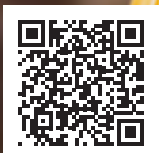


INVEST GATE

THE VOICE OF REAL ESTATE

REAL ESTATE **SCENE** IN FALL 2021



SCAN
TO DOWNLOAD
THE DIGITAL VERSION



SUBSCRIBE
TO OUR WHATSAPP
BROADCAST

INVEST-GATE
**BEST REAL ESTATE
INFORMATION PLATFORM
AWARD**



EXPERIENCE THE WARMTH

STARTING
FROM **5%**
DOWN PAYMENT

UP
TO **8** YEARS
INSTALLMENT PLAN

READY TO DELIVER UNITS



16492

REFLECTING EXPERIENCES



ALDAU
DEVELOPMENT

HEIGHTS
ALDAU



Hurghada



Silva

ZAYED
TRULY
REFINED

IN THE HEART OF SHEIKH ZAYED *City*

10% *Discount* SPECIAL LAUNCHING OFFER



Security



Private Parking



Opulent Landscapes



F FIRST
GROUP
DEVELOPMENTS **1981**

New beginnings, new season, and new real estate update! Well, not just an update but there is a high activity with a large outcome all over the country despite the pandemic, which proves how vital this sector is to the economy and to Egyptians.

We welcome fall 2021 with Cityscape, the major real estate event of the year. The exhibition witnessed a huge flow day in day out throughout its four-day event. Developing companies as usual rush with massive offers and flexible payment terms to attract more customers and seal more deals; and this 2021 edition was another successful round for exhibitors and organizers alike.

Moving on, in our October issue we give a quick concrete update on the market status and the real estate growth rate.

We also look into the upcoming NAC launch and investigate its real demand amongst homebuyers or individual investors.

With the many changes taking place today in terms of market reform and new regulations applied, our team of writers report on the rise of construction materials in 2021 and its impact on the end product, determining a further rise in unit prices.

We strive to keep you always in the know, so enjoy your read and await more to come from invest-gate by year-end.

Have a happy read



EDITOR-IN-CHIEF

Email: fmontasser@invest-gate.me

CONTENTS

NAC'S ADMINISTRATIVE & COMMERCIAL UNITS REMAIN HIGH IN DEMAND

P 26



Unit Prices May Increase Following Construction Market Changes

P 28

EVENT COVERAGE

CITYSCAPE EGYPT 2021 IS LAUNCHED WITH OPTIMISM

P 11

General Manager & BD Director	Safaa Abdel Bary
Editor-in-Chief	Farah Montasser
Contributors	Kholoud Mohamed
	Dunya Hassanein
Economic Writer	Reem Selim
Arabic Editor	Shaimaa Ibrahim
Arabic Economic Writer	Abdelrahman Elsanhoury
Research Analysts	Yassen Mahmoud
	Mohamed Sayed
Data Collectors	Aml Magdy
	Mirna Magdy
Operations Manager	Nada El-Labban
Creative Director	Omar Ghazal
Art Director	Maged Khattab
Graphic Designers	Merna William
	Kholoud Omar
3D Visualizer	Tamer Gamal
Web Master	Olfat Kamel
Financial Manager	Abdallah El Gohary
Accountants	Mahmoud Khalil
	Mohamed Nagy
Database Executive	Taghreed Mounir
CEO Assistant/ HR Coordinator	Noha Zayed
Distribution Officers	Mahsoub Kenzi
	Mohamed El-Sayed
	Mahmoud Nabil
	Hesham Mohamed
	Osama Mohamed

MARKET WATCH

P 18

2nd District, 3rd Area, Villa 130 - 5th Settlement - New Cairo, Egypt

☎ (+202) 25650489

📠 (+20) 225172053

✉ info@invest-gate.me

📘 [investgateofficial](#)

🌐 [Invest-Gate](#)

📺 [investgate](#)

🐦 [investgatemag](#)

📷 [invest.gate](#)

www.invest-gate.me

PUBLISHER MOHAMED FOUAD

All rights to editorial matters in the newspaper are reserved by Invest-Gate and no article may be reproduced or transmitted in whole or in part by any means without prior written permission from the publisher.

TO ADVERTISE WITH US
marketing@invest-gate.me
 (+20) 1005186813

DIGITAL MEDIA PARTNER

brandbourne
 THINK. CREATE. PERFORM

GATES DEVELOPMENTS

OWN YOUR TOMORROW

 CATALAN
NEW CAPITAL


 CATALAN MALL
NEW CAPITAL

AUDAZ
NEW CAPITAL

PLAZA ESPAÑA
BUSINESS COMPLEX

 WESTGATE
BUSINESS HUB

GATESDEVELOPMENTS.COM

 15129

OCTOBER HEADLINES

El Gazzar Follows up on Projects' Implementation in New Alamein City

Assem El Gazzar, Minister of Housing, Utilities, and Urban Communities, follows up on the projects' progress in the New Alamein City, Invest- Gate reports.

In this regard, El Gazzar reveals that the housing projects in the city include distinguished housing, Sakan Misr, Downtown Towers, The Latin District, The 700-acre Area, encompassing 30,887 units under construction.

The minister explains that 840 units (35 buildings) are underway in the distinguished housing, as well as 4,096 units (128 buildings) in Sakan Misr, and 1,320 units (40 buildings) in the Downtown Towers.

Moreover, El Gazzar remarks that the concrete work of 15 residential towers with heights of up to 44 floors is done. In addition, concrete work is underway for another three towers with heights ranging from 100- 170 m.

On the other hand, El Gazzar elaborates that the Latin District extends over 404 acres, with six areas comprising 11,655 units and distinct service areas.

For his part, Wael Samir, head of the New Alamein Development Authority, states that an integrated urban residential compound project is ongoing on an area of 700 acres, comprising about 12,500 units and commercial areas.

For the service area, it includes a 7-km tourist walkway, and Phase I is complete. Besides, it includes the International Alamein University, spanning over 128 acres.



Furthermore, the heritage area covers an area of 260 acres, with 70 entities, in which the concrete work of the projects is done and the finishing work is underway. It is expected to deliver the project in 2022.

Looking at the entertainment area, the completion rate has exceeded 95%, 10 buildings have been operated, and 19 others are available for marketing.

Concerning the infrastructure projects, Samir discloses that 195-km road networks are underway; meanwhile, the 48-km coastal road and 6-km 12 bridges are complete.

Madbouly is on An 8-Hour Tour in NAC



Prime Minister Mostafa Madbouly inspects the work progress of projects in the New Administrative Capital (NAC) in an eight-hour tour, Invest-Gate reports.

During the tour, Assem El Gazzar, Minister of Housing, Utilities, and Urban Communities, reviews the progress of the projects in the R3 District, which are 93% complete.

The R3 District is built on an area of 1016 acres, at a cost of EGP 25 bn. It comprises about 24,000 housing units, varying between housing buildings, villas, townhouses, and mixed-use units.

Additionally, it features commercial buildings, nurseries, restaurants, six schools implemented by the private sector, as well as worship houses.

El Gazzar states that the fourth and fifth neighborhoods include 485 villas, with 952 housing units, and with a completion rate of 92%. For the housing units in the district, they are 100% complete, with a total of 239 building comprising more than 7,000 housing units.

Moreover, the minister adds that the second neighborhood witnesses the implementation of 139 buildings, with a total of 3,920 housing

units, which are 93% complete, in addition, the third neighborhood includes 92 buildings, around 2,568 units, with a completion rate of 95%. Meanwhile, the seventh neighborhood contains 10 housing buildings, a total of 316 units, with a completion rate of 90%.

Besides, the 64 housing buildings, around 2,560 units, for services and mixed-use are at advanced completion rates and are expected to be delivered in October 2021.

Moving to the R5 District, New Garden City, it spans over 885 acres and encompasses about 23,000 housing units, including housing buildings, villas, mixed-use, and townhouses, the ministerial statement adds.

El Gazzar confirms that the completion rate of concrete work is 98.5%; meanwhile, the finishing work rate reaches 20%, and 60% for road networks, pointing out that the facades of the project are scheduled to be completed by the end of 2021.

Moreover, the tour includes an inspection of the Green River project, which is being built on an area of about 870 acres, including 688 acres of green spaces and entertainment areas, in addition to 182 acres includes future investment projects and the towers area. For the completion rate, it is implemented at a rate ranges between 56.6% and 60.6% for the three sectors forming it.

El Gazzar Follows up on Projects' Implementation in New Alamein City



Assem El Gazzar, Minister of Housing, Utilities, and Urban Communities, and Khaled Abdel Aal, Governor of Cairo, hold a meeting to follow up on the implementation status of the Maspero Triangle development project, in the presence of officials of the Ministry of Housing, Cairo Governorate, and the Informal Settlements Development Fund (ISDF), Invest-Gate reports.

El Gazzar indicates that the Prime Minister and other leaders pay a great deal of attention to the development projects being implemented in Cairo, stressing the need to speed up implementation rates, and adhere to the stipulated timetables.

During the meeting, the implementation status of the towers project in the Maspero area has been reviewed. It is stated that the internal and external finishing works of the towers project are currently carried out. The towers project consists of a 19,220-sqm basement garage with a capacity of 353 cars, a 16,970-sqm ground commercial floor, and a 15,800-sqm first floor (upper garage) with a capacity of 280 cars.

Moreover, the project includes two alternative housing towers for original residents, each of which consists of 18 residential floors with a total of 468 housing units. Besides, the third tower, with a height of 23 residential floors, encompassing 134 housing units. The fourth administrative tower consists of a basement, commercial ground floor, and 15 other floors.

It is noteworthy that the Maspero Triangle area is located in the Boulaq Abu Al-Ela neighborhood, featuring a 900-m waterfront, and spans over 75.19 acres.

Tatweer Misr with Huawei Tech. Egypt to Launch Sustainable Smart Cities

Tatweer Misr and Huawei Technologies Egypt have merged forces to deliver sustainable and smart technological software solutions throughout Tatweer Misr's projects to help build a fully connected intelligent world, Invest-Gate reports.

This came as part of a signing ceremony held today by both parties that witnessed an agreement signing and was attended by Tatweer Misr's President & CEO Ahmed Shalaby, Huawei Northern Africa Enterprise Business Group's President Michael Li, alongside representatives from both companies and the media. The partnership is an important strategic agreement for Tatweer Misr, helping deliver its ambitious plans to launch fully-connected sustainable & smart cities in Egypt.

Supporting Tatweer Misr's strategic vision to establish sustainable, smart & happy communities in Egypt, bring a unique product to the market and always surpassing clients' expectations, Huawei technologies will provide a variety of IoT-enabled software products and services. A full fledged platform that connects to every sensor connected to the main infrastructure, Analytics Technologies, Video Management Systems (VMS), Switching, and a platform that monitors all actions.

The platform will allow Tatweer Misr access to data-driven analytics that will support in assessing their residence behaviors leading to more smart and sustainable decisions; achieving its Renewable Energy and Urban Infrastructure holistic vision, such as streetlight controls, water network controls, electricity network controls, security network controls, surveillance cameras controls, air quality management, and smart irrigation systems. Huawei



Technologies would provide a range of value-added services, leveraged by Tatweer Misr to strengthen engagement among the communities, enhance the lives of its residents and maintain the efficient development of sustainable & smart communities. All residents will be able to control all the smart technologies in their homes, pay their bills, request additional services and overall lead more efficient, convenient and tech-savvy lives through a click of a button. "With smart cities shifting from a luxury to a necessity, we have succeeded to work towards our ultimate vision of creating sustainable, smart and happy communities. Today marks an eventful milestone in our journey to establishing fully integrated sustainable cities," stated Dr. Ahmed Shalaby, President and CEO of Tatweer Misr.

From his side, Mr. Michael Li, Huawei Northern Africa Enterprise Business Group's President commented, "Huawei Technologies is one of the few companies in the world that can provide collaborative ICT solutions. We are the leaders in integrating the digital and physical worlds. Together with our partners, Huawei is helping its customers reach the ultimate goals of Smart City projects by building intelligent cities, enriching the residents' lives with technology, and boosting the economy."

First Group Launches Silva in Sheikh Zayed



First Group Developments launches its new project, Silva, in Sheikh Zayed, according to Basheer Mostafa, CEO of the company, Invest-Gate reports.

Mostafa remarks that Silva extends over 20 acres with total investments of up to EGP 750 mn. The integrated residential project consists of villas only, including twin houses, townhouses, and standalone villas, with various spaces.

Additionally, he clarifies that the project is characterized by unique architectural designs, and the project's construction is going to take place within two years and that the entire project is planned to be delivered by the end of 2023.

For his part, Mohamad Abd Elmordy, a commercial director at the company, explains that the Silva project comprises 138 units, in addition, it features green spaces, an entertainment area, security services, along with a ring road surrounding the project to ensure movement ease.

Moreover, Abd Elmordy announces offering the project for reservation, highlighting that the company will present special offers and payment facilities for up to eight years.

Furthermore, Mostafa discloses that the company's projects Kazan Plaza 1, Kazan Plaza 2, and Kaya Plaza in the 6th of October City in west Cairo have witnessed a great turnout from consumers to purchase administrative, medical, and commercial units.

The finishing work of Kazan Plaza 1 is complete, in addition to the operation procedures, Mostafa elaborates, adding that 50% of the administrative and medical units at Kazan Plaza 2 is sold out, and 60% of the construction work of Kaya Mall is done. Besides, leasing offers from well-known brands are currently under review.

Makadi Heights Launches Raya Villas, A New Real Estate Product



Makadi Heights, one of the cities of Orascom Development Egypt (ODE) in the Red Sea, announces the launch of Raya villas with magnificent panoramic views of the city's lakes, Invest- Gate reports.

The launch aims to meet the high demand, especially after the sales increase in Makadi Heights by 402.1% to reach EGP 583.9 mn in H1 of 2021.

Additionally, Raya villas include 100 units, ranging from junior villas, family villas, single-storey villas, twin villas, and townhouses, in addition to artificial lakes and vast green spaces. Raya Villas are designed to go along with the master plan of Makadi Heights, giving privacy to its residents.

The villas are located near the downtown area, which provides easy access to basic

amenities and services, and ensures enjoying the recreational activities organized throughout the year.

Tamer Dewidar, Makadi Heights CEO, confirms that ODE adopts a development strategy based on accelerating implementation rates and timely delivery of the current phases of Makadi Heights, adding that 50% of the target area has been completed according to the deadlines for receiving clients.

As for the Raya villas, they will be delivered to customers in 2025. Besides, the construction and infrastructure work are carried out according to the highest and best international specifications.

Moreover, Dewidar comments, "Makadi Heights hosts many sporting and artistic events that activate recreational tourism in the Red Sea governorate. In addition, we prepare to host the first international music festival in May 2022, which contributes to shedding global and regional lights on this unique destination."

It is worth mentioning that Makadi Heights includes 9,000 housing units, nearly 2,750 housing units have been sold so far to more than 63% from outside Egypt, which indicates confidence in Orascom Development projects.

Mountain View Displays Its Historical 12-Year Real Estate Achievement in 6th October Projects

Mountain View highlights its 12-year achievement with its four pioneering projects in west Cairo, on a total area of 800 acres, with investments exceeding EGP 67 bn, Invest-Gate reports.

Mountain View acquires DH and Callison RTKL to ensure the highest international standards in its architecture designs following the science of happiness in all of its projects.

During H1 2021, the company has inaugurated the first phase of the "iCity" project in the Fifth Settlement, in the presence of Prime Minister Mostafa Madbouly and Minister of Housing Assem El Gazzar, adding to its 12 years of excellence in real estate locally and internationally.

The first project, Mountain View iCity October, spans over 500 acres, with EGP 55 bn of investment, comprising 8000 units of varying sizes between villas, iVilla, lake house, townhouse, with a distinctive design with 4D technology. Back in October 2020, Mountain View inaugurated MV Park with a total revenue of EGP 3.9bn at its iCity project.

Another massive project is Mountain View's Chillout Park located on an area of 216 acres and with a total investment of EGP 10 bn. The project



includes 2,200 various housing units between C-Villas, iVillas, standalone villas, Lakeside Villas, The Lake House, and townhouses, with areas ranging from 165 to 627 sqm. Besides, it includes a huge Central Park on an area of 60 acres.

Mountain View's third project is Giza Plateau, covering an area of 20 acres and includes 242 housing units. In addition, it is the first project to include the company's exclusive product "iVilla".

Last but not least, Mountain View October Park, is currently delivered and operational. The project spans over 57 acres and at an investment cost of EGP 2.3 bn, offering 800 different housing units, including I-villas, townhouses, and villas. Mountain View's recorded achievement in west Cairo started in 2009.

Castle Development Starts Sales of Phase IV of Castle Landmark in NAC



Castle Development commences the selling process of the fifth phase of its project in the New Administrative Capital (NAC), Castle Landmark, Invest-Gate reports.

The last phase combines 500 residential units, ranging between 85 sqm, 90 sqm, and 100 sqm. The fifth phase of the project overlooks swimming pools, clubhouse, midtown, the Cathedral, the EXPO City, and the Presidential Palace.

With total investments of EGP 3.7 bn, Castle Landmark is built on 43 acres, with a residential area of only 19%. The project has a total number of 1,800 residential units, in addition to Castle Gate mall, which is constructed over 20 acres and features 196 administrative and commercial units.

The real estate developer has completed almost 53% of the entire project located in the R7 District. The first units of the project are set to be delivered by August 2022, and the delivery is extended until the end of 2024.

Ahmed Mansour, CEO of Castle Development, states that the company is stick to comply with the timetables of its projects, and the great interest of its customers and their satisfaction.

Mansour adds that Castle Landmark consists of four phases and is sold over five phases. The company has already completed more than 95% of the construction work for the first phase, with a total number of 476 units, and 64% of the construction work of the second phase, and 15% for the third phase. The excavation work of the fourth phase has been completed.

It is worth noting that Castle Landmark introduces an integrated, smart residential compound, which runs on solar energy that feeds 70% of its overall area. And for the first time in Egypt, the project contains parking over the total land space, to facilitate the traffic and provide premium quality to its residents.



Own your **Tonino Lamborghini** branded apartment in New Capital

On **10** years equal installments



16534

newplanddevelopments.com

#brandedbyuniqueness

SERRANO
NEW CAPITAL

ATIKA
NEW CAPITAL


Tonino Lamborghini
RESIDENCES NEW CAPITAL

 **ELEVEN**
NEW CAPITAL

ÉCLAT
PORTSAID

granvia
Serrano

Arkan Palm Receives Bank Finance For The ‘205’ Project’s Phase I

A banking alliance has concluded a long-term financing contract worth EGP 1.5 bn with Arkan Palm for Real Estate Investment to finance part of the investment cost of the first phase of the “205” project in Sheikh Zayed City, Invest- Gate reports.

The alliance includes five banks: the Export Development Bank of Egypt (EBE), as the main arranger, general coordinator, and guarantee; the Housing and Development Bank (HDB); the United Bank; the Suez Canal Bank, and the MID Bank.

Additionally, the contributions of each bank in the financing are as follows: EGP 650 mn from EBE, EGP 300 mn from HDB, EGP 250 mn from the United Bank, EGP 150 mn from Suez Canal Bank, and EGP 150 mn from MID Bank.

Mervat Sultan, the chairperson of EBE, declares that this cooperation is not the first among the five banks, and will not be the last in the field of corporate finance. In addition, she stresses her appreciation for the distinctive architectural models that Arkan Palm offers.

For his part, Hassan Ghanem, chairperson of HDB, affirms the bank’s constant keenness on supporting and providing the necessary financing for a major project, which positively contributes to creating an added value for society and achieving sustainable development.

Moreover, Hussein Refaey, chairperson and managing director of the Suez Canal Bank highlights the importance of the bank’s participation in this joint financing, which targets one of the important real estate development projects, implemented by one of the leading companies in the field.

In the same context, Ashraf El-Kady, chairperson of the United Bank, remarks that the bank is the 7th largest bank in terms of pumping real estate investments in the Egyptian market.



Furthermore, Eman Abo Zeid, head of the bank credit and syndicated loans sector at the MID Bank, emphasizes the bank’s role in supporting various projects. This is in line with the state’s ambitious plan to attract investors and provide all facilities to support the investment sector in Egypt.

Mamdouh Badr El-Din, founder and president of Badr El-Din Group, comments that the 205 project is a partnership between the New Urban Communities Authority (NUCA) and Arkan Palm. He further discloses that the project will act as a central service area in west Cairo, at the economic, commercial, tourist, recreational, educational, and medical levels, in cooperation with major authorities.

It is worth noting that the project’s phase I is about 56 acres, consisting of residential, commercial, administrative, and recreational units. It also includes a medical area with an international hospital, medical clinics, a nursing home, a school, and three hotels. It is located next to the Nile University and directly overlooks the 26th of July axis, and it will include a 2-km-long river surrounding the residential area, separating the residential and service parts.

Misr Italia Teams Up with Solid Construction for Phase III of IL Bosco



Misr Italia Properties signs an EGP 400-mn contract with Solid Construction to implement the construction work of the third phase of IL Bosco in the New Administrative Capital (NAC), Invest-Gate reports.

The real estate developer also reveals signing contracts with three construction companies to carry out concrete work for the VINCI project in NAC at a total cost of EGP 200 mn.

Solid Construction has started working on the project in mid-August, and it is expected to be completed within 18 months from the start date.

The CEO and Managing Director of Misr Italia Mohamed Khaled El Assal states that the company is keen on cooperating with large corporates specialized in all the works required in the company’s projects, including IL Bosco and VINCI in NAC.

El Assal explains that Solid Construction is working to accomplish the agreed tasks, which contributes to accelerating the work pace and carrying out

the phase on time, in addition to signing the other three contracts with three companies to implement concrete work only in the VINCI project.

He adds that work on the VINCI project will start on September 1, and concrete works on six buildings are set to be completed within 18 months from the start date.

Besides, El Assal notes that Misr Italia is looking for concluding other partnerships with Solid Construction over the coming period to work on the company’s other projects with a large volume of business.

He stresses that Misr Italia’s real estate projects come in line with Egypt’s directions to develop NAC, especially that IL Bosco and VINCI will be among the fourth generation projects. Such projects achieve sustainability in an integrated manner and in a comprehensive concept.

Kareem Fawzy, CEO and chairman of Solid Construction, comments that the cooperation with Misr Italia is a new addition to the company’s business record, especially in NAC, affirming that the current period is witnessing a number of major companies in the private sector submitting offers to undertake the implementation of several projects in NAC

With vast greenery, the Vertical Forest, quiet meadows, and water features, IL Bosco is poised to become the first of its kind in the MENA region in terms of integrating nature with high-end living spaces. It is also one of the largest environmentally friendly projects in Egypt. It is worth noting that the IL Bosco project spans over 200 acres, with total investments worth EGP 16 bn.

As for the VINCI project, Misr Italia’s second project in NAC, it spreads over 110 acres and is located near to the Diplomatic District and the Ring Road.

CITYSCAPE EGYPT 2021

IS LAUNCHED WITH OPTIMISM



Cityscape Egypt 2021 has launched its tenth edition on September 22-25, 2021, at the Egypt International Exhibition Center (IEC), in the presence of key real estate development companies, Invest- Gate reports.

The exhibition's first day has witnessed a significant turnout of consumers who aspire to purchase or invest in properties, either in residential, commercial, administrative, hotel, or tourism segments. Thus, the participating real estate developers have presented special offers, discounts, and payment facilities.

In this regard, Invest-Gate has monitored the first day of the exhibition, showcasing the most prominent real estate projects presented during its holding period.

For her part, Menna El Attal, marketing director at El Attal Holding, states that Cityscape is seen as the most robust real estate event in Egypt, praising the event's organization and the implementation of all precautionary measures, highlighting that the consumers' turnout on the first day is moderate .

She adds, "We participate in this exhibition with the Parklane project in the New Administrative Capital, of which 90% is sold out. Besides, we present the Bayside project in Ras Sudr, as well as the final phase of the Capital Hub project," stressing that the company has exclusive offers during the exhibition.

In a related context, Reham El Sobky, marketing director at Castle Development, comments, "Cityscape is well known, and is one of the exhibitions that every developer is keen on participating in."

She also remarks that Cityscape is well-organized, and its first day was calm as it has commenced before the weekend. Furthermore, El Sobky expects that the upcoming days will witness a considerable turnout.

Speaking of Castle Development projects participating in the exhibition, the company presents the fifth phase of the Castle Landmark project, with exclusive offers during the exhibition.

Moreover, Hussein El Agati, sales director at Cleopatra Developments, points out that the turnout on the first day is better than expected, and it will increase more in the coming days, stressing that Cityscape is the most significant real estate event in Egypt.

Furthermore, he declares that the company participates with all its projects in the Fifth Settlement, Nasr City, Shorouk City, and the S-Bay project on the North Coast.

It is noteworthy that this year's edition of Cityscape witnesses the participation of more than 50 real estate developers showcasing their projects, which vary between residential, administrative, commercial, service, and medical.





JUMEIRAH EGYPT OBTAINS THE MINISTERIAL DECREE NO.608 FOR THE "NAIA BAY" IN RAS EL HEKMA

In Less than three months since the launch of its first project in the Egyptian market, Jumeirah Egypt has obtained the Ministerial Decree No. 608 on 9/7/2021 & the Land Contract from the New Urban Communities Authority, to be one of the first developers to obtain a ministerial decree from the New Urban Communities Authority in Ras El Hekma.

Jumeirah Egypt CEO Hisham El Danasoury praises the state decision to transfer the ownership and subordination of the northern coast to the New Urban Communities Authority, which he considers one of the most important decisions taken by President Abdel Fattah El-Sisi because this decision eliminated the problems that persisted for many years and the disputes between a number of multiple official bodies.

Jumeirah Egypt launched its first project, NAIA BAY, Ras El Hekma, last July; so did it finalize the ministerial decree & it's Legal Papers?

Jumeirah Egypt has obtained the Ministerial Decree No. 608 on 9/7/2021 & the Land Contract from the New Urban Communities Authority, to be one of the first developers, who obtain a ministerial decree from the New Urban Communities Authority in Ras El Hekma.

Additionally, Jumeirah Egypt has completed 50% of the leveling work and the formation levels in the project. According to the company timeframe, Jumeirah Egypt will deliver the first phase in three years and the entire project after five years, with EGP 7 bn of investment.

Can you tell us a little bit more about these international brands acquired by Jumeirah Egypt?

The company has signed with successful partners including Simon Penhaligan, resident manager at Concorde Hotels & Resorts, the famous restaurant brand Abou Auf, KidZania Group, Andiamo Restaurant Group, Meadis Incorporation, and TWC for Physical Fitness and CrossFit. These contracts aim to provide the strongest international brands in the service, entertainment, and tourism fields in the Jumeirah Egypt project.



With the ongoing urban development plan of Ras El Hekma, how do you see the development plan of the entire North Coast area?

The state's decision to transfer the ownership and subordination of the northern coast to the New Urban Communities Authority was one of the most important decisions taken by President Abdel Fattah El-Sisi to eliminate problems and disputes that were persisted for many years between numbers of multiple official bodies.

What had happened in Egypt in terms of urban renaissance and development over the past seven years is an unprecedented achievement in creating new intelligent cities that achieve the comprehensive development plan targeted by the state. In addition, the opening of the New Alamein City will have a mythic effect on the entire North Coast region, from the reconstruction and creation of life on the coast and the operation of all services throughout the year, which enhances the investment value of the projects in this region.

With the state transforming the North Coast into an all-year-round destination with the development of New Alamein City and linking it along the coast. How does this impact NAIA BAY?

The NAIA BAY project is characterized by distinctive services, landscapes, and unparalleled recreational services, standing out amongst all competing projects along this pristine coastline.

In this regard, the company has contracted with Crystal Lagoons® to provide waterfront view to units in the project; in addition to the other entertainment factors and recreational services to fulfill all needs. NAIA BAY will be privileged with all added public services currently provided by the government in New Alamein and Ras El Hekma to make this destination active and sustainable all year round, including schools, hospitals, universities, various commercial centers, and markets to provide permanent job opportunities and services at competitive prices.



What is Jumeirah Egypt's vision and strategy during the coming period?

Jumeirah Egypt seeks to achieve leadership with its investments in real estate. It is on its way to becoming one of the most important and largest five companies in the Egyptian market by implementing exceptional projects in line with the unprecedented urban development Egypt is witnessing now.

We put our clients' desires and needs first by providing a real estate product that uplifts the Egyptian market. We are here to add exceptional projects that depend primarily on innovation and excellence.

The company seeks to contribute fundamentally to changing the concept of architecture and sustainable development, whether NAIA BAY or all of the company's future projects.

Therefore, the company is working on providing the Egyptian market with innovative designs, global service, and entertainment venues, with a different and new diversity based on the nature of the Egyptian market.

What distinguishes NAIA BAY & what's the size of its investments?

The NAIA BAY - Ras El Hekma project covers 112 acres and features Modern Greek Architecture. The project has a variety of spaces and many unit models to suit all the needs of customers. It also includes 720 units with areas ranging from 65 m to 520 m.

Moreover, NAIA BAY features six areas to ensure Luxury & Privacy of customers, including:

- The Grand Hotel Area; which includes a Private Beach, Unique Facilities, Bungalows & Cabins.
- Fira Area; which features Seafront Luxurious Stand-alone Villas & Twin Houses.
- Pelagio Area; Town Houses & Twin Houses with Private Direct Access on Crystal Lagoons.
- Hali Area; Townhouses, which extends to the Waterfront Lagoon from the Terrace.
- Plaka Area; which encompasses Chalets with its Waterfront on Crystal Lagoons & having the Boutique Hotel.
- Poli Area; which includes International Shops, Outlets, Restaurants, Cafes, & an Entertainment Area for Kids.

The project includes a 5-Star International Hotel and another Boutique Hotel in the Plaka Area. Besides, there is more than one international hotel management company that is now negotiating with us, in order to operate the hotel part.

A memorandum of understanding has already been signed with the strongest brand in hotel management and soon the brand will be revealed.

What is the current sales percentage at NAIA BAY? What is the sales target by the end of the year?

The entire Standalone Luxurious Villas Phase, whose price value is EGP 200 mn, has been sold out. These Palaces were the first selling units of the project due to their uniqueness and unique views of the sea directly.

In addition, many Towns Houses, Twin Houses & Chalets have been sold out during the Cityscape Egypt 2021 Exhibition with price value EGP 300 mn, bringing the total sales to EGP 500 mn in just two months since the Launch of the Project.

What is the company's vision for the upcoming projects? Is there a tendency to enter the New Administrative Capital (NAC)?

We are studying several investment opportunities in the New Administrative Capital, New Alamein City, and others in Sheikh Zayed and Sphinx as part of the company's investment plan.

This plan depends on implementing distinguished real estate projects in some new cities, in line with the state's development plans.

What is your comment on the new decision not to announce any project until 30% of the project is completed?

We agree with any decision that would regulate the real estate market, control performance, and eliminate unserious companies. This decision aims to protect citizens from falling prey to real estate fraud operations. But, we are still waiting for the decision mechanism to implement it and know the conditions for its application.



ANTOINE EL KHOURY:

INSTITUTIONAL REAL ESTATE FUTURE IN EGYPT UNFOLDS MASSIVE OPPORTUNITIES

Antoine El Khoury, Managing Director of TAMEER, is an international real estate investment professional with 33 years of experience globally. He is a strong believer in the future of institutional real estate investment in Egypt. In his speech at the Cityscape Conference Egypt in September 2021, he shared a number of principles that are being implemented by TAMEER. This new approach to real estate aims to align the practice in Egypt with the mindset of institutional investors and put Egypt on the global investment map. We have had a conversation with him, on the margin of Cityscape Conference, where he shared his thoughts about real estate and investment.

You have often expressed your strong optimism about the real estate sector in Egypt, while other voices in the market speak about the risk of a bubble. What are the rationales behind your optimism?

A study published in 2019 forecasted that Egypt may become the seventh economy in the world by 2030, with a GDP that may grow from a current 370 billion to several trillions, while demography may increase by 20 percent during the same period. I personally do not trust mathematical models and I believe that no one can forecast the future accurately. However, if we look at the last 10 years, we realize that Egypt has been going through a tremendous transformation. This process, that is now accelerating, is visible in most of the areas of the Egyptian society and economy. Deep transformations have occurred in real estate, F&B, shopping, consuming behavior, technology, startups, manufacturing, fashion, infrastructure, finance, energy and so on. Other areas such as data, logistics, healthcare and education are showing strong potential and their development is being planned and supported by the authorities. This transformation is backed by a stable environment and improving macro-economy indicators. This is turning Egypt into one of the fastest growing and the most attractive and stable investment destinations in the world. The country is attracting hundreds of multinational companies and steady foreign investments in most of the economy's sectors.

While residential real estate is driven by demography and faces liquidity and purchasing power challenges, professional real estate on the other hand is driven by economy growth and is expected to develop. Economy actually cannot grow without real estate. Economy growth requires office spaces, factories and so on, and the growth of the middle class stimulates consuming and development of retail space. The challenge here is to be able to fund the growth of real estate and to balance funding resources between investing in property and investing in the productive economy. To resolve this equation, we will need to change the mindset of real estate in Egypt and place the country on the global real estate map.

What do you mean by changing the mindset and why do we need to attract institutional investors?

Ten years ago, a couple of entrepreneurial Egyptian minds transformed the real estate from an industry driven by production and cost management into an industry focused on customer experience, marketing and creating emotional value. Instead of selling bricks and mortars, the sector started selling experience. This was a revolution that has lifted-up the whole real estate sector and turned Egyptian real estate into one of the most sophisticated sectors in the world. However, the market did not diversify enough in terms of asset classes, nor in terms of investment and asset management. We are still driven by off-plan sales and we concentrate on what institutional investors call "speculative development". This is highly positioned on the investment risk curve and does not attract large international equity investors.

The income-generating real estate investment market represents globally around USD 750 billions of transactions every year. The share of Egypt from these transactions is almost null. It is a fact while the country offers plenty of investment opportunities and a very strong return potential. This is a weakness that needs to be addressed, through migrating our mindset from development towards asset management. Therefore, we start walking-down the risk curve and offer opportunities that match the demand of institutional investors. Real estate players in Egypt are highly educated and knowledgeable. What is needed is a change in the sector's mindset. That would be the second revolution in the real estate sector.

If we succeed in resolving this equation, we may attract billions of USD in FDI every year to fund the real estate needs, which, in return, will make more investment capabilities available for the productive industries. The benefits for the sector, the economy, and the foreign investors are tremendous.

What is Tameer doing to promote foreign investment, and what are the company's current projects?

We have recently launched at the French Embassy in Cairo, URBAN BUSINESS LANE (UBL), a 91,000 sqm Enterprise District that is located in URBAN WALK, along the American University Avenue in New Cairo. This is the first business and retail destination in Egypt that has been designed to become a European-like urban, vibrant and car-free destination. It is designed by renowned international firms and is targeting multinational and large national corporations, as well as professional and institutional investors. The project is promoted within the international community and offers investors the opportunity of "walking-down the risk curve" and creating extremely attractive capital growth and returns. Marketing this opportunity has succeeded and in fact has exceeded our expectations, which demonstrates how much the market is responsive to our mindset.

Does it mean that TAMEER is diverting from residential developments?

Not at all. We are diversifying towards professional real estate that targets institutional, income-generating investors, based on our belief that this is going to be the future growth in the sector. The residential area remains however our historic strength. TAMEER has been operational in this area for 67 years and we have already successfully delivered more than 27,500 residential units. We are now launching new residential concepts in AZAD VIEWS, with a very diversified and innovative offering.

What is your last word?

We live in an era where money does not generate itself anymore. The only way to wealth is to create value, through education, innovation, determination and ethics. Growth is a painful process that takes time and requires patience and confidence. I am fully convinced that Egypt is on the right track.



THE 1ST INTEGRATED HEALTHCARE SERVICES CONSORTIUM IN EGYPT LAUNCHED

In an unprecedented move, the first integrated healthcare services consortium is launched in Egypt, in a step to support the healthcare sector's investors. Egypt has a highly pluralistic health care system, with many different public and private providers and financing agents. Healthcare services in Egypt are currently managed, financed, and provided by agencies in all three sectors of the economy, government, parastatal, and private.

In 2020, the Egyptian government signaled that private sector medical providers will play an important role in the universal health care program, which received a USD 400 mn injection from the World Bank. This made industry players bullish about the potential of Egypt's private health care system, which has grown steadily in recent years.

The consortium combines Tarik Kassem on behalf of DMA Design and Engineering Consultancy Company. in the capacity of CEO, with Walid Dinana on behalf of EFESO consulting in the capacity of Managing Director, Hany Abdallah on behalf of SPACES for Designs and Constructions in the capacity of Managing Director, and Mohamed Salama on behalf of MEDE Healthcare Management in the capacity of Managing Director.

This consortium works together to help Egypt's healthcare sector's investors to reach their goals and to guide them by involving all stakeholders from the beginning of the project to work on the same goals throughout the project's lifetime, which results in the client getting the highest quality and profit and ROI.

It works with investors starting from preparing the feasibility study, passing through all the design and engineering stages, ending by operating the building; to lead the investor to conform the project with all local and international specifications at the lowest cost and highest quality and profit.

The consortium will provide five services which are:

1- Healthcare Business

In this service, client will enjoy market needs analysis, competitors' analysis, service mix design, organization design, and financial feasibility.

2- Medical Pre-Design

It includes services like concept design, space planning, medical equipment planning, ICT system planning, facility assessment, and design standardization.

3- Integrated Design

This service combines architectural design, master facility planning, structural design, MEP design, interior design, FF&E specifications, signage, and specification.

4- Construction and Equipping

This service provides its clients with tender management, site supervision services, and testing, commissioning and handing over. Which guarantees the client to transform the design into reality with the best quality and lowest cost.

5- Medical Operation Services

Clients will get medical team development, operational system development, KPIs for performance management, and capabilities development.



Companies participating in the consortium:

1- DMA

It is a multi-disciplinary consulting firm, specialized in Architecture, Urban Planning, Interior Design, Structure, MEP, and Infrastructure & Construction Supervision. With experience of more than 30 years, the company over 250 professionals serving local & international markets covering a wide horizon of projects: Mixed used developments, Commercial, Residential, Educational, Hospitality, Healthcare & Administrative Projects.

The company's services include City planning, Master Planning & Landscape, Architecture, Interior, Infrastructure & MEP, Structure, and Construction Supervision.

2- SPACES

It is a consulting Firm, expertise in the practice of healthcare facility design to offer a holistic response to clients' daily challenges. For more than 20 years of experience in the healthcare industry, the company created healthcare projects that inspire wonder, connect and help communities. They strive to improve the health and vitality of all communities they serve.

SPACES team has expanded the limits of design to integrate a wide range of related services including: Medical planning, Healthcare architecture & Interior Design, Medical Equipment planning, Facility Assessments, Master Facility Planning, Design Standardization, FF&E Specification, Signage Design/Specification.

3- EFESO

Established in 1980s, the France-based company integrates process, digital and human dynamics to amplify and accelerate tangible progression. The company helps its clients reach higher levels of end-to-end value chain optimization, with specific in-dept expertise in Manufacturing, Supply Chain and R&D. The company has over 600 consultants in more than 35 offices worldwide. Over 40 years in the market, the company delivered up to 900 projects.

With the dynamics of the current healthcare sector, it is important to stay relevant in the face of new customer needs, stronger competition and increasing regulative pressure. EFESO helps clients build their strategy through: Market Study, Operational Model Development, Business Model Development and Financial Feasibility Study.

4- MEDE

It is a healthcare real estate management company based in Egypt. The company is built on a unique partnership model between some of the most experienced and credible local and international players operating in the domain of healthcare project planning, development, operations management and project financing for the last 20+ years. The company helps its clients through developing value-based healthcare solutions to improve the patients' quality of life, by integrating different expertise to create a patient-centric ecosystem that continually improve the healthcare industry.

The company provides its clients services like management, planning, financial, and healthcare operational services.

Selected projects

Egypt's first integrated healthcare services consortium will handle several projects over the coming period. These projects are:

- 1- 57357 extensions, Cairo - Egypt
- 2- Shefaa Al-Orman oncology center, Luxor - Egypt
- 3- Banha general hospital, Banha - Egypt
- 4- Capital Care at the New Capital City, Egypt
- 5- Jabr Ibn Halan University Gastrointestinal Center, El-Kofa - Iraq
- 6- Jabr Ibn Halan University Dental Clinics Center, El-Kofa - Iraq
- 7- El-Otair 400 beds General Hospital, Riyadh - KSA
- 8- ER Department Extension Army Hospital, Riyadh - KSA
- 9- Rofayda Birthday Center, El Shekh Zayed - Egypt
- 10- OASIS Cardiac Center, Smart Village - Giza.
- 11- Madinaty Medical Center, New Cairo - Egypt.
- 12- 200 beds General Hospital, Juba - South Sudan.
- 13- Salala healthcare Rehabilitation city, Salala - Oman.

REAL ESTATE MARKET UPDATES

HAYAH KAREEMA INITIATIVE



UTILITY SECTOR



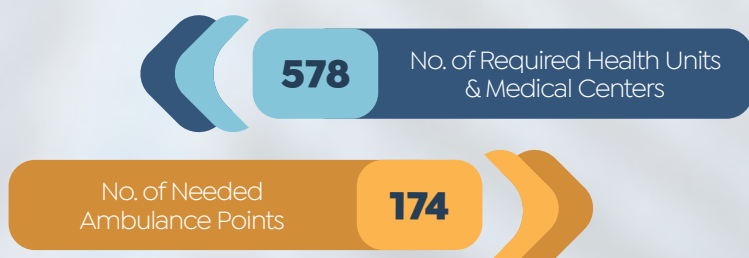
ROAD NETWORKS



AGRICULTURE SECTOR



HEALTH SECTOR



ENERGY SECTOR



POTABLE WATER & SANITATION PROJECTS



HAYAH KAREEMA INITIATIVE IN LUXOR GOVERNORATE



Supply Volume



OPTICAL FIBER PROJECTS FOR HAYAT KAREEMA INITIATIVE



MASPERO TRIANGLE DEVELOPMENT PROJECT



SUPPLY VOLUME

Two Alternative Towers For Original Residents

Type	No. of Floors\ Tower	Total No. of Housing Units
Residential	18	468

Third Tower



Forth Tower

Type Commercial & Administrative	Supply Volume Basement, Ground & 15 Floors
-------------------------------------	--

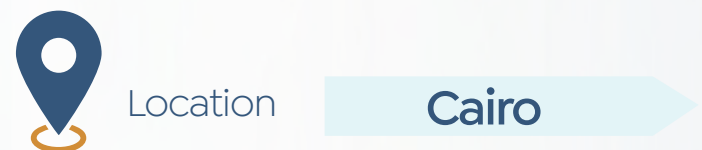
Basement Garage



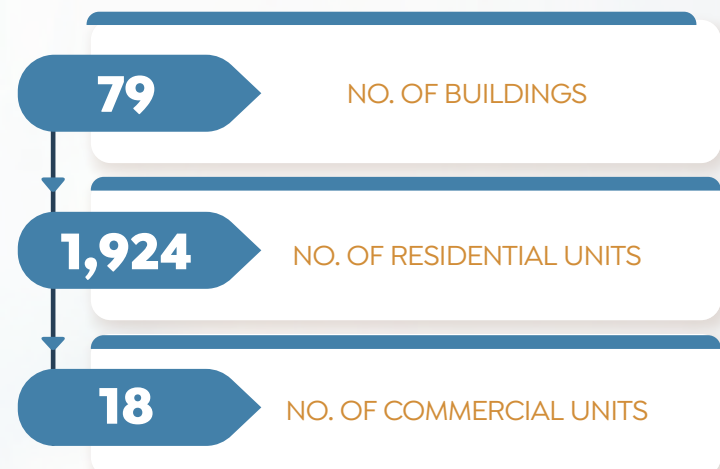
Upper Garage



SOOR MAGRA-EL-OYOUN DEVELOPMENT PROJECT



RESIDENTIAL BUILDING



MALL



SUPPLY VOLUME



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

NEW CITIES UPDATE

NEW ADMINISTRATIVE CAPITAL (NAC)

CAPITAL RESIDENCE



1,016 Acres
AREA



24,130
NO. OF HOUSING UNITS



8
NO. OF NEIGHBORHOODS



UPDATES

Work in 1st & 8th Neighborhoods:
Complete

Work in The Rest Of The Neighborhoods:
Ongoing



UNITS
BREAKDOWN

19,944
(697 Buildings)

328 Villas

624
(157 Townhouses)

2,560
(64 Mixed Housing Buildings)

674 (9 Mixed Use Buildings)

GARDEN CITY



885 Acres
AREA



21,494 (385 Buildings)
NO. OF HOUSING UNITS



513
NO. OF COMMERCIAL UNITS



456
NO. OF VILLAS

NEW MANSOURA CITY



11,232
NO. OF UNITS IN JANNA PROJECT



4,704
NO. OF UNITS IN SAKAN MISR PROJECT
UNDERWAY



1,392
NO. OF UNITS IN HOUSING FOR ALL EGYPTIANS PROJECT
UNDERWAY

SEAWATER DESALINATION PLANT



24 Acres
AREA



160,000 m³/Day
TOTAL CAPACITY



40,000 m³/Day
1st PHASE CAPACITY

Source: New Urban Communities Authority (NUCA) & Cabinet

CORNICHE

 **4.2 km**
LENGTH

 **1st Phase: Complete**
STATUS

 FACILITIES

- | | | | |
|--------------------------|-----------|------------|-------------|
| Walking Area | Cafes | Bike Lanes | Playgrounds |
| Reading & Internet Areas | Kids Area | Pergolas | |

CAPITAL GARDENS UPDATES

 **+ 92,000**
NO. OF UNITS


 **EGP 15.1 bn (Until Now)**
TOTAL INVESTMENTS

THE 2,350-ACRE AREA "HOUSING FOR ALL EGYPTIANS"

 **29,496**
NO. OF UNITS (10th ANNOUNCEMENT)

 **32,088**
NO. OF UNITS (14th ANNOUNCEMENT) UNDERWAY

 **30,420**
NO. OF OFFERED UNITS (14th ANNOUNCEMENT)

 **1,824**
NO. OF UNITS (15th ANNOUNCEMENT FOR MIDDLE-INCOME) UNDERWAY

SERVICES

 NO. OF SERVICE BUILDINGS UNDERWAY

- | | | | |
|-----------|----------------|----------------------|-----------------|
| 15 | 2 Nurseries | 2 Bakeries | 2 Youth Centers |
| 3 Schools | A Medical Unit | 4 Commercial Markets | A Worship House |

NEW BENI SUEF CITY

 **EGP 791 mn**
TOTAL INVESTMENTS OF HOUSING SECTOR

 **51,549**
NO. OF HOUSING UNITS

Private Real Estate Projects Update

NEW RESIDENTIAL PROJECTS

MONTENAPOLEONE

Developer: Reportage Properties & Al Ahly Sabbour Developments



LOCATION

Mostakbal City, East Cairo



AREA

465,000 m²



DELIVERY DATE

Q4 2025



ESTIMATED SALES

EGP 12 bn

SUPPLY VOLUME

No. of Residential Units: **550**

Fully Finished Townhouses

MAKANY KATTAMEYA

Developer: El Mansour Development



LOCATION

Maadi Ring Road



AREA

20,795 m²



INVESTMENTS

EGP 800 mn+

SUPPLY VOLUME

Swimming Pools

Security & Maintenance Services

Gym & Health Clubs

Other Facilities

NEW COMMERCIAL PROJECTS

EL CENTRO BUSINESS COMPLEX

Developer: Empire State Developments



LOCATION

NAC



AREA

24,000 m²



STATUS

Signs MoU with Safir Hotels & Resorts to Manage
& Operate Hotel Rooms & Suites

Contracts with ACE Moharram-Bakhoum as Engineering Consultant

SUPPLY VOLUME

15 Floors for Administrative, Commercial, Medical & Hotel Units

Multi-Store Garage with Smart Parking System

Source: Developers' Official Statements

DEGLA SQUARE

Developer: Al Bostany Real Estate Development

SUPPLY VOLUME

20 Commercial Units

3,000 m² of Administrative Units

Phase III Areas: 21 - 450 m²

THE MARK

Developer: MG Developments



LOCATION

Downtown, NAC



AREA

3,144 Thousand m²



NEWS

Cooperates with Savills to Manage The Project's Design & Implementation

SUPPLY VOLUME

11 Floors for Administrative, Commercial, Medical & Hotel Units

3-Floor Garage

DOUBLE TWO TOWER

Developer: Nakheel Developments



LOCATION

Central Business District (CBD), NAC



AREA

9,000 m²



ESTIMATED INVESTMENTS

EGP 3 bn



DELIVERY DATE

In 3.5 Yrs (2024)

SUPPLY VOLUME

Administrative, Commercial Units & Serviced Apartments

Source: Developers' Official Statements

ECONOMIC SNAPSHOT

INTEREST RATES

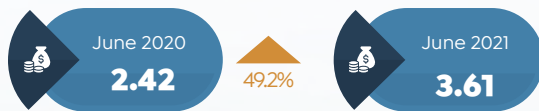
Overnight Deposit Rate	8.25%
Overnight Lending Rate	9.25%
Rate of Main Operation	8.75%
Discount Rate	8.75%

* MPC meeting was Held on September 16

TRADE DEFICIT (USD BN)



EXPORTS (USD BN)



IMPORTS (USD BN)



REAL GDP GROWTH RATE



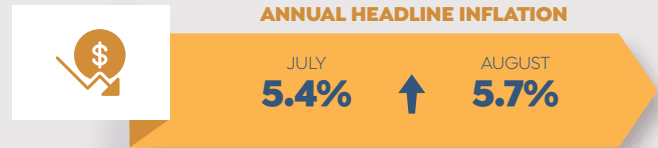
SUEZ CANAL PLANNED SHARE TO GDP ACCORDING TO FY 2021/22



INVESTMENTS ON INDUSTRIAL SECTOR



ANNUAL HEADLINE INFLATION



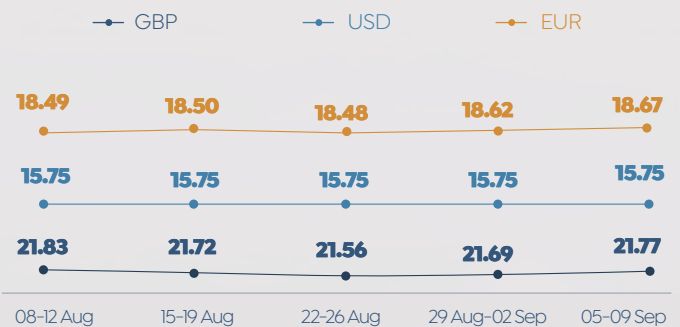
NET INTERNATIONAL RESERVES (USD BN)



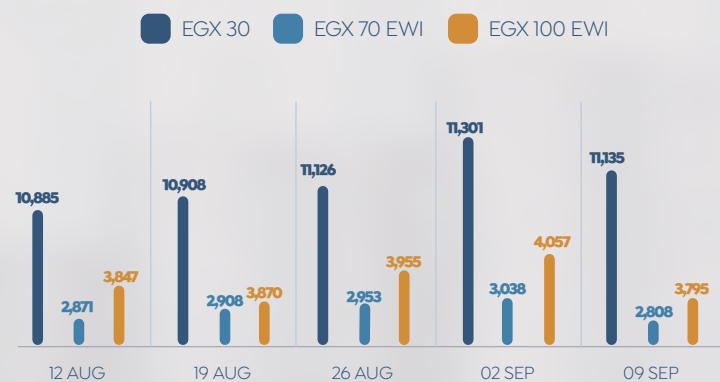
PURCHASING MANAGERS' INDEX (PMI)



EXCHANGE RATES

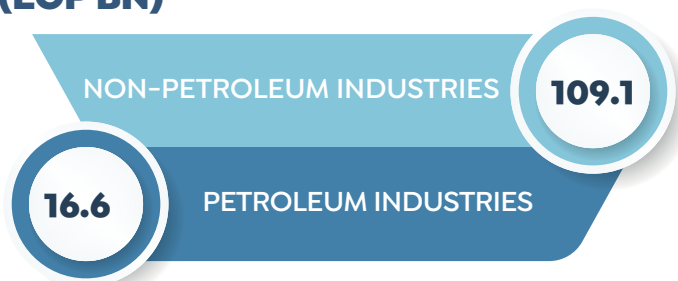


CAPITAL MARKET INDICATORS



Source: CAPMAS, IHS Markit, EGX, CBE & MPED

TARGET INVESTMENTS IN FY 2021/22 (EGP BN)



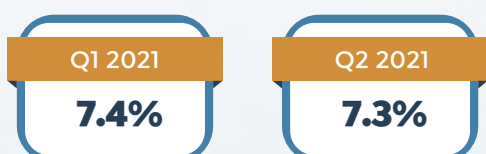
ECONOMIC DEVELOPMENT IN FY 21/2022 PLAN

FY 2020/21	FY 2021/22
Savings Rate	
5.5%	11.2%
Net Foreign Direct Investments (USD BN)	
325.56	368.6
Tourism Revenues (USD BN)	
2.4	6
FY 2019/20	FY 2021/22
Development of Non-Oil Exports (USD BN)	
17.9	19.5
FY 2018/19	FY 2021/22
Remittances From Egyptians Working Abroad (USD BN)	
25.2	30

POVERTY RATE



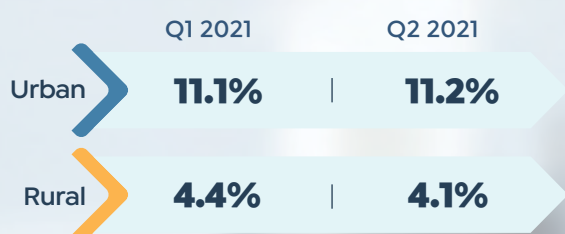
UNEMPLOYMENT RATE



BY GENDER

	Q1 2021	Q2 2021
Male	5.6%	5.7%
Female	15.9%	15%

BY GEOGRAPHIC AREAS



INVESTMENTS ON ELECTRICITY SECTOR



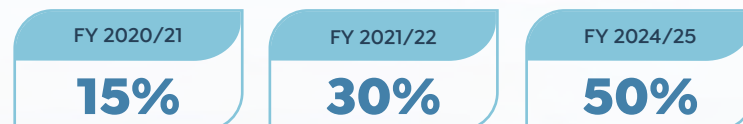
PLANNED PRODUCTION



PLANNED OUTPUT



EXPECTATIONS ON GREEN PUBLIC INVESTMENTS



IMF'S EXPECTATIONS FOR EGYPTIAN ECONOMY

FOREIGN DIRECT INVESTMENTS (USD BN)



INTERNATIONAL RESERVES (USD BN)



EXPORTS (USD BN)



IMPORTS (USD BN)



FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN



Source: MPED, CBE & CAPMAS

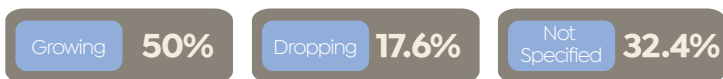


NAC'S ADMINISTRATIVE & COMMERCIAL UNITS REMAIN HIGH IN DEMAND

BY REEM SELIM

While Egypt is on its way to inaugurate the New Administrative Capital (NAC), a high demand wave for units in NAC has been noticed, especially during the latest real estate exhibitions, in which there is a heavy turnout from buyers searching for the best administrative/ commercial units with the best specifications, suitable price, easiest payment systems, and the highest return on investment (ROI). Invest-Gate speaks to market experts and customers, in a bid to find out the demand direction for administrative and commercial units in NAC.

DEMAND DIRECTION



According to Invest-Gate's recent survey, 50% of participants believe the demand for administrative/commercial units in NAC is growing; on the other hand, 17.6% see a drop in demand. Meanwhile, 32.4% believe that the demand wave is still not clear.

In this regard, Ashraf Diaa, Marota Developments COO, states, "Our ongoing market research reveals that about (four to seven) of every 10 people have the interest to purchase a commercial unit in NAC, especially in entertainment areas. The customer's first choice is the food and beverage unit, then retail, then the administrative office."

Invest-Gate spots three main motives behind the demand surge. The first is Achieving High ROI. A large segment of customers seeks to maximize the return on their savings by investing in distinguished tools, such as administrative and commercial units for future long-term rent deals and/ or resale. Thus, NAC is considered to be the first and the most prominent destination for the real estate market now. Besides, various real estate developers across NAC are offering distinctive administrative and commercial units, to help achieve the highest return for the investor (ROI).

Eng. Emad Doss, El Batal Group CEO, stresses that the demand is highly growing on administrative and commercial units, explaining, "The customer's motive to purchase administrative or commercial units is for investment, which is expected to double by the time the Egyptian government moves to NAC next year."

Real Estate Expert Mostafa Abdel Khabir explains that the administrative and commercial units have many advantages, from the point of view of the individual investors, compared to residential. "First, administrative and commercial buildings tend to be completed and delivered faster than residential compounds. Second, the investor does not adhere to specific areas, or other specifications in the administrative unit, as he will not use it himself, unlike the residential units. He just wants to gain profit," he elaborates.

In this regard, Invest-Gate polls customers' opinions about the main motive to purchase an administrative or commercial unit in NAC.

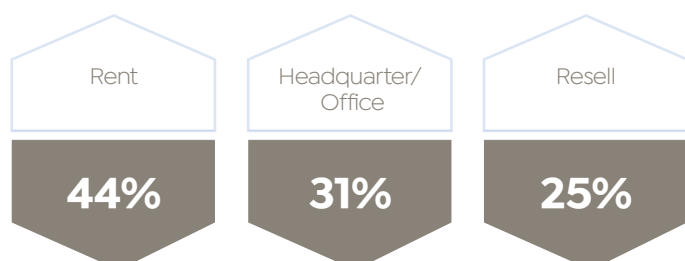
The results show that 44% of participants would purchase an administrative or commercial unit to rent it, and 31% would use it as an office, while the remaining 25% would resell it. This means that ROI is the main motive for 69% of participants.

Second: The State's Huge Interest

The second reason behind the witnessed high demand is the State's Interest in NAC. The Egyptian government is keen to present NAC as one

of the most prominent business and investment destinations in the Middle East. Consequently, it had adopted a marketing plan to attract the largest 500 companies in the world to place their regional headquarters in NAC. Moreover, the state has planned to offer 10,000 acres for commercial and administrative buildings in NAC, according to their official statement.

MOTIVES TO BUY COMMERCIAL/ ADMINISTRATIVE UNITS



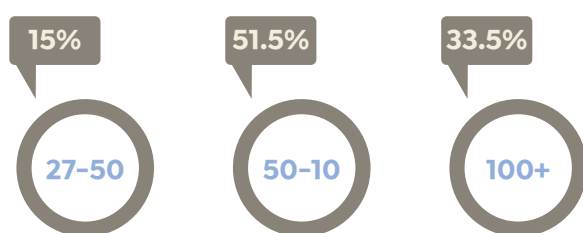
Thirdly, the important role played by Real Estate Agents in the demand surge. Most developers depend on brokers to maximize their sales, and the brokers are playing an outstanding role to direct customers to purchase administrative and commercial units in NAC, highlighting its ROI.

Abdel Khabir discloses, "The customer has become confused by a large number of advertisements for real estate projects and finds it difficult to determine the best offers. Therefore, he tends to seek advice from consultants and brokers." He adds, "On the other hand, companies give the highest commission rate to brokers to market the administrative and commercial units in NAC. Accordingly, Brokers direct customers to purchasing these units."

Specifications of High-Demand Units

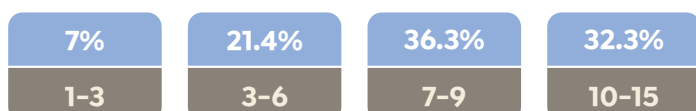
According to Invest-Gate's survey on customers' preferences when it comes to purchasing an administrative or commercial unit.

PREFERRED COMMERCIAL/ ADMINISTRATIVE UNIT SPACES (M²)



The results show that 51.5% of respondents prefer an area of 50-100 sqm, while 33.5% prefer a larger area of more than 100 sqm. 15% prefer a small area of 27-50 sqm.

OPTIMUM PAYMENT PLANS (YRS)



When it comes to payment plans, 36.3% of respondents prefer payment facilities of up to seven to nine years, while 32.3% prefer longer periods of 10-15 years. However, 21.4% prefer three to six years, and only 7% want to pay installments over one to three years.

As for the most attractive area in NAC, 59.4% choose the Central Business District (CBD), while 21.4% prefer downtown, 9.4% choose the R7 District, and the same percentage goes to the R8 District.

MOST ATTRACTIVE AREAS FOR COMMERCIAL/ADMINISTRATIVE UNITS



Supply Challenges

According to real estate experts, there are three challenges hindering the supply of administrative and commercial in NAC, as following:

First: Failure to Pay Installments

As long as the demand for NAC is booming, there will be some customers, who may have trouble to fulfill their payments. Consequently, the developers' cash flow can be fraught.

Second: Customers Failure To Operate Units

When buildings and/ or units remain deserted, it is often the fault of the owner, who failed to operate it. According to Abdel Khabir, "The customer may rent the unit to a law brand, which does not meet the community standards, or maybe close it for a while to get high prices."

Third: First Time Developers

First time developers who shifted from any other profession like construction for example with limited experience can negatively affect the market. Commonly known across the market, they tend to mistaken the appropriate price policy or delay delivery, which falsely impact administrative and commercial projects in NAC in general. Fady Soliman, property consultant at IC Group, comments, "The government has already withdrawn projects from some companies entering the market for the first time due to their non-compliance. Moreover, these companies offer reduced prices that do not match the cost of implementation, which could harm the market."

Estate Experts Foresee the Future

Experts believe that the demand for these types of units will remain high, especially during the coming one to three years. According to Abdel Khabir, demand in the future will depend on customers' experience especially after NAC is inhabited. Daa agrees, saying, "The developers must deliver units that meet consumers' aspirations, so they must carefully choose their partners."

The current period witnesses an increasing demand for administrative and commercial units but its continuity in the future remains contingent on the ability of developers to deliver the units of highest standards, meet deadlines, and with sought-after facilities as earlier promoted.



UNIT PRICES MAY INCREASE

FOLLOWING CONSTRUCTION MARKET CHANGES

BY **SHAIMAA IBRAHIM**

TRANSLATED BY **REEM HASSAN**

The price of construction materials in Egypt has witnessed booming changes since the beginning of 2021, compared to previous year. This has been seen due to radical changes in local and international markets; in addition to that, the consequences of building materials price increase have cast a negative shadow on the Egyptian market. Accordingly, Invest-gate has conducted a survey to find out the main factors behind these changes and its impact on unit prices of various types in the near future.

The construction materials prices upsurged, with around 13% to 51% by end of June 2021 compared to last year, according to an official report issued by the Central Administration for Building Needs and Materials, affiliated to the Ministry of Housing, Utilities and Urban Communities.

Factors Behind Demand Upsurge for Construction Materials

Several factors are contributing to such an upsurge in the prices of construction materials, including a global price increase in raw materials

and a recent increase in demand locally, in addition to the implementation of huge national projects.

The Egyptian construction market suffered from recession during 2020, starting by the state banning building licenses for six months back in March 2020 followed by the pandemic outbreak. Construction work had been suspended and precautionary measures had been followed to confront this outbreak. This caused delays in projects delivery, supply chain disruption, production drop, and financial shortfalls, which had negative effects on construction material prices during 2021.

In this regard, an Invest-Gate report entitled “The Latest Construction Headway in Property Market,” issued last April, states that 69% of

participants confirmed that contracting companies suffer from financial shortfalls and a severe drop in profits due to the pandemic outbreak.

Besides, the Ministry of Planning and Economic Development (MPED) affirmed that the construction sector shrinks by 9.1% in Q1 2020, which is around EGP 91.35 bn of GDP. In the same context, the Central Bank of Egypt (CBE) stated that this industry witnessed a decline by 5.7% YoY in Q2 2020, before recovering slowly in Q3 of the same year, with a growth rate of 2.6% YoY.

Accordingly, some companies have altered their focus to reinforce their profits and compensate losses due to the pandemic in 2020. At the same time, the local market witnessed a significant increase in prices of most basic construction materials since the beginning of 2021.

The construction materials department in the Chamber of Commerce indicates that the price increase is due to factories maximizing their profits during the current period locally and an increase in prices of raw materials at the international stock exchange, in which the price of pallet per ton was about USD 700, and the price of a scrap per ton was about USD 502.

Main Factors for Demand Upsurge

Price Increase of Raw Materials and Costs

In July 2021, the price of iron per ton was about EGP 14,800, an increase of 51% vs. June 2020, and the price of cement increased by 39%, rocks and gravels prices raised by 15%, in addition to the prices of other construction materials, according to the construction materials department of the Cairo Chamber of Commerce.

It is noteworthy that Egypt produces about 79 mn tons of rebar and about 4.5 mn tons of pallet; meanwhile, it imports 3.5 mn tons of pallet ore, according to the Chamber of Metallurgical Industries. Moreover, there is a strong link between the Egyptian steel industry and the global market because Egypt imports the inputs of production; therefore the global price increase of raw materials will affect the local ones.

On the other hand, the aforementioned Invest-gate report confirmed that 56% of the companies surveyed indicated that the emergency imposed by the pandemic would not cause any fluctuations in the prices of construction materials, however, 25% of respondents said that the pandemic disruptions will lead to higher prices of raw materials due to fluctuations in supply and demand.

Furthermore, the latest survey conducted by Invest-gate indicates that 22.6% of participants believe that the recent increase in raw material prices is one of the main reasons for the upsurge in demand for construction materials locally.

National Projects: New Cities

Prior to the pandemic crisis, the Egyptian construction sector witnessed rapid growth, with an average annual rate of 9.6% between 2016-2019, according to Global Data, and this comes due to the major projects implemented by the government such as new cities, huge national projects, and infrastructure development.

Besides, the MPED remarks that the state's efforts in infrastructure projects, new cities, and road networks have contributed to supporting the construction sector, and revitalizing the economic cycle to confront the crisis.

Thus, 77.4% of the participants in Invest-gate's latest survey attributes the main reason for the increase in demand for construction materials, during the last period, to the establishment of new cities, especially the New Administrative Capital (NAC).



REASONS BEHIND DEMAND INCREASE FOR CONSTRUCTION MATERIALS

Raw Materials Price Increase **22.6%**

New Cities Establishment **77.4%**

Egypt is on the way to enter an era of smart cities through 14 of the upcoming new cities based on international technological standards in a bid to digitize the next generation of communities and to develop the real estate industry. Moreover, the Egyptian government is also adopting a strategic plan for urban development to increase the built-up areas and establish new urban communities, in which various housing projects, infrastructure, and services are complete.

Besides, many new cities are underway, such as NAC, New Alamein City, and El Galala City to name a few. The total area of new urban communities is about 380,000 acres, and it is planned to accommodate about 14 mn people. Also, the total investments in the existing new cities are amounted to about EGP 77 bn, according to statements of the Ministry of Housing, Utilities, and Urban Communities.

Future Expectations

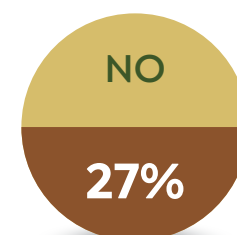
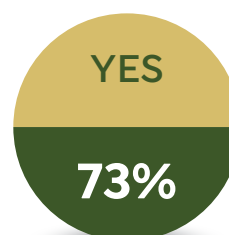
The increase in prices of construction materials will lead to further changes in the building cost of projects, which are currently ongoing by real estate development companies. This will in return cause an increase in unit prices across the sector whether residential, commercial, and/or administrative.

Across the private sector, some real estate development companies expect that prices of residential units to rise by 10-20% during the last quarter of 2021. In this regard, the construction materials department of the Chamber of Commerce reports that the recent increase in the construction material prices had a negative impact on the prices of the real estate market, which increased between 20-25%, due to the upsurge in the cost of land and construction materials such as rebar and cement, in addition to the growth in the demand volume to purchase new units for housing or investment purposes.

In the same context, 73% of the respondents to the latest Invest-Gate survey see that the rise in construction material prices will lead to an upsurge in property prices during the coming period, however, 27% believe that real estate prices will remain relatively stable.



CONSTRUCTION MATERIALS PRICE INCREASE TO BOOST PROPERTIES PRICES



Accordingly, unit prices will increase in the coming period, especially among the upcoming projects that follow the recent price hike in construction materials. Therefore, real estate companies must create a balance between setting new strategies to avoid losses and accommodate for the purchase power and the affordability within the real estate sector.



NEW COMBOS

MEGA BUZZ

2 Large Sandwiches
+ 2 Fries + 1 Cola Liter

190 EGP

BUZZ COMBO

2 Medium Sandwiches
+ 2 Fries + 1 Cola Liter

170 EGP



 minceburgeregypt

 @minceburgerseg

CALL US ON
16885



“Live Diwan’s experience by visiting your nearest branch!,,

📍 **Zamalek**
01222407084

📍 **Maadi**
01098887326

📍 **Heliopolis**
01226000168

📍 **El-Gouna**
01226539644

📍 **Down Town**
01279918669

📍 **Sahel**
01221503517

📍 **Sheikh Zayed 'Tivoli'**
01274883006

📍 **Sheikh Zayed 'Capital Promenade'**
01221503483

📱📺📷📧 Diwanbookstore



Circle

MEGASTORE

loyalty program



exclusive



easy



rewarding



personal

f virginmegastoreme
@ virginmegastoreme
📞 01555443330

City Stars
Cairo Festival City
Mall of Arabia
Mall of Egypt
virginmegastore.me



Download
the Loyalty
App Today!

CAPITAL PROMENADE

by THE PLATFORM

f CapitalPromenade @ 26th July Corridor, Sheikh Zayed City



#ONTHEPROMENADE
A PLACE FULL OF COLOR & EXTRA LOVE.
#OnThePromenade #CapitalExperience





CONSTRUCTION

DELIVERING

16170

جیل الزریبی
٧٣١-٦٥٥

TLD
LAND DEVELOPERS

ON PROGRESS

G ON TIME

رقم التسج
-٤٩٤



ARMONIA

INVESTIGATE

THE VOICE OF REAL ESTATE

GOING COMMERCIAL

THE FUTURE OF EGYPT'S
REAL ESTATE MARKET

ROUNDTABLE

WEDNESDAY DECEMBER 8 2021
THE NILE RITZ-CARLTON

STAY TUNED!

 investgateofficial



 Invest-Gate



 invest.gate



www.invest-gate.me