MARKET REPORT

HVS Egypt Hospitality Investment Pulse 2026

NOVEMBER 9, 2026

Investors are confident in Egypt's hospitality demand outlook: 97% are positive on the next three to five years, and none identifies tourism demand as the sector's primary constraint. The investment debate has shifted from demand creation to capital deployment. Gulf investors are expected to lead the next wave of investment, although foreign exchange risk and financing conditions remain key impediments.

HVS Egypt Hospitality Investment Pulse 2026

HVS Middle East & Africa with FHS Egypt • Investment outlook and market sentiment

Egypt's demand story is no longer in question. The investment case now turns on capital and access.

Investors have largely made up their minds about Egypt's hospitality demand story: 97% are positive on the next three to five years and not a single respondent identified tourism demand as the sector's primary constraint. The investment debate has therefore shifted from demand creation to capital deployment. Gulf investors are expected to lead the next wave of investment, although foreign exchange risk and financing conditions remain key impediments.

Hala Matar Choufany, President of HVS Middle East & Africa, commented:

"What stands out from the survey is that investors are no longer questioning Egypt's demand fundamentals. The conversation has shifted to capital deployment, air connectivity, workforce development and execution. Egypt's tourism story is increasingly understood and accepted. The next phase will be determined by how effectively confidence is converted into investment."

Key findings

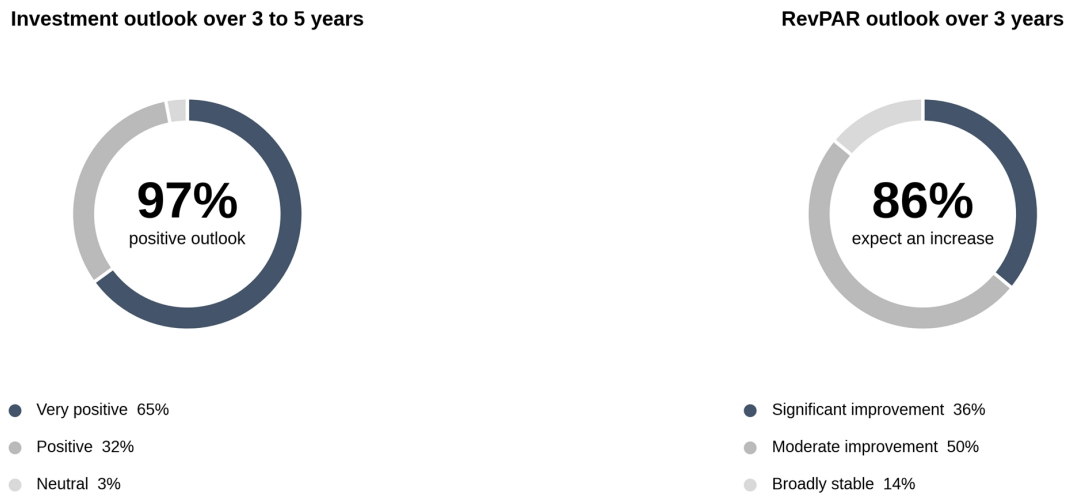
- Demand is no longer the question.
- Gulf capital is expected to lead the next wave of investment, while currency risk remains the principal constraint.
- Investor attention is increasingly focused on the coast, with the North Coast emerging as the leading destination.
- A gap is emerging between where demand is expected and where capital is flowing.
- The North Coast's next step is year-round demand.
- Connectivity and talent will determine how quickly Egypt reaches its tourism ambitions.
- Investors want a coherent policy package, not a single reform.

This report draws on a survey of hotel owners, developers, investors and lenders active in Egypt, conducted by HVS Middle East & Africa with FHS Egypt between September and October 2026.

Part One • The Confidence

1. Demand is no longer the question

No respondent expressed a negative outlook for hospitality investment in Egypt.
97% are positive on the next three to five years; 86% expect RevPAR to improve



Source: HVS

Sentiment is positive on every measure tested. Nearly two-thirds of respondents (65%) are very positive on the investment outlook and a further 32% positive; none is negative. On trading, half expect moderate RevPAR growth over the next three years and 36% a significant improvement. No respondent expects a decline.

These figures measure expectations rather than realised performance, but their breadth sets the tone for the findings that follow.

Implication: For perhaps the first time in many years, investors are not debating Egypt's demand outlook. The discussion has shifted to execution, capital deployment and market accessibility.

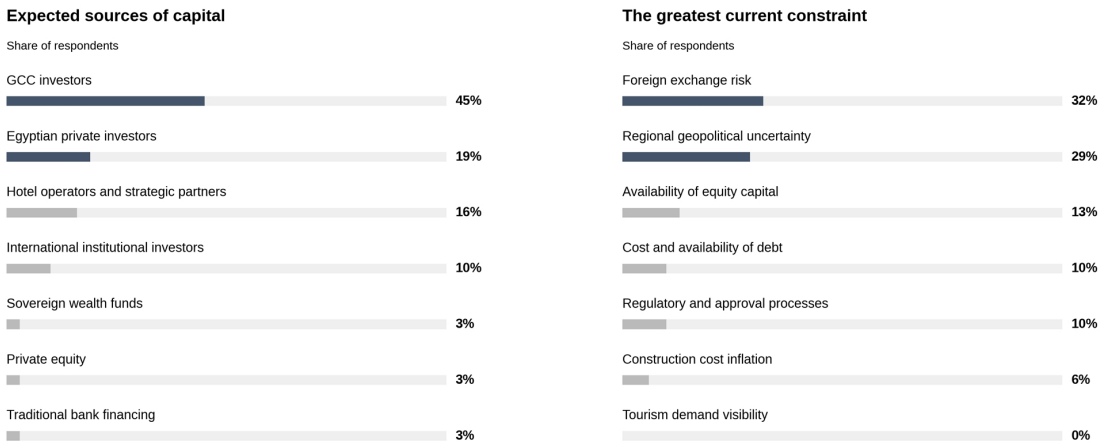
Share of respondents. Percentages are rounded and may not sum to 100.

Part Two • The Capital and Where it is Going

2. Gulf capital is expected to lead the next wave of investment, while currency risk remains the principal constraint

If demand is not the question, capital is.

45% expect GCC investors to lead; 55% cite a capital-related constraint, and none cite demand.



Source: HVS

Respondents expect GCC investors to be the primary source of capital over the next five years (45%), more than twice the share citing Egyptian private investors (19%). Hotel operators and strategic partners follow at 16%, ahead of international institutional investors at 10%.

While foreign exchange risk (32%) and regional geopolitical uncertainty (29%) remain the principal concerns for investors, the survey reveals a broader shift in market thinking. The key challenges facing hospitality investment in Egypt are no longer demand-related, but capital-related. Currency exposure, equity availability and debt access collectively account for more than half of all responses, while not a single participant cited tourism demand visibility as a primary constraint. The findings suggest that confidence in Egypt's tourism outlook is firmly established; the challenge now lies in converting investor appetite into deployed capital.

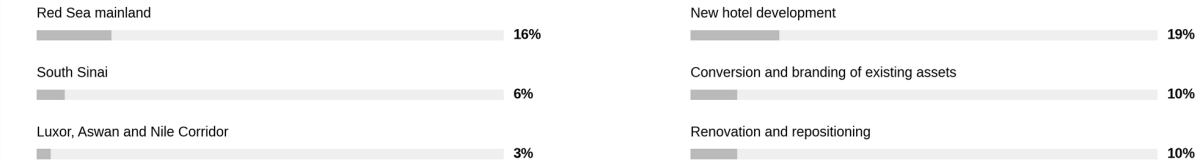
Implication: The opportunity is underwritten by demand; returns will be determined by capital structure and currency management.

Share of respondents; one answer each. Capital-related constraints combine foreign exchange risk, equity availability and debt cost or availability. GCC: Gulf Cooperation Council. Red highlights the leading constraints.

3. Investor attention is increasingly focused on the coast, with the North Coast emerging as the leading destination

And that capital is looking to the coast.
61% favour coastal regions, led by the North Coast at 39%; Greater Cairo and Giza follow at 35%.





Source: HVS

The North Coast narrowly emerged as respondents' preferred investment destination, attracting 39% of responses compared to 35% for Greater Cairo and Giza, indicating that investor interest remains concentrated across both leisure and gateway markets.

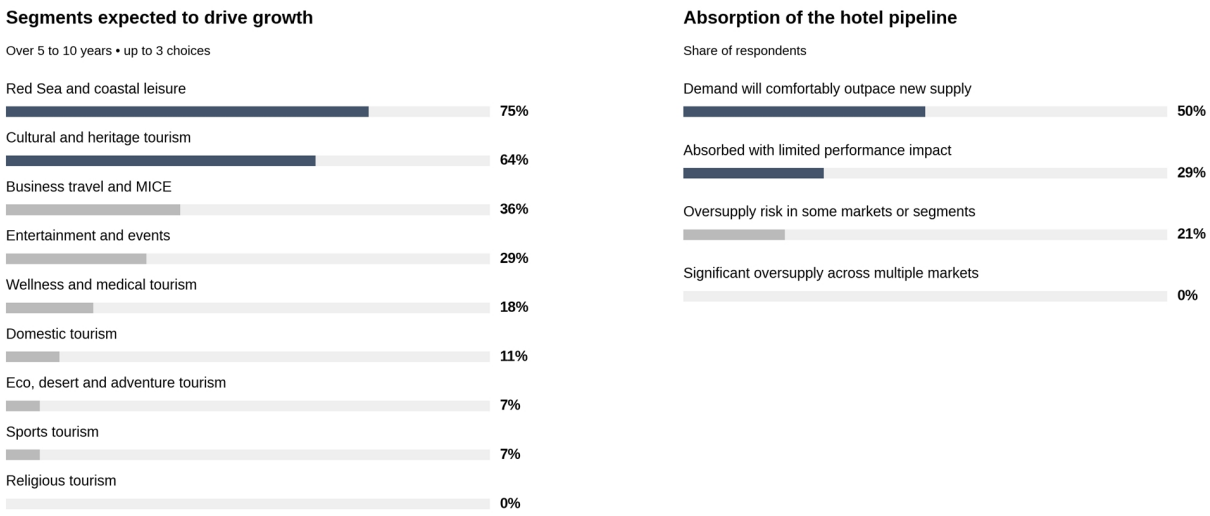
Branded residences and mixed-use developments are seen as the strongest opportunity (32%), ahead of new hotel development (19%), with conversion and branding, and renovation and repositioning, each at 10%. A further 29% see opportunity across all categories, so investors see value in existing assets as well as new projects.

Implication: Capital is concentrating on the coast and on mixed-use schemes, so asset selection and positioning within these markets become more important. Cairo and existing assets remain credible alternatives.

Share of respondents; one answer each. Coastal regions: North Coast, Red Sea mainland and South Sinai. Regions with no responses are omitted.

4. A gap is emerging between where demand is expected and where capital is flowing

Demand expectations point the same way, with one notable exception.
75% expect coastal leisure to drive demand growth; 79% expect the pipeline to be absorbed without material oversupply.



Source: HVS

Red Sea and coastal leisure is expected to contribute most to demand growth over the next five to ten years (75%), followed by cultural and heritage tourism (64%) and business travel and MICE (36%). The results also reveal a mismatch that merits attention. Heritage ranks as the second-strongest driver of future demand, yet only 3% identify Luxor, Aswan and the Nile corridor as the most compelling place to invest. Where demand is expected and where capital is looking are not yet aligned. This finding suggests investors may currently place greater emphasis on scalability, accessibility and development momentum than on demand potential alone.

Despite ongoing industry discussions around supply growth, four out of five respondents believe Egypt can absorb its current hotel development pipeline without material oversupply concerns.

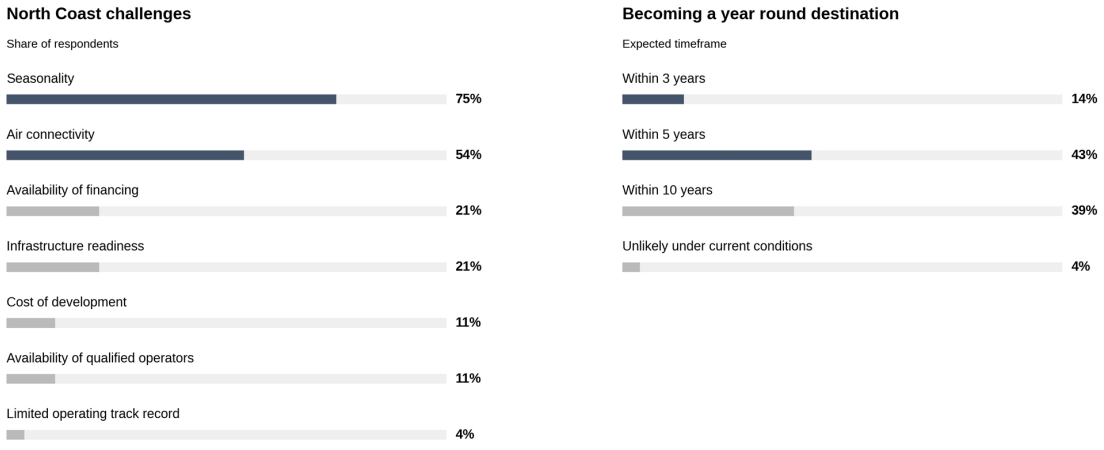
The 21% who see risk point to specific markets or segments, which places the emphasis on submarket and asset selection.

Implication: Heritage destinations represent one of the survey's most notable disconnects. While cultural and heritage tourism is expected to be a major future demand driver, investors continue to favour coastal destinations. Whether this gap narrows over time remains a key area to watch.

Share of respondents. Demand segments: up to three answers each. MICE: meetings, incentives, conferences and exhibitions.

5. The North Coast's next step is year-round demand

On the North Coast itself, confidence is rising, but the work is not yet done.
82% say recent commitments have strengthened their confidence; seasonality, at 75%, is the main hurdle.



Source: HVS

Recent large-scale investment commitments and development announcements have strengthened confidence in the North Coast for 82% of respondents. Seasonality is the most frequently cited challenge (75%), followed by air connectivity (54%), with financing and infrastructure readiness each at 21%.

Expectations are measured rather than speculative: 57% expect the North Coast to trade year-round within five years and 96% within ten, while only 4% consider it unlikely under current conditions.

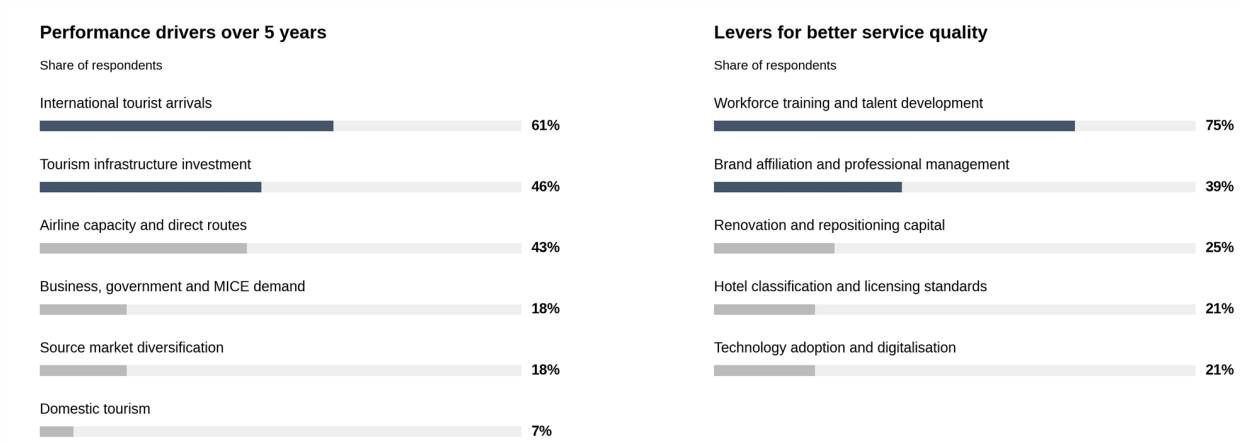
Implication: The North Coast is increasingly viewed as a long-term hospitality market rather than a seasonal resort destination. Achieving year-round demand remains the next critical evolution, and returns will depend on solving seasonality, with air access serving as the critical lever.

Share of respondents. North Coast challenges: more than one answer allowed; red highlights the leading constraints. Five and ten-year figures in the text are cumulative.

Part Three • What Will Set the Pace

6. Connectivity and talent will determine how quickly Egypt reaches its tourism ambitions

What, then, will set the pace? First, the ability to bring guests in and to serve them well.
54% regard air capacity as inadequate; 75% see workforce training as the main lever for service quality.



Source: HVS

Air connectivity emerged as the single most recurring theme across the survey findings. More than half of respondents consider aviation capacity inadequate, air connectivity ranks among the principal challenges facing the North Coast, airline capacity is viewed as a key driver of hotel performance, and airport infrastructure features prominently among investors' priorities for government action. Taken together, the findings suggest that connectivity may be the single most important enabler of Egypt's next phase of tourism growth.

On operations, workforce training and talent development is the clearest lever for service quality and performance (75%), almost twice the share citing brand affiliation and professional management (39%).

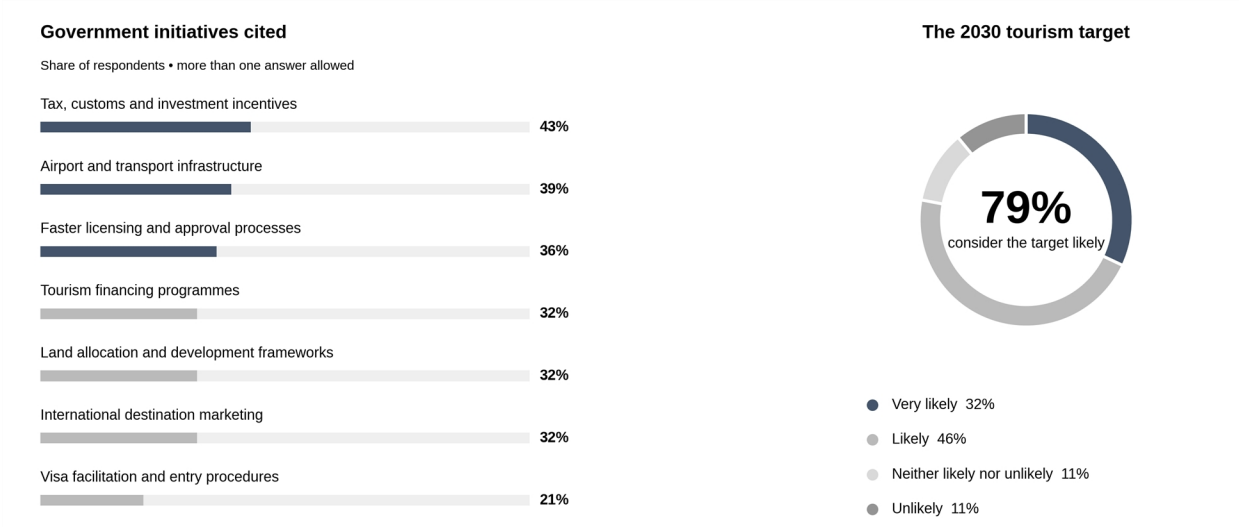
Implication: Air capacity is the variable most likely to set the pace of growth; for owners, investment in people is as much

a driver of value as investment in product.

Share of respondents; more than one answer allowed.

7. Investors want a coherent policy package, not a single reform

Second, the policy environment, where investors are asking for a package rather than a single fix.
Incentives (43%), airport infrastructure (39%) and faster approvals (36%) lead; 79% consider the 2030 target likely.



Source: HVS

Preferences are closely grouped, with financing programmes, land allocation frameworks and international marketing each at 32%, signalling demand for a coordinated programme rather than a single reform. In written responses, the most frequent theme is predictability: clearer, faster and more transparent processes, followed by air connectivity and access to finance.
Confidence in the national ambition is high: 79% consider it likely that Egypt reaches around 30 million international visitors by 2030, against 11% who consider it unlikely. That confidence sits alongside the concerns on air capacity, consistent with airport and transport infrastructure ranking second among investors' priorities.

Implication: The asks are practical; delivered as a coordinated package, they would help convert confidence into committed capital. The message from investors is clear: confidence already exists; policy improvements are needed to accelerate deployment, not create demand.

Share of respondents. Government initiatives: more than one answer allowed; results shown as recorded.

Our view

Egypt has largely won the demand debate. Investor sentiment is overwhelmingly positive, expectations for trading performance remain robust, and concern over tourism demand is notably absent from the findings. The challenge now lies in translating confidence into capital deployment. Foreign exchange considerations, access to finance, air connectivity,

workforce development and regulatory efficiency have emerged as the primary determinants of future growth. Investors who can navigate these variables, while identifying opportunities beyond the most heavily targeted markets, may be best positioned to capture the next phase of Egypt's hospitality expansion.

The survey ultimately suggests that Egypt's next challenge is not generating demand, but ensuring that capital, infrastructure and execution capabilities evolve quickly enough to support it.

For investors, developers and policymakers alike, the survey points to a common conclusion: confidence in Egypt's hospitality sector is already firmly established. The priority now is ensuring that infrastructure, connectivity, capital markets and execution capabilities evolve at a pace that matches the country's tourism ambitions.

In respondents' own words

> *"Establishing a predictable, transparent, one-stop investment regime that sharply reduces permitting, land-allocation, and regulatory friction for hospitality and tourism projects"*
> *"Full government buy-in and ensuring aligning all the stakeholders, not only the Ministry of Tourism, but most importantly Ministries of Education, Interior, Culture, Environment."*
> *"More transparent procedures within the administrative procedures and cycle and support in foreign currency repatriation"*

Methodology

The survey was conducted by HVS Middle East & Africa and distributed through the HVS and FHS networks between 9 September and 30 October 2026. Respondents are predominantly hotel and asset owners (45%) and developers (29%), with participation from lenders, investors, family offices and government. Findings reflect sentiment rather than a statistically representative sample; respondents have a stake in the sector's performance, and the survey took place during a period of regional uncertainty. Percentages are rounded; where more than one answer was permitted, totals exceed 100%.