

*Market Watch Report*

**Infrastructure Progress  
in Egypt**



**October 2016**

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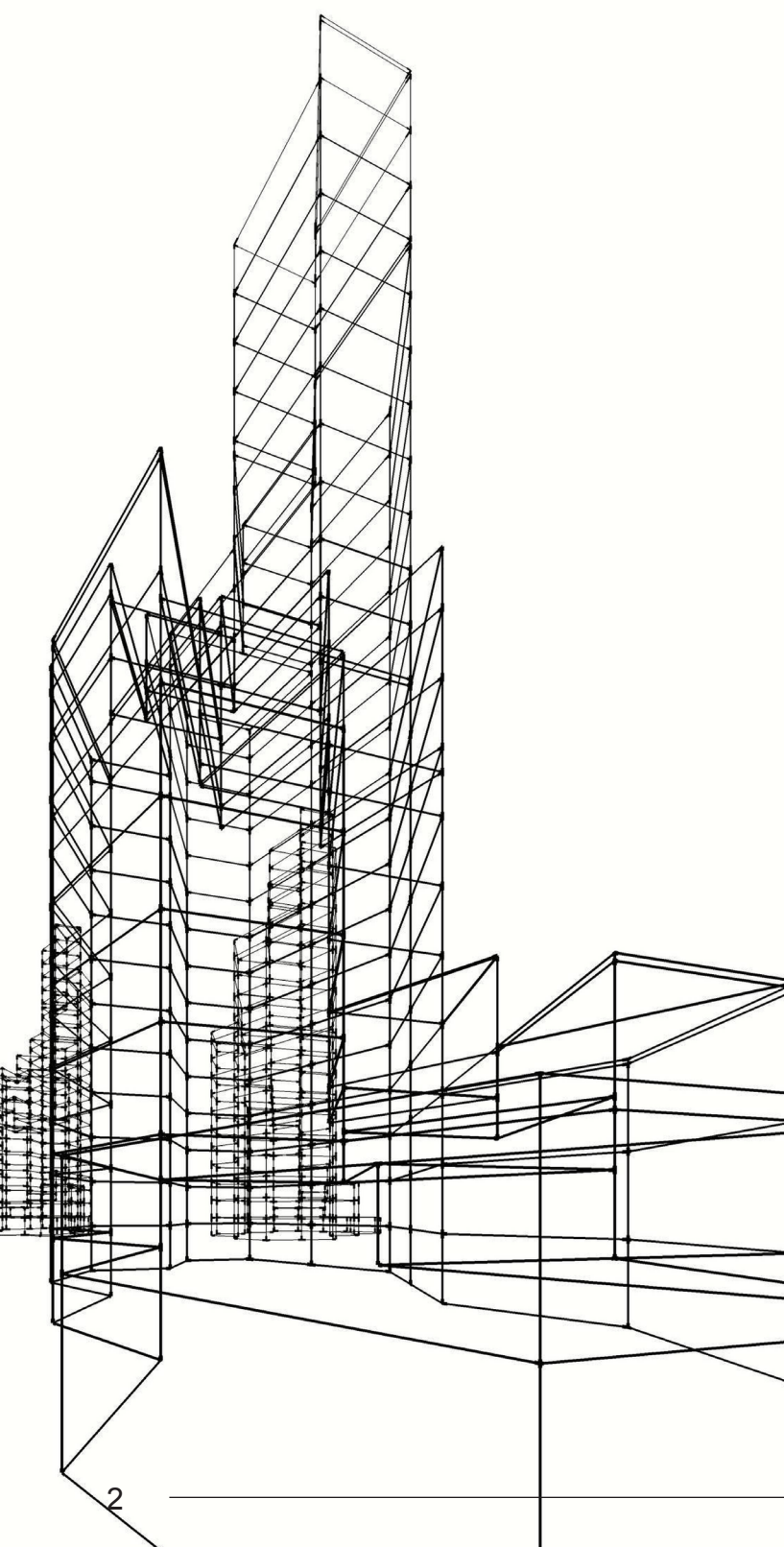


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## **NUCA to Launch Electricity Station in New Aswan in 2017**

The New Urban Communities Authority (NUCA) has launched a new main power electricity station in New Aswan with two generators that will be completed next year, reported Al Borsa. The total cost of the project is estimated at EGP 60 million, according to Alaa Naseem, Executive Manager of Electricity and Telecommunications in NUCA. The new enhancement will boost power from 10 MV to 50 MV, Naseem added, noting that the total value of completed electricity projects in New Aswan recorded EGP 138.7 million, stretching over 635 kilometers within the city, while other networks are under construction to stretch over 333 kilometers.

## **Monitor Control Devices to be Installed in New Cities**

The New Urban Communities Authority (NUCA) will supply and install 315 electronic remote street lighting, monitoring, and control devices within new cities, reported Daily News Egypt. A school is also expected to be constructed in New Nubaria City with 33 classrooms, as well as a kindergarten building and a new market. New Minya will also launch a tender to construct a road that will link the army road with the residential area and expand the Minya-Assiut road between the army road and Al-Safa checkpoint. Additionally, more facilities will be implemented, such as sewage and electricity.

## **Sewage Projects to be Finalized in Alexandria Governorate**

Several expansions to the sewage network in Alexandria have been announced by Mostafa Madbouly, Minister of Housing, Utilities, and Urban Communities. Plans include nine projects at a cost of EGP 135 million while several other projects at a cost of more than EGP 1 billion are nearing completion in Alexandria and its vicinity. All in all the projects will serve nearly a million citizens with most of them to be finalized in 2017. Madbouly also announced the completion of several other sewage projects, among them the Sharqia water treatment plant project. These projects, at a cost of EGP 1.45 billion, are supposed to serve 2.5 million citizens.

## **Infrastructure and water treatment projects in Alexandria Governorate**

The Ministry of Housing, Utilities, and Urban Communities has announced projects for drinking water at a cost of EGP 757 million to serve half a million citizens in Alexandria Governorate. Projects are expected to be finalized by 2018. Other planned water treatment projects west of Alexandria near the North Coast, El Alamein Coast, and Sidi Abdel Rahman are to serve more than half a million citizens while plants in the eastern Delta are to be enhanced to serve around 700,000 residents. Additional projects include infrastructure and residential projects worth nearly EGP 100 million including the expansion of tunnels and bridges.

## **New Water Treatment Plant to be Launched in Mostakbal City in New Cairo**

El Mostakbal for Urban Development will launch a water treatment plant in New Cairo, the first phase of which will cost EGP 250 million, according to the company's chairman Essam Nassif, reported Amwal Elghad. The company is set to sign a contract with the New Urban Communities Authority (NUCA), wherein the latter will provide 300,000 cubic meters of drinking water to Mostakbal City per day at a cost of EGP 2 billion, Nassif continued. He noted that the company has paid around 400 million pound to the NUCA while the rest will be paid over three years.

## **3 Suez Canal Tunnels to be Finalized by 2018**

Orascom Construction and the Arab Contractors Company are partnering up to dig three tunnels under the Suez Canal that will be finalized by the end of 2018, according to Moshen Salah, Chairman of the Arab Contractors Company. Two of the tunnels will be designed for cars while the third will be a railway tunnel. Total cost is EGP 18 billion and they are expected to benefit strategic projects at the Suez Canal and facilitate trade activities by linking the canal cities, according to Salah. The Suez Canal tunnels are considered to be vital projects of the Armed Forces Engineering Authority for linking several governorates with the Sinai Peninsula.

## **11 Water Sanitation Projects to be Built in North Sinai**

Minister of Housing, Utilities, and Urban Communities, Mostafa Madbouly, met with officials from the National Authority for Potable Water and Sewage and the Holding Company for Water and Wastewater (HCWW) to resolve water issues through 11 new projects that will be established in North Sinai. The total cost of the projects is EGP 875 million, including two projects in Al Arish that cost EGP 590 million. Further EGP 114 million will be allocated to water sanitation projects in Sheikh Zuwayed and Rafah. Another six projects are expected to be launched in Al Hassna Center for EGP 95 million, stated Mamdoun Raslan, CEO of the HCWW.

## **Moukhtar Ibrahim Constructs 4 New Bridges in 2017**

Egyptian construction company Societe Egyptienne D'enterprises (Moukhtar Ibrahim) is set to deliver four new bridges in 2017 at a cost of EGP 500 million, as part of the country's national road project, reported Amwal Al Ghad. The company will be building two bridges along the 30 June Axis, as well as another bridge in Mansoura, constituting 65% of the total construction, according to the company's CEO Fayek Al Banna.

## NCWS Connecting 20,867 Residential Units to the Water Supply Grid

The National Committee for Water and Sewage (NCWS) has connected 20,867 residential units to the water supply grid; in addition to construction of a sewage facility servicing 18,112 residential units, reported Invest-Gate. Current construction work is underway to connect additional 40,209 residential units to reach a total of 75,563 residential units. Sayed Ashry, Head of NCWS stated that infrastructure work has taken place in 12 governorates, adding that construction of pipelines has been extended to reach more than a thousand additional units, mainly in the Luxor area.

## EGP 125M Dahab-Nuweiba Road Maintenance Project Inaugurated

Minister of Transportation, Galal Said, and his Jordanian counterpart laid the foundation stone for a maintenance project designed to raise the efficiency of the 65 kilometer Dahab-Nuweiba road, Al Ahram reported. The maintenance project will cost EGP 125 million, to be implemented by the Arab Contractors Co., and the General Nile Company, according to Al Watan News. Said stated the road was a major hub for transportation in South Sinai, linking several towns and ports. He added that the project will be implemented over the course of 12 months.

## Three Infrastructure Tenders Announced for Shorouk, New Akhmim City

Three tenders were announced for operating, maintaining, and securing lighting networks in Shorouk and New Akhmim cities in a public offering for the companies registered in the Egyptian Federation of Construction & Building Contractors (EFCBC), reported Invest Gate. The first and second tender, both in Shorouk City, will be for operating, maintaining, and securing the street lighting network with the first tender amounting to 5,275 street lighting columns, and 1,247 garden lighting columns overall. The second tender includes 4,340 public lighting columns and 1,110 garden lighting columns. The final tender will be in New Akhmim City for farming and forestation throughout the northern entrance to the west.

## Ministry of Housing: Expansion of Drinking Water Plants to be Completed in Weeks

The next few weeks will see a large number of sanitation and drinking water projects delivered in several governorates, said Mostafa Madbouly, Minister of Housing, Utilities and Urban Communities, reported Invest Gate. The most important projects nearing completion include two water stations in the Dakahlia governorate. In addition, the Giza governorate will have several new water plants in operation within weeks with other governorates following soon after. Moreover, Madbouly discussed with officials from utilities and construction companies a number of important projects, mainly the completion of social housing projects in Kafr El-Sheikh, Ismailia, Port Said and Dakahlia which are expected to provide 13,000 housing units.

## EMAC to Complete 77 km of Road in 2017

EMAC Contractors, an affiliate of Kuwait-based Al Kuwait's Al Kharafi & Sons Group, is expected to complete a 77 kilometer long road in one year, EMAC Executive Manager, Samir Fathy told Amwal Al Ghad. The roadwork includes 60 kilometers of the Qena-Safaga desert road for EGP 450 million, and the 17-kilometer Shobra-Banha Road. Work implemented by EMAC is part of the first phase of the National Roads Project launched by the president in 2014. The National Roads Project will take two years to complete, at a total cost of EGP 36 billion.

## 97% of Suez Desert Road Completed

An estimated 97% of the road work is completed for the Suez Desert Road project, said Adel Al Turk, Head of the Egyptian General Authority for Roads, Bridges and Land Transport (GARBLT), reported Amwal Al Ghad. The project includes the 70-kilometer road stretching from the Regional Ring Road up to Suez City, said Al Turk, according to Al Haya Al Masrya. The Suez Desert Road is considered one of the largest national road projects and involves 120 kilometers for EGP 1.5 billion, added Al Turk. The project is executed by four construction firms, with the Armed Forces Engineering Authority overseeing the implementation.

## New Road Network Under Construction in North Aswan

The Ministry of Transport is implementing new road networks connecting the East and West of the Nile, said Minister of Transport Galal Saeed, Amwal Al Ghad reported. The roads include the ring road in Northern Aswan, dubbed the "Kalabsha Axis". Total investments amount to EGP 650 million, according to Al Watan News. The Kalabsha Axis will link the horizontal road network and is expected to facilitate the creation of new industrial and urban communities, as well as agriculture in areas that were difficult to access. Preliminary construction work will include a bridge over the Nile, as well as six tunnels. Approximately 55% of the construction work has been completed.

## EGP 400M for Utilities, Infrastructure in New Suhaj City

The New Suhaj City Authority is investing EGP 400 million to add utilities and infrastructure in New Suhaj's fourth and fifth districts, reported Al Borsa News. The authority will launch three tenders for construction companies next month, with 200 acres offered as the first phase and 15 months to execute the project, said Mostafa Wahba, Head of New Suhaj City Authority. The General Nile Company for Roads is close to winning the 127 acres tender for road pavement for the social housing project, said Wahba.





## EGYPT'S TOP 10 ROADS: Exploring the National Roads Project

Despite the current economic situation, the Egyptian government has been focusing the larger portion of its plans to attract foreign direct investment (FDI) into the country. One industry that has been benefiting from the inflow of FDI is the real estate, especially in terms of projects in new non-urban areas. To secure investments in new areas that far from main cities a nation-wide infrastructure scheme, dubbed the National Roads Project (NRP), was launched in August of 2014.

The project covers an array of new roads and highways, alongside plans for the development of several old ones with the aim to connect governorates and reduce traffic bottlenecks and accidents.

The new road network will reportedly make up some 20% of the total length of all roads in Egypt and will be completed within a two-year period.

The two-phase mega project aims to enhance the efficiency of existing roads as well as build new ones that will pave the way for investment, improve infrastructure, connect governorates and raise national income.

The plan entails the construction of 39 new roadways with a total length of 4,400 kilometers and with investments estimated at EGP

36 billion.

In addition to the NRP, other roads are planned to be paved as well, while others are currently under construction, across Egypt in attempt to boost tourism and facilitate commuting.

Covering the entire country, around ten roads stand out in terms of effect and importance.

### Sohag-Red Sea Road

As part of the plan to develop roads across the country, a new road linking Upper Egypt to the Red Sea governorate has been in the works for some time.

The Sohag-Safaga or Sohag-Red Sea road will boost the proximity between Upper Egypt and the Red Sea governorates; as well as further link the south of Egypt to Saudi Arabia, according to a statement to Youm7 by the Transportation Minister, Galal Al Saeed.

The road is also believed to reduce the number of deaths seen on the current road.

Estimated at a total cost of EGP 2 billion, the project will see the creation of a dual highway, thus enhancing the efficiency of the old road. The project has been completed by as

much as 97%.

The road was scheduled for delivery in June this year, but no news has confirmed the inauguration.

### Farafra-Dairut Road

Connecting Farafra in New Valley governorate to the southern city of Dairut in Assiut, the road was announced to be 65% complete, as of April 2016, by the governor of New Valley, Mohamed Ashmawy.

The Farafra-Dairut road will include three traffic lanes that are 3.5 meters wide each. At 310 kilometers long, the new road is planned to cost an estimated EGP 1.2 billion.

Additionally in Farafra, the government is executing a 100-km two-way road linking Farafra to El Wahat El Baharia; a project which is expected to cost EGP 214 million. By April, around 60% of construction works in the Farafra-Wahat road were completed. The Arab Contractors alongside four other contracting companies are carrying out the project, according to Tarek Sakr, Board Member and Head of the Roads Sector at the company.

Sakr noted that the Arab Contractors were

implementing four road projects as part of the NRP with total cost of more than EGP 1 billion.

The Farafra-Wahat road is planned to be opened on the 3rd of October 2016, coinciding with the national 6th of October festivities, Ashmawy told Al Watan newspaper.

## 30 June Axis

The 30 June axis is a constructed to link Cairo to Port Said via Zagazig and Ismailia cities; in addition to linking several other main cities and governorates throughout the country.

The axis extends for almost 100 km in both directions and comprises of three car lanes and two truck lanes, Head of the Sinai Development Authority (SDA), Mohamed El Saqqa told Al Watan newspaper.

The project entails 16 tunnels, 12 bridges, and 10 traffic lanes in both directions.

Project costs are estimated at EGP 1.8 billion; however, it is likely that EGP 500 million will be added to the cost in order to extend the Axis to reach southern Port Said and build pedestrian tunnels in some areas.

The SDA official noted that 40% of roads and 50% of bridges that are part of 30 June Axis have been completed. The project encompasses the work of 13 contracting companies and provides around 5,000 direct and indirect jobs.

## Gabal El Galala Road

The Gabal El Galala road (or Majesty Mountain road) is a highway that will be erected through the mountains on the Ain Sokhna road heading towards Zaafarana and Beni Suef. It is expected that the new road will revive tourism in the Red Sea governorate, particularly in Hurghada. The road will replace the infamous two-lane non-divided road overlooking the Red Sea coast, which is known for its large number of twists and turns that have resulted in many deaths.

The new 82 kilometer freeway will include speeds reaching 120 kilometer per hour.

The new road will begin from the 112-kilometer mark on the Cairo-Ain Sokhna road passing through the Zaafarana-Beni Suef road which is part of the 30 June Axis.

Gabal el Galala is also an integral part of a road that begins at Port Said passing through the 30 June Axis until the 92-kilometer mark on the Cairo-Ismailia desert road. In addition, through its connection with the Suez-Ain Sokhna road, the new road will link the area to the Cairo-Cape Town road project.

The newspaper also reported that the Armed Forces Engineering Authority was carrying out the project in cooperation with the civil sector and around 53 local and public companies.

The road was scheduled for delivery in late April 2016, but was postponed to later in the year.

## Cairo – Suez Road

The project involves adding a service route on either side of the road as well as expanding the main road via an additional lane so that it becomes a five-lane dual highway that includes six bridges and a tunnel.

Governor of Suez, Ahmed Al Hiatmy, recently confirmed that work on the Cairo-Suez road was ongoing and will be completed "soon". He added that the new road will reduce the number of traffic accidents as it will include a side lane for trucks, which came as a response to the demands of citizens.

Completion levels for various parts in the Cairo-Suez road including segments and bridges have been completed by around 80% to 90%, according to Al Saeed. However, local media reported that although inauguration was set for 30th of June 2016, the opening was postponed indefinitely due to construction delays.

## Dahshur–Wahat–Fayoum Road

Essam Badawy, Head of the 6th of October Authority, announced in June this year the scheme for developing and upgrading several parts of the Wahat road axis, as well as the southern Dahshur connection.

The new connections will see the removal of all congestion-causing crossroads and replacing them with bridges and U-turn bridges.

These will include the Wahat-ring road crossing, the 26 of July axis and the southern Dahshur connection. In addition, the southern Dahshur connection will be linked to Fayoum via the Wahat road and will also be expanded by adding two lanes for heavy-weight vehicles.

The total cost of the project, which also includes beautifying the entrance to Fayoum, is estimated at EGP 2.2 billion, local media reported.

The project has been divided into segments and awarded to several companies, Badawy revealed.

## Shoubra-Benha Road

The Shoubra-Benha road in Qaliyubia governorate is a freeway that will reduce traffic congestion on the Cairo-Alexandria agricultural road through which nearly 140,000 vehicles pass each day, according to Al Saeed.

It will also allow traffic to avoid passing through residential areas.

The new 40 kilometer road entails a large bridge linking Cairo's ring road with Shoubra El Kheima and Benha. The bridge alone is estimated at EGP 180 million.

The freeway entails the construction of a dual road with four 3.75-metre-wide lanes on both side, 41 bridges, and 30 tunnels, at a total cost of EGP 2.5 billion.

## Cairo-Alexandria Desert Road

The Egyptian General Authority for Roads, Bridges, and Land Transport (GARBLT) re-

cently announced the completion of the development and expansion works aimed at boosting the efficiency of the seventh and final segment of the Cairo-Alexandria Desert Road.

The road will facilitate traffic and reduce travel time as well as bottlenecks and traffic congestions in the direction towards Alexandria.

Renovations of the four-lane dual highway cost a total of EGP 1.4 billion.

The 10 vehicle bridges and five pedestrian bridges have all been finalized according to Adel Tork, Head of GARBLT, noting that the expansions represent a "major leap" in the vital road.

Development of the Cairo-Alexandria Desert Road began eight years ago and covers the area from the toll station opposite the Smart Village to Alexandria's toll station.

## Wadi El Natroun Road

The Wadi El Natroun road linking Cairo to Alamein City and the North Coast was reopened end of April 2016, after more than a year of construction work.

The popular highway was redeveloped and expanded from having only two lanes to a dual three-lane highway to accommodate the influx of traffic. The road also includes a separate side-lane for trucks.

Carried out under the supervision of GARBLT, the road covers an area of 135 kilometers, while project costs amount to EGP 1.9 billion.

## Al Fouka Road

Al Fouka road links Cairo with the extensions of the currently under-development project of the West North Coast, located near Al Fouka and Ras El-Hekma areas. The new road will reduce the distance towards the coastal governorate of Matrouh, easing future trade access to Libya.

Beginning in Juhayna Square in 6th of October City, the road extends for a total 467 kilometers; thus cutting the distance between Cairo and Alamein by 100 kilometers and saves about an hour and a half in terms of travel time, as compared to the currently used route, according to Al Bawaba and Al Wafd.

The 197 kilometer Fouka road connection would be the first new highway to officially launch as part of the NRP.

Al Fouka road includes two lanes, each four meters in width and capable of accommodating two cars each. It was additionally designed to withstand varying temperatures particularly those including heavy rain, stated Al Watan newspaper.

An integral pillar to a countries growth, road-networks not only allows vehicles to travel from one destination to the other, but allow for investment, services, commodities, and jobs to reach new untamed areas, building life and enhancing the growth prospects of a country like Egypt.



# Infrastructure: Paving the Way to AIN SOKHNA



By Eman El-Sherbiny

For quite some time, infrastructure and public economic growth have been entwined reflecting the magnanimity of infrastructure projects on the real estate market in Egypt to a great extent.

In the grand scheme of things, infrastructure is as vital as the commercial aspect to building new recreational and residential units, which became clear and necessary to consider while approaching any new project.

The creation of a tourism destination requires appropriate and reliable infrastructure. Developers need adequate resources to build hotels, restaurants, and other facilities. Tourists need airports to

visit from faraway locations. They need roads to access hotels and sightsee. Most tourists want to visit places that offer basic services such as water, sewage, electricity, health facilities, and telecommunications.

Egypt's tourism industry has witnessed ups and downs, particularly over the past decade, but the industry is now poised for growth, especially with a focus on improving infrastructure. One avowed example can be found in the coastal area of Ain Sokhna, with its many prospective development projects. In Ain Sokhna, upgraded infrastructure is viewed as a major leap forward that will attract further

investment to the area and speed the development process.

## Infrastructure Planning and Tourism

In line with the Ministry of Tourism's policy to boost the tourism industry in Egypt and increase investment in the sector, a number of infrastructure projects have been planned and inaugurated in coastal Egypt. These projects indicate the necessity of infrastructure development as a catalyst for economic growth.

The most recent three infrastructure projects are in Ras Sudr, the North West Coast, and Ain Sokhna.

Invest Gate sat down with the Vice Pres-

ident of the Tourism Investors Authority (TIA) in Ain Sokhna, Mohamed Roshdy, to discuss how upcoming projects will shape the Ain Sokhna market for both developers and buyers.

When asked about Ain Sokhna as a nascent attraction for investment, Roshdy said, "The developer carefully chooses his location, and Ain Sokhna is what we call 'the Cairo beach,' due to the fact that it is 100 km away from Cairo and 40 km from the new Cairo administrative capital."

"Ain Sokhna has got all the advantages a touristic area needs for foreign and domestic tourism, especially that it is so close to Cairo, while having the same beautiful weather as Hurghada, near a stunning sea," Roshdy continued. According to Roshdy, what Ain Sokhna mainly lacked was the infrastructure; the Tourism Development Authority (TDA) was partly established to meet this need.

***"Ain Sokhna has got all the advantages a touristic area needs for foreign and domestic tourism, especially that it is so close to Cairo, while having the same beautiful weather as Hurghada, near a stunning sea."***

Since 1991, the authority has employed experts with a vision to help private-sector investors support development of the

tourism industry; especially since the state allocates a piece of land to be employed and built from the infrastructure to the residential and commercial real estates.

### **The Progress Is Qualitative**

"What is taking place in Ain Sokhna is a qualitative move, as a result of the new road being built by the Armed Forces, which extends to Galala Mountain," Roshdy noted, adding that these roads will allow Ain Sokhna to host hospitals, schools, and an airport. These projects will help attract international tourists.

Another upside to labeling Ain Sokhna as a tourist attraction is the city's proximity to Cairo, which will allow for a quick visit to the Pyramids and the Egyptian Museum, as well as Coptic and Islamic Cairo, argued Roshdy.

"In no time, you will have a place for domestic and international tourism alike,

achieve," he stated.

### **Challenges Facing Developers**

Roshdy noted that some of the challenges facing developers include obtaining environmental permits, sewage issues, electricity problems, road accidents, and providing water, especially because it depends on seawater desalination.

Another issue facing developers in the region are regulations designed to attract international tourism; namely, the 1:1 hotel regulation; which entails that for every 100 touristic unit (villa, chalet, etc) 100 hotel rooms need to be built.

When asked about the effect of increases in land prices, Roshdy replied, "The infrastructure projects that took place around Ain Sokhna, have largely attracted investors to the city; thus, leading to the rise of land prices by the state itself through setting up auctions to obtain the highest prices and benefit from the heightened demand." He added, "In my opinion, if the state keeps playing the land merchant here, there will never be real development."

### **Impact of Infrastructure Expansion**

When asked about the tangible impact of recent infrastructure plans on sales, Roshdy said that sales have surged by 30 to 40%, and even higher numbers are expected. "When President Abdel Fattah Al Sisi came to power, he started a number of major national projects, such as



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the Galala mountain expansion,” he explained, adding that vast roads are being dug through the mountains at 800 meters above sea level. Other roads are under construction to connect Cairo and the deep south of Egypt. “There is an inclination to enhance and build new roads, which in no time, will turn Ain Sokhna into another Hurghada,” Roshdy remarked.

“Attracting people to these projects and vacant hotel rooms require good roads, an airport, hospitals, a comprehensive city, etc.,” he elaborated. “Previously, we never had that, and even hospitals were established by investors themselves.”

### The Government’s Much Needed

In regards to the efforts required by the government, Roshdy said that certain standards should be set. He argues that companies or developers should be granted lands, provided that these lands serve a purpose, instead of giving lands for gratis. This point coincides with an April 2016 decree, no.158/2016, issued by President El Sisi, that grants state-owned lands for free to investors.

“The state does not necessarily need to sell these lands for free,” said Roshdy. “Instead, it can get the money from sales as the project progresses, especially that the cash flow is always an obstacle, and Egyptian banks do not provide loans to tourism project, due to the lack of the

dwindling number of tourists.” He added that hotels start getting the ROI in no less than 8-10 years.

Roshdy also highlighted the fact that some investors acquire pieces of land in Ain Sokhna, then freeze them as assets for personal gain. “We need a regulation that sets standards for firms that are in it to conduct business. Companies that present poor performance should be banned or punished in a way,” he asserted. The other options for the state to partner in such projects, he added.

“We also need to have a unified extension when it comes to beaches, which is set to be 200 meters and on the long run, this does not work, especially that this could work at some areas and not work in other ones – some will end up with no land to build on,” he explained. “Such conflict in regulations needs to be rectified and addressed accordingly.

Another aspect Roshdy referred to was the environment. “The Ministry of Environment needs to amend certain laws that will help investors while preserving natural resources,” he argued. “What is being performed in Ain Sokhna is desalinating water from one salty or brackish well and dispose the sediments in another, which is hardly economic, especially that when you drain the waste back in the seawater, you kill marine creatures,” Ro-

shdy continued. “As we speak, there is a high-tech procedure that can drain that in distant places in the sea, not to leave a huge impact on the marine life.”

“We should allow in more Egyptian investors since they are the ones who built Ain Sokhna, all the more reason, the government should facilitate procedures for Egyptian investors like we do to the foreign ones. We also lack marketing to Ain Sokhna,” remarked Roshdy.

As for the industrial zones built near Ain Sokhna, Roshdy said that the state cannot start a touristic city such as Ain Sokhna and set up an industrial project nearby. When asked about the coal mining near Ain Sokhna, he said it is far enough from the touristic city. “Ain Sokhna should be kept explicitly for tourism all the way to Zaafarana,” he said.

### Currency Depreciation and Investments

So far, most investors in Ain Sokhna are Egyptian, while foreign investors can be seen clearly within the hotels sector. The purchasing power of the pound definitely causes prices to go up. “Such rise is not but an indicator that we need to work harder and faster,” Roshdy asserted.

According to Roshdy, the TDA offers installments of up to seven years to pay for allocated lands, which is a step forward



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in supporting development. “Let’s not forget that the developer is the last one to get his return on investment, while the buyer is the first one to benefit from this since he has a direct way of profiting from a real estate,” he said.

## **Residential and Commercial Real Estate in Ain Sokhna**

When asked about the State’s plan to expand Ain Sokhna, Roshdy said it correlates with the development of the touristic city. In regards to the allocated or offered lands there, he said there are no more lands to allocate. The TDA has withdrawn the remaining available areas to put up for sale at auctions.

Roshdy remarked that Ain Sokhna has to be, at least in part, residential, especially due to the weather and necessary amenities. The Armed Forces are building hospitals and schools, as well as the

large El Galala city project. It can be a new Alexandria, hence the need to educate people on how to invest in the area.

Ain Sokhna already has banks, malls, and supermarkets, but this is not enough. The education and health sectors need to be involved, Roshdy stated. “It definitely is a hotspot for commercial real estate units to be built.”

Attracting people to these projects, and to vacant hotel rooms, require good roads, an airport, hospitals, and a comprehensive city, according to Roshdy, whose attitude reaffirms the role of the TIA’s 30 registered developers.

In the end, Roshdy emphasized the importance of infrastructure projects and the buyer’s choice of developers. “A buyer needs to authenticate the project either through the TDA or the TIA. The buyer should also compare the services,

security, landscapes and safety infrastructure-wise.”

The city of Ain Sokhna is one of a few prospects in Egypt that can serve as a residential complex and a recreational retreat, with the added bonus of being close to the capital. Additionally, infrastructure projects have provided a major uplift to the area, which further enhance the quality of life and offer multiple options to both buyers and developers alike. While it seems like a golden ticket for developers, infrastructure is but one crucial step towards the larger scheme of making Ain Sokhna a prime residential and touristic destination.







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