

# The Real Estate Management in Lebanon and the Influence of Urban Planning and Cadastre on the Valuation

Yaacoub SAADE, Lebanon

**Key words:** Socio-economical development, Beirut, Lebanon, Urban planing, Real Estate.

## SUMMARY

In this paper, we explained the relation between town planing and the real estate management as the relation between cadastre and the Director Plan.

This of course will combine the idea of the relation between land management and evaluation and might also highlight some headlines of the problem of evaluation, theme of this session.

The most important constraint is to respond to the human needs and in the same time to conserve the main character of the region.

A man buys what he needs and also he is ready to pay the right price of those needs.

So to give a right value for the land we should know how to manage it and organize it to be useful for us, using the LIS (land information system) which is the cadastre, the Director plan and finally the Urban and Regional planing o reach this Aim.

The Socio-Economical and cultural situation of a country can define the needs of its people and hereby the adoption of the right National Development plans.

## RESUME

Je vais éssayer au cours de cette présentation d'expliquer une politique générale qui s'exprime par le plan du développement social et économique de la nation et qui s'affirme sous la forme de *l'aménagement du territoire*. Ainsi l'aménagement foncier et l'Urbanisme s'inscrivent dans ce cadre, qui les dépasse et leur donne ses directives générales pour une meilleur évolution de la valeur et de l'utilisation du sol.

Tout en répondant au besoins de L'Homme , on résoud le probleme de l'évaluation et le soucis de dévelopement ce qui aboutit à une productivité communitative et non seulement personnelle

# **The Real Estate Management in Lebanon and the Influence of Urban Planning and Cadastre on the Valuation**

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## **1. INTRODUCTION**

At the entrance of the new millenium , the relation between Urbanism , land management and evaluation became much more closer and unavoidable in most of times . The title of my presentation could seem to someone that I am going to speak only about legislation and techniques, but in fact, I will treat the origin of this relation, that we do forget often, which is the human being itself and its Socio-economical development, with all the needs and extensions that requires this developments.

The use of territories to construct and create necessary public equipment are the main objective of what we call Urban and Rural planing and Real Estate management, that means, to respond to the needs of the Society and people.

The expression of those procedures is Politically called the General Plan of National Development or land management.

This procedure is based on implanting, in certain regions or Sectors, Centers of important activities and industries with their human residence extensions.

Urban planing and Real estate management leads to what we call “the Director plan or Scheme”.

A duality appears between those two expressions as orientation and rules or legislation that forces us to distinguish between “outline” which is the instrument of a dynamic action and the “ plans” that impose certain rules in a well defined resorts.

We split this presentation in two parts Subjects of the real estate management and evaluation in the National Socio-Economical Development in Lebanon:

*First part* in the Urban Areas and Big Cities, and here we are going to take Beirut as example.

*Second part*, in the Rural Areas and here we will take the Northerner Region as example, to mention that BEG, has completed this Study for the government two years ago.

## **2. PART A: THE URBAN AREAS AND BIG CITIES**

In 1963 the first town planing legislation applicable to all of Lebanon was adopted.

According to this legislation, all matters related to town planing were to be concentrated in one single authority:

The Directorate-General of Town Planning, assisted by the higher council for town and country planning.

General master plans, detailed regional plans, specific regulations for the acquisition of land for public use and for the constitution of mixed real estate companies were introduced for the first time.

The French urban planner Michel Ecochard was called back in order to help plan the development of Greater Beirut, a metropolis which would extend from Jounieh in the North to Naameh in the South.

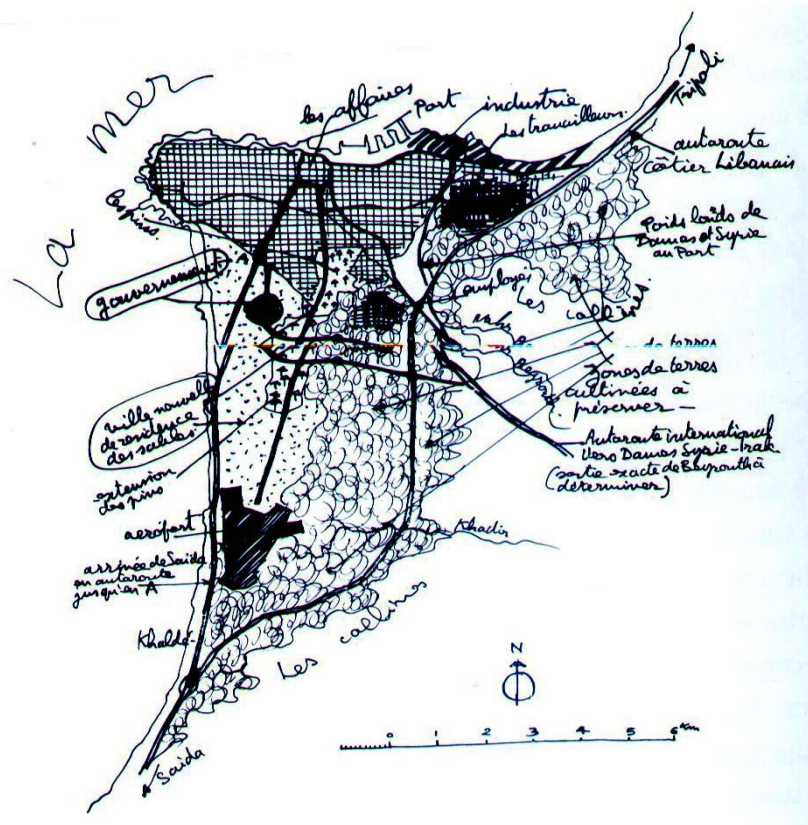


In order to prevent anarchic urban growth and to replace the mononuclear structure of the city, which could not adapt anymore to the conditions of its growth, with a polynuclear structure organized around green spaces.

The idea was to create a new Town on the sandy dunes of the southern suburbs in order to absorb the major part of the population increase where also new constructions on beaches and woods will be prohibited.

We can say that the early '60s in Lebanon were the beginning of a modern understanding for social and economical development and a financial center on the level of the whole region.

When Ecochard was planning for this new Urban extension, he was looking to satisfy the needs of the population that was looking for new investments not only in Beirut, this was obvious from the sketch he made as a basic idea for the master plan of Beirut.



This necessitated the reduction of the disequilibrium between the capital city and its peripheries, and the restructuring of Beirut's agglomeration to cope with mounting new demands and plans .

This plan was made up of 3 main components

- 1- the new city
- 2- the major arteries
- 3- What he called "quartiers congestionnaires" at the center of town.

Functionalism and rationalism defined a form of urban Zoning in which the segregation of functions became the Key of Concept.

The Road network was seen as the armature of all urban propositions as for housing, they were treated separately for its special needs with regard to climatic and lightning conditions.

The planned extension of the new city proposed a new way of living associated more with the people who was to be offered in plus of modernity, a greater equality.

This kind of Urbanism is really situated at the heart of the political and the social milieu.

When we base our concept on the fact of the daily life of the people we can give them a well organized plan for their living places , but also , a value for there region that respond to there needs also and this is the objective of a development plan .

This approach also defined caveats: “*by virtue of the added value to the land, any well-conceived urban work cannot be but a profitable operation.*”

We can understand that it is the collective and not individuals, which should benefit from the improvements achieved through urban planning.

On the practical side, there was the creation of an autonomous body within the Lebanese Government that would have a triple function:

- 1- A technical one, for the study of plans as well for development projects in the new town.
- 2- An administrative that would take on the study of constraints and the regulation of expropriation.
- 3- This one is Financial, involving reselling land destined for private and public clients, also to finance the development projects in the new town and the existing city.

Urbanism should be at the root of the development plans especially in young and developing country. Regional planning gives the *Broad directives* of Urban and Rural Development. After that the executive and administrative services could put the plans into effect in such a procedure.

- 1- The ministry of planning has to identify the objectives.
- 2- The regional planning has to decide on the geographical allocation of these objectives and the relative development of each region. Here we have to base all the studies on *well defined land information system LIS, that a surveyor can afford to Urban planners* because without a defined *Cadastré* we can never identify the socio-political and economical problem, starting from and infrastructure Network to the Public and essential services.
- 3- Here the Urban planners will be able to start working on the extensions based on these regional plans.

The newly introduced means of Urban planning and related institutions influences the production of urban space and its perception.

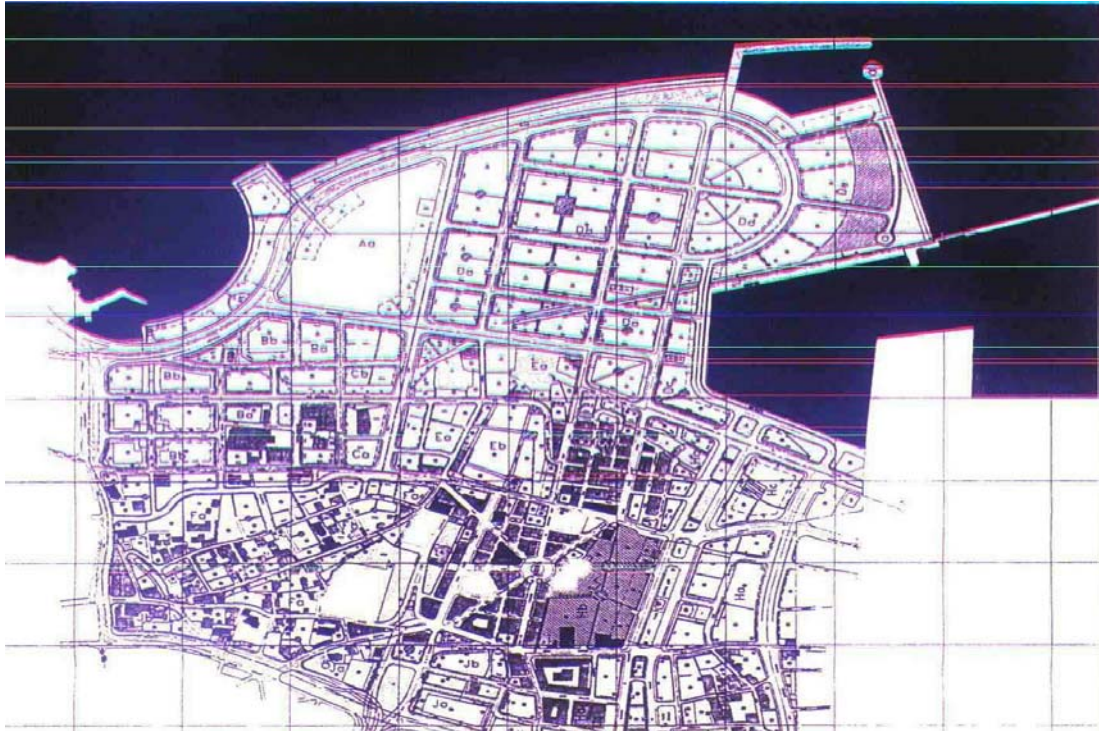
The prewar period was going to be much more developed if that war wouldn't take place for more than 16 years. But anyhow it helped to reform the idea of development plans.

After the war, Beirut was again the center of attraction for all foreign and local companies that deal with real estate and investment and a new *director plan* was established as well as a new Real Estate company called *Solidere*.

The General plan was based on regrouping all the parcels situated in the Center of the city of Beirut then dividing them into useful pieces of land, because the properties in this area were distributed in a non-proportional way also with completely destroyed volumes and buildings and with many legal labyrinths.

Expropriation seemed to be the only solution to solve this problem, so *Solidere* was either giving the owners stocks in that company, either paying them their share of stocks cash, accordingly to the actual prices of the stocks, which they are based also on the evaluation of Real Estate in that Area at that period.

*The Result:* capability of executing the biggest project ever done in the country and the look of a new well organized and modern area with all the facilities that requires a new city.



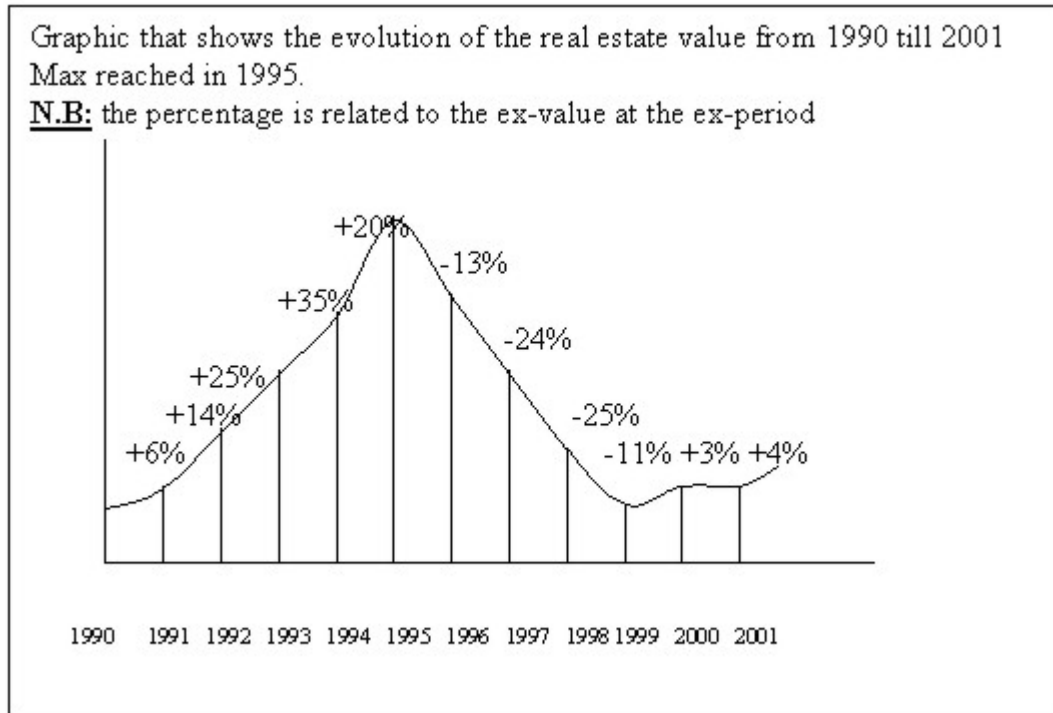
The new look of Beirut is now realized but that was not the only way, the absence of green spaces and coastal extensions has forced the planners to go to the sea side and regain new territories .

This procedure leads to a new understanding of extension planning to gain green and new spaces like having a new Venice in the Sea .



This procedure had a very good effect on the real Estate Valuation, but whatever, the situation now is not good as it was at all.

Reason for such negative retreat, is the *Absence* of new politic and renovation of the old legislation and rules to protect the investment in Real estate sector

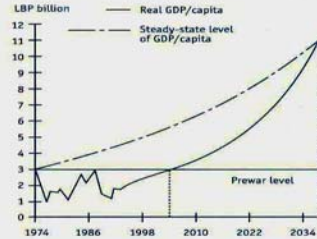


After this mistake that cosseted us too much the new general plans mentioned the risks for the Lebanese economic Recovery and noticed all kind of development since what we need is a general and fair distribution of public and infrastructure services

The following table will give a preview of this recovery plan.

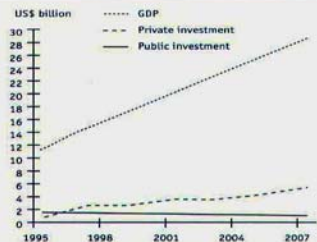
**The challenges of Lebanon's economic recovery**

- Raising per capita income to its prewar level
- Prior to a steady state level
- Through sustained growth & private investments
- Requiring a fully rehabilitated infrastructure
- Repositioning Lebanon within the new regional geopolitics

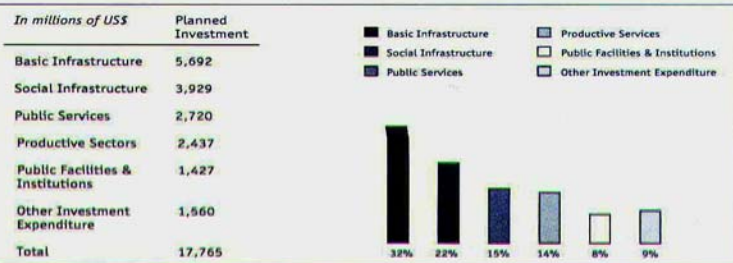


**The fundamentals of Lebanon's recovery plan**

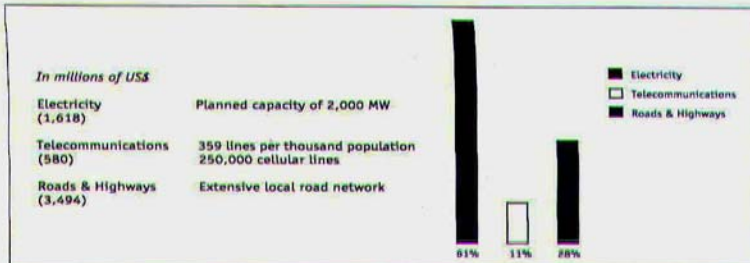
- Macroeconomic adjustment policy to reduce the fundamental imbalances + stabilize the domestic currency
- Rehabilitation plan for physical, social & economic infrastructure
- Drastic public administration reform



**Horizon 2000: Sectoral components**

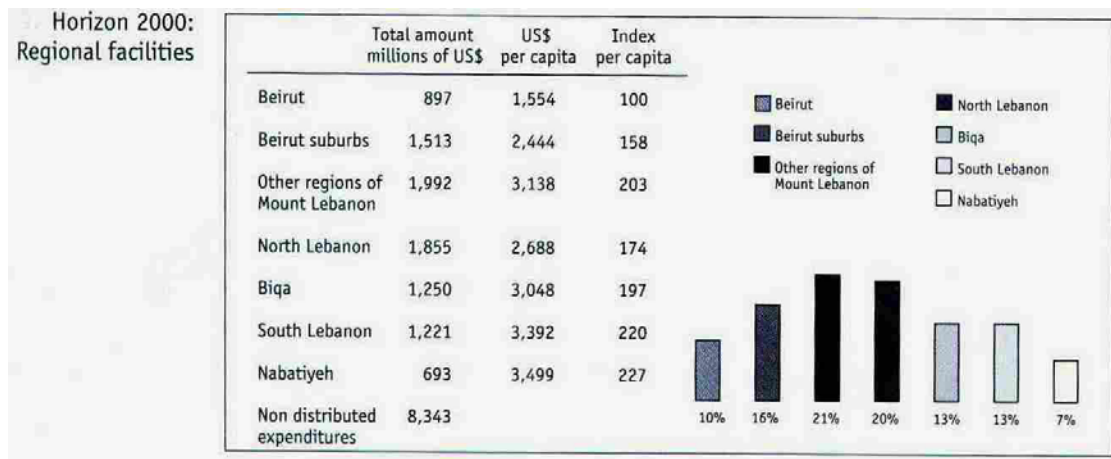


**Horizon 2000: Basic infrastructure**





The other *table* is showing the regional facilities needed and their costs.



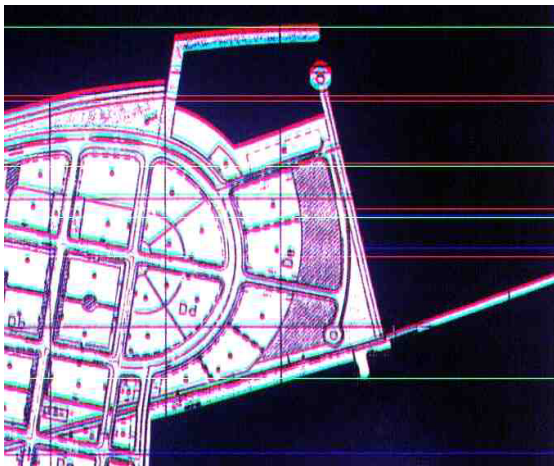
## 2.1 Conclusion for part A

Here we can reach a final conclusion for the relation between Urban Planning and cadastre from one side and land management and valuation from the other side .

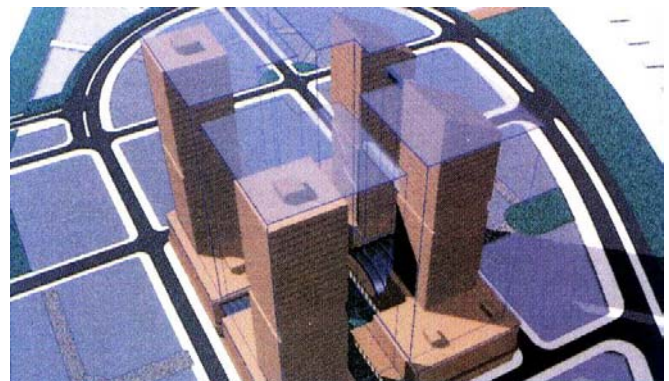
A small piece of land sited within an Area that doesn't have any director plan or horizon is useless and without a value to mention but after amelioration and new planing can draw the image of a new modern sector or a new city with a value in progress with time and future.

2 small figures will show that idea .

an Area in the center of Beirut , after planing can be the shadow of a city .



**BEFORE**



**AFTER**

### 3. PART B: IN THE RURAL AREAS

The perspectives in the rural areas are completely different from those in dens and urban sectors from the technical side and as well as the necessary public services.

So the General plan or the director plan has a totally different hypothesis and constraints.

Since the style of living in the villages and mountainous regions is simple but a demanding one the study is made basically to the specifications of each region.

Let us take as example the North region, an area abounded for a long time because of war, and the situation there is catastrophic concerning the infrastructure network or public services.

The new project called Arabic Highway that crosses that area is previewed to bring a kind of prosperity to that region, with all the annexes related to it such as fuel stations, restaurants, Hotels, ...etc.

The problem was that this area is not cadastered yet, and there are no proportions in the size of parcels.

The fact that this region is considered as an agricultural sector, so you can't just pass over this fact in the general director plan.

*This means you need to take in consideration the following:*

- 1- The need for health and public services.
- 2- No big need for gardens and Green spaces between the parcels since it is a mountainous area already.
- 3- The need a circulation network and Roads to connect the region surrounding the highway with this important element of transport.
- 4- The need for a new infrastructure network as telecommunication and evacuation and water distribution as well as electricity supplies.
- 5- The most important , we need to have a precise *TOPOGRAPHICAL PLAN* for the area, and reports that show information about each parcel (Owners , surfaces , value , contents and actual situation ...etc)
- 6- The need to regroup those parcels and then divide them into useful ones with all the services and circulation accordingly to their position from the Highway.

This is called a project of remembering and urban reorganization.

A big difference here exists between Remembering and Amelioration.

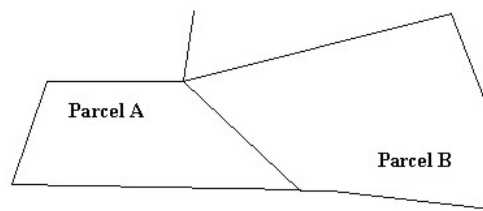
According to the Lebanese legislation and rules the amelioration of cadastre does not require any limits but the approve of the owners themselves.

The opposite is correct for what concerns the remembering since there are surfaces to respect and circulation network also electricity and water supplies.

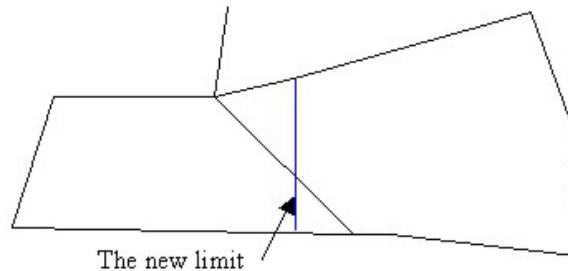
A small example to show the difference:

#### **Amelioration**

**Before**



**After**



As we can see the useless part of this land became useful for both parts and the land with its same area became much more valuable, without any conditions but the approve of both owners.

For the remembering, the most important condition is not only to assure an infrastructure network, but also to make the land or sector useful and well organized the techniques are many and so are the rules and regimes. What we can do is to try to find a unique technique to work with but we will never be able to unify the NEEDS of different country as if they are the same. Or we have then to unify the cultures and history and the living style and level, then and maybe then we can speak about our rules to see which one is better to admit which is now, by my opinion, impossible to achieve.

#### **4. FINAL CONCLUSION**

If we have a good and correct *Cadastre* we can make a good *Planning*, to make a good plan, we have to possess the vision for the future, so basing our vision on topographical and cadstral information (*Land Information System*) we can reach a well organized *Director Plan* from which we can create a *useful space for MAN and this*, and only this, will give a good value for this space and of course will help to add to our *GIS* or *LIS* a scientific rule for Evaluation and land management.

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Yaacoub Saade

PP3.1 The Real Estate Management in Lebanon and the Influence of the Urban Planning and Cadastre on the Valuation

FIG Working Week 2003

Paris France, April 13-17, 2003

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## **BIOGRAPHICAL NOTES**

Architect-Urban planer, **Yaacoub SAADE** - Lebanon

- Architect, MS Urban Planing.

- 1999 to date Director of Researches at the *Lebanese Order of Surveyors*.

*Diplomas:*

1- Bachelor degree from *Usek* university, *Kaslik-Lebanon*

2- Master degree in architecture and urban planning from  
*RTU, Riga’s Technical University – Latvia.*

3- Special courses in infrastructure design, *Stockholm – Sweden.*

*Projects:*

1- villa Mr. Paul Bourgi at Adma (L.E.C , Prof.F.Speranzoni)

2- the Olympic Stadium of Shanai.(L.E.C)

3- The Residential Complex for the Maronite Church at Zouk (L.E.C).

4- the polyclinic center of Shartoun in collaboration with Prof.Speranzoni.

5- the municipal palace of Shanai .(L.E.C)

6- the infrastructure of the villages in South Metn (B.E.G)

7- The Urban reorganization of Parcels nearest the Arabic Northern High-Way ( B.E.G).

Spoken Languages

Arabic, French, English, Russian

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