

CHAPTER 5 – REAL-ESTATE AND ESTABLISHMENTS

This chapter deals with real-estate, establishments, and engineers.

1 Real-estate in Lebanon

Real-estate in Lebanon consists of buildings, houses and, establishments. Lebanon included 480 515 buildings, 1 377 445 houses and, 176 279 establishments in 2004.

Table number 19 – Real-estate evolution between 1996 and 2004

Mohafaza	Build. 1996	Build. 2004	Evolution Build.	Houses 1996	Houses 2004	Evolution Houses	Est. 1996	Est. 2004	Evolution Est.
Beirut	18 810	18 336	- 2.5%	159 438	156 890	- 1.6%	24 660	25 516	3.5%
North Mount-Lebanon	111 504	115 488	3.6%	460 440	498 252	8.2%	57 743	64 265	7.6%
North Lebanon	107 268	110 953	3.4%	257 514	263 497	2.3%	37 666	33 985	- 9.8%
Bekaa	97 727	105 380	7.8%	178 879	183 041	2.3%	26 807	23 045	- 14.0%
South Lebanon	68 873	67 557	- 3.3%	152 367	161 786	6.2%	19 210	18 313	-4.7%
Nabatiyeh	56 705	62 801	10.7%	96 835	114 068	17.8%	10 274	11 167	8.7%
Lebanon	461 887	480 515	4.0%	1 305 473	1 377 534	5.5%	178 360	176 291	- 1.2%

Source: CBDE (2004)

Regarding 1996, the building number increased by 4% in 2004. The highest growth is displayed in Nabatiyeh (10.75%) and is followed by Bekaa (7.8%). On the contrary, South Lebanon and Beirut showed respective decreases of 3.3% and 2.52%.

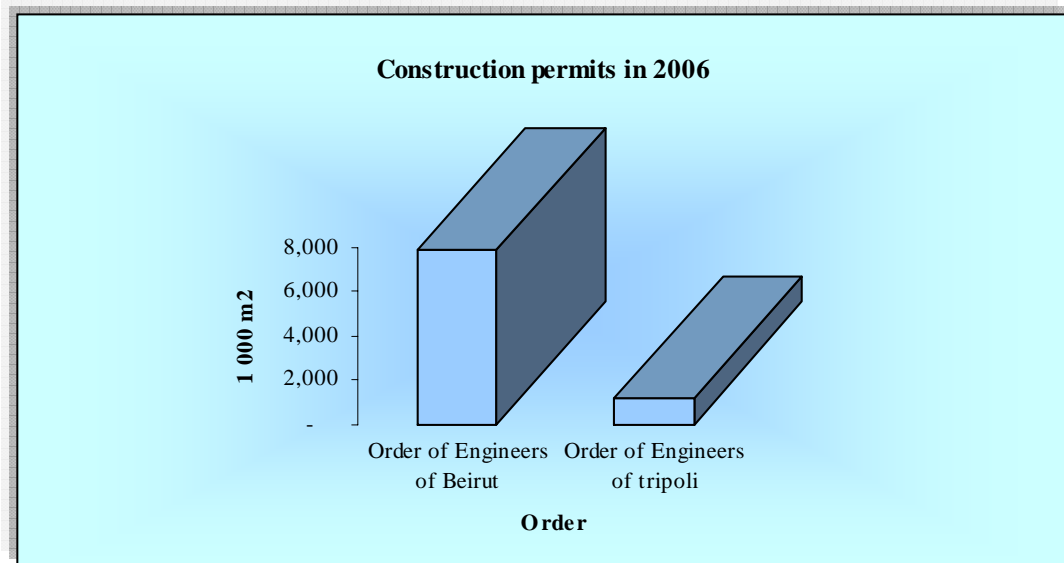
Regarding houses, they increased by 5.52% in 2004 relative to 1996. The highest growth is displayed in Nabatiyeh (17.8%) and then in North Mount-Lebanon. On the contrary, houses decreased by 1.6% in Beirut in 2004 relative to 1996.

Finally, establishments decreased of 1.2% in 2004 relative to 1996. The highest decrease was displayed in Bekaa (-14.03%), North Lebanon (-9.8%), and in South Lebanon (-4.7%). On the contrary, Nabatiyeh, North Mount-Lebanon, and Beirut displayed respective increases of 8.7%, 7.6%, and 3.5% (CBDE, 2004).

In addition, the two Orders of Engineers of Beirut and Tripoli provide the statistics related to construction permits which allow to exploit 8 997 000 m² in 2006 in all over Lebanon. The Order of Engineers of Beirut allows the exploitation of 7 836 000 m² (or 87.1% of total m² in Lebanon) and the Order of Tripoli allows the exploitation of 1 161 000 m² (or 12.9% of total m² in Lebanon).

Mount-Lebanon is ranked first among other Mohafazas regarding the exploited m² given by the Order of Beirut, or 4 238 000 m² (54.7% of exploitable m² through the permits given by the Order of Beirut). As for North Lebanon, if compared to other regions, it is ranked the first because it exploits 874 000 m² or 75.3% of total exploitable m² through the permits given by the Order of Tripoli.

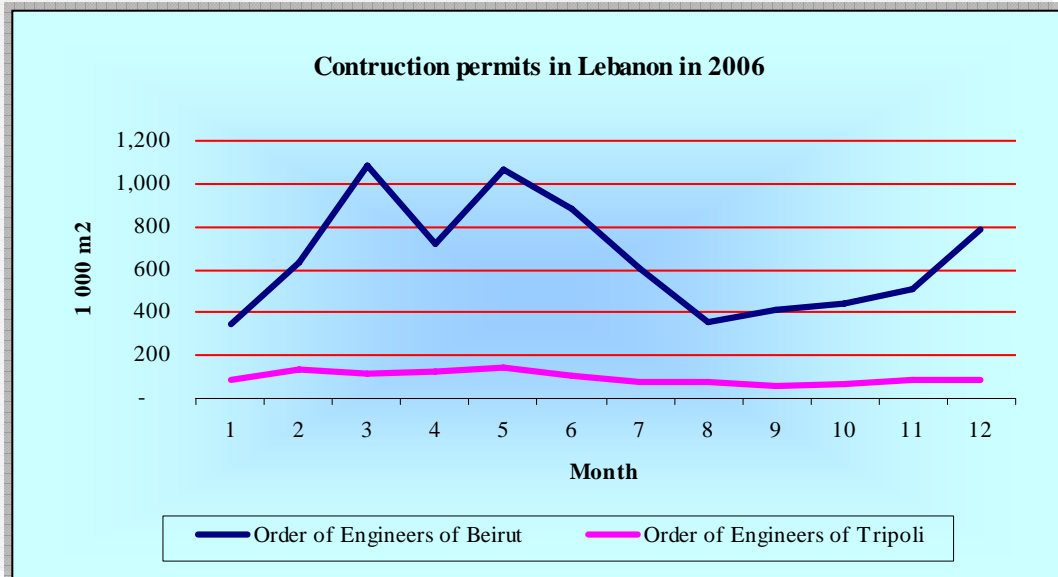
Graph number 25 – Construction permits in Lebanon



Source: Orders of Engineers of Beirut and Tripoli (2006)

On a time scale, the exploitable m² through permits issued by the Order of Beirut have peaks and bottoms in 2006. March registers a higher value equal to 1 081 000 m² (14.6% of total exploitable m² through permits issued by the Order of Beirut or 12.0% regarding exploitable m² in Lebanon through permits issued by the two Orders). While the m² exploited by the Order of Tripoli are more stable. Their peak equal to 147 000 m², is observed in May (12.7% of total permits given by the Order of Tripoli or 1.7% relative to all m² in Lebanon given by the two Orders) (Orders of Engineers of Beirut and Tripoli, 2006).

Graph number 26 – Chronologic variation of construction permits in Lebanon



Source: Orders of Engineers of Beirut and Tripoli (2006)

1.1 Buildings in 2004

The 480 515 buildings in 2004 were distributed over 319 485 buildings for housing (66.5% of total buildings), 92 981 buildings for housing and work (19.3%), 41 048 buildings not used for housing

(8.5%), 13 886 buildings under construction (2.9%), 7 129 empty buildings (1.6%), and closed buildings (1.2%). However, the construction date of 56 854 buildings is unknown (11.8% of total buildings); while, 39 687 buildings were built before 1950 (8.3%), 343 390 between 1951 and 1993 (71.5%), and 40 584 built after 1984 (8.4%).

As for the general equipment of these 480 515 buildings, 20 094 are equipped with elevators (60.5%), 128 440 with a parking (26.7%), 18 965 with a janitor (3.4%), 68 625 with a generator (14.3%), 33 410 with an artesian well (7%), 382 945 with water network (79.7%), and 236 525 with a sewage system (49.2%). On the contrary, the equipment of 27 001 buildings is unknown (5.6%) (CBDE, 2004).

1.2 Houses in 2004

The 480 515 buildings were composed of 1 377 445 houses which were not used solely for housing.

Among these 1 377 445 houses, there were 349 567 unspecified houses and not used for habitation (25.4% of the total) and 327 207 were not receptive to the questionnaires (17.2%). The area of 32 195 houses varied between 1 and 50 m² (2.3% of the total), 187 813 houses varied between 51 and 100 m², 313 445 houses varied between 101 and 150 m² (22.8%), 184 822 varied between 151 and 200 m² (13.4%), 59 046 houses varied between 201 and 300 m², and 13 350 houses exceeded 301 m² (1%).

As for the destination of these 1 377 445 houses, 1 027 152 were used for housing (74.4% of total), 726 were for work and housing (0.1%), 312 323 for housing (22.6%), 9 871 under construction (0.7%), 14 035 empty (0.1%), and 13 428 closed (0.1%).

However, these 1 377 445 houses were also distributed over 349 567 unspecified houses and not used for habitation (25.4% of total), 820 573 primary houses (59.6%), 68 620 secondary houses (5%), 128 678 empty houses (9.3%), and 10 007 janitors (0.7%).

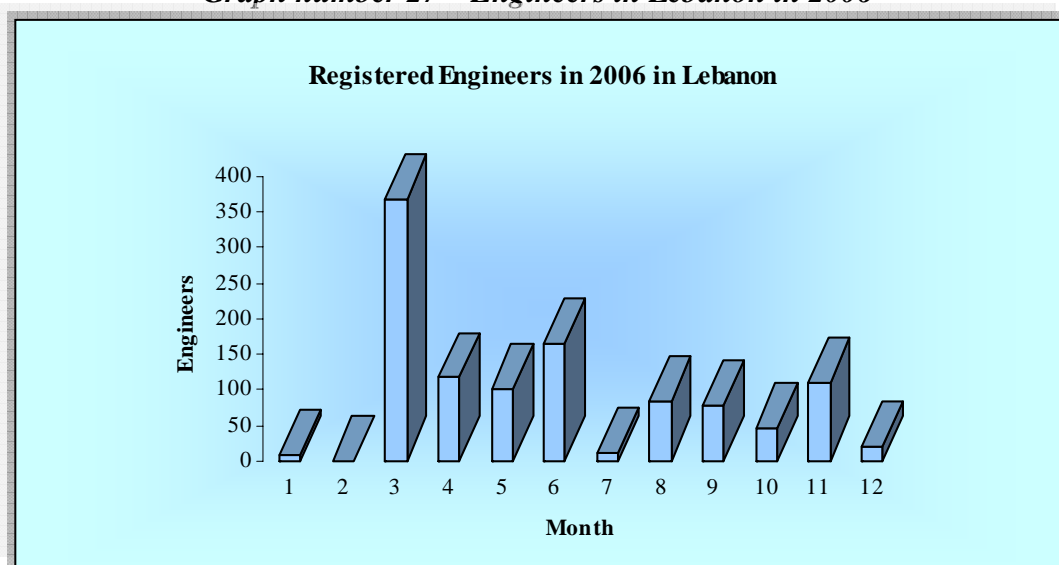
Regarding the occupancy of the 1 377 445 houses, 349 567 were unspecified and not used for housing (25.4% of the total), 723 232 are a property (52.5%), 153 361 are rented (11.1%), 4 661 are occupied (0.3%), 128 942 are empty (9.4%), and 17 484 intended for other uses (1.3%).

Finally, among the 1 377 445 houses, 34 733 had an unspecified use (2.5% of the total), 174 457 were continuous production units (12.7%), 1 066 seasonal production units, 596 general directorates (0.0%), 9 085 auxiliary activity units (0.7%), 93 384 empty units (6.8%), 22 240 closed units (1.6%), 7 818 worship centers (0.6%), 116 244 for housing and work, and 914 662 for housing and for an unspecified uses (66.6%) (CBDE, 2004).

2 Engineers

The two Orders of Beirut and Tripoli provide statistics related to engineers in Lebanon. In 2006, 1 116 engineers are registered in Lebanon of whom 879 are registered at the Order of Beirut (78.8%) and 237 (21.2%) at the Order of Tripoli. There are 213 female engineers (19.1%) and 903 male engineers (80.9%). The peak is observed in March with 367 engineers (39.2%) (Orders of Engineers of Beirut and Tripoli, 2006).

Graph number 27 – Engineers in Lebanon in 2006



Source: Orders of Engineers of Beirut and Tripoli (2006)

2.1 Order of Engineers of Beirut

There are 879 engineers registered at the Order of Beirut of whom 169 are females (19.2%) and 710 are males (80.8%). The peak of female engineers equal to 83 is observed in Mount-Lebanon (49.1% of total female engineers and 9.4% of the total at the Order of Beirut). The male engineers register a peak equal to 294 in Mount-Lebanon (41.4% of total male engineers and 33.4% of the Total at the Order of Beirut). However, the general peak is observed in March with 276 engineers and female engineers.

This Order also produce statistics related to the specializations and to universities of the last diploma. The number of registered engineers between 01/03/2006 and 14/12/2006 is equal to 871. In addition, 751 engineers (86.2%) have diplomas from national universities, especially the Lebanese University with 221 engineers (25.4%), Beirut Arab University with 113 engineers (13.0%), and American University of Beirut with 109 engineers (12.5%).

The most observed specialisations are data processing with 221 engineers (25.4%), architecture with 198 architects (22.7%), and mechanics with 133 engineers (15.3%) (Order of Engineers of Beirut, 2006).

2.2 Order of Engineers of Tripoli

237 engineers are registered at the Order of Tripoli with 44 female engineers (18.6%) and 193 male engineers (81.4%). March registers a peak of 91 engineers (38.4%).

However, the most observed specializations are the electricity with 75 engineers (31.6%), architecture with 56 engineers (23.6%), and civil engineering with 51 civil engineers (21.5%) (Order of Engineers of Tripoli, 2006).

3 Establishments in Lebanon in 2004

Establishments in Lebanon have a primary, secondary or tertiary economic activity. There were 176 279 establishments in Lebanon in 2004 of which 50 049 were registered at the Business Register (38.4% of the total), 125 681 are not registered (71.3%), and 548 have an unspecified status regarding the Business Register (0.3%) (CBDE, 2004).

3.1 Establishments in 2004

Among the 176 279 establishments, 3 688 operated before 1964 (2.1% of total), 93 018 between 1965 and 1999 (52.8%), and 53 031 are present in the market since 2000 (30.1%); while the activity inception date of 26 542 establishments is unknown (15.1%).

These 176 279 establishments were divided between 171 218 independent establishments (97.1% of the total), 1 039 headquarters (0.6%), 1 609 agencies holding accounts (0.9%), 1 065 agencies without accounts (0.6%), and 1 348 establishments with an unspecified activity (0.8%).

Moreover, these 176 279 establishments are divided among 174 056 establishments having a continuous activity (98.7%), 1 070 with a seasonal activity (0.6%), and 1 097 with an unspecified activity (0.6%). On the contrary, 56 establishments (0.0%) did not reveal their activity type.

Among these 176 279 establishments, 159 972 employ between 0 and 4 persons (90.7% of the total), between 5 and 9 persons (3.8%), 2 579 between 10 and 19 persons (1.5%), 1 317 between 20 and 40 persons (0.7%), 312 between 50 and 99 persons (0.2%), and 230 more than 100 persons (0.1%). As for the employees of 5 233 establishments, they are unknown (3.0%). Finally, establishments in Lebanon are little and medium size enterprises.

Finally, these 176 279 establishments are distributed among 28 685 industrial establishments (16.3% of the total), 103 723 trade establishments (58.8%), and 43 871 service and financial establishments (24.9%) (CBDE, 2004).

3.2 New registered establishments in 2006

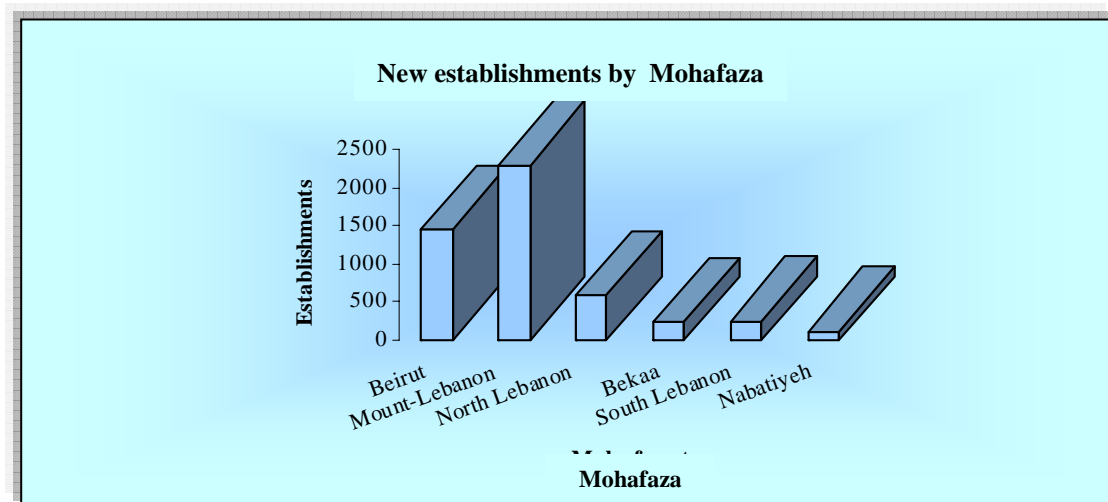
4 952 new establishments are registered in Lebanon in 2006. Unfortunately, the statistics related to the closed establishments are missing; which means a partial vision of the establishments demography. The new created establishments will be studied regarding their geographic distribution, legal form and activity.

3.2.1 Business Register: Geographic distribution of registered establishments:

Most of these 4 952 new establishments are located in Mount-Lebanon (2 301 establishments or 46.5% of total). Matn is ranked first in Mount-Lebanon related to the number of new establishments (985 new establishments or 42.8% of total new establishments of Mount-Lebanon or 19.9% of total new establishments in Lebanon). Beirut comes second regarding the number of new establishments (1 451 or 29.3%). North Lebanon is the third (591 or 11.9%). Tripoli is ranked first in North Lebanon (274 or 46.6% of the total in North Lebanon or 5.5% of the new establishments in Lebanon). South Lebanon is the fourth (251 or 5.1%). Saida is ranked first in South Lebanon (161 or 64.1% of new establishments in South Lebanon or 3.2% of new establishments in Lebanon). Bekaa is the fifth (239 or 4.8%). Zahleh is ranked first in Bekaa (156 or 65.3% of new establishments in Bekaa or 3.1% of new establishments in Lebanon). Nabatiyeh is the last Mohafaza (119 or 2.4%). Nabatiyeh is ranked first in Nabatiyeh (85 or 71.4% of new

establishments in Nabatiyeh or 1.7% of new establishments in Lebanon) (Ministry of Justice, Business Register, 2006).

Graph number 28 – The new registered establishments by Mohafaza



Source: Ministry of Justice, Business Register (2006)

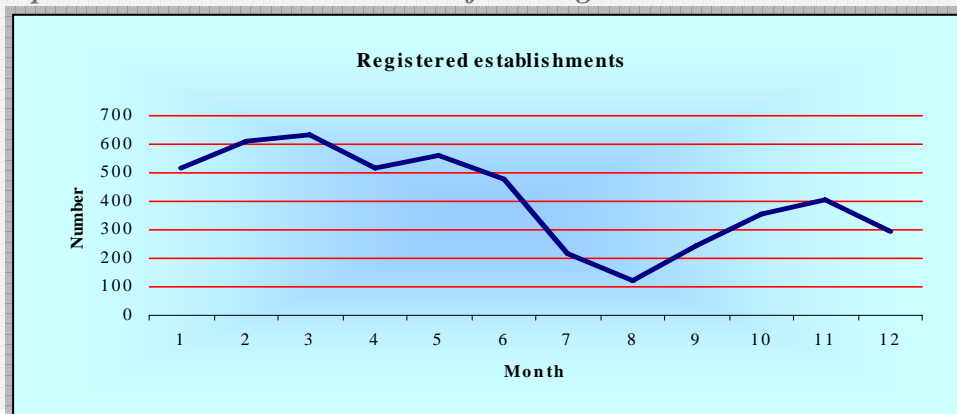
3.2.2 Business Register: Establishments distribution by legal form:

Over the 4 952 new registered establishments in Lebanon in 2006, the individual enterprise is ranked first with 2 301 new establishments (41.0%). The limited liability company is ranked second with 1 587 new establishments (32.0%). The limited company is ranked third with 407 new establishments (8.2%). The Off-Shore company is ranked fourth with 353 new establishments (7.1%). The Holding company is ranked fifth with 208 new establishments (4.2%). 366 new establishments have other legal forms (7.4%) (Ministry of Justice, Business Register, 2006).

3.2.3 Business Register: Distribution of establishments by activity:

Over the 4 952 new registered establishments in Lebanon in 2006, the other retail trades and the specialised shops are ranked first with 983 new establishments (19.9%). The miscellaneous activities are ranked second with 726 new establishments (14.7%). The financial intermediation and the insurance are ranked third with 611 new establishments (12.3%). The trade of car repair is ranked fourth with 363 new establishments (7.3%). The real-estate activities are ranked fifth with 311 new establishments (6.3%). The other new 1 958 establishments constitute 39.5% of the total new establishments (Ministry of Justice, Business Register, 2006). Finally, March displays the peak of the new registered establishments in Lebanon and which is equal to 631 or 12.7% of the total of the new registered establishments (Ministry of Justice, Business Register, 2006).

Graph number – Time Distribution of new registered establishments



Source: Ministry of Justice, Business Register (2006)

4 Real-estate transactions in 2006

There are several types of real-estate transactions in Lebanon. Registered in volume and value, these transactions consist of sales, donations and succession, real-estate mortgages, and seizures.

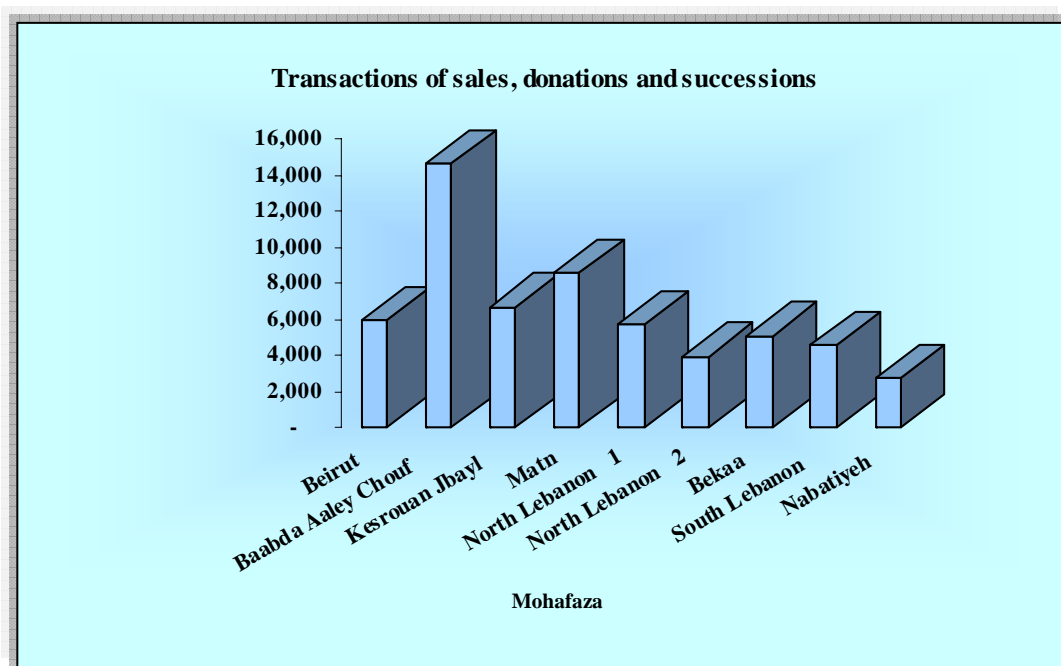
4.1 Sales, donations and successions

Sales, donations and successions are registered in volume and in value of millions LBP.

4.1.1 Number of sales, donations and successions:

58 000 sales, donations and succession are registered in Lebanon in 2006. Mount-Lebanon is ranked first with 29 915 transactions (51.6%). It is followed by North Lebanon with 9 699 transactions (16.7%) (Cazas Real-estate Register, 2006).

Graph number 30 – Number of sales, donations and successions



Source: Cazas Real-estate Registers (2006)

4.1.2 Value of sales, donations and successions:

The value of these 58 000 sales, donations and successions is equal to 4 703 905 millions LBP in 2006. Mount-Lebanon is ranked first with its transaction cost equal to 2 404 597 millions LBP (51.1%). It is followed by Beirut with 1 605 857 millions LBP (34.1%)

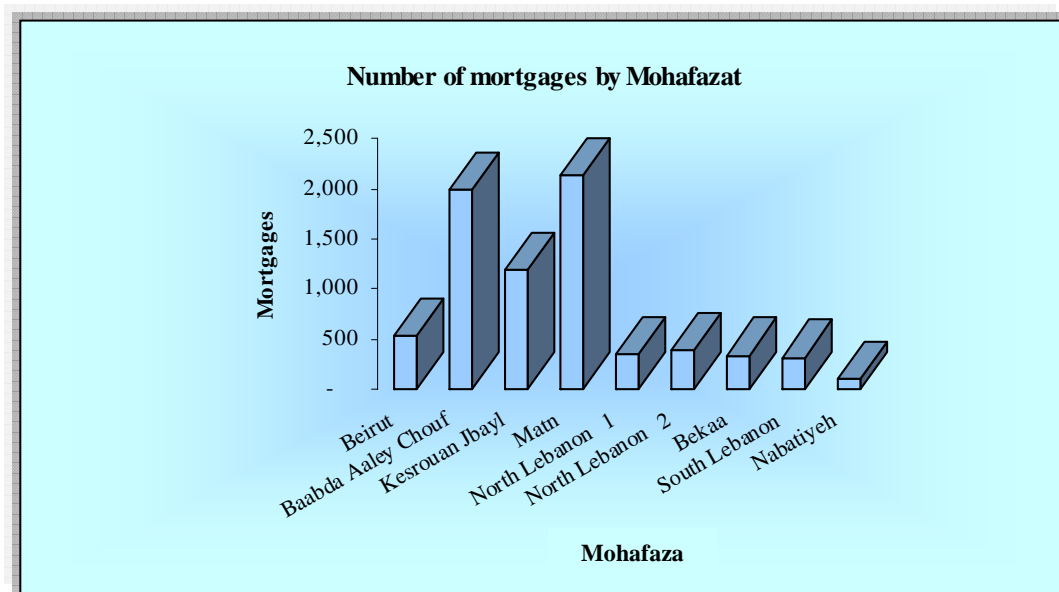
4.2 Mortgages

7 312 real-estate mortgages are registered and 2 837 are lifted in Lebanon in 2006.

4.2.1 Real-estate mortgages:

The 7 312 registered real-estate mortgages cost 1 250 820 millions LBP in 2006. Mount-Lebanon is ranked first with 5 309 transactions (76.2%) costing 743 977 millions LBP (59.5%). Regarding the number of transactions, it is followed by North Lebanon with 726 transactions (9.9%). Regarding value, it is followed by Beirut with 301 411 millions LBP (24.1%) (Cazas Real-estate Register, 2006).

Graph number 31 – Number of real-estate Mortgages

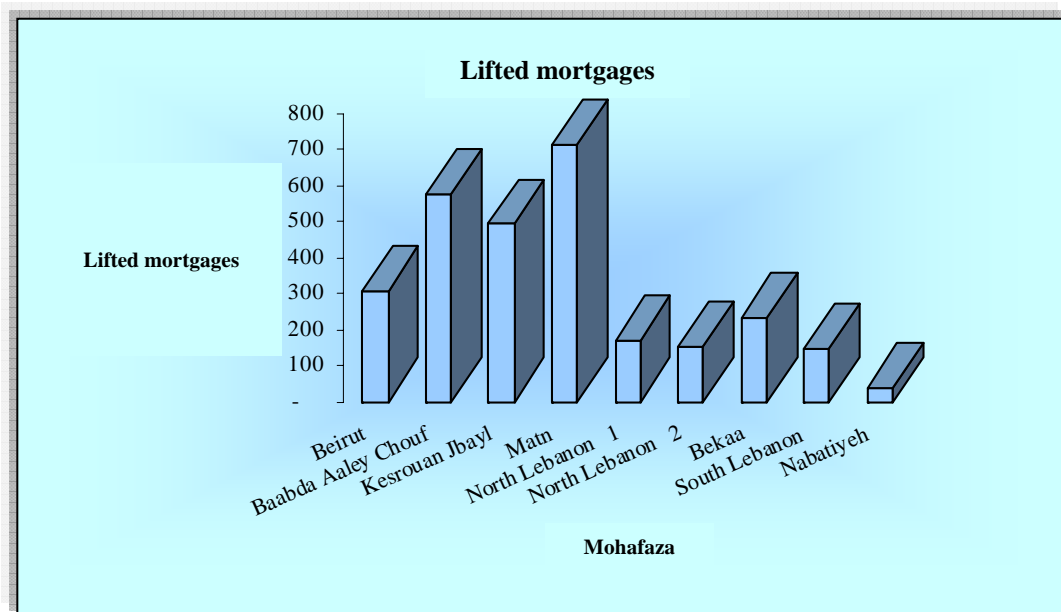


Source: Cazas Real-estate Registers (2006)

4.2.2 Lifted real-estate mortgages:

The 2 837 lifted mortgages cost 1 238 876 millions LBP in 2006. Mount-Lebanon is ranked first with 1 783 transactions (62.8%) costing 675 898 millions LBP (54.6%). Regarding volume, it is followed by North Lebanon with 324 transactions (11.4%). Regarding value, it is followed by Beirut with transactions costing 433 429 millions LBP (35.0%) (Cazas Real-estate Register, 2006).

Graph number 32 – Number of lifted real-estate mortgages



Source: Cazas Real-estate Registers (2006)

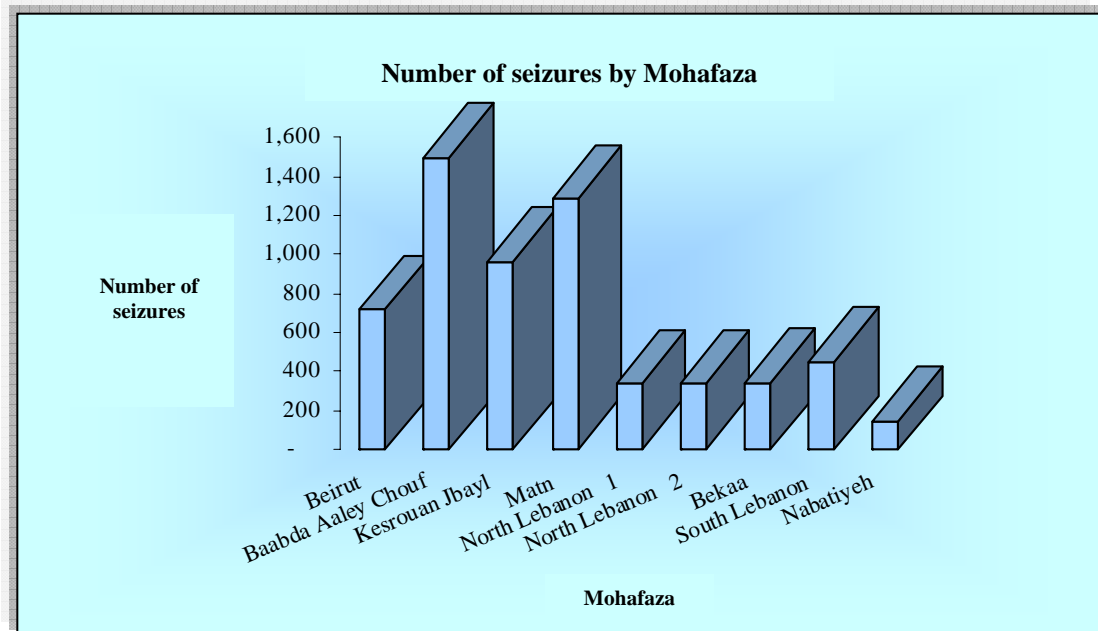
4.3 Seizures number

The number of seizure is equal to 6 084 seizures and to 174 lifted seizures.

4.3.1 Seizures:

There are 6 084 seizures in Lebanon in 2006. Mount-Lebanon is ranked first with 3 753 transactions (61.7%) and Beirut is second with second avec 718 transactions (11.8%) (Cazas Real-estate Register, 2006).

Graph number 33 – Number of seizures



Source: Cazas Real-estate Registers (2006)

4.3.2 Lifted seizures:

174 seizures are lifted. Bekaa is ranked first with 90 transactions (61.7%) and South Lebanon is ranked second with 79 transactions (45.4%) (Cazas Real-estate Register, 2006).