

## Buyer Beware, Panama Real Estate Information at a Premium!

Because real estate is a relatively new industry for the Republic of Panama, buyers are experiencing both the prizes and pitfalls of entering a market ahead of the curve. Prices are low, demand is high, and certain currencies are very strong which makes Panama a convenient investment hub. But getting in early can be a double-edged sword for many, considering the distribution of good, quality information is very much suppressed.

The dissemination of information dilutes power...information is a beacon, a cudgel, an olive branch, a deterrent, depending on who wields it and how. - Steven D. Levitt and Stephen J. Dubner, Freakonomics

Freakonomics talks about this phenomenon and the rise of the internet as a way of giving regular Joe-Shmoe the opportunity to the ability to examine real estate in depth, thus shifting information to the hands of people who have it, into the hands of those who don't. In Panama though, there are few, if any internet resources that collect or divulge this kind of information: in some cases because it's too difficult, in other cases because it would make the owner of the information significantly less powerful.

Outside of website owners and real estate agents, even so-called experts depend on the fact that you don't have the information that they do. Luckily, in these cases, oftentimes the information has a price tag that you can pay for to acquire like my \$99 eBook, The Panama Real Estate Report.

In Panama, the real estate agent is king. They are not only the possessors and the hoarders of valuable information such as market prices, trends, and buying power: they are also oftentimes so busy with an excess of potential buyers chomping at the bit, that they can quite easily afford to kick you (the persistent and inquisitive one) to the curb, simply because you take more time and energy to attend to. They are the almighty beholders of information (albeit information they've acquired through experience) and they'll be very selective in how they relinquish that stronghold to little old you.

It's a shitty situation to be in as a buyer: You want desperately to be provided with fair and honest information as you are accustomed to so you can make the right investment choice, but you realize logically that the agent could make more money faster probably skipping to another, easier sell. The stars have aligned and they are simply not conducive to buyer research and analysis.

Because Panama has nothing close to a Multiple Listing Service (MLS), information is rarely shared about properties between developers, agents and buyers. Against what anyone will tell you, there is no efficient distribution of information in Panama and it's very difficult to gather comparison data unless you're doing all the gathering yourself (which will take a lot of time, money, and misery). This is all reinforced by a poor overall real estate infrastructure (trivial legal repercussions, unorganized public records, incompetent public officials).

What do real estate agents, the beholder of the gold, want to sell you in Panama? In order to synthesize the information you receive from your real estate agent, it can be useful to take into account where they make the biggest (and immediate) paycheck. Real estate agents in Panama collect commissions percentages just like agents elsewhere, but it is the time table by which they receive their commissions that's worth noting.

Pre-Construction: Most Panama real estate agencies only get paid for pre-construction sales when the developer has gotten paid. Meaning, if a pre-construction condo won't be finished for two years and the payment plan is staggered, the agency won't get paid for a while (which means your agent won't either). Some agencies experience enough cash flow that they're able to pay agents on the up front, and there are even some developers who pay commissions full and up front. Many though, do not.

Raw Land and Re-sales: Land, existing condos, homes, or commercial property are preferable to agents because they get paid right away (as opposed to waiting for a developer to finish a unit). It would be advantageous therefore, for the agent to push these sorts of transactions and accordingly get paid quicker.

I don't know about you, but if I was an agent, I would much prefer to be paid all at once, and thus portray the more favorable investment as superior. Understanding this is half the battle. Inquire about how your agencies commissions are setup to know how to interpret the agent's advice.

"Sunlight is said to be the best of disinfectants." - Supreme Court Justice, Louis D. Brandeis

Before you make your investment, try to shed as much sunlight as you can. Meet as many people and read as much information as humanly possible. Become a consumer of everything related to your real estate area of interest. Panama real estate is not like the industry you're used to at home. You'll rarely find agencies sharing property listings, you'll often see developers changing their minds mid-project, and comparing different investments can be an act akin to crocheting a sweater for a mosquito.

As the [Panama real estate](#) market grows, the line between the experts and the buyers will begin to blur. Information will slowly but surely seep into the hands of the public, but until it does, and until this serious information asymmetry dissolves, buyers should certainly beware.

### About the Author

Suzanne Macquire is an Internet Marketing professional with years of experience in finance, food, [real estate in Panama](#), printing & publishing industries.

Source: <http://www.tntarticles.com>