

Lebanon's Housing Opportunities Amid Regional Gloom

Lebanon's housing sector is subject to a new wave of turbulence, but this does not mean that the country is heading toward a housing crash. On the contrary we are optimistic and hope you will be too, by the end of our newsletter.

During a recent visit to one of GCC countries I was surprised to see an advertisement for a new construction project with unique marketing value "The plot is a white sand island in the middle of the desert".



Lebanon will be always unique in its nature, living style and affordable prices. This is why the real estate market remained resilient during the global real estate price crash in 2008. Juridical regulations in Lebanon succeeded in providing property investors with a safe haven by protecting their ownership despite decades of political instability.

A new 12 page report by the IMF summarized the Real GDP activity of Lebanon from 1997 till 2010; lowest values were recorded during Israeli aggression in 1999, a surge in public debt in 2003 and PM Hariri's assassination in 2005. The market thereafter enjoyed agreeable performance even after Israeli aggression in 2006 and global crisis during 2008.



Despite the serious weaknesses in Lebanon's national accounts data, the real estate market enjoys a powerful performance due to the brilliant initiative of the private sector and the increasing appetite of major regional and international development groups.

This is supported by the serious consideration of Oil and Gas reserves in Lebanon valued \$1 Trillion to \$1.75 Trillion and the tendency to officially upgrade Lebanon's economy to class A. Even the Lebanese government and the entire public administration is unprepared to tackle such an important file, yet the major influential western countries will not tolerate such an issue and will enforce proper implementation for such a valuable matter which can, and will, positively affect the economy and stability of the entire region.

In a brief outlook on land development and prospective, the coastal stretch of Mount Lebanon and the North, up to 600 meters altitude, will enjoy excellent performance due to affordable prices, convenient infrastructure and a new wave of international presence outside Beirut.



Land purchase in Lebanon is a protected investment opportunity; Low interest rates will always be a stimulus to invest in land. If Lebanon had a chance for a relatively stable political climate and transparent legal and financial systems, the country could well become a target for many overseas investors looking to park their wealth, as the recovery of Lebanon's real estate sector has been in line with strong economic fundamentals of the local and expatriate private sector.

Wishing you a Merry Christmas and a Happy New Year

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