



KFH Local Real Estate Report

Fourth Quarter 2012 - Kuwait

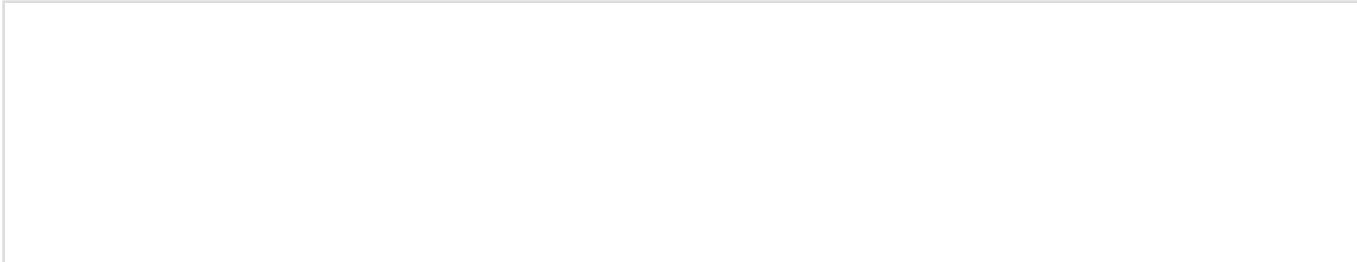
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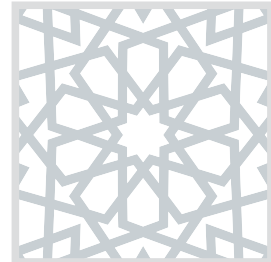
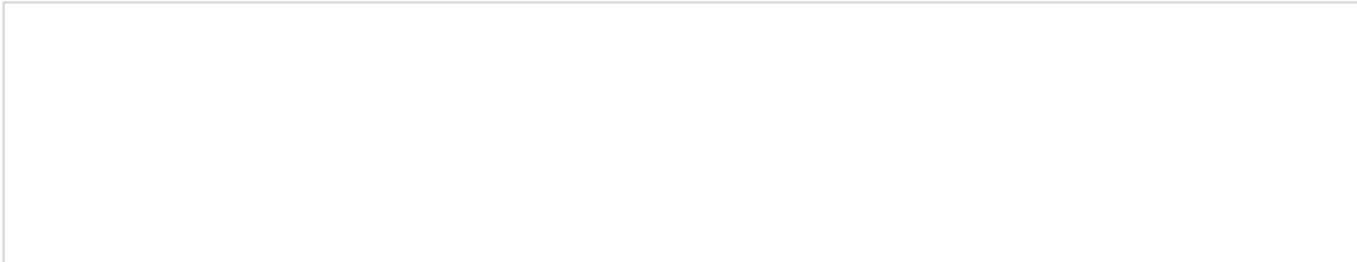
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بيت التمويل الكويتي
Kuwait Finance House





KFH Local Real Estate Report
Fourth 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 Q4 of 2013. 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.

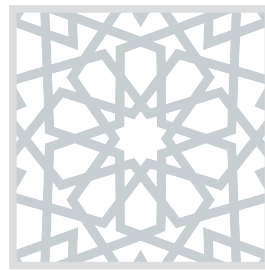
The report is part of KFH social and economic responsibility, which aims to publish the most important developments in the market to improve business environment and provide useful information on real estate market.

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



Mohammad Sulaiman Al-Omar

CEO
Kuwait Finance House



Introduction

Real Estate Market Transactions increased remarkably by 15.6% compared to 2011, where the value of real estate transactions achieved what was recorded during the past four years collectively to reach about KD 3.355 billion in 2012 compared to KD2.901 in 2011. This represents the second-highest value after the exceptional year of 2007, which is considered as an exceptional year during the last 10 years.

The previous indicates an increase in domestic demand on residential and investment real estate, accompanied by an increase in average prices, and the high funding rates provided for the real estate sector, both public and private through Savings and Credit Bank, or through local banks sector.

Despite the continued drop in the occupancy rates of commercial buildings and towers in the Capital Area, commercial real estate witnessed a positive trend during the year, and also improved in commercial buildings at Al-Farwaniya and Al Fahaheel. The high demand for residential and investment real estate was due to higher average incomes, increased growth rates, and surplus in demand caused by the continuing high rates of residential housing waiting lists to exceed 100 thousand requests at the end of 2012.

Furthermore, global interest rates dropped to reach zero levels, in light of an increase in international risks threatening the global economy; especially the U.S economy, which still faces the "Financial Cliff". After reaching an agreement with the U.S. Congress at the end of the year, a decision was taken to avoid excessive austerity on the short level, and raise the debt ceiling and fiscal consolidation.

Moreover, the specter of recession risks which impacted most European countries, directed investors strongly towards real estate. This approach has a better return on investment compared to the Kuwait Stock Exchange locally, regionally or bank deposits market.

The financial crisis has overshadowed the Kuwaiti economy, especially affecting the performance of non-oil economic sectors. Kuwait Stock Exchange movement showed a significant fluctuation and a drop in market value, despite economic stability measures, surplus in the state budget, and the slowing down in the implementation of the development plan.

In order to stimulate growth in non-oil sectors, reduce costs of funding, support the financial sector and ensure competitive Kuwaiti Dinar, the Central Bank of Kuwait reduced last October the discount rate by 50 basis points from 2.5% to 2%. This is considered the first reduction that CBK takes since February 2010, with slower inflation rates to reach 2.8% on an annual basis in August 2012, with the call of Central Bank Governor to reduce current spending. Reducing the discount rate is expected to trigger growth in lending at local banks and promote real estate funding growth. The domestic credit grew by 5.2% on an annual basis to reach KD 26,919 billion in November last year, compared to a growth rate of 2% over the past year, in personal loans and installments.

Real Estate investments are still flowing towards the real estate investment sector, achieving return ranges from 6.25% to 8.25%. This led to a shortage of supply. In light of increasing wage rates by 25% in 2012, growth rates are expected to record 5.6% during the same year as the average price of Kuwaiti

crude export will increase from \$106 to \$109 per barrel in 2011. The Kuwaiti oil revenues represent 50% of the GDP, and about 80% of the total revenue, which is more than 90% of total exports.

Trading residential real estate witnessed a growth of 17% to reach KD 1.853 billion in 2012, compared to KD 1.65 billion in 2011. On the other hand, investment real estate witnessed a remarkable demand, where investment real estate transactions recorded KD 1.189 billion in 2012 compared to KD 1.069 billion in 2011.

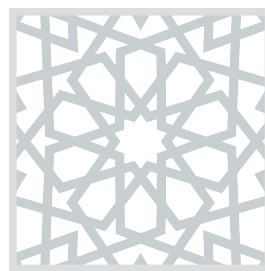
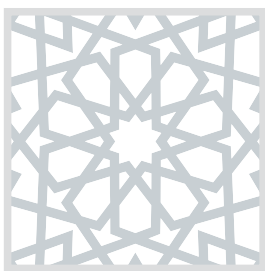
The facilities approved by the Bank of Credit and Savings to provide subsidized loans for married Kuwaitis, who are married to non-Kuwaitis or divorced, had an impact on the demand for real estate investment, as a result of the emergence of a new segment of new buyers who want freehold apartments.

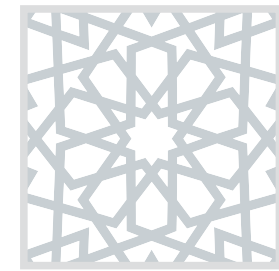
However, it is noticeable that trading investment real estate witnessed a remarkable decline during the second half of the last year by 32%. This appeared evidently in the third and fourth quarters of the year, which recorded a decline of 28% compared to the Q2 and 36% in the previous quarter. Despite low rates of return on investment real estate and shortage of supply, real estate directed investment remains one of the most important channels and the most competitive, where it still enjoys a higher profit margin compared to other investment alternatives. As a result, most real estate owners are still holding them as a safe haven, generating profits, and maintain the value of their wealth.

The last quarter of 2012 witnessed a remarkable activity in trading commercial real estate, three times more than what was performed in Q3 of the same year. This indicates an activity in the commercial real estate market and seizing the low prices opportunities, accompanied with a drop in commercial real estate occupancy rates, especially in the Capital Area. Al- Farwaniya and Al -Fahaheel witnessed a remarkable growth in trading in light of high occupancy rates.

Total real estate trading value in Q4, 2012 witnessed a huge increase that reached 54%, where the real estate trading value reached KD 914 million in Q4, compared to KD 592 million in Q3. This led to an increase in the volume of residential real estate trading by KD 170.7 million representing an increase of 49% compared to Q3. In addition to the rise in the investment real estate trading value, where it achieved an increase that amounted to KD8,72 million representing 36%, the increase in the commercial real estate trading volume amounted for KD 20,591 million, representing 50.1%. This increase is attributed to the increase in the number of sold units, which in turn led to high total value of real estate transactions. The coastline real estate trades recorded a big increase of KD 7.2 million, while craftsmanship and storage real estate trading reached KD 500 thousand, representing its lowest value compared during the year.

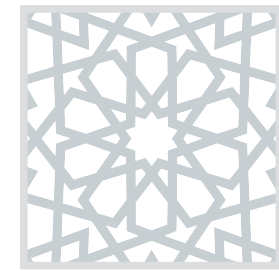
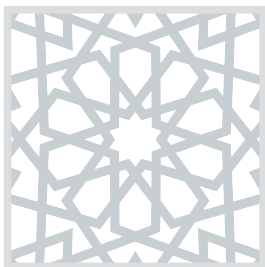
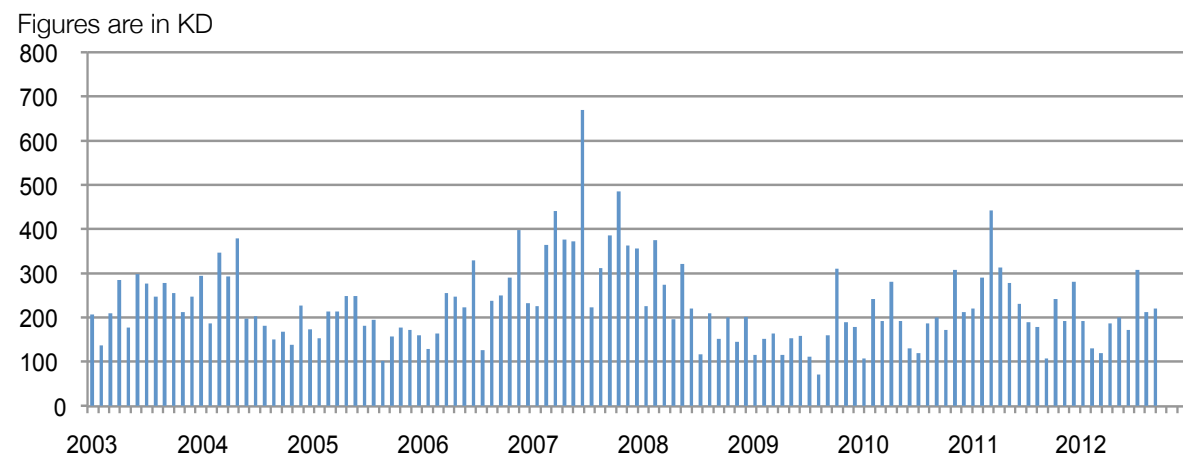
As for prices, residential real estate indices rose during Q4 of 2012 with an average of 5% in Kuwaiti governorates, while investment housing prices indices recorded a remarkable increase of 7% in Kuwaiti governorate.





Commercial real estate's price indices rose in the Capital, Hawali and Al Jahraa compared to Q3, where the average price per meter in the Capital governorate recorded KD 5,133 representing a slight rise of 1%. Average price per meter in Hawali reached KD 3,193 with an increase of 2% compared to the average price per meter in the Q3. In Al Jahra Governorate the average price per meter reached KD 1,775, representing a slight rise of 1.5%, while prices rose in Al Farwaniya to reach KD 1,840 as an average price per meter, representing an increase of 5.2% compared to Q3 2012. Average price per meter in Al Ahmadi recorded KD 2,636, representing a rise of 2% compared to Q3 2012.

The Development of Total monthly Transactions for Investme Real Estate Trends from 2003 to 2012



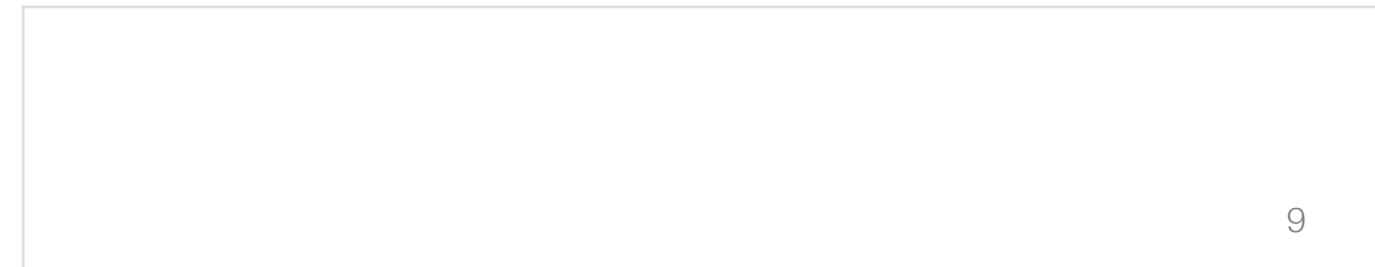
The Development of Total monthly Transactions for Investme Real Estate Trends from 2003 to 2012

	2008	2009	2010	2011	2012
January	356,582	200,983	178,367	211,462	353,539
February	225,890	115,456	106,961	219,963	269,976
March	374,794	151,152	241,021	289,555	281,317
April	274,054	163,204	191,913	442,010	429,191
May	195,950	114,657	280,017	312,785	237,957
June	320,408	152,825	191,437	278,029	277,160
July	220,302	157,887	130,357	211,422	260,772
August	116,656	111,534	137,853	124,184	128,618
September	208,809	70,047	178,820	203,130	202,451
October	150,908	158,812	199,476	295,405	233,040
November	200,237	310,779	171,016	144,608	286,226
December	145,286	189,341	307,854	168,621	395,085
Total	2,789,876	1,896,677	2,315,092	2,895,593	3,355,332

Source: Department of Real Estate Registration and Authentication

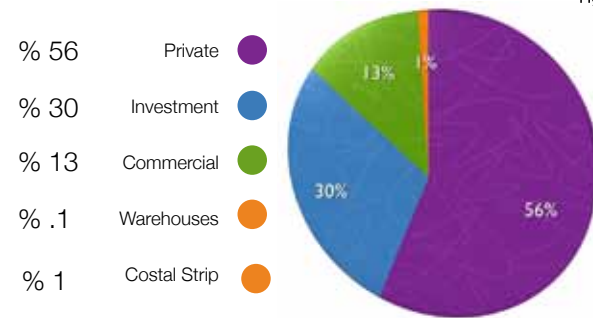
Market Trends

Real estate sector and sectors related to real estate acquire a good share of more than 10% of GDP. Over the past decades, economic boom led to an increase in income levels, resulting in improved demand for housing units such as villas. This increasing demand exceeded supply because of the government's inability to meet the demand for housing and the rapid increase in population. 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 the Kuwaiti economy with new investments. 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 Real Estate Transactions for every sector during Q4-2012



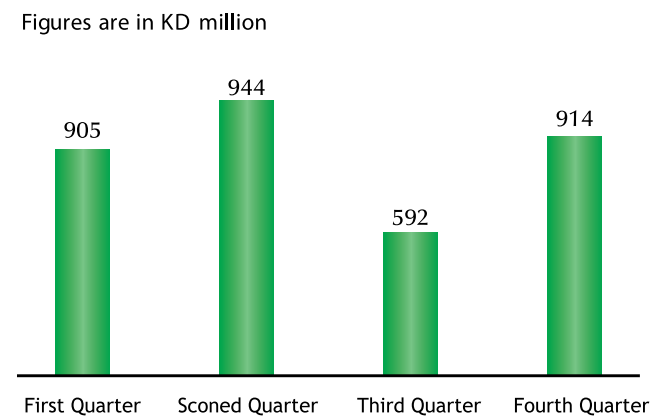
Development of Total Real Estate transactions for Q4 2012



Source: Department of Real Estate Registration and Authentication

At the level of the total real estate market, transactions indicators of the Ministry Justice, Department of Real Estate Registration and Authentication recorded in Q4 2012 an increase amounted for KD 322.510 million to witness an increase amounted for 54%, compared to KD 591, 841 in Q3.

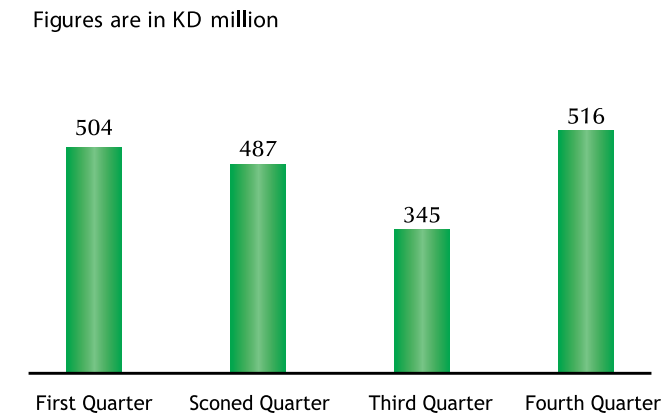
Value Real Estate Transactions for sector during Q4-2012



Private Housing Trends

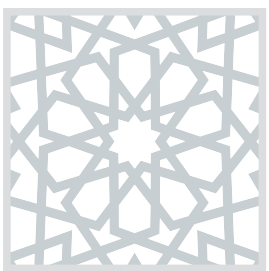
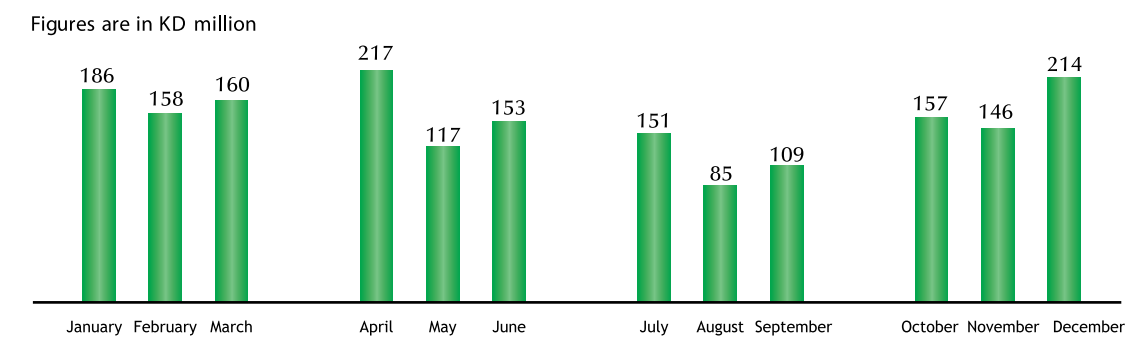
The relative weight of real estate deals of private housing has decreased slightly, despite its great activity compared to Q3 of 2012, reaching 56% of the total real estate transactions valued at KD 914,351 million compared to a share of 58%, in Q3 2012. Private housing deals were valued at KD 516,221 million in Q4 of 2012, compared to KD 345,497 million, representing an increase of KD 170,7 million at an increase of 49%, where the number of private housing deals increased to reach 2,280 deals during Q4 2012, compared to 1,464 deals in Q3 2012. The average value per transaction during Q4 2012 reached KD226 thousand compared to KD 236 thousand during Q3 2012.

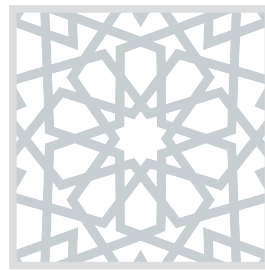
Development of Total transactions for private housing in 2012



December 2012 witnessed the highest trading rate at 42% for KD 213,840 million of the total transactions valued at KD 516,221 million during Q4 2012. October ranked second at KD 156,819 million, at 30% of total transactions. November came last at KD 145,863 million 28 % of total transactions for private housing during Q4 2012.

Development of total transactions for residential real estate in 2012

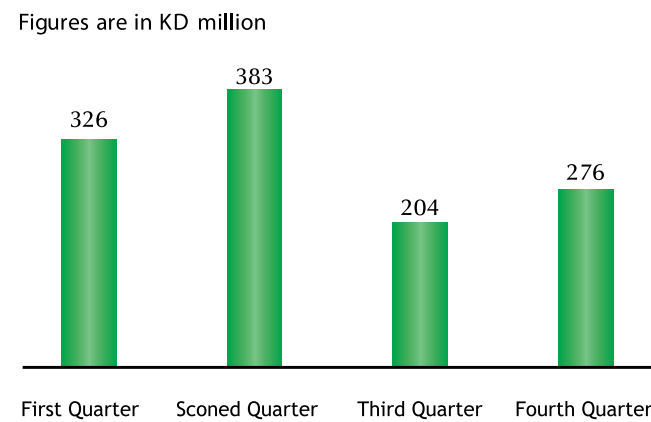




Investment Real Estate Trends

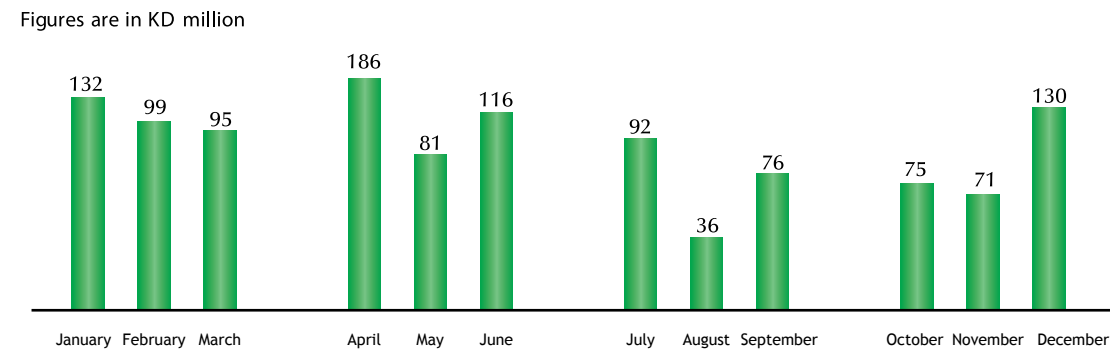
Total real estate investment transactions increased significantly in Q4 of 2012 compared to Q3 reaching KD 276,353 million representing 30% of the total transactions, compared to KD 203,516 million representing 34% of total real estate value in Q3.

Development of total transactions for investment real estate in 2012



December came first in terms of investment transactions volume in Q4 2012, recording KD 130,353 million, while October comes second, recording transactions value of KD 74,955 million. November comes third in terms of transactions value recording KD 70,045.

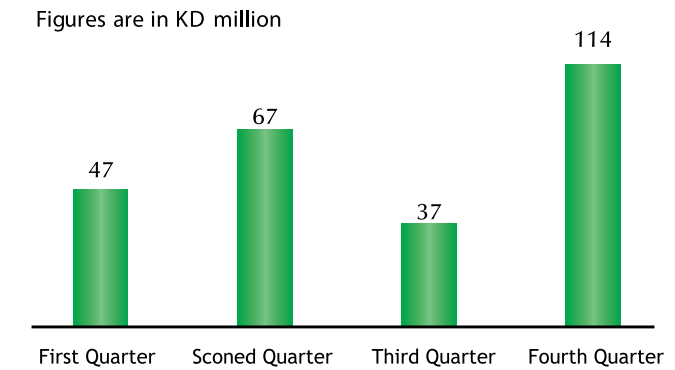
Development of Monthly total transactions for investment real estate in 2012



Commercial Real Estate Trends

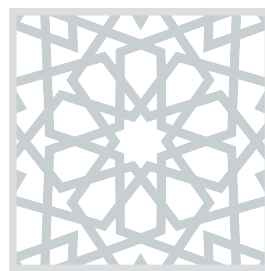
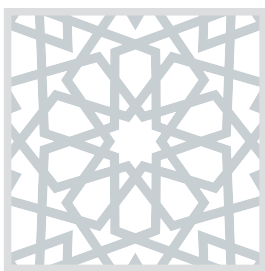
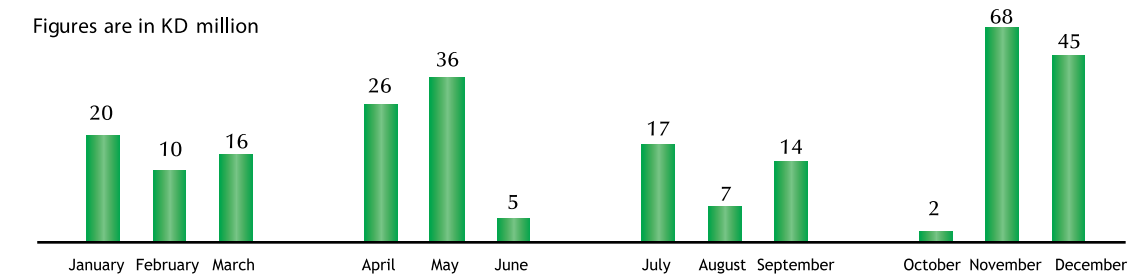
Due to the presence of opportunities to acquire buildings and commercial real estate with good qualities and improving revenues as a result of lower interest rates in the market, total commercial real estate transactions increased significantly during the Q4 2012. New commercial real estate and offered for rental witnessed a rise in demand, especially in the Capital area at Al Qiblah, Downtown, Sharq, Hawali, and Salmiya. The transactions value recorded is three times higher than what was recorded during Q3 2012, reaching about KD 114,007 million, compared to KD 37,043 million in Q3 2012. This led to a rise that amounted to 12% in total transactions at the expense of private housing transactions, which reached 56% and investment deals amounted to 30%.

Development of total transactions for commercial real estate in 2012



November ranked first as the volume of transactions reached KD 67,918 million. December ranked second where transactions volume reached KD 44,593 million, and October came third with a transactions volume of KD 1,566 million. The average deal during Q4 reached KD 3,680 million compared to KD 2,646 million in Q3 of 2012.

Development of total monthly transactions for commercial real estate in 2012

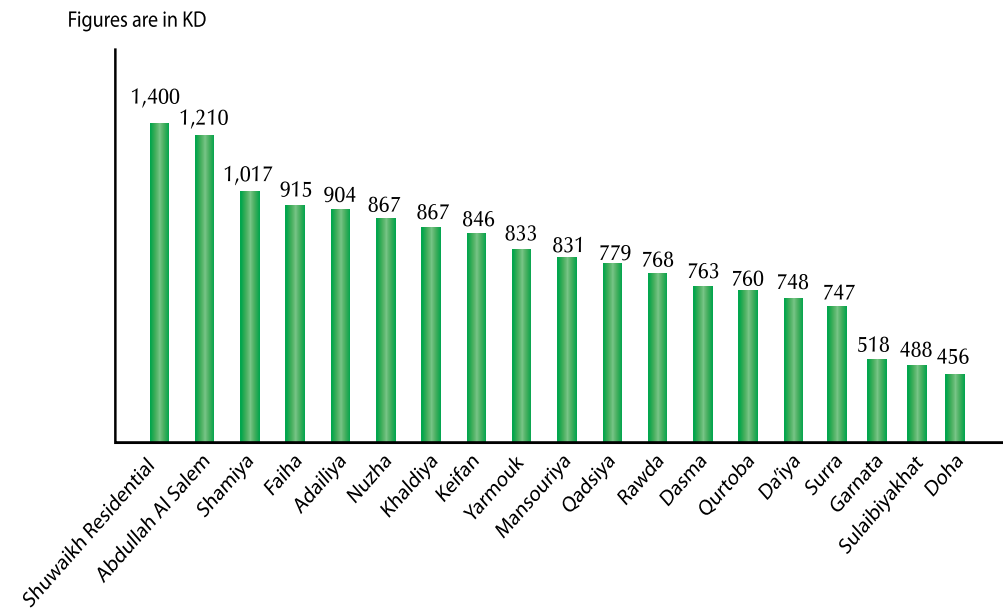


Price Indices:

First: Prices of Private Housing Land:

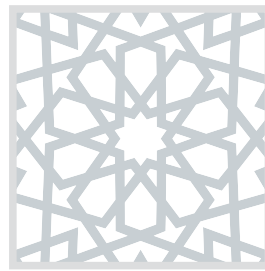
The State aims to build more than 70 thousand housing units by 2015, after receiving 96,000 applications, forming an accumulative increase of 7917 applications per year. This requires more tenders to provide this number of housing units; so as not to let the scarcity of supply increase prices. It would magnify the crisis through the State efforts to build 22 thousand housing units through the establishment of 4 new cities. Price indices in the market, monitored by KFH in Q4 2012, rose in respect of residential land prices in the capital governorate. The average price per square meter in the capital governorate during the third quarter reached KD 834 compared to KD 711 in Q3, where areas such as Nozha, Qortoba, Gernata, and Doha reached the highest rise to reach 12%, 11%, 10%, 9.5% Respectively.

Average price per square meter of private housing real estate in the Capital Governorate Q4 2012



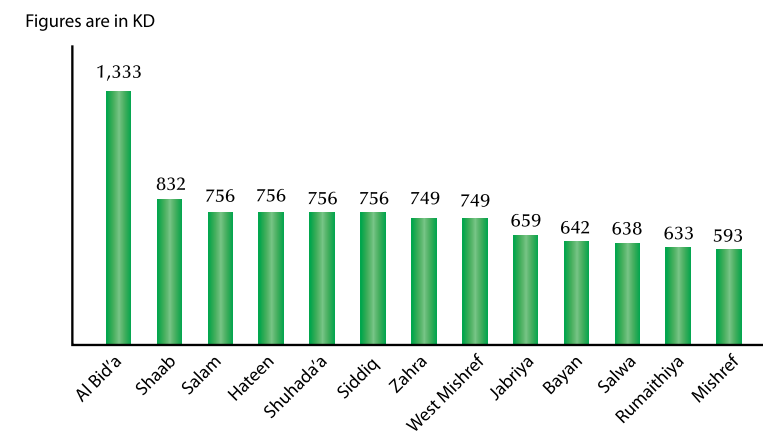
Residential land price in the Capital Governorate

Area	Space	Building %	Location	Value		Price per Meter		Average Market Value per Square Meter During Q4 of 2012
				From	To	From	To	
Shuwaikh Residential	500	210 %	Internal	525,000	650,000	1,050	1,300	1175.0
	1.000	210 %	Internal	1,000,000	1,200,000	1,000	1,200	1100.0
	1.000	210 %	Main	1,300,000	1,750,000	1,300	1,750	1525.0
Area Overall Average				1,106,250	1,400,000	1,238	1,563	1,400
Abdullah Al-Salem Suburb	470,000	600,000	940	1,200	1070.0	910	1,160	1035.0
	700,000	850,000	933	1,133	1033.3	907	1,100	1003.3
	900,000	1,150,000	900	1,150	1025.0	850	1,100	975.0
Area Overall Average				945,000	1,108,333	1,109	1,311	1,210
Shamiya	250	%320	Internal	250,000	280,000	1,000	1,120	1060.0
	500	210 %	Internal	420,000	525,000	840	1,050	945.0
	750	210 %	Internal	650,000	750,000	867	1,000	933.3
Area Overall Average				621,429	754,286	921	1,112	1,017
Al-Nuzha	500	210 %	Internal	420,000	500,000	840	1,000	920.0
	500	210 %	Main	500,000	575,000	1,000	1,150	1075.0
	750	210 %	Internal	600,000	700,000	800	933	866.7
	750	210 %	Main	720,000	900,000	960	1,200	1080.0
Area Overall Average				573,000	647,000	829	628,000	755,000
Khalidiya	750	210 %	Internal	550,000	650,000	733	867	800.0
	750	210 %	Main	600,000	700,000	800	933	866.7
	1.000	210 %	Internal	800,000	950,000	800	950	875.0
	1.000	210 %	Main	850,000	1,000,000	850	1,000	925.0
Area Overall Average				663,750	748,750	758	700,000	825,000
Adailiya	500	210 %	Internal	400,000	480,000	800	960	880.0
	500	210 %	Main	450,000	550,000	900	1,100	1000.0
	750	210 %	Internal	550,000	675,000	733	900	816.7
	750	210 %	Main	650,000	750,000	867	1,000	933.3
Area Overall Average				681,875	781,875	838	970	904



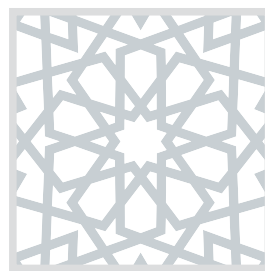
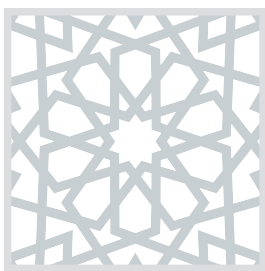
Hawalli Governorate witnessed an increase in (Al-Shab - Jabriyah - Rumaiithiya - Salwa - Bayan – Meshrif - West Meshrif – Al-Salam - Hattin – Al-Shuhada – Al-Zahra – Al-Sadiq – Al-Bada) at a range between 3% and 9% according to the latest surveys carried out by KFH in the governorate.

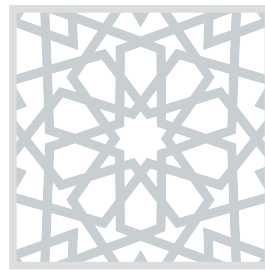
Average price per square meter of private housing real estate in the Hawally Governorate Q4 2012



Residential Land Prices in Hawali

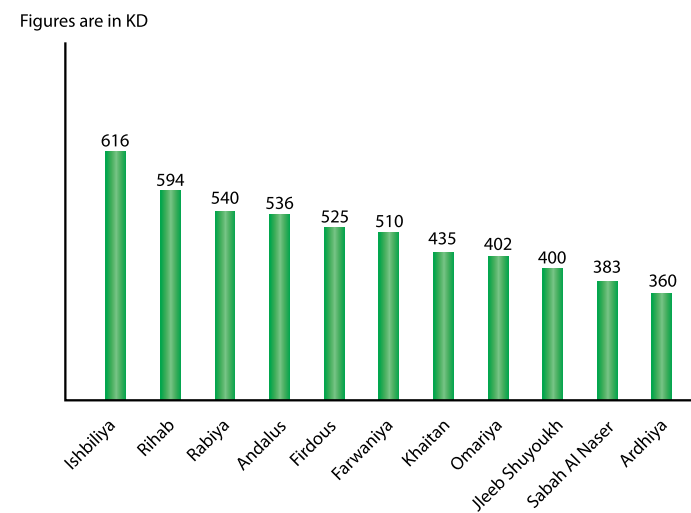
Area	Building %	Space	Location	Value		price per meter		Average market value per square meter during Q4 2012
				From	To	From	To	
Al-Shab	210 %	400	Internal	340,000	370,000	850	925	887.5
	210 %	400	Main	380,000	400,000	950	1,000	975.0
	210 %	500	internal	370,000	400,000	740	800	770.0
Area Overall Average				428,333	465,000	799	864	832
Jabriyah	210 %	400	Internal	260,000	300,000	650	750	700.0
	210 %	400	Main	300,000	340,000	750	850	800.0
Area Overall Average				392,500	445,000	618	701	659
Rumaiithiya	210 %	400	Internal	240,000	280,000	600	700	650.0
	210 %	400	Main	280,000	320,000	700	800	750.0
	210 %	500	Internal	280,000	300,000	560	600	580.0
Area Overall Average				395,000	438,750	597	669	633
Salwa	210 %	500	Internal	250,000	280,000	500	560	530.0
	210 %	500	Main	280,000	320,000	560	640	600.0
Area Overall Average				489,286	544,286	603	673	638





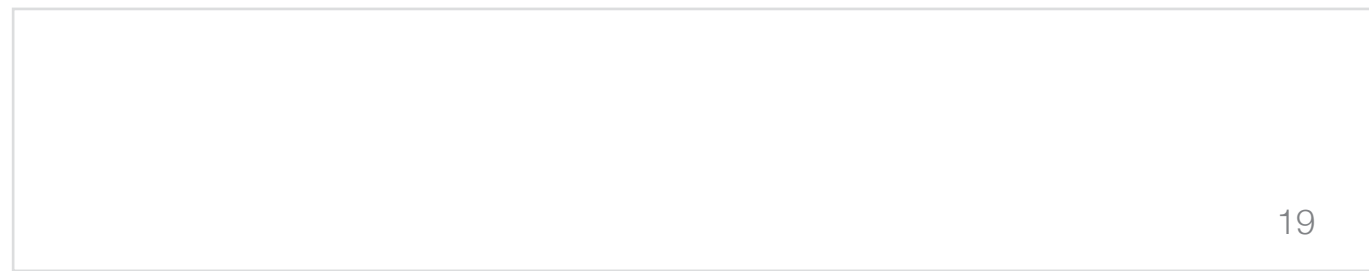
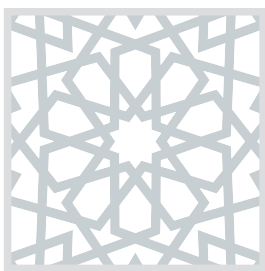
Farwaniyah Governorate witnessed an average price of KD 396 per square meter in Q4 2012. The areas of (Andalus – Al-Rabia - Ishbiliya - Farwaniyah – Al-Ardia - Sabah Al-Nasser – Al-Ferdaws – Al-Omariyah – Al-Rehab) witnessed a rise in prices up to 4.5%

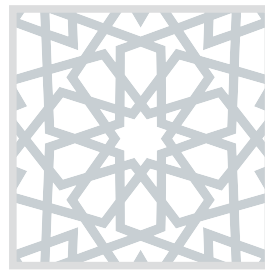
Average Price per Square Meter of Private Housing Real Estate in Farwaniya Governorate – Q4- 2012



Residential Land Prices in Farwaniya

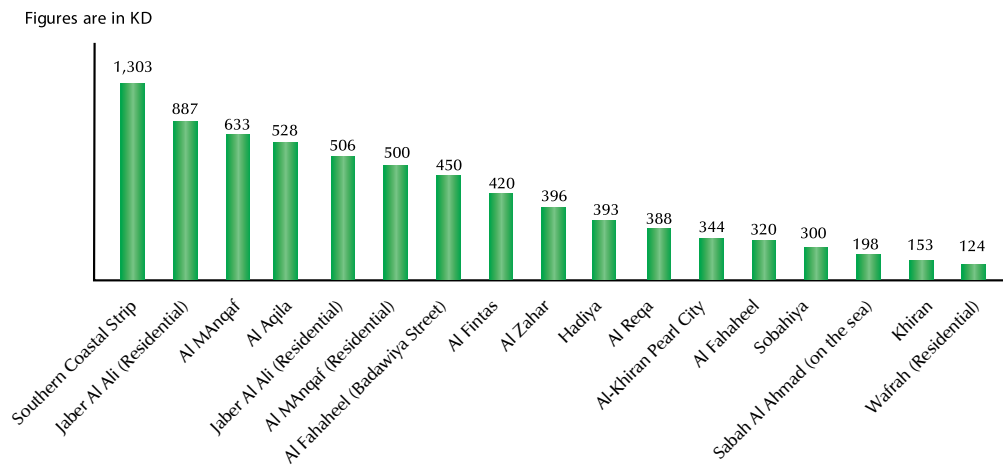
Area	Building %	Space	Location	Value		price per meter		Average market value per square meter during Q4 2012
				From	To	From	To	
Al-Andalus	210 %	500	Internal	230,000	270,000	460	540	500.0
	210 %	500	Main	270,000	310,000	540	620	580.0
Area Overall Average				328,000	368,000	504	568	536
Rabyah (existing house)	210 %	500	Internal	230,000	260,000	460	520	490.0
	210 %	500	Main	280,000	310,000	560	620	590.0
Area Overall Average				255,000	285,000	510.0	570.0	540.0
Ishbiliya	210 %	400	Internal	200,000	225,000	533	600	566.7
	210 %	400	Main	225,000	250,000	600	667	633.3
Area Overall Average				246,667	275,000	582	649	616
Farwaniyah	210 %	500	Internal	230,000	260,000	460	520	490.0
	210 %	500	Main	250,000	280,000	500	560	530.0
Area Overall Average				240,000	270,000	480.0	540.0	510.0
Khaitan (behind the club)	210 %	400	Internal	170,000	210,000	425	525	475.0
Khaitan	210 %	1000		400,000	420,000	400	420	410.0
Area Overall Average				292,500	327,500	406.3	462.9	434.6
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	240,000	260,000	320	347	333.3
	210 %	750	Main	270,000	310,000	360	413	386.7
Area Overall Average				255,000	285,000	340.0	380.0	360.0





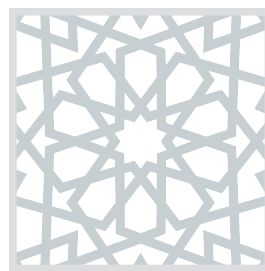
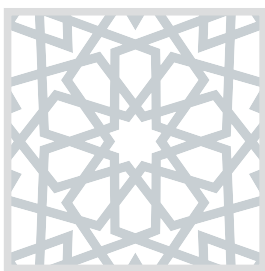
Prices have witnessed a rise in Ahmadi Governorate. The average price per square meter reached KD 441 in Q4 compared to KD 423 in Q3 of 2012. Prices rose in the areas of the governorate from 2% to 10%.

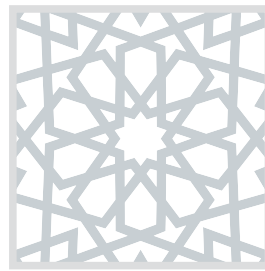
Average Price per Square Meter of Private Housing Real Estate in Ahmadi Governorate Q4- 2012



Residential Land Prices in Ahmadi

Area	Building %	Space	Location	Value		price per meter		Average market value per square meter during Q4 2012
				From	To	From	To	
Al Fintas agricultural area	% 210	1000	Internal	360,000	390,000	360	390	375.0
	% 210	1000	Main	450,000	480,000	450	480	465.0
Hadiya	% 210	750	Internal	230,000	280,000	307	373	340.0
	% 210	750	Main	310,000	360,000	413	480	446.7
Al-Aqeelah	% 210	400	Internal	190,000	210,000	475	525	500.0
	% 210	400	Main	220,000	240,000	550	600	575.0
	% 210	500	Internal	230,000	265,000	460	530	495.0
Southern coastal strip	% 210	500	Main	250,000	290,000	500	580	540.0
	% 210	750		940,000	1,015,000	1,253	1,353	1303.3
Southern coastal strip on the highway	% 210	750		650,000	680,000	867	907	886.7
Southern coastal strip Internal roads	% 210	750	Internal	450,000	500,000	600	667	633.3
Al-Khairan Residential City	% 210	400		50,000	72,000	125	180	152.5
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	265,000	200	221	210.4
Al-Khairan Pearl City A3 (on the sea)	% 210	640	Sea	200,000	240,000	313	375	343.8

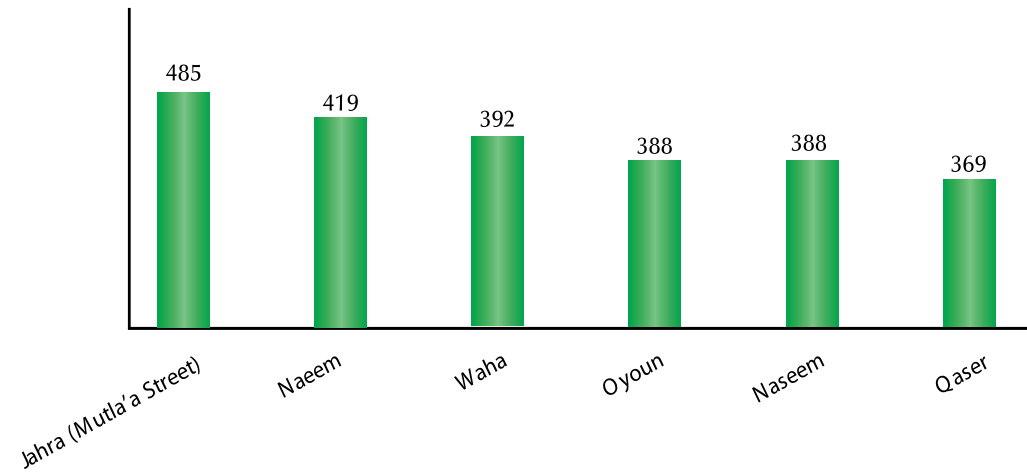




Prices were stable in Al Jahra Governorate in the areas of (Jahraa – Al-Oyoun - Al-Naeem – Al- Waha). The average price per square meter reached KD 360 during Q4 2012.

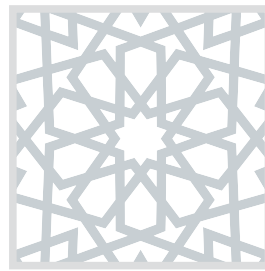
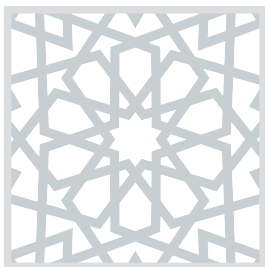
Average Price per Square Meter of Private Housing Real Estate in Jahraa – Q42012

Figures are in KD



Residential Land Prices in Jahraa Governorate

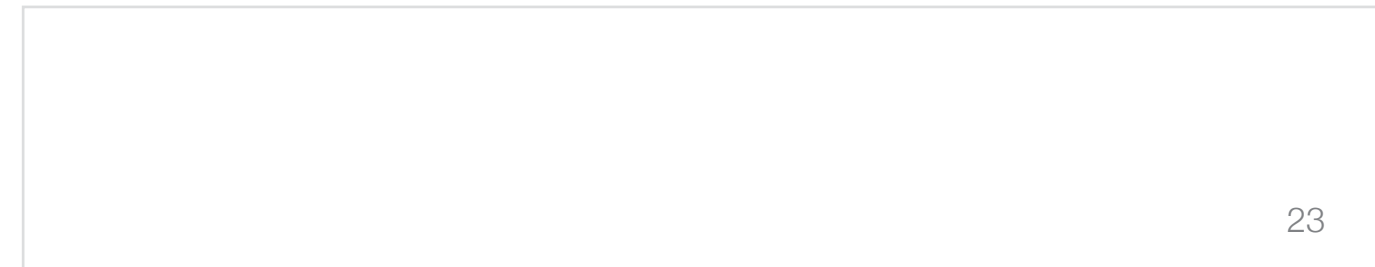
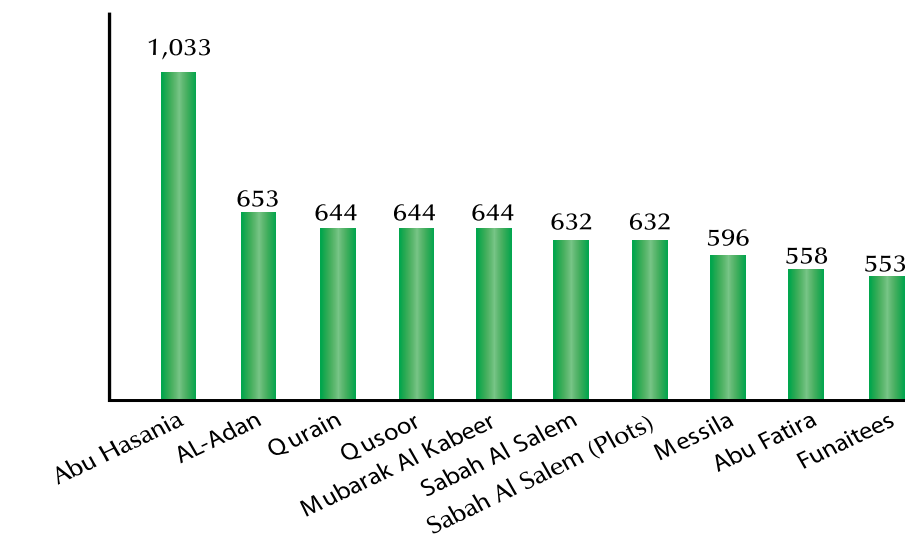
Area	Building %	Space	Location	Value		price per meter		Average market value per square meter during Q4 2012
				From	To	From	To	
Al-Qasr	210 %	750	Internal	230,000	250,000	307	333	320.0
Al-Qasr- Club Street	210 %	1000	Club Street	430,000	450,000	430	450	440.0
Al-Qasr (Existing House)	210 %	600		195,000	220,000	325	367	345.8
Jahra (mutlaa)	210 %			235,000	250,000	470	500	485.0
Al-Oyoun (Government subsidized house)	210 %	400	Main	130,000	180,000	325	450	387.5
Al- Naeem (Plots)	210 %	400	Internal	160,000	200,000	400	500	450.0
Al- Naeem (Government-subsidized house)	210 %	400	Main	130,000	180,000	325	450	387.5
Al-Waha (Existing house) Internal roads	Up to 800 square meters	300		105,000	130,000	350	433	391.7
Al- Nasem (Government-subsidized house)	210 %	400	Main	130,000	180,000	325	450	387.5



Mubarak Al-Kabeer Governorate recorded an increase in prices. The average price amounted to KD 651 per square meter compared in Q4 to KD 626 per square meter in Q3 2012 with a percentage of increase of 4%.

Average Price per Square Meter of Private Housing Real Estate in Mubarak Al-kabeer – Q42012

Figures are in KD



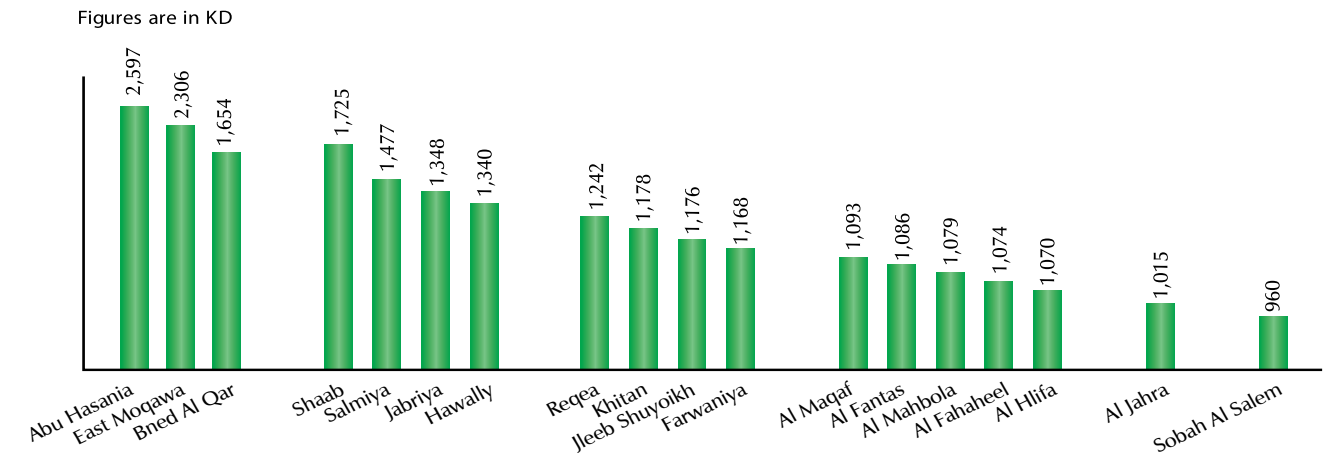
Private Land Prices in Mubarak Al-Kabeer

Area	Building %	Space	Location	Street	Market value of Land		Price per square meter		Market value per square meter during Q3 2012
					From	To	From	To	
Abo Al-Hasanya	%150	750	Internal		487,500	600,000	650	800	735
	%150	750		Al-Fahaheel	660,000	712,500	880	950	925
	%150	750	On sea view		1,050,000	1,125,000	1,400	1,500	1,450
Area Overall Average					637,500	732,500	812,500	977	1,083
Al-Masailah	%210	400	Internal		195,000	215,000	488	538	550
	%210	400	Main		230,000	240,000	575	600	600
	%210	500	Internal		245,000	255,000	490	510	510
	%210	500	Main		265,000	275,000	530	550	550
Area Overall Average					233,750	233,750	246,250	521	549
Abo Fatirah Residential Area	%210	400	Internal		165,000	175,000	413	438	481
	%210	400	Main		200,000	210,000	500	525	550
	%210	500	Internal		215,000	235,000	430	470	490
	%210	500	Main		240,000	250,000	480	500	490
Area Overall Average					205,000	205,000	217,500	456	483

Second: Prices of Investment Lands:

The prices of investment lands recorded a slight increase of 3.5% in the Capital Governorate recording an average price per meter of KD2,2186 compared to KD 2,112 in Q3 2012.

Average Price per square meter for investment lands in Kuwait areas during Q4 2012



Investment Lands in the Capital Area

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2012
					From	To	From	To	
Benaïd Al-Qar	%250	1,000		Arabian Gulf	2,450,000	2,650,000	2,450	2,650	2,550
	%250	1,000		Istiqlal	1,500,000	1,600,000	1,500	1,600	1,550
	%250	500	Internal		650,000	700,000	1,300	1,400	1,350
	%250	500	Main		700,000	775,000	1,400	1,550	1,475
Area Overall Average					1,350,000	1,487,500	1,575	1,733	1,654
Al-Muqawwaa	%240	250	Internal		350,000	425,000	1,400	1,700	1,550
Al-Sharqi	%400	500	Internal		975,000	1,150,000	1,950	2,300	2,125
Area Overall Average					1,368,750	1,518,750	2,163	2,450	2,306
Dasman	%400	1,000		Arabian Gulf	3,050,000	3,250,000	3,050	3,250	3,150
	%400	1,000	Internal		1,900,000	2,100,000	1,900	2,100	2,000
	%400	750		Abdullah Al-Ahmad	1,900,000	2,060,000	2,533	2,747	2,640
Area Overall Average					2012	2,470,000	2,494	2,699	2,597

As for Hawalli Governorate, it witnessed an increase in prices, where the average price per square meter during Q4 2012 amounted to KD 1,473 compared to KD 1,348 per square meter in Q3 of 2012. Districts of (Hawalli – Salemiyah – Al-Shab – Jabriyah) witnessed an increase in prices by 9%, 10%, 8% and 9% respectively.

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 Q4 2012
				From	To	From	To	
Hawalli	%250	750	Muthanna	975,000	1,100,000	1,300	1,467	1,383
	%250	750	Qutaiba	1,000,000	1,150,000	1,333	1,533	1,433
	%250	750	Hasan Al-Basri	950,000	1,050,000	1,267	1,400	1,333
	%250	750	Ahmed Ibn Tulun	950,000	1,050,000	1,267	1,400	1,333
	%250	750	Yarmouk	950,000	1,050,000	1,267	1,400	1,333
	%250	750	Musa Ibn Nuseer	950,000	1,050,000	1,267	1,400	1,333
Area Overall Average				971,667	1,081,667	1,267	1,413	1,340
Salemiyah	%250	1,000	Arabian Gulf	2,450,000	2,700,000	2,450	2,700	2,575
	%250	750	Baghdad (Al-Tahrir) Abdul	1,050,000	1,150,000	1,400	1,533	1,467
	%250	750	Karim Al-Khattabi	1,050,000	1,150,000	1,400	1,533	1,467
	%250	750	Qatar	1,050,000	1,150,000	1,400	1,533	1,467
	%250	750	Abdullah Ibn Masood	950,000	1,025,000	1,267	1,367	1,317
	%250	750	Yousef Ibn Hamoud	950,000	1,025,000	1,267	1,367	1,317
	%250	750	Hamad Al-Mubarak	1,000,000	1,150,000	1,333	1,533	1,433
	Area Overall Average				1,079,688	1,213,750	1,391	1,564
Al-Shab	%250	1,000	Arabian Gulf	2,450,000	2,700,000	2,450	2,700	2,575
	%250	1,000	Istiqlal	1,550,000	1,650,000	1,550	1,650	1,600
Area Overall Average				1,562,500	1,712,500	1,646	1,804	1,725
Jabriyah	%250	1,000	Fourth Ring Road	1,350,000	1,500,000	1,350	1,500	1,425
	%250	1,000	Al-Maghrib	1,250,000	1,350,000	1,250	1,350	1,300
	%250	1,000	Al-Shenaki	1,300,000	1,400,000	1,300	1,400	1,350
Area Overall Average				1,240,000	1,357,143	1,286	1,410	1,348

Farwaniyah Governorate recorded an average increase in prices of 2.7%. The average price per square meter in the Governorate amounted to KD (Missing) compared to KD 1,042 per square meter in Q3 of 2012. Districts (Farwaniyah – Khaitan – Alreqhi) witnessed a rise ranging between 2% and 6%.

Investment Land Prices in Farwaniyah Governorate

Area	Building %	Space	Location	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2012
				From	To	From	To	
Farwaniyah	%250	1,000		1,200,000	1,350,000	1,200	1,350	1,275
	%250	1,000		1,100,000	1,250,000	1,100	1,250	1,175
	%250	1,000	Main	1,100,000	1,250,000	1,100	1,250	1,175
	%250	1,000	Internal	1,000,000	1,100,000	1,000	1,100	1,050
Area Overall Average				1,091,667	1,083	1,253	1,168	
Khaitan	%250	750		950,000	1,150,000	1,267	1,533	1,400
	%250	750	Main	875,000	1,000,000	1,167	1,333	1,250
	%250	750	Internal	700,000	750,000	933	1,000	967
Area Overall Average				848,000	1,093	1,263	1,178	
Jleeb	%250	750		875,000	975,000	1,167	1,300	1,233
Al-Shuyokh	%250	750		900,000	1,000,000	1,200	1,333	1,267
Area Overall Average				846,429	1,100	1,252	1,176	
Al-Raqee	%250	750		900,000	1,050,000	1,200	1,400	1,300
	%250	750		875,000	1,050,000	1,167	1,400	1,283
Area Overall Average				912,500	1,054,167	1,150	1,333	1,242

Ahmadi Governorate also witnessed a percentage of increase in prices of 5.2 % in the average price per square meter during Q4 2012. The average price per square meter in the Governorate amounted to KD 1,080 compared to KD 1.072 per square meter in Q3 of 2012.

Investment Land Prices in Ahmadi Governorate

Area	Building %	Space	Location	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2012
				From	To	From	To	
Fintas	%250	500	Main	430,000	500,000	860	1,000	930
	%250	750	Fahaheel	800,000	862,500	1,067	1,150	1,108
	%250	1,000	Coastal Road	1,450,000	1,600,000	1,450	1,600	1,525
	Area Overall Average				676,000	742,000	855	942
Abu Halifa	%250	500	Main	600,000	680,000	800	907	853
	%250	750	Internal	700,000	800,000	933	1,067	1,000
Area Overall Average				792,500	890,000	1,006	1,133	1,070
Al-Manqaf	%250	500	Main	625,000	680,000	833	907	870
	%250	750	Internal	725,000	825,000	967	1,100	1,033
Area Overall Average				815,000	889,500	1,043	1,143	1,093
Al-Mahbulah	%250	500	Main	420,000	490,000	840	980	910
	%250	750	Internal	700,000	825,000	933	1,100	1,017
Area Overall Average				794,000	888,000	1,015	1,143	1,079
Fahaheel	%250	500	Internal	475,000	550,000	950	1,100	1,025
	%250	750	Main	500,000	600,000	1,000	1,200	1,100
	%250	1,000	Makka	1,100,000	1,250,000	1,100	1,250	1,175
	%250	750	Al-Badaweyah	800,000	900,000	1,067	1,200	1,133
Area Overall Average				715,833	816,667	1,002	1,147	1,074

At the same time, Jahraa Governorate witnessed an average percentage of increase in prices of 7% compared to Q3 of 2012. The average price per square meter in the Governorate amounted to KD 1,015 in Q4 of 2012, compared to KD 944 per square meter in Q3 of 2012.

Investment Land Prices in Jahraa Governorate

Area	Building %	Space	Location	Market value of the land		Market value per square meter price		Average price per square meter during Q4 2012
				From	To	From	To	
Jahraa	% 250	1,000	Internal	800,000	900,000	800	900	850
	% 250	1,000	Main	900,000	1,000,000	900	1,000	950
	% 250	800	Al-Khuzami	900,000	980,000	1,125	1,225	1,175
	% 250	500	Internal	450,000	550,000	900	1,100	1,000
	% 250	500	Main	500,000	600,000	1,000	1,200	1,100
Area Overall Average				582,000	644,000	779	856	710,000

Mubarak Al- Kabeer Governorate recorded an increase in prices. The average price amounted to KD 906 per square meter in Q4 2012 compared to KD 902 per square meter in Q3-2012 with an increase of 7%.

Investment Land Prices in Mubark Al Kabeer Governorate

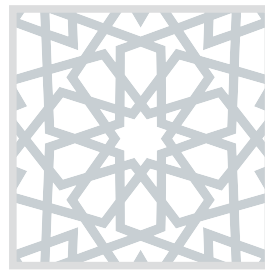
Area	Building %	Space	Location	Market value of Land		Price per square meter		Market value per square meter during Q4 2012
				From	To	From	To	
Mubark Al Kabeer	%150	750	Internal	680,000	750,000	907	1,000	953
	%150	750	Main	750,000	800,000	1,000	1,067	1,033
	%150	750	Internal	800,000	950,000	800	950	875
			Main	850,000	1,050,000	850	1,050	950
			Al- Fahaheel	1,100,000	1,200,000	1,100	1,200	1,150
Area Overall Average				637,500	582,000	644,000	779	856

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 6.50% 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 Q4 2012		
						From	To	Average
Capital	Benaïd Al-Qar	% 250	1,000	Main	Arabian Gulf	% 6.00	% 7.00	% 6.50
		% 250	1,000		Arabian Gulf	% 6.50	% 7.00	% 6.75
	Al-Muqawwaa Al-Sharqi	% 240	250	Internal		% 7.00	% 7.00	% 7.00
		% 400	1,000	Internal		% 6.00	% 7.00	% 6.50
		% 400	750		Abdullah Al-Ahmad	% 7.00	% 7.00	% 7.00
Hawalli	Hawalli	% 250	750		Muthanna	% 7.00	% 7.00	% 7.00
		% 250	750		Qutaiba	% 7.00	% 7.00	% 7.00
	Salemiyah	% 250	1,000		Arabian Gulf	% 6.00	% 7.00	% 6.50
		% 250	1,000		Baghdad	% 6.50	% 7.00	% 6.75
		% 250	1,000		Arabian Gulf	% 6.00	% 7.00	% 6.50
Farwaniyah	Farwaniyah	% 250	1,000	Main	Al-Matar	% 7.00	% 7.00	% 7.00
		% 250	1,000			% 7.00	% 7.00	% 7.00
	Khaitan	% 250	750		Al-Matar	% 7.00	% 7.50	% 7.25
		% 250	750		Fourth Ring Road	% 7.00	% 7.50	% 7.25
		% 250	750		Fifth Ring Road	% 7.00	% 7.50	% 7.25
Ahmadi	Fintas	% 250	500	Internal		% 7.50	% 8.00	% 7.75
		% 250	500			% 8.00	% 8.50	% 8.25
	Abu Halifa	% 250	750	Internal		% 7.50	% 8.00	% 7.75
		% 250	500			% 7.50	% 8.00	% 7.75
		% 250	750			% 7.50	% 8.00	% 7.75
Jahra	Jahra	% 250	500	Internal		% 8.00	% 8.50	% 8.25
	Jahra	% 250	750			% 7.50	% 8.00	% 7.75
Mubarak Al Kabeer	Sobah Al Salem	% 250	500	Internal		% 7.50	% 8.00	% 7.75
		% 250	750			% 7.50	% 8.00	% 7.75
		% 250	750			% 7.50	% 8.00	% 7.75



Third: Prices of Commercial Real Estate:

Transactions prices of commercial real estate increased in Kuwait governorates with an average price increase of KD 5,133 per square meter in Q4 2012, where prices increased in (Qiblah, Abdullaah Al Mubark" KSE", Ali Al Salam, Gharabli), while prices were stable in (Ahmad Al Jabeer St- Khaled ben Al Waleed-Soor-Fahed Al –Salem).

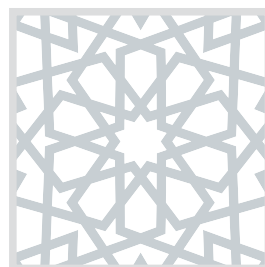
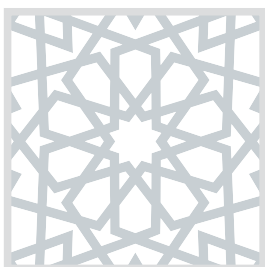
Commercial Land Prices in Capital Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q42012
				From	To	From	To	
Qiblah	%300	Al-Mubarakiyah	500	500	1,500,000	2,000,000	3,000	4,000
Sharq	%520	Ahmed Al-Jaber	500	500	3,000,000	3,100,000	6,000	6,200
Al-Madinah	%620	Mubarak Al-Kabeer (Bulukat)	500	2,500,000	2,650,000	5,000	5,300	5,150
	%620	Mubarak Al-Kabeer (Bursah)	500	3,150,000	3,250,000	6,300	6,500	6,400
Qiblah	%620	Fahed Al-Salem	500	3,125,000	3,250,000	6,250	6,500	6,375
Sharq	%520	Jaber Al-Mubarak	500	2,750,000	3,000,000	5,500	6,000	5,750

In Hawalli Governorate areas prices have increased with an average price of KD 3,193 per square meter in Q4 2012, with an average percentage increase of 2%, while prices were stable in some areas of Salmiya such as Bahrain Street compared to Q3 2012.

Commercial Land Prices in Hawalli Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2012
				From	To	From	To	
Hawalli	%180	Tunis	1.000	3,600,000	3,850,000	3,600	3,850	3,725
	%180	Beirut	1.000	3,500,000	3,750,000	3,500	3,750	3,625
Salemiah	%180	Salem Al-Mubarak	800	2,800,000	3,200,000	3,500	4,000	3,750
	%180	Bahrain	500	1,250,000	1,300,000	2,500	2,600	2,550



At the same time, Farwaniyah Governorate witnessed a notable increase in the average prices with a percentage of 5,2% where The average price during Q4 2012 recorded from KD 1,840 per square meter compared to KD 1,749 per square in Q3.

Commercial Land Prices in Farwaniyah Governorate

Commercial Land Prices in Farwaniyah Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2012
				From	To	From	To	
Farwaniyah - Menawir Street	%180	Menawir	1.000	3,600,000	4,000,000	3,600	4,000	3,800
Farwaniyah - Matafi Street	%180	Matafi	800	2,400,000	2,800,000	3,000	3,500	3,250
Khaitan	%180		1.000	2,800,000	3,000,000	2,800	3,000	2,900
Khaitan (Business and Commercial) Jleeb Shuyokh opposite Coop. Society	%300	Business and commercial	1.000	2,300,000	2,600,000	2,300	2,600	2,450
Jleeb Shuyokh (Back area)	%180	Coop. Society Street	1.000	1,500,000	1,700,000	1,500	1,700	1,600
Ad-Dajij (5000 meters) on Sixth Ring Road	%180	Internal	1.000	1,200,000	1,250,000	1,200	1,250	1,225
Al-Dajij (5000 meters) Internal	210 %	Sixth Ring Road	5,000	5,500,000	6,000,000	1,100	1,200	1,150
Al-Dajij South of Khaitan	%250	Internal	5,000	4,250,000	4,750,000	850	950	900
		Internal	5,000	1,400,000	2,000,000	280	400	340

In Jahraa Governorate, prices witnessed a slight increase of 1.5% with an average price increase of KD 1,750 per square meter in Q4 2012 compared to KD1,750 in per meter in Q3 2012.

Commercial Land Prices in Jahraa Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2012
				From	To	From	To	
Jahraa	180 %	Marzuk Al-Mutaab	2,200,000	2,500,000	2,500,000	2,500	2,350	2,200,000
Jahraa Center - Business and Commercial	300 %	Business and Commercial	1,793,750	2,012,500	2,050	2,300	2,175	1,793,750
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 2,639 per square meter in Q3 2012 compared to KD 2,564 per square meter in Q3 of 2012. According to the discrepancies of price movements among the governorates pursuant to the latest surveys undertaken by KFH in the Governorate, prices were stable in Al-Fintas area, Business and Commercial Center, while prices have witnessed a remarkable increase with percentages of 15% in Fahaheel and 14% in al Mangaf Al Azizya.

Commercial Land Prices in Ahmadi Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q4 2012
				From	To	From	To	
Al-Manqaf	%300	Azizia	750	900,000	975,000	1,200	1,300	1,250
Fintas (Business and commercial)	%180	Main	1000	3,200,000	3,300,000	3,200	3,300	3,250
	%180	Internal	1000	2,950,000	3,050,000	2,950	3,050	3,000
Fahaheel	%180	Ad-Dabbus	750	2,437,500	2,550,000	3,250	3,400	3,325
	%180	Internal	750	2,062,500	2,250,000	2,750	3,000	2,875
	%180	Coastal Road	750	2,925,000	3,075,000	3,900	4,100	4,000

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 was stabilized at 6.50% while the annual return reached 7.25% in Hawalli Governorate, and 7.83% , 7,68% in Al Ahmad Governorates.

Average Annual rates of return on commercial real estate

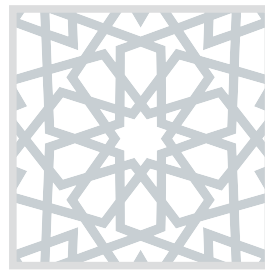
Governorate	Area	Building %	Street	Percentage of sale proceeds from the real estate annual income Q4 2011		Average proceeds of Q4 2011
				From	To	
Capital	Qiblah	%300	Al-Mubarakiyah	% 6.00	% 7.00	% 6.50
	Sharq	%520	Ahmed Al-Jaber	% 6.00	% 7.00	% 6.50
	Sharq	%520	Khaled Ibn Al Waleed	% 6.00	% 7.00	% 6.50
	Al-Madinah	%620	Al-Sour	% 6.00	% 7.00	% 6.50
	Al-Madinah	%300	Al-Sour	% 6.00	% 7.00	% 6.50
Hawalli	Al-Madinah	%620	Mubarak Al-Kabeer Al-Bulukat	% 7.00	% 7.50	% 7.25
	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
Farwaniyah	Salemiyah	%180	Bahrain	% 7.00	% 7.50	% 7.25
	Farwaniyah Menawir Street	%180	Menawir	% 7.00	% 7.50	% 7.25
	Farwaniyah - Matafi Street	%180	Matafi	% 7.00	% 7.50	% 7.25
	Khaitan	%180	Khaitan	% 7.50	% 7.50	% 7.50
	Khaitan (Business and Commercial)	%300	Business and Commercial	% 7.50	% 8.00	% 7.75
Jahraa	Al-Aridiyah - Warehouses	Ground Floor 80% - Mezzanine 50%	Internal	% 7.50	% 8.00	% 7.75
	Jahraa	%180	Marzuk Al-Mutaab	% 7.50	% 8.00	% 7.75
	Jahraa Center - Business and Commercial	%300	Business and Commercial	% 7.50	% 7.75	% 7.63
Ahmedi	Jahraa - Al-Qaysareyat	%300	Plot 20	% 8.00	% 8.00	% 8.00
	Al-Manqaf	%300	Azizia	% 8.00	% 8.00	% 8.00
	Fintas (Business and Commercial)	%180	Main	% 7.25	% 7.50	% 7.38
	Fahaheel	%280	Makka	% 6.00	% 7.00	% 6.50

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

Industrial plots in the Capital Governorate prices were stable, while industrial plots prices in some areas witnessed a slight increase. Meanwhile, internal industrial plots in Shuwaikh area recorded an increase recorded at 12%, where the average price meter in the Capital Governorate reached KD1, 133 in Q4 12, compared to an average of KD 1,116 in Q3 12.

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 Q42012
						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	1,100,000	1,200,000	1,150
		%170	1,000		Al-Zinah Street	1,200,000	1,350,000	1,275
		%170	500		Al-Zinah Street	680,000	750,000	1,430
		%170	500		Electricity Street	650,000	750,000	1,400
		%170	1,000		Pepsi Street	4,500,000	5,000,000	950
		%170	1,000		Fourth Ring Road	1,500,000	1,550,000	1,525
		%170	22,500		Internal	10,500,000	12,500,000	511
		%170	1,000		Muhammad Al-Qasim	950,000	1,200,000	1,075
		%170	1,000		Al-Ghazali Street	1,000,000	1,200,000	1,100
Area Overall Average						1,931,818	2,264,545	1,133

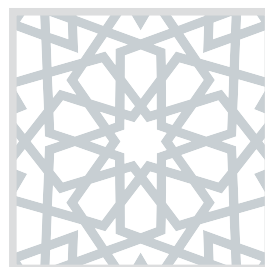
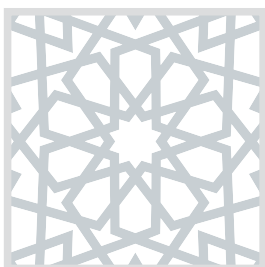


Farwaniyah Governorate witnessed an increase in the average percentage of prices which amounted to 4.4 % due to issuance an appeal sentence that stopped renewing commercial licensing at Abu Fatirah professional Area and the migration of investors towards Al-Ardiya professional Area where the average price per square meter has increased to %6 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 1,234 per square meter compared in Q4 12 to KD 1,182 per square meter in Q3 of 2012.

Likewise, Ahmadi Governorate witnessed a slight increase in prices reached KD 420 per square meter in Q4 12 compared to KD 412 in Q3 amounted for 1%, while Industrial Eastern Ahmadi Area witnessed the highest increase by 3% and warehouses and industrial exhibitions rose with rate up to 1.8%.

Prices of Industrial Plots in Farwaniyah Governorate

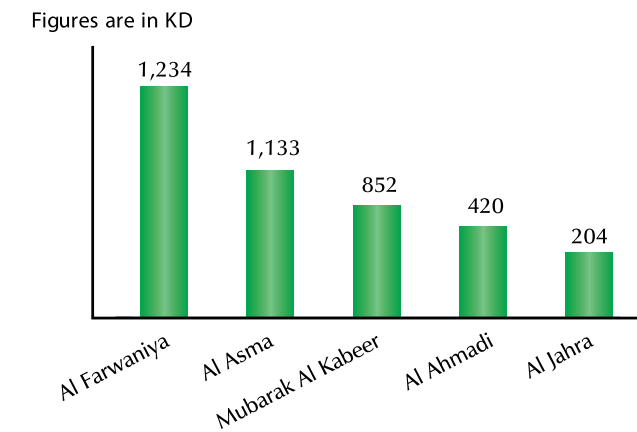
Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q4 2012
						From	To	
Al-Rai	Trade shows + industrial	%170	1,000		Safat Al-Ghanim (till Al-Nasr Sports)	1,000,000	1,250,000	1,125
		%170	1,000		Al-Ghazali Street	1,000,000	1,150,000	1,075
	%170	2,000		Muhammad Al-Qasim	2,100,000	2,300,000	1,100	
Area Overall Average						1,828,333	2,025,000	1,018
Al-Ardiyah Professional Zone	Professional	%130	250		Opposite Al-Ardiyah Warehouses	370,000	400,000	1,540
		%130	250	Internal		300,000	320,000	1,600
Area Overall Average						345,000	380,000	1,450



Prices of Industrial Plots in Ahmadi Governorate

Area	Allocation	Building %	Space	Street	Market value of the land		Average market value per square meter during Q4 2012
					From	To	
Mina Abdullah			100,000	Behind gasoline station	4,300,000	4,600,000	44.5
Western Shuaibah	Industrial		10,000	Variety	1,000,000	1,150,000	105.0
Mina Abdullah			10,000	Inside the port	900,000	1,100,000	100.00
Area Overall Average					2,101,429	2,432,857	2,101,429
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	2,224,286
Industrial Sharq Ahmadi	Trade shows + industrial	%170	7,500	Mustafa Karam	3,000,000	3,500,000	433.33
			5,000		1,350,000	1,600,000	295
Area Overall Average					1,292,500	1,590,000	1,292,500
Amgharah	Top Contractors		10,000		1,300,000	1,550,000	143
			10,000		559,444	643,333	132
Area Overall Average					486,667	553,333	120,000
Jahraa	Professional		500		165,000	200,000	365
			500		141,250	172,500	409
Area Overall Average					135,000	170,000	100,000
Doha	Repairing Ships		1,000		1,816,667	2,186,667	72
Area Overall Average					1,813,333	2,186,667	1,400,000

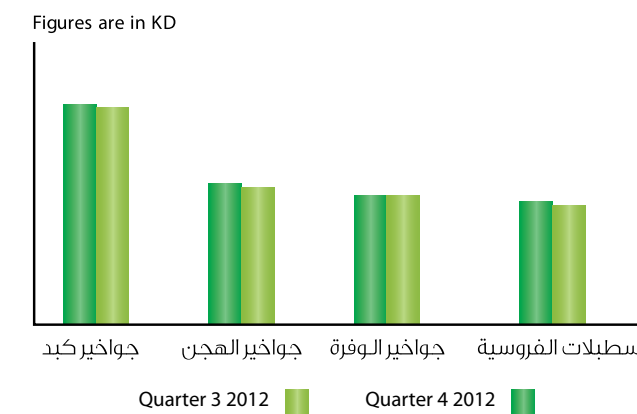
Average market value per square meter for industrial and handcraft real estate in Kuwait areas during Q4 2012



Fifth: Prices of Farms and Stables:

Farms and stables in Al Ahmadi Governorate prices were stable especially in Kabid area, except for internal horsemanship areas, camel stables and Al Wafra areas with an increase that ranged between 1% to 3.8%, while prices were stable in Wafra agriculture area at an average price of KD 3,65 per square meter. Prices were stable in Al Jahra agricultural area, except in Al Abdali where it rose slightly by 1%.

Average price per square meter of farms and stables in Al Ahmadi Governorate



Governorate	Area	Space	Location	Estimate plot price		Land price per square meter		Price per meter during Q4 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	77,000	26.00	30.80	71,000
	Ahmadi horsemanship stables	500	Internal	25,000	30,000	50.00	60.00	26,500
		400	Golf Course	31,000	36,000	62.00	72.00	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, and since Q4 coincides with the end of summer season, chalet prices in Kuwait Governorate recorded a rise. Prices in Jahra Governorate witnessed the highest increase reaching up to 7% for the average price per meter, while in Farwaniya prices rose, Al Ahmadi governorate recorded a slight increase up to 1.5% for average price per meter compared to Q3 12.

Governorate	Area	Length of the sea view per meter	Market value of the meter chalet (the land)		Price of the linear meter of the sea view		Average price of the sea view of land during Q4 2012
			From	To	From	To	
Ahmadi	Mina Abdullah	15	180,000	217,500	12,000	14,500	13,250
	Al-Dibaeyah	15	187,500	225,000	12,500	15,000	13,750
	Aljlieh	15	255,000	307,500	17,000	20,500	18,750
	Benaider	15	375,000	420,000	25,000	28,000	26,500
	Zoor	15	195,000	232,500	13,000	15,500	14,250
	Al-Khairan (other than Al-Khor)	15	195,000	232,500	13,000	15,500	14,250
	Nuwaisib	15	187,500	217,500	12,500	14,500	13,500

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 250 for one bedroom, lounge and bathroom; KD 210 to KD 280 for two bedrooms and a lounge; KD 270 to KD 400 for two bedrooms, a lounge, two bathrooms and a maid's room; and KD 340 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 10-30 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 8 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 12 - 34 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 14-30 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 witnessed an increase, where Bind Al Qar and Al shaab recorded the highest rise per average meter at KD 1,368. In Jabriyah and Salmiya come second with an average price per meter ranges between KD 820 to KD 830 and Al Mahboola internal streets come last as its shown in the table related to the prices of freehold apartments. As for the commercial warehouses (exploitation rate) have been stabilized. compared to KD 423 in Q3 of 2012. Prices rose in the areas of the governorate from 2% to 10%.

Average Transactions of Rental of Investment Real Estate in the Governorates of Kuwait, «Q4 2011» (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	250-270	280-300	300-350	425-465	425-465
Hawalli	250-260	250-270	285-325	400-450	400-450
Jabriyah	260-280	280-300	300-350	425-465	425-465
Al-Shab	270-280	300-330	330-360	450-500	450-500
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	270-280	330-350	360-400	480-550	480-550
Qiblah	270-280	330-350	360-400	480-550	480-550
Al-Muqawwaa	270-280	330-350	360-400	480-550	480-550
Al-Sharqi	270-280	330-350	360-400	480-550	480-550
Dasman	270-280	330-350	360-400	480-550	480-550
Benaïd Al-Qar	260-280	300-330	320-340	480-550	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	230-240	260-270	300-320	350-400	350-400
Farwaniyah	230-250	260-280	300-320	350-400	350-400
Jleeb Shuyokh	230-250	260-280	280-300	330-380	330-380
Al-Raqee	230-250	260-280	310-330	360-420	360-420
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	220-230	245-250	270-300	340-380	340-380
Al-Mahbulah	220-230	230-240	260-280	340-380	340-380
Abu Halifah	220-230	245-255	270-300	340-380	340-380
Al-Manqaf	220-230	245-255	270-300	340-380	340-380
Fahaheel	230-240	260-280	275-315	360-400	360-400
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	250-270	280-310	310-340	350-400	350-400
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	210-220	240-270	270-300	340-370	340-370

Average Transactions of Rental of Commercial Real Estate in Kuwait Governorates, «Q4 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	18 - 12	30 - 18	18 - 12	8 - 7	Ground shop 100 m, full basement Malls Business and Commercial Towers
Hawalli	16 - 10	25 - 18	16 - 10	8 - 7	
Farwaniyah	15 - 10	35 - 25	15 - 10	7	
Khaitan	14 - 8	25 - 18	14 - 8	7 - 6	
Al-Manqaf-Azizia	15 - 7	20	15 - 7	8 - 7	
Fahaheel	14 - 10	30 - 20	14 - 10	8 - 7	
Dajji (Farwaniyah)	* 2.5	10 - 8	6 - 5		
Kuwait City	14 - 12	30 - 16	14 - 10	8 - 6	
Kuwait City	7 - 5	18 - 14	10 - 8	6.5 - 5.5	

Average Transactions of Rental of Industrial Plots in Governorates of Kuwait, «Q4 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	4 - 3.5	34 - 12	7 - 4.5	Unit area is 40 m This study does not include the rental values in the Avenues Mall When allocating warehouses for the ground floor, the price per square meter ranges between KD 4 and 5
Al-Rai	4 - 3.5	30 - 14	6.5 - 3.5	
Sabhan	3 - 2.5	6 - 4	3 - 2.5	
Al-Aridiyah - Warehouses	3.5	7 - 6.5	5 - 3	The rental price per square meter is KD 6 - 8 for a 100-meter showroom in the ground floor.
Sharq Ahmadi	4 - 2.5	14 - 8	5 - 3.5	
Fahaheel Industrial Zone	4 - 3	16 - 10	5 - 3	

* 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.

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 Q3 2012
					From	To	From	To	
Capital	Benaïd Al-Qar Benaïd	Investment	Arabian Gulf	95	120,000	140,000	1,263	1,474	1,368
	Al-Qar Benaïd Al-Qar	Investment	Main	72	75,000	80,000	1,042	1,111	1,076
	Benaïd Al-Qar	Investment	Internal	72	58,000	65,000	806	903	854
	Overall Average of Benaïd Al-Qar			80	82,167	91,667	68,333	77,667	84,333
	Al-Shab	Investment	Arabian Gulf	95	75,000	78,000	1,042	1,083	1,063
	Al-Shab	Investment	Main	72	60,000	65,000	833	903	868
	Al-Shab	Investment	Internal	72	85,000	94,333	1,046	1,153	1,100
	Overall Average of Al-Shab			80	68,333	77,667	110,000	130,000	1,158
	Salemiyah	Investment	Arabian Gulf+ beaches	95	50,000	55,000	781	859	820
	Salemiyah	Investment	Main	64	45,000	50,000	703	781	742
Hawalli	Salemiyah	Investment	Internal	64	60,000	68,000	811	919	865
	Salemiyah	Investment	Main	74	55,000	580,000	743	7,838	4,291
	Salemiyah	Investment	Internal	74	52,000	58,400	64,000	176,600	839
	Overall Average of Salemiyah			74	52,000	58,400	45,000	50,000	703
	Hawalli	Investment	Main	64	40,000	45,000	625	703	664
	Hawalli	Investment	Internal	64	55,000	58,000	743	784	764
	Hawalli	Investment	Main	74	48,000	50,000	649	676	662
	Hawalli	Investment	Internal	74	35,250	39,250	47,000	50,750	680
	Overall Average of Hawalli			69	35,250	39,250	58,000	65,000	784
	Jabriyah	Investment	Main	74	55,000	58,000	743	784	764
Mubarak Al-Kabeer	Jabriyah	Investment	Internal	74	42,250	47,500	56,500	61,500	764
	Overall Average of Jabriyah			74	42,250	47,500	45,000	48,000	625
	Al-Masailah	Investment	Main	72	34,000	36,500	42,500	46,500	590
	Al-Masailah	Investment	Internal	72	48,000	52,000	667	722	694
	Overall Average of Al-Masailah			72	34,000	36,500	42,000	45,000	583

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 Q3 2012
					From	To	From	To	
Farwaniyah	Farwaniyah	Investment	Main	72	36,000	40,000	45,000	48,500	625
	Farwaniyah	Investment	Internal	72	85,000	95,000	895	1,000	947
	Overall Average of Farwaniyah			72	42,500	45,000	40,000	45,000	556
	Al-Mahbulah	Investment	Sea view	95	53,667	59,333	650	718	684
	Al-Mahbulah	Investment	Main	72	85,000	95,000	895	1,000	947
	Al-Mahbulah	Investment	Internal	72	56,000	62,000	560	620	590
	Overall Average of Al-Mahbulah			80	49,167	55,167	38,000	42,000	528
	Abu Halifah	Investment	Sea view	85,000	71,000	78,333	818	901	860
	Abu Halifah	Investment	Main	40,000	85,000	98,000	895	1,032	963
	Abu Halifah	Investment	Internal	35,000	40,000	45,000	556	625	590
Al Ahmadi	Overall Average of Abu Halifah			80	49,667	52,333	36,000	38,000	500
	Al-Manqaf	Investment	Sea view	85,000	49,667	56,167	53,667	60,333	650
	Al-Manqaf	Investment	Main	40,000	85,000	98,000	895	1,032	963
	Al-Manqaf	Investment	Internal	35,000	40,000	45,000	556	625	590
	Overall Average of Al-Manqaf			80	49,667	52,333	36,000	38,000	500
	Al-Fahaheel	Investment	Main	72	49,667	56,167	53,667	60,333	650
	Al-Fahaheel	Investment	Internal	72	72	45,000	48,000	625	667
	Overall Average of Fahaheel			72	34,500	38,500	72	40,000	42,000



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:

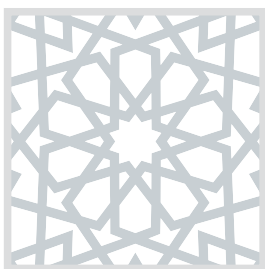
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

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.

