

# من يملك العاصمة

## Who Owns Cairo?

Transparency and Egypt's Real Estate Market

مرصد العمران

The Built Environment Observatory

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## Transparency and Egypt's Real Estate Market

[The Built Environment Observatory](#) | A [10 Tooba](#) Project



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## September 2022

Lead Researcher: Yahia Shawkat

Methodology Review: Osama Diab

Cover: Fadi Abdelnour – [subtype.studio](#)

Main image: Allan Doyle

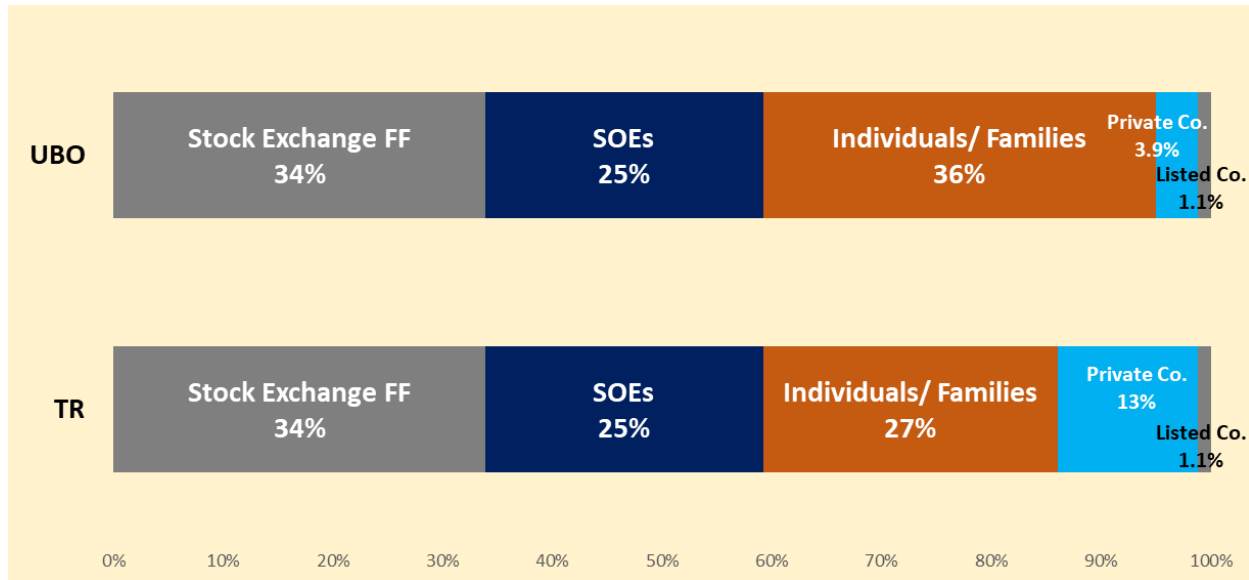
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## Executive Summary

### Landholding by investor type

Almost two thirds of Cairo's case study land of 41,000 acres was traced to four identifiable investor groups: Private individuals/families, states, private companies, and listed funds. The remaining 35% of land was held by thousands of unidentifiable smallholders on the stock exchange free floats.



Leading the known investors are private individuals, or more so business families, where 93 of them held 36% of the case study land. Incredibly, 85% of this group's landholdings was owned by just seven investors with controlling stakes in five of the ten listed real estate companies.

The second largest owner of Cairo's land were states, where both Egyptian and foreign SOEs owned 25% of the case study land. These holdings were unevenly distributed between four states, where the Government of Egypt was found to control two of the ten case study companies, and that of the UAE another two. The governments of Norway and Kuwait had minority holdings across the companies.

In third place were two private companies the study could not determine their owners, and who held 4% of the case study land. These were the globally known Vanguard Group, Inc., with smallholdings in seven of the ten case study companies, and the BIG Investment Group Ltd, a special investment fund owning a controlling share in one of the case study companies. Under ideal circumstances where there is more ownership transparency, this group's holdings would be zero.

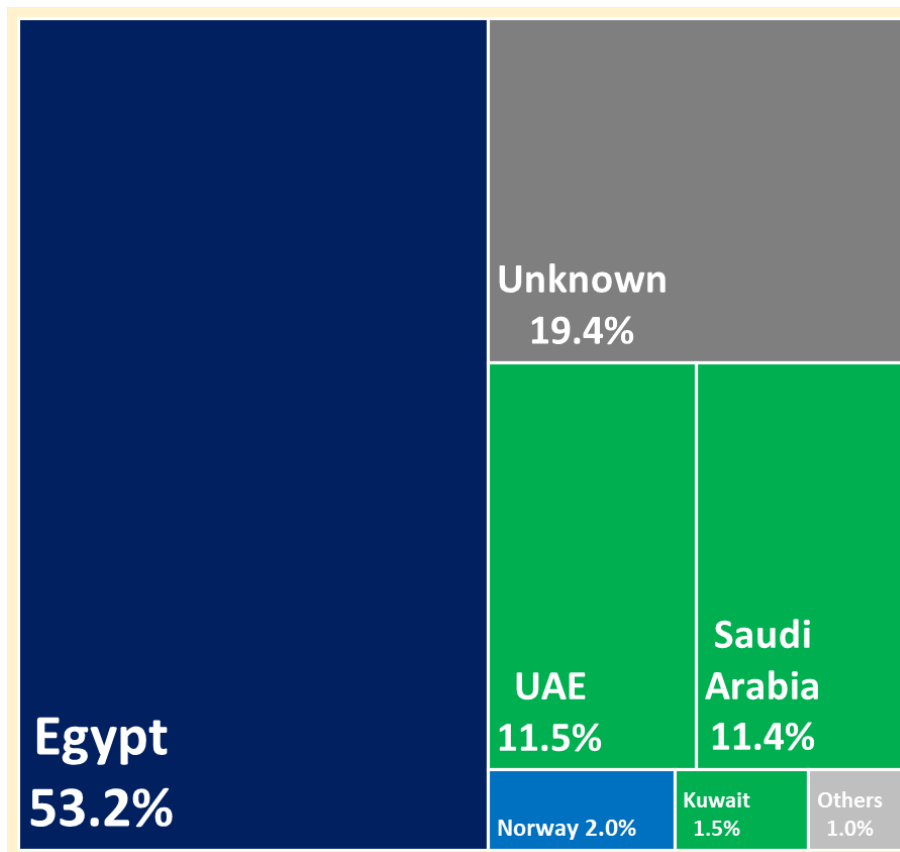
In fourth and last place, are large, transnational corporations listed on stock exchanges owning 1% of the case study land. Leading them is BlackRock Inc. the largest asset manager in the world, holding a small

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number of shares in five of the ten companies, followed by HSBC Holdings and many others with microholdings. While it is possible to identify their direct controlling owners, given their smallholding, it served the study better to keep them as is.

### Landholding by nationality

Using the tax resident nation of the last foreign institutional owner, Egypt-based investors were the largest investors by nationality, possessing barely half the case study land. In second place were UAE-based investors owning almost 16% of the case study land. The third largest group were investors of unknown nationalities, non-local smallholder investors on the EGX, as well as the UAE stock markets holding 15% of the land. In fourth place are Saudi based investors (6.7%), followed by the Cayman Islands (4.7%), the USA (3%), and Norway in seventh place at 2% of landholdings. Kuwait and the BVI hold almost 1.5% each, while other, mostly European-based investors held the remaining 1% of Cairo's case study land.



Under the ultimate beneficiary ownership method, or UBO, Cairo's case study land was owned by investors in just eight countries. Egyptian ownership increased by 4% to 53%, as identifiable offshore holdings were transferred here. In second place are the group of unknown nationalities comprising one

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fifth of land holdings. These include smallholders on stock exchange free floats, as well as anonymous high-net worth investors invested through funds and companies whose ownership structures remain confidential. In joint third place are UAE and Saudi Arabian investors, owning 11.5% of Cairo's land each. In a distant fourth place, is Norway holding 2% of Cairo's exchange listed land, followed by Kuwait as Cairo's fifth largest landholder. Investors in the UK, Libya and Switzerland own the remaining 1% of land.

### Cairo's ultimate beneficiary owners

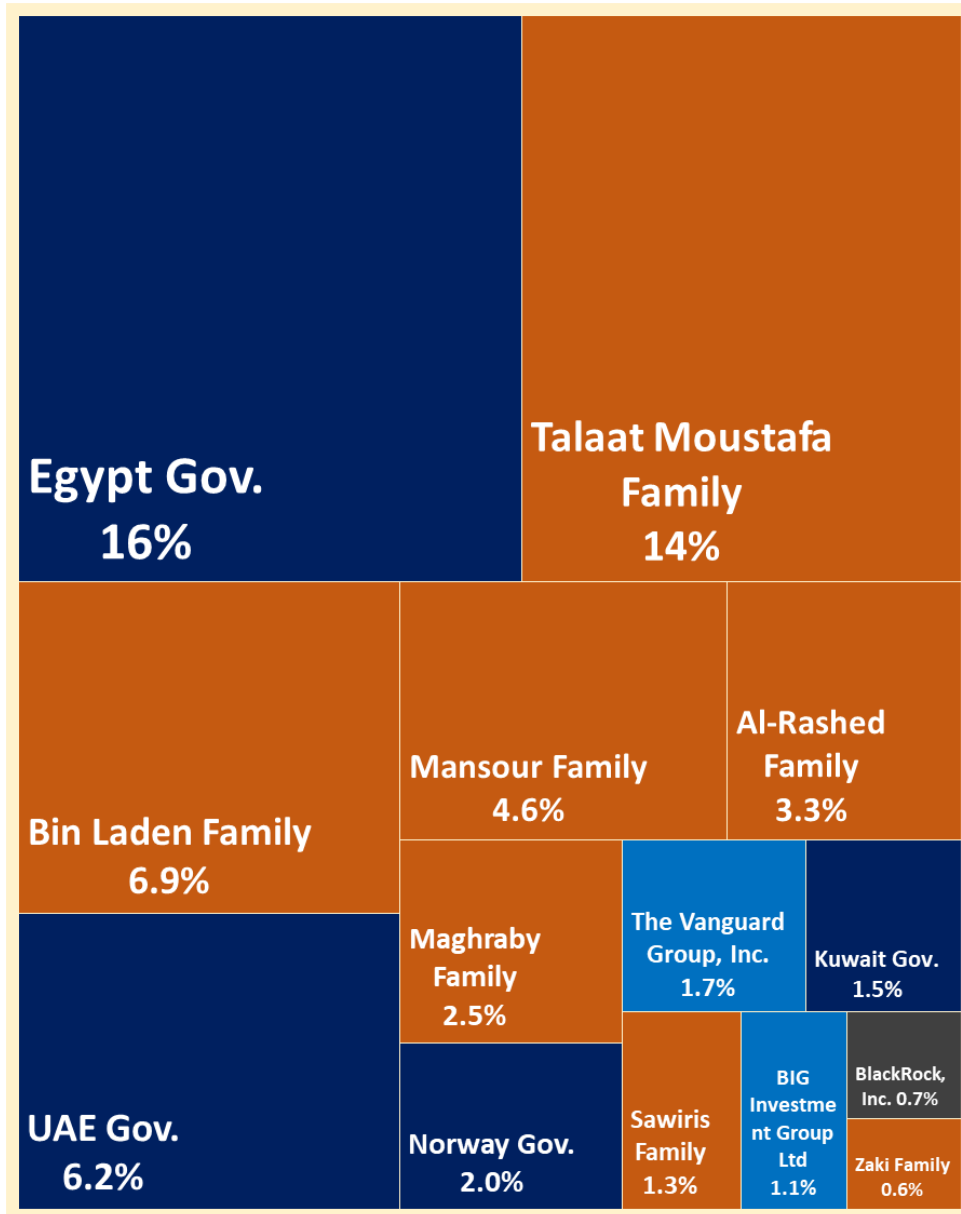
Half of Cairo's case study land is held by only six investors. The next six hold only 10% of Cairo, while the remaining 82 identifiable investors own only 5% of the case study land. 35% of Cairo is in anonymous hands, mostly smallholders on stock exchange free floats.

The Government of Egypt (GoE) is the largest single owner of Cairo's listed real estate possessing 6400 acres or 16% of Cairo. This is surprising given that a quarter of a century has passed since the first major round of privatization. In second place is the Egypt-based Talaat Moustafa family, which possess 5600 acres in Cairo, or 14% of the case study land. In third place are and the Saudi Bin Laden family, which possesses 2800 acres in Cairo, or 7% of the case study land.

In fourth place is the Government of the UAE, possessing 2500 acres in Cairo, or 6% of the case study land. With 1900 acres, or 4.6% of the case study land, the Egypt-based Mansour Family is Cairo's fifth largest landholder. In sixth place, is Saudi Arabian business family Al Rashed, possessing almost 1400 acres, 3.3% of Cairo. The seventh largest land holder in Cairo is the Egyptian-Saudi El Maghraby family, possessing 1000 acres in Cairo, representing 2.5% of the case study land. The Government of Norway is Cairo's eight largest landowner, holding 800 acres or 2% of the case study land through multiple small stakes held by its SWF, the Norges Bank.

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Global asset manager, Vanguard, is Cairo's ninth largest landowner, holding 700 acres or 1.7% of the case study land, and in tenth place is the Government of Kuwait, possessing 600 acres or 1.5% of Cairo's case study land. The Sawiris family is Cairo's 11<sup>th</sup> largest landholder, owning 500 acres or 1.3% of the case study land. On the issue of concentration of ownership, an estimated 95% of the case study land, whether through extraordinarily large landholdings, or, through multiple controlling or significant majority stakes.



### Introduction

In Egypt we have a saying that *Al-ard ma bi-takulsh, wa ma bi-tishrabsh* (The land does not eat nor drink). Its premise is simple: if you invest in land, it costs nothing to keep - compared to cattle, agriculture, or any other business that requires constant care, investment and effort to see it bear fruit. Land on the other hand, simply accrues in value while one sleeps, without taxes to be paid, nor any living or mechanical bits to worry about going wrong.

This short sentence underpins an investment philosophy held by everyone from mom-and-dad speculators, through billionaire investors and even governments. Since the late 1990s, real estate developers recognised how they could profit much more easily from building on large empty desert plots, than on small inner-city land. This desire was duly catered for by the government's key developer, the New Urban Communities Authority – or NUCA for short, which had been building new towns in the desert surrounding Cairo, though mostly for the working and middle classes. Within a decade, upper class gated developments with villas overlooking golf courses and parks would become fixtures of Cairo's suburban expansions.

Developments that would change the urban nature of the ancient city. They would also boost the scale of the real estate industry to 11% of Egypt's GDP, making it the fourth largest contributor, running close to agriculture, and outranking traditional industries such as mining and construction (Figure 1). Being a 'non-tradable asset', meaning that it cannot be imported from abroad compared to other high value-added commodities that countries in the Global South find impossible to compete with, has been a primary reason boosting local investment in it. Egypt is a textbook example of that, where droves of local industrialists in the wake of tariff reduction agreements such as the GATT in the 1990s, divested from or diversified out of their primary industries in electronics, textiles, food, and vehicle manufacturing. Much of their investments were shifted into real estate.

But the flow of money did not stop at local investors. As an indicator of the appetite for foreign investment in it, real estate has held a similar share of Egypt's stock market the EGX, again contributing to 11% of the market's capitalization, putting it in fourth place behind banks, basic resources, and media & communications.<sup>1</sup>

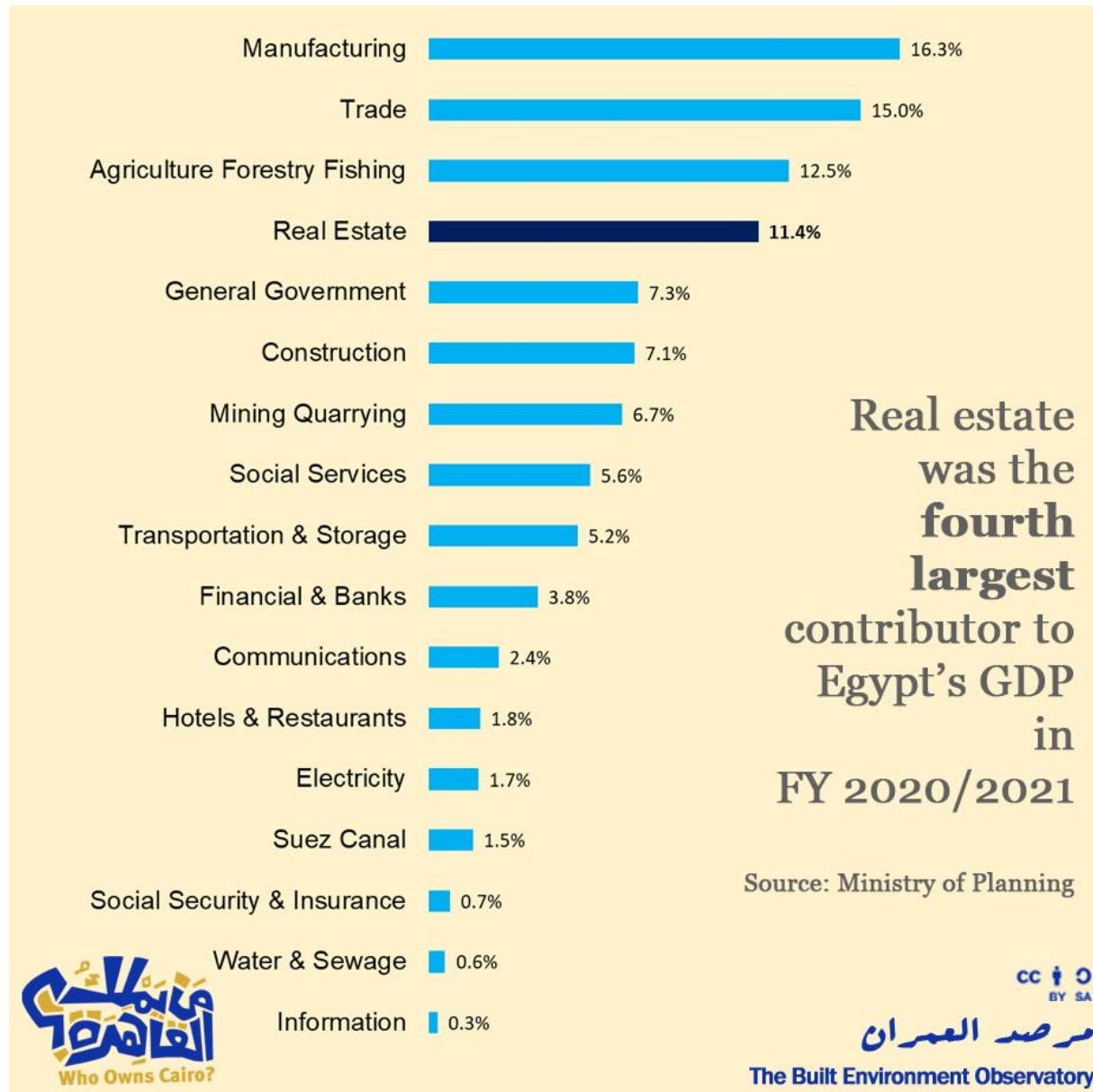
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<sup>1</sup> Egyptian Exchange EGX, "Annual Report 2021: Year of Recovery & Preperation for the Future" (Egyptian Exchange EGX, 2021), 62, [https://www.egx.com.eg/get\\_pdf.aspx?ID=36933&Lang=ENG](https://www.egx.com.eg/get_pdf.aspx?ID=36933&Lang=ENG)



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Figure 1: Economic activities' share of Egypt's GDP in 2020/2021.



Sources 1: [Ministry of Planning and Economic Development](#)

The increased prominence of the real estate industry, and accompanying surge in revenue has not, however, come without its share of controversy. By 2010, two of the largest developers were embroiled in land allocation and debt disputes.<sup>2</sup> This escalated in the wake of the 2011 revolution, where further

<sup>2</sup> "PA Gives Go Ahead for Dreamland Auction - Daily News Egypt," May 22, 2008, <https://www.dailynewsegypt.com/2008/05/22/pa-gives-go-ahead-for-dreamland-auction/>; "UPDATE 3-Court Rules against Talaat Moustafa Land Deal," *Reuters*, June 22, 2010, sec. Financials, <https://www.reuters.com/article/talaatmoustafa-egypt-idUKLDE65LOVP20100622>

land dispute cases were launched against a number of the top developers that had links to the ruling regime.<sup>3</sup> More recently, a 2016 Facebook post and a 2020 television ad that emphasized the growing class gap between rich and poor, sparked public backlashes on social media,<sup>4</sup> resulting in a rare public apology from one developer.<sup>5</sup>

This popular anger against gated developments, and the real estate industry as a whole, is not wholly unfounded. In 2016, as a result of the inexorable commodification of land, we found that the median priced home was out of reach of half of Egyptians.<sup>6</sup> And while the government works to stabilise food prices, provides public schooling and health care to large portions of the population, its social housing programme can barely provide homes for less than half of the poor and low-income families that need them every year.<sup>7</sup> Any subsidised housing programs will find it hard to challenge the inexorable rise in land and, thus home prices, where international studies have found a direct link between the financialization of housing, and increasing unaffordability.<sup>8</sup>

With vacant unutilised land being a famously abundant resource in Egypt, why is it that affordable housing as a service, and as a right, is still beyond the reach of many? *Who Owns Cairo?* attempts to partly answer this question by analysing the Cairo real estate industry's landholdings and ownership structures.

### Transparency and the Real Estate Industry

Given the size and economic significance of the real estate industry in Egypt, academically it remains understudied, while the general public knows little independent facts about it. A vast range of books and studies have been written about Cairo, its housing, or Egypt's economics of which land is a sub-section of. And while these studies have been invaluable to understand a range of aspects of housing and the

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<sup>3</sup> See for example SODIC, EMFD, ORHD and PHDC in this study - Company Fact Sheets.

<sup>4</sup> Veto, "I'lan beverly hills yuthir 'adab ruwad al-tawasul al-ijtima'ey (Beverly Hills ad stokes anger of social media users)," Veto, December 31, 2016, <https://www.vetogate.com/2524311> ; Tawba Khalifi, "Madinaty namujajan: Limaza yalja' al-misriyun li-l-áysh fi mujamaát mughalqa?," *BBC News Arabic*, May 10, 2020, <https://www.bbc.com/arabic/trending-52535631>

<sup>5</sup> "Beverly Hills Egypt," Facebook, January 1, 2017, [https://www.facebook.com/story.php?story\\_fbid=1061055480687845&id=439977742795625](https://www.facebook.com/story.php?story_fbid=1061055480687845&id=439977742795625)

<sup>6</sup> 10 Tooba, "Built Environment Deprivation Index," BEDI, September 2016, sec. Affordability, <http://10tooba.org/bedi/en/>

<sup>7</sup> Yahia Shawkat, "A Million Units for Whom? Six Facts about the Social Housing Project," Built Environment Observatory, May 28, 2018, [http://marsadomran.info/en/facts\\_budgets/2018/05/1543/](http://marsadomran.info/en/facts_budgets/2018/05/1543/)

<sup>8</sup> "Who Owns the City? Exploratory Research Activity on the Financialisation of Housing in EU Cities" (Joint Research Centre (JRC), 2020), 81, <https://publications.jrc.ec.europa.eu/repository/handle/JRC120776>

real estate market, they are either outdated or have not covered real estate activity itself in-depth. In comparison to this narrow knowledge on urban land, much has been written about agricultural land, from its redistribution in the Socialist 1950s, through its liberalisation in the 1990s. And while much is known about agricultural landholdings and ownership, the same is not true for urban landholdings, where thousands of acres of desert as well as coastal land has been privatised over the last three decades.

An empirical study of real estate development can help us better understand its influence over our daily lives, especially in light of the decreasing economic weight of agriculture, as water becomes scarcer as well as dwindling profitability. As Egypt's population increases, the majority of land-based growth has been shifting to the real estate sector. This coupled with Egypt's economic weakness in tradable goods, makes investment, and speculation, in real estate comparatively advantageous for peripheral markets, otherwise known as emerging markets. For these reasons, urban land ownership, especially for residential purposes, represents the heart of social, economic and political transformations in Egypt, as agricultural land was over the previous centuries.

By mapping land holdings, we could establish whether monopolization and uncompetitive behaviour exists, actions that negatively affect housing affordability. By investigating ownership, we can find out who the larger owners are, and what influence they may exert on urban and housing policies. By bringing more transparency to this crucial industry, government can better regulate it, and residents can have a better understanding of who builds their homes.

### Overview of the Study

*Who Owns Cairo?* comprises four sections that have been divided as such to make it simple for readers to absorb. In **Section I: The Case Study Companies**, a detailed fact sheet of each of the ten listed companies featured in this study is presented. It maps the company's landholdings in the Greater Cairo region, which we simply call Cairo, listing all its developments and land plots of 31 December 2021, adding up to over 140 developments. The factsheets also analyse shareholdings of each company, showing both the direct, as well as indirect owners, tracing them as far as is factually possible to almost 100 ultimate beneficiary owners (UBO). **Section II | Company Ownership** (*Released in September week 1*), delves into the companies' ownership data in a comparative manner, aggregating the shareholding and landholding data across all ten companies to give a comprehensive overview of the real estate

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sector showing the top landholders, their typologies – individuals, governments or funds, as well as their nationalities. In **Section III | Conclusion and Recommendations**, lessons learnt from the previous two sections are built upon to provide guidance for government, the private sector and civil society, on how the real estate sector could be more transparent, as well as better managed to fulfil the need for affordable housing. An **Appendices** section holds a number of background papers, methodologies and data.

## Section I | The Case Study Companies

*This section presents the case study companies in ten detailed fact sheets that comprise the main information used for the research: landholdings, and company ownership. You will also find a brief methodology below explaining why they were chosen, and what information was gathered and analysed.*

### Company Fact Sheets

*Click on the company names to go to their online pages*

[Talaat Moustafa Group Holding TMGH.CA](#)

[Palm Hills Development Company PHDC.CA](#)

[Heliopolis Company for Housing and Development HELI.CA](#)

[Six of October Development & Investment SODIC OCDI.CA](#)

[Emaar Misr for Development EMFD.CA](#)

[Madinet Nasr Housing & Development MNHD.CA](#)

[Housing and Development Bank HDBK.CA](#)

[Orascom Development Egypt ORHD.CA](#)

[Pioneers Properties for Urban Development PREDCO PRDC.CA](#)

[Porto Group Holding PORT.CA \(Now: Arab Developers Holding ARAB.CA\)](#)

### How Were the Companies Chosen?

From the outset we focused on companies listed on the [Egyptian Stock Exchange](#) (EGX) as non-listed companies rarely provide financial data, and almost never provide ownership data. On the other hand, a vast trove of data does exist for EGX listed companies, made available by the stipulated stock market disclosures on finances, ownership and significant activities. Though as you will see, even this was not enough for the study purposes.

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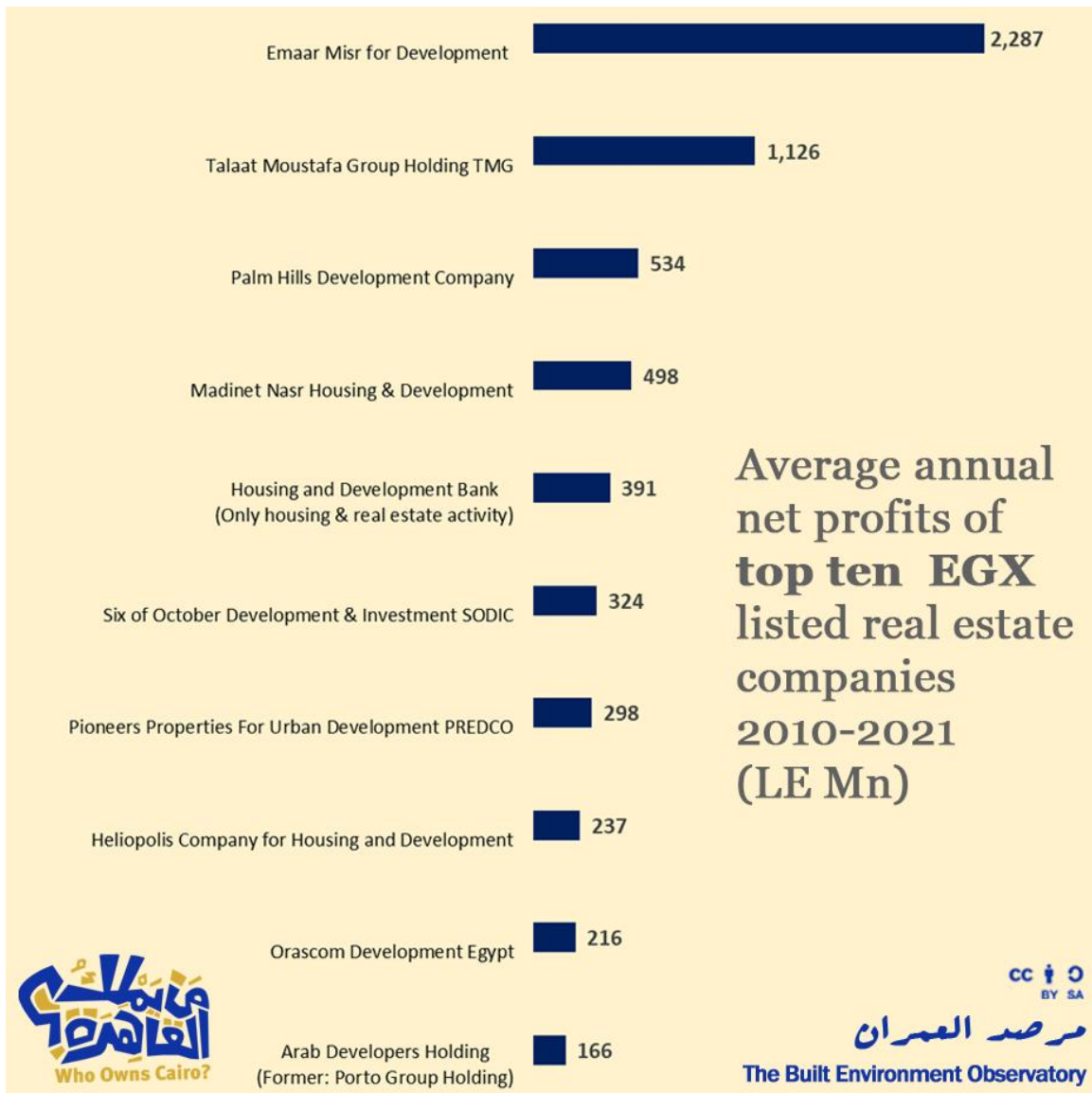
We initially chose the top ten companies whose activity is categorised as 'real estate' in 2021 by the EGX, according to their profitability. Given the fluctuating nature of financial performance, we established the top ten most profitable companies over the last decade, calculating their average annual profits between 2010, the year before the revolution and significant market stagnation, through 2021, the year the study was initiated (See **Appendix 1**). Unsurprisingly, most of the chosen companies have been both temporary and more stable features of the [EGX 30 Index](#), the stock market's top 30 companies. However, further research found a number of listed companies with significant real estate activity that were categorised under other industries because they have significant activities in those categories as well. However, EGX listed under 'banking', the Housing and Development Bank's HDBK.CA real estate profits were the only ones we were able to disaggregate as its financial statements clearly separated housing and real estate from its banking information. Overall, its profits fell within the initial top ten companies as so, was included (Figure 2). It is of note, that the case study indirectly includes a further four listed real estate companies who have Pioneers Properties for Urban Development PRDC.CA as their major shareholder: El Kahera Housing [ELKA](#), United Company for Housing and Development [UNIT](#), Giza General Contracting and Real Estate Investment Co SAE [GGCC](#), and Elsaeed Contracting and Real Estate Investment Company SCCD [UEGC](#).

The second level of analysis investigated their operations in our case study location, the Greater Cairo region.<sup>9</sup> It was found that all companies did have real estate activity within the region and so none were omitted. However, their landholdings in Cairo compared to the rest of their landbank varied from significant to secondary, thus their landholding ranking may vary widely from their financial rankings. On the other hand, many companies known to the public as big, or who may have larger landholdings in Cairo than some in the case study are not found here. That is simply because they are not listed on the EGX, are not partly owned by a listed company, or may be a subsidiary though without activities in Cairo.

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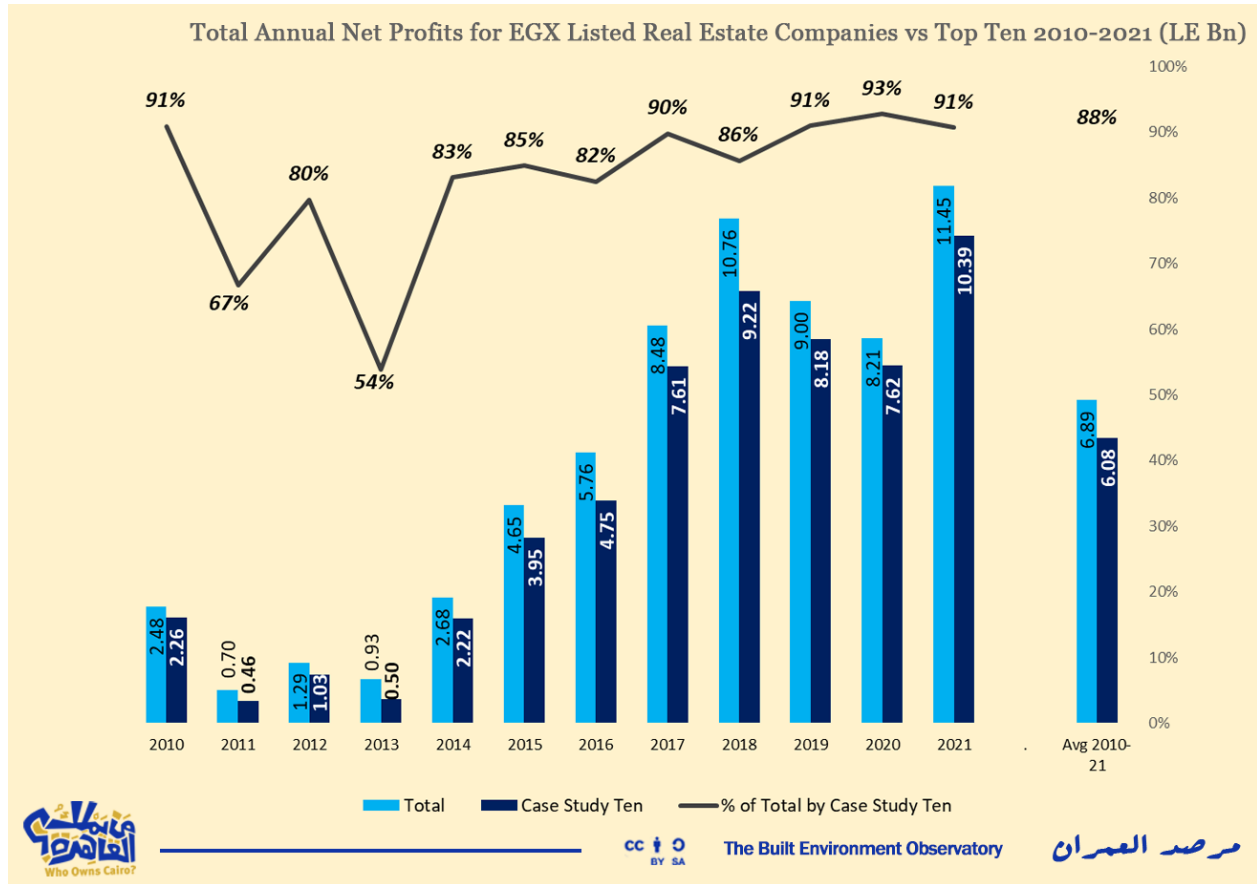
<sup>9</sup> As there is no administrative metropolis, we have identified Greater Cairo in this study as the contiguous urban agglomeration in the Cairo and Giza governorates made up of Cairo and Giza cities, as well as the 11 new desert cities around them as of 2021: New Cairo, New Administrative Capital, Shorouk, and Capital Gardens in Cairo Governorate, and: 6th of October City, October Gardens, Sheikh Zayed and New Sphinx in the Giza governorate.

Figure 2: Top ten real estate companies listed on the EGX by average annual profitability between 2010-2021 (EGP mn.)



When the top ten companies’ long-term profitability (2010-2021) was calculated, we found that they comprised an average of 88% of the entire listed real estate activity of over 30 companies (Figure 3). This is a clear indication that the performance of the real estate sector is highly concentrated in these ten companies, and thus they are able to be indicative of the real estate sector as a whole in Cairo.

Figure 3: Net profits of the EGX listed real estate companies compared to the top ten 2010-2021 (EGP '000s)



## What was Analysed?

After the case study companies were established, the research focused on two major points. The first was to establish each company's landholdings in Cairo. In the factsheets, all company developments and land plots it was directly or indirectly in possession of, or still manages as of 31 December 2021, are listed. The listing also offers a timeline of the land acquisition showing both annual and aggregate values over a twenty-year timeframe (2002-2021). A third aspect of the landholdings is how they are differentiated by two main methodologies. The de jure methodology lists land plot areas as prorated according to the actual ownership. This can be less than 100% in instances where land is owned through a non-wholly owned subsidiary, or, if there is a co-development partnership agreement where the main company does not own the land, and thus its de jure ownership is listed as zero. Another method used for the study is the 'control', which was important to show land holdings as 100% in cases where they were majority owned through subsidiaries, or in partnerships, the brand name of the developer in question was the one used (For more see Methodology).



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The other main information the factsheets analyse are the shareholding structures of each company. These trace direct, as well as indirect owners, according to two methodologies. The first is the Tax Resident (TR) method, where in cases of multi-level ownership through a number of companies, the last location where a company is registered. It is named thus as most of the dividend and capital gains taxes should be captured there. The second is the ultimate beneficiary owners (UBO), that aimed to identify as far as possible, individual owners. In addition to the owners' identities, there is data on nationalities, as well as the type of investor: high net worth individuals, or more usually families, governments, and where UBOs could not be established, private or listed companies (For more see 1- Company Ownership).

## Section II | Ownership Analysis

*After finding out the land holdings and ownership structures of each of the top ten listed real estate companies in Egypt in Section I, Section II is a comparative aggregation of the shareholding and landholding data across all ten companies to give a comprehensive overview of the real estate sector showing Cairo's top landholders, their typologies – individuals, governments or funds, as well as their nationalities.*

### **What Type of Investors Own Cairo?**

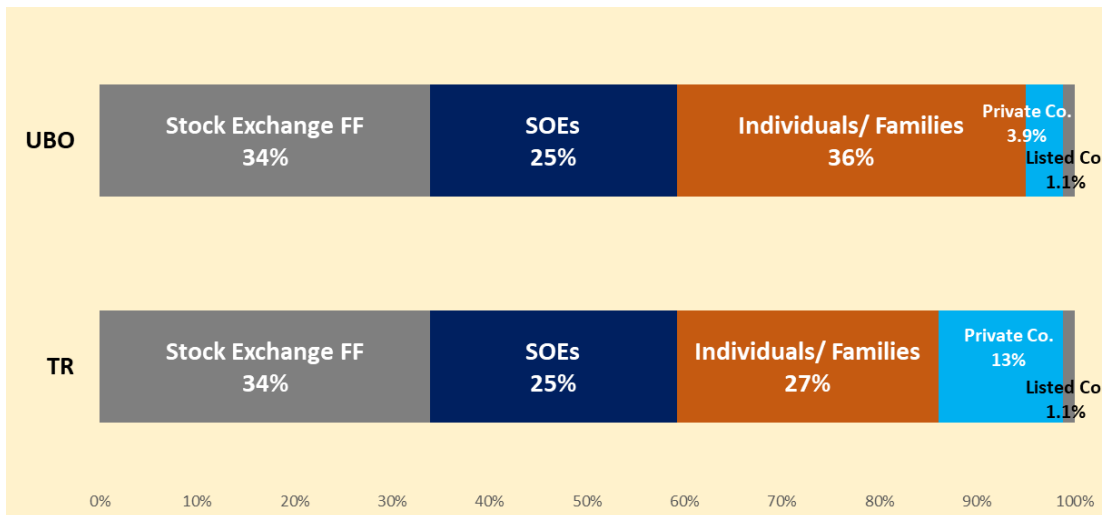
Nearly 100 investors with significant holdings in the ten case study companies were tracked down in this study. Stock markets usually classify investors as either retail – individuals with small holdings, or institutions – so-called high net worth individuals, as well as companies and funds.

What was interesting for this study, was that almost all companies and funds are ultimately owned by either individuals, or states. Therefore, we used a restructured investor typology as private investors or states first, and then sub-categorised their investment vehicles based on further typologies that had identifiable holdings of over 0.01% of shares for institutions, and 3% for individuals – as per the generally available data. For Private sector investors we identified: Individuals/ Families, Private (Non-listed) Companies - those that we could not identify their owners, or, decided to leave as is, and Listed Companies including their funds - those that we chose not to identify their owners (For more on investor types, see the Methodology). For states, we identified their holdings as State Owned Enterprises (SOEs), even if they did feature as companies, banks or funds, as government agencies such as ministries are their ultimate owner. A fifth category, Stock Market Free Float, gathered all investor types with micro-holdings – less than 0.01% for institutions, and less than 3% for individuals unless part of company management – that could not be identified as one of the other four categories (See Background Paper 1 | Disclosure Requirements). While the share of these investors may be large in a company, they cannot have any control as they are not represented on the board and, at least in Egypt, do not usually engage in collective voting.

Investor Types by TR Method

Using the Tax Resident (TR) method for investors (Where a shareholding company is tax resident. See Methodology), we find that unidentifiable smallholders on the stock exchange free floats are the largest investor, holding 34% of Cairo’s case study land (Figure 4). However, this group has no control over it as it lacks board representation. The second largest investor type, and the largest identifiable group, are Individual/families with holdings of 27% of Cairo’s land. State Owned Enterprises (SOEs), are in close third place, holding one quarter of the case study land. The fourth largest investor type under the TR method are Private Companies holding 13% of Cairo, most of which are registered in states other than where their owners are from, such as the Cayman Islands and the British Virgin Islands (BVI), though also in the UAE, Saudi Arabia and the USA. Listed companies and investment funds are the smallest investor type holding only 1.1% of the case study land.

Figure 4: Ultimate beneficiary owner (UBO) vs tax resident (TR) land ownership by investor type



Investor Types by UBO

Moving to the ultimate beneficiary ownership method, or UBO (Tracing the actual owners behind companies. See Methodology), almost two thirds of Cairo’s case study land of 41,000 acres was traced to the four identifiable investor groups. The remaining 35% of land was held by thousands of unidentifiable smallholders on the stock exchange free floats.

It is the Individuals/Families investor group whose holdings' rise from second place to first holding 36% of Cairo's case study land (*Figure 4*). This was mostly due to holdings shifting from the Private Company category, to this one, which reflects how a significant part of this category invests in the stock market through private companies established in a country other than their country of residence. This investor type is also more usually 'families' than individuals, with leading patriarchal heads acting as chairmen and/or CEOs (almost all were men), with brothers, sons and sometimes daughters and wives forming the main investor block and many of them serving on the boards, and to a lesser extent, executive management. A known trend in so-called emerging market countries, where an estimated 60-70% of companies are so owned, versus less than one third of large companies in developed markets such as on the New York stock Exchange.<sup>10</sup>

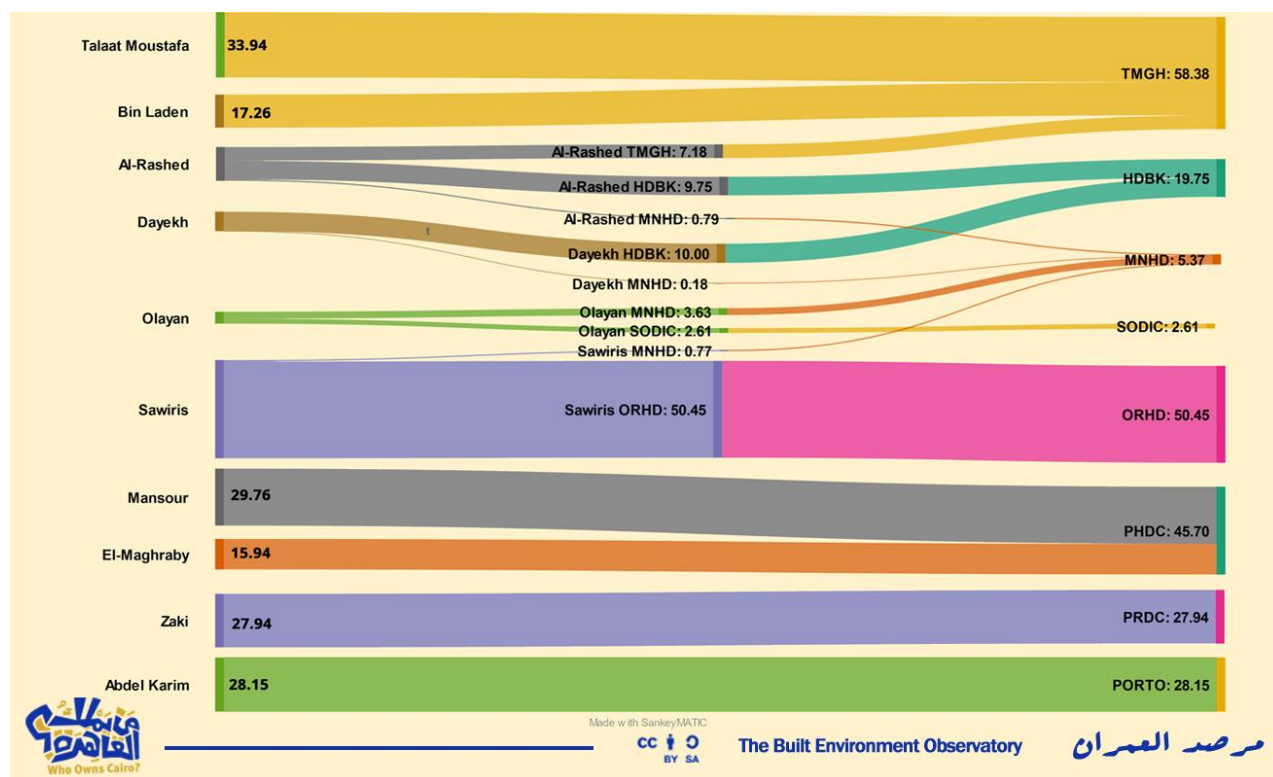
Analysing the top ten investors by landholdings, we find three major investment patterns. Seven investors or their families have controlling stakes in five of the ten case study companies – Talaat Moustafa and Bin Laden families in TMGH, Mansour and Al-Maghraby families in PHDC, the Sawiris family in ORHD, the Zaki family in PRDC and Abdel Salam Abdel Karim in PORTO (*Figure 5*). Moreover, one investor, the Sawiris family, have a minor stake in MNHD, in addition to their controlling stake in ORHD, while three Saudi Arabian investors, Al-Rashed, Olayan and Ali Dayekh, have small to significant minority stakes in more than one company – TMGH, MNHD, HDBK, and SODIC.

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<sup>10</sup> Åsa Björnberg and Vivek Pandit, "The Family-Business Factor in Emerging Markets | McKinsey," McKinsey Quarterly, December 1, 2014, <https://www.mckinsey.com/featured-insights/winning-in-emerging-markets/the-family-business-factor-in-emerging-markets>

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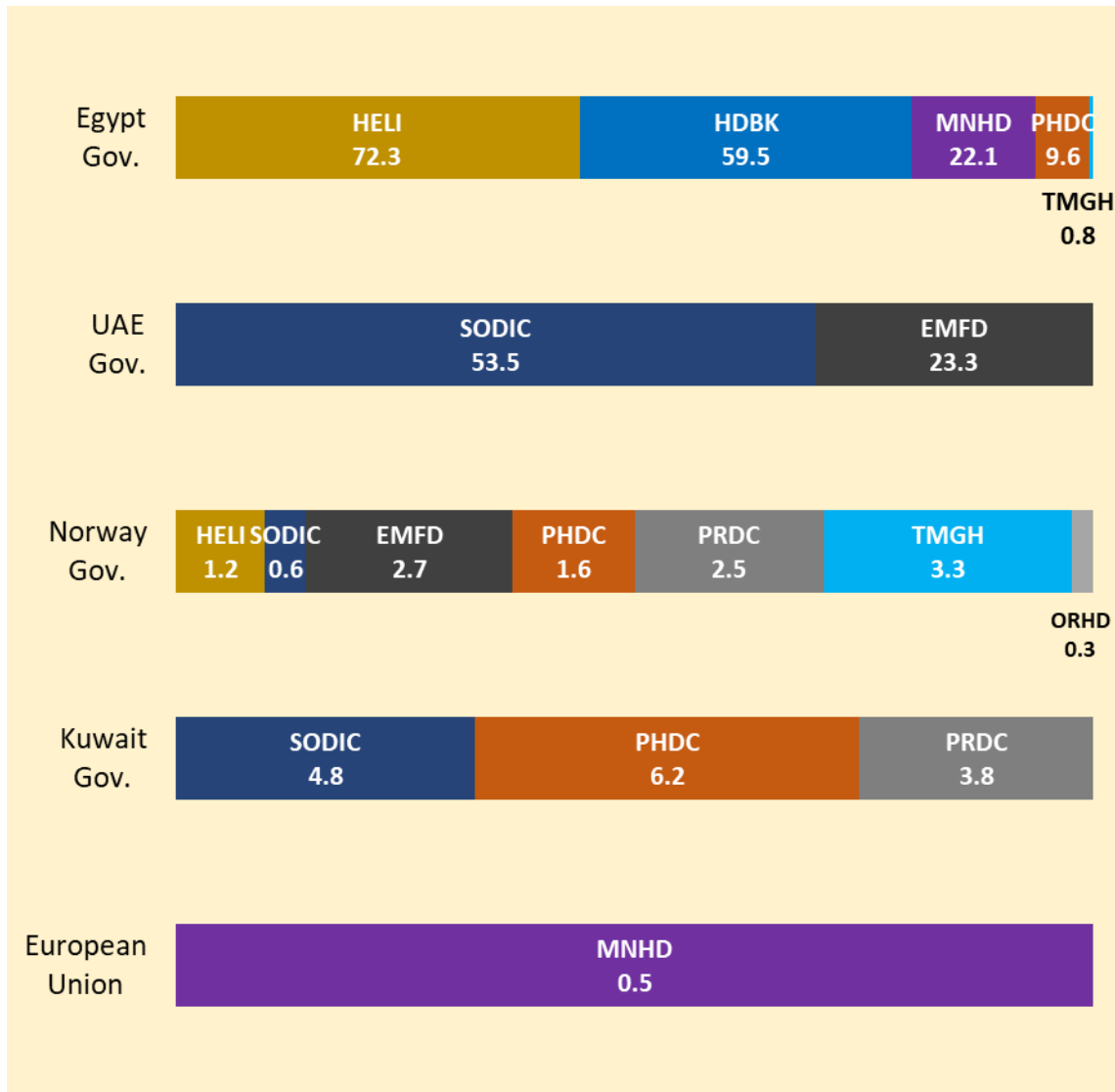
Figure 5: Shareholding of top ten Individuals/Families in case study companies (%)



States were found to own 25% of Cairo under the UBO method through stakes in nine out of the ten case study companies (Figure 6) and were thus the second highest known investor category. The Government of Egypt (GoE) leads the share of SOEs, controlling 16% of the case study land through stakes, in half of the ten companies - HELI, HDBK, MNHD, PHDC, and TMGH (For more see Background Paper 2 | Government of Egypt Investments). This leaves two fifths of investments in this category by foreign SOEs. These are led by the Government of the UAE, owning 6% of the case study land, reflecting significant shares in EMFD and SODIC. The Government of Norway's SWF, the Norges Bank, is the third largest SOE by land holdings, with small stakes – ranging from 0.3% to 3.3%) in seven out of the ten companies. This is followed by the Government of Kuwait's SWF that shares a significant minority stake in PHDC through the Egypt-based AAIB, and minority stakes in SODIC and PRDC. The smallest SOE stake concerns the European Union (EU), through an indirect smallholding by the European Investment Bank (EIB) in MNHD.

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Figure 6: SOE shareholding of case study companies (%)



This is a curious sector for SOEs to be so visible in. Globally they are concentrated in critical sectors of the economy, like extractives, energy, and transport. According to the IMF, they are responsible for over half of investments in infrastructure in developing countries, and between 20% to 60% of the banking system in certain G20 states.<sup>11</sup> Real estate however is not a crucial sector in terms of basic goods, or strategic control. Unless, it was for the provision of affordable housing, which none of the aforementioned companies provide.

<sup>11</sup> “Fiscal Monitor - April 2020” (International Monetary Fund, April 2020), 48, <https://www.imf.org/en/Publications/FM/Issues/2020/04/06/fiscal-monitor-april-2020>

The fourth largest investor group, are private companies not listed on the stock exchange, owning 4% of the land under the UBO methodology. While this is a significant drop from 13% under the TR methodology, under ideal circumstances where there is more transparency on UBO, this portion by the control method should be zero. This group comprises holdings of just two companies whose ownership structures we were not able to identify. The Vanguard Group, Inc., a mammoth international asset manager forming part of the top three in the world,<sup>12</sup> with smallholdings in seven of the ten case study companies (*Figure 7*). It claims to be owned by investors and funds who have invested in it,<sup>13</sup> who remain anonymous because it is a private company registered under an agent in the US state of Delaware.<sup>14</sup> The other is the BIG Investment Group Ltd, a special investment fund set up in the in the BVI to buy a controlling share in MNHD (See Company Fact Sheets). The fund is managed by an Egypt based company comprising Egyptian and Saudi investors, however the fund's subscribers remain anonymous because its manager has not disclosed who they are.<sup>15</sup>

In fifth and last place, are large, transnational corporations listed on stock exchanges owning 1% of the case study land. Chief amongst these companies is BlackRock Inc., ([BLK.N](#)) the largest asset manager in the world, holding a small number of shares in five of the ten companies, followed by HSBC Holdings ([HSBA.L](#)), with a 0.5% holding in TMGH, and others with much smaller holdings (*Figure 7*). While it is possible to identify their direct controlling owners, given their smallholding, this would have diluted the ownership of the ultimate owners so that they would not have been seen.<sup>16</sup> Therefore, it was deemed more important to show these

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<sup>12</sup> Scott Hirst and Lucian Bebchuk, "The Specter of the Giant Three," *Boston University Law Review* 99, no. 3 (May 1, 2019): 721, [https://scholarship.law.bu.edu/faculty\\_scholarship/602](https://scholarship.law.bu.edu/faculty_scholarship/602)

<sup>13</sup> "What Sets Us Apart," The Vanguard Group, Inc., n.d.,

<https://corporate.vanguard.com/content/corporatesite/us/en/corp/who-we-are/sets-us-apart/index.html>

<sup>14</sup> The state is known for low-income taxes and allows the use of agents to cover the identity of the actual owners. See: Sadek, "'Delaware Is Everywhere': How a Little-Known Tax Haven Made the Rules for Corporate America," June 27, 2022, <https://www.icij.org/inside-icij/2022/06/delaware-is-everywhere-how-a-little-known-tax-haven-made-the-rules-for-corporate-america/>

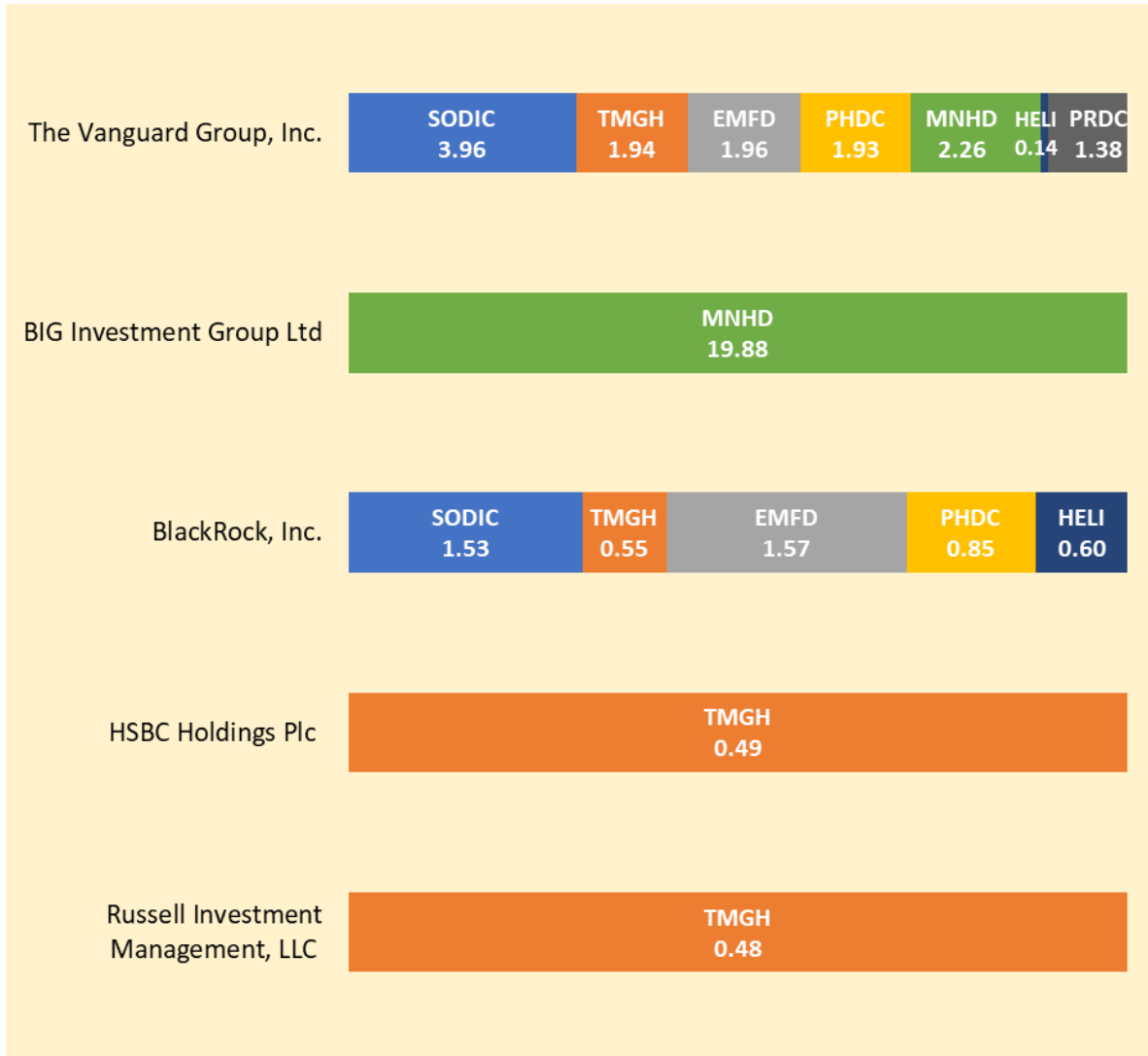
<sup>15</sup> Our request to BPE Partners for the shareholding structure of the BIG Investment Group was denied citing confidentiality of the investors.

<sup>16</sup> For example, at the end of December 2021, Norway's SWF and the Vanguard Group owned 0.86% and 8.06% of BlackRock respectively. If we were to apply the UBO to Blackrock, their holdings of the case study land would have

## Who Owns Cairo? Transparency and Egypt's Real Estate Market

companies as they are, since they are all well known, or even infamous, for their interest in global real estate.

Figure 7: Top five private and listed investment funds' shareholding in case study companies (%)



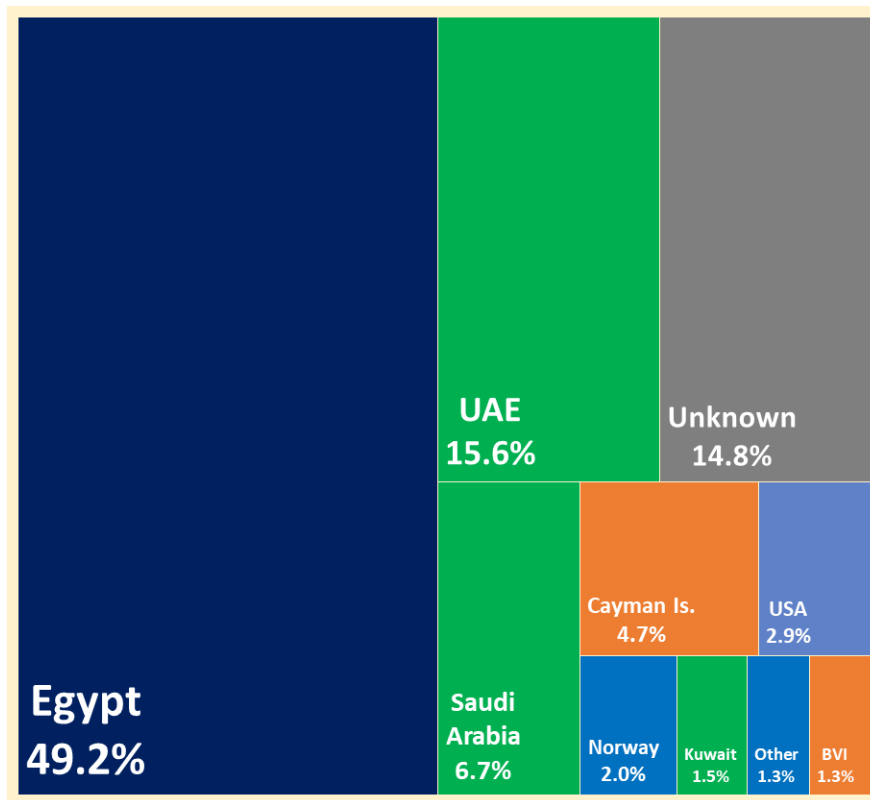
increased by only 0.01% and 0.1% respectively, which was not considered a significant increase for the purposes of this study.



Where are the Owners From? 1: TR Method

According to the tax resident (TR) method (see Methodology), Egypt-based investors possessed barely half the case study land, where foreign investors possessed the other half of Cairo (Figure 8). This is a fresh finding as there have been no significant studies on ownership by nationality on the Egyptian Stock Exchange (See Background Paper 3 | Foreign Ownership). The second largest owner was the UAE, as investors based there owned almost 16% of the case study land. The third largest group were investors of unknown nationalities, non-local smallholder investors on the EGX, as well as the UAE stock markets holding 15% of the land. In fourth place are Saudi based investors (6.7%), followed by the Cayman Islands (4.7%), the USA (3%), and Norway in seventh place at 2% of landholdings. Kuwait and the BVI hold almost 1.5% each, while other, mostly European-based investors held the remaining 1% of Cairo's case study land.

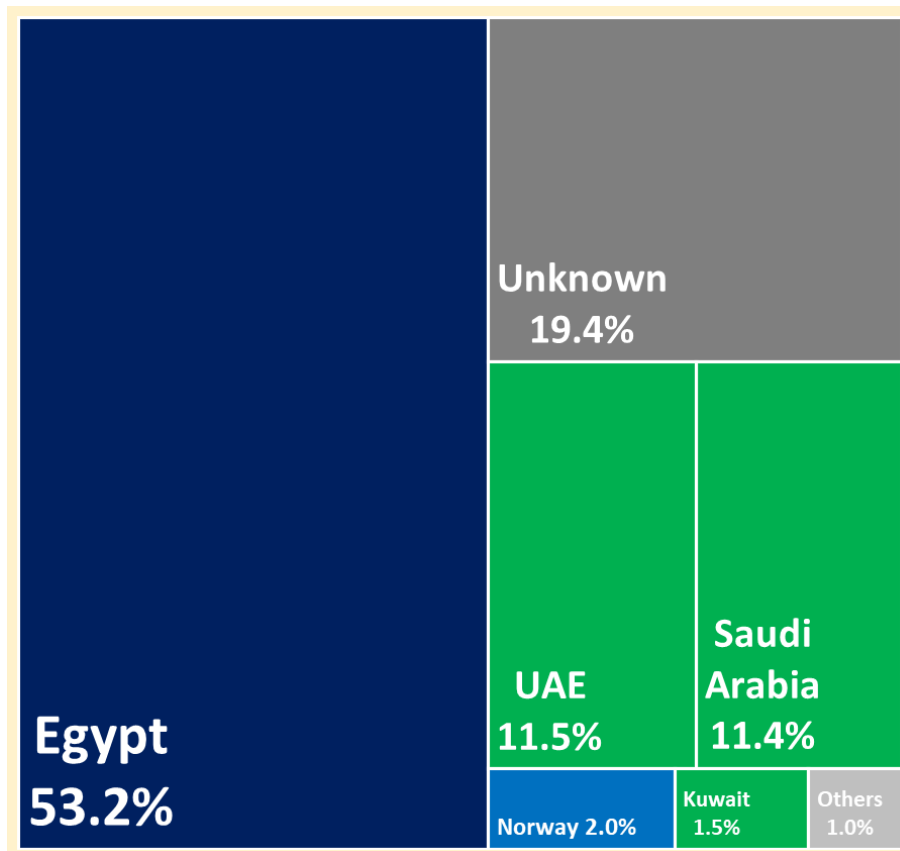
Figure 8: Case study landholding by nationality - TR Method (%)



## Where are the Owners From? 2: UBO Method

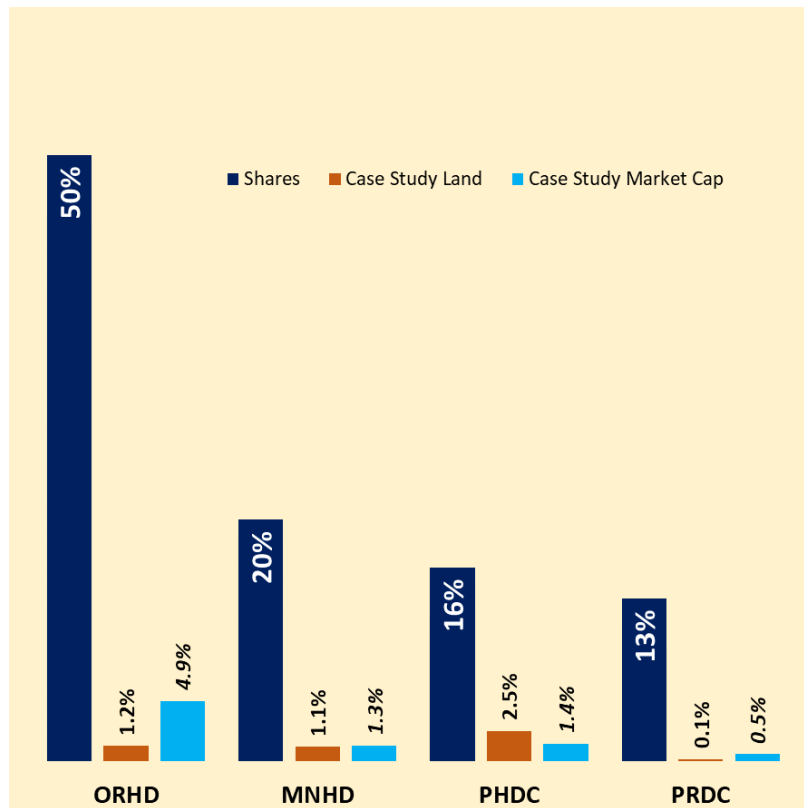
Moving on from the TR method, which established ownership nationalities based on tax and legal premises, we now shift to nationalities based the UBO method, which gives us less a sense of legal jurisdictions, but more of an idea of where the owners of land in Egypt are culturally, or politically, from. Many of the natural persons identified here as of a certain nationality are not necessarily tax resident there or carry dual or more nationalities (See Methodology). SOEs are of course the exception to this where their country of origin is where they are truly based, at least the ones covered in this study. Private or listed companies whose owners have not been identified are defined as having owners of unknown nationalities, as most in the list manage funds invested in by hundreds, if not thousands of people as well as other companies. Here we find some significant changes to the scale and order of nationalities as seen in the TR method before.

Figure 9: Case study landholding by nationality - UBO Method (%)



Egyptian ownership of the case study land increases by 4% to 53% (Figure 9). While it may mean that investments made by Egyptians through offshore companies are generally small, however, further analysis reveals that this is just a reflection of the relatively small landholdings these particular investors have in Cairo, while one significant offshore company’s investors, the BIG Investment Group which holds 1.1% of the case study land, remain anonymous, and so its share is listed in the ‘unknown’ category even though some investors may be Egyptian. Overall, this practice affects significant to major holdings of 13% to 50% in four of the ten case study companies - ORHD, MNHD, PHDC, and PRDC (see company factsheets), comprising of 8% of the ten case study companies by market capitalisation (Figure 10).

Figure 10: Case study companies with significant shareholding held offshore



The second largest investors by nationality is actually the group of unknown nationalities comprising one fifth of land holdings. In addition to the thousands of non-Egyptian investors with micro-holdings on stock exchange free floats, this group now includes anonymous high-net

worth investors that have invested through investment funds, chiefly Vanguard, BlackRock and the BIG Investment Group.

In joint third place are UAE and Saudi Arabian investors, owning 11.5% of Cairo's land each. This represents a significant change from the TR method, as the nationalities of a number of non-UAE investors that use companies based there are shifted to their home nationalities, thereby decreasing its landholding from almost 16%. On the other hand, Saudi Arabian landholdings almost double from 6.7%. In a distant fourth place, is Norway holding 2% of Cairo's exchange listed land, all owned by its sovereign wealth fund. Kuwait is Cairo's fifth largest landholder, possessing 1.5% of its land, while investors in the UK, Libya and Switzerland own the remaining 1% of land. Overall, the significant foreign owners of Cairo's listed real estate come from only seven countries.

### Who are Cairo's Ultimate Beneficiary Owners?

After omitting 35% of the land held by stock market free floats, under the UBO method we find that half of Cairo's case study land is held by only six investors (Figure 11). The next six hold only 10% of Cairo, while the remaining 82 identifiable investors own 5% of the case study land.

Overall, it is the Government of Egypt (GoE), that is the largest single owner of listed real estate possessing 6400 acres or 16% of Cairo.<sup>17</sup> In one way, this is a major surprise as more than a quarter of a century has passed since the first major round of privatizations, when the largest real estate developers were still state owned. While the larger part of these holdings represent majority or significant stakes in former wholly owned SOEs, HELI, HDBK and MNHD, they also

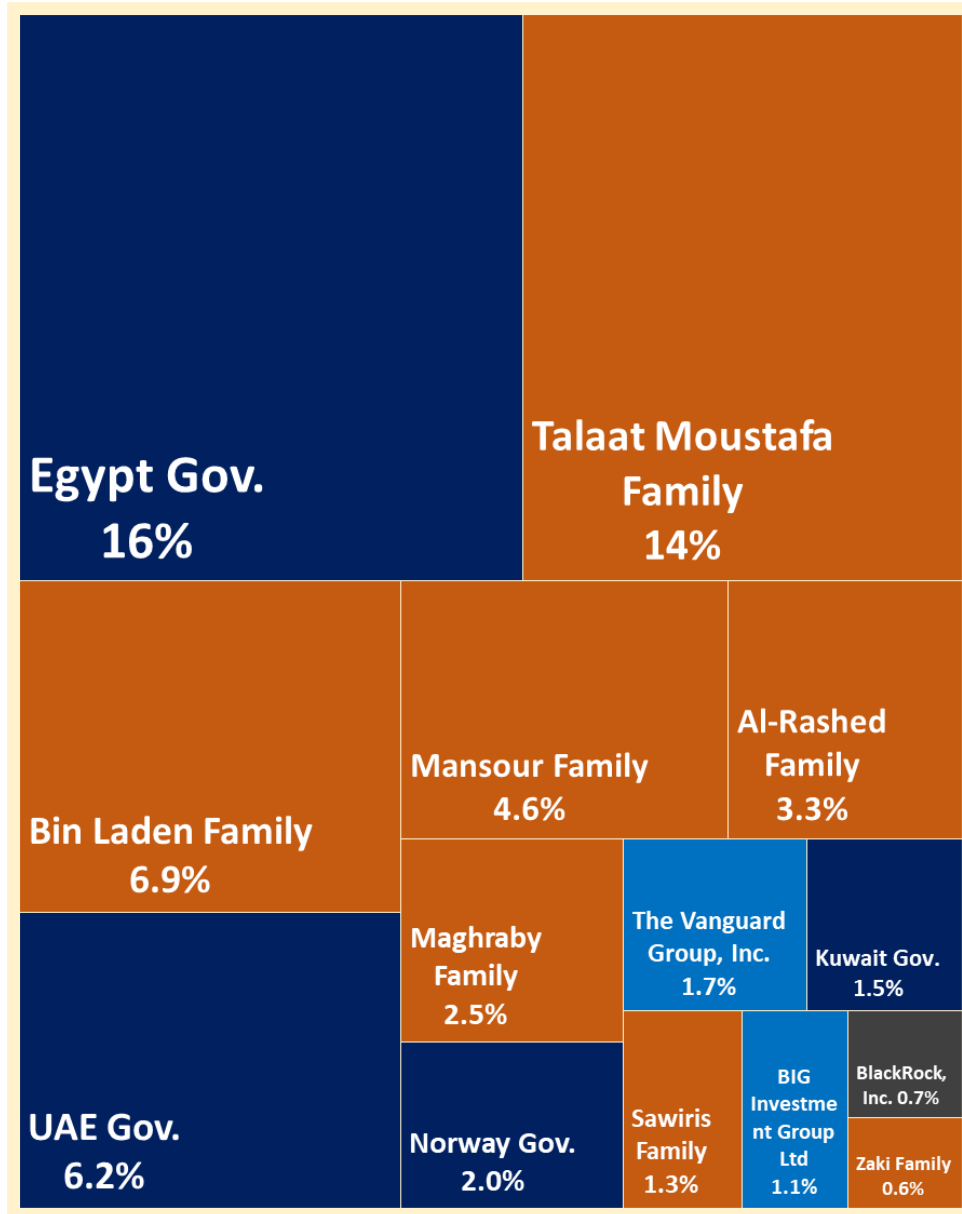
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<sup>17</sup> It is important to note here that the case study land is land that has already been planned and subdivided before it was sold or assigned to developers listed on the EGX, which we will call development land. While all vacant undeveloped desert land, which we can call 'raw' land, is mostly state owned in Egypt, before it is assigned to the government's master developer, the New Urban Communities Authority (NUCA), which it then sells on plots of to developers. Given the GoE's vast SOE network, in addition to raw land, it also owns significant areas of 'development' land through a host of agencies and their companies that are outside of this case study because they are not listed on the EGX.

## Who Owns Cairo? Transparency and Egypt’s Real Estate Market

include stakes in originally private companies: a significant minority in PHDC, and a small holding in TMGH (For more detail see Background Paper 2 | Government of Egypt Investments).

Figure 11: Top 14 Cairo landowners by UBO



The second largest Cairo landowner is the Egypt-based Talaat Moustafa family, which possess 5600 acres in Cairo, comprising 14% of the case study land. This is no surprise, as the family is TMGH’s largest shareholder, which itself owns over two fifths of the case study land. In third

## Who Owns Cairo? Transparency and Egypt's Real Estate Market

place are and the Saudi Bin Laden family, which possesses 2800 acres in Cairo, or 7% of the case study land, again through its large stake in TMGH.

In fourth place is the second state to significantly control land, the Government of the UAE, possessing 2500 acres in Cairo. Its 6% stake is in two companies that it controls: EMFD which the Dubai-based Emaar set up in Egypt in the mid-2000s, and SODIC, an Egypt established company where the UAE government bought a majority stake in at the end of 2021.

With 1900 acres, or 4.6% of the case study land, the Egypt-based Mansour Family is Cairo's fifth largest landholder, through its majority stake in PHDC. In sixth place, is another Saudi Arabian business family, Al Rashed, possessing almost 1400 acres, 3.3% of Cairo through significant minority holdings in HDBK and TMGH, and a small in-direct holding in MNHD.

The seventh largest land holder in Cairo is the Egyptian-Saudi El Maghraby family, possessing 1000 acres in Cairo through its major holdings in PHDC, representing 2.5% of the case study land. The Government of Norway is Cairo's eight largest landowner, holding 800 acres or 2% of the case study land through multiple small stakes held by its SWF, the Norges Bank (Figure 6). Global asset manager, Vanguard, is Cairo's ninth largest landowner, holding 700 acres or 1.7% of the case study land through smallholdings in seven of the ten companies (Figure 7). In tenth place is the Government of Kuwait, possessing 600 acres or 1.5% of Cairo's case study land, through minority to small holdings in SODIC, PHDC, and PRDC. It also has significant holdings outside of the case study in the [Egyptian-Kuwaiti Real Estate Development Co.](#), and through its national developer, [NREC](#). The Sawiris family is Cairo's 11<sup>th</sup> largest landholder, owning 500 acres or 1.3% of the case study land through a majority stake in ORHD, and a small indirect stake in MNHD. It is worth noting that outside of the case study which included only listed companies, Samih Sawiris is a major investor in [Al Ismaelia](#) which is gentrifying over 20 buildings in Downtown Cairo, while brother Naguib Sawiris is the major shareholder of [Ora Developers](#), an international real estate developer owning a number of developments in [Cairo](#).

## Conclusions & Recommendations

Putting all the information presented in this section together allows some patterns to be noticed, sometimes raising more questions to be answered than at the start of the study. In investor types, one pattern is clear, and that is how SOEs hold a significant share of the real estate business in Cairo. This raises questions on fair competition, but also about the social function of state enterprise, where the majority of projects analysed in this study cater to upper middle income and upper income buyers.

In terms of the nationality of investors, almost half of the case study land, and by inference, the market, has been internationalised, which means that foreign investors have a strong say in local urban and housing policies. It also means that this high level of financialization of housing has a direct negative impact on affordability for those that need it. This calls into question recent efforts to further internationalize it, especially where the Government of Egypt is seeking to sell new stakes in SOEs, some of which operate in the real estate sector. This can only affect affordability negatively if no measures are put in place to protect the buying and renting power of low- and middle-income residents, who already find adequate housing very unaffordable.

On the issue of concentration of ownership, an estimated 95% of the case study land is controlled or influenced by three groups of investors. This can be partly explained by larger than average landholdings for two companies, though, also, the interrelation of nine significant investors in seven of the ten case study companies.

### On State Ownership

Four governments held one quarter of the case study land (Figure 11). The governments of Kuwait and Norway held relatively small stakes with almost no board representation, and therefore represent a passive form of investment that carries little influence on the companies. However, the governments of Egypt and the UAE held controlling stakes in four of the ten case

study companies. If we consider these companies' total land holdings as fully under the control of these two governments, then a full third of the case study land is controlled by SOEs, leaving private individuals and families controlling the other two thirds.

This fact can have many interpretations depending on the viewer's point of view. This study looks at how high state ownership affects Cairo's residents.

### Monetary and Affordability Benefits to Egyptians Low

The first thing that comes to mind when SOEs are involved, is what public benefit is there for the government to be involved in a particular market? In real estate one would look for at cost and subsidised housing supply that would help bring prices down, and increase housing affordability. However, the case study companies that the Government of Egypt is heavily invested in all produce expensive housing that targets the upper middle class and the rich.

This moves us on to another point. If that is so, then the profits must surely go to cross-subsidizing affordable housing? Again, the answer is no. While HELI, HDBK, MNHD and PHDC have been consistently profitable over the last few years – see Company Fact Sheets, the government's share of the profits has not been flowing back to the Treasury. Official reports have shown that the real estate companies owned by the Ministry of Public Business Sector (MoPBS) – which has stakes in HELI and MNHD, were miniscule,<sup>18</sup> despite their aforementioned profits. This has been attributed by the Ministry of Finance to how the companies keep these profits to be re-invested in their profitable business, and has called on the companies to stick to the 5% legal reserve. Another SOE with a large share in HDBK, NUCA, has almost stopped transferring its profits to the Treasury, with an official stating in Parliament that they are reinvested in (for-profit) national projects it is building, such as the Maspero Triangle and the New Administrative Capital.<sup>19</sup>

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<sup>18</sup> The government's share of profits from its real estate SOEs was only LE 70mn in FY 2019/2020, despite large total profits. See: Ministry of Finance, "Al-Nata'ig al-Maliya Wa Tahlil al-Qawa'im al-Maliya Was-l-Hisabat al-Khitamiya Li-l-Wihdat al-Iqtisadiya (Financial Statement Analysis of Economic Entities for FY 2019/2020)" (Cairo: Ministry of Finance, 2021), 28 & 103, <https://tinyurl.com/5n6ew4sx>

<sup>19</sup> Yasmine Fawaz, "Tafasil munaqashat khitat al-nuwab li-l-muwazanat wizarat al-iskan li-l-'am al-mali al-jadid," Al-Mal, May 31, 2022, <https://archive.vn/scGAX>



### NUCA Conflict of Interest High

Another local SOE related factor that keeps more affordable housing from Cairenes is how one particular SOE, NUCA, has a number of conflicting roles, all of which help it make housing more expensive. First off, it is the sole owner and regulator of all new urban land in Cairo. This allows it to plan the new towns in its interest, where a significant portion of their lands have been increasingly designed as large plots for upper income gated communities, while the subdivision and sale of small plots to individuals and small businesses has been stopped. This has resulted in housing that is ever more expensive and unaffordable.

In addition to its regulatory and sale roles, NUCA is also an investor and co-investor in this urban land. It has a controlling stake in HDBK, as well as other non-listed for-profit companies such as City Edge. NUCA is also a co-investor with a number of other private developers, including TMGH and PHDC – the first and second largest landholders in this study, through co-development schemes (*tatwir bi-l-musharaka*), on extraordinarily large plots that have been sold in exchange for a portion of the project's future revenues as well as finished units for it to sell and profit from. This means that it is in NUCA's interest that these particular projects succeed and are profitable.

### Politicisation of Housing

The high level of interest and control of some foreign SOE's can mean that housing and the real estate sector are more politicised for investments, especially that the government of Egypt is seeking to balance its foreign currency reserves by encouraging more direct foreign investment, especially from the governments of Arab Gulf countries that already have a high share of the real estate sector.

### **On Foreign Ownership**

#### Exporting profits

Having half of Cairo's residential land owned by foreign investors means that a significant portion of their capital was bought using foreign currency, contributing at the time to FDI

inflow. However, this also means that on an annual basis, almost half of Cairo's real estate dividends can be remitted back to the countries of origin of these investors, resulting in regular foreign currency outflow. And while from the start of 2022, dividends from listed companies are taxed at a low 5%, foreigners and non-residents are exempt from capital gains tax, meaning that profits from the exit of foreign investors do not benefit the Treasury.<sup>20</sup>

### Off Shoring

In terms of Cairo's land under the Tax Resident method (TR), a small portion of it was held by Egyptians in companies established in countries other than Egypt. However, at the company level, these shares ranged from 13% to 50% for four of the ten case study companies (ORHD, MNHD, PHDC, PRDC). This is a legal practice in Egypt, and at least two of the UBOs behind these shareholdings are dual nationals. And while there has been little incentive for Egyptians to establish offshore companies for the purposes of tax evasion, as income from dividends and capital gains of listed stock was generally exempt, this may change for some in 2022, as amendments have applied a capital gains tax of 10% on the sale of securities for Egyptian residents.<sup>21</sup> Dividend income is now subject to a 10% tax for unlisted companies, and 5% for listed companies for both Egyptian residents and non-residents.

### **On Land Concentration**

Ownership of Cairo's listed real estate was found to be highly concentrated where seven investors in the top ten listed real estate companies directly owned half the case study land (Figure 11). Four of these owners have their full (controlling) holdings in one company each, TMGH and PHDC. These larger than average landholdings are mostly the result of NUCA policy to sell extremely large land plots (3000 acres and higher) to select private developers in exchange for a share of future profits – see TMGH and PHDC.

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<sup>20</sup> Income Tax Law 91/2005, Article 46' 2 as amended by [Law 199/2020](#). For an analysis see: Price Waterhouse Coopers, "Egypt: Law No. 199 of 2020 Recently Issued by the Egyptian Government," PwC, October 7, 2020, <https://www.pwc.com/m1/en/services/tax/me-tax-legal-news/2020/egypt-law-no-199-2020-recently-issued-egyptian-government.html>

<sup>21</sup> Ibid.

Another factor that may lead to anti-trust tactics – price control, is how nine of the ten case study companies holding 99% of the case study land, had interrelated investors with controlling or influencing stakes through board membership – See Company Fact Sheets. Two companies, EMFD and SODIC holding 14% of the case study land, were under the complete control of the Government of the UAE. The Government of Egypt is the only other investor on the Egyptian stock exchange to hold controlling interest in two companies, HELI and HDBK comprising almost 18% of Cairo's case study land. However, it also has significant minority holdings giving it board seats on TMGH, PHDC and MNHD, and thus influence over a further 57% of the case study land. MNHD, which holds 5.6% of Cairo is however controlled by an anonymous investment fund managed by financial services company, B Investments Holding ([BINV.CA](http://BINV.CA)), where the Sawiris and Dayekh families have shares and board seats, as well as in other case study companies. The Sawiris family controls ORHD thereby giving them control and influence over 8% of the case study land. Dayekh is also on the board of HDBK giving him influence over 9.6% of Cairo. The Government of Kuwait, while not a controlling investor, had seats on PHDC and PRDC's boards, giving them influence over 20% of the case study land, in addition to a small stake in SODIC though without a seat on its board. The Al-Rashed family had a seat on HDBK's board, in addition to stakes without seats in BINV (MNHD) and TMGH.

In addition to these direct interrelationships, some of the case study investors own shares, or are directly related to investors that own shares, in real estate companies outside of the case study. Case study companies also have partnerships, so-called co-development agreements, with one another such as HELI with SODIC, and PHDC with MNHD, as well as with companies outside of the case study. These relationships further expand their control or influence over Cairo's land than the high level already observed in this case study.

### Recommendations

Given the above conclusions, a number of recommendations can be made in order to enhance the provision of affordable housing through equitable investment in real estate.

#### 1. Restructuring Egyptian SOE Involvement

The involvement of the Government of Egypt as an investor should be restructured to enhance the investment efficiency of public money, while at the same time removing conflicts of interest that exists where certain SOEs hold role of regulator and investor.

##### 1.1. NUCA Restructure

Two of the three main observations: high local state ownership and concentrated landholdings, concern the Egyptian SOE NUCA. Its multifaceted roles of regulator, public land custodian, and investor must be separated in order to ensure the independence and transparency of these three significant roles.

1.1.1. Reassigning regulatory role: The first step is for existing local administration units (governorates, cities) to re-assume their role as urban planner and regulator of land development and construction, under the guidance of the state's urban think tank, the Ministry of Housing's [General Organization for Physical Planning](#) (GOPP). This will help integrate and focus oversight, as well as boost decentralization and ensure that land use provides housing that is proportional to social needs.

1.1.2. Reassigning business role: The second step is for NUCA's real estate businesses, subsidiaries, and stakes to be reassigned from the Ministry of Housing (which has planning and construction regulatory roles) to another ministry, such as the [Ministry of Public Business Sector](#) (MoPBS), which has the mandate of overseeing most profit-generating SOEs including real estate and construction.

1.1.3. Keeping land management role: With its regulatory and business roles reassigned, NUCA can then focus on being custodian of public urban land, managing its development in partnership with local government, as a master developer for general public benefit.

### 2.2 GoE Investment Restructure

The GoE's investments in the real estate sector, and indeed, in the stock market, would benefit from a restructuring process that would consolidate its investments in a smaller group of SOEs that would help it better reflect those holdings on company boards, as well as bring more transparency on its revenues from these holdings.

2.2.1 Holdings for the purposes of ministry level investment should be consolidated in one government investment agency, for example [The Sovereign Fund of Egypt](#) (TSFE), which has a mandate to oversee government investments and assets according to a national, rather than a sectoral, investment strategy. For example, the TSFE can assume the shares of NUCA, the Holding Company for Construction and Development, and other ministries in HDBK, HELI and MNHD.

2.2.2 Holdings by SOEs that have investment mandates (banks, insurance companies), can also be consolidated in special state-administered investment funds issued by the TSFE that can also strategically control these investments.

2.2.3 The accounting practices of taxing or imposing certain revenue share on SOEs should be streamlined and better monitored to ensure that the Treasury is the sole receptor of these revenues, thus allowing Parliament to oversee their redistribution through the public budget according to social and geographic needs.

## 2. **Monitoring Landholding Concentration**

With the level of land concentration already high, its effect on controlling the housing market is not clear, however there is little doubt the interrelationship of companies may have an effect. To mitigate this a number of measures must be developed.

### 2.1. Antitrust/Anticompetition Legislation and Landholding

The Competition Law must be developed to combat high concentrations and possible monopolisation of the housing market through land.

In addition to regulating mergers, the [Egyptian Competition Authority](#) (ECA) under its Economic Concentration oversight strategy should include monitoring of landholdings by company (and its parents/ subsidiaries), and by investor (personal and related parties' holdings), as well as monitor private-to-private co-development partnerships.

### 2.2. Disclosure Requirements

More transparency on ultimate beneficiary ownership will aid investigations into landholding and control:

- 2.2.1. Existing Egyptian stock exchange (EGX) disclosure requirements should be better monitored for authenticity of the information, especially in declaring related parties. They should also require the UBO and residence of at least controlling parties, and better, all institutional investors with shares above the threshold.
- 2.2.2. The UBO register stipulated in the Anti Money Laundering and Terrorism law should be open to individuals.

### 3. Mitigating Foreign Investment

The already high level of internationalisation of the real estate sector (47% foreign ownership under UBO) pressures the market for ever growing profits, especially at times of weak local currency and high inflation, thereby further pushing housing affordability down. It also means that housing is more susceptible to so-called 'hot money', capital which is frequently transferred between financial institutions in an attempt to maximize interest or capital gain, and where Egypt has suffered from.<sup>22</sup>

#### 3.1. Regressive Capital Gains Taxes

Implementing capital gains taxes that decrease the longer a stock is held can mitigate 'hot money' and help attract long term investors that offer more stability to the sector.

#### 3.2. Establishing Foreign Ownership Caps

3.2.1. Land Caps: A map of public land earmarked for real estate development should designate areas for investment, and areas in need of protection, depending on local housing markets and affordability indices. A simpler version already exists in Dubai where freehold land sold to foreigners is part of certain designated areas. Egypt already forbids foreign ownership in Sinai and certain strategic locations such as offshore islands and some coasts.

3.2.2. Stock Ownership Caps: Another method of regulating foreign ownership is through caps on shares. This may be implemented if a company exceeds a certain landbank size, or, if an investor does so.

### 4. Affordable Housing Strategy

The profits from the restructured and consolidated government investments would be better redistributed by the Treasury according to an affordable housing strategy that supports low and middle-income housing and infrastructure support programmes. This would help ensure that the

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<sup>22</sup> Patrick Werr, "Egypt Can No Longer Depend on Hot Money for Budget: Finance Minister," *Reuters*, June 28, 2022, sec. European Markets, <https://www.reuters.com/markets/europe/egypt-can-no-longer-depend-hot-money-budget-finance-minister-2022-06-27/>

## Who Owns Cairo? Transparency and Egypt's Real Estate Market

GoE can meet a number of local and international obligations especially those of the UN [SDGs \(1,5,6,10,11\)](#), and the [Egypt 2030 Sustainable Development Strategy](#) (Urban Pillar), the [Egypt Housing Strategy](#), and Egypt's [National Human Rights Strategy](#).

## Methodology

### 1- Company Ownership

Financial oversight institutions and transparency advocates in a number of countries have developed what has been termed as Ultimate Beneficiary Ownership or UBO, where companies must disclose who their actual owners are – either natural persons made of flesh and blood, like the [Tax Justice Network](#) calls them, or states, where ownership remains institutional and cannot be attributed to real people.

One would think that that is a foregone conclusion: company registers or stock market disclosures typically show who the people or states owning controlling shares – 5 to 25% - of these companies are. However, that has increasingly become the exception, where many companies' owners are other companies, funds, banks, trusts, or agents – lawyers or accountants that represent an owner,<sup>23</sup> who may also be a company. This can create a complex chain of legal owners based in many countries, at times making it impossible to find out the actual owner.

This anonymity has allowed financial corruption such as money laundering, monopolization and tax evasion, political corruption hiding politically connected owners, or those that oversight institutions or states have blacklisted for misconduct or geo-political threats.<sup>24</sup> Complex ownership structures that use offshore companies and trusts may also be legitimate, or legal, however, it is investor identities, rather than practices, that this study has focused on revealing. Thus, we were interested in two levels of ownership. The first is the Ultimate Beneficiary Ownership (UBO), the country where an individual owner is from, or identifies as from. The second method of defining ownership, is the Tax Resident (TR) method, where the company individual investors use to own shares, is tax resident. For example, an Egypt-based company

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<sup>23</sup> Though in Egypt, that is not practiced.

<sup>24</sup> Emile van der Does de Willebois, Emily M Halter, and Robert A. Harrison, "The Puppet Masters : How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It" (Washington D.C.: World Bank, 2011), <https://openknowledge.worldbank.org/handle/10986/2363>



owned by a Kuwaiti person is considered tax domiciled in Egypt under the TR method, and would pay taxes on dividend income and capital gains in Egypt.<sup>25</sup> This is so, even though under UBO, its ultimate beneficial owner is considered Kuwaiti. In another case, an Egyptian owner whose stocks are owned through a company in the Cayman Islands, under the TR method this ownership would be considered to be in the Caymans Islands, while under UBO, would be in Egypt.

### What is the Ultimate Beneficiary Owner (UBO) Method?

The UBO method shows the actual owner, who either invested directly in their name, or through one or more companies. In some cases, investors were grouped together as families, as their investments were found to be always related, but controlled by one member. In the event family members had different nationalities, or were dual nationals, the nationality of the lead controlling member, or where they identify as from, was used.

### What is the Tax Resident (TR) Method?

The TR method shows where the income made by that owner is taxed. For this second level, we focused on owners who used a chain of ownership, to show where the last company in that chain is domiciled.

### What is the study/data timeframe?

All data on ownership is a snapshot in time on 31 December 2021. Thus, ownership structures may have changed since then.

### What are the sources used?

We have relied on primary official sources for the majority of data in this study as far as has been available.

- For Listed Companies:

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<sup>25</sup> Only applicable from 2022 as per [Law 199/2020 amending Income Law 91/2005](#).

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- Ownership above disclosure thresholds – 5% for companies, and 3% for insiders on the EGX, has been found in stock market disclosures, financial reports, or presentations. They have been downloaded from the stock market websites – for eg: the [EGX Disclosure Archive](#), company investor relations websites – see Company Factsheets, or specialized third party websites that have archived these disclosures such as [mubasher.info](#).
  - Ownership below disclosure thresholds has been sought from professional stock market data providers, namely [Simply Wall Street](#) which uses [S&P Global Market Intelligence](#) data.
  - Limitations: The above data shows institutional investors – companies and funds, down to 0.01% shareholding, and individual investors down to 3% holdings, unless they are insiders or related to main investors.
- For Private Companies:
    - Publicly available primary sources such as articles of association, gazette announcements, stock market disclosures and financial reports, and company reports and websites were used.

*For a full list of sources, see the appendices in the Company Factsheets.*

*In the case an online link is not available, please check it on the online archiving tool [web.archive.org](#).*

### What are the limitations on the nationalities of Individuals?

Information on nationality was gained primarily from official sources such as company documents – articles of association, stock market disclosures, company websites. Where not available, less official sources such leading media, were used. Many high-net-worth individuals in this study, however, carry dual nationalities, or may be long term residents of countries other than their nationality. Or, in the cases of investor families, members may not hold the same nationalities, or be tax resident in the same jurisdictions. Thus, we could not necessarily identify

their tax resident status correctly, and instead have relied on their cultural nationality, i.e. where they predominantly identify as from.

### What are the limitations on the nationalities of companies?

Under the TR method, for private companies, the nationality where the last company in a chain of ownership is incorporated. In the case of a listed company where UBO was not sought, the country where it is primarily listed. Under the UBO method, the nationalities were listed as mixed/unknown, as it was either impossible to identify investors' nationalities, or, the breakdown of a company by investor would have resulted in miniscule landholdings that would not have been beneficial for the study – for example those of well known asset managers who hold small shares in the case study companies such as BlackRock, Inc., Deutsche Bank and HSBC.

## 2- Developer Land Banks

### How was land ownership attributed?

Given the complicated and somewhat indirect nature in how many land plots were acquired, we developed three methods of defining land possession:

#### 1- De Jure Ownership in 2021:

Net land areas legally owned by the companies according to legal buying, selling, return/retrieval to/by NUCA until 31.12.2021.

- For indirect ownership, percentage of land ownership was determined by share of subsidiaries, or affiliate companies as stated in financial statements.
- For co-development or revenue share agreements with other private sector companies:
  - Where a subsidiary is established by the shareholding companies, de jure ownership is prorated based on the company share each main company holds.
  - Where a subsidiary is not found, de jure ownership rests with the stated landowner, while control ownership rests with the company with the greatest

revenue share, as the revenue paid in cash or in kind represents transactional value for the land, while ultimate control of the project from a client is exercised by it (advertising, use of logos/brands, sales, management, etc..).

- For co-developments agreements with the government (NUCA), de jure land ownership rests with the developing company.

### 2- Control ownership in 2021:

Net land areas under the full control of the company according to the sources stated above, recognized as:

- For indirect ownership 100% of land area for land plots with majority legal ownership (+50% in subsidiaries, controlling stake in listed companies), and zero % where minority of shares is held.
- For co-development or revenue share agreements with other private sector companies:
  - 100% control for a company undertaking all development activity under its brand name (marketing, construction and sales) in co-development agreements, even if the legal ownership rested with a third party.
  - 0% if development activity was under another brand name (especially co-development) even if it had legal ownership.

### 3- Total Lands:

The full plot size of the development regardless of type of ownership.

#### What land bank information has been gathered?

All developments or land plots that were still under development, or if sold, still managed, between 2011 and 2021 by the developers and/or their subsidiaries.

#### How was land bank information gathered?

First, projects that had units advertised for sale between 2011 and 2021 were identified based on the developers' available information (websites and annual reports).

Second, plot areas and sale/assignment dates were gathered from the following sources depending on availability:

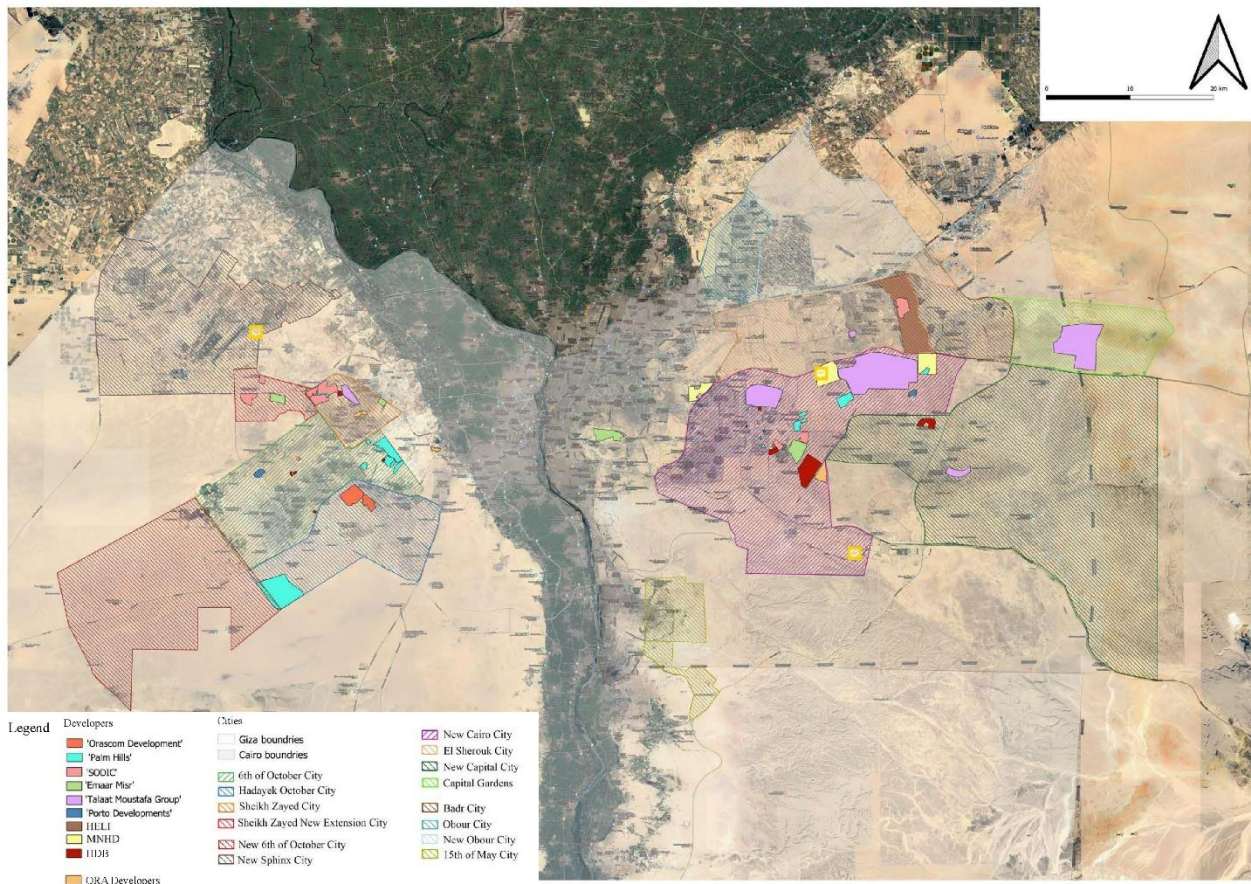
## Who Owns Cairo? Transparency and Egypt's Real Estate Market

1. Official government sources: Minister of Housing or Governor decrees approving masterplans or detailed plans, as published in the Official Gazette – electronically available for free on the [Court of Cassation Archive](#), or [Manshurat.org](#), or if unavailable, by subscription on the [Egyptian Cabinet's Archive](#), or [Eastlaws](#).
2. Developers' information as published on their websites, annual reports, PR releases or stock market disclosures. In the case that dates of land sale/assignment were not stated, they were decided as one year prior to the project launch.
3. Aerial photography and GIS where land plot areas were mapped from Google Earth and land sale/assignment dates attributed as one year prior to start of construction as evidence by the Google Earth time-line feature.
4. News and online media reports based on government-owned or private media specializing in real estate industry.

For a full list of sources, see the appendices in the [Company Factsheets](#).

In the case an online link is not available, please check it on the online archiving tool [web.archive.org](#).

Figure 12: GIS database extract showing the mapping of developer landbanks.



### 3- Greater Cairo Urban Land

#### What is Greater Cairo?

As there is no administrative designation of Greater Cairo, urbanists and planners have used a number of designations chief of which are the cities of Cairo, Giza and Shubra al-Kheima in Cairo, Giza and Qalyubia governorates respectively, or all three governorates. In this research, we have focused on the contiguous urban agglomeration in the Cairo and Giza governorates made up of Cairo and Giza cities, as well as the new cities that have been built – or a are still being built around them with significant land holdings by large scale developers: New Cairo, New Administrative Capital, Shorouk, and Capital Gardens in Cairo Governorate, and: 6<sup>th</sup> of October City, October Gardens, Sheikh Zayed and New Sphinx in the Giza governorate.

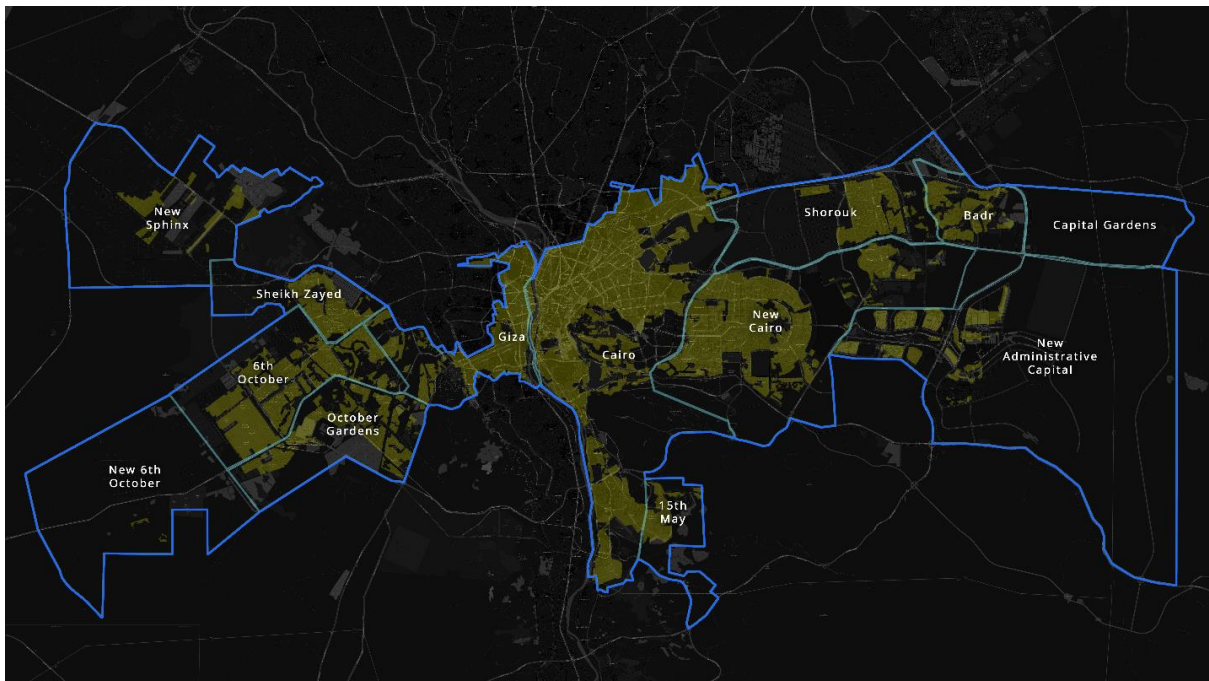
#### What is urban land/cordon?

Areas that have been designated as urban, namely cities, and that have a defined limit as per official decree, as opposed to areas designated as rural, namely villages and their agricultural surroundings, or unallocated desert land (Figure 13).

#### What is built-up land?

Areas within urban land that have already been built or subdivided to be built (Figure 13).

*Figure 13: Extract from GIS database showing administrative cordons (blue) and built-up land within them (green) in the case study region (Sources: see tables below).*



What is residential land?

Areas within built-up land that are, or are designated to be, solely or predominantly residential development.

What is the unit of measurement?

We have used the national standard, the feddan, for this study, which equates to 4200 square metres, or 0.42 hectares. For ease of understanding, in the English version of the study we have used the more interchanged the term for the widely known acre, which measures 4047 square metres, or 0.41 hectares.

What is the area of Greater Cairo in this study?

The area of Greater Cairo for this study encompasses two existing cities (Cairo and Giza), and 11 satellite towns (Figure 13, Table 1).

*Table 1: Total area and sub-areas of the Greater Cairo region in this case study as of December 2021 (Acres)*

Governorate	City	Residential area	Built Up Area	Cordon
Cairo	15th of May	5,033	6,236	18,329
Cairo	Badr	7,018	14,200	18,545
Cairo	Cairo City	48,544	58,893	58,893
Cairo	Capital Gardens	16,852	29,436	29,436
Cairo	New Administrative Capital	10,525	40,407	184,216
Cairo	New Cairo City	69,723	83,867	99,815
Cairo	Sherouk	27,284	28,268	52,992
Giza	6th of October City	38,139	53,744	53,744
Giza	Giza City	7,265	18,780	19,151
Giza	Hadayek October	14,432	18,000	40,749
Giza	New 6th of October	65,577	78,500	78,500
Giza	New Sphinx	29,582	76,921	76,921
Giza	Sheikh Zayed	19,992	20,940	23,250
	<b>TOTAL</b>	<b>359,966</b>	<b>528,191</b>	<b>754,540</b>

All areas mapped by GIS from the below sources:

*Table 2: The sources of mapping the Greater Cairo metropolitan area according to cordon, built-up areas, and residential areas*

City	Sources
<b>Cairo</b>	<a href="#">Cairo Governorate Maps 2020</a> , GOPP 2008* p.48
<b>Giza</b>	<a href="#">Giza Governorate Maps 2016</a> , GOPP 2008* p.48
<b>New Cairo</b>	<a href="#">NUCA New Cairo page</a> , PD 191/2000, 499/2016, MoH 1060/2017
<b>Shorouk</b>	<a href="#">NUCA Shorouk page</a> , MoH 227/2018
<b>Badr</b>	<a href="#">NUCA Badr City page</a>
<b>Capital Gardens</b>	<a href="#">NUCA Capital Gardens page</a> , PD 645/2020
<b>New Administrative Capital</b>	<a href="#">MoH New Administrative Capital Strategic Plan</a> , PD 57/2016
<b>15 May</b>	<a href="#">NUCA, 15 May page</a> , PD 390/2017
<b>6<sup>th</sup> October</b>	<a href="#">NUCA 6<sup>th</sup> October page</a> ,
<b>Hadayek October</b>	<a href="#">NUCA Hadayek October page</a> , Plan based on MoH 888/2019
<b>New 6<sup>th</sup> October</b>	<a href="#">NUCA New 6<sup>th</sup> October page</a> , <a href="#">MoH Master Plan</a> , MoH 146/2018
<b>Sheikh Zayed</b>	<a href="#">NUCA Sheikh Zayed page</a> , <a href="#">MoH Strategic Plan</a> , MoH 367/2020
<b>New Sphinx</b>	<a href="#">NUCA New Sphinx Page</a> , MoH 90/2020
<p>*GOPP, "Istratigeyet al-tanmaiya li-muhafzat al-gumhuriya: Iqlim al-qahira (Governorate Development Strategy: The Greater Cairo Region)", General Organisation for Physical Planning (GOPP). 2008.                      Notes: PD: Presidential Decree, MoH: Minister of Housing Decree</p>	



### Appendices

#### Background Paper 1 | Disclosure Requirements

All stock exchange regulators require a minimum level of shareholder disclosure from the listed companies: i.e. that either companies declare who owns their stock, or, that investors declare what stock they own. These disclosures are typically required to show investors that own stock from a certain minimum threshold: usually starting from 1%, 3% or 5% of a company's stock. Some regulators also stipulate that related parties - investors related to one another,<sup>26</sup> disclose the size of each of their investments even if each holds less than the threshold. Regulators require that these disclosures are made on a regular basis: annually or quarterly, and/or once an investor breaches the minimum threshold, or, multiples of it – every 5% or 10% bought or sold.

However, this on its own is not usually enough to know the Ultimate Beneficial Owners (UBO) of the stocks, as many exchanges do not require disclosing the owners of investing companies. This is crucial in establishing related party transactions, among other transparency related regulations.

#### Disclosure Requirements in Egypt

For the EGX, Egypt's Financial Regulatory Authority (FRA) passed heavily amended regulations in 2014, with some minor amendments since:<sup>27</sup>

- Ownership disclosure threshold at: 3% for board members, executive management, and employees, and 5% for all other investors and their related parties, as well as indirect holdings through companies where their ownership is equal to or exceeds 25% (Arts. 29,30).
- Further triggers: Any increase or decrease breaching the thresholds or their multiples (Art. 29).
- Timing: Before the start of trading on the following trading day, and regular quarterly disclosures within 10 days of the end of each quarter (Arts. 29,30)
- Related party definitions in Arabic refer to two differentiated categories (Art. 4): Related Group المجموعة المرتبطة: Any parties under actual control of the same natural or legal persons, or where a coordinated voting agreement at board or general meetings binds them. Related Party الأطراف

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<sup>26</sup> This typically means any group of investors where one may carry influence over the remaining parties. For individuals, blood or social relations: spouses, siblings, in-laws, or legal relations: companies they are investors in, or are on their boards or executive management. For companies which own shares: other companies they have investments in, or, have the same major investor(s), board member(s), or executive manager(s).

<sup>27</sup> FRA Board Decision 11/2014 ([Original](#)), (With [amendments thru January, 2022](#)).

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ذات العلاقة: All those that have direct or indirect relations to the company: controlling investors, power to influence votes, with a focus on companies with similar investors, subsidiaries, or parent companies. Personal relations to investors – spouses and children (under 18), fall under the Insider الداخلي definition, and are not defined as related parties.

### Ultimate Beneficial Owner Disclosure in Egypt

Egypt passed a decree in 2020 stipulating that all companies must disclose actual beneficiaries المستفيدين الحقيقيين who have controlling interest. Other information includes their nationality and ID or passport numbers.<sup>28</sup>

However, the decree allows the disclosure of other legal persons or companies as actual beneficiaries, and does not stipulate that a public UBO register be established, and up until the publication of this study, none has been. The aim of the UBO disclosure is rather to aid government agencies in their anti-terror and anti-money laundering efforts, where the bylaws of the related law define the UBO and which regulatory and financial bodies should have access to that information.<sup>29</sup>

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<sup>28</sup> Minister of Supply and Internal Trade [Decree 41/2020](#).

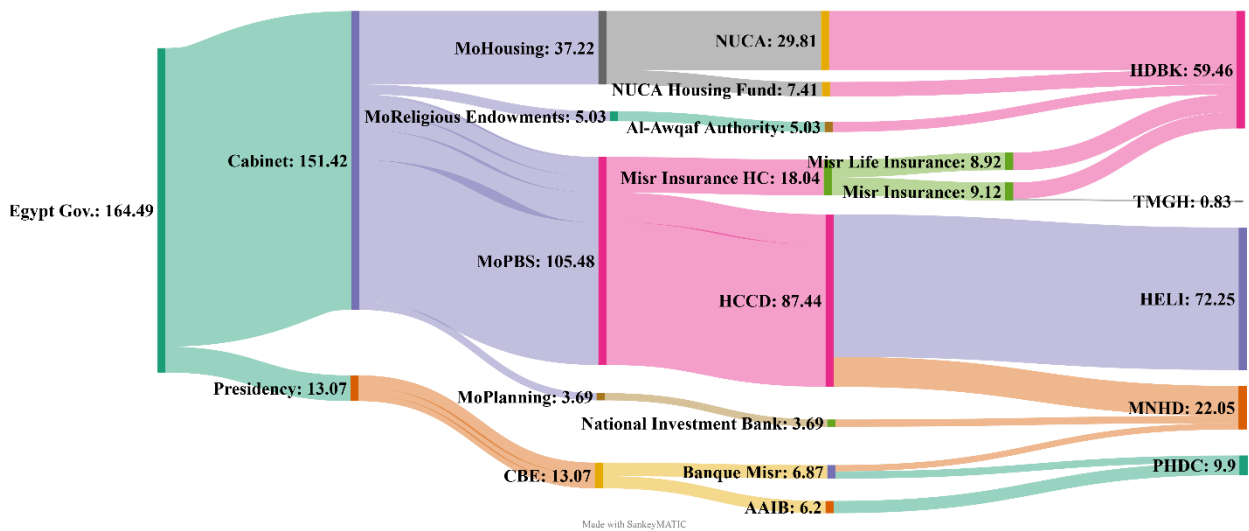
<sup>29</sup> Anti-Money Laundering Law bylaws, Prime Ministerial [Decree 951/2003 and amendments](#) thru 2016.

Background Paper 2 | Government of Egypt Investments

The Government of Egypt (GoE) was found to be an investor in five of the ten listed real estate companies in our case study. The pattern of investment constituted two main branches of the Executive - the Cabinet mainly, and to a lesser extent, the Presidency.

Under the Cabinet, three ministries were investors through five main SOEs, and two subsidiaries. Under the Presidency, the Central Bank (CBE) was the main investor through a wholly owned state-owned bank (Banque Misr), and the Arab African International Bank (AAIB), where ownership is split between the GoE and the Government of Kuwait.

Figure 14: Government of Egypt SOEs’ Share of Listed Real Estate Companies by Entity (%)



Patterns of Investment

The GoE owns controlling shares in two of the five companies through outright majority holdings (HDBK, HEMI), and large minority shares with board representatives in two companies (MNHD, PHDC), and a small share in TMGH. The largest investor is the Ministry of Public Business Sector (MoPBS), which reflects the fact it is the custodian of the majority of SOEs by number through a host of sectoral holding

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companies. In the real estate sector we find two such companies. The Holding Company for Construction and Development (HCCD), owning the majority shares in HELI, and 15% of MNHD (both of which it used to own 100% of before they were listed in the 1990s). HCCD has a number of other real estate and construction holdings on the stock market, as well as companies that are not listed. The other MoPBS company is Misr Insurance Holding Company (MIHC), that holds 18% of HDBK through two subsidiaries most probably investing their insurance funds.

The Ministry of Housing, Utilities and Urban Communities (MoH) is the second largest GoE investor, holding 37% of the HDBK through two SOEs: the New Urban Communities Authority (NUCA), and the Reconstruction Housing Fund (RHF). The remaining ministries and banks own smaller non-controlling holdings.

### **Some Investment Inefficiency**

With the GoE's investments scattered across many SOEs and two executive bodies, in the companies where they do not hold a controlling interest, their interests are largely diluted. For example, in MNHD, the GoE is formally represented by only two of the ten investor board members, reflecting the consolidated shareholding of 15% by the HCCD. However, if its investments through the National Investment Bank (3.7%) and Banque Misr (3.2%) are added, its 22% shareholding against the other controlling party's 27% holding, would give it a 4:6 board member ratio instead of the current 2:8 ratio.

### Background Paper 3 | Foreign Ownership

Holdings of traded securities by non-nationals hold different levels of importance for decision makers, stock analysts and investors. This is reflected in how some stock exchanges, or their regulators, collect such information, and others do not. For the purposes of this study, we aimed to compare foreign holdings of select stock exchanges, most of which hosted investors in the Egyptian Stock Exchange (EGX), to be able to compare foreign holdings on the EGX.

#### What is the Importance of Knowing Foreign Ownership?

The nationality of owners is important to know for a number of reasons. On the one hand, policies of housing and real estate development are partly shaped by stakeholders. If many of those stakeholders happen to be non-resident, then their interests lie mostly in meeting financial targets, rather than in developing neighbourhoods and homes that they would live in day to day. On the other hand, an almost equal portion of the profits of these investments can very much be repatriated back to the investors' countries of origin, to be spent or reinvested elsewhere. Taxes too, on income, would be captured – or not – in countries other than where the investments have been made.

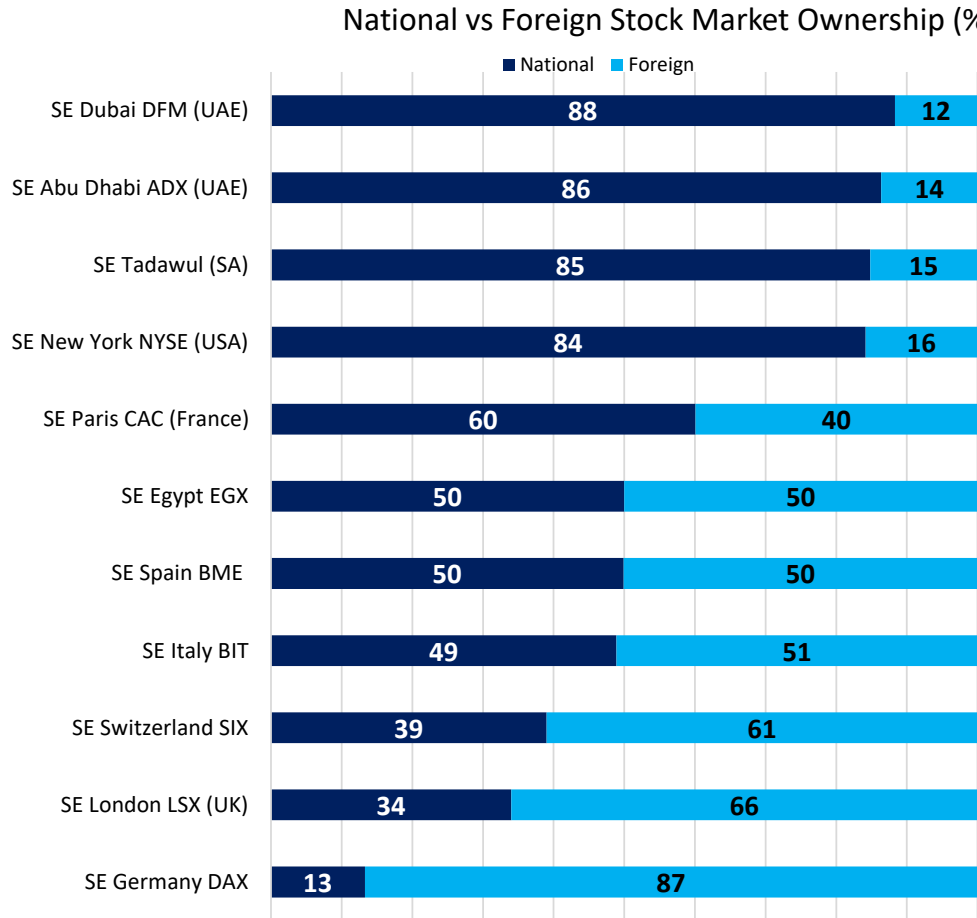
While the Government of Egypt has been working to attract ever more foreign investment, its impact on a market crucial to the basic social good of housing has not been.

#### Comparing Stock Exchange Foreign Ownership

A comparison of foreign ownership in select stock exchanges with the EGX shows that the EGX, with a foreign ownership of 50% by market capitalization, falls between two groups of stock exchange patterns. The first comprises of mostly Arab Gulf exchanges and the New York Stock Exchange (NYSE), where foreign ownership was minor ranging between 12% to 16%. The second group comprises European exchanges where foreign ownership was mostly equal to, or even more than local ownership.

While the low foreign ownership on Gulf exchanges reflects caps on foreign ownership of certain stocks, the exceptions are the NYSE, and to a lesser extent the CAC (France), which do not have such caps.

## Who Owns Cairo? Transparency and Egypt’s Real Estate Market



### Data Collection for the EGX

The only data the EGX publishes that shows national versus foreign holdings is on [trading volume](#), rather than market capitalization which is the more reflecting measure. After a thorough review of market analysis and scholarly publications, we found only one paper citing data from the stock market’s central depository, Misr for Central Clearing, Depository and Registry ([MCSD](#)), showing a 45% shareholding by national institutional investors, 42% by foreign institutional investors, and 15% by retail investors, though not divided by nationality.<sup>30</sup> This data was however, from eight years ago, while the percentages did not add up to 100% (102%).

<sup>30</sup> Maged Shawky Sourial and Alissa Amico (Koldertsova), “The Role of Institutional Investors in the Egyptian Capital Market,” SSRN Scholarly Paper (Rochester, NY, September 11, 2015), 15, <https://doi.org/10.2139/ssrn.2659218>

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Table 3: Identifiable shareholding (non-FF) prorated to total holdings by nationality using the TR method (%).

For source data see Company Overviews.

	SODIC	TMGH	EMFD	PHDC	ORHD	PORTO	MNHD	HELI	HDBK	PRDC
<b>Egypt</b>	5.01	76.47		92.79	2.06	19.39	51.99	97.12	74.77	54.69
UAE	88.61	10.62	98.83	0.00	0.00	56.46	0.12	0.13	24.49	9.49
Saudi Arabia	2.70	0.00		0.00	0.00		6.36	0.00	0.00	20.46
Kuwait	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.19
Libya	0.00	0.00		0.00	0.00	24.15	0.00	0.00	0.00	0.00
BVI	0.00	0.00		0.00	0.00		34.91	0.00	0.00	9.58
Cayman Is.	0.00	0.00		0.00	0.00		0.00	0.00	0.22	0.00
USA	3.67	4.98	0.08	4.40	0.00		4.48	1.14	0.00	1.99
Canada	0.00	0.03		0.00	0.00		0.04	0.00	0.00	0.00
Norway	0.00	4.88	0.94	2.42	0.36		0.00	1.60	0.00	3.60
France	0.00	0.03		0.00	0.00		0.04	0.00	0.00	0.00
Germany	0.00	0.16		0.00	0.40		0.00	0.00	0.00	0.00
Italy	0.00	0.07		0.00	0.00		0.00	0.00	0.00	0.00
Luxembourg	0.00	0.00		0.40	0.00		0.00	0.00	0.00	0.00
Netherlands	0.00	0.00		0.00	0.00		0.46	0.00	0.11	0.00
Portugal	0.00	0.00		0.00	0.00		0.11	0.00	0.00	0.00
Switzerland	0.00	0.00		0.00	97.18		0.00	0.00	0.40	0.00
UK	0.00	2.75	0.16	0.00	0.00		1.51	0.00	0.00	0.00
Unknown	0.00	0.00		0.00	0.00		0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Therefore, we formed our own national to foreign ratio for the EGX based on an analysis of the identifiable shareholdings (excluding unidentified free float), of the ten listed companies in our case study prorating it to the total shareholdings (), before applying those percentages to each company's market capitalization giving average holding percentage per nationality (). Data on shareholding was based on stock market disclosures for Q4 2021 (See Company Overviews), and for market capitalization on EGX statistics on the last day of trading in 2021 (30.12.2021).<sup>31</sup>

Table 4: Share of company capitalization by nationality (EGP/%)

Nation	SODIC	TMGH	EMFD	PHDC	ORHD	PORTO	MNHD	HELI	HDBK	PRDC	TOTAL	%
<b>Egypt</b>	257,920,550.9	14,312,981,188.9	0.0	5,698,016,169.4	139,571,857.2	120,923,242.0	2,273,434,972.1	8,700,715,485.3	1,474,994,764.8	1,545,992,813.0	34,524,551,043.7	50.01%
UAE	4,557,839,817.5	1,988,601,675.6	13,339,595,997.4	0.0	0.0	352,173,359.5	5,361,874.9	12,042,346.1	483,173,936.1	268,326,101.0	21,007,115,108.1	30.43%
Saudi Arabia	139,085,255.7	0.0	0.0	0.0	0.0	0.0	278,051,514.5	0.0	0.0	578,490,154.8	995,626,925.0	1.44%
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,229,744.1	5,229,744.1	0.01%
Libya	0.0	0.0	0.0	0.0	0.0	150,664,304.5	0.0	0.0	0.0	0.0	150,664,304.5	0.22%
BVI	0.0	0.0	0.0	0.0	0.0	0.0	1,526,602,392.0	0.0	0.0	270,739,829.1	1,797,342,221.1	2.60%
Cayman Is.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,403,699.7	0.0	4,403,699.7	0.01%
USA	188,644,369.9	932,414,893.5	10,522,082.8	269,915,086.6	0.0	0.0	196,091,426.2	102,359,941.9	0.0	56,320,321.1	1,756,268,122.0	2.54%
Canada	0.0	5,500,972.8	0.0	0.0	0.0	0.0	1,531,964.3	0.0	0.0	0.0	7,032,937.1	0.01%
Norway	0.0	913,161,488.7	126,264,994.1	148,543,873.2	24,578,691.8	0.0	0.0	143,303,918.7	0.0	101,778,865.9	1,457,631,832.4	2.11%
France	0.0	5,500,972.8	0.0	0.0	0.0	0.0	1,531,964.3	0.0	0.0	0.0	7,032,937.1	0.01%
Germany	0.0	30,255,350.5	0.0	0.0	27,212,123.1	0.0	0.0	0.0	0.0	0.0	57,467,473.6	0.08%
Italy	0.0	13,752,432.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13,752,432.1	0.02%
Luxembourg	0.0	0.0	0.0	24,455,393.8	0.0	0.0	0.0	0.0	0.0	0.0	24,455,393.8	0.04%
Netherlands	0.0	0.0	0.0	0.0	0.0	0.0	19,915,535.5	0.0	2,201,849.9	0.0	22,117,385.3	0.03%
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	4,595,892.8	0.0	0.0	0.0	4,595,892.8	0.01%
Switzerland	0.0	0.0	0.0	0.0	6,591,478,465.8	0.0	0.0	0.0	7,828,799.5	0.0	6,599,307,265.3	9.56%
UK	0.0	514,340,959.0	21,044,165.7	0.0	0.0	0.0	65,874,463.5	0.0	0.0	0.0	601,259,588.1	0.87%
Unknown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00%
<b>Total</b>	<b>5,143,489,994.0</b>	<b>18,716,509,934.0</b>	<b>13,497,427,240.0</b>	<b>6,140,930,523.0</b>	<b>6,782,841,138.0</b>	<b>623,760,906.0</b>	<b>4,372,992,000.0</b>	<b>8,958,421,692.0</b>	<b>1,972,603,050.0</b>	<b>2,826,877,829.0</b>	<b>69,035,854,306.0</b>	

### Data Collection for the other Exchanges

Data on a number of exchanges was gathered from statistics generated by them, or collected by regulatory agencies. For the NYSE, the Federal Reserve Bank of New York collects and publishes data on

<sup>31</sup> The Egyptian Exchange, "YTD Statistical Report for Main Market Companies till 30/12/2021," December 30, 2021, [https://www.egx.com.eg/get\\_pdf.aspx?ID=35511&Lang=ENG](https://www.egx.com.eg/get_pdf.aspx?ID=35511&Lang=ENG)

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the foreign ownership of US securities, where we focused only on equities using the latest available report at the time of our research showing 2019 data.<sup>32</sup> We also used central bank data on foreign ownership of France and Spain's markets by capitalization, where we used the latest available data of 2020 for the Euronext Paris CAC 40 (top 40 companies),<sup>33</sup> and for the Bolsas y Mercados Españoles (BME).<sup>34</sup> For Saudi Arabia, we used 2021 data collected by its Capital Market Authority.<sup>35</sup> For the Abu Dhabi Exchange (ADX),<sup>36</sup> and the Dubai Financial Markets (DFM),<sup>37</sup> both provide stock ownership statistics on a daily basis, though based on shareholding and not market capitalization.

Foreign ownership data for the remaining stock exchanges was based on studies conducted on a select group of companies in different years: 2015 for the Italian BIT,<sup>38</sup> 2019 for the Swiss SIX (top 30),<sup>39</sup> 2020 for the Frankfurt exchange (top 30),<sup>40</sup> and 2021 for the London Stock Exchange (LSE)'s top 100 listed companies.<sup>41</sup>

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<sup>32</sup> Federal Reserve Bank of New York, "Foreign Portfolio Holdings of U.S. Securities as of June 28, 2019" (Department of the Treasury, April 2020), 7, <https://ticdata.treasury.gov/Publish/shl2019r.pdf>

<sup>33</sup> Banque de France, "Banque de France Bulletin 237/8 September-October 2021 - Non-Residents Held Fewer Shares in French CAC 40 Companies at End-2020" (Paris: Banque de France, October 2021), 1, <https://publications.banque-france.fr/en/non-residents-held-fewer-shares-french-cac-40-companies-end-2020>.

<sup>34</sup> BME, "Annual Report on Ownership of Listed Stock [2020]" (BME, July 29, 2021), 8, [https://www.bmegrowth.es/ing/BME-Growth/NotasPrensa/20210729/nota\\_20210729\\_2/Household\\_investment\\_in\\_the\\_Spanish\\_Stock\\_Exchange\\_rose\\_to\\_17\\_1\\_after\\_a\\_five\\_year\\_decline.aspx](https://www.bmegrowth.es/ing/BME-Growth/NotasPrensa/20210729/nota_20210729_2/Household_investment_in_the_Spanish_Stock_Exchange_rose_to_17_1_after_a_five_year_decline.aspx)

<sup>35</sup> Capital Market Authority, "Annual Report 1442-1443H (2021)" (Riyadh: Capital Market Authority [Saudi Arabia], 2022), 49, [https://cma.org.sa/en/Market/Reports/Documents/cma\\_2021\\_report-en.pdf](https://cma.org.sa/en/Market/Reports/Documents/cma_2021_report-en.pdf)

<sup>36</sup> Abu Dhabi Securities Exchange, "National vs Foreign Holdings by Security as of Dec 31, 2021" (ADX, December 31, 2021), [https://publicdata.adx.ae/layouts/15/ReportServer/RSViewerPageadxpublic.aspx?rv:RelativeReportUrl=/ADXPUBLIC/DailyHoldings\\_EN.rdl](https://publicdata.adx.ae/layouts/15/ReportServer/RSViewerPageadxpublic.aspx?rv:RelativeReportUrl=/ADXPUBLIC/DailyHoldings_EN.rdl)

<sup>37</sup> Dubai Financial Markets, "Foreign Ownership as of 31 December 2021" (DFM, December 31, 2021), <https://www.dfm.ae/issuers/listed-securities/foreign-ownership>

<sup>38</sup> A study by Unimpresa in: Reuters, "Half of Italy's Stock Market Now in Foreign Hands - Study," *Reuters*, January 6, 2016, sec. Auto & Truck Manufacturers, <https://www.reuters.com/article/italy-companies-ownership-idUSL8N14Q2EC20160106>

<sup>39</sup> Ernst & Young and NZZ in: SDA-Keystone/NZZ/ds, "Foreign Investors Own 60% of Swiss Corporations," SWI swissinfo.ch, April 7, 2019, <https://www.swissinfo.ch/eng/foreign-investors-own-60--of-swiss-corporations/44880256>

<sup>40</sup> IHS Markit, "Who Owns the German DAX? The Ownership Structure of the German DAX 30 in 2020" (IHS Markit - DIRK, 2021), [https://www.dirk.org/wp-content/uploads/2021/06/DAX-Study-2020-Investoren-der-Deutschland-AG-8\\_0.pdf](https://www.dirk.org/wp-content/uploads/2021/06/DAX-Study-2020-Investoren-der-Deutschland-AG-8_0.pdf)

<sup>41</sup> Alison Owers, "Foreign Investors Take an Increased Stake in UK Plc" (Orient Capital, 2021), <https://www.orientcap.com/media/5nifl2bc/oc-foreign-investors.pdf>



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Table 5: National vs Foreign Ownership of Equities on Selected Stock Exchanges (%)

Stock Market	National	Foreign
SE Dubai DFM (UAE)	88	12
SE Abu Dhabi ADX (UAE)	86	14
SE Tadawul (Saudi Arabia)	85	15
SE New York NYSE (USA)	84	16
SE Paris CAC 40 (France)	60	40
<b>SE Egypt EGX</b>	<b>50</b>	<b>50</b>
SE Spain BME	50	50
SE Italy BIT	49	51
SE Switzerland SIX 30	39	61
SE London LSX (UK)	34	66
SE Germany DAX 30	13	87

**Appendix 1: EGX Real Estate Companies Average Net Annual Profits 2010-2021 (LE Mn)**

Sources: [EGX disclosure documents](#) (financial statements), and financial data on [Mubasher Egypt – Corporate Earnings](#).

Rank	EGX Real Estate Companies in 2021	Code	Listed	Average Annual Net Profits 2010-2021 (LE Mn.)
	<b>Total</b>			<b>6,886</b>
	<b>Case Study Ten</b>			<b>6,077</b>
1	Emaar Misr for Development	EMFD.CA	2015	2,287
2	Talaat Moustafa Group Holding TMG	TMGH.CA	2007	1,126
3	Palm Hills Development Company	PHDC.CA	2009	534
4	Madinet Nasr Housing & Development	MNHD.CA	2007	498
5	Housing and Development Bank (Only housing & real estate activity)	HDBK.CA	2009	391
6	Six of October Development & Investment SODIC	OCDI.CA	2009	324
7	Pioneers Properties For Urban Development PREDCO	PRDC.CA	2021	298
8	Heliopolis Company for Housing and Development	HELI.CA	2009	237
9	Orascom Development Egypt	ORHD.CA	2009	216
10	Arab Developers Holding (Former: Porto Group Holding)	PORT/ ARAB.CA	2010	166
11	Zahraa Maadi Investment & Development	ZMID.CA	2009	157
12	El Kahera Housing	ELKA.CA	2009	113
13	Amer Group Holding	AMER.CA	2015	87
14	El Shams Housing & Urbanization	ELSH.CA	2009	74
15	Development & Engineering Consultants	DAPH.CA	2009	69
16	Elsaeed Contracting& Real Estate Investment Company	UEGC.CA	2018	64
17	United Housing & Development	UNIT.CA	2010	63
18	Giza General Contracting and Real Estate Investment Co	GGCC.CA	1997	42
19	National Housing for Professional Syndicates	NHPS.CA	2009	28
20	Emerald Real Estate Investment	EMRI.CA	2018	23
21	Marseille Almasreia Alkhalegeya For Holding Investment	MAAL.CA	2011	10
22	REACAP Financial Investments Co.	REAC.CA	2018	21
23	Egyptians Housing Development & Reconstruction	EHDR.CA	2009	17
24	Egyptian Real Estate Group	AREH.CA	2009	13
25	Arab Co. for Asset Management And Development	ACAMD.CA	2018	11
26	Tanmiya for Real Estate Investment	TANM.CA	2021	7.0

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Rank	EGX Real Estate Companies in 2021	Code	Listed	Average Annual Net Profits 2010-2021 (LE Mn.)
27	Delta Construction & Rebuilding	DCRC.CA	2018	6.2
28	Arab Real Estate Investment Co.	RREI.CA	2010	4.2
29	International Co For Investment & Development	ICID.CA	2009	4.2
30	Gharbia Islamic Housing Development	GIHD.CA	2009	1.6
31	El Obour Real Estate Investment	OBRI.CA	2014	1.0
32	Gulf Canadian Real Estate Investment Co.	CCRS.CA	2009	-0.1
33	Ismailia Development and Real Estate Co.	IDRE.CA	2011	-0.9
34	Mena Touristic & Real Estate Investment	MENA.CA	2009	-6.4