



Real Estate Investments in Panama

Profitable, secure and beautiful

April 2019

Our Agenda

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- 2 Why Panama?
- 3 Real estate market in Panama
- 4 Your investment opportunities

Our offer and service



Our offer and service



Support for investors that would like to invest in the real estate market in Panama. Main objectives of the investors:

- **Diversification** of assets & real estate portfolio
- **Participation on economic growth** - With 6.0% GDP growth one of the fastest growing economies in the world
- **Investment security** thanks to western structure and political stability with **USD** as currency

Our offer and service

Who we are & Services



- **Klaus Happ** worked 23 years in banking industry (UBS / Dresdner Bank) / His wife is Panameña
- „FRAPAN-Invest, Corp“ was founded by Klaus Happ in Panama
- Operations started in April 2017
- "German" real estate company in Panama
- Own real estate broker license in Panama

Services

- Advisory
- Real Estate Broker
- Property Administration

Why Panama?



Why Panama?

An unique combination



Country & People

- Democratic government, no military
- 4.1 million inhabitants, 40% in Panama City
- Young Population (average age 26 years / Germany 43 years)
- Language: Spanish / English due to USA history

Economy

- With 6.0% p.a. GDP growth one of the fastest growing economies in the world (IMF forecast for 2019-2023)
- USD is the national currency
- More than 250 multinational companies are based in Panama; more than 130 with their Latin American headquarters
- Second largest free trade zone in the world

Safety

- USA protects Panama's borders and guarantees security
- The safest country in Central and South America
- Panama's constitution protects private property and the land register and purchase process are very similar to those of Europe and the USA

Why Panama?

An unique combination



Location & Logistics

- Logistics and trade center of the American continent
- Expansion of the Panama Canal completed in June 2016, doubling the canal capacity
- American aviation hub, connecting the USA with South America. More than 80 direct connections

Climate

- On the coastlines, the climate is **summer** all year round, while in the mountains it is **spring** throughout the year.
- **No hurricanes**
- No serious earthquakes

Tourism

- Beautiful coastlines on the Pacific and Caribbean with the **spring-like mountains** and one of the richest rainforests in the world
- Government focus on expanding tourism industry
- Lufthansa is flying directly six times a week

Why Panama?

Mega infrastructure projects



Airport - Expansion

- More direct connections than any other South American airport
- New modern terminal to be completed in the beginning of 2019
- Expansion of the capacities

Metro Lines

- Linie 1 started in 2014
- Line 2 to be completed in the beginning of 2019
- Line 3 will cross the canal
- Further lines planned
- Lines 1 and 2 cost about 1.5 - 2 billion USD, which corresponds to yearly canal income

Conference center

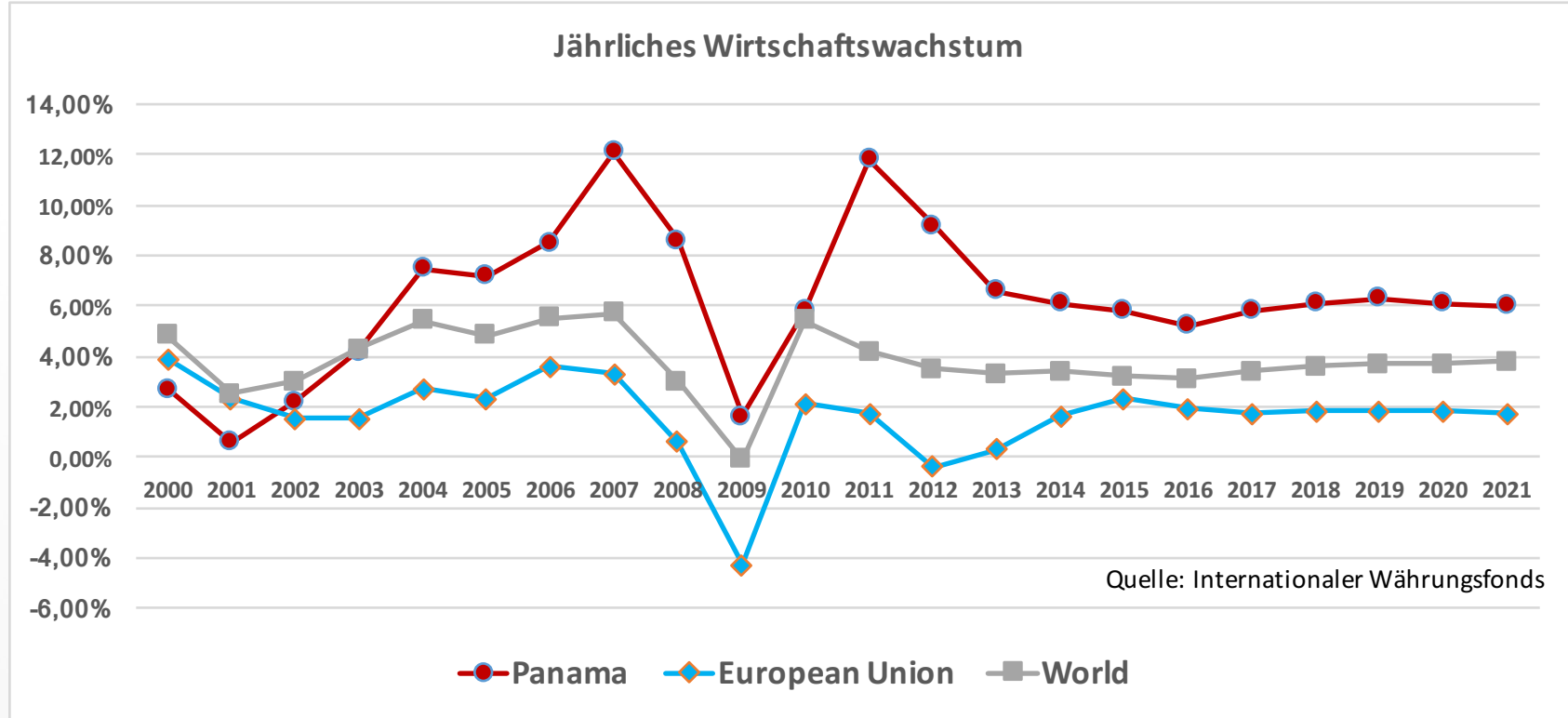
- Largest conference and event center in Central America to be completed in Panama City in 2019

Cruise ship terminal

- Cruise ship terminal in Panama City to be completed in 2019

Why Panama?

Fastest growing country in the western world



Real estate market in Panama



Real estate market in Panama

Strong demand from:

- Investors from the USA and Canada
- Wealthy investors from South America due to security reasons
- Middle and upper class of Panama

Europeans, Asians and Arabs have not discovered Panama yet.

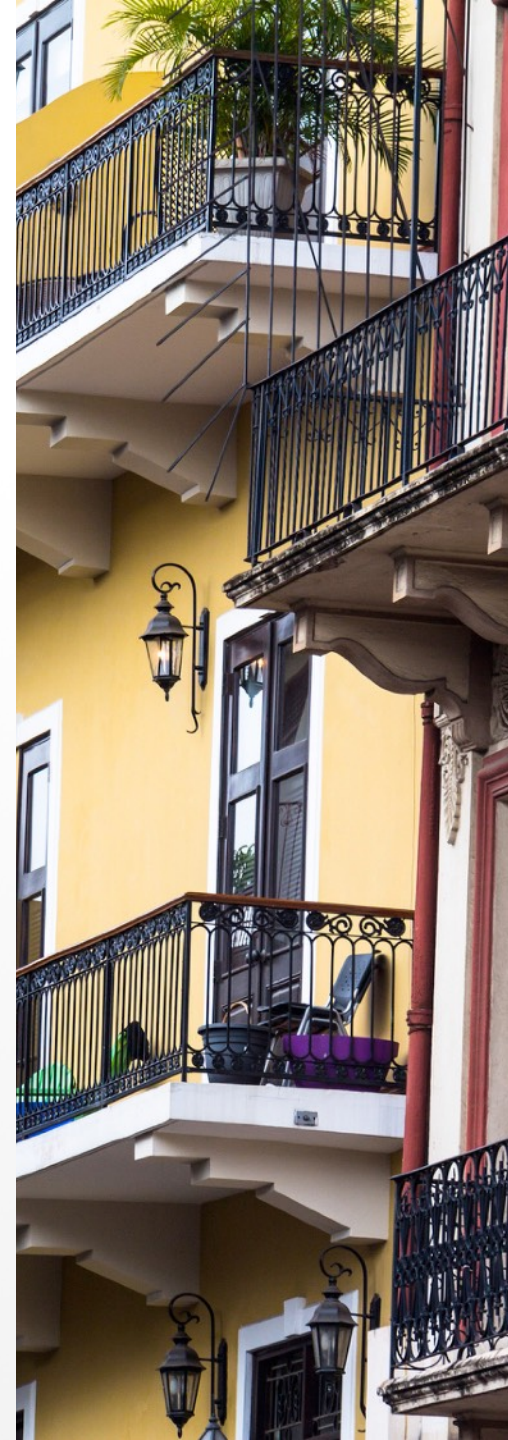
Chinese investors are arriving after diplomatic relations with China.

Yields

- Prime locations in Panama City around 7,0% (in Germany 2,0%)

High rental demand from

- multinationals and NGOs (UN) for their employees
- international business people because of economic growth
- South Americans because of the large labour supply



An aerial night photograph of a modern city skyline, likely Dubai. The image shows a dense cluster of skyscrapers, some with lights on, reflecting in a body of water. In the foreground, a multi-lane highway is visible with long-exposure light trails from cars, creating streaks of white and red. The sky is a deep blue, and the overall scene is illuminated by city lights and the ambient light of dusk.

Your investment opportunities

Your investment opportunities

Various strategies



Diversified property portfolio

- Participation to diversified real estate portfolio as limited partner
- Joint venture between FRAPAN-Invest and arsago Real Estate, Ffm
- Combination of decades of real estate experience and Panama know-how

Residential properties in prime locations

- Apartments in prime location on the Pacific promenade cost 2,500 USD/sqm
- Gross rental yields about 7% p.a.
- Purchasing a property in the Old Town is a sustainable and unique investment

Restoration in UNESCO Old Town

- Purchase & restoration of a historic colonial building
- Experienced German restorer in Panama
- Thereafter leasing
- "Casco Viejo" is the historic centre and the "trendy district" of the city

Land projects or plots

- Attractive plots with potential for value appreciation on the beautiful sea coasts or in the mountains
- Development of a beach hotel with apartment complex on an island property

Your investment opportunities

Diversified property portfolio



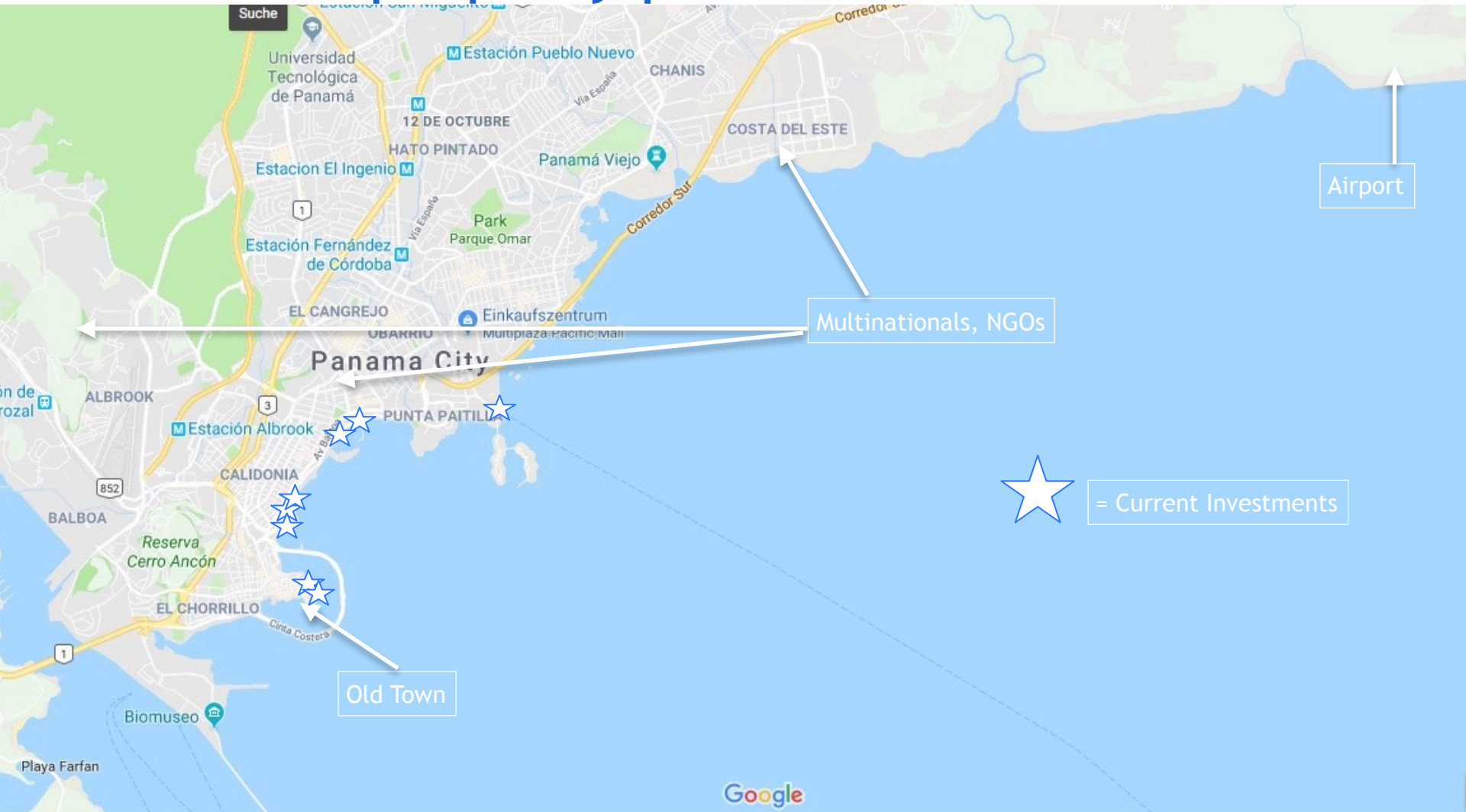
Your investment opportunities

Diversified property portfolio



- Joint Venture between „FRAPAN-Invest“ and „arsago Real Estate“ from Frankfurt
- arsago has a **successful track record** since 2001 with famous investors and investments of > 1 billion USD
- **Start in 2018** to create a profitable real estate portfolio
- **High-yield existing residential properties**
- **"Buy and Rent"** for a sustainable income
- Main criteria: **Good rentability and reasonable acquisition prices**
- **Tenants: Multinationals, embassies, NGOs**
- We buy in the modern city and in the UNESCO Old Town "Casco Viejo"
- **Concentrating on unique and sustainable locations** (Ocean front, views, social areas, administration, Metro, workplace, supermarkets, etc)

Diversified property portfolio



Your investment opportunities

DIRECT Residential properties in prime locations



Your investment opportunities

1/2: MODERN CITY / Residential properties in prime locations



- **DIRECT** investment with registration in the land register
- **First line ocean front** investment are internationally limited and can be rented well
- **All-In-Living** (Pool, Gym, Concierge, child care, next to workplace)
- **Gross rental yield about 7% p.a.** in prime locations
- **Purchasing prices** about 2.500 USD (sqm) and rental prices 14-17 USD (sqm)
- In addition to the potential for **value growth**, the main objective here is to **generate regular rental income**

Your investment opportunities

2/2: HISTORIC TOWN / Residential properties in prime locations



- **DIRECT Investment or RESTAURATION**
- „Casco Viejo" is the historic town and the "in" district of the city
- On a peninsula there are about **850 historical colonial buildings under UNESCO World Heritage Site**
- Approx. 50% restored or under restoration
- Presidential palace, museums, the best hotels, bars and restaurants
- **Purchasing prices around 3.000 -3.500 USD / qm (existing properties)**
- **Special tax reductions**
- **Very sustainable investment, as the offer is limited, unique and not expandable**
- **Our German construction manager is an experienced restorer in the UNESCO old town**

Your investment opportunities

Land projects or plots



Your investment opportunities

"Island property Boca Brava" in Chiriqui



Located on the Pacific island of **Boca Brava**,
province of Chiriqui, Republic of Panama.

- **Tropical island property** (12ha / 120.000 sqm)
 - **400m fine sandy beach** with **view to the mountains / volcano**
 - **Great infrastructure location:**
 - ★ One hour to Panama's second largest city with **international airport**
 - ★ 20 minutes to **Panamerican highway**
 - ★ 3 minutes by taxi boat from the **mainland**
 - **Partner is German hotelier** (20 years living in Panama, own hotel in coffee area of Boquete)
 - **Purchase of plots of titled land** (each 2ha) for 19 USD / qm
- OR**
- **Master plan to build a beautiful beach hotel** and an apartment complex (combination of beach and mountain holiday)

Your investment opportunities

„Golf course plot“ in Chiriqui



- Spectacular lot in the mountain area of Boquete (23 hectare /230,000 sqm)
- Directly borders a beautifully designed **golf course** (J. Michael Poellot Golf Designs)
- Tourist spot with wonderful landscapes of mountains, waterfalls and coffee
- 1 hour from Panama`s second biggest city and its international airport
- 1.5 hour drive to **pacific coast**
- **Springlike temperatures** all year round
- Opportunity to directly purchase the titled property for approx. 11 USD / sqm.

OR

- A **Master plan** for the development of an **apartment complex** can be designed

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