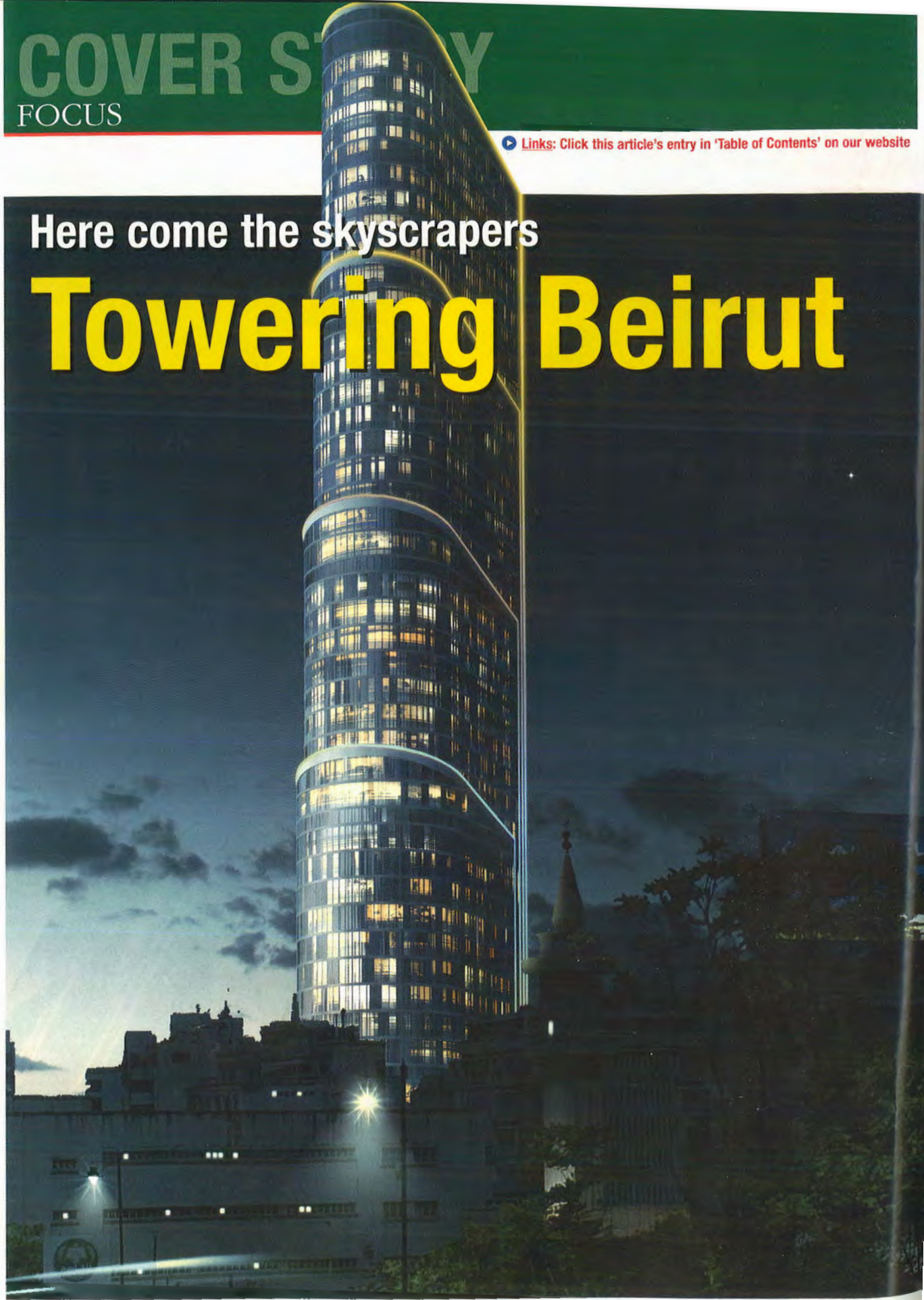


Here come the skyscrapers

Towering Beirut



The consensus among real estate professionals is simple: The future of Beirut is vertical. "In view of the scarcity of land and rising prices, the only way is up," said *Firas Mousa*, general manager of Pro-Services, which manages the project for the Ashrafieh 4748, a gated community featuring a 31-story tower. A trend is in the making? Seven buildings in the capital are, or will be, over the 30 stories required for full skyscraper certification – Beirut's skyline is growing ever more big-city-esque. Demand for high-rise living is strong and growing among both resident and non-resident buyers who are demanding quality construction and top-end amenities. Developers are pleased to oblige, especially at a price rising by \$100/m² each time the lift goes up one floor. Out of the 61 towers that are 20 stories high or taller in Lebanon, 29 are completed and almost all are within Greater Beirut. The remaining 32 towers are either under construction or waiting to break ground. Fifteen of the new towers will be over 25 stories tall. Seven exceed 30 stories.

COMMERCIAL SENSE

Raja Makarem of Ramco real estate advisers, has a simple formula for why developers are motivated to build taller buildings: "If you have a ten-story building with apartments going for \$2,000 per square meter on the tenth floor, increase the number of floors to 20 and you increase the price by \$1,000 per square meter on the top floor." The formulation has its limits of course, there being also a factor of location and quality of view. *Mario Mohanna* real estate consultants said that construction of tall towers is driven by commercial rather than social sense, even with the extra costs building big brings. "It's a tendency fed by good marketing that people have followed as it is very profitable," he said. "The higher, the greater the complexities and costs of construction – more steel is used and the structure needs to be earthquake resistant – but it's compensated for with the sales price," he said. *Mousa* said that, from an investment perspective, the developers of Ashrafieh 4748 project exploited the opportunity to the fullest by building big and maximizing leverage.

TALL PRICES

Prices for high rises range from \$1,000 per square meter for an apartment ranging between 170 and 340 square meters in the 25-story Karam Tower in Rmeil to the super luxury, high-end 23-story Bahry Garden Tower in Raouche, where a 575-square-meter apartment goes for \$10,000 per square meter. In the middle range, prices at the 26-story Marina Tower, in downtown, stand at between \$4,000 and \$5,400 per square meter. *Tony Abou Rizk* of the Modern Real Estate Office said that when it comes to high rises, it is not a rule that prices in downtown should be more expensive than those in Ashrafieh, for instance. "In Saifi Village, prices reach \$5,000 per square meter, whereas in SkyGate in Ashrafieh, prices start at \$5,500," he said. Yet despite the lofty price tags, buyers for such high-end, high-rise residences do exist, as the 30-story Beirut Tower proves, having sold out all its apartments ranging from 250 to 1,600 square meters. As for SkyGate, *Selim Yasmine* of its developer, MENA Capital, said that to date 40 per cent of units in the tower have been sold off-plan even though the tower is yet to announce a date for construction to begin.



Bahry Garden
in Raouche

HEIGHT IS NOT EVERYTHING

Prices of high rise apartments are not simply a factor of their height. "Higher is not always better," said *Abou Rizk*. "I had a client who sold a 12th floor apartment and bought a 20th floor apartment in one of the new seafront towers in Solidere and he regretted his decision. On the lower floor he could see the bustling streets below as well as the sea. On the 20th floor the sea was the only view." The real estate agent's mantra, 'Location, Location, Location,' holds true, even for those homes that seem nearer to the clouds than the streets. Apartments in the proposed 40-story SkyGate tower in Ashrafieh start at \$5,500 per square meter for its lower floor apartments, whereas in the centrally located 30-story Bay Tower in Minet el Hosn, which is still under construction, similar apartments start at \$7,000 per square meter. And there is a limit to how many extra \$100 per square meter for additional floors can be added. An apartment of 200 to 300 square meters above the 24th floor quickly becomes prohibitively expensive. "When you go with bigger apartments, let's say 1,000 square meters, they get so ludicrously expensive they become very difficult to sell," said *Abou Rizk*.



The Landmark is a multi-use complex to be built downtown

4,000 square meters for gardens and landscaping. Sama Beirut will be a green tower, according to Fares. "It will be environmentally friendly. We will generate our own solar power and we will filter and reuse waste water for gardening. We will capture clean air from the top of the tower and use it to ventilate the whole structure," he said. The Landmark, with its 44-story tower, will be the second tallest construction, housing both a five-star hotel and residential apartments. The concept of the project has been constantly redefined to meet current market requirements. "Our focus is on commercial premises because we are in the downtown, we want to create activity and have the project generate income for us as well," Samaha said. Architect Nabil Gholam, who is behind the design of SkyGate, a 40-story residential tower in Ashrafieh, described his tower as being "exceptionally gentle." While SkyGate appears to squeeze between two existing towers, Gholam left ample space between them - which he calls 'urban windows' - to allow light and air through. "We just added more floors on top to make up for the lost area," said Gholam.

HEIGHT RESTRICTIONS

But there are limitations on how high buildings can go. To house a tower, the footprint of a plot of land has to be over

2,000 square meters and the configuration of the land has to be of certain dimensions. "If the plot is too elongated and you do not have a perfect square you are limited in how high you can go," said Makarem. The government can also restrict height if a proposed tower lies in the path of oncoming air traffic, although exceptions have been made in the past, such as in the case of the Habtour Grand Hotel. Mohanna said that special regulations are in place for high rises. The most important of these is that the taller a building, the bigger the piece of land needs to be. "In the downtown area and BCD, it's easy to go higher. You can find 4,000 or 5,000-square-meter plots or merge several plots together and Solidere regulations help. In theory you can build 100-story buildings if you have a 20,000 square meter plot of land," he said.

TECHNICAL CHALLENGES

Fares said that only buildings over 30 stories can be called towers, as this is the height at which the complexities of building tall begin to emerge, including the problems of exterior cladding. "Sama Beirut is my first tower and I feel like I am back in school. We tried to make suggestions to the architect initially on the quality of glass and aluminum to be used for the exteriors. The answer was that these will arrive

preassembled and ready for fitting from the factory, specially designed to deal with the strong winds which will lash the tower," he said. Elevators are another problem. "Calculations need to be precise as to which elevators go up to which floors and how many are needed overall," he said. Sophisticated computer systems need to be put in place to control ventilation and other vital systems, all of which require an uninterrupted power supply. A skyscraper also needs to be earthquake resistant. Gholam said that the taller a structure, the thicker the walls, the longer the pipes to service it and the greater the number of elevators there are. He sees cost as the only limiting factor for building tall. "The deregulated environment concerning high rises in Lebanon means people will continue to build tall as long as large enough plots are available," he said.

FUTURE RISING

According to Makarem, there are only a handful of towers that meet the strict criteria of a high rise, which he says is not enough just yet to call the current construction activity a trend. Buildings that are 30-stories-high or taller are still a minority - only seven in all. Only two are completed and the rest are either under construction or waiting to break ground. "I do not know if high rises are emerging as a new trend or not, but in any city where land is scarce, construction is bound to increase in height," said Fares. Mousa agrees that high rises are the way of the future. He said that by building a high rise, his company will provide residents of the gated community in Ashrafieh 4748 with 7,000 square meters of green open spaces, which would not have been possible otherwise. Alshaar sees high rises as the only way to meet the needs of a city running out of space. "As Beirut runs out of available land the high rise concept will meet the demand of those who want to live in the city. Otherwise we will lose more and more of the green areas around Beirut."

Reported by Hani Bathiche

ON OUR WEBSITE

More information is available by typing the numbers below into the Reference Finder on our home page

- ▶ **L1009-85** Listing 20-floors and up
- ▶ **L1009-86** Law on high rise construction
- ▶ **L1009-87** Contact information

▶ www.opportunities.com.lb

COVER STORY

FOCUS

Marina Tower
refines the landscape
of Minet el Hosn



HIGH-RISE LIVING

High-rise living is still new to the market and opinions about its attractiveness vary. Makarem said high rises have become desirable among both local and foreign buyers for the reduction of noise and pollution they can offer. But that's not always the case. "In some instances, the street noise is actually worse on the upper floors. Then there are clients who specify they have a problem with heights," Makarem said. *Masaad Fares* the consultants on the 50-story Sama Beirut project in Sodeco, predicted ever more interest in high rise luxury living, but said for now he's content taking on just one 50-story tower at a time. "We predict interest, but if you asked me to build five towers today I would decline. One tower is enough. It's easy to find buyers for 58 units if interest remains as strong as it is now," said Fares, pointing out that for many expatriates who have lived in the Gulf, the US, and Asia, high-rise living is nothing new. Customers, he said, are becoming ever more demanding, whether at the high or lower end of the market. "The customer wants more. Because we are an end-user market, we care about

what we buy, unlike in Dubai, for example, where there is no sentimental attachment to a dwelling." *Micheline Samaha*, a real estate consultant with the owners of the residential-commercial project The Landmark, said demand for residential property in the high rise was outweighing commercial. "We might end up increasing the number of residential apartments in The Landmark tower and decreasing the number of floors designated for the hotel," she said.

RIISING HIGH

Since the 1990s the number of high rises has increased dramatically in certain parts of the capital, such as the Beirut Central District (BCD), Ashrafieh, the waterfront in Ain el

**Minet el Hosn is
the densest
cluster of high
rises in the
country**

Mreisseh, and Minet el Hosn, which has attracted investors from the Gulf. The Platinum Tower in Minet el Hosn is the tallest completed structure in the country, standing 34 stories high. It is in good company: Right next door stands the 30-story Beirut Tower, which is in the final stages of completion, and next to that is the emerging 30-story Bay Tower, as well as The Dana. Also in the same area is the 155 meter tall, 26-story Marina Tower, which makes Minet el Hosn the densest cluster of

existing and emerging high rises in the country. Ashrafieh is another favorite location for high rise builders, where the SkyGate and Sama Beirut towers push the envelope. On the outskirts of the capital, buildings such as the Hahtour Grand Hotel and the Cap sur Ville residential complex have brought high rises to the periphery. The Beirut cityscape first began to change in the early 1970s with the construction of the first high rise, the 18-story Burj Abou Hamad in Ashrafieh, followed by Burj Rizk, Burj el Murr, and the (now desolate) Holiday Inn. All are still standing, some are in use, others are in disrepair, awaiting their fate.

FRIENDLY GIANTS

By far the tallest of the high rises to come are Sama Beirut in Sodeco and The Landmark in BCD, both mixed-use urban centers that will become cities within the city. Sama Beirut, scheduled to be completed by 2014, will be the tallest building in the country: The 50-story skyscraper will tower 186 meters above Ashrafieh and a full 250 meters above sea level. Originally destined to be the site of five or six buildings, the 5,200 square meter piece of land would have become a concrete jungle. The developers decided instead to build a single tower, leaving space for gardens. The tower will take up only 1,200 square meters of the total area and leave

The tallest of them all...

Beirut's top ten towers

SAMA BEIRUT

50 FLOORS

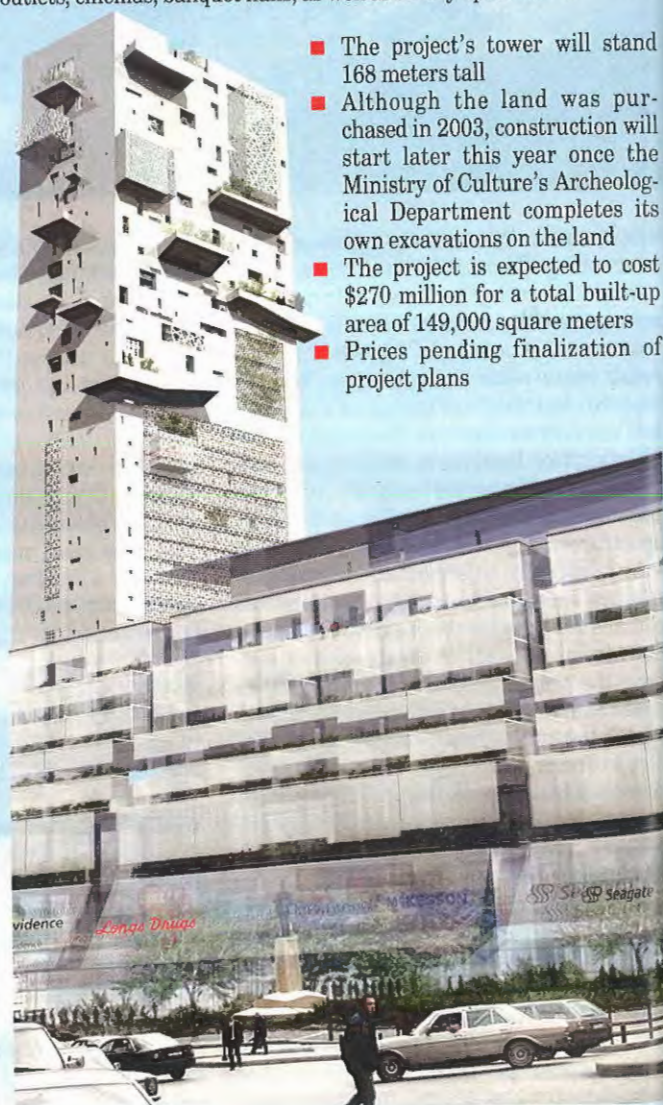
Instead of filling up the entire 5,200 square meters of land with a concrete jungle of shorter buildings, Sama Beirut's developers decided to erect the tallest building in the country on 1,200 square meters, freeing 4,000 square meters for landscaped gardens. The environmentally friendly building will generate its own electricity and recycle its water.

- The mixed-use tower of 50 floors will stand 186 meters tall and 250 meters above sea level
- Sama Beirut will comprise residential units of 300-500 square meters, duplexes, and penthouses
- Selling prices start between \$5,000 and \$7,000 per square meter
- Located in Sodeco, the tower is to be completed by 2014

THE LANDMARK 44 FLOORS

The Landmark is intended by its developers to become the commercial hub of the downtown area along Riad el Solh Square. The three-building complex will include a five-star hotel, shopping outlets, cinemas, banquet halls, as well as luxury apartments.

- The project's tower will stand 168 meters tall
- Although the land was purchased in 2003, construction will start later this year once the Ministry of Culture's Archeological Department completes its own excavations on the land
- The project is expected to cost \$270 million for a total built-up area of 149,000 square meters
- Prices pending finalization of project plans



SKYGATE 40 FLOORS

Although sitting between two existing buildings, the 183-meter tall tower is described as being "very gentle for its size" by its designer and architect, Nabil Gholam, who said that the tower leaves substantial gaps or 'urban windows' between existing buildings. Gholam received an award in 2009 in the tall buildings category from the MIPIM Architectural Review Future Project Awards for his design.

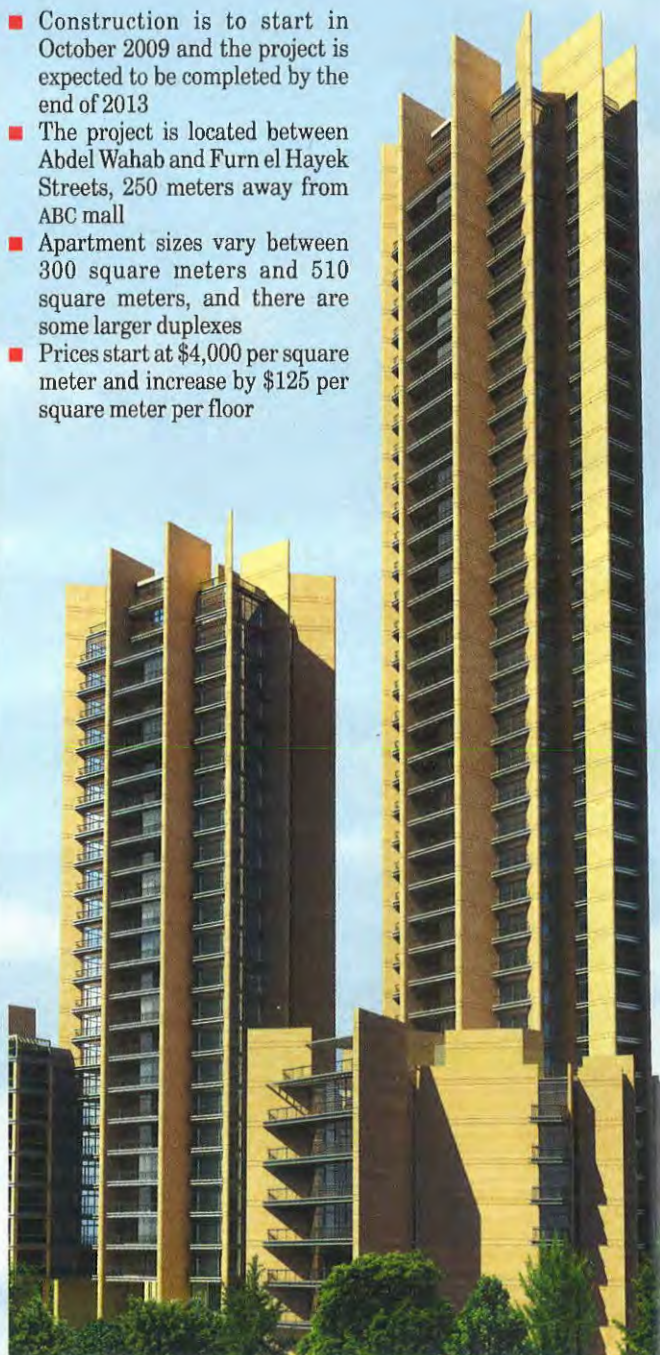


- At its tallest point, SkyGate will be 183 meters tall
- The tower has made room for 3,000 square meters of landscaped gardens and a public parking lot for 300 cars
- Apartments will come in three sizes: 325 square meters, 400 square meters, and 750 square meters. The tower will be topped by a penthouse measuring 1,484 square meters.
- Prices start at \$5,500 per square meter for the lower floors

ABDEL WAHAB 618 37 FLOORS

Designed as an upscale gated community, Abdel Wahab 618 will consist of two towers, the tallest standing 150 meters high, and 220 meters above sea level. The complex will include 3,000 square meters of landscaped green spaces, a health club, a gym, and a swimming pool.

- Construction is to start in October 2009 and the project is expected to be completed by the end of 2013
- The project is located between Abdel Wahab and Furn el Hayek Streets, 250 meters away from ABC mall
- Apartment sizes vary between 300 square meters and 510 square meters, and there are some larger duplexes
- Prices start at \$4,000 per square meter and increase by \$125 per square meter per floor



GEMMAYZEH VILLAGE 37 FLOORS

Gemmayzeh Village consists of an arrangement of shorter residential buildings arranged around a central tower. Designed as a gated community, the complex will include a health club, gym, swimming pool, as well as an executive lounge and multi-function rooms.

- The tower will be 135 meters tall and 150 meters above sea level
- Construction is set to start in October 2009, to be delivered by the end of 2013
- The total 7,000 square meters of land will include 3,000 square meters of landscaped green spaces
- Apartment sizes vary between 220 square meters and 475 square meters, and there are several larger duplexes
- Prices will be announced by year-end



LES ETAGES 35 FLOORS

Highly stylized, Les Etages is expected to have a minimal impact on its Ashrafieh surroundings, fitting in well despite its size.

- The tower will stand 125 meters tall
- Construction is set to start in January 2010 with a delivery date scheduled for 2011
- Apartments are 410 square meters and there are two penthouses that measure 600 square meters each
- Prices start at \$3,000 per square meter



THE PLATINUM TOWER 34 FLOORS

Completed in 2008, the Platinum Tower is another Nabil Gholam creation (in partnership with Ricardo Bofil), which stands out in its Mina el Hosn surroundings with its envelope of custom-designed glazing and aluminum façade, interspersed with granite cladding.

- The 153-meter tall tower comprises 75 high-end residential units, for a total built-up area of 91,000 square meters
- The cost of constructing the project reached \$200 million
- Apartments range in size from 450 square meters to 1,800 square meters
- Prices start at \$7,000 per square meter



ASHRAFIEH 4748 31 FLOORS

Located on the steepest part of Sioufi Gardens, Ashrafieh 4748 is designed as a self-contained, gated community with swimming pools and amenities, banquet halls, and three underground levels for parking.

- The tower will measure 96 meters when completed
- The complex will be built on 13,000 square meters of arable farmland that used to be a plantation, of which 7,000 square meters have been dedicated to green open spaces
- The lower floors of all three towers will consist of one or two apartments, while the upper floors are all made up of duplexes
- Prices start at \$1,600 per square meter and increase by \$30 or \$40 per square meter per floor, while the penthouse of the tallest tower is priced at \$1.4 million



COVER STORY

REAL ESTATE

BAY TOWER 30 FLOORS

Under construction in Mina el Hosn, Bay Tower will stand 115 meters tall, facing the Saint Georges Marina. The last floor is made up of a 1,696-square-meter penthouse with access to an exclusive swimming pool. A second swimming pool is accessible by the rest of the tenants.

- Construction work has started on the above-ground structure, with a delivery date scheduled for June 2011
- Apartment sizes vary between 260 square meters and 1,503 square meters
- Prices start at \$7,000 per square meter



VENUS TOWERS 30 FLOORS

The recently launched Venus Towers will be located behind the Monroe Hotel in Mina el Hosn. It was designed by award-winning Spanish architect, Raphael Jose Moneo, who was also the architect of Beirut Souks. Construction is to start in December 2009 with a completion date set for 2013.

- The tallest of the three towers will measure 110 meters
- The 162 apartments range in size from 250 to 650 square meters
- The complex will include a swimming pool, gym, jogging tracks, children's playgrounds, and special drivers' quarters
- Prices start at \$6,500 per square meter in Tower A, \$6,000 per square meter in Tower B, and \$5,500 per square meter in Tower C

