

Wednesday, April 30, 2014

Economy

437 \$ million of new unsold apartments in 2013

Projets résidentiels terminés en 2013

Nombre de projets	65*
Nombre total d'unités	1 236
Surface totale bâtie	377 174
Nombre d'unités sur le marché	277
Surface résidentielle bâtie sur le marché	81 773
Taux d'absorption total	78 %
Valeur nominale du stock sur le marché (dollars)	437 583 544
Nombre de projets avec 100 % d'unités vendues	21
Ratio de projets avec 100 % d'unités vendues	32 %
* Projet dont le prix de départ est égal ou supérieur à 2 800 dollars le m ²	

Source : Ramco SARL – avril 2014.

REAL ESTATE MARKET

The proliferation of new unsold apartments is one of the consequences of the current downturn in the housing market for several months.

Our latest study reveals that 79% of residential projects completed in 2013 still have apartments for sale. The study is based on a panel of 65 properties located throughout the Municipality of Beirut.

The volume of housing stock of unsold completed 22% of the total number of units built in 2013, 277 units 1 236 completed.

Despite the accumulation of unsold goods, the people of Beirut are often frustrated because they can not find housing that suits their budget. The products mainly large areas of about 305 m2 on average. In 2012, the average unsold goods was 343 m2.

Overall, this stock totaled 81,000 m2, with a market value of approximately \$ 437 million. This does not take into account the margin between the price and the price displayed on the signature which can vary from 5-15% depending on the case.

Logically, these unsold goods should lose their value over time. Thus, a well unsold after several months or years should be discounted relative to a freshly delivered flat. However, developers are not very flexible and prefer to play shows in the hope of better days to grant significant discounts.

The rate of sale of buildings completed in 2013 is 78%, or 4.8% less than in 2012. Example, eleven buildings have a sales rate less than or equal to 50%.

Yet, these projects have started their marketing from 2009 and 2010, when the market was still relatively active.

Hopefully slight market recovery observed in recent days may allow the unsold stock to quickly find a buyer.

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