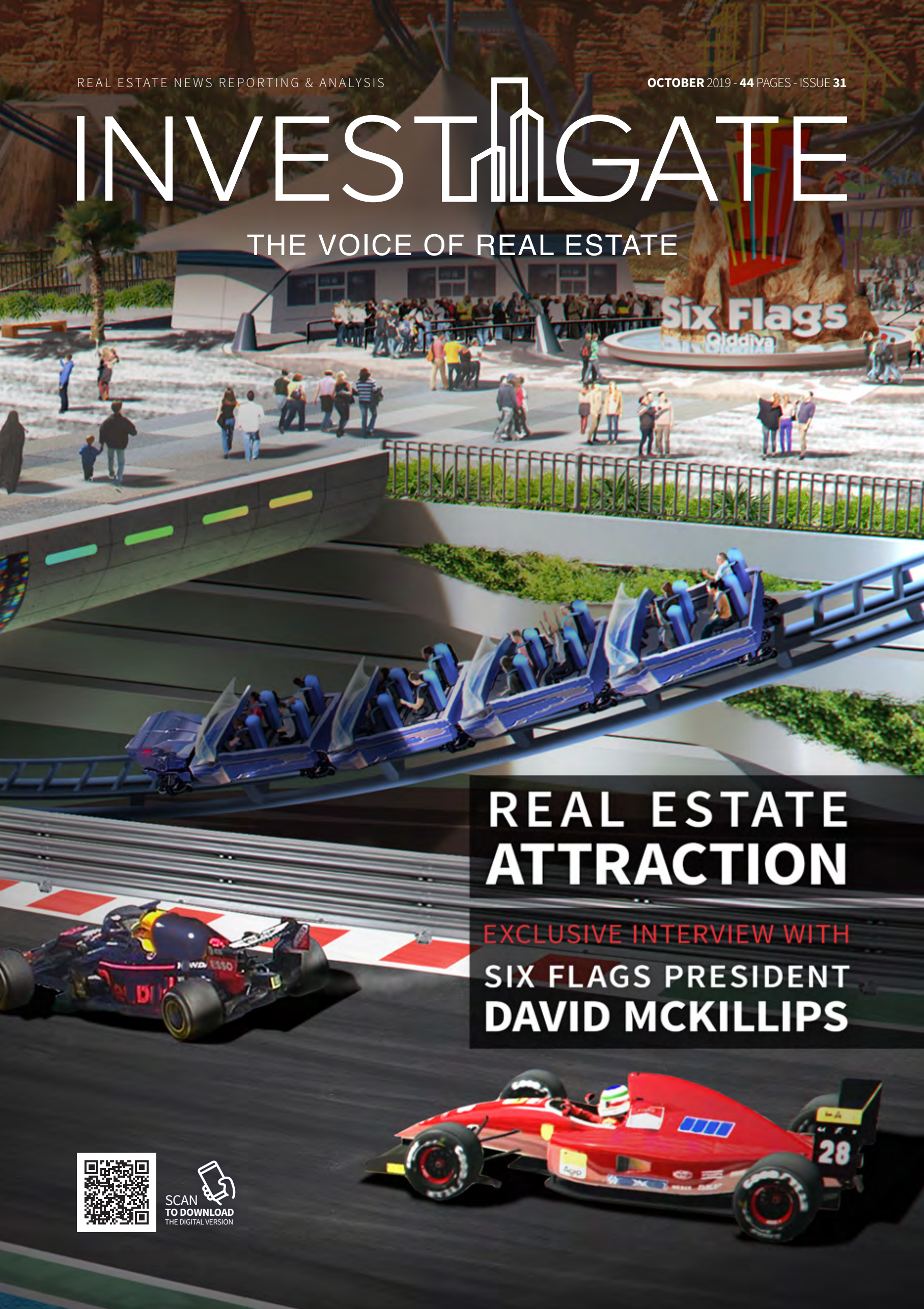


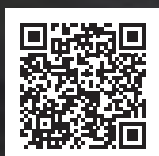
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Palm Hills Developments Announces Signing with new German Construction Management Partners Julius Berger International and Announces Initiation of Construction of Badya.

Badya Also Receives Prestigious Design Award from the German Council of Design.

Palm Hills Developments' mega-project, Badya, has officially begun construction after announcing the signature of a service agreement with German company Julius Burger International GmbH (JBI) for the project management of Badya, as well as the overlooking of construction and execution of the project.

Badya's German master planners, Albert Speer and Partner (AS+P), were also awarded the prestigious "Iconic Award" of "Best of Best" under the category Concept & Urban Design by the German Council of Design for Badya's sustainable and progressive incorporation of environmentally-conscious concepts in its design. The award was granted to AS+P for the break-through design of Badya and will be presented to them on the 7th of October, 2019 at Europe's largest real estate trade fair, Expo Real, in Munich, Germany. This award signifies Badya's revolutionary influence on concept and urban design, beating competition from across the globe.

The German Council of Design applauded Badya for their, "...ambitious concept of a user-oriented and zero-emission mobility-optimized city of short distances. Actively usable spaces such as networked residential streets and parks for shortest cycling and walking paths, which also absorb sudden water masses, offer a high level of quality of life, conserve resources and contribute to a better urban climate." They went on to comment on Badya's potential to curb the negative consequences of urbanization, "In a time of rapidly growing cities with all the associated disadvantages such as traffic collapse, housing shortages and air pollution, the intelligent, sustainably planned construction project is an excellent solution with a strong exemplary character."

This achievement was announced yesterday by Palm Hills Developments' Chairman, Mr. Yasseen Mansour in an event that celebrated the prestigious design award win, as well as the initiation of construction of the mega-project and the signing between Palm Hills Developments and JBI. The event took place in Palm Central, Badya's showroom in the 6th of October district, with the attendance of Mr. Yasseen himself, as well as His Excellency, The Minister of Higher Education and Scientific Research, Dr. Khaled Abdel Ghaffar, Deputy Minister of Housing Utilities & Urban Development for National Projects, Eng. Khaled Abbas, CEO of AS+P, Mr. Joachim Schares, CEO of JBI, Mr. Karsten Hensel, and finally, JBI's on-ground Project Manager, Mr. Achim Becker.

"I am truly so proud that the effort we have put forth with our partners, world-renowned master planners AS+P, has officially been acknowledged and applauded by the German Council of Design with one of their highest international awards. And now I am so excited that the dream has finally started to become a tangible reality with the initiation of construction on site. With that being said, by partnering with top-notch construction management company, JBI, I can confidently reaffirm our promise of providing our residents with the highest levels of quality, and the most advanced implications of technology to create the best possible version of what we call a 'Creative City'," stated Yaseen Mansour, Chairman of Palm Hills Developments.



Badya is the first development in the strategic hub of the West in the center of the extended 6th of October City, spreading across 12.6 million square meters, and it is considered a pioneering model of a private-public partnership in mega-development. The project envisions a smart, connected and efficient city to the highest standards of planning, design, construction & operation.

Badya offers six independent fully functional and serviced mixed-use districts around an urban core & connected by a green network as well as a main boulevard and layered road networks. Its city center will include an international university, a sporting club, commercial center, and expansive natural landscapes.

For Badya to achieve UNDP sustainable goals, Palm Hills Developments applied sustainable concepts aiming to enhance the quality of living and efficient resource management including reducing water & energy consumption and waste production by 30%, and aiming towards a 20% reduction of operational living costs.

Palm Hills Development's extensive portfolio consists of 29 diverse projects in Greater Cairo and the Red Sea district where each development is distinguished by the real estate conglomerate's commitment towards adhering to strict levels of international luxury, sophistication, and safety.


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EDITOR'S LETTER

Egypt's real estate sector welcomes fall 2019 with some cautious anticipation and a few fears. This is the time when we wrap up this year's successes and failures, and not to our surprise our predictions somewhat came true despite that they were constantly dropped or denied by major market key players.

At the beginning of the year, Invest-Gate's editorial and research teams feared an upcoming bubble and a significant slowdown, not because the supply exceeded the demand on a large perspective but the supply exceeded the demand that of class A and the country's top developers still have not shifted their businesses to cater to the ever-growing real demand of all classes below. We advise them to take a better look at the market and alter their plans accordingly, or we will be faced up with an actual halt in 2020. This is a serious issue we have in Egypt today and we will continue to look deeper into the matter to see the upcoming drives for this business to resume its boom.

In this issue, we give our readers views from market players and experts on the purchasing power of Egypt today and voice their opinions on what needs to be done.

We look into the updated tax laws and extra charges imposed recently on homeownership as well as the current land acquisition laws for both are major setbacks to the current market, limiting its activity.

On a brighter note, Invest-Gate sat down with the famous Six Flags President David Mckillips to discuss the company's latest endeavor in the Middle East – Six Flags Qiddiya, KSA, and he sees a bright future in Egypt if such concept is applied.

Invest-Gate continues to dig deep in this sector, aiding decision-makers to overcome obstacles through all its information outlets. Stay connected and await our upcoming roundtable this month to find the means to attract more real estate investments to the country.

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TATWEER MISR REVEALS INNOVATION COMPETITION WINNERS

Egypt's property developer Tatweer Misr announced on September 16 the winners of the third round of its successful entrepreneurship innovation competition, following a booming final pitch night, in the presence of the company's executive board as well as the judging panel.

Held at the American University in Cairo's (AUC) Tahrir Square Campus, the event featured impressive presentations by qualified finalists in front of a six-member jury, headed by Tatweer Misr President and CEO Ahmed Shalaby, alongside Ahead of the Curve Founding Partner Mohamed El Kalla.

"Green Mile" ranked first place in the architecture category, while "Personalizing Urban Space" came in second. Both have been granted a week-long entrepreneurship training as well as an opportunity to participate in Sharjah Entrepreneurship Festival in the UAE. Besides, all of the qualified contestants were awarded a certificate for their innovative and promising ideas.

During his speech, Shalaby congratulated the winners, noting, "Tatweer Misr is committed to empowering youth in shaping a better future for our communities and country. We believe that entrepreneurs can deliver this goal in a sustainable way,



which will have a beneficial effect on both the local economy and society at large."

"Embarked in 2017, the Innovation Competition has since then evolved through the need to recognize and celebrate creativity, innovation, and those pushing the bounds of creative excellence in all fields," Shalaby added.

"We believe in the intertwined relation between innovation and entrepreneurship. This year's start-ups were participating in the competition and have proven their success throughout the past years," he further stated.

The third round of the annual contest was announced during the Global Entrepreneurship Week in November 2018, attracting a plethora of creative students and graduates with brilliant visions. Among the presentations, four finalists showcased their architectural innovative ideas, while two others introduced out-of-the-box marketing ideas for Tatweer Misr's North Coast project, Fouka Bay.

Since its establishment, Tatweer Misr has inked an array of sponsorship and partnership deals for entrepreneurship initiatives, including the Global Entrepreneurship Week.

INERTIA UNVEILS SEACLIFF PHASE I IN JEFAIRA

Egypt's property developer Inertia is launching the first phase of Seacliff neighborhood in Jefaïra, its integrated community on the North Coast, Invest-Gate reports.

Shortlisted at the World Architecture Festival for its breathtaking architecture, Seacliff is situated on a 220,000-square-meter cliff-top, overlooking one of Jefaïra's most mind-blowing sea views over the Mediterranean Sea, according to the company's recent press release.

Seacliff boasts luxurious standalone and twin villas that capture captivating views from all angles. The neighborhood provides its residents with an unmatched living experience through exclusive amenities including an infinity pool, coastal canyon, and a meditation zone.



Besides its mesmerizing views and strategic location, Seacliff is a short walk away from the Cove Beach, which is a tranquil retreat for all homeowners. The neighborhood also features a Canyon Area, all connected and beautifully situated within serene greenery and sensational water features.

Jefaïra's seafront provides visitors and homeowners with a blend of private and energetic

Mediterranean vibes. Meticulously designed to complement the natural topography of its coastline, the seafront's exceptional value lies within its five diversified experiential zones, with each having a distinct character and land style.

Designed by renowned architect, Paul Rodgers, and sustainably master-planned by international award-winning-practice, 10 Design, the high-end phase is outlined based on elements that make it a unique coastal development, with climatic and design issues in mind.

In August, Inertia had signed a five-year EGP 575 mn loan agreement with Banque du Caire, attempting to finance construction works at its flagship project Jefaïra, among other projects.

PORTO GROUP OFFICIALLY LAUNCHES GOLF PORTO CAIRO

Back in September, Porto Group celebrated the official launch of Golf Porto Cairo, its latest project in Mostakbal City, east Cairo, in a lavish event featuring megastar Amr Diab, Invest-Gate reports.

During the launch event, Porto Group uncovered that each unit at the new development will feature a separate yard, overlooking a one-of-a-kind golf course. Boasting several globally renowned restaurants, an international school, a nursery, a clubhouse, a mosque, besides administrative offices and clinics, Golf Porto Cairo consists of roughly



3,000 apartments, ranging from 59 to 142 square meters, in addition to 500 villas, varying between 105 to 375 square meters.

All properties have ultra-smart designs that subtract the possibility of units merging, providing larger areas pursuant to the preferences of each client. Besides, a spacious swimming pool and a commercial hub, dubbed "Street Mall," are allotted to extend the utmost levels of fun and tranquility.

In a previous statement, Abdullah Lotfy, head of the developer's real estate sector, said Golf Porto Cairo extends over 152 acres, situated at Mostakbal City's fourth phase, in close proximity to the New Administrative Capital (NAC), Madinaty, and New Cairo.

CAIRO FESTIVAL CITY TO OFFER TRIPLE PLAY SERVICES EARLY 2020

Al-Futtaim Group Real Estate and Etisalat Misr have agreed to provide triple-play services for Cairo Festival City (CFC), New Cairo, by early 2020, facilitating the provision of data communication and high-speed broadband services, Invest-Gate reports.

Under the deal, which was signed between Al-Futtaim Group Managing Director Ashraf Ezz El-Din and Etisalat Misr CEO Hazem Metwally, a variety of advanced integrated services will be offered to enable users to enjoy Internet Protocol Television (IPTV) technology that delivers high-quality TV channels and voice services, controlled by a fiber-optic based unified package, the company said in a statement released in early September.

Praising the new contract, Ezz El-Din highlighted, "We chose Etisalat Misr to be the optimal telecom operator providing technology solutions and networks within [CFC], aiming to meet the needs of our customers who are increasingly eager to utilize premium telecommunication services."

He elaborated, "Since its inception in the Egyptian market years ago, Al-Futtaim Real Estate Group has made it a priority to establish an integrated real estate system that is constantly endeavoring to develop in line with the demands and requirements of the Egyptian property market. Thus, we are committed to cooperating with distinguished partners, who relish



an international experience and exceptional competence in their fields."

Meanwhile, Etisalat Misr's Metwally noted, "We are delighted to join forces with Al-Futtaim Real Estate Group, particularly because it is one of the leading real estate investment companies. Besides, the partnership conforms with Egypt Vision 2030, which strives to achieve the digital economy through the use of information and communication technologies tools, backed by building several smart cities."

Situated in the heart of east Cairo, 15 minutes away from Cairo International Airport, CFC is the first-of-its-kind project in Egypt, covering 3 mn square meters and comprising administrative, residential, and entertainment ventures, together with over 300 commercial spots, all in one integrated community.

SODIC LAUNCHES 'THE ESTATES' IN NEW ZAYED

Sixth of October Development and Investment Company (SODIC) has launched its newest signature project in New Zayed, or "The Estates," debuting a series of new projects to be developed in the newly-introduced area in west Cairo, Invest-Gate reports.

Building on SODIC's success in catering to the upscale housing market and addressing the demand for refined exclusive single-family homes, The Estates is part of the company's signature communities, master-planned to ensure privacy and seamless integration with nature, while being serviced by a clubhouse and a spa, designed by a world-class design house at the heart of the project, according to a recent press statement.

Envisioned a villa community, distinguished by its low density and open suburban feel, The Estates spans over 630,000 square meters, with 160,000 square meters allotted for landscape and open spaces. The project will boast spacious luxurious homes with contemporary country architecture, ranging from mansion-like villas to townhouses and twin houses, located only five kilometers north of SODIC West.

Commenting on the launch, SODIC's Managing Director Magued Sherif said, "We are very excited



to bring this new community to the market and believe it will be one of the finest additions to our signature community series."

Back in August, SODIC had unveiled that its fully-owned subsidiary, Al Yosr for Projects and Agricultural Development, has received approval by the New Urban Communities Authority (NUCA) for the masterplan of The Estates.

Sherif earlier noted, "This positive development paves the way for the launch of our signature project 'The Estates' in the fourth quarter of 2019, with total sales expected to exceed EGP 7 bn over a period of eight years."

MARAKEZ TO UNCOVER AEON TOWERS' FINAL PHASE IN OCTOBER



Marakez for Real Estate Investment, a subsidiary of Saudi Arabia's Fawaz Alhokair Group, will launch the last phase of west Cairo's AEON Towers next month, while AEON Courtyards' first phase is set to be delivered in December, ahead of schedule, Invest-Gate reports.

Situated within Marakez's flagship mixed-use development, Central West, the last phase of AEON constitutes a 20-story tower, featuring 120 residential units. Meanwhile, AEON Courtyards' construction is on track and the first delivery of its G+3 buildings is scheduled before year-end, the company announced during a site tour on September 18.

Deemed a first-of-its-kind project, comprising the first luxury high-rise residential buildings in 6th of October City, construction works at AEON Towers have commenced, which embraces three 72-meter high-rise residential buildings. The substructure work of the compound's two-story underground parking has been completed, while construction of the ground level is ongoing.

With two phases already handed over, AEON Towers offers an array of designs, varying between studios, apartments, and penthouse duplexes, encompassing one-to four-bedroom units that range from 85 to 665 square meters, providing "an ideal balance between the comfort and tranquility of suburban life, and the excitement of modern living."

"AEON Towers will offer residents exclusive access to a host of indoor and outdoor amenities, sports and recreational facilities, including a heated indoor swimming pool, gym, and spa," Basil Ramzy, the company's CEO, was quoted as saying.

"Amenities also include an outdoor leisure pool, a kids pool, an outdoor multi-purpose court, a tennis court, a football pitch, an 800-meter jogging track, a fenced dog park, as well as, an outdoor communal seating area," Ramzy further stated during the tour.

MARSEILIA GROUP CELEBRATES 20TH ANNIVERSARY WITH SABER EL REBAI



Marseilia Group has celebrated its 20 years of success in a grand entertaining event, where superstar Saber El Rebai took the stage of Marseilleia Beach 4 on the North Coast for a round of echoing melodic songs.

“This concert came in celebration of our [20th] anniversary, during which we have made achievements worth 100 years of success in the real estate sector,” said Marseilia Group Chairman Sherif Heliw. He added that the event marks “20 years of changing the concepts of housing and entertainment from mere places to an attractive and interesting lifestyle for 20,000 families through more than 20 projects across the North Coast, Marsa Matrouh, Alexandria, and Ain Sokhna.”

Over the last two decades, “Marseilia has grown to be known as the home of sheer entertainment and luxurious lifestyle. It is the definition of summer getaways, parties, relaxation, and peace to some, as well as, a secure high-quality lifestyle for those looking to invest in a brighter future for their families,” he added.

The event celebrates the recent addition to the group’s portfolio, “Golden Yard,” which was launched two months ago in the New Administrative Capital

(NAC). With an investment value of EGP 5 bn, the project is slated for delivery within three years, over two phases, the chairman highlighted.

Golden Yard offers potential clients a prime location in the new capital, with direct views of the Diplomatic District. Spanning an area of 42 acres, the integrated mixed-use development boasts 1,754 luxurious residential units, as well as, a commercial mall with distinctive designs and a breathtaking panorama of green spaces.

The compound also offers a variety of essential facilities and services that promote a healthy lifestyle such as a social sports club, comprising a gym, a spa, swimming pools, football fields, and multi-use playgrounds.

On the sidelines of the ceremony, Heliw announced the launch of a new project, dubbed “Cascadia – North Coast,” located in the heart of Sidi Abdel Rahman. It features a central location near prominent attractions, while being only ten minutes and two hours away from New Alamein and Cairo, respectively. It is characterized by standing similar to a floating island, where all residential units are nestled on islands with spectacular crystal lagoons.

GOV'T OFFERS 2,082 PLOTS IN NEW CITIES



Minister of Housing, Utilities, and Urban Communities Assem El Gazzar said 2,082 plots were offered in 17 new cities, starting from September 17, Invest-Gate reports.

Registration and payment of upfronts for the reservation of the housing plots are through the Housing and Development Bank’s (HDB) website: (www.hdb-reservation.com), El Gazzar added in a recent statement.

According to Deputy Minister of Housing, Utilities, and Urban Communities for National Projects Khaled Abbas, 50 distinguished housing areas are put forth in New October City, while another 528 plots will be provided in 10th of Ramadan City, alongside 150 and 40 others in Sadat City and New Borg El Arab, respectively. Abbas said 100 distinguished plots will be offered in each of Nasser City, West Qena, New Beni Suef, Badr City, and New Sohag.

As for the more distinguished ones, 300 and 115 plots will be presented in New Cairo and New Damietta, separately, in addition to 104 lands in New Minya. Besides, 68 plots will be assigned in 6th of October City, together with 23, 20, and 14 lands in Badr City, New Aswan, and New Obour City, respectively, he noted, adding that 170 areas will be allotted in 10th of Ramadan City.

CITY EDGE UNCOVERS APARTMENTS COMPLEX IN NEW ALAMEIN

City Edge Developments (CED) announced the launch of New Alamein Downtown, a project owned by the New Urban Communities Authority (NUCA), Invest-Gate reports.

The project’s launch follows the successful sale of over 1,000 units in New Alamein in 2019 for an amount exceeding EGP 6.5 bn, according to a press release on September 23. To be delivered during 2020, the project is master-planned as a modern apartment building complex, complementing the city’s towers and residential villas.

The company’s CEO Amr El Kady said, “The launch of New Alamein Downtown should meet demand by customers, who are looking for medium-rise apartment buildings, and represents a good diversification of our portfolio of products.”



“The overwhelming response to the launch of The Gate and Mazarine is a clear testament to customer confidence in our offerings and a sign of the positive growth being recorded in the market this year,” he said.

Located at the heart of New Alamein, the complex lies a 15-minute walk from the beach, eight minutes away from the hospital, and 3.5 kilometers away from universities.

New Alamein Downtown comprises residential buildings that include a mix of units ranging from penthouses to ground floor apartments with private gardens of all sizes. The new project will house a diverse range of amenities centered around beautifully designed plazas with commercial and lifestyle facilities for the residences, including large public green spaces, which come in line with the new city’s vision of providing 14 square meters of green areas for every resident instead of the global standard of nine square meters.

El Kady added, “We remain committed to the hand-over of the projects as per contractual schedules. In fact, both Mazarine and The Gate, launched back in July, as well as North Edge Towers, are progressing rapidly.”

ALDAU DEVELOPMENT LAUNCHES CAIRO WEST RESIDENCE PHASE I

Egypt's hospitality and property developer ALDAU Development, a member of Sami Saad Holding, has launched the first phase of "Cairo West Residence," its newest 11-acre residential project in west Cairo, Invest-Gate reports.



"ALDAU invested EGP 3 bn in this project [, which lies in close proximity to the Grand Egyptian Museum (GEM),] solely with a vision based on diversity reflected in the mixed-use units blending the purposes and concepts of residential and hotel apartments," according to a press statement on September 23.

The project's units vary in types from one-bedroom studios to two- or three-bedroom units, duplexes, and penthouses, with sizes ranging between 44 and 412 square meters.

"Diversity does not stop at this, but also extends to the building and construction methods that follow the latest trends and standards, aimed at providing our residents with the utmost smart tech solutions facilitated by an advanced internet network for smoother living and entertainment conditions," according to Senior Operations and Commercial Director at ALDAU's Real Estate Division Mohamed Salem.

Salem added that Cairo West Residence will provide a comprehensive security system and management office for handling its assets, which will be working around the clock to cater to residents' needs and demands.

The project will comprise entertainment areas, swimming pools, and green open spaces, he said, adding that owners will have access to hotel services in their residencies, provided by the Puro Urbano international hotel chain.

Salem stressed the company's keenness on targeting lands in sophisticated and promising areas to address the needs of the growing base of target buyers in Egypt and abroad, who are looking to invest in the local market.

Cairo West Residence serves the objectives of ALDAU's Real Estate Division , which is aimed at supporting and enhancing the export of the Egyptian real estate product.

ALDAU picked a strategic location for the project, lying in proximity to the Sphinx International Airport (SIA), which adds to the attractiveness of west Cairo to tourists.

EL GOUNA'S HOTELS FULLY OCCUPIED DURING GFF

Orascom Development Holding (ODH) has announced that the occupancy rates of El Gouna's hotels and residential units hit 100% during El Gouna Film Festival (GFF), to be held from September 19 to 27, Invest-Gate reports.

CEO of ODH Khaled Bichara lauded the news, adding, "This means that the festival is a success every year and has become one of the important destinations for all those interested in cinema, which contributes to the state's efforts to boost tourism."

Generally, El Gouna's hotels have registered a positive performance in the past few months, posting EGP 619 mn revenues in H1 2019, a 16.5% rise from



EGP 531.4 mn in the prior-year period, according to the company's press release on September 18.

"We still have many ambitious plans for El Gouna, topped by El Gouna Convention and Culture Center,

MOUNTAIN VIEW BRINGS HAPPY OFFICE SPACES TO EGYPT



Egypt's real estate developer Mountain View held the first edition of Future Offices International Summit at the Nile-Ritz Carlton, Cairo on September 22, under the patronage of the Ministry of Housing, Utilities, and Urban Communities.

Aiming to promote the science of design and happiness, the event came after years of strategic partnership and collaboration between Mountain View, US-based culture consulting Delivering Happiness (DH), and architectural design firm Callisonrtkl. It featured many inspirational speeches and panel discussions, led by Deputy Minister of Housing for National Projects Khaed Abbas, Mountain View Founder and CEO Amr Soliman, JLL Country Head Ayman Sami, DH Co-Founder and CEO Jenn Lim, and Callisonrtkl President and CEO Kelly Farrell.

During the event's second panel, named "Egyptian Office Market: Offerings, Trends, and Shortcomings," Abbas emphasized the government's role in incorporating business parks and office spaces at the national projects, praising Mountain View's efforts to bring in new concepts through international partnerships.

Moreover, the summit witnessed the launch of Delivering Happiness Egypt, which is scheduled to be headquartered in Mountain View's business hub to be jointly developed by the three companies in iCity, according to Soliman. On her part, Lim said a happy work environment has proven to reduce turnover rates by around 41%, while boosting companies' sales and productivity by 37% and 21%, respectively.

On the sidelines, Mountain View's CEO told media people that the company plans to launch the first phase of its new commercial project, "Office Park," with investments worth EGP 5 bn. To be developed in collaboration with the housing ministry, the new development will span across 100 acres in New Cairo, he added.

which will host GFF in 2020, as well as Business Park," the CEO highlighted, noting, "Other plans include the expansion of Abu Tig Marina, and in other facilities such as schools and hospitals."

Bichara further stated that a new real estate project will be announced soon, however, he did not reveal any further details.

El Gouna spans across a total area of 36 mn square meters, with 15 mn square meters only developed so far. "We still have many years to complete the ongoing construction and development so that El Gouna remains a vibrant young city and ready to welcome new generations," Bichara elucidated.

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HASSAN ALLAM PROPERTIES SELLS OUT PREMIER PHASE OF THE GISELLE IN LESS THAN 24 HRS FOLLOWED BY A SEQUEL OF SUCCESSFUL RELEASES

In less than 24 hours, Hassan Allam Properties (HAP) sells out its premier phase of The Giselle, the newest exclusively gated neighborhood within its mixed-use development SwanLake Residences - New Cairo (SLR) during its launch on August 27. The Giselle's premier phase was followed by a sequel of other successful releases.

The launch event was exceptionally successful and exquisitely selective, witnessing immense footfall and humongous demand appetite. HAP threw the launching at Kazoku, its blue-chip hospitality component by Baky Hospitality, nestled in SwanLake Katameya.

The release was rich in a variety of product offerings, inclusive of stand-alone villas, twin villas, and townhomes, primarily catering to young families, newlyweds, as well as, those who had already had it from vast spaces, and their demanding and draining logistics that come in toe.

The Giselle's built-up area ranges from 226 up to 662 square meters, while land spaces vary between 190 and 1,072 square meters, providing a picture-perfect for every need.

Sharing the same value system, preferences, and social fabric forming, a homogeneous community is an intrinsic element that binds all The Giselle's prospective owners, which encompasses homes clearly marked by their functionality of space, without compromising the aesthetics of seamless architecture and efficiency of space programming.

"We are very happy to announce not only the sellout of our premier release in The Giselle, our second exclusive villa neighborhood within our recent flagship SLR, in less than 24 hours, but also the tremendous success witnessed by the sequel of The Giselle's releases that followed. This simply boils down to identifying the actual need-gap of one's targeted audiences, catering to it right and going just beyond bricks and mortar. Our launch success confirms buoyant appetite for and sustainable interest in a quality product offering," Mohamed Allam, CEO of HAP, said.

"Egypt's marketplace will continue to be a healthy real estate hub, colored by its compelling demographics. When few misinterprets the scene and describes it as blurry, this is only due to some miss-match between the supply side and actual demand," Allam elaborated.

Named after the world-famous ballet masterpiece, created by Gautier in 1842, The Giselle stands out in SLR as one of its most lavish neighborhoods, inspired from a period of romanticism and aristocracy, and praised for its ravishing and quite new harmonic lifestyle.





EL GAZZAR INAUGURATES BIG 5 CONSTRUCT EGYPT

The Big 5 Construct Egypt, the Cairo-based second edition of The Big 5, opened on September 2, hosting more than 200 companies from 24 countries.

Minister of Housing, Utilities, and Urban Communities Assem El Gazzar officially inaugurated the three-day event, which took place at the Egypt International Exhibition Center (EIEC) till September 4.

Held under the patronage of Prime Minister Mostafa Madbouly, the exhibition provided a professional platform to foster industry best practices, business, and investment opportunities, while bringing the world of construction to Egypt. It was inaugurated by an opening conference, where El Gazzar gave a keynote address, revealing that abundance of investment opportunities, land plots, and residential units of various kinds that will be presented in new cities this month.

The state is currently implementing an array of urban development projects, as part of achieving the objectives of Egypt's National Strategic Plan for Urban Development 2052. It aims to double the current urban area from about 7% to almost 14% through a number of development axes, represented by the underway national road network, in addition to the newly-introduced cities, the minister highlighted.

El Gazzar noted that the ministry will continue to support exhibitions similar to The Big 5 Construct Egypt in the coming years. This is due to the construction industry's current exponential growth and contribution to boosting the development index of the industrial sectors behind it, which acts as a catalyst for several interlocking fields.



GURATES THE T EGYPT 2019

The Big 5 Construct Egypt 2019 welcomed more than 13,000 visiting industry professionals, bringing together around 240 local and international companies, along with their innovative construction products, materials, and solutions from over 300 brands.

Event Director at Dmg Events Roni El Haddad stated, “We are extremely proud to support the expanding requirements of the booming Egyptian construction and infrastructure sectors, serving Egypt’s strategic development objectives and its Vision 2030. To this end, we are launching this year the new Hosted Buyers Program to further promote international business in Egypt, with senior executives from selected countries joining the show to meet with participating exhibitors.”

Beyond meeting with hundreds of suppliers of construction products, visitors also benefited from over 55 CPD-certified seminars, which were offered for free and presented by leading industry experts, including firms such as Egypt Green Building Council, Orascom Development Holding, and Palm Hills Developments. For the first time, BIM Breakout Seminars – certified by Autodesk – took place, besides some dedicated workshops on heating, ventilation, air conditioning, and refrigeration (HVACR), as well as, mechanical, electrical, and plumbing (MEP) services.

Organized by dmg events, the event was sponsored by Sphinx Glass and supported by the Egyptian Federation for Construction and Building Contractors (EFCBC), Quali Middle East Association (QMEA), World Architecture Community (MEFMA), Dubai Exports, and German-Arab Chamber of Industry and Commerce (AHK Egypt).



EGYPT PROPERTY & INVESTMENT SHOW CONCLUDES 2ND EDITION

Egypt Property and Investment Show (EPIS) successfully concluded its second edition, running from August 28 to 31 at the Egypt International Exhibition Center (EIEC), east Cairo, endeavoring to boost the country's real estate sector.

With a variety of projects, huge discounts reaching 20%, together with extended installment terms, the exhibition was aimed at catering to various needs of all income levels. It also provided premium investors and home buyers a chance to directly meet with the top property developers.

The four-day show has seen distinct offerings in the residential and commercial markets being showcased by Egyptian real estate companies such as Memaar Al Morshedy, Egygab Developments, Master Group, El Attal Holding, Marseilia Group, Tabarak Developments, Akam Developments, Sorouh Developments, Edge Holding, to name a few.

The event was held under the auspices of the Ministry of Housing, Utilities, and Urban Communities, while being sponsored by Etisalat Misr, QNB Al Ahli, Aqarmap, and Oxford Business Group. On top of that, Invest-Gate was also named media partner of EPIS 2019.

EPIS' organizer UAE-based Al Nayrouz Exhibitions already coordinates multiple property exhibitions in the UAE, under the title "Hazi Misr" – or "This is Egypt," in a bid to promote the country's real estate developments abroad.





MADAAR DEVELOPMENT HOSTS AZHA ENDURANCE FESTIVAL

Egypt's Madaar Development, in collaboration with The TriFactory, hosted on September 21 Azha Endurance Festival at its luxurious Ain Sokhna resort, Azha, welcoming nearly 500 amateurs and sports enthusiasts, Invest-Gate reports.

The triathlon, which included a swimming race followed by sprint running, saw sporting fans specifically traveling to Ain Sokhna to partake in the event to enjoy sports and fun, where participation was not limited to a certain age group, according to the company's recent press release.

One of the day's highlights was the attendance of Managing Director of Sixth of October Development and Investment Company (SODIC) Magued Sherif, who was delighted to take part in the swim-run competition as it supports and enhances Egypt's tourism sector, and substantially impacts the national economy and boost its growth, on the back of the diverse range of participating nationalities and age groups.

Commenting on the news, Madaar's CEO and Managing Director Maged Salah hailed the company's annual sponsorship and participation in this important event, which featured distinct biathlete distances suitable for every competitor, fortifying



Madaar's keenness on promoting offbeat sports programs.

On his part, Ayman Hakky, founder and managing director of The TriFactory, a sports managing company specialized in triathlon and endurance

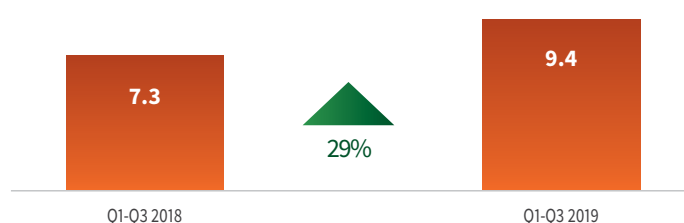
sporting events, highlighted, "Our first goal is to encourage the largest number of amateurs to participate ... Everyone was a winner and was awarded a medal of honor once crossing the finish line."

BOOMING TOURISM INDUSTRY IN EGYPT

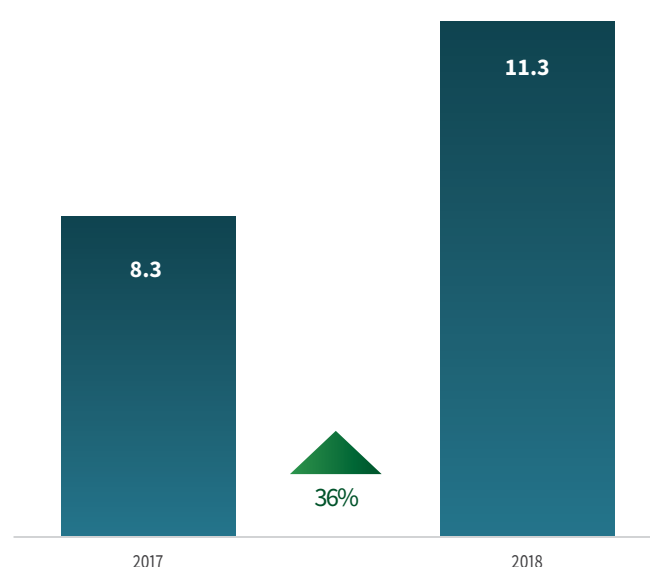
POWERED BY
INVESTIGATE
RESEARCH & ANALYSIS



EGYPT'S TOURISM REVENUES (USD BN)



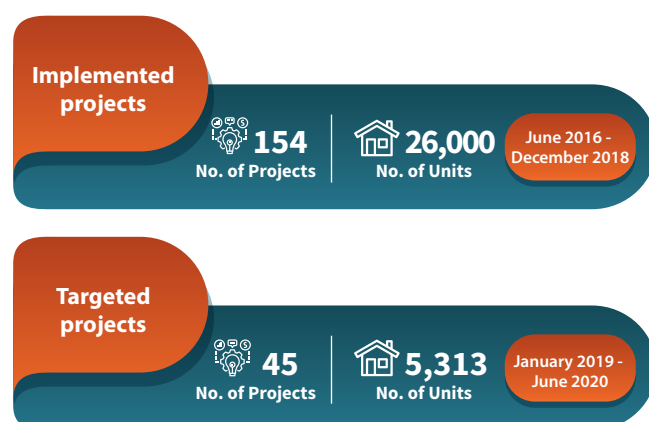
TOURIST ARRIVALS (MN)



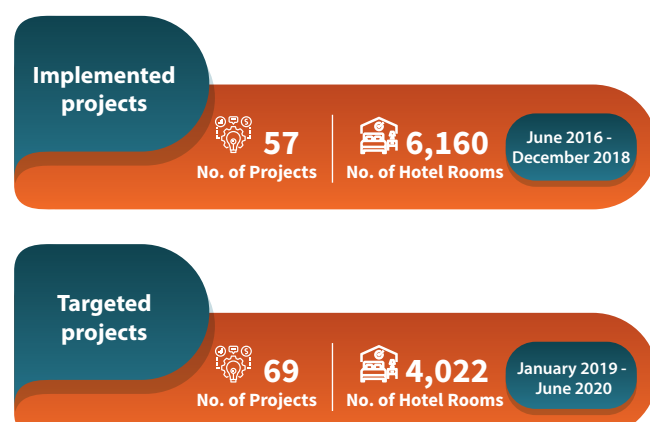
EGYPT'S TRAVEL & TOURISM COMPETITIVENESS INDEX



TOURISM HOUSING PROJECTS

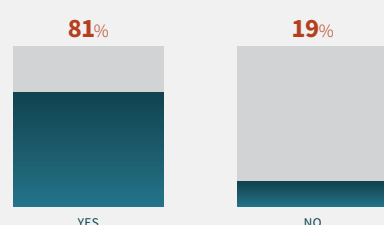


HOTEL DEVELOPMENTS

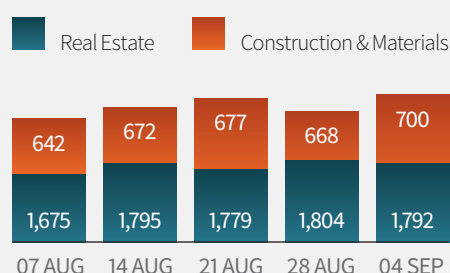


Online Monthly Survey

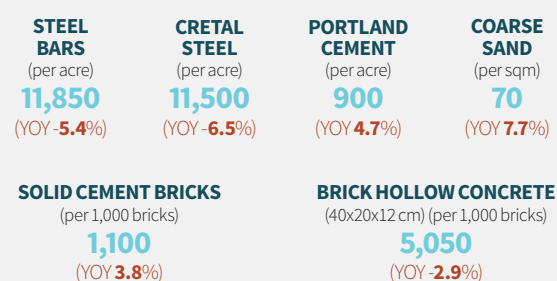
DO YOU THINK THE NEW MODEL OF TOURIST DESTINATIONS WILL BE ALL YEAR ROUND?



REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2019)



PRICES OF CONSTRUCTION MATERIALS (AUGUST 2019) (EGP)



ECONOMIC SNAPSHOT

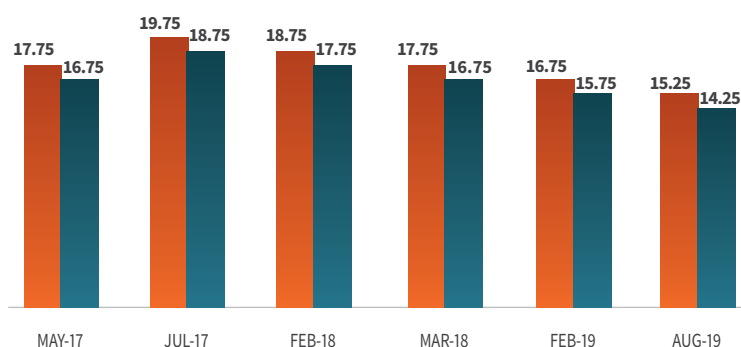
INTEREST RATES SCENERY IN EGYPT



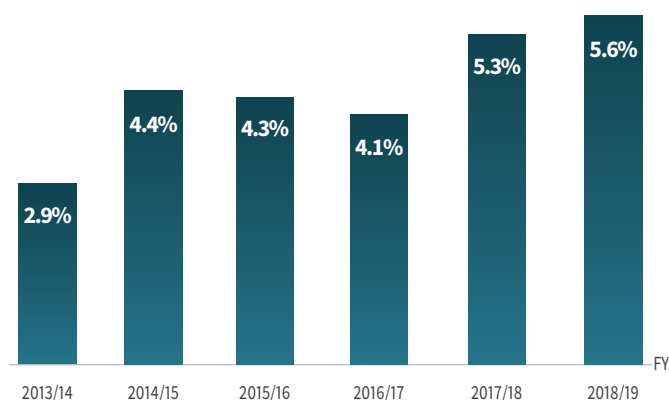
INTEREST RATES PERFORMANCE (%)

Lending Interest Rate

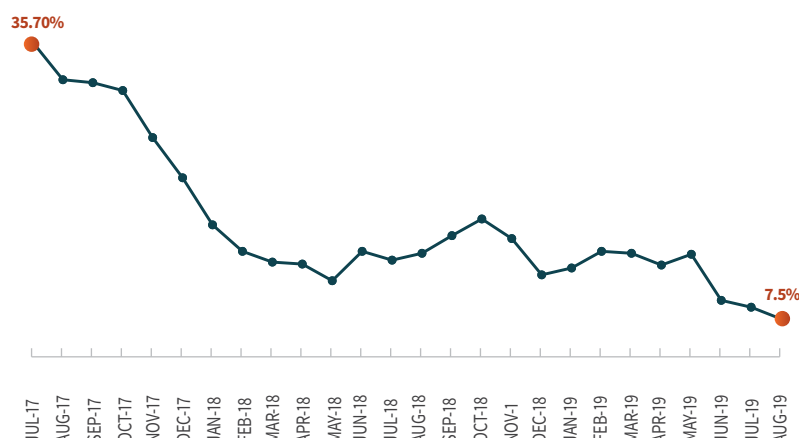
Deposit Interest Rate



HIGHER ECONOMIC GROWTH RATES (GDP)*



DECLINING INFLATION RATE

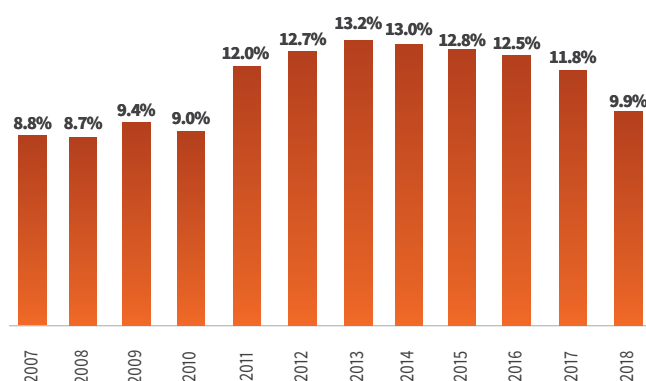


*GDP: GROSS DOMESTIC PRODUCT

*INFLATION RATE, GDP, AND UNEMPLOYMENT RATE ARE ALL FACTORS AFFECTING INTEREST RATES



FALLING UNEMPLOYMENT RATE

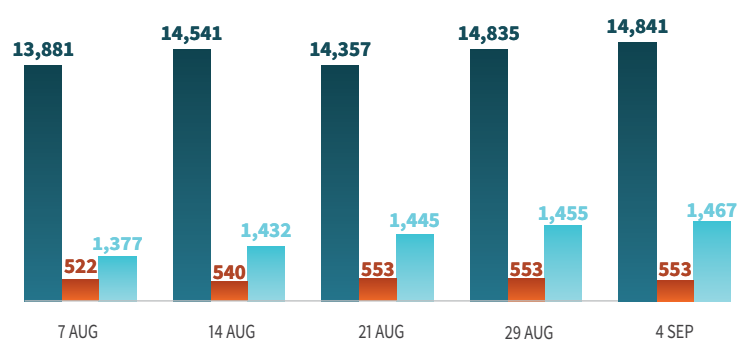


CAPITAL MARKET INDICATORS

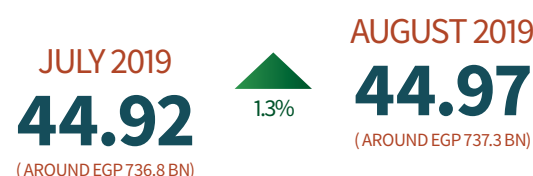
EGX 30

EGX 70

EGX 100



NET FOREIGN RESERVES (USD BN)



ANNUAL HEADLINE INFLATION CPI





THEME PARKS CAN BOOST LOCAL ECONOMY: SIX FLAGS PRESIDENT

BY **SARA MOHAMED**

The amusement attractions business is notoriously challenging. It demands near-constant reinvestment and is at the mercy of a whole raft of variables to forge ahead and stand significant in the market. So, how should one make sense of this fiendishly complicated industry? Where should potential investors look for guidance?

An ideal model for orientation is Six Flags, which has pioneered the theme park industry's golden standards and established itself as a market leader, standing as the world's largest theme park operator for running 20 parks in the US only. Building on its global leadership position, plans for "Six Flags Qiddiya" have been recently uncovered in Riyadh's Qiddiya - an entertainment "giga-project" that is part of Saudi Vision 2030.

Into the bargain, Invest-Gate talks to President of Six Flags International Development Company David McKillips to outline some of the challenges that the amusement industry addresses, while exploring the ultimate formula for Six Flags' success, on both the domestic and global levels.

AS AN ENTERTAINMENT INDUSTRY GURU, WHAT IS YOUR VISION FOR THEME AND AMUSEMENT PARKS? HOW DO YOU THINK SUCH SPOTS CAN FUEL TOURISM INFLOWS AND BOOST THE LOCAL ECONOMY?

The theme park business is one of the most exciting sectors in the world and I have been very impressed with some of the innovation that has entered the industry over the last several years, with new rides, incredible themed lands, and virtual reality-based attractions. For Six Flags, our vision for any new theme park development is to create a fully-integrated entertainment experience that combines world-class rides with entertaining shows, while complementing the level of entertainment quality with a commitment within our culinary and shopping offerings as well.

Theme parks can absolutely boost the local economy; in fact, we have several case studies of proven economic development with our parks in North America and we expect the same with our international theme park complexes. Being a very capital-intensive business upfront is one of the barriers for any theme park owner stepping foot into the market. However, once the initial capital is made, we traditionally work on a long-term plan that introduces new rides and expansion areas, which can be very reasonable in terms of investments and offer great value to guests.

REGARDING INVESTMENTS, HOW CAN OPERATORS CONTRIBUTE TO THIS SUCCESS STORY? WHAT ARE THE MEANS THAT SHALL BE AVAILABLE FOR THEM, PARTICULARLY FROM THE GOVERNMENT'S END?

Six Flags is actively seeking new partnerships with investors in developing markets around the world. A Six Flags theme park, alongside our other concepts such as water parks, adventure parks, kids-targeted theme parks, and hotel resorts, all make a great investment that provides long-term returns and benefits. We typically work closely with any of our partners to showcase and demonstrate all of these merits upfront and throughout the operating seasons.

From a governmental perspective, we look for our partner to have strong relationships with the local and state municipalities to guarantee full support from that end, in particular. On our part, Six Flags brings its expertise and international brand standards as well as assists with all of the destination's design and development to ensure it is a world-class quality theme park.

LOOKING UPON SIX FLAGS AS A MODEL, HOW DID IT MANAGE TO BE A BENCHMARK FOR THE AMUSEMENT INDUSTRY? WHAT ARE THE NECESSARY FACTORS AND ATTRIBUTES WHEN IT COMES TO OPERATING A FLOURISHING ATTRACTION BUSINESS?

We look at several factors before we make a decision on entering a particular area. With our partner, we execute an exhaustive market feasibility and brand study, confirming the appropriate and qualified demographic population. We also look at the location of the potential site to ensure it has access to all guests, including public transportation and easy proximity to highways. Also, we require a specific land plot for the initial park, along with future expansion areas.

When examining Six Flags portfolio of parks, one of our strengths is our ability to "right-size" a particular operation for a market. With 26 operating spots in North America, we have multiple developments of various sizes to meet a specific market population. What is most essential for Six Flags is to ensure we can deliver on our brand promise of safe, superlative thrills with our ride offering, and also complement these rides with various other entertainment and in-park offerings. Most importantly, everything we do

is centered around safety - that is what every guest expects when they come to Six Flags theme parks.

WHAT SHOULD BE THE INVESTORS' TARGET GUEST PROFILE AND DEMOGRAPHICS? WHAT IS THE OPTIMUM, DESIRED GUEST EXPERIENCE?

What is great about theme parks is that they can really be built to attract and entertain three-year-old kids to 80-year-old grandparents. For Six Flags, we build our destinations to entertain families with children as well as teens/young adults, who desire a more thrilling experience with our roller coasters and rides. If you think about it, there are a few entertainment options in the world that can deliver a great experience for a six-year-old, 16-year-old, and a 46-year-old, all in the same day!

An ideal entertainment offering will be a full-day experience with a mix of attractions that would include world-class roller coasters, indoor simulators, water rides, and a mix of indoor and outdoor live entertainment. It is also very important that we increasingly invest in the quality of our restaurants and shopping experiences withal.

WHEN DO YOU THINK THE "PEAK IN PARK" ATTENDANCE CAN BE? SHOULD INVESTORS TARGET ALL-YEAR-ROUND LEISURE AND ENTERTAINMENT DESTINATIONS OR SEEK SEASONAL ONES INSTEAD? AND WHY?

Every single park of ours is programmed specifically to a design day, which means we have the appropriate number of rides, shows, restaurants, and retail offerings that would entertain our guests at a specific attendance level. The operating schedule is really determined by the particular market we are in and whether the park is being built as a destination for international tourism or local market entertainment.

Each region around the world is very unique with its holiday schedule and religious customs, which we need to be sensitive to when setting the operating calendar. The majority of our parks in North America are seasonal operations, but we have our park in Los Angeles, which is a tour and travel destination market, open 365 days. Other ones are open ten months per year and we have expanded our operating season, adding events such as "Fright Fest" during Halloween and "Holiday" events during December time too.

GIVEN YOUR VAST EXPERIENCE IN THE REGIONAL MARKET, ESPECIALLY SINCE SIX FLAGS FRESHLY RELEASED ITS DESIGNS FOR ITS NEWEST PARK IN KSA, IN WHAT WAYS DO YOU THINK AMUSEMENT ATTRACTIONS ARE A FEASIBLE REAL ESTATE PRODUCT IN EGYPT?

I think Egypt is a fantastic market for a theme park like Six Flags. With a growing middle class and relatively few international entertainment options like a thrill theme park, the opportunity is great there. I would especially encourage any investor in Egypt to look at the development of theme parks, along with other hospitality offerings such as retail, dining and entertainment areas, live entertainment auditoriums, hotels, and accommodations as well. There is a mix of investments that could be very modest to start with, including branded water and adventure parks, leading into a larger theme park footprint.

Moving to the Kingdom of Saudi Arabia, we are incredibly proud of our partnership with Qiddiya Investment Company, the master developer of Qiddiya megaproject. This theme park will be one of the exceptional developments in the world and the most unique Six Flags we have ever developed. We have gained a tremendous amount of learning in the Middle East and Six Flags would be great for expansion into Egypt.



COLLECTIVE WISDOM FROM **KEY MARKET EXPERTS**

BY **JULIAN NABIL**

Following the EGP flotation in November 2016, and amid a series of economic reforms, many experts agree that the real estate sector is in the midst of a slowdown, driven mainly by the low purchasing power. Invest-Gate sits with some of the market gurus, in an attempt to explore the factors undermining the buying power, while seeking effective solutions across the board.



ROOYA GROUP CHAIRMAN & CEO **HISHAM SHOUKRI**

REASON:

There is an incompatibility between clients' willingness to buy and their actual ability to do, which is the node at which interests intersect. The current high cost of living means less net returns available once all household necessities are paid for, leaving little for savings - usually used to layout for assets such as real estate.

From the developers' end, higher-cost inputs, represented in pricey construction materials and soaring land prices as a result of the currency devaluation, are hindering their ability to provide more eased offerings for lower- and middle-class home seekers, catering to those falling out of the upper segment.

WAY OUT:

Real estate companies should continue offering smaller housing units. Another solution is to put forth more effective mortgage finance initiatives.

Meanwhile, the government should set out a plan to provide plots at lower prices such as those put forth through public-private partnerships (PPPs), which reduce the financial burden on developers. Another recommendation is that the state should consider fixating land costs for three consecutive years, for example.



MENA GROUP FOUNDER

FATHALLAH FAWZY

REASON:

Buyers' low-income levels, especially after the EGP flotation, as opposed to overpriced units amid increasing land costs.

WAY OUT:

The government should launch ongoing initiatives to support local consumer purchasing power. The Central Bank of Egypt (CBE) had already announced its plans to reintroduce subsidized mortgages worth EGP 50 bn for middle-income individuals, with preferential interest rates starting at 8% to prospective homeowners and unit prices of up to EGP 3 mn. I expect this initiative to boost the market in the coming period.

Additionally, the state's recent proposal to involve the private sector in social housing projects may support potential buyers' current purchasing power, yet negotiations are still underway on the agreement terms and other related specifications. I anticipate we will start to see this step effective by early 2020.



TATWEER MISR PRESIDENT & CEO

AHMED SHALABY

REASON:

The equivocal slowdown in buying power is due to the inevitable economic changes and reforms, which have been taking place in Egypt as a step toward stability and restoring investors' confidence in the country.

WAY OUT:

The optimal solution is the effectual collaboration between mortgage finance funds and real estate sectors, on the back of the mortgage loans' standing as the most effectual solution for the declining purchasing power. Low-interest rates and extended repayment periods are key factors to any effective mortgage finance initiative.



IWAN DEVELOPMENTS CEO

WALEED MOKHTAR

REASON:

Seasonality is partially contributing to the fluctuations in potential investors' purchasing power across different periods of the year. It causes their buying ability to decline in particular seasons, albeit the buying power remains constant at other times.

WAY OUT:

Developers should come up with innovative solutions in terms of offering a diverse range of products, in terms of types, sizes, and designs, while providing extended payment plans.

NEW PROPERTY FEES & TAXES IGNITE CONTROVERSIES

BY JULIAN NABIL



Homeownership could be the ultimate life-long goal. But, when prepping for such investment, people usually focus on the offered price and jump into the deal without factoring in the hidden ancillary charges. These extra fees are added up to the actual price tag of for-sale residences, both when purchasing and once a month thereafter, varying from maintenance deposits to utility and parking fees. With regards to Egypt's property scene, some new tariffs have freshly entered the game, namely real estate taxes and the controversial beach fees for second homes.

Having said that, Invest-Gate studies the extra charges partaking in your deal - hidden agenda - from all standpoints of both experts and buyers, devoting a special focus on the changing fees as well as newly-applied/introduced taxes. Digging deeper into the matter, we try to explore the impact of such duties on the consumer's purchasing decisions and behavior, in specific, and on the market, in general.

REAL ESTATE TAXES

Late summer, the country's talking heads were occupied with heated discussions over the new real estate tax law and its constitutionality, notably exploring how to fairly calculate taxes on both commercial and residential properties.

Although many saw that the property sector has lately come forth by the state, the real estate tax has been adopted since 1880, under the name of

revenues (or "Awaid"), with proceeds exceeding 60% of the government's revenues back then, Finance Minister Mohamed Maait announced in August 2018.

However, in 2008, the first actual real estate tax was introduced, yet its implementation has been repeatedly postponed in recent years due to its insufficiency. But, the new bill, promulgated by Law No. 196 of 2008 with the issuance of Law No.

4 of 2019, is now deemed crucial to be applied to bridge the state's budget deficit.

Under the new decree, the tax rate - to be paid annually over two installments - is 10% of the annual rental value, after deducting 30% and 32% for residential and non-residential units, respectively, for maintenance expenses, according to the Real Estate Taxation Authority (RTA).

In the language of mathematics, the rate is calculated as 3% of the capital, which represents 60% of the market value that is evaluated every five years by a central committee, based on the unit's surface area and meter prices in the neighborhood. Every five years, the value of residential and commercial units maximally increase by 30% and 45%, respectively.

However, there are some exceptions to this regulation. Residential properties valued at less than EGP 2 mn are exempted, while citizens who own more than one residence waive the cheapest one, below EGP 2 mn. For commercial units, the maximum net rental value entitled for exemption is EGP 1,200 per annum.

Although some people started to commit to paying their due property taxes, others - especially residential units owners - are still unaware of its application and do not respond to it for most of them own unregistered houses. Ahmed Rafea, co-founder and sales partner at Cooing, an online real estate one-stop-shop, argues, "Many of our

existing clients still do not know about the new taxation system and are not taking it seriously."

As a piece of evidence, Galal Mohsen, a project control manager at Saudi Binladin Group, tells Invest-Gate that he has only one unit registered, out of his 13 owned homes, noting that he still did not abide by the new tax system for not getting any notice that compels him to. He adds that compounds' developers do not obligate buyers to register their units.

Another example is Heba El Marasafawi, an architect in her late 50s, who notes that she did not pay her due taxes yet, although she owns two units - a standalone villa and a twin house.

For the government's part, in November 2018, RTA Head Samia Hussein said during a Customs and Taxation Committee meeting that property owners must go to RTA to prove homeownership and should not wait to receive official notice. Those who fail to register their newly-acquired

units are subject to penalties ranging from EGP 200 to EGP 2,000, she stated.

MENA Group Founder Fathallah Fawzy attributes owners' delays and levity toward that matter to the complicated tax collection system, suggesting that it should rather be digitized to ease the payments process.

In fact, the government is already working to resolve the issue. In July, Egypt's finance and military production ministries signed a cooperation protocol to automate the country's real estate taxes. Under the deal, the latter party shall establish an accurate electronic database of all owned properties to ease taxation payment, in compliance with the new real estate tax law.

On the other end of the spectrum, and as a beacon of hope, Rafea says, "New buyers are now keen on knowing all aspects related to real estate taxes, including the evaluation and calculation mechanisms, as well as, penalties and exemptions, before making purchase decisions."

BEACH TARIFFS

Apart from the predictable line items home buyers should be considering, new charges are also looming such as beach fees. Summer 2019 witnessed a sweeping debate over the state's possible right to tax the use of seashores. The controversy was initially aroused when Former Dabaa City Head Hassan Abu Taleb earlier in August announced that Minister of Local Development Mahmoud Sharawy had imposed an EGP 150 tax on each square meter of beach front in Marsa Matrouh.

In practice, some hotel and resort owners have already received letters from the municipal authorities in Alexandria and Marsa Matrouh, requesting retrospect payments for using their allotted beach spaces and threatening legal actions for non-compliance.

For example, last July, North Coast's Diplomats Village 2 received a warning letter for an outstanding payment valued at EGP 370,716, in return for using a 356-meter seaboard during the period from 2003 to 2018, in addition to EGP 47,384 in 2019.

On his part, Cooing's Rafea sees that these new fees are not valid for the selling value of any unit overlooking the sea is factored into the price already paid by the owner.

From a legal standpoint, Khaled El Shalakany, senior managing partner at Shalakany Law Office, recently revealed on his official Facebook account that the new beach tax is "illegal and unconstitutional," as it breaches the contractual terms agreed by both parties (i.e. owner and the government).

MENA Group founder agrees that it is illogical to collect money from homeowners for having waterfront homes. However, he sees such fees can be imposed instead on service providers using the state's beach spaces, suggesting that the government can offer its vacant seaboards - in cooperation with touristic villages overlooking them - in a rental auction for them.

In response to the aroused contentious discussions and conflicts, the Egyptian government has decided in September to set up a legal committee, headed by the chairman of the Council of Ministers, to study the legal implications of these newly-imposed fees. Sharawy confirmed in an official statement that if it was appraised that the state has the right to impose such fees, the committee would determine the due value, the authority tasked with collecting the fees, and means of payment collection.

MAINTENANCE FEES & OTHERS

An additional cost of owning any residential unit is maintenance fees, which usually cover the cost of the compound's general upkeep, including units, gardens, roads, facilities, and common areas.

Before an owner gets hands on the key to the new home, a maintenance deposit is settled in advance, representing 10% of coastal units and 5-8% of urban properties, according to Aqar-map Business Development Manager Ahmed Abdel-Fattah.

After the EGP flotation in November 2016 and continuous price hikes that followed, some developers - especially of extensive compounds - asked homeowners to pay extra fees as the maintenance deposit does not cover their on-site expenses anymore, Refae notes.

Saudi Binladin Group's project control manager paid a 5-6% maintenance deposit as soon as he received his unit - bought for EGP 3 mn and located in a spacious compound owned by Saudi Egyptian Construction Company (SECON) in east

Cairo, yet he has been paying an extra annual amount of EGP 27,000 for seven years till the end of 2018.

Another case is El Marasafawi, who pays an extra 5% of the unit value for facilities such as electricity and water services, fiber optics, and pergola, aside from earlier depositing EGP 68,000 when she first purchased the property for maintenance.

With regards to new properties being marketed after the currency devaluation, Refae notes that

developers did not change the percentage of maintenance deposit since unit prices have already increased in that light.

All in all, both Saudi Binladin Group's Mohsen and El Marasafawi believe they do not get enough services in respect of the annually charged sums. Additionally, the project control manager, who owns several vacant units, sees it is unfair to pay maintenance fees for a house he does not utilize

just as those who actually reside in their properties and make use of the compound's services all-year-round.

Other hidden costs are those paid for parking spaces, which are usually an integral part of the unit value, Aqarmap's Abdel-Fattah said.

On another note, although clubs are recognized as a fixed service for homeowners in the project's

brochure, developers often ask for membership fees if owners want to use the indoor facilities. These expenses are added to the list of costs shall be taken into consideration before making any purchase decision, Abdel-Fattah adds. Likewise, Mohsen notes that SECON's compound comprises a sports club, yet he cannot use it unless he pays EGP 150,000 as a subscription, in addition to annual renewal costs.

FINAL WORD

Nowadays, homeownership can be expensive for many - even in the best of conditions, while some others may get shocked by the bite it can take out of their wallet.

Aqarmap's Abdel-Fattah explains that these hidden costs raise the quoted price of properties, making buyers shell out a lot more money than planned. In fact, this may drawback potential investors from making the purchase decision.

On the ground, the extra charges, coupled with the increasing unit prices, push some people - especially youth - to rent rather than buy, despite the offered flexible payment plans.

Both Abdel-Fattah and Refae can see a rising demand for rentals, driven by the soaring maintenance fees and value of properties. "I do expect the demand [for leaseholds] to increase further this year," Refae confirms.

However, Abdel-Fattah argues that such mounting costs will not impact those who believe in the plentiful advantages of home buying such as privacy, stability, and worthwhile investment as long as affordability is granted.

Long story short, there is no way to avoid any of these charges, so keeping them in mind can help make a proper estimate of homeownership's cost and take a wise decision on whether one can afford all costs of a new home or not.

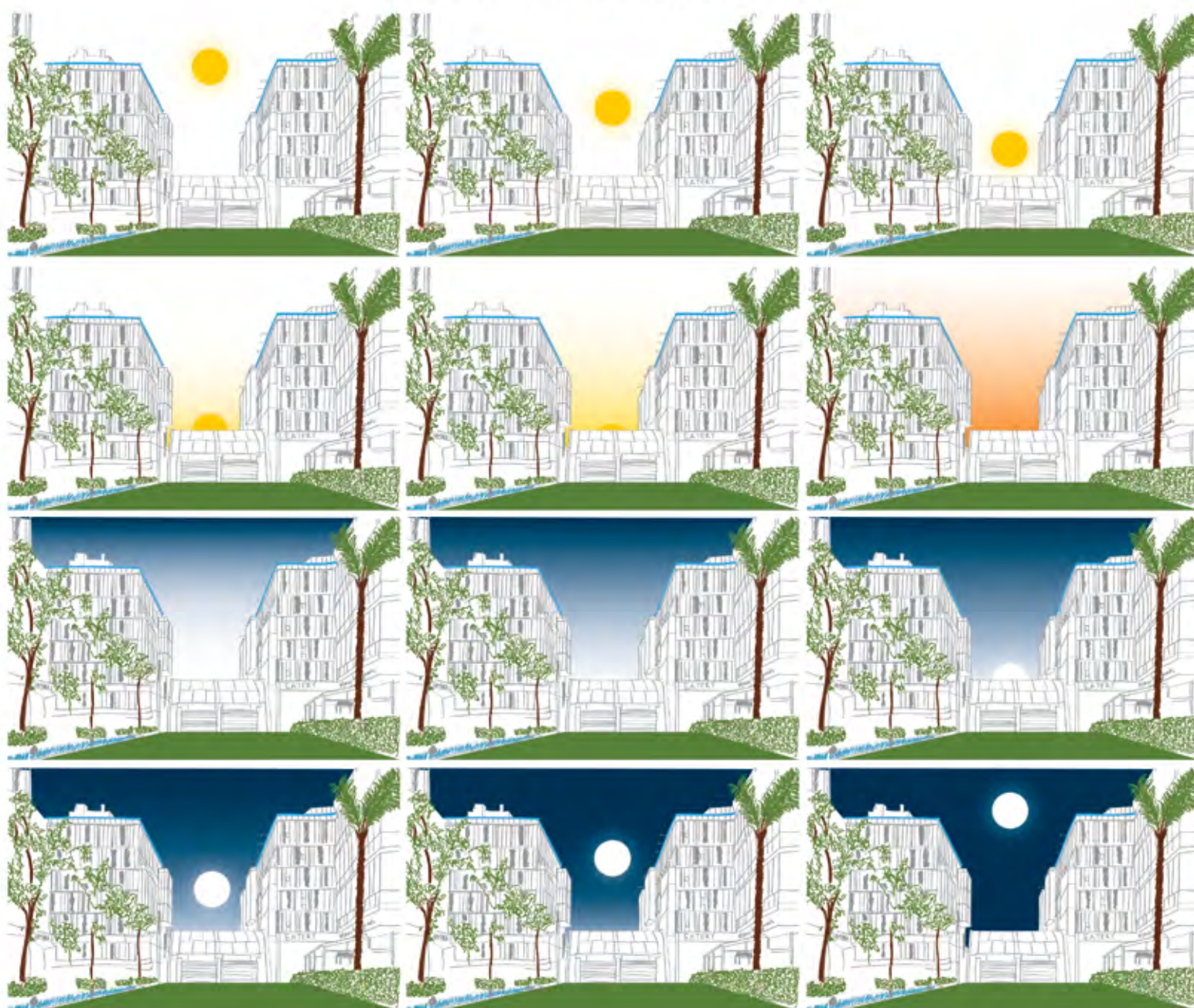



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FACILITY MANAGEMENT: POTENTIAL REAL ESTATE GROWTH ENGINE

BY MAHMOUD EL ZAHWEY

A building is like a plant, if no one looks after it, it will only take it some time to lose its value. In such wise, facility management (FM) emerged in the 1970s, sustained by a strategic vision that successful management of the built environment should embrace a multi-pronged view of internal facilities in a progressively dynamic world.

Soon enough, the industry rippled out and gained a solid foothold all over the globe. This rapid evolution was accompanied by a widespread expansion in the sector's scope to encompass a broad range of services, which fell eventually in two major groups: **Soft services** such as janitorial and housekeeping duties, landscaping, catering, and hospitality; **hard services**, which include proactive maintenance and repair, heating, lighting, plumbing, and ventilation.

FM is the organizational function that integrates people, place, and process within the built environment, with the purpose of improving people's quality of life and the productivity of the core business.

Source: The International Organization for Standardization (ISO)

Dodging its way at full pelt, particularly in developing countries, the multi-disciplinary model of FM business stands as an integral part of a multitude of industries, with sectors such as hospitality, real estate, and manufacturing capitalizing on its fast-paced growth to enhance their performance and reinforce their presence.

Last year, the magnitude of international FM business was valued at USD 3.25 bn, according to the 2018 "Global FM Market Report" by the Institute of Workplace and Facilities Management (IWFM). This reflects the model's unparalleled ability to provide destressification for companies obliged to offer regular management services at their projects.

Locally speaking, Jamal Abdulla Lootah, president of Middle East Facility Management Association (MEFMA), saw that Egypt's fast and solid strides in the field of urban development during the last five years have necessitated intensified awareness creation efforts to educate property developers, engineering and construction professionals, and newbies on the importance of FM, according to a press release in August.

On that ground, Invest-Gate puts the different FM business models under the microscope, in a bid to develop a better understanding of this growing industry and portray a clearer image of its potential in Egypt, underlining its effectiveness on the local property market.

LOCAL MARKET OVERVIEW

Talking real estate, flourishing times usually bring forth an escalating growth among a suite of its relevant subsectors, ranging from construction and architectural designs to contracting and furnishing, with FM services in the thread. At scale, the industry has started to garner higher attention across Middle Eastern countries during the past few years, particularly in Egypt, providing a new, yet substantial, pillar of any high-end development projects.

In this context, MEFMA has been hosting a series of events to raise awareness of this sector in Egypt. Last August, the association held a mega-industry forum for the first time, entitled “The Future of Facilities Management in Egypt,” in a bid to share and exchange experts’ insights on the present opportunities and challenges in the North African country’s local FM market.

The first-of-its-kind conference organized extensive discussion panels, featuring Egypt’s leading businessmen such as Mohamed Essam, managing director of FM at real estate developer Talaat Moustafa Group (TMG) Holding, and Sherif Maged, senior director of housing and transportation services at the American University in Cairo (AUC). It also brought together other industry stakeholders, owner associations, decision-makers, alongside local and international experts.

But **why exactly should real estate developers hire or contract with FM service providers?** To answer this question, one should be aware of

the major role of this industry in project management, along with the types of services and business models offered in the market.

The appearance of the FM industry in the Egyptian property sector is attributed to the developers’ urgent need for a third-party player to **ditch the headache** of providing comprehensive management services, aside from their to-do lists. It also **facilitates communication** between the company and its clients about everyday management services, according to an official executive at Amer Group.

Putting this business model into effect **boosts the companies’ performance** and ability to effectively cut operational costs and rationalize energy consumption, MEFMA’s Lootah elaborated.

Matter-of-factly, experts see that property developers building integrated communities, especially at coastal spots, often need to recruit FM solutions to **upkeep their projects’ environment** and ensure the continuous capability of offering suitable conditions for residents’ well-being.

On his part, property brokerage firm Coldwell Banker’s Development Director Sherif Hassan emphasizes that the FM industry **contributes to real estate growth** in developed countries and this should be the case in emerging ones too.

FEASIBLE MODELS: IN-HOUSE OR OUTSOURCE?

Although the application of FM business takes different forms and covers a broad variety of specialties that fall within different categories, the general concept of FM has been crystallized to deeply connect and complement the practical operations of some major industries.

Delving deeper into the current models, it appears that some corporates prefer to have a dedicated in-house department or add a facility manager job role to its hierarchy for the facilitation of FM services. Yet, others opt for outsourcing professional and specialized service providers.

Identifying the key differences between both applications, Hisham Saleh, commercial director of Contrack FM - an independent soft and hard service provider, clarifies that assigning an outside organization enables companies to focus more on major business activities. Simply put, outsourcing helps save the hassle of supervising a plethora of workers and handymen, not to mention following up on details related to maintenance and cleaning, thus eliminating the burden of critical non-core functions, he elaborates.

Established in 2004, Contrack FM, which is jointly owned by Contrack International and Orascom Construction, marks one of the early birds in Egypt’s FM industry that has notched up a scalable success in the local market and established its position ahead of the curve, namely as an outsourced provider. It currently acquires the highest FM market share in Egypt, with a turnover of EGP 300 mn.

As more companies grasped the importance of building management, Contrack FM, which kicked off with providing its services at Nile City Towers’ project, now manages the facilities of giant domestic commercial and retail developments, including Cairo Festival City (CFC) Mall in New Cairo, Mall of Madinat, and west Cairo’s Arkan Plaza.

The commercial director of Contrack underscores that another benefit to outsourcing is guaranteeing no delays and much better quality. This is due to the strict terms and conditions stipulated in the current agreement contracts, which set a professional framework for the management process.

For that reason, the government seeks to outsource foreign FM operators to distinguish its national projects with new building management concepts, while providing clients with the highest quality possible. Last June, Official Spokesman of Administrative Capital for Urban Development (ACUD) Khaled Elhusseiny revealed that big deals would be inked with foreign companies to manage the New Administrative Capital’s (NAC) wastewater networks, power grids, and sewage facilities. US-based Honeywell Building Solutions and French state-run EDF Renouvelables are the top two candidates for these signings, he further stated.

However, actual applications of the outsourcing approach have been stumbling over many road bumps all along the journey.

Saleh tells Invest-Gate that one major hurdle his company had been facing at its early stages was lack of awareness of FM concepts. At the time, Contrack sought industry know-how from M&W Zander Facility Management, one of Germany’s leading FM service providers, as well as Europe-wide, amid lack of reliable and well-defined practice regulations for compliance, he adds.

Another barrier holding back the outsourcing of FM works is its relatively high cost versus in-house. Several market players are unwilling to pay for world-class building services, when they can be provided internally at a lower cost.

Indeed, the critical status of Egypt’s economy, on the back of the EGP flotation’s aftermath, made the adoption of an outsourced FM model even more unlikely when it comes to the residential sector, especially since developers strive to slash their budgets and charge further maintenance fees from clients.

On another note, Saleh argues, “Despite internal FM might be less costly, outsourcing allows you to manage on-site facilities in a way that leaves your clients satisfied with the services and makes your projects speak for themselves.”

However, this rule started to see some exceptions in the recent past. Contrack, for example, is now managing all facilities of New Giza residential compound in 6th of October City, west Cairo. “Furthermore, the company has sealed some deals with City Edge Developments, while talks are in progress with other giant real estate developers,” Saleh confirms.

On the flip side, several other companies have stuck to the in-house FM model, especially at residential projects. But, in most cases, its successfulness was stuttering, as a result of housing price hikes coming in the wake of the currency devaluation in November 2016, which had posed serious challenges for property developers, in particular. Hence, they had to incur more expenses or ask residents for some extra fees.

Evidence of that is Total FM, which was established by Amer Group in 2009 to offload building management from its other duties, requiring unit buyers to deposit 10% of the initial purchase price for maintenance. But, this amount

soon failed to provide enough value for the services offered, following the upward price fluctuations, thereby created a price gap.

The only way out was to ask clients for extra maintenance fees, who objected to such an approach. Further, an official executive from Amer Group tells Invest-Gate that there are current internal plans to restructure Total FM’s hierarchy and reallocate its tasks and responsibilities among different departments.

In the process, it has been borne out that this is not by default the general norm of insourcing FM, as Coldwell Banker’s Hassan affirms that TMG Holding delivers outstanding in-house building services at some of its residential communities, yet of low quality at some projects.

After all, it all depends on the adopted approaches, in terms of labor supervision, follow-up processes, and service providing schemes, the development director concludes.

BEST PRACTICES & BRIGHT PROSPECTS

The sweeping business of FM has managed to draw streams of investments despite being a new industry, after being deemed a potential market’s growth engine. Nowadays, FM services are commoditizing, as the tangible demand signals a bright outlook for the market across different nations.

MarketWatch foresees the global FM industry to exhibit

USD **40** bn by 2024

Registering a compound annual growth rate (CAGR) of

4.2% compared to 2019

Within a ten-year framework, experts such as Head of High Performance Green Building at US General Services Administration Kevin Kampschroer and Dean Edelman, director of real estate at US-based General Dynamics Information Technology, forecast the traditional concept of FM business to taper off and gradually morph into a more comprehensive and integrated industry that not only handles on-site facilities, but also manages user experience, according to a recent survey by US-based research body Royal Institution of Chartered Surveyors.

Both professionals further speculate the sector to become less specialized and expand its horizons to cover wider grounds, including information technology (IT) and human resource (HR) service offerings, the survey highlighted.

Potential FM models also tend to incorporate technology and integrate smart digital solutions in their packages on a diverse range of levels. Contrack’s Saleh deems the reliance on tech solutions to provide cutting-edge energy-saving and energy conservation services, in specific, as a worthwhile investment.

Looking into the local scene, “Competition within the Egyptian FM sector is growing rapidly as a result of the accelerated pace of urban development; the competitiveness rate has increased by at least 60% among local companies. We can say that real estate companies are increasingly adopting management best practices, with leading companies in the Egyptian market recognizing the important role of management and maintenance functions in improving performance and efficiency,” MEFMA’s Lootah stated.

To sum up, Egypt’s FM market has been experiencing an immaturity phase of transformational movements during the past few years. It is now turning into a disruptive trend and a fundamental industry, acting like a real growth engine across many industries, while ensuring more yielding investments at one end and higher service quality at the other.

Best guess at this point: Operators are well past the trial and error time; companies are now fully aware of the market variables and can mindfully pick a fitting FM exemplar. Coldwell Banker’s Hassan argues that the real challenge is to harness the entire service providing process, while having well-trained and committed labor. Thus, a standard rule of thumb in the industry: No matter what model you adopt, outsource or in-house, if you do not grasp full control over service providers and workers, FM will not bear fruit.



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AMUSEMENT ATTRACTIONS: A PROFITABLE RIDE FOR INVESTORS

BY SARA MOHAMED



While Egyptian private and public companies seem to be drifting with the real estate development and urban expansion roller-coaster ride, global amusement investors are doing more smiling than screaming, with attendance at major chains surpassing half a billion visits for the first time in history last year, according to the 2018 AECOM and TEA Theme Index and Museum Index.

On a global scale, the sector has grown rapidly over the years with a diverse range of settings, amidst major leisure facility use varying between theme, amusement, and water parks, alongside zoos, aquariums, museums, art galleries, themed retail places, and so forth.

In Egypt, Bahgat Group made history and set the ball rolling back in 1999, after opening the first and largest theme park both locally and regionally, nestled in 6th of October City's Dream Land compound. Back then, Dream Park was idolized as carving a city into the rocks, due to its secluded location in the craggy chunk of west Cairo's uninhabitable land.

Master-planned by top Canadian entertainment design company Forrec, which took part in the making of Disney resorts and Universal Studios parks, the site came as a go-to destination for all generations, thanks to the year-round endless crowds and serpentine queues. It certainly blew a glimpse of hope for a burgeoning wave of amusement attractions development nationwide.

Cut to 2019, Dream Park is not flourishing like old times. Apart from the deterioration in product quality, the project's diminishing momentum, among other phenomena, had undermined its potential as a successful model.

However, few developers verged to capitalize on the spillover effects from Bahgat Group's archetype, buffeting the Egyptian amusement sector with a sprinkling of prosperous destinations. This notably includes Makadi Water World by Orascom Development Egypt and Africa Safari Park - the first open zoo not only locally but also regionally.

Against this backdrop, Invest-Gate analyzes the profit potential of amusement attractions business, along with the takeaway cumulative advantage effects, while figuring out the optimum recipe for setting up an industry baseline model. It is also noteworthy to shed light on the current status of Egypt's amusement industry and evaluate models found onboard.

‘CAPITAL-INTENSIVE BUSINESS’

People often equate amusement thrills with fun, but these spots indeed redeem many more benefits; not only to visitors but also to landlords, developers, and the local economy alike.

More broadly, amusement attractions are seen as key drivers to the domestic activity and tourism development. Manu Singh, head of Strategic Partnerships and Commercial Projects at DXB Entertainments, who was supposedly planning the canceled Six Flags Dubai, affirms, “Eventually, the local economy is the beneficiary of all financial and non-financial returns generated through theme parks business.”

Similarly, President of Six Flags International Development Company David McKillips explains, “Amusement parks offer a long operating season ... There are many economic development benefits such as job creation, incremental taxes, and land appreciation that are important to the local government.”

As a proof, Disneyland Paris has had a positive imprint on the French economy since its inception 25 years ago, during which it created EUR 68 bn in added-value, representing 6.2% of the country’s tourism income. Likewise, it is “the number one single-site employer in France and generates 56,000 direct, indirect, and induced jobs annually,” the company stated in a press release in February 2017.

That fervor for amusement destinations owes to the fact that developers of these spaces are not only ensuring add-on loyal visitors and registering higher profit margins each year, but they have also been aligned

uniquely to complement the country’s tourism scene. In fact, they were substantially tuned up to promote and praise the country’s image far and wide by providing well-suited tourist attractions.

At heart, that is specifically the deal for other acclaimed thrills like Florida’s Walt Disney World. With the ample manpower, creativity, machinery, and technology involved in keeping it humming and innovating, the model shined as the world’s most-visited vacation resort in 2018, hosting over 20 mn local and foreign guests during that year only, according to the AECOM/TEA study.

As a result, outsiders were essentially compelled to contribute to such a strategic vision of fostering tourism development, at least for some nations. A present case would be US-based Walt Disney World’s success in tailoring interactive flagships that cater to different tastes and ages by engaging attractions, shopping outlets, hotels, dining spots, and prime facilities under one umbrella, has driven other local private and public entities to explore new ways to galvanize the guest experience.

Destinations, ranging from Las Vegas casinos and grand museums to even Broadway shows, have followed suit and sought to infuse hands-on features and amenities, together with entertainment, into their on-site offerings.

So far, it is evident that analogous developments contribute greatly to the sustainability of destinations. As a matter of fact, they are everlastingly self-sustainable models.

“ *The return on investment (ROI) from amusement attractions definitely sustain for years, with an impressive [compound annual growth rate (CAGR)] year-over-year.* ”

Singh highlights

Testimony to this is Six Flags, “We run parks over 50 years old now in North America, which are still very profitable and growing to this day,” McKillips accentuates.

But none of that comes cheap for it costs whopping money to play in the industry. Experts, including Pieter Cornelis, a lecturer in Theme Park Concepting and Economics at Fontys Academy for Creative Industries in the Netherlands, agree that an amusement destination is a capital-intensive business, with high fixed and sunk costs.

A successful park spends millions a year to expand the site further, while featuring new attractions and in-park entertainment options such as live shows, concerts, festivals, cruises, among others. For one, last year, the Universal theme parks said it plans to invest USD 500 mn a year on capital spending, going forward for just three US-based theme parks. During that period, Tokyo Disney also revealed pumping the same amount annually for the next nine years across its two theme parks in Asia, Tokyo Disneyland and Tokyo DisneySea.

Singh adds, “It takes well-managed parks a high gestation period to generate profits and become cash cows over some time,” whilst McKillips sees, “There is an opportunity to own the market without the concern of any major competitors once the initial capital is made.”

The trick is finding the right mix of dynamics that make the amusement park more attractive and profitable at the same time. Six Flags’ president underlines, “We take tourism attendance trends, school schedules, national holidays, and the availability of workforce all in consideration when we set the operating calendar.”

In other words, if a destination efficiently extends its operating agenda, expanding from stand-alone parks into full-service resorts, which elicits higher guest spending and tunes up the transition into far more profitable places, can be much easier.

A FAR-FETCHED DREAM FOR EGYPT?

Looking upon Dream Park as a comparable model, a rational question that pops up in mind would be: Why all the aforementioned salutary outcomes have not been the case with this Egyptian project?

That is likely because it did not manage to compete at the highest level in such business for lacking several components required to formulate the predominant paradigm of amusement parks. Experts agree that “patience and belief in the investment model,” along with a clearly-defined sustainable strategy, are the main determinants driving a long-lasting success.

“*I believe the largest challenge for any investor is finding the right location, forging a strong partnership with the local government, and developing an overall investment consortium that has the patience and long-term commitment to success,*”

McKillips reveals

For Dream Park, despite extending over 150 acres, which is pretty spacious for an amusement venue, comprising 34 thrill rides for starters, it has not reaped much for long enough and did not advance by reference to market changes and demand, hence lost its spark. The same goes for Makadi Water World and Africa Safari Park, which have limited the expansion and diversification of the tributes and skillset onboard.

ROADMAP FOR SUCCESS

“Building an amusement park is one thing, but managing it is a completely different/important aspect,” according to Cornelis, who is also the author of the 2017 book, “Investment Thrills: Managing Risk and Return for the Amusement Parks and Attractions Industry.”

He further states that investors should not opt for short-term profits when it comes to amusement parks, adding “Take sufficient reinvestments into your financial/business plan.”

Cornelis asserts, “These parks are meant to last for decades ... Although details such as story-based elements cost a lot of money and put serious pressure on the short-run feasibility, they are a success factor in the long run.”

Hypothetically speaking, amusement destinations are never deemed a finished product; such projects are continuously upgraded in response to market trends, luring guests to extend their stay and spend more money in tandem.

DXB Entertainment’s Singh points out, “The anchor factor is the in-park physical assets, which should be carefully curated in line with the objectives set to achieve, backed by a holistic destination sales and marketing (international and domestic) strategy.”

In the interim, there is seemingly a silver lining for thrill ride fans in Egypt, since a Disneyland-style theme park is now in the making. The country has unveiled partnering with the Entertainment World Company (EWC) to develop the 5,080-acre integrated entertainment resort in Marsa Matrouh on Egypt’s North Coast. The joint US-Saudi Arabia investment project will have an open zoo, an aqua park, an education center, several hotels, and more, according to an official statement back in February 2018.

Lisa Marie Stephen, managing director of EWC in the Middle East and Africa, stated back then that the multi-phase theme park, one of the company’s largest investments globally, will be implemented over the course of nine to ten years, with the first phase slated to be completed over two years.

Furthermore, the country will soon seal a deal with ATIP Entertainment for a 4,256-acre recreational district in the New Administrative Capital (NAC), east Cairo, with investments worth USD 20 bn. This comes in the wake of the US-based operator’s signing of a memorandum of understanding (MoU) with the Administrative Capital for Urban Development (ACUD) to build the three-phase venue, Ahram Online reported in early September.

Developed over a seven- to ten-year timeframe, the destination will comprise four- and six-star resorts and themed hotels, alongside world-class theme parks, museums, a Formula One racetrack, an entertainment management college, a planetarium, performing arts and convention centers, to name a few.

Since the preceding spaces are still in the hoped-for stage, DXB Entertainment’s head was asked if the well-maintained amusement business is a feasible real estate product to be implemented in Egypt, and he confirms it is “100%” attainable.

He underscores, “Egypt is strategically located to drive visitation from the most populated countries in the world. Given the sheer size of the country, and tourism it already drives due to its history, I do not have any doubts that investment in theme/water parks will yield positive results for any investor.”

In practice, developers nowadays tend to frequently invest in new rides and add costly attractions to bolster public interest. For one, when added in 1977, Space Mountain at California’s Disneyland Park valued roughly USD 17 mn, outstripping the initial capital pumped to first set up the entire complex in 1955, according to Disney’s official data.

Over the question of the roadmap for success, Cornelis highlights that one of the significant aspects to be considered when outlining an amusement attraction is kicking off with an exceptional feasibility study.

Calculating estimates of primary and secondary spending is a must, together with earnings before interest, tax, depreciation, and amortization (EBITDA), as well as, warranted investments. Better yet, investors need to plan out alternative backup scenarios to “understand the benchmark and beat this average with a strong strategy,” he underlines.

Speaking of expenses, turning a trip to Walt Disney World or Universal studios into a pseudo-rite of passage for families has enabled their operators to push the envelope by charging visitors more each year to get to relish that pilgrimage, offering multiple packages that satisfy the various yearnings for entertainment.

In 2018, Disneyland, for example, hiked “Regular” day prices by USD 7 (almost EGP 114) to hit USD 117 (EGP 1,911). However, “Peak” tickets jumped USD 11 (EGP 180), to USD 135 (EGP 2,205), and “Value” deals remained at USD 97 (EGP 1,584).

In any case, “pricing is critical and should be decided on the basis of consumer behavior and demand of the asset,” Singh stresses.

Meanwhile, the Dutch author believes there is a greater tendency toward building theme parks above and beyond other products on the market. Today, visitors are inclined to spend more time with their beloved characters and franchises - or intellectual property (IP), including Minions, Transformers, and Toy Story.

Otherwise stated, they want fantasy and reality blending and touching every aspect of their stay. Developers, in contrast, shall grant guests the whole experience of emotional attachment, effectively via bombarding customers with the brand.

“The meaningful experience these theme parks deliver, based on relevant IP, elaborate theming, and storytelling, functions as a catalyst for story-based resort development,” Cornelis elucidates.

Evidence of such tide is noticed in Universal Studios’ inclusion of Harry Potter-themed attractions at its parks in Florida, Japan, and Hollywood, not counting Disney’s inclusion of Marvel content at its Asia-based operations.

Ultimately, well-executed amusement destinations are globally recognized as a lucrative pursuit, yet such accomplishments would not be embraced without state support. “The role of the government holds the key, depending on the scale of the projects and where they fit in the hierarchy of importance of its strategy to drive the economy,” Singh argues.

Cornelis reiterates that several elements need to be covered from the government’s end for any model maker to establish prospering parks. This includes, but not limited to, support in terms of infrastructure, willingness to build an effective educational system interlinking amusement spots, besides a foremost, strong vision on tourism development.

If you are looking to raise the curtain and come out on top in the industry, Invest-Gate sums up the amusement park hacks to pave the way for potential investors seeking to hit the jackpot and develop some box-office hits, just like Six Flags and Disneyland ... **Check them out now and thank us later!**

SUPPLEMENTARY FACTORS/CHALLENGES INFLUENCING AMUSEMENT PARKS PROSPERITY	ESCAPE ROUTE
Right location	Pick an attractive, highly-dense spot, with a strong socio-economic profile and favorable visitation statistics, positioned within 90-120 minutes of driving time.
Details & physical assets	Since amusement parks demand near-constant reinvestment, always introduce new rides, attractions, in-park entertainment offerings, hotels, along with food and shopping outlets.
Capital-intensive business	Seek out an investment consortium, thereby creating “a healthy revenue stream for years to come,” which provides room for acquiring IPs, international partnerships, and more.
Demographics	Locate parks in major year-round destinations, depending on the macro and microeconomics elements, while realizing the expectations and travel motives of target audiences.
Technical know-how	Run the business by “professional suppliers and entrepreneurs who are willing to go the extra mile; not only based on a (short-term) profit-oriented plan but rather a long-term mission and vision.”
Long-term vision	Kick off with an exceptional feasibility study, while having a long-term commitment to success, along with patience.

Altogether, especially in terms of ROI, the amusement business is a win-win move, where all sides share golden moments. For Egypt, investors are more likely to succeed in the local entertainment and amusement market, so long as they have a long-term approach, on top of avoiding common mistakes and boundlessly grasping the goal-setting instances.

POLICIES TO ATTRACT FDIS INTO REAL ESTATE

Foreign direct investments (FDIs) in the real estate sector offer important opportunities for the market to develop and grow at a pace that cannot be achieved with domestic capital only. However, many countries lack the necessary means to attract FDIs into the industry. Many of these policies concern the ease of doing business in general, while other indispensable policies and reforms have to be implemented to target overseas investors in specific.

The first step in attracting foreign investors is the **digitalization** of the property industry to make them aware of the opportunities the country offers. Because of the distance and their general absence of knowledge about local real estate prospects, the first place where overseas investors will look for opportunities is the internet. This means that you have to establish national policies to enhance the sector's digital presence as a whole and make it stronger than those of your peers.

Another tool for making investors familiar with the investment opportunities in the local residential and commercial real estate market is founding a **national investment promotion agency (IPA)**. The sole mandate of this agency should be to draw the attention of overseas investors, facilitate their transactions, and assure that they put their capital in local property projects.

Reforming the **tax system** to offer tax breaks and other benefits for major investments, including from foreign nationals, should be on top of the national agenda. Indeed, tax incentives are a major factor for FDIs in any economy, counting the real estate sector, as investors naturally look for ways to cut down their expenses and increase their profit.

Additionally, foreign investors look for markets with top-notch **protection of their investments**. Indeed, studies show that in economies with well-developed investor protection policies, investments are less sensitive to financial constraints and result in higher revenue and profitability. Transparency in the real estate market is also a key to attracting FDIs.

Similar to domestic investors, not all foreign investors will be able to finance real estate developments with all cash. Thus, it is important to assure that foreign nationals **have access to credit** and can borrow money in your economy under reasonable conditions. As they are investing in intangible assets, these can serve as guarantees for loans.

For investors who are going in all cash, it is important to have an easy and cost-effective way to **facilitate money transfers** and bring their money to your economy. Money transfers through

banks or other institutions need to be available and unproblematic.

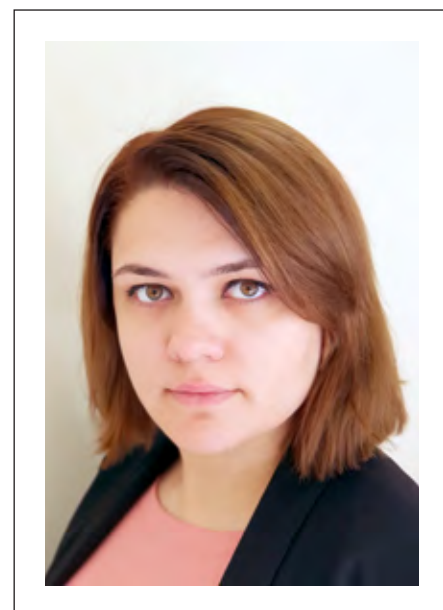
While **up-to-date, well-functioning infrastructure** is important for any domestic or foreign capital provider. It is essential to ensure offering all types of infrastructure, including transportation, telecommunication, energy, water, among others, and thus, provide investors with an easy access to their investments as well as all means needed to operate profitable real estate projects.

In order to improve the experience of foreign investors and expedite their operations, having all information and resources in **foreign languages** is necessary. The IPA's staff and key persons in the real estate industry should be fluent in at least one foreign language. The most important languages for attracting overseas investors in real estate include Mandarin, English, Spanish, and Arabic.

A major impact on the level of FDIs in real estate is **migration policies and rules** governing entrance and prolonged stay in your country. Many countries have been able to raise the level of foreign investments in the local property market by providing major investors with ten-year multiple-entrance visas.

The past decade saw unprecedented growth in the **short-term rental industry**. More and more individuals and part-time property investors (what the majority of foreign investors are) are shifting from investing in traditional, long-term rentals to investing in Airbnb-style, short-term rental properties. That's why it is important to introduce new legislation, which legalizes owner-occupied and non-owner occupied vacation rentals in residential neighborhoods at least in the hottest tourist destinations.

Investors are always looking for the best opportunities to put their capital in foreign markets in order to diversify their portfolio. Logically, they go for not only the most profitable, but also the most accessible and most secure economies to ease their business operations and protect their assets. Implementing the policies outlined above will give any country the competitive advantage it needs to attract FDIs in the real estate sector.



BY **DANIELA ANDREEVSKA**
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BIO:

Daniela Andreevska is a marketing director at Mashvisor, a US-based real estate data analytics company, which helps property investors quickly find traditional and Airbnb investment properties; a research process that's usually three months now can take 15 minutes. We provide all the real estate information in easy to understand visualizations.

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ENABLING THE DISABLED

NEUTRALIZING HINDRANCES



According to Human Rights Watch; over 1 billion individuals worldwide-15% of the world's population possess a disability. Including - but not limited to Optical, Auditory, Motor and Autism spectrum disorders..

As differently abled individuals face discrimination and physical barriers that restrict them from participating in everyday social activities, we would like to shed light on how to avoid having the issue from the beginning

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Public footpaths and walkways



Hospitals and government-run services



Sporting venues, social and sporting clubs



Theatres and entertainment venues



Public transport and airplanes



Educational institutions



Office blocks



Kids Areas



Hotels



ADVANTAGE

As a developer, investing in differently abled personnel provision is essential. Next to the fact that it is basic human rights, the world's awareness of the matter is rising significantly and has become a necessity for an investor to be present in a building that acknowledges all human needs and adheres to their rights.



Developer



Designer

As a designer, possessing a high level of awareness towards all sorts of human disabilities that is represented by certain elements within the design.

Examples for Provisions



Handrails



Tactile flooring



Braille way-finding



Bathroom stalls for each gender



Ramps (entrances, indoor/ outdoor steps, etc.)



Elevator shafts that can accommodate wide cabins



Parking spots (close to the entrance with adjacent ramps)

In summation , we do not only strive for spaces and facilities that recognize the differently abled through provisional design, we aspire to have buildings that create the highest levels of awareness between certain groups and their surroundings, promoting individual independence and equality.

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



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