

## **Lebanon real estate market comparison.**

### **COMPARING THE REAL ESTATE MARKETS IN THE REGION.**



The Global real estate market is affected regionally; Lebanon is slightly affected by the global financial disorder while neighboring countries had more serious repercussion.

Real estate values in Lebanon have increased by almost 10% in the first eight months of 2009 and are projected to rise by 15 to 20% each year until 2015.

The value of property transactions reached more than \$4.3 billion in 2008 and this year is expected to be even higher.

Demand for apartments is likely to continue rising. Firstly up this trend because the Central Bank has given incentives to commercial banks to increase house loans at competitive rates. Banks are offering 20 to 30 year housing loans at interest rates not exceeding 5.9%. Secondly Lebanese expatriates proved to be the heaviest investors in the country.

The latest official figures from the Directorate of Real Estate backed up this trend. They show that there were 7,740 operations during August, up by 3.9% from July - the highest value in 2009 so far. It shows the high level of confidence in the future of Beirut and Lebanon.

**Syria:**



Syria is a lower middle-income economy (per capita income of US\$1,570) with a population of 19 million growing at about 2.3 percent per annum and a labor force growing at the rapid rate of about 5 percent per annum. The oil sector provides half of government revenues and about two thirds of export receipts; the agriculture sector contributes to about 30 percent of GDP and employment.

Syria faces the dual challenges of: (i) keeping strong growth and developing non-oil sectors to cope with still important demographic pressures and with the decline in oil production (a labor force expected to increase at 4 percent per annum) and, (ii) maintaining fiscal sustainability.

Remittances from Syrian expatriates in the Gulf region have fallen “drastically,” and transfers from Gulf investors to finance new projects have almost come to a halt, resulting in the delay or cancellation of several development projects. Transfers from the Gulf directed to the real-estate sector started to fall drastically in 2009.

In June 2008, the government permitted foreign individuals to purchase property for the purpose of residence provided the buyers do not conduct any sale or rent activity for five years. One month later, Syria opened the door for foreign firms to establish subsidiaries in Syria and benefit from nondiscriminatory tax rates.

in 2008, as Iraqi refugees began to return home and the signs of the global financial crisis began to appear, “prices appear to have reached a ceiling and in some areas started to fall,

According to the Central Bureau of Statistics, the number of illegal housing units stood at 1.39 million, constituting a massive 38 percent of all housing units, with the percentage reaching 71 percent in Hassakeh, 49 percent in Raqqa, and 44 percent in Aleppo.

## **Jordan:**



Jordan's property market has been 'stagnant' in the past few years.

Land transactions have dropped by 20% in the first half of this year, while housing in the first six months of 2008 were down over 30% as compared to the same period last year.

One factor that has crippled the kingdom's property market are tight limits that the government has put in place on the total amount that banks can allocate for real estate loans, which has resulted in a shortage of available financing for retail buyers. Another cause of the real estate slowdown has been inflation, which has risen steadily in Jordan for the past few years.

At the same time the Jordanian stock exchange has fallen sharply, including a 20%-30% decline over the past few weeks alone, which means people have less money to spend.

As a result of these factors, investors have been either unable or unwilling to invest in Jordan, and instead have focused on other markets in the region.

## **Cyprus:**



*It is the end of an amazingly profitable era for Cyprus real estate. Lower demand for properties, the weak pound and the United Kingdom's slowing economy has spurred potential buyers to look elsewhere*

Cyprus' remarkable three-year housing boom ended in 2008. The market's peak was in November 2008, and after that, prices began to fall.

Average home prices fell by 2.17% (-3.22% in real terms) y-o-y, to € 187,053 in March 2009, according to MAP S. Platis, a leading Cyprus real estate agency.

Property demand from non-Cypriots buyers fell by 50% in the last period of 2008.

Sales dropped in the first half of 2009 to 842 properties, from more than 3,800 properties sold during the previous year's equivalent period (Cyprus Land Registry).

The number of building permits for residential properties fell 24% in April 2009, to 1,252, from 1,658 permits last year. Tourist arrivals dropped by 10.8% to 883,002 during the first half of 2009

The latest figures from Cyprus' Lands and Surveys Department show that the number of properties sold to foreigners in the first nine months of 2009 fell by 76%.

Overall sales are down 52%

In September alone the number of properties sold to foreign buyers was down 70% compared with the same month in 2008 with just 173 transactions taking place.

According to data from the Land Registry Department the number of property sold to foreign buyers fell to less than 1,100 in the first seven months of 2009 compared with 4,552 during the same period of 2008.

Areas like Larnaca and Famagusta which have always been popular with foreign buyers saw an astounding 80% fall in purchases by non nationals.

### **Dubai:**



It is a bitter blow to the Dubai real estate sector which shows no signs of recovery with prices, sales and rents continuing to tumble.

But now the real estate industry has tumbled and all recent reports from analysts make depressing reading with no one predicting a turnaround in the coming months and the outlook for 2010 is not encouraging.

Property prices in the emirate have fallen by up to 50% from their 2008 peaks and many developers who exhibited at Cityscape believed that prices still expect to further fall.

Figures also show that 472 commercial, residential and hospitality projects have been cancelled or on put on hold.

In the this uncertain market, Beirut is still the attractive place to invest in the region, even there are serious political stagnation, a paralyzed government and public debt reaching \$49 Billion. No academic or analytical analysis could verify the uphold of the Lebanese market, if you need to know the answer it is in the eyes of Lebanese Expatriates who have proven an exceptional loyalty to their homeland, and Lebanese economists who are fighting against all odds.

Most of the Lebanese working and living abroad are ashamed of the behavior and attitude of their politicians and the manner in which they are running the public sector. The expatriate's dedication to their country is unlimited and expects a Big CHANGE before it is too late.

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