

DAILY NEWS

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Shorouk, Madinaty, El Mostakbal hike prices by 20% in conjunction with offering housing units in New Administrative Capital

More prices hikes expected for property in El Mostakbal city as natural extension of New Administrative Capital, says Sabbour

✍ Shaimaa Al-Aees (<https://dailynewsegypt.com/author/s-elise/>) 🕒 December 18, 2017



As soon as residential units were launched in the New Administrative Capital, customers were racing to reserve units in the Il Bosco project—the only residential project currently being developed there—belonging to Misr Italia Properties. Besides, the only villas project,

“Midtown” by Better Home Group, which in turn witnessed great crowds and demand on the first day of the project’s launch. Better Home sold 390 villas in just three months and .Misr Italia has sold two phases of Il Bosco

Il Bosco received great attention from customers, as the company achieved sales in the first week of the offering of about EGP 2.5bn, according to Mohamed Hammad, CEO of .PropertyFinder

.Misr Italia achieved EGP 3.5bn in sales from the project’s first phase only

As a result of the increasing demand for the New Administrative Capital and the lack of supply of housing units so far, customers have turned their attention to cities near the new capital, such as El Mostakbal, Shorouk, and Madinaty, in which real estate companies and developers have realised the increasing demand for their projects. For example, SODIC increased prices for its project “New Heliopolis” in New Heliopolis City, close to Shorouk .city and in front of Madinaty, by about 20%, according to Hammad

Hammad expected that the prices of real estate in the projects surrounding the New Administrative Capital, especially in the cities of Shorouk, Madinaty, and El Mostakbal, will .increase by about 20%, especially with the recent offering of Il Bosco

He added that prices hikes will decrease after the new offerings for housing projects in the .capital during the coming period

Mohamed Alhusieny, executive director of Esmaar Company, agreed with Hammad that other real estate projects close to the New Administrative Capital will increase their prices by about 20%, especially since the price per sqm in the residential part of the capital starts from between EGP 15,000 and EGP 18,000, so it is natural that this affects the increase in the prices of real estate in the Fifth Settlement, New Cairo, and the new capital, especially since the capital is still a project in the desert and other companies are marketing projects .within urban areas and deliver projects in the near future

Nehad Adel, president of Business to Business for Investment and Real Estate Marketing (B2B), said that the prices of residential projects near the capital will increase by 10% by the end of current year and are expected to achieve further increases in the coming period, especially since there has already been a large demand in the areas close to the capital, .after the first residential projects were offered there

Adel revealed that there will be new offers for housing projects in the administrative capital during the coming period, which will contribute to the hikes of housing unit's prices in the .rest of the nearby projects

Ashraf Diao, managing director of *ERA West Associates*, agreed with Adel that prices of housing units in the three cities close to the capital will increase by 10% until the end of the first quarter of 2018, especially as it will lead to a higher demand for other projects, especially that the capital has only two existing projects, namely *Il Bosco* and *Midtwon*, where the price per sqm in the former reached EGP 9,000 and the price of a villa in the .latter ranged between EGP 2.8m and EGP 3.1m

Diao added that the expected increase could be lower with more offerings in the capital, giving an example that *Talaat Moustafa Group*, *Emaar Properties*, and *Palm Hills Developments* will soon launch projects there, which will increase the supply of real estate .in the capital and will increase competition in those nearby cities

Furthermore, *Abdallah Hassan*, senior property consultant at *Coldwell Banker Commercial*, said that offering apartments in the New Administrative Capital will increase the prices of .companies that have projects close to it

Hassan pointed out that all the projects surrounding the capital raised their prices, especially the projects located on *Cairo-Ismailia road*, such as *Shorouk*, *El Mostakbal*, and .*Madinaty*, by between 10% and 20%

Mohamed Beheiry, chairperson of *Oscar Misr*, said that the New Administrative Capital is witnessing great demand from developers because it represents a natural extension of New Cairo and also receives great attention from the state and includes an advanced infrastructure. In addition, the transfer of ministries will make it a good opportunity to invest .and promote sales of real estate companies that develop projects in the capital

Ahmad Zaki Abdeen, head of the New Administrative Capital Company, announced in a previous press statement that the target for investments in the capital ranges from EGP .70bn to EGP 80bn on 40,000 feddans, between 3 and 5 years

Beheiry added that the great demand on the capital projects will raise the demand for the surrounding real estate units, especially in New Cairo and its surrounding areas by about .20-30%

Mustafa Fahmy, head of the New Cairo City Authority, said in press statement that the New Administrative Capital project has raised property and land prices in New Cairo by 20%

The new developments in the New Administrative Capital will increase the prices of residential units in nearby areas by at least 50% and real estate companies will have to provide more means for customers to pay through, according to said Mahmoud Al-Roubi, CEO of City Line Company

For his part, *Waleed Abdel Fattah*, senior vice president and *regional manager for Egypt at Hill International*, said the offering of apartments in the capital is a good step and will lead to a balance in the market because it will diversity the supply

Abdel Fattah also expected that there will be increases in the prices of various residential projects near the capital in the coming period

The market has a real demand and the supply is suitable for all segments [of society],” “*Abdel Fattah noted*

Hussein Sabbour, chairperson and managing director of Al Ahly Real Estate Development Company, said that launching apartments in the capital will increase the demand for Shorouk and El Mostakbal cities

Sabbour added that the increase mainly depends on units’ cost, land price, and demand for those areas

Sabbour expected a greater increase in property prices in El Mostakbal city as a natural extension of the New Administrative Capital

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