

Beirut real estate prices second highest in region

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Regionally, real estate prices in Beirut are only surpassed by those in Dubai.



BEIRUT: Beirut ranked in second place in the Arab world in terms of price of midsized apartments, according to the Global Property Guide's latest annual report on investment trends around the world. According to Byblos Bank's weekly economic newsletter, the report ranked Beirut 46th among 94 markets globally in 2012 and second in the Arab world after Dubai in terms of the price of a 150-square-meter apartment.

The report estimated the price per square meter at \$3,591, with a price range in Central Beirut between \$4,200 and \$6,800 compared to \$1,200 in 2004.

The report also highlighted that gross rental yields have dropped significantly in the past six years from 10 to 11 percent to 3.62 percent currently.

Beirut ranked 66th among 83 markets globally and in last place among five Arab markets in terms of gross rental yield, which is the annual rent relative to the house price.

The report warned that high prices and low yield trends are unlikely to be sustainable. Beirut's GRY was 3.62 percent in 2012, significantly lower than the Arab average of 6.8 percent.

Lebanon's price-to-rent ratio was 28, higher than the Arab average of 16.4. It means that it takes 28 years of rent to recover the purchase price of a 150-sqm apartment in Beirut, ranking the Lebanese capital 16th among 83 markets and in first place in the region.

The price-to-rent ratio is typically used for measuring the undervaluation or overvaluation of real estate prices.

Beirut's rent-per-month was second highest in the Arab world at \$1,623 per square meter while the Arab average stood at \$1,579 per month.

In terms of the house price-to-income ratio, which is the cost of a 100-sqm housing unit relative

to the country's GDP per capita, Lebanon ranked in second place among five Arab states. The price of a 100-sqm upscale apartment in Lebanon is equivalent to 34.29 times the country's GDP per capita, compared to 29.19 in Jordan, 28.44 in Egypt and 6.02 in the UAE. In terms of Roundtrip Transaction Cost, which reflects all costs of buying and reselling a residential property as a percentage of the property value including registration costs and taxes in addition to agents' and legal fees, Lebanon ranked in fourth place among nine Arab markets. The Global Property Guide's survey included only resale apartments and houses covering the areas of Ashrafieh, Ain al-Mreisseh, Ain al-Tineh, Clemenceau, Hamra, Manara, Raouche, Sanayeh, Beirut Central District, Ramlet al-Baida, Verdun, and Saifi.

Read more: <http://www.dailystar.com.lb/Business/Lebanon/2013/Jul-22/224532-beirut-real-estate-prices-second-highest-in-region.ashx#ixzz2Zk3PJYgv>

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