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April marks Invest-Gate's fourth anniversary and boy what a ride it has been!

For the many ups and a few downs, I start by saluting all team members, who have helped make this ride worth while. To all those who left, those who came along, and those who stuck till this day, we all thank you and are grateful for your contribution for making us stand where we are today.

A very special thank you to our CEO Mohamed Fouad and General Manager Yasmine El Nahas for believing in us and always supporting us in every move we make.

Since its establishment, Invest-Gate has been dedicated to serving this sector by delivering unbiased information and making it accessible. We have been privileged to somewhat tie the gap between the government and the private sector and the in-between of the private sector itself; and for whatever it takes, we continue to do so.

On this issue, we look at the recent developments across the market from latest developments, offers, and technological updates. We investigate the digital transformation this market is moving towards, the mortgage plans continuously being developed to cater to the general public, and the recent achievements within the construction market.

Yes, the pandemic has set us all back. But within this sector, thanks to COVID-19, real estate in Egypt took bold steps to stay put and steady. We believe the future looks promising and you have Invest-Gate to rely on... Invest-Gate, the voice of real estate.

Ramadan Kareem



EDITOR-IN-CHIEF

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IGI REAL ESTATE

27 YEARS OF CATERING TO EGYPT'S REAL ESTATE MARKET

Contributing to the prosperity of the local real estate sector, IGI Real Estate, a leading real estate pioneer and subsidiary of the International Holding Company for Financial Investments, was created in 1994 with the vision of providing uncompromised excellence and efficient luxury in real estate through its flagship projects Gardenia Park and Hayy Al Ashgar. IGI Real Estate's projects focus on enhancing the quality of life, whether they are fully integrated residential communities or mixed-use developments which span the west and east sides of Cairo.

As for its current developments, IGIRE's projects include Ashgar City located in 6th of October City and offers various residential unit types ranging from ground-floor apartments with private gardens to rooftop terrace units and duplexes with payment plans up to 9 years. Ashgar City's 4,300 units not only offer a variety of designs, but also a variety of sizes from 80 to 236 sqm with a total of 2,000 sold units which have either been delivered or are currently being executed. The project is strategically located amid an intersection of main roads such as Wahat Road, Ring Road, Dahshur Road and Fayoum Road, making it adjacent to major shopping malls and reputable universities, and assuring privacy and safety, while being close enough to everyday needs.

Moreover, IGIRE was able to set an exemplary model of real estate developments through Oak Park, also located in 6th of October City, offering units ranging from 167 to 235 sqm with a 10-year installment plan and a 3-year delivery. In situating Oak Park, IGIRE has mastered the intricate mix between being close to the hub of action and carving out a personal sanctuary.

The lately introduced phase of the renowned project Hayy Al Ashgar, namely Ashgar Residence, is planned as the last phase of Hayy Al Ashgar with units ranging from 140 to 220 sqm. From its side, IGIRE has newly introduced an attractive installment plan that can be extended up to 10 years and has signed with one of the major contracting companies LMS Construction and Al-Ammar as the project consultant with the aim to fully complete the project within a four-year timeframe. The real estate developer targets the EGP 3.5 bn mark in the 600 units offered in its project's Oak Park and Ashgar Residence.

As for its commercial projects, IGIRE is currently working hand in hand with major specialized consultancy firms with an ambitious goal to bring unique and unmatched designs and concepts that provide an unparalleled experience and service to the 100,000 sqm project that is set to launch in 2022. The commercial project is located on Dahshour Extension offering a variety of experiences to different age groups whilst preserving the widespread landscape.

Despite the turbulence caused by the of COVID-19 pandemic, IGI Real Estate has invested over EGP 150 mn throughout 2020 and aims to double this number in 2021 to EGP 300 mn to accelerate the construction works throughout its projects.

Cementing its footprint in the local real estate scene since 1994, IGIRE's legacy can be witnessed throughout its various projects, with a total land bank exceeding 2.5 mn sqm, that cater and appeal to clients' different needs and budgets. This is evident through its 20,000 inhabitants in its current projects: Gardenia Park, Gardenia Park II, Gardenia Springs, Hayy Al Ashgar, Ashgar Heights and Ashgar City.

IGIRE is a subsidiary of the mother company IGI Holding which was established in 1973. IGI is one of the leading private sector companies that has heavily contributed to various sectors including steel manufacturing, construction, petroleum, petrochemical and industrial sectors in addition to consumer goods trade, agricultural activities, food, cosmetics, electronics and communications.



APRIL HEADLINES

Egypt Launches New EGP 100 bn Mortgage Finance Initiative



Egyptian President Abdel Fattah Al-Sisi directs the Central Bank of Egypt (CBE) to launch a new mortgage finance program worth EGP 100 bn, Invest-Gate reports.

The new mortgage financing program aims to provide low- and middle-income Egyptian home buyers with long-term loans of up to 30 years with low interest that does not exceed 3%.

This comes as Sisi reviews CBE's activities as part of the state's monetary and financial system. For his part, CBE's Governor Tarek Amer presents the bank's efforts in the past period, especially during COVID-19, where he emphasizes the banking sector's strong performance. From 2016-2020, banks increased loans to the private,

government and public sectors, which resulted in maximizing the volume of investments, contributing to the development process, providing cash liquidity and increasing job opportunities.

The statement does not mention any further details on the program. However, CBE Deputy Governor Gamal Negm reveals to Ahmed Moussa live on his show that the new initiative is worth a total of EGP 100 bn.

The new program comes after the CBE's EGP 50 bn mortgage finance program in 2020 for middle-income housing, which was a continuation of a previous initiative that ran from 2014 until January 2019.

New Mansoura City Takes Up New Medical Project



Eng. Mohamed Ragab, head of the New Damietta Development Authority and the supervisor of the city of New Mansoura, announces that the New Urban Communities Authority approves the location of a new medical project in New Mansoura on an area of 32,355 sqm, Invest-Gate reports.

Ragab explains that the project is to be built on 40% of the land and is implemented on a period of four years starting from the date of receiving the plot.

The head of the agency confirms that this comes within the framework of providing various services in New Mansoura, pointing out that the proposed area for the implementation of the project could increase according to the final determination issued by the Survey Department in the agency.

Borg Al Arab Undergoes EGP 220 mn Development



Borg Al Arab undergoes development work with a planned cost of EGP 220 mn, Invest-Gate reports. This comes as a delegation from the Transport and Communications Committee of the House of Representatives inspects the road development works in the new city of Borg Al Arab.

Eng. Issam Badawi, head of the New Borg El Arab City Development Authority, says that the development work in Borg Al Arab includes the main entrance expansion to three lanes in each direction, with a service road of 9m wide, as well as the implementation of three bridges, in addition to developing a number of road axes in the city according to a specific schedule.

The committee oversees the development and expansion of the main entrance road from Al



Kafouri road with a length of 3.5 km, as well as the development of road axes in the city.

The head of the agency indicates that the development of the eastern entrance road leading to Borg Al Arab International Airport and the desert road is currently being completed, as well as the development of the western entrance road leading to the North Coast.

Badawi explains that the members of the delegation praised the efforts made by the city with road projects as part of the state's plan to implement the national road network.

NAC Year-End Inauguration Under Discussion



Prime Minister Mostafa Madbouly holds a meeting on March 8 to discuss the arrangements and activities of the inauguration of the New Administrative Capital (NAC) taking place by the end of this year, Invest-Gate reports.

The meeting reviews the proposed scenarios for the inauguration, under the directives of President Abdel Fattah El-Sisi, where Madbouly affirms that this opening should be at the highest level of organization, reflecting the magnitude of the project which represents Egypt's newest achievement despite the challenges.

During the meeting, the prime minister gets acquainted with a number of details related to the opening ceremony scheduled to be held at the end of this year, indicating that a tour will be implemented inside the new capital. The administrative department is yet to determine the best place for the ceremony, prior to presenting these ideas before the president.

Madbouly adds that starting next August, the trial operation of government buildings will be rolled out and a number of employees will be transferred successively.

From his side, Minister of Housing, Utilities, and Urban Communities Assem El Gazzar presents a report on the executive position of the housing projects in NAC, including R3, R5, the central business district, the Green River, and other utility projects. With regard to the government district, El Gazzar explains that the ministries' area has been connected to water, electricity, and a sewage and drainage system.

According to the Cabinet's statement on March 9, the governmental district includes 10 ministerial complexes, with a total of 34 ministerial buildings to accommodate about 51,500 employees, in addition to the two buildings of the Cabinet and House of Representatives, on a total area of 430 acres, of which the facilities include an area of 60 acres.

Gov't Considers New Building Requirements

Minister of Housing, Utilities, and Urban Communities Assem El Gazzar and Minister of Local Development Mahmoud Shaarawi look into the latest requirements for building and constructing Egyptian cities in order to reach the final outcomes of the urbanization development plan, Invest-Gate reports.



This comes as the two ministers participate in a seminar on the urbanization. El Gazzar explains that this is the second seminar within one month to discuss this vital topic, which aims at reaching the best way to control urbanization in line with the citizens' interests.

El Gazzar reiterates that the state aims to control and govern urbanization and achieve the national goal to double the area of the Egyptian population, in addition to implementing the national strategic plan for Egypt 2052.

The Minister of Local Development explains that the new licensing procedures for Egyptian cities will be much easier than before, adding that local administration is being trained to use the new program to extract licenses, and to ensure the availability of the necessary logistics in technology centers.

Shaarawi indicates that a pilot model for issuing licenses according to the new system will be launched in a technology center in order to test the program, and to know its strengths and shortcomings, under the direct supervision of the governor.

Abbas Inspects NAC's Capital Park



The Real Estate Development Chamber Deputy Minister of Housing, Utilities, and Urban Communities for National Projects Khaled Abbas pays an inspection visit to the site of New Administrative Capital (NAC)'s Central Park, to take stock of the project progress, Invest-Gate reports.

He conducts follow-up meetings with companies responsible for the implementation of the project to learn more about the recent developments of the project. He also meets Gamal Talaat, assistant vice-president of the New Urban Communities Authority for the Urban Development Sector; and Amr Khattab, head of the Working Group supervising the implementation of the project. On-spot directions are issued to the concerned entities and officials to ensure fast delivery of the project.

Meanwhile, Khattab reveals that the project's implementation rate reaches 33%, the official statement published on March 3 reads.

The new Capital Park is set to be the first and largest park in the Middle East, spanning over an area of 10,000 kilometers. The project is split into three parts: CP 01, which has an area of 375 feddans including 250 acres of open space for hiking; CP 02 with an area of 306 acres and another 250 acres of open space for recreational activities; and CP 03 with an area of 309 acres embodying nature and public parks.

New Mansoura City's Housing Development Nears Completion

Deputy Minister of Housing, Utilities, and Urban Communities Khaled Abbas announces the completion of 4,704 housing units (196 buildings), in the Egypt Housing project in the New Mansoura City, with an implementation rate of 94%, Invest-Gate reports.

This is stated during the official's site inspection visit to the New Mansoura City. He is accompanied by Kamal Bahgat, assistant vice president of the New Urban Communities Authority for the Development and Urban Development Sector, and Muhammad Ragab, head of the New Damietta Development Authority and supervisor of the New Mansoura City.

Abbas also reveals that units in the (468 buildings) are being implemented in the JANNA middle-income housing project in the New Mansoura city, adding that the implementation rate reached 91%. As for the luxury housing project, Abbas says that 1,392 housing units (58 residential buildings) have already been completed.

Meanwhile, Ragab also points out that 1,149 villas along with 2,103 units are currently being implemented, adding that the New Mansoura University – which spreads over 127 feddans – is targeted for completion next year.

To recall, the new Mansoura city will be home to different types of housing, including tourist accommodation, villas, middle-income housing, and



social housing. It is expected to include a university, medical city, industrial hubs, and a waterfront Corniche.

The city also sees the establishment of a transformer station with a capacity of 500 megavolt ampere (MVA), a seawater desalination plant, with a capacity of 160,000 m³/day, at a cost of EGP 1.4 bn, and a sewage treatment plant with a capacity of 120,000 m³/day.

Other projects currently underway include schools, eight commercial markets, a health center, a police station, and four mosques.

Gov't: 55% of Housing for All Egyptians Initiative Completed in 6th of October



Minister of Housing, Utilities, and Urban Communities Assem El Gazzar confirms that the completion rate of the "Housing for All Egyptians" initiative in the 6th of October City have reached 55% out of 24,888 housing units (1,037 buildings), Invest-Gate reports.

He further indicates that the investment value of the project is estimated at EGP 5.6 bn and that the project is expected to be completed by the end of 2021, according to an official statement on March 1.

On his part, Adel Al-Nagar, head of the New 6th of October City Development Authority, stresses adhering to the highest quality standards and the specific timetables provided by the implementing companies to complete the units and deliver them to their beneficiaries on their scheduled dates.

Walid Abdel-Rahman, vice president of the 6th of October City Authority, inspects the worksites in the city accompanied by officials of the agency, managers of the implementing companies, and supervising authorities.

Abdel-Rahman calls for the highest standards of quality and efficiency, pointing out that the facilities for the buildings are being implemented according to site coordination.

Forbes: Hisham Talaat Mostafa among Top CEOs in the Middle East

According to Forbes Middle East magazine, Hisham Talaat Mostafa, CEO and managing director of Talaat Mostafa Group, ranks one of the top CEOs in the Middle East, Invest-Gate reports.

Mostafa tops the list of the most powerful leaders in the Egyptian real estate sector, after being elected on the annual list of Forbes Middle East magazine as one of the most powerful CEOs.

The selection is based on Mostafa's influence, experiences, personal and practical achievements during the year 2020, in addition to his accomplishments in the real estate sector and his contribution to society.

Talaat Mostafa Group is at the forefront of the economic indicators for the performance of the six largest real estate companies listed on the stock exchange during the first nine months of 2020. Talaat Mostafa Group comes in first place with a total land portfolio of 74mn sqm and a volume of assets of EGP 112.2bn.



Mostafa succeeds leading the company through the COVID-19 pandemic with a sales volume in Egypt of more than EGP 16bn in total.

Hassan Allam Secures Contract at the Grand Egyptian Museum

Hassan Allam Holding announces that a consortium between Hassan Allam Construction and MAB from the United Arab Emirates, among others, is given the authority to provide and operate services and facilities at the Grand Egyptian Museum (GEM), in collaboration with the Ministry of Tourism and Antiques, Invest-Gate reports.

Hassan Allam, CEO of Hassan Allam Holding, expresses, “It is an unparalleled honor to have been chosen to provide and operate services and facilities at what will be one of the most important museums in the world. Egypt’s rich history and attractions already offer visitors a diverse experience. GEM builds on this and elevates Egypt to a commanding place on the global tourist map. We recognize the unique privilege we have gained by playing such a central role in the Grand Egyptian Museum and are pleased to begin working towards the government’s strategy to develop sustainable museums and attractions.”

“Today, our partnership extends further as we work with global leaders from France, the UK, and other countries in the fields of tourism promotion, cultural programming and business management, marketing and quality control to ensure the services and facilities provided at the Grand Egyptian Museum, rightfully takes its place among the world’s biggest global attractions,” he adds.



Hossam Allam, a member of the board of Hassan Allam Holding, says, “The opening of the Grand Egyptian Museum is one of the most anticipated cultural events globally. The Egyptian government’s decision to invite the participation of the private sector in such a large project to provide services and facilities underlines its willingness to test new ways of inviting investment in the tourism sector.”

Al Ahly Sabbour Unveils New Project in Mostakbal City

Al Ahly Sabbour launches its latest residential project, Rare, in Mostakbal City. The project area covers 59 acres and offers 670 townhouses with a total of EGP 770 mn in construction costs, Invest-Gate reports.



The delivery of phase I with 306 units is expected to be in the fourth quarter of 2025, the official statement on March 23 reads.

Eng. Ahmed Sabbour, CEO of Al Ahly Sabbour, states, “Choosing the right location for any project is key, especially when it comes to housing. It must be accessible through road network, and have high quality social infrastructure that includes schools, universities, entertainment and recreational areas. This is what we at Al Ahly Sabbour found in Mostakbal City with its master plan that includes a comprehensive system that meets the different needs and patterns of modern, daily life.”

Sabbour notes that increase in the development of fourth-generation cities around Egypt, allows developers to add more value to efforts through partnerships with a myriad of global experts.

He adds, “We have worked to provide Al Ahly Sabbour residents with first-class integrated facility management (IFM) services. Therefore, we focus on finding the right partners who will be able to offer their expertise.”

Al Ahly Sabbour’s projects in Mostakbal City have thus seen great progress. The launch of Rare will be developed in two phases, and the construction for neighboring projects The Ridge, Alaire and Alaire Park is moving according to schedule.

Emaar Misr Rolls Out First Phase of the Belle Vie Project

Emaar Misr has celebrated launching the first phase of the Belle Vie project in the new Sheikh Zayed City, Invest-Gate reports.

Belle Vie is Emaar Egypt’s second project in West Cairo after the Cairo Gate project. Belle Vie is on an area of 500 acres with investment rates estimated at EGP 38 bn. It is characterized by the presence of a green valley extending over 1,400 meters, a lake surrounded by green areas, a sandy beach, a multi-activity social & sports club, an open area for services (shops – restaurants), and an educational institution, according to a company press release on March 28.

Muhammad Ali Al-Abbar, the founder of Emaar Real Estate, says during his speech in the ceremony, “The world is optimistic and the trend is towards the positivity with great effort after a year full of challenges. Despite all of this, Emaar was able to continue working on its various projects and achieve more success stories, in cooperation with its partners. One of its chapters today is witnessing the launch of the first phase of the Belle Vie.”



“We have a vision in Emaar Egypt in investing in the new areas. We also started our projects in Marassi in areas that were early at the time, but we have a future vision of being in these areas, which over time became vital and important centers,” Al-Abbar elaborates.

“We see the same in the Belle Vie site, which is located near the Sphinx Airport, the business area in the smart village next to the archaeological areas in the pyramids, and the Grand Egyptian Museum,” he concludes.

DEVELOPERS' LATEST PROJECTS

Misr Italia Presents New Phase of Vinci Street

Misr Italia launches a new phase of Vinci Street, which is a commercial complex in the New Administrative Capital (NAC), as part of the Vinci project, Invest-Gate reports.

This comes as the company participates in the Real Gate exhibition and conference, held from March 25-27, while showcasing a myriad of exclusive offers, payment facilities, and new projects.

Vinci Street consists of two floors, a ground floor and an upper floor. Its distinctive commercial area contains administrative offices, shops and clinics, all which have all the basic facilities.

The areas available in Vinci Street range from 96 sqm for shops to 100 sqm for cafes and restaurants, and for offices and clinics extending up to 69 sqm. Misr Italia offers installment plan of

up to seven years, with a 5% down payment only, provided that the project will be delivered in 2024.

The Vinci project is considered a new cultural destination representing different eras and offering distinctive hotel apartments. The first deliveries of the project start from 2023. The company is currently working on constructing 250 villas, and the total number of project units is 800 villas and 1,500 apartments.

Misr Italia aims to pump EGP 500 mn of investments in the Bosco City project this year, which is being built on an area of 268 acres. About 95% of the first phase has been sold, and work is underway to launch the second phase of the project.

In this context, CEO and Managing Director Mohamed Hani Ellassal says, "The establishment

of the Real Gate exhibition and conference came at an important time in order to provide the largest opportunities for real estate investment and the possibility of looking and comparing all the available projects."

Ellassal adds, "The participation of Misr Italia in the Real Gate exhibition is a good step within the framework of the company's interest in being strongly present in all events related to the real estate sector, especially since real estate exhibitions are of great importance in the company's sales rate. Misr Italia will present during the exhibition, offers and payment facilities suitable for all segments of society who wish to own residential, commercial or administrative units. We are also introducing a new stage in our latest project in the New Administrative Capital, which is Vinci Street."

Akam Developments Launches Second Phase of SCENE7



Edrees Mohamed, Akam Developments' CCO, reveals that the new units in the SCENE7 project in the New Administrative Capital will be launched, with payment facilities of up to 10 years, Invest-Gate reports.

This came during the company's participation in The Real Gate Exhibition 25-27 March, which includes distinctive residential units with various spaces, according to a company press release on March 28.

Edrees further confirms that the company is targeting sales of up to EGP 2.2 bn in 2021. "We study the launch of new projects in the Administrative Capital, New Alamein, Ain Sokhna. The company has achieved sales of EGP 3.4 bn from Scenario project in the capital. The company has completed the sale of the first phase. It will be delivered at the end of 2021," he elaborates.

On his part, Mohamed Amer, head of the sales sector at AKAM, says in a previous statement that they are offering for the three days distinct and exclusive discounts on the units of its second project in the new administrative capital SCENE7 as part of their participation in The Real Gate exhibition with payment facilities up to ten years and 10% down payment.

He further adds that there are special discounts on cash payment of up to 40%, indicating that the company launched the project during the last quarter of 2020, and finished selling the first phase

in a record time, and then launched the second phase, which has reached 80% of its sales so far.

SCENE7 project is the first sports compound in the New Administrative Capital. It includes the largest international sports academies, playgrounds, swimming pool, a sports mall, a commercial mall, which provides all the needs of the customers and brings them luxury, comfort, and happiness, the statement reads.

SCENE7 project is in the R7 area, extends over an area of 40 acres. The third phase of the project is scheduled to be launched after Ramadan, Amer says.

Moreover, he notes that the completion rates of the project have reached 19%. As for the Scenario project sales, they reached 89% of the total units with a value of EGP 3.4 bn. The project construction exceeded 45%.

Khozam Commences Creek Town in New Cairo with EGP 3 bn

Khozam Developments launches the first phase of Creek Town New Cairo project with investments of EGP 3 bn during the Real Gate exhibition, Invest-Gate reports.

Nader Khozam, chairman of the board of directors, explains that the Creek Town has an area of 100 acres divided into three phases. First phase is launched at the Real Gate Exhibition, where Khozam Developments offers discounts and special deals for contractors during the three-days exhibition.

Khozam states that the project includes 600 villas, townhouses, and twin houses, which represent 70% of the project area. Furthermore 1,000 residential

units between duplexes, garden plots and penthouses represent 30% of the area. The project is scheduled to commence with an expected delivery date within three years.

He adds the project is designed by Engineer Hany Saad, who prioritizes smart use of spaces, both in villas and apartments. Villas ranges between the 350 to 400 m, and apartments between 120 to 175 m.

Khozam adds that the company studies the implementation of a project in the new city of El Alamein due to the large investment opportunities provided by the state, and the details of the project are scheduled to be announced soon.



It is noteworthy that Creek Town is the second project of Khozam Developments after its project Go Heliopolis, the first compound in Heliopolis, which includes 1,000 residential units in addition to administrative and commercial units and clinics, and it is planned to start delivery in 2022.

New Bayside Project at Ras Sudr Available at Real Gate Exhibition



Eng. Ahmed El-Attal, chairman of the board of El-Attal Holding, announces that their latest project, Bayside in Ras Sudr, will be available for sale during Real Gate exhibition on March 25-27, Invest-Gate reports.

El-Attal announces that the project's construction workers began in early 2020 with EGP 1 bn in investments.

Bayside extends over an area of 7 acres and consists of 170 furnished fully serviced apartments and a 40-room hotel. Units are designed to inspire a true Maldivian experience with modern facilities and services in harmony with direct sea views available to all units within the project.

El-Attal emphasizes that El-Attal Holding is committed to building Bayside in the finest quality

in terms of planning, architecture, and interior design.

El-Attal states, "We signed Dr. Yasser El-Beltagy, Chairman of the Board of Yasser Al-Beltagy Engineering and Architectural Consultancy; for his long rich experience of more than 1,200 over 26 years, especially architectural design for several major projects in the new administrative capital and New Alamiya City. In addition, we entered a contract with Eng. Hany Saad, CEO of Hany Saad Innovations to work on the design of Bayside units and facilities. This collaboration allows us to give our customers the best possible experience on Bayside."

Additionally, El-Attal confirms construction as completed that Bayside is currently in the skills phase and that the project will be offered for sale at El-Attal's participation in The Real Gate Exhibition this month.

El-Attal intends to start the delivery phase in the fourth quarter of this year with EGP 500 mn targeted sales to Bayside by the end of 2021.

On another front, Eng. Mohamed Al-Attal, CEO of Al-Attal Holding, announce the launch of the

fourth and final phase of Parklane in the New Administrative Capital; a mixed project that includes administrative and commercial entities.

Al-Attal states that 85% of the first phase, 95% of the second phase, and 90% of the third phase are sold.

In addition, the company is also able to sell over 27% of this project to foreigners. In addition, 50% of the construction of phase I has been completed and is planned to be completed during this year together with 15% of the second phase.

The construction of all four phases of Parklane is expected to be fully completed by the end of 2023.

Parklane is the company's first project in the New Administrative Capital with EGP 4 bn. The project is built on an area of 27 hectares in the R7 area.

The company invested more than EGP 250 mn in construction work over the past year and allocated EGP 150 mn to push construction forward during 2021.

El Gazzar Visits Tabarak Developments at The Real Gate Exhibition

The Minister of Housing, Utilities and Urban Communities Assem El Gazzar visits Tabarak Developments' pavilion at The Real Gate exhibition on the sidelines of its opening on March 25, Invest-Gate reports.

Mahmoud Mokhtar, general manager of sales at Tabarak Developments, gives a detailed explanation to the Minister of Housing about the company's current projects and expansion plans in the Egyptian and Arab market during the next stage.

During the visit, Mokhtar confirms that the exhibition witnesses a distinguished participation of Tabarak Developments, through four real estate projects with diverse locations. The first one is 90

Avenue project in New Cairo with investments exceeding EGP 7.2 bn and about 1,450 housing units, in addition to areas of up to 60,000 sqm distributed between malls, shops, activities and entertainment, as well as an area of 25,000 sqm for administrative facilities.

The company is also participating in the exhibition with the Capital East Residence project, whose investments amount to more than EGP 1.4 bn, and the company is about to launch its new West Avenue project soon, with a legendary backdrop of in the Sphinx. The company's participation in the exhibition includes the second phase of the Fantasia Village project in Ras Sidr.



Ali Al-Sherbani, chairman of the board of directors of the Tabarak Development, notes that President Abdel Fattah Al-Sisi's sponsoring to the exhibition represents a revolution for real estate development.



ANTOINE EL KHOURY:

EGYPT IS CHANGING VERY QUICKLY AND HAS BEEN GOING THROUGH AN IN-DEPTH TRANSFORMATION, AND HAS BECOME ONE OF THE MOST GROWING, MOST PROMISING, MOST REGARDED BUSINESS PLATFORMS IN THE WORLD.

EGYPT HAS BECOME THE PREFERRED DESTINATION FOR BUSINESS AND INVESTMENT IN THE MIDDLE OF THIS WHOLE AFRICA AND THE MIDDLE-EAST REGION, WITH 1.5 BILLION PEOPLE.

BIG MULTINATIONAL COMPANIES ARE ENTERING THE MARKET EVERY DAY AND ESTABLISHING IN EGYPT THEIR REGIONAL PLATFORMS FOR AFRICA AND THE MIDDLE-EAST.

Managing director of TAMEER Antoine El Khoury have recently spoken at the Cityscape Egypt virtual conference and have shown a particular faith in the future of the real estate sector in Egypt. Antoine has an optimistic vision about the current situation of the real estate in Egypt, as he sees that Egypt is changing very rapidly and has been going through an in-depth transformation, and has become one of the most growing, most promising, most regarded business platforms in the world. He believes that this success story is driven by a clear vision and determination of the nation's leadership, and by the massive and structural modernization of the country and its infrastructures. Moreover, during the conference, Mr. El Khoury have said that The country is enjoying a political and monetary stability and an unmatched economic growth and Egypt has become the preferred destination for business and investment in the middle of this whole, 1.5 billion people, still under-developed, Africa and the Middle-East region. As a result, more and more multinational companies are entering the market every day and establishing in Egypt their regional platforms for Africa and the Middle-East.

Adding to the above, Antoine is a believer that real estate is a sector that supports the economy, by providing space for growth. Growth in any sector of the economy requires space, would it be offices or retail, or factories or logistic hubs or else. When the economy grows, the demand for space grows as well and this boosts the real estate industry. Moreover, the middle class in Egypt is growing very quickly in terms of purchasing power and in terms of lifestyle. This is creating a need for further quality destinations for social life and consumption.

During his word, Antoine emphasized that when people look carefully at the Egyptian real estate, they can easily identify new

trends that are emerging in the market, which is clearly diversifying towards the non-residential area. Market players have identified the new needs and are adapting, paving the way for a more mature environment. He adds that this is a good start, because it creates the space and the investment opportunities, as well as the products needed to fill the gap that will be created by the demand. But this is not enough from an investment point of view. Antoine believes that the opportunity for the sector and for the economy in general is far much bigger than what local players are anticipating today.

Discussing the opportunities in the institutional income generating real estate, Mr. El Khoury says that these opportunities are what

large foreign investors, such as sovereign funds, pensions funds or international private funds look at. Real estate is an investment asset that has different cycles, which are differently positioned on the risk-return curve. The first cycle, the most rewarding, but the riskiest, is the speculative development. Developers launch projects that are sold off-plan. This is where the Egyptian market is active now. This particular cycle is usually not attractive for institutional investors who have a lower risk appetite. Those investors usually enter the market once the construction is completed and the asset is let to good tenants and generating steady cash flows. In the investment language, these are called “stabilized investments”.

Antoine has also shared three indicators at Cityscape talk that illustrate what this opportunity would represent for Egypt, these indicators are:

- The First Indicator: Foreign Direct Investment in all areas of Egypt real estate has reached approximately 450 USD in 2020, which represents a tiny 0.125% of the GDP.
- The Second Indicator: Investment in commercial, income generating real estate in the United Kingdom has reach 95 billion USD in 2020, representing 3% of the GDP.
- The Third Indicator: 762 billion USD have been invested globally in 2020 in commercial income generating real estate.

Antoine has also an opinion regarding the foreign investment for the real estate sector in Egypt right now. He sees that the current time is very attractive for foreign investors, because now is the right timing to enter the market and benefit from the growth. Egypt is standing at the very beginning of its growth curve and this is where the value will be created. Later, the market will have matured and the benefits will be less. He said that the high-level simulation that they have carried-out internally in TAMEER has shown that, due to cap rate compression and rental growth, capital values may double or triple over the next 2 to 5 years. Furthermore, Antoine mentioned the indicators of the Egyptian economy are showing a clear trend towards a compression of cap rates in the next 3 to 5 years. This will

be a direct, mechanic consequence of the improvement of the sovereign risk of Egypt as perceived by the international institutions, and as confirmed by the economy indicators. The consistent decrease of interest rates and discount rates by the Central Bank are an illustration of such improvement. The decrease of the real estate industry risk, due to the development of the sector and the structural improvement of the governmental procedures, can reasonably be forecasted as well. Finally, the acceleration of the rental growth rate due to an increased demand will further support this compression. These mathematical parameters are those factored by real estate investors to justify their decisions.

Mr. El Khoury is a member of the French chamber of commerce in Egypt and according to this, he mentioned that there are 165 French companies currently operating in Egypt, mostly large corporations listed on the French CAC 40 and employing some 38,000 people in Egypt. The extrapolation of these figures to cover all multinational companies as well as Grade A national corporations gives an indication of what would be the size of the High Credit rental market in the next few years.

He pointed out that his company “TAMEER” is engaged in this new investment direction, as they have started recently their diversification towards the non-residential real estate. Such as, THE BUSINESS LOUNGE @ azad which was launched in January. It is an exclusive one-building business and community lounge that was designed by Mona Hussein, and is developed on the edge of AZAD residential community. The construction and the sales are currently ongoing.

TAMEER has also started working on a mixed-use development in New Cairo, on a 55,000 sq m land. The project is being designed by the French award winning “Architecture Studio”, who has signed the “Institute of the Arab World” in Paris and the “European Parliament” in Strasbourg. They are working hand in hand with ACE – Moharram Bakhom and with JLL. The project will consist of 75,000 sq m of office space and 15,000 sq m of retail, along a vibrant urban pedestrian street.



TAMEER

THE REAL GATE

SETS NEW RECORD FOR VISITORS & PROJECTS

The Real Gate Exhibition and Conference concludes its first edition with a huge turnout as it was visited in-person and virtually by thousands including VIP guests, celebrities, and home seekers with the participation of 38 leading developers that showcased their projects with attractive offers, Invest-Gate reports.

The Investment Club succeeds to gather local developers with regional and international investors to discuss potential cooperation. With several sessions and panel discussions that were attended by many investors and developers, the Investment Club saw promising business deals and MOUs from different countries such as Lebanon, Emirates, Saudi Arabia and Italy.

"We are proud of the remarkable outcome The Real Gate has achieved. The great team effort of ACG and Coldwell Banker is a key factor in the success of this event," says Ahmed Ghozzi, ACG-ITF Chairman. "The participation of Egypt's leading developers and the turnaround of

visitors both physically and virtually is a testament to the market need of mega industry events to fill in the gap between supply and demand," he concludes.

The exhibition hosted more than 38 exhibitors representing the major real estate companies in Egypt such as SODIC, Emaar Misr, Palm Hills, Mountain View, Misr Italia Properties, Sorouh Developments, Landmark Real Estate Development, Akam Developments, Al Tameer Arabian, Al Ahly Sabbour for Real Estate Development, Inertia Real Estate, Ora Developers, Pre Developments, Tatweer Misr, Khuzam Real Estate Development, The Waterway Real Estate Developments, Founders, Al Burouj, Khozam Developments, Living Yards Development, Marakez for Real Estate Investment, New City Real Estate Development, and others. The exhibition included more than 180 new projects with different offers and payment plans that were exclusively available for the Real Gate visitors, 40 of which were launched for the first time in the Egyptian market.

El Gazzar Inaugurates the Real Gate Exhibition

Minister of Housing, Utilities, and Urban Communities Assem El Gazzar inaugurates the Real Gate Exhibition, held for the first time in Egypt from 25-27 March, under the auspices of President Abdel Fattah al-Sisi, Invest-Gate reports.

The exhibition is inaugurated in the presence of Ahmed Ghazi, president of ACGITF, the organizer of the exhibition, and a large number of real estate development companies. The Minister of Housing, accompanied by Ahmed Ghazi, takes a tour in the exhibition, according to an official statement on March 28.

On his part, the Minister of Housing expresses his gratitude in his speech during the exhibition. "The return of the real estate market after the

exceptional circumstances that the world went through is evidence of the market's strength," he stresses.

El Gazzar further reviews the ministry's plan to push the urban development agenda following the 2030 sustainable development strategy. "The state seeks to implement this plan seriously to increase the urban area to 14% of the total area in Egypt. In the past six years, the state has doubled the size of the urban area," he adds.

Moreover, Ghazi says that the Real Gate exhibition is one of the strongest and largest events for the Egyptian real estate market, under the patronage of President Abdel Fattah El-Sisi, which reflects the state's interest in the real estate sector.



Ghazi further announces during his speech that the exhibition has a new and unique technology presented for the first time in the Egyptian market. "Through this technology, all observers and those interested in the real estate market in Egypt or abroad in 12 countries can communicate with the exhibition and visit it online," he adds.

Coldwell Banker Organizes the Real Gate Exhibition

Coldwell Banker partakes in organizing one of the biggest real estate exhibitions, The Real Gate Exhibition, in cooperation with ACG-ITF, under the patronage of His Excellency President Abdel Fattah Al-Sisi, Invest-Gate reports.

Coinciding with the company's 20th anniversary of its presence in Egypt and the exhibition, Coldwell Banker-Egypt provides the latest services and solutions that contribute to the development of digital transformation in the real estate sector. This in addition to the newest projects marketed, mainly in the New Administrative Capital.

At the exhibition, Coldwell Banker presents a myriad of new real estate projects, focusing on the new administrative capital and the fifth residential area. Both of which represent almost 60% of the sales of the real estate market.

The company also restarts its Club program, aiming to change the traditional concept of real estate marketing as well as keep pace with the

rapid development currently taking place in the country.

The conditions for participation in the new CB are that the client must be Coldwell Banker – Egypt's customer that have purchased homes or commercial units in one of the real estate projects that the company has marketed.

Mohamed Abdullah, president of Coldwell Banker – Egypt, states, "We are certainly proud to organize the Real Gate exhibition, which is the biggest event in the real estate sector this year."

Karim Zain, CEO of Coldwell Banker – Egypt, adds, "2021 is a special year as it marks Coldwell Banker – Egypt's 20th anniversary of its presence in the Egyptian market. So to celebrate this occasion, we are eager to be the official partner and key sponsor while we organized the Real Gate exhibition."



Mohamed Saada, Co-CEO of Coldwell Banker – Egypt, comments, "During our presence at the exhibition, we offer a range of new projects and services. In addition, the Club program enables corporate customers to take out loans related to finishing and design services, enabling them to purchase household appliances and furniture. The program can offer insurance services to real estate units through competitive interest rates, distinctiveness and multiple repayment systems to suit all segments."

The Real Gate Introduces the Investment Club

The Real Gate introduces the Investment Club, the first digital platform in the Middle East aiming to foster and identify investment opportunities across various sectors with international players, Invest-Gate reports.

ACG-CBE partners up with global entities to host the Investment Club as part of the Real Gate Conference and Exhibition to offer local and international investors the chance to discuss potential real estate investment opportunities with world-class standards.

The Investment Club is set to include a large number of international consultants, hosting around 25 international consultants and foreign investors, to showcase a huge number of public and private projects in an attempt to transform

Egypt into a competitive international real estate market that is capable of attracting more foreign investments.

"The Investment Club offers a unique communication channel for the real estate ecosystem and investors to bond build new relations capitalizing on the attendance of government representatives to showcase the diverse investment opportunities in Egypt," said Ahmed Ghozzi, CEO of ACG-ITF, co-organizer of the Real Gate.

"The incentives offered by the Egyptian Government to attract foreign investors along with the unmatched offers by private developers at the exhibition make the Real Gate the first platform that forges successful frameworks for investment

and partnerships in the real estate sector as well as other fields," Ghozzi concludes.

The Real Gate is Egypt's largest real estate exhibition and conference held under the patronage of His Excellency President Abdel Fattah El Sisi from 25 to 27 March at the Egyptian International Exhibition Center in New Cairo. ACG-CBE is teaming up with the International Real Estate Union office and New Concept Investment Company to launch the Investment Club for the first time in the local market.

The Real Gate is organized by ACG-CBE, a consortium that includes ACG-ITF, a long-standing company in the specialized international exhibitions sector in Egypt, and "Coldwell Banker", the leading consultancy firm.

The Real Gate to Present 150 New Projects

ACG-CBE, organizer of The Real Gate Conference and Exhibition, holds a press conference announcing the details of Egypt's biggest real estate event, which is set to present investment opportunities from more than 150 real estate projects, Invest-Gate reports.

The press conference covers all aspects of the exhibition, highlighting all activities in The Real Gate will provide exceptional investment opportunities as the Egyptian real estate industry continues to grow exponentially amid rising demand for real estate.

More than 38 exhibitors will represent major real estate developers who have confirmed their participation in the Real Gate exhibition.

The list of exhibitors essentially includes: SODIC, Emaar Misr, Palm Hills, Mountain View, Misr Italia Properties, Sorouh Developments, Landmark Real Estate Development, Akam Developments, Al Tameer Arabian, Al Ahly Sabbour for Real Estate Development, Inertia Real Estate, Ora Developers, Pre Developments, Tatweer Misr, Khuzam Real Estate Development, The Waterway Real Estate Developments, Founders, Al Burouj, Khozam Developments, Living Yards Development, Marakez for Real Estate Investment, and New City Real Estate Development.

The developers will showcase their various projects in provinces and new cities that reflect the future of real estate in Egypt in the coming years.

The Real Gate exhibition is expected to attract around 20,000 visitors both personally and practically through the application.

President of the ACG-ITF and co-organizer of the Real Gate Exhibition, Ahmed Ghozzi, emphasizes that real estate exhibitions play a significant role in the sales percentage of real estate developers who underpin Real Gate plans for offers and payment facilities that meet the requirements of different segments of society that have wanting home ownership.

He assures the implementation of strict precautions during the exhibition, as security for visitors, as safety is considered a top priority.

The Real Gate is the first hybrid real estate exhibition in Egypt, where visitors can use an application or physically visit the exhibition at the Egypt Center for International Exhibitions.

GOV'T ACCOMPLISHMENTS IN PROPERTY MARKET

GOV'T ACHIEVEMENTS IN HOUSING SECTOR

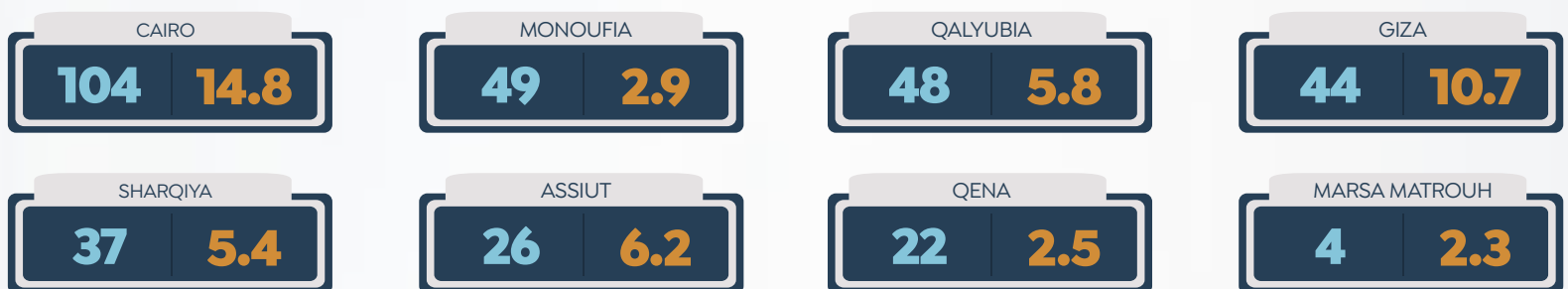


Time Period
FY 2018/19-2019/20

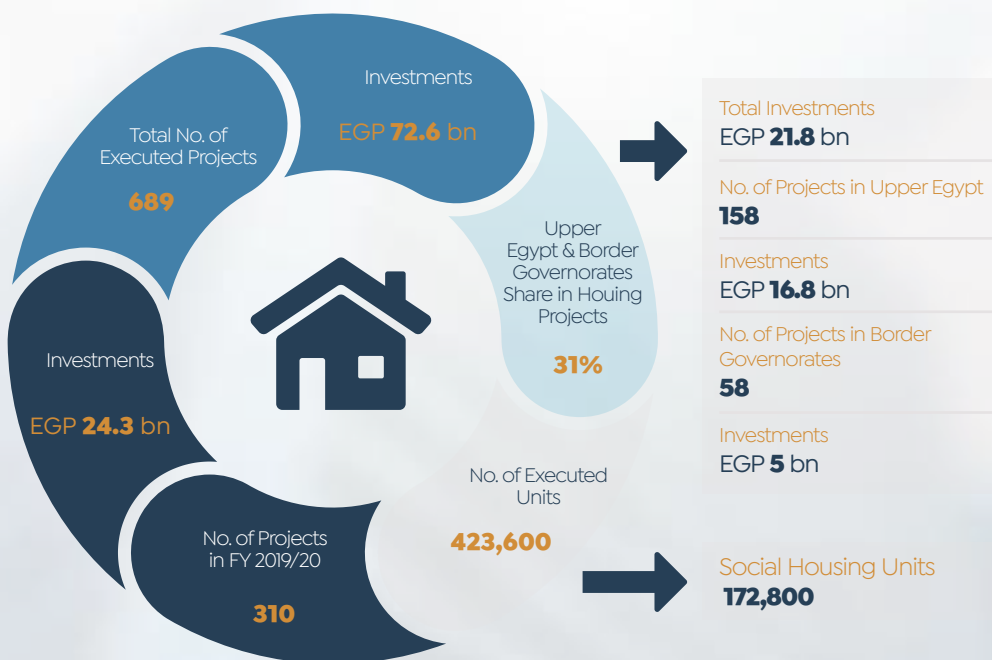
GEOGRAPHIC LOCATION OF EXECUTED PROJECTS

No. of Projects

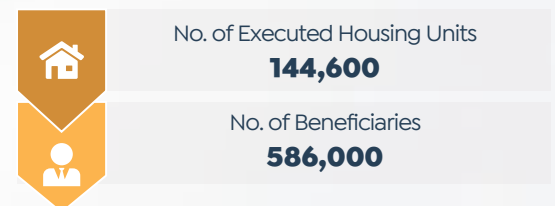
Investments (EGP BN)



HOUSING UNITS



SLUMS & UNSAFE AREAS DEVELOPMENT PROJECTS



RURAL SANITATION PROJECTS



POTABLE WATER & SANITATION PROJECTS' BENEFICIARIES



PUBLIC INVESTMENTS DIRECTED TO UPPER EGYPT

Time Period
FY 2018/19-2020/21

Investments
EGP 104 bn

Source: Ministry of Planning & Economic Development (MPED).

PUBLIC INVESTMENTS

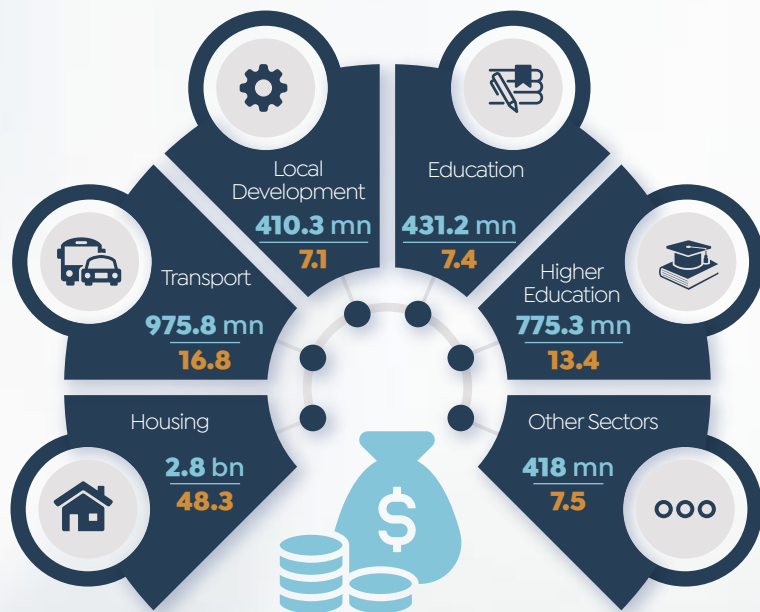


MOUNIFYA

Investments
EGP 5.8 bn

INVESTMENTS BREAKDOWN

Investments (EGP) Share (%)

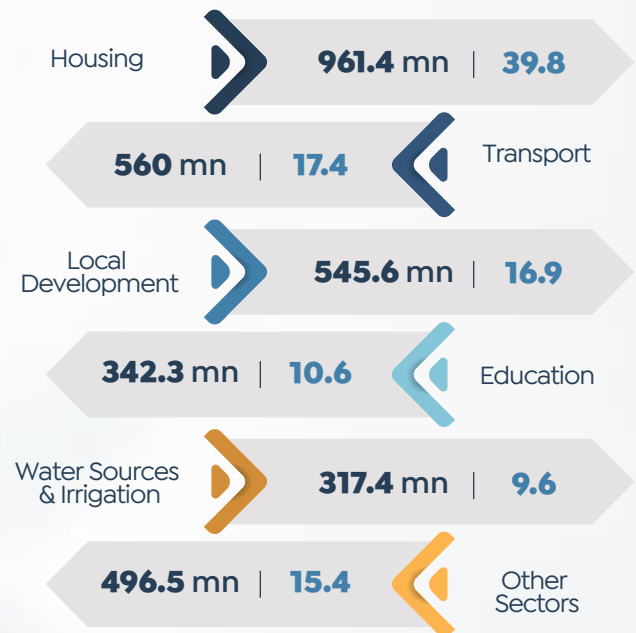


KAFR EL SHEIKH

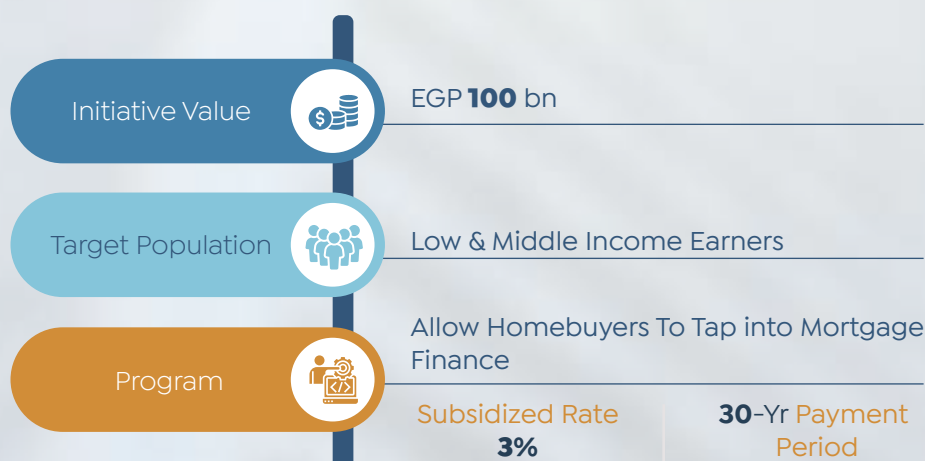
Investments
EGP 3.2 bn

INVESTMENTS BREAKDOWN

Investments (EGP) Share (%)



SUBSIDIZED MORTGAGES INITIATIVE



MPED SUPPORTS MINISTRY OF HOUSING PLANS




Source: MPED & Spokesman of The Egyptian Presidency.

NEW CITIES UPDATE

UPDATES ON NAC PROJECTS

 **Before 2022**
INAUGURATION DATE

 **STATUS** **Begin Trial Operations for NAC's Projects**

As of August, Trial Operations of Gov't Buildings To Begin by Gradually Transferring Employees

NAC's Phase I is Completed

1st Iconic Tower To Be Delivered in November 2021

Develop Several Routes for Vehicles Working in Construction

Following the Progress of Electric Train & Monorail Projects To Avoid Delays

UPDATES ON GOV'T DISTRICT

 **NO. OF MINISTERIAL COMPLEXES** **10**
34 Ministerial Buildings (51,500 Employess), Cabinet & House of Representative

 **430 Acres (60 Acres-> Facilities & Remaining is Green Spaces & Roads)**
AREA

 **90% (in February)**
COMPLETION RATE (BUILDINGS)

 **Connected To Utility Infrastructure Including Water Lines, Sewage Systems & Electricity Grid**
STATUS

UPDATES ON CAPITAL BUSINESS PARK (CBP)

 **20**
NO. OF SKYSCRAPERS

 **50% Complete**
COMPLETION RATE

UPDATES ON ICONIC TOWER

 **Central Business District**
LOCATION

 **60**
NO. OF IMPLEMENTED FLOORS

 **400 m**
HEIGHT

 **20**
TOTAL NO. OF TO-BE-BUILT ICONIC TOWERS

 **EGP 3 bn**
INVESTMENTS

UPDATES ON R3 DISTRICT

 **STATUS** **The District is Delivered**

Residents Have Moved in

 **End of 2021**
INAUGURATION DATE

Source: Cabinet & Ministry of Housing, Utilities & Urban Communities.

PRIVATE REAL ESTATE PROJECTS UPDATE

NEW RESIDENTIAL PROJECTS

IL BOSCO (NEW PHASE: THE PARK)

Developer: Misr Italia Properties (MIP)



LOCATION
NAC



DELIVERY DATE
End of **2024**



PAYMENT PLAN
5% Upfront
Up to **9-Yr** Payment Plans

SUPPLY VOLUME

12 Buildings with Smart Technologies

Units Type: Sky Villa, Garden Villa & Garden Terrace Units

Units Area: 161- 315 m²

Two & Three-Bedroom Apartments

Units Area: 122- 185 m²

IL BOSCO (NEW PHASE: THE CLIFF)

Developer: Misr Italia Properties (MIP)



LOCATION
NAC



PAYMENT PLAN
5% Upfront
Up to **9-Yr** Payment Plans

SUPPLY VOLUME

Villas with Higher Ground Level of **6** m

Town Houses

Twinhouses

Standalone Villas

Creek Villas

Cliff Villas

Villas Area: 258 - 638 m²



New Commercial Projects

ORIENT BUSINESS COMPLEX

Developer: Watan Developments



LOCATION

Downtown District, NAC



AREA

2,319 m²



INVESTMENTS

EGP **1** bn



CONSTRUCTION INVESTMENTS

EGP **500** mn (During **2021**)



CONSTRUCTION CONSULTANT

ACE Moharram Bakhoum



ARCHITECTURAL & ENGINEERING CONSULTANT

Hafez Consultants



DELIVERY DATE

2024

SUPPLY VOLUME

Commercial Areas	Administrative Spaces	Medical Units
2 Basement Floors	Ground Floor	10 Floors for 300 Units

AVALON (PHASE II)

Developer: W ASSETS



LOCATION

Financial District, NAC



AREA

8,400 m²



TOTAL INVESTMENTS

EGP **1.4** bn



AVALON'S LAUNCHING DATE

August **2020**



STATUS

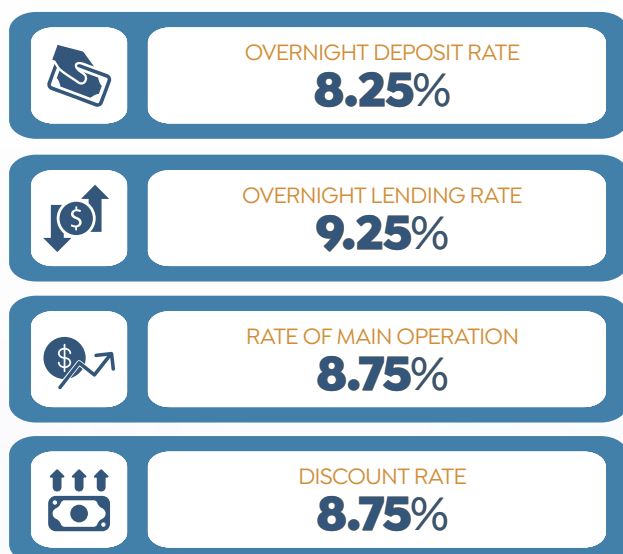
Phase I, with Total Area of **11,000** m²: Sold Out Successfully

SUPPLY VOLUME

Administrative Offices	12,000 m ² Avalon Park	Meeting Rooms
Cafes	Exhibition Areas	Serviced Offices
Spaces Start from 70 m ²		

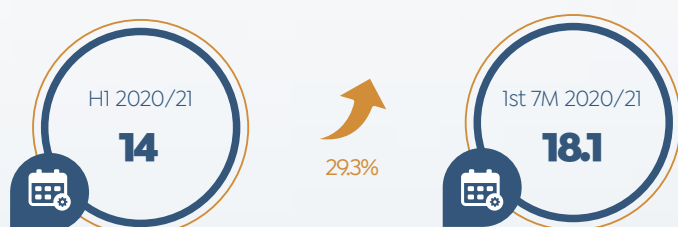
ECONOMIC SNAPSHOT

INTEREST RATES

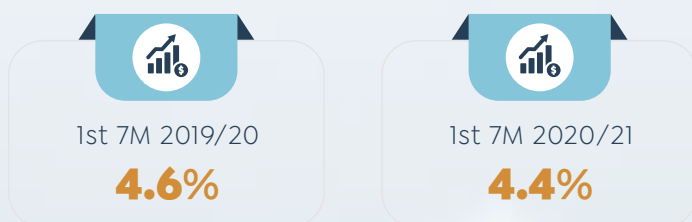


*Based on MPC Meeting on March 18

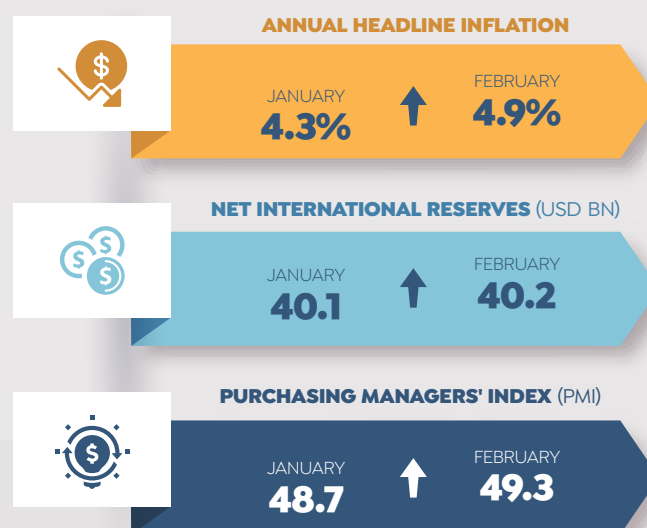
INITIAL BUDGET SURPLUS (EGP BN)



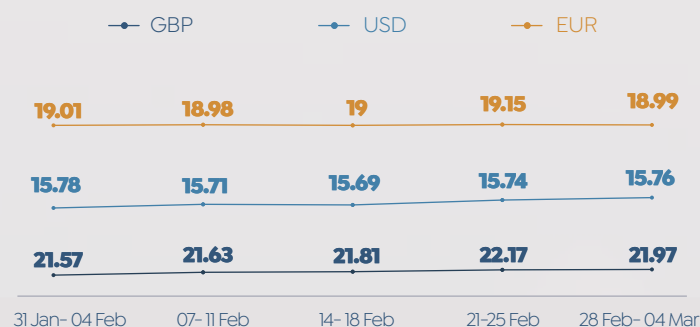
BUDGET DEFICIT



FOREIGN INVESTMENTS IN EGP BONDS (USD BN)



EXCHANGE RATES



CAPITAL MARKET INDICATORS



Source: Central Bank of Egypt (CBE), Central Agency for Public Mobilization & Statistics (CAPMAS), IHS Markit, EGX & Ministry of Finance.

GOV'T ACCELERATES EFFORTS TO PROMPT REAL ESTATE SECTOR

BY DINA EL BEHIRY

Before the Coronavirus hit triggers severe upheaval worldwide and exposes the existing cracks in the global economy, the Egyptian government manages to execute a series of national projects.

Gov't Accomplishments During Fiscal Years (FY) 2018/19–2019/20

According to a report issued by the Ministry of Planning and Economic Development (MPED), around 689 projects are executed in the housing sector, with total investments of about EGP 72.6 bn across all governorates. Out of the 689 projects, around 310 projects are implemented in FY 2019/20 and are worth approximately EGP 24.3 bn.

Additionally, 31% of total projects are executed in Upper Egypt and other border governorates, with a total investment cost of around EGP 21.8 bn. Accordingly, Upper Egypt witnesses 158 housing projects worth EGP 16.8 bn, and 58 projects are in border governorates with a cost of EGP 5 bn. It is worth highlighting that the public investments allocated to Upper Egypt in FY 2018/19– 2020/21 are around EGP 104 bn.

Furthermore, the MPED report claims that 423,600 housing units were completed during the past two years, 172,800 of which are part of the social housing units. Besides, the government pays a great deal of attention to the development of slums and unsafe areas by establishing around 144,600 housing units, benefiting 586,000 citizens.

Geographically speaking, the report shows that Cairo topped other governorates when it comes to investments, as around 104 housing projects are accomplished with an investment cost of EGP 14.8 bn. Giza comes in second place with around EGP 10.7 bn for 44 projects, then comes Assiut with 26 projects for EGP 6.2 bn.

New Cities Update

In a bid to further support the real estate sector, the government is accelerating the pace to inaugurate NAC by the end of the year. Thus, Prime Minister Mostafa Mabdouly holds a meeting on March 8 to discuss the inauguration arrangements and activities.

The meeting reviews the inauguration proposed scenarios, under the directives of President Abdel Fattah El-Sisi, where Madbouly stresses that this opening should be at the highest level of organization.

Madbouly adds that starting next August, the trial operation of government buildings will be rolled out and several employees will be transferred successively..

Private Sector Updates

Following the government's footsteps in urban development, Egypt-based real estate developers are still pursuing their medium- and long-term plans, despite the pandemic woes.

Misr Italia Properties (MIP), the first developer to deliver its project IL BOSCO at NAC ahead of schedule, announces the launch of IL BOSCO's two new phases: The Park and The Cliff.

The Park includes 12 buildings equipped with smart technologies. As for available unit types at this stage, there are Sky Villa, Garden Villa, and Garden Terrace units. Their areas range from 161 to 315 m². The Park also includes two and three-bedroom apartments with areas ranging from 122 to 185 m². This phase is expected to be delivered by the end of 2024.

As for The Cliff, it comprises distinctive villas situated away from the residential area, with a higher ground level of 6 m. The units in this stage vary between townhouses, twin houses, standalone villas, creek villas, and cliff villas. The available areas for villas in the Cliff range from 258 to 638 m².

Economic Situation

It is safe to say that Egypt's economy is working in full swing to keep the Coronavirus tumult under control. Looking at the headline inflation rate, it resurges again to reach 4.9% in February, after hitting 4.3% in January.

Besides, the net international reserves rise again in February, standing at around USD 40.2 bn, after recording USD 40.1 bn in January. This hike is deemed a good omen as foreign reserves went down by USD 10 bn because of the pandemic woes, after registering USD 45.5 bn pre-Coronavirus.

Similarly, the Purchasing Managers' Index (PMI) of IHS Markit equals 49.3 in February, up from 48.7 in the previous month. According to IHS Markit's report, demand trends have moved closer to stabilization, particularly as export sales picks up at a record pace during the month. Further growth in exports should help to improve overall sales in the future.

The initial budget surplus hits EGP 18.1 bn during the first seven months of the FY 2020/21, up from EGP 14 bn registered in H1 2020/21, according to Mohamed Maait Minister of Finance. Adding to that, the minister clarified that the state's revenues increase by 16% year-on-year (YoY), besides, the budget deficit drops to 4.4% in the first seven months of 2020/21, compared to 4.6% in the same period last year.

In a bid to further reinforce the economy, the Monetary Policy Committee (MPC) decides on its meeting on March 18 to keep the overnight deposit rate, overnight lending rate, and the rate of the main operation on hold at 8.25%, 9.25%, and 8.75%, respectively. The same applies to the discount rate at 8.75%.

FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN



THE LATEST CONSTRUCTION HEADWAY IN PROPERTY MARKET

BY DINA EL BEHIRY

To date, we are still fighting the coronavirus pandemic that has been attacking our world since March 2020. Like a whipsaw, COVID-19 and its related lockdown and other precautionary measures have left many damages to the world. Facing a second wave has crippled several industries to varying degrees including the construction industry.

The challenges that the construction industry faces in terms of following the precautionary measures, such as social distancing and cutting the number of workers in sites, had its severe impact on the industry until adapting to the new normal lifestyle. Consequently, GlobalData has anticipated that the global construction output will expand by 4.5% in 2021, following the estimated contraction of 2.9% recorded in 2020.

Real Impacts on Contractors Amidst Pandemic's Second Wave

Facing a second wave of the pandemic has, for sure, impacted the construction chunk of the property market in many ways. That is why Invest-Gate's R&A team surveyed 16 Egypt-based construction companies. We aim to determine the industry facets that got affected by the pandemic, and how they react to it.

General Status

Following the government's safety requirements to combat the virus outbreak, including social distancing, decreasing the number of workers on-site, and many more have triggered some negative consequences on the construction scene.

Notably, 69% of respondents assume that the second wave of the virus has negatively affected construction activity to a great extent. Meanwhile, the remaining ones see that it has a weaker effect than the first wave or the same effect just like before (25% and 6% of respondents, respectively).

For the respondents who believe that the construction market has no further damages than what already happened during the first wave (31% of respondents), they see that the market has confronted the second wave with greater flexibility as they can now understand what is going on and consequently deal with the new normal, according to 60% of surveyed companies.

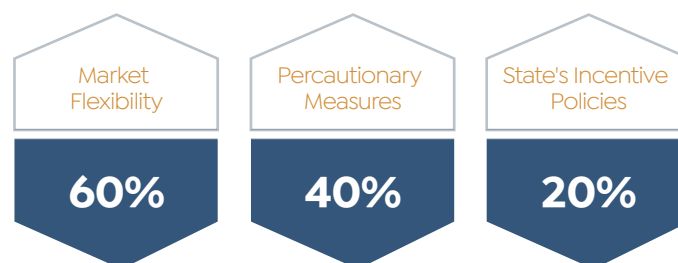
Furthermore, 40% of surveyed companies have followed the imposed precautionary measures; meanwhile, the remaining 20% of respondents have confidence in the state's incentives. Thanks to these measures and incentives, the burden of the havoc has been eased on the construction companies while handling the situation.



NEGATIVE IMPACT OF COVID-19'S 2ND WAVE ON CONSTRUCTION MARKET



REASONS FOR MARKET AGILITY AMIDST PANDEMIC



FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN





SPEARHEADING REAL ESTATE DEMAND

THE PREVAILING CASE OF DIGITAL TRANSFORMATION

BY MAI EL GHANDOUR

When COVID-19 hit the demand spectrum, inevitably altering consumer behavior and market trends, the real estate sector stood the test of time. The outbreak, however, has forced and forged the emergence of new innovative tools that helped in shaping the current real estate scene. Digital transformation was at the forefront of that change, for not only has it helped in maintaining demand, but rather accelerating it to unprecedented limits.

Real estate developers talk to Invest-Gate about the sector's recovery on operational and financial levels during the second half of 2020. They shed light on the driving forces behind the burgeoning rise in

real estate demand, on top of which is digitalization. In addition, they delve into what they consider a safety net for investments in these turbulent times..

Skyrocketing Demand

Mohamed El-Mikawi, CEO of City Edge Developments, attributes the sector's high demand during the second half of 2020 to the government's robust decisions in combating COVID-19, explaining, "Real estate financing initiatives have a big role in the rise in demand, in addition to the customers' belief in the sector's efficacy and as of one of the main investment vehicles. Besides, it is the main sector that achieved economic growth [in this period]." Mikawi adds that as the government continued construction works of its various projects during the pandemic, it paved the way for companies to persist in finishing their projects as well and delivering them on time.

Inertia's CEO Ahmed El Adawy says that the real estate market has been volatile since the emergence of the COVID-19 crisis, but this situation swiftly changed during the second half of 2020. Reducing costs have also encouraged investors to buy, which will support the real estate market in 2021, the CEO affirms. On the other hand, Iwan Developments' CEO Waleed Mokhtar thinks that this high demand in the sector is due to the accumulation of demand for real estate units during lockdown. As customers' lifestyle changes, their needs also change, he explains. These new patterns directly affect everything from the residential and administrative units to the designs that customers choose, he further elaborates.

Mokhtar points out, "With the gradual opening and the well-timed pace of work, we witnessed recovery on the financial and operational levels. The re-convening of real estate exhibitions such as Cityscape Egypt 2020 also contributed to raising the demand as a large number of deals were sealed off with attractive offers between developers and buyers."

On the other hand, Sherif Heliw, Chairman of Marseilia Group, states that the reason behind the high demand in the second half of 2020 is investors' urge to "protect their financial resources amidst COVID-19," noting that a blow to the real estate market will automatically affect their investments, which led to the creation of "a forced demand rather than a realized one."

In the same context, Amr Soliman, Chairman of Mountain View, explains that the indirect factors that led to the increase in demand are the government's completion of various projects during the pandemic, leading real estate companies to follow suit. This boosted customer confidence in the market and its ability to overcome crises.

As for the direct factor, Soliman elaborates that the gradual returning back to normal in the second half of 2020 played a big role in increasing the real estate demand once more. With customers seeing the ability of the real estate sector to overcome crises, they are pumping investment in the Egyptian market as a safe haven to preserve their money in light of this pandemic.

A Safety Net

As a result of the growing confidence in the real estate market, Mikawi reckons that this assured customers that real estate is indeed a safety net for their investments, which in turn greatly pushes the demand even more. According to Mikawi, as a form of investment, real estate demand is currently second to none since banks decided to lower their interest rates, stimulating developers to increase credit terms for buyers, which pushes demand even further.

In essence, there is a general consensus from all experts that real estate is currently the safest bet in the world of investments. According to

Marseilia Group's Chairman Heliw, after the first wave of this pandemic, investors started to realize that the real estate sector is the safest bet at present, which explains the increase in real estate demand in the second half of 2020. Inertia's CEO Adawy also thinks that the real estate sector is a safe haven for investment, especially after the interest rates of banks fell dramatically. This led to the injection of more investments in the real estate sector thanks to the amendments of the laws and regulations related to the ownership of real estate.

Pushing Forward with Digitalization

As the pandemic accelerated digital transformation, City Edge Development's Mikawi stressed that the sales process is becoming increasingly reliant on digital solutions. For instance, online meetings, which were placed as part of the precautionary measures, contributed greatly in the sector's sustainability, exceptional performance, and overcoming the crisis.

Iwan Development's CEO Mokhtar states that the application of digital solutions in the real estate sector; "enabled developers to identify supply and demand trends and provide data and information on the real estate market in general and products, in particular. In addition, promoting and facilitating the supply of real estate products by interacting with customers and making deals virtually during the lockdown, contributed to a significant recovery in demand in the second half of 2020," he says.

Meanwhile, Mountain View's Soliman emphasizes that "technology is one of the important factors contributing to the continuation of the sales movement of real estate companies. Despite the negative impact of the pandemic on the sector in general, it [technology] has accelerated the process of digital transformation, especially with regard to the sale process."

Adawy actually believes that real estate developers are leveraging the crisis in utilizing technology to market their products on their websites and official social media pages. The most important characteristic of these means is to provide the customer with the opportunity of having a virtual tour within the projects, he indicates.

More importantly, Adawy says, "E-marketing has given developers the opportunity to analyze data and information related to customers, with the aim of identifying supply and demand trends in terms of the required spaces, purchasing capabilities and the activities concerned."

According to Chairman of Marseilia Group, this pandemic has led to a change in the approach of marketing mechanisms for real estate units, especially the reliance of most companies on technological means and telemarketing techniques, noting that "e-marketing and selling through electronic platforms is the winning horse during 2020, and the penetration of technological means to the real estate sector during a crisis COVID-19 was a major market catalyst during that period."

Heliw emphasizes that the diversity of electronic communication methods with target customers, whether through targeted campaigns or virtual real estate exhibitions, provided the opportunity for target customers and investors to safely invest in real estate to support the economy and revitalize the Egyptian real estate market, which represents one of the most important moving arms of the national economy.

In the end, the real estate market has indeed been afflicted, but the coping mechanism of the leading experts of this sector is setting new trends and paving the way to a world of opportunities and substantial growth.



MASSIVE CALLS FOR NEW FRONTIER OF **EGYPT'S MORTGAGE MARKET**

BY MAI EL GHANDOUR

Mortgages play a key socio-economic role in unlocking rapid urbanization towards Egypt's affordable Housing for All initiative. However, with the world grappling with the disruptive measures of COVID-19, many might not be able to afford formal housing without proper mortgage solutions. That's why now more than ever mortgage financing is put at the forefront of Egypt's leadership decisions. In light of President Abdel Fattah Al-Sisi's new announcements regarding this burgeoning mortgage demand, Invest-Gate takes a deeper look on the market's recent developments and how it can remain solid amid COVID-19.

ALL-NEW STATE VENTURES

On March 14, Egypt responds to the ever-growing needs of the mortgage market, especially that of the low- and middle-income earners. This is when President Abdel Fatah Al-Sisi directs the Central Bank of Egypt (CBE) to launch a new mortgage finance program worth EGP 100 bn.

The new mortgage financing program aims to provide low- and middle-income Egyptian home buyers with long-term loans of up to 30 years with a low interest rate that does not exceed 3%.

The official statement published on March 14 does not mention any further details on the initiative. However, CBE Deputy Governor Gamal Negm reveals to Ahmed Moussa's live show Ala Mas'ouleety that the new initiative is worth a total of EGP 100 bn of subsidized mortgages. Negm adds that this amount could be increased in case of a high turnout of those who apply for the program. He also highlights that this is the longest financing facility that has ever been provided in Egypt, and one of the longest mortgage loans in the world.

In another context, Negm discloses other details of the initiative to Journalist Sherif Amer on his TV show, stating that the maximum unit price within this initiative is EGP 350,000 for low-income people and EGP 1 mn for middle-income earners.

Sameer Mohammad Soliman, Financial Consultant at the World Bank, notes to Invest-Gate that, "On average, over three-fourths of beneficiary households over the past five years were in the lowest 40% of Egypt's household earned-income distribution, with this percentage steadily increasing from 68% in 2015 to 80% in 2019."

"The 3% that they referenced are for low to middle income earners and is with a fixed interest rate," he mentions, forecasting that for middle-income earners it could be a 5% and above average earners could receive 7-8%.

Gamal indicates that the initiative will not be applied right away as it could take a while to put its terms and conditions in order to be regulated efficiently. "There was another EGP 100 mn initiative that ran

TRACING DOWN THE MORTGAGE MARKET

To better understand where the market stands and where it is heading, it is essential to track it down to its pre-COVID-19 status. First off, the Mortgage Finance Law 148 of 2001 authorizes licenses for banks

“Previously, the maximum numbers of years was 20 years, so when it reaches 30 years with a fixed interest rate of 3%, in my opinion, that's a huge progress.”

Shady Gamal
Deputy Head of Mortgage

MORTGAGES ACTIVITY DURING COVID-19



“What actually happened in the last three decades is that a very few elites of businessmen and corrupt politicians have enjoyed high living standards and luxurious houses, whilst the majority of impoverished households are living in extreme poverty.”

Sameer Mohammad Soliman
Financial Consultant at the World Bank.

from 2016 to 2019. It was a huge success and had many beneficiaries as it didn't have regulations. I hope this new initiative wouldn't have complicated regulations so that the largest numbers of people could benefit from it," he demonstrates.

and mortgage finance companies (MFCs) to issue long-term home loans. Essentially, banks are regulated by the Central Bank of Egypt (CBE), while MFCs are regulated by the Financial Regulatory Authority (FRA). Since the law's enactment, the Egyptian government has been undertaking different endeavors to unequivocally activate the mortgage market.

When it comes to the market activity during the pinnacle of COVID-19 in Egypt, specifically the period from January to October 2020, the market expectedly has seen sluggish activity. The volume of mortgages issued by MFCs decreased by 64% year-on-year (YoY) to 2,942 contracts, while their total value grew 8% YoY to EGP 2.3 bn, according to a World Bank report.

The FRA reports that, as of October 2020, outstanding mortgages granted by mortgage companies totals 66,777 contracts worth EGP

15.6 bn. Meanwhile, commercial banks' collective mortgage portfolios amount to EGP 25.1 bn as of 2019's end. The FRA further shows that Egypt's mortgage finance activity dropped by 84.2% last April versus a one year prior. Roughly EGP 62.7 mn worth of mortgages are extended in April, compared to EGP 395.8 mn in April 2019, according to the FRA's April report on real estate finance.

Moreover, the value of mortgage refinances stands at EGP 33 mn as of April 2020 versus EGP 161 mn a year earlier, reflecting a 79.5% YoY decline. Furthermore, about 83 mortgage transactions have been sealed in this aforementioned month, compared to 1,037 agreements in April 2019, going down by 92%, Invest-Gate reports on August 26, 2020.

OTHER CREATIVE SOLUTIONS

As a result of market disruptions during the past year, developers have been attempting to stretch their payment plans extensively. In terms of creative financial solutions that can facilitate the home buying decisions, "the non-banking financial sector could [also] provide

“The market is badly in need for sparking off the banking sector which can finance under-constructions while enlisting pre-conditions guaranteeing the banks rights. For example, developers can be funded in case they pay up to 25% of the land value and start constructions. That can be helpful in snapping up 20% sales, vindicating the project's feasibility and its capability at lending a hand to clients' needs.”

Mohamed Abd El-Gawaad

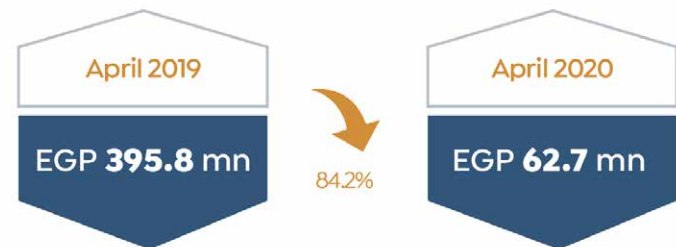
Chairman of Vantage Developments and Member of Egyptian Businessmen Association

DEVELOPING THE MORTGAGE SYSTEM

In a report by the AmCham published in January 2021, titled "A Brand-New Landscape", Mohamed Abdalla, chairman of Coldwell Banker Affiliates of Middle East & Greater Africa and Chair of AmCham Egypt's Real Estate Committee, says that the mortgage market has seen an unprecedented number of new entrants from the upper middle to high-income segment. "Because interest rates were lower, buyers looking for ready-to-move-in homes started to take advantage of mortgages to solve the liquidity crunch currently being faced in the Egyptian market," Abdalla implies.

The chairman shares his expectations in the report stating that the mortgage market will greatly take off in the high-end secondary market if interest rates reach single digits.

EGYPT'S MORTGAGE FINANCE ACTIVITY



a lot of solutions," Tarek Fahmy, CEO and managing director at Al Tawfik Leasing Company, remarks during a webinar by the American Chamber of Commerce in Egypt (AmCham) on February 3.

Fahmy stresses that mortgage companies and financial leasing companies can also have an effective role in finding some creative solutions to the real estate market. On the other hand, Ahmed Eissa, CEO retail banking at Commercial International Bank (CIB), thinks that "banks are mediators in the allocation of capital, and Egyptian banks have done a great job in allocating capital to a lot of industries through wholesale funding. The real estate industry has always depended on funding from the retail sector. I think there is significant room for real estate companies to shift their strategies from depending on the retail to depending on project finance in the wholesale funding space."

But in order to do so, Eissa affirms that business models should be changed and investments should be boosted so that real estate companies can improve their credit worthiness in front of commercial banking and the wholesale funding market. Banks have been working vis-à-vis with policymakers, improving the environment that would make the household sector in Egypt more credit-worthy in front of banks, Eissa explains.

“The importance of mortgage finance is clearly noticed in the current circumstances that Egypt is facing, that mortgage finance doesn't only provide opportunities for acquiring houses for citizens, [but for] increasing bank transactions and increasing the yield that is represented in making interest profits. Another importance of mortgage finance is that mortgages are given to individuals with legal and sound housing contracts (formal sector) helping in reducing the informal sector in Egypt.”

The World Bank's Financial Consultant

On the other hand, Ahmed Shalaby, president and CEO of Tatweer Misr and the co-chair of AmCham Egypt’s Real Estate Committee, believes that the mortgage system is a key success factor for the industry. “Although the sector has remained resilient, developers have had to adopt 15-year installment plans, which is very difficult for our financial performance and will slow down investment expansions. So, it is imperative that we develop a mortgage system that fits Egypt’s unique dynamic,” Shalaby puts forth in the AmCham report.

World Bank’s Soliman concludes that there is a positive correlation between mortgage finance and social stability. Furthermore, there is a positive relation between demand on mortgage financing and level of standard, he assures. As H.E. Rania Al-Mashat, Egypt’s Minister of

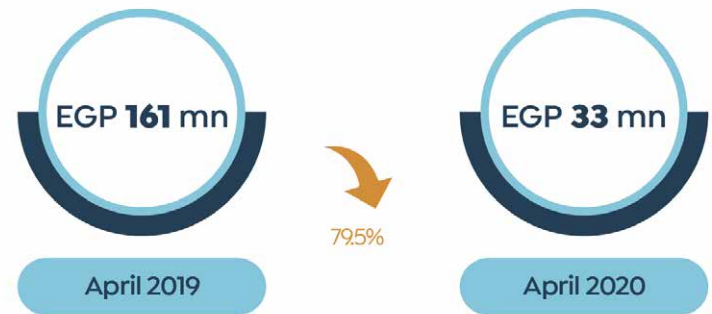
“Affordable housing is essential to contributing to national socio-economic development and the achievement of the United Nations’ Sustainable Development Goals.”

H.E. Rania Al-Mashat

Egypt’s Minister of International Cooperation, who also represents Egypt on the World Bank’s Board of Governors



VALUE OF MORTGAGE REFINANCES



International Cooperation, who also represents Egypt on the World Bank’s Board of Governors, puts it, “Affordable housing is essential to contributing to national socio-economic development and the achievement of the United Nations’ Sustainable Development Goals.”

That said, it comes as no surprise that the market has come a very long way, and mortgages are just getting started to finally become exploited in Egypt. As part of a decadelong reform program put in place by the CBE to ensure a sound banking system, analysts argue that the market is finally tapping into its myriad of opportunities and full potential.





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