

# Real Estate Market Snapshot

## Cityscape Egypt 2017 Residential Overview

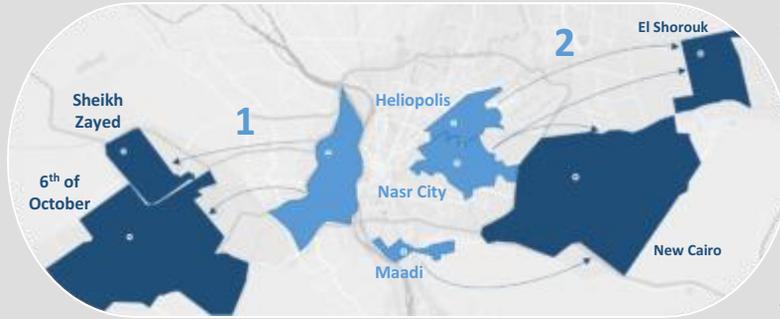
### Summary



### Internal Immigration

#### Relocation Transactions

Most of the transactions that took place in Cityscape were relocation deals; the majority of clients preferred to move away from downtown of Cairo to the New cities, such as New Cairo and 6<sup>th</sup> of October



**1** 90% of customers who locked deals or inquired about units in 6<sup>th</sup> of October or Sheikh Zayed were Giza residents

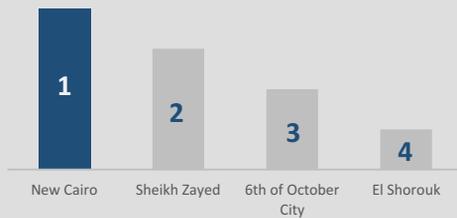
**2** 90% of customers who locked deals or inquired about units in New Cairo or El Shorouk were Heliopolis, Nasr City, and Maadi residents

### Client Priority Areas/Cities

#### Trending Expansion

Given the expansion to Future City and the New Capital Administrative City in addition to higher combined population in districts close to New Cairo compared to that close to 6<sup>th</sup> of October, New Cairo came first in terms of demand

#### Preference for a First Home

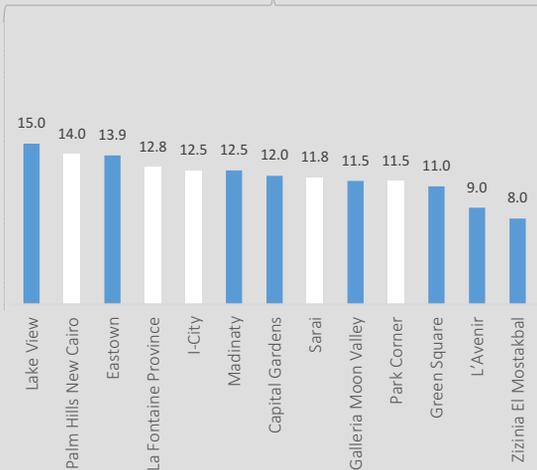


#### Preference for a Second Home

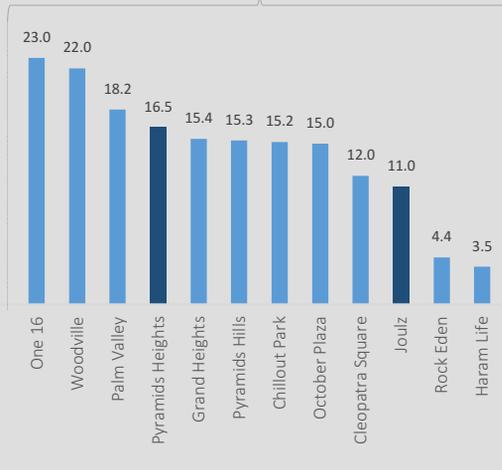


### Convention Prices/m<sup>2</sup> (in EGP '000)

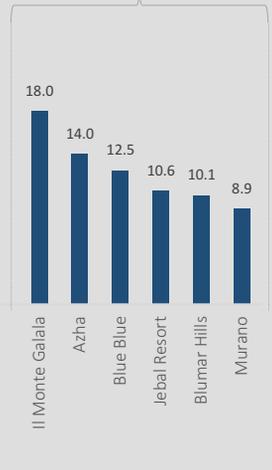
#### New Cairo



#### 6<sup>th</sup> of October



#### Sokhna



Core & Shell

Semi-Finished

Fully-Finished

### Payment Terms

**0%** Down payment

Most projects tried to compete with the 0% down payment introduced by MHND last year in their projects Taj City and Sarai; however, given the challenging attempt, all developers limited the offer to Cityscape convention only

**12** Years Installments

Installments years reached 12 years to keep up and challenge the 10 years installment trend that was also introduced by MNHD back in 2016 driving real estate companies, such as, City Stars to utilize the 12 years installments

**31%** Discount on Cash

In a means to attract buyers, given the low demand on buying and the aftermath of the EGP flotation, developers tried to broaden their discounts on cash payments to reach 31% (30% in Cairo and 31% in Sokhna)

**15** Years Mortgage Financing

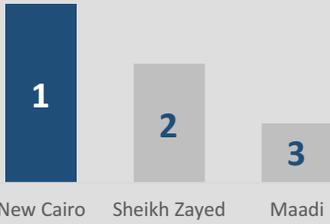
Other developers who are convinced that the key is providing better payment terms rather than lower prices collaborated with the Egyptian Arab Land Bank (EALB) and National Bank of Abu Dhabi (NBAD) to introduce mortgage financing privileges to clients to reach 15 years installments

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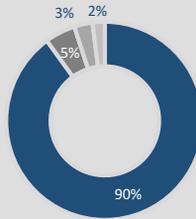
## Current Status of the Residential Real Estate Sector

### Top Searches on Real Estate Websites (Residential)

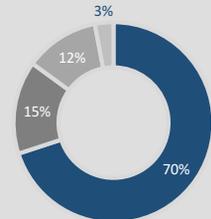
#### Districts



#### Properties for Sale



#### Properties for Rent



### Developers Officials' Insights on the Current Status of the Market

"The shortage of land supply from one side (the government) was the main reason behind the increase in the land prices and therefore the final product. While if the number of parties that supply land increased, this will lead to the required abundance that will consequently cause price reduction. Moreover, the private sector will be able to provide land with cheaper prices as a result of its decreased cost"

*Sabbour Al-Ahly Managing Director – Apr 9<sup>th</sup>, 2017*

"Real estate sales have been negatively affected as a result of the inflation, but in an acceptable way. Sales are continuing and in large quantities, but slower compared to the period prior to the floatation. The real estate sector is unlikely to reach the stage of sales bottleneck due to the accumulated annual shortage in the housing sector"

*Sabbour Al-Ahly Managing Director – Apr 9<sup>th</sup>, 2017*

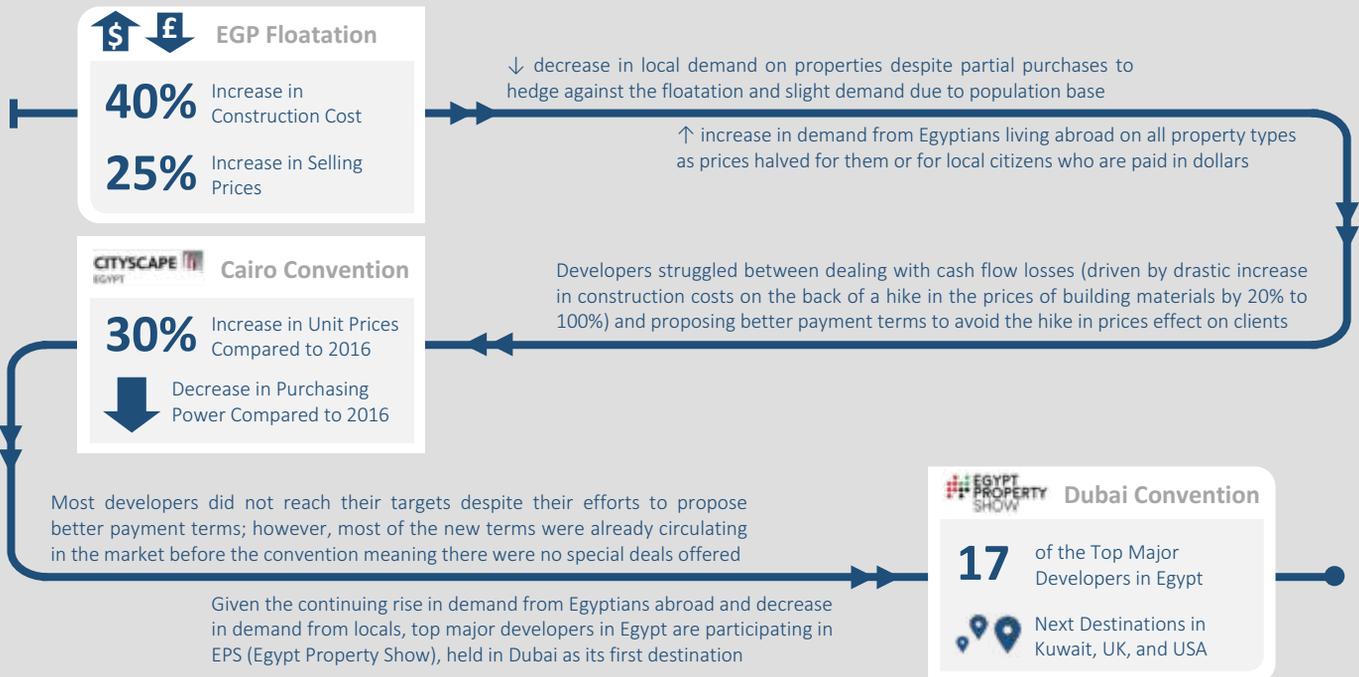
"The Egyptian market is witnessing a large number of closed residential units, which are purchased with the purpose of investing, which is negatively affecting the sector"

*Capital Group Properties Chief Projects Officer – Apr 11<sup>th</sup>, 2017*

"There are many unused properties and their development will come at a very high cost given their large capital requirements which the market could have benefited from economically later on. This prevents many classes of the society from investing in these properties, which brings us to real estate funds whose role is to engage investors into real estate investment opportunities again"

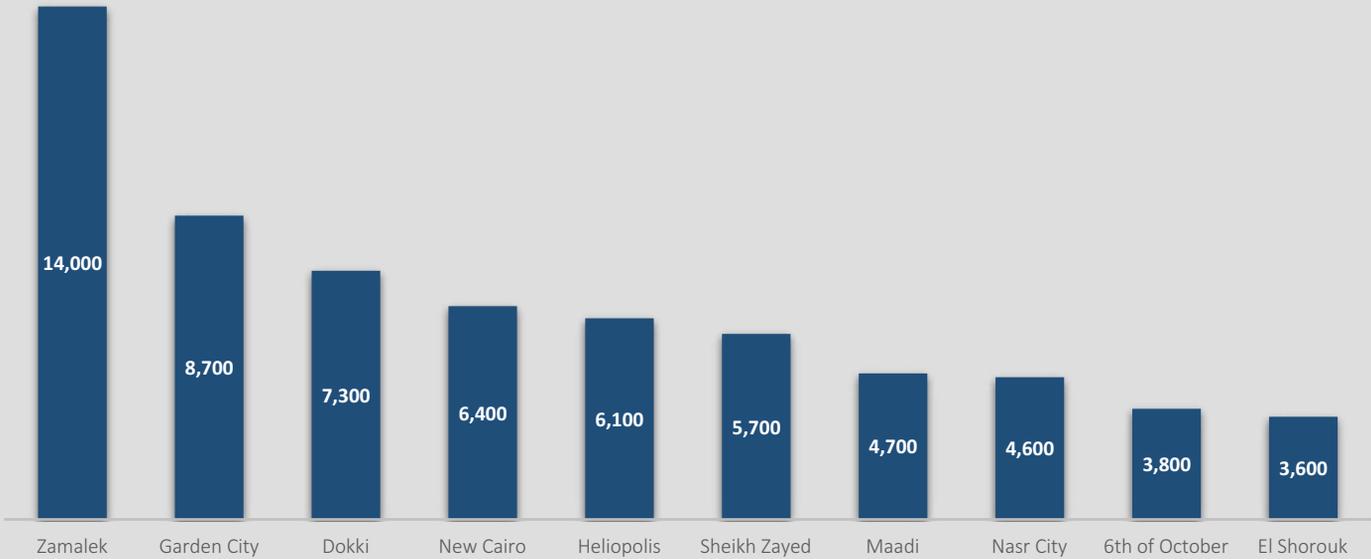
*Naeem Holding CEO – Apr 11<sup>th</sup>, 2017*

### The Floatation Effect Cycle



## Residential Price Index

### Ungated Communities Average Selling Prices/m<sup>2</sup> by District\*



\*Prices for the types of property differ as per the type of finishing (finished / unfinished or primary or secondary according to the availability of such variety in district)