



# KFH

Local Real Estate

# Report



Kuwait

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Local Real Estate  
**Report**

**Q1**  
First Quarter 2014

Kuwait



**Q1**  
2014

Dear Reader...

In continuation of **Kuwait Finance House** approach in the field of serving the community, undertaking its social responsibility and disseminating credible real estate knowledge, we are pleased to present to you **“KFH Report on the Local Real Estate Market for the 1st Quarter of 2014”**. This report is considered one of the most important and specialized real estate reports, as it comprises of a comprehensive and detailed analysis of the data and indicators related to residential real estate, investment and commercial sectors, as well as the development of the real estate prices in different areas in the State of Kuwait. The report also monitors the attributed returns on real estate, and therefore presents a comprehensive report on the various types of real estate in the State of Kuwait.

We have been keen on meeting the diverse needs of interested parties through this report, in addition to what “KFH” does with respect to monitoring the trends in real estate prices in different areas, and geographic coverage of all Kuwait’s governorates throughout the various sections of the report.

In the preparation process of the first version of the report published this year, we strived to reflect the simplicity of the adequate technical design and the extensive presentation, and we worked on the development of this appropriate form to ensure the continuity of innovation and development required. We also continue to issue this report in English in order to meet the needs of Non-Arabic speakers around the world.

As we place this report between your hands, we hope that our efforts are of added value and can contribute to the enhancement of social responsibility and local real estate development. We seek to meet the clients’ needs, people concerned with real estate, KFH suppliers and the relevant authorities in the light of the contents and information within this report.

We welcome any comments or opinions that would promote and strengthen the role of KFH in stimulating and supporting the real estate movement.



**Anwar Badr Al-Gaith**  
Acting Chief Executive Officer



## Foreword

The period of issuing “Baitak”’s report on the real estate market for the first quarter of the present year witnessed new dynamic signs the features of which manifested through the Kuwaiti National Assembly’s adoption of convening a conference to debate housing issues in Kuwait on the 9<sup>th</sup> and 10<sup>th</sup> of March, under the auspices of His Highness the Amir of Kuwait Sheikh Sabah Al Ahmad Al Jaber Al Sabah, may Allah protect him, in the presence of the deputy Amir and Crown Prince Sheikh Nawaf Al Ahmad Al Jaber Al Sabah, may Allah protect him. This has taken place in light of the National Assembly’s announcement that the housing issue has become the first priority on the scale of needs of the Kuwaiti citizen, with the accumulation of housing applications at the Public Authority for Housing and its inability to fulfill them.

The dynamism in the new language of the conference, which differed from the previous language, was characterized by an atmosphere of frankness and transparency with a focus on the facts, figures and statistics language and demographic aspects, as well as putting forth the housing issue with its various aspects on the research table to come out with a number of perceptions and solutions. Many participants in the conference agreed that the private sector is considered as the main key to contribute in solving this problem.

The fact is that the housing sector in Kuwait has been suffering from the constraints related to infrastructure, the provision of residential land, roads services, ports, airport, communications, the establishment of industrial zones, energy, water, sanitation and storage. The government’s control over the largest percentage of land available in the State of Kuwait is particularly striking, where the total area of all urban regions of Kuwait are allocated for private housing, investment housing and business activities of approximately 446.8 square kilometers. This area accounted for only 2.5% of the total area of the State of Kuwait, amounting to 17,818 square kilometers, with the scarcity of available land, not offering new

lands and the increased rates of population growth as well as the presence of latent demand resulting from the 65% of the population being in the age less than 15 years.

Adding to the severity of the problem faced by Kuwait, reflected in the high rates of waiting for residential care, is the evident focus on inland areas at the expense of the outer regions, as well as the delay in the completion of infrastructure projects for some areas, making them vulnerable to speculation and rising prices, not offering new lands for the purposes of trade and investment, resulting in a high cost of rents and construction in the corporate balance sheets, the disruption of an equitable distribution of land and using it for purposes other than those for which they were allocated. For instance, there are industrial areas which have shifted to uses other than the intended purposes, which requires reconsideration for land usages.

Here, we should not underestimate the importance of real estate as a repository of immense wealth, and its circulation among the people is desirable to achieve prosperity and growth. Real estate remains one of the main channels for investors and a steady source of income for many Kuwaiti families, and has relationships intertwined with all other economic sectors as one of the most important economic sectors leading the growth.

Further, real estate is a critical component for entry of new businesses into the circle of activity, as the start of operation of projects requires premises or vacant lands and new construction permits.

There is no doubt that the current shortage of available land in Kuwait for the commercial and industrial spaces and warehouse is an impediment to the development of the private sector. The government still owns large amounts of land space, and that the issuance of a decision to transfer some areas from residential areas into commercial areas to the widening of urbanization may take quite some time in most cases.

The continued scarcity in the real estate, commercial, industrial, craft and stores markets is a significant impediment to the development of the private sector. The problems will not solve themselves under the widening circle of bureaucracy, the multiplicity of decision-making bodies in the government, the duplication of functions and their complexity, expansion of the volume of regulatory and spatial constraints imposed on the processes of development of new real estate and not taking into account the time dimension in the adoption of real estate projects being implemented, leading in most cases to slow down periods which adversely affect the completion of those projects plans, the opening of the process of providing infrastructure and services to the private competition and the government's encouragement and trust in the private initiatives.

There is no doubt that the amendment of the BOT Law is a step in the right direction. However, this law is still characterized by control of the government, and reflects the continued lack of confidence of the government in the private sector, as well as being not encouraging to the development of private initiatives and new and innovative ideas in the required

form. The incentives offered for entrepreneurs and investors are limited to only 10% of the value of the projects.

The truth is that we should reflect on for some time is that there is no housing crisis in Kuwait in the sense customary in other countries. However, there is a crisis in the ownership of private and independent residence.

In light of the state's inability to provide residential care for the citizens, the increasing accumulation of the size of housing applications which reached more than 109 thousand applications, the reliance of residential care on the social dimension and not the economic dimension in the light of the scarcity of land available for private residence, the continued offering of multiple forms of government support represented in the distribution of plots and the Saving and Credit Bank's loan, or the provision of a residential house by the Public Authority for Housing Welfare, rent allowance, construction materials subsidy and spending on infrastructure for residential areas. All of these subsidies distort the supply and demand system in the real estate market, exceed the state's ability to continue to provide these benefits and are incompatible with the principle of a free economy.

We do not imagine the existence of a solution to this issue without a fundamental change to the overall housing policy and the concept of residential care whereby the housing issue is transformed into an investment issue made in accordance with economic mechanisms. This change may not be possible overnight, but needs to a gradual style with the creation of a sound environment in order to enable the private sector to move easily when entering the implementation of projects, financing, planning and management of housing projects.

There is no doubt that to make a room for the private sector to do its part in bearing the consequences of real estate development will enable it to offer new types of financing to help new owner families and urging them to pay for housing economically with the withdrawal of state control over the ownership of the land, as well as the planning and financing of infrastructure projects, residential and investment areas, thus easing the burden on the state budget.

This requires reforms to improve the systems of the Land Registry and targeting efficient real estate systems, and joint ownership laws, as the new owners will be unable to determine the value of their houses without active and regulated housing markets, through which they measure such value and sell them. Such markets will not grow unless the owners have clear ownership and tradable rights.

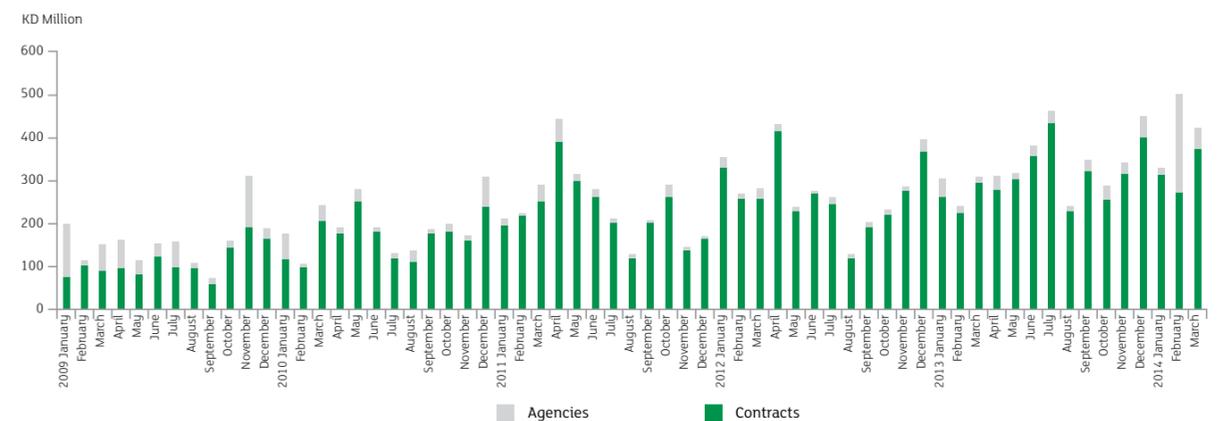
Since housing allocated in a proper manner opens the way for the private sector for abundance of new products, including real estate finance, real estate brokerage, maintenance of houses and real estate of development, which will create new jobs and make the residential houses market operates through the distribution of risks and furnish buyers and sellers with information as well as provide the required finance.

The housing sector is considered as one of the most important infrastructure sectors through investment in housing projects, which serves as the backbone of the government investment, and the most important investments that will have social and economic returns at the same time. A series of projects were completed to build a number of new cities which cost up to 862 million dinars, of which new housing projects started during the first quarter of 2014, valued at more than about 95.8 million dinars, according to the latest information issued by the Public Authority for Housing Welfare.

On the side of real estate sales during the first quarter of 2014, the value of real estate sales improved compared to their value during the fourth quarter of 2013, which continued to rise starting from the first quarter of the year to continue at their level that exceeded the one billion dinars since the second quarter of 2013 until the first quarter of 2014. They continued to score record values which have not been seen in the real estate market since the fourth quarter of 2007. The values of trades increased despite the decline in the number of trades in residential real estate, while the investment trading witnessed a remarkable increase in its numbers while commercial real estate sales decreased during the first quarter of 2014.

Thus, the total value of real estate transactions is about 1.251 billion dinars recorded during the first quarter of 2014, compared to 1.080 billion dinars in the fourth quarter of 2013, achieving a remarkable rise in the first quarter 2014 rate that reached 16% and valued at 171 million dinars.

**Development of the total value of real estate trading monthly starting 2009 to March 2014**



The contribution of private residence real estate trading dropped to represent 40% of the total real estate trading value during the first quarter of 2014, while it represented around 46% of the real estate trading value in the fourth quarter of 2013 as a result of the decrease in the volume of residential real estate trading by 1% and a

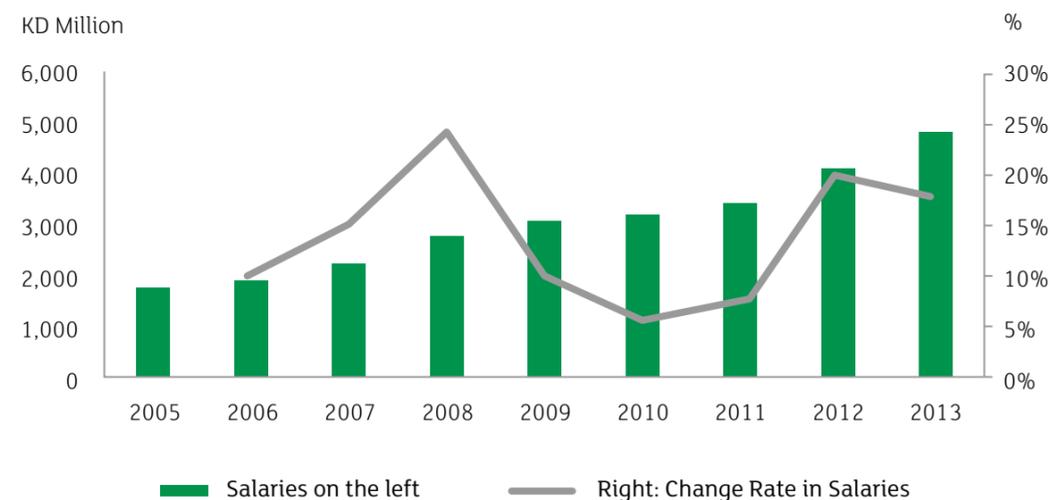
value of approximately 4.4 million dinar during the first quarter of 2014 compared to the value of residential trading in the fourth quarter of 2013.

Meanwhile, the share of investment trading advanced to account to approximately 49% of the total value of trading during the first quarter of 2014 compared with a share of 43% of the total trading in the fourth quarter of 2013. Investment real estate trading during the first quarter of 2014 witnessed a remarkable increase amounting to 31% and approximately 146 million dinar compared to their value in the fourth quarter of 2013.

The rental value ranged between 250 to 350 dinar during the first quarter of 2014 and the fourth quarter of 2013 for 60 square meters apartments, and ranged between 280 to 415 dinar for investment apartments during the first quarter of 2014 compared with a value ranging between 200 to 350 dinar during the fourth quarter of 2013 for 70 to 74 square meters area apartments. The rental value ranged between 320 to 465 dinar during the first quarter of 2014 compared with a rental value ranging between 220 to 400 dinar during the fourth quarter of 2013 for investment apartments of area ranging from 80 to 85 square meters. Meanwhile, the rental value settled at 425 to 565 dinar during the first quarter of 2014 compared with the fourth quarter of 2013 for the investment apartments of area ranging from 100 to 110 square meters.

The rise in government wages and salaries may lead to the increase in the demand for private residence in light of the scarcity of the supply of such residences, leading to the rise in the rental values in residential areas. The total government salaries amounted to approximately 4.8 billion dinar up to the third quarter of 2013, thus increasing by 18% by approximately 728 million dinar compared to their value which amounted to approximately 4.1 billion dinar in 2012.

**Development of the volume of government sector employees' salaries and their change rate during the fiscal year 2004-2005 upto the fiscal year 2012-2013**



Source : Chapter V of the general budget of the State of Kuwait, September 2013.

The stability of return ratios on real estate investment is striking in most of the governorates, the average of which for the governorates of Kuwait amounted to 6.95 % during the first quarter of 2014, and averaged in Assema (Capital) governorate 6.5 %, the total revenue generating rate amounted to 6.7% in Hawally Governorate, which reached 7 % in each of Farwaniya and Ahmadi Governorates and revenue percentage of 7.2% in Al-Jahra, while

it reached 7.15 % in Mubarak Al-Kabeer, reflecting the sharp rise in the value of investment properties .

Commercial real estate trading accounted about 8 % during the first quarter 2014 compared to a contribution of 10% of the volume of real estate transactions during the fourth quarter of 2013. The volume of trade transactions in the first quarter 2014 increased by 7 % and a total value of about 8 million dinars for the fourth quarter of 2013.

While the first quarter of 2014 witnessed an upswing in trading in craft real estate and showrooms, despite its contribution by about 1 % during the first quarter of the year 2014 and the fourth quarter of 2013, where the value of trading craft and storage properties increased during the first quarter of 2014 by a remarkable percentage of 44%, i.e. about 5 million dinars from their recorded value during the fourth quarter of 2013, which had witnessed a drop by 20% and about 3 million dinars.

Meanwhile, the coastline trading transactions recorded about 23 million dinars with a limited share of 2% of the total real estate transactions during the first quarter of 2014 and did not witness any remarkable activity during the third and fourth quarters in 2013 where they had recorded about 11.7 million dinars during the second quarter of 2013.

On the price side, price indices of residential real estate continued to rise during the first quarter of 2014 compared to the rises during the year in most governorates of Kuwait by 2.4% compared to an increase in the average prices during the fourth quarter of 2013, which achieved an increase of 3.9% for the average of the governorates of Kuwait.

The price indices of housing investment have continued their marked increase, rising by about 4.4% during the first quarter of 2014 compared to an increase of 7 % in the fourth quarter of 2013.

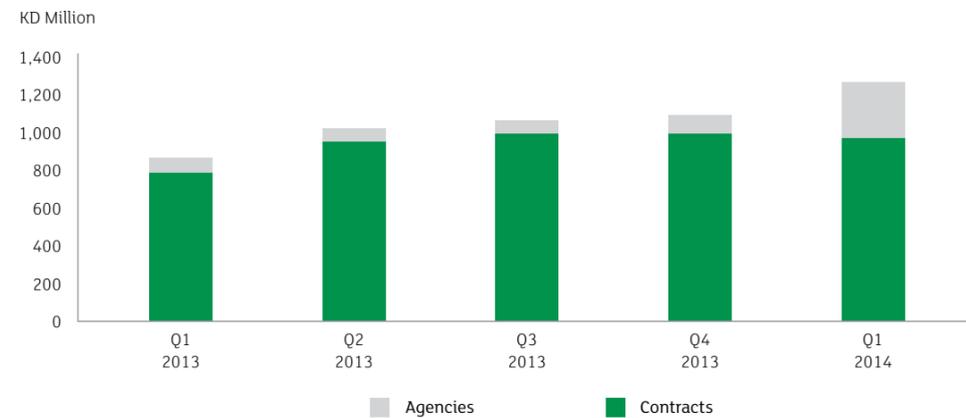
As for the commercial real estate price indices have witnessed a significant increase of about 3.2% in the governorates of Kuwait, where average prices rose to record 5,898 dinars per square meter of commercial real estate in the capital of the province and the province recorded around 3,479 dinars during the first quarter of 2014.

While the average price per square meter in Ahmadi Governorate increased by 2% compared to first quarter of 2014 where it scored about 2,939 dinars during the first quarter of 2014, while the average price per square meter in Farwaniya amounted to about 2,449 dinars during the first quarter of 2014, up by 2.2 % compared to the fourth quarter of 2013. Meanwhile, Jahra Governorate achieved an increase by 6.2%, where the average price per square meter amounted to 2,845 dinars during the first quarter of 2014. This way, the real estate investment remained an attractive investment.

**Market Trends:**

In terms of the total real estate market, trading indicators issued by the Registration and Authentication Department of the Ministry of Justice recorded about 1.251 billion dinars in the first quarter of 2014, recording a rise which amounted to 16% and an increase in the value by about 171 million dinars compared to its value of about 1.08 billion dinars during the fourth quarter of 2013.

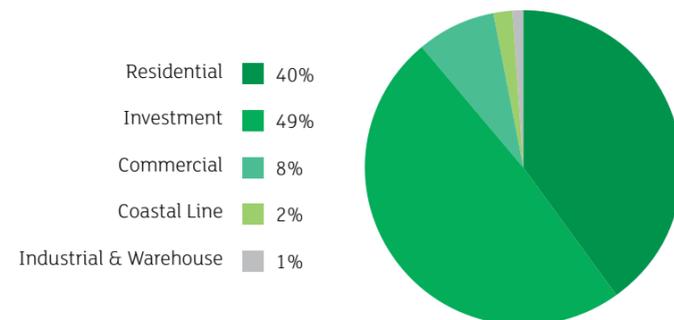
**Development of the total value of Real Estate trading transactions starting the first quarter of 2013 up to the first quarter of 2014**



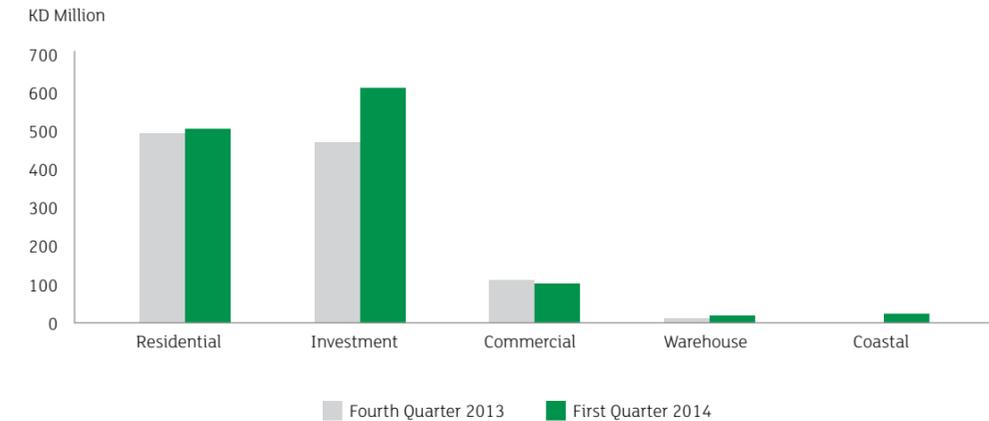
The total real estate trading transactions in the contracts dropped to record the value of 961 million dinar during the first quarter of 2014, i.e. a slight drop by 1% and approximately 13 million dinar compared to its value which amounted to approximately 974 million dinar during the fourth quarter of 2013. Meanwhile, the total real estate trading in the agencies maintained their upward trend, by doubling up in value to approximately 290 million dinar during the first quarter of 2014, marking an unprecedented increase of 173% and approximately 184 million dinar compared to their value during the fourth quarter of 2013 which scored around 106 million dinar.

Meanwhile, real estate contracts trading transactions witnessed a noticeable increase annually by 23% and the value of 182 million dinar, by scoring around 779 in the first quarter of 2013. The agencies total real estate trading transaction amounted to more than threefold and realized a remarkable activity annually at the value of approximately 219 million dinar compared with its value of about 71 million dinar during the first quarter of 2013.

**Distribution of real estate trading share for each sector of the total real estate trading during the first quarter of 2014**

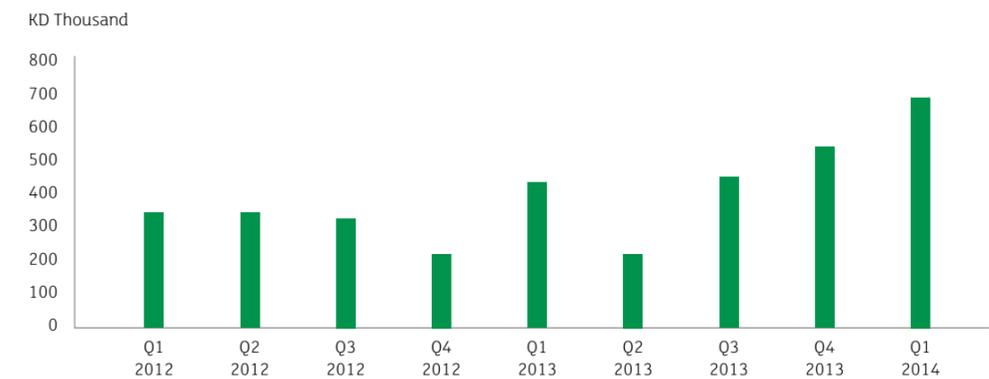


**Total values of real estate trading transactions during the fourth quarter of 2013 and first quarter of 2014.**



For the average value of transactions, it scored about 672.8 thousand dinar during the first quarter of 2014, rising by 28% and about 146 million dinar compared with approximately 526.4 thousand dinar during the fourth quarter of 2013.

**Development of the average transaction value of the total real estate trading transactions starting the first quarter of 2012 up to the first quarter of 2014**



**Private residence trends:**

The real estate transactions' share of private residence declined to represent 40% of the total real estate trading during the first quarter of 2014 due to the decrease in their value compared with the previous quarter. It contributed by a share of about 46% of the total real estate trading during the fourth quarter of 2013.

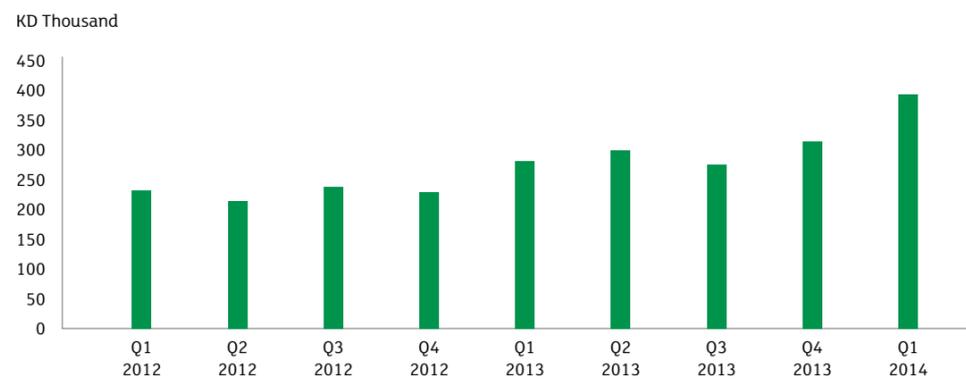
**Development of real estate trading values for private residence starting the first quarter of 2013 up to the first quarter of 2014**



Private residence transaction recorded around 495.7 million dinar during the first quarter of 2014, compared with their value recording around 491 million dinar in the fourth quarter of 2014, marking a slight increase amounting to approximately 4.4 million dinar and a rise percentage of 1%. The number of private residence transactions declined to register around 1267 transactions during the first quarter of 2014, compared with 1574 transactions recorded in the fourth quarter of 2013, and a decrease percentage of 19.5% and 307 transactions.

Meanwhile, the average value of one transaction increased during the first quarter of 2014 to amount to approximately 391 thousand dinar, with a rise of 25% and the value of 79 thousand dinar compared with approximately 312 thousand dinar during the fourth quarter of 2013.

**Development of the average transaction value of the total residential real estate trading starting the first quarter of 2012 up to the first quarter of 2014**



As for the average monthly trading transactions for private residence during the first quarter of 2014, the month of March 2014 scored the highest trading share during the fourth quarter as it acquired 41% by about 203 million dinar of the total private residence trading transactions. Meanwhile, January ranked second by about 146.4 million dinar and a share of 29.5%. February ranked in the last position by about 146.3 million dinar and a share of 29.5% of the private residence trading transactions during the first quarter of 2014.



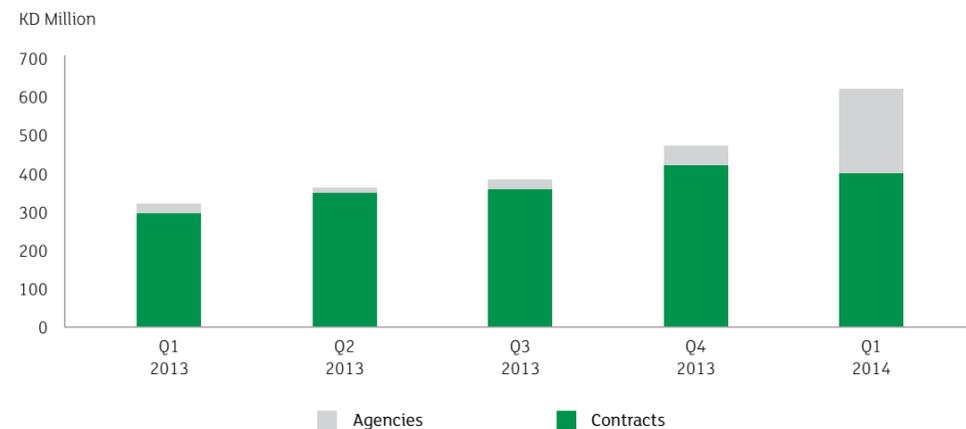
### Investment Real Estate Trends:

Investment real estate trading transactions continued their constant upward trend during the past year and scored an unprecedented rise during the first quarter of 2014 of approximately 612 million dinar, hence achieving a rise by 146 million dinar and a percentage of 31% compared with its value of approximately 466 million dinar during the fourth quarter of 2013.

During the first quarter of 2014, investment real estate trading contributed by 49% of the total value of the trading compared with a share of about 43% of the total trading value during the fourth quarter of 2013.

Investment real estate trading increased annually by an unprecedented percentage amounting to 92% with an increase of 293.6 million dinar compared to its value during the first quarter of 2013.

**Development of the investment real estate trading values starting the first quarter of 2013 up to the first quarter of 2014**

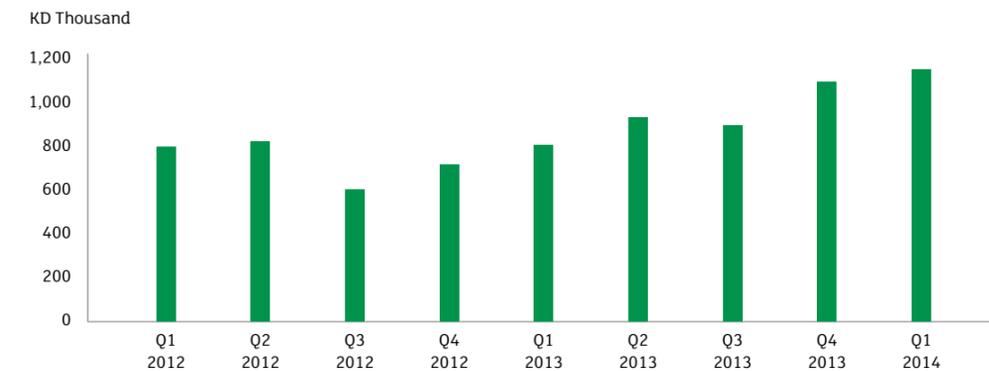


The rise in the value of investment trading escorted a remarkable increase in their number which recorded 541 transactions during the first quarter of 2014, increasing by 25% and 108 transactions above their number which scored 433 transactions during the fourth quarter of 2013.

For the average value of investment real estate transaction, it witnessed a remarkable increase during the first quarter of 2013 and crossed the one million dinar level by scoring about 1.13 million dinar marking an increase of about 55 thousand dinar and a percentage of 5%. A single transaction recorded around 1.08 million dinar during the fourth quarter of 2013.

Annually, the average transaction value of the investment real estate trading transactions increased during the first quarter of 2014 by approximately 345 thousand dinar and a percentage of 44% compared with the first quarter of 2013 in which the average transaction value amounted to approximately 786 thousand dinar.

**Development of the average transaction value of the total investment real estate trading starting the first quarter of 2012 up to the first quarter of 2014**



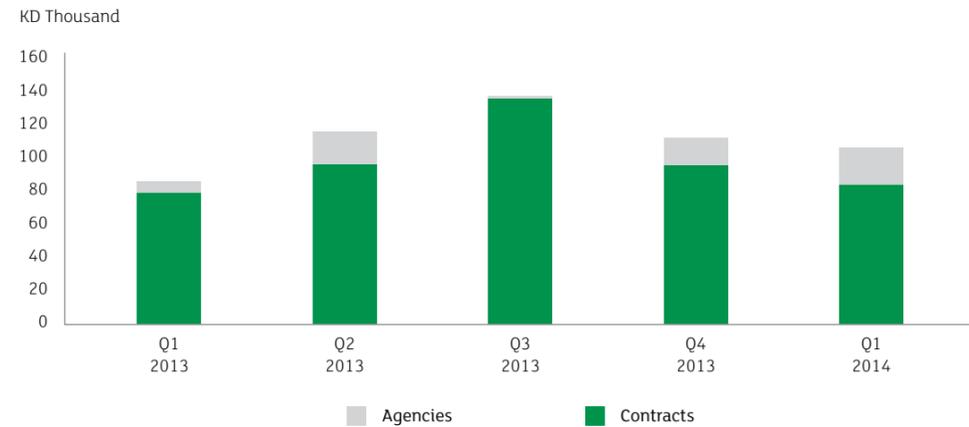
For the volume of monthly investment trading transactions during the first quarter of 2014, the month of February acquired more than half of the volume of investment trading by a share amounting to 54.8% of the total investment trading during the first quarter of 2014, scoring around 335.7 million dinar, followed in the second rank by the month of January with a share amounting to 23.4% which scored around 143.4 million dinar. Meanwhile, the month of March ranked third by contributing with a share of 21.7% and scoring around 133 million dinar.

**Commercial Real Estate Trends:**

The value of commercial real estate trading declined noticeably during the first quarter of 2014, recording around 102 million dinar during the first quarter of 2014 compared with about 110 million dinar in the fourth quarter of 2013, thus marking a decline by about 8 million dinar and 7% which contributed in the decline of its share of the total real estate trading to account to 8% of the total trading in the first quarter of 2014 compared with a share amounting to 10% during the fourth quarter of 2013.

Annually, the value of commercial real estate trading marked an increase during the first quarter of 2014 amounting to 22% and a value of approximately 18 million dinar compared with their value which recorded around 83.75 million dinar during the first quarter of 2013.

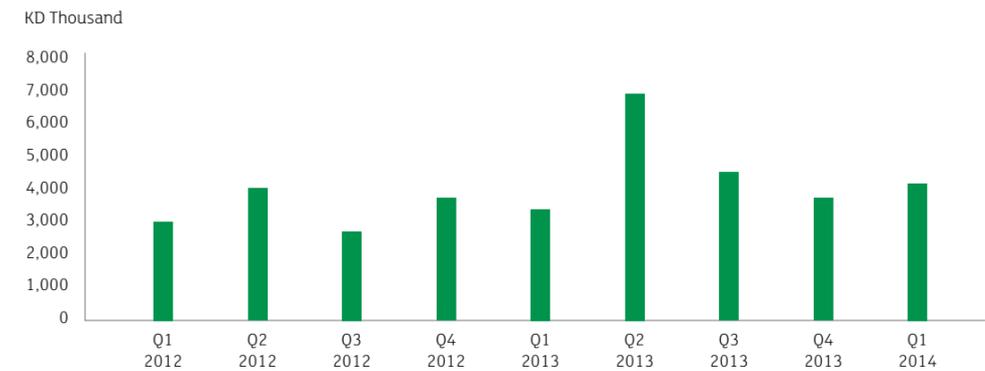
**Development of the commercial real estate trading values starting the first quarter of 2013 up to the first quarter of 2014**



For the number of trading transactions, they witnessed a limited decline during the first quarter of 2014, recording Nos. 25 transactions, i.e. a drop by five transactions and a percentage of 16.7% compared with 30 transactions recorded during the fourth quarter of 2013.

As for the average value of commercial real estate trading transactions, the average transaction recorded 4.08 million dinar during the first quarter of 2014, with a remarkable increase of 11% and a rise by 412 thousand dinar. The average value of one transaction amounted to 3.7 million dinar during the fourth quarter of 2013.

**Development of the average transaction value of the total real estate trading starting the first quarter of 2012 up to the first quarter of 2014**



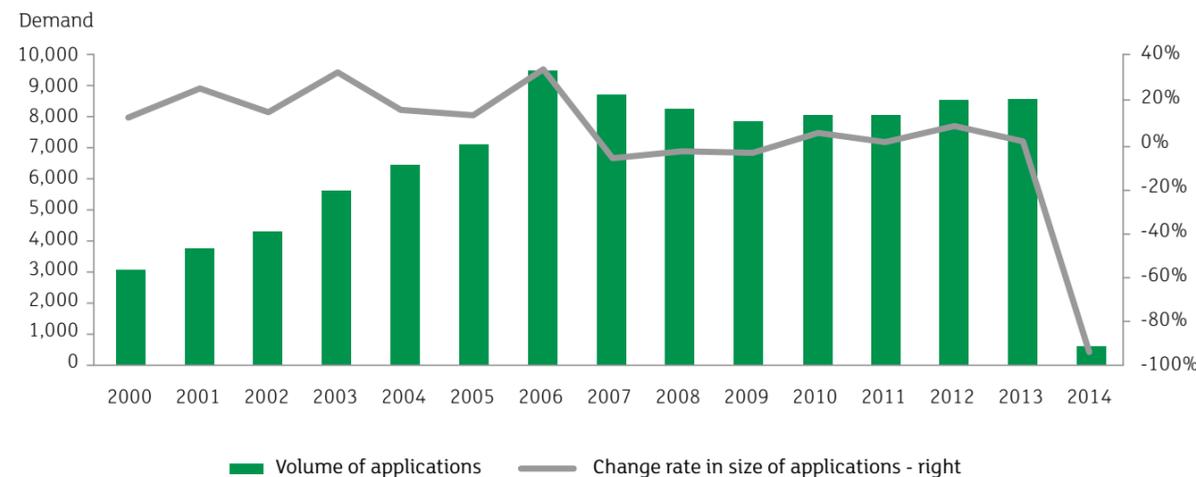
As for the values of monthly trading transactions of the commercial real estate trading volume during the first quarter of 2014, the month of March ranked first by contributing with a share of 60% of the value of commercial real estate trading during the fourth quarter by a value of approximately 61.6 million dinar, while the month of January ranked second with a share of 31.5% of the total commercial real estate trading with a value of approximately 32 million dinar. The month of March ranked third with a share of 8.2% and contribution by a value of 8.45 million dinar.

**Price Index:**

**First : prices of private residential lands:**

The State aims to accomplish more than 36 thousand housing units until 2017, while the number of housing applications accumulated to about 109.122 thousand applications since 1985 until January 30 of 2014. The applications submitted since the beginning of 2014 until now amounted to about 594 applications. The number of applications submitted to the Public Authority for Housing Welfare amounted to about 8,560 in 2013, which means the success of the Authority in 2013 to meet the demand of about 240 total applications. This requires more effort to provide the number of housing units, so that the scarcity of supply does not lead to higher prices. The extent of this issue is being reduced by the State 's efforts to build residential projects being implemented and estimated at more than 18.9 thousand units, including approximately 12.9 thousand units between apartments, houses and plots already handed over in each of Sabah Al-Ahmad Sea City and Jaber Al-Ahmad City project and in West Sulaibikhat.

**Number of housing applications submitted to the Public Authority for Housing Welfare since 2000 up to January 2014**



The Public Authority for Housing Welfare has adopted the execution of an ambitious plan during the period from 2011 to 2014, ratified by the National Assembly, in order to introduce a number of mega companies in the various economic sectors and pump new investments in the Kuwaiti economy's structure. These projects include projects for the construction of houses, plots, services, buildings and public facilities, as well as the roads projects required for these new residential areas and the construction of service and main buildings. In fact, some of these projects were handed over during the past year and the actual performance percentage in some of these projects amounted to more than 90% of the projects scheduled to be completed according to the information issued by the Public Authority for Housing Welfare.

The Technical Board on Study of Development Projects and Initiatives announced the offering of a number of projects and initiatives, some of the most significant of which are the following:

**List of houses, plots, services and related public buildings projects executed by the Public Authority for Housing Welfare – March 2014**

No.	Area	Contract value	Actual completion percentage	
			1 <sup>st</sup> quarter 2014	4 <sup>th</sup> quarter 2013
1	Sabah Al-Ahmad City	133	88.9%	85 %
2	Sabah Al-Ahmad City	128	74.6 %	68 %
3	Sabah Al-Ahmad City	201	74.3 %	69 %
4	North West Sulaibikhat	34	41.9 %	27 %
5	Sabah Al-Ahmad City	19	50 %	27 %
6	North West Sulaibikhat	38	40.6 %	19 %
7	Jaber Al Ahmad City	58	New project. Timetable is under preparation	
Cost		611 million Kuwaiti Dinar		

**List of public buildings projects executed by the Public Authority for Housing Welfare – March 2014**

No.	Area	Contract value	Actual completion percentage	
			1 <sup>st</sup> quarter 2014	4 <sup>th</sup> quarter 2013
8	Sabah Al-Ahmad City	34	42.4 \$	32 %
9	Saad Al Abdulla City	2	100 \$	81 %
10	Sabah Al-Ahmad City	39	32.3 \$	25 %
11	Sabah Al Ahmad City	6	26.5 \$	15 %
12	Jaber Al Ahmad City	57	18 %	9 %
13	Sabah Al Ahmad City	45	10.2 %	3 %
14	Al Nasyeem Housing Project	9	2.7 %	-
15	Sabah Al Ahmad city	36	New project. Timetable is under preparation	
Cost		228 million Kuwaiti Dinar		

**List of roads and miscellaneous main services projects executed by the Public Authority for Housing Welfare – March 2014**

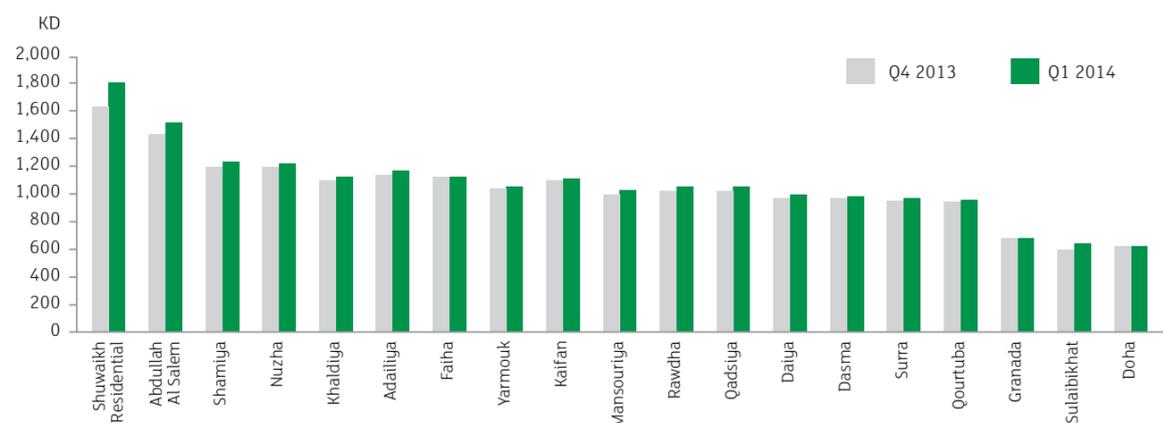
No.	Area	Contract value	Actual completion percentage	
			1 <sup>st</sup> quarter 2014	4 <sup>th</sup> quarter 2013
16	Sabah Al-Ahmad City	13	97.5%	93 %
17	Saad Al Abdulla City	7	54.5 %	48 %
18	Fahed Al Ahmad Residential District	2	99 %	61 %
19	Al Qairawan District	0.053	Handed over	100%
20.	Saad Al Abdulla City	1	New project. Timetable under preparation.	
<b>Cost</b>		<b>22 million Kuwaiti Dinar</b>		
<b>Total cost of the Public Authority for Housing Welfare projects</b>		<b>862 million Kuwaiti Dinar</b>		

Source: List of the Public Authority for Housing Welfare projects for March 2014 ([www.housing.gov.kw](http://www.housing.gov.kw)).

The residential land prices monitored by KFH recorded a limited rise in capital governorate, with an increase of 3% during the first quarter of 2014 compared to an increase of 4.2% during the fourth quarter 2013 for the average prices recorded .

The average price per square meter in the capital governorate recorded about 1,067 dinars in the first quarter of 2014 compared to an average value of 1,036 dinars per square meter in the fourth quarter of 2013, affected by higher prices in Shuwaikh residential areas and the suburb of Abdullah Al-Salem which are still in first place as the highest price per square meter in the capital governorate. The average price per square meter in these areas amounted to 1,800 and 1,516 dinars, marking an increase of 9.9% and 5.8 %, respectively. Meanwhile, Shamiya, Adailiya, Nuzha and Khaldiya experienced an increase by 3.7% and 1.3 %, while prices rose in Kefan area by up to 2.3 % and prices increased in the areas of Doha by 3% and Granada by 5.5%. the increase percentage in Sura, Daiya and Qurtuba areas ranged between 1.4% to 2%, while the prices in Sulaibikhat area were stable.

**Average price per meter of private residential lands in the Capital Governorate during the first quarter of 2014 and fourth quarter of 2013**



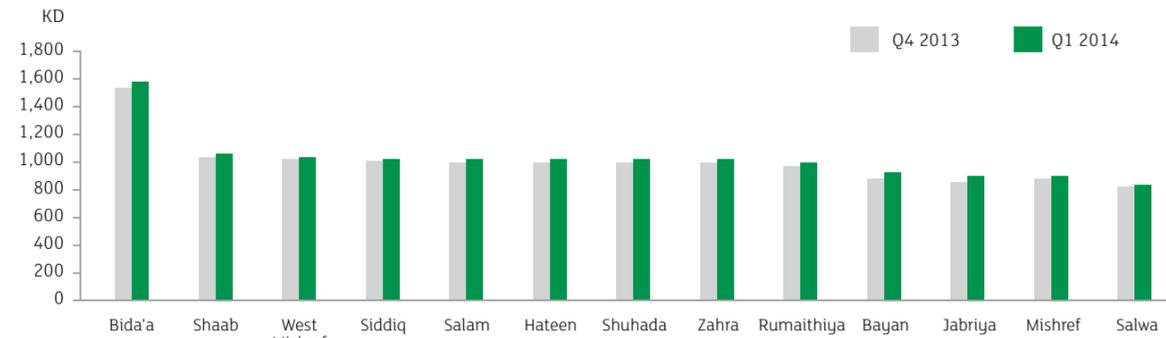
**Prices of Residential Lands in the Capital Governorate**

District	Area	Building ratio	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Shuwaikh Residential	500	210%	Internal	800,000	900,000	1,600	1,800	1,700
	1,000	210%	Internal	1,500,000	1,750,000	1,500	1,750	1,625
	1,000	210%	Main	1,700,000	1,900,000	1,700	1,900	1,800
<b>General average in the area</b>				<b>1,500,000</b>	<b>1,675,000</b>	<b>1,700</b>	<b>1,900</b>	<b>1,800</b>
Abdullah Al Salem	500	210%	Internal	650,000	800,000	1,300	1,600	1,450
	750	210%	Internal	950,000	1,150,000	1,267	1,533	1,400
	1,000	210%	Internal	1,200,000	1,400,000	1,200	1,400	1,300
<b>General average of the average</b>				<b>1,175,000</b>	<b>1,366,667</b>	<b>1,397</b>	<b>1,636</b>	<b>1,517</b>
Shamiya	250	320%	Internal	280,000	340,000	1,120	1,360	1,240
	500	210%	Internal	580,000	650,000	1,160	1,300	1,230
	750	210%	Internal	770,000	925,000	1,027	1,233	1,130
<b>General average of the average</b>				<b>771,429</b>	<b>895,000</b>	<b>1,142</b>	<b>1328</b>	<b>1,235</b>
Nuzha	500	210%	Internal	540,000	600,000	1,080	1,200	1,140
	500	210%	Main	580,000	700,000	1,160	1,400	1,280
	750	210%	Internal	800,000	925,000	1,067	1,233	1,150
	750	210%	Main	840,000	1,050,000	1,120	1,400	1,260
<b>General average of the average</b>				<b>802,000</b>	<b>925,000</b>	<b>1,135</b>	<b>1,317</b>	<b>1,226</b>
Khaldiya	750	210%	Internal	750,000	850,000	1,000	1,133	1,067
	750	210%	Main	825,000	950,000	1,100	1,267	1,183
	1,000	210%	Internal	925,000	1,150,000	925	1,150	1,038
	1,000	210%	Main	1,100,000	1,300,000	1,100	1,300	1,200
<b>General average of the average</b>				<b>900,000</b>	<b>1,062,500</b>	<b>1,031</b>	<b>1,213</b>	<b>1,122</b>
Adailiya	500	210%	Internal	500,000	600,000	1,000	1,200	1,100
	500	210%	Main	600,000	675,000	1,200	1,350	1,275
	750	210%	Internal	700,000	850,000	933	1,133	1,033
	750	210%	Main	825,000	940,000	1,100	1,253	1,177
<b>General average of the average</b>				<b>878,125</b>	<b>1,008,125</b>	<b>1,079</b>	<b>1,242</b>	<b>1,161</b>

Hawally Governorate witnessed an increase in prices, where the average price per meter recorded around 1,009 dinar during the first quarter of 2014, compared with approximately 980 dinar in the fourth quarter of 2013, marking an increase by 2.9% of the first quarter of 2014 compared with the average prices of the fourth quarter of 2013.

Al Beda'a, Shaab and West Mishref areas witnessed the highest price value in Hawally Governorate, where Beda'a and Shaab areas witnessed an increase of up to 3.2% and 2.7%, while prices in West Mishref increased slightly by less than one percent compared with the average prices per square meter during the fourth quarter of 2013. Further, Al-Sadiq, Al Salam, Hateen, Al-Shuhada and Al-Zahra'a areas witnessed an increase ranging between 1.5% to 1.7% while Rumaithiya area witnessed a remarkable rise of up to 2.4%. Meanwhile, prices in Bayan, Jabriya, Salwa and Mishref areas increased by 5.3%, 5.2%, 2.7% and 2.5% respectively, according to the last surveys carried out by "Baitak" in the governorate.

**Average price per meter of private residential lands in Hawally Governorate during the first quarter of 2014 and fourth quarter of 2013**



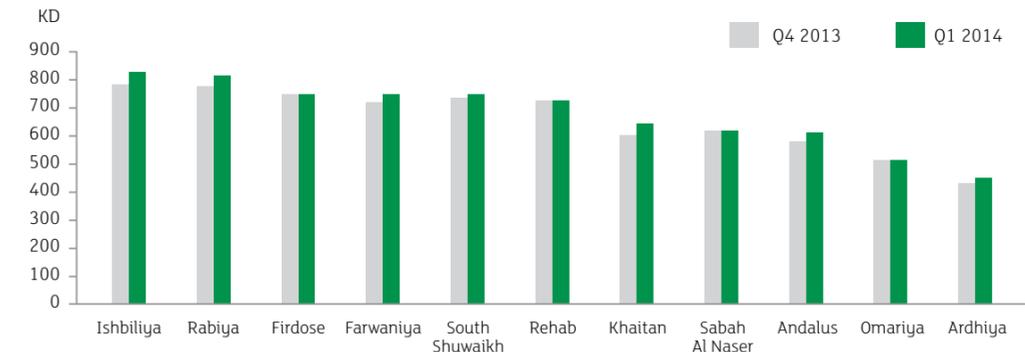
**Prices of Residential Lands in the Hawally Governorate**

District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Shaab	210%	400		420,000	460,000	1,050	1,150	1,100
	210%	400		450,000	500,000	1,125	1,250	1,188
	210%	500		480,000	520,000	960	1,040	1,000
General average in the area				537,500	589,167	998	1,094	1,046
Jabriya	210%	400		380,000	420,000	950	1,050	1,000
	210%	400		400,000	460,000	1,000	1,150	1,075
General average of the area				533,333	601,667	835	947	891
Rumaithiya	210%	400		340,000	380,000	850	950	900
	210%	400		360,000	430,000	900	1,075	988
	210%	500		380,000	440,000	760	880	820
General average of the area				594,375	688,750	903	1,049	976
Salwa	210%	500	Internal	340,000	380,000	680	760	720
	210%	500	Main	400,000	440,000	800	880	840
General average of the area				623,571	695,714	779	870	825
Al Salam	210%	400	Internal	380,000	420,000	950	1,050	1,000
	210%	400	Main	425,000	460,000	1,063	1,150	1,106
General average of the area				421,250	473,750	943	1,058	1,000
Hateen	210%	500		380,000	420,000	950	1,050	1,000
	210%	500		425,000	460,000	1,063	1,150	1,106
General average of the area				421,250	473,750	943	1,058	1,000
Al Shuhada	210%	400		380,000	420,000	950	1,050	1,000
	210%	500		425,000	460,000	1,063	1,150	1,106
	210%	400		380,000	420,000	950	1,050	1,000
General average of the area				421,250	473,750	943	1,058	1,000

Farwaniya governorate recorded an average price of 671 dinar with the highest percentage of increase in Kuwait governorates per square meter during the first quarter of the current year, thus increasing by 7.5% compared with approximately 624 dinar during the fourth quarter of 2013.

Eshbiliya area recorded an average price of 818 dinar as being the highest value areas in Farwaniya governorate, where it experienced an increase during the first quarter of 2014 by a remarkable percentage amounting to 5.7% compared with the average prices during the fourth quarter of 2013. Meanwhile, Rabiya and Farwaniya areas experienced a rise by 4.4% and 3.5% compared with the fourth quarter of 2013. As for Sabah Al Nasser area, it experienced a stability in prices during the first quarter of 2014, after coring the highest rise percentage in the governorate during the fourth quarter of 2013, while Khaitan and Andalus areas witnessed an increase ranging between 6.4% and 5.8%.

**Average price per meter of private residential lands in Farwaniya Governorate during the first quarter of 2014 and fourth quarter of 2013**



**Prices of residential lands in Farwaniya area**

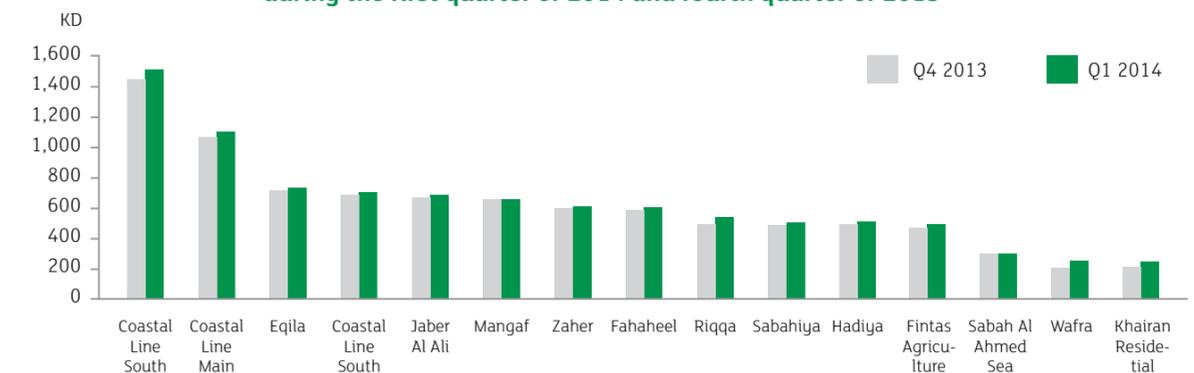
District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Al Andalus	210%	500	Internal	280,000	320,000	560	640	600
	210%	500	Main	300,000	350,000	600	700	650
General average of the area				368,000	420,000	568	649	609
Rabiah (existing house)	210%	500	Internal	280,000	320,000	700	800	750
	210%	500	Main	330,000	360,000	825	900	863
General average of the area				305,000	340,000	763	850	806
Eshbiliya	210%	400	Internal	280,000	320,000	747	853	800
	210%	400	Main	310,000	350,000	827	933	880
General average of the area				328,333	363,333	776	860	818
Farwaniya	210%	500	Internal	340,000	370,000	680	740	710
	210%	500	Main	370,000	400,000	740	800	770
General average of the area				355,000	385,000	710	770	740
Khaitan (behind the club)	210%	400	Internal	260,000	280,000	650	700	675
Khaitan	210%	1000	Main	700,000	750,000	700	750	725
General average of the area				442,500	485,000	608	666	637
Jleeb Al Shuyoukh	210%	500	Internal	300,000	360,000	600	720	660
General average of the area				340,000	400,000	680	800	740
Ardiya	210%	750	Internal	300,000	330,000	400	440	420
	210%	750	Main	340,000	370,000	453	493	473
General average of the area				320,000	350,000	427	467	447

Meanwhile, prices in Ahmadi Governorate witnessed a limited increase where the average price per square meter amounted to 596 dinar during the first quarter of 2014, with a rise percentage of 3.2% compared with the value of 577 dinar per square meter in the fourth quarter of 2013.

Prices increased during the first quarter of 2014 in the highest areas in terms of market value in the main coastline area in Ahmadi Governorate by a percentage ranging between 4% and 4.7%, while they increased by 2% in the streets of the internal coastline area, while they increased in the second highest areas in terms of prices in the Governorate in Agila area by a limited percentage of 1.8% during the first quarter of 2014.

Jaber Al Ali areas experienced a limited increase by 1.9%, and an increase by 3% Al daher area. Meanwhile, the average prices of Mangaf and Hedya areas increased by less than one percent, while Fintas area recorded a rise by 2%. Meanwhile, Riqa and Sabahiya areas witnessed an increase by 8.9% and 5.6%, while the prices in the remaining areas of the governorate were stable in Sabah al Ahmad offshore areas. As for Wafra area, it recorded a remarkable increase amounting to 26.9% during the first quarter of 2014. Khairan residential city experienced a remarkable increase by 21.9% compared with the fourth quarter of 2013.

**Average price per meter of private residential lands in Ahmadi Governorate during the first quarter of 2014 and fourth quarter of 2013**



**Prices of residential lands in Ahmadi governorate**

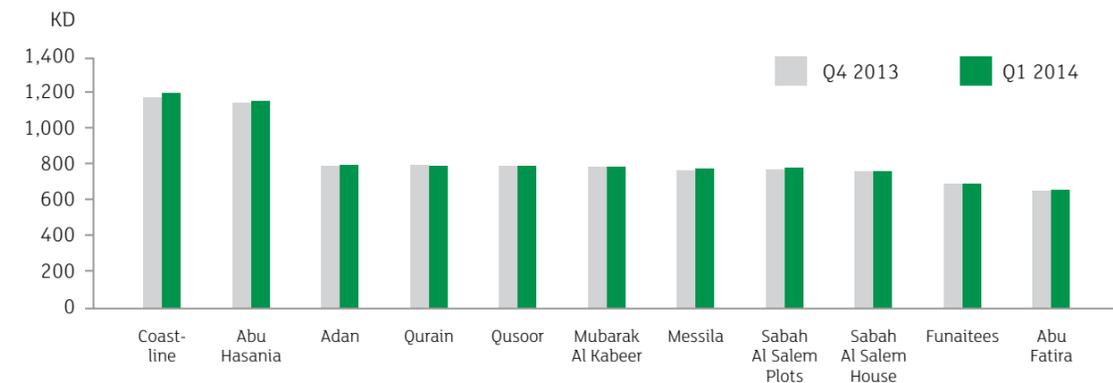
District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the 1 <sup>st</sup> quarter of 2014
				From	To	From	To	
Fintas Agricultural	210%	1000	Internal	430,000	470,000	430	470	450
	210%	1000	Main	480,000	520,000	480	520	500
Hedya	210%	750	Internal	315,000	360,000	420	480	450
	210%	750	Main	380,000	420,000	507	560	533
Agila	210%	400	Internal	245,000	280,000	613	700	656
	210%	400	Main	270,000	320,000	675	800	738
	210%	500	Internal	285,000	330,000	570	660	615
	210%	500	Main	340,000	380,000	680	760	720
Coastline on the sea	150%	750	Main	1,100,000	1,150,000	1,467	1,533	1,500
Coastline on the main area	150%	750	Main	770,000	870,000	1,027	1,160	1,093
Coastline internal streets	150%	750	Internal	500,000	525,000	667	700	683
Khairan residential area	210%	400	Internal	85,000	110,000	213	275	244
Sabah Al Ahmad offshore A1 (on the sea)	210%	1200	Offshore	265,000	290,000	221	242	231
Sabah Al Ahmad offshore A2 (on the sea)	210%	1200	Offshore	285,000	320,000	238	267	252
Loulua Al Khairan City A3 (on the sea)	210%	640	Offshore	280,000	320,000	438	500	469

Mubarak Al Kabir Governorate recorded a slight increase by less than one percent. The average price per square meter recorded 834 dinar during the first quarter of 2014 compared with the value of 828 dinar per square meter during the fourth quarter of 2013.

The coastline area, the highest area in the governorate in terms of prices, witnessed a limited increase by 2.3% while Abu Al Hasania, the second highest area in the governorate in terms of prices, witnessed a slight increase by less than one percent during the first quarter of 2014. Meanwhile, the prices in Messilah area increased by 1.8%, and in Sabah Al Salem government houses areas and the plots areas within Ahmadi Governorate areas by a slight percentage less than half percent (0.5%). Further, the prices in Al Qurain areas, Al Adan area, Al Qusoor and in the majority of the governorate areas witnessed a slight rise by less than half percent (0.2%).

Furthermore, Al Funaitis and Abu Fatira residential area, the least areas in terms of prices in the governorate, witnessed a slight rise by less than half percent during the first quarter of 2014.

**Average price per meter for private residential lands in Mubarak Al Kabeer Governorate during the first quarter of 2014 and fourth quarter of 2013**



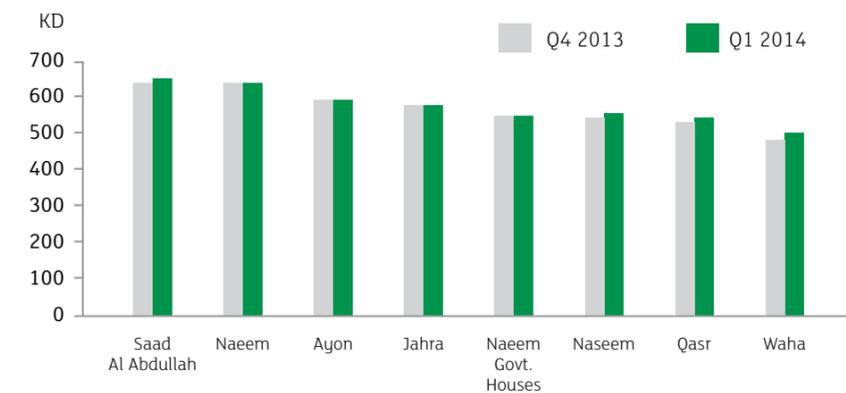
**Prices of Residential Lands in Mubarak Al Kabeer Governorate**

District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Abu Al Hasaniya	150%	750	Internal	750,000	900,000	750	900	825
	150%	750	Fahaheel	1,050,000	1,150,000	1,050	1,150	1,100
	150%	750	Offshore	2,900,000	3,200,000	1,450	1,600	1,525
General average of the area				1,566,667	1,750,000	1,083	1,217	1,150
Messilah	210%	400	Internal	290,000	320,000	725	800	763
	210%	400	Main	340,000	370,000	850	925	888
	210%	500	Internal	320,000	360,000	640	720	680
	210%	500	Main	365,000	420,000	730	840	785
General average of the area				328,750	367,500	736	821	779
Abu Fatira residential area	210%	400	Internal	235,000	275,000	588	688	638
	210%	400	Main	270,000	310,000	675	775	725
	210%	500	Internal	255,000	300,000	510	600	600
	210%	500	Main	300,000	350,000	600	700	650
General average of the area				265,000	308,750	593	691	653

Jahra Governorate scored a limited increase, where the average price square meter amounted to 581 dinar per square meter during the first quarter of 2014 with a slight increase of 1.4% compared to the average price per meter of 574 dinar in the fourth quarter of 2013.

Saad Al Abdulla area witnessed a slight increase by 1.8% while prices in most areas of the governorate were stable in Al Naaim areas (government plots and houses areas), Jahra and Al Ayon. Meanwhile, Al Naseem areas witnessed an increase by 2.25%. as for Al Qasr areas and the houses existing in Waha area, they recorded an increase amounting to 2.8% to 3.5% during the first quarter of 2014.

**Average price per meter of private residential lands in Jahra Governorate during the first quarter of 2014 and the fourth quarter of 2013**



**Residential Land Prices in Jahra Governorate**

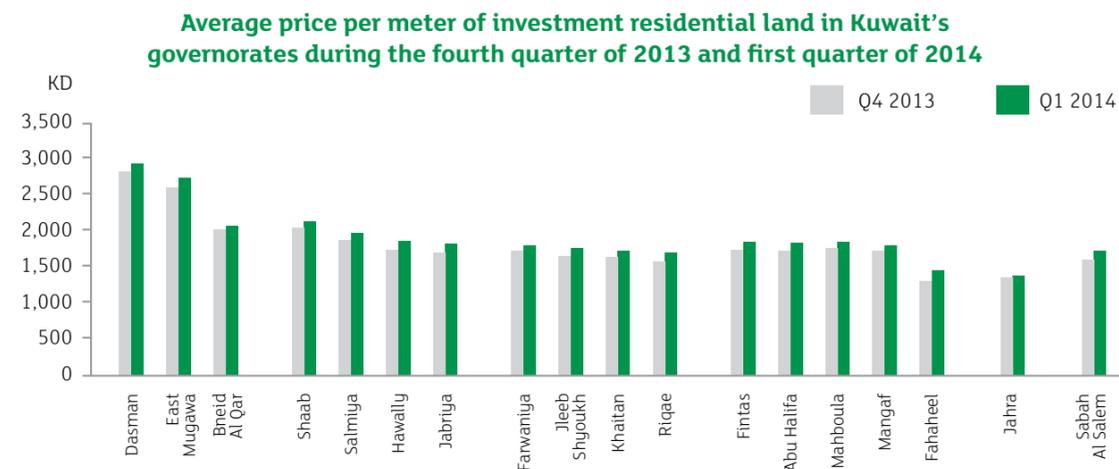
District	Building ratio	Area	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
			From	To	From	To	
Al Qasr – internal	210%	750	560,000	600,000	560	600	580
Al Qasr- club street	210%	1000	275,000	340,000	458	567	513
Al Qasr (existing house)	210%	600	550,000	590,000	550	590	570
Jahra – Al Mutla internal street	210%	400	280,000	310,000	560	620	590
Al Ayoun (government house) – main	210%	400	165,000	190,000	550	633	592
Al Naaim (plots) internal	210%	400	235,000	275,000	588	688	637.5
Al Naaim (government house) main	210%	400	200,000	240,000	500	600	550
Waha (existing house)	up to 800m <sup>2</sup>	300	140,000	160,000	467	533	500
Al Naseem – main (government house)	210%	400	200,000	245,000	500	613	556

## Second: Investment lands prices

Investment land prices in all governorates of Kuwait witnessed during the first quarter of 2014 a remarkable increase compared with the average price per square meter during the fourth quarter of 2013. The average growth rate in the Capital Governorate increased by 3.7% during the first quarter of 2014 compared with a limited increase of 2% during the fourth quarter of 2013. The average price per square meter amounted to approximately 2,589 dinar in the first quarter of 2014 compared with the average price of 2,497 dinar per square meter during the fourth quarter of 2013.

annually, the average price per square meter increased by approximately 13% during the first quarter of 2014 compared with around 2,290 recorded by the average price per square meter during the first quarter of 2013.

Dasman and East Mugawa areas experienced during the first quarter of 2014 an increase by 4% and 4.8%, while Bneid Al Qar area in the Capital Governorate witnessed a lesser increase by 1.9% compared with the average prices recorded during the fourth quarter of 2013.



### Prices of investment lands in the Capital Governorate

District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Bneid Al Qar	250%	1,000	Arabian Gulf	2,800,000	3,000,000	2,800	3,000	2,900
	250%	1,000	Istiqlal	1,850,000	1,950,000	1,850	1,950	1,900
	250%	500	Internal	875,000	950,000	1,750	1,900	1,825
	250%	500	Main	900,000	1,000,000	1,800	2,000	1,900
General average in the area				1,687,500	1,825,000	1,983	2,150	2,067
East Mugawa	240%	250	Internal	500,000	550,000	2,000	2,200	2,100
	400%	500	Internal	1,300,000	1,450,000	2,600	2,900	2,750
General average of the area				1,562,500	1,712,500	2,613	2,875	2,744
Dasman	400%	1,000	Arabian Gulf	3,250,000	3,450,000	3,250	3,450	3,350
	400%	1,000	Internal	2,400,000	2,600,000	2,400	2,600	2,500
	400%	750	Abdulla Al Ahmad	2,200,000	2,325,000	2,933	3,100	3,017
General average of the area				2,616,667	2,791,667	2,861	3,050	2,956

Meanwhile, Hawally Governorate witnessed a remarkable increase, where the price per square meter recorded 1,950 dinar during the first quarter of 2014, i.e. an increase by 4.8% compared with the average value of 1,860 dinar during the fourth quarter of 2013.

Annually, the Governorate scored a remarkable increase of 19% compared with the average price per square meter which registered 1,635 dinar during the first quarter of 2013.

Shaab and Hawally areas experienced an increase by 5% during the first quarter of 2014, while Salmiya area experienced an increase by 3% and Jabriya area an increase by 7% compared with the average price per square meter recorded during the fourth quarter of 2013.

### Investment Land Prices in Hawally Governorate

District	Building ratio	Area	Street	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Hawally	250%	750	Al Muthana	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Qutaiba	1,375,000	1,475,000	1,833	1,967	1,900
	250%	750	Al Hassan Al Basry	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Ahmad Bin Toulon	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Yarmouk	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Moosa Bin Nusair	1,325,000	1,450,000	1,767	1,933	1,850
General average in the area				1,361,667	1,469,000	1,777	1,919	1,848
Salmiya	250%	1,000	Arabian gulf	2,750,000	3,000,000	2,750	3,000	2,875
	250%	750	Baghdad (Tahrir)	1,400,000	1,550,000	1,867	2,067	1,967
	250%	750	Abdulkarim Al Khattabi	1,425,000	1,520,000	1,900	2,027	1,963
	250%	750	Qatar	1,425,000	1,550,000	1,900	2,067	1,983
	250%	750	Abdulla Bin Masud	1,350,000	1,425,000	1,800	1,900	1,850
	250%	750	Yousef Bin Hamoud	1,350,000	1,425,000	1,800	1,900	1,850
	250%	750	Hamad Al Mubarak	1,400,000	1,520,000	1,867	2,027	1,947
General average of the area				1,451,563	1,581,250	1,882	2,054	1,968
Shaab	250%	1,000	Arabian Gulf	2,800,000	3,000,000	2,800	3,000	2,900
	250%	1,000	Istiqlal	1,900,000	2,000,000	1,900	2,000	1,950
General average of the area				1,962,500	2,100,000	2,079	2,225	2,152
Jabriya	250%	1,000	4 <sup>th</sup> Ring Road	1,800,000	2,000,000	1,800	2,000	1,900
	250%	1,000	Maghreb	1,700,000	1,850,000	1,700	1,850	1,775
	250%	1,000	Shanakel	1,700,000	1,850,000	1,700	1,850	1,775
General average of the area				1,678,571	1,850,000	1,743	1,921	1,832

As for Farwaniya Governorate, it recorded an average price per meter of approximately 1,778 dinar during the first quarter of 2014, hence recording a remarkable increase amounting to 4.9% compared with the value recorded at approximately 1,695 dinar during the fourth quarter of 2013.

Annually, Farwaniya Governorate recorded a noticeable increase of 29% compared with the average price per meter of 1,374 dinar during the first quarter of 2013.

Al Raqqi area experienced an increase by 4.9% compared with the average prices recorded during the fourth quarter of 2013, while Jleeb Al Shuyoukh area witnessed an increase by 5.8%. Meanwhile, Khaitan area witnessed an increase by 4.4% during the first quarter of 2014, while Farwaniya area recorded an increase by 4.8% compared with the average prices per square meter in the fourth quarter of 2013.

#### Prices of Investment Lands in Farawaniya Governorate

District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Farwaniya	250%	750	Airport	1,480,000	1,600,000	1,973	2,133	2,053
	250%	750	6 <sup>th</sup> Ring Road	1,400,000	1,550,000	1,867	2,067	1,967
	250%	1,000	Main	1,600,000	1,800,000	1,600	1,800	1,700
	250%	1,000	Internal	1,550,000	1,700,000	1,550	1,700	1,625
General average of the area				1,285,000	1,425,000	1,725	1,917	1,821
Khaitan	250%	1,000	Airport	1,800,000	1,950,000	1,800	1,950	1,875
	250%	1,000	Main	1,330,000	1,400,000	1,773	1,867	1,820
	250%	1,000	Internal	1,550,000	1,700,000	1,550	1,700	1,625
General average of the area				1,366,000	1,480,000	1,658	1,797	1,727
Jleeb Al Shuyoukh	250%	750	6 <sup>th</sup> Ring Road	1,300,000	1,400,000	1,733	1,867	1,800
	250%	750	Police station street	1,300,000	1,450,000	1,733	1,933	1,833
General average of the area				1,155,714	1,267,857	1,687	1,854	1,771
Reqqi	250%	750	4 <sup>th</sup> Ring Road	1,350,000	1,500,000	1,800	2,000	1,900
	250%	750	5 <sup>th</sup> Ring Road	1,325,000	1,450,000	1,767	1,933	1,850
General average of the area				1,360,714	1,464,286	1,724	1,864	1,794

Ahmadi Governorate recorded an average price of 1,482 dinar per square meter during the first quarter of 2014, where it increased by 4.9% during the first quarter of 2014 compared with the average of 1,413 dinar for the fourth quarter in 2013.

Annually, Ahmadi Governorate witnessed an increase of 51% compared with the average price per meter during the first quarter of 2013 which amounted to the value of approximately 1,155 dinar for the average price per square meter.

Mangaf area scored an increase amounting to 3.4% compared with the average price per meter during the fourth quarter of 2013, while Abu Halifa and Fintas areas recorded an increase of 4.5% and 4.9%. Meanwhile, Mahbala area witnessed an increase of 5.1% and the prices in Fahaheel area increased by 6.3%.

#### Investment Lands Prices in Ahmadi Governorate

District	Building ratio	Area	Location	Land Market Value (KD)		Market Value per Square meter (KD)		Average price per square meter during the first quarter of 2014
				From	to	From	To	
Fintas	250%	500	Main	650,000	725,000	1,300	1,450	1,375
	250%	750	Fahaheel	880,000	970,000	1,173	1,293	1,233
	250%	1,000	Coastline road	1,800,000	1,900,000	1,800	1,900	1,850
General average of the area				1,056,000	1,147,000	1,375	1,499	1,437
Abu Halifa	250%	750	Internal	880,000	970,000	1,173	1,293	1,233
	250%	750	Main	975,000	1,050,000	1,300	1,400	1,350
General average of the area				1,067,250	1,161,250	1,393	1,511	1,452
Mangaf	250%	750	Internal	850,000	950,000	1,133	1,267	1,200
	250%	750	Internal – water plant street	985,000	1,050,000	1,313	1,400	1,357
General average of the area				1,245,000	1,336,000	1,629	1,749	1,689
Mahboula	250%	500	Internal	650,000	750,000	1,300	1,500	1,400
	250%	750	Main	925,000	1,040,000	1,233	1,387	1,310
General average of the area				1,048,000	1,150,000	1,364	1,507	1,435
Fahaheel	250%	500	Internal	640,000	700,000	1,280	1,400	1,340
	250%	750	Main	950,000	1,050,000	1,267	1,400	1,333
	250%	1,000	Mecca	1,550,000	1,650,000	1,550	1,650	1,600
	250%	750	Badawiya	1,000,000	1,200,000	1,333	1,600	1,467
General average of the area				948,333	1,053,333	1,322	1,476	1,399

As for Jahra Governorate, the prices increased slightly by less than one percent. The average price per meter recorded around 1,395 dinar during the first quarter of 2014 compared with the average price of 1,384 dinar recorded during the fourth quarter of 2013.

Annually, the governorate witnessed an increase by 23% during the first quarter of 2014 compared with the average price per meter which recorded approximately 1,138 dinar during the first quarter of 2013.

#### Investment Lands Prices in Jahra Governorate

District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Jahra	250%	1.000	Internal	1,050,000	1,300,000	1,050	1,300	1,175
	250%	1.000	Main	1,350,000	1,500,000	1,350	1,500	1,425
	250%	800	Khozama	1,250,000	1,350,000	1,563	1,688	1,625
	250%	500	Internal	600,000	700,000	1,200	1,400	1,300
	250%	500	Main	650,000	800,000	1,300	1,600	1,450
General average of the area				980,000	1,130,000	1,293	1,498	1,395

Further, Mubarak Al Kabeer Governorate witnessed a remarkable increase of 6.9%, where the price per meter recorded 1,730 dinar during the first quarter of 2014, compared with the value of approximately 1,619 dinar during the fourth quarter of 2013 which experienced a remarkable increase of 13%.

On the basis of the annual comparison with the first quarter of 2013, Mubarak Al Kabeer Governorate recorded the highest annual growth compared with the annual growth rate witnessed by the remaining governorates of Kuwait with a remarkable increase of 63% compared with approximately 1,061 dinar recorded during the first quarter of 2013, in view of the continued approach of many developers for investment in building ownership apartments and the building of mega investment compounds, as well as the increasing demand for building private schools. Large areas amounting to 3000 meters were available in Sabah Al Salem area for investment in the governorate.

#### Investment Lands Prices in Mubarak Al Kabeer Governorate

District	Building ratio	Area	Location	Land market value (KD)		Market value per square meter KD		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Sabah Al Salem	250%	750	Internal	1,015,000	1,125,000	1,353	1,500	1,427
	250%	750	Main	1,050,000	1,200,000	1,400	1,600	1,500
	250%	1.000	Internal	1,300,000	1,450,000	1,300	1,450	1,375
	250%	1.000	Main	1,450,000	1,600,000	1,450	1,600	1,525
	250%	1.000	Fahaheel	1,600,000	1,700,000	1,600	1,700	1,650
General average of the area				1,440,000	1,577,500	1,651	1,810	1,730

#### Annual rate of return on investment real estate:

The demand for investment real estate is associated with the rates of return yielded by them, which is still ranging from 6.25% to 6.75% during the first quarter of 2014 in the areas of the Capital while the recorded average yields of investment properties in Hawally Governorate recorded a ratio of 6.67%. The ratio of returns on investment real estate in governorate areas ranged between 6.25% to 7% during the first quarter of 2014, while the returns yielded in Farwaniya Governorate amounted to 7%. Further, the returns settled at a percentage ranging between 6.6% to 7.25% in Ahmadi Governorate areas. In Mubarak Al Kabeer Governorate, returns increased to range between 7% to 7.38% and the returns yielded in Jahra governorate areas settled at 7% to 7.25% during the first quarter of 2014.

Investment properties are still being characterized by competition and stability if compared with the return rates on bank deposits or unstable returns in Kuwait Stock Exchange.

#### Annual return rate on investment properties in some areas in Kuwait

Governorate	District	Building ratio	Area	Location	Rate of sale return from the annual property income for the first quarter of 2014		
					From	To	Average
Capital	Bneid Al Qar	250%	1.000	Arabian Gulf	6.00%	6.50%	6.25%
	Bneid Al Qar	250%	1.000	Istiqlal	6.25%	7.00%	6.63%
	East Mugawa	250%	250	Internal	6.50%	4.00%	6.75%
	Dasman	250%	1.000	Arabian Gulf	6.25%	7.00%	6.50%
Hawally	Hawally	250%	750	Al Muthana	6.75%	7.00%	6.88%
	Hawally	250%	1.000	Al Hassan Al Basry	6.75%	7.00%	6.88%
	Salmiya	250%	1.000	Arabian Gulf	6.00%	6.00%	6.00%
	Salmiya	250%	1.000	Baghdad	6.25%	6.50%	6.38%
	Shaab	250%	1.000	Arabian Gulf	6.00%	6.50%	6.25%
	Shaab	250%	1.000	Istiqlal	6.25%	7.00%	6.63%
Farwaniya	Farwaniya	250%	1.000	Airport	7.00%	7.00%	7.00%
	Farwaniya	250%	1.000	Airport Main location	7.00%	7.00%	7.00%
	Khaitan	250%	750	Internal	7.00%	7.50%	7.25%
	Reqqi	250%	750	4 <sup>th</sup> ring road	6.75%	7.00%	6.88%
Ahmadi	Reqqi	250%	750	5 <sup>th</sup> ring road	6.75%	7.00%	6.88%
	Fintas	250%	500	Internal	7.00%	7.50%	7.25%
	Abu Halifa	250%	500	Internal	7.00%	7.50%	7.25%
	Abu Halifa	250%	750	Internal	7.00%	7.50%	7.25%
	Mangaf	250%	500	Internal	7.00%	7.25%	7.13%
	Fahaheel	250%	500	Internal	6.80%	7.00%	6.90%
Jahra	Fahaheel	250%	500	Main	6.80%	7.00%	6.90%
	Jahra	250%	1.000	Internal	7.25%	7.50%	7.38%
Mubarak Al Kabeer	Jahra	250%	1.000	Main	7.00%	7.25%	7.13%
	Sabah Al Salem	250%	750	Internal	7.00%	7.50%	7.25%
	Sabah Al Salem	250%	750	Main	6.50%	7.00%	6.75%

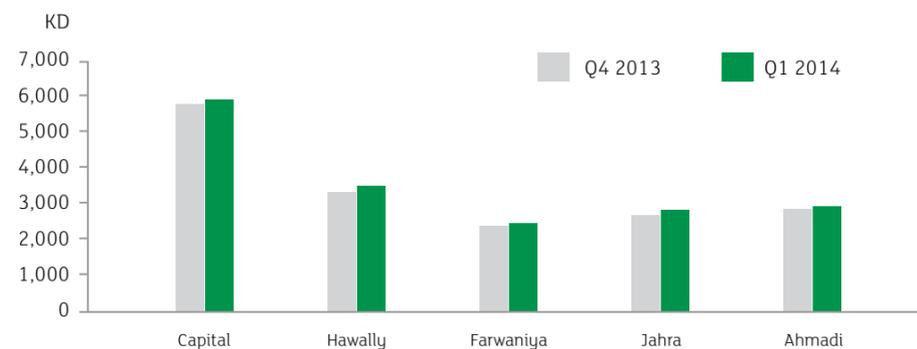
### Third: Commercial Real Estate Prices

Commercial real estate prices in all governorates of Kuwait recorded a remarkable increase during the first quarter of 2014 compared with the fourth quarter of 2013. In the Capital Governorate, dominated by the administrative character, particularly in the main area in Kuwait, comprising Ahmad Al Jaber Street, Al Shuhda'a Street, Jaber Al Mubarak Street and a number of surrounding streets, recorded an average price per meter of 5,898 dinar during the first quarter of 2014, recording a limited increase by 2% compared with the value of 5,773 of the average price per meter during the fourth quarter of 2013.

Annually, the average prices of commercial real estate in the governorate increased by a limited percentage of 4.3% where the average price per meter in the Capital recorded around 5,655 dinar during the first quarter of 2013.

Prices increased in most of the commercial real estate areas in the governorate compared with the fourth quarter of 2013.

**Average price per square meter of the commercial real estate in Kuwait's governorates during the first quarter of 2014 and the fourth quarter of 2013**



**Prices of Commercial Lands in the Capital Governorate**

District	Building ratio	Street	Area	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Qebla	300%	Mubarkiyya	500	2,250,000	2,875,000	4,500	5,750	5,125
Sharq	520%	Ahmad al Jaber	500	3,250,000	3,500,000	6,500	7,000	6,750
City	620%	Mubarak Al Kabeer (Textile blocks)	500	2,950,000	3,250,000	5,900	6,500	6,200
	620%	Mubarak Al Kabeer (stock exchange)	500	3,750,000	4,000,000	7,500	8,000	7,750
Qebla	620%	Fahed Al Salem	500	3,450,000	3,625,000	6,900	7,250	7,075
Sharq	520%	Jabber Al Mubarak	500	2,925,000	3,050,000	5,850	6,100	5,975

Hawally Governorate witnessed a remarkable increase of 4.3% during the first quarter of 2014 by recording around 3,479 dinar compared with the fourth quarter of 2013 which witnessed an increase by approximately 3.5%. The average price per meter recorded around 3,339 dinar for the fourth quarter of 2013.

Annually, prices recorded an increase by 7.9% compared with the price per meter which recorded a value of 3,225 dinar during the first quarter of 2013.

The prices increased compared with the fourth quarter of 2013 by a limited percentage ranging between 1.7% to 3.9% in some areas of Hawally Governorate in Tunis, Beirut and Ibn Khaldoun streets, while it increased in some areas of Salmiya by a percentage amounting to 8.7% compared with the average price per square meter during the fourth quarter of 2013.

**Prices of commercial lands in Hawally Governorate**

District	Building ratio	Street	Area	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Hawally	180%	Tunis	1,000	3,700,000	4,200,000	3,700	4,200	3,950
	180%	Beirut	1,000	3,600,000	4,000,000	3,600	4,000	3,800
Salmiya	180%	Salem Al Mubarak	800	3,040,000	3,520,000	3,800	4,400	4,100
	180%	Bahrain	500	1,400,000	1,550,000	2,800	3,100	2,950

As for Farawaniya Governorate, its prices experienced a limited change by 2.2% during the first quarter of 2014 where the average price per meter recorded 2,449 dinar during the first quarter of 2014. Meanwhile, most of the governorate area witnessed a stability in prices with the exception of some areas which witnessed an increase by percentages ranging from 1% to 4.3% and other areas in Khaitan and Jleeb Al Shuyoukh which recorded a noticeable increase amounting from 6% to 6.6% and up to 5% in some internal streets in Dajeej areas. Meanwhile, prices in Ardiya area stores were stable during the first quarter of 2014.

#### Commercial Lands Prices in Farawniya Governorate

District	Building ratio	Street	Area	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Farwaniya	180%	Manawer	1,000	4,600,000	5,000,000	4,600	5,000	4,800
Farwaniya	180%	Fire Station	800	3,040,000	3,400,000	3,800	4,250	4,025
Khaitan	180%	Administrative & commercial	1,000	4,000,000	4,100,000	4,000	4,100	4,050
Khaitan	300%	Administrative & commercial	1,000	3,800,000	4,000,000	3,800	4,000	3,900
Jleeb Al Shuyoukh	180%	Co-op Street	1,000	2,300,000	2,600,000	2,300	2,600	2,450
Jleeb Al Shuyoukh	180%	Internal	1,000	1,900,000	2,150,000	1,900	2,150	2,025
Dajeej (5000m)	210%	6 <sup>th</sup> Ring Road	5,000	6,500,000	7,000,000	1,300	1,400	1,350
Dajeej (5000m)		Internal	5,000	6,500,000	7,000,000	1,300	1,400	1,350
Dajeej South Khaitan	250%	6 <sup>th</sup> Ring Road	5,000	2,900,000	3,000,000	580	600	590

Meanwhile, the prices in Jahra governorate witnessed a remarkable increase by a percentage amounting to 6.1% where the average price per meter recorded 2,845 dinar during the first quarter of 2014 compared with the average of 2,680 dinar during the fourth quarter of 2013. The prices in Jahra area commercial and administrative center witnessed a limited increase by 2.8% during the first quarter of 2014. Prices in Qaisaria area recorded an increase amounting to 11.5%. Further, some areas in the governorate recorded a remarkable increase amounting to 10.7%. Meanwhile, the prices recorded in other areas increased by 5.7% compared with the fourth quarter of 2013.

#### Prices of commercial lands in Jahra Governorate

District	Building ratio	Street	Area	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Jahra	180%	Marzouk Al Metaab	1,000	2,800,000	3,250,000	2,800	3,250	3,025
Jahra Administrative & Commercial Center	300%	Administrative & Commercial	875	3,106,250	3,281,250	3,550	3,750	3,650
Jahra	50%	Block 41A	1,000	2,700,000	2,900,000	2,700	2,900	2,800

Meanwhile, the average price per square meter in Ahmadi Governorate amounted to approximately 2,939 dinar during the first quarter of 2014, with an increase by 2% compared with 2,881 dinar for the average price per square meter during the fourth quarter of 2013.

Prices increased in Mangaf area, achieving the highest increase percentage in the governorate which amounted to 12.5% compared with the fourth quarter of 2013, while prices were stable at some locations of Fintas area administrative and commercial center compared with the fourth quarter of 2013. Prices experienced increase by 3.6% and 4.2% in some areas of Fahaheel, while the prices in the remaining areas of Fahaheel on the coastline road and Mecca Street were stable. As for Loulwa Al Khairan area, some of its areas experienced an increase by 4.4%, while the prices did not witness a change in other locations of the area compared with the fourth quarter of 2013.

#### Prices of commercial lands in Ahmadi Governorate

District	Building ratio	Street	Area	Land market value (KD)		Market value per square meter (KD)		Average price per square meter during the first quarter of 2014
				From	To	From	To	
Mangaf	300%	Azizia	750	1,387,500	1,650,000	1,850	2,200	2,025
Fintas (administrative and commercial)	180%	Main	1000	3,350,000	3,500,000	3,350	3,500	3,425
	180%	Internal	1000	3,100,000	3,250,000	3,100	3,250	3,175
Fahaheel	180%	Al dabous	750	2,625,000	2,737,500	3,500	3,650	3,575
	180%	Internal	750	2,212,500	2,437,500	2,950	3,250	3,100
	180%	Coastal road	750	3,262,500	3,375,000	4,350	4,500	4,425

**Annual rate of return on commercial real estate:**

The rate of returns on commercial real estate is still remarkably less than the return rate of investment real estate in some governorates as a result of the decline in the occupancy percentages related to the offices sector, particularly in the Capital area. The average rate was stable on the level of the Capital Governorate at 6.25%, while the annual return settled at 7% for Hawally Governorate compared with the fourth quarter of 2013, and amounted to 7.6% in Farwaniya Governorate. Meanwhile, it dropped to 7.53% in Jahra Governorate and 7.39% in Ahmadi governorate.

**Annual return rate on commercial real estate in some areas**

Governorate	District	Building ratio	Street	Return rate of sale from the annual real estate income for the first quarter 2014		
				From	To	Average
Capital	Qebila	300%	Mubarakiya	6.00%	6.50%	6.25%
	Sharq	520%	Ahmad Al Jaber	6.00%	6.50%	6.25%
	Sharq	520%	Khaled Bin Al Waleed	6.00%	6.50%	6.25%
	City	620%	Al Sour	6.00%	6.50%	6.25%
	City	300%	Al Sour	6.00%	6.50%	6.25%
Hawally	City	620%	Mubarak Al Kabeer (blocks)	6.00%	6.50%	6.25%
	Hawally	180%	Tunis	7.00%	7.00%	7.00%
	Hawally	180%	Beirut	7.00%	7.00%	7.00%
	Salmiya	180%	Hamad Al Mubarak	7.00%	7.00%	7.00%
Farwaniya	Salmiya	180%	Salem al Mubarak	7.00%	7.00%	7.00%
	Farwaniya Manawer Street	180%	Manawer	7.50%	7.50%	7.50%
	Farwaniya Fire Station Street	180%	Fire station	7.00%	7.50%	7.25%
	Khaitan	180%		7.00%	7.50%	7.25%
	Khaitan (administrative and commercial)	300%	Administrative and commercial	7.00%	7.50%	7.25%
Jahra	Ardiya stores	Ground 80% Mezzanine 50%	Internal	7.50%	8.00%	7.75%
	Jahra	180%	Marzouk Al Metaab	7.50%	7.50%	7.50%
	Jahra administrative and commercial center	300%	Administrative and commercial	7.50%	7.50%	7.50%
Ahmadi	Jahra Qaisriat	300%	Block 20	7.50%	7.75%	7.63%
	Mangaf	300%	Azizia	7.50%	7.50%	7.50%
	Fintas (administrative and commercial)	180%	Main	7.50%	7.50%	7.50%
	fahaheel	180%	Al Dabous	7.00%	7.25%	7.25%

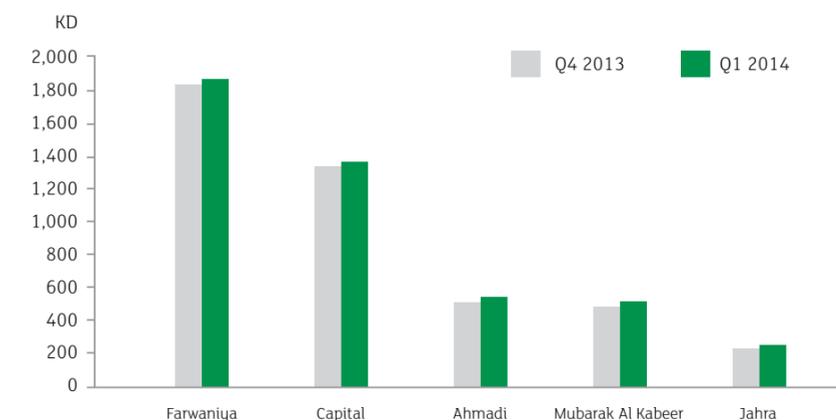
**Fourth: prices of industrial plots (contracts for public benefit) and stores**

The prices of industrial plots experienced during the first quarter of 2014 a remarkable increase in most of the governorates of Kuwait compared with the fourth quarter of 2013, except a number of governorates which witnessed a limited increase. The prices per square meter of industrial plots in the Capital Governorate witnessed a limited increase of 1.5% during the first quarter of 2014 compared with a limited increase by 2% during the fourth quarter of 2013.

The average prices in the industrial plots in the governorate were stable in Shuwaikh area in Canada Dry Street, Sherhzad Street and Ziena Street, except some areas in Zeina Street which increased by 3.2% compared with the fourth quarter of 2013. Meanwhile, the prices in Pepsi Street were stable and the prices in the electricity street and internal locations of the area increased by 6.5% and 3% respectively. Further, the prices in the remaining locations of Shuwaikh Industrial Area were stable in the 4<sup>th</sup> Ring road and the industrial plots of Ghazali Street. Meanwhile, the prices increased in Mohamed Al Qassem Street by a limited percentage of 3.8% during the first quarter of 2014.

The average price per meter of industrial plots in the Capital Governorate in Shuwaikh Industrial area amounted to the 1,341 dinar during the first quarter of 2014 compared with the average of 1,322 dinar in the fourth quarter of 2013.

**Average market value per square meter for industrial and craft real estate in Kuwait governorates during the first quarter of 2014 and the fourth quarter of 2013**



**Prices of Industrial Plots in the Capital Governorate**

District	Allocation	Building ratio	Area	Street	Land market value (KD)		Average price per square meter during the first quarter of 2014
					From	To	
Industrial shuwaikh	Showrooms + land + industrial	170%	1,000	Canada Dry street	1,550,000	1,650,000	1,600
		170%	5,000	Sherhzad Street	1,150,000	1,250,000	1,200
		170%	1,000	Zeina Street	1,250,000	1,400,000	1,325
		170%	1,000	Zeina Street	1,250,000	1,400,000	1,300
		170%	500	Zeina Street	750,000	800,000	1,550
		170%	500	Electricity Street	800,000	850,000	1,650
		170%	5.00	Pepsi Street	5,000,000	5,250,000	1,025
		170%	1,000	4 <sup>th</sup> Ring Road	1,525,000	1,575,000	1,550
		170%	1,000	Mohamed Al Qassem	1,150,000	1,250,000	1,175
		170%	22,500	Internal	12,000,000	14,000,000	578
General average in the area					3,032,727	3,336,364	1,341

Further, Farwaniya Governorate witnessed a limited rise during the first quarter of 2014 by 1.9% compared with the prices recorded during the fourth quarter of 2013, which witnessed a remarkable increase amounting to 12.8%.

The average prices in Ardiya craft area recorded a limited increase during the first quarter of 2014 by 1.3%. a number of locations opposite to Ardiya stores and in the 5<sup>th</sup> Ring Road experienced a rise by 1.9%. Meanwhile, the prices in the internal locations of the area increased by up to 4.5% compared with the fourth quarter of 2013.

The average prices in Al Rai area increased by a limited percentage of 1.3%. Safat Alghanim area witnessed a rise by 2%, while a number of locations in Ghazali Street and Mohamed Al Qassem Street experienced a rise by 3.1% and 2.3% during the first quarter of 2014, while prices were stable in the remaining locations of the area during the first quarter of 2014.

Meanwhile, the average price per square meter in the governorate recorded 1,848 dinar during the first quarter of 2014 compared with 1,813 dinar for the fourth quarter of 2013.

**Prices of industrial plots in Farwaniya Governorate**

District	Allocation	Building ratio	Area	Location	Street	Land market value (KD)		Average price per square meter during the first quarter of 2014
						From	To	
Al Rai	Showrooms + industrial	170%	1,000	Main	Safat Alghanim (up to Al Nasr Sports)	1,200,000	1,350,000	1,275
		170%	1,000	Main	Ghazali Street	1,200,000	1,250,000	1,225
		170%	4,000	Main	Ghazali Street	5,500,000	5,750,000	1,406
General average of the area						2,566,667	2,758,333	1,178
Ardiya Craft	Craft	130%	250	Main	Opposite to Ardiya stores	650,000	725,000	2,750
		130%	250	Main	Opposite Ardiya residential	560,000	625,000	2,730
General average of the area						596,250	662,500	2,518

In Ahmadi Governorate, the average price per meter recorded around 533 dinar during the first quarter of 2014 to achieve a remarkable increase by 5% compared with approximately 508 dinar per square meter during the fourth quarter of 2013, which increased by less than one percent.

The prices in Fahaheel area, the highest areas in the governorate in terms of prices, witnessed an increase by 2.7% during the first quarter of 2014 compared with a slight increase by less than one percent during the fourth quarter of 2013. Meanwhile, prices in east Ahmadi industrial area recorded a remarkable increase amounting to 9.4% during the first quarter of 2014, which were stable during the fourth quarter of 2013.

Meanwhile, the average prices in Shuiba area and Mina Abdulla increased by 4.2% during the first quarter of 2014, which were stable during the fourth quarter of 2013. The gravel storage area in Mina Abdulla experienced an increase amounting to 7%, while the internal areas in the port increased by 5% compared with the fourth quarter of 2013. As for Shuiba area, a number of main streets recorded an increase amounting to 6.4%, while other main streets in the area and Jawhrat Al Fanar area experienced a remarkable increase which ranged between 5.3% and 4.4% respectively during the first quarter of 2014. Meanwhile, the internal areas increased by 3% while other internal areas were stable during the first quarter of 2014.

#### Prices of Industrial Plots in Ahmadi Governorate

District	Allocation	Area	Street	Land market value (KD)		Average price per square meter during the first quarter of 2014
				From	To	
Shuiba west	Industrial	120,000	Behind the fuel station	10,000,000	12,500,000	93.8
Shuiba west		10,000	Internal	1,100,000	1,300,000	120
Mina Abdulla		10,000	In the port	950,000	1,150,000	105
General average of the area				3,096,250	3,693,750	122
Fahaheel	Showrooms + industrial building percentage 170%	1,000	Sultan Center Street	1,350,000	1,500,000	1,425
		1,000	Opposite the fire station	800,000	850,000	825
		1,000	Internal streets	480,000	650,000	565
General average of the area				866,667	960,000	938
East Industrial Ahmadi	Showrooms + industrial building percentage 170%	5,000	Mustafa Karam	4,500,000	5,000,000	950
		5,000	Main	2,000,000	2,250,000	425
General average of the area				2,150,000	2,393,750	539

#### Industrial Plots Prices in Mubarak Al Kabeer Governorate

District	Allocation	Area	Street	Land market value (KD)		Average price per square meter during the first quarter of 2014
				From	To	
Abu Fatira craft	Showrooms	1,000	Main	1,650,000	1,750,000	1,700
Abu Fatira craft	Showrooms	500	Main	640,000	680,000	1,320
General average of the area				975,000	1,087,500	1,381
Sabhan	Industrial	1,000	Main	500,000	600,000	550
		1,000	Main	650,000	750,000	700
		5,000	Main	2,500,000	2,850,000	535
General average of the area				1,300,000	1,491,667	506

#### Industrial Plots Prices in Jahra Governorate

District	Allocation	Area	Street	Land market value (KD)		Average price per square meter during the first quarter of 2014
				From	To	
Amghara	Major contractors	10,000	Internal	1,400,000	1,650,000	153
		10,000	Main	1,750,000	1,950,000	185
General average of the area				743,750	820,625	168
Jahra	Craft	500	Internal	165,000	185,000	350
		500	Main	200,000	220,000	420
General average of the area				176,250	196,250	478
Doha	Ship repair	1,000		100,000	160,000	130
General average of the area				1,816,667	2,186,667	72

### Fifth: prices of farms and barns

Prices of the barns area in Ahmadi Governorate recorded around 78 dinar for the average price per meter in the area, recording a limited increase by 1.4% during the first quarter of 2014, compared with approximately 77 dinar recorded for the average price per meter during the fourth quarter of 2013 which witnessed a slight increase.

As for the stables area, the average price per meter in some of its internal areas recorded a slight increase by 1.4%, while the prices were stable in other internal areas. Meanwhile, the track and golf area witnessed a slight rise by less than one percent during the first quarter of 2014.

Prices in some internal areas of the barns in Wafra area were stable, while some main areas experienced a slight rise during the first quarter of 2014 compared with the prices of the fourth quarter of 2013. Wafra agricultural area witnessed an increase amounting to 3.5%, while some areas in Wafra experienced an increase amounting to 5.6% during the first quarter of 2014.

A number of cow farms areas (usufruct) in Sulibiya area witnessed a stability in prices as they recorded 550 thousand dinar to 650 thousand dinar for the land area of 50 thousand square meters, except one of the areas which witnessed a slight increase by less than one percent during the first quarter of 2014. The prices per square meters increased slightly for the 100 thousand square meters area of land in Abdali area to record between 250 thousand to 300 thousand dinar during the first quarter of 2014.

**Average price per meter of barns and stables land in Ahmadi Governorate during the first quarter of 2014 and fourth quarter of 2013**



### Farms and Barns Prices

Governorate	District	Area	Location	Estimated price per plot (KD)		Price per square meter of land (KD)		M <sup>2</sup> price for first quarter of 2014
				From	To	From	To	
Ahmadi	Kabad barns	2,500	Internal	72,000	87,000	28.8	34.8	79,500
	Kabad barns	2,500	Main	100,000	112,000	40.0	44.8	106,000
	Horseback riding stables (Ahmadi)	500	Internal	38,000	45,000	76.0	90.0	41,500
		500	Track /golf	45,500	50,000	91.0	100.0	47,750
	Wafra barns	2,500	Main	65,000	77,500	26.0	31.0	71,250

### Sixth : chalet prices

The prices of chalets are associated with the extent of demand for chalets especially in the Summer. As the first quarter of 2014 is concurrent with the Winter season, this means the decline in demand for chalets and hence the prices in most areas of Ahmadi Governorate were generally stable and recorded 17,554 dinar. However, the prices increased remarkably by 5.4% in the chalets areas of the Capital Governorate during the first quarter of 2014, where the price per meter recorded 7,292 dinar during the first quarter of 2014.

Meanwhile, the average prices of the chalets prices in Jahra Governorate in Sabiya and Kazema areas recorded around 4,283 dinar and increase by 8.8% during the first quarter of 2014.

### Chalets Prices in Ahmadi Governorate

Governorate	District	Length of the marine façade by meter	Chalet market value (land)		Price of running meter of the marine façade		Price of meter of land of the marine façade during the first quarter of 2014
			From	To	From	To	
Ahmadi	Mina Abdula	15	217,500	247,500	14,500	16,500	15,500
	Dabaiya	15	217,500	255,000	14,500	17,000	15,750
	Julai'a	15	300,000	360,000	20,000	24,000	22,000
	Bneider	15	375,000	435,000	25,000	29,000	27,000
	Al Zour	15	202,500	232,500	13,500	15,500	14,500
	Al Khairan (other than the Khor)	15	195,000	232,500	13,000	15,500	14,250
	Al Nuwaisib	15	191,250	225,000	12,750	15,000	13,875

### Seventh: occupancy and rents percentages

The occupancy ratios settled at their previous percentages for all levels of the types of investment real estate, where this percentage ranged between 90% to 96%. Meanwhile, the occupancy ratios of the commercial real estate, particularly the offices, did not reach satisfactory levels, which continues imposing pressures leading to the decrease of the rent rates.

The average rent price of a two room and hall apartment of 60m area in the Capital Governorate ranged between 330 to 350 dinar, while the rent value for the same area in Hawally Governorate ranged between 290 to 330 dinar and the rent value for this area ranged between 280 to 300 in Farwaniya governorate and 250 to 280 dinar in Ahmadi Governorate. The rent values recorded 280 to 300 dinar in Mubarak Al Kabeer Governorate and 250 to 280 in Jahra Governorate. As for the two rooms and hall apartments of area ranging between 70 to 74 meters, the rent value ranged between 385 to 415 dinar in the Capital Governorate, 323 to 360 dinar in Hawally Governorate, 320 to 350 dinar in Farwaniya Governorate, while the rent value for this area is less in Ahmadi Governorate at the rate ranging between 300 to 330 dinar, 320 to 340 dinar in Mubarak Al Kabeer Governorate and 280 to 320 dinar in Jahra Governorate.

As for investment apartments of area ranging from 80 to 85 square meters, their rental value ranged between 425 to 465 dinar in the Capital Governorate, 365 to 450 dinar in Hawally Governorate areas, 330 to 380 Dinar in Farwaniya Governorate, while the rental value ranged between 330 to 360 dinar in Ahmadi Governorate and 330 and 380 dinar in Mubarak al Kabeer and Jahra Governorates, respectively.

Meanwhile, the rental values of apartments of 100 to 110 square meters area ranged between 500 to 565 dinar in the Capital Governorate areas, 450 to 550 dinar in Hawally Governorate areas, 475 dinar in Farwaniya Governorate areas, while the rental value ranged between 425 to 450 dinar in Ahmadi Governorate, and slightly increased to range between 450 to 480 dinar in Mubarak Al Kabeer Governorate and amounted to the value ranging between 425 to 45 dinar in Jahra Governorate.

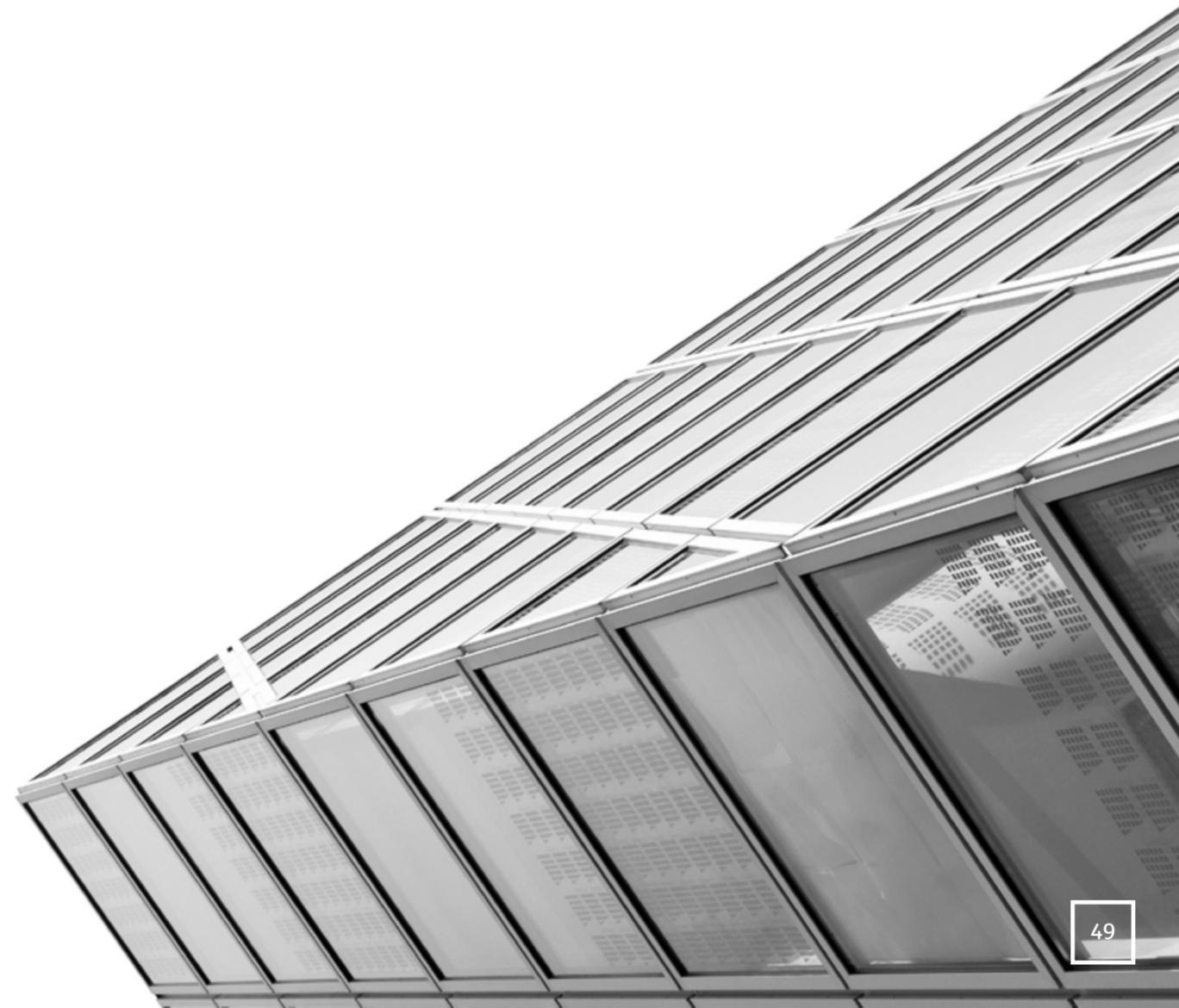
Prices vary according to the different areas, quality of the design and finishing and the location. The property age is considered as a basic factor for identifying the average rent value in Kuwait. However, in this report we focus on the prices of new real estate which, with the increase of their prices, represent pressures on the rental values of the old properties available in the market. Therefore, upon their vacancy the landlord may raise the rental value for the new tenant.

Further, the real estate location is considered a significant factor upon evaluation of the rental value. There are distinguished areas such as Shaab, Mirqab, Bneid Al Qar, Sharq and other locations in distinguished areas such as Qatar and Bahrain Streets in Salmiya, the properties overlooking the coast, Qaitba and Al Muthana Streets in Hawally area and lesser distinguished areas such as Jleeb Al Shuyoukh, Abu Halifa and Khaitan.

Recently, the phenomenon of furnishing apartments spread, particularly distinguished properties. Therefore, the rental value is determined according to the various levels. It is interesting that renting increased in the internal areas populated by Kuwaiti citizens, such as Salwa, Surra, South Surra and other areas, under the pressure of the rise of real estate prices and improving the ability to repay the loans.

For the rental rate of the commercial meter in the ground floor, it increased where the average rent ranged between 16 to 40 dinar per square meter and amounted to 37 dinar in distinguished areas. The rent rate of one square meter of offices ranged between 5.5 to 7 dinar for the different areas in Kuwait for relatively large areas, to amount to 8 dinar per the average square meter in some areas of the Capital, Hawally, Fahaheel and Mangaf or more, according to the location, quality of the finishing and the services offered to the tenants and visitors of the property.

For the rental value of industrial plots, the average price per industrial square meter of the ground floor – showrooms – ranged between 14 to 35 dinar in Shuwaikh Industrial Area. Prices differ according to the different locations. In Al Rai area – buildings, it ranked second where the average rental value per meter ranged between 14 to 30 dinar per square meter in Al Rai Area. Meanwhile, the price per meter in Fahaheel Industrial Area ranged between 14 to 20 dinar per square meter. On the other hand, the prices of ownership apartments and commercial shops units (ownership) witnessed an increase in prices.



**Average Trading of Rental Value for Investment Real Estate in  
Kuwait's Governorates – 1st quarter of 2014 (KD)**

Hawally Governorate	2 rooms, hall and 1 toilet (60)m	2 rooms, hall and 2 toilets (70-74)m	2 rooms, 2 toilets, maid's room (80-85)m	3 rooms, hall, maid's room (100-110)m
Salmiya	300-330	350-360	380-425	480-500
Hawally	290-310	323-345	365-410	450-485
Jabriya	310-330	335-355	380-425	480-500
Shaab	320-350	350-360	425-450	500-550
Capital Governorate	2 rooms, hall and 1 toilet (60)m	2 rooms, hall and 2 toilets (70-74)m	2 rooms, 2 toilets, maid's room (80-85)m	3 rooms, hall, maid's room (100-110)m
Sharq	330-350	385-415	435-465	515-565
Qebla	330-350	385-415	435-465	515-565
East Mugawa	330-350	385-415	435-465	515-565
Dasman	330-350	385-415	435-465	515-565
Bneid Al Qar	330-350	365-385	425-450	500-550
Farwaniya Governorate	2 rooms, hall and 1 toilet (60)m	2 rooms, hall and 2 toilets (70-74)m	2 rooms, 2 toilets, maid's room (80-85)m	3 rooms, hall, maid's room (100-110)m
Khaitan	300-330	330-350	350-380	435-475
Farwaniya	300-330	330-350	350-380	435-475
Jleeb Al Shuyoukh	280-300	330-350	330-360	415-455
Reqqi	280-300	320-340	350-380	435-475
Ahmadi Governorate	2 rooms, hall and 1 toilet (60)m	2 rooms, hall and 2 toilets (70-74)m	2 rooms, 2 toilets, maid's room (80-85)m	3 rooms, hall, maid's room (100-110)m
Fintas	250-280	300-330	330-360	425-450
Mahboula	250-280	300-330	330-360	425-450
Abu Halifa	250-280	300-330	330-360	425-450
Mangaf	250-280	300-330	330-360	425-450
Fahaheel	250-280	300-330	330-360	425-450
Mubarak Al Kabeer Governorate	2 rooms, hall and 1 toilet (60)m	2 rooms, hall and 2 toilets (70-74)m	2 rooms, 2 toilets, maid's room (80-85)m	3 rooms, hall, maid's room (100-110)m
Messilah	280-300	320-340	350-380	450-480
Jahra Governorate	2 rooms, hall and 1 toilet (60)m	2 rooms, hall and 2 toilets (70-74)m	2 rooms, 2 toilets, maid's room (80-85)m	3 rooms, hall, maid's room (100-110)m
Jahra	250-280	280-320	320-350	425-450

**Average Rent Trading Values of Commercial Real Estate in  
Kuwait's Governorates – 1st Quarter 2014 – 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	
Salmiya	12 - 18	25 - 40	12 - 18	7 - 8	
Hawally	10 - 16	25 - 35	12 - 16	7 - 8	
Farwaniya	10 - 15	25 - 37	12 - 15	7	
Khaitan	8 - 14	25 - 35	10 - 14	7	
Mangaf – Azizia	7 - 15	25 - 30	10 - 15	7 - 8	
Fahaheel	10 - 14	25 - 35	12 - 14	7 - 8	
Dajeej (Farwaniya)	4	8 - 10	5 - 6	-	
City/ Kuwait	12 - 14	20 - 30	10 - 14	6 - 8	Commercial compounds
City/ Kuwait	6 - 7	16 - 20	10	5.5 - 6.5	Administrative and commercial towers

\* The average rental values per square meter increases in distinguished locations and new buildings, in addition to the type of business.

**Average Trading of Rent Values for Industrial Plots in  
Kuwait's Governorates – 1st Quarter 2014 KD**

areas	Basement	Ground	Mezzanine	Price index	Remarks
	Average rent price per square meter (stores)	Average rent price per square meter (showrooms)	Average rent price per square meter (offices)		
Industrial Shuwaikh	3.5 - 4	14 - 35	4.5 - 7	3.5 - 4	Unit area 40 m
Al Rai	3.5 - 4	14 - 30	3.5 - 6.5	3.5 - 4	The rent values do not include the Avenues Mall
Sabhan	2.5 - 3	4 - 6	2.5 - 3	2.5 - 3	Upon allocation of the stores for the ground floor, the price per square meter ranges from 4 to 5 KD
Ardiya – stores	3.5 - 4 According to the height	6.5 - 7	3 - 5	6.5 - 7	Rental square meter m2 KD 6-8 for the showroom of 100m in the ground floor
East Ahmadi		20 - 40	6	20 - 40	Car showrooms and restaurants are the highest rent
Industrial Fahaheel	3.5 - 3.75 As per the height	12 - 18	3.5 - 5	12 - 18	

\* The average rental values per square meter increases in distinguished locations and new buildings, in addition to the type of business.

\* The average rental values per square meter increases with the increase in the floors, and the demand for stores is high, if the net height of the ceiling ranges from 6 to 8 meters.

### Prices of Investment Ownership Apartments

Governorate	Area	Al Rai organization	Location description	Net area of the apartment	Market value of the apartment		Price of m2 of the net area of the apartment		Price of m2 for the first quarter of 2014	
					From	To	From	To		
Capital	Bneid Al Qar	Investment	Arabian Gulf	100	145,000	160,000	1,450	1,600	1,525	
	Bneid Al Qar	Investment	Main	72	88,000	92,000	1,222	1,278	1,250	
	General average for the Capital Governorate					107,000	115,500	1,233	1,327	1,280
Hawally	Shaab	Investment	Arabian Gulf	100	145,000	160,000	1,450	1,600	1,525	
	Shaab	Investment	Main	72	90,000	95,000	1,250	1,319	1,285	
	Salmiya	Investment	Arabian Gulf – Belajat	100	145,000	165,000	1,450	1,650	1,550	
	Hawally	Investment	Main	64	75,000	85,000	1,172	1,328	1,250	
	Hawally	Investment	Internal	64	65,000	70,000	1,016	1,094	1,055	
General average of Hawally Governorate					92,469	100,713	1,122	1,219	1,170	
Mubarak Al Kabeer	Sabah Al Salem	Investment	Main	72	66,000	72,000	917	1,000	958	
	General average of Mubarak Al Kabeer Governorate					77,000	84,000	933	1,018	975
Farwaniya	Farwaniya	Investment	Main	80	75,000	80,000	938	1,000	969	
	General average of Farwaniya Governorate					72,500	77,500	906	969	938
Al Ahmadi	Fintas	Investment	Main	72	62,000	65,000	861	903	882	
	Fintas	Investment	Internal	72	50,000	55,000	694	764	729	
	Mahboula	Investment	Sea front	100	120,000	130,000	1,200	1,300	1,250	
	Mahboula	Investment	Internal	100	75,000	85,000	750	850	800	
	Mahboula	Investment	main	72	62,000	65,000	861	903	882	
	Abu Halifa	Investment	Sea front	95	120,000	130,000	1,263	1,368	1,316	
	Abu Halifa	Investment	Internal	100	75,000	85,000	750	850	800	
	Abu Halifa	Investment	Main	72	62,000	65,000	861	903	882	
	Al Mangaf	Investment	Sea front	95	120,000	130,000	1,263	1,368	1,316	
	Al Mangaf	Investment	Internal	100	75,000	85,000	750	850	800	
	Al Mangaf	Investment	Main	72	62,000	65,000	861	903	882	
	Fahaheel	Investment	Main	72	65,000	72,000	813	900	856	
	General average of Ahmadi Governorate					73,450	80,600	858	940	899

It should be noted there that this report monitored the general trends in the trading price of the real estate market in Kuwait. However, the technique used in the Department of Evaluation and Studies in Baitak is based on the study of each property separately, study of its features and identification of its rental value and returns in order to adopt a special recommendation and fair evaluation for each property.

### Glossary Annex

#### Building allocated for private residence:

The typical buildings located in low density population areas allocated for housing one family and built by individuals or the private sector using different architectural designs depending on the owner or whose lands have been distributed by the State as part of the housing care programs using standardized or different architectural designs (models).

#### Building allocated for investment residence:

It is a building consisting of multiple residential units (apartments, villas, duplex, studios), which is used for rent or ownership for all floors.

#### Private school buildings:

It is those buildings allocated for the provision of educational services and can be for one or several educational stages.

#### Hotels and motels buildings:

Those buildings which are earmarked for temporary accommodation for the purposes of tourism, leisure and public services for visitors.

#### Commercial building:

Is the building in which it is permitted to exploit the basement, ground and mezzanine floors as commercial outlets such as shops which can be designed as a detached or isolated that are serviced directly on the corridors, located on a commercial street or in the form Kaisarias. As for the repeated floors, they may be used as offices for any other commercial objective.

#### Industrial installations:

A building designated for the purposes of industrial, warehousing, service, or craftsmanship.

#### Residential complexes outside and within Kuwait City:

Are the buildings earmarked for investment housing. These buildings consist of multiple residential units (apartments, villas, studios or duplex) and used for rent or ownership, for all floors. The complex buildings may be adjacent as one building or separate buildings, provided the land area on which the compound is built is not less than 3000 square meters. The areas deducted for the view angles shall be calculated within the required area for building the compound.

#### Buildings in various parts of the coastline :

It means the buildings which are built on the coastal strip and constructed by individuals on their own properties.

#### Buildings dedicated to agricultural nurseries

It is those buildings that are used for the purposes of growing agricultural seedlings of various kinds, the sale and display of plants and flowers, gardens landscaping and maintenance, and agricultural products with a store for seeds and agricultural requirements in addition to the administrative offices.

#### Private Chalets

These are establishments or buildings that are built outside the general organizational boundary according to lease contracts, on State domains for leisure objectives.

#### Private Hospitals

These are buildings dedicated to providing medical services (outpatient clinics, operating theaters, laboratories-rooms and suites for patients) and can be general or specialized services.

## Units of measurement:

### Length:

- International unit of length is the meter (m) .
- (1 m = 10 decimeter = 100 cm = 1000 mm) .
- yard = 3 feet = 0.9144 m .
- foot = 12 inches = 30.48 cm = 0.3048 m .
- inch = 2.54 cm = 0.0254 m .
- kilometer = 0.6214 mile = 1000 m .
- land mile = 1.6093 kilometers = 1609.0 m .
- nautical mile = 6080 feet = 1.853 kilometers = 1853 .
- League = 3 miles = 4.8281 kilometers = 4828 m .
- Dau = 2 meters approximately
- tall = 182.88 cm = 1.8288 m .
- Arm = 51 cm = 0.51 m .
- Spam = 22.86 cm = 0.0229 m .
- meter = 1.0936 yards = 3.2808 ft = 39.37 inches.

### Area:

- The international unit for measuring space is per square meter ( $m^2$ ) .
- hectare = 10 acres = 2.471 acres = 10,000  $m^2$  .
- Acre = 4046.8  $m^2$  .
- dunam = 1000  $m^2$  .
- square meter = 10,764 foot

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