SPOTLIGHT

Savills Research

CAIRO

Property Report 2025

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Executive summary

Egypt's real estate market is undergoing a structural transformation across all asset classes, driven by shifting demand patterns and evolving consumer behaviour. This report examines each sector in detail, highlighting current market dynamics, emerging trends, and supply developments, while also outlining the opportunities and challenges shaping their outlook.

The retail landscape is marked by abundant new supply, with increased entries of both regional brands expanding into Egypt and locally grown brands. This has intensified competition and specifically heightened the demand for effective property management as a key factor in ensuring project success.

In the office sector, a mismatch between supply and demand, driven by a prioritisation of investor preferences, continues to weigh on the market's performance and the supply's viability. At the same time, the rising popularity of co-working spaces reflects a change in occupier preferences for flexible office spaces.

Meanwhile, the residential market remains highly active, but elevated prices continue to place pressure on affordability. Supply is increasingly focused on fully finished, ready-to-deliver units, reflecting a clear shift in consumer preferences. Branded residences are increasingly emerging as a distinctive segment within Egypt's residential market, driven by new partnerships between developers and both hospitality and luxury design brands.

Hospitality stands out as a growing sector, supported by strong government initiatives to double national key count and to sustain tourism demand. A large project pipeline, including refurbishments, adaptive re-use initiatives, and new developments, reflects significant momentum, although execution challenges persist.

Education is undergoing rapid structural change, driven by demographic pressures, shifting policy priorities, and greater private sector participation. However, despite strong demand and operator interest, educational developments remain highly capital-intensive, with significant CAPEX and OPEX, high land costs, and long ramp-up periods that delay returns, creating a financing gap that continues to slow execution.

Healthcare is also evolving gradually, though hospital projects continue to rank among the most resource-intensive real estate investments due to elevated construction requirements, technical specifications, and land costs.

Overall, the performance of Egypt's real estate market highlights both resilience and shifting dynamics. The chapters that follow provide a deeper analysis of each sector, offering insights into current trends, structural challenges, and future outlooks.

Retail

A resilient sector adapting to changing demand and new formats

Over the past couple of years, the retail industry in Egypt has undergone numerous challenges stemming from geopolitical conflicts, global supply chain disruptions, and local currency devaluation accompanied by rising inflation. These challenges have reshaped consumer and retailer behaviour.

Currently, the retail market is showing signs of recovery, with new brands entering the market across diverse retail categories including bridge brands, which are mid-tier labels that fill the gap between luxury and mass-market offerings, alongside sportswear, and F&B. GCC-born brands have also expanded into Egypt, specifically F&B brands, often debuting in the North Coast before establishing their presence in Greater Cairo. Examples include Pickl (a fast-food burger joint that originated in the UAE), which debuted in 2024 in the North Coast before opening in Cairo, and Salt (UAE), which also launched in the North Coast this year. Simultaneously, economic pressures and currency devaluation have fuelled the rise of local brands. Many of these originated as online platforms in response to devaluation and supply chain disruptions and are now transitioning into physical stores. Brands such as Maine, Meat Party, and Con Todo began as cloud kitchens and are currently driving additional demand for retail space.

Retail supply in Egypt remains abundant, with further additions expected in the coming years as retail becomes increasingly integrated into mixed-use developments, to support convenience and lifestyle-oriented environments, even in locations where underlying demand remains limited. The majority of upcoming retail projects are concentrated in the neighbourhood-scale (3,000–10,000 sqm GLA) and community-scale (10,000–30,000 sqm GLA) segments. Premium-focused formats in mixed-use Grade A developments often exclude local mass market tenants, limiting their accessibility. As a result, many brands have turned to less conventional locations. This mismatch has fuelled the rise of retail strips, which offer more flexible operational formats with less fit-out constraints or regulations, higher visibility and accessibility to a broader consumer base, making them an increasingly attractive option.

Downtown Cairo is also undergoing significant revitalisation driven by adaptive reuse projects and government-led regeneration efforts. These initiatives are helping bring structure and organisation back into historically informal retail corridors, with visible improvements already positioning Downtown as a retail hotspot once again.

Against this backdrop, the abundant supply of retail space both across Greater Cairo and the limited amount of quality tenants/operators has intensified market competition amongst developers, fostering a tenant-led environment. Sought-after tenants have become more selective, often negotiating for favourable lease terms such as CAPEX contributions, rent-free periods, revenue-share models and increased flexibility.

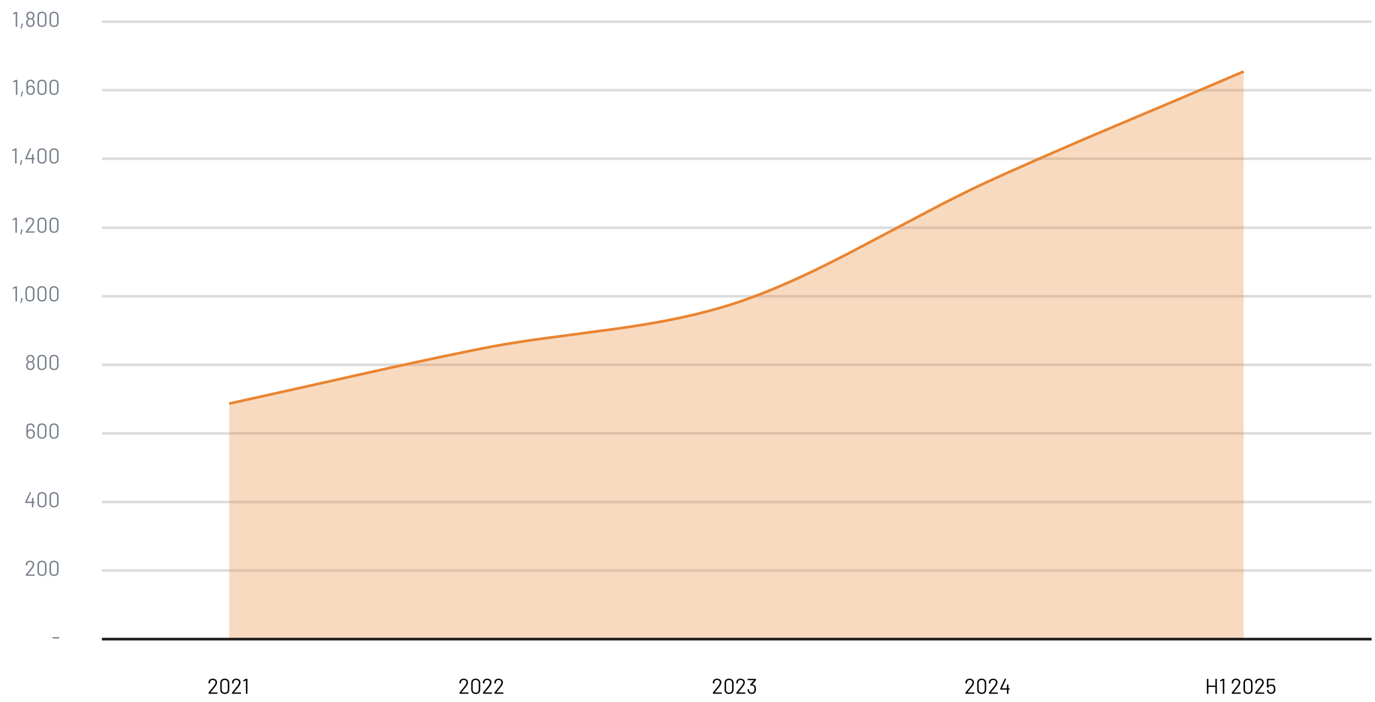
In this evolving market, professional property management has emerged as a critical differentiator. Well-managed spaces that streamline operations, accommodate evolving business needs, promote cross selling between tenants and enhance the overall customer experience are increasingly favoured by retailers. While many landlords and developers now acknowledge the importance of professionally managed retail assets, some continue to sell portions of their retail space for short-term cash flow purposes. This approach can quietly undermine the long-term potential of a retail development. Once retail units are individually owned, the ability to operationally manage the development holistically weakens. Property managers may struggle to enforce consistent operational standards, curate the tenant mix or maintain a unified brand identity for the scheme, which can result in a fragmented retail experience.

Looking ahead, Egypt's retail market is poised for continued growth, with retail sales in 2025 expected to reach USD 149.7 billion and projected to grow to USD 201.4 billion by 2030, according to Oxford Economics. Despite near-term challenges, retail remains a foundational pillar of Egypt's urban development and long-term economic outlook.

Over the next few years, more than 1.1 million sqm of new retail space is expected to enter the market.

According to Savills tracked development database.

Greater Cairo average lease rates | EGP/sqm/month



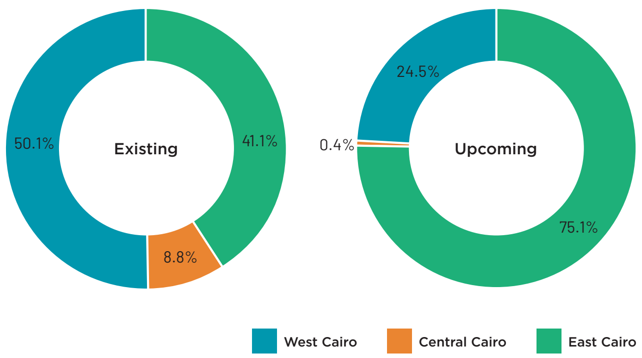
Source: Savills Research

Offices

A growing market facing a supply-demand mismatch

Egypt's office market has evolved significantly beyond its Central Cairo roots, emerging into a network of purpose-built developments across East and West Cairo and the New Capital. Driven by infrastructure upgrades, urban expansion, and shifting corporate requirements, the sector has evolved to meet the demands of a growing white-collar workforce. This has resulted in a significant increase in supply, particularly in emerging business hubs beyond the city core.

Offices supply | Split by location



*It should be noted that the above supply breakdown does not include the upcoming supply in The New Capital and Mostakbal City.

Yet a clear supply-demand mismatch emerges. Many developers, especially new market players, remain focused on selling smaller office units to individuals or small-scale investors. This strategy is shaped by ticket price affordability constraints and limited purchasing power in the market, as well as developers' objective of accelerating cash inflows to support ongoing project development. The prevalence of investor-driven, sales-oriented development has created a stock of fragmented units, that fail to meet the functional needs of corporate occupiers, particularly multinationals, who seek large, efficient Grade A floorspaces. Looking ahead, the emergence of new real estate funds in Egypt may help bridge this gap. Backed by stronger financing capabilities and a focus on income-generating assets, these funds are expected to target larger office assets, aligning new supply more closely with market occupier requirements.

Still, the market faces broader challenges. The devaluation of the Egyptian Pound has accelerated sales prices relative to lease rates, widening the affordability gap and compressing yields for investors. In parallel, occupier requirements are quickly evolving. Companies are increasingly demanding fully fitted spaces with fit-out costs included in the rent, shifting away from core & shell offerings. Many are also pushing back against USD-pegged contracts as currency risk becomes a growing concern.

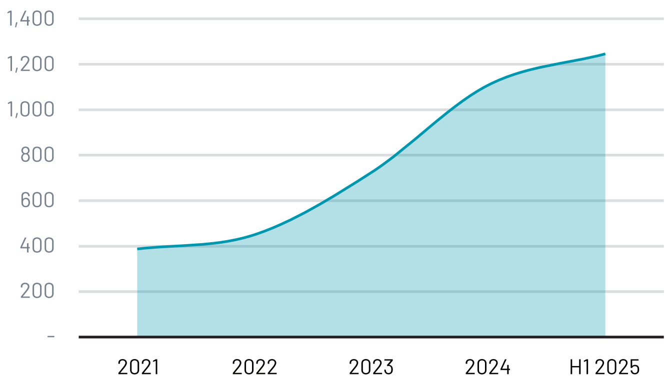
Amid these pressures, co-working and serviced office providers are stepping in to fill the gap, offering exactly what many companies need today: ready to move in Grade A offices without the burden of upfront capital costs or long-term commitments. These models appeal to hybrid employees, freelancers, MSMEs and global firms seeking adaptability in uncertain times. Established co-working operators, such as Regus, MQR, The Hive, The GrEEK Campus and Co55, in addition to newly established operators such as Kamelizer, Soil Spaces and The Nest, among others, collectively operate 44 locations across Greater Cairo and are continuing to expand their footprint in the short- to medium-term.

Sales prices of purpose-built offices | Q2 2025

Sales (EGP/sqm)	Core & Shell	Fully Finished
Greater Cairo*	212,800	235,000

Source: Savills Research

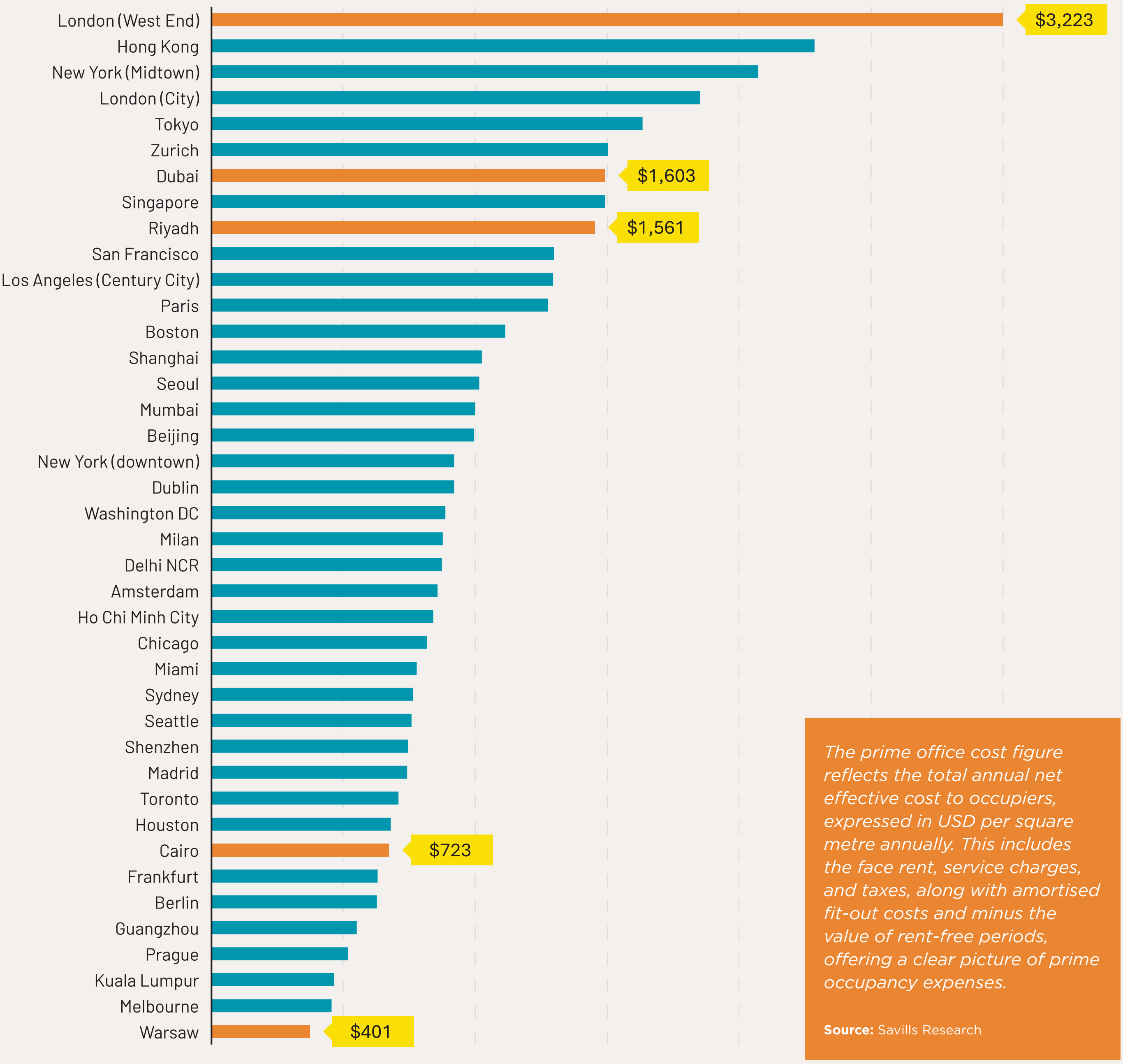
Greater Cairo average lease rates | EGP/sqm/month



Source: Savills Research

Cairo is increasingly competing with global cities in terms of prime office costs, reflecting its growing regional appeal to international occupiers. Globally, prime office costs continue to rise amid strong demand and limited supply. Cairo presents a compelling value proposition for international occupiers expanding into the region. Although Cairo ranks on the lower end of global cost benchmarks at USD 723 per sqm per year, compared to Middle Eastern cities like Dubai (USD 1,603) and Riyadh (USD 1,561), its net effective occupier costs nonetheless surpass those of global cities such as Frankfurt and Berlin, reflecting Cairo's untapped growth potential alongside the need to remain competitive on pricing.

Prime office costs in major cities | USD/sqm/annum



The prime office cost figure reflects the total annual net effective cost to occupiers, expressed in USD per square metre annually. This includes the face rent, service charges, and taxes, along with amortised fit-out costs and minus the value of rent-free periods, offering a clear picture of prime occupancy expenses.

Source: Savills Research

Residential

A reliable investment tool

The Egyptian residential real estate market is a key investment avenue, with sales prices holding steady in US dollar terms, despite local currency devaluation. The market is currently undergoing a series of adjustments following the sharp devaluation of the Egyptian Pound (EGP) in 2024. During the height of the currency crisis, many developers priced new supply based on assumed exaggerated exchange rates, often recording up to EGP 80 per dollar, inflating cost estimates and overstating property prices.

Although the exchange rate has since stabilised, residential prices remain elevated. Developers have avoided outright price reductions, despite slower sales, in order to preserve confidence in real estate as an investment safe haven and maintain positive market sentiment. Instead, the market has witnessed an influx of modest discounts, extended and facilitated payment terms, in addition to new project launches at more competitive levels. The recent supply has shifted towards fully finished, ready-to-deliver units, which are more attractive than resale alternatives due to their payment plans. This, in turn, is adding increased pressure on resale units and thereby weakening the secondary market, which is expected to remain under pressure unless the offers provide clear advantages in pricing, unit size or location relative to primary market alternatives.

These pricing and product strategies, however, have not fully offset the slowdown in sales activity, as speculative demand, prevalent during the height of the devaluation, has since subsided. To capitalise on said surge in demand, many developers accelerated their supply pipeline, releasing large inventory initially planned for launch through 2028. However, as speculative buyers exited the market, activity has reverted to its core end-user and long-term investor base.

Affordability remains a key issue, as the current offering in new urban communities does not align with household incomes. For instance, an apartment with a ticket price of EGP 6 million on a 12-year instalment plan, considered the starting ticket price in such communities, would result in an average monthly payment of EGP 42,000, which can only be afforded by 5-10% of households. As a result, there is a growing demand for rental housing, driven by the need for more financially accessible and flexible living options.

While purchasing power has been negatively impacted by the devaluation, nevertheless, the real estate market remains an essential investment tool for diverse buyer segments. Recent developments in Egypt's real estate sector signal a significant shift towards more inclusive and innovative financing mechanisms. One of the key advancements is the introduction of real estate investment funds, which are expected to be formally organised soon. These funds aim to improve customer accessibility and awareness within the sector. Moreover, fractional ownership, is emerging as a financial tool that enables individuals to purchase shares in real estate properties rather than full units, addressing financial limitations among buyers. This will serve as an attractive financing vehicle for premium assets, such as serviced apartments, offering strong return potential for shareholders.

As one of Egypt’s strongest sectors, real estate has been the focus of significant efforts to attract foreign investors, with interest already rising following the easing of legal restrictions on non-Egyptian property ownership. The foreign buyers’ market is incentivised with the affordability of Egyptian real estate, supported as well by recent amendments to real estate ownership laws, which have eased restrictions on foreign ownership and introduced incentives such as the Citizenship-by-Investment scheme to attract international buyers. Investment is typically directed towards master planned developments in East and West Cairo, as well as coastal destinations across the country, and established neighbourhoods in Central Cairo.

As real estate remains a fundamental pillar of the Egyptian economy, bridging the gap between supply and demand is vital to unlocking its full potential.

Approximately 80 million sqm of residential-led mixed-use developments are either under development or announced across Greater Cairo, excluding the New Capital.

According to Savills tracked development database.

Branded Residences

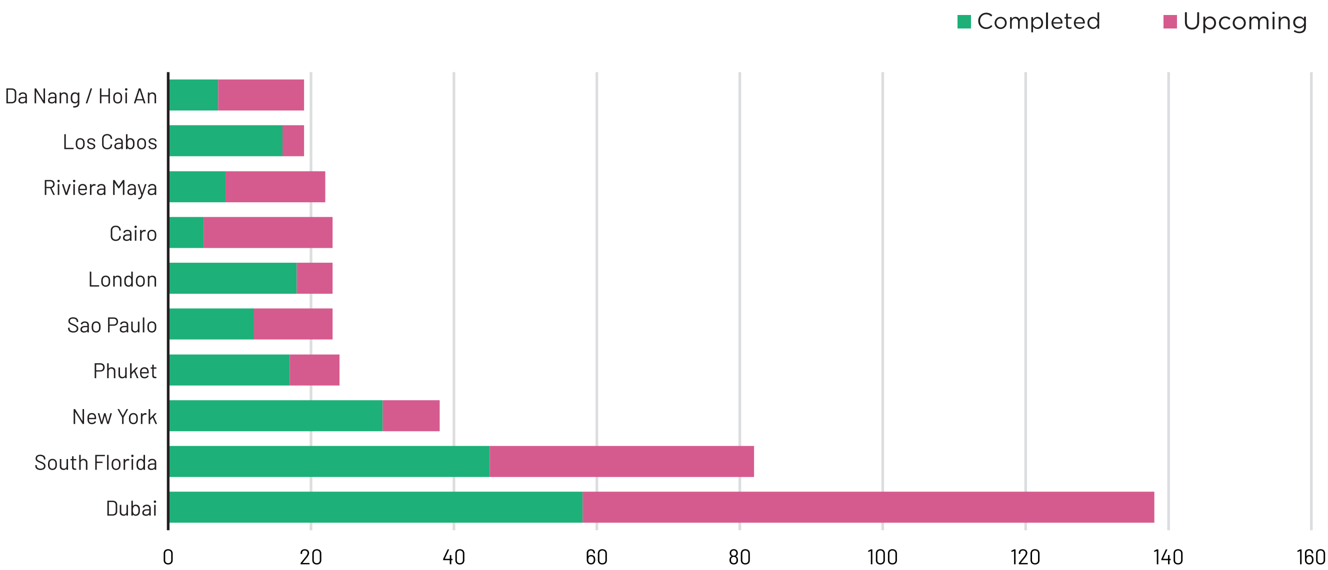
A growing trend in the real estate sector is the rising popularity of branded residences. Real estate developers are increasingly incorporating hotels and branded residences into mixed-use developments, capitalising on operational synergies and the potential for higher sales premiums. Branded residences appeal to both investors and end-users alike. Many buyers view them as investment assets and opt to enrol them in hotel-managed rental programs, when available, allowing for short- or long-term stays, much like serviced apartments.

Despite the positive momentum, Egypt's branded residences sector remains at a nascent stage. This is evident in the frequent confusion between serviced apartments and branded residences, with many developers mislabelling their offerings and using incorrect terminology. As most projects are still under development, the full market cycle, including actual delivery, sales performance, operations, and resale dynamics, has yet to be tested at scale.

At the same time, Egypt's branded residences market is expanding beyond traditional hotel operators. New players, including luxury fashion and design houses such as Armani Casa D'Or and Elie Saab, as well as prominent real estate developers like The Waterway Developments, are contributing to a more diverse and competitive landscape.

Nonetheless, Cairo's growing pipeline of branded residential developments, combined with strong investor appetite, rising regional wealth, and favourable regulatory conditions, positions the country as a high-potential growth market. As displayed on the graph below, Cairo is expected to have the highest projected growth, by increasing their supply from 3 operational hotel branded residential projects in 2025 to a total of 22 projects by the end of the forecast period up to 2031. Continued diversification of brands, expansion of hospitality-led services, and integration within master planned New Urban Communities (NUCs) are expected to define the evolution of this sector over the short- to medium-term.

Branded residences pipeline growth from current supply | Number of projects



Source: Savills Research

Hospitality

A resurging and diversifying sector

Egypt continues to showcase unprecedented growth in the hospitality sector, underpinned by strong government support and ambitious plans to double hotel capacity from 220,000 keys to around 470,000 by 2028. This vision has propelled Egypt to the top spot in the continent's hotel development pipeline and has catalysed a wave of new announcements including entries from global brands such as DoubleTree by Hilton and Autograph Collection by Marriott, among others. Collectively, newly announced projects by key hotel operators are projected to introduce over 10,000[1] new keys to the Egyptian market in the short- to medium-term. Hilton Group, Accor, IHG and Marriott International are leading the upcoming supply. While major hotels were typically skewed in West Cairo and Central Cairo in close proximity to tourist attractions, we have seen an increased supply of business and lifestyle hotels in East Cairo.

A notable shift is underway in the positioning of the new supply, with developers and operators targeting a broader spectrum of business and leisure travellers seeking high-quality yet affordable accommodation, signalling a move away from traditional luxury. Notable entrants include Moxy and Tribute Portfolio by Marriott, Hilton Garden Inn, and IHG's Voco and Holiday Inn Express, reflecting a growing focus on upscale and midscale offerings.

The extended-stay and serviced accommodation segment is also expanding beyond traditional hotels into a more diverse offering with an increasing presence of serviced apartments operators. These offerings reflect growing traveller preferences for flexibility, longer stays and home-like amenities.

In Central Cairo, historic properties are being revitalised through refurbishment, supporting the area's transformation into a high-end hospitality hub, that is vibrant, diverse, and aligned with international standards and modern lifestyles.

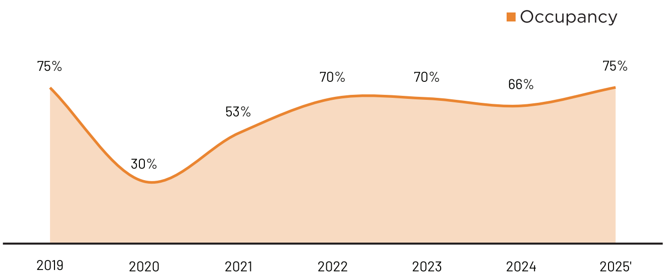
According to government announcements in 2024, over 2,600 rooms are currently under development, with landmark renovations such as the transformation of the historic Shepheard Hotel into a Mandarin Oriental Hotel, the Tahrir Complex building into a luxury hotel under Marriott's Autograph Collection, and the former Ministry of Interior headquarters into a Moxy Hotel by Marriott. These all signal renewed interest in luxury repositioning.

However, despite a strong pipeline, the sector continues to struggle with execution, as many announced projects stall during the planning or early development phases, due to high CAPEX requirements, elevated interest rates and the long-term nature of returns for hospitality projects. According to W Hospitality, only 25% of the hotel projects announced to open in 2024 in Egypt had actualised.

Nonetheless, Egypt's hospitality sector continues to demonstrate a positive outlook with occupancy levels steadily increasing year-on-year and reaching 75% in early 2025 after recovering from COVID in 2022. In parallel, average daily rates (ADRs) in USD terms recorded consistent annual growth, further signalling healthy market fundamentals and improving revenue potential. As of June 2025, the average ADR in Greater Cairo stood at USD 155, as shown in the graph; however, luxury hotels record nearly double that, exceeding USD 300.

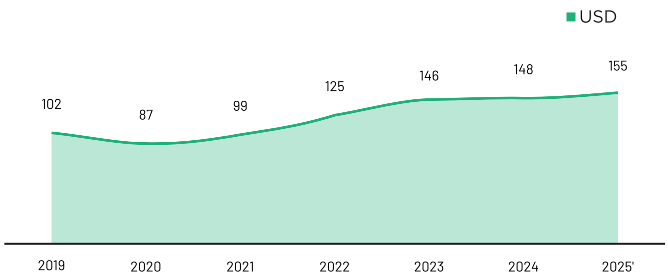
Outside Greater Cairo, significant growth is taking place in Egypt's key leisure hubs, with the North Coast and Red Sea attracting steady resort investment. Established destinations such as Sharm El-Sheikh, Hurghada, and Marsa Alam remain active, with upcoming projects like the Curio Collection in Sharm El-Sheikh and Africa's first Tapestry Collection hotel by Hilton in Marsa Alam, further cementing Egypt's position as a premier beach tourism destination renowned for its natural beauty and extensive coastline.

Greater Cairo - Overall occupancy levels | %



Source: STR Data

Greater Cairo ADRs | USD



Source: STR Data

[1] Based on Savills-tracked announcements, the data may not fully capture all market activity.

Education

Investment dynamics and infrastructure gaps in Egypt's K-12 education sector

Egypt's education sector is undergoing structural change, driven by a young population, evolving policy priorities, and growing demand for quality. With over a third of Egyptians in school-age brackets and more than 25 million students enrolled, education remains a central pillar of the country's development plans. However, beyond its social and developmental importance, education must also be understood as a real estate asset class, with its own investment dynamics, risks, and financial implications.

Educational developments are capital-intensive, requiring substantial upfront CAPEX for construction, as well as sustained OPEX to maintain quality operations. The return on investment is often backloaded, as schools and universities take years to reach full capacity and operational efficiency. This elongated ramp-up period poses a challenge for traditional investors seeking quicker paybacks.

Moreover, land costs, particularly in urban and newly developed areas, can represent a significant portion of overall investment. In parallel, regulatory considerations around licensing and tuition adjustments introduce challenges. These factors require careful financial structuring, especially in a context where household affordability is an important consideration amid broader economic shifts.

Today, the market faces a missing link in the educational investment value chain: while developers own land parcels, and both local and international operators express strong appetite to expand, the investment capital needed to build and deliver the education infrastructure is often absent. This bottleneck slows down project execution despite clear demand and interest from other stakeholders.

To unlock opportunities in this space, tailored financial and development strategies, such as phased construction or blended finance models, are needed. Education as an asset class requires a patient-capital approach, carefully balancing financial viability with long-term social and market impact.

Reflecting the continued strength of demand, 182 new private schools entered the Greater Cairo market in the academic year 2024–2025 alone[2], highlighting both the scale of expansion and the growing role of the private sector in bridging capacity gaps. At the same time, Savills estimates that c. 7% of households in Greater Cairo have the financial capacity to afford annual tuition fees exceeding EGP 65,000[3], underscoring a clear mismatch between the prevailing income distribution and the growing trend among developers to focus on high-end school projects.

[2] Based on Ministry of Education Statistical Yearbook 2024/25.

[3] Based on two children.

Healthcare

Real Estate considerations and investment needs in Egypt's Healthcare sector

Egypt's healthcare sector is witnessing gradual evolution, shaped by demographic growth, policy reforms such as the Universal Health Insurance, and increasing demand for quality care. From a real estate investment standpoint, healthcare facilities, especially hospitals and specialised outpatient centres, present both strategic opportunity and capital-intensive challenges.

Hospital development is among the most resource-intensive real estate typologies. Beyond construction costs, which are elevated due to the technical specifications required, land acquisition remains a critical factor. These high upfront costs underscore the importance of early-stage site identification and planning, to ensure both regulatory compliance and long-term operational viability.

A key challenge in Egypt's healthcare model is the limited availability of experienced medical operators. Despite rising demand for high-quality healthcare facilities, the market faces a noticeable shortage of institutional-grade operators capable of managing hospitals or specialised clinics.

Another challenge is the strong dependence on physician-led service delivery. Clinical operations are often built around the presence and reputation of key medical professionals, which has implications for both facility leasing and long-term sustainability. A key concern in this regard is the ongoing emigration of healthcare professionals abroad. Egypt's physician density, estimated at 0.7 doctors per 1,000 people, is among the lowest in the region. Contributing factors include the pursuit of international career opportunities, constrained wage structures, and limited advancement pathways in some public institutions. These dynamics pose challenges to staffing newly developed facilities and achieving full clinical functionality in early operational phases.

Nonetheless, the sector's fundamentals remain strong. Private healthcare expenditure in Egypt is projected to grow at a CAGR of 10.4% through to 2030, while in Greater Cairo, it is expected to grow at a 9.7% CAGR over the same period, according to projections by Oxford Economics. Per capita spending remains below regional averages, indicating room for expansion, particularly in underserved governorates and mid-market segments. New medical formats, such as diagnostics hubs, ambulatory care centres, and one-day surgery clinics, are gaining traction as flexible and scalable alternatives to full-scale hospitals.

For real estate developers and investors, healthcare offers a resilient long-term proposition. Success will depend on aligning with competent operators, adopting phased rollouts, and incorporating flexibility in design and tenancy to adapt to evolving clinical models. Although financial returns in the sector may be more gradual and backloaded compared to other asset classes, the strategic value, policy alignment, and social impact of healthcare developments position them as integral components of Egypt's urban growth agenda.

Working alongside investors, developers, operators and owners, we inject market insight and provide evidence-based advice at every stage of an asset's lifecycle. We have unrivalled reach across the Middle East with extensive market experience in UAE, Bahrain, Oman, Egypt and KSA.

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