

INVESTIGATE

THE VOICE OF REAL ESTATE

SECOND HOMES REAL ESTATE GUIDE



INSIGHT ON SECOND HOME BUYERS' BEHAVIOR

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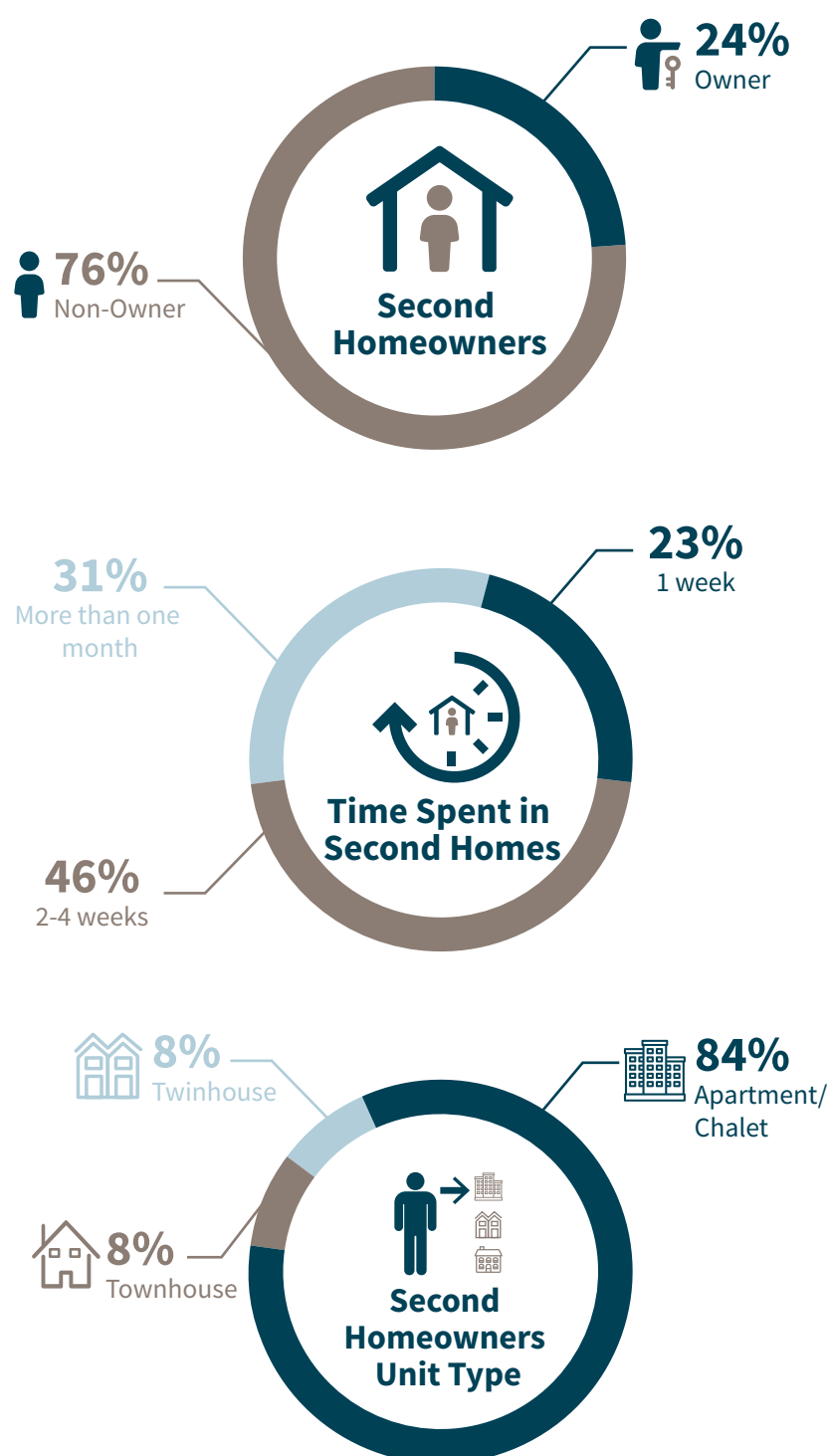


With the most exciting season approaching, we look into the second homes market to identify consumers' behavior, nature, and characteristics to see where it is going... who buys what, where, and how? Invest-Gate team have put together a summarized wrap up on that special niche market.



SO HOW MANY OWN A SECOND HOME?

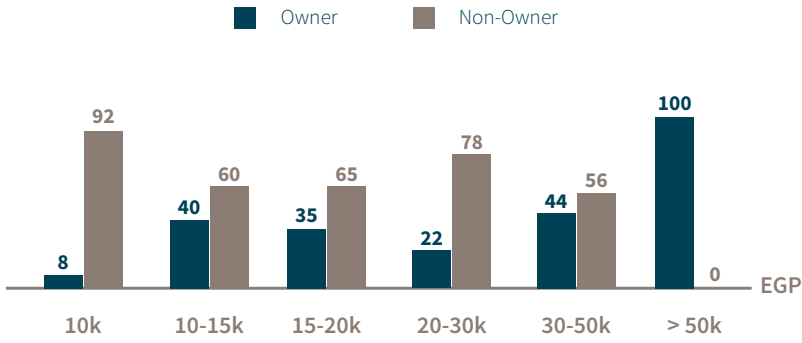
Egypt's second home market is promising as only 24% of the population, according to our sample study, own a second home and seemingly it is the wealthy among them, who enjoy this luxury, with 46% of owners spending 2 to 4 weeks in their properties.



Out of all surveyed purchasers, 84% possess apartments/chalets in various residential projects on the North Coast, followed by villa and townhouse, and twin house buyers, with each representing an equal 8% share.

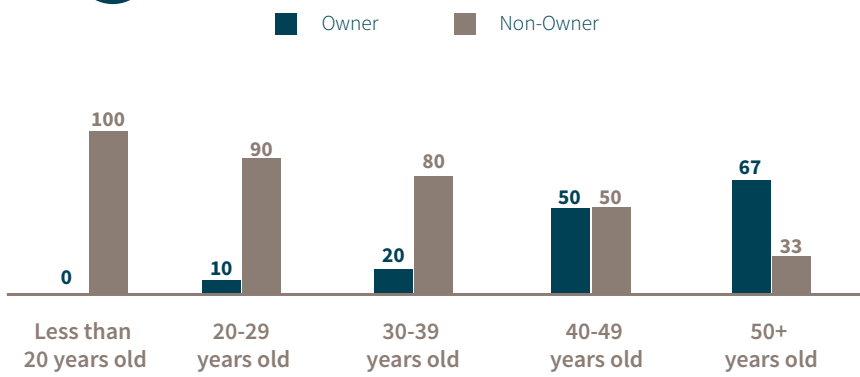
SOCIAL STANDARDS IDENTIFIED

 **Second Homeowners by Income (%)**



Based on the study conducted, it is those among higher income bracket, who can afford a second home among the Egyptian population at an average of more than EGP 50k monthly income.

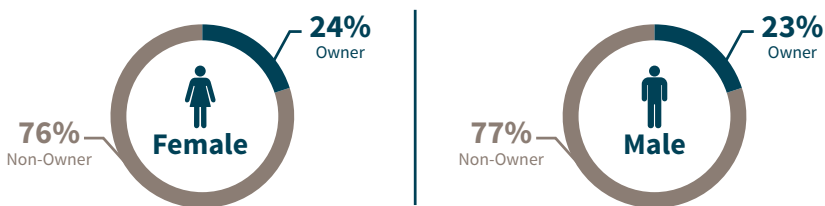
 **Second Homeowners by Age (%)**



Traditionally, a second home among Egyptians is more of a family house, where at least three generations get together for long breaks over the year to enjoy quality time with their first- or second-degree family relatives. According to our study, the highest age range of second home buyers is more than 50 years old and they consume 67%.

CLASSIFIED BY GENDER

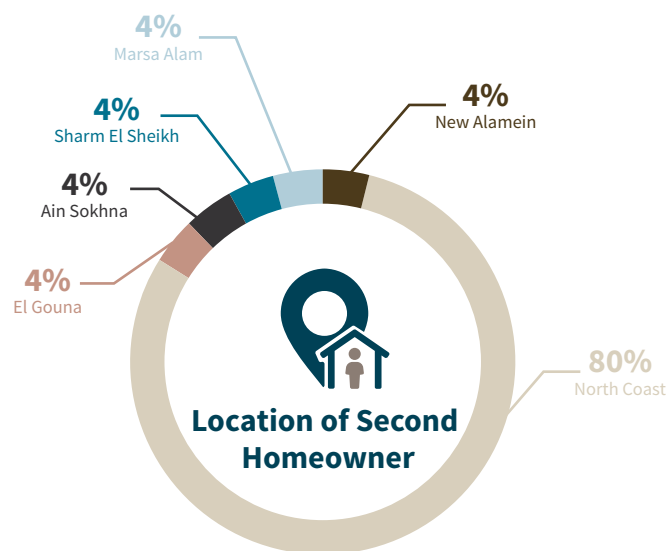
 **Second Homeowners by Gender**



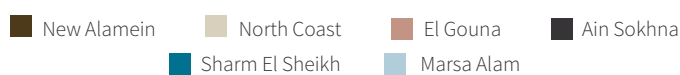
The gender of second home buyers of both males and females is almost equally divided of 23% each, according to our conducted study.



WHERE DO SECOND HOMEOWNERS BUY?

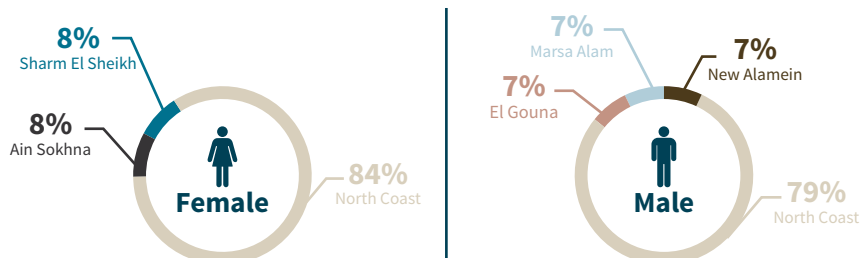


A total of 80% of the surveyed second homeowners are located on the North Coast, followed equally by Ain Sokhna and other coastal cities.

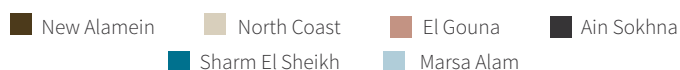


LOCATION OF SECOND HOMEOWNERS BY GENDER

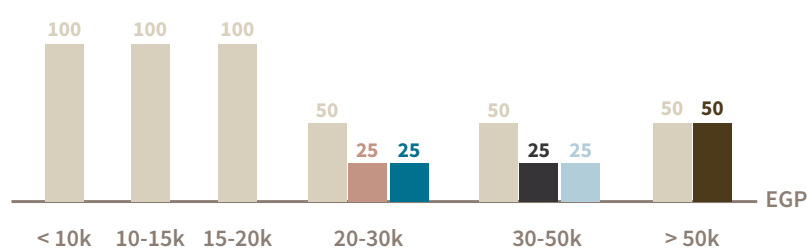
Location of Second Homeowners by Gender



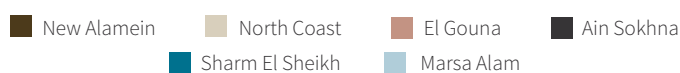
The North Coast as expected tops all charts between male and female owners by 79% and 84%, respectively.



Location of Second Homeowners by Income (%)



A total of 50% of each category (monthly income: EGP 20k-30k, EGP 30k-50k, and EGP 50k+) own a second home on the North Coast. A total of 50% of those earning more than EGP 50k own a second home in New Alamein. Those earning less than EGP 20k who own a second home, located on the North Coast.



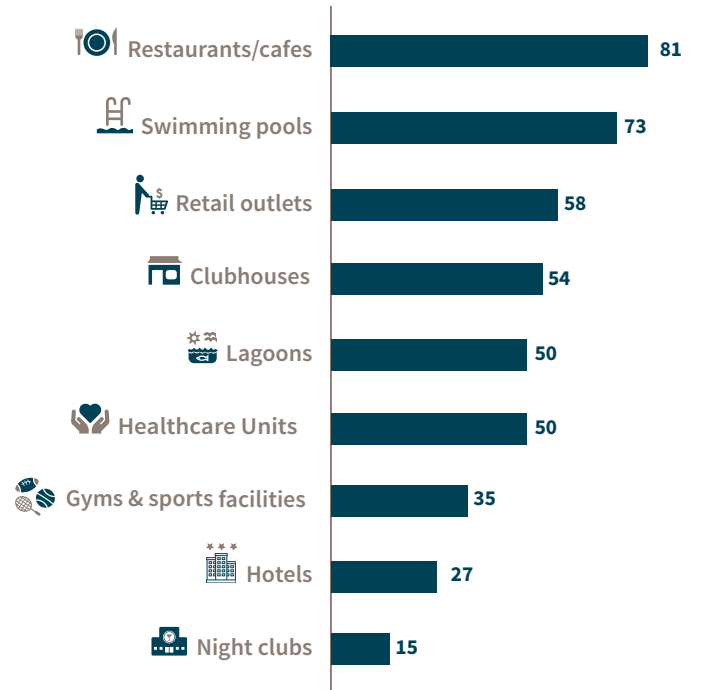
WHAT DO OWNERS LOOK FOR?

Attractive Features for Second Homeowners(%)



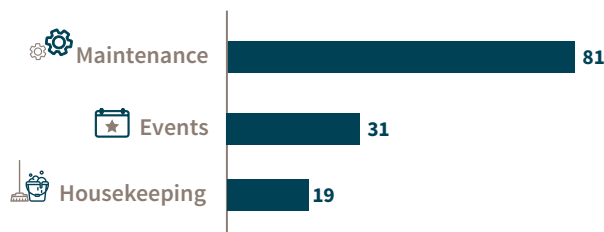
Owning a second home overlooking the beach is considered the most sought-after feature among second home buyers as seen in the above graph. Safety comes next in line to be followed by facilities provided by the developer. Payment terms offered by the developers, today, present the least of the buyers' interests when compared to others.

Top Facilities for Second Homeowners(%)



Retail and entertainment facilities are considered the most attractive feature taken into consideration to the current second homeowners. Restaurants and cafes top the chart with 81%, followed by swimming pools, then retail, club houses and lagoons.

Top After-Sales Services Demanded by Second Homeowners(%)



Maintenance makes 81% of the after-sales services demanded by second homeowners, followed by hosting events at 31%, and lastly house keeping services at 19% only.

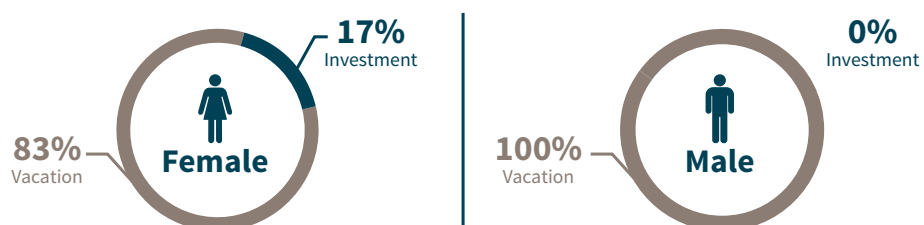


WHY BUY A SECOND HOME?



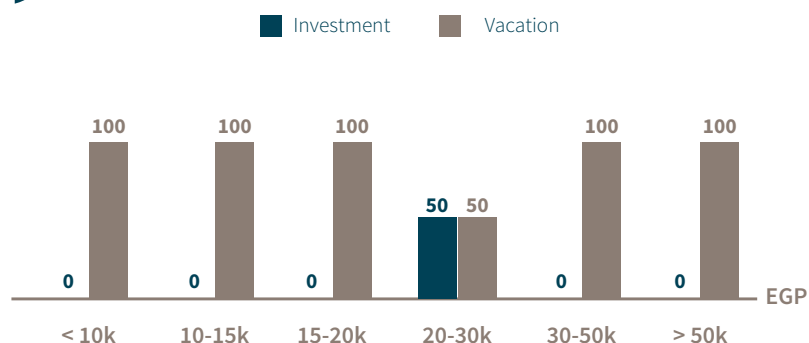
When it comes to the reasons behind owning a second home, approximately 92% of the sample conducted chose personal use.

Purpose of Owning Second Home by Gender



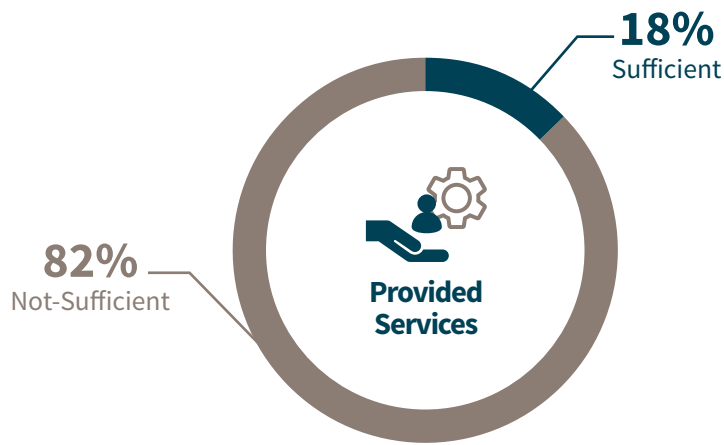
When identifying gender preferences, 100% of the males own second homes for personal use as opposed to 83% of the females. The other 17% aim for investment.

Purpose of Owning Second Home by Income (%)



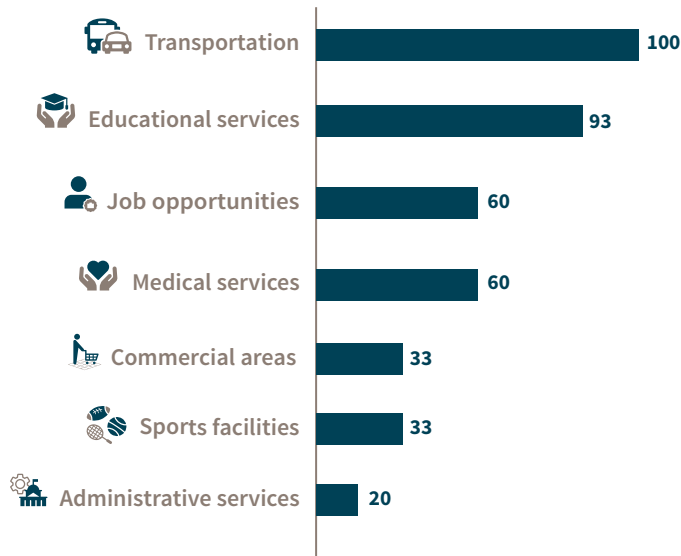
Our consumer behavior study shows that the monthly income bracket of EGP 20k-30k, 50% of which bought second homes for future investments. While the rest of income brackets chose to buy second homes for personal use.





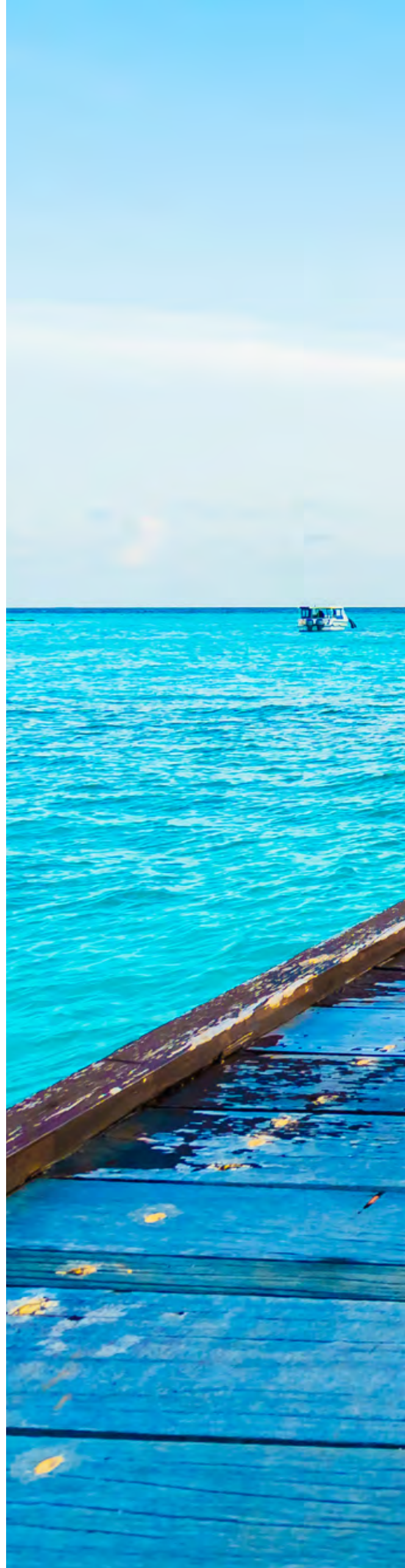
When asked if the North Coast is ready to host residents all-year-round, around 18% of the respondents believe they can entirely move and lodge there. The remaining 82% of homeowners, however, regard it as a seasonal city and consider the currently provided services insufficient for their daily needs.

Missing Services on the North Coast According to Owners' Opinions (%)



A total of 100% of surveyed home buyers deem transportation facilities as the most missing services on the North Coast, followed by 93% and 60% of owners who see that educational services and job opportunities and medical services, respectively, are among the missing services.

In a nutshell, both public and private sectors are advised to invest more in the provision of such services and facilities, including transport and education projects, which will certainly reflect on the availability of further employability, and thus, turn Sahel into a habitable destination in the near future.









NEW ALAMEIN DRAWS NEAR

One of the most anticipated cities under the state's urban development plan is New Alamein, which is scheduled to launch by 2020, coming with a plethora of entertainment venues and residential projects that cater to all classes. The smart city's New Alamein International University for Sciences and Technology is slated for inauguration this fall, kickstarting with three faculties.

Likewise, multiple five-star hotels are set to open next year, including but not limited to, new additions of the Four Seasons brand. Also, Jennifer Lopez will hit the North Coast's stage this summer with her first-ever concert at New Alamein. She will visit the city for one day to give her fans in Egypt and the Middle East a sensational night, coming as part of her live birthday celebration tour, under the tag line, "It's My Party." This move will essentially contribute to the global recognition of New Alamein, driving more foreign investments and boosting the country's overall tourism growth.

In this regard, Invest-Gate R&A team guides you through New Alamein's latest updates and developments, while underlining the consumer behavior toward this megaproject.

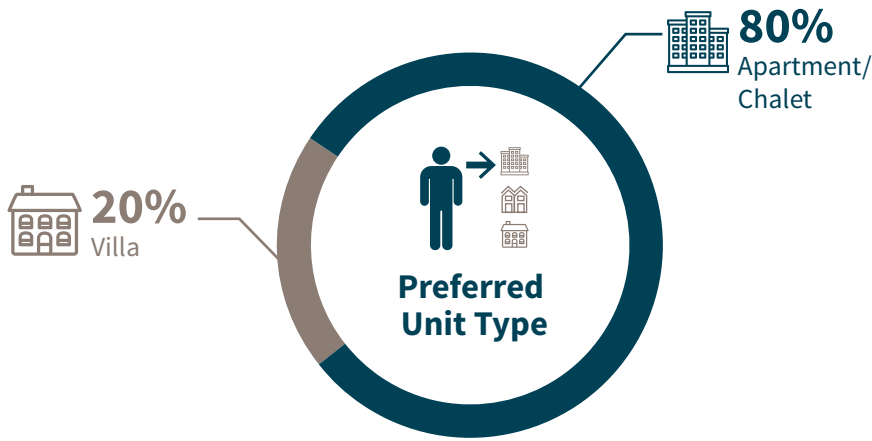


DEVELOPER ASPECT: PRIVATE PROJECTS

In Invest-Gate's previous report, dubbed "Investment Guide to Egypt's New Cities," each city was thoroughly examined, notably New Alamein, presenting an update on the private and public projects being implemented there. Amongst these developments, private ones include:

- Residential: four developers, establishing six projects
- Educational: one developer, establishing one project
- Tourism: three developers, establishing three projects

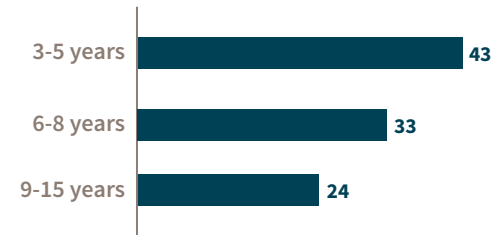
CONSUMER ASPECT: FIELD RESEARCH/SURVEY



Conversely, in order to analyze the consumer behavior toward New Alamein, Invest-Gate’s second home survey was a base-line for studying such a trend. Pursuant to the results, 80% of clients willing to buy housing units in the new city are looking for apartments/chalets, while the remaining 20% prefer villas.

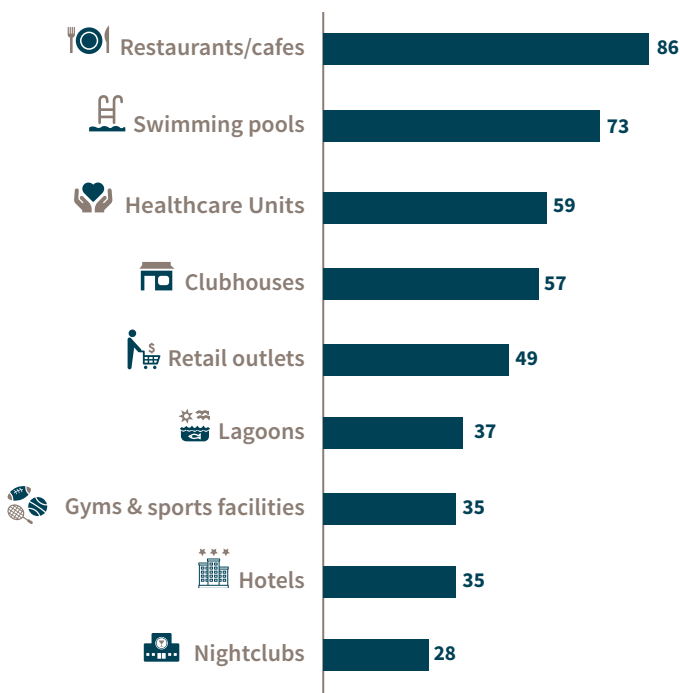


Preferred Payment Plans (%)



If a perfect match was found in New Alamein, 65% of these buyers would rather purchase it on installments, with 43% of them opting for three-to-five-year payment plans.

Most Sought-After Facilities for Potential Buyers (%)



Beyond that, 86% of potential homeowners regard restaurants/cafes as top attractive facilities when house hunting, while 73% of them see swimming pools more appealing.



SECOND HOME MARKET INSIGHTS

Given this intensive research on Egypt's second home market, it is noteworthy to highlight how both the North Coast and New Alamein can considerably fuel substantial investment inflows. Endeavoring to uplift the real estate market and get a grip on the current slowdown, Invest-Gate pinpoints the most notable reforms and trends in these coastal spots, in terms of purchasing power, determinants for owning vacation residences, desirable locations, sought-after facilities and features, and most importantly, investment potentials.



PURCHASING POWER:

- Around 24% of the study's respondents own a vacation house.
- The highest age bracket of second home owners lies in the 50+ years old with around 67%.
- The highest income bracket of second home owners lies in the 50k+ income category with 100%.

DETERMINANTS FOR OWNING VACATION RESIDENCES:

Approximately 92% of surveyed homeowners bought second homes for personal use.

DESIRABLE LOCATIONS:

80% of the surveyed people have second homes on the North Coast, followed by Ain Sokhna owners and purchasers of other coastal cities, equally at 4%.

SOUGHT-AFTER FACILITIES & FEATURES:

- In general, beachfront is considered the most wanted feature among 96% of surveyed second home buyers, while other provided by developers, safety stand at 58% , while facilities comes next at 54%.
- As for facilities, retail and entertainment outlets are considered the most attractive for 81% of second homeowners, while 73% favor swimming pools.

INVESTMENT POTENTIALS:

POTENTIAL BUSINESS

- Given the shortage of services on the North Coast as per the study conducted on 27% of its owners, there are a number of investment opportunities in various real estate and construction activities across the North Coast to transform it into a sustainable city and an all year round destination.
- Demand on Transportation Services reached 100%
- Demand on Educational Services reached 93%
- Demand on Medical Services reached 60%
- Demand on Commercial Services reached 33%

