



Search



Login

Become a Member

[Home](#) > [Business Monthly](#) > [June-2015](#) > “ Full circle Officials...

## COVER STORY

June-2015

By Dina Salah Eldin

“ Full circle Officials have promised for years to reinvigorate Cairo’s historic-but-decaying downtown, where once-grand Beaux Arts buildings stand half empty, covered with grime, overlooking gridlocked midans



Back in 1976, when Manal Karam first moved in with her husband, Mohamed El-Sheikh, at his apartment on Abdel Khaleq Tharwat Street, they enjoyed much more than their spacious five rooms with soaring windows and lofty ceilings. Their downtown neighbors, who often dropped by for tea, coffee or crochet sessions, were German, Greek and Arab as well as Egyptian. When they felt like a night out, they dined at Riggs’, a family-owned French restaurant across the street. For groceries, they shopped at Al Tawfikiya, then the biggest market in Cairo, which was just a couple of blocks away.

Today the market has been replaced by an auto parts shop. The El-Sheikhs’ neighbors have long since left the building, if not the country, and their friendly local eatery has become a warehouse for a ful and taameya chain. To get in and out of the building, 57-year-old Karam carries around a heavy, jangling circle of keys, which she needs to unlock the black steel front door and the heavy metal chain enclosing the dusty, wrought iron door to the elevator, whose maintenance is paid for by the building’s few remaining tenants. Mostly, they are lawyers’ and doctors’ offices. No one else has a key. Even patients of the orthopedic clinic on the second floor must climb the steep marble staircase to get their bones and joints attended to. Karam can’t remember the last time the light fixtures in the hallways worked, and it’s always a trick to find the



The El-Sheikhs' apartment building was built in the 1930s, when downtown Cairo was at the height of its Belle Époque, still a glamorous, cosmopolitan urban center that was lauded as "Paris on the Nile." In the last few years, officials and real estate developers alike have waxed nostalgic for downtown Cairo's golden age, making promises to clean up and revitalize the city center as a historic district, drawing back tourists, residents and businesses. That will be no small job. A decades-long process of decay has transformed the neighborhood from an elite, bustling district into a dangerous, clogged mess of traffic and grimy buildings. The 2011 revolution briefly turned it into a battleground between authorities and protestors, and in the security vacuum that followed, the area became seedy and overrun by vendors. In recent months, however, the government has undertaken a sweep of unlicensed sellers, shunting them off en masse to a parking lot adjacent to the main city bus station. Officials have placed a strict ban—at least on paper—on downtown street parking—directing drivers instead to the new LE 1-billion, 300-car Tahrir Garage, which finally opened in February after 16 years of construction.

A couple of streets away from the El-Sheikhs' dark, dusty atrium, the facades overlooking the main downtown squares are undergoing a facelift. Al-Ismaelia for Real Estate Investment, a collection of private investors, started acquiring key downtown buildings beginning in late 2008, becoming a major player in a downtown real estate scene that has long been dominated by the government and national insurance companies. Ismaelia's stated goal for the 22 buildings it's bought so far is to restore the area to its former splendor, refurbishing historic structures and upgrading infrastructure, with a particular focus on attracting arts and culture groups. "Our vision is to make it a cosmopolitan, diversified area," says Managing Director Ahmed Helmi.

The government has followed with downtown renovation plans of its own—which so far have yet to rise to the level of anything resembling a coherent strategy, apart from "rehabilitate downtown," as Cairo Governor Galal Said said at an AmCham breakfast meeting in late April. On May 10, Prime Minister Ibrahim Mahlab attended a ceremony inaugurating the first phase of the Restoration of Khedival Cairo Project—which, it's worth noting, is only the latest in a long string of state-sponsored promises over the years to bring back the downtown area. Remaining local residents like the El-Sheikhs are used to the sight of yellow loaders, rumbling tractors, scaffolding and green tarpaulins veiling the Beaux Arts buildings overlooking the city center's congested

began constructing central Cairo as the “Paris of the East.” European architects designed ornate buildings in the style popular of the period, mixing Islamic and Egyptian influences to create a uniquely cosmopolitan district that reflected the city’s diversity at the time. Said says the goal of the project is to turn the area into an “open museum for all Egyptians to be proud of.”

At 67, meanwhile, Mohamed El-Sheikh is simply waiting for his wife to retire from her job as a government translator in about two years, so they can move to an apartment they’ve purchased in Obour City, a northeast suburb. Even with the vendor-free sidewalks outside and the smell of fresh paint from the recent facelifts to neighboring buildings, the couple says they are looking forward to leaving the downtown Cairo home they have occupied for decades. “We can’t hear each other talk anymore. I turn the TV on, turn volume all the way up, and all I can hear is cars honking,” says Karam from her comfortable if worn living room. Her husband, a retired mechanical engineer, has gotten in the habit of using a sound meter to measure the noise level in the flat from time to time. “Imagine how high it gets. Above 90 decibels.” And that’s with the windows closed, he says.

But noise is the least of the El-Sheikhs’ problems. Like many longtime downtown residents, the couple still pay a 1950s rent—LE 28 a month—for their spacious apartment, thanks to rent control laws introduced under former President Gamal Abdel Nasser. Unfortunately, rent control became a key factor in the neighborhood’s subsequent gradual decline, as building owners, unable to make a profit, had no incentive to maintain them or even provide basic services to their tenants. The El-Sheikhs have to arrange for their own garbage collection these days, as well as security and other services. “I had to seek a garbage collector to come over and help out. I struck a deal with him so that he would come take the trash every morning in exchange for LE 10,” says Karam. As for the bawab, he has not been replaced since he died years ago—his children preferred to hunt for other jobs in Cairo than stay on caring for an old and decaying building with dwindling occupancy. After the January 2011 protests took place just a few blocks away, the El-Sheikhs and their remaining neighbors have resorted to bolting the building door at all times as their sole security measure. The El-Sheikhs are on the brink of being a retired couple, and for the most part, they feel as if they have to maintain the entire building themselves. “Between water, sewage, natural gas installation ... I am lost between the local municipality, the tenants, the locked apartments, the offices, the clinics—and the owner of the

Even with their negligible rent, when he and his wife tallied all the costs, they realized that moving to the suburbs would be cheaper—not to mention involve a lot fewer hassles. They say they will miss their home, but they'll also take less aspirin.

### Desert mirage

In the early 2000s, with central Cairo deemed overtaxed beyond repair by urban planners, the Egyptian government set to work on two megacities in the desert outside Cairo. "There was a trend 10 years ago... this migration to the suburbs, to live not the Egyptian dream, but the American dream," says Ahmed Helmi of Ismaelia. New Cairo and 6 October City together were originally supposed to house around 7 million of Cairo's 20 million residents by 2020, a goal no one ever thought was realistic. Today those two satellite cities each house more than a million residents apiece, but these suburban subdivisions are increasingly regarded as failures by people like Helmi, who calls Obour City, for example, where the El-Sheikhs soon plan to move, "a ghost town." Meanwhile, some of these satellite cities are starting to suffer from the same problems as the old capital.

By 9 a.m. on a weekday morning, Road 90—New Cairo's main drag—is typically jammed with cars in both directions. About 50 kilometers from downtown Cairo, New Cairo now has hotels, banks, golf courses, schools, hospitals and mansions in gated compounds, all arisen from what just a few years ago was nothing but a wide expanse of sand. Like most communities borne of suburban sprawl, New Cairo has nothing resembling a traditional urban downtown, with pedestrians and public spaces. Still, one of New Cairo's many commercial malls bears a gaudy neon sign that reads "Downtown Mall." Out front, double-parked cars have turned the multi-lane highway into a parking lot. With no subway or other formally organized form of public transportation, micro-buses and tuk-tuks have filled the void—and the roads.

Al-Futtaim Real Estate, a UAE-based developer, first saw New Cairo's potential back in 1997, three years before a presidential decree created the new municipality. Purchasing 700 acres of virgin land that would eventually house its 3-million-square-meter Cairo Festival City mall—now among the city's biggest, anchored by Egypt's first IKEA store—Al Futtaim laid all the infrastructure itself. "We built all the facilities, water, sewer, gas, telecommunications, electrical power, chilled water cooling plant," says Al Futtaim General Manager Mohamed ElMikawi. The developer even constructed its own power station and upgraded the roads surrounding the site. New

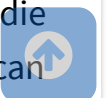




from downtown,” he says. In the shiny Cairo Festival City Sales Center, ELMikawi shows off a scale model of the project spread across three showrooms. When the second half of what ELMikawi calls “The City” is finished in three to five years, it will have gated villas with swimming pools, five-star hotels and high-rise office buildings. With its palm trees and McMansions, the development could pass for a subdivision in the San Fernando Valley, east of Los Angeles. Apart from the growing congestion, it resembles nothing of the dense, urban metropolis it’s named after.

Just as with the sprawl that increasingly radiated out from American cities in the latter half of the 20th century, the establishment of these far-flung satellite communities on the outskirts of Cairo have given rise to increasingly long commutes. “The insanity is that you have people living in New Cairo and working in Zamalek. You have people living in Dokki and working in New Cairo,” says Mona Abaza, a sociology professor at The American University in Cairo who studies local urban affairs. In 2008, citing overcrowding, AUC moved from its historic home next to Tahrir Square, which it had occupied for nearly a century, to a brand new, \$400-million campus in New Cairo. Now Abaza commutes four hours a day—two hours each way—to get from her home in Zamalek to AUC’s New Cairo campus, an enormous waste of time and energy, not to mention further dirtying the city’s already polluted air. “The quality of my life has been degraded,” says Abaza. “Now the people are moving to the new cities to live, but they are still commuting to the old city to work,” agrees Yahia Shawkat, a researcher on housing and land who co-founded 10 Tooba, an urban planning research group. He agrees that the commuting model is one that “completely does not suit Egypt on many levels, the chief of which is sustainability.”

For all these reasons, Cairenes are reconsidering the idea that the answer to their urban maladies is fleeing to new settlements in the desert. “Even companies are now rethinking the whole concept of moving to the suburbs,” says Helmi, of Ismaelia. The company is currently in negotiations with a firm that bought space in one of Cairo’s satellite cities but is now seeking to establish its headquarters in one of the firm’s renovated heritage buildings instead. Cairo is not alone in this—urban renewal has become a worldwide trend, as city living has become fashionable again among young, upwardly-mobile residents. After years of decline, neglect and abandonment in the wake of middle class families fleeing to the suburbs, downtowns in the United States have staged comebacks in recent years, becoming redoubts for hipsters, indie music, artisanal food and trendy boutiques. For the first time in 20 years, American



1970s—is returning to city centers. Ismaelia is undoubtedly seeking to emulate such urban renewal success stories, which have often been ignited by thriving arts and digital sectors (see “Reinventing the Wheel,” p. 48.) It sponsors Cairo’s annual Downtown Contemporary Arts Festival, or D-CAF, which, now in its fourth year, has become the city’s premier cultural event. There is also a burgeoning downtown arts scene, as creatives are drawn to the area for its cheap rents.

However, downtown Cairo is still a long way from central Berlin or Williamsburg, Brooklyn. “Even if you have a huge flat, downtown is a slum,” says Mona Abaza, who says she’s heard the promises of a rebirth for downtown Cairo before. “Once again, it looks like they’re changing mere aesthetics,” she says. But it will take much more to fix the area than pushing out vendors and painting a few facades; and so far she has yet to hear a plan for addressing the economic and social problems and the infrastructure deficiencies, of downtown Cairo.

While officials and businesses are beginning to recognize downtown’s potential, it’s doubtful that there is anywhere near enough real estate demand yet to fulfill it, say planners. There is a big surplus of vacant commercial space in the area. Shawkat lists off a slew of developments in central Cairo that have high vacancy rates: Nile City Towers, National Bank of Egypt Towers, the World Trade Center and Qatari Diar Towers. These represent “tens of thousands of meters of commercial and administrative real estate put on the market at very high prices, yet we don’t see the demand for it,” he says. What’s missing from both the government and Ismaelia’s plan, at least as they’ve been articulated, is some kind of coherent economic strategy that will begin to address the mammoth urban problems that have long plagued downtown Cairo and help bring businesses and investment—and eventually residents—back.

ElMikawi of Cairo Festival City remembers walking the streets of downtown Cairo as a teenager, looking at the majestic buildings, going to the movies and to lunch. “We miss that,” he says. But he doesn’t see it as a prime destination for development. “We want to build new communities, shopping centers, malls,” he says. As Al Futtaim pushes forward with the remaining 60 percent of Cairo Festival City, ElMikawi says he hopes New Cairo can avoid making the same mistakes as the old one. He believes the key is encouraging a culture of community participation. “Is the priority to landscape certain areas? Or to create a pedestrian crossing somewhere where there have been





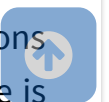
dictating what is needed. It should be the government along with the community,” he says.

### Going organic

In a downtown alley, a group called the Cairo Laboratory for Urban Studies, Training and Environment Research, or CLUSTER, is running an experiment based on this very idea of citizen participation. CLUSTER aims to improve the neighborhood without trying to mimic downtown Beirut or Dubai. Rather than improving the obvious—public squares and handsome historic building facades, co-founder Omar Nagati set out to “look at the back alleys,” the cool, shaded, passageways that web the streets and squares of downtown Cairo, where much of urban neighborhood life takes place. There is something uniquely Cairene about these little backstreets, says Nagati, which function as shared hangouts for shop owners, residents, street vendors and visitors. “We would ask them: What do you need? What do you want?”

In the Kodak Passageway—named for the old, long-departed Kodak store—the community weighed in on everything from the shape of new ground tiles to the flora at shop entrances and the pros and cons of installing public benches (which might provide a resting place for shisha smokers or young lovers seeking privacy as well as neighbors eating lunch or reading a book.) Nagati says he and his team did their best to make everyone feel heard. “It’s called ‘urban diplomacy’... there is always a middle ground,” he says, strolling down the newly spruced up Kodak alley, which now has stainless steel trash cans and rose bushes. The new benches (they triumphed in the end) are still covered with plastic sheeting to shield them from paint as Ismaelia begins its renovation work on 20 Adly Street, just adjacent to the old Sha’ar Hashamayim Synagogue. Nagati notes that the the government recently undertook a similar renovation project on Al-Alfy Street. “I am happy,” he says.

CLUSTER’s approach also looks to progress via the interface between public and private, a model that’s been key to many of the downtown rebirths that have taken place elsewhere in recent years. “It is more in-tune with the current political environment,” he says. Nagati believes that when it comes to transforming a landscape, all the players need to be consulted—the investors, artists, longtime residents and community groups as well as the government and urban planners. “This is what is lacking,” he says. “There is no mechanism whereby these decisions are consulted, viewed, debated—and this is unfortunate, because obviously, there is



end, Ismaelia says it plans to establish an NGO made up of representatives of businesses, landlords, investors and other community members with stakes in the 75,000 square meters of downtown real estate it has acquired since 2008. “We started the concept, but it is not very mature yet,” Helmi acknowledges.

Clicking through the slides of his PowerPoint presentation at the recent AmCham breakfast, Governor Said enthusiastically shows off before and after shots of renovated buildings and computer-generated graphics of a pedestrian-friendly downtown Cairo, its spic-and-span streets lined with palm trees. The slides recall the glitzy website launched recently to promote the newly-conceived Capital Cairo, unveiled at the March economic summit, a \$45-billion vision for a totally new city somewhere in the desert between Cairo and the Suez Canal that makes New Cairo and 6 October City look like modest little villages. With full-color images of smiling Egyptian families playing in their gardens and businessmen going in and out of pristine, gleaming skyscrapers, the future capital promises to be not just a city but a “a strategy for success” and “a catalyst for the Egyptian Renaissance.” Urban planners are skeptical to say the least about this latest and grandest desert city. Whatever the answer to Cairo’s problems, Egypt should have learned the lesson by now that it isn’t building new cities in the desert, says Shawkat. “We have seen the myth of new development, starting from scratch on desert land, a clean slate, as if we are going to jump over all the problems of the existing city and go to this new city, and everything will be fine,” he says. “But we have seen the myth does not hold, and everything starts crumbling again, and at a very great cost.”

The El Sheikhs, meanwhile, are now mulling which pieces of furniture they will take along to their new place in Obour City. As for the flat on Abdel Khaleq Tharwat Street, where they raised their two children, their guess is that it will sit locked and abandoned once they leave. The landlord no longer bothers to rent out vacant apartments. “It’s not worth the hassle,” says Karam. So there the El-Sheikhs’ once-cozy family home will sit—the French windows shuttered, the ornate moldings gathering cobwebs—patiently awaiting the day when the long-promised downtown Cairo renaissance becomes a reality.





Your Name

Your Comment

Submit Comment

## COVER STORY

### Pandemic infects economies

 August-2020

Since 2008, Egypt's GDP has grown despite a global financial crisis, two revolutions, and a...

[Read more](#)

## COVER STORY

### Turning out the lights

 August-2020

Like many countries globally, at the height of the COVID-19 outbreak in Egypt, some factories...

[Read more](#)

## COVER STORY






Driving home on a rainy night after a long day at work, you may decide to nap as your car...

[Read more](#)

## COVER STORY

### Low-skilled labor 2.0

 July-2020

Joseph Kamau in Kenya, Set Sar in Rhode Island in the United States and Adi Nagara from...

[Read more](#)

## COVER STORY

### Taxing the digital economy

 July-2020

For most companies around the world, selling goods and services via the internet is an...

[Read more](#)

## COVER STORY

### The color of virtual money

 July-2020

As plans to coexist with COVID-19 set in, the “new normal” will bring many changes. One is that...





## COVER STORY

### Challenge, change in the business events industry

 June-2020

As leisure travel marketers strategize and plan recovery efforts, business events professionals...

[Read more](#)

## COVER STORY

### Stepping up to save lives

 May-2020

Businesses show their hearts and empathy in the war against COVID-19 as they donate cash...

[Read more](#)

[Load more](#)

## Advertise in Business Monthly

Business Monthly, the official journal of the American Chamber of Commerce, prides itself on its independent, investment focused voice.

Placed on the desks of Egypt's top-tier investors and decision makers, the publication has tailored its editorial policy to aid investors in their decision making process, providing an insight into the latest emerging trends, a timely examination of the impact of different governmental policies, and macroeconomic issues on different business sectors.



entertainment, the publication has dedicated a special lifestyle section, shedding light on the city's upscale restaurants and out of the box travel destinations.

[Advertise Now](#)

## Latest Magazine

