

## **Gulf Real Estate Investment in Lebanon.**

Since the beginning of the current year and specifically in the summer season, the Gulf real estate investment in Lebanon has been activated after the issuance of several decrees allowing the Gulf citizens to own properties in several Lebanese regions and particularly in Baabda, Aley, Metn and Beirut regions.

Gulf citizens and the Lebanese immigrants were behind this activity, which superseded all other economic sectors.

These activities are due to the following factors:

- Gulf citizens invested more than US\$ 700 million in all Lebanese territories and mostly in the Mount Lebanon region by the end of the first trimester of the current year.
- The Real Estate activity expanded to cover the regions of Northern Metn, Bhamdoun, Faraya, Ajaltoun, Faitroun, Baabdat outskirt, Fakra and Kfarzebian... the investments were concentrated in those regions on villas, private large apartments and some touristic projects. Land purchasing represents more than 20% of the total real estate investment, where 89% were spread as follows: Aley 18%; Metn 18%; Baabda 38%; South 6%; Kesrouan 4%; Zahle 3%; Chouf 1% and Beirut 1%.
- Beirut Central District (Solidere) has witnessed a Gulf investment activity on the front coastline, where the price of an apartment (1000m<sup>2</sup> area) is more than US\$4.0 million.
- Last year, the real estate market in Lebanon has witnessed a high level of Arab activity in purchasing land. 85% of the transactions have been concluded for more than 900,000m<sup>2</sup> of land in Lebanon.

The non-Lebanese buyers of land in Lebanon represent a major factor for the real estate activity... it reflects to a large extent, the direction of the foreign investment. The Real Estate inflows constitute a major source of foreign exchange incoming funds.

As to the nationalities of the Arab new investors, the Saudis recorded an increase of 70% in 2004 and more than 400,000m<sup>2</sup> of land purchased up to last June. Most Saudi investment is oriented towards residential and partly on commercial and touristic projects. The UAE acquired about 320,000m<sup>2</sup> in Beirut and Mount Lebanon with an annual increase that reached 155,000m<sup>2</sup> and the concentration was mainly on touristic projects. The Kuwaiti came on the third rank by purchasing about 235,000m<sup>2</sup> of land, which represents 30% increase.