



KFH Local Real Estate Report

Second Quarter 2012 - Kuwait

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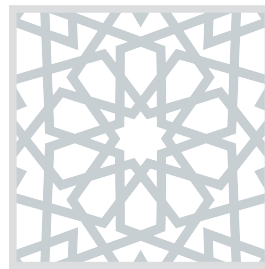
بيت التمويل الكويتي
Kuwait Finance House





KFH Local Real Estate Report
Second Quarter 2012 - Kuwait





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Dear Reader,

The local real estate market report presents an overview of the economic developments in the real estate market during Q2 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.

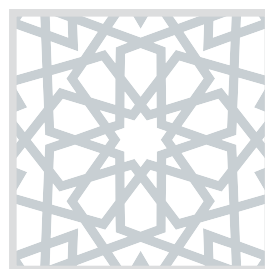
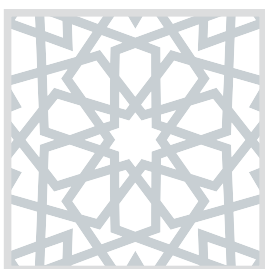
The report is part of KFH social and economic responsibility which both aims to publish the most important developments in the market to improve business environment and provide useful information on real estate market.

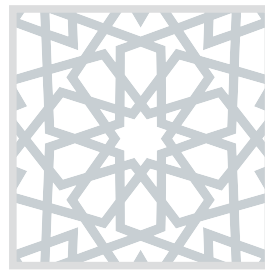
I hope that the information contained in this report will help meet the market needs.



Mohammad Sulaiman Al-Omar

CEO
Kuwait Finance House





Introduction

After Islamic banks won a court appeal that excluded them from being liable for the fees stated in Law No. 8/2008 related to private houses owned by Islamic banks and exceeds 5000 Square meters, transactions indices during Q2-2012 returned calm, compared to the outstanding transactions witnessed in the local real estate market during Q1, where the total value of real estate transactions delinked due to the drop in real estate transactions value in private housing by 3.5%.

The value of traded real estate transactions rose by 43% for the same period, where property registration positive policy, representing half to three quarters of the real estate wealth in most economies, benefits investors and real estate buyers. It also facilitates property transition from an investor to another smoothly and quickly without affecting real estate values and prices.

It seems that the decline in the value of real estate transactions in Q2 is partly due to exams, holidays, travelling and Ramadan, where the decision of buying real estate needs time for choosing and selecting, and differs significantly from other purchasing decisions.

Prices during this quarter were relatively stable due to the lack of supply, especially in residential and investment real estate, while in some areas outside the capital, prices significantly increased in some excellent commercial real estate.

Meanwhile the global recovery is still continuing with a slow pace, where sovereign and financial pressures escalated in the Euro-Zone countries, approaching the prevailed levels of the end of 2011, and the in the United states of America the growth was positive but low to the point that it doesn't impact significantly to the unemployment rate.

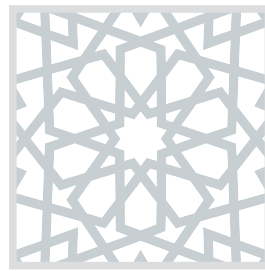
Growth rates in emerging economies were sluggish in China, India, and Brazil, where the global growth rate is expected to reach 3.5% in 2012, and 3.9% in 2013. It is clear that the risks of negative developments are looming, which is mainly a result of potential delays in the world to implement policies at the different levels of the economies, or inadequate procedures.

In contrast to the general trends in the global economy, growth in the Middle East will be strong in 2012 and 2013 due to the continued stability of oil prices and the strong local demand.

A report issued by the International Monetary Fund indicates that that Kuwait has strong macroeconomic results achieved during 2011 supported by high oil revenues and the recovery of the non-oil economic activity.

The report predicts that recovery will be enhanced driven by government spending particularly wages and capital expenditure, and surplus is expected to continue in public finance and external accounts, while inflation rate is expected to ease.

Despite the launch of the five-year economic development plan in the fiscal year 2010/2011 this takes four years, the National Assembly didn't approve the fiscal plan of 2012/2013 in the light of successive political developments that can affect the pace of investment in infrastructure, health, and education.



It also reduces the size of private sector participation in development, and reduces the degree of diversification needed in the local economy.

The events and developments happened during Q2 had their impact on the pace of trading and liquidity in the real estate activity. The trading value during Q2 of 2012 reached KD 944 million compared to KD 1,033 million in Q2 of 2011, and KD 1,162 million in Q1 2012, representing a decline of 9% compared to Q2 2011 and 19% compared to Q1 2012. Accordingly, the average of daily trading declined from KD 17,8 million in Q1 2012 to KD14,5 million in Q2 of 2012.

The prices indices of private and investment housing witnessed a decline coupled with stability in prices and shortage of supply accompanied with an increase in demand by investors to invest in investment real estate investment activity due to its high rental returns, its competitiveness with other alternatives such as the Kuwait Stock Exchange and investment deposits, and stability as an investment and shortage in supply. Moreover, price indices of investment housing have increased by 3.3% in Kuwaiti governorates compared to Q1 in 2011.

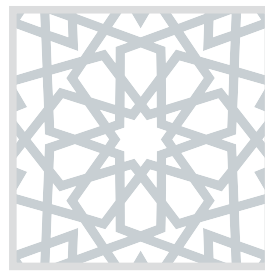
Commercial real estate's price indices rose by 2.1% in all governorates of Kuwait, where prices were stable in the Capital Governorate. Prices in Farwaniyah and Hawalli rose by 7.5% and 3% respectively compared to Q1, where the average price per meter in Hawalli Governorate reached KD 2,907, and KD 1,693.

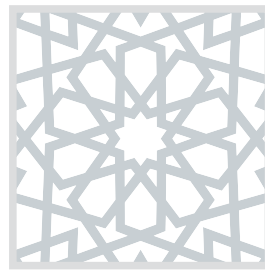
Market Trends

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.

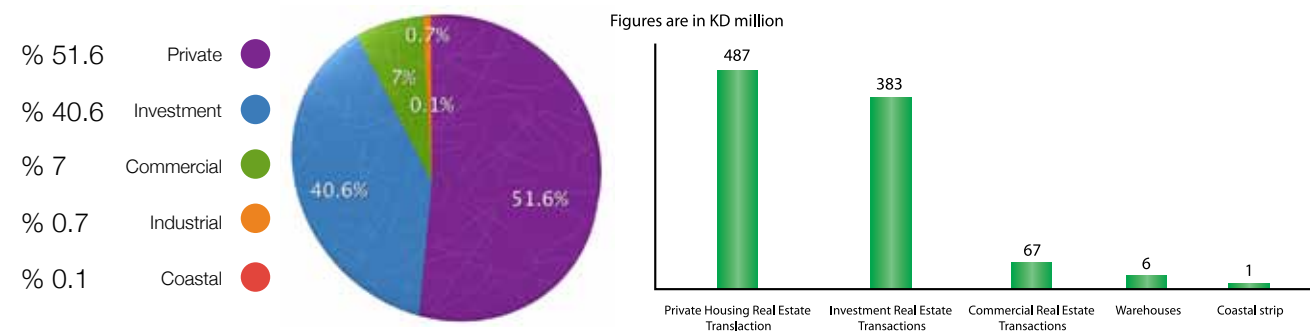
Public institutions for residential care developed ambitious plans for projects within the five-year plan 2011 – 2014. The plan was approved by the National Assembly to set up major companies in various economic sectors of the economy and flood new investments in the Kuwaiti economy.





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.

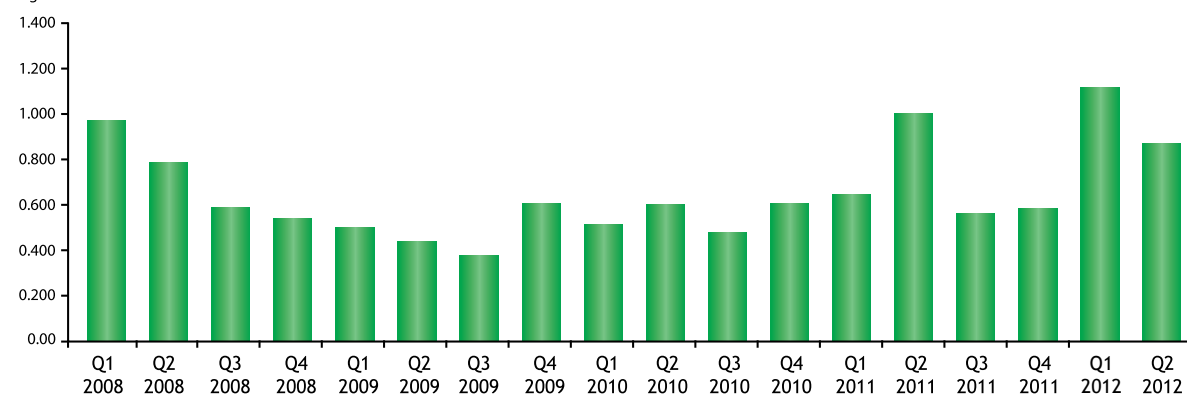
Value of Total Transactions for Real estate sections during Q2-2012



Source: Registration & Authentication, Ministry of justice

At the level of the total real estate market, transactions indicators of the Ministry of Justice, Department of Real Estate Registration and Authentication, during Q2 of 2012 witnessed a decrease of KD 217,521 million, with a decrease of 18.7% compared to Q1 of 2012 valued at KD 1,161 million.

Development of Total Quarterly transactions for real estate from 2008 to Q2-2012

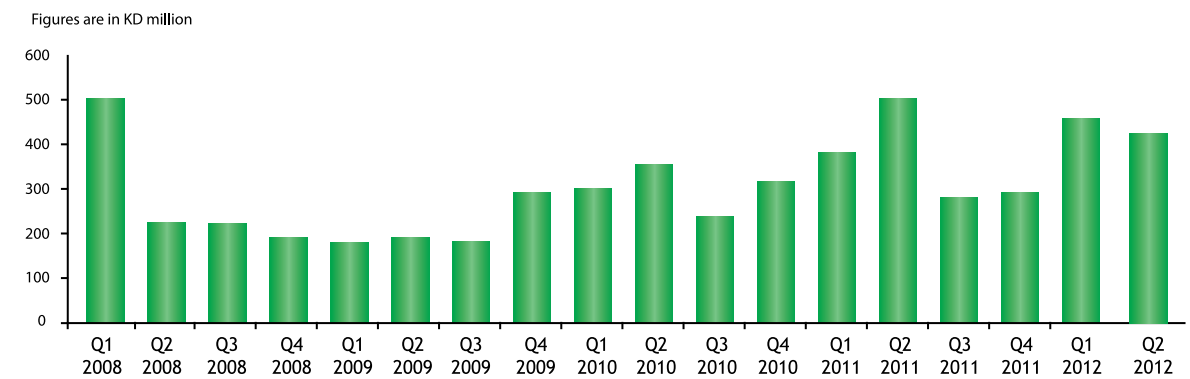


Private Housing Trends

The relative weight of real estate deals of private housing has increased compared to Q1 of 2012, reaching 51% of the total real estate transactions valued at KD 944,307 million. Private housing deals were valued at KD 486,823 million in Q2 of 2012, at 3.5 % decrease compared to Q1 of 2012. The number of private housing deals reached 2,293 in Q2-2012 compared to 2,210 in Q1 of 2012. Meanwhile, the average deals decreased during Q2 of 2012 to reach KD 212 thousand, compared to KD 228 thousand during Q1 of 2012.

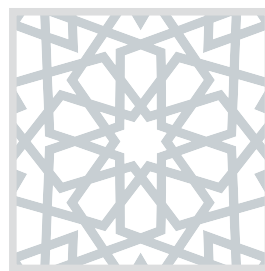
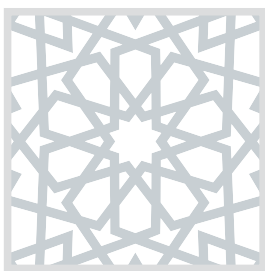
April 2012 witnessed the highest number of transactions at 44.5% for KD 216,582 million of the total transactions valued at KD 468,823 million during Q2-2012. June ranked second at KD 152,472 million, at 31.5% of total transactions. May came last at KD 117,499 million 24% of total transactions for private housing.

The Development of Total Quarterly Transactions for Private Housing from 2008 to Q2-2012



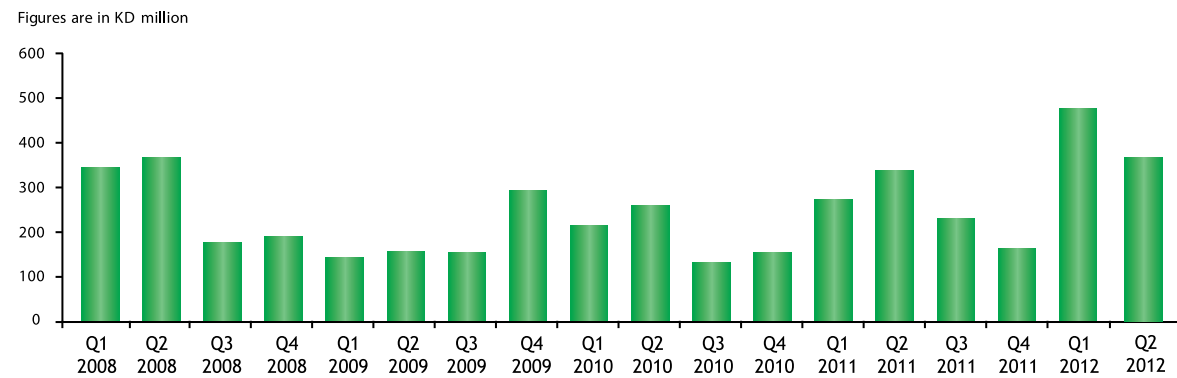
Investment Real Estate Trends

Total real estate investment transactions decreased in Q2 of 2012 reaching KD 382,983 million, compared to KD 588,639 million in Q1-2012, realizing a decrease in transactions volume trading reaching KD 205,656. April ranked first in transactions volume during Q2 of 2012, at KD 185,737 million with a share of 49%. June ranked second, with transactions value at KD 115,571 million and a share of 30%, while May ranked third in transactions at KD 81,496 million with a share of 21%. The average deal during Q2 of 2012 was estimated at KD 808 million, compared to KD 1,408 million for Q1 of 2012.





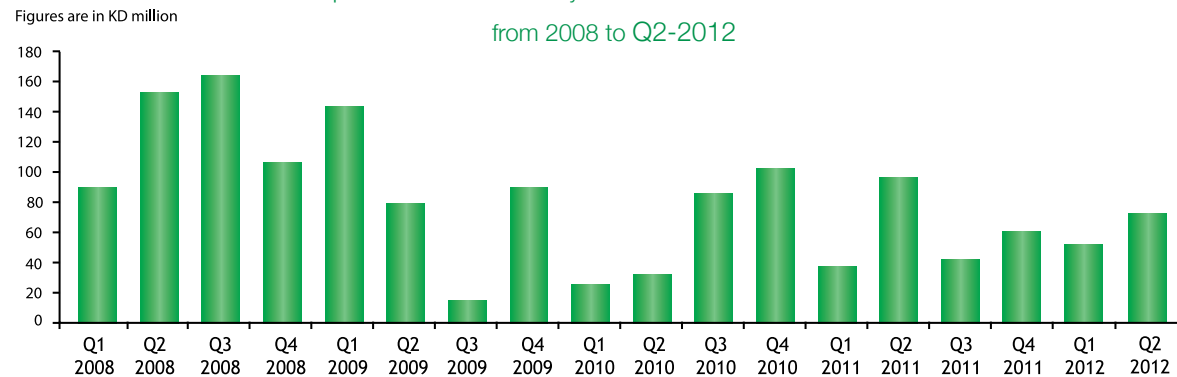
The Development of Total Quarterly Transactions for Investment Real Estate Trends from 2008 to Q2-2012



Commercial Real Estate Trends

The total commercial real estate transactions significantly increased during Q2 of 2012, despite stagnant markets and the low demand on commercial real estate trends, especially occupancy rates in the Capital Governorate, due to the repercussions of the global financial crisis and its impact on local private companies. The value of transactions increased by 42.7%, at KD 67,244 million compared to Q1 of 2012 in which the value of transactions was KD 47,116 million. This decreased the quarter share of total trades up to 7%, at the expense of real estate deals for private housing, the share of which was 51%, and investment deals amounting to 41%. May ranked first as the volume of transactions reached KD 35,557 million with a share of 53%. April ranked second where transactions volume reached KD 26,367 million with a share of 39%. June came third as the volume of transactions reached KD 5,320 with a share of 8%. The average deal during Q2-2012 was estimated at KD 3,956 million, compared to KD 2,495 million for Q1 of 2012.

The Development of Total Quarterly Transactions for Commercial Real Estate from 2008 to Q2-2012

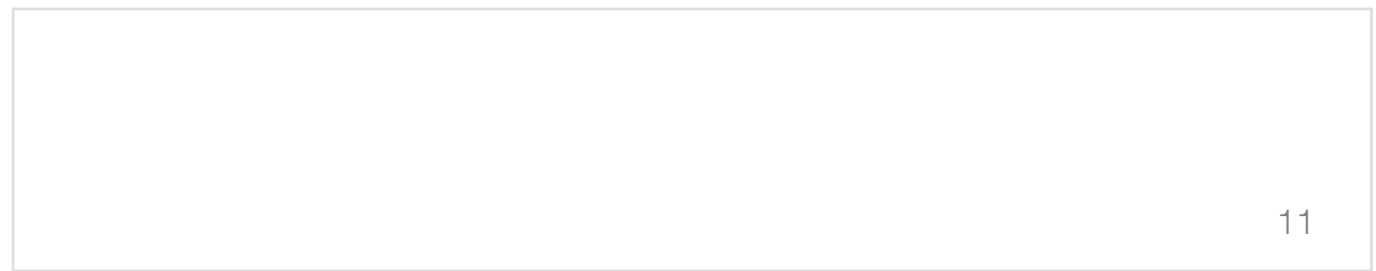
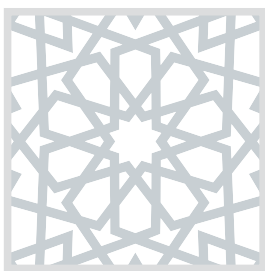
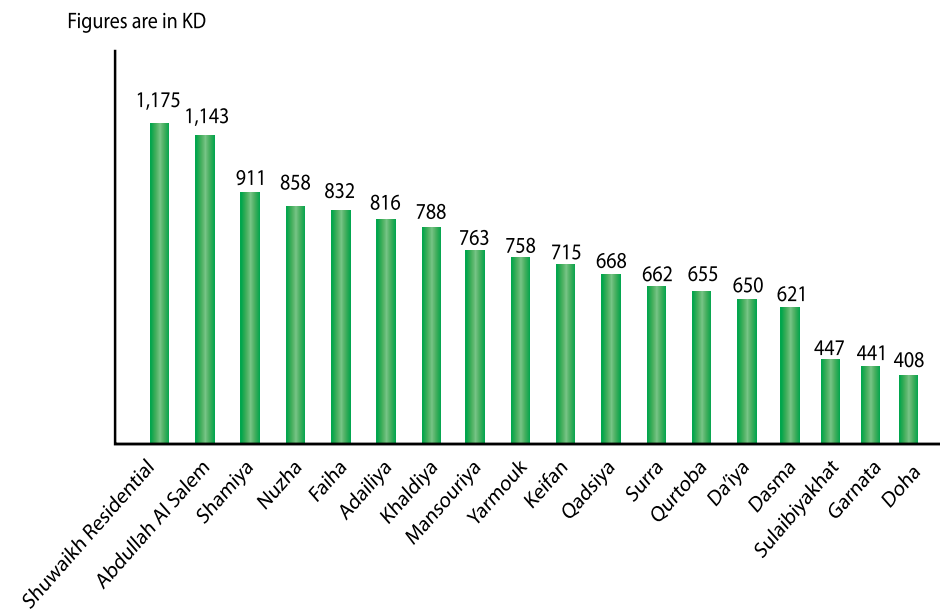


Price Indices

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 Q2-2012, rose in respect of residential land prices in the capital governorate. The average price per square meter in the capital governorate during the second quarter reached KD 742, compared to KD 731 for Q1 of 2012. The capital areas witnessed an increase between 2% and 7%.

Average price per square meter of private housing real estate in the Capital Governorate - Q2-2012

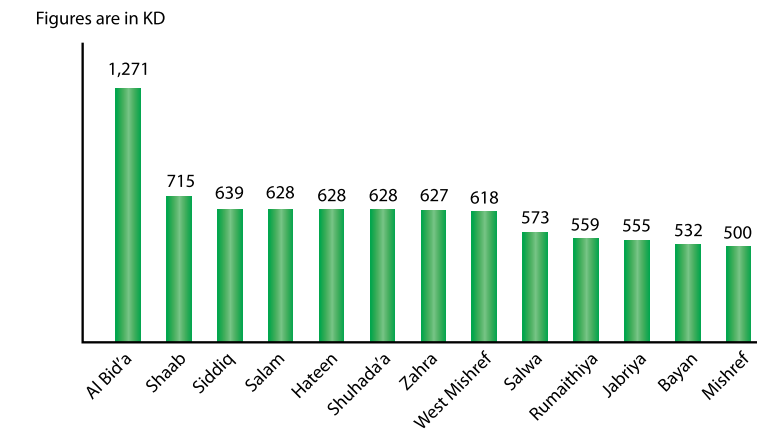


Private Land Prices in the Capital Governorate

Area	Space	Building%	Location	Value		Price per Meter		Average Market Value per Square Meter During Q2-2012
				From	To	From	To	
Shuwaikh Residential	500	%210	Internal	500,000	600,000	1,000	1,200	1100.0
	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				916,667	1,066,667	1,083	1,267	1,175
Abdullah	500	%210	Internal	455,000	580,000	910	1,160	1035.0
Al-Salem	750	%210	Internal	680,000	825,000	907	1,100	1003.3
Suburb	1.000	%210	Internal	850,000	1,100,000	850	1,100	975.0
Area Overall Average				886,667	1,042,500	1,047	1,239	1,143
Shamiya	250	%320	Internal	230,000	250,000	920	1,000	960.0
	500	%210	Internal	380,000	450,000	760	900	830.0
	750	%210	Internal	550,000	600,000	733	800	766.7
Area Overall Average				564,286	665,714	839	984	911
Al-Nuzha	500	%210	Internal	380,000	450,000	760	900	830.0
	500	%210	Main	425,000	535,000	850	1,070	960.0
	750	%210	Internal	550,000	600,000	733	800	766.7
	750	%210	Main	650,000	750,000	867	1,000	933.3
Area Overall Average				551,000	637,000	792	924	858
Khalidiya	750	%210	Internal	525,000	585,000	700	780	740.0
	750	%210	Main	570,000	650,000	760	867	813.3
	1.000	%210	Internal	700,000	840,000	700	840	770.0
	1.000	%210	Main	800,000	900,000	800	900	850.0
Area Overall Average				648,750	743,750	740	847	793
Adailiya	500	%210	Internal	380,000	450,000	760	900	830.0
	500	%210	Main	425,000	535,000	850	1,070	960.0
	750	%210	Internal	520,000	585,000	693	780	736.7
	750	%210	Main	600,000	650,000	800	867	833.3
Area Overall Average				611,250	698,125	759	873	816

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% to 5.7%, 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 - Q2-2012



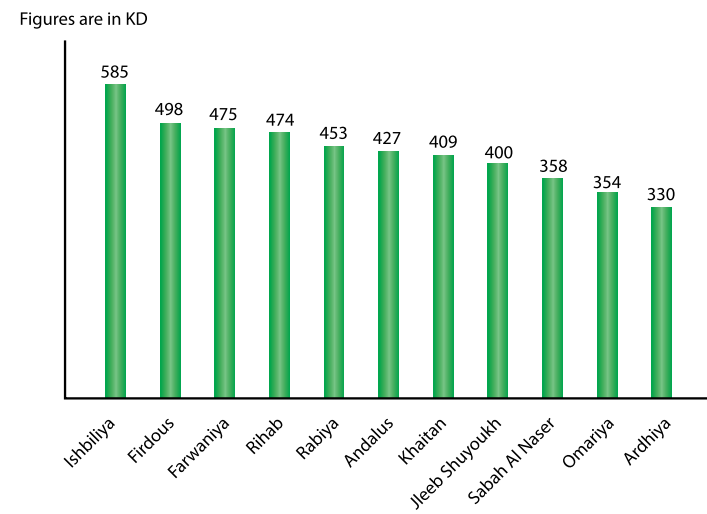
Private Land Prices in Hawalli

Area	Building %	Space	Location	Value		Price per Meter		Average Market Value per Square Meter During Q2-2012
				From	To	From	To	
Al-Shab	%210	400	Internal	275,000	310,000	688	775	731.3
	%210	400	Main	320,000	340,000	800	850	825.0
	%210	500	internal	330,000	350,000	660	700	680.0
Area Overall Average				375,833	398,333	693	738	715
Jabriyah	%210	400	Internal	235,000	250,000	588	625	606.3
	%210	400	Main	250,000	270,000	625	675	650.0
Area Overall Average				346,875	367,500	538	571	555
Rumaithiya	%210	400	Internal	215,000	235,000	538	588	562.5
	%210	400	Main	235,000	260,000	588	650	618.8
	%210	500	Internal	240,000	270,000	480	540	510.0
Area Overall Average				360,625	391,250	535	582	559
Salwa	%210	500	Internal	240,000	260,000	480	520	500.0
	%210	500	Main	260,000	270,000	520	540	530.0
Area Overall Average				447,143	482,143	551	594	573



Farwaniyah Governorate witnessed an average price up to KD 433 per square meter in Q2-2012. The areas of (Andalus – Ishbiliya - Al-Ardia - Sabah Al-Nasser – Al-Ferdaws – Al-Omariyah – Al-Rehab) witnessed a rise in prices with an average between 1.2% to 5.3%.

Average price per square meter of private housing real estate in Farwaniya Governorate - Q2- 2012



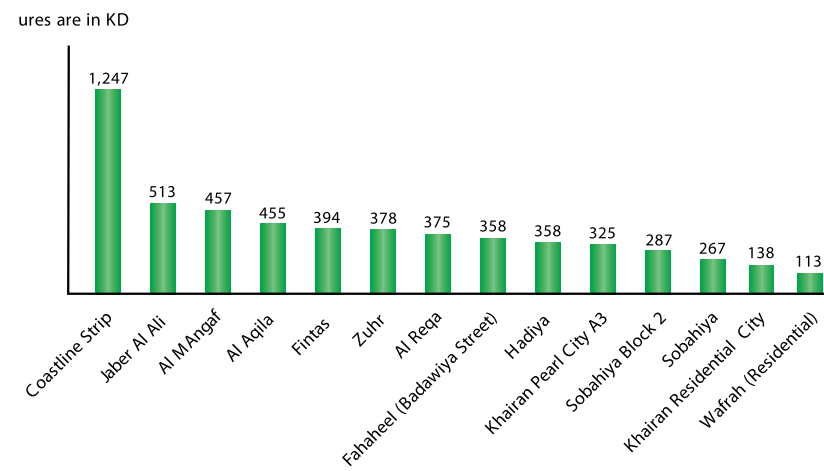
Private Land Prices in Farwaniyah

Area	Building %	Space	Location	Street	Value		Price per Meter		Average Market Value per Square Meter During Q2-2012
					From	To	From	To	
Al-Andalus	%210	500	Internal		210,000	230,000	420	460	440.0
	%210	500	Main		245,000	265,000	490	530	510.0
Area Overall Average					263,000	283,000	411	443	427
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		220,000	240,000	550	600	575.0
	%210	400	Main		255,000	265,000	638	663	650.0
Area Overall Average					255,000	268,750	569.4	600.6	585.0
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	380,000	450,000	380	450	415.0
Area Overall Average					275,000	312,500	383.1	434.6	408.9
Jleeb Al-Shuwaikh	%210	750	Internal		265,000	335,000	353	447	400.0
Area Overall Average					265,000	335,000	353	447	400.0
Ardiya	%210	750	Internal		215,000	235,000	287	313	300.0
	%210	750	Main		260,000	280,000	347	373	360.0
Area Overall Average					237,500	257,500	316.7	343.3	330.0



Prices have witnessed a rise in Ahmadi Governorate. The average price per square meter reached KD 412 compared to KD 403 in the first quarter of 2012. Prices rose in the areas of the Governorate between 2% to 14.7%

Average price per square meter of private housing real estate in Al-Ahmadi Governorate - Q2-2012



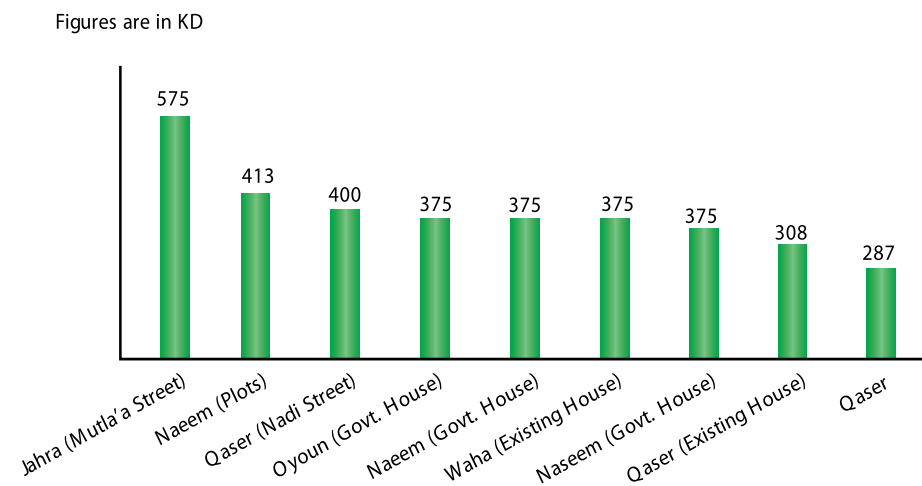
Private land prices in Ahmadi area

Area	Building %	Space	Location	Street	Value		Price per Meter		Average Market Value per Square Meter During Q2-2012
					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		215,000	260,000	287	347	316.7
	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	325.0



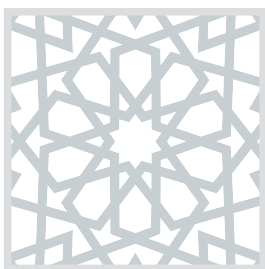
Prices were stable in Jahraa Governorate in the areas of (Jahraa – Al-Oyoun - Al-Naeem – Al-Waha). The average price per square meter reached KD 342 compared to KD 339 in Q1 of 2012.

Average price per square meter of private housing real estate in Al-Jahra Governorate - Q2-2012



Private land prices in Jahraa Governorate

Area	Building %	Space	Location	Street	Value		Price per Meter		Average Market Value per Square Meter During Q2-2012
					From	To	From	To	
Al-Qasr	%210	750	Internal		210,000	230,000	280	307	293.3
Al-Qasr - Club Street	%210	1000		Club Street	400,000	420,000	400	420	410.0
Al-Qasr (Existing House)	%210	600			185,000	200,000	308	333	320.8
Jahraa - Al-Metlaa Street	%210	400	Internal		235,000	250,000	470	500	485.0
Al-Oyoun (Government-subsidized house)	%210	400	Main		130,000	170,000	325	425	375.0
Al-Naeem (Plots)	%210	400	Internal		150,000	180,000	375	450	412.5
Al-Naeem (Government-subsidized house)	%210	400	Main		130,000	170,000	325	425	375.0
Al-Waha (Existing house)		Up to 800 square meters	300		105,000	120,000	350	400	375.0
Al-Nasem (Government-subsidized house)	%210	400	Main		130,000	170,000	325	425	375.0

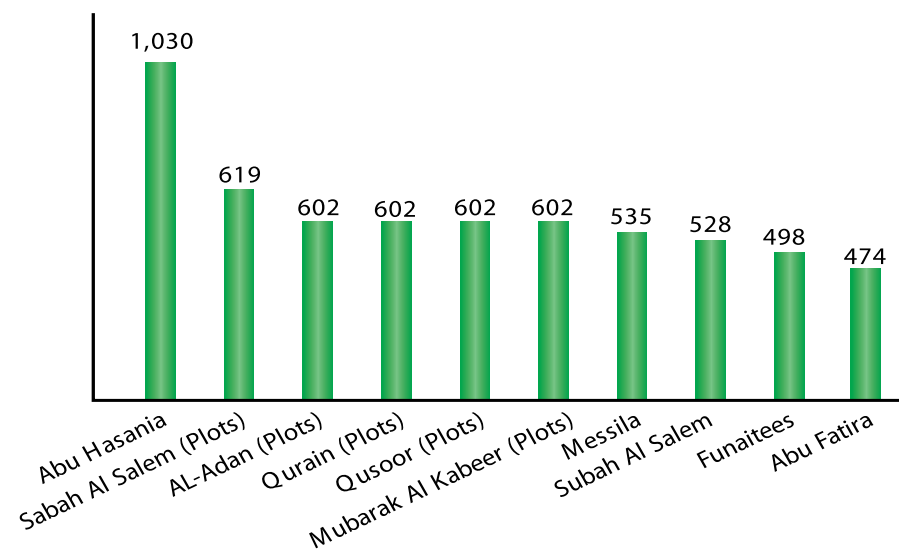




Mubarak Al-Kabeer Governorate recorded an increase in prices. The average price amounted to KD 609 per square meter compared to KD 573 per square meter in Q2-2012 with an increase of 6.3%.

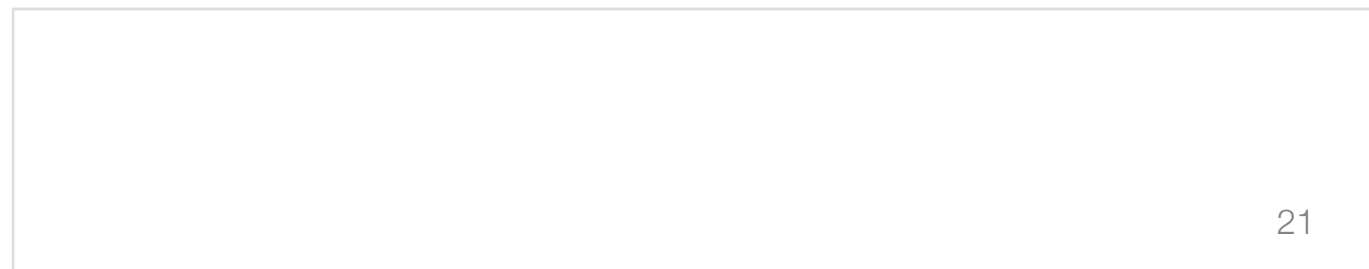
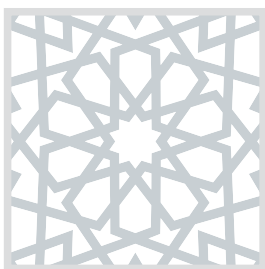
Average price per square meter of private housing real estate in Mubarak Al-Kabeer Governorate - Q2-2012

Figures are in KD



Private Land Prices in Mubarak Al-Kabeer Governorate

Area	Building %	Space	Location	Street	Market value of Land		Price per Square Meter		Average Market Value per Square Meter During Q2-2012
					From	To	From	To	
Abo Al-Hasanya	%150	750	Internal	Al-Fahaheel	487,500	562,500	650	800	725.0
	%150	750			660,000	712,500	880	950	915.0
	%150	750	On sea view		1,050,000	1,125,000	1,400	1,500	1450.0
Area Overall Average					637,500	732,500	800,000	977	1,083
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					233,750	246,250	521	549	535
Abo Fatirah Residential Area	%210	400	Internal		165,000	175,000	413	438	425.0
	%210	400	Main		200,000	210,000	500	525	512.5
	%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 3.3% in the Capital Governorate, with an average price amounting to KD 2,109 per square meter compared to KD 2,095 per square meter in 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 Market Value per Square Meter During Q2-2012
					From	To	From	To	
Benaïd Al-Qar	%250	1,000		Arabian Gulf	2,200,000	2,400,000	2,200	2,400	2300.0
	%250	1,000		Istiqlal	1,450,000	1,500,000	1,450	1,500	1475.0
	%250	500	Internal		620,000	650,000	1,240	1,300	1270.0
	%250	500	Main		650,000	720,000	1,300	1,440	1370.0
	Area Overall Average					1,270,000	1,361,667	1,481.7	1,590.0
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					2,266,667	2,400,000	2,472	2,622	2,547

As for Hawalli Governorate, it witnessed an increase in prices that the average price per square meter during Q2-2012 amounted to KD 1,329 compared to KD 1,260 per square meter in Q1 of 2012. Districts of (Hawalli – Salemiyah – Al-Shab – Jabriyah) witnessed a rise ranging between 4.6% to 8.1%.

Investment Land Prices in Hawalli Governorate

Area	Building %	Space	Street	Market Value Of The Land		Market Value per Square Meter Price		Average Market Value per Square Meter During Q2-2012
				From	To	From	To	
Hawalli	%250	750	Muthanna	925,000	980,000	1,233	1,307	1270.0
	%250	750	Qutaiba	925,000	980,000	1,233	1,307	1270.0
	%250	750	Hasan Al-Basri	880,000	930,000	1,173	1,240	1206.7
	%250	750	Ahmed Ibn Tulun	880,000	930,000	1,173	1,240	1206.7
	%250	750	Yarmouk	880,000	930,000	1,173	1,240	1206.7
	%250	750	Musa Ibn Nuseer	880,000	930,000	1,173	1,240	1206.7
Area Overall Average				904,000.0	958,000.0	1,180.9	1,251.8	1,216.3
Salemiyah	%250	1,000	Arabian Gulf Baghdad (Al-Tahrir) Abdul	2,000,000	2,300,000	2,000	2,300	2150.0
	%250	750	Karim Al-Khattabi	980,000	1,050,000	1,307	1,400	1353.3
	%250	750	Qatar	980,000	1,100,000	1,307	1,467	1386.7
	%250	750	Abdullah Ibn Masood	900,000	950,000	1,200	1,267	1233.3
	%250	750	Yousef Ibn Hamoud	900,000	950,000	1,200	1,267	1233.3
	%250	750	Hamad Al Mubarak	950,000	1,050,000	1,267	1,400	1333.3
Area Overall Average				979,375	1,063,750	1,268	1,373	1,321
Al-Shab	%250	1,000	Arabian Gulf	2,200,000	2,350,000	2,200	2,350	2275.0
	%250	1,000	Istiqlal	1,520,000	1,550,000	1,520	1,550	1535.0
Area Overall Average				1,458,750	1,538,750	1,535	1,618	1,577
Jabriyah	%250	1,000	Fourth Ring Road	1,300,000	1,400,000	1,300	1,400	1350.0
	%250	1,000	Al-Maghrib	1,150,000	1,200,000	1,150	1,200	1175.0
	%250	1,000	Al-Shenaki	1,150,000	1,200,000	1,150	1,200	1175.0
	%250	1,000		1,128,571	1,192,857	1,169	1,236	1,202
Area Overall Average				938,571	1,027,143	974	1,066	1,032,143

Farwaniyah Governorate recorded an average increase in prices of 2.9%. The average price per square meter in the Governorate amounted to KD 1,002 compared to KD 974 per square meter in Q1 of 2012. Districts (Farwaniyah – Jleeb Al Shuyokh - Khaitan – Alraqhi) witnessed a rise ranging between 2% to 4%.

Ahmadi Governorate also witnessed an increase in prices at percentage of 4,8 % in the average price per square meter during Q2-2012. The average price per square meter in the Governorate amounted to KD 985, compared to KD 940 per square meter in Q2 of 2012.

Investment Land Prices in Farwaniyah Governorate

Area	Building %	Space	Location	Street	Market value of the Land		Market Value per Square Meter Price		Average Market Value per Square Meter During Q2-2012
					From	To	From	To	
Farwaniyah	%250	1,000	Main	Al-Matar Sixth Ring Road	1,050,000	1,100,000	1,050	1,100	1075.0
	%250	1,000			1,000,000	1,050,000	1,000	1,050	1025.0
	%250	1,000	Internal		950,000	1,000,000	950	1,000	975.0
	%250	1,000			800,000	850,000	800	850	825.0
Area Overall Average					830,000.0	875,000.0	948.9	1,000.0	974.4
Khaitan	%250	750	Main	Airport	850,000	870,000	1,133	1,160	1146.7
	%250	750			800,000	850,000	1,067	1,133	1100.0
	%250	750	Internal		680,000	720,000	907	960	933.3
Area Overall Average					670,000	704,000	993	1,043	1,018
Jleeb Al-Shuyokh	%250	750	Main	Sixth Ring Road Police Station Street	800,000	830,000	1,067	1,107	1086.7
	%250	750			825,000	875,000	1,100	1,167	1133.3
Area Overall Average					672,143	712,143	987	1,047	1,017
Al-Raqee	%250	750	Main	Fourth Ring Road	800,000	850,000	1,067	1,133	1100.0
	%250	750			Fifth Ring Road	770,000	830,000	1,027	1,107
Area Overall Average					765,000	811,667	968	1,027	997

Investment Land Prices in Ahmadi Governorate

Area	Building %	Space	Location	Street	Market value of the Land		Market Value per Square Meter Price		Average Market Value per Square Meter During Q2-2012
					From	To	From	To	
Fintas	%250	500	Main	Fahaheel	400,000	450,000	800	900	850.0
	%250	750			570,000	600,000	760	800	780.0
	%250	1,000	Coastal Road	650,000	670,000	867	893	880.0	
Area Overall Average					748,000	794,000	954	1,015	985
Abu Halifa	%250	500	Main	Internal	400,000	450,000	800	900	850.0
	%250	750			570,000	600,000	760	800	780.0
Area Overall Average					767,500	825,000	969	1,046	1,008
Al-Manqaf	%250	500	Main	Internal	400,000	430,000	800	860	830.0
	%250	750			600,000	650,000	800	867	833.3
Area Overall Average					775,000	826,000	987	1,055	1,021
Al-Mahbulah	%250	500	Main	Internal	375,000	425,000	750	850	800.0
	%250	750			550,000	600,000	733	800	766.7
Area Overall Average					745,000	795,000	943	1,013	978
Fahaheel	%250	500	Main	Makka	425,000	450,000	850	900	875.0
	%250	750			440,000	500,000	880	1,000	940.0
	%250	1,000	Al-Badaweyah	625,000	670,000	833	893	863.3	
	%250	750		700,000	735,000	933	980	956.7	
Area Overall Average					645,000	690,833	902	968	935

At the same time, Jahraa Governorate witnessed an average percentage of increase in prices of 4.3% compared to Q1 of 2012. The average price per square meter in the Governorate amounted to KD 909 in Q2 of 2012, compared to KD 872 per square meter in Q1 of 2012.

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 Q2- 2012
					From	To	From	To	
Jahraa	%250	1.000	Internal	Al-Khuzami	770,000	850,000	770.0	850.0	810.00
	%250	1.000	Main		850,000	900,000	850.0	900.0	875.00
	%250	800			800,000	850,000	1,000.0	062.5,	1031.25
	%250	500	Internal		425,000	445,000	850.0	890.0	870.00
	%250	500	Main		460,000	500,000	920.0	1,000.0	960.00
Area Overall Average					661,000	709,000	878	941	909

Mubark Al Kabeer Governorate witnessed an average increase in price per square meter amounted to KD 843 in Q2-2012 with a percentage of 5% compared to KD 803 per square meter in Q1-2012.

Area	Building %	Space	Location	Market Value of the Land		Market Value per Square Meter price		Average Price per Square Meter During Q2-2012
				From	To	From	To	
Mubark Al Kabeer	%250	750	Internal	600,000	660,000	800	880	840.0
	%250	750	Main	685,000	800,000	913	1,067	990.0
	%250	1,000	Internal	700,000	800,000	700	800	750.0
	%250	1,000	Internal	800,000	850,000	800	850	825.0
	%250	1,000		950,000	1,000,000	950	1,000	975.0
Area Overall Average				677,500	743,333	804	883	843
Area Overall Average				600,000	660,000	800	880	840.0

The Annual Rate of Return on Real Estate Investment:

The demand on real estate investment is correlated with investment rate of return generated which ranged from 6.75% to 8.25%, as investment real estates are still characterized by competitiveness and stability compared to expected rates of return on deposit, or unstable returns generated from Kuwait Stock Exchange.

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 Q2-2012		
						From	To	Average
Capital	Benaid Al-Qar	%250	1.000	Internal	Arabian Gulf	%6.50	%7.00	%6.75
		%250	1.000		Istaqlal Street	%6.50	%7.00	%6.75
	Al-Muqawwaa Al-Sharqi	%240	250	Main		%6.50	%7.00	%6.75
		%400	500	Main		%6.50	%7.00	%6.75
	Dasman	%400	1.000	Internal	Abdullah Al-Ahmad	%6.50	%7.00	%6.75
Hawalli	Hawalli	%250	750	Internal	Muthanna	%7.00	%7.50	%7.25
		%250	750		Qutaiba	%6.70	%7.25	%7.25
		%250	1,000		Al Hassan Al Bassari	%7.00	%7.50	%7.25
	Salemiyah	%250	1,000	Internal	Arabian Gulf	%7.00	%7.50	%7.25
		%250	1,000		Baghdad	%7.00	%7.50	%7.25
		%250	1,000		Abdulkareem Al Khotabi	%7.00	%7.50	%7.25
		%250	1,000		Arabian Gulf Istiqlal	%7.00	%7.50	%7.25
Farwaniyah	Farwaniyah	%250	1,000	Main	Al-Matar	%7.00	%7.50	%7.25
		%250	1,000		Al-Matar	%7.50	%8.50	%8.00
	Khaitan	%250	750	Internal	Fourth Ring Road	%7.50	%8.50	%8.00
		%250	750		Fifth Ring Road	%7.50	%8.50	%8.00
Ahmadi	Ahmadi	%250	500	Internal	Fintas	%8.00	%8.50	%8.25
		%250	500		Abu Halifa	%8.00	%8.50	%8.25
		%250	750		Al-Manqaf	%8.00	%8.50	%8.25
		%250	500		Al-Mahbulah	%8.00	%8.50	%8.25
		%250	750		Fahaheel	%8.00	%8.50	%8.25
		%250	500		Internal		%8.00	%8.50
Al Jahra	Al Jahra	%250	500	Main		%8.00	%8.50	%8.25
		%250	1000		Internal	%8.00	%8.50	%8.25
		%250	1000		Main	%7.00	%8.50	%8.10
Mubarak Al Kabeer	Sabah Al Salam	%250	750	Internal		%8.00	%8.50	%8.25
		%250	750		Main	%8.00	%8.50	%8.25
		%250	1000		Internal	%8.00	%8.50	%8.25

Third: Prices of Commercial Real Estate:

Transaction prices of commercial real estate have been increased slightly in the Capital Governorate at percentage of 2.1% with an average price of KD 5,095 per square meter in Q2-2012 compared to an average of KD 5,083 in Q1-2012.

Commercial Land Prices in Capital Governorate

Area	Building %	Street	Space	Price		Price per Meter		Price per Meter During Q2- 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	2,750,000	2,875,000	5,500	5,750	5,625
	%620	Mubarak Al-Kabeer (Bursah)	500	2,750,000	3,000,000	5,500	6,000	5,750
Qiblah	%620	Fahed Al-Salem	500	2,825,000	3,000,000	5,650	6,000	5,825
Sharq	%520	Jaber Al-Mubarak	500	1,650,000	1,750,000	3,300	3,500	3,400

In Hawalli Governorate areas prices have increased with an average price of KD 2,907 per square meter in Q2-2012, with an average of 7.5%, compared to Q1-2012.

Commercial Land Prices in Hawalli Governorate

Area	Building %	Street	Space	Price		Price per Meter		Price per Meter During Q2-2012
				From	To	From	To	
Hawalli	%180	Tunis	1,000	3,200,000	3,500,000	3,200	3,500	3,350
	%180	Beirut	1,000	3,150,000	3,350,000	3,150	3,350	3,250
Salemiyah	%180	Al-Salem	800	2,400,000	3,000,000	3,000	3,750	3,375
	%180	Bahrain	500	1,125,000	1,250,000	2,250	2,500	2,375

At the same time, Farwaniyah Governorate witnessed a notable increase in the average prices with a percentage of 3.07% where The average price during Q2-2012 ranged between KD 3,650 per square meter to KD 1,200 per square meter.

Commercial Land Prices in Farwaniyah Governorate

Area	Building %	Street	Space	Price		Price per Meter		Price per Meter During Q2- 2012
				From	To	From	To	
Farwaniyah - Menawir Street	%180	Menawir	750	2,625,000	2,850,000	3,500	3,800	3,650
Farwaniyah - Matafi Street	%180	Matafi	800	2,280,000	2,360,000	2,850	2,950	2,900
Khaitan	%180		1,000	2,500,000	2,700,000	2,500	2,700	2,600
Khaitan (Business and Commercial) Jleeb	%300	Business and commercial Coop.	1,000	1,400,000	1,600,000	1,400	1,600	1,500
Shuyokh opposite Coop. Society Jleeb	%180	Society Street	1,000	1,000,000	1,200,000	1,000	1,200	1,100
Shuyokh (Back area)	%180	Internal	5,000	5,750,000	6,250,000	1,150	1,250	1,200
Ad-Dajij (5000 meters) on Sixth Ring Road	%210	Sixth Ring Road	5,000	4,250,000	4,750,000	850	950	900
Al-Dajij (5000 meters) Internal		Internal	5,000	1,500,000	2,500,000	300	500	400
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 of KD 1,720 per square meter in Q2-2012.

Commercial Land Prices in Jahraa Governorate

Area	Building %	Street	Space	Price		Price per Meter		Price per Meter During Q2- 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	393,750	450,000	1,750	2,000	1,875

Also, Ahmadi Governorate witnessed a slight rise in prices. The average increase in prices reached KD 2,467 per square meter in Q2-2012 compared to KD 2,444 per square meter in Q1 of 2012. 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 between 7.6% to 8.3% compared with Q1 of 2012.

Commercial Land Prices in Ahmadi Governorate

Area	Building %	Street	Space	Price		Price per Meter		Price per Meter During Q2-2012
				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	3,100,000	3,300,000	3,100	3,300	3,200
	%180	Internal	1000	2,850,000	3,000,000	2,850	3,000	2,925
	%180	Ad-Dabbus	750	2,250,000	2,437,500	3,000	3,250	3,125
Fahaheel	%180	Internal	750	1,762,500	1,875,000	2,350	2,500	2,425
	%180	Coastal Road	750	2,850,000	3,000,000	3,800	4,000	3,900

Annual rates of return on commercial real estate:

Commercial real estate's returns are still significantly lower than those generated from investment real estate returns due to lower occupancy rates associated with the offices sectors especially in the Capital Governorate, where the average rate of return ranged between 6.5% to 6.75%, and an annual return reached 7.25% in Hawalli Governorate, and 8.25% in Farwaniyah and Al Ahmad Governorates.

Annual rate of return on commercial real estate in some areas

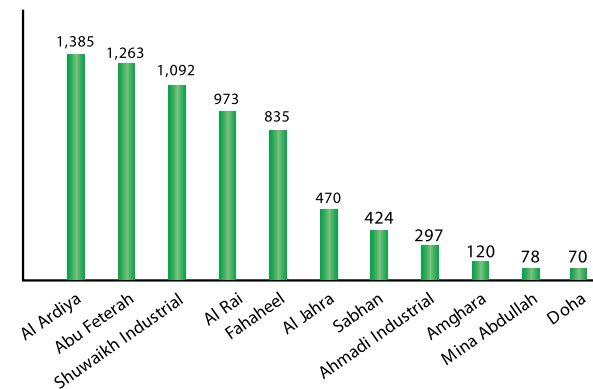
Governorate	Area	Building %	Street	Percentage of Sale Proceeds From The Real Estate Annual Income Q2-2012		Average Proceeds of Q2-2012
				From	To	
Capital	Qiblah	%300	Al-Mubarakiyah	% 6.50	% 7.00	% 6.50
	Sharq	%520	Ahmed Al-Jaber	% 6.50	% 7.00	% 6.75
	Sharq	%520	Khaled Ibn Al Waleed	% 6.50	% 7.00	% 6.75
	Qiblah	%520	Abdullah Al-Mubarak	% 6.50	% 7.00	% 6.75
	Al-Madinah	%620	Al-Sour	% 6.50	% 7.00	% 6.75
	Al-Madinah	%300	Al-Sour	% 6.50	% 7.00	% 6.75
	Al-Madinah	%620	Mubarak Al-Kabeer Al-Bulukat	% 7.00	% 7.50	% 7.25
Hawalli	Hawalli	%180	Tunis	% 7.00	% 7.50	% 7.25
	Hawalli	%180	Beirut	% 7.00	% 7.50	% 7.25
	Salemiyah	%180	Salem Al-Mubarak	% 7.00	% 7.50	% 7.25
	Salemiyah	%180	Bahrain	% 7.25	% 7.50	% 7.38
Farwaniyah	Farwaniyah Menawir Street	%180	Menawir	% 7.50	% 7.70	% 7.60
	Farwaniyah - Matafi Street	%180	Matafi	% 7.50	% 7.70	% 7.60
	Khaitan (Business and Commercial)	%300	Business and Commercial	% 7.70	% 8.00	% 7.85
	Al-Aridiyah - Warehouses	Ground Floor 80% - Mezzanine 50%	Internal	% 8.00	% 8.50	% 8.25
	Al-Aridiyah - Warehouses	Ground Floor 80% - Mezzanine 50%	Internal	% 7.50	% 8.25	% 7.88
Jahraa	Jahraa	%180	Marzuk Al-Mutaab	% 7.50	% 8.25	% 7.88
	Jahraa Center - Business and Commercial	%300	Business and Commercial	% 7.50	% 7.75	% 7.63
	Jahraa - Al-Qaysareyat	%300	Commercial Plot 20	% 7.50	% 7.75	% 7.63
Ahmadi	Al-Manqaf	%300	Azizia	% 8.00	% 8.25	% 8.13
	Fintas (Business and Commercial)	%180	Main	% 8.00	% 8.50	% 8.25
	Fahaheel	%280	Dabus	% 7.25	% 7.50	% 7.38

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

Industrial plots in the Capital Governorate witnessed an increase in average of prices reached %3.1 in most industrial plots. Price per meter reached KD 1.092 in Q2-2012 compared to KD 1,059 per square meter in Q1 of 2012.

Average market value per square meter for industrial and handicraft real estate in Kuwait areas during Q2 of 2012

Figures are in KD



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 Q2- 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
		%170	1,000		Scheherazade Street	1,080,000	1,200,000	1,140
		%170	1,000		Al-Zinah Street	1,150,000	1,300,000	1,225
		%170	500		Al-Zinah Street	650,000	750,000	1,400
		%170	500		Electricity Street	600,000	650,000	1,250
		%170	1,000		Pepsi Street	4,000,000	4,500,000	850
		%170	1,000		Fourth Ring Road	1,450,000	1,550,000	1,500
		%170	22,500		Internal	10,100,000	1,700,000	484
		%170	1,000		Muhammad Al-Qasim	900,000	1,200,000	1,050
		%170	1,000		Al-Ghazali Street	950,000	1,200,000	1,075
Area Overall Average						2,073,636	2,381,818	1,092

Farwaniyah Governorate witnessed an increase in the average percentage of prices which amounted to 7.5 % 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 increased to %11.7 while the prices slightly increased at Al-Rai area reaching about 2% in an average where the average percentage increase in the Governorate reached KD 1,179 per square meter compared to KD 1,097 per square meter in Q1 of 2012.

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 Q2- 2012
						From	To	
Al-Rai	Trade shows + industrial	%170	1,000		Safat Al-Ghanim (till Al-Nasr Sports)	900,000	1,200,000	1,065
		%170	1,000		Al-Ghazali Street	950,000	1,100,000	1,025
		%170	2,000		Muhammad Al-Qasim	1,900,000	2,000,000	975
Area Overall Average						1,691,667	1,916,667	973
Al-Aridiyah Professional Zone	Professional	%130	250	Internal	Opposite Al-Aridiyah Warehouses	350,000	400,000	1,500
						360,000	410,000	1,540
						Area Overall Average		327,500

Likewise, Ahmadi Governorate witnessed an increase in prices amounted for 1%, 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 Q2-2012
						From	To	
Mina Abdullah Western Shuaibah Mina Abdullah	Industrial		100,000		Behind gasoline station	4,100,000	4,600,000	43.5
			10,000		Variety	900,000	1,150,000	100.0
			10,000	Internal	Inside the port	900,000	1,100,000	100
Area Overall Average						2,101,429	2,432,857	78
Fahaheel	Trade shows + industrial	%170	1.000		Sultan Center Street	1,200,000	1,400,000	1,300
			1.000		Opposite the refineries	700,000	750,000	725
			1.000		Internal streets	380,000	580,000	480
Area Overall Average						760,000	910,000	835
Industrial Sharq Ahmadi	Trade shows + industrial	%170	7,500		Mustafa Karam	2,800,000	3,300,000	406.67
			5,000	Main		1,250,000	1,500,000	275
Area Overall Average						1,325,000	1,600,000	297

Prices of Industrial Plots in Jahraa Governorate

Area	Allocation	Space	Location	Market Value of the Land		Average Market Value per Square Meter During Q2- 2012
				From	To	
Amgharah	Top Contractors	10,000	Internal	1,050,000	1,100,000	108
		10,000	Main	1,300,000	1,500,000	140
Area Overall Average				535,000	582,222	120
Jahraa	Professional	500	Internal	115,000	145,000	260
		500	Main	160,000	210,000	370
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

Area	Allocation	Space	Location	Street	Market Value of the Land		Average Market Value per Square Meter During Q2- 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		450,000	500,000	475.0
		5,000		Pepsi Pepsi	580,000	620,000	600.0
Area Overall Average					2,100,000	2,300,000	440.0
Area Overall Average					1,078,333	1,235,000	424

Fifth: Prices of Farms and Stables:

The prices per square meter in Kabed and Al-Wafra Areas were constant, likewise, prices per square meter in horsemanship stables at Ahmadi area and Jahra increased in 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 Q2- 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 Q1 of 2012.

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 Q2-2012
			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 150 to KD 230 for one bedroom, lounge and bathroom; KD 180 to KD 300 for two bedrooms and a lounge; KD 200 to KD 380 for two bedrooms, a lounge, two bathrooms and a maid's room; and KD 260 to KD 520 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 8-35 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 – 8.5 per square meter in different areas in Kuwait but it reaches KD 7,5 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 values for Investment Real Estate in the Governorates of Kuwait, «Q2-2012» (KD)

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	170-190	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)	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	220-240	250-270	330-350	360-400	480-550
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
Farwaniyah 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)
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 values for Commercial Real Estate in Kuwait Governorates, «Q2-2012» (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	
Dajji (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 values for Industrial Plots in Governorates of Kuwait, «Q2-2012» (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	

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 Q2-2012	
					From	To	From	To		
Capital	Benaid Al-Qar	Investment	Arabian Gulf	95	115,000	135,000	1,211	1,421	1,316	
	Benaid Al-Qar	Investment	Main	72	65,000	70,000	903	972	938	
	Benaid Al-Qar	Investment	Internal	72	50,000	55,000	694	764	729	
	Overall Average of Benaid 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
	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 Salmiyah				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	
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	
Mubarak Al-Kabeer	Al-Masailah	Investment	Main	72	45,000	50,000	608	676	642	
Mubarak Al-Kabeer	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	
Farwaniyah	Farwaniyah	Investment	Main	72	38,000	42,000	528	583	556	
Farwaniyah	Farwaniyah	Investment	Internal	72	34,000	38,000	472	528	500	
Overall Average of Farwaniyah				72	36,000	40,000	500	556	528	

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 Q2-2012	
					From	To	From	To		
Ahmadi	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
	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

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 approve 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:

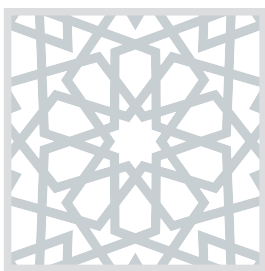
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

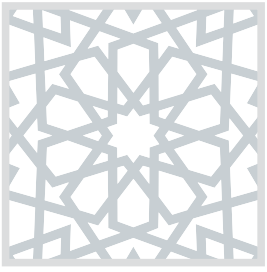
Private Chalets:

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.

