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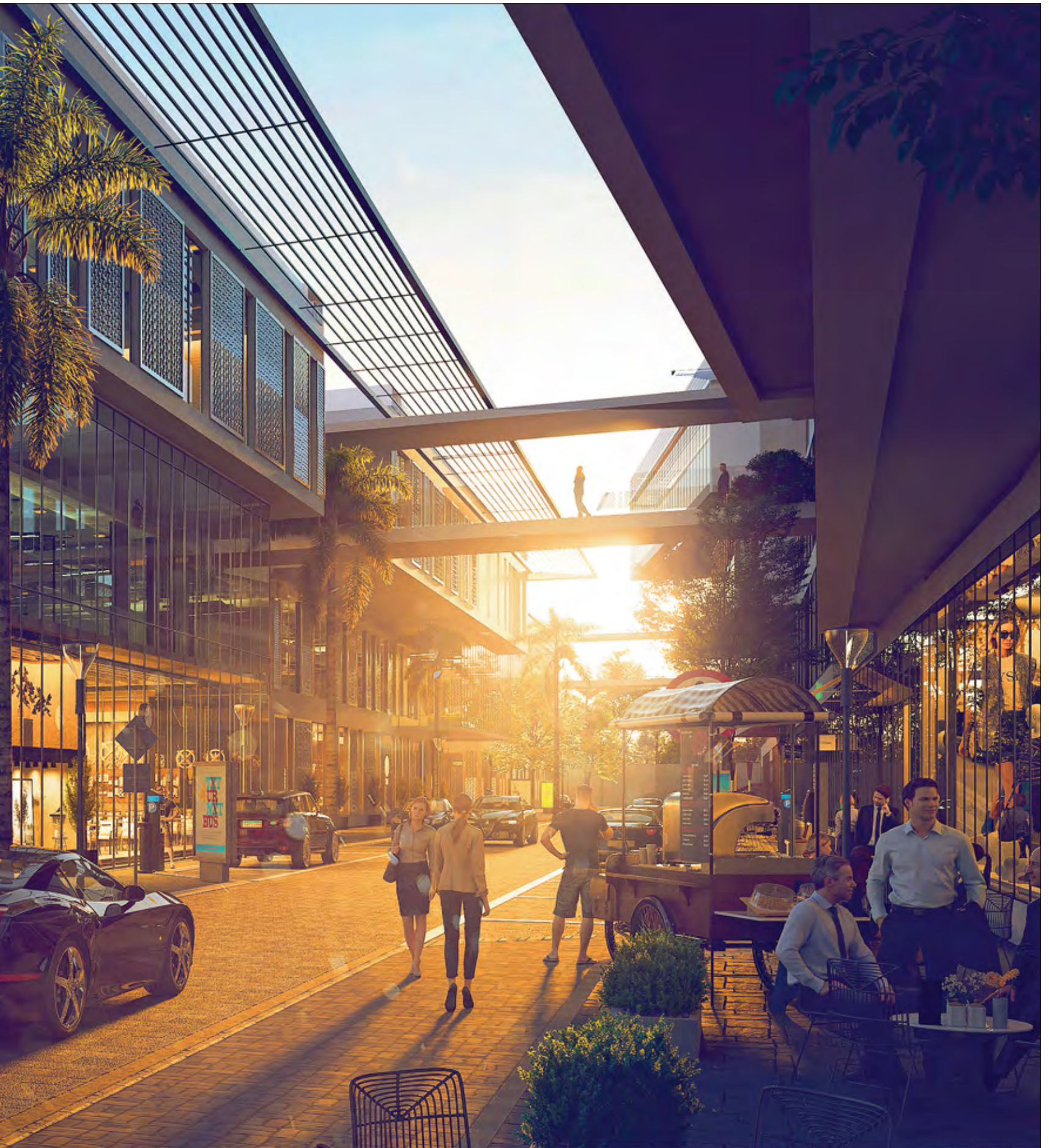
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# EDITOR'S LETTER

The year 2020 comes with great anticipation! Some may see a real estate downfall, while others see a rise...Well, this has always been the case, am I right?!

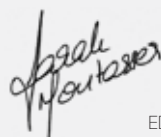
If we look at our numbers and analyze the situation, we are sure to determine that 2020 is the year of deliveries. The government, as well as the private sector, is to meet its deadlines of handing over the first phase amongst its massive projects...the most anticipated ones are the New Administrative Capital (NAC) and New Alamein. How the new national projects are presented and what they actually offer in reality; well we will get into that later this New Year.

For now, we will enjoy this New Year with our one-on-one interview with President of ICA Ariel Guarco to discuss the valuable cooperative housing plan of the Egyptian government. We also feature an opinion piece from real estate expert Mahmoud Gad, who gives us a clear vision on mortgage finance today, given the real estate sector's slowdown due to the increased property prices, coupled with the weak consumer purchasing power.

As we celebrate 2020, Invest-Gate is to open the New Year with a one-of-a-kind roundtable, "Regulating The Real Estate Developer-Broker Relationship," opening the long-awaited talk that made many come together quickly to address many challenges while hoping for productive solutions deemed beneficial for the entire sector locally and internationally if we are really marketing our property sector abroad. So don't forget to tune in on 15 January 2020 to see what there is to cover.

But that's not all... as you skim through this issue make sure to stop at our Market Watch Report, our newest addition to the Invest-Gate platform. We will be putting together the latest updates on the sector in a short but comprehensive breakdown every month.

Have a lovely joyful and ambitious New Year everyone!



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THE VOICE OF REAL ESTATE

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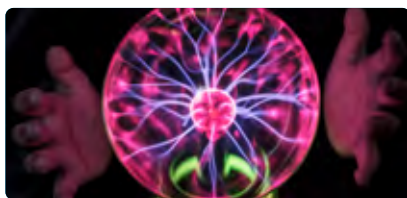
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## ALDAU HEAD OF SALES: CWR PHASE II 'SAPPHIRE' LAUNCHED, PHASE I SOLD OUT



**S**ami Saad Holding's unit ALDAU Development has managed to stand among the market pioneers as well as create a competitive edge in the best-in-class hospitality and residential fields in Egypt and abroad over the past twelve years, which contributed to securing an unparalleled reputation for bringing hospitality excellence into real estate projects. Therefore, Invest-Gate conducts a one-on-one interview with Mostafa Elgamal, head of sales for Cairo projects at ALDAU Development, to discuss the developer's current and future plans, while sharing a scoop on its newest offerings.

### Q: As we welcome the new year, what are ALDAU Development's recent updates?

A: Recently, ALDAU Development has launched Sapphire, which is the second phase of our latest development project, Cairo West Residence (CWR).

Positioned in close proximity to prominent destinations such as the long-awaited Grand Egyptian Museum (GEM) and Giza Pyramids, CWR flaunts a unique geographic location, combining history and modernity all at once. Besides, the compound is adjacent to the Sphinx International Airport and Hyatt Regency Cairo West, which are set to further boost tourist inflows and add to the attractiveness of West Cairo.

The kick-off of phase II follows ALDAU Development's massive success in delivering the first phase of CWR, dubbed "Opal," which has been completely sold out during its three-week soft launch.

### Q: What is different about Sapphire?

A: Sapphire comes with immaculate details and features, the comfort of privacy, as well as, a diverse range of services and amenities that have all been tailored to suit CWR's incomparable concept, while also highlighting its astonishing historic location.

Perhaps most importantly, the project enjoys high-end finishing specs: High-quality imported marble treads for flooring and walls, top-of-the-line shower cabinets, in addition to waterproof lighting fixtures, upscale porcelain flooring, and glass handrail in terraces, all designed to make the best use of the project's unit areas.

In a nutshell, the second phase will adhere to the highest European design standards, giving distinct modernistic impressions. All masterplans will ensure practicality and ease-of-use regardless of their unit spaces.

### Q: Can you elaborate on Sapphire's residential component?

A: ALDAU Development has so far pumped EGP 3 bn worth of investments into CWR, which is being developed over 11 acres in West Cairo.

With unit areas ranging from 44 to 466 square meters, Sapphire will encompass different serviced apartments, starting from one-bedroom studios to two- and three-bedroom units, besides several duplexes and penthouses.

### Q: What is your sales target for Sapphire?

A: ALDAU Development aims to sell a large chunk of Sapphire through a comprehensive real estate export strategy, aiming to capitalize on this marketing tactic and the likelihood of foreign consumer interest. Additionally, we strive to utilize the brilliance of this phase's strategic location.

### Q: How did you develop a well-structured team as unique as that of CWR?

A: Putting together a team was one of the most difficult tasks; the CWR project requires sales talents with very sophisticated criteria that can market properties within the project's unique selling propositions.

To further guarantee fruitful results, I conducted an intensive study on the 6<sup>th</sup> of October City on both direct and indirect competition through customer-oriented focus groups. I came to the conclusion that payment terms and finishing specs are generally among the vital selling points of any project.

### About Mostafa Elgamal:

Mostafa Elgamal is currently head of sales for Cairo projects at ALDAU Development. Operating in the real estate field since his higher education studies by opening his own brokerage company in 2007, Elgamal worked as a sales agent following his graduation and got promoted in a short time to an international sales manager, with new exposure and experience in sales prospecting. Throughout his career, he set foot into new destinations such as the UAE, Saudi Arabia, Morocco, and Jordan. His strengths are built on skills of dedication, negotiation, communication, determination, and trust, while also embodying the ability to cater to the needs and tastes of all clients and employers.

### About ALDAU Development

Egypt's ALDAU Development is one of the leading developers, managing to achieve a quantum leap in real estate and tourism development in Egypt. Since its inception, the developer rose to prominence in the hotel hospitality niche and made several international accomplishments through partnerships and collaborations with five-star hotels such as the Deutsch Steigenberger. So far, ALDAU has established three International top-notch hotels: Steigenberger ALDAU Resort in Hurghada, Holiday Inn London, and its latest innovative addition, Hyatt Regency Cairo West.

It had captured all the elements necessary for success and implemented them in its developmental projects such as ALDAU Heights and ALDAU Strand, which were launched in 2015 and 2016, respectively. This comes in addition to its commercial project in Hurghada, or "ALDAU Village Mall." Lastly, the company's latest projects include CWR in Giza and the well-crafted commercial project in Cairo, named "C West."

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## Rooya Group Releases Stone Street in New Cairo



Rooya Group has released a new mixed-use project, called "Stone Street," as part of its flagship project in New Cairo, or the "Stone Development," Invest-Gate reports.

With total and built-up areas of 180,000 and 212,800 square meters, respectively, Stone Street features a series of three-story office buildings, serviced apartments, huge retail spaces, a flagship department store, fine dining, 16 cinemas, leisure activities, medical buildings, and a five-star hotel.

The mixed-use development is poised to boast the Middle East's longest commercial promenade, which runs for two kilometers long to link all on-site components together and ends with a five-star hotel, according to the company's recent press release. Throughout the promenade, there are 12 piazzas, with each having a different theme.

Master-planned by the renowned London-based PHASE3 architects, in collaboration with Ökoplan, Gross Max, Shaker, Illumination Works, Space Agency, and ElGhoneimi Architects, Stone Street will comprise a river strip that runs along one edge of the promenade, framing a panoramic view of New Cairo, amidst an all-embracing retail front extending on the other side.

Complemented with 5,500-car parking spaces, the newest addition aims to redefine the office spaces concept in Egypt with its 10 X-shaped office buildings, lined up along the project's main access. It is being developed in a strategic location, right off the Ring Road at the entrance of New Cairo, the statement noted.

## City Edge Inks MoUs for Facility, Lease Services in New Alamein

Egypt-based City Edge Developments (CED) has inked three memorandums of understanding (MoUs) with four foreign companies to provide facility management and lease administration services for multiple projects in New Alamein, Invest-Gate reports.

The first MoU, inked with the French energy company ENGIE and Orascom Construction's unit, Contrack Watts, is aimed at the management and maintenance of properties at CED's New Alamein projects after being delivered by contractors, according to an official statement on December 19.

The second MoU was signed with Majid Al Futtain and it covers the management, sales, and marketing of New Alamein commercial mall, the first phase of which is set to open

next summer. Meanwhile, the third is an agreement with Beirut-based hospitality company The Village for the management of New Alamein's entertainment zone, in a bid to promote the coastal city as a promising year-round tourism hub.

Speaking of the move, Chairman of CED Hassan Ghanem said, "The deals represent an effective and positive step towards the implementation of the government's vision of creating new and integrated urban communities in Egypt," adding, "There is no doubt that cooperation with international experts will facilitate the achievement of this vision to the utmost standards."

Osama Beshai, CEO of Contrack, pointed out that his company, which has over 20 years of experience in

## Cabinet Reshuffle Introduces New Deputy Minister of Housing

Egypt's newly-announced and long-awaited cabinet reshuffle brings Sayed Ismail as the new deputy minister of housing for infrastructure affairs, Invest-Gate reports.

Running as an assistant professor at the Faculty of Engineering, Ain Shams University, Ismail has a track record in technical supervision of water and sanitation projects, especially in rural areas. Likewise, he formed a team of experts and technical personnel to set up a monitoring system for infrastructure projects, which contributed to regaining the confidence of the World Bank, Arab funds, and other international parties in various developments being implemented by Egypt's transport ministry, according to a ministerial statement on December 22.

Meanwhile, ten new ministers and 11 deputies to the ministers took the constitutional oath, whereas a number of other ministries have been shaken up. Minister Mostafa Madbouly, Finance Minister Mohamed Maait, and Minister of Housing, Utilities, and Urban Communities Assem El Gazzar will remain in their current posts, while Madbouly was given the direct oversight of the investment and administrative reform portfolios.

Rania Al-Mashat, formerly the tourism minister, will now head the newly-introduced International Cooperation Ministry as part of the reshuffle. Earlier, this office has been known as the "Investment and International Cooperation Ministry," headed by Sahar Nasr, who had served as the international cooperation minister since 2015 and also took on the investment portfolio in 2017.

With the tourism ministry has been merged with the antiquities ministry, Khaled Anany will succeed Al-Mashat as the new tourism minister and also retain his existing role as Minister of Antiquities. In this regard, Ghada Shalaby was appointed as the vice minister of tourism and antiquities.

In the same vein, Hala El Saeed will continue operating as Minister of Planning, while also administering the country's economic development. Besides, Amr Nassar's management has been ceased, with Nevine Gamea being assigned the minister of industry and foreign trade title.



the facility management field, is keen on maintaining and maximizing the value of investments through periodic maintenance of various properties by improving energy consumption and preserving the environment in New Alamein.

In early December, CED has appointed Amgad Hassanein as the company's new CEO, succeeding Amr El Kady who has resigned his position. Back then, Ghanem has also been named a new chairman to replace Mohamed El Alfy, according to a previous statement.





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Though relatively young, Vantage Developments has worked to become one of the first real estate developers in Egypt focused on creating residential communities that boast with vibrancy and tranquility within its scheme.

Founded by Mohamed Abdel-Gawad, he brings to the table years of experience as both a developer and a homeowner. Along with his team, they addressed the issues faced by most homeowners and presented us with their solutions; the end result was Century City.

Dreamed of with passion, Century City strives to become the leader in the ecocentric lifestyle. This is established through the 75% greenery across 12 acres of land, its art-deco inspired designs and available facilities.

With Century City, you will trade in the concrete jungle for a real one, trade in your alarm with the serene sound of birds chirping and trade in the smoky air for fresh



air. This is all envisioned and expressed through the residential designs, aimed to provide an endless view of natural sights of plants, trees, and water bodies spread as far as the eye can see.

Considered not just as a purchase, but as an investment in one's future, Century City provides ease to the lives of all of its customers through every step. Starting from their competitive, yet humble prices, apartment sizes and customized payment plans, you are guaranteed to find what you are looking for.

Pick from a range of sizes starting at 98 square meters, with installments as low as EGP 8,500 a month up to ten years, and move into your fully finished apartment after three and a half years. Not only that, but you will also have full access to a wide range of facilities essential for the healthy modern day citizen. Outdoor Gyms, yoga and meditation areas, as well as, bicycle and running lanes are a few examples of what a Century City's citizen would expect to have for a healthy lifestyle.

Humans are social creatures; we would not be alive to this day without us working together as a community. This is a notion that Century City firmly believes in, and thus we provide parks, public, and barbeque areas, where everyone can commune, feast, and create memories, in hopes of creating a space where future generations can carry this idea with them to the next.

In order to preserve this vision, Century City focuses heavily on creating a safe environment for all, through the installation of the latest security and monitoring systems, ensuring the peace and serenity that they promise.

This may sound too good to be true, but you can have all of this and more. Call the team on 19135 and take your first step towards your best future.



## Schneider Global CEO Reviews IL Monte Galala Construction

Schneider Electric's Global CEO and Chairman Jean-Pascal Tricoire has paid a visit to Tatweer Misr's flagship development in Ain Sokhna, named "IL Monte Galala," to witness construction updates on-site, Invest-Gate reports.

The visit comes as part of the partnership between Tatweer Misr and Schneider Electric to build and design smart city facilities at the former's three projects in Egypt. Aside from IL Monte Galala, the latter is utilizing its "EcoStruxure" platform, which manages critical infrastructure, to develop Fouka Bay on the North Coast and Bloomfields in Mostkabal City, according to the press release on December 23.

According to the statement, this collaboration makes Tatweer Misr the first Egyptian real estate developer to implement a central control system, linking all its projects to provide clients with a remote-control platform. It also gives accurate and detailed statistics based on a plethora of data, which is used to create a much safer,



smarter, and convenient environment, guaranteeing up to 50% boost in energy and water efficiency, whilst cutting nearly 30% of operational costs.

"In later stages, this system will facilitate customers' lives by enabling them to remotely control and monitor their electricity and water consumption, in addition to offering easy electronic bill payments through a smart mobile application," read the statement.

During the tour, Tricoire commented, "We aim at depending more on advanced solutions such as Artificial Intelligence (AI) and Big Data to regulate the consumption of our resources and ensure their sustainability for future generations."

Since 55% of the global population lives in urban cities, which is set to reach 68% by 2050 and significantly pressure the available resources, Schneider Electric is driven to build smart cities that meet the growing demand on modern infrastructure and services such as energy, water, road systems as well as connectivity and healthcare solutions, he explained.

Meanwhile, Ahmed Shalaby, president of Tatweer Misr, was quoted as saying, "Schneider Electric's global expertise will enable us to apply the smart cities' concept within our projects. This stems from our constant efforts to partner with the best international service providers to create added value to our residents and offer them a comfortable and distinctive lifestyle."

## Al-Futtaim Breaks Ground on EGP 2 bn Festival Avenue



UAE-based Al-Futtaim Group has launched the new expansion of Cairo Festival City (CFC) Mall, called "Festival Avenue," located at the heart of New Cairo, Invest-Gate reports.

The groundbreaking of Festival Avenue, which will be executed with investments exceeding EGP 2 bn, has been carried out by Al-Futtaim Group's Vice Chairman Omar Al-Futtaim, in the presence of the company's management, several public figures, representatives of major retail brands in Egypt, media people, among others.

Marking the celebration of the megaproject's six-year anniversary, the expansion will add a gross leasable area of 22,000 square meters to the existing space and more than 1,000 parking lots, making it the largest of its kind in Egypt. This comes on top of introducing 80 new stores, including several international brands as well as 15 food and beverage (F&B) outlets. An elevated entertainment complex will also be found on-board, offering an array of leisure activities for all age groups..

Through the newest addition, CFC Mall seeks to enhance cooperation with the tourism sector, industry-related companies, and airline operators to coordinate attractive programs for tourists with a direct presence

at Festival Avenue, which aims to evolve the mixed-use development's present scope with a variety of indoor and outdoor alfresco dining spots, alongside a new international 1,600-square-meter food court.

Speaking of the move, Hayssam Hajjar, general manager of CFC Mall, highlighted, "Our plans will address the demand from retail brands wanting to be based at CFC Mall...The mall continues to deliver unique experiences for our retailers and customers, who accounted for 23 mn visitors in 2019 alone."

"The new expansion will be seamlessly integrated with the current mall, including easy navigation, airy corridors, open sightlines and plenty of natural sunlight through a state-of-the-art 5,300 square meter skylight. Signature services will be offered for the shopper's convenience, notably VIP valet services, shop-and-drop services, free high-speed Wi-Fi, and many others to provide a seamless and integrated experience to our customers," Hajjar added.

According to the statement, next year will see the launch of some distinguished services at CFC Mall such as gift card programs and luxurious concierge solutions, in addition to a mobile application that will combine traditional retail and modern technology.

## SODIC Uncovers VYE in 500-Acre New Zayed Project



Sixth of October Development and Investment Company (SODIC) has uncovered "VYE," the first of three neighborhoods that make up its newest 500-acre integrated project in New Zayed, Invest-Gate reports.

SODIC sold out EGP 1 bn worth of units in VYE in 48 hours only, due to the high demand on its latest west Cairo project, which mainly targets the new generation of buyers seeking a modern-day eco-friendly living, according to the company's press release on December 23.

The development introduces "Sol" as Egypt's first solar-powered townhouses and twin homes, "which proved to be a big hit among buyers." It also offers expandable apartments within multi-family buildings, branded "Neo."

According to the statement, "VYE's outdoor spaces are designed to cater to sports and community activities and are Wi-Fi connected to serve as co-working spaces for a growing entrepreneurial generation, all whilst being linked to the main 'Nova Park,' delivering busy and vibrant living throughout."



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## Sabbour, Marriott Partner to Open W Hotel in New Cairo

Cairo-based real estate developer Landmark Sabbour has signed an agreement with Marriott International to bring the "W" hospitality brand to Cairo, Invest-Gate reports.

Slated for opening in 2024, the new hotel, named "W Cairo," will be positioned within Landmark Sabbour's 300,000-square-meter mixed-use development in New Cairo, or "1-Ninety," which is currently being implemented with investments worth EGP 28 bn, according to a press release on December 16.

Managing Director of Landmark Sabbour Amr Sultan explained, "Our collaboration with Marriott International represents another milestone in our growth; it further demonstrates our commitment to collaborate with industry leaders and stands as a chance to integrate



the unique customer-centric services of W Hotels into our line of upscale products in 1-Ninety."

"This signing not only illustrates our commitment to Egypt, but also reinforces the increasing demand for the W Hotels brand in this region and around the globe," Alex Kyriakidis, president and managing director for the

Middle East and Africa at Marriott International, was quoted as saying.

Located 25 kilometers away from Cairo International Airport, W Cairo will comprise the "Wet" pool deck, the "Away" spa, and the "Fit" fitness center, alongside 350 stunning rooms and suites. It is also expected to offer multiple food and beverage (F&B) venues, plenty of spaces to mix and mingle, together with extensive meeting and event spaces, which will include a 500-square-meter conference hall.

With a total built-up area of 450,000 square meters, 1-Ninety offers administrative, retail, commercial, and residential spots. The under-development project will include a 75,000-square-meter administrative zone that has a built-up area of 200,000 square meters, while featuring state-of-the-art fully-finished offices.

## Hassan Allam Properties Launches New Integrated Destination in East Cairo

Hassan Allam Properties (HAP) has set foot into the commercial realm with its new 144,000-square-meter fully-integrated destination, dubbed "(every)," located at the heart of its 438-acre flagship development, or Swanlake Residences (SLR) New Cairo, Invest-Gate reports.



"Building on its top-class offerings, (every) brings to fruition a signature one-stop destination, combining vital ingredients such as a state-of-the-art office park, [a 43,000-square-meter] ultra-selective retail hub, stretching along a 700-meter walkable promenade, in addition to leisure, healthcare, and fitness facilities to creatively cater to the ever-changing needs of today's contemporary lifestyles," according to HAP's latest press release.

Spreading over 72,000 square meters, (every's) four-story office park includes built-to-suit offices starting from 92 square meters to unlimited areas, based on consumers' needs. Spaces are well-crafted to accommodate different industries, varying between large multinationals, local conglomerates, rising startups, as well as, not to mention providing co-working spaces, the statement noted.

Nestled in close proximity to Cairo's major attractions, the integrated hub will be "home to an unprecedented world of selective eateries, cafés, as well as, casual and fine-dining venues." It is also set to become a go-to spot for fashion, art, and entertainment events, the Egyptian developer noted.

Speaking of the newest launch, Mohamed Allam, CEO of HAP, underscored, "Amidst the current market fragmentation and cluttered scene, where most of the market is promising one and the same offering, differentiated positioning and selective proposition that truly fill our targeted clientele's and sought after tenant mix's need gap was the catalyst that drove us to introduce (every) as a distinct game-changer and experiential mixed-use multi-purpose destination."

## NAC's Castle Landmark Sees EGP 100 mn Investments Before Year-End

Castle Development has allocated about EGP 100 mn to complete 15% of construction works at phase I of Castle Landmark in the New Administrative Capital (NAC) before year-end, Invest-Gate reports.

Construction of the 43-acre project is in full swing as drilling work for phase I is completed and is getting underway on the second phase. The mixed-use development is set to be implemented over five phases and is poised for delivery by 2022, the property developer revealed in a press release on December 3.

Castle Development stated that 478 fully-finished residential units of the project's first phase are under construction, in parallel with works on 239 fully-finished units as part of phase II.

"With an investment of EGP 550 mn, phase I of Castle Landmark covers 9 acres. Meanwhile, phase II will also see EGP 550 mn in investment and will spread over an area of 17.5 acres," read the statement.

"Castle Landmark introduces an integrated, smart residential compound, which runs on solar energy that feeds 70% of its overall area. Ideally located in NAC's R7 District, 81% of the project's landscape exhibits green views, allowing residents to savor the peaceful suburban lifestyle adjacent to the city's Green River," it added, affirming that the compound is being developed at a total cost of EGP 5 bn.

Commenting on the move, CEO of Castle Development Ahmed Mansour noted, "We capitalize on our shareholder experience in a variety of markets to drive stability and accelerate construction processes, which has so far yielded the results we are witnessing... The progress is going according to schedule, promising smooth, timely, and high-quality delivery."

Last summer, the Egyptian developer launched the third phase of Castle Landmark, named "Springfield," with investments valued at EGP 450 mn. Covering 6 acres, the addition offers 238 unfinished properties, with areas ranging between 120 and 285 square meters, with



clients leveraging flexible payment plans of up to eight years.

The CEO underlined that featuring a different residential component in phase III comes in line with the company's endeavors to provide clients with various options to invest in premium-quality real estate at the NAC. "We are committed to offering flexible and customizable solutions that fit their tastes, budgets, and plans for the future," Mansour was quoted as saying, pointing out, "Construction at the Springfield phase will go underway by Q4 2020."





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# WILL MORTGAGES KEEP THE WOLF FROM THE DOOR?

BY **MAHMOUD GAD**

**R**ecently, the Central Bank of Egypt (CBE) has announced a new mortgage finance program to support the middle-income segment. The long-awaited initiative offers mortgage loans at lower interest rates and longer payment terms. This comes at a time when the real estate sector is experiencing a slowdown due to the increased property prices, coupled with the weak consumer purchasing power. So, the question here: Will mortgages keep the wolf from the door?

## The Wolf and the Seven Young Goats

A while ago, I was reading to my daughter "The Wolf and the Seven Young Goats." It is a renowned bedtime story/fairy tale that portrays how parents are always alert and keen to keep their children safe; it also teaches kids to heed advice from their parents. Briefly, when the old mother goat left home to go to the market, she warns her young to not let strangers in, especially the Big Bad Wolf who will try to sneak into the house and gobble them up. Indeed, as soon as the mother was out of sight, up he trotted to the door and knocked. But, in the end, the mother returned home from the forest and saved her little ones from the wolf. **"The Absence of the Mother Would Have Put the Kids at Risk"**

## The Wolf is Knocking the Door

After the EGP flotation in November 2016, the local demand for real estate – be it for residence or investment purposes – witnessed a slowdown due to weaker purchasing power and higher interest rates. Moreover, the entrance of new players and the launching of new developments worsened the situation. Aiming to stimulate the consumer demand and maintain the declining market shares, developers started to extend installment terms to over eight and ten years, while requiring 0-15% downpayments. In turn, this has

negatively impacted developers' cash flows as well as their projects' feasibility, hence exposed to execution risk due to liquidity tightness. Moreover, cash borrowing may expose these companies to default risk if the market stagnation kept going. However, should developers fail to deliver the planned projects, clients may lose their savings as a consequence. **"Real Estate Developers and Clients are Surrounded by Many Risks"**

## Keeping the Wolf from the Door

"To Keep the Wolf from the Door" is an old expression that describes making immense efforts to avoid hunger, starving, bankruptcy, and the like. Currently, there are several catalysts expected to contribute to keeping the wolf from the real estate sector's door. With the CBE resuming its easing policy, alongside the provision of the mortgage finance initiative, which mainly targets those falling under the upper-income bracket, the demand in the secondary market (aka resale) is foreseen to witness a recovery over the medium-to-long term, which would eventually push for demand in the primary market.

However, on the one hand, the current requirements to obtain mortgages need to be more flexible. On the different, more regulations should be promptly proposed to protect the clients' rights and savings, while also organizing the entrants of new players to the local property market. For the time being, I look forward to these issues being untangled amidst the issuance of Egypt's Real Estate Development Law. **"Initiatives and Regulations to Keep the Wolf from the Door"**



### BIO:

With over 15 years in financial consultancy and equity research, Gad is currently a senior equity analyst at the Arab African International Securities (AAIS), after joining the company's first research team to cover the Egyptian property sector in early 2018. This was in tandem with coming up with new investment ideas for different industry-related matters, namely the potential merger of Madinet Nasr for Housing and Development (MNHD) and Sixth of October Development and Investment Company (SODIC).



# PHD INKS EGP 1.1 BN LOAN FACILITY TO SETTLE DEBT



Egypt's property developer Palm Hills Developments (PHD) signed on December 18 a deal with the Commercial International Bank Egypt (CIB) to secure EGP 1.1 bn medium-term loan facility.

The facility, which replaces an existing syndicated medium-term loan previously granted by several banks such as the Arab African International Bank (AAIB), will be extended over two tranches, with no more than four to five years to maturity, complemented by a grace period of five months, according to the company's recent press release.

During the signing ceremony, which took place at Four Seasons First Residence Cairo in Giza, PHD revealed that the first tranche is aimed at extending EGP 100 mn in funding for its various developments nationwide, with an additional EGP 828 mn directed toward financing its west Cairo projects, namely Golf Views and Golf Extension.

"Meanwhile, Tranche B will refinance the outstanding exposure of Palm Hills Katameya by EGP 171 mn," the developer further stated, noting, "PHD received a very competitive financing package when compared to the terms and conditions of the existing syndicated medium-term loan, reflecting improvements in the company's credit risk rating."

In its statement, PHD Chairman and CEO Yasseen Mansour remarked, "I am very pleased with the closing of said facility, which enables the company to increase its financial flexibility by improving its credit terms, whilst strengthening its relationship with Egypt's leading bank, or CIB."

"This move comes in line with our strategic direction to focus on optimization of leverage, reduce financing costs, and enhance our cash-flow position," Mansour was quoted as saying.





# FUTURE CITIES OF EGYPT FORUM GATHERS 500 LOCAL & REGIONAL INVESTORS

Future Cities of Egypt Forum kicked off on December 8, under the theme "Business and Investment Opportunities," bringing together 500 local and regional real estate investors, among which more than 100 are from the Arab world.

The one-day conference examined Egypt's new fourth-generation cities, including the New Administrative Capital (NAC), New Alamein, and New Mansoura. The investment grabs that the new cities provide in the residential, commercial, industrial, logistics, tourism, entertainment, medical, and educational fields have also been reviewed; not to mention the various financing programs put forth to stimulate real estate investment in these areas.

Under the auspices of Prime Minister Mostafa Madbouly, the forum took place in InterContinental Cairo Semiramis and was organized by Al-Iktissad Wal-Aamal Group, jointly with the Ministry of Housing, Utilities, and Urban Communities and the Ministry of Investment and International Cooperation. It saw the attendance of Mena Group Founder Fathallah Fawzy, Secretary-General of the Union of Arab Chambers Khaled Hanafi, among other officials and dignitaries.

Saudi Arabia, which was represented by a high delegation of 40 market players, showed great interest in the Egyptian real estate market, particularly the new fourth-generation cities, in light of the promising business climate. Additionally, the event saw the attendance of several delegations from the UAE, Kuwait, Lebanon, Bahrain, Jordan, and Iraq.

A multitude of property developers and investors were honored for their achievements and groundbreaking works in real estate development by launching and implementing numerous mixed-use projects in Egypt's newly-introduced cities. Furthermore, several banks and financial institutions were recognized for their active role in funding these businesses.

The top achievers notably include the Administrative Capital for Urban Development (ACUD), Talaat Moustafa Group (TMG) Holding, Tatweer Misr, Sixth of October Development and Investment Company (SODIC), Al Ahly for Real Estate Development, Palm Hills Developments (PHD), Rooya Group, The Land Developers, Al-Futtaim Group Real Estate, Marakez for Real Estate Investment, and many others.



Meanwhile, during his keynote speech, Minister of Housing, Utilities, and Urban Communities Assem El Gazzar underlined that the ministry's commitment to expanding the country's built-up zones, noting, "The state is not a real estate company, but rather an urban developer... West Assiut's Nasser City, for example, saw its volume of investments rising to EGP 7 bn during the last 18 months only."

The government is pumping huge investments for stimulating urbanization and infrastructure development nationwide, thereby doubling the country's urban areas from 7% to 14%, as part of the National Strategic Plan for Urban Development in Egypt 2052. It is also working to provide adequate housing for all income levels by implementing different low- and middle-income social housing projects, along with the national slum eradication program, El Gazzar explained.

Likewise, Minister of Investment and International Cooperation Sahar Nasr pointed out that real estate development is one of the major sectors to which the state provided continuous support by facilitating procedures and eliminating downfalls, including the introduction of Egypt's new investment map which showcases the country's best shots.







# ICCH 2019 EXHIBITS SUSTAINABLE COOPERATIVES IN OVER 50 NATIONS

The third International Conference for Cooperative Housing (ICCH) was held from December 1 to 4, under the theme "Sustainable Cooperatives," aiming to discuss the alignment of foreign and national cooperative developments with the United Nation's Sustainable Development Goals (SDGs) 2030.

During the opening session, Deputy Minister of Housing, Utilities, and Urban Communities for National Projects Khaled Abbas said the government is working on increasing the volume of cooperative housing to represent 30% of the annual residential supply, as part of an upcoming five-year plan.

The four-day event was organized by the General Authority for Construction and Housing Cooperatives (CHC), under the auspices of Prime Minister Mostafa Madbouly, according to a recent press release.

Hossam El Din Mostafa Rizk, chairman of CHC, underlined that ICCH was set to see the attendance of members of Africa's International Co-operative Alliance (ICA) and several representatives of over 50 countries, on top of President of Cooperative Housing International (CHI) Anders Lago, who will mark his first-ever presence in the forum.

"This conference comes in line with the state's efforts to support, regulate, and monitor the civil sector, as well as, the CHC's role in the implementation of SDGs," Rizk explained. He noted that since ICCH is aimed at exchanging successful global experiences in cooperative housing, multiple tours to the New Administrative Capital (NAC), New Alamein, and other cooperative housing projects in New Cairo were arranged throughout the four days to promote the related developments being undertaken in Egypt's new cities.

Adel Noshi, chairman of the Central Cooperative Union for Housing, hailed during the event the state's role in supporting the cooperative housing system in Egypt. He said the New Urban Communities Authority (NUCA) will allocate more than 2,400



acres as phase I of cooperative housing projects in 22 new cities in Upper and Lower Egypt, as well as, Greater Cairo.

The event also called for the establishment of a Cairo-based African organization for government bodies supporting cooperatives.

ICCH consisted of numerous seminars and workshops, in addition to comprising a number of pavilions for countries to showcase their prestigious cooperative housing developments such as Saudi Arabia and India, while exhibiting the latest techniques in construction and building materials.



# CAIRO ICT 2019 HEEDS DIGITAL TRANSFORMATION & SMART CITY APPLICATIONS

President Abdel-Fattah El-Sisi inaugurated the 23<sup>rd</sup> edition of Cairo ICT, which took place at the Egypt International Exhibition Center (EIEC) from December 1 to 4, bidding to highlight the key benefits within digital transformation and commended efforts made under the state's plan toward a cashless economy.

Under the patronage of President El-Sisi, Cairo ICT showcased the newest innovations and tech trends, with more than 5,000 exhibitors, in addition to over 98,000 conferees and 1 mn visitors. Alongside the attendance of several ministers and officials, the forum saw the participation of various property developers, including Talaat Moustafa Group (TMG) Holding, Palm Hills Developments (PHD), among other real estate companies that showcased their wide range of smart developments across Egypt.

Numerous panels took place all day long throughout the four-day event to review the latest breakthroughs in the information technology (IT) field. Invest-Gate gets a comprehensive take on the "Intelli-Cities" discussion, where seven representatives of property development companies and service providers, namely Akam Developments, El Attal Holding, Administrative Capital for Urban Development (ACUD), Mountain View, asserted the momentous investment opportunity in smart cities, in pursuance of sustainability and satisfying the basic needs of customers by offering products with energy, water, and time efficiency.

Furthermore, the market experts hailed the regulations put by the ACUD for the implementation of integrated control/building management systems to the development projects being undertaken in the New Administrative Capital (NAC), notably through the installation of security and fire systems, together with smart-scale energy solutions for electricity consumption as well as water and sewage treatment facilities.

During the Intelli-Cities panel, CTO of ACUD Mohamed Khalil highlighted the state-run company's keenness to implement the Fiber-to-the-Home (FTTH) access network, alongside other smart applications, coming as part of the developer's overall strategy to build a well-crafted communications infrastructure for the new capital. He noted that the government plans to operationalize ACUD's business model among other new cities too, in line with its collective efforts to automating and digitizing all functions and processes.



Besides, Mountain View Founder and CEO Amr Soliman emphasized his company's expertise in executing innovative developments that incorporate high-quality smart solutions, particularly "iCity," its latest integrated compound in New Cairo, and "Heartwork," which is being brought in collaboration with US-based culture consulting Delivering Happiness and architectural design firm CallisonRTKL.

"At Heartwork, for example, smart cameras powered by artificial intelligence (AI) technology are installed to screen the facial expressions of employees and measure customer satisfaction rating. As a result, cameras provide instant and accurate feed about the detected faces, thereby responding accordingly by either playing their favorite music or even sending birthday greetings," Soliman explained.

On the sidelines, Minister of Communications and Information Technology (MCIT) Amr Talaat witnessed the signing of a Memorandum of Understanding

(MoU) between the Information Technology Industry Development Agency (ITIDA) and NEC, an international company specializing in IT and telecommunications. The deal is aimed at enhancing cooperation in digital transformation as well as establishing the NEC Center of Excellence (CoE) in Egypt to act as a regional hub, serving the Middle East and North Africa (MENA) region through building capacities of high-skilled Egyptian calibers.

Other agreements and cooperation protocols have been uncovered behind the scenes of Cairo ICT 2019. Most importantly, the MCIT launched "Qodwa. Tech" initiative to empower Egyptian women, coming as part of the government's plans to create a leading development model to enhance the technological capabilities of the North African females. Also, the planning ministry launched a mobile application, called "Sharek 2030," in a bid to raise awareness of Egypt's Sustainable Development Agenda 2030.



# MARKET WATCH

POWERED BY

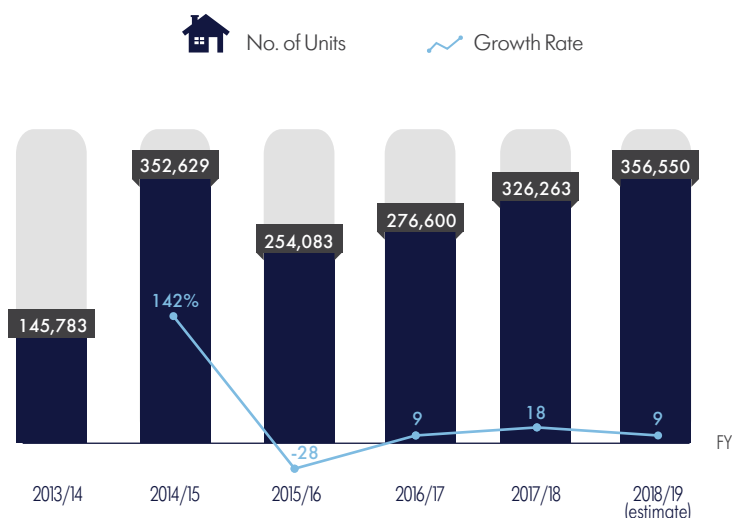
INVESTIGATE  
RESEARCH & ANALYSIS



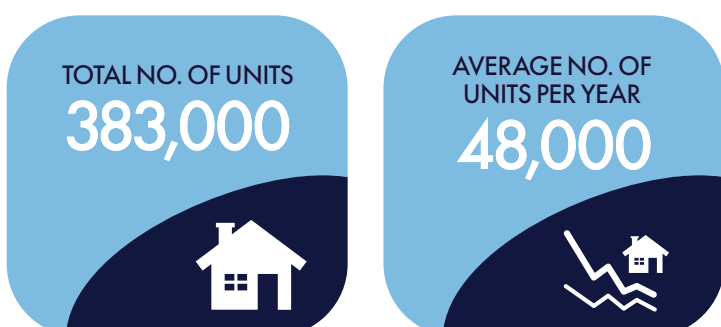
# INSIGHTS ON EGYPT'S REAL ESTATE INDUSTRY



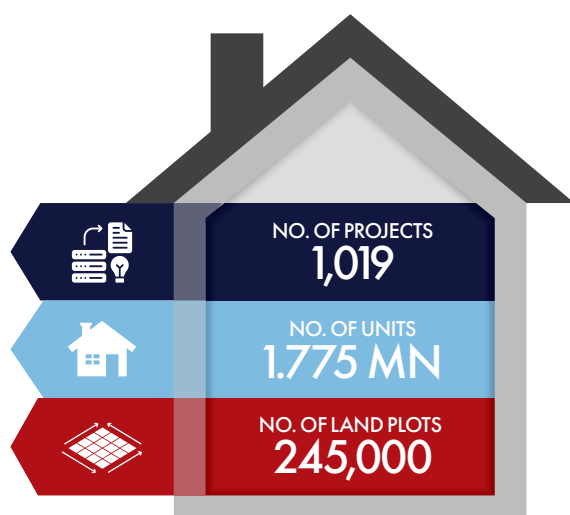
## REAL ESTATE SUPPLY



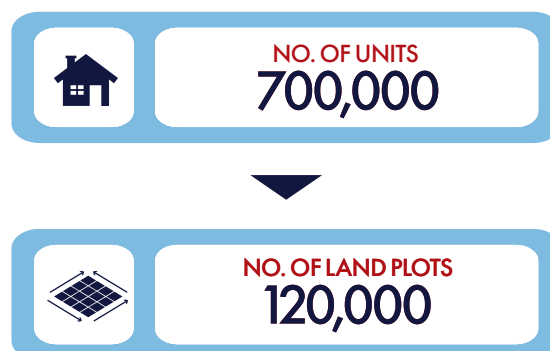
## HOUSING UNITS IN 2005-2013



## HOUSING PROJECTS IN 2014-2018



## TARGETED UNITS (2019 - JUNE 2020)



## PRICES OF CONSTRUCTION MATERIALS (NOVEMBER 2019) (EGP)

<b>STEEL BARS</b> (per acre) 10,100 (YOY -17.6%)	<b>CRETAL STEEL</b> (per acre) 10,500 (YOY -14.6%)	<b>PORTLAND CEMENT</b> (per acre) 800 (YOY -15.8%)	<b>COARSE SAND</b> (per sqm) 70 (YOY 7.7%)
<b>SOLID CEMENT BRICKS</b> (per 1,000 bricks) 1,100 (YOY 3.8%)		<b>BRICK HOLLOW CONCRETE</b> (40x20x12 cm) (per 1,000 bricks) 5,050 (YOY -2.9%)	



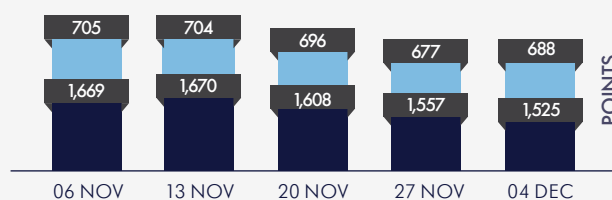
## REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2019)



Real Estate

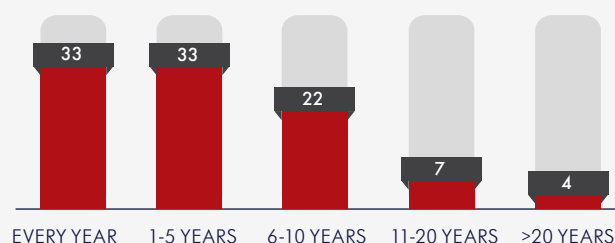


Construction & Materials



## ONLINE MONTHLY SURVEY (%)

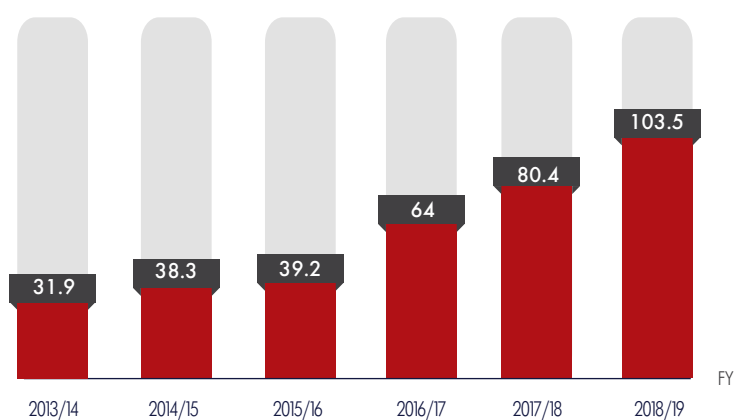
### HOW OFTEN DO YOU LOOK FOR REAL ESTATE PROPERTY?



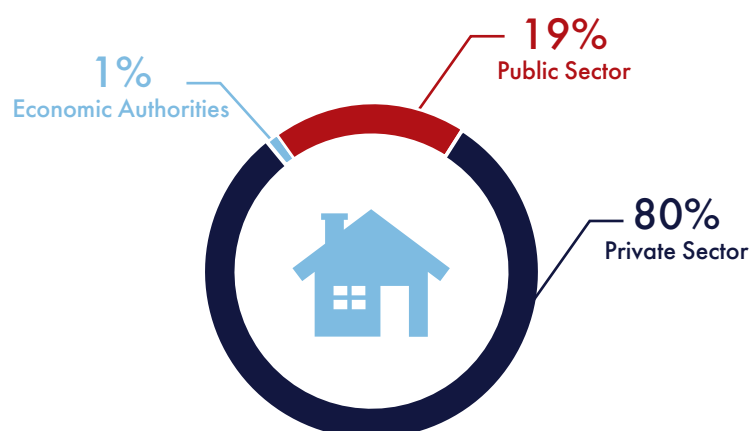




## TOTAL REAL ESTATE INVESTMENTS (EGP BN)



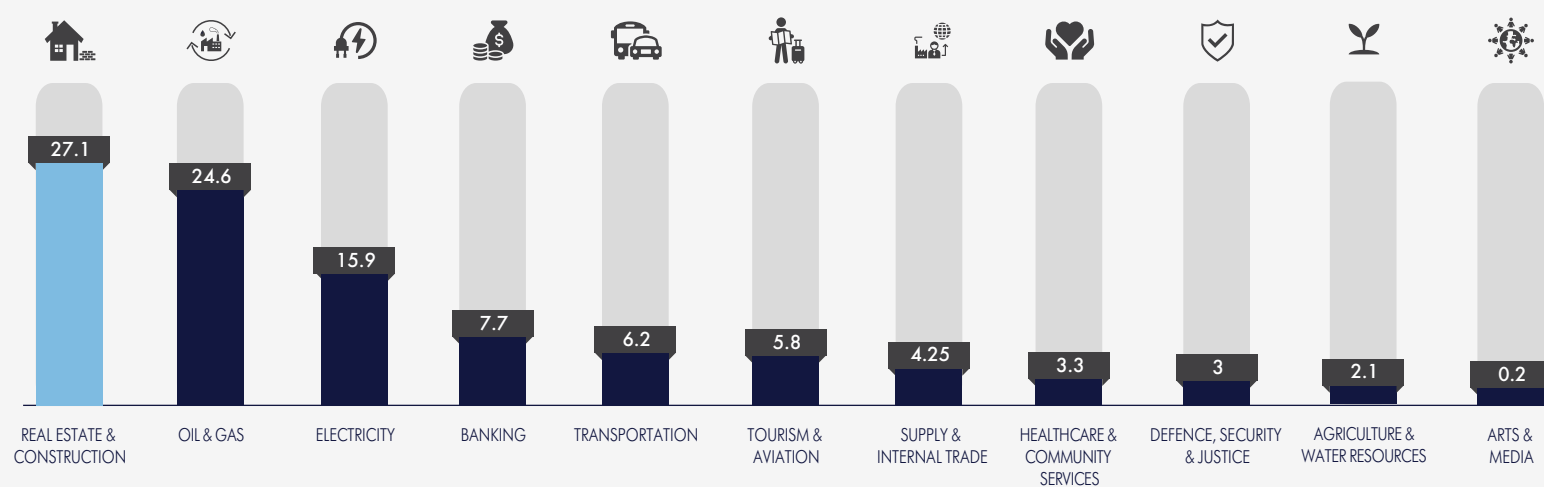
## REAL ESTATE INVESTMENTS BY SECTOR IN FY 2018/19



## REAL ESTATE &amp; CONSTRUCTION PERFORMANCE (GDP GROWTH RATES)



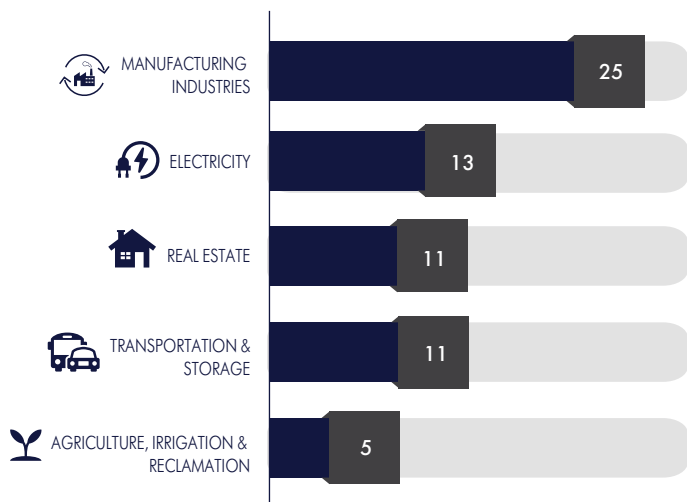
## EMPLOYMENT SHARE IN REAL ESTATE MARKET IN 2018 (%)







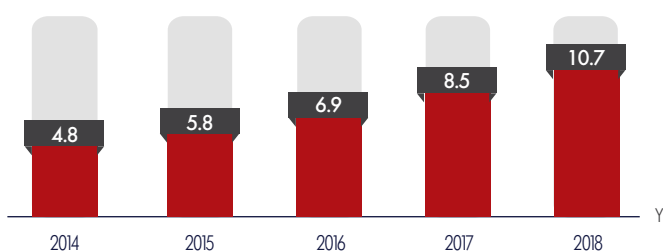
### TOTAL INVESTMENTS BY INDUSTRY IN FY 2018/19 (%)



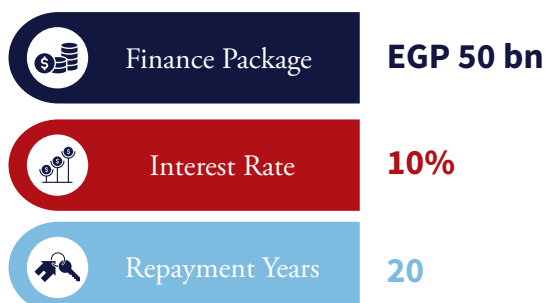
### MORTGAGE FINANCE ACHIEVEMENTS (JUNE 2014 - PRESENT)



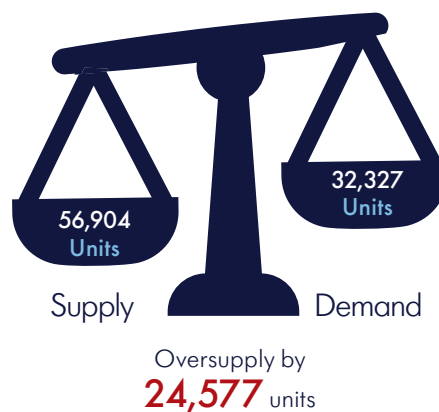
### TOTAL VALUE OF MORTGAGES (EGP BN)



### MORTGAGE FINANCE INITIATIVE FOR MIDDLE INCOME-PEOPLE IN DECEMBER 2019



### DEMAND VS SUPPLY IN 2019 (PRIVATE SECTOR)



### FROZEN/CLOSED UNITS BASED ON CENSUS 2017



NO. OF UNITS **12.5 mn**



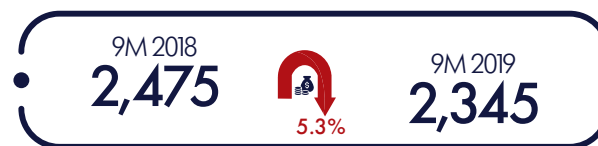
### OVERALL INDEX - NET PROFIT (EGP MN)\*



\*Calculated based on net profit of top ten EGX-listed real estate companies



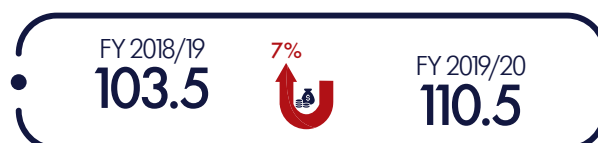
### OVERALL INDEX - REVENUES (EGP MN)\*



\*Calculated based on revenues of top ten EGX-listed real estate companies



### REAL ESTATE INVESTMENTS (EGP BN)





# ECONOMIC SNAPSHOT



EGYPT'S TOP TRADE PARTNERS  
IN FY 2018/19

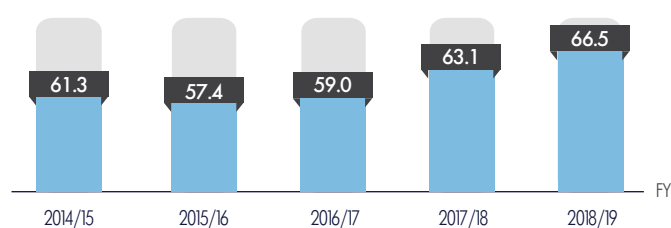


Value (USD bn)

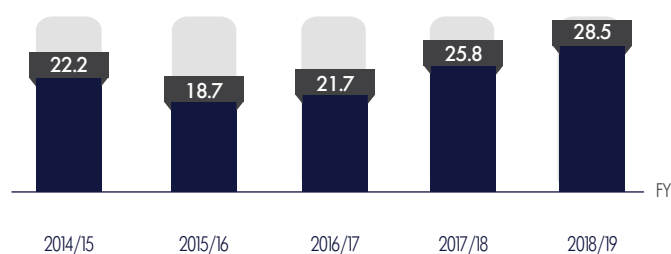
	China		United Kingdom
6.5	6.8%	4.2	4.5%
	United States		Turkey
6.2	6.6%	3.6	3.8%
	Saudi Arabia		Switzerland
6.0	6.3%	3.3	3.5%
	United Arab Emirates		India
5.8	6.1%	3.0	3.1%
	Russia		France
4.8	5%	2.7	2.9%
	Italy		Kuwait
4.5	4.7%	2.3	2.4%
	Germany		Spain
4.3	4.5%	2.0	2.1%



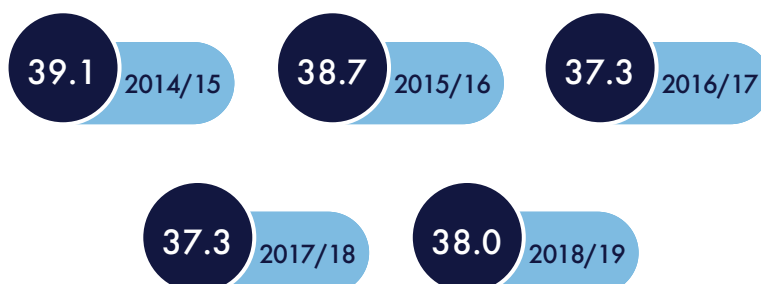
TOTAL IMPORTS (USD BN)



TOTAL EXPORTS (USD BN)



BALANCE OF PAYMENTS DEFICIT (USD BN)



NET FOREIGN RESERVES (USD BN)

OCTOBER 2019  
**45.24**  
(AROUND EGP 729.3 BN)

NOVEMBER 2019  
**45.35**  
(AROUND EGP 731.1 BN)



ANNUAL HEADLINE INFLATION

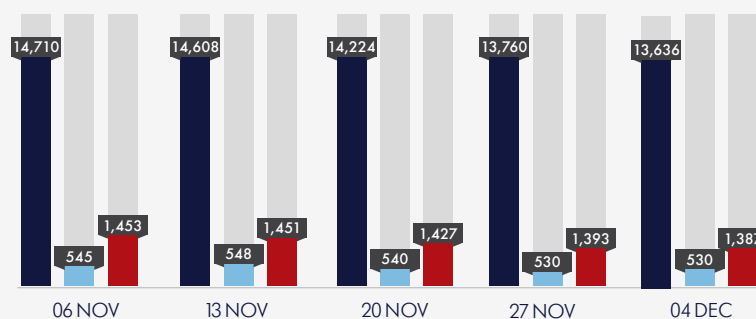
OCTOBER 2019  
**3.1%**

NOVEMBER 2019  
**3.6%**



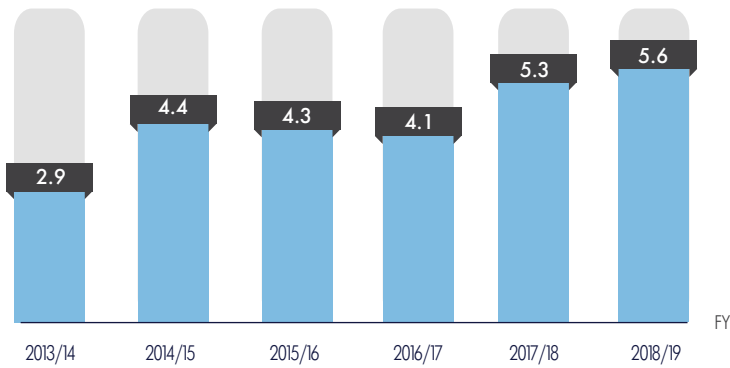
CAPITAL MARKET INDICATORS

EGX 30 EGX 70 EGX 100

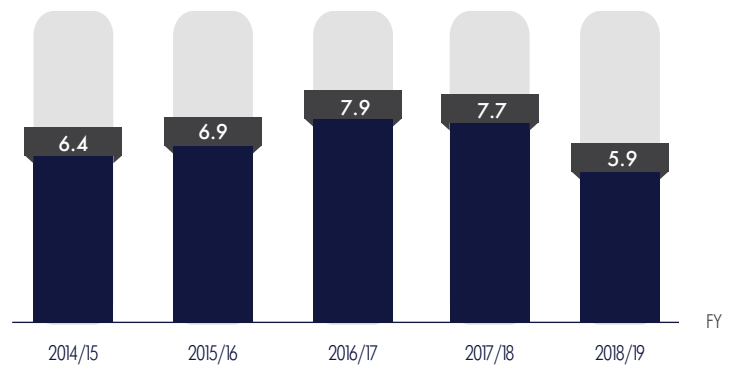




ECONOMIC GROWTH RATE (GDP) (%)



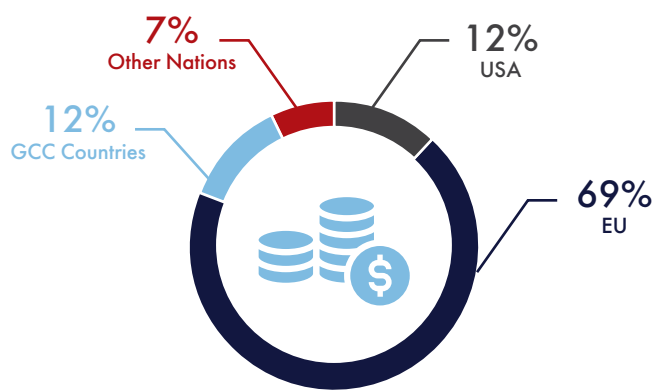
FDIS\* IN EGYPT (USD BN)



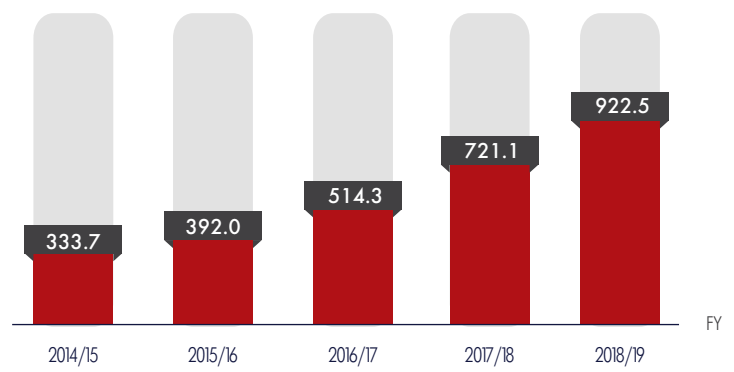
\*FDIs: Foreign Direct Investments



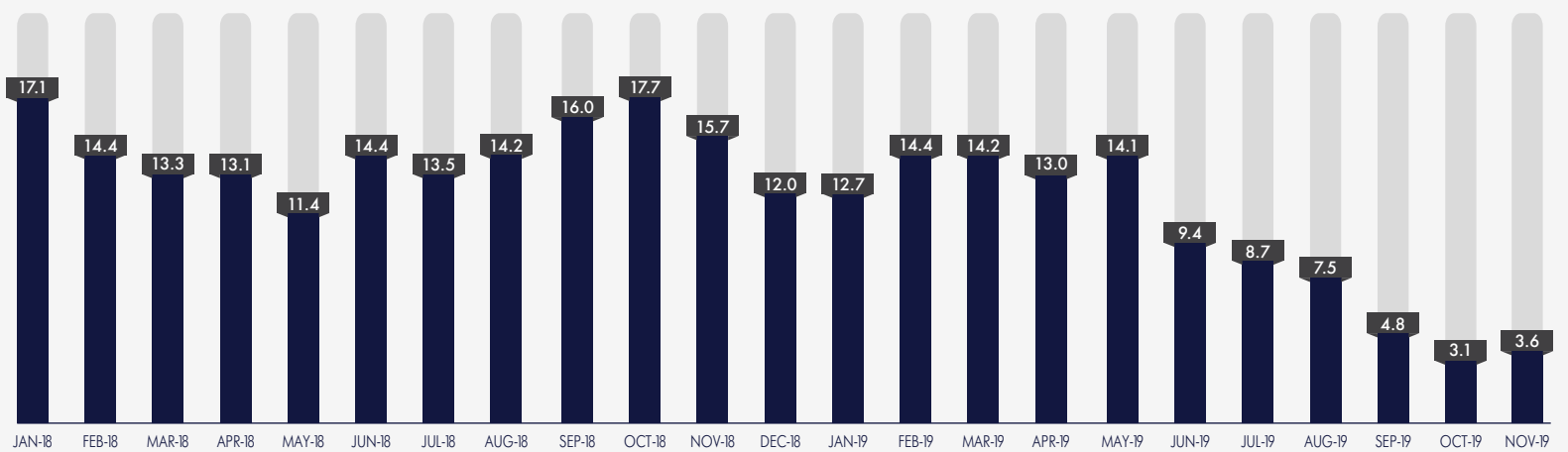
FDIS IN EGYPT BY COUNTRIES IN FY 2018/19



TOTAL INVESTMENTS (EGP BN)



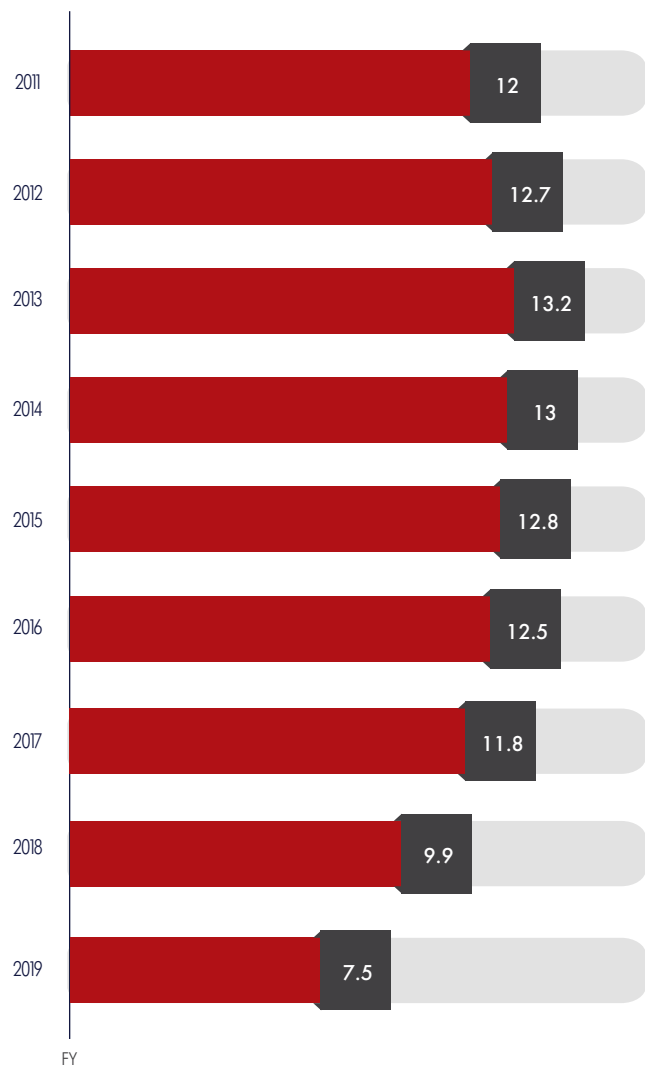
INFLATION RATE (%)







## UNEMPLOYMENT RATES (%)



## EGYPT'S EASE OF DOING BUSINESS RANKING (OUT OF 190 COUNTRIES)

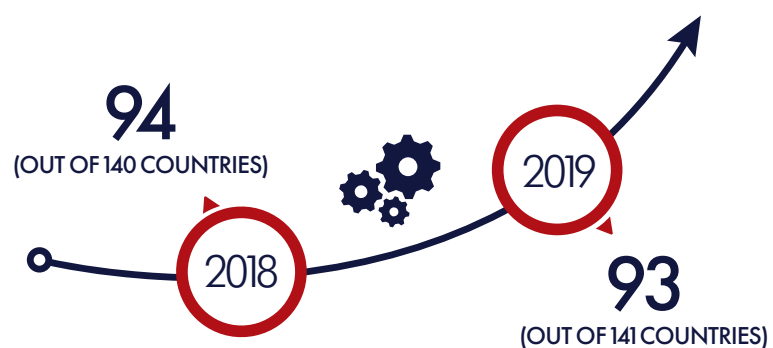
## Ease of Doing Business

2019  
1202020  
114

## Starting Business

2019  
1092020  
90

## EGYPT'S COMPETITIVENESS INDEX



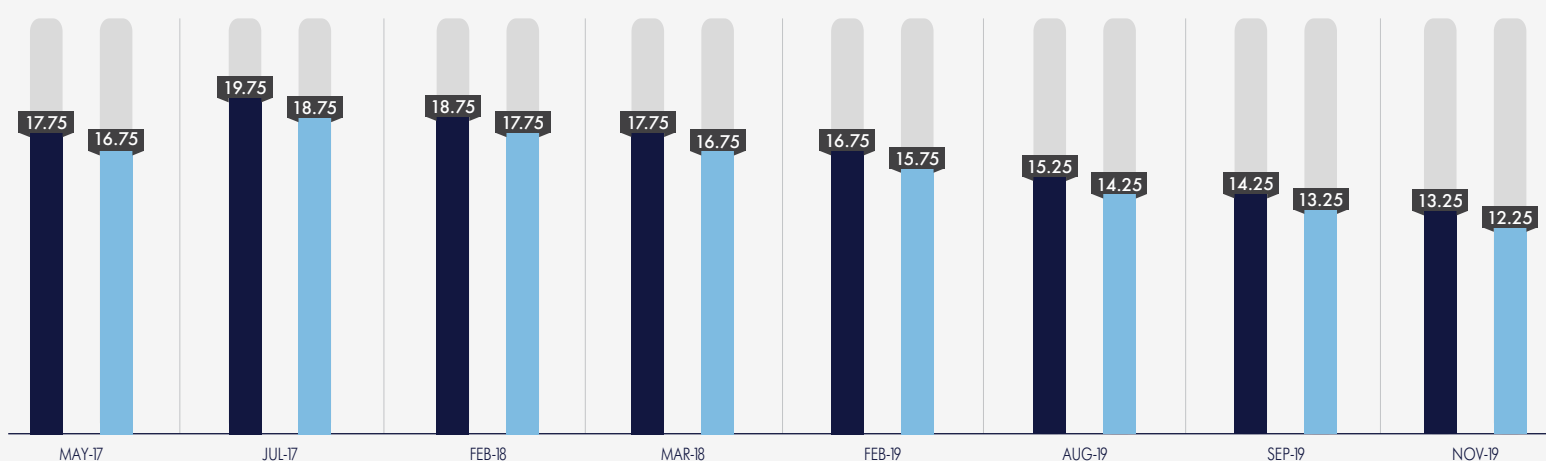
## INTEREST RATES PERFORMANCE (%)



## Lending Rates



## Deposit Rates



# ICA PRESIDENT: EGYPT STRIVES TO DEVELOP COOPERATIVE HOUSING

INTERVIEW BY **JULIAN NABIL**  
WRITTEN BY **LANIA FAZAA**



**B**ack in the 1930s, the Egyptian cooperative housing had emerged to provide affordable residences for a large segment of local citizens. With a noticeable advancement made in this regard, and as a step forward, Egypt aims to be part of the Cooperative Housing International (CHI), which is one of the eight sectoral organizations of the International Cooperative Alliance (ICA).

Invest-Gate sits with President of ICA Ariel Guarco, on the sidelines of the third International Conference for Cooperative Housing (ICCH), which took place from December 1 to 4, 2019. Guarco discusses the alliance's vision, while also sharing his insights on the housing coops as an economic and social solution to informal settlements and vagrancy. He also sheds light on Egypt's efforts in the cooperative movement, with a special focus on the housing sector.

## Can you tell us more about ICA and its objectives?

In 1895, ICA kickstarted in England, coming with 28 cooperative members. However, it now represents more than 1.2 bn cooperative members worldwide, with around 310 organizations from 109 countries.

Fundamentally, our main goal is to unite, represent, and serve cooperatives worldwide, while also promoting and supporting the alliance's member organizations in a way that improves the global coops.

## In what ways are cooperatives part of the 2030 Agenda for Sustainable Development? What progress did the alliance achieve so far?

The 2030 agenda, approved by the United Nations General Assembly in 2015, often refers to cooperatives as diverse private sector actors. For 2030, ICA is developing coops by raising awareness on the Sustainable Development Goals (SDGs), suggest ways to contribute to these targets, and track progress on-board. Additionally, we are the only alliance that has an advisory entity inside the United Nations (UN), which is the biggest status that any non-governmental alliance can ever attain.

## How had cooperative housing evolved worldwide?

In the past, cooperative housing was somehow related to communism as we started to see this type of housing during the First Industrial Revolution. Likewise, proof that this method worked out is the increasing number of beneficiaries over the years.

## Which country marked a remarkable improvement in cooperative housing?

Sweden is the foremost country to achieve considerable and favorable advancement in terms of cooperative housing.

## Globally, how does CHI lend a helping hand to those without shelters?

Cooperative housing means the provision of houses for all people, ergo eliminating the obstacles that always hurdle people from having good places to dwell such as obtaining loans.

It is important to note that the alliance does not directly help citizens find homes as such matters need further international cooperation between countries worldwide. Meanwhile, our main role is to find a way to obligate governments to offer suitable residential areas.

## What do you think is the biggest challenge to adopting cooperative housing?

In my opinion, the main challenge facing countries when it comes to cooperative housing nowadays is the fact that it does not solely depend on building houses. But instead, it also endeavors to establish a cooperative community.

## How has cooperative housing helped sustainable development in Egypt?

Lately, cooperative housing has boomed in Egypt and the number of domestic coops reached 1.4 mn.

The country's immense efforts in implementing this kind of housing will, of course, positively impact the economy and contribute to sustainable development.

## How do you find the Egyptian experience in cooperative housing?

On a global scale, cooperative housing is at its advanced stages. However, in Egypt, it is hard to evaluate the current situation as the country is still taking its first steps to deal with the development of this type of housing. For this reason, the Egyptian government requested to be a member of our organization.

I believe that the North African state is exerting its utmost efforts to untangle the local housing concerns, but this needs time to be sorted out.

## When will Egypt be part of CHI?

The government previously pledged to be one of CHI's members, yet we are now thoroughly revising the submitted documents to make sure all conditions are applicable, with the final decision likely to uncoil by the end of 2019.



# MIPIM 2020

## THE FUTURE IS

# Human

**10-13 MARCH 2020**

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**THE WORLD'S LEADING  
PROPERTY MARKET**

**26,800** real estate professionals

**100+** countries

**22,000** sqm exhibition area

**6,380** investors

**130+** conferences

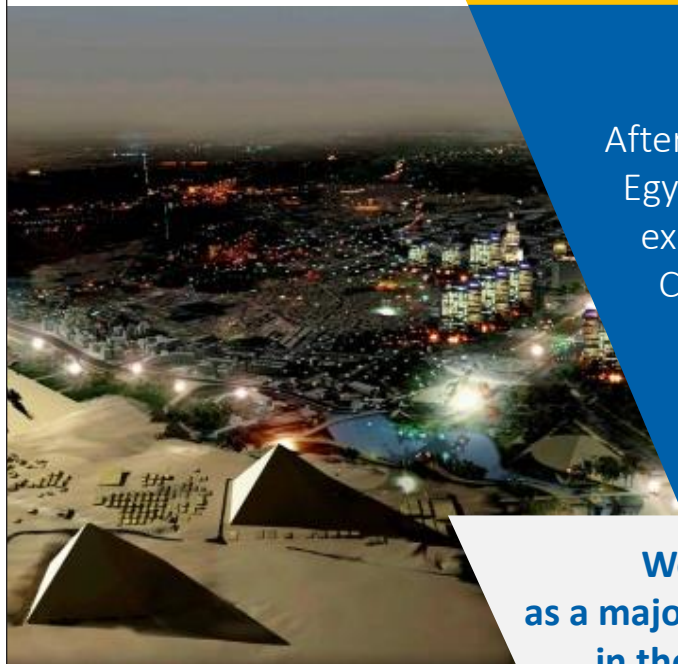
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# WEST OF CAIRO

## FUTURE TOURISM BOOSTER



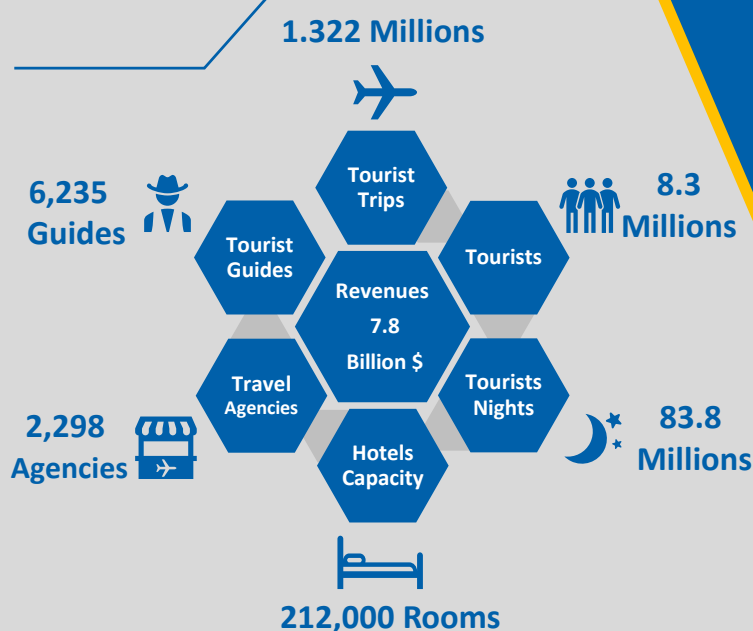
### New Hope

After the difficult few years following 2011 revolution, Egypt's tourism sector renewed hope with various expansion plans around the country, especially West Cairo to bring the industry back to growth as it is the leading engine of economic expansion. Sheikh Zayed is considered to be the most prestigious new city and has been built as an upscale tourist destination.

**West of Cairo**  
as a major tourism booster  
in the coming years

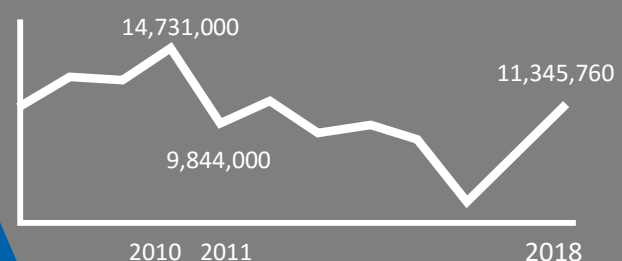
### Previous Tourism Indicators 2017/2018

Tourism in Egypt has witnessed remarkable recovery in 2017/2018, while Luxor and **Giza** were among Egypt's most famous and well-known cities, with highest visiting rates



### Annual Tourists Arrivals

Highest rates were in 2010 and it is expected to reach the same number in 2020



### Existing Attractions

Pyramids & Sphinx



Sakkara & Memphis



By the Nile Sights



Shopping Malls



Zoo



**WEST OF CAIRO**

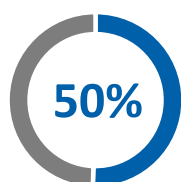




ADVANTAGE

## Expected Tourism Growth

With the planned developments, annual number of visitors to Egypt is expected to increase by 50% over the next three years from 2020 to 2022.



Arrivals increase  
from 2020 to 2022

## Future Projects and Landmarks



Grand Egyptian Museum



Sphinx Open Museum



Khufu Plaza Parks



Amusement Parks



Sphinx Airport

## Development Approaches

In order to achieve the vision planned for West of Cairo, development approaches were taken;

Renovating all the old infrastructure



Opening wide axes to important landmarks



Developing the areas surrounding the attractions



Widening the view for important monuments



Decreasing the high population density



With the approaches taken and the projects under development, it is expected from the West of Cairo to boost the tourism indexes, play a huge role in the development plan, and take the direction of being the tourism capital.

**Investing is all about seeing the vision.**

**The “West” is changing... Are you ready for it?**



For the new year, we want to thank all our valued clients for their business in 2019 and we wish you a prosperous year 2020. Please contact us for your new year's gift.

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# WHAT DOES THE 2020 CRYSTAL BALL HOLD FOR REAL ESTATE?

BY **JULIAN NABIL**

**A**s we bid farewell to 2019's calmness, everyone is tolerating a test of nerve and wondering if the coming year will bring more of the same results across all subsectors of Egypt's real estate industry, especially after the rising concerns over the ongoing slowdown in demand.

While it is impossible to predict the market's exact direction during the upcoming period, Invest-Gate asks several senior property professionals to look into their crystal ball, thereby taking a deep dive into a pool of forecasts for 2020, as well as, scrutinizing the latest real estate trends and data. We also seek answers to the million-dollar question that will perhaps influence the local investors' future plans: "How will the housing market shake out next year?"





# Calm Year Ahead

Similar to last year, Egypt's real estate sector is seen to witness further calmness in 2020, portrayed by a set of different factors. Mariam Elsaadany, a senior analyst at HC Brokerage, expects market growth to generally flatten in 2020, attributing her forecasts to the lack of "catalysts" to trigger an overall sector recovery.

The industry's deceleration mode is partially reflected by the stifled demand, on the back of the weak consumer purchasing power. With a negative sector-based sentiment for two years now, buyers are warding away from real estate as an investment alternative, in the wake of the slowdown in the secondary/resale market, according to Arab African International Securities' (AAIS) December 2019 report.

Consequently, Mahmoud Gad, a senior equity analyst at AAIS, sees affordability as the main impediment for real estate shoppers, notably those falling under the middle-income bracket. Hence, he anticipates demand to remain stationary in 2020.

However, as the Central Bank of Egypt (CBE) resumes easing its monetary policies, Gad argues that the property sector might witness a recovery. But, unless interest rates decline to pre-flotation levels (below 10%), any improvement will not be "immediate."

For the time being, the Egyptian government approved in December 2019 the launch of a new mortgage finance initiative worth EGP 50 bn to support middle-wage earners with housing loans at a lower interest rate of 10%, coming with repayment terms of up to 20 years, said CBE Governor Tarek Amer in a previous Cabinet statement. This move shall contribute to the stimulation of demand over the medium-to-long term, AAIS' senior equity analyst explains.

Notably, due to the excessive entrance of new players, coupled with the launch of new national and private developments, the foreseen default-conditional recovery may not necessarily be accompanied by growth in developers' market share. For now, this partially resulted in an oversupply of high-end projects, which may hit saturation in the near-term, he underlines.

For this reason, market experts believe that property sales will remain subdued in 2020, with Pharos Holding's sales projections for next year lower than the current

targets of developers, according to its "Real Estate Sector: 2020 Valuation Update," released in October 2019.

Meanwhile, property developers that were able to meet the 2019 target sales will maintain the same steady performance in the forthcoming year, with big players seemingly outdoing those with modest names, Gad and Elsaadny note. All in all, the latter expert expects real estate companies' net income to grow by an average of 19% in 2020.

REAL ESTATE DEVELOPERS  
TO ACHIEVE AVERAGE GROWTH OF

19%

IN NET INCOME IN 2020

Source: HC Brokerage

Speaking of the projected high achievers in 2020, Talaat Moustafa Group (TMG) Holding and Orascom Development Egypt (ODE) remain Pharos Holding's top picks in the local real estate sector due to "their notable non-residential operations [- commercial sellable and leasable space and hotel offerings -] that support their already robust residential sales performance," according to its latest valuation report.

HC Brokerage's analyst notes that recurring assets are a huge boost to any company's portfolio next year to balance risks and rewards in developers' portfolios. This diversification is seen in the revenue breakdown of TMG and ODE – expected top listed performers – whereby their recurring revenues constitute around 31.4% and 58.7%, respectively of their total profits, compared to their peers' average of only 5%, Pharos' 2020 report highlighted.

## Sundry Performance Across Subsectors

Although most market experts predict general steadiness in the Egyptian real estate market, yet the performance will vary across subsectors.

### Residential: Secondary Market Wins?

Generally speaking, on the one hand, sale prices of Grade A and B apartments are expected to hike by 5–8% in 2020, while those of villas are likely to climb up at higher rates by 10–15%, Ian Albert, regional director at Colliers International MENA, reveals.

On the different, an unprecedented increase in residential supply is possible in the forthcoming year, with 46,700 units proposed, JLL's "Q3 Cairo Real Estate Market Overview" report showed. However, the US commercial real estate services firm is wary of the delivery of projects within the set timeframes.

Given the expected oversupply in New Cairo, developers tend to offer fully-finished units with prices equal to semi-finished/shell core properties to attract more buyers and achieve a healthy absorption rate. Subsequently, the performance of the urban city's residential chunk is to remain subdued and witness a stable/slight boost in sales, Colliers' regional director notes.

Moving to west Cairo, namely the 6<sup>th</sup> of October City and Sheikh Zayed, Albert predicts the area to further grow and witness a rise in sales. He attributes this to the fact that key developers are eying the establishment of new mixed-use communities in the former city, in specific, especially with the government's plans to invest in expansions of the capital's western side.

As for the rental market in 2020, rates are expected to grow in New Cairo, yet anticipated to remain almost fixed in 6<sup>th</sup> of October City, JLL uncovered in its Q3 2019 report. Besides, AAIS' 2019 study highlighted that leasing may be deemed a better alternative up until income levels improve and/or there is access to mortgage finance at lower interest.

In the same vein, Albert foresees a stable demand in the secondary market, for both leisure and investment purposes, which is likely to uplift the market performance in 2020. Thus, the property cycle of the second-home market is expected to remain in a period of growth in that year as well, he elucidates.

This is mainly backed by the majority of Egyptians' tendency toward ownership instead of renting, he justifies. In addition, the increasing awareness on booking portals such as Airbnb made it easier for second homeowners to lease their properties when not occupied, Colliers' professional further states.

## Commercial at Growth Stage

Commercial real estate has been growing to be a primary category of property sector, with office and retail subsectors likely to see increased demand in the upcoming period.

When viewed by any metric, the office market is expected to maintain a positive performance during 2020, spurred by the increasing demand for workspaces, especially in east Cairo, experts agree.

The market's foreseen "growth stage" is mainly driven by the shift of traditional business hubs from the capital's central districts to the outskirts of Cairo's east and west edges, in parallel to the growth of residential developments in west Cairo and the development of new cities such as the New Administrative Capital (NAC) in the eastern side of Cairo, Colliers' Albert highlights.

A noticeable trend will be a shift in the office sector from leasing to selling in 2020. This is a result of developers seeking shorter payback periods as well as meeting the extensive demand of those drifting away from the residential market and became more inclined to invest in commercial assets, he explains.

In figures, the market will have a new supply of 156,000 square meters of gross leasable area (GLA), which are slated for completion next year, according to JLL's Q3 Cairo report. Additionally, rental rates for Grade A and Grade B office spaces are set to mount by 3% to 5% in USD terms, Albert highlights.

As for the retail segment, it is poised for further expansion, driven by the increase in consumer confidence and spending. In this sense, Colliers' regional director predicts rental rates to surge by approximately 10-15%.

However, a slowdown will most likely take place across the retail pipeline, which will stand at 180,000 square meters of GLA, according to JLL's study. This reflects the market disruption in the wake of the growth of e-commerce and a shift of focus toward merging locations within Egypt, the report showed.

## Hospitality Market Remain Healthy

Outlook for the hospitality sector remains optimistic, on the back of positive performance indicators, promotional campaigns abroad, as well as, regulatory reforms and initiatives taken to boost the Egyptian industry.

Last December, the CBE released an extensive financing plan to boost Egypt's tourism sector, providing funds worth EGP 50 bn instead of the previously allocated EGP 5 bn. The program exempts tourism companies from paying compound interest, exceptionally those who entered the market before 2011, together with waiving part of their debt and contributing to the renovation of owned hotels.

Additionally, the recent renovations of tourist attractions, including the Baron Palace and the long-awaited opening of the Grand Egyptian Museum before the end of 2020, are likely to make Egypt more appealing to visitors, while further boosting the local hospitality sector in the coming period, JLL's Q3 report underlined.

Better yet, Cairo hotel market's occupancy rates are likely to reach 81% in 2020, slightly higher than the 80% achieved a year ago, according to Colliers' "MENA Hotel Market Forecast - Full Year 2019" report. This steady performance is attributed to the higher tourist arrivals and the addition of the limited pipeline, particularly via the 242-room Hyatt Regency Cairo West, JLL highlighted in the same report.

In terms of opportunities for hotel investors next year, there appears to be a considerable gap in the market for modern lifestyle products targeting millennials. Demand for these new products is backed by young travelers seeking excitement and adventure, with a special focus on new experiences, Albert says.

He sees developers and investors having a lucky chance to lure more international operators into Egypt, particularly with brands focalized on this evolving segment. Hence, home-grown boutique concepts will be further developed within this space.

“IN 2020, COMMERCIAL, OFFICES, AND SECOND-HOME SECTORS ARE EXPECTED TO OUTPERFORM OTHER INDUSTRY-RELATED MARKETS, BASED ON COLLIERS' ANALYSIS,”

ALBERT ELUCIDATES.

## Possible Risks

Indeed, the real estate sector can offer manifold opportunities, however, the higher the ignored risks, the greater the potential for significant losses of invested equity and the bigger the bottleneck to market growth.

Lately, the abundance of offerings amid the country's growing trend of urbanization, supported by the construction of many new cities, property developers have been adopting a common tactic of offering relaxed payment facilities to maintain their market shares. But, some have gone to extremes with installment terms of up to ten years, with zero down payments. Although such terms are aimed at securing more customers and logging higher sales, cash flows of some companies started to tighten as a consequence, whilst ultimately eroding its profit margins, Gad notes.

Accordingly, Elsaadny believes that a possible liquidity crisis will unfold among small-sized developers due to their "unplanned" aggressive payment facilities, which might eventually lead to delays in project deliveries, and thus, compel their withdrawal for failure to compete and maintain their market shares. In short, Gad highlights that if companies, with high leverage and/or have large land liabilities, continue following the same financing strategy, they will collapse sooner or later.

As for big developers, in Elsaadny's point of view, such a liquidity stress scenario is unlikely to leave a negative imprint on their portfolios for being backed by various retail components, which make up for the fluctuating performance of their businesses' residential side.

However, some of these companies will see low-profit margins due to high-cost overruns, hence not adhering to the set timelines. Madinet Nasr for Housing and Development (MNHD), for example, endured delayed handovers and greater cost overruns after offering ten-year payment plans, she explains.

In its latest nine-month financial statement, published in 2019, MNHD announced, "Fewer deliveries scheduled this year due to a gap year from three to four years delivery policy." According to Gad, the Egyptian Stock Exchange (EGX)-listed developer is set to achieve an average of 53.3% gross profit margin in 2020, down from an average of 74% in the 2014-2018 period.

Another risk is that the sheer size of projects are concentrated in east Cairo, where several small developers debut and "immature" competition emerges as a result,



both Gad and Elsaadany underline. Thereupon, Albert expects New Cairo to be oversupplied over the coming five years, which is likely to put pressure on the market performance.

Nevertheless, the entrance of many new players, including the public sector, is another challenge that have been leading to intense rivalry, and thus gradual loss of market share, Gad highlights.

As an escape route, Gad remarks that some of the big developers of east Cairo such as Emaar Misr and Sixth of October Development and Investment (SODIC) have gone west with new gated communities, namely Emaar West and The Estates, respectively.

AAIS' analyst highlights that the government should expedite in making regulatory changes for the real estate industry. Back in February 2019, the state announced that it is working on a new legislation - or the Real Estate Development Law, which is yet to be issued. The long-awaited law would regulate the property industry by clamping down on violators, form a federation for developers, and establish a fund to hedge against sector-related risks.

On another note, in its December 2019 report, AAIS had stressed that any delay in the CBE's easing monetary policy, coupled with lower consumer purchasing power, may further slow down in the real estate market. Otherwise, the property sector would begin to see recovery as interest rates and unemployment continue falling, Gad notes.

## 2020 in Short

On one hand, there is a strong reform program being implemented by the government, which has driven foreign direct investments (FDIs) to record high levels - USD 45.35 bn (EGP 727.88 bn) at the end of November 2019, and the local currency to break through the USD 16 level in mid-December of the same year. On the other hand, there is a pending challenge of weak affordability, which will put the brakes on the housing market.

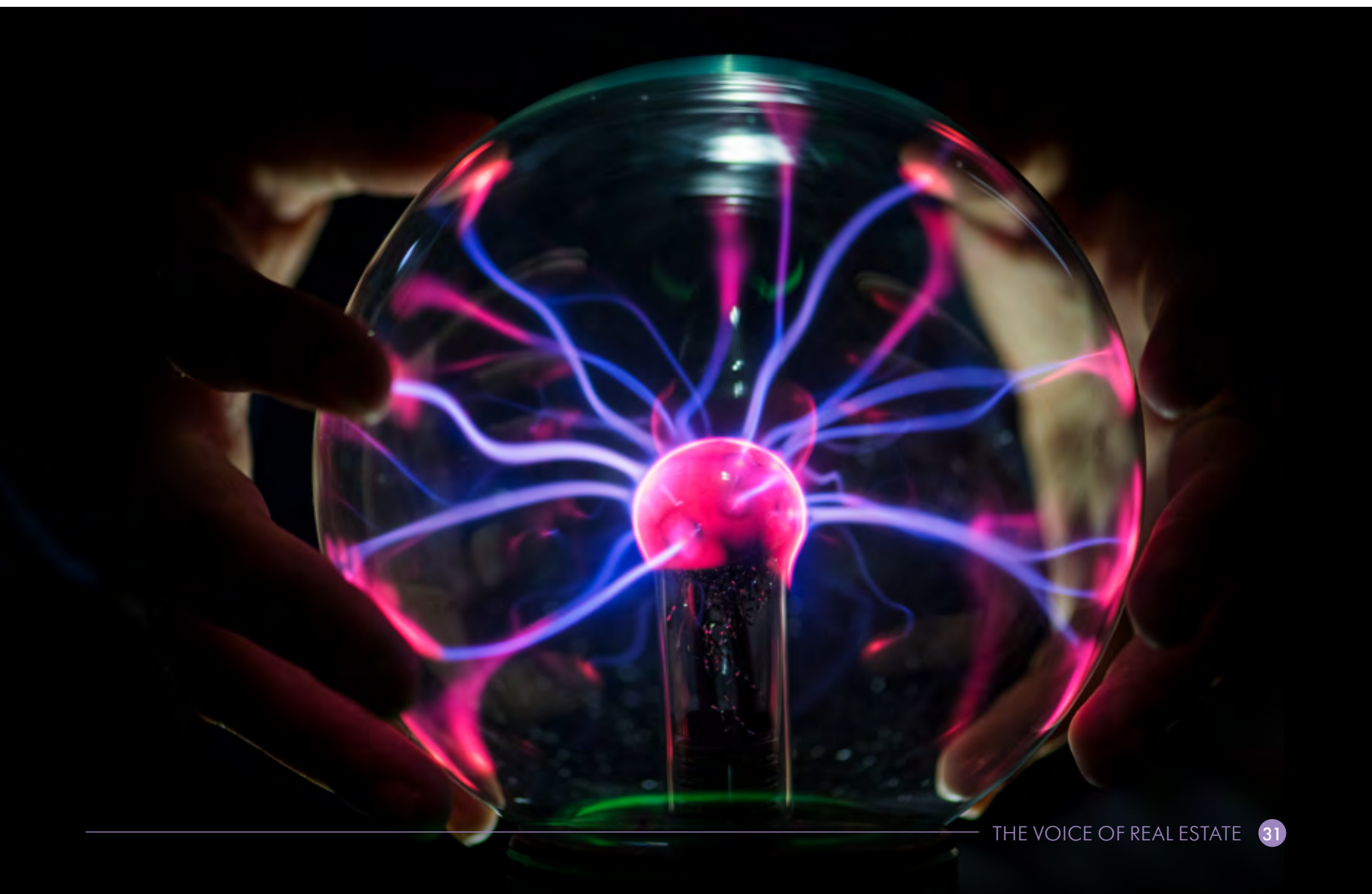
As a result, developers are forced now to overhaul traditional business models and sales techniques in response to the rapidly-changing market dynamics. However, they should have initially set a well-studied feasibility plan, while being on track with new on-the-rise trends to gloriously stand among the top achievers of the future real estate industry.



*DEVELOPERS INTRODUCING THE RIGHT PRODUCTS, WITH THE OPTIMAL PAYMENT PLANS TO THE MARKET, ARE LIKELY TO ACHIEVE HIGHER PERFORMANCE FIGURES THAN THEIR PEERS,*



**ALBERT REVEALS.**





2020 REALTY BITES:

# WHAT IF NEXT CASH CRASH HIDES IN PLAIN SIGHT?

BY SARA MOHAMED

Everyone is welcoming the new year, whilst talks of a severe cash crunch in the Egyptian real estate industry are increasingly in the air. Lately, market experts have been pinpointing that there is enough evidence to suggest that several worrying signs could augur fresh strife for domestic businesses. Amid the varying payment facilities and flexible terms offered to lure as many buyers as possible, breakdowns are likely to formulate shortly before jeopardizing the developers' growth prospects.

Against this backdrop, Invest-Gate draws reference lines on the indicators and reasons for a possible liquidity pothole across the local real estate sector. Better yet, we betoken ways of securing high reserves and evading the surge in cash outflows, ergo creating an ultra-leveraged business growth model for developers.





## Cause and Effect

The reasons for enduring expected cutthroat cash constraints in the property sector are unequivocal. For Egypt, Mahmoud Gad, a senior equity analyst at the Arab African International Securities (AAIS), affirms that the march of real estate developments continues apace, however, most companies are set to considerably face numerous challenges of undertaking off-plan sales as an ultimate financing strategy.

"Should property developers continue offering off-plan properties, with no down payments and installment terms of up to ten years, they would either have little cash to pay off land liabilities or find it almost impossible to adhere to set timeframes (i.e. late deliveries or incomplete projects), in light of the near-term illiquidity," Gad is quoted as saying.

The professional explains that when real estate companies bid to hand over the house key after four years or so, sticking to the aforementioned schemes withal, they only collect almost 40% of unit value by its delivery date. Meanwhile, in proceedings, most developers invest big bucks in marketing, construction and infrastructure works (sometimes finishing as well), along with land costs, which absolutely intimidate and stress the profit margins, he notes.

Alternatively, some businesses are pushed to scout for different property development financing options and often seek bank lending to hedge against the increased risk of defaulting on due payments and deliveries. Conversely this is one omen for a fall of fire, Gad continues to say.

Even harder, according to Karim Ghoniem, CEO and founder of the real estate consultancy and brokerage firm BYC Egypt, borrowing credit gets under the skin of local real estate developers, in particular, as the Central Bank of Egypt (CBE) levies uptight lending restrictions and bad-credit mortgages.

"Only handpicked property developers, with low market leverage, get mortgages in Egypt, whereby provided with little funding and charged with mortgage rates of nearly 18-19%," Ghoniem tells Invest-Gate. He stresses that state-backed financing is only extended to real estate companies for the feasibility study of a specific development, under strict conditions and implementation deadlines.

Along the same lines, Gad attributes the lack of relaxations in the North African country to the cataclysmic 2008 Great Recession, which had been triggered by the emergence of sloppy mortgage lending. It is reflecting in part on the existing regulations and is invariably impelling operators to climb a wall of worry to oust the blinking red flags of an epic credit crisis, he asserts.

"Another ground for cash tightness among developers in Egypt is that almost all property companies entirely market off-plan projects, without even obtaining ministerial approval for establishment, which reinforces the risk of potential fraud by unscrupulous firms," the senior analyst argues. He also assumes the probability of distressed sales, due to customers' inability to complete the purchase, as a potential driver to find the liquidity beast tormenting the market.

After all, the takeaway of any liquidity stress scenario is the potential failure of small-sized companies to build the planned products when putting up with deficits. Gad is in awe that cash-starved businesses, which are already left holding high land costs and extra spending, will severely suffer due to their undercapitalization. He accentuates that they will either deliver poor quality of construction or will most likely collapse, hence troublesome to refund the clients' ticket size.

If real estate developers go to the wall, the rate of sales and rentals pile on the pain by imposing a negative shock to price levels as soon as the property sector gets in a slump. Head of Capital Markets at JLL MENA Nida Raza tells Invest-Gate, "Consumers are affected in the short term by abundant supply, lower rents, and downward pressure on the overall market prices.

Raza refers to further imprints left on property developers in the wake of liquidity hits such as "the slower launch of new projects, refinancing or rescheduling of debt, or looking for equity injection to keep running pursuant to the required growth rate."

Meanwhile, solvent companies such as Talaat Moustafa Group (TMG) Holding will be able to stomach the liquidity squeeze and will bear marginally lower losses, Mena Group Founder Fathallah Fawzy claims. Having said that the latter firm is trading on the Egyptian Stock Exchange (EGX), Gad adds Madinet Nasr for Housing and Development (MNHD) to the frontrunners in this respect, which also offers its securities to the public. "In this scenario, the execution of projects underway will be carried out based on the developer's financial strength," he elucidates.

## Ways to Not Spoil the Property Fiesta

To avoid reaching liquidity dry-ups, certain precautions and practices shall be implemented to tide over any market busts. JLL MENA's head of capital markets sums up some of the possible escape routes to take the edge off cash shortfall risks in the property sector.

- **Repricing of real estate assets** to realistic market values
- **Government intervention** to alleviate funding liquidity concerns by bank lending, in terms of monetary easing policy to stimulate borrowing and offer vibrant local capital markets industry, hence allow private sector players (i.e. developers, contractors, etc.) to tap into the public capital markets for alternative forms of financing
- **Providing a vibrant securitization market** to allow residential and commercial mortgages to be sold in the public debt markets to mitigate further pressures on the banking balance sheet

"All these factors combined can help the economy exit the current liquidity traps seen in regional real estate markets," Raza further states. "The overall industry will need to pause until the excess supply is absorbed or at least until the pressure the banks face, in terms of property exposure, is reduced as loans roll off with time or construction financing is completed," she asserts.

By the same token, Co-Founder and Managing Partner at EverVantage Sudhanshu Kejriwal uncovered additional strategies for property developers and investors when it comes to addressing cash shortages in his recent opinion piece last August, called "Five Ways to Avoid a Liquidity Crunch."

- **Draw-up sound financial studies**, with both past and future trends in mind, to establish concrete plans and have a reference point for the long-run
- **Start with a well-thought-out budget**, based on logical and practical assumptions, which then acts as an action plan that helps to chart out an effective path and allocate funds accordingly to achieve the operational and financial goals. Also, defining the investment size well allows for building positive cash flows
- **Put special emphasis on examining spending visibility** as mapping-out expenses help with the projection of future savings, allocation of emergency funds and goal-setting, as well as, better management of debt for the longer and shorter terms (i.e. enabling greater transparency throughout the entire spending cycle)
- **Analyze and control overhead expenses** to monitor areas where costs can be cut or processes can be fixed to save up essential funds. Finding more affordable alternatives can help slash the value of procuring goods and services without limiting the required amount. Businesses must also prioritize paying off any liabilities to eschew carrying anything forward, while adding further penalties and/or interest to expenditures
- **Effectively maintain high-quality liquid assets**, which have the greatest potential to be converted into cash quickly. Choosing low-volatility assets as well as portfolio diversification can further ensure unrivaled predictability, and thus, preparedness due to minor fluctuations and a less-concentrated impact

## Liquidity Outlets for Egypt

When in the land of Pharaohs, the current housing market slowdown is the repercussion of a complex mix of factors, albeit many overlapping others; consumption sentiment itself has been deeply influenced in this sense. Therefore, abridging the right tools to tame the liquidity beast is necessary to avoid blowing out the real estate mania, especially in this stress-tested country, which tolerated many years of panic and financial turmoil following the 2011 uprising.

AAIS' senior equity analyst foregrounds the optimal way to avert solvency problems in Egypt's real estate industry: Escrow accounts, wherein a third party holds funds in safekeeping, pending the completion of a certain transaction between two or more parties.

"Withdrawals from an escrow account are restricted, so funds are reserved or accumulated exclusively for a specific project and drawn accordingly, that too, in proportion to the completion rate of the entire development... Once applied, by law, a financing bank or other creditor of the venture cannot create an attachment or encumbrance over such an account," according to Gad.

This strategic method, which is regionally and internationally widespread, is usually found among public-private partnerships (PPPs) and sometimes utilized by small-sized developers in Egypt, but less commonly by mega property companies, EGX-listed ones in specific. Conversely, all market players should take initiative and maintain escrow accounts right away, as it commits in avoiding diversion of funds, ensuring timely completion of projects, and regulating the overall real estate cycle, he claims.

Likewise, in pursuit to forestall calamity and limp back to normalcy soon enough, equity players should deploy more capital to boost cash flows, though based on

stringent credit norms. Gad draws attention to EGX-listed Palm Hills Developments' capital increase subscription, which took place last year. "All returns were directed toward the development of its west Cairo flagship project, Badya. Therefore, more developers should start rolling up their sleeves and actively participate in the equity market to help boost liquidity in their stock, in addition to luring additional trading volumes," he indicates.

Perhaps most importantly, since Egypt commonly sees millionaires build a real estate empire without a hitch, according to AAIS' analyst, local authorities and administrative bodies should redress highly-selective criteria to cherry-pick the right projects in the growth corridor, along with reputed developers. At the outset, a nudge from the government is needed to take out these pretty risky bets.

On another note, for all the attention Egyptian policymakers recently placed on interest rates, the cost of borrowing is far from the problem. The current lending frameworks have done little, if anything, to prompt home purchases or refinances. The fact that the country does not have a proper project finance structure or even a large-scale mortgage system weighs heavily on the local market players. Contrariwise, the presence of such schemes is quite important for increasingly underpinning any developer's ability to immediately generate a bunch of cash, let alone meeting the long-term obligations, BYC Egypt's Ghoniem confirms.

In general, if an impending recession hits the property sector hard, some drastic turnarounds are to come up at the end of the road!

JLL's Raza points out, "In turn, local banks' exposure to real estate and industry-related sectors can have a domino effect on the entire ecosystem. Hence, government funding comes under pressure, bank liquidity becomes tight, resulting in the lack of financing available to a heavily capital-intensive industry; and on goes the domino effect, all the way down to investors, who lose earnings due to project delay."

She also underscores that any expected liquidity shocks among realty players put on a prolonged downturn in the local economy, "which is a direct aftermath of a bubble or bull run," with the ride becoming much harsher when it comes to nations heavily dependent on real estate (ex: Egypt).

"Eventually, developers and contractors could go bankrupt if they cannot repay their debt or raise other forms of capital. Market players would need to adjust to the new reality of gloomy market returns and rectify prices accordingly; or else have a large inventory of assets, which will continue to diminish in value," the market expert elaborates.



## For Now...

So far, a possible makeshift solution, as already pointed by JLL's Raza, is the provision of active securitization markets, which ultimately palliate pressures on balance sheets. "Generally, property asset securitization, which refers to the pooling of various debts and selling the receivables to a third party, is a vital financial instrument. By transferring property off the balance sheet, as the bank finances the purchase of equities, it injects liquidity back into the company and indirectly dwindles its gearing with heavy borrowing liability," Gad pinpoints.

In spite of being known for asset-liability management, securitization in Egypt comes with stringent return-on-equity requirements on developers by the CBE. This includes the obligatory collection of half of the unit value beforehand, whereas companies only receive 40% with the present payment terms, alongside the application of interest rates on all deals, which can sometimes result in lower bond prices.

Not only that, but the coverage of any transaction depends largely on getting the client's credit score from the national credit rating agency, or "IScore." In short, if a developer happens to have customers with low-credit history, the latter's assets

are unconditional for trading. In this respect, Gad calls on real estate companies to select homeowners wisely and look for those confident to repay debts to avoid any future shortcomings.

With the debt markets flush with liquidity and competition for transactions gets fiercer, the question to ask is whether Egypt is headed for rough waters. The good news is that the worst-case scenario, much like the historic housing crash, is a long way off, given the country's International Monetary Fund (IMF)-backed economic reform program, which promises to restore macroeconomic stability as well as reinforce strong and sustainable growth, according to Gad and Ghoniem.

Notwithstanding, Raza emphasizes that jurisdictions must make full use of all traditional policies and table amendments based on market needs, not to mention having contingency plans to extend a helping hand to profit margins squeezing from liquidity tightness.

In the interim, Mena Group's founder anticipates that amid the excessive debt, cash shortage, and failure to meet delivery deadlines, liquidity dry-ups might arise across the Egyptian real estate scene between 2022 and 2023. The government's comeback to such circumstances is not foreseen, but some challenging episodes are foreseen in the near-term.

More critically, with more foreclosures looming, the overall year-end performance is seemingly a tough nut to crack. In fact, BYC Egypt's CEO foresees a cash crunch among developers in Q1 2020, yet it is expected to start fading away next April, as the real estate industry gains momentum and grows at a faster pace, thereby absorbing the excess supply in a trice. Gad also forecast bright prospects in Egypt's property sector, making a strong comeback notably after inexperienced realty players flee the market.



# HOLLY JOLLY GUIDE TO TOP WINTERFEST ATTRACTIONS

**H**ooray! It is Christmas time. Are you still undecided about where to spend your long-awaited festive month of the year? Fret not, Invest-Gate is here for you to map the best getaways that the capital is having during this joyful season.



## Palm Hills Club

If you are looking to find all sorts of festive treats and entertainment under one roof, you cannot miss the second annual Christmas Festival of 6<sup>th</sup> of October City's Palm Hills Club (PHC), where people come to the drum circle, enjoy cheerful live performances, as well as, meet Santa and his elves! Under the merrymaking umbrella, an all-day bazaar gathers a hand-picked collection of Egyptian fashion items and will undoubtedly wreak havoc on your wallets. In this case, forget about the little ones; they can delight in a line-up of fun activities at the long-established global nursery chain, Kidville. As if the aforesaid does not make PHC the go-to spot for a splendid day, the hill-top club also satisfies guests' sporty, competitive urges with its Olympic-sized swimming pool, highly-equipped gym, and more exceptional facilities.

## Arkan Plaza

Are you ready for another round of Arkan Plaza's sparkly holiday merriment? This winter, the Sheikh Zayed complex raises the slogan of "never stop having fun" for offering visitors a multitude of long-lasting joyful festivities. It first hit the season with its spectacular Christmas tree lighting event, which came with one-of-a-kind fireworks, carnival games, and live entertainment that bedazzled kids and adults alike, and are still running till now. To fluff up extra festive vibes, Arkan Plaza brings the children's choir of the Fabrica Vocal Academy to perform Disney's well-known songs, on top of featuring many enchanting nights with renowned artists such as Egyptian jazz vocalist Ahmed Harfoush. It is also rolling an international skating arena and a breathtaking carousel ride, complemented with an all-embracing bazaar.



## Mall of Arabia

In 2019, the Christmas spirit is taking over Mall of Arabia (MoA), which is strategically located in west Cairo, as the "Winter Festival" kicks off with a giant gingerbread house for the little ones, a family photo booth, and four different star-studded concerts for everyone. Featuring a plethora of shopping vendors and fine eateries, the funfair is being held at "The Park," which is situated within MoA's The Expansion. Wherever you watch from, expect a thrilling lineup of marching bands, colorful floats, kooky clowns, and massive balloons. Over and above, endless train rides, a face-painting stall, raffle carnival games, and Christmas-themed light displays are all on this year's Winter Festival agenda!



## NEWGIZA Sports Club

One of Cairo's most festive Christmas events is back this year: The NEWGIZA Winter Wonderland at NEWGIZA Sports Club. Bringing Santa's surprise pumping performances, the ultra-premium fair is what it sounds like; a utopia for kids and adults alike, or rather a massive arena where shopping meets live entertainment among marvelous celebrations and fireworks. Apart from meeting and greeting Santa Claus, manifold activities are found on-site, including carousel rides, ice skating, art-and-craft works, parade-filled tunes and percussions, alongside jubilant carols and choirs. Moreover, NEWGIZA is rekindling its "Frosty Friends Camp," which aims to teach children effective communication and social skills in a fun-filled manner.



## Uptown Cairo

Uptown Cairo is taking Christmas to a whole new level, with wondrous nights that are full of fun and joy for all family members. Perhaps most importantly, this year's Uptown Christmas Festival is feasting with a heartwarming purpose by bringing hope to those in need, with guests contributing to saving a heart in support of Magdi Yacoub Heart Foundation. The celebration includes a jazzy parade, a full-fledged bazaar awaiting folks to buy the perfect gift for their beloved ones, and an extraordinary live performance by Harfoush. There is also the "Street of Dreams," where children meets Secret Santa around the shimmering lights and colorful ornaments, whilst adults dine in some of the world-class food outlets all day long.

## Zed Park

Make your holiday season merry and bright by delving into the oh-so jolly, utterly magical Cairo Winter Wonderland with the loved ones at Sheikh Zayed's Zed Park, which is taking part with plenty of cheerful activities with a stunning background of festive decorations. From spectacular fairground rides, incredible shows, and carnival games to awe-inspiring Christmas treats, a 50-meter Ferris wheel, the biggest ice rink in town, among other thrilling fairground rides, all family members will absolutely be spoiled for choice. Aside from the all-day-round live entertainment, visitors can take an indulgent escape to some of the top-notch fine dining and chill-out venues.



## Capital Promenade

Longing for eye-popping views and desirable vistas? Sheikh Zayed's Capital Promenade is all you need! Amid the exquisite landscaping and ornamentation, there are plenty of distinctive and delightful cafés and eateries. Located at the heart of west Cairo, the unprecedented integrated development also offers loads of activities that present guests with iconic Christmas cheers and vibes, starting from "Carousel De Capitale" and all the way to "Marche De Capitale," which is supplemented with an assortment of food and beverage (F&B) trucks as well as shopping and recreational spaces.



## Cairo Festival City Mall

Egypt's biggest Christmas tree is now shining at the Cairo Festival City (CFC) Mall, which saw its shopping center being decked out in true Christmas style with a range of winter warming events that are truly capturing the magic of the festive season. From fun-filled parades, an all-inclusive Christmas bazaar by BazarnaCo, unlimited carnival games and clown shows to live performances and jaw-dropping fire shows by Okasha Ali and Ahmed Essam, respectively, east Cairo's CFC Mall promises an extra-merry Christmas celebration! Do not be surprised if you bumped into Santa, he is only passing to ring jingle bells and throw hundreds of Xmas gifts, but only to those on this year's "Nice List."



## SODIC West

Festive vibes are outstandingly filling the air at the Sixth of October Development and Investment Company's (SODIC) London-themed "Christmas Lane," where all age groups can celebrate in style and enjoy the Santa Parade, London Double Decker, mouthwatering food and candy, marvelous handcrafts, and fantastic live performances at the developer's flagship project in west Cairo, dubbed "SODIC West." The fine-tuned spot vows to provide an unforgettable holiday season with all sorts of magnificent Christmas ornaments and lighting, incomparable activities and thrill attractions, together with unprecedented shopping convenience for the whole family.

## City Centre Almaza

Christmas surprises are all around east Cairo's City Centre Almaza; let's hope you are lucky enough to get the odds of winning some of the most grand prizes, including raffle draws for EGP 50,000 worth of shopping! Also, a diverse range of dazzling holiday gifts is found at the brand-new megaproject's marketplace, which is being hosted by BazarnaCo, in addition to an array of family shows and magical performances. Your little ones are always in mind and special activities are there for them to have a once-in-a-lifetime experience such as arcade games, indoor rides, a soft play area, among other various attractions found at the Middle East's prominent family entertainment center, or Magic Planet.



## Citystars Mall

The whole world is at every turn of Citystars Mall! This year, the ultimate family go-to destination brings the most prominent heritage sites at the visitors' fingertips, with different themed structures and decorations, bidding to make family and friends relish the festive vibes like no other. The Tour Eiffel, London Eye, Italy's Leaning Tower of Pisa, and many other monuments are resting all over the east Cairo mall. If flying to the North Pole is on your bucket list, worry less as Egypt's astonishing 6,000-square-meter indoor Snow City, which brings 750 tons of daily fresh snow supply, is calling all family members to spend the best eve ever with its special year-end packages!



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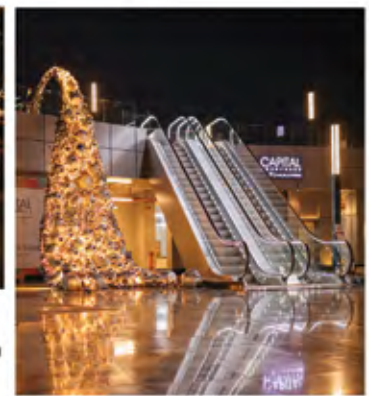


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