INVESTIGATE

RESEARCH & ANALYSIS

MARKET WATCH

BY **DINA EL BEHIRY**

MAY
2021

REAL ESTATE SECTOR
UPDATES

REAL ESTATE SECTOR UPDATES

NUCA ACHIEVEMENTS

Time Period	Total Investments	Investment Fields
Since Establishment To June 2020	EGP **305** bn	Housing, Infrastructure, Services & Others

HOUSING UNITS

Total No. of Housing Units
More Than **1** mn

376,000 Units
Until June 2014

664,000 Units
July 2014- June 2020

SERVICES

Location	**New Cities**
No. of Executed Service Buildings	**1,449** — Time Period: Until June 2014
No. of Executed & Underway Service Buildings	**2,226** — Time Period: From July 1, 2014 To June 30, 2020

POTABLE WATER PROJECTS

No. of Water Purification Plants	**37**	Total Capacity **5.4** mn m3/Day
No. of Underway Stations	**10**	Total Capacity **2.3** mn m3/Day
Total Length of Water Networks	**16,300** km	
Total Length of Underway Water Networks	**4,200** km	

SANITATION PROJECTS

No. of Treatment Stations	No. of Underway Stations	Total Length of Sanitation Networks	Total Length of Underway Sanitation Networks
33	**13**	**11,000** km	**2,500** km
Total Capacity **1.9** mn m3/Day	Total Capacity **550,000** m3/Day		

Source: New Urban Communities Authority (NUCA)

ELECTRICITY PROJECTS

No. of Electricity Stations: **60** — Total Capacity **7,785** Mega.F.A

Total Capacity **5,925** Mega.F.A — **18** No. of Underway Electricity Stations

No. of Under Design Stations: **6** — Total Capacity **1,125** Mega.F.A

76,900 km — Total Length of Electricity Networks

Total Length of Underway Electricity Networks: **5,000** km

ROADS DEVELOPMENT

10,000 km Total Length of Road Networks

4,000 km Total Length of Underway Road Networks

COMMUNICATIONS

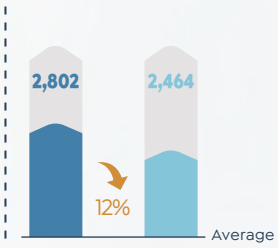
21,000 km — Total Length of Communication Networks

800,000 — No. of Underway Communication Networks

Y-O-Y REAL ESTATE DEMAND INDEX (POINTS)

2019 2020

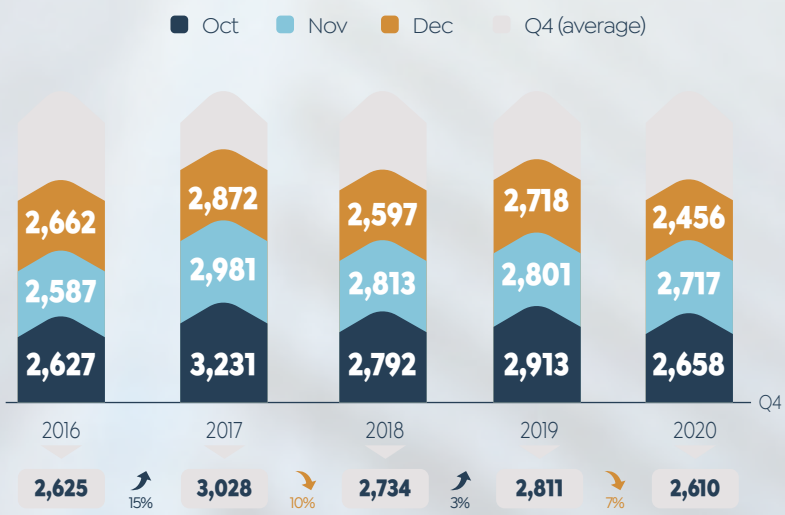
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2,402	2,425	2,797	2,700	2,425	2,954	3,181	3,299	3,008	2,913	2,801	2,718
2,875	2,750	1,936	1,936	2,159	2,592	2,391	2,671	2,426	2,658	2,717	2,456



M-o-M REAL ESTATE DEMAND INDEX (POINTS)

20-Jan	20-Feb	20-Mar	20-Apr	20-May	20-Jun	20-Jul	20-Aug	20-Sep	20-Oct	20-Nov	20-Dec
2,875	2,750	1,936	1,936	2,159	2,592	2,391	2,671	2,426	2,658	2,717	2,456
	▼ 4%	▼ 30%	0%	▲ 12%	▲ 20%	▼ 8%	▲ 12%	▼ 9%	▲ 10%	▲ 2%	▼ 10%

Q-o-Q REAL ESTATE DEMAND INDEX (POINTS)



TOTAL NO. OF TOURISTS

No. of Tourists	Around **2** mn	Time Period	Since Flights Resumption in July

MONTHLY NO. OF TOURISTS

No. of Tourists	**270,000-290,000**	Time Period	Dec 2020 - Feb 2021

EXPECTED TOURISM REVENUES (USD BN)

2019	13	Q2 & Q3 2020	1.1	2022	7

Source: NUCA, Aqarmap, Ministry of Antiquities and Tourism & Bank of America (BofA) Global Research.

NEW CONSTRUCTION DECISIONS

Based on Ministerial Decision No. 218 of 2020	Stop The Construction of Buildings in The Main Capitals Across Egypt for **6**M After That, Construction is Resumed with a Limit of **4** Floors
New Planning Requirements & Controls	Not Allowing New Licenses for Non-Residential Activities in Residential Buildings & Change The Activity of Residential Units to Non-Residential Use
Decision Regarding Building Heights	**Heights of Residential Buildings Overlooking Streets Are Determined According to:** *For Streets Less Than 8 m, Maximum Unit's Height is **10** m with **3** Floors *For 8 to 12 m, Maximum Height is **13** m with **4** Floors *For Streets with More Than **12** m, Maximum Unit Height is **16** m with **5** Floors
For The Areas of Plots of Land & Construction Ratios for Residential Buildings	For Plots of Land with An Area of Up To **175** m, Construction is Done on **100**% of The Land For Plots of Land with An Area of More Than **175** m, The Percentage of The Buildings is **70**% As A Maximum

GYPTO PHARMA

Area	**18,000** m^2
Inauguration Date	April **1**
Target	Establish for Possession of Latest Technologies & Modern Industrial Capacity in The Real Estate Sector
Services	Provide High Quality & Affordable Medicines To All Citizens Prevent Monopolistic Practices

THE NEW DELTA PROJECT

Location
Rawd al-Farag axis – Dabaa, Near The Ancient Delta

Area
1 mn Acres (Both Mostakbal Misr & The New Delta)

Supply Volume
Residential Complexes, Internal Road Networks & Other Facilities

Target
Achieve Integrated Agricultural Development

Plan
Reclaim & Cultivate More Than 1 mn Acres for Food Sustainability To Meet Population's Needs

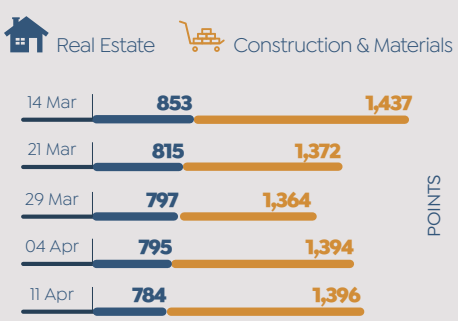
Status
A Study Conducted on **688,000** Acres Reveals That More Than **90%** of The Area is Suitable for Agriculture

PRICES OF CONSTRUCTION MATERIALS (MARCH 2021) (EGP)

STEEL BARS	CRETAL STEEL	PORTLAND CEMENT	COARSE SAND
(per ton)	(per ton)	(per ton)	(per sqm)
13,600	**14,300**	**780**	**75**
(YOY 41.7%)	(YOY 35.7%)	(YOY 0%)	(YOY 7.1%)

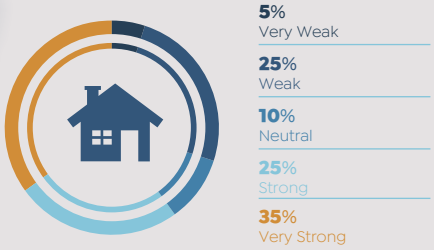
SOLID CEMENT BRICKS	BRICK HOLLOW CONCRETE
(per 1,000 bricks)	(40x20x12 cm) (per 1,000 bricks)
1,050	**6,800**
(YOY -4.5%)	(YOY 30.8%)

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



ONLINE MONTHLY SURVEY (%)

To what extent will the new subsidized mortgage initiative (EGP 100 bn) allow low & middle-income earners to be future homeowners?



Source: The Cabinet, Ministry of Agriculture and Land Reclamation, Ministry of Housing, Utilities & Urban Communities, Egyptian Exchange (EGX) & Invest-Gate R&A.

NEW CITIES
UPDATE

NEW CITIES UPDATE

PLOTS ALLOCATION

	No. of Plots	Activity
16 New Cities (Names N/A)	21	Various Activities
10th of Ramadan City	1	Factory
6th of October City	1	Industrial Services
Sadat	1	Food Industrial Activities
New Beni Suef	2	School & Medical Activities
New Fayoum	1	School
New Nubarya	1	Commercial
October Gardens	2	Commercial & Mixed-Use
New Obour	1	Commercial Administrative
New Aswan	1	Hospital
New Assiut	1	Commercial Administrative
New Akhmim	1	Warehouses
Badr	1	Industrial
New October	1	Factory
New Mansoura	1	University Hospital
New Qena	1	Bakery
New Cairo	1	Mixed-Use

FINANCIAL BONUS TO EMPLOYEES MOVING TO NAC

EGP **1.5** bn
TOTAL AMOUNT

Unspecified; Either One-Off Payment or Added To Their Monthly Salaries.
BONUS FORM

NEW ALAMEIN TOWERS

New Alamein City
LOCATION

5 (Fully-Finished)
NO. OF RESIDENTIAL TOWERS

Minister of Housing, Utilities, and Urban Communities Meets with Consultants in Washington DC Undertaking Engineering & Design Works
STATUS

SUPPLY VOLUME
- **250 m- Iconic Tower** (68 Floors)
- **Artificial Lake**
- **200 m- 4 Other Towers** (56 Floors Each)

UPDATES ON R3 DISTRICT

2,560 (64 Buildings)
NO. OF UNDERWAY RESIDENTIAL UNITS

73,600 m²
COMMERCIAL AREA

77,760 m²
ADMINISTRATIVE AREA

Mixed-Use Buildings
LOCATION

952 (485 Buildings)
NO. OF UNDERWAY RESIDENTIAL UNITS

Villas & Townhouses Buildings, D4 & D5 Neighborhoods
LOCATION

93%
COMPLETION RATE

Source: NUCA, Spokesman of Egyptian Presidency & Ministry of Housing, Utilities & Urban Communities.

JANNA UPDATES

6th of October City
LOCATION

154 Acres
AREA

6,720 (**280** Buildings)
NO. OF UNDERWAY RESIDENTIAL UNITS

84%
COMPLETION RATE

UPDATES ON SHOROUK CITY RESIDENCES

78 Acres
AREA

2,520 (**105** Buildings)
TOTAL NO. OF RESIDENTIAL UNITS

90%
COMPLETION RATE

ROAD DEVELOPMENT WORKS

Borg Al Arab
LOCATION

EGP **220** mn
PLANNED INVESTMENTS

WORK SCOPE

Main Entrance Expansion To **3** Lanes in Each Direction, with A Service Road of **9** m Wide

Implementation of **3** Bridges

Develop A Number of Road Axes

UPDATES ON DISTINGUISHED COASTAL HOUSING

New Rashid City
LOCATION

268 Acres
AREA (PHASE I)

EGP **778** mn
INVESTMENTS (PHASE I)

600 (**25** Buildings)
NO. OF RESIDENTIAL UNITS

70%
COMPLETION RATE

STATUS

Skull Works: Complete

Interior & Exterior Finishing Works: Ongoing

UPDATES ON RESIDENCES FOR ALL EGYPTIANS

Capital Gardens
LOCATION

29,496 (**1,124** Buildings)
NO. OF RESIDENTIAL UNITS (PHASE I)

80%
COMPLETION RATE

Begin Trial Operations for Electricity Works in Phase I Buildings
STATUS

2,350 Acres
INFRASTRUCTURE AREA

EGP **160** mn
INFRASTRUCTURE INVESTMENTS

17%
COMPLETION RATE

Source: Ministry of Housing, Utilities & Urban Communities, Transport & Communications Committee of the House of Representatives, 6th of October Development Authority, NUCA & Capital Gardens Development Authority.

NEW MEDICAL COMPLEX (NAME N/A)

New Mansoura
LOCATION

32,355 m² (Project Occupies **40%** of Land)
AREA

in **4** Yrs After The Date of Receiving The Plot
IMPLEMENTATION PERIOD

SAWARY TOWERS

West Carrefour Land, Alexandria
LOCATION

3,168 Units & **310** Villas
NO. OF UNDERWAY RESIDENTIAL UNITS

417.63 Acres
TOTAL LAND AREA

21%
for Towers

12%
for Villas

15
NO. OF TOWERS (PHASE I)

39%
COMPLETION RATE

49
NO. OF TOWERS (PHASE II)

16%
COMPLETION RATE

EGP **5.5** bn
INVESTMENTS

19,817 m
ROADS LENGTH

120 Acres
INFRASTRUCTURE AREA (PHASE I)

EGP **900** mn
INFRASTRUCTURE INVESTMENTS

SUPPLY VOLUME

Basements	Ground Floor	**12** Floors

Source: Head of the New Damietta Development Authority & Supervisor of New Mansoura & New Rashid Development Authority.

PRIVATE REAL ESTATE PROJECTS
UPDATE

Private Real Estate Projects Update

NEW RESIDENTIAL PROJECTS

OURIKA

Developer: Developer X for real estate, Shura Group Member

LOCATION
Sheikh Zayed

AREA
16 Acres

NO. OF RESIDENTIAL UNITS (PHASE I)
45

DELIVERY DATE
in **3** Yrs (by **2023**)

PAYMENT PLAN

5% Reservation Payment

5% Contract Payment

Up To **8** Yrs Installments

Down Payment Starts from EGP **145,000** & Monthly Installment of EGP **28,000**

SUPPLY VOLUME

Villas	Townhouses	Twin Houses
Unit Prices: EGP **5** mn	Unit Areas: **350** m Building Area: **205** m Unit Prices: Start: EGP **2.9** mn	Unit Areas: **350** m Building Area: **225** m

THE MARK

Developer: Mark Development

LOCATION
New Cairo

INVESTMENTS
EGP **5** bn
(Pump EGP **700** mn Until **2023**)

ESTIMATED CONTRACTUAL SALES
EGP **8** bn

SUPPLY VOLUME

Fully-Finished Villas with Hotel Services

Source: Developers' Official Statements

BELLE VIE (PHASE I)

Developer: Emaar Misr

LOCATION
New Sheikh Zayed City

AREA
500 Acres

INVESTMENTS
EGP **38** bn

SUPPLY VOLUME

1,400 m- Green Valley	Lake Surrounded By Green Areas	Sandy Beach
Multi-Activity Social & Sports Club	Open Area for Services (Shops & Restaurants)	Educational Institution

CREEK TOWN

Developer: Khozam Developments

LOCATION
New Cairo

AREA
100 Acres

INVESTMENTS
EGP **3** bn

DELIVERY DATE
in **3** Yrs (by **2023**)

SUPPLY VOLUME

No. of Phases: **3**	Villas, Townhouses & Twin Houses → No. of Units: **600** (**70%** of The Area)
Duplexes, Garden Plots & Penthouses → No. of Units: **1,000** (**30%** of The Area)	
Villas Area → **350- 400** m	Apartments Area → **120- 175** m

GO HELIOPOLIS

Developer: Khozam Developments

LOCATION
Heliopolis

DELIVERY DATE
2022

SUPPLY VOLUME

No. of Residential Units → **1,000**	Administrative Spaces
Commercial Areas	Clinics

Source: Developers' Official Statements

SCENE7 (PHASE II)

Developer: Akam Developments

LOCATION
R7 District, NAC

TOTAL AREA
40 Acres

TARGET SALES
EGP **2.2** bn (in **2021**)

PAYMENT PLAN
Facilities Up to **10** Yrs

STATUS
- Phase I Sold Out
- **80%** of Phase II Sold Out
- Phase III To Be Launched After Ramadan

SUPPLY VOLUME

Commercial Mall	Sports Mall	Playgrounds
International Sports Academies	Swimming Pool	

RARE

Developer: Al Ahly Sabbour

LOCATION
Mostakbal City, New Cairo

AREA
59 Acres

CONSRUCTION COSTS
EGP **770** mn

DELIVERY DATE (PHASE I)
Q4 2025

SUPPLY VOLUME

No. of Townhouses → **670**	No. of Units (Phase I) → **306**

DISTRICT FIVE RESIDENCES (EXPANSION)

Developer: MARAKEZ, Subsidiary of Fawaz AlHokair Group

LOCATION
New Katameya, East Cairo

AREA
100 Acres

EXPANDED AREA
68 Acres

DELIVERY DATE (PHASE I)
Start: **2021**

STATUS
D5R Achieves Record Sales

DELIVERY DATE OF D5R MALL
2022

Source: Developers' Official Statements

RESIDENCE EIGHT

Developer: Sky Abu Dhabi Real Estate Developments, Subsidiary of Diamond Group

LOCATION	AREA	TARGET SALES	INVESTMENTS
R8 District, NAC	**23** Acres	EGP **1.5** bn by **2021**	EGP **4** bn

STATUS

The Ministry Approves Planning & Dividing The Land Plot for The Project

Construction Began & Project Units Offered for Reservation

SUPPLY VOLUME

No. of Residential Units → **1,000**	Apartments & Luxury Duplex Units	Unit Areas → **80- 360** m²
Commercial Complexes	Outdoor Area for Activities & Events	Clubhouse within Walking Distance
Gym & Health Center	Smart Facility Administration	

NEW COMMERICAL PROJECTS

STARS MALL

Developer: Capital Development Company

LOCATION	AREA	INVESTMENTS	CONTRACTUAL SALES	ESTIMATED CONTRACTUAL SALES
Site Guardian, R3 District, NAC	**3,007** m	EGP **100** mn (Until **H2 2021**)	EGP **450** mn	EGP **350** mn (Until **H2 2021**)

STATUS	CONSULTING OFFICE FOR ENGINEERING DESIGNS	RESERVATION DATE	DELIVERY DATE
30% of The Project Sold Out	Sherif Elwan	Start: January **2021**	in **30** M (by **2023**)

SUPPLY VOLUME

110 Floors	Cafes & Restaurants	Pharmacies	Center Houses

Source: Developers' Official Statements

MUSE

Developer: Developer X for real estate & Saad Eddin Group

LOCATION
New Cairo

STATUS
The Company To Launch Phase I Soon

SUPPLY VOLUME

Office Spaces	Unit Areas → **80- 150** m
Finest & Strongest Brands of Restaurants & Entertainment Services	Small Hotel

JAYA BUSINESS COMPLEX

Developer: Egyptian Developers

LOCATION
Downtown, NAC

AREA
6,000 m²

SALES AREA
20,000 m²

TARGET SALES
EGP **1** bn

PAYMENT PLAN
Start from **7** To **13** Yrs, With Different Payment Systems

DELIVERY DATE
In **3** Yrs After Contracting with Consumers

SUPPLY VOLUME

Commercial Areas	Administrative Spaces	Unit Prices → EGP **18,000**/m²

THE VILLAGE

Developer: Hometown Development

LOCATION
Downtown, NAC

PAYMENT PLAN
5% Down Payment | Payment Period of Up To **10** Yrs

SUPPLY VOLUME

Largest Cinema Complex	No. of Halls → **10**	No. of Movie-Goers → **1,000**
Commercial Areas → Start: **30** m²	**2,250** m- Hypermarket	

Source: Developers' Official Statements

SIXTY ICONIC TOWER

Developer: Al-Burouj Egypt

LOCATION
Financial & Business District, NAC

AREA
13,000 m²

SALES AREA
55,000 m²+

HEIGHT
40 Floors

INVESTMENTS
EGP **1.7** bn

TARGET SALES
EGP **3** bn

DELIVERY DATE
in **3** Yrs (By **2023**)

PLAN
The Company Plans to Increase Investments in NAC To **EGP 9 bn** in The Next **3** Yrs

STATUS
The Company Currently Owns **4** Administrative & Commercial Hotel Projects in NAC

VINCI STREET (NEW PHASE)

Developer: Misr Italia Properties (MIP)

LOCATION
Vinci Project, NAC

PAYMENT PLAN
5% Down Payment | Up To **7** Yrs Installment Plans

DELIVERY DATE
2024

SUPPLY VOLUME

2 Floors	Ground Floor	Upper Floor	Commercial Areas	Administrative Offices
Shops	Clinics	Areas Range from **96** m² for Shops To **100** m² for Cafes & Restaurants		
Areas for Offices & Clinics Extend Up To **69** m²				

IBUSINESS PARK TOWERS

Developer: ARQA Real Estate Development

PAYMENT PLAN
Contract Provider of **10%** with Facilities of **7** Yrs
Others: Facilities Up To **12** Yrs

STATUS
The Company Starts Drilling & Construction Works

Source: Developers' Official Statements

THE PLACE

Developer: Parsley Developments

LOCATION
Fifth Settlement, New Cairo

STATUS
The Project is Open for Reservations

IMPLEMENTATION DATE
Start: March **2021**

DELIVERY DATE
March **2022**

PAYMENT PLAN

- **35%** of Units' Value Paid As Down Payment
- No Installments Until Units Delivery
- Installment Paid Over **4** Yrs

SUPPLY VOLUME

2 Basements	**3** Floors	Ground & 1st Floors for Commercial Units	Unit Prices: Start: EGP **30,000**/ m²
1 Floor for Administrative & Medical Units, with Private Entrances			Unit Areas: **45- 320** m

NEW PROJECT (NAME N/A)

Developer: Saudi Egyptian Developers (SED)

LOCATION
Fifth Settlement, New Cairo

AREA
21.6 Acres (**91,000** m²)

INVESTMENTS
EGP **2.8** bn

SUPPLY VOLUME

Commercial Complex	Administrative Offices	Clinics & Medical Centers
Entertainment & Walking Venues	Five-Star Hotel	

PAGODA COMPLEX

Developer: Acadia Real Estate

LOCATION
Downtown, NAC

AREA
2,221 m²

INVESTMENTS
EGP **400** mn

IMPLEMENTATION PERIOD
3 Yrs

SUPPLY VOLUME

10 Floors	**3** Floors for Commercial Activities	**7** Floors for Administrative & Medical Activities

Source: Developers' Official Statements

NEW MALL (NAME N/A)

Developer: MARAKEZ

LOCATION
Mansoura, El Dakahlia Governorate

AREA
150,000 m²

BUILT-UP AREA
45,000 m²

GROSS LEASABLE AREA
40,000 m²

COMMERCIAL/ LOGISTICS AREA
198,000 m²

INVESTMENTS (PHASE I)
EGP **1** bn

TARGET POPULATION
7 mn+

NO. OF JOB OPPORTUNITIES
20,000+

SUPPLY VOLUME

Retail, Dining & Entertainment Options	**6,000** m² Hypermarket	Food Court	**1,850** Parking Spaces
Outdoor Space for Activities & Family Fun	**8** Screen Cineplex	Fashion Brands	

Construction Awards

GRAND EGYPTIAN MUSEUM (GEM)

AWARDED COMPANIES
Consortium between Hassan Allam Construction & MAB from the UAE

CONTRACT
Provide & Operate Services & Facilities at The GEM, in Collaboration with Ministry of Tourism and Antiques

Projects Underway

RIVAN TOWERS

Developer: Al-Tameer Arabian

LOCATION
Downtown, NAC

NEWS

The Company Enters Contract with UAE FACIL International Group

Target: The UAE FACIL Group To Manage The Project

The Partnership To Offer New & Different Product With International Hospitality Services

Agreement Terms: Provision of Hotel Services & Management for Housing Activities

Source: Developers' Official Statements

ETAPA SQUARE

Developer: City Edge Developments

LOCATION

Sheikh Zayed

NEWS

The Company Signs Financing Contract with National Bank of Egypt (NBE) & Banque Misr

Value: EGP **1.1** bn

Target: Finance Part of The EGP **2.2** bn Investments for Establishing A Commercial Mall in The Project

SUPPLY VOLUME

Grand Villa	Townhouse Corner	Villa	Townhouse Middle	Twin Villa
Mansio Villa	Duplex Second Floor Apartment		Mansio Villa- Second Floor Apartment	
Duplex 1-4			Duplex 2-3	

AVALON

Developer: Investwell Real Estate Consultancy

LOCATION	AREA	TOTAL SALES AREA	NO. OF BUILDINGS	INVESTMENTS
NAC	**8,400** m	**33,000** m^2	**2**	EGP **1.4** bn

DELIVERY DATE

June **2023**

NEWS

The Company Signs Facilities & Services Management Contract With Leeds Facilities Management Company (LEEDS -TFM)

The Contract Includes Avalon New Cairo & Avalon New Capital

Target: Preserve Their Investment Value & Maximize Efficiency

Source: Developers' Official Statements

CFC CLUB

Developer: Cairo Festival City (CFC), Subsidiary of Al-Futtaim Group

LOCATION	AREA	LAUNCH DATE (PHASE I)	LAUNCH DATE (PHASE II)
Cairo Festival City Complex	**62,150** m²	**Q2 2022**	**Q4 2022**

NEWS

Contracts with International Consultants To Carry Out Architectural Design & Selectively Tailored Sports Facilities

Target: Offer Members Comprehensive Sporting Experience

Supply Volume (Phase I)

Sports Complexes, Swimming Pools & Green Area

ORIANA IV VILLAS

Developer: Cairo Festival City (CFC), Subsidiary of Al-Futtaim Group

LOCATION	AREA	NO. OF VILLAS	DELIVERY DATE
Cairo Festival City Complex	**68,253** m²	**116**	**2021**

NEWS

90% of The Project Complete

Oriana Villas Includes **617** Villas; **495** Complete & **453** of Them Delivered

THE PODIUM

Developer: Cairo Festival City (CFC), Subsidiary of Al-Futtaim Group

LOCATION

Cairo Festival City Complex

NEWS

Phase I Sold Out

Phase II Scheduled for Completion by **Q2 2023**

Supply Volume

5 Administrative Buildings for **224** Units | Unit Areas ⟶ Start: **95** m²

Source: Developers' Official Statements

ECONOMIC
SNAPSHOT

ECONOMIC SNAPSHOT

FY 2021/22 BUDGET DRAFT

GOV'T EXPENDITURE

Amount
EGP **1.76** tn

9% YoY

Expenditure on Investments
27.6% of Total Expenditure

EXPECTED GDP GROWTH RATE

FY 2021/22 **5.4%**

FY 2022/23 **6%**

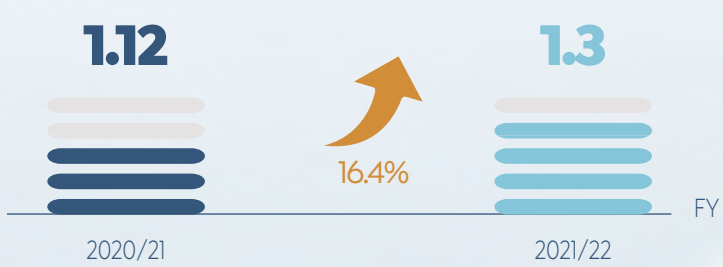
BUDGET DEFICIT

FY 2020/21	FY 2021/22
7.8%	**6.6%**

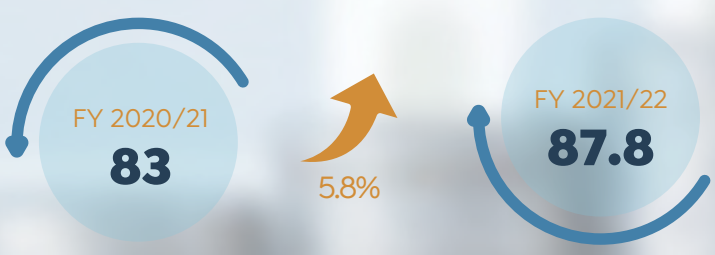
PRIMARY SURPLUS

FY 2020/21	FY 2021/22
0.9%	**1.5%**

GOV'T REVENUES (EGP TN)



SPENDING ON SUPPLY COMMODITIES SUBSIDY (EGP BN)



ANNUAL HEADLINE INFLATION

FEBRUARY	MARCH
4.5%	**4.5%**

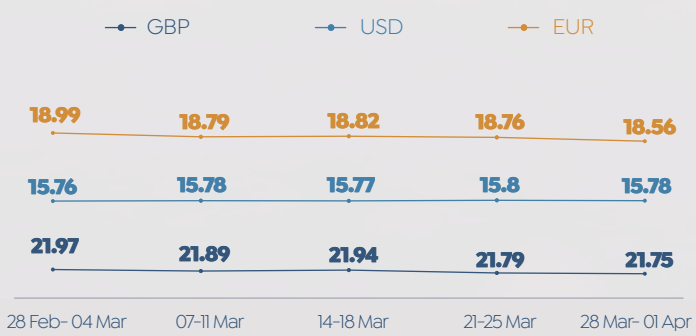
NET INTERNATIONAL RESERVES (USD BN)

FEBRUARY	MARCH
40.2	**40.337**

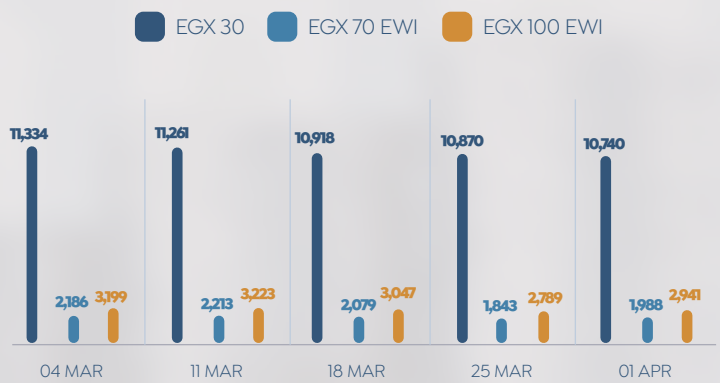
PURCHASING MANAGERS' INDEX (PMI)

FEBRUARY	MARCH
49.3	**48**

EXCHANGE RATES



CAPITAL MARKET INDICATORS



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

FULL ANALYSIS

FACTS & FIGURES

PROPERTY MARKET PLANS

STAY ON COURSE DESPITE CHALLENGES

BY **DINA EL BEHIRY**

Before the Coronavirus has triggered severe upheaval in global markets and exposes the existing cracks in the global economy, the Egyptian property market has been working in full swing to achieve successes. As proof of that, the New Urban Communities Authority (NUCA) has showcased its accomplishments since establishment to June 30, 2020 to the Minister of Housing, Utilities, and Urban Communities Assem El Gazzar.

According to this meeting, the minister states that around EGP 305 bn in several fields including infrastructure, housing, services, and other development fields. This is in addition to the investments of the private real estate sector.

El Gazzar asserted that NUCA's achievements has contributed to solving the housing problem through the availability of housing units across new cities. The number of executed and underway housing units has reached more than a million, around 376,000 of which were completed until June 30, 2014 and about 664,000 units were executed from July 1, 2014 to June 30, 2020.

Additionally, NUCA pays a great deal of attention to providing services to the new cities' residences. Thus, about 1,449 service buildings were executed until mid-2014, and about 2,226 other buildings were completed from July 1, 2014 to June 30, 2020.

For potable water and sanitation projects, around 37 water purification plants with a total capacity of 5.4 mn m^3/day were executed, and about 10 other plants with a total capacity of 2.3 mn m^3/day are underway. Moreover, 33 sanitation treatment plants with a total capacity of 1.9 mn m^3/day were complete, in addition, 13 other plants with a total capacity of 550,000 m^3/day are still underway.

When it comes to electricity projects, 60 stations with a total capacity of 7,785 mega f.a were executed, and about 18 other stations with a total capacity of 5,925 mega f.a are underway.

Regarding road projects, 10,000 km road networks were executed, and about 4,000 other networks are still underway.

With an eye on today's efforts to ensure that everything is on the right track, a new ministerial decision no. 218 of 2020 is issued to stop the construction of the buildings in the main capitals across Egypt for six months.

Prime Minister Mostafa Madbouly then directs the resumption of construction with a limit of four floors. This comes as several parties held several meetings over the past months with the participation of the concerned ministries: local development, housing, higher education, planning, and the engineering commission, according to an official statement on March 31.

Several committees are formed headed by the governors 'deputies, the engineering authority, and many competent authorities. Accordingly, the new planning requirements and controls are issued, which stipulate: not allowing new licenses for non-residential activities in residential buildings and changing the activity of residential units to non-residential use.

Furthermore, heights of residential buildings overlooking narrow and wide streets are determined according to the following areas: for streets less than 8m, the maximum height of the unit is 10m with three floors; for 8 to 12m, the maximum height is 13 m with four floors; and for streets that are more than 12m, the maximum unit height is 16m with five floors.

As for plots of land and construction ratios for residential buildings; for plots of land with an area of up to 175 m, construction is done on 100% of the land. As for plots of land with an area of more than 175 m, the percentage of the buildings is 70% as a maximum.

Looking at the Egyptian tourism status, the Minister of Tourism and Antiquities Khaled Anani mentioned before that around two million tourists visited Egypt since flights resumption in July, 2020. More specifically, about 270,000- 290,000 tourists came to Egypt during December, 2020 and February 2021. Regarding revenues of Egypt's tourism sector, the Bank of America (BofA) Global Research said in a recent report that revenues are expected to hit USD 7 bn next year after having plunged in 2020.

New Cities Update

In a bid to further reinforce the real estate sector, the government spares no efforts in pushing the development wheel and move forward in projects' execution. The minister indicated the execution of 2,560 units in the mixed-use buildings. Furthermore, about 952 units are still underway in R3 District, with a completion rate of around 93%.

Additionally, bureaucrats whose work will move to the New Administrative Capital (NAC) are also getting a special bonus. The budget has earmarked a total of EGP 1.5 bn for the employees' bonus, but the Cabinet statement does not clarify whether each employee will get a one-off payment or if the amount will be tacked on to their monthly salaries.

Focusing on JANNA project in the 6th of October city, approximately 6,720 units are still underway on an area of around 154 acres, with a completion rate of 84%. For the New Rashid city,

about 600 units are 70% complete in the Distinguished Coastal Housing project. Regarding Capital Gardens, approximately 29,496 units are 80% complete in the Housing for All Egyptians Initiative.

Private Sector Updates

The private real estate developers spare no efforts in launching new projects, and stick to the proposed timetables to avoid project delays.

New Residential Projects

Developer X for real estate, a member of the Shura Group, launches two projects in Sheikh Zayed and New Cairo. The two projects aim to achieve contractual sales of EGP 1 bn in 2021, according to a company press release on April 1.

The first one is Ourika, a residential project on an area of 16 acres in Sheikh Zayed. The first phase of the project is being launched with 45 villas, townhouses, and twin houses.

The company offers a variety of payment systems with 5% reservation payment, 5% contract payment with installment for up to eight years. Prices for the Town Houses start from EGP 2.9 mn and reach EGP 5 mn for independent villas. The project will be delivered within three years.

Mark Development launches an integrated urban project in New Cairo with investments of EGP 5 bn as part of the company's expansion plan in the real estate market.

The plan has expected contractual sales exceeding EGP 8 bn. The company plans to pump EGP 700 mn in its investments until 2023 in addition to studying the development of a new tourism project in Ain Sokhna in 2021, according to a company press release on March 29.

Badr further elaborates that the company achieves contractual sales of EGP 2 bn with its project in New Cairo. It started implementing the project and assigned the construction works to the Good Shepherd Company.

Emaar Misr has celebrated launching the first phase of the Belle Vie project in the new Sheikh Zayed City.

Belle Vie is on an area of 500 acres with investment rates estimated at EGP 38 bn. It is characterized by the presence of a green valley extending over 1,400 meters, a lake surrounded by green areas, a sandy beach, a multi-activity social & sports club, an open area for services (shops – restaurants), and an educational institution, according to a company press release on March 28.

Khozam Developments launches the first phase of Creek Town New Cairo project with investments of EGP 3 bn during the Real Gate exhibition.

Creek Town has an area of 100 acres divided into three phases. First phase is launched at the Real Gate Exhibition, where Khozam Developments offers discounts and special deals for contractors during the three-days exhibition.

The project includes 600 villas, townhouses, and twin houses, which represent 70% of the project area. Furthermore 1,000 residential units between duplexes, garden plots and penthouses represent 30% of the area. The project is scheduled to commence with an expected delivery date within three years. Villas range between the 350 to 400 m, and apartments between 120 to 175 m.

It is noteworthy that Creek Town is the second project of Khozam Developments after its project Go Heliopolis, the first compound in Heliopolis, which includes 1,000 residential units in addition to administrative and commercial units and clinics, and it is planned to start delivery in 2022.

Al Ahly Sabbour launches its latest residential project, Rare, in Mostakbal City. The project area covers 59 acres and offers 670 townhouses with a total of EGP 770 mn in construction costs. The delivery of phase I with 306 units is expected to be in the fourth quarter of 2025.

Akam Developments' CCO, reveals that the new units in the SCENE7 project in the New Administrative Capital will be launched, with payment facilities of up to 10 years. SCENE7 project is the first sports compound in the New Administrative Capital. It includes the largest international sports academies, playgrounds, swimming pool, a sports mall, a commercial mall, which provides all the needs of the customers and brings them luxury, comfort, and happiness, the statement reads.

SCENE7 project is in the R7 area, extends over an area of 40 acres. The third phase of the project is scheduled to be launched after Ramadan.

Emaar Misr has celebrated launching the first phase of the Belle Vie project in the new Sheikh Zayed City.

MARAKEZ, the subsidiary of the Saudi conglomerate and mall developer Fawaz AlHokair Group, increases its District Five Residences in New Katameya, by expanding 68 acres to the existing 100 acres, bringing the total area to 168 acres.

Sky Abu Dhabi Real Estate Developments unveils its first project in NAC with an investment of EGP 4 bn.

The company begins construction and offers the project units for reservation, with a sales target of 1.5 bn EGP by 2021. The Residence Eight project consists of residential complexes as well as commercial complexes and covers an area of 23 acres.

Strategically located in the premium area R8, the new project is designed to balance in the landscape and expand over 82% of the total area of the project as well as about 1,000 residential units that vary between apartments and luxury duplex units in different areas ranging between 80 and 360 sqm.

New Commercial Projects

Capital Development Company launches its first projects in the real estate market Stars Mall in NAC for contractual sales that exceed EGP 450 mn.

Stars Mall project is implemented on an area of 3,007 meters at the site guardian in the R3 region, and it is a specialized commercial mall that includes 110 floors ranging from cafes and restaurants, pharmacies and center houses, according to a company press release on March 31.

The reservation in the project started in January 2021 and so far, 30% of the project has been sold. It is expected that the company will achieve contractual sales estimated at EGP 350 mn until the second half of the current year while pumping approximately EGP 100 mn as investments during this period.

Developer X for real estate launched the Muse, an administrative commercial activity, in partnership with the Saad Eddin Group. It consists of administrative offices with areas ranging between 80 and 150 meters in New Cairo. The company plans to launch the first phase of the project soon.

Egyptian Developers launch the first project in NAC, JAYA Business Complex, located in Downtown with targeted sales of around EGP 1 bn.

The project is located on an area of 6,000 sqm and the sales area of the project is 20,000 sqm. The project includes a commercial and administrative part. Delivery of the project is within three years after contracting with customers, but the company plans to deliver before this date.

The company offers a payment plan starting from seven years reaching 13 years with different payment systems to suit all target customers. All units in the project follows the same procedure, and the company offers units at prices that are approximately 50% lower than similar units in the market. With other investment benefits, the price per sqm starts from EGP 18,000.

Hometown Development launches The Village project in NAC with the largest cinema complex, with a total of 10 halls that accommodates for more than 1,000 movie-goers.

The Village includes areas starting from 30 sqm. The project offers a payment plan of a 5% down payment and a payment period of up to 10 years, a distinct payment system that commensurate with the purchasing power of the target customers.

The project includes a hypermarket on an area of 2,250 meters under the supervision of DMA Engineering Consulting, and Hassan Allam Asset Management will operate the project after its implementation.

Al-Burouj Egypt launches its latest project, Sixty Iconic Tower, in the financial and business district of the New Administrative Capital, with investments of EGP 1.7 bn, and a targeted sales value of EGP 3 bn. It will be implemented within three years on an area of 13,000 sqm and a height of 40 floors. The building is on 60% of the land, and the sales area reaches more than 55,000 sqm.

Parsley Developments announces opening its reservations for the units of its project The Place in the Fifth Settlement, which is exclusively marketed by PRE for Marketing and Real Estate Investment.

The project is in a prime location. It consists of two basements and three floors, while the commercial units contain ground and first floors. As for the medical and administrative ones, there is only one floor. The administrative and medical units have private entrances to give privacy to its visitors.

The price per square meter starts from EGP 30,000 and 35% of the unit value is paid as a down payment without installments until the unit is delivered. The installments are over four years, and the unit areas range from 45 to 320 meters. It is planned to start the implementation of the project in March 2021 and deliver it in March 2022.

Acadia Real Estate intends to launch its first projects in NAC on an area of 2,221 sqm in a prime location, with investments estimated at EGP 400 mn.

Pagoda complex project consists of 10 floors that include commercial, administrative and medical activities. The first three floors are commercial with an innovative system and the rest are administrative and medical. The project implementation period is three years, indicating that it offers several units for various purposes to suit all customer needs.

Economic Snapshot

With intense efforts showing some promising results, net international reserves hit around USD 40.337 bn in March versus USD 40.2 bn in February. Despite this upsurge, the net international reserves are still below the recorded level in last February of USD 45.5 bn.

Egypt's annual headline inflation maintained the same level of 4.5% in 2 months in a raw, according to the Central Bank of Egypt (CBE).

Regarding the Purchasing Managers' Index (PMI), it witnessed a drop in March reaching 48, after hitting 49.3 in February. According to the report, this drop indicates a deterioration in the non-oil activity due to the pandemic havoc.

The Cabinet has signed the FY 2021/22 budget draft. Finance Minister Mohamed Maait mentioned earlier that under this budget, expenditure will witness a 9% YoY increase hitting EGP 1.76 tn, of which 27.6% will be focused on investments, with a focus on improving the quality of public services and infrastructure.

Moreover, the GDP growth rate is expected to reach 5.4% and could climb to 6% in the following fiscal year if everything goes according to plan. For primary surplus, the budget is assumed to achieve 1.5%, compared to 0.9% in the current fiscal year.

It is worth mentioning that the government spares no effort in maintain our current state, with high hopes of reaching stability and flourishment.