



KFH Local Real Estate Report

First Quarter 2012 - Kuwait

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Kuwait Finance House





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First Quarter 2012 - Kuwait



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Dear Reader,

KFH is pleased to present the new issue of KFH Real Estate Report, featuring an overview of the economic developments in the real estate market during Q1 of 2012. 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.

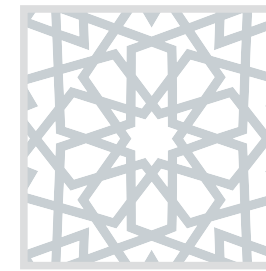
The report includes a section on the most important real estate terms commonly used in the local real estate market. This section aims to help non-specialists understand real estate terminology.

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, where KFH occupies a prestigious place.

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



Imad Abdullah Al-Thaqeb
CEO
Kuwait Finance House



Introduction

During the first quarter of this year, the local real estate market has witnessed a boom in the value of real estate trading which exceeded KD 1 billion Kuwaiti dinars, after a low trading period during the last two quarters, returning to repeat trading activities witnessed during the second quarter of 2011, as well as trading before the global financial crisis, particularly in 2007.

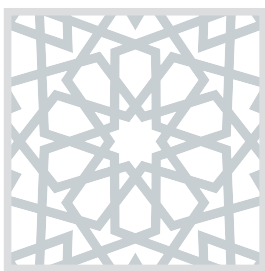
The growth in real-estate total trading transactions by 92% is due to the boom in investment transactions, which have doubled more than three times, acquiring more than half of transactions during the first quarter of this year.

This indicates a massive movement of liquidity to the real estate market continued under the competitive return on investment of the local property compared to other markets, such as Kuwait Stock Exchange and the deposits market under a high demand by real estate investment and commercial portfolios and traders on real estate investments seeking rewarding return. In addition, real estate investment is considered as a safe haven which is characterized by limited risks and maintains financial wealth. Furthermore, lack of investment opportunities available to investors in light of weak global growth, accompanying returns approaching Zero in the European countries, where economic recession is still hovering in these countries, despite the international effort to save some European economies such as Italy and Spain. This led to funds settlement in the local economy amid expectations of continued weakness in global growth, especially in Europe.

Despite risks resulting from the possibility of sluggish global economy growth due to oil low demand in the Euro Zone, however, the fundamentals of the local economy is still strong, where domestic economic growth remains high. According to estimates by the International Monetary Fund, the local economy is expected to grow to 4.8% in 2012, in light of high oil production to reach about 2.9 million barrels per day. Furthermore, the raise of oil prices at an average of \$115 per barrel to reach \$200 billion, which makes the Kuwaiti economy able to grow in the light of the growing fiscal surpluses that are expected to hit KD 10 billion (\$36 billion. This means an adequate room to implement policies that maintain strong growth, increase government spending, and pushing forward towards the implementation of the development plan and improve the average per capita income, which is close to the barrier of 60 thousand dollars a year.

There is an increase in the demand on residential real-estate is due to many factors such as, the increase in individuals' income, population growth rates, higher number of residential housing applicants, low supply of residential real estate, increased government spending on salaries and loans from the Savings and Credit Bank, and the emergence of a new segment players , especially widows and divorced who want to own investment apartments through a credit facility from the Savings and Credit Bank.

Residential real estate transactions were ranked second in total real estate transactions to reach up to half billion Kuwaiti dinars, which reflects a significant increase in demand despite of a shift in investment trends from residential real-estate towards investment properties, where the relative weight of residential property decreased up to 43% in the first quarter compared to 57% in the fourth quarter of 2011.



Commercial real estate is still facing low demand; low prices and an increase in occupancy rates, especially in the Capital area, in the light of weak demand for commercial real estate by the corporate sector which seeks to reduce spending as well as the increase in the supply of new commercial properties.

With regard to prices, residential real estate price indices rose in Q1 2012 by 5.5% in all governorates of Kuwait. Moreover, price indices of investment housing have increased by 6.7% in Kuwaiti governorates.

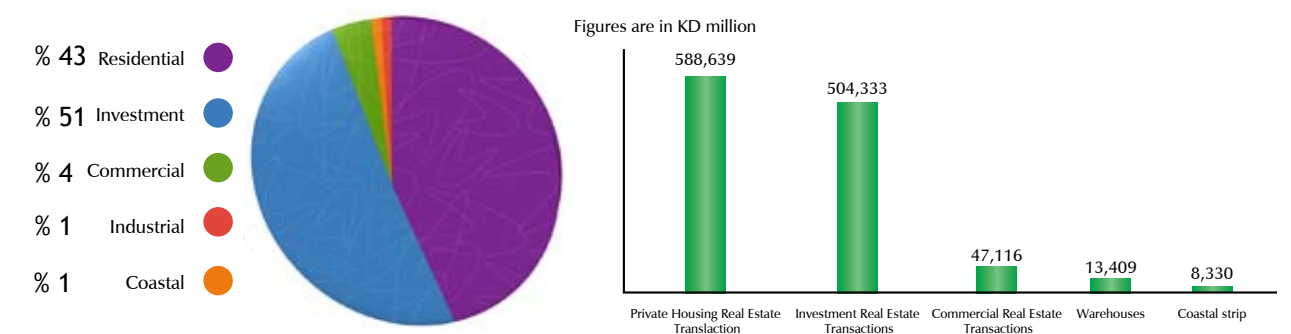
Commercial real estate price indices in the capital were stable, Hawalli, Farwaniyah , Ahmadi and Jahraa governorates witnessed an increase in Q1 compared to Q4, where the average price per square meter in the capital area was KD 5,083, KD 2,704 in Hawalli, and KD 1,720 in Jahraa Governorate. However, prices rose in Farwaniyah Governorate reaching KD 1,643 KD 2,444 in Ahmadi as an average price per a square meter, with a slight increase of 5.7% and 1.7% respectively.

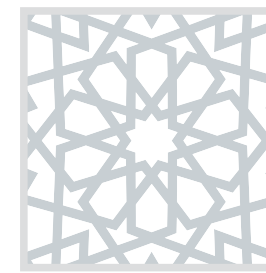
Market Trends

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.

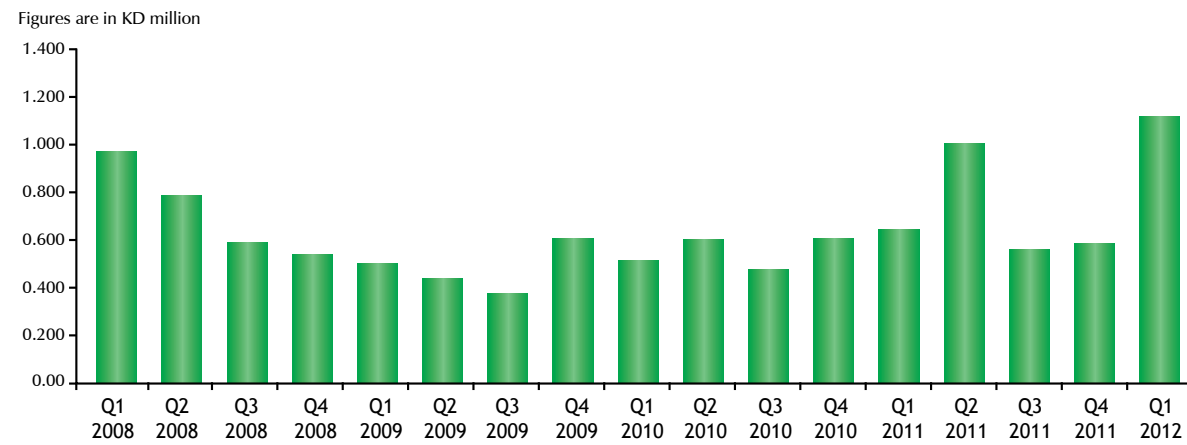
The technical staff for the study of development projects and initiatives announced the launch of a range of projects and initiatives during the last quarter of 2011. The most important among these projects is signing a contract to provide consultancy services to the railway project at a cost of KD 2,49 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 during Q1 2012





At the level of the total real estate market, transactions indicators of the Ministry Justice, Department of Real Estate Registration and Authentication during Q1 2012 witnessed an increase of KD 558,890 million, with an increase of 92.7% compared to Q4 of 2011 valued at KD 602,937 million.

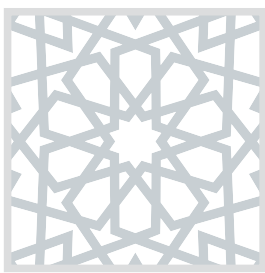


Private Housing Trends

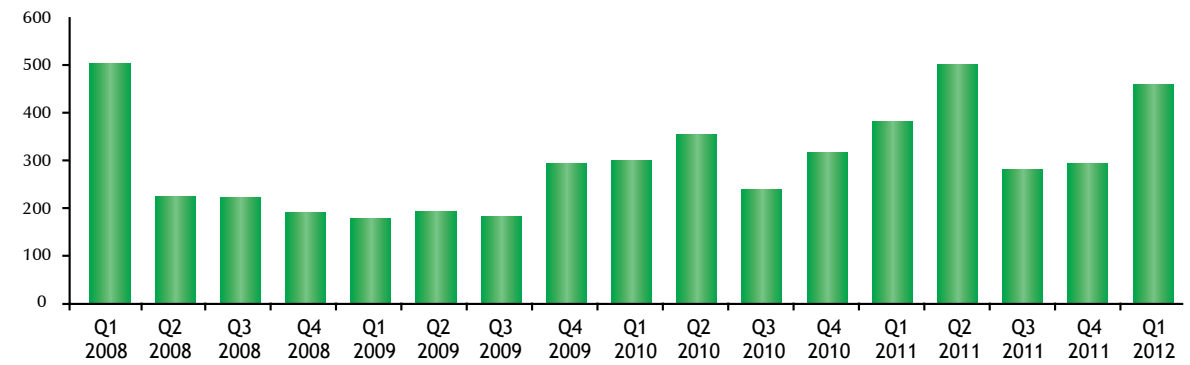
The relative weight of real estate deals of private housing has decreased compared to the previous quarter, reaching 43.4% of the total real estate transactions valued at KD 1,162 billion. Private housing deals were valued at KD 504,333 million in Q1 2012, at 43,7% increase compared to Q4 of 2011. The number of private housing deals reached 2,210 in Q1 2012 compared to 1,694 in Q4 of 2011.

Meanwhile, the average deals rose during Q1 2012 to reach KD 228,205 million, compared to KD 207,137 million during Q4 of 2011.

January 2012 witnessed the highest number of transactions at 37% for KD 186,415 million of the total transactions valued at KD 504,333 million during Q1 2012. March ranked second at KD 160,307 million, at 31.7% of total transactions. February came last at KD 157,611 million, 31% of total transactions for private housing.



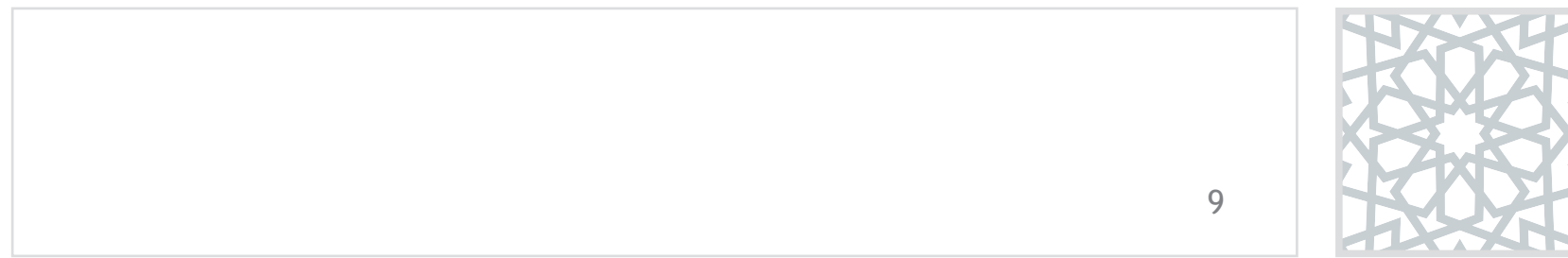
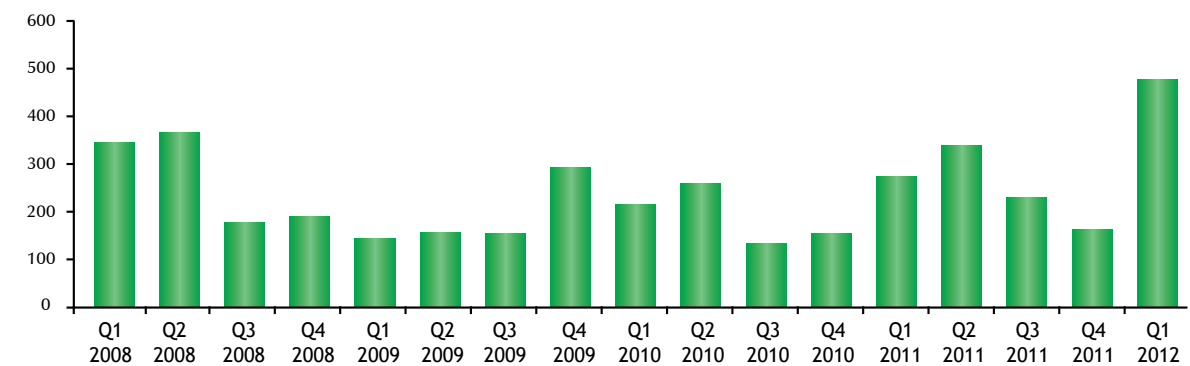
Figures are in KD million

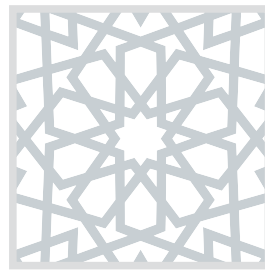


Investment Real Estate Trends

Total real estate investment transactions increased in Q1 2012 reaching KD 588,639 million, compared to KD 181,832 million in Q4 of 2011, realizing an outstanding increase in transactions volume trading reaching KD 403,807. March ranked first in transactions volume during Q1 2012, at KD 375,325 million. January ranked second, with transactions value at KD 132,259 million, while February ranked third in transactions at KD 99,055 million.

Figures are in KD million





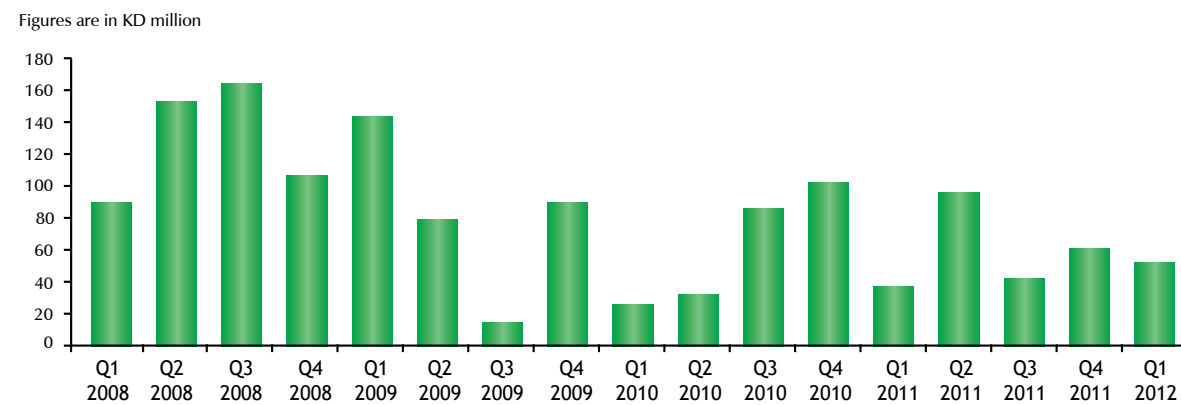
Commercial Real Estate Trends

The total commercial real estate transactions significantly decreased during Q1 of 2012, 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 23.6%, at KD 47,116 million compared to Q4 of 2011 in which the value of transactions was KD 61,663 million.

This decreased the quarter share of total trades up to 5%, at the expense of real estate deals for private housing, the share of which was 43%, and investment deals amounting to 51%. January ranked first as the volume of transactions reached KD 20,486 million. December ranked second where transactions volume reached KD 16,280 million. February came third as the volume of transactions reached KD 10,350 million. The average deal during Q1 2012 was estimated at KD 2,495 million, compared to KD 3,853 million for Q4 of 2011.

Commercial Real Estate Quarterly Trading Values from 2008 to Q1 2012



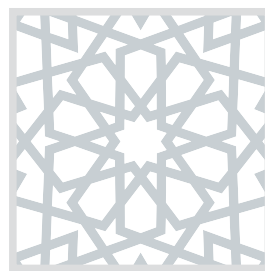
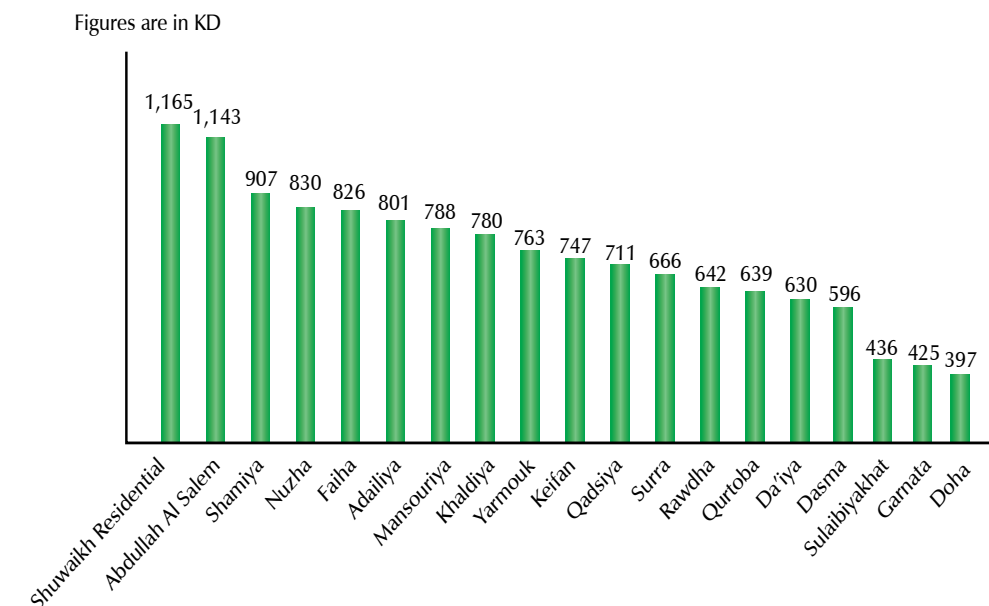
Price Indices:

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 Q1 2012, 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 731, compared to KD 721 for Q4 of 2011. The capital areas witnessed an increase up to 1,4%.

Average price per square meter of private housing real estate in the Capital Governorate - Q1 2012



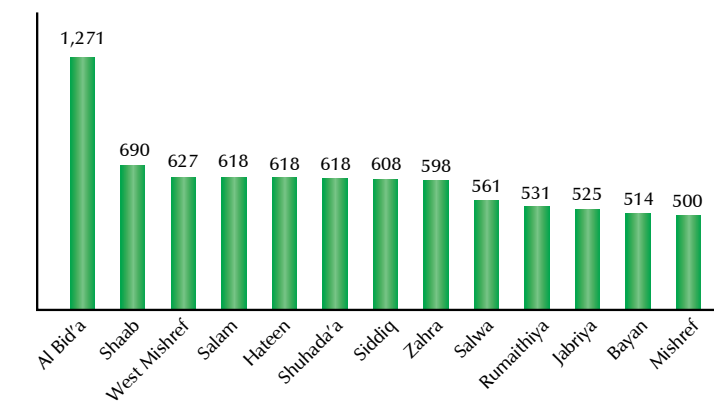
Residential Land Prices in the Capital Governorate

Area	Space	Building%	Location	Value		Price per Meter		Average SQM in Q1 of 2012
				From	To	From	To	
Shuwaikh Residential	500	%210	Internal	470,000	600,000	940	1,200	1070.0
	1.000	%210	Internal	950,000	1,100,000	950	1,100	1025.0
	1.000	%210	Main	1,300,000	1,500,000	1,300	1,500	1400.0
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	1035.0
	750	%210	Internal	680,000	825,000	907	1,100	1003.3
	1.000	%210	Internal	850,000	1,100,000	850	1,100	975.0
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	960.0
	500	%210	Internal	350,000	450,000	700	900	800.0
	750	%210	Internal	550,000	600,000	733	800	766.7
Area Overall Average				560,000	665,714	830	984	907
Al-Nuzha	500	%210	Internal	340,000	450,000	680	900	790.0
	500	%210	Main	400,000	535,000	800	1,070	935.0
	750	%210	Internal	525,000	580,000	700	773	736.7
Khalidiya	750	%210	Main	580,000	750,000	773	1,000	886.7
	750	%210	Internal	500,000	570,000	667	760	713.3
	1.000	%210	Main	550,000	650,000	733	867	800.0
Area Overall Average				630,000	740,000	718	842	780
Adailiya	1.000	%210	Internal	700,000	840,000	700	840	770.0
	1.000	%210	Main	770,000	900,000	770	900	835.0
	750	%210	Main	770,000	900,000	770	900	835.0
Area Overall Average				630,000	740,000	718	842	780
Area Overall Average	500	%210	Internal	350,000	430,000	700	860	780.0
	500	%210	Main	420,000	500,000	840	1,000	920.0
	750	%210	Internal	480,000	550,000	640	733	686.7
Area Overall Average				595,625	686,875	735	853	801

Hawalli Governorate witnessed a rise in prices in (Al-Shab - Jabriyah - Rumaithiya - Salwa - Bayan – Meshrif - West Meshrif – Al-Salam - Hattin – Al-Shuhada – Al-Zahra – Al-Sadiq – Al-Bada) at a range between 1.4% and 12.1%, according to the latest surveys carried out by KFH in the governorate.

Average price per square meter of private housing real estate in Hawalli Governorate - Q1 2012

Figures are in KD

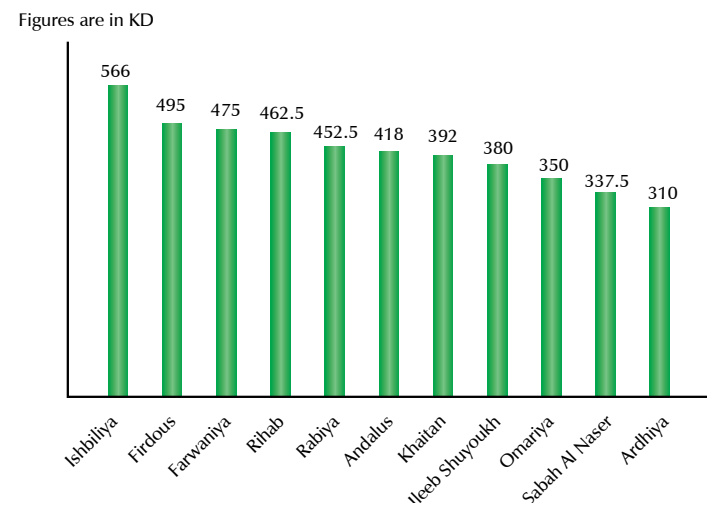


Residential Land Prices in Hawalli

Area	Building %	Space	Location	Value		price per meter		Average market value per square meter during Q1 2012
				From	To	From	To	
Al-Shab	%210	400	Internal	260,000	300,000	650	700	700.0
	%210	400	Main	300,000	330,000	750	825	787.5
	%210	500	internal	330,000	320,000	560	640	630.0
Area Overall Average				359,167	390,833	659	721	690
Jabriyah	%210	400	Internal	220,000	240,000	500	600	575.0
	%210	400	Main	240,000	260,000	575	650	625.0
Area Overall Average				325,000	349,375	505	545	525
Rumaithiya	%210	400	Internal	200,000	220,000	500	550	525.0
	%210	400	Main	225,000	245,000	563	613	587.5
	%210	500	Internal	230,000	250,000	460	500	480.0
Area Overall Average				344,125	371,250	510	552	531
Salwa	%210	500	Internal	260,000	230,000	420	460	500.0
	%210	500	Main	270,000	250,000	480	500	530.0
Area Overall Average				435,571	473,571	538	584	561

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 Governorate - Q1 2012

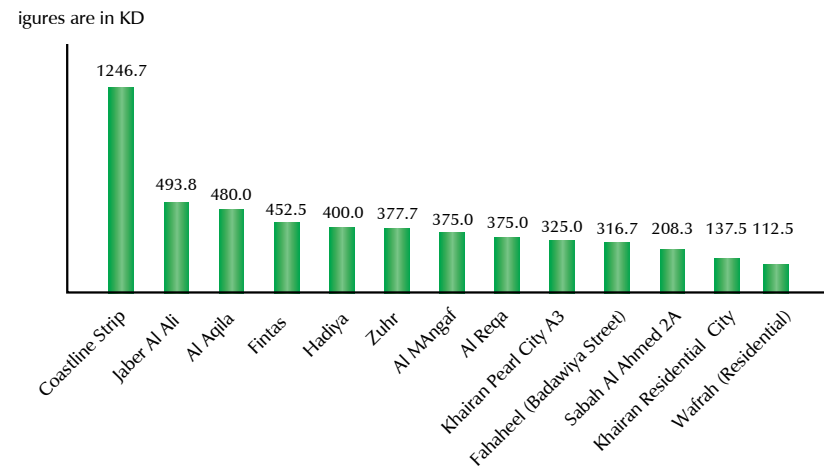


Residential Land Prices in Farwaniyah

Area	Building %	Space	Location	Street	Value		price per meter		Average market value per square meter during Q1 2012
					From	To	From	To	
Al-Andalus	%210	500	Internal		200,000	220,000	360	430	420.0
	%210	500	Main		235,000	265,000	470	530	500.0
Area Overall Average					257,000	279,000	401	437	419
Rabyah (existing house)	%210	500	Internal		185,000	220,000	370	440	405.0
	%210	500	Main		240,000	260,000	480	520	500.0
Area Overall Average					212,500	240,000	425.0	480.0	452.5
Ishbiliya	%210	400	Internal		210,000	230,000	525	575	550.0
	%210	400	Main		245,000	255,000	613	638	625.0
Area Overall Average					246,250	261,250	549.4	583.1	566.3
Farwaniyah	%210	500	Internal		215,000	235,000	430	470	450.0
	%210	500	Main		240,000	260,000	480	520	500.0
Area Overall Average					227,500	247,500	455.0	495.0	475.0
Khaitan (behind the club)	%210	400	Internal		165,000	190,000	413	475	443.8
Khaitan	%210	1000		Faisal Highway	340,000	360,000	340	360	350.0
Area Overall Average					265,000	290,000	373.1	412.1	392.6
Jleeb Al-Shuwaikh	%210	750	Internal		250,000	320,000	333	427	380.0
Area Overall Average					250,000	320,000	333	427	380.0
Ardiya	%210	750	Internal		200,000	220,000	267	293	208.0
	%210	750	Main		240,000	270,000	320	360	340.0
Area Overall Average					220,500	245,000	293.3	326.7	310.0

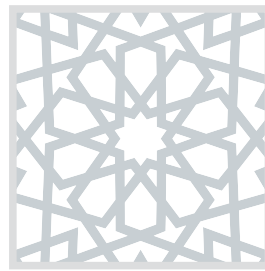
Prices have witnessed a rise in Ahmadi Governorate. The average price per square meter reached KD 379 compared to KD 360 in the second quarter of 2011. Prices rose in the areas of the Governorate from 2% to 5%.

Average price per square meter of private housing real estate in Al-Ahmadi Governorate - Q1 2012



Residential land prices in Ahmadi area

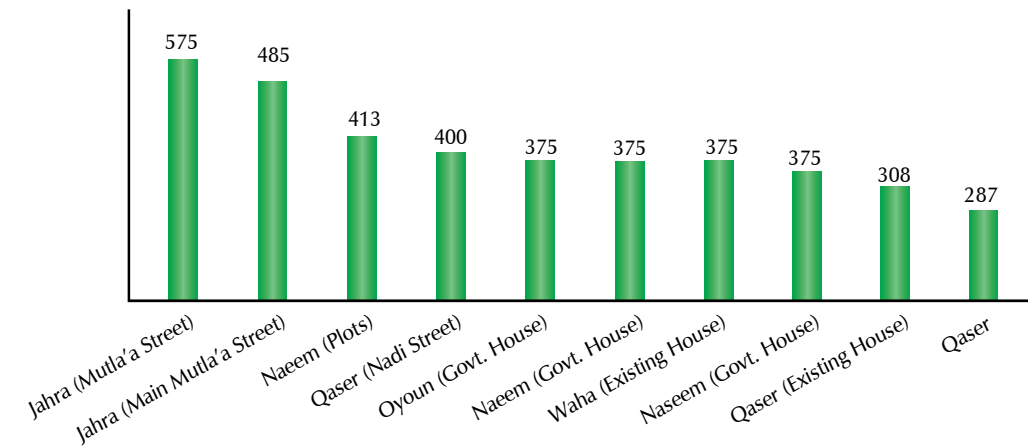
Area	Building %	Space	Location	Street	Value		price per meter		Average market value per square meter during Q1 2012
					From	To	From	To	
Al Fintas agricultural area	210%	1000	Internal		320,000	350,000	320	350	335.0
	210%	1000	Main		445,000	460,000	445	460	452.5
Hadiya	210%	750	Internal		205,000	260,000	273	347	310.0
	210%	750	Main		270,000	330,000	360	440	400.0
Al-Aqeelah	210%	400	Internal		170,000	190,000	425	475	450.0
	210%	400	Main		200,000	220,000	500	550	525.0
	210%	500	Internal		190,000	220,000	380	440	410.0
Southern coastal strip	210%	500	Main		230,000	250,000	460	500	480.0
	150%	750		Sea	920,000	950,000	1,227	1,267	1246.7
Southern coastal strip on the highway	150%	750		Coastal road	650,000	680,000	867	907	886.7
Southern coastal strip Internal roads	150%	750		Internal	450,000	500,000	600	667	633.3
Al-Khairan Residential City	210%	400			45,000	65,000	113	163	137.5
Sabah al-Ahmad Marine City A1 (on the sea)	210%	1200	Sea		230,000	250,000	192	208	200.0
Sabah al-Ahmad Marine City A2 (on the sea)	210%	1200	Sea		240,000	260,000	200	217	208.3
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 average price per square meter reached KD 39 compared to KD 369 in Q4 of 2011.

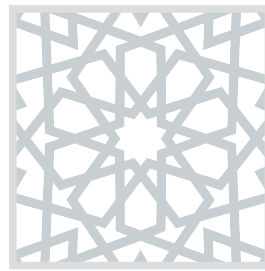
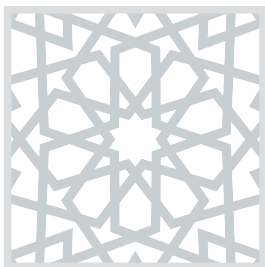
Average price per square meter of private housing real estate in Al-Jahra Governorate - Q1 2012

Figures are in KD



Residential land prices in Jahraa Governorate

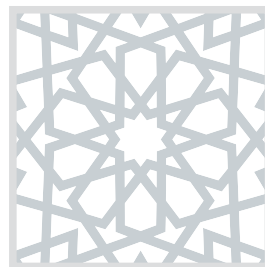
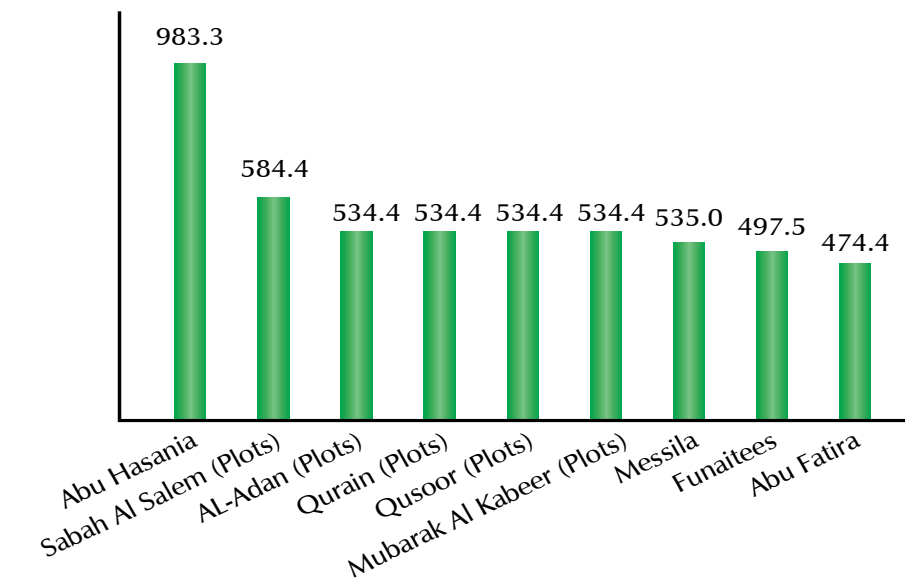
Area	Building %	Space	Location	Street	Value		price per meter		Value per square meter during Q1 2012
					From	To	From	To	
Al-Qasr	%210	750	Internal	Club Street	200,000	230,000	267	307	286.7
Al-Qasr- Club Street	%210	1000			380,000	420,000	380	420	400.0
Al-Qasr (Existing House) Jahraa	%210	600			175,000	195,000	292	325	308.3
(Al-Metlaa Street) Al-Oyoun	%210	400	Internal		220,000	40,000	550	600	575.0
(Government-subsidized house)	%210	400	Main		235,000	250,000	470	500	485.0
Al-Naeem (Plots)	%210	400	Internal		130,000	170,000	325	425	375.0
Al-Naeem (Government-subsidized house)	%210	400	Main		150,000	80,000	375	450	412.5
Al-Waha (Existing house)	Up to 800 square meters	300			130,000	70,000	325	425	375.0
Al-Nasem (Government-subsidized house)	%210	400	Main		105,000	120,000	350	400	375.0



Mubarak Al-Kabeer Governorate recorded an increase in prices. The average price amounted to KD 572 per square meter compared to KD 533 per square meter in Q4 2011 with a percentage of increase of 7.3%.

Average price per square meter of private housing real estate in Mubarak Al-Kabeer Governorate - Q1 2012

Figures are in KD



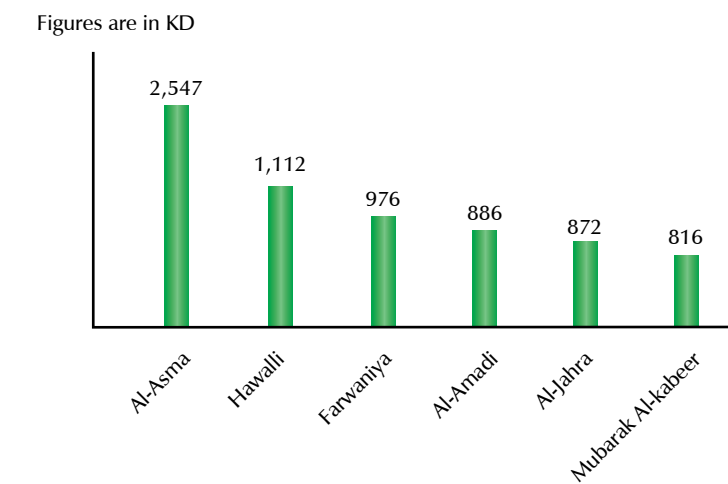
Residential Land Prices in Mubarak Al-Kabeer Governorate

Area	Building %	Space	Location	Street	Market value of Land		Price per square meter		Market value per square meter during Q1 2012
					From	To	From	To	
Abo Al-Hasanya	%150	750	Internal		487,500	562,500	650	800	725.0
	%150	750		Al-Fahaheel	637,500	637,500	850	900	875.0
	%150	750	On sea view		975,000	900,000	1,300	1,400	1350.0
Area Overall Average					637,500	700,000	850	983	917
Al-Masailah	%210	400	Internal		195,000	215,000	488	538	512.5
	%210	400	Main		230,000	240,000	575	600	587.5
	%210	500	Internal		245,000	255,000	490	510	500.0
	%210	500	Main		265,000	275,000	530	550	540.0
Area Overall Average					202,500	233,750	246,250	512	549
Abo Fatirah	%210	400	Internal		165,000	175,000	413	438	425.0
	%210	400	Main		200,000	210,000	500	525	512.5
Residential Area	%210	500	Internal		215,000	235,000	430	470	470.0
	%210	500	Main		240,000	250,000	480	500	490.0
Area Overall Average					205,000	217,500	456	483	474.4

Second: Prices of Investment Lands:

The prices of investment lands recorded an increase of 7% in the Capital Governorate, with an average price amounting to KD 2,095 per square meter compared to KD 1,959 per square meter in Q4 of 2011.

Average price per square meter for investment lands in Kuwait governorates during Q1 of 2012



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 Q1 2012
					From	To	From	To	
Benaïd Al-Qar	%250	1,000		Arabian Gulf	2,200,000	2,300,000	2,200	2,300	2250.0
	%250	1,000		Istiqlal	1,450,000	1,500,000	1,450	1,500	1475.0
	%250	500	Internal		580,000	650,000	1,160	1,300	1230.0
	%250	500	Main		620,000	720,000	1,240	1,440	1340.0
	Area Overall Average					1,233,333	1,328,333	1,433.3	1,556.7
Al-Muqawwaa	%240	250	Internal		350,000	400,000	1,400	1,600	1500.0
Al-Sharqi	%400	500	Internal		950,000	1,100,000	1,900	2,200	2050.0
Area Overall Average					1,350,000	1,462,500	2,138	2,350	2,244
Dasman	%400	1,000		Arabian Gulf	3,050,000	3,200,000	3,050	3,200	3125.0
	%400	1,000	Internal		1,900,000	2,000,000	1,900	2,000	1950.0
	%400	750		Abdullah Al-Ahmad	1,850,000	2,000,000	2,467	2,667	2566.7
Area Overall Average					2,200,000	2,266,667	2,400,000	2,472	2,622

As for Hawalli Governorate, it witnessed an increase in prices such that the average price per square meter during Q1 2012 amounted to KD 1,260 compared to KD 1,149 per square meter in Q4 of 2011. Districts of (Hawalli – Salemiyah – Al-Shab – Jabriyah) witnessed a rise ranging between 2% to 4,9%.

Investment Land Prices in Hawalli Governorate

Area	Building %	Space	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q1 2012	
				From	To	From	To		
Hawalli	%250	750	Muthanna	880,000	930,000	1,173	1,240	1206.7	
	%250	750	Qutaiba	880,000	930,000	1,173	1,240	1206.7	
	%250	750	Hasan Al-Basri	825,000	900,000	1,100	1,200	1150.0	
	%250	750	Ahmed Ibn Tulun	825,000	900,000	1,100	1,200	1150.0	
	%250	750	Yarmouk	825,000	900,000	1,100	1,200	1150.0	
	%250	750	Musa Ibn Nuseer	825,000	900,000	1,100	1,200	1150.0	
Area Overall Average				854,000.0	921,333.3	1,114.2	1,204.7	1,159.4	
Salemiyah	%250	1,000	Arabian Gulf	1,900,000	2,250,000	1,900	2,250	2075.0	
	%250	750	Baghdad (Al-Tahrir) Abdul	950,000	1,000,000	1,267	1,333	1300.0	
	%250	750	Karim Al-Khattabi	950,000	1,000,000	1,267	1,333	1300.0	
	%250	750	Qatar	950,000	1,050,000	1,267	1,400	1333.3	
	%250	750	Abdullah Ibn Masood	850,000	900,000	1,133	1,200	1166.7	
	%250	750	Yousef Ibn Hamoud	850,000	900,000	1,133	1,200	1166.7	
Al-Shab	%250	750	Hamad Al Mubarak	920,000	1,000,000	1,227	1,333	1280.0	
	Area Overall Average				835,625	932,500	1,015,313	1,210	1,314
	%250	1,000	Arabian Gulf	2,150,000	2,250,000	2,150	2,250	2200.0	
Jabriyah	%250	1,000	Istiqlal	1,450,000	1,500,000	1,450	1,500	1475.0	
	Area Overall Average				1,396,250	1,468,750	1,470	1,546	1,508
Jabriyah	%250	1,000	Fourth Ring Road	1,250,000	1,350,000	1,250	1,350	1300.0	
	%250	1,000	Al-Maghrib	1,100,000	1,150,000	1,100	1,150	1125.0	
	%250	1,000	Al-Shenakl	950,000	1,050,000	950	1,050	1000.0	
Area Overall Average				1,032,143	1,111,429	1,071	1,153	1,112	

Farwaniyah Governorate recorded an average increase in prices of 5.7%. The average price per square meter in the Governorate amounted to KD 947, compared to KD 992 per square meter in Q4 of 2011. Districts (Farwaniyah – Khaitan – Alreghi) witnessed a rise ranging between 2% and 6%.

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 Q4 of 2011.

Investment Land Prices in Farwaniyah Governorate

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 Q1 2012
					From	To	From	To	
Farwaniyah	%250	1,000		Al-Matar	980,000	1,100,000	980	1,100	1040.0
	%250	1,000		Sixth Ring Road	980,000	1,000,000	980	1,000	990.0
	%250	1,000	Main		900,000	950,000	900	950	925.0
	%250	1,000	Internal		750,000	850,000	750	850	800.0
Area Overall Average					726,666.7	788,333.3	839.4	907.2	795,000.0
Khaitan	%250	750		Airport	825,000	850,000	1,100	1,133	1116.7
	%250	750	Main		700,000	770,000	933	1,027	980.0
	%250	750	Internal		640,000	680,000	853	907	880.0
Area Overall Average					600,000	648,000	895	963	637,000
Jleeb Al-Shuyokh	%250	750		Sixth Ring Road	770,000	800,000	1,027	1,067	1046.7
	%250	750		Police Station Street	800,000	850,000	1,067	1,133	1100.0
Area Overall Average					615,714	670,000	909	990	651,429
Al-Raqee	%250	750		Fourth Ring Road	770,000	850,000	1,027	1,133	1080.0
	%250	750		Fifth Ring Road	750,000	800,000	1,000	1,067	1033.3
Area Overall Average					716,667	760,000	908.3	963.3	740,000

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q1 2012
					From	To	From	To	
Fintas	%250	500	Main		400,000	450,000	800	900	850.0
	%250	750		Fahaheel Coastal Road	530,000	580,000	707	773	740.0
	%250	1,000			600,000	650,000	800	867	833.3
Area Overall Average					718,000	778,000	914	994	954
Abu Halifa	%250	500	Main		400,000	450,000	800	900	850.0
	%250	750	Internal		530,000	580,000	707	773	740.0
Area Overall Average					745,000	807,500	939	1,023	981
Al-Manqaf	%250	500	Main		400,000	420,000	800	840	820.0
	%250	750	Internal		500,000	550,000	667	733	700.0
Area Overall Average					728,000	771,000	927	981	954
Al-Mahbulah	%250	500	Main		360,000	425,000	720	850	785.0
	%250	750	Internal		470,000	550,000	627	733	680.0
Area Overall Average					703,000	750,000	889	957	923
Fahaheel	%250	500	Internal		400,000	430,000	800	860	830.0
	%250	750	Main		430,000	680,000	800	907	853.3
	%250	1,000		Makka Al-Badaweyah	550,000	950,000	880	950	915.0
Area Overall Average	%250	750			650,000	660,000	800	880	840.0
	Area Overall Average					610,000	657,500	853	920

At the same time, Jahraa Governorate witnessed an average percentage of increase in prices of 6.7% compared to Q1 of 2012. The average price per square meter in the Governorate amounted to KD 872 in Q1 of 2012, compared to KD 8817 per square meter in Q4 of 2011.

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 Q1 2012
					From	To	From	To	
					Jahraa	%250	1,000	Internal	
	%250	1,000	Main	825,000	885,000	825.0	885.0	855.00	
	%250	800		750,000	800,000	937.5	1,000.0	968.75	
	%250	500	Internal	400,000	430,000	800.0	860.0	830.00	
	%250	500	Main	450,000	480,000	900.0	960.0	930.00	
Area Overall Average					635,000	679,000	843	901	872

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 Q1 2012		
						From	To	Average
						Capital	Benaid Al-Qar	%250
	%250	1,000	Main		%6.70		%7.00	%6.85
Al-Muqawwaa Al-Sharqi	%240	250	Internal		%6.50		%6.70	%6.60
	%400	500	Main		%6.70		%7.00	%6.85
	%400	1,000	Internal		%7.00		%7.25	%7.13
Hawalli	Dasman	%400	750		Abdullah Al-Ahmad Muthanna	%6.50	%7.00	%6.75
		%250	750		Qutaiba	%6.70	%7.25	%6.98
		%250	750			%6.70	%7.25	%6.98
		%250	500	Main		%6.70	%7.25	%6.98
		%250	1,000		Arabian Gulf	%6.70	%7.00	%6.85
		%250	1,000		Baghdad	%6.70	%7.00	%6.85
		%250	750	Internal		%6.70	%7.25	%6.98
		%250	1,000		Arabian Gulf	%6.50	%7.00	%6.75
		%250	1,000		Istiqlal	%6.70	%7.00	%6.85
		%250	1,000		Al-Matar	%7.25	%7.75	%7.50
Farwaniyah	Farwaniyah	%250	1,000			%7.25	%7.75	%7.50
		%250	1,000	Main		%7.25	%7.75	%7.50
		%250	750		Al-Matar Fourth Ring Road	%7.25	%7.75	%7.50
		%250	750			%7.25	%7.75	%7.50
		%250	750		Fifth Ring Road	%7.25	%7.75	%7.50
Ahmadi		%250	1,000		Fifth Ring Road	%7.25	%7.75	%7.50
		%250	500	Internal		%8.25	%8.50	%8.38
		%250	500	Internal		%8.25	%8.50	%8.38
		%250	750	Internal		%8.25	%8.75	%8.50
		%250	500	Internal		%8.25	%8.50	%8.38
		%250	500	Internal		%8.25	%8.50	%8.38
		%250	500	Internal		%8.00	%8.50	%8.25
		%250	500	Internal		%8.25	%8.75	%8.50
		%250	1,000	Internal		%8.50	%8.75	%8.63
		%250	1,000	Main		%8.00	%8.50	%8.25
Mubarak Al-Kabeer		%250	750	Internal		%8.00	%8.50	%8.25
	Sabah As-Salem	%250	750	Main		%7.75	%8.50	%8.13
		%250	1,000	Internal		%8.00	%8.50	%8.25

Third: Prices of Commercial Real Estate:

Transactions prices of commercial real estate have been increased slightly in the Capital Governorate with an average price increase of KD 5,083 per square meter in Q1 2012 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 Q1 2012
				From	To	From	To	
Qiblah	%300	Al-Mubarakiyah	500	1,350,000	2,000,000	2,700	4,000	3,350
Sharq	%520	Ahmed Al-Jaber	500	3,000,000	3,100,000	6,000	6,200	6,100
Al-Madinah	%620	Mubarak Al-Kabeer (Bulukat)	500	2,500,000	2,600,000	5,000	200	5,100
	%620	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 2,704 per square meter in Q1 2012, with an average percentage increase of 2%, compared to Q4 of 2011.

Commercial Land Prices in Hawalli Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q1 2012
				From	To	From	To	
Hawalli	%180	Tunis	1.000	3,100,000	3,200,000	3,100	3,200	3,150
	%180	Beirut	1.000	3,000,000	3,100,000	3,000	3,100	3,050
Salemiah	%180	Salem Al-Mubarak	800	2,200,000	2,920,000	2,750	3,650	3,200
	%180	Bahrain	500	1,100,000	1,200,000	2,200	2,400	2,300

At the same time, Farwaniyah Governorate witnessed a notable increase in the average prices with a percentage of 5, 7%. The average price during Q1 2012 reached KD 1,643 per square meter compared to KD 1,555 per square meter in Q4 of 2011.

Commercial Land Prices in Farwaniyah Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q1 2012
				From	To	From	To	
Farwaniyah - Menawir Street	%180	Menawir	1.000	3,300,000	3,500,000	3,300	3,500	3,400
Farwaniyah - Matafi Street	%180	Matafi	800	2,200,000	2,280,000	2,750	2,850	2,800
Khaitan	%180		1.000	2,400,000	2,600,000	2,400	2,600	2,500
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	950,000	1,100,000	950	1,100	1,025
Ad-Dajij (5000 meters) on Sixth Ring Road	%210	Sixth Ring Road	5,000	5,750,000	6,000,000	1,150	1,200	1,175
Al-Dajij (5000 meters) Internal	%210	Internal	5,000	4,250,000	4,750,000	850	950	900
Al-Dajij South of Khaitan	%250	Internal	5,000	1,500,000	2,500,000	300	500	400

In Jahraa Governorate, prices have been stabilized with an average price increase of KD 1,720 per square meter in Q1 2012.

Commercial Land Prices in Jahraa Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q1 2012
				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 2,444 per square meter in Q1 2012 compared to KD 2,403 per square meter in Q4 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 percentages of 2,4% and 5,9% compared to Q4 of 2011.

Commercial Land Prices in Ahmadi Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q1 2012
				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	2,850,000	3,100,000	2,850	3,100	2,975
	%180	Internal	1000	2,650,000	2,750,000	2,650	2,750	2,700
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 proceeds of Q1 2012
				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
Hawalli	Al-Madinah	%300	Al-Sour	%7.25	%7.50	%7.38
	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
Farwaniyah	Salemiyah	%180	Bahrain	%7.50	%8.00	%7.75
	Farwaniyah Menawir Street	%180	Menawir	%7.75	%8.00	%7.88
	Farwaniyah - Matafi	%180	Matafi	%8.00	%8.25	%8.13
	Street	%180		%7.75	%8.00	%7.88
	Khaitan (Business and Commercial)	%300	Business and Commercial	%8.00	%8.25	%8.13
Jahraa	Al-Aridiyah - Warehouses	Ground Floor %80 - Mezzanine %50	Internal	%8.00	%8.25	%8.13
	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
Ahmadi	Jahraa - Al-Qaysareyat	%300	Plot 20	%7.50	%7.75	%7.63
	Al-Manqaf	%300	Azizia	%8.50	%8.75	%8.63
	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 reached %3.8 in most industrial plots. Price per meter reached KD 1.059 in Q1 2012 compared to KD 1,020 per square meter in Q4 of 2011.

Prices of Industrial Plots in Capital Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q1 2012
						From	To	
Shuwaikh Industrial Area	Trade shows + land + industrial	%170	1.000	Internal	Canada Dry Street	1,450,000	1,500,000	1,475
					Scheherazade Street	1,080,000	1,200,000	1,140
					Al-Zinah Street	1,150,000	1,300,000	1,225
					Al-Zinah Street	650,000	750,000	1,400
					Electricity Street	580,000	600,000	1,180
						400,000	600,000	500
					Pepsi Street	4,000,000	4,500,000	850
					Fourth Ring Road	1,350,000	1,450,000	1,400
						10,000,000	1,500,000	478
						850,000	1,100,000	975
	900,000	1,150,000	1,025					
Area Overall Average						2,037,273	2,331,818	1,059

Farwaniyah Governorate witnessed an increase in the average percentage of prices which amounted to less than 10.7 % 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 declined to %18.7 while the prices slightly increased at Al-Rai area reaching about 2% to 3% in an average where the average percentage increase in the Governorate reached KD 1,097 per square meter compared to KD 1,228 per square meter in Q4 of 2011.

Prices of Industrial Plots in Farwaniyah Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q1 2012
						From	To	
Al-Rai	Trade shows + industrial	%170	1.000	Internal	Safat Al-Ghanim (till Al-Nasr Sports)	900,000	1,200,000	1,050
					Al-Ghazali Street	950,000	1,100,000	1,025
					Muhammad Al-Qasim	950,000	1,000,000	975
Area Overall Average						1,691,667	1,916,667	
Al-Aridiyah Professional Zone	Professional	%130	250	Internal	Opposite Al-Aridiyah Warehouses	320,000	350,000	1,340
						320,000	350,000	1,340
Area Overall Average						297,500	322,500	

Likewise, Ahmadi Governorate witnessed an increase in prices amounted for 18%, as a result of prices increase in Fahaheel, especially at the main street where Sultan Center is located, while Industrial Eastern Ahmadi Area, warehouses and industrial exhibitions remained stable.

Prices of Industrial Plots in Ahmadi Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q1 2012
						From	To	
Mina Abdullah	Industrial		100,000		Behind gasoline station	4,000,000	4,500,000	42.5
Western Shuaibah Mina			10,000		Variety	850,000	1,050,000	95.0
Abdullah			10,000		Internal	Inside the port	880,000	1,050,000
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
			1.000		Opposite the refineries	600,000	650,000	625
			1.000		Internal streets	380,000	580,000	480
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
			5,000		Main	1,200,000	1,500,000	270
Area Overall Average						1,292,500	1,590,000	285

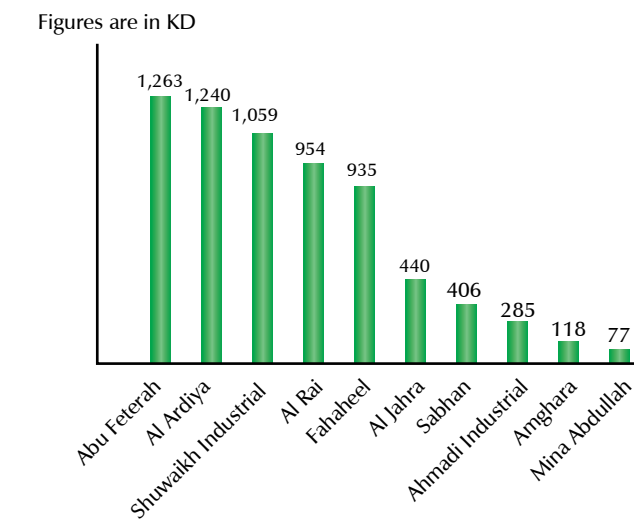
Prices of Industrial Plots in Jahraa Governorate

Area	Allocation	Space	Location	Market value of the land		Average market value per square meter during Q1 2012
				From	To	
Amgharah	Top Contractors	10,000	Internal	1,000,000	1,050,000	103
		10,000	Main	1,300,000	1,500,000	140
Area Overall Average				523,889	571,111	114
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

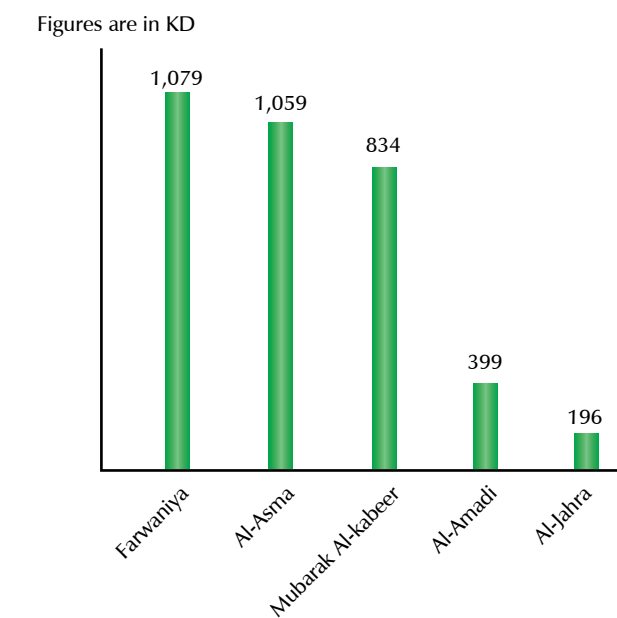
Prices of Industrial Plots in Mubarak Al-Kabeer Governorate

Area	Allocation	Space	Location	Street	Market value of the land		Average market value per square meter during Q1 2012
					From	To	
Abo Fatirah Professional Zone	Trade shows	1.000	Main	Due to the issuance of an appeal sentence that stopped renewing commercial licensing of the activities breaching the zone allocation (only professional activities. Please do not state data in the report until matters are clear.	1,400,000	1,750,000	1,575
Abo Fatirah Professional Zone	Trade shows	1.000	Internal		1,200,000	1,400,000	1,300
Area Overall Average		750			887,500	1,093,750	1,263
Sabhan	Industrial	1.000	Main		420,000	480,000	450.0
		5,000	Pepsi		2,000,000	2,250,000	425.0
Area Overall Average					1,036,667	1,201,667	406

Average market value per square meter for industrial and handicraft real estate in Kuwait areas during Q1 of 2012



Average market value per square meter for industrial and handicraft real estate in Kuwait governorates during Q1 of 2012



Fifth: Prices of Farms and Stables:

The prices per square meter in Kabed and Al-Wafra Areas were constant, while prices per square meter in horsemanship stables at Ahmadi area and Jahra increased at small average percentage of %2 and %5 respectively.

Prices of Farms and Stables

Governorate	Area	Space	Location	Estimate plot price		Land price per square meter		Price per meter during Q1 2012
				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
	Al-Wafra Stables	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 Q4 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 Q1 2012
			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, «Q1 2011» (KD)

Hawalli Governorate	Room and lounge (44-40 m)	Two rooms, lounge and bathroom (60 m ²)	Two rooms, lounge and two bathrooms (70 - 74 m ²)	Two rooms, two bathrooms and a maid's room (80 - 85 m ²)	Three rooms, lounge and a maid's room (100 -110 m ²)
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
Capital Governorate	Room and lounge (48-50 m ²)	Two rooms, lounge and bathroom (58 - 60 m ²)	Two rooms, lounge and two bathrooms (70 - 74 m ²)	Two rooms, two bathrooms and a maid's room (54 - 80 m ²)	Three rooms, lounge and a maid's room (100 -110 m ²)
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
Benaïd Al-Qar	200-220	250-280	280-320	320-340	480-550
Farwaniyah Governorate	Room and lounge (48-50 m ²)	Two rooms, lounge and bathroom (58 - 60 m ²)	Two rooms, lounge and two bathrooms (70 - 74 m ²)	Two rooms, two bathrooms and a maid's room (54 - 80 m ²)	Three rooms, lounge and a maid's room (100 -110 m ²)
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 ²)	Two rooms, lounge and bathroom (58 - 60 m ²)	Two rooms, lounge and two bathrooms (70 - 74 m ²)	Two rooms, two bathrooms and a maid's room (54 - 80 m ²)	Three rooms, lounge and a maid's room (100 -110 m ²)
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 ²)	Two rooms, lounge and bathroom (58 - 60 m ²)	Two rooms, lounge and two bathrooms (70 - 74 m ²)	Two rooms, two bathrooms and a maid's room (54 - 80 m ²)	Three rooms, lounge and a maid's room (100 -110 m ²)
Al-Masailah	170-180	200-220	235-260	260-300	330-380
Jahraa Governorate	Room and lounge (48-50 m ²)	Two rooms, lounge and bathroom (58 - 60 m ²)	Two rooms, lounge and two bathrooms (70 - 74 m ²)	Two rooms, two bathrooms and a maid's room (54 - 80 m ²)	Three rooms, lounge and a maid's room (100 -110 m ²)
Jahra	160-170	190-200	200-220	235-260	280-320

Average Transactions of Rental of Commercial Real Estate in Kuwait Governorates, «Q1 2012» (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, «Q1 2011» (KD)

Areas	Basement	Ground	Mezzanine	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
Al-Rai	2.5 - 3.5	12 - 20	3.5 - 6.5	This study does not include the rental values in the Avenues Mall
Sabhan	2.5 - 3	4 - 6	2.5 - 3	When allocating warehouses for the ground floor, the price per square meter ranges between KD 4 and 5
Al-Aridiyah - Warehouses	3	6 - 6.5	3 - 5	The rental price per square meter is KD 6 – 8 for a 100-meter showroom in the ground floor.
Sharq Ahmadi	2 - 4	8 - 14	3.5 - 5	
Fahaheel Industrial Zone	2.5 - 4	10 - 16	3 - 5	

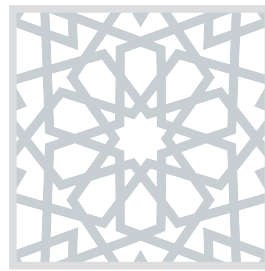
* The average of the rental values per square meter increases in prime locations and modern buildings, in addition to the type of activity.
* The average rental value per square meter increases with the height of the storey. The demand increases on the warehouses with a ceiling of 6-8 meters high.

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 Q1 2012		
					From	To	From	To			
					Capital	Benaïd Al-Qar	Investment	Arabian Gulf		95	115,000
Benaïd Al-Qar	Investment	Main	72	65,000		70,000	903	972	938		
Benaïd Al-Qar	Investment	Internal	72	50,000		55,000	694	764	729		
Overall Average of Benaïd Al-Qar				80		68,333	77,667	76,667	86,667	936	
Al-Shab	Investment	Arabian Gulf	95	76,667		86,667	936	1,052	994		
Al-Shab	Investment	Main	72	115,000		135,000	1,211	1,421	1,316		
Al-Shab	Investment	Internal	72	65,000		70,000	903	972	938		
Overall Average of Al-Shab				80		68,333	77,667	50,000	55,000	694	
Hawalli	Salemiyah	Investment	Arabian Gulf+ beaches	95		76,667	86,667	936	1,052	994	
	Salemiyah	Investment	Main	64		110,000	130,000	1,158	1,368	1,263	
	Salemiyah	Investment	Internal	64		40,000	45,000	625	703	664	
	Salemiyah	Investment	Main	74		36,000	38,000	563	594	578	
	Salemiyah	Investment	Internal	74		48,000	55,000	649	743	696	
	Overall Average of Salemiyah					74	52,000	58,400	42,000	46,000	568
	Hawalli	Investment	Main	64		55,200	62,800	712	806	759	
	Hawalli	Investment	Internal	64	38,000	40,000	594	625	609		
	Hawalli	Investment	Main	74	34,000	36,000	531	563	547		
	Hawalli	Investment	Internal	74	42,000	47,000	568	635	601		
	Overall Average of Hawalli				69	35,250	39,250	40,000	43,000	541	
	Mubarak Al-Kabeer	Jabriyah	Investment	Main	74	38,500	41,500	558	601	580	
		Jabriyah	Investment	Internal	74	48,000	55,000	649	743	696	
		Overall Average of Jabriyah				74	42,250	47,500	42,000	45,000	568
		Al-Masailah	Investment	Main	72	45,000	50,000	608	676	642	
Al-Masailah		Investment	Internal	72	53,842	60,242	704	784	744		
Overall Average of Al-Masailah				72	34,000	36,500	472	507	490		

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 Q1 2012	
					From	To	From	To		
					Farwaniyah	Farwaniyah	Investment	Main		72
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
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	
Ahmadi	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	
	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	
Overall Average of Al-Ahmadi				78	46,500	52,267	570	640	605	

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:

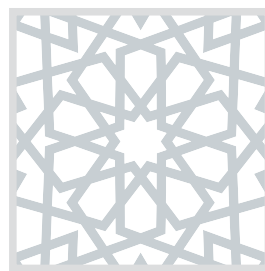
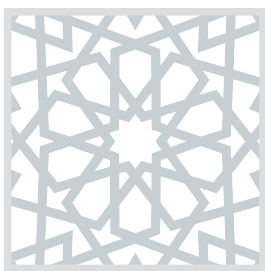
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

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.

