2026 EDITION

BOCAS REAL ESTATE GROUP · BUYER'S GUIDE

How to Buy Property in Panama as a Foreigner

A Step-by-Step Guide to Buying Real Estate in Bocas del Toro

GETTING STARTED

01 Can Foreigners Buy Property in Panama?

Yes — and it is more straightforward than most people expect. Foreigners have the **same ownership rights as Panamanian citizens** when it comes to titled property. There is no special permit required to own a home, a lot, or a business in most of the country. The key is understanding *how* a property is held before you buy.

STRONGEST PROTECTION

Titled Property

Registered in Panama's Public Registry (Registro Público) under the owner's name — the same concept as a title or deed back home. Ownership is officially recorded, easier to finance and resell, and carries the least risk. Always the preferred option when available.

HANDLE WITH CARE

Rights of Possession (ROP)

The recognized right to *use and occupy* land that is not formally titled — common on some Bocas islands and part of local life for generations. Often more affordable, but it requires careful legal verification of who holds the rights and whether the land can be titled later.

Why buyers love Bocas del Toro

Prices remain accessible compared to Costa Rica or the bigger-name Caribbean islands, with genuine island lifestyle and strong short-term rental demand. Current asking ranges across our listings:

$80K+	$250K+	$230K+
TITLED LOTS & LAND	HOMES	HOTELS & INCOME

THE BUYING PROCESS

02 Steps 1 - 3: Finding & Securing

Buying in another country feels intimidating, but thousands of foreigners own homes and land in Panama. With a good attorney and a trustworthy local agent, the process follows six clear steps.

1

Find the right property — and confirm how it's held

Before you fall in love with a place, confirm whether it is **titled** or held under **Rights of Possession**. This single detail shapes everything that follows: financing, resale, risk, and the paperwork you'll need. A good local agent helps you shortlist by island, budget and property type.

2

Make an offer & sign a Promise of Sale

Once you agree on a price, both sides sign a **promise-to-purchase agreement** (*contrato de promesa de compraventa*). This locks in the price, terms and timeline, and usually comes with a deposit held safely in **escrow** — not paid directly to the seller.

3

Conduct legal due diligence

Your attorney confirms the title is clean — no liens, no unpaid taxes, clear boundaries. For ROP or island properties, this step is especially important. **Always use an independent Panamanian attorney who represents you**, not the seller. Never skip this step, no matter how trustworthy the deal feels.

THE BUYING PROCESS

03 Steps 4 – 6: Closing & Owning

4

Sign the public deed (escritura pública)

The final sale is executed through a **public deed** signed before a notary, then recorded in the Public Registry. When the deed is registered in your name, you are the legal owner.

5

Pay closing costs & taxes

Budget roughly **2%–5% of the price** in closing costs: a 2% property transfer tax, notary and Public Registry fees, and legal fees (about 0.5%–1%). Your attorney provides an exact breakdown before closing.

6

Register & protect your purchase

Register the deed, set up utilities, and — if it's your home — register it as a primary residence for tax benefits (see next page). Keep every document safe.

★ Smart tips from our team

- ✔ Use an **independent** Panamanian real estate attorney — your single best safeguard.
- ✔ Keep proof your funds came from abroad — you'll want it if you apply for residency.
- ✔ Never rush an ROP purchase; verify the rights in writing first.
- ✔ Everything goes through proper legal channels and escrow — never a handshake.

04 THE NUMBERS
Costs, Taxes & Residency

Panama's tax system is one of the friendlier ones for property owners — and buying can even open the door to residency.

Annual property tax (registered primary residence)

Registered value	Tax rate	What it means
$0 – $120,000	**0%**	Fully exempt — many modest homes owe nothing
$120,001 – $700,000	**0.5%**	e.g. a $200K home is taxed on $80K ≈ $400/yr
Above $700,000	**0.7%**	Applied only to the portion above the threshold

Your tax basis is generally **frozen at the registered purchase value** and doesn't rise automatically with the market. Transfer tax at purchase is **2%** (plus a 3% capital-gains advance handled at sale).

Residency options for property buyers

Friendly Nations Visa

$200,000

Buy titled property at this minimum value, with funds shown to come from abroad, and it can double as your qualifying investment. Two-year temporary residency first, then permanent.

Pensionado (Retiree)

$1,000/mo

A guaranteed lifetime pension of $1,000/month qualifies retirees — or just $750/month if you own $100,000+ in Panama property. Includes generous resident discounts.

General information for 2026 — immigration and tax rules change. Always confirm current figures and your specific situation with a licensed Panamanian attorney or accountant.

05 READY TO BEGIN

Your Buyer's Checklist

Keep this handy as you move from dreaming to owning your place in Bocas del Toro.

- [ ] Visit Bocas and choose the island and lifestyle that fit you
- [ ] Confirm whether each property is **titled** or **ROP**
- [ ] Hire your own independent Panamanian attorney
- [ ] Sign the Promise of Sale with a deposit held in escrow
- [ ] Complete full legal due diligence on title and boundaries
- [ ] Sign and register the public deed (escritura pública)
- [ ] Plan your residency & register your primary residence for tax

BOCAS REAL ESTATE GROUP

Ready to find your place in paradise?

Let Bocas Real Estate Group guide you from first search to signed deed — with honest local expertise every step of the way.

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