



KFH LOCAL REAL ESTATE REPORT

Third Quarter 2010 - Kuwait

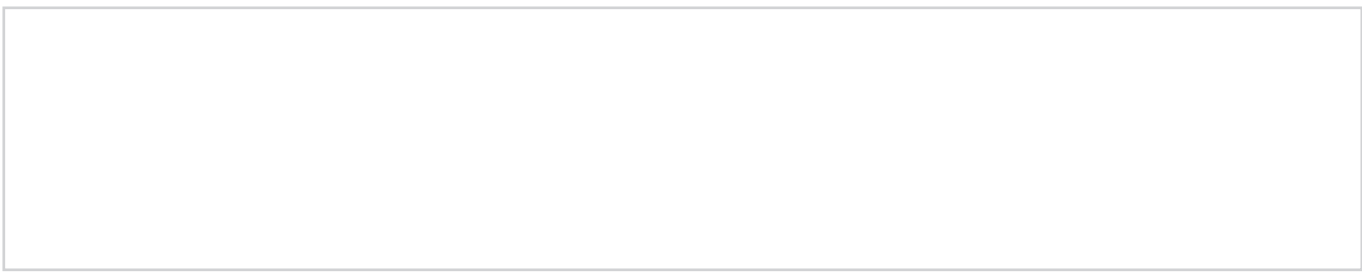
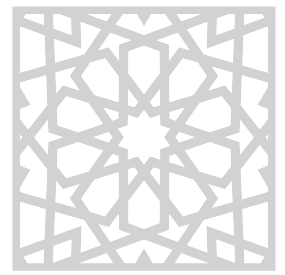
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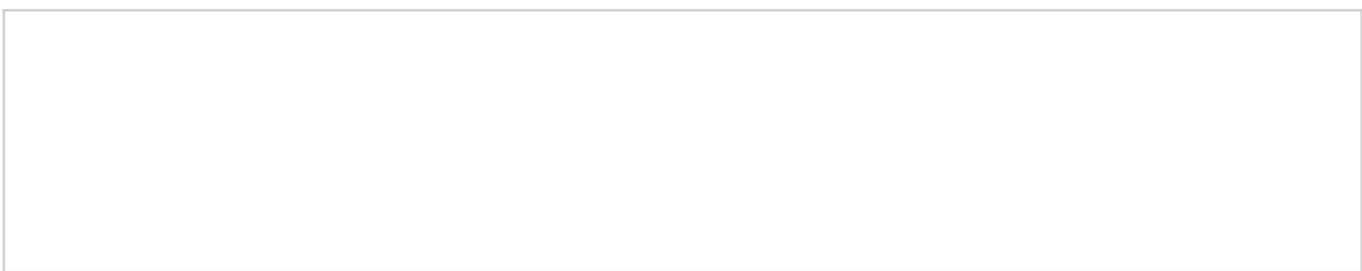
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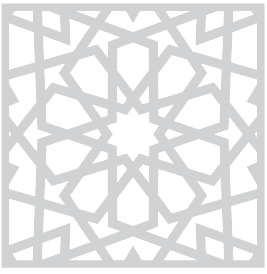
بيت التمويل الكويتي
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Third Quarter 2010 - Kuwait





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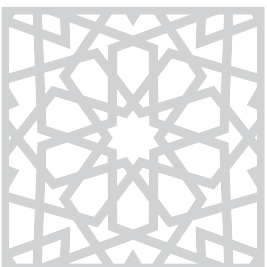
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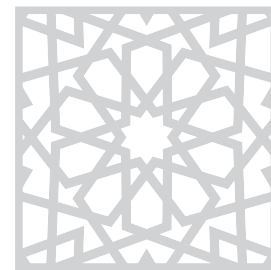
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Valued Reader

KFH is delighted to present to you the new edition of KFH Local Real Estate Report for Q3-2010. The real estate sector is considered one of the best preeminent sectors in the local economy as it satisfies one of the basic needs of citizens. Also, the real estate sector has the ability to move and trigger the local economy for it is linked to the most important economic sectors. In addition, this sector can attract and contain large investments in the field of infrastructure as well as provide employments for the work force.

Accordingly, this report continues to analyze the price indices of real estate properties through all Governorates of Kuwait, as per location (Internal or Prime). This report conveys KFH's effort in providing a broad analysis of certain aspect of the real estate market in the State of Kuwait as it highlights the major qualitative and quantitative developments and activities on a regular basis. This report also includes a glossary of real estate terminology annexed herein.

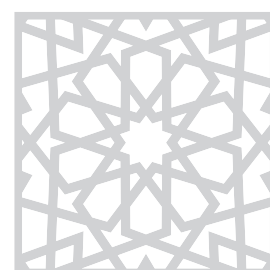
Indeed, KFH seeks to collect and monitor all official data and price indices on the local Real Estate Sector, present this data illustratively, monitor the real estate key performance indicators through a consolidated methodology, and publish the same periodically and regularly so as to contribute in raising awareness on real estate and investment practices in the local market, encouraging the developmental role of the local market in the economy and helping customers and investors to take sound and well-informed investment decisions.

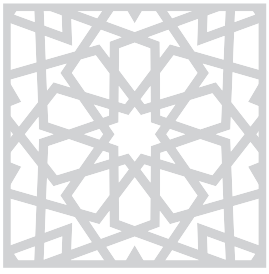
In addition to analyzing the local real estate performance, the report reviews the major economic developments related to the activity of this real estate market as well as the related governmental regulations.

We truthfully hope that this report will come to be a key driver in the development of the real estate sector and of the investment activities, and will ultimately contribute to the local development.



Emad Abdullah Al-Thaqeb
AGM, Finance Sector - KFH





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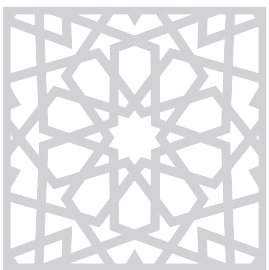
Introduction

Even though the real estate trading volume has decreased during the third quarter of the current year according to the real estate registration and authentication department in the ministry of justice, a thorough analysis of the real estate components and its sectors, and an examination of its indicators and conditions have proved that the real estate sector is one of the most important solid economic sectors capable of absorbing the financial crisis shock, in spite of the conservative analysis of the affected commercial activities which were influenced on a greater level compared to other real estate sectors.

The real estate market indicators showed signs of recovery and recuperation of activity during the first quarter; however, it has decreased again in the third quarter of the current year relative to the previous quarter. A series of factors and challenges, such as the annual leave period, the holy month of Ramadan and Eid al Fitr, have jointly led to this decrease by contracting the working days and trading hours during the months of August and September. In addition to all these factors, the state of attention dominating the market, the refusal of proprietors and investors to sell their estates and the municipality's strict policies banning the trade of illegal investment properties have all raised the percentage decrease in trade transactions volume. Added to that is the fact that these third quarter trade transactions are being compared to the previous two quarters which have witnessed an increase in trade volume and in turn have led to the increase in the trade volume of the current year's first quarter.

The residential real estate activities have also decreased on the trading level with a slight prices movement. The trade operations are concentrated in the external regions while the real estate supply was near the ground in the internal regions in addition to the fact that some residential estates investments are being rented.

In addition, the real estate investment sector has witnessed a parallel decline in trade transactions during the third quarter on this year triggered by the refusal of owners to sell their properties leading to a decrease in residential investment properties supply. During the same time, the demand on investment properties increased given the competitive market and the increase in its profitability due to the stability of the rental demand and to the relative increase in price and rent level as a result of the raise in the inflation levels and low interest rates in addition to its relative stability compared to other investment pools such as the Kuwaiti Stock Exchange which has witnessed a notable progress during the third quarter compared to the previous quarter. This has led to the migration of liquidity from the real estate market to the stock exchange market, in addition to the fact that the investment portfolios began to prefer current return on selling properties. Accordingly, the properties supply for sale has





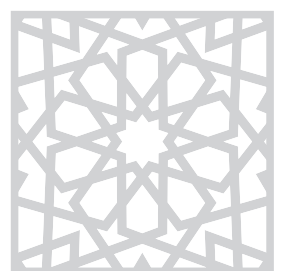
decreased. The industrial real estate activities have also witnessed positive improvements during the third quarter of the current year.

Despite the progress in real estate trade transactions during the third quarter, the real estate market is still facing a dilemma because of the stagnation in the demand on commercial offices and other real estate activities affected by the international financial crisis where the large real estate projects have been suspended. Some of these projects have been in fact started, but could not be completed because of a lack of funds.

The global financial crisis has affected the real estate sector, and especially its commercial division (administrative offices). Many indicators show that some of the commercial real estate activities have defaulted because of the decrease in the demand where all companies turned to minimizing their expenditures. This in turn has decreased the real estate occupancy rate of these properties especially the newly built commercial towers in the Capital. The occupancy rate in these towers has reached 51% on average in 2010, compared to a 92% occupancy rate in mid 2008. This leads to the decrease in the investment returns to 4.5% per year, an average of 35.5% decrease of the market value of this type of real estate before the global financial crisis in the last quarter of 2008. Accordingly, this emphasizes the crisis of this type of real estate properties which has contributed to the construction of Kuwait during the past five years.

The construction and building sector, especially the commercial real estate division, which needs an urgent treatment, have acquired during the last 5 years a large share on investments. From 2002 till 2007, 80% of the special investments have turned to serve only two groups of the economics sectors; the first group is the finance, insurance, real estate and business services sector with a 45% share of the total investments, and the second group consists of the transportation sector with a share of 32% of the total private sector investment which constitutes 44% of the total executed investments.

Furthermore, beginning the implementation of the five-year-plan through trying to provide new land and developmental residential projects, and accelerating the completion of the existing and organized projects' infrastructure, also leads to the revitalization of the real estate movement in the country. This will present a long-awaited solution for the lack in residential real estate supply issue and the compiled waiting orders since decades. This will also encourage different cooperation ways between the private and the public sector such as construction, operation, transfer and similar systems projects.





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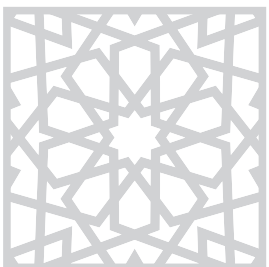
In a positive effort, a main fundamental is being built in order to organize the real estate market and to preserve the traders' rights as well as providing data, achieving the required transparency and to develop real estate market regulation rules. During the third quarter, Kuwait Real Estate Clearing Company has started its work in an attempt to establish a Clearing Chamber. The State will contribute in this Chamber's capital in a share that allows it to participate efficiently in its management. Through a specialized technical and administrative body, the State will monitor dealing in the real estate market and will ensure that the stakeholders will fulfill their commitments in a way that protects transactions and their accuracy in coordination with the real estate registration and authentication department and the municipality of Kuwait city without interfering in the official procedures responsible for its work regulation, and it also conducts its selling offers and the collection of registration fees and brokerage commissions through an automated system.

Also, Kuwait Real Estate Clearing Company is a Kuwaiti closed shareholding Company established according to the Ministerial Decree issued in 2005. The Kuwaiti government acquired an influential stake in the company through the General Investment Authority, which acquired 36% whereas the Public Institution for Social Security acquired 15%. The other owners are public benefit associations and include property owners association with 9.5% share and the Brokers union which owns 30%. The General Investment Authority has increased its stake up to 52% at a later time.

Market Trading Indices

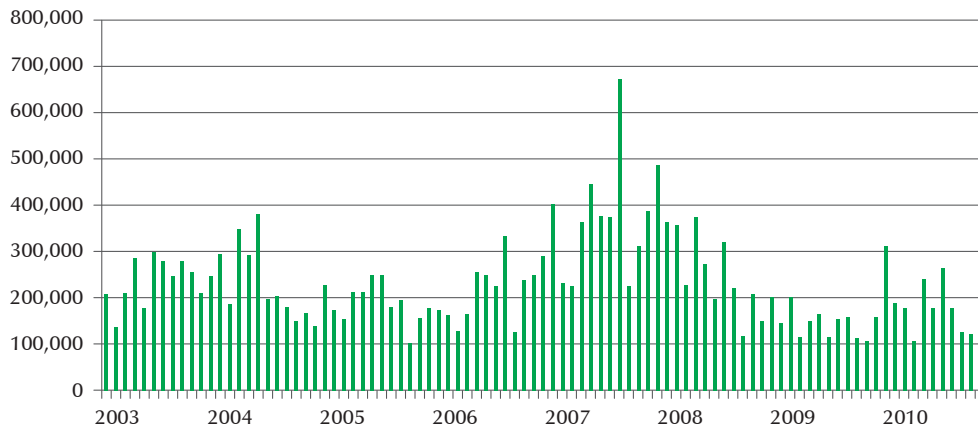
The real estate sector constitutes more than 7% of GDP, where over the past decades, the economic boom lead to an increase of income levels which in turn had augmented the demand on housing units (i.e. villas) that exceeded the supply margins due to the rapid increase of population and the governments inability to increase supply to meet such demands.

The Public Authority for Housing Welfare has submitted various initiatives and projects to the National Assembly offered by the Kuwaiti Government to launch giant companies into the different sectors of the economy, including the offering of a share to the public offering and pumping new investments in the Kuwaiti economy. Kuwaiti Government has also announced the signature of contracts to construct four residential cities including 22 thousand residential units within its five-year budget (2010-2014) aiming at setting up projects worth KD 37 billion in order to diversify the sources of income, attract more investments, and encourage the private sector's participation in the government-led projects.



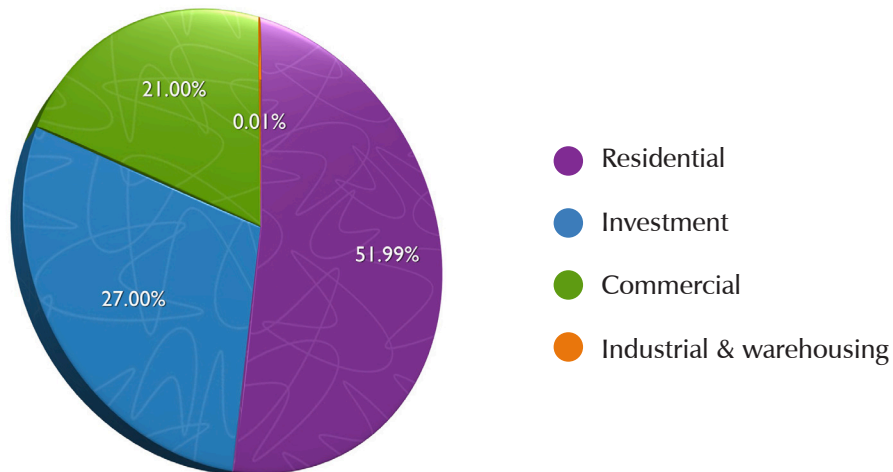


Total Real Estate Trading 2003 to September 2010 (Thousand KD)



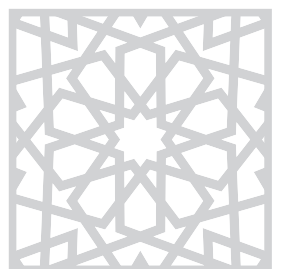
Source: Real Estate Registration and Authentication Department, Ministry of Justice

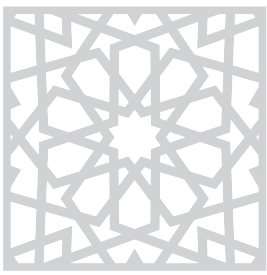
Real Estate Indices during Q3, 2010



Source: Real Estate Registration and Authentication Department, Ministry of Justice

Regarding the overall real estate market, the trading indices posted by the Real Estate Registration and Authentication Department at the Ministry of Justice during Q3, 2010 showed a decrease of KD 435,263 million equal to 34.39% as compared to KD 663,367 million in Q2 2010. Real estate private housing trading made up 52.1%, investment 26.66%, while commercial 21% and Industrial and warehousing 0.14%



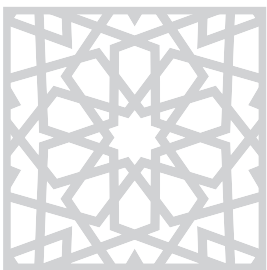
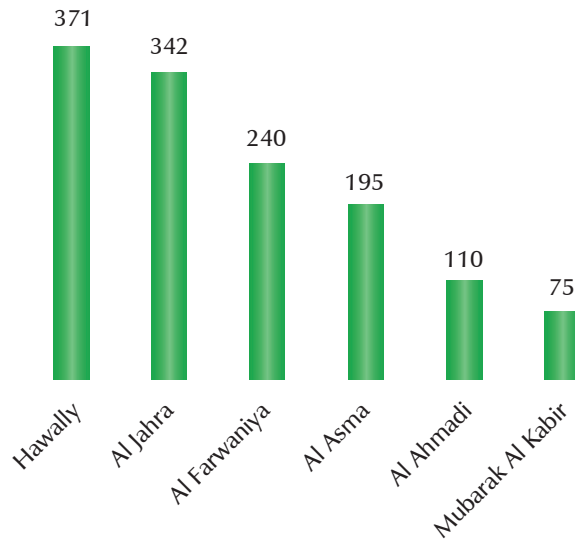


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Progress of the Real Estate Trade Transactions in the Capital Governorates for Q3-2010

Governorate	Private		Investment		Commercial		Warehouse		Total
	Contracts	Fran-chises	Contracts	Fran-chises	Contracts	Fran-chises	Contracts	Fran-chises	
Ahmadi	98	3	6	2	1	0	0	0	110
Jahra	222	20	96	3	1	0	0	0	342
Al Asma	144	11	24	3	6	1	0	6	195
Farwaniya	220	16	4	0	0	0	0	0	240
Hawally	238	8	120	2	3	0	0	0	371
Mubarak Al Kabir	72	2	0	0	1	0	0	0	75
Total	994	60	250	10	12	1	0	6	1333
	1054		260		13		6		

Progress of the Real Estate Trade Transactions in the Capital Governorates for Q3-2010





Private Housing Transactions

Given the scarcity of available land, the absence of new lands offers, the increase in population, in addition to the potential demand resulting from the fact that 65% of the population is under 15 years old which aggravates the kuwaiti situation represented by the increase in the housing welfare waiting averages clearly concentrated in the internal regions with respect to the external regions, as well as the delays in completing the infrastructure projects in some areas which makes it susceptible to speculations and price increases.

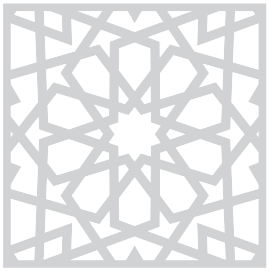
The residential real estate sector is affected by the local demand on private housing by kuwaiti citizens. The changing lifestyle and community structure, the emergence of small families, and the involvement of youth in the business world to gain income, all are factors that will notably ascend the demand on residential units as long as kuwaitis prefer to own their villas rather than renting them out.

The public authority for housing welfare has announced different initiatives to start up housing projects to be executed in a timely manner within the planned strategy. Such initiatives backup the development plans that are aimed at providing private housing for citizens in line with the highest international standards and practices. Moreover, the new plan would act as a substitute of the ordinary practices by adopting pioneering construction measures, and at the same time would help provide private housing to citizens within a short time frame, utilizing the available resources while minimizing cost, where the government has provided around 92 thousand housing units since 1954.

More to the point, the state aims at enlarging the private sector involvement in developing the various residential projects, keeping in mind that the private sector participation would play a vital role in turning the corner due to their flexible procedures, and sound expertise that would make projects' execution easier, faster and more efficient.

The execution of such projects together with the private sector would energize this sector, especially the construction sector, while giving a room for innovation and creativity, cutting down the financial, technical and administrative burden as well as reducing the number of pending housing applications. The public housing committee of the national assembly and the public authority for housing welfare in talks to issue the necessary legislations to establish a public shareholding company with shares owned by the private sector and citizens in order to develop housing projects while financing individuals to build their own houses through the credit and savings bank. Besides, the company will impede the steady increase





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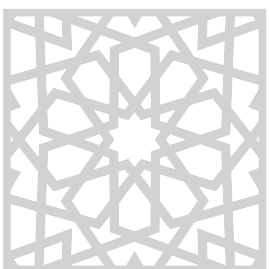
of distributions and outsource infrastructure projects to private companies to cope with the increasing number of housing units during the next three years, which will exceed 20 thousand units.

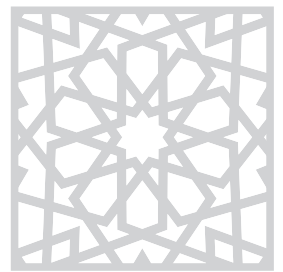
The private housing transactions have decreased as compared to the previous quarter thus reaching 52.1% Of the total real estate trading valued KD 435,263 million, which reflects the huge demand on private housing by citizens. The private housing transactions have amounted to KD 227,158million in Q3-2010, decreasing at 39.39% As compared to Q2-2010. The number of private housing transactions has declined by 42.3% To reach 1,053 transactions during Q3-2010 as compared to 1,825 in Q3-2010. August 2010 recorded the highest trading rate accounting for 36% equal to KD 81,849 million of the total private housing transactions amounting to KD 227,158 million during Q3-2010 while july ranked second recording KD72,967 million recording 32%. September came last with KD 72,341 million accounting for 31.8% Of the total private housing trading.

Investment Real Estate Transactions

The importance of real estate properties should not be underestimated since these are an immense source of wealth, and their trading between people is highly demanded in order to realize economic development. The real estate investment is still one of the most significant main channels for investors and a fixed income source for a large number of kuwaiti families. It is also interrelated to most economic sectors since it is one of the most important economic drivers, where real estate properties are a critical element in attracting new business projects to the circle of activity, because the initiation of projects needs new available lands and new construction license.

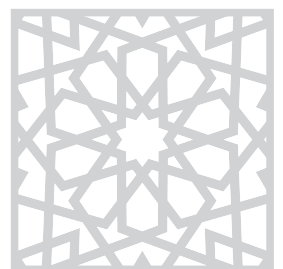
The total trading of investment real estate decreased notably during Q3-2010 given the lack of real estate supply which was exhausted by the investors' aim to step into real, stable investments rather than investing in stock markets, reduced rates of return of local banks and limited investment opportunities, in addition to the trend of real estate portfolios looking for a periodic current income where most of these portfolios have stopped trading and selling their properties. Added to all these factors is the municipality's strict policy in collecting fines for construction violations which led to the decrease of the number of deals closed through the ministry of justice. Annual Rate of Return on Investment Real Estate in Some Areas

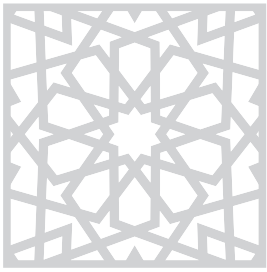




Area	% of Built Area	Area (sqm)	Location	Street Name	Annual rate of return on investment real estate, Q3 2010 (%)		
					From	To	Average
Bneid Al Gar	250%	1,000		Arabian Gulf	8.00%	8.00%	8.00%
Bneid Al Gar	250%	1,000		Isteqlal	8.00%	8.00%	8.00%
East Al Mukwa'a	240%	250	Internal		7.00%	8.00%	7.50%
East Al Mukwa'a	400%	500	Prime		7.50%	8.00%	7.75%
East Al Mukwa'a	500%	500	Internal		7.70%	8.00%	7.85%
Dasman	400%	1,000		Arabian Gulf	8.00%	8.00%	8.00%
Dasman	400%	1,000	Internal		8.00%	8.00%	8.00%
Dasman	400%	750		Abdullah Al Ahmad	8.00%	8.00%	8.00%
Hawally	250%	750		Al Muthanna	8.00%	8.50%	8.25%
Hawally	250%	750		Qutaiba	8.00%	8.50%	8.25%
Hawally	250%	1,000		Al Hassan Al Basri	8.00%	8.50%	8.25%

Area	% of Built Area	Area (sqm)	Location	Street Name	Annual rate of return on investment real estate, Q3 2010 (%)		
					From	To	Average
Salmiya	250%	1,000		Arabian Gulf	8.00%	8.50%	8.25%
Salmiya	250%	1,000		Hamad Al Mubarak	8.00%	8.50%	8.25%
Salmiya	250%	1,000		Amman	8.00%	8.50%	8.25%
Salmiya	250%	1,000		Bahrain	8.00%	8.50%	8.25%
Salmiya	250%	750	Internal		8.00%	8.50%	8.25%
Shaab	250%	1,000		Arabian Gulf	8.00%	8.50%	8.25%
Shaab	250%	1,000		Isteqlal	8.00%	8.50%	8.25%
Farwaniya	250%	1,000			8.50%	9.00%	8.75%
Farwaniya	250%	1,000	Prime		8.50%	9.00%	8.75%
Farwaniya	250%	750	Internal		8.50%	9.00%	8.75%
Shaab	250%	1,000		Isteqlal	8.00%	8.60%	8.30%
Shaab	250%	1,000			8.50%	8.75%	8.63%





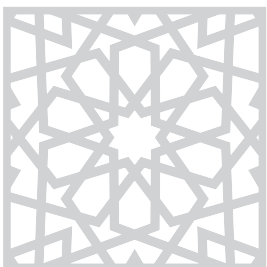
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Total real estate investment trading accounted for KD 116,048million compared to KD 245,094 million in Q2-2010, with a decrease of 21.9%. September came as a top volume leader in Q3-2010 recording KD 42,418million, july came second recording KD 37,571 million, while august came third recording KD 36,058 million.

Commercial Real Estate Transactions

Total commercial real estate trading ascended notably during Q3-2010 driven by the pessimistic view by certain traders, the tendency by other traders to sell their commercial properties as a result of the decreased sales turnover and the shrunken local consumption, especially in the retail trade and food stuffs. A low demand is also reported on the new commercial real estate properties offered for lease, driving some landlords to cut down the rental value. In addition, suspension of certain commercial real estate projects was also reported, as the value of trading is increased by 191% registering KD91,427 million as compared to Q2-2010, which reached KD 31.327 Million accounting for 21 % of the total trading. Private real estate transactions accounted for 52.1%, Investment transactions accounted for 26.6%.

September came first valuing KD 71,226 million, while july came the second registering KD 19,187 million, and august the third accounting for KD 974 thousand, and the average transaction increased to 1,550 million KD during Q3 - 2010 compared to 1.010 Million KD during Q2 - 2010 due to the rise in the number of transactions and with the decrease in prices in some areas.



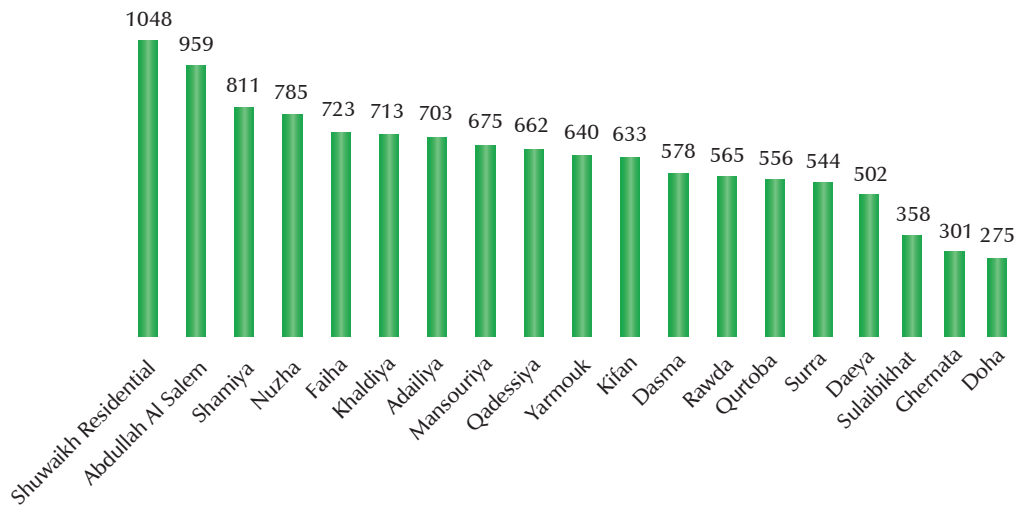


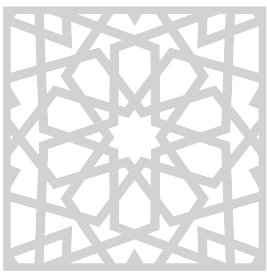
Price Indices:

First: Prices of Private Housing Lands:

It is unlikely that the state or real estate companies will be able to meet the housing needs during the next ten years and therefore the state aims to complete more than 70 thousand housing units by the end of 2015, since the number of applications reached 87 thousand with an increase of up to eight thousand applications each year. This situation has driven the state to take immediate actions and raise the offerings to provide the additional housing units so as the shortage in supply would not lead prices to soar. Market price indices monitored by KFH showed stability in the prices of residential lands during Q3-2010 in the capital governorate while other areas (Khaldiya, Daeya, Rawda) witness a slight increase (1-2.5%).

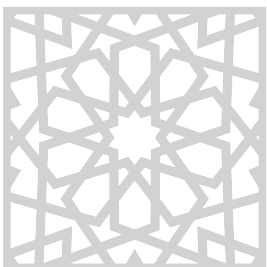
Average rate of Private Housing in Capital Governorate- Q3, 2010

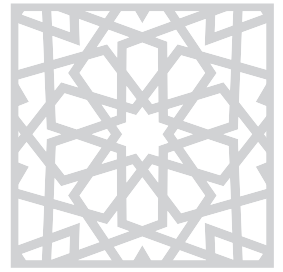




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Area	M ²	% of Built Area	Location	Street	Value in KD *		Rate per Meter (KD)		AR in Q3-2010 (KD)*
					From	To	From	To	
Abdullah Al Salem	500	210%	Internal		410,000	500,000	820	1,000	910
	750	210%	Internal		650,000	750,000	867	1,000	933.3
	750	210%	Prime		750,000	940,000	1,000	1,253	1126.7
Shamiya	250	210%	Internal		170,000	250,000	680	1,000	840
	1,000	210%	Internal		650,000	850,000	650	850	750
Residential Shuwaikh	1,000	210%	Prime		750,000	1,000,000	750	1,000	875
	500	210%	Internal		440,000	600,000	880	1,200	1040
Faihaa	1,000	210%	Prime		1,000,000	1,400,000	1,000	1,400	1200
	400	210%	Internal		240,000	300,000	600	750	675
Kaifan	400	210%	Prime		300,000	400,000	750	1,000	875
	250	210%	Internal		150,000	185,000	600	740	670
Al Adailiya	500	210%	Prime		340,000	400,000	680	800	740
	500	210%	Internal		300,000	380,000	600	760	680
Nuzha	750	210%	Prime	3rd Ring	440,000	550,000	587	733	660
	1,000	210%	Internal		700,000	800,000	700	800	750
Mansouriya	750	210%	Prime		480,000	675,000	640	900	770
	500	210%	Internal		360,000	500,000	720	1,000	860
Qadsiya	1,000	210%	Prime		600,000	820,000	600	820	710
	750	210%	Internal		340,000	620,000	453	827	640
Yarmouk	400	210%	Internal		220,000	300,000	550	750	650
	500	210%	Internal	Maghreb	250,000	340,000	500	680	590
Khalidiya	750	210%	Internal		450,000	580,000	600	773	686.7
	500	210%	Internal		290,000	350,000	580	700	640
Dasma	750	210%	Prime		350,000	420,000	467	560	513.3
	750	210%	Prime		450,000	550,000	600	733	666.7
Khalidiya	750	210%	Internal		430,000	550,000	573	733	653.3
	750	210%	Prime		450,000	600,000	600	800	700
Dasma	1,000	210%	Prime		700,000	850,000	700	850	775
	500	210%	Internal		250,000	300,000	500	600	550
Dasma	500	210%	Prime		300,000	350,000	600	700	650
	750	210%	Prime		350,000	450,000	467	600	533.3





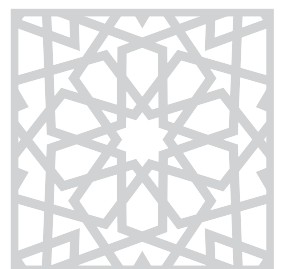
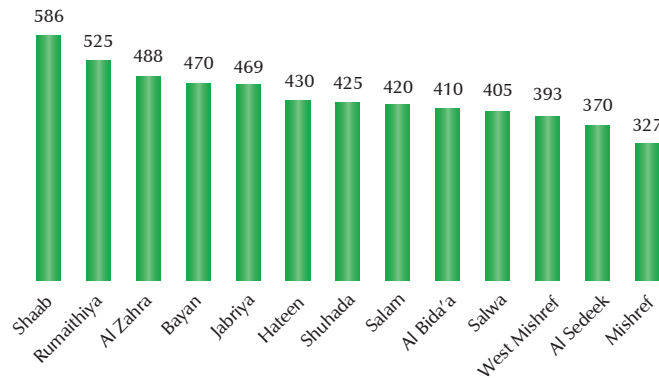
Area	M ²	% of Built Area	Location	Street	Value in KD *		Rate per Meter (KD)		AR in Q3-2010 (KD)*
					From	To	From	To	
Surra	500	210%	Internal		250,000	350,000	500	700	600
	750	210%	Internal		300,000	390,000	400	520	460
Qurtuba	750	210%	Prime		360,000	500,000	480	667	573.3
	450	210%	Internal		240,000	340,000	533	756	644.4
Ghornata	750	210%	Internal		300,000	400,000	400	533	466.7
	500	210%	Internal		150,000	180,000	300	360	330
Rawda	750	210%	Internal		190,000	240,000	253	320	286.7
	600	210%	Internal		280,000	340,000	467	567	516.67
	750	210%	Prime		450,000	500,000	600	667	633.3

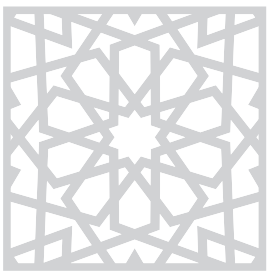
* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

Prices in hawally governorate increased, registering an average rate of KD 579 per square meter. According to the late KFH survey, prices also increased slightly in most areas like: shaab, jabriya, rumaithiya, salwa, surra, bayan and south surra.

Average rate of Private Housing in Hawally Governorate- Q3, 2010



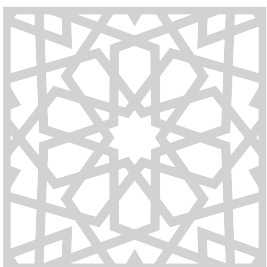


KFH LOCAL REAL ESTATE REPORT

Area	% of Built Area	M ²	Location	Street	Value in KD *		Rate per Meter (KD)		AR in Q3-2010 (KD)*
					From	To	From	To	
Shaab	210%	400	Internal		225,000	250,000	563	625	593.8
	210%	500	Internal		235,000	265,000	470	530	500
	210%	750	Internal		350,000	400,000	467	533	500
Jabriya	210%	500	Internal		190,000	215,000	380	430	405
	210%	500	Prime		220,000	250,000	440	500	470
	210%	1000	5th Ring+Maghreb		390,000	450,000	390	450	420
Rumaithiya	210%	500	Internal		170,000	200,000	340	400	370
	210%	750	Internal		215,000	250,000	287	333	310
	210%	1000	AlAqsa+AlTaawon		450,000	500,000	450	500	475
Salwa	210%	500	Internal		175,000	200,000	350	400	375
	210%	1000	AlAqsa+AlTaawon		450,000	570,000	450	570	510
	210%	1000	Fahaheel		380,000	450,000	380	450	415
Bayan	210%	300	Prime		150,000	200,000	500	667	583.3
	210%	500	Internal		170,000	190,000	340	380	360
	210%	750	Prime		265,000	290,000	353	387	370
Mishref	210%	750	Internal		275,000	320,000	367	427	396.7
West Mishref (Mubarak Al Abdullah)	210%	400	Internal		210,000	250,000	525	625	575
	210%	500	Prime		245,000	270,000	490	540	515
Al Salam	210%	400	Internal		210,000	230,000	525	575	550
	210%	500	Prime		250,000	300,000	500	600	550
Hateen	210%	400	Internal		210,000	230,000	525	575	550
	210%	500	Prime		250,000	300,000	500	600	550
Al Shuhadaa	210%	400	Internal		210,000	230,000	525	575	550
	210%	500	Prime		250,000	300,000	500	600	550
'Al Zahra	210%	400	Internal		205,000	230,000	513	575	543.8
	210%	500	Internal		220,000	250,000	440	500	470
Al Saddiq	210%	400	Internal		210,000	230,000	525	575	550
	210%	500	Prime		250,000	295,000	500	590	545
Al Bidaa	120%	750	Al Taawon		600,000	675,000	800	900	850
	120%	750	Sea Façade		1,100,000	1,350,000	1,467	1,800	1633.3

* (KD) Valued in Kuwaiti Dinar

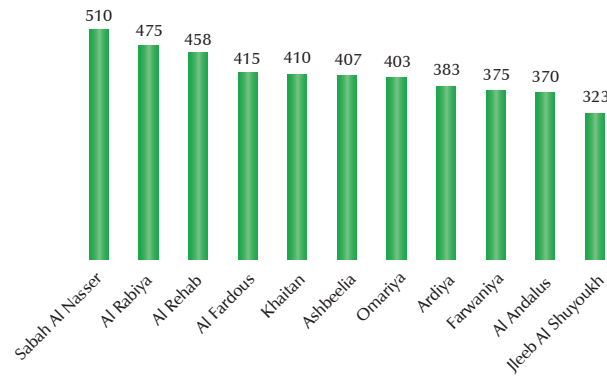
* AR means average rate per square meter in KD.





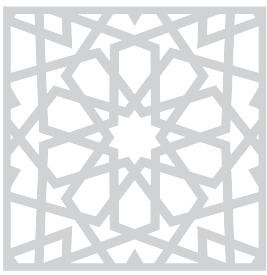
The Farwaniya governorate has recorded an average price rate of KD 310 per square meter during Q3-2010. According to the latest study conducted by KFH, price indices of Ashbeelia, Farwaniya, Khaitan, Jleeb Al Shuyoukh, Ardiya, Sabah Al Nasser, and Al Fardous remained stable while areas such as Al Andalus and Al Rabiya recorded a slight increase by 3%.

Average Rate of Private Housing in Farwaniya Governorate- Q3, 2010



Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
Andalus	210%	500	Prime	155,000	185,000	310	370	340
	210%	750	Prime	215,000	235,000	287	313	300
Al Rabiya (Bait Qaaim)	210%	500	Internal	130,000	145,000	260	290	275
	210%	500	Prime	150,000	175,000	300	350	325
Ashbeelia	210%	400	Prime	150,000	185,000	375	463	418.8
	210%	500	Internal	150,000	185,000	300	370	335
	210%	500	Prime	175,000	220,000	350	440	395
Farwaniya	210%	500	Internal	175,000	190,000	350	380	365
	210%	500	Prime	185,000	230,000	370	460	415
Khaitan	210%	750	Internal	200,000	240,000	267	320	293.3
	210%	750	Prime	240,000	300,000	320	400	360
Jleeb Al Shuyoukh	210%	750	Internal	225,000	300,000	300	400	350





KFH LOCAL REAL ESTATE REPORT

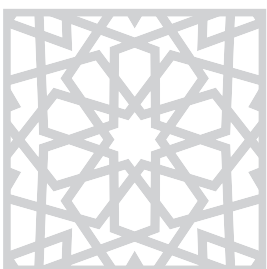
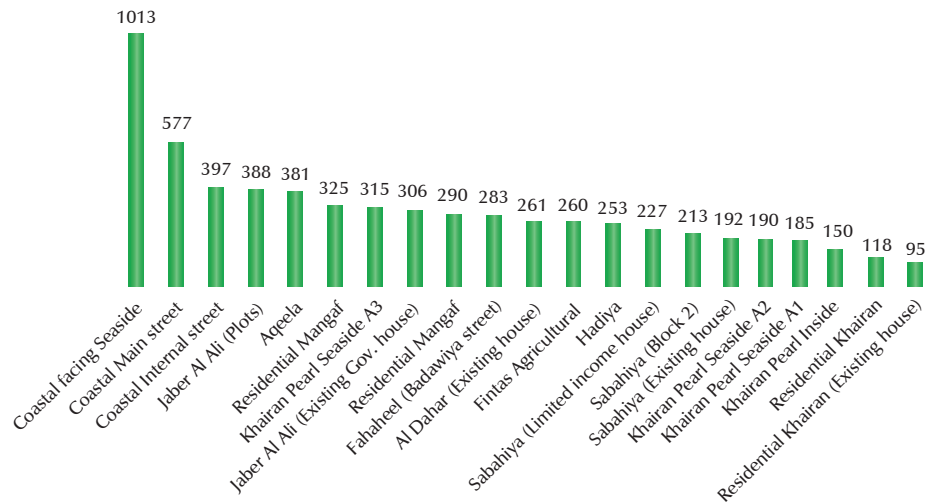
Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
AL Ardiya	210%	750	Internal	130,000	160,000	173	213	193.3
	210%	750	Prime	180,000	220,000	240	293	266.7
Sabah Al Nasser	210%	600	Internal	125,000	160,000	208	267	237.5
	210%	600	Prime	140,000	170,000	233	283	258.3
Fardous (Existing House)	210%	400	Prime+Internal	90,000	130,000	225	325	275
Omariya	210%	600	Prime+Internal	145,000	200,000	242	333	287.5
Rehab (Existing House)	210%	400	Prime+Internal	120,000	145,000	300	363	331.3

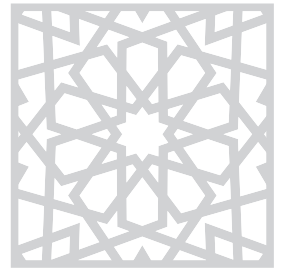
* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

In the Ahmadi governorate, the prices have increased to reach an average price of KD 303 per square meter where prices have risen in Hadiya, Al Aqeela, the Coastal strip, Khairan pearl (stage 3), Al Mangaf, and Al Dhahar.

Average Rate of Private Housing in Ahmadi Governorate- Q3, 2010

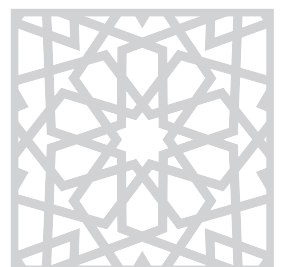


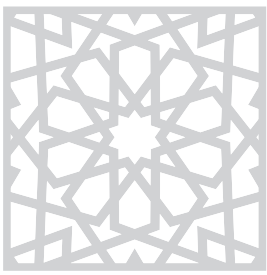


Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
Agricultural Fintas Hadiya	210%	1000	Internal	200,000	320,000	200	320	260
Al Aqeela	210%	400	Internal	135,000	170,000	338	425	381.3
Coastal Strip (Sea Façade)	210%	750	Prime	750,000	770,000	1,000	1,027	1013.3
Coastal Strip (Prime)	210%	750	Internal	385,000	480,000	513	640	576.7
	210%	750	Prime	275,000	320,000	367	427	396.7
Kharian Pearl City A1 Sea Façade	210%	1200	Sea Façade	210,000	234,000	175	195	185
Kharian Pearl City A2 Sea Façade	210%	1200	Sea Façade	216,000	240,000	180	200	190
Kharian Pearl City A3 Sea Façade	210%	640	Sea Façade	179,000	224,000	280	350	314.8
Kharian Pearl City (Internal)	210%	500	Prime	65,000	85,000	130	170	150
ResidentiAl Mangaf	210%	400	Internal	115,000	145,000	288	363	325
Residential Wafra (Existing House)	210%	400	Internal	30,000	46,000	75	115	95
Jaber Ali (Plots)	210%	400		135,000	175,000	338	437.5	387.5
Al Dhahar (Existing House)	210%	278		65,000	80,000	234	287.8	260.8
AL Sabahiya (Block 2)	210%	750	Internal	140,000	180,000	187	240	213.33
Al Raqa (Existing Gov. House)	210%	400	Prime	90,000	140,000	225	350	287.5

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

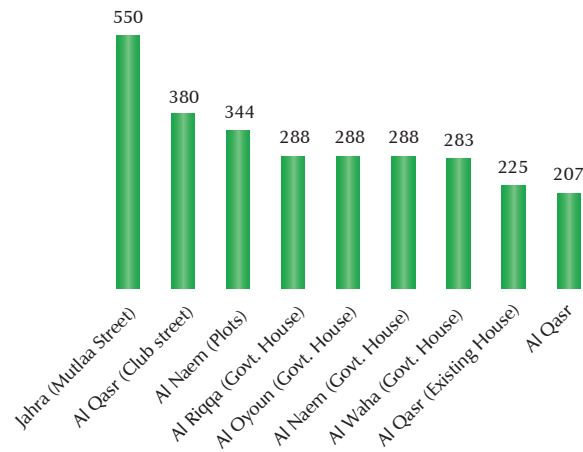




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Prices increased in Jahra governorate and the average price reached KD 320 per square meter.

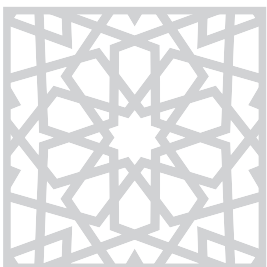
Average Rate of Private Housing in Jahra Governorate - Q3, 2010



Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
Al Qasr	210%	750	Internal	135,000	175,000	180	233	206.7
Al Qasr (Existing House)	210%	600		125,000	145,000	208	242	225
Jahra (Mutlaa Street)	210%	400	Internal	210,000	230,000	525	575	550
Al Oyoum (Government House)	210%	400	Prime	105,000	125,000	263	313	287.5
Al Naem (Plots)	210%	400	Internal	125,000	150,000	313	375	343.75
Al Naem (Government House)	210%	400	Prime	105,000	125,000	263	313	287.5
Al Waha (Existing House)	210%	300		80,000	90,000	267	300	283.33

* (KD) Valued in Kuwaiti Dinar

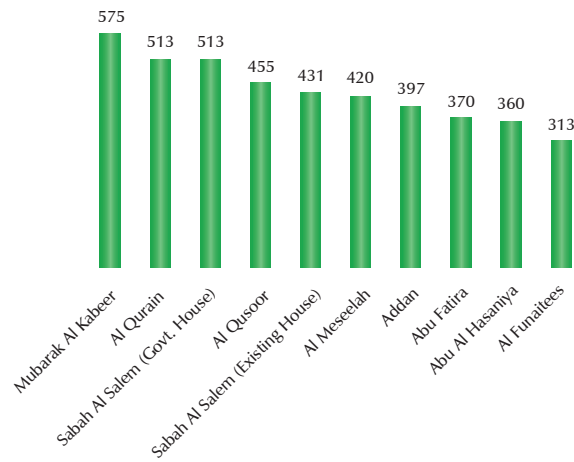
* AR means average rate per square meter in KD.



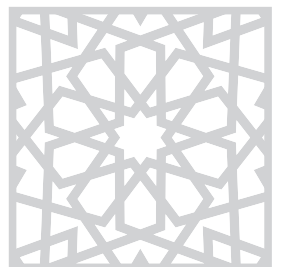


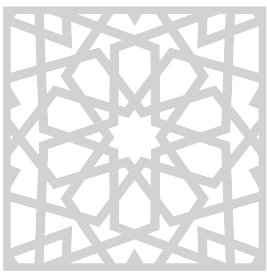
Mubarak Al Kabir governorate has registered a slight increase in prices where the average price per square meter reached KD 403, whereas the prices varied between 1.6 And 4% in areas such as Al Addan, Al Qurain, Al Qusoor, and Mubarak Al Kabir.

Average Rate of Private Housing in Mubarak Al Kabeer Governorate - Q3, 2010



Area	% of Built Area	M ²	Location	Street	Value in KD *		Rate per Meter (KD)		AR in Q3-2010 (KD)*
					From	To	From	To	
Abo Al Hasania	120%	750	Internal		380,000	550,000	507	733	620
	120%	750		Fahaheel	450,000	600,000	600	800	700
	120%	750	Sea Façade		750,000	900,000	1,000	1,200	1100
Messila (East Qurain)	210%	400	Internal	Main	145,000	185,000	363	463	412.5
	210%	500	Internal	Main	165,000	210,000	330	420	375
Al Funaitees ((East Qurain	210%	400	Internal	Main	125,000	160,000	313	400	356.3
	210%	500	Internal	Main	135,000	175,000	270	350	310
Abo Ftaira (East Qurain	210%	400	Internal	Main	117,000	160,000	293	400	346.3
	210%	500	Internal	Main	125,000	170,000	250	340	295
Sabah Al Nasser (Exisiting Goerment House	210%	400			115,000	160,000	288	400	343.8





KFH LOCAL REAL ESTATE REPORT

Area	% of Built Area	M ²	Location	Street	Value in KD *		Rate per Meter (KD)		AR in Q3-2010 (KD)*
					From	To	From	To	
Al Addan (Exisiting Goevernment House)	210%	400	Internal	Main	110,000	135,000	275	338	306.3
	210%	400			135,000	185,000	338	463	400
Al Qurain (Exisiting Goevernment House)	210%	400			110,000	135,000	275	338	306.3
Al Qusoor (Exisiting Goevernment House)	210%	400			110,000	135,000	275	338	306.3
Mubarak Al Kabir (Exisiting Goevernment House)	210%	400			110,000	135,000	275	338	306.3

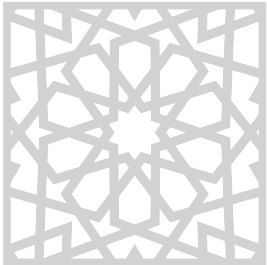
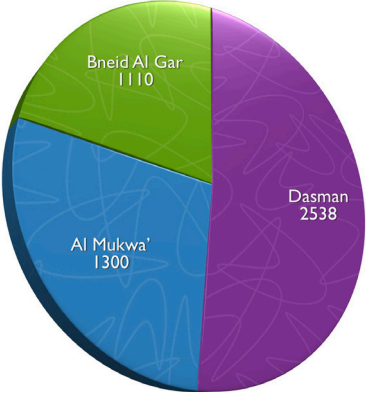
* (KD) Valued in Kuwaiti Dinar

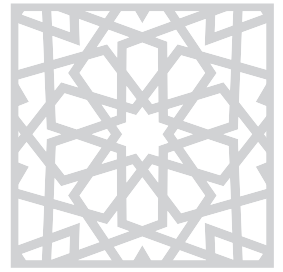
* AR means average rate per square meter in KD.

Second: Prices of Investment Lands:

A price increase of investment lands is recorded during Q3-2010 as compared to Q2-2010 in most governorates of kuwait, while a price increase is reported at the capital governorate valuing KD 1,649 per meter rising at 0.5%.

Average Rate per Square Meter in the Capital Governorate- Q3, 2010





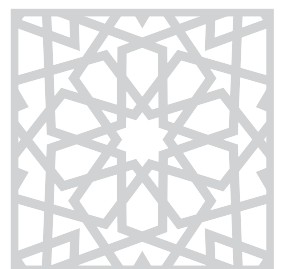
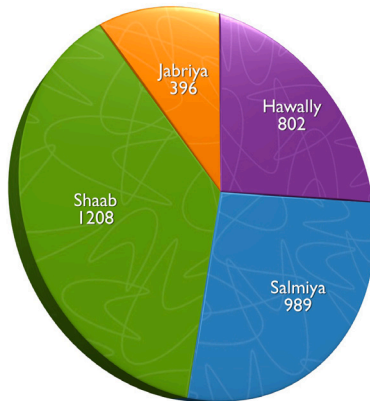
Area	% of Built Area	M ²	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
			From	To	From	To	
Bneid AL Gar	250%	1,000	980,000	1,100,000	980	1,100	1040
	250%	500	400,000	460,000	800	920	830
	240%	250	270,000	310,000	1,080	1,240	1160
East Al Mukwa'a	400%	500	580,000	680,000	1,160	1,360	1260
	400%	500	720,000	760,000	1,440	1,520	1480
Dasman	400%	1,000	3,100,000	3,500,000	3,100	3,500	3300
	400%	1,000	1,750,000	1,850,000	1,750	1,850	1800

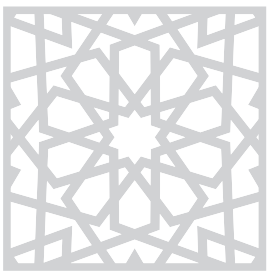
* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

In hawally governorate, the average price increased notably to KD 988 per square meter during Q3-2010 rising at 2.33% As compared to Q2-2010.

Average Rate per Square Meter in the Hawally Governorate - Q3, 2010





KFH LOCAL REAL ESTATE REPORT

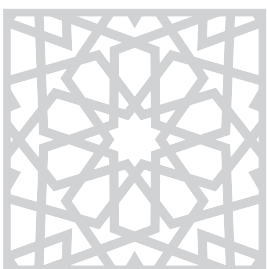
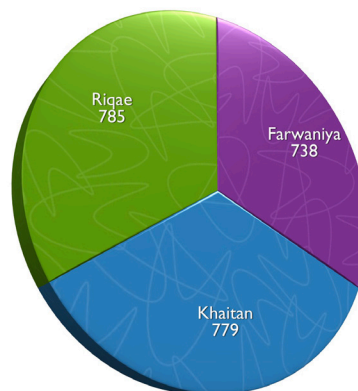
Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR in Q3-2010 (KD)*
				From	To	From	To	
Hawally	250%	750	Al Muthana	625,000	720,000	833	960	896.67
	250%	750	Qutaiba	630,000	740,000	840	987	913.33
	250%	750	Sharhabol	600,000	660,000	800	880	840
Salmiya	250%	1000	Arabian Gulf	1,550,000	2,200,000	1,550	2,200	1875
	250%	750	Baghdad	750,000	820,000	1,000	1,093	1,046.67
	250%	750	Qatar	750,000	850,000	1,000	1,133	1,066.67
Shaab	250%	1000	Arabian Gulf	1,750,000	2,200,000	1,750	2,200	1,100
	250%	1000	Istiqlal	1,000,000	1,200,000	1000	1200	836.67
	250%	1,000	Internal	750,000	900,000	750	900	825
	250%	750	Internal	650,000	750,000	867	1000	933.33

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

In Farwaniya governorate a relative price increase was reported as the average price reached KD 776 per square meter rising at 4.2% As compared to Q2-2010.

Average Rate per Square Meter in the Farwaniya Governorate - Q3, 2010





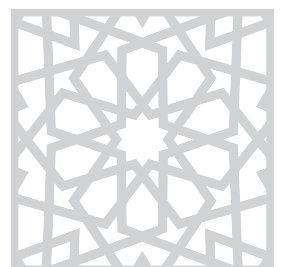
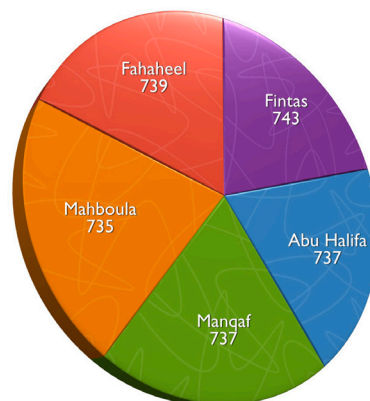
Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
Farwaniya	250%	1,000	Airport	775,000	850,000	775	850	812.5
	250%	1,000	Main	660,000	770,000	660	770	715
	250%	500	Internal	365,000	430,000	730	860	795
Khaitan	250%	750	Airport	600,000	680,000	800	907	853.33
	250%	750	Main	530,000	600,000	707	800	753.33
	250%	600	Internal	440,000	500,000	733	833	783.33
Regae	250%	750	4th Ring	660,000	760,000	880	1,013	946.67
	250%	750	5th Ring	630,000	700,000	840	933	886.67
	250%	1,000	5th Ring	710,000	810,000	710	810	760
	250%	1,000	5th Ring	720,000	820,000	720	820	770

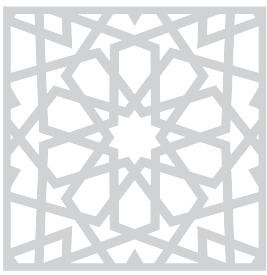
* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

Ahmadi governorate has also experienced a price increase during Q3-2010 as compared to Q2-2010. The average price reached KD 738 per square meter.

Average Rate per Square Meter in Ahmadi Governorate - Q3, 2010





KFH LOCAL REAL ESTATE REPORT

Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
Fintas	250%	500	Internal	330,000	380,000	660	760	710
	250%	750	Main	420,000	500,000	560	667	613.33
	250%	750	Fahaheel	500,000	525,000	667	700	683.33
Abo Hlaifa	250%	1,000	Coastal Road	1,100,000	1,200,000	1,100	1,200	1150
	250%	500	Internal	330,000	380,000	660	760	710
	250%	750	Fahaheel	500,000	550,000	667	733	700
Mahboula	250%	1,000	Coastal Road	1,000,000	1,150,000	1,000	1,150	1075
Mahboula	250%	750	Internal	365,000	460,000	487	613	550
Mahboula	250%	750	Main	440,000	520,000	587	693	640

* (KD) Valued in Kuwaiti Dinar

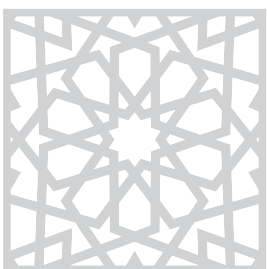
* AR means average rate per square meter in KD.

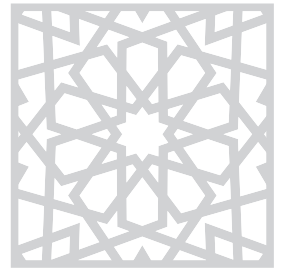
As for the Jahra governorate, prices have witnessed a slight increase of 1.47% On average in Q3-2010 compared to the previous quarter where the average price per meter has reached 675 per square meter.

Area	% of Built Area	M ²	Location	Value in KD *		Rate per Meter (KD)		AR Q3-2010 (KD)*
				From	To	From	To	
Jahra	250%	1,000	Internal	520,000	600,000	520	600	560
	250%	1,000	Main	570,000	670,000	570	670	620
	250%	800	AlKuzami	560,000	650,000	700	813	756.3
	250%	500	Internal	330,000	360,000	660	720	690
	250%	500	Main	350,000	400,000	700	800	750

* (KD) Valued in Kuwaiti Dinar

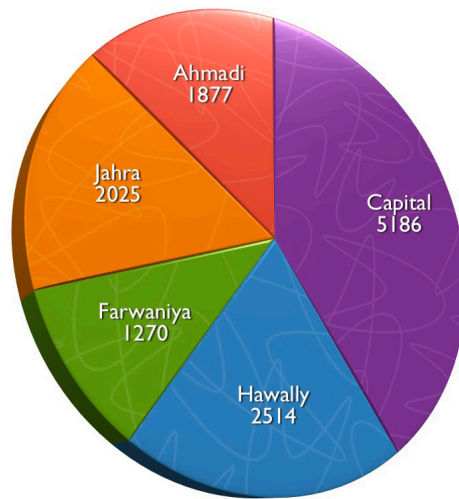
* AR means average rate per square meter in KD.





Third: Prices of Commercial Real Estate Properties:

Average Rate per Square Meter (Commercial & warehousing) - Q3, 2010

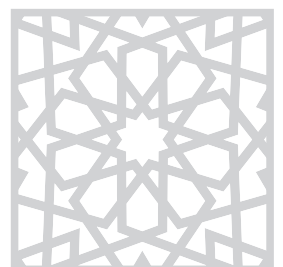


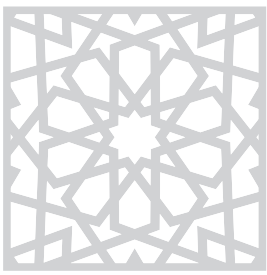
Clear price stability is reported for commercial real estates in most areas especially the capital governo- rate, as the average price per square meter reached KD 5,186.

Area	% of Built Area	Street	M ²	Value in KD *		Rate per M ²		AR Q3-2010 (KD)*
				From	To	From	To	
Qibla	300%	Mubarakiyah	500	1,400,000	1,950,000	2,800	3,900	3,350
Sharq	520%	Ahmed Al Jaber	500	3,000,000	3,200,000	6,000	6,400	6,200
Sharq	520%	Khalid Bin Al Waleed	500	2,750,000	2,950,000	5,500	5,900	5,700
City	620%	Al Soor	500	2,900,000	3,200,000	5,800	6,400	6,100
City	300%	Al Soor	500	1,500,000	1,700,000	3,000	3,400	3,200
Qibla	620%	Fahad Al Salem	500	3,150,000	3,400,000	6,300	6,800	6,550
Sharq	520%	Jabel Al Mubarak	500	2,750,000	3,050,000	5,500	6,100	5,800
Qibla	520%	Ali Al Salem	500	2,750,000	3,125,000	5,500	6,250	5,875
Qibla	300%	Al Gharabally	500	1,450,000	2,000,000	2,900	4,000	3,450

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.





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On the other hand, prices remained unchanged in other areas such as Jahra as compared to Q2-2010 recording an average price per square meter of KD 2,025.

Area	% of Built Area	Street	M ²	Value in KD *		Rate per M ²		AR Q3-2010 (KD)*
				From	To	From	To	
Jahra	180%	Marzouq Al Metaeb	1,000	1,850,000	2,400,000	1,850	2,400	2,125
	300%	Business and Office Center	875	1,662,500	1,968,750	1,900	2,250	2,075
Jahra (Al Qaisariyat)	300%	Al Qaisariyat	225	393,750	450,000	1,750	2,000	1,875

* (KD) Valued in Kuwaiti Dinar

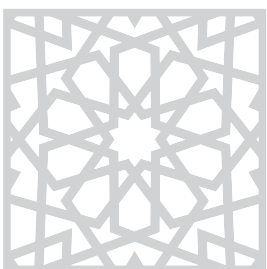
* AR means average rate per square meter in KD.

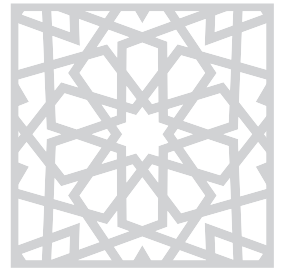
Hawally governorate recorded stability in prices in most areas, as the average price reached KD 2,514 per square meter.

Area	% of Built Area	Street	M ²	Value in KD *		Rate per M ²		AR Q3-2010 (KD)*
				From	To	From	To	
Hawally	180%	Tunis	1,000	2,800,000	3,000,000	2,800	3,000	2,900
	180%	Beirut	1,000	2,650,000	3,000,000	2,650	3,000	2,825
	150%	Othman	1,000	1,650,000	2,250,000	1,650	2,250	1,950
	180%	Ibn Khaldun	1,000	2,000,000	2,500,000	2,000	2,500	2,250
Salmiya	180%	Hamad Al Mubarak	1,000	2,000,000	2,400,000	2,000	2,400	2,200
	180%	Salem Al Mubarak	1,000	3,000,000	3,500,000	3,000	3,500	3,250
	180%	Bahrain	500	1,000,000	1,200,000	2,000	2,400	2,200

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.



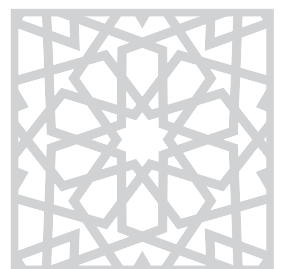


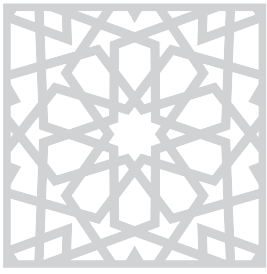
In Farwaniya governorate, prices remained stable in some areas, as the average price per square meter reached KD 1,270. A price fluctuation in some areas was reported as per KFH's latest studies.

Area	% of Built Area	Street	M ²	Value in KD *		Rate per M ²		AR Q3-2010 (KD)*
				From	To	From	To	
Farwaniya	180%	Menawer Street	1,000	2,500,000	3,000,000	2,500	3,000	2,750
	180%	Fire Station	1,000	2,000,000	2,500,000	2,000	2,500	2,250
Khaitan	300%	Business and office Center	1,000	1,650,000	2,000,000	1,650	2,000	1,825
Jleeb Al Shoyoukh	180%	Cooperative Society Street	1,000	1,350,000	1,600,000	1,350	1,600	1,475
	180%	Internal	1,000	650,000	850,000	650	850	750
Al Dhajeej (5000 m)	210%	6 th Ringroad	5,000	4,500,000	5,000,000	900	1,000	950
		Internal	5,000	3,250,000	4,000,000	650	800	725
Al Dhajeej (South of Khaitan)	250%	6 th Ringroad	5,000	1,500,000	2,500,000	300	500	400
		Internal	5,000	1,400,000	2,000,000	280	400	340
Ardiya (Warehouses)	80% Ground	Prime	1,000	800,000	1,000,000	800	1,000	900
	50% Mezzanine							
Ardiya (Warehouses)	80% Ground	Internal	1,000	700,000	750,000	700	750	725
	50% Mezzanine							

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.





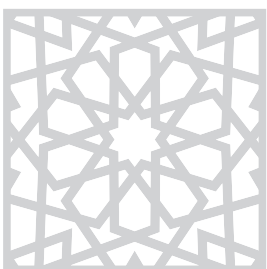
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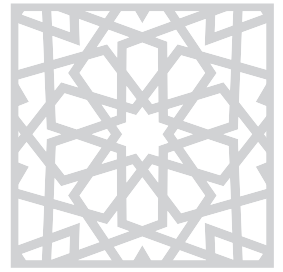
Prices remained also stable in Ahmadi governorate, as the average price per square meter reached KD 1888, and according to KFH's latest studies.

Area	% of Built Area	Street	M ²	Value in KD *		Rate per M ²		AR Q3-2010 (KD)*
				From	To	From	To	
Mangaf	300%	Azizia	750	712.500	862.500	950	1.150	1.050
Fintas	180%	Business and office Center	1000	1,400,000	1,750,000	1,400	1,750	1,575
Fahaheel	180%	Al Dabous	750	2,006,250	2,175,000	2,675	2,900	2,788
Fahaheel	180%	Internal	750	1,350,000	1,725,000	1,800	2,300	2,050
Fahaheel	180%	Coastal Road	750	2,625,000	2,775,000	3,500	3,700	3,600

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.





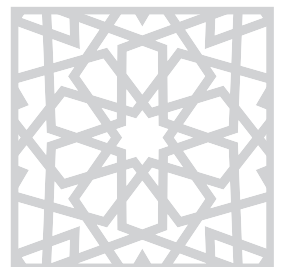
Fourth: Prices of Industrial Plots (Usufruct & Warehousing Contracts):

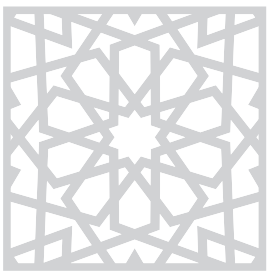
According to the latest surveys conducted by KFH detecting price fluctuations in relevant areas, prices of industrial plots remained stable most governorates during Q3-2010 where the average price per square meter in the capital governorate reached KD 900, KD 1,013 in the Farwaniya governorate, KD 375 in the Ahmadi governorate, KD 168 in the Jahra governorate, and KD 928 in Mubarak Al Kabir governorate.

Area	M ²	Street	Value in KD *		Rate per M ²		AR Q3-2010 (KD)*
			From	To	From	To	
Industrial Shuwaikh	1,000	Canadadry Street	1,100,000	1,300,000	1,100	1,300	1,200
	1,000	Zeinah Street	750,000	1,300,000	750	1,300	1,025
	5,000	Pepsi Street	3,750,000	4,500,000	750	900	825
	1,000	4 th Ring road	1,100,000	1,300,000	1,100	1,300	1,200
Al Rai	1,000	Al Ghazali Street	800,000	1,100,000	800	1,100	950
	1,000	Al Ghazali Street	800,000	1,050,000	800	1,050	925
Al Rai (Cars showrooms)	4,000	4 th Ring road	5,000,000	5,500,000	1,250	1,375	1,313
Fahaheel	1,000	Sultan Center Street	1,000,000	1,200,000	1,000.0	1,200.0	1,100.0
Industrial Shuwaikh	1,000	Canadadry Street	1,100,000	1,300,000	1,100	1,300	1,200
	1,000	Zeinah Street	750,000	1,300,000	750	1,300	1,025
	5,000	Pepsi Street	3,750,000	4,500,000	750	900	825
	1,000	4 th Ring road	1,100,000	1,300,000	1,100	1,300	1,200
Al Rai	1,000	Al Ghazali Street	800,000	1,100,000	800	1,100	950
	1,000	Al Ghazali Street	800,000	1,050,000	800	1,050	925
Al Rai (Cars showrooms)	4,000	4 th Ring road	5,000,000	5,500,000	1,250	1,375	1,313
Fahaheel	1,000	Sultan Center Street	1,000,000	1,200,000	1,000.0	1,200.0	1,100.0

* (KD) Valued in Kuwaiti Dinar

* AR means average rate per square meter in KD.

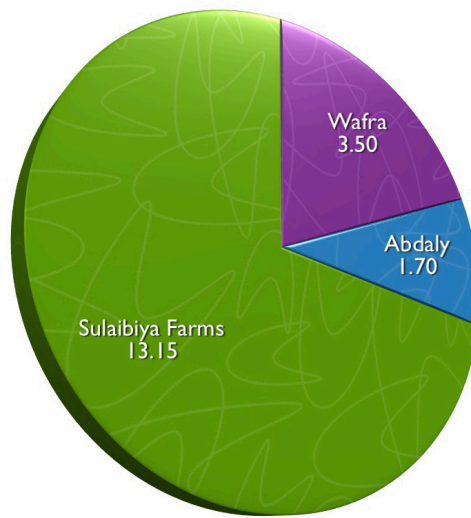




Fifth: Prices of Farm and Pales:

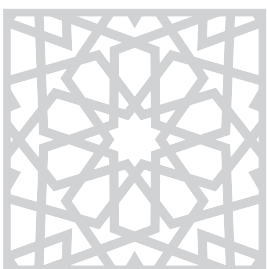
Prices of Abdaly and wafra farms as well as sulaibiya cattle farms remained unchanged during Q3-2010 as compared to the previous quarter.

Average Rate per Square Meter (Farms) - Q3, 2010



Area	M ²	Price (KD)		Estimated price per square meter (KD)		AR Q3-2010 (KD)*
		From	To	From	To	
Wafra	50,000	110,000	230,000	2.2	4.6	3.40
Abdaly	100,000	130,000	210,000	1.3	2.1	1.70
Sulaibiya (Cattle Farms)	1,000,000	2,800,000	3,500,000	2.8	3.5	3.15
	50,000	450,000	550,000	9.0	11.0	10.00

* AR means average rate per square meter in KD.

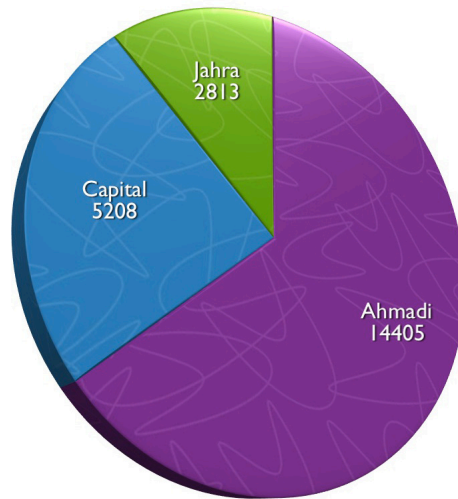




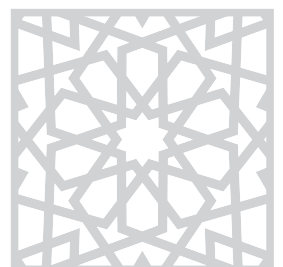
Sixth: Prices of Chalets:

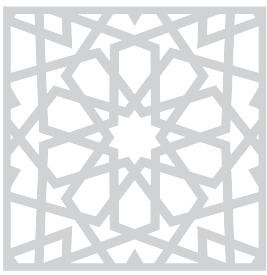
Chalets prices remained stable in the governorates of Kuwait in spite of the approach of summer season, where the average price per square meter valued KD 14.405 in Ahmadi Governorate, KD 5.208 in the Capital Governorate and KD 2.813 in Jahra Governorate. La'alea Kharian witnessed substantial tradings after the launch of the third phase of the project, which is known for its small offered plots, and the spacious frontage of new plots.

Average Rate per Square Meter (Chalets) - Q3, 2010



Area	Sea façade	Chalet Value (Land)		Price of Sea façade per Meter (KD)		Average Meter Price of the Sea façade during Q3-2010 (KD)
		From	To	From	To	
Mina Abdullah	15	120,000	195,000	8,000	13,000	10,500
Al Dabaeah	15	135,000	210,000	9,000	14,000	11,500
Al Juliah	15	195,000	300,000	13,000	20,000	16,500
Al Zour	15	165,000	230,000	11,000	15,333	13,167
Nuwiseeb	15	157,000	215,000	10,467	14,333	12,400
Asheerge (Doha)	15	55,000	86,250	3,667	5,750	4,708
Doha	15	70,000	101,250	4,667	6,750	5,708

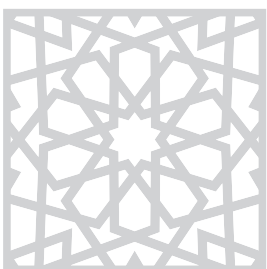


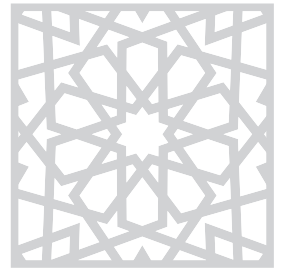


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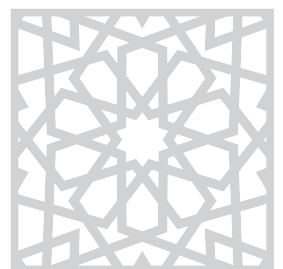
Seventh: Prices of Freehold Apartments:

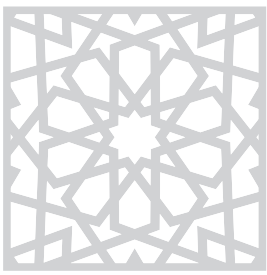
Area	The Planning Opinion	Location Description	Net Surface Area of the Apartment	Value in Market Value of the apartment KD *		AR M ² of the Net Surface Area of the Apartment		AR Q3-2010 (KD)*
				From	To	From	To	
Bneid Al Gar	Investment	Sea Façade	95	95,000	120,000	1,000	1,263	1,132
Bneid Al Gar	Investment	Prime	72	46,000	52,000	639	722	681
Bneid Al Gar	Investment	Internal	72	40,000	42,500	556	590	573
General Average of Bneid Al Gar Area			80	60,333	71,500	731	859	795
General Average of the Capital Governorate			80	60,333	71,500	731	859	795
Shaab	Investment	Sea Façade	95	95,000	120,000	1,000	1263	1,132
Shaab	Investment	Prime	74	48,000	53,000	649	716	682
Shaab	Investment	Internal	74	40,000	42,500	541	574	557
General Average of Shaab Area			81	61,000	71,833	730	851	790
Salmiya	Investment	Sea Façade	95	95,000	115,000	1,000	1,211	1,105
Salmiya	Investment	Prime	64	34,000	37,000	531	578	555
Salmiya	Investment	Internal	64	30,500	34,500	477	539	508
Salmiya	Investment	Prime	74	39,000	44,000	527	595	561
Salmiya	Investment	Internal	74	36,000	38,500	486	520	503
General Average of Salmiya Area			74	46,900	53,800	604	689	646
Hawally	Investment	Prime	64	33,500	36,500	523	570	547
Hawally	Investment	Internal	64	30,000	34,000	469	531	500
Hawally	Investment	Prime	74	38,000	42,000	514	568	541
Hawally	Investment	Internal	74	35,500	38,000	480	514	497
General Average of Hawally Area			69	34,250	37,625	496	546	521
Jabriya	Investment	Prime	74	46,000	50,000	622	676	649
Jabriya	Investment	Internal	74	38,500	44,000	520	595	557
General Average of Jabriya Area			74	42,250	47,000	571	635	603
General Average of Hawally Governorate			75	46,100	52,565	600	680	640
Messila	Investment	Prime	72	34,500	37,500	479	521	500
Messila	Investment	Internal	72	32,000	34,500	444	479	462
General Average of Messila Area			72	33,250	36,000	462	500	481
General Average of Mubarak Al Kabir Governorate			72	33,250	36,000	461.8	500	480.9





Area	The Planning Opinion	Location Description	Net Surface Area of the Apartment	Value in Market Value of the apartment KD *		AR M ² of the Net Surface Area of the Apartment		AR Q3-2010 (KD)*
				From	To	From	To	
Farwaniya	Invesment	Prime	72	37,000	40,500	514	563	538
Farwaniya	Investment	Internal	72	34,000	36,500	472	507	490
General Average of Farwaniya Area			72	35,500	38,500	493	535	514
General Average of Farwaniya Governorate			72	35,500	38,500	493.1	534.7	513.9
Fintas	Investment	Sea Façade	95	84,000	95,000	884	1,000	942
Fintas	Investment	Prime	72	34,000	36,500	472	507	490
Fintas	Investment	Internal	72	30,500	34,000	424	472	448
General Average of Fintas Area			80	49,500	55,167	593	660	627
Mahboola	Investment	Sea Façade	95	84,000	95,000	884	1,000	942
Mahboola	Investment	Prime	72	33,500	36,000	465	500	483
Mahboola	Investment	Internal	72	30,000	34,000	417	472	444
General Average of Mahboola Area			80	49,167	55,000	589	657	623
Abo Hlaifa	Investment	Sea Façade	95	85,000	97,500	895	1026	961
Abo Hlaifa	Investment	Prime	72	34,000	36,000	472	500	486
Abo Hlaifa	Investment	Internal	72	30,000	34,000	417	472	444
General Average of Abo Hlaifa Area			80	49,667	55,833	595	666	630
Mangaf	Investment	Sea Façade	95	85,000	97,500	895	1026	961
Mangaf	Investment	Prime	72	34,000	36,000	472	500	486
Mangaf	Investment	Internal	72	30,000	34,000	417	472	444
General Average of Mangaf Area			80	49,667	55,833	595	666	630
Fahaheel	Investment	Prime	72	35,000	40,000	486	556	521
Fahaheel	Investment	Internal	72	33,500	36,000	465	500	483
General Average of Fahaheel Area			72	34,250	38,000	476	528	502
General Average of Ahmadi Governorate			78	46,450	51,967	569	635	602

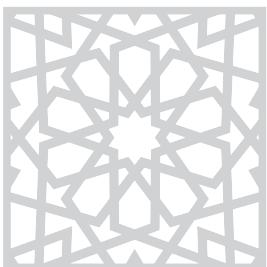




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Eighth: Prices of Commercial Investment Units:

Area	The Planning Opinion	Location Description	Net Surface Area of the Shop	Value in Market Value of the Shop KD *		AR M ² of the Net Surface Area of the Shop		AR Q3-2010 (KD)*
				From	To	From	To	
Bneid Al Gar	Investment	Sea Façade	40	100,000	130,000	2,500	3,250	2,875
Bneid Al Gar	Investment	Prime-Internal	40	70,000	90,000	1,750	2,250	2,000
General Average			40	85,000	110,000	2,125	2,750	2,438
Shaab	Investment	Sea Façade	40	100,000	130,000	2,500	3,250	2,875
Shaab	Investment	Prime-Internal	40	70,000	85,000	1,750	2,125	1,938
Salmiya	Investment	Sea Façade	40	120,000	140,000	3,000	3,500	3,250
Salmiya (Excluding Amr Bn Al Aas Str.)	Investment	Prime-Internal	40	60,000	80,000	1,500	2,000	1,750
Hawally	Investment	Prime-Internal	40	60,000	80,000	1,500	2,000	1,750
Jabriya	Investment	Prime-Internal	40	60,000	85,000	1,500	2,125	1,813
General Average			40	78,333	100,000	1,958	2,500	2,229
Messila	Investment	Prime-Internal	40	50,000	70,000	1,250	1,750	1,500
General Average			40	50,000	70,000	1,250	1,750	1,500
Farwaniya	Investment	Prime-Internal	40	55,000	80,000	1,375	2,000	1,688
General Average			40	55,000	80,000	1,375	2,000	1,688
Fintas	Investment	Sea Façade	40	80,000	100,000	2,000	2,500	2,250
Fintas	Investment	Prime-Internal	40	40,000	50,000	1,000	1,250	1,125
Mahboola	Investment	Sea Façade	40	80,000	100,000	2,000	2,500	2,250
Mahboola	Investment	Prime-Internal	40	40,000	56,000	1,000	1,400	1,200
Abo Hlaifa	Investment	Sea Façade	40	80,000	100,000	2,000	2,500	2,250
Abo Hlaifa	Investment	Prime-Internal	40	40,000	56,000	1,000	1,400	1,200
Mangaf	Investment	Sea Façade	40	80,000	100,000	2,000	2,500	2,250
Mangaf	Investment	Prime-Internal	40	40,000	50,000	1,000	1,250	1,125
Fahaheel	Investment	Sea Façade	40	80,000	100,000	2,000	2,500	2,250
Fahaheel	Investment	Prime-Internal	40	40,000	50,000	1,000	1,250	1,125
General Average			40	60,000	76,200	1,500	1,905	1,703



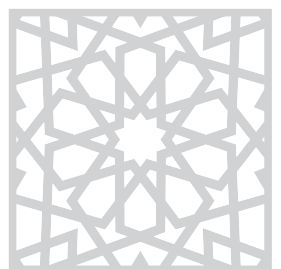


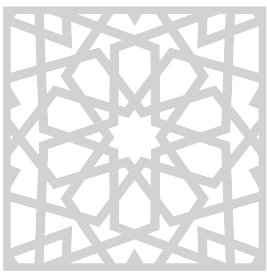
Ninth: Occupancy Rates and Rentals:

Occupancy rates of all types of investment properties remained stable; ranging from 90% to 95%. Average rental rate has ranged between KD 150 to KD 220 for apartments with 1 b/r and a hall, KD 180 to KD 250 for apartments with 2 b/r and a hall, KD 220 to KD 350 for apartments with 2 b/r, a hall, 2 bathrooms, and a maid room, and KD 250 to KD 400 for apartments with 3 b/r and a hall; while keeping in mind that rental rates vary according to the area, design, and finishing.

Average rental rate per square meter in commercial ground floors stabilized and ranged between KD 15 to KD 25 per square meter and may reach KD 30 in prime locations. Average rental rate for each square meter in offices is ranged between KD 5 to KD 8 for the different areas in Kuwait and approached KD 7 or above in Kuwait City according to the location, level of finishing, and the services provided to tenants and guests. The rental rate of smart offices; which are turn-key, furnished, and equipped offices with all technologies, options, and secretaries for use on short-term basis; especially by foreign companies that tend to rent such offices for intermittent intervals, reached KD 8 or more per square meter.

A noticeable stability in the rental rates of industrial plots is reported, as the average price rate for each square meter in ground floors; showrooms, ranged between KD 10 to KD 30 in industrial Shuwaikh, bearing in mind that rates are location-specific. Al Rai building area comes second with the average price rate ranging between KD 10 to KD 20 for each square meter, while the average price rate for each square meter in industrial Fahaheel is ranged between KD 12 to KD 16.





KFH LOCAL REAL ESTATE REPORT

Average Trading of Rental Values of Investment Properties In Governorates of Kuwait, Q3 - 2010

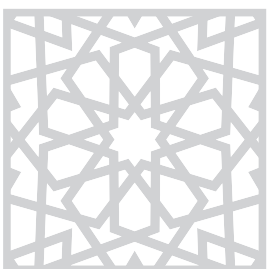
Governorate	Area	1 b/r & 1 Hall (48-50) M ²	2 b/r, 1 hall & a bathroom (58-60) M ²	2 b/r, 1 hall & 2 bathrooms (70-74) M ²	2 b/r, 2 bathrooms & a maid room (80-85) M ²	3 b/r, 1 h, maid room (100-110) M ²
Hawally	Salmiya	170-160	200-210	220-240	250-260	320-350
	Hawally	160-150	210-220	210-225	240-260	320-340
	Jabriya	160-155	210-220	220-240	250-260	320-340
	Shaab	195-185	225-240	260-280	260-300	340-380
	Shaab (Sea Side)	210-200	260	280-300	300-320	360-400
Capital	Sharq	200-220	250-260	300	320-350	360-400
	Qibla	220	240-250	280-300	300-320	350-360
	East Mukawa	200	230-240	260-300	300-320	340-380
	Dasman	220	240-250	320	340-350	380-420
	Bneid Al Gar	200	240-250	280	320-340	360-400
Farwaniya	Khaitan	165	185-195	210-230	240	260-300
	Farwaniya	165	195-200	210-230	240	260-300
	Jleeb Al Shoyoukh	165	180-190	220-230	240	-
	Al Reqae	165-175	195-200	230-240	240-260	310-350
Ahmadi	Fintas	150-165	170-185	190-200	220-225	250-275
	Mahboula	150-165	160-175	190-200	220-225	250-275
	Abu Halifa	150-165	170-185	190-200	220-225	250-275
	Mangaf	150-165	160-180	190-200	220-225	250-275
	Fahaheel	160-175	170-190	200-220	220-240	260-280
Jahra	Jahra	165	190-200	220	225-240	260-280

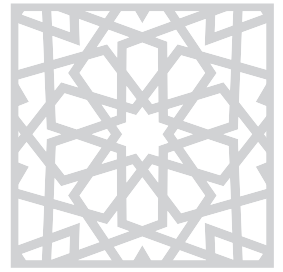
* Rental values include properties with internal locations with new finishing.

* Rental rates are higher for apartments located at prime locations (Sea, Main Streets, Services available, etc...), apartments with high quality finishing, and apartments provided with a certain type of services included with the rental (Swimming Pool, Health Gym., Car Parks, Satellite & Internet, Security, etc.)..

* Rental values for investment housing, excluding the commercial activities (Hair Saloon, female tailor shop, etc).

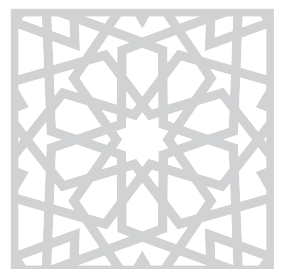
* Rental values referred to in the table do not include electricity (Electricity fees are the responsibility of a lessee not the landlord).

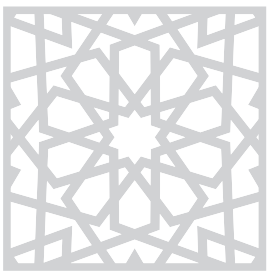




Average Trading of Rental Values of Commercial Properties
Throughout Kuwait, "Q3-2010"

Areas	Basement Average rental per square meter (KD)	Land Average rental per square meter (KD)	Mezzanine Average rental per square meter (KD)	Offices Average rental per square meter (KD)
Salmiya	12-18	20-30	14-18	6-8
Hawally	10-18	18-27	10-16	6-7
Farwaniya	8-15	25-35	8-15	5-7
Khaitan	6-15	25-35	6-15	6-7
Mangaf - Aziziya	7-15	20	7-15	7-8
Fahaheel	8-15	18-25	8-15	5-6
Dhajeej	* 2.5	8-10	5-6	-
Kuwait City	10	25-30	10-12	6-7

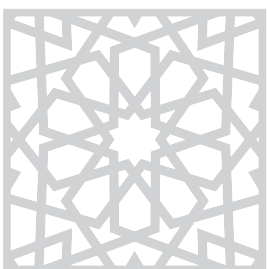




Average Trading of Rental Values of Industrial Properties Throughout Kuwait, Q3-2010

Areas	Basement Average rental per square meter Warehouses)	Ground Average rental per square meter (exhibitions)	Mezzanine Average rental per square meter (offices)	Price Index	Notes
Industrial Shuwaikh	3-4	12 - 30	3.5 - 7		Unit Surface Area 50 m
Al Rai	3.5 - 4	12 - 20	3.5-6.5		This study does* not include market values in the Avenues Mall
Sabhan	2.5 - 3	4-6	2.5 - 3		when allocating* warehouses at the ground floor the price/m2 is KD 4-5
Al Ardiya (Warehouses)	3	6 - 6.5	3-5		KD 6-8 for a* warehouse of 100 m2 on the ground floor
East Ahmadi	2-4	8-14	3.5 - 5		
Industrial Fahaheel	2.5 - 4	12-16	3-5		

It's worth noting that this Report monitors the general trends of the local real estate market trading in the State of Kuwait. However, Evaluation & Studies Section at KFH believes that a separate valuation should be made for each real estate property and the respective rental value and returns should be determined to ensure the fair valuation for each property.





Terminology

Private Housing Building:

The typical buildings designated for a single family and located in the low density population areas and are constructed by individuals or private sector enterprises and have different architectural designs made by multiple landlords, or the lands which are distributed by the State under the Housing Welfare Schemes; and thus have unified or various architectural designs.

Investment Housing Building:

A multiple residential units building (Apartments, Villas, Duplex, and Studios) used for freehold or renting purposes in all storeys.

Private School Building:

A building designated for the provision of educational services for one or multiple educational stages.

Hotel and Motel Building:

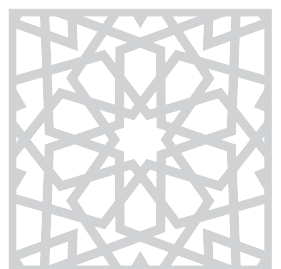
A building designated for short accommodation by guests for tourist and recreational purposes where general services are presented to guests.

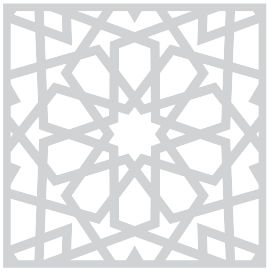
Commercial Building:

A building where the basement, ground, and mezzanine floors are allowed for use as shops, which may be designed as a set of adjacent or separate shops with corridors at the commercial street, or as spacious areas. Repetitive storeys may be used as offices or for any other business activity.

Industrial Building:

A building designated for the industrial, warehousing, service, or craftsmanship purposes.





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Residential Complexes Inside and Outside Kuwait City:

A residential building incorporating multiple premises designated for investment housing. Such premises are typically composed of multiple residential units including apartments, villas, studios, and duplex units designated for renting or freehold use in all storeys, and may be designed as adjacent to or separate from each other, provided that the built area may not be less than 3,000 m². Vacant spaces designated for the range of vision and convenience of eyesight are included in the total area required for the construction of the complex.

Coastal Strip Buildings:

Buildings built by individuals on their own land extended throughout the coastline.

Buildings for Horticulture Activities:

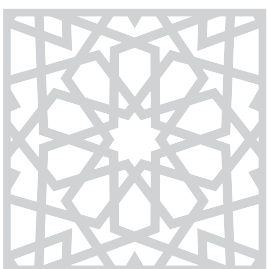
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

Private Chalets:

Buildings or facilities established outside public order under leasing contracts for the lease of the State owned properties for recreational and entertainment purposes.

Private Hospitals:

Premises designated for the provision of general or specialized medical services (Outpatient clinics, operating theaters, laboratories, patient rooms and wards).





Measurement Units:

Length

- Meter is the International Standard Unit for linear measure.
- 1M = 10 cm = 1000 millimeter
- Yard = 3 feet = 0.9144 m.
- Foot = 12 inches = 30.48 cm = 0.3048 m
- Inch = 2.54 cm = 0.0254 m
- Km = 0.6214 mile = 1000 m
- Land Mile = 1.6093 Km = 1609.0 m
- Nautical Mile = 6080 feet = 1.853 km = 1853 m
- League = 3 Miles = 4.8281 Km = 4828 m
- Al Bou = approximately 2 m
- Fathom = 182.88 cm = 1.8288 m
- Cubit = 51 cm = 0.51 m
- Span = 22.86 cm = 0.0229 m
- 1 M = 1.0936 Yard = 3.2808 Feet = 39.37 Inches

Area

- Square Meter is the International Standard Unit of area.
- Hectare = 10 Donum = 2.471 Feddan = 10,000 m²
- Feddan / Acre = 4046.8 m²
- Donum = 1000 m²
- Square Meter = 10,764 square feet

