Changes of Urban Characteristics as a Function of Private Investments in Residential Developments

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Abstract

As development of human settlements always reflects settlements’ function, economic and lifestyle, the analysis of a new phenomenon will lead to more precise understanding of reasons behind urbanity changes. The present paper is a multiple convenience exploratory case study that compares between two private residential projects in the 20th century: ‘Heliopolis Oasis’ designed at the beginning of the century and ‘Al Rehab City’ designed by its end. These two units of analysis were selected as being two of the most renowned residential developments in Egypt. Document studies was the qualitative data collection method used in this research to identify similarities and differences between the two projects. The result indicates that they were both similar in terms of targeted social class, location, marketing strategy and selling points used –keeping in mind the building time for each project. On the other hand, a crucial difference between them was indicated, that is ‘the gate’: A major attribution of the private sector in housing market since the mid-1990s. The study proceeds to provide some evidences of the rising of this enclosure movement. Interviews with developers, residents, and public officials are used to address this issue. The findings will provide more information concerning the abundance demand for this new type of residential living in Egypt. It may also assist in the understanding of changes in residential preference, satisfaction and lifestyle for the efficient planning of residential developments.

Keywords: Urban features – Greater Cairo Region (GCR) – Gated residential developments (GRDs) – New towns program – Neoliberal reforms – Real-estate developers – Marketing strategies – Globalization versus localization
Introduction

In the 19th and the first half of the 20th century, foreigners who came to Egypt played a disproportionately important role in Egypt's cultural, economic and industrial development. It was in urban development that they scored highest, particularly in the building of new residential projects serving aristocratic Egyptians and cosmopolitan elite. Most important among these projects were "Heliopolis Oasis" and "El-Maadi suburb". After the 1952 military coup d'état led by Nasser, there wasn't any significant participation of the private sector in housing projects until the mid-1970s when the Egyptian government became convinced that the solution of Greater Cairo's growth lay in the construction of brand-new and self-efficient desert cities. It was hoped that the private sector would be the primary investor in these settlements.

Since the mid-1990s, the private housing areas of the privileged have been spreading around Cairo (the capital city). These housing units are now available for every market segment: mostly for the rich, then the middle-class average income.

The presented paper starts with a multiple convenience exploratory case study. There are two units of analysis used in this research representing two of the most successful attempts of the private sector to invest in housing projects at the beginning and by the end of the 20th century. The study, firstly, looks closely at the similarities and differences between these two projects in order to determine the characteristics of the new private residential developments. Afterwards, three interrelated aspect issues will be addressed for a complete overview: new towns program and neoliberal reforms; real-estate developers and marketing strategies; and exclusive lifestyle and deterioration of livability in Greater Cairo region (GCR).

Research Methodology

The present study is a multiple convenience exploratory case study research for the following reasons:

1. Multiple, because two units of analysis have been used, at the beginning and by the end of the 20th century;
2. Convenience, because the two units of analysis are selected as being two reputable residential developments;
3. Exploratory, because comparing between the two units of analysis determines the characteristics of the new private housing projects with particular focus on exploring the new characteristics of the private residential developments.

Sources of data include archival records, documentation, and direct observations. These multiple sources improved the quality of the final interpretation and helped ensure triangulation. A case study protocol was used to guide the research process and to strengthen reliability. The case study protocol included: purpose, key features, and the organization of the protocol. As mentioned before, the purpose of this study is to explore the similarities and differences between two residential developments ‘Heliopolis Oasis’ established at the beginning of the 20th century, and ‘Al Rehab City’ established by its end. The questions of interest include: What was the development concept? What were the main residents’ features? How was the project marketed? Data analysis included within-case ‘and ‘cross-case analyses: within-case analysis to look into each case individually, and cross-case analysis to explore similarities and differences.

Results

Within-Case Analysis: Case Study Characteristics

General information about each of the two units of analysis was summarized in the following section.

First unit of analysis Heliopolis Oasis 1905: The most famous example for the private sector as a successful investor in new residential projects is Heliopolis Oasis (1). It is located in the northeast of Cairo; ten kilometers from the central area which was desert at this time.

Development concept: The project was established by the Heliopolis Oasis company, formed in Cairo in 1905 in a partnership between Belgian developers led by Édouard Empain (a wealthy Belgian engineer) and Boghos Nubar Pasha (son of Nubar Nubarian, an Armenian who was served as the Egyptian prime minister). It was designed on 6,000 acres (25 km²) as a "city of luxury and leisure", with rail and tramway links to the centre of Cairo, equipped with all necessary conveniences and infrastructure, hotel facilities, and recreational amenities such as golf course, race track, park, restaurants, shops, churches, mosques, and hospitals. The new residential project represented the first large-scale attempt to promote what later became known as the Arabesque style that was called in its own day: "the Moorish style".

Residents' features: Heliopolis was a distant suburb originally filled with foreigners and serving native aristocratic Egyptian's wealthy and cosmopolitan elite. After the 1952 military coup d'état, it became home to many of Cairo's educated middle classes. As Cairo has expanded, the once large distance between Heliopolis and Cairo has vanished and it is now well inside the city.

Marketing strategy: The selling points used by the company were; the availability of transport (13 minutes from Cairo by the electric tramways) – perfect climate – familial life style – variety
of units (villas and apartments for rent, land for sale) – activities and recreational areas – gardens and park – services – utilities (like electricity lighting which was new in this time).

**Second unit of analysis Al Rehab City 1996:** Al Rehab City is acknowledged as being one of the most successful gated communities in the Greater Cairo Region. It is located in the northern part of New Cairo on the Cairo-Suez Road, approximately 27 km east of Cairo (Yousry 2009).

**Development concept:** The construction of the project started in late 1996 by Talaat Moustafa Group, one of the major private construction and industry companies in Egypt. The development was planned as a gated community of six residential districts, and later extended to ten. It covers an area of ten square km. Neighborhood size ranges between 280 (1square km) and 320 acres (1.28 square km). The expected population is 200 thousand residents (20,000 Inhabitants each district). It is planned to serve wide range of economic levels; two types of dwelling are available: houses and blocks of flats. It provides safe, appealing, green and walkable community in addition to medical, commercial, recreational and maintenance facilities. The city has also its own transportation network of busses that links the City to many destinations in Cairo (Said 2013).

**Residents' features:** Al Rehab City is occupied by middle and upper middle classes looking for a new lifestyle. According to (Deister 2013), 21% of Al Rehab’s inhabitants belong to the middle income group, 60.5% to the upper-middle income group, while only 18.5% have an income level of the upper class.

**Marketing strategy:** The selling points used by the company are; easy accessibility (ten minutes away from Heliopolis and Nasr City, on the Cairo Suez road, and 20 minutes from downtown Cairo via the first ring road) – the availability of regular busses to and from the city – perfect climate (elevated 50 meters above Mokattam, thus it is characterized by unpolluted air and a moderate climate all year round) – variety of units (31 different villas designs from 200 m² to 1750 m² and 50 different models having various apartment sizes that range from 58 m² to 306 m²) – huge greenery open areas – activities and recreational areas – facilities and services (e.g. internal security and a 24-hour maintenance service).

**Cross-Case Analysis: Similarities and Differences**

The two private residential developments outlined briefly above are similar when considering the location, which is a desert area at some distance from the city centre, also the targeted social class is comparable: high and upper middle-income average, beside the marketing strategy and selling points used, keeping in mind the building time for each project. On the other hand, they have dissimilar areas, styles of building, but there is an obvious difference between them, which has become the main characteristic of all private residential projects for the time being: "The gate".

**Why Is There A Gate?**

Following predominantly the second line of research, this study will attempt to investigate the reasons instigating this rise of enclosure movement based on document studies in addition to interviews with developers, residents, and public officials. In point of fact, the result shows that the proliferation of (GRDs) is a phenomenon reflecting the main characteristics of the most recent general urban trend. The nature of these developments represents the outcome
of more general changes that manipulated the Greater Cairo urban setting. These include three interrelated aspect issues consisting of the following six points; (a) new towns program; (b) neoliberal reforms; (c) real-estate developers; (d) marketing strategies; (e) exclusive lifestyle; and (f) deterioration of livability in GCR.

**New Towns Program (NTP):** Egypt’s new towns program eventually is the world’s largest (2). In 20 years Egypt has built 20 new cities some within the greater Cairo region field and was preparing for 45 more (World-Bank-Group 2009), p. 224. The first set of cities (mostly bearing names that honor events in recent Egyptian history) was launched in 1974–75 as a manifestation of the political commitment to conquer the desert and ensure sustainable growth. Beginning with the construction of the first new town in 1977, 18 free standing and satellite towns was launched throughout Egypt in 1979 for a potential total of 6 million dwellers (Harre-Rogers 2006).

The (NTP) implemented by the government mostly intended to; a) establish new industrial centers in order to attract economic activities and population from the core region (decentralization); b) save the fertile agricultural land from the expansion of informal settlements (3) and to provide development affordable to the squatter population (Harre-Rogers 2006, Zigmann 2007). Building on this agenda, the new urban forms supposed to be developed included two types of new towns and new settlements as follows: a) new autonomous towns located at 90 kilometres distance from existing urban centres intended to be independent free standing towns with their economic bases to offer job opportunities through the selective settling of industry; b) satellite towns developed within a distance of 30-40 kilometres from the large urban centers also as industrial towns e.g. 6th of October City, or as sleeping towns e.g. 15th of May City; c) alternatively, the new settlements built directly on the fringe of the Cairo agglomeration, as an alternative to the informal settlements in two locations; the eastern and the western arches.

The new towns are supposed to develop an independent economic base, which would reduce the necessity of commuting to Cairo. Their concept is based on a self-help scheme: The people will be given basic infrastructure by the government and they should have the opportunity to build freely and legally for themselves. The responsible planning authority GOPP (General Organisation of Physical Planning) expected that 1.9 million people from mainly the lower and middle classes should find accommodation there (UN-HABITAT 1993, Rakodi 1997, Zigmann 2007).

Despite the vast level of resources devoted to (NTP) (4), the new towns and the satellite towns were incapable of attracting significant resident populations, and missed their population goals of 500,000 to 1 million. Reasons for this are multifold; a severe lack of basic amenities and social services, combined with the strong pull of Cairo, were found to be major barriers to population redistribution (UNDP 2007, Zigmann 2007). Consequently, the urban policy has been completely changed and was proceeding differently than originally planned, especially in New Cairo and Sheikh Zayed area and parts of 6th of October. In order to achieve the highest income to the state, land parcels were handed over to private investors who started to build private gated suburban developments for higher socio-economic groups.
The new developments as being not original new towns program were characterized by luxury level of housing with recreation and retail space for those who want to escape from decaying and neglected downtown areas. English – language advertising campaigns were strikingly similar to those for the marketing of suburbs in North America, where exclusivity and quality of life issues dominate (Farid and El-Shafie 2002, UNDP 2007). It can be concluded that the new towns are still behind their population targets, they increasingly fit the middle and upper-classes rather than lower income families; low level of housing was limited to what has been already established (Farid and El-Shafie 2002), and the middle/upper classes were switching from the city centre to private suburb developments so called 'compounds' which played an active role in the privatization of urban development sustained by the evolution of the housing market (Harre-Rogers 2006).

**Neoliberal Reforms:** In a similar vein, neoliberal reforms and the search for integration into the global market mainly took place through Cairo’s landscape that changed rapidly in the 1990s and the beginning of the new century. The privatizing exclusivity of the neoliberal model was a theme product of this era. The elimination of the government’s role in urban development and the entry of private-sector developers into the market, these changes and the global penetration in the adopted Egyptian socio-political regime evolved durable impacts on the urban landscape. A new exclusive housing types and real estate markets emerged in new towns facilitated by the government adopting laissez faire policy given that the compounds owners pay their installment in their due date (Wahba 2002, Stewart, Yin et al. 2004). "Within this optic, the gated residential developments must appear as a privileged window onto the reality of liberalization in Egypt“(Denis 2006), p. 49.

**Real-Estate Developers:** Private developers, backed by government-subsidized loans land sales, were encouraged to build developments in new towns at relative proximity to Cairo. To cash in on their investments, most developers opted for luxury housing that can cater to transnational business and the lifestyles of affluent Cairenes. Cairo’s desert surrounding emerged as a new hybrid, globalized American-Mediterranean life-style, situated at a spatial and social distance to the city (Kuppinger, Koning 2005, Denis 2006, Singerman and Amar 2006, Grant 2008). Living in the distant desert became a luxury by means of the cooperation of mass media. Marketing enabled creating and controlling demand by the injection of a new life style. The main explanatory paradigm in this context as previously pointed out, was the ascendance of neoliberalism – an economic and political philosophy that supports entrepreneurial freedom and private property rights (Grant 2008), p. 5.

**Marketing Promotional Materials:** GRDs are advertised as a socially homogeneous, clean, elegant, spacious green oasis, away from the crowding and the pollution of the metropolis (Kuppinger 2004, Koning 2005). Landscape design is also used in promotional materials; real-estate developers depend on the seductive power of the landscaped areas to persuade clients to buy houses in GRDs. They make use of golf courses or substantial shared open spaces surrounded by residential units and perimeter streets to soar sale prices (Asfour. 1999, Imam 2006). An image with views of the lush green outdoor spaces and/or golf courses is the main element of any advertising campaign. Advertisements also include luring statements such as
'Imagine living in a residential development where 90% of the area is devoted to greenery, artificial lakes, and recreational facilities'.

**New Exclusive Lifestyle:** A possible misunderstanding about lifestyle as it interconnects with life-planning should be cleared up right at the beginning. One might imagine that ‘lifestyle’ refers only to the pursuits of the more affluent groups or classes partly because the term has been taken up in advertising and other source promoting commoditised consumption, but lifestyles are the routinised practices. “A lifestyle can be defined as a more or less integrated set of practices which an individual embraces, not only because such practices fulfill utilitarian needs, but because they give material form to a particular narrative of self-identity” (Giddens 1991), p. 81.

The concept of “new exclusive lifestyle” was substantially a media-driven ‘social construct’ “People buying homes today take account not only of their local experience, but also of what they see in their travels and what they hear in the media” (Grant 2007), p. 484. Much of the appeal of this concept comes from the club-economy dynamics that underpin these developments, focusing on the idea of what (Webster 2002) refers to as “club realms” with shared semiprivate amenities to reinforce social control (privacy) and establish secure space. This approach meet the needs of particular niche markets: “People look for residential landscapes that reflect their concerns and self-image. The type of home and neighborhood they select speaks to their sense of personal and collective identity” (Grant 2007), p. 494.

**Limited residents’ satisfaction in GCR:** Suburban developments have become a popular alternative to city living in recent years; many individuals working in central areas preferring the remoteness to the deterioration of livability in GCR (Denis, Devlieger et al. 2008).

“The general deterioration of urban spaces in Cairo –high density, street traffic congestion, air and sound pollution, heterogeneous building heights and styles, all forms of trespassing –the decrease in services performance and the very low ratio per person of green and open space (40 cm²/pers.), were the centrifugal forces that drove away some residents to suburban new areas around the Capital” (Abdel-Hadi and Elazhary 2006). A study conducted by (UNDP 2007) heeds the wherefores of this general deterioration as follows:

1. Residential densities reaching as high as 800 persons per hectare in many districts (e.g. Sharabiya, Matariya, and Imbaba).
2. Lack of open public spaces estimated at about 0.4 m² per person, infrastructure and services deficiencies which cannot cope with growth. cf. (Lindsey and Amrani 2005).
3. GCR also suffer from significant air and noise pollution; in the recent years, Cairo is witnessing a seasonal recurring smoke and fog period that are reasons for severe respiratory and health problems.
4. In addition to inefficient public land management system and inadequate affordable housing policies that have resulted a shortage of housing supply; consequently limited income groups have no alternative but to settle in informal and squatter settlements. “About 90% of the country’s housing supply is built informally, while the remaining 10% is
built by professional property developers. More than 11 million people, out of the country’s total population of almost 82 million, live in informal slum settlements” Global Property Guide (2010).

5. Finally, the GCR experiences intra-city mobility problems and severe congestion due to inefficient public transportation system and incompetent land use planning and zoning.

Concluding Remarks:

This exploratory paper specifically differentiates between two of the most successful attempts of the private sector to invest in housing projects at the beginning and by the end of the 20th century. The gate was found to be a crucial difference between them. There is no doubt that gating constitutes an emerging urban phenomenon that will continue to spread for the reasons of political and economic restructuring associated with globalization, as well as the withdrawal of the state as a service provider and privatisation of public goods. Additionally, the increased fear of crime and the changes in social climate featured by rising individualism and exclusionary behaviour of the affluent have proved also to be conducive to this urban form. “Gating is clearly profitable, but can it be ‘smart’ or ‘sustainable’?” (Xavier 2008), p. 9. This question accentuates the issue of globalization versus localization.

Gated residential developments that reflect local heritage and appropriateness to desert areas, and put emphasis on quality living and community life in a greener healthier and less dense environment represent “the globalization of the local”. While the developments that represent the global blueprint and underline privacy, security and exclusive life styles where all other aspects of life can be enjoyed in the esteemed company of one’s peers at a safe distance to the city ——a sense of distinguishing from the lower classes—— these projects represent ‘the localization of the global’. Such projects are more likely to fail (Kupinger 2004). Therefore sensitive cultural, historical, and social values, as well as legal, environmental and economic conditions need to be well thought-out concerning the further orientation of urban development.

Notes:

1. Heliopolis means the city of the sun also known as Masr el-gididah — literally "New Egypt" or "New Cairo".

2. The size of the project was huge in comparison with other developing countries, which mostly planned only the construction of a single new town (Stewart, 1996).

3. In the literature on Cairo ‘illegal settlements’ are usually referred to as ‘informal settlements’. They owe their name to the prohibition against building on either desert or agricultural land surrounding Cairo. On desert land, all construction was illegal that land was owned by the state and property was even less secure. Agricultural land was owned by villagers, lots were bought for residential reasons even if there is an interdiction to build on the land, and residents will not be able to register construction. At the end of the 1990s, the informal settlements still absorbed 39% of Greater Cairo’s investment in residential real estate, totaling an estimated US $36 billion and comprised 57% of the mega-city’s population and nearly 44% of its built area in 1998 (Harre-Rogers, 2006).

5. Life-planning is the strategic adoption of lifestyle options organized in terms of the individual’s projected lifespan (Giddens, 1991), p. 243.

6. A social construct is a concept or practice that is the creation (or artifact) of a particular group.

7. A survey carried out by the World Bank of the extent of end-user satisfaction with the performance of several infrastructure and municipal services (electrical supply, water supply, sewage and sanitation, solid waste management, local transport and road maintenance, cleaning and lights of streets, markets and slaughterhouses, open spaces/parks, issuing of civil documents, and post services) was carried out in Cairo among eight cities in the MENA region. In Cairo, residents are primarily satisfied with postal services (90%) and the supply of electricity (80%). They are less satisfied with sewerage (60%) and the availability/quality of public parks (55%). They are particularly unsatisfied with solid waste management (22%), markets (18%), road maintenance and local transport (38%), and water supply (42%). One of the important facts underlying such dissatisfaction is the limited funding available to local authorities, which reflects on the quality and coverage of public services. Indeed, sub-national capital investment expenditures in Egypt represents a very low share of total public investment expenditures, approximately US$ 12 per capita as compared to about US$ 10 in Brazil, US$ 55 in Turkey, or US$ 80 (UNDP, 2007).

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