

Lebanon - The return of Middle income homes.

During the past three decades, more than 500,000 young Lebanese have contributed in the economical development of Gulf countries and MENA region by running businesses in the public & private sectors.

At least 75% have already the capability to purchase a home worth US\$100,000 to US\$250,000. It is expected that the majority will consider returning home and enjoy the beauty of their homeland, its culture and the way of living after the current turmoil of political stagnation is resolved as expected in the near future.

The new market now is for those categories, keeping in mind that luxurious apts. are put on hold due to the reluctance of Gulf investors under the current political pressure.

Middle class income Lebanese families are potential buyers, since they know and follow up the country news and prices. More than 300,000 homes are in demand for the next 10 years only for Lebanese expatriates, if we add the local need at the basis of an average birth rate of 60,000 per year, the requirement would be at least 5000 homes per year, therefore the market need would be at least 350,000 homes in the next coming 10 years.

UK has issued a 20 year National Housing Target for nine regions. They assigned Kate Barker a chief economic advisor at the CBI to prepare a review of housing supply which was published in March 2004 recommending building 190,000 private sector homes per annum. Government's response to Barker's review of housing supply was issued in December 2005 accepting the case set out for a step-change in housing supply, the measures set out in this response to reform planning and enable timely infrastructure provision will provide for more homes to help next demand of 200,000 net additions per year for the next 20 years.



Lebanese authorities are urged to set up a plan for such demand taking into consideration the architectural, environmental and infrastructural aspects of new land to be developed according to a clear concept.



Therefore; Land prices in Lebanon are expected to step higher and more land should be developed in the suburban areas. This will require an infrastructure and utility plans.

Rural areas should be a convenient candidate to host a portion of these homes due to the social ties and charm of these areas.

The private sector is expected to invest more than 25 billion U.S.D just in middle income residential units in the next 20 years.

Can we expect our government to react for such a new housing plan for 20 years?

The Lebanese expatriates constitute the new blood and hot beats of Lebanon's heart, is our government trying to provide the best political stability to bring those expats back?

Will our next president dedicate time and efforts to set up a national plan to provide a decent home for every family to live in security and peace in a real democratic society?

We do hope so...

Abdallah Hayek P. E
CEO
Hayek Group s.a.r.l
Beirut – Sept. 2007