

The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, is positioned within a solid yellow rectangular box at the top center of the page.

savills

SPOTLIGHT

The background of the entire page is a photograph of the Great Pyramids of Giza in Egypt. The Great Pyramid is on the left, and the smaller pyramids are on the right. The sky is a mix of purple, pink, and blue, suggesting a sunset or sunrise. A large, white, L-shaped graphic element is overlaid on the image, framing the central text.

From Speculation to Selectivity

RESEARCH

Setting the Scene

01

Historically, real estate has been one of the preferred investment vehicles in Egypt, particularly during periods of elevated inflation and currency depreciation, when investors seek to preserve purchasing power through real assets.

02

Between 2022 and 2024, this trend became significantly more pronounced, consistent with the pattern seen in other markets under similar pressure, where household shift towards property as their currency weakens.

03

Amid successive devaluations of the Egyptian Pound, many buyers viewed real estate primarily as a hedge against inflation and currency depreciation rather than as a traditional end-user purchase.

04

This resulted in what could be described as a “panic buying” phase, where preserving purchasing power often took precedence over evaluating the underlying quality and long-term fundamentals of the asset.

05

As macroeconomic conditions have gradually stabilized, the market has entered a period of correction.

06

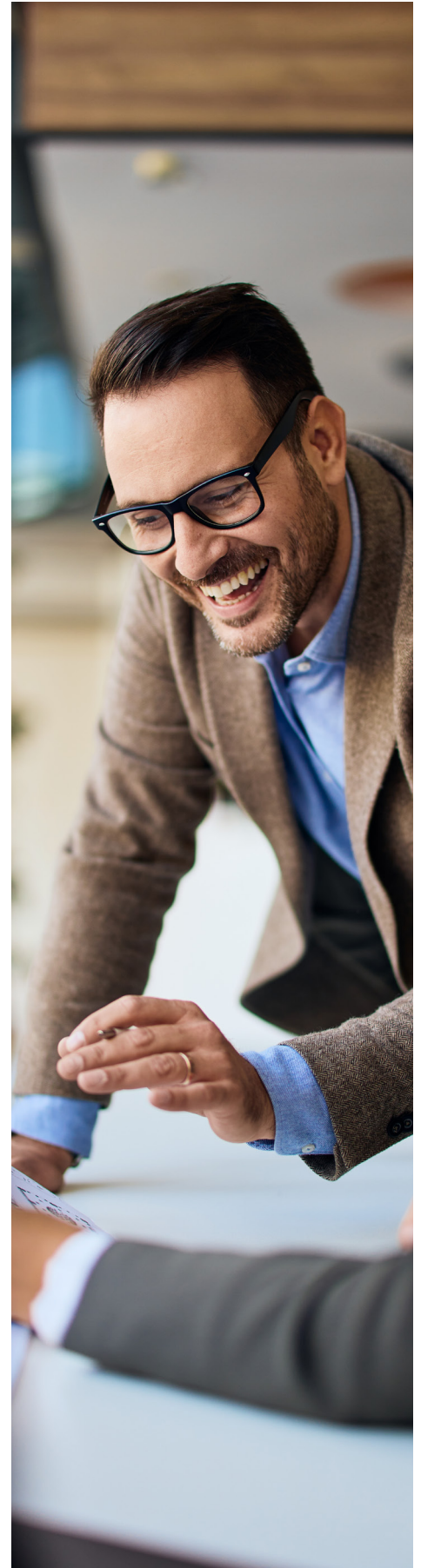
Developers are recalibrating pricing strategies after a period in which some launch prices reflected conservative assumptions regarding future devaluations and, in certain cases, parallel market exchange rates.

07

Buyers have also become more selective, placing greater emphasis on the long-term value and fundamentals of a project rather than purchasing solely for capital preservation.

08

A Savills survey* (June 2026, 444 respondents) found that 54% indicated that they purchase property for both personal use and as an investment, reflecting a mixed consumer strategy that combines end-user needs with an expectation of future price appreciation.



* The sample was collected via snowball distribution through personal and professional networks and is not randomized or nationally representative.



A more cautious buyer

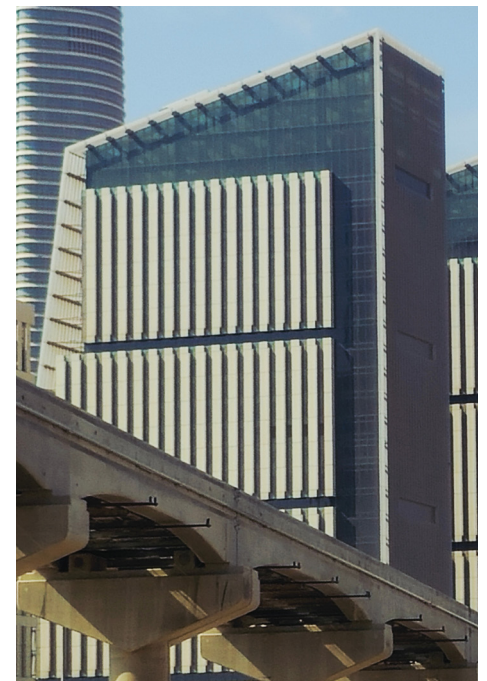
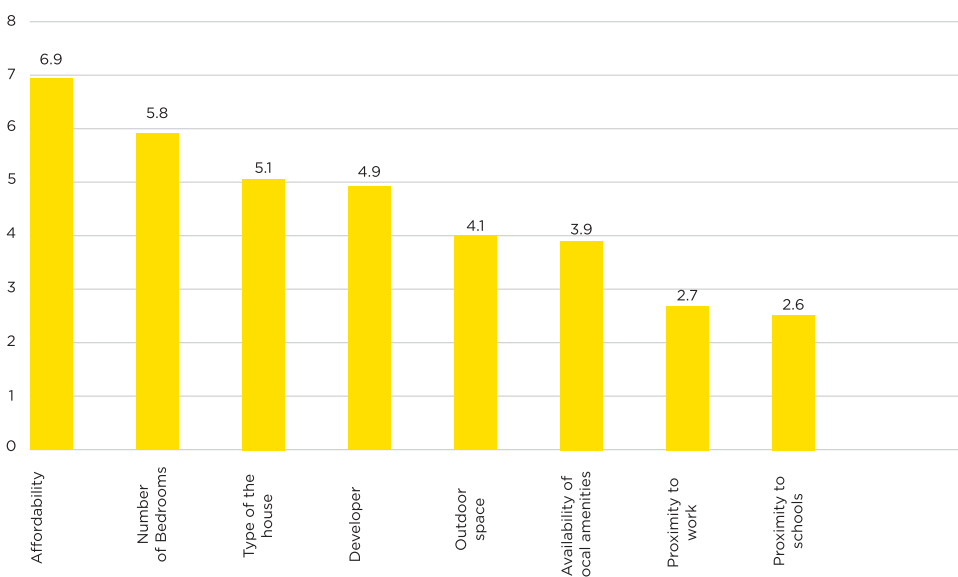
Affordability remains the single most important driver of purchasing decisions, reflecting the pressure on household purchasing power following several years of elevated inflation. Savills' survey found that **affordability ranked as the most influential factor when selecting a property**, followed by number of bedrooms of the unit and the developer with around 60% of participants showing high sensitivity to pricing and payment terms. Oxford Economics forecasts suggest that, assuming no major macroeconomic shocks, average disposable income per capita in Egypt, measured in US Dollar terms, will return to its 2021 peak by 2028. This highlights that affordability is likely to remain the dominant driver of residential purchasing decisions over the medium term, despite the gradual recovery in macroeconomic conditions. Within this affordability constraint, buyers are becoming increasingly selective. One of the main factors influencing purchasing

decisions has been the difference between planned delivery timelines and actual project execution. While delays can occur for a variety of legitimate reasons, they have encouraged buyers to scrutinise developers more carefully before committing to a purchase, paying closer attention to construction progress, delivery credibility, infrastructure readiness and the developer's overall track record. There has also been a growing trend of real estate influencers and content creators conducting increasingly detailed analyses of projects and developers before sharing their assessments with prospective buyers. This trend is particularly evident in emerging locations, where purchasers have a wider choice of competing developments and increasingly differentiate between projects based on execution capability rather than marketing alone. In coastal markets such as the North Coast, this evaluation extends further to include natural characteristics such as beach

quality, shoreline conditions and coastal topography, all of which influence the long-term attractiveness of the destination. According to the survey results, after the price point, buyers weigh the characteristics of the unit itself most heavily: the number of bedrooms, the developer and the property type. The factors they weight least are locational, with proximity to work and schools ranking at the bottom. This ordering suggests buyers are assessing a property first as a financial asset and second as a place to live, consistent with the 54% who purchase for both use and investment. It also indicates that demand in newer areas is shaped more by price, product and developer credibility than by day-to-day convenience, which is unsurprising in locations that are still maturing and are typically bought off-plan for future delivery.

FIG 1. FACTORS INFLUENCING YOUR PURCHASE

Savills Egypt Research 2026





**RESIDENTIAL
PROPERTY AS THE MOST
SOUGHT-AFTER ASSET
CLASS FOR BOTH
OWNER-OCCUPIERS
AND INVESTORS.**

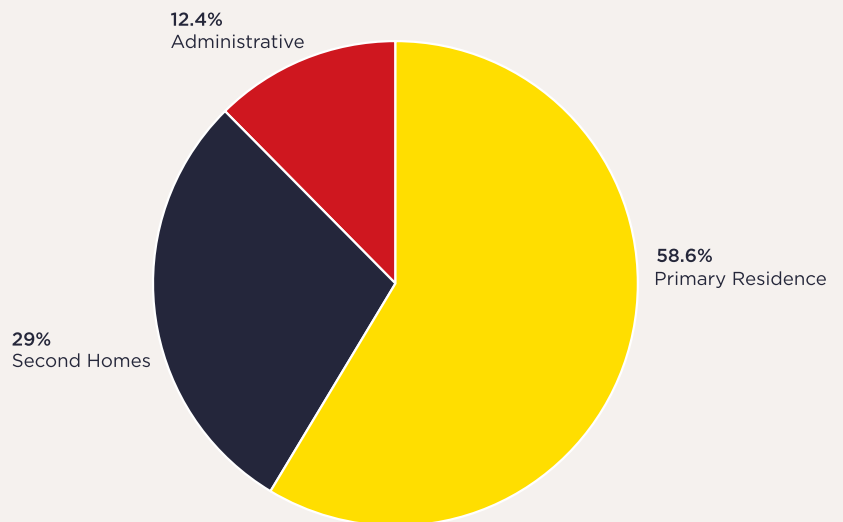


The survey findings, shown in the chart below, identify residential property as the most sought-after asset class for both owner-occupiers and investors. Demand continues to be driven primarily by affordability, reflecting the Egyptian residential market's strong end-user orientation, unlike commercial real estate, where investment returns and income generation are generally the primary drivers of demand.



As a result, competitive pricing and flexible payment plans remain among the most influential factors shaping purchasing decisions. This is particularly evident in the continued extension of payment terms, with most developers now offering instalment plans ranging from seven to ten years, while some projects have extended payment periods to as long as fifteen years.

FIG. 2: DEMAND ON DIFFERENT UNIT TYPES



Savills Egypt Research 2026



The survey also highlights a strong preference for three-bedroom apartments, reflecting demand for homes that can accommodate growing families and evolving household needs.

In response, many developers have sought to maintain affordability by reducing the overall unit size while improving space efficiency, enabling them to continue offering three-bedroom configurations at more accessible price points.

However, there are practical limits to how far product design alone can address affordability. Beyond a certain point, further reductions in unit size risk compromising functionality and liveability, suggesting that future affordability will increasingly depend on broader financing solutions and pricing strategies rather than design optimisation alone.

From a geographic perspective, East and West Cairo continue to account for the majority of residential transactions due to their established infrastructure, employment base and concentration of new communities. As investment assets, both locations also offer greater room for capital appreciation than the mature areas within Greater Cairo.

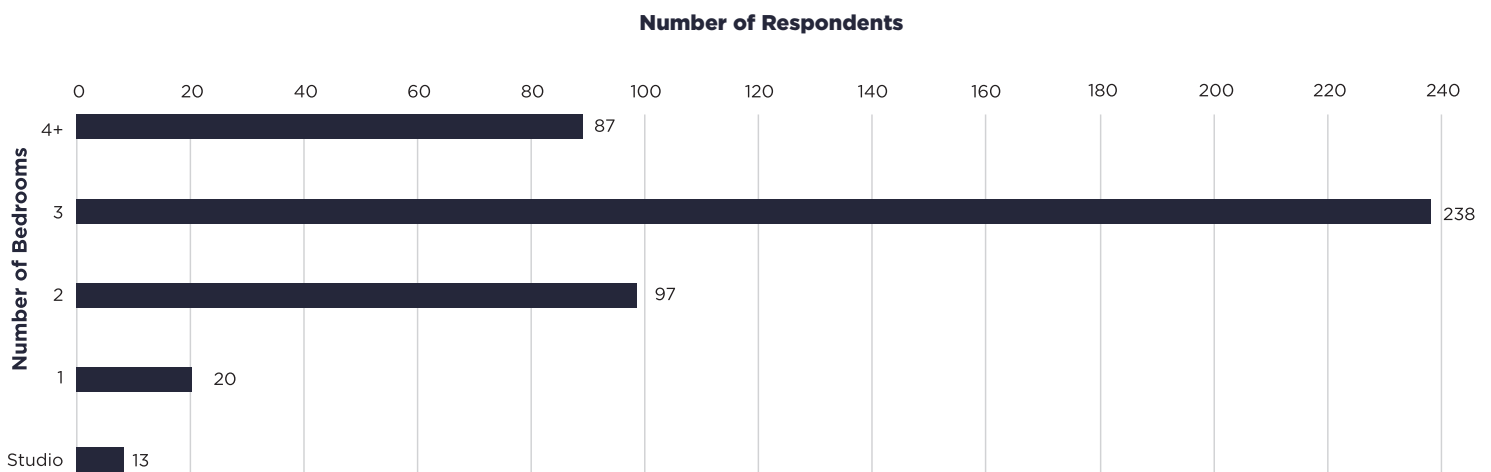
Meanwhile, the North Coast has emerged as one of the country's strongest performing investment destinations over recent years, attracting both end-users and investors. As the market matures, hospitality is also becoming an increasingly important component of the North Coast's long-term growth, supporting its transition towards a more active year-round destination.

“

A strong preference for three-bedroom apartments, reflecting demand for homes that can accommodate growing families and evolving household needs.

In parallel, a series of recent investment announcements in the Red Sea region have reinforced market confidence and stimulated additional demand from both investors and developers.

FIG. 3: DEMAND ON NUMBER OF BEDROOMS



Respondents can select two options.

Savills Egypt Research 2026

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Meanwhile, the North Coast has emerged as one of the country's strongest performing investment destinations over recent years.



What this means for developers



Developers are increasingly adapting their strategies in response to changing buyer expectations, which is a healthy sign of a maturing market. As affordability pressures increase, many developers continue to use flexible payment plans to maintain accessibility while carefully balancing project cash flow requirements.

At the same time, marketing strategies have become noticeably more transparent and information-driven. Rather than focusing solely on product launches, developers are increasingly communicating construction progress through digital channels, highlighting delivery milestones, addressing land ownership and legal status during the sales process, and, in coastal developments, showcasing the quality of the beachfront and surrounding natural environment.

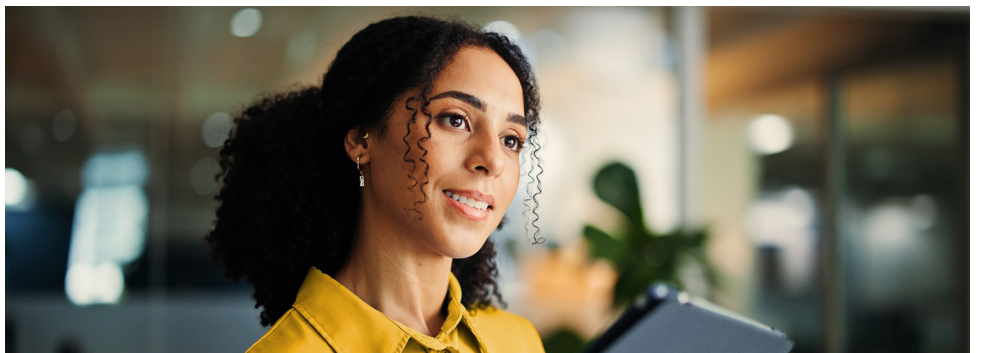
Product design has become another key lever for maintaining affordability. Rather than relying solely on pricing strategies, developers are increasingly reducing unit sizes and improving space efficiency to lower overall ticket prices. While this has expanded accessibility for a broader buyer base, overly optimised layouts can, in some cases, compromise usability, resulting in post-delivery alterations by end-users.

Looking ahead, the projects that are likely to outperform will be those that combine realistic pricing, disciplined execution, transparent communication and a proven ability to deliver on their commitments. However, success should no longer be measured solely by sales. Developers should increasingly focus on creating occupied, vibrant and well-managed communities.

A project is not truly absorbed simply because its units are sold. Long-term success should be measured by occupancy, rental activity and the creation of thriving communities.



The strongest developers will be those that create lasting value beyond the point of sale through quality placemaking, professional management and an exceptional end-user experience.





Savills Egypt Strategic Consultancy

We're a dedicated team producing well-informed, data-driven analysis and strategic advisory across Egypt's real estate sectors- helping clients make confident investment and development decisions

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