



KFH Local Real Estate Report

Second Quarter 2013 - Kuwait

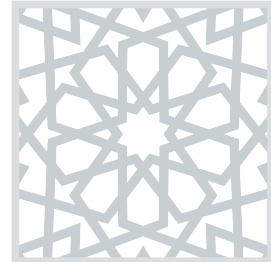
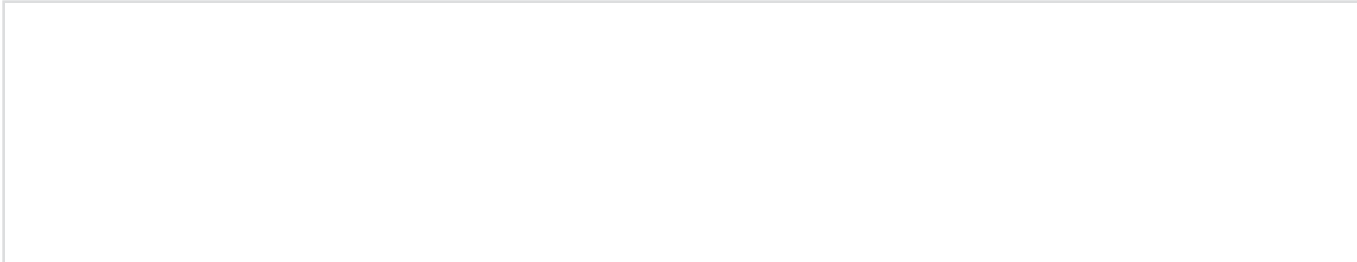
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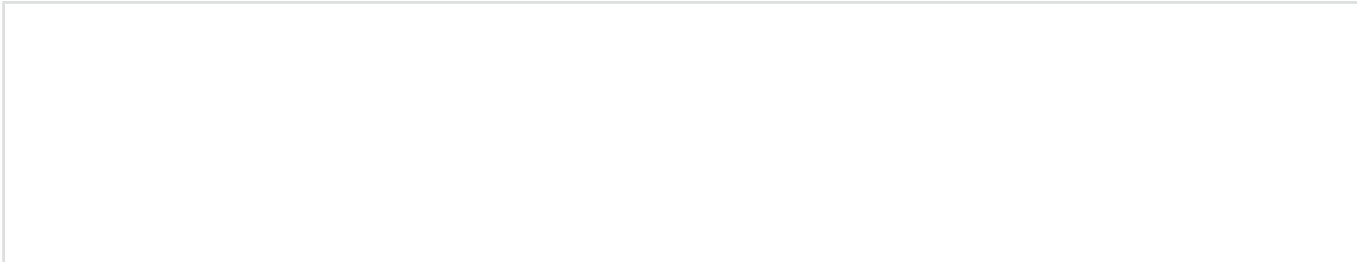
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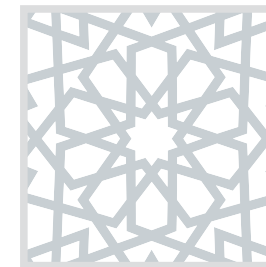
بيت التمويل الكويتي
Kuwait Finance House





KFH Local Real Estate Report
Second Quarter 2013 - Kuwait





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Dear Reader,

Kuwait Finance House ("KFH") is pleased to release KFH Local Real Estate Market Report ("Report") in the Second Quarter – 2013 which sheds light on the up-to-date economic developments in the real estate market, as the real estate sector is believed to play a pivotal role in the growth of the economy during the existing juncture. The real estate sector actively pushes the march of growth forward, creates more employment opportunities, and inspires other sectors and industries.

The Report then highlights the recent developments in real estate trading and analyzes the real estate prices as per the geography of each governorate and district nationwide inspired by the regular surveys carried out by KFH.

The most commonly-used real estate terminology is provided at the end of the Report for the convenience of non-specialist readers.

KFH, in fact, produces this Report as part of its social and economic responsibility of keeping the public well informed of the recent developments in the real estate marketplace in order to enhance the business environment and make available helpful information about the real estate market.

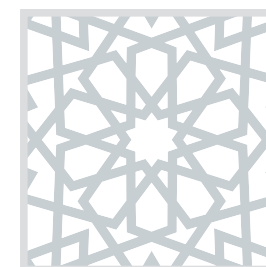
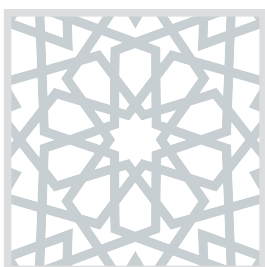
We wholeheartedly wish that you find this Report helpful in light of the valuable information it provides.

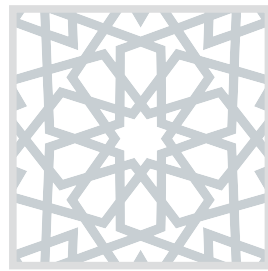


Mohammad Sulaiman Al-Omar

CEO

Kuwait Finance House





Introduction

The Volume of real estate sales soared up in Q2 – 2013 compared to Q1-2013 overstepping KD 1 billion bringing about a leap to the real estate market that was never witnessed since Q2-2011. This upward trend is attributable to the growing local demand on residential and investment properties though coupled with a rise in prices. Commercial real estate properties especially commercial buildings and towers revived noticeably in the Capital Governorate. In the same context, the occupancy rates in the commercial buildings at Farwaneyyah and Fahaheel improved. The total value of real estate trading hiked up noticeably by 18% equal to KD 156.6 million during Q2-2013, as it hit KD 1 billion compared to KD 850 million during Q1-2013.

Trading of private housing contributed to 50% of the total real estate trading during Q2-2013 compared to 51% during Q1-2013, investment real estates contributed to 36% compared to 37% in Q1-2013, and commercial real estates contributed to 11% compared to 10% in Q1-2013. Yet, Q2-2013 witnessed a decline in the trading of handicraft properties and showrooms as it contributed to 1% versus 2% of the total real estate trading during Q1-2013. Trading of the coastal strip properties made up 2% of the total real estate trading.

The noticeable hike in the total value of the real estate trading in Q2-2013 is attributable to the increased volume of trading of residential properties by 15% equal to KD 65 million unlike Q1-2013 which declined by KD 82 million equal to 16% compared to Q4-2012.

Trading of investment properties soared up by 12% equal to KD 39 million compared to Q1-2013 which had soared up by 15% equal to KD 42 million compared to Q4-2012. Trading of commercial properties also hiked up by 35% at KD 29.6 million during Q2-2013 compared to a decline by 27% equal to KD 30 million in Q1-2013 as compared to the trading of commercial properties in Q4-2012.

Trading of the coastal strip properties revived noticeably during Q2-2013 registering KD 12 million roughly though stood idle during Q1-2013 compared to a trading value worth KD 500,000 during Q4-2012.

Trading of warehousing and handicraft properties declined during Q2-2013 by 14% equal to KD 2 million compared to the value registered in Q1-2013 which had soared up by 90% at KD 6 million compared to the trading value in Q4-2012.

Price indices of residential properties went up in all Kuwait Governorates during Q2-2013 by 4% compared to an average price increase by 14% during Q1-2013. Price indices of investment housing also hiked up by 5% compared to an average price increase of 9% during Q1-2013.

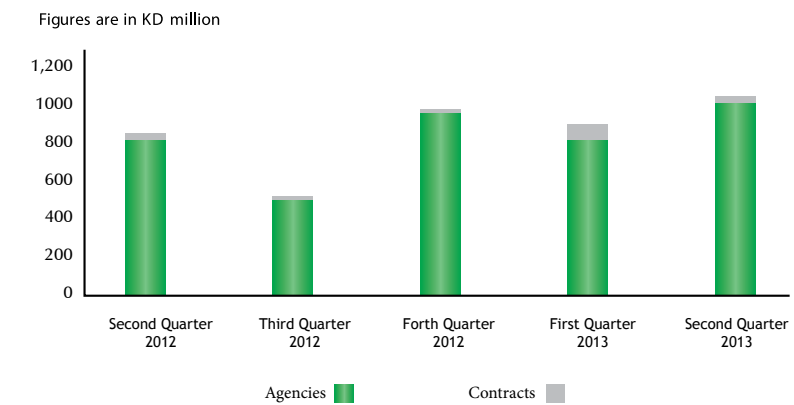


Price indices of commercial properties remained stable throughout all Kuwait Governorates during Q2-2013 as the average price per square meter registered KD 5,655 in the Capital Governorate, KD 3,252 in Hawalli Governorate, KD 1,885 in Al-Jahra Governorate, KD 2,256 in Farwaneyyah Governorate and KD 2,717 in Al-Ahmadi Governorate. Trading in Kuwait Stock Exchange (KSE) hiked up in parallel with the rise in the real estate sales turnover driven by the rise in the living standard of Kuwaitis and the growing demand on investment properties coupled with the improving standard of living of expatriates, stable oil prices, and the increased public expenditure on real estate and infrastructure enterprises. Trading in KSE, thus, registered KD 7.48 billion during the first half of 2013 going up by 115% than the value of trading of 4.13 billion registered in the first half of 2012 and hiking by 81% compared to KD 3 billion during the second half of 2012. Total trading in KSE revived noticeably during Q2-2013 compared to Q1-2013 providing an unprecedented performance that has not been reached since 2008, as it registered KD 5 billion during Q2-2013 compared to KD 2.47 billion during Q1-2013.

Market Trends

As far as the real estate marketplace is concerned, the trading indices disclosed by the Real Registration and Authentication Department at Ministry of Justice during Q2-2013 showed an upward trend by 18% at KD 165.6 million compared to KD 850 million in Q1-2013.

History of total real estate trading on Quarterly basis (Q2-2012 to Q2-2013)



Total value of real estate trading through authenticated owners' contracts amounted to KD 941 million during Q2-2013 hiking up by 21% or KD 162 million than the value registered in Q1-2013 which amounted to KD 779 million. Total value of real estate trading through real estate brokers' contracts amounted to KD 65 during Q2-2013 dropping by 8% or KD 6 million than the value registered in Q1-2013 which amounted to KD 71 million.



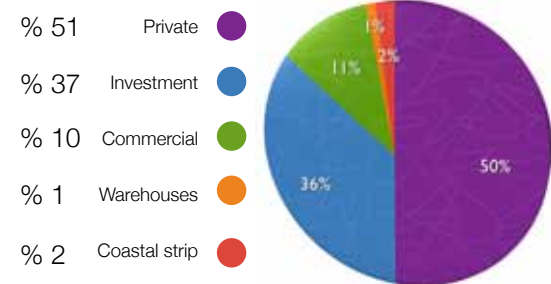


Real estate trading through contracts - on an annual basis - went up by 16% at KD 129 as it amounted to KD 812 million during Q2-2012, while the total value of real estate trading through real estate brokers' contracts exceeded the double registering KD 37 million if compared to KD 28 million during Q2-2012.

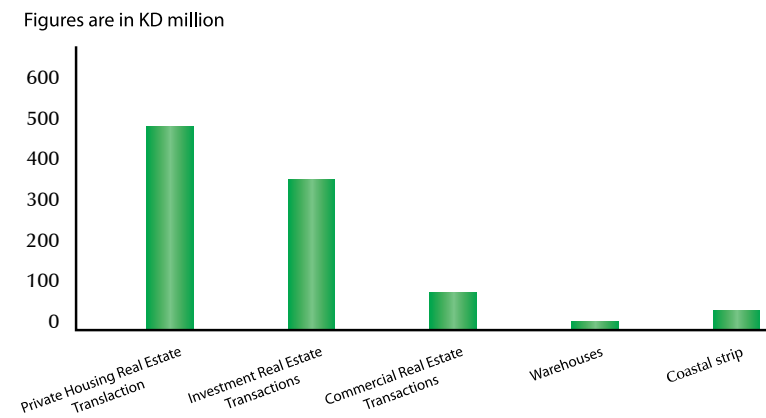
The private housing deals valued KD 499 million during Q2-2013 compared to KD 434 million in Q1-2013; hiking by KD 65 million that is equal to 15%. The number of private housing transactions increased to 1,669 deals during Q2-2013 compared to 1,549 transactions in Q1-2013; an increase by 8%. On the other hand, the average value per transaction increased during Q2-2013 to KD 299,000 which declined by 7% valuing KD 19 million as compared to KD 280,000 during Q1-2013.

June 2013 registered the top trading performance during Q2-2013 accounting for 36% equal to KD 177 million of the total private housing trading valued KD 499 million during Q2-2013. May 2013 came second as it accounted for KD 162 million taking a share of 32% of the total private housing trading during Q2-2013. April 2013 came last as it accounted for KD 160 million taking a share of 32% of the total private housing trading during Q2-2013.

% of Trading Value of each Real Estate Sector compared to Total Real Estate Trading Q2-2013



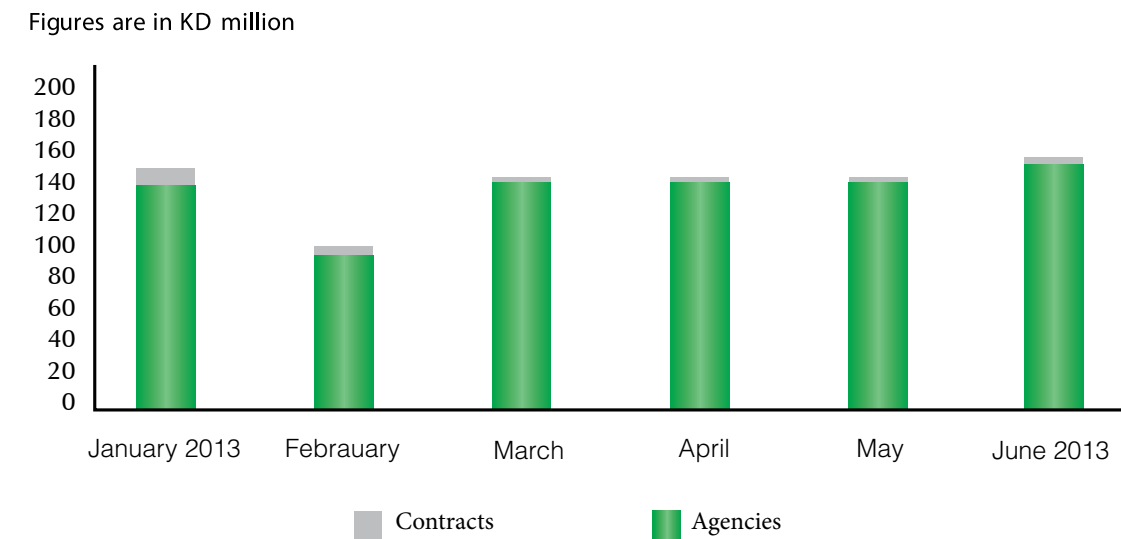
Total Value of Real Estate Trading Q2-2013



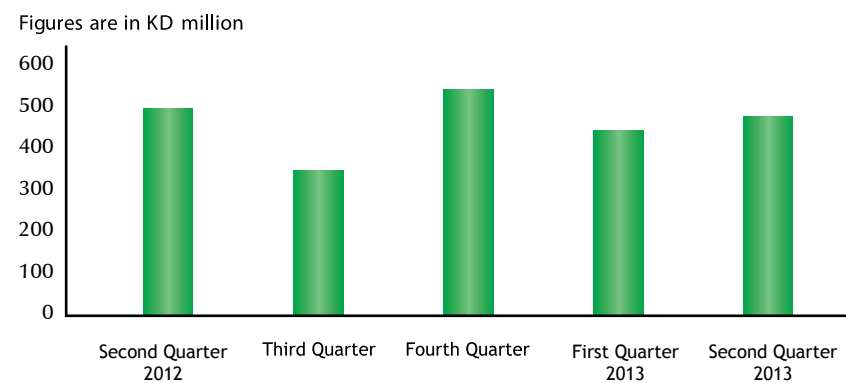
Private Housing Trends

The relative weight of the real estate transactions of private housing declined modestly during Q2-2013, though less than the decline witness in Q1-2013, accounting for 50% of the total real estate trading valued KD 850 million compared to 51% of the total real estate trading in Q1-2013.

History of Real Estate Trading on Private Housing Starting from Jan 2013 till June 2013



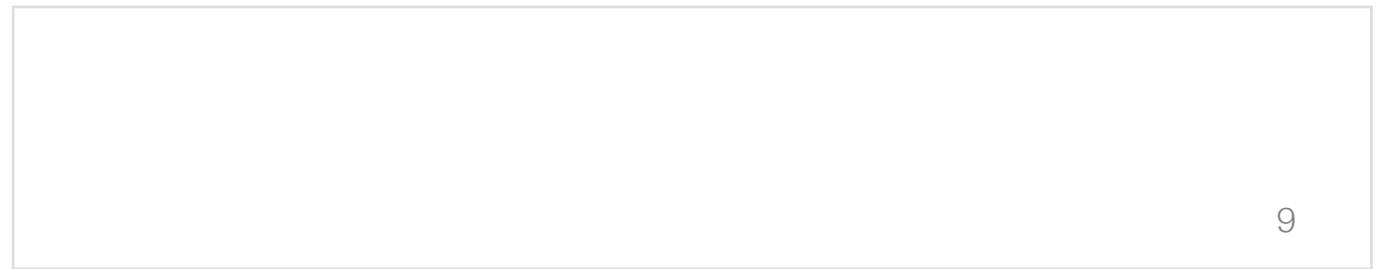
History of Total Real Estate Trading during (Q2-2012 to Q2-2013)



Investment Properties Trends

Trading in investment properties revived noticeably during Q2-2013 as it valued for KD 358 million; increasing by KD 39 million accounting for 12% of the total trading compared to KD 319 million in Q1-2013 which hiked by KD 42 million and accounted for 15% of the total trading compared to Q4-2012.

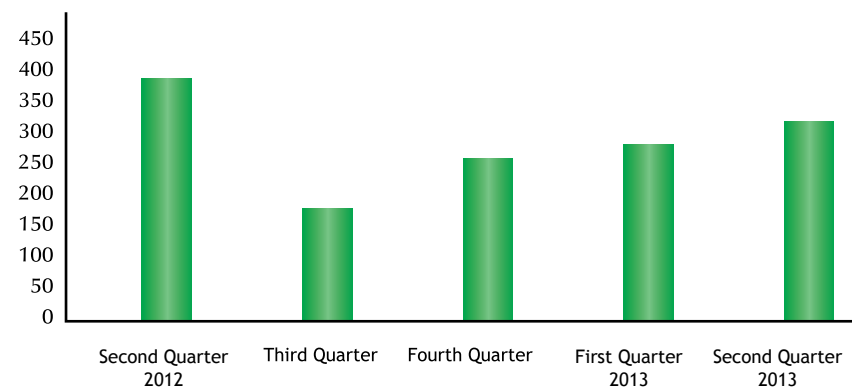
Investment properties accounted for 36% of the total trading during Q2-2013 versus 37% during Q1-2013 and 30% during Q4-2012.





History of Investment Real Estate Trading during Q2-2012 - Q2-2013

Figures are in KD million



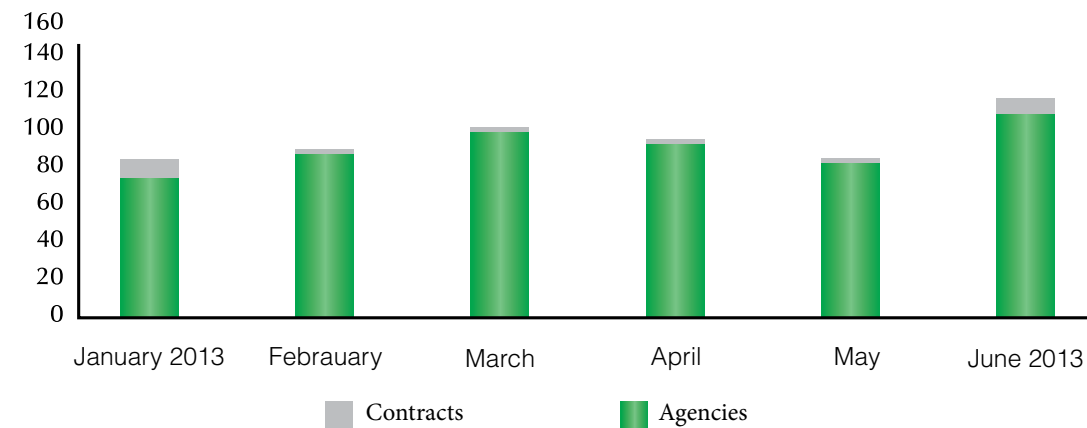
The average value of transaction of the investment property trading hiked up noticeably during Q2-2013 registering KD 915,000 increasing by KD 128 million equal to 16% compared to Q1-2013 which registered KD 786,000 and hiked up by KD 89,000 equal to 12% compared to Q4-2012.

The average value of transaction of the investment property trading went up by KD 107,000 accounting for 13% compared to Q2-2012 when the average value of transaction valued around KD 808,000.

Trading in 546 investment properties was reported during Q2-2013 compared to 405 deals during Q1-2013; an increase by 141 deals or 35% compared to Q1-2013.

June ranked first in terms of the volume of investment trading as it accounted for 38% of the total investment trading during Q2-2013 registering KD 135 million; April ranked second accounting for 33% equal to KD 118 million, while May ranked third accounting for 29% equal to KD 105 million.

History of Real Estate Trading on Investment Properties Starting from Jan 2013 till June 2013

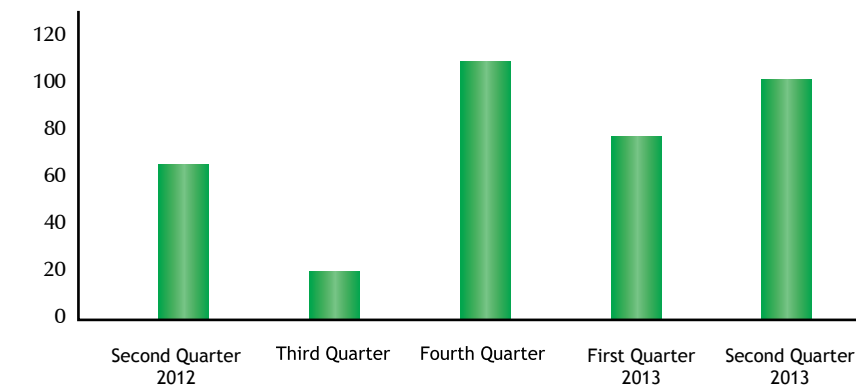


Commercial Real Estate Trends

Total commercial real estate trading revived noticeably during Q2-2013 registering KD 113 million compared to KD 84 million in Q1-2013 rising by KD 30 million which is equal to 35%. This, in fact, has contributed to raising the total value of real estate trading by 11% of the total trading in Q2-2013 against 10% in Q1-2013.

History of Commercial Real Estate Trading during Q2-2012 - Q2-2013

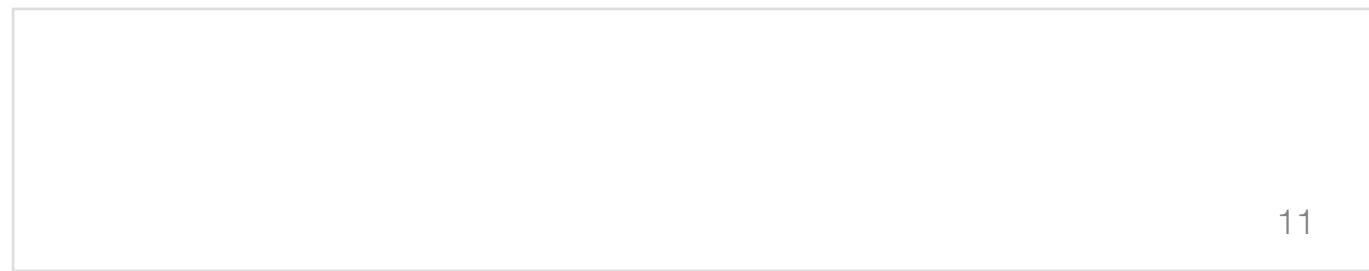
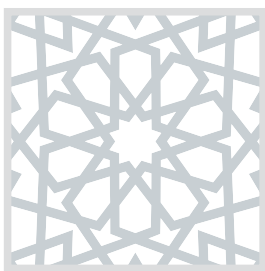
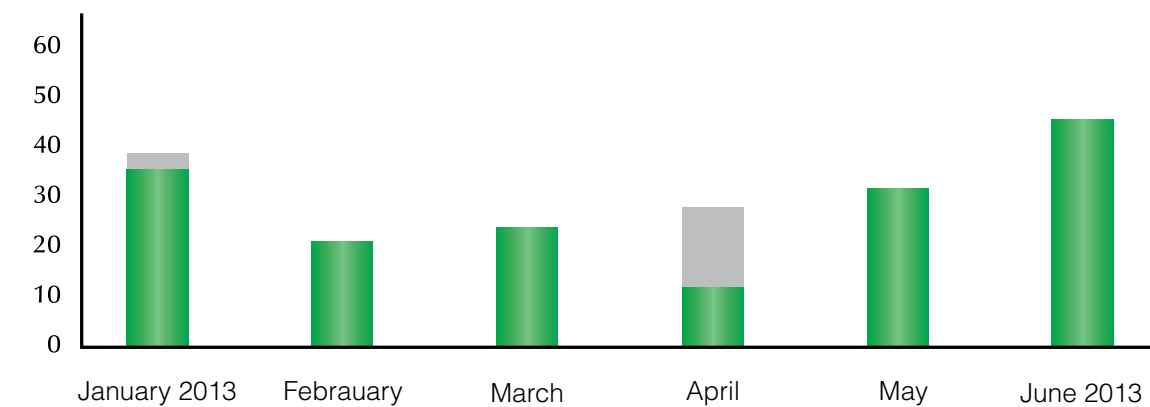
Figures are in KD million



The value of trading grew better month after the other during Q2-2013, as June was ranked first accounting for almost half of the commercial real estate trading by 42% as it registered KD 48 million, followed by May which came second by 31% of the total commercial real estate trading which registered KD 35 million, and April ranked third by 26% registering KD 29 million.

History of Real Estate Trading on Commercial Properties Starting from Jan 2013 till June 2013

Figures are in KD million



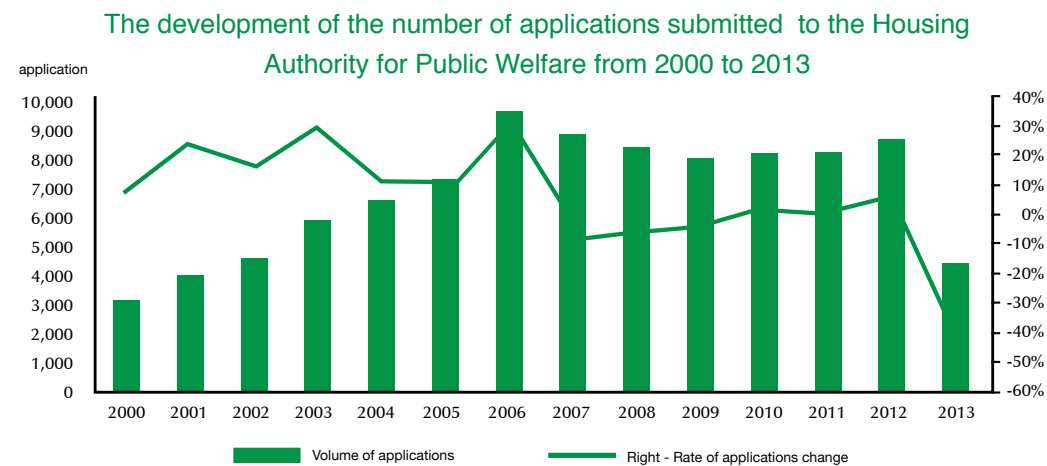
The average value per a commercial real estate transaction in Q1-2013 amounted to KD 6.8 million hiking up by more than the double and with an increase by KD 3.5 million, as the average value per a commercial real estate transaction during Q1-2013 amounted to KD 3.4 million.

73 commercial transactions were reported during Q2-2013 compared to 25 commercial transactions in Q1-2013; an increase by 48 transactions compared to the number of transactions reported during Q1-2013.

Price Indices

Price of Private Housing Land

The State plans to have more than 70,000 residential units built by 2015, though 105,000 applications were submitted during 2000 to 2013. Around 4261 applications were submitted to PAHW in 2013 against 8500 applications in 2012; a decline in the number of applications in 2013 by 50% against an increase of 6% during 2012. The State needs to exert much effort to be able to meet the demand on residential units to avoid any hike in prices that may be caused by the scarcity of supply. To avert the aggravation of the crisis, the construction of residential projects is underway which would accommodate 20,200 residential units of which 13,600 apartments, houses and blocks have been already delivered in Sabah Al-Ahmed City, Jaber Al-Ahmed City, West of Sulaibekhat, Naseem Blocks, and the existing Kheiran and Wafrah projects.



PAHW set an ambitious plan for implementing the State's five-year plan (2011-2014) approved by the National Assembly. The plan proposes that big companies operating in the different sectors of the economy be established and that new investments be pumped into the Kuwaiti economy. The plan provides for the construction of mega projects aiming at constructing houses, blocks, public buildings, and perquisite services in addition to the construction of road networks, major and public facilities. The ratio of completion in some of such mega projects is more than 80% the ratio of completion of the overall projects is less than 60%.

The Developmental Projects and Initiatives Task Force announced the launch of a wide scale of enterprises and initiatives as illustrated in the table below:

PAHW's List of Enterprises covering houses, blocks, public facilities and associated services (June 2013)

S/N	Location	Value of Contract	% of Delivered Obligations
1	Sabah Al-Ahmed City	132,880,847,644	80 %
2	Sabah Al-Ahmed City	127,886,287,000	60 %
3	Jaber Al-Ahmed City	200,731,798,966	57 %
4	Northwest Sulaybekhat	34,333,390,803	12 %
5	Sabah Al-Ahmed City	18,939,275,985	21 %
6	Northwest Sulaybekhat	38,158,061,848	14 %
Cost		KD 552,929,662,246	

PAHW's List of Public Facilities (June 2013)

KD	Location	Value of Contract	% of Delivered Obligations
7	Sabah Al-Ahmed City	34,053,227,672	16 %
8	Saad Al-Abdullah City	1,859,741,118	47 %
9	Sabah Al-Ahmed City	38,514,366,000	12 %
10	Sabah Al-Ahmed City	6,176,007,324	1 %
11	Jaber Al-Ahmed City	57,318,428,544	1 %
12	Sabah Al-Ahmed City	44,753,847,940	Approval of the Timeframe is underway
Cost		KD 182,675,618,598	

PAHW's List of Road Network and Perquisite Services (June 2013)

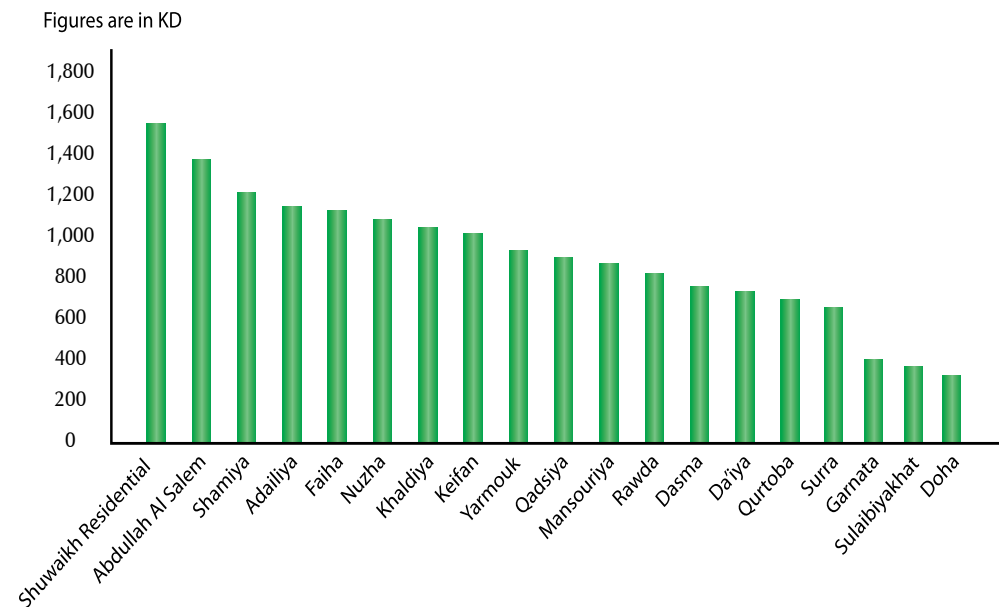
KD	Location	Value of Contract	% of Delivered Obligations
12	Sabah Al-Ahmed City	13,240,000,000	73 %
13	Saad Al-Abdullah City	126,154,000	95 %
14	Sabah Al-Ahmed City	6,557,550,000	45 %
15	Jaber Al-Ahmed City	304,560,950	80 %
16	Jaber Al-Ahmed City	315,169,000	56 %
17	Fahed Al-Ahmed Residential	1,596,890,000	12 %
18	Qayrawan District	52,571,000	1 %
Cost		KD 22,192,894,950	
Total Cost of PAHW's Enterprises		KD 757,798,175,794	

Source: PAHW's List of Enterprises- June 2013 (www.housing.gov.kw)

The price indices reported by KFH during Q2-2013 showed an increase in the prices of residential lands in the Capital Governorate though less than the increase reported in Q1-2013 compared to the average prices in the Capital Governorate during Q4-2012.

The average price per square meter recorded KD 968 in the Q2-2013 compared to KD 944 per square meter in Q1-2013. Al-Doha, Al-Daeyya, Qurtobah, Al-Dasma and Al-Qadesyyah recorded the highest price rates which hiked up to 10%, 8%, 5.3%, 5.2% and 5.2% respectively.

Average Price per sqm of private housing - Capital Governorate (Q2-2013)



Prices of Residential Land at Capital Governorate

Region	Area	% of Built Area	Location	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
Residential	500	210 %	Internal	660,000	700,000	1,320	1,400	1360
Shuwaikh	1,000	210 %	Internal	1,250,000	1,300,000	1,250	1,300	1275
	1,000	210 %	Main	1,550,000	1,750,000	1,550	1,750	1650
Average Prices of the Region				1,315,000	1,437,500	1,480	1,613	1,546
Abdullah	500	210 %	Internal	580,000	610,000	1,160	1,220	1,190
Al-Salem	750	210 %	Internal	800,000	900,000	1,067	1,200	1,133
	1,000	210 %	Internal	1,100,000	1,200,000	1,100	1,200	1,150
Average Prices of the Region				1,065,417	1,157,917	1,263	1,370	1,316
Shamiyah	250	320 %	Internal	260,000	280,000	1,040	1,120	1,080
	500	210 %	Internal	450,000	550,000	900	1,100	1,000
	750	210 %	Internal	675,000	825,000	900	1,100	1,000
	Average Prices of the Region				701,429	802,143	1,033	1,177
Nozha	500	210 %	Internal	450,000	550,000	900	1,100	1,000
	500	210 %	Main	550,000	650,000	1,100	1,300	1,200
	750	210 %	Internal	675,000	810,000	900	1,080	990
	750	210 %	Main	750,000	900,000	1,000	1,200	1,100
	Average Prices of the Region				705,000	832,000	1,000	1,186
Khaldiyyah	750	210 %	Internal	650,000	750,000	867	1,000	933
	750	210 %	Main	750,000	900,000	1,000	1,200	1,100
	1,000	210 %	Internal	900,000	1,000,000	900	1,000	950
	1,000	210 %	Main	1,000,000	1,200,000	1,000	1,200	1,100
Average Prices of the Region				825,000	962,500	942	1,100	1,021
Adelyyah	500	210 %	Internal	450,000	550,000	900	1,100	1,000
	500	210 %	Main	550,000	650,000	1,100	1,300	1,200
	750	210 %	Internal	650,000	750,000	867	1,000	933
	750	210 %	Main	750,000	900,000	1,000	1,200	1,100
Average Prices of the Region				800,000	956,250	983	1,175	1,079

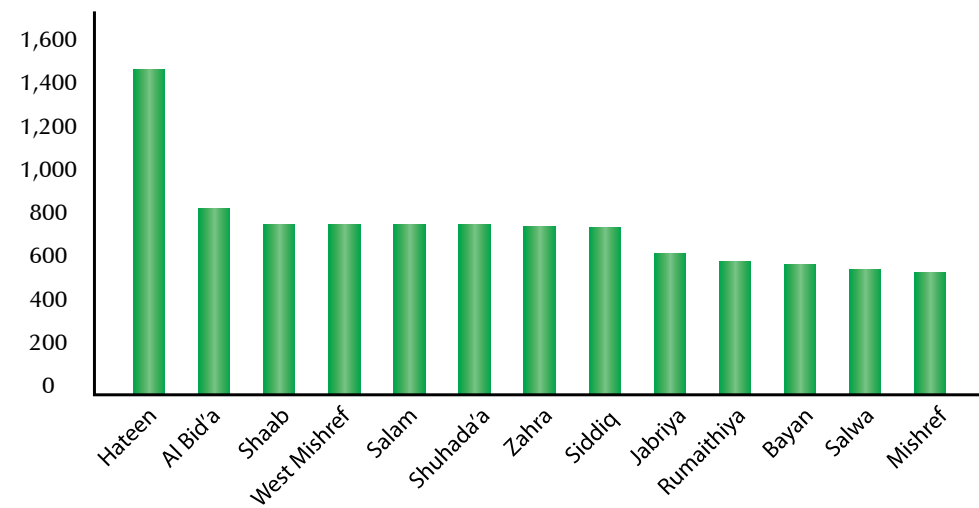


A price increase by 11% is reported in Hawalli Governorate as the average price per square meter reached KD 943 during Q2-2013 compared to KD 848 in Q1-2013.

According to the recent surveys conducted by KFH, a double-fold price increase was reported in Hetteen while an increase in the average price per square meter is reported in the majority of the cities of Hawalli Governorate (Jabreyyah, Rumaythyyah, Bayan, Mishrif, West Mishrif, Salwa, Shaab) ranging between 3% to 9%.

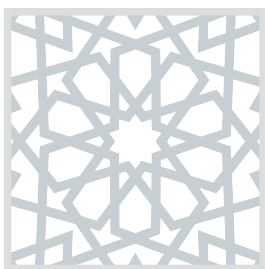
Average Price per sqm of private housing - Hawalli Governorate (Q2-2013)

Figures are in KD



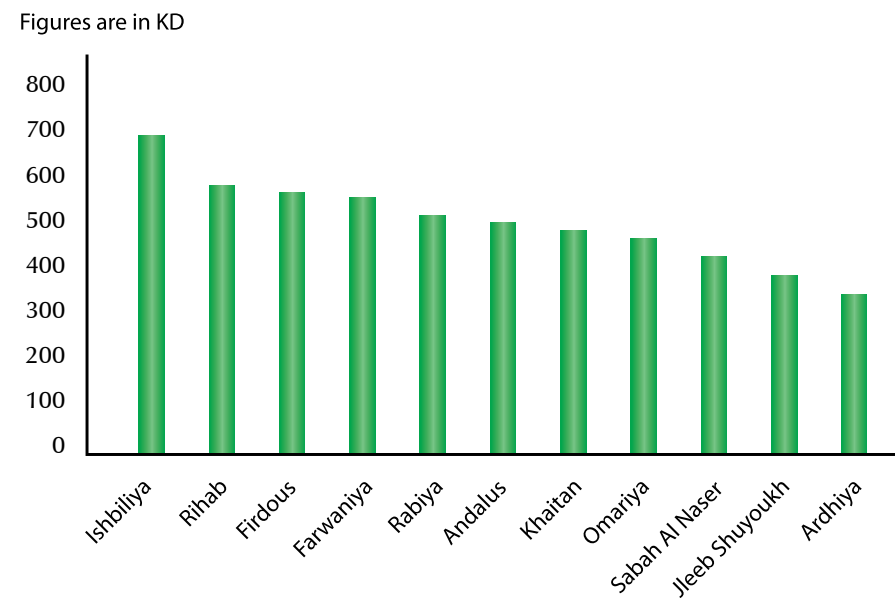
Prices of Residential Land at Hawalli Governorate

Region	% of Built Area	Area	Location	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
Shaab	210 %	400	Internal	390,000	415,000	975	1,038	1006
	210 %	400	Main	435,000	465,000	1,088	1,163	1125
	210 %	500	Internal	450,000	480,000	900	960	930
Average Price of the Region				510,000	545,000	944	1,008	976
Jabreyyah	210 %	400	Internal	320,000	350,000	800	875	838
	210 %	400	Main	350,000	385,000	875	963	919
Average Price of the Region				484,375	511,250	754	802	778
Rumaythyyah	210 %	400	Internal	300,000	320,000	750	800	775
	210 %	400	Main	330,000	350,000	825	875	850
	210 %	500	Internal	350,000	380,000	700	760	730
Average Price of the Region				495,000	526,875	745	794	770
Salwa	210 %	500	Internal	320,000	350,000	640	700	670
	210 %	500	Main	380,000	400,000	760	800	780
Average Price of the Region				582,143	618,571	729	775	752



The average price per square meter in Farwaniyah Governorate recorded KD 526 during Q2-2013 compared to around KD 510 in Q1-2013. The highest increase in the average price per square meter was reported in Kheitan by 11.4%, while an average price increase per square meter ranging from 3% to 6% was reported in Sabah Al-Naser, Al-Ferdoos, Al-Omareyyah and Al-Rehab, and 2% and 1% was reported in Ashbelyyah and Ardeyyah respectively. In addition, prices remained stable in Farwaneyyah, Shuwaikh, Rabeyyah and Andalus.

Average Price per sqm of private housing - Farwaniyah Governorate (Q2-2013)



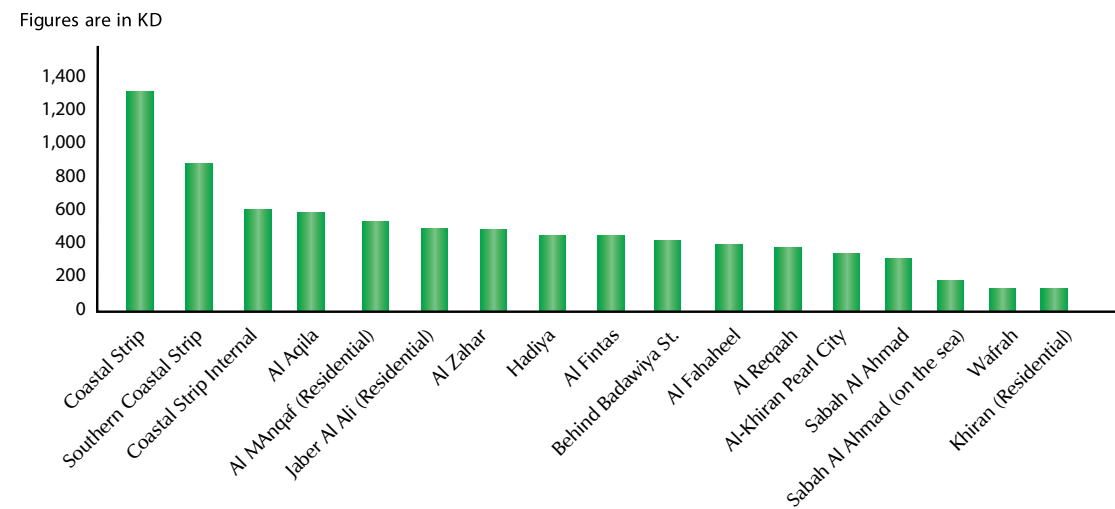
Prices of Residential Land at Farwaniyah Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Andalus	210 %	500	Internal		245,000	260,000	490	520	505
	210 %	500	Main		285,000	310,000	570	620	595
Average Price of the Region					344,000	366,000	529	564	547
Al-Rabiyah (Existing House)	210 %	500	Internal		240,000	260,000	480	520	500
	210 %	500	Main		285,000	315,000	570	630	600
Average Price of the Region					262,500	287,500	525.0	575.0	550
Ashbelyyyah	210 %	400	Internal		250,000	270,000	667	720	693
	210 %	400	Main		280,000	300,000	747	800	773
Average Price of the Region					285,833	314,167	678	743	710
Farwanyyah	210 %	500	Internal		250,000	280,000	500	560	530
	210 %	500	Main		280,000	300,000	560	600	580
Average Price of the Region					265,000	290,000	530.0	580.0	555
Kheitan (Behind Kheitan Clup)	210 %	400	Internal		200,000	250,000	500	625	563
Kheitan	210 %	1000		Faisal Motorway	445,000	465,000	445	465	455
Average Price of the Region					355,000	385,000	494.6	547.5	521
Jleeb Al-Shoyukh	210 %	750	Internal		265,000	335,000	353	447	400
	Average Price of the Region					265,000	335,000	353	447
Ardeyyah	210 %	750	Internal		255,000	275,000	340	367	353
	210 %	750	Main		300,000	330,000	400	440	420
Average Price of the Region					270,000	277,500	302,500	370.0	403.3

Prices soared up in Al-Ahmadi Governorate as the average price per square meter hit KD 512 in Q2-2013 compared to KD 492 in Q1-2013.

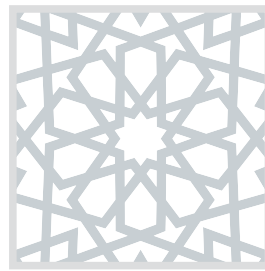
Prices increased at Hadeyyah by 12% compared to Q1-2013. Prices also hiked at Jaber Al-Ali (blocks), Zahr and Agricultural Fintas by 7%. An average price increase per square meter ranging from 3% to 4% was reported in Sabaheyyah, Residential Manqaf, Sabah Al-Ahmed and Loloat Kheiran City. Prices remained stable at Fahaheel compared to the hike in prices by 30% in the area opposite to the industrial area and behind it during Q1-2013.

Average Price per sqm of private housing - Al Ahmadi Governorate (Q2-2013)



Prices of Residential Land at Al-Ahmadi Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Fintas Agricultural	210 %	1000	Internal		400,000	430,000	400	430	415
	210 %	1000	Main		460,000	500,000	460	500	480
Hadeyyah	210 %	750	Internal		300,000	320,000	400	427	413
	210 %	750	Main		350,000	380,000	467	507	487
Aqeelah	210 %	400	Internal		230,000	250,000	575	625	600
	210 %	400	Main		250,000	270,000	625	675	650
	210 %	500	Internal		290,000	310,000	580	620	600
Coastal Strip C – Seafront	210 %	500	Main		320,000	340,000	640	680	660
	150 %	750		Seafront	985,000	1,050,000	1,313	1,400	1357
Coastal Strip C – Main Street	150 %	750		Coastal Strip	750,000	800,000	1,000	1,067	1033
Coastal Strip C – Internal Streets	150 %	750		Internal	450,000	500,000	600	667	633
Kheiran Residential City	210 %	400			55,000	75,000	138	188	163
Sabah Al-Ahmed A1 - Seafront	210 %	1200	Seafront		250,000	265,000	208	221	215
Sabah Al-Ahmed A2 - Seafront	210 %	1200	Seafront		280,000	300,000	233	250	242
Loloat Kheiran City A3 – Seafront	210 %	640	Seafront		245,000	270,000	383	422	402

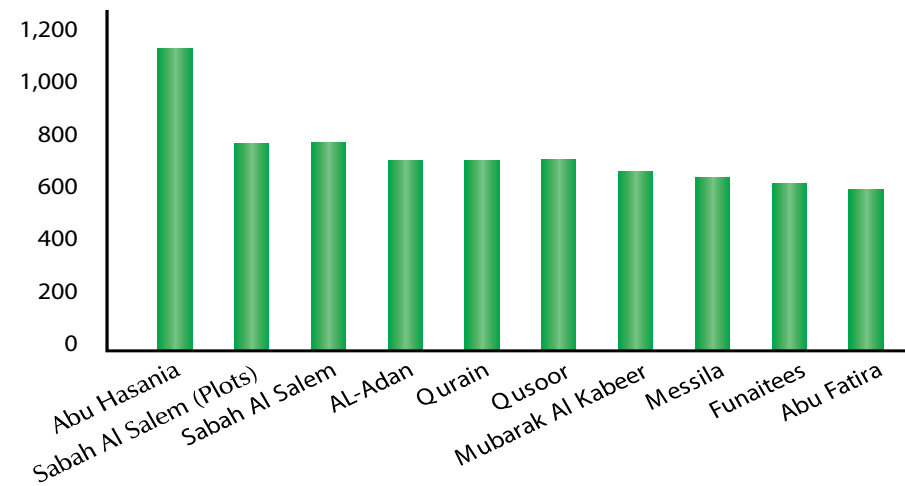


Moubarak Al-Kabeer Governorate recorded a hike in prices as the average price per square meter reached KD 728 during Q2-2013 compared to KD 723 per square meter in Q1-2013; a slight price increase by 0.7%.

A hike in prices by 3% was reported at Al-Hasaynah compared to Q1-2013, while prices unchanged in the remaining parts of the Governorate during Q2-2013.

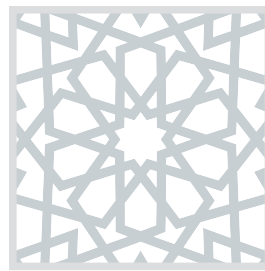
Average Price per sqm of private housing - Moubarak Al-Kabeer Governorate (Q2-2013)

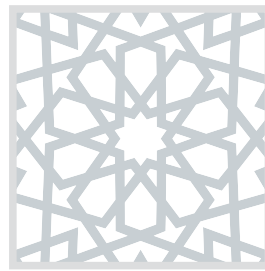
Figures are in KD



Prices of Residential Land at Moubarak Al-Kabeer Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Abo Al-Hasaynah	150 %	750	Internal		520,000	680,000	650	850	750
	150 %	750		Fahaheel	800,000	840,000	1,000	1,050	1025
	150 %	750	Seafront		1,600,000	1,700,000	1,600	1,700	1650
Average Price of the Region					946,667	1,020,833	1,050	1,167	1108
Al-Meseelah	210 %	400	Internal		250,000	270,000	625	675	650
	210 %	400	Main		280,000	300,000	700	750	725
	210 %	500	Internal		280,000	300,000	560	600	580
	210 %	500	Main		330,000	350,000	660	700	680
Average Price of the Region					285,000	305,000	636	681	659
Abo Fatirah Residential	210 %	400	Internal		220,000	240,000	550	600	575
	210 %	400	Main		250,000	270,000	625	675	650
	210 %	500	Internal		250,000	270,000	500	540	540
	210 %	500	Main		290,000	320,000	580	640	610
Average Price of the Region					252,500	275,000	564	614	594



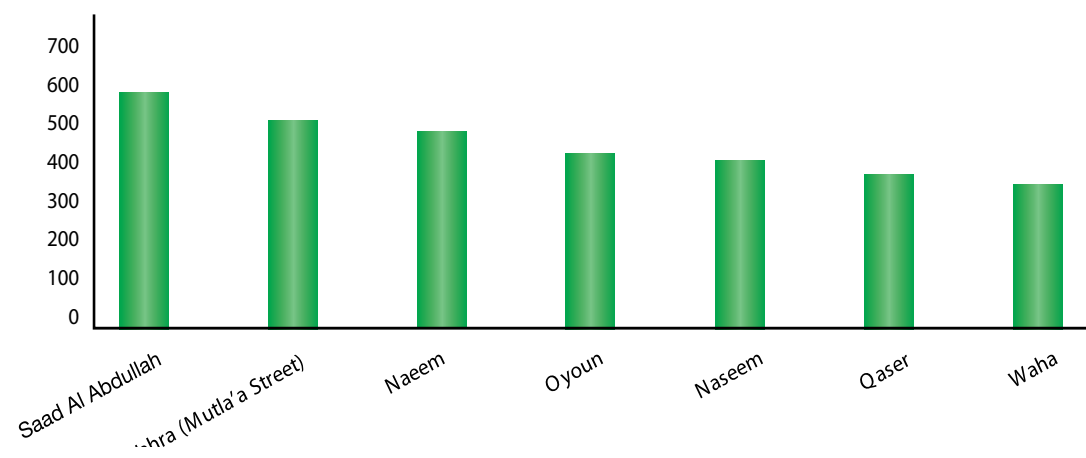


Al-Jahrah Governorate recorded a price increase, as the average price per square meter reached KD 509 in Q2-2013 hiking up by 2% Compared to KD 499 in Q1-2013.

Al-Waha, existing houses, also witnessed a noticeable price increase by 6% registering the highest hike in prices during Q2-2013, followed by Al-Oyoun which had a price increase by 4% and Al-Naseem by 4%.

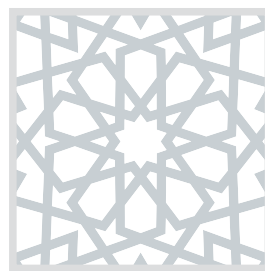
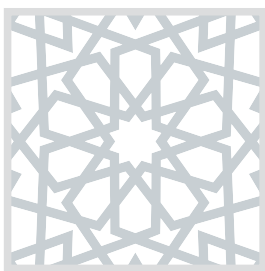
Average Price per sqm of private housing - Al Jahra Governorate (Q2-2013)

Figures are in KD



Prices of Residential Land at Al-Jahra Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Al-Qasr	210 %	750	Internal		280,000	320,000	373	427	400
Al-Qasr Club Street	210 %	1000		Club Street	470,000	550,000	470	550	510
Al-Qasr Existing House	210 %	600			260,000	280,000	433	467	450
Al-Jahra Al-Metla Street	210 %	400	Internal		265,000	280,000	530	560	545
Al-Oyoun Gov. House	210 %	400	Main		175,000	210,000	438	525	481
Al-Naeem Blocks	210 %	400	Internal		225,000	250,000	563	625	594
Al-Naeem Gov. House	210 %	400	Main		175,000	200,000	438	500	469
Al-Waha Existing House	Up to 800 m ²	300			125,000	135,000	417	450	433
Al-Naseem Gov. House	210 %	400	Main		175,000	210,000	438	525	481





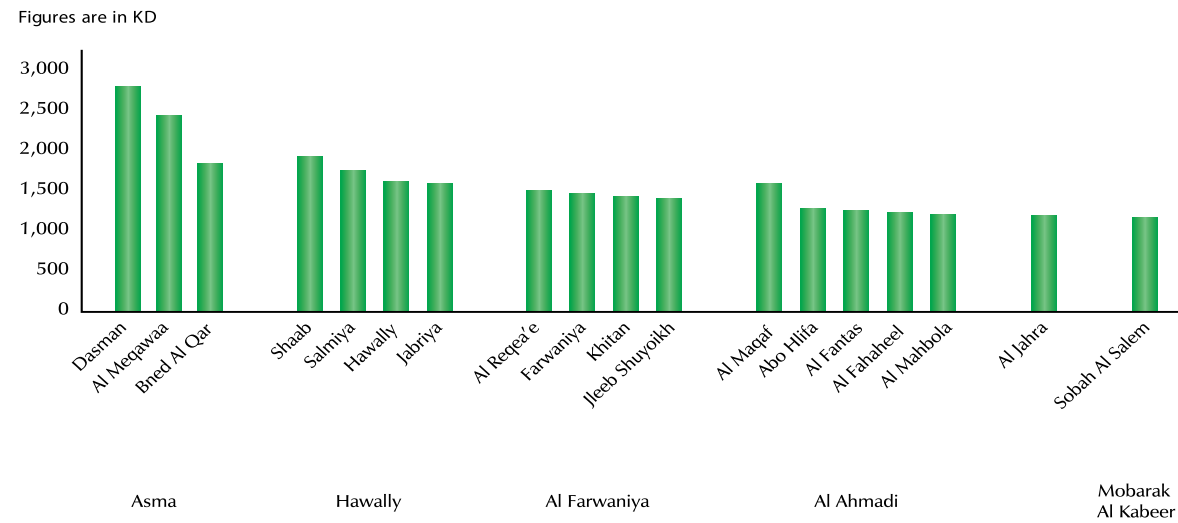
Price of Investment Land

Prices of investment lands increased slightly by 1% in the Capital Governorate during Q2-2013 compared to Q1-2013 which had a 1.2% price increase compared to Q4-2012 as the average price per square meter recorded KD 2,318 during Q2-2013 compared to KD 2,290 during Q1-2013.

Annually wise, the average price per square meter hiked up by 10% compared to around KD 2,109 per square meter during Q2-2012.

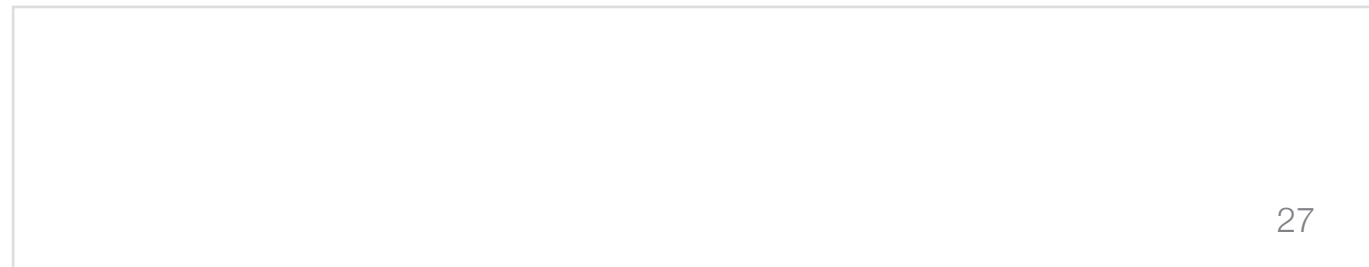
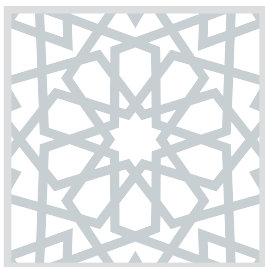
A price increase at 4.3% was reported at Bneid Al-Qar and 0.3% at Al-Meqwae while prices remained unchanged at Dasman during Q2-2013 compared to the average prices reported during Q1-2013.

Average Price per sqm of Investment housing in the governorates of Kuwait (Q2-2013)



Prices of Investment Lands at Capital Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Bneid Al-Qar	250 %	1,000	Internal	Gulf Road	2,650,000	2,850,000	2,650	2,850	2,750
	250 %	1,000		Independence	1,650,000	1,700,000	1,650	1,700	1,675
	250 %	500	Main	Internal	750,000	770,000	1,500	1,540	1,520
	250 %	500		Main	800,000	850,000	1,600	1,700	1,650
Average Price of the Region					1,511,667	1,603,333	1,770	1,873	1,822
East Al-Meqwae	240 %	250	Internal	Internal	400,000	425,000	1,600	1,700	1,650
	400 %	500		Internal	1,000,000	1,150,000	2,000	2,300	2,150
Average Price of the Region					1,425,000	1,531,250	2,300	2,475	2,388
Dasman	400 %	1,000	Internal	Gulf Road	3,200,000	3,400,000	3,200	3,400	3,300
	400 %	1,000		Abdullah Al-Ahmed	2,100,000	2,300,000	2,100	2,300	2,200
	400 %	750		Abdullah Al-Ahmed	2,000,000	2,100,000	2,667	2,800	2,733
Average Price of the Region					2,433,333	2,600,000	2,656	2,833	2,744



Hawalli Governorate recorded an increase in the average price per square meter at KD 1,688 during Q2-2013 compared to KD 1,635 during Q1-2013; a hike by 3% compared to the average price per square meter recorded at 11% in Q1-2013 compared to Q4-2012.

Annually wise, Hawalli Governorate recorded a hike in the prices at 27% compared to KD 1,329 per square meter during Q2-2012.

Salmiya, Shaab, Hawalli and Jabreyyah witnessed a price increase by 6.5%, 3.5%, 2.7% and 1.4% respectively compared to the average price per square meter recorded during Q1-2013.

Prices of Investment Lands at Hawalli Governorate

Region	% of Built Area	Area	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
Hawalli	250%	750	Al-Muthana	1,180,000	1,250,000	1,573	1,667	1,620
	250%	750	Qutayba	1,200,000	1,250,000	1,600	1,667	1,633
	250%	750	Al-Hassan Al-Basry	1,150,000	1,200,000	1,533	1,600	1,567
	250%	750	Ahmed Bin Tolon	1,150,000	1,200,000	1,533	1,600	1,567
	250%	750	Al-Yarmouk	1,150,000	1,200,000	1,533	1,600	1,567
	250%	750	Mosa Bin Nuseer	1,150,000	1,200,000	1,533	1,600	1,567
Average Price of the Region				1,191,000	1,242,667	1,552	1,621	1,587
Salmiya	250 %	1,000	Gulf Road	2,650,000	2,850,000	2,650	2,850	2,750
	250 %	750	Baghdad (Al-Tahrir)	1,300,000	1,350,000	1,733	1,800	1,767
	250 %	750	Abdul Kareem Al-Khattabi	1,250,000	1,300,000	1,667	1,733	1,700
	250 %	750	Qatar	1,300,000	1,350,000	1,733	1,800	1,767
	250 %	750	Abdullah Bin Masoud	1,200,000	1,225,000	1,600	1,633	1,617
	250 %	750	Yusuf Bin Hamoud	1,200,000	1,225,000	1,600	1,633	1,617
	250 %	750	Hamad Al-Moubarak	1,250,000	1,300,000	1,667	1,733	1,700
Average Price of the Region				1,300,313	1,351,563	1,679	1,746	1,712
Shaab	250 %	1,000	Gulf Road	2,700,000	2,850,000	2,700	2,850	2,775
	250 %	1,000	Independence	1,600,000	1,650,000	1,600	1,650	1,625
Average Price of the Region				1,750,000	1,837,500	1,850	1,942	1,896
Jabreyyah	250 %	1,000	4 th Ring Road	1,625,000	1,665,000	1,625	1,665	1,645
	250 %	1,000	Al-Maghreb	1,500,000	1,550,000	1,500	1,550	1,525
	250 %	1,000	Al-Shanakel	1,550,000	1,600,000	1,550	1,600	1,575
Average Price of the Region				1,482,143	1,525,714	1,535	1,580	1,558

Farwaniyah Governorate recorded KD 1,426 as an average price per square meter compared to KD 1,374 during Q1-2013, as the Governorate registered a price increase during Q2-2013 by 4% compared to a price increase at 15% during Q1-2013. Annually wise, the Governorate witnessed a price increase at 42% as an average price worth KD 1,002 per square meter during Q2-2013. A hike by 1% was reported at Farwaneyyah City, 3.5% at Kheitan, and 4.6% at Al-Reqei. The highest price increase was reported at Jleeb Al-Shoyoukh which hit 6.3% compared to the average price per square meter during Q1-2013.

Prices of Investment Lands at Farwaniyah Governorate

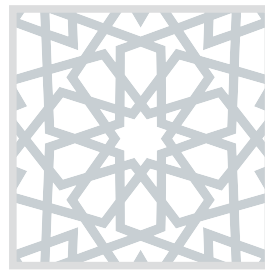
Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Farwaniyah	250 %	1,000		Airport 6 th Ring Road	1,550,000	1,600,000	1,550	1,600	1,575
	250 %	1,000			1,500,000	1,550,000	1,500	1,550	1,525
	250 %	1,000	Main		1,450,000	1,500,000	1,450	1,500	1,475
	250 %	1,000	Internal		1,325,000	1,350,000	1,325	1,350	1,338
	Average Price of the Region					1,245,833	1,300,000	1,410	1,478
Kheitan	250 %	750		Airport	1,200,000	1,250,000	1,600	1,667	1,633
	250 %	750	Main		1,100,000	1,150,000	1,467	1,533	1,500
	250 %	750	Internal		925,000	950,000	1,233	1,267	1,250
Average Price of the Region					925,000	962,000	1,370	1,425	1,398
Jleeb Al-Shoyoukh	250 %	750		6 th Ring Road Police Station Street	1,100,000	1,150,000	1,467	1,533	1,500
	250 %	750			1,100,000	1,150,000	1,467	1,533	1,500
	Average Price of the Region					917,143	978,571	1,344	1,436
Al-Reqei	250 %	750		4 th Ring Road 5 th Ring Road	1,200,000	1,250,000	1,600	1,667	1,633
	250 %	750			1,150,000	1,200,000	1,533	1,600	1,567
	Average Price of the Region					1,087,500	1,138,333	1,376	1,444

Al-Ahmadi Governorate recorded a price increase by 12% in Q2-2013 compared to a price increase of 7% in Q1-2013, as the average price per square meter recorded KD 1,296 in Q2-2013 compared to KD 1,155 in Q1-2013.

Annually wise, the Governorate recorded a price increase at 32% compared to an average price of KD 985 per square meter in Q2-2012.

Prices of Investment Lands at Al-Ahmadi Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
					From	To	From	To	
Fintas	250 %	500	Main		880,000	925,000	1,173	1,233	1,203
	250 %	750		Fahaheel	900,000	950,000	1,200	1,267	1,233
	250 %	1,000		Coastal Road	1,550,000	1,650,000	1,550	1,650	1,600
Average Price of the Region					931,000	987,000	1,211	1,284	1,248
Abo Helifa	250%	750	Internal		800,000	850,000	1,067	1,133	1,100
	250%	750	Main		925,000	965,000	1,233	1,287	1,260
Average Price of the Region					956,250	1,016,250	1,238	1,318	1,278
Al-Manqaf	250%	750	Internal	Water Station Street	800,000	850,000	1,067	1,133	1,100
	250%	750	Internal		975,000	1,000,000	1,300	1,333	1,317
Average Price of the Region					1,165,000	1,230,000	1,523	1,610	1,567
Mahboulah	250 %	500	Internal		700,000	750,000	933	1,000	967
	250 %	750	Main		785,000	850,000	1,047	1,133	1,090
Average Price of the Region					842,000	916,000	1,087	1,185	1,136
Fahaheel	250 %	500	Internal		550,000	600,000	1,100	1,200	1,150
	250 %	750	Main		625,000	650,000	1,250	1,300	1,275
	250 %	1,000		Mecca	1,350,000	1,400,000	1,350	1,400	1,375
	250 %	750		Al-Badwyah	880,000	950,000	1,173	1,267	1,220
Average Price of the Region					834,167	891,667	1,168	1,250	1,209



Al-Jahra Governorate recorded a price increase by 3% in Q2-2013 as the average price hit KD 1,167 per square meter compared to a price increase of 12% registering KD 1,138 in Q1-2013.

Annually wise, the average price per square meter increased by 28% registering KD 909 during Q2-2013.

Prices of Investment Lands at Al-Jahrah Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013	
					From	To	From	To		
Al-Jahrah	250 %	1,000	Internal		Second	1,100,000	980	1,100	1,040	
	250 %	1,000	Main			1,100,000	1,150,000	1,100	1,150	1,125
	250 %	800		Al-Khazami		1,150,000	1,200,000	1,438	1,500	1,469
	250 %	500	Internal			500,000	550,000	1,000	1,100	1,050
	250 %	500	Main			550,000	600,000	1,100	1,200	1,150
Average Price of the Region						856,000	920,000	1,124	1,210	1,167

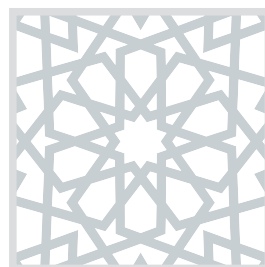
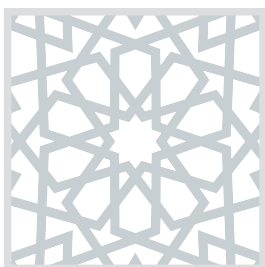


Moubarak Al-Kabeer Governorate recorded a price increase in almost all places in the Governorate by 9% as the price per square meter reached KD 1,156 in Q2-2013 compared to a price increase of 10% in Q1-2013 when the price per square meter reached KD 1,161.

Annually wise, the Governorate witnessed a price increase by 37% as the average price per square meter reached KD 843 during Q2-2012.

Prices of Investment Lands at Moubarak Al-Kabeer Governorate

Region	% of Built Area	Area	Location	Street	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013	
					From	To	From	To		
Moubrak Al-Kabeer	250 %	750	Internal			800,000	850,000	1,067	1,133	1,100
	250 %	750	Main			950,000	980,000	1,267	1,307	1,287
	250 %	1,000	Internal			950,000	1,000,000	950	1,000	975
	250 %	1,000	Main			1,250,000	1,300,000	1,250	1,300	1,275
	250 %	1,000		Fahaheel		1,350,000	1,400,000	1,350	1,400	1,375
Average Price of the Region						958,333	1,000,833	1,131	1,182	1,156



Annual Rate of Return on Investment Properties

Demand on investment properties is closely contingent upon rate of return of such properties which ranged from 6.50% to 6.85% in the Capital Governorate and some areas in Hawalli and Farwaniyah governorates. An annual rate of return ranging from 7.48% to 7.75% is also reported in Al-Ahmadi, Moubarak Al-Kabeer and Al-Jahra governorates.

Annual Rate of Return on Investment Properties by Geography

Governorate	Region	% Built Area	Area	Location	Street	% Annual Return on Investment Properties Q2-2013		
						From	To	Average
						Capital Governorate	Bneid Al-Qar	250%
	Bneid Al-Qar	250%	1,000		Independence	6.25%	7.00%	6.63%
	East Meqwaee	240%	250	Internal		6.00%	6.50%	6.25%
	Dasman	400%	1,000		Gulf Road	6.00 %	7.00%	6.50%
Hawalli	Hawalli	250%	750		Al-Muthanna	6.50%	6.70%	6.60%
	Hawalli	250%	1,000		Al-hasan Al-Basri	6.50%	6.70%	6.60%
	Salmeyyah	250%	1,000		Gulf Road	6.00 %	7.00%	6.50 %
	Salmeyyah	250%	1,000		Baghdad	6.25%	6.50%	6.38%
	Shaab	250%	1,000		Gulf Road	6.00 %	6.50%	6.25%
	Shaab	250%	1,000		Independence	6.25%	6.50%	6.38%
Farwaniyah	Farwaniyah	250%	1,000		Airport	6.50%	7.00%	6.75 %
	Farwaniyah	250%	1,000	Main		6.50%	7.00%	6.75 %
	Kheitan	250%	750		Airport	6.50%	7.00%	6.75 %
	Al-Reqeii	250%	750		4 th Ring Road	6.70%	7.00%	6.85 %
	Al-Reqeii	250%	750		5 th Ring Road	6.70%	7.00%	6.85 %
Al-Ahmadi	Fintas	250%	500	Internal		7.50 %	8.00%	7.75%
	Abo Helefa	250%	500	Internal		7.50 %	8.00%	7.75%
	Abo Helefa	250%	750	Internal		7.50 %	8.00%	7.75%
	Manqaf	250%	500	Internal		7.50 %	8.00%	7.75%
	Fahaheel	250%	500	Internal		7.25%	7.70%	7.48%
	Fahaheel	250%	500	Main		7.00%	7.70%	7.48%
Al-Jahra	Al-Jahra	250%	1,000	Internal		7.50%	8.00%	7.75%
	Al-Jahra	250%	1,000	Main		7.50%	8.00%	7.75%
Moubarak Al-Kabeer	Sabah Al-Salem	250%	750	Internal		7.25%	7.50 %	7.38%
	Sabah Al-Salem	250%	750	Main		7.25%	7.50 %	7.38%

Prices of Commercial Properties

Prices of commercial properties during Q2-2013 settled at an average price of KD 5,655, though the trading prices of commercial properties in the Capital Governorate went up recording an average price of KD 5,655 during Q1-2013 compared to KD 5,133 per square meter in Q4-2012.

Annually wise, the average price in the Governorate hiked up by 10% as the average price had valued KD 5,095 per square meter during Q2-2012.

Prices hiked up to more than 25% in some places at Qiblah and to 37% at Al-Madinah during Q1-2013, and ranged between 6% and 16% in some places in Al-Madina and Qiblah like (Moubarak Al-Kabeer "KSE", Al-Soor Street, Ahmed Al-Jaber Street, Khaled Ibn Al-Waleed Street). Prices went up to less than 10% in other places like Abdullah Al-Moubarak Street, Amed Al-Jaber Street and Fahed Al-Salem Street.

Prices of Commercial Land at the Capital Governorate

Region	% of Built Area	Street	Area	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
				Al-Qibla	300%	Al-Moubarkeyyah	500	
Sharq	520%	Ahmed Al-Jaber	500	3,250,000	3,500,000	6,500	7,000	6,750
Al-Madina	620%	Moubark Al-Kabeer	500	2,950,000	3,050,000	5,900	6,100	6,000
		(Blocks) Moubark Al-Kabeer (KSE)	500	3,500,000	3,600,000	7,000	7,200	7,100
Al-Qibla	620%	Fahed Al-Salem	500	3,450,000	3,550,000	6,900	7,100	7,000
Sharq	520%	Jaber Al-Moubarak	500	2,925,000	3,000,000	5,850	6,000	5,925

Prices remained stable in Hawalli Governorate during Q2-2013 following a price increase in some places of the Governorate recording up to KD 3,225 during Q1 and Q2 -2013 slightly hiking up by 1% compared to Q4-2012 when the average price per square meter recorded KD 3,193. Prices remained stable in some places at Salmeeyah like Al-Bahrain Street as compared to Q1-2013.

Prices at Farwaneyyah Governorate also remained unchanged during Q2-2013, though the noticeable increase in the average price per square meter by 22.6% during Q1-2013 when the average price per square meter recorded KD 2,256 hiking up by 5.2% than Q4-2012.

Prices of Commercial Land at Hawalli Governorate

Region	% of Built Area	Street	Area	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
				Hawalli	180%	Tunis	1,000	
	180%	Beirut	1,000	3,500,000	3,850,000	3,500	3,850	3,675
Salmeeyah	180%	Salem Al-Moubarak	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

Prices of Commercial Land at Farwaneyyah Governorate

Region	% of Built Area	Street	Area	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
				Farwaneyyah	180%	Menawer	1,000	
Farwaneyyah	180%	Fire Fighting	800	3,040,000	3,200,000	3,800	4,000	3,900
Kheitan	180%		1,000	3,500,000	3,800,000	3,500	3,800	3,650
Kheitan	300%	Administrative & Commercial	1,000	3,000,000	3,300,000	3,000	3,300	3,150
(Administrative & Commercial) Jleeb Al-Shoyoukh	180%	Coo-Society	1,000	2,100,000	2,200,000	2,100	2,200	2,150
Opposite to Coo-Society Jleeb Al-Shoyoukh (Back Area)	180%	Internal	1,000	1,750,000	1,850,000	1,750	1,850	1,800
Al-Dajeej (5000m) at 6 th Ring Road	210%	6 th Ring Road	5,000	6,500,000	7,000,000	1,300	1,400	1,350
Al-Dajeej (5000m) Internal		Internal	5,000	2,250,000	2,750,000	450	550	500
Al-Dajeej South Kheitan	250%	Internal	5,000	1,750,000	2,000,000	350	400	375

The average price at Al-Jahrah Governorate settled at KD 1,885 during Q2-2013 though prices increased at 6.6% during Q1-2013 compared to a slight 1.5% price increase in Q4-2012 when the average price per square meter recorded KD 1,885 in Q1-2013 compared to an average price per square meter of KD 1,775 in Q4-2012.

Prices of Commercial Land at Al-Jahra Governorate

Region	% of Built Area	Street	Area	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
Al-Jahra	180%	Marzouk Al-Meteib	1,000	2,500,000	2,600,000	2,500	2,600	2,550
Administrative & Commercial Centre	300%	Administrative & Commercial	875	1,881,250	2,012,500	2,150	2,300	2,225
Al-Jahra	50%	Plot 41A	225	450,000	495,000	2,000	2,200	2,100

Price stability is reported at Al-Ahmadi Governorate during Q1 and Q2-2013 as the average price per square meter valued KD 2,717 compared to KD 2,636 in Q4-2012. According to the latest surveys made by KFH, prices remained stable at Fintas (Administrative & Commercial) compared to Q1-2013, though prices hiked up noticeably between 5% and 10% in Fahaheel and Loloat Al-Kheiran during Q1-2013.

Prices of Commercial Land at Al-Ahmadi Governorate

Region	% of Built Area	Street	Area	Market Value of Land KD		Market Value per Square Meter KD		Average Price / Square Meter Q2-2013
				From	To	From	To	
Al-Manqaf	300%	Azezeyyah	750	900,000	975,000	1,200	1,300	1,250
Fintas	180%	Main	1000	3,200,000	3,300,000	3,200	3,300	3,250
Administrative & Commercial	180%	Internal	1000	2,950,000	3,050,000	2,950	3,050	3,000
Fahaheel	180%	Al-Daboos	750	2,437,500	2,550,000	3,250	3,400	3,325
	180%	Coastal Strip	750	3,187,500	3,262,500	4,250	4,350	4,300

Annual Rate of Return on Commercial Properties

Annual rate of return on commercial properties is still significantly less than the annual rate of return on investment properties due to a decrease in the occupancy rates affected by the offices sector, especially in the Capital Governorate where the average rate of return settled at 6.48%, while it hiked up to 7.25% in Hawalli Governorate, and to 7.68%, 7.83%, and 7.68% in the governorates of Farwaneyyah, Al-Jahra and Al-Ahmadi respectively.

Annual Rate of Return on Commercial Properties by Geography

Governorate	Region	% Built Area	Area	% Annual Return on Investment Properties Q2-2013		
				From	To	Average
Capital Governorate	Al-Qiblah	300%	Al-Moubarkeyyah	6.00%	6.50%	6.25%
	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-Soor	6.00%	7.00%	6.50%
	Al-Madinah	300%	Al-Soor	6.00%	7.00%	6.50%
Hawalli	Al-Madinah	620%	Moubarak Al-Kabeer (Blocks)	6.00%	7.00%	6.50%
	Hawalli	180%	Tunis	7.00%	7.50%	7.25%
	Hawalli	180%	Beirut	7.00%	7.50%	7.25%
	Salmiya	180%	Hamad Al-Moubarak	7.00%	7.50%	7.25%
Farwaneyyah	Salmiya	180%	Salem Al-Moubarak	7.00%	7.50%	7.25%
	Farwaneyyah, Menawer St.	180%	Menawer	7.00%	7.50%	7.25%
	Farwaneyyah, Fire Fighting St.	180%	Fire Fighting	7.00%	7.50%	7.25%
	Kheitan	180%		7.00%	7.50%	7.25%
	Kheitan, Administrative & Commercial	300%	Administrative & Commercial	7.50%	7.50%	7.50%
Jahra	Ardeyyah – Warehouses	Ground 80 % Mezzanine 50%	Internal	8.00%	8.50%	8.25%
	Al-Jahrah	180%	Marzouk Al-Meteib	7.50%	8.00%	7.75%
	Al-Jahrah Admin. & Comm. Cent.	300 %	Administrative & Commercial	7.50%	8.00%	7.75%
Ahmadi	Al-Jahra Al-Quaisareyyat	300%	Plot 20	7.50%	7.75%	7.63%
	Manqaf Fintas	300%	Azezeyyah	8.00%	8.00%	8.00%
	Admin. & Comm. Fahaheel	180%	Main	8.00%	8.00%	8.00%
		180%	Al-Dabbos	7.25%	7.50%	7.38%

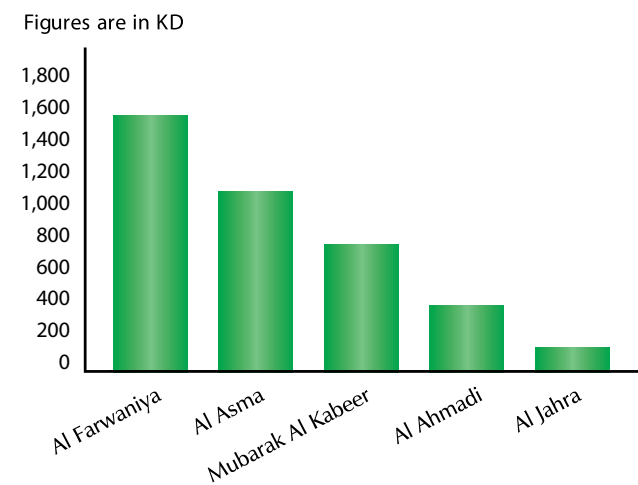
Prices of Industrial Plots (Usufruct Contracts) and Warehouses

The average prices per square meter of the industrial plots went up by less than half per cent during Q2-2013 though the prices of some industrial plots hiked up in the Capital Governorate during Q1-2013.

The highest price increase to 2% was reported at Shuwaikh Industrial areas like Ghazali Road and Electricity Street during Q2-2013 compared to a hike in prices to 9.3% during Q1-2013. Prices remained stable at the internal industrial plots at Shuwaikh.

The average price per square meter hit KD 1,179 during Q2-2013 compared to KD 1,175 in Q1-2013.

Average Market Value of sqm in Industrial & Handicraft Properties in the Governorates of Kuwait (Q2-2013)



Prices of Industrial Plots at the Capital Governorate

Region	Purpose	% Built Area	Area	Location	Street	Market Value of Land (KD)		Average Price / Square Meter Q2-2013
						From	To	
Industrial Shuwaikh	Showrooms + Land + Industrial	170%	1,000	Internal	Canada Dry	1,550,000	1,600,000	1,575
		170%	1,000		Scheherazade	1,150,000	1,200,000	1,175
		170%	1,000		Al-Zinah	1,250,000	1,350,000	1,300
		170%	500		Al-Zinah	725,000	775,000	1,500
		170%	500		Electricity	685,000	750,000	1,435
		170%	1,000		Pepsi	525,000	650,000	588
		170%	5,000		4 th Ring Road	4,850,000	5,000,000	985
		170%	1,000		Muhammad	1,525,000	1,575,000	1,550
		170%	22,500		Al-Qasem	11,000,000	13,000,000	533
		170%	1,000		Al-Ghazali	1,100,000	1,250,000	1,175
Average Price of the Region						2,314,545	2,577,273	1,179

Prices of industrial plots at Farwaniyah Governorate hiked up to 2.5% during Q2-2013 compared to the noticeable price increase of 25% during Q1-2013. Al-Handicraft area recorded a price increase by 3.7% during Q2-2013 compared to a noticeable hike in prices at 39% during Q1-2013. A price increase by less than half per cent was reported in Al-Rai during Q2-2013 compared to 5% in Q1-2013.

The average price per square meter recorded KD 1,579 during Q2-2013 compared to KD 1,541 in Q1-2013.

Prices of Industrial Plots at Farwaniyah Governorate

Region	Purpose	% Built Area	Area	Location	Street	Market Value of Land KD		Average Price / Square Meter Q2-2013
						From	To	
Al-Rai	Showrooms + Industrial	170%	1,000		Safat Alghanim (up to Nasser Sports)	1,000,000	1,250,000	1,175
		170%	1,000		Al-Ghazali	1,050,000	1,200,000	1,125
		170%	2,000		M. Al-Qasem	2,150,000	2,350,000	1,125
Average Price of the Region						1,950,000	2,091,667	1,071
Ardeyyah Handicraft	Handicraft	130%	250		Opposite to Al-Ardeyyah Warehouses	535,000	540,000	2,150
		130%	250	Internal		435,000	485,000	1,840
Average Price of the Region						511,250	532,500	2,088

The average price per square meter went up to KD 450 by 3% in Al-Ahmadi Governorate during Q2-2013 compared to 4% in Q1-2013 when the average price per square meter valued KD 437 after it was KD 420 in Q4-2012.

Prices remained stable at Al-Fahaheel during Q2-2013 though it recorded the highest price increase at 5% during Q1-2013. East Ahmadi Industrial area hit the highest price increase by 11% during Q2-2013 compared to 3.5% during Q1-2013. Prices of Abdullah Port remained unchanged during Q2-2013.

Prices of Industrial Plots at Al-Ahmadi Governorate

Region	Purpose	% Built Area	Area	Location	Street	Market Value of Land KD		Average Price / Square Meter Q2-2013
						From	To	
Abdullah Port			100,000		Behind Fuel Station	4,300,000	4,600,000	44
Al-Shuaiba West	Industrial		10,000		Miscellaneous	1,000,000	1,150,000	105
Abdullah Port			10,000	Internal	Inside the Port	900,000	1,100,000	100
Average Price of the Region						2,225,000	2,485,714	84
Fahaheel	Showrooms + Industrial	170 %	1,000		Sultan Centre	1,350,000	1,450,000	1,400
		170 %	1,000		Opposite to Fire Fighting	725,000	775,000	750
		170 %	1,000	Internal		450,000	580,000	515
Average Price of the Region						841,667	935,000	888
East Ahmadi Industrial	Showrooms + Industrial	170 %	7,500		Mostafa Karam	3,550,000	3,750,000	486.67
		170 %	5,000	Main		1,650,000	1,850,000	350
Average Price of the Region						1,732,500	1,856,250	379

Prices of Industrial Plots at Mubarak Al-Kabeer Governorate

Region	Purpose	Area	Location	Street From	Market Value of Land KD		Average Price / Square Meter Q2-2013
					From	To	
Abo Fatirah Handicraft	Showrooms	1,000	Main		1,450,000	1,750,000	1,600
Abo Fatirah Handicraft	Showrooms	1,000	Internal		1,200,000	1,400,000	1,300
Average Price of the Region		750			887,500	1,080,000	1,343
Sabhan	Industrial	1,000	Main		500,000	600,000	550
		1,000		Pepsi	620,000	700,000	660
		5,000		Pepsi	2,350,000	2,500,000	485
Average Price of the Region					1,190,000	1,354,167	472

Prices of Industrial Plots at Mubarak Al-Jahrah Governorate

Region	Purpose	Area	Location	Market Value of Land KD		Average Price / Square Meter Q2-2013
				From	To	
Amgharah	Major	10,000	Internal	1,250,000	1,300,000	128
	Contractors	10,000	Main	1,425,000	1,475,000	145
Average Price of the Region				619,444	652,222	140
Al-Jahra	Handicraft	500	Internal	125,000	150,000	275
		500	Main	170,000	200,000	370
Average Price of the Region				147,500	172,500	416
Al-Doha	Ship Repair	10,000		100,000	160,000	130
Average Price of the Region				1,816,667	2,186,667	72

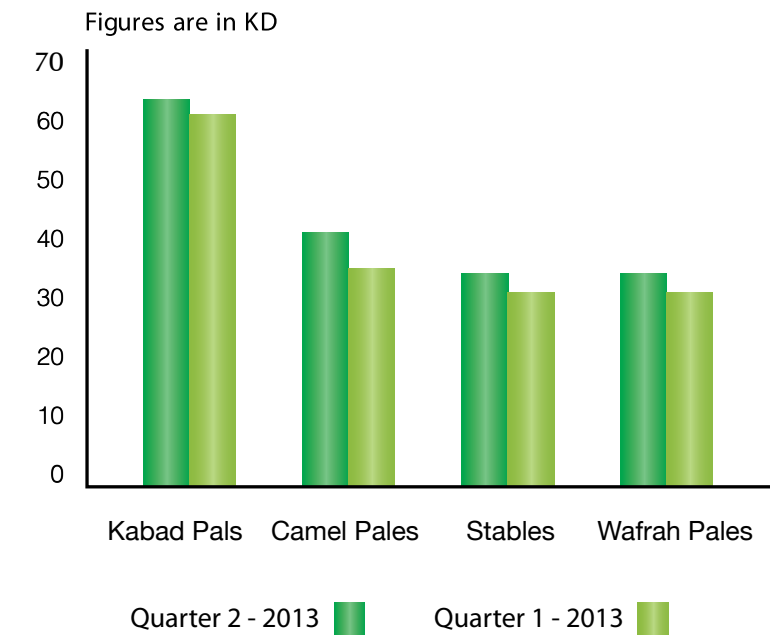
Prices of Farms and Pales

A price increase was reported at the pales and stables area at Al-Ahmadi during Q2-2013, as the pales area at Kabad witnessed a price increase by 33% compared to the average prices reported during Q1-2013. Prices of stables areas went up during Q2-2013 by 4% compared to Q1-2013 when prices remained relatively settled.

A slight price increase was reported in Al-Wafra Agricultural area where the average price per square meter recorded KD 4 during Q2-2013 compared to KD 3.75 during Q1-2013.

Most of the cattle farms at Saleebeyyah witnessed a small price increase by less than one per cent during Q2-2013 as the average price per square meter recorded KD 3.75 compared to KD 3.25 during Q1-2013. The price per square meter at Al-Jahra Agriculture area and Abdali area went up by 9% registering KD 2.75 per square meter.

Average Price per sqm of pals and stables at Al Ahmadi during Q2-2013 compared to Q1-2013



Prices of Farms and Pales

Governorate	Region	Area	Location	Estimate Price of Plot		Price per sqm		Average Price of Plot Q2-2013
				From	To	From	To	
Al-Ahmadi	Kabad Pales	2,500	Internal	60,000	70,000	24.00	28.00	65,000
	Kabad Pales	2,500	Main	75,000	85,000	30.00	34.00	80,000
	Chivalry Stables (Al-Ahmadi)	500	Internal	28,000	35,000	56.00	70.00	31,500
		500	Race Track / Golf Course	35,000	40,000	70.00	80.00	37,500
	Wafra Pales	2,500	Main	35,000	38,000	14.00	15.20	36,500

Prices of Chalets

Prices of chalets are largely contingent upon summer. As Q2-2013 falls in the summer season of 2013, prices of chalets at Kuwait governorates increased as the average price of a seafront façade went up by 5% registering KD 17,143 during Q2-2013 compared to KD 16,321 during Q1-2013 which had witnessed a price stability compared to Q4-2012.

A price increase by 5% was reported in the Capital Governorate and 4% at Al-Jahrah Governorate during Q2-2013.

Prices of Chalets at Al-Ahmadi Governorate

Governorate	Region	Sea Façade (sqm)	Market Value of Chalet (KD)		Price / M Sea Façade		Average Price / sqm of Sea Façade Q2-2013
			From	To	From	To	
Al-Ahmadi	Abdullah Port	15	210,000	240,000	14,000	16,000	15,000
	Al-Dabaeyyah	15	210,000	240,000	14,000	16,000	15,000
	Al-Jleeah	15	300,000	345,000	20,000	23,000	21,500
	Bneeder	15	375,000	420,000	25,000	28,000	26,500
	Al-Zoor	15	195,000	232,500	13,000	15,500	14,250
	Al-Kheiran (unlike Khor)	15	195,000	232,500	13,000	15,500	14,250
	Al-Nuwaiseeb	15	187,500	217,500	12,500	14,500	13,500

Occupancy Rates and Rental Prices

Occupancy rates of all levels of investment properties remained unchanged than previous and ranged between 90% and 95%. Average rental of an apartment with 2 bedrooms, a hall, 2 WCs and a maid room ranged from KD 290 to KD 420 and from KD 330 to KD 550 for an apartment with 3 bedrooms and a hall. Prices usually vary depending on the area, location, design and finishing.

Average rental value of square meter (commercial / ground floors) settled between KD 8 to KD 25, and reached KD 30 at prime locations. Average rental of square meter (offices) ranged from KD 5.5 to KD 7 at the different areas of Kuwait, and reached KD 8 or more in the Capital Governorate depending on the location, finishing and the quality of services provided to tenants and visitors.

Average rental of square meter of industrial plots (showrooms / ground floors) ranged between KD 12 and KD 34 at Shuwaikh Industrial area with a price variance depending on the location.

Al-Rai came second as the average rental value per sqm ranged between KD 14 and KD 30, while rentals in Fahaheel Industrial area ranged between KD 10 and KD 16.

On the other hand, prices of freehold apartments and prices of commercial shops (exploitation) remained unchanged.

Average Rental Values of Investment Properties in the Governorates of Kuwait, Q2-2013 (KD)

Hawalli Governorate	2 bedrooms, hall, 1 WC (60 sqm)	2 bedrooms, hall, 2 WC (70-74 sqm)	2 bedrooms, 2 WC, 1 maid room (80-85 sqm)	3 bedrooms, hall, maid room (100-110 sqm)
Salmiya	270-290	310-330	350-380	425-465
Hawalli	260-270	290-310	320-340	400-450
Al-Jabreyyah	280-290	320-330	340-390	425-465
Al-Shaab	290-310	330-350	380-410	450-500
Capital Governorate	2 bedrooms, hall, 1 WC (58-60 sqm)	2 bedrooms, hall, 2 WC (70-74 sqm)	2 bedrooms, 2 WC, 1 maid room (80-85 sqm)	3 bedrooms, hall, maid room (100-110 sqm)
Sharq	300-310	350-380	390-420	480-550
Al-Qiblah	300-310	350-380	390-420	480-550
East Al-Meqwae	300-310	350-380	390-420	480-550
Dasman	300-310	350-380	390-420	480-550
Bneid Al-Qar	290-310	330-350	380-410	480-550
Farwaniyah	2 bedrooms, hall, 1 WC (58-60 sqm)	2 bedrooms, hall, 2 WC (70-74 sqm)	2 bedrooms, 2 WC, 1 maid room (80-85 sqm)	3 bedrooms, hall, maid room (100-110 sqm)
Kheitan	240-260	270-290	320-340	350-400
Farwaniyah	240-260	270-290	320-340	350-400
Jleeb Al-Shoyoukh	240-260	270-290	320-340	330-380
Al-Reqe	260-290	310-330	330-380	400-450
Ahmadi	2 bedrooms, hall, 1 WC (58-60 sqm)	2 bedrooms, hall, 2 WC (70-74 sqm)	2 bedrooms, 2 WC, 1 maid room (80-85 sqm)	3 bedrooms, hall, maid room (100-110 sqm)
Al-Fintas	230-250	260-280	300-320	350-400
Al-Mahboulah	230-250	260-280	300-320	350-400
Abo Helefah	230-250	260-280	300-320	350-400
Al-Manqaf	230-250	260-280	300-320	350-400
Al-Fahaheel	230-260	260-290	300-330	360-410
Moubarak Al-Kabeer Governorate	2 bedrooms, hall, 1 WC (58-60 sqm)	2 bedrooms, hall, 2 WC (70-74 sqm)	2 bedrooms, 2 WC, 1 maid room (80-85 sqm)	3 bedrooms, hall, maid room (100-110 sqm)
Al-Mesilah	250-270	280-310	310-340	350-400
Al-Jahrah Governorate	2 bedrooms, hall, 1 WC (58-60 sqm)	2 bedrooms, hall, 2 WC (70-74 sqm)	2 bedrooms, 2 WC, 1 maid room (80-85 sqm)	3 bedrooms, hall, maid room (100-110 sqm)
Al-Jahrah	220-230	250-280	290-310	340-370

Average Rental Values of Commercial Properties in the Governorates of Kuwait, Q2-2013 (KD)

Region	Basement	Ground	Mezzanine	Offices	Price Indices
	Average Rental per sqm	Average Rental per sqm	Average Rental per sqm	Average Rental per sqm	
Salmeyyah	12 - 18	18 - 30	12 - 18	7 - 8	
Hawalli	10 - 16	18 - 25	12 - 16	7 - 8	
Farwanyeeah	10 - 15	25 - 35	12 - 15	7	
Kheitan	8 -14	18 - 25	10 -14	6 - 7	
Mnqaf-Azezzyyah	7 - 15	20	10 -15	7 - 8	
Fahaheel	10 - 14	20 - 30	12 - 14	7 - 8	
Dajeej (Farwaneyyah)	2.5 *	8 - 10	5 - 6	-	Ground (shop) 100 sqm, entire basement
Mandia/Kuwait	12 - 14	18 - 30	10 - 14	6 - 8	Commercial Malls
Mandia/Kuwait	5 - 7	14 - 18	8 - 10	5.5 - 6.5	Office Towers

* Average rental value is higher in prime locations and modern buildings and depends on the type of the business.

Average Rental Values of Industrial Plots in the Governorates of Kuwait, Q2-2013 (KD)

Region	Basement	Ground	Mezzanine	Remarks
	Average Rental per sqm (Warehouses)	Average Rental per sqm (Showrooms)	Average Rental per sqm (Offices)	
Industrial Shuwaikh	3.5 - 4	12 - 34	4.5 - 7	Area of unit (40 sqm)
Al-Rai	3.5 - 4	14 - 30	3.5 - 6.5	* This study does not cover rental values in Avenues Mall
Sabhan	2.5 - 3	4 - 6	2.5 - 3	* Price per sqm for warehouses at Ground Floor ranges between KD 4-KD5.
Al-Ardeyyah-Warehouses	3.5	6.5 - 7	3 - 5	* Rental value of sqm ranges between KD6-KD8 for a showroom of 100 sqm at Ground Floor.
East Ahmadi	2.5 - 4	8 - 14	3.5 - 5	
Fahaheel	3 - 4	10 - 16	3 - 5	
Industrial	3 - 4	10 - 16	3 - 5	

* Average rental value is higher in prime locations and modern buildings and depends on the type of the business.

* Average rental value per sqm is higher depending on the storey. Demand is high on warehouses with a ceiling of 6 - 8 sqm high.

Prices of Freehold Apartments for Investment

Governorate	Region	Purpose	Description	Net Area of Apartment	Market Value / Apartment		Average Price of sqm of Net Area of Apartment		Average Price of sqm Q2-2013
					From	To	From	To	
Capital Gov.	Beed Al-Qar	Investment	Gulf Road	95	140,000	150,000	1,474	1,579	1,526
	Beed Al-Qar	Investment	Main	72	88,000	92,000	1,222	1,278	1,250
	Average Prices in Capital Governorate				80	102,667	364,000	1,269	4,887
Hawalli	Shaab	Investment	Gulf Road	95	140,000	150,000	1,474	1,579	1,526
	Shaab	Investment	Main	72	85,000	95,000	1,181	1,319	1,250
	Salmeyyah	Investment	Gulf Road + Beach	95	130,000	140,000	1,368	1,474	1,421
	Hawalli	Investment	Main	64	65,000	67,000	1,016	1,047	1,031
	Hawalli	Investment	Internal	64	55,000	60,000	859	938	898
Average Prices in Hawalli				74	81,213	150,100	1,078	2,140	1,609
Moubarak Al-Kabeer	Mesila	Investment	Main	72	55,000	60,000	764	833	799
	Average Prices in Mesilah				72	52,500	56,000	729	778
Farwaniyah	Farwanyeeah	Investment	Main	72	65,000	68,000	903	944	924
	Average Prices in Farwaneyyah				72	63,500	66,500	882	924

Governorate	Region	Purpose	Description	Net Area of Apartment	Market Value / Apartment		Average Price of sqm of Net Area of Apartment		Average Price of sqm Q2-2013	
					From	To	From	To		
Al Ahmadi	Fintas	Investment	Main	72	55,000	57,600	764	800	782	
	Fintas	Investment	Internal	72	45,000	50,000	625	694	660	
	Mahboulah	Investment	Sea Façade	95	100,000	105,000	1,053	1,105	1,079	
	Mahboulah	Investment	Main	100	60,000	65,000	600	650	625	
	Mahboulah	Investment	Internal	72	55,000	57,600	764	800	782	
	Abo Helefa	Investment	Sea Façade	95	100,000	105,000	1,053	1,105	1,079	
	Abo Helefa	Investment	Main	72	58,000	60,000	806	833	819	
	Abo Helefa	Investment	Internal	72	45,000	55,000	625	764	694	
	Manqaf	Investment	Sea Façade	95	100,000	105,000	1,053	1,105	1,079	
	Manqaf	Investment	Main	72	58,000	60,000	806	833	819	
	Manqaf	Investment	Internal	72	45,000	55,000	625	764	694	
	Fahaheel	Investment	Main	72	60,000	65,000	833	903	868	
	Fintas	Investment	Internal	72	55,000	57,600	764	800	782	
	Average Prices in Al-Ahmadi				85	68,533	120,513	847	1,563	1,205

It should be noted that this Report monitors the general trends of the local real estate market trading in the State of Kuwait. However, Evaluation & Studies Section at KFH uses an approach that provides a separate valuation for each property and assesses its rental and returns in order to provide fair valuation for each property.



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:

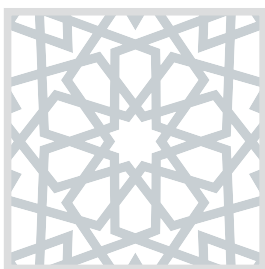
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

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.

