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Property Investments and Prestige Projects in Damascus: Urban and Town Planning Metamorphosis

VALÉRIE CLERC and ARMAND HURAUULT

In 2005, in announcing the acceleration of the open-economy policy, Bachar al- Assad, President of the Syrian Arab Republic, responded positively to the growing interest from Gulf region investors in regionally specific investment. Several laws were initiated to accompany a rapid increase in number of investments in luxury property projects announced. This paper studies this process, the impacts on Damascus of the announcements and the (limited) realization of these prestige projects. It highlights the new dynamics produced to revitalize the city centre and to create new secondary urban centers. It also shows that this process induced the emergence of new urban planning practices, as well as the implementation of many other projects designed specifically for lower income categories.

In 2005, the Syrian government adopted the 10th Plan (2006–2010), which introduced a new model of development: the social market economy. This is a step towards a liberalization of the economy – a process started 15 years ago. The plan seeks to create a favourable environment for private national and foreign investments, which are seen as major contributors to funding the plan.

Political change in Syria in the 2000s coincided with a change in investments in the Mediterranean. The rise in oil prices, particularly from 2003, created large hard currency reserves in the Gulf countries. Faced with saturated local markets, they invested more and more money abroad. After 9/11 and the freezing of many Arab funds, investments previously sent to the United States and European Union countries were redirected to countries in the south-east Mediterranean area, accelerated from 2005 when the Arab Free Trade Area came into force. The Mashreq countries drain a large part of these investments. Between 2003 and 2007, FDI (Foreign Direct Investment) multiplied by fourteen in Mashreq, while it only doubled in Maghreb (ANIMA, 2008b). In 2005, conditions favoured investment in Syria and the announcements of prestige property projects became more numerous.

In Syria, the ties between the liberalization process and the attraction of the investments are

closely linked. When he took office, the President Bachar al-Assad accelerated the process, mainly initiated by the Law 10 of 1991, which improved the conditions for private investment in the country and removed some restrictions on imports. To face the exhaustion of domestic oil resources, which were until then the main source of income for the state (IMF, 2005), and the trade deficit, the Syrian state planned to increase taxes and to attract private investments. To enable this process, the legislative framework regarding such investments and those in tourism was renewed, in favour of both the national and foreign private investments, in particular those pertaining to property. The government plans to fund the reforms with \$34 billion in investments over a five-year period (2006–2010), with half coming from private investment, which needed to be raised. Despite a preference for national investments, foreign investments are viewed as the key resources, the required condition for economic growth and the implementation of its ambitious social policy, the anticipated answer to the predictable transformation due to the opening of the economy.

In June 2005, the government declared that \$9 billion of the predicted \$34 billion were expected in the property sector, i.e. 25 per cent of the total, a ratio superior to what the contiguous countries

allocate to all sectors together, property, public works and transportation (15 per cent on average). On their side, the Arab investments are directed mainly towards the land and property sector and the tourism industry (Barthel and Verdeil, 2008). The proportion of investments from the Gulf region (Qatar, Saudi Arabia, Kuwait, UAE) in those announced in Syria grew strongly starting in 2005: from 36 per cent of the announced projects in 2005, they grew to 54 per cent of projects and 74 per cent of the announced cash flows in 2006. In 2007 they represented 72 per cent of the stocks (*source*: ANIMA).

A major part of the larger property projects is programmed to take place in the capital, the preferred destination for the investments. If the attraction of property investments is an economic objective in order to finance the 10th Plan, and in particular the social portion of it, it is also a powerful tool for spatial urban transformation. The authorities responsible for development in Damascus and surrounding areas seek to influence the allocation of these investments in favour of urban development. In the Governorate of Damascus, which includes the central part of the city, the master plan dates from 1968, but a new master plan for the city is underway. The Governorate of Rif Damascus (Rural Damascus), which includes the suburbs of the city, is developing a regional master plan. Thus, the current plans do not yet allow the location of the projects to be determined. Yet, even if the announced property projects in the planning stage are not all realized, their number, concentration and integration – merging residential, commercial, office and tourist components – foreshadow some deep changes in the organization of the city.

This article identifies the impact of the arrival of the larger investment projects in Damascus. It shows first how these changes are induced by the transformation of the legislative and national regulation itself, set up to attract private national and foreign property investments. Then, it identifies the effects of the announcements and the development of these projects within the framework of urban development.¹

The Reform of the Legislation in Favour of the Property Investments

The national policy to attract the property investment funds comes through the renewal of the legislative framework for investments, housing and tourism, reorganized in 2000. This reform modifies the system of actors who influence urban development. The administrations, until then in charge of town planning, are losing some of their powers. They rely more on private investors who now have more flexibility in terms of intervention, yet it is the administrations which retain the key

role due to their control over land and building permits.

The Reform of the Legislative Context Regarding Property Investments

Several major legislative changes affecting investment were promulgated in the 2000s. In 2007, a new law replaced the 1991 law which, associated with the new fiscal law (2006), the new trade code (2007) and with the new law pertaining to corporations (2008), transformed the legal framework of business. This allows for a more advantageous tax system, free profit repatriation and easier access to property and renting for foreigners.

In addition, the High Investment Council and a Syrian Investment Agency were created (2007) with a one-stop services bureau (2008).

The decrees modify the terms of foreign investment, changing from a system of exemption taxes, to a system of tax allowances and incentives. Tourism investment projects combine all the advantages. They profit from the advantages gained from the investment laws and from the decisions published by the Tourism High Council (THC).

Regarding property, the conditions of investment have also evolved since 2000. The housing legislation and town planning system that was set up during the 1960s and the 1980s have been totally revised since 2000: urban expansion (2000); rents (2001); access to the ownership (2002); environment (2002); regularization of property infraction (2003 and 2008); construction in collective infraction areas (2004); building permits (2005); urban development (2007); housing cooperatives (2007); land and housing registration (2008); mortgage finance supervisory authority (2009).

In 2008 a law specifically designed to favour property investments was adopted (Law 15). It created the Real Estate Investment and Development Commission (REDIC), located within the Ministry of Housing, in order to supervise, reorganize and control the real estate sector and to attract Arab and foreign funds for property development. It authorizes the creation of land and housing companies previously forbidden. It issues the investment licences to the investors, previously issued by the Ministry of Local Administration and Environment (MLAE), which is responsible for the urban planning in Syria, or by the Governorate of Damascus if the project was within the city limits. It grants advantages and defines the conditions to obtain them (formation and capital of the company, area of the land, depending on the location: more than 25 hectares in Damascus and surrounding areas). The REDIC is also in a position to develop social housing through the private sector and to

reorganize informal settlements. The investment licences are granted based on the priority of the project including low-income housing and/or the reorganization of informal settlements.

Tourism investments were not subject to a new law but several decisions by the Tourism High Council (THC) improved the conditions already established for them. From the time he took office in 1970, the former president Hafez al-Assad paid



Figure 1. Damascus city centre viewed from Mount Qassioun.
(Photo: Valérie Clerc, 2008)

special attention to the tourism sector (Gray, 1997), and the first economic openings were mostly realized in the tourism and hotel sectors (Aïta, 2007). Decisions by the Tourism High Council in 1985 and 1987 improved conditions for investment in tourism through agreements on tax benefits, construction, and start up costs and easing of material and equipment imports. A property project is considered a tourism project when at least 70 per cent of the financing and 40 per cent of the surface area are dedicated to tourism activities: hotels, furnished flats, and also malls. These new regulations allowed tourism projects to be built outside the Master Plan perimeters, and eased the rules regarding the land ownership by foreigners and building on land belonging to the public administration. Finally, a special labour code governs the tourism sector and authorizes employee dismissal. These advantages were accentuated and expanded by several decisions of the Tourism High Council in 2002 and 2004. Several property investors included a tourism component in order to take advantage of these regulations, thereby creating several mixed-use projects.

Direction of the master Tourist Mixed-Use Projects on Public Land

Several obstacles slow property development on private land. Land purchase often involves long and difficult processes and sometimes requires modification of the Master Plan, a complicated

procedure that can take up to 3 years. Frequently investors turn to the public sector, which owns large land parcels, including downtown areas, and so can simplify the process. Able to influence only indirectly projects on private land (building permit of Governorate, tourist licence of the HCT), the authorities prefer to make the state land available, where control of the programme is more direct. Thus numerous master projects are developed on public land: out of twenty projects (announced, underway or realized), where the origin of the land is known, more than half – around two-thirds of the invested value – are on public land. Most such investments are downtown (Kiwan, Diar Damascus, Abraj Souria, Hijaz, Yalbagha Compound, Four Seasons) or in Yaafour, on the plateau to the north-west of Damascus, a low-density residential suburb beyond Mount Qassioun (Eighth Gate, Yaafour Gardens, and Khams Shammatt, also called Damascus Festival City).

The form of partnership between the investor and the public ownership organizations depends on the procedure used. Two main forms were set up in 2004 to facilitate the realization of projects. First, the Tourism High Council set up the Tourism Investment Market (TIM). Since the first one in 2005 these have become yearly events where some public land is offered to the investors. Following studies, the Ministry of Tourism selects the land and, in collaboration with the public ownership organization, decides on a programme. The Ministry presents its projects to the investors during the TIM and opens the call for tenders. The selection is made based mainly on the reputation and the financial capacities of the investors, and on the amount of profit, which would be transferred to the owner and to the authorities. The projects are proposed under a 'Build Operate Transfer' (BOT) form, with an exploitation period not exceeding 45 years in Damascus. The possible administrative processes to lift the restrictions of the Master Plan are already done by this point. Some, like the Kiwan project (Intercontinental Hotel, mall, offices, conference centre), which was proposed at the 2005 session of the TIM, concluded in 2006 and is today underway, have been realized in Damascus centre thanks to this procedure. The second form is more flexible.

It allows an investor presenting a tourist project on land that has not been proposed at the TIM to have the exclusivity on this land and to see the project assessed without a call for tenders. In this case, it is not the Ministry of Tourism that takes the initiative on the location and programme, which must be approved by the landowner and by the Tourism High Council. The investor proposes the location; and the programme is defined through negotiation. Some important strategic projects underwent this procedure in Damascus centre, like Abraj Souria (Souria Holding) or Diar Damascus

(Qatari Diar). The latter project, financed through an investment fund from the State of Qatar, was negotiated directly by the Emir of Qatar and the Syrian President. The form of the partnership to be established is also discussed with the investor. Three partnership models are used most frequently: the BOT as through the TIM, but with an exploitation period up to 99 years; a joint venture between the two parties; or the sale of the public land to the investor, as in the three projects of Yaafour, located on expropriated land: Eighth Gate (Emaar), Khams Shammatt (Majid al-Futtaim) and Yaafour Gardens (Urban Development Group).

The Effects of Large Integrated Mixed-Use Projects on Town Planning Practice

The authorities have recently acted to encourage direct private investments towards integrated mixed-use projects (SIA, 2008). Decision 16 by the Prime Minister (2007), cancelled in 2009, and Law 15 (2008) introduced the possibility to develop projects other than those solely for tourism.

Since 2007, the possibility of building in Damascus and its surroundings but outside master plan areas has been extended to all integrated master projects with a minimum size of 25 hectares, and not just tourism-related ones. While the urban master plans are traditionally realized by the administration, those pertaining to large projects are realized by the developer. The creation of an atlas listing all public land, outside the master plan, available for the construction of large-scale projects, is in progress. From decision 16/2007 to Law 15/2008, the appropriate ministry changed. With decision 16, the location of these zones, the approbation of the master plan and the programme for a project were the responsibility of a department of urban development created within the Ministry of Local Administration. Since Law 15, the permits for these projects are granted through the REDIC, by Ministry of Housing and Construction. In addition, Law 15 restores a higher control to the state for the most important projects in terms of proposing the land and setting the development programme.

Thus, even before questioning the physical impact of large-scale projects on Damascus, the implementation of the new laws and decisions intended to favour their emergence, transformed the planning process. While urban planning was until then only developed through the rules and the master plans of the public administration, since 2007 all integrated projects which are the subject of favourable public decisions can propose their own urban forms, in or outside the perimeters of the master plan.

The lack of urban planning led the authorities to adopt opportunistic development, based on the availability of public land and the initiatives of

investors. Decision 16, then Law 15 attempted to give a legal frame to the establishment of the megaprojects. These new ways of town planning by projects is likely to modify urban space.

The realization of such impacts, in particular the difficulty of controlling urban sprawl and fragmentation outside the master plan, have led the authorities to apply them only in a limited provisory way while Rif Damascus Governorate has provisionally suspended the issuing of permits until the regional master plan in preparation is finalized and maybe until such time as the authorities have been able to refine the control of these new modes of urban production.

Property Investments and Master Projects in Damascus: An Urban Metamorphosis?

Although the majority of the largest master projects are not built, the announcement thereof and the beginning of construction of numerous other projects have had a major impact on urban revitalization and orientation.

National and Local Reactions to the Property Crisis

In Damascus, property supply does not meet demand. With the opening up of the economy has come a strong demand for office space (opening of the banking and insurance sectors in 2001 and 2005), for which the current stock is insufficient. This shortage has led to very expensive rents. According to an annual study 'Office Space Across the World' by Cushman & Wakefield (2009), Damascus is the eighth most expensive city in the world.

Also, at the beginning of the 2000s, the city faced a severe housing crisis. Several informal settlement areas provide housing for 40 per cent of the agglomeration's inhabitants. The production of formal private housing was at the lowest level since 1975. And despite the strong demand, one in five housing units remained unoccupied: vacant, under construction, or partially built, waiting to be sold or finished. Lastly, the rental-housing sector is not very developed (12 per cent).

In the face of this situation, a favourable economic climate and the transformation of the national legislative context produced some positive effects. Between 2000 and 2007, production of formal cooperative and private housing multiplied by seven over the whole area and by fifteen in the portion of the suburbs located in the Governorate of Rif Damascus. Non-residential construction, (commercial, industrial and office space) grew at a slower rate, yet increased fivefold between 2000 and 2007. In addition, the Governorates of Damascus and Rif Damascus commissioned several planning studies including the regional master plan

for Rif Damascus and the master plan for Damascus mentioned above. However, property shortages are not the only problem. Faced with a congested and



Figure 2. The master project of Eighth Gate (Emaar) in Yaafour. (Image of the project: <http://www.emaarsyria.co.sy>. Inset photo of the first phase under construction: Valérie Clerc, 2010)

polluted city, the Governorates' ambition is: to plan a sustainable and attractive urban area; develop a concentrated and compact city so as to preserve the Ghouta Oasis (the oasis that surrounds Damascus) and its resources (water, rural lands); improve existing spaces (the centre, heritage sites, informal areas); provide housing for low-income households; and to create mixed-use areas (Mhafazat of Damascus, 2008).

The Ebb and Flow of International Investors

Property investments come mainly from countries in the Gulf region. Before 2005, the few foreign investments in the property sector regularly came from Saudi Arabia (Al-Wallid Bin Talal Prince, Ben Laden Group, Akar al-Kabeda). The years 2005 and 2006 saw the arrival of investors from the United Arab Emirates (Emaar, Majid al-Futtaim, Tameer al-Sham, etc.) and from Kuwait (Aref Investment Group, Kharafi Group, Al-Marouf who created the Urban Development Group (UDG) in partnership with the Syrian Kahale International Group). From 2007, legal reforms have allowed expatriate Syrians to invest in their own country. Four Syrian holdings were formed in 2007. The same year saw also the arrival of the property branch of the Qatar sovereign wealth fund, Qatari Diar, which announced some of the most ambitious projects (Diar Damascus and Ibn Hani Bay at Lattaquieh on the coast). The regional president of the fund declared in February 2008 that his ambition was to raise the total amount of investment in Syria to \$12 billion within 10 years, investments that will make Qatar a major player in the development of the country.

Since 2005, the multiple announcements of property investments have easily exceeded the objectives of the government (\$9 billion for the period 2006–2010): \$22 billion were announced for 2005 alone. Between 2005 and 2009, at least twenty-six projects of more than \$100 million were announced in Syria for an estimated total

investment of \$35 billion. More than two-thirds of these are concentrated in Damascus and its surroundings. The Bonyan International Investment project (Syrian- Kuwaiti-Saudi consortium), announced in 2005, to be built about 40 kilometres south of Damascus, has planned a huge development for an estimated cost of \$15 billion. Damascus and surroundings areas have been the theatre for seventeen other projects for an estimated total cost of more than \$15 billion.

But, among the larger projects announced, only the Eighth Gate of Emaar is currently under construction. The other very large developments are not in or have made little progress: negotiations on going, in standby mode, or have been abandoned. On the other hand, some hotels and few important mixed-use developments have commenced in the centre of the city (Abraj Souria, Kiwan, Garden City Resort). And several single-purpose developments have started, particularly villas and housing projects.

Despite the reformation of the legal framework, the conditions for investment have remained insufficient. The country is ranked 94th out of 133 in *Global Competitiveness Report 2009–2010* (World Economic Forum, 2010a), 104th place in *The Global Enabling Trade Report 2010* (World Economic Forum, 2010b), and 143rd out of 183 in *Doing Business 2010* (World Bank, 2010). The French Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE), a world leader in trade-credit information and protection, gives a grade of C to Syria (the penultimate mark on a scale of 7). Bad macroeconomic indicators (deterioration of the State's accounts, low productivity), slowness of reforms, administrative difficulties, inefficiency of government bureaucracy, insufficiency of infrastructure, the work code and the contradictions in the legal framework are the reasons most commonly given for the poor ratings. These weaknesses are also identified by the Syrian Investment Agency, which insists on the administrative obstacles before obtaining permits (SIA, 2008).

In addition, the conditions for attracting and keeping investors are not consolidated while the transformation of the legislative context continued even after the announcements of massive investments. For three developments (Eighth Gate, International Trade Centre Project, and Finance and Business Quarter Project), for example, it is said that they had to apply for a licence under the investment law of 1991, then again under the law 2007 (*Ibid.*). Therefore, many announcements made by investors must be considered as a positioning strategy as they await confirmation of the proposed reforms. Finally, the economic crisis affecting the Gulf and Emirates has dragged down the investment announcements in 2009. They have restarted in 2010.

The Development of Diverse Property Types

The conditions created to attract property investment favoured a multiplication and diversification of the property types available.

Table 1. Main Mega and Multifunctional Master Projects Announced in Damascus and Surrounding Areas

First there are the larger investments. No less than six projects (Eighth Gate, Khams Shammat, Internet City, Damascus Financial District, Damascus Hills, Diar Damascus) have an announced investment of between \$1 and \$4 billion each, which is comparable to planned investments for the big projects in other cities around the Mediterranean. In particular, commercial space is always at a higher volume. Previously a non-existent concept in the city, six malls – 150,000 m² – opened in Damascus between 2002 and 2009 and at least fourteen others with a total area of 820,000 m² have been announced. Three of the larger projects include malls with an area over 100,000 m²: Eighth Gate and Khams Shammat in Yaafour and Concord Commercial Complex on the highway to Jordan. These large developments can be the motors for the spatial restructuring of the metropolis. Most of them, announced in 2005 and 2006, are located in the northwestern extension of the city (Eighth Gate, Khams Shammat, Damascus Financial District, and Damascus Hills). The isolated case of the Damascus Diar Development, announced in 2008, plans urban renewal of a large area in central Damascus.

About fifteen projects, relatively modest (most of them between \$100 and \$300 million for those where we know the investment amount) are also mixed-use developments. They include residential units, tourist spaces, commercial areas and offices. Most comprise three or four elements. The spatial repartition of the mixed-use developments has a better balanced distribution than the large projects in and around Damascus (the north-western suburbs, centre of Damascus, highway to Mezzeh or to the airport).

Finally, approximately forty projects are mono functional: hotels, offices, malls or housing with an

investment usually not exceeding \$100 million. In particular, the investment projects in the housing sector serve to diversify the types of accommodation available. Next to the luxury flats proposed by the prestige projects, we see the development of gated communities with top of the range villas. And there are new promoters, rallying some foreign investments, who are building housing for middle- and low-income households in distant suburbs. The very strong rise in housing construction in the 2000s is, however, not directly connected to the emergence of these investment projects. New developments connected with international investors are today only a small part of the yearly housing production (from 15,000 to 35,000 units between 2004 and 2007). From the nearly 5,500 announced units in the ambitious projects of Yaafour and surroundings, only about 1,500 have been built or are under construction (for example, at Palm Village, Garden City Resort, Jasmine Hills, Noble 101 and Murooj Valley). And for the mid-scale housing projects, from a sample of approximately 8,000 announced units, around 5,000 have been built or are under construction. However, the conditions created for the development of master projects has encouraged the construction of housing. In particular, they have given rise to professional societies in the property sector and the development of housing loans, which must increase even more with the establishment of the Mortgage Finance Supervisory Authority at end of 2009.

Master Projects contribute to the Density of the Centre and Spatial Redevelopment beyond the Ghouta

The most important investments are mainly concentrated around two poles: the centre of the city and the plateau located north-west of Damascus, on the other side of Mount Qassioun (with a specific density centred around Yaafour). Of the twenty-three registered private investment projects of more than \$40 million, eleven are on the north-west plateau: Yaafour, al-Hameh, Jaramaya, Kafar Qouq (\$10.7 billion), seven are in the city centre (\$3.8 billion), while only five are elsewhere (\$700 million): Mezzeh, the road to the airport, and on road to Jordan.

A first important pole of consolidated property investment developments is in the centre of the city, predominantly in the modern centre (see figure 3). There, the projects are mainly big hotels, malls and mixed-use projects without housing (stores, offices, tourism), like the reorganization of the Hijaz railway station and the integrated Kiwan project. With a relatively scaled-down surface area, these projects renew the urban space with architectural features. A significant exception, the Diar Damascus urban renewal project plans 550,000 m²

of buildings on 10 hectares to develop a dense urban space with a new mall, towers, several office buildings, high-rise hotels, and in this case, housing spread out over approximately a third of the land. These projects contribute to the density and compactness of the city. They favour vertical height as in the Abraj Souria project (two 63-storey towers), the Diar Damascus project (four towers), and other tower projects in preparation downtown. These developments emerged in parallel and before the execution of the new Master Plan for Damascus, which has to allow the distribution of property investments to strategic areas. Some seventeen areas of urban renewal are already decided, for example, on the outskirts of the old city (Malek Faycal Street) or on the perimeter of the sustainable neighbourhood project, called 'West of 30th Street', developed with European co-operation. Today we see the contrary: master investment projects in progress, located contingent on property opportunities, and for which the decision is made in higher places and not only with the administrations responsible for the town planning. Integrated in the Master Plan at the study stage, these projects pre-define the resulting modification of urban form (district plan, forms and height of the buildings) of numerous spaces in the city.



Figure 3. Location of announced development projects in and around Damascus

The second pole for the concentration of property investments, the plateau located north-west of Damascus, beyond Mount Qassioun, where the highway to Lebanon crosses, has been the subject of the most important private and public investments (see figure 3). This concentration is connected on one hand to the presence of large tracts of public reserve property and on the other with the long existing desire of the state to urbanize this area. The public organization for housing has

already built 12,500 subsidized housing units here and is completing the construction of 16,000 more, 11,000 of which are for the youth (Dahieh Qudsaya al-Sakanieh al-Jadideh). 28,000 additional units are planned in the north of the same plateau, near Qura al-Assad. The acceleration of the private development of this zone has been reinforced by the announcement from large Gulf region investors of three ambitious projects, also destined to be built on state property: Eighth Gate (\$1.2 billion) (the Emirati Emaar Group); Khams Shammat (\$1 billion) (Majid al-Futtaim, also Emirati) and Yaafour Gardens (\$130 million) (Urban Development Group). It is also on this plateau, a little farther east where two even bigger projects were planned; announced in 2005, Damascus Hills (Emaar) (\$3.4 billion) and the Damascus Financial District (Aref Investment Group) (\$4 billion) seem to be suspended or abandoned. Nearby, the mixed-use development of Doha City is under construction in al-Tal. Finally, this plateau is the focus of numerous housing developments: private, cooperatives, the Public Housing Establishment and the Military Housing Establishment. It is around Damascus that we find the most housing under construction. In 2004, while the housing under construction represented on average 11.5 per cent of the housing in Damascus and surrounding area, approximately 60 per cent of the housing in Dahieh Qudsaya al-Sakanieh al-Jadideh and in Qura al-Assad and between 25 per cent and 30 per cent of the housing in Yaafour, Jamaraya, Qudsaya, al-Tal and Jdaideh al-Wadi was under construction (CBS, 2004). The entire area is a giant building site.

The three main projects of Yaafour, moreover, present specificities in terms of commercial development: 350,000 m² of malls which would multiply by three the total surface area of those already built in Damascus; and office space, probably more than 350,000 m², including the construction of a new stock market at Eighth Gate, which is more office space than planned in the rest of the city. Even if the biggest of these three projects has not begun (the beginning of construction of Khams Shammat has been announced for 2011), the building sites of the two other projects already allow us to hypothesize that another urban centre is emerging. Several other projects, particularly up-market housing, have been announced or are under construction today in this area (Nobles 101, Nasser Gardens, Yasmine Hills, Emerald Hills, Murooj Valley, Jdaideh al-Wadi, Sheikh Zayyed, al-Faiha project and Cham Holding project). The proximity of the large-scale projects is regularly presented as an argument for housing sales and prices of the properties have increased strongly.

The traditional axes of urban sprawl along the other main roads and highways continue to be favoured investment areas. We can point, for

example, to the announcement of five developments by Tiger Real Estate (\$545 million, including the Syria World Trade Centre) or the Garden City Resorts (Barhein Global Investment, \$250 million), near the airport; the construction of several malls and office buildings along the Mezzeh highway (Yasmine Rotana and Mariott of Cham Holding), or the project for 13,500 housing units by the Public Housing Establishment in Adra on the Aleppo road currently under construction. But, none of these axes alone contains a large number of master projects with high investments. These projects in the south and east are on average further from Damascus than the projects to the north and west.

However, we can note the appearance of a third favoured development area for foreign investments, in the south-west of the city. Even if their size is more modest, many of the projects could, there, encourage the emergence of a new axis of formal development in the city, with the concentrations in Achrafieh-Sehnaya (highway to Jordan) and above all along the axis Artouz- Kokab-Jdaidet Artouz (Quneytra Road).

Here, there are not only prestigious projects driving the urban development but many housing projects (apartments and villas), built by several newly created property companies, and mainly designed for the middle class and limited income households.

Conclusion

The few master projects, realized or under construction, cannot be said to transform the development of Damascus either radically or directly. The thousands of buildings (formal and informal) built each year in the agglomeration have a considerably greater impact. However, the realization of announced projects could result in considerable transformation of the ways the city is constructed and of the dynamics of the urban development. The process is underway and the possibility is there to give more prominence to the realization of the master plans already in progress.

The adoption of new laws and decisions changes the principles, the actors and the practices of established town planning. Property investment developments introduce urban practices specially created for them, and mould urban space in a new way. The rules and procedures to set up land settlement operations are still in the elaboration stage. This explains a number of difficulties encountered by the mega-projects, difficulties which probably do not only originate from the games of the different actors.

Observation of the projects allows one to identify the trends they could produce in urban development, such as the renewal of the centre, the development of a new centrality with high-rise

housing in the northwest, or the development of some areas for the lower classes on the road of Quneitra. But these trends are not consolidated. In quantity, the master investment projects still form only a tiny part of the construction boom. In quality, the north-west plateau, for example, is a location not only for high-rise housing but some public housing for major social projects and also private housing for the middle-class in Yaafour (announced by the investors IBTH and KSHC in February 2010). Except the projects located downtown and on the north-western plateau, these trends are mainly contra to the objectives of the Damascus Governorate, which favours the density and the compactness of the city, and those from the government who encourage the development of Yaafour area, behind Mount Qassioun. The multiplication and fragmentation of property investment projects in a distant suburb, notably on the highways to Jordan and to the airport, favour urban sprawl, in particular in the Ghouta Oasis.

The transformation of the legal context in favour of master projects reveals new dynamics. The strong rise in the formal housing construction and the arrival of the master project do not yet appear to stop the development of the informal urbanization in the Ghouta. But Law 15/2008 which frames the development of the master project seeks explicitly to link property investment to social housing policy. The priority strategic projects for property development are mainly those dedicated to the renovation of the informal settlement areas and those including the production of low-cost housing. In its will to associate the social dimension to the market economy, Syria attempts to link master projects and housing for the poorest.

And last, but not least, the dynamic created to attract private investment in order to place Damascus back in the international metropolitan competition has reinforced the role played by the local and national real estate corporations. Today Syrian investors are very much in evidence in the property investment landscape and in the master projects in the country, alone or in association with foreign investors. In the image of the Syrian Investment and Development Corporation, created in 2009, having announced in March 2010 an investment of \$2 billion in Damascus for the creation of a Canadian village, it is now the turn of the Syrian investors to announce some mega property investment projects.

NOTES

1. For this research, we identified approximately seventy property investment projects (announced, in progress, or already built) in the specialized press or on site visits in Syria, since 2000. At least a third are projects over \$100 million. The analysis is based, in particular, on information available on fifty-one projects located in

Damascus and surrounding areas of which at least a third (eighteen projects) are over \$100 million.

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