

Real Estate Culture in Lebanon – 2019

Challenged with a **housing culture breaking point**, the newly formed government encounters a serious task to reconstitute the real estate and housing sectors based on rules-and-regulations set by the United Nations in 1992 known as **Agenda 21** or preserve the old time Lebanese traditions of housing culture and land ownership.



I. Dual Residence vs Community Stack

Lebanon has an extensive tradition in real estate culture. In the early 1950s and 1960s the majority of the Lebanese middle income families enjoyed living in a winter house on the coastal strip and a mountain summer house in the nearby mountains.

Beiruties spent their summertime in Aley, Bhamdoun and Sawfar, Maten residents enjoyed the summer weather of Dhour Chwair, Bolonia and Mrouj. Also families in Tripoli, Sidon, Batroun and the rest of the families along the 221 km coastal strip enjoyed the dual ownership of a residence on the



western mountain region of Lebanon. This culture was unique in the **Middle East** and **GCC** countries, where majority of Lebanese middle-income families enjoyed total ownership of their properties.

During the same interval, in **Palestine** the Jewish community established Kibbutz, a rural community dedicated to stack families in a new socioeconomic system based on the principle of joint ownership of property, it has a core format founded on the Marxist ideas of 'from each according to his ability, to each according to his needs.' This community is currently known as a communal settlement.

Elsewhere in the region, **Gulf Countries** roughly had 40 percent of the population were nomadic and resided in tents in highly dispersed patterns on vast rangelands, where they migrated with herds of camels, sheep, and goats to seasonal pastures and for access to water.

II. Agenda 21

1. Definition

At the Earth Summit in **Rio de Janeiro - Brazil** in 1992, the international community agreed on an ambitious and comprehensive strategy to address environment and development challenges through a global partnership for **sustainable development**. The key framework around which future action was to be built was '**Agenda 21**' covering each of the principal dimensions of sustainability - economic development, environmental protection, social justice, and democratic and effective governance. A decade later the **World Summit** on Sustainable Development in **Johannesburg, South Africa**, brought together the world's leaders, this time to review to what extent the high expectations raised in Rio have been fulfilled over the past ten years.

AGENDA 21 proposes an array of actions which are intended to be implemented by every person on planet earth... Effective execution of **AGENDA 21** will require a profound reorientation of all human society, unlike anything the world has ever experienced — a major shift in the priorities of both governments and individuals and an unprecedented redeployment of human and financial resources to improve the environment.

Agenda 21 embraces virtually every aspect of human life; it is being implemented aggressively worldwide; governments have never examined the totality of the Agenda, instead, they are fed only bits and pieces in the context of "protecting the environment." The ultimate objective of **Agenda 21** is to establish "international norms" of personal behavior that are dictated by a handful of the world's enlightened elite who believe they know best how people ought to live. The **UN Commission on Sustainable Development** is actually driving the agenda globally, and making it possible for the **UN** to dictate around the world, how all people must live.



2. Main Drivers

Local Government entities for Sustainability, Communities pay dues to provide 'local' community plans, infrastructure, training etc. Municipality Administrators and many more private organizations and official international NGOs. Foundations and government grants drive the whole process.

3. Origin:

The term **Sustainable Development** was first introduced to the world in the pages of a 1987 report (**Our Common Future**) produced by the **United Nations World Commission on Environmental and Development**, authored by **Gro Harlem Brundtland**, VP of the World Socialist Party. The term was first offered as an official UN policy in 1992, in a document called **UN Sustainable Development - Agenda 21**, issued at the UN's Earth Summit, today referred to simply as **Agenda 21**.



4. Strength:

More than **178** nations adopted **Agenda 21** as an official policy during a signing ceremony at the **Earth Summit**. As a result, with the assistance of NGO's, Sustainable Development is now emerging as government policy in all **178** nations.

5. Private Property:

Land cannot be treated as an ordinary asset, controlled by individuals and subject to the pressures and inefficiencies of the real estate market. Private land ownership is also a principal instrument of accumulation and concentration of wealth, therefore contributes to social injustice

6. Private land use decisions:

Such decisions are often driven by strong economic incentives that result in several ecological and aesthetic consequences. The key to overcoming it is through public policy

7. Current lifestyles:

The consumption patterns of the affluent middle class - involving high meat intake, use of fossil fuels, appliances, home and work air conditioning, and suburban housing are not sustainable.



8. Reinvention of Government:

We need a new collaborative decision process that leads to better decisions, more rapid change, and more sensible use of human, natural and financial resources in achieving sustainable goals.

III. Housing culture in Lebanon

As early as 1976, the **UN** adopted a policy relating to land use and population distribution: "All countries should establish as a matter of urgency a national policy on human settlements, embodying the distribution of population over national territory. Such a policy should be devised to facilitate population redistribution to accord with the availability of resources." (**Recommendation A.1, HABITAT I, Vancouver**). Lebanon does not have an official population policy and has no specific policies to modify the spatial distribution of the population.

CEDRE Convention reassure Sustainable Development Programs for Lebanon, the Lebanese government has an option to implement rules and regulations to comply with **UN Agenda 21**, which deals primarily with environmental control, waste disposal, infrastructure upgrade, clean power generation, affordable housing, population displacement, migration from rural areas etc. In order to help understanding the concept of **Agenda 21**, regulators should be able to define the following:

Sustainable Development: The objective of sustainable development is to integrate economic, social and environmental policies in order to achieve reduced consumption, social equity, and the preservation and restoration of biodiversity so that every societal decision be based on

environmental impact, focusing on three components; land use, community standards, and population control.

1. **Social Equity:** All people have the right to benefit equally from the resources afforded by society and the environment. Private property is a social injustice since not everyone can build wealth from it. National sovereignty is a social injustice; health care is a social injustice which are all part of **Agenda 21** policy.

2. **Economic Prosperity - Public Private Partnerships (PPP):** Special dealings between government and certain, chosen corporations which get tax breaks, incentives, grants and the government's power of Eminent Domain to implement sustainable policy and Government-sanctioned monopolies.



3. **Local Sustainable Development Policies :** Defined as, Smart Growth Wildlands Project, Resilient Cities, Regional Visioning Projects, Sustainable Communities, Green Building Codes, Alternative Energy, Local Visioning, regional planning, historic preservation, conservation easements, development rights, sustainable farming, comprehensive planning, and growth management consensus.

IV. The New Trend in the Lebanese Market

Governments are the major players in driving the real estate and housing sector into selective programs and policies due to the financial and legislative influence. Lebanon has a GDP of **\$55 B** while the private sector surpasses the influence of the government due to its financial capabilities thru **\$190 B** of deposits and the ability to adopt new business initiatives in total transparency without the complications of the public administration and associated corruption.

One of the major challenges for the culture in the housing sector is the ability to adapt the Lebanese families to evade property ownership and replace it with other forms of community or public housing. Property ownership has been attached to Lebanese family traditions thru ages, especially in rural areas where villages are divided into sectors and territories dedicated to a specific family. Families living in rural areas are voluntarily convinced to relocate into metropolitan areas for living and working convenience, abandoning such areas will provide large scale non populated regions and reduce pollution, infrastructure investment and preserve nature and environmental control.



Living accommodations will also be relocated into cities and dense populated areas, this include education, medical services, working stations, public buildings, public utilities, transportation etc.

Families are faced with two alternatives, either to accommodate living in smaller units of 1-2 bedrooms compared to larger traditional apartments, or shift into stacked communities in dense metropolitan areas.

The freezing of housing loans is a step toward a shift into reducing ownership rate for middle income families, even the rate of repayment default for such loans is less than **1%**, authorities are exerting new undesirable terms and conditions on Banks and borrowers.

Unlike western countries, the Lebanese are attached to their owned properties especially the highlanders living in the villages. Due to the current economic stagnation and the lack of government insight to support their living in such villages, they are faced with a migration process and relocation decisions to reduce their living expenses and live close to their work and education. This will totally fulfill the strategy set by **Agenda 21**.



Will the newly formed government in Lebanon consume the expected \$17 billion of **CEDRE Conference** in infrastructure and community upgrade hence support families living in their villages and preserve the Lebanese real estate culture? Or will it abide by the rules of the lenders as specified in **Agenda 21**?

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Feb 14, 2019