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Real estate market shifts towards more diversified financing model: Savills Egypt

Egypt's real estate market is moving towards a more diversified financing model as developers increasingly combine customer instalments with bank facilities, receivables securitisation and institutional capital, according to Savills Egypt.

Between March 2025 and August 2026, six major developers secured bank facilities worth up to EGP 52.2bn through syndicated loans, bridge financing and revolving credit facilities. At the same time, receivables securitisation is gaining traction as developers seek to convert future customer payments into liquidity to support ongoing construction.

One example is an EGP 30bn securitisation programme launched this year, with an initial issuance of EGP 2.015bn.

The growing need for external financing is linked to longer customer payment periods, which have extended to eight, 10 and 12 years in some projects. While these plans support sales, they also spread collections over longer periods, creating a financing gap during construction.

Catesby Langer-Paget, Head of Savills Egypt, said Egypt's development model has expanded significantly in scale, requiring the financing ecosystem to evolve accordingly.

"Strong contracted sales remain an important indicator of demand, and the timing of collections shapes liquidity throughout construction. A wider range of funding channels gives developers greater flexibility to match capital with each stage of development," Langer-Paget said.

Developers are increasingly delivering large, master-planned communities that incorporate residential, commercial and other facilities, rather than smaller standalone projects. Internal roads, utilities, construction and public spaces require significant upfront capital, while schools, healthcare and hospitality assets typically involve longer investment and operating cycles before generating revenue.


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Catesby Langer-Paget

In earlier market cycles, when developers' roles were more limited, customer payment plans of four to five years were more common. Longer collection periods today have increased the need for complementary financing sources, with off-plan sales generally covering only part of the capital expenditure required for large-scale developments.

Bank financing can provide funding against defined projects and expected cash flows, while securitisation allows developers to bring forward the value of future receivables. Major developers are increasingly establishing multi-year securitisation programmes to provide liquidity throughout different stages of the development cycle.

Institutional capital is also emerging as another potential source of funding. Six licensed real estate investment funds held combined net assets of around EGP 12.6bn at the end of the second quarter of 2026, up from EGP 9bn a quarter earlier.

The market is also seeing new fund initiatives, including a Saudi-Egyptian consortium's plans for a real estate and hospitality fund targeting SAR 1bn in first-year investments, subject to approval from the Financial Regulatory Authority.

Savills said the expansion of institutional investment will require greater transparency, professional asset management, reliable market data and stronger governance. Unlike individual investors, who typically focus on capital appreciation, payment terms and resale potential, institutional investors place greater emphasis on occupancy, lease quality, operating performance and predictable income.

The firm also highlighted escrow accounts as a potential tool to strengthen financial discipline in off-plan developments by holding customer payments in dedicated accounts and releasing funds against independently certified construction milestones.

Langer-Paget said Egypt has strong underlying demand and a substantial development pipeline, adding that the shift from building individual projects to creating large-scale communities requires a corresponding evolution in the financing ecosystem.

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Push for Egyptian federation of real estate developers gains momentum as industry seeks stronger regulation

The establishment of an Egyptian federation of real estate developers is gaining momentum as developers, government officials and industry experts discuss a proposed framework aimed at strengthening regulation, governance and coordination across the country's real estate market.

The issue was discussed during a recent industry roundtable that brought together senior government officials, developers and specialists to examine the potential role of a professional body in representing developers, supporting self-regulation and improving cooperation with government and regulatory authorities.

Invest-Gate held its 29th roundtable, titled "Towards an Egyptian Real Estate Developers Federation," bringing together industry stakeholders to discuss the proposed establishment of a professional body for real estate developers amid the sector's continued expansion and diversification, as well as growing challenges related to evolving regulations, rising development costs, financing constraints and changing customer expectations.

Participants said a unified professional body could provide a structured platform for dialogue with government institutions, contribute to the development of regulatory policies and establish clearer professional standards for real estate development.

The proposed federation could also support governance and transparency, facilitate knowledge and data sharing, and provide mechanisms for addressing disputes and common challenges facing developers.


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Draft law under discussion

The discussions are taking place as the government works on a draft law regulating the real estate market and establishing the proposed professional body.

The draft includes provisions covering developer registration and classification, professional standards, governance, representation, customer protection and the regulation of real estate development activities. Participants discussed the appropriate structure of the federation and how it could complement the government's regulatory role.

Amr ElKady, Founder and Managing Director of AKD Advisory, said discussions around the federation are based on three main pillars: the draft law, previous discussions and proposals concerning the federation, and Prime Ministerial Decree No. 2184 of 2022.

Khaled Sedeik, Chairperson of the Urban Development Fund, said that four years after the issuance of the 2022 decree, there is a need to determine how its provisions can be translated into a comprehensive legal framework that reflects changes in the market.

Sedeik said the real estate sector contributes around 20% of national output and therefore requires coordinated efforts from both the government and private sector to improve its efficiency.

He said the proposed federation should help regulate relationships between government authorities, developers and consumers, protect the reputation of serious developers and address practices that could negatively affect the market.

He also called for clear and fair criteria for classifying developers based on project size, financial and technical capabilities, and experience.

Developer classification and financing

Participants said a classification system could help distinguish developers according to their capabilities and experience, while providing banks and financing institutions with clearer information when assessing companies and projects.

Tarek Shoukry, Chairperson of the Real Estate Development Industry Chamber and Chairperson of the economic affairs committee at the House of Representatives, said the proposed classification system should be expanded to provide greater differentiation between developers based on their capabilities, project size and track record.

He said the federation could help regulate the market through three main areas: developer classification, buyer protection and dispute resolution.

Financing was another major issue raised during the discussions. Sedeik called for diversified financing mechanisms and for financing to be disbursed in tranches linked to project implementation rates to ensure that funds are directed towards projects that are progressing.

He also called for greater availability of real estate financing from the early stages of projects, including discussions with the Central Bank of Egypt on mechanisms suited to the needs of developers and the market.

May Abdel Hamid, CEO of the Social Housing and Mortgage Finance Fund, also highlighted the need to expand the role of mortgage finance and strengthen mechanisms that support different segments of buyers.

She noted that the number of financing entities participating in mortgage finance initiatives has increased from three or four banks at the beginning of the initiative to more than 31 financing entities.

Abdel Hamid also called for clearer market data and the development of a House Price Index, arguing that the lack of reliable data remains a challenge, particularly in promoting Egyptian real estate in international markets.

Calls for greater market transparency

Participants called for the development of a comprehensive real estate database covering market activity, prices, transactions and available units.

Tarek Azmy Elsheikh, Director of the Urban Training and Studies Institute at the National Housing and Building Research Center, said stronger legal protection, secure property titles, and the implementation of a National Real Estate Identification Number and electronic real estate registry would be important to strengthening confidence in the market.

He also called for greater oversight of project accounts, regular monitoring of construction progress and stronger financial governance to protect investors and support the entry of foreign investment funds into the Egyptian market.

Elsheikh also highlighted the importance of improving Egypt's real estate transparency. He said Egypt ranked 61st globally in the 2026 Global Real Estate Transparency Index, compared with Saudi Arabia at 28th and Dubai at 17th.

He identified institutional regulation, the legal framework and financial safeguards as three areas requiring further development, including electronic property registration, escrow accounts, alternative dispute-resolution mechanisms and greater disclosure of market information.

Escrow accounts and buyer protection

Several participants supported the concept of separating project funds from developers' broader financial activities to ensure that customer payments are used for their intended projects.

Raymond Ahdy, CEO of Wadi Degla, supported the idea of escrow accounts while stressing the need for mechanisms to address changes in currency values, construction costs and other project variables.

Simon Walley, Lead Financial Sector Specialist at the World Bank, discussed international experience in managing real estate market risks, citing China's response to its property crisis.

He said the Chinese model included independent escrow accounts for individual projects, with customer funds separated from developers' other activities. The system allows project completion rates to be monitored and provides authorities with mechanisms to respond to delays, including penalties or the replacement of developers when necessary.

Self-regulation and industry representation

Tarek ElGamal, Chairperson of Redcon Properties, said the federation should have independent funding and a continuously updated database reflecting developments in the market.

He also proposed establishing the federation as an Egyptian joint-stock company, allowing it to generate revenues that could be invested in information infrastructure and artificial intelligence technologies.

Raymond Ahdy raised questions about whether the federation should function as a regulator or a self-regulatory organisation (SRO), as well as the scope of its independence and membership.

He also called for greater clarity over whether membership would cover residential developers alone or extend to industrial and tourism developers.

The roundtable addressed the potential for the federation to support real estate exports, attract international investment, encourage innovation and digital transformation, and facilitate partnerships and knowledge exchange at regional and international levels.

Participants also linked better market transparency and stronger investor protections to Egypt's ability to attract foreign capital.

Elsheikh said improving legal security, property registration, financial oversight and dispute-resolution mechanisms could strengthen investor confidence and create greater opportunities for international investment funds to enter the market.

At the same time, developers stressed the need for the regulatory framework to account for the financial and operational challenges of project development, including high financing costs, exchange-rate fluctuations and changes in construction costs.

Raymond Ahdy identified high interest rates and exchange-rate instability as two of the main challenges affecting real estate activity and investment costs.

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CUBE Consultants launches AI-powered architectural, engineering design lab

CUBE Consultants has launched CUBE AI-Lab, a specialised studio focused on architectural and engineering design that integrates human expertise and creativity with artificial intelligence (AI) technologies.

The new lab aims to develop a faster, more integrated and technology-driven design process by applying AI tools across different stages of architectural and engineering work, from research and idea generation to preliminary design, data analysis, simulation and the evaluation of alternatives.

CUBE AI-Lab will also use AI in design development, multidisciplinary coordination and the optimisation of project outputs, with the aim of improving efficiency and quality throughout the design process.


Public domain

Dina Sabry

Dina Sabry, PR Manager at CUBE Consultants, said: "At the centre of the new system is Q, an AI Coordinator designed to connect teams, disciplines, data and AI-powered tools. The system will support faster analysis, coordination and evaluation of design alternatives while maintaining human expertise and creativity at the centre of design and decision-making."

Sabry added that the launch reflects the company's vision for the future of architectural and engineering practice, in which AI is used to augment rather than replace architects and engineers.

She noted that the integration of AI is intended to enhance professionals' ability to analyse information, explore alternatives and develop more efficient, sustainable and human-centred design solutions.

Urban Development Fund records EGP 6bn in sales since start of 2026

The Urban Development Fund (UDF) has recorded sales worth EGP 6bn since the beginning of 2026 and is targeting an additional EGP 3bn in sales by the end of the year, UDF Chairperson Khaled Seddik said.

Speaking to Daily News Egypt on the sidelines of a conference, Seddik said the fund is targeting the delivery of around 10,000 housing units during 2027 as part of its plan to accelerate construction and handover rates across its projects.

The fund is currently preparing the second phase of its land offering, with around 14 plots ranging in size from two to five feddans, in addition to other land parcels, including a 185-feddan plot in Kafr El-Sheikh and another plot in Mahalla, he added.

Seddik said the UDF currently has a portfolio of 24 projects across 13 governorates and is working to accelerate implementation and delivery, particularly following the completion of a significant portion of infrastructure and utility connections for its projects.

Regarding the fund's projects in Downtown Cairo and Fustat, Seddik noted that the El-Shorbagy Hotel, which comprises 36 units, has completed the process of assigning its management to a company.

The Fustat project includes around 450 hotel units in addition to 158 serviced apartments, he said. The first handovers at Fustat View are targeted for early 2027, Seddik said, adding that the fund is currently addressing challenges that affected parts of the project.

The fund is also offering alternatives to customers affected by delays in some buildings, including transferring them to other available units within the project or refunding the full value of their units without deducting any amounts, he added.

Seddik also revealed that the UDF is seeking to increase sales of its projects to Egyptians living abroad. The fund has organised two overseas exhibitions recently as part of these efforts and is coordinating with the Ministry of Foreign Affairs to explore the possibility of using Egyptian embassies to promote its projects and available units to Egyptians abroad.

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