

Cityscape Egypt Conference Recommendations

March 2018



The seventh Cityscape Egypt Conference was held from 12-13 March, 2018 and was attended by **Engineer Khaled Abbass**, representing **Dr. Mostafa Madbouly Minister of Housing, Utilities and Urban Communities**. The event was attended by numerous business professionals as well as development and investment companies, directors, consultants, media representatives and others interested in real estate development.

The forum, which took place over two days, included a number of working sessions, discussions, studies and research presented by representatives of the real estate development industry; the outcome was gratifyingly productive, reflecting their care and interest in developing this important sector in Egypt.

Participants in the forum agreed on the following conclusions and recommendations:

1. It is important to allow more participation and involvement from the private sector to play a key role in developing new cities and urban communities in conjunction with the government through the implementation of the general development system to increase the area from 7% to 12% and make this a primary target for sustainable construction development and the Egypt Vision 2030, both providing work opportunities and accommodating the population increase which is expected to reach 160 million by the year 2052.

2. Ensuring that there are laws and legislations in place in order to attract foreign investments in the development of new cities and communities.
3. It is important to work hand in hand with national and local investments to establish advanced technology infrastructure in upcoming development projects that are proportionate with needs of the future to alleviate pressure on the national budget, all while raising awareness of the use of modern technology in construction projects in order to minimise costs as well as reduce construction time.
4. It is important that New Urban Communities Authority advertise land planning schemes at the beginning of the fiscal year, showing and explaining the locations, the areas and allocations and uses of these areas as well as the method of allocation in order to enable local and foreign developers and investors to follow up and be ready for participation in the new projects.
5. It is necessary for the government to stop playing the role of real estate developer for luxury housing units and stop subsidising above-average housing units. This role should be left to the private sector while the government should concentrate on providing housing low-income population and take an active role as supervisor, organiser, driving force and regulator of the real estate market.
6. Emphasis must be put on speeding up and finalising the new real estate regulatory literature and laws that regulate the interaction and relationship between developers and real estate investment companies and the New Urban Communities Authority.
7. It is important to finalise the law concerning the Developers' Union to regulate the industry and protect the consumers.
8. It is important to promote foreign forums and exhibitions to attract foreign currencies by means of exporting real estate while enacting laws and regulations that protect foreign buyers/consumers and facilitating the purchasing process by foreigners, as well as formulating a balanced contract for all parties enabling foreigners who own real estate of a certain value to establish residency, similar to the laws and regulations upheld in Dubai and some European countries.
9. It is important to stress the role of industrial developers as complementary to the role of real estate developers in establishing an economic infrastructure that opens up job opportunities in cities and new communities, speeding up the occupancy rate in the new areas.
10. It is important to allocate industrial lands and areas to meet the current demands and in order to create a competitive environment.

11. It is important to encourage and promote the role of the industrial developer as a key role in alleviating the burden of the government to allocate, delineate and make available industrial areas and facilities and provide for small industrial businesses.
12. It is important to facilitate real estate registration procedures and to finalise the regulations thereto, as well as activating the real estate sector financing in order to enable the use of closed units in the market.
13. It is important that the real estate financing companies establish tools for making real estate financing law effective by launching a field study and research the basic needs of the client in order to develop its products to promote the purchasing power of people and provide them with what they need in terms of appropriate accommodation, and raise buyer awareness about financing and its benefits, as well as facilitate the procedures thereto per the requirements of the client seeking financing.
14. It is important to amend the legislation to allow the financing of units under construction and exempt interest from the income tax of individuals with mortgages.
15. It is important to increase the maximum value of the residential unit in the initiative of the Central Bank, which is covered by the interest increase, to be in line with market prices after increasing the cost due to the devaluation of the Egyptian Pound.
16. It is recommended that an independent fund be established to support the interest rate for the financing of social housing.
17. It is important to establish a database reflecting the real estate market in terms of prices, sales and projects licensed for construction.
18. It is necessary to enact a law that binds parties involved in real estate assessments to periodically abide by Egyptian laws in line with market requirements.
19. It is important to train those involved in the various market activities and qualify them to follow requirements while being supervised by the Egyptian Financial Supervisory Authority and Central Bank.
20. Reconsideration of the decision of the Minister of Business Sector with respect to limiting the valuation of Government assets to Government entities only, and to delegate such procedure to neutral entities and involvement of assessment experts who are registered with financial control authorities in conjunction with the government entities to assess these assets.
21. Enacting laws that regulate the relationship between developers and buyers as well as establishing maintenance and management bodies to monitor facilities in order to preserve real estate wealth, as well as classifying and grading these entities to ensure safety and efficiency.

22. The development of laws and allocating areas for logistics support and small, clean industrial areas in the proximity of residential communities.

23. It is important to establish regulations facilitating the registration of trademarks and trade representation in line with the policy of expanding the local and regional commercial complexes in order to promote the efficiency of internal trade and retail tourism.

At the end of the forum, the representatives stressed the importance of the role of the private sector in achieving real estate and construction development targets in line with Egypt Vision 2030. The recommendations of the forum will be submitted to the government entities in charge of real estate and construction development, and communication will be maintained to ensure that the recommended changes are taken into consideration in the forthcoming Cityscape Egypt Conference in 2019.

Many thanks to Informa Exhibitions for organising the conference and making it an annual event that promotes the advancement of real estate development and investment in Egypt.

Chairman of the Cityscape Egypt Conference

Fathallah Fawzy