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SUMMER JOURNEY

As we traverse through these uncertain times, one fact remains steadfast. That is Palm Hills Developments' around-the-clock commitment and meticulous planning is to ensure a safe and sound summer for everyone.

Palm Hills has become synonymous with good summer living. And no place, as much as the silky-smooth sands, along the crystal-clear waters of Hacienda Bay. Never at a loss of offerings to cater to all tastes and styles, Hacienda Bay proudly launches its Beach Cabanas overlooking the azure waters and white shores of the Blue Lagoon & sea coast.

The rustic look and feel of the "Done and Dusted" Beach Cabanas are a throwback to the most basic days of summer. With impeccable finishing and fully furnished, they will be ready for delivery in time for summer 2021 with various furniture packages available upon request.

Also along the Lagoon are the Lagoon Chalets, surrounded by the 18-holed, championship-ready signature golf course by Sanford Golf.

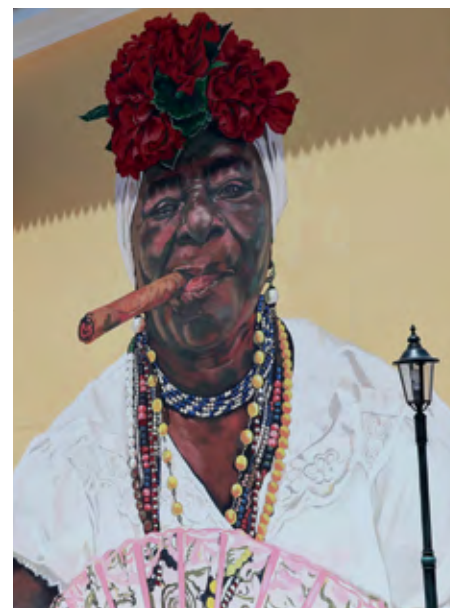
You can now also own your own upscale serviced and high-end finished cabana at Le Sidi Boutique Hotel, that has expanded it's limited units overlooking private lagoons and a one of a kind sea view.

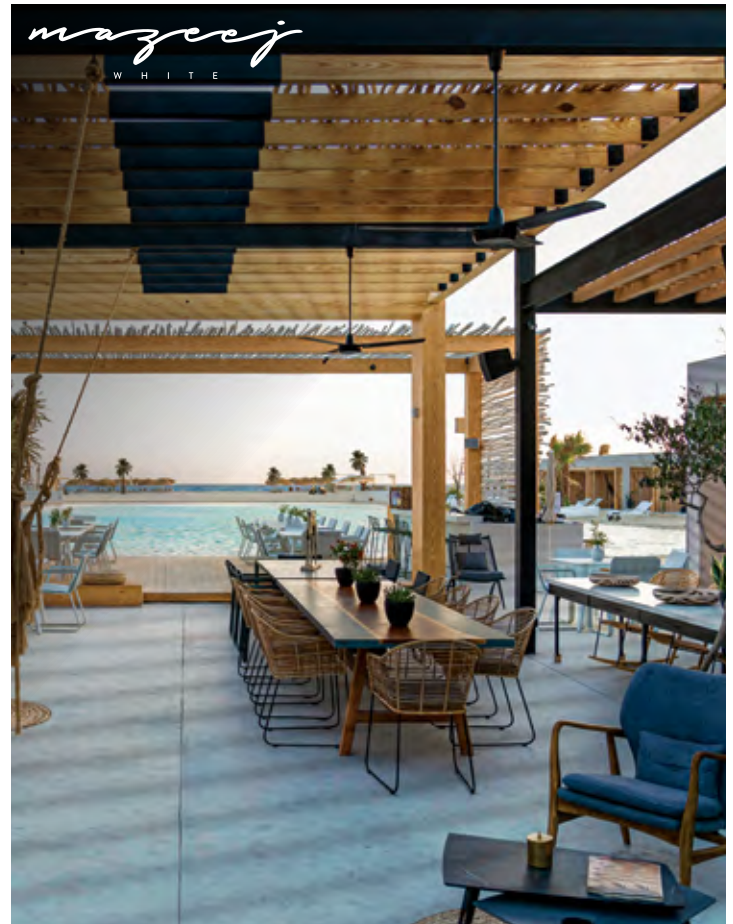
Lakeyard is where summer happens in the North Coast. Home to the latest and hottest summer brands, flavors, styles and trends, now offers fully serviced apartments to go with the good times. Experience the perks of hotel living from the comfort of your very own home where summer happens right outside your window. You can own your own restaurant or store right downstairs.

At the neighboring Hacienda White, The Lemon Tree & Co, expanding their roots include the charming Lemon Tree & Co. Boutique Hotel. Enjoy from an array of fully furnished, fully serviced, living accommodations for a more opulent mindset with a tailored functional luxury specifically built to offer you an unmatched living experience. The homes are beautifully designed and fully furnished to complement your finer tastes.

Hacienda White has plenty of spots awaiting your arrival. Enjoy a weekend at Mazej White, a journey to rejuvenation of mind, body and soul along the crystal-clear lagoon overlooking the Mediterranean waters alongside Shokuku, a unique gastronomical treat of Egyptian fusion that tantalizes with both taste and locale. And for your peace of mind, find yourself with such soul-searching activities as yoga and cooking classes.

Palm Hills Developments brings a delightful blend of beachfront properties to life to ensure a safer, sounder, more sensational summer experience for all enjoy. So don't miss out and kick back to a truly Palm Hills kind summer extravagance.





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EDITOR'S LETTER

It is finally summer ... Maybe things are a little bit different this year, but still, we can make it a good one.

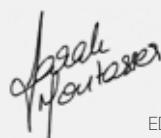
While keeping our distance - and we hope you are too, Invest-Gate looks into the coping with the pandemic and businesses reopening, starting off with the hospitality industry. Featured this issue, a conversation we did with a number of hospitality experts and worldwide brands to discuss the effects of COVID-19 and the plans to save this vital industry.

Via alternative and creative approaches, we have seen the digital shift in the real estate sector during the lockdown and how smart solutions dominated the scene throughout the past few months to keep the business running. Innovative solutions, like virtual sales, came up and resulted in major positive outcomes in terms of sales. In this issue, we thoroughly look into such an advanced approach and its appeal to homebuyers.

As in every month, Invest-Gate R&A team brings to you July's Market Watch Report, with complete insight on the latest in the real estate industry; and an in-depth look into the commercial and administrative sectors given the rise of the pandemic.

As you finally head to your favorite hangout or the beach, be sure to grab your Invest-Gate free copy and join us on our Digital Week, coming up on July 19.

Enjoy the sun and have a safe July!



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THE VOICE OF REAL ESTATE

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CONTENTS



CORONAVIRUS FUELS
REVOLUTION IN HOTEL INDUSTRY **32**



MARKET WATCH **18**



VIRTUAL SALES EMERGES AS NEW
NORMAL IN TODAY'S PROPERTY INDUSTRY **34**

COVID-19 STRESS-TESTS
EGYPT'S COMMERCIAL &
ADMINISTRATIVE ASSETS **28**

VIRTUAL ROUNDTABLE COVERAGE

INVEST-GATE HOSTS 'NEW REAL ESTATE PRODUCT' VRT
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14

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Housing Minister Returns to Office After 14-Day Self-Isolation



Minister of Housing, Utilities, and Urban Communities Assem El Gazzar has left his home for the first time in almost two weeks and returned to office, after self-isolating due to exposure to a COVID-19 carrier on June 11, Invest-Gate reports.

On June 28, El Gazzar returned to his duties after being tested for Coronavirus several times, with all coming back negative, according to a recent ministerial statement, stressing that temperature screening was conducted immediately upon his arrival at the ministry's premises.

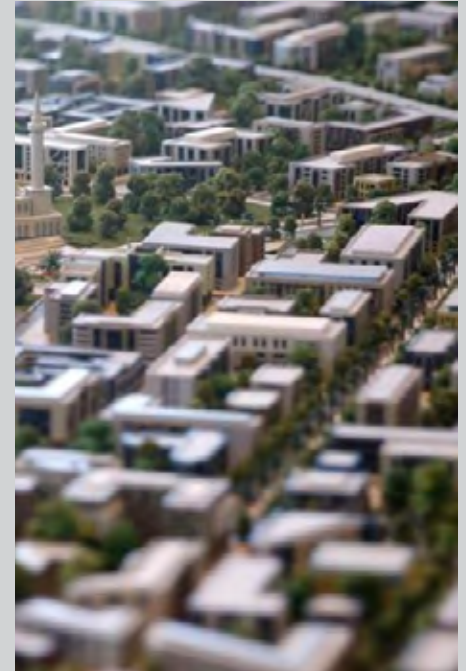
On his first day back at the office, El Gazzar held a number of extensive meetings with various ministerial

officials and dignitaries to follow up on the progress of the housing ministry's work, where he was warmly welcomed with his safe and sound return.

While in isolation, the minister kept working and held government meetings via video link.

According to a previous statement, on June 10, El Gazzar had been present at an expanded meeting to review the New Suez general strategic plan, in the presence of several ministerial officials and leaders of the New Urban Communities Authority (NUCA), along with the project's consultancy group.

NUCA Cuts Late Fees on Different Properties in New Cities



The New Urban Communities Authority (NUCA) will cut late fees owed on residential and commercial properties in new cities for the next two months, in the efforts to spur owners to pay off their arrears, Invest-Gate reports.

Starting June 4, possessors of homes, offices, shops, in addition to residential and industrial plots, will see their late fees reduced or even slashed entirely in case of full payment of arrears within the next two months, according to a recent ministerial statement.

Late fees will be lowered by 70% if owners pay 75% of the total amount, but it will be brought down by 45% and 20% if they pay 50% and 25% of the required charges, respectively, the statement added.

On his part, NUCA Vice President for Commercial and Real Estate Affairs Mohamed Anwar confirmed that the waivers apply to occupants who did not evacuate their homes after failing to clear overdue payments.

Other conditions include non-ownership of other properties in the same city, construction must meet all legal requirements, and applicants will need to drop any legal claims against the authority. The exemptions do not apply retroactively, Anwar highlighted.

In early June, Local Development Minister Mahmoud Shaarawy announced a six-month ban on construction permits in various urban cities, including Greater Cairo and Alexandria, pending verification of complying with building codes, according to a previous statement.

Banque Misr, FEI Partner to Spur Mortgage Financing



Banque Misr and the Real Estate Development Chamber at the Federation of Egyptian Industries (FEI) signed on June 17 a cooperation protocol to stimulate local real estate financing, Invest-Gate reports.

Under the deal, which conforms with the Central Bank of Egypt's (CBE) initiative to support middle-income home buyers, Banque Misr will extend mortgages at an 8% descending interest rate, along with other property financing instruments, according to a recent official statement.

Banque Misr will also grant real estate financing to the chamber's members, who do not fall under the central bank's initiative, the statement noted.

The state-run bank's move is part of its keenness to spur the Egyptian real estate market and provide adequate housing for all segments. The agreement also comes in line with the CBE's endeavors to facilitate the provision of affordable housing.

In the presence of Executive Director of FEI Osama Ragab and Head of the Retail Banking Sector at Banque Misr Hind Fahmy, the protocol was inked between Banque Misr Chairman Mohamed El Etreby and FEI's Chairman Tarek Shoukry.

In Q3 2019, Egypt's mortgage financing reached EGP 650 mn, up 67.6% from the EGP 387.8 mn logged in the prior-year period, the Financial Regulatory Authority (FRA) announced in a previous statement.

CED, Al Oula Join Forces to Offer Various Mortgage Packages



Egypt's national developer City Edge Development (CED) and Al Tameer Mortgage Finance (Al Oula) have joined forces to provide a diverse range of mortgage financing packages to potential homebuyers, Invest-Gate reports.

Under the cooperation protocol, which was sealed on June 13, clients can lay hands on the desired fully-finished or ready-to-move property and pay

the unit value over an extended period of up to 20 years. Besides, CED's customers will be granted three payment options, through which they make an 80% ceiling, according to the company's recent press release.

Chairman of CED Ashraf Salman noted that the collaboration with Al Oula, coming under the Central Bank of Egypt's (CBE) mortgage finance initiative, is

projected to morale up over the Egyptian real estate market, particularly in the wake of the Coronavirus outbreak.

Meanwhile, CEO and Managing Director of Al Oula Hassan Hussien underscored, "Being chosen by CED marks a testament to the high-quality mortgage services that the company introduce to clients, in accordance with their needs and capacities."

Currently, CED is executing and promoting various real estate projects in Sheikh Zayed, New Alamein, New Mansoura, together with a number of residential, administrative, and commercial properties in the New Administrative Capital (NAC).

In early May, CED has awarded an EGP 138 mn contract to Gama Construction for carrying out works of phase II of Sheikh Zayed's Etapa, according to a previous statement.

Palm Hills Signs Deal for New Project in Ain Sokhna



Palm Hills Developments (PHD) and Al Shorouk for Touristic Developments have signed a co-development agreement for a mixed-use community in Ain Sokhna, Red Sea, under a revenue-sharing scheme, with investments valued at EGP 3.5 bn, Invest-Gate reports.

Under the deal, PHD will undertake construction, development, infrastructure, marketing, and sales activities. Setting a sales target of EGP 5.1 bn, the Egypt-based developer is expected to hand over the development's phase I within three years from the launching, said the company's press release on June 8.

Extending over 116 acres, with a built-up area exceeding 163,000 square meters, the project's masterplan has been finalized, to be executed over

five phases. It will offer 1,201 residences, varying between standalone units, townhouses, senior and junior chalets, as well as serviced apartments.

Strategically located on Suez-Zaafarana Road, with a 1.5-kilometer beachfront, the new gated community will be complemented by a wide range of hospitality, recreational, and commercial facilities, bidding to meet the needs and tastes of all customers, according to the statement.

On his part, Yasseen Mansour, the company's chairman and CEO, pointed out, "Our expansion into Ain Sokhna will further solidify our secondary homes proposition with this year-round destination. We hope to create a successful destination building on our success with the Hacienda brand on the Mediterranean North Coast."

Mountain View Joins 'Khaleena Sanad' Initiative



Mountain View has joined the "Khaleena Sanad" (Let's Get Together) Initiative, launched by the Ministry of Immigration and Egyptian Expatriates Affairs, Invest-Gate reports.

The initiative is aimed at supporting and contributing to the repatriation of Egyptians stranded abroad, the Egyptian real estate developer said in a press release in early June.

Recently, Mountain View launched an initiative of its own, called "Protect Those Who Protect Us," in collaboration with Misr El Kheir Charity Foundation, aiming to provide medical supplies for healthcare facilities nationwide.

The initiative raised up to EGP 21 mn, thanks to the developer's direct donations, as well as the employees and residents of its communities, where it delivered the first batch of supplies to 16 fever hospitals.

MIP Offers New Office Building in Cairo Business Park



Egypt's Misr Italia Properties (MIP) has released a new administrative building in its New Cairo project, or Cairo Business Park, which is scheduled for delivery in the upcoming December, Invest-Gate reports.

Dubbed "Allure Executive Offices," the latest addition marks the first-of-its-kind in Cairo Business Park for featuring various unit areas, ranging from 58 to 300 square meters. It encompasses two buildings, which are interconnected with a panoramic view of the "Central Park," along with the main road and a three-car front gate, MIP highlighted in a press release on June 14.

"With the launch of [the new project], MIP seeks to effectively and positively contribute to the real

estate market, introduce an excellent model of the administrative and commercial projects, and provide an efficient work environment to attract business professionals and entities to drive business growth," Mohamed Hany El-Assal, the company's CEO and managing director, was quoted as saying.

Extending over 18 acres, Cairo Business Park will comprise 42 administrative buildings, coming with a myriad of office spaces. It introduces the concept of standalone buildings and small-to-medium offices, including diverse services and amenities such as the 130-key Hilton Garden Inn Hotel, the Central Park overlooking a large lake, on top of the most advanced communications infrastructure and internet applications.

AAIB Invests EGP 2 bn in Landmark Sabbour's Project

Arab African International Bank (AAIB) has recently pumped investments worth EGP 2 bn into Landmark Sabbour's latest New Cairo administrative/commercial project, or "1-NINETY," to establish a new office building, Invest-Gate reports.

The new addition will cover about 52,000 out of the project's 300,000-square-meter total area. It will be developed at 1-NINETY's Office Park facility, which is set to lure prestigious enterprises for featuring "best-in-market" solutions such as heavy-duty elevators, certified fire protection, CCTV systems, food and beverage (F&B) outlets, in addition to a gym, an electric vehicle charging station, and high-speed, fiber-optic internet, Landmark Sabbour stated in a press release on June 8.

Besides, renowned Hill International was selected to provide post-delivery facility management solutions at Landmark Sabbour's EGP 33.75 bn project. Accordingly, "AAIB has also appointed the global construction management firm to carry out the project management of our new administrative premises in 1-NINETY," read the statement, noting, "The developer is also utilizing the top-notch consulting



services of Sabbour Consulting throughout the project's development."

Commenting on the move, Managing Director and Vice Chairman of AAIB Sherif Elwy underscored, "We wholeheartedly stand behind [Landmark Sabbour's] mission and the manners they adopt while incorporating their wide range of skills in each project they become part of."

On his part, Managing Director of Landmark Sabbour Amr Sultan pointed out, "There is a growing dynamic demand for administrative and commercial real estate projects, especially now that prime office rents are rising with vacancy volumes dropping."

SODIC Sees 25% Rise in Home Sales Albeit Fewer Releases



Sixth of October Development and Investment Company (SODIC) logged a 25% uptick in residential contractual sales in Q1 2020, registering EGP 842 mn versus EGP 672 mn in the year-ago period, driven mainly by its west Cairo projects, Invest-Gate reports.

"West Cairo contributed 70% of sales for the quarter, driven by the strong performance of VYE, the company's newest project in its home market of west Cairo. VYE represented 45% of SODIC's sales during the period. Meanwhile, 30% of the company's sales came from projects in east Cairo, mainly from Villette which generated 20% of the quarter's gross contracted sales," read the company's press release on June 15.

Likewise, revenues stood at EGP 429 mn during the first three months of 2020, compared to EGP 941 mn in the corresponding period last year, owing to handovers in east Cairo which amount to 60% of deliveries during the period, with properties in west Cairo representing 38%.

"SODIC delivered some 100 units during the quarter. East Cairo projects accounted for 61 of the delivered units, while also delivering 37 and two units in west Cairo and the North Coast, respectively. This compares to 201 units delivered in Q1 2019, as a lower number of deliveries were planned for the period, with the majority of expected unit deliveries for 2020 are scheduled for later during the year," it noted.

However, the Egypt-based company reported an "exceptionally high cancelations rate," in the wake of the Coronavirus woes, standing at 22% of gross sales in Q1 2020, compared to 12% in the prior-year period, the statement confirmed.

OULD Among Egypt's 5 Top Diversified Landowners



Egypt's Orientals for Urban Development (OULD) was ranked the fourth among the five top real estate developers with a diversified land portfolio nationwide, Invest-Gate reports.

Among Talaat Moustafa Group (TMG) Holding, Palm Hills Developments, Orascom Development Egypt, and Emaar Misr, OULD holds the highest number of residential and industrial land plots, owning 15 mn square meters and 10 mn square meters, separately, in the North African country, as highlighted in the company's statement on June 23.

Despite uncertainty around Coronavirus, according to the company's head of commercial sector Shadi El Zayat, OULD made headway in the summer season with

the launch of its latest breakthrough offer on its flagship projects in the New Administrative Capital (NAC), Marsa Alam, and New Cairo, logging sales worth EGP 100 mn in 20 days only.

Zero upfront payments are required from potential clients, with the first installment scheduled after three months, applicable to the company's North Coast project, or "Oriental Coast," as well as "Jnoub" in the NAC and New Cairo's "Azadir," El Zayat elaborated.

These results reflect the provision of a distinguished product that caters to buyer purchasing power, whether for housing or investment purposes, he concluded, emphasizing on OULD's extended and flexible payment terms that complement all income levels.

Elsewedy, El Mostakbal Agree on EGP 423.3 mn Infrastructure Work

El Mostakbal for Urban Development has signed an EGP 423.3 mn deal with Elsewedy Electric's unit to carry out electricity and telecommunications infrastructure of the latter east Cairo project's phase III, Invest-Gate reports.

The engineering, procurement, and construction (EPC) contract, which was inked on June 16, involves 22 months of work by Elsewedy Trading and Distribution Company in Mostakbal City, starting from the date of contract signing, on a turnkey basis, the Egypt-based firm uncovered in a recent bourse filing.

It is worth noting that, back in September 2017, the company had revealed the signing of an EGP 620 mn agreement with El Mostakbal for Urban Development for the construction of the same scope of work, but for Mostakbal City's first phase, as underlined in the statement.

On June 14, Elsewedy Electric has been recognized among the top 100 companies in the Middle East by Forbes, due to its sector-based contribution to



significantly boost local economic growth, according to a previous press release.

The ranking was based on market value, sales, assets, and profits. Accordingly, Elsewedy Electric reported net profits of USD 238 mn, revenues of USD 2.76 bn, assets of USD 3.3 bn, and a market value of USD 1.5 bn in 2019, the statement confirmed.

DM Development Posts 60% of Target Sales Despite Coronavirus Woes



Egypt-based DM Development has managed to log 60% (or EGP 150 mn) of its target sales for "The Groove" project in Ain Sokhna in Q1 2020, aiming to seal deals worth EGP 1 bn by year-end, Invest-Gate reports.

"[The results] are equivalent to 15% of the expected 25% (EGP 250 mn) of the total project value. Undoubtedly, the volume of our sales in Q2 and Q3 will be affected by the current crisis, but it will not be noticeable as the rate of deviation from the expected volume constitutes only 10%, in light of the increasing demand that the Egyptian real estate market will witness in the coming period," Ahmed Abdul Hamid, the company's managing director, said in a press release on June 10.

DM Development is also pumping investments of nearly EGP 150 mn to complete the concrete and finishing works of The Groove's phase I, in an attempt to deliver the gated community's first batch of 102 residential units by the end of 2020, according to the statement.

Bidding to feature quality residences, the developer has awarded settlement works of The Groove to the Technical Consulting Bureau (TCB), which is already handling the establishment of major national projects such as the Egypt Railway Station. Besides, ILS Egypt will execute concrete works of phase II, along with landscaping of phase I and construction of the project's beach health club, with costs totaled at EGP 120 mn.

With an investment value of about EGP 200 mn, the Egyptian company also teamed up with Canada-based Global Waste Water Solution (GWWS) to implement The Groove's swimming pools, industrial lakes, treatment plants, and drainage networks, the developer further highlighted.

DM Development plans to set foot in the North Coast by 2021, in addition to studying the investment opportunities in the New Administrative Capital (NAC), in line with the company's medium-term investment plan to launch a range of residential, administrative, and tourism projects with modern solutions and creative designs.



AHMED EL TAYEBI'S SIGNATURE IS PERFECTION

Since the 1980s, the mantra of Egypt's real estate mogul Ahmed El Tayebi is what really sets him apart: "Perfection is not a word, yet a way of life. It is the essence of success, of going forward and thriving for the best." El Tayebi's well-established experience stretches back to over three decades of entrepreneurship and investments in various businesses, from tourism and hotel management to retail and property development; a diversity that added profound weight and insights about what customers really sought, therefore influencing their lives with even more than they aspire for themselves. With that said, Invest-Gate asks the market guru to share what it takes to develop well-crafted real estate, the importance of diversification, and most importantly, his deep commitment to making the world a better place.

How does growing up within a successful business environment impact your approach and attitude in the market, especially that you excel in more than one industry?

My family has a long-standing history of developing real estate in our home city of Tanta, which dates back to the 1940s. I have always envisaged being part of that great picture that I was raised to see. However, I knew I wanted to do more, explore different markets, and make the most of my potential. By the time, I became more aware that future markets call for more "renaissance leaders," ones who are defined as people with profound, diverse expertise and who channel those abilities for purpose, problem-solving, and unifying others. A renaissance leader has more than broad interests or superficial involvement in several fields; he/she possesses profound knowledge, proficiency, or expertise in various fields. To achieve that, I had to highly invest in learning the skills I had to cultivate; what business areas serve those skills, and who am I most productive around. That kind of thinking had always kept me on track and allowed me to stay true to my values and those of my family.

How did your experience allow you to transition into real estate and later launch The Land Developers?

Having said that my roots have a long history in real estate, most of the renowned and uniquely-designed buildings in Tanta's main street are built by El Tayebi family, remaining in place to date. So, in 2006, with aspirations to follow in my ancestry's footsteps, I launched El Tayebi Developments, with a vision centered around providing real estate products that are tailored to the expat community. Accordingly, international standards and designs were adopted to cater to our target customers, resulting in a lineup of high-end residential and commercial projects in Maadi. Later on, El Tayebi Developments has expanded further into New Cairo by rolling out various luxury housing, in addition to the launch of Jawar compound in Alexandria. In 2018, I co-founded The Land Developers, a real estate joint-stock company, and made debut with the first project, called "Armonia," which spans across an area 42 acres, nestled at the heart of the promising New Administrative Capital (NAC). I was capable of wisely using the time spent in observing my family business, thereby putting it into action by examining different potential areas across Egypt.



What does your flagship project, Armonia, promise customers looking to reside at the new capital?

Surrounded by stiff competition at NAC, we at The Land Developers are aware that our strengths lie not only in being different but also in highlighting our competitive edges. With a total investment of EGP 3 bn, Armonia stands as a smart architectural concept, where living within a park is the dominating theme. Situated within the R7 District, in the vicinity of the Diplomatic District, the project comprises a number of seven-story buildings, with a total of 1,750 apartments. Besides, it will feature a variety of amenities and entertainment services, all complementing the idea of park living by maintaining more than 80% green spaces.

Another aspect that immensely adds to the project's value proposition is Armonia Walk, which is the first fully-integrated commercial strip to stretch over 250 meters long, bringing a new concept that combines modernity and contemporary architecture, while also meeting the necessary requirements for a well-run smart city. Offering a distinct approach to recreational and leisure facilities, Armonia will encompass a playground for children from 12 to 16 years old, while another is dedicated to yoga and reading activities, along with a swimming pool and a 20,000-square-meter mixed-use commercial area.

On top of that, we are also hiring a facility management company that will provide top-notch services, including waste management, landscaping, among a broad range of maintenance duties such as road repair and follow-up of plumbing, carpentry, electricity, security, and safety systems. Given its strategic location, tenant mix, and facility management services, this project targets investors keen to acquire income-producing assets, as well as business owners and brands seeking to become market leaders and relish remarkable presence and visibility in the Egyptian real estate industry.

Your journey in real estate, retail, and tourism is one to be admired. What were the key moments that had the most influence on your success today?

My knowledge of tourism, hospitality, retail, and real estate was the result of a decades-long experience in each field, which ultimately allowed me to

understand the market dynamics and evolving customer needs. In the early years of my professional life, I worked in the tourism and hospitality industries. But in 1986, I embarked on a journey toward a long-term career in the business world by founding "Tay Travel," which was among the leading Egypt-based tourism companies, growing considerably over the years to open three branches in Hurghada, Aswan, and Luxor, accommodating 15,000 tourists per year.

In 1989, I launched "Tay for Nile Cruises" to operate two Nile cruises, running between Luxor and Aswan. Almost three years later, it felt alluring for working in the hospitality sector, and thus, established Le Pacha Resort in Hurghada, which is a 300-room resort overlooking the Red Sea. After another three years, I saw an opportunity to seize in the Egyptian retail market, hence founded the country's first retail company, called "RA Sport," standing as the largest of its kind locally to this day. Manufacturing casual clothes and sportswear, and acquiring various franchises of international brands, the firm currently runs 120 stores nationwide, with a total turnover of USD 50 mn (EGP 807.8 mn) five years ago. Subsequently, El Tayebi Developments was set up, which specializes in the implementation of upscale residential communities, using internationally-recognized standards and designs. In 2018, we set foot in NAC by the launching of The Land Developers, which I jointly co-founded with a number of businessmen, kicking off Armonia as our flagship project.

What role do partnerships play in adding value to real estate products?

Finding a partner that complements your vision and maintains a consistent attitude toward growth, while also sharing the same values, is not an easy formula to come by. Having these elements is key to developing a sustainable business model for it gives an elevated sense of credibility to the entire structure.

Since day one, The Land Developers promised to offer an excellent value proposition by bringing a wealth of commercial and real estate expertise through its shareholders: El Tayebi Developments, A-Part Auto, and Quality for Ready Mix Company. As partners, we capitalize on each other's expertise, valuable resources, and stability to accelerate the different phases of development and ultimately provide our customers with a product that exceeds their expectations.

How do you see the changes that Coronavirus will have on future real estate products? How should developers respond to these ebbs?

Like all big events throughout history, COVID-19 will have a major influence on how people will cope and continue living, not to mention changing their priorities and preferences. Demand for flexible residential units, which have an outdoor area and can accommodate the work-from-home lifestyle, will boom. Commercial and office spaces, however, will experience a profound change in plans to maintain social distancing and other safety regulations. I believe that "adapting" is the magic word. Developers, in particular, should cater to the needs of our "new normal" and incorporate options that make a functioning environment, having the ability to withstand similar challenges in the future, without compromising integrity.





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'NEW REAL ESTATE PRODUCT' VRT

TO GIVE FRESH IMPETUS ON MARKET REVIVAL

While continuing to march forward in response to the unprecedented changes in the business climate amid the Coronavirus woes, Invest-Gate hosted its second virtual roundtable on June 15, titled the "New Real Estate Product," aiming to open up new doors for investments in a bid to prepare the industry for a strong comeback.

Based on the recommendations from the "Smart Real Estate Market Amid COVID-19" previous virtual roundtable, and given the bumpy road ahead for the property sector, Invest-Gate attempted to put an end to some obstacles and harvest the full potential of real estate investments through its consequent discussion.

Moderated by Mena Group Founder Fathallah Fawzy and co-moderated by Invest-Gate's Managing Partner Mohamed Fouad, the fruitful event saw the participation of Mountain View Chairman Amr Soliman, Rooya Chairman Hisham Shoukri, Tatweer Misr CEO and President Ahmed Shalaby, Iwan Developments

CEO Waleed Mokhtar, Al Futtaim Group Real Estate Managing Director Ashraf Ezz El-Din, Vantage Developments Chairman Mohamed Abdel Gawad, and Castle Development for Real Estate CEO Ahmed Mansour, who pulled together a myriad of diversified new real estate products.

At the outset, Shoukri stressed that the nature of the real estate product in Egypt will witness a series of changes in the coming period in the wake of the Coronavirus disruption, which is already driving the acceleration of digital transformation throughout the industry.



MEDIA PARTNERS



AMR SOLIMAN
MOUNTAIN VIEW
CHAIRMAN

“IN THE POST-COVID-19 WORLD, REAL ESTATE PRODUCTS HAVE TO FEATURE EFFICIENCY IN SPACE DESIGN, WHETHER SMALL OR LARGE UNITS; THINK OF UBER WHEN PRODUCING PROPERTY BY BRINGING ALL THE MULTI-FUNCTIONAL AMENITIES TO CLIENTS AT THEIR CONVENIENCE.”

For houses on primary and secondary markets, there is an urgent need for new layouts in residential units to reconfigure the spaces that will feel more convenient for those working from home, in addition to incorporating a strong technological infrastructure to facilitate and stimulate work performance, he added.

“As for administrative projects, the design and use of such products will definitely reshape to reduce workspaces. Accordingly, an elevated reliance on online meetings and remote work policy will be witnessed. In the same vein, e-commerce is forging ahead, hence an adverse impact on commercial/retail establishments. Therefore, developers must tailor new recreational activities to lure more clients and fill in the gap,” Shourki stated.

Correspondingly, real estate companies shall foresee that the Coronavirus-driven shifts will spur warehouse demand, as the rising online sales will absolutely necessitate bigger inventories to meet consumer markets, the CEO further highlighted.

In the same vein, Al Futtaim Group’s managing director said the pandemic has already affected the real estate product, and this is evident by the fluctuating sales of commercial centers in Egypt, which stands between 25–50% over the Internet. He also pointed to the demand for delivery services within malls, which has been booming since the outbreak, driving the real estate developer to keep pace with this trend for stores to remain operating.



HISHAM SHOUKRI
ROOYA GROUP
CHAIRMAN & CEO

“AS FOR ADMINISTRATIVE PROJECTS, THE DESIGN & USE OF SUCH PRODUCTS WILL DEFINITELY RESHAPE TO REDUCE WORKSPACES. ACCORDINGLY, AN ELEVATED RELIANCE ON ONLINE MEETINGS & REMOTE WORK POLICY WILL BE WITNESSED. IN THE SAME VEIN, E-COMMERCE IS FORGING AHEAD, HENCE AN ADVERSE IMPACT ON COMMERCIAL/RETAIL ESTABLISHMENTS. THEREFORE, DEVELOPERS MUST TAILOR NEW RECREATIONAL ACTIVITIES TO LURE MORE CLIENTS & FILL IN THE GAP.”



ASHRAF EZZELDIN
AL FUTTAIM GROUP
REAL ESTATE
MANAGING DIRECTOR

“AL FUTTAIM GROUP HAS APPLIED NEW SERVICES TO COPE WITH THE NEW WORLD ORDER OF REAL ESTATE SUCH AS THE DRIVE-THRU SERVICE TO LESSEN PHYSICAL CONTACT & PROVIDE EFFICIENT SERVICES FOR ALL RETAILERS. SIMILARLY, WE WILL SOON FEATURE CONCIERGE SERVICES FOR ALL FOOD & BEVERAGE (F&B) OUTLETS.”

Commenting on his company’s ongoing efforts to sustain productivity among its various malls in Egypt during the crisis, Ezz El-Din underscored, “Al Futtaim Group has applied new services to cope with the new world order of real estate such as the drive-thru service to lessen physical contact and provide efficient services for all retailers. Similarly, we will soon feature concierge services for all food and beverage (F&B) outlets.”

Meanwhile, Mokhtar believes that some commercial and retail stores, especially large-scale ones, will tend to shut down and go online instead. “From an economic level, we need to diversify the business. Home features, for example, need to change to be more complete as our living nature and habits have also changed. So whether residential or non-residential, the product has to be more functional to accommodate for our new lifestyle,” he justified.

Shalaby also highlighted that developers need to make proper use of architectural spaces, especially after the crisis recedes, making room for a study or home office within residential properties.



WALEED MOKHTAR
IWAN DEVELOPMENTS
CEO

“FROM AN ECONOMIC LEVEL, WE NEED TO DIVERSIFY THE BUSINESS. HOME FEATURES, FOR EXAMPLE, NEED TO CHANGE TO BE MORE COMPLETE AS OUR LIVING NATURE & HABITS HAVE ALSO CHANGED. SO WHETHER RESIDENTIAL OR NON-RESIDENTIAL, THE PRODUCT HAS TO BE MORE FUNCTIONAL TO ACCOMMODATE FOR OUR NEW LIFESTYLE.”

“There are new innovative/creative ideas that can help developers meet the new consumer preferences and provide flexible options to home buyers, including cloud kitchen and flex buildings for businesses to share spaces and have proper storage,” Tatweer Misr’s CEO was quoted as saying.

Along the same lines, Soliman stated that as customer behavior changes in light of the current emergency situation, many adjustments must be applied accordingly. “In the post-COVID-19 world, real estate products have to feature efficiency in

space design, whether small or large units; think of Uber when producing property by bringing all the multi-functional amenities to clients at their convenience,” the chairman continued.

Similarly, Abdel Gawad underlined that the real estate product must turn into a financial instrument that attracts investment flows such as bonds, noting that many customers are currently wary of investing in the property sector.



AHMED SHALABY
TATWEER MISR
PRESIDENT & CEO

“THERE ARE NEW INNOVATIVE/ CREATIVE IDEAS THAT CAN HELP DEVELOPERS MEET THE NEW CONSUMER PREFERENCES & PROVIDE FLEXIBLE OPTIONS TO HOME BUYERS, INCLUDING CLOUD KITCHEN & FLEX BUILDINGS FOR BUSINESSES TO SHARE SPACES & HAVE PROPER STORAGE.”

However, Mansour reckoned that the purchasing power issue has been present in Egypt for four years now. “But, after the COVID-19 outbreak, we cannot determine whether affordability is a matter of liquidity constraints among clients or they are in a state of anticipation due to price hikes, especially that bank deposits rose by over EGP 1 trn since 2016,” he further highlighted.



MOHAMED ABD EL GAWAD
VANTAGE DEVELOPMENTS
CHAIRMAN

“THE REAL ESTATE PRODUCT MUST TURN INTO A FINANCIAL INSTRUMENT THAT ATTRACTS INVESTMENT FLOWS SUCH AS BONDS. MANY CUSTOMERS ARE CURRENTLY WARY OF INVESTING IN THE PROPERTY SECTOR.”

The virtual event was sponsored by Mountain View, Rooya Group, Tatweer Misr, Vantage Developments, and Castle Development for Real Estate, along with several media partners including Economy Plus, Habi Newspaper, Alaqaria Newspaper, Daily News Egypt, Al Borsa Newspaper, and Al-Masdar News.



AHMED TAHA MANSOUR
CASTLE DEVELOPMENT
FOR REAL ESTATE
CEO

“BUT, AFTER THE COVID-19 OUTBREAK, WE CANNOT DETERMINE WHETHER AFFORDABILITY IS A MATTER OF LIQUIDITY CONSTRAINTS AMONG CLIENTS OR THEY ARE IN A STATE OF ANTICIPATION DUE TO PRICE HIKES, ESPECIALLY THAT BANK DEPOSITS ROSE BY OVER EGP 1 TRN SINCE 2016.”

INVEST-GATE WRAPS UP RECOMMENDATIONS FOR 'NEW REAL ESTATE PRODUCT' VRT

Invest-Gate concluded its second virtual roundtable and crowned it with success after marking a new era of bulletproof development, fully responding to consumer needs and, most importantly, laying out the ultimate "new normal" playbook on leading brick-and-mortar businesses through the crisis and beyond.

The fruitful event brought together a number of real estate moguls, including Mountain View Chairman Amr Soliman, Rooya Chairman Hisham Shoukri, Tatweer Misr President and CEO Ahmed Shalaby, Iwan Developments CEO Waleed Mokhtar, Al Futtaim Group Real Estate Managing Director Ashraf Ezz El-Din, Vantage Developments Chairman Mohamed Abdel Gawad, and Castle Development for Real Estate CEO Ahmed Mansour, who pulled together a myriad of diversified new real estate products.

Roundtable Members Pull Together Recommendations as Follows:

General Remarks:

- 1) The real estate product must turn into a financial instrument that attracts investment flows such as bonds.
- 2) More mortgages should be introduced to overcome the housing affordability crisis.
- 3) It is paramount to set up real estate investment funds, besides the revision of prevailing laws regulating these instruments.
- 4) The state should reassess land prices, which certainly translate to lower unit costs.
- 5) The hospitality sector should revisit the use of current spaces and incorporate new activities to effectively utilize these areas, in the wake of the social distancing and online meetings trends.

For Residential Property:

- 1) New layouts of residential units should be mapped out to reconfigure the spaces that will feel more convenient and functional to accommodate the new lifestyle, making room for a study or home office within houses.
- 2) Developers must begin to incorporate a strong technological infrastructure to facilitate and stimulate work performance, especially for those working from home.
- 3) Mixed-use spaces can be implemented within residential buildings (ex: on rooftops) to serve more than one resident module, including the provision of entertainment, dining, and business services on-board.
- 4) It is essential that the state relaxes some building codes for developers to establish mixed-use residential buildings and communities.

5) Mortgage for off-plan real estate is the way out to address the housing affordability crisis, in light of the weakening buyer purchasing power due to the COVID-19 hit.

6) Building medical establishments within residential communities should be permitted, instead of the allocation of separate plots, since it has been deemed a fundamental component for clients after the outbreak.

For Commercial Centers:

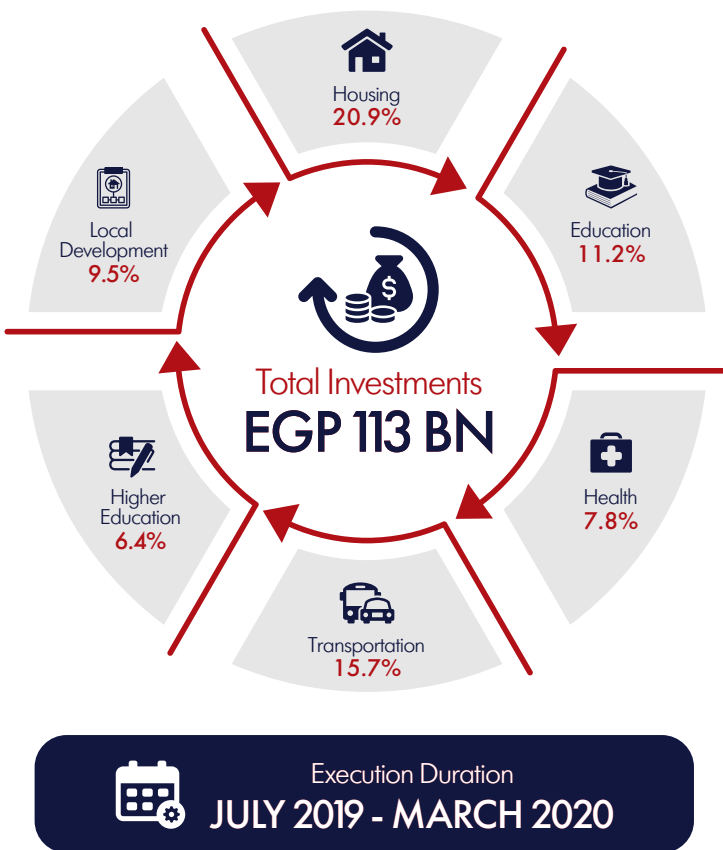
- 1) More warehouses and logistic zones should be rolled out within commercial areas as the rising online sales will necessitate bigger inventories to meet consumer markets.
- 2) As demand for commercial/retail centers goes down, developers must react by tailoring new recreational activities to lure more shoppers and tenants, hence fill in the gap.
- 3) Provision of safe/contactless services to maintain productivity such as delivery and drive-thru services.

For Administrative/Workspaces:

- 1) Developers should verge to design multi-functional/mixed-use administrative buildings to combine business and leisure under one roof.
- 2) Some innovative/creative ideas can help developers meet the new consumer tastes and provide flexible options to buyers, including cloud kitchen and flex buildings for businesses to share spaces and provide proper storage.
- 3) Now is the time for administrative buildings to be certified as environmentally-friendly to promote healthy and eco-friendly work settings.

GOV'T MAKES HEADWAY DESPITE CRISIS

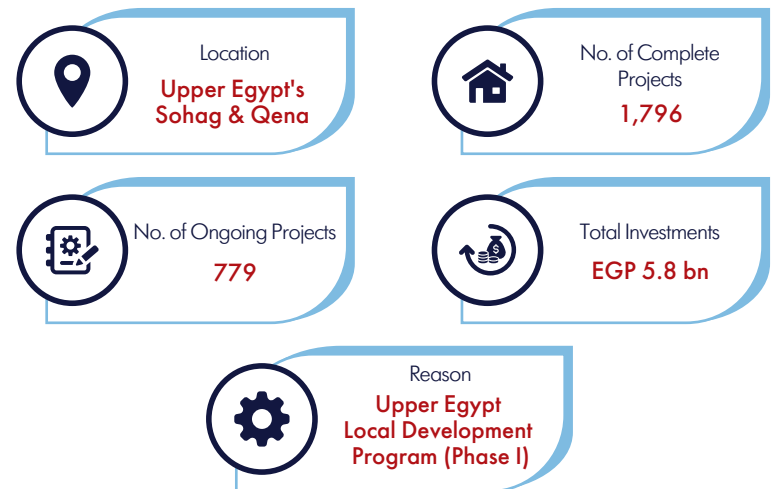
OVERALL SPENDING



INVESTMENTS IN UPPER EGYPT



NEW DEVELOPMENT PROJECTS UNDERWAY



GOV'T BANS CONSTRUCTION PERMITS

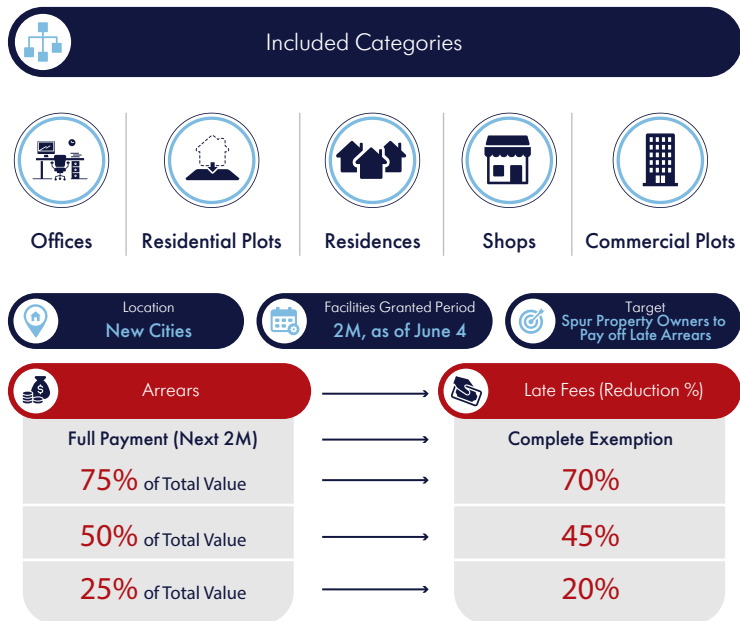


ESTABLISHMENT OF NEW INDUSTRIAL ZONES

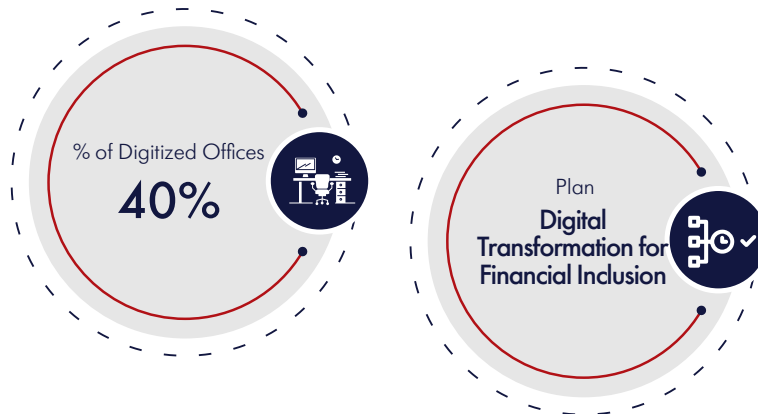




NUCA CUTS LATE FEES ON SOME PROPERTIES



DIGITIZATION OF PROPERTY REGISTRATION OFFICES

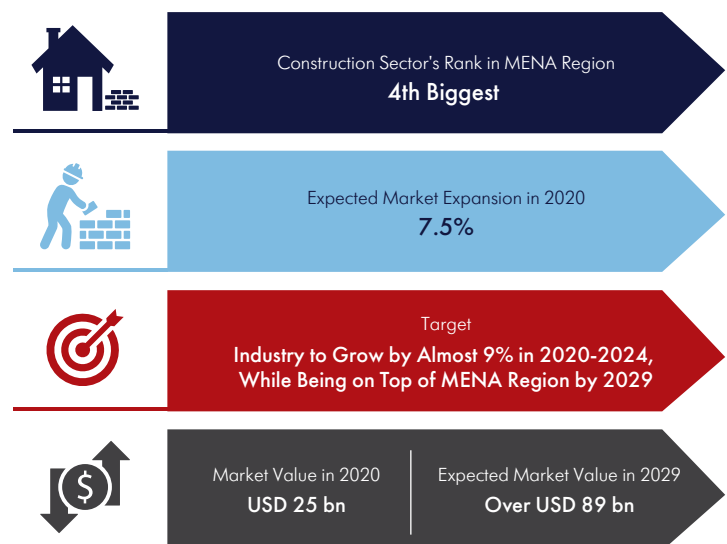


EGYPT'S TOURISM SECTOR STATUS

Tourism Revenues Set to Drop by **73%** Due to COVID-19 Woes



OUTLOOK ON EGYPT'S CONSTRUCTION MARKET



PRICES OF CONSTRUCTION MATERIALS (MAY 2020) (EGP)

STEEL BARS (per ton)	CRETAL STEEL (per ton)	PORTLAND CEMENT (per ton)	COARSE SAND (per sqm)
9,600 (YOY -19%)	9,800 (YOY -21.6%)	780 (YOY -8.2%)	70 (YOY 7.7%)
SOLID CEMENT BRICKS (per 1,000 bricks)	BRICK HOLLOW CONCRETE (40x20x12 cm) (per 1,000 bricks)		
1,100 (YOY 3.8%)	5,200 (YOY 4%)		



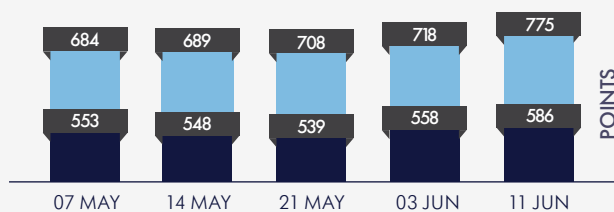
REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2020)



Real Estate

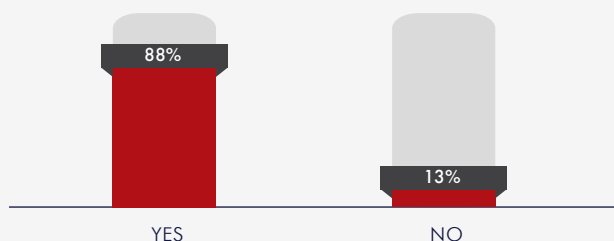


Construction & Materials



ONLINE MONTHLY SURVEY (%)

WILL THE DEMAND FOR OFFICES & OTHER ADMINISTRATIVE SPACES DROP IN THE NEAR FUTURE DUE TO WORKING FROM HOME?



Sources: Ministry of Housing, Utilities & Urban Communities, Ministry of Justice, Institute of National Planning, MPED, Fitch Solutions, Egyptian Exchange (EGX) & Invest-Gate R&A.

NEW CITIES UPDATES

GOV'T DISTRICT

- Location:** New Administrative Capital (NAC), East Cairo
- Area:** 150 Acres
- Completion Rate:** 95%
- Current Status:** Contractors to Finalize Works Soon

Supply Volume

- Parliament Building
- Cabinet Building
- 10 Complexes for 34 Ministries

NUCA EARMARKS NEW LANDS

- No. of Plots:** 11
- Location:** New Fayoum
- Target:** Industrial Activities
- Area:** 2,000 m² per Plot

- No. of Plots:** 9
- Location:** New Fayoum
- Target:** Educational & Commercial Activities
- Area:**
 - 10,000 m² per Educational Plot
 - 2,000 m² per Commercial Plot

NUCA TO IMPLEMENT NEW PROJECTS

- No. of Projects:** 3
- Location:** New Fayoum
- Total Investments:** EGP 62 mn

Developments	Investments (EGP MN)
Social Housing Lands Infrastructure	20
Water Line for Eastern Expansions Areas	20
New Roads in Southern Expansion Areas	22

NUCA TO OFFER NEW PARCELS FOR BUYERS

- Location:** Sheikh Zayed, 6th of October, October Gardens, New Cairo, Shorouk, 10th of Ramadan, Obour & Several Upper Egypt Areas
- Initial No. of Plots:** 3,000-5,000
- Reservation Method:** Online
- Status:**
 - NUCA to Unveil Final No. of Plots in June
 - Offering to be Released in FY 2020/21

NUCA TO ALLOCATE NEW PLOTS

- No. of Plots:** 5
- Location:** New Fayoum
- Developer:** Safwa Urban Development (SUD)
- Land Price:** EGP 900 per m²
- Target:** Urban Activities
- Status:** SUD Paid 15% of Contractual Value

NUCA EXECUTES INFRASTRUCTURE WORKS

- No. of Plots:** 1,076
- Location:** 8th Industrial Zone, Sadat City
- Completion Rate:** 75%
- Total Investments:** EGP 250 mn
- Target:** Extension to Private Investors

Source: Administrative Capital for Urban Development Company (ACUD), New Fayoum City Authority, Ministry of Finance & New Urban Community Authority (NUCA).

UPDATES ON SOCIAL HOUSING PROGRAM (PHASE IV)

Location
Fardous District,
Sadat City

No. of Residential Units
1,740

Completion Rate
20 Apartment Buildings Done
Others Are 85% Finished

Location
Capital Gardens District,
Badr City

No. of Residential Units
27,000

Completion Rate
12%

UNIT ALLOCATION FOR NAC'S EMPLOYEES

Location
Badr City

Delivery Date
August

No. of Residential Units
9,024

Target
1st Batch of Employees to Move to NAC Once
Ministerial District Opens

Status

- Utilities → Done
- Asphalt Milling → 75% Done
- Electricity Works → 40% Done

UPDATES ON SAKAN MISR PROJECT (PHASE I)

Location
New Mansoura

Completion Rate
90%

Type
Middle-Income

No. of Residential Units
4,704

Location
New Damietta

No. of Residential Units
4,824

Type
Middle-Income

Completion Rate

3,384 Units Done

1,440 Others Underway

NUCA CLOSES ONLINE RESERVATION OF JANNA

Location
6th of October, Sheikh Zayed, Shorouk, New Cairo,
New Mansoura & New Damietta

Type
Luxury Housing

Developer
NUCA

Booking End Date
June 6

Reservation Method
Online, as of April

Upfront Value
EGP 50,000

Payment Method
Installments

No. of Residential Units
1,359

NEW SOCIAL HOUSING UNITS (BATCH NO. 13)

Location
Upper Egypt

Reservation Method
Online, as of June 7

Source: Social Housing & Mortgage Finance Fund (SHMFF), NUCA, Badr City Development Authority & Ministry of Housing, Utilities & Urban Communities.

PRIVATE REAL ESTATE PROJECTS UPDATE



CONSTRUCTION AWARDS

<p>The City Valley</p>	Developer EG Master Group & Hogar Construction & Development	Location R7 District, NAC	Area 63 Acres
	Contracting Purpose Execution of Construction Works	Award Value N/A	

<p>Down Town New Alamein</p>	Developer Al Fanar Contracting Company, Consolidated Contractors Group & HA Construction Company	Location New Alamein	Area 49,000 Acres
	Contracting Purpose Execution of Some Finishing Works	Award Value EGP 5.5 mn	New Alamein Total Investments EGP 2 bn

<p>New Alamein Supply Volume</p>	Residential Districts 14	Industrial Zones	Logistic Areas
	Commercial Outlets	Service Spots	Hotels



PROJECTS UNDERWAY

<p>MV Park The Lake</p>	Developer Mountain View	Location 6th of October City, West Cairo	Area 70 Acres
	No. of Residential Units 1,800	Total Investments EGP 4 bn	News Project Generates Sales of Almost EGP 1 bn

<p>Cairo Business Park</p>	Developer Misr Italia Properties (MIP)	Location New Cairo	Area 78,000 m²
	No. of Keys in Hilton Garden In Hotel 144	No. of Administrative & Commercial Buildings 42 — 15 to be Delivered by Year-End	

News	Middle-Term Loan with Bank Consortium, Led by NBE		
	Loan Value EGP 650 mn	NBE EGP 300 mn	EGBank EGP 260 mn
Loan Target Financing Part of Project's Investment Cost			
Loan Tranches 2	1st EGP 530 mn		2nd EGP 120 mn
		Administrative & Commercial Construction	Hotel Construction
New Administrative Building, Dubbed "Allure Executive Offices"			
Delivery Date Next December	Unit Area 58-300 m²		

Source: Developers' official statements

PROJECTS UNDERWAY

Ivory Business Park

Developer Ivory Investments	Location Sheikh Zayed, West Cairo	Area 17,000 m ²
No. of Residential Units 100	Total Investments EGP 450-500 mn	News Project Delivery in H1 2021

1-NINETY

Developer Landmark Sabbour	Location New Cairo	Area 300,000 m ²
Total Investments EGP 33.75 bn	News AAIB to Establish New Office Building Cost EGP 2 bn Area 52,000 m ² at Office Park Facility	

The Groove

Developer DM Development	Location El Galala, Ain Sokhna	Area 350,000 m ²
Total Investments EGP 1 bn	Target Sales EGP 1 bn	
News	Project Logs Sales of EGP 150 mn in Q1	EGP 600 mn Planned Investments for The Groove in 2020
Plans for New Mixed Use & Tourism Developments		

NEW RESIDENTIAL PROJECTS

Al Maqсад Residence

Developer City Edge Developments	Location R3 District, NAC	Area 214 Acres
Supply Volume	Total No. of Residential Units 950	Unit Areas 111-187 m ²
	Greeniers	Unit Type Fully-Finished Apartments
		Commercial & Administrative Areas
Mixed-Use Strip		

Palm Hills Sokhna

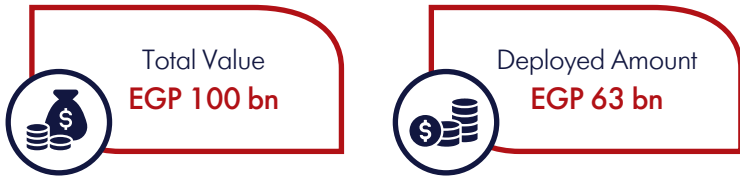
Developer Palm Hills Developments	Location Ain Sokhna	Area 116 Acres
Delivery Date 3 Yrs After Official Launch	Total Investments EGP 3.5 bn	Targeted Sales EGP 5.1 bn
Supply Volume	No. of Residential Units 1,201	Unit Areas 90-250 m ²
	Senior & Junior Chalets	Unit Type Senior & Junior Chalets
	Serviced Apartments	Townhouses
	Restaurants & Cafés	Standalone Villas
	Retail & Commercial Areas	Marina
Hospitality & Recreational Facilities		

Source: Developers' official statements

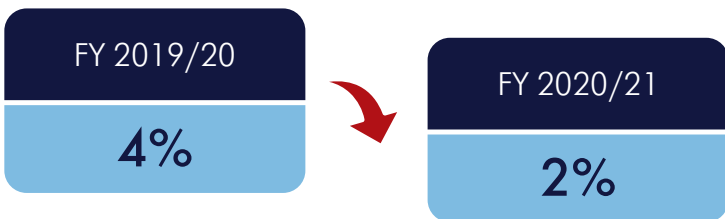
ECONOMIC SNAPSHOT



COVID-19 STIMULUS PROGRAM



EXPECTED GDP GROWTH RATE



Economic Loss*
EGP 130 bn



Tax & Non-Tax Revenues*
Slashed by EGP 124 bn

*Due to COVID-19 Outbreak



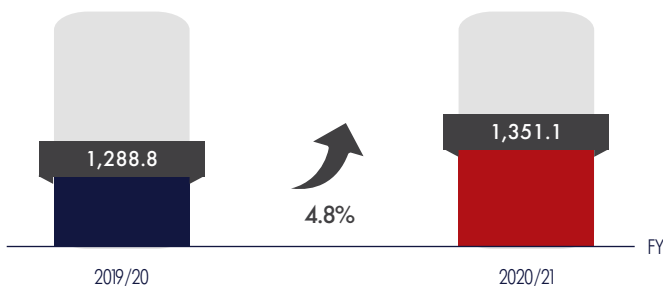
GDP GROWTH RATE IN Q3 FY 2019/20



*Due to COVID-19 Outbreak



EXPECTED REVENUES IN FY 2020/21 (EGP BN)



ANNUAL HEADLINE INFLATION

APRIL 2020
5.9%

↓

MAY 2020
4.7%



NET INTERNATIONAL RESERVES (USD BN)

APRIL 2020
37.04

↓

MAY 2020
36



PURCHASING MANAGERS' INDEX (PMI)

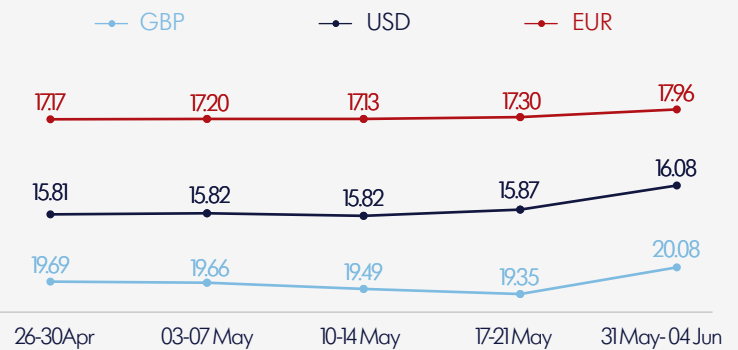
APRIL 2020
29.7

↑

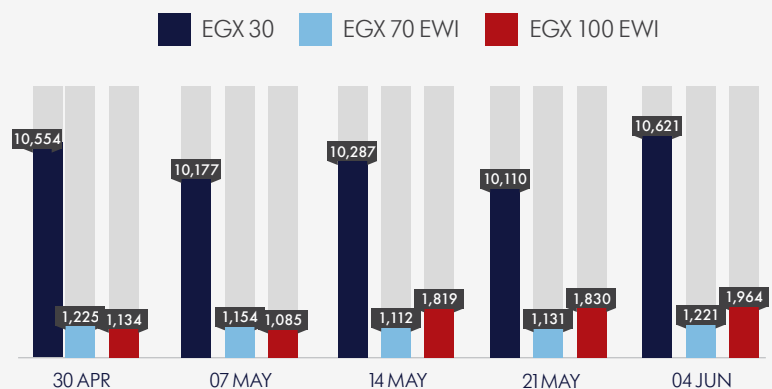
MAY 2020
40.7



Exchange Rates



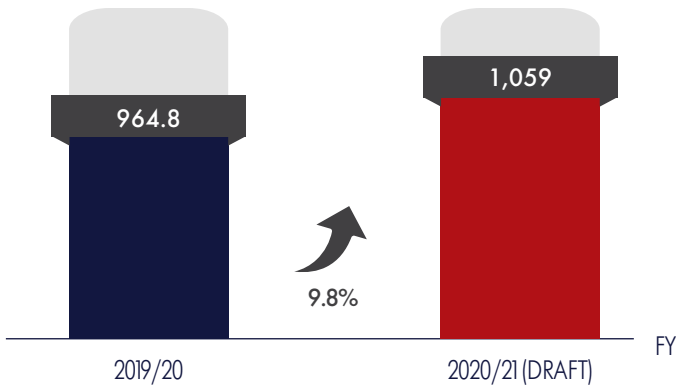
CAPITAL MARKET INDICATORS



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



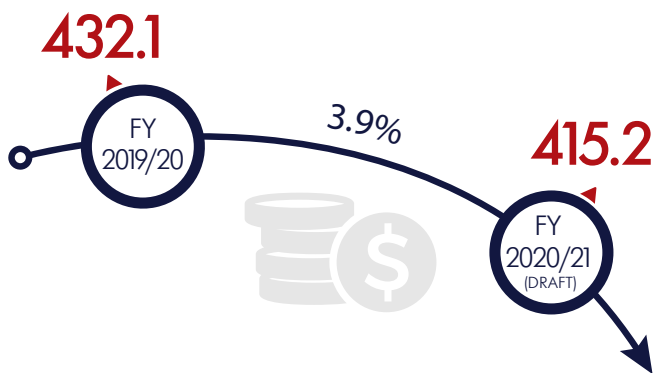
TAXES (USD BN)



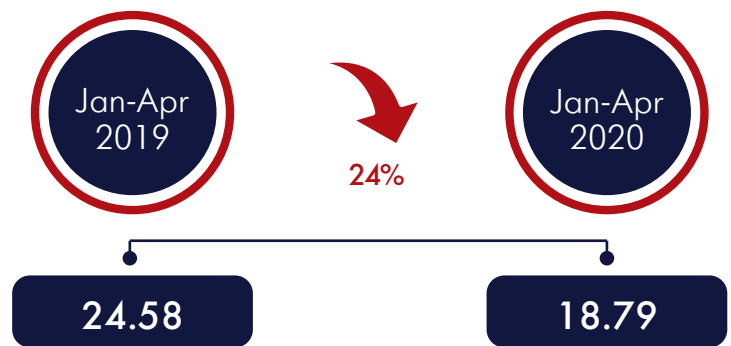
EXPECTED CUSTOM REVENUES (EGP BN)



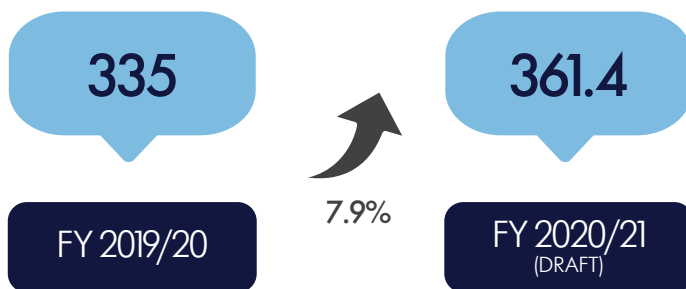
AGGREGATE BUDGET DEFICIT (EGP BN)



NON-OIL IMPORTS (USD BN)

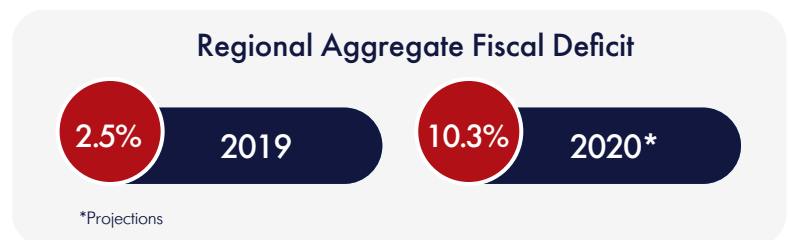


WAGES & WORKERS' COMPENSATION (EGP BN)

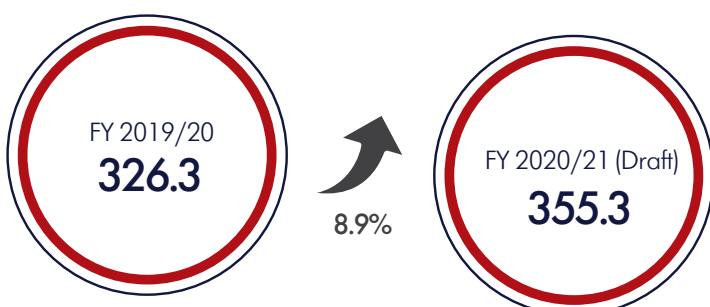


ECONOMIC GROWTH IN GCC COUNTRIES

Regional Economic Growth Foreseen to Slump by **4.4%**



SOCIAL SUBSIDIES (EGP BN)



EXPECTED DECLINE IN GLOBAL REMITTANCES



Source: Ministry of Finance, Ministry of Trade & Industry, National Authorities & Institute of International Finance (IIF).

FULL ANALYSIS

FACTS

& FIGURES

GOV'T ABSORBS CORONAVIRUS SHOCK & BUILDS STRATEGIC AGILITY

BY **DINA EL BEHIRY**

Before the Coronavirus hit triggers severe upheaval in financial markets and exposes the existing cracks in the global economy, the Egyptian government managed to execute a series of national projects, worth almost EGP 113 bn, from July 2019 to last March (20.9% of which are real estate developments). Better yet, in the wake of the virus shock, the state has been striving to keep its medium- and long-term strategies on course.

Accordingly, Egypt plans to pump EGP 47 bn into the development of Upper Egypt governorates in FY 2020/21, which constitutes 25% of total public investments and is even 50% higher than the amount allocated in the year-ago period, according to the Ministry of Planning and Economic Development (MPED).

Not only that, but the government is still pursuing the Local Development Program, acclaimed by the World Bank to curtail poverty in the Upper Egypt provinces. As part of phase I, around 1,796 projects have been executed in Sohag and Qena, while 779 others are underway, with costs estimated at EGP 5.8 bn. In the same vein, the establishment of four industrial zones will commence in both governorates in early FY 2020/21, with investments worth EGP 6 bn, Local Development Ministry earlier announced.

Nevertheless, a manifold of initiatives is being taken to stem the virus tumult and reinforce the property market to bounce back. The Ministry of Justice, for example, has proclaimed digitizing 40% of real estate registration offices nationwide, with more to come as part of the state's efforts toward digital transformation and financial inclusion.

Additionally, as of June 4, the New Urban Community Authority (NUCA) cut late fees owed on residential and commercial property in new cities for the next two months to spur owners to pay off their arrears. Those who make full payments will see past dues slashed entirely; but in case of paying 75% of the amount, late fees will be 70% lowered – or even brought down by 45% and 20% when settling 50% and 25% of the required value, respectively, according to a previous ministerial statement.

More moves to revive the property market are being undertaken in new cities, in which the ministry continues offering more lands and establishing additional housing units to ensure that plans are proceeding on track. Among these initiatives, NUCA has offered five new plots in New Fayoum to Safwa Urban Development for urban activities.

On top of that, the authority earmarked another 11 lands in New Fayoum for industrial works, besides offering nine others for educational and

commercial projects. Above all, construction is in full swing to finalize the New Administrative Capital's (NAC) government district, with a completion rate of 95%, Chairman of the Administrative Capital for Urban Development (ACUD) Ahmed Zaki Abdeen earlier announced.

Perhaps most importantly, in this turbulent period, where the virus shockwaves are rippling through almost all businesses, a couple of well-positioned markets are posting some pretty impressive gains. With an eye on the construction industry, Fitch Solutions forecast that despite the COVID-19 headwinds, Egypt will outperform other markets in the Middle East and North Africa, in the long run, to top the region by 2029, the Cabinet's Information and Decision Support Center (IDSC) uncovered in early June.

By year-end, Egypt's building market is seen to expand by 7.5%, down from Fitch's past estimates of 9.7% before the outbreak. Between 2020 and 2024, however, the sector is forecast to grow by an annual average of 9%, IDSC further stated.

Yet, there is a bumpy road ahead for the local property market, halting the progression of sector-related activities at a lucid pace. Among the recently released policies is a six-month ban on construction work and permits across various urban cities, including Greater Cairo and Alexandria, the Cabinet previously unveiled.

On May 24, this decision was enacted by the Local Development Ministry to verify compliance with building codes and requirements, while imposing strict measures against violators, whereas industrial, tourism, government, and national projects are excluded from this ministerial decree.

In spite of everything, there is no doubt that Coronavirus is also battering the local tourism industry. According to the MPED's Institute of National Planning, tourism revenues are set to slip by 73% due to the virus. For sector recovery, there are three scenarios, as highlighted in the institute's May issue, the best of which sees the tourism market reboot in Q3 2020, when curfew hours shrink, international borders reopen, and airspace re-operates. Correspondingly, the industry would record revenues estimated at USD 3.45 bn.

Private Sector Pushes Ahead with Plans

Interestingly, developers are breaking ground on several new projects in Egypt, despite the pandemic and consequent downturns. In early June, City Edge Developments (CED) rolled out its 214-acre Al Maqsad Residence in NAC, in cooperation with NUCA. Simultaneously, Misr Italia Properties (MIP) kicked off the "Allure Executive Offices" in Cairo Business Park, east Cairo, aiming for delivery in December.

Likewise, Palm Hills Developments (PHD) and Al Shorouk for Touristic Developments have inked a co-development agreement to establish a new project in Ain Sokhna. Under the revenue-sharing deal, the former company will undertake the construction, development, infrastructure, marketing, and sales activities of the 116-acre compound.

Although reduced investments and contracting demand would become serious challenges to deal with during the crisis, Egyptian real estate companies are still in the safe zone, closing a reasonable number of home deals. Mountain View, for example, has generated sales of almost EGP 1 bn from its latest residential project in west Cairo, called "MV Park-The Lake."

Similarly, DM Development managed to post 60% of its target sales volume for Q1 2020, estimated at EGP 150 mn from its Ain Sokhna project, or "The

Groove." Adding to that, the company plans to seal around EGP 1 bn worth of deals by year-end, amid market stagnation.

Besides, MIP inked a middle-term loan worth EGP 650 mn, coming as part of a bank consortium led by the National Bank of Egypt (NBE). Under this two-tranche loan, MIP will complete all remaining works in Cairo Business Park. Arab African International Bank (AAIB) has pumped EGP 2 bn investments into Landmark Sabbour's project "1-NINETY" to establish a new office building at the Office Park Facility.

Economic Snapshot

Being brutally honest, the novel Coronavirus is still taking a toll on the economic sphere, including Egypt. For the third consecutive month, net international reserves slipped in May, yet at a slower pace, logging USD 36 bn, which is USD 1 bn less than April.

Indeed, the pandemic has cost the economy around EGP 130 bn in lost income, in addition to slashing tax and non-tax revenues by EGP 124 bn since the beginning of the outbreak. On this ground, the government expects overall real gross domestic product (GDP) to hit 4% in FY 2019/20, and even as much as 2% in the subsequent fiscal year if the crisis does not recede by year-end. The growth rate stood at 5% in Q3 2019/20, down from the targeted 5.8% due to the Coronavirus woes, MPED formerly confirmed. Above and beyond, the annual headline inflation recorded 4.7% in May, hitting its lowest level in six months, versus 5.9% in April.

On the other hand, on the back of the supra results, the Purchasing Managers Index (PMI) by IHS Markit went up by 11 points to hit 40.7 points in May, compared to 29.7 points a month earlier. This indicates an improvement in the non-oil private sector, which was notable when several industries began to pick up activities, even if at limited capacity, according to the report.

In response to the severe economic turmoil caused by the COVID-19 disruption, in late March, President Abdel-Fattah El-Sisi had allocated an EGP 100 bn stimulus and bailout package to insulate the economy from the virus aftermath, EGP 63 bn were spent by the government to the tackle this fallout, the finance ministry revealed on June 8.

From a global perspective, the GCC countries are reeling from the worst economic tumult in history, amidst the double shock of plunging oil prices and Coronavirus. Consequently, the national authorities and the Institute of International Finance (IIF) predict that the region's economic growth will plummet by 4.4% by year-end, despite interest rate cuts and support granted to local banking sectors. Additionally, IIF foresees the Gulf's budget deficit to reach 10.3% in 2020, up from 2.5% a year ago.

Regardless of the havoc wrought by the Coronavirus epoch, Egypt is making headway in fighting COVID-19 and preventing the local economy from slipping. Despite the odds, the International Monetary Fund (IMF) expects Egypt to be the only country to achieve positive economic growth in the MENA region in 2020.

From the foregoing, Egypt eyes the re-opening of many sectors to help resume life as we know it, yet under strict precautions to combat the outbreak. As a step to attract more tourist receipts and revive the tourism industry, which marks 12-15% of GDP, foreign vacationers will be allowed to fly and visit Egypt's coastal cities with the least infected cases as of early July. Adding to that, the government announced exempting tourists coming to seaside resorts from visa fees until the end of October, as confirmed in an earlier official statement.

COVID-19 STRESS-TESTS EGYPT'S COMMERCIAL & ADMINISTRATIVE ASSETS

BY **DINA EL BEHIRY & AYA RADY**

Since late 2019, the novel Coronavirus has been unfolding at a staggering pace, decimating livelihoods and resulting in unprecedented disruptions in doing business. Indeed, commercial and administrative real estate is no exception.

In a few weeks, the outbreak triggered indelible shifts across the commercial retail world, not to mention roiling workplaces, which are growing steadily accustomed to the new normal that people are not meeting, working, eating, shopping, and socializing like before, according to McKinsey and Company's latest article on April 9.

Experts agree that the COVID-19 epoch could forever change buyer behavior and preferences, which may consequently affect demand for commercial and administrative spaces. This also constitutes dining and recreational outlets, which are left shuttered globally for public safety, operating with limited services to takeout and delivery.

Under the current circumstances, our world has been changing from doing business as usual to office closures and working from home, alongside cautious travel. Consumers' habits have changed as well; people are now more inclined to stay in house and save up, spending mainly on fulfilling their necessities, primarily food, medicine, and home supplies - and getting these delivered much more often, according to the US-based consulting firm.

Conversely, grocery stores and pharmacies, which logged sharp hikes in sales and directed profit rises to staffing, supply chain shocks, and temporary pay increases for frontline workers during the outbreak, serve as an anchor for footfall to malls and commercial centers for remaining active despite shelter-in-place restrictions and mandatory closures, according to Colliers International's report, "Retailing in Unprecedented Times."

On the other end of the spectrum, looking at the administrative market, more companies were compelled to institute work-from-home policy due to the pandemic,

which will soon enough impair office demand, according to market professionals. They also affirm that many tenants are negotiating rent deferrals and reductions with landlords, while some others fail and go out of business, hence higher unemployment rates.

Generally speaking, sales of administrative/commercial units, says Al Futtaim Group Real Estate Managing Director Ashraf Ezz El-Din, during Invest-Gate's "New Real Estate Product" virtual roundtable, will drop in the coming period, due to an upward trend for leasing to have the flexibility of changing spaces whenever possible or necessary.

Online shopping, in parallel, will boom to doom numerous brick-and-mortar businesses. Zara, for example, will close as many as 1,000-1,200 stores worldwide over two years and focus on digital growth instead, after the clothing giant's sales went down 44% from last year, in light of the chaos wrought by the crisis.

And this is the takeaway of the lingering fears over a contagion that continues to haunt all nations, pairing with physical distancing becoming the new norm. Customers forced to not shop in-store, and go online instead, are permanently adjusting their buying habits for certain categories toward e-commerce, spelling gloom for retailers, McKinsey and Company further states.

All in all, consumer confidence has been dampened by ongoing concerns surrounding the COVID-19 deadlock, dropping consumption rates, and contracting sales and profits of the commercial and administrative sphere as a result.

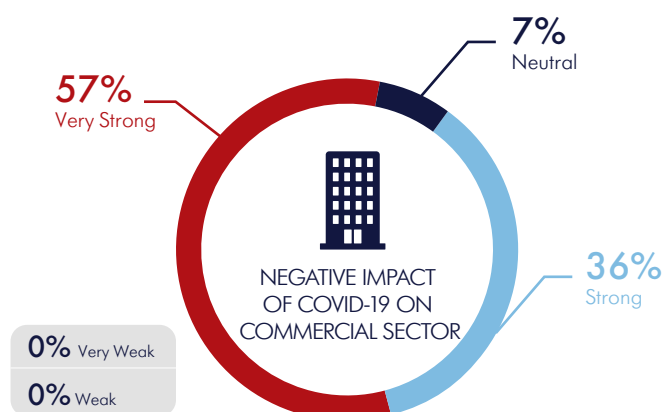
Closer Look at Commercial & Office Spaces

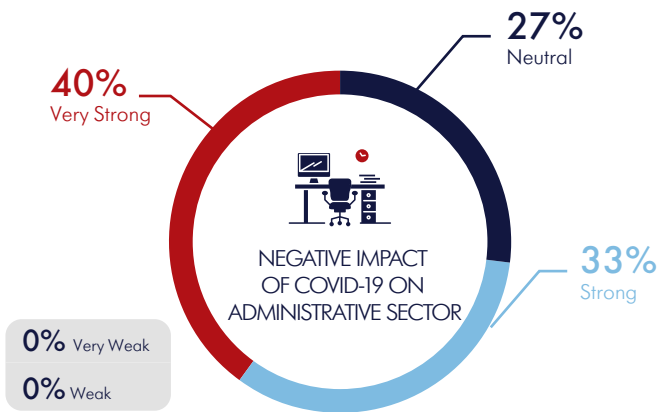
Against the foregoing backdrop, Invest-Gate's R&A team takes a pulse check on Egyptian commercial and office assets, surveying 15 local property developers to highlight the influence extent of the outbreak's odds and ends on the market landscape, in a bid to identify their aptitude to revive this fundamental chunk of the real estate market.

Whatever Happened to Business?

In the aftermath of Coronavirus, commercial and administrative spaces were buffeted with the imposing of government-dictated precautionary measures, severely limiting the ability of many nonessential outlets to operate.

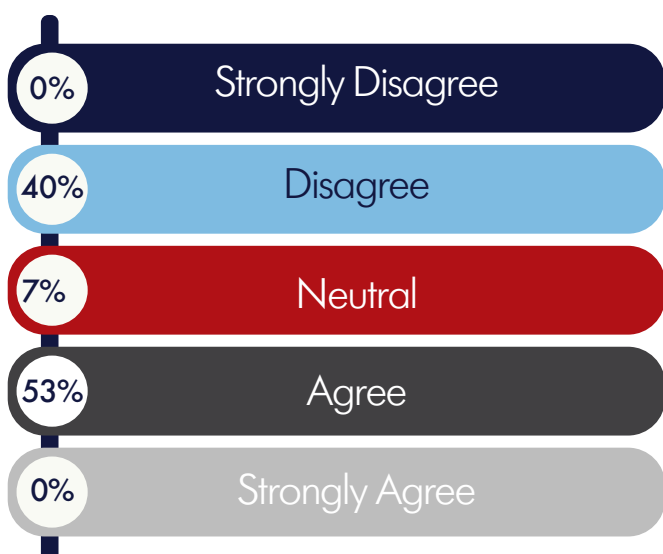
Based on Invest-Gate's research, 57% of responding companies strongly believe that the commercial sector is reeling with the germ episode's woes, whereas another 40% are fully confident that the office market has been hit hard by the crisis.





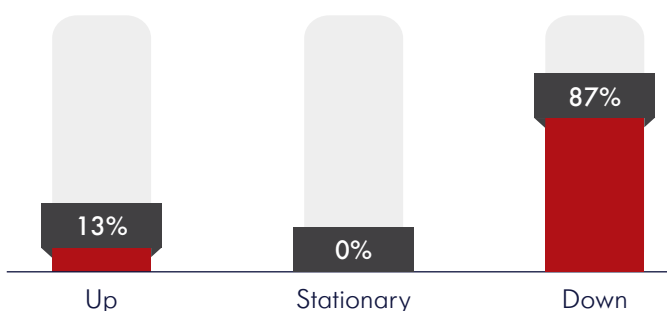
Owing to the COVID-19 wave, which already upended many facets of the property industry, 53% of respondents agree that demand for commercial and administrative units will drop in the near future, in the wake of the new social distancing norms.

OFFICE & COMMERCIAL DEMAND SHRINK DUE TO CRISIS



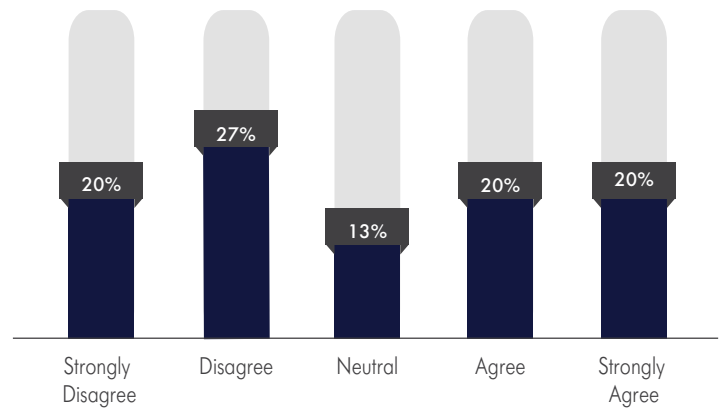
Due to the low demand, together with delayed installment payments, developers are falling short of sales volume and net profit. In numerical terms, 87% of those surveyed assume drawdown of revenues in Q1 2020, compared to the year-ago period.

COMPANIES' REVENUES IN Q1 2020 VS. Q1 2019



Several industry-related companies are seemingly absorbing the headwinds posed by Coronavirus, aiming to bounce back from losses to rivals. In the face of the pandemic, 47% of interviewed developers sort of managed to hand over some commercial and administrative projects nationwide. Another 40%, however, experienced some delays or disruptions due to the crisis, which hindered on-time deliveries.

PROJECT DELAYS DUE TO CORONAVIRUS



Gov't Response

As many countries face unprecedented challenges due to the COVID-19 shock, the strain on governments is extreme, and the impact on people all over the world keeps growing steadily. Thanks to the Egyptian state, a range of facilities and measures were extended to reinvigorate local virus-hit industries.

Among these are relaxations on income tax payments, pushing by three months the deadline for corporate real estate taxes. The government also allowed developers to settle existing real estate tax liabilities in monthly installments till next September. This comes in addition to postponing all credit dues for businesses and retail clients for six months, including small- and medium-sized enterprises (SMEs), corporates, and individual borrowers.

On top of that, the New Urban Communities Authority (NUCA) began cutting late fees on residential and commercial properties in new cities for the next two months to urge owners to pay their arrears. Starting June 4, those who pay 75% of past dues will see the total amount reduced by 70% - or even edged down by 45% and 20% when settling 50% and 25% of the required charges, respectively.

Moreover, as of May 24, the Local Development Ministry mandated banning construction permits in several urban cities for six months, including Greater Cairo and Alexandria. This is to ensure working in compliance with building codes and requirements, while also imposing strict measures against violators.

Based on Invest-Gate's R&A study, 27% of those surveyed agree on the effectiveness of the government response to help real estate developers stay on track to stem the virus and blueprint new layouts for recovery.



Market Outlook

Keeping fingers crossed, property developers reckon on the Egyptian real estate market's potential to complement hazard control measures with resilience-based approaches, besides warding off any boomerang effects.

Accordingly, 40% of respondents assume rents to remain stationary despite the uncertainties, thereupon gradually resuming activities to full pace. Further, another 87% are keen on launching new commercial and office developments when the crisis begins to recede.

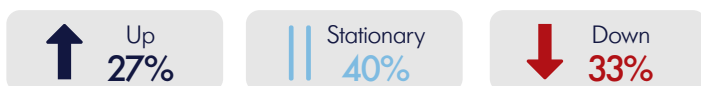
Misr Italia Properties (MIP), for example, vows to deliver its newly-launched administrative building in New Cairo's Cairo Business Park, called "Allure Executive Office," in the coming December. With the latest launching, the Egyptian developer plans to effectively and positively contribute to the country's property sector, introduce an excellent model of administrative and commercial projects, and provide an efficient work environment to attract local and international business professionals.

Having said that government support is crucial during the calamity, Invest-Gate's responding developers - namely 29% - propose a few recommendations to jumpstart the recovery efforts, in addition to strategies mentioned during Invest-Gate's virtual roundtable.

For the commercial sector, rolling out more warehouses within such areas have become crucial as online sales requires bigger inventories. Moreover, as the demand for commercial/retail centers goes down, developers must react by creating new recreational activities to lure more shoppers and tenants, hence fill in the gap. Adding to that, the provision of safe/contactless services to maintain productivity such as delivery and drive-thru services.

On the other hand, developers should tend to design multi-functional/mixed-use administrative buildings to combine business and leisure under one roof, driving acceleration for digital transformation. Some innovative/creative ideas can also help property companies meet the new consumer tastes and provide flexible options to buyers, including cloud kitchen and flex buildings for businesses to share spaces and provide proper storage. Most importantly, administrative buildings have to be certified as environmentally-friendly to promote healthy and eco-friendly work settings.

EFFECT OF OUTBREAK ON RENTS IN NEAR FUTURE

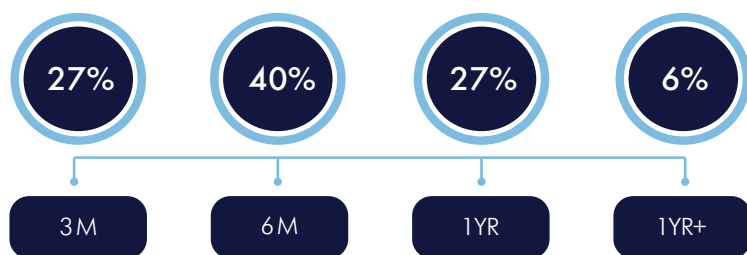


POST-CRISIS NEW PROJECT LAUNCHINGS

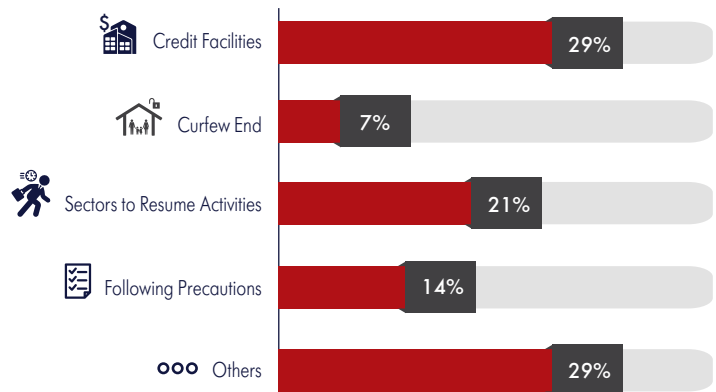


Regardless of the odds, 40% of surveyed companies forecast commercial and administrative markets to turn the corner and regain the spirit of the post-crisis era within at least six months.

PROSPECTS FOR MARKET RECOVERY



RECOMMENDATIONS FOR MARKET REVIVAL



According to Invest-Gate's findings, there is no question that this germ episode will lead to huge shifts in industries and working dynamics, especially for real estate. As the sector presses forward, digital transformation will be incredibly important for commercial and administrative spaces, in specific, to remain afloat during the current fallout and prepare for the inevitable changes that will emerge from industry disruption. Indeed, such businesses have the opportunity to gain a competitive edge and reap long-term benefits by becoming digital now, more than ever, as the world hunkers down to overcome the crisis. Nevertheless, it also appears like changes in design and architecture of these projects, in tandem with the reconsideration of rental collection models, will cater for recurrence of COVID-like situations.

In conclusion, Coronavirus is an inflection point for commercial and administrative real estate, with most developers struggling to strike a balance between ensuring compliance to policy regulations, financing, market demand, and labor shortage. However, an immediate response to this turbulence is required to keep pace with market changes, while also innovating for a future beyond this crisis.



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CORONAVIRUS FUELS REVOLUTION IN HOTEL INDUSTRY

BY SARA MOHAMED

While coming out as an economic and social sledgehammer, the Coronavirus hit has sent almost all businesses into the doldrums. For hotels, specifically, it is not just a storm in a teacup that put the kibosh on the summer season, leaving vacationers to mourn their holidays amidst strong waves of wanderlust. From budget reallocations, diversion of marketing spends, postponing investment plans, and consolidation, the harsh reality of this germ episode has therefore been a bitter blow for the hospitality sector.

In just a few weeks, travel has quickly come to a standstill, with international borders slammed after sapping leisure and business travel. Fortunately, in Egypt, the lifting of stay-at-home restrictions is a good omen, together with the reopening of at least 170 establishments in the Red Sea, Alexandria, Cairo, Suez, Fayoum, and Aswan at a 50% capacity for domestic tourism under strict government-dictated precautionary measures as of June 1, after a long halt due to the pandemic, according to an official statement on June 9.

“In a climate of such pervasive uncertainty, it is crucial to understand that the pandemic will change the way hotel establishments run in the future as health will become a major concern, in the same vein with security and safety. Thus, the long-term imprint of the COVID-19 woes must be well comprehended for the development of a phased approach to re-entering the hospitality market with limited service, in response to different levels of occupancy and revenue per available room (RevPAR) recovery.”

Hotel Development
& Asset Management Consultant
Karim El Raheb

Since abruptly the sharpest and fittest will only come out of the current tough wave, Invest-Gate lays out the flow of spillovers from Coronavirus shocks on the hotel sector, attempting to help owners/operators craft ways to steer through today's uncharted territory and buffer potential negative impacts on businesses.

Change in Consumer Sentiment

Basically, the outbreak completely shifted the mindset of masses, leaving the hospitality industry to problem-solve, and quickly so, to reconcile two seemingly contradictory intrinsic human desires: A longing for social interaction and a craving for safety.

“As the pandemic progresses, guests will be actively looking at what operators are doing to protect their health ... They will envisage hotels being open and transparent about their preventive policies. Besides, lodgers understand (and often) appreciate that there will be fewer service touchpoints and that some of their stays may be inconvenienced for medical reasons, hence extra flexibility on refund policies.”

Colliers International
Head of Hotels – MENA Region
Christopher Lund

For those resuming operations, it is significant to highlight that the psychological realities driving consumer behavior must be thoroughly assessed to identify ways to mitigate visitor's concerns. As the relationship between each brand and consumer starts by building trust, regaining client confidence will be a necessary prelude to overcoming the crisis.

Equally noteworthy is the fact that keeping a real-time pulse on changing customer preferences, in tandem with the rapid innovation to redesign journeys that matter to a very different context, is the simple trick in mastering the art of hospitality, especially in times of calamities. The current situation is bound to define new delivery concepts, human capital sharing platforms, and initiatives promoting the "staycations" or "holistays," experts agree.



Now of all times, it is necessary to emphasize how critical select-service offerings would be for all properties in the new hospitality landscape. The flexibility of introducing such services, tailored to the specific hotel needs, will help hoteliers optimize operations and generate revenue,



**CEO of Kerten Hospitality
Marloes Knippenberg**

Case in point: While public beaches are still closed in Dubai, beach resorts have reopened for in-house lodgers. Some establishments are now offering day-use rooms so guests can enjoy the facilities, and hoteliers can maximize the number of visitors on the property, while also abiding by the state's directives, Managing Director of Stirling Hospitality Advisors Donald Bremner tells Invest-Gate.

Ripple Effect

The reduced traffic to hotel establishments is already exhibiting an obvious cascading effect on the revenue generated from meetings, incentives, conferences, and exhibitions (MICE), together with food and beverage (F&B) and other commissions.

This hard reality ought to make entities such as bed and breakfast, pubs and clubs, cafés and restaurants, bistros and beach bars, and the like less immune to living the crisis much worse than other private players for being intrinsically vulnerable to change. With no vaccine in sight, small lapses in hygienics, organization, staff grooming, and practicing social distancing will seemingly be met with greater scrutiny than ever.

As the F&B industry fight for short-to-medium term survival, social distancing not only translates to a trend but rather a new-found pattern that owners/operators must respect highly to relaunch in the COVID-19 era. For example, the previously de rigueur idea of a lavish buffet may no longer be appealing for potential guests. Instead, "a simple and limited à la carte menu" becomes the de facto fall-back solution, "as long as this is communicated in the right way to guests," Lund adds.

This concept is seemingly gaining traction in the F&B world. JA Resorts & Hotels has wiped out its buffet option, while Charlie Weaving and Joao Serio of Livit Hospitality Management have earlier announced that buffeting as a whole could become a thing of the past; the pair earlier stated, "[We] believe the all-you-can-eat food stations and buffets will definitely be dropped by bars and restaurants from now on, for the foreseeable future at least."

Silver Lining to the Mask: Innovative Acceleration

While the supra changes may initially unleash chaos, several establishments, namely large chains or owners with sound financial capacity, apparently chose to tune in the unofficial hymn of today's hospitality landscape: If the recession slows things down for the brand to date, use that lull to innovate.

Apparently, the UAE is also in the loop as five-star resort Emirates Palace unveiled on June 5 the reopening of its international all-day dining venue "Le Vendôme." In compliance with the safety measures, the Abu Dhabi-based restaurant is only serving items from its à la carte menu, doing away with buffet service, as highlighted in a recent press release.

Nowadays, hygiene and health have become an important theme and technology plays a leading role in this. Days after the 9/11 attacks, body scans were mandatory at airports, and are now indispensable. In this way, will there be temperature checks upon entering hotels now? El Raheb sees that smart solutions such as digital monitors and temperature scanners will become commonplace among establishments and are here to stay beyond the pandemic.

Meanwhile, Kerten Hospitality CEO argues that other businesses are going the extra mile by integrating Artificial Intelligence (AI)-based predictive analytics in hospitality, promising to enhance hotel reputation, drive revenue, and take customer experience to the next level.

Interestingly, lots of these technologies were already out there. But given the rising need for smart automation of existing processes amidst COVID-19 quarantine, in particular, a digital revolution was fueled among hotel businesses to conveniently sell services to market partners, interact with guests and staff members, or even communicate business-to-business (B2B), according to Stirling Hospitality's Bremner.

"On the other hand, all industries are slowly understanding how to gather and use big data to optimize every aspect of their businesses. I believe that the right use of big data can significantly change the way we build and operate hotels; imagine all the information that can be drawn from data of nearly 7,000 Marriott hotels worldwide," the CEO affirms.

After all, the advance of technology must always take into consideration the environmental reality people live in. Regardless of the technological growth, as Knippenberg notes, there will always be the need for a personal host to handle guest requests, notably as the world turns to more extended stays and fewer group check-ins, breakfasts, and experiences.

Post-COVID World: Optimistic But Cautious

As things stand, it is fairly evident that the integration of innovation and creativity in hospitality will heed a fundamental redefinition of exceptional customer experience among hotels. The change was unequivocal, and the pandemic looks to be the catalyst that will push the lodging industry toward more tech-forward and efficient operations, boosting the quality of offerings as a result.

In the end, it is impossible to overestimate the gravity of the present crisis, as experts lay out a mixed outlook on how the hospitality industry will rebound from the Coronavirus woes, in spite of the technological advancement. Tomorrow, next week, or the coming month might be a dark cloud over the hotel market, yet operators must continue to adopt a conscious train of thought that sheds a positive, yet pragmatic, light on what to foresee. As cliché as this may sound, but the bottom line: Greatest glory is not in never falling, but in rising and moving forward for a fruitful comeback.



VIRTUAL SALES EMERGES AS NEW NORMAL IN TODAY'S PROPERTY INDUSTRY

BY **RANIA FAZZA**

Much about the COVID-19 pandemic is still maddeningly unclear and, seemingly, the takeaway is that the germ episode will upend the majority of industries; the property sector is no exception to this general trend. Instead, at a time when a third of the world's population is in hibernation, technology is now taking center stage as a facilitator, which encourages innovative solutions in the real estate arena.

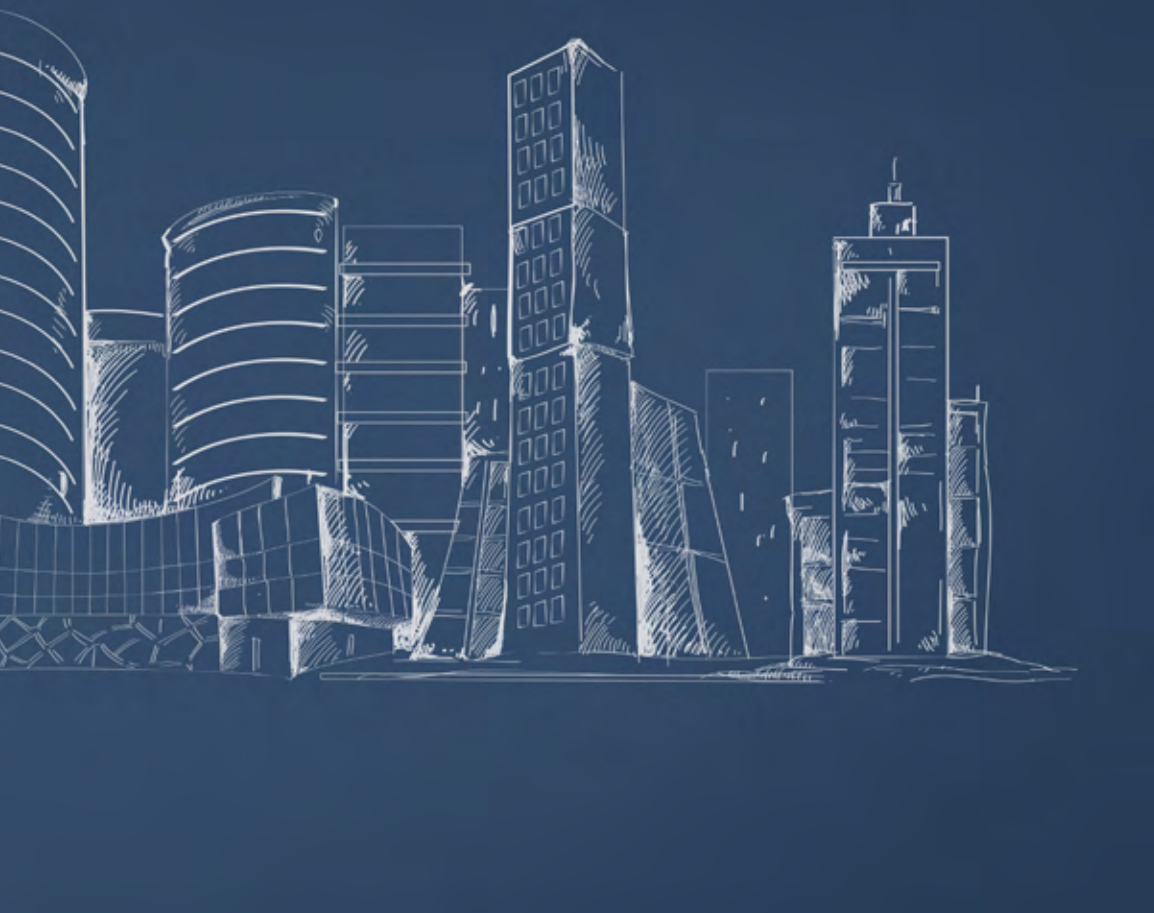
Since the start of the crisis, realtors have been forced to be like chameleons in response to the situation to attempt to keep transactions moving. Thanks to guidelines for social distancing and mandatory closures, technology finally seeped into the brick-and-mortar setup, which not long ago engaged with tech interventions only in matters related to planning and design. Nowadays, virtual selling is a game-changer for providing ways for buyers to continue their property hunt from the confines of their home

by giving a sneak peek into real estate units, hence presenting a fair idea of the premises to judge the size and dimensions of all spaces.

Speaking of the local scene, Sixth of October Development and Investment Company (SODIC), IGI Real Estate, and Coldwell Banker Egypt are among the first runner-ups to jump on the digital bandwagon to boost sales and shake up demand for Egyptian real estate during this hard time, not

without challenges such as technology illiteracy within the country.

In that sense, Invest-Gate reaches out to the above market leaders to discuss the business benefits from virtual sales, in an attempt to set out ways that imbibe technological advancements to bring about an evolution in the realty space, particularly in terms of revenue streams and sales volume.



Virtual But Now Vital

Owing to the virus outbreak, what seemed like a far-fetched dream for realtors will come in place. As touchless technology emerges to become the new normal in the wake of COVID-19, Egypt stands as a typical example of engaging in the virtual world.

In early April, SODIC kicked off the digital selling concept via its official Facebook page, stating, "For the first time in Egypt, SODIC's virtual sales will introduce you to a community that is for the young at heart at VYE, New Zayed, with townhouses starting at EGP 4 mn."

SODIC officially tells Invest-Gate, "We were the first real estate developer to roll this out. We pride ourselves on being an innovative company that is always embarking on new ways to advance the business and online sales is one of many customer-focused initiatives we are working on."

"Sales are gaining momentum and will take time to achieve the platform's full potential. Early adopters have started taking to it. However, culture changes take time and people will slowly shift to making bigger purchases online," the Egyptian developer continues.

Commenting on the move, Mohamed El Said, property consultant at SODIC, tells Invest-Gate that virtual sales have highly contributed to an increase in the company's transactions despite the current emergency situation. He elaborates, "With Coronavirus-driven social

distancing, this digital strategy proved to be remarkably practical and fruitful."

El Said goes on to explain how SODIC uses digital technology to enhance virtually every aspect of the sales process and elucidates, "To start off, as realtors, we brief prospective clients about this new approach. Through online meeting websites and teleconference solutions such as Zoom, I work closely with buyers to orchestrate virtual open houses."

Nevertheless, Coldwell Banker is also ushering in a new era of virtual home showings. Dina Garas, Coldwell Banker marketing director, further highlights, "It was essential to direct our efforts toward the digital realm. For our first-ever online event, where virtual sales were initially introduced, we marked a grand success for being able to attract at least 325 potential clients in five days only."

Aiming to capitalize on such a move, Coldwell Banker made good use of several real estate online marketing solutions to promote its first-of-its-kind virtual event, push this new technology forward, and most importantly, encourage potential leads to opt-in. After all, the property provider plunged into user-generated ads, customized push notifications, email newsletters, SMS campaigns, among others.

"We also created an animated video to invite people to join the virtual conference, in addition to demonstrating ways of effective communication during the event, be it live chats or audio/video calls. Moreover, we coordinated with real estate developers to offer flexible

payment methods and provide digital home buying consultations, besides allowing prospective customers to pay upfronts online."

Likewise, IGI Real Estate uncovered in early May the significance of its new virtual tour concept. According to the company, the platform is "more than just an online sales center." Instead, it is a virtual showroom that is available through the company's website for clients to enjoy a fully-immersive virtual walkthrough with exclusive offers.

Additionally, the website also allows clients to hold live chats with sales representatives, together with an online reservation service for a seamless house deal, IGI Real Estate said in a previous press release.

Desperate Sellers, Nervous Buyers

For now, in Egypt, virtual selling is still up in the air and local real estate firms are still trying to turn the stumbling blocks facing them into stepping stones. For instance, El Said draws attention to one main challenge that has stymied SODIC's wider adoption of online sales, which is the general public's lack of technological know-how.

The property consultant underscores, "We sometimes come across clients, who cannot use digital platforms and do not even know how it works. Therefore, it is often difficult for those buyers to purchase property online, let alone ones with high price tags."

In the same vein, Coldwell Banker's Garas shares another hurdle to pivoting to virtual selling in the North African country, which has a particularly high barrier to overcome: Resistance to change.

"Building meaningful professional relationships and convincing clients to book real estate units is more difficult to do in the virtual world, but it is not impossible and understandable in light of the current circumstances. However, the process gets much easier once buyers adapt to technology and digital grip is more predominantly used in a business context," the deputy marketing director adds.

A New Normal

Even if the stay-at-home regulations are relaxed soon, it could be some time before property agents see large numbers of in-person viewings once again. Interestingly, real estate players can make the most of this phase by establishing a brand recall through virtual tools in the minds of prospective buyers.

In the post-Coronavirus era, the possibility of facilitating virtual home sales is probable with the adoption of these technological advancements, which are playing a significant role in keeping the ball rolling for the sector. Though technology would not completely replace human interaction in the real estate industry, this would surely help in enhancing the overall customer experience.



ADVANTAGE

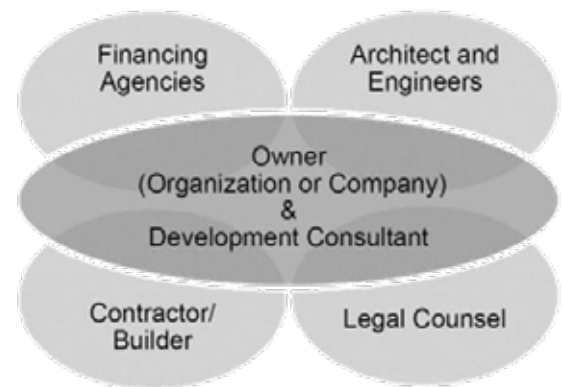
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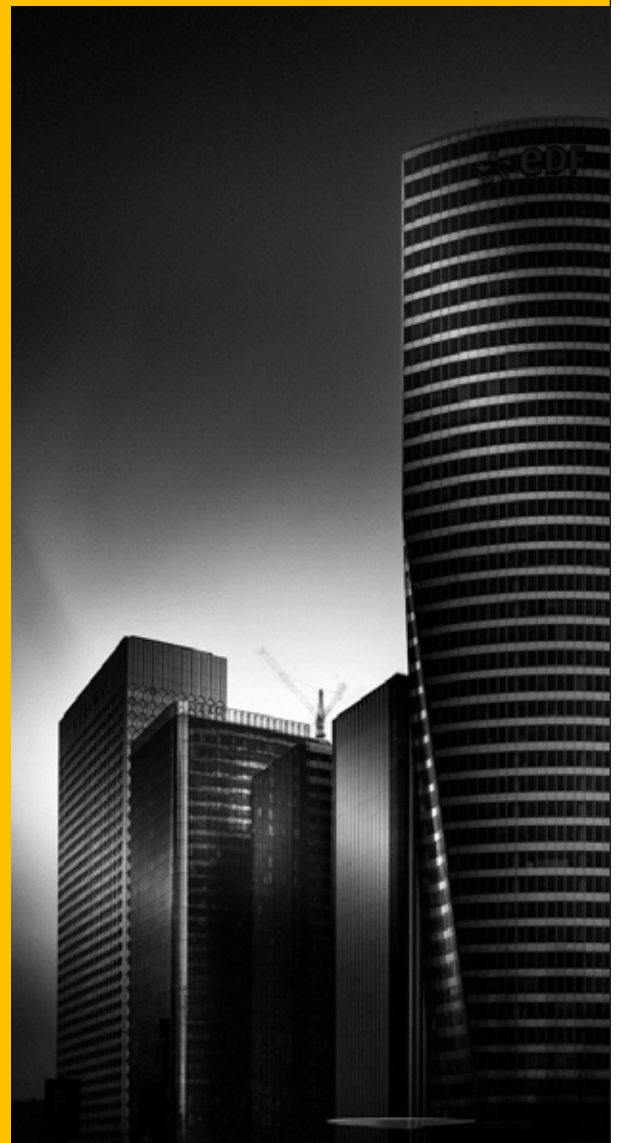


WHAT DOES A REAL ESTATE DEVELOPMENT CONSULTANT DO?

The owner and the real estate development consultant become the "developer" of the real estate project. While the owner is responsible for decision making, the development consultant takes on the responsibility for managing the entire real estate development process, coordinating the work of the development team, serving as a central point of contact for communication and assist in the owner's decision making process by providing advice and guidance to the owner. In addition, the development consultant takes on a number of specific tasks either independently or in conjunction with other members of the development team.

These tasks normally include:

- Undertake market/need/demand analysis
- Prepare capital and operating cost budgets
- Assist with organizing property management
- Identify, evaluate and assist with property acquisition
- Prepare and update development and construction schedules
- Assist with zoning, entitlements and other development approvals
- Oversee the preparation of the development program and concept plan(s)
- Assist with project design (particularly from market and budget perspectives)
- Prepare marketing materials and coordinate marketing / application / pre-leasing / pre-sales process





ADVANTAGE

For most projects, development consultants guide owners through a FIVE-STEP RE development process.

During the **FIRST STEP**, the development consultant helps the owner to identify the project's goals and objectives, secure/define the property to be developed, and develop an initial project concept. The development consultant assists the owner in assessing his own financial/operational capacity to undertake development of the project.

STEP THREE is pre-construction. It usually involves significant expenditure of funds for design and engineering services. During this stage the development consultant also helps the owner determine final capital cost budget, finalize contracts and agreements, and all necessary approvals in order to proceed with construction.

During **STEP TWO**, the development consultant works with the owner to assess the project's feasibility. This step typically involves helping the owner with market need/demand analysis, preliminary designs, preliminary capital, operating budgets, financing applications, negotiations, zoning and development approvals.

STEP FOUR is construction of the project. During this step the development consultant participates in construction meetings, helps the owner resolve any construction issues that arise, accounts for all project costs, and facilitates advances from financing agencies, initiate and coordinate the marketing/pre-leasing/pre-sales process.

THE FINAL STEP in the development process involves assisting the owner with setting up for on-going property management, because developing real estate is a cumulative process with each step forming a foundation for the next, it is important for the development consultant to be hired by owners as early as possible in the process. Decisions made, or not made, early in the development process can have a major impact later in the process. Awareness of how early decisions impact later in the process is one of the skills a qualified development consultant brings to a project.

Due to the current economic environment, it is important that all businesses must find ways to stand out, tighten their operations, and increase their revenues while keeping expenses low. Developing a new real estate entity is a complex process involving years of efforts, large sums of money, and the work of many professionals. Changes in financing procedures, shifting market needs & demands, development regulations, and evolving design requirements have all added to the complexity of any RE development process. Hiring a professional development consultant offers owners the comfort of having someone "on-board" who understands the complexities of RE development and has navigated through the process many times before, because they are not committed to a single firm and bring experience from a variety of companies and industries, which allows them to offer creative solutions and "Out-of-the-Box" thinking.

For more details, please contact:



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A woman with long dark hair, wearing a blue one-piece swimsuit, is floating on a bright pink inflatable mat in clear turquoise water. She is lying on her back with her arms raised behind her head. The water is bright and shimmering with sunlight. Large, vibrant green tropical leaves, possibly banana leaves, are visible on the left side of the frame, partially obscuring the water. The overall scene is bright and summery.

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