

MARKET WATCH

BY DINA EL BEHIRY

APRIL
2021

GOV'T
ACCOMPLISHMENTS
IN PROPERTY
MARKET

GOV'T ACCOMPLISHMENTS IN PROPERTY MARKET

GOV'T ACHIEVEMENTS IN HOUSING SECTOR



Time Period

FY 2018/19-2019/20

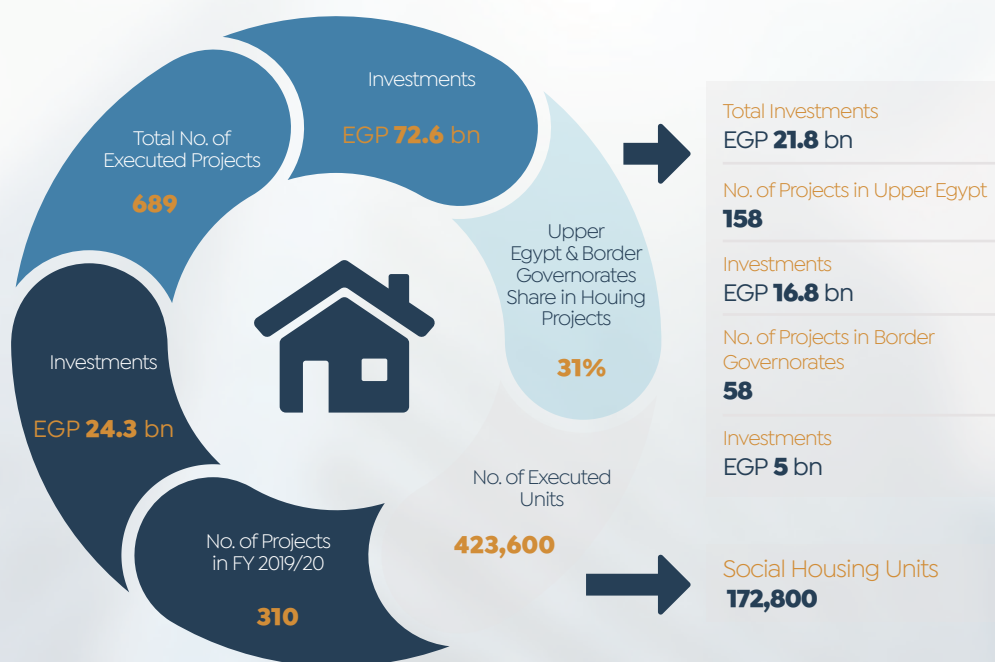
GEOGRAPHIC LOCATION OF EXECUTED PROJECTS

■ No. of Projects

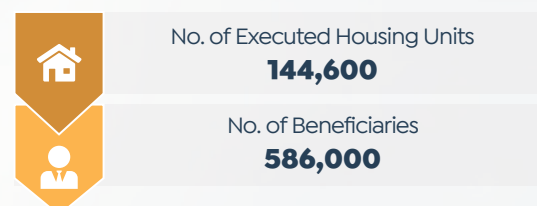
■ Investments (EGP BN)



HOUSING UNITS



SLUMS & UNSAFE AREAS DEVELOPMENT PROJECTS



RURAL SANITATION PROJECTS



POTABLE WATER & SANITATION PROJECTS' BENEFICIARIES



PUBLIC INVESTMENTS DIRECTED TO UPPER EGYPT

Time Period
FY 2018/19-2020/21

Investments
EGP 104 bn

PUBLIC INVESTMENTS

Time Period
FY 2020/21Plan
Citizen Investment Plan

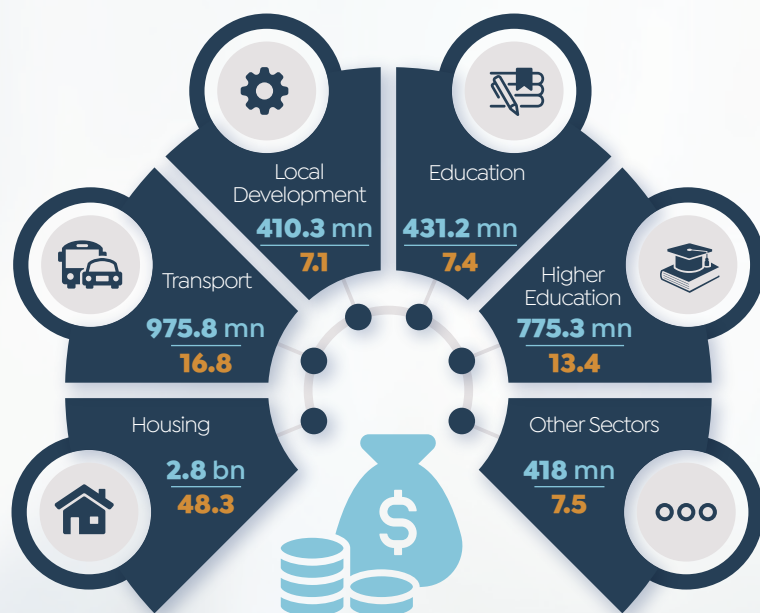
MOUNIFYA

Investments
EGP 5.8 bn

INVESTMENTS BREAKDOWN

Investments (EGP)

Share (%)



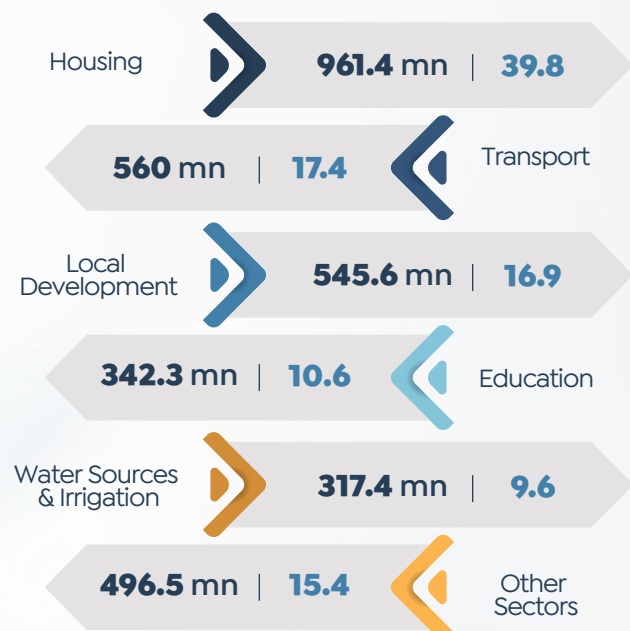
KAFR EL SHEIKH

Investments
EGP 3.2 bn

INVESTMENTS BREAKDOWN

Investments (EGP)

Share (%)



SUBSIDIZED MORTGAGES INITIATIVE

Initiative Value



EGP 100 bn

Target Population



Low & Middle Income Earners

Program



Allow Homebuyers To Tap into Mortgage Finance

Subsidized Rate
3%30-Yr Payment
Period

MPED SUPPORTS MINISTRY OF HOUSING PLANS

Time Period

FY 2020/21

Investments

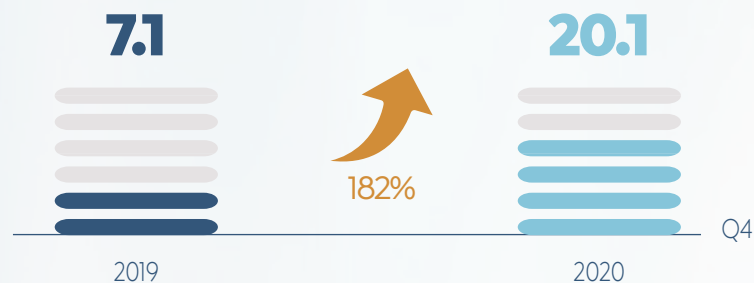
EGP 100 mn

Target

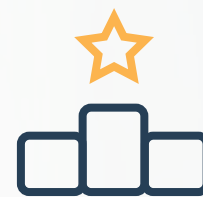
Support National Projects
(Ring Road Development Project)

Source: MPED & Spokesman of The Egyptian Presidency.

TRADE VALUE OF REAL ESTATE SECTOR (EGP BN)



REAL ESTATE SECTOR'S CAPITAL



Real estate sector ranks at **3rd** place in terms of capital among other sectors in 2020, with **10.7%**

INFRASTRUCTURE UPDATES

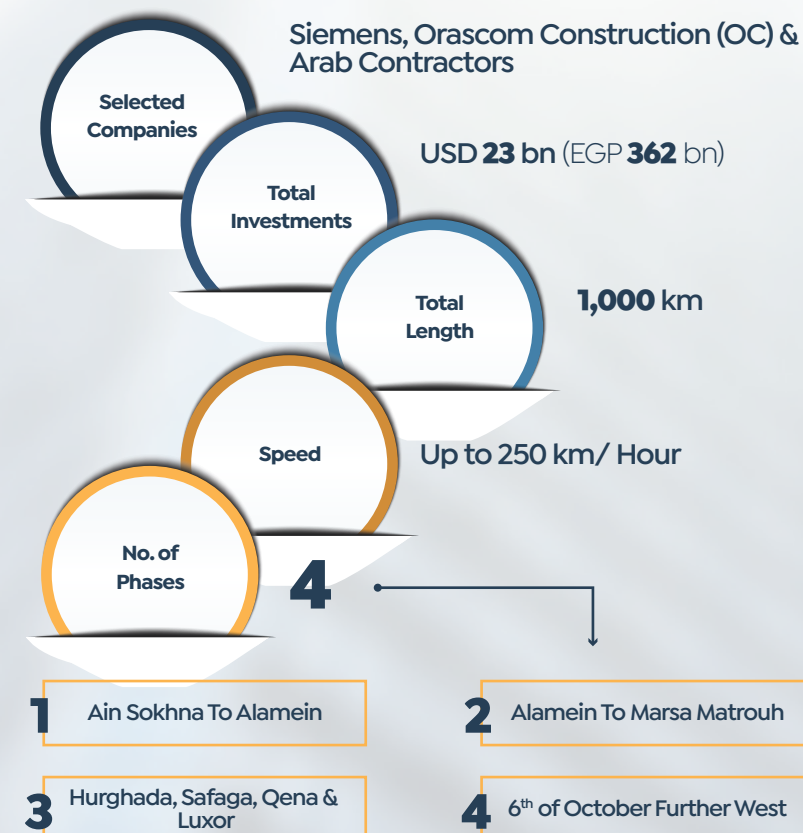
PROMOTE PLANS OF ROADS & BRIDGES DEVELOPMENT PROJECTS



ENHANCING SERVICE QUALITY OF EGYPT'S RAILWAY



HIGH-SPEED NATIONAL ELECTRIC RAIL NETWORK



THE RAILWAY IMPROVEMENT & SAFETY FOR EGYPT (RISE) PROJECT



ENR NETWORK



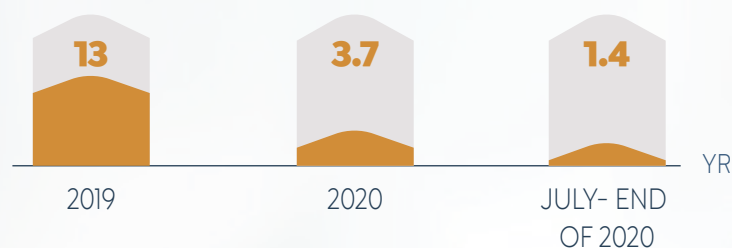
Source: Egyptian Exchange (EGX), MPED, World Bank & Cabinet.

TOURISM UPDATES

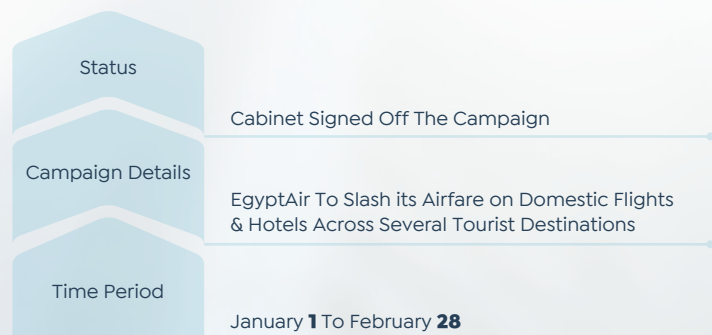
TOURISM REVENUES (USD BN)



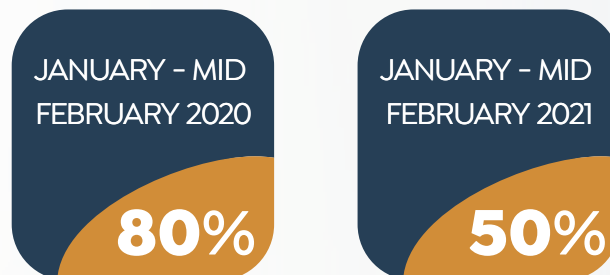
NUMBER OF EGYPT'S TRAVELERS (MN)



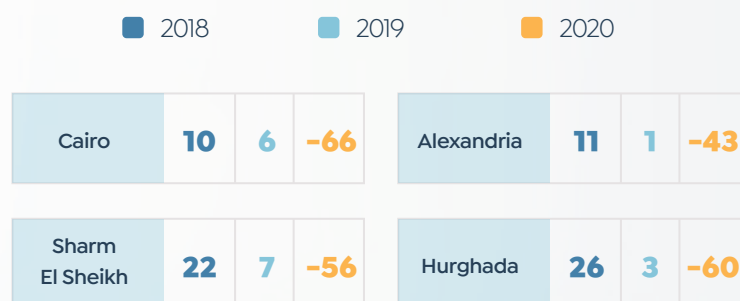
LAUNCH A CAMPAIGN TO PROMOTE DOMESTIC WINTER TOURISM



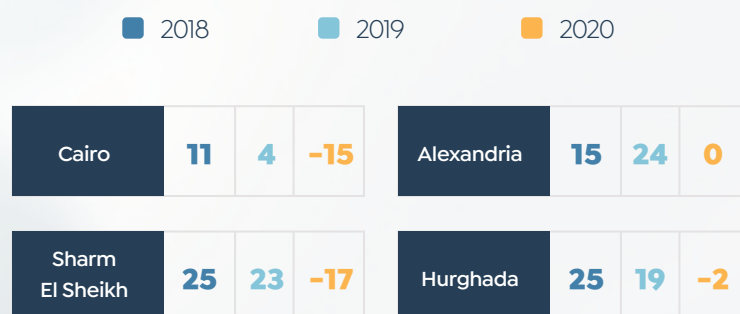
HOTELS' OCCUPANCY RATE



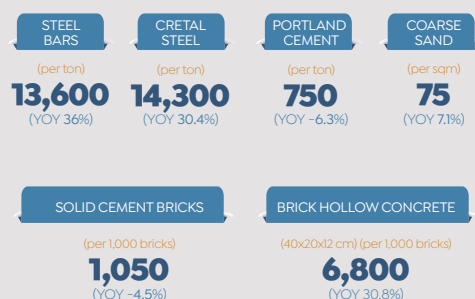
FLUCTUATIONS OF HOTELS' OCCUPANCY RATES (%)



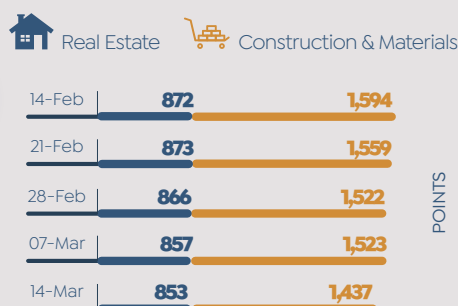
AVERAGE DAILY CHANGE RATE IN HOTEL ROOMS PRICES (%)



PRICES OF CONSTRUCTION MATERIALS (FEBRUARY 2021) (EGP)

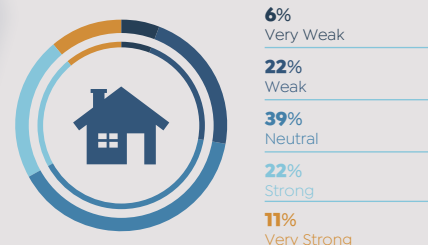


REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2020)



ONLINE MONTHLY SURVEY (%)

To what extent does the coronavirus second wave affect the progress of real estate projects underway?





NEW CITIES UPDATE

NEW CITIES UPDATE

UPDATES ON NAC PROJECTS



Before **2022**
INAUGURATION DATE



STATUS

Begin Trial Operations for NAC's Projects

As of August, Trial Operations of Gov't Buildings To Begin by Gradually Transferring Employees

NAC's Phase I is Completed

1st Iconic Tower To Be Delivered in November **2021**

Develop Several Routes for Vehicles Working in Construction

Following the Progress of Electric Train & Monorail Projects To Avoid Delays

UPDATES ON GOV'T DISTRICT



NO. OF MINISTERIAL COMPLEXES

10

34 Ministerial Buildings (**51,500** Employess), Cabinet & House of Representative



430 Acres (**60** Acres-> Facilities & Remaining is Green Spaces & Roads)
AREA



90% (in February)
COMPLETION RATE (BUILDINGS)



Connected To Utility Infrastructure Including Water Lines, Sewage Systems & Electricity Grid
STATUS

UPDATES ON CAPITAL BUSINESS PARK (CBP)



20
NO. OF SKYSCRAPERS



50% Complete
COMPLETION RATE

UPDATES ON ICONIC TOWER



Central Business District
LOCATION



60
NO. OF IMPLEMENTED FLOORS



400 m
HEIGHT



20
TOTAL NO. OF TO-BE-BUILT
ICONIC TOWERS



EGP **3 bn**
INVESTMENTS

UPDATES ON R3 DISTRICT



STATUS

The District is Delivered
Residents Have Moved in



End of **2021**
INAUGURATION DATE

Source: Cabinet & Ministry of Housing, Utilities & Urban Communities.

UPDATES ON GREEN RIVER



June 2021
INAUGURATION DATE



STATUS

Nearly Completed

Suitable To Host Events & Social Gathering

UPDATES ON CAPITAL RESIDENCE



1,016 Acres
AREA



24,130 (8 Neighborhoods)
NO. OF RESIDENTIAL UNITS



91%
IMPLEMENTATION RATE

UPDATES ON CENTRAL PARK



10,000 km
AREA



33%
IMPLEMENTATION RATE



SUPPLY VOLUME

CP01
375 Acres

CP02
306 Acres

CP03
309 Acres

THE SALAM CITY - 10TH OF RAMADAN ELECTRIC TRAIN

Régie Autonome des Transports Parisiens (RATP Dev)
RESPONSIBLE AUTHORITY



101 km
TOTAL LENGTH



The National Authority for Tunnels Contracted with RATP Dev
AGREEING PARTIES



4
NO. OF PHASES



Cabinet Approved The Contract
STATUS



16
NO. OF STATIONS



Manage, Operate & Do Maintenance of The Line
MAIN ROLE



79%
COMPLETION RATE

MONORAIL PROJECT



USD 4.5 bn
INVESTMENTS



56.5 km
TOTAL LENGTH
(ALL PHASES)



East Cairo to NAC
CONNECTING STATIONS



45 km
TOTAL LENGTH
(PHASE I)



11.5 km
TOTAL LENGTH
(PHASES II)



May 2022
INAUGURATION
DATE (PHASE I)



February 2023
INAUGURATION
DATE (PHASE II)

Source: Cabinet, Ministry of Housing, Utilities & Urban Communities & Ministry of Transport.

UPDATES ON NEW ALAMEIN



End of **2021**

DELIVERY DATE OF PHASE I UNITS



STATUS

The City is Nearly Complete

Arab Academy for Science, Technology
Maritime Transport To Host **3,000**
Undergraduate Students - Target: **7,000**
Students by Next Fall

Downtown: **50%** Complete

The City is The New North Coast's
Commercial Hub

UPDATES ON NEW MANSOURA



Phase I is Complete

STATUS



1,149 Villas & **2,103** Units

NO. OF UNDERWAY RESIDENTIAL UNITS

SAKAN MISR



4,704 (196 Buildings)

NO. OF EXECUTED RESIDENTIAL UNITS



94%

IMPLEMENTATION RATE

JANNA



11,232 (468 Buildings)

NO. OF EXECUTED RESIDENTIAL UNITS



91%

IMPLEMENTATION RATE

COASTAL DISTINGUISHED HOUSING UNITS



1,392 (58 Buildings)

NO. OF EXECUTED RESIDENTIAL UNITS



76%

IMPLEMENTATION RATE

NEW MANSOURA UNIVERSITY



127 Acres
AREA



10,000

NO. OF STUDENTS

SOCIAL HOUSING PROJECT



New Assiut

LOCATION



696

NO. OF HOUSING UNITS



EGP **94** mn

INVESTMENTS



FY 2018/19- 2019/20

TIME PERIOD

HOUSING FOR ALL EGYPTIANS INITIATIVE



6th of October City

LOCATION



24,888 (1,037 Buildings)

NO. OF RESIDENTIAL UNITS



55%

COMPLETION RATE



EGP **5.6** bn

INVESTMENTS



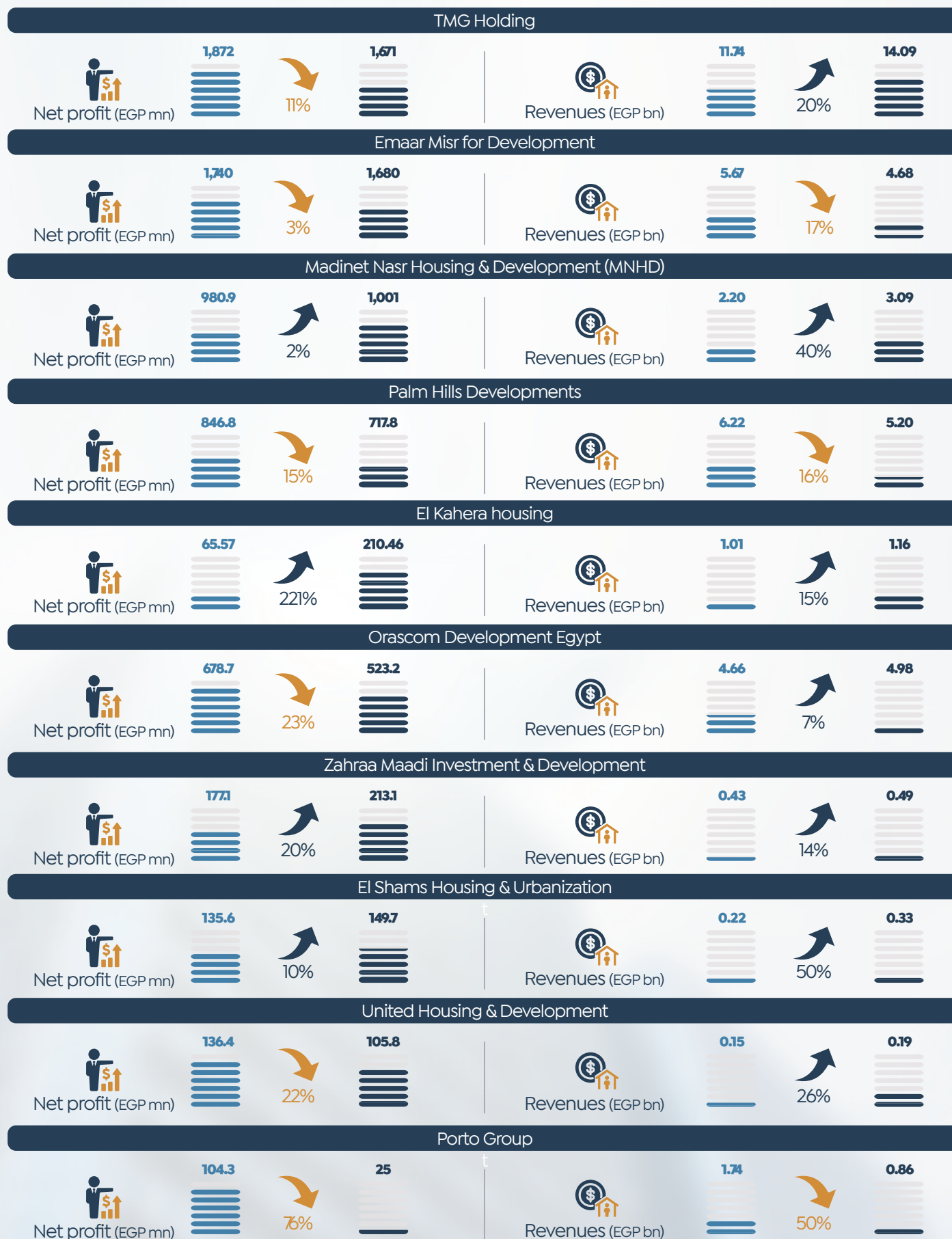
End-**2021**

COMPLETION DATE

FINANCIAL STATEMENT 2020 VS 2019

■ 2019

■ 2020



Total Average



673.737



629.706



3.40



3.51

Source: EGX



PRIVATE REAL ESTATE PROJECTS

UPDATE

PRIVATE REAL ESTATE PROJECTS UPDATE

NEW RESIDENTIAL PROJECTS

IL BOSCO (NEW PHASE: THE PARK)

Developer: Misr Italia Properties (MIP)



LOCATION
NAC



DELIVERY DATE
End of **2024**



PAYMENT PLAN
5% Upfront
Up to **9**-Yr Payment Plans

SUPPLY VOLUME

12 Buildings with Smart Technologies

Units Type: Sky Villa, Garden Villa & Garden Terrace Units

Units Area: **161– 315** m²

Two & Three-Bedroom Apartments

Units Area: **122– 185** m²

IL BOSCO (NEW PHASE: THE CLIFF)

Developer: Misr Italia Properties (MIP)



LOCATION
NAC



PAYMENT PLAN
5% Upfront
Up to **9**-Yr Payment Plans

SUPPLY VOLUME

Villas with Higher Ground Level of **6** m

Town Houses

Twinhouses

Standalone Villas

Creek Villas

Cliff Villas

Villas Area: **258 – 638** m²

LAKE WEST (PHASE II)

Developer: Cairo Capital Development



LOCATION

Sheikh Zayed



AREA

43 Acres



STATUS

Phase I Marketing is Complete



DELIVERY DATE

2022



COMPLETION RATE

30%



ESTIMATED TARGET SALES

EGP 700 mn

SUPPLY VOLUME

250 Distinguished Villas

Unit Prices: Start: EGP 3.5 mn

Payment Plan: Up to 8 Yrs

2 Shopping Malls

Hospital

D-BAY

Developer: Tatweer Misr & Kayan for Real Estate Development



LOCATION

North Coast



INVESTMENTS

EGP 7 bn+



PROJECT'S DEVELOPMENT PERIOD

6 Yrs

SUPPLY VOLUME

No. of Residential Units → 1,800

Unit Types → Chalets, Villas & Serviced Apartments

NETFLAT (LATEST INNOVATION IN KINDA COMPOUND)

Developer: Minka Real Estate Company



LOCATION

New Cairo



AREA

27 Acres



Construction Period

4 Yrs

SUPPLY VOLUME

No. of Residential Units

→ 50 Apartments
(Out of The 800 Units of Kinda Project)

ECO WEST

Developer: New City Developments



LOCATION

6th of October City



CONSTRUCTION DATE

Start: H2 **2021**



DELIVERY DATE

2025



TARGET POPULATION

Middle &
Low Income Earners

BELLA VENTO

Developer: Manara Developments



LOCATION

Galala, Ain Sokhna



AREA

65 Acres



INVESTMENTS

EGP **4 bn**



DELIVERY DATE (PHASE I)

Late **2022**

SUPPLY VOLUME

No. of Complete Residential Units: → 1,100		Cottages & Villas	
Unit Areas: → 100– 220 m²	Average Price: → EGP 18,500/m²		
400m Beach Front	Tourist Hotel	Social Club	Entertainment Areas
Commercial Areas	Green Spaces & Landscaping		Schools & Universities
Administrative Institutions		Hotels	Other Industrial Projects

GREEN 6

Developer: Mabany Edris for Real Estate Development



LOCATION

6th of October City



AREA

12 Acres



INVESTMENTS

EGP **1 bn**

SUPPLY VOLUME

No. of Complete Residential Units: → 355		Unit Areas: → 110–250 m²	
Green Areas	Social Club with Swimming Pool		Court
Social Building	Lanes for Athletics	Kids Area	Underground Garage
Maintenance & Security Services			

Source: Developers' Official Statements



New Commercial Projects

ORIENT BUSINESS COMPLEX

Developer: Watan Developments



LOCATION

Downtown District, NAC



AREA

2,319 m²



INVESTMENTS

EGP **1 bn**



CONSTRUCTION INVESTMENTS

EGP **500 mn** (During **2021**)



CONSTRUCTION CONSULTANT

ACE Moharram Bakhoun



ARCHITECTURAL &
ENGINEERING CONSULTANT

Hafez Consultants



DELIVERY DATE

2024

SUPPLY VOLUME

Commercial Areas	Administrative Spaces	Medical Units
2 Basement Floors	Ground Floor	10 Floors for 300 Units

AVALON (PHASE II)

Developer: W ASSETS



LOCATION

Financial District, NAC



AREA

8,400 m²



TOTAL INVESTMENTS

EGP **1.4 bn**



AVALON'S LAUNCHING DATE

August **2020**



STATUS

Phase I, with Total Area of **11,000 m²**: Sold Out Successfully

SUPPLY VOLUME

Administrative Offices	12,000 m² Avalon Park	Meeting Rooms
Cafes	Exhibition Areas	Serviced Offices
Spaces Start from 70 m²		

RADIX AGILE

Developer: Radix Developments



LOCATION

Downtown Area, NAC



AREA

7,500 m²



TOTAL INVESTMENTS

EGP **850** mn



ESTIMATED CONTRACTUAL SALES

EGP **1.5** bn

SUPPLY VOLUME

Administrative Spaces

Commercial Areas

Medical Units

Hotel Activities

CAPITAL SQUARE

Developer: United Developments



LOCATION

Downtown, NAC



AREA

8,000 m²



TOTAL INVESTMENTS

EGP **250** mn



NO. OF JOB OPPORTUNITIES

1,500



PAYMENT PLAN

10% Upfront
Up to **8-Yr** Payment Schemes

SUPPLY VOLUME

25-Floor Commercial & Administrative Tower

200 Commercial & Administrative Units

Unit Areas: Start: **30** m²

SOIANO

Developer: Capital Link for Real Estate Development



LOCATION

Downtown, NAC



AREA

2,195 Acres



TOTAL INVESTMENTS

EGP **300** mn



PAYMENT PLAN

No Upfront
Up to **12-Yr** INSTALLMENTS

SUPPLY VOLUME

Commercial Areas

Administrative Spaces

Medical Units

Ground & **8** Floors

Prices Start: EGP **10,500**

Source: Developers' Official Statements

PROMARK

Developer: MG Developments



LOCATION

Gov't & Banks District, NAC



AREA

8,836 m²



TOTAL INVESTMENTS

EGP **1.2 bn**



DELIVERY DATE

June **2021**

SUPPLY VOLUME

Commercial Units	Administrative Spaces	Security & Guarding
Central Air Conditioning	Electronic Gates	Garage
		Elevators

SENET

Developer: Concept Developments



LOCATION

Downtown, NAC



TOTAL INVESTMENTS

EGP **200 mn**

SUPPLY VOLUME

Commercial Units → Unit Areas: 25-100 m²	Administrative Spaces → Unit Areas: 30-100 m²
Medical Units → Unit Areas: 18-100 m²	
Ground Level	8 Levels
Central Air Conditioning	Security Services
	Smart Operating System

SENATOR

Developer: Babylon Urban Development Company



LOCATION

Downtown, NAC



AREA

2,322 m²



TOTAL INVESTMENTS

EGP **1 bn**
(Senator & Heritage)



PAYMENT PLAN

Start with **0%** Upfront
Up to **14-Yr** Installments



TARGET SALES

EGP **500 mn** (Senator & Heritage)



CONSTRUCTION DATE

March **2021** (Senator & Heritage)

SUPPLY VOLUME

No. of Administrative & Medical Units: 200	Unit Areas: 31-61 m²
Ground & 8 Floors	Panoramic Elevators
	Security & Maintenance
Conference Room for 100 People	Meeting Rooms

Source: Developers' Official Statements

HERITAGE

Developer: Babylon Urban Development Company



LOCATION
NAC



AREA
1,250 m²



TOTAL INVESTMENTS
EGP **1** bn (Senator & Heritage)



CONSTRUCTION DATE
March **2021** (Senator & Heritage)



TARGET SALES
EGP **500** (Senator & Heritage)



PAYMENT PLAN
Start with **0%** Upfront
Up to **14**-Yr Installments

SUPPLY VOLUME

No. of Administrative & Medical Units: 70

Unit Areas: 61- 85 m² (Special Units with an Area of **600** m²)

8 Floors

IKEA (2ND STORE)

Developer: IKEA, One of Al Futtaim Group Companies



LOCATION
Mall of Arabia,
6th of October City



AREA
19,500 m²



TARGET COMMUNITIES
West Cairo & its Nearby Neighborhood
such as Sheikh Zayed, Dokki,
Mohandesin, Zamalek, Haram & Giza



Expected No. of Visitors
Up To **3** mn

SUPPLY VOLUME

7,500+ Products for Immediate Purchase

1,600+ Products with New Lower Prices

1,400 New Products for All Tastes

Source: Developers' Official Statements



Construction Awards

MAGDI YACOUB GLOBAL HEART CENTER

Developer: Magdi Yacoub Heart Foundation & Orascom Construction



LOCATION

6th of October City

AREA

27 Acres



Land Capacity

36.5 Acres



CONTRACTING PURPOSE

Build Magdi Yacoub Global Heart Center

SUPPLY VOLUME

300-Bed Specialized Cardiac Center

Free-of-charge Cardiovascular Services

Patient Capacity: 120,000 Annually

5 Operating Rooms

5 Catheterization Laboratories

Hybrid Room

State-of-the-art Imaging Center

5,000 m² Research & Innovation Laboratories4,000 m² Education & Training Facility

Emergency Department



Projects Underway

CENTURY CITY

Developer: Vantage Developments



LOCATION

5th Settlement, New Cairo

AREA

12.5 Acres



Built-Up Area

Less Than 25% of Total Area



INVESTMENTS

EGP 1.25 bn



DELIVERY DATE

Start: 2023



PAYMENT PLAN

10-Yr Installment Schemes
Starting off at EGP 10,000/M

SUPPLY VOLUME

24-Hour Spa, Green Spaces, Running Lanes, Lake, Swimming Pool, Restaurants & Commercial Services

Residential Units Spaces: 98 - 285 m²

NEWS

60% of The Project Complete

Under-Construction Works: Complete

Up to 60% of The Project's Residential Units Sold Since 2019

The Company Announces Launching Residential Project at Sheikh Zayed City



PLAN

Hand Over Residential Units As of 2023

Source: Developers' Official Statements

ATRIO, NINE YARDS & E-PLAZA

Developer: Iwan Developments



LOCATION
Sheikh Zayed



AREA
18,500 m²



INAUGURATION DATE
In Next **24M**



NEWS

Savills Signs Exclusive Leasing Agreement with Iwan Developments for The 3 Projects

RIVAN TOWER

Developer: Al Tameer Arabian



LOCATION
NAC



Head Start Date
Q4 2021



INVESTMENTS
EGP **1 bn**



NEWS

All Units Sold Out in **2** Hrs of Being Put up for Sale

19 Real Estate Marketing Companies Participated

50%+ of The Units Were Reserved When Announcing The Project

90 AVENUE

Developer: Tabarak Developments



LOCATION
5th Settlement, New Cairo



AREA
196,000 m²



NO. OF RESIDENTIAL UNITS
1,450



NEWS

Tabarak Developments Partners with Orange Egypt

Target: Provide Smart City Technologies & Orange Triple-Play Services

Opting for Fiber To The Home (FTTH) Technology

Provide High-Speed Internet to Customers

Provide Home Automation technologies

JNOUB

Developer: Oriental Urban Development (OUD)



LOCATION
NAC

SUPPLY VOLUME

Residential Units Ranging from Apartments, Villas & Townhouses



NEWS

Injection of Up to EGP **900** mn Investments in The Project's Construction Works in **2021**

OUD Appoints Moharram Barhoum As The Project's General Consultant

SERRANO

Developer: New Plan Development



LOCATION
R7 District, NAC



AREA
15 Acres



NO. OF RESIDENTIAL UNITS
600
Unit Areas: **80-200** m²



NEWS

90%+ of The Project Sold Out

Implementation Rate: **60%+**

GRANVIA MALL

Developer: New Plan Development



LOCATION
NAC



NEWS

50% of The Project Sold Out

ELEVEN

Developer: New Plan Development



LOCATION

Financial & Business District, NAC



AREA

6,500 m²



NEWS

60% of Units Sold Out

Implementation Rate: Exceeds **30%**

ECLA (PHASE I)

Developer: New Plan Development & Port Said Governorate



LOCATION

Port Said



AREA

40,000 m²



NO. OF PHASES

4



NO. OF RESIDENTIAL UNITS

350



NEWS

Phase I Has Been Completely Marketed

ATIKA

Developer: New Plan Development



LOCATION

NAC



AREA

35 Acres



No. of Phases

4



DELIVERY DATE

2023



NEWS

40% of The Project Sold Out

Completion Rate: **30%**

MOSTAKBAL CITY

Developer: Mostakbal Urban Developments



LOCATION
New Cairo



AREA
11,000 Acres



NEWS

The Company Inks Agreement with Coldwell Banker

Target: Promote Investment Opportunities for The Mixed-Use, Boulevard

Delivery Date (Phase I): Start At The Beginning of **2021**

BAYMOUNT

Developer: MAVEN Developments



LOCATION
Galala, Ain Sokhna



No. of Residential Units
1,500



NEWS

The Company Partners with AXA Insurance Egypt

Target: Cover Innovative Insurance Services

LAFAYETTE MEGA MALL

Developer: Home Town Real Estate Development



LOCATION
Downtown, NAC



AREA
43,000 m²



DELIVERY DATE
July **2023**



NEWS

The Company Partners with Hassan Allam Property Management

Target: Supervise The Project

ZAHA PARK

Developer: Home Town Real Estate Development



LOCATION

MU23 Mall Area (Between R2 & R3 Districts), NAC



AREA

7,200 m²

SUPPLY VOLUME

2 Phases & 10 Floors

Phase I: 3 Commercial Floors with an Area of **6,400 m²** | **Unit Areas: 35-200 m² (30 Shops/Floor)**

Phase II: 7 Medical & Administrative Floors with an Area of **17,000 m²** | **Unit Areas: 32-200 m²**



NEWS

The Company Partners with Hassan Allam Property Management

Target: Supervise The Project

UNI-TOWER

Developer: UC Real Estate Development



LOCATION

Downtown, NAC



AREA

11,000 m²



LAUNCH DATE

2021



INVESTMENTS

EGP **750 mn**

SUPPLY VOLUME

Commercial Areas

Administrative Spaces

Medical Units

Hotel

10 Floors



NEWS

The Company Names Architect Hani Saad as The Project's Consultant

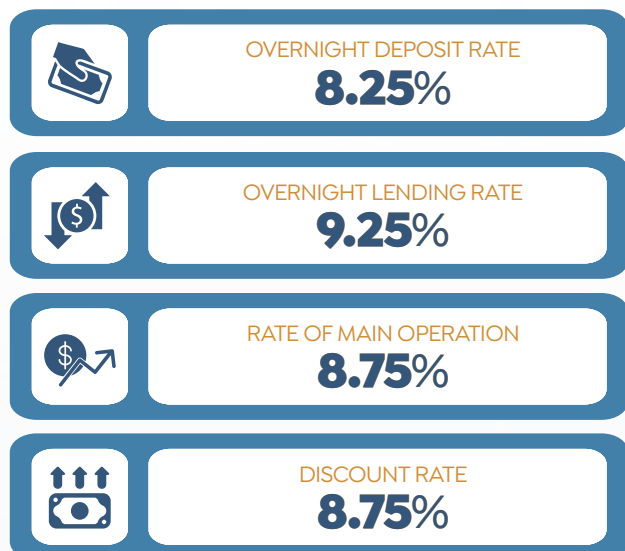
Source: Developers' Official Statements



ECONOMIC SNAPSHOT

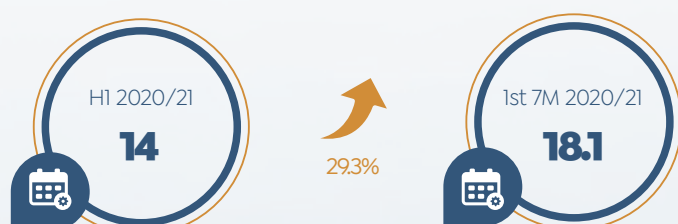
ECONOMIC SNAPSHOT

INTEREST RATES

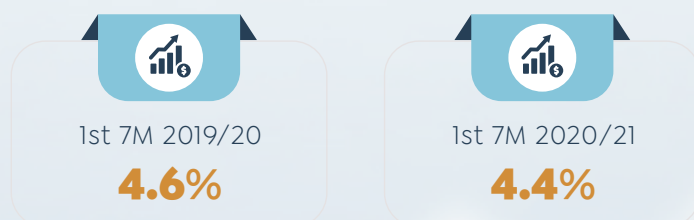


*Based on MPC Meeting on March 18

INITIAL BUDGET SURPLUS (EGP BN)



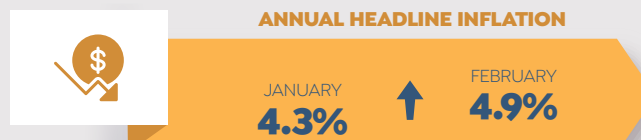
BUDGET DEFICIT



FOREIGN INVESTMENTS IN EGP BONDS (USD BN)



ANNUAL HEADLINE INFLATION



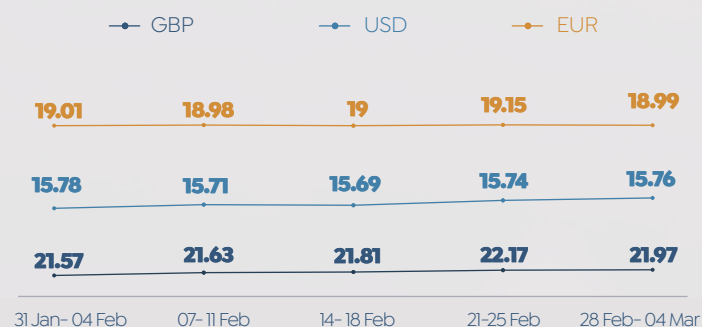
NET INTERNATIONAL RESERVES (USD BN)



PURCHASING MANAGERS' INDEX (PMI)

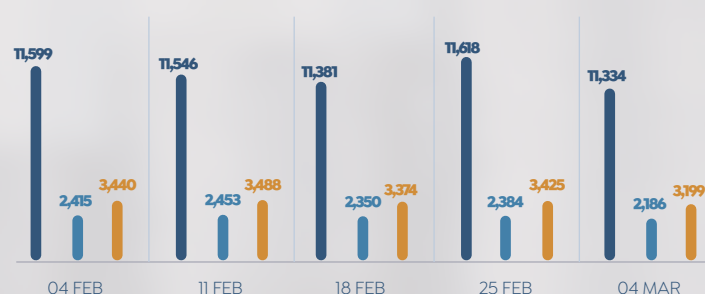


EXCHANGE RATES



CAPITAL MARKET INDICATORS

EGX 30 EGX 70 EWI EGX 100 EWI



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

UNEMPLOYMENT RATE



LABOR FORCE (MN)

Q3 2020
28,171



Q4 2020
29,965

6.4%

IN Q4 2020

LABOR FORCE: BY AREA (MN)



Urban Labor Force

13,161

Rural Labor Force

16,804

LABOR FORCE: BY GENDER (MN)

Male Labor Force

24,577

Female Labor Force

5,388

UNEMPLOYED INDIVIDUALS (MN)



5.1%



*7.2% of Total Labor Force

BY GENDER IN Q4 2020 (MN)



Unemployed Males

1,262 (5.1% of Total Male Labor Force)

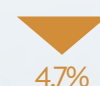
Unemployed Females

904,000 (16.8% of Total Female Labor Force)

SUEZ CANAL REVENUES (USD MN)



TRADE DEFICIT (USD BN)

November 2019 **3.4**

4.7%

November 2020 **3.3**

EXPORTS (USD BN)

November 2019

2.5

11.2%

November 2020

2.2

IMPORTS (USD BN)

November 2019

5.9

7.4%

November 2020

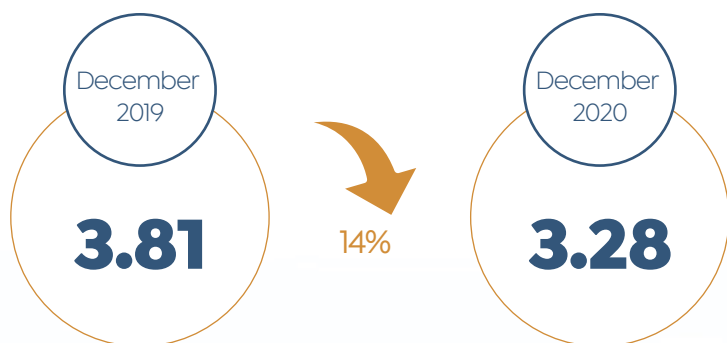
5.5

NO. OF PASSING SHIPS

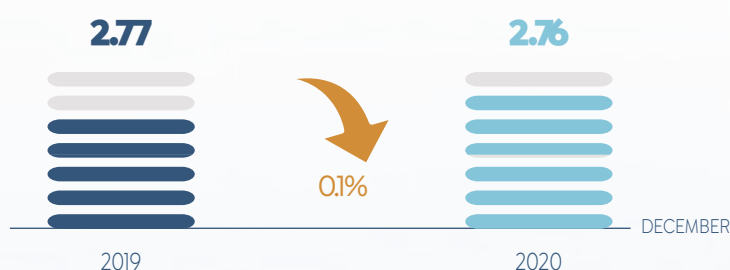


Source: CAPMAS & Suez Canal Authority.

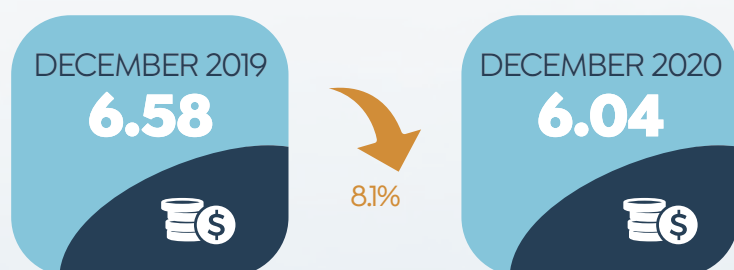
TRADE DEFICIT (USD BN)



EXPORTS (USD BN)



IMPORTS (USD BN)



PRESIDENTIAL STIPEND TO INFORMAL LABORERS (LAST PAYMENT)


Payment Date
March 7

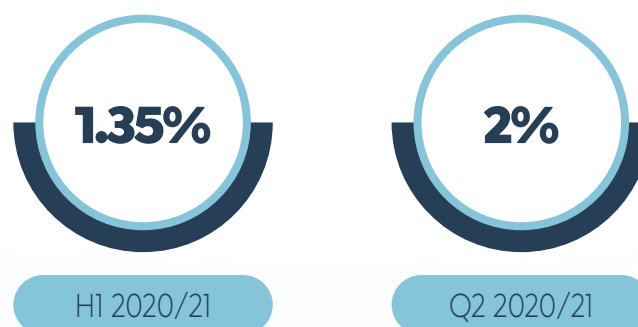

Amount
EGP 500



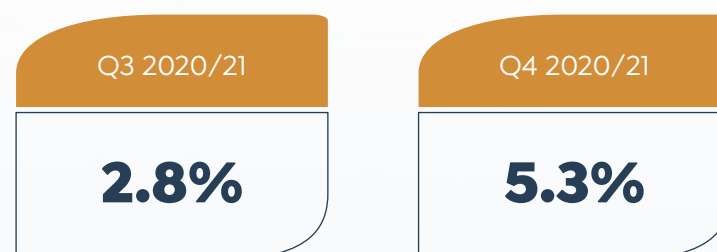
Target

Ease The Economic Burden on Informal Laborers Due To Pandemic Havoc

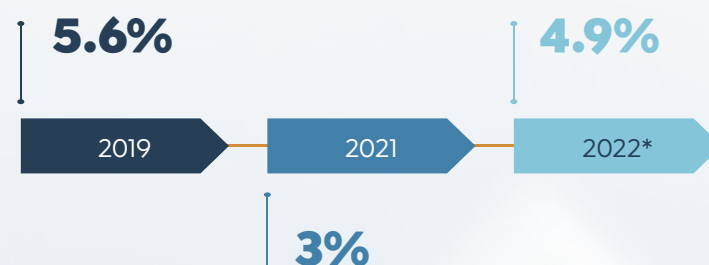
EGYPT'S ECONOMIC GROWTH RATE



EXPECTED GROWTH RATE

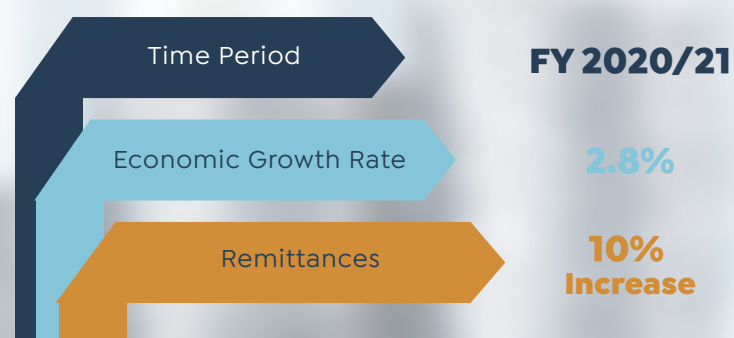


AFRICAN DEVELOPMENT BANK ANTICIPATES EGYPT'S GROWTH RATES



*Egypt will be back near its pre-pandemic growth rates

EXPECTATIONS OF HC SECURITIES & INVESTMENT





FULL ANALYSIS

FACTS &
FIGURES

GOV'T ACCELERATES EFFORTS TO PROMPT REAL ESTATE SECTOR

BY DINA EL BEHIRY

Before the Coronavirus hit triggers severe upheaval worldwide and exposes the existing cracks in the global economy, the Egyptian government manages to execute a series of national projects.

Gov't Accomplishments During Fiscal Years (FY) 2018/19– 2019/20

According to a report issued by the Ministry of Planning and Economic Development (MPED), around 689 projects are executed in the housing sector, with total investments of about EGP 72.6 bn across all governorates. Out of the 689 projects, around 310 projects are implemented in FY 2019/20 and are worth approximately EGP 24.3 bn.

Additionally, 31% of total projects are executed in Upper Egypt and other border governorates, with a total investment cost of around EGP 21.8 bn. Accordingly, Upper Egypt witnesses 158 housing projects worth EGP 16.8 bn, and 58 projects are in border governorates with a cost of EGP 5 bn. It is worth highlighting that the public investments allocated to Upper Egypt in FY 2018/19– 2020/21 are around EGP 104 bn.

Furthermore, the MPED report claims that 423,600 housing units were completed during the past two years, 172,800 of which are part of the social housing units. Besides, the government pays a great deal of attention to the development of slums and unsafe areas by establishing around 144,600 housing units, benefiting 586,000 citizens.

Geographically speaking, the report shows that Cairo topped other governorates when it comes to investments, as around 104 housing projects are accomplished with an investment cost of EGP 14.8 bn. Giza comes in second place with around EGP 10.7 bn for 44 projects, then comes Assiut with 26 projects for EGP 6.2 bn.

Public Investments in FY 2020/21

A manifold of initiatives is being taken to stem the virus tumult and reinforce the property market to bounce back; this is witnessed through implementing the Citizen Investment Plan in all Egyptian governorates. Adding to the governorates we clarified in our previous issues, the MPED has remarked that the government has allocated around EGP 5.8 bn to Monufiya. Out of this amount, EGP 2.8 bn (48.3%) is allocated to the housing sector. As for the Kafr Sheikh development, around EGP 3.2 bn is directed, of which about EGP 961.4 mn (39.8%) goes to the housing sector.

Nevertheless, the MPED has approved the allocation of EGP 100 mn to reinforce the strategies of the Ministry of Housing, Utilities, and Urban Communities to support national projects executed including the ring road development projects.

More moves to revive the property market are directed, based on the directives of the Egyptian President Abdel Fattah El Sisi, with around EGP 100 bn of subsidized mortgages to support would-be homeowners at a subsidized rate of 3% and a 30-year repayment period.

Infrastructure Sector Updates

It is quite obvious that the government spares no effort in reshaping Egypt's masterplan of roads and bridges. Consequently, the MPED has approved reinforcing the strategy of the General Authority for Roads, Bridges, and Land Transport by allocating EGP 450 mn during FY 2020/21. This comes under the ministry's framework to remove all the barriers of the projects' execution.

Besides, the World Bank has approved the allocation of a USD 440 mn loan to support Egypt's initiatives to enhance the safety and service quality of the country's railways. According to the World Bank's press release on March 5, 2021, the Railway Improvement and Safety for Egypt (RISE) project costs USD 681.1 mn, including USD 241.1 mn in a contribution by the Egyptian National Railways (ENR).

The ENR network comprises of over 5,000 km of rail tracks and primarily offers passenger services for low-income Egyptians. About 270 mn passengers took trains in FY 2019, up from 228 mn in FY 2015 and 247 mn in FY 2010.

Moreover, Siemens and the Ministry of Transport ink a memorandum of understanding (MoU) to execute the USD 23 bn high-speed electric rail network, according to the Cabinet on January 14. Additionally, Orascom Construction (OC) and Arab Contractors will contribute to the project's execution after the consortium signed an MoU with the National Authority for Tunnels.

The network will span over 1,000 km, with around 460 km to be the project's Phase I connecting Ain Sokhna to Alamein via the New Administrative Capital (NAC). It is worth highlighting that the network will be executed over four phases; one connecting Ain Sokhna and Alamein, a second from Alamein to Marsa Matrouh, a third between Hurghada, Safaga, Qena,

and Luxor, and a fourth running from the 6th of October further west.

Reviving Tourism Sector

The tourism sector is one of the most affected sectors by the virus as worldwide countries have banned travel and followed severe lockdown measures to combat the Coronavirus outbreak. That is why the number of tourists visiting Egypt dropped by 75% as around 3.7 mn visited Egypt in 2020, down from 13 mn in 2019.

Accordingly, tourism sector revenues registered around USD 4 bn in 2020, down by 69% compared to USD 13 bn in 2019. Quarterly, it was around USD 0.8 bn in Q1 2020/21, down from USD 4.2 bn in Q1 2019/20.

To promote domestic tourism, the cabinet approves launching a new initiative to promote winter tourism. Under this initiative, EgyptAir will cut the flight tickets' prices from Cairo and Alexandria to Luxor, Aswan, Sharm El Sheikh, Taba, Hurghada, and Marsa Alam. Not only that, but hotels will also participate in this initiative. It is important to underpin that this initiative was effective from January 15 to February 28.

Moreover, the hotels' occupancy rate under the current havoc reached 50% in January-February 2021, compared to 80% in the same period last year. However, Egypt plans to add 10,000 hotel rooms before the end of 2021 as the developers managed to add around 4,000 rooms which are supposed to open after lifting lockdown measures and open borders among countries. Additionally, according to a Colliers International report, Egypt will add another 7,000 hotel rooms by 2023.

New Cities Update

In a bid to further support the real estate sector, the government is accelerating the pace to inaugurate NAC by the end of the year. Thus, Prime Minister Mostafa Mabdouly holds a meeting on March 8 to discuss the inauguration arrangements and activities.

The meeting reviews the inauguration proposed scenarios, under the directives of President Abdel Fattah El-Sisi, where Mabdouly stresses that this opening should be at the highest level of organization.

During the meeting, the prime minister indicated that a tour will be implemented inside the new capital. The administrative department is yet to determine the best place for the ceremony, before presenting these ideas to the president.

Madbouly adds that starting next August, the trial operation of government buildings will be rolled out and several employees will be transferred successively.

From his side, Minister of Housing, Utilities, and Urban Communities Assem El Gazzar presents a report on the executive position of the housing projects in NAC, including R3, R5, the central business district, the Green River, and other utility projects. Concerning the government district, El Gazzar explains that the ministries' area has been connected to water, electricity, and a sewage and drainage system.

According to the Cabinet's statement on March 9, the governmental district includes 10 ministerial complexes, with a total of 34 ministerial buildings to accommodate about 51,500 employees, in addition to the two buildings of the Cabinet and House of Representatives, on a total area of 430 acres, of which the facilities include an area of 60 acres.

Private Sector Updates

Following the government's footsteps in urban development, Egypt-based real estate developers are still pursuing their medium- and long-term plans, despite the pandemic woes.

Residential Segment

Misr Italia Properties (MIP), the first developer to deliver its project IL BOSCO at NAC ahead of schedule, announces the launch of IL BOSCO's two new phases: The Park and The Cliff.

The Park includes 12 buildings equipped with smart technologies. As for available unit types at this stage, there are Sky Villa, Garden Villa, and Garden Terrace units. Their areas range from 161 to 315 m². The Park also includes two and three-bedroom apartments with areas ranging from 122 to 185 m². This phase is expected to be delivered by the end of 2024.

As for The Cliff, it comprises distinctive villas situated away from the residential area, with a higher ground level of 6 m. The units in this stage vary between townhouses, twin houses, standalone villas, creek villas, and cliff villas. The available areas for villas in the Cliff range from 258 to 638 m².

Cairo Capital Development announces the launch of the second phase of the Lake West project in Sheikh Zayed. The project's completion rates have reached 30% so far, and it is intended to start delivering units in 2022.

The project spans over 43 acres and includes a distinguished group of 250 villas, with prices starting from EGP 3.5 mn and installment periods of up to eight years. Additionally, it has two shopping malls, a hospital with a construction percentage that does not exceed 15%, and the rest is green areas.

In another front, Minka Real Estate Company unveils NETFLAT, which provides residential units located on an area of 27 acres in New Cairo. The project is to be implemented within four years.

During a limited period, the company offers 50 units of NETFLAT apartments out of a total of 800 units, which constitute the Kinda-project.

The project includes a huge social service building providing essentials of the project and residents' fully-integrated life. The project also includes multi-story garages to accommodate all residents' cars.

New City Developments also launches a new residential project Eco West on the 6th of October City, targeting middle- and low-income earners.

Incorporating plenty of green areas into the new residential condo is a big focus for New City Developments, thus, green spaces will constitute 60% of the total project area.

The company also says that construction will likely start during H2 2021 and that apartments will be move-in ready by 2025.

Furthermore, Mabany Edris for Real Estate Development launches Green 6 compound in the 6th of October City, with investments of EGP 1 bn.

Green 6 is set to be built over 12 acres and to include 355 residential units with spaces ranging from 110 to 250 m², together with myriad services including, vast green areas, a social club with a swimming pool, a court, a social building, lanes for athletics, kids' area, underground garage, 24-hours maintenance and security services.

Speaking of coastal projects, Tatweer Misr reveals its new project D-Bay, with initial investments exceeding EGP 7 bn in partnership with Kayan for Real Estate Development.

D-Bay features more than 1,800 units ranging from chalets, villas, and serviced apartments. The company targets to develop the project over six years.

Meanwhile, Manara Developments announces the launch of the Bella Vento resort over 65 acres in Ain Sokhna's Galala with EGP 4 bn investments. The first phase of the project is scheduled to be delivered in late 2022.

Bella Vento consists of 1,100 completed units, divided into cottages and villas ranging from 100– 220 m², with an average price of 18,500 EGP per m². The project also has a 400m beachfront. It contains a tourist hotel, a social club, entertainment, and commercial services, along with green spaces and landscaping.

Commercial Segment

Watan Developments announces the launch of Orient Business Complex at NAC, with EGP 1 bn of investments.

Orient Business Complex is a mixed-use development featuring commercial, administrative, and medical components. The project is constructed on a total area of 2,319 m² and consists of two basement floors, a ground floor, and 10 floors including 300 units.

Watan plans to deliver the project by 2024. Moreover, ACE Moharram Bakhoun will be the construction consultant of the project along with Hafez Consultants as the architectural and engineering consultant of Orient Business Complex.

Likewise, W ASSETS announces the launch of the second phase of the Avalon project in NAC under the management and marketing of Investwell, after the successful sale of the first phase of the project with a total area of 11,000 m². The Avalon has a total area of 8,400 m² with a total investment of EGP 1.4 bn.

The project's second phase includes administrative offices with a view of Avalon Park, which extends over an area of 12,000 m² of green spaces.

Radix Developments, an affiliate of the Saudi Holding Group Mowafak, prepares the launch of its first project, Radix Agile, in NAC with investments of EGP 850 mn. The project units, involving administrative, medical, and commercial activities in various areas, are being established.

In the meantime, United Developments launches Capital Square in NAC with investments of EGP 250 mn. The project includes a commercial and administrative tower with 25 floors.

The project covers approximately 8,000 m², and consists of about 200 administrative and commercial units, with areas starting from 30 m.

The first project is scheduled to be completed within three years and offers various credit facility systems to the customer, starting from a 10% down payment and installments of up to eight years.

With investments exceeding EGP 1 bn, Capital Link for Real Estate Development launches Soiano, its third project in NAC.

Soiano is a mixed-use project (commercial, administrative, medical) built on 2,195 acres and consists of ground and eight floors with the prices ranging starting from EGP 10,500 on flexible payment terms of 0% as down payment and up to 12 years of installments.

In addition, MG Developments launches the administrative- and commercial- project ProMark in NAC, with investments of EGP 1.2 bn. ProMark project is built on an area of 8,836 m².

The project provides administrative spaces suiting all demands and is equipped with capabilities and technological services. The project as well includes security and guarding, central air conditioning, electronic gates to the building and garage, elevators, and other services.

Concept Developments, on the other hand, unveils the company's new project NAC, "SENET", with total investments of EGP 200 mn.

The project will be ready within 36 months, from the date of obtaining the project license. The medical, administrative, and commercial project includes a ground level, eight floors, and a garage.

The units' areas are designated for commercial activity, with a range from 25 to 100 meters, and medical units start from 18 meters up to 100 meters. The administrative units stretch between 30 and 100 meters.

Babylon Urban Development Company reveals the launch of its first projects in the real estate market, Senator and Heritage at NAC. Senator extends over an area of 2,322 m, consisting of ground and eight floors, and includes nearly 200 administrative and medical units with spaces starting from 31 to 61 m² per unit.

The Heritage spans over an area of 1,250 m with eight floors and includes about 70 units with an area ranging from 61– 85 m. It offers a distinguished product, where the customer can have an administrative or medical unit with an area of 600 m².

IKEA, the region's leading Swedish home furnishing retailer and a member of Al-Futtaim Group of companies, has successfully opened doors to its second store in Egypt at Mall of Arabia, expecting to receive up to three million visitors in the first year.

The new branch spans over 19,500 m² and is located on the 6th of October city. The store targets the communities of West Cairo and its nearby neighborhood such as Sheikh Zayed, Dokki, Mohandesin, Zamalek, Haram, Giza, and more.

Economic Snapshot

It is safe to say that Egypt's economy is working in full swing to keep the Coronavirus tumult under control. Looking at the headline inflation rate, it resurges again to reach 4.9% in February, after hitting 4.3% in January.

Besides, the net international reserves rise again in February, standing at around USD 40.2 bn, after recording USD 40.1 bn in January. This hike is deemed a good omen as foreign reserves went down by USD 10 bn because of the pandemic woes, after registering USD 45.5 bn pre-Coronavirus.

Similarly, the Purchasing Managers' Index (PMI) of IHS Markit equals 49.3 in February, up from 48.7 in the previous month. According to IHS Markit's report, demand trends have moved closer to stabilization, particularly as export sales picks up at a record pace during the month. Further growth in exports should help to improve overall sales in the future.

The initial budget surplus hits EGP 18.1 bn during the first seven months of the FY 2020/21, up from EGP 14 bn registered in H1 2020/21, according to Mohamed Maait Minister of Finance. Adding to that, the minister clarified that the state's revenues

increase by 16% year-on-year (YoY), besides, the budget deficit drops to 4.4% in the first seven months of 2020/21, compared to 4.6% in the same period last year.

Moreover, the unemployment rate witnesses a slight drop in Q4 2020, reaching 7.2%, compared to 7.3% in Q3 2020. It is worth mentioning that the unemployment rate hit its highest level in Q2 2020 hitting 9.6% due to pandemic havoc.

Furthermore, Egypt witnesses a 4.7% drop in its trade deficit to log USD 3.3 bn in November versus USD 3.4 bn during the same month last year, according to the Central Agency for Public Mobilization and Statistics (CAPMAS). Consequently, in November, exports and imports shrink by 11.2% and 7.4%, respectively, compared with the corresponding period last year.

Focusing on December, the trade deficit decreases by 14% reaching USD 3.28 bn, compared to USD 3.81 bn during the same month the previous year, according to CAPMAS. Thus, exports and imports contract by 0.1% and 8.1%, respectively, compared with the corresponding period last year.

On the other hand, Suez Canal revenues see a slight drop by 0.5% YoY, logging USD 496 mn in January, as the number of passing ships drops by 3.1% YoY reaching 1,596.

As proof that we are on the right side of the track, the Minister of Planning and Economic Development Hala Al Saeed mentions during a Cabinet meeting on March 10 that the Egyptian economy managed to maintain achieving a positive growth rate in Q2 2020/21, reaching 2% versus 1.35% in H1 2020/21. Accordingly, the minister anticipates that the growth rate levels will continue high during Q3 & Q4 of the FY to reach 2.8% & 5.3%, respectively.