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The Overseas Escape Index

Where to Protect Your Wealth
and Your Freedom

An *International Living* Report
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The Overseas Escape Index: Where to Protect Your Wealth and Your Freedom

An International Living Report

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Table of Contents

Introduction	1
#1: Uruguay —“The Switzerland of South America”	2
#2: Panama —A Land Immune to Crisis?	9
#3: Montenegro —Low Taxes and Opportunity on Europe’s Hidden Coast ..	17
#4: Cyprus —Europe’s Tropical “Offshore Paradise”	25

“This Overseas Escape Index is a guide to our top international locations for wealth preservation, protection, safety, and even return on capital. With this Index, our hope is to ensure that no matter what happens at home—you and your family and everything you’ve worked so hard for can be secure...”

Introduction

Dear Reader,

In 1978, Bill Bonner looked around at the crises buffeting America—a result, then as now, of bad ideas (and bad money)—and had a radical idea.

Could more freedom, more safety, and greater prosperity be found beyond America's shores?

Thus was born *International Living*, America's No. 1 resource for living and investing overseas.

Forty years later, as more and more Americans scramble for second passports and park cash in foreign real estate, Bill's ideas appear to be catching on.

Here at *International Living*, our aim remains to inform Americans like you that you still have options—for better protection of your wealth and your family, for better returns on the capital you have, for a better life with less worry about whatever's happening in Washington or on Wall Street.

This Overseas Escape Index is a guide to our top international locations for wealth preservation, protection, safety, and even return on capital. With this Index, our hope is to ensure that no matter what happens at home—you and your family and everything you've worked so hard for can be secure...

There are so many myths about living and investing overseas.

Let me take a moment to bust some of them.

Been told you aren't rich enough? You are. You can get started on as little as Social Security.

Been told you'd need to give up your U.S. citizenship or that "offshoring" is illegal? Both untrue.

Been told that it isn't safe overseas? Of the two safest cities in the Americas, neither is in the U.S.

If you want to get some of your wealth beyond our borders (while creating a lot more of it) ... or simply diversify your investments outside the U.S. and the dollar... or simply live better out of Uncle Sam's shadow... then please read on.

Sincerely,

A handwritten signature in black ink that reads "Jackie Flynn". The signature is written in a cursive, flowing style.

Jackie Flynn

Publisher, *International Living*

HAVEN #1:

Uruguay—“The Switzerland of South America”



Uruguay doesn't often make the headlines... and that's a good thing. © iStockPhoto.com/ivotheeditors

For decades now, Uruguay has been a beacon of dependability. It's a country that's stable to the point of being almost dull. But that's what makes it exceptional...

Uruguay doesn't make the world headlines much. But in a problem-plagued continent, with its coups, economic turmoil, protest movements, and other issues, that's a good thing.

It's small and overlooked. But those who make it there find a well-organized country... a place where they can cut their tax burden, enjoy banking privacy, find a warm welcome for their investment dollars.

The little country of Uruguay is the wealthiest (per capita) in South America, according to the World Bank, and the most democratic, according to the *Economist*.

It's a place with free Wi-Fi in plazas and on public buses. A little country that minds its own business, keeps its yard tidy, and doesn't argue with its neighbors.

As the *New York Times* described in a recent article: “This small country has a laidback vibe... plus some of the best beaches in South America to boot.”



Uruguay is basically a tiny piece of Europe that wound up in South America. Restaurants and even supermarkets offer hand-made Italian pasta... and the cafés (with their delicate little pastries) will remind you of Paris.

Like Switzerland, Uruguay is safe and stable. There are no hurricanes, earthquakes, or volcanoes. Like Italy, the climate is seasonal and mild. Snow is a rare occurrence here. Like Portugal, Uruguay has some of the finest beaches you'll find on the entire Atlantic coast.

Wealthy travelers from all over the world come to enjoy the peaceful coastline, the picturesque seaside villages (and their friendly locals), and the relaxed pace of life. It truly feels like you have stepped back in time.

It's a place where you can start your day with a leisurely stroll on the beach, return to your front deck for breakfast and to plan your day. You might join a neighbor for a round on the course... or tennis, if you're feeling energetic. Or maybe while away the afternoon fishing for sole at the nearby lagoon.

The evening might see you join friends for drinks in the clubhouse, or enjoying fresh-caught seafood at a casual beachfront restaurant. Or both... the possibilities are endless.

Best of all, this life is easier and cheaper to live than you probably imagined.

To put it briefly, Uruguay is a safe haven.

Uruguay is a beacon of calm, stability, and security in an uncertain world.

A Vacation Home in Uruguay Could Be Your Cast Iron Plan B

By David Hammond



Uruguay's coast is limited, which makes its premier resort even more sought-after. © iStockPhoto.com/brupsilva

Punta del Este in Uruguay is a quiet place most of the year. Then, during the southern hemisphere summer months of January and February, it fills with vacationers. Thousands of them.

Many of them own a home there, a brick-and-mortar investment where they can enjoy summer. And for the smart ones, a second home in Punta del Este is part of their Plan B. Here's why.

Stability and Safety

Uruguay is the most democratic and least corrupt country in Latin America. It's where you'll find the region's largest middle class by percentage of population, and every legal resident of Uruguay gets access to healthcare and education without the worry of going into debt.

Uruguay's political system and economy are stable, rated favorably by international investors. Uruguay's national debt, for example, compares very well with that of the U.S. It stands at 67% of GDP—as opposed to a whopping 129% in the U.S.

Uruguay is among the safest countries in Latin America. And Punta del Este is among the safest places in Uruguay.

A High Quality of Life

If you're going to start a new life abroad, go someplace beautiful and fun. Punta is an attractive spot with clean beaches, well-kept homes, and lots of greenery. In summer, the average daytime temperature reaches the low 80s F.

While the population change from summer to winter is still dramatic, Punta's full-time population is significant and surging. As a result, most businesses now stay open all year. These include large well-stocked supermarkets, a shopping mall with a multiplex, stores with all sorts of

household goods and furniture, pet stores, dry cleaners, and many restaurants.

An up-and-coming industry is senior living and assisted living centers. It's a concept that's relatively new in Latin America. But is catching on in Uruguay.

Easy Access

You don't need to become a resident to buy a property, open a bank account, or spend a lot of time in Punta del Este.

When you visit Uruguay, you can stay for 90 days on a tourist visa, which can be renewed for another 90 days for a small fee. That means you can usually stay 180 days at a time without having to leave.

If you decide to become a legal resident of Uruguay, the requirements are basic: Show you live in Uruguay (yes, you get to live in Uruguay while you go through the process), prove a recurring income sufficient to support yourself, and pass a criminal background check.

The financial requirement is around \$1,500 for a single person per month. If you're from the U.S., the criminal background check requirement is an FBI report.

(Note: If you're a U.S. citizen, FATCA reporting rules come into effect when opening your Uruguayan bank account. It's smart to hire a reputable residential specialist in Uruguay to help you through the process. Also, consult with your tax preparer back home to be clear on your U.S. reporting requirements.)¹

Attractive Properties for a Range Of Budgets

You find a lot of high-end properties in Punta del Este. These include multimillion-dollar apartments, single-family homes, and country estates. Many are owned by Argentine entertainers, models, and professional soccer players.

You can also find a selection of more affordable properties. This includes one- and two-bedroom apartments in well-maintained buildings in good locations for between \$125,000 and \$175,000.

HOA fees for a modest apartment in Punta del Este may cost between \$400 and \$600 per month. While that may seem steep, besides the upkeep of the property, HOA fees often include additional services, such as daily maid service for your apartment.

If you don't mind a short bus ride to the beach and living without maid service, consider an apartment in nearby Maldonado. Here, you can find one- and two-bedroom apartments (including new apartments) priced between \$90,000 and \$150,000. HOA fees near Maldonado's *centro* are often less than \$100 per month.

Besides apartments, you can find a selection of single-family homes on their own lot in Punta priced between \$250,000 and \$500,000.

An Expat-Friendly Real Estate Market

In Uruguay, as a foreign individual, you can buy and hold real estate in your own name with the same rights and protections as a Uruguayan citizen—both in law and in practice. You don't

¹ Under the Foreign Account Tax Compliance Act (FATCA), U.S. citizens living abroad must report their overseas financial assets if these are worth more than \$300,000 at any time during a year, or \$200,000 at the end of a year. You're required to report them to the IRS by filing Form 8938 as part of your U.S. tax return. (The filing threshold varies with filing status and residence abroad.) Foreign financial assets include bank and investment accounts, as well as foreign personal pension accounts and investments in a foreign business. Overseas real estate, however, is not included. You DO NOT have to report any foreign real estate owned by you personally.

need a local partner, a trust, or a corporation. You don't need any special permissions. And you don't pay any extra fees.

Most real estate in Uruguay is bought and sold in U.S. dollars. And banks in Uruguay can provide U.S. dollar accounts, so there's no currency exchange costs and no risk of currency values changing during your transaction.

Even if the only thing you ever need to escape is a North American winter, Punta makes sense. You own an investment property where you can vacation, perhaps retire to, and pass down as a Plan B for the next generation.

David Hammond moved from Washington State to Uruguay in 2006.

Big Skies and Bigger Profits With Uruguay Farmland

By Ronan McMahon



There aren't many places in the world where you can still buy the best farmland. Uruguay is one.

© iStockPhoto.com/xeni4ka

As food prices spiral upward and inflation hits a 40-year record high, farmland should be on your wish-list. If you find the right deal, it's the ultimate hedge against inflation. It's better than gold, which doesn't produce an income. It's better than anything else I know.

And the thing is, you don't need to buy a tractor and pull your boots on. Indeed, in the right place, a farmland play is a totally passive investment, where you can could yield 8% without even setting foot there.

Yet it can be difficult for the regular guy to get in on this opportunity, due to high barriers to entry.

While in many destinations the macro case is strong and exciting, things don't stack up for small, individual investors.

For instance, in many Latin American countries, like Brazil and Argentina, there are restrictions on foreigners owning large parcels of land. Argentina, in particular, has unfriendly

policies for farming—strong capital controls, taxes, and tariffs. And they change all the time. Not the kind of place you want to make a long-term play.

But there is one place on my international real estate beat where the small, individual investor can do very well with farmland, and that's Uruguay.

8% Yields

Uruguay has quietly become one of the best places in the region to invest in real estate, thanks to safety and security, government incentives, top-notch infrastructure, and business-oriented leadership.

A decade ago, I first recommended farmland in Uruguay to members of my *Real Estate Trend Alert* group. The case for farmland was the same then as it is now—except now, demand for food sources has grown even greater.

Now, I'm not recommending you become a farmer or rancher—although you definitely could if you like. I'm approaching this from a hands-off investment angle.

In Uruguay, farming is a major driver of the economy and the government takes it very seriously.

All over Uruguay, you can buy farmland for as little as \$1,000 to \$2,000 an acre, which is much lower than what can be found in neighboring Argentina, Chile, and Brazil, and a fraction of the U.S. price.

At that price, you can expect to bring in 8% yields by working the land, as well as capital appreciation in key spots with tourism and real estate development potential down the line.

You could certainly be hands-on with your farm in Uruguay, surveying your ranch from horseback. But at its heart, this is turnkey, passive investment that doesn't require you to have any farming experience at all. You can lease out the land for a cash rental paid up front, or you can hire a local farm management company that reports on operations directly to you.

Specialist companies will run your farm for you if you wish. They'll look at your land and advise what crops to farm. They'll even give you a business plan.

Uruguay offers other benefits to the agri-industry. Water is plentiful because of a massive aquifer. The transportation network in the country is good, and access to world markets is well-established. There are even agronomists ready to advise you. Things are "set up" here, so to speak.

Plus, you get to keep more of the money you make. There are no export tariffs, production quotas, or other requirements or restrictions. In Uruguay, there's a flat 25% corporate tax rate (the effective rate can be 10% to 20% depending on deductions). Farms with income below \$205,000 per year have tax capped at \$5,125. There's no asset tax, even if held by a corporation. Property taxes are low, averaging 0.2% or less. You won't have to pay VAT or sales tax on most supplies or machinery.

Also, no VAT or sales tax is applied to the sale of farm products (except a 1% municipal sales tax on the sale of livestock).

How to Find a Farm Property

Real estate listings for rural properties in Uruguay look a bit different than what you find elsewhere.

Along with the size of the parcel, location, details on any on-site structures (cattle pens, barns,

farmhouses, etc.), and what type of agriculture the land is suitable for, you also have details on the water source and climate information.

Vitality, they also highlight the price per hectare (if price per acre is not also included, simply divide the number of hectares by 2.47 to get the number of acres) listed along with the total sales price. That's handy for comparing prices of different properties.

Then you have what really sets Uruguay apart: the CONEAT Index rating, which indicates the soil quality and productivity. A grade of 80 to 120, for example, usually relates to the best grassland for cattle. Above 120, you can conduct intensive cultivation of most crops. Land for growing wheat should have a CONEAT of 150.

In general, land in Uruguay is fertile, especially in the vast lowland pampas—expansive flat grasslands. But this system, started in 1968, codifies what specific agricultural activity should be conducted on any given parcel. The database, searchable online by title number (which is given in real estate listings), covers the entire country. It takes out a lot of the guesswork about being a farmer here.

This index also gives you an idea of the price per acre/hectare you should be paying for the land based on its potential productivity. This is invaluable as you investigate properties for purchase so you can determine fair value.

In a recent scan of listings, I found several potential properties. To take one example, there's a 235-hectare (581-acre) cattle ranch in Rocha province listed at \$1,538 an acre—right in the sweet spot. The average CONEAT on the land, which has improved pastures but also natural grassland and native forest, is 73. Good for cows. Also on site is a four-bedroom home, two barns, and a one-bedroom staff home. There are 12 paddocks with drinking water. It's a turnkey cattle ranch. (Note, I've done no due diligence on this property, I offer it to you as an example only.)

Forward-thinking institutions and foreign investors are already pumping significant sums of money into farmland. But in Uruguay, there's still an opportunity for the little guy to have a piece of the pie.

HAVEN #2:

Panama—A Land Immune to Crisis?



Panama City is the Singapore of Central America. © iStockPhoto.com/Arturo Peña Romano Medina

Panama hasn't had a true economic crisis in 30 years—since it became a democracy and liberalized its economy in the 1990s. Yes, even during the 2008 worldwide financial meltdown, Panama just kept humming right along.

In fact, it's had the highest growth in Latin America and the Caribbean for two full decades. During 2007-2008, Panama's economy was hailed as the fastest growing in the hemisphere, with unheard-of growth of 9% to 11%. Panama was one of only five countries in the world that didn't have a banking crisis at that time, thanks to ultra-conservative laws that force the banks to limit lending and maintain liquidity.

And Panama is still booming today, attracting wealthy folks from all over the world.

There's a lot of proof of Panama's boom when you put your boots on the ground. In the capital, Panama City, you'll find luxury car dealerships, designer boutiques in malls, upscale restaurants, yacht clubs, and expensive homes.

Just like London, New York, Singapore, and Hong Kong, Panama City is a global center of international finance and commerce. You'll find 78 banks and large numbers of wealthy expats who enjoy strong legal protections and low taxes.

The city has always been a thriving hub of trade, starting with its role in the Spanish Empire's silver route. But it was during World War II when prosperity hit unprecedented levels as U.S. military personnel and their families took up residence. Entire neighborhoods of the city are like something straight from the U.S., with big, modern malls, and movie theaters where you can catch a movie in English and use the dollars in your pocket—Panama uses the U.S. dollar.

Panama's success is largely down to following the Singapore model.



Panama's strategic location for shipping and trade drives its growth. 5% of global trade goes through the Panama Canal. © iStockPhoto.com/Dougall_Photography

Like Singapore, Panama created a wealth fund and poured money into infrastructure. Generous tax breaks and easy visa requirements for those setting up a business or hiring employees mirror the Singapore model. Today, Panama is the biggest recipient of foreign direct investment in Central America. And, it's attracting more and more multinationals looking for a friendly regional base.

Panama's strategic location for shipping and trade drives its growth. In fact, because of its essential location for international trade, it has proven to be almost immune to financial crises. It lies between North and South America with the Panama Canal connecting the Pacific and Atlantic oceans. Ever since the Canal was handed back to Panama in 1999 the country has boomed.

The Panama Canal is one of the pillars of that growth. It's incredible to think that 5% of all global trade passes through the Canal in this tiny country. Other big revenue generators are tourism, free trade zones and banking, finance, insurance, and gold and copper mining. Big multinational companies such as Nestlé, Dell, and Proctor & Gamble have come to set up regional bases. That in turn brings in high-level executives on fat salaries relocating for work.

In 2019 the World Bank declared that over the past decade Panama has been one of the fastest-growing economies in the world.

In fact, Panama is now ranked as a high-income nation by the World Bank.

The strong economic growth has added more folks to the upper-middle-class bracket over the last 10 years. And Panama's safety and stability is a big draw for wealthy Latins, too, who feel comfortable flaunting their designer bling and Lamborghinis.

Banking and Tax Benefits

When we first started writing about Panama, it was relatively unknown as an expat destination. Few outside the country realized that it was firmly committed to democracy, political stability, and economic growth.

Today, though, increasing numbers of North Americans, Europeans, and others are moving here. Some come in search of adventure or a quality retirement destination, while many take advantage of all Panama has to offer as a business destination.

The infrastructure is First World, with excellent roads, power, and water service. Panama's communications infrastructure is the best in the entire region. Five of the world's major fiber-optic cables intersect here, and Panama offers high-speed internet nearly everywhere you go.

Over the past two decades, more than 60 corporations, including multinational giants like 3M, have shifted their regional headquarters to Panama. Panama's dollarized economy is bolstered—to the tune of about 75% of GNP—by a well-developed services sector, which was a saving grace during the pandemic. And the dozens of international banks operating in its financial center are an important cog in the service industry's machine.

With almost no government intervention (it has no central bank), Panama's dollarized system allows for freedom for foreign investors, capital movements, and market-determined interest rates.

According to the Cato Institute: “The absence of a central bank ensures no monetary intervention, so Panama essentially has a private monetary system in which the stock of money is determined by the decisions of private agents and banks. The unified currency system eliminates foreign exchange risk, currency mismatches, and speculative attacks so common in other countries with central banks and ‘sovereign’ money. The absence of ‘policy decisions’ regarding monetary or exchange rate affairs reduces risk because less information is needed by outside investors.”

Powerful incentives like Panama's banking privacy principles and solid trusts have traditionally made banking here very attractive.

More than just banks: Panama's financial center also includes an active stock exchange (Bolsa de Valores de Panamá, or BVP). Since its creation in 1990, the BVP has been an important aspect of Panama's role as a regional financial center. The exchange is the only dollar-based securities market in the region. There are about 100 companies listed on the exchange, which is a private corporation.

Panama's commitment to sound economics also means your personal tax burden will be low. In 2011, Panama lowered personal income tax from a maximum of 27% to a maximum of 25%. Income up to \$50,000 is taxed at just 15% (with the first \$11,000 completely exempt).

But you are liable for Panama income tax only if you earn income here, on Panamanian territory. As income tax is applied only to Panamanian-sourced income, your offshore income will not be taxed by Panama. This applies across the board... to individuals or business entities. So having an office in Panama doesn't make an entity liable for income taxation (provided transactions take place outside Panama). And dividends paid out of such earnings are tax-free.

And there's more. When it comes to earning interest in Panama, you'll be pleased to know that interest earned on accounts (savings, time deposits, etc.) from licensed Panama banks is exempt from taxes. So are certain types of debt securities.

Thinking of moving to Panama? If you have a verifiable pension and are approved for the *Pensionado* (Pensioner) residence program, you can bring in your household goods (up to \$10,000) tax-free. And you're entitled to an exemption on import tax or luxury tax, every two years, so you can import a car or purchase one locally.

Building Southern California on Panama's Pacific Coast

By Ronan McMahon

It starts with a glance of a tail fin, or maybe just a trick of the light playing against the undulating Pacific water.

Then, there's no mistake. Like a volcanic eruption, the surface of the ocean explodes as the humpback breaches just feet from your boat. Fifty tons of pre-historic mass, twisting and turning as it flies nearly 30 feet into the air. There's no artifice. This is a pure, natural encounter. Something few people on the planet ever get to experience.

The small town of Pedasí, three miles from the tip of Panama's Azuero Peninsula, has long drawn folks for its rich marine life. Because the continental shelf drops so fast, so close to shore, you can see whales, dolphins, turtles, or you can fish for tuna from a small boat within sight of land.

It's so good, in fact, that folks drive five hours from Panama City to visit. It's hard to get to but they'll tell you it's worth the effort. What few folks know, is that everything you get in Pedasí you can easily find within just 90 minutes of Panama City.

You can see whales giving birth, hop onto tropical islands, explore mangrove forests, drop a line for tuna, mahi-mahi, and wahoo. Hike a mountain with incredible views of Panama City and the Panama Canal. And enjoy Pacific beaches with some of the best surfing in Panama.

But that's what I've come to expect in Panama. It's a country that hasn't fully recognized just how special its natural environment is. Its best spots are almost a secret, and even the folks who live here don't know the wonders on their doorstep



Panama offers lifestyle dividends, as well as profit potential... © iStockPhoto.com/Joel Carillet

Panama has amazing cloud forests, miles of pristine beaches, hundreds of secret islands, exotic tribal craftspeople, and mountains so high that the slopes offer temperate climates ideal for vegetables and strawberries. It's a bird watching paradise, a place to go horseback riding in the jungle, or surfing in the Pacific. And on top of all that, it has a glittering world-class city at its heart. All just a few hours' flight from the U.S.

Problem is, most people don't think of Panama as a natural paradise. Consider how it compares to Costa Rica. There's a lot of similarity: Lush rainforest, majestic mountains, Pacific and Caribbean beaches, many of the same animals, and the same climate. However, in 2019, before the pandemic hit, Panama recorded only 1.75 million international tourists compared to Costa Rica's 3.14 million.

Why the big difference? The main reason is simply that Panama prioritized businesses and retirees over tourists. They have done many smart things to attract both. Like offering numerous tax advantages for international businesses and creating the *Pensionado* visa, which offers big discounts for retirees on local services. When a colleague of mine moved to Panama in the early 2000s she said the tourism minister at the time openly bragged that he didn't want tourists!

And so, to this day, most people still don't consider Panama as a vacation destination. But that's all about to change.

The Tourism Authority of Panama launched their *Sustainable Tourism Masterplan*, a \$302 million plan to reinvent Panama as a top tourist destination for the post-pandemic travel boom. That's on top of infrastructure upgrades and tax incentives to jumpstart the sector.

Billions of dollars are being spent on new roads, wider roads, more roads, bigger roads; a new bridge over the Panama Canal; new metro lines, and on top of all this is a massive expansion of Tocumen International Airport close to Panama City.

Just west of Panama City you'll find the Pacific Riviera, a 50-mile or so stretch of coastline that's benefiting significantly from Panama's infrastructure upgrades. The smart money has poured into the Pacific Riviera over the last 15 years. New hotels, new resorts, a premium golf course and swish new residential communities have popped up. A slew of upper-middle-class housing back from the beach has brought schools, supermarkets, and services in its wake.



Vacationers, snowbirds, and weekenders are all coming in droves to this coast. It's long been popular as a beach escape for well-heeled city dwellers. And it's now a place where folks want to live full-time. The Path of Progress is making that easier to do than ever before.

Yet there's an anomaly: As beaches and towns farther from Panama City boomed, Chame, a stretch of pristine white sand beach closer to the city, went overlooked.

Chame is the nicest, closest beach area to Panama City. It should have been the natural starting point for development on the Pacific Riviera but it was leapfrogged and left a virgin paradise.

In 2007, a trusted contact drove me out to Chame to show me one of the prettiest beaches not just in the region but in all of Panama. At the time, not many people even knew it existed. Wealthy city folks heading to the beach for a weekend escape drove right past this spot to beach hotels and communities that were farther from the city, but easier to get to.

When we got to the beach, I knew right away that I had found something spectacular. Ahead of us, a white-sand beach opened up to the Pacific Ocean sparkling like a jewel in the sun.

But it's no big mystery why this beautiful location stayed off the radar. What passed for a road down Punta Chame peninsula was a car-killing bone-shaker. Plus, most of the land was owned by just a few families that didn't want to sell. And much of the land was zoned farmland.

Yet, it screamed potential. And I knew that with the right developer, it could be one of the hottest destinations in Panama.

This was the secret spot where I discovered you could take a boat out and see whales giving birth. The ocean currents close to shore are used by whales as a highway. These are the very same currents that take whales to Pedasí, but you can reach here from the city in just an hour or so.

The surfing here is world class too. A local contact told me it has the most consistent waves in the whole Bay of Panama. And you can go canyoning, swim in a mountain river, and explore ancient petroglyphs.

The islands offshore have fascinating stories too. You can explore them easily on day trips. One was owned by John Wayne and has an abandoned Western World theme park on it. Another is home to two gaily painted fishing villages and you can hike the island's trails and watch for birds.

You can scuba dive if that's your thing, check out caimans in the mangroves, or visit any of 18 waterfalls in the area.

In 2015, on another scouting trip, I went back for another look. Whispers were spreading that something big was set to happen in this locale. I knew I needed to see for myself.

What I found blew me away. One of Panama's foremost developers had started work on a beach community called Playa Caracol. He had got a paved road put in, all the way to the project, and was spending serious money on infrastructure.

This was one of the few developers who could bring this project to fruition. A guy with a history of delivering unparalleled communities in Panama—including a set of man-made islands right in the heart of Panama City.

Today, the community has more than 300 units complete, with a thriving surf club, and plans for a beach club, events center, sports facilities, and a "mini downtown" with boutique stores, markets, restaurants, bars.



You can own on the closest, nicest beach to Panama City for a remarkably low price. © iStockPhoto.com/Michael Warren

The developer was inspired by the best of Huntington Beach in California. Huntington Beach is one of the surf capitals of the world. Vacationers pile into plush resorts and Airbnb rentals. They come for the 10 uninterrupted miles of wide, sandy beach. (There are 30 miles or more at Playa Caracol.) And for everything else this Southern Californian beach town offers.

Once a patch of sleepy farmland, just like Playa Caracol, Huntington Beach has evolved into a hopping tourist destination.

Every imaginable kind of event takes place here... from the annual U.S. Open of Surfing to car shows, aerial displays, marathons, kite festivals... you can watch movies outdoors under the stars—just as the developer plans for Playa Caracol.

Both destinations have consistent and amazing surfing. In Caracol the winds and waves are just right, especially for kite surfing. Already people come from all over the world to surf around Caracol, and as word gets out, demand will explode. (It's also an amazing swimming beach.)

But there's one huge difference between Californian towns like Huntington and Playa Caracol. And that's price.

You'd be extremely lucky to get a condo in Huntington Beach for \$350,000. But in Caracol, members of my *Real Estate Trend Alert* group have got in at much less than ground-floor pricing in this brand-new beach destination.

Better still, because Panama is on a major push to develop its tourism sector, it has created what I call "The Great Bailout," a tax incentive to encourage ambitious projects like Playa Caracol. And I figured out how to get a piece of it for *RETA* members, who can own on the stunning Pacific Riviera, where a massive Path of Progress has been rolling along, at a price that's unheard of for a beach community like this.

Thanks to this wave of development and "the Great Bailout" *RETA* members have had the opportunity to own furnished luxury two-bedroom condos close to the beach in Playa Caracol from just \$137,000. And a chance to own not one but two fully furnished and self-contained luxury hotel suites, on the sand, from just \$219,000.

RETA members have already seen substantial gains. For instance, in 2017 *RETA* members could buy from \$199,000 in The Palms at Caracol and by August 2019 a similar condo farther from the beach listed for \$299,000—a paper gain of \$100,000 in two short years.

Now, this part of the Pacific Riviera is set to take off. The Panamanian government is spending money on an advertising campaign in the U.S. and Canada to sell Panama as a tourist destination. And it's creating the infrastructure to back it up.

With ease of access, close proximity to Panama City, and with everything that makes this region so special, Chame and Playa Caracol will flourish.

HAVEN #3:

Montenegro—Low Taxes and Opportunity on Europe's Hidden Coast



With a relocation deal that appeals to head as well as heart, Montenegro is an easy way into Europe.

© iStockPhoto.com/SCStock

A place that's unexplored by most Westerners... but with vast potential...

Until 15 years ago, Montenegro had spent its entire history within the borders of other countries and empires. Today, it's a young, independent nation eager to make its mark—and eager to attract foreign investors looking for a hideaway in Europe. It's a land of untapped opportunity...

Taxes are low: Just 9% on personal income, dividends, and capital gains.

Residence is easy: Purchase a property—of any price (and prices are low, about one-third of neighboring Croatia)—and you can gain a residency permit.

Montenegro is one of six countries that emerged from the breakup of Yugoslavia that began in the 1990s. Russians, Hungarians, Ukrainians, and Czechs have long known about Montenegro's charms and its beauty, which easily rivals that of Greece or Italy. But only in the last few years has the country begun to pop up as a destination for Westerners...

Montenegro is slated for EU membership, and it uses the euro as its currency. But right now, it remains outside the European Union and the Schengen Zone. And that has distinct advantages.

You avoid EU bureaucracy...

Most of continental Europe is part of the Schengen Zone. And, as a visitor, you can only remain in this zone for 90 days out of every 180. This creates a challenge if you want to spend long periods of time in Europe... Say you want to spend six months in Europe. Without a residency

permit, you can't, for example, spend three months in France and then another three months in Italy, because both are Schengen countries. You can only spend 90 days total in the in Zone.

Here's where spending time in beautiful Montenegro can help you out...

Many North American travelers have perfected what's known as the "Schengen Hop." After spending 90 days in the Schengen Zone, stay in a country outside the Zone for the remaining 90 days of the 180-day period—such as Montenegro. You can then return to a Schengen-Zone country for a further 90 days.

Montenegro could be the perfect location for a European base, with easy access to the entire continent—while skipping EU regulations and red tape.

U.S. expats Julie and Warren Knox, for example, established a home-base in Montenegro as part of their plan to explore all of Europe...

"Montenegro gives us a non-Schengen location to recharge in," Julie says. "As U.S. citizens, we are allowed to visit this little country for up to 90 days in a 180-day period, twice a year, on a tourist visa. Montenegro offers mountains and the beach all in a day's drive. You can swim in the Bay as late as November, though the water might be just a little bit chilly. It also boasts the southernmost fjord in Europe. The Old Town of Kotor, dating back to the 5th century BC, looks like a movie set. Quaint little shops, cafés with outdoor terraces, ornate churches, and perfectly preserved buildings.

"You can climb the 1,500 steps up the ancient walls of the fortress for breathtaking views of the fjord and Kotor Bay. In the winter, you can visit the towns of Zlabjak and Kolasin for snow skiing. These towns are also great getaways in the spring, summer, and autumn months if you wish to hike and explore the vast trails, zipline across the Tara Canyon, or go on one of the many rafting and kayaking adventures on offer."

Julie adds: "The cost of living in this near-perfect destination is incredibly low. Because Montenegro uses the euro, there are fluctuations against the U.S. dollar, but the strong currency provides for a fairly stable economy.

"Many people ask Warren and me if the process of purchasing real estate in Montenegro is safe, and whether we felt it was difficult. Buying our home was extremely simple and, with the help of our Montenegro attorney, we felt it was extremely safe. You would think that buying a flat in a UNESCO Heritage site (Kotor) would be terribly difficult and bureaucratic, but we found the process to be easier than buying real estate in the United States."

Now is a good time to get in on the ground floor in Montenegro. Think Italy, but at one-third the price. The place is still quiet and under-touristed relative to so many other European destinations... but that won't remain the case for long.

The coast of Croatia once fit that bill, too, and today Dubrovnik, just 50 miles to the north, is one of the more over-touristed spots on the continent.

Montenegro is not there yet, largely because it remains relatively unknown to so many Western travelers...

Not that Montenegro is entirely undiscovered. Tourism makes up over 20% of its GDP. Kotor in particular is a popular spot for cruise ships.

However, it's still a long way from the kind of mass tourism you'll see in Croatia and elsewhere in Europe. Russia and Ukraine represented one of the most important markets for Montenegro as a tourist destination in the last few years. And now, because of the war, it has seen a significant drop off in visitors from these regions.



In fact, the conflict in Ukraine could be acting as an accelerator here...

The void left by Russian tourists is being filled by British, Swedish, Germans and tourists from other countries that may have never considered vacationing in Montenegro before. Despite the drop off in visitors from the east, tourism has grown 10% over 2019.

Word is getting out, and Montenegro will soon be on everyone's radar. It has many of the same pull factors as Croatia but you can still avoid the tourist hoards and generally find better value.

This extends to real estate buyers too. Montenegro's real estate market had its first boom in the early 2000s, when it started to garner some minor attention as an emerging vacation and second home destination. Price rises were driven primarily by Russian buyers. But ultimately it was unsustainable and the bubble burst following the financial crisis in 2008.

Ever since, price appreciation has been slow. But that might be a good thing.

One big advantage to buying in Montenegro is that the government allows foreign homebuyers to obtain a residence permit here upon purchase of a property, regardless of its value. So, it makes for a convenient base—as the Knoxes discovered—with cheap flights to western Europe as well as east.

Montenegro has been on an upward trajectory for years. It declared its independence from the State Union of Serbia and Montenegro in 2006 and joined NATO in 2017.

It's tipped to join the European Union by 2025. However, right now, it's outside the EU's rules and bureaucracy... So, as we mentioned, you can enjoy a base in Europe with easy access to the entire continent, but avoid EU regulations.

At the same time, if Montenegro ever does join the EU, the value of an investment such as real estate, purchased now, could skyrocket... And if you establish residency here, this could eventually be converted into a valuable EU passport, if the country does join the union...

Either way, it's win-win for investors who get in now.

There's obvious untapped potential in Montenegro.

Drive from Dubrovnik in neighboring Croatia, and the first thing that strikes you is the changing landscape as you cross the border. More than just Croatia's little sibling, Montenegro has an identity of its own. Croatia's rolling hills are quickly displaced by huge mountain peaks with steep slopes that hurtle down to the water's edge.

Once you reach the spectacular Bay of Kotor, there is just a slim strip of land between the mountains and the shore where houses cluster.

Montenegro (meaning Black Mountain) got its name from the mountain forests that were so dense and thick that they looked black to outside observers. It is one of the few places where you can swim on the Adriatic coast in the morning and go snow skiing in the mountains in the afternoon. It offers lush green canyons; medieval villages; fortified towns; wide, narrow beaches; one of Europe's largest untouched pine forest; limestone lakes; and even glaciers...

Real Estate Trend Alert Editor Ronan McMahon believes there's big moneymaking opportunity here: "I believe you have the chance to perhaps triple your money or more in five to ten years," he says.

"My thesis: Montenegro's real estate values will converge with Croatia's as it establishes itself on the map."

Right now, "in Montenegro, you're paying two or three times less for the same kind of real estate."

Ronan's strategy? Buy the right kind of real estate and wait.

Easy Residency in Undiscovered Europe

By Ladislav Maurice



With a home base in Montenegro, you can explore Europe at will. © iStockPhoto.com/vpopovic

Portugal, Spain, France... when it comes to European relocation choices, they're the most established options.

But right now, a small country on Europe's Adriatic Coast, flying just under the mainstream radar, is poised to join that select group of prime destinations. The secrecy won't last long. A growing community of devotees is already moving there for retirement, investment, and online work.

Montenegro nestles between Croatia, Serbia, and Albania on Europe's Adriatic coast. It's a jewel. Think Croatia, but more affordable, less bureaucratic, and with more to offer relative to its small size.

It is a young nation of 600,000 souls, which attained independence from Serbia in 2006. It recently joined NATO, and is expected to become an EU member in the coming decade.

I may be biased, as I spend a lot of time in it. Also, members of my own family have retired there. But if I'm biased, it's with good reason. Indulge me while I explain why I believe Montenegro is the overlooked European relocation option you should put at the top of your list.

Low taxes: Montenegro compares very favorably to the majority of European countries. It has a 9% corporate income tax, 9% personal income tax (on worldwide income), 9% dividend tax, and 9% capital gains tax. That's much lower than in the better-marketed (and admittedly beautiful) Croatia, next-door, which is a high-tax country. Montenegro is likely to increase its low tax rates in the coming years, but even so, the overall tax burden will remain very competitive.

For U.S. people, the situation is not as clear-cut, as the IRS chases you down wherever you live. However, if you structure things properly, you may be able to benefit from the Foreign Earned Income Exclusion.

How to Avoid Paying U.S. Taxes (Legally)

Want to avoid paying U.S. taxes on over \$100,000 of your income?

If you live and earn money overseas, there are ways to structure your affairs so you pay as little as possible to Uncle Sam.

As a U.S. citizen, you will always have to file a U.S. tax return, every year—even if you move abroad.

But a little-known provision of the tax code, called the Foreign Earned Income Exclusion (FEIE) means you may in fact be able to skip paying U.S. taxes completely...

Here's how it works...

Under this rule, a U.S. citizen can exclude up to \$108,700 of their earned income from U.S. taxation. (The exact amount varies each year.) The income must be earned outside the U.S., and your tax home must be outside the U.S. too.

To qualify, you need to meet either the "bona fide residence test" or the "physical presence test."

To satisfy the bona fide residence test, you must reside in a foreign country for an entire tax year—January 1 to December 31. Being resident in a foreign country for an entire tax year does not mean you can't visit the U.S.!

To meet the "physical presence test," you must be physically outside the U.S. for at least 330 days in a 12-month period of your choosing that begins or ends in the relevant tax year.

Simple as that!

I am often asked “What is the best investment right now?” Well, my answer is surprisingly simple: Lowering your taxes by moving overseas is typically the decision with the highest immediate Return on Investment.

National parks, beaches, and a Mediterranean climate: The Adriatic Coast is breathtaking. Dubrovnik in Croatia, where *Game of Thrones* was partially filmed (King’s Landing, specifically), is a mere 90 minutes away from the Bay of Kotor—the area of Montenegro I usually direct potential expats to.

On the Montenegrin coast you find historic stone-built towns like Budva and Kotor, great fishing, cute pebbled beaches, medieval villages, as well as luxury yacht marinas and developments.

Inland, the terrain is endless mountains and glorious limestone and forest national parks for hiking, biking, and rafting.

An unexpected highlight—there are multiple ski resorts for winter sports. For less than \$30 a day you get a ski pass and equipment rental. Three hours later, you can be downing beers or wine in a shirt on the Adriatic Coast.

Path of Progress: Luxury money is flocking to Montenegro. The country boasts three high-end marinas with 5-star developments.

Porto Montenegro: A former Yugoslavian naval base was bought in 2007 by a consortium composed of a Russian oligarch, LVMH chairman Bernard Arnault, and the Rothschild family.

The project, located five minutes away from Tivat international airport (with direct flights all over Europe and to Dubai), was recently bought by the Dubai Investment Corporation, with a view to creating a rival to Monaco. The complex has hundreds of yacht berths. Gulf royal families have a number of their superyachts based there all year round. The complex also houses a 5-star Regent Hotel.

Porto Novi: The latest luxury complex with a focus on yachts is Porto Novi, located near Herceg Novi. It comprises hundreds of berths, including deep water facilities, and all the usual luxury amenities. Europe’s first 5-star One & Only Resort sits within its premises.

Lustica Bay: This is an impressive long-term joint-venture between the Egyptian developer Orascom (90%) and the Montenegrin government (10%). The total investment is set to be about €1 billion (\$1.15 billion) over 15 years, which is a substantial figure for a country with a GDP just shy of €5 billion. Europe’s second 5-star Chedi hotel opened its doors there a few years ago. The plans account for 500 villas, 1,000 apartments, seven hotels, an 18-hole Gary Player course, two marinas, a school, medical facilities, etc., to make it a year-round destination.

I wouldn’t recommend buying into these developments as a pure investment, as capital gains are often limited, if not negative, and yields low. But from a lifestyle point of view they are top class, and they demonstrate that serious money is flowing into Montenegro. This little country has a big vision, and is implementing it step by step.

You will not find any such ambitious projects in Italy or Croatia, for example.

In any case, you don’t have to buy in these luxury developments, as there are countless real estate investment and lifestyle options all along the coast, for all budgets.

Affordability: Montenegro ranks very favorably on *Numbeo*’s cost of living index. It is only slightly more expensive than the Philippines, and is rated as more affordable than Nicaragua, Thailand, and Panama.

Excluding the specific developments I mentioned, real estate offers many interesting options,

as prices can be significantly cheaper than in neighboring Croatia.

A pint of draft beer will set you back \$2 to \$3, a good Italian pizza in a respectable establishment costs \$8 to \$9. A large loaf of delicious local bread will be about \$1. These are the prices on the coast, in the touristed areas.

Inland, or in the capital city, Podgorica, you can find pints of draft beer for \$1.50 and tasty pizzas for \$5.

Overall, Montenegro is a very affordable destination if you avoid some of the luxury developments, and even there, prices are quite reasonable. A pizza in a nice restaurant at Porto Montenegro costs about \$15.

In the heart of Europe: At the end of the day, being able to live in Europe, and paying less than living in Central America, is a fantastic, and rare, deal. The country is relatively well connected, though most destinations will require a layover.

Tivat, on the coast, has an international airport with direct flights to Belgrade and Moscow, as well as to Dubai, London, Frankfurt, and Paris on a seasonal basis.

The capital, Podgorica, has a good international airport with direct flights to all over Europe on a regular basis.

Montenegro is a one-hour flight away from Vienna, and a two-hour flight from Paris. Many low-cost airlines fly to Montenegro, so traveling around the continent is good value.

Good Schools: The Bay of Kotor has two English-language international schools to choose from, both in the marina town of Tivat.

Budva, a coastal resort town, has two Russian schools, which are more affordable options.

If you're on a budget, merely being resident of Montenegro entitles your children to near-free state education. The schools are good—certainly no worse than public schools back in North America. You'll probably just need to hire a tutor to help your children with the Montenegrin language.

It's easy to get in, and stay in!: All you need to be able to obtain a residence permit to live there full-time is to own real estate in Montenegro, or to create a Montenegrin company (running costs of about \$2,000 to 3,000 a year).

I personally own real estate in Montenegro for three reasons:

1. I love spending time there.
2. If I ever needed another residency, I could activate it in Montenegro within a few weeks.
3. I believe real estate is still a good deal, even if fluctuations in the current environment are expected. Montenegro joining the EU would be a great catalyst for a re-rating of the entire market.

Are there any risks in Montenegro?: Montenegro is a very safe country. It's a place where locals and expats alike let their children run around, without worrying. There were political turbulences recently, but a new government was then democratically elected. Early lockdowns hit the economy hard, but nowhere is perfect nowadays.

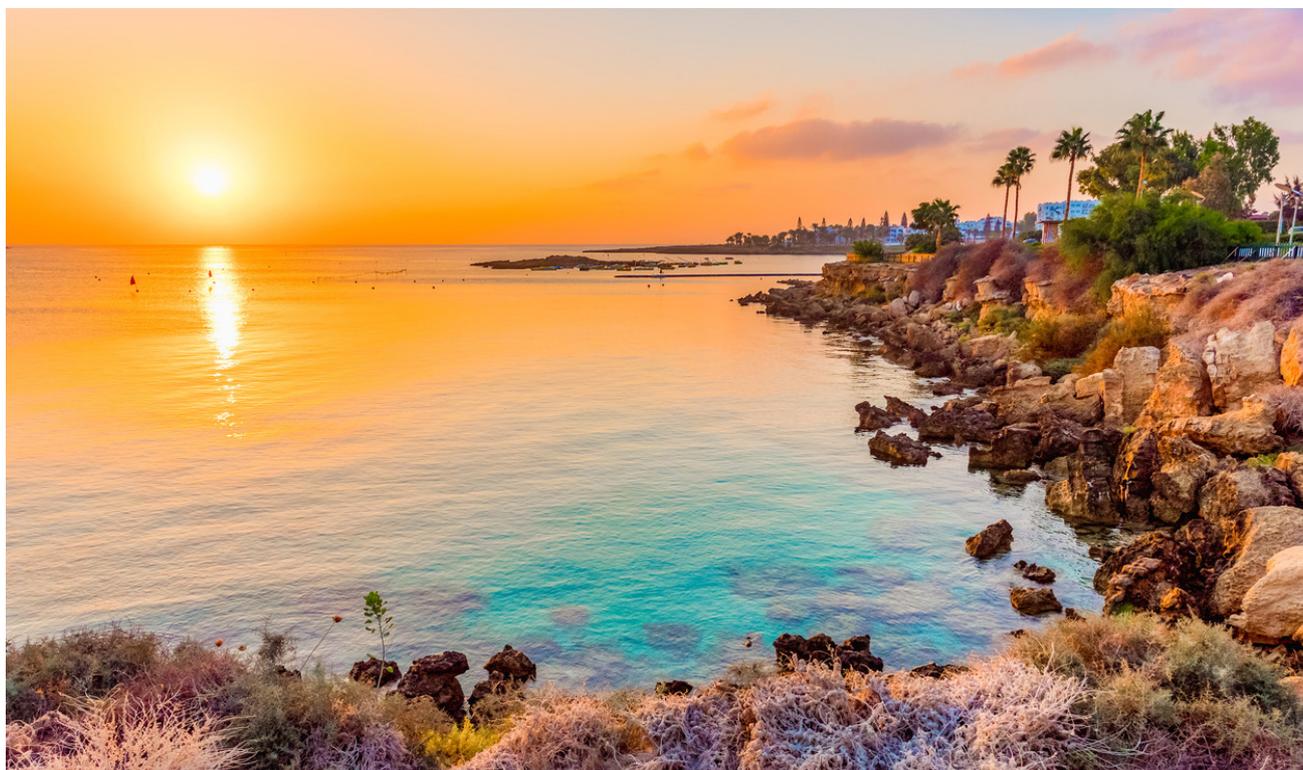
A great European option for non-Europeans: Living in Europe is a dream for many non-Europeans. I understand—the lifestyle is fantastic if you have the means for it. But visas are often an issue, especially in the European Union, as are taxes.

Montenegro can be the perfect solution. You can live in Montenegro, use it as a base, and get to spend time in the EU every year.

I put my money where my mouth is. I own Montenegrin real estate, I encouraged my own family members to retire there (they are extremely happy), and I regularly send clients to Montenegro.

HAVEN #4:

Cyprus—Europe’s Tropical “Offshore Paradise”



Cyprus could be the most enchanting island in the world... © iStockPhoto.com/Ru_Foto

Over the last 6,000 years nearly every major empire around the Mediterranean has occupied Cyprus at some point. And most of them left something behind.

The Ancient Greeks left ruins. They built a temple here to Aphrodite, the goddess of love, then forbade women to enter it.

The Crusaders left castles. The Knights Templar had their headquarters here and actually owned Cyprus outright for about eight months before selling it to a Frenchman.

The British left their language. The British Empire was the last to rule Cyprus—until 1960—and so most of the locals here speak English.

It’s easy to see why everybody wanted a piece of Cyprus. Apart from its strategic location in the Mediterranean, this island has a lot to offer.

A beautiful, subtropical climate with long dry summers and short mild winters. Natural beauty that ranges from stunning beaches to soaring mountains—you can sun yourself on the beaches in summer and ski on the central Mount Olympos in the winter. Warm, friendly people that love to welcome visitors with delicious Mediterranean food and wine.

Cyprus is also one of the world’s original “offshore” destinations—a beautiful place the wealthy have always wanted to escape to in tough times... or a place to just stash their cash.

Because of its strategic location in the Mediterranean, between Europe and Asia, Cyprus acts as an escape hatch for people from the neighboring Middle-East countries, and as a gateway to the EU and a euro-based financial system (Cyprus is a member of the EU).



The Cypriot economy is dominated by services (84% of GDP), namely tourism and financial services. Tourism feasts off the island's warm winters and beautiful beaches. The financial services-industry business is a product of several historical factors. The corporate tax rate stands at 12.5%, the Eurozone's lowest (matched only by Ireland). And Cyprus has double-taxation treaties with more than 50 countries, which has helped make it a popular place to domicile a company. These treaties are extremely attractive to sophisticated financial players in today's highly-taxed world.

Cyprus also has strong legal and accounting professions. This is a legacy of British colonial days, similar to the strong legal and financial institutions the British left behind in Hong Kong and Singapore. Plus, unlike most countries of southern Europe and the eastern Mediterranean, almost everyone speaks English.

And the country's inventory of potential is not confined within the domain of banking and finance. There are attractive opportunities in consumer goods and other sectors, as well. In fact, there are sound, productive, and well-run businesses listed on the Cypriot Stock Exchange that continue to generate earnings and pay dividends.

Civilizations throughout history have placed great value on this third-largest island in the Mediterranean...and savvy expats and wealthy investors are continuing to find that value today.



Over 50% of expats live in Paphos, Cyprus's fourth largest city. © iStockPhoto.com/DedMityay

Wealth manager Ian Bond—who's been a C-suite executive at six different “Street” firms—recently moved to Cyprus in retirement, along with his wife, Monique, and their two kids.

“Cyprus has been a great move for us,” Ian says. They've settled in Paphos, the island's fourth-largest city and the most popular location with expats, thanks to a very low crime rate and easy access to the best beaches.

Ian and Monique chose Cyprus for several reasons, including its established services and EU infrastructure—and its proximity to Dubai, where Ian has a golden visa and business ties.

Plus, they get to live on a gorgeous English-speaking island in the Mediterranean!

The island has two international airports —Larnaca and Paphos—connecting to everywhere in Europe, and to the Middle East.

And the weather here is actually “better than the Algarve,” Ian points out. Portugal's popular coastal region was also high on their list for relocation, but Cyprus has warmer waters, even fewer cloudy days, and less rain.

What sealed the deal were the British school options available for Ian and Monique's two teenagers. Both are now attending school in Cyprus.

“Life here is very good,” Ian says.

Cowboys in the Mediterranean: How Two Texans Chose Cyprus

By Tricia A. Mitchell

Two people who appreciate the draw of Cyprus are U.S. expats Jim and Niki Stutzman.

When I talked to them, they were enjoying dinner on their balcony with longtime friends, having just returned from a day trip to the forested Troodos Mountains. They were contemplating a dip in their backyard pool. However, they told me, there's no rush, as there's always more halloumi, souvlaki, golden pita bread, chilled white wine, and a sunset to be appreciated.

Jim and Niki live in Europe on a part-time basis, dividing their year between Cyprus and Texas. They spend anywhere from one to four months in Cyprus.

Cyprus is part of the European Union (EU) and is the third-largest island in the Mediterranean. The country is just more than half the size of Connecticut and has about 320 days of sunshine annually.

With coastal landscapes, mountainous terrain, lively cities, quaint villages, and about 10,000 years of history, Cyprus has something to offer everyone. Coastal areas are perfect for swimming, boating, and diving. The Troodos Mountains are known for hiking, biking, and birdwatching; you can even go skiing in the mountains during the winter.



In winter, the Troodos Mountains transform into Europe's most southerly ski resort. A ski pass costs as little as \$20.70.

© iStockPhoto.com/mpalis

And then there's the food and wine. Cyprus' winemaking tradition is believed to date back nearly 6,000 years. Its cuisine is decidedly Mediterranean with Greek, Turkish, and Arab influences. Think olives and flatbreads, rich tomato dishes, and fresh, ripe salads.

"I like all the food, but the seafood is unsurpassed in Cyprus," says Niki, a retired university administrator.

When it comes to Cyprus' many attractions, Jim says that he most enjoys visiting the country's traditional mountain villages. "The scenery up there is beautiful and you get to experience the 'old culture' of Cyprus. Also, it is much cooler there in the summer," he adds.

Niki says that the best time to visit Cyprus is February through June, and September through November.

"The weather is extremely nice around these times and there are not as many tourists," she adds.

Jim likens Cyprus' climate to that of south and central Texas. "It is hot in the summer, moderate in the spring and fall, and sometimes cold in the winter," he explains.

Ten years ago, the couple purchased their home in Paphos, a city of about 36,000 people. Paphos is located on Cyprus' sun-drenched southwestern coast. The city features a palm-lined promenade, a variety of beaches, and Greek, Roman, and medieval ruins.

"We liked the terrain of Paphos, we have a view of the sea, and there are fewer people here," says Jim, a retired teacher and West Virginia native.

Niki and Jim's 1,700-square-foot home has three bedrooms, two bathrooms, and a swimming pool. "It was built for potential foreign buyers. Foreign buyers are mostly British and Chinese. One of Niki's nephews knew the builder and recommended him," Jim says.

Niki says that it's not difficult to create an American-style kitchen in Cyprus. However, she did do a bit of tweaking with the floor plan to make things just right. This included adding a pantry and a central island.

"There are several appliance stores and it's easy to purchase what you need," Niki says, noting that she bought her washer, dryer, refrigerator, and other small appliances at the same time.

According to Niki, the selection of products is good in Paphos. However, prices for electronics are more expensive than they are in Texas. As a result, Niki brought some electronics and household goods with her from the U.S.

Jim says that their routine is roughly the same as it is in the United States. They like to travel, spend time with Niki's family, and just enjoy life's everyday happenings. "If we're at home, we walk the area, go to the grocery store or bank, chat with neighbors, watch TV, and swim in our pool," Jim continues, adding that they do a lot more driving when running errands in the U.S.

Medical care is available both publicly and privately. "We are covered by our Medicare supplemental insurance," Jim says. "Our only use of care in Cyprus occurred when I cut my finger badly. I went to an emergency room at a nearby public hospital where I was treated quickly and very well. Treatment was free but a small registration fee of about \$2.50 was charged."

Both Jim and Niki agree that the Cypriot people make life on the island special. "They are friendly, warm, and giving," says Jim. And Niki stresses how rewarding it can be to befriend the locals. "Don't be afraid to get to know the Cypriot people—their hospitality is unsurpassed. They will go above and beyond to make you feel comfortable and welcome," says Niki.

Getting to Know Cyprus



Cyprus has stunning beaches, like Nissi Bay in Ayia Napa...but life here is not just about the beach.
© iStockPhoto.com/letty17

Since 1974, Cyprus has effectively been divided into two, because of a territorial dispute between the island's Greek Cypriot and Turkish Cypriot ethnic groups. Northern Cyprus is only recognized by Turkey, which refers to the territory as the "Turkish Republic of Northern Cyprus."

On both sides of the United Nations Buffer Zone, which stretches for about 110 miles from east to west, you'll find cultural similarities—and differences. Backgammon is popular among both Greek and Turkish Cypriots, as are rich coffee, and cubed, colorful desserts called Cypriot delights.

Currency: Cyprus uses the euro, while Northern Cyprus uses the Turkish lira.

Language: Greek and Turkish are official languages, and many locals speak English.

Getting There and Around: Cyprus is served by international airports in Larnaca and Paphos. Major and discount carriers fly to the country, but flights can be more limited during the off-season.

To view the island's bus routes, see: *Cyprusbybus.com*. In order to maximize your time, you might consider renting a car (note that driving can be intense and that you drive on the left side of the road) or going on an organized tour. Finally, keep in mind that Cyprus is the Mediterranean's third-largest island, and it can take a while to get from place to place.

Accommodation: As you decide where to base yourself, consider how you'll be spending your time. If beach time is your main priority, Paphos might be a good hub, since it's not far from the beaches on Cyprus' west coast. Limassol offers a more central location, while Nicosia is good for city breaks and culture. Larnaca and Paphos both have the advantage of being close to the island's airports.