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The best place to retire overseas?

Dear *International Living* Subscriber,

Our 2007 Global Retirement Index says: Mexico.

Big upset for Panama, which has held top spot in our annual Index for the past six years.

What's happened? Frankly, Panama is growing more expensive. In particular, the Panama City real estate market is no longer bargain-basement compared with, say, the Miami real estate market. Indeed, as prices in Panama's capital continue to rise...Miami prices are falling, in some cases dramatically. We think of Panama City as the Miami of Central America. It's got the shopping, the night clubs, the beaches... However, critically, until now, it has been far cheaper than its U.S. sister-city. The less cheap it becomes, the less successfully it will be able to compete with the Florida beach town.

Don't misunderstand. I'm not saying Panama City is expensive...and, certainly, Panama outside the capital can still be a true bargain. But an increasing cost of living and appreciating per-square-meter price points downtown are contributing this year to bump Panama to the number-four position in our Global Index.

The other trouble with Panama right now is its recently changed tourist visa law. The country used to issue 90-day tourist visas, which were easily renewable for another 90 days. So the would-be retiree, expat, or investor could count on spending up to six months in the country scouting the scene without hassle. Since May of this year, however, Panama has been issuing only 30-day tourist visas...and they're not as easily renewable, even for an additional 30 days.

The country's legislature is under attack for the change, and the new visa policy may, maybe soon, be reconsidered. Meantime, you've got 30 days to explore the country before committing to full-time residency.

At least, though, in Panama, once you've committed to full-time residency, you've got reasonable options for how to apply and qualify for that status. It's not nearly as easy in many other countries (which is one of the many reasons Panama remains in the Top 5 in our 2007 Index; see page 24).

In other news as I write, our husband-and-wife reporting team in Merida, Mexico, Dan Prescher and Suzan Haskins, await Hurricane Dean. In the part of the world they've chosen to call home, hurricanes are a fact of life. Dan and Suzan are hunkering down as they prepare to weather another season. We wish them and their neighbors well.

Kathleen Peddicord

P.S. Stay in touch with Dan and Suzan's ongoing adventures in Mexico by reading their *Mexico Alerts*. They're free. Go to www.internationalliving.com/mexico to sign up. **IL**

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