

Title:

Panama Real Estate: Evictions

Word Count:

551

Summary:

Our law firm, Panama Legal, occasionally gets queries about the eviction process in Panama for residential real estate.

Keywords:

asset protection, offshore banking, offshore bank account

Article Body:

Introduction - Our law firm, Panama Legal, occasionally gets queries about the eviction process in Panama for residential real estate. Below follows a brief summary of the process and time frames involved. This is not legal advice, just an overview of what is involved.

Applicable Law - Law #93 dated 1973 is the law that covers residential real estate leases in Panama. Some leases that would be excluded from coming under this law would be leases with following attributes:

- * leases of rural property
- * leases of property in the reverted Canal Zone
- * leases where the rent is calculated by the day such as a hotel, motel, bed and breakfast, boarding house, Inn, etc.
- * leases of property primarily designated as vacation property where the term including any existing renewals of the lease is under 180 days
- * leases whereby the government of Panama or its municipalities are parties in the lease agreement. However if they do appear in the lease agreement as the property owner or landlord they can utilize the eviction provisions of the applicable law we are dealing with here.

Rental Values - If the residential real estate in question has an initial rent in excess of \$150 per month, the agreement can incorporate rental increases as agreed to by the parties of the lease agreement.

Lease Term - There is great freedom allowed in selecting a term for the lease as long as the rental value is in excess of \$150. There can also be provisions for extensions of the lease term as well.

Lease Cancellation - The tenant is allowed to cancel any residential lease on 30 days written notice.

Security Deposit - Normally a security deposit equal to one months rent is submitted to the Panama Housing Ministry, which is returned at the end of the lease unless the landlord files a claim for damages.

Eviction Proceedings - This is generally going to take 120 days. The collection of the unpaid rent (if any) is going to take about 270 days. If the workload of the court is high legal processes could take longer. Do not plan on it going any faster.

Conclusion - The eviction process is a fairly long one. In many other countries it can even take longer. Some countries that are known for their large amounts of homeless people do have more abbreviated eviction procedures. If you are renting to an expatriate one needs to bear in mind that they may up and decide to leave Panama someday. If they do this discretely and not pay rent for their last few months here the landlord would suffer. They could have their funds out of the country along with all of their assets. They could also have their assets secreted in foundations and corporations that you know nothing about therefore keeping them immune from your attaching them.

If you are a landlord and are concerned about leasing to foreigners contact our law firm and we should be able to design some protective measure for you that are lawful.

If you are a landlord never engage in any self-eviction practices. Never disconnect the electricity or water, never change the locks and do not decide that their front doors or windows need painting on a Saturday night and remove them for painting. Tenants could file counter claims against your legal action and further extend the time frames for eviction. Do seek competent legal counsel.