



Brick & Mortar

BOUTIQUE REAL ESTATE FIRM



Quarterly

NEWSLETTER

Issue 01

Dear readers,

I would like to start by extending a hearty welcome to our loyal subscribers, clients and partners. As the first months of 2015 come to a close and the warmth of spring approaches, I hope that all of you have been touched with the prosperity and growth that heralds each new year.

This issue marks the inauguration of **Brick & Mortar's** quarterly newsletter, designed to keep our subscribers afloat of major news, trends and listings in Egypt's growing real estate market.

With developments and hard-hitting news occurring almost every day, the real estate market can sometimes make for tough waters to navigate. What news should be filtered out and what is vital to know? What important trends should potential investors or homebuyers be sure to follow? In our News Highlights section, we highlight the need-to-know developments and events taking place in the Egyptian market so that our readers can stay informed and ahead of the curve.

The newsletter will also regularly feature property listings that are available through Brick & Mortar in the Hot Listings section. If you see a property that catches your eye, simply call our hotline  **+2 0101 2222 431** and we'll take care of the rest.

In future issues, we will also expand the newsletter to include in-depth features and insightful interviews with characters of interest. We hope that you – our subscribers – will enjoy watching the growth of the Brick & Mortar newsletter as our company also continues to grow in parallel.

Regards,

Shaher Aly
Managing Director

News HIGHLIGHTS



GOVERNMENT STRIKES DEAL WITH ARABTEC**

Early last year, the [Ministry of Housing granted](#) the Arabtec Construction Company large plots of land in multiple Egyptian governorates, which the company ultimately plans to develop into 1 million new housing units. The first phase – which will see the construction of 120,000 middle-income housing units – will begin [after Arabtec's presentation](#) of the project in the March Economic Summit.

[77,679 housing tenders for the project](#) have already been bought, according to the Ministry.

**Update on Arabtec agreement as of 6/3/2015

Following a recent dispute over the final contract that was proposed by the Egyptian Ministry of Housing, Arabtec officials have returned to the table to re-negotiate the final terms of the massive USD 40 billion housing project. Officials from the Egyptian government have thus far expressed optimism over the resumed negotiations and are aiming to finalize a contract with Arabtec before the Economic Summit on March 13.

News HIGHLIGHTS

ANTICIPATED ECONOMIC SUMMIT SET FOR MARCH

2



The highly anticipated Economic Summit scheduled to take place in Sharm El Sheikh this month (13-15, March 2015) [is set to promote large-scale investment](#) in Egypt. The Egyptian Minister for Investment, Ashraf Salman, announced that [30 different investment projects](#) worth a collective USD 20 billion will be presented to attendees at the conference, in an effort to draw further regional and international investments to the country.

Chief among the presentations will be a focus on real estate development projects, including [Arabtec's 1 million homes](#) project and a construction bid to build Egypt's tallest multi-function tower, [The Zayed Crystal Spark](#).

Over 1,000 attendees are set to attend the summit, including investors and businessmen from Lebanon, Italy, China, and the United Kingdom. Kuwaiti Emir, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah [personally confirmed his attendance](#) at the summit with President Abdel Fattah Al-Sisi.

SODIC EXPANDS PORTFOLIO

3

SODIC is in talks with the Egyptian government to purchase land that it will develop into commercial properties, such as office and retail structures, as well as hotel resorts and residential units. The company is also looking at land in the city of Mansoura for a proposed EGP 310 million shopping mall. This recent project diversification follows announcements by SODIC that they are looking to invest upwards of [EGP 2.5 billion](#) into new projects in 2015.

BELTONE FINANCIAL INVESTS IN EGYPT

4

The Egyptian office of Beltone Financial is planning to invest [nearly EGP 300 million](#) in new domestic real estate ventures and acquisitions in 2015. The brokerage company's chairman, Aladdin Saba, explained that with the turmoil of the last three years having passed, Egypt now offers "The best investment opportunities" in the entire Middle East region.

News HIGHLIGHTS

GOVERNMENT LOOKS TO EMAAR TO LAUNCH PPP SYSTEM

5



The Egyptian Ministry of housing has entered negotiations with several local and regional real estate developers to launch building projects [as part of the private-public partnership \(PPP\) system](#). One of the key developers involved in the negotiations is EMAAR Properties, which the government is hoping to hammer out an initial agreement with prior to the Economic Summit. The Ministry also disclosed that the planned PPP projects are intended to garner USD 21 million over the next five to seven years.

SECON EXTENDS PROJECTS ACROSS EGYPT

6

The Saudi Egyptian Construction Company (SECON) signed an agreement with the Egyptian government last year that [saw the company gain nearly 104 acres](#), or 100 feddans, of land in Damietta, Assiut and New Cairo. Construction of middle-income housing in the three location is expected to start this year.

Meanwhile, the EGP 1.6 billion SECON Nile Towers project on the Maadi Corniche continues to progress at a steady rate. The two towers are expected to house a luxury hotel and 190 upscale apartment units, which are already available for purchase.

ORASCOM RESUMES EL GOUNA DEVELOPMENTS

7

Orascom Hotels and Developments has announced its intention to [resume construction](#) of a 600,000 sq meter Four Seasons hotel and real estate complex located in El Gouna. The decision to resume the two large-scale projects – which have largely been left in limbo since the 2011 revolution – follows a recent upturn in foreign tourism to Egypt.

The major developer also revealed that their partnership with Mangrove Real Estate Investment on the residential complex is expected to earn the company around [EGP 345 million](#) in sales from the first two phases, which will be launched later this year.

HOT COMPETITION FOR EL-HARAM FOOD COURT

8

Fifteen real estate developers are looking to stake their claim to [the construction of a food court](#) in the [Mövenpick Hotel](#) in El-Haram. Amer Group, Al-Hokair, Wadi Degla, Palm Hills, Al-Futtaim, Misr for Real Estate and Tourism, and multiple other real estate heavyweights are all competing for the rights to build the project, which is expected to cost between EGP 80 to 90 million.

News HIGHLIGHTS

TALAAAT MOUSTAFA GROUP WELCOMES SETTLEMENT

9



Talaat Moustafa Group has [reached a settlement](#) with the Egyptian government that will see the company handover 3.2 million square meters worth of finished homes, in addition to paying EGP 2.9 billion over the next 10 years to cover the costs of changes to the development plan of Madinaty. Analysts are suggesting that the settlement is reflective of the new government’s commitment to end disputes with local real estate developers prior to the country’s Economic Summit.

AL-SWEIDEN BETS ON COMMERCE

11

Al-Sweidan Holding Company, an Emirati construction firm, is set to construct two [separate projects in Egypt](#), worth a total of EGP 40 billion. The company’s flagship project will be a 4.2 million square meters commerce and shopping district on the periphery of the Suez Canal axis. The second project, a logistics center in Damietta for dry foods storage and handling, aims to attract upwards of 65 million tons of grains and dry food commodities on an annual basis. In total, both projects are estimated to create nearly 70,000 jobs, and construction is expected to finish within the coming two years.

PALM HILLS GOES COMMERCIAL

10

Palm Hills [will soon be adding commercial properties](#) to its already impressive development roster. The company stated that it expects 35 percent of its future revenues to come from its commercial properties, which will be developed over the coming five years. Further residential developments are also in the company’s pipeline, as it is reportedly looking to purchase land in the east Cairo district for investment purposes.

More recently, the company also made clear its intentions to increase its capital by [EGP 1.65 billion](#), through issuing 824 million shares on the Cairo stock exchange. The shares will run at a nominal value of EGP 2 each.