

Dubai's Union Properties Buys Stake in Egyptian Developer

Dubai's Union Properties has acquired a strategic stake of 5.68% in Egypt's Palm Hills Development, a move that comes as part of the real estate developer's plans to diversify its revenue streams and expand its business into new markets.

Union Properties acquired the stake through its fully-owned investment arm UPP Capital Investment.

"Palm Hills Development PJSC is one of the leading real estate developers in Egypt. Acquiring this strategic stake in the company marks another step in Union Properties' ambitious plan to enhance our investments in and out of the U.A.E.," said Ahmed Yousef Khouri, Group CEO of Union Properties, in a press release.

Established in 2005, Palm Hills Development develops residential and integrated commercial developments, small cities, urban communities, hotels and luxury resorts. The company is listed on both the Egyptian Stock Exchange and the London Stock Exchange, and currently has a portfolio of 26 projects in various stages of development.

The deal to acquire a stake in Palm Hills Development came a day after Union Properties announced it is in the final stages of selling its entire stake in Dubai-based Emicool, a district cooling service provider.

Established in 2003, Emicool is jointly owned by Union Properties and Dubai Investments, with core operations including providing district cooling services for residential, commercial and industrial areas, as well as distributing, transporting and selling cold water used in cooling equipment for individual and corporate clients.

Union Properties reported it had received several offers to buy its entire stake in Emicool from various U.A.E.-based companies. The developer says it is currently finalizing legal formalities of the deal, and will be announcing the buyer in the upcoming days.

In December 2017, Union Properties also said it plans to raise capital through an IPO of the shares of its facilities management subsidiary ServeU in the second half of 2018.

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