

# INVESTIGATE

THE VOICE OF REAL ESTATE

# ONE YEAR ANNIVERSARY



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Real Estate News Reporting & Analysis  
April 2018 - 48 Pages - Issue 13



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# WHITE BAY...

## A NEW ERA OF SMART HOMES



PACT for Real Estate Development Set to launch its newest most asked for product, the Premium Nirvana Sky Villas



Finding the ultimate summer destination is becoming all the more joyful as White Bay is anticipated to reshape the summer home experience at Egypt's beloved North Coast. In addition to its stunning beaches with sprawling white sand and 500-meter- tranquil seashores, White Bay is defined by its distinctive modern architecture and the groundbreaking smart solutions that connect the entire compound.

White Bay represents the ideal mix of services and facilities necessary for a fluent, yet contemporary lifestyle. A comprehensive business center, children's park, spa, luscious landscaping, lagoons, and lakes all make life at this seaside sanctuary all the more rewarding. Featuring an assortment of villas, twin houses, and chalets that range from 120-550 m2, the new gem on the Mediterranean offers 660 residential units, on an area of 80 acres, with breathtaking sea and lake views. The cutting edge architecture showcases the functions and technologies offered by smart homes, including pre-paid electricity and water options, lighting and air conditioning controlled by one touch from your phone, inclusive WIFI coverage throughout the entire compound; in addition to modern amenities, housekeeping and property management.

Developed by PACT for Real Estate, White Bay brings a new line of thought to the area through introducing progressive solutions fit for a perfect modern family setting. In order to secure this vision, PACT partnered with leading companies Cisco, Crystal Lagoons, Sites and Multiples Group to provide state-of-the-art offerings and make this new era of homes into a palpable reality. As for construction processes at White Bay, they are going smoothly and according to schedule with the conclusion of 100% of phases 1 & 2 of all benches and bearing walls, 100% of the concrete for first bench, 80% of stone works, as well as 85% of casting concrete for phase 1 units.

PACT is also launching a wave of phase 3 of White Bay during Cityscape, on March 29, with a total inventory of 80 limited units. This new wave introduces the company's latest product, the Premium Sky Villa which is set for delivery on April 9, 2018.

Adjacent to the new highway road Cairo – El Dabaa, White Bay is located in the budding area of Sidi Heneish, 30 minutes away from the Marsa Matrouh and the Alamein airports. It is an accessible, yet private haven that offers a peerless sense of connectivity with a vibrant, harmonious community.





*White Bay*  
SIDI HENEISH

The *Launching*  
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**SKY VILLAS**  
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\* REAL LIFE IMAGE FROM WHITEBAY BEACH

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# MEET THE PUBLISHER

As Invest-Gate turns one, we felt that it is important to highlight the man behind the conception and execution of the platform's idea, the magazine's Publisher Mohamed Fouad who has been the Founder and Managing Partner of Egypt Oil & Gas Magazine since 2006 before delving into the real estate sector and establishing Invest-Gate.

### WHAT IS YOUR BACKGROUND AND HOW DID YOU START IN THE PUBLISHING BUSINESS?

My career started in 1999 in the Oil and Gas (O&G) industry, working in one of the major oil service companies in Nigeria. Following that, I became regional sales and marketing director of one of the main media arms for the O&G sector in Egypt and North Africa... a position that I consider my door to becoming one of the main players in providing information services on different sectors. Then, the establishment of Egypt's Oil and Gas Magazine came in play, armed with the different challenges as per my previous experiences, and deciding on being regionally-focused in a country such as Egypt is not the way forward, but actually being country-focused and sector-focused is totally different and unique and this is where our strength lies in both Egypt's Oil and Gas as well as Invest-Gate.

### HOW WAS THE IDEA BEHIND INVEST-GATE CONCEIVED?

When founding Egypt's Oil and Gas Magazine, we had the vision of establishing an O&G information platform for industry players to support in attracting more investments in the sector. This has proven through the past 15 years a great success, making Egypt Oil and Gas the main information partner for the O&G sector for the government to the private and public sectors. Accordingly, we saw the same opportunity within the real estate market. Understanding that the most two growing sectors in the economy are O&G and real estate in Egypt, we observed that the real estate market is rapidly growing in a direction, where timely accurate information is not provided and this is where the idea of Invest-Gate came in.

### WHAT ARE THE CHALLENGES YOU FACED STARTING INVEST-GATE?

The main challenge we faced was figuring out how to change the mindsets of people to realize that the market is not just about property sale and price. It is also about understanding where the investment opportunities are and when to invest, and how to invest. I think with the amount of players in the market,

who are rapidly growing everyday, competition is aggressively increasing and investors need a platform for information to start building their investments on. I believe in one year since the establishment of the publication, we are able to distinguish ourselves in the market and position ourselves as an information provider for the real estate market for industry players and also for a individual investors including home buyers. I would like to take this opportunity to thank our investors, who supported and believed in us as well as everyone, who worked with us this year.

### WHAT ARE INVEST-GATE'S MILESTONES AND ACHIEVEMENTS IN THE PAST YEAR?

I believe that Invest-Gate's main achievement, thanks to its dedicated team, is that we were able to provide credible information. I think the real estate players in the market have realized the importance of having Invest-Gate backing up their investments. We were able to do this through the monthly publication, our website, as well as the strategic roundtable we held in January, which was a major success and a turning point for Invest-Gate. It created another platform of an open transparent discussion between developers and for them to actually work together by looking into the challenges they all face and contributing with diversified strategic solutions.

### WHAT IS NEXT FOR INVEST-GATE?

Invest-Gate is currently planning a new strategy of strengthening its position in regards to the information it provides. Within the past year, we were able to establish a very strong and credible databank that we believe can be properly analyzed in a way that would provide more information to investors not just in Egypt but also to regional and international investors looking to invest in the Egyptian real estate market. The idea behind Invest-Gate is that we are the gate to investments in the real estate market and this is just the beginning. We are becoming the gate to real estate investments; however, we are to open more gates to other sectors, attracting further investments to the country.



# GENERAL MANAGER YASMINE EL NAHAS

One of the major reasons behind Invest-Gate's success is its team and management. Invest-Gate's General Manager Yasmine El Nahas weighs in on Invest-Gate's team, achievements, and future.

## WHAT IS YOUR BACKGROUND?

I am a graduate of the American University in Cairo with a Bachelor's in Integrated Marketing Communications. I have had more than 15 years of experience in the advertising and corporate communications domain, holding several positions in the marketing and advertising field across several sectors including finance, oil & gas (downstream), publishing, medical, and cultural, to name a few.

## WHAT ARE INVEST-GATE'S MILESTONES AND ACHIEVEMENTS IN THE PAST YEAR?

One of our main objectives starting Invest-Gate was to establish a well-structured very strong team that worked coherently together to build a sustainable business. This team, which has grown to be a family, greatly contributed to where we stand today and the successes we are reaping. I believe Invest-Gate can be considered an example of a success story of how a newly-born company can establish a strong presence in 12 months. We have overcome the tedious startup challenges and hurdles because of how we as a team communicate together. Our other achievements include strongly establishing ourselves in the market through building a databank of information on the market that is presented in a professional format. We have also held a successful real estate roundtable, the first of its kind in the country.

## WHAT ARE THE CHALLENGES AHEAD OF INVEST-GATE?

With the ever-increasing demand on real estate properties in Egypt and the different ways to shop and sell properties online, the new generation of real estate players must use creativity and technology in order to market their properties and break through the clutter to stand out. It will be the role of Invest-Gate to guide investors and home buyers to take the right decision when it comes to property investment.

## WHAT IS NEXT FOR INVEST-GATE?

Our strength lies in knowing the needs of the market and we want to take it further by being the main real estate information platform and a liaison between developers and consumers. We would also like to build on the role we have adopted during our first year; filling in the information gap between the developer and the buyer. In short, we would like to be considered the industry consultants. We also want to take Invest-Gate regionally and explore other real estate markets.



# EDITOR-IN-CHIEF FARAH MONTASSER



“A year ago, I was introduced to Invest-Gate's CEO Mohamed Fouad and was privileged to create something new and unique in the real estate market. Yes, my previous experience was based on political news reporting and arts and culture story writing so the business world to me was a risk and challenge, but together we introduced our “Voice of Real Estate” to the market and presented one good read to all, investors and the average homebuyer. Also, as with Egypt moving forward and redeveloping its structure on all aspects, I took it upon myself to present what's best in Egypt and the development that is taking place on the ground; and this is my ultimate aim and Invest-Gate's goal. We do voice the negativities and the people's struggles but with an aim to put it in spotlight and fix those problems. I am beyond proud of what Invest-Gate did throughout the past year and the way it positions itself today and for this I thank the great editorial team who always stepped up to the challenge; and managed to always create easy-read content spiced up with some analysis and statistics. I would call Invest-Gate a light business magazine! As we celebrate our first year anniversary, Invest-Gate is expanding to more to include more analytic publications, a broader scope on its digital platform, and become the only go-to-source to real estate investment in Egypt. Invest-Gate is also to branch out and compete amongst the outside markets in the Middle East as well in the near future.

”

# MEET THE TEAM

### **SAFAA ABDEL BARY, BUSINESS DEVELOPMENT DIRECTOR.**

Abdel Bary is responsible for driving the company's business and increasing its revenues, identifying, and developing new opportunities. Getting clients to commit to a startup is very difficult, but thanks to Abdel Bary's dedication, 15 years of experience in the publishing business, and networking skills, Invest-Gate was able to acquire a sizable portfolio of clients. She works closely with clients and across all of Invest-Gate's departments to ensure that the clients and their projects are well represented. She hopes that the magazine's readership, distribution, and clients expand regionally.

### **NADA EL-LABBAN, OPERATIONS MANAGER.**

El-Labban's role as Invest-Gate's operations manager was a very challenging position for a company in its startup phase, she utilized her experience in Egypt's Oil and Gas magazine to successfully support the implementation of the company's one-year strategy as well as its day-to-day operations.. She acts as a link between all departments whilst establishing a portfolio on which the company expands on. In the coming year, she looks forward to increasing the distribution of the magazine domestically as well as regionally.

### **PASSANT DARWISH, MANAGING EDITOR.**

"When I heard about Invest-Gate, a platform dedicated to the real estate sector, I was eager to be part of this organization. It seemed quite obvious to dedicate a platform to one of Egypt's largest and most vibrant sectors, but this idea was never executed before Invest-Gate. I work with a creative resourceful editorial team to deliver the latest accurate real estate information to both real estate buyers as well as investors."

### **OLA NOURELDIN, EDITOR.**

Nourelidin is behind Invest-Gate's new "City Spotlight" section which features updates on the developments of Egypt's many new cities. She has also introduced some multimedia aspects to Invest-Gate's website in only a few months time. "I hope to work more on developing the multimedia section of our website. I hope we would be working on original reporting that is suited just for web in the upcoming period."

### **JULIAN NABIL, BUSINESS REPORTER.**

Nabil's energy and passion for business reporting is like no other. From attending every single real estate related conference to writing up in-depth feature articles for our publication, she has been striving to meet the editorial goals as buoyant as it can possibly get.

### **HAGER MAGDY, MARKET RESEARCHER.**

Magdy is the statistics and polls extraordinaire at Invest-Gate, she is responsible for crunching the numbers for the monthly statistics spread as well as conducting the monthly poll and creating "number of the week" segments on our website. Invest-Gate's information databank is much the richer because of Magdy who takes it upon herself to update it with the latest information on the real estate market.

### **MARY GAIED, DIGITAL MARKETING CONSULTANT.**

"Invest-Gate is the voice of real estate hence we aim to provide easy-to-read statistics and analysis aside from the daily news reporting and feature stories. and that was the challenge. Along with the editorial team, I create a visual "attraction" of the boring numbers and figures. Our innovative methodology received a great recognition and boomed our business in a short of time."

### **OMAR GHAZAL, ART DIRECTOR, AND MAGED KHATTAB, SENIOR GRAPHIC DESIGNER.**

When the editorial team is done with producing the content, Ghazal and Khattab's jobs start. Every issue they aim to make the magazine's design more reader-friendly, innovative, and always looking fresh.

### **ABDALLAH EL GOHARY, FINANCIAL MANAGER. MAHMOUD KHALIL, ACCOUNTANT.**

"We believe that what Invest-Gate has achieved in the past year is only 1% of what we have to offer. We think in the upcoming period we have a lot more to reveal."

### **MINA BOSHRA, 3D VISUALIZER.**

Boshra is the mastermind behind all of Invest-Gate's video content. "I have acquired a lot of experience in Motion graphic while working at Invest-Gate, and I am looking forward to incorporating more 3D techniques in my future designs."

### **SHERINE OUF, MARKETING EXECUTIVE.**

Ouf is one of Invest-Gate's recent additions, she hopes in the coming period that she could achieve the company's goals, organize Invest-Gate's events, and apply new aspects in the marketing industry.

### **OLFAT KAMEL, WEBMASTER.**

Kamel's everyday job is to make sure that Invest-Gate's website is up and running and to eliminate any online kinks to make the online viewer's experience more enjoyable.

### **TAGHREED MOUNIR, DATABASE EXECUTIVE.**

"It was a challenge for me to start a database from scratch of who's who in the real estate market, but I am proud of the work I have achieved and I hope I can expand on the work I have done."





# THANKS TO OUR PARTNERS IN SUCCESS



# INVEST-GATE'S YEAR IN REVIEW:

## HERE IS WHAT SOME LEADING DEVELOPERS SAY

\*Quotes are arranged alphabetically according to company name

“The magazine is first-class, prestigious, carefully curated, and any project published in the magazine must be a distinguished project from a respected developer. The conferences organized by Invest-Gate discuss topics of interest to real estate investment, finance, and loans. The great turnout for Invest-Gate's events reflects the people's respect for the magazine and the seriousness of what is presented.”

AL AHLY FOR REAL ESTATE DEVELOPMENT CO. FOUNDER AND CHAIRMAN  
**ENG. HUSSEIN SABBOUR**

“I would like to extend my gratitude and appreciation to Invest-Gate for the strong and reliable information provided about the real estate sector. Invest-Gate has become a credible index, offering the latest news and trends that are relevant to both the developers and investors from all over the region.”

AL-FUTTAIM GROUP REAL ESTATE MANAGING DIRECTOR  
**ENG. ASHRAF EZZ**

“For a long time there was a dire need for a platform that provides accurate, invasive, and comprehensive information on the Egyptian real estate market and now we can confidently say that Invest-Gate has filled this gap and has given the investor, as well as, consumer a trustworthy source of information.”

BAHRAWI INVESTMENT CO. CEO  
**DR. SAMIR BAHRAWI**

“Invest-Gate has a strong presence and reach within the real estate market, proving to be a strong platform that is promising.”

CAPITAL GROUP PROPERTIES CHIEF PROJECTS OFFICER  
**ENG. AMGAD HASSANEIN**

“It is a real privilege and a good thing to have a professional publication specialized in real estate... Invest-Gate easily makes us stay current with the industry and I consider it as one of the leaders in this area, providing relevant and comprehensive information. It is pretty well-rounded and more for industry professionals. The online version is a plus as it offers advice from professionals and market outlook reports. It also focuses on all sectors of real estate showing the trends and new market leaders. Thank you Invest-Gate and please keep on innovating.”

CATALYST DEVELOPMENTS CHAIRMAN  
**ENG. OSAMA SHALABY**

“Invest-Gate has become an accurate informative platform with a clear impact in the real estate market during the past period. It has served the real estate developers and buyers of all residential and administrative units. It has also acted as a good reference to all the real estate market challenges, difficulties, and solutions proposed to overcome obstacles in a professional manner, rich in information and challenges.”

FIRST GROUP CEO  
**ENG. BASHEER MOSTAFA**



“

Media is a source of wide range of the information used in home searches. Specialized platforms nowadays secure the opportunity to provide educational and informative content that can benefit both potential buyers and investors. Invest-Gate surely provides a key source of trusted news and information concerning the real estate market in Egypt, and plays a key role in providing interested audience with useful credible data and insights, which can assist in buying or investing in property, along with up to date information about industry trends and developments in Egypt. I believe Invest-Gate is a great asset for all real estate market stakeholders and I hope we get to see more of relevant platforms in Egypt and MENA.



**HYDE PARK DEVELOPMENT CEO**  
**ENG. AMIN SERAG**

“

As a professional Real Estate magazine, Invest-Gate represents the quantification of the key business, strategic, and market trend. Accordingly, results in all of these areas are all tabulated once a month based on the accumulation of week's key of the real estate market from all aspects whether financial or homes buying. In addition, its information is simplified and informative with highlighted of the market gap and customer's needs.



**EL TAAMIR (AL OULA) ASSISTANT MANAGING DIRECTOR**  
**MS. MAHA ABDEL RAZIK**

“

The presence of a platform such as Invest-Gate to present and discuss issues of interest in the real estate development industry is very important in the next phase of the new cities' development in Egypt, where the future of the industry is presented and highly considered.



**MENA GROUP FOUNDER**  
**ENG. FATHALLAH FAWZY**

“

Ever since its formation, Invest-Gate has grown immensely to be the go-to hub of our industry. They have managed to expand and provide our industry with crucial and relevant information and provide great insight on where the industry is headed next. Their content has grown to be more engaging on all of their platforms. With a passionate team behind their success, we, as OUD, are proud to have and continue to build on our partnership with them.



**ORIENTALS FOR URBAN DEVELOPMENTS (OUD)**  
**MANAGING OWNER**  
**MR. MOHAMED M. FARID KHAMIS**

“

2017 has been a remarkable year for the Egyptian real estate market and Invest-Gate proved to be the ultimate source of information, for developers and customers alike. It gives a thorough view of the sector, insightful content, and constant presence, reflecting our collective purpose to develop one of the region's largest real estate markets. Adding value while contributing to the well-being of the industry are two things I am glad both Invest-Gate and PACT have in common.



**PACT REAL ESTATE CHAIRMAN**  
**MR. MOHAMED GAMAL**

“

As Arnold Palmer puts it, *"The road to success is always under construction."* As part of projects family, I'm really proud to mention that our strong arm Invest-Gate plays a very important role in helping the mega real estate developers communicate and enhance the industry to meet the international performance. I wish you, Invest-Gate, a new year full of more achievements and success.



**PROJECTS FOR REAL ESTATE DEVELOPMENT CEO**  
**DR. HOSSAM BAHAA**

## HAPPY 1<sup>ST</sup> YEAR ANNIVERSARY INVEST-GATE

Since the beginning of 2018, as you have seen, each month, Invest-Gate's team celebrates something special and in April our celebration is exceptional. We celebrate one year of success... one year of innovation... one year of many challenges overpassed... and yes we have made it!

It is with great pleasure to have joined the creation of Invest-Gate magazine and present something different and diverse to this aggressively active market. Since its launch back in April 2017, we at Invest-Gate brought a unique publication, covering the real estate sector in a light and attractive way for the common reader to enjoy. I would like to thank our CEO Mohamed Fouad and General Manager Yasmine El-Nahas for putting their trust in me to carry out this mission; and a special thanks to the entire Invest-Gate team for their commitment and passion to build up this business and contribute to the profound presence Invest-Gate achieved throughout the past year.

We kindly invite you in our anniversary issue to a behind-the-scenes tour at Invest-Gate to meet all of our outstanding team members from writers, editors, and marketing specialists to designers. Following the tour, we sit with Cityscape Global's Exhibition Director Chris Speller for a quick chat on what Cityscape offers Egyptians this year and his overview of the Egyptian property market. Among our interesting interviews, this month, we feature Colliers International's Regional Director Ian Albert, who shares his insight on the real estate investment today and where the entire sector is heading. Without a doubt Egypt's economy is flourishing and the real estate market is seen as "very promising," he reveals.

We are still ahead of summer, but April is a special month to all Egyptians as we celebrate Easter and the ancient Egyptian feast Sham El-Nessim (Spring Breeze). In this season, we head to the most attractive Sham El-Nessim vacation destinations and shed light on the property investments there. Based on surveys conducted by our professional team, Red Sea destinations are the most popular this time around and we wrap up all investment opportunities available and also present the latest developments carried out by the country at the highly anticipated Galala City.

Voicing the people, we end this issue with street coverage and talk to some construction workers to retell their stories and express their needs. We hope you have enjoyed Invest-Gate so far and stay hooked as we have a lot more to uncover.

Happy Birthday Invest-Gate and Happy Easter Everyone!



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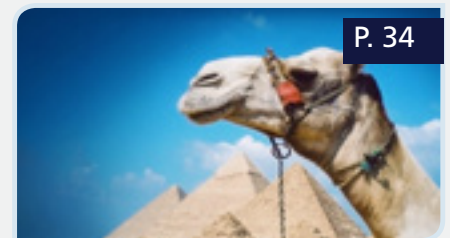
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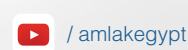
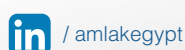


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## Egypt's Sisi Inaugurates New Al-Alamein City

President Abdel-Fattah El-Sisi inaugurated the New Al-Alamein City project, one of the fourth generation cities being built in Egypt, on March 1, Invest-Gate reports.

The New Al-Alamein city, planned on an area of almost 49,000 acres at a cost of EGP 2 bn, will be developed over four phases, two of which are being implemented, according to a Housing Ministry statement.

The first phase, where construction started in October 2016, is expected to accommodate 400,000 people, whereas the whole city will populate three million people.

The city's master plan includes 14

residential districts, as well as other industrial, logistical, commercial, and service districts. It will include schools, two universities, research centers, up to 25,000 hotel rooms, 320,000-square-meter tourist walkway, 16,500-square-meter recreation area, as well as various services and tourist activities.

Protocols were already signed for the establishment of Al-Alamein International University for Science and Technology and a branch of the Arab Academy for Science, Technology, and Maritime.

The minister said that the city's infrastructure work is currently



being implemented, including electricity, water supply, drainage and irrigation networks, as well as a new road.

El-Sisi also inaugurated a number of other new cities through a video conference, including New Mansoura City, October Gardens City, New Obour City, and West Qena City.

## Egypt to Award High Speed Railway Tender in July



Egypt plans to award the tender for a high-speed railway between the Red Sea and the Mediterranean in the second half of 2018, transport minister Hisham Arafat said on Monday.

"We are working currently on the technical evaluation and the financial evaluation of this project," Arafat told Reuters at a conference in Dubai, adding that the contract was expected to be awarded by July, with construction to start this year.

The railway will be connecting Egypt's Ain Al-Sokhna to the city of New

Alamein.

The Supreme Committee, formed by the Ministries of Housing and Transport, announced last week the 10 consortiums and international companies eligible to submit their technical, financial and funding offers to implement the project.

Arafat said that the submitted offers are currently under evaluation, adding that construction will commence this year as soon as the contract is awarded.

## Egypt's PM Lays Foundation Stone of New Capital's Business District

Egypt's Prime Minister Sherif Ismail has laid the foundation stone of the New Capital's Central Business District (CBD), Invest-Gate reports.

Chinese banks have agreed to provide 85% of the USD 3 bn Chinese loan granted to China State Construction Engineering Company (CSCEC) to develop the 1.7 mn square-meter CBD in the new capital.

The New Urban Communities Authority will provide the remaining 15% in advance, according to a statement from Egypt's Ministry of Housing.

"Egypt will be given a grace period of 36 months to 42 months, until construction is completed, before repayment begins on the 10-year loan," according to Assistant Housing Minister Khaled Abbas.

Abbas added that loan's terms are to be negotiated, but the expected interest rate is between 2% to 3%.

The laying of the foundation stone was also in the presence of Egypt's Minister of Housing Mostafa Madbouly, CSCEC's officials, Chairman of the New Administrative Capital Company Ahmed Zaki Abdeen, China's and Oman's Ambassadors in Cairo and other ministers, as well as the Omani delegation headed by Oman's Minister of Housing Sheikh Saif bin Mohammed Al Shabibi, who is currently visiting Egypt.

Madbouly said that CBD, also known as the skyscrapers' district, comprises 20 skyscrapers for residential, commercial, and administrative purposes. The district will also include the tallest tower in Africa, at a height of 385 meters.

## Hassan Allam Properties Launches HAPTOWN in Mostakbal City

Egypt's real estate developer Hassan Allam Properties (HAP) has successfully launched its newest project, HAPTOWN, in Mostakbal City, Invest-Gate reports.

"The demand on the 250-acre mixed-use development was humongous, yielding unprecedented results and inducing Egyptians' and foreigners' buoyant appetite," Hassan Allam Properties said in a press statement.

According to the company, HAPTOWN offers versatile living opportunities, balanced open landscapes, vibrant outdoor momentum, dynamic fitness settings, integrated mixed-use areas and a functional business district.

The newly launched project, HAP, will unite Hassan Allam's flagship developments, Swan Lake, Seasons and Park View, in one unique and fully-integrated town.

Situated in a prime location within Mostakbal City, the town stands out as New Cairo's latest extension, while exclusively overlooking the South of Mostakbal Road, connecting the New Administrative Capital with New Cairo.

Only a short drive away from the new capital's eastern and north-eastern vicinities, HAPTOWN's residents are in close proximity to the Cairo-Suez highway, the Cairo-Ain Sokhna highway, and Road 90.

Master planned by the US architecture, planning, and design firm, CallisonRTKL, the town will offer a world-class range of apartments designed by CallisonRTKL, and villas designed by the Egyptian acclaimed architecture company, Alchemy.



Hassan Allam Properties



# Cityscape Awards Illustrate the Best and Brightest of Egypt's Real Estate Sector

Following the conclusion of a successful two-day Cityscape Egypt Conference, the Cityscape Awards for Real Estate in Egypt illustrated advances in the real estate sector by recognizing outstanding concepts in real estate development and architecture.

Cityscape Awards for Real Estate in Egypt took place last night at the Four Seasons Nile Plaza and celebrated 33 distinguished projects who were in the running for the coveted awards, from culturally-integrated city skylines to mixed-use urban communities from across Egypt.

Sponsored by Maisonette Holding and JLL, the Awards' shortlist consisted of some of Egypt's notable developers and architects who went head-to-head in each of the eight categories.

"The 33 names vying for top honors this evening are evidence of an Egypt on the cusp of a new era of design and innovation. These projects epitomize the spirit and resilience of the country and all that its real estate sector offers," said Iman Eissa, Cityscape Conference Director, at last night's prestigious ceremony.

Taking home the Commercial Project Award, was Palm Hills Developers for its Palm



Central project in 6th of October City. While the highly anticipated Al Sheikh Zayed Grand Mosque, from Capital Group Properties, received the Community, Culture, and Tourism Award.

"This award is not only in recognition of our work but rather as an encouragement toward innovative architectural designs within the Egyptian market," said Abdelhalim Ibrahim CDC Principal of Abdelhalim, architects of the Al Sheikh Zayed Grand Mosque.

Madaar Developments received the Leisure and Hospitality Project Award for its project Tucana, and Forty West, from developer SODIC, picked up the Residential-Low to Medium Rise Project (Built).

"SODIC's number one aim has always been excellence in providing the best experience possible to our clients and our society. We are both honored and humbled to be recognized in such efforts," said Ramy Raafat, development executive director at SODIC.

Rooya Group's project, Hadaba, emerged victor in the Residential – Low to Medium Rise Project Award (Future). Hesham Shoukri, chairman and CEO said it was a great honor to receive the award, which reminded them of their purpose in creating landmarks for the country.

"We are so humbled to have been chosen, knowing that there were many qualified applicants. On behalf of Rooya Group and the entire team, thank you for continuing to support and encourage the Egyptian real estate market," added Shoukri.

Developer OUD scooped the award Residential – Medium to High Rise Project Award for its development Korba Royal Residence, while the project Rviette by Al Ahly for Real Estate Development won the Retail Project Award.

"Our vision is dedicated to serving not only our clients but the communities of the area with the best services at our disposal," said Ayman Wagdy, COO at Al Ahly for Real Estate Development.

Awarded the Marketing/Communication Award, was the project Degla Landmark by developer MEMAAR Almorshedy.

The highly-anticipated Cityscape Egypt exhibition takes place on March 28 – 31 at its new venue, the Egypt International Exhibition Center (IEC) in Mehwar Almosheer Tantawy in New Cairo.



He added that 22 international consultancies are working on the project, which is expected to be completed in three years.

During the inauguration, the preliminary designs of the towers were presented and CSCEC has been granted access to the project's land in order to begin work, in cooperation with a number of local contractors, immediately.

CSCEC had signed the contracts for the CBD's development last October after a long negotiation period.

"It is an honor for us to launch this project, the biggest joint project between Egypt and China," Madbouly said.

## Iwan Developments Celebrates Its 15th Anniversary, Reveals 2018 Investment Plans

Egyptian real estate developer Iwan Developments, a subsidiary of Iwan Group, held a press conference on March 8 in celebration of its 15th anniversary, Invest-Gate reports.

During the conference, the company revealed the details of its investment plans for 2018, highlighting its efforts to help meet demand in the local real estate market.

"Today we celebrate 15 years of achievements, achieving outstanding milestones, projects, and objectives that make us very proud," Iwan Developments CEO Walid Mokhtar said.

"Our total investment in 2017 was EGP 1 bn, while sales reached EGP 2 bn. In 2018, we aim to expand our investments to a total of EGP 2 bn and double our sales to reach EGP 4 bn," Mokhtar noted.

"Our business model enables us to introduce comprehensive and sustainable urban communities with high occupancy rates of more than 75% across our delivered projects, emphasizing the fact

that we are catering to real customer demands, be it for residential or commercial purposes," according to Mokhtar.

Iwan Developments aspires to be one of Egypt's top three real estate developers in the coming five years.

Iwan Developments' project portfolio comprises seven residential projects and 10 commercial projects, with an "aggressive" plan to achieve a 100% business growth rate in 2018.

The subsidiary will also announce soon the details on its latest project at Cairo-Alexandria Desert Road, in addition to a new expansion in east Cairo and resort destinations.

Mokhtar also highlighted the company's project portfolio which includes Jeera, a residential project delivered in 2013 and comprises villas, townhouses, and twin houses, alongside a club house and commercial spaces.

Jewar, an extension of Jeera, is another project handed over in 2018 and boasts residential apartments, in addition to promenades, a swimming pool, kids' areas, and commercial spaces.

The company has also Jedar and its deliveries have already started this year, four months prior to its contractual delivery date, in addition to Atrio and Alma compounds in Sheikh Zayed.

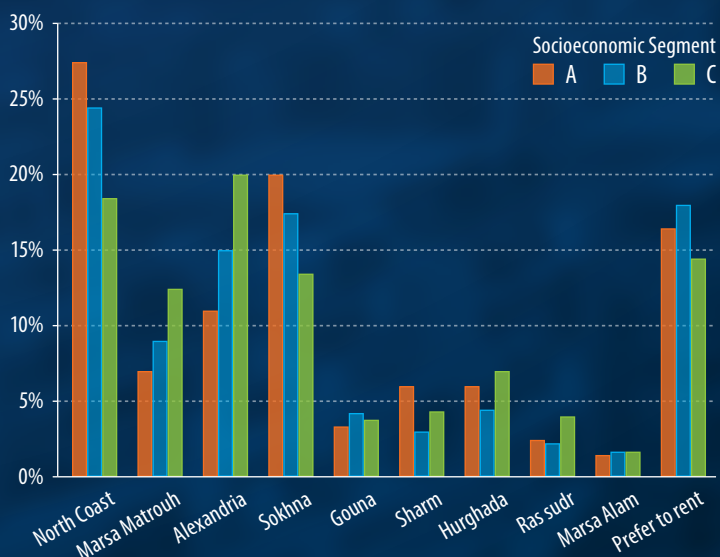
The press conference was attended by Iwan Group's CEO Walid Mokhtar and Iwan Developments' Chief Commercial Officer Mostafa Salah, as well as the executive team and Egyptian media.

Iwan Group operates in different areas including project development and management, architectural designs, and consultancy.

# SECOND HOME TRENDS

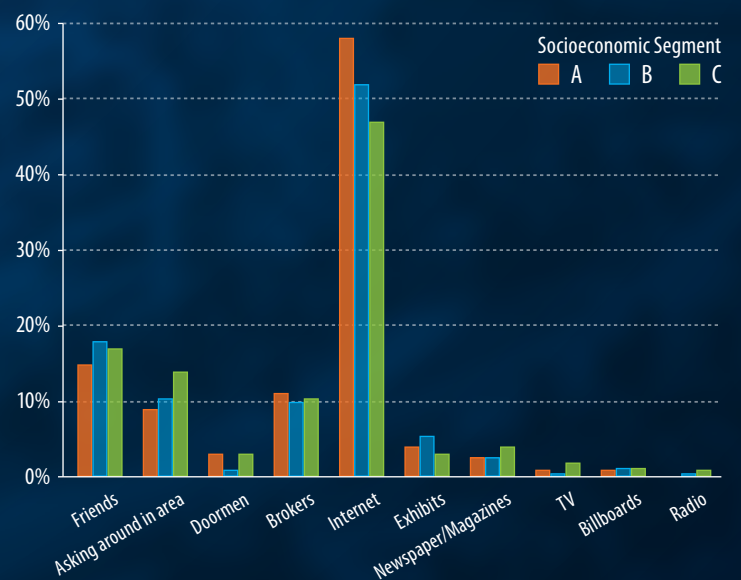


## Vacation Homes Purchasing Trends



Source: Aqarmap, Colliers International

## Consumer Property Search Behavior

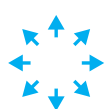


## INVEST-GATE EXTENDS ITS REACH ON SOCIAL MEDIA YOY % (JAN 2017/18)



21%

Total Facebook Followers



569%

Total Reach



468%

Reactions, Comments, Shares & More



611%

Total Views



563%

Post Reach



500%

Total Actions On Page



# ECONOMIC SNAPSHOT

## Egypt's Rank in Inclusive Development Index (IDI)

Inclusive Development Index (IDI)

2016/17  
**73**  
(OUT OF 79)

2017/18  
**70**  
(OUT OF 74)

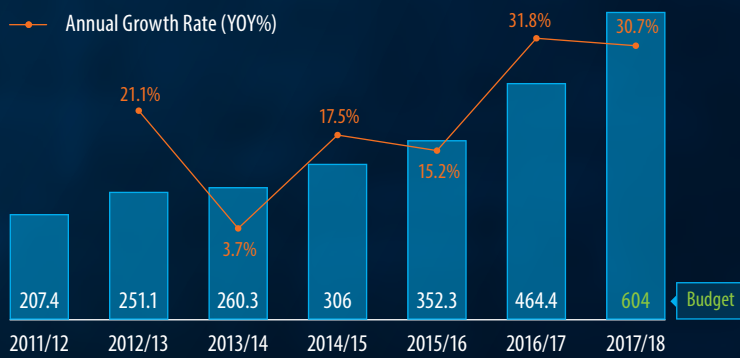
GDP per Capita

2016/17  
**45**  
(OUT OF 79)

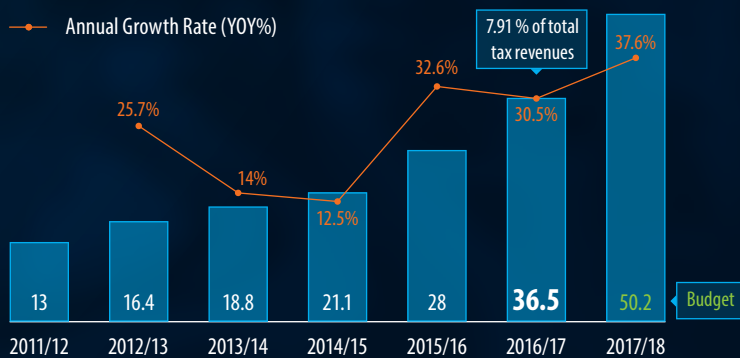
2017/18  
**45**  
(OUT OF 74)

(lower values indicate higher ranks)

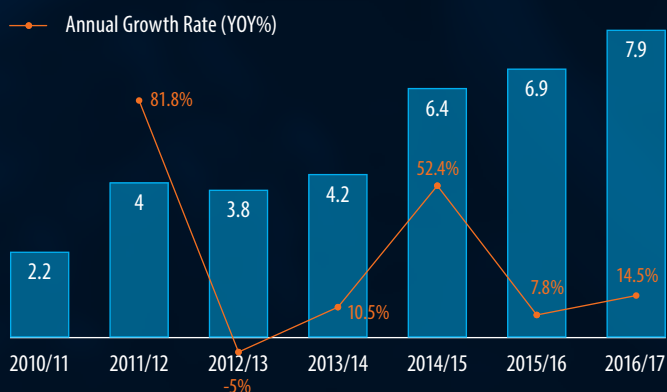
## Tax Revenues (EGP bn)



## Real Estate Tax Revenues (EGP bn)



## Net Foreign Direct Investments (EGP bn)



Annual growth rate (ratio of change between 2 years)

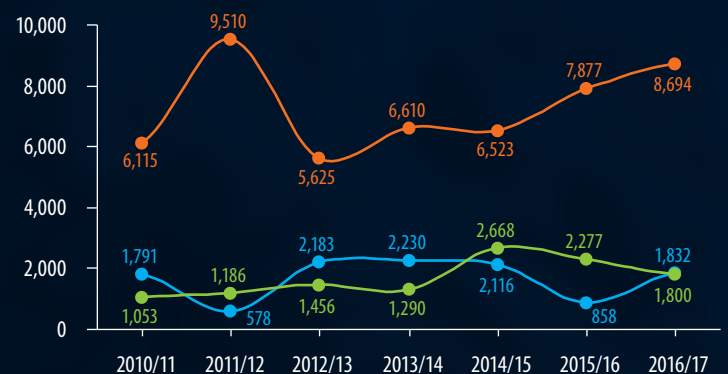
Source of raw data: Central Bank of Egypt, World Economic Forum, Ministry Of Finance, CAPMAS

## The Top 10 Most Active Sectors in the Egyptian Stock Market (as of 31/12/2017)

		Volume
1	Financial Services (Excluding Banks)	972
2	Real Estate	902.4
3	Telecommunications	650.9
4	Travel & Leisure	463.1
5	Healthcare & Pharmaceuticals	428.3
6	Industrial Goods, Services, & Automobiles	257.9
7	Personal & Household Products	155.9
8	Food & Beverage	141.4
9	Construction & Materials	120.4
10	Basic Resources	88.3

mn shares

## FDI Inflows to Egypt (By Region) (USD mn)



USA

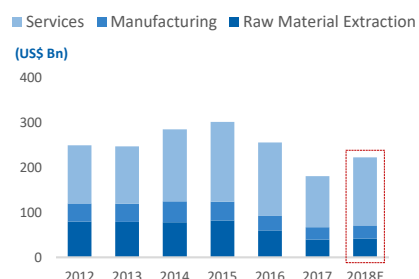
EU (Includes Austria, Belgium, Denmark, Cyprus, France, Germany, Greece, Italy, Luxembourg, Portugal, Romania, Spain, Sweden, The Netherlands, and U.K.)

Arab Countries (Includes Bahrain, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia, U.A.E. and others)

A country's macroeconomic indicators act as a platform that investors/business seekers consider reviewing prior to any corporate activity in the nation. There are over 100 indicators that can shape the view of investors towards any business attempt. Highlighted below are a number of the most relative indicators to the country's economic openness, government intervention in businesses, and the legal environment surrounding corporate entities

### Economic Openness

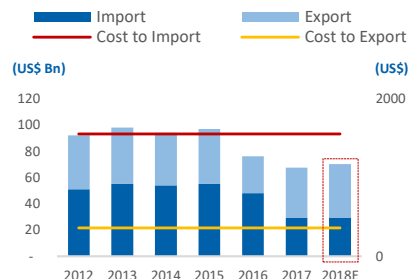
#### Egypt Gross Value Added by Sector



Source: BMI

The tertiary sector (services) remains the largest in terms of output reflecting the country's vast consumer market which has created huge demand for services which is expected to drive overall growth in 2018. Secondary sector (manufacturing) represent a smaller share of output

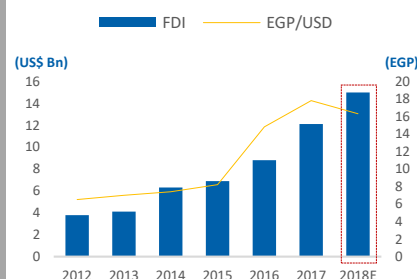
#### Total Imports, Exports, and their Cost



Source: BMI

Free-floating currency plus a reduction in subsidies on food, implementing a VAT and rise in price inflation, which is expected to increase for a short period, are expected to drag on import growth also on the back of increasing the cost to import and easing the cost to export

#### Foreign Direct Investment (FDI)

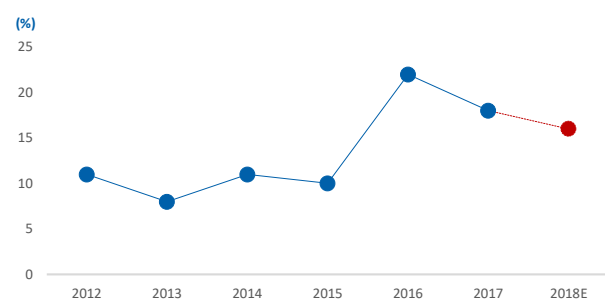


Source: CI Capital – Egypt Macro Outlook

The government is keen to attract FDI committing to providing a stable environment for foreign investors, with several reforms enacted since 2014 to improve business climate, in addition to mega natural gas fields coming on line reducing energy imports leading to a rise in FDI by an estimated US\$5.5bn

### Government Intervention

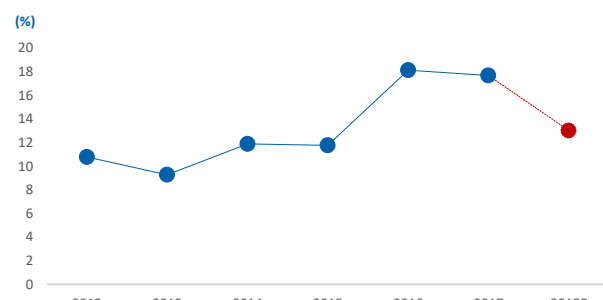
#### Inflation Rate



Source: CBE, CI Capital – Egypt Macro Outlook

Lingering effects of currency weakness and the impact of subsidy removals drove headline inflation higher during early 2017 before it began to fall in H217 reaching 18% from 22% in 2016. Inflation is expected to slightly decrease on the back of currency devaluation falling out of annual inflation calculation expected to reach an average 16% by the end of 2018

#### Lending Rate



Source: CBE, CI Capital – Egypt Macro Outlook

Despite the country's relatively good access to international financial markets and well-developed banking sector, businesses continue to face tight lending conditions and foreign currency liquidity challenges, causing delays and heavy losses for firms that rely on time-sensitive transactions. However, reforms to both the financial industry and the tax regime are underway and the country has the support of an IMF fiscal package, all of which could help to improve the operating environment for businesses in the medium-to-long term

### Legal Environment

#### Bureaucratic Procedures

Bureaucratic Obligation	Number of Procedures		Time (Days)		Cost	
	2016	2017	2016	2017	2016	2017
Opening a New Business	7	4	8	6	8.4% of Income per Capita	7.2% of Income per Capita
Registration a Property Purchase	8	8	63	60	0.6% of Property Value	0.5% of Property Value
Obtaining Construction Permits	20	17	179	145	1.7% of Warehouse Value	1.6% of Warehouse Value
Completing Insolvency Proceedings	N/A	N/A	900	900	22% of Estate	22% of Estate

Investors face longer delays with regard to processing real estate purchases and obtaining necessary construction permits. Registering a property purchase takes 60 days on average, the longest time regionally, highlighting key issues regarding complex land ownership policies. In addition, dealing with construction permits is also a time-consuming affair, taking a total of 145 days - above the regional average of 129.5 days. However, the main procedures of business registration in Egypt are relatively efficient, taking an average of six days to complete, the fastest time regionally; while the costs are moderate, at 7.4% of income per capita, below the regional average of 26.3%. On the other hand, winding down business operations through insolvency proceedings is also relatively efficient, taking an average of 2.5 years (against a MENA average of three years). In practice, the paperwork involved in liquidating a business remains convoluted and starting a business is easier than shutting one down

Source: BMI





ADVANTAGE

## ECONOMIC MACROS AND THEIR EFFECT ON REAL ESTATE IN EGYPT

...some indicators could be utilized to study/monitor certain sectors, such as real estate. The sector in Egypt is one of the highest in demand being the favorable investment means for locals to hedge against any future economic turbulence. The sector's major sub-segments can be summarized into residential, admin, retail, industrial, and hospitality; moreover, some indicators can be direct drivers to these sub-sectors within the real estate sector and sometimes, in addition to economic & political reforms, draws prediction to future outcomes of the sector



### Coldwell Banker Commercial Advantage (CBC Advantage)

CBC Advantage is a full service commercial real estate company located in New Cairo, Egypt. The company specializes in commercial, industrial, retail, residential, land development, and real estate investment covering the following services:

- |                                    |                               |                               |
|------------------------------------|-------------------------------|-------------------------------|
| Acquisition & Disposition Services | Corporate Services            | Tenant Representation         |
| Capital Services                   | Distressed Assets             | Start-up and Small Businesses |
| Investment Analysis                | Landlord Representation       | Property Management           |
| Real Estate Development            | Market Research and Valuation |                               |

Our professional agents specialize in various property types and are able to provide a deep knowledge of our market that allows us to formulate the best possible business strategy at all times.

[www.coldwellbanker-eg.com](http://www.coldwellbanker-eg.com)

For more details, please contact | **Sherif Hassan, Development Director**

[Info.advantage@cb-egypt.com](mailto:Info.advantage@cb-egypt.com) +2010 940 11466 CBCAdvantage CBC Advantage

# GALALA CITY: CARVING A CITY INTO THE ROCKS

BY OLA NOURELDIN

The new Galala City is one of the recent national projects the Egyptian government has undertaken to develop the vast eastern desert in aims to solve Cairo's population congestion, create work and living opportunities for the youth, as well as, generate investment opportunities.



## LOCATION

On the highest mount plateau in the Red Sea area between Ain Sokhna and Zafarana, **650** meters above sea level.



**80**

NATIONAL COMPANIES



**15,000**

EMPLOYEES



PROJECT

**3**

PHASES



PHASE 1

**2050**

ACRES

## RESIDENTIAL UNITS:

- Luxury housings
- Middle - and low-income housings

## OTHER PROJECTS:

- A number of touristic projects
- King Abdullah University
- Several hotels
- A new road linking Ain Sokhna to Zaafarana through Galala Mountain
- Service and medical projects



## KING ABDULLAH UNIVERSITY

The university will have new and non-modular disciplines in the fields of engineering, medicine, and agriculture, as well as various aspects of social life and health activities.

## GALALA'S TOURISM PROJECT:

**1,000** ACRES

It includes the largest water sports city, a yacht marina, a beach hotel including **300** rooms, suites, chalets, villas, and conference rooms, and another hotel located in the mountain bosom on the left side of the road. The city separates the resort from a **17** kilometer road, featuring a six kilometer cable car.

## FIRST OLYMPIC VILLAGE

It will host international sporting events and will be designed to the latest international standards.

## PHOSPHATE FERTILIZER PLANT


The National Service Unit of the Armed Forces will establish a phosphate fertilizer plant with a production capacity of **1** mn tons per year, which will be one of the largest factories in the world.





# PRIVATE DEVELOPMENTS

**FIRST HOME** By Catalyst Real Estate Consultancy





**INITIAL INVESTMENTS**  
EGP 5 bn  
**TARGETS AROUND**  
EGP 6 bn in return



**BUILT ON**  
360,000 m<sup>2</sup>




**3,000**  
housing units

**IL MONTE GALALA** By Tatweer Misr






**BUILT ON**  
2.2 mn m<sup>2</sup>



**INVESTMENTS**  
EGP 8 bn

**EIN HILLS** By Shahawi Group





**FIRST PHASE**  
2000  
units



**UNIT AREAS**  
72-320 m<sup>2</sup>




**PAYMENT PLAN**  
8 years  
with no down payment

**UNITS INCLUDE**


- Chalets
- Twin houses
- Town houses
- Standalone villas

**SERVICES**


- Infinity pools
- Clubhouse
- Marina
- Hotels
- Restaurants



**PROJECT**  
3 phases




**PROJECT TO BE COMPLETED IN**  
10 years



**FIRST PHASE**  
around 3,000  
housing units



**PHASE 1**  
5 years  
to be fully implemented



**UNIT AREAS**  
110-263 m<sup>2</sup>



**PHASE 2&3**  
4 years  
to be fully implemented

**KEY FEATURES:**

- Views of the coastal mountain range and soothing seascape
- 85% green spaces and water facilities
- Crystal lagoons on the mountains and other water features

THE VOICE OF REAL ESTATE | 21





**PROJECTS**  
REAL ESTATE DEVELOPMENT



# Blues Tiffany

Ras El-Hekma

N O R T H C O A S T

67 Omar Ibn El Khattab St., Heliopolis, Cairo



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# *feel-* NEIGHBO



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# DEVELOPING *good* NEIGHBORHOODS

TRIO ALMA VIDA

**CITYSCAPE**  
EGYPT 28 -31 MARCH



D40 - HALL 3  
EXHIBITION CENTER (EIEC)  
TANTAWY, NEW CAIRO

CALL  
**19338**



# CITYSCAPE

## EGYPT

# DRIVING INVESTMENT IN THE REAL ESTATE SECTOR

Cityscape Egypt's Exhibition is returning this year from March 28th – 31st at the Egypt International Exhibition Center (EIEC), where the organizers have compiled a major list of developers to showcase their projects. Invest-Gate sits with Cityscape Egypt's Exhibition Director Chris Speller who reveals what is in store this year and gives his insights on Egypt's economic conditions as well as the country's current investment hotspots.







**As Egypt's economy turns a corner, what is the current market sentiment towards Egypt from the real estate sector?**

Egypt's economic reform program is on track, thanks to aggressive measures taken by the government over the last year, and investors and developers have been responding positively to Egypt's resilience by continuing with existing projects and launching several new ones.

According to property consultant, JLL, Cairo's property market has started to stabilize following a stretch of volatility due to the pound's devaluation. The stabilization is giving way to a positive outlook for 2018 and we believe that homebuyers and investors will respond with confidence. JLL advises that developers are continuing to invest in existing and new projects and flexibility is key when it comes to payment offers. With increased investor confidence, the residential market is approaching the bottom of its cycle paving the way for an overall improved market condition in 2018. At this year's Cityscape Egypt, we will be able to see market confidence as investors and homebuyers respond to a range of projects available at attractive prices.

In addition, the Egyptian government is aiming to fast-track the adoption of a new investment law to improve the investment environment in Egypt, which should further increase investor confidence and encourage the recommencement of some projects that are currently on hold. According to JLL, the law will aim to attract investment into real estate and other sectors by removing long standing bureaucratic obstacles. This is especially noteworthy for foreign investors.

For foreign investors, the country has become more attractive post-floatation, with experts maintaining that the country has created a well-functioning currency market that is reflected in the pound's current rate, we're confident that this year's show will also attract foreign investors and Egyptian expatriates looking to purchase second homes. We have a multitude of exhibitors who will be speaking to this demand as they launch projects in some of the country's most sought-after coastal neighborhoods.



## How important is the event for the real estate industry in Egypt?

Over the last six years, Cityscape Egypt has acted as a barometer for the real estate industry in the country; responsible for fostering partnerships and creating opportunities that drive development and investment across the country.

Our primary goal is to enable both local and cross-border real estate investment, which has the potential to shape the future of the real estate industry, as well as facilitate a knowledge-based dialogue that tackles the sector's most pressing needs.

The demand for housing in Egypt remains a central issue, Cityscape Egypt will connect the country's residential developers with a vast number of potential homebuyers and investors.

It is important to note that the effects of the devaluation in 2017 and subsequent float have been varied, but experts have revealed that it has caused a boom in the housing market as more people lean towards residential real estate as one of the few remaining stable investments.

Due to Greater Cairo's burgeoning population of more than 20 mn – roughly a quarter of Egypt's total population – we have witnessed that demand for housing in the capital area continues to outstrip supply. There are many Egyptians who need quality housing from developers in the country and Cityscape Egypt will look at filling this gap.

With 50% of Cairo's residents between the ages of 15 and 40, marriages are a large contributor to the demand for real estate as many seek homes of their own. According to Oxford Business Group, there are an estimated 900,000 weddings per year in the country and thus a major driver of demand in the residential market. Coupled with this, the rise in consumer confidence and attractive payment plans at the show all point to Cityscape Egypt being ideally positioned to facilitate real estate investment for investors and homebuyers.

## In your opinion, what are buyers in this market looking for and how will Cityscape Egypt cater to them?

Buyers are traditionally looking for apartment units, townhouses or villas in areas that are close to places of work schools, retail, and hospitals. Many homebuyers are now also looking at the capital's most promising areas as Cairo expands its metropolis.

The latest in the growing list of suburban cities is the New Administrative Capital and New Cairo. These are just some of the areas which will headline Cityscape Egypt and will be offered with flexible and affordable down payments and payment plans from developers.

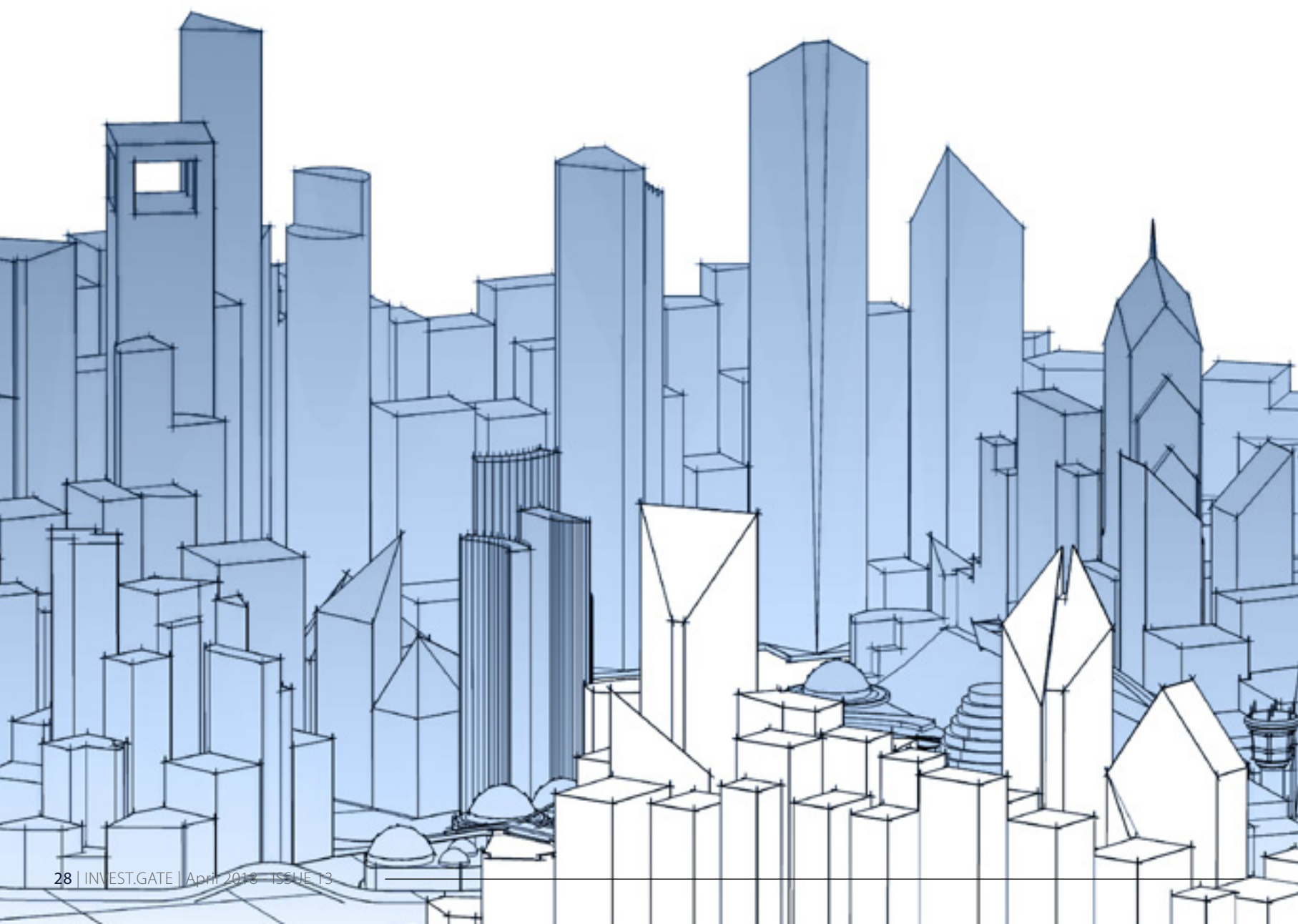
We believe that visitors will also look for a solid investment as they think about their long-term real estate plans. Experts tell us that higher levels of capital appreciation can be found in areas outside of the city center and potential homebuyers and investors will be mindful of this, considering that the New Administrative Capital has an average square meter rate that is slightly lower than the more established newer cities.

## What can visitors expect at this year's Cityscape Egypt?

There are quite a few things in store at this year's Cityscape Egypt. We hit the ground running in January 2018, with our Business Breakfast on the 18th, titled Exploring New Frontiers on Egypt's Landscape. The Business Breakfast features headline speakers, including: Eng. Ahmad Shalaby, managing director of Tatweer Misr; Ayman Sami, head of Egypt, JLL; Eng. Waleed Abbas, assistant to Minister of Housing, New Urban Communities Authority, and many more.

Finally, our exhibition takes place from March 28th to 31st at the Egypt International Exhibition Center (EIEC). The show kicks off with exhibitors from Egypt who will showcase projects from across the real estate spectrum, both from Egypt and around the world, and we expect significant investment and interest from this.

Some of the show's exhibitors include: Palm Hills Development, Sodici, Hyde Park, Talaat Moustafa Group, Al Ahly For Real Estate Development - Sabbour, Wadi Degla, Misr Italia Properties, Rooya, and ARCO just to name a few.





# PROJECTS REAL ESTATE DEVELOPMENT BRINGS VARIETY TO THE LUXURY SEGMENT



Projects Real Estate Development is breaking into the market through luxurious housing solutions to comply with the rapid changes in the marketplace, thus helping both the consumer and the economy.

"Our main goal at "Projects" has always been to create a luxurious trusted brand for our stakeholders, employees, and clients," according to Projects CEO Hossam Bahaa.

"Our success as a local brand has been directly related to how we select locations where we are confident our particular clients desire to be," he adds.

"As projects CEO, I always seek our clients' satisfaction and accountability. I always push my employees to reach higher degrees of social and business successes by offering the best business model in the real estate development community. I strongly believe that both clients and employees are the main pillars of success for any respectful and developed company," Bahaa notes.

"I would also like to assure our clients that "Projects" will always offer a very selective community where they can enjoy a happy cosy home," he says.

The company's vision is to provide the most professional, informative, loyal, and dedicated service in the industry, while placing the clients' concerns ahead of our own in each and every transaction to build long-term relationships with clients based on integrity, performance, and value.

Projects aims to be a full-service real estate development and management company, and a profitable leader in commercial, retail, and residential real estate.

"We recognize the need to be flexible, entrepreneurial, and aggressive, both as individuals and as a company. We believe in teamwork, innovation, professionalism, and long-term decision-making. We endeavour to preserve and enhance our reputation for integrity through all our actions," the company says.

Late 2017, Projects has launched the 250-acre Blues Tiffany, located in Ras El Hekma, which is located at the 204 kilometers sign on the international coastal road Ras El-Hekma North Coast.

Expected to be delivered in 2020, Blues Tiffany spans across a land of 250 acres, of which 85% are landscapes and beautiful water bodies.

The units have unique architecture and designs, and exceptional features, and spacing and floor plans that will assure its clients' comfort. They are built to have sea water access for your convenience, with sea water lagoons cutting through the resort so that each cluster has direct access to the tiffany blue waters of Ras El-Hekma.

Blues Tiffany includes facilities such as swimmable sea water lagoons, football field, running track, commercial area, first aid clinic, beach cafes, aqua park, clubhouse – restaurants, 24/7 security, and club cars.





# EGYPT'S INVESTMENT CLIMATE PROGRESSES: COLLIERS' ALBERT

By: Julian Nabil



“

Egypt has achieved political stabilization and is currently heading to economic stabilization as well ”



**A**fter years of turmoil, Egypt has proved itself resilient to headwinds and started to reap the fruits of economic reform. Believing that Egypt has the potential to attracting more investments, Invest-Gate met up with Ian Albert, Colliers International Middle East & North Africa regional director at Cityscape Conference, which took place on March 12 and 13, for an in-depth discussion about the investment climate in Egypt and the real estate market.

### **How do you view the investment climate in Egypt?**

The investment climate is progressing; capital repatriation issues have been lifted so that gave a lot of consumer and investor confidence. We see that reflected in the newly found interest coming from Gulf States, which have always been heavily investing in Egypt in areas ranging from real estate to industry and that is set to continue.

Generally, there is a renewed interest in Egypt. Egypt has achieved political stabilization and is currently heading to economic stabilization as well.

### **What do developers need to invest more in Egypt?**

Any developer needs clarity in terms of the marketplace. There should be a clear data of what has been built and where, as well as, what is in the pipeline. The government should create a platform for developers to provide them with data and master plans for all areas across Egypt. For the foreign investments to come into Egypt, it is really all about the stabilization of the economy. The interest rates and inflation levels should also come down.

### **What are the challenges facing developers?**

There is an issue with consumer finance in terms of mortgages and developer finance within the marketplace. Some developers have been offering long-term payment plans because there is not enough finance for the consumer to come in. When consumer gets finance, developer gets finance too.

Developers are taking all the inflationary pressures and risks; they have a lot of issues in terms of cash flow as they have to wait for the revenues to come through before moving to the next stage. Cash flow is very important for developers to continue in the market. Heavyweight companies may not have this issue with cash flow but middle-sized operators need finance.

When interest rate and inflation come down, there will be a great availability of finance in the marketplace.

### **What are the challenges impeding Egypt from taking a large share in real estate exports?**

There has been a massive upswing in terms of interest in the Egyptian real estate market in the last two years obviously due to the currency devaluation. It became

massively attractive for Egyptians living overseas to invest in a property in their homeland.

Devaluation generally encouraged residential investors to pump cash but this was not the case for international investors because of the high interest rate on debts. If Egypt wants to spread beyond the expats, long-term stability is the key in terms of finance market, as well as, the decline of interest rate and inflation to single digits. I am waiting for the balance to take place.

### **How can we attract foreign homebuyers to invest in Egypt?**

Heavy swings drive international investors away; dramatic shifts such as the EGP devaluation and its consequences of prices increasing by 43% in a year are not usually good for some investors. Although investors have taken advantage of the devaluation, they could not get their cash out of the country due to restrictions. However, restrictions are now lifted in terms of capital repatriation and we are looking thoroughly for stabilization.

If the investor cannot guess how the investment environment will be like over an intermediate time horizon, they will not come. Once you get the economy stable, it will be much easier for investors to take a view; any investor, especially a developer, is constantly looking for a time period of five to ten years.

Stabilization of the economy will attract any investor to come. Egypt passed through stagnant economic times, but last year was better than the previous years and this year is expected to be way better.

### **What is your outlook for the Egyptian real estate market and the economy in general?**

The real estate market will smoothly move forward. Egypt may have some localized oversupply in certain areas; too many apartments are being built in more locations in New Cairo.

For the economy, annual growth rate will hopefully reach 25% over five years, provided that inflation and interest rate come down.

# EGYPT'S TOURISM BOUNCES BACK STRONG

BY: JULIAN NABIL

For many years, Egypt has been viewed as a risky tourist destination despite its unrivaled natural landscapes, history, and culture. However, tourists have recently begun returning in flocks as stability returns, and the hospitality sector is growing as a result. Invest-Gate delves more into this issue to explore to what extent Egypt started to reap the rewards.

## OVERVIEW:

Owing to the government-led initiatives to improve its bilateral relations and political stability in the country, the Egyptian hospitality and tourism market is showing signs of recovery. Invest-Gate takes a general look at the sector.

The hotel and tourism industry has seen positive performance throughout 2017 in terms of the occupancy rates and increase in investment appetite, according to JLL's annual report on Egypt real estate market for 2017. The devaluation of the EGP contributed to increased domestic tourism and competitiveness of Egyptian hotels compared to foreign ones.

Cairo hotel supply reached 24,000 rooms during 2017, with the reopening of Sheraton Giza during the fourth quarter of 2017, adding 650 rooms to the market, JLL's annual report adds.

According to Colliers' report on MENA hotels for 2017, total number of hotels in Cairo, Alexandria, and Sharm El Sheikh reached 78,800 rooms in 2017 as compared to 78,400 in 2016, with expectations to increase to 81,300, 83,400, and 85,000 in 2018, 2019, and 2020, respectively.

As for the tourism sector, Egypt has risen up the ranks to be the world's second fastest growing destinations for international tourists in 2017, according to

latest United Nations World Tourism Organization (UNWTO).

Egypt's tourism revenues jumped 123.5% year-on-year to USD 7.6 bn in 2017, while the number of tourists jumped 54% to 8.3 mn in the same year, according to Reuters.

Consequently, occupancy rates in Cairo also increased by 12% in 2017, while rising by 33% and 51% in Sharm El Sheikh and Hurghada respectively, Colliers' annual report reveals.





# MAJOR HOTEL BRANDS COMING ON STREAM

With tourists returning to Egypt after their numbers dropped in the past few years, many major hotel brands are working to have their footprints in the country, thus helping boost tourism. Invest-Gate explores what is in the pipeline.

There are presently 52 projects in Egypt's hotel construction pipeline, Top Hotel News reports, based on numbers from the Top Hotel Construction database. Once completed, these 52 projects are expected to yield a total of 19,466 rooms for guests.

Earlier this year, Hilton has signed two management agreements with Gulf-Egypt for Hotels & Tourism to operate Heliopolis Hotel & Towers Luxury Hotel under two distinct brands. The 593-room Hilton property is now welcoming guests, while the 247-room Towers Luxury Hotel will be rebranded as luxury brand Waldorf Astoria Cairo to be debuted later this year.

Hilton is not the only major hotel which has announced hotels opening in the country; other luxury hotel brands are slated to open their flagship hotels in the country. Marriott International announced plans to debut Element Hotels in Egypt in early 2019. Said to be the largest Element Hotel in the Middle East and Africa, the hotel will feature 344 rooms.

In addition, the St. Regis Cairo is expected to open this year, adding 366 new rooms to the market supply. This year is also expected to see the opening

of the Maadi Twin Tower Hilton, adding 256 hotel rooms to the future supply, according to JLL's annual report on Egypt's real estate market for 2017.

Four Seasons Resort Sharm El Sheikh also revealed it will be the world's largest Four Seasons with the addition of 800 new rooms, bringing the total to 1,400 keys, with expectations to be opened in 2019.

The Intercontinental Hotel Group has also signed a partnership agreement to operate a new Crowne Plaza hotel in Sheikh Zayed, with expectations to add 187 hotel rooms within Phase II of Arkan Plaza in 2021.

As for the government's agenda, there are plans to attract 20 mn tourists and to generate EGP 181.2 bn income from the tourism industry by 2020, according to Timetric Report Store, a data provider headquartered in London. Consequently, the government also plans to expand its own hotel industry by constructing 1.4 mn rooms, accommodating 34 mn tourists by 2020.

The government's main focus is on the construction of new tourist destinations in Ras Sudr, Ain Sokhna, the Gulf of Aqaba, the North Coast, and the Red Sea, Timetric Report Store adds.

The state-backed hotel operator Tolip Hotels is expected to expand across the nation in the near future, according to Colliers' report on MENA hotels for 2017. The brand made its debut in 2015 with the opening of the Tolip Heliopolis, with plans to open hotels in New Cairo and Ismailia in 2018.





# **FUTURE OUTLOOK** **AMID GOVERNMENT'S** **EFFORTS**

**I**n the light of the state's continuous efforts to boost tourism and hospitality sector, is Egypt nearly back on the world tourism map? Invest-Gate asked experts – here's the answer!

"The government is striving to open the airline routes with major demand source markets, such as Italy and resuming direct flights from Russia. An online visa program is also expected to be introduced in the next two years, for a number of countries," says Christopher Lund, associate director at Colliers International MENA.

"These efforts are expected to further increase the number of tourists in the coming years, and this will fuel demand for hotels," Lund notes.

"The occupancy increased sharply in 2017, and is expected to further increase in 2018. The occupancy rate is still below the high levels of 2010; however, the future sentiment for the Red Sea resorts is generally positive and is very much dependent on the travel advisories, flight routes, and travel agents' plans," Lund says. "We are now seeing all of this coming back, and expecting the first winners to be the resorts located within quality developments such as Somabay, Sahl Hasheesh, and El Gouna," he elaborates.

"We have been through years of instability which badly affected tourism in Egypt, but things are getting better," according to JLL's Country Head of Egypt Ayman Sami. "Hopefully, we will get back on the world tourism map soon," he adds.

"The government focused on the overall development and a number of files such as safety and security. This will greatly help to bring in tourists back and result in growth in demand and hotel occupancies" Sami says. "My outlook for the hospitality and tourism market is very positive," he concludes.

According to Lund, "2018 will be the year of getting things back to function normally, preparing for the real rise in tourism in 2019."

"Egypt is an important tourism destination and has everything from the infrastructure to hotels, tourist destinations, and airports," he explains.







# EGYPT'S CONSTRUCTION WORKERS: RESILIENCE THROUGH NEGLIGENCE

BY OLA NOURELDIN AND JULIAN NABIL  
PHOTO CREDITS: OLA NOURELDIN

Construction work is a vital part of the Egyptian economy, providing countless employment and infrastructure opportunities around the country; however, workers in the field still suffer from low job security, have no access to medical and life insurances, and receive no pension despite being at risk for some major injuries that can, at times, be fatal.

According to the US-based Center to Protect Workers' Rights, construction workers have a staggering 75% chance of suffering a disabling injury on the job. The most common injuries include strains and sprains, with workers also being at risk of trips, slips and falls, being struck by an object, and electrocution.

In aims to delve deeper into this marginalized sector, Invest-Gate speaks to three construction workers to get a glimpse of how they sustain their own living, and what rights they enjoy in times of injury.

Construction workers  
have a staggering

**75%**  
chance

of suffering a disabling  
injury on the job

Total number of workers in the  
construction sector

**3.5 mn**  
in Q3 of 2017

representing

**13.3%**  
of the Egyptian working class

according to the country's Central Agency  
for Public Mobilization and Statistics  
(CAPMAS)



# WORKERS' STORIES RETOLD

Moheb, a construction worker in his 40s, shares with Invest-Gate his story as he quit school back in Upper Egypt's Sohag only when he was at Grade 6, and later moved to Cairo to follow the footsteps of his family in construction work.

"I did not have the luxury to choose my craft as I had to work with my family mixing mud at a very young age," Moheb says, adding that one of his daily challenges was usually the long distance between the construction site and his home.

"I wake up around 6 am every day from where I live in Dar El Salam to make it to the [construction] site. It was difficult at first but one gets used to the long commutes," he adds.

Moheb gets paid EGP 140 as a daily wage, including transportation and food costs, yet he is mostly concerned about the lack of medical insurance.

"My health is my only capital, without it, I will not be able to provide for my family," he states.

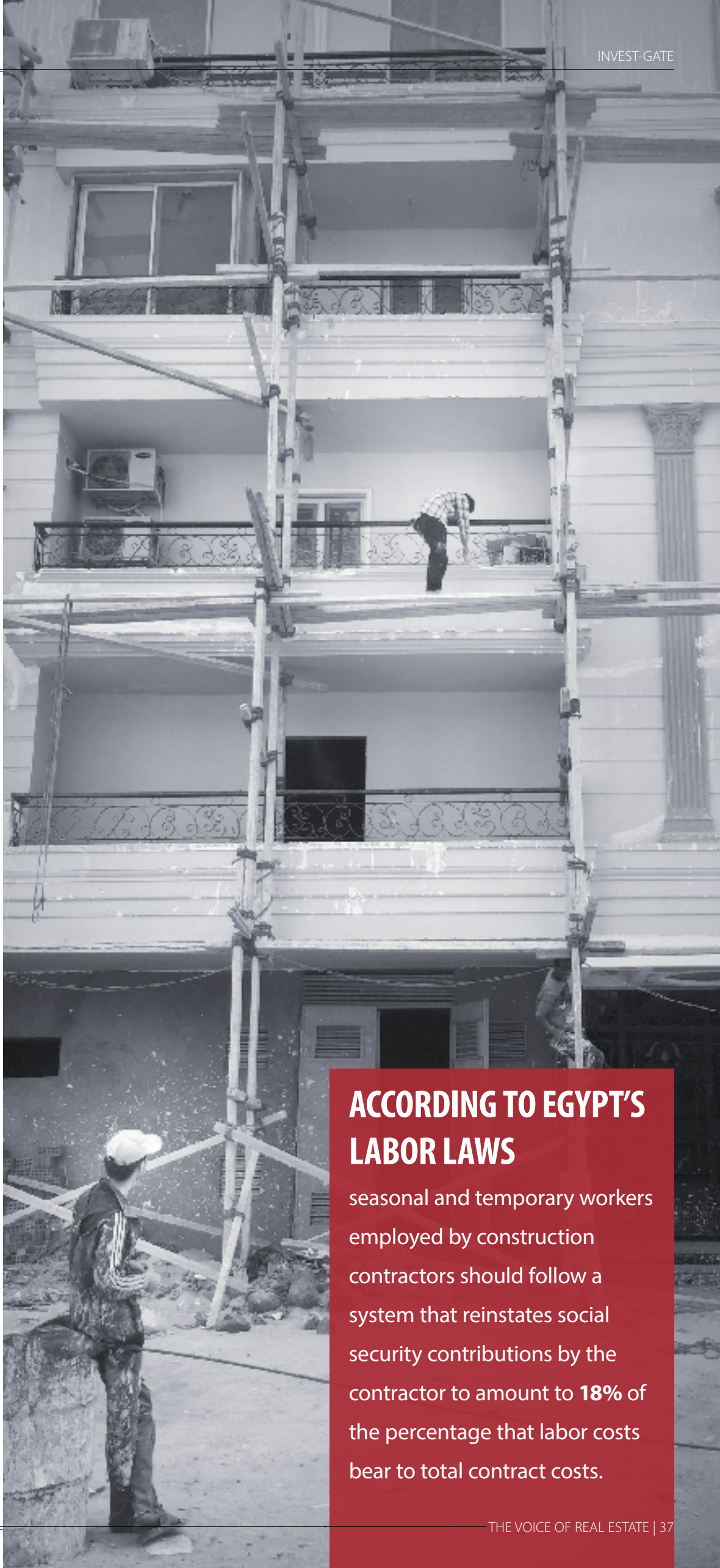
Throughout Moheb's entire work in construction, no contractor or employer had guaranteed him medical insurance in cases of sickness or injuries.

"One time when I was young, I injured my forehead and the contractor was running away from paying the medical bills. They usually immediately look for a replacement in times like these, so there is not even any guarantee that we will have job security once we recover," he adds.

Benefits provided under the social security scheme are pensions, disability payments, sickness payments, maternity and death allowances, and unemployment insurance.

All private sector companies in Egypt are required to provide free healthcare for their Egyptian employees either through the Medical Insurance Plan of the Ministry of Social Affairs and Insurance or privately. They are also required to contribute to the Pension Insurance Fund of the Ministry of Social Affairs Insurance.

Meanwhile, 53-year-old Michael also shares with Invest-Gate his journey in the field throughout his over 30 years working in the construction industry.



## ACCORDING TO EGYPT'S LABOR LAWS

seasonal and temporary workers employed by construction contractors should follow a system that reinstates social security contributions by the contractor to amount to **18%** of the percentage that labor costs bear to total contract costs.





"My entire family works in this field, so I did not really face any challenges because all the contractors know us from way back," Michael says.

Michael, who lives in Maadi, usually receives job orders at New Cairo, 10<sup>th</sup> of Ramadan, and Nasr City for EGP 130 per day, including transportation and food expenses.

"I usually say no to locations that are very far away, even if it means a higher daily wage, due to the lack of services, unavailability of water, toilets, and canteens," Michael says, adding that such offers would require him to sleep on sites, and he prefers going home to his wife and children at the end of the day.

In cases of injury, Michael explains that a worker's position after recovery, medical bills, and insurance are never guaranteed unless the worker is employed by a trusted contractor or an acquaintance.

Additionally, Mohsen, a contractor in his mid 60's, who still works as a mason to support his family, gets paid EGP 150 for building 1,000 bricks. At this old age, Mohsen's health is deteriorating, yet he still endures the physical burdens of his job to make ends meet.

Building around 7,000 bricks a day, Mohsen's medical insurance is not covered in cases of sickness or injury.

Living in Suez, he explains that staying at home, even for a few days' rest is not an option.

"I cannot leave work, at all, sometimes when a project is over I stay in the streets on the lookout for daily jobs, just

so I can get home to my family with some food," Mohsen says.

Invest-Gate also speaks to Engineer Soliman Essam, who runs a small contracting company in Cairo regarding construction workers' rights across the country.

"If you are asking me if they receive their rights as workers my honest answer will be unfortunately not. They receive no benefits whatsoever and no official contracts oblige employers to pay them anything at times of injury. Only if the person they are working for has a good conscience they would spare the worker some money for injuries or if he needs to be hospitalized, but there are no guarantees," Essam says.

He claims that in larger construction projects, workers' medical insurances are only documented in paper after the project is completed.

"I remember more than 20 years ago, a worker fell off the seventh floor. We took him to be hospitalized right away and of course the company was bearing all fees, however, he did not make it," Essam says.

"Given that there is no life insurance, we visited the family and gave them some money. It was not a compensation for their lost son, however, he was the sole provider to a poor family of five back in Menofiya," Essam adds.

According to Article 17 in the Egyptian constitution: "The state shall ensure the provision of social insurance services. Every citizen who does not have the social insurance system shall have the right to social security, in order to ensure a dignified life if he is unable to support himself and his family."


The article also stipulates that, "in cases of incapacity to work or unemployment, the state shall provide an adequate pension for small farmers, agricultural workers, fishermen, and irregular employment in accordance with the law."



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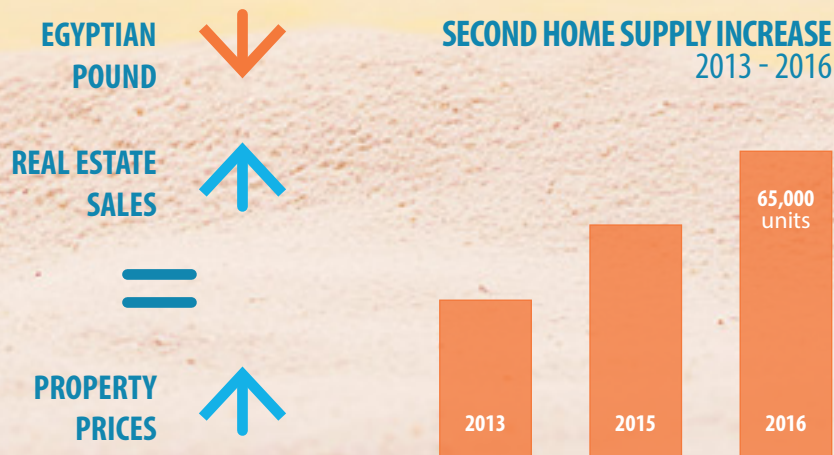
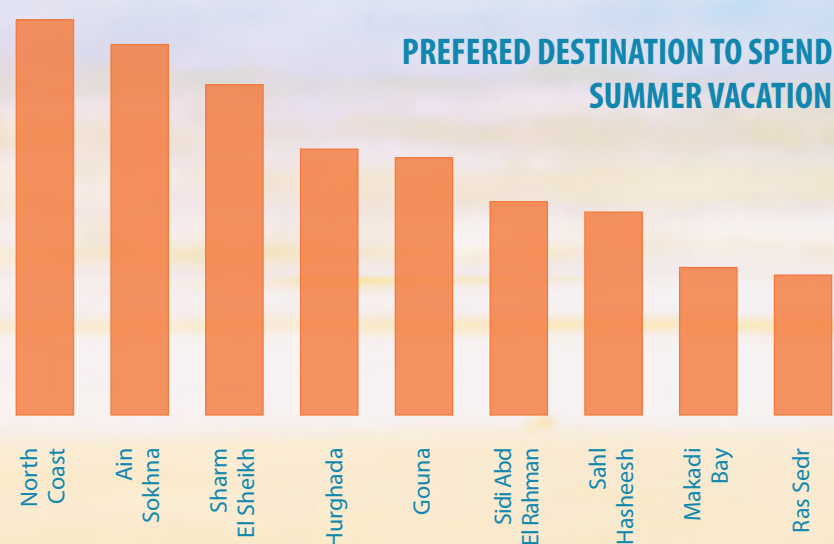
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# SHAM EL-NESSIM VACATION: READERS' CHOICE

PASSANT DARWISH  
ADDITIONAL REPORTING BY MARY GAIED

April is here and with it comes warmer weather and time off during Sham El-Nessim and Easter to put this good weather to use along Egypt's many beaches and destinations. Invest-Gate surveyed a number of holidaymakers asking about their whereabouts this Sham El-Nessim, as well as, what they look for when choosing a holiday destination and the possibility of investing in a second home.



Source: Colliers International



# PEOPLE'S CHOICES OF LOVELY VACATIONS

Alia Tork, a 29-year-old account manager at a marketing agency tells Invest-Gate that she is spending this Sham El-Nessim at the Red Sea's Nuweiba, specifically at Bawaki. She adds that beaches and a much-needed relaxation are her top priorities when booking a vacation. Tork, whose favorite vacation spots are all along the Red Sea, says she might consider investing in a second home to "save the hassle of booking, save money on the long term, and always have the option of travelling at a moment's notice."

Similarly, Sally, a 34-year old communications manager is going to spend her Sham El-Nessim

vacation in Nuweiba, her favorite vacation destination in the country, however, she adds that she does not consider investing in a second home in a vacation destination as she "does not like to be tied to one place."

Moving along the Red Sea coastline, 28-year old Orthodontist Marwan Yaser will spend his time off in Ras Sudr, a four-hour drive from Cairo. Yaser's main preferences when looking for vacation spots are beaches, pools, and hangout areas, where he can listen to music while enjoying his shisha. He adds that he is considering investing in a vacation home "to travel whenever with friends and family

and because it is a good investment for the future."

Ain Sokhna is also a popular destination this Sham El-Nessim, which is where Ali El-Alfy, 27, will be heading to. He tells Invest-Gate that a main priority for his vacations is "tranquility," along with the availability of eating venues, as well as, beaches that provide amenities as showers and beach games. El-Alfy, whose favorite destination is the North Coast, says he does not consider buying a second home as "it would only be put to use seasonally."





# INVESTING IN A SECOND HOME IN THE RED SEA: ALL YOU NEED TO KNOW

**D**estinations along the Red Sea are numerous including Nuweiba, Ain Sokhna, Ras Sudr, Sharm El-Sheikh, Hurghada, Gouna, Marsa Alam, Somabay and many more. Each destination is unique and offer its own special set of entertainment, beaches, and services. Invest-Gate provides you with all you need to know before investing in a second home along the Red Sea's coastline.

Why invest in a second home? The second home market in Egypt does not depend on international investors, according to a Colliers International report, as 98% of sales are localized, thus the value of second homes is relatively stable and not affected by international investors' whims.

Moreover, with the expansion of Cairo into the east, second homes along the Red Sea are getting closer and closer to the capital.

Who buys second homes? Most second home purchasers are between the ages of 35 and 50, whose first homes are located in Greater Cairo.

What's the most popular Red Sea destination? The most popular Red Sea destination is Ain

Sokhna as its less than two-hours' drive from Cairo, has relatively cheaper prices than other destinations along the Red Sea, and has an abundance of units with over 30,000 vacation homes. Other popular destinations include Gouna, Sahl Hasheesh, and Sharm El-Sheikh.

How much will a second home cost you? The downpayment on second homes is calculated at about EGP 150,000 with installments averaging five years. Prices per square meter in Ain Sokhna range between EGP 7,000 to EGP 15,000 for villas and EGP 6,000 to EGP 10,500 for apartments.

What is the supply of second homes like? The supply market of second homes is significantly increasing. According to Colliers International report, over the past 11 years the number of vacation homes have increased by approximately 90%, reaching around 65,000 units by the end of 2016.

98%  
of second home sales  
are locals





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