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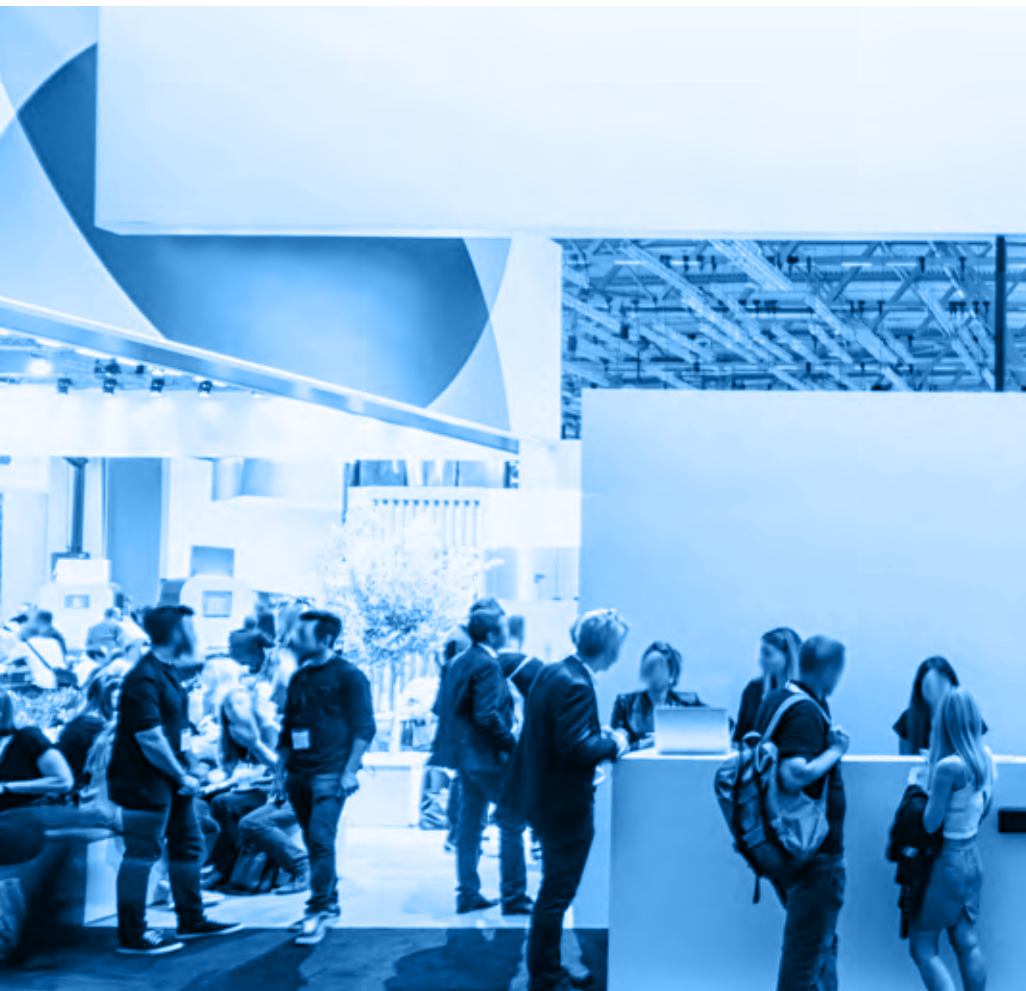
THE VOICE OF REAL ESTATE



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A NEW STANDARD FOR REAL ESTATE EVENTS

With massive economic and legislative reforms opening new doors of opportunity in Egyptian real estate, the market has become fertile ground for The Address Investments to organize The Address Property Show, the nation's top event that has become the main attraction for the sector's stakeholders.

Hence, Invest-Gate delves deeper and talks with Mr. Mostafa Badr, CEO of The Address Investments, to uncover how they plan to create new standards of excellence for the real estate market.

Tell us about The Address Investments as the organizer of this show.

Due to our attention to detail and refined taste, The Address Investments, a team of esteemed real estate professionals and advisors, has rapidly emerged as a premier real estate brokerage within Egypt and the Middle East. We collaborate with top developers in the region, and our emphasis on real estate throughout Egypt and the Middle East enables us to provide our clients with a distinct selection of properties tailored to their requirements.

The Address Investments has been in the market for almost a decade and has over 1,500 trained sales consultants. Their vast expertise and skilled team have resulted in a total sales revenue of EGP 35 billion, which is the highest sales volume in the real estate market. In addition, The Address Investments offers franchise business model services in the same premises that enable entrepreneurs in the real estate industry to reap the benefits of franchising and attain successful ownership of residential and commercial brokerage firms.

How does The Address Property Show fit into your company's general strategy as a major player within the property market?

Our approach is to provide personalized support to each client by carefully assessing their requirements and guiding them toward optimal

solutions. This approach is reflected in the friendly atmosphere we foster with both our team and clients.

The Address Investments is committed to innovative practices that promote sustainable market growth and continuous client satisfaction. We have gained a distinct advantage over our competitors, through our clear strategy and diligent workforce.

We aim to offer real estate services that cater to all our clients' needs with offers during The Address Property Show, as many developers will be launching new projects at the event, as well as providing a genuine opportunity for developers and buyers alike. In addition, we aim to promote environmental sustainability by showcasing the latest advancements in the real estate sector that comply with sustainability standards.

Since this is the first edition of The Address Property Show, what message do you want to send to visitors, current/prospective property owners, investors, and other players in the market as a first impression?

Our unique selling point lies in our focus on offering investment and financial guidance to individuals interested in purchasing, selling, or investing in real estate, as well as our careful curation of the developers we feature. We don't just keep our clients informed about market conditions and provide assistance throughout the buying or selling process; we also serve as a comprehensive real estate hub.

As an event that seeks to attract up to 5,000 visitors, what segments of the Egyptian market is the show trying to attract and how do the exhibitions at the event seek to satisfy their interests?

The goal of our company is to transform the real estate industry by providing top-notch services and solutions to our clients and partners through our show. We achieve this by offering in-depth consultations to buyers and developers, helping them navigate a diverse array of projects to find the best fit.

The show will feature a wide range of properties designed to cater to a diverse audience, complete with enticing benefits and offers that enhance the overall client experience. Additionally, real estate developers have a prime opportunity to showcase their projects through our show.

Will there be any sessions, roundtables, or workshops to further enrich the experience at The Address Property Show?

The show will host four sessions discussing the future of the real estate sector, including challenges and opportunities in the coming period. Industry experts will discuss effective strategies to address these challenges as well as offer their expertise on real estate trends and developments.

The first session will focus on the most significant challenges facing the sector, which have led to a price increase of over 50% during the current year. The second session will address the role of banks in supporting and financing real estate developers during these challenges, focusing on providing flexible financing programs to drive the movement of work in the real estate sector.

The third session will emphasize the government's incentives and benefits for real estate developers and foreigners to boost real estate exports. Finally, the fourth session will tackle the new urban cities, which are currently more attractive for developers and investors.

How does The Address Property Show cater to the diverse interests of a variety of different players in the property market, including investors and current/prospective property owners interested in residential, commercial, and coastal properties?

The show fulfills all client needs by offering a diverse selection of suitable real estate units, and we are dedicated to achieving client satisfaction. In 2022, we successfully assisted 8,000 clients in hitting their goals, resulting in sales of EGP 35 billion and the sale of 8,000 real estate units. We currently work with around over 250 developers and have more than 50 business units.



How would you describe the contribution of this event's esteemed participants?

Over 20 prominent real estate development companies have an interest in The Address Property Show, including The MarQ Communities, Mountain View, Land Mark for Real Estate Developments (LMD), Hyde Park Developments, Al-Ahly Sabbour Development, Misr Italia Properties, Tatweer Misr, Nile Developments, Arabia Development, Maven Developments, People & Places, Tameer, CRED Developments, Times Developments, Sodic, Palm hills Developments, and Mabany Edris. All these esteemed participants represent some of the most successful real estate development companies in the market.

What makes The Address Property Show unique when you compare it to other property shows/real estate exhibitions in Egypt and the Middle East?

The show offers a wide range of real estate companies showcasing various products that cater to all client needs, whether they are interested in purchasing residential, commercial, or administrative units. Buyers can also benefit from attractive advantages and offers, while developers have the opportunity to expand their client base.

Additionally, The Address Property Show offers visitors a hassle-free experience through its guided tour system that allows visitors to pass by all developers that are exhibiting.

What has The Address Property Show done to attract both local and international property buyers, especially since Egypt has become more flexible with foreign property owners?

The company's real estate consulting services have garnered a substantial client base of over 8,000 satisfied clients. With the government's new incentives for real estate developers and buyers, including the allowance for foreigners to own property in Egypt, the show is expected to attract a significant number of buyers both locally and internationally.

Over the past two years, the Ministry of Housing, Utilities, and Urban Communities has introduced 14 decisions aimed at promoting the real estate sector, contributing to its recovery from successive crises, and incentivizing investment projects in new cities. These decisions cover a range of activities such as integrated urban, investment urban, mixed urban, and diverse service activities.

To qualify for these investment incentives, investors must meet certain criteria, including ensuring the integrity of the land plot, adhering to client contracts, complying with height restrictions, providing adequate parking as per the Egyptian Code of Garages, waiving any legal claims, and obtaining all necessary approvals from the competent authorities. The incentives are granted for current projects within the original resolution and for a year, with the Exhibition Council responsible for ensuring their non-waiver.

What are your expectations for the show's performance this year?

The Address Property Show is anticipated to attract a noteworthy number of buyers seeking various types of residential, commercial, and administrative properties, as well as numerous property developers.



**THE ADDRESS
PROPERTY SHOW**

CONTENTS

Since the real estate sector witnessed numerous changes in the first half of the year, Invest-Gate keeps a close eye on the performance of the real estate sector by exploring the status of each segment of the sector.

Generally, it is found that there have been various local and international circumstances witnessed during that period, including currency depreciation, interest rate hikes, increases in raw materials prices, and high inflation rate, in addition to the Russia-Ukraine war, and others. Thus, the government held various meetings to issue decisions that help mitigate these negative impacts.

However, the real estate sector managed to achieve around EGP 71 bn in sales during Q1 2023. Additionally, the government provided the investors with various facilities, as well as showcasing the government's efforts to offer various housing projects. Meanwhile, the government has issued many facilities for foreign investors to boost real estate export.

On the other hand, this issue presents Invest-Gate's second roundtable for this year. It discussed the real estate investment funds, their role, and how to overcome the obstacles hindering their establishments.

Besides, this issue brought to readers special talks with our prominent real estate developers, showcasing their plans to flourish the sector. Besides, it presents the most recent updates and news witnessed in the real estate sector.

Also, please don't forget to check our Market Watch to stay updated on the most important and recent figures in the real estate sector, as well as taking a general picture on the economic status in Egypt.

Dina El Behiry

ACTING MANAGING EDITOR

Email: delbehiry@invest-gate.me

General Manager & BD Director
Acting Managing Editor
Senior Editor
Writer
Freelance Writer
Writer/Translator
Freelance Editor
Translators

Market Research Analyst
Contributing Research Analyst
Data Collector
Art Director
Graphic Designer
3D Visualizer
Web Master
Senior Marketing Executive
Accountant
Database Executive
CEO Assistant/ HR Coordinator
Distribution Officers

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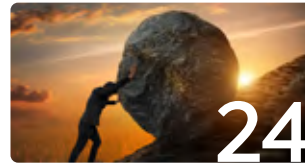
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Tatweer Misr Goes Extra Mile in Global Property Development



Egypt Continues Implementing Development Projects to Lure Developers in H1 2023



Egyptian Developers Defy Economic Conditions with EGP 71 Bn in Q1 Sales



Egypt's Industrial Cities Drive Investment, Sustainable Growth



Egypt is Empowering Its Property Market in H1 2023 Against All Odds



Will Egypt's Retail Sector Sales Rise in 2023?



Invest-Gate Engages Property Leaders to Propose Mechanisms for the Expansion of Real Estate Investment Funds in Egypt

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Tower No. 12 - Bavaria Compound, Ring Road in front of Sama Tower - 1st Floor

(+202) 27498191 - 27498192

(+20) 27498190

info@invest-gate.me

investgateofficial

Invest-Gate

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TO ADVERTISE WITH US
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JUNE-JULY HEADLINES

Egyptian Government Discusses Recent Positive Accomplishments in New Capital Meeting



The Egyptian government holds a meeting on Thursday in the New Administrative Capital (NAC) to explore the key results of the visit of Iraqi Prime Minister Mohammed Shayya' Al-Sudani to Egypt, Invest-Gate reports.

In this regard, Madbouly indicates that the meeting, which brought together President Abdel Fattah El-Sisi and the Prime Minister of Iraq, discussed ways to improve the frameworks of bilateral cooperation between the two brotherly countries, where President El-Sisi affirmed Egypt's keenness on stability and development in brotherly Iraq.

Madbouly adds that he and his Iraqi counterpart chaired during the visit the second session of

the Egyptian-Iraqi Joint Higher Committee, during which Al-Sudani affirmed his interest in the participation of Egyptian companies in Iraq's reconstruction projects.

During the visit, 11 cooperation documents were also signed between Egypt and Iraq, Madbouly notes.

The Egyptian Prime Minister highlights the positive feedback that accompanied the visit of El-Sisi to the village of Al-Abadia in Al-Buhaira Governorate to inaugurate service projects implemented within the presidential initiative, Hayah Kareema, to develop the Egyptian countryside.

Madbouly points out that the visit also reflects the interest of the political leadership in following up on the achievement rates and quality of implementation in this important national project, which improves services for about 60 mn citizens.

Furthermore, Madbouly mentions the key results of his visit to the cities of Kyiv and St. Petersburg to head the delegation of Egypt within the delegation of heads of the joint African initiative to contribute to the settlement of the Russian-Ukrainian crisis.

Egypt Housing Minister Inspects Heritage City, Downtown Projects in New Alamein

Egypt's Housing Minister Assem El-Gazzar inspects the Heritage City, Downtown, and Latin Quarter projects in the New Alamein City, Invest-Gate reports.

El-Gazzar tours the Heritage City which is built on 260 acres with 70 facilities including a lake, park, mosque, church, theatre, and hotels. The main plaza is nearly done and units are coordinating.

Additionally, the minister checks on the Downtown which includes 40 buildings and 1,320 housing units finished to a high standard. Phase two has 24 of 40 buildings done, with 896 of 1,320 units and 67% finished.

El-Gazzar follows up on the Latin Quarter, with 220 residential buildings and 12,181 housing units on 404 acres.

The minister also saw the 707-acre Mazarine compound, with 8,691 units including 618 villas,



552 chalets, and 364 residential buildings, overlooking New Alamein's lakes and beach towers.

The visits follow El-Gazzar inspecting the beach towers. The government is building commercial, residential, and recreational facilities in New Alamein, 90 kilometers from Alexandria.

Madbouly Follows up on First Phase of NAC Employee Units



Prime Minister, Moustafa Madbouly, follows up with Saleh El Sheikh, President of the Central Agency for Organization and Administration (CAOA), on the first phase of employees moving to the New Administrative Capital (NAC), Invest-Gate reports.

The CAO A notifies employees who have been allocated housing units to visit the Housing and Development Bank to complete the units' down payments, prepare for the contract signing, and then officially receive the units.

Madbouly asserts, on the instructions of President Abdel Fattah El-Sisi, to assign the government to secure a leap in the mechanism of work of the state's administrative apparatus in conjunction with the move to the NAC, adding that it was taken into consideration that the move would not become a mere change in the workplace, but rather a change in the work pattern of the state's administrative apparatus.

El Sheikh notes that due to the increase of employees wishing to obtain housing units, several criteria were set to compare the distribution of employees in several stages compared to what is currently available. This matter is specified according to marital status, the married woman from the state's administrative apparatus, then the widowed employee and his dependents, then the married person and his dependents, down to the single employee.

El Sheikh comments, "The CAO A will send messages to employees at the lowest financial grades/job level, starting from the sixth grade to the second grade. Only then we will message the rest of the employees benefiting from the housing units."

Madinet Masr Launches Elan Project in Sarai Development



Madinet Masr, one of Egypt's leading urban community developers, launches Elan, a mixed-use development within its 5.5 mn sqm Sarai community, Invest-Gate reports.

Sarai is located near the New Administrative Capital on Cairo-Suez Road. The launch is part of Madinet Masr's expansion following its rebranding.

Elan includes more than 2,800 residential units with 347,043 sqm of space. Options range from 80 to 165 sqm apartments with gardens, 130 to

190 sqm penthouses, 80 sqm lofts, and 170 to 210 sqm duplexes. The units will be delivered within four years.

Spanning 356,000 sqm, Elan residents will have access to Sarai's amenities like shopping, dining, an international school, a luxury hotel, and a lake. The project includes 9,000 sqm of commercial space.

The Elan launch follows the company's rebranding to Madinet Masr, aiming to launch multiple projects across Egypt and regionally to maintain its leading position.

Madinet Masr reported EGP 1.015 bn revenue and EGP 304.4 in net profit in 1Q 2023, developing its land bank, supporting the state's urban expansion, and meeting real estate demand.

Egypt's Sports Minister Oversees Laying Groundwork for GV's EGP 1.5 Bn Club

Egyptian Minister of Sports and Youth Ashraf Soubhy oversees the laying of the groundwork for the EGP 1.5 bn Al Ahram Sole Sports Club, Invest-Gate reports.

The celebration was launched in the presence of GV Investments' Chairman Sherif Hamouda and Chairman of Al-Ahram Organization Abdel-Mohsen Salama.

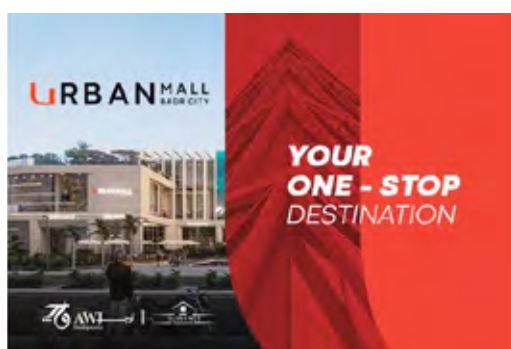
Developed by GV Investments, the new club will provide fully integrated services combining social, sporting, and service concepts offering hotel services, a shopping mall, an E-Sports



Stadium, five swimming pools, a soccer field, handball, basketball, tennis, and croquet courts.

The club spans an area of 18 acres with around 88% of green spaces from the total area.

Awj Developments, Elegance Developments to Launch Urban Mall



Awj Developments announces the launch of its commercial project, Urban Mall, at Badr City in partnership with Elegance Developments, Invest-Gate reports.

Urban Mall is in a vital and prime location in Badr City spanning 8,600 sqm, overlooking the central park. The project comprises units with various spaces, starting from 50 sqm, and with competitive payment plans.

Gamal Ghoneim, CCO at Awj Developments, says the company relies on the "Golden Triangle" concept to develop its projects. He explains that this concept constitutes elements that must be initiated in any project, including providing a distinctive real estate product at a competitive price, and an investment destination that guarantees achieving high investment returns.

The company offers the project units at competitive prices starting from EGP 50,000 per sqm, which guarantees customers a distinct investment opportunity, especially in light of its attractiveness for investment thanks to its proximity to New Administrative Capital, Ghoneim adds.

Noteworthy that Awj Developments studies all project details and development processes to achieve the best business precedent and the best return on investment for its clients, according to the company's CCO.

ALQAMZI Developments Cooperates with DMC to Implement Seazen, North Coast



ALQAMZI Developments-Egypt signs a construction agreement worth EGP 500 mn with Dar Al-Mimar Construction Co. "DMC", Invest-Gate reports.

Signing this cooperation agreement confirms the seriousness and commitment to implement works within the first phase of the "Seazen" project on the North Coast.

The signing of the agreement was attended by Yasser Zidan, ALQAMZI - Egypt Chairman, Sherif Ismail Soliman, DMC's CEO, and Vice Chairman, and Mohamed Diab, CEO of "Inversion" project management Co., as well as company leaders and a group of media gentlemen.

According to the cooperation agreement between the two parties, the "DMC" Co. will implement residential units in the "Seazen" project with various spaces and different models, including chalets, twin houses, townhouses, and standalone villas.

Zidan states that the company announces, by contracting with "DMC", the start of building construction works in the first phase of the "Seazen" project, in record time, after less than 6 months after obtaining the licenses for the project.

The "Seazen" project is located on an area of 204 acres on the North Coast at km 170 in the Dabaa region, with investments amounting to EGP 14 bn, and it includes residential units of various sizes with fully finished units.

Moreover, Soliman expresses his pleasure in cooperation with ALQAMZI, adding that ALQAMZI has been able to enter the Egyptian real estate sector strongly and prove its distinction and seriousness in the last two years despite the challenges faced by the sector.

It is noteworthy that ALQAMZI Developments is one of the major Emirati entities founded in 1997, specialized in the contracting sector, implemented many projects throughout the Emirates, and expanded abroad in 2010.



ALNAYROUZ EXHIBITIONS TO ORGANIZE EVENTS IN JEDDAH, RIYADH IN OCTOBER

AlNayrouz Exhibitions revealed the success of its last edition of the “Hazi Misr” Exhibition, which was held in Riyadh, Saudi Arabia in May 2023. Accordingly, AlNayrouz plans to organize two new exhibitions in Jeddah and Riyadh next October.

For his part, Eslam Burhan, Chairman of AlNayrouz Exhibitions, said that the previous edition of the Hazi Misr exhibition witnessed the participation of major real estate development companies, as well as other participating companies for the first time. He added that the exhibition was visited by about 6,000 visitors, which is seen as a huge turnout during the exhibition period.

Eslam pointed out that more than 150 projects were showcased in one place, including some projects that were offered for the first time. This reflects the opportunities provided, and the exhibitors' interest in launching their projects in such a vital event.

Moreover, Eslam mentioned that the existence of these major developers during the Hazi Misr reflects their confidence in AlNayrouz Exhibition to organize such an important event.

He pointed out that the success of the previous edition reinforces the developers' confidence in AlNayrouz, which supports it to launch more editions with huge customer turnout, Eslam explained, highlighting that organizing an external event requires massive efforts and wide experience.

Haytham Burhan, AlNayrouz Exhibitions Vice Chairman, declared that it is planned to launch two exhibitions in Jeddah and Riyadh next October. Additionally, distinctive locations will be selected for their launch. He highlighted that the company focuses on all the details that make its exhibitions a unique experience for developers and visitors.

He added that AlNayrouz has more than 30 years of experience in the organization of exhibitions, and it managed to help participating companies achieve strong sales.

Haytham explained that the company succeeded in providing its customer with vibrant projects to select the unit suitable for them, pointing out the importance of exhibitions to gather numerous projects in one place.

He affirms that the company carries out all needed market studies, and relies on modern marketing mechanisms to promote its exhibitions and the participating companies, highlighting that many developers have an interest to market their projects abroad. Additionally, external marketing for property projects has become part of the state's strategy to enhance real estate export.



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North Square is going to open its doors on 10th of July!

On a plot of 164,000 sqm, North Square is officially launching for **SUMMER 2023**, as the largest unsurpassed regional destination and a new one-of-a-kind integrated seafront landmark located in the heart of New Alamein City, serving the purpose of positioning New Alamein City as the go-to destination and the core of the leisure lifestyle of the North Coast.

North Square is bringing all the joy, fun, and summer vibes! **ALL YOU NEED OR LOOKING FOR IN ONE PLACE**, with +30 of the most popular local & international fashion brands and dining cuisines that are available and open in summer 2023, in addition of being a hub for ongoing entertainment events and attractions.

This Summer, North Square is introducing and hosting 3 major events that taking place for the first time in North Coast: starting with **Coastal Kora** that reunites number of Football Champions in a beach soccer tournament, along with the first **TEQBALL competition** with Natalia Gutler, the number one Teqballer around the world and Maja for all Egypt's Teqballers.

Following with Haut Ètè, the first coastal fashion show in Egypt, brining for the second time in Egypt, **Michael Cinco**, followed by two days Fashion Sales Event for all visitors and tourists.

Ending this exciting season with the **FIRST-OF-ITS-KIND** event "**STARSCRAPERS**" that will bring together all local and international mega stars in all art & sport categories to New Alamein City.

Counsel Masters, the manager and operator of North Square, aims to build a world class commercial landmark, positioned as Egypt's first coastal experiential destination that will be available all year round, acting as a national landmark and entertainment hub with a diverse tenant mix which makes it the main attraction and holistic destination at the New Alamein City.

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TATWEER MISR GOES EXTRA MILE IN GLOBAL PROPERTY DEVELOPMENT

As part of its strategy for regional expansion, Tatweer Misr takes its first steps in the Saudi real estate market

Tatweer Misr has ambitious plans to expand in regional markets to replicate its distinguished experience in urban development in Egypt. Therefore, the company entered into a strategic partnership contract with Naif Alrajhi Investment, a Saudi firm working in the fields of real estate, financial markets, partnerships, and acquisitions. Under the partnership, the two companies will establish a construction and real estate joint venture to develop integrated urban projects and tourist resorts with international standards in the kingdom.

Tatweer Misr decided to commence operations in Saudi Arabia to take advantage of the kingdom's current economic and urban boom, in addition to the various incentives provided in the Saudi real estate market. With this partnership, Tatweer Misr will be able to achieve one of its key strategic goals; regional expansion and maximizing returns for its investors, customers, and partners.

In this context, Invest-Gate interviewed Dr. Ahmed Shalaby, President & CEO of Tatweer Misr & Chairman of Egyptian Real Estate Council, and Youssef Al-Luhaidan, Vice Chairman - Real Estate - at Naif Alrajhi Investment, to disclose more details about this huge partnership and its significance to both parties, keeping an eye on their expansion plans in the context of the objectives of the Saudi Vision 2030.

In your opinion, what are the capabilities of the Saudi real estate market?

The real estate market in the kingdom is very promising. It has a very ambitious plan for urban development. Among the goals of Vision 2030 is the construction of 1.5 million housing units, with a 70% ownership rate.

In light of these goals and the existence of a complete system for real estate development, the real estate developer can determine its needs.

The Saudi real estate market is highly qualified to achieve huge growth in the coming period.

This is a great opportunity for Tatweer Misr, which has huge experience and added value in the Egyptian market, to also have added value in the Saudi real estate market, through our partnership with Naif Alrajhi Investment.

Will this be the first and only agreement for Tatweer Misr with the Saudi partner, or will there be expansions in other areas in the kingdom?

In the last period, we were looking for the right partner, and we found this partner to be Naif Alrajhi Investment. Thus, we decided to make them our exclusive partner in Saudi Arabia. Our goal is not only to develop a joint venture with Naif Alrajhi Investment but also to establish a giant entity in partnership with them. Our starting point will be Saudi Arabia, followed by Egypt, and then the whole world. These are big steps because we are talking about a world-class giant developer that will not only operate in Egypt and Saudi Arabia, and we have all the potential to achieve this.



Does Naif Alrajhi Investment have a plan to expand into other tourist areas in the kingdom?

Certainly, we aim to be an integrated strategic partnership for real estate development not only in the kingdom, but the whole world, and we will expand into tourism, residential, commercial, administrative, hotel, and educational projects.

What is the value of Saudi investment in Egypt?

The Egyptian market is very attractive and will remain attractive despite all the current economic challenges because the Egyptian market has all the basic elements. It offers great incentives, especially for foreign investors, and it has opportunities in all activities. I expect that billions of riyals will be pumped into the Egyptian market during the coming period, because the return on investment (ROI) in Egypt is unprecedented, according to the testimony of all investors, whether from Saudi Arabia or the UAE.

I believe that the urban development plans in Egypt and Saudi Arabia are the poles of urban development in the whole world, not just the Middle East. The largest volume of construction takes place in Saudi Arabia and Egypt, as they have a great ability to attract foreign investments and exchange experiences between them.

Does Naif Alrajhi Investment expect to transfer its investments to Dubai, and what is the value of your investments in Egypt during the coming period?

About 90% of our real estate investments are currently in the kingdom. Concerning the Egyptian market, it is under study, but all our focus during the current period is on the Saudi market.

What is the form of the partnership between Tatweer Misr and Naif Alrajhi Investment, and what is the amount of money allocated for this partnership?

There are several projects under study for the partnership between the two parties. Naif Alrajhi Investment contributes to more than one fund. It is a group that specializes in funds and capital management. Therefore, this partnership will be one of the tools of these funds to invest capital. All our interest is not in investment figures, but in studying various projects, coordination to achieve integration between us, and exchange of different experiences. In the coming period, there will be an announcement of more than one project as a result of this partnership.

Can you give a brief about Naif Alrajhi Investment? What type of partnership do you have with them, and what are the upcoming joint projects that you plan to work together on in Egypt?

We certainly have an idea of entering the Egyptian market, through a partnership with Tatweer Misr. Naif Alrajhi Investment has huge experience in various investment fields through more than 40 companies in 13 different sectors operating in six countries. The group's portfolio includes many projects in the fields of real estate, architecture, engineering, facilities management, hospitality, and entertainment, among others.

Naif Alrajhi Investment started its real estate portfolio in 2003 in Dubai, after which the portfolio grew, and we have many projects and various investments in residential, tourism, commercial sectors, and more.

Please tell us about Tatweer Misr and its achievements during the last period.

Tatweer Misr is an Egyptian joint stock company, which started in 2014. During the last period, six projects were developed in different places in Egypt; East Cairo, Mostakbal City, West Cairo, the North Coast, and Ain Sokhna, with a total land area of 7.4 mn sqm, and a total number of units up to 34,000 units. More than 13,500 units have been sold, and our total sales volume exceeds EGP 42 bn.



Besides, over 2,700 units have been delivered, and by the end of 2023, about 4,500 units will be delivered as well. Furthermore, two projects will be operational with all services, in addition to two other projects during the current year.

Moreover, we have achieved unprecedented sales that exceeded EGP 9 bn in 2023. This year translates our efforts exerted in all previous years. During the coming period, we will announce the educational and administrative activities that we will carry out.

Why did you choose Tatweer Misr? And what does it add to the Naif Alrajhi Investment?

As a result of the development and the great leap that Tatweer Misr achieved over nine years, we were excited to enter into a complementary partnership with it. We are looking for investments and distinguished partners. The goal of this partnership is not only real estate development in Saudi Arabia, which will be the launchpad for more projects in other regions. The two companies have the competence, capabilities, and experience that qualify them to become a successful global model.

Why was Naif Alrajhi Investment chosen to invest in Saudi Arabia?

The success achieved by Tatweer Misr over the previous years was the result of selecting the right partners, including consultants and contractors. Major entities are built by partnerships, and Alrajhi shares the same values. In addition, they always seek to form successful and handpicked partnerships. Alrajhi follows a set of values with high-quality personnel and creative teams, which comes in line with Tatweer Misr's vision.

What will Tatweer Misr present to the Saudi market?

The Saudi real estate market is different from the Egyptian one. In Egypt, around 70% of our sales are for individual investments, unlike the Saudi market where a customer buys for housing purposes, not just for investment. This is a very significant and fundamental difference in the customer types.

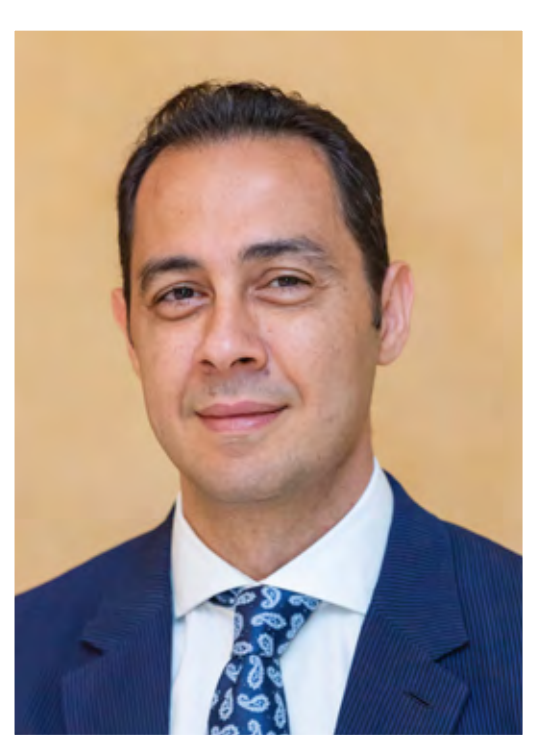
Furthermore, there is higher demand by the Saudi market for projects providing a quality of a different lifestyle. The Saudi market focused in the past on housing only, but now it needs housing, services, and recreational activities that were implemented in Egypt. We have succeeded in providing added value to the Egyptian real estate market. We will succeed in providing added value to the Saudi real estate market as well, through integrated mixed-use projects.

What are the incentives offered by Saudi Arabia to support investment in the kingdom?

There is great government support for Saudi companies by the Ministry of Finance, Housing, and the Tourism Fund. Now, the Ministry of Housing offers subsidized projects in Riyadh to buyers, which encourages developers to launch more projects because it is the guarantor of the buyer, as well as support for tourism projects by the Tourism Fund.



IGI DEVELOPMENTS CHERISHES A FLAWLESS TRACK RECORD OF UNLIMITED SUCCESS



IGI Developments' Managing Director Eng. Sherif Moustafa to Invest-Gate:

"IGI Developments plans to launch four commercial and administrative projects in West Cairo, as well as a mixed-use project spanning 50,000 sqm on Wahat Road."

"We intend to participate in exhibitions in international markets as this is the best time to invest in real estate."

"25% of the company's sales are from previous clients, and 15% of our clients are non-Egyptian Arabs."

IGI Developments was keen to keep pace with the ongoing real estate market changes by conducting extensive studies that showed the recent demands of the real estate sector, as it is one of the first companies that contributed to spreading the concept of integrated residential communities in the Egyptian market in the mid-nineties of the last century. Thanks to its distinguished projects, the company had a big role in developing new cities that attracted a large population through projects such as Gardenia Park in 1994, and the renowned Al-Ashgar in 1997, both in 6th of October City.

Consecutively, IGI Developments developed a series of successful projects including Gardenia Park II, Gardenia Springs, Ashgar Heights, and Ashgar City. Over the past 30 years, IGI Developments has delivered projects with a population of more than 30,000, equivalent to 7,000 families. Upon the completion of all units in its projects, the total number of residents of IGI Developments' projects would reach 60,000 people or 15,000 families.

Instability of Construction Materials' Prices

As for the current changes in the real estate market, IGI Developments' Managing Director Eng. Sherif Moustafa explained that the lack of a clear vision compromised real estate companies' ability to develop proper work plans and sound feasibility studies for their projects.

Sherif Moustafa added that the real estate market suffers from the uncertainty that resulted in a lack of fair pricing of essential construction materials, including iron, copper, cement, and aluminum, the prices of which have doubled since 2019.

Accordingly, Sherif Moustafa highlighted that the sales revenues by real estate companies in the last three years would be subject to great danger caused by the current economic conditions in case of delayed construction, which may result in a loss in revenue.

Real Estate Export

As for IGI Developments' participation in the last edition of the Hazi Mirs exhibition in Riyadh in May, Sherif Moustafa reiterated that the company has extensive plans to export real estate, capitalizing on having a competitive product, as well as the company's long expertise that gained the trust of its large client base amongst Arabs and Egyptians.

The Managing Director Sherif Moustafa pointed out that the company has returned to participate in international real estate exhibitions, after many years of absence from attending events. Sherif Moustafa confirmed that the timing of the exhibition is ideal, representing the beginning of the real estate sales season in the Gulf countries for those interested in Egyptian real estate.

The exhibition featured a diverse portfolio of projects in Egypt that were executed under the flourishing real estate market, especially in new cities.

He affirmed that the Hazi Misr exhibition and similar exhibitions in the Gulf region are a unique opportunity to market Egypt as a global destination for those looking for new, sustainable, and smart cities, as well as real estate products that can compete in international markets. Egyptian real estate also offers the best investment for Egyptian expats and Arabs who can benefit from the exchange rate difference and offered attractive packages, in addition to choosing amongst various projects and destinations in Egypt.

He explained that IGI Developments' participation in Hazi Misr comes within the framework of the company's plan to support the export of Egyptian real estate and its belief in the importance of promoting opportunities and projects implemented by the Egyptian government.

"IGI Developments plans to participate in exhibitions in Arab countries other than Saudi Arabia during 2023 to make use of the big demand for Egyptian real estate products by Arab clients seeking to benefit from the difference in exchange rate and the huge facilities provided by Egyptian companies," the Managing Director Sherif Moustafa explained.

"During its participation in Hazi Misr, IGI Developments offered a diverse and distinguished group of units in its renowned projects in 6th of October City at competitive prices ranging between SAR 150,000 and 300,000. The company also offered payment plans of up to eight years with monthly installments that start from 1,500 SAR, which is the same equivalent in Qatari riyals and Emirati dirhams," Sherif Moustafa said.

"Among the projects that were promoted at the exhibition is Ashgar City, in the 6th of October City near Al-Wahat Road, the Ring Road, Fayoum and Dahshur Roads, and extends over an area of 148 acres. IGI Developments also promoted the Ashgar Heights phase "Starla Views", with areas starting from 50 sqm and consisting of one-bedroom studios, two and 3-bedroom apartments, with areas ranging from 80 to 200 sqm. The project also includes distinctive villas."

Sherif Moustafa added that the company achieved high sales during the exhibition, which reflects the customers' confidence in the expertise and quality of IGI Developments' projects. He revealed that 15% of the company's clients are Arabs.

Deliveries and Sales

As a part of its current strategy, IGI Developments adopted a policy of accelerating the construction rates of its projects. Accordingly, it was able to deliver 1,000 units in 2022 despite the economic challenges that the real estate sector suffered from. Besides, another 1,000 units are scheduled for delivery over 2023 out of which 500 units have already been delivered despite the increase in construction costs.

Sherif Moustafa clarified that the company aims to accelerate construction and development rates by pumping at least EGP 1 bn into the construction of its projects during the current year to fulfill commitments to its clients.



The top executive added: "As a result of this policy, the company succeeded in achieving sales in 2022 equivalent to four times the sales achieved in 2021 despite economic challenges. The company also seeks to triple sales in 2023 compared to that achieved in 2022, and the current achievements for 2023 are going in this direction."

"Thanks to its high-quality projects, after-sales services, and strong relationships with customers, 25% of IGI Developments' sales in new phases and projects were to existing customers or new customers who chose the company based on recommendations by previous customers, which contributes to the growth of the company's family day after day," Sherif Moustafa said.

Expansions in Commercial and Administrative Projects

The Managing Director of IGI Developments Sherif Moustafa revealed that the company owns a portfolio of four non-residential projects that will be launched soon in West Cairo. "The company's land portfolio for non-residential projects is about 350,000 sqm. Four commercial and administrative projects will be launched in 6th of October City, in addition to a school on an area of 15,000 sqm, and a mixed-use project on an area of 50,000 sqm on the Wahat Road with investments of EGP 13 bn, which will be launched in 2024," he revealed.

Sherif Moustafa also noted that there will be a commercial project on the Dahshur intersection with Wahat Road, with an area of 11,000 sqm, and its details will be announced soon.

"The company's largest future project will start soon spanning 540 acres in New Sphinx City on a land that has been owned by the company for years and contains 25,000 olive trees for 20 years. The trees will be preserved and the project will be designed in a way that makes use of those trees," Sherif Moustafa noted.

Extensive Expertise and Success Partners of IGI Developments

Sherif Moustafa, Managing Director of IGI Developments, continued: "We are keen on cooperating with a group of partners who would add to us and contribute to the achievement of the requirements of our customers. Therefore, we cooperate with a variety of companies specialized in the fields of design and construction, including Ginza, a sister company of IGI Developments, IBS, and Solid in Ashgar City project; LMS, a subsidiary of Landmark Sabbour in 'Jada' phase in Al Ashgar; GDG for infrastructure design in 'Jada' and Ashgar Heights whereas Masar is handling landscape in all IGI Developments' projects."

IGI Developments also has successful partners in consultancy, design, and project management, including Pinnacle-TBH, EHAF, OKOPLAN and Al Amar companies. As for the company's non-residential projects, EMDAD and Distance are conducting their designs.

IGI Developments has a strong history as it is an extension of the expertise of the International Holding Company for Financial Investments and the Sheta family, whose work dates to 1942. IGI Holding covered multiple industries including textile, food, industry, housing, petroleum, and construction sectors, leaving a mark in the 80 years that followed its inception.

IGI Holding's portfolio includes Income, Egypt's leading partner for the next generation of major infrastructure projects and acts as an intermediary for the largest and most specialized infrastructure companies in the world, and is the agent for the Chinese company CSCEC, which implements projects in the Financial District in the New Administrative Capital (NAC).

Ginza, also amongst IGI Developments' sister companies, has a generous record of major projects, including Nile University and Children Oncology Hospital Extension -57357, Microsoft and Egypt Post buildings in Smart Village, and Cairo Airport Mall, in addition to many residential communities in West Cairo.

DORRA DEVELOPMENTS RECORDS 80 YEARS OF SUCCESS!



Capital Business Park in Sheikh Zayed – Egypt

Congratulations on reaching your 80th Anniversary! Before we start, could you tell us the inspiration behind the ‘CONSISTENTLY DORRA’ campaign for your 80th Anniversary?

Excellent question and thank you for your well wishes!

When we looked at the great legacy and remarkable highlights that DORRA has achieved, we easily forget how challenging, bold, and extraordinary these milestones are, they were far from easy, over 80 years of diligence, change, and evolvement.

So, we reverted to the original foundation of the group’s value proposition. The founders’ promise to the market and the family business, formally known today as your vision, mission, and value statement.

Vision is always the destination you foresee or where you want to be whilst the mission paves out the way of how you can get there but you

will need guidance to sustain. The guidance here throughout our journey is our values.

DORRA has always stayed true to its values, only having to adapt to modern times and market changes but never getting rid of its core guidance. This reflects great stamina, wisdom, and consistency.

Thus, ‘CONSISTENTLY DORRA’ comes from here, echoing a loyal and established structure, a unique brand that can distinguish itself when asked, ‘What do you stand for?’

How did DORRA come to be a successful entity in the real estate market?

DORRA was founded over 80 years ago in 1943. The company managed to respond to social needs for proper housing, high-quality construction, and purpose-built places for conducting daily work activities, as Egypt was evolving vibrantly.



Former President, Mohammed Naguib and
Eng. Mohammed Dorra

It was a regeneration period in Egypt's history as a follow-up to 'the African Age of Improvement.'

In the following 10 years, we became a household brand name nationwide, consistently being the 'Go to' contractor in shaping the country's urbanization and expansion plans, making key international ventures and developments for Egypt's progression.

Thus, DORRA adapted itself to the market dynamics, rebranded its activities, and forged ahead for over eight decades adapting to various policies and decrees to consistently remain at the center of change, adaption, and progression.

We can say that today we are seeing similarities and that to consistently reach over 80 years, certain characteristics must have developed. What is the company's forthcoming strategy for the next 10 years?

Stay agile, stay alert, stay true to your guiding values, and counsel sensibly as we have always done.

We will continue to deliver and construct ahead of schedule whilst keeping a close eye on the construction industry to make sure our loyal market can have their tangible assets for investment and security.

The key to our value proposition is our responsiveness, due to DORRA's competitive advantage of being both a developer as well as a contractor, thus we have great insights into the construction markets, cost of goods and their availability, and we can assess how much we can push out as a developer to the market and mitigate the overall costs to offer the best price, product, and timely delivery.

Ultimately, we will continue to adapt and as always support our great nation and its goals.



Eng. Mohammed Dorra, his son Eng. Hassan Dorra, and Eng. Othman Ahmed Othman



Former President, Mohammed Anwar El Sadat and Eng. Mohammed Dorra



Alalmain tower in Egypt

Tax Registration Number: 235-173-746



EGYPT CONTINUES IMPLEMENTING DEVELOPMENT PROJECTS TO LURE DEVELOPERS IN H1 2023

BY **HEBA GAMAL**

TRANSLATED BY **WAEEL HOSSAM EL-DIN**

The first half of 2023 witnessed several achievements in the real estate sector, through the participation of both the government and private sectors, offering housing units and providing facilities to investors and developers. This participation aims to satisfy consumer needs by launching new projects by developers in different regions, with various areas and payment methods.

The Ministry of Housing, Utilities, and Urban Communities (MoHUUC) pays great attention to the implementation of development projects, within the inclusive development framework process that Egypt is witnessing.

In this feature, Invest-Gate monitors the MoHUUC's housing achievements, providing drinkable water supplies and sanitation services in governorates, as well as other projects executed in 2023. In addition to reviewing the most important projects that developers launched during that period.

It is noteworthy that the ministry's main goal is to develop new cities and allocate many land plots in these cities to attract investments in various fields. Besides, the ministry aims to finish the implementation of housing projects, as well as launch new ones.

Housing Projects

The ministry has offered around 22,332 housing units in various projects in new cities, including Janna, Dar Misr, Sakan Misr, Distinguished Housing, and Kattameya Gardens. Besides, Janna housing units in Sheikh Zayed and the 6th of October cities will be offered as complementary units to the previous phases.

Regarding the presidential initiative, Housing for All Egyptians, the project is underway to build 178 buildings in the fifth phase, with an area of 90 sqm per unit in District 21 on the 10th of Ramadan City.

Meanwhile, the construction of 27 low-income building properties in New Assiut City has also been completed.

Around 114 residential buildings for low-income communities in New West Qena City are being completed, the remaining buildings of up to 528 housing units are underway, and the finished units are being delivered to owners.

Furthermore, in the New West Qena City, 720 housing units are being completed in the Sakan Misr project, with 2 bn total investments in 2023.

Regarding the New Mansoura City, Assem El-Gazzar, Minister of MoHUUC, announced that 80% of construction work on the 4,704 units in the "Sakan Misr" project for middle-income communities is now complete. Meanwhile, 58 coastal-style buildings are 20% complete, while 70% of the 11,232 housing units in the Janna luxury housing project were implemented.

Hayah Karima Initiative

About 12 drinking water and sanitation projects were implemented in Assiut Governorate, as well as nine sewage treatment plants were executed, in addition to 189 projects.

These projects aim to deliver sanitation services to rural areas, including 151 projects for rural areas in the first phase of the presidential initiative.

Lands Allocation in New Cities

The New Urban Communities Authority (NUCA) agreed to allocate 420 land plots in new cities, such as Badr City, Al Shorouk City, 15th of May, Borg El Arab, New Damietta, New October, New Mansoura, and New Sohag, among others, to implement projects with various activities.

El-Gazzar affirmed that the allocation of this large number of land plots in new cities indicates these cities' success to attract investments in various fields, as well as the success of the allocation mechanisms that follow specific constraints, which receive a comprehensive response from investors.

The MoHUUC announced the second offering for the immediate allocation of 481 small residential land plots on all levels, with a permanent offering system. All land plots in the second offering are ready for delivery, except for 61 plots, in the middle lands' axis, in New Minya. These land plots will be ready for delivery at the end of December 2023.

In New Assiut City, more than 50 investment service land plots of different sizes and activities have been allocated, more than 2,700 residential plots have been sold, and more than 166 land plots have also been sold.

On the other hand, the total value of committed land reservations within the eighth complementary phase of the Beit Al-Watan project for Egyptians abroad reached \$142 mn, with \$109 mn in initial transfers and \$33 mn in completions.

The Industrial Developer's Project

NUCA's board agreed to allocate about 12 mn sqm in four new cities (New October, New Fayoum, New Alamein, and New Aswan) to industrial developers, who applied to obtain these land plots to establish a developed industrial project. Those developers aimed to provide more job opportunities and support the comprehensive industrial development plan.

NAC Projects

The implementation rate of the Capital Park project in the New Administrative Capital (NAC) exceeded 89%, as it is the largest central park in the Middle East and the second largest globally.

The glass facades of several towers in the Central Business District (CBD) are being completed in parallel with the implementation of the interior finishing works.

It is worth noting that the CBD includes 20 mixed-use towers, including the iconic tower, with investments of about \$3 bn.

New Alamein Projects

The facades are being completed for 15 towers in the beach area, while the internal finishing works are being carried out in them. Besides, the implementation of several towers is underway; however, the work on the entertainment area is done.

In addition, the Heritage City project is also underway on an area of 260 acres, with a total number of facilities in the city of about 70.

Other faculties of the International University of Alamein for Science and Technology, which are built on 128 acres, have been operated.

Sadat City Projects

Four new power lines are being built to connect electrical stations in Sadat City, with investments worth EGP 410 mn, to serve the 8th Industrial Zone.

The Industrial Zone contains 1,076 industrial plots with various activities and serves the lands of the city's residential extension expansions.

Developers' Achievements in 2023

During 2023, the real estate developers' efforts were directed toward implementing residential projects, and Cairo had the largest share in attracting investments.

Madinet Masr, formerly known as Madinat Nasr for Housing and Development, launched phase I of the Rai project, the latest phase, "Sarai", near the NAC. The Rai project offers a variety of units, presenting the first phase, which consists of standalone villas, ranging in size from 212 to 239 sqm, and townhouses with an area of 160 sqm.

Furthermore, Madinet Masr launched Phase II of the Clubside project in Taj City. It introduced the concept of "partial real estate ownership" for the first time in the Egyptian market through its mixed-use project, The Hoft. The project includes hotels, commercial, and residential units, co-working spaces, as well as administrative offices.

The Times Development company started working on the Aster project in the Golden Square in New Cairo and decided to pump EGP 250 mn into the construction phase to meet the project timetable and achieve EGP 1.5 bn through the project.

It is noteworthy that the Aster project comes within a series of projects that the company is planning to launch during the coming period in New Cairo.

Further, Gates Developments announced the launch of its new project, the Space Commercial Complex, in Sheikh Zayed, on an area of 6-8 acres, with investments of approximately EGP 5 bn.

Hassan Nasr, CEO of Gates Developments, confirmed that the project is one of the most important commercial, administrative, and medical projects in Sheikh Zayed.

Nasr continued that the areas in the project vary between commercial, administrative, and medical, and the project consists of four phases. The delivery of the first phase will begin after three and a half years.

Moreover, Mabany Edris launched a new project, Kon, which will be built on an area of 447,657.5 sqm in Ras El Hikma, North Coast, with investments amounting to about EGP 6 bn. This comes as part of the company's expansion plan in its various projects.

Mohamed Edris, CEO of Mabany Edris, stated that the company plans to start construction in the Q4 of 2023. Deliveries in Phase I are set to be within four years. The project's construction progress reached 15% of the total area, and the rest is between lagoons, landscapes, and services.

MODON Developments revealed a contract with Maxim Hotels, regarding the Green River Tower project in the NAC. The company launched Phase I of the hotel apartments in the project. The hotel is located on a total area exceeding 60,000 sqm, with 30 floors. It is a coastal tower that includes administrative areas, commercial areas, and a 5-star hotel, with investments of around EGP 5 bn.

In New Sohag, Al-Raed Development announced the launch of the ROOTS project with EGP 1.8 bn total investments on an area of 87,000 sqm, as it is a modern integrated compound. Muhammad Khalafallah, CEO of Al-Raed Development, confirmed that the project includes all services and activities, and the rest is green spaces and services that provide customers with a different life model.

In conclusion, the projects of real estate development companies vary between the NAC, New Cairo, Sheikh Zayed, and North Coast.

However, implementing real estate projects in the Upper Egypt governorates is still challenging. Thus, it requires collaboration between the government and developers to overcome all obstacles that prevent this step; to ensure the implementation of real estate projects in all regions in parallel.



EGYPTIAN PROPERTY EXPORTS **BECOME KEY ATTRACTION FOR FOREIGN INVESTMENT**

BY **AMR HOSNY**

TRANSLATED BY **Wael Hossam El-Din**

Egypt seeks to support real estate exports by approving more facilities for foreign investors to buy properties in Egypt. This is based on the urban development that the country is witnessing through the construction of new cities, the fourth-generation cities, and the New Administrative Capital (NAC).

Recently, the government has announced various decisions to facilitate the procedures for foreign buyers. In this feature, Invest-Gate sheds light on the accomplishments of Egyptian property exports during HI 2023, the

challenges hindering this issue, and what Egypt needs to make Egyptian property exports more successful.

Governmental Procedures to Ease the Selling Process

The Egyptian government decided to make Egyptian citizenship available to real estate buyers, or whoever deposits \$1 mn in an Egyptian bank, and this amount will be returned in Egyptian pounds.

In March 2023, the government decided also to grant citizenship to foreigners who deposit a minimum of \$250,00 in the Central Bank of Egypt (CBE) or buy state-owned properties valued at \$300,000, according to a decision issued by the Cabinet.

The decision grants Egyptian nationality to foreign investors; the foreigner's ownership of property in Egypt provides them with a free charge for three to six years.

In May 2023, Egyptian Prime Minister, Mostafa Madbouly, revealed that the government previously allowed only the ownership of two properties for foreign buyers, and they were required to be in two different governorates. However, an amendment was made to an indefinite number of owned properties, and, hence, foreign investors can buy several properties. This amendment increased real estate export, considering the government's desire to attract foreign investments from various countries.

For his part, Ambassador Nader Saad, the Cabinet spokesperson, said: "The decisions issued in May 2023 by the Supreme Investment Council, included facilitating foreign property ownership, explaining that foreigners were facing problems in owning real estate," explaining that "The law specifies that they can only own two properties."

"This previous situation is meaningless, due to the good real estate market condition," Saad continued. He adds "Egypt seeks to attract foreign investors to real estate to obtain dollar proceeds."

Saad indicated that the parliament issued directives to banks to deal with foreigners establishing companies. Hence, open an account for them without residency issues."

Saad added, "We immediately go to the Egyptian House of Representatives, and we hope that it will accept these amendments to increase investments in Egypt."

International Developers Expo

This year's edition of MIPIM 2023 witnessed the presence of major real estate developers in Egypt, including the Administrative Capital for Urban Development, Tatweer Misr, Mountain View, LMD, GV Investments, CRED, Misr Italia Properties, and Nile Developments.

The participation asserted real estate companies' keenness to present at major international exhibitions. This aims to provide a distinguished example of the real estate developments during the past years, thanks to the government's efforts to establish new and fourth-generation cities.

Therefore, measures should be taken to improve investment in Egypt, which can boost Egyptian real estate export.

Moreover, leading event management firm Infinity Phoenix organized THE ICON SHOW exhibition in Dammam, Saudi Arabia, in February 2023, sponsored by the Egyptian Ministry of Housing, Utilities, and Urban Communities.

This promoted the Egyptian property sector abroad to flourish properties' export to get foreign currency, amid targeting EGP 500 mn during the exhibition.

For his part, Mohamed El-Saedy, CEO of Infinity Phoenix, said: "This period is a golden opportunity to attract foreign investors to Egyptian real estate." Also, El Saedy revealed the company's goal in 2023 is to establish three new showrooms in the Gulf countries.

What are the Major Real Estate Export Suggestions?

Fathallah Fawzy, Vice Chairman of the Egyptian Businessmen's Association (EBA) & Chairman of the Real Estate Development and Contracting Committee, told Invest-Gate that Egypt must find a specialized party whose goal is to deliver the unit and its license on time. This will save time and effort for the investor, stressing that this is what Gulf countries apply. Accordingly, they became a desirable destination for foreign buyers, especially Dubai in the UAE.

Arab investors desire to buy properties in Egypt; however, they fear bureaucracy, especially without a specialized real estate authority in Egypt, Fawzi explains. He added that these specialized authorities are what they use in their countries; they ensure profits and proper management of the real estate sector to meet the desires of investors, developers, and realtors.

"The main Arab nationalities who want to own properties in Egypt are the Syrians; this makes it easier for them to obtain Egyptian nationality and residency, in addition to Iraqis and Sudanese, especially after the recent political crisis in their countries since mid-April," Fawzi continued.

Furthermore, Hassan Ibrahim, a real estate expert, explained to Invest-Gate that exporting Egyptian real estate to various countries is good; however, this requires careful regulation to assist Arab Gulf citizens in purchasing/investing in Egypt's real estate market, since prospective property buyers/investors from this part of the Arab world are more motivated and have the most purchasing power to buy in Egypt.

Ibrahim pointed out that Egypt has many new and fourth-generation cities, as this diversity in real estate adds a competitive advantage unavailable in Arab Gulf countries.

"There are other Arab nationalities, such as Iraqis, Syrians, Palestinians, and Sudanese, who are settled in Egypt and are looking for properties in Egypt to facilitate matters of residence and life. This makes them permanent residents," Ibrahim noted.

He pointed out that Egyptian real estate companies opened headquarters in the six Gulf Cooperation Council countries (Kuwait - Saudi Arabia - Bahrain - UAE - Oman - Qatar) to market Egyptian real estate. Ibrahim highlights that this keeps Gulf investors well-informed about the latest details about the opportunities in Egypt's property market.

Global Real Estate Export Plan

According to the Turkish Statistics Authority, several European and Asian countries export their properties, such as Russia, Turkey, and the United Arab Emirates (particularly in Dubai). Turkey made 16,312 real estate sales to Russians in 2022 after the Russian-Ukrainian crisis.

Dubai has become a safe place for those looking for real estate in stable areas, as Dubai recorded in 2022 more than 86,000 sales, worth \$56.6 bn. The city offers three types of real estate ownership: freehold, joint ownership, and usufruct.

Speaking of Egypt, the state plays a vital role in real estate export, since it offers diverse property products, and offers facilities for purchasing.

The Real Estate Development Chamber revealed in an official statement that Egypt has around 12 million expatriates; 500,00 of them have the financial ability to purchase a housing unit with a value amounting to EGP 5 million. This comes amid requests raised to target the Chinese since they are the major nationalities looking for properties abroad.

Moreover, the chamber asserts that Egypt's prime location between Africa, Asia, and Europe facilitates real estate export, in addition to the fluctuations in USD prices in Egypt eases property ownership in Egypt.



INVEST-GATE ENGAGES PROPERTY LEADERS TO PROPOSE MECHANISMS FOR THE EXPANSION OF REAL ESTATE INVESTMENT FUNDS IN EGYPT

BY **DINA EL-BEHIRY**

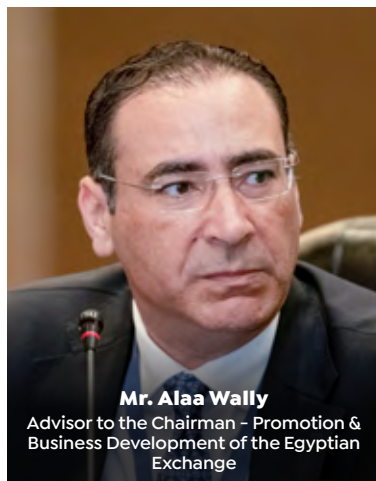
Invest-Gate held its second roundtable in 2023, the 18th one since its establishment, on the importance of real estate funds as an effective investment mechanism to support the Egyptian real estate market, in cooperation with the Egyptian Businessmen's Association (EBA).

The roundtable kicked off on Sunday, June 11, 2023, at the InterContinental Cairo Semiramis Hotel, under the theme "Real Estate Funds: Unlocking Investment Opportunities." It discussed how to overcome obstacles hindering the establishment of real estate investment funds in Egypt. In addition, it shed light on how the government, developers, and the banking sector should cooperate to help proliferate real estate investment funds within the Egyptian market.

Widely considered an essential investment tool on a global scale, real estate investment funds aim to collect financing from investors to be invested in various real estate projects, and the resulting profits are distributed to investors at a specific percentage.

Recently, many have called for establishing a culture that is conducive to the growth of real estate investment funds in Egypt. For several years, there has been only one real estate investment fund traded on the Egyptian Exchange: the Egyptians Real Estate Fund. In December 2022, Banque Misr, in partnership with Banque du Caire, Misr Insurance Holding, and Allianz Egypt, launched a real estate investment fund, named the Misr Real Estate Investment Fund 1.

The roundtable was divided into two main sessions with the theme "Supporting the Spread of Real Estate Funds." Both sessions were moderated by Eng. Fathallah Fawzy, Vice Chairman of the Egyptian Businessmen's Association & Chairman of the Real Estate Development and Contracting Committee. The roundtable witnessed the participation of a prestigious group of prominent real estate experts, namely Mr. Alaa Wally, Advisor to the Chairman - Promotion & Business Development of the Egyptian Exchange; Ms. Sally George, Head of Mutual Funds Department (FRA); Dr. Ahmed Shalaby, President & CEO of Tatweer Misr & Chairman of Egyptian Real Estate Council; Mr. Ahmed Abdullah, Vice Chairman of REDCON Properties; Eng. Abdallah Sallam, President and CEO of Madinet Masr; Mr. Nader Khozam, Chairman & CEO of Il cazar Developments; Mr. Ahmed Elbatrawy, Founder of Egypt MLS; Dr. Hashem El Sayed, Executive Chairman & Co-founder of ODIN Investments & Executive Chairman of Egyptians Real Estate Fund; Eng. Bassel Al Serafy, Global CEO of Adeer International, Managing Director of Paladin Properties UK; Dr. Nour El-Deen El-Serougy, CEO and Founding Partner of HRE Properties Egypt; Mr. Hassan Nasr, CEO of Gates Developments; Ms. Maha Abdel Razek, CEO of Misr Real Estate Assets Management; Mr. Mohamed Galal, Chairman of TSM; Ms. Olena Shyrokova, President





of the Ukrainian Business Council UAE; Ms. Ana Gazzara, CEO of Gazzara Global Group; Mr. Haytham Soliman, CEO of HRE Properties UK; and Eng. Tarek Bahaa, CEO of MENA Real Estate Development Consultancy.

During the roundtable, key industry professionals discussed the main obstacles facing the establishment of real estate funds in Egypt, including the lack of sufficient awareness of the importance of this investment tool for the sector, the high costs of establishment, and the lengthy establishment procedures, in addition to the tax environment that needs some amendments.

Discussions also revolved around the development of more incentives for all parties operating in the sector to support investment in real estate funds and reconsider the foundations of tax treatment for these funds to attract local and foreign investments, as well as attracting foreign real estate funds.

Experts also touched on how the state supports real estate funds, as the Egyptian government adopts some facilitations that would increase their number.

Concerning the banking sector, the participants in the roundtable explored how to exploit the abundance of real estate assets in Egypt to attract banks to support real estate investment funds. The roundtable also discussed how bank financing for these funds will resolve liquidity issues for developers.

"The expansion of urban development that Egypt has witnessed is unprecedented. Thus, real estate investment funds are very important to fully benefit from this trend, which is essential amid the economic challenges that Egypt is currently facing. Real estate investment funds are among the key investment vehicles that will contribute to attracting more local and foreign investments," said Eng. Fathallah Fawzy, Vice Chairman of the Egyptian Businessmen's Association & Chairman of the Real Estate Development and Contracting Committee.

For his part, Mr. Alaa Wally, Advisor to the Chairman, Promotion & Business Development of the Egyptian Exchange, stated that "The Egyptian Stock Exchange (EGX) is fully ready to support real estate investment funds and help investors. These funds are a big opportunity for small investors. One of the main advantages of real estate investment funds is to distribute risks among different instruments and also enable developers to secure liquidity at a lower cost. The main challenges impeding the establishment of real estate investment funds is the evaluation of assets and the high taxes that erode their returns."

In a similar vein, Ms. Sally George, Head of the Mutual Funds Department (FRA), noted: "Real estate investment funds support financial inclusion. They are attractive to investors and allow the general public to own shares [in real estate projects]. From 2007 until 2020, legislation was drafted for real estate investment funds, and other procedures were facilitated, such as the maximum limit for funds was eased to EGP 5 million, after it was the minimum limit. Also, the regulations permit properties to be registered later, and it is not a condition to be already registered."

"Foreign customers prefer to buy properties through real estate funds. Thus, they will play a key role in property export and bolster sales amid fluctuations in prices. Egypt needs to amend some legislation to facilitate the establishment of real estate investment funds, which has returns ranging from 5% to 10%. These funds will help non-residential investments, including educational, commercial, and medical projects. Real estate investment funds will also support Egypt's property exports," said Dr. Ahmed Shalaby, President & CEO of Tatweer Misr & Chairman of the Egyptian Real Estate Council, calling for the reduction of taxes on real estate investment funds.

"The real estate wealth in Egypt amounts to EGP 10 trillion. The main target of real estate funds is finance and investment," Mr. Ahmed Abdullah, Vice Chairman of REDCON Properties commented, adding that the Planning and Budget Committee at the Egyptian House of Representatives approved exempting dividends of securities investment funds established under the Capital Market Law on the condition that these funds invest at





least 80% in existent properties. He stressed that there should be more attention to funds that specialized in green and sustainable buildings, as well as pension funds, which are very important to investors.

Furthermore, Eng. Abdallah Sallam, President and CEO of Madinet Masr, clarified that real estate investment funds are a very important tool for real estate development, stressing that we should use models that have been implemented abroad concerning different real estate investment funds. He highlighted that there are already investment funds in Egypt, but they aren't registered and are operating under what is called 'parallel funds,' clarifying that facilitating the establishment of real estate investment funds in Egypt will achieve balance in the market.

"Real estate investment funds target people who can't afford to buy properties amidst the current economic challenges. The private sector in Egypt needs amendment of some real estate laws to accelerate property export. The New Administrative Capital is a model that should drive the real estate sector in Egypt through governance," Sallam added.

Mr. Nader Khozam, Chairman & CEO of Ilcazar Developments, highlighted, "Real estate investment funds in Egypt need the information to achieve their expected results. 50 funds were operating in the 1990s that were generating high returns." He added "Establishment procedures take a long time and that needs to change. Egypt has great potential to attract several real estate investment funds, which will secure huge liquidity for developers.

Khozam stressed that the banking sector is key to supporting the spread of real estate funds in Egypt, calling for issuing a new tax law for these funds.

"Real estate investment funds are crucial to support investment. Technology should be applied in the real estate sector to encourage

investors. There should also be different facilities and a single source of information for customers and investors," Mr. Ahmed Elbatrawy, Founder of EGYPT MLS, maintained.

"MLS technology is the main driver of all real estate transactions in American, Canadian, and Mexican markets. Therefore, the launch of a subsidiary to the platform in Egypt will boost property export," Elbatrawy added, revealing that EGP 1 billion was invested in MLS Egypt to build a platform that will provide information on real estate funds, portfolios, and returns.

"The value of real estate funds in the world amounts to a total of \$1.9 trillion. All factors indicate that real estate funds have become a major necessity. There are no obstacles hindering the establishment of real estate funds in Egypt. I call, however, for the offering of tax exemptions [for these funds]," said Hashem El Sayed, Executive Chairman & Cofounder of ODIN Investments & Executive Chairman of Egyptians Real Estate Fund.

Eng. Bassel El Serafy, Global CEO of Adeer International, and Managing Director of Paladin Properties UK, says that real estate funds are essential, as they are one of the solutions to the current problems of real estate developers.

"It is Egypt's way to export real estate, attract investors, and provide foreign currency," he added, pointing out that Saudi Arabia is witnessing great activity in establishing real estate funds at present.

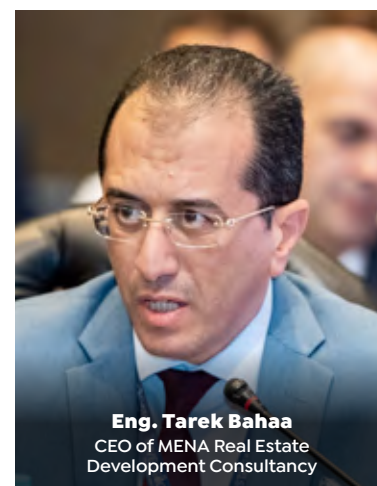
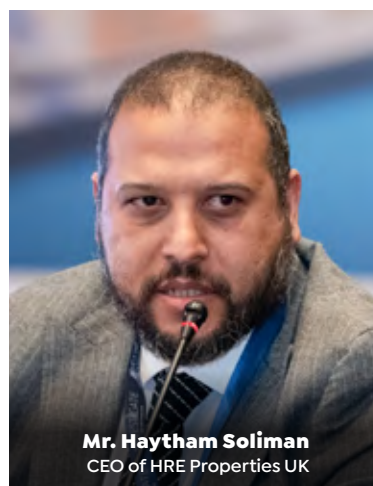
Dr. Nour El-Deen El-Serougy, CEO and Founding Partner of HRE Properties Egypt, explained that the governance in real estate investment funds is important because it facilitates the disposal of real estate. El-Serougy stressed that investors have expressed great interest in the Egyptian market, but they still need information, indicating that the real estate market in Dubai recorded sales of AED 9 billion in the recent period.

El-Serougy continued that this is amid great competition for the Egyptian real estate market, which is also being challenged by the European, Gulf, and African markets, explaining that some citizens do not have a culture of ownership through shares, thus, promoting this culture is the role of the government, which must educate the citizens and spread awareness.

Mr. Hassan Nasr, CEO of Gates Development, agrees with El-Serougy, saying that Egypt has excellent real estate wealth, indicating that awareness of the culture of real estate investment funds must be raised in Egypt. He also said that there are challenges facing the establishment of real estate funds in Egypt and it is necessary to consider them. This includes the tax rate, the fund's information availability, and the return from these funds compared to the return on bonds.

Ms. Maha Abdel Razek, CEO of Misr Real Estate Asset Management Company, explained, "Real estate funds are a powerful investment tool, and Egypt's delay in establishing them is not a problem. Rather, sometimes it is better to take advantage of the mistakes and problems of others," stressing that investing in real estate is one of the means of saving in Egypt.





Abdel Razek pointed out that some mechanisms for achieving returns are currently being studied, emphasizing that Misr Real Estate Asset Management has an excellent opportunity to enter real estate funds, as their real estate is attractive, and the occupancy rate is high.

Mr. Mohamed Galal, Chairman of TSM, states that since 2009 the company has tried to implement the idea of real estate funds informally, and then moved to the official form in 2013 to become an Egyptian joint stock company.

Galal explained, "There are currently great economic challenges in Egypt, which affect the real estate market," adding, "Recently, there has been a presence of Gulf investment in Egypt."

Galal emphasized that this, until now, is not enough, indicating that countries near Egypt have huge investments that the state must try to attract, stressing that the problem of return on investment (ROI) must be solved.

Ms. Olena Shirokova, President of the Ukrainian Business Council UAE, commented that real estate investment funds are important to the Egyptian economy, stressing the need for more legislative reforms and facilitations and increasing private sector participation.

Ms. Ana Gazzara, CEO of Gazzara Global Group, pointed out that real estate investment funds are vital to the global economy, commenting, "I do not want to talk much about the obstacles of establishing real estate funds, but efforts must be unified to find solutions." She added, "In my opinion, Egypt has a great opportunity to attract investments."

"In 2018, I saw more developments in Egypt; by investing in new technologies, Egypt can attract more foreign investments in its real estate investment funds," Gazzara continued.

Mr. Haytham Soliman, CEO of HRE Properties, UK, called on the Egyptian government to address all obstacles that prevent the establishment of real estate investment funds, affirming that the banking sector must participate more and cooperate with the government and developers to overcome all obstacles. Soliman mentioned that data availability in a comprehensive market is important for local and foreign investors.

In the same context, Eng. Tarek Bahaa, CEO of MENA Real Estate Development Consultancy, stated that Egypt is witnessing a vast construction boom that has led to substantial investment opportunities that have attracted the attention of foreign investors.

He added that this can help support real estate investment funds in Egypt, adding that the market needs funds for real estate development as they already exist in Saudi Arabia and are a successful means of financing.

It is worth noting that the round table was sponsored by REDCON Properties, Madinet Masr, HRE Properties, Ilcazar Developments, EGYPT MLS, Gates Developments, Misr Real Estate Assets Management, Al Baraka Capital, and TSM.

Media partners included Aleqaria, Al-Borsa News, Daily News Egypt, Algedaan Real Estate, Elly Banaa Masr program, Aqarmap, Osoul Misr Magazine, Bloom Gate, Property Plus, and Aqar Gate.

The participants agreed on the following recommendations:

1. Spread awareness of the importance of investment funds.
2. Prepare a real estate index on the Egyptian Stock Exchange that shows the transactions that take place in the Egyptian real estate market to reinforce property exports.
3. Implement new technology in the real estate sector to attract investors, in addition to forming a single source of information for foreign investors to know more about the investment environment in Egypt.
4. Issue necessary legislation to facilitate the establishment of real estate investment funds.
5. Offer tax incentives to attract foreign investments to Egypt.
6. Learn from the success stories of other countries that managed to establish real estate funds.
7. Create a platform that gathers all real estate data in Egypt, and starts in the New Administrative Capital (NAC) and other new cities to help foreign investors.
8. Transfer the culture of investment and ownership of shares to individuals.
9. Pay attention to real estate funds for green and sustainable buildings.
10. There must be an entity responsible for coordinating the work of real estate investment funds.
11. Encourage the establishment of companies to manage and operate real estate investment funds.
12. Promote investment in real estate funds in various foreign currencies.
13. Encourage the banking sector to invest and provide liquidity to establish real estate investment funds.



EGYPTIAN DEVELOPERS
**DEFY ECONOMIC
CONDITIONS
WITH EGP 71 BN
IN Q1 SALES**

BY MUHAMMAD KHALID

The Egyptian real estate market has faced numerous economic challenges in 2022 that have negatively impacted sales. High inflation, currency depreciation, and interest rate hikes have reduced the purchasing power of both local and foreign buyers.

There are some positive indicators for sales in Egypt's real estate sector, as major developers achieved over EGP 71 bn in sales during Q1 2023. The government's plans to privatize state assets could also boost foreign investment and demand.

However, rising construction costs and the broader economic slowdown remain a challenge. With the right policies to encourage buyers and investment, sales in Egypt's real estate market show signs of resilience and potential growth going forward.

Surging Sales Despite Higher Costs

From the beginning of 2023 until the end of March, prices of steel rebars surged by 50%, while prices of cement and ready-mix concrete increased by 12% and 7% in the same period, according to a report by the Board Consulting Real Estate Dynamics Newsletter.

The New Administrative Capital (NAC), which was previously the primary focus, is now slowing down, leaving room for other areas in Greater Cairo to emerge, the newsletter notes. "Many developers are now looking into other governorates to penetrate, like Madinet Masr that have done a rebranding to cater for different needs in governorates starting with Asyut."

The board consulting monitored sales of 10 major developers in its newsletter, which showed that they achieved EGP 71 bn in contractual sales during Q1 2023.

Government Initiatives Aim to Spur Sales

The Egyptian government is implementing measures that have the potential to increase sales in the real estate market. These initiatives could provide a much-needed boost to real estate sales that have been hampered by recent economic challenges.

Earlier this month, Prime Minister Mostafa Madbouly announced that the government will lift restrictions that currently limit foreigners to owning only two properties, both of which currently must be located in different cities.

He also stated that the state will work to expedite land registration for investors, in response to complaints about difficulties processing applications with the Supreme Council for Investments.

On March 29, the Egyptian cabinet approved proposals from the Ministry of Housing to provide various financial incentives and facilities to investors and real estate development companies amid current challenges.

The incentives include extending the construction period for all service, investment, and urban development projects by 20% beyond the original deadline. This extension applies to projects that are still under development.

Future Outlook

According to a report by JLL, Egypt's plans to offer 32 state-owned companies are expected to boost real estate activities in Cairo in the coming years.

"The anticipated FDI inflow is fueling optimism and is expected to relieve pressure on real estate activities across the country, particularly in Cairo," said Ayman Sami, JLL Country Head, Egypt.

Around 4,000 residential units were delivered in Cairo during Q1 2023, bringing the total existing stock to about 249,000 units. Over 29,000 units are expected to be completed by the end of the year, the JLL report revealed.

Total residential units constructed in Egypt during FY2021/2022 reached 246,100 with a cost of EGP 143.5 bn (\$4.64 bn), a 36.65% decline over the previous year, according to the Central Agency for Public Mobilization and Statistics (CAPMAS) Bulletin of Housing.

In FY2020/21, 336,300 residential units were built for EGP 150 bn (\$4.85 bn).

Macroeconomic Headwinds

The Egyptian real estate market was hit by shockwaves in 2022 on the heels of the eruption of the Russia-Ukraine war, including soaring inflation, multiple currency devaluations, and rising interest rates.

Since March 2022, the value of the Egyptian pound has plummeted by almost 100%, currently trading at around EGP 31 to the US dollar.

The steep currency devaluation has resulted in a surge in inflation, with the annual core inflation rate peaking at 40.3% in February before slightly declining to 39.5% in March.

Meanwhile, the annual headline inflation rate skyrocketed to 33.9% in March 2023, up from 12.1% in March 2022. To combat inflation, the Central Bank of Egypt (CBE) hiked interest rates by 8% in 2022 and then increased them by another 2% in March 2023.

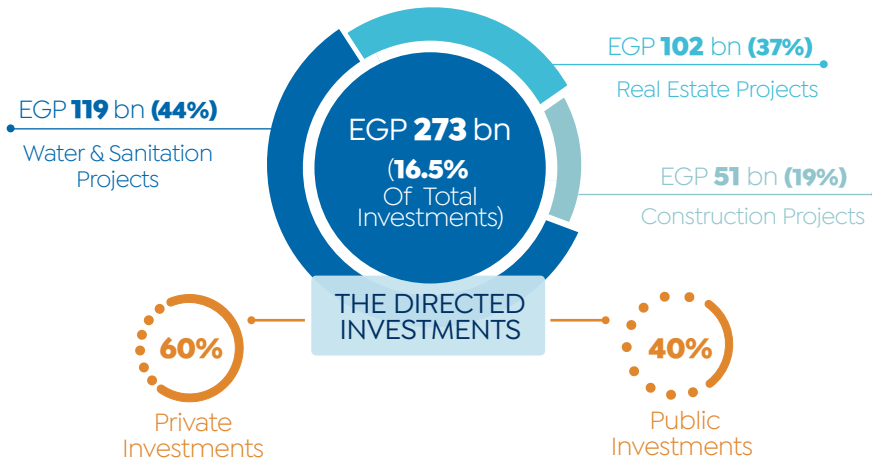
Raising interest rates increased the cost of borrowing which put a limit on a source of funding for developers and property buyers alike.

Despite recent headwinds, there are some positive signs for Egypt's real estate sector. Government reforms and investment plans could boost construction activity and demand, while new developments outside of the NAC are gaining momentum.

However, rising material costs and the economic slowdown present continued risks. With the right policies and investments, Egypt's real estate market stands to weather the current challenges and emerge stronger in the coming years.

01 | REAL ESTATE MARKET UPDATES 2023

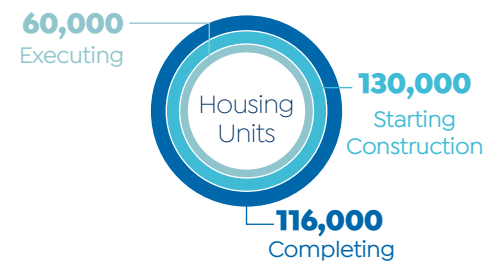
THE URBAN DEVELOPMENT IN THE SOCIAL & ECONOMIC DEVELOPMENT PLAN 2023/24



GENERATED GDP



Social Housing



530	Completing Buildings For Low Income
17	Completing Developmental Communities In North Sinai
9	Completing Developmental Communities In South Sinai

Targeted Infrastructure Projects

Executing	Potable Water Plants	Completing
25		112
18	Sewage Treatment Plants	168
14	Sanitation Projects In The Cities	87
15	Sanitation Projects In The Countryside	141
21	Different Projects	23
Potable Water & Sanitation Projects In Urban Communities		Seawater Desalination Plants

Local Development Program



Targeted Projects In Hayah Karima's Phase I

332	127	97	128	1,446 Villages
Government Service Complexes	Markets	Stations	Firefighting Points	Developments Road Projects

Hayah Karima's Initiative



Phase I Investments Breakdowns (EGP BN)

52.5	Sanitation
28.4	Electricity
19.1	Potable Water
8.9	Health Sector
6.8	Road
5.6	Telecommunication

02 | NEW CITIES UPDATES 2023

UPDATES ON NEW ADMINISTRATIVE CAPITAL (NAC)

| Capital Parks

 **10 km +**
TOTAL LENGTH

 **3**
NO.OF SECTORS

 **91%**
COMPLETION RATE

 **1,000** Acres
AREA

CP 01: **375** Acres
CP 02: **306** Acres
CP 03: **309** Acres

UPDATES ON CAPITAL GARDENS

| Housing Projects

 **EL-Nassem Area**
LOCATION

 **150** (Unit Area: **90** m²)
70 (Unit Area: **75** m²)
NO.OF BUILDINGS

 **Underway**
STATUS

| Green Building

 **402**
TOTAL NO.OF BUILDINGS

 **9,000**
TOTAL NO.OF HOUSING UNITS

 **1,000 +**
NO.OF UNITS UNDERWAY

UPDATES ON NEW DAMIETTA

| Housing Projects

| JANNA "Phase I"

 **6th Neighborhood**
LOCATION

 **44**
NO.OF BUILDINGS

 **Underway**
STATUS

| JANNA "Phase II"

 **59**
NO.OF BUILDINGS

 **89%**
COMPLETION RATE

| Sakan Misr

 **1st & 4th Neighborhood**
LOCATION

 **45**
NO.OF BUILDINGS

 **1,068**
N.OF HOUSING UNITS

 **Underway**
STATUS

| Industrial Zone

 **608** Acres
AREA

 **EGP 70 bn**
TOTAL INVESTMENTS

 **720**
NO.OF EXECUTED PROJECTS

 **112**
NO.OF SME PROJECTS & WORKSHOPS

 **38,000**
NO.OF PROVIDED JOBS OPPORTUNITIES

03 | PRIVATE REAL ESTATE PROJECTS UPDATES 2023



NEW RESIDENTIAL PROJECTS

KOUN

Developer: Mabany Edris Company


LOCATION
North Coast


INVESTMENTS
EGP **6 bn**


DELIVERY DATE
OF PHASE I
Within **4 Yrs**


CONSTRUCTION'S
STARTING DATE
Q4 2023

SUPPLY VOLUME

- Hotel Rooms, Clubhouse & Commercial Area

NEW PROJECT (NAME N/A)

Developer: Ibtakar Real Estate Company


LOCATION
Al Narges Area, New Cairo


TARGETED SALES
EGP **25 mn**


UNIT AREA
200 - 205 m²


DELIVERY DATE
Within **3 Yrs**

YELLOW RESIDENCE COMPOUND

Developer: Urbnlanes Developments


LOCATION
5th Settlement


AREA
27 Acres


COMPOUND FACADE
700 m² +



NEW COASTAL PROJECTS

Q NORTH

Developer: Q Development


LOCATION
North Coast


AREA
100 Acres


DELIVERY DATE
After **3 Yrs**

SUPPLY VOLUME

- Unit Area: **65- 200 m²**
- Commercial Mall (**34,650 m²**) & Garage
- Hotel With **240 Rooms (4.5 Acres)**
- Lake For Swimming & Sports Activities (**1,800 m²**)
- Beaches On **7,600 m²**

Source: Developers' Official Statements

04 | ECONOMIC SNAPSHOT UPDATES 2023



INTEREST RATES



* MPC Meeting Was Held On May 18, 2023



MONEY SUPPLY (EGP BN)



DOMESTIC LIQUIDITY (EGP BN)



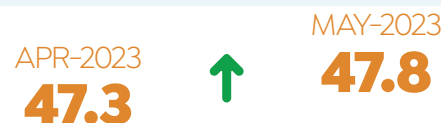
ANNUAL HEADLINE INFLATION



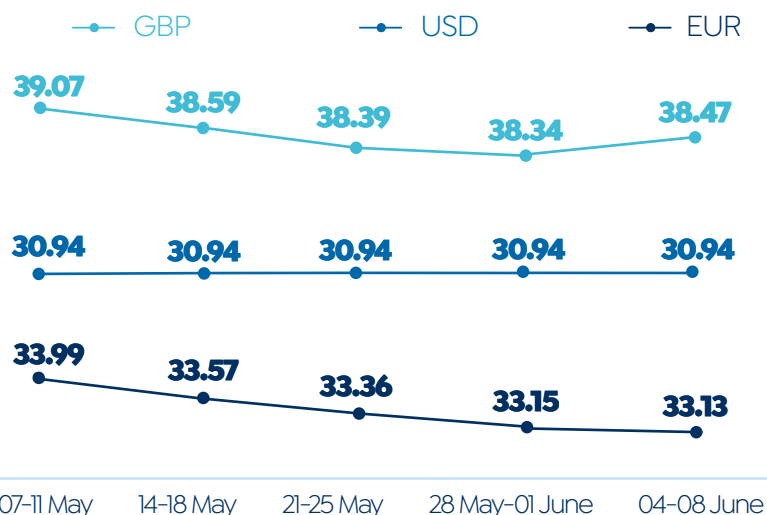
NET INTERNATIONAL RESERVES (USD BN)



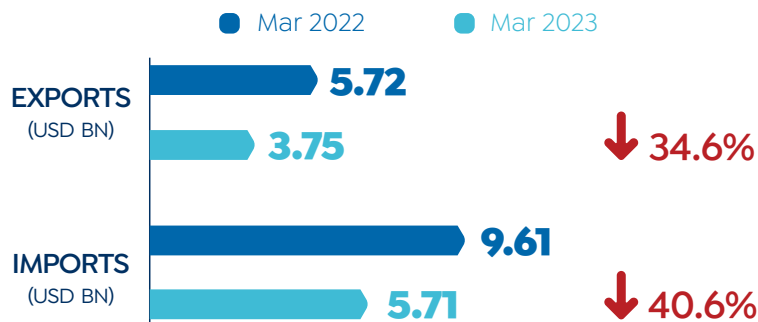
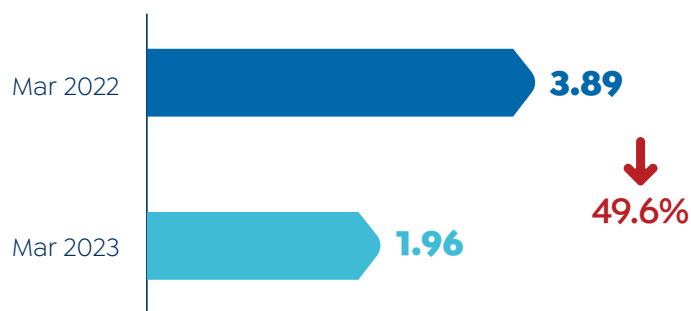
PURCHASING MANAGERS' INDEX (PMI)



EXCHANGE RATES



TRADE DEFICIT (USD BN)

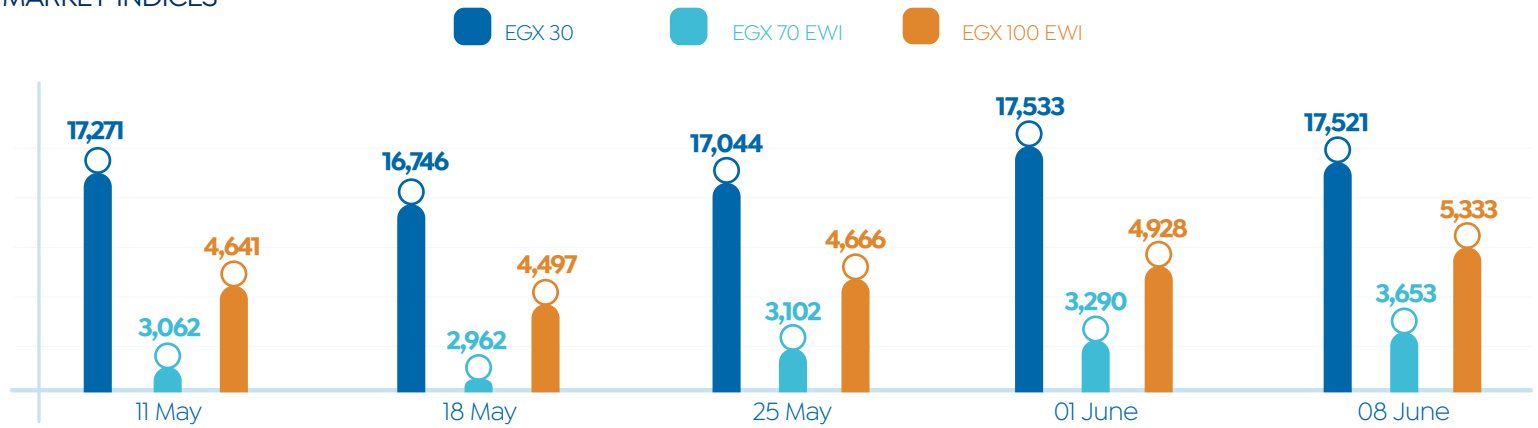


Source: IHS Markit, CAPMAS, CBE & FEDCO

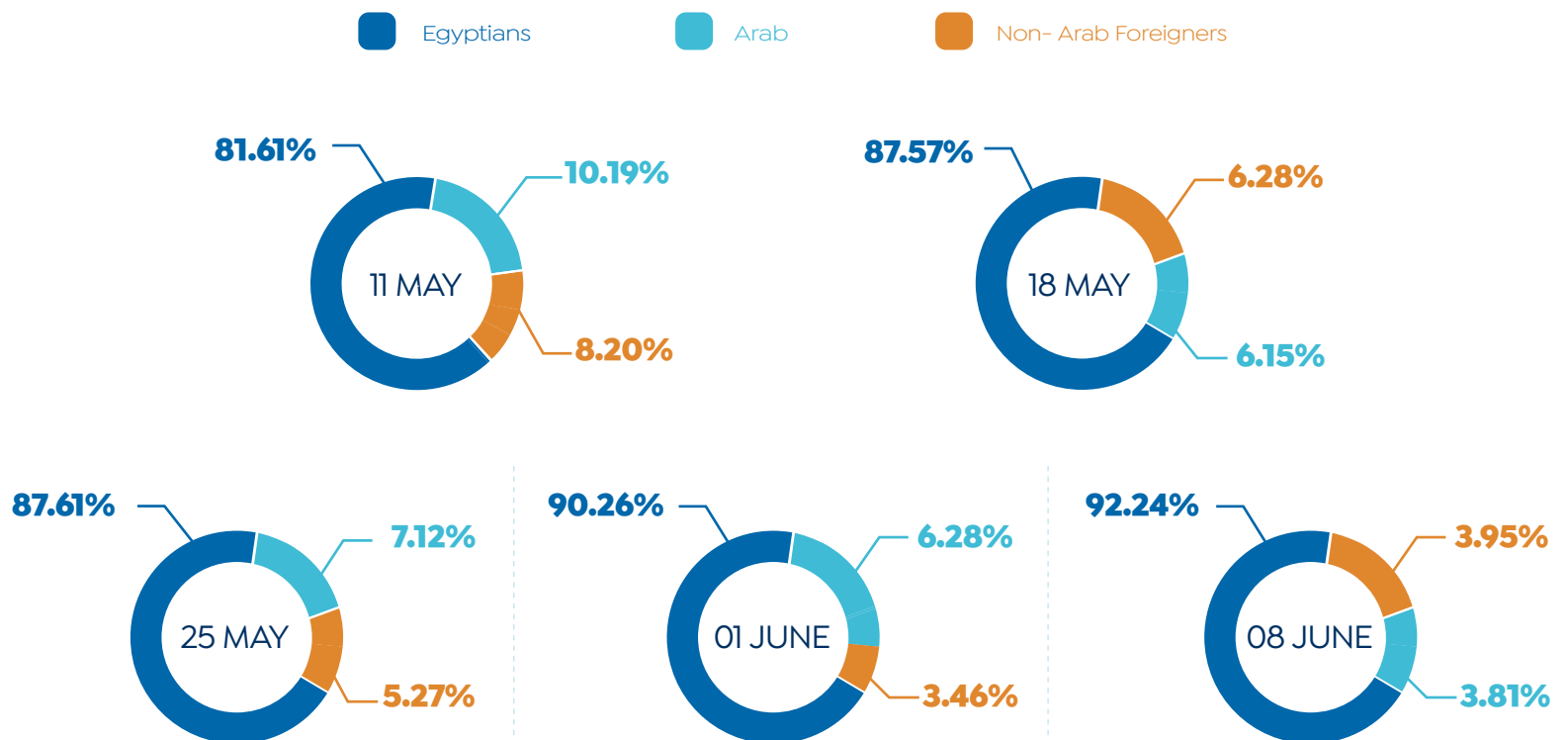


CAPITAL MARKET INDICATORS

MARKET INDICES



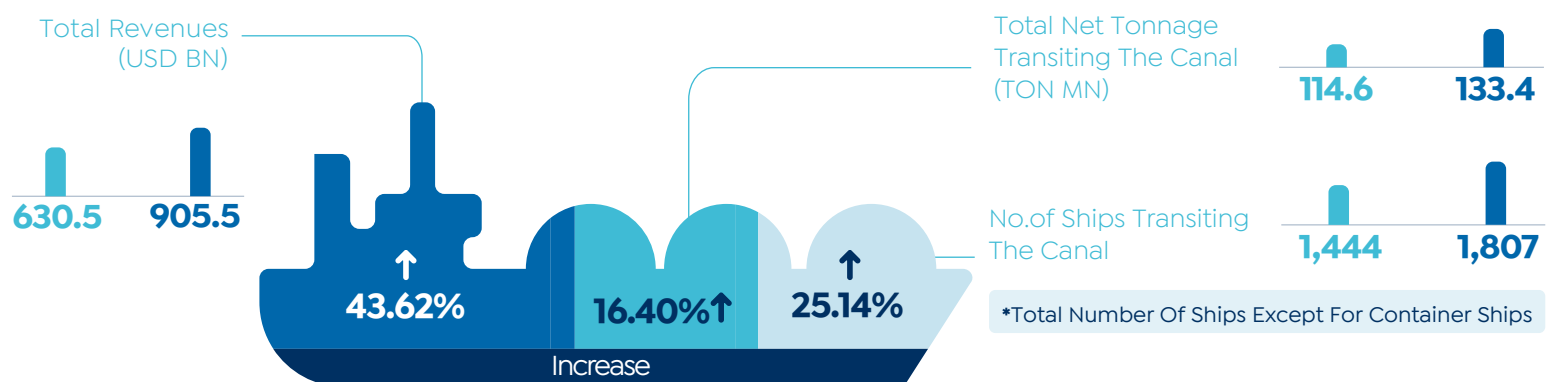
INVESTOR TYPE (%)



SUEZ CANAL

Apr 2022

Apr 2023



FOR ACCESS TO FURTHER
IN-DEPTH ANALYSIS
PLEASE SCAN



Telalians

by THE PLATFORM

THIS SUMMER

SHOP. DINE. SOCIALIZE

TELALIANS BY THE PLATFORM
Now Open



رقم التسجيل الضريبي: ٠٠٢-٤٩٠٠٠٠٨

EGYPT'S INDUSTRIAL CITIES

DRIVE INVESTMENT, SUSTAINABLE GROWTH

BY SHAIMAA IBRAHIM
TRANSLATED BY MUHAMMAD KHALID

Recently, the Egyptian government has shown increasing interest in developing the industrial sector by establishing a new generation of specialized industrial cities across all governorates. These industrial cities are seen as effective tools for stimulating domestic investment and attracting foreign capital to the country.

Over the past eight years, the government has paid unprecedented attention to establishing industrial complexes, contributing to new productive sectors, job creation, and increasing national income.

From 2015 to the end of 2022, four new industrial cities and 17 small industrial complexes were established at an investment cost of EGP 10 bn across 15 governorates.

This year, the Ministry of Planning and Economic Development announced that the government is working to establish nine new industrial complexes, including two high-tech industrial complexes, during the 2023/2024 plan.

Additionally, the Board of Directors of the New Urban Communities Authority (NUCA) agreed to allocate about 12 mn sqm for industrial developers in four new cities; New Cairo, New Fayoum, New Alamein, and New Aswan.

Khaled Abbas, Chairman of the Administrative Capital Urban Development (ACUD), stated that the company is working on the designs of the 2,000-acre industrial zone in the New Administrative Capital (NAC), with completion expected in the second half of 2023. The designs will then be presented to investors, reflecting requests from industrial development companies.

All this affirms the growing importance of industrial real estate in the coming period. Through the following article, Invest-Gate sheds light on efforts to advance this sector and evaluates the performance of the industrial real estate sector in the first half of 2023.

Government Efforts

Minister of Trade and Industry Ahmed Samir stated that at the beginning of 2023, the National Industrial Development Strategy (2022-2023/2026-2027) was launched.

Prepared by the ministry, the strategy aims to achieve five main goals, including achieving an 8% industrial growth rate, increasing the industry's share of GDP to 20% with annual industrial export growth of 18-25%, and expanding the shift towards green industries and a circular economy to achieve \$100 bn in exports.

Regarding the system for allocating industrial lands, the government is keen to facilitate pricing and make industrial lands available for investors.

The Cabinet issued a declaration to form committee No. 2067 of 2022, headed by the Public Authority for Industrial Development. This committee is concerned with unifying the entity dealing with investors to establish industrial projects.

Moreover, the Minister of Trade and Industry confirmed that the total area of industrial lands allocated by the committee since its formation amounts to about 1.2 mn sqm for 219 industrial projects.

In addition, the Cabinet approved setting the prices of industrial lands offered to investors and making them available through ownership and usufruct systems, while issuing regulations for controlling the allocation process and providing financial and procedural facilities to the process of land allocation.

Facilities for Allocating Industrial Lands

According to the Ministry of Trade and Industry, the number of approved industrial zones in Egypt reached 147 affiliated with seven entities, with a total area of about 1.7 mn acres, in addition to 17 industrial zones under the industrial developer system with a total area of 22.7 mn sqm.

Mohamed Abdel Karim, Chairman of the Industrial Development Authority (IDA), revealed that the IDA's portfolio of land available for investors amounts to 2,303 plots, with a total area of 7.76 mn sqm across 18 governorates.

During 2023, the Ministry of Housing, Utilities, and Urban Communities provided new facilities for industrial developers, including a period for paying the land value. Accordingly, allocating the land will be in two phases, with an implementation period of five years maximum for the two phases. In addition, at least 35% of the main works and buildings for the first phase need to be completed to receive the second phase, besides, full payment for the two phases has to be paid according to the initial approved price of the project.

The ministry also provided installment periods commensurate with industrial investors by granting the developer a two-year grace period from the date of paying the contract amount for the first phase, provided that the remaining 75% of the first phase value is completed in four equal annual installments at the industry support interest rate determined on the date of payment.

As part of the IDA's endeavor to quickly provide industrial lands with complete facilities for investors, the authority adopted the program for the New Generation of Industrial Clusters - The Industrial Developer - through a successful partnership with the private sector.

This allows companies to develop, facilitate, and manage industrial zones through international bids to meet the challenge of scarce adjacent industrial lands, as the industry's need for adjacent lands exceeds 7 mn sqm annually, while what the state provides does not exceed 3 mn sqm only.

Abdel Karim confirmed that the IDA has reactivated the mechanized industrial investment map and offers more than 2 mn sqm of adjacent lands across the country.

He stated that the authority provided unprecedented facilities to the industrial community, most notably granting a six-month grace period for projects within or outside the implementation schedule upon immediate payment.

Tarboul Industrial City

The Tarboul city project, implemented by the GV Investments Group, is located on 109 mn sqm in Giza. Tarboul includes several investment areas with different industrial activities.

Sherif Hamouda, Chairman of GV Investments, said that the Tarboul city project covers an area of 26,000 acres and aims to localize basic and complementary industries, value-added industries, export industries, recycling industries, and smart logistics services.

The plan includes establishing a smart transportation and internal transportation network in the city, which is expected to accommodate 2 mn people and be built in seven phases.

Hamouda stressed that the Tarboul project is one of the most important industrial projects, aiming to attract global attention to Egypt as an industrial

country influencing many sectors, and providing competitive incentives for investors.

The economic impact of Tarboul City will provide over 700,000 job opportunities for the people of Upper Egypt, considering the city's 13,000 industrial establishments. GV is adopting a world-class infrastructure development plan for the city, in partnership with international companies and experts.

Industria October City

In January 2023, the Cabinet unveiled that a plan for an industrial city project to be established in New Cairo City is being studied.

Regarding the process of allocating the lands required to establish the project, Assem El-Gazzar, Minister of Housing, indicated that it is possible to prepare a specific timetable for the development process of the region.

The required lands will be allocated in two stages, and in the event of proving seriousness in the first stage, the land needed to implement the second phase will be obtained, he added.

Moreover, Prime Minister Mostafa Madbouly stated that the government had received a request from the El Sewedy Electric Group to establish a new industrial zone in New Cairo City planned to be implemented under the industrial developer system near the 6th of October Dry Port.

Ahmed El Sewedy, President and CEO of El Sewedy Electric Group, explained that Industria October is planned to be one of the largest industrial cities in Egypt on an area of 5 mn sqm, with varying land uses between industrial, logistical, commercial, and administrative, and service activities. The city will be directly connected to the port of Alexandria via railways, El Sewedy added.

The top executive highlighted that the project's components include an administrative area, services, a commercial area, an industrial area, a warehouse area, a logistics area, and others.

He revealed that the project will be implemented in three phases, aiming to add about EGP 5 bn annually to Egypt's gross domestic product (GDP) after completion, attract local and foreign investments worth EGP 20 bn, provide more than 150,000 job opportunities in various industries, and build and develop more than 400 factories and about 100 logistical and commercial facilities.

Green Industrial Area

Last April, the IDA announced its intention to establish the first green industrial zone in cooperation with the United Nations Industrial Development Organization (UNIDO), relying on clean energy and recycling all waste from manufacturing operations in a manner consistent with the principles of sustainability and environmental protection.

This aligns with the Egyptian government's sustainable development strategy, "Egypt's Vision 2030," and the goals of transitioning to a green economy and reaching net zero emissions.

Green industrial development has become a global trend aiming to reduce greenhouse gas emissions leading to rapid climate change. The Intergovernmental Panel on Climate Change (IPCC) estimates that carbon dioxide emissions from industry and electricity will reach 14 gigatons by 2023.

Abdul Karim said that the authority's plan includes creating an attractive industrial investment climate, achieving sustainable development, transitioning to a green economy, and developing specialized industrial cities.

The plan also includes studying and determining the comparative advantages of governorates in terms of location and natural resources to identify promising industrial investment zones capable of attracting global investments, Abdul Karim added.



EGYPT IS EMPOWERING ITS PROPERTY MARKET IN H1 2023 AGAINST ALL ODDS

BY EMAN IBRAHIM
TRANSLATED BY MUHAMMAD KHALID

The first half of 2023 brought many challenges for the global economy, disrupting the international supply chains due to the continuation of the Russia-Ukraine war. These circumstances caused a wave of inflation that hit various countries of the world. The impact of inflation rippled through various economic sectors, worsened by the central banks' tight monetary policies seeking to curb it.

The Egyptian real estate sector has been hit by some of these factors, including the noticeable increase in the prices of its inputs prompting the Egyptian government to hold many meetings with manufacturers.

During these meetings, the government discussed its proposals and issued several decisions and initiatives in an attempt to mitigate the negative effects on the industry and to maintain the continuity of activity and momentum in the strategic sector.

Real estate export was on top of those decisions to attract many foreign investors while targeting higher segments of investors and strengthening the position of the foreign currency.

In this article, Invest-Gate monitors key decisions and initiatives that the government has taken to support the real estate sector in the first half of 2023, as well as anticipating what is expected for the rest of the year.

Committee to Revitalize the Sector

In January 2023, Prime Minister Mostafa Madbouly held a meeting with officials of the Central Bank of Egypt (CBE), the Ministry of Housing, Utilities, and Urban Communities, and real estate developers, in which he directed the formation of a committee to prepare an integrated program to promote real estate financing activities. The new committee was also tasked with developing a clear vision to boost real estate exports as a source of foreign exchange.

Last February, the Council of Ministers approved the request by the Ministry of Housing to deregulate the sale price of its residential projects and offer new units in New Cairo in Cairo Governorate, Bayad Al-Arab in Beni Suef Governorate, Hurghada and Safaga in the Red Sea Governorate, and Damanhour in El Beheira Governorate. This is according to decision No. 3/20/2023 by the board of directors of the Social Housing and Mortgage Financing Fund.

Land Allocation Facilities in New Cities

At the end of last March, the Egyptian Cabinet approved another proposal by the Ministry of Housing for facilitating the land allocation to service and investment projects, mentioning that the New Urban Communities Authority (NUCA) has approved granting various facilities to the investors despite all the current changes as a result of the global situation.

These facilitations included extending the implementation period for all service, investment, and construction projects by 20%, over the original implementation period. This is for the underway projects, as for the projects that have been or are being granted a grace period against compensation, they will be granted the same percentage of this grace period.

Moreover, the facilitations also included granting real estate developers a 50% discount on the interest applied on the installments due, during that 20%-implementation granted period, with a maximum of one year, starting from 2023. This is the state's contribution to supporting real estate developers confronting economic obstacles.

For those who reserved at Beit Al-Watan Project (the 8th complementary phase), NUCA's Board of Directors decided to provide them with alternatives to the payment plans, as well as other facilitations in case of immediate payments.

In this case, if the immediate payment for the allocated land plot is transferred from abroad and in USD, there will be a 15% discount for full payment. However, if it is paid in installments, there will be two alternatives; the first one is to determine the land's price in EGP and pay in USD, while the second is to determine the price and pay it in USD.

Digitization and Investment Attraction

The Prime Minister directed all ministries and competent authorities to take fast and necessary procedures to start digitizing all their assets, whether lands, real estate, or otherwise to achieve governance, ensure efficient management of state-owned assets and put an end to encroachment.

In May 2023, the cabinet approved a draft presidential decree on the agreement to eliminate double taxation for income taxes and the prevention of tax evasion and avoidance, which was

signed between Egypt and Qatar, and included various sectors, real estate is one of them.

Real Estate in Exchange for Nationality

In March 2023, the Official Gazette published the Prime Minister's decree amending nationality applications. The amendment allowed granting citizenship to applicants in four cases, including the purchase of a property owned by the state or other public legal entities for at least \$300,000 to be transferred from abroad according to the rules applicable in the Central Bank or has entered the country through official ports and has been documented at customs.

What Does The Sector Need in H2 2023?

Osama Ragab, Executive Director of the Real Estate Development Chamber, says: "The Egyptian government has striven in the first half of this year to launch many initiatives, in an attempt to revitalize the sector. We are seeking to put forward proposals and laws in cooperation with the state to bring prosperity back to the sector and not just overcome obstacles."

Ragab revealed what the sector needs and expects can be limited to five points that will support its growth in the second half of 2023.

First, tightening control over the manufacturers and producers of construction materials for the sector, to maintain a steady supply and stable prices so that developers can limit their operating expenses and unit prices.

He continued: "Second, progress must be made concerning real estate financing, as developers need liquidity as soon as possible to deliver units in a shorter time to accelerate the cycle of their projects, and to avoid unexpected increases in construction prices. Customers may not be able to provide liquidity in the short term, so financing companies must undertake this task in the coming period to bridge the gap between the customers and developers."

Furthermore, the executive director of the real estate chamber noted that the third point is urging the state to mitigate the consequences of the EGP devaluation for the real estate sector, by providing facilities and launching initiatives such as those launched to support the industrial and agriculture sectors.

As for the fourth point, Ragab stressed that real estate export has not been given the attention it deserves so far, although it may constitute a real breakthrough for the prosperity of the Egyptian real estate market, and provide a good source of foreign currency for the country. He added that this point requires the concerted efforts of a group of ministerial portfolios and government agencies, along with the Chamber, to establish working mechanisms for real estate export, which would send a positive image of the Egyptian real estate market abroad.

"If we succeed in this, it will be like discovering gold mines for the Egyptian economy, which is rich in human capabilities and lands ready for real estate development," Ragab commented.

"The fifth point, which may cut expenses for developers, is fixing land prices for three years at the regional level, which will create at least a single fixed element in the industry. That will help developers set prices that suit customer needs and maintain stability in the sector", he concluded.

WILL EGYPT'S RETAIL SECTOR SALES RISE IN 2023?

BY Wael Hossam El-Din

The Egyptian retail sector is one of the promising sectors due to the huge and swiftly growing population, as well as high wages, which lead to an increase in household spending in all sub-sectors of retail trade. Moreover, this will provide long-term consumption opportunities in the Egyptian market, triggered by young people's purchases of non-essential and creative materials.

Shopping malls in Egypt that attract young consumers between 20–39 years old who seek to buy products made by international brands have witnessed significant growth. With this age category making up a third of the population, this is an important indicator reflecting an increase in household spending in the retail sector.

Although the Egyptian retail market is still based on individual efforts amidst the dominance of small shops and family-run stores in densely populated urban areas, the number of consumers relying on modern retail methods is increasing.

The market share of small neighborhood shops has begun to decline (5% annually) with the growth of the modern retail sector. Egyptian consumers are being introduced to a new shopping experience, particularly with the emergence of the large-scale grocery retail sector.

Retail Sector's Significance Performance in H1 2023

Ibrahim Ashmawy, the Deputy Minister of Internal Trade and Supply and Head of the Egyptian Internal Trade Development Authority, said: "The size of the retail sector in Egypt reached EGP 1.4 tn."

Ashmawy explained that the Russia-Ukraine war has affected the global economy after it began to recover from the pandemic. The war negatively affected the energy, food, transportation, and financial sectors.

Ashmawy added that supply chains took the hardest hit with expectations that global economic growth would reach 5.6%, now unlikely to happen. He said that the crisis affected Egypt, causing many government measures to be taken to mitigate it.

It is worth noting that the retail trade sector's sales volume reached EGP 55 bn, and the total retail sector sales globally went to \$25 tn, according to Ashmawy.

Expectations for 2023 Performance

The retail trade sector in Egypt is developing steadily, as consumers turn to official retail trade, especially in major cities, such as Cairo and Alexandria, according to the Information and Decision Support Center (IDSC) that highlighted a report by the US agency, Fitch, on the retail trade sector in Egypt.

The report mentioned that e-retailing in Egypt will record strong growth over the coming years, supported by widespread Internet access in urban areas and improved logistics.

Thus, the willingness of the retail trade sector in Egypt to achieve strong growth during the forecast upcoming period will depend on massive investments in the industry, high income, and the diverse demographic composition of the population, especially the large number of young adults, according to the report.

Additionally, experts anticipate that Egypt's large and youthful population will help achieve significant demographic gains for investors in the organized retail sector, with a population of more than 100 mn people, of whom 58% are under 30. These expectations are according to the market updates.

Retailers are expected to benefit from large and diversified consumer market segments. The growing number of young adults (20–39 years) will increase sales in the formal food retail sector, as this group tends to adopt modern consumption patterns and is willing to make purchases of higher value.

Furthermore, expectations indicate that young adults will constitute about 30% of the total population over the five-year forecasted period. In addition, experts noted that increasing income levels would boost sales of food and beverages in the retail sector.

Egypt's Effort to Dodge Inflation Impact on Real Estate & Retail Sectors

Egypt has managed successfully to overcome the adverse effects of the COVID-19 pandemic and inflation, as evidenced by the real GDP growth rate of 3.5% in 2020 and a further 3.3% in 2021. This makes the retail sector more secure for investors and makes them feel relieved that they will profit from this process.

It is noteworthy to mention that Egypt is the only country in the Middle East and North Africa (MENA) region that succeeded in avoiding a decline in GDP since the start of the pandemic.

Over the past seven years, the economy has grown by 5% on average due to various economic reforms that have successfully increased foreign investment and domestic consumption.

The Egyptian economy anticipates expanding by 4% this year after growing by an estimated 6.6% in 2022, according to the International Monetary Fund (IMF).

Major Expected Deals in the Retail Sector in 2023

Carrefour, owned and operated by Majid Al-Futtaim in Egypt, intends to invest over EGP 400 mn in the Egyptian market in 2023 and to double the amount to hit EGP 750 mn through 2025 to open new stores and modernize the existing ones, and these investments are expected to enhance the performance of the retail market in Egypt in the second half of 2023, according to the Country Manager of Majid Al-Futtaim Retail in Egypt Philippe Peguilhan.

Given the previous outcomes, all of these factors will undoubtedly boost opportunities for retail sector investment; the opportunity will ensure the investors' success once they decide to enter the retail sector field, and more profitable deals will come.

Why is the Retail Sector Still Worth Investing in?

Egypt achieved an economic growth rate of 3.6% during the last fiscal year. The internal trade sector was one of the largest economic sectors at the state level, contributing 21% of the GDP, Invest-Gate reports,

This sector includes many activities such as wholesale, semi-wholesale, retail trade, supply chains, storage spaces, logistical areas, and other activities that serve and support the trading system in Egypt. Nearly 10 mn employees work in this strategic sector, representing the third of the labor force in Egypt.

In light of the increased demand for trade components, it is the second largest sector that witnesses high and rapid growth rates, after the communications and technology sector, for the second year in a row.

These figures can easily convince potential investors to enter the retail industry, where they are certain to get the best possible return on their investment.

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