

How to Avoid the real estate crisis in Lebanon?

"The confidence and determination" address our march towards an integrated Real Estate Development. While launching the new design of our HAYEK GROUP on the Internet, we can only reiterate our confidence in the real estate sector in Lebanon, and our pledge to investors that offer the best services to contribute to the prosperity of the sector despite the misty horizon that defects in the visible stage. However, we find ourselves, in clarification of certain facts, that we offer for the event which passes the sector, with reference to the factors that contributed to the prosperity of the global financial crisis was in the flow of capital, which exceeded \$ 7 billion in 2009 and the law of foreign ownership, mass bulk cash held by Lebanese banks (\$ 93 billion), in addition to real estate and areas of the Endowments, which have long been a safety valve the steadfastness of the sector since the assassination of former Prime Minister Rafik Hariri and the July 2006 war and the repercussions of the global financial crisis, so it was said that "Lebanon has to stop my God," without prejudice.

And look to the current reality of the sector numbers are feeling through the increased demand for construction, so that the saw in the first quarter of 2010, growth in the sale of real estate and rate reached to 40 percent, compared with the year 2009, recording with more than 22 thousand operations valued at more than the authorized 2.1 billion dollars (Directorate of Land Affairs), have been authorized for 8.69 million square meters until July 2010, compared with 5.56 million square meters during the same period of 2009, an increase of 55 percent (Engineers Association).

These figures but are connected and related to the rate of loans to real estate sector in relation to bank deposits, which did not exceed 30 percent, compared to 80 percent in oil-importing countries and about 100 percent in the oil-exporting countries according to the World Bank, to make market mortgage credit is immune from crisis world, while housing loans did not exceed \$ 3.1 billion are 2.5 percent of budgets compiled by the banks.

The question that presents itself today, what after the decline in property prices built in the fourth quarter of 2010 by ranging between 10 and 15 percent, with the emergence of stability in the price of land in Beirut and its suburbs. This phenomenon indicates that the corrective movement on the normal path, similar to the natural capital markets and

investments, it poses an urgent question, Is it possible decline in the national economy, construction and purchase of land in the midst of political and security atmosphere that prevailed in the country? What are the urgent measures to be taken to avoid the real estate crisis.

We will look at some of the points as suggestions, if implemented, in defiance of a crisis rears its head, or stopped, leaving the way for a new start towards prosperity.

1 - Infrastructure: the backbone of the state to which the last to do its full responsibilities in terms of maintenance and compliance with specifications and standards, and in this context, the State confirmed its ownership of the various construction of infrastructure such as roads, water systems and sanitation and others.

2 - privatization of some public sectors: for Lebanon to make room for the local private sector and foreign investment to provide initial services necessary to find the investment climate encourages real estate development, as long as the State is unable to achieve these services, it is its duty to develop the laws and legislation to protect public rights and proceed with the privatization away from the favoritism and corruption, and can take a lesson in this area of the States evolving, so that the private sector to provide electricity, water and gas to the consumer as well as telecommunications companies, and perhaps the experience of service by regular mail in force now in Lebanon is living proof and example to follow.

3 - the general political climate: with the bickering and political debates do not leave negative impact on the real estate sector and his movement, and so as not to overwhelm the democratic climate and the freedom of opinion and the rare presence in the East, which encourages worker investment, the requirement to maintain a minimum of respect for investors and facilitate the operations of carry out their investments, especially real estate ones.

4 - the rationalization of policy developers: the developers re-studied the rates of profit to maintain the prices are acceptable, with the provision of incentives in terms of design and specifications, especially in the field of green technology, to maintain a limited supply versus demand. In this context, the administration of studies and statistics on housing units in different regions, with luck the possibility of residential development.

5 - the law of foreign ownership: contributed to this law to own nationals Arabs and foreigners, huge areas of Lebanese territory, which has helped in soaring property prices and the effects of this law explicitly in terms of developing the property and not to the possibility of speculation and resale, so it must be on the departments, and according to the law, apply the terms of ownership or purchase the property through public auction raised for the Lebanese and re-price to the basic owner loaded with all foreign expenses.

We are left with a word of thanks to all the friends who believed in Lebanon dear homeland and to all those who contributed to us in the tough years that passed by this country, repeating our time as usual, our confidence in the future of investment in real estate and although we expected a difficult stage as a result of the factors that we have said, repeating a call to invest in the purchase land in areas distant from the capital, especially the "high-Jbeil, Batroun, Akkar District, along with some promising opportunities in the South and specifically" on the border and the coastline south of Tyre.

And finally "you in the Covenant of us appreciate our country to complete the march, waving thanks to all those who dealt with us.

Abdallah Hayek P.E
CEO
Hayek Group s.a.r.l
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