the necessity to leave. The website will tell you that “in the midst of tropical forests and picturesque mountains, imagine catching an on-site bus to the office, grabbing lunch at the town center, coaching a ballgame at the sports field, then walking home on a scenic trail. It’s a day in the life at Panama Pacifico.”

The self-sustaining economic nature of the development can be seen in the future objectives: a total of US\$4 billion is projected as the total investment over the life of the project, with semi-permanent construction jobs at an extra 1,500 and millions of dollars in value of goods passing through the community annually. It is an underestimate to say that Panama Pacifico will provide a significant contribution to this country. The project will have an estimated value of US\$10 billion on completion--equivalent to approximately half of Panama’s GNP.

A handful of years into the project and the master developer is well on the way to making the initial dream come true. Latin America’s boldest master-planned new town is becoming a reality.

### **Sustainable and Connected**

Step into the green... As you drive over the Bridge of the Americas from the metropolis of downtown Panama City,



The development planning

something changes. This is not a subtle change--the climate improves, gentle breezes seem to caress the forested hillsides, and it feels as if some cares do palpably lift from the shoulders. The atmosphere reminds you that you are indeed in the tropics. No sooner has this change hit home, and you see signs appear for Panama Pacifico, that you realize it has taken only three minutes from the bridge to the main gate. Immediately, things begin to feel substantial. The predominant feeling is one of solidity--as soon as you reach the construction of the main entrance gate and information point, you feel supported.

The marketing copy tells you to expect a “different style of life,” that “you deserve to live” there, and that it offers “the best of life.” The overall development objective is to become the “next generation of green,” and above all, the byline that makes the most sense to me is “Connected by Nature.” The development is connected by a green belt to Panama City and the Canal (its port and railway), and to the Panamerican Highway from Panama to Texas! Furthermore, walking trails, some of which are already open, will connect residential to work and business areas. “Every element...is designed to balance the natural world with the built environment.”

Almost 50% of land at Panama Pacifico will be preserved as green space. The landscaping and parks plan is a vital part of the master-planned community--a 37-acre Central Park with its own amphitheater and Farmers Market will be a centerpiece for the Town Center area.

Beaches, mountains, and forests are less than an hour by car from your doorstep. Transport links are up and coming as well. Until recently, the bridge was a deterrent as it could be slow as the only funnel across the Canal. For me, it was always a negative factor to living at Panama Pacifico, but with the road improvement program, this will ease. It is now an option to use the second Centennial Bridge into the northern parts of Panama City and preliminary designs for the Metro Bridge have now been mooted. Metro Line 3 is proposed to run from Albrook directly past Panama Pacifico to serve the Arraijan district (terminating at La Chorerra) with a Howard station already planned. The bridge is said to have eight lanes with the two middle lanes for the Metro.

A new bus service is in place offering courtesy travel from Panama Pacifico to the main shopping malls of Panama City in around 30 minutes.

### Relocation: Reality or Reverie?

The reasons to move to Panama become more and more apparent and compelling with every passing month. Everything is moving so fast; it's blink-and-you-miss-it in terms of the country's development at the moment. Every time you turn to look there's a new road open or a hole somewhere making way for a bright new building.

### Keeping Pace

When you promise big things; you'd better deliver in order to build and keep your credibility intact. The next big thing is to ensure that you have enough money to put where your mouth is. Keep up because you captured our attention and now we're watching carefully.

This development seems to be delivering consistently high quality on time and selling like hotcakes.

Juan McKay, London & Regional Panama's Communications Executive and now Director of the Association of Businesses at Panama Pacifico, was quoted previously in NPR, the U.S. online news site as saying, “We have already built close to

100,000 square meters worth of warehouses and we're building another 50,000 that will be done by the end of the year." For McKay, the main thing was to encourage multinationals to the site--Proctor & Gamble and Caterpillar were early successes. Caterpillar went on to build their own factory and warehousing in a dedicated corner of the site. "Caterpillar is obviously looking for a strategic position in Latin America" McKay commented at the time.

Caterpillar bought 250 acres on the edge of the project and they are nearing completion on the construction of their demonstration and training center there which is set to employ around 300 people and hopes to attract around 12,000 visitors per annum.



**Caterpillar**

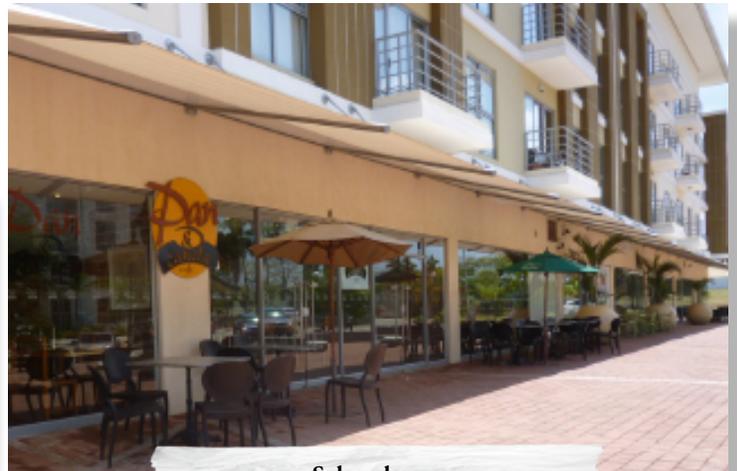
Of course, the pace had to be set by the industrial and commercial activity, as this was to breathe life into the place and underpin the residential community. Thus, the first phase of warehouse units was completed on a 58-acre site soon after the project began. It was fully occupied within a couple of years as work drew to a close on the affiliated International Business Center which now houses modern offices as well as the Panama Pacifico Visitors Center and Medical Center.

Panamerican Corporate Center (PCC) opened its doors about 12 months ago and has filled up quickly. Fortune 500 companies such as 3M, Dell, SamTec, VF Corp., BASF, Covidien, and Caterpillar have taken advantage of the state-of-the-art industrial facilities offered alongside other world leaders such as Aggreko and Proctor & Gamble.

An initial eight companies were involved from the start of the project. Over the five intervening years, Panama Pacifico has seen that number grow to 160.

## Residential

Since the project welcomed its first residents to Soleo and Nativa at the end of 2011, there are now several restaurants, shops, and other retail amenities alongside private schools and sports facilities including a Power Club at the leisure center with its Olympic swimming pool. I noticed that the new Sports Fields are now open boasting AstroTurf pitches, basketball courts, and tennis courts.



**Soleo plaza**

The master development group was careful to make sure that sales and occupancy of commercial and industrial units had gained some momentum prior to embarking on sales of residential units. Residential housing has been planned in neighborhoods. The first building was Soleo--again the developers rebuilt the sports and leisure center next door to this in parallel, making sure that it was ready before the apartments were delivered. At the same time, townhomes and single-family units in Phase One of Nativa began. The Nativa Clubhouse and Phase Two of these homes are in construction at the time of writing, and two new neighborhoods were opened for presales in 2013.



**Woodlands**



**Residences in Woodlands**

Woodlands is located just before you reach the International Business Center on the way into the property. Since the project launched in 2013, Phase One's 450 units are all but sold out. Two thousand units to go and building work is well underway.

River Valley is a similar story with apartments and single family units going up faster than you can say "completion."

One potential downside to these new homes is that they seem to be entirely consisting of two-story homes. For those with any reduced mobility, this could pose a serious challenge.

### **Green Giant**

All development at Panama Pacifico is controlled carefully so as to comply with international standards of design and sustainability. The envelope is being pushed on all fronts here with many buildings complying with U.S. Green Building Council's LEED standards.

London & Regional Panama is working closely with organizations such as the Clinton Climate Initiative (CCI) in order to realize an early goal of making the whole development climate positive. CCI certifies projects all over the world which recognize and address the marriage between urban development and climate change. The objectives of London & Regional Panama's collaboration with CCI include consolidated development of sustainable office buildings, street lighting, and recycling.

Underground utilities will include fiber-optic cabling highlighting Panama and the project's role as a strategic hub on a global stage with no less than five major submarine telecoms cables passing by or across Panama.

According to the website, the master developer is "committed to the concepts [that] sustainable redevelopment can complement environmental preservation; private enterprise and government can collaborate for the greater good; and long-term view creates long-term value."

The moral of the story? Create a workable vision, plan it carefully and stick to your plan.

### **A Quick Tour**

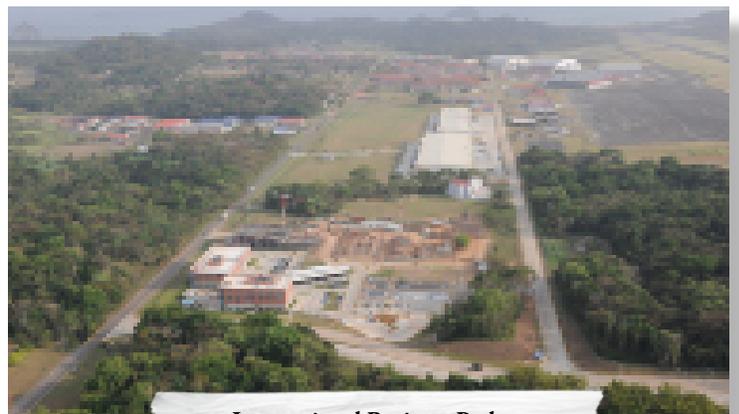
It's difficult to write this as the site is changing and developing so fast. The Garden City of Panama Pacifico is really taking shape. The new style of life is espoused by the literature as promoting a vision of tranquil lifestyle amidst a tropical natural paradise with championship golf and resort-style amenities. The project is under 8 miles from Panama City center and around 20 miles from Tocumen International Airport.

### **Woodlands**

As you enter from the Bridge of the Americas, you will pass the first phases of Woodlands neighborhood emerging rapidly on your left. Woodlands will be one of the project's larger neighborhoods comprising 2,300 units spanning townhouses, duplexes, and seven-floor mid-rise apartment buildings of 60 units. The first phase sold out rapidly across all unit types. A range of townhomes and duplex units are offered with two to four bedrooms.

### **International Business Park (IBP)**

Construction of the IBP began with the light-industrial and flexi-office units and the first two buildings. Recently added are two new Class A office buildings and a low-rise car-park building with some commercial space.



**International Business Park**

On-site healthcare: According to General Manager Mike Kelly, PanaMedica is “very glad to be able to become part of this new city.” The new PanaMedica Center is the first of its kind in Panama and worth a special mention. The clinic has its own ambulance, lab, radiology, and ultrasound department and will cater to emergency care as well as standard healthcare for residents and employees. Initial staff will include an MD, a nurse, radiologist, lab technician, and a professional pharmacist. A dentist is soon to be joining the practice which is run by California healthcare provider America’s Healthcare Services Inc. with over 35 years of experience in healthcare administration in the United States.

Citibank, Mailboxes, a Subway, a hardware store, and a couple of cafés and restaurants have already established in IBP forming a healthy base for future growth.

### **Panamerican Corporate Center**

The PCC forms the industrial heart of Panama Pacifico. Set well away from Town Center and other residential areas, PCC has its own entrance from the Panamerican Highway. The 220-acre PCC site is located on the northern edge of the site behind a dense wall of forest. PCC allows for 4 million square feet of leased and build-to-suit facilities. Several warehouse units, industrial blocks, and commercial areas have already been built.



**Panamerica Corporate Center**

### **Town Center**

An ambitious plan for Town Center includes vibrant retail and leisure amenities. The first constituents of this area which lie at the heart of the development are the Soleo and Mosaic apartment buildings.



**Soleo**

Soleo was the first building to be delivered in 2012 consisting of 74 one- to three-bedroom units. Soleo Plaza is filling up with a bank, a coffee shop, pizza restaurant, deli, and beauty salon. The Power Club gym fitness center and Olympic pool is opposite Soleo Plaza.

The next-door neighbor is Mosaic; delivering its first apartments at the time of writing. These three buildings offer 145 apartments (studios as well as one- and two-bedroom units up to about 1,300 square feet) set around a central garden courtyard with a pool and social area. Again, a ground floor plaza with retail outlets opening in the near future such as Credicorp Bank, Yogen Frusz, Generali, ScotiaBank, a local pharmacy, and the household goods chain Arrocha.

One significant downside is that, as of yet, Panama Pacifico has not attracted a major supermarket. While surely one will open soon enough, until then, a trip to Panama City will be necessary for those not-so-common food items. For anyone with specific dietary requirements this may be an issue.

### **Nativa**

Set adjacent to its own Clubhouse and pool, Nativa is the immensely popular area of single-family and duplex homes now well into Phase Two pre-sales. Phase One is delivered and construction is nearing completion. Approximately 51 homes remain unsold at the time of writing.

### **River Valley**

This neighborhood was launched in 2013 with Phase One of the Garden Apartment buildings already 100% sold out. Phase



**River Valley Condos**

Two is six buildings of 14, one- to three-bedroom apartments of up to 2,000 square feet.

In addition, Phase Two of the single-family homes is now in construction. These three- and four-bedroom homes are set on a 30-acre site surrounded by nature. River Valley is situated beyond Town Center and the new Sports Park heading toward the Veracruz entrance to Panama Pacifico.

The Veracruz Gate is keycard controlled and exclusively for residents allowing access to the beach at Veracruz, as well as the Intercontinental and Westin resorts at Playa Bonita; both around a five-minute drive from here.

### **Kobbe Hills**

The Kobbe Hills neighborhood will begin to take shape in the future, estimated to be three years' time. Premium residences, apartments, and villas are planned around the first 18-hole Greg Norman Signature golf course in Latin America.



**Kobbe Hills golf course**

### **Education**

There are a growing number of on-site options for schooling. Across all age ranges from pre-school to college and university, almost every need and creed is catered for. There's the Magen David Academy for Jewish children, pre-kinder through 12th grade, Howard Kids Academy, and a new Knightsbridge International School for Panama which offers the International Baccalaureate curriculum. The French school, Lycée Français Paul Gauguin de Panama, offers excellent international education in three languages. Panama Pacifico Academy is the first virtual high school in Panama and a leader in progressive learning. Baccalaureate and master's degrees are offered at the Universidad del Caribe, while the Technical University of Panama (UTP) offers undergraduate and vocational courses. Both Universities' courses are conducted in Spanish.

(If you are interested in seeing the project, the Visitors Center is open Monday to Friday from 9am to 6pm and Saturdays from 10am to 4pm.)

### **International University City**

It could be worth mentioning that the favorite candidate running for president in this year's elections is championing an interesting educational project for Panama. One of his principal campaign promises is the building of an international University City. The proposed campus is set to attract up to a dozen international universities (the plan already has interest from some five U.S.- and two UK-leading institutions) to Panama and include a significant virtual learning center. Preliminary designs are being looked at and the site earmarked for the University City would be adjacent to Panama Pacifico and will have a significant effect on the whole area.

Watch this space for news of progress or otherwise...

### **APP--Panama Pacifico's Own Government Department**

There are around 15 government agencies represented by the APP through its Integrated Services System. This created a one-stop-shop so that investors can put in place the generous set of labor incentives, onsite immigration benefits, and legal and tax incentives (exemption packages offered to 12 business

## Onsite Government

APP's Fast-Track: some of the government departments represented at Panama Pacifico--another incentive for companies saving them time and money...

- Civil Aviation Authority
- Fiscal Comptroller's Office
- National Customs Authority
- National Environment Authority
- Fire Department Housing Ministry
- Immigration Office
- Ministry of Labor
- Social Security Office
- Transport Authority
- Water and Sewage Utility
- Food Security Authority
- Income Tax Department
- Agriculture Ministry
- Ministry of Health
- Ministry of Public Works
- Local Authority

activities). In addition, open access to the workforce-training center is available through the Agency.

London & Regional states that, "the Special Economic Area benefits are a major draw at this emerging global business hub, in addition to the easy connectivity available to the Pacific Ocean ports on the Panama Canal."

## A Growing Community

Increased activity and projects within the development is testament to the fact that a community spirit is growing rapidly at Panama Pacifico.

Already attracting some international activities, Panama Pacifico will provide the perfect venue for larger open-air events offering sprawling open spaces and a cosmopolitan atmosphere. Recently over 100 children between the ages of 3 and 17 participated in the 3Kids Triathlon, a multi-discipline event whose home will become Panama Pacifico. February saw an open-air music concert, the Transistmico Project, consisting of internationally renowned musicians who got together to create a modern take on traditional Panamanian tipico music. Their project was launched at the 10th Panama Jazz Festival; now attracting many big-name artists.

Knightsbridge Schools International has jumped on the environmental bandwagon with the launch of its electronic waste recycling campaign encouraging large corporations, local businesses, and residents of the project to dispose of their e-waste safely.

Panama Pacifico is not just another development full of ego and bold promises--none of which may come to fruition. The developers have taken their vision, taken their time, planned carefully and are delivering everything they promised, and more. Sales rates are stellar at the project because people believe in it. Every aspect of the project is coming to life and it's emerging very quickly. It's not just ambitious; it is an extraordinary achievement given the global economic context in which the project was born.



Panama Pacifico master plan

A temporary negative is that, obviously, there is a lot of building work happening on multiple fronts, but the developer even handles that well. All building sites were well screened, and safety and environmental standards seem to be adhered to. However, I still have a bit of an issue with the Bridge of the Americas and traffic. Being realistic, it'll be five years before the new bridge and Metro Line 3 is up and running and, until then there will be times of day you won't want to be crossing the Bridge. However, it's a small negative in the face of improving traffic flows and infrastructure and it is important

to consider Panama Pacifico now before everything is sold out or today's reasonable price points become tomorrow's "last units available."

comes to investing as an expat, establishing a business, corporate diversification, or retirement. The clever thing London & Regional has done is to design a many-size-fits-all project with a diverse range of residential products that seem to cover the whole spectrum of buyer and lifestyle objectives.



From corporate pied-a-terre to retiree condos to substantial family homes, Panama Pacifico seems to cover all the bases and have its ducks in a firm row.

## About The Author



*Jocelyn Carnegie has long experience setting up home, family, and business in different countries around the world, from the UK to Ireland, from the United States to France, and from Central Europe to Central America.*

*He and his current endeavors currently call Panama home, and we welcome Jocelyn to our Panama Letter team.*

Given the benefits and incentives offered, it is my humble opinion that Panama Pacifico is a no brainer when it

## Panama Pacifico Put Into Perspective

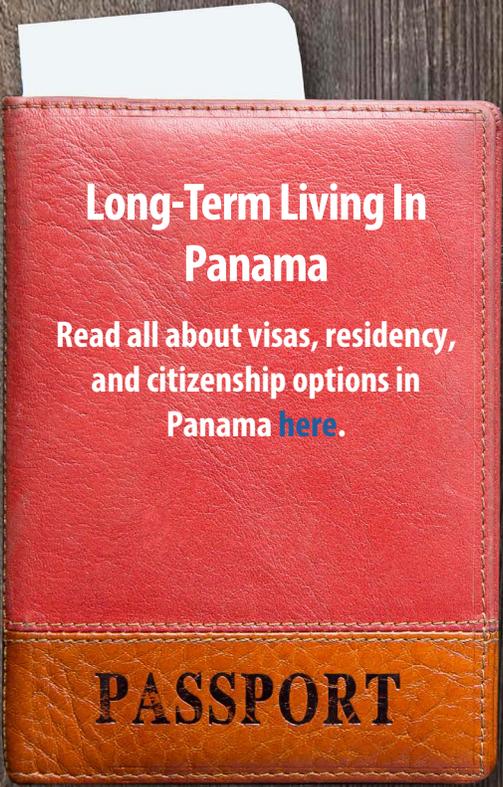
Panama Pacifico could be an ideal place to live if you want access to all the amenities, services, and infrastructure of Panama City but want, at the same time, to be able to escape and avoid the heat, humidity, traffic, construction mess, and noise of Panama City. This planned city is organized and modern but on the doorstep of the jungle, meaning life here could be both comfortable and pleasant.

On the other hand, the fact that Panama Pacifico is located on the other side of the Bridge of the Americas is a significant disadvantage. That will affect the lifestyle promised by the master developers. Although a new bridge and metro line are being discussed, large infrastructure projects like these take years to come to fruition. Today, traffic can be terrible crossing the Bridge of the Americas and is made worse by constant repairs. This means that you have to choose your timing carefully. Most of the maintenance falls between the hours of 11p.m. and 5 a.m., so if you're out for a night on the town, you'd have to leave the city by 10:30 p.m. to get home without a lengthy traffic delay.

While residential real estate offerings are currently available at Panama Pacifico, they aren't supported yet by things like supermarkets, obliging residents to make the trip into the city even for basic groceries. I would not consider living there without a car, as to rely on sporadic public or nascent internal transport systems would become frustrating quickly.

The community has not yet developed a heart with night life, restaurants, theaters, etc. Panama Pacifico is still very much a "work in progress."

One final caveat, this one to do with real estate specifically. As the master developer is European, unit sizes are smaller than North American residents might expect. My advice would be to look at the unit sizes carefully and then measure up the value you feel you are getting for your money. You may find that you have to spend more than you were anticipating to get the square footage you require.

A red and orange leather passport cover is centered on a dark, textured wooden background. The cover has a red upper section and an orange lower section. The word "PASSPORT" is embossed in black on the orange section. The red section contains white text: "Long-Term Living In Panama" in a large font, followed by "Read all about visas, residency, and citizenship options in Panama [here.](#)" in a smaller font. A white document is tucked into the top of the cover.

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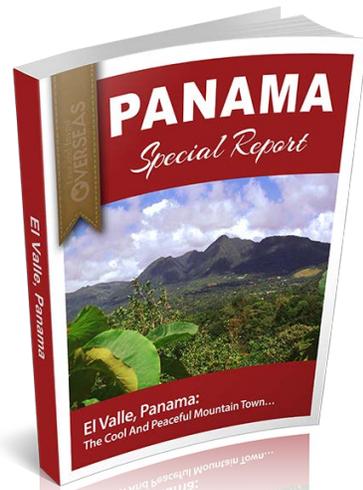
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