



Hayek Group Real Estate Report

El Maten Region

July 2017

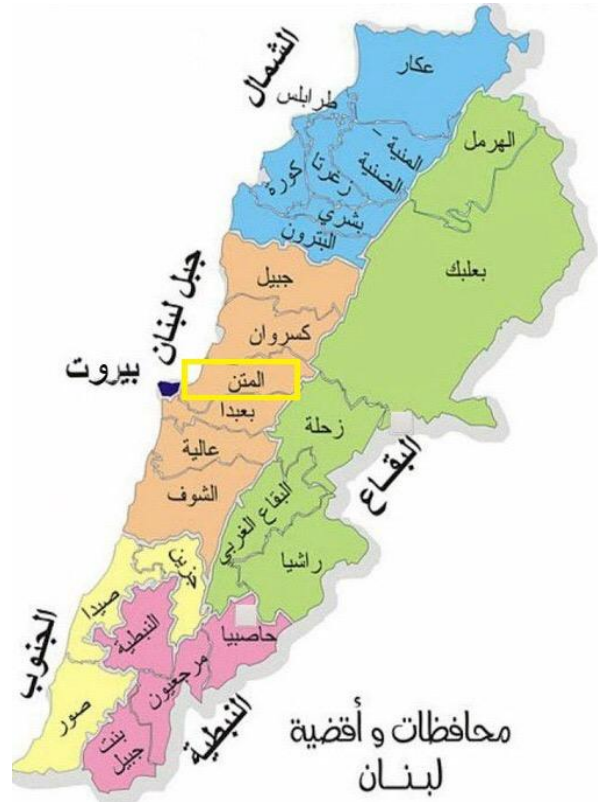
Hayek Group's research division team goal is to run an analysis over all 25 Districts in Lebanon, starting with the top 10 active districts in **Real Estate Sales Transactions (R.E.S.T)** based on the data released by **Real Estate Directorate (R.E.D)** and the registered building licenses at the **Order of Engineers & Architects (O.E.A)** in **Beirut**. The period covered in this report starts from **01/01/2006** till **30/06/ 2017** unless otherwise stated. *Some of the records are in Arabic but an English version is available upon request. Please contact us at 01-566666 or by email to: Research@hayekgroup.com*

Lebanon has 1492 cadastral zones. **Mount Lebanon** Mohafaza has an area of 1968.3 km² and constitutes 6 districts (Caza) and 495 cadastral zones. Maten is located in the central west strip of Mount Lebanon surrounded by **Beirut** and the sea in the west, **Baabda** in the South, **Zahleh & Beqaa** in the East and **Keserwan** in the North. Total area of Maten District is 263.2 km². It is also popularly known as Northern Maten District (قضاء المتن الشمالي) not to be confused with Southern **Maten** (المتن الجنوبي) which is part of **Baabda** District and with Upper **Maten** (المتن الأعلى) which is part of **Aley** District.

Maten Real Estate Sales Transactions (R.E.S.T) gained momentum from 2006 (7,416) till 2008 (12,178) after that Maten witnessed a steady mild decline till 2016 (7,170).

1 - Major Zones in Maten

Although **Maten** (Area) is the second least area in **Mount Lebanon** following **Baabda** (194.3 km²) yet it has the largest number of cadastral zones (100) amongst all districts in **Mount Lebanon** (Table 1), the analysis of this report will focus only on the highest 16 zones that exceeded 2,000 sales transactions. (Table 2)





Regions in Maten (In Alphabetical Order)

No.	Region	No.	Region	No.	Region	No.	Region
1	أبو ميزان	26	المسقى والغاية	51	حماليا	76	عين عار
2	البوشرية	27	المشرع	52	دير شمرا	77	عين علق
3	الجديدة	28	المطيلب	53	دير طاميش	78	عينطورة
4	الجوار	29	المكلس	54	دير مار روكز ضهر الحصين	79	قرنة الحمرا
5	الحبوس	30	المنصورية	55	ديك المحدي	80	قرنة شهوان
6	الخله	31	المياسة	56	رومية	81	قنابة برمانا
7	الخنشارة	32	النقاش	57	زبوغا	82	كفر تيه
8	الداشونية	33	انطلياس	58	زرعون	83	كفر عقاب
9	الدكوانة	34	بتغرين	59	زغرين	84	مار بطرس كرم التين
10	الدوار	35	برج حمود	60	زكريت	85	مار شعيا والمزكة
11	الزلقا	36	برمانا	61	زوق الخراب	86	مار مخايل
12	السفيلة	37	بسفرين الزاهرية	62	ساقية المسك وبحرصاف	87	مار موسى الدوار
13	الشاوية والقنيطرة	38	بسكتنا	63	سن الفيل	88	مجدل ترشيش
14	الشوير	39	بصاليم	64	شرين	89	مرجبا
15	العطشانة	40	بعبدات والسفيلة	65	شويا	90	مزرعة الحضيرة
16	العبيرون	41	بقنايا	66	ضبيه	91	مزرعة بيت الشعار
17	العيون	42	بكفيا	67	ضهر الصوان	92	مزرعة دير عوكر
18	الفريكة	43	بنايل	68	عين التفاحة	93	مزرعة ياشوع
19	الفنار	44	بياقوت	69	عين الخروبة	94	مزه
20	القعقور	45	بيت الككو	70	عين الزيتون	95	مشيخا
21	القنابة	46	بيت شباب	71	عين السنديانة	96	نايبة
22	المتين	47	بيت مري	72	عين الصفصاف	97	وادي الكرم
23	المجنوب	48	جل الديب	73	عين القبو	98	وادي شاهين
24	المحيثة	49	جورة البلوط	74	عين القش	99	وطى المروج
25	المروج	50	حارة البلانة	75	عين سعادة	100	وطى عمارة شلهوب

Table 1

2 - Real Estate Sales Transactions in Maten 01/01/2006 to 30/06/2017

Top active **Maten** zones is **Baucherieh** having the highest percentage of 10.1% compared to total **Maten** R.E.S.T of 105,868, Followed by **Bourj Hammoud** 5.3%, **Dekweneh** 4.6%, **Mansourieh** 4.6% , **Sin El Fil** 4.1% , **Ain Saadeh** 3.1%, **Kornet Chehwan** 3.0%, **Antelias** and **Beit Meri** 2.7%, (Table 2). Note that if all regions in **Maten** had equal sales transactions each region will have 1% sales transaction impact on the total, clearly this is not the case as the skew is towards the South of **Maten** District.



This resulted from the fact that **Baucherieh, Dekweneh, Mansourieh** and **Bourj Hammoud** are mainly middle income family communities, with apartment size ranges from 120 m² to 175 m²; which also reflects that market trend is for small and inexpensive residences.

What is worth noticing is **Baskinta** and **Mtain** which are listed among top 16 regions of **Maten** District with 2.0% each. But sales are mainly lot transactions, this shows a growth in affordable plot prices compared to the rest of **Maten**.

Prime regions are not included in this list like **Dbayeh, Jal El Dib** and **Jdaideh**. Reference to the data provided by the **Order of Engineers and Architects (OEA)** in **Beirut** it is noticed that in the period from 2012 to 2016 (Chart 1) **Dbayeh** leads **Maten** regions by 35.6% of the top seven most active regions, followed by **Sin El Fil** 15% and **Dekwaneh** 14.8%.

At a closer look to same regions in 2013, (Chart 2) **Dbayeh** exceeds by far all prime regions by 59.1% of registered licenses due to prime project along the coastal stretch and the main **Antelias - Dbayeh** Highway.

In 2016 recent records indicate that **Jdaideh** is the main region to lead by 36.1% followed by **Zalka** and **Antelias** by 18.4% and 14.2% respectively (Chart 3).

Comparing the data of **R.E.S.T** and **OEA**, we notice that the new trend of construction in **Maten** is migrating from densely populated areas and from middle and low income families like **Baucherieh** and **Borj Hammoud** into medium to upper end residences **Dbayeh, Antelias, Jal El Dib** and **Jdaideh**. It is also noted that the increase in commercial projects in this area is due to the affordable prices compared to downtown **Beirut**, note that the technology in those new projects are equivalent to project's in down town **Beirut**.

Maten Top Regions in 12 years

Percentage %	Top REST	Region	No.
100.0%	105,868	Maten	
10.1%	10,708	البوشرية	1
5.3%	5,586	برج حمود	2
4.6%	4,895	الدكوانة	3
4.6%	4,839	المنصورية	4
4.1%	4,379	سن الفيل	5
3.1%	3,229	عين سعاده	6
3.0%	3,211	قرنة شهبان	7
2.7%	2,853	انتلياس	8
2.7%	2,844	بيت مري	9
2.4%	2,510	مزرعة بشوع	10
2.3%	2,487	القنار	11
2.2%	2,380	التعاش	12
2.2%	2,294	الزلقا	13
2.1%	2,233	بجيدات والسقيلة	14
2.0%	2,084	المئين	15
2.0%	2,072	بمكتنا	16

Table 2



On the other hand, middle income communities are utilizing their stock of unsold small apartments but a decline in number of new projects is expected in the near future due to the sharp drop in the new building permits registered at **OEA** since 2012. This will result in a new crunch in the housing sector which will change the demographics of the middle income communities and a new migration to the mountains and the distant areas will be inevitable.

Baucherieh is the most active region in **Maten** since 2006; a peak value of 1229 is recorded in 2008 and exceeded 1,000 records in 2009, 2010 and 2013 (Chart 4).

Commercial projects are emerging into the **Maten** coastal regions for the first time in a promising volume. Projects include shopping malls, department stores, supermarkets, office buildings, hospitality & entertainment compounds, international representation's headquarters etc.

The current market trend in **Maten** is open only to large projects owned by companies that have a potential access to high volume of financing. Notice that none of such projects has been subject to any financial defaults. On the other hand, some small and medium projects are facing a shortage in financing leading to vacating the market and being replaced by the borrowers and banks. The decision of the central bank governor to ease the ownership of properties by the banks helped to cover some loans. But of course bankruptcies were expected for poorly managed companies.

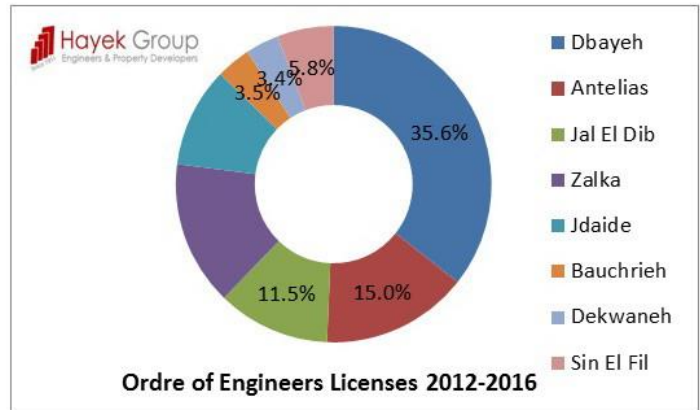


Chart 1

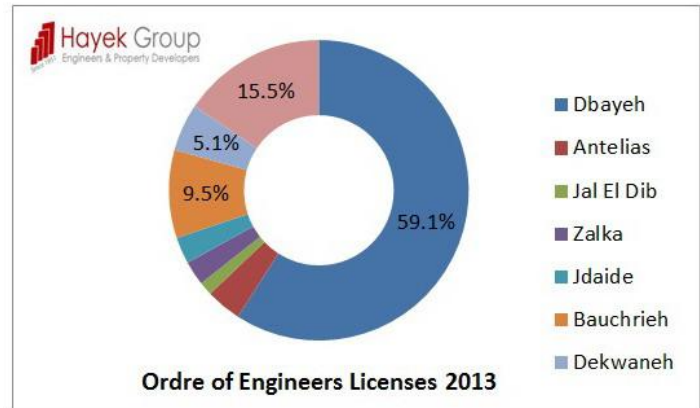


Chart 2

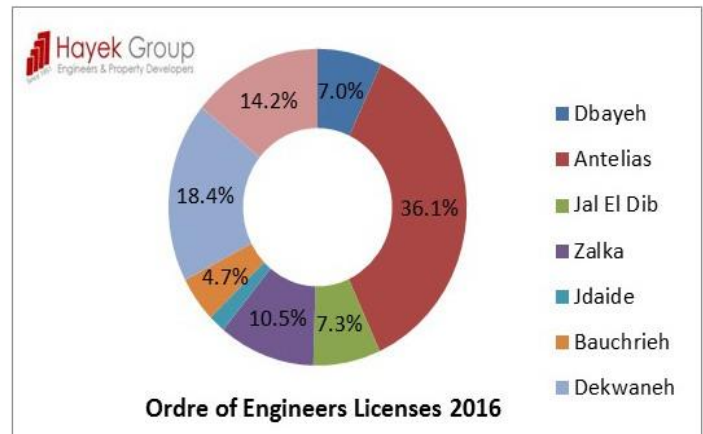


Chart 3

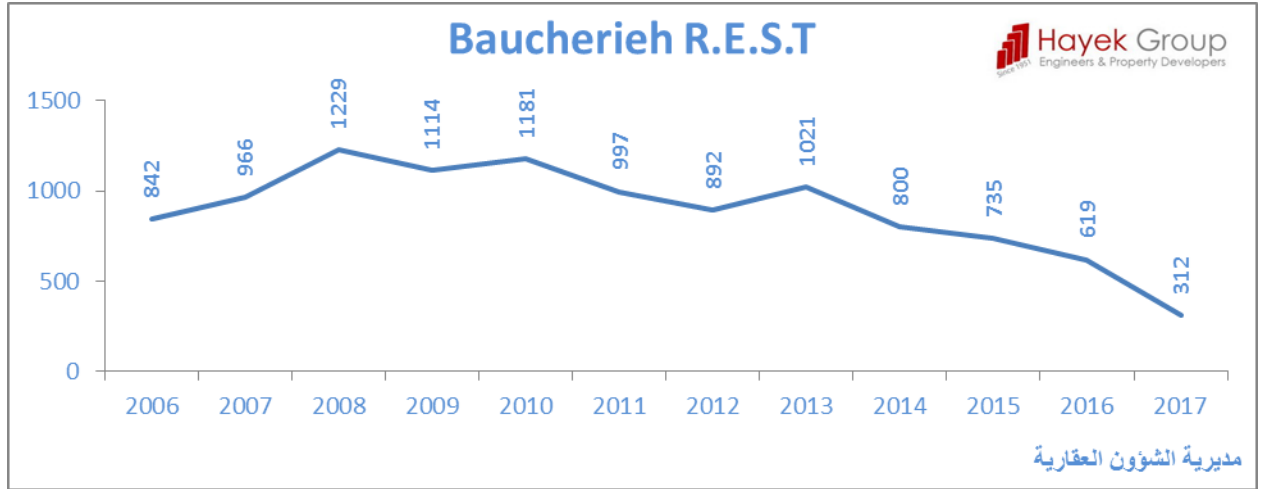


Chart 4

3 - R.E.S.T Peak year - Maten compared to all Districts

Following the July 2006 war on **Lebanon**, **R.E.S.T** headed upward in 2007 and reached an 11.5 years record High of 12,178 transactions in 2008 where the Lebanese real estate market enjoyed an average of 11,716 **R.E.S.T** in 2008, 2009 and 2010, whereas in 2011 the market underwent a declination reaching 18.9 % and continued at an average rate of 7.5% drop from 2011 till 2016 (Chart 5).

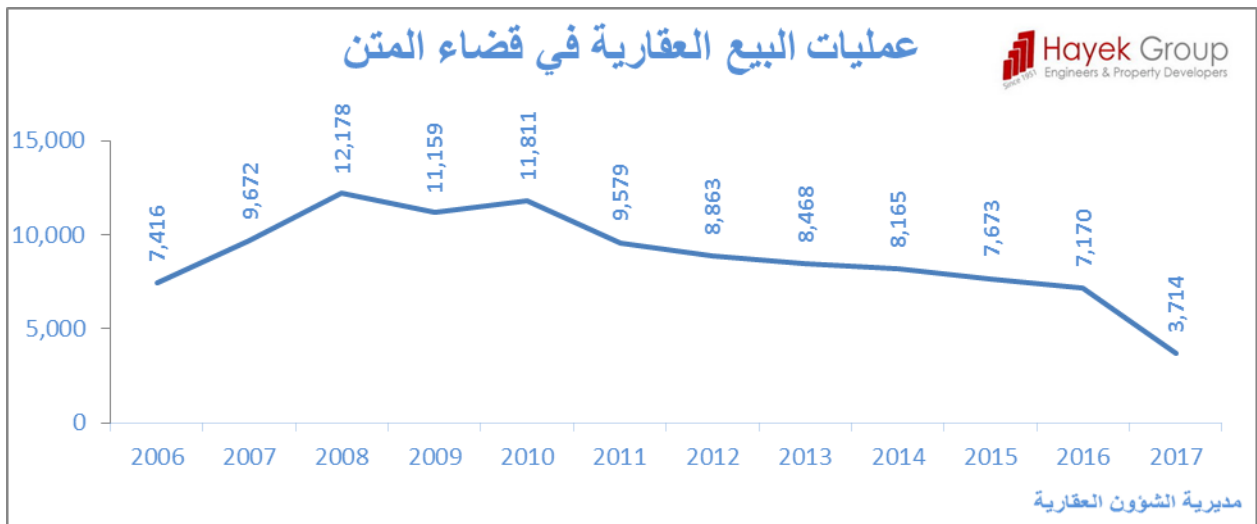


Chart 5



Maten is leading all Lebanese Districts for the past 11 and half years, where the peak record was in 2008 which is equivalent to the sum of the least 13 Districts. (Chart -6)

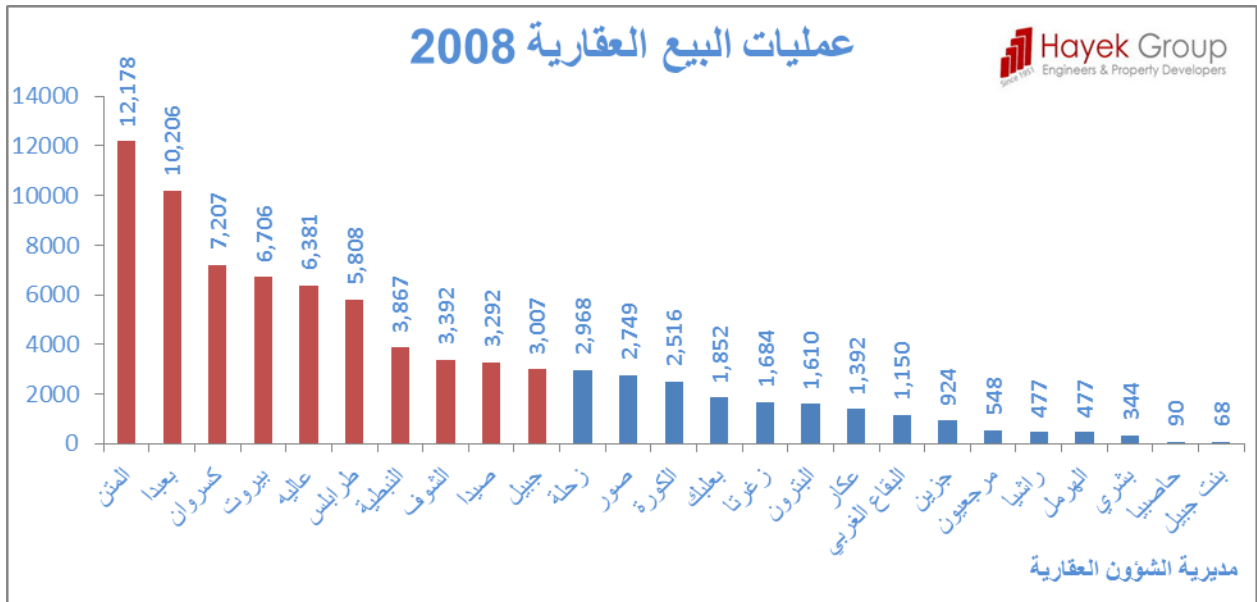


Chart 6

4 – R.E.S.T percentage of Maten in Mount Lebanon.

Maten R.E.S.T recorded 18.7% to escalate up to 28.1% in 2007 with a completed 10 years average of 26.25%. It is worth noticing that **Maten** recorded the highest **R.E.S.T** in 2008 during the global Real Estate crisis. Considering the negligible impact of the Global real estate crisis in 2008 on the Lebanese real estate sector, the market exercised a health immunity reflecting the confidence of the local and regional investors. This indicates that the Lebanese real estate market is a safe haven for Lebanese expats who are witnessing economic turmoil worldwide. It is arguable that with increasing economic growth worldwide Lebanese expats will seek alternative investments other than the local real estate market. Therefore local authorities are advised to help investors in protecting their interests by adapting an up-to-date dispute resolution juridical system and modern legislative regulations and convenient administrative processes.

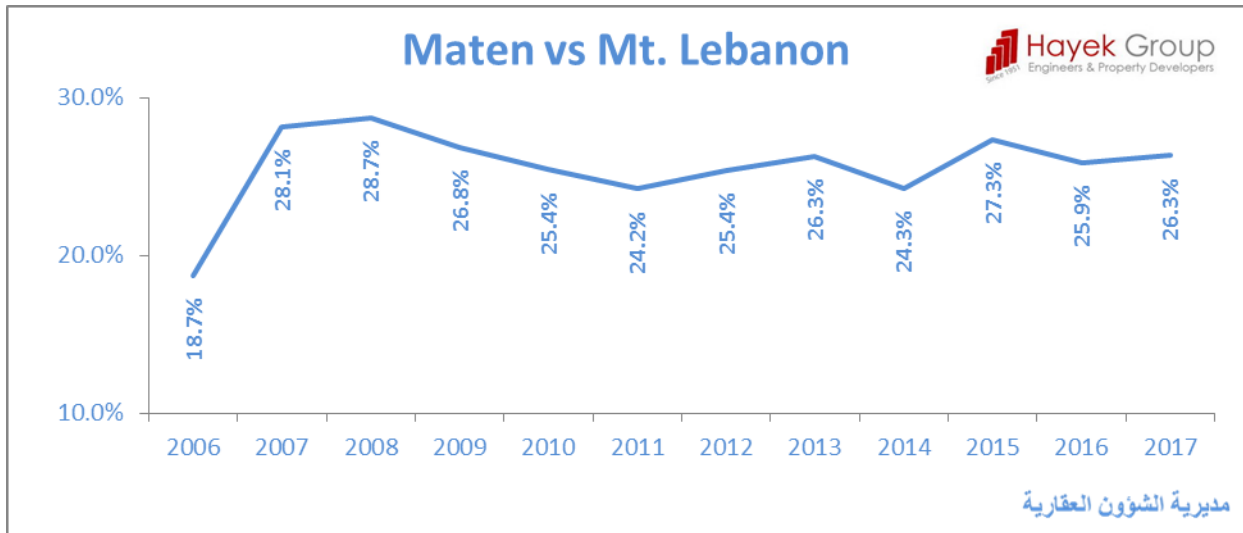


Chart 7

The **R.E.S.T** in Lebanon had its peak value of 92,916 operations in 2010 (Chart 8), since then a gradual and smooth decline continued until Jan 2016. The figure in Jan 2017 indicates an optimistic increase of 18.9%. Despite all the negative indicators regarding political stagnation, security measures, the **Syrian** crisis, corruption and most importantly the country's economic low rank. **Maten** is leading the market into a green zone.

The **R.E.S.T** of **Maten** averaged 12.77% of the national figures since 2006 (Chart 9), the highest value was in 2006 and the trend was acceptable compared to the current market conditions.

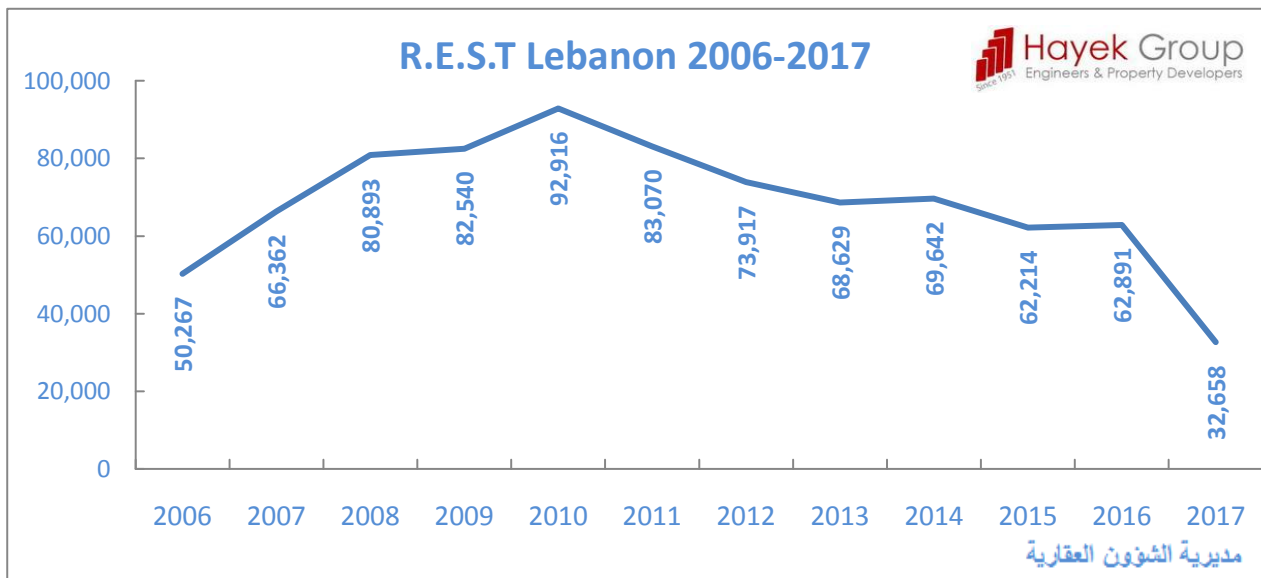


Chart 8

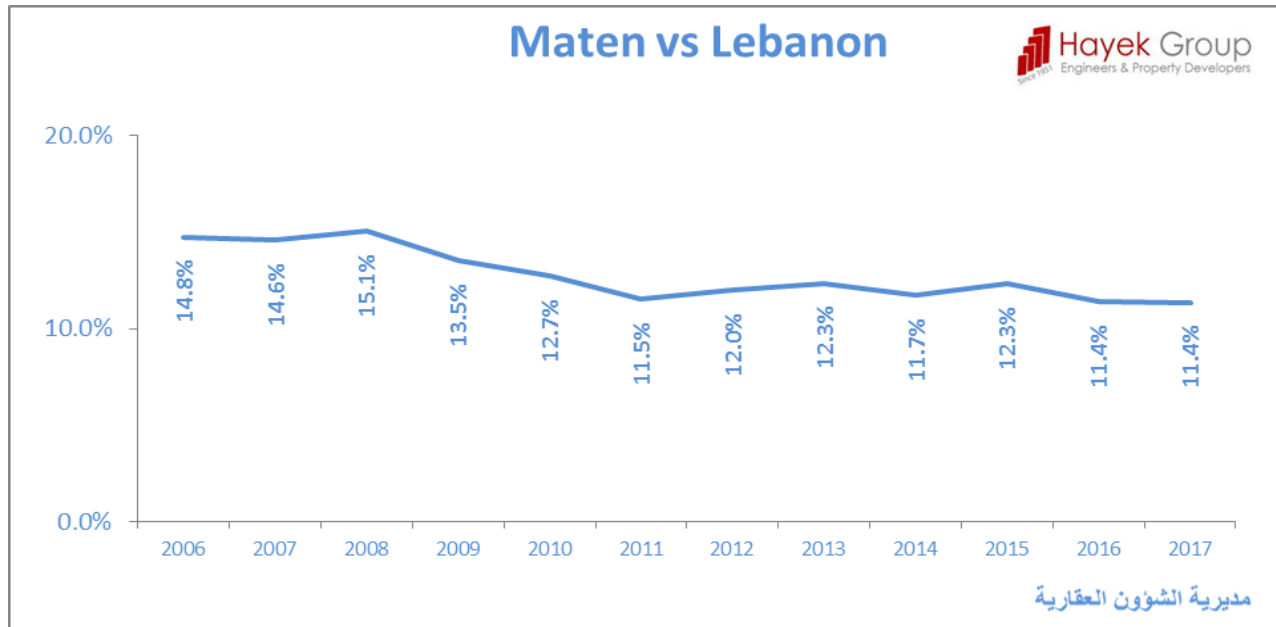


Chart 9

5- Conclusion and Recommendations

Maten District represents a safe hub for commercial and residential investment opportunities, even the market enjoys a surplus of financing through local banks, but most of the inflows were recorded from expats and international companies. The Arabic “so called” **Spring** had a devastated results on most Arab countries including **GCC**, money flow from regions exposed to political conflicts and even war zones to step into the best moderate risky framework in the region which is Lebanon.

Lebanese real estate market’s positive prospective is supported by real facts and not speculations. The UN delegations and NGO’s are scheduled to accelerate and support their activities in Lebanon by investing in the governmental operations to decrease corruption and provide efficiency to the public sector. Similarly, the EU union is deeply involved in all aspects to support the local government and the US embassy just started a one Billion dollar construction project in Maten. (This event might skew our next Maten analysis)

Such a closely watchful eye on this country from the international community is an evidence of the attraction of investments from the region. The institutional reconstruction of the government after the election of **President Michel Aoun** and the reform of the democratic institutions despite the severe diversification in political views all added to support the confidence of the real estate investors to grasp new opportunities.



Maten will be a real image of the investment appetite in **Lebanon**, if the housing and commercial development in **Maten** is in the green zone, the Lebanese real estate sector will reflect an average same condition. Therefore the government has to protect the prosperity of **Maten** District by improving the infrastructure especially in waste management, pollution control and transportation network.

The role of local municipalities is highly valued in guiding and protecting new projects by providing unbiased data of the housing and commercial sectors, many municipality councils in **Maten** proved to be efficient and wise in managing the development of their territorial governance, they should be encouraged by the government to provide local incentives for new projects and reduce administrative unnecessary complications.

Finally, to those who share us our optimism in the real estate market in **Lebanon**, our research team is willing to help you to achieve data driven decisions in your future projects to generate successful projects with minimum surprises and calculated risks.

July 31, 2017