REAL ESTATE INDEX

Executive Summary
H1 2019

INFOPRO
R E S E A R C H

nfoPro has been monitoring the residential real estate market in Lebanon for the past 19 years. Its databases contain data about every building under development in Greater Beirut and the Mount Lebanon area. Data for buildings under development is captured through extensive ground surveys, desk research, and then through interviews with developers. InfoPro compiled the extensive data and developed the Real Estate Index, a set of primary indicators of the housing market's health. The index tracks the performance of residential real estate over time by providing a set of key indices: A Price Index, an Inventory Index, and a Newly Announced Properties Index. These indices can be segmented across Administrative Beirut, Beirut Suburbs, and the coastal areas/main urban centers of Mount Lebanon: Metn, Baabda, Kesrouan, and Aley. The indices are presented in an online dashboard format and are updated completely twice per year.

- The **Price Index** provides the average asking price per square meter across specific cazas, regions, and areas. It is calculated as the average price of units in an area. The starting baseline year for the index is 2012, which was assigned a nominal value of 100. The value of each half-year was then plotted to show fluctuations in real estate prices across areas. All outlying values are removed by ensuring that all prices fall within an interquartile range. The price indices for Greater Beirut were calculated by value-weighting the price within each of the six above regions (Administrative Beirut, Beirut Suburbs, Metn, Baabda, Kesrouan, and Aley) by the number of properties for sale in each region.

- The **Inventory Index** contains the total number of available buildings and apartment units for sale across specific cazas, regions, and areas. The starting baseline for the index is the year 2012, which was assigned a nominal value of 100. The value of each half year is then plotted to show fluctuations in apartment inventories across areas.

- The Newly Announced **Properties Index** has the complete supply of new buildings and apartment units launched across specific points in time, i.e., every six months. The index tracks average prices and sales of apartment units launched in that specific time frame only. The starting baseline for the Newly Announced Properties Index is specified by the user. The value of each half year is then plotted to show fluctuations in real estate prices and apartment inventories of that specific pool of buildings and apartment units launched in that specific time frame.


This is a summary report of some of our findings. The full online database of real estate data is available to real estate professionals and stakeholders for subscription – for a yearly fee. For more information, please contact the club manager at (01)739.777 (ext. 700) or email: **manager@leadersclub.com.lb**
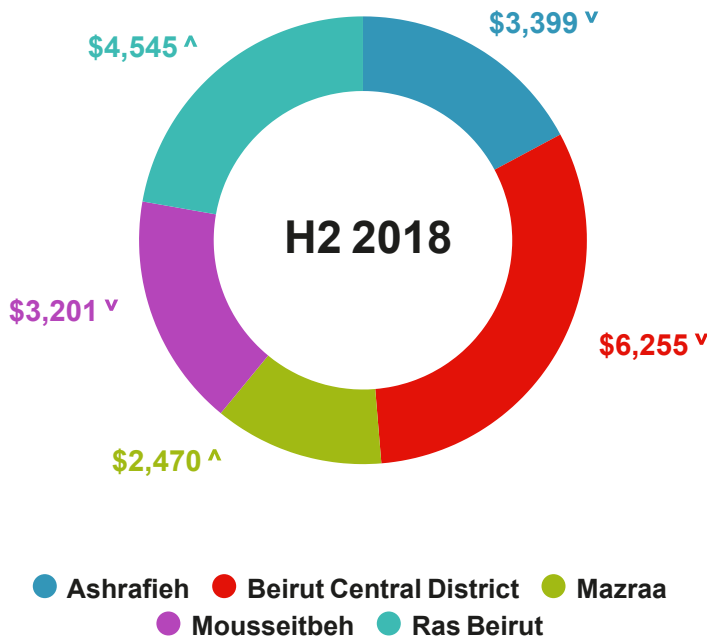
Price Index

Beirut Prices

The Price Index continues to demonstrate a downward trend in prices for Beirut, with results for H1 2019 showing that prices regressed by 15.56 points compared to H1 2012, and by 1.97 points when compared to H1 2018 and by 1.69 points compared to H2 2018.
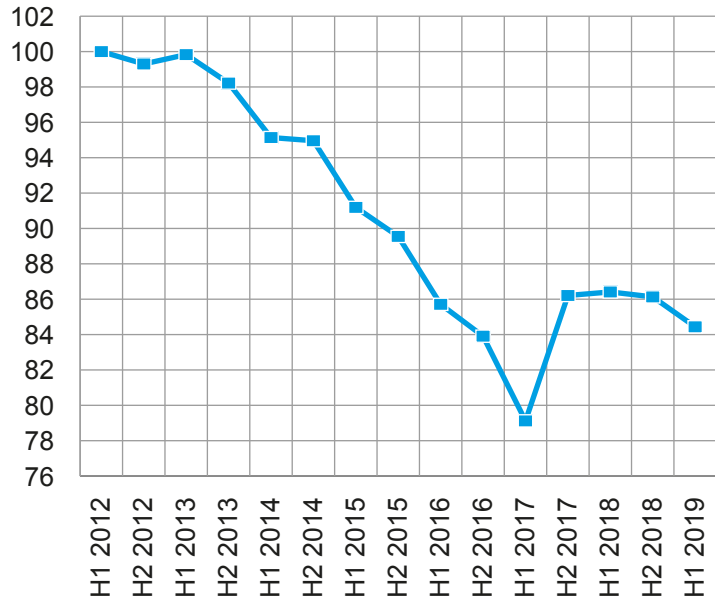
Beirut Central District registered the highest price at $6,250/m^2 on average, while Mazraa had the lowest price at $2,470/m^2 on average.


$4,545 ^

$3,399 ˅

$3,201 ˅

H2 2018

$6,255 ˅

$2,470 ^

^ **Indicates an increase in price since H2 2018**

˅ **Indicates a decrease in price since H2 2018**

● **Ashrafieh**   ● **Beirut Central District**   ● **Mazraa**
● **Mousseitbeh**   ● **Ras Beirut**

Beirut Suburbs Prices

The prices for Beirut's suburbs declined at a lower rate, with the index showing a decline of 9.59 points when compared to H1 2012, and by 2.27 points when compared to H1 2018 and by 1.69 points when compared to H2 2018.
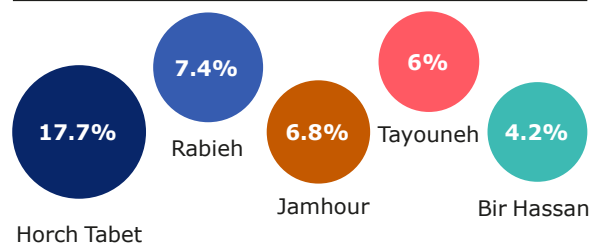
In suburban areas, Ghobeiri tops the list with a nince percent price increase between H2 2018 and H1 2019. Horch Tabet saw the largest price decrease with a drop of 18 percent when compared to H2 2018.
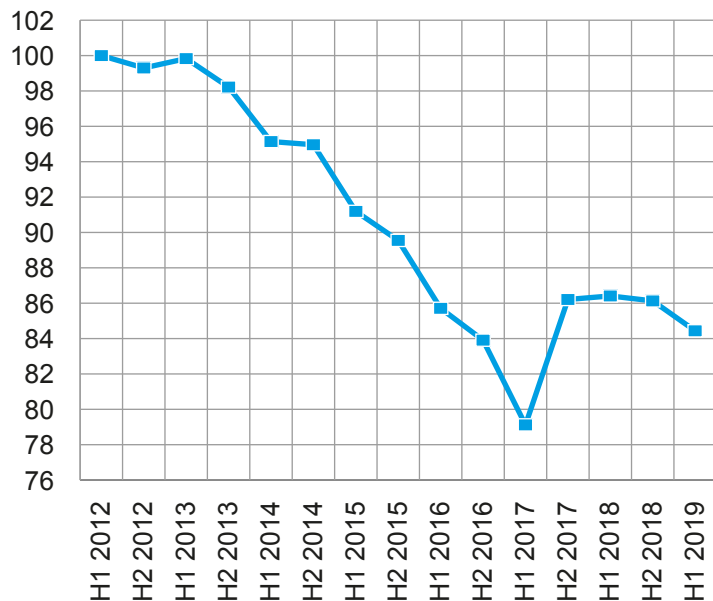
Areas with the biggest increase in price
(Since H2 2018)

- **9.64%** Ghobeiri
- **4.61%** Antelias
- **2.46%** Kfarchima
- **1.44%** Sin El Fil
- **0.5%** Hadat
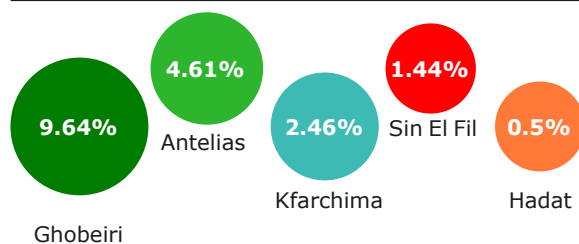
Areas with the biggest decrease in price
(Since H2 2018)

- **17.7%** Horch Tabet
- **7.4%** Rabieh
- **6.8%** Jamhour
- **6%** Tayouneh
- **4.2%** Bir Hassan

Other areas

The index registered price decreases for all areas when compared to the baseline, and H2 2018.

|	Comparison H2 2019 to Baseline	H2 2018 to H1 2019
Aley	-14.28	-1.34
Baabda	-18.29	-1.84
Kesrouan	-8.39	-2.55
Metn	-5.32	-1.24

Inventory Index

The Inventory Index demonstrates an upward trend in the availability of apartments for Beirut. Results for H1 2019 demonstrate that supply in Beirut has increased 157 points when compared to H1 2012. However, the index decreased by 13 points when compared to H1 2018 and by 14 points when compared to H2 2018. The index decreased for the first time in H2 2018 since the start of the real estate crisis in the middle of 2017, when demand plunged heavily leaving the market oversupplied. The decrease could indicate that supply of real estate units has slowed in order for demand to catch up.
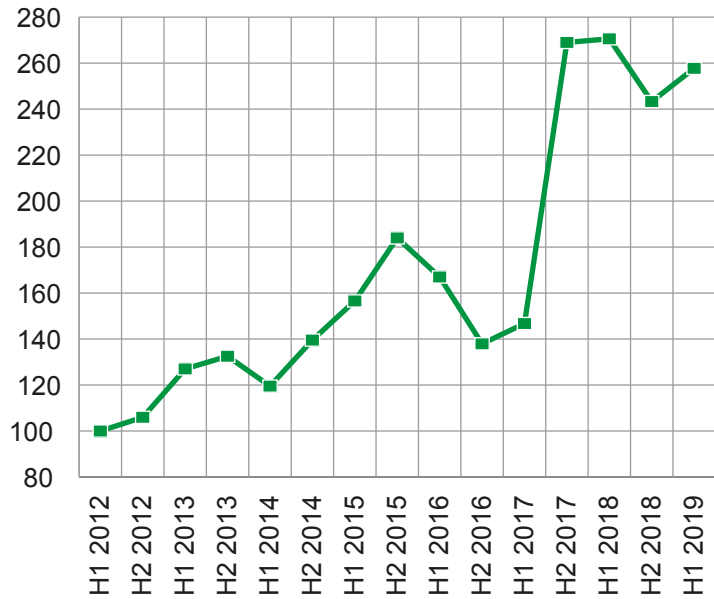
In Beirut's suburbs, the index indicates that supply has nearly tripled since H1 2012, while it decreased by 21 points since H1 2018 and remained stable when compared to H2 2018.
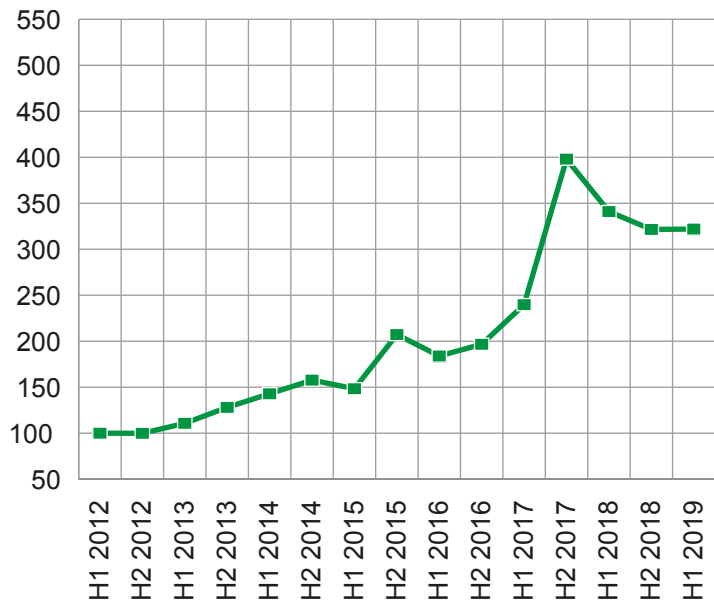
The inventory of the Aley, Baabda, Metn, and Kesrouan cazas shows that supply is nearly stagnant. All areas witnessed a decrease in stock due to low demand, which affected supply. When comparing sales for all the above areas, results show that supply was commensurate to demand in the past half year across all areas due to lower demand.

	H2 2018			H1 2019		
	Total Stock	**Sold Stock**	**Percent Sold**	**Total Stock**	**Sold Stock**	**Percent Sold**
Beirut	14,869	7,518	50.5%	15,276	7,490	49%
Beirut Suburbs	19,684	9,884	50.2%	20,036	10,223	51%
Baabda	9,670	4,537	46.9%	10,010	4,713	47.1%
Aley	11,102	4,816	43.3%	10,059	4,529	45%
Metn	17,077	8,752	51.2%	17,205	9,108	52.9%
Kesrouan	11,647	6,548	56.2%	11,715	6,663	56.9%