

Overview: In Lebanon, the provision of housing is almost exclusively left to the free market. Private sector developers produce housing that is affordable to households of modest means by controlling three variables: the price of land, the quality of construction, and the size of the dwelling. 'Affordable' housing in greater Beirut tends therefore to be located in less desirable suburbs, built with poor finishing, and comprising less than 100 square meters in size.

This report examines the production of affordable housing outside the free market in Lebanon. Publicly-funded housing projects are rare; we were able to locate only one recently built housing project of the Ministry of the Displaced in the Bab el Tabaneh district of Tripoli. In Lebanon non-governmental, non-profit housing appears to be produced only by Churches or Church-sponsored organizations. With one exception, they are all ownership dwellings.

The report begins with a description of the methods used, then summarizes our main findings, and finally, presents a detailed listing of the projects studied with their key features.

Methods: Using a standardized interview guide, we interviewed members of the clergy and lay church employees at the Maronite Social Fund; the Tammeh Monastery; the Greek Catholic Patriarchate; and the Greek Orthodox Patriarchate. We also interviewed several businessmen working with the Armenian Church in Bourj Hammoud, and tenants of the Mar Afram Syriac Catholic project in Achrafieh.

Main findings: In the Arabic language, there is no direct equivalent to the English term "affordable." *Sha'abi* or popular housing is that designated for poor (*fuqara*) or underprivileged (*mu'atarin*) people. Housing described as *shaabi* housing is generally unattractive and of inferior quality. *'Adi* or ordinary housing is standard housing for common people. Although there is no direct equivalent to the adjective "affordable," affordability is an extremely important concept. Our informants suggested that people are highly conscious about housing costs in their monthly household budget, and to them, affordability means the opportunity to gain equity in home ownership through very low, interest-free, monthly installment payments.

The production of affordable housing in Lebanon outside purely free-market development is strictly associated with religious and sectarian groups. The Christian sects of Lebanon are active in the production of affordable housing in the northern suburbs of Beirut, and throughout the Metn and Keserwan regions in Mount Lebanon. We were not able to locate any significant housing projects undertaken by the Sunni or Druze communities in Beirut or any other area. As for the Shi'ite communities, we have incomplete information. However, knowledgeable sources suggest that Shi'ite religious authorities are not involved, like their Christian counterparts, in the production of affordable housing for members of their congregations. Likewise, the Shi'ite political

party Hizballah is not directly involved in housing production. Instead private developers with links to Hizballah produce affordable housing in the southern suburbs for party members.

Among Christian groups the main motivation for the production of affordable housing is the desire to stem the emigration of their young members. They emphasize housing for newlyweds as an enticement to stay in Lebanon. According to Christian churches in Lebanon, the most difficult part of setting up a new family is finding an affordable apartment, especially in or near Beirut.

Practically speaking, affordability means being able to purchase an apartment with monthly installment payments that claim a reasonable percentage of household income. Some projects were designated for salaried employees, (i.e. school teachers, bank employees, employees in the public or private sector, etc...) while others targeted lower income and underprivileged groups. As a result, price ranges differed from one project to another depending on the main income group targeted. That said, income level was not the only criterion used by Churches to determine eligibility; Church membership was the top priority.

Some church housing projects were more systematic and focused, while others were less well organized, as evidenced from project management and the quality of construction. However, all projects had one thing in common: project leaders did not put into place any mechanisms to protect the long term affordability of the dwellings built. None enforced any tangible resale restrictions once apartments were fully paid for. Indeed Lebanese law appears to protect the rights of owners and the selling prices they set. This means that the fortunate first purchasers, able to buy reasonably priced homes on *Waqf* or donated land, were also able to turn around and make a substantial profit at the time of resale. During our interviews, members of the clergy responsible for managing these housing projects expressed regret, saying that they donated their land for nothing. In fact, many churches considered their housing projects as failures and are now reluctant to continue producing affordable housing for their members.

Only the Armenian Church instituted a formal system of control at resale, not for the selling price but for who the buyers should be (they must be Armenian). Under Lebanese law, each real property is divided into 2400 shares. Co-ownership of the 2400 shares implies shared control. In the case of Armenian housing projects the Church maintains its rights by owning 30% of the shares in each unit. In theory this means that the Church must approve each new buyer. The Maronite Social Fund also uses the 2400 shares idea to maintain some control during repayment. However, once all installments have been paid, the fund owns zero percent of the shares, and owners become free to sell their property at whatever price the market will bear.

The financing of affordable housing projects by church groups follows a fairly standard pattern. The Church provides the land to a developer, who then builds the apartment blocks. Sometimes the purchaser of an individual apartment pays a down payment directly to the developer, or the Church, but most often now to a commercial bank, and then monthly installments to the bank for a period of 15-20 years. Mortgages are not common. Instead, buyers pay for their flats on installment, interest free. The bank is merely the collector. The low down-payment and interest free installments over a very long period make it much easier for lower and lower-middle income Christian families to own an apartment in a Christian neighborhood.

According to our informants from various sects, the Maronite Social Fund is the only successful institution producing affordable housing in Lebanon in recent years. The Fund is successful because it is run by lay members rather than the clergy, and functions as an independent non-profit organization (with links to Bkirki and the Maronite Patriarchy). Housing projects built by the Fund are not constructed on Church land, but are either contributed at discounted prices by Church members or purchased in relatively inexpensive areas. So although the methods of repayment appear to be similar with other Christian housing projects, the Maronite Social Fund projects are more professionally managed and constructed, with better quality results overall.

As is the case with the housing projects of the other churches, the Maronite Social Fund produces apartments strictly for Christian families. The Fund specifies that families must be Christian, but not necessarily Maronite. Other church projects tend to be sect-specific, so the Armenian Church builds for Armenians, and the Syriacs, Greek Orthodox, and Greek Catholics for their own congregants. As noted above, churches have become involved in the production of affordable housing as a strategy to reduce the emigration of young Christians. However, a number of people interviewed suggested that both job opportunities and affordable housing are needed to keep their young members in Lebanon. In fact, some suggested that they refocus on jobs and leave affordable housing fully to the market. A recent meeting of the Union of Christian Church Associations in the Middle East reiterated the importance of jobs. All indications are, however, that at least the Maronite Social Fund will continue creating affordable housing at least in the near future.

Finally, the case of the Syriac Catholic Church bears mention as it is the only rental project and the only affordable housing project within municipal Beirut. (There is one other affordable rental project in municipal Beirut: the German Speaking Protestant Church of Ras Beirut, but it is not fully Lebanese in its ownership and management). The Syriac project was built under special circumstances. The Syriac community came to Lebanon as refugees from Turkey after World War I, and lived in a refugee camp in the lower reaches of Achrafieh. In the 1990s, when a major highway project was proposed to run right through the camp, the Syriac Catholic Patriarchy and a local MP convinced the Ministry of the Displaced to build replacement housing for the camp residents. Today, the renters in Mar Afram residential project are former refugees and other members of the sect. They pay their monthly payments to the Syriac Catholic Patriarchy in Badaro and can stay in their apartments as long as they are making their monthly payments.

The table below summarizes the main projects we analyzed during our study.

Name of Project	Founders and Developers	Location	Land Ownership	Number of Apartments & Units size	Date Completed and Early Occupancy	Late Occupancy	Rental	Full Ownership	Formal Restrictions	Informal Restrictions	Method of Payments
The Patriarchy Residential Complex	The Maronite Church in Bkirki. The Maronite Social Fund	Zouk Mosbeh, Mount Lebanon	Private, bought by the Maronite Social Fund	140, units range in size but all start from 125-150 square meters	1996	1998	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
The Patriarchy Residential Complex II	The Maronite Church in Bkirki. The Maronite Social Fund	Zouk Mosbeh, Mount Lebanon	Private, bought by the Maronite Social Fund	190, units range in size but all start from 125-150 square meters	2001	2002	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Ain Saadeh I	The Maronite Church in Bkirki. The Maronite Social Fund	Kafaat, Fanar, Mount Lebanon	Private, bought by the Maronite Social Fund	216, units range in size but all start from 125-150 square meters	2002	2003	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Ain Saadeh II	The Maronite Church in Bkirki. The Maronite Social Fund	Roumieh Road, Mount Lebanon	Private, bought by the Maronite Social Fund	216, units range in size but all start from 125-150 square meters	2002	2002	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Mezher Housing Project	The Maronite Church in Bkirki. The Maronite Social Fund	Mezher, Bsalim, Mount Lebanon	Private, bought by the Maronite Social Fund	308, units range in size but all start from 125-150 square meters	2002 and 2003	2004	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Babdaat Housing Project	The Maronite Church in Bkirki. The Maronite Social Fund	Babdaat, Mount Lebanon	Private, bought by the Maronite Social Fund	44, units range in size but all start from 125-150 square meters	2004	2004	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
The Rmieleh Project	The Maronite Church in Bkirki. The Maronite Social Fund	Rmieleh, near Saida	Private, bought by the Maronite Social Fund	20, units range in size but all start from 125-150 square meters	2005	2005	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Bliebel Housing Project I	The Maronite Church in Bkirki. The Maronite Social Fund	Kfarsheema, Mount Lebanon	Private, bought by the Maronite Social Fund	41, units range in size but all start from 125-150 square meters	2002	2004	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Bliebel Housing Project II	The Maronite Church in Bkirki. The Maronite Social Fund	Kfarsheema, Mount Lebanon	Private, bought by the Maronite Social Fund	41, units range in size but all start from 125-150 square meters	2004	2004	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Majezoub Project	The Maronite Church in Bkirki. The Maronite Social Fund	Bsalim, Mount Lebanon	Private, bought by the Maronite Social Fund	303, units range in size but all start from 125-150 square meters	October 2007	Phase II is due in 2008	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)

Ain Saadeh III	The Maronite Church in Bkirki. The Maronite Social Fund	Roumeih Road, Mount Lebanon	Private, bought by the Maronite Social Fund	125, units range in size but all start from 125-150 square meters	October 2007	2007	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Tabrja Housing Project	The Maronite Church in Bkirki. The Maronite Social Fund	Adma, Kfaryaseen, Mount Lebanon	Private, bought by the Maronite Social Fund	198, units range in size but all start from 125-150 square meters	Due in Summer 2008	----	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Bliebel Housing Project III	The Maronite Church in Bkirki. The Maronite Social Fund	Kfarseema, Mount Lebanon	Private, bought by the Maronite Social Fund	31, units range in size but all start from 125-150 square meters	Starting April 2008	----	No	Yes, when repayments are complete.	May not rent during repayment period. Resale during repayment period through the Fund. No other formal restrictions.	Strongly recommended not to resell to non-Christians	A down payment of \$5000 before construction and then monthly payments not less than \$400 to be paid through private banks. (Bank is simply an intermediary, not a provider of mortgage)
Mar Afram Residential Project	The Syriac Catholic Patriarchy. The Ministry of the displaced	Achrafieh, Facing Hotel Dieu, Beirut	Church Waqf (previously the camp)	88,	Late 1990s and occupancy in 2004	2004	Yes	No	No	Restricted to Syriacs and specifically Syriac Catholics.	Camp residents pay 50\$/month and new residents pay 200\$/month. These monthly payments are collected directly from the Patriarchy in Badaro
Tammesh Model Village	Father Youhanna Tabet from the Tammech Maronite Monastery. The Monks through private developers.	Tameesh, Deek el Mehdi, Mount Lebanon	Belonged to the monastery	26 buildings, units size ranged from 110 to 140 m2	1992	2003	No	Yes	No	Strongly recommended for Christians only	A down payment before construction works and monthly payments over a 100 month period not more than \$300. Payments were made through private banks
Greek Catholic Patriarch Residence Project	The Greek Catholic Church and the Patriarchy in Rabweh	Rabweh, Mount Lebanon	Church Waqf	77, units sizes were 110, 120 and 135 m2	1984 and 1987	1987	No	Yes	No	At the beginning it was agreed to be for Greek Catholics only, later it was widened to include other Christians as well. Again resale is strongly recommended to Christians only.	Minimal down payments and each contract specified regular monthly payments. Payments at the beginning were made directly to the Patriarchy, later new residents had to pay through private banks
The Jdeiedeh Housing Project	The Armenian Church in Bourj Hammoud	Jdiedeh, Mount Lebanon	Church Waqf	N/A	N/A	2004	NO	No	Yes, the church owns 30% of each unit	Officially resale is not possible unless there is consultation with the Church. Thus it is restricted to Armenians	No down payments and monthly payments no longer than 5 to 7 years. Payments were made through private banks
St' Georges Hills	The Patriarch and the Greek Orthodox Church	Haddad, Mount Lebanon	Church Waqf	N/A, unit sizes were 110 or 140 m2	1997	2000	No	Yes	No	Was made only for Greek Orthodox. Again it is strongly recommended not to resell to non-Orthodox families.	Down payments before construction works and monthly payments over a period of 10 to 20 years. Monthly payments were made through private banks
The Fanar Popular Housing Project	The Armenian Church in Bourj Hammoud	Fanar, Mount Lebanon	Church Waqf	7 buildings, unit sizes were 80 and 100 m2	1983	Latest occupancy in 2006	No	No	Yes, the Church owns 30% of each unit	Restricted to Armenian families only	Some paid minimal down payments, while most were paying monthly over a period not exceeding 20 years
Khoury Ariss Housing Projects	Boughous Ariss and the Bourj Hammoud Municipality	Bourj Hammoud, Mount Lebanon	Bourj Hammoud Municipality	170, unit sizes were maximum 100 m2	1960s	1960s	No	Yes	No	Was made mainly for Armenian families, but many from different sects currently reside in these residential projects	No down payments, but monthly payments were to be paid over 10 to 15 years depending on each case. No information how monthly payments were collected

Several apartments in different buildings	The Armenian Patriarchy and the waqf committee		Bourj Hammoud		Private, owned by the residents of each building	N/A, very small apartments 2 to 3 rooms	1981	1983	No	Yes	No			Was made for Armenian families, however no restrictions on resale	No down payments, but monthly payments were to be paid on a period of 5 years maximum. Payments were made directly to the church	
			Bab el-Tebeneh		Lebanese Gov. and Ministry of the displaced	A total of 500 apartments, N/A	1996	2002		No		Yes	No		None	Minimal m