Cairo

- Q1 2026 demonstrated robust supply momentum, with over 100,000 sqm of Gross Leasable Area (GLA) completed across both Grade A and Grade B office segments.
- The majority of both completed and upcoming supply is located in New Cairo, underscoring the district's status as the city's primary business hub.
- Flexible office solutions are increasingly redefining how businesses operate in the country, marked by accelerated growth and impressive performance.

Fundamentals	
Total stock	2.8m sq.m
Upcoming stock (2026)	426,500 sq.m
Prime rent (YoY)	1.8%
Grade A rents (YoY)	2.3%
Vacancy rate	9.0%

The first quarter of 2026 saw strong supply momentum, with over 100,000 sqm of Gross Leasable Area (GLA) delivered across both Grade A and B office spaces, bringing total office inventory to approximately 2.8 million square metres. Nearly 90% of the recently completed stock is situated in New Cairo, reflecting the district's position as the city's primary business hub. The supply outlook for the remainder of the year remains positive, with approximately 426,500 square metres of office space in the pipeline scheduled for completion.

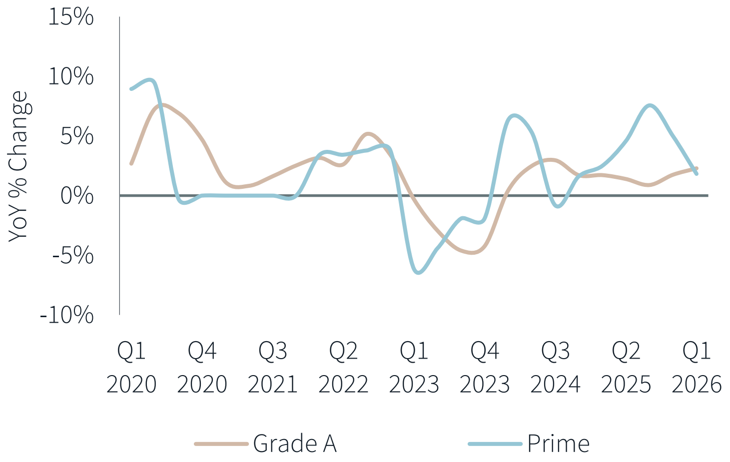
Contract renewals continue to dominate market activity, with landlords increasing escalation rates to compensate for historically lower rental rates. For new leases, average asking rents for prime and Grade A office space rose modestly by 1.8% and 2.3% year-on-year, respectively, in Q1 2026. However, following the minor depreciation of the EGP in March 2026, landlords are now reassessing their pricing strategies, particularly those quoting rates in EGP. Meanwhile, the average vacancy rate remained stable compared to the previous quarter, at 9.0%, reflecting sustained demand across prime and grade A office spaces.

As occupiers increasingly acknowledge that commute times and workspace configurations remain critical challenges, flexible offices continue to transform business operations, experiencing rapid expansion and notable success. This is evidenced by global operators like IWG, identifying Egypt as the fastest-growing market in the region with 300% growth in 2025. Building on this momentum, IWG plans to open 30 additional centres across Egypt in 2026.

Outlook

With new projects continuing to come online during the course of the year, absorption of space is expected to lag the supply influx over this period. This outlook is compounded by ongoing economic and geopolitical uncertainties in the region, the impact of which will depend on how long these conditions persist. That said, should the country maintain economic stability in the medium term, it holds considerable potential to attract substantial international demand from corporations seeking to establish or expand their regional presence while diversifying their risk exposure.

Annual Rental % change



JLL SEE A BRIGHTER WAY

Research

Cairo

Living | Q1 2026

Cairo

- The delivery of approximately 8,000 units brought Cairo's residential stock to around 333,500 units in Q1 2026. An additional 42,000 units remain in the pipeline for 2026.
- Q1 witnessed few new project launches, primarily from larger developers or through strategic partnerships, while smaller developers continue to face cashflow challenges.
- The rental market continued to experience robust demand, while the resale market saw notable deceleration in annual growth rates due to slower transaction activity.

Fundamentals (YoY)	
Total stock	333,500 units
Upcoming stock (2026)	42,000 units
Sale prices YoY – 6th of October	+5.4%
Sale prices YoY – New Cairo	+3.1%
Rental rates YoY – 6th of October	+11.2%
Rental rates YoY – New Cairo	+10.0%

With developers maintaining momentum on their ongoing projects, the first quarter of the year witnessed the delivery of approximately 8,000 units, bringing total residential stock to 333,500 units. The remaining nine months of the year are anticipated to see substantial construction activity, targeting the delivery of 42,000 units across East Cairo and its extension, West Cairo, Mostakbal City, and the New Administrative Capital (NAC).

Q1 witnessed few new project launches, primarily from larger developers such as Talaat Mostafa Group (TMG) with 'The Spine', in Madinaty, or through strategic partnerships such as the collaboration between Paragon Development and Adeer Development, a Saudi based developer, to deliver Sumou Boulevard in Mostakbal City East Cairo. Meanwhile, smaller developers continue to face cashflow constraints that hinder their ability to compete in the market.

From a performance perspective, the sales market is experiencing a slowdown driven by affordability pressures, as income growth has not yet kept pace with inflation. Major developers in the primary market are relying on extended payment terms or substantial upfront cash discounts to stimulate transaction activity.

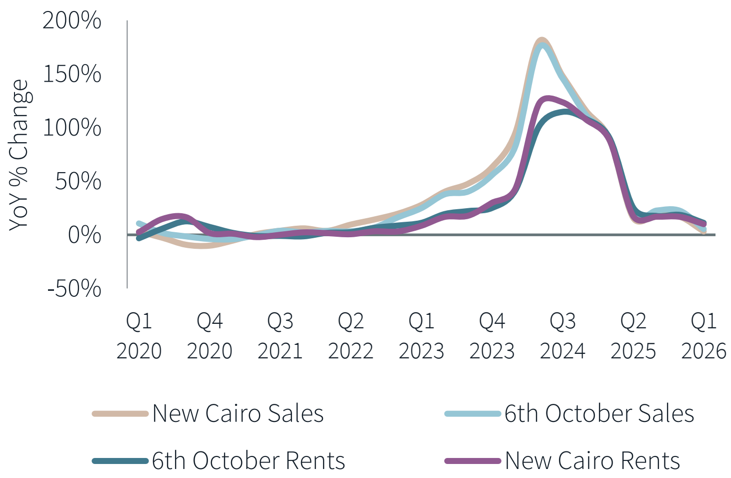
Meanwhile, the secondary market has seen price appreciation, albeit moderate to single-digit annual growth rates. In Q1 2026, sales prices in 6th of October increased by an average of 5.4% year-on-year, compared to a 3.1% annual increase in New Cairo.

The rental market on the other hand continued to demonstrate steady activity. Rental rates sustained their upward trajectory with double-digit annual growth of 11.2% and 10.0% in 6th of October and New Cairo, respectively, in the year to Q1 2026.

Outlook

Following the 2025 rental law that phases out Egypt's pre-1996 "Old Rent" system, the government introduced a colour-coded zoning framework—premium, mid-class, and low-income neighbourhoods—to standardise rent adjustments and reflect actual market values, correcting decades of frozen rates. While this may create housing uncertainties for some tenants, the government offers a seven-year grace period before eviction and conditional alternative housing for those in need. Meanwhile, landlords affected by the law can now look to rent at market and have a clear legal pathway to reclaim their properties.

Annual Sales and Rental % change



Cairo

- Around 89,000 square metres of retail space was delivered in Q1 2026, bringing the total stock to over 3.3 million square metres. A substantial 331,300 square metres is expected to enter the market throughout the remainder of the year.
- While landlords have largely kept rental rates stable across segments, they are now re-evaluating their pricing strategies in response to the March 2026 minor currency adjustment, with rental increases expected.
- While purchasing power could be constrained due to the economic conditions, landlords and tenants can maximise footfall through strategic repositioning of their offerings.

The retail sector recorded the delivery of approximately 89,000 square metres of Gross Leasable Area (GLA) during the first quarter of the year, primarily through the opening of several smaller-format neighbourhood and community centres across New Cairo and Giza. Consequently, total retail inventory increased to approximately 3.3 million square metres. A substantial 331,300 square metres is expected to enter the market throughout the remainder of the year, mainly in the form of smaller malls within mixed-use developments and a few large-format regional malls.

In terms of performance, aside from the annual escalations for existing tenants, prime retail rents for new tenants recorded modest annual growth of 1.4% in Q1 2026. Similarly, rents in community centres increased marginally by 0.8%, while average rents in regional/super-regional malls rose by 3.6%. Although landlords have generally maintained stable rental rates, they are currently reassessing their pricing strategies following the March 2026 marginal adjustment of the local currency, with rental increases anticipated. This shift is already evident in newly launched malls, where landlords are quoting higher asking rates compared to established competitors. Incentives such as CAPEX contributions will remain prominent to attract and retain tenants.

Tenant performance varied significantly by segment. Retail brands in strip retail centres faced challenges in driving sales, as customers primarily visit these locations for dining experiences. F&B operators were also negatively affected in Q1 by the newly imposed 9pm operational curfew in efforts to conserve energy, forcing them to rely exclusively on delivery services thereafter. In contrast, larger super-regional malls maintained strong retail occupancy levels, supported by the continued expansion of local brands driving demand in this segment. As a result, average vacancy rates in super-regional malls declined to 6.0% in Q1 2026, down from 7.2% in Q1 2025.

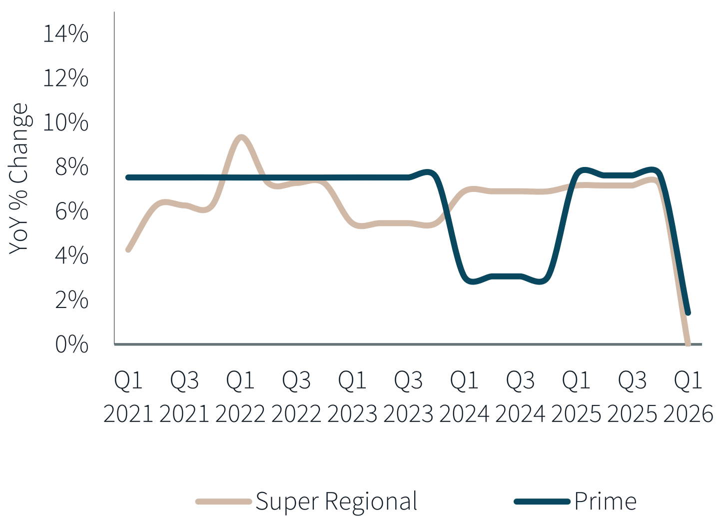
Outlook

Looking ahead, while purchasing power faces pressure from currency fluctuations and inflation, landlords and tenants can maximise footfall through strategic repositioning. For instance, Dandy Mall successfully modernised its appeal as a lifestyle destination by emphasising experiential retail, expanding outdoor F&B offerings, and integrating new leisure activities. Similarly, Brass Monkey Cairo launched a "double life" concept, operating as a coworking space by day before transforming into an arcade by evening.

Fundamentals

Total stock	3.3m sq.m
Upcoming stock (2026)	331,300 sq.m
Prime Rent Growth YoY	1.4%
Super-Regional/Regional Avg. Rent Growth YoY	3.6%
Community Centres Rent growth YoY	0.8%
Average Vacancy rate (Super Regional Malls)	6.0%

Annual Rental % change



JLL SEE A BRIGHTER WAY

Research

Cairo

Hospitality | Q1 2026

Cairo

- Time Out magazine's inclusion of Cairo among the top 50 destinations to visit in 2026 underscores the city's rising global prominence and recognition.
- Strategic partnerships have established themselves as a prominent trend in Cairo's hospitality sector in 2026, driven by the demand for scaling tourism infrastructure through international expertise.
- Cairo's hospitality sector added approximately 280 keys in New Cairo during Q1 2026, bringing total hotel stock to around 29,000 keys.

Fundamentals	
Total stock	29,000 keys
Upcoming stock (2026)	2,560 keys

Cairo's hospitality sector saw the delivery of around 280 keys in New Cairo during the first quarter of 2026, which brought the total hotel stock to approximately 29,000 keys. About 2,560 keys are scheduled for completion during the remaining nine months, reflecting strong market momentum over the course of the year.

Key performance indicators showed Cairo's occupancy rates increasing by 1.4 percentage points year-on-year to 66.1% through March 2026. Conversely, average daily rate (ADR) declined marginally by 0.2% to USD 155.0. Despite this, revenue per available room (RevPAR) posted positive results, rising 1.9% to USD 102.4 over the same period, underscoring the sector's resilience amid the current geopolitical situation.

Strategic partnerships have emerged as a key trend in Cairo's hospitality sector in 2026, driven by Egypt's Vision 2031 and the need to scale tourism infrastructure with global expertise. Notable examples include Accor's collaboration with Contact Developments to launch the Pullman New Capital Hotel & Residences, and IHG's partnership with JADEER Group to develop Hotel Indigo within a mixed-use project in the New Administrative Capital (NAC).

These alliances are accelerating global brand entry, expanding branded residences and mixed-use developments, and elevating service standards. The result is a more competitive and diversified hospitality landscape that attracts higher-value tourism, strengthens foreign investment, and positions Cairo as a regional hub for integrated urban and tourism development.

Outlook

Looking forward, geopolitical tensions in parts of the Middle East may create short-term uncertainty for Egypt's tourism sector, affecting traveller sentiment and bookings. However, Egypt has consistently demonstrated resilience, and continued government investment in infrastructure, destination development, and visitor experience, is expected to sustain growth towards 2031 tourism targets. This outlook is reinforced by Cairo's rising global prominence and recognition, including the city's ranking by the Time Out magazine among the top 50 cities to visit in 2026. While short-term challenges may persist, Egypt's tourism trajectory remains positive over the medium to long term.

Cairo Hospitality Performance

YTD March. 2026

Key Performance Indicator	
ADR	$155.0
Occupancy	66.1%
RevPAR	$102.4
ADR, YoY % Change	-0.2%
Occupancy, YoY PP Change	1.4%
RevPAR, YoY % Change	1.9%

Source: STR Global

SEE A BRIGHTER WAY

Research

Cairo

Cairo | Q1 2026

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