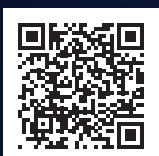


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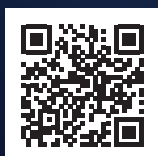
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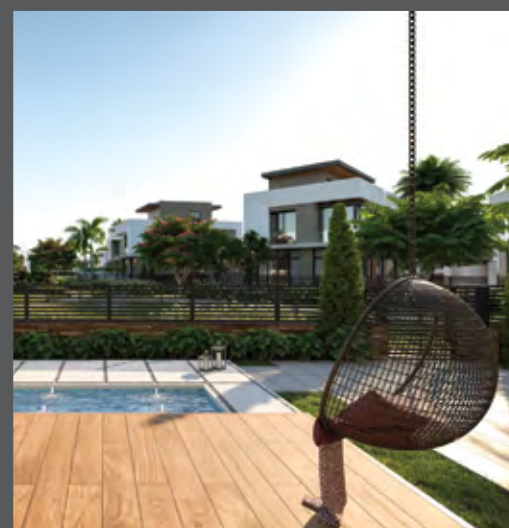
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We bid farewell to 2021 and welcome 2022... a promising year for real estate. Remember Egypt's vision 2030, its urban development plan, and new cities expansion, well its highly anticipated cities of NAC, New Alamein, Mansoura, and Galala are to be inaugurated within six months. The government is keeping a close eye on the new capital's progress to have it operational this summer a year after its original inauguration plan got postponed.

Invest-Gate goes psychic this month. We sit with some experts across the market and give you their predictions on the industry performance in 2022, prices, market trends, and what they believe is necessary to keep the wheel running. Be sure to give this piece a read and see if those predictions come true throughout the year.

If you have missed our last roundtable of 2021, titled Going Commercial last month, we give you the full coverage of the discussion, its highlights, and recommendations. Invest-Gate continues to open new angles and divert the market to further investment opportunities. We thank all our business partners for their continuous support, cooperation, and adoption of our ideas. In 2022, we celebrate our five-year anniversary. Global pandemic, inflation, or whatever comes our way, we continue to explore more investment opportunities, open doors to different market trends, support public and private sectors of this industry and the growth of Egypt.

Stay tuned for all there is to come from the Invest-Gate family in 2022.

Have a festive New Year  
& stay safe



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# JANUARY HEADLINES

## El Gazzar Joins Council of Arab Ministers Housing and Construction in Amman

Minister of Housing, Utilities and Urban Communities Assem El Gazzar joins the 38<sup>th</sup> annual Council of Ministers of Housing and Construction in Amman under the sponsorship of Jordan PM Bisher Al Khasawneh and Minister of Public Works and Housing Yahya Al-Kasabi, Invest-Gate reports.



El Gazzar presents Egypt's National Report, launched in March 2021, for the council to follow up on the new urban development agenda of Egypt, displaying its implementation progress based on decisions taken during the previous session of the council. The decisions include a follow up on the sustainable development plan 2030 and that of the Arab strategy for housing and sustainable urban

development. The report reviews the achievements made in the field of sustainable urban development. It also demonstrates all obstacles while implementing such plan, recommending the ministry's proposed solutions.

Under the council 38<sup>th</sup> session titled, The Quality of Life as One of The Basics of Proper Urban Planning,

El Gazzar reveals Egypt's recorded remarkable achievements in the field of comprehensive development with the expansion of new cities and upgrading citizens quality of life during the past few years.

El Gazzar also points out that the New Urban Communities Authority (NUCA) has won An Appreciation Award in Sustainable Urban Development, out of 170 nominated institutions, granted by the United Nations Human Settlements Program 2021 (UN-Habitat), due to its achievement in sustainable urbanization and providing housing units for various social segments.

## Egypt Economic Summit Concludes with Major Recommendations to Boost Egypt's Economy

The third edition of Egypt Economic Summit 2021 (EES21) concludes with more than 30 strategic recommendations of paramount importance, from industry trailblazers and government officials, towards boosting Egypt's economy and optimizing several industries, Invest-gate reports.

The summit is held under the auspices of Prime Minister, Mostafa Madbouly, with high-profile participation from Minister of Planning and Economic Development Hala El Said, Minister of Trade and Industry Nevine Gamea, CEO of the Sovereign Fund of Egypt, Ayman Soliman, and Executive Director of the International Monetary Fund Mahmoud Mohieldin.

With more than 20 experts and officials from the governmental and private sectors, EES21 discusses the socioeconomic evolution in the last few years to address the pressing issues in the economic sectors. The summit aims to bring up economic and investment opportunities in Egypt, after COVID-19, in several vital sectors of the Egyptian economy.

### The Egyptian delegation shares several insightful recommendations:

- Creating new work processes for the Competition Protection Authority in order to improve investment prospects.
- Rebuilding the consumer protection system in accordance with the objectives of the new republic.
- Using economic reforms to strengthen the investment climate.
- Comprehensive digital transformation and activation of e-banking transactions to achieve integrated financial inclusion.
- The necessity for the banking industry to prioritize small and medium-sized businesses.



- The significance of fostering a culture of self-employment and entrepreneurship in order to increase job options.
- Creating incentives to encourage and assist the transition to a green economy in order to stimulate the private sector and combat the global inflation wave.
- Minimizing anti-competitive laws and practices while maintaining competitive fairness.
- Using technology to interact with customers and promptly resolve their issues.

The panel discussion witnesses the participation of Deputy Finance Minister for Financial Policies Ahmed Kojak, Chairman of Egyptian Competition Authority Mahmoud Momtaz, Chairman of Consumer Protection Agency Ayman Hossam El-Din, CEO of First Abu Dhabi Bank in Egypt Mohamed Abbas Fayed, and CEO and Managing Director of the Asset Management Sector at CI Capital Holding for Financial Investments Amr Abol-Enein.

Additionally, Ahmed Yakoub, head of the Economy and Banking Department at Youm7, moderates the session.

### Some other key recommendations include:

- Emphasis on the participative concept in order to utilize all of the government, business sector, and civil society resources.
- Increasing effective community engagement in order to achieve comprehensive and long-term development goals.

- Boosting human capital investment by adopting a variety of training and capacity-building initiatives.

- Activating the "Irada Initiative" for business environment reforms, which aims to alter the legal and regulatory framework in order to stimulate business.

- Increasing and encouraging investments by fostering a dialogue between the government and private sector enterprises.

- Facilitating industrial licensing procedures and providing associated industrial lands.

- Creating an integrated team of trained human cadres, with each member managing a specialized industrial sector and working to solve problems and overcome hurdles.

- Considering the investment in key sector projects in light of the pandemic, such as agriculture, food processing, logistics, and digital transformation.

- Increasing investment in education and establishing schools in collaboration with the private sector.

- Enhancing the role of the private sector as one of the primary axes of structural reforms to complement the successful execution of the National Program for Economic and Social Reform.

- Facilitating all procedures and providing the necessary assistance to train the administrative sector, which has continued to perform in the same manner for years and has not seen the hoped-for progress.

This year, the summit is sponsored by Telecom Egypt WE, Tatweer Misr, Amer Group, Hyde Park Developments, Danone Egypt, Eastern Company S.A.E, Misr Italia Properties, and Marriott Residence Heliopolis



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## Aldar & ADQ Acquires SODIC's Majority Stake in a EGP 6.1 bn deal

Sixth of October for Development and Investment Company (SODIC) shareholders agree to sell 85.52% of the company's issued share capital to a consortium that is 70% controlled by Aldar and 30% by ADQ, making the Aldar-ADQ consortium the largest and majority shareholder of SODIC, according to SODIC's Managing Director Magued Sherif.

"We are excited to welcome Aldar and ADQ as strategic investors and key shareholders in SODIC and look forward to starting a new chapter in our growth story," announces Sherif. "This is the biggest foreign investment in the Egyptian real estate market to date and proves how stable our economy is," he continues, while confirming that SODIC's name, brand, and operations continue as is in the Egyptian real estate and stock markets.

The consortium consists of Aldar Properties, the largest developer in Abu Dhabi with 70% of its control, and one of the region's biggest holding companies ADQ with 30% of its control. This acquisition is valued at EGP 6.1 bn after a successful mandatory tender offer.

According to the signed agreement, the Abu Dhabi-based consortium acquires 85.5% of the outstanding share of SODIC. The transition is being finalized at a purchase price of EGP 20.0 per share. "Following the successful conclusion of a mandatory tender offer, the consortium will acquire 304,628,772 of the company's shares for a cash price of EGP 20 per share, valuing SODIC at over EGP 7.1 billion and implying a transaction



value of some EGP 6,092,575,440 billion," SODIC's official statement reads.

"The Aldar-ADQ consortium brings financial strength, a solid track record in institutional real estate investment, development of premium quality communities and destinations, and property management. We want to thank our existing shareholders and investors for their trust in SODIC and its management team to deliver sustainable growth and returns. We are excited to work with Aldar and are looking forward to starting a new chapter in our growth story," Sherif concludes.

In 2019, ADQ launched a USD 20 bn- joint strategic platform with the Sovereign Fund of Egypt to invest in several key sectors, including healthcare and pharmaceuticals, utilities, food and agriculture, real estate and financial services. This transaction is ADQ's latest investment in Egypt, highlights SODIC's statement.

## Founders and Al-Ahly Sabbour Launch Gardenia City Phase II



After recording EGP 7 bn of sales in phase I, the alliance between Founders and Al-Ahly Sabbour Developments opens reservations for Gardenia City phase II, offering about 2000 units at a competitive price, Invest-Gate reports.

Units will be sold at the set prices for 2021, without the expected price increase exceeding 15% as expected in 2022, according to the economic experts' forecasts. The alliance also offers various payment systems of up to eight years.

This comes after achieving EGP 7 bn of sales and delivering 2,800 units in the first phase. The alliance aims to record EGP 2.5 bn of sales in the second phase.

The project is distinguished by its direct location on Suez Road and the Ring Road, five minutes from away Heliopolis and ten minutes away from the Fifth Settlement. It also has a distinctive infrastructure, as all units are fully finished and ready for delivery.

Gardenia City project spans over 680 acres, while the buildings occupy only 20% of the total project. The project features recreational, commercial and service activities. It also includes two schools, a gym and a hotel, as well as mosques and a church fully equipped for all residents of the compound. Additionally, the project provides guards and 24-hour security. Sales offices will start operation on December 5, 2021.

## UAE's Chimera Acquires 25% of Sawiris' Gemini



The UAE's Chimera acquires 25% of Sawiris' Gemini in a USD 100 mn transaction, Invest-Gate reports. Naguib Sawiris announces the signing of an investment deal with Abu Dhabi's Chimera whereby Chimera, through its subsidiary, will subscribe to a capital increase in Gemini Global Development Egypt in return for a significant minority equity stake in Gemini. The acquisition raised the Gemini Holding's total capital to USD 400 mn.

The capital increase will further support the expansion and development of Gemini's Egyptian real estate operations under Ora Developers, as Gemini Holding owns 100% of Ora Developers. The transaction aims to support the company's financial position, which is adopting a plan to expand strongly within the Egyptian and regional real estate market.

Sawiris expresses his pride in this milestone investment opportunity for Ora Developers by affirming "Since inception, our goal for Ora Developers was to continuously seek opportunities that will help us expand our offerings to various markets while partnering with leading global investors, contractors and retailers. We are committed to investing in real estate developments across Egypt creating truly unique signature projects throughout the country. Our partnership with Chimera will ensure we deliver on our commitment."

"Through this partnership, Chimera continues to grow and further enhance its global portfolio by investing in a prominent player operating in a high growth sector in Egypt. We are pleased to join forces with a best-in-class founder and management team that have already demonstrated strong capabilities in delivering on Ora's plans," Syed Basar Shueb, Chairman of Chimera, states. It is worth noting that Chimera Capital, a subsidiary of Abu Dhabi's Royal Group, is a significant backer of Nasdaq-bound transportation play Swvl and has just recently wrapped up the second close of its first-ever venture capital fund, which will see it invest in 12-15 startups across the Middle East and Southeast Asia.

Royal Group has investments in some 60 entities with 20,000 employees spanning real estate to FMCG by way of healthcare and aviation. Gemini, the Sawiris family's private equity arm, invests in everything from real estate to private equity.



# COLDWELL BANKER-EGYPT CELEBRATES THE LAUNCH OF ITS NEW PROGRAM “FRANCHISE AND CAPITALIZE”

Coldwell Banker – Egypt, a leader in Real Estate investment and Marketing, has celebrated the launch of its new program; “Franchise and Capitalize”. It enables investors and entrepreneurs in Real Estate sector to establish successful projects, expand in existing ones, achieve the well managed risk; meanwhile comply with the framework of the Egyptian Real Estate new market requirements. During the celebration, Coldwell Banker – Egypt has announced that more than 2,000 applicants have applied to participate in the program, with Redcon Construction and Yassir Barkouky being the first to join the Franchise Program.

The event was attended by Eng. Khaled Abbas, Deputy Minister of Housing, Ms. Nicole Champagne, Deputy Chief of the American Mission at the US Embassy in Cairo, representatives from Coldwell Banker International, along with a large number of real estate experts, success partners, and those interested in cooperating with Coldwell Banker by participating in the Franchise Program.

The launch of the new “Franchise and Capitalize” Program falls in line with the vision of Coldwell Banker’s global strategy, which focuses on supporting and developing the Real Estate sector in Egypt. It complements the urban renaissance that is witnessed in Egypt, and the country’s interest in micro, small, and medium enterprises. Furthermore, Coldwell Banker, with the implementation of “Franchise and Capitalize” Program, strives to build a generation of professional Real Estate experts that will cater to all the Egyptian governorates, provide job opportunities, and create new investment windows, with highest ROI.

On this occasion, Mohamed Abdalla, Chairman of the Board of Directors of Coldwell Banker – Egypt, expressed his pride of the successes of Coldwell Banker International; being the world’s leading full Real Estate service provider in 40 countries. Thus, he stated: “The Real Estate Sector is currently undergoing several developments, which led to the establishment of new fundamentals, and the application of a new set of standards, which follow Egypt’s Sustainable Development Goals (SDGs), and Egypt’s 2030 Vision.”

Abdalla added: “We started our operation in the Egyptian market twenty years ago, and during this time, we have succeeded in building a generation of real estate experts; who are able to think, analyze, and gain the customers’ trust. With the launch of the new “Franchise and Capitalize” Program, we look forward to adding a new chapter to our success story, and providing more advanced real estate advisory services; backed by our global and local expertise.”

Furthermore, Karim Zain, CEO of Coldwell Banker – Egypt, congratulated Redcon Construction and Yassir Barkouky, for being the first to join the Franchise Program by saying: “Our new “Franchise and Capitalize” Program provides the opportunity to benefit from Coldwell Banker’s diversified portfolio of services in Egypt, including marketing studies, asset valuation, capital services, and others related to the Real Estate sector for the developer and the customer.” He further



commented: “We are proud that Coldwell banker is a trusted source for clients, acknowledged for its use of the latest techniques, to recognize real estate trends, and help customers make calculated decisions, and identify alternatives.”

Regarding the program’s requirements, Sherif Mahmoud, Vice President of Coldwell Banker– Egypt for Franchising, explained: “The new “Franchise and Capitalize” Program compels the presence of a legal entity for the company, and a minimum, agreed-upon, capital. Throughout the program, Coldwell Banker seeks to develop the Egyptian Real Estate market, through supporting and empowering investors, with high-level and effective training programs, and shared experiences. Participants will attend exhibitions, seminars, and conferences, affiliated with Coldwell Banker in America and Egypt, through the Coldwell Banker Academy. They will also gain access to our client network, which holds more than 400 projects.”

Additionally, Mahmoud mentioned: “We are proud of the high number of applicants for the program, which has reached 2,000 applications. We are currently reviewing the criteria, and evaluating the applicants, to announce the final participants of the program.”

It is noteworthy that Coldwell Banker’s Franchise Program has achieved great success in the USA. By witnessing a good example unleash, the company endeavors to achieve a similar impeccable impact on the Egyptian Real Estate sector; by offering job opportunities, and working through a set of regulations and operating policies of Coldwell Banker International. Subsequently, this will contribute to reducing the risks of failure, in addition to building a strong foundation that will reflect the growth of the sector, and the national economy as a whole.

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## Makadi Heights Generates EGP 441.8mn in Revenues in 9 Months



Makadi Heights, by Orascom Development Egypt, achieves EGP 441.8 mn in revenues during the first nine months of 2021, an increase of 281.8% when compared to EGP 115.7 mn in the same period of 2020, Invest-Gate reports.

The company's sales hiked by 153.6% YoY to EGP 854.7 mn during the nine-month period ending in September 2021, compared to EGP 337 mn in the same period a year ago.

Makadi Heights achieved an increase in revenues of the city management sector by 38.6%, recording EGP 15.8 mn during the January-September period of 2021.

It is worth noting that Makadi Heights is elevated 78 m above sea level, guaranteeing magnificent views. The project is 20 minutes away from Hurghada Airport and 25 minutes away from the city of Hurghada. The project spans over an area of 3.4 mn sqm. It also features 9,000 residential units, 2,750 of them are sold.

Furthermore, the company launched Raya Villas with magnificent panoramic views of the city's lakes. 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. The villas, set to be delivered in 2025, are expected to generate EGP 700 mn in sales.

## Cairo Developers Association Wins The Lion's Share at NAC

New Cairo Developers Association has obtained the lion's share of the last lands that were offered by the Administrative Capital For Urban Development (ACUD), Invest-Gate reports.

The New Administrative Capital (NAC) has been transformed within a few years for the best investment for various businessmen and investors in Egypt and GCC. Mohamed Al Bostany, head of the New Cairo and NAC Developers Association, states that there is a large number of members of the New Cairo Developers Association, who have obtained lands in NAC, especially the lands designated for towers, pointing out that the recent period has witnessed the launching of several projects by members of the association in NAC.

Additionally, he expects that NAC's prices will witness a significant increase of up to 30% in Q1 2022, especially after the start of the government's move to NAC.

He further confirms that Q1 2022 will witness a revival in the real estate sector sales due to the high demand.

Such demand owes to several basic factors, including:

1. Receding of the third wave of Covid-19 especially after the increase in vaccination rates.
2. The return of the activity of real estate exhibitions.
3. The season of the return of Egyptians abroad for vacation, in which they consider an opportunity to find a safe haven for their savings.



Furthermore, he points out that the construction sector will continue to play the most role in growth rates, as it accounts for more than 17% of Egypt's GDP, providing more than three million job opportunities. This sector also supports operating more than 95 professions and industries related to the sector.

Moreover, he remarks that there is a number of vital areas and new cities that are considered a real opportunity for investment, but the NAC remains the most attractive one.

He further highlights that NAC accounts for more than 50% of the sector's sales during the current year, coinciding with the near preparation for the opening of the Government District and the start of the delivery of the first phase projects.

Additionally, he explains that customers now have an investment vision, given the availability of information, easy access to the company's evaluation, and the ability to evaluate the real investment value of the unit before purchasing. "This will have a strong benefit, which is filtering the market from companies that are not committed," he stresses.

## Akam Developments Launches The Final Phase of Scene 7



Akam Developments reveals the launch of the fourth and final phase of Scene 7, the company's second project and the first global sports compound in the New Administrative Capital (NAC), Invest-Gate reports.

With EGP 4.5bn of investments, Scene 7 is located in the R7 area on an area of 40 acres. Akam Developments Managing Director Edris Mohamed says that the fourth phase sales target is estimated at EGP 890 mn, pointing out that Scene 7 encompasses 11 specialized sports academies within a full-service residential community, playgrounds and covered halls, main swimming pool, an indoor swimming pool, the first specialized sports mall, and a commercial one to serve the entire project. He also notes that the project includes green spaces, a social club, a theater, art workshops to discover and develop talents, and a central kitchen.

Akam Developments secured EGP 2.54 bn for the first three phases five months only after the launch of Phase III, according to the company's press release. The entire project completion rate has exceeded 45% and the delivery of first phase will start in the beginning of 2023. With the launch of Phase IV, Mohamed clarifies that the company currently offers its client a discount for cash payers with a one-year installment plan along with zero down payment and installment plans for up to ten years for all other clients.

SCENE 7 is the result of many market research Akam Developments conducted, analyzing the Egyptian market and clients' needs, Mohamed concludes.

# INVESTING TIPS

## For Start-ups

### in Real Estate



**In** the new normal that the whole world is living in, people learned to try to make big profits from minimal resources. The endless opportunities to earn can start at any age by being a successful entrepreneur through anticipating market needs sooner than anyone else. Once determined with starting a new business can be challenging and daunting at first. Thinking of real estate as a start-up business can involve risk factors contemplating where to begin, how to be successful in a market full of existing competitors, the well-known, and the infamous. Yet a directed plan to find a specific niche to win clients' trust whether individuals or corporates will guarantee realization.

This is a huge sector where plenty of businesses are active and are trying to work with all niches which is not viable and can lead to longer time to succeed. Here are the main real estate niches to get specialized in:

- Residential Real Estate - *Villas, Apartments.*
- Resort and Vacation Homes.
- Income Properties - *The ones that real estate investors buy to have income through leasing or rental.*
- Commercial Components.
- Property Management.
- Rental Properties.

To work efficiently is to pick one or two niches and opportunities will present themselves. Doing business professionally can be stress-free and replicating successful business systems from the experts is the key. This can happen by doing some research and understanding the market; and which part to focus on is best; in order to close better deals. Many leads and deals in real estate business will come directly from personal networks, whether clients, colleagues, mentors, or even competitors; thus investing ample time in cultivating genuine relationships is vital.



### Investing Tips

- Finding venture capital who is interested in funding start-ups and putting their money to work with you.
- Add an experienced real estate organization to your new start-up or a well-known proven system that has already been profitable for a long time in the market.
- Choosing an experienced management team who will manage wisely.
- Improve your public speaking and sales skills.
- Using a high tech approach will attract investors and customers.
- To be officially licensed will establish lasting success with customers.
- Plan your marketing strategy with a well-established brand, logo, core values, mission statement, marketing campaigns and a website to inform potential customers and keep track of your leads for a quick jumping-off point.

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# INVEST-GATE OPENS FURTHER INVESTMENTS DOORS **IN EGYPT'S INDUSTRIAL & COMMERCIAL REAL ESTATE**

BY **KHOLOUD MOHAMED**

**I**nvest-Gate launches its last roundtable for 2021, focusing on the future of commercial, administrative, and industrial real estate in Egypt under the title “Going Commercial...The Future of Egypt’s Real Estate Market” on December 8 at the Nile Ritz Carlton, Invest-Gate reports.

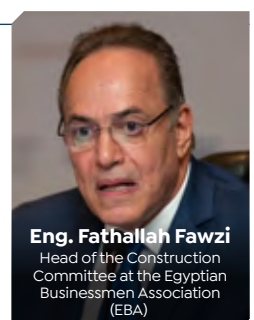
The roundtable platinum sponsor is Cairo Festival City (CFC) by Al Futtaim Group Real Estate and the silver sponsor is Coldwell Banker Commercial Advantage. The roundtable, in cooperation with the Egyptian Businessmen Association (EBA), focuses on providing an effective strategy for all operating in the Egypt’s real estate sector. It also sheds light on the means of meeting the increasing demand on commercial, industrial, administrative, retail, and logistic real estate, in addition to the importance of attracting more local and foreign investments.

Invest-Gate’s roundtable hosts prominent experts and decision makers in the Egyptian real estate sector. The discussion was moderated by Eng. Fathallah Fawzi, head of Construction Committee at the Egyptian Businessmen Association (EBA), in cooperation with Eng. Hisham Shoukry, chairman of Rooya for Real Estate Investment, Eng. Ashraf Ezz, managing director of Al Futtaim Group Real Estate, Dr. Sherif Hassan, CEO of Coldwell Banker Commercial Advantage, Eng. Sameh Attia, managing director of Oriental Industries Projects, Eng. Al-Moataz Bahaa El-Din, CEO of CPC Industrial Development, Eng. Hisham Moussa, managing director of Redcon for Offices and Commercial Centers (ROCC), Mr. Edrees Mohamed, founder & CCO of Akam Developments, Eng. Basheer Mostafa, CEO of First Group Developments, Eng. Mohamed Taher, chairman of Nile Developments, Eng. Bassel Shoirah, deputy general manager at Polaris International for Industrial Parks (PIIP), Mr. Nehad Adel, CEO of KVRD, and Mr. Ayman Sami, country head of JLL.

The roundtable’s first session “Industrial Real Estate” discusses the increased demand on industrial real estate, as speakers affirm the importance of the participation of the private sector in industrial development, which, in turn, would help in enhancing Egypt’s economy, especially when it comes to attracting more local and foreign investments. They also stress on the importance of creating more legislations to guarantee the rights of small developers.

Fathallah Fawzi, head of Construction Committee at the Egyptian Businessmen Association (EBA), states that Egypt’s Vision 2030 aims at achieving USD 100bn exports annually, stressing the importance of real estate developers’ role in industrial development besides their running projects.

“ Egypt’s Vision 2030 aims at achieving USD 100bn exports annually. Real developers play a vital role in building an industrial real estate market aside running their own projects. ”



**Eng. Fathallah Fawzi**  
 Head of the Construction Committee at the Egyptian Businessmen Association (EBA)



For his part, Ashraf Ezz, managing director of Al Futtaim Group Real Estate, confirms, "The development system in Egypt has to be comprehensive, so that real estate development takes place in parallel with industrial development, to achieve the state's plan to launch integrated urban cities." He also stresses on the importance of the participation of the private sector in industrial development, noting that such a step is not that easy like other real estate projects. Ezz notes that administrative project reached 1.7 mn sqm, and it expected to cover an area of 4.5 mn sqm by 2025.

In the same vein, Hisham Shoukry, chairman of Rooya for Real Estate Investment, points out that industrial development will offer more job opportunities, in addition to raising the demand on other real estate projects, whether residential, commercial, or administrative. He also calls the government to offer industrial lands with various systems, in addition to introducing the "usufruct system". Shoukry elaborates, "The state has to be a partner to industrial developers and create an attractive environment for foreign investment."

As regards industrial developers, Al-Moataz Bahaa El-Din, CEO of CPC Industrial Development, states, "Industrial developers' role completes the state's vision in a more professional way, in addition to offering after developing services and fastening the implementation process. Over the past few years, up to 14mn sqm have been implemented in three cities."

Similarly, Sherif Hassan, CEO of Coldwell Banker Commercial Advantage, agrees that industrial development is the base for developing other real estate products, noting that the ongoing infrastructure upgrade will boost the state's position to be a hub for industrial development, achieving Egypt's Vision 2030.

"It is important to have an integrated system, offering residential and commercial real estate before starting with industrial development. The state has to overcome all obstacles to start the industrial activity such as issuing licenses for developers," Sameh Attia, managing director of Oriental Industries Projects, stresses.

Additionally, Edrees Mohamed, founder & CCO of Akam Developments, explains the importance of promoting industrial development such as real estate development and solving small industrial developers' problems due to the strong competitive environment. Mohamed affirms that activities of 70% of these small developers are not noticeable.

Bassel Shoirah, deputy general manager at Polaris International for Industrial Parks (PIIP), shares the same opinion, affirming that implementing industrial development is easier in Egypt when compared to real estate development, as there is a difficulty in marketing industrial development due to the strong competence from other countries, calling the government to stop supporting subsidizing land prices to avoid manipulations by real estate brokers.

Commenting on industrial development, Mohamed Taher, chairman of Nile Developments, says that industrial development did not achieve the awaited success in attracting foreign investments over the past few years. Taher points out that the state should give more support to the industrial sector through subsidizing land, energy and taxes to motivate investors to invest in this sector.

As for Hisham Moussa, managing director of Redcon for Offices and Commercial Centers (ROCC), confirms that the industrial sector represents around 18% of Egypt's GDP with operations of 30% of the total workforce. Accordingly, the state has to give special focus to industrial development, as Egypt's location qualifies it to be an industrial center in Africa.

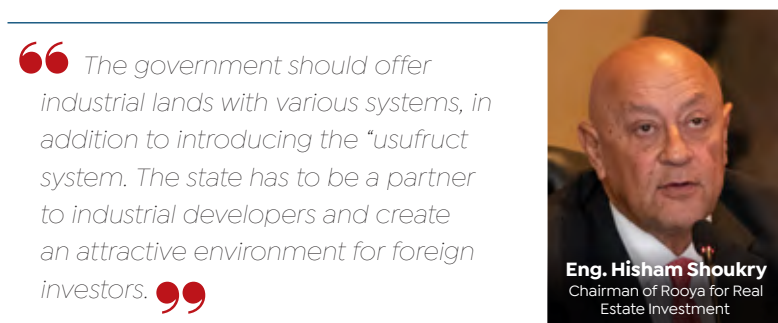
Furthermore, Basheer Mostafa, CEO of First Group Developments, points out, "The government has to focus on industrial development and formulate a legislative package with all necessary elements that serve the industrial developer, who will be a main source for GDP, achieve a complete industrial and urban renaissance."

"The industrial development is enjoying a high demand at the moment. The market will also witness more demand on mixed-use real estate," Nehad Adel, CEO of KVRD, comments. Ayman Sami, country head of JLL,



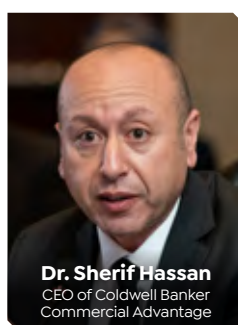
**Eng. Ashraf Ezz**  
Managing director of  
Al Futtaim Group Real Estate

“The development system in Egypt must be comprehensive, so that real estate development takes place in parallel with industrial development, to achieve the state's plan to launch integrated urban cities.”



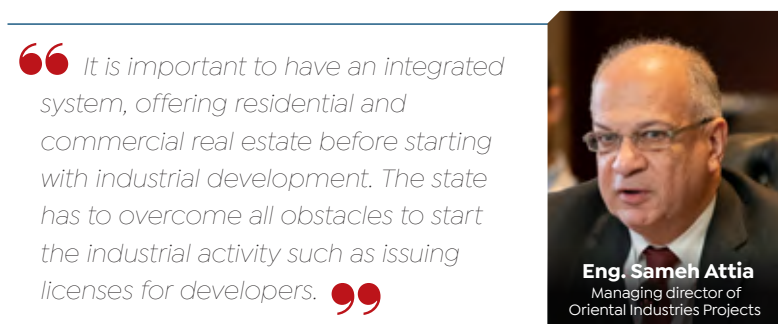
**Eng. Hisham Shoukry**  
Chairman of Rooya for Real  
Estate Investment

“The government should offer industrial lands with various systems, in addition to introducing the “usufruct system. The state has to be a partner to industrial developers and create an attractive environment for foreign investors.”



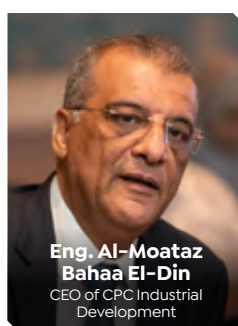
**Dr. Sherif Hassan**  
CEO of Coldwell Banker  
Commercial Advantage

“Industrial development is the base for developing other real estate products. The ongoing infrastructure upgrade will boost the state's position to be a hub for industrial development, achieving Egypt's Vision 2030.”



**Eng. Sameh Attia**  
Managing director of  
Oriental Industries Projects

“It is important to have an integrated system, offering residential and commercial real estate before starting with industrial development. The state has to overcome all obstacles to start the industrial activity such as issuing licenses for developers.”



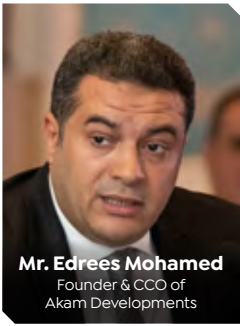
**Eng. Al-Moataz  
Bahaa El-Din**  
CEO of CPC Industrial  
Development

“Industrial developers' role completes the state's vision in a more professional way, in addition to offering after developing services and fastening the implementation process. Over the past few years, up to 14mn sqm have been implemented in three cities.”



**Eng. Hisham Moussa**  
Managing director of  
Redcon for Offices &  
Commercial Centers (ROCC)

“East Cairo is witnessing high demand in the administrative and commercial sector, especially with the anticipated opening of NAC. The ROI in both sectors exceeded the residential sector.”



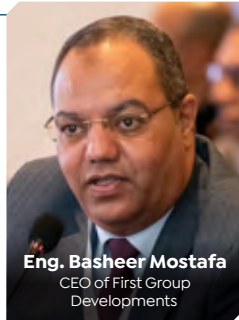
**Mr. Edrees Mohamed**  
Founder & CCO of Akam Developments

“ Establishing fourth generation cities, which will benefit Egypt’s real estate market, noting that the government has to set specific requirements for administrative and commercial units. ”

shares the same opinion, adding that logistic services are witnessing a huge demand in Egypt, but there is a shortage in meeting this demand. Sami asserted that the industrial sector is the engine of Egypt’s economy growth.

The second session, titled “Administrative, Retail, Logistics in Real Estate”, focuses on the current demand and preferred areas for customers to launch these products and how to meet these needs after the spread of the corona pandemic, considering the changing nature of the product whether it is a retail, administrative, or logistic services. The session also tackles the means of addressing the opportunities and challenges of investing in commercial real estate, in addition to attracting foreign investments to these real estate products.

“ The government has to focus on industrial development and formulate a legislative package with all necessary elements that serve the industrial developer, who will be a main source for GDP, achieve a complete industrial and urban renaissance. ”



**Eng. Basheer Mostafa**  
CEO of First Group Developments

In this regard, Ezz indicates that developers used to inject more investments in residential products, but a large number for commercial and administrative projects are being implemented nowadays to meeting the increasing demand. He also calls on reconsidering services of 12% of residential projects.

At his side, Shoukry says, “The concept real estate development has changed a lot to comprise residential, commercial, administrative, and industrial real estate. The implantation rate of administrative, commercial, medical, and educational projects in Egypt is too low when compared to other countries. Such a problem could be solved through real estate funds that are considered the real gate for exporting real estate.”



**Eng. Mohamed Taher**  
Chairman of Nile Developments

“ Investing in administrative products in this market will achieve double the investments in residential over the past five years. ”

Commenting on the logistic services sector, Bahaa El-Din expresses that this sector will witness a high demand in the future of the Egyptian market, which requires the government to seize this opportunity, affirming that there must be industrial companies handling the implementation of logistic zones inside Egypt to become an export hub for the MENA region.

However, Mohamed praises the state’s efforts in establishing fourth generation cities, which will benefit Egypt’s real estate market, noting that the government has to set specific requirements for administrative and commercial units.

“ Egypt’s real estate market is witnessing an escalation in the demand for the commercial units, stressing the importance of establishing companies specialized in feasibility studies. ”



**Eng. Bassel Shoirah**  
deputy general manager at Polaris International for Industrial Parks (PIIP)

Regarding the spread of the COVID-19, Hassan states that Egypt’s the real estate market has succeeded in overcoming the COVID-19 pandemic crisis on the administrative and commercial sector, adding that international brands must be attracted to the market to meet the increasing demand for this quality of real estate products. Mostafa also agrees that the COVID-19 pandemic did not affect the administrative sector strongly with regard to the purchasing desire, noting that small units are witnessing a higher demand.

Addressing investments in the commercial and administrative sector, Moussa says that east Cairo is witnessing high demand in the administrative and commercial sector, especially with the anticipated opening of NAC. He also reveals that return from investments in both sectors exceeded the residential sector.



**Mr. Nehad Adel**  
CEO of KVRD

“ The industrial development is enjoying a high demand now. The market will also witness more demand on mixed-use products in the real estate market. The non-residential sector has witnessed an unprecedented popularity. ”

In the same manner, Taher confirms that the administrative investment will achieve double the investments in residential over the past five years. Meanwhile, Adel reveals that the non-residential sector has witnessed an unprecedented popularity, recently, both the commercial and administrative sectors.

As for Shoirah, he states that the Egypt’s real estate market is witnessing an escalation in the demand for the commercial units, stressing the importance of establishing companies specialized in feasibility studies.

“ Real estate developers must reconsider the offering of commercial units according to specific criteria, noting that there is a gap between the demand for the educational and health sector and the current supply. ”



**Mr. Ayman Sami**  
Country head of JLL

Sami concludes that developers have to reconsider the offering of commercial units according to specific criteria, noting that there is a gap between the demand for the educational and health sector and the current supply.

By the end of the session, all developers affirm that there is a huge demand on commercial, administrative and logistic services in Egypt, which requires the government and real estate companies to offer more products to meet the needs of the customers. This, in turn, will affect the Egyptian economy positively in terms of attracting local investments, in addition to attracting international brands to pump more investments in Egypt.

# INVEST GATE ISSUES RECOMMENDATIONS FOR **INDUSTRIAL & COMMERCIAL REAL ESTATE IN EGYPT**

Invest Gate concludes its roundtable activities in 2021 with “Going Commercial...The Future of Egypt’s Real Estate Market”, in cooperation with the Egyptian Businessmen Association (EBA), on December 8, and releases its recommendations.

The roundtable aims to analyze and study the current trends in industrial, logistic, and commercial real estate, especially after the booming demand on this product at NAC among other new cities.

The roundtable hosts a group of local and international experts in the real estate market, namely Fathallah Fawzi, head of the Construction Committee at the Egyptian Businessmen Association (EBA), Hisham Shoukry, chairman of Rooya for Real Estate Investment, Ashraf Ezz, managing director of Al Futtaim Group Real Estate, Sherif Hassan, CEO

of Coldwell Banker Commercial Advantage, Sameh Attia, managing director of Oriental Industries Projects, Al-Moataz Bahaa El-Din, CEO of CPC Industrial Development, Hisham Moussa, managing director of Redcon for Offices and Commercial Centers (ROCC), Edris Mohamed, founder & CCO of Akam Developments, Basheer Mostafa, CEO of First Group Developments, Mohamed Taher, chairman of Nile Developments, Bassel Shoirah, deputy general manager at Polaris International for Industrial Parks (PIIP), Nehad Adel, CEO of KVRD, and Ayman Sami, country head of JLL.

## **FOLLOWING THE DEEP AND VITAL DISCUSSIONS, THE PARTICIPANTS CONCLUDE WITH THE RECOMMENDATIONS BELOW:**

### **Industrial Real Estate:**

1. Development in Egypt must be comprehensive and inclusive. Real estate development should take place in parallel with the industrial one to achieve fully- integrated urban development across all cities.
2. The state has to provide developers with lands allocated for industrial activities especially in new cities. Inaugurating industrial areas must be prior to urban areas.
3. For an Industrial sector development, lands designated for industrial activities with competitive prices along with attractive investment incentives must be provided.
4. Industrial lands should be offered through various mechanisms, including usufruct as it is the best solution to combat land erosion
5. Issuing licenses must be facilitated for the industrial investor.
6. The state should cooperate with small industrial developers to solve their problems.
7. The state should grant incentives to encourage investors to invest in the industrial sector.
8. The state should focus on the industrial development to turn Egypt into a major center for industry in Africa, following its recent infrastructure development.
9. Legislation must be updated to the benefit of industrial developers to achieve an integrated industrial and urban renaissance.

10. There is a need to establish warehouses and industrial zones next to the new airports and ports.
11. It is necessary to rely on technology and conduct more studies to accelerate the development of the industrial sector.

### **Administrative, Retail & Logistic Real Estate:**

1. Real estate investment funds must replace the developer of administrative, commercial, medical and educational products. This is the ideal solution to solve the shortage of supply.
2. A clear vision for logistic services should be put into place to determine its real estate requirements for logistic and industrial real estate development.
3. The state has to provide a clear direction to determine the specifications for administrative and commercial units and its requirements.
4. Intensify research and development to attract international brands along with foreign investors by providing them with the necessary services.
5. Establish feasibility studies firms, and acquire companies specialized in facility management for commercial units.
6. Reevaluate the criteria, on which commercial units are offered.
7. Implement commercial, administrative and logistic projects based on market needs.

## REAL ESTATE MARKET UPDATES

### POTABLE WATER & SANITATION PROJECTS



#### Executed Projects



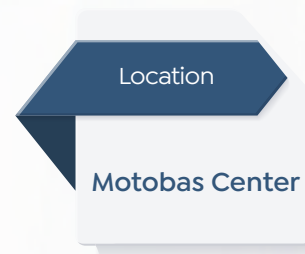
#### Distribution of Executed Projects



#### Projects Underway

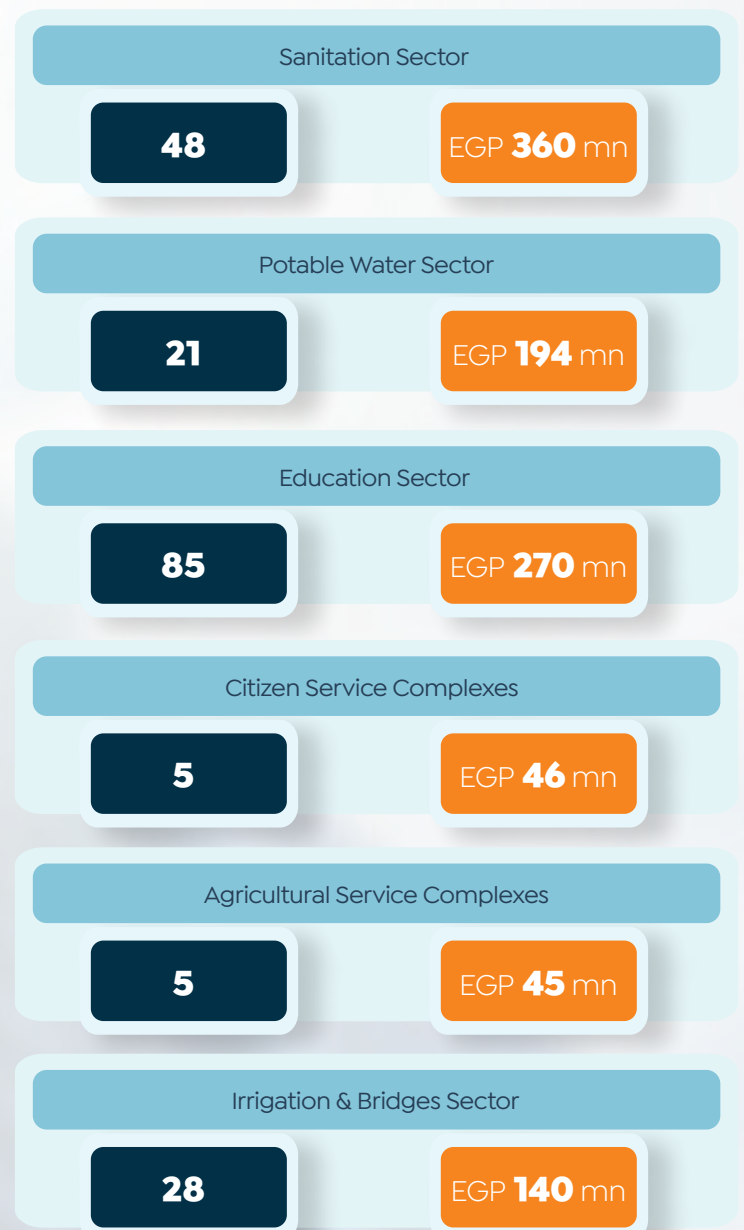


### HAYAH KAREEMA INITIATIVE IN KAFR EL SHEIKH



No. of Projects

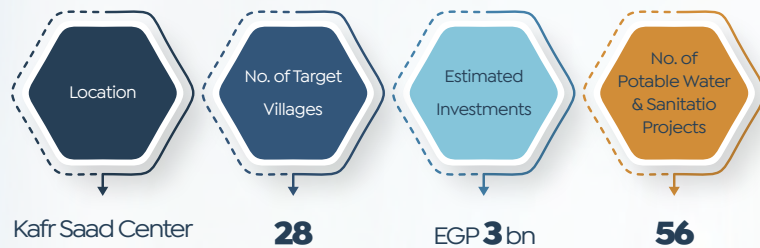
Investments



## HAYAH KAREEMA INITIATIVE IN ASWAN



## HAYAH KAREEMA INITIATIVE IN DAMIETTA



## THE INVESTMENTS OF NEW URBAN COMMUNITIES AUTHORITY



### Distribution of Investments



## MEDICAL & ADMINISTRATIVE COMPLEX



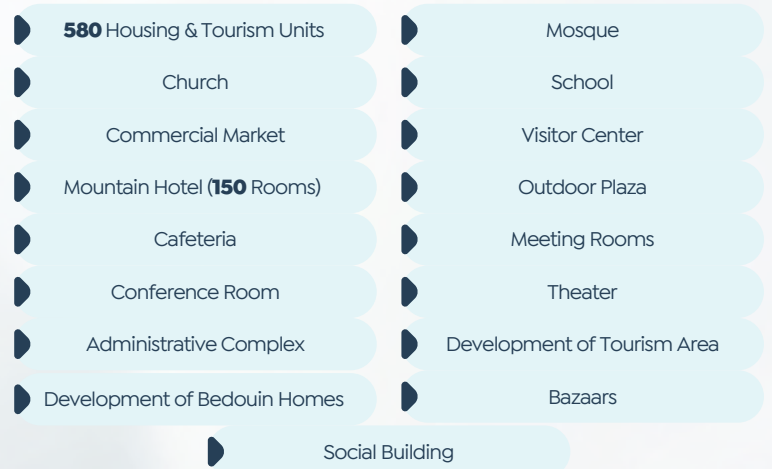
### Supply Volume



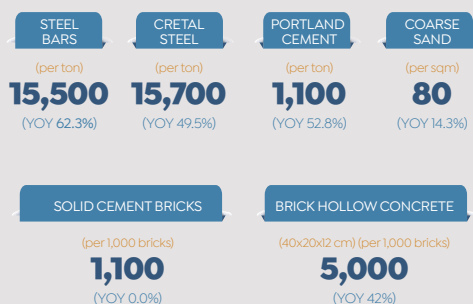
## THE DEVELOPMENT OF SAINTCATHERINE (THE GREATEST TRANSFIGURATION)



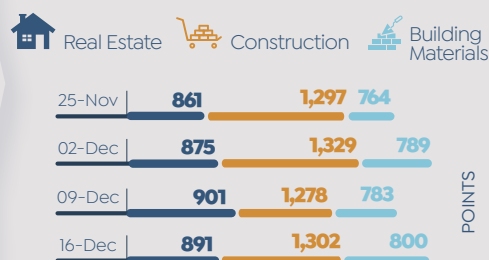
### Supply Volume



### PRICES OF CONSTRUCTION MATERIALS (NOVEMBER 2021) (EGP)

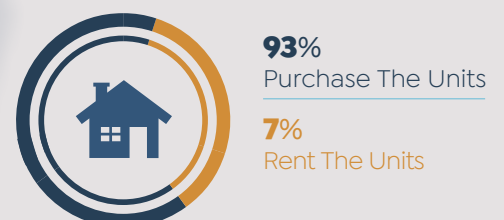


### REAL ESTATE & CONSTRUCTION STOCK MARKETS INDEXES PERFORMANCE IN EGYPT (2021)



### ONLINE MONTHLY SURVEY (%)

DUE TO THE EXPECTED PRICE HIKE IN THE REAL ESTATE MARKET DURING 2022, DO YOU PREFER TO:



Source: NUCA, Cabinet, Ministry of Housing, Utilities, Urban Communities & Egyptian Exchange (EGX)

# NEW CITIES UPDATE

## LOTS ALLOCATION

**24**  
NO. OF ALLOCATED LANDS

**10** New Cities  
LOCATION

**SUPPLY VOLUME**

- University
- Nursery
- Factories
- Industrial Services
- Food Security
- Commercial & Administrative Services
- School
- Residential Services & Others

## PLOTS BREAKDOWN (CITIES & NO.OF PLOTS)

- New Cairo (2)
- 10<sup>th</sup> of Ramadan (4)
- 6<sup>th</sup> of October (5)
- Sadat City (3)
- Badr City (4)
- Shorouk City (1)
- New October (1)
- New Obour (2)
- October Gardens (1)
- Faiyum (1)

## UPDATES ON NEW ADMINISTRATIVE CAPITAL (NAC)

### TRANSPORTATION PROJECTS

#### LIGHT ELECTRIC TRAIN (LRT)

**Greater Cairo To NAC**  
DESTINATION

**103 km**  
TOTAL LENGTH

**19**  
NO. OF STATIONS

**USD 2.2 bn**  
INVESTMENTS

**End -2021**  
COMPLETION DATE

#### MONORAIL

**57 km**  
TOTAL LENGTH

**22**  
NO. OF STATIONS

**USD 1.55 bn**  
INVESTMENTS

**End -2022**  
COMPLETION DATE

Source: NUCA, EXPO Dubai 2020 & Cabinet

# Private Real Estate Projects Update

## NEW RESIDENTIAL PROJECTS

### MARINA RESIDENCE ZONE

Developer: Tatweer Misr



LOCATION  
Ain Sokhna



BUA  
**50,000 m<sup>2</sup>**  
(Phase I: **15,000 m<sup>2</sup>**)



INVESTMENTS  
EGP **1.2 bn**



NO. OF PHASES  
**4**



DELIVERY DATE  
December **2025**

#### SUPPLY VOLUME

No. of Units: **367** (Phase I: **130**)

**25** Villas, **30** Townhouses & **312** Chalets

Unit Area: **55-210 m<sup>2</sup>**

**80**-Room Hotel

Clubhouse

Marina Retail

### AZAD VIEWS

Developer: Tameer



LOCATION  
5th Settlement,  
New Cairo



AREA  
**40 Acres**



COMPLETION DATE  
**2025**

#### SUPPLY VOLUME

No. of Housing Units: **830**

Unit Types: Apartments & Penthouses

Private Underground Garages

Source: Developers' Official Statements

## MEDIAN RESIDENCE

Developer: Ezan Real Estate



LOCATION  
New Cairo



AREA  
22 Acres



TARGET SALES  
EGP 4 bn



DELIVERY DATE  
in 4 Yrs

### SUPPLY VOLUME

1,400 Residential Units

100 Commercial Units



## NEW COMPLEX PROJECTS

## MAPLE BUSINESS COMPLEX

Developer: Ontario Developments



LOCATION  
Downtown, NAC



AREA  
2,680 m<sup>2</sup>



INVESTMENTS  
EGP 500 mn+

### SUPPLY VOLUME

No. of Units: 300

14 Floors, 3 Basements & Garage

## SKY BRIDGE SIGNATURE HUB

Developer: Al-Fath Group (AFG)



LOCATION  
Downtown, NAC



AREA  
4 Acres

### SUPPLY VOLUME

4 Basements, 2 Commercial Floors, 12 Administrative Floors & Hotel

Unit Area: Starting From 35 m<sup>2</sup> For Commercial & Administrative Units & Starting From 56 m<sup>2</sup> For Serviced Apartments

Source: Developers' Official Statements



# ECONOMIC SNAPSHOT

## INTEREST RATES

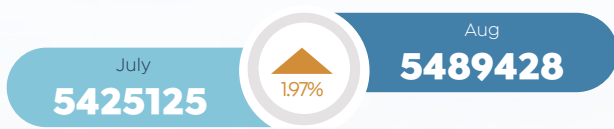
Overnight Deposit Rate	8.25%
Overnight Lending Rate	9.25%
Rate of Main Operation	8.75%
Discount Rate	8.75%

\* MPC Meeting was Held on December 16

## MONEY SUPPLY (EGP MN)

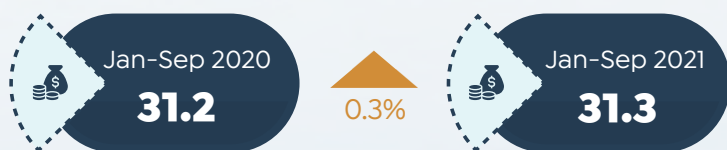
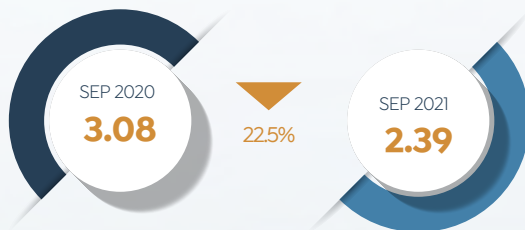


## DOMESTIC LIQUIDITY (EGP MN)



## TRADE BALANCE

### TRADE DEFICIT (USD BN)



## EXPORTS (USD BN)



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

### ANNUAL HEADLINE INFLATION

OCT: 6.3% ↓ NOV: 5.6%

### NET INTERNATIONAL RESERVES (USD BN)

OCT: 40.85 ↑ NOV: 40.91

### PURCHASING MANAGERS' INDEX (PMI)

OCT: 48.7 - NOV: 48.7

### EXCHANGE RATES

GBP, USD, EUR

Period	GBP	USD	EUR
21-25 Nov	21.10	15.76	17.73
28 Nov-02 Dec	20.82	15.76	17.84
05-09 Dec	20.85	15.76	17.80
12-16 Dec	20.93	15.76	17.82

### CAPITAL MARKET INDICATORS

#### MARKET INDICES

EGX 30, EGX 70 EWI, EGX 100 EWI

Date	EGX 30	EGX 70 EWI	EGX 100 EWI
25 NOV	11,431	2,083	3,060
02 DEC	11,318	2,158	3,137
09 DEC	11,535	2,715	3,121
16 DEC	11,668	2,132	3,167

### INVESTOR TYPER

Egyptians, Arab, Non-Arab Foreigners

Date	Egyptians (%)	Arab (%)	Non-Arab Foreigners (%)
25 NOV	80.41%	9.86%	9.73%
02 DEC	86.43%	4.77%	8.80%
09 DEC	57.36%	16.01%	26.64%
16 DEC	76.12%	13.79%	10.08%

# THE REAL-ESTATE MARKET 2021

“THIS SECTION COVERS DATA UNTIL DECEMBER 16, 2021”

## SOME FACTS

Real Estate, Constructions & Building GDP	EGP <b>675.8</b> bn
Real Estate, Construction & Building Investment	EGP <b>452.4</b> bn
The Sector Share of Total GDP	<b>17.10%</b>
Real Estate Sector Growth Rate %	<b>2.80%</b>
Contraction & Building Sector Growth Rate	<b>2.30%</b>

## SUPPLY & DEMAND

Real Estate Supply (Delivered Units)	<b>150,000</b> Units
Real Estate Demand	<b>250,000</b> Units
Real Estate Market Gap	<b>100,000</b> Units

## EXPECTED RISE HIKE 2022

Scale	Resons Behind The Hike
<b>15%- 25%</b>	Price Increase of Raw Materials & Costs
<b>Prices in NAC</b>	Rapid Growth of New Cities
30% Increase during Q12022	Current Global Inflation Wave

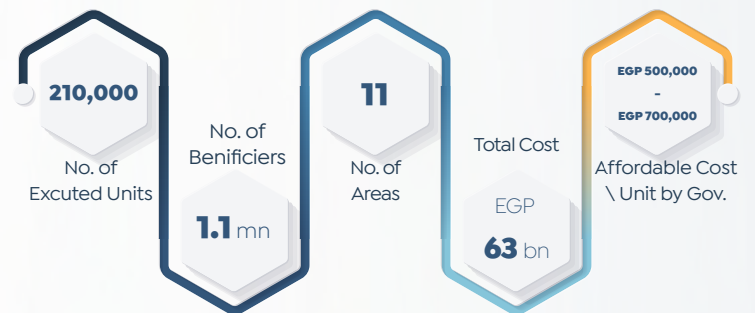
## NEW AMENDMENTS OF LAWS

The Real Estate Registration Law	Egypt's Old Rent Law
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## SOCIAL HOUSING PROGRAM

Time Period	<b>2014-2021</b>
No.of Units	<b>660,000</b>
No.of New Cities	<b>21</b>

## ALTERNATIVE HOUSING ACHIEVEMENTS



## HOUSING IMPLEMENTED STRATEGY



**1<sup>ST</sup> AXE**

Support Low-Income Segment  
Via Housing for All Egyptians, Low Income

**2<sup>ND</sup> AXE**

Help Middle-Income Segment  
Via Sakan Misr Project & Dar Misr Project

**3<sup>RD</sup> AXE**

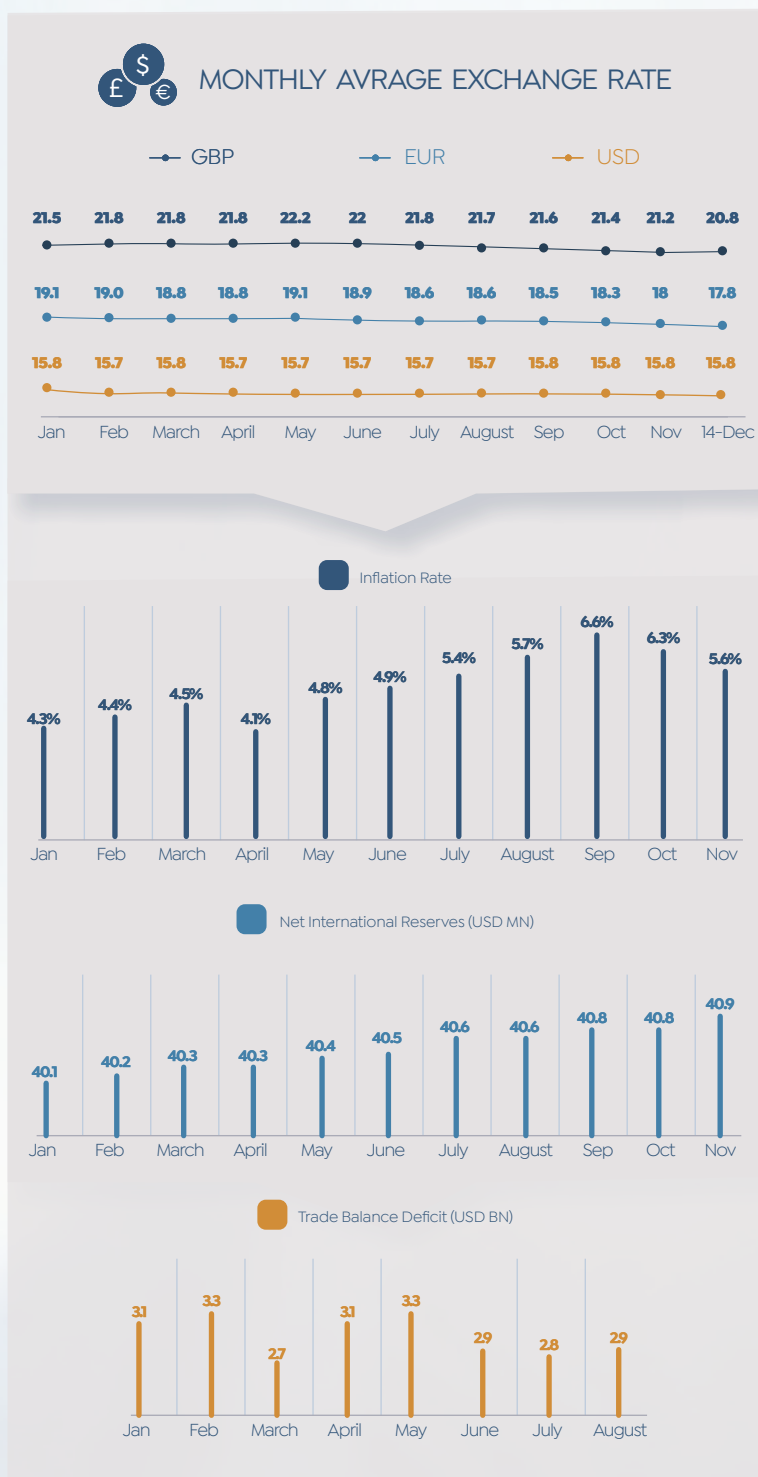
Provide Housing Units for High-Income  
Via Luxury Housing Units & JANNA

## REAL ESTATE FINANCE INITIATIVE PERFORMANCE

Beneficiaries' Rates (Monthly)	<b>6,000 - 7,000</b>
Initiative's Value	EGP <b>250</b> bn
No.of Customers Received Cash Support from SHMFF	<b>384,000</b>
Support For Low Income	EGP <b>40</b> bn

Source: CBE, NUCA, Deputy Misnter of Housing, Utilities & Urban Communities

## ECONOMIC INDICATORS



### GDP

	2019\20	2020\21
GDP in Constant Prices (EGP MN)	3879424.6	3955517.3
Growth Rate	2.50%	2.00%

### Interest Rates (Jan-Dec 2021)

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

Source: CBE & CAMPAS

## REAL ESTATE OPPORTUNITIES

The real estate sector's success in recovering from the Covid-19 repercussions.

Huge investments pumped by the government in urban development, utilities and infrastructure that serve real estate projects. The government has pumped EGP 1.7 trillion of investment to infrastructure during the past seven years.

The multiplicity of real estate exhibitions held in Egypt throughout the year.

The Presidential Real Estate Finance Initiative supports consumer demand for middle-income real estate units, and a number of real estate developers have begun to benefit from it.

The high demand for real estate units of all types.

The state encourages real estate projects with green architecture.

The government decision to grant residency to foreign real estate owners empower the real estate export

The government's tendency to strengthen partnership with the private sector in real estate projects in new cities

## REAL ESTATE CHALLENGES

Customers defaulting on payment which could lead to a shortage in developer's cash flows.

The first time developers, with limited experience, may be mistaken by the appropriate price policy, or they may be late in delivering the units, which will give a negative mental image to customers.

The growing uncertainty about the real estate legislative, as it is witnessing the amendments of a number of laws and decisions that require dialogue sessions between the government and real estate developers.

The rising price of building materials and the rising cost of land.

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# EGYPT'S REAL ESTATE MARKET PERFORMANCE IN 2022

## PRICE INCREASE & SALES VOLUME RISE

BY SHAIMAA IBRAHIM

**A**lthough witnessing a surge price of energy, building materials, and real estate industry inputs, Egypt's real estate market has seen a sort of stability during 2021. As for 2022, real estate experts have an optimistic look at market performance, expecting a stable supply, strong demand on all unit types, along with a normal price at annual rates.

Experts anticipate that the real estate market will see a price increase of not less than 10% during 2022, resulting from many factors. The price hike of building materials is a key factor for unit price increase, adding to the projects' costs and affecting prices of the end product. Other factors include land high prices and the growing demand on real estate products, whether for immediate use or investment.

Moreover, experts affirm that the Egyptian real estate market will continue its recovery next year on both levels, financially and operationally. Additionally, the inauguration of NAC and other new cities shall enhance local and foreign investments.

Real estate experts expect the real estate market to recover in 2022, stressing that next year will see a significant recovery in sales and a boost in demand for various units' types due to the stability of the current economic conditions.



**Fathallah Fawzi**  
Head of Construction  
Committee at the Egyptian  
Businessmen Association

“The strong financial results of real estate companies listed on the stock market this year reflect the future. We will see a strong performance in 2022. The sector will record further growth in the number of units, areas, and sales. Demand will further increase in 2022, like previous years, as a result of the population increase. Prices will increase by no less than 15% during 2022 due to the negative impact of the current inflation in building materials and energy.”

“ The Egyptian real estate market is growing remarkably. It will keep recovering in 2022. The number of real estate developing companies has increased recently, which leads to high competition to provide distinctive real estate products. The government's move to the NAC during 2022 is expected to result in an increase in growth rates and demand. Furthermore, unit prices would level up by 15%, affected by the global inflation crisis that will continue next year. ”



“ The real estate industry continues to progress and its companies continue to achieve target growth rates, supported by the results of their business during the past period despite the pandemic. They overcame the negative effects of the coronavirus pandemic. Real estate prices and sales will rise by 10-15% in 2022. ”

“ The Egyptian economy has not been affected by the pandemic crisis like other countries. Egyptian real estate developers have absorbed the Covid-19 shock quickly and managed to meet plans and targets on time. Due to the state's efforts in launching 4G cities, attracting local and foreign investors to inject more investments, we will see demand on those cities on the rise in 2022. The increase in sales volume in 2022 will depend on Egypt's moving into an advanced real estate phase by attracting foreign investments. ”



“ NAC acquired more than 50% of the real estate sales volume in 2021. Prices in the new capital could hike by 30% in Q1 2022. Q1 2022 will see a revival in sales due to the high demand. Such demand owes to several basic factors, including the return of real estate exhibitions activity, and the holiday season of those living abroad, seeking an investment opportunity for their life savings. Also, the decrease in the interest rate will encourage citizens to pump more investments in the real estate sector. ”

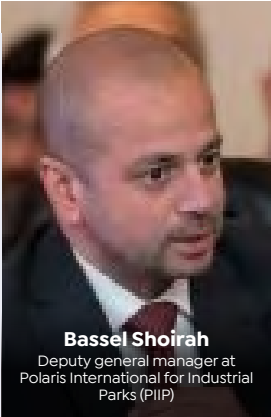
“ Real estate prices are to rise by 25% in 2022 as a result of the price increase of building materials, the inflation wave, and the presidential directive to complete 30% of the project before marketing it. We need to activate the mortgage finance initiatives to create a balance between the customer's capabilities and the product value. ”





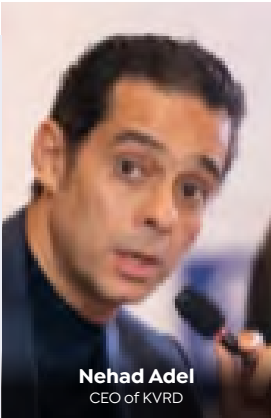
“ I'm optimistic about the performance of industrial developers in 2022 as they have the resilience to challenges, among which the Covid-19 pandemic. Industrial developers prepare major expansion plans for 2022 and many requests have been submitted to government authorities in this regard. ”

“ The industrial developing companies have designed aspirational plans to grab more opportunities during 2022. Those companies are currently seeking to put their plans in motion and attract more participants operating in this sector. The industrial developing companies have faced several challenges during the last two years due to the Covid-19 crisis. ”



“ The Egyptian economy will perform strongly in 2022 across all sectors, notably the real estate sector. The real estate market is now enjoying considerable purchasing power as a result of the economic stability. Prices are expected to rise by 10-15% in 2022. ”

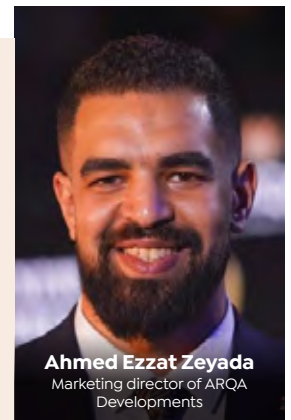
“ The real estate industry will recover from the Covid-19 crisis turbulence. Prices of residential units, especially luxury ones, will increase by 15-20%, while the implementation volume in the real estate market will increase by 20-25%. As for commercial units, expect a significant growth in supermarkets and leisure activities, while the retail market will slow down, especially commercial malls, due to the booming e-commerce. We will witness high demand on medical units, especially in new urban areas, and medium administrative units are going to see high demand as well. ”



“ The demand in new cities will change significantly in 2022 as a result of the inauguration of major projects in June 2022 based on the characteristics of each city. For example, NAC will witness a rise in demand on administrative units due to the expanded supply of this unit type while, New Mansoura will see a higher demand on residential units. As for the future prices, unit prices will accelerate by not less than 12% in 2022. ”



“Real estate developers will continue supporting the purchasing power despite the expected price hike in 2022 and mortgage finance is the most effective solution to maintain the strong demand in the market.”



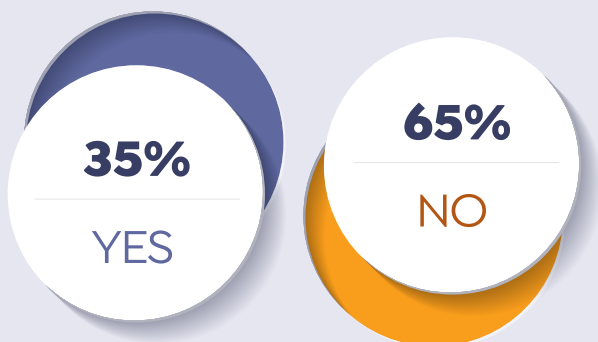
“The demand and sales on commercial and administrative units, especially in new cities, will hike during 2022 compared to the residential units. There won't be a more favored product as demand on unit types depend on location. For example, NAC will see high demand on commercial and administrative units in key places and important hubs, followed by residential units because ROI is lower- from the buyers point of view- and targets a single segment. Unit prices will increase, also across new cities, due to gasoline prices and the instability in prices of building materials.”

## INVEST-GATE INSIGHTS

Invest-Gate has conducted a survey to identify prospects of the real estate sector's recovery in 2022 for a more comprehensive look. According to the results, 35% of respondents confirm that the Egyptian real estate market is going to make a full recovery in 2022 and record higher growth rates, while 65% believe that the real estate sector will not fully recover next year as it needs more time.



### REAL ESTATE MARKET RECOVERY IN 2022



Regarding the price trends, 71% of respondents expect that real estate prices to rise in 2022, while 29% see that the prices will remain constant.



### PROPERTIES' PRICES RISE IN 2022



Furthermore, the survey results show that 39% of participants think that the demand on commercial units will acquire the largest share in 2022, 33% see a rise in demand in residential units and demand in administrative units come with 28%.

### DEMAND INCREASE FOR UNITS IN 2022





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