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BEIRUT'S ARCHITECTS

STOKE THE COALS OF A HOT REAL ESTATE MARKET

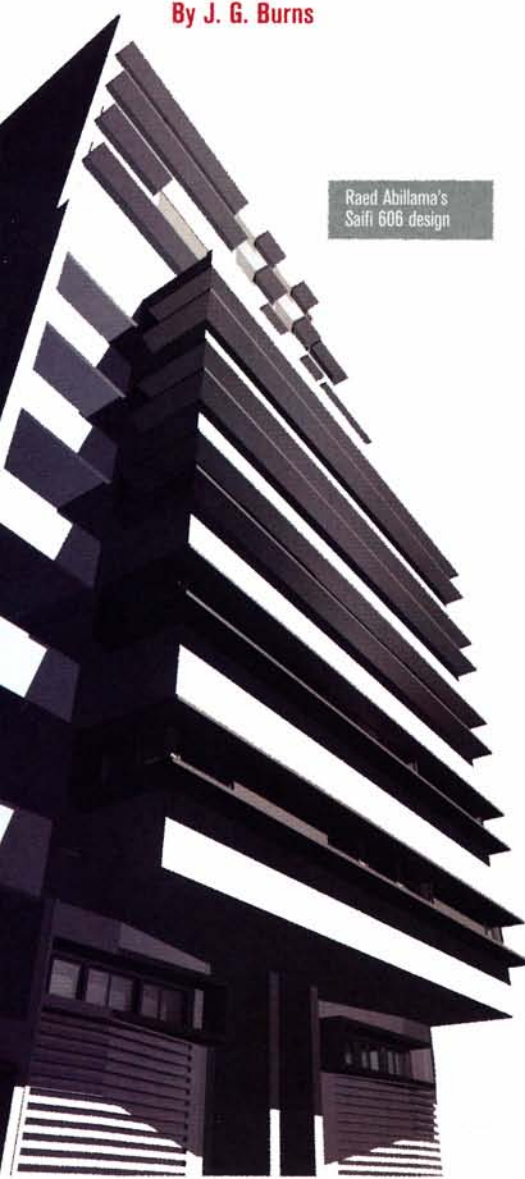
With no end in sight to Beirut's real-estate boom, the country's architects are busier than ever and taking advantage of a rare chance to innovate

By J. G. Burns

Raed Abillama's Saifi 606 design



Some of the new projects continue the retro-traditional architecture of downtown, but others are starkly modernist



The big news in the BCD this spring was the announcement of two mega-building projects.

In April, the privately owned Abu Dhabi Investment House (ADIH) revealed that it had snapped up seven parcels of land just south of the vacant space that is Martyrs' Square for Beirut Gate, a \$600-million mixed-use residential and commercial project.

The project's footprint covers 21,447 m² and, when finished, will consist of 178,500 m² of built-up area. Preliminary plans include seven different deluxe buildings. When ADIH announced the launch of the project, its first in Lebanon, Beirut Gate was the largest devel-

opment project on record in the Beirut Central District (BCD). But only for a month.

In May, Kuwait-based Levant Holding announced it would begin financing Phoenician Village, a high-density, four-tower complex – including “intelligent” office space, apartments, retail outlets, hotels and entertainment facilities – as soon as it raised the \$410.8 million in start-up capital. Levant Holding – which was set up by the Al-Sayyer Group and Aldhow Investment, a subsidiary of Al-Sayyer – reportedly paid \$1,750 per m² for the 20,000 m² plot of land nine months earlier. According to Salah al-Mayyal, the company's managing director, the value of the land has already risen 30% since then.



Bernard Khoury is widely considered the architecture community's most daring designer - as well as its *enfant terrible*



Nabil Gholam and Spanish architect Ricardo Bofill collaborated on the design for the ultra-high-end Platinum Tower

Redrafting the skyline

The Phoenician Village will have a built-up area of 205,753 m². The four towers northeast of Martyrs' Square will reach a maximum height of 160 meters. At the moment, Phoenician Village is the largest project in Solidere's ongoing urban renewal of the BCD.

These are just two of the latest and most audacious instances of Gulf money flooding into Beirut's real-estate sector. If Beirut Gate and Phoenician Village mean anything beyond the complete (though still entirely hypothetical) redrafting of the Beirut skyline and city center, they are further evidence that the Lebanese capital is in the midst of a real-estate boom.

Since its inception twelve years ago, Solidere has placed a premium on architectural quality for its own developments and insisted on a high level of design for other developments within its territorial borders. Controversially, Solidere has drafted lists of architects that developers must choose from for projects on specific, high-profile plots of land.

Jean Nouvel is working on the luxury Landmark project to be built on Riad al-Solh Square; Stephen Holl on the Beirut Marina, Michael Graves on the Dib and Town Towers, Rafael Moneo on the souks project, and Arata Isozaki on Beirut Gardens (next to the Virgin Megastore). Elsewhere, Zaha Hadid is reportedly designing the headquarters of the Al-Mawarid Bank, Christian de Portzamparc is on board as the chief architect on Beirut Gate, and Norman Foster is said to be at the top of the wish list for Phoenician Village. All three have won the Pritzker Prize, the architectural equivalent of a Nobel.

The idea that architecture (or an architect) can bring added value to real-estate projects is catching on for developers working outside the BCD, particularly in such neighborhoods as Gemaizeh, Clemenceau, Sursock and Abdel Wahab al-Inglizi, where land prices are soaring and

© Nabil Gholam with Ricardo Bofill



The profusion of new developments promise to remake Beirut's skyline and city center

© Nabil Ghulam with VVD



Raed Abillama: "It is important the client is there to trust you, to take the risk"

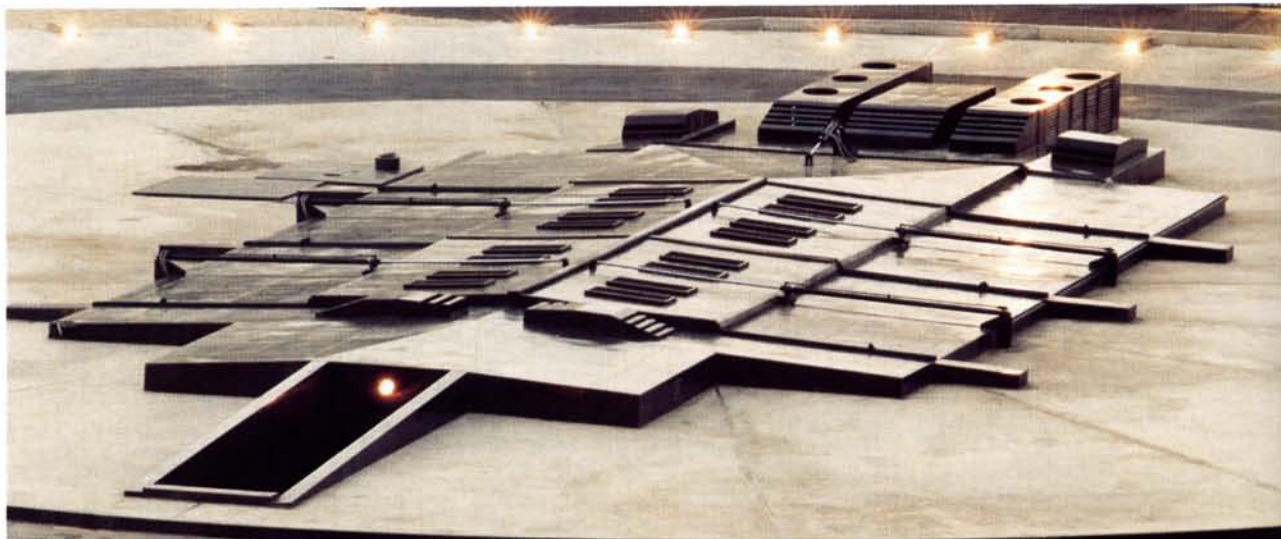
numerous high-ticket residential buildings are going up based on plans by well-known local and international architects. This can only be good news for architects in Lebanon, especially those who remember the days when the real-estate market tanked in the late 1990s, after a promising start in 1993 courtesy of the Hariri boom years. According to Sany Jamal, who heads up the architecture section of the Order of Engineers and Architects, there are now 5,000 architects in Lebanon among the order's 25,000 to 30,000 members. By all accounts, they are busier than ever.

Enfant terrible at work

"I'm not looking for work. We are over-flooded with work," says Bernard Khoury, who at 37 is widely considered the boldest, most daring and rambunctious of Beirut's architectural elite – and with a mouth to match his designs, its resident *enfant terrible* as well.

He earned his spurs with such projects as the BO18 nightclub in Karatina and the restaurants Centrale and Yabbani in Ashrafieh – all conceptually-driven rehabilitation projects done on tight budgets.

That said, when Khoury first returned to Lebanon after studying at the Rhode Island School of Design



Bernard Khoury made his reputation with radical designs like the B018 nightclub, but many of his projects have not resulted in a finished building

and Harvard University's Graduate School of Design, he had sixteen contracts between 1993 and 1996 that never resulted in a single fin-

Khoury is working on small-scale residential buildings



ished building. By his own colorful description, he has eight "cadavers" in Solidere alone, projects that never managed to get beyond the initial design phase, either because Solidere

dropped them or because investors pulled out. On a few occasions, Khoury himself walked away.

About a year ago, however, Khoury restructured his office, creating Bernard Khoury Architects/DW5, a union that allows him to draw on the expertise of a loose, ever-evolving collective in a studio workshop-like set-up. Khoury has completed 10 buildings since 2000. His web site lists 24 projects in progress, nine of which started in 2006.

"We never build one hundred percent. A good percentage of what we design never makes it to construction. But outside the parameters of Solidere we've had a pretty good rate lately. It's on the way up," says Khoury. "There is a whole sector that did not knock on my door

until recently."

Working on relatively small-scale, high-end residential buildings with such developers as Karim Bassil (of Convivium I through VII fame) and newcomer Marc Doumit, Khoury now finds himself in a new market niche – apartments that diverge sharply from the well-thumbed recipe of the typical Beirut family residence.

"A few projects we were not expecting"

Naji Assi, one of a core team of nine architects in the associated firm of Elie-Pierre Sabbag Architects, says that he too feels the heat of the current real-estate market. "We feel it. We have a few projects now that we were not expecting." This year the firm has three new projects to design in downtown Beirut, including two residential buildings at 4,500 m² and 10,000 m², respectively.

There is evidence that the real-estate market is recovering quickly. One of the firm's clients, for example, put a major project on hold after the assassination of former Prime Minister Rafik Hariri in 2005 and the country's ensuing political instability. At the start of this year, however, "he finalized the contracts, bought the land, and now we are in the design phase," explains Assi, 37.

Nightlife – the young architect's proving ground

As focused on the high-end residential sector as Beirut's current real-estate boom is, there is one small sub-sector that has long been a proving ground for Lebanese architects – the nightlife industry. What sets Beiruti nightlife apart from anywhere else in the world is not only the blinding speed of turnover but also the indulgence shown to daring, often showy architecture.

Bernard Khoury set the trend with his 1998 design for B018, in Karantina. Khoury built a bunker into the ground, topped it with a retractable roof, and, acknowledging the site's bloody past, filled it with furniture emulating coffins and graves.

For the restaurant Centrale, he took an elegant yet crumbling old house, cased it in permanent scaffolding, and added a massive cylindrical bar where the roof should have been. Getting to the bar requires a ride up an ingenious elevator – designed by Karim Chaya and Raed Abillama, frequent Khoury collaborators who work together under the name ACID (Abillama Chaya Industrial Design) – kitted out with lush leather couches. Like B018, the bar at Centrale has a retractable roof that rotates open at night. And like Centrale, the Bernard Khoury-designed building for the upscale sushi restaurant Yabani has a dramatic elevator, replete with an attendant doubling as a hostess, who brings customers down rather than up into the restaurant.

If entertainment projects provided Khoury with work at a time when he was deemed too dangerous to do anything else, his example has proven instructive to countless bar, club, and restaurant owners in Beirut, who are now in the habit of assigning huge chunks of their start-up budgets to architectural, industrial, and interior design.

A quick drive by the periphery of the nightlife scene clustered on Monnot Street shows Beirut's second generation of nightlife architecture in full bloom. Here, such places as Element, Metis, and Kitchen (all designed by architects Issam Barhouch and Bassam Chamoun of the firm Sites), Market (designed by architect Mark Siriani), and District (designed by architect Fadi Farhat) are built like freestanding boxes, one after another. Whether wooden-paneled and strung with lights or muscularly made from concrete or embellished with mirrored strips, all of them are blocky and angular, revisiting modernism's crisp lines in low-lying structures that are minimal and austere with a flourish of landscaping out front. Being free-standing, they announce themselves insistently.

In a sign that the architecture-nightlife union is migrating elsewhere, Mazen Khatib, a Nabil Gholam protégé, has done the design for a new bar in Gemaizeh, set to open imminently, called Gauche Caviar. Khatib's design may be more true to Khoury's contextual rehabilitation ethic than the rest, of which Khoury says simply: "I don't like cute." But while Gemaizeh may be the neighborhood witnessing the arrival of more new nightlife venues than anywhere else in Beirut right now, the freestanding bar-box aesthetic is unlikely to be seen there anytime soon. In reaction to the sudden and rapacious pace of development, the Higher Council of Urbanism has put construction in the entire area on hold until they complete a study. Watch this space.

Nabil Gholam of NG Architecture & Planning describes the current real-estate boom as a seller's market for architects. "We've been here for 12 years," he says. "[Early on] we worked a lot and developed several hundred concept designs and proj-

ects, but with all the upheaval in Lebanon, very few got built. Right now, seven or ten or nine are all coming up at the same time. So all of the sudden, they will be out there in the next couple of years." Those projects include three in Saifi



Nabil Gholam: "People are looking again at modernity"

Village (one being developed by Solidere itself, one by a private client, and one, well into construction, by the Dubai Islamic Bank); a residential building, Foch 94, that sold out just as excavation began; a small office building, Foch 126; a residential development with high-ceiling lofts conceived of as "urban villas" and known as Garden View; and the most high-ticket of Beirut's high-ticket projects, Platinum Tower, for which Gholam collaborated with Spanish architect Ricardo Bofill. According to Solidere, Gholam, 43, is one of three architects who have been retained along with Christian de Portzamparc to tackle different portions of the Beirut Gate project.

Is that a yardstick in your portfolio?

The 1,000 m² apartments in Platinum, says Gholam, "start at about \$7.5 million. And this remains the very beacon of excellence. Platinum remains the yardstick, which is quite interesting for us, because when you have the yardstick in your portfolio, it attracts a lot of developers." Gholam is now being commissioned for projects approaching Platinum's caliber outside of Solidere entirely – in Ashrafieh, near Sassine, and in



Nabil Gholam is developing three projects, for three different developers, in Saifi village

Clemenceau, near the Ecole Supérieure des Affaires, both with the Middle East Capital Group (MECG). Gholam says he's seen prices in Ashrafieh rise from \$2,000-\$2,500 per m² to \$3,000-\$3,500 per m² in just the past year. "There is more work," he adds, "and paradoxically there is less competition because the developers are fighting over who they perceive to be the good people. Demand increases but the supply doesn't. I know from my colleagues and friends that the good guys are busy." Still, Gholam suggests that a hot market is also by definition a tough market. "Besides Dar al-Handasah and Khatib & Alami and Erga and the big offices [all corporate firms specializing in engineering and consulting as opposed to boutique architecture offices like Gholam's], the smaller ones are having a hard time structuring themselves, hiring more people and actually working. At the time the boom came, we were already 30 to 35 people and used to working in an organized structure." NG Architecture & Planning now employs between 40 and 45 staff and has opened a second office in Barcelona, with a third in Istanbul on the way. "I would have hated for the boom to come eight years ago when we were five," he explains, "because we would have turned out messy work."

Working without a system

Raed Abillama of Raed Abillama Architects is particularly wary of the too much too soon phenomenon. His firm of 13 is deliberately less than prolific. "One of the risks of building in Lebanon is the lack of a

"PEOPLE ARE LOOKING AGAIN AT MODERNITY AS AN ALTERNATIVE TO THE GOOD OLD, TRADITIONAL PASTICHE"

system. Architects don't have a lot of protection. You can lose control of a project and damage your name. It's a profession that takes a very long time. And if you spend two years on a project you have reservations about, that's a lot of wasted time, even if you get paid. If you don't have a set-up you can trust, then you can end up with only half-projects. You need to have the control to do better architecture and push the projects further."

Like Bernard Khoury, Abillama has found a niche in the non-conventional residential market, working on villas outside of Beirut and designing smaller-scale apartments within the city that break up the monotony of the typical four-bedroom luxury flat. "It's important that the client is there to trust you, to take the risk," he says. "Partnerships need to be done with time, more experience, and a longer relationship. This is the struggle of a young architect," laughs Abillama, 36. "The more

money there is but the less system there is, the less creative you can be because it's too much of a risk."

So is the current real-estate boom, in the end, actually good for the quality of design and the professional and ethical standards of architecture as a profession, or is it only good for potential returns to developers on ever more speculative investments?

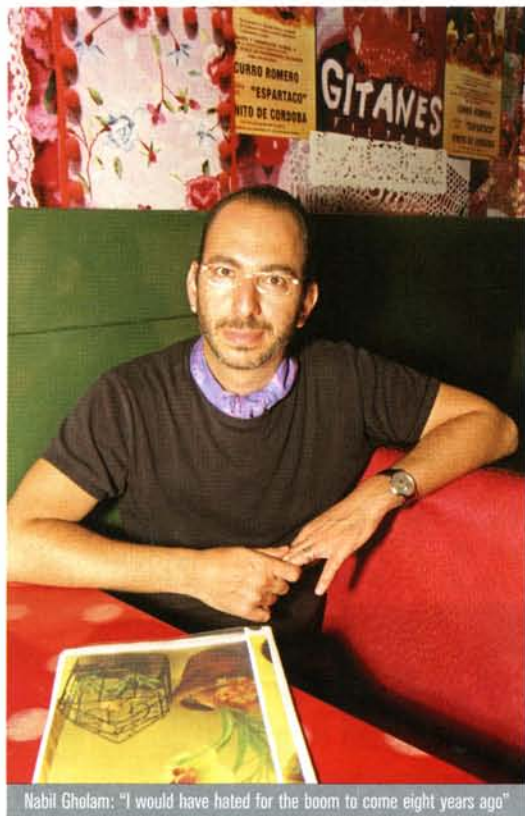
Says Khoury, "We're beginning to see developers who understand that the architecture can be an added value. There were very few who operated like that before. Now you have a few developers in town who understand that if there is something in their project that is attractive, it will sell above the market value. It will sell quicker and better. I've experienced this," he adds. "Clients are eager for something that is going to bring them pleasure."

Adds Gholam, "A fresher awareness is emerging now. You get a sense that

things are moving forward. Not least, people are looking again at modernity as an alternative to the good old, fake old, traditional, conservative – whatever you want to call it – pastiche. We are seeing ... more than three times the appreciation for our modern projects ... than there used to be before, when you almost had to beg to convince a client that things didn't need to have capitals and arches and so on."

When there is movement in the market, he adds, "Things are bound to evolve because they get shaken about. There are more projects, there are more clients, and some of the clients have several projects. If anything, a fast market is a definite way to improve standards if only by practicing your trade, whereas in a slow market we're all sitting there trying to fire people and unable to do so and spending a lot of time and money on one job."

And, of course, there is the issue of money. Because architects, in theory



Nabil Gholam: "I would have hated for the boom to come eight years ago"

at least, are paid based on a percentage – loosely understood to be 7% – of the total cost of a given project (not including the cost of land), bigger budgets should mean larger fees. As a rule, architects are loathe to disclose how they calculate their fees, much less put actual numbers to what they earn annually, but they generally insist that they are not necessarily making a lot more money now than they were a few years ago. What they have gained, if not hard cash, is a greater semblance of security that comes through steadier work.

Headaches and growing pains

The Order of Engineers and Architects has a standard contract that all architects and developers must sign before they obtain a building permit for a given project. The problem is that high-profile commissions from international investors often require a second contract that essentially cancels out the first. "This is not always to the benefit of the architect," says

Khoury, who adds that a 7% fee is at this point highly unlikely on a multi-million dollar project. The fee is usually less. (On projects costing less than \$1 million, however, the fee is usually more).

Sany Jamal of the order's architecture section says they can protect architects only in so far as they act within the bounds of Lebanese law. Thanks to a hot real-estate market and conflicting or variously-interpreted contracts, the order often has to step in and arbitrate, trying to resolve disputes before they escalate into full-scale conflicts that have to be settled in court. International architects, though much in demand in the BCD, can end up bewildered, bouncing off of Lebanon's archaic and often protectionist building and urban planning legislation.

Other headaches of the current boom include the rising prices of concrete and steel and higher fees demanded by contractors and consultants, who each take their share of the architects' fee. Then there is the higher overhead cost of running an office and paying staff, and the scarcity of young architects looking for work. "It's very hard to find architects in town now," says Abillama. "A lot get sucked into the Gulf." And then there is, well, dumb devel-

opment, which can discriminate clients and less discriminate clients," says Gholam. "There are better-equipped consultants and worse-equipped consultants. The risk you face is clients working with people who will not deliver what they promise, or us meeting clients who technically are not very practiced. We meet several clients who have never built a building before but they've heard that that's what's happening. They have a lot of cash so they think, build a building." For developers unfamiliar with Lebanon, anything outside the BCD "looks like the wild west," says Gholam, leaving much of the rest of the city to veteran developers like Jamil Ibrahim and Rabah Jaber, along with the likes of the plucky yet undeniably innovative Karim Basil.

Uneven development

All this makes for uneven development. Beirut's current real-estate boom is being fueled almost exclusively by high-end residential projects. This prices out all but the very rich. In terms of middle and lower-class dwellings, the market remains stagnant. "It's not a fluid market," says Abillama. "[Already existing] apartments take a long time to sell on the market, to change hands. There is a lack of liquidity. There are not a lot of people who can actually afford to buy new apartments. Salaries are not high enough."

But that still leaves the market centered in a tiny area of an already small country. "Other regions in Lebanon need

"THE DAY I'D SAY THE BOOM IS SUSTAINABLE IS THE DAY WE GET A CALL TO DO SOMETHING OUTSIDE OF BEIRUT"

oper syndrome. A senior figure in Solidere recently said of the investors who are now flooding their money into the BCD: "They'll tell you they're developers and city-makers but they're not. They're moneymakers. They're like sheep. They know their mates want apartments and they know retail is sharp. But they are not at all adventurous." "In boom times, there are more dis-

development," says Naji Assi. "Not just from the aid of UN development groups but on a competitive basis. The classic example is Tripoli, which is enduring a lack of projects on the scale of the city, and a lack of interest on the part of investors and developers. The day I'd say the boom is [sustainable] is the day we get a call to do something outside of Beirut, in the Bekaa, in the South," or maybe even in Tripoli. 