



## **OLX Releases the Property Market Trends Report For 2016**

### **The Property industry defined by user behavior setting the trends for the market in 2017**

- The top 5 locations searched for sale on OLX: Nasr City, AlMaadi, Sheikh Zayed, Heliopolis and the Fifth Settlement
- The top 8 governorates that had listings on OLX: Cairo, Giza, Alexandria, Suez, Sharqia, Marsa Matrouh, Dakahlia and South Sinai.
- Egyptians spent a total of +63 million minutes on OLX Property between April & December 2016
- 43% of 2016 total listings on OLX across all sections were in Property
- Apartments for sale had the highest volume of search with almost 17 million searches while apartments for rent had 5 million

**Cairo, Egypt - 19 March 2017:** OLX Properties Egypt publishes the first annual Property report focusing on user behavior trends setting the stage for 2017. The report aims to provide professionals in the industry with a holistic view on the market alternations in terms of investors' and tenants' preferences, and the top searched areas for rent and sale throughout the year in Egypt.

Approximately 4 million Egyptians used OLX Egypt in 2016 on monthly basis, 30% of which were on the property section only, which is almost a quarter of the total labor force in Egypt\*\*. The results of the report act as the cornerstone for OLX Egypt's leadership in the property sector, with insights revealing market trends in the country.

During 2016, the Egyptian economy witnessed radical changes in the prices of every product and service, including the property industry, leading potential buyers and sellers to hunt for property online. OLX Properties Egypt received an average of +41 million visits throughout the year, which is equivalent to the number of internet users in Egypt\*\*\*, with an average of 4 visits per month for each user spending an average of 14 minutes per visit. This data sets OLX as a new major player in the property market, with users' preference of online search to make investment or renting decisions for their next property in the country.

Commenting on these market insights is Momtaz Moussa, OLX's General Manager of Egypt, "As the platform's listings grow, we are gaining better intelligence on market trends, and the direction upon which consumers make their decisions - currently we have over 100 property agents advertising their properties on OLX Egypt and this number is growing since we added our latest customized packages for featured ads".

In this respect, Ayman Sami, Country Head - Cairo Office, MENA at JLL commented: "OLX has identified top search places as Sheikh Zayed, Maadi, Nasr City, Fifth Settlement and Heliopolis. In general, we can say that there is a migration from Central Cairo and Giza to the outskirts with residential supply there growing from 113,000 to 126,000 units between 2015 and 2016; this represents an 11% growth. As sales prices, have risen by 30%, this has affected



the affordability of the local consumer. Developers have reacted to this by planning for more apartments over villas and by extending their payment terms, hence the search for apartments is much higher.”

“It is interesting to note that there is still demand for areas like Heliopolis, Nasr City and Maadi. All those districts continue to host many multinational corporates. For example, Citystars caters for the Nasr City and Heliopolis residents; and Maadi still hosts several oil and gas corporates. The main drivers for the selection process is either being close to work or being close to their extended families which is a cultural aspect in Egypt. Other drivers include accessibility, being close to major attractions, destinations or airports,” Mr. Sami added.

Statistics from OLX identify that each property listed on the platform receives an average of 7 inquiries, with the first inquiry happening within 48 hours of published listings. Last year was a dynamic one for OLX, as the platform introduced multiple new features to provide a smoother user experience on the mobile app OLX Arabia, such as saving their searches and chat messages. The number of chat messages in the property section reached 713,144 with the average of 2,641 chat messages per day.

#### **Property for Sale - Supply and Demand:**

In terms of demand, the top 5 locations searched for on OLX Properties in 2016 were Nasr City, ALMaadi, Sheikh Zayed, Heliopolis and the Fifth Settlement. These results are a crucial guideline for experts in the property section, highlighting trends of potential investors and tenants. In reference to properties for sale, OLX had the highest volume of search for apartments with over 17 million searches, followed by land for sale with over 900K searches, villas followed with almost 900K searches and finally the commercial property for sale with around half a million searches. OLX’s report highlighted as well that each property for sales received on average 5 leads across all platforms. In terms of supply - the last quarter of 2016, the top 8 governorates that had listings on OLX were as follows: Cairo, Giza, Alexandria, Suez, Sharqia, Marsa Matrouh, Dakahlia and South Sinai.

#### **Property for Rent - Supply and Demand:**

In terms of demand, OLX insights highlight that apartments for rent had the highest volume of searches with over 5 million searches, followed by vacation rentals with +1 million searches, commercial for rent with around 800K searches, villas for rent with around 100k searches and finally rooms for rent with 35K searches. In addition, each property for rent received on average 7 leads. In terms of supply - the last quarter of 2016, the top 8 governorates in terms of property listings were as follows: Cairo, Giza, Alexandria, Dakahlia, Qalyubia, Suez, Port Said and Ismailia. This provides insights on where the Egyptian population is willing to invest in new property and which governorates are mostly considered for rental by users.

According to JLL, Egyptians prefer to buy rather than rent. With the migration that is occurring from the city to the outskirts rentals are acting as an interim temporary solution, before moving in to their permanent homes. Rentals prices for larger villas have declined over the year more than apartments, partially due to the devaluation and the reduced demand from Expats who prefer to reside in New Cairo/Fifth settlement to be closer to work, since New Cairo has become the new hub for multinational corporates. The higher movement in apartment searches is coming from the migration that is occurring from within the city.

Commercial space is more commonly rented. JLL added that there were no new shopping centers spaces introduced in 2016 with the total supply remaining at 1.3 Million sqm with a



vacancy rate increasing to 17% from 15% the previous year. This was a tough year for retail due to the shortage of USD in the market and ending up with a huge devaluation. Rental rates were still flat, however, the negotiations between tenants and landlords become tougher and tougher with the achievement of the quoted rents being less likely.

\*Source: HC Securities, Ministry of Housing, Housing & Income indicators, 39% income spent on real estate installments in the upper-middle income level (Oxford Business Report 2016)

\*\*<http://www.reuters.com/article/egypt-unemployment-idUSL5N18C0AW>

\*\*\*<http://www.dailynewsegypt.com/2017/01/29/613299/>

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#### **About JLL**

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. A Fortune 500 company, JLL helps real estate owners, occupiers and investors achieve their business ambitions. In 2016, JLL had revenue of \$6.8 billion and fee revenue of \$5.8 billion and, on behalf of clients, managed 409 million square meters and completed sales acquisitions and finance transactions of approximately \$136 billion. At year-end 2016, JLL had nearly 300 corporate offices, operations in over 80 countries and a global workforce of more than 77,000. As of December 31, 2016, LaSalle Investment Management has \$60.1 billion of real estate under asset management. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated.

#### **About JLL MEA**

Across the Middle East and Africa (MEA) JLL is a leading player in the real estate and hospitality services markets. The firm has worked in 35 countries across the region and employs over 520 internationally qualified professionals across its offices in Dubai, Abu Dhabi, Riyadh, Jeddah, Al Khobar, Cairo, Casablanca, Johannesburg, Lagos and Nairobi. [www.jll-mena.com](http://www.jll-mena.com); [www.jllvantagepoint.com](http://www.jllvantagepoint.com)

#### **About OLX:**

OLX is the world's leading classifieds platform in growth markets and is available in more than 45 countries and over 50 languages. OLX connects local people to buy, sell or exchange used goods and services by making it fast, easy and free for anyone to post a listing through their mobile phone or on the web. Every month, hundreds of millions of people in local markets around the world are already using OLX's online marketplace to find and sell a wide range of products, including furniture, musical instruments, sporting goods, cars, kids and baby items, motorcycles, cameras, mobile phones, property and much more. OLX operates in fast-growing markets around the globe, where OLX helps people improve their lives through smart person-to-person trade. OLX Arabia is actively expanding in the MENA region in Bahrain, Egypt, Kuwait, Lebanon, Oman, Qatar and Saudi Arabia. OLX employs more than 1,200 committed employees worldwide located in places like Bangkok, Buenos Aires, Cape Town, Delhi, Jakarta, Lagos, Lisbon, Manila, Nairobi, Poznan, Rio de Janeiro and São Paulo.