

# Housing Vacancy in Beirut 2023

## DRIVERS AND TRENDS

As urban housing vacancy soars in heavily financialized cities across the globe, its detrimental effects—housing crises, interrupted economic cycles, and empty public coffers—are widely felt worldwide. This is the case in Beirut, where a severe housing vacancy crisis has soared for over a decade. In order to support an informed response to this crisis, the Beirut Urban Lab surveyed Beirut's housing vacancy in the Summer of 2023, covering four market segments across the entire municipal area.

The survey confirmed that Lebanon's capital suffers from alarmingly high housing vacancy rates (about 20%), which spread across all neighborhoods, rich and poor. The survey further found vacancy to be endemic and persistent, requiring urgent responses. The report dives into the details of the survey findings, points to the main drivers behind vacancy, and concludes with a handful of recommendations to curtail vacancy and mitigate its social, economic, and environmental costs in Beirut.

## POLICY REPORT

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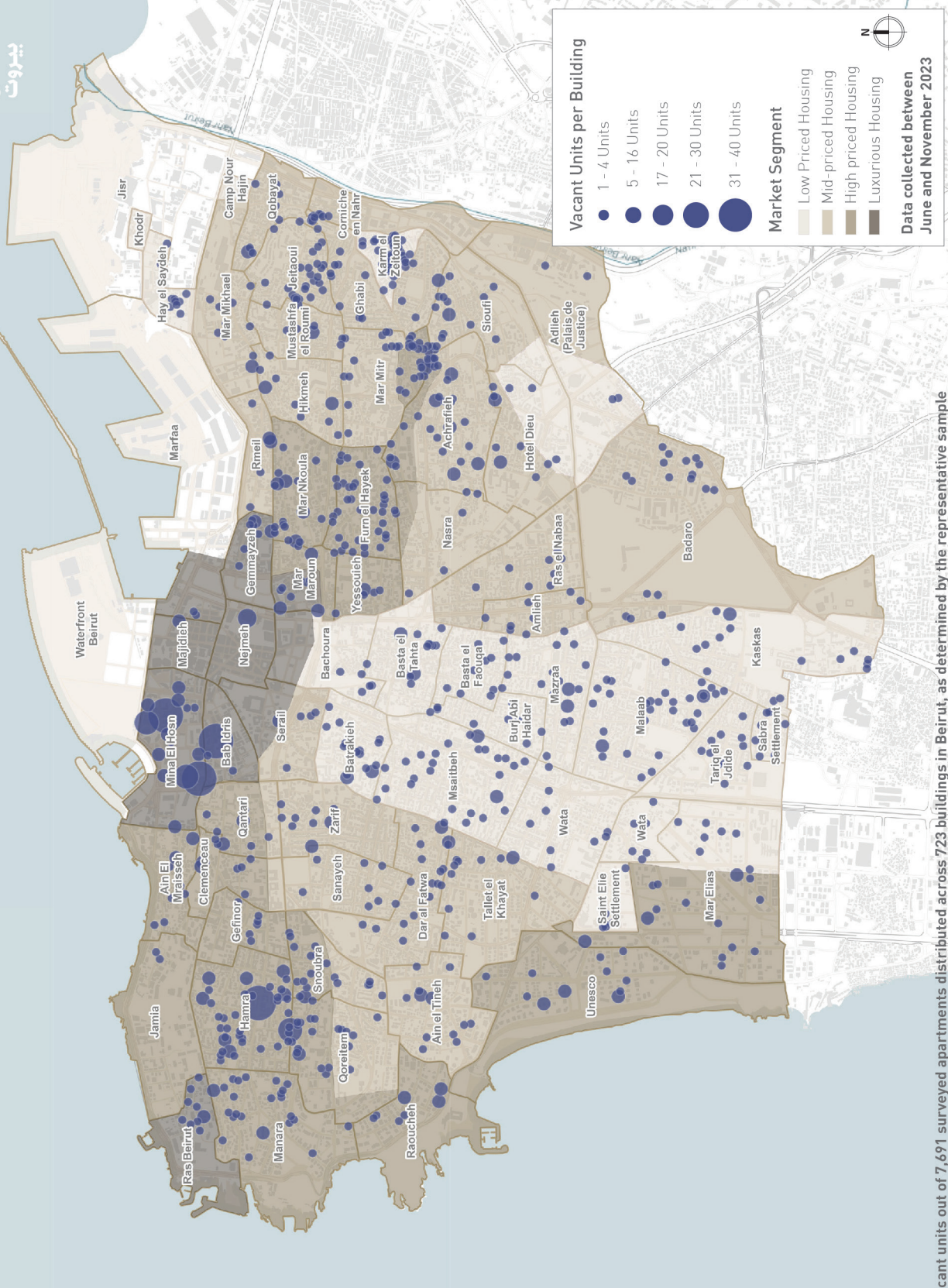


AMERICAN  
UNIVERSITY  
OF BEIRUT

# Housing Vacancy in Beirut 2023

## Vacant Units

beirut urban lab  
مختبر  
المدن  
بيروت



\*This figure represents the count of vacant units out of 7,691 surveyed apartments distributed across 723 buildings in Beirut, as determined by the representative sample



## 1. Introduction

As financialization ravages cities across the globe, policymakers are paying increasing attention to its impacts on turning urban housing units into assets (Farha 2021, Aalbers et al., 2020; Leijten and Bel, 2020; Collins and Murray, 2023; Gentili and Hoekstra, 2019). A sizable section of housing stocks has been acquired as investments, and often kept vacant as housing needs soar. As a result, many cities are rolling out strategies to combat speculative practices and recover their housing stocks (Wijburg, 2021; Marcuse and Maden, 2017). While similar trends are observable in Lebanon's cities, policymakers have been slow to adopt measures to curtail vacancy, despite a substantial section of the housing stock appearing to be vacant. Advocates and policymakers who try to introduce initiatives that counter vacancy are faced with staunch resistance, and their claims are weakened by the absence of data. Thus, Lebanese parliamentarians have recurrently rejected proposals to cancel or partially waive the tax exemptions in place for vacant property (Jallad, 2023).

This document reports on the findings of the Municipal Beirut housing vacancy survey conducted in Summer 2023 by the Beirut Urban Lab at the request of Lebanon's Public Housing Corporation, with support from the Norwegian Refugee Council. The study comes at a crucial time when the need for adequate housing is soaring in Beirut, and state bankruptcy has made it difficult for public agencies to intervene in their role as public providers. As such, the findings of this study seek to inform decision-makers on how to approach housing vacancy in a constructive way by recovering existing apartment units for housing, thus expanding the available stock of affordable housing in Beirut in ecologically sound and economically responsible ways, while also channeling additional funds towards public coffers.

From the outset, our findings are alarming: Vacancy in Beirut edges 20%, a threshold at which housing experts speak of "hyper-vacancy<sup>1</sup>" with daunting effects on the functioning of urban neighborhoods (Map 1). This vacancy is high everywhere in the city, spanning all market segments, and extending to old, more recent, and newer buildings. The report fleshes out the main findings of the field research and presents some elements to explain this high vacancy rate. We conclude with a handful of recommendations for policymakers, emphasizing the urgent need to curtail vacancy and introduce measures to counteract its effects.

### 1.1. Purpose and Context of the Housing Survey

High rates of housing vacancy are socially, economically, and environmentally detrimental to cities. While housing scholars argue that a reasonable level of vacancy might be healthy for a good housing turnover<sup>2</sup>, high levels of vacancy are often the dual sign of market inefficiency and neighborhood downturn. High vacancy typically signals potentially permanent downturn in the neighborhoods where they are measured (Mallach, 2018).

In Beirut, the consequences of high vacancy rates are evident. First, in the context of prohibitively high housing costs and a soaring housing crisis, empty apartments represent a missed opportunity to secure adequate housing. Consequently, households are forced to travel long and costly commutes to access decent housing at hefty environmental and social costs despite the widespread availability of housing units. Second, high vacancy rates undermine the quality of life for residents by interrupting local economic cycles (Mallach, 2018). In many cases, such vacant units further turn into a liability, as they incentivize shady functions that usher a downturn in the life of the blocks or neighborhoods where they are located. Third, since vacant properties are untaxed, public revenues are significantly compromised<sup>3</sup>, thereby weakening the ability of public authorities to intervene in



Figure 1. A Vacant Building in Beirut, Source: Beirut Urban Lab Vacancy Survey, 2023

<sup>1</sup>Mallach (2018) defines hyper vacancy as the extensive presence of vacant units that significantly change the character of the neighborhood

<sup>2</sup>This rate of vacancy is described as "frictional vacancy" and is supposed to expand options and shorten the period for people looking for housing. For more, see Segú, M. (2020). The impact of taxing vacancy on housing markets: Evidence from France. *Journal of Public Economics*, 185, 104079.

<sup>3</sup>In 2020, a rapid estimate of the Municipality of Beirut's yearly losses with this exemption was estimated at 13% of the municipality's annual budget (Fawaz and Zaatari, 2020).







maintaining urban infrastructures adequately or funding its direly needed expansion. With weak legal compliance, exemptions encourage over-reporting of vacancies as a strategy for tax evasion, further undermining the ability of local authorities to collect revenues and provide services. Fourth, vacant apartments represent an alarming environmental concern due to the misuse of building materials. Indeed, the replacement of old structures with unused apartments constitutes a depletion of natural resources [Mallach, 2018]. Over the period from 2002 and 2012, the Beirut Urban Lab's BBED surveys showed that 10% of the city's built environment was replaced<sup>4</sup>. As this document shows, 27% of the units developed during this period (2002-2012) remain vacant to date, the highest rate of vacancy across all building construction periods. In sum, vacancy comes at high social, economic, and environmental costs for Beirut's dwellers.

## 2. Methodology

### 2.1. Methodological Note

The Beirut Urban Lab conducted a survey to estimate apartment vacancy rates in Municipal Beirut. In the absence of census or reliable data from local authorities<sup>5</sup>, data was collected from a representative sample of apartment buildings within the administrative boundaries of Lebanon's capital city. For the purpose of the study,

the first task was to define vacancy. Scholars typically distinguish between transitional vacancies and endemic<sup>6</sup>, long-term ones. The former covers units that are for sale, for rent, or maintained for occasional uses. The latter form of vacancy constitutes a more endemic form. Indeed, many cities are also increasingly seeing their housing units held as an investment, without a consideration of short or medium-term uses (Fikse and Aalbers, 2021). Some long-term vacant units may be available for rent or sale, while others are locked and kept for their investment value, either in good or dilapidated form. The study thus sought to distinguish to the extent possible- between occasionally used units, and those left empty and/or unused for at least several months. The aggregated number of unoccupied dwellings added up to what we refer to as the overall "vacancy rate", a percentage of the estimated full housing stock in Beirut. Given that the attributes of this stock affect policy recommendations, the survey further attempted to document housing characteristics by collecting information about physical conditions, forms of ownership, apartment size, level of furnishing, the duration of vacancy, and whether the unit is placed for rent, sale, or not at all. The study adopted a quantitative approach, constructing a geo-referenced representative sample of residential apartment buildings at two different scales: city-wide and market segments<sup>7</sup> (Table 1).

Market Segments	Apartment Price Ranges (in USD/sqm)	Number of Residential Buildings <sup>8</sup>	Target Sample Size
Segment A Low-priced housing	Less than \$2400/sqm	6,319	<b>262</b>
Segment B Middle-priced housing	\$2,400/sqm - \$4,999/sqm	6,532	<b>262</b>
Segment C High-priced housing	\$5,000/sqm - \$6,999/sqm	3,008	<b>250</b>
Segment D Luxurious housing	More than \$7,000/sqm	319	<b>49</b>
<b>ALL BEIRUT</b>		<b>16,178</b>	

Table 1. Target Sample Size Per Market Segment

Number of Floors	Number of buildings in Beirut City	Percentage of total buildings in Beirut	Target Sample Size
<b>1 to 3 floors</b>	5291	32.6%	235
<b>4 to 5 floors</b>	2826	17.5%	127
<b>6 to 7 floors</b>	2466	15.4%	112
<b>8 to 12 floors</b>	4849	29.8%	216
<b>12+ floors</b>	746	4.5%	33
<b>TOTAL</b>	16178	<b>723 buildings</b>	

Table 2. Sample Size and Stratification Method for the City of Beirut (by Floor Count)

<sup>4</sup>Beirut Built Environment Database platform: <https://beirut-built-environment-database-bul-aub.hub.arcgis.com/>

<sup>5</sup>In a context where vacancy is exempted from property tax and municipal fees, city dwellers over-report a claim of vacancy as a tax evasion strategy. Municipal records have indicated that vacancy figures are overestimated in public records where an inflated figure of over 50% vacancy is reported for Beirut's housing stock. During the same period, the Beirut Built Environment surveys revealed that vacancy rates stood at 23% for Beirut's post-1996 housing stock.

<sup>6</sup>Mallach (2018) uses the following categories of transitional vacancy: (1) Vacant for rent, (2) Rented but not yet occupied, (3) Vacant for sale, (4) Sold but not yet occupied, (5) Maintained for seasonal, recreational and occasional use, (6) Maintained for migrant workers, (7) Other vacant.

<sup>7</sup>By market segment, we point to four distinct scales of housing prices that are considered relatively hermetic vis-à-vis each other. The sampling relied on RAMCO Real Estate Advisors' published market studies, a recognized real estate reference in Beirut that has issued housing figures since 1973. The 2018 published data on average apartment prices reports existing transactions and divides Beirut into 10 market brackets. The market segments were corroborated with the 2018 data from BUL's Beirut Built Environment Database that helped consolidate the market into four segments labeled in this study as lower, middle, higher, and luxurious.

<sup>8</sup>The number of buildings relies on a direct count in the BBED map.





The sample was then stratified across Beirut's buildings' construction periods, periodized in relation to changes in building regulation (Table 2)<sup>9</sup>. A total of 723 buildings were sampled for Municipal Beirut, rendering a 90% confidence rate at a 3% margin of error. For the spatialized market segments, 954 buildings were sampled with a 90% confidence rate and a 5% margin of error.

Data collection extended between June and September 2023. Three fieldworkers using ArcGIS's Survey applications gathered data directly on the field. The sample provides an adequate confidence level at the scale of the city, through three of the market segments, and across the periods during which buildings were constructed (Map 2). However, challenges in the luxurious market segment, particularly due to unresponsiveness and severely restricted access to heavily secure zones, resulted in a confidence level drop to 90% and a 10% margin of error in the luxurious districts. Despite hurdles, the survey provides crucial insights into housing vacancy at various scales and provides valuable insights that underscore the imperative for policymakers and city authorities to intervene.

### 3. Five Key Findings from BUL Survey

Based on the vacancy survey, building conditions, apartment characteristics, and the duration of housing vacancies across market segments in Municipal Beirut, five key findings have emerged.

#### 3.1. Vacancy Rates in Beirut are High and on the Rise

Housing vacancy rates in Beirut are alarmingly high, approaching at 19% what housing policymakers and scholars consider the "hyper vacancy threshold". Out of 7,691 apartments distributed across the sampled 723 buildings, 1,393 units were found vacant. This marks an 8-point hike since the last comprehensive survey conducted by CAS in 2004 recorded an 11% vacancy rate (CAS, 2004). The survey shows that the surge in housing vacancy affects the entire city, spanning across all market segments, housing conditions, and building typologies (Map 3).

Comparing these figures to other cities, Beirut's figures stand out. The Lincoln Institute of Land Policy's (2018) study provides a reference for acceptable vacancy rates. The study distinguishes between a rental vacancy rate, which points to units available for rent, and "typically hovers around 7 to 8 percent", and homeowner vacancy rates, that should typically stand at a much lower vacancy rate of 2 percent (Mallach, 2018). The present study did not distinguish between these two types of vacancies. Nonetheless, the vacancy figure stands way above the two acceptable numbers pointed out in the referenced report. As noted above, it also stands at the levels of "hyper vacancy" and suggests that the costs of these vacancies extend beyond losses in housing to affect public revenues and city life.

#### 3.2. Vacancy is Highly Concentrated in the Most Exclusive Market Segment

The survey finds that vacancy rates increase as the market segment becomes more exclusive, with the highest rates recorded for the luxurious market segment. Our survey records found that 31% of the apartments in this segment are empty (well above the hyper vacancy threshold of 20%) (Figure 2). This market segment also exhibits the largest percentage of vacant units unused for more than 2 years (see section 3.3). This pattern aligns with cities where vacancy rates were found to increase with rising apartment price (Monkonnens, 2019; Struyk, 1988, Zhang et al., 2016).

One explanation for this high rate of vacancy lies in the fact that this luxurious stock is typically developed for sale and not rental occupation. Thus, our survey found that this market segment exhibits the lowest rate of rental occupancy at 22% of its total units, below the city-average of 36%<sup>10</sup>. Figure 2 shows the inverse curves of the rental and vacancy rates, relating further vacancy to the smaller percentage of occupancy through rent. One should caution, nonetheless, that the smaller percentage of renters may equally be explained by the preference among households to purchase property overpaying rent, once the costs of rent increase match the cost of a mortgage.

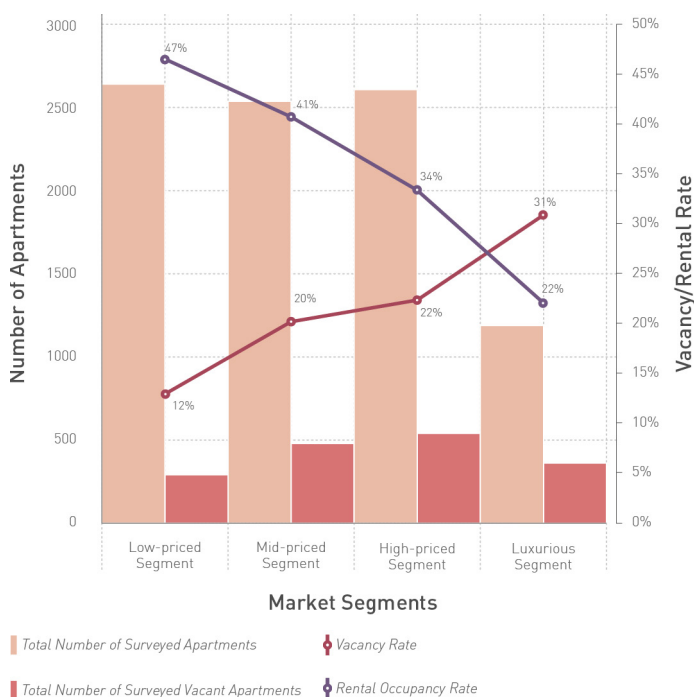


Figure 2. Vacancy and Rental Rates across Beirut's Market Segments

The correlation between hyper-vacancy rates, apartment prices, and low rental occupancy in Beirut in general and the luxurious market segment in specific suggests that this segment of the market values property as an investment highly, downplaying its housing role. The finding is not surprising in times of financialization, where studies have shown that numerous cities suffer from the weight of speculative investments (Farha, 2021).

<sup>9</sup>Given the lack of reliable data on building age in Beirut, the research approximates building age through floor counts. It is possible to substitute floor counts for building age in Beirut because building heights are highly dictated by the changing articles of the building law that restrict the number of floors and the total allowable built-up areas.

<sup>10</sup>In contrast, other market segments recorded higher rental occupancy rates, going well above 30% and reaching 50% in low-priced market segments.

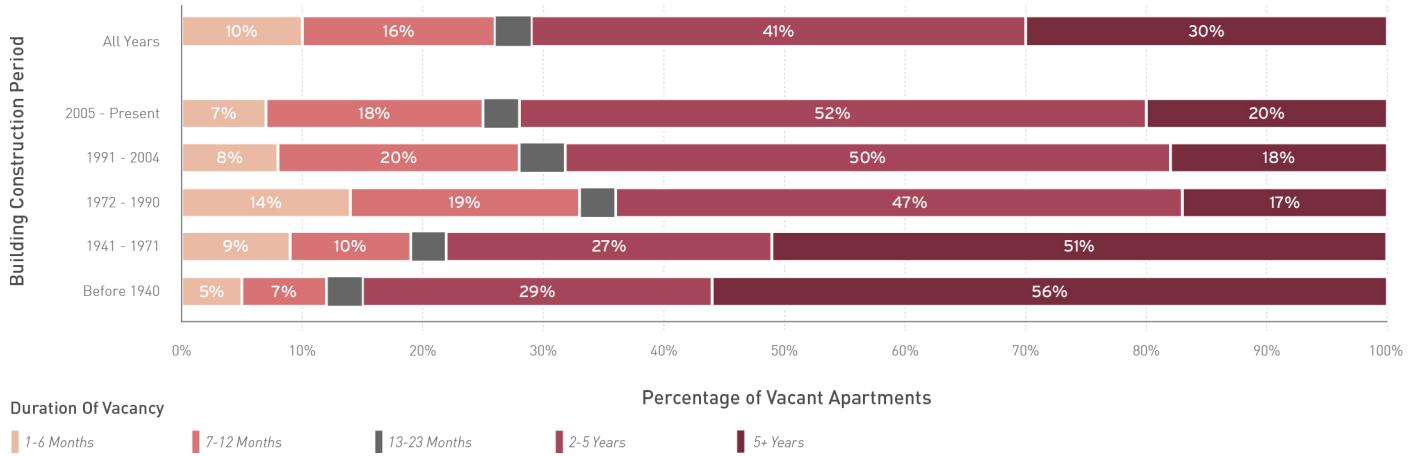


Figure 3. Distribution of Vacant Units by Duration of Vacancy across Building Construction Periods

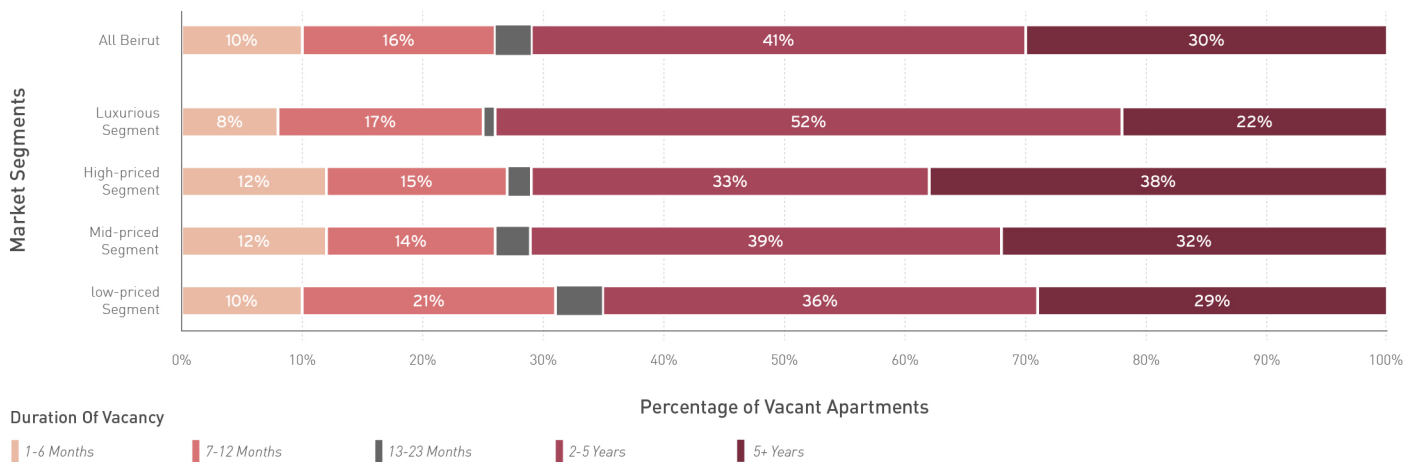


Figure 4. Distribution of Vacant Units by Duration of Vacancy across Beirut's Market Segments

### 3.3. Housing Vacancy in Beirut is Persistent and Long Term

In Beirut, housing vacancy is prolonged and its duration cannot be dismissed as mere “turnover”<sup>11</sup>. About 71% of the surveyed vacant apartments were recorded to have been vacant for over 2 years, a duration categorized by scholars as long-term vacancy (Mallach, 2018; Segu, 2020; Reyes, 2021). This prolonged vacancy trend appears across buildings of different construction periods, with pre-1940 buildings exhibiting the highest share whereby 85% of the vacant units developed prior to 1940 suffered from persistent vacancy (figure3). The survey findings also underscore variations in durations of vacancy across Beirut’s market segments. While long-term vacancy appears across all market segments in the city, apartments located in the higher and luxurious segments<sup>12</sup> are more likely held as long-term investments, therefore contributing to extended vacancy rates. On the other hand, the findings show a more active turnover of units in the lower housing market segments of the city, whereby 31% of the vacant units were reported vacant for less than a year (Figure 4).

These prevailing extended vacancy rates point to entrenched negative trends in the housing market (Molloy, 2016), one known not to be reversible without active and sustained public intervention (Segu, 2020; Mallach, 2018; Monkonnen, 2019; Struyk, 1988).

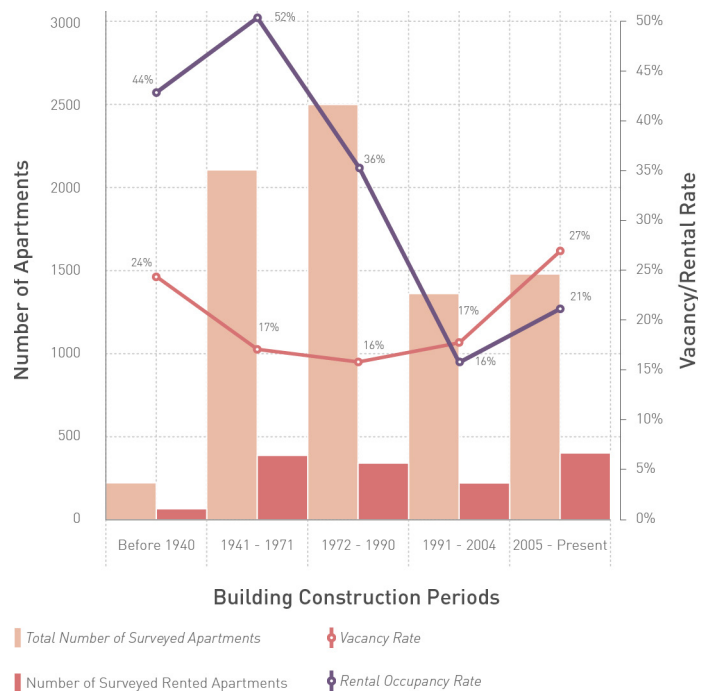


Figure 5. Vacancy and Rental Rates across Beirut's Building Construction Periods

<sup>11</sup>“Turnover-related vacancy” refers to the period that an apartment can stay on the market before it is rented out or sold and is typically less than a year.

<sup>12</sup>The vacancy rate in the luxurious segment is likely higher since we were not able to access the most securitized areas, where vacancy is known to be the highest.



### 3.4. Vacancy is Considerably Higher in Buildings Developed after the Civil War

The findings reveal that vacancy rates fluctuate with the age of buildings, recording its highest point for post-civil war constructions, most particularly for developments that followed the 2005 boom (Figure 5). The survey indicates that more than a quarter of the surveyed apartments developed since 2005 are vacant, at least 10 percent point above the developments of the preceding 6 decades. Concurrently, these newer apartments exhibit a lower frequency of rental occupancy compared to older buildings. Vacancy rates are equally high in buildings developed in the pre-1940 period, primarily due to high rates of abandonment. The survey revealed that one out of every eight buildings developed during this period is fully vacant, compared to an overall city average of one in every 20 buildings fully vacant (Figure 6). These buildings typically comprise a lower number of apartments compared to buildings from later construction periods. They also display the widest rent gap, the difference between the financial rent that property owners currently reap, given rent and heritage protections, and what they project garnering should they replace them with a high-rise, given the development-friendly regulatory frameworks in place in recent decades (Smith, 1979, Krijnen, 2018). This abandonment may therefore be at least partially construed as the outcome of a deliberate strategy by property owners to force a building’s decay to replace it.

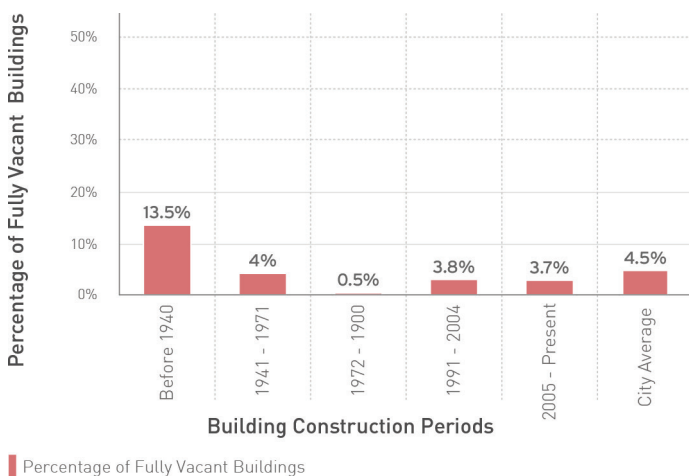


Figure 6. Distribution of Fully Vacant Buildings Across Buildings’ Construction period

### 3.5. Most Surveyed Vacant Apartments can be Put on the Market without Major Effort

The survey found that the majority of vacant apartments are operational, structurally sound, and require minimal repairs to be reintroduced to the market. Indeed, the majority of vacant units (90%) are located in buildings that surveyors categorized to be in fairly good condition or “like new condition”. Moreover, over two-thirds of these apartments are unfurnished. These apartments can therefore be easily reintroduced into the market, provided property owners are given the right incentives and protections (Figure 7).

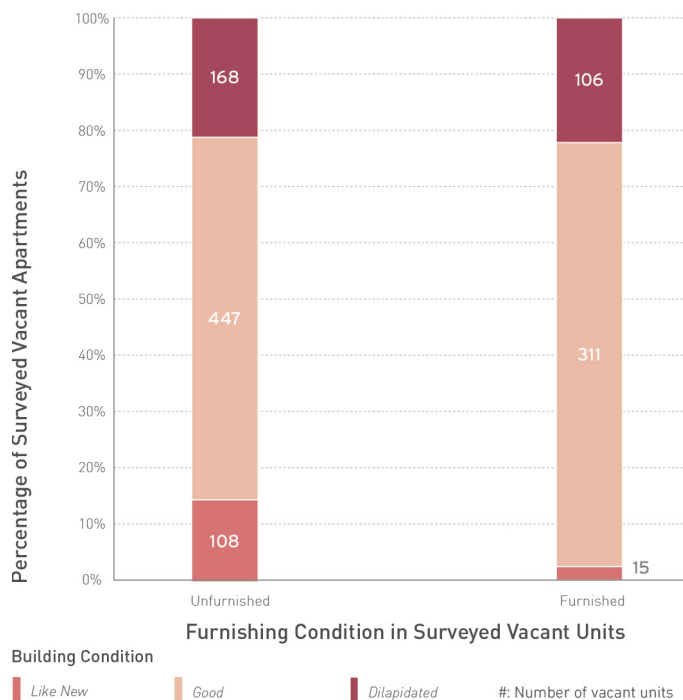


Figure 7. Distribution of Vacant Apartments based on Furnishing Condition

## 4. Entrenched Drivers of Housing Vacancy

What are possible explanations for Beirut’s current hyper-vacancy rates? In this section, we point to six main housing vacancy drivers that exacerbate vacancy. We base our analysis on earlier studies (Fawaz et al., 2021; Fawaz and Zaatari, 2020; Marot 2018, Krijnen, 2018, Tierney, 2018) that are corroborated by the findings of this research.

### 4.1. A Vacancy Produced by the Regulatory Framework

It is possible to show that the regulatory framework that organizes and taxes building activities contributes deliberately to the overproduction of housing units and their maintenance in vacant form. To begin with, monetary policies have incentivized building activities as a financial strategy, using the built environment as bait to attract foreign investments without consideration for social and environmental costs. Championed by the Central Bank, these policies translated into incentives and facilities that encouraged the flow of capital in residential buildings largely redefined as real estate (Figure 8), well in line with numerous other national contexts documented in both the Global North and South (Farha, 2021, Aalbers, 2021, Migozi, 2020, Rolnik 2013). In Lebanon, these financial policies were accompanied by additional changes to property and building reregulatory framework<sup>13</sup> that reinforces the use of housing as a speculative asset<sup>14</sup> over its intended social function as a shelter.

<sup>13</sup>This included changes in property ownership laws, building regulations, and housing loan subsidies were some of the regulatory changes that catalyzed the use of housing units as an asset (safety deposit box).

<sup>14</sup>Real estate developers interviewed in 2018 estimated that about one-third of the apartment units they sold had been bought for investment purposes (Zaatari, 2019; Mneimneh, 2018). Figures from this study confirm these claims, as they show that 27% of the post-2004 housing stock is vacant.

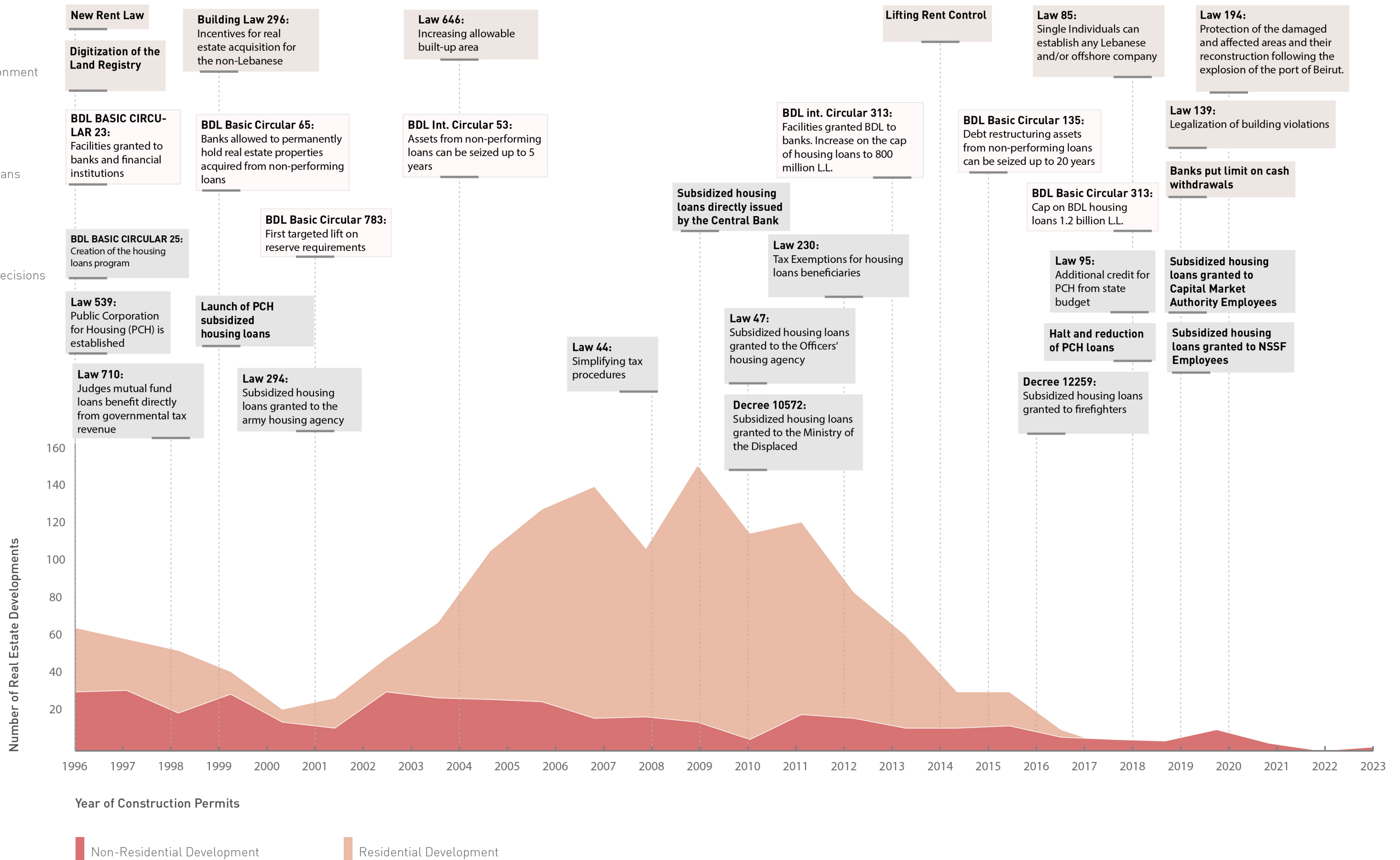
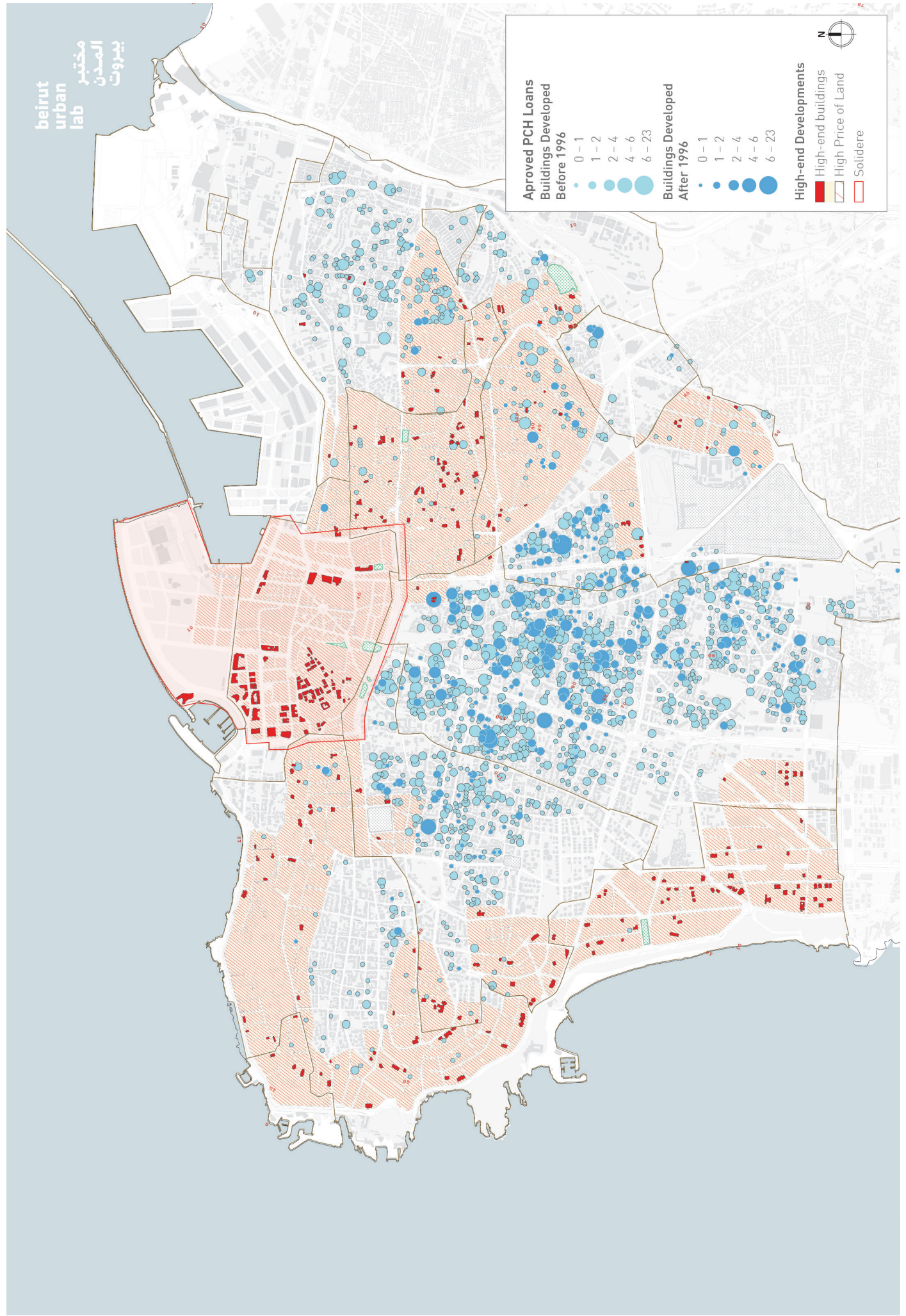


Figure 8. Real Estate Developments in Municipal Beirut 1996 – 2023





Map 4. Distribution of Subsidized Housing Loans Issued by the Public Corporation of Housing in Beirut

**4.2. A Preference for Ownership, by both Developers and Home seekers**

The shift away from tenancy as a modality of housing acquisition in Beirut has further contributed to exacerbating vacancy since it has sidelined a vital modality of housing occupation (Figure 9). This is evidenced by the drop in rental occupancy in the more recent housing stocks, with older buildings showing a noticeably higher rate of occupancy by tenant households. Thus, 51% of surveyed apartments built between 1941 and 1970 were reported to be occupied by tenants, against only 16% of apartments built between 1990 and 2004. Not surprisingly, the latter housing stock has higher rates of vacancy.

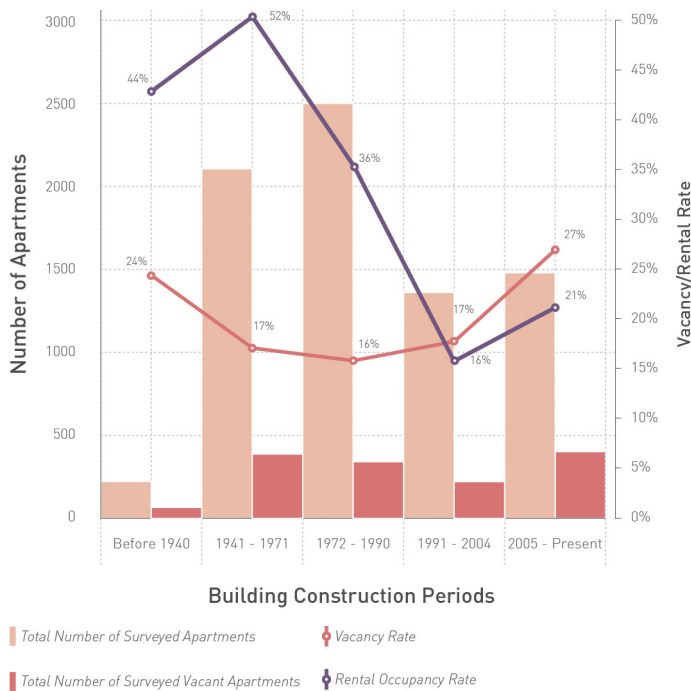


Figure 9. Distribution of Surveyed Rented Apartments across Building Construction Periods

Several factors have favored homeownership as the main form of housing acquisition. Among the factors contributing to a shift away from rent, landlords frequently cite the 1992 rental regulation that to-date freezes rent at below-market rates for all contracts preceding that date (Mansour, 2022; Atwi, 2023). Wary of prolonged and costly court cases or potential rental freezes, many property owners have preferred to keep the apartments empty. Their claims are substantiated by studies in other national contexts where scholars have shown that high protections for tenants were also correlated with weaker rental markets and higher rates of vacancy (Gandhi et al., 2022). Conversely, poor tenancy protection, along with the absence of social security and retirement benefits is frequently cited by households in Lebanon as a reason to favor homeownership, even when the latter requires them to leave the capital city and commute long hours so they can afford a permanent home they can keep after retirement.

**4.3. A Widening of the Housing Cost-to-Income Ratio**

A third reason behind the high rates of vacancy may be the rising income inequality in Lebanon, which is widely correlated with an inability to acquire homes and consequently higher rates of vacancy (Zhang et al., 2019). Thus, a recent study of the 2005-2014 decade found the top 10% of Lebanon’s adult population to receive 55% of national income, a finding which placed Lebanon among the countries with the highest levels of income inequality in the world according to its author (Assouad, 2023). The figure has been exacerbated by a 2020 ESCWA report that estimated that the richest 10% of Lebanon’s population owns almost 70% of total estimated personal wealth (ESCWA, 2020).

The correlation between alarming levels of inequality and high vacancy is worth noting since it corresponds well to Lebanon’s housing market conditions where the cost of housing exceeds the purchasing capabilities of the majority of city dwellers by several folds. Thus, the Public Housing Corporation’s subsidized housing and confined to several old apartments in lower-income neighborhoods because the ceiling on the loan was considerably lower than the existing cost of housing (Map 4). With wide and widening inequalities over the past decade, particularly since 2019, the correlation between housing vacancy and inequality should not be ignored.

**4.4. A Large Expatriate Community with Ties and a Long-Term Perspective of Retirement in the City**

Lebanon’s significant expatriate population is known to play a pivotal role in shaping its housing markets, and Beirut is no exception (Tierney, 2019). Research found that diasporic communities invest in secondary homes in their home country resulting in a substantial number of empty or under-utilized homes (Struyk, 1988).

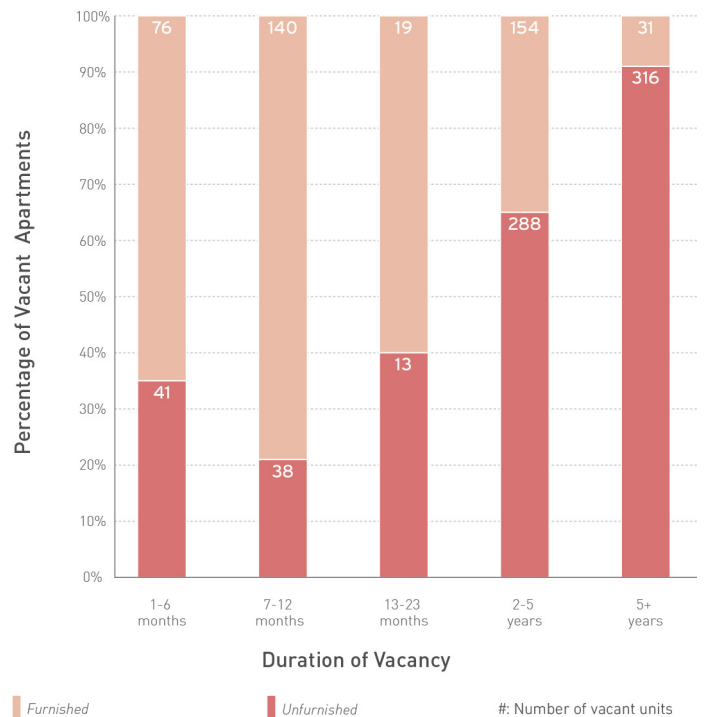


Figure 10. Duration of Vacancy in Furnished and Unfurnished Apartments



This is well reflected in the survey which found that 37% of the vacant units are furnished. More than half of the furnished apartments were vacant for less than 2 years, a potential indicator of expatriate occasional use (Figure 10). The trends of homes purchased by expatriate families align with migration patterns in other countries in the region. Thus, over four decades ago, studying the Jordanian market where vacancy was found to be high, Struyk (1988) argued that government intervention was required to make housing acquisition less attractive to expatriates or rental policies more attractive so that these units are not left vacant.

#### 4.5. Weak Enforcement of Laws

Lebanon's disengaged public authorities and weak municipal governance, combined with quasi-religious deference to the rights of property owners, have meant that despite legal obligations<sup>15</sup> to maintain the apartments or buildings they hold, ownership regulations are rarely enforced. As a result, numerous property owners have left their properties in dilapidated conditions, further contributing to vacancy. Thus, among the 723 surveyed buildings, 40 were found fully vacant and in dilapidated condition<sup>16</sup>, suggesting that at least 1 in every 20 buildings in Beirut is fully abandoned and dilapidated. If weak enforcement is a problem, the pervasive practice that some regulations have generated is also worth mentioning. Thus, protection laws meant to preserve heritage buildings for future generations have been the center of contention as property owners are, on the one hand, incentivized to replace these buildings with high-rises and, on the other, tasked with the "protection of heritage" without any public subsidies. Consequently, banned from demolishing their "asset", many property owners who hold classified heritage buildings leave the buildings to crumble so that they can replace them with more lucrative investments (Kanafani, 2017). This figure was again visible in the survey where a third of the fully vacant buildings were found to be developed before 1940.

#### 4.6. Slow and Ineffective Judiciary Procedures

Lebanon's legal landscape complicates property disputes. The absence of a small claims court makes it more tedious and time-consuming to resolve property conflicts. Instead, the court system is overburdened by an overwhelming number of court cases, frequent judge strikes, political interference, and prolonged court processes. Consequently, many housing units are vacant due to unresolved inheritance or property-related disputes, sometimes for decades. The survey does not provide conclusive findings about this vacancy. A tendency can nonetheless be highlighted among older buildings where the rate of vacancy among properties held in shares among multiple claimants seemed to be well above the mean.

## 5. Conclusion

Cities across the world are seeing housing vacancy as an opportunity to expand the available housing stock in ecologically and socially responsible ways (Cacciotti,

2024). As such, properly managed, the stock of affordable units provides an opportunity for cities to intervene and upgrade their neighborhoods. The study confirms that Beirut's housing stock displays a very high level of vacancy at a time when the city suffers from an acute housing crisis. It further shows that a substantial section of this vacant stock, almost two third, has been vacant for 2 years or more, a factor that typically triggers cities to increase the rates of vacancy taxes. The fact that at least two thirds of these apartments are in good condition, and could be rendered accessible immediately as housing, makes this housing stock an important asset that city authorities can capitalize on. It is therefore imperative for decision makers to consider cancelling immediately the waiver from vacancy taxes for urban empty units, irrespective of any consideration for the pattern of ownership. The only concern that could arise will be for infrastructure provision should units be inhabited, given the crumbling state of the urban sewer, water, and electricity provision. As such, it is advisable that the vacancy revenues are used as income allocated strictly to upgrade cities service provision. On the long run, Beirut could consider the introduction of progressive vacancy tax (Segu, 2020). In that context, however, some considerations would have to be accounted for, particularly if home units are held as a first home by expatriates. This, however, should be the scope of another study.

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<sup>15</sup>Article 18 of the Building Law 646/2004 mandates property owners to maintain the buildings they own

<sup>16</sup>This number excludes buildings in their final development stages and includes buildings in complete condition. We further note that building activities in Beirut have been very slow in the past three years, with less than 30 building permits filed yearly since 2019, reducing therefore the possibility of explaining vacancy by very recent building developments.

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## The Beirut Urban Lab – AUB

The Beirut Urban Lab is a collaborative and interdisciplinary research space. The Lab produces scholarship on urbanization by documenting and analyzing ongoing transformation processes in Lebanon and its region's natural and built environments. It intervenes as an interlocutor and contributor to academic debates about historical and contemporary urbanization from its position in the Global South. We work towards materializing our vision of an ecosystem of change empowered by critical inquiry and engaged research, and driven by committed urban citizens and collectives aspiring to just, inclusive, and viable cities.

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