

INVESTIGATE

THE VOICE OF REAL ESTATE

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Blessed
Ramadan*

**REAL ESTATE SECTOR
REMAINS ACTIVE
DESPITE THE ODDS!**



SCAN
TO DOWNLOAD
THE DIGITAL VERSION



INVEST-GATE
**BEST REAL ESTATE
INFORMATION PLATFORM
AWARD**



STARTING PRICE
1.5M EGP
—
OVER
10 YEARS



ALDAU
DEVELOPMENT



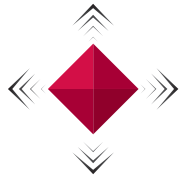
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16492

www.aldaudevelopment.com



PALM HILLS
DEVELOPMENTS



A BETTER TOMORROW AWAITS...

STAY SAFE STAY PRODUCTIVE

Tomorrow will surely come... for time does not stand still, nothing lasts forever, and all of this is temporary. Today will end... to pave the way for what's coming next. With the time spent at home & the time spent inside our minds, it is hard to stay positive and focused... We're all waiting for it to end and are hoping for a better tomorrow.

What we do & how we spend our time today, will speak volumes of us in the future. We're here to remind you of your potential that does yield realizations. We hope to encourage you to stay productive... for a better tomorrow awaits us all. We've all been asking for time, for a slower pace. Cease it & think about how you truly want to make use of this time and remember this experience, years from now.

This too shall pass, for after dusk comes dawn. Tomorrow will come, with everything good that it has to offer...

19743
palmhillsdevelopments.com

LIVE SHOT APRIL 2020



 16224

0 %
**DOWN
PAYMENT**

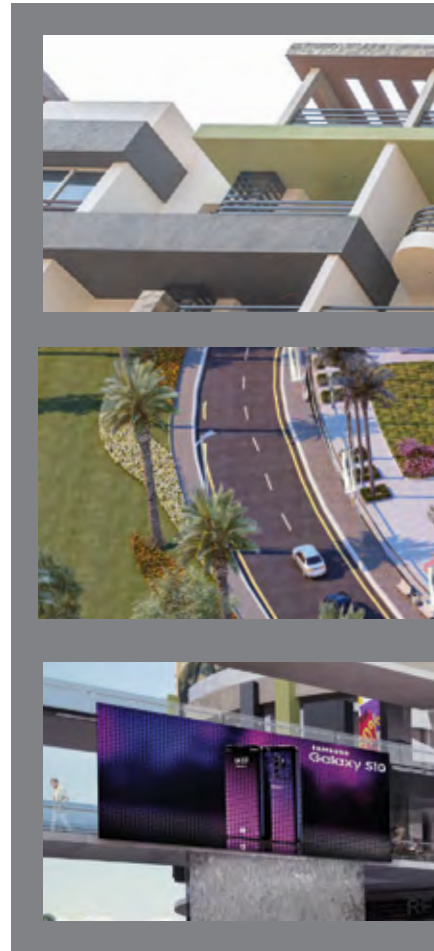
UPTO
10 YEARS
**OF EQUAL
INSTALLMENTS**

DELIVERY STARTING
2021





**FIRST
GROUP**
DEVELOPMENTS



HOTLINE
19812

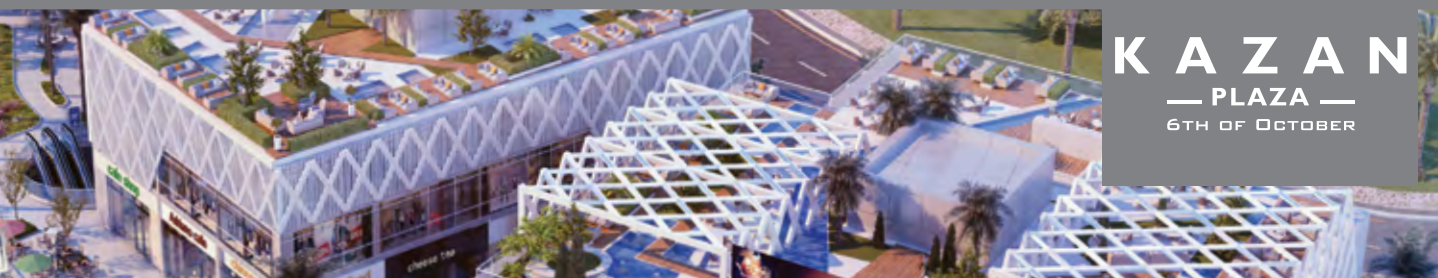


📍 65 Gameat Al Dewal Al Arabeya St., Mohandeseen, Giza

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KENZ
COMPOUND
6TH OF OCTOBER



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— PLAZA —
6TH OF OCTOBER



KAYA
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6TH OF OCTOBER

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Our commitment is to create integrated communities where our residents enjoy an unsurpassed quality with pulsating yet serene lives.

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EDITOR'S LETTER

Not much can be said during this daunting time. Progress has been affected indeed with the curfew, cutting the workforce in half, if not applying the work-from-home policy but life has to go on and work is in fact resumed in this "Savior" sector.

On that note, Invest-Gate continues to deliver all updates regarding the real estate industry both from the public and private sectors. In this issue, we speak to the Head of the Real Estate Development Chamber Tarek Shourky. He explains the chamber's strategy during this critical time, how the labor force of this industry is protected, and the recommendations sent to all members or market players of this industry. He asserts work must continue.

As work continues, this issue highlights all work-in-progress projects to give you the latest from the government and the private developing companies. We spoke to a number of key players as well to demonstrate how they are handling their projects, while examining their strategies to beat the slowdown that is witnessed not just in Egypt but also worldwide.

Make sure to view our monthly Market Watch report to get the latest on our economy and the property market. We also feature an in-depth report on the current purchase power and the COVID-19 effect on its behavior.

Aside from business, throughout the past weeks, especially with the COVID-19 hit outbreak in Egypt, many from the real estate market jumped on the scene quickly with massive contributions to Egypt's healthcare system and its white army across many well-known NGOs; so be sure to view our special CSR initiative feature.

We thank our white army, the forefront fighters of Egypt today and we hope you, our reader, are safe wherever you are.

Have a blessed Ramadan

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INVESTGATE

THE VOICE OF REAL ESTATE

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CONTENTS



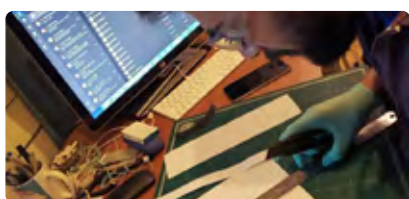
THE MASPERO TRIANGLE
A ZERO TO A HERO PROJECT?

26



BUSINESS STRATEGIES MODIFIED TO
FACE THE COVID-19 AFTERMATH

34



COVID-19 EFFECT ON THOSE
ACROSS THIS SECTOR

28



SHOUKRY: EGYPT'S REAL ESTATE
MARKET PROGRESSES

37



CSR IN REAL ESTATE
AMID COVID-19 CRISIS

30

MARKET WATCH 12

PURCHASING POWER FLUCTUATIONS
AMID COVID-19 OUTBREAK 22

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CASTLE GATE
Entertainment Musketeers

EAST
SIDE®



Project Designed by



16533

Project Supervised by



El-Sisi Postpones Inauguration of NAC, GEM Projects to 2021



President Abdel-Fattah El-Sisi has asked the government on April 4 to reschedule the launch of all national megaprojects planned for this year to 2021 due to the COVID-19 (coronavirus) outbreak, Invest-Gate reports.

The projects include the relocation developments at the New Administrative Capital (NAC), as well as the opening of the Grand Egyptian Museum (GEM) and the National Museum of Egyptian Civilization, according to Presidential Spokesman Bassam Rady's Facebook official page.

El-Sisi's directives came during his meeting with Prime Minister Mostafa Madbouly and Minister of Housing, Utilities, and Urban Communities Assem El-Gazzar, wherein the president reviewed the work strategy at many construction sites.

Madbouly said two days earlier that the government is studying the possibility of providing workplaces such as factories and construction sites with up to 1,000 vehicles which can function as mobile clinics, as part of an initiative led by Health Minister Hala Zayed.

The mobile clinics can support workers with the necessary medical services and assist in taking the necessary prompt measures if any COVID-19 cases are found.

In early April, El Gazzar announced that the New Urban Communities Authority (NUCA) is currently investing EGP 55 bn in a number of under-construction national projects including new cities. Other developments underway are the Maspero Triangle, Ahl Misr Promenade, and social housing projects, he added.

Development Projects Are Underway in New Cities: El Gazzar



The Minister of Housing, Utilities and Urban Communities Assem El Gazzar asserted that development projects in new cities are underway in a bid to consistently implement the National Strategic Plan for Urban Development 2052, Invest-Gate reports.

The minister also highlighted that social housing projects, roads network, and utilities are on top of priorities to double urbanization from 7% to 14% of Egypt's total area, according to his released statement. New Urban Communities Authority (NUCA) is to follow-up on these projects, as well as, to ensure commitment to precautionary measures needed in order to safeguard workers from becoming infected with COVID-19.

During their meeting, El Gazzar ordered new cities' authorities to exert exigent effort to efficiently meet preset deadlines. Ammar Mandour, the head of Badr City Authority, said that asphalt works are still ongoing on 350-acre distinguished plots, north of the city. Amin Ghoneim, the head of New Cairo Development

Authority, revealed that work on Talaat Harb Axis to attach it to the new Ain Sokhna Road is in progress, opening the door for investment opportunities.

Mohamed Ragab, the head of New Damietta City Development Authority and supervisor on New Mansoura City, announced that 1026 units (44 buildings) are completed in project "JANNA", with full utilities; landscape and electricity are still ongoing. Ragab asserted the commitment to health precautionary measures against COVID-19 in all projects' sites. Also, he emphasized the need to meet the deadlines set by the contracting companies.

Khaled Shaheen, the head of 10th of Ramadan City Authority, affirmed that work on social housing project is around the clock, noting to the implementation of a 900-mm water lever at the industrial zone in Suez Canal.

Ragab Salman, the head of New Souhag City Development Authority, noted that concrete structure is installed for the third floor of "Shefaa Al Orman" 263-bed hospital.

On his part, Ashraf Abdel Rahman, the head of Beni Suef Development Authority, revealed that a 700-mm expulsion line sees 60% implemented. the project is expected to be completed in May 2020.

Yasser Abdallah, the head of Nasser City, west Assiut, followed up on the implementation of 1200 units of "Sakan Misr" project, as well as power network cables' extension.

Egypt in Talks With IMF Over Financial Assistance Amid COVID-19



Prime Minister Mostafa Madbouly said on April 26 that Egypt is in talks with International Monetary Fund (IMF) for a financial assistance deal as well as technical support to cushion the pandemic's negative implications, Invest-Gate reports.

The Central Bank of Egypt (CBE) Governor Tarek Amer affirmed in a joint press conference that the program will last for one year only, without revealing the possible amount of fund. He noted that Egypt is ready to absorb the repercussions of the coronavirus (COVID-19) crisis for one or two years thanks to its relatively-huge international reserves.

On his part, Finance Minister Mohamed Maait said that Egypt's negotiations with the IMF aim to support the latest economic achievements and to help the country withstand the pandemic's impact.

He added that the current crisis the world is facing, and especially Egypt, is due to the lockdown, referring to the declining revenues of some sectors such as travel and tourism, one of the main sources of the North African country's national income.

In February, the country said it was in talks with the IMF over a non-financial structural reform program, which will be focusing on abolishing bureaucracy to lure more private investments.

"Egypt wants to cut down on bureaucracy to improve the investment climate, and we are in talks with the [IMF] over a non-financial structural reform program," the international news agency quoted Amer as saying back then. "Egypt wants to cut down on bureaucracy to improve the investment climate, and we are in talks with the [IMF] over a non-financial structural reform program," the international news agency quoted Amer as saying back then.

Steel Beams Installed for El Zomor-Haram Axis Bridge: Minister



Minister of Housing, Utilities and Urban Communities Assem El Gazzar said that steel beams for the axis bridge at the intersection of El Zomor Canal Axis and Haram Street are installed, Invest-Gate reports

Being implemented by the Central Agency for Reconstruction, affiliated to the ministry, the EGP 5 bn bridge starts from Moneib Ring Road in southern Cairo to Warraq Ring Road in the northern side, with a total length of 12 kilometers and a width ranging from 33 to 65.5 meters, El Gazzar said in a statement on April 21.

He added that the project marks the first axis to link northern Giza with its southern side, as well as several main axes throughout the governorate, according to the ministry's statement.

Head of the Central Agency for Reconstruction Mahmoud Nassar made it clear that the axis seeks to

resolve the issue of traffic congestion in Giza square, 26th of July Axis, and Saft El Laban Axis.

Transport Minister Kamel El Wazir has revealed in late 2019 that 4,500 out of the total 7,000 kilometers of the under-development National Roads Project have been implemented so far since the program's inception in 2014, at a total cost of EGP 75 bn.

To accomplish the national plan's endeavors, another 1,300 kilometers are under construction, with investments worth EGP 25 bn, whereas an additional 1,200 kilometers are planned for the near future, El Wazir announced when addressing a panel at "Egypt Car" conference in October 2019.

Akam Asserts Employees Safety, Projects' Completion



Egypt-based real estate developer Akam Developments has asserted the safety of its employees and workers as well as the completion of its planned development projects as scheduled, Invest-Gate reports.

The company also highlighted the efforts recently taken in terms of assigning a medical team to conduct regular examinations of all workers and engineers in the construction sites to monitor their health status, while providing the needed medical supplies to ensure the wellbeing of all its workers.

Akam, in collaboration with the contracting company overseeing the "Scenario" project, has provided accommodation with good quality facilities for all workers on-site, while providing it with all sterilization tools, according to the company's press release on April 26

"The company has taken many proactive steps and precautionary measures, in accordance with the standards approved by the Egyptian Ministry of Health (MoH) and the World Health Organization (WHO), to ensure the safety and the health of its employees and workers, by providing all requirements and sterilization procedures to overcome this difficult crisis."

Akam Chairman Essam Mansour stressed that one of the company's priorities is the health of its employees and workers, deciding from day one to safeguard all employees and maintain their safety.

During a site visit to follow up on the implementation of its Scenario project in the New Administrative Capital (NAC) in east Cairo, the company monitored the sterilization and disinfection process across its construction sites, as well as ensured the work progress in accordance with the procedures approved by the Egyptian Cabinet.

Akam has become the first real estate company to set up the internal control system "Control Home" on all work steps, which is a control room located in the company's headquarters fitted with mega screens that allow management and design teams to monitor all the on-site work, said Mansour.

Akam Chief Commercial Officer Edrees Mohamed revealed that the company has launched two initiatives to ensure safety measures. The first initiative included inviting all real estate developers to protect the health of its employees in the current period as they are the main element in development. He added that the current period needs the solidarity of all administrators and employees to overcome the current crisis.

Moving on to the second initiative, it is mainly about inviting all developers to apply control rooms such as those used by Akam in the management of their projects so that they can continue to carry out their work without the need for the presence of heavy labor within the projects.

Works Underway to Upgrade El Wahat Road: Official



The New Urban Communities Authority (NUCA) Assistant Vice President Kamal Bahgat followed up on upgrade works at El Wahat Road at the 6th of October City, Invest-Gate reports.

Works include upgrading the main road and adding lanes in both directions with a total length of 35 kilometers, added Bahgat on April 20, who also checked on ongoing works in Bridge No. 2, the greatest industrial work on El Wahat Road.

Bahgat also stressed on the necessity to complete all works on time with efficiency and high quality, highlighting the need to take all preventive measures to protect workers amid the coronavirus breakout.

In June 2019, Egypt's transport ministry revealed the implementation of eight new major axes on the Nile River in Upper Egypt, aiming to link main roads located on the western and eastern banks of the Nile, with investments worth EGP 11 bn.

Transport Minister Kamel El Wazir said back then the new developments come as part of the state's efforts to develop Upper Egypt's provinces, where the new axes projects will be mainly implemented in Sohag, Aswan, Qena, Minya, Assiut, and Beni Suef, according to an official statement. He added that the new road projects are set to make the distance between the western and eastern banks of the Nile, not more than 50 kilometers.

GOVERNMENT INITIATIVES TO SUPPORT SOCIAL HOUSING



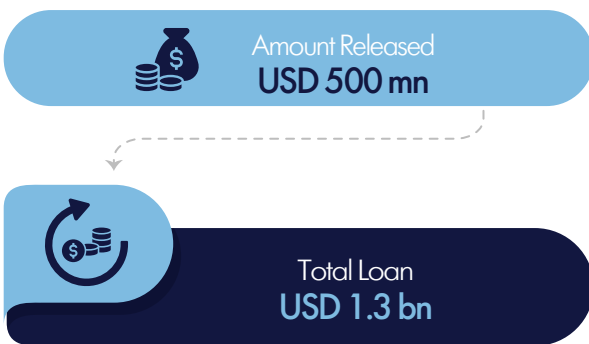
FUND ALLOCATIONS IN BUDGET DRAFT OF FY 2020/21



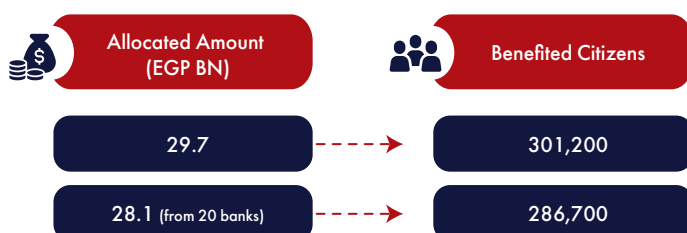
 Ministry of Finance supports social housing by allocating **EGP 5.7 bn** in **FY 2020/21** budget draft



WORLD BANK SUPPORTS SOCIAL HOUSING PROGRAM




REAL ESTATE FINANCING INITIATIVE FOR MIDDLE-INCOME CITIZENS



SOCIAL HOUSING & MORTGAGE FINANCE FUND



The Mortgage Finance Fund targets allocating **EGP 30 bn** in the **FY 2020/21** budget draft

 **Social Housing Projects Achievements**



No. of Housing Units



Status

414,000

done

188,000

in progress

59,000

delivered



The One-Million Housing Project



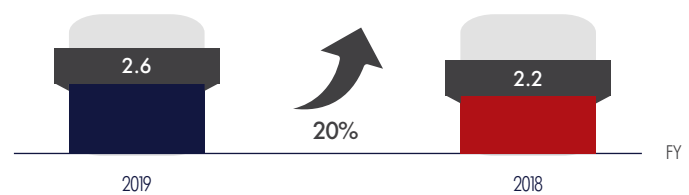
Investments
EGP 200 bn



Current Status
only 300,000 units remaining for full execution



MORTGAGE COMPANIES INVESTMENTS (EGP BN)



CONTRACTORS COMPENSATION FOR ECONOMIC REFORM DECISIONS





NUCA INVESTMENTS



Amount
EGP 55 bn



Area
new cities



Target
investing in under-construction national projects



NUCA PLANS TO OFFER



66 Commercial Units



7 Pharmacies



6 Administrative Units



Location

New Alamein

New Nobariya

October Gardens

New Beni Suef

New Minya

New Salhiya



LAND ALLOCATION



Location
New Sohag



Developer
Al Ahly Sabbour Developments



Total area
29 acres

Supply Volume



Targeted Projects



Area (acres)

new compound

21

social club

8



SPORTS, COMMERCIAL & ENTERTAINMENT COMPLEX



Location
Maadi



Area
200 acres

Supply Volume

sports clubs

football stadium

administrative & commercial malls



PRICES OF CONSTRUCTION MATERIALS (MARCH 2020) (EGP)

STEEL BARS

(per ton)
9,600

(YOY -17.6%)

CRETAL STEEL

(per ton)
9,800

(YOY -21.6%)

PORTLAND CEMENT

(per ton)
780

(YOY -8.2%)

COARSE SAND

(per sqm)
70

(YOY 7.7%)

SOLID CEMENT BRICKS

(per 1,000 bricks)

1,100

(YOY 3.8%)

BRICK HOLLOW CONCRETE

(40x20x12 cm) (per 1,000 bricks)

5,200

(YOY 4%)



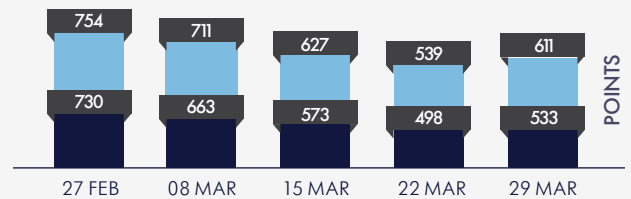
REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2020)



Real Estate

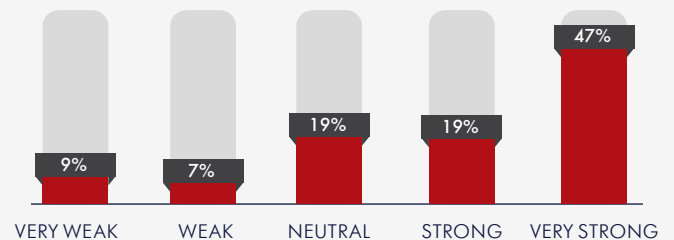


Construction & Materials



ONLINE MONTHLY SURVEY (%)

TO WHAT EXTENT WILL COVID-19 AFFECT YOUR NEXT PROPERTY PURCHASE?



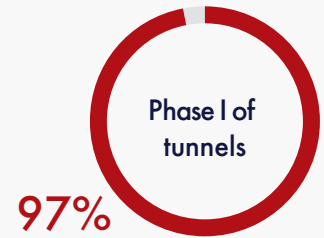
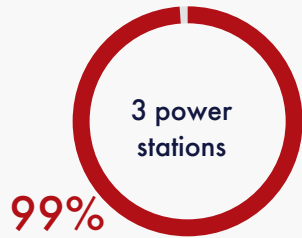
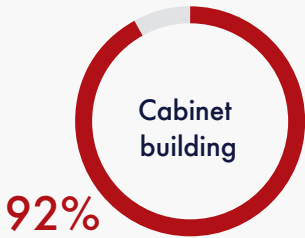
NEW CITIES' UPDATES



NEW ADMINISTRATIVE CAPITAL (NAC)



Construction Progress of Government Projects



GARDEN CITY (R5 DISTRICT)



Target Population
21,500



Area
980 acres



No. of Housing Units
23,000



Investments
EGP 80 bn



Execution Period
2 years



C03 SKYSCRAPER



Height
80 m



Area
79,000 m²



Location
Central Business District



Cost
USD 3 bn



Current Status
Skeleton Frame is finished



NEW CAIRO



NUCA to Establish New Social Club



Area
20 acres



Investments
EGP 169 mn



Sakan Misr (1st & 2nd Phases)



No. of Units Delivered
1,296



Delivery Date
Start: April 14



Rehab Extension Project (9th Phase)



Launched by
Ministry of Housing & NUCA



No. of Housing Units Offered
238



Area
92-131 m²



SADAT CITY



Fardous Compound



Location
Sadat City



No. of Housing Units
1,470



Accomplished by
80%



NUCA Allocates New Plots



No. of Plots



Area (acres)



Projects Type

N/A

650

F&Bs

7

50-300

agricultural projects

N/A

1,190

Industrial projects

UPDATES ON DEVELOPERS' PROJECTS



INFRASTRUCTURE



Developer

Mostakbal Urban Developments



Location

Mostakbal City



Investment

EGP 5.7 bn

EGP 3 bn



Target

Infrastructure network of Phase I

Infrastructure network of Phase III



Delivery Date

Delivered

2020-2021



RESIDENTIAL PROJECTS



Developer

Misr Italia Properties



Location

NAC



Investment

EGP 2 bn



Area

200 acres



Achieved Sales

EGP 9 bn



Targeted Sales

EGP 16 bn



Delivered Units

Phase 1



Final Delivery Date

2024



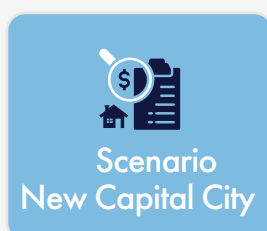
Supply Volume

Villas

Social Club

Apartments

Mall



Developer

AKAM Developments



Location

NAC



Sold Phases

1st, 2nd & most of 3rd phase



Marketing Rate

70% of the whole project



Delivery Date

2023



COMMERCIAL PROJECTS



Developer

Misr Italia Properties



Location

New Cairo



Investment

EGP 1.5 bn



Area

78,000 m²



Total No. of Buildings

42



No. of Delivered Buildings

20



Delivery Date

End of 2022

DEVELOPERS PROJECTS



RESIDENTIAL PROJECTS

<p>KEEVA</p>	<p>Developer Al Ahly Sabbour Developments & NUCA</p>	<p>Location 6th of October City</p>	<p>Area 144 acres</p>	
	<p>Investment EGP 5 bn</p>	<p>Delivery Date H2 2023</p>		
	<p>Supply Volume</p>	<p>No. of Phases 4</p>	<p>No. of Housing Units 1,138</p>	
	<p>Family residence 120-190 m²</p> <p>Townhouses 225-265 m²</p> <p>Villas 260-360 m²</p> <p>Apartment icon: Apartments of phase I are sold out</p>			
<p>The Vues</p>	<p>Developer Tatweer Misr</p>	<p>Location Bloomfields- Mostakbal City</p>	<p>Area 325 acres</p>	
	<p>Supply Volume</p>	<p>No. of Units more than 1,000</p>	<p>Payment Method Installments</p>	<p>Payment Period up to 10 years</p>
<p>PUKKA-2</p>	<p>Developer MBG Development</p>	<p>Location NAC</p>	<p>Area 100 acres</p>	
	<p>Investment EGP 10 bn</p>	<p>Launching Date Q2 2020</p>		
	<p>Supply Volume</p>	<p>Villas</p>		
<p>MIDTOWN CONDO</p>	<p>Developer Better Home</p>	<p>Location R7 District- NAC</p>	<p>Investment EGP 1.5 bn</p>	
	<p>Supply Volume</p>	<p>No. of Units 2,500</p>	<p>No. of Malls 3</p>	
<p>La Capitale Suite Lagoons</p>	<p>Developer Pyramids Developments</p>	<p>Location NAC</p>	<p>Area 30 acres</p>	<p>No. of Units 1,400</p>
	<p>Supply Volume</p>	<p>Residential Towers</p>		
<p>New Project (unveiled name)</p>	<p>Developer Marseilia Group & Namaa for Development & Real Estate</p>	<p>Location Banha- Qalyubia</p>	<p>Area 20,200 m²</p>	
	<p>Supply Volume</p>	<p>Residential Towers</p>		

Source: Developers' official statements



COMMERCIAL PROJECTS



Garden 8 Mall



Developer
Misr Italia Properties



Area
22,000 m²



Investment
EGP 500 mn



Inauguration Date
June 2020



Supply Volume

No. of Units
58

Clothing shops

Restaurants

Coffee shops



Cairo Festival City
Mall- Expansions



Developer
Al Futtim Group



Area
40,000 m²



Investment
EGP 2 bn



Supply Volume

2 hotels

4-star hotel- No. of rooms
250

5-star hotel- No. of rooms
450

Execution Date
2021



HOSPITALITY PROJECTS



Sea View
(Phase II)



Developer
Jdar Group



Location
Sahl Hasheesh



Area
170,000 m²



Units Area
40-120 m²/unit



Investment
EGP 2.5 bn



New Hotels
(Name undisclosed)



Developer
SUNRISE Resorts & Cruise



Location
Sharm El-Sheikh



No. of Hotels
2



Investment
USD 50 mn



Inauguration Date
During 2020



New Hotel
(Name undisclosed)



Developer
SUNRISE Resorts & Cruise



Location
Ain Sokhna



Investment
EGP 500 mn



Inauguration Date
August 2020



Supply Volume

No. of Rooms
150



New Project
(Name undisclosed)



Developer
Pyramids Developments



Location
NAC



Area
30 acres

ECONOMIC SNAPSHOT



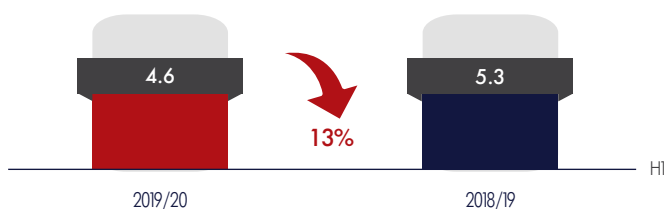
SERVICE BALANCE



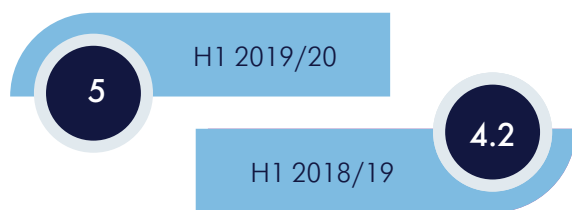
BALANCE OF PAYMENT



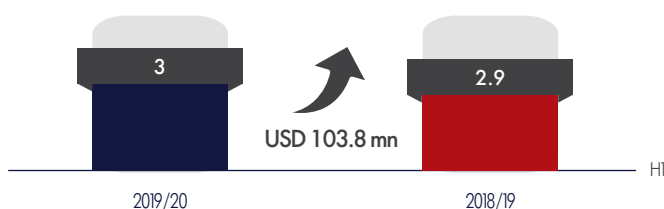
CURRENT ACCOUNT (USD BN)



NET FOREIGN DIRECT INVESTMENTS (USD BN)



SUEZ CANAL REVENUES (USD BN)



ANNUAL HEADLINE INFLATION



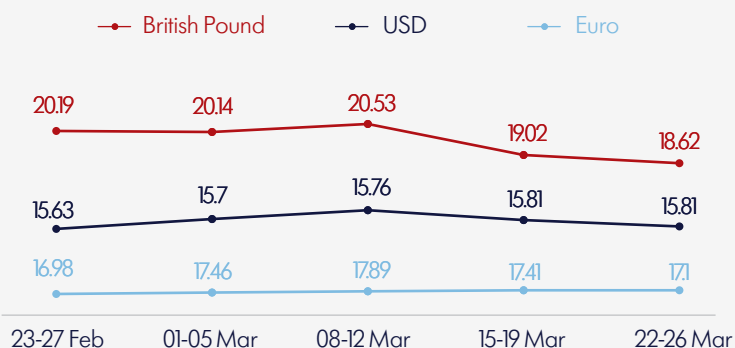
NET INTERNATIONAL RESERVES (USD BN)



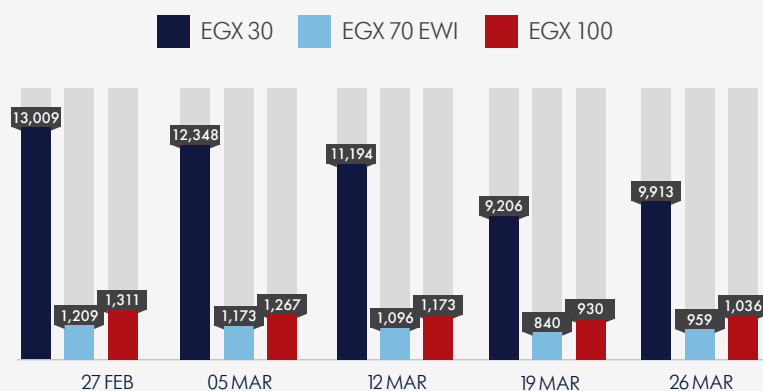
PURCHASING MANAGERS' INDEX (PMI)



Exchange Rates



CAPITAL MARKET INDICATORS



Sources: Egyptian Exchange (EGX), Central Bank of Egypt (CBE), Central Agency for Public Mobilization and Statistics (CAPMAS), Ministry of Finance & IHS Markit

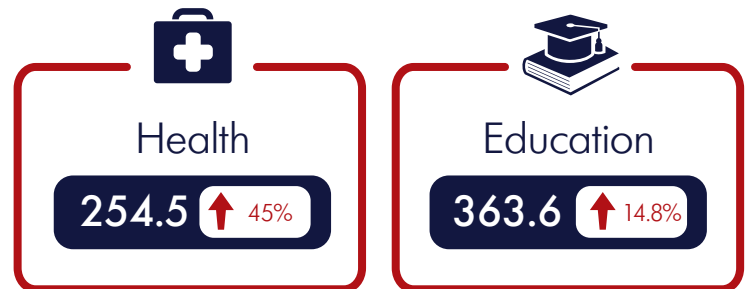
BUDGET DRAFT FOR FY 2020/21



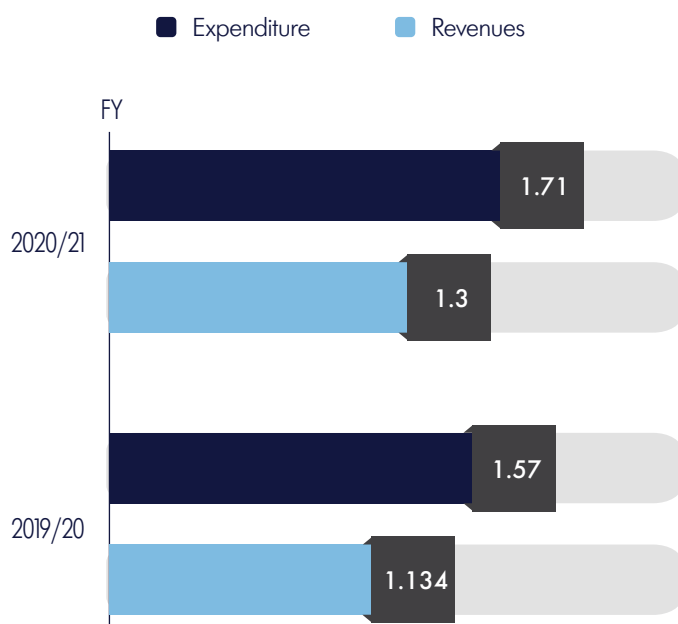
BUDGET DEFICIT



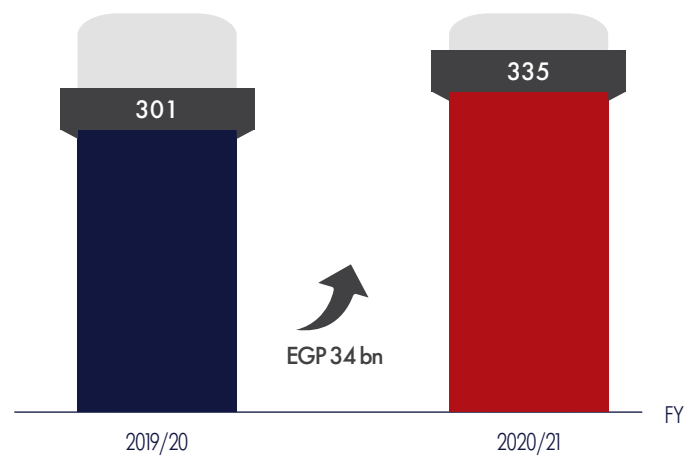
HEALTH & EDUCATION (EGP BN)



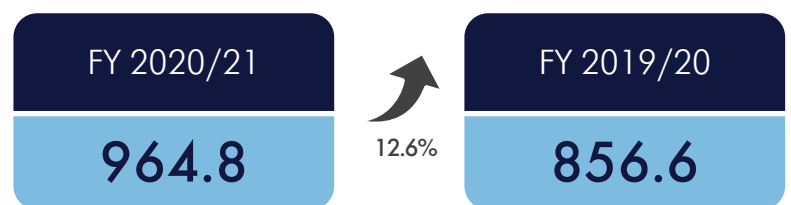
TOTAL EXPENDITURE & REVENUES (EGP TRN)



WAGES (EGP BN)



EXPECTED TAX REVENUES (EGP BN)



GOVERNMENT INVESTMENTS



BASED OIL PRICE (USD/BARREL)



FULL ANALYSIS

**FACTS
& FIGURES**

GOVERNMENT INITIATIVES TO SUPPORT SOCIAL HOUSING

BY **DINA EL BEHIRY**

Amid the current circumstances of facing the COVID-19 (Coronavirus) outbreak, the governmental institutions, as well as the international ones are working hard to safeguard the real estate sector from damages.

On that note, the Egyptian Ministry of Finance has allocated EGP 5.7 bn in the FY 2020/21 budget draft. This fund will help support the social housing program and benefit more citizens of low- and medium-income levels. In conjunction with this initiative, the Egyptian government has planned to direct around EGP 5 bn in the FY 2020/21 budget draft to invest in 13 industrial zones. These zones are located in Assiut, Luxor, Beheira, Gharbia, Fayoum, and other governorates. Not only that but also allocating EGP 6.4 bn to finance 300,000 small and medium enterprises (SMEs).

As a matter of fact, the Social Housing and Mortgage Finance Fund (SHMFF) has been working on supporting the sector as well. It targets allocating around EGP 30 bn in the FY 2020/21 budget draft. The SHMFF has managed to achieve many steps forward to back up the social housing program, finalize many units, and deliver others. For the real estate financing initiative for middle-income citizens, the Fund raised the funds to EGP 29.7 bn, in addition to EGP 28.1 bn from 20 various banks.

Apart from that, the SHMFF has been working on compensating the slackened construction companies due to the economic reform decisions. This compensation reached around EGP 7 bn.

Speaking of international support, the world bank has levitated its support to the Egyptian social housing program by releasing an additional USD 500 mn, bringing the total amount of loan reached USD 1.3 bn. This additional loan aims to improve the affordability of formal housing for low-income households and strengthen the capacity of the Social Housing and Mortgage Finance Fund to design policies and coordinate social housing programs.

With an eye on new cities, Prime Minister Moustafa Madbouly held a meeting at the beginning of March to follow up on the updates of projects' execution at the New Administrative Capital (NAC). During which, Madbouly was informed that the Cabinet building is accomplished by 92%, three power stations were executed by 99%, the first phase of roads and bridges is fully executed, and 97% of the first phase of tunnels is accomplished. Another achievement is finalizing the skeleton structure of C03 Skyscraper, which is the first one out of 20 skyscrapers will be established at NAC.

Private Sector

On the flip side comes the private sector which is doing its best to continue its projects. Mostakbal Urban Developments, the owner of Mostakbal City, pumped EGP 5.7 bn to execute the infrastructure network of the city's first phase. In addition to that, the company plans to direct EGP 3 bn to the infrastructure network of the city's phase three.

Moreover, many developers announced some updates on the status of their projects, including Misr Italia Properties' IL Bosco City and Cairo Business Park, as well as AKAM Developments' Scenario New Capital City.

Amid the sector's peaks and troughs, several developers have begun launching projects whether they are residential, commercial, or hospitality projects. From this perspective, Al Ahly Sabbour Developments in partnership with the New Urban Community Authority (NUCA) launched KEEVA project with investments of around EGP 5 bn. TATWEER MISR launched a new phase of the VUES at Bloomfields' Mostakbal City. The VUES includes more than 1,000 units. Moreover, MBG Developments has planned to launch PUKKA-2 at NAC during H2 2020, with investments reached EGP 10 bn. And with investments of around EGP 1.5 bn, Better Home began the skeleton construction of MIDTOWN CONDO.

For the commercial projects, Misr Italia Properties plans to inaugurate its Garden 8 in June. With investments of around EGP 500 mn, Garden 8 will include 58 units for clothes shops, restaurants, and coffee shops.

Adding to that, many developers paid a great deal of attention to hospitality projects. Jdar Group has prepared to launch the second phase of Sea View at Sahl Hasheesh with investments reached EGP 2.5 bn, in addition to launching many other projects.

Economic Status

Amongst the uncertainty sphere because of the Coronavirus outbreak, Egypt's economy has proved its resilience in dealing with the ramifications of the Coronavirus pandemic. The headline inflation rate eased to 5.1% in March, down from 5.3% in February. This makes the predictions of inflation remain within the specified range (+/- 3%) by the Central Bank of Egypt (CBE). The CBE's net international reserves recorded USD 40.1 bn in March, down from USD 45.5 bn in February. The drop in the reserves happened as a result of the Coronavirus outbreak. Not only that but the non-oil private sector was affected by the virus spread as well. The IHS Markit Purchasing Managers' Index (PMI) dropped to 44.2 in March, compared to 47.1 in February, indicating the deterioration in business conditions.

With an eye on H1 2019/20, the current account deficit shrank by 13%, recording USD 4.6 bn, down from USD 5.3 bn in H1 2018/19. Accordingly, the Balance of Payment achieved a surplus of USD 410.9 mn in H1 2019/20, compared to the deficit of USD 1.8 bn in H1 2019/18.

Beyond that, the net foreign direct investments jumped by 20% in H1 2019/20 recording USD 5 bn, up from USD 4.2 bn in H1 2018/19. This was mainly backed by increasing the investments of establishing new companies or boosting the capital of the existing ones. Moreover, Suez Canal revenues increased by USD 103.8 mn to reach USD 3 bn in H1 2019/20.

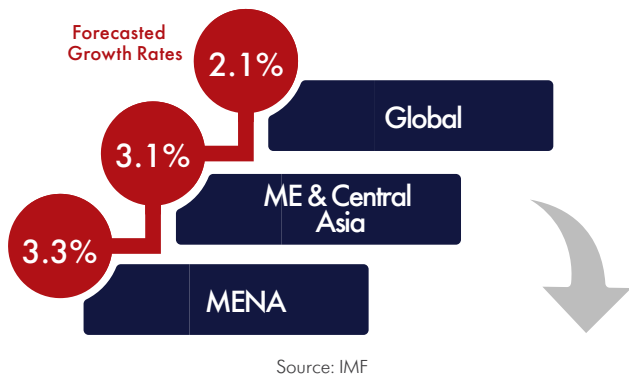
Looking ahead, the Ministry of Finance has issued the budget draft of FY 2020/21. In which, the budget deficit is projected to reach 6.3%, down from the 7.2% of the FY 2019/20. Furthermore, the budget has allocated around EGP 1.71 trn and EGP 1.3 trn for expenditure and revenues. In addition to that, it increased the allocations of health and education by 45% and 14.8% respectively. Moreover, it raised the wages allocations by EGP 34 bn. When it comes to government investments, the budget draft boosted it to reach EGP 280.7 bn.

PURCHASING POWER FLUCTUATIONS AMID COVID-19 OUTBREAK

BY **DINA EL BEHIRY & AYA RADY**

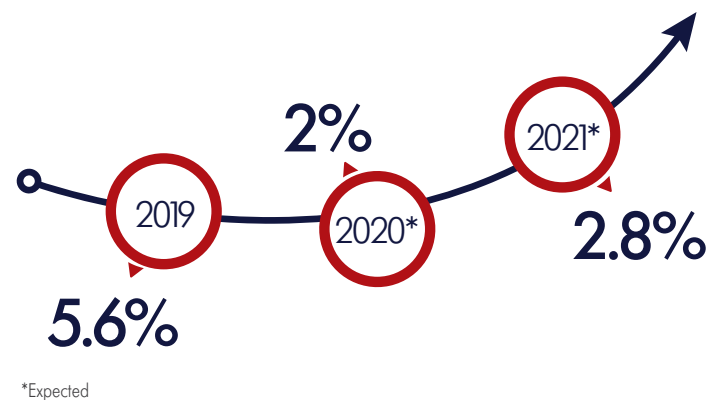
As of late 2019, the pandemic Coronavirus conquered our world, triggering many setbacks. From an economic perspective, the virus outbreak has caused a worldwide economic catastrophe. Accordingly, the International Monetary Fund (IMF) and the World Bank (WB) have dropped their expectations concerning the global economic growth rate to 2.1% in 2020. In other words, the global economy is anticipated to lose around USD 6 trn because of the pandemic. Moreover, the economic growth rate of the Middle East and the Central Asia region is expected to drop by 3.1%, and the Middle East and North Africa (MENA) region by 3.3%, leaving many worldwide countries suffering from serious economic deterioration, especially US, China, UK, Italy, and France.

IMPACT OF CORONAVIRUS OUTBREAK ON GLOBAL ECONOMY IN 2020

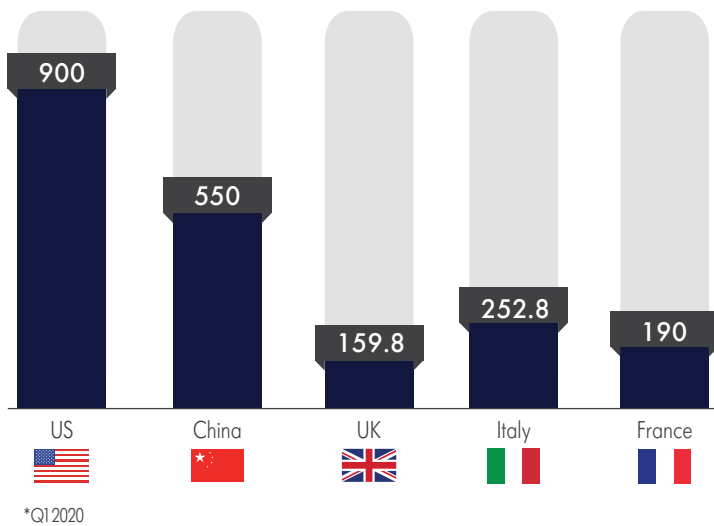


in 2019. On a fiscal year basis, the Ministry of Planning and Economic Development announced achieving a growth rate of 5.6% in H1 2019. Under the current circumstances, the ministry has dropped its economic growth rate expectations by 25% in Q3 2019 whereas Q4 will witness the least growth rate.

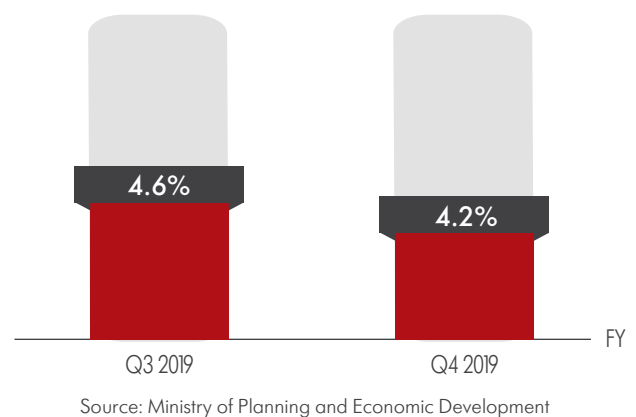
IMPACT OF CORONAVIRUS OUTBREAK ON EGYPT'S GDP GROWTH RATE



TOP 5 ECONOMIC LOSSES BECAUSE OF CORONAVIRUS OUTBREAK (USD BN)



FORECASTED GDP GROWTH RATE IN EGYPT



On the flip side, the Egyptian economic situation is considered a steady one amid the virus outbreak. According to the IMF report, the economic growth rate in Egypt is anticipated to drop to 2% in 2020, and 2.8% in 2021, in comparison with 5.6%

With an eye on the economy's various sectors, this pandemic and its ramifications hitting the world will affect the property market as well in a way or another. Consequently, the consumers' decision about investing in the real estate market or not might also change.

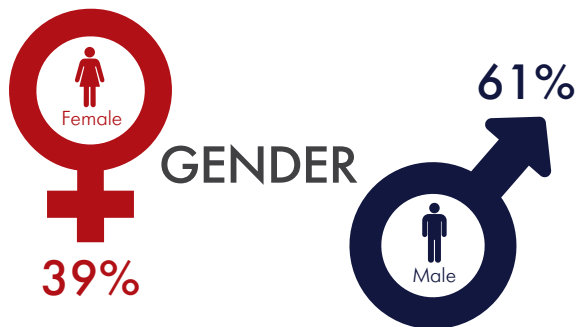
Impact on Consumers Preferences

The Coronavirus outbreak will take a toll on the consumers' demand in the housing market. This influence will be mainly because of experiencing social distance, curfews, halting many businesses, or working with a half capacity which have increased the expected unemployment rates, in addition to the fluctuations of the economic situation. Thus, the Invest-Gate R&A team digs deep into the current status of Egyptians' purchasing power amid the current dilemma.

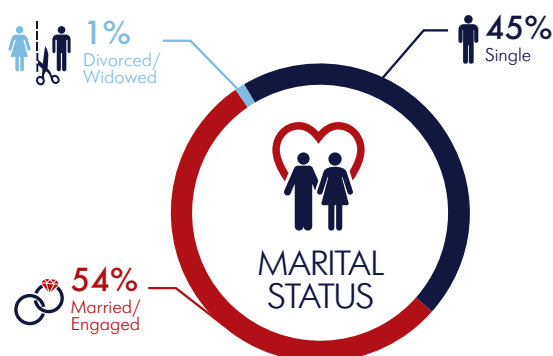
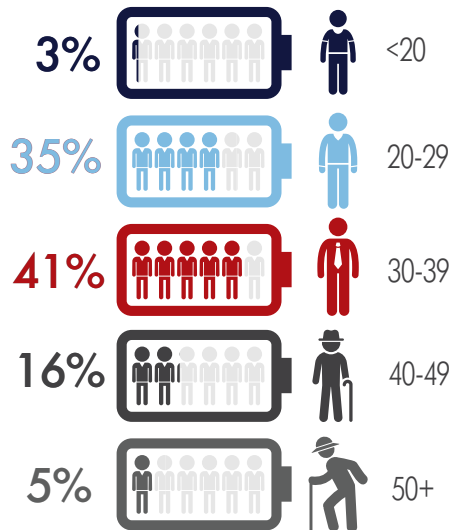
Consumers Demographics

Invest-Gate R&A team carried out a survey measuring the impact of COVID-19 outbreak on the consumers' demand in the housing market and managed to collect data from roughly 80 respondents. According to our data, 61% of the respondents are males, and the majority of those respondents are within the age category of 30-39 years old.

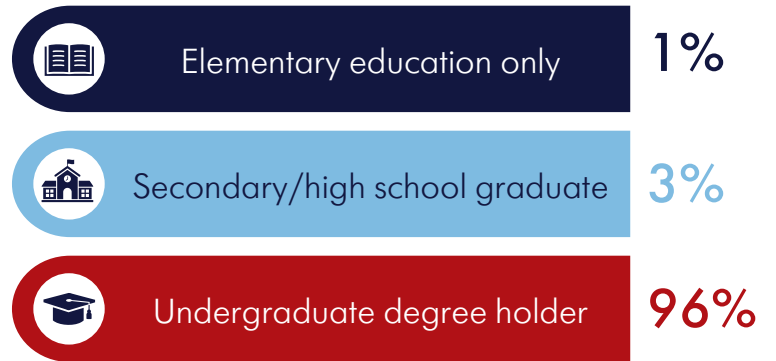
Around 96% of the respondents are undergraduate degree holders, with 54% are either married or engaged. Additionally, 31% of our surveyed sample have a monthly income of less than or equal EGP 5,000.



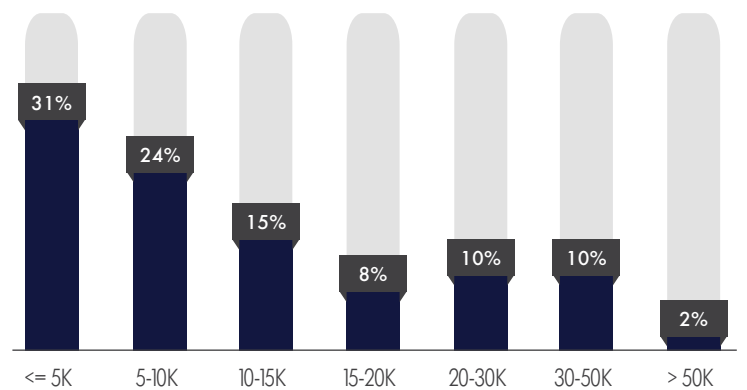
AGE GROUP



EDUCATION LEVEL



AVERAGE MONTHLY INCOME (EGP)



Consumers Behavior

Events Postponement

In the wake of the Coronavirus outbreak, many major events and conferences related to the property market were canceled or postponed; one of those is Cityscape Egypt, which was supposed to be held in March. Cityscape gives many consumers an opportunity to figure out the offers of almost all major real estate companies to purchase their property needs. According to our survey, 36% of the respondents were planning to attend this year's edition of Cityscape Egypt, yet they canceled their plans due to the virus concerns.



CONSUMERS PLANS TO ATTEND CITYSCAPE BEFORE CORONAVIRUS OUTBREAK

64% No

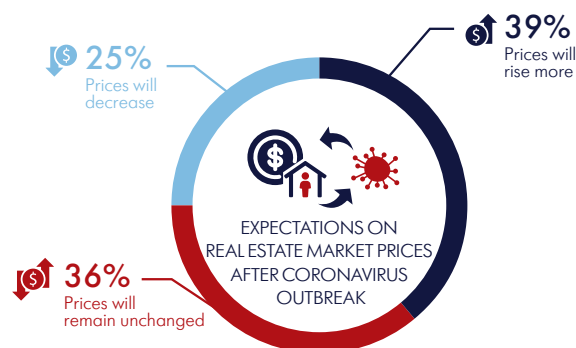
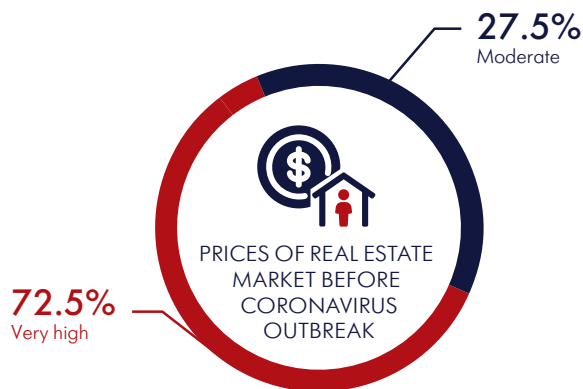


36% Yes

Source: Invest-Gate R&A

Property Market Prices

It is worth mentioning that 72.5% of our respondents believe that units' prices in the property market are very high, even before the virus tumult. In addition to that, 39% of our surveyed sample anticipate that the prices will rise even more after the COVID-19 crisis.



Source: Invest-Gate R&A

Despite this drop in the interest rates, 69% of our sample prefers investing in the property market more than keeping their savings in banks. From this perspective, 80% of them will go for purchasing new residential units, while the remaining will invest their savings in buying stocks offered by real estate companies.



CONSUMERS INVESTMENT DECISIONS AFTER CUTTING INTEREST RATES



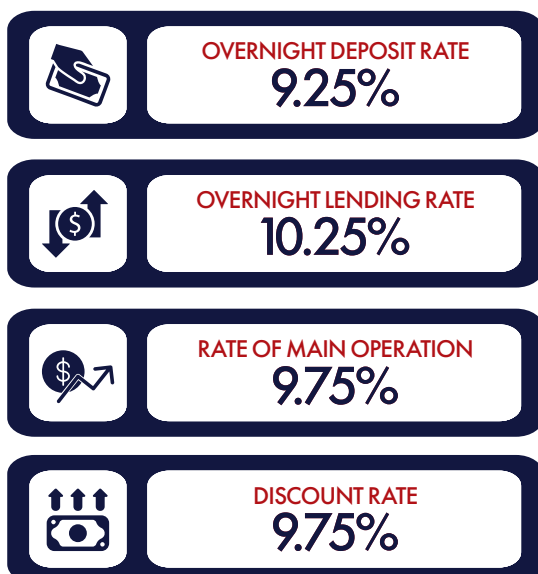
Source: Invest-Gate R&A

Impact of Interest Rates Cut on Property Market

The government applied many procedures to levitate investments in all sectors not only the real estate one. One of the major steps taken was cutting the interest rates by 300 basis points on an unscheduled meeting during March, leaving it stationary during the Central Bank of Egypt's (CBE) subsequent meeting.

Beyond that, cutting the interest rates will impact the demand for mortgage loans. It is found that 61% of the respondents believe that the demand for mortgage loans will increase during the meantime.

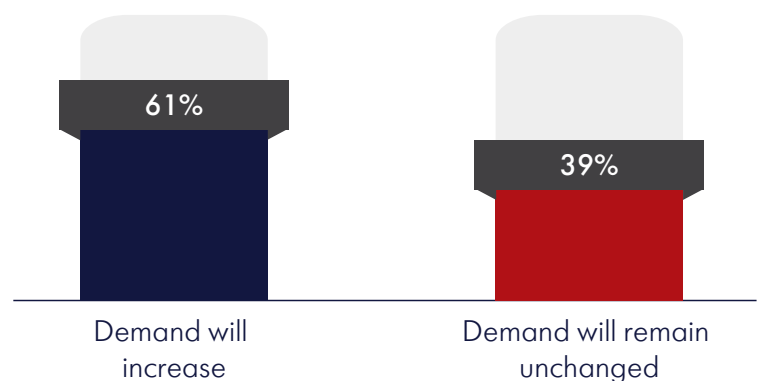
MONETARY POLICY COMMITTEE CUTS INTEREST RATES



Source: CBE



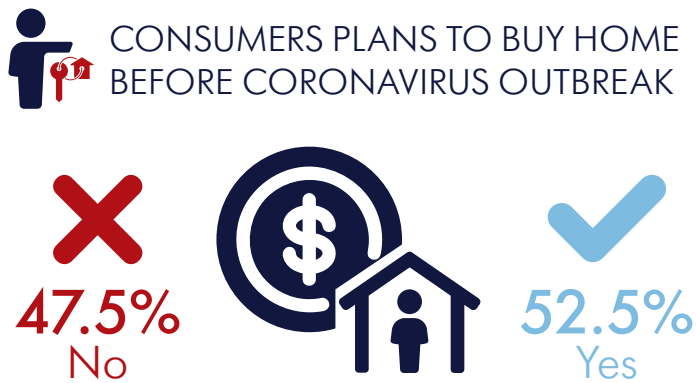
IMPACT OF CUTTING INTEREST RATES ON MORTGAGE FINANCE DEMAND



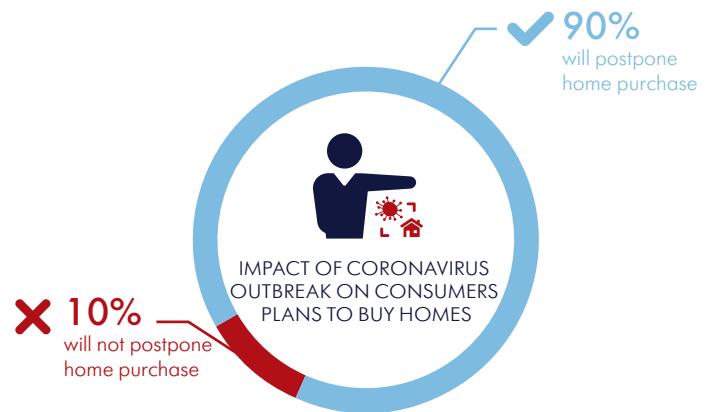
Source: Invest-Gate R&A

Consumer Preferences

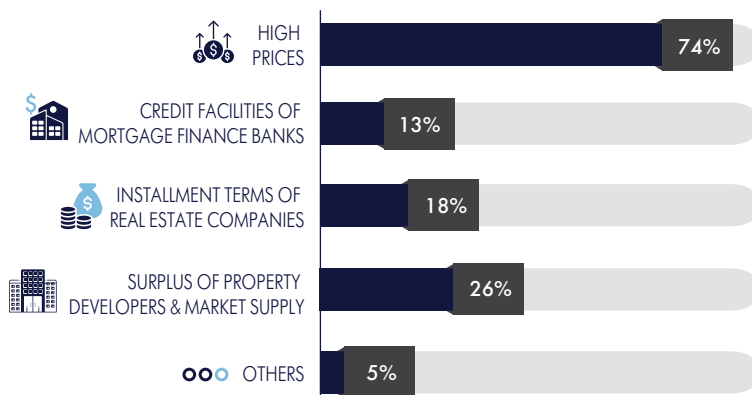
The Coronavirus outbreak has a deep impact on changing the consumers' decision whether to invest in purchasing new residential units or not. Before the pandemic, we investigated the intentions of our surveyed sample on buying a new residential unit. We found out that 47.5% did not have any plans to buy a new home, whilst another 74% believe real estate prices are already too high.



On the other hand, 52.5% of our sample planned to buy a new home before the virus pandemic. Nevertheless, 90% of them postponed this step because of the virus concerns. Not only that but 58% of them also believe that the instability of the economic sphere due to the outbreak is one of the major reasons to postpone their investment plans.

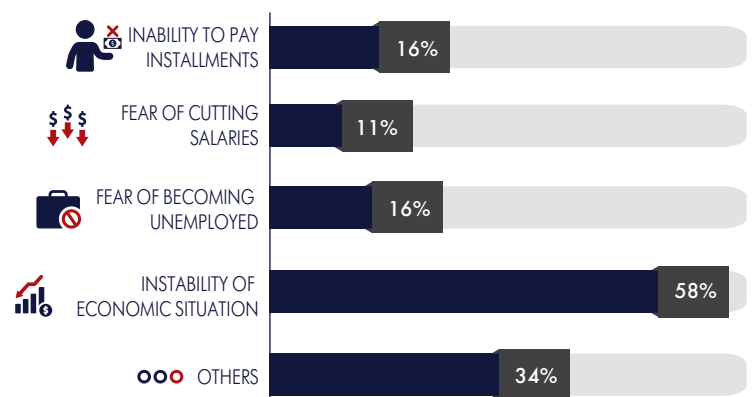


REASONS FOR NOT BUYING HOME BEFORE CORONAVIRUS OUTBREAK



Source: Invest-Gate R&A

REASONS FOR POSTPONING HOME PURCHASE AMID CORONAVIRUS OUTBREAK



Policy Recommendations

All the ongoing economic procedures and strategies implemented by the Egyptian government are considered the shield to our economy against the pandemic consequences. Accordingly, the Ministry of Planning and Economic Development revealed that the government has prepared three scenarios to deal with the impact of the current dilemma. The first one, with a 20% probability, is based on containing the virus by Q2 June. The second one assumes combating the outbreak by the end of September, and it has a probability of 50%. The remaining quota represents the third scenario of containing the virus by year-end. Furthermore, in conjunction with the current situation, the government has revised its target GDP growth rate for FY 2020/21 to 3.5%, down from 4.5%.

Not only that but also Egypt's economic situation and all procedures implemented have gained the support of different international institutions, which see Egypt's economic situation a stable one amid this chaos. Moody's have kept Egypt's sovereign credit rating at B2, besides anticipating that the impact of COVID-19 outbreak on the economy to appear in FY 2020/21, dropping its growth rate to 2.7%.

Moreover, the WB plans to release USD 7.9 mn in emergency funds to Egypt to help fight the Coronavirus pandemic. This comes as part of USD 14 bn immediate funds the bank is disbursing to strengthen the COVID-19 response in developing countries.

With an eye on the real estate sector, many procedures are taken to protect it. When it comes to the sector's main developers, they have been reviewing their plans, projects, and strategies to deal with the current situation.

Consequently, based on the above-mentioned information, it is obvious that Coronavirus has affected the purchasing power in the property market as the majority of our surveyed sample has postponed their plans until things become clearer and better. Another reason for the postponement is the disruptions in the economic situation. Thus, all economic procedures implemented by the Egyptian government will have a direct and indirect impact on adjusting the consumers' demand and investment plans.



THE MASPERO TRIANGLE

A ZERO TO A HERO PROJECT?!

BY **RANIA FAZZA**

PHOTOS BY **RMC RAAFAT MILLER CONSULTING**

The issue of slums has been one of the tremendous challenges that the Egyptian government has been trying hard to tackle, with the unplanned areas spanning a total area of over 106.8 acres cross-country, not to mention that 40% of Cairo's residents are living in informal houses, based on the government's estimates.

As a reaction, the state embarked on a strategic plan to develop slums cross-country, pumping a total of EGP 24.6 bn out of an EGP 32 bn allocated budget, Executive Director of the Development Fund for Slums Khaled Siddiq tells Invest-Gate.

The Maspero Triangle comes at the center of the top government-led developments that are aimed to scale up slum improvement, and thus provide

residents with a safe livelihood. This is given its socio-economic impact and significant importance as an item of heritage or a symbol of Cairo's urban evolution throughout the age. In an attempt to keep track of the latest developments ongoing in the Maspero Triangle and get the full picture, Invest-Gate pays an on-site visit to the decades-old informal area and speaks with the masterminds in charge of the massive execution of this project.

Maspero Triangle: Storyline

The Maspero Triangle - a name derived from its triangle shape on the map - dates back to the Mamluk era for some of its areas were established in the 1400s, while the rest of it was built in the 1800s, according to the Tahrir Institute for Middle East Policy (TIMEP). Around 200 years later, specifically in 1992, an earthquake rattled most of the area, yet the government did not grant any repair licenses to the owners and tenants.

Nothing changed until 2008 when the Cairo governorate started to announce the relocation of many families to Al Nahda and Al Salam housing projects in the northeast part of Greater Cairo because of the unsafe housing conditions.

Also in the same year, the Cairo 2050 project was unofficially announced by some government figures. The project included plans for the Maspero Triangle to become an investment, residential, and tourist center, but it was not implemented for unidentified reasons.

Cut to 2014, President Abdel-Fattah El-Sisi launched an initiative to develop slum areas including the Maspero Triangle area. In mid-2016, the President gave directives

to start working on the neighborhood an initial step to help Egypt be slum-free by 2030, Siddiq notes.

Since then, the Egyptian government took on its shoulders the task of revamping Maspero Triangle as one of the vital areas in downtown Cairo, aiming to transform downtown Cairo and reposition it to its original setting of Egypt's "Golden Age" in the 20th century. The state plan aims to eliminate all informal housing by providing its inhabitants a more developed area and turning it into a central hub for business, plus boosting commercial investments in the area.

In 2017, Egypt's Former Prime Minister Sherif Ismail approved the beginning of a project to rebuild the Cairo slum area over three years, with initial investments of EGP 4 bn.

Two years later, the Cairo governorate and the New Urban Communities Authority (ACUD) signed two cooperation protocols to carry out the project, according to an official statement released in 2019. The agreements aim to transfer the ownership of a 5.5-acre area in Maspero Triangle to the authority to build new housing units and provide the necessary services for the residents.

Dwellers: Issue & Current Status

The development of the Maspero Triangle came with one big challenge, the relocation of the neighborhood residents. This is given that the area is home to at least 18,000 residents, according to 2014 estimates by Madd platform, an independent urban development institution.

Before nodding to the beginning of the project, the Ministry of Housing, Utilities, and Urban Communities has offered the area's residents to choose between three options: relocation to Al-Asmarat neighborhood in Mokattam district, southeast Cairo, receiving cash compensation of EGP 100,000, or renting or buying a home in the area after development at an increased cost.

A total of 560 tenants have been relocated to the 126-acre Al-Asmarat project, which comprises over 10,980 housing units complemented with all needed services and utilities, while 912 decided to return to Maspero, Siddiq notes.

Residents relocated to Al Asmarat were offered free-of-charge units only for the first year of residency, and then they were required to pay EGP 300 per month, he adds.

In terms of financial compensation, the government paid a total of EGP 901 mn, in addition to shop owners' compensation ranging between EGP 3,000 and EGP 7,000 plus EGP 80,000 worth of professional support compensation, Siddiq highlights.

For most of the residents who chose the compensation return for giving up their homes, the financial amount was not enough to buy a new home. Amal Saeed, a 50-year-old former Maspero tenant, tells Invest-Gate, "Initially, our negotiations with the government representatives went well and we got a financial compensation. But given the rising unit prices, I am unable to find a new home."

Although it was financially inadequate for many to opt for returning to their homes after development, some residents chose such a solution. Among these dwellers is Marwa Mohamed, a 34-year-old employee at the Ministry of Electricity and Renewable Energy, justifying that, "My family had been living in Maspero for more than 50 years." She elaborates, "We rented an apartment near the place until the finalization of the project."

CONSTRUCTION UPDATES

The government is racing against time and construction work is in full swing to deliver the project by 2021. The Maspero Triangle is planned to encompass greenery and open spaces of 20,510 square meters, residential buildings spanning an area of 26,929 square meters, in addition to mixed-use properties extending over 130,047 square meters, according to Maspero Triangle Development report by Coldwell Banker Commercial Advantage.

In July 2019, Housing Minister Assem El Gazzar revealed that 97% of rubble were extracted off-site at the Maspero Triangle Development Project. A few months later in January 2020, Siddiq officially announced that work is ongoing on three residential towers in Maspero Triangle to welcome its former dwellers. Each of the first two towers comprises an underground parking, a commercial ground floor, and first-floor parking, in addition to 16 residential stories, while featuring ten elevators and four entrances. The third development consists of a commercial ground floor and ten residential stories with three elevators, the fund's official highlighted.

The development is being implemented under the supervision of three Egyptian companies, which are Redcon Construction, Hassan Allam Properties (HAP), and the Arab Contractors, Mohamed Abd El Gawad, a planning engineer at Redcon Construction, tells Invest-Gate.

Abd El Gawad confirms, "Redcon has so far finished 40% of five residential towers for the former dwellers, with a total budget of EGP 750 mn." Talking of other construction companies, he adds that HAP is responsible for another two commercial towers and the Arab Contractors is to deliver five residential towers.

Maspero Triangle development is one of the biggest slums in Egypt for including plenty of urban decay and invalid living situations due to human density. On that ground, the project comes as an integral part of the state's keenness to develop the country's informal areas, and thus improve the livelihood of the underprivileged and marginalized groups.



COVID-19 EFFECT ON THOSE ACROSS THIS SECTOR

BY **RANIA FAZZA**

PHOTOS BY **IDIA EHAB MOKHTAR DESIGNS**

The coronavirus effect on the real estate sector is still questionable especially with the ongoing work on urban projects, and the state's desire to keep the balance between work and the safety of all employees. Thus Invest-Gate displays the impact of the pandemic on those working in real estate, mainly construction and architecture. Here is what is going on in some firms amid the outbreak and the worldwide precautionary measures.

The Coronavirus took its toll on workers within this sector. First off, architects are amongst those who suffer due to the current circumstance. Berry Ali, a 24-year-old architect, who specializes in designing commercial and residential buildings. As expected many real estate companies have put their projects on halt causing architects to completely stop.

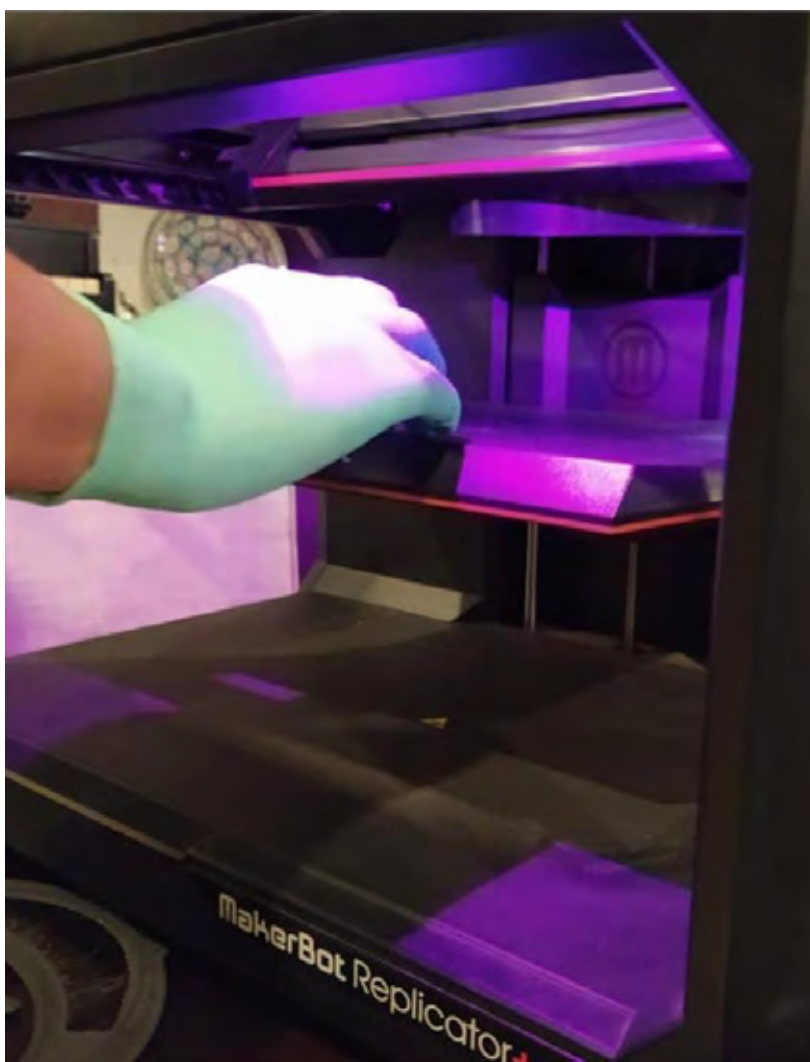
Ali says, "Architects are badly affected. Many projects are canceled due to clients pausing their developments." Investing in real estate has stopped as Ali explains. "Only small personal projects are in motion; but when it comes to big investments, no one wants to invest in construction," she explains.

As is the case with start-ups in any field, start-up architectural firms are the ones suffering the most. For them, work is ongoing with projects they signed up for prior to the outbreak. But once the job is done, there

is nothing further coming in, leading to cutting salaries or even laying off their people. "If such firms don't have construction now to execute, some architectural firms will have to cut off salaries. As matters worse, they shut down the firm completely," Ali states, without disclosing names of firms or where she works for confidentiality reasons. "In fact an early notice has been sent to us in April as they expect to shut down beginning of May," she confirms.

The silver-lining is to those working on massive infrastructural projects for longevity of such investments. "To me now I will focus on freelancing as it is the most income generating for the time-being," Ali believes.

At Redcon Company for Construction, Planning Team Leader Mohamed Abdel Gawad shares the same beliefs as Ali. Redcon has also decided to reduce its workforce to half its size. "The result was less productivity not to mention the mental stress the virus has caused





among employees," Abdel Gawad says. "Most of them are worried... besides the delivery delays of the material we need on construction because of the curfew," he explains.

In terms of employment, Gawad says "new employment is suspended by 90% across all companies at the moment. The layoff of employees or salary reduction is the current trend and I expect it to continue for a while," he shares.

Then comes the issue of on-site workers, those who are considered unorganized labor. As Abdel Gawad sees, "They are the ones to suffer the most." With halting projects and laying off people, those on call professions are to lose their source of income and will resort to other professions for survival whether legal or not!

A few weeks ago, employees in SIAC Construction Company started sharing their conditions and their mistreatment on social media and that led Invest-Gate to talk to complainers to report their cases. Youmna Elgohary, a civil engineer at SIAC, confirms, "The company has laid off more than 100 workers in a week and I am one of them." This came despite the recommendations of President Abdelfattah El-SISI and the ongoing work in this sector. "A lot of those laid-off have been working for the company for over 10 years," she adds.

The story went viral, leading the company to reply in a way that was deemed unsatisfactory. For re-structural reasons, and "according to the type of business required to be implemented in the next stage, many of our manpower have been re-housed in other jobs and it is the usual procedure, while we were unable to find job opportunities for others due to the needs and quality of work during the current and future stage," the official statement reads.

Some other firms stepped up to combat the current economic pressure due to the outbreak effect while protecting its employees' status and their safety. Mohammed Alaa, marketing specialist at Mona Hussein Design House, elaborates how his company tried to combat the virus saying, "Most people consider interior design a luxury service. As usual, luxury services are greatly influenced by the local economy. Of course, this causes countless suffering in the marketing and sales departments but it is not permissible in any way that we stop advertising campaigns to save costs."

Additionally, "We do not stop marketing activities to save costs. We have to invest more in marketing at present, especially digital marketing. The most beneficiary who will be ready when the crisis ends," Alaa confirms.

On his part, Founder and Managing Director of IDIA Design Ehab Mokhtar confirms, "Our employees are our asset." He explains, "We have been working to ensure the safety and well-being of our employees and workers through issuing the work-from-home policy for our office employees while minimizing the number of workers on-site through distributing them over different rotational shifts to avoid crowdedness."

IDIA ensures maintaining jobs for its company family members, while arranging "our project work timeline strategically to guarantee a smooth workflow towards delivering our services with the highest quality we promised our clients," Mokhtar explains.

The economic impact of COVID-19 is inevitable and it is only those firms that can strategically rise to the occasion not for now but when this is all over. Invest-Gate will continue to monitor the situation and report the latest on the real estate industry and all its branches.



CSR

IN REAL ESTATE

BY **NOURAN MAHMOUD**

In such a global crisis hitting all economies and businesses, like coronavirus, solidarity becomes the only salvation to overcome negative implications. As they believe in their corporate social responsibility (CSR), Egypt's real estate developers boast several initiatives, through which they give back to society. Invest- Gate sheds the light on these initiatives.



Mountain View's Initiative "Protect Those Who Protect Us"

In collaboration with Misr El Kheir Foundation, Mountain View has launched its "Protect Those Who Protect Us" Initiative to support Egypt's health sector. Under the initiative, Mountain View distributed the first batch of face masks, gloves, and coveralls over a number of hospitals throughout Egypt.



City Edge Development's Contribution: EGP 10mn to "Tahya Misr"

City Edge Development, Egypt's national real estate developer, has contributed EGP 10 mn to the Tahya Misr Fund, to boost the Egyptian government's efforts to curb the spread of coronavirus (COVID-19) through implementing the precautionary measures, in line with the World Health Organization (WHO), to safeguard the health of Egyptians and the economy from the impact of COVID.



El Shahawi's Initiative "United We Stand"

El Shahawi Properties has launched a new initiative, dubbed "United We Stand; You count and so does every family in need," to support the livelihood of numerous deprived communities in remote locations across Aswan, as well as Saint Catherine.

Carried out by Lebaladna NGO, the CSR organizational arm of Shahawi Properties, the initiative targets to elevate the financial burdens of distressed families.

AMID COVID-19 CRISIS



El Attal Holding: Resala's Kheir Challenge Accepted

Right after its launch, El Attal Holding has accepted Resala Charity Organization challenge, "Kheir Challenge", to financially support 500 unprivileged families affected by the COVID-19 outbreak. El Attal Holding is to support those 500 families for the course of two months.

El Attal Holding Chairman Ahmed El Attal proudly comments, "Given this critical time the country is facing, it is our duty to step forward and support those in need."

Resala Charity Organization has called for the support of over 100,000 families, to which many public figures, celebrities, and companies have immediately responded.



AL AHLY SABBOUR
— DEVELOPMENTS —

Al Ahly Sabbour Contribution: Ventilators and Test Kits to "Tahya Misr"

Al Ahly Sabbour, the leading real estate developer, joined forces with the Tahya Masr Fund to supply COVID-19 patients with ventilators and a total of 75,000 test kits to help identify cases.

Moreover, the company is also securing 250 tonnes of basic daily supplies of food and necessary items through an initiative to support 30,000 Egyptian low-income families.



Landmark Sabbour Supports Healthcare Personnel Nationwide

Landmark Sabbour has signed a partnership protocol with Ahl Masr Foundation in a bid to support its campaign to protect healthcare personnel working in public hospitals.

Under the protocol, the developer will provide and distribute a set of protective clothing to healthcare staff in Kasr El Ainy and El Demerdash hospitals over the course of one month.

Landmark Sabbour believes it necessary to lend them a helping hand as they undertake this strenuous task, as a way to show our appreciation and gratitude for all the trouble they go through and the sacrifices they make.



PALM HILLS
DEVELOPMENTS

PHD's Contribution: A Tourist Complex & EGP 2.5mn- Aid

Palm Hills Developments (PHD) has converted a 200-room tourist complex to a quarantine facility, with all expenses covered; the complex is now donated to the Ministry of Health. The accommodation expenses are to be fully-covered by Palm Hills Developments and the complex is to house those working on the frontlines of the COVID-19 crisis, including doctors and service staff in addition to inflicted patients and quarantined individuals.

In addition, EGP 5 mn in funds have also been donated by Yasseen Mansour, the CEO of PHD, to aid the Ministry of Health's laboratory facilities for research and operational expenses.

Palm Hills Developments, in partnership with the Orman Charity Association, has pioneered the relief efforts by assisting over 10,000 families across Egypt through EGP 2.5 mn worth of aid in the first weeks of the crisis.



Tatweer Misr's Initiative "Benebny Hayah"

Tatweer Misr has joined forces with Al Orman Charity Association and Ahl Masr Foundation to fight the Coronavirus aftermath at villages in Upper Egypt. Under Tatweer Misr's CSR campaign "Benebny Hayah – Building Life", the company has signed a collaboration protocol with Al Orman Charity Association to provide for the reconstruction and utility installation in Kafr Abdel Khalek village in Minya and to prevent the spread of the virus. By holding construction works, Tatweer Misr is able to supply houses in the village with water systems as well as electricity, enabling them to abide by the WHO's safety measures of staying home, maintaining social distancing, and washing hands regularly. Moreover, the company is supporting families, those of unorganized labor, with food products this Ramadan.

By partnering with Al Masr Foundation among others, Tatweer Misr is supporting and empowering the healthcare system manifested in governmental and educational hospitals to fight the coronavirus by providing them with medical supplies and equipment such as ventilators, monitors, syringe pumps and PPEs for the safety of doctors and nurses.



Hyde Park Developments Contribution: Ventilators and Rapid Test

Hyde Park Developments (HPD) has signed a protocol with Misr El Kheir Foundation to provide quarantine and fever hospitals with ten ventilators, in a bid to enhance the healthcare's capabilities amid the COVID-19 outbreak.

Under the protocol, five hospitals will be benefited in five areas, namely Cairo's Abbasia, Luxor, Qena, Tanta, and Marsa Matrouh, to avert the breakdown of the health sector by offering the needed equipment during such a crisis currently facing the country.

Furthermore, HPD has provided three university hospitals with 2,000 COVID-19 Antibodies IgM/IgG Rapid Tests to enhance the health sector's capabilities amid its fight against the recent pandemic outbreak.

This contribution comes in collaboration with ministries of Higher Education and Scientific Research, and Social Solidarity, as well as Misr El Kheir Foundation, where HPD vowed to provide the National Cancer Institute with 1,000 tests, Abul Reesh Mounira Children's Hospital with 520 tests, and El Demerdash hospital with 480 tests.

The initiative aims to supply the medical service providers with the necessary tools and equipment for the safety of healthcare personnel, who work on the frontlines through the rapid detection of coronavirus, hence, diminishing the possibility of the pandemic spread among the medical staff.



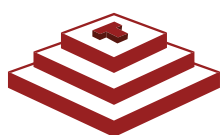
Mostakbal City Initiative: Baheya Foundation Support

El Mostakbal for Urban Development donated autoclaves for Baheya Foundation to sterilize surgical tools and ultrasonic treatment devices.

El Mostakbal for Urban Development CEO Essam Nasif said that this is one of the most important donations provided by the company because it serves Egyptian women in particular. He also highlighted the progress made by Baheya Foundation to limit the number of breast cancer patients in the country, as well as, their awareness campaigns for early check-ups to curb this particular cancer rate.

Furthermore, Nasef called on all private sector companies to participate in societal initiatives as part of the corporate social responsibility of these institutions towards society.

Baheya Foundation has so far succeeded in treating 38,012 women through chemotherapy and 108,636 patients with radiation therapy. Currently over 8,000 families are covered.



TABARAK
DEVELOPMENTS

Tabarak Development's Initiative "Specialized Clinics"

Egyptian developer, Tabarak Developments, announced a number of initiatives to enhance the medical sector's capabilities in the fight against coronavirus, first of which specialized clinics at Ali El-Shorbany Hospital that offer free check-ups. Tabarak Developments aims to fill any gap in the health sector that might rise up amid COVID-19, while relieving the pressure on the public health institutions. As part of its corporate social responsibility, the company is to support 5,000 families with food, medicine, and sanitizing products, and pay wages for its workers in full.



AKAM Developments: Resala's Kheir Challenge Accepted

AKAM Developments, as well, has accepted the Resala Charity Organization challenge, "Kheir Challenge", to financially support 2000 unprivileged families, whose members have been affected by the COVID-19 pandemic.

In his statement, AKAM Developments CCO Edrees Mohamed confirms, "We stand by our country and our people during this time and I call on all real estate developers to take part in this great initiative by Resala."



Seniors, a Priority at Iwan Developments

IWAN Developments, in cooperation with **Invest-Gate**, has launched an initiative that aims at caring for seniors during COVID-19, besides supporting the white soldiers, who take care of them. The initiative aims to provide nursing homes in the areas surrounding the company's headquarters with the necessary medical supplies, daily needs, and meals until the current crisis ends.



BUSINESS STRATEGIES MODIFIED TO FACE THE COVID-19 AFTERMATH

BY FARAH MONTASSER

Leading indicators of a slow property market activity have been in place throughout H2 2019. The situation has worsened with the spread of the coronavirus pandemic which has led a complete lockdown of most nations worldwide and prompted unprecedented preventive measures to curb the virus. The repercussions rippled through the industry due to many factors, such as the suspension of the 2020 Cityscape edition, the biggest gateway to looming sales, and the significant revenue-generating activity for all across Egypt's real estate industry. Not only that, the government's urban development plan including the long-awaited launch of several new cities and other national projects were also postponed and rescheduled to 2021.

In Egypt, after weeks of self-isolation and social distancing, especially across its vital revenue-generating industries, namely real estate, new business models have developed and marketing strategies have been modified to combat the virus outbreak, to overcome its aftermath, and "get the wheel running" as they say. In addition, work has resumed, especially where governmental projects are concerned, to meet the scheduled deadlines, while prioritizing the safety of workers involved.

Invest-Gate meets up with a number of Egypt's currently active players across the private sector to get their insights on the market and how this global crisis affected their businesses, while reflecting on the strategies they have adopted to overcome this unexpected time.

COVID-19 Effect on Real Estate Business

Homebuyers are in a wait-and-see mode with limited movement and spending cautiousness when it comes to future investments. With Cityscape being postponed as well, "Like all businesses, we are facing challenges, but our priority was to protect our workers and employees. Right before the crisis, we were preparing for Cityscape Egypt Exhibition with huge marketing campaigns and competitive offers; postponing all of this has impacted our sales levels," [The Land Developers](#) CCO Ashraf El Safoury explains.

With Cityscape 2020 being rescheduled for June depending on the pandemic development, sales nowadays have been pretty slow if not non-existent. "The

coronavirus has had a negative impact on the real estate sector," says Rooya Group Deputy CEO- Commercial Nermin Koraitam. [Rooya Group](#), also, witnesses a slowdown in sales, high percentage of default payments of due installments, and slowdown in construction due to the fear of the pandemic spread especially among on-site workers.

"Business is slow," states [Emaar Misr](#) Project Manager Moataz Mady. The coronavirus impact has reached sales all of Emaar Misr projects, namely Mivida, Uptown Cairo, Cairo Gate, and Marassi. "Sales of those projects have been affected," Mady confirms.

Sharing the same circumstances, [Misr Italia Properties](#) CEO Mohamed Hany El Assal adds that construction is another challenge the developer is facing. "As a sector, most are faced up with the difficulty of keeping up with the construction timeline due to the limited number of the workers and the working hours following the curfew decision," he says. Yet, because of the fact that the current situation the world is facing is unprecedented, there are no set or rules or guidelines, leading all market players to a serious crisis management. "We are closely monitoring how the market is changing and we have started working on different business plans fitting different anticipated scenarios," El Assal elaborates.

At [Akam Developments](#), too, sales have been down. Akam Developments Sales Director Mohamed Amer shares with Invest-Gate their current situation. He says, "Sales got affected not only at Akam but throughout the industry all over the world... especially now in Egypt following the cash withdrawal limit of EGP 10k as stated by the Central Bank."

To help save Egypt's investment climate under the coronavirus outbreak, the Central Bank of Egypt has imposed a number of initiatives back in March like limiting the daily cash withdrawal to EGP 10k and also postponing all due installments of loans across all industries with reduced interest rates. Mountain View Chairman Amr Soliman believes, "The recent decisions issued by the Egyptian government offered the industry a true opportunity to withstand the current hardship." Therefore, **Mountain View**, with CBE's decision to reduce the interest rate, as well as, the company's policy, is able to reach its target by providing flexible offers and installment plans. "Our team is currently focused on reading the market and remaining flexible to be able to navigate through the current events," he explains.

Furthermore, hopes of exporting real estate were hit hard at the company. **Akam Developments** Marketing Manager Omar Shawkat elaborates, "We have no presence abroad, due to the lack of exhibitions, which amounted to 46% of our 2019 sales transactions."

Marseilia Group has, also, seen some impact on its sales volumes. "Certainly, sales were affected at the end of the first quarter and the beginning of the second quarter of the fiscal year due to the repercussions of the new Coronavirus," Marseilia Group Chairman Sherif Heliw says. However, the group was able to maintain the average volume throughout January and February. "We achieved unexpected sales with its Golden Yard project in the New Capital," Heliw confirms.

At **Castle Development**, there has been an expected impact on sales in response to the outbreak and there has been a decline; however, Castle Development Sales Manager Ahmed Amr comments, "I believe that projects at the New Administrative Capital will be affected the least in the market, since it stands as one of the top destinations for investment even during times of uncertainty."

To some other developers the job is easier than what it seems; according to **Tabarak Developments** CEO Ali El-Shorbany, middle-income housing has not witnessed much of an impact. "Interestingly, not all asset classes in real estate are impacted the same way. Middle income housing, of which we possess a number of projects such as Capital East- although somewhat slower- continues to sell," he states. Tabarak's A class projects like 90 Avenue are moving from a snail pace to standstill, "which is expected," he comments. Tabarak Holding confirms the safety of its workers and employees is not to be compromised at all costs, yet the developer confirms that construction plan is ongoing as is. "We consider ourselves relatively lucky since part of our strategy has always been a focus on cash management principles and diversification of risk measures, which allow us to continue operations as normal," El-Shorbany says.

Committed to their clients and their needs, **Iwan Developments** CEO Waleed Mokhtar assures, "We are strongly committed to keeping our promises to our clients, as we have been working to ensure the timely delivery of our recently launched project, Majada, as its construction process has been in good pace and in alignment with the previously set schedule." However, the real estate developer also believes that the time is challenging for real estate and never experienced before. "Despite it causing an economic slowdown, even in the real estate market, with the cancellation of major international and local conferences and events, we are working to mitigate its impact on our business while protecting our employees and workers through taking all necessary precautions."

The Land Developers are in a crisis management mode, as its CCO Ashraf Safoury says, "We are working on a risk mitigation plan, which will be followed by a business continuity plan, because companies that succeed in managing this crisis proactively will be able to rebound quickly. "We have set-up a team tasked with collecting and analyzing information, and developing scenarios, followed by recommendations to determine the possible courses of action, and all the options and procedures necessary for the coming period," he explains.

Landmark Sabbour is yet another real estate developing company that has seen some impact on its sales and currently being developed projects. Landmark Sabbour CSO Mohamed Sultan says, "COVID-19 has taken on our sales volumes." "Yet it is so far manageable and under control," he confirms, assuring that work on all construction sites is ongoing. "In our case, it is maintaining the health and safety of all employees while ensuring we move forward according to our construction plans and deliver on time," he states.

"Surviving reflexes for real estate companies consist today in staying alert and mobilized, maintaining customer relationships, and preparing the rebound," believes **TAMEER** Managing Director Antoine El Khoury.

Strategies To Overcome the Inevitable Aftermath

With the undeniable effect of COVID-19 on the real estate sector, all market key players have set strategies that are currently in motion to overcome its aftermath despite the market slowdown. Most are keeping their delivery schedule as is to please their clients and maintain their trust. Some have launched flexible and very attractive offers, while others have resorted to technology to resume work and broaden their reach, offering some flexible payment terms as well.

Emaar Misr, for example, has put some projects on a 5% down-payment offer with the first installment due after six months. Some other projects are even on a 0% down-payment with up to an eight-year-installment plan; all part of its just-launched "We Care Payment Plan" campaign. As Mady confirms, "This is the first time for Emaar Misr to make such offers."

Rooya Group is currently abiding by its construction schedule, "in order to respect the final delivery date," Koraitam confirms. The company is also restudying the cash flow to reflect the effect of the crisis on the business and activate new sales models through innovative new offers for a certain period of time "to encourage clients to make quick decisions in buying units," she explains.

Misr Italia Properties, too, stands by its initial delivery plan. El Assal confirms, "Misr Italia Properties holds its delivery promises to its customers and so we are employing the highest safety standards for our workers to ensure construction continuity on all our sites. We are still holding our plans to start delivery of five projects Il Bosco, Kai Sokhna, Cairo Business Park, Garden 8 Mall and La Nuova Vista, which are ready for move in during 2020."

Moreover, Amer assures, "When it comes to construction updates, we are in fact ahead of schedule." According to Amer, construction plans are progressing smoothly, while setting drastic safety precautions "to assert the safety of our employees," he says. While maintaining a steady work in progress throughout its projects, **Akam Developments**, now, offers its clients flexible payment terms and installment plans on longer periods of time and have moved their marketing strategy to the digital platform.

SODIC has went digital as well with attractive offers to combat the current situation. The company in late March has launched its virtual sales platform, offering its potential clients an eight-year-installment plan on projects like The Estates, V Residences, and Sky Condos, and six-year-installment-plan on its Vilette project. Potential clients are invited to book their appointments via SODIC Virtual Sales Platform.

Speaking of innovative techniques, **Iwan Developments** has also joined the digital marketing. According to Mokhtar, the company is marketing and promoting its projects online, as well as availing a variety of insights and payment plans options, catering to potential clients. "We believe technology is the most adequate method for exhibiting and marketing real estate products regarding the present phase, and is foreseen to support many real estate marketing, promotion, and development in the future," Mokhtar believes, "we primarily expected a decline in sales rate and a withdrawal of buyers in the market in general, which is why we have created innovative marketing strategies in order to maintain stability in our sales rate." Following its innovative marketing methods, the real estate developer is going through with its latest project, Jada, in New Cairo, spanning 104 acres of a residential and commercial area.

Believing that technology is the future, **Tabarak Developments**, too, is currently investigating the matter as it carefully studies the present. "I believe that in the coming period, the e-commerce will be the new norm, and we are studying on how to implement it to our business," El-Shorbany states.

Shahawi Properties is choosing innovation by going completely digital, deploying all necessary tools to grow closer to its client base while maintaining a zero-contact policy. "From using our mobile application as a resourceful hub for comprehensive information, creating e-brochures and sales kit for zero-contact updates, utilizing

all videoconferencing platforms for sales pitches and presentations, all the way to online payment and contract signing using virtual platforms," Marketing Director Nirmeen Seif explains. "We are also integrating all our digital arms with the company's ERP systems [Odoo] to connect with existing clients, and potential audience while knowing they are safe, at home. To ensure the success of the latter strategy, Shahawi Properties is currently investing in knowledge-sharing workshops and through employee sessions to guarantee utmost productivity and a hassle-free customer experience, second to none," she adds.

As for **Tatweer Misr**, the company President & CEO Ahmed Shalaby notes that Tatweer Misr has created more innovative diversified products to meet the current demand across its projects, namely IL Mont Galala, Bloomfields, and The Vues, latest of Bloomfields in Mostakbal City. "Those products have highly contributed to mitigating the impact of this crisis along with the help of our sales strategy that offers attractive payment plans up to 10 years, which proved suitable for the current circumstances," he announces.

Mountain View, on the other hand, has paused all construction work at first, conducted a scientific research to meet internal operation needs to get the job done. A solid plan for reaching its targets has been implemented as well. Yet, according to the Soliman, a committee has been internally formed to reach a scientific protocol, named PCF4, through which the company managed to "implement strict disinfection and safety measures, allowing our teams to work at the construction sites or the office safely." Among its internal policies are reducing capacity, adopting flexible working hours, providing constant medical support at all sites. Today, "We are on track to meet our construction and delivery plans as we are absolutely loyal to our commitments with all clients and partners," Soliman confirms.

Despite cutting its workforce to 50%, Heliv confirms that work on all construction sites is in progress. "The second phase of one of the group's most important investments on the north coast, Marseille Beach 4, is already underway," he assures. Furthermore, **Marseilia Group** is establishing new pricing policies that are appropriate to the market and purchasing power today, offering its clients more flexible payment terms, and pushing with a strong real estate export plan as it will boom after the this crisis comes to an end, according to Heliv.

In the meantime, **TAMEER** focuses on maintaining the continuity of its operations, supporting our people and connecting with its customers. "We are creating solutions that increase flexibility to our customers, in terms of contractual and financial commitment," determines El Khoury. "Real estate has a long production cycle, which provides resilience. Commercially, a latent demand is building-up during the lockdown, fueled by the considerable needs of the Egyptian society for properties," he adds.

City Edge Developments, as well, confirm that construction work is ongoing and is close to the original plan. As for sales, "We are now experiencing a gradual recovery that we hope will continue and reach back to our targets by mid June," City Edge Developments CEO Mohamed El-Mikawi says. In fact CED has signed two new construction contracts.

Following the initial shock, **Castle Development** received with the COVID-19 outbreak, the company quickly took its measures to ensure its scheduled delivery deadline. "As we speak, construction is going ahead of schedule," Amr confirms. "At Castle Development, we are working relentlessly to introduce plans that satisfy our target customers. Our marketing plans will continue as planned and we will commit to establishing a system that ensures optimum performance all around and maintain the relationships we have so far developed with our line of customers," he concludes.

To counter the effect of the outbreak and reach its target, **Khozam** currently offers "new payment terms during the holy month of Ramadan, 0% down payment and a five- year installment plan," announces Head of Marketing Mohamed Elkhodary. The company also confirms that all construction work is ongoing as scheduled to meet with delivery deadlines.

First Group, too, confirms the delivery of its units as previously scheduled, offering potential clients various new payment terms. "Installment plans are up to eight years now and the first installment is due after six months for immediate delivery units," announces First Group Marketing Head Mohamed Mousa.

The impact of the COVID-19 is significant worldwide not just in Egypt, but where its property market is concerned; it still is a safe haven for investment despite its slowdown, according to experts' beliefs.



SHOUKRY: EGYPT'S REAL ESTATE MARKET PROGRESSES

BY RANIA FAZAA



With the pandemic outbreak, COVID-19 has taken its tolls on lives, economies, and of course the workforce worldwide. It is perceived as another great depression, worse than the 2008 economic crisis as the IMF puts it. Its effects continue to jeopardize businesses globally.

“We urge real estate developing companies to proceed with their projects, emphasizing the importance of serious precautionary measures to protect employees,



Shoukry opens up

As we all are in a wait-and-see mode here in Egypt, Invest-Gate sat for a quick talk with Head of the Real Estate Development Chamber Mr. Tarek Shoukry to discuss the market status during this outbreak and explore the role of the chamber to overcome the crisis.

To what extent has this pandemic affected the real estate sector until now?

Like all other sectors, definitely, this pandemic has negatively affected the market. But luckily the dynamics of how this sector functions will quickly overcome any effects. This sector reserves its value on its own so if there is no buying and selling now, there will be later-on with a higher value. Meaning, if someone was opting for a purchase now but postponed it given the coronavirus, they will likely return in the near future when this is over to proceed with their purchase. The value of the unit will not be affected. There is of course fear and worry but it will never risk the market activity in the long run. There will always be an appetite for real estate but patience is

required now until this global crisis is contained. I believe the real estate will continue in attracting more customers.

How is the chamber dealing with the effect of COVID-19 on this sector?

During our online meeting last week, we all agreed that nothing should be on halt. Work should proceed normally but while taking all precautionary measures to ensure the safety of all workers and employees during this time. We established a balance between taking serious measures and continuing with all work plans not to jeopardize this market and the business development within this sector. Mind you this is how it is dealt with globally and not just here in Egypt.

How does the chamber protect workers' rights at the time being?

Well, the workforce is to be kept as it was before. No one is to be laid-off under any circumstances. We sent out to the private sector as well, urging them to protect their workers and save their jobs. At the moment, the chamber is gathering data on the number and status of all workers in all projects. This then is to be sent to the government for an analysis, to make sure that jobs are saved, and to identify those who need financial support during this time.

How did the private sector respond to such recommendations?

The private sector is faced with serious challenges now, yet all are complying with our decisions. All are eager to protect their employees' rights. No one is mistreated or being laid-off. We haven't received any complaints from workers. I assure you that if we do get complaints, it is the chamber's duty to investigate the matter. It is a very serious situation we are all in but it should never set us backwards. We must all work past this and foresee for future development even if it will cost us some pressure now.

PROPTech

TECHNOLOGY REVOLUTION



Real Estate in Egypt is a business dominated by trends and fueled by hype. Developers have no choice but to stay fresh and up-to-date in all their approaches. With the global pandemic Covid-19, people are more familiar working from home and hooked with the social media 24/7. The shift includes the real estate industry and setting the path for the digital transformation. This digital movement has already begun in many countries abroad where people can buy a home without leaving the couch, record data on their phone or laptop and deal with the broker and bank through apps or websites. In the old days it was difficult to find real estate information online or customers being able to buy or rent a home online. Whereas, these days people are forced towards social media and ecommerce to keep business ongoing.

Property + technology is the next move, by using technology to improve the way to buy, sell, rent, design, construct, and manage residential and commercial property. "PropTech" is the magical phenomena that will bring real estate forward and with no stagnation. It will improve productivity & profitability. It has become an unstoppable and potent force that will transform the industry forever. In addition to the initiative of central bank of Egypt to improve financial inclusion through financial technology, which is known as Fintech. Facilitating the access of individuals and businesses, to the products and services of formal financial institutions, transactions, payments, savings, credit and insurance at a reasonable cost and in a sustainable mode using mobile phones.

What Does PropTech Mean?

Property technology or real estate technology is the use of information technology (IT) to help individuals, companies, landlord research, buy, sell and manage real estate using digital innovation or platform (such as an application) to connect processes for participants in all stages of the real estate market.

Imagine that one day your home buying is easy as your online shopping!

The technology revolution is disrupting all industries and presents huge opportunities to early adopters. However, professionals and companies that are slow or resistant to change risk being left behind and so the threat of becoming obsolete is real. Developed countries use technology in construction which is also known as Contech by using robots and drones, building a hospital in 10 days as China did will not be an event.



Advantages of PropTech

- Minimizing cost and resources associated with real estate transaction by reducing paperwork
- Safe public health through less communication with people especially nowadays
- Maximizing the transparency and efficiency in real estate market
- Saving time and personalizing property management.
- The availability of big data, data analytics and artificial intelligence will reduce risks across the industry and increase liquidity





ADVANTAGE

PROPTECH MAP CAN INCLUDE:

- Online Agents
- Property Management Solutions
- Real Estate News
- Home Automation
- Aggregators
- Rentals
- Legal Work
- Mortgages
- CRM Property Software
- Big Data
- Virtual Reality

HOW CAN DEVELOPERS GAIN ?

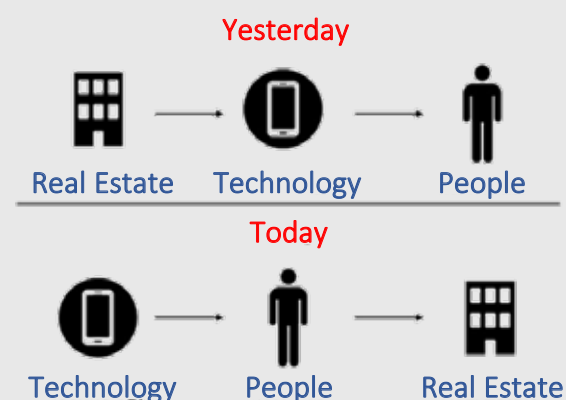
Developers can design their own application which will give their prospect customers the following:

- The ability to watch master plan using virtual reality technology
- Connect with customer service through conference call for any question 24/7
- Sign contract, Pay deposit and installments and choose the preferable payment plan
- Follow up the updates about project construction
- Make deal with banks for mortgage loans
- Connect commercial and residential area for gated community as residents make online orders through app with special discounts

RECOMMENDATIONS TO INCREASE PROPTECH COLLABORATION

- Creating new boards or committees related to digital transformation
- Educating themselves on the benefits and value of technology
- Hiring experts who can take the business forward; running pilots, experimenting and learning
- Rooting digital transformation into the culture of the business
- Allocating budgets for digital and PropTech collaboration; seeing these as investments, not costs
- Co-creating solutions and cooperating with peers on digital roadmaps for property companies. Providing sandbox locations for PropTechs to test solutions
- Investing in start-ups or setting up presences in incubators or accelerator centers, to seek out and fund PropTechs

The Changing Order of Real Estate



The future possibilities are still in their infancy. The internet uprising how developers can connect with buyers by location data enabling them to ping property details to potential buyers in a given area, or an interactive window displays that transfer property details to the potential buyer's phone instantly. All activities leading to huge data supply information and knowledge allowing decisions whether to buy or sell properties. Buildings with PropTech will be associated with quality and value than buildings that are not provided with PropTech.

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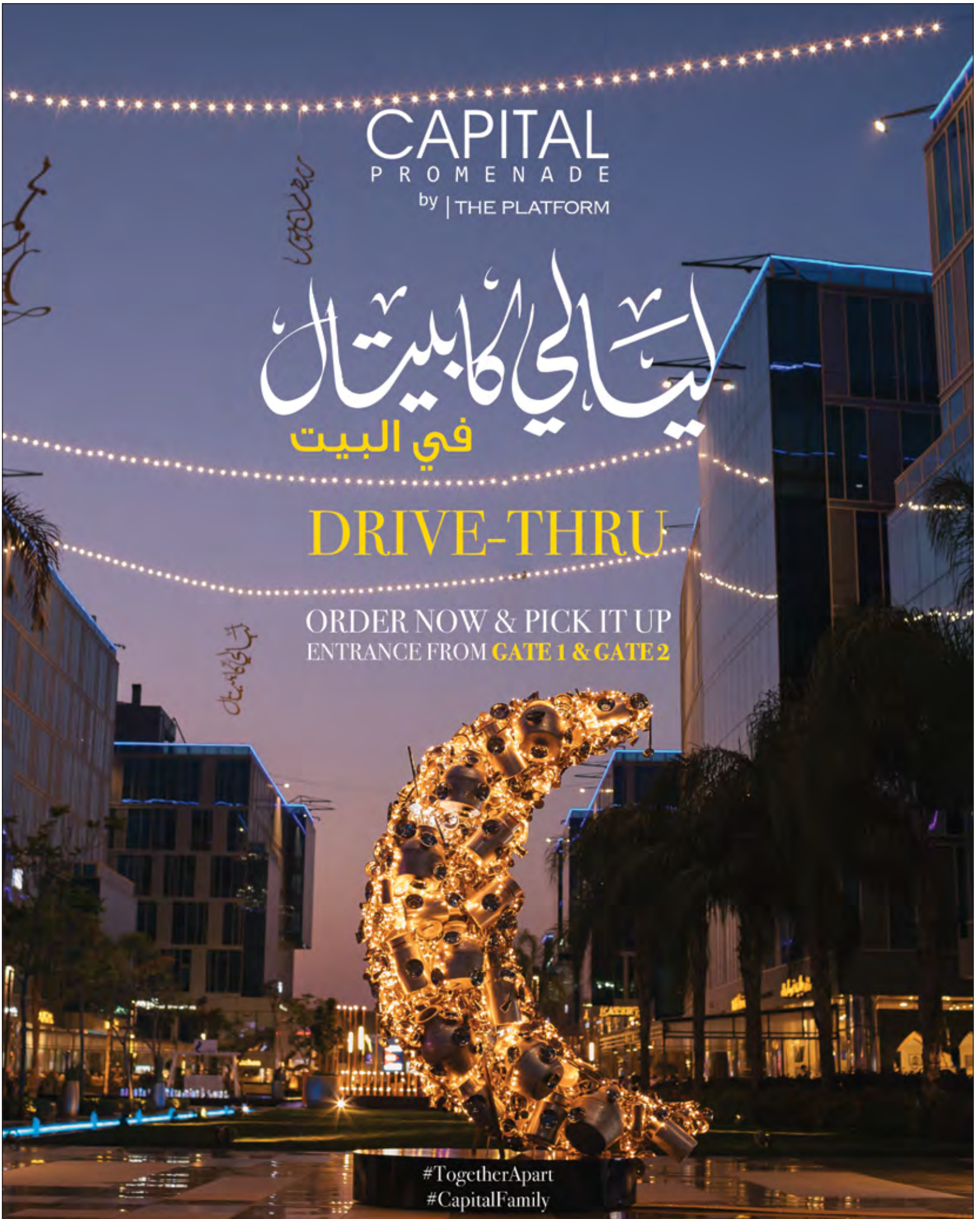
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