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Market Watch Report

Land Investment in Egypt



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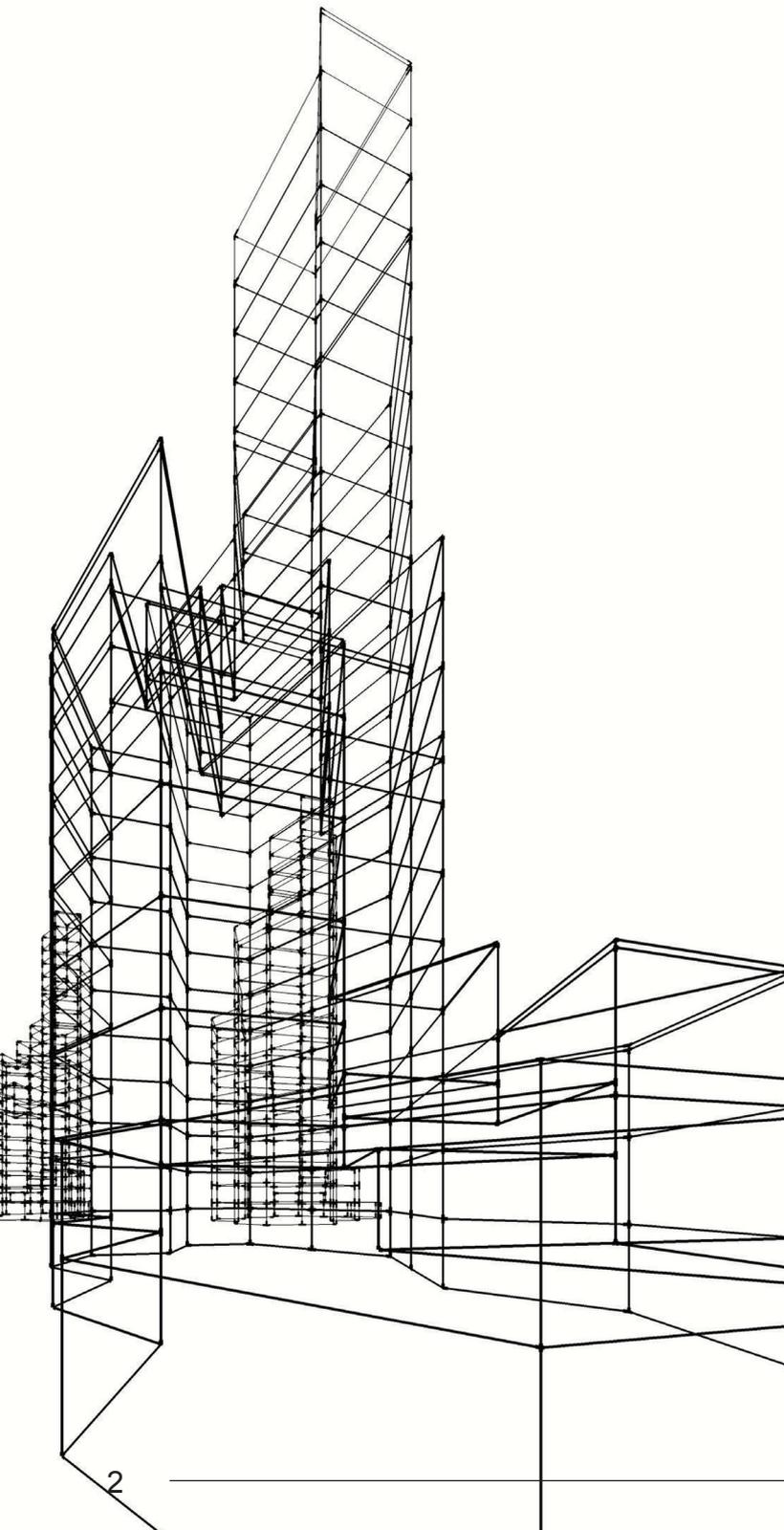


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NUCA Partners with GAFI to Offer 345 Land Plots

The New Urban Communities Authorities (NUCA) has agreed with the General Authority for Investments and Free Zones (GAFI) to offer 345 land plots over two different phases, reported Al Borsa. The land plots will be allocated for social housing projects and public services in new cities, according to Tarek El Sebaey, Supervisor of NUCA's Commercial and Residential Sector. The total cost is EGP 4.7 billion. The first offering will include 64 plots with areas ranging from 3.5 to 106 acres that will be offered in 20 cities, while the second offering will include 44 plots of a total area of 411,400 square meters for social housing.

19,500 Acres of Recovered Land Plots to be Sold

A public auction was held on October 3 to sell 19,500 acres of land that has been recovered by the state, announced Ibrahim Mehleb, Head of the Land Recovery Committee, reported Al Mal News. The authority previously received a report from the governorate of Beheira revealing that lands had been misused and seeking legalizing the status of the lands, as a number of companies and individuals sought to divide the plots and sell them for residential projects on the Cairo-Alexandria Dessert Road. The committee also discussed forming an authority to supervise the land on the Cairo-Alexandria Desert Road and Wadi Al Natrun Road, according to state-run Al Ahram.

Land Tender for Residential Development in Fayoum – Postponed

The Fayoum Housing Directorate has postponed the offering of 158,000 square meters earmarked for residential and service projects to 2017, when all facilities on site have been constructed, reported Al Borsa. Currently, only 60% of the facilities have been built on site, according to Ali Zain Al-Abdin, Representative of the Housing Ministry in Fayoum. The governorate is also considering revoking the construction contract from Al Sadeek Contractors and offering it to other contractors, as the company violated its contract with the governorate, since facilities were scheduled to be completed last month. Al Sadeek Contractors previously received EGP 41.5 million to commence work on building the project's facilities.

20,000 SQM of Land Allocated for Public Services in Sharm El Sheikh

The General Authority for Tourism Development has ceded 20,000 square meters of its land in favor of establishing public services in the Nabaq area of Sharm El Sheikh, Al Shorouk News reported. The authority moreover handed over 345,000 square meters to build a Bedouin village in Taba. Further, the South Sinai Department of Urban Planning, along with the General Authority for Investment and Free Zones (GAFI), are collaborating to offer lands in Sharm El Sheikh for a range of investments across the governorate. A total of 15 projects have received military approval to be implemented on the lands.

Tourism Authority Allocates Land for Public Services in Sharm El Sheikh

The Tourism Development Authority has ceded 20,000 square meters of its land in favor of establishing public services in the Nabaq area of Sharm El Sheikh, Al Shorouk News reported. The authority moreover handed over 345,000 square meters to build a Bedouin village in Taba. Further, the South Sinai Department of Urban Planning, along with the General Authority for Investment and Free Zones (GAFI), are collaborating to offer lands in Sharm El Sheikh for a range of investments across the governorate. A total of 15 projects have received military approval to be implemented on the lands.

New Administrative Capital to Offer Lands, Finalize Agreements with Developers

The company handling the New Administrative Capital project is set to decide on offering the first phase of investment land plots, with total areas ranging between 3,000 to 3,500 acres, reported Al Borsa. The company estimated that revenues from the first phase of the project, which will measure 14 million square meters, will amount to EGP 30 billion. The previous phase of the project included 12,000 acres, with EGP 60 billion worth of investments. The company is also discussing the possibility of selling the units located in the residential district within the previous phase in the project.

Mostakbal City Seeking Development of 1000 Acres

Mostakbal City for Development has received several partnership offers from real estate developers to develop projects in two land plots ranging in size between 700 – 1000 acres, reported Al Borsa. The projects are to focus on several different sectors; the interested developers include a local company and another company with foreign investors and in case of interest a draft of negotiation is to be signed for a period ranging from three to six months. The work that is expected to commence in the Mostakbal City lands' project include maintenance, cleanliness, and security, stated Al Wast. The company holds a total of 11,000 acres across east Cairo.

Suez Governorate Assigns 47,000 Square Meters for Residential, Tourism Projects

Approximately 47,000 square meters were assigned for residential and tourism projects in Suez, which investors were able to reserve starting in October, stated Hassan Kamal, Head of Housing Committee in Suez, reported Al Borsa. Kamal added that the land is divided in to five areas within the governorate and has been priced in collaboration with Ministry of Investment. Six plots of land were previously showcased and sold out of a total of 17 land plots, constituting 40% of the total land. Kamal also mentioned that Suez has appointed EGP 140 million for several projects, such as sanitation, electricity, water, and residential.

198 Plots to be Allocated Nationwide by Investment Authority

The General Authority for Investment and Free Zones (GAFI) was expected to allocate 198 land plots with a total area of 33.8 acres in September and October, reported Al Mal News. The land plots were allocated in Dakahlia, Giza, Port Said, Fayoum, Kafr El Sheikh, Beheira and the New Valley. Minister of Investment Dalia Khorshid stated that the ministry is working to activate the Investment Act to promptly accommodate the lands in cooperation with mandate holders, in efforts to invest in a variety of activities.

Ministry of Housing to Offer 58,800 Plots in Land Tender for Individuals

The Ministry of Housing has started selling terms of reference brochures for public land tender for individuals, reported Al Borsa News. A total of 58,800 plots of land will be offered. The ministry estimates sales from the land tender to exceed EGP 30 billion, with EGP 22 billion coming from more than 6,900 land plots in New Cairo. Terms of reference brochures were available until August 25th.

Approximately 34,800 plots of land across several cities and around 16,400 plots of land for social housing will be offered. For the most distinctive land, 7583 will be put offered, including the 6991 piece in New Cairo.

34,000 Acres in Wadi Al Natroun Tendered

The Government Services Authority was scheduled to offer 34,000 acres in a public land auction in Wadi Al Natroun, on behalf of the Land Recovery Committee, a government official told Al Borsa. Three plots of land were offered as part of the first phase in August, with sizes varying between 25,000 acres, 5,000 acres, and 4,000 acres, a government official told Al Borsa. The second land auction was to take place two weeks after the first one, and 3,000 acres were offered. After selling the land, the Government Services Authority will deposit the auctions' proceeds in an account opened at the Central Bank of Egypt, dubbed the "People's Rights" account.

New Aswan City to Offer 1,400 Acres in Public Land Tender

The New Aswan City Authority was set to offer 1,400 acres for the New Urban Communities Authority (NUCA) to offer in a public land tender, reported Al Borsa News. Land to be offered was distributed as follows: 350 acres in the region south of Alahyaa district, 150 acres in the Third District, 200 acres bounded by the area between the neighborhoods IV and V, 255 acres in the entrance to the city, and 100 acres along the borders of the city, said Mustafa Said, Head of the New Aswan City Authority. Approximately 60% of land offered were earmarked for services, trading, entertainment, and educational, and 40% were for residential projects.

EFSA: Property, Land Leasing Represents 73% of Leasing Contracts

Property and land leasing represent 73% of leasing contracts, with costs of EGP 8 billion, Sherif Samy, Head of the Egyptian Financial Supervisory Authority told Amwal Al Ghad. Finance leasing activity in Egypt rose by 12% in Q1 of 2016 recording EGP 11 billion, Samy said in a press statement, as reported by Al-Ahram. The lease contracts enable businesses to rent equipment or assets from a leasing company, rather than purchasing them. A total of 222 leasing companies are registered with EFSA for 2016, up from 219 last year. The total number of leasing contracts was recorded at 1,239 for the first half of 2016, compared to 1,367 contracts last year.





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