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**Ayman Ismail, Chairman & CEO, Dar Al Mimar Group - Positive Dynamics of Egyptian Real Estate Market**  
**Economic Backdrop**

Egypt has continued to have GDP growth and the economy has been resilient in the face of the economic crisis. Real estate and construction: 7.5% GDP driven by local sustainable demand.

Egypt is the 3<sup>rd</sup> biggest economy in region and fastest growing in region with 14% growth in investment and 24% in private investment.

**Demand and Supply Dynamics**

2% pop growth + 1.6mn people = 1/3 of UAE. 600,000 marriages a year in Egypt drives demand for real estate development. Egypt has demand, competitive pricing, and one of lowest prices per meter in the region and the world.

**Appreciating Prices**

Real Estate is one of highest yielding and consistent investments. Demand is high, 2<sup>nd</sup> in the region after KSA. Urban v Rural: Demand is 262,049 for urban units and 610,873 for total units. Demand expected to reach almost 300,000 this year.

Low & middle income: more demand than supply, but in high income the supply is higher than demand.

Demand for commercial RE: All offices are rented. Looking for purpose-built offices 80% of existing offices are not purpose-built

Demand for Retail RE: More demand for malls and commercial space. EGP 116bn a year contracted, EGP 24 bn size of market annually

**Sustainability**

Risk: affordability, Egyptians buy houses at 7-times their income which is higher than in most other countries, even US and UK.

Financing the purchase: 34.5% of income is spent on housing and property prices at an average of 7-times the annual income. Financing mainly comes from savings (65%), then selling assets, savings from abroad, contrib. from relatives, loans from individuals, loans from work, loans from bank (2%)

Mortgage penetration: 2% still very small. It isn't an issue with interest rates, it's with legislation of mortgage being applied on finished units only in a market where there is shortage forcing people to buy units under development.

Efficiency: Informal development is at 65% in Egypt which is very high. Creating vehicles for effective investment is important. There is limited existence of real estate investment funds in Egypt.

Despite potential for investment, it is targeted by a single specialized fund compared to Brazil which has 30 funds. Brazil, China, India and Egypt are highest potential for real estate investment in world. \$16 trillion available global investments

Egypt has a strong economic environment and outlook driven by real estate sector. Demand for real estate in Egypt driven by local sustainable factors and trends. The robust Egyptian real estate market is gaining moment and is attracting global attention.

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