

Relocation Country Guide: **EGYPT**

May 2019

Relocation and International Assignment Trends and Practices



Egypt's strong links with western countries has made it a popular destination for many multinational organisations wanting to develop a foothold in Africa and the Middle East. For expatriates relocating there, the country is rich with history and renowned for its arts and cultural treasures.

Input from Cartus Global Supply Chain and our Destination Services Providers on the ground in Egypt points to several key challenges highlighted by the expat community. These include security and safety, looking for a rental property, transportation, language, finding a school and cultural issues. These areas are all addressed, with best practice recommendations, to help guide relocation managers as they consider policies for their assignees.

RENTAL MARKET

Impact from Political Unrest. The country's political unrest has impacted the Egyptian property market, particularly in Cairo where prices in the residential sales market have decreased by up to 20% in the past two years. In the rental market, many landlords have insisted on payments being made in U.S. dollars instead of the Egyptian pound (EGP) due to the latter's loss in value. However, the gap between U.S. and Egyptian currency is now beginning to narrow, which means landlords are more willing to accept payments in EGP.

Cairo. Cairo is the most frequent expatriate destination in Egypt and, as such, there is a high demand for rental properties. Over the past 15 years there has been an increase in new compounds to meet expatriate demand. These are mainly located in New Cairo in the east of the city and in 6th of October City to the west. With a large number of international organisations having head offices in 6th of October City and New Cairo, many assignees and their families choose to live in these areas, which have good access to schools and nearby markets. Other popular neighbourhoods for assignees include Maadi, Zamalek, Dokki, Garden City and Rehab City.

Property-types Available. Cairo offers a number of property types. Relocating families often choose to live in gated communities because of the security the compounds offer. They often include free standing or semi-detached housing, restricted access and guards. Single assignees and relocating couples should be aware that large properties in compounds are typically reserved for families.

Apartment complexes are also a popular choice amongst expatriates because the buildings offer controlled access and often have guards at the entrance. Singles and couples typically choose to live in apartment complexes in the city centre in areas like Zamalek and Dokki. For security purposes, assignees should avoid choosing an apartment on the ground floor.

Properties across Cairo are available as fully furnished, partially furnished (only kitchen items, curtains and/or blinds) and unfurnished. Assignees looking at unfurnished properties should be made aware that furniture rental is not a typical offering in Egypt, which means furniture would have to be shipped from the home location or purchased in the host location.

Lease Conditions. Leases are typically for a minimum of one year, although bi-annual leases are available for a slightly higher cost. One month's security deposit is mandatory and refunded within 30 days of the lease being cancelled, provided there are no damages to the property. Rental contracts are renewable upon mutual written agreement at least one month prior to the expiry date.

TOP TIPS FOR SUCCESS

- Given the high demand amongst prospective tenants for good quality expatriate housing, assignees need to act quickly to secure the property they want. Flexibility is key, so assignees should not restrict themselves to one specific area or neighbourhood.
- Due to the added security provided, three to four bedroom properties located in compounds are typically given to families. This is standard practice and expectations should be set for assignees and couples looking at such property types.
- When calculating housing allowances, bear in mind that in Egypt, tenants are expected to pay for maintenance and utility bills as well (electricity, gas, water), so this should be reflected in an assignee's allowance. It is also recommended that monthly rental payments should not exceed 20% to 25% of the monthly gross salary.



Arabic is the only legal and approved official language considered for property leases. The contract may be bi-lingual, but only the Arabic version is binding.

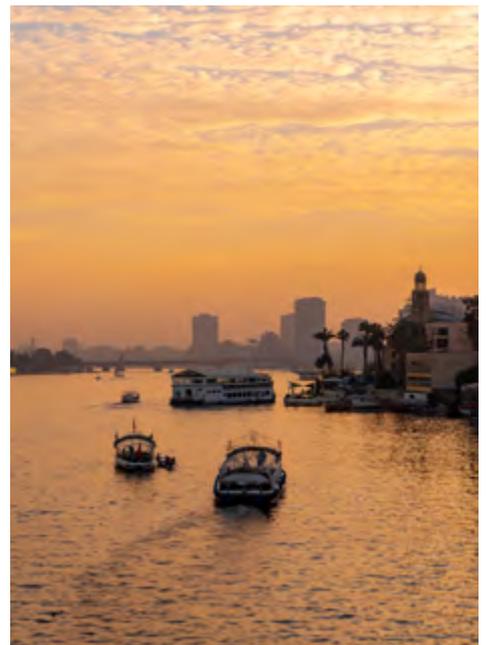
Rental Payments. It is standard practice for rental rates to increase by 5% to 10% each year. Rental payments are made on a quarterly basis in advance and tenants are responsible for the payment of monthly property maintenance bills including electricity, gas, water and air conditioning.

The table below outlines the typical monthly rental prices in areas of Cairo popular with expatriates:

TWO BEDROOM FURNISHED APARTMENT				
Area of Cairo	Maadi	Zamalek	Dokki	Mohandessin
Price Per Month US\$	2,200	2,000	2,200	1,750

THREE BEDROOM FURNISHED APARTMENT/VILLA			
Area of Cairo	Maadi	New Cairo	6th of October
Price Per Month US\$	2,400	2,500	2,500

Termination. Terminations of a contract or diplomatic clauses are typically only accepted by landlords in cases where the tenant is forced to leave Egypt for reasons of transfer by their employer. Proof of transfer will need to be presented and in such cases, a one to two month paid termination notice is required. If this situation does arise, we encourage companies to provide proof of transfer as soon as possible so that the assignee can begin the termination process in good time.



SECURITY

Secure Housing

There are a number of safety precautions that we recommend assignees take when finding suitable accommodation:

- Houses should be located in a secure compound away from deserts or mountains.
- If there is a main gate to the compound, the gate should be iron with a working intercom connection. The intercom should be connected between the main gate, the property and the onsite security guard.
- Apartments should include a security guard or doorman at the main entrance to the building.
- Front doors should be made of either secure wood or steel with no glass panel. They also need an eye viewer/ peephole, security chain and lock.
- Assignees should avoid ground floor apartments, even if they are in a secure compound. Should one be chosen by an assignee it is advisable that all windows have iron/ aluminium protection and back doors follow the same security requirements as those outlined for front doors.
- Any accessible windows need to be fitted with a good quality lock. Areas outside accessible windows need to be clear of trees, shrubbery etc.
- If applicable, garage doors should also have a strong, working lock.

TOP TIPS FOR SUCCESS

- Ensure that you have a well-developed security policy and a local 'go to' person for security related matters.
- With regards to the potential security challenges of living in Egypt, it is important that you are realistic with assignees and their families but at the same time, non-alarmist.
- We recommend that assignees attend a pre-move visit to allay security perceptions and concerns.
- Should an assignee insist on a detached property, we recommend a full security audit before the lease is finalised.
- A security audit allows security upgrade negotiations to be included in the lease agreement. Security audits need to be conducted by a company's approved in-house security firm. Our destination service provider can advise of local security firms, but we always advise that the final choice reside with the company.



TRANSPORTATION

Roads in Egypt are often in poor condition, although roads in and around Cairo are of a higher standard. Traffic congestion in Cairo is not as bad as some world cities, but weekdays are busier on the roads than weekends. Egyptian highways have toll stations which can cause traffic jams at peak times.

As heavy congestion on roads can occur, it is advantageous to find a property close to both the workplace and school. Ideally they should not be more than 25 minutes away from each other by car. Assignees can drive in Egypt, but they require a valid Egyptian driving license, so many choose to have a car and driver instead. For those who wish to drive, a license takes around six to eight weeks to obtain and costs between US\$200 and US\$250. Assignees may drive on their international license for one month.

Cairo has many modes of public transport that residents can use. However, they can become very crowded during peak hours. Transport includes a bus network, trams and an extensive underground metro system that runs on a regular and reliable schedule. However, the metro does not travel beyond the city centre, so assignees living in areas like New Cairo and 6th of October City will not be able to use it to commute to and from home. There are also trains connecting major cities and a ferry system. Although not suitable for those living in suburban areas, for assignees living in the city centre the metro can be a useful form of transport during peak hours when roads are congested.

Assignees should only use well known taxi companies and should always book a car instead of flagging one down off the street. Caution is advised when getting into any hired car and payment should be agreed upon before the journey begins.

TOP TIPS FOR SUCCESS

- It is recommended that assignees and their family are provided with a car and driver for the duration of the assignment. If this is not a component of your mobility programme, assignees who cannot drive and are moving with children, should not go to Egypt, as family neighbourhoods are located outside of the centre beyond public transport networks.



LANGUAGE

The majority of educated people in Egypt speak English and French, but a large segment of Egyptians do not. A lack of familiarity with Arabic can make daily tasks such as shopping or paying bills quite challenging for assignees and their families, especially as many transportation, road and building signs are in Arabic.

SCHOOLS

Assignment start and end dates in Egypt typically coincide with the academic year. Assignees with families leave in June and start dates usually begin in either August or January. There is a good selection of American, British, French and German schools in Egypt, especially Cairo. Some of the most popular international schools in the capital city are in high demand with low availability and waiting lists. These include:

- Cairo American College
- American International School Egypt
- British International School Cairo
- Maadi British International School
- New Cairo British International School
- Cairo English School
- Narmer American College
- Malvern College Egypt
- Canadian International School Egypt

It is advisable to start the registration process as early as possible. Due to long waiting lists and to ensure a greater chance of securing a school place, we recommend that assignees apply to three to five schools.

TOP TIPS FOR SUCCESS

- Learning basic Arabic phrases or words will help assignees settle into their new location.
- Language and cross-cultural training is strongly recommended for assignees moving to Egypt. Language lessons should be conducted before the assignment to ensure the assignee and their family feel fully prepared for the move.

TOP TIPS FOR SUCCESS

- Most expatriate parents want to find a reputable school for their children and therefore it is advised that proper adherence to registration deadlines and processes, as well as payment of application and other related fees are done in a timely manner to secure a school place as soon as possible.
- Tuition fees vary depending on the school but they can be extremely high. Ensure that you provide sufficient education allowances to assignees with children, as family integration is one of the key reasons for assignment failure.
- If the assignment is located in an Egyptian city other than Cairo, where there are few or no international schools available, consider providing special 'split-family' provisions as an alternative for the assignee and their family. This would mean that the assignee is located in the assignment destination whilst the family resides in Cairo where school options are more widely available.

CLIMATE

Egypt has a hot, desert climate with warm days and cool nights. Summer extends from May to October and the winter months (November to April) are only mildly cooler. The south is a few degrees hotter than the north and there is hardly any rainfall. The summer months can be a bit surprising to some assignees during their first visit to Egypt. Cool fabrics, preferably cotton, is the most appropriate clothing to wear although air conditioning is used widely in houses, offices and cars.

CULTURAL ISSUES

Dress. Although Egypt has strong links with the West, it is a Muslim society and assignees should be mindful of this for the duration of their assignment. Although dress codes are slightly more relaxed in expatriate neighbourhoods/areas, dress should always be fairly conservative. Both men and women should cover their shoulders and upper arms. Conservative necklines are also advisable and skirts should be knee length or longer. Sportswear such as shorts or tank tops is also not considered appropriate dress for men or women.

Importance of Relationships. Like many Arab countries, business in Egypt is relationship-based and it is essential to take the time to build relationships with Egyptian colleagues. Initial meetings can often involve lots of small talk, which is an important part of the relationship-building process. Hospitality is deemed key whether visiting a home or a workplace and it is considered rude to decline such an invitation. Family and kinship are also prioritised and will almost always come before business. Indeed it is quite usual for several family members to work for the same company.

TOP TIPS FOR SUCCESS

- With soaring temperatures in the summer months, it can be quite uncomfortable being outside in Egypt in the heat of the day, especially when trying to complete tasks such as finding a property or school. With this in mind, we recommend that you consider scheduling any look/see visits outside Egypt's hottest months of the year.



Time Keeping. Some western assignees find Egyptians' concept of time one of the most challenging aspects of working in the country. Meetings will often start late and run over time, since it is considered rude to stop a discussion just because you have another appointment booked. Deadlines too may or may not be met, with scheduling an informal plan rather than a fixed one. Avoid booking a meeting on Fridays as this is Egypt's day of worship. Key events or meetings should also not be scheduled during the month of Ramadan.

Communication. When meeting a group of people, always greet each person in order of seniority. Egyptians are high context communicators and it is important to learn to read between the lines of what is being said. They will go to great lengths to avoid giving a negative answer such as 'no'. Business cards need to be translated into Arabic, as should sales documentation. Presentations can be made through an interpreter unless the audience is fluent in English.

Leadership and Teams. Most Egyptian companies have a steep hierarchy and a management style that is fairly authoritarian. Egyptians work well in teams in a cooperative rather than competitive style as conflict is avoided at any cost. Individuals do not like to be singled out, so allocate tasks rather than specific roles or functions. As initiative and interpretation is not part of Egyptian culture, team leaders should give clear and consistent instructions.

Decision Making. Team members are encouraged to share their views and opinions, but team leaders/managers are expected to make final decisions. Failure to do so is often considered a weakness on the part of the leader.

Feedback. Feedback should be delivered carefully. Formal, written systems of giving and receiving feedback are frowned upon as Egyptians see them as cold and impersonal. Positive feedback is acceptable if it is spontaneous and given to a whole team. Negative feedback must be delivered tactfully, indirectly and in private.

TOP TIPS FOR SUCCESS

- We recommend cross-cultural training for assignees moving to Egypt. The policy-type you choose should take the length of the assignment into account as well as the scope of relocation experience that the assignee has.



EGYPT: BASIC FACTS

Capital: Cairo

Official Language: Arabic

Currency: EGP (Egyptian Pound)

Main Cities: Cairo, Alexandria and Giza

Climate: Hot, dry summers with moderate winters

Government: Republic

Population: 93 million

Time Zone: GMT +2 hours

Dialling Code: +20



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