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Rebuilding property rights in Libya

Turning a frozen registry into an engine for growth

مئة عام

Years in the Middle East

The problem

A property system without a registry: four issues layered on top of one another.

Fifteen years of accumulated uncertainty

1 |

A registry frozen since 2011
What began as a state emergency pause in 2011 lasted fifteen years. The state register ceased to be a live record. No single source of truth for who owns each property across the country.

2 |

The legacy of Law No. 4 (1978)
The house belongs to its occupant – a single law that transferred ownership of rented homes from landlords to tenants without the owners' consent leaving several homes with two families holding rival claims to the same title.

3 |

A decade of off-register deals
Since the closure of the registry, transactions continued to occur privately via lawyer witnessed contracts off the public registry. Transactions are invisible to the state, and offer no protection against the same home being sold twice.

4 |

Land used outside its designated purpose
With no authority checking a plot's registered classification, land has been developed contrary to its designated use. The clearest result is the loss of agricultural plots converted informally to housing.

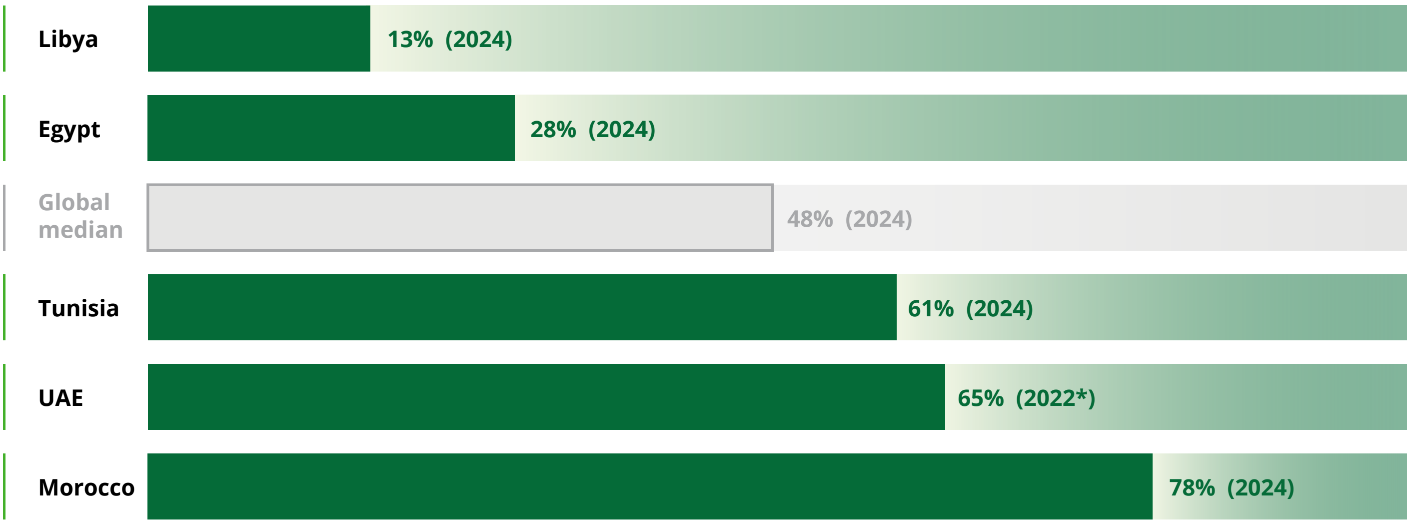
2011 The year the land registry effectively closed

No Central records of post-2011 sales

Why it matters | The real estate link

Property is the collateral that deepens credit

Domestic credit to the private sector is the standard gauge of financial depth, and in developed systems, real estate is the collateral doing much of the work. Where titles can be verified, property becomes bankable security and lending grows; where it cannot, credit stays shallow. Libya's low figure reflects, in part, wealth locked in property that cannot be pledged.



Source: World Bank, World Development Indicators — domestic credit to private sector (% of GDP), available year per country; global median 2024.*
UAE most recent publicly available information[1]

Figure 1: Domestic credit to the private sector, % of GDP

The chart illustrates financial depth across countries, measured by the extent of bank lending to the private sector. This serves as an indicator of the maturity of each economy's real estate market, as banks are generally more willing to extend credit at scale when supported by assets that can be reliably verified and used as collateral.

Outcomes of registry reforms in other jurisdictions

39[2] ⟶ 1[3]

Days to register in Georgia after reform

$2.6 bn[4]

Mortgages unlocked in Rwanda

×5[5]

Rise in Rwanda's land revenue in 2 years

[1]https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS
[2]https://archive.doingbusiness.org/en/reports/case-studies/2007/land-administration-reforms-in-georgia
[3]https://legal.ge/en/service/civil-law-en/title-registration-en
[4]https://documents1.worldbank.org/curated/en/722291468195545378/pdf/WPS7705.pdf
[5]https://www.theafricareport.com/11324/land-reforms-can-heal-old-wounds-and-bring-economic-benefits/

Three reforms Libya can learn from directly

Georgia

A new body replacing a broken registry

Starting point	Their approach	Results	Lesson for Libya
Replace with: A paper-based registry; slow opaque procedures; weak public trust	New self-financing agency; digitised archives; simpler procedures.	Registration cut 39→1 days; increase public trust ; lending rose.	A new parallel body can outperform repairing the old one.

Saudi Arabia

Re-issuing modern, property-based titles

Starting point	Their approach	Results	Lesson for Libya
Paper deeds and fragmented records before Vision 2030.	Digitised 100M+ documents; permanent number + objection period[6].	Each property gained a fixed, electronically-verifiable identity.	Implement the re-titling mechanism proposed by Saudi Arabia.

Rwanda

Post-conflict registration that unlocked lending

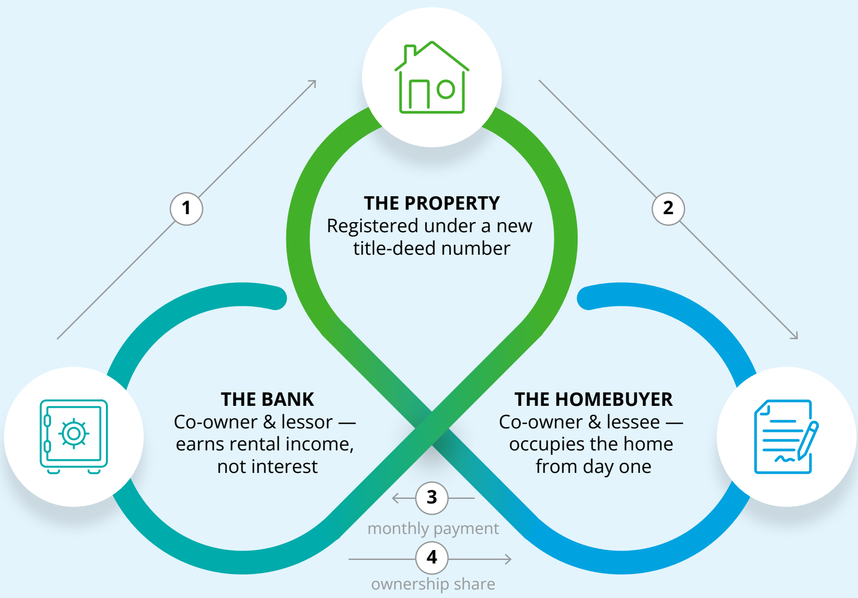
Starting point	Their approach	Results	Lesson for Libya
After 1994, 90% of land unregistered; occupied homes[7].	Systematically registered 11 million parcels (2009–2013)[8].	\$2.6bn mortgages secured; land revenue up several-fold.	Works in fragile settings and pays off in real lending.

[6] https://www.moj.gov.sa/English/MediaCenter/news/Pages/NewsDetails.aspx?itemId=948
[7,8] https://www.oicrf.org/documents/40950/0/01-05-Byamukama-214_paper.pdf/6091ccbc-9401-96c8-c3ef-4ddd56373b64?t=1649752995621

The banking opportunity

Sharia-compliant housing finance

Libya has legislated to remove interest from banking, Law No. 1 of 2013, building on the Islamic-banking chapter added to the Banking Law in 2012 — yet Sharia-compliant products remain scarce. Home finance built on Ijara ending in ownership and diminishing Musharaka lets banks earn rental income instead of interest, and requires the bank to genuinely own, then transfer, the property. The new title numbers make this process possible.



1 | The bank buys the home: its clean title (or joint ownership) is registered to the bank.

2 | The bank leases the home to the buyer, who moves in immediately.

3 | Each monthly payment = rent on the bank's remaining share + an instalment buying out that share.

4 | The bank's share diminishes to zero; the registry records the final transfer to the buyer.

Why the registry is the unlock: Ijara and Musharaka require the bank to genuinely own, hold and transfer real property. Without a verifiable title and fast, reliable transfer, these products cannot be written at scale. New title numbers make the bank's ownership, the staged buy-out and the final conveyance provable at every step.

For banks |
a compliant growth engine
Rental-income products aligned with Law No. 1 of 2013; shared-risk finance; a productive outlet for liquidity.

For households |
finance without interest
Occupy from day one, build equity monthly, and receive clean registered title at completion.

Impact and livelihoods

The wider impact and the jobs it could create

The overall effect first: A trusted register would ripple outward | verified collateral could revive lending | lending could restart construction and Sharia-compliant home finance activity would widen non-oil revenue. Each ripple carries employment with it, in three tiers.

DIRECT

Running the register itself

Registrars and adjudicators, surveyors and Geography Information Systems technicians, digitisation teams, IT and security operations, tribunal staff and front offices, field survey and digitisation are labour-intensive and could employ young graduates at scale.

INDIRECT

Reactivating the property value chain

Home-finance desks in banks — Islamic-finance product teams, loan officers, credit analysts, plus valuers, notaries and property lawyers, brokers, conveyancing services, private surveyors and PropTech ventures.

INDUCED

A construction restart

Housing finance could restart residential construction among the most labour-intensive sectors, with jobs in the building trades, materials and logistics, and wage spending supporting local services.

The Rwanda benchmark

110,000+ Employed by Rwanda's registration program[9]

99% Hired from local communities[10]

~1% Share of Rwanda's population employed[11]

[9,10,11] https://assets.publishing.service.gov.uk/media/57a089b6e5274a27b2000211/EoD_HD66_March14_Rwanda_case_study.pdf

A possible way forward

One possible design: A parallel registration authority

An option worth weighing is a new state-owned, self-financing agency that would re-examine existing records and issue a new, unique title-deed number to every clean property; a single reference banks, courts and government could rely on, while disputed properties would be counted and set aside until resolved.

1

Records would be re-examined
Old deeds reviewed alongside evidence for post 2011 transactions.

2

Clean and disputed titles separated
Every property triaged into an undisputed or a contested stream.

3

Land-use class verified
Residential or agricultural status recorded; conversions flagged for review.

4

Titles published, then numbered
After an objection window, a permanent number with full legal effect.

5

Disputes quarantined
Contested titles would receive no number — not sellable, not mortgageable.

What each number could unlock
A reliable reference for confirming ownership before lending — the foundation a mortgage and home-finance market would need.

How old disputes could be contained
Contested holdings could not obtain a clean number, so could not be sold or borrowed against — ring-fenced rather than spread.

Drivers of success and potential challenges

Success factors

Broad-based legitimacy
A cross-factional mandate and a visibly balanced start — east and west together — so the body belongs to no single administration.

Independence with self-financing
A professional agency living on its own fees, based on the Georgian model, insulated from day-to-day politics.

Security by design
Tamper-evident records, offline backups and isolated verification — the recent Central Bank cyberattacks show the register would be a target.

Legal weight for new numbers
Bank and court integration, so a number issued after due process can actually be reliable.

Transparency and due process
Published titles, objection windows, and no reassignment without a fair hearing — the basis of public trust.

A phased, tested start
Beginning where conditions allow, with published success criteria before any extension.

Challenges

Political and institutional division
Rival authorities could contest the body's mandate or duplicate it.

Missing and decayed records
Lost archives and fifteen unregistered years leave real evidential gaps.

Cyberattack on the register
Ransomware and denial-of-service attacks have already struck Libyan financial institutions.

Fraud and double-selling
A decade of off-register deals is fertile ground for forged and competing papers.

The Law No. 4 legacy
Tens of thousands of genuinely contested homes; claims deepen with each generation.

Capacity and land-use enforcement
Skilled staff are scarce, and reviewing land used outside its designated purpose adds workload.

Each challenge has precedent-tested responses — the pairing above is indicative, not exhaustive.

If the idea earns support

Recommendations and considerations

None of the following presumes a decision. They are simply the questions a serious examination of the idea would need to address.

1

Broad consultation
The idea works only if broadly owned by institutions in East and West, the judiciary, banks, and representatives of both original owners and current occupants.

2

Legal and feasibility review
What enabling framework would new title numbers need? What records survive, and in what condition? What security standard is realistic?

3

A limited pilot could test the approach
The principal cities are one natural starting point, with published success criteria, so extension is earned rather than assumed.

4

Parallel dialogue on legacy disputes
Law No. 4 and land-use cases handled in a dedicated, fair-hearing track, so resolving the past never blocks registering the clean majority.

Future considerations
Some ideas are best kept for later. Tokenised (blockchain-based) titles, regional experience, Georgia's included, suggests any such layer is worth considering only after a conventional register has earned trust, the law recognises digital titles, and security has been independently proven. Full e-conveyancing and property-tax integration sit in the same later bucket.

Why now

The consequences of inaction

Leaving the registry closed is not a neutral choice. Each additional year adds new layers of informality, hardens old disputes, and quietly raises the financial, social and political cost of the eventual fix. Six dynamics compound with time:

1 | **The backlog grows**
Every off-register sale adds another transaction a future registry must verify — the task gets bigger every year, never smaller.

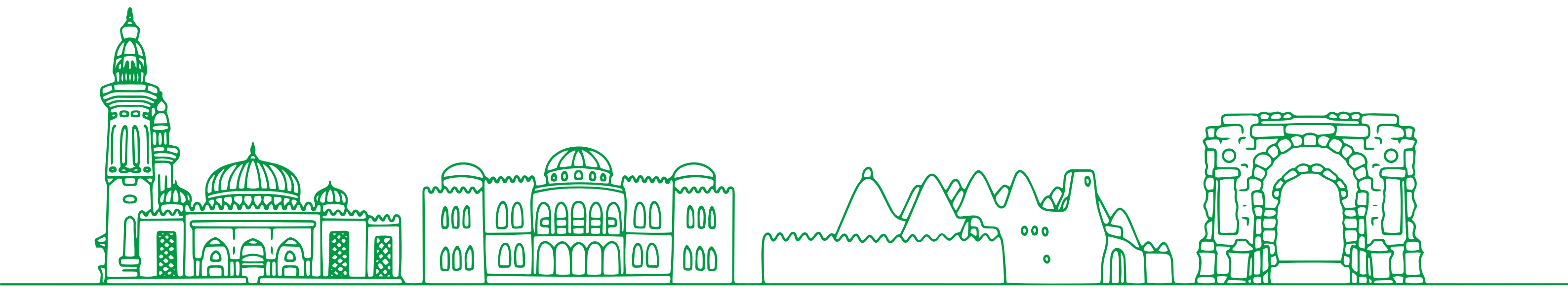
2 | **Disputes harden by generation**
Owners and occupants pass away; heirs multiply; witnesses and evidence disappear. Law No. 4 cases become harder to resolve fairly.

3 | **Records keep decaying**
Surviving archives age, custodians retire, and forgery contaminates the evidence base any future registry must rely on.

4 | **Farmland loss turns irreversible**
Informal construction on agricultural plots cannot realistically be undone resulting in scarce cultivable land disappears for good.

5 | **Credit, housing and jobs remain frozen**
Dead capital stays dead: no mortgages, no Sharia-compliant home finance, no construction restart — the jobs dividend is forfeited.

6 | **The informal system entrenches**
Middlemen of opacity acquire a stake in the status quo, and trust in state-guaranteed property erodes further.



One of the highest-return reforms available

Libya cannot rebuild a modern economy on a property system no one can verify. The reform set out here is incremental and evidence-based: a new, state-governed authority that re-issues clean, verifiable title numbers to the undisputed majority, while counting and quarantining the disputed minority until they can be resolved fairly.

It begins where impact is greatest, Tripoli and Benghazi together, records the land-use class of every plot and opens a Sharia-compliant home-finance market aligned with Libyan law. Georgia, Saudi Arabia and Rwanda show each element has already worked in practice, including in divided and post-conflict settings.

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