



KFH Local Real Estate Report

Fourth Quarter 2011 - Kuwait

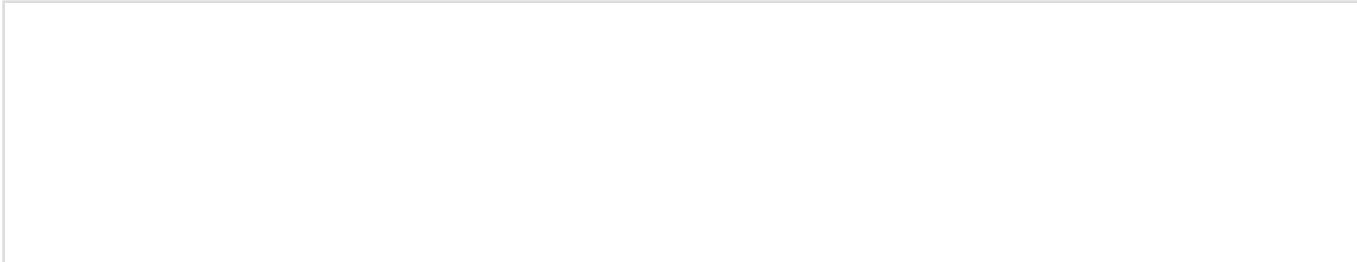
The World ... Is Your Home



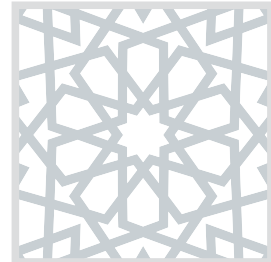
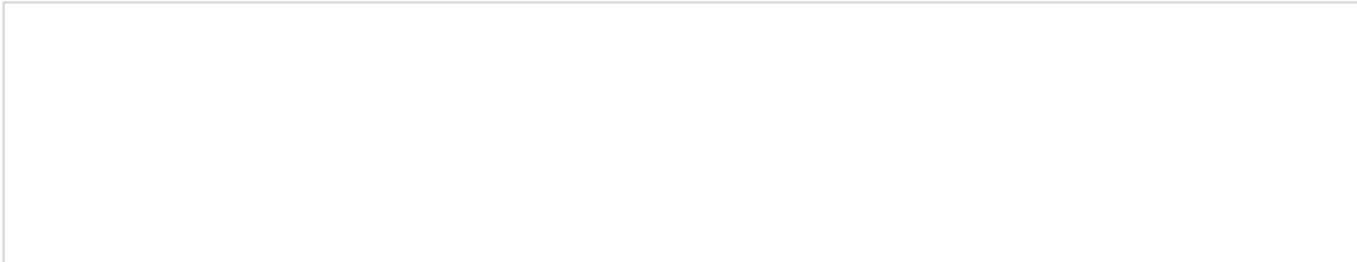
kfh.com 180 3333

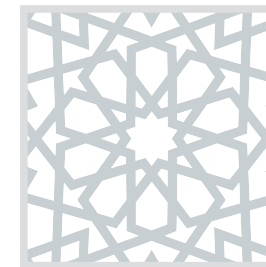
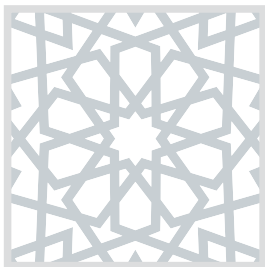
بيت التمويل الكويتي
Kuwait Finance House





KFH Local Real Estate Report
Fourth Quarter 2011 - Kuwait





Supervision by :

Eng. Fahad K. Al-Mukhaizeem
Marketing & P.R. Dept.

Prepared by :

Dr. Mohamed Jamel Alshebshiry
Marketing & P.R. Dept.

Ahmed AbdulMohsen Al-Farhan
Wajeeh Zedan
Yaser Saleh Bin naji
Local Real Estate Dept. - Property Evaluation

Creative Direction by :

Ahmed Al-Rashid
Marketing & P.R. Dept.

Cover:

Photo by: Sarah Al-Sayegh

KFH Local Real Estate Service Locations :

KFH HEAD OFFICE
Banking Hall
Tel: 22445050 Ext: 2158 / 2122

KFH AL-FAIHA BRANCH
Tel: 22522264 - 22520174 Ext: 304 / 305

KFH KHEITAN BRANCH
Tel: 24756491

KFH MUBARAK AL-ABDULLA BRANCH
Exhibition Ground
Tel: 25379182 / 3 / 4 Ext:104

KFH AL-ANDALUS BRANCH
Tel: 24866037

MAKKI JOMAA TOWER
4th Floor
Tel: 22413720

Local Real Estate Dept.

Tel : 22905800
Fax: 22905804

Marketing & Public Relations Dept.

Tel : 22445050 - Ext: 4231
Fax: 22409414

P.O. Box: 24989 Safat, 13110 Kuwait
Email: corp@KFH.com

Dear Reader,

The local real estate market report presents an overview of the economic developments in the real estate market during Q4 of 2011. The report highlights the developments in the field of real estate transactions for different types of real estate properties. In addition, the report includes price analysis in different regions and governorates in Kuwait, based on surveys carried out by Kuwait Finance House (KFH) on a regular basis.

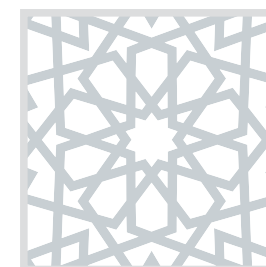
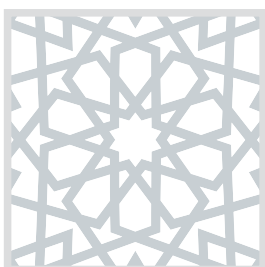
The report includes a section on the most important real estate terms commonly used in the local real estate market. This section aims to help non-specialists understand real estate terminology.

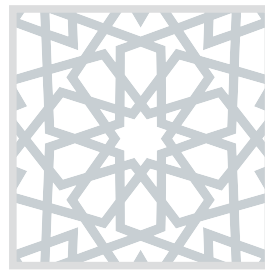
The report is part of KFH social and economic responsibility which both aims to publish the most important developments in the market to improve business environment and provide useful information on real estate market.

I hope that the information contained in this report will help meet the market needs.



Imad Abdullah Al-Thaqeb
Assistant General Manager
Finance Sector





Introduction

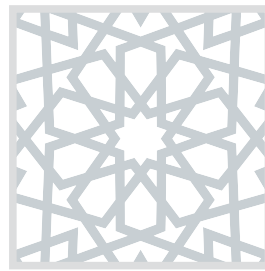
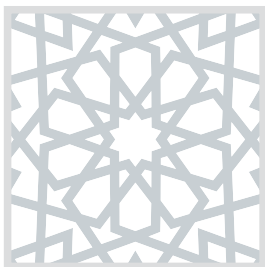
The trends of real estate transactions rose during 2011 compared to 2010 at a growth rate of 26%. Real estate transactions value was estimated at KD 3 billion, precisely KD 2.9 billion. This rise is due to the increase in the domestic demand for residential and investment real estate accompanied by increase in prices, and the high funding rates provided for the real estate sector. The report shows a decline in the commercial real estate and commercial land prices, as well as low occupancy rates, especially in commercial buildings and towers in the capital area. However, occupancy rates in commercial buildings have improved in Farwaniyah and Fahaheel areas.

High demand for residential real estate is attributed to the higher incomes of individuals resulting from increased wages up to 23,6% during 2011. The increased wages are driven by high growth rates, which are expected to reach 6,1% during the same year. The growth is attributed to stability of oil prices at USD 101,60 dollars per barrel, constituting 50% of GDP, 80% of total revenues and more than 90% of total exports. This rate is high despite low growth in major developed countries, the worsening sovereign debt crisis in the Euro Group, low sovereign rating of the United States of America, as well as the political tensions in the Arab region due to the so-called Arab spring.

The negative developments and economic crises experienced by the market increased global recession, and reduced the effectiveness of economic policy over the desire of most developed countries to reduce discount rates and interests to revitalize economic performance. In addition, negative developments and economic crises coincide with high rates of inflation, and low asset prices as a result of successive financial crises that has hit the capitalist system. Thus, the rates of revenues on deposits and loans declined in these countries.

The effects of the crisis were reflected on the Kuwaiti economy, especially the performance of non-oil economic sectors. However, the movement of the Kuwait Stock Exchange witnessed a significant decline, despite the actions aimed at maintaining economic stability, implementing the development plan, and taking advantage of the high oil prices to launch the local economy.

These factors caused liquidity to move to real estate market in 2011 which helped improve transactions along with an increase in prices, especially investment real estate. The investment real estate witnessed a high demand in light of the scarcity of supply which is reflected in the huge increase in prices and real estate transactions thus exceeding KD one billion, reaching KD 1,069 billion in 2011 compared to KD 750,5 million in 2010.



The credit facilities approved by the Savings and Credit Bank relating to the provision of subsidized loans for Kuwaiti women married to non-Kuwaitis and divorced women had a clear effect on increasing demand for real estate investment. This is a result of the emergence of a new segment players willing to buy freehold apartments, which led to increased demand for real estate investment, especially in H1 of 2011. However, real estate investment transactions witnessed significant decline during the second half of the year, by 36.8%. The decline was clearly reflected in the third and fourth quarters of the year at 38% for the second quarter, and 21,6% compared to the preceding quarter. This decline came as a result of low rates of return on real estate investment and scarcity of supply and investment. However, investment in real estate remains one of the most important and competitive investment channels. Real estate investment has a margin of profit higher than other investment alternatives. Thus, most real estate owners maintain their real estate as a rewarding and safe haven, which retains value of wealth.

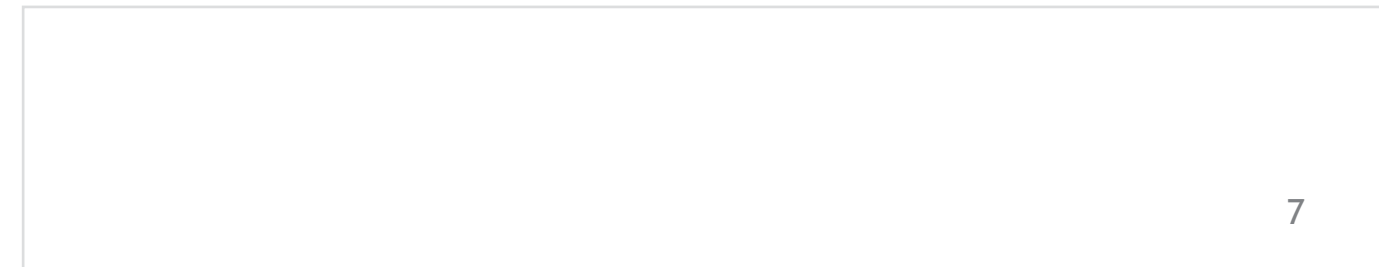
The last quarter of 2011 witnessed a significant decline in real estate transactions in business activities by 5,9% despite the entry of the billion-based real estate portfolio between KFH and the General Investment Authority to buy commercial and investment real estate and take advantage of low prices, given the low occupancy rates on commercial real estate in the capital. However, the real estate market, especially commercial real estate, has not witnessed significant developments in this regard.

The total real estate transactions in Q4 2011 increased by 13%. The average of total real estate transactions was about KD 608,636 million, compared to KD 538,736 million during Q3. This increase resulted in a high volume of residential real estate transactions by KD 99,991 million by about 39,4% of residential transactions in Q3, an increase in the volume of commercial real estate by KD 20,591 million, i.e. an increase of 50,1% attributed to high number of sold units, which in turn led to a higher real estate overall value.

Investment properties transactions declined by KD 50,131 million in Q3 at 20% decline. Investment properties transactions fluctuated continuously since the beginning of the year, being the same as business transactions which were characterized by sharp fluctuations between growth and decline.

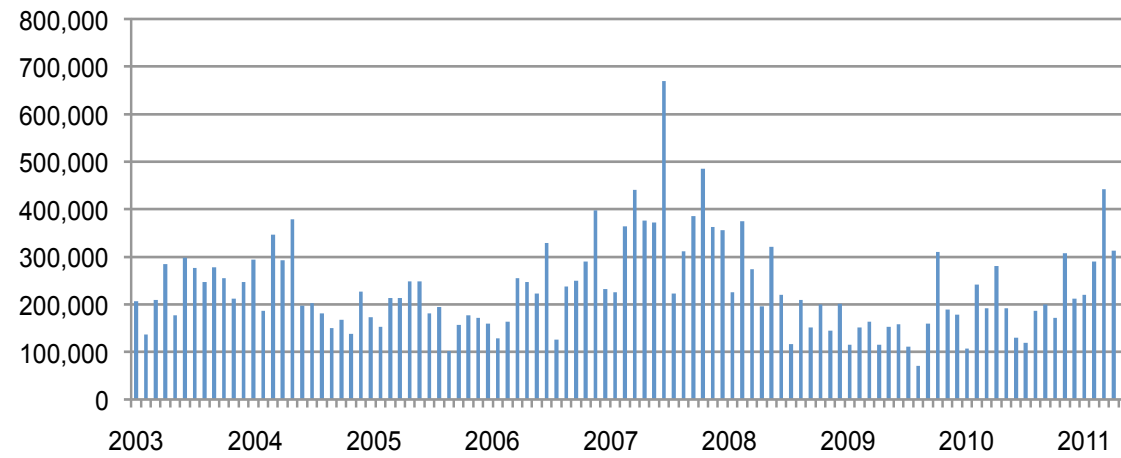
With regard to prices, residential real estate price indices rose in Q4 2011 by 5% in all governorates of Kuwait. Moreover, price indices of investment housing have increased slightly by 0.03% in Kuwaiti governorates.

Commercial real estate price indices in the capital, Hawalli, and Jahraa governorates witnessed a decline in Q3. The average price per square meter in the capital area was KD 5,065, KD 2,650 in Hawalli, and KD 1,720 in Jahraa Governorate. However, prices rose in Farwaniyah Governorate reaching KD 1,555, KD 2,403 in Ahmadi as an average price per a square meter, with a slight increase of 1.4% and 2.4% respectively.



Development of total monthly real estate transactions from 2003 till 2011

Figures are in KD million



Development of the total monthly real estate transactions from 2003 till 2011

Figures are in KD million

Item	2003	2004	2005	2006	2007	2008	2009	2010	2011
Jan.	206,831	293,390	172,438	160,034	231,878	356,582	200,983	178,367	211,462
Feb.	136,625	185,770	153,320	128,457	224,767	225,890	115,456	106,961	219,963
March	209,554	346,664	213,045	164,103	364,247	374,794	151,152	241,021	289,555
April	284,711	292,374	213,462	254,944	440,997	274,054	163,204	191,913	442,010
May	177,478	378,818	248,166	247,278	376,762	195,950	114,657	280,017	312,785
June	298,536	196,488	248,527	223,212	372,606	320,408	152,825	191,437	278,029
July	277,172	203,014	180,895	329,070	669,454	220,302	157,887	130,357	211,422
August	246,372	180,926	194,504	126,250	223,007	116,656	111,534	137,853	124,184
Sept.	278,418	149,568	101,220	237,989	311,059	208,809	70,047	178,820	203,130
Oct.	254,468	167,298	156,856	249,142	385,984	150,908	158,812	199,476	295,405
Nov.	211,562	138,093	177,083	289,741	484,582	200,237	310,779	171,015	144,608
Dec.	246,530	226,311	171,344	397,655	362,374	145,286	189,341	302,752	168,621
Total	2,828,257	2,758,714	2,230,860	2,807,875	4,447,717	2,789,876	1,896,677	1,636,746	2,901,175

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

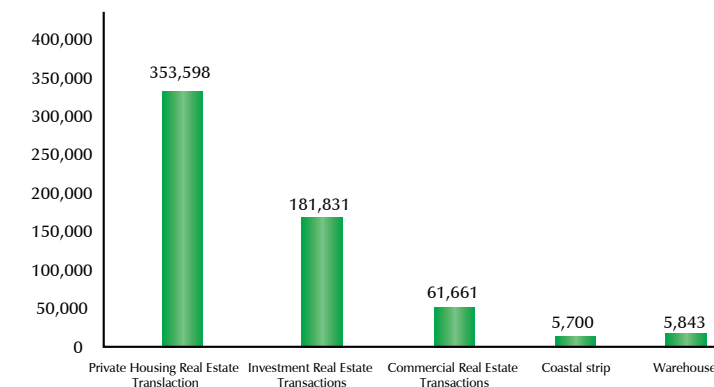
Market Trends

Real estate sector and sectors related to real estate acquire a good share of more than 10% of GDP. Over the past decades, economic boom led to an increase in income levels, resulting in improved demand for housing units such as villas. This increasing demand exceeded supply because of the government inability to meet the demand for housing and the rapid increase in population growth. Public institutions for residential care developed ambitious plans for projects within the five-year plan 2011 – 2014. The plan was approved by the National Assembly to set up major companies in various economic sectors of the economy and flood new investments in the Kuwaiti economy.

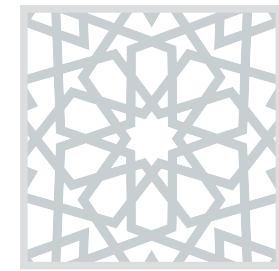
The technical staff for the study of development projects and initiatives announced the launch of a range of projects and initiatives during the last quarter of 2011. The most important among these projects is signing a contract to provide consultancy services to the railway project at a cost of KD 2,49 million. Another project aims to provide consultancy services for the project to develop Failaka Island at a cost of KD 2,12 million over a period of 27 months. A third project involves the introduction of a physical therapy hospital for investment according to Law No. (7) of 2008, with a capacity of 500 beds over 25 years of investment. Another project is the introduction of the first laborer city in south of Jahraa along the sixth ring road on an area of (1,015,000 square meters) with a capacity of around 20 thousand laborers.

Real Estate Transactions per Residential Sector durin Q4 2011

Figures are in KD



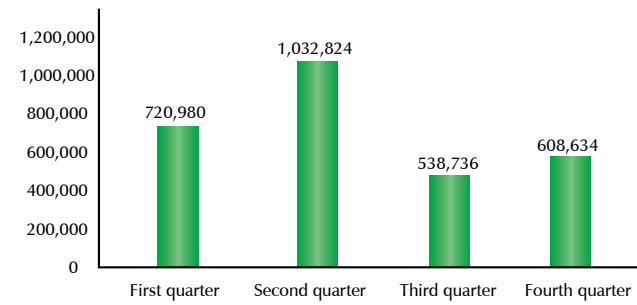
Source: Ministry of Justice, Department of Real Estate Registration and Authentication



At the level of the total real estate market, transactions indicators of the Ministry of Justice, Department of Real Estate Registration and Authentication during Q4 2011 witnessed an increase of KD 142,074 million, with an increase of 26.3% compared to Q3 of 2011 valued at KD 538,736 million.

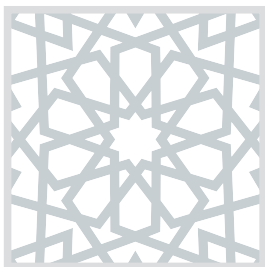
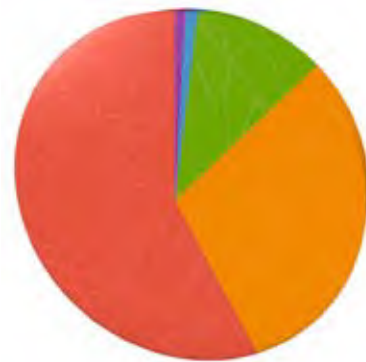
Development of the quarterly real estate trading value during 2011

Figures are in KD million



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

- % 58.1 Residential
- % 29.9 Investment
- % 10.1 Commercial
- % 1.0 Industrial
- % 0.9 Coastal

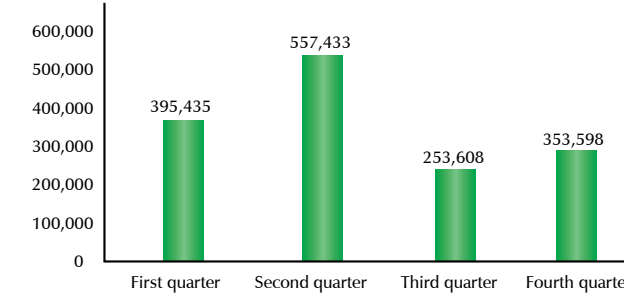


Private Housing Trends

The relative weight of real estate deals of private housing increased compared to the previous quarter, reaching 58.1% of the total real estate transactions valued at KD 608,634 million. Meanwhile, the average deals rose during Q4 2011 to reach KD 208,735 million, compared to KD 195,083 million during Q3 of 2011.

Development of the quarterly real estate trading value during 2011

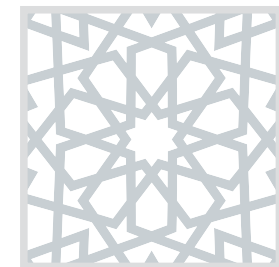
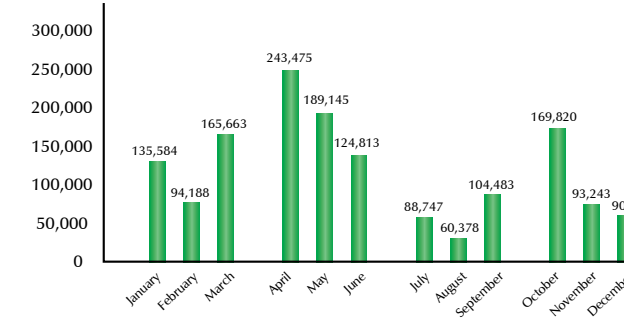
Figures are in KD



October 2011 witnessed the highest number of transactions at 48% for KD 196,821 million of the total transactions valued at KD 353,598 million during Q4 2011. November ranked second at KD 93,243 million, at 26.4% of total transactions. December came last at KD 90,535 million, 25.6% of total transactions for private housing.

Development of the quarterly real estate trading value of private housing during 2011

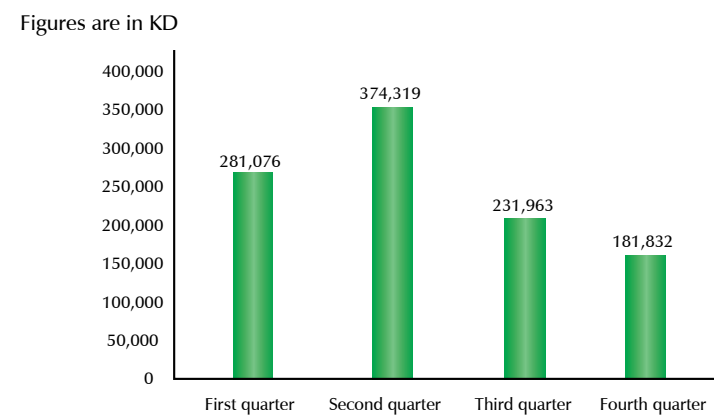
Figures are in KD



Investment Real Estate Trends

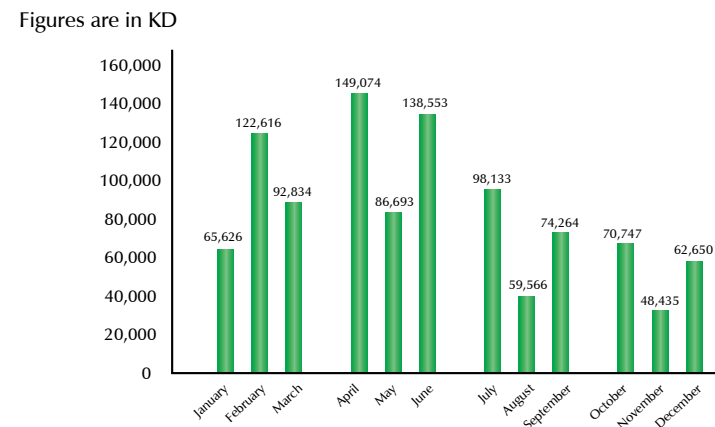
Total real estate investment transactions significantly declined in Q4 2011 reaching KD 181,832 million, compared to KD 231,962 million in Q3 of 2011, with a decline of 21.6%.

Development of quarterly investment real estate transactions value during 2011



October ranked first in transactions volume during Q4 2011, at KD 70,747 million. December ranked second, with transactions value at KD 62,650 million, while November ranked third in transactions at KD 48,435 million.

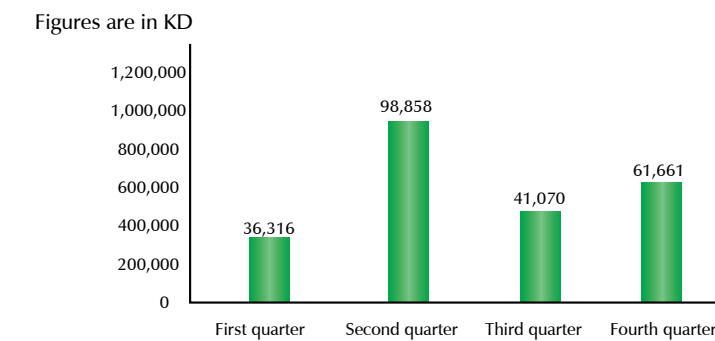
Development of the monthly real estate trading value of investment housing during 2011



Commercial Real Estate Trends

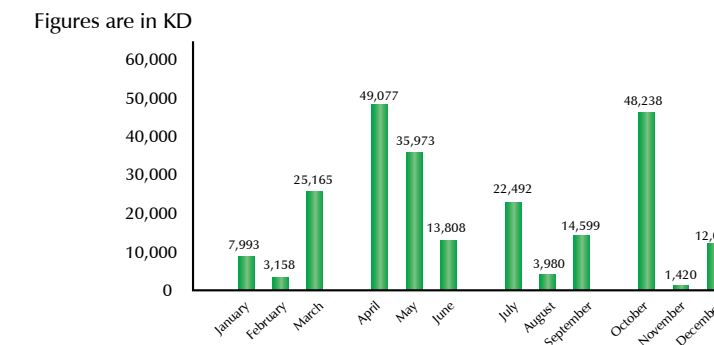
The total commercial real estate transactions significantly increased during Q4 2011, given the pessimistic outlook of some traders. Some other traders offered their commercial real estate for sale due to lower sales, reduced volume of domestic consumption, as well as the negative effects on the office sector due to the repercussions of the global financial crisis and its impact on local private companies. The new commercial real estate offered for rent witnessed a decline in demand, especially in the capital area, forcing some to reduce the rental. The value of transactions increased by 50.1%, at KD 61,661 million compared to Q3 of 2011 in which the value of transactions was KD 41,070 million. This increased the quarter share of total trades up to 10.1%, at the expense of real estate deals for private housing, the share of which was 58.1%, and investment deals amounting to 29.9%.

Development of quarterly commercial real estate transactions value during 2011



October ranked first as the volume of transactions reached KD 48,239 million. December ranked second where transactions volume reached KD 12,000 million. November came third as the volume of transactions reached KD 1,420 million. The average deal during Q4 2011 was estimated at KD 3,853 million, compared to KD 3,422 million for Q3 of 2011.

Development of monthly commercial real estate transactions value during 2011



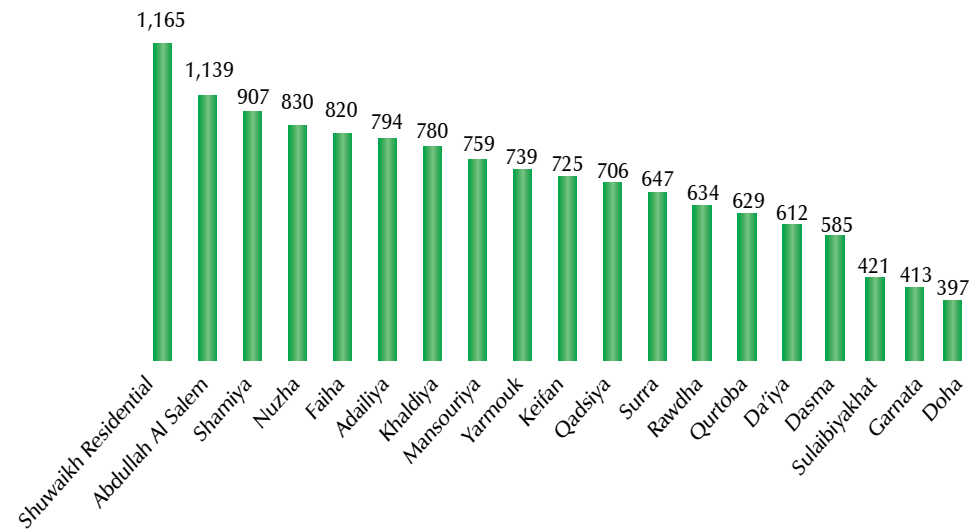
Price Indices:

First: Prices of Private Housing Land:

The State aims to build more than 70 thousand housing units until 2015, after receiving 96,000 applications, forming an accumulative increase of 7917 applications per year. This requires more tenders to provide this number of housing units; so as not to let the scarcity of supply escalate prices. It would magnify the crisis through the State efforts to build 22 thousand housing units through the establishment of 4 new cities. Price indices in the market, monitored by KFH in Q4 2011, rose in respect of residential land prices in the capital governorate. The average price per square meter in the capital governorate during the fourth quarter reached KD 721, compared to KD 705 for Q3 of 2011. The capital areas witnessed an increase up to 2,3%.

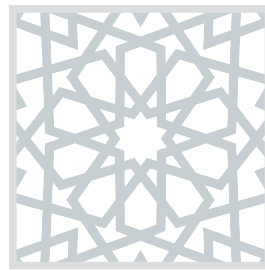
Average price per square meter of private housing real estate in the capital government - Q4 2011

Figures are in KD



Residential Land Prices in the Capital Governorate

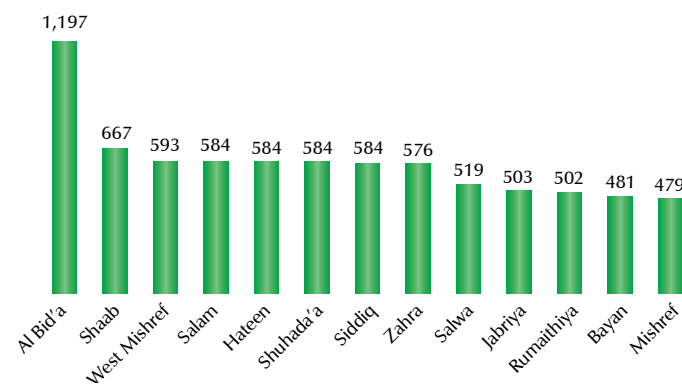
Area	Space	Building%	Location	Value		Price per Meter		Average SQM in Q4 of 2011	
				From	To	From	To		
Shuwaikh Residential	500	%210	Internal	470,000	600,000	940	1,200	1070	
	1.000	%210	Internal	950,000	1,100,000	950	1,100	1025	
	1.000	%210	Main	1,300,000	1,500,000	1,300	1,500	1400	
Area Overall Average				906,667	1,066,667	1,063	1,267	1,165	
Abdullah Al-Salem Suburb	500	%210	Internal	455,000	580,000	910	1,160	1035	
	750	%210	Internal	680,000	825,000	907	1,100	1003	
	1.000	%210	Internal	850,000	1,100,000	850	1,100	975	
Area Overall Average				878,333	1,042,500	1,038	1,239	1,139	
Shamiya	250	%320	Internal	230,000	250,000	920	1.000	960	
	500	%210	Internal	350,000	450,000	700	900	800	
	750	%210	Internal	550,000	600,000	733	800	767	
Area Overall Average				560,000	665,714	830	984	907	
Al-Nuzha	500	%210	Internal	340,000	450,000	680	900	790	
	500	%210	Main	400,000	535,000	800	1,070	935	
	750	%210	Internal	525,000	580,000	700	773	737	
Area Overall Average	750	%210	Main	580,000	750,000	773	1.000	887	
	Area Overall Average				519,000	633,000	741	919	830
	750	%210	Internal	500,000	570,000	667	760	713	
Khalidiya	750	%210	Main	550,000	650,000	733	867	800	
	1.000	%210	Internal	700,000	840,000	700	840	770	
	1.000	%210	Main	770,000	900,000	770	900	835	
Area Overall Average				630,000	740,000	718	842	780	
Adailiya	500	%210	Internal	350,000	430,000	700	860	780	
	500	%210	Main	420,000	500,000	840	1.000	920	
	750	%210	Internal	480,000	550,000	640	733	687	
Area Overall Average	750	%210	Main	550,000	650,000	733	867	800	
	Area Overall Average				595,625	686,875	735	853	794



Hawalli Governorate witnessed a rise in prices in (Al-Shab - Jabriyah - Rumaihiya - Salwa - Bayan – Meshrif - West Meshrif – Al-Salam - Hattin – Al-Shuhada – Al-Zahra – Al-Sadiq – Al-Bada) at a range between 2%and 8%, according to the latest surveys carried out by KFH in the governorate.

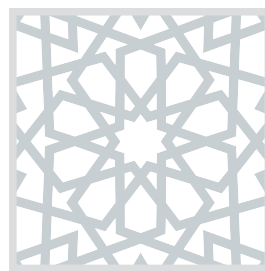
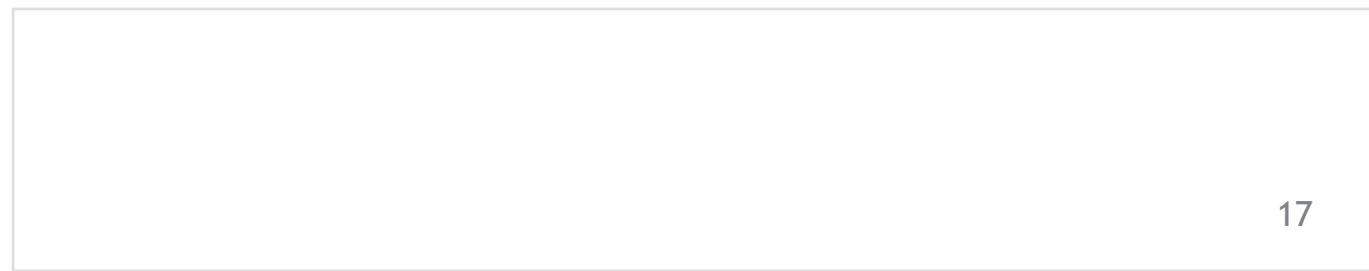
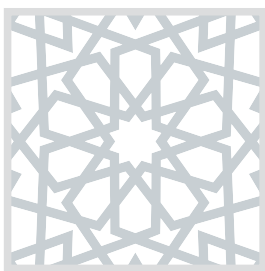
Average price per square meter of private housing real estate in Hawalli Government - Q4 2011

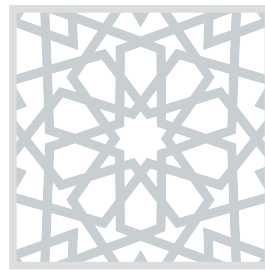
Figures are in KD



Residential Land Prices in Hawalli

Area	Building %	Space	Location	Value		price per meter		Average price per square meter during Q4 2011 (KD)
				From	To	From	To	
Al-Shab	%210	400	Internal	260,000	280,000	650	700	675
	%210	400	Main	280,000	330,000	700	825	763
	%210	500	internal	280,000	320,000	560	640	600.0
Area Overall Average				342,500	382,500	630	705	667
Jabriyah	%210	400	Internal	200,000	240,000	500	600	550.0
	%210	400	Main	230,000	260,000	575	650	613
Area Overall Average				306,875	336,875	477	530	503
Rumaihiya	%210	400	Internal	190,000	220,000	475	550	513
	%210	400	Main	215,000	245,000	538	613	575.0
	%210	500	Internal	210,000	240,000	420	480	450
Area Overall Average				318,125	355,000	473	532	502
Salwa	%210	500	Internal	210,000	230,000	420	460	440
	%210	500	Main	240,000	250,000	480	500	490
Area Overall Average				400,000	445,000	493	546	519

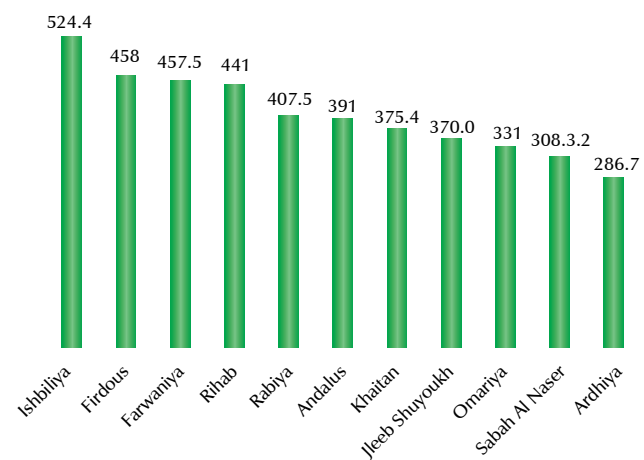




Farwaniyah Governorate witnessed an average price up to KD 396 per square meter in Q4 2011. The areas of (Andalus – Al-Rabia - Ishbiliya - Farwaniyah – Al-Ardia - Sabah Al-Nasser – Al-Ferdaws – Al-Omariyah – Al-Rehab) witnessed a rise in prices with at an average up to 3.9%.

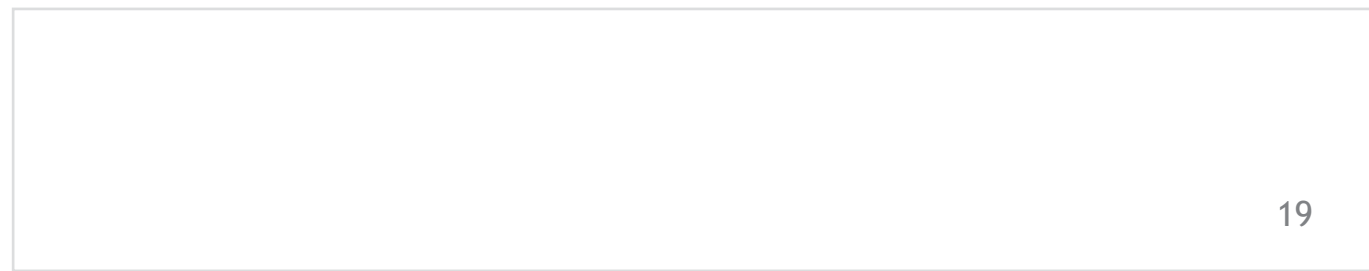
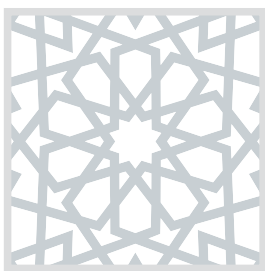
Average price per square meter of private housing real estate in Farwaniya Government - Q4 2011

Figures are in KD



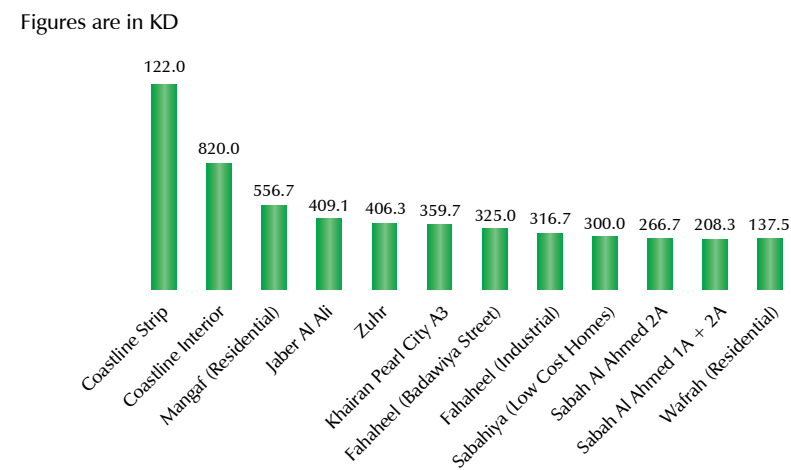
Residential Land Prices in Farwaniyah

Area	Building %	Space	Location	Street	Value		price per meter		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Al-Andalus	%210	500	Internal		180,000	215,000	360	430	395
	%210	500	Main		225,000	240,000	450	480	465
Area Overall Average					240,000	260,000	374	407	391
Rabyah (existing house)	%210	500	Internal		175,000	200,000	350	400	375
	%210	500	Main		210,000	230,000	420	460	440
Area Overall Average					192,500	215,000	385.0	430.0	408
Ishbiliya	%210	400	Internal		180,000	220,000	450	550	500
	%210	400	Main		220,000	250,000	550	625	588
Area Overall Average					218,750	251,250	487.5	561.3	524
Farwaniyah	%210	500	Internal		210,000	230,000	420	460	440
	%210	500	Main		225,000	250,000	450	500	475
Area Overall Average					217,500	240,000	435.0	480.0	458
Khaitan (behind the club)	%210	400	Internal		150,000	190,000	375	475	425
Khaitan	%210	1000		Faisal Highway	320,000	360,000	320	360	340
Area Overall Average					247,500	283,750	347.1	403.8	375
Jleeb Al-Shuwaikh	%210	750	Internal		235,000	320,000	313	427	370
Area Overall Average					235,000	320,000	313	427	370
Ardiya	%210	750	Internal		185,000	195,000	247	260	253
	%210	750	Main		220,000	260,000	293	347	320
Area Overall Average					202,500	227,500	270.0	303.3	287



Prices have witnessed a rise in Ahmadi Governorate. The average price per square meter reached KD 379 compared to KD 360 in the second quarter of 2011. Prices rose in the areas of the Governorate from 2% to 5%.

Average price per square meter of private housing real estate in Al-Ahmadi Government - Q4 2011



Residential land prices in Ahmadi area

Area	Building %	Space	Location	Street	Value		price per meter		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Al Fintas agricultural area	210%	1000	Internal		280,000	330,000	280	330	305
	210%	1000	Main		380,000	400,000	380	400	390
Hadiya	210%	750	Internal		200,000	220,000	267	293	280
	210%	750	Main		250,000	270,000	333	360	347
Al-Aqeelah	210%	400	Internal		160,000	185,000	400	463	431
	210%	400	Main		180,000	210,000	450	525	488
	210%	500	Internal		180,000	210,000	360	420	390
Southern coastal strip	150%	750		Sea	900,000	930,000	1,200	1,240	1220
				Coastal road	600,000	630,000	800	840	820
Southern coastal strip Internal roads	150%	750		Internal	385,000	450,000	513	600	557
Al-Khairan Residential City	210%	400			35,000	59,000	88	148	118
Sabah al-Ahmad Marine City A1 (on the sea)	210%	1200	Sea		230,000	250,000	192	208	200
Sabah al-Ahmad Marine City A2 (on the sea)	210%	1200	Sea		240,000	260,000	200	217	208
Al-Khairan Pearl City A3 (on the sea)	210%	640	Sea		192,000	224,000	300	350	325

Prices witnessed a rise in Jahraa Governorate in the areas of (Jahraa – Al-Oyoun - Al-Naeem – Al-Waha). The aver-

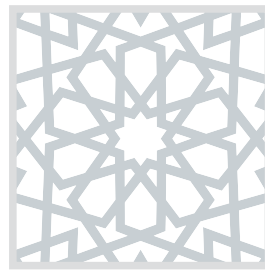
average price per square meter reached KD 369 compared to KD 364 in Q3.

Residential land prices in Jahraa Governorate

Average price per square meter of private housing real estate in Al-Jahra Government - Q4 2011



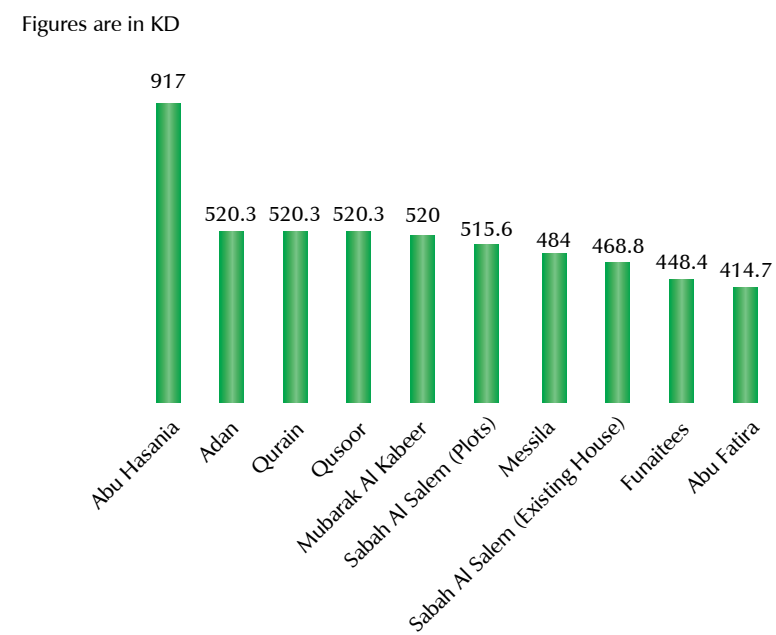
Area	Building %	Space	Location	Street	Value		price per meter		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Al-Qasr	%210	750	Internal		180,000	210,000	240	280	260
Al-Qasr- Club Street	%210	1000		Club Street	360,000	400,000	360	400	380
Al-Qasr (Existing House)	%210	600			165,000	185,000	275	308	292
Jahraa - Al-Metlaa Street	%210	400	Internal		220,000	240,000	550	600	575
Al-Oyoum (Government-subsidized house)	%210	400	Main		120,000	170,000	300	425	362
Al-Naeem (Plots)	%210	400	Internal		130,000	180,000	325	450	388
Al-Naeem (Government-subsidized house)	%210	400	Main		120,000	170,000	300	425	363
Al-Waha (Existing house)	Up to 800 square meters	300			90,000	115,000	300	383	342
Al-Nasem (Government-subsidized house)	%210	400	Main		120,000	170,000	300	425	363



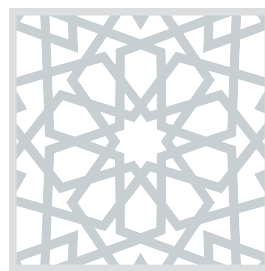
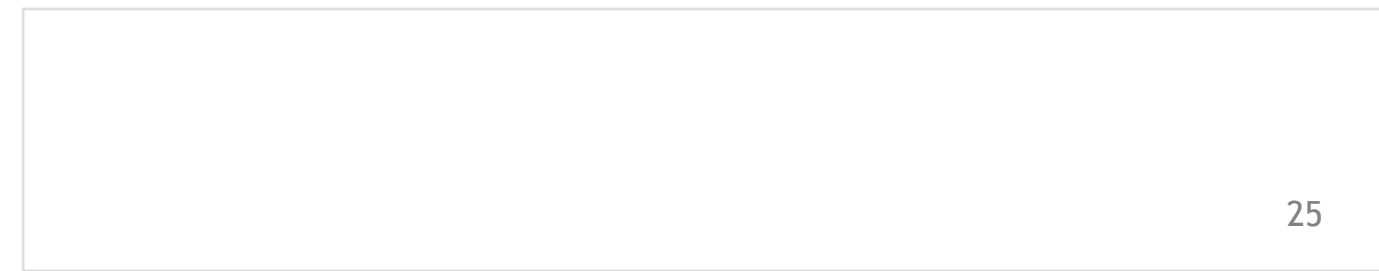
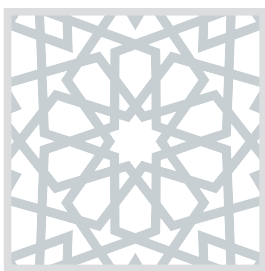
Mubarak Al-Kabeer Governorate recorded an increase in prices. The average price amounted to KD 533 per square meter compared to KD 513 per square meter in Q4 2011 with a percentage of increase of 3.9%.

Residential Land Prices in Mubarak Al-Kabeer Governorate

Average price per square meter of private housing real estate in Mubarak Al-Kabeer Government - Q4 2011



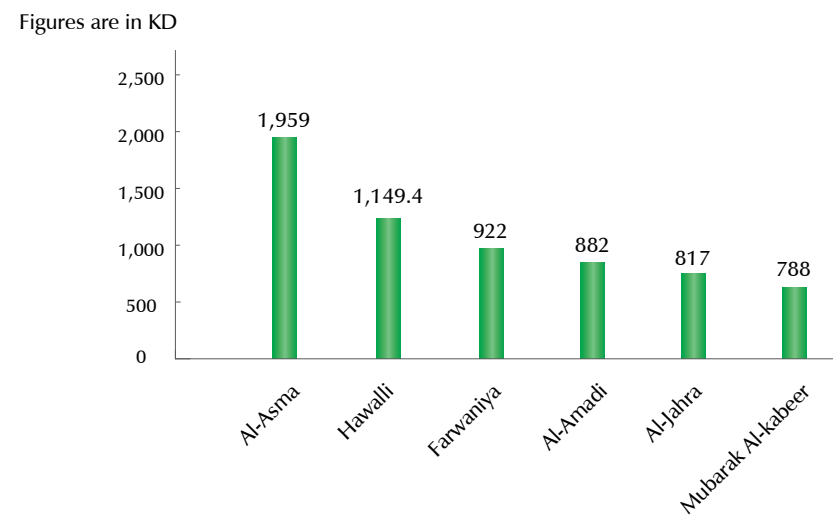
Area	Building %	Space	Location	Street	Market value of Land		Price per square meter		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Abo Al-Hasanya	%150	750	Internal		412,500	562,500	550	800	675
	%150	750		Al-Fahaheel	600,000	637,500	800	900	850
	%150	750	On sea view		900,000	900,000	1,200	1,250	1225
Area Overall Average					637,500	700,000	850	983	917
Al-Masailah	%210	400	Internal		180,000	200,000	450	500	475
	%210	400	Main		210,000	230,000	525	575	550
	%210	500	Internal		190,000	230,000	380	460	420
	%210	500	Main		230,000	260,000	460	520	490
Area Overall Average					202,500	230,000	454	514	484
Abo Fatirah	%210	400	Internal		155,000	165,000	388	413	400
	%210	400	Main		170,000	185,000	425	463	444
Residential Area	%210	500	Internal		175,000	190,000	350	380	380
	%210	500	Main		205,000	230,000	410	460	435
Area Overall Average					176,250	192,500	393	429	415



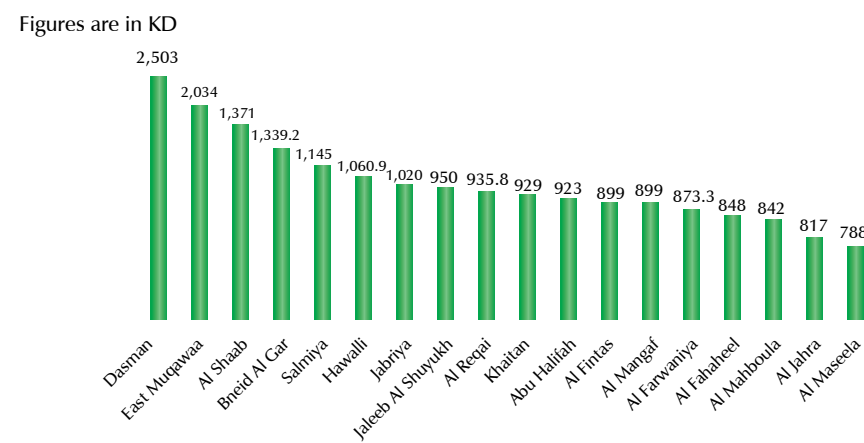
Second: Prices of Investment Lands:

The prices of investment lands recorded an increase of 11.3% in the Capital Governorate, with an average price amounting to KD 1959 per square meter compared to KD 1,760 per square meter in Q3 of 2011.

Average price per square meter for investment lands in Kuwait governorates during Q4 of 2011



Average price per square meter for investment lands in Kuwait governorates during Q4 of 2011



Investment Land Prices in the Capital Area

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Benaid Al-Qar	%250	1,000		Arabian Gulf	2,000,000	2,100,000	2,000	2,100	2050
	%250	1,000		Istiqlal	1,250,000	1,350,000	1,250	1,350	1300
	%250	500	Internal		500,000	600,000	1,000	1,200	1100
	%250	500	Main		560,000	650,000	1,120	1,300	1210
Area Overall Average					1,093,333	1,200,000	1,270.0	1,408.3	1,339
Al-Muqawwaa Al-Sharqi	%240	250	Internal		320,000	360,000	1,280	1,440	1360
	%400	500	Internal		850,000	900,000	1,700	1,800	1750
Area Overall Average					1,255,000	1,340,000	1,958	2,110	2,034
Dasman	%400	1,000		Arabian Gulf	3,000,000	3,200,000	3,000	3,200	3100
	%400	1,000	Internal		1,800,000	1,950,000	1,800	1,950	1875
	%400	750		Abdullah Al-Ahmad	1,800,000	2,000,000	2,400	2,667	2533
Area Overall Average					2,200,000	2,383,333	2,400	2,606	2,503

As for Hawalli Governorate, it witnessed an increase in prices such that the average price per square meter during Q4 2011 amounted to KD 1,149, compared to KD 1,095 per square meter in Q3 of 2011. Districts of (Hawalli – Salemiyah – Al-Shab – Jabriyah) witnessed a rise ranging between 2%to 4,9%.

Farwaniyah Governorate recorded an average increase in prices of 2,7%. The average price per square meter in the Governorate amounted to KD 922, compared to KD 898 per square meter in Q3 of 2011. Districts (Farwaniyah – Khaitan – Alreqhi) witnessed a rise ranging between 2%and 6%.

Investment Land Prices in Hawalli Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Hawalli	%250	750		Muthanna	750,000	900,000	1,000	1,200	1100
	%250	750		Qutaiba	825,000	950,000	1,100	1,267	1183
	%250	750		Hasan Al-Basri	730,000	820,000	973	1,093	1033
	%250	750		Ahmed Ibn Tulun	730,000	820,000	973	1,093	1033
	%250	750		Yarmouk	730,000	820,000	973	1,093	1033
	%250	750		Musa Ibn Nuseer	730,000	820,000	973	1,093	1033
Area Overall Average					766,000.0	857,333.3	1,000.4	1,121.3	1,061
Salemiyah	%250	1,000		Arabian Gulf	1,850,000	2,200,000	1,850	2,200	2025
	%250	750		Baghdad (Al-Tahrir)	850,000	900,000	1,133	1,200	1167
	%250	750		Abdul Karim Al-Khattabi	850,000	930,000	1,133	1,240	1187
	%250	750		Abdullah Qatar	850,000	950,000	1,133	1,267	1200
	%250	750		Abdullah Ibn Masood	750,000	850,000	1,000	1,133	1067
	%250	750		Yousef Ibn Hamoud	750,000	850,000	1,000	1,133	1067
Area Overall Average					835,625	933,438	1,084	1,207	1,145
Al-Shab	%250	1,000		Arabian Gulf	2,000,000	2,200,000	2,000	2,200	2100
	%250	1,000		Istiqlal	1,350,000	1,380,000	1,350	1,380	1365
Area Overall Average					1,250,000	1,357,500	1,314	1,428	1,371
Jabriyah	%250	1,000		Fourth Ring Road	1,150,000	1,250,000	1,150	1,250	1200
	%250	1,000		Al-Maghrib	1,000,000	1,100,000	1,000	1,100	1050
	%250	1,000		Al-Shenaki	900,000	985,000	900	985	943
Area Overall Average					938,571	1,027,143	974	1,066	1,020

Investment Land Prices in Farwaniyah Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Farwaniyah	%250	1,000		Al-Matar	900,000	1,000,000	900	1,000	950.0
	%250	1,000		Sixth Ring Road	850,000	900,000	850	900	875.0
	%250	1,000	Main		800,000	880,000	800	880	840
	%250	1,000	Internal		700,000	770,000	700	770	735
Area Overall Average					726,666.7	788,333.3	839.4	907.2	873
Khaitan	%250	750		Airport	750,000	800,000	1,000	1,067	1033
	%250	750	Main		660,000	750,000	880	1,000	940
	%250	750	Internal		620,000	660,000	827	880	853
Area Overall Average					600,000	648,000	895	963	929
Jleeb Al-Shuyokh	%250	750		Sixth Ring Road	720,000	750,000	960	1,000	980
	%250	750		Police Station	750,000	770,000	1,000	1,027	1013
Area Overall Average					615,714	670,000	909	990	950
Al-Raqee	%250	750		Fourth Ring Road	750,000	800,000	1,000	1,067	1033
	%250	750		Fifth Ring Road	730,000	780,000	973	1,040	1007
Area Overall Average					716,667	760,000	908.3	963.3	936

A.P. refers to Average price of one square meter in KD

Ahmadi Governorate also witnessed a percentage of increase in prices of 6,7%in the average price per square meter during Q4 2011. The average price per square meter in the Governorate amounted to KD 882, compared to KD 826 per square meter in Q3 of 2011.

At the same time, Jahraa Governorate witnessed an average percentage of increase in prices of 5,8%compared to Q3 of 2011. The average price per square meter in the Governorate amounted to KD 817, compared to KD 773 per square meter in Q3 of 2011.

Investment Land Prices in Ahmadi Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Fintas	%250	500	Main		380,000	420,000	760	840	800
	%250	750		Fahaheel	580,000	620,000	773	827	800
	%250	1.000		Coastal Road	1,450,000	1,550,000	1,450	1,550	1500
	Area Overall Average				676,000	742,000	855	942	899
Abu Halifa	%250	500	Main		380,000	420,000	760	840	800
	%250	750	Internal		450,000	520,000	600	693	647
	Area Overall Average				700,000	772,500	876	971	923
Al-Manqaf	%250	500	Main		380,000	420,000	760	840	800
	%250	750	Internal		450,000	520,000	600	693	647
	Area Overall Average				676,000	742,000	855	942	899
Al-Mahbulah	%250	500	Main		370,000	400,000	740	800	770
	%250	750	Internal		420,000	500,000	560	667	613
	Area Overall Average				632,000	686,000	805	878	842
Fahaheel	%250	500	Internal		400,000	430,000	800	860	830
	%250	750	Main		600,000	680,000	800	907	853
	%250	1,000		Makka	880,000	950,000	880	950	915
	%250	750		Al-Badaweyah	600,000	660,000	800	880	840
	Area Overall Average				573,333	631,667	808	888	848

Investment Land Prices in Jahraa Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2011 (KD)
					From	To	From	To	
Jahraa	%250	1.000	Internal		680,000	750,000	680.0	750.0	715.00
	%250	1.000	Main		720,000	850,000	720.0	850.0	785.00
	%250	800		Al-Khuzami	700,000	750,000	875.0	937.5	906.25
	%250	500	Internal		380,000	410,000	760.0	820.0	790.00
	%250	500	Main		430,000	460,000	860.0	920.0	890.00
	Area Overall Average				582,000	644,000	779	856	817

Annual rate of return on investment real estate in some areas

Governorate	Area	Building %	Space	Location	Street	Percentage of sale proceeds from real estate annual revenues Q4		
						2011		
						From	To	Average
Capital	Benaid Al-Qar	%250	1.000	Main	Arabian Gulf	%7.00	%7.75	%7.38
	Al-Muqawwaa Al-Sharqi	%250	1.000		Arabian Gulf	%7.00	%7.50	%7.25
	Dasman	240%	250	Internal	Arabian Gulf	%7.00	%7.50	%7.25
				Internal	Abdullah Al-Ahmad	%7.50	%7.75	%7.63
Hawalli	Hawalli	%250	750	Internal	Muthanna	%7.25	%7.75	%7.50
					Qutaiba	%7.25	%7.75	%7.50
	Salemiah	%250	1.000	Internal	Arabian Gulf	%7.00	%7.70	%7.35
					Baghdad	%7.25	%7.75	%7.50
	Al-Shab	%250	1.000	Main	Arabian Gulf	%7.00	%8.00	%7.50
	Farwanayah	%250	1.000		Istiqlal	%7.00	%7.75	%7.38
Farwanayah	Khaitan	%250	1.000	Main	Al-Matar	%7.75	%8.00	%7.88
					%250	750	Al-Matar	%7.75
	Al-Raqee	%250	750	Main	Fourth Ring	%7.75	%8.00	%7.88
					Road Fifth Ring	%7.75	%8.00	%7.88
Ahmadi	Fintas	%250	1.000	Internal	Road Fifth Ring	%7.75	%8.00	%7.88
					Road	%7.75	%8.00	%7.88
	Abu Halifa	%250	500	Internal	Al-Matar	%8.50	%8.75	%8.63
					Al-Matar	%8.50	%8.75	%8.63
	Al-Manqaf	%250	750	Internal	Al-Matar	%8.50	%9.00	%8.75
	Al-Mahbulah	%250	500	Internal	Al-Matar	%8.75	%9.25	%9.00
Jahraa	Fahaheel	%250	750	Internal	Al-Matar	%9.00	%9.75	%9.38
					Jahraa	%250	750	Internal
Mubarak Al-Kabeer	Jahraa	%250	1.000	Internal	Jahraa	%8.75	%9.00	%8.88
					%250	1.000	Main	Al-Matar
	Sabah As-Salem	%250	750	Internal	Al-Matar	%8.00	%8.50	%8.25
					%250	1.000	Main	Al-Matar
		%250	1.000	Main	Fahaheel	%7.75	%8.50	%8.13

Third: Prices of Commercial Real Estate:

Transactions prices of commercial real estate have been stabilized in the Capital Governorate with an average price increase of KD 5,065 per square meter in Q4 2011. Prices have been stabilized in the following areas: Al-Mubarakiyah – Ahmed Al-Jaber Street – Khaled Ibn Al-Waleed Street- Abdullah Al-Mubarak Street – Al-Sour Street – Fahed Al-Salem – Ali Al-Salem – Al-Gharbali Street).

Commercial Land Prices in Capital Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2011
				From	To	From	To	
Qiblah	%300	Al-Mubarakiyah	500	1,300,000	2,000,000	2,600	4,000	3,300
Sharq	%520	Ahmed Al-Jaber	500	2,950,000	3,100,000	5,900	6,200	6,050
Al-Madinah	%620	Mubarak Al-Kabeer (Bulukat)	500	2,500,000	2,600,000	5,000	5,200	5,100
		Mubarak Al-Kabeer (Bursah)	500	3,000,000	3,125,000	6,000	6,250	6,125
Qiblah	%620	Fahed Al-Salem	500	3,100,000	3,250,000	6,200	6,500	6,350
Sharq	%520	Jaber Al-Mubarak	500	2,700,000	3,000,000	5,400	6,000	5,700

Likewise, prices have been stabilized in Hawalli Governorate with an average price of KD 2,650 per square meter in Q4 2011, with an average percentage increase of 3, 2%, compared to Q3 of 2011.

Commercial Land Prices in Hawalli Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2011
				From	To	From	To	
Hawalli	%180	Tunis	1.000	3,000,000	3,200,000	3,000	3,200	3,100
		Beirut	1.000	2,900,000	3,100,000	2,900	3,100	3,000
Salemiah	%180	Salem Al-Mubarak	800	2,200,000	,920,000	2,750	3,650	3,200
		Bahrain	500	1,100,000	1,200,000	2,200	2,400	2,300

At the same time, Farwaniyah Governorate witnessed a slight increase in the average prices with a percentage of 1,4%. The average price during Q4 2011 reached KD 1,555 per square meter compared to KD 1,534 per square meter in Q3 of 2011.

In Jahraa Governorate, prices have been stabilized with an average price increase of KD 1,720 per square meter in Q4 2011.

Commercial Land Prices in Farwaniyah Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2011
				From	To	From	To	
Farwaniyah - Menawir Street	%180	Menawir	1.000	2,850,000	3,300,000	2,850	3,300	3,075
Farwaniyah - Matafi Street	%180	Matafi	800	1,920,000	2,120,000	2,400	2,650	2,525
Khaitan	%180		1.000	2,200,000	2,500,000	2,200	2,500	2,350
Khaitan (Business and Commercial)	%300	Business and commercial	1.000	1,800,000	2,000,000	1,800	2,000	1,900
Jleeb Shuyokh opposite Coop. Society	%180	Coop. Society Street	1.000	1,400,000	1,600,000	1,400	1,600	1,500
Jleeb Shuyokh (Back area)	%180	Internal	1.000	800,000	900,000	800	900	850
Ad-Dajij (5000 meters) on Sixth Ring Road	%210	Sixth Ring Road	5,000	5,250,000	5,500,000	1,050	1,100	1,075
Al-Dajij (5000 meters) Internal		Internal	5,000	4,250,000	4,500,000	850	900	875
Al-Dajij South of Khaitan	%250	Internal	5,000	1,400,000	2,000,000	280	400	340

Commercial Land Prices in Jahraa Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2011
				From	To	From	To	
Jahraa	%180	Marzuk Al-Mutaab	1.000	2,000,000	2,400,000	2,000	2,400	2,200
Jahraa Center - Business and Commercial	%300	Business and Commercial	875	1,750,000	2,012,500	2,000	2,300	2,150
Jahraa	%50	Plot 41 A	1.000	1,250,000	1,350,000	1,250	1,350	1,300

Also, Ahmadi Governorate witnessed a rise in prices. The average increase in prices reached KD 2,403 per square meter in Q4 2011 compared to KD 2,347 per square meter in Q3 of 2011. According to the discrepancies of price movements among the governorates pursuant to the latest surveys undertaken by KFH in the Governorate, Al-Fintas area, Business and Commercial Center, have increased with a percentage of 2,4% compared to Q3 of 2011.

Commercial Land Prices in Ahmadi Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2011
				From	To	From	To	
Al-Manqaf	%300	Azizia	750	750,000	900,000	1,000	1,200	1,100
Fintas (Business and commercial)	%180	Main	1000	2,750,000	2,950,000	2,750	2,950	2,850
	%180	Internal	1000	2,500,000	2,600,000	2,500	2,600	2,550
Fahaheel	%180	Ad-Dabbus	750	2,137,500	2,437,500	2,850	3,250	3,050
	%180	Internal	750	1,650,000	1,875,000	2,200	2,500	2,350
	%180	Coastal Road	750	2,850,000	3,000,000	3,800	4,000	3,900

Annual rate of return on commercial real estate in some areas

Governorate	Area	Building %	Street	Percentage of sale proceeds from the real estate annual income Q4 2011		Average price per square meter during Q4 2011 (KD)
				From	To	
Capital	Qiblah	%300	Al-Mubarakiyah	%6.00	%7.00	%6.50
	Sharq	%520	Ahmed Al-Jaber	%7.25	%7.50	%7.38
	Sharq	%520	Khaled Ibn Al Waleed	%7.25	%7.50	%7.38
	Qiblah	%520	Abdullah Al-Mubarak	%7.25	%7.50	%7.38
	Al-Madinah	%620	Al-Sour	%7.25	%7.50	%7.38
	Al-Madinah	%300	Al-Sour	%7.25	%7.50	%7.38
Hawalli	Al-Madinah	%620	Mubarak Al-Kabeer Al-Bulukat	%7.25	%7.50	%7.38
	Hawalli	%180	Tunis	%7.50	%8.00	%7.75
	Hawalli	%180	Beirut	%7.50	%8.00	%7.75
	Salemiyah	%180	Salem Al-Mubarak	%7.50	%8.00	%7.75
	Salemiyah	%180	Bahrain	%7.50	%8.00	%7.75
	Farwaniyah Menawir Street	%180	Menawir	%7.75	%8.00	%7.88
Farwaniyah	Farwaniyah - Matafi Street	%180	Matafi	%8.00	%8.25	%8.13
	Khaitan	%180		%7.75	%8.00	%7.88
	Khaitan (Business and Commercial)	%300	Business and Commercial	%8.00	%8.25	%8.13
	Al-Aridiyah - Warehouses	Ground Floor 80% - Mezzanine 50%	Internal	%8.00	%8.25	%8.13
Jahraa	Jahraa	%180	Marzuk Al-Mutaab	%8.00	%8.50	%8.25
	Jahraa Center - Business and Commercial	%300	Business and Commercial	%8.00	%8.50	%8.25
	Jahraa - Al-Qaysareyat	%300	Plot 20	%7.50	%7.75	%7.63
	Al-Manqaf	%300	Azizia	%8.50	%8.75	%8.63
Ahmadi	Fintas (Business and Commercial)	%180	Main	%8.25	%8.50	%8.38
	Fahaheel	%280	Makka	%7.50	%7.75	%7.63
	Al-Khairan Pearl City	%180	Internal	-	-	-
	Al-Khairan Pearl City	%180	Marina	-	-	-

Fourth: Industrial Plots (Public Utility Contracts) and Warehouses:

Industrial plots in the Capital Governorate witnessed a slight increase in average of prices in most industrial plots. Price per meter reached KD 1.020 in Q4 2011 compared to KD 977 per square meter in Q3 of 2011.

Prices of Industrial Plots in Capital Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average price per square meter during Q4 2011 (KD)
						From	To	
Shuwaikh Industrial Area	Trade shows + land + industrial	%170	1,000	Internal	Canada Dry Street	1,350,000	1,450,000	1,400
					Scheherazade Street	1,050,000	1,200,000	1,125
					Al-Zinah Street	1,000,000	1,300,000	1,150
					Al-Zinah Street	600,000	700,000	1,300
					Electricity Street	550,000	580,000	1,130
						400,000	600,000	500
					Pepsi Street	4,000,000	4,500,000	850
					Fourth Ring Road	1,300,000	1,380,000	1,340
						9,250,000	11,000,000	450
						850,000	1,100,000	975
	900,000	1,100,000	1,000					
Area Overall Average						1,931,818	2,264,545	1,020

Farwaniyah Governorate witnessed a slight increase in the average percentage of prices which amounted to less

than 1% due to issuance an appeal sentence that stopped renewing commercial licensing at Abu Fatirah professional Area and the migration of investors towards Al-Ardiya professional Area where the average price per square meter has been stabilized while the prices slightly increased at Al-Rai area reaching about 2% in average where the average percentage increase in the Governorate reached KD 1,228 per square meter compared to KD 1,219 per square meter in Q3 of 2011.

Likewise, Ahmadi Governorate witnessed a slight increase in prices, especially in Industrial Eastern Ahmadi Area, warehouses and industrial exhibitions which amounted to 1,6%.

Prices of Industrial Plots in Farwaniyah Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average price per square meter during Q4 2011 (KD)
						From	To	
Al-Rai	Trade shows + industrial	%170	1,000		Safat Al-Ghanim (till Al-Nasr Sports)	850,000	1,200,000	1,025
		%170	1,000		Al-Ghazali Street	900,000	1,100,000	1,000
		%170	2,000		Muhammad Al-Qasim	1,800,000	1,900,000	925
Area Overall Average						1,646,667	1,900,000	
Al-Ardiyah Professional Zone	Professional	%130	250		Opposite Al-Ardiyah Warehouses	400,000	480,000	1,760
		%130	250	Internal		270,000	300,000	1,140
Area Overall Average						355,000	407,500	

Prices of Industrial Plots in Ahmadi Governorate

Area	location	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q4 2011 (KD)
						From	To	
Mina Abdullah			100,000		Behind gasoline station	4,000,000	4,500,000	43
Western Shuaibah	Industrial		10,000		Variety	850,000	1,050,000	95
Mina Abdullah			10,000	Internal	Inside the port	880,000	1,050,000	97
Area Overall Average						2,101,429	2,432,857	77
Fahaheel	Trade shows + industrial	%170	1,000		Sultan Center Street	1,000,000	1,200,000	1,100
		%170	1,000		Opposite the refineries	600,000	650,000	625
Area Overall Average						660,000	810,000	735
Industrial Sharq Ahmadi	Trade shows + industrial	%170	7,500		Mustafa Karam	2,800,000	3,300,000	406.67
		%170	5,000	Main		1,200,000	1,500,000	270
Area Overall Average						1,292,500	1,590,000	285

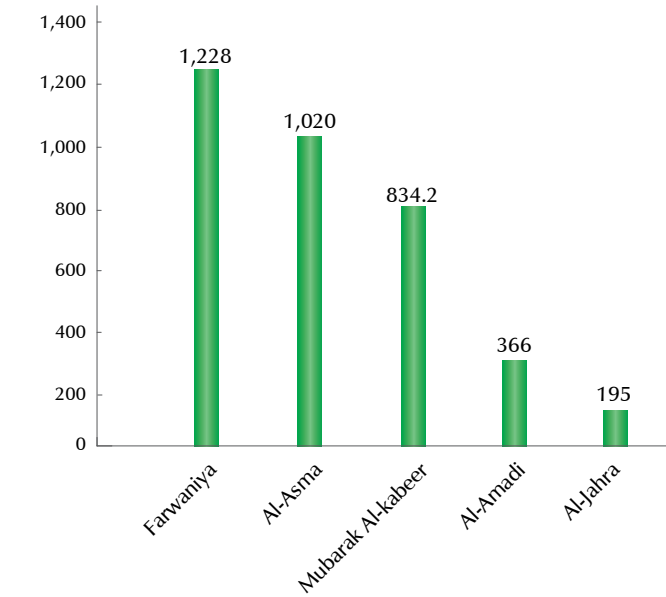


Prices of Industrial Plots in Jahraa Governorate

Amgharah	Top Contractors	10,000	Internal	920,000	970,000	95
		10,000	Main	1,200,000	1,500,000	135
Area Overall Average				486,667	553,333	113
Jahraa	Professional	500	Internal	110,000	145,000	255
		500	Main	160,000	195,000	355
Area Overall Average				135,000	170,000	400
Doha	Repairing Ships	1,000		90,000	160,000	125
Area Overall Average				1,813,333	2,186,667	70

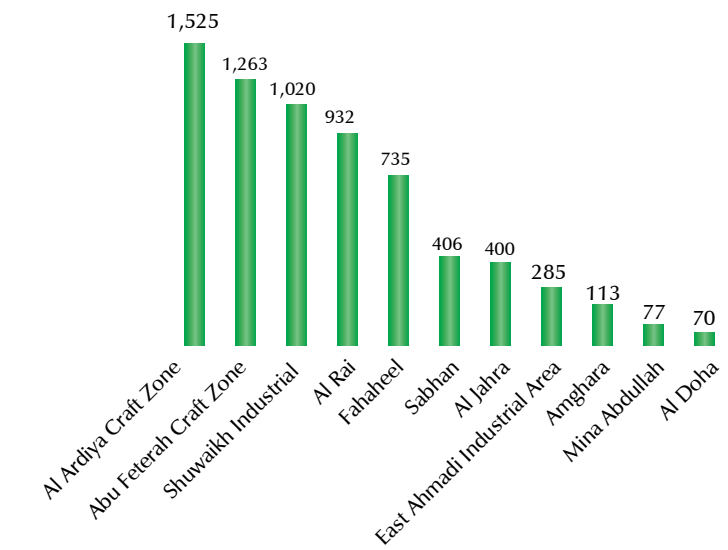
Average market value per square meter for industrial and handicraft real estate in Kuwait governorates during Q4 of 2011

Figures are in KD



Average market value per square meter for industrial and handicraft real estate in Kuwait areas during Q4 of 2011

Figures are in KD



Fifth: Prices of Farms and Stables:

The prices per square meter in Kabed Area increased with an average percentage of 6, 4%. Prices per square meter in Al-Wafra Area grew at an average percentage of 5,3. Likewise, prices per square meter in horsemanship stables at Ahmadi area increased in at small average percentage of 0.9%.

Prices of Farms and Stables

Governorate	Area	Space	Location	Estimate plot price		Land price per square meter		Price per meter during Q4 2011
				From	To	From	To	
Ahmadi	Kabed Stables	2,500	Internal	55,000	65,000	22.00	26.00	60,000
	Kabed Stables	2,500	Main	65,000	75,000	26.00	30.00	70,000
	Ahmadi horsemanship stables	500	Internal	25,000	28,000	50.00	56.00	26,500
		400	Golf Course	25,000	30,000	62.50	75.00	27,500
	Al-Wafra Stables	2,500	Main	28,000	33,000	11.20	13.20	30,500

Sixth: Chalet Prices:

Chalet prices are related to the summer season. Chalet prices in Ahmadi, the capital, Jahraa Governorates have shown stability compared to Q3 of 2011.

Chalet Prices in Ahmadi Governorate

Governorate	Area	Length of the sea view per meter	Market value of the meter chalet (the land)		Price of the linear meter of the sea view		Average price of the sea view of land during Q4 2011
			From	To	From	To	
Ahmadi	Mina Abdullah	15	165,000	195,000	11,000	13,000	12,000
	Al-Dibaeyah	15	180,000	210,000	12,000	14,000	13,000
	Aljlieh	15	255,000	300,000	17,000	20,000	18,500
	Benaider	15	345,000	410,000	23,000	27,333	25,167
	Zoor	15	195,000	230,000	13,000	15,333	14,167
	Al-Khairan (other than Al-Khor)	15	195,000	228,000	13,000	15,200	14,100
	Nuwaisib	15	187,001	215,000	12,467	14,333	13,400

Seventh: Percentage of Occupancy and Rents:

The percentage of occupancy has been stabilized back to their previous rates for all levels of investment real estate types. That percentage ranged between 90 to 95%. The average price of the apartment rent recorded a figure between KD 145 to KD 240 for one bedroom, lounge and bathroom; KD 170 to KD 280 for two bedrooms and a lounge; KD 200 to KD 350 for two bedrooms, a lounge, two bathrooms and a maid's room; and KD 260 to KD 550 for three bedrooms and a lounge. Prices varied according to the area, design, finishing and location of the apartment.

As for the rate of the commercial meter for the ground floor, the average rent has been stabilized to somewhat between KD 14-30 per square meter but it reached KD 35 per square meter in special locations. The rent per square meter for offices space ranges between KD 5,5 – 8 per square meter in different areas in Kuwait but it reaches KD 6,5 per square meter in the capital or more according to the finishing and location of the apartment and the services rendered to the tenants and their visitors. As for smart offices, i.e. those equipped, furnished and provided with all technological services and secretariat to be used permanently; especially for foreign companies which usually hire intermittently, the rate per meter for hiring those offices reached about KD 8 per square meter.

Regarding the rent rates of industrial plots, they have been stabilized and the average price per square industrial meter of the ground floor – exhibitions – reached between KD 10 - 30 per square meter in the Shuwaikh Industrial Zone. The price differs according to the location. Al-Rai Construction Zone came second where prices reached KD 12-20 per square meter. In addition, prices in Al-Fahaheel Industrial Zone reached KD 10-16 per square meter.

On the other hand, the prices of freehold apartments and the prices of commercial warehouses (exploitation rate) have been stabilized.

Average Transactions of Rental of Investment Real Estate in the Governorates of Kuwait, «Q4 2011» (KD)

Capital Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Sharq	220-240	260-280	330-350	360-400	480-550
Qiblah	220-240	260-280	330-350	360-400	480-550
Al-Muqawwaa Al-Sharqi	220-240	250-270	330-350	360-400	480-550
Dasman	220-240	250-270	330-350	360-400	480-550
Benaid Al-Qar	200-220	250-280	280-320	320-340	480-550
Hawalli Governorate	Room and lounge (44-40 m)	Two rooms, lounge and bathroom (60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (80 - 85 m)	Three rooms, lounge and a maid's room (100 -110 m)
Salemiyah	170-180	220-250	240-300	265-320	480-500
Hawalli	160-170	200-230	230-250	240-280	450-480
Jabriyah	170-180	220-240	230-260	250-300	450-500
Al-Shab	190-200	250-280	280-320	320-340	480-520
Benaid Al-Qar	200-220	250-280	280-320	320-340	480-550
Khaitan	160-170	185-200	200-230	240-260	280-350
Farwaniyah	165-175	190-210	200-230	240-260	280-350
Jleeb Shuyokh	160-170	185-200	200-230	240-260	260-330
Al-Raqee	165-175	190-210	200-230	250-270	300-350
Ahmadi Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Fintas	150-165	170-200	190-220	210-240	260-300
Al-Mahbulah	145-160	170-200	190-220	210-240	260-300
Abu Halifah	150-165	170-200	190-220	210-240	260-300
Al-Manqaf	150-165	170-200	190-220	210-240	280-300
Fahaheel	160-175	180-210	200-220	225-250	285-320
Mubarak Al-Kabeer Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Al-Masailah	170-180	200-220	235-260	260-300	330-380
Jahraa Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Jahraa	160-170	190-200	200-220	235-260	280-320



Average Transactions of Rental of Commercial Real Estate in Kuwait Governorates, «Q4 2011» (KD)

Areas	Basement	Ground	Mezzanine	Offices	Price Index
	Average rent per square meter	Average rent per square meter	Average rent per square meter	Average rent per square meter	
Salemiyah	12 - 18	18 - 30	12 - 18	6 - 8	Ground shop 100 m, full basement Malls Business and Commercial Towers
Hawalli	10 - 16	18 - 25	10 - 16	6 - 7	
Farwaniyah	10 - 15	25 - 35	10 - 15	6 - 7	
Khaitan	8 - 14	18 - 25	8 - 14	6 - 7	
Al-Manqaf-Azizia	7 - 15	20	7 - 15	7 - 8	
Fahaheel	10 - 14	20 - 30	10 - 14	6 - 7	
Dajj (Farwaniyah)	2.5 *	8 - 10	5 - 6		
Kuwait City	12 - 14	16 - 30	10 - 14	6 - 8	
Kuwait City	5 - 7	14 - 18	8 - 10	5.5 - 6.5	

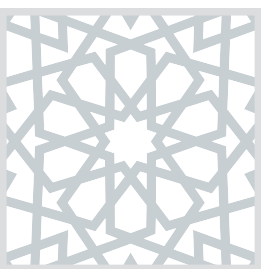
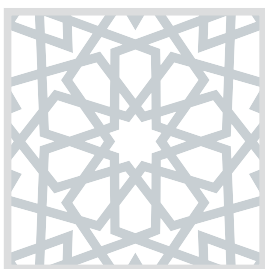
* The average of the rental values per square meter increases in prime locations and modern buildings, in addition to the type of practiced activity.

Average Transactions of Rental of Industrial Plots in Governorates of Kuwait, "Q4 2011" (KD)

Areas	Basement	Ground	Mezzanine	Price Index	N.B.
	Average rent per square meter (Warehouses)	Average rent per square meter (Trade shows)	Average rent per square meter (Offices)		
Shuwaikh Industrial Zone	3 - 4	10 - 30	3.5 - 7		Unit area is 40 m This study does not include the rental values in the Avenues Mall When allocating warehouses for the ground floor, the price per square meter ranges between KD 4 and 5 The rental price per square meter is KD 6 – 8 for a 100-meter showroom in the ground floor.
Al-Rai	2.5 - 3.5	12 - 20	3.5 - 6.5		
Sabhan	2.5 - 3	4 - 6	2.5 - 3		
Al-Aridiyah - Warehouses	3	6 - 6.5	3 - 5		
Sharq Ahmadi	2 - 4	8 - 14	3.5 - 5		
Fahaheel Industrial Zone	2.5 - 4	10 - 16	3 - 5		

* The average of the rental values per square meter increases in prime locations and modern buildings, in addition to the type of activity.

* The average rental value per square meter increases with the height of the storey. The demand increases on the warehouses with a ceiling of 6-8 meters high.



Price of Investment Freehold Apartments

Governorate	Area	Regulatory opinion	Location description	Net area of the apartment	Apartment market value		Net area of the apartment in square meters		Average price per square meter during Q4 2011 (KD)	
					From	To	From	To		
Capital	Benaid Al-Qar	Investment	Arabian Gulf	95	105,000	125,000	1,105	1,316	1,211	
	Benaid Al-Qar	Investment	Main	72	55,000	60,000	764	833	799	
	Benaid Al-Qar	Investment	Internal	72	45,000	48,000	625	667	646	
	Overall Average of Benaid Al-Qar				80	68,333	77,667	831	939	885
	Al-Shab	Investment	Arabian Gulf	95	105,000	125,000	1,105	1,316	1,211	
	Al-Shab	Investment	Main	72	55,000	60,000	764	833	799	
	Al-Shab	Investment	Internal	72	45,000	48,000	625	667	646	
	Overall Average of Al-Shab				80	68,333	77,667	831	939	885
	Hawalli	Salemiyah	Investment	Arabian Gulf+ beaches	95	105,000	125,000	1,105	1,316	1,211
		Salemiyah	Investment	Main	64	38,000	40,000	594	625	609
Salemiyah		Investment	Internal	64	34,000	36,000	531	563	547	
Salemiyah		Investment	Main	74	45,000	48,000	608	649	628	
Salemiyah		Investment	Internal	74	38,000	43,000	514	581	547	
Overall Average of Salemiyah				74	52,000	58,400	670	747	708	
Hawalli		Investment	Main	64	35,000	38,000	547	594	570	
Hawalli		Investment	Internal	64	32,000	34,000	500	531	516	
Hawalli		Investment	Main	74	38,000	45,000	514	608	561	
Hawalli		Investment	Internal	74	36,000	40,000	486	541	514	
Hawalli	Overall Average of Hawalli				69	35,250	39,250	512	568	540
	Jabriyah	Investment	Main	74	46,000	51,000	622	689	655	
	Jabriyah	Investment	Internal	74	38,500	44,000	520	595	557	
	Overall Average of Jabriyah				74	42,250	47,500	571	642	606

Mubarak Al-Kabeer	Al-Masailah	Investment	Main	72	35,000	38,000	486	528	507	
	Al-Masailah	Investment	Internal	72	33,000	35,000	458	486	472	
	Overall Average of Al-Masailah				72	34,000	36,500	472	507	490
Farwaniyah	Farwaniyah	Investment	Main	72	38,000	42,000	528	583	556	
	Farwaniyah	Investment	Internal	72	34,000	38,000	472	528	500	
	Overall Average of Farwaniyah				72	36,000	40,000	500	556	528
	Fintas	Investment	Sea view	95	84,000	95,000	884	1,000	942	
	Fintas	Investment	Main	72	34,000	37,000	472	514	493	
	Fintas	Investment	Internal	72	30,500	34,000	424	472	448	
	Overall Average of Fintas				80	49,500	55,333	593	662	628
Ahmadi	Al-Mahbulah	Investment	Sea view	95	84,000	95,000	884	1,000	942	
	Al-Mahbulah	Investment	Main	72	33,500	36,500	465	507	486	
	Al-Mahbulah	Investment	Internal	72	30,000	34,000	417	472	444	
	Overall Average of Al-Mahbulah				80	49,167	55,167	589	660	624
	Abu Halifah	Investment	Sea view	95	85,000	97,500	895	1,026	961	
	Abu Halifah	Investment	Main	72	34,000	36,000	472	500	486	
	Abu Halifah	Investment	Internal	72	30,000	35,000	417	486	451	
	Overall Average of Abu Halifah				80	49,667	56,167	595	671	633
	Al-Manqaf	Investment	Sea view	95	85,000	97,500	895	1,026	961	
	Al-Manqaf	Investment	Main	72	34,000	36,000	472	500	486	
Mubarak Al-Kabeer	Al-Manqaf	Investment	Internal	72	30,000	35,000	417	486	451	
	Overall Average of Al-Manqaf				80	49,667	56,167	595	671	633
	Al-Fahaheel	Investment	Main	72	35,000	40,000	486	556	521	
	Al-Fahaheel	Investment	Internal	72	34,000	37,000	472	514	493	
	Overall Average of Fahaheel				72	34,500	38,500	479	535	507

It is noteworthy that this report monitors the general orientations of the circulated prices of the Kuwaiti real estate market. However, the system adopted by KFH Assessment and Studies Division depends on researching every real estate individually, studying its characteristics and determining its rental value and returns with a view to approving a special recommendation and fairly evaluating each real estate.



Terminology

Residential Buildings:

The typical buildings designated for a single family, located in low density population areas , 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 Buildings:

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

Private School Buildings:

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

Hotel and Motel Buildings:

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

Commercial Buildings:

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

Industrial Buildings:

buildings designated for industrial, warehousing, service, or craftsmanship purposes.

Residential Complexes Inside and Outside Kuwait City:

residential buildings 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:

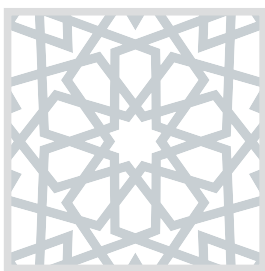
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

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.

