

# IL International

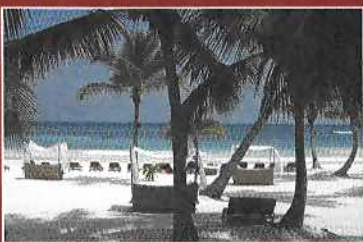
## L I V I N G

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### REAL ESTATE

World-class beaches, signature golf courses, and affordable property: this Caribbean frontier is poised to boom...page 8



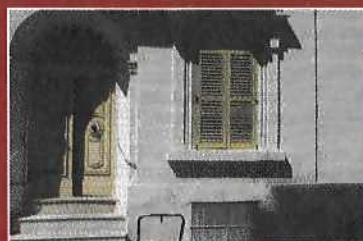
### LIFESTYLE

One year on in Roatan—the ups and downs of living in Paradise...page 16



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Home sweet retirement home...page 20



## 2006 Annual Global Retirement Index

# The world's top retirement havens

by Laura Sheridan

For the sixth year running...you guessed it... Panama comes out on top in our Annual Global Retirement Index.

Panama's top ranking again this year comes as no surprise to us...and shouldn't raise your eyebrows either if you've been reading these pages carefully in recent months and years. We remind you often of the advantages and attractions of the world's top retirement haven.

In brief: This country currently boasts the world's most appealing program of special benefits, discounts, and perks for foreign retirees (see below); it's easily accessible from the U.S.; its cost of living is low; its landscapes and coastlines are beautiful; its population is friendly and welcomes foreign residents and investors; and its capital city, Panama City, is without peer in the region. This is still the developing world, no question, but in Panama City you can enjoy all the amenities and convenience of First World living. A friend in the country for the first time as I write reports, "The grocery store where I shopped this morning is better than my grocery store back home in the States. It had everything... including special French cheeses...even French butter...and an impressive selection of wines from around the world."



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The idea of retiring overseas is not a new one. But the sheer volume of Americans due to retire is staggering. Today 38% of the U.S. population is over 50. By 2020, half the U.S. population will be over 50. Most Americans aged 41 to 59 say they'll move when they retire. In 1980 when Costa Rica introduced its famed *pensionado* program...U.S. retirees swooped in...and property prices began to soar. If you had bought a beachfront lot back then, that same slice of coast would be worth today 25 times what you paid for it. Today, the same thing is happening in Panama.

Panama's *pensionado* program is without serious competition worldwide. If you can document a minimum monthly pension of \$500 (plus another \$100 per dependent), you are eligible for a long list of perks, including:

- Import duty exemption for household goods
- Tax exemption to import a new car every two years

- 50% off entertainment anywhere in the country (movies, theaters, concerts, sporting events)
- 30% off in-country bus, boat, and train fares
- 25% off in-country airline tickets
- 50% off hotel stays Monday through Thursday

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## Retirement Havens, continued from page 1

- 30 % off hotels stays Friday through Sunday
- 25 % off restaurant bills
- 15 % off at fast-food restaurants
- 15 % off hospital bills (if no insurance applies)
- 10 % off prescription medicines
- 20 % off medical consultations
- 15 % off dental and eye exams
- 20 % off professional and technical services
- 50 % reduction in closing costs for home loans
- 25 % discounts on utility bills
- 15 % off loans made in your name
- 1 % less on home mortgages for homes used for personal residence

But it's not just these benefits that are luring more and more retirees to this country every year. And it's not just *IL* staff singing Panama's praises. Most recently (June 2006), the *LA Times* reported: "Today, Panama doesn't seem at all like a banana republic. Visitors to Panama City will be instantly struck by the multimillion-dollar building boom that is transforming the capital's skyline with new office towers, hotels, condominiums and casinos."

Before I go further reviewing for you the final rankings of this year's Index, I want to make two points. First, no place is perfect. Every country, including Panama, has its drawbacks and downsides. We assume you realize this and point out particular disadvantages or challenges when appropriate but, generally, focus on the benefits each destination offers.

Second, numbers can be misleading... and ours, in cases, are subjective.

To prepare our annual survey each year, we begin by sourcing statistics on everything from Real Estate to Special Benefits, from Culture to Infrastructure, and from Climate to Health Care from official government websites and Interpol data.

We use the numbers we search out on the web as a starting point. Then we move from the Internet to the streets... for the real-life story. We ask our correspondents and contributors living and spending time in each country included in the Survey to review our compiled data...and to give us the real scoop. Roving Euro Editor Steenie Harvey, for example, had this reaction to the original Climate numbers: "Poland has a better climate than Cyprus? Tell THAT to the Poles!"

We adjusted accordingly...not only the Climate figures for Poland and Cyprus...but nearly every figure we'd collected in our Internet research, based on feedback from our in-country



Photo courtesy of www.istockphoto.com

New Zealand's greatest downside is also its biggest draw. This place is remote. Some would never consider traveling this far from home and hearth; others cherish the opportunity to escape the real world, which is far away indeed. This is a small world. New Zealanders are proud of their rich natural and cultural heritage and like to call their land "Godzone," for "God's own country." In Maori mythology, the land is called Aotearoa, or the Land of the Long White Cloud.

experts. As I said, numbers can be misleading...and compiled numbers can be meaningless.

The numbers you see presented here, therefore, began as compiled, government-approved statistics...then went through our filters. We believe they are far more representative of real life in these places than any numbers you'll find on the State Department or World Bank websites.

### Valley of flowers and eternal spring

Back to Panama. Panama City is lively, sophisticated, cosmopolitan, and historic. It's also hot. This is reflected in its low score in the Climate category (28 points). But the good news is that it's not hot and humid countrywide. If you don't like the heat, no problem. Get out of the city. For mild, spring-like temperatures year-round, escape to the interior of this country, to the mountainous Chiriqui region. Specifically, we recommend the little town of Boquete, at the base of the tallest peak in Panama, an extinct volcano called Baru. The surrounding mountains are covered with coffee, banana, mango, palm trees, and wildflowers of every tropical color. This is a lush and verdant hideaway; the Panamanians call it the "Valley of flowers and eternal spring." It's the place for the outdoorsman in you. You can hike, bike,

watch the birds, ride horseback in the hills, take a raft down the white water, fish for trout, even tend your own little coffee plantation.

On May 31 of this year, Boquete was featured in a *Reuters* report ("Pensioners seek paradise in Panama mountain idyll"). *Reuters* wrote: "Politically and economically stable, its turbulent history all but forgotten by visitors, Panama is luring U.S. and European retiree baby-boomers dreaming of a millionaire lifestyle on the cheap."

The article included an interview with Michigan-born Casey Koehler, who moved to Boquete last year. The reporter also interviewed others who had moved to Boquete, attracted by its temperate climate and low cost of living.

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## What cost our world's top retirement havens?

In February, we asked *IL*'s correspondents in key destinations to price the following basket of goods and services: a bottle of wine, a cup of coffee, a meal for two; a movie ticket; a taxi ride; a doctor's visit; monthly utilities; a full-time maid. See how the contenders compared here: [www.internationalliving.com/expatriation/basket.html](http://www.internationalliving.com/expatriation/basket.html).

