It was called the "Jewelry Palace" because it was located in a building that had once been the palace of one of the princesses of the Alawite royal family.

The Royal Jewelry Museum is located in the Fatima al-Zahra Palace building in Glim. This palace was founded by Zeinab Hanem Fahmy in 1919, completed by her daughter, Princess Fatima al-Zahra, in 1923. The palace was used as a rest house for the presidency until it was converted into a museum by presidential decree in 1986.

This palace (the Royal Jewelry Museum) was built in the European architectural style. It consists of two wings, an eastern and a western, connected by a transverse corridor. Both wings consist of two floors and a basement. The building is surrounded by a garden filled with plants, flowers, and ornamental trees. The museum houses 11,500 pieces belonging to members of the royal family. The palace is divided into ten halls containing collections of antiques and jewelry belonging to members of the Muhammad Ali family. This museum is considered one of the most beautiful tourist attractions in Alexandria, as it houses a rare and wonderful collection of antiques, jewelry, ornaments, gold works, precious stones, watches studded with jewels and diamonds.