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We can confirm, there is a home for every resident in Egypt. Summer has been recognized as a peak season in the Egyptian real estate market. Yet, this year developers did not wait till summer to unveil their projects; during the past few months, we saw many real estate developers dominating the scene by providing all products of all sorts and to all social clusters... despite a predicted slowdown due to the pandemic!

Both the private and public sectors raced and continue to do so with several projects all over Egypt, announcing their latest investments especially across the new cities with massive offers and flexible payment terms. As for the general public, the market saw a high demand on real estate and Nextmove 2021 exhibition has been their cherry on top of the cake! In case you have missed Nextmove 2021 exhibition, we provide a thorough coverage on the exhibition and its successful outcome.

Our June issue also provides the latest updates on the government's investments and the progress of Egypt's new cities ahead the official inaugural of the first phases among some of them as scheduled on June 30, 2021. The most sought-after, with huge public interest, are New Administrative Capital, New Alamein and El Galala cities. However, we uncover a lot more especially in Upper Egypt like New Assiut City. Here you will find the latest updates from the government and the large investments that poured in by Egypt's promising real estate developers.

In this issue, we unfold the latest on mortgage and its effect on the rental market. We also shed some light on the Occupants Union dilemma ahead of Invest-Gate's virtual roundtable: "Occupants Union Law: Recommendations to Save Our Real Estate Wealth" taking place on June 14 discussing the matter. Be sure to register to the anticipated discussion between market leaders and government officials, hoping to share a common ground moving forward.

Enjoy your read
& Stay tuned for more coming this summer



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JUNE HEADLINES

Housing Ministry Officials Inspect Projects in New Mansoura



Kamal Bahgat, Assistant Vice President of the New Urban Communities Authority for the Development and Urbanization inspects the projects of New Mansoura city to follow up on the work progress of the various projects in the city, accompanied by Mohamed Ragab, head of the New Damietta Development Authority and the Supervisor, among other officials, Invest-Gate reports.

The housing officials began their tour, inspecting various housing projects such as JANNA, and Sakan Misr projects, according to an official statement on May 5.

On his part, Ragab says that the implementation of 11,232 housing units (468 buildings) in the "JANNA"

project is underway with a completion rate of 93%, and 1,149 (separate – connected – semi-connected) villas are underway. JANNA has 2,103 units, including (499 detached villas – 152 connected villas – 498 semi-connected villas), adding that 4,704 housing units (196 buildings) are being completed in the "Sakan Misr" the medium housing project, where the completion rate is at 95%.

Ministry officials also monitored the progress of projects for the implementation of service buildings, which include (the medical center – schools – commercial markets), as well as a project for the implementation of the temporary water station, and projects for the implementation of facilities and roads in the city.

The head of the agency points out that the finishes are being finalized in the first phase of the corniche of New Mansoura, with a length of 4.2 km, and the corniche includes walkways, cafeterias, pergolas, bicycle lanes, areas for reading and the Internet, and children's play areas.

IPM Commences One Last Time Before Expo 2020 Dubai's Launch

Before the worldwide anticipated Expo 2020 Dubai launch in October 2021, the sixth International Participants Meeting (IPM) with its 370 members from around the world meet for the last time to see the final stages of the Expo 2020 preparations, Invest-Gate reports.

More than 370 delegates at IPM represent 173 of Expo's 190-plus participating countries attend the meeting, among many other participants attending virtually. During the two-day IPM, the latest in operations, security, city readiness, marketing and communications, and programing are demonstrated, while organizers also present the stringent measures being taken to ensure the health and well-being of Expo's workforce, participants and visitors, in line with the UAE's wider efforts to combat COVID-19.

Convening for the final IPM before the October 1 opening of Expo 2020, one of the first mega-events to take place since the onset of the COVID-19 pandemic, members of IPM expressed unwavering support and enthusiasm for the six-month global gathering, which they see as an essential launchpad towards building a better world for everyone, the official statement reads.

Dr. Ahmed Maghawry Diab, Head of Egyptian Commercial Service – Ministry of Trade and Industry and Commissioner General for Egypt at Expo 2020 Dubai says, "We are eagerly awaiting the opening



of Expo 2020 Dubai in October, particularly after we took the hard decision to postpone for one year due to the COVID pandemic – a delay that was necessary to review the precautionary measures to ensure the safety of workers and visitors. The inspiring Egypt Pavilion will take visitors on a breathtaking experience, where they will discover the incredible opportunities that Egypt has to offer based on the legacy of the Egyptian Civilization."

Expo 2020 will welcome more than 200 participants, including nations, multilateral organizations, academic institutions, and businesses. For the first time in the 170-year history of World Expos, each participating country will have its own pavilion – a dedicated space where it can showcase its culture and progress to the world, creating partnerships and exploring solutions relevant to its circumstances and people. Some nations, including South Sudan, the world's youngest country, are participating in a World Expo for the first time. Expo 2020 Dubai will run from October 1, 2021, till March 31, 2022, coinciding with the 50-year anniversary of the founding of the UAE.

New Alamein Sees Eight Towers in the Beach Area



Minister of Housing, Utilities, and Urban Communities Assem El Gazzar announces the implementation of eight towers in the second phase of the beach area at New Alamein city, Invest-Gate reports.

The implementation rate of some towers has reached the fifth floor, while the finishing works are underway for 15 towers of the first phase, according to an official statement on May 18.

The Minister of Housing further indicates that preparation is underway to implement five fully-finished and serviced residential towers at New Alamein city, to be implemented by the Chinese company "CSCEC", the statement continues.

The towers overlook an artificial lake and include the iconic tower with a height of 250 m (68 floors) and a total surface of 465,000 sqm. They are scheduled to be completed within 45 months. Four towers, with a height of 200 m (56 floors) and a total surface area of 320,000 sqm, are scheduled to be finished within 39 months, similar to the towers of the Central Business District in the New Administrative Capital.

Moreover, the minister elaborates that finishing works are underway in the recreational area, overlooking the sea directly. It includes a garage with a capacity of 3,000 cars and shops. The heritage city project is being implemented on an area of 260 acres with facilities, including the main lake, the central park, the mosque, the church, the Roman theater, the Opera, and the commercial and hotel buildings of the old quarter, the statement concludes.

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YOUR SUMMER GUIDE TO REAL ESTATE IN NORTH COAST

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- Step by Step guide for a mesmerizing summer
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- Some FUN in the SUN
- Summer 2021 latest design trends from the experts
- Invest-Gate Picks: Top Summer Spots in 2021
- Analysis, international versus local investors in relation to the second homes market
- The age appeal to new cities - where do young adults invest, where do older people invest?
- Will consumers prefer to own / rent in new coastal cities or old ones? And the impact of that on prices in old coastal cities?

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Assiut Sees Development Projects of EGP 17.307 bn

Minister of Housing, Utilities, and Urban Communities Assem El Gazzar has stated that the total investments spent by the Ministry of Housing to develop the Assiut governorate, since 2014, amounted to EGP 17.307 bn, Invest-Gate reports.

El Gazzar further says that EGP 10.156 bn has been invested to implement various development projects such as 56 projects for potable water, urban sanitation, and the social housing project from 2014 until now reached 8,233 housing units, according to an official statement.

The projects also include developing 19 youth centers, establishing seven social service centers, and upgrading the efficiency of four slaughterhouses (Dayrut – Makada – Manfalut – Al-Ghanayem), the statement continues.

Moreover, the minister adds that the Dairout al-Farafra road is implemented, with a length of



310 km, for EGP 1.715 bn, and the western Assiut axis, with a length of 22.6 km, at a cost of EGP 1.44 bn. El Gazzar also indicates that the total amount spent from 2014 until now, in the New Assiut city is EGP 4.371 bn distributed as follows:

EGP 1.733 bn in the housing sector for the construction of 16,092 housing units, EGP 0.546 bn in the services sector for the construction of 126 service buildings, EGP 0.762 bn in roads, and EGP 1.330 bn in the utility sector.

Luxor Sees EGP 4.7 bn Projects



Minister of Housing, Utilities, and Urban Communities Assem El Gazzar has stated that the total investment spent by the Ministry of Housing in Luxor, since President Abdel Fattah El-Sisi took over in 2014 until now, amounted to EGP 4.743 bn, Invest-Gate reports.

He further adds the projects are in the city, surrounding villages, and the new city of Tiba, according to an official statement.

Moreover, El Gazzar says that the total number of housing units implemented in Luxor is 13,900 units of the social housing project, in addition to, developing 13 unsafe areas in the governorate by implementing several projects with a total length of 18 km.

The minister also confirms that 11 drinking water projects and 12 sanitation projects have been implemented, including the Esna Water Station and the new Al-Toud Sewage Station, and the development of 14 villages.

El Gazzar also affirms that the total amount spent from 2014 until now in the new city of Tiba amounted to EGP 1.567 bn, including:

EGP 895 mn in housing for the implementation of 6,912 housing units, EGP 230 mn for the implementation of 40 service projects, EGP 112 mn for roads, and EGP 330 mn for the utility sector.

NAC Sees The Highest Tower in Africa



Minister of Housing, Utilities, and Urban Communities Assem El Gazzar has stated that 74 floors –with 360 meters high– have been implemented in the iconic tower, New Administrative Capital, Invest-Gate reports.

This is the highest tower in Africa, with a height of about 400 meters, in the central business district, according to an official statement. Furthermore, the Minister of Housing indicates that the central business district in the New Administrative Capital includes 20 mixed-use towers, and the investments of this project are estimated at USD 3 bn.

“Capital Residence completion rate has reached 92%. It spans over 1,016 acres. It includes eight neighborhoods, with 24,130 housing units under construction;” he says, and are distributed as follows:

697 residential buildings, including 19,944 residential units, 328 villas, including 328 housing units, 157 townhouse buildings 624 housing units, 64 mixed residential buildings, containing 2,560 housing units, 151,360 commercial and administrative units, Nine mixed-use buildings, containing 674 housing units

He further adds that the construction rate of the “New Garden City”, exceeded 93%, and the area spans over 885 acres. It includes 295 residential buildings, 105 villas, 175 townhouses, and twin house buildings, 11 mixed housing towers, and 96 housing buildings mixed.

Furthermore, the construction rate at the central parks project at the new capital has exceeded 50% of international standards, easily accessible through an integrated network of pedestrian and bicycle paths, El Gazzar adds.

He also points that the project contains green spaces, lakes, playgrounds, bike paths, restaurant complexes, recreational areas, and a space designated for establishing future investment projects. It includes:

children’s educational garden & lake Heritage Park sports club Central Square restaurants cinema artistic park boat lake luxury oasis Islamic Garden

EG Towers Launches “Eins Towers” Project in NAC

“EG Towers” Development launches the “Eins Towers” project, the first hotel towers, under German management, in the New Administrative Capital, Invest-Gate reports.

Ahmed Diab, Sales Director of Sari Real Estate, says that the project is designed in a German style, and is managed by a German company specializing in hotel management. The project has different designs with a special character that combines modernity and tradition. “It includes areas starting from 40 meters standard, suitable for all categories, with payment systems, ranges between five years to 10 years, with contracted advances starting from 10%”, he adds.

Diab says that the price per square meter ranges between EGP 25,000 to 32,000 for fully-finished, furnished hotel apartments. “The project achieves the highest and fastest rental return for clients”, he confirms.

On His part, Ali Al-Saadani, Marketing Director, says that the project is the first of its kind with a German partnership in the Administrative Capital, with international standards, to be the



most important hotel destination in the heart of the downtown NAC.

“The project is distinguished by a unique location, which provides all clients with the best investment opportunity ever”, Al-Saadani continues. He further stresses that cooperation with a German company maintains the quality and continuity component of the project. Al-Saadani asserts that EG Towers plans to be one of the leading companies that strongly contribute to the implementation of the comprehensive urban development plan of the state. Sari Real Estate company undertakes the exclusive marketing of the project, according to a company press release.

El-Batal Group Announces The Reservation of Rock Capital 1

El-Batal Group for Housing and Development has announced the reservation of the first phase of “Rock Capital 1”, the company’s flagship at the New Administrative Capital, Invest-Gate reports.

The project has a unique open panoramic view of the Presidential Palace. Rock Capital 1 is designed to fulfill the needs of administrative clients, the statement reads.

The building implements noise-reducing technology in its construction material and interior design. It uses HEPA Air Purifiers to improve indoor air quality, the statement continues.

Moreover, the project guarantees to provide its users with a comprehensive package of services and amenities, including a clinic, a hairdresser, a jogging track and gym, two meeting rooms per floor, lounges on the second, third and sixth floors, an ATM center, archive rooms, storage areas, co-working spaces, and events halls, the statement elaborates.

CEO of El Batal Group Emad Doss says, “When we envisioned Rock Capital 1, we aimed to renovate and add a new value to the sector of administrative developments in Egypt, with innovation, quality, and care as main pillars of Rock Capital 1 as a concept.”

He also adds, our design philosophy is to create a building that accommodates every need



and grants the highest levels of functionality, accessibility, comfort, and wellbeing. “This is achieved through top-notch design, utilizing all means of ramps, spacious elevators, broad corridors, and handicapped washrooms,” he concludes.

It is worth noting that The Investor Expo is the first real estate exhibition to be held in The New Administrative Capital, which is expected to receive visitors and investors from 18 different countries. The Investor Expo offers its visitors unique investment opportunities, especially as the government plans to move soon to The New Administrative Capital, which will affect the real estate value positively.

Furthermore, Doss reveals that El-Batal will provide the Expo visitors with special launching prices, and flexible installment plans for up to eight years. “It is our pleasure to be part of The Investor Expo, which will help us reach out more easily to our target clients locally and abroad,” Doss says.

MG Developments

Targets EGP 3 bn of Contractual Sales in 2021



MG Developments targets an expansion strategy during 2021 through a number of already existing projects, as well as a number of other projects that will be launched during the coming period in a number of different destinations, aiming to achieve contractual sales of EGP 3 bn during the current year, Invest-Gate reports.

Mohamed Metawee, CEO of MG Developments, says that the real estate market sales in Egypt exceed EGP 200 bn annually, and “We aim to obtain a share of EGP 3 bn from the total value of sales by expanding and launching a number of new projects in different destinations that considered as an investment opportunity,” he states.

Metawee reveals that this year will witness the company’s launch of a number of new projects at the New Administrative Capital, including two projects with initial investments estimated at EGP 1.550 bn, namely the ProMark, which is held in the government district, and The Mark, which is being held in the downtown area.

ProMark is being built on an area of 8,836 sqm; its building area is 25,000 sqm with two garage floors of 10,000 sqm. He emphasizes that the company already started the implementation of the project with a completion rate of 30% before launching sales. The Mark, which includes commercial, administrative, and serviced apartments, is built on an area of 3,144 sqm and with a building area of 1, 000 sqm divided into 11 floors and a three-floor garage.

MG Developments has launched the fourth phase of the Blue Blue Sokhna which is near the seashore with investments of EGP 500 mn. By the end of 2021, the project will have its Strip Mall built on an area of 2,500 sqm with an investment of EGP 100 mn.

MG Developments is now preparing to launch the Premium Business, which is the second of its commercial administrative projects in the Fifth Settlement, with initial investments of EGP 200 mn in the South Teseen Street, in addition to many services catering to the commercial administrative building.

Metawee announces that the last phase of Lavida will be offered with payment facilities of up to 10 years, and delivered fully finished.

The View launches “EPIC” in Sheikh Zayed



The View Real Estate Investment Company has launched the “EPIC” in Sheikh Zayed city, featuring the first urban community with artificial intelligence technology, Invest-Gate reports.

“The project is being implemented on an area of approximately 15 acres with a variety of villas between standalone, twin- and town house in New Sheikh Zayed city on Cairo-Alexandria Desert Road; and areas ranging from 200 sqm to 400 sqm,” Adel Jalal, Chairman of the Board of Directors, announces.

EPIC features 20% building and 80% green areas with expected sales of EGP 350 mn. It is planned to put up with the two systems of rent and ownership. “All services within the compound are using the artificial intelligence “IPIC” robot, in operation, gate security, cleaning, gardens, and maintenance works, through an integrated

technological system and communication between the compound members,” Jalal continues.

The View Real Estate Investment targets several investment opportunities during the coming period, including the launch of the second phase of the APIC compound in Sheikh Zayed “and the development of a project at the New Administrative Capital, and New Alamein, in line with Egypt’s plan to develop new cities, providing investment opportunities for investors,” the statement reads.

The View Real Estate Investment has launched the first phase of the “IPIC” integrated services project between residential, commercial, and administrative services in the new Sheikh Zayed city, with a targeted sales volume of EGP 1 bn within the company’s expansion plan in the market, the statement elaborates.

The project will be implemented within three years and in two phases. Construction should start by the end of this year with 116 units in its first phase at a construction cost of EGP 350 mn. EPIC is to be handed over in full in 2024. The unit price ranges between EGP 2.8 and EGP6 mn, and the company offers various payment systems to suit the purchasing power of the target customers with advances starting from 0% and facilities up to 10 years.

Inertia Partners with Pay tabs & ValU

Inertia for Real Estate Development, Pay tabs Egypt, and ValU Consumer Finance have signed a strategic partnership to provide Inertia clients with electronic payment solutions by the Pay Tabs Egypt platform, Invest-Gate reports.

ValU will- under specific conditions- provide financing facilities for finishing residential units for Inertia clients, such as easy installment on a period of 12 to 48 months. Its value reaches EGP 2.4 mn for each client, according to a company press release on May 24.

“This agreement is the first of its kind in the Egyptian market. It aims to use digital solutions to provide the highest levels of comfort and facilitate the payment of costs to customers, strengthening the commitment to apply precautionary measures related to the (Covid-19) pandemic,” the statement reads.

On his part, Hany Soliman, General Manager of Pay Tabs, praises providing new solutions in the real estate development sector in cooperation with Inertia as it is the first to provide customers with an easy payment experience.

“This partnership aims to expand the scope of the company’s services and products network, allowing Egyptian customers to make their payments safely and effortlessly through the



use of a comprehensive package of electronic payment methods in cooperation with Covid-19,” Soliman adds.

“This agreement comes within the framework of the forward-looking strategy adopted by the company to establish smart cities to keep pace with the various changes in lifestyles. The real estate sector is currently witnessing unprecedented changes from digital transformation, which have become necessary in many sectors to face the challenges posed by the (Covid-19) epidemic,” Ahmed Al-Adawi, CEO of Inertia says.

Likewise, Mohamed El-Fiqi, CEO of ValU, elaborates that the strategic partnership with Inertia reflects Valio’s renewed commitment to providing a comprehensive platform for installment services and solutions in the Egyptian market.

Katameya Coast Resumes Construction and Launches Second Phase



Starlight Developments resumes construction work for its Katameya Coast project on the North Coast after settling fees of improving services to the Urban Communities Authority and obtaining all needed official approvals for the development, Invest-Gate reports.

“We are proud that Katameya Coast is the first project to settle the fees of improving services to the Urban Communities Authority to implement the new development plan for the North Coast,” says Starlight Developments CEO Eng. Sherif Aboutaleb.

Aboutaleb pays tribute to the efforts exerted by the Ministry of Housing and the Urban Communities Authority to implement the new comprehensive and all-inclusive mega North Coast development plan, which will have a positive impact on the whole city and create the highest investment return for North Coast buyers and occupiers.

Katameya Coast succeeds in obtaining all the official corresponding approvals in accordance with Republican Decree No. 261 for the year 2020 and the decision of the new Urban Communities Authority No. 147 dated September 9, 2020.

The committee, formed following the Minister of Housing’s decision on January 17, including members of the National Center for Use of State Land, Ministry of Defense, and Ministry of Investments, has approved the resumption of Katameya Coast’s construction works.

“As a result of our belief in the solid plans and support of the Egyptian government initiatives as well as our gratitude for our partners and clients, Starlight Developments will bear the extra cost of land price differences set by the Urban Communities Authority with no extra charges on our clients,” confirms Aboutaleb.

Aboutaleb adds, “We will be launching the second phase of Katameya Coast soon after phase 1 units run out. Phase 1 is planned to be built on a total area of 100 acres, with an initial investment cost of EGP 3 bn, and a minimum built-up area with a total of 434 units planned to be delivered within 36 months.” Katameya Coast is located on KM 180 Alexandria – Marsa Matrouh Road with a total area of 205 acres.

II BOSCO City Features 15-Minute City & Launches “La Natura” & “La Valle”

Misr Italia Properties introduces the 15-minute city concept in its groundbreaking project IL BOSCO City, New Cairo, and launches two new phases “La Natura” and “La Valle”, Invest-Gate reports.

The cutting-edge concept revolves around improving the quality of life of its residents through giving them access to a wide range of services including educational, sports, lifestyle, shopping, and medical within 15-minutes on foot or by bike. Misr Italia Properties has also announced the launch of two new phases, “La Natura” and “La Valle”, at IL BOSCO City. “La Natura” and “La Valle” will house 220 units and are scheduled to be delivered by 2025.

The 15-minute city concept was first proposed by Mayor Anne Hidalgo of Paris, who got its inspiration from Sorbonne professor Carlos Moreno in an attempt to improve the quality of life for residents by bringing all necessities and services within a 15-minute reach for everyone.

The newly launched phase, “La Natura”, provides a variety of villas that include a Garden Villa with areas up to 218 sqm, a Double View House with an area of 238 sqm, and a Sky Villa with an area of



213 sqm. The other phase, “La Valle,” offers Spring Villa with an area of 282 sqm, Twin Houses with an area of 257 sqm, and Townhouses with an area of 239 sqm. MIP also offers attractive payment plans with only a 5% down payment and up to nine years installment plan. It is worth noting that the Landscape of IL BOSCO City is designed by Stefano Boeri, the renowned Italian architect.

“Launching two new phases at our flagship project IL BOSCO City New Cairo, and introducing the 15-minute city concept comes within the framework of Misr Italia Properties’ strategy to cope with the ever-growing real estate market by forging its customers’ ideas and hopes into tangible realities,” comments Mohamed Hany El-Assal, CEO of Misr Italia Properties. “We always listen to our customers’ demands. With the new

offering, we aspire to improve the quality of life of IL BOSCO City residents and reduce their everyday pressures,” he concludes.

IL BOSCO City is equipped with “Smart City” technologies giving users remote access to systems including air conditioning systems, keyless entry, sound system devices throughout the building in addition to advanced security systems with cameras and motion sensors for security. The buildings promote an enhanced energy-efficiency concept in which lights can switch off automatically when no motion is detected. All of these automated tasks, along with modern energy-efficient appliances combine to save on electricity, water, and natural gas, thereby reducing the ongoing maintenance cost.

Mostakbal City is known as the first smart green city in east Cairo with a prime location at New Cairo’s extension close to the New Administrative Capital, centered in the Golden Square Extension and also situated on East Ring Road. With a total investment worth EGP 22 bn, IL BOSCO City spans over 268 acres in the heart of Mostakbal City. Last year, MIP launched the first phase of IL BOSCO City, “Sila” and about 95% of the phase is sold out.

O West by Orascom Development Introduces its HillSide Villas

O West, a fully integrated town by Orascom Development, located in the heart of the 6th of October, launches the first phase of its HillSide Villas, with its unique and magical view, following the increasing demand for the O West project, Invest-Gate reports.

The “uncommon” HillSide Villas are located in Qemet, one of O West’s neighborhoods, which includes a wide range of units such as Prime, Horizon, Grand Villas, single storey villas, and mansions. Living in one of the HillSide Villas allows its residents to enjoy a comforting and luxurious lifestyle along with many picturesque landscapes, on top of which are the waterfronts, several parks suitable for jogging, as well as vast open green spaces.

During a press conference held by Orascom Development at O West, the real estate developer states that its sales increased by 13.8% in the first quarter of 2021, in comparison to the same period last year. The press conference’s speakers included Chairman of Orascom Development Holding Samih Sawiris, Group CEO of Orascom Development Holding Omar El Hamamsy, and CEO of O West Tarek Kamel, among a number of local and regional media outlets.

Chairman of Orascom Development Holding Samih Sawiris says, “The real estate sector is one of the most important sectors that withstood the Coronavirus pandemic and contributed to the growth of the Egyptian economy. All with the help of the pivotal role of the Egyptian



government during the crisis, by injecting large funds into various sectors, especially the infrastructure sector. This protected the economy from a recession that would have led to a crisis, in which it becomes impossible for individuals to buy real estate properties or any other commodities. Adding to that, real estate is still considered as a safe haven for investment.”

Group CEO of Orascom Development Holding Omar El Hamamsy says, “The construction and infrastructure within O West are being done at an impressive rate, following the best international standards; as the company is currently applying an expansion plan to increase its sales, and to continue the positive results during 2021.”

CEO of O West Tarek Kamel states, “We are proud to launch the first phase of the HillSide Villas, in Qemet neighborhood at O West, which offers a unique and diverse collection of villas, such as Prime, Horizon, Grand Villas, single-storey villas and mansions. We made sure that the design of these units ideally suits all members of a family, while ensuring the uniqueness of every unit.”

O West is built on its immense surface, which covers 1,000 acres and an exceptional urban design, perfectly balancing between green areas and buildings, adding to the “unique” architectural design of each neighborhood. This is reflected in the increasing demand for units in the “Qemet” town, a real estate project with a total inventory of EGP 7.5 bn launched back in February 2021. The company is also intending to increase more units in Qemet during the second half of 2021, to meet the high demand.

It is worth mentioning that Orascom Development Holding (ODH) is a leading developer of fully integrated destinations, including hotels, residential units, and leisure facilities such as golf courses, marinas, and supporting infrastructure. ODH offers a diverse portfolio of worldwide destinations covering Egypt, the United Arab Emirates (UAE), Oman, Morocco, Montenegro, Switzerland, and the United Kingdom. The group operates a total of 33 hotels with 7,178 rooms and controls approximately 101mn sqm of land. The company has also achieved exceptional financial results during the first quarter of 2021, as its revenues reached EGP 1.46 bn, with a 61.5% compared to EGP 903.8 mn during the same period in 2020, despite the headwinds from the prevailing Covid-19 affecting the company’s hospitality segment. Additionally, the company’s net profit increased by 377.1% reaching EGP 438.5 mn, compared to EGP 91.9 mn in the first quarter of 2020.

Gates Developments Showcases 3 Projects at NextMove 2021

Real estate developer Gates Developments announces its participation at the 2021 NextMove Exhibition, showcasing three of its projects located across Cairo, Invest-Gate reports.

Gates Developments Chief Commercial Officer Ali Gaber says that the company is presenting its projects, Catalan, located in R7 and AUDAZ in the financial and government district at the New Administrative Capital (NAC); this is in addition to the West Gate and Plaza Espana projects located in west Cairo.

Gates Developments is offering distinctive units at unique and competitive prices. Gaber adds that the company offers distinguished and exceptional payment systems during the exhibition period. He explains that the customer is a major beneficiary of the exceptional prices and offers that are only being provided during the exhibition period.

He further stresses the importance of the NextMove Exhibition as a marketing platform that enjoys the interest and confidence of participating developers and customers. Gaber also revealed the company's plan to



launch a new residential project called Plaza Espana, in the 6th of October City during the current year.

Plaza Espana adds to the comprehensive urban development currently taking place in the west Cairo area, and the presence of strong demand there. The company intends to implement a distinguished project that is highly popular among its target customers, after completing the required market studies.

Established in 2018, Gates Developments is one of the leading companies in Egypt's real estate sector. It has pumped investments exceeding EGP 6 bn into a group of distinctive projects at the NAC, including the Catalan compound in the R7 district, and the AUDAZ project. This is besides the company's West Gate and Plaza Espana projects in the 6th of October. Furthermore, the company has launched its Venia project, which saw its first phase, representing 30% of the project, sold out.

Cairo Capital Takes The Real Estate Market by a Technological Storm



Cairo Capital Developments has contracted with Technovision to market the Lake West project with a new technology that allows the customer to experience their unit of choice via technology.

The contract was signed by Cairo Capital Developments Chairman Yasser Khalaf, and Hisham Negm, founder of Technovision.

Khalaf says that the contract allows his company to benefit from Technovision's capabilities. Technovision is one of the first companies to provide marketing services with new technologies that are considered a breakthrough in the world of digital marketing.

He adds that Cairo Capital Developments stands at the forefront of providing the latest innovations in the world of digital marketing

to their customers through cooperation with Technovision. It aims to provide simulations of their pioneering and distinguished projects in Egypt.

Lake West project, which covers 43 acres, is a distinct project located in New Sheikh Zayed city on the Waslat Dahshur Road and enjoys many surrounding services. Cairo Capital Developments is developing the project with investments worth EGP 1.5 bn, which is self-financed.

Khalaf points out that the project will be delivered within three years. The company has started construction work, and it is planned that its marketing will be completed in 2022. Additionally, the company offers payment terms of a 0% down-payment and eight years

payment plan, which are competitive systems that the company provides to its customers.

For his part, Negm says that Technovision is specialized in developing the latest innovative digital marketing methods, using the latest technical means in embodying and modeling major projects with 5D technologies. He adds that the company is providing this technology for the first time in the Middle East, and the local market. It grants an interactive surrounding environment to be created that allows every user to roam inside the project and simulate virtual reality at all times. This includes tracking shadows and sunlight at any time during the day, in addition to interacting with units and spaces in a realistic way that allows the user to imagine design as a tangible reality.

He points out that Technovision's modern applications have created a leap in the field of real estate investment. It has helped clients of major projects to choose the appropriate unit that suits needs and aspirations in a residential unit, just to imagine the unit that he buys in its future shape.

Technovision solutions will let Cairo Capital and its customers linking sales system with this project. Available units will be clearly marked out, make the customers able to refine their searches and visit the appropriate unit sorted in terms of area, location, number of rooms, and the required price.

Mabany Edris Acquires IHG to Manage Holiday Inn in New Assiut

Mabany Edris acquires InterContinental Hotels and Resorts International (IHG) to manage the Holiday Inn hotel, the first internationally managed hotel at its Asaila compound in the heart of Upper Egypt in the New Assiut City, Invest-Gate reports.

The signing took place in the presence of officials from the New Urban Communities Authority, the Ministry of Tourism, the head of the New Assiut City Authority, and representatives from Mabany Edris and Intercontinental International.

The Holiday Inn Asaila hotel in New Assiut is set to become the third Holiday Inn hotel in Egypt, and its first hotel in Upper Egypt, including 157 hotel rooms overlooking a strategic location near the city of Assiut, the Nile River, and the most prominent cultural landmarks of the city.

The hotel is a 4-star category with 5-star services and is expected to open in 2024 with an investment of EGP 250 mn. It aims to be an ideal destination for tourism, entrepreneurs, and entertainment. It includes fully equipped guest rooms, four meeting rooms, a ballroom, and three ballrooms; in addition to a spa, fitness center, and a swimming pool for relaxation.

Vice President of the Urban Communities Authority for Commercial and Real Estate Affairs Eng. Mohamed Anwar says that the Holiday Inn



hotel in New Assiut City is an important step in the desired development plan in Upper Egypt.

He points out, "Asaila project by Mabany Edris in the heart of the new city of Assiut proved its success and that of the new city. It also demonstrates the real need and demand for luxury and above-average housing in the new city of Assiut."

In a related context, Eng. Jihan Ammar, head of the New Assiut City Authority, says, "Upper Egypt has witnessed a major boom since President Abdel Fattah El-Sisi took office. The city has seen many major development projects since then."

For his part, Abdel-Fattah Al-Asi, deputy Minister of Tourism and Antiquities for the control of hotel facilities, says, "The "Holiday Inn" in Asaila is the first managed hotel in Assiut, and this will contribute to motivating investors to enter

the city and stimulate the development plan." He points out that the Ministry of Tourism is adopting strategies to cooperate with the private sector in the tourism sector and to provide them with technical support.

Mohamed Edris Chairman of the Board Mohamed Edris confirms that the Holiday Inn Asaila hotel is in line with the plans and directions of the state to develop the cities of Upper Egypt, which suffered for years from deprivation of distinguished real estate and recreational services.

He stresses that Asaila contributed in a record time in raising the added value of the new city of Assiut, which stimulated many investments to enter the city and implement real estate and service projects.

In the same regard, Haitham Mohamed Matar, Head of India, the Middle East, and Africa at InterContinental Hotels and Resorts, stresses the group's interest in cooperating with serious companies such as Mabany Edris.

Matar adds, "We are looking forward to this new project with Mabany Edris, which has a lot of experience in the locally real estate sector." He points out that the group seeks to work in more than one hotel in Upper Egypt and will not focus on the Cairo governorate only.

ERD to launch Diamond 2 at NAC

Emaar Rizk Real Estate Development (ERD) to launch Diamond 2, the second tower at the New Administrative Capital in June, with EGP 1 bn targeted sales, Invest-Gate reports.

Mohamed Rizk, Chairman of the Board at ERD says the project is a commercial, administrative, medical, and hotel tower, and it is located on an area of 4700 m; it includes a ground floor and 15 floors with a total of 550 units with areas starting from 23 sqm.

He adds the project located in the downtown area at the New Administrative Capital, overlooking the largest street connecting the eastern entrance and the western entrance, parallel to the Bin Zayed North Axis, and next to the central park and the monorail station.

Rizk explains that the project is divided into commercial units from the ground floor to the third floor, medical from the fourth to the sixth floor, administrative from the seventh to the tenth floor, a hotel from the 11th to 14th floors, and the last floor is for the Sky roof.

"The company has obtained the licenses and has started the construction work on the project before marketing it, which enhances customers' confidence in the company and its commitment to implementation and delivery to the highest



quality standards," he says, explaining that it is planned to deliver the project within two and a half years.

He points out that the company provides excellent payment terms for the project for repayment periods of up to 10 years. The company is also presenting for the first time an offer of "benefiting from a cash discount" system, so the customer will obtain the benefits of immediate payment, "cash payment" but repays within three years.

ERD is launching two projects at the New Administrative Capital in the name of "Diamond towers", with investments reaching more than EGP 4 bn. It consists of two towers, "Diamond 1" and "Diamond 2", dedicated to commercial

and administrative activities in the downtown area on a total area of 21,000 sqm.

Furthermore, the company achieved sales of more than 75% in the first tower, "Diamond 1" and adjacent to the second tower, in record time, and part of this project was marketed to clients outside Egypt, adding that IDEA Marketing Consultancy undertakes the marketing, sale, financial management and operation of "Diamond 1" and "Diamond 2" according to a new marketing strategy.

In the same context, Ahmed Sami, Chairman of the Board IDEA Marketing Consulting, says that his company provides integrated services to real estate developers, starting from selecting the project plot, determining the nature of the units that suit the target customer, providing marketing and sales services for the project, and managing and operating it in cooperation with the developer.

Sami adds that the company has achieved contractual sales by more than 75% in the first tower, "Diamond 1", in record time, and that among its tasks is marketing the second project of the company according to innovative marketing mechanisms based on digital marketing and communicating with target clients in various real estate exhibitions.



NEXTMOVE 2021 IS BACK WITH UNMATCHED RESULTS

Nextmove exhibition 2021 concludes with record-breaking sales and contributes to revitalizing the Egyptian real estate sector after achieving high sales that went beyond exhibitors' expectations despite the challenges due to the pandemic, Invest-Gate reports.

"Our top priority throughout Nextmove was the safety of the clients, partners, and all participants. Now with the event concluding we can confidently say that Nextmove 2021 surpassed all expectations on all levels. It was clear given the high demand and number of visitors seeking investment opportunities and new homes," says Faariss Khalil, Nextmove exhibition manager.

The volume of unit sales at the Nextmove exhibition this year is a reflection of its huge success. Top real estate developers displayed their latest projects with exceptional deals and exclusive payment plans, especially for first-time homebuyers and investors. The properties include commercial, residential, office, and retail.

"Nextmove this year is seeing unrivaled success despite the social distancing measures in force. The impressive turnout is yet another sign of the market recovery stimulated by many governmental initiatives and such events that have the ability to stir market activity," says Khalil.

"We were keen at Brouq to participate in this year's Nextmove, and this edition witnessed a tremendous turnout of visitors. This year, we partnered with the Spark Capital Insight project, which is a commercial,



administrative, and medical project," says Helal Mohsen, marketing director of Brouq Developments.

Mercon Developments' Commercial Director Hazem Dawood adds, "We participated for the first time in Nextmove 2021 with the new project, G7, in the Fifth Settlement. We are truly impressed and thankful for Informa Markets' outstanding organization and endless effort exerted to make the exhibition successful, especially in terms of attractive advertising to clients and adherence to preventive measures. We truly wish them continuous success."

This year the exhibition focuses on the interest of first-time and current homeowners and investors looking to upgrade, meet experts for guidance on purchasing commercial, office, retail or residential properties, affordable investments, and guaranteed returns.



"The exhibition's timing coincides with strong, visible indicators of the economic recovery of the Egyptian market. This can be felt through a bundle of new governmental initiatives, laws, and facilities supporting the real estate sector which are especially necessary due to the repercussions of the Covid pandemic," Khalil adds.

"CCR Real Estate Developments is participating this year in Nextmove through its pioneering project, Front Gate, located at the New Administrative Capital. The project covers an area of 4,055 square meters. It is a commercial, administrative, and residential hotel project consisting of a ground floor and seven floors. The ground floor, first and second floors are for commercial activities, the third, fourth, fifth, and sixth floors for administrative activities and clinics, and the seventh floor is for residential units and the hotel. During the exhibition you can find offers that include 10% down payment, 10% discount, and installments up to 10 years," says CCR Real Estate Developments CEO Remon Taghian.

"New Plan Developments is participating in Nextmove for the third time in a row. Exclusive offers are awaiting the attendees at the event featuring residential projects in the New Capital Atika and Tonino Lamborghini, hotel apartments project in Port Said Eclat, and commercial projects



in the New Capital Eleven and Granvia," says Mariem Alsoud, marketing director of New Plan Developments.

Other Nextmove projects include Ainava Commercial and Offices by Akam Developments, Agile Business Complex by Radix Development, Spark Capital Insight by Brouq Developments, G7 Commercial complex by Mercon Developments, and CCR Front Gate New Capital by CCR Real Estate Developments.

"We see healthy competition among different leading real estate developers providing the most premium, guaranteed, and affordable investment opportunities in Egypt. This confirms the government's initiative supporting the stance of the Egyptian real estate sector as one of the main pillars of the economy," comments Khalil.

"We always seek to participate in real estate exhibitions organized by Informa Markets, due to its professionalism in organizing and marketing its exhibitions. Our participation in the Nextmove exhibition is very vital to presenting Taj Misr's projects to the real estate market, and this was reflected in the turnout at Taj Misr's booth on the first and second days of Nextmove exhibition," says Mohamed Saeed, Business Development Director at Taj Misr Developments.

Ahmed Ziada, marketing director at Arqa Developments, confirms, "We exceeded 100% of our selling target during the first two days, with exclusive offers available only for the duration of the exhibition. We also received a large number of early reservations for the second phase of "I-Business Park" in the Administrative Capital, to be launched in mid-June."

Ziada adds that the current edition of the exhibition is the best in terms of organization and marketing and that this increases their keenness to strengthen their strategic partnership with Informa. The first day of Nextmove witnessed an impressive turnout, exceeding that of previous editions.

Nextmove takes place from May 27-29 at The Cairo International Convention Center (CICC) – Nasr City



GOV'T FOOTSTEPS IN PROPERTY MARKET

GOV'T ACCOMPLISHMENTS IN UPPER EGYPT



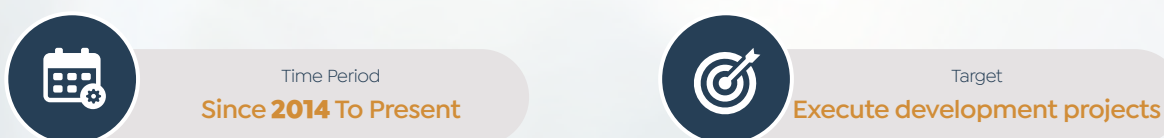
INVESTMENT BREAKDOWN



DEVELOPMENT METHODS



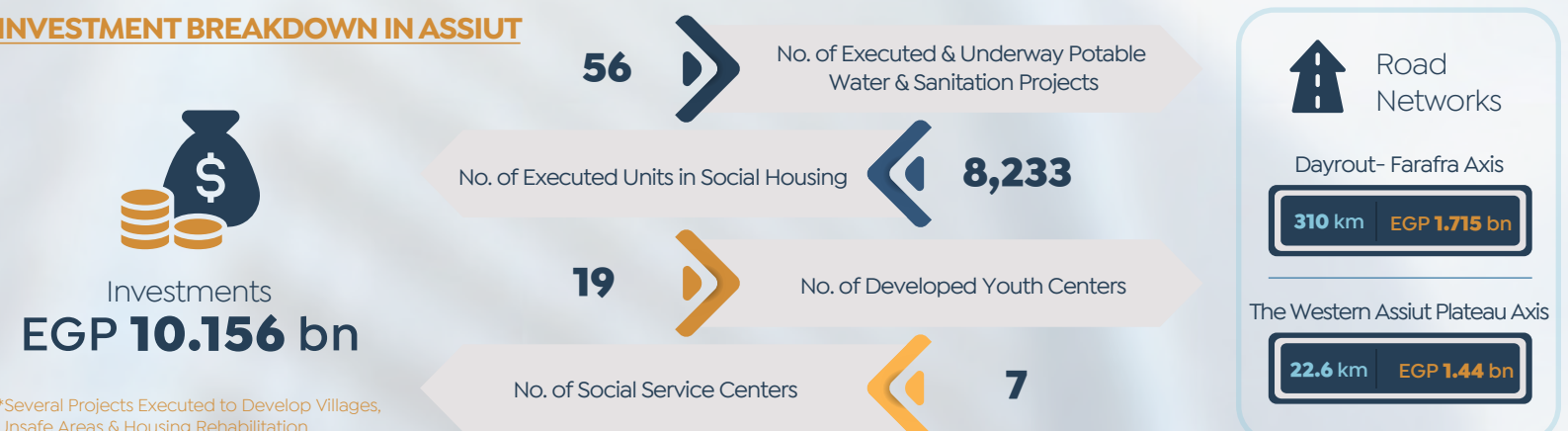
PUBLIC INVESTMENTS



ASSIUT, NEW ASSIUT & NEW NASSER CITIES

Total Investments
EGP **17.307 bn**

INVESTMENT BREAKDOWN IN ASSIUT

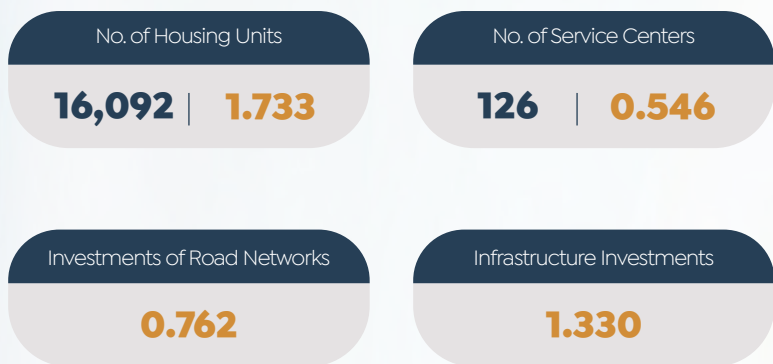


Source: Ministry of Housing, Utilities & Urban Communities & New Urban Communities Authority (NUCA).

INVESTMENT BREAKDOWN IN NEW ASSIUT



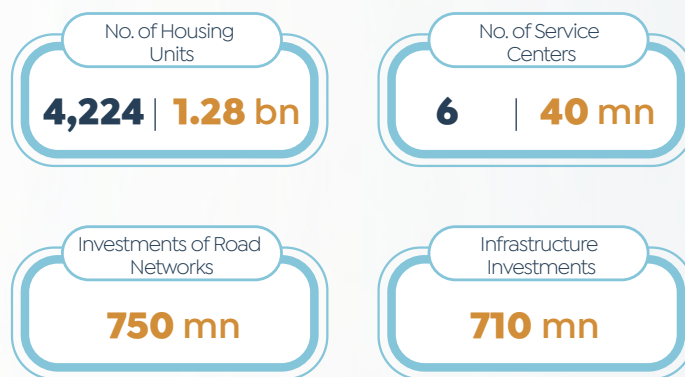
■ Investments (EGP/bn)



INVESTMENT BREAKDOWN IN NEW NASSER



■ Investments (EGP)



LUXOR & NEW TEBA CITIES



Total Investments
EGP 4.743 bn

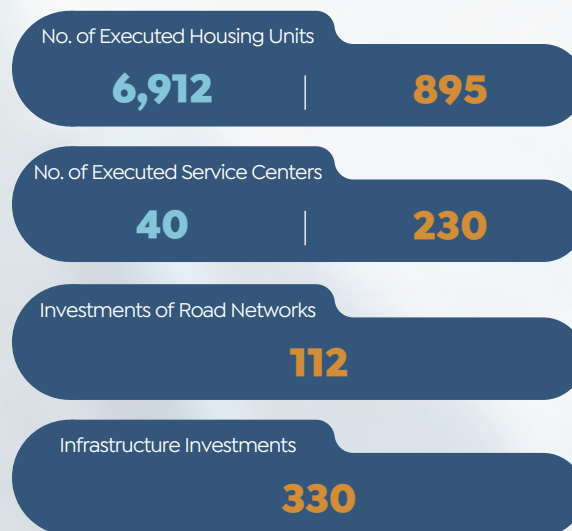
INVESTMENT BREAKDOWN IN LUXOR



INVESTMENT BREAKDOWN IN NEW TEBA



■ Investments (EGP/mn)



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

NEW CITIES UPDATE

PLOTS ALLOCATION



10 New cities (Names N/A)
LOCATION



17
TOTAL NO. OF ALLOCATED LAND PLOTS



Various activities; including school- nursery- industrial- commercial administrative
-medical- entertainment)
TARGET

PLOTS BREAKDOWN

■ No. of Plots ■ Area ■ Target

| | | | | |
|--|--|--|---|--|
| <p>New Cairo</p> <p>2 11,197 m²</p> <p>Car service station- Administrative project</p> | <p>Shorouk</p> <p>2 11,027 m²</p> <p>School- Nursery</p> | <p>New Damietta</p> <p>1 462 m²</p> <p>Commercial administrative</p> | <p>New October</p> <p>3 43,866 m²</p> <p>Commercial administrative - Industrial</p> | <p>Badr</p> <p>2 4,949 m²</p> <p>Commercial administrative</p> |
| <p>Sheik Zayed</p> <p>1 997 m²</p> <p>Medical</p> | <p>New Borg Al Arab</p> <p>2 11,208 m²</p> <p>Commercial administrative - Industrial</p> | <p>New Sohag</p> <p>1 4,700 m²</p> <p>Commercial administrative</p> | <p>NAC</p> <p>1 4,266 m²</p> <p>Commercial administrative</p> | <p>New Qena</p> <p>2 7,411 m²</p> <p>Building warehouse - Entertainment area</p> |

R5 DISTRICT UPDATE



NAC
LOCATION



885 Acres
AREA



Continue work in
full swing to avoid delays
STATUS



93%
COMPLETION RATE



TOTAL NO. OF UNITS
23,000 (Residential- Villas- Commercial)

295 Residential buildings

105 Villas

175 Town houses & Twinhouses

11 Mixed residential towers

96 Mixed residential buildings

Source: NUCA & New Capital Development Authority.

Private Real Estate Projects Update

NEW RESIDENTIAL PROJECTS

BOTANICA

Developer: The New Generation Real Estate Development



LOCATION

R7 District, NAC



AREA

23 Acres



TARGET SALES

EGP **2 bn**

SUPPLY VOLUME

1,000 Residential Units

Commercial Mall

Fully-Finished Hotel Units

Unit Prices (Phase I) → **Start: EGP 9,200- 12,000/m²**

NEW PROJECT (NAME N/A)

Developer: Better House



LOCATION

Galala City



AREA

56 Acres



LAUNCH DATE

May **2021**



IMPLEMENTATION PERIOD

Max. **3 Yrs**; from the date of putting up the project for sale



INVESTMENTS

EGP **3 bn+**

SUPPLY VOLUME

Unit Prices → **EGP 21,900/m²**

Unit Areas → **Start: 60 m²**

Studios

Townhouses

Twin Houses

Villas

2 Hotels

Hotel rooms

Source: Developers' Official Statements

NEW PROJECT (NAME N/A)

Developer: Al Ahly Sabbour Development



LOCATION

Mostakbal City, New Cairo



AREA

465,000 m²



Expected Sales

EGP **12** bn



STATUS

The company signs development agreement with Reportage Properties to develop the project

SUPPLY VOLUME

| | | |
|--------------------------------|---------------------------|------------|
| 5,500 Residential Units | Administrative Units | Apartments |
| Commercial Units | Fully-Finished Townhouses | |



NEW COMMERCIAL PROJECTS

ROCK CAPITAL 1

Developer: El-Batal Group



LOCATION

NAC



Built-Up Area

100,000 m²



INVESTMENTS

EGP **2** bn



DELIVERY DATE

End-**2023**

SUPPLY VOLUME

| | | | | |
|--|-----------------------|--|---------------|-----------|
| 2 Underground Parking Levels | 1 Ground Floor | 7 Upper Floors | Office Spaces | Amenities |
| 4,000 m ² of Interconnected Atria & Terraced Gardens | | 22,000 m ² To Accommodate Employees' Needs | | |

SPARK CAPITAL INSIGHT

Developer: Brouq Developments



LOCATION

Plot G15, MU23 Area, NAC



AREA

8,000 m²



INVESTMENTS

EGP **1.5** bn



DELIVERY DATE

2024

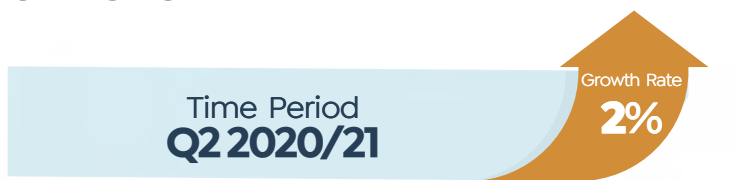
SUPPLY VOLUME

| |
|--|
| Commercial, Medical & Administrative Tower |
|--|

Source: Developers' Official Statements

ECONOMIC SNAPSHOT

GDP GROWTH RATE



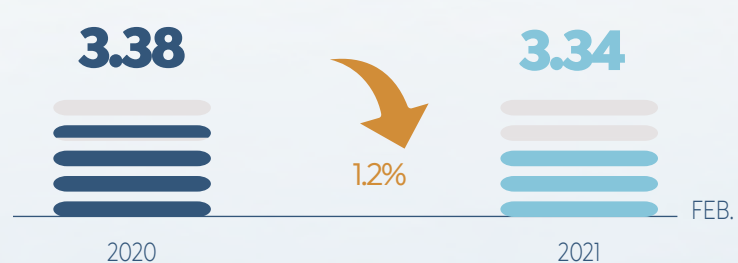
PUBLIC INVESTMENTS



UNEMPLOYMENT RATE



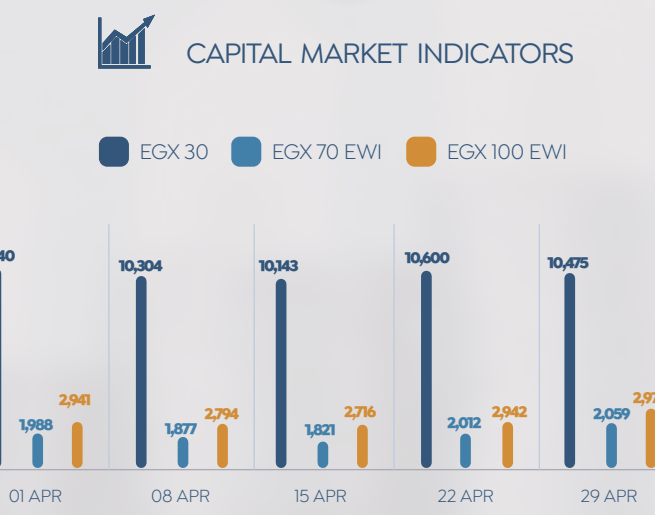
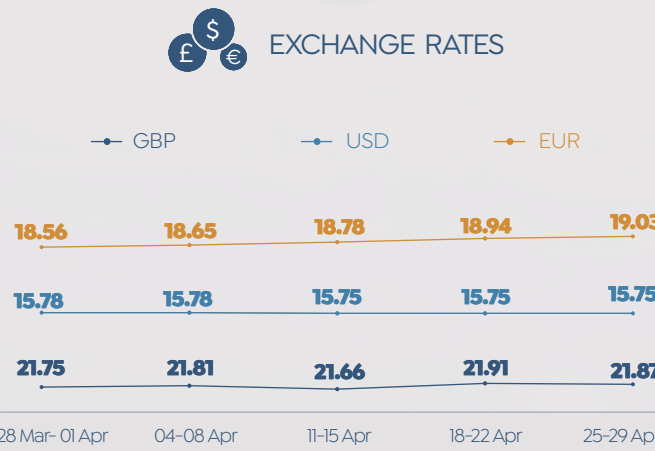
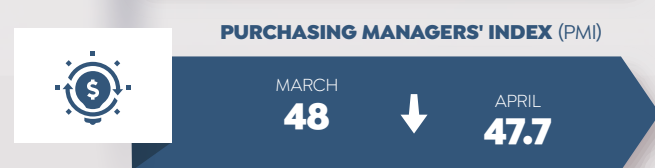
TRADE DEFICIT (USD BN)



EXPORTS (USD BN)



IMPORTS (USD BN)



Source: Central Bank of Egypt (CBE), Central Agency for Public Mobilization & Statistics (CAPMAS), IHS Markit, Ministry of Planning & Economic Development (MPED), Cabinet & EGX.

FULL ANALYSIS

FACTS & FIGURES

PROPERTY MARKET

**DEVELOPMENT WHEEL
ON ITS 6TH GEAR**

BY DINA EL BEHIRY

Since 2014 to date, President Abdel Fattah Al Sisi spares no effort to achieve inclusive development across all governorates. Despite the pandemic, the real estate development wheel is constantly pushed to its sixth gear.

Minister of Housing, Utilities, and Urban Communities Assem El Gazzar states that the Ministry of Housing's total investments in Upper Egypt governorates since 2014 amount to EGP 83 bn.

El Gazzar adds that total investments in Upper Egypt are distributed as follows:

- EGP 21.057 bn in the housing sector for the construction of 130,892 housing units
- EGP 390.5 mn in the informal development sector for the development of 94 areas with 36,869 housing units
- EGP 11.893 bn in the road sector, implementing 931 km main roads and internal roads in new cities
- EGP 43.595 bn in the utility sector, utilizing 271 projects, connecting drinking water and sanitation services, and 1,654 projects replacing renewing existing networks and stations
- EGP 5.504 bn in the services sector, for the construction of 526 service buildings

Talking about some governorates briefly, the minister notes that the total investments directed to the development of Assiut, New Assiut & New Nasser cities have reached EGP 17.307 bn.

New Cities Update

The government keeps a close eye on the progress of new cities, especially under the current tumult. At the New Administrative Capital, R5 district, which covers 885 acres and includes 23,000 villas, residential, and commercial units, has a completion rate of around 92%. Additionally, the 1,016-acres R3 district that includes 24,000 housing units, has been 93% completed.

Private Sector Updates

As usual, the private real estate sector keeps all works on full swing, taking into consideration all precautionary measures to

put a limit to the pandemic spread, and to keep up with their deadlines.

New Residential Projects

The New Generation Real Estate Development signs a partnership contract with the Foreign Ministry to develop the Botanica project. The project extends over an area of 23 acres in the R7 district, NAC. It includes 1,000 residential units, a commercial mall, and fully finished hotel units.

With investments exceeding EGP 3 bn, Better House prepares to launch a new project in El Galala City covering 56 acres. The project is expected to be sold on two phases, at prices starting from EGP 21,900. Spaces start from 60 sqm, starting from studios, townhouses, twin houses, and villas, in addition to implementing two hotels within the project.

Economic Snapshot

The Egyptian government has been following its sustainable development plans, in a bid to eliminate the negative impacts of the pandemic and boost the economy.

Regarding some major economic indicators, the annual headline inflation rate witnessed a drop in April recording 4.1%, after being constant for two months in a row at 4.5%. On the other hand, the net international reserves upsurged in April to USD 40.343 bn, up from USD 40.337 bn.

Looking at the non-oil private sector in Egypt, the Purchasing Managers' Index (PMI) issued by IHS Markit clarified that the operating conditions deteriorated in April, registering 47.7, down from 48 in March.

FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN



TRACKING EGYPT'S COMMERCIAL & ADMINISTRATIVE MARKET AMIDST PANDEMIC

BY **DINA EL BEHIRY**, **YASSIN MAHMOUD** & **MOHAMED ABDELHAMID**

Heading back to the beginning of the Coronavirus pandemic, the commercial and administrative markets suffered from unprecedented disruptions in doing business. Thus, they have witnessed radical variations to cope with these changes and minimize losses.

Looking at the market's status today, it is still highly affected by the pandemic. Many administrative spaces, which were closed because of the havoc did not reopen, several bodies still adopting the remote work style, tenants who were pushed away could not come back. And a high portion of consumers has adopted online shopping to fulfill their needs.

However, on the bright side, many administrative and commercial projects have been launched with motivating payment methods to encourage clients (owners- tenants) to bounce back and re-launch their spaces. This has motivated several bodies to return to the office environment, taking into consideration all precautionary measures.

Impact of Pandemic's 2nd Wave

Invest-Gate R&A team surveyed several Egypt-based property developers to measure the influence gauge of the pandemic, the challenges they face, and how they plan to prompt the market again.

General Outlook

Since the market is still under havoc, several impacts hit the market. According to 60% of the surveyed developers, the commercial market was negatively affected by the new wave. It is worth highlighting that the market is now more experienced in dealing with this tumult; however, it is still having to face many problems.

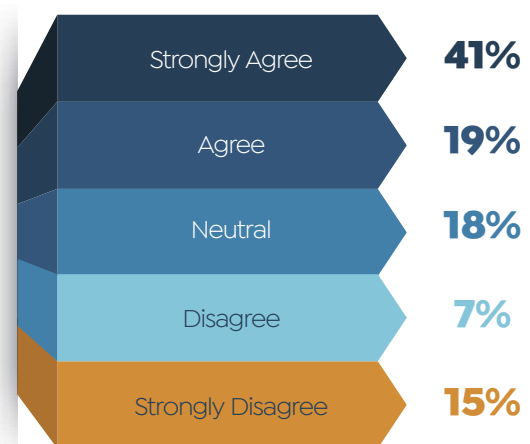
On the other hand, 18% believe that there is a neutral impact, which means no further drops or successes in the market. Furthermore, the remaining 22% see that there is no negative impact of the pandemic on the market.

Regarding the administrative market, 65% of the respondents think that the administrative market is deeply affected by the pandemic as well. This is mainly because of office closures, working remotely, or leaving the market completely.

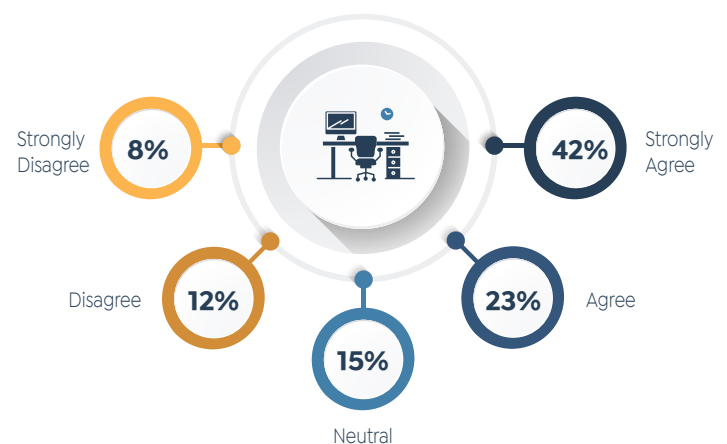
Meanwhile, 15% see that there is no clear impact on the administrative spaces. Additionally, 20% of the remaining developers believe that the market has fought the pandemic well with minimum effects.

Based on the above findings, we can say that the outbreak has adversely affected the commercial and administrative market, but at the same time companies have now the experience to deal with and adapt to it to reduce the damage.

COVID-19'S 2ND WAVE NEGATIVELY AFFECTS THE COMMERCIAL SECTOR



COVID-19'S 2ND WAVE NEGATIVELY AFFECTS THE ADMINISTRATIVE SECTOR



FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN



WILL THE “3% MORTGAGE INITIATIVE” LEAD TO A PROMISING MARKET SHIFT?

BY RANIA FAZZA



To finance its housing program across the low- and middle-class segment of the Egyptian society, the government has set the “3% Mortgage Initiative” proposal. This long-term loan program of up to 30 years with a low interest rate that does not exceed 3%, could be a turning point, shifting the market from rent to property ownership. Invest-Gate looks into the initiative and how it will affect the Egyptian property market.

The government continues to provide for the large segment of society by encouraging people to own houses and deal with banks. In a previous interview, Deputy Governor of the Central Bank of Egypt (CBE) Gamal Negm, said that this initiative’s volume worth is EGP 100bn and is subject to increase in the future. Installments are to be made monthly and quarterly.

We conducted a few surveys to examine this hypothesis to get to bottom of this and the rise of ownership trend in Egypt and how this proposal is accepted among the general public.

New Culture of Ownership on the Rise:

Our results reveal that 98% agreed that the mortgage finance initiative with 3% will shift the market trend from rent to buying. The MarQ Communities Amr Badr somewhat agrees with the participants of the survey but he believes that not all clients will go to owning instead of renting “as some customers have some fears of dealing with banks and they also do not prefer the dilemma of the required documents when it comes to banks as a fundraiser,” he explains. Badr also sees that this will develop the market and it will let the developers do their work efficiently like other countries globally.

NEW MORTGAGE INITIATIVE DECREASES RENTS & ENCOURAGES OWNERSHIP



Yes **97%**



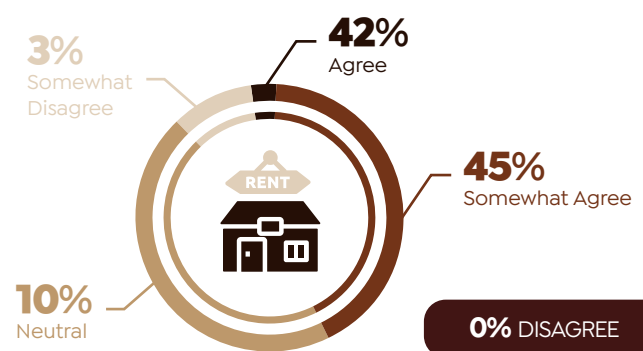
No **3%**

“3% Mortgage” Influence on the Market:

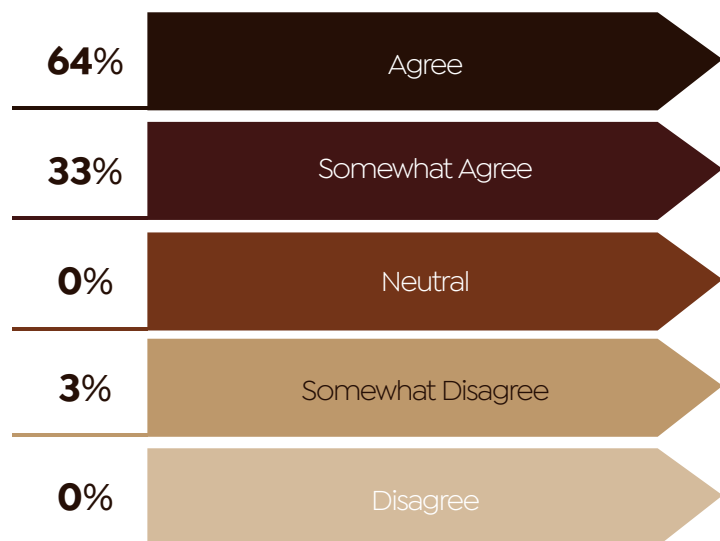
Examining its impact, this initiative, as is believed, is to increase the demand for buying residential and commercial properties. 64% agree that the market will shift from rent to buying with this financing program. Our study shows that 42% agree that the rental market will decrease following the adoption of this initiative.

Speaking of influence, Osama Saad Eddin, CEO of the Real Estate Development Chamber, says that this new initiative will shift the market into what we call “Leasehold Property”, and this will decline the renting percentage in the Egyptian market. “Likewise, this will have an influence on the market and it will definitely reduce the rent value,” he affirms.

THE DEMAND FOR RENTAL HOUSING IS DECLINING



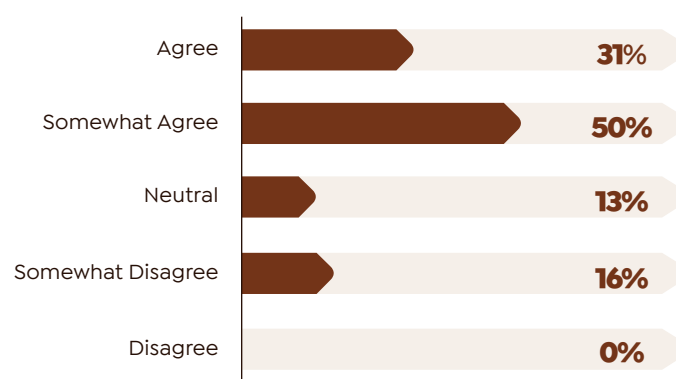
THE DEMAND FOR OWNING RESIDENTIAL & COMMERCIAL UNITS IS ON THE RISE



mortgage initiative, unit ownership will increase versus rentals “keeping in mind also that it is the normal evolution of the real estate market. Mortgage & real estate funds are the future of the Egyptian market,” he comments.

Renting is an Egyptian culture indeed but with this new initiative this habit may change. Oteifa sees that the new Egyptian urban development will turn the country into a trading hub for the Middle East and encourage foreign investment. That in turn, means an influx of ex-pats will boost the rental sector across the country. “So, the rent will not vanish but it will just turn to different segments of customers,” he highlights.

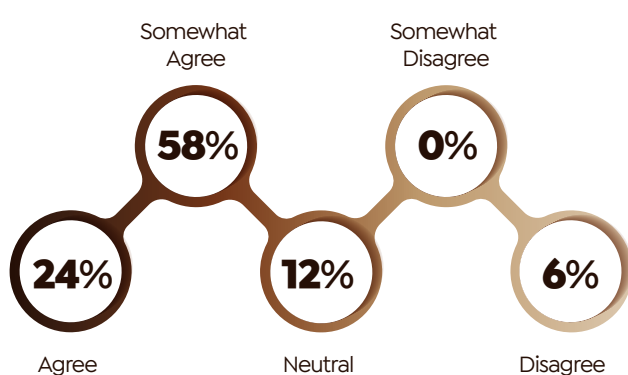
NEW AND OLD RENTS TO BECOME OBSOLETE



3% Mortgage Initiative Impact on Prices:

By facilitating payment terms and conditions as such, 58% believe that the current market prices and purchasing power are likely to change. They expect unit prices to increase.

PRICES OF OWNED UNITS ARE ON THE RISE



Testing The Waters:

The more payment is facilitated especially with the down payment, the current purchase power is likely to increase. 98% will go buy only if further financing options are offered especially with their down payments.

Previous Public Incentives to Support Housing:

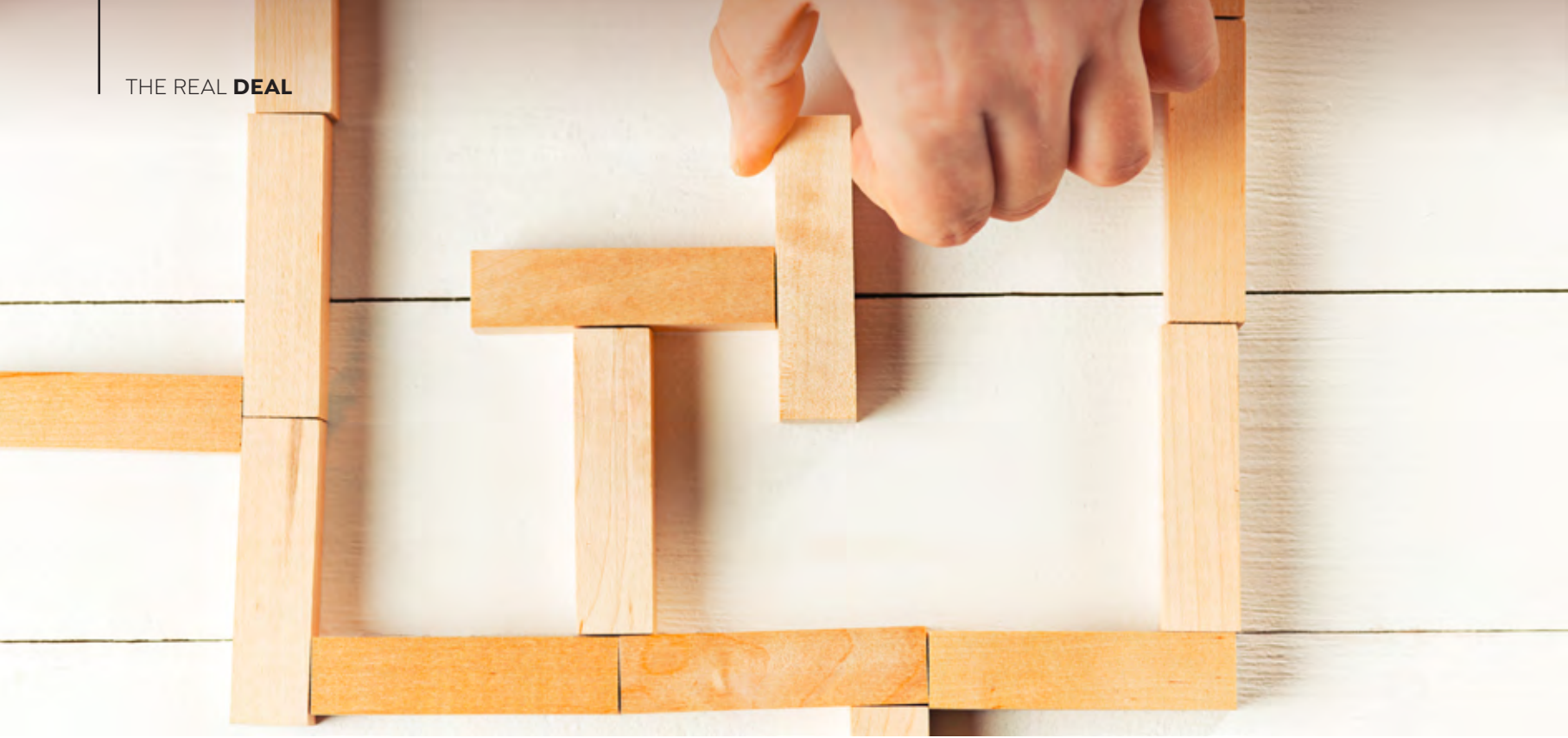
This is not the first time the government launches housing incentives. Back in 2014, the Egyptian government launched the CBE initiative with an initial EGP 10bn disbursement, aimed at tackling the shortage of affordable housing. Then, the CBE added another EGP 10bn to its program, making it EGP 20bn in total.

In 2019, the CBE incentive was updated with some reforms and new measures, including the eligibility of those seeking a mortgage. Mortgage finance was for those who meet the CBE conditions via the banks’ resources, allowing interest rates of 5-7% to the low-income segments on a maximum period of 20 years without providing treasury bills as a guarantee, according to an official statement back then.

Bottom line, the Egyptian real estate market is constantly being modified, and providing proper housing to all Egyptians is the government’s priority... the effect of such initiatives and how they shift one trend over the other is what is highly anticipated.

Rent Future in Egypt:

Rent as a culture in Egypt will not go anywhere but 50% of participants believe that such initiative is likely to end this trend for many people as Egyptians prefer to own rather than rent. Omar Oteifa, chief commercial officer at Amer Group agrees with that too, stressing that with the 3%



MANAGEMENT DILEMMA

OCCUPANTS UNION OR DEVELOPER MANAGEMENT

BY **RANIA FAZZA**

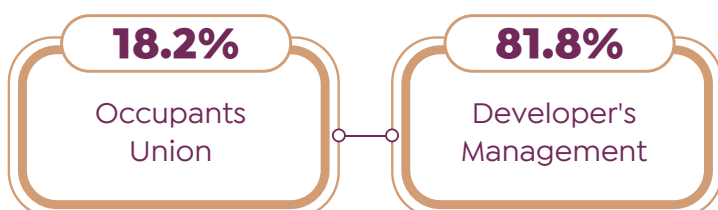
The Occupants Union vs Developer Management has been a dilemma across the real estate market in Egypt in recent years. Property owners face numerous challenges when it comes to the management of their residential units. Invest-Gate tours the capital for insights on the impending union vs private management issue, seeking solutions and sharing opinions ahead its next strategic roundtable on the matter on June 14.

So who prefers what and why is what this piece is all about. Through Invest-Gate surveys, results point out to approximately 82% of our participants prefer developer (private) management for their residential units in spite of the new occupants union law and regulations coming up.

Before we dig deeper into the issue, it is important to clarify that the occupants' union is a board of directors, elected by residents, to set up obligations, duties, and the rights of the occupants. The tasks of the Occupants Union are focused on maintaining the safety and maintenance of the property and providing the services required for it.

OCCUPANTS LAW OR DEVELOPERS' MANAGEMENT?

As a resident, do you prefer forming an occupants union to run your residential building or compound or leave it under the compound's developer management?



Occupants Union Responsibilities

management maintenance & guarding of the unit

The union usually has a period of three years before electing a new one. However, the annual general assembly can withdraw confidence and re-elect a new board if 25% of the owners approved that.

These are the same responsibilities that the main project developers can do nevertheless, there is a disagreement between the union and the developers at managing the maintenance revenues, which residents pay annually. At the same time, as the Invest-Gate survey reveal, most residents prefer to keep the main developer of the project to manage their units due to the problems that they usually face with the maintenance and the amount of money they pay.

Developers: A Better Management?

Not only, do residents prefer the developers (private) management instead of the union, but also some real estate market experts way on this. Tamer Safi El din, real estate expert, sees that the developer is indeed better than the union “as the developer will take good care of its investment while the union consists of volunteers, who lack how to take urgent decisions or to manage such facilities,” he comments.

Likewise, Eng. Mohamed Halim, urban planning expert, says that there are always problems with the occupants’ union “while you can’t see these kinds of obstacles with the developers, but the only challenge with the developers is the affordability as the residents pay too much money,” he comments. “I believe the developer management is much better if the amount of the money is not so high,” he affirms.

Occupants Union Under the Law

With the ongoing dilemma of the occupants’ union and the endless disagreement with the developers. The government has developed

a law to organize such unions. According to the new Unified Building Law (currently under discussion), the occupants have to pay a monthly payment for maintenance. “Every occupant, who fails to pay, shall be punished with a monthly fine not less than EGP 10 and not exceeding EGP 100,” as reported by the law requirements.

Moreover, according to the Building Law, occupants unions ‘are for properties not less than five units, or residential complexes, whether all or some of them are residential or non-residential, owned or rented. It is also permissible to establish a union that includes more than one building.

Relying on experts for management weighs in more than volunteer work of regular owners or occupants as our initial studies indicate. On that occasion, Invest-Gate invites you to attend its next strategic roundtable “Occupants Union Law: Recommendations To Save Our Real Estate Wealth” taking place virtually on June 14 in collaboration with the Egyptian Businessmen Association (EBA).



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