

# Knight Frank: Cairo office rents rise 20% in Egyptian pound terms in Q2 2026

- **Cairo's market-wide average annual office leasing rate reached US\$ 325 per square metre in Q2 2026, up 20% year-on-year in Egyptian pounds, even as US dollar-denominated growth slowed to 2%.**
- **Grade A office space now commands an 18.4% premium over Grade B stock, as a shortage of business park supply shifts negotiating power toward landlords.**
- **New Cairo retains its lead as Greater Cairo's dominant office submarket, hosting 44 of the city's 77 active developments and recording the second highest average rents in the city.**

**Cairo, Egypt | 7 July 2026:** A shortage of Grade A office space is shifting negotiating power toward landlords in Cairo's most established business districts, according to the latest [Cairo Office Market Review](#) from global property consultancy Knight Frank. The city's market-wide average annual office leasing rate reached US\$ 325 per square metre in Q2 2026, a year-on-year increase of 2% in US dollar terms, although continued depreciation of the Egyptian pound pushed local currency rents up by approximately 20% over the same period.

**Faisal Durrani, Partner - Head of Research, MENA said:** "Cairo's office leasing market continues to see robust growth, more obvious in Egyptian pound rates due to continuing currency depreciation while rates in dollar terms have stabilised over the last two quarters. This is also more evident in Grade A business parks specifically, where rates have reached US\$ 348 per square metre in New Cairo and US\$ 354 per square metre in West Cairo. This pricing strength reflects a deepening divide between best-in-class and secondary stock."

Grade A space, dominated by business parks, now commands an average of US\$ 335.60 per square metre per annum (EGP 1,454 per square metre per month), an 18.4% premium over Grade B stock at US\$ 283.50 per square metre per annum, according to Knight Frank. The gap has held steady across the past two quarters, reflecting sustained occupier preference for quality amid broader market softness.

**Omar Hazem, Partner - Head of Occupier/Landlord Strategy & Solutions, Egypt said:** "Occupier requirements are evolving alongside the supply squeeze. With most office staff commuting by private car, parking has become a critical constraint on leasing decisions: the market-standard ratio of one space per 100 square metres leased is increasingly viewed as inadequate, prompting a wave of relocations as occupiers chase better-provisioned buildings."

*"Serviced office operators are responding to a parallel shift in occupier behaviour, as flexible space moves from a temporary swing solution toward a permanent, headquarters-grade offering for major international occupiers. Recent commitments illustrate the scale of this shift, including IWG's Spaces brand taking around 16,000 square metres at The Ark Business Park, alongside confidential local operators each securing approximately 7,000 square metres at Eastmain by Mobco and UBL by Tameer."*

Cairo's predominantly core-and-shell delivery model is also evolving. Facing pressure from international occupiers unable to commit significant capital expenditure to fit-outs, landlords are increasingly offering ready-to-occupy CAT-A white box space, while others are amortising the cost of bespoke fit-outs over the lease term.

## SALES MARKET SHOWS WIDE PRICE VARIATION

Cairo's office sales market continues to show marked variation by district. Downtown Cairo remains the most accessible entry point, averaging EGP 67,370 per square metre, while New Cairo and El Sheikh Zayed sit at comparable mid-market levels of between EGP 182,000 and EGP 184,000 per square metre. New Zayed commands the highest average price citywide, at EGP 206,050 per square metre, while 6th of October City shows the widest range of any submarket – from EGP 70,000 to EGP 325,000 per square metre, pointing to wide variance in product quality within the submarket rather than genuine pricing power.

## DEVELOPERS EXTEND PAYMENT TERMS AS PIPELINE CONCENTRATES

Developers continue to lengthen instalment periods to support sales amid ongoing affordability pressure on off-plan buyers. Average instalment durations have extended to 4.6 years for units delivering in 2026, rising progressively to 5.75 years for 2027 completions, 7 years for 2028, 7.6 years for 2029 and 9.7 years for 2030 deliveries.

Pipeline supply remains concentrated among a small group of top-tier developers. LMD, Upwyde Developments and Centrada Developments each carry five projects apiece, closely followed by SODIC with four. However, with 47 developers spread across 77 schemes citywide, meaningful fragmentation persists beneath the leading names.

**-ENDS**

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