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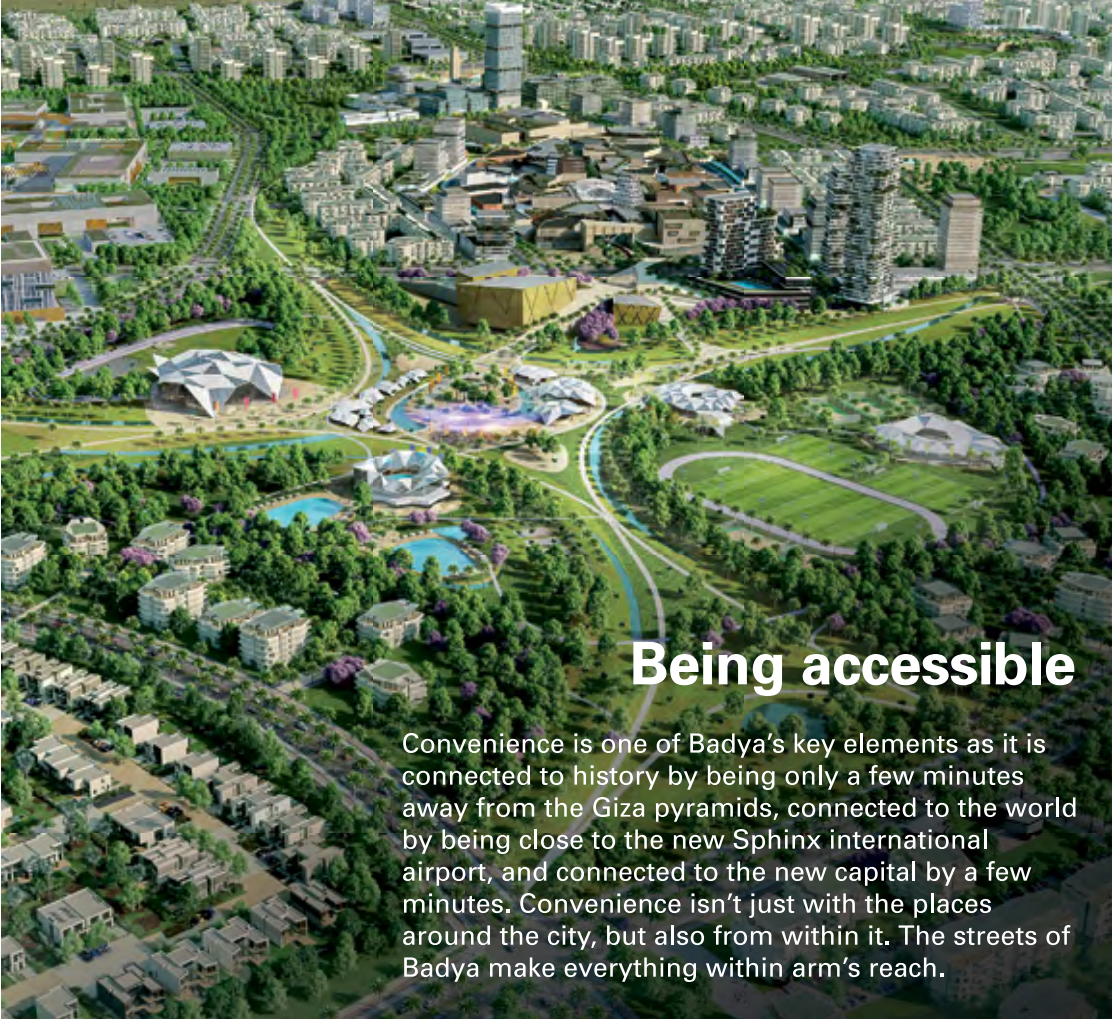




WHAT MAKES BADYA THE CREATIVE CITY?

Many have wondered why Badya is a creative city. It is so because Badya is the place where you don't shut the outside world by shutting yourself in a compound, but rather a cultural hub for a modern and progressive Egypt. If you are looking for something new, unseen and beautiful; Palm Hills Developments constantly works on having many well established firsts. As Badya is our latest and greatest project, we present to you a city that is developed in a creative way. It is built in a way where everything is different as its designs and structure are out of the norm and innovative. Badya's location is the center of the 6th of October city of future. It will have 3,000 acres of 6 fully integrated and independent districts. Badya is built for your convenience, you are 5 mins away from your daily needs, 10 mins away from your weekly needs and 15 mins away from your monthly needs.

While designing Badya we put these four main principles into action:



Being accessible

Convenience is one of Badya's key elements as it is connected to history by being only a few minutes away from the Giza pyramids, connected to the world by being close to the new Sphinx international airport, and connected to the new capital by a few minutes. Convenience isn't just with the places around the city, but also from within it. The streets of Badya make everything within arm's reach.



To own your home now in Badya, call **19743**



Keeping it eco-friendly

By going green, we were able to reduce 30% of water as well as electricity consumption, reduce your operational costs by 20%, and produce 30% of renewable energy. Badya is also the first city to abide by the UN sustainable development goals in the MENA region is something we are proud to present.

Staying advanced

Badya has surpassed the smart technology by presenting a cognitive system; it focuses on having more efficiency which creates a safer place to live. The high-tech gated community has facial recognition, artificial intelligence and more that allows only the owners to enter with different gates for pedestrians, apartments, and villas.

Building cultures

Created on the basis of building cultures rather than walls, Badya has implemented the foundation of culture with galleries, theaters, and cinemas which aims to grow the creativity of everyday.






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GROUP**

DEVELOPMENTS

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19812

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 www.firstgroup-egypt.com



**KENZ
COMPOUND**
6TH OF OCTOBER



 **KAYA
PLAZA**
6TH OF OCTOBER



 **KAZAN
PLAZA**
6TH OF OCTOBER

EDITOR'S LETTER

As our real estate world of trade shows and exhibitions are to kick off, we are keen on keeping our audience and readers up to date with all that is taking place.

As you have noticed, Invest-Gate has taken great measures to upgrade its content, giving you the latest market studies and analysis in the coming pages. We are keen on delivering accurate updated statistics in a short attractive manner, and that's why we launched our monthly market watch report. For access to further in-depth analysis of the data provided in our issues, scan our QR code to access our monthly monitor, where everything is thoroughly explained.

For the fifth time, Invest-Gate has managed to break records with yet another successful roundtable, highlighting the dynamic relationship between real estate developers and brokers. In this issue, we feature the highlights of such an event that took place on January 15 and wrap up its outcome. As we always did before, the recommendations are shared with market key players and governmental officials, and hopefully to be taken into consideration and applied.

This relationship is also featured in our "real estate monopoly" story that demonstrates where we are today and what is required for a more coherent market, where all work together to help boost this industry to get back on its feet, and thus be able to market and export it abroad.

We also discuss the never-ending mortgage issue of Egyptians, given the current price hikes of residential units and minimum wage dilemma.

On behalf of Invest-Gate, we thank our readers, audience, and business partners for the continuous support and we hope we have accomplished our mission.



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CBE NEW HOMES

PUBLISHER **MOHAMED FOUAD**

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CASTLE LANDMARK

NEW CAPITAL



CASTLE
DEVELOPMENT
كاسيل للتطوير العمراني

Project Designed by

ÖKOPLAN
ENGINEERING CONSULTATIONS

Project Supervised by

EPM
PROJECTS MANAGEMENT
DORRA
Affiliated Company

16533

Hassan Allam Holding Unit Awarded 7 Water Projects in Egypt

Hassan Allam Holding's (HAH) subsidiary, Intech, has been awarded seven new contracts for various infrastructure works nationwide, Invest-Gate reports.

New projects include the Dar El Salam wastewater treatment plant, which will be executed in partnership with Hassan Allam Construction (HAC), with a capacity of 90,000 cubic meters per day. Also, Intech will execute all engineering, procurement, and construction works for Werdan sewage treatment plant to reach a capacity of 50,000 cubic meters per day, according to the developer's statement on January 5.

"Additionally, the company has been awarded the rehabilitation of four wastewater treatment plants, as part of the extension of our original tertiary treatment plants previously built by Intech," read the statement, underlining that Intech will solely undertake the



engineering, procurement, and construction scope for these additions.

"In the coming months, the company is expected to commence several other projects, including the

Mahmoudeya, Port Fouad, Damanhour, and Tuna El Gabal wastewater treatment plants, in addition to the Assiut water treatment plant, with a combined capacity close to 200,000 cubic meters per day," it continued.

The awards come in line with HAH's commitment to providing locals with easy access to water-related services, as part of the Egyptian government's longer-term infrastructure needs. However, details such as the projects' investment value and total costs were kept murky.

Back in November, HAH had inked an agreement with the European Bank for Reconstruction and Development (EBRD) for a USD 20 mn loan to support the construction and utility sectors in Egypt. The funding is aimed at further penetrating the country's growing infrastructure industry, while also creating more jobs.

Misr Italia Properties Rewards Clients with Loyalty Program



Misr Italia Properties (MIP), in collaboration with Egypt's digital payments company Fawry, has launched new e-services through the latest "Loyalty Program," Invest-Gate reports.

The "first-of-its-kind" initiative will provide the developer's customers with discounts and offers from a wide list of merchants of almost 60 brands, varying between electronic stores, fashion retailers, as well as, restaurants, cafés, pharmacies, and more, according to the company's press release.

Vendors include B-Tech, Tradeline, Abou Shakra, Chili's, Nola Cupcakes, Cilantro, Wild Burger, U.S. Polo Assn, Kidzania, AlMokhtabar, AlBorg Lab, Seif Pharmacies, VOX Cinemas, Magic Planet, and Virgin Megastore, MIP added.

CEO of MIP Mohamed Khaled Al Assal commented, "All [MIP's] customers will be able to view their points balance, transaction history, and list of merchants from which they will be able to redeem the benefits, all through the application. Also, through the same application, customers can transfer all their financial dues for non-cash transactions in cooperation with Fawry."

"The relationship between customers and real estate developers ought to be an extended relationship

aimed at finding new initiatives and ideas that increase customer satisfaction and meet all their needs," he added.

Managing Director of Fawry Mohamed Okasha stated, "The agreement with [MIP] is considered a new step of cooperation with real estate developers... Fawry helps [the property developer] in transferring all their customers' payments to a non-cash community in all projects, whether commercial or residential."

Speaking of the loyalty program, Okasha explained, "[MIP's] customer goes to the rewards section on MIP App, where he will be able to check and know all the offers along with their details whether; discount amount, merchant name, offer validity, or terms and conditions. The customer then chooses the preferred offer and merchant, and the Fawry loyalty engine will validate the offer. The customer receives the voucher on his app and goes to the selected merchant to redeem it after he provides the merchant with his mobile number plus the voucher code. Finally, the customer gets the offer."

Since its inception, Misr Italia Holding has pumped total investments of EGP 68 bn into the Egyptian real estate sector. Currently, the company has a total land bank of 11 mn square meters nationwide, with a diversified portfolio of 11 residential projects, nine commercial centers, five luxury hotels, and 6,000 delivered units.

City Edge Developments Makes Management Changes



City Edge Developments (CED) has announced that its board of directors (BoD) approved the appointment of former Investment Minister Ashraf Salman as its new chairman to replace Hassan Ghanem, who had been selected for the same post last month, Invest-Gate reports

Ahmed El Weshahi, Lobna Helal, Mohsen Adel, Ragaa Foaad, and Abdel Moteleb Omara have all joined the company's BoD as representatives of the New Urban Communities Authority (NUCA), according to a recent press release.

In mid-December, CED has appointed Amgad Hassanein to the position of CEO, succeeding Amr El Kady who earlier resigned his position, the company announced in a previous statement.

Moreover, CED has recently raised its capital, raising NUCA's stake from 60% to reach 75%, whilst that of Housing and Development Bank (HDB) and one of its subsidiaries dropped to 23%.

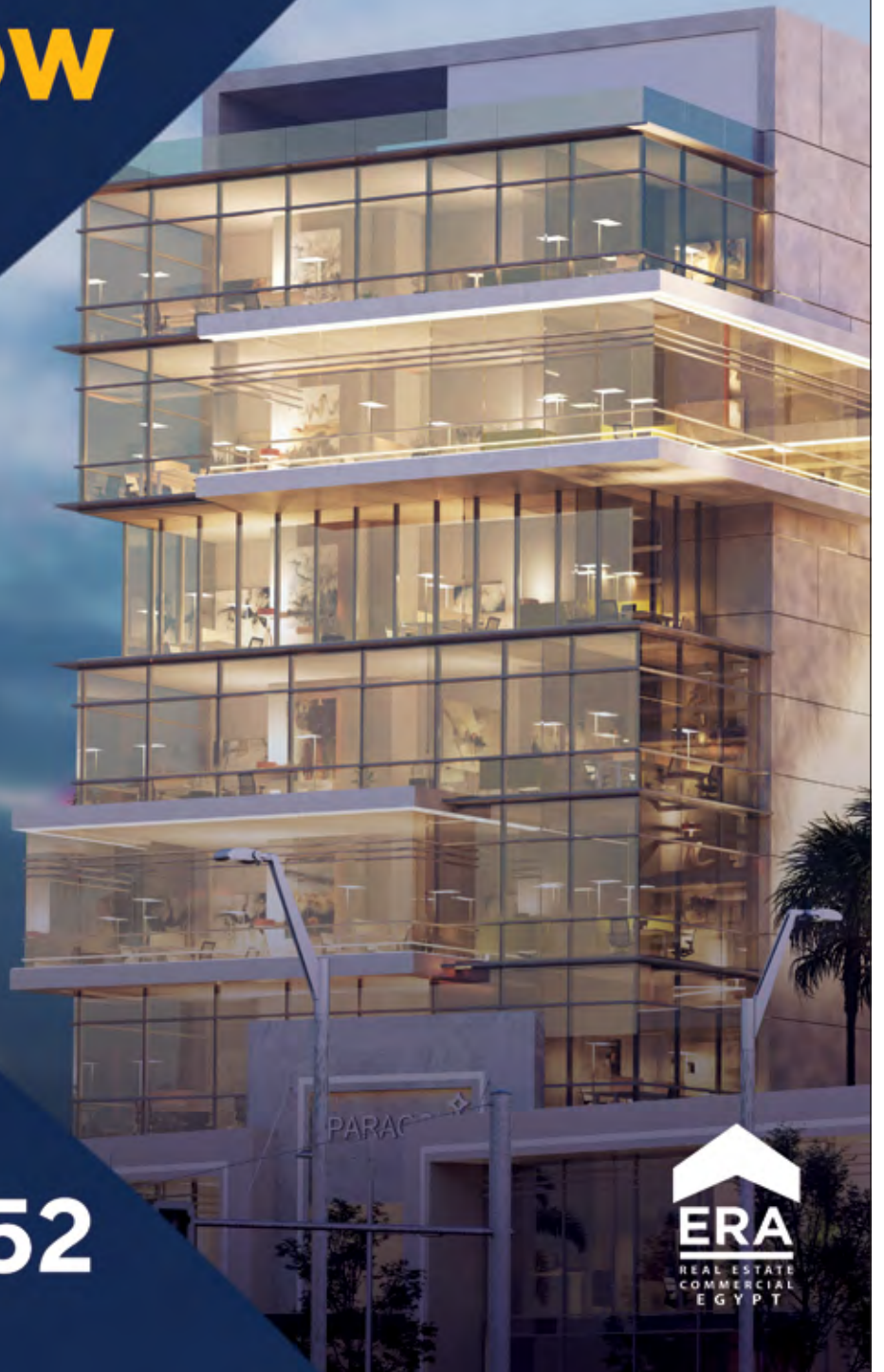
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OFFICE BUILDING

CITYSCAPE  OFFER
EGYPT

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DEVELOPMENT

16452


ERA
REAL ESTATE
COMMERCIAL
EGYPT

PHD Inks EGP 505 mn Facility to Refinance Existing Debt

Palm Hills Developments (PHD) has signed a loan agreement worth EGP 505 mn with Ahli United Bank Egypt (AUB), targeting the replacement of a medium-term loan previously granted by the Arab African International Bank (AAIB), Invest-Gate reports.

This funding will refinance the outstanding balance of the existing facility on the Palm Parks project, in addition to financing the project's updated investment cost as well as the remaining construction works, in a bid to speed up the project's completion, PHD revealed in a press release on January 21.

The EGX-listed real estate developer received competitive financing schemes from AUB, compared to the terms and conditions of the existing credit facility, according to the company's statement.

PHD's Chairman and CEO Yasseen Mansour commented, "I am very pleased with this refinancing agreement, which is our second transaction as part of the company's debt optimization program."

"With these agreements, PHD will further solidify its financial position and reduce the debt burden by



improving the current credit terms, capitalizing on the performance and maturity of some of our projects. We reiterate that this move comes in line with our strategic direction towards leverage optimization, reducing financing costs and cash flow enhancements," he added.

Last December, PHD inked a strategic deal with the Commercial International Bank Egypt (CIB) to secure EGP 1.1 bn medium-term loan facility.

Akam Developments Holds Annual Event for Employees



Egypt-based Akam Developments held its annual event last month at Marriott Mena House for its employees and executive board members.

'Akam Roadshow 2020' event was divided into two sessions; the first of which was focused on presenting the company's strategies, goals, and latest achievements. The second session featured fun-filled activities to unwind and relax, rewarding employees for a tiring, yet fruitful 2019.

During the event, Akam's CEO Essam Mansour introduced the company's mission and vision, as well as its timelines and progress throughout the past two years. He also tackled the company's participation at Cityscape Egypt Exhibition 2019, during which Akam managed to be among those who achieved the highest sales despite the fierce competition.

Edrees Mohamed, Akam's Chief Commercial Officer (CCO), revealed the company's plans to launch another project as an expansion to its mixed-use development, Scenario, in the New Administrative Capital (NAC). Akam's primary project, Scenario, spans across 40

acres at NAC, and is segmented into four phases, the first two of which are already sold out.

Mohamed also highlighted the establishment of an in-house research and analysis department. The new department is set to conduct a thorough analysis of the market, hence catering to customers' needs and ambitions. He further underlined Akam's dogma of "humanizing the real estate," noting that Scenario was developed to focus on happiness, and thus create communities with optimum quality of living.

Akam's Marketing Communication Manager, Omar Shawkat, announced that Akam's clients will receive information on the latest projects' updates starting from the second quarter of 2020. He also referred to the happiness management team that looks after Akam's customers, creating a strong sense of affiliation to the project and company.

Finally, Akam's Sales Director Mohamed Amer presented awards for top achievers of 2019, in appreciation of all their efforts, while rewarding the hard work and dedication of those who shone bright during the year.

SODIC, CIB Ink EGP 1 bn Facility to Finance EDNC



Sixth of October for Development and Investment Company (SODIC) has unveiled that its wholly-owned subsidiary, SOREAL, inked an EGP 1 bn medium-term facility with the Commercial International Bank (CIB) to partially fund EDNC, its non-residential project in east Cairo, Invest-Gate reports.

Slated to be the cornerstone of SODIC's recurring income portfolio, EDNC is the commercial component of the developer's mixed-use project Easttown, which is strategically located on New Cairo's 90 Road and adjacent to the American University in Cairo (AUC).

Commenting on the deal, SODIC's Managing Director Maged Sherif said, "We are very happy to collaborate with CIB again and especially for financing EDNC. The signing is a testament to the strength of the relationship with CIB and the bank's trust in the company and its vision for this unique project."

In 2019, EDNC was launched to provide a dynamic office and retail complex that offers 90,000 square meters of prime commercial and retail spaces, marking "an important transition between urban space and landscape," according to SODIC.

"The project is developed with a focus on sustainability with buildings' form and facade proportioned to provide ideal day-lighting through the optimum organization of office space to encourage a healthier and productive environment with a reduced carbon footprint," read the statement.

Last October, SODIC had announced awarding construction contracts worth over EGP 300 mn for its SODIC East up to date, which is the company's largest development in east Cairo.

MIPIM 2020

THE FUTURE IS

Human

10-13 MARCH 2020

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REAL ESTATE DEVELOPMENT CHAMBER REVIEWS 2020 PLANS

Egypt's cabinet is currently reviewing the Real Estate Development Law legally to be sent soon to the parliament for approval, Invest-Gate reports.

The announcement came during a strategic roundtable held by the Real Estate Development Chamber, affiliated to the Federation of Egyptian Industries (FEI), on January 18. The event gathered different officials and developers to tackle the chamber's latest progress made to regulate the Egyptian real estate market and its 2020 plans.

The chamber's chairman Tarek Shoukry said the authority seeks to find an expedient mechanism for facilitating developers' coordination with designated administrative bodies, according to a recent press release.

This step will complement the chamber's 2020 goals, which are set in cooperation with the ministries of housing, investment, and justice, in a bid to reach equilibrium between the government, developers, and potential investors.

Shoukry stressed that the Central Bank of Egypt's (CBE) EGP 50 bn initiative to subsidize mortgages for middle-income homeowners, with preferential interest rates at 10%, marks a major breakthrough for the chamber in 2019, with more in

the pipeline to enhance the country's investment climate and make headway in urban development.

Shoukry reckoned that the real estate sector is strong and solid, and is still achieving more sales, pointing out that the chamber is working on significant projects lately, such as developing the business environment besides easing the procedures for developers with the assistance of the investment climate committee that Prime Minister Mostafa Madbouly launched recently.

In terms of data, Shoukry highlighted the chamber's role in creating a database for investors to find all the information they may need to start their business, revealing that Q1 2020 will witness the first informative brochure released.

He elaborated that the chamber's board has established a committee to support the small and medium companies.

On his part, Hany El Asaal, chairman of Misr Italia Properties (MIP) and the chamber's deputy head, hailed efforts to engage developers in the state's social housing projects. He further added that the CBE's mortgage finance initiative is one of the most important measures that will support the sector in the coming period.



MARKET WATCH

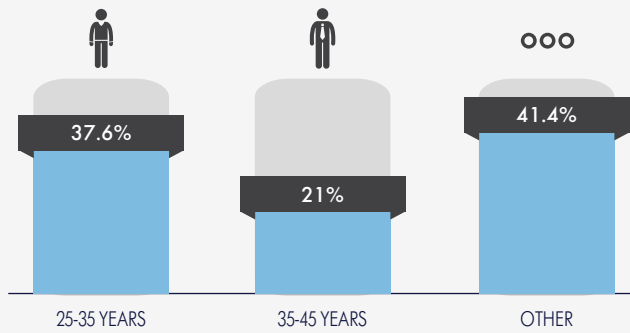
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RESEARCH & ANALYSIS

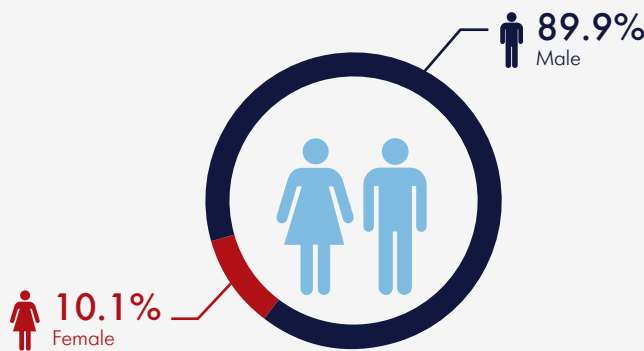
DEMAND ON SOCIAL HOUSING

DEMOGRAPHICS (RELOCATION WILLINGNESS)

AGE GROUP



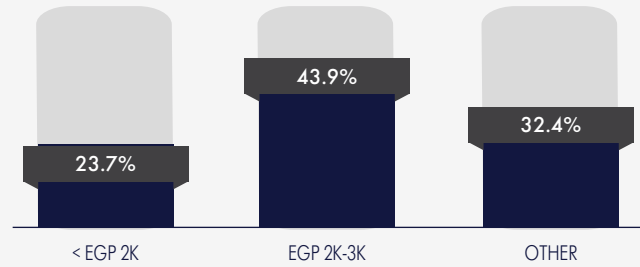
GENDER



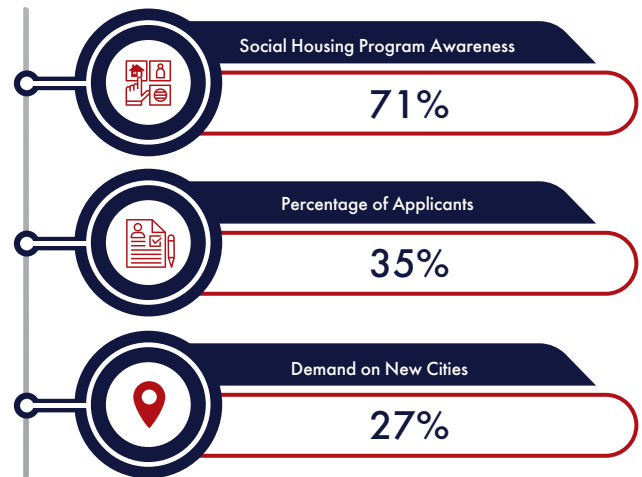
EMPLOYMENT STATUS



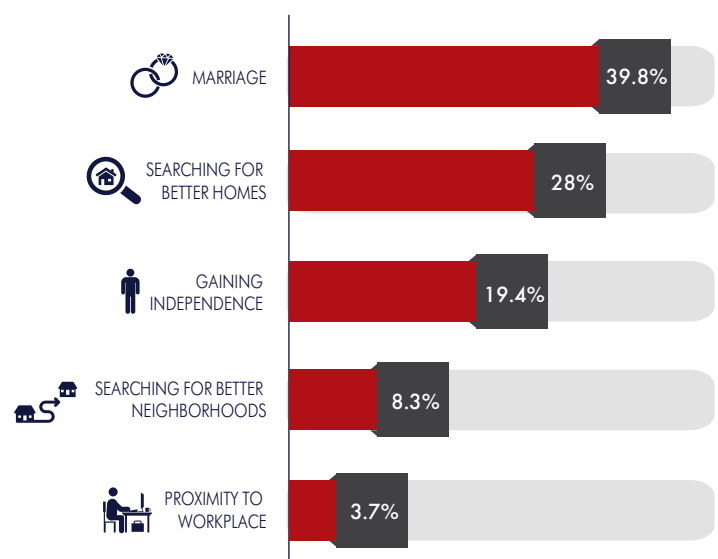
INCOME LEVEL



GENERAL FINDINGS



REASONS FOR RELOCATION



Methodology: This study, published in December 2019, is based on simple random systematic sample of 10,300 households across eight governorates.

Sources: Ministry of Housing, Central Agency for Public Mobilization and Statistics (CAPMAS), and World Bank.

BUYERS' PREFERENCES

PRIMARY VS SECONDARY HOMES



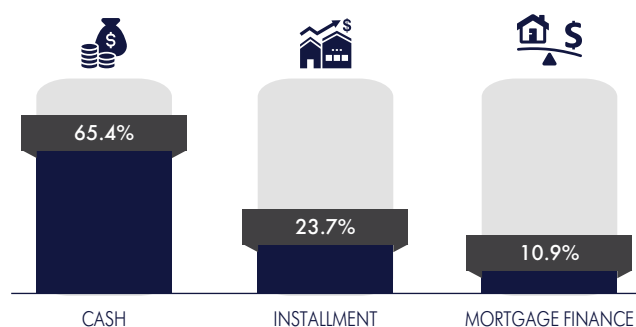
LOCATION



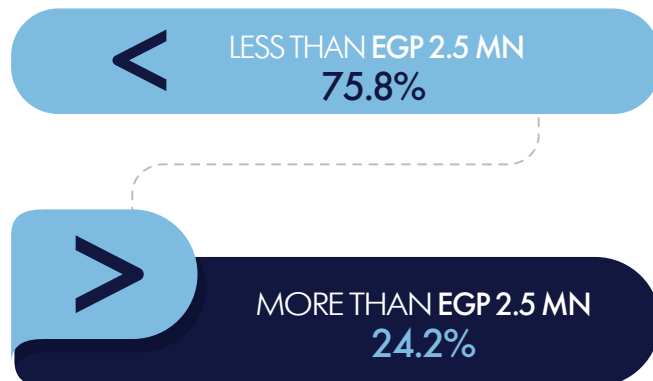
OWNERSHIP VS. RENT



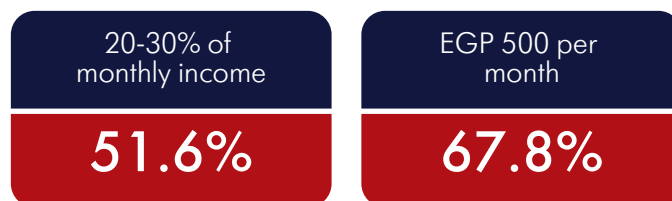
PAYMENT METHOD



UNIT PRICE



RENT AFFORDABILITY

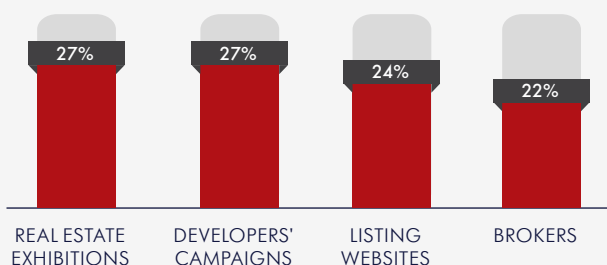


PRICES OF CONSTRUCTION MATERIALS (DECEMBER 2019) (EGP)

| | | | |
|--|---|---|--|
| STEEL BARS (per ton) 10,400 (YOY -16.8%) | CRETAL STEEL (per ton) 10,500 (YOY -14.6%) | PORTLAND CEMENT (per ton) 800 (YOY -5.9%) | COARSE SAND (per sqm) 70 (YOY 7.7%) |
| SOLID CEMENT BRICKS (per 1,000 bricks) 1,100 (YOY 3.8%) | | BRICK HOLLOW CONCRETE (40x20x12 cm) (per 1,000 bricks) 5,050 (YOY -2.9%) | |

ONLINE MONTHLY SURVEY

WHAT'S APPROPRIATE TOOL WHEN YOU ARE SEARCHING FOR HOME?



Sources: Ministry of Housing, CAPMAS, World Bank, and Invest-Gate R&A.

DEVELOPERS' PROJECTS



RESIDENTIAL PROJECT



Porto Assiut

Developer
Amer Group

Location
New Assiut City

Area
77 acres

Investment
EGP 4.5 bn

Supply Volume

No. of Residential Units
2,425

No. of Hotel Rooms
100



COMMERCIAL PROJECTS



Festival Avenue
(Expansion to Cairo Festival City (CFC))

Developer
Al-Futtaim Group

Location
New Cairo

Area
22,000 m²

Investment
EGP 2 bn

Supply Volume

No. of New Stores
80



Arkan
(including the new expansion)

Developer
El Badr for Investments

Location
Sheikh Zayed

Built up Area
260,000 m²

Supply Volume

No. of Commercial Spots
210

No. of Restaurants
67

No. of Hotel Rooms
178

Theater Capacity
900 seats



Stone Street

Developer
Rooya Group

Location
New Cairo

Built up Area
212,800 m²

Supply Volume

Office Buildings

Serviced Apartments

Retail Spaces

Department Store

16 Cinemas

Medical Buildings

Five-Star Hotel



The Pier Mall

Developer
Dolmen Investment

Location
R3 in NAC

Investment
EGP 400 mn

Area
3K m²

Supply Volume

No. of New Stores
80



COMMERCIAL PROJECTS

Administrative Complex

Developer
Vow Developments

Location
NAC

Area
6,600 m²

Investment
EGP 1.1 bn

Unit Sizes
48-530 m²

Heartwork
(Business Hub)

Developer
Mountain View

Location
New Cairo

Area
100 acres

No. of Phases
3

Sixty Business Park

Developer
Edge Holding

Location
NAC

Targeted Sales
EGP 2 bn

Supply Volume

No. of Building Floors
7

No. of units in Each Floor
37



HOSPITALITY PROJECTS

DoubleTree Hotel

Developer
DM Developments

Location
Groove Sokhna Resort

Investment
EGP 400 mn

Delivery Date
2024

Supply Volume

No. of Rooms
162

No. of Suites
6

No. of Chalets
32

W Hotel

Developer
Landmark Sabbour

Location
New Cairo

Area
300k m²

Investment
EGP 28 bn

Delivery Date
2024

Supply Volume

Wet Pool Deck

Spa

Fitness Center

350 Rooms & Suites

Food & Beverage Venues

Meetings & Events Space

Source: Developers' official statements.

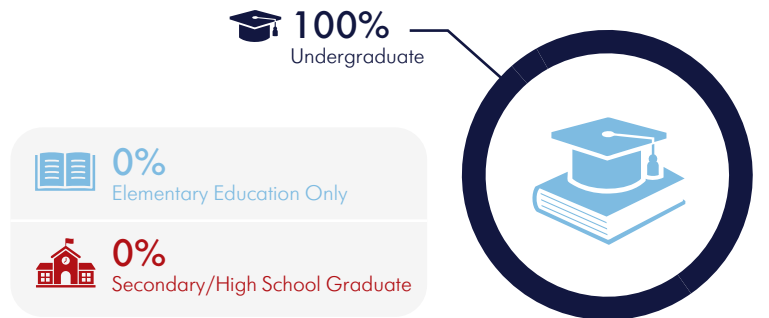
CONSUMERS' INSIGHTS ON MORTGAGE FINANCE

SAMPLE DEMOGRAPHICS

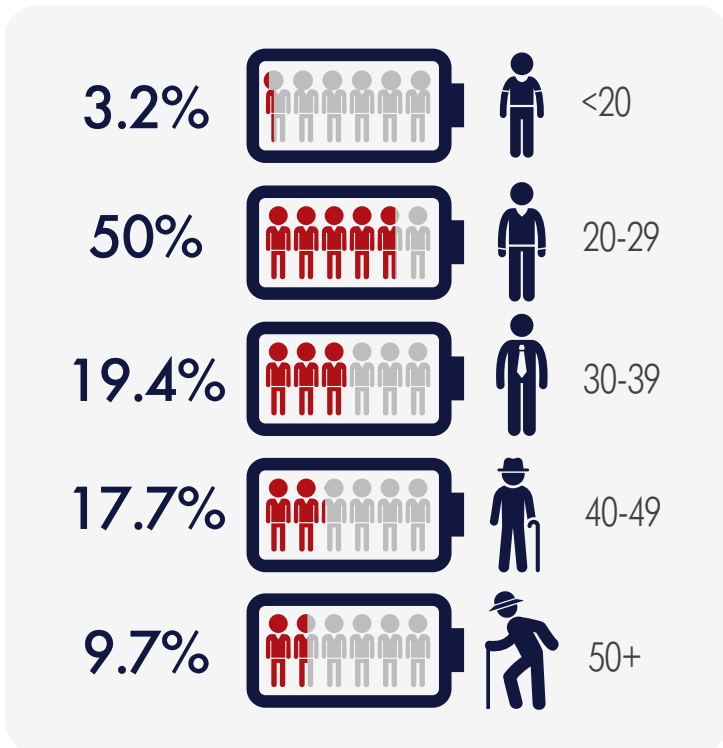
GENDER



EDUCATION



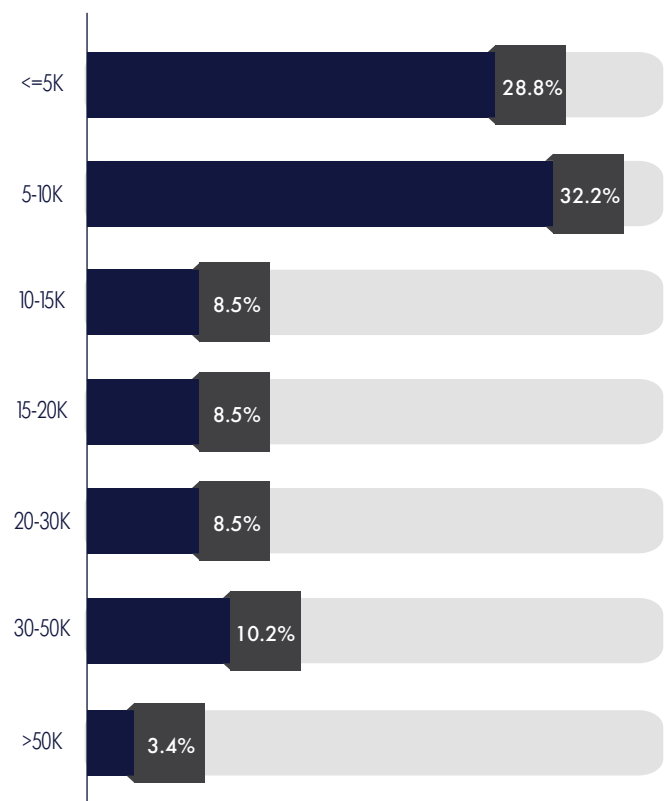
AGE CATEGORY (YEARS)



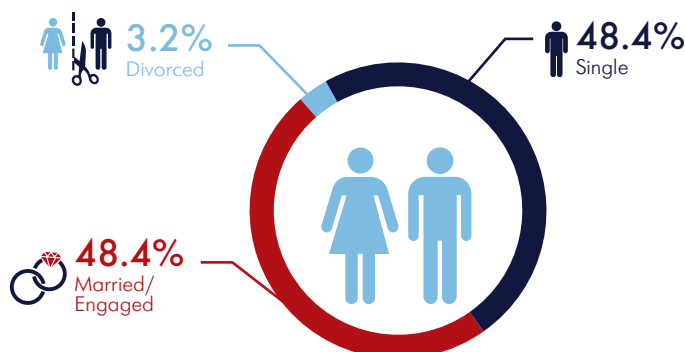
WORK STATUS



AVERAGE MONTHLY INCOME (EGP)



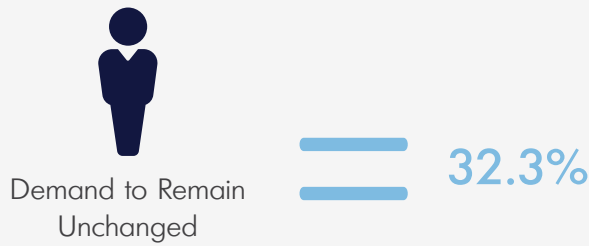
MARITAL STATUS



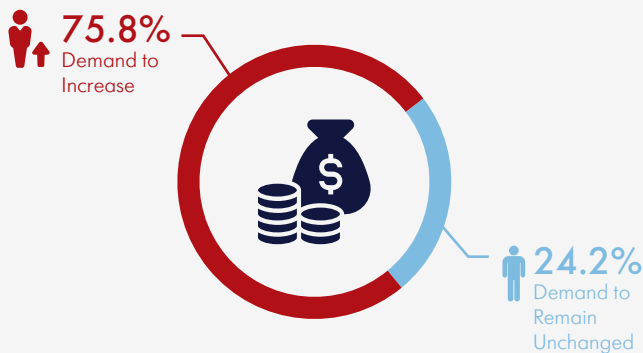
Source : Invest-Gate R&A.

 CONSUMERS' EXPECTATIONS FOLLOWING LATEST MORTGAGE FINANCE UPDATES

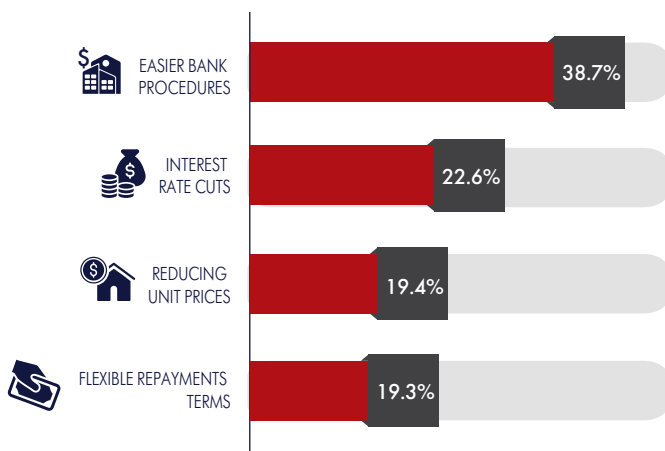
IMPACT OF MORTGAGE INTEREST RATE CUTS



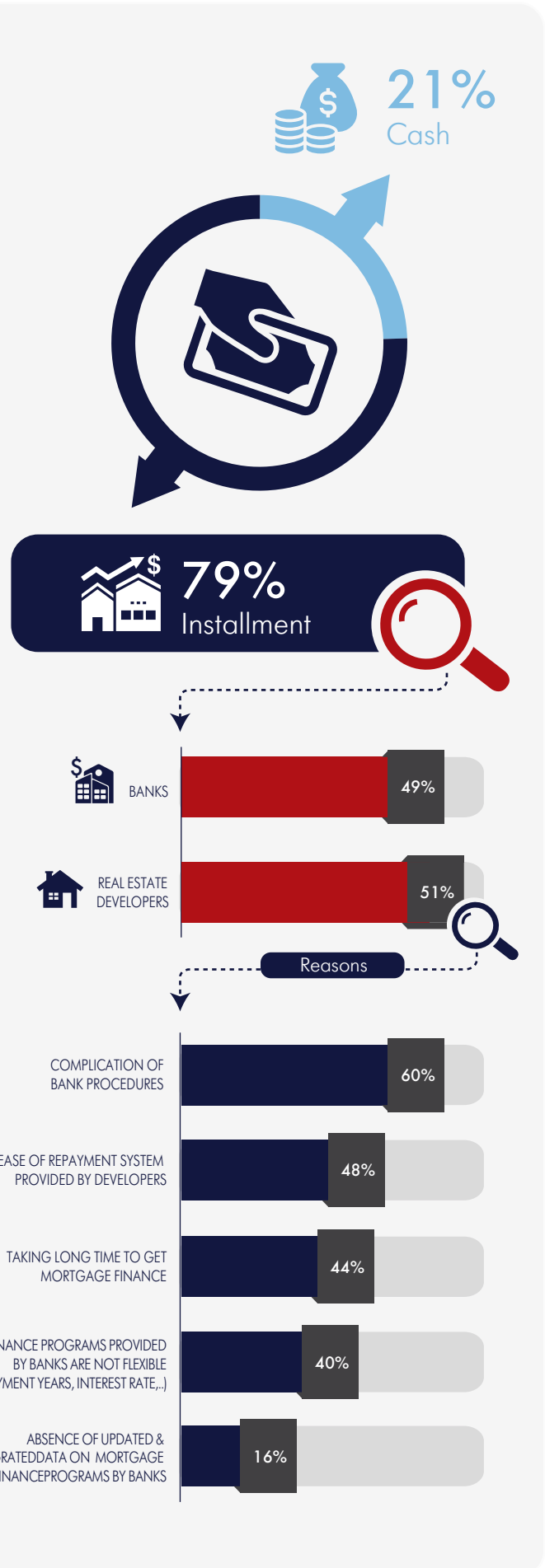
IMPACT OF CBE'S EGP 50 BN INITIATIVE



 CONSUMERS' RECOMMENDATIONS FOR ENHANCING MORTGAGE FINANCE MARKET



 PREFERRED PAYMENT METHOD



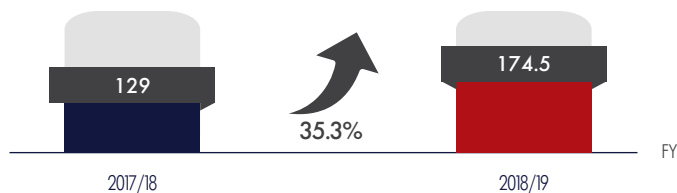
Methodology: This survey is conducted on a sample of 62 respondents.

Source : Invest-Gate R&A..

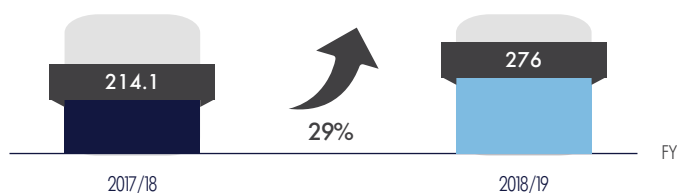
ECONOMIC SNAPSHOT



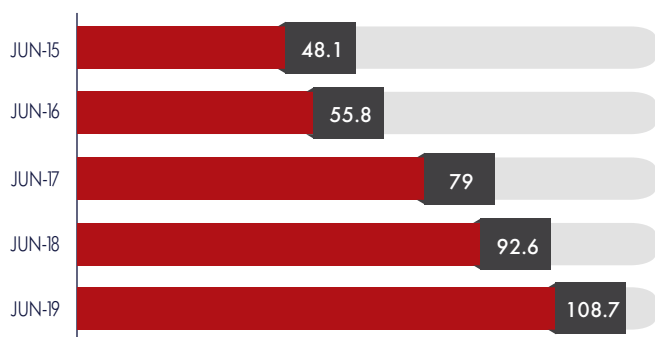
TOTAL REVENUES (EGP BN)



TOTAL EXPENDITURES (EGP BN)



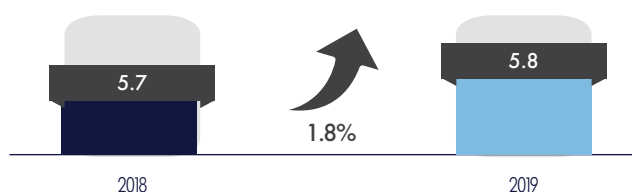
TOTAL EXTERNAL DEBT (USD BN)



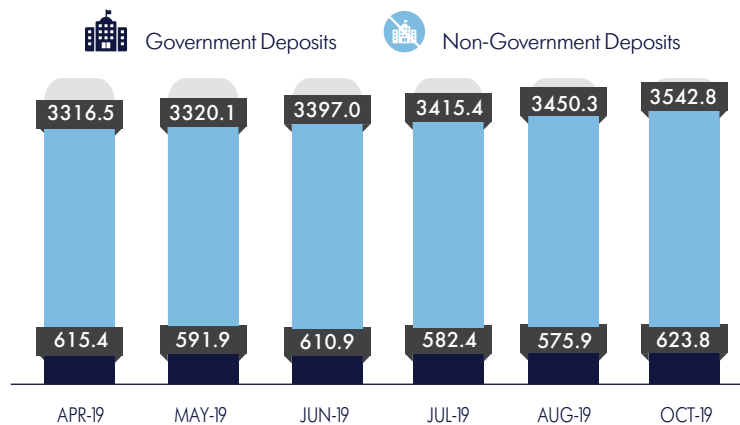
UNEMPLOYMENT RATE



SUEZ CANAL REVENUES (USD BN)



TOTAL DEPOSITS IN 2019 (EGP BN)



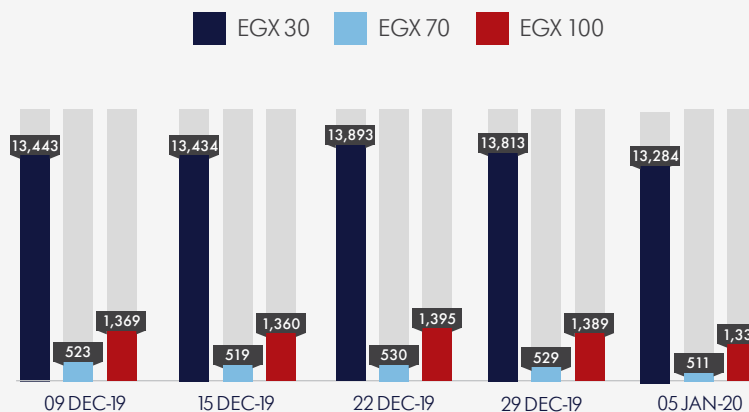
NET FOREIGN RESERVES (USD BN)



ANNUAL HEADLINE INFLATION



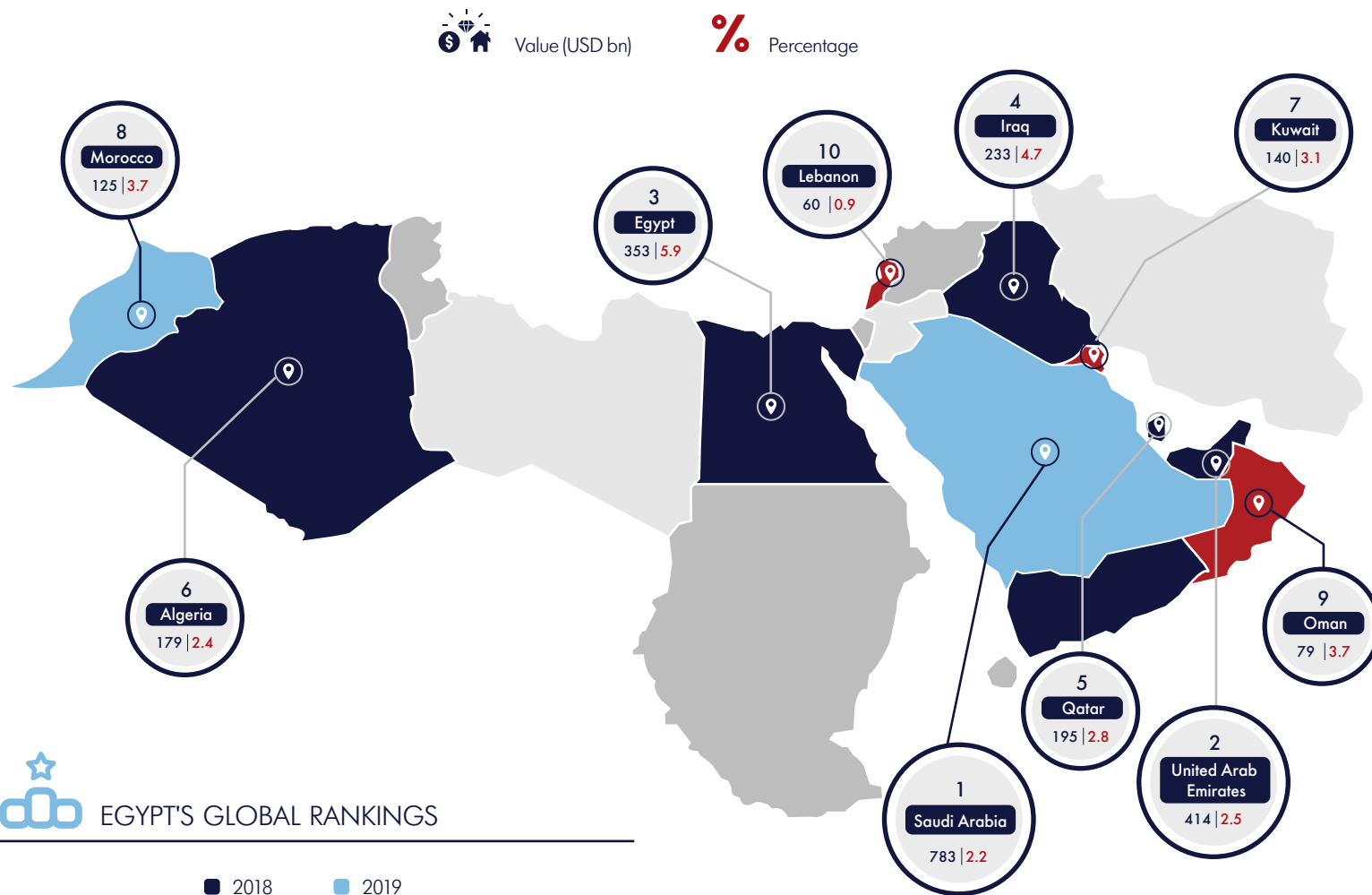
CAPITAL MARKET INDICATORS



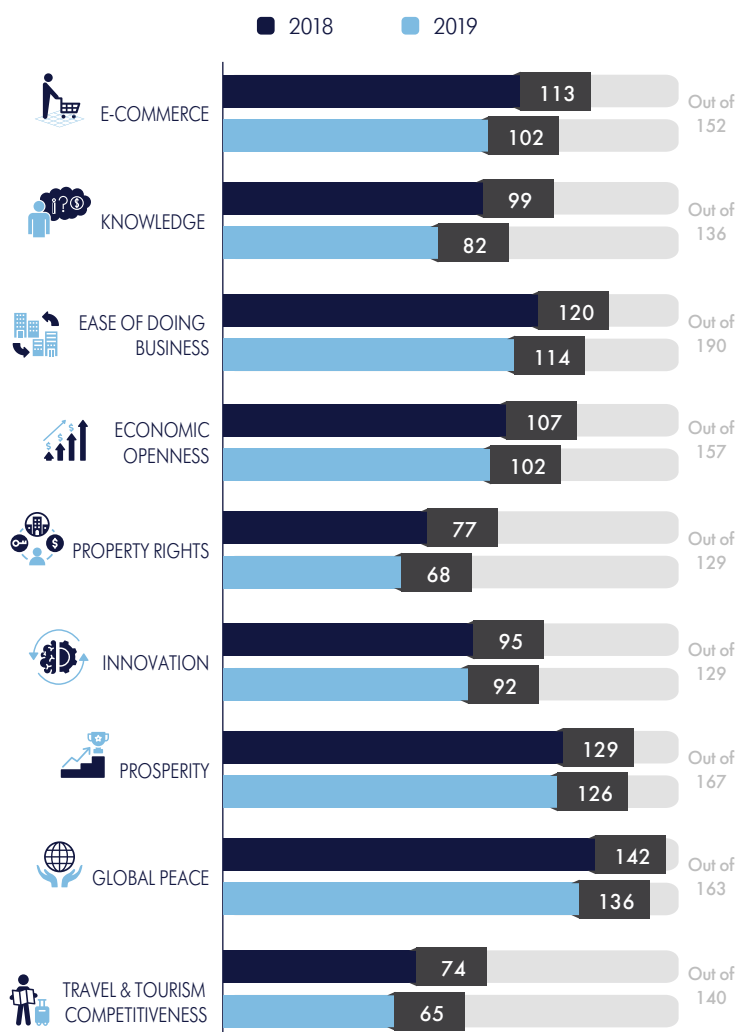
Sources: Central Bank of Egypt (CBE), CAPMAS, Egyptian Exchange (EGX), and Suez Canal Authority.



TOP 10 ARAB COUNTRIES IN TERMS OF ECONOMIC GROWTH RATE (GDP) IN 2020



EGYPT'S GLOBAL RANKINGS



EBRD* INVESTMENTS IN EGYPT (2017-2019)



*European Bank for Reconstruction and Development



EGYPT'S FREE ZONES



FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN



Sources: Ministry of Investment and International Cooperation, Suez Canal Authority, International Monetary Fund (IMF), World Economic Forum, World Bank, World Intellectual Property Organization, The Economist, and Legatum Institute.



Automated scheduled irrigation runs per city landscape needs, which substantially improves water consumption efficiency.

SMART IRRIGATION METER

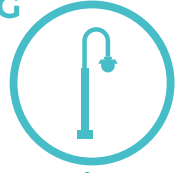


Smart surveillance cameras that cover the city for tracking, monitoring, recognizing, identifying, and aggregating behaviours and activities to manage the city and prevent crime.

SMART SECURITY SYSTEM



SMART OUTDOOR LIGHTING



Energy-efficient lights can automatically turn (on/off) according to the level of the light (AM/PM), with the ability to notify and report any lighting failures.



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URBAN DEVELOPMENT للتنمية العمرانية

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MOSTAKBAL CITY™

TECH

SMART PARKING

Designed for more straightforward navigation of parking spaces available throughout the city, that ensures time efficiency and more relaxed parking experience.



Smart electricity grid and metres are installed throughout the city and at every unit, which monitors consumption and communicates the data to the supplier (ICCC) for load controls and ease of billing.

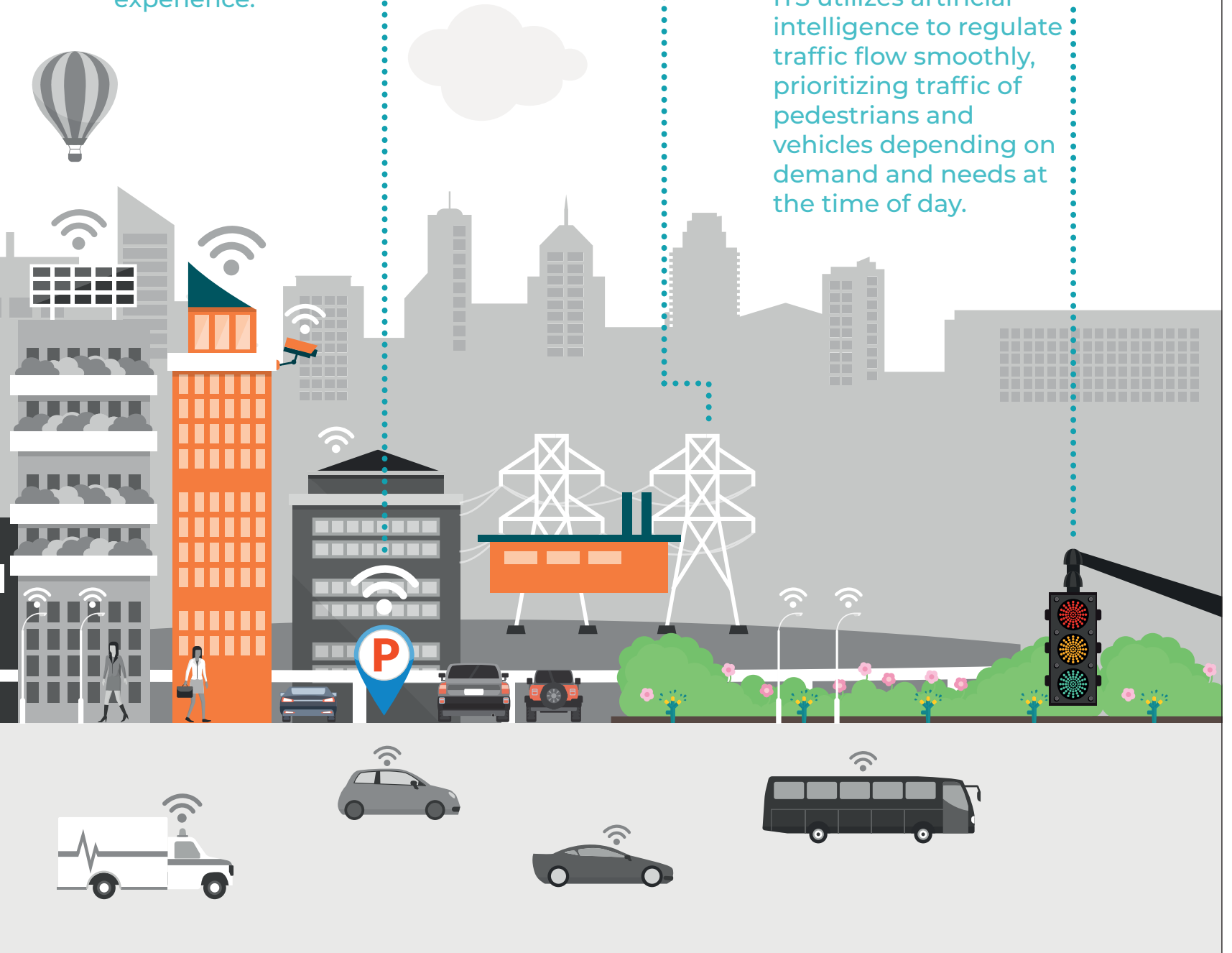
SMART ELECTRICITY



INTELLIGENT TRAFFIC SYSTEM (ITS)



ITS utilizes artificial intelligence to regulate traffic flow smoothly, prioritizing traffic of pedestrians and vehicles depending on demand and needs at the time of day.



INVEST-GATE'S 5TH ROUNDTABLE WITNESSES UNPRECEDENTED DYNAMIC DISCUSSIONS

Invest-Gate initiated the very first discussion channel between two of the foremost real estate market pillars, developers and brokers, bringing them under one roof at its latest roundtable on January 15, titled "Regulating the Real Estate Developer-Broker Relationship."

Marking its fifth roundtable and its first in the new year, which was held at the Nile Ritz-Carlton, Invest-Gate explored the dynamics of the developer-broker relationship, voiced the brokers' needs, highlighted their beneficial role in boosting this sector, and offered fine-tuned solutions to reach the market's full potential, hence market it abroad.

Moderated by Mena Group Founder Fathallah Fawzy and co-moderated by Invest-Gate's Managing Partner Mohamed Fouad, this prime event witnessed the attendance of Deputy Minister of Housing, Utilities, and Urban Communities for National Projects Khaled Abbas.





KHALED ABBAS

DEPUTY MINISTER OF HOUSING, UTILITIES & URBAN DEVELOPMENT FOR NATIONAL PROJECTS

“ Globally speaking, developers’ strength is evaluated by brokerage companies they select to market their projects. ”



MOHAMED FOUAD

INVEST-GATE
MANAGING PARTNER

“ Having a non-regulated property market may lead to a crisis in the long run, not to mention the lack of investors’ trust. ”



FATHALLAH FAWZY

MENA GROUP
FOUNDER

“ The right product that can easily be exported is serviced apartments, which come fully finished and furnished. ”



AHMED SHALABY

TATWEER MISR
PRESIDENT & CEO

“ I wish that real estate brokerage outsourcing would contribute to 100% of developers’ overall sales. ”



EDREES MOHAMED

AKAM DEVELOPMENTS
FOUNDER

“ The first step toward regulation of real estate agents implies the introduction of a website that lists and ranks all brokers operating nationwide. ”



HISHAM SHOUKRI
ROOYA GROUP
CHAIRMAN & CEO

“ The entry of new developers and the growing number of brokers will be healthy to the market only if it is well regulated. ”



WALEED MOKHTAR
IWAN DEVELOPMENTS
CEO

“ The inability to regulate the developer-broker relationship may lead to unfair competition and unpleasant practices in the market. ”



MOHAMED BANANY
COLDWELL BANKER & COLDWELL BANKER NEW HOMES
VICE PRESIDENT

“ The local property market should have a real estate index and an official body to regulate the developer-broker relationship. ”



NADER KHOZAM
KHOZAM DEVELOPMENTS
CHAIRMAN

“ The Egyptian Association for Realtors is an initial step toward market regulation since it will be responsible for choosing qualified property agents. ”



ANTOINE EL KHOURY
TAMEER
MANAGING DIRECTOR

“ The government’s role in the real estate market is unequivocal for being responsible for due diligence, as well as, issuance of projects’ permits and licenses. ”



KARIM GHONEIM
BYC REAL ESTATE CONSULTANCY
CEO & FOUNDER

“ The state should create a model for the real estate industry, similar to the stock exchange market, hence overall regulation and transparency enhancement. ”



AHMED EL DESSOUKY
NEW AVENUE
MANAGING DIRECTOR

“The state should provide property investors with all the raw data needed for investing in the Egyptian market.”



AHMED EL TAYEBI
THE LAND DEVELOPERS
CHAIRMAN & CEO

“Brokers are responsible for marketing 90% of the real estate developments being undertaken in new cities.”



SAMEH HABIB
AL AHLY SABBOUR DEVELOPMENTS
SENIOR BUSINESS DEVELOPMENT

“Egypt beholds a healthy real estate market, comprising the right products, in terms of location, unit specifications, and qualified developers.”

Opening the first session, called “Identifying the Developer–Broker Relationship Gap,” Abbas noted, “Globally speaking, developers’ strength is evaluated by brokerage companies they select to market their projects. Hence, this should be the case in Egypt in terms of dealing with well-reputed brokers to uplift the local market and garner the utmost demand to pursue endeavors toward urban development.”

Other participating members include Rooya Group Chairman and CEO Hisham Shoukri, Al Ahly Sabbour Developments Senior Business Development Manager Sameh Habib, Tatweer Misr President and CEO Ahmed Shalaby, Iwan Developments CEO Waleed Mokhtar, Khozam Developments CEO Nader Khozam, Tameer Managing Director Antoine El Khoury, Akam Developments Founder Edrees Mohamed, The Land Developers Chairman and CEO Ahmed El Tayebi, ARDIC for Real Estate Development and Investment CEO Maged Salah, Misr Italia Properties CEO Mohamed Khaled El Assal, New Avenue Managing Director Ahmed El Dessouky, Borouj Real Estate CEO and Head of the Egyptian Association for Realtors Ahmed Mostafa, Aqarmap CEO Amad Almsaodi, Deraya Real Estate General Manager Hashem El Kadi, BYC Egypt CEO and Founder Karim Ghoneim, RE/MAX Egypt and RE/MAX UAE Regional Director Khaled Nasser, Coldwell Banker and Coldwell Banker New Homes Vice President Mohamed Banany, ERA Real Estate Commercial – Egypt CEO Mohamed Younis, B2B for Investment & Real Estate Marketing President Nehad Adel, and JLL Country Head of Egypt Ayman Sami.

In terms of market regulations, Sami assumed that consumer protection is the main trigger for regulating the market, especially that any foreign investor will not tap into a sector that lacks regulations.

Likewise, Shoukri claimed that the entry of new developers and the growing number of brokers will be healthy to the market if it is well regulated.

Sharing the same sentiment, Fouad noted that a non-regulated market may lead to a crisis in the long run, not to mention the lack of investors’ trust. Iwan’s Mokhtar also underlined that the inability to regulate the developer–broker relationship may lead to unfair competition and unpleasant practices in the market.

Speaking of the brokers’ effective role in the real estate sector, B2B’s President said brokerage outsourcing supports 50% of any developer’s sales, while Tatweer Misr’s CEO and President long for such share to reach full potential.

Borouj’s Mostafa further noted that Egyptian brokers created awareness of the country’s urban expansion and newly-introduced cities. In figures, El Tayebi stated that brokers are responsible for marketing 90% of the real estate developments being undertaken in these new cities.



MOHAMED KHALED EL ASSAL
MISR ITALIA PROPERTIES
CEO

“Having a well-crafted real estate index is vital to measure the demand, thus aid investors, developers, and government bodies to properly address the market.”



MAGED SALAH
ARDIC FOR REAL ESTATE DEVELOPMENT AND INVESTMENT
CEO

“The brokerage profession needs regulations, given the entry of many new brokers. Initially, brokers should be part of the Real Estate Development Law.”



NEHAD ADEL
B2B FOR INVESTMENT & REAL ESTATE MARKETING
PRESIDENT

“Both the government and developers should support the brokerage market. In fact, brokerage outsourcing makes up 50% of any developer’s sales.”



AHMED MOSTAFA
BOROJ REAL ESTATE - CEO
 & HEAD OF THE EGYPTIAN ASSOCIATION FOR REALTORS

“Egyptian brokers have a dynamic role in the real estate market; they created awareness of the country’s urban expansion and newly-introduced cities.”



KHALED NASSER
RE/MAX EGYPT & RE/MAX UAE
 REGIONAL DIRECTOR

“Having an association that includes licensed and credible brokers only, who abide by the set standards, is the ultimate way to organize the market.”



MOHAMED YOUNIS
ERA REAL ESTATE COMMERCIAL - EGYPT
 CEO

“All parties should work toward achieving balance and transparency in the developer-broker relationship to enhance the market’s overall performance.”

Basically, Ghoneim reckoned that the state should create a model for the real estate industry, similar to the stock exchange market, hence overall regulation and transparency enhancement among all parties involved.

Banany recommended that the local property market should have a real estate index and an official body to regulate the developer-broker relationship. El Assal agreed that having a well-crafted real estate index is vital to measure the demand, thus aid investors, developers, and government bodies to properly address the market.

Meanwhile, Khozam Developments CEO highlighted that the Egyptian Association for Realtors is an initial step toward regulation since it will be responsible for choosing qualified property agents, only to ensure transparency and advancement. RE/MAX Egypt and RE/MAX UAE’s Nasser added that having an association that includes licensed and credible brokers only, who abide by the set standards, is the ultimate way to organize the market.

Meanwhile, Akam’s Mohamed stressed that brokers’ evaluation should be based on their productivity. “The first step toward regulation of real estate agents implies the introduction of a website that lists and ranks all brokers operating nationwide, wherein they will be assessed with regard to the volume of their annual sales, commissions, and expertise,” he elaborated.

Almsaodi elucidated that developers and brokers should join forces to come up with a draft law to regulate this relationship, and as a consequence, the government will react faster to untangle the current loopholes.

Additionally, ARDIC’s Salah pinpoints that brokers should be part of the Real Estate Development Law, adding that “the brokerage profession needs regulations, given the entry of many new brokers.”

All in all, ERA Real Estate Commercial – Egypt’s CEO said, “All parties should work toward achieving balance and transparency in the developer-broker relationship.” El Kadi elaborated that developers should comprehend that brokers are not competitors and their role is rather complementary.

In the second session, headlined “Exporting Real Estate,” Mena Group’s Fawzy said, “The right product that can easily be exported is serviced apartments, which come fully finished and furnished.”

Al Ahly Sabbour’s Habib summed it up, saying “Egypt beholds a healthy real estate market, comprising the right products, in terms of location, unit specifications, and qualified developers, making the job easier for property agents.”





HASHEM EL KADI
DERAYA REAL ESTATE
GENERAL MANAGER



AMAD ALMSAODI
AQARMAP
CEO



AYMAN SAMI
JLL
COUNTRY HEAD, EGYPT

“Real estate development companies should comprehend that brokers are not competitors and their role is rather complementary.”

“Developers and brokers should come up with a draft law to regulate their relationship, and thus the government will react faster to untangle the current loopholes.”


“Consumer protection is the main trigger for regulating the market, especially that any foreign investor will not tap into a sector that lacks regulations.”

To further stimulate real estate exports, El Dessouky commented, “The state should provide property investors with all the raw data needed for investing in the Egyptian market, notably details on opportunities available, supplementary facilities on-board, and investment value.” Tameer’s El Khoury justified that the government’s role in the real estate market is unequivocal for being responsible for due diligence, as well as, issuance of projects’ permits and licenses, among other vital factors toward urban development.

The strategic roundtable was being sponsored by a diverse range of prestigious entities, namely Tatweer Misr as the official sponsor, Akam Developments as the platinum sponsor, Rooya Group as the gold sponsor, in addition to Coldwell Banker, New Avenue, The Land Developers, and Al Ahli Sabbour Developments as silver sponsors. Better yet, Khozam Developments was the event’s bronze and delegate bag sponsor, whilst Tameer acted as the lanyard sponsor and BYC Egypt as the registration desk sponsor. This comes in light of the Egyptian Association for Realtors’ participation as the supporting association.

Furthermore, the long-awaited event was being organized in collaboration with various reputable media partners, including Hapi Journal, Daily News Egypt, Al Borsa Newspaper, Al Masdar Newspaper, EconomyPlus, and Al Aqaria Newspaper.





CLOSE-UP LOOK AT EGYPT'S REAL ESTATE MONOPOLY

BY **JULIAN NABIL**

Since developers and buyers are on separate sides of the fence when it comes to home sales, some are constantly scouting for the quintessential property with the least price tag, whilst others want top dollar. At one point, the broker's role as an objective mediator and consultant for both parties springs up.

However, the relationship between developers and brokers has proven to be complex, resulting in strong implications on the performance of the local real estate sector. This puzzling bond, which still lacks the necessary principles of ethical business conduct, resulted in some market inefficiencies and deprivation of professional values across the spectrum.

In view of this, Invest-Gate's overarching aim is to explore the dynamics of the developer-broker relationship by discussing the mutual benefits as well as the obstacles coming up en route, while figuring out the optimal recommendations to enhance market transparency and place the foremost regulations, in a bid to ensure the industry's advancement and full potential, hence strengthen its international appeal.

Developer-Broker Free Card

To date, the dynamics of the developer-broker relationship are unclearly defined in Egypt, with local real estate companies invariably questioning the importance of brokers' role. Although several developers heavily rely on brokers to log their sales and laugh all the way to the bank, others still perceive brokers as competitors or beneficiaries of the developers' branding and marketing of existing projects, yet with little impact on deals sealed.

Basically, Founder and CEO of BYC Egypt Karim Ghoneim explains, "Developers usually depend on two types of sales; the first of which directly comes from the sales department, while the other is indirect for being registered by brokers."

Ghoneim notes that developers mostly resort to acquiring an indirect groove through brokers to achieve more quality leads and prospects, and thus guarantee higher reach and sales. He attributes this to the brokers' wider network/large channels of potential clients.

In the language of mathematics, brokerage outsourcing currently supports 50% on average of any developer's overall sales, President of B2B for Investment and Real Estate Marketing Nehad Adel said during Invest-Gate's fifth roundtable, titled "Regulating the Real Estate Developer-Broker Relationship," held on January 15.

However, these numerics vary from one operator to another, based on the broker being dealt with. For some developers, realtors contribute to 60% of their sales, Mohamed Banany, Vice President of Coldwell Banker and Coldwell Banker New Home, notes.

Brokerage outsourcing supports

50%

of any developer's overall sales

Source: B2B for Investment and Real Estate Marketing

All in all, Ghoneim notes that around 60-70% of the primary market relies on brokers, which reflects their dynamic role in spurring the local real estate industry.

Digging deeper into mapping out points of difference between both sides, brokers play a vital role in providing clients with two major elements that cannot be extended by any developer: Variety and diverse options.

Arron Browne, managing director of Sloanes Real Estate KSA, previously told Invest-Gate that sales departments of real estate companies are usually armed with detailed information on their products and development updates. They are also deemed great

means of going "direct to source" to get the best deal on their own product, he noted back then.

Conversely, although brokers may be buffeted with partial knowledge on units in each project through few data provided to them, they are certainly better equipped with other advantages. Ultimately, realtors present unbiased consultation when it comes to market offerings, on top of comparing products in either similar or alternative locations within the city or region, Browne highlighted.

As a matter of fact, studies showed that broker-assisted home buyers have a higher demand for housing than others, particularly those who explore the market without the lending hand of real estate agents.

Not only that, but brokers play a crucial role in marketing the diverse cross-country investment opportunities. During Invest-Gate's latest event, CEO of Borouj Real Estate and Head of the Egyptian Association for Realtors Ahmed Mostafa pointed out that brokers play a fundamental role in creating awareness of the country's urban expansion and newly-introduced cities.

Sharing the same sentiment on the sidelines of the "Regulating the Real Estate Developer-Broker Relationship" roundtable, The Land Developers Chairman and CEO Ahmed El Tayebi revealed that brokers are responsible for marketing 90% of real estate developments being undertaken in new cities such as east Cairo's New Administrative Capital (NAC) and the North Coast's New Alamein.

Brokers' contribution to marketing real estate developments across Egypt's new cities stands at

90%

Source: The Land Developers

In a nutshell, market experts believe that all parties are equally well-resourced in terms of making sales. When the developers' marketing as well as brokers effectively team up, they give investors complete and transparent insights into the available offerings, hence boosting the sector's overall performance, Browne elaborated.

At the outset, property developers should comprehend that brokers are not competitors and their role is rather complementary, Deraya Real Estate General Manager Hashem El Kadi earlier affirms.

Market Control

As the local real estate brokerage business expands further on the back of the skyrocketing number of new brokers, who are ultimately racing to generate cash in a market witnessing new developments on a daily basis, multiple challenges arise to increasingly alarm the industry as a whole.

Ghoneim and Banany agree that the utmost disruptive challenge hindering the brokerage market development is lack of regulations, which eventually impaired the availability of a well-crafted pathway to step into the profession, among other outcomes. In turn, this led to the entry of unqualified brokers that have no knowledge of how the sector works, and thus, challenges the execution of an efficient transaction, in terms of maximum benefit to developers and consumers alike.

Both market professionals call for the introduction of a real estate brokerage law that deals with licensing and regulating property agents, not to mention monitoring broker discipline and duties, while entailing the requirements that must be met under a brokerage contract to claim the imposed commission.

As of last October, some baby steps and proactive actions have been taken toward regulating the market. Former Minister of Trade and Industry Amr Nassar had issued Law No. 827 of 2019, rectifying the executive regulations of the Commercial Agency and Brokerage Law No. 120 for 1982 (or Agency Law).

The amendments expanded the definition of a "commercial broker" to include real estate brokers. Under the new bill, brokers and brokerage companies are now required to sign up for the Brokers Registry at the General Organization for Export and Import Control (GOEIC). It also stipulates that foreign-owned real estate brokerage companies are only permitted to operate in Egypt if their ownership structure is modified to meet the legal requirements relating to national ownership.

Furthermore, any infringements to the law may lead to penalties of imprisonment for a period of not less than six months and fines ranging between EGP 500 and EGP 10,000. In some cases, both imprisonment and fines are impinged.

However, many experts see that more measures should be taken toward regulating the developer-broker relationship. CEO of Aqarmap Amad Almsaodi suggests that developers and brokers should join forces to come up with a draft law to regulate this relationship. As a consequence, the government is expected to intervene sooner to untangle the current loopholes.

Otherwise, as Iwan Developments CEO Walid Mokhtar believes, the non-regulated developer-broker relationship will provide room for unfair competition and illegal practices in the Egyptian property market, not to mention lack of investors' trust.

On another note, brokers are demanding the formation of a regulatory body that comprises qualified and licensed brokers only, in a bid to ensure transparency and advancement in their day-to-day deals with both developers and consumers.

Correspondingly, late last year, top brokers jointly formed an internal regulatory body, called the "Egyptian Association for Realtors." According to Deraya's El Kady, extensive efforts have been exerted to finalize the legal procedures for the official establishment of the union, which is now registered and under the supervision of the Ministry of Social Solidarity.

The association aims to govern the Egyptian brokerage market by creating a corporate code of ethics, therefore protecting the interests of clients, marketers, and developers against any risks. It will also grant memberships to credible and experienced brokers, who strictly comply with the set standards, while providing guidance and training to new ones. Besides, it will have a dispute settlement committee that resolves any issues looming between realtors and developers.

CEO of Khozam Developments Nader Khozam highlights that the association is an initial step toward regulation since it will be responsible for choosing qualified property agents, only to guarantee consumer protection and boost investor confidence.

Lucky Card: Transparent Market Data

There is a growing recognition of the prime role that a transparent real estate sector plays. Indeed, it does not only ease doing business but also supports community well-being and inclusiveness.

As capital allocations to real estate accelerate and more industry players get on-board, in tandem with the government's efforts toward strengthening the overall business environment across all sectors, notably the real estate, investors are now demanding more refinements in terms of legibility and transparency. In 2018, Egypt's real estate transparency index advanced eight spots to rank 57 out of 100 countries, according to JLL's Global Real Estate Transparency Index

In 2018, Egypt's real estate transparency index ranks

57

out of 100 countries

Source: JLL's Global Real Estate Transparency Index

Aiming to further enhance the sector's reliability, both developers and brokers recommend the creation of a well-crafted real estate index that monitors the overall market and measures the local demand for aiding investors, developers, and government bodies to properly address the market needs and challenges.

In 2018, the Egyptian Stock Exchange (EGX), headed by Mohamed Farid, held a closed meeting with 30 property developers and marketers, together with several government officials, to discuss the possibility of launching the first real estate index. The indicator shall rely heavily on collecting data from real estate developers, investment funds, financial institutions, property appraisal and brokerage firms, contractors, and building materials companies of all kinds.

The new index is aimed at gradually reflecting the sector's actual performance and trends, alongside providing accurate estimates of the country's current supply and demand. It will also evaluate the volume of demand on different real estate products nationwide (i.e. residential, commercial, and administrative properties) and on selected regions by locals, expats, Arabs, and foreigners. The indicator will also have an "alarm bell" that raises flags if the sector approaches a recession or a bubble.

As a result, experts foresee the real estate index to have a positive imprint on the performance and volume of investment in shares of EGX-listed companies and real estate funds, as well as, those in the off-shore deals market.

However, the index will most likely include information about new urban developments and cities only. Due to the arbitrary and somewhat informal nature of the Egyptian real estate sector, this will be the case during stages for the very least, official sources at the EGX told local media back then.

For his part, Banany also suggests the development of an online platform, similar to the "transaction processing system (TPS)" software, attempting to collect high-level data from the various anonymous transactions made by different real estate organizations. In the simplest definition, TPS is a type of information software that "manages the concurrent processing of transactions, enables the sharing of data,

ensures the integrity of data, and manages the prioritization of transaction execution," according to IBM Knowledge Center.

But, Banany argues that data will only be more accurate and liable if developers and brokers teamed up in this sense. Similarly, Deputy Minister of Housing, Utilities, and Urban Communities for National Projects Khaled Abbas explains that brokers and developers need "to be transparent in terms of the annually released sales figures to help the government create a real estate index that is based on credible statistics, or any other tool that regulates the industry."

An Inevitable Dispute Resolved?

While the market's noble calibers excel in show rings, yet overriding one another to log some of Egypt's record-breaking home sales, the relationship between developers and brokers is constantly being tested. One thing is for certain though they both need to understand that they are two sides of the same coin, who should be working together to map out a set of criteria to qualify viable prospects and create a new era of real estate development.

After all, there is no one single path that leads to success, especially when it comes to achieving progress in market integrity and transparency to preserve its power not only locally but also worldwide. Perhaps most importantly, it is necessary to recognize that harmony in the developer-broker business relationship is inevitable as a pathway to the overall development of fair market structures.





MORTGAGE FINANCE PREREQUISITE PATH TO BIG HITS

BY **NOURAN MEDHAT**

Given the dramatic decline in Egypt's household purchasing power due to the inflationary wave that followed the EGP flotation in late 2016, low- and middle-income home buyers are suffering from the chronic shortage of affordable housing options. Aside from the fact that local investors are being buffeted with limited credit facilities, mortgage finance has been in a blaze of glory by all parties, including financial institutions, property developers, and most importantly, the government, owing to not only being indispensable toward boosting consumer buying power, but for also spurring the local real estate wheel as one of the main economic pillars.

In this respect, Invest-Gate sheds light on the state's efforts to further heighten the Egyptian mortgage finance market, aiming to pinpoint its impact on the local property sector's performance. With the help of industry professionals, we also delve deeper into the potentialities of expanding Egypt's mortgage market, not to mention exploring ways of strengthening the existing structural rigidities, going the extra mile toward real estate development.

Government Assumes Leadership

It all started back in February 2014, when the Central Bank of Egypt (CBE) kicked off a new mortgage finance initiative, worth a total of EGP 10 bn, solely devoted to those hunting for social housing units, wherein interest rates of low- and middle-income purchasers were estimated at 5-7% and 8%, respectively, with installment terms of more than 20 years. Later, the bank started covering the upper-middle category by offering credit facilities with a 10.5% interest rate.

The aforesaid comes in light of the CBE's wider plan to introduce a series of mortgage finance initiatives, endeavoring to present low- and middle-income earners with property loans at relatively lower interest rates and repayment periods of up to 20 years. As a matter of fact, three years ago, the bank mandated the allocation of an additional EGP 10 bn as part of the move, bringing the total facilities to almost EGP 20 bn. Better yet, in late 2019, the bank passed another financing package that provides middle-income homeowners with access to EGP 50 bn worth of subsidized mortgages at preferential interest rates of 10%.

In practical terms, the CBE's move was seen as an impetus to stimulate the demand for affordable real estate over the medium-to-long term, according to a recent report by the Arab African International Securities (AAIS) released last December. Effectively, the North African country's mortgage industry has been booming lately, as the total value of loans progressively doubled from EGP 4.8 bn in 2014 to a whopping of EGP 10.7 bn in 2018, based on official data by the Financial Regulatory Authority (FRA).

TOTAL VALUE OF MORTGAGES (EGP BN)

| 2014 | 2015 | 2016 | 2017 | 2018 |
|------|------|------|------|------|
| 4.8 | 5.8 | 6.9 | 8.5 | 10.7 |

All in all, Mahmoud Gad, a senior equity analyst at AAIS, believes that the mortgage finance initiative is well over other types of credit facilities, given the reduced interest rates. As the CBE continues its easing policy, rates are poised to further drop. In turn, this would liven up the local real estate industry, besides cutting financing costs, which put more money into consumer wallets to save up for home purchases, he explains.

On another note, Aliaa Elesaki, a senior research analyst at B2B for Investment and Real Estate Marketing, tells Invest-Gate, "Due to the EGP devaluation, which drove the value of raw materials and resources to skyrocket, we must bear in mind that unit prices have doubled and this may have contributed with little toward helping developers get rid of some slow-moving housing inventory.

"Hence, the continuous introduction of such initiatives is necessary to boost the local property market and maintain a positive performance," Elesaki further states.

What Hinders Progression?

Despite the government's dire efforts to boost the Egyptian real estate market, both operators and consumers still face some loopholes when it comes to the CBE's fine-tuned mortgage initiative. Among the top challenges that have mobilized plenty

of criticism from developers is the fact that regulations stipulate that properties must be initially registered for any client to utilize this debt instrument, notably because it is an asset-based lending scheme.

Initially, the New Urban Communities Authority (NUCA) does not permit land or unit registration unless 90% of the project is completed, Asser Hamdy, CEO of Orientals for Urban Development (OUD), previously told local media.

Akam Developments CEO Essam Mansour sees that it is only fair that the CBE merely deems fully-finished properties as eligible for such a credit facility. However, this still encumbers the advancement of the mortgage industry.

Additionally, eligibility for mortgage finance also requires having the unit equipped with the basic operational utilities (i.e. water and electricity). However, New Avenue Managing Director Ahmed El Dessouky argues that this requirement is broadly futile as utilities and infrastructure works are often pending due to reasons solely associated with bureaucratic delays. Therefore, adhering to the installation of utilities for property registration only jams making headway in any mortgage market.

As a way out toward easing registration procedures, Akam's Mansour suggests that ranking of developers, based on their reputation, track record in the market, and commitment to unit delivery, can play a substantial role in driving the government to replace such strict conditions with more flexible ones. The Egyptian Federation for Real Estate Developers, which is still pending registration, could help in that sense, the CEO assumes.

In the same context, many market experts see that mortgages could be issued for unregistered properties if they seem qualified enough for inclusion. In turn, this may dramatically raise the number of units eligible for such loans.

At any rate, Egyptian lawmakers and real estate developers are still demanding the acceleration of deploying a bill to regulate real property records, which will significantly contribute to spurring the mortgage finance and real estate markets alike. In November 2018, the bill had been submitted to the parliament for approval, but has not been passed yet.

Silver Linings Still Exist

As things stand, the government seems to be exerting extensive efforts to boost the mortgage finance market with a number of initiatives that are worth big bucks. However, there are some barriers hindering buyers' accessibility to such an effective debt instrument.

Since the only beneficiaries of mortgage finance in Egypt are mainly buyers of social housing projects such as Sakan Misr and Dar Misr projects, the government should ease restrictions, while introducing several policies to boost the mortgage industry.

Recommendations include the creation of mortgage-specific notaries, standardization of mortgage documents and real estate registration nationwide, and market synchronization through the establishment of a single national mortgage agency. But, policies introduced should be harmonious with the existing supply of housing units and the associated infrastructure to be able to stimulate consumer demand and enhance the local market trends, and thus attain the state's wider plans toward urban real estate development.

Egypt Real Estate Exports

Granting Egyptian Citizenship to Foreigners

The First Step

On the 10th of December 2019, the Egyptian council of ministers approved the organizing cases of granting Egyptian citizenship to foreigners, based on the law issued by the house of representatives No. 190 of 2019. Here are the 5 cases where one of them should be applied so someone could be granted the citizenship

How To Match The Criteria ?

The Five Available Cases



Target Clientele



GCC Residents



Foreign Expats



Arab Immigrants



International Investors



Older and Retired Europeans



Purchasing a real estate asset with minimum 500,000 USD.



Create or participate in an investment project with minimum 400,000 USD, and to be transferred from abroad.



Amount of 750,000 USD is deposited, and transferred from abroad, as a deposit to be refunded after 5 years in Egyptian pound at the exchange rate announced by the Central Bank of Egypt on the date of redemption, and without interest.



Amount of 1,000,000 USD is deposited, and transferred from abroad, as a deposit to be refunded after 3 years in Egyptian pound at the exchange rate announced by the Central Bank of Egypt on the date of redemption, and without interest.



Amount of 250,000 USD is deposited, to be transferred from abroad, and will not be refunded.



ADVANTAGE

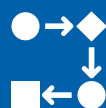
↑ Accelerators



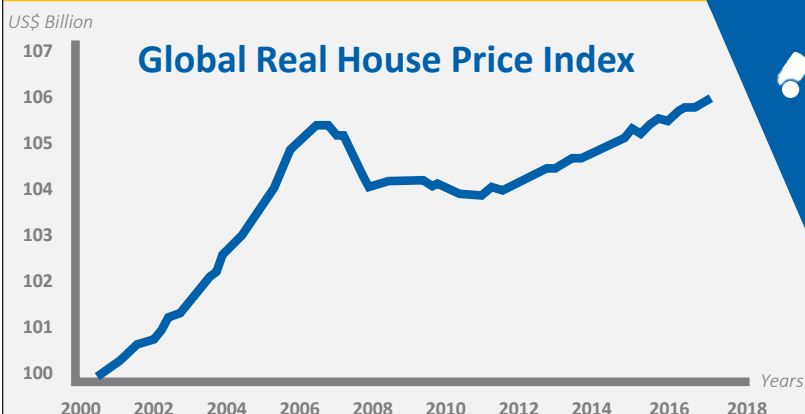
Egypt real estate prices nowadays by the international standards are competitively low.



The huge number of immigrants from nearby countries who arrive in Egypt with all their savings.



Improving and simplifying the property registration process for foreigners and in line with international standards and processes.



↓ Decelerators



The living standard abroad, in the more developed countries, are much higher than in Egypt.



Bureaucracy and the lack of stipulation that makes foreigners repatriate the savings and leave.



Lack of knowledge, it is difficult to invest in a market you do not know or understand.



The vigorous competition from the global exporting markets e.g. UAE

Recommendations for Successful Real Estate Exports

1. Facilitate the real estate buying
2. Know your international customer
3. Reach out them in their languages
4. Luxury listings attract luxury buyers
5. International clients want international expertise & experience
6. International clients are mobile clients and like to make investments worldwide

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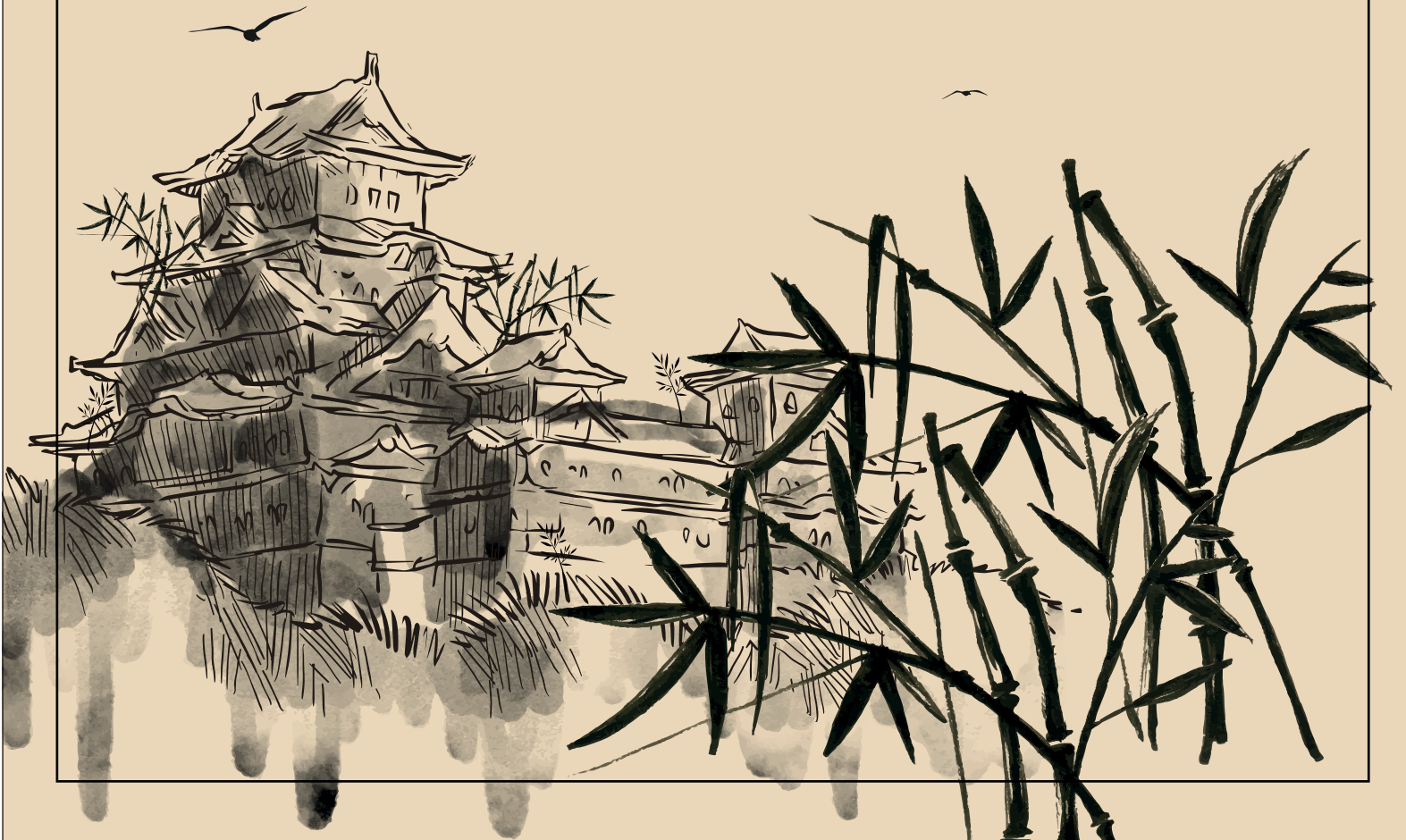


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