

Invest In Egypt

Real Estate

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QUICK FACTS

- The country's geographical location is good for trade as Egypt has access to both the Mediterranean and the Red Sea, not to mention the key Suez Canal route, which connects Europe and Asia
- Demographic trends represent tremendous potential demand.
- Foreign investment has picked up with the election of former military chief Abdel Fattah el-Sisi, and recent guarantees that the government will repay foreign oil companies.
- A growing young, middle class demographic is likely to support demand over the long-term.
- Egypt has no serious disputes with neighboring states
- With a population of 84 million, Egypt is the largest market in the Arab world

SOCIOECONOMIC IMPORTANCE

- The industry is dominated by strong local players that have cash flow, brand, experience, risk tolerance and land banks to weather any downturn in economic conditions
- Increasing inflation expectations to lead to rising property values. Demographics mean millions of young adults will be entering the job market and starting families in the coming years.
- The improvement in the real estate operating environment in Egypt is the end result of a number of recent developments; the return of foreign investors to Egypt, government efforts to improve political stability in the country, and ongoing long-term demographic trends which should make Egypt one of the best markets in the region for real estate developers

GROWTH DRIVERS AND COMPETITIVE STRENGTH

Competitive Strengths and Capabilities

Core Areas for Investment: The country's real estate market as a whole has been seeing strong growth, despite political instability. Residential asking prices in New Cairo rose by 4% and 9% quarter-on-quarter for apartments and villas respectively.

Large shopping centers, modern grocery distribution, hypermarkets, supermarkets, retail and Mixed-use real estate development.

Growing Domestic Market: Average annual GDP growth of 4.2% is predicted by BMI until 2015. With the population increasing to a forecast 88.2 million people by 2015, GDP per capita is expected to rise by 70.0%, reaching USD 4,957. The construction sector growth reach 6.6% in FY 2013, Real Estate reached 2.3% from GDP scrotal breakdown in first half of 2013/14, Office rents will increase in Cairo (5-10%), New Cairo (5-10%), and 6th of October City (2%), while decreasing in Giza (5-10%).

Retail Greenfield: Still populated by micro enterprises, the Egyptian retail sector is a Greenfield for investors. 70% of the grocery retail sales were from non-organized and independent enterprises in 2007; this number is expected to fall by 7% in 2017. The top five retail players hold only 1.8% of total market share, leaving plenty of space for new market entrants, while regional centers outside of Cairo and Alexandria are virtually untouched markets with millions of under-served consumers. Retail rents will increase in New Cairo by 3%.

Growth Potential: The global retail development index ranks Egypt 15th in the world in terms of growth potential and second in terms of low market saturation. And with the retail market increasingly saturated in previous key growth countries such as China and Russia, retailers are turning to the Middle East for new opportunities. Egypt's location is good for trade as it has access to the Mediterranean and the Red Sea, not to mention the Suez Canal that connects Europe with Asia.

Low Cost Base: The Egyptian labor force is internationally recognized for its high-skills and low-cost. Wages in the wholesale and retail sector average USD 32.20 weekly. Every year, more than 324,000 university graduates enter the workforce, manual labor is in abundant supply, and high school graduates speak European languages. Businesses in Egypt also enjoy some of the lowest energy costs in the world, while the domestic building materials industry – including cement and steel producers - are amongst the world's cheapest suppliers, making retail space affordable.

Sector Drivers	Egypt's Value Proposition	Investor Benefits
Population	An increase in the number of marriages remains the major driver of demand for residential units in Cairo.	A large domestic consumer base is hungry for real estate property.
Government Support	<ul style="list-style-type: none"> ▪ Efforts by the government to grow the mortgage sector in Egypt could potentially increase residential demand. ▪ Government support and subsidies to the sector via a set of rules and regulations to remove obstacles to the industry. 	Improved ease of doing business in the real estate sector as well as government facilitated investment opportunities.
Urban Expansion	<ul style="list-style-type: none"> ▪ More companies are decentralizing and employees are seeking residences closer to their workplace. ▪ The Ministry of Housing and Urban Communities decided to relocate the inhabitants of slums. 	The value of investments in new urban societies is expected to continue increasing.
Stability	Residents believe in the stability of property investments and have a good grasp of changing business cycles. Demand for residential units in downtown Cairo is driven by investors and a small portion of the population who are looking to upgrade their area of residence.	Demand for real estate development is amplified, as it is considered a safe and lucrative investment.
Supply Shortage	A large gap between supply and demand characterizes the sector.	Developers can capitalize on the shortage, especially in family centered projects given the constantly increasing population growth rate.
Sound Financial Sector	The rapid expansion of Egypt's banking sector has helped support current local property sector conditions through responsible investor-friendly financial decisions.	Excellent infrastructure to support financing, business and market research.
Historically robust Tourism Sector	A vast wealth of heritage and culture, enjoyable weather, beautiful environments, and therapeutic sites guarantee a continuous influx of tourists	An increasing demand for real estate projects for the tourism sector.

MARKET STRUCTURE

Sector Divisions

Retail

In the retail real estate sector, consumer demand for retail, and therefore the opportunities for retailers play a significant role in rental rates. Of the three commercial real estate sub-sectors, retail still commands the highest rental rate per square meter.

Cairo will always be a desirable location for retailers given its status as a cultural center in the Middle East, and have a number of projects due to be completed in 2014.

New Cairo and 6th of October City as international retailers are moving locations to newer properties. New Cairo New Cairo, as nominally implied, is a recent satellite city of the capital and is the brain child of a Boston firm. It is home to several universities and many residential areas. on a numerically. experts believes that this is through favorable geographic location: close enough to Cairo to remain central, yet far enough away so as to be more isolated from the violence. The city is noted for its numerous gated communities. 6th of October City continues to be a desirable location, and will be the home of the Mall of Egypt, slated for a 2015 completion.

2013 continued an upward trend for the Egyptian Retail Real Estate market. The minimum rents increased in Giza, New Cairo, and 6th of October City, while the maximum rents increase in all four cities surveyed. The only contraction noted was in the minimum rent for Cairo.

Table: Terms Of Rental Contract/Leases - H113

	Lease terms (in years)	Rent free months (if any)
Cairo	1-9	1-3
Giza	1-9	1-3
6th of October City	1-9	1-3
New Cairo	2-5	Nil

Source: BMI

Net yield remained stable in Giza, 6th of October City, and New Cairo, while Cairo expanded from 5-8% to 5-10% due to the increase in rental rates seen on the lower end of the market.

Table: Net Yield, 2011-2013 (%)

	2011 (Jul-Dec)	2012 (Jan-Jun)	2012 (Jul-Dec)	2013 (Jan-Sept)
Cairo	8%	7-13%	5-8%	5-10%
Giza	8%	8-15%	5-12%	5-12%
6th of October City	8%	5-10%	5-8%	5-8%
New Cairo	8%	5-10%	5-8%	5-8%

Source: BMI

Industrial

Rental rates remained relatively stagnant from 2012 to 2013. BMI shows that minimum and maximum rents remained nearly the same in Cairo and Giza. 6th of October City registered the only real increase of the surveyed cities, increasing in both minimum and maximum rents, while New Cairo had the only true decrease for both minimum and maximum rents, potentially due to new stock. Net Yields remained the same in Giza, 6th of October City, and New Cairo, while dropping slightly in Cairo (from 5-13% down to 5-8%.)

Egypt Real Estate Report Q1 2014

Table: Historic Rents - 2012-2013 (EGP per m2/month)

	Rental Cost - 2012 (Jan-Jun)		Rental Cost - 2012 (Jul-Dec)		Rental Cost - 2013 (Jan-Sept)	
	Min	Max	Min	Max	Min	Max
Cairo	25.62	143.02	21.18	31.76	21.50	32.50
Giza	55.21	83.19	15.13	36.30	17.00	36.18
6th of October City	20.75	169.55	18.15	36.30	24.60	48.68
New Cairo	62.44	92.41	44.14	111.26	27.60	77.60

Source: BMI

2020 OUTLOOK

Leading Opportunities in a Dynamic Market

The concentration of population in Greater Cairo allows many mixed-use developers like Emaar, Al Futtaim and Kingdom Holding to not only address housing shortages, but also retail, office space, hotels and the infrastructure whistles and bells that are a part of such developments.

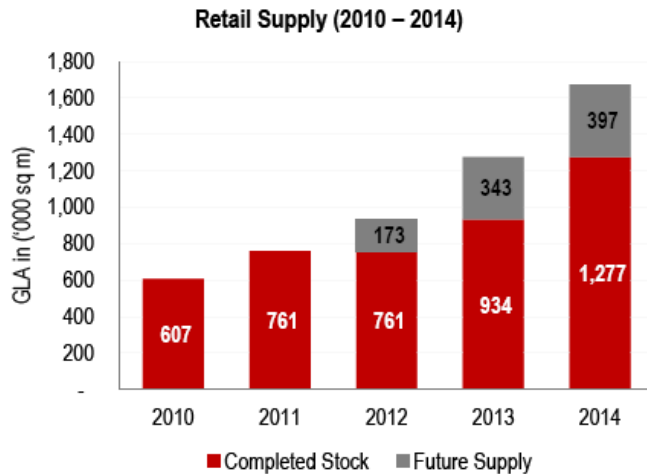
A joint venture between Egypt-based Orascom Construction Industries' subsidiary Orascom Construction and BESIX has secured a construction contract for a 162,500 m² shopping and leisure mall in 6th of October City on the western outskirts of Cairo. The mall is being developed by Dubai-based Al Futtaim Properties, and is meant to mimic the Mall of the Emirates. The construction work is due to be completed in 2015.

The latest development news to come out of 6th of October City in 2013, was the commencement of development work in the 'green belt' section of the city in May. Set aside by the Ministry of Housing and Urban Communities, the 922 acres of land is set to be developed by the Wadi El Nile Company. The project is set for completion in November 2014 and among the approved project include commercial and residential developments alongside necessary community facilities such as water and sewage treatment plants.

Large new developments within central Cairo are almost non-existent with the exception of the Uptown Cairo project by Emaar Misr leaving the private sector with an unprecedented opportunity for expansion.

The biggest news of 2013 in this area is the announcement by Saudi Arabian company Emaar that its Egyptian subsidiary, Emaar Misr, is to construct Emaar Square, a USD 500 million, 2.7 million ft² mixed-use project in Cairo. Blueprints suggest that the development will offer the largest open mall in Egypt, hotels, offices, apartments and 1,200 family homes. The build will be located in the Uptown Cairo region, an area which when complete will consist of 11 villages, costing in excess of USD 2.1 billion. Emaar is also in the process of constructing the EGP 10 billion, Marassi tourism and residential project and the EGP5.75 billion, Mivida residential project in New Cairo.

Despite delays in some projects, the supply of retail malls is expected to increase further in 2014. The major new addition in 2013 was Cairo Festival City, which added a further 160 thousand m² of high quality retail space into the market in New Cairo.



Source: Jones Lang LaSalle, Q2 2012

Strong Policy Support for Real Estate Investment

Government Support

- The government of Egypt (GOE) has provided incentives for developers to construct new homes in two areas of Cairo in the East (6th of October), and the West (New Cairo). Each area, planned to accommodate 4 million people.
- The government plans to increase the number of new cities from 27 to 59 by the end of 2017, which entails a growing market demand and potential for large investments in this sector.
- The GOE has heavily promoted mortgages since 2005. As for real estate developers, the Egyptian Ministry of Housing has decided to revalue 110,200 m² of empty land that are part of the 966,000 m² allocated to Palm Hills Developments for a project in New Cairo.
- As part of the government's strategy to garner revenues of USD25 billion a year from the tourist industry by 2017, Egyptian authorities have approached Chinese tourism agencies for support. In addition, the government has simplified visa requirements for citizens from a number of Central Asian and MENA countries, as well as China and Russia.
- GOE has planned to build 1million low cost houses over five years for poor communities to serve 4.5 mn citizens (Class C). Also, there is still a big demand for middle class housing (Class B) ~approximately 4.5 mn citizens.
- Due to high demand in Class C housing, GOE dedicated 10billion EGP in its budget for 2012-2013 for National Social Housing Project.
- GOE has also allocated 1.5 billion EGP to subsidize the housing projects for low income citizens and 55 billion EGP for in restructure projects which will significantly increase demand on construction materials and equipment.

Property tax to be postponed

Egypt's government starts the implementation of the proposed property tax from July 2013. They have also increased the proposed exemption limit for individual homes from EGP 500,000 to EGP 1 million for single-unit owners and EGP 2 million for owners of more than one

residential unit. The tax was expected to generate some EGP 1.3 billion but alternatives were being studied that would not cause damage to the investment climate, thus leaving demand unhindered.

Egyptian Government's Master Plan for the Real Estate Sector 2012/ 2015

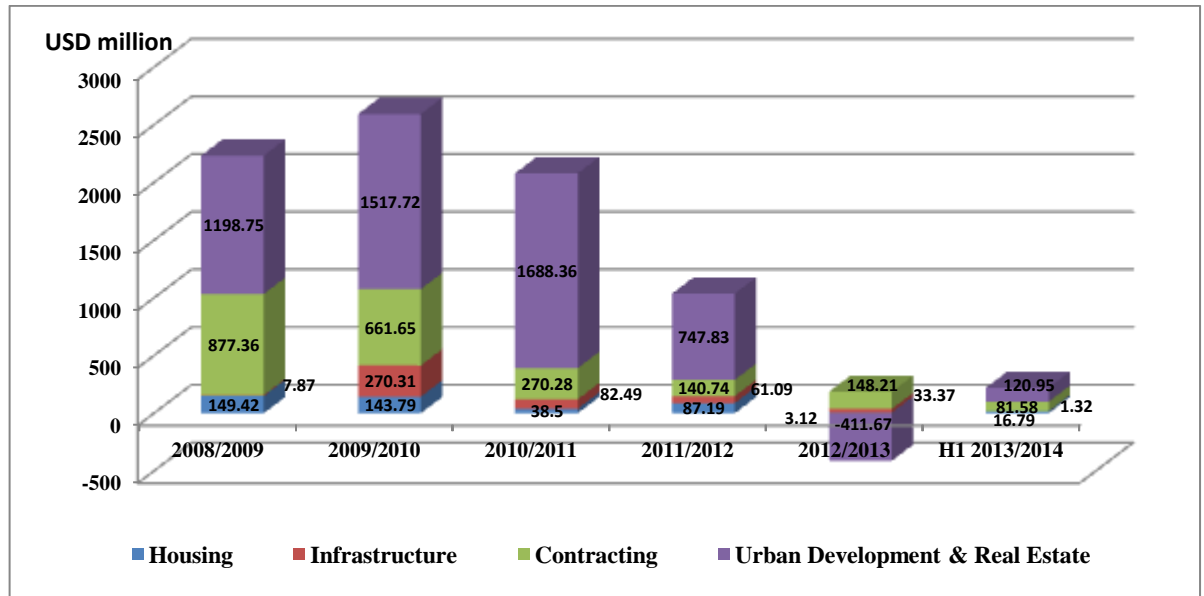
National Project for Social Housing objective is to:

- Provide one million housing units for low-income families.
- Provide 250 Thousands pieces of infrastructure land for medical income families launching by the lottery system.
- Provide 50 Thousands pieces of land for High income families launching by tender system.
- Growth in marriages has a positive effect on demand for housing units. Marriage group represents 33-37 % of total population, thus strongly influencing housing demand. The plan in 2013/2014 is to target the implementation of 175 thousands housing unit in 25 governorates according to the population and the land's infrastructure in each province.

KEY PERFORMANCE INDICATORS

- The Real Estate sector accounts for 8.3% of national GDP in 2013(comp. to 8.1% in 2012).
- Real GDP Growth Rate (at Factor Cost) in Real Estate Sector reached 4.2 % July – March 2012/13, compared to 3.2% July – March 2011/12.
- Construction investment is expected to increase to about US \$47.7 bn by 2015 according to BMI’s forecast. There are around 31 public and 36000 private contracting firms.
- Egypt has the largest population in the Arab world (90+million, likely this number will double by the coming 25 years) and is the fourth-largest economy. Around 33-37% in the age of marriage.
- The sector absorbed 14.9% of total employment in 2012 (3.2mn) compared to 14.5 in 2011(3.6) according to Booz& co analysis.
- PPP is being encouraged to finance public sector projects. Schools, public hospitals, water plants, roads and bridges are all current or potential PPP projects.
- The mega project that Dr. Farouk El Baz called “Development Passage ”might be a great potential to drive the sector to higher rates of growth. This project intends to build new cities agglomeration in the western dessert, parallel to the NileValley,1000K min length.
- The industry is expected to grow by 70 percent, from \$7.2 trillion in 2012 to \$12 trillion by 2020.
- The average price per m² in New Cairo has remained unchanged at around USD 1,780 for villas and USD 1,040 for apartment.
- The average rent for a three bedroom villa in New Cairo is currently USD 3,100 per month while two bedroom apartment rentals average almost USD 1,000 per month,
- Within 6th of October, the average price for villas is currently USD 1,246 and USD 916 per m² for apartments.
- For 6th of October, the average rental for three bedroom villa is around USD 2,800 per month while two bedroom apartments rent for around USD 850 per month.
- Average quoting rents for prime line stores in Regional and Super Regional malls in Greater Cairo have remained unchanged over the past quarter and currently range from USD 920 to USD 1,410 per m² per year. In certain circumstances, retailers may however achieve lower rates.
- In January 2014, the construction and real estate sector came in the second place after the industry sector, concerning the number of new establishments with 81 companies entering the market and total issued capital of these establishments amounting to EGP 771.26 million, according to CAMPAS.

- As of Feb. 2014, the construction industry consisted of 10 744 companies operating inland with total investments of USD 22.62 billion, and 1 company operating in free zones areas with total investments of USD 0.2 million. (According to GAFI DB from 1970 till Feb 2014)
- The Urban Development & Real Estate took the first place From 2008/2009 till 2011/2012 among the other three commercial real estate sub-sectors (Housing, Infrastructure, and Contracting), while in 2012/2013 the investment in the Urban Development & Real Estate decreased due to the reduction of issued capital of 4 companies, as shown on the following figure.



Source: GAFI DB

SECTOR ASSESSMENT AND SUCCESS STORIES

Sector Overview

Egypt is home to the largest population and market in the Middle East, this implies a steady – if not growing – need for residential and commercial property. Real estate is one of the most important sectors contributing to economic growth and affecting more than 90 industries related to construction. It is considered a labor-intensive sector as it accommodates at least 8% of the total labor force.

Real estate market in Egypt as a whole has been seeing strong growth, despite of political instability, Housing is a basic human need, like food and clothing, and a basic human right that is guaranteed by all legislations and constitutions. Therefore, is in a dire need for a prudent and firm housing policy that aims at not only meeting the growing needs of the Egyptian society year after year, but also at solving the accumulating housing problems and meeting the shortage in housing units that resulted from the previous policies and legislations.

There is a great demand for residential construction in Egypt where there is a high population growth rate and a high urbanization rate, such demand is mainly driven by the demand for low and middle income housing; a gap that is yet to be satisfied. It is important to know that 29% of the population is under 40 years old and almost half of the Egyptian population is under 19 years old implying a growing demand.

Experts expect that a young and growing population to support a strong construction and infrastructure growth between 2014 and 2017, the Egyptian construction sector growth rate reached 6.6% real growth in the first nine months of FY2013, and the sector expecting to reach 14.4% by 2015, of Total capital investment of GDP, leading it to conclude that Egypt is one of the most sustainable markets for infrastructure investment in the region.

In addition the growth of the building and construction sector is expected to attract investments of around USD 7.3 billion by 2015, making it one of the country's biggest revenue sources and driving the continued expansion of related industries, including metals, cement, and furniture and power generation, according to International press reports.

Rapid growth and exposure to Egypt's demand for middle-class housing, there is a growing demand for retail and commercial real estate. The commercial real estate sector in Egypt is undersupplied. While regarding infrastructure, the government's PPP projects have stimulated and are expected to continue stimulating the construction of infrastructure, especially in the energy and transport sectors.

The construction industry is booming based on massive demand for residential real estate serving population of over 84 million. Coupled with increasing rates in the Industrial sector.

Despite the recent global economic turmoil, the underlying fundamentals of the real estate market in most of Egypt governorates have remained essentially intact. Large-scale developments are being added to the market to cater for an increasingly sophisticated local population. This capacity to absorb new supply is largely dependent on the country's infrastructure facilities and regulations. The recent structuring of the mortgage market and ease of access to finance has allowed for a diversification of asset classes. A large number of shopping centers and office parks are under construction in an effort to meet the demand from a more structured market driven by the growing middle class .

The value of real estate investments in Egypt has witnessed continuous increases since 2001/02 when it recorded EGP 7.9 billion reaching about EGP 31.8 billion in 2012/2013 with 27.5% growth rate. The investments of the private sector have always represented the highest share of the total activities with a percentage amounted to 98% in 2012/2013.

Housing unit needs are estimated to be 8 million units during the period from 2007 – 2022, especially by adding current housing needs in 2014.

New urban cities in Egypt have reached 27 new cities including 5 under construction, total investments implemented by the private sector in those cities have reached EGP 400 billion.

The Mortgage Market has grown up and will grow more due to the new amendments in the mortgage law and CBE new initiative CBE to allocate 10 billion EGP (\$1.4 billion) to stimulate the mortgage sector for 20 years to be lent to people of low-and average-income at 7 and 8 percent interest, respectively, in order to buy housing units in new urban communities.

Most real estate and urban expansion projects are focused on the capital and the two new cities New Cairo and 6th of October where international real estate heavy weights such as Coldwell Banker - Egypt, Edar, ERA Egypt, mostly operate.

Other key areas of the country have become renowned internationally for their tourism attraction such as Sharm El Sheikh or Hurghada, El Gouna and Marsa Alam.

Cairo

With a population of approximately 18 million, Cairo is the largest city in the region, the 9th largest urban area in the world, and its historic positioning as an international crossroads for trade between three adjoining continents are today again driving a renewed economic focus and significance as a major business centre.

Cairo, historically enjoyed a fairly positive outlook on the commercial real estate sector through its role as the country's commercial hub. Out of a total of six destination cities, Cairo accounts for almost two-thirds of projects. The city is a favored spot when growth does return to the market

The concentration of population in Greater Cairo allows many mixed-use developers like “Emaar”, “Al Futtaim” and “Kingdom Holding” to not only address housing shortages, but also retail, office space, hotels and the infrastructure whistles and bells that are a part of such developments.

New Cairo

New Cairo, as nominally implied, is a recent satellite city of the capital and is the brain child of a Boston firm. It is home to several universities and many residential areas.

It would appear that at the higher end of the quality spectrum, prime commercial space in New Cairo has been flagged as something of a safe haven, with maximum rents in the office and industrial sectors showing exponential y-o-y growth. Sector experts believe that this is through favorable geographic location: close enough to Cairo to remain central, yet far enough away so as to be more isolated from the violence. The city is noted for its numerous gated communities.

New Cairo will see the completion of office developments a bit later than other cities, with various projects projected to have a 2015 completion.

6th of October City

The 6th of October City posted the strongest y-o-y performance having only suffered a contraction in the retail segment. As a satellite city for the capital, 6th of October houses Egypt's 'Smart Village' and is seen as the hub of technology and finance businesses in the country, and for many firms in the region. This well-backed client base for commercial real estate will have played a crucial role in the relative stability and performance of commercial real estate - particularly in the office and industrial sub-sectors.

The major development to come out of the 6th of October City in 2013 was the commencement of development work in the 'green belt' section of the city in May. Set aside by the Ministry of Housing and Urban Communities, the 922 acres of land is set to be developed by the Wadi El Nile Company. The project is set for completion in November 2014, and among the approved projects include commercial and residential developments alongside necessary community facilities such as water and sewage treatment plants.

Al Obour city

Al Obour lies along Km 9-15 of Cairo-Bilbis road. It occupies a total area 132.3 million m². Upon completion in 2017, the city's expected population will be 600 thousand inhabitants. Its total area 23.4 thousand feddan. The city is divided into districts including all housing categories (economic – medium – above medium – luxury), the residential area of the city occupies around 22.26 million m². There are over 92 thousand units under construction, 30 thousand of which are implemented by the New Urban Communities Authority (NUCA) with a total investment of EGP 1.09 billion. Total investments in Obour city are valued at greater than EGP 1.4 billion.

Al Shorouk city

Al Shorouk is one of the second generation cities. It lies along Km 37 Cairo – Ismailia road with a wide extension reaching Cairo–Suez. It occupies a total area is 50 million m². Upon completion, the expected number of population will be 500 thousand inhabitants. Its total residential area 34.02 million m², divided into districts including all housing categories (economic – medium – above medium – luxury). 57 thousand housing units have been implemented of which 27 thousand housing units implemented by new NUCA at different levels with a total investment of EGP 893 million.

Real Estate Types

- **Residential real estate investments** are properties such as houses, apartment buildings and townhouses.
- **Commercial real estate investments** consist mostly of office buildings.
- **Industrial real estate investments** consist of factories and different industrial units with various sizes.

- **Retail real estate investments** consist of shopping malls and other retail storefronts.
- **Compounds** refer to a cluster of buildings in an enclosure, having a shared or associated purpose. The compound can be considered as small communities where different facilities must be provided.
- **Hospitality investments** related to the tourism sector contain hotels and resorts.
- **Real Estate Investments also include** administrative, cultural and educational buildings in addition to hospitals and other buildings.

Sector Characteristics

Whether you are intending to buy property for vacation or for investment purposes, Egypt presents numerous reasons why it should be your destination of choice. Below a few ideal choices for real estate investment:

- Despite the recent increase in property prices in Egypt, they are still extremely attractive, yielding substantial annual capital appreciation
- High rental returns and good value for money on your property
- Egypt appears to be a safe-haven from the international turmoil in the property market, thanks to restricted mortgage and lending practices. However, prices started stabilizing as the price increase curve drops, even though demand continues to exceed supply
- Low cost of living
- Government policies aiming to attract foreign investment by streamlining and easing property purchase for overseas buyers
- Favorable property taxation schemes
- Huge investments in infrastructure, boosts the property market further

Success Stories

Talaat Moustafa Group (TMG) Holding

TMG Holding is the holding company for the Talaat Moustafa Group, which was founded in the early 1960s by the eponymous family. It is listed on the Egyptian Exchange. It is by far the largest listed developer in the country.

The company claims to be the first developer in Egypt to identify the need for integrated modern communities. It notes that it competes to serve the needs of the upper and middle classes through a wide range of residential designs; flexible phasing of development; provision of alternative financing schemes. TMG Holding also claims to be a pioneer in the development and construction of luxury hotels and associated tourism infrastructure.

Projects

- 1) **TMG's hotel and resort** business includes real estate/hotel projects in Cairo (Nile Plaza, of which construction began in 1995), Sharm el-Sheikh (1996) and San Stefano in Alexandria (1998). Four Seasons manages the hotels and resorts on behalf of TMG. It also includes the Four Seasons resorts at Luxor and Masa Alam. TMG's city and communities business runs developments on the eastern side of greater Cairo (May Fair, Al-Rehab and Madinaty), on the western side (Al-Rabwa) and on the coast to the

west of Alexandria (Virginia Beach and Al-Rawhda al-Khadra). Over the medium term TMG hopes to generate 40% of its revenue from Saudi Arabia and to expand its landbank in that country to 15 million m².

- 2) **Madinaty:** Madinaty is the largest purpose-built city in Egypt and will ultimately have 600,000 residents and will be more than 16.6 million m². Development began in 2006 and is expected to be completed in 2026. The new city will include 15 schools, a university, eight hotels and associated commercial developments, office parks and a hospital. The legal dispute concerning land has slowed sales at the USD 3 billion Madinaty residential project.
- 3) **Al Rehab II:** An extension to TMG's flagship Al Rehab I project, which was opened at the end of 1996. The BUA to be developed amounts to over 2.5 million n m². On completion in 2017, it will be home to 80,000 residents. The project includes four schools, seven mosques, a church, an office park and two shopping malls. Al Rehab I has been nearly completely sold.
- 4) **Nassamt Al-Riyadh:** In Saudi Arabia's capital. It is 50% owned by TMG. The BUA to be developed amounts to 1.2 million m². The project includes a medical centre, a shopping mall, mosques and a sports club.

Financial Data

The latest available financial data is for the third quarter of 2013:

- Total revenue of EGP24mn
- Net Profit after tax of EGP17mn.

Emaar

A Dubai-based Public Joint Stock Company operating in Egypt under its subsidiary Emaar Misr for Development S.A.E. Emaar is a global property developer and provider of premier lifestyles and also the largest foreign direct investor in Egypt's real estate sector with an investment portfolio of EGP 43.3 billion (AED 29.27 billion, USD7.97 billion). Its most notable projects include:

- 1) **Marassi:** a Mediterranean-styled development close to Alexandria and a few miles away from the historic city of El Alamein along the magical shores of Sidi Abdul Rahman bay. It's a network of lagoons line townhouses and luxury resorts with up to 3,000 guest rooms, while a bustling community centre fosters a thriving sense of community living.
- 2) **Mivida:** an upscale residential community, near the new campus of the American University in Cairo. Nestled within the fifth district of New Cairo City, this new development of around 5,000 luxury homes unfolds on nearly 3.8 million m² of gently rolling landscape.

Sodic

SODIC was incorporated in 1996 as a public joint stock real estate development company and is emerging as Egypt's fastest growing real estate development company.

SODIC directly employs 1,965 people and indirectly employs another 6,985 on its projects. The company's total investment budget for 2011 is EGP1.2 billion, to be spent on Egyptian contractors, raw materials, designers, consultants and advertising agencies.

SODIC's projects :

- 1) **Beverly Hills:** was one of the first ever large scale residential compounds to be developed in Sheikh Zayed City, off the Cairo-Alexandria Desert Road. With over 1,800 villas and apartments, Beverly Hills has become a sought out address in west Cairo. As a result, property value in Beverly Hills has more than doubled in the past six to 12 months. Beverly Hills, SODIC's first venture, is a 1.75 million square meters mixed-use residential and commercial development that generated over EGP 1 billion in revenue for the company.
- 2) **Kattameya Plaza:** Located in the heart of New Cairo on 126 thousand m² It marks a new standard in contemporary apartment living. Kattameya Plaza is designed and master-planned by ArchGroup - the distinguished firm that designed the Grosvenor House in Dubai, and landscaped by Greenscape. The project is an investment of EGP 334 million.
- 3) **Allegria:** Located in Sheikh Zayed City, off the Cairo-Alexandria Desert Road on 24.3 million m². The master-plan for the project was designed by the world renowned New York-based firm EDAW, which won an award of merit from the American Society of Landscape Architects (ASLA) for their work on Allegria. The project has also received two CNBC Arabian Property Awards in 2008, for Best Development and Best Golf Development in Egypt. The project is an investment of EGP 2.5 Billion .
- 4) **Eastown:** To the east of Cairo lies EASTOWN, the bustling town centre of New Cairo and Kattameya. EASTOWN comprises of 860,000 m² of land and has a built up area of 920,000 m². It will include 1,600 residential units, 1,000 'Class A' offices, 2,000 boutiques and retail outlets and up to five hotels.

In June 2013, the company's main projects included: Allegria, Beverly Hills, The Strip, Forty West, The Polygon, Westown Residences, Eastown and Kattameya Plaza.

Financial Data:

SODIC reported full year revenues of EGP1.425 billion, of which EGP1.4 billion was derived from rental income. Net profit for the year of EGP257 million, a massive improvement on the EGP193 million loss of 2011.

Saudi Egyptian Construction Company (SECON)

The Saudi Egyptian Construction Company (SECON) is an Egyptian joint stock company, established in 1975 according to an international agreement between Egypt and Saudi Arabia. The company's USD 50 million capital was paid equally by the Saudi Arabian and Egyptian governments. The company invests in real estate and construction in Egypt.

Projects include residential and commercial buildings, utilities and services in Cairo, Alexandria, Mansoura and Assyout.

Projects

- 1) Reliable timely data for SECON is not readily available and the company does not publish financial information regularly. However, the website lists five current projects, all described as 'integrated residential districts'; the gated communities it is building on the outskirts of Cairo. They are El-Amal Housing Project, Zahrat El-Obour Project, Zahrat Assyout Project, Fifth Compound Zahra Project and Lake Dream.
- 2) The largest is the Fifth Compound of the Zahra Project. The company says the project is an important one, reflecting 'the state's efforts to expand the development of new urban communities'. It consists of 288 villas and is under construction, with the first phase of 112 villas completed. The project value is reportedly some EGP400 million.

Egyptian Resorts Company (ERC)

Egyptian Resorts Company (ERC) is a specialist developer of international-standard integrated resort communities. It is listed on the Egyptian Exchange. As of 2013, the company has one main project, a huge multi-use complex at Sahl Hasheesh. The company's success is derived from selling off small portions of land from its land bank with pre-determined use. Much of the land is designated for hospitality purposes. The company is focusing on investment in the infrastructure of its current venues and is reportedly preparing for a return to more usual levels of occupancy. This preparation includes opening offices in Moscow, Qatar, Dubai, Bahrain and Saudi Arabia, to generate foreign interest in the Egyptian projects. Its major project, Sahl Hasheesh, is an enormous area including office parks, schools, hospitals and all manner of tourism related properties. The first phase is fully sold already and the second is under way.

Financial Data

The latest financial results refer to Q1. 13, the net revenues EGP5.9 million.

Slums: Egyptians can't still live in 6.5% of their country's area, noting that the Egyptian Rural population reached 43.9% of total population, And Urban Population reached 56.1% of total population by 2013. And rural area still is a drive out center of population who migrates to urban areas and lives with its poor people in the cities, till if it becomes too narrow, they build slum areas around cities and live in it.