

THE DEFINITIVE BUSINESS YEARBOOK

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Facts & FORECASTS

Lebanon: LL 8,000 - Bahrain: BHD 25 - Cyprus: €22.00 - Egypt: EGP - Jordan: JOD 25 - Kuwait: KD 15.00 - Oman: OMR 15 - Qatar: QR 15 - Saudi Arabia: SAR 15 - Syria: SLD 200 - UAE: Dh 15 - UK: £25

► Raja Makarem General manager of Ramco Real Estate Advisers

◻ What was your overall impression of 2005?

"Following the death of Hariri, it was as if people held their breath for a moment and waited for things to come. Consequently, the sector experienced a brief lull. However, the situation went back to normal remarkably quickly, while prices never collapsed. Certainly after the withdrawal of Syria, the mood was extremely upbeat. Not only did Arab nationals continue to invest, but also, and increasingly so, members from the Lebanese Diaspora. More or less the same developments took place after that awful speech by [Syrian President] Bashar al-Assad last November. For a moment, I was shocked and I thought this is going to be a big blow to the sector, but the very next day I signed two major contracts for my clients. The bulk of the business, both in terms of numbers of transactions and value, was situated in and around Beirut. I'd say about 90%. In fact, areas outside Beirut, such as Aley, and Bhamdoun, experienced a slight stagnation. So far, Saudi and Emirati nationals were always the most active on the Lebanese market, but this year for the first time Kuwaitis bought more, some 225,000m² out of a total of 900,000 m² in 2005. The general consensus in Lebanon and abroad seems to be that things will only get better in 2006 and in the near future."

► Bernard Khoury Architect

◻ Seeing the construction frenzy in Beirut in recent years, what is your opinion about the state of architecture in Lebanon today?

"Beirut is of course a very ugly city, however interesting it may be in its

complexity. One interesting aspect is that it's an almost entirely privately developed city. There is hardly any state intervention. We have a very thick and complex building code, yet one which only restricts you not to construct more than you are allowed and which lacks any vision of how the city should look like. In that sense, Lebanese developers and architects bear a great responsibility and it is about time they take it, for we have examples of great architecture from the 1920s until the 1980s, but the last 25 years have been catastrophic.

"Architecture should be an intelligent response to a certain urban complexity and it should be attractive, attractive, attractive. It seems however, most architects prefer not to think, but just apply the recipe. They seem stuck in postmodernism, which was thrown overboard all over the world except here, and so all we see is the typical straight-lined high rise. I'm convinced that the conventional construction concepts most developers use will not last. The future belongs to those who develop concepts more adequate to the times we live in. If someone buys a house, you have to give him a dream, as it's the investment of a lifetime. And I want to stress that this is not incompatible with financial success, on the contrary. Great designs sell. It is a challenge for developers and architects to come up with daring solutions, within technical, financial and legal limitations. Take balconies. The law allows you to spend 20% of the total space on balconies and yet all we see are these tiny extensions, which are essentially just there to collect dust. But this is not Alaska or Dubai. This is the Mediterranean. We can live outside nine months a year, so why not work with large open staircases and balconies?"

"In downtown, Solidere has set its own standards, which in itself is a good thing. However, to me, the result is rather disappointing. It's all beige and yellow, with one red disaster in the middle called "Caracalla." Now, Solidere claims to only work with internationally renowned architects, but

that's only partly true. Firstly, they are hardly renowned and secondly, they only sign for the concept, after which local people take over. So, the result is hardly their signature. Take Ricardo Bofil. Pronounce his name anywhere in Europe and you get slapped in the face. He is the Richard Kleiderman of modern architecture. Unfortunately people here think that's the same as being Amadeus Mozart."

► Michael Dunn Chairman, Michael Dunn & Co.

◻ "Seeing the many shopping malls that have been built in recent years, do you think we have reached the limit or is there still room for growth? And what will be the consequence for a traditional high street such as Hamra?"

"Given political and economic stability, and a further increase from 2004 tourist arrivals, I think there is still room for more well constructed and well situated shopping malls. Compared to international standards, Lebanon still does not have enough available retail space per square meter, per inhabitant. I particularly have a lot of respect for the ABC mall, and I think the Souqs will do well. Even though so far only the south wing will be constructed, it will definitely be the finishing touch to downtown Beirut as a shopping destination. A shopping area such as Hamra or Verdun for that matter, can compete and complement the newly constructed shopping malls. They will just have to make themselves more attractive for visitors. In Hamra, that means first and foremost that the municipality gets its act together and does something about the horrendous traffic and parking problems. As long as those are not solved, Hamra will never pick up. It seems to me however, that no one cares and that they think that everything will get back to the good old glory days by itself. I truly do not understand that." 