

The PanamaMundo Newsletter

One Year Later: 11 Observations

In April 2005 we decided to buy a house in Coronado Panama. What has happened since then?

1. We spent \$15,000 on the renovation of our house (the equivalent of probably \$150,000 in New Jersey or California) including the construction of a new swimming pool. Our house is now worth about \$100,000 more than what we spent on it including purchase price.
2. The local "expat club" which meets every month in Coronado, expanded from about 40 people to about 140 people.
3. Donald Trump just announced the construction of a 65 story, 2 million square foot building with marina and the largest casino in Latin America in Panama City.
4. Several PanamaMundo newsletter readers purchased property in Panama ... some on their first visit.
5. Friends of ours from Canada, who stayed at our house for the month of April, purchased an investment property in Panama City and will spend several months in Coronado each winter.
6. I was able to write and market successfully a 250 page ebook focused on retiring in Panama. To date I have received excellent feedback. The hard copy edition will be out in September 2006.
7. I set up a new Publishing Company called Boomers World Press (www.boomersworldpress.com) with a plan to write or publish another 15 books in the next several years following my "retirement".

8. A 64 unit, luxury condominium project called "El Alcazar" in Coronado was announced in early 2005. It is now almost ready to break ground with 70% presales.
9. The price per square meter of high quality condominiums in Panama City has almost doubled from \$1000 per square meter to \$2000 . In one year!
10. Gorgona, a modest fishing village next to Coronado, is now the site of two large condominium projects. One is called "Playa Serena" and sales have been very brisk.
11. "Altos del Maria", a spectacular mountain resort clearly visible from Coronado, now has 1000 lots sold or reserved (out of 2000) as opposed to only 500 lots sold one year ago. Prices have been rising.

It has been a very busy time for me working two different pharmaceutical consulting assignments in California, writing as often as possible, setting up a publishing company plus getting ready for our Panama move which included some considerable improvements to our New Jersey house in preparation for its sale this summer.

But the end is in sight.....

Volume 2, Issue 4

Date: April 2006

Special points of interest:

- *11 Observations after one year*
- *Fears and pleasures*
- *California Dreamin'*
- *The Publishing Life*



Our Fears and Pleasures as an Expat

Like most people, we have always been motivated by fear and pleasure. There is a bit of Freud in us all. Like most people, we were probably driven more strongly by fear than by pleasure.

Every potential retirement location that we visited, as a consequence, was weighed carefully against our list of known fears and pleasures. There were some “pleasures” that we had not yet discovered .. Believe it or not!.

Our **primary fears** were:

- ✦ Confiscatory tax rates including out of control municipal taxes
- ✦ Living in a fragile economy with a currency subject to recurring inflation and crisis management
- ✦ A government offering minimal or arbitrary legal protection with rampant corruption and bribery
- ✦ Unacceptable health and medical services in terms of price and quality
- ✦ Potentially ruinous medical costs for difficult to insure catastrophic health events
- ✦ A high cost of living with unpredictable price increases
- ✦ A high incidence of violence and vandalism
- ✦ A “non-intellectual” society
- ✦ A “non-entrepreneurial” society
- ✦ A “non-potable” water country
- ✦ Expensive and restrictive residency conditions for “expats” with high annual renewal costs
- ✦ Unfriendly or “too busy” citizens and neighbors

Our **primary pleasures** have always been:

- ✦ Warm, predictable tropical weather without hurricanes, earthquakes, tsunamis etc.
- ✦ High quality, clean restaurants with a wide variety of fresh foods
- ✦ Spectacular ocean beaches suitable for year-round swimming
- ✦ Affordable domestic assistance for less interesting tasks and chores
- ✦ An intellectual environment with friendly and proud neighbors
- ✦ An entrepreneurial business and

booming investment climate

- ✦ Inexpensive access to world class golfing, tennis, spas, theater, opera, ballet, jazz clubs etc.
- ✦ Wonderful shopping for brand name clothing, electronics, automobiles etc.
- ✦ Clean and well stocked food stores.
- ✦ Great book stores
- ✦ Easy access to international travel
- ✦ Friendly people

Each of the countries and locations that we considered as potential retirement candidates were weighted using our fear/pleasure matrix although the matrix changed over time as we refined our likes and dislikes.

Each fear/pleasure had its own unique “weight” for our particular desired lifestyle.

We would always try to compare one location against another that we liked and eliminate the weak candidate. We used an Excel spreadsheet to facilitate



the tracking and weighting of factors.

Our Weighting System

The “weight” that you happen to attribute to a particular lifestyle fear or pleasure will in all likelihood be somewhat different than what we chose.

For example, we have friends in Colorado who are simply not interested in ocean swimming. They do enjoy an ocean view, the sound of crashing

waves and beach walking but many other beach features that we have highlighted are not of importance to them. They swim every day in their private pool however. For them a pool is very important.

Your list will probably pleasures or fears that did not make our list.

We tried to compare only two or at most three places at the same time. We found from experience that when comparing even three places, considerable fuzziness starts to creep into the analysis and the final result is less than clear.

My recommended approach is to use an F/P Matrix to compare your present location and living style with one other potentially interesting retirement (or non-retirement) location in your own city, your own country or internationally.

If your current location “wins” then try another potentially interesting spot.

Once you run out of potentially interesting places to live, then the decision is clear. You stay where you are!

California Dreaming and the Good Life

There is little doubt about it. If you enjoy a warm coastal climate then Southern California is the place to live in the USA. If you can afford it!

After purchasing your average \$550,000 house and paying state taxes on personal income of almost 10% at the top end, there is a great deal to like but some things to think about twice.

On the negative side, I have been unimpressed by the weather to date here in the Carlsbad/San Diego area for April. It is constantly cloudy with lows of 52 and highs of 62. For my money, this is "chilly" weather. A long sleeved shirt, sweater and jacket are typically required in spite of the fact that many locals choose to wear shorts, T shirts and sandals.

I have been told that I should now be prepared for the "May Grey" and the June Gloom" months which will follow chilly April with temperatures warming only slowly. Of course when the sun shines (about one day per week) it is absolutely glorious!

Apparently, continuous sunshine is only allowed until July.

"Winter" season kicks in again in early October when surfers are free to shoot the waves all day rather than only before 11 AM and after 5 PM in summer season to protect the bathers.

I recall living for several years in a lakefront house in the Gatineau Hills just north of Ottawa. The swimming season started in mid June and ended the first week of September. Not all that different from here ... except for the snow

and ice for about 5 months a year.

California is a state like few others. Surfing is a rite of passage. Tens of thousands of surfers are constantly waiting for the next perfect swirl.

In tiny downtown Carlsbad there are always several "live groups" for dancing and listening, almost any night of the week. Rock and Roll is common but so is jazz, blues, and more funky sounds. Much of it quite good.

This is a town of yuppies and everyone knows it. The number of fancy dogs, prams, cyclists, and pricey ice cream parlors is a dead give away. Your average \$20 breakfast for two is just part of the package.

An ocean front house for \$5 million is commonplace with nicer "across the street" houses at perhaps \$2.5 million with annual taxes in the \$30-50,000 range and about 6 to 8 feet between houses.

In comparison, a similar lifestyle in Coronado Panama would run about 15-20% of these costs. An absolutely spectacular brand new ocean front mansion would be perhaps \$1 million maximum on a lot three times larger and zero tax for 20 years. You could spend a week every month in Carlsbad just on the money saved! Think about it.

A fancy breakfast at the Coronado Golf and Country Club would cost \$5 for two and a superb fish dinner for two about \$12 (not \$45 as in Carlsbad).

But price is not everything ... I've been told.



Richard W. Burkart
3160 Lincoln Street
Carlsbad CA, 92008
USA

Phone: (760) 434-3441

E-mail: r.burkart@verizon.net



PanamaMundo provides a wide variety of information on living and retiring in Panama.

More information is available through this monthly newsletter as well as the author's ebooks, hard copy books, and videos.

If you have any additional questions do not hesitate to give me a call ...preferably in the evening at (760) 434-3441 until our permanent move to Panama now planned for late 2006.

Check out www.retiringoffshore.com for a full marketing description of my new book

More information at

www.PanamaMundo.com

The Proper Marketing of a Book

An amazingly complex task and infinitely more intricate than I ever expected!

The recommended approach for a a "self-published" author to leverage sales is to set up a publishing company but that too is not a trivial undertaking.

The advantages of having your own "press" is that you appear larger than you really are to the various book distributors and resellers. Nobody wants to waste their time with a "one-off" writer.

The first thing you should do is purchase a block of 100 ISBN numbers to show the book sector that you are really in business. The next "technique" is to announce the titles, with ISBN numbers, for at least the next 10-15 titles that you plan to publish. You should have at least three authors contributing to this series of books. These books may never get written but at least your intentions are clear.

Then you have to send out "review copies" or "galley copies"

to perhaps 200 to 400 "book reviewers" at least 3-4 months before your planned "official book release date". No one will review your book if it has already been published.

Of course all reviewers like to see "endorsements" which one cannot obtain without a published book in the first place. A bit circuitous!

Favorable reviews are picked up by libraries, book clubs, and distributors and sales theoretically boom. That's when you negotiate the "foreign rights" to offshore distributors.

Meanwhile you plan a speaking tour, book signings, radio interviews, TV appearances, and the like in your spare time.

As a publisher you have to learn the intricate details of and mechanics of producing a book. That means the innards of Adobe InDesign CS2 for "electronic typesetting", how to setup to print "four up" pages, how to measure for the cover, how

to do "perfect binding" and "hard cover" binding, how to set wholesale and retail price schedules etc.

It has been a stimulating time and many of the initial steps and much of the planning has been done. I will be all set for Panama.

I have purchased a great OKI wide format, high speed color laser printer. I have acquired a professional paper cutter. I have become a relative expert, with considerable difficulty, on Adobe InDesign, and I have the cover lamination and perfect binding bases covered. I even have a garage here in Carlsbad to start running the presses.

What a trip...

