طريقة جديدة للسكن في بيروت

Affordable Housing Scheme

CASE PROFILES

Additional exploitable area

2018 Illegal construction / Apartment

1962 Addition of 4 floors

1958 2 floors + 4 commercial units

CASE DIAGNOSIS

Threatened Tenure

Conflicting Property Claims

Building Quality and Informalities

Disabilities and Health Conditions

Our investigation of Al-Mahaba Building indicates that the building provides an exciting opportunity to experiment with this process, through the establishment of a resident-led cooperative that owns and manages the building, improving dwellers' control of their living environment.

Projected Scenario

With Intervention

- Affordable Housing
- Improved Building Quality
- Improved Social Fabric

Projected Scenario

Without Intervention

- Evictions of Residents
- Apartments back on Speculative Market
- Low Building Quality

كان وادي يزرع جدته في منتزة قليلة، وعندما كان يتألف من طابقين فقط تم إسقاطه بناء عليه. ثم استأثر في العضلةguardsه عندما تقلت إعداده بهاء على ما هو عليه اليوم، هذا حيًا ومستمر تعيش فيه وان نفاذ.
**Affordable Housing Scheme**

**WHAT?**

**Legal Framework**
- Creation of a cooperative with a minimum of 10 members.
- Registering as a limited liability entity with the Ministry of Agriculture.
- Registering with the Cooperatives Department.
- Provide a share scheme.

**WHY?**

**Short term:**
- Protect the housing rights for the vulnerable dwellers.
- Resolve disputed ownership issues.

**Long term:**
- Recapture the social value of housing.
- Increase the stock of affordable housing.

**SOCIAL FEASIBILITY**
- Building committee as vessel to launch cooperative board.
- Already owned apartments become part of the housing cooperative.
- No membership fees for the first 10 years.

**ECONOMIC FEASIBILITY**

<table>
<thead>
<tr>
<th>Financing Type</th>
<th>Breakdown</th>
<th>Result after 15 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan</td>
<td>Approx. 15 years</td>
<td>Better living conditions</td>
</tr>
<tr>
<td>Donation + Loan</td>
<td>Approx. 7 years</td>
<td>Ability to buy around 7 residential units (average 70 sqm) at 1,000 USD per sqm</td>
</tr>
<tr>
<td>Donation</td>
<td>-</td>
<td>Ability to buy around 7 residential units (average 70 sqm) at 1,000 USD per sqm</td>
</tr>
</tbody>
</table>

**HOW?**

**Cost of Buying Units**
- Taking the most recent median price of the sqm of the residential and commercial units, the price of each sqm will be: **$1,000**
- The total cost of buying the highlighted residential units and commercial units will be: **$1,030,000**

**Cost of Construction and Renovation**
- The calculation of the cost of additional construction and rehabilitation was done based on the market prices and current physical conditions of the building. The cost breakdown is presented in the below table.

<table>
<thead>
<tr>
<th>Cost of Construction on additional build-up area and rehabilitation</th>
<th>Units</th>
<th>Cost of building/sq m</th>
<th>Cost of rehabilitation</th>
<th>Total cost of construction and rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic built up (sq m)</td>
<td>245</td>
<td>$300</td>
<td>$100,000</td>
<td><strong>$179,800</strong></td>
</tr>
<tr>
<td>Total cost of construction and rehabilitation</td>
<td></td>
<td></td>
<td></td>
<td><strong>$1,230,000</strong></td>
</tr>
</tbody>
</table>

**TOTAL COSTS: $1,230,000**

**Revenues**
- **From Rent:**
  - Residential Rent: **$3,018**/month
  - Commercial Rent: **$2,840**/month
  - Grand Total Revenue: **$5,858**/month
- **From Coop Membership Fee**
  - 1st 10 years (15 apps): **$1,332**/month
  - After 10 years (25 apps): **$2,791**/month

A monthly fee of 2% USD is charged by each member of the cooperative. Owners of apartments that become part of the cooperative but not purchased will be exempted from cooperative fees for 5 years.

**Areas of Intervention**
- 6th and 7th Floors
- From 1st Floor to 6th Floor

**Legal**
- Rent law
- Existing cooperative law
- Amendments on tax relief law

**Design Intervention**
- Accessibility for people with special needs
- Renovation of the common areas and adding two shared open spaces
- Adding two additional floors

**Management**
- Financial feasibility
- Cooperative board of management

**Replicability**
- Because statistics show that the case of our bldg. is not an isolated one, our intervention can be replicated on a larger scale

**Sources of Funding**
- **Inactive Sources of Public Funding**
  - Loans from the Housing Corporation (Law 539/56)
  - Grants for the Directorate of Cooperatives (Law 9/73)
  - Implementation of art. 17 revised version of 2014, rent law (Fund for vulnerable old tenants)
- **Active Sources of Public Funding**
  - Beirut Municipality earmarked spending on charitable causes
- **Private Sector Funding**
  - Private sector contributions
  - Tax law 144/59 offers corporations tax relief for making contributions to charitable causes
  - Donations from religious institutions