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New cities between sustainability and real estate investment: A case study of New Cairo city

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Abstract Urban development differs from one country to another. The various aims and ways differ according to the different economical, social and environmental situations. Many countries followed the policy of establishing new cities in the aim of redistribution of the population or to be as a nucleus that assists in encouraging the economic activity of a certain region or to be a new capital.

Egypt has adopted the policy of establishing the new cities for national aims. Many cities were being developed according to development stages, from the first generation, the second generation to the third generation. New Cairo is one of the second generation cities. It is characterized by its distinctive developed location. It has been developed as a result of the economy and investment politics of the Egyptian government at this time, which made it the focus of real estate investment. However, this resulted in negative influences on the sustainability.

That is made clear in the different stages of developing the city, – before laying the general comprehensive plan, during preparing the plan and the successive stages of development till now.

This research reviews the basis of development of the new cities. The influence of the real estate investment in some Arab countries, then it handles the case study – “New Cairo city”. Discussing all the investing factors made the city in its current status. Then comes the recommendations in a trial to get an alternative structure to achieve sustainability in light of the current determinants and growth stages.

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New cities and objectives of development

New cities: These are the formula that the countries are adopted to solve the urban crisis. It is defined as combining all areas to create better urban centers that achieve social prosperity as well as economic development, in the aim of re-distributing cities through preparing new attraction zones outside the old cities and villages [1].

It is natural that cities structure differs according to the different situations in the economy, society and environment. So

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new cities may be built with the aim of re-distributing urban development to re-locate the crowded zones or to foster economy and activate certain zones to be a new capital, or it can re-distribute the urban center, or to be built for the workers as it was built during the industrial revolution. In Egypt, the main aim of this formula is to be a trial to solve the urban crisis of over-population and the crowded capitals. There are, however, no services that accompany this connection of over population. **The objectives of Establishing the New Cities are three main groups which are [2]:**

First: Social objectives

- Providing the different types of housing for all the needs of the different citizens, including the number of families size and social habits.
- Providing social services that cater to all the requirements of the citizens, according to the quality and quantity.
- Providing suitable employment opportunities in which the factors of economic and social insurance are achieved in accordance with the social nature of these cities and their needs.

Second: Economic objectives

- Creating new economical bases that seek to achieve a certain kind of balance on the regional and national levels, and increase the self-sufficiency of the city and improving the level of social activities.
- Economic development offers investment opportunities and economic factors potentials.
- Encouraging investment and attracting foreign capital.

Third: Urban objectives

- Reshaping the Urbanism on the national level in accordance with the national development strategy.
- The balanced distribution of population on all the national maps.
- The strategic distribution of the higher security aims and national domain of the whole government.

In terms of establishing; the new cities are divided into two types [3]:

- (1) **Independent Cities:** These have development status and do not depend on an existing community, but pass the traits of sustainability aiming at reaching certain different aims in addition to sustainable housing. They are located far from the cities with suitable distance that provide independence with the aim of establishing, on the long term-economical centers that are independent which lead them to gather the different economic and social activities.
- (2) **The New Satellite Cities:** The existing population is based on a community that has been there for a while – if they are working outside the city, they become night housing only. Services and employment in attracting citizens and activities and seek to lessen the population and benefits to the existing population activities to create new-work opportunities and economical components that are linked to the capital city.

Real estate investment and its effect on changing the policy of establishing new cities

- Investment is defined in its economic theories as a part of a whole of the accumulated investment during the years that was used in activities with the aim of increasing and achieving growth to preserve the force of saving money [4].
- The Real Estate Investment is defined as being one of the trade activities that had to do with the investment money in the field of establishment and housing and assist in the prosperity and the movement of the economy in general [5].
- The real estate investment is an expression that is comprehensive as it includes three kinds of essential real estate investment that are all included under the title of real estate which are [6]:
 - Properties trading.
 - Real estates development
 - Income generating assets
- The new cities development in the economies of the Arab countries has adopted in the last period on the investment giant gatherings, which have been created in the new kinds of cities as a partner supported by different governments; the investment arm affected the city and depended on certain commercial aim; the research handles some of the following:

Economic cities in Saudi Arabia

Economic Cities create value and opportunities for citizens, businesses, and society by efficiently utilizing all tangible and intangible assets, and enabling productive, inclusive, and sustainable economic activity [7].

Saudi Arabia General Investment Authority is responsible for supervising the implementation of the basic equipment and infrastructure works, and the establishment of service centers, and regulates the entry of investors and determines their positions according to economic activity and help to license them from the concerned authorities in accordance with the rules and regulations. The cities are: King Abdullah Economic City (KAEC), Medina Knowledge Economic City (MKEC), Prince Abdulaziz Bin Mousaed Economic City (PABMEC), and Jazan Economic City.

To ensure success, the economic cities developed under Saudi Arabia General Investment Authority, according to six key design principles as follows [8]:

- (1) Each city will be developed around at least one globally competitive cluster or industry, which will serve as an anchor and a growth engine for the city, around which other businesses will locate.
- (2) The cities will utilize their Greenfield opportunity to adopt state-of-the-art technology solutions to make them truly competitive.
- (3) Each city will be developed by the private sector, and will therefore generate major private investment opportunities in infrastructure, real estate and industry.
- (4) By Identifying and attracting core investors; jobs will be created which will spur other supporting service jobs.

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