

EuroMed Cluster Forward



Egypt 16-18 June 2025

Egypt's Real Estate: Growth, Sustainability, and Regional Integration

- **Opening: Distinguished delegates, policy-makers, and investors – good morning. I am honored to address the Euro-Mediterranean community on behalf of Egypt's real estate sector.**
- **As a bridge between Africa, Asia and Europe, Egypt's economy has achieved impressive resilience and growth in recent years.**
- **Our real estate market now represents one of the fastest-growing segments in the region .**
- **Notably, foreign direct investment into Egypt surged to a record US\$46.1 billion in 2024, driven largely by landmark deals such as the ~US\$35 billion Ras El-Hekma coastal resort agreement .**
- **These investments, combined with domestic reforms, underscore Egypt's strategic importance in Mediterranean development and the shared goal of sustainable prosperity.**



Market Overview

(Performance & Trends)

Egypt's real estate market has demonstrated remarkable performance leading into 2025. After a period of economic challenges (exchange-rate shifts and inflation), the sector proved resilient . Key trends include:

- **Strong price and demand growth:** In 2024 many new projects saw prices more than double year-over-year . For example, property values in Greater Cairo (Cairo and New Cairo) rose roughly 6–8% YoY, and upscale coastal regions like the North Coast and Hurghada saw ~5% increases . High-end and luxury segments were especially active, with luxury villas and penthouses in prime gated communities recording ~10% higher demand .
- **High rental yields:** Strong tourism and urban migration keep rental markets tight. Western Cairo rents jumped ~22% and New Cairo rents by ~18% annually in 2024 , reflecting sustained demand for housing as an investment hedge during inflation.



Market Overview (Performance & Trends)

- **Urbanization & population growth:** Egypt's population grew ~2% in 2024 , fueling demand for affordable and middle-income housing. Satellite cities (Sheikh Zayed, 6th October, etc.) and new communities offer family-friendly developments, balancing affordability with quality infrastructure .
- **Green and tech-driven demand:** Egyptian buyers and developers are increasingly prioritizing sustainable, energy-efficient homes (solar, efficient HVAC) and “smart” amenities. Developers report rising interest in eco-friendly and technology-integrated projects.



Market Overview (Performance & Trends)

- Despite currency volatility, the market remains dynamic. In 2024 the Central Bank floated the pound and raised interest rates to tame inflation , and the government moved to secure foreign liquidity (e.g. attracting ~\$10 billion through large investment deals).
- These macro measures will lay the groundwork for more stable real estate finance.
- Meanwhile, developers expanded installment plans and flexible payment schemes to broaden access.

Together, these factors position Egypt's real estate sector for steady growth: market analysts expect continued double-digit expansion in the near term, with Statista forecasting ~6–7% annual growth through 2029.



Policy Reforms & Government Incentives

The Egyptian government has enacted strategic reforms and incentives to support the sector. Highlights include:

- **Financing support and affordability:** Banks and public funds offer low-rate loans for homebuyers (e.g. mortgage subsidies), and developers now commonly provide 10% down-payments and long-term installments (up to 8–10 years) to ease buyer cash burdens . In 2024 authorities even fixed installment financing rates at 15% (through mid-2026) for developers in key sectors . These steps help maintain liquidity and demand amid higher construction costs.
- **Tax & regulatory incentives:** To attract investment, Egypt has reduced reservation fees, cut tax rates on new projects, and created special funds. Notably, a “Golden License” regime streamlines permits for qualified investors (fast-tracking approvals). In May 2025 the New Urban Communities Authority extended investment incentives for all new-city projects by one year .



Policy Reforms & Government Incentives

These include direct land allocations, reduced booking fees, extended construction timelines, and cash grants for meeting development targets . Such measures underscore the government's commitment to stabilize the market and accelerate large projects

- **Foreign investment facilitation:** Recognizing the role of Euro-Med capital, Egypt liberalized property rules: in 2023–24 legislation now permits foreigners to obtain residency via real-estate investment or bank deposits . Sector-specific barriers have been removed (for example, recent amendments allow foreign ownership of formerly restricted lands in Sinai).



Policy Reforms & Government Incentives

These changes, along with investments in a global Multiple Listing Service network , make it easier for EU and regional investors to enter the Egyptian market.

Together, these reforms have turbocharged development. For example, over 600 projects worth ~\$45 billion have been initiated in the New Administrative Capital alone, covering housing, commercial towers and government offices . Investor confidence is reflected in record sales: one analysis reports that Egypt's top 10 developers sold over EGP 1 trillion (\approx \$32 bn) of property in 2024, more than doubling year-on-year .

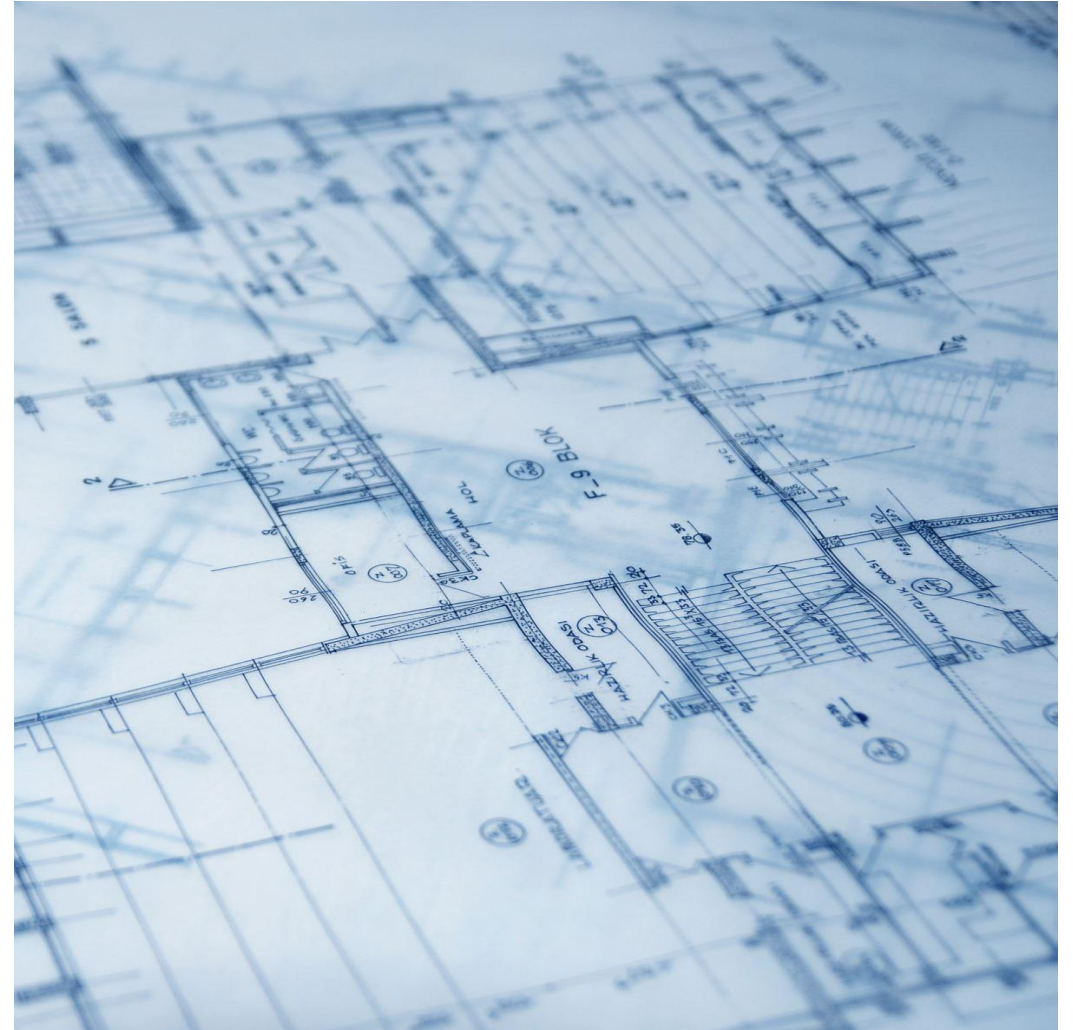
These achievements come from a policy framework that aligns with Egypt's Vision 2030: sustainable cities, renewable energy usage, and performance-based incentives are prioritized.





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Major Projects And Hotspots



New Administrative Capital (NAC):

- Egypt's largest projects serve as flagship investment opportunities and testaments to its vision. Key examples:
- **New Administrative Capital (NAC):** A \$58 billion+ project 45 km east of Cairo, the NAC is being built as a fully integrated smart city. Phase I (now 70% complete) includes a 70-story tower (Africa's tallest), an opera house, a "Green River" park, and up to 100,000 new homes; about 1,200 families have already moved in .
- Roughly EGP 500 billion (\$16 bn) was invested in Phase I infrastructure
- Government ministries and major banks will relocate their HQs there in early 2024, and high-speed rail and metro lines will connect the NAC to Cairo and Upper Egypt
- (Experts plan Phase II to host another 1.5 million residents .)
- This scale of development creates vast demand for offices, schools, retail centers and housing – all of which involve deep investor and public-private partnership opportunities.
- The New Administrative Capital under construction: a model smart city to decongest Cairo



New Alamein City

- Egypt's 4th-generation smart city on the Mediterranean coast is designed as a year-round resort and tech hub.
- Spanning 50,000 acres, it includes 15,000+ hotel rooms, a new international airport, universities, and luxury residences .
- New Alamein is envisioned as a “new city tourism” model (like similar developments in the UAE or South Korea) and has created millions of jobs through its infrastructure buildout .
- Real estate sales have surged: a recent survey found the top developers on the North Coast saw sales of ~\$6.7 billion in H1 2024 (nearly double the prior year) .
- The city features advanced utilities and public spaces tailored to sustainability (e.g. smart drainage and cooling systems) , making it a showcase for green construction in tourism development.
- New Alamein City: a ‘fourth-generation’ green smart city on Egypt's North Coast



Ras El-Hekma Bay

- Adjacent to New Alamein, the government has partnered with Abu Dhabi's ADQ to develop Ras El-Hekma into a Mediterranean mega-resort. Total investment is estimated at \$150 billion (including \$24 billion from ADQ), projected to create over 100,000 jobs . This project aims to put Egypt on par with international beach destinations, and it highlights Egypt's success in attracting Gulf capital to seaside real estate.





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Other Smart Cities



Other Smart Cities

Beyond these, Egypt is planning scores of new urban communities (over 35 new cities) across the country. Projects like New Mansoura (Delta), New Galala (Sinai), and expanded Sheikh Zayed City add capacity for growth, often with cutting-edge infrastructure.

The Blue Cities initiative and industrial zones (e.g. East Port Said) further illustrate the linkage of real estate with manufacturing and logistics.

Collectively, these new urban developments alleviate Cairo's congestion and distribute investment inland and on the coasts.





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Sustainability, Innovation And Green Practices



Sustainability, Innovation, and Green Practices

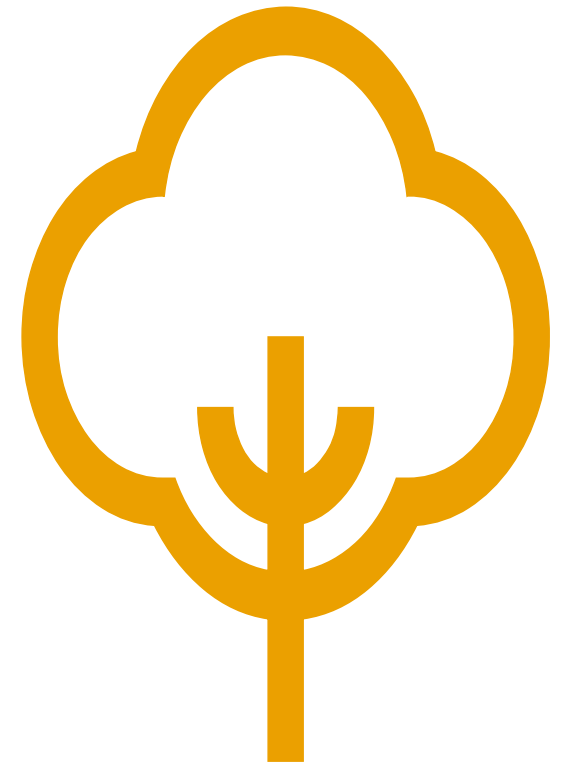
Egypt's real estate sector is increasingly green and forward-looking.

A flagship example is the Grand Egyptian Museum (GEM), currently under construction in Giza.

In Feb 2024 IFC announced GEM earned the first EDGE Advanced green building certification in Africa/Middle East .

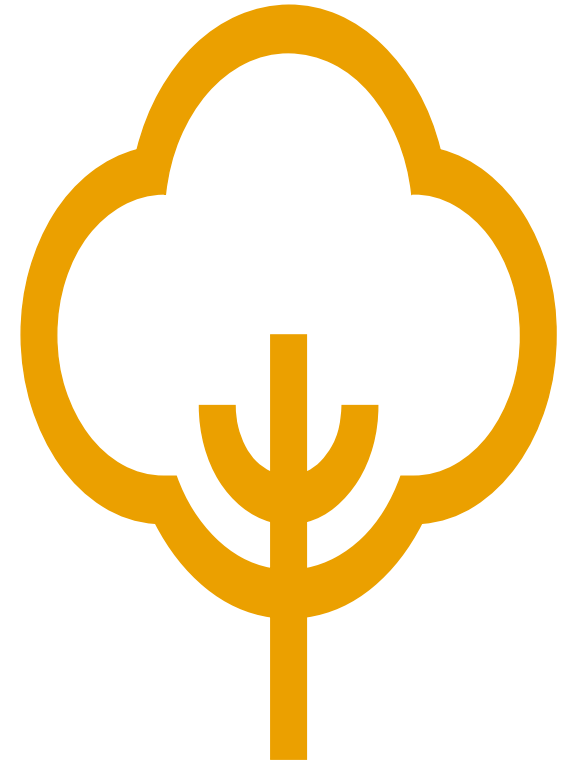
Its energy- and water-saving design (reflective roof, smart meters, efficient HVAC) is projected to cut energy use by ~60% and water use by 34% compared to a conventional design .

This milestone signals Egypt's commitment: "building green... is a powerful testament to Egypt's growing commitment to sustainability," says the IFC .



Sustainability, Innovation, and Green Practices

- **Government policy reinforces this trend. Under Egypt's Vision 2030, half of all new buildings in emerging cities must use renewable energy by 2025 (rising to 75% by 2030) . Urban greening initiatives are underway: in its 2024–27 development plan the government aims to plant 100 million trees, create green belts along highways, and incorporate green roofs and walls in new projects. Sustainable materials and “cool paving” to combat heat islands are also being promoted .**
- **Private developers are responding estimates suggest 35% of new projects in 2024 incorporated energy-efficient, eco-friendly features. Collectively, these measures will cut energy and water use in buildings, lower carbon emissions, and align with COP27 commitments (which Egypt hosted in 2022).**

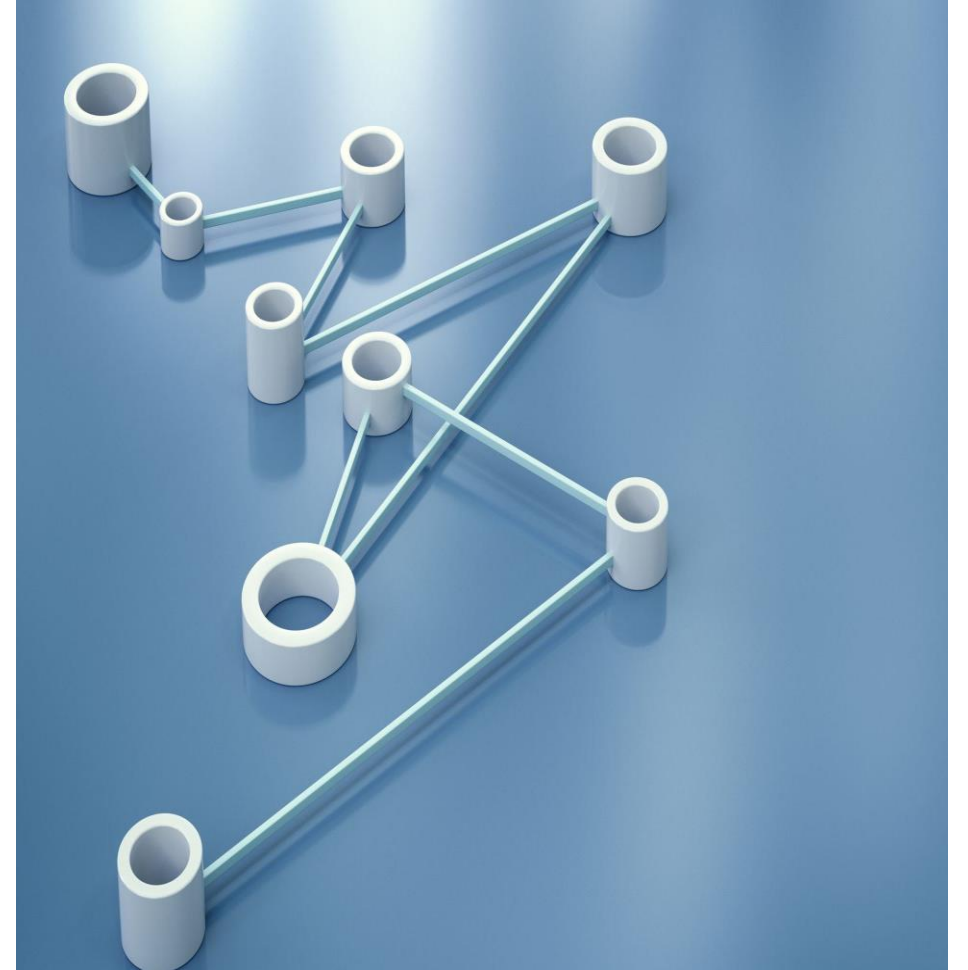


Innovation And Sustainability

- Innovation goes hand-in-hand with sustainability. Smart city infrastructure – from digital utility meters to transit apps – is being integrated across new developments.
- For example, the NAC and New Alamein both include intelligent traffic management and renewable power systems.
- Such innovations not only improve livability for residents but also attract tech-savvy investors.
- In sum, the Egyptian real estate market is positioning itself as a laboratory for green urbanization – a compelling message for Euro-Mediterranean partners focused on climate-resilient growth.



Euro-Mediterranean Connectivity & Cooperation



Euro-Mediterranean Connectivity & Cooperation

- Egypt's real estate boom is intertwined with its strategic regional connectivity. The Suez Canal, governed by Egypt, handles roughly 12% of global trade and about 30% of container traffic .
- Along this corridor, the Suez Canal Economic Zone (SCZone) has become a logistics and industry hub: within a year it attracted ~\$6.2 billion in investments and 28,000 jobs . These projects (green hydrogen plants, LNG terminals, port expansions) create commercial real estate demand—from worker housing to offices and warehouses—while tying Egypt ever more closely to Europe and Asia.
- Egypt is also actively participating in new transcontinental corridors. In 2025 Egypt and Saudi Arabia announced a high-speed rail line linking Egypt's Sinai with the Arabian Peninsula .
- This planned India-Middle East-Africa-Europe Corridor will bypass regional bottlenecks and connect Red Sea ports to the Mediterranean, fostering trade. Improved highways and rail in the West (toward Tunisia/Libya) and South (toward Sudan/Ethiopia) likewise enhance Egypt's role as a trade and real-estate crossroads.
- Within the Euro-Med framework, Egypt has deep economic ties with the EU: for example, EU-Egypt goods trade is on the order of tens of billions of euros annually, and an EU–Egypt Strategic Partnership (2024–27) has been launched to boost investment, trade and sustainable development .

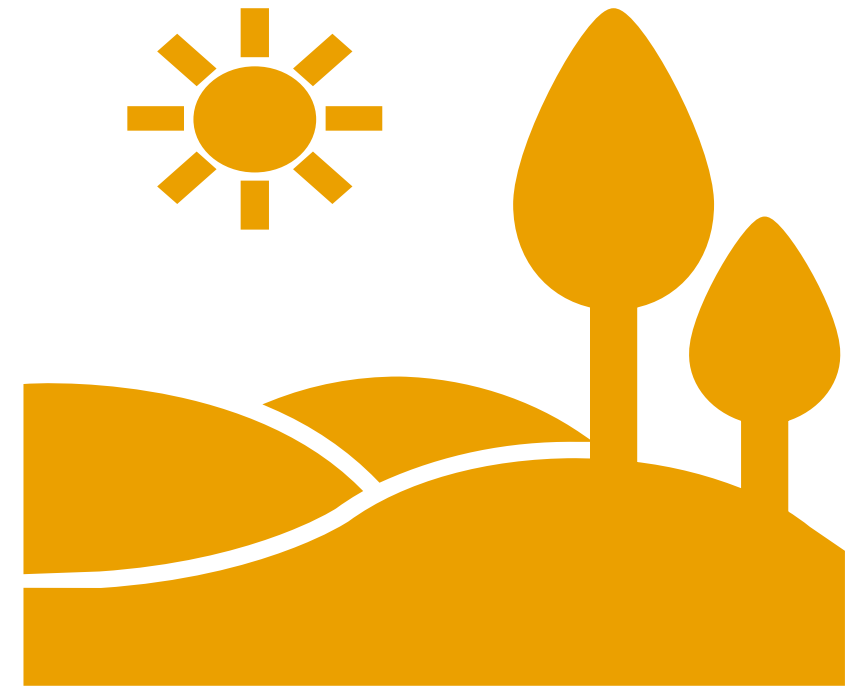




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Euro-Mediterranean Connectivity & Cooperation

- In practice, this means European and Mediterranean investors view Egyptian real estate as part of a larger economic ecosystem.
- For instance, improved air and sea links mean more European tourists year-round in Cairo and the Red Sea, driving hotel and retail developments.
- The relocation of industries to SCZone and new cities will bring European corporate offices and logistics hubs into those regions.
- By aligning Egypt's urban projects with Euro-Mediterranean green standards and trade agendas, we ensure that investments here are mutually beneficial – strengthening regional integration as envisioned by the Barcelona Process and the new Agenda for the Mediterranean



Foreign Investment & Partnerships

Egypt's opening economy offers rich opportunities for Euro-Med investors and PPPs. Key points:

- **Huge FDI inflows:** In 2024 Egypt leapfrogged previous records to attract ~\$46.1 billion in FDI , indicating strong confidence in sectors like real estate and energy. Much of this capital came from Gulf sovereign funds, but significant EU investors (notably from Italy, France and Germany) are active in development projects and hospitality. With continued macro reforms and currency stabilization, more Eurozone funds are expected, especially into large mixed-use and industrial real-estate schemes.
- **Sector diversity:** Beyond housing, opportunities abound in retail centers, office campuses, logistics parks, hospitality and educational complexes (e.g. university campuses in new cities). For example, Alexandria's science park, Greater Cairo's tech zones, and Suez Canal ports all need built space. Greenfield projects like the Grand Egyptian Museum and cultural sites also offer partnerships.
- **Public-Private Partnerships (PPPs):** Egypt is expanding its PPP framework to leverage private expertise and capital. The government has launched multiple PPP tenders in energy, transportation, waste and urban utilities, and aims for a 36% increase in PPP investments in FY2024/25 . New PPP laws and a dedicated PPP unit are streamlining these deals. There is significant scope for joint ventures: developers with local presence can partner with EU real-estate firms, while global capital can enter through PPPs in infrastructure projects that underpin housing demand (like new metro lines or desalination plants).



Euro-Med investors, the bottom line

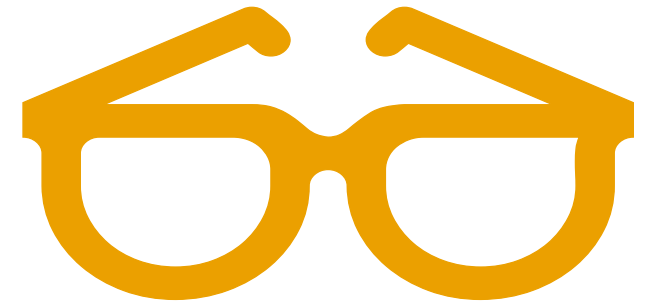
- For Euro-Med investors, the bottom line is clear: Egypt combines a large, growing market (population ~about 110 million) with a range of incentives (tax breaks, free zones, project co-financing) and regulatory clarity.
- The success of recent mega-projects shows that cross-border partnerships can thrive here. Indeed, Egypt's own policy review notes that “the dynamic growth of the economy, its strategic geographical position... and the success of reforms” have driven up FDI .
- We are ready to welcome more global investors into housing, tourism and industrial real estate with open arms and sound frameworks.



Vision 2025 and Beyond

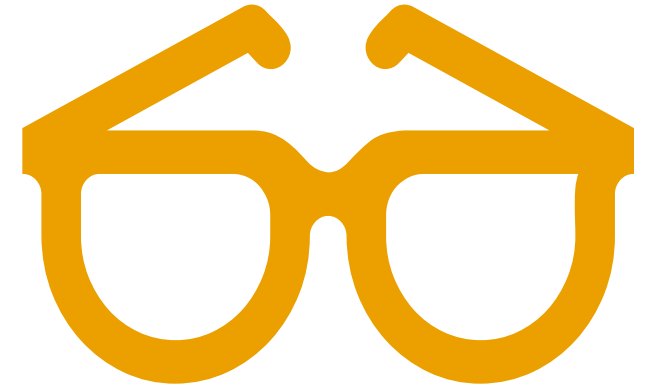
Looking forward to 2025 and beyond, Egypt's real estate strategy remains forward-looking and sustainable. Our shared vision includes:

- **Sustainable urbanization:** All new cities are planned with green standards from day one. In practice, Egypt aims for 75% of buildings in new developments to be renewable-powered by 2030 .
- Building codes are being updated for energy efficiency (e.g. mandatory insulation, efficient lighting). We anticipate more “green city” certifications and partnerships with European sustainability firms.
- **Inclusivity:** Affordable housing remains a priority. The government's flagship “Dar Misr” and mortgage funds aim to supply millions of middle-class homes. By 2025, it is expected that a broader spectrum of Egyptians can buy homes (with govt-guaranteed mortgages and subsidies), which in turn ensures stability in the mass housing market.



Vision 2025 and Beyond

- **Integrated infrastructure:** As connectivity improves (roads, rail, power, telecom), real estate values rise. We foresee new transport links making desert areas prime real estate overnight.
- **Smart-city concepts** (integrated transit, digital services) will become standard. Egypt also plans to develop regional air links (e.g. new airports near Red Sea resorts) to tie into European holiday flows, bolstering resort real estate.
- **Regional leadership:** We will continue to champion Euro-Med integration. Egypt's success is Europe's success: more trade, tourism and investment circulating in the region. The new EU-Mediterranean partnership emphasizes economic resilience and green growth, objectives that Egypt's urban plans directly support. We envision Egypt as a model for sustainable Mediterranean development – supplying experience in smart city tech and renewable-friendly policies to our neighbors.



Vision 2025 and Beyond

- In closing, let me emphasize the key messages:
- Egypt's real estate sector is robust, innovative and open.
- Supported by a clear regulatory framework and massive infrastructure projects, it offers compelling returns – while aligning with global goals of sustainability and integration.
- As we step into 2025, we welcome Euro-Med stakeholders to join us in building smart, green cities that knit our region together.
- With stability, incentives and a growth trajectory in our favor, this is an opportune moment to invest in Egypt's future.
- Thank you for your attention, and we look forward to fruitful partnerships across the Euro-Mediterranean region.





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Thank You

