

Articale

# Exploring the Legal and Regulatory Landscape of Real Estate Investment Trusts (REITs) in Egypt

2024

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Opportunities  
Challenges  
Strategic Growth



**Exploring the Legal and Regulatory Landscape of Real  
Estate Investment Trusts (REITs) in Egypt**

***“Opportunities, Challenges, and Strategic Growth”***

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## Abstract

The article discusses the Real Estate Investment Trusts (**REIT**) law and its amendments in Egypt, discussing how it can be a catalyst for growth within the real estate market. It first investigates the benefits of (**REITs**) as liquid (to a degree) and low-correlation investment options with returns that tend to be evenly distributed across property sectors. (**REITs**) are in fact a staple of real estate markets worldwide—yet they are markedly new to Egypt and have been encouraged by movements of both national and foreign capital, this article discusses (**REITs**) as they are established by Egypt's Capital Markets Law and Mortgage Finance Law; it describes legislative and regulatory evolution to address wider concerns of market development, competition with other forms of tax-advantaged real estate investment vehicles, cultural preferences in private home ownership, and their stronger allocation toward asset-backed lease or otherwise property-backed cash flows over hard equity appraise able securities dividend yields. The article, which compares Egypt's (**REIT**) regime to respected markets including the United States (**U.S**) and Europe, provides suggestions that aim at encouraging reform of regulatory framework combined with taxation to support growth within the local (**REIT**) sector as well as better aligning it with internationally best practices. The article concludes by highlighting the vast prospects for REITs in Egypt and how this sector supports a long-term and sustainable recovery of real estate; however, capitalizing on such opportunities will only be possible through certain reforms to attract wider funds into the real estate industry.

## Introduction

Overview Real Estate Investment Trusts (**REIT**) have come to be seen as viable routes for investors looking at ways of making money in either the stock market or real estate space. Investors that buy (**REITs**) can gain access into the real estate market without owning an actual property and forgo high costs not only in loans but also interest payments.

In the last few decades there has been significant focus in academic writing on the variables that affect the capital and structure of real estate investment trusts (**REITs**). Usually, real estate investment trusts were not included in the general capital structure funds studies because they had special characteristics and financial regulations that were enacted in different manner in each real estate market. Because (**REITs**) unable to keep significant profit they depend heavily on outside funding, and they subject several restrictions which create a special environment for this investment vehicle.

This article examines the current landscape of (**REITs**) in Egypt, their legal and regulatory framework, and the opportunities and challenges they pose for the real estate sector, while also comparing them to more established markets. Additionally, it provides recommendations for reforms aimed at strengthening the role of (**REITs**) in Egypt's economic future.

## The Current State of Real Estate investment Trusts (REITs) in Egypt:

Real Estate investment Trusts (REITs) have established in Egypt as investment vehicle in the real estate's market since (2009), Developed to provide investors with a regulated and transparent platform for real estate activity. (REITs) are becoming substantially more popular in Egypt's real estate market as investment vehicle has operand new prospects for foreign and local investment, while facing hurdles including low Diversification in the real estate market and regulatory barriers.<sup>1</sup> Real Estate Investment Trusts (REITs) provide valuable tool for investing and attract more foreign investment to meet the aforementioned goals.

The current situation and structure of (REITs) in Egypt is discussed in this first section, along with its legal framework and markets dynamics.

## The Legal Framework of (REITs) in Egypt, the formation of (REITs) in Egypt Real Estate market is regulated under combination of Laws:

<b>The Capital Markets (Law No.95 of 1992):</b> the main law that regulates and governs all investment vehicles on the Egyptian stock exchange and non-banking financial transactions. <sup>2</sup>
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<b>Mortgage Finance Law (Law No. 148 of 2001):</b> which plays vital role in the operation of mortgage (REITs), which is type of (REITs) operates mainly through providing debt financing to commercial and housing real estate via debt instruments such as mortgage, also play crucial role in the securitization of assets (mortgages). <sup>3</sup>
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<b>The Executive Regulations of the Egyptian Financial Regulatory Authority (FRA):</b> provide the governance structure and define specific obligations for real estate investment trusts (REITs), includes disclosures obligations, and tax treatment. <sup>4</sup>
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## Evolution and structure of (REITs) in Egypt:

The real estate investment trusts (REITs) are not a brand-new type of corporation structure and initially these corporations are subject to different tax rules and listed in the stock market, However, (REITs) may be eligible for certain regulatory privileges, such as tax exemptions and the ability to leverage their capital to specific limits.<sup>5</sup>

But they must fulfill two conditions mainly, a high percentage of the generated income must be distributed to the shareholders. Secondly high portion of the (REIT) activity must only related to real estate investment.<sup>6</sup>

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Ministry of Housing, Utilities, and Urban Communities, *Real Estate Investment Trusts Report* (2009) <sup>1</sup>  
[https://www.mhuc.gov.eg/reports/REITs\\_Egypt\\_2009](https://www.mhuc.gov.eg/reports/REITs_Egypt_2009) accessed October 2024

The Capital Markets (Law No.95 of 1992) <sup>2</sup>

Mortgage Finance Law (Law No. 148 of 2001) <sup>3</sup>

Financial Regulatory Authority (FRA), REIT Guidelines and Regulations (FRA, 2023) <sup>4</sup>

Frank J. Fabozzi, *Open-End and Closed-End Funds and Real Estate Investment Trusts* (2nd end, MIT Press 2009) 123- <sup>5</sup>

124.

Ibid <sup>6</sup>

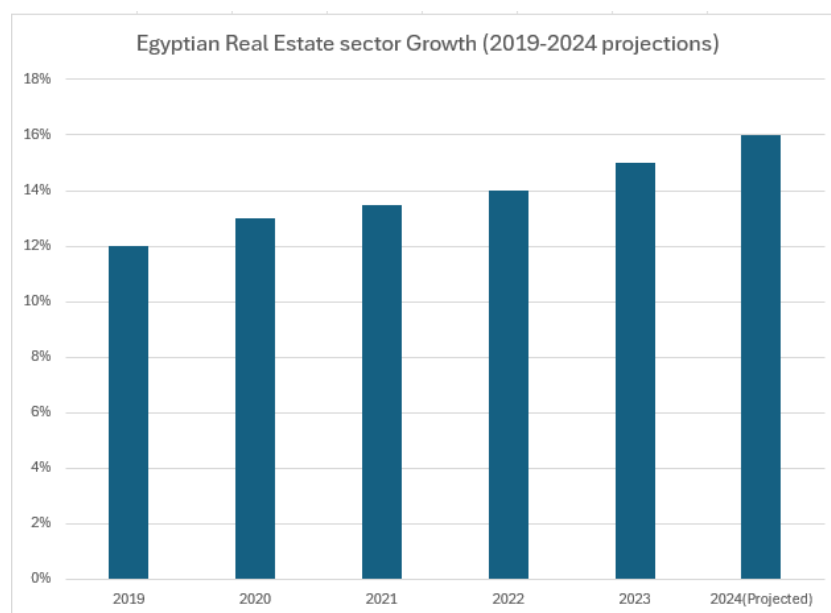
## The (REITs) in Egypt must mainly contains the following elements:<sup>7</sup>

- A minimum of (75%) of the (REIT) capital assets must be invested in the real estate sector.
- More than (90%) of the income should be distributed to its shareholders as annual dividends.
- The (REIT) must be managed by company licensed from the Egyptian Financial Authority (FRA).

Real Estate Investment Trusts (REITs) are typically formed as closed-ended funds, which issue a fixed number of shares, the shareholders only have access to the value of their investment by selling their shares in the stock market. Real estate investment trusts offer investors an efficient investment means of diversification, by adding liquidity to their real estate portfolios.<sup>8</sup>

## National and the Foreign Capital Investment in Egypt's Real Estate Market:

The national investment in the real estate market has historically been more prevalent than foreign investment, accounting for approximately (70%) of the total real estate investment in (2023). While the foreign investment represent (30%).<sup>9</sup> However, an increasing percentage of foreign direct investment (FDI) are being made into the Egyptian real estate market like for example New Alamein City and Ras Al-Hekma



The following figure illustrate the current state of the real estate sector and its contribution to (GDP).<sup>10</sup>

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Joseph Iskander, 'Real Estate Investment Trusts (REITs) in Egypt: A Legal Overview for Potential Investors' (Andersen <sup>7</sup> .Egypt, 2023) <https://eg.andersen.com/real-estate-investment-trusts/> accessed 7 October 2024

.William Mako and Diego Sourrouille, "Financial Flagship: Investment Funds in MENA" (December 2010) <sup>8</sup> General Authority for Investment and Free Zones (GAFI), 'Investment Opportunities in Egypt's Real Estate <sup>9</sup>

.Sector (2023) <https://www.gafi.gov.eg> accessed October 2024  
Jones Lang LaSalle, *Egypt Real Estate Market Report* (2023) <https://www.jll-mena.com/en/trends-and-insights/research> accessed October 2024. <sup>10</sup>

## Structure of the Real Estate Companies in Egypt the Differences between (REITs) and (REOCs):

Real Estate companies can be classified mainly into real estate investment trusts (**REITs**) and real estate operating companies (**REOCs**). Currently real Estate operating companies and traditionally dominate the Egyptian real estate market due to its flexibility in undertaking a variety of activities, which include seal and development of property's.

The main difference between these two forms is the regulatory framework that (**REITs**) enjoys and the difference in the organizational structures. (**REIT**) being primary exempt from corporate income taxes given they distribute a high percentage of that income as dividends to shareholders. Anthro structural difference appears in the formation process (**REITs**) considered a product of each country's regulations and financial legislation, which establish the existence of this investment vehicle and impose certain obligations that (REITs) must satisfy.<sup>11</sup>

In the other hand (**REOCs**) had less restrictions as they don't have to pay specific dividends to shareholders from the taxable profits and there's no limited number of shareowners in contracts the financial define specific number of shareholders that can invest in (**REITs**), real estate operating companies (**REOCs**) possess freedom to invest in multiple activity and generate income from any investment.<sup>12</sup>

## Current Taxation Regulations of (REITs) in Egypt:

As real estate investment trusts (**REITs**) still considered a relatively new investment vehicle in the Egyptian real estate market, (**REITs**) tax regime is still developing in Egypt real estate marker and need further improvement to be implemented in the future. As (**REIT**) remain aligned with the border tax legislation for corporate entities and investment funds but with some special provision and advantages to encourage their use in real estate market.<sup>13</sup>

Real estate investment trusts are still subject to the standard corporate income tax with current rate (**22.5%**).<sup>14</sup> However, (**REITs**) benefit from certain tax exemptions under the investment law that apply to capital markets. Which stipulate these incentives to improve investment in the real estate's market. (**REITs**) may qualify for income tax rate reduction proven that they distributed at least 90% of their taxable profits.<sup>15</sup>

Non-residents investors that invest in the Egyptian real estate market such as (REITs) under certain double tax treaties, obtain withholding tax reduction on dividends with (**5%**) rate.<sup>16</sup> Reducing the withholding tax from (**10%**) to (**5%**) rate. Which could contribute to attract more foreign capital to the Egyptian real estate market.

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Harold Kent Baker and Peter Chinloy, *Public Real Estate Markets and Investments* (Oxford University Press (2014) <sup>11</sup> 248.

Nathalie Delcours and Richard N. Dickens, 'REIT and REOC Systematic Risk Sensitivity' (2004) 30(1) *Journal of Real Estate Research* 41-54.

Egyptian Capital Markets Law (Law No. 95 of 1992) and its amendments. <sup>13</sup>

KPMG, 'Business Taxation in Egypt' (KPMG, 2023) <https://kpmg.com/eg/en/home/services/invest-in-egypt/business-taxation.html> accessed October 2024 <sup>14</sup>

Ibid<sup>14</sup> <sup>15</sup>

PwC, 'Egypt - Corporate - Withholding taxes', PwC Tax Summaries (2024) <sup>16</sup> <https://taxsummaries.pwc.com/egypt/corporate/withholding-taxes> accessed 12 October.

## Comparative Analysis: Lessons from Mature Markets

The improvement of Real Estate Investment Trusts (“**REITs**”) as investment vehicle in more mature markets such as United State (**US**) and different European Countries offers valuable lessons for Egyptian market, the legal framework, tax treatment, governance structures and operational transparency of (**REITs**) considered as the main reason to their success and resilience.

We can find best practices that Egypt can implement to develop its (**REIT**) framework by evaluating the rules and regulations that govern Real estate investment Trust in the United States (**US**), United Kingdom (**UK**), and France.

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### The (**REITs**) Model in the United States:

The United States introduced legislation for (**REITs**) in the form of the Real Estate Investment Trust Act (1960), which provides the most well-established (**REIT**) Market.<sup>17</sup> This Act allows and enables (**REITs**) to function like mutual funds and pooling investors through enabling capital to purchase income-generating Real estate properties.

One of the most important and distinguish features of the United States (**US**) (**REITs**) model is its favorable tax exemption and tax treatment.<sup>18</sup> The Internal Revenue Code (**IRC**) grants tax Exemption to the Real estate investment Trust (**REIT**) provided they distribute at least (90%) of their taxable income to the shareholders in the form of dividends.<sup>19</sup> This corporate Tax benefit what makes (**REIT**) an attractive investment vehicle. By reducing the Tax burden that shareholders would otherwise face if investing directly in the Real estate Market, Additionally, The Real estate investment fund in the (**US**) are required to collect at least 75% of Their overall gross income from Real estate investment-Related Activity, ensuring the more focus on the property market.<sup>20</sup>

United States (**US**) (**REITs**) key successes that they are subject to powerful and stringent Governance and transparency requirement under the Securities and Exchange Act of (1934).<sup>21</sup> Which requires periodic financial disclosures and independent board oversight which ensure the transparency and increase the confidence in the (**REIT**) market.<sup>22</sup>

The large payout ratio of property operating revenue that (**REITs**) required to distribute as dividends to the shareholders attracts investors looking to invest in the Real Estate, investors also find attractive that (**REITs**) must invest nearly exclusively in Real Estate.<sup>23</sup>

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<sup>17</sup> Real Estate Investment Trust Act of 1960

<sup>18</sup> The Internal Revenue Code (**IRC**)

<sup>19</sup> Ibid.

<sup>20</sup> Real Estate Investment Trust Act of 1960

<sup>21</sup> Securities Exchange Act of (1934)

<sup>22</sup> Ibid

<sup>23</sup> Graeme Newell- Karen Sieracki, *Global Trends in Real Estate Finance* (2010 Blackwell Publishing Ltd) (7)



## The (REITs) structure in a United State (U.S):

(REITs) structure in the United States (U.S) established by the Real Estate Investment Trust Act by the U.S congress in (1960).<sup>24</sup> which define (REITs) as a firm that generates profits from real estate-related activities.<sup>25</sup> These firms can be mainly classified according to their assets, a (REITs) invest directly to Real estate by owning properties and indirectly through mortgaging or hybrid (REITs).

**Equity (REITs)** firms own properties directly as real estate assets and focus on managing these properties to maximums and generating income from these properties which can be retail assets or commercial.<sup>26</sup>

**Mortgage (REITs)** firms operate through providing debt financing to commercial and Housing real estate via debt instruments such as (mortgage or real estate loans, mortgage-backed securities).<sup>27</sup>

**Mixed/hybrid (REITs)** which operates by diversification on its assets across different sectors, creating mix between mortgage and an equity (REITs) to generate its returns.<sup>28</sup>

However, the role of (REITs) in the United States (US) wasn't significant until (1990s) and still considered as new phenomena in Europe countries such as (Italy, United Kingdom (UK), Spain) which established regulations and legal framework for (REITs) only in (2007).<sup>29</sup>

The different (REIT) legislation stipulates different requirements of the (REITs) minimum shares and the type of its management (whether it's required to have specific conditions) or the minimum amount of profit that is required to be distributed as dividends to the shareholders and how much (REIT) can leverage its capital.<sup>30</sup> Also, may prevent them from practicing specific real estate activity.<sup>31</sup>

## The (REITs) System in France/Sociétés d'Investissements Immobiliers Cotées (SIICs):

The French real estate investment trust (REIT) regime was introduced in (2003), and specific improvements and enhancement have been made since then, the most important advantages is the tax treatment and the exemption property company from corporate income tax.<sup>32</sup>

France has different (REITs) system which were introduced under the French Finance Act (2003),<sup>33</sup> the (SIICs) are subject to more complex and restrictive tool and provide higher distribution requirement than in both United States (US) and United Kingdom (UK) which is 95% of their rental income.<sup>34</sup>

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Real Estate Investment Trust Act of 1960, Pub L No 86-779, 74 Stat 998 <sup>24</sup>

Ibid. <sup>25</sup>

Mehmet Dogan and others, 'Real Estate Investment Trusts (REITs) and Their Impact on Real Estate Markets: A <sup>26</sup>

.Comparative Study' (2019) 14(3) Journal of Property Investment & Finance 215, 220

Ibid <sup>27</sup>

Dogan and others, 'Real Estate Investment Trusts (REITs) and Their Impact on Real Estate Markets: A Comparative Study' <sup>28</sup>

.(2019) 14(3) Journal of Property Investment & Finance 215, 220

Mindaugas Grybauskas and Vita Pilinkiene, 'Development and Performance of Real Estate Investment Trusts in <sup>29</sup>

the Global Economy' (2019) 28(2) *International Journal of Strategic Property Management* 109, 115

European Public Real Estate Association (EPRA), Global REIT Survey 2020 (EPRA, 2020) 12-15 <sup>30</sup>

Ibid <sup>31</sup>

Graeme Newell- Karen Sieracki, *Global Trends* <sup>32</sup> <sup>32</sup>  
in *Real Estate Finance* (2010 Blackwell Publishing Ltd-bage34

French Finance Act (2003) <sup>33</sup>

Ibid <sup>34</sup>

## **The (REITs)/(SIIC) enjoys corporate income tax exemption for qualifying activities as long as met specific conditions:**

1. The purpose of (REIT) purchase or development of buildings to rent them.
2. participation in corporate subsidiaries or partnerships having the same activity.<sup>35</sup>

Non-qualifying activities, such as commercial transaction and trading activities, are fully subject to tax. However, (REITEs) in French to enjoy corporate tax exemption it must be listed on a stock exchange and comply with stringent disclosure requirements of the Autorité des Marchés Financiers (AMF) France financial market regulator.<sup>36</sup>

Real estate investment trust in France/(SIICs) subject to governance regulations and guidelines which in line with European union (UN) legislation and offer strong investor protection through independent boards and enforced transparency.<sup>37</sup>

This growth of (REITs) in the France show how public bodies of the French government have reshape their regulatory capacities in the French property sector through introducing new market regulations and tax law, which enhance the possibility of (REITs) to engages in property development.<sup>38</sup>

## **Challenges Faced by (REITs):**

While Real Estate Investment Trusts (REITs) hold significant potential in the Egyptian real estate market they face many challenges that limit their chances and attractiveness in both local and foreign level. these barriers mainly stem from regulatory framework, economic and operational hurdles that need further improvement to unlock potential of (REITs) in the Egyptian real estate market.<sup>39</sup>

### **Regulatory Barriers:**

The complexity and rigidity of the regulatory framework considered one of the foremost hurdles, the applicable regulation that governing the establishment and operation process of (REITs) may hinder its growth due to unaffected provisions and procedure inefficiencies. Capital Market Law and Mortgage finance Law impose critical and strong requirements that may discourage potential investors.<sup>40</sup>

### **Real Estate Investment Trusts (REITs) may be affected by interest-rate fluctuations:**

Movement of interest rate may affect the investment in (REITs) for multiple reasons, the main value of investing in real estate can be affected by the cost of financing,<sup>41</sup> this had significance importance because investment in real estate sector relies heavily on borrowed funds. That can influence affordability and demand of real estate investment. <sup>42</sup>

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Ibid<sup>8 35</sup>

Autorité des Marchés Financiers (AMF), France's financial market regulator <sup>36</sup>

Autorité des Marchés Financiers (AMF), Regulation and Governance for SIICs' <https://www.amf-france.org> <sup>37</sup>  
.accessed 9 October 2024

Martin Hoesli, "The introduction of real estate investment trusts in France and its implications for state-finance <sup>38</sup>  
relations in the Greater Paris region" (2019) volume (100) *Journal of international money and finance*

Abdelrahman Khalid "REIT Regulations and Challenges in Emerging Markets" (2021).<sup>39</sup>

Capital Markets Law: Capital Markets Law No. 95 of 1992 - Mortgage Finance Law: Mortgage Finance Law No. <sup>40</sup>  
148 of 2001

Marcus T Allen, Jeff Madura, and Thomas M Springer, 'REIT Characteristics and the Sensitivity of REIT <sup>41</sup>  
Returns' (2000) 21(2) *Journal of Real Estate Finance and Economics* 141.

Ibid<sup>39 42</sup>

### **How much (REITs) performance isolated from the external forces:**

Real Estate investment trusts (**REITs**) may not be able to separate their performance from the outside factors and external forces completely, such as economic and market fluctuations and conditions. However, they may have the ability to affect their exposure to these fluctuations to impact their degree of market risk.<sup>43</sup>

Specifically (**REITs**) may reduce the market Risk by minimize financial leverage which can reduce their sensitivity of their returns to stock-market changes.<sup>44</sup> There is strong evidence stated that (**REITs**) returns are sensitive to long- or short-term interest rate changes.<sup>45</sup> However, (**REITs**) organizational structure (asset structure, financial leverage, management strategy) does not always dictate how market fluctuations affect them.

### **Complexities of investing in (REITs), where stock market often fail to accurately reflect the realities of the Real Estate market:**

Investing in (**REITs**) require a dual understanding of both stock market and real estate market which crates challenges for many investors, as the process and dynamics of property market investment differ significantly from those of stock market trading, illustrating this challenges in the following points:<sup>46</sup>

#### **Dual knowledge requirement and price movement differences:**

- (**REITs**) investors need to demonstrate and understand both the property market and the stock market dynamics to have the ability to make sound decisions.<sup>47</sup>
- The stock market exhibit and exposes to rapid price changes, where in the other hand real estate market has slower changes and more stable price movement

#### **Stock price against the underlying property value:**

- The stock price in (**REITs**) can deviate significantly Frome the actual value of underlying properties, particularly in the short term. An example is the black Monday in October (1987) where the value of (**REIT**) stock price dropped by over (20%) (twenty percent), but the actual value of the underlying property did not change.<sup>48</sup>

### **Opportunities for Growth and the Possible Prospects for Egypt's Real Estate market through (REITs):**

The Real Estate sector in Egypt has long been important and critical drive for economic growth, Exposure to the Real Estate Market can occurred via tow main modes of real estate investment which is direct (physical) and indirect (through securitized or financial), investors can seek direct investment by acquisition management of actual physical assets. Indirect investment includes buying shares of real estate investment trust such as (**REITs**) after then, these shares are traded on stock exchanges market.<sup>49</sup>

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Allen, M.T., Madura, J. & Springer, T.M. REIT Characteristics and the Sensitivity of REIT Returns. *The Journal of Real Estate Finance and Economics* 21, 141–152 (2000). <https://doi.org/10.1023/A:1007839809578>

Ibid15 <sup>44</sup>

Ibid15 <sup>45</sup>

Peter Linneman, *Real Estate Finance and Investments: Risks and Opportunities* (5th edn, Linneman Associates 2011) <sup>46</sup>

.327-329

Ibid18 <sup>47</sup>

Allen, M.T., Madura, J. & Springer, T.M. REIT Characteristics and the Sensitivity of REIT Returns. *The Journal of Real Estate Finance and Economics* 21, 141–152 (2000). <https://doi.org/10.1023/A:1007839809578>

Georgi Georgiev- *The Benefits of Real Estate Investment- CISDM Working Paper* <sup>49</sup>  
(March 1, 2002)

However (REITs) market in Egypt has faced many challenges and hurdles including governance constraints, financial limitations and the tax treatment. But at the same time, they (REITs) present an opportunity to address these issues and enhance the potential growth of their market in Egypt.<sup>50</sup> This improvement materialized through providing a structure that has strong transparency and regulated investment vehicle.

Egypt's Real Estate market can establish new investment growth avenue by encouraging both domestic and foreign investors after the proper and more suitable regulatory structure for real estate investment trusts has been developed.<sup>51</sup>

### **Real Estate investment trust (REITs) could become a vital tool for promoting Egypt's Real Estate market:**

#### **1. Real Estate Diversification:**

one of the key success's reasons for (REITs) in more mature market is that they offer the ability to diversify investment between different models of the real estate market.<sup>52</sup> The Egypt real estate market has traditionally dominated by investing in residential property market, with limited investment in commercial and industrial properties. Real Estate investment trusts (REITs) can expand investment in these different sectors by pooling financial funds from a broad range of investors and capital investing in retail, office spaces and logistic infrastructure. This diversification would play a crucial role in promoting the development of a more balanced real estate market and at the same time mitigate the market risk.

**The meaning of diversification:** when the investor invests in more than one asset class in real estate, across different countries and regions which have different legal framework and regulations. Diversification operates as safeguard from the market risk which may occurs in a specific country or region.<sup>53</sup> The crucial role for diversification is to distribute your capital across a wide variety real estate class. Given the large number of assets in (REITs) portfolio which constructed in a diversified manner to avoid or at least mitigate the risk from not achieving the anticipated capital gain.

#### **2. Boosting Affordable Housing initiatives:**

with rapid population growth (REITs) could have the potential to play vital role in solving Egypt's housing shortage, by providing affordable housing across the Egyptian cities. And solve issues such as shortage in securing long-term funding.<sup>54</sup>

#### **3. Supporting Infrastructure Development:**

The establishment of significant infrastructure projects require huge amount of capital which (REITs) Could help to provide, major markets such as United States (US), Australia, and Indian market establish specialized (REITs) products for infrastructure Investment.<sup>55</sup> Egypt should introduce infrastructure (REITs) to facilitate investment in public-private partnership projects, which includes utilities and housing and other large-scale infrastructure developments.

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Ibid<sup>21</sup> <sup>50</sup>

Peter Brown, 'Opportunities for REIT Growth in Emerging Markets' *Global Real Estate Journal* (2023) 42, 55. <sup>51</sup>

*Ibid* 21<sup>52</sup>

Anas Al Bakr-*International Journal of Economics and Finance*; Vol. 6, No. 2; 2014 (65) <sup>53</sup>

Peter Brown, 'Opportunities for REIT Growth in Emerging Markets' *Global Real Estate Journal* (2023) 42, 55. <sup>54</sup>

Jixue Zou and Wei Ni, 'The Impact Analysis of Real Estate Investment Trusts (REITs) on Infrastructure Projects Management and Operation' (2020) 8 *Journal of Infrastructure Management* 1. <sup>55</sup>

### **Conclusion:**

Real Estate investment trusts (**REITs**) hold promising potential for transforming the Egyptian real estate market through enhancing and providing a transparent and regulated platform for investors in real estate. Offering opportunities and opening the doors for both local and foreign capital investment in real estate to participate in large-scale projects without complexities of direct property ownership. This investment vehicle could significantly enhance Liquidity and consist returns in the real estate market.

Notwithstanding these benefits, Egypt real estate market face several challenges in introducing new investment vehicles like real estate's investment trusts (**REITs**) including regulatory framework, taxation issues and limited market diversification. A comparison with more developed market like United State (**U.S**) or France highlights the need for enhanced governance, more tax incentives and more protection mechanisms to attract foreign investment.

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Faris Alaa Araby graduated from the Faculty of Law Assiut University with strong academic record ranked among the top of my class, Faris Alaa has developed a keen interest in real estate law, focusing particularly on Real Estate Investment Trusts (**REITs**) and their impact on investment opportunities in emerging markets. In addition to their legal training, Faris Alaa has contributed to scholarly research and written extensively on topics such as international arbitration and investment law. Faris Alaa is passionate about teaching law and remains committed to advancing their expertise in legal frameworks affecting real estate investments, particularly in Egypt.