

Message of the Month

New Lebanese Real Estate Law

The new Lebanese Real Estate Law authorizes the non-Lebanese to own properties in Lebanon without any restriction or prior or permission up to 3000m² of land or its equivalence in building surface area depending upon the land zoning and its exploitation coefficients.

This new Law treated the non-Lebanese investor exactly as the Lebanese citizen in respect to registration fee, which has been dropped from 17% to 6 %.

This act is meant to encourage non-Lebanese investors to purchase properties and invest in the Real Estate Market in Lebanon.

Registration of land area.

The non-Lebanese investor can immediately register a plot of land if it is within the 3000m² area limit.

For any purchase of land, exceeding the 3000m², the non-Lebanese investor is required to get a special permission from the Council of Ministers upon the directives of the Ministry of Finance.

Ownership of residential apartments within multistory buildings.

The equation that would relate the transfer of the apartment area into land area (maximum 3000m²) is applied as follows; once we know the zoning and the total exploitation coefficient of the plot.

For example:

1) If the area of the apartment is 300m² and the total exploitation coefficient of its plot is 3.0 then the correspondence of the apartment area would be: $300\text{m}^2 / 3.0 = 100\text{m}^2$ of land.

2) If the exploitation coefficient is 0.75, then the same apartment area would correspond to $300\text{m}^2 / 0.75 = 400\text{m}^2$ of land.

The new law has also specified certain percentages that the non-Lebanese landlords and investors cannot exceed. For this purpose the "Directorate of Real Estate" which is related to the Ministry of Finance has developed a computerized program that allows them to verify that the percentages of land properties purchased by non-Lebanese in the whole Lebanese territory do not exceed the following percentages:

- 3% of the total Lebanese territory.
- 3% of the total area of each Caza.

- But particularly in Beirut, the percentage of land ownership for non-Lebanese has been doubled according to the new law from 5% to 10% of its total land.

It is also worth mentioning that the land ownership to non-Lebanese family (husband, wife and under age children) is limited to one person only. As a result of this modern law for Real Estate investment, which has authorized the non-Lebanese to own property in Lebanon but within rules and conditions that should be abided to and respected - in order not to abuse, threaten or jeopardize the internal social structure of the country.

In this context, the law has stressed on the non-Lebanese investor who purchased a land to start the construction on it within 5 years and the license will be subject to extension once only by a decree issued by the Council of ministers.

Since the issuance of this new law on May 2001, it has been noticed a significant incoming of Arab and foreign investors and particularly in Real Estate - which had a positive impact on the Real Estate market by bringing it back almost to its normal status of the years between 1992 and 1995. After the September 11, 2001 event, despite of the uneasy political conditions, which are still prevailing in the region - the Real Estate and many other economical sectors have gradually regained back some of their previous roles in the region and on the international map.

From the airline and hotel reservations, Lebanon is expecting to welcome more than one million visitors (Lebanese living abroad, Arab and foreign tourists) who are seeking to spend an enjoyable Summer Vacation in Lebanon and to bring back Lebanon to its old days "**AS A JEWEL**" where the East & West meet - and the cultural sequence and civilizations through history still interact and hopefully Lebanon would remain a "**MISSION**" and a "**LIVING EXAMPLE**" of coexistence among different minorities, sects, and religions.

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