



# Low-income Rental Housing Market Assessment

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**Cover Photo:** *Syrian refugee family living in substandard housing conditions in one of the neighbourhoods affected by the Beirut port explosion. Photo: Sam Tarling/NRC*

Low-income Rental Housing Market Assessment - Lebanon | 2021  
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# 1 List of abbreviations and acronyms

<b>BML</b>	Beirut Mount Lebanon
<b>CAS</b>	Central Administration of Statistics
<b>CfR</b>	Cash for Rent
<b>CPI</b>	Consumer Price Index
<b>ESCWA</b>	Economic and Social Commission for Western Asia
<b>HH</b>	Household
<b>HCLS</b>	Household Living Conditions Survey
<b>HLP</b>	Housing, Land and Property
<b>HLP-TTC</b>	Housing, Land, and Property Temporary Technical Committee
<b>ICLA</b>	Information, Counselling and Legal Assistance
<b>IDP</b>	Internally displaced person
<b>INGO</b>	International Non-governmental Organization
<b>KI</b>	Key Informant
<b>LBP</b>	Lebanese Pound
<b>MSNA</b>	Multi Sectoral Needs Assessment
<b>MOF</b>	Ministry of Finance
<b>MOSA</b>	Ministry of Social Affairs
<b>NGO</b>	Non-governmental Organization
<b>NRC</b>	Norwegian Refugee Council
<b>PCH</b>	Public Corporation for Housing
<b>PRS</b>	Palestinian Refugees from Syria
<b>USD</b>	United States Dollar
<b>VASyR</b>	Vulnerability Assessments of Syrian Refugees in Lebanon

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## 2 Key findings

- The low-income rental housing is left almost entirely to the informal market.
- Rent prices have increased in average 20% since late 2019. The highest increase was recorded in Beirut. Average rent varies greatly between governorates (250-525k LBP monthly). Skyrocketing inflation, specifically in the cost of utilities, and the currency devaluation are key factors behind the increase in rent prices.
- Rent is still in majority paid in LBP, however dollarization of rent is on the rise and is expected to continue along this trend in 2022.
- Low-income households are increasingly falling into unsustainable levels of debt and are behind on paying rent. The average level of debt per household is reported to be twice the average household monthly income and five times the average rent price.
- The majority of low-income tenant households occupy smaller and alarmingly overcrowded housing units, which exposes them to adverse health risks.
- Tenant/property owners' relationships are reported to be positive for the majority. Female heads of households, refugees and migrants, large families and tenants with high debt levels are more likely to report a negative relationship with their property owners and/or neighbours.
- Mobility levels are high: over a third of respondents have only been in their property for less than two years, and a quarter reported being in their properties for less than a year. Households are also increasingly moving into cheaper substandard, non-residential units.
- High levels of eviction threats were reported (between 25 and 33 per cent). Rent arrears and social tensions are the key drivers of evictions. The continued increase in rental prices and households' limited ability to generate income is likely to increase eviction rates in 2022.
- An increasing number of property owners decides to maintain their properties vacant rather than renting them out because of the instable economic situation and the continued devaluation of the currency.
- 64,000 households living in rent-controlled housing units remain at risk of eviction following years of stalemate in the implementation of the new rent law.

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## 3 Introduction

### 3.1 Context

Ongoing political paralysis, a crippling economic crisis, COVID-19 and the knock-on effects of the port of Beirut explosion, continue to put Lebanon under immense pressure. The Economic and Social Commission for Western Asia (ESCWA) estimates that nine out of ten households in Lebanon are adopting negative coping mechanisms<sup>1</sup> to deal with the ongoing economic and financial crises.<sup>2</sup> Poverty now affects about 74 per cent of the population<sup>3</sup>, while unemployment rose between 2019 and 2020 from 11 to 37 per cent.<sup>4</sup> According to the last Vulnerability Assessment of Syrian Refugees (VASyR) in Lebanon, 89 per cent of Syrian refugee households (HH) live in extreme poverty. The purchasing power of working HHs has declined, the minimum cost of food for a family of five is now five times the minimum wage<sup>5</sup>. More people are losing their jobs, and unemployment has risen dramatically as Lebanese companies resort to mass lay-offs. The discontinuation of subsidies, particularly on food, fuel and medicine, has caused extreme shortages of goods, fuel and medicine as well as the growth of parallel black markets that are not always accessible to the residents of Lebanon.

Construction of new real estate slowed down to an almost halt in 2021 after a period of post-war boom. The housing market has been experiencing an oversupply and an imbalance between the characteristics of the available supply and the expectations of local demand in terms of price, quality and tenancy, for decades.<sup>6</sup> In the case of the affordable rental housing market, rental prices have almost doubled in a duration of 6 years between 2014 and 2020 due to the shortage in the supply of affordable rental housing units for the benefit of high-end real estate development targeting predominantly property ownership.

Households falling into poverty are facing increasing challenges in their ability to pay rent. The Consumer Price Index (CPI) for housing shows a 66 per cent hike in prices between 2019 and 2021. In addition, the impact of the multitude of crises on poor households in Lebanon and the delay in the roll out of national safety net programs has fuelled social tensions and increased the number of both individual and mass eviction threats across the country. On one hand, tenants are increasingly unable to pay their rent, and on the other hand, property owners are gradually losing their income due to the devaluation of the national currency and subsequently the value of their property's rent. Owners are reluctant to rent out their properties awaiting the stabilisation of the financial crisis in the country. These developments imply that rental assistance programs

<sup>1</sup> These include reduced expenditure on health, education and non-food items, indebtedness, depletion of savings.

<sup>2</sup> Harb, R., & Sleiman, M. (2020, 08 19). ESCWA warns: more than half of Lebanon's population trapped in poverty. Retrieved from UNESCWA: <https://www.unescwa.org/news/Lebanon-poverty-2020>

<sup>3</sup> <https://www.unescwa.org/news/escwa-warns-three-quarters-lebanon%E2%80%99s-residents-plunge-poverty> (UNESCWA, September 2021)

<sup>4</sup> Tarraf, R., Rochdi, N., & Jha, S. (December 2020). Lebanon Reform, Recovery and Reconstruction Framework (3RF). Beirut: The World Bank.

<sup>5</sup> With Lebanon edging closer to hyperinflation, a family of five now pays five times the minimum wage for food each month: L'Orient Today, July 2021 [link](#)

<sup>6</sup> <https://www.ifporient.org/wp-content/uploads/2021/01/Marot-Diagnostic-du-secteur-du-logement-au-Liban.pdf>

such as Cash for Rent (CfR) might not be effective if the assistance value is not adapted to market fluctuations.

The future continues to be uncertain without clear policies put in place for the control of both price inflation and currency devaluation. It is now more important than ever for all actors working on the housing market to join forces and closely monitor the impact of the compounding crises on access to adequate and affordable housing. This should inform advocacy towards the Government of Lebanon (GoL) for policies that ensure housing security for the most vulnerable.

### 3.2 Purpose of the Assessment

Amid a rapidly changing social, political and economic context, the purpose of this assessment is to present a snapshot of the current situation of the rental housing market in Lebanon focusing on the poorest households with representation (to varying degrees) of Lebanese, migrant workers and Syrian refugees.

The report also presents an overview of the challenges from the perspectives of property owners, tenant and key stakeholders. It serves as a starting point for the identification of further areas of research and it can inform the design of programs aimed at preventing and mitigating evictions on the short and medium term.



*NRC Information, Counselling and Legal Assistance (ICLA) staff at work in an informal tented settlement in the Beqaa, Lebanon. Photo: Sherbel Dissi/NRC*

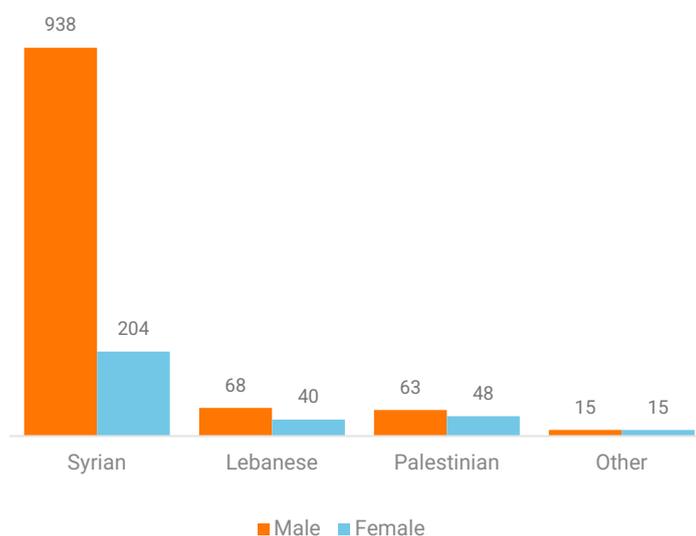
# 4 Methodology

## 4.1 Methodology

The assessment relied on a mix of quantitative and qualitative primary and secondary data collected and analysed in the period between June 2021 and August 2021. A total of 1,494 tenants of various nationalities were interviewed (73 per cent of whom were Syrian nationals) in addition to 167 property owners and 11 key informants (KI) (see below figures 1 and 2 - data presented includes tenants and property owners). The interviewed tenants and property owners were identified in majority from NRC's beneficiaries' database, while the KIs included relevant authorities and other stakeholders.<sup>7</sup> Interviews with tenants were conducted with the head of the household. Amongst the Syrian refugee population, 82 per cent of households are headed by males while 18 per cent are headed by females.<sup>8</sup> In addition, the following secondary data sets were used to complement primary data collected in this assessment:

- Database of Cash for Rent (CfR) assistance (NRC)<sup>9</sup>
- Household Living Conditions Survey 2018-2019 (CAS)
- VASyR – Housing/Shelter (2021)

Housing, Land and Property Rights in Beirut, in the light of the port blast. (August 2021).



*Figure 1 – Nationality & gender of interviewees*

<sup>7</sup> KIs included the Head of the committee of rent-controlled tenants (pre-1992), Head of the committee of rent-controlled property owners, Central Administration of Statistics (CAS), financial service providers, LOUISE cash assistance platform lead, Basic Assistance Working Group lead, National Shelter Coordinator, Third party monitoring consortium CAMEALEON and the LRC DMU manager (Lebanese Red Cross - Disaster Management Unit).

<sup>8</sup> VASyR 2021 findings: <https://ialebanon.unhcr.org/vasyr/#/>

<sup>9</sup> The analysis has been made taking into account NRC's ongoing experience with the CfR assistance program.

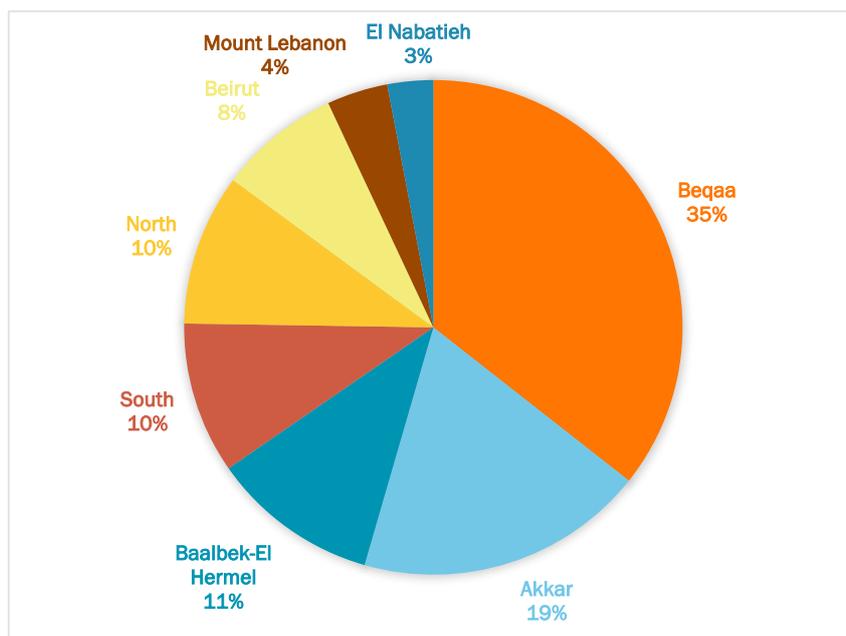


Figure 2 - Geographical distribution of interviews

## 4.2 Limitations

- The study provides a snapshot in time of rental market and reflects the perspective of different stakeholders to a certain extent.
- The sample of households who participated in the survey were randomly selected from NRC's own database. The data is, therefore, representative of NRC's target group which is comprised of mostly Syrian refugees living in urban and peri-urban areas (80 per cent), poorest Lebanese (18 per cent) and migrant workers (2 per cent) (the latter only in BML) who have sought registration in NRC's rental assistance program. In addition, the geographical distribution of the sample is biased towards the distribution of the Syrian refugee population (UNHCR, 2021), with Beqaa hosting the largest number of refugees (population=39 per cent, sample=46 per cent) followed by North Lebanon (population=27 per cent, sample=29 per cent), Beirut & Mount Lebanon (population=23 per cent, sample=12 per cent) and South Lebanon (population=11 per cent, sample=13 per cent).
- Data used at the household level is self-reported and may contain self-reporting bias.
- In the absence of specific data on rental housing<sup>10</sup>, the market (rental housing) analysis was estimated using available data rather than true values.
- The dynamic conditions in Lebanon in light of the financial, and economic crisis, which led to the devaluation of the national currency and skyrocketing inflation rates causing disruption in markets (including the rental housing market) means that the validity of the data collected is short, re-emphasizing the need for

<sup>10</sup> The only existing official data on the rental market is produced by the CAS dating back to 2019, which provides macro level information/snapshot on rental units from the time of the census/survey.

monthly rental market price monitoring by shelter actors at national level and covering various population groups.

- Due to the fuel shortage in Lebanon, COVID-19 related risks the interviews with the tenants, owners and key informants were conducted in majority virtually (e.g. phone, Zoom, Skype).



*A Syrian family at risk of eviction standing inside their home in Beqaa. Photo: Sherbel Dissi/NRC*

# 5 Assessment Findings

## 5.1 Respondents' profiles

The majority of the respondents (70 per cent) were adults in the age range of 31 to 60 years old, ten per cent were elderly (60+ years old) and 20 per cent were young adults in the age range of 18-30.

Two per cent of the respondents reported having one or more household member with chronic illness, in addition 14 per cent reported having one or more household member with disability. The average family size was 4.5, with ten per cent of households reporting a family size higher than ten (mostly Syrian refugees), with male headed households having in average larger family size compared to female headed households.

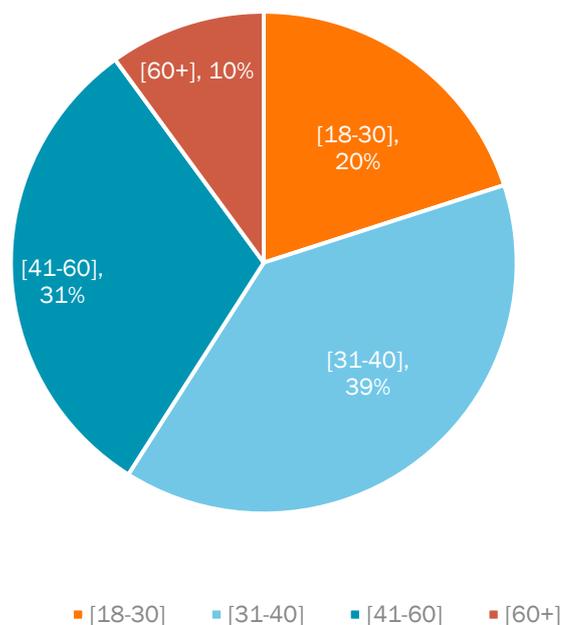


Figure 3 - Distribution of tenants HH per age group

### Profile of rental housing market

The spectrum of the rental housing market is wide and can include a variety of layers that are not covered by the scope of this assessment. This assessment focuses mostly on the rental housing market of the poorest (67 per cent the respondent reported not having any source of income, and 75 per cent depend almost entirely on assistance, and their estimated average household income is 1.5 million LBP per month).

Similar to a number of housing markets in the region and as a result of the absence of affordable housing policies, low-income households reside mostly in informal rental housing. As best described in the recent HLP report published by NRC in 2021<sup>11</sup>, the rental housing market in Lebanon for refugees and low-income households is characterized by a high level of informality, particularly when it comes to tenancy agreements, their registration (or lack thereof) with municipalities, evictions and access to infrastructure (i.e. utilities). While informality brings advantages to both tenants and property owners, such as below-market and more affordable rental prices, it also presents higher levels of protection risks. These risks often include higher exposure to sexual exploitation and abuse, forced evictions, inadequate housing standards and high levels of overcrowding.

<sup>11</sup> <https://www.nrc.no/resources/reports/hlp-in-beirut-in-the-light-of-the-port-blast/> (NRC, September 2021)

## 5.2 Legal Framework

The legal framework for rental housing in Lebanon is described in detail in the NRC report “Housing, Land and Property in Beirut, in the light of the port blast” (September, 2021)<sup>12</sup>

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**Rent regulations:** since 1992, rent regulations were fully liberalized in Lebanon, with the Law 160/1992 mandating a three-year contract not subject to price controls. However, all contracts signed before 1992 were kept under the “old” (pre-1992) rent control regulation, with strong anti- eviction protection and minimal adjustments to the rental fees, despite the massive devaluation of the Lebanese pound. Since then, a two-tier market exists, with radically different costs and protections for the two population groups who are distinguished according to the year they signed their rental contracts (before/after 1992) rather than actual objectively assessed needs. Indeed, the maintenance of protection for rent contracts that predate 1992 for three decades came in response to the mobilization of tenants who benefited from this protection, rather than evidence that it was set in place to protect affordability. This protection effectively backfired in exacerbating property owner/tenant tensions. In 2014, a law was passed to lift rent control. The Law was revised and adopted in its final form on 28/02/2017. Law 2/2017 effectively lifts all rent control by 2026, in the most optimistic scenarios, potentially earlier if the timeline is benchmarked as of the initial passage of the Law in 2014. (NRC, September 2021, p. 16-17)

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## 5.3 Affordability

### Rent prices

The reported rental prices reflects a range of accommodation types and agreements with property owners. Those reporting the lowest rent are those renting rooms in apartments with shared utilities, apartments in unfinished buildings, tents in informal settlement, or in the case of Lebanese tenants those with rent-controlled leases (pre-1992). In contrast, those paying the highest amount of rent for their accommodation reside mostly in finished apartments or share a larger apartment with a number of other households.

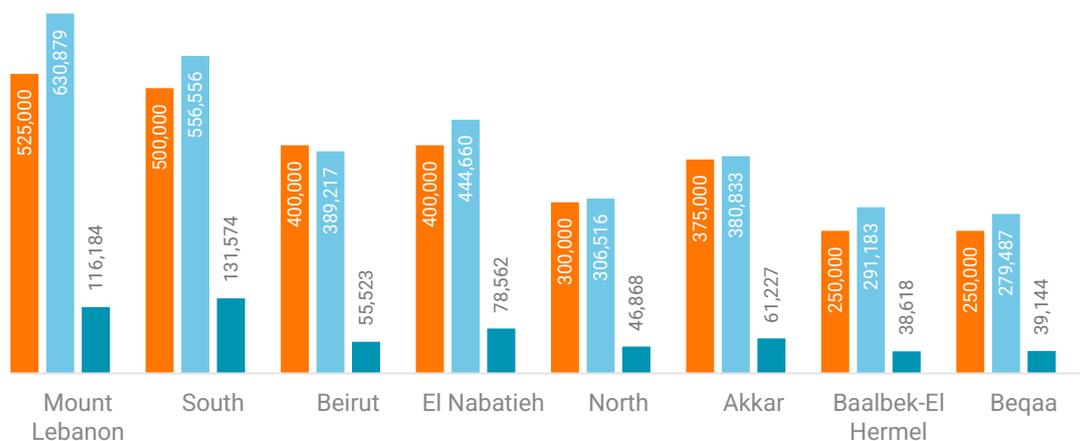


Figure 4 - Average and Median Rent per governorate (2021)

<sup>12</sup> <https://www.nrc.no/resources/reports/hlp-in-beirut-in-the-light-of-the-port-blast/>

The highest rent prices were recorded in Mount Lebanon and Beirut, while the lowest were recorded in the Beqaa and Baalbeck-Hermel (see figure 4).

Notably, the average rent per person is the lowest in the Beqaa and Baalbeck-Hermel governorates, which reflects a significantly higher number of residents per apartment (see further, section 5.4). Overall, when comparing with NRC's CfR database for 2019-2020, rent prices have increased in average 20 percentage points in the past two years with the highest increase noticed in Beirut and the Beqaa, while the smallest variation was noticed in Mount Lebanon. This rate of increase is also in line with the VASyR 2021 findings showing a 18 per cent increase in rent prices year on year in 2021. An increase has been reported across all

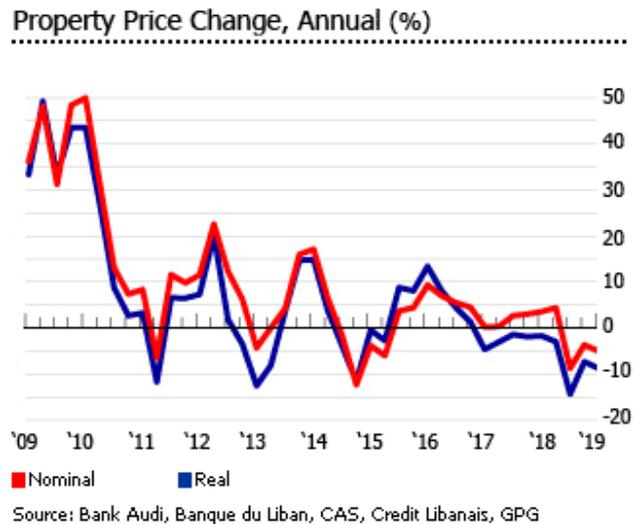


Figure 5 - Property Price Change

types of rental housing for refugees. This is due to two mutually reinforcing factors (1) steep inflation in market prices (including utilities) driving property owners to increase their income from rent and (2) the devaluation of the national currency prompting value adjustments in rent prices. This trend is likely to continue with both inflation continuing to skyrocket and currency devaluation reaching an all-time high in late 2021.

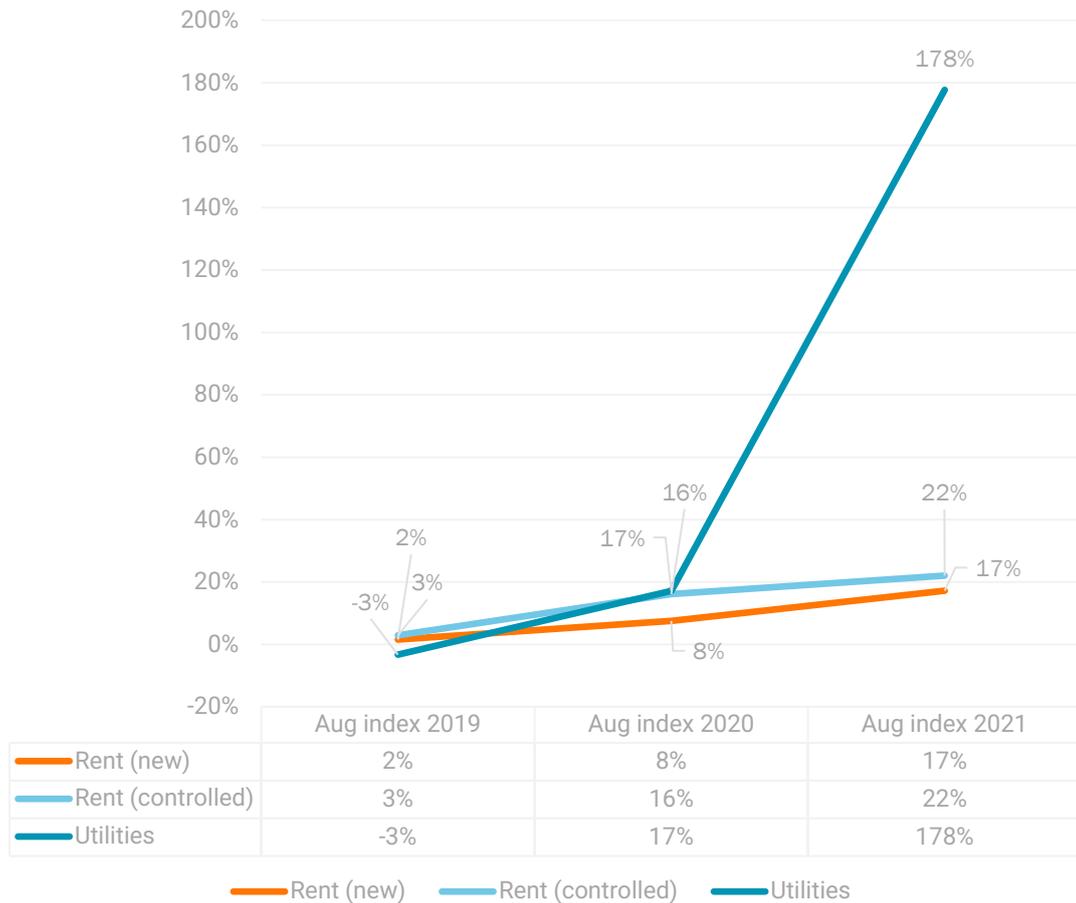
The Consumer Price Index (CPI) also highlights a similar rate of increase in rent prices in the past two years (see figure 4), with a slightly higher increase for the rent-controlled (pre-1992) price and a staggering 178 per cent increase in the cost of utilities<sup>13</sup>. As it is a practice in Lebanon for rent prices to include the cost of utilities, the increase in the cost of utilities is one of the key driver for the increase in rental prices. All surveyed tenants reported paying their rent in LBP, while only 2.4 per cent of the property owners interviewed reported collecting rent payment in USD or in an equivalent value in LBP at the rate of 3,900 LBP|USD.

Real estate key informants<sup>14</sup> interviewed for the report, indicate that the real estate development will likely to continue to shrink in the coming years with very little incentives on the demand side particularly in urban centres. The instability in the economic situation of the country, coupled with the shrinking of household income in Lebanon and the exodus of capital from the country, resulted in very restrictive spending patterns and investment, which meant a significant drop in the demand for affordable home ownership in the past two years. This, in its turn, led to a reported drop in the price of real estate between 40 and 70 per cent when compared with prices in early 2018-2019 (figure 5).

<sup>13</sup> Expected to double in the coming months due to the lifting of the subsidies on fuel and subsequent impact on the price of the kwh provided through both the national grid and private generators and water delivery.

<sup>14</sup> Real estate developers working mostly in the middle and upper middle market segment

Property prices have not decreased proportionally to the devaluation of income and have overall remained high, with home ownership beyond reach for low-income household, rental is an attractive alternative for this particular segment of the population, in other words an increased demand on affordable rental housing is expected as the crisis is expected to continue in the short five years term.



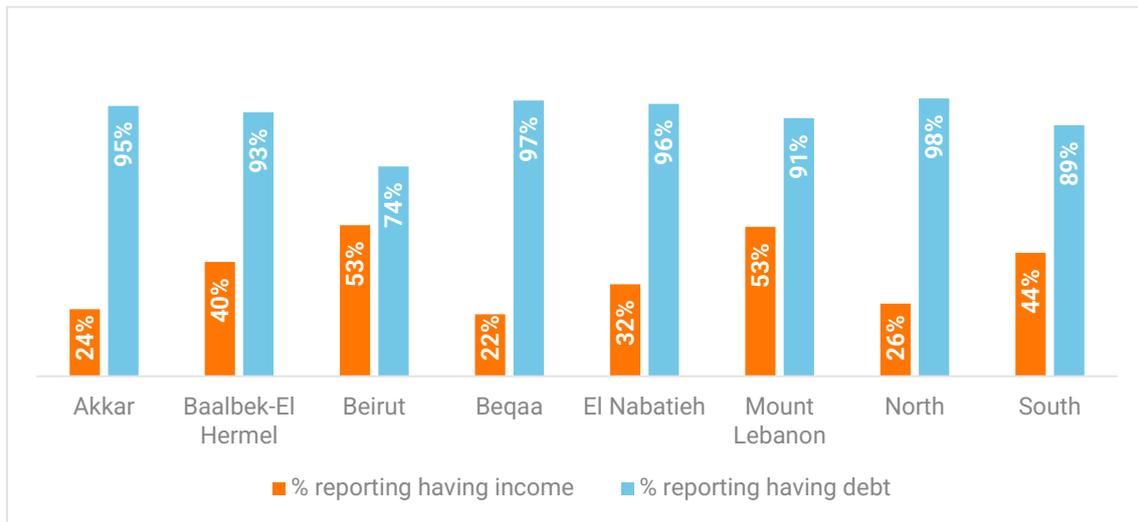
**Figure 6 - Rate of change in CPI related to Rental housing (baseline 2018)**

**Currency of rent**

All the respondents confirmed paying the rent in LBP. However, and until December 2021, the Government of Lebanon (GoL) has not been able to control the national currency devaluation (which has reached a record high of 29,000 LBP|USD losing 95 per cent of its value) and the subsequent inflation in commodity and services prices. While rent price increase has not followed the inflation rate witnessed in other sectors, an increasing number of property owners have been resorting to either (1) not renew existing lease agreements with set rent prices (fixed by law for three years), (2) dollarizing rent even if at lower than market value or (3) asking for deposits and advance payments to offset the risks of rent value devaluation. These have been noticed mostly in Beirut and Mount Lebanon, however are expected to spread particularly in urban and economic centres and residential areas where demand for housing is high. While it is to date illegal to refuse payment in LBP and force the use of USD for the payment of rent, it is also the case that the level and ability of the GoL to enforce this is dwindling (see further, section 4.6).

## Income and Debt

The overwhelming majority (92 per cent) of the respondents reported having incurred debt, when looking at the distribution per governorate, interestingly the lowest percentage of those having reported debt, is recorded in Beirut at 74 per cent due to their proximity to livelihoods opportunities (with Beirut also having the highest percentage of those reporting having an income), while the rest of the governorate range between 89 and 98 per cent.



*Figure 7 - Percentage of respondents reporting having income and debt*

The mean value of debt reported across respondents is three million LBP (five to six times the average monthly rent price), and debt is mostly owned by shop owners (44 per cent) followed by friends and family (33 per cent), in addition 15.2 per cent said that they owe rent money to the property owner. In addition, only a third of the respondents reported having an income with the highest rates of people having an income reported in Beirut and Mount Lebanon (both at 53 per cent).

The VASyR 2021 findings showed that nine out of ten refugee households are living in extreme poverty. In addition, households with at least one working member (66 per cent of refugee population<sup>15</sup>) have reported in average a monthly combined income of 517,000 LBP (income of all household members). To put this number in perspective: if the minimum wage was to be adjusted just for the inflation that took place between 2019 and 2021, its value would be around 1.3 million LBP.

<sup>15</sup> [https://lebanon.un.org/sites/default/files/2021-09/VASyR\\_2021\\_Preliminary\\_Results\\_28\\_Sep\\_v2.pdf](https://lebanon.un.org/sites/default/files/2021-09/VASyR_2021_Preliminary_Results_28_Sep_v2.pdf)

## 5.4 Overcrowding

Dwelling space is an important dimension of housing quality. Evidence has shown that there is a strong correlation between overcrowding and adverse health risks.<sup>16</sup> The shelter sector in Lebanon measures overcrowding using the square meter per person indicator, with a threshold of 4.5 m<sup>2</sup> per person. Below that number, a dwelling is considered overcrowded. Based on that definition, the VASyR 2021 data show that 23 per cent of Syrian refugees live in overcrowded shelters. Other indicators for overcrowding can be considered looking at the number of households per dwelling, number of person per room or a combination of the two.<sup>17</sup>

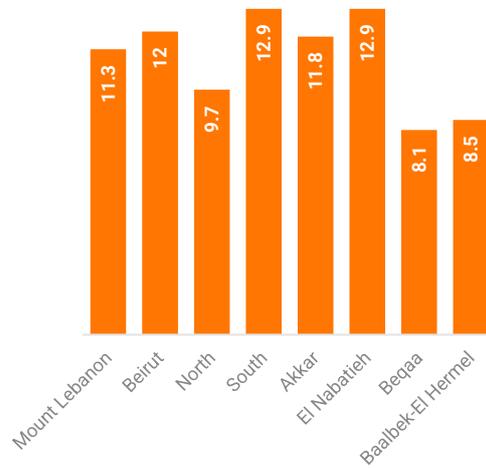


Figure 8 - Average sqm per person

Figure 8 shows the average space (sqm) per person across the various governorates. Residents of the Beqaa have the smallest size per person in dwellings, mostly due to the influence of the population group living in tented settlements. On average, residents of Nabatieh have the largest living space per person and the lowest percentage of overcrowded shelters when compared with other governorates, at 7.2 per cent.<sup>18</sup>

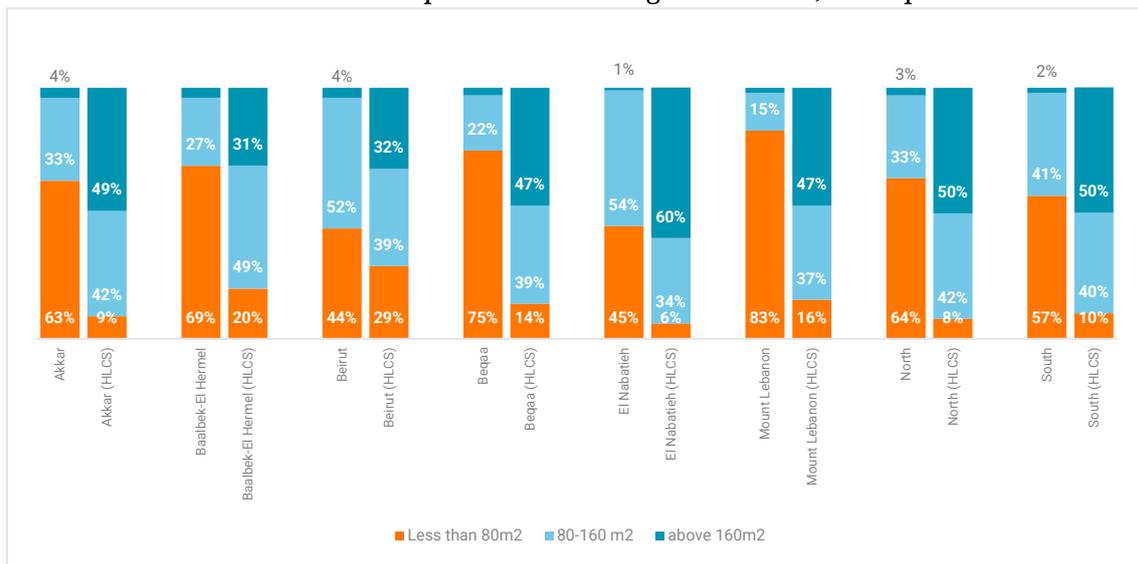


Figure 9 - Distribution per dwelling size (survey vs. HCLS 2019)

Figure 9 summarizes the distribution per size of dwelling across the various governorates. The results are grouped in three categories ((1) below 80m<sup>2</sup>, (2) between 80 and 160m<sup>2</sup> and (3) above 160m<sup>2</sup>). This will further allow a comparison with the national figures from the Household Living Conditions Survey (HCLS) conducted in 2019.

<sup>16</sup> <https://www.who.int/publications/i/item/9789241550376>

<sup>17</sup> See Jordan Shelter Sector definition with threshold of 4 people per room and at least one room per household ([here](#))

<sup>18</sup> VASyR 2021: <https://ialebanon.unhcr.org/vasyr/#/>

The distribution per dwelling size shows a clear difference between the target group of the survey and the national level data presented by the HLCS 2019. Figure 6 shows that the profile of the population targeted by this survey (overwhelmingly Syrian refugees and low-income households) mostly resides in smaller apartments when compared to size of dwelling for the overall population of that governorate as covered by the HLCS 2019. The highest percentage of residents living in dwellings smaller than 80 m<sup>2</sup> is in Mount Lebanon at 83 per cent compared to only 44 per cent in Beirut. At the national level, an average of 63 per cent of the survey respondents live in dwellings smaller than 80m<sup>2</sup> compared to a national average of 14 per cent, 35 per cent live in dwellings with a size of 80-160m<sup>2</sup> compared to a national average of 40 per cent. A similar analysis of the number of people per room comparing the survey respondents with the national findings from the HLCS 2019 is presented in figure 9. At the national level, figure 10 shows that the percentage of dwellings of the respondents living with more than two persons in a room is twice as high as the national average.



*Figure 10 - Distribution per average no. of person per*

The proportion of respondents living with more than two persons in a room is the highest in Akkar, Beqaa and North, these governorates also have the largest gap with the national average.

## 5.5 Tenure Security

The Right to Adequate Housing<sup>19</sup> states that “housing is not adequate if its occupants do not have a degree of tenure security, which guarantees legal protection against forced evictions, harassment and other threats.” Even when an eviction is justifiable, for example when rent is not paid persistently, a number of safeguards should be in place to ensure protection against homelessness and further eviction risk.<sup>20</sup>

### Relationship with the property owner and neighbours

The primary reason for eviction since 2019 has been tenants’ inability to pay rent. Evidence from NRC’s programmes show that a positive relationship between the tenant and the property owner would improve the chances of the tenant having easier payment terms and render eviction a last resort. The relationship does not only affect the tenant’s tenure security, but can also influence their access to assistance. Our experience has shown that a conflict with the property owner would make tenants hesitant to access programmes such as rehabilitation or upgrading of substandard housing, either because

<sup>19</sup> OHCHR - [https://ohchr.org/Documents/Publications/FS21\\_rev\\_1\\_Housing\\_en.pdf](https://ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf)

<sup>20</sup> While the Lebanese law is highly protective, evictions of Syrian refugees rarely take place within the existing legal framework: <https://www.nrc.no/resources/reports/in-constant-fear-of-eviction/>

it requires a close engagement with the property owner or fear that the property owner opportunistically uses the upgrades for an increase in rent.

Tenants were asked about how they would evaluate their relationship with their neighbours and with their property owners. The overwhelming majority, 94 per cent, reported having a positive (good and great) relationship with their property owners, while 5.7 per cent reported having a negative relationship with their property owners (bad and very bad) – see figure 11. There were not significant variations when looking into the results per governorate or the gender of the head of the household. None of the interviewed Lebanese reported a negative relationship with their property owners. When reporting on their relationship with their neighbours, a similar trend is noticed with 6.5 per cent reporting having a negative relationship with their neighbours (bad and very bad). Residents of Nabatieh reported the highest levels of negative relationships with their neighbours at 14.2 per cent followed by Nabatieh at 7.7 per cent.

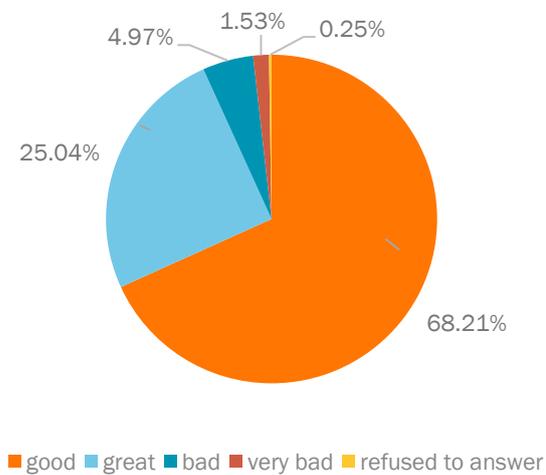


Figure 12 - Relationship with property

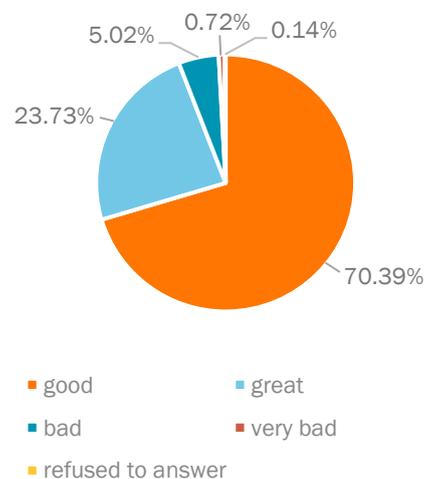


Figure 11 - Relationship with neighbors

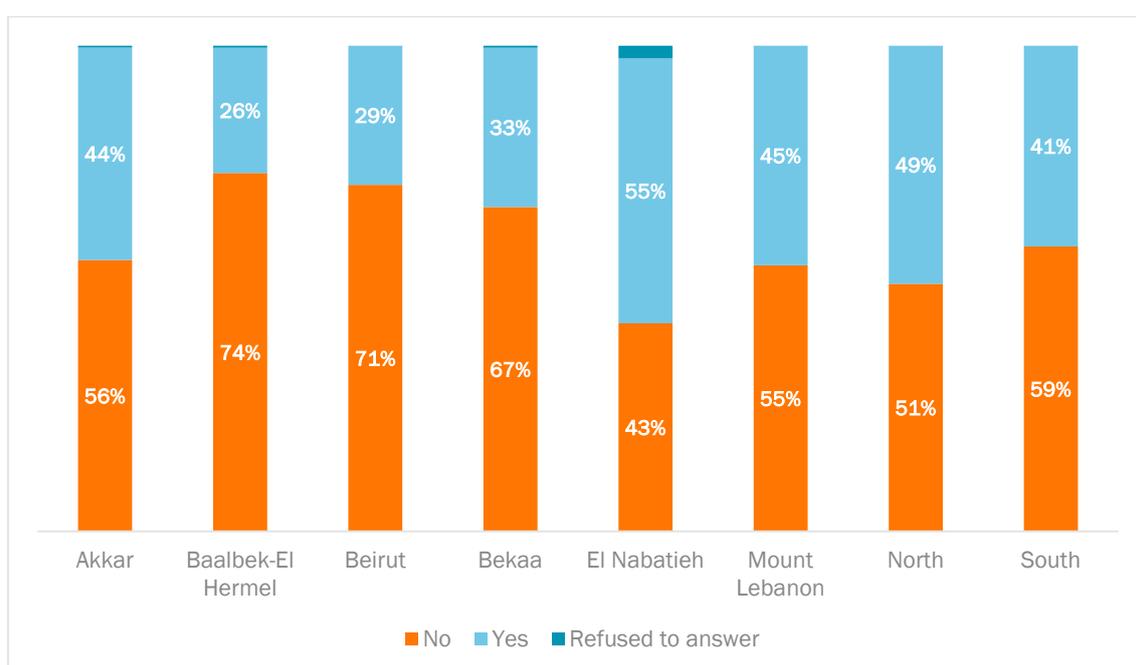
While the majority of the respondents reported having a positive relationship with their neighbours, Syrian refugees have the highest levels of negative relationship, at 7.6 per cent compared to 1.4 per cent for Lebanese tenants. Female heads of households reported having higher levels of negative relationship than male heads of household with two percentage point difference (8.13 per cent for females and 6.3 per cent for males). Generally, larger family size households reported higher levels of negative relationships with both owners and neighbours. In addition, households who have reported having debt also have higher levels of negative relationship with both their property owners and neighbours.

### Length of stay

When asked about the duration of their stay in the current property, a third reported having been in their property for four to ten years. Another third reported being in their property for less than two years and five per cent have been in their properties for over ten years (mostly respondents in Beirut). Overall, 23 per cent have reported being in their properties for less than a year (the highest percentage being in the case of Palestinian refugees (both PRL and PRS) at 31 per cent).

## Threat of eviction

A third of all respondents reported being under the threat of eviction. This excludes households living in rent-controlled apartments, as they still to date benefit from secure tenure. The highest levels of threats of eviction were reported in Nabatieh (55 per cent) followed by North (49 per cent) (see below figure 13). One of the key reasons behind regional differences in the levels of threats of eviction is the increasing social tension in some of the areas, particularly in Nabatieh where a number of municipalities engaging in collective threats of eviction. Palestinian and Syrian Refugees reported the highest levels of threat of eviction (45 per cent and 40 per cent respectively) compared to Lebanese (24 per cent) and other nationalities. There wasn't a significant difference in the percentage of those reporting threat of eviction when comparing female and male headed households.



**Figure 13** - Percentage of those reporting a threat of being evicted per governorate

Building on existing NRC beneficiary database, the primary reason for the threat of eviction is the tenants' inability to pay the rent. The levels of debt presented in earlier sections show staggering levels of household debt and a clear inability to meet basic needs in the midst of inflationary trends on rental prices across Lebanon.<sup>21</sup> For those who have reported a threat of eviction, most of the evictions were set for the coming three to six months. In the eventuality of property owners increasing the rent value, when asked, only 40 per cent reported planning to pay the new rent value, compared to 47 per cent who would refuse to pay and leave the property and eight per cent who plan to refuse the payment but stay in the property.

NRC has recorded an increase rate of individual evictions (with eviction threats nationally almost doubling between 2019 and 2021)<sup>22</sup> as a result of the multitude of crisis affecting low-income households' income and ability to afford rent and the increased

<sup>21</sup> The fast degradation of the situation in Lebanon, specifically on the labour market, it's forecasted that the eviction curve will be higher than what has been captured during this assessment. More articles and legal resources on eviction can be found on [www.housingmonitor.org](http://www.housingmonitor.org) (Eviction of refugees and migrant workers and Rights of the evicted)

<sup>22</sup> NRC ICLA (Information, Counselling and Legal Assistance) eviction dashboard

social tension mostly due to the intensifying competition over resources. In addition, families are increasingly moving from apartments to unfinished or non-residential properties where they can afford rent.

## 5.6 Perspectives of property owners

For many property owners, the rent is their only source of income. As a result of the current collapse and record high inflation levels, they struggle to cover utilities (sometimes included in rent) and maintenance costs. Additionally, their income from rent is uncertain given the increased inability of tenants to pay the rent, the multiple exchange rates and the absence of the GoL in the regulation of the rental housing market. Competition over rental housing is likely to increase in the coming years following the economic crisis and the inability of most low-income households in Lebanon to afford home ownership.

### Rent prices

The average rent prices reported by the property owners, per governorates, are mostly aligned with those reported by the tenants, with the average rent price just above 400,000 LBP, with Beirut having the highest at 520,000 LBP and Akkar being the lowest at 200,000 LBP as reported by the property owners. When considering the size of the apartments and the family size of the tenants, Mount Lebanon has the highest rent per square meter per person (least affordable), followed by Beirut while the Baalbeck-Hermel, Beqaa and Akkar have the lowest (most affordable).

Property owners indicated that the prices are guided by supply/demand dynamics. However, area-specific trends in rental fees and refugee-host community dynamics also impact prices.

97 per cent of the property owners reported receiving their rent in LBP with only 2.4 per cent reporting asking for rent in USD, all of whom have their properties in Beirut. However, as indicated earlier in the report, the number of property owners resorting to ask for the payment of rent to be in USD is likely to gradually increase since lease agreements specify and fix the value of rent for at least a year. This leaves the property owner prone to losing the value of the rent, if paid in LBP, with no clear end in sight for the continued devaluation of the currency.

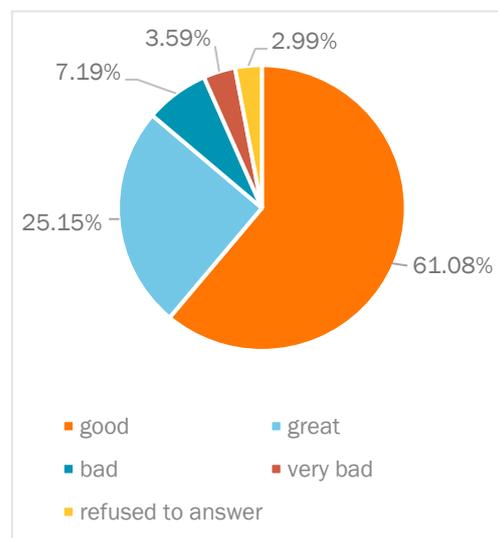
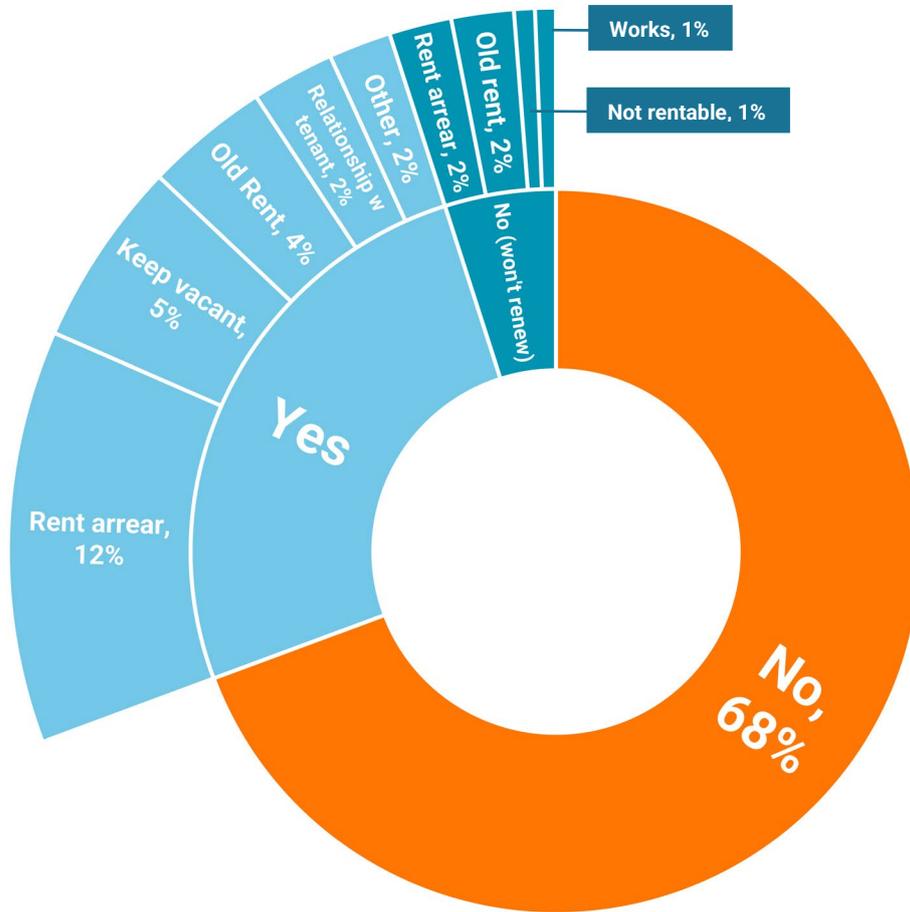


Figure 14 - Relationship with tenants

### Relationship with tenants

The majority of property owners reported having a positive relationship with their tenants, however close to 11 per cent reported having a negative relationship with their tenants, almost double the percentage of tenants who reported the same.



*Figure 15 - Intentions of property owner on eviction and use of their property*

When asked about their intention to evict their tenants, two thirds of the property owners said they had no such intention, 25 per cent reported to be planning to evict their tenants, while the remaining seven per cent are not planning to evict their tenants but rather not renew the lease. The main reason for both planning on evicting their tenants or not renewing the lease is because of existing rent arrears. Inability to pay rent has been also reported across different studies to be the main driver of evictions at the household level. Interestingly, an important percentage of the property owners reported planning on keeping their properties vacant until the financial/economic situation in the country has stabilized and only two per cent reported planning on an eviction because of the relationship with the tenants. Finally, four per cent of the property owners (Beirut) are hoping to evict their tenants or not renew the lease because they are benefiting from rent-control.

## 5.7 Rent-controlled housing units

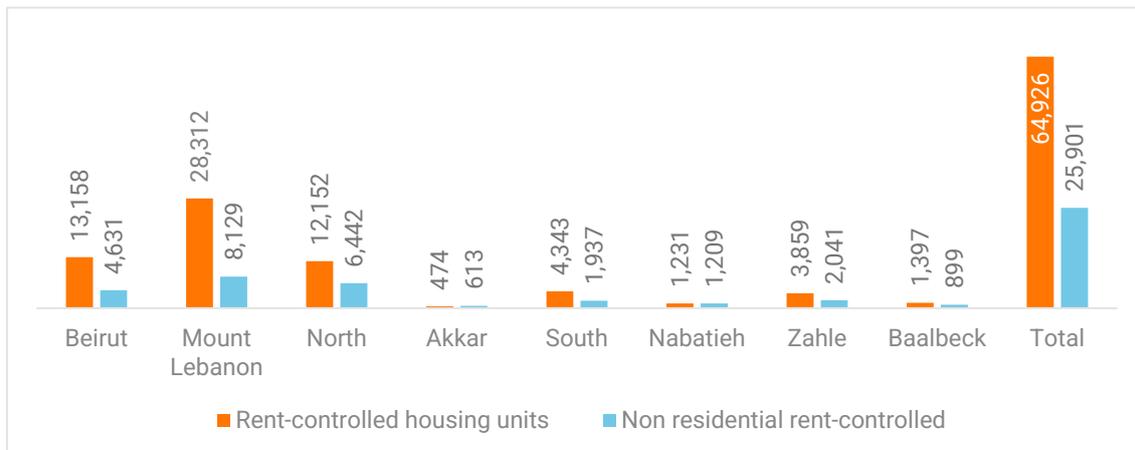


Figure 16 - number of rent-controlled units, MOF 2018

Key informants<sup>23</sup> interviewed around the rent-controlled housing reported that just over 70,000 housing units are still under rent-control (mainly in Beirut and Tripoli) and 25,000 non-residential units (shops and offices) which were first occupied before and during the civil war (see chart below). Families residing in these units benefit from stronger protection against forced evictions but at the same time, in practice, their upkeep and maintenance are left entirely to the tenants. Rent-controlled lease agreements can also be passed on from one generation to another under specific conditions stipulated by the law. The rent-control law was put in place between the 1960s and 1970s to encourage housing investment for Lebanese people to invest in the housing sector. The initial rationale was that the construction of the housing units intended for lease would be resourced through a loan that would be paid back using the rent income. However, civil conflict and hyperinflation in the '80s rendered rent payments not valuable, and it meant that the value of the rental payments became insignificant. A new law was voted on 26 July 2014 (modified and ratified in 2017), providing a complete solution of raising gradually the old rent based on an estimation of yearly rental valued at four per cent of the apartment value to match the new market ones during 6-9-12 years with a compensation plan to the old renters through a fund that needed to be created in parallel with the creation of an evaluation committee to oversee the execution of the distribution of the money for the old renters to leave their accommodations and find new ones or even go back to their home village. While the committee was created, the fund was never established, and thus creating a controversy on the application of this law. To date, the new law has not been effective in addressing grievances of the two sides (tenants and owners). A public official interviewed, expressed concerns that in the next couple of years tenants living in rent-controlled units across the country might be facing the risk of eviction after the deadline for the implementation of the new law would have passed (the exact date is contested to be in either 2022 or in 2025 depending on the different interpretations of the law). This would affect close to an estimated 180,000 people living in rent-controlled housing unit across the country.

<sup>23</sup> Heads of the rent-controlled tenants and owners committees



*A Palestinian family standing on the roof of their house in a Palestinian refugee camp in South Lebanon. Photo: Sherbel Dissi/NRC*

#### **Cash for Rent Assistance Guideline: Inter-Agency shelter sector coordination working group**

The guidelines for rental assistance to vulnerable population was developed in June 2016 by the Cash for Rent (CfR) temporary technical committee chaired by the Polish Centre for International Aid (PCPM) with contribution from shelter sector partner organizations. The guidelines were then revised in August 2020 in order to contextualize the assistance to the economic downfall exacerbated by Covid-19 pandemic and the Beirut port blast that took place on the fourth of August 2020. The document has been endorsed by the Inter-Agency National Shelter Working Group and could be found on the humanitarian response shelter webpage ([here](#)).

The document provides sector partners with a framework for the implementation of Cash for Rent programmes including beneficiary targeting and eligibility criteria, value and currency of the assistance and implementation modalities in accordance with the objectives of the programme. These guidelines recommend standard operational procedures (SOP) for this activity and include housing, land and property (HLP) considerations such as conducting due diligence activities to ensure security of tenure and the mitigation of dispute and eviction risks. Finally, these guidelines also give an overview of ongoing Cash for Rent activities implemented by Shelter Partners under the LCRP. Cash for Rent is defined by the interagency shelter sector as being the provision of periodic conditional cash assistance to vulnerable households residing in rented shelter or where rehabilitation works are undergoing, to cover part of the rent (in some cases all rental costs).

Due to the rising number of eviction cases amongst all vulnerable groups including the Lebanese, the shelter sector partners are in agreement that further revision to the guideline documents is necessary. Attention especially needs to be made to put in place a

mechanism for market monitoring and coordination amongst the shelter sector partner to agree on rent assistance value, frequency and duration. In August 2021, the cash for rent temporary technical committee has reconvened to revise the guideline and make further recommendation. The revised guidelines to be finalized first quarter of 2022.

**Cash for Rent Assistance Guideline: Inter-Agency shelter sector coordination working group**

The guidelines for rental assistance to vulnerable population were developed in June 2016 by the Cash for Rent (CfR) temporary technical committee chaired by PCPM with contribution from UN-Habitat, DRC, IOM, NRC and SCI. The guidelines were then revised in August 2020 by UN-Habitat, UNHCR, Acted, IOM, MoSA, NRC, PU-AMI, SCI, HLP Technical Temporary Committee in order to contextualize the assistance to the economic downfall exacerbated by Covid-19 pandemic and 4th of August 2020 Beirut Port Blast. The document has been endorsed by the Inter-Agency National Shelter Working Group and could be found on the humanitarian response shelter webpage ([here](#)).

The document provides sector partners with a framework for the implementation of Cash for Rent programmes, including beneficiary targeting and eligibility criteria, value and currency of the assistance and implementation modalities in accordance with the objectives of the programme. These guidelines recommend standard operational procedures (SOP) for this activity and include housing, land and property (HLP) considerations such as conducting due diligence activities to ensure security of tenure and the mitigation of dispute and eviction risks. Finally, these guidelines also give an overview of ongoing Cash for Rent activities implemented by Shelter Partners under the LCRP. Cash for Rent is defined by the Inter-Agency shelter sector as being the provision of periodic conditional cash assistance to vulnerable households residing in rented shelter or where rehabilitation works are undergoing, to cover part of the rent (in some cases all rental costs).

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## 6 Recommendations

### EVICTIIONS

Dwindling household income and the limited ability of tenants to afford rent, increasing social tensions and the potential expiry of the protection for the tenants of the rent-controlled tenants, have all led to an **increase in the threat of evictions for low-income tenant households**.

These trends should prompt **contingency planning and minimum preparedness for a response to the gradual or sudden increase in the rates of evictions**. This effort will have to be accompanied by advocacy with government institutions for policy-making that prevents forced evictions (even in the informal market) and supports struggling tenants and property owners in coping with the impact of the economic crisis.

With eviction threats on the rise and considering the high level of informality in the low-income rental housing market, **tenure security should be at the centre of the design of rental assistance programs**. Solid due diligence will help inform the design of rental assistance in terms of the selection of the recipient (property owner or tenant), frequency of monitoring to mitigate disputes and evictions, awareness raising on the roles and responsibilities of the two parties. It also presents an opportunity to formalize some aspects of the tenancy with the signing of a lease agreement and in some cases even registering it with the local authorities for improved tenure security. This should also include, in the case of eviction response, the provision of information on HLP rights, legal counselling and representation in relation to evictions in addition to mediation and negotiation with property owners and other actors initiating evictions.

Furthermore, an **inclusive national level eviction monitor** is lacking. Existing monitors are limited to a specific population group (refugees and migrants) or a specific geographical area (Beirut and part of Mount Lebanon). As shown in a number of reports, the compounding crises impacting Lebanon for the past two years have had a toll across all population groups and areas in Lebanon. A holistic eviction monitor is essential for early warning, mitigation and response to evictions affecting all population groups in Lebanon.

#### Recommendations to:

##### National and international humanitarian actors

- Work closely with the GoL and mandated institutions to put in place a contingency plan to **mitigate potential forced evictions** considering deteriorating poverty rates.
- Design and develop an **eviction monitoring network** at the national level that can provide early warning, mitigation and timely response to forced evictions.
- Ensure the **mainstreaming of tenure security** and legal protection across all rental assistance programming with referrals and training in place for those actors who require support on that level.
- **Advocate jointly for due process in individual and collective eviction cases.**

##### Donors

- Support the development of an inclusive **assessment mechanism to identify trends on individual evictions** at the national level across population groups to inform programmatic needs and advocacy efforts.
- Support interventions aiming at **monitoring, prevention, mitigation and response to evictions.**

<b>Government of Lebanon</b>	<ul style="list-style-type: none"> <li>→ Ensure that <b>due process is followed in the event of evictions</b> in accordance with relevant Lebanese and international legislation.</li> <li>→ Initiate and lead national coordination to <b>monitor and respond to evictions</b> across population groups in Lebanon.</li> <li>→ Foster the <b>search for an equitable common ground between tenants, property owners and local level stakeholders</b>, exploring options such as progressive payments, rental fees reduction and grace periods.</li> </ul>
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**RENTAL ASSISTANCE PROGRAMMES**

Existing rental assistance guidance does not account for regional and contextual difference. As the data in the report has shown, these **area-specific trends are significant**. These should be taken into account in the design of rental assistance programmes to ensure that the assistance is meaningful and impactful.

Competition over affordable housing, including rental housing, is expected to increase. **Understanding market and community dynamics at the local level** would also ensure that programs contribute positively to the local housing market and avoid causing harm by directly or indirectly influencing access to affordable housing for one population group over another.

**Systematically tracking and monitoring rent prices across the country**, particularly for affordable housing, will help inform setting values for rental assistance programmes and policy-making to contain the inflationary trend of housing cost, and helps tenants navigate the unregulated rental housing market and opportunistic property owners. The leadership of the GoL is needed for setting clear parameters for a unified market monitor. However, national and international actors working in the housing sector can play a key role in the design, roll out and maintenance of such an initiative along with integrating it in design of rental assistance programmes.

Utility prices have skyrocketed in the past two years following the removal of most of the subsidies on fuel, which in turn increased the cost of electricity (mostly through private generators) and water. This has also exposed the heavy dependence on fossil fuel in every aspect of the life of Lebanon’s residents. This presents an opportunity for a greater adoption of **alternative energy sources and practices**. With subsidies lifted, alternative environmentally friendly solutions should be further incentivized to support the energy transition on the long term and address service disruptions on the short term. Humanitarian actors can build into the design of their programmes and interventions that go beyond financial transfers, and can help vulnerable households reduce the cost of utilities and improve their access to electricity and water.

**Recommendations to:**

<b>National and international humanitarian actors</b>	<ul style="list-style-type: none"> <li>→ <b>Contextualise rental assistance programming</b>, including the alignment of the value and currency of rental assistance, particularly in areas where refugees represent a significant portion of tenants. Ensure conflict sensitivity is mainstreamed in programme design, including understanding the local rental housing market dynamics and how it affects various population groups.</li> <li>→ <b>Consider complementary interventions</b> that address the skyrocketing cost of utilities, for example with a greater investment in energy efficiency of the housing units, renewable energy, water and energy conservation at the household level.</li> <li>→ Establish an active and <b>regular monitoring of the low-income rental housing market</b>, together with MOSA/PCH, and ensure information is accessible publicly (to actors but also tenants).</li> <li>→ <b>Improve coordination</b> of rental assistance programming.</li> </ul>
<b>Donors</b>	<ul style="list-style-type: none"> <li>→ Prioritize funding for <b>evidence-based programs</b> that address affordability, housing conditions and tenure security of tenants</li> </ul>

	<p>regardless of status, gender and nationality, particularly rental assistance programming and market monitoring systems.</p> <ul style="list-style-type: none"> <li>→ Continue to encourage a <b>conflict-sensitive approach and inclusive community engagement</b> in shelter programming.</li> <li>→ Ensure that <b>multipurpose cash assistance</b> is complemented by interventions that ensure essential housing outcomes, such as security of tenure and adequate/sustainable housing conditions.</li> </ul>
<b>Government of Lebanon</b>	<ul style="list-style-type: none"> <li>→ Introduce policies that <b>incentivize household and community level, housing energy efficiency and renewable energy</b> to mitigate the increase in the cost of electricity and the disruptions in its supply.</li> </ul>

## ACCESS TO AFFORDABLE HOUSING

The compounding crises impacting Lebanon in the past two years add to decades of the almost unregulated and highly commercialised development of the housing sector with the absence of policies to protect the constitutional right to access affordable housing. The evolution of the housing market has led to a **clear shortage in the supply of affordable housing and an oversupply of high-end, big profit margins property development**. Low-income households are disproportionately affected and bear the brunt of the continued inflation of prices and devaluation of the currency and are in need more than ever for policies to protect their access to affordable housing.

### Recommendations to:

<b>National and international humanitarian actors</b>	<ul style="list-style-type: none"> <li>→ <b>Advocate for the development of inclusive affordable housing policies</b>, ensuring the needs of the most vulnerable are addressed and their voices heard in policy-making.</li> </ul>
<b>Donors</b>	<ul style="list-style-type: none"> <li>→ <b>Support the GoL</b> and its institutions in the <b>development of policies for affordable rental housing</b> targeting low-income households.</li> </ul>
<b>Government of Lebanon</b>	<ul style="list-style-type: none"> <li>→ Develop an inclusive <b>affordable housing strategy</b> that promotes access to housing for vulnerable groups in Lebanon in general and rental housing in specific.</li> <li>→ Increase <b>incentives for the development of affordable and low cost rental housing</b>. Target low and middle income property owners who incrementally build their properties and support them to bring these housing units to the market faster.</li> <li>→ Play a stronger role in the <b>regulation of the rental market in the midst of the economic crisis</b> and the increase risks of mass evictions in the country.</li> <li>→ <b>Increase access to income-generating opportunities</b> for all population groups so they can meet their basic needs, including securing adequate shelter.</li> </ul>

*“Given the structural dysfunctions of Lebanon’s housing sector and in the context of a major social crisis, priority must now be given to a housing policy that proposes a strategy, actors and tools able to produce a diversified and affordable supply. This goal means not only strengthening the technical and financial capacities of public operators and local authorities, but also intervening across the entire housing value chain.” (Irène Salenson, Bruno Marot, Olga Koukoui, 2019/2020, page 2, [Affordable housing, a social challenge amidst Lebanese crises | AFD - Agence Française de Développement](#))*

*“To better meet demand, the rental sector must be revitalised. For housing stock in the liberalised rental market, intermediation schemes (support scheme for renting out) already tested by some NGOs could be extended to convince owners to rent out their vacant or under-occupied housing. In parallel, a pilot stock of rental social housing could be created through the acquisition of developers’ unsold dwellings (along the lines of the French VEFA-HLM model, whereby residential buildings can be sold to social property owners upon completion of works), unoccupied dwellings and dwellings formerly under rent control, or via social rental usufruct (division of ownership rights). These initiatives would then require innovative models to be developed in the areas of financing, governance and management.” (Irène Salenson, Bruno Marot, Olga Koukoui, 2019/2020, page 2, [Affordable housing, a social challenge amidst Lebanese crises | AFD - Agence Française de Développement](#))*

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