

Paper (4)

Title	MONITORING REAL ESTATE BUBBLE IN EGYPT NEW CAIRO CASE STUDY
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Abstract	<p>The world is witnessing lately universal challenges; as social, political, cultural & environmental challenges. That formulates economic challenges for the whole world, which have negative impact upon economic policies in different countries. At the local level in Egypt, the economic conditions are in continuous degradation, as a result of close association to world trade movement. This degradation leads to increase of inflation rate and continuous decrease of local currency value with respect to foreign currencies, in addition to reduction of saving rates for local currency. The Egyptian central bank & Egyptian government didn't offer saving rates for local currency that can convoy with increase of inflation rates that exceeded 30%, that didn't respond to the wishes of the citizens to increase or keep the value of their savings. On the opposite side, investment in real estate is more reasonable to balance increase of inflation rates. This forced the citizens and small investors to invest in real estate as an alternative for saving rates provided by Egyptian central bank. This paper discusses the run-up of real estate prices fuelled by demand of citizens and small investor with respect to limited supply; that will form real estate bubble in the future due to fake demand which created the main research problem, as at a point of demand decreases, or stagnates at the same time supply increases (citizens & small investor wants to sell real estate unit in order to gain profit), resulting in a sharp drop in prices and the bubble bursts.</p> <p>Keywords— Real estate, Allotment, lottery, Bubble, Inflation</p>