

Egypt Palm Hills in joint venture to develop land

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Egyptian property company Palm Hills Development has formed a joint venture with contractor Hassan Allam Sons to develop 238,560 square metres of land, an executive said on Thursday.

The venture's first project will be Park View, a 97,661 sq metre residential development in New Cairo, Investor Relations Manager Sara El-Gawahergy told Reuters in an email.

Demand for housing in Egypt has remained relatively buoyant compared with other parts of the world since the global economic crisis began last year.

"This strategic partnership with Hassan Allam Sons will provide the two companies an exceptional opportunity to benefit from and exchange knowledge in real estate development," Palm Hills said in a statement to the stock exchange.

Construction work on Park View is expected to start in January 2010 and finish in March 2013, Gawahergy added.

Palm Hills said it will hold a 51 percent stake in the new company, called City for Real Estate Development, with Hassan Allam Sons owning the remainder.

Palm Hills says it has a land bank of about 48.8 million sq metres in Egypt and Saudi Arabia and the firm targets higher end buyers seeking first and second homes, with unit prices averaging 1.5 million Egyptian pounds in 2008.

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