



# KFH

Local Real Estate

# Report



Kuwait

**KFH**  
Local Real Estate  
**Report**

**Q2**  
Second Quarter 2014

Kuwait



Dear Reader...

Based on the prudence of **Kuwait Finance House "KFH"** to meet the needs of the society, to assume its social responsibility and to spread the thoughtful real estate knowledge, I am pleased to present this report entitled "**KFH Report on the Local Real Estate Market Q2 of 2014**". This report is considered as one of the most important specialized real estate reports, given its content of comprehensive and detailed analysis about data and indicators related to real estate. residential, commercial, and investment sectors. It includes the development of real estate prices in various areas in the State of Kuwait, and monitors the rates of return on the real estate properties. This gives an adequate presentation about the various types of real estate in the State of Kuwait.

We have been keen to meet the diverse needs of interested parties with the real estate issue, in addition to what "KFH" does in terms of monitoring the trends of the varied real estate prices in different regions, as well as the geographic coverage of all governorates of Kuwait over the chapters of the report.

Regarding the preparation of this report, we preferred to present it in such a manner that reflects the simplicity of the appropriate technical design and the adequate presentation, and we worked on the development of this appropriate form out of our keenness to continue the necessary innovation and development. Likewise, the release of this report in English language will continue, in order to meet the needs of non-Arabic-speaking individuals in various countries all over the world.

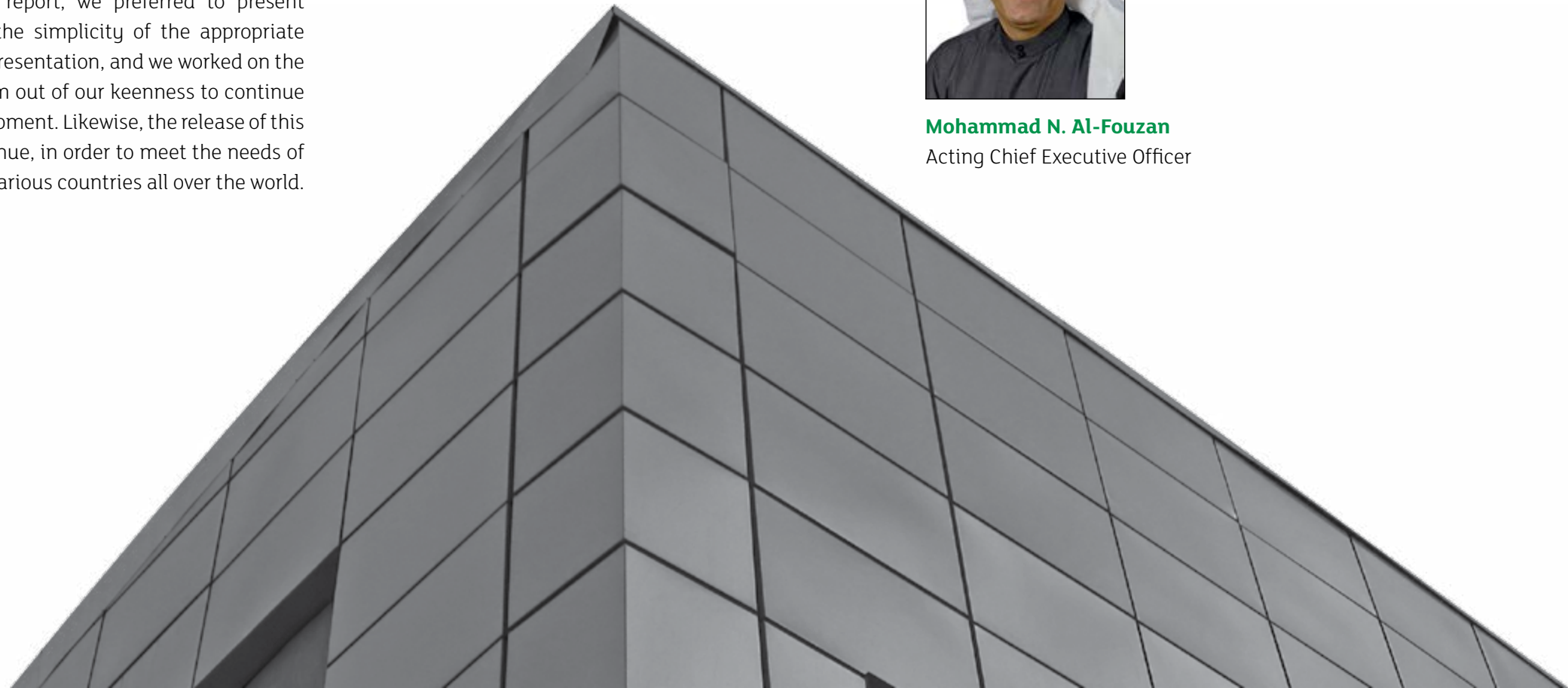
As we place this report between your hands, we hope that the effort exerted in its preparation will be considered as valuable, and contribute to the enhancement and promotion of social responsibility and local real estate development. Through this document we would be able to meet the needs of all clients and those concerned with real estate affairs, and all suppliers of "KFH" as well as relevant authorities, in light of the information contained therein.

We do welcome any comments or opinions that would develop this report and strengthen the role of "KFH" in stimulating, advancing and supporting the real estate movement.

**We pray to Allah to grant us success.**



**Mohammad N. Al-Fouzan**  
Acting Chief Executive Officer





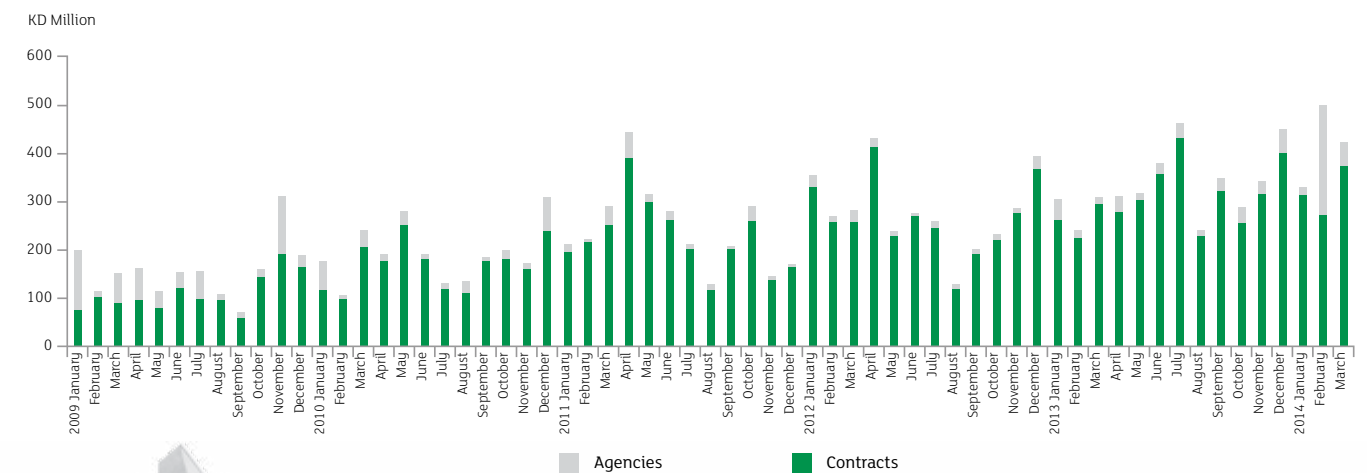
## Introduction

The sales of real estate transactions in Kuwait have increased during Second Quarter “Q2” of the current year 2014 compared to First Quarter “Q1”, recording an unprecedented value that exceeds peak levels that were achieved in the year 2007. The value of real estate transactions achieved more than KD 1.4 billion in Q2 of this year compared to Q1. This activity is attributed to the significant rise of the domestic demand for the residential and investment real estate properties in particular, accompanied by a slight rise in the indicators of residential real estate, and a significant increase of indicators of the investment real estate properties. Commercial real estate properties also witnessed a slight rise in the shadow of the continuous improvement in occupancy rates in the commercial buildings, especially in the commercial buildings and towers in the metropolitan area, while it improved in the areas of Farwaniya and Fahaheel.

The total value of real estate transactions in Q2 of 2014, have witnessed a remarkable increase that reached 18%, representing more than KD 219 million. This exceeds the total value of total real estate trades that reached about 1.43 billion Kuwaiti Dinars in Q2 of 2014, compared to KD 1.25 billion during Q1 of the year 2014.

The real estate transactions for private residence have contributed by 42% of the total value of real estate trades during Q2 of 2014 compared to a share of 40% during Q1 of the year 2014. Q2 has witnessed a decline in the share of investment trading to about 44% vis-à-vis about 49% during Q1 of 2014, while the commercial real estate properties transactions have been active and formed about 13% vis-à-vis a share of 8%. At the same time, the trading transactions went down on crafts real estate properties and fairs in a relative manner, given that it has contributed to less than one percent compared to 1.5% of the total value of real estate transactions during

Development of the total value of real estate trading monthly starting 2011 to June 2014





Q1 of 2014. Trading transactions of the coastline did not witness any activity during Q2 of 2014 compared to a share of about 2% of the total value of real estate trading during Q1 of 2014.

The volume of real estate trading activity had a significant impact on the private housing in terms of pushing the total value of real estate transactions to rise, given that the volume of trading of the residential real estate buildings has witnessed an increase by 24% and a value of KD 119.6 million for the value of residential trading transactions in Q1 of 2014.

While investment real estate properties transactions rose remarkably by 5% and about KD 28 million for Q1 of 2014. While the trading activity in the commercial real estate properties transactions has contributed to the total trading transactions, as the commercial trade transactions have increased by an unprecedented percentage of 89%, and a value that exceeded about KD 91 million in Q2 over Q1 of 2014.

Regarding real estate transactions of the coastline, their data did not record any activity during Q2 of 2014, while it had recorded an upswing during Q1 of 2014.

Meanwhile, the transactions of the storage and occupational real estate property during Q2 of 2014 has been active by a remarkable percentage of 18%, with an upward value of KD 3 million over their value registered during Q1 of 2014.

Concerning prices, the indicators of the residential property prices recorded a slight increase during Q2 of 2014 in all governorates of Kuwait at less than one per cent during Q2 of 2014. The price indicators of the investment housing have recorded a remarkable increase of about 3.4% to average prices during Q2 of 2014, as an average of governorates of Kuwait.

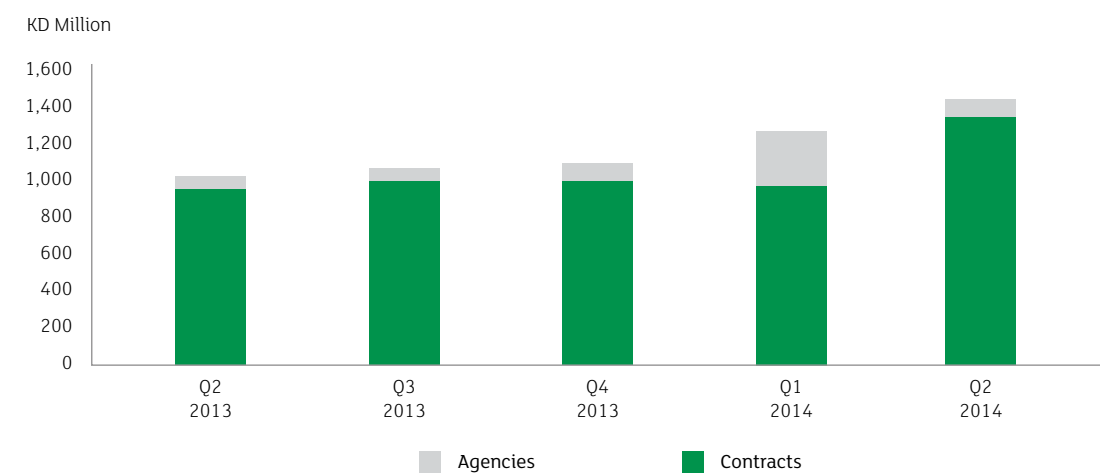
As for commercial real estate properties price indicators, they have witnessed a stable average of the Governorates Kuwait, as they have increased by a limited percentage of 1% during Q2 of 2014 compared to an increase of 3.2% during Q1 of 2014. Average price per square meter in the Capital Governorate has recorded KD 5,948, while average price per square meter at Hawally Governorate has recorded around KD 3,525.

In Jahra Governorate, average price per square meter has recorded KD 2,868, while the prices in Farwaniya have reached KD 2,483 for average price per square meter, while average price per square meter in Ahmadi Governorate has reached about KD 2,969.

**Market Trends**

The trading indicators issued by the Department of Registration and Authentication at the Ministry of Justice with respect to the total real estate transactions have recorded around KD 1.432 billion during Q2 of 2014, achieving an increase of 14% and an increase of KD 181 million, compared to their value that recorded about KD 1.251 (during Q1 of 2014).

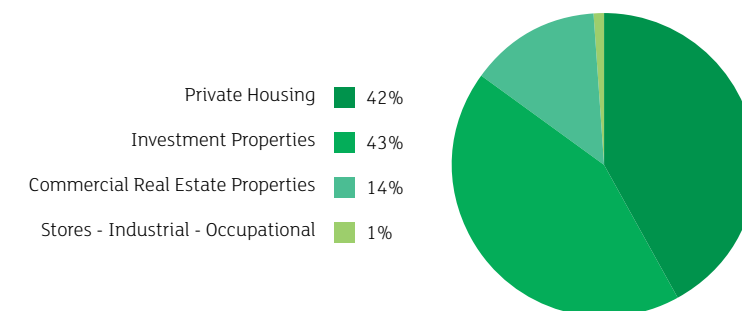
**The development of the total value of real estate transactions with effect from Q2 of 2013 until Q2 of 2014**



Total registered contracts of estate transactions have increased, recording an unprecedented level with a value of KD 1.347 billion in Q2 of 2014, with a noticeable rise that amounted to 40% with a value of KD 346 million over their value of KD 961 million during Q1 of 2014. Meanwhile, total registered agencies real estate transactions have declined to about KD 86 million during Q2 of 2014, with a decrease of 71% and about KD 205 million less than their value during Q1 of 2014, which recorded about KD 290 million.

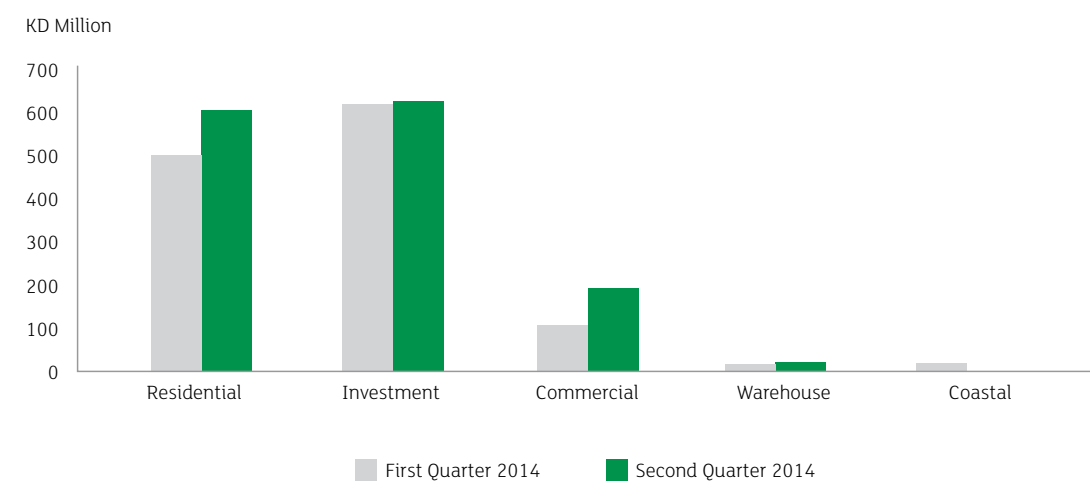
Meanwhile, total contract real estate transactions have increased achieving a remarkable increase on an annual basis by 43% at a value of KD 406 million, as they have recorded about 941 during Q2 of 2013, while the value of the total trading of real estate agencies has increased significantly on annual basis at a rate of 31% and a value of KD 20 million, compared to their value, amounting to about KD 65 million that was recorded during Q2 of 2013.

**Distribution of the Share of Real estate transactions for each Sector of the Total Real estate transactions during Q2 of 2014**



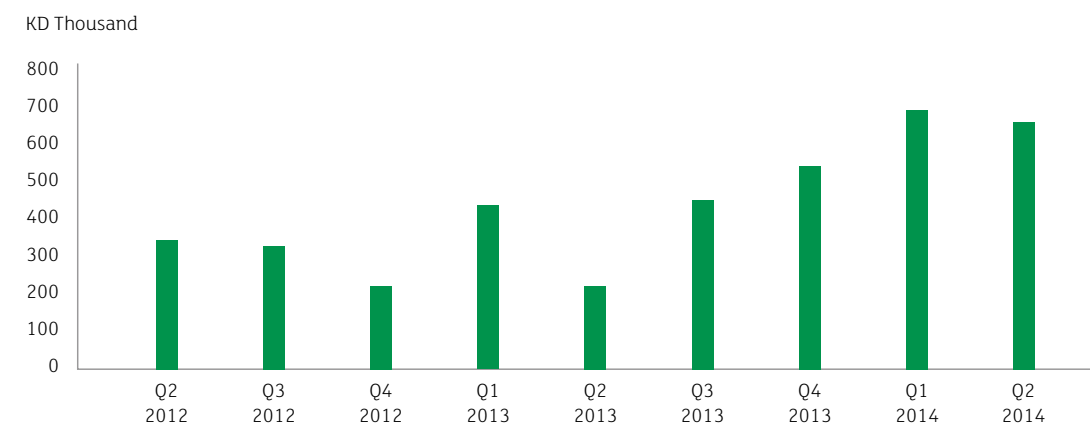


**Total value of real estate transactions during Q1 and Q2 of 2014**



The average value of total transactions has recorded about KD 646 thousand during Q2 of 2014, declining by a rate of 4% and a value of KD 27 million, compared to KD 673 thousand during Q1 of 2014

**The development of the average transaction value of the total real estate transactions from the beginning of Q2 of 2012 until Q2 of 2014**

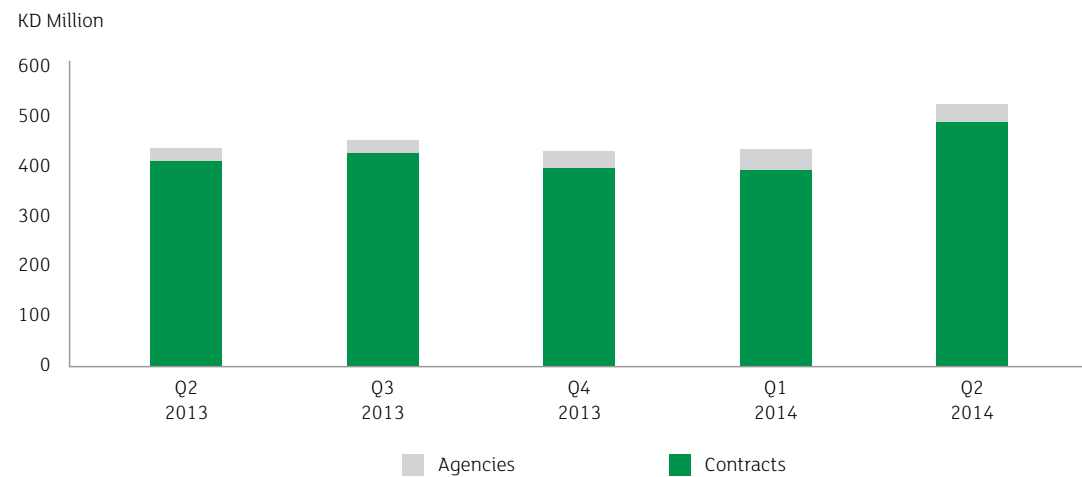




### Trends in Private Housing

The share of real estate transactions for private residence has increased 42% of the total real estate transactions during Q2 of 2014, due to a remarkable increase in their value compared to the previous quarter. They have already contributed with a share of 40% of the total real estate transactions during Q1 of 2014.

**The development of average transaction value of Private Housing, with effect from Q2 of 2013 until Q2 of 2014**

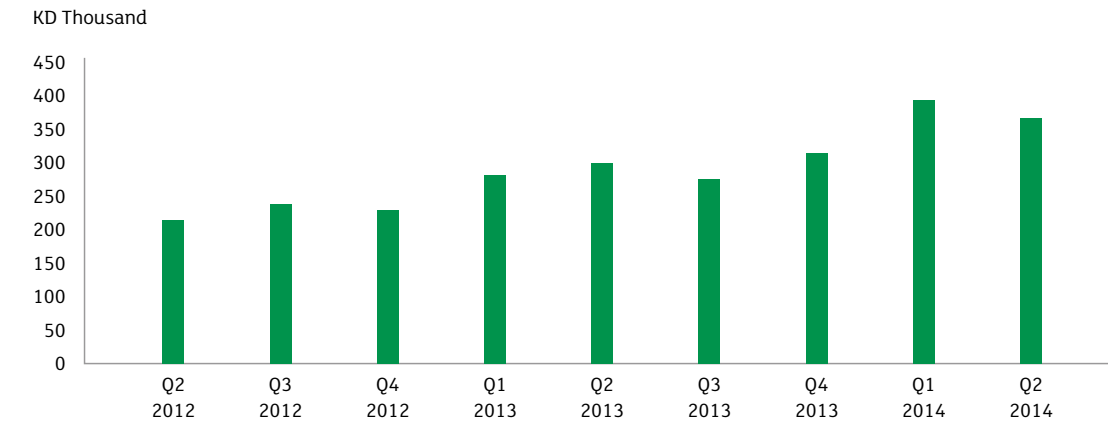


Private housing transactions recorded about KD 600.4 million in Q2 of 2014, compared to their value that recorded about KD 495.8 million in Q1 of 2014, with a significant increase that amounted to about KD 104.6 million, at a noticeable increment rate of 21%.

The number of private housing transactions has increased to record approximately 1,651 transactions during Q2 of 2014, compared to 1,267 transactions that were recorded in Q1 of 2014, with an increment rate of 30% and number of 384 transactions.

Meanwhile, the average value per transaction during Q2 of 2014 has declined to reach about KD 364 thousand with a drop of 7% and a value of KD 28 thousand dinars, compared to KD 391 thousand during Q1 of 2014.

### Development of the average transaction value of total Housing Real Estate Transactions, from the beginning of Q2 of 2012 until Q2 of 2014



With regard to the value of the monthly transactions for the private Real-Estate transactions during Q2 of 2014, the month of April 2014 has recorded the highest share of trading during Q2, as it has acquired 40% with a value of KD 240 million of the total private trading transactions, while the month of June came in second place with a value of KD 181 million, and a share of 30.2%. The month of May, however, came in last with a value of KD 179 million, and a share of 29.8% of the private housing transactions during Q2 of 2014.



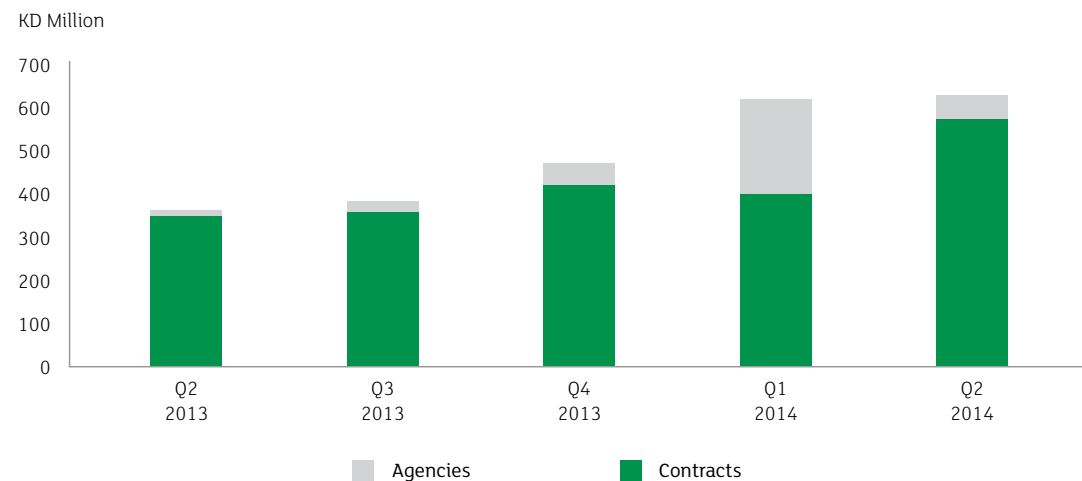
### Trends of Investment Real Estate Properties

Trading in investment real estate transactions have maintained their continuous rise, as they have achieved a slight rise during Q2 of 2014 by recording about KD 617 million, thus achieving an increase of KD 5 million, with a percentage of 1% compared to their value that recorded about KD 612 million during Q1 of 2014.

During Q2 of 2014, the investment transactions contributed with a share of 44% of the total value of the trading transactions, vis-à-vis a share of approximately 49% of the total value of trading transactions during Q2 of 2014.

On an annual basis, investment transactions rose by a remarkable percentage of 72% with an increase that amounted to about KD 259 million over their value in Q2 of 2013.

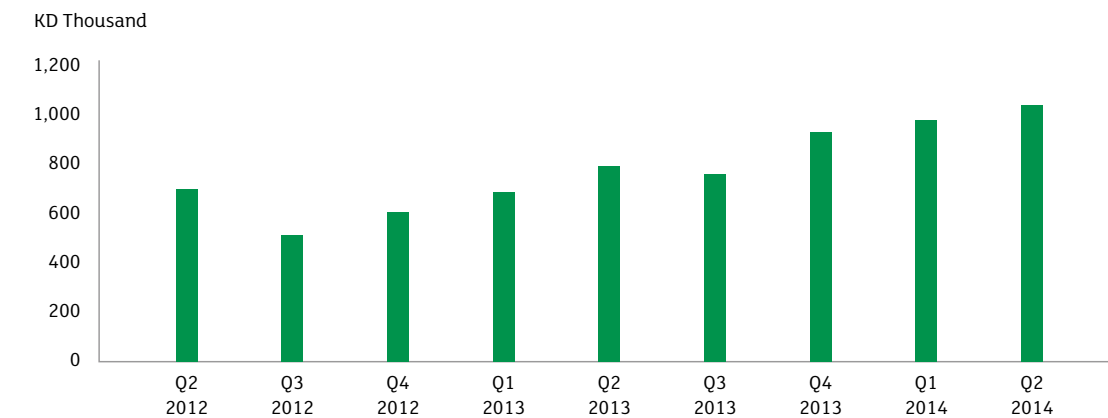
**The development of the Investment real estate properties transactions from the beginning of Q2 of 2013 until Q2 of 2014**



The high value of investment transactions was achieved despite the significant decline in their number, which recorded 512 transactions during Q2 of 2014, with a drop of 5.4% and a number of 29 transactions less than number of 541 transactions that was recorded during Q1 of 2014.

Regarding the average value of investment real estate transactions, such value has witnessed a significant rise during Q2 of 2014, surpassing the barrier of one million Kuwaiti Dinars at around KD 1.21 million, thus achieving an increase of around KD 74 million, at a rate of 7%, given that the transaction has recorded about 1.13 million during Q1 of 2014.

**The Development of the Average Value per Transaction of the Total Investment real estate properties Transactions From the beginning of Q2 of 2012 until Q2 of 2014**



On an annual basis, the average value of the investment real estate transactions during Q2 of 2014 has been doubled by about KD 291 thousand, at a rate of 32% compared to Q2 of 2013, which recorded the average value of the transaction by approximately KD 915 thousand.

Regarding the volume of investment transactions per month during Q2 of 2014, the month of June has acquired near to half of the volume of investment transactions with a share that amounted to 44% of the total investment transactions during Q1 of 2014 at around KD 271 million, followed by the month of April, which contributed by a share that amounted to 32% at around KD 197 million, while the month of May came in third and contributed by a share that amounted to 24% at around KD 149 million.

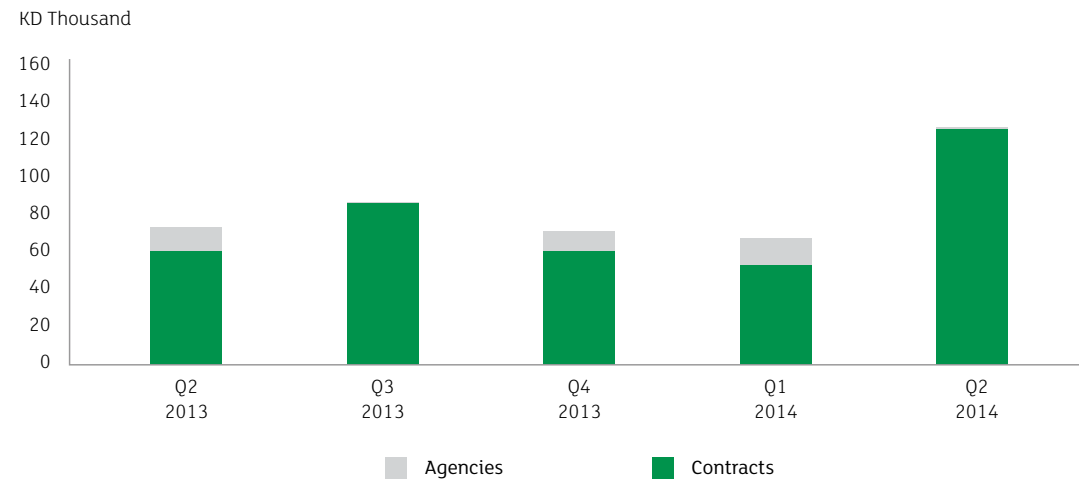


### Trends of Commercial real estate Properties

The value of commercial real estate properties transactions during Q2 of 2014 has witnessed a remarkable activity recording about KD 193.4 million, compared to about KD 102 million in Q1 of 2014, achieving an unprecedented increase that amounted to about KD 91.3 million of increase exceeded about 89%, which contributed to an increase in its share of the total real estate transactions, to form a share that reached 14% of the total trading transactions in Q2 of 2014 vis-à-vis a share that amounted to 8% during Q1 of 2014

On an annual basis, the value of commercial real estate properties transactions has recorded a remarkable rise during Q2 of 2014 which amounted to 71% with a value of KD 80 million compared to the value that had been recorded, about KD 113.3 million during Q2 of 2013.

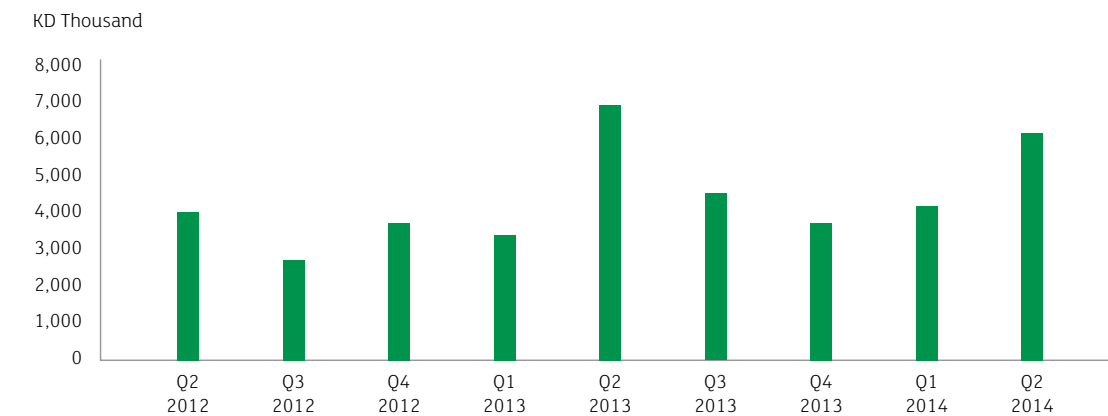
**The development of the Values of Commercial real estate properties Transaction from the beginning of Q2 of 2013 until Q2 of 2014**



As for the number of commercial real estate deals during Q2 of 2014, it has reached 32 transactions, recording a remarkable increase of 28% and 7 deals compared to its number that recorded 25 deals during Q1 of 2014.

Regarding the average value of commercial real estate properties transactions, the deal has recorded an average of KD 6 million during Q2 of the year 2014 with an increase rate of 48% and a rise of KD 1.9 million, given that the average value per transaction was KD 4.08 million during Q1 of 2014.

**The Development of the Average Value per Transaction of the total Commercial real estate properties transactions – from the beginning of Q1 of 2012 until Q1 of 2014**



In terms of the value of monthly trading transactions compared to the volume of commercial real estate properties trading transactions during Q2 of 2014, the month of June ranked first, contributing with a share of 59% of the value of commercial real estate properties transactions with a value of KD 114 million. May came in the second with a share that amounted to 21% of the total commercial trading transactions with a value of KD 40 million, while the month of April has ranked third with a share of 20% and contributed by a value of KD 39 million.

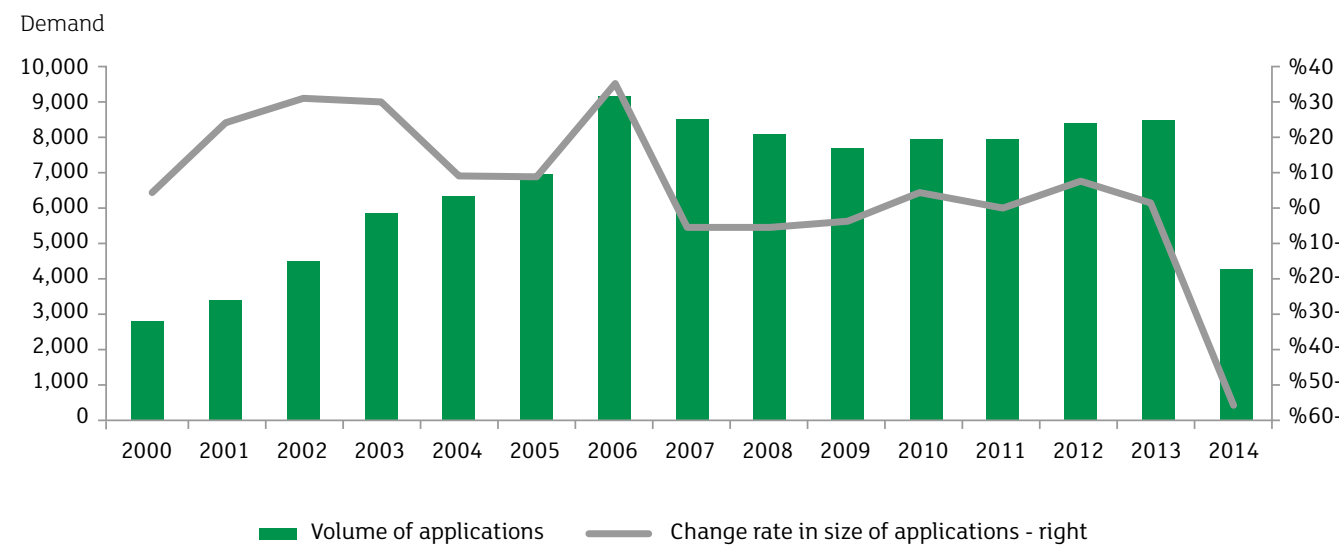
**Price Index:**

**First: The Prices of the Private Housing Lands**

The State aims to build more than 36 thousand housing units by the end of 2017, while the number of accumulated residential applications has increased to about 112 thousand applications since the year 1985 until 9th of July 2014. Since the beginning of the year till July 2014, submitted applications have reached about 4293 applications, and existing housing applications have reached about 8,487 according to statistics issued by the Authority in July 2014 submitted to the Public Authority for Housing Welfare (PAHW) in the year 2013 alone. This requires more efforts to meet such a high number of housing units, so that the scarcity of the offer would not trigger high prices.

The efforts exerted by the State to build residential projects reduce the severity of the crisis, and such projects under construction are estimated to be more than 20.3 thousand residential units in several cities, such as the city of Sabah Al Ahmad City, Al Jaber Al-Ahmad City, project of northwest Sulaibkhat, the plots of Al Naseem, the project of Khiran and the existing project of Wafra. According to the report issued by the Public Authority for Housing Welfare (PAHW) in 2014, more than 6 thousand housing units have been distributed including apartments, houses and plots.

**The Development of the Number of Residential Applications submitted to the Public Authority for Housing Welfare (PAHW) since 2000 till July 2014**



The Public Authority for Housing Welfare (PAHW) has adopted the implementation of an ambitious plan during the period from 2011 until 2014, which was approved by the National Assembly, in order to put some of the giant companies in various economic sectors and provide new investments in the Kuwaiti economy. These projects include the construction of homes, plots, services, public buildings and facilities, not to mention the requirements of such projects. This includes roads, and the establishment of services and main buildings. Some of these projects were where handed over during the last year and during Q2, the road projects and major and diverse services that were planned to be established in the city of Qairouan. The rate of actual achievement

in some of these projects has reached more than 90% of the projects scheduled for completion, according to information released by the Public Authority for Housing Welfare (PAHW). New projects were introduced, such as the projects constructed in the city of Jaber Al-Ahmad during Q2 of 2014.

Set of projects and initiatives announced by the technical staff for the study of developmental projects and initiatives for putting them forward, most notably some of the following projects:

**List of the Projects for the Houses, Plots, Services, and Affiliated Public Buildings carried out by the Public Authority for Housing Welfare (PAHW) - May 2014**

#	Area	Value of Contract	Actual Rate of Completion	
			Q2 2014	Q1 2014
1	Sabah Al Ahmad City	132.0	89.7%	88.9%
2	Sabah Al Ahmad City	127.9	74.6%	72.6%
3	Sabah Al Ahmad City	200.7	75.4%	74.3%
4	Northwest Sulaibkhat City	34.3	46.1%	41.9%
5	Sabah Al Ahmad City	18.9	56%	50%
6	Northwest Sulaibkhat City	38.1	43.6%	40.6%
7	Sabah Al Ahmad City	58.4	A new project & the schedule is in process	
Cost		KD 611.3 M		

**List of the projects for the public buildings carried out by the Public Authority for Housing Welfare (PAHW) - May 2014**

#	Area	Value of Contract	Actual Rate of Completion	
			Q2 2014	Q1 2014
8	Sabah Al Ahmad City	34	44%	42.4%
9	Saad Al Abdullah City	1.9	100%	100%
10	Sabah Al Ahmad City	38.5	34%	32.3%
11	Sabah Al Ahmad City	6.2	30.4%	26.5%
12	Sabah Al Ahmad City	57.3	20.6%	18%
13	Sabah Al Ahmad City	44.7	11.4%	10.2%
14	Naseem Housing Project	9	3.4%	2.7%
15	Sabah Al Ahmad City	36.4	1.4%	A new project & schedule preparation started
Cost		KD 228.2 M		



**List of the projects for Roads & Main Services carried out by the Public Authority for Housing Welfare (PAHW) - May 2014**

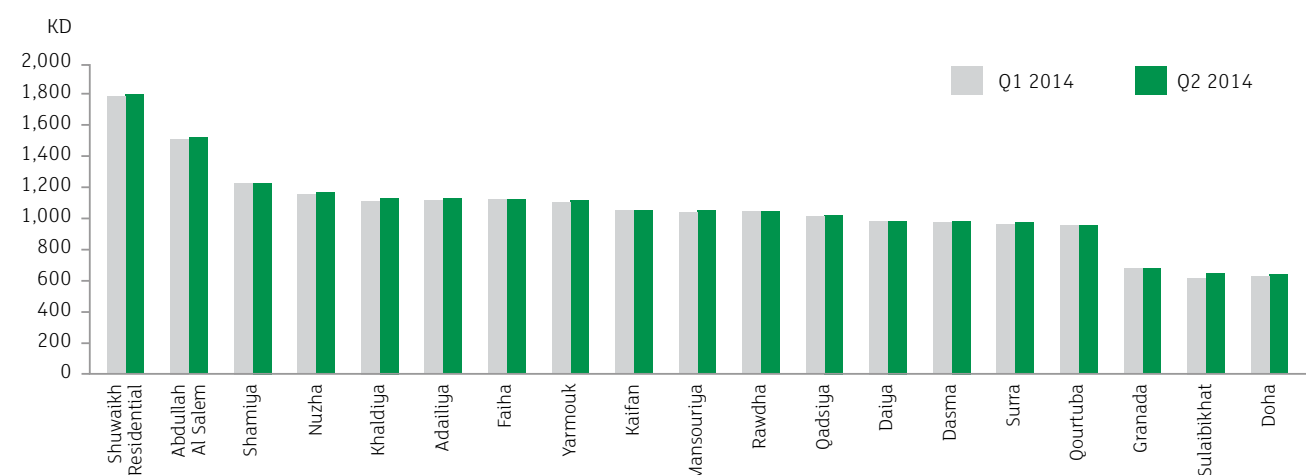
#	Area	Value of Contract	Actual Rate of Completion	
			Q2 2014	Q1 2014
16	Sabah Al Ahmad City	13.2	98 %	97.5 %
17	Saad Al Abdullah City	6.6	55.5 %	54.5 %
18	Fahd Al Ahmad Residential District	1.6	100 %	99 %
19	Sabah Al Ahmad City	1	A new project & the schedule is in process	
20	Sabah Al Ahmad City	1.9	A new project & the schedule is in process	
Cost		KD 22.4 M		
Total Cost of the Projects of the Public Authority for Housing Welfare (PAHW)		KD 863.9 M		

Source: List of Projects of the Public Authority for Housing Welfare (PAHW) – May 2014 ([www.housing.gov.kw](http://www.housing.gov.kw))

The prices indicators of residential plots of land in the Capital Governorate have witnessed a slight increase of less than one per cent during Q2 of 2014 compared to a limited increase of 3.1% during Q1 of 2014, for the average of the prices recorded.

Average Price per square meter at Capital Governorate has recorded about KD 1,075 during Q2 of 2014 compared to its average value of KD 1,067 per square meter during Q1 of 2014, as a consequence of the stability of prices in most areas of the Governorate. The prices have been stable in Shuwaikh residential area, while it has rose slightly in Abdullah Al-Salem District at a rate of 1.3%, which has recorded the highest average price per square meter at the level of Capital Governorate. Average Price per square meter in both of the aforementioned has reached KD 1,806 and 1,532, and the areas of Al Shamiyah, Al Odailiya and Al Nozha have slightly increased by less than half a per cent, while the areas of Al Dasma, Kifan, Al Khaldiya and Al Qadisiyah have increased by about 1%. The prices also rose in the areas of Al Doha by 4.9% and in Granada the prices dropped by less than half a percent, and the rate of increase in the areas of Al Surra, Al Daiya and Cordoba have ranged between half and one per cent of increase, while the prices have been stable in the areas of Al Yarmouk and Al Mansuriyya.

**Average Price per Square Meter for Private Residence in Capital Governorate during Q2 & Q1 of 2014**



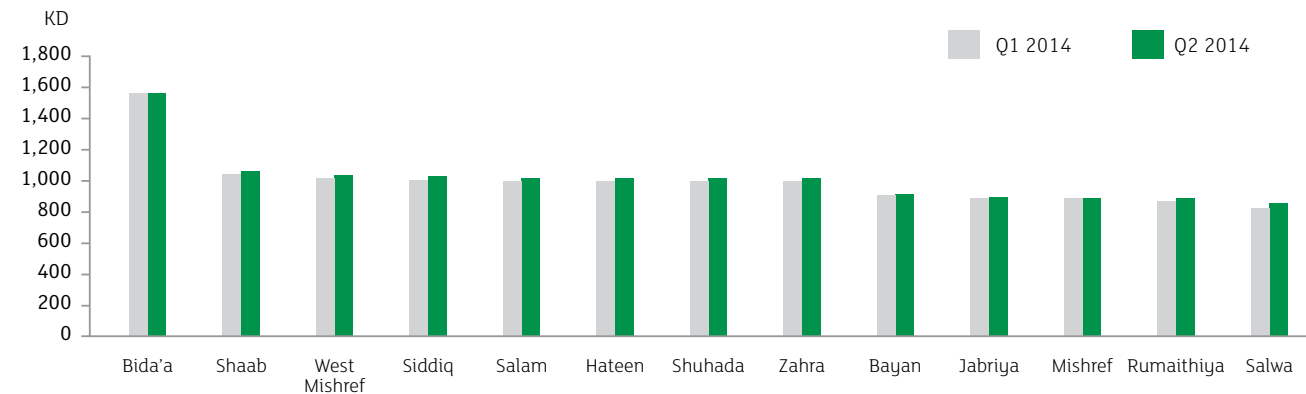
Region	Area	% of Building	Site	Market Value of Land (KD)		Market Value per Square Meter (KD)		Average Price per M <sup>2</sup> during Q2 2014
				from	To	From	To	
Al Shuwaikh Residential	500	210%	Internal	800,000	900,000	1,600	1,800	1700
	1000	210%	Internal	1500,000	1,750,000	1,500	1,750	1625
	1000	210%	Main	1,750,000	1,900,000	1,700	1,900	1825
General Average in the Region				1,512,500	1,675,000	1,712.5	1,900	1,806
Abdullah Al Salem District	500	210%	Internal	675,000	800,000	1,350.0	1,600	1,475
	750	210%	Internal	950,000	1,180,000	1,266.7	1,573	1,420
	1000	210%	Internal	1,200,000	1,400,000	1,200.0	1,400	1,300
General Average in the Region				1187500	1380,000	1,413.9	1,651	1,532
Al Shamiyah	250	320%	Internal	280,000	340,000	1,120	1360	1240
	500	210%	Internal	580,000	650,000	1,160	1300	1230
	750	210%	Internal	770,000	940,000	1,026.7	1,253	1,140
General Average in the Region				771429	897143	1,142.4	1,330	1,236
Al Nozha	500	210%	Internal	550,000	600,000	1,100.0	1,200.0	1,150
	500	210%	Main	580,000	700,000	1,160.0	1,400.0	1,280
	750	210%	Internal	790,000	940,000	1,053.3	1,253.3	1,153
	750	210%	Main	850,000	1,075,000	1,133.3	1,433.3	1,283
General Average in the Region				804,000	938,000	1,139.3	1,332.3	1,235
Al Khaldiya	750	210%	Internal	750,000	880,000	1,000.0	1,173.3	1,086
	750	210%	Main	825,000	975,000	1,100.0	1,300.0	1,200
	1000	210%	Internal	950,000	1,150,000	950.0	1,150.0	1,1050
	1000	210%	Main	1,100,000	1,300,000	1,100.0	1,300.0	1,200
General Average in the Region				906,250	1,067,250	1,037.5	1,230.8	1,134
Aladailiya	500	210%	Internal	525,000	600,000	1,050.0	1,200.0	1,125
	500	210%	Main	600,000	680,000	1,200.0	1,360.0	1,280
	750	210%	Internal	725,000	865,000	966,7	1,153.3	1,060
	750	210%	Main	825,000	940,000	1,100.0	1,253.3	1,167
General Average in the Region				884375	1010625	1,089.6	1,245.8	1,167

Hawally Governorate witnessed a slight increase in the prices, as average price per meter has recorded about KD 1.024 during Q2 of 2014 compared to about KD 1,000 in Q1 of 2014 with an increase of 1.4 % during Q2 of 2014 compared to an increase of 2.6% of average prices of Q1 of 2014.

The areas of Al Bida'a, Al Shaab and West Mishref still record the highest price value in the Governorate, as the prices have stabilized in Al Bida'a area, while they remain subject to a slight increase in the areas of Al Shaab and West Mishref by 1.2 %. The prices also increased in the areas of As-Siddiq, Al Salam, Hetteen, Al Shuhada'a, Al Zahra'a by 1.8 %, while the area of Al Rumaithiya has witnessed a significant increase that reached 2.5%. Meanwhile, the prices increased in the area of Bayan by 1.3 % and the area of Al Jaberiya by 1 %. The area of Mishref, however, has witnessed the least rate of increase in the governorate, as it has increased by less than half percent.



**Average Price per Square Meter for Private Residence in Hawally Governorate during Q2 & Q1 of 2014**



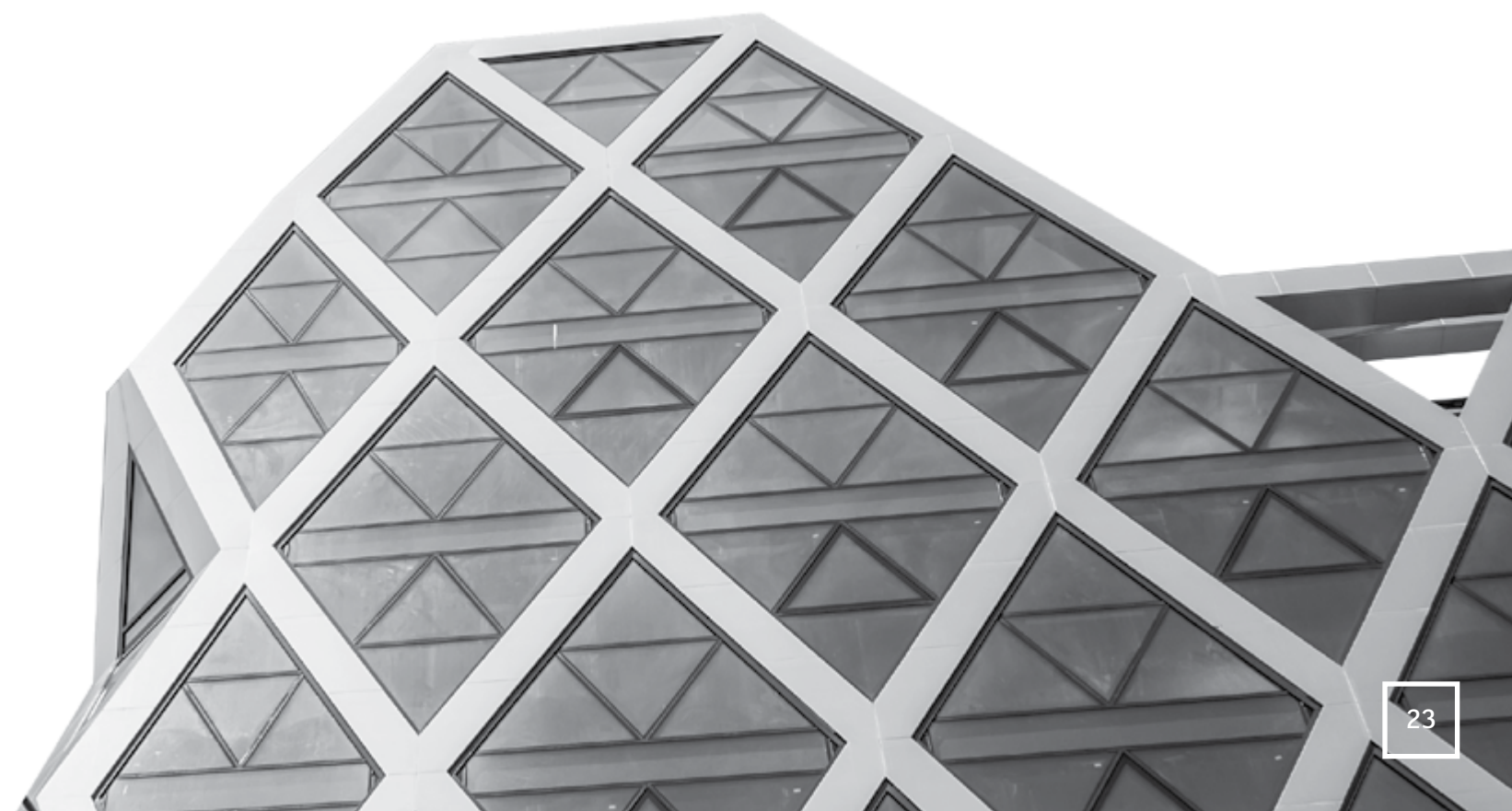
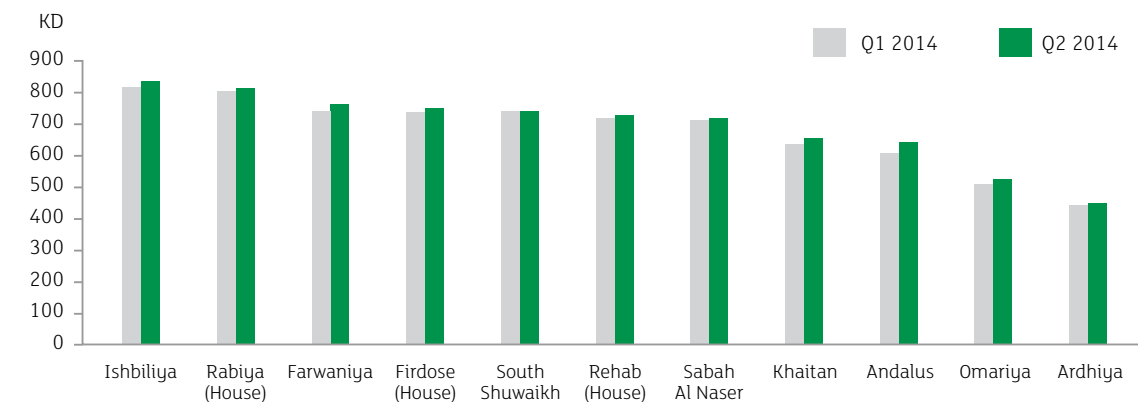
**Prices of Residential Plots of Land in Hawally Governorate**

Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per Square Meter (KD)		Average Price per M <sup>2</sup> during Q2 2014
				from	To	From	To	
Al Shaab	210%	400	Internal	425,000	460,000	1,062	1,150	1,106
	210%	400	Main	450,000	500,000	1,125	1,250	1,188
	210%	500	Internal	480,000	550,000	960	1,100	1,030
General Average in the Region				541,667	598,333	1,004	1,112	1,058
Al Jaberiya	210%	400	Internal	380,000	425,000	950	1,062	1,006
	210%	400	Main	400,000	460,000	1,000	1,150	1,075
General Average in the Region				540,000	608,333	844	957	901
Al Rumaithiya	210%	400	Internal	350,000	390,000	1,120	1360	1240
	210%	400	Main	370,000	450,000	1,160	1300	1230
	210%	500	Internal	385,000	450,000	1,026.7	1,253	1,140
General Average in the Region				542,222	626,667	822	956	889
Salwa	210%	500	Internal	360,000	390,000	720	780	750
	210%	500	Main	410,000	450,000	820	900	860
General Average in the Region				646,000	711,429	808	890	849
Al Salam	210%	400	Internal	390,000	430,000	975	1,075	1,025
	210%	400	Main	430,000	460,000	1,075	1,150	1,113
General Average in the Region				431,250	480,000	965	1,071	1,018
Hetteen	210%	500	Main	390,000	430,000	975	1,075	1,125
	210%	500	Internal	430,000	460,000	1,075	1,150	1,113
General Average in the Region				431,250	480,000	965	1,071	1,018
Al Shuhada'a	210%	400	Main	390,000	430,000	975	1,075	1,025
	210%	500	Internal	430,000	460,000	1,075	1,150	1,113
General Average in the Region				431,250	480,000	965	1,071	1,018

In Al Farwaniya Governorate – however – average price per meter has recorded about KD 695 with an upward percentage of 2.2% during Q2 of 2014 compared to KD 680 during Q1 of 2014, which recorded an increase by 3%

Ashbilya region has witnessed an increase by 2.8%, as Average Price per meter has reached about KD 842 at the areas of the highest values in the governorate, while the areas of Al Rabia has recorded a slight increase of 1%, and the areas of Al Farwaniya and Al Firdaws have achieved an increase by 3.4 % and 1 % compared to Q1 of 2014. The prices stabilized in the area of Jaleeb Al Shuyoukh, while in the area of Sabah Al Nasser, they have been subject to slight increase of 1% during Q2 of 2014. The area of Al Andalus has recorded the highest rate of increase in the Governorate that reached 5.5. However, the areas of Khaitan and Al Omariya have recorded a significant increase of 3.6 %, whereas the area of Al Ardiya has witnessed a slight increase of 1% during Q2 of 2014 compared to Q1 of 2014.

**Average Price per Square Meter for the Private Residence in Hawally Governorate during Q2 & Q1 of 2014**





**Prices of Residential Plots of Land in Al Farwaniya Governorate**

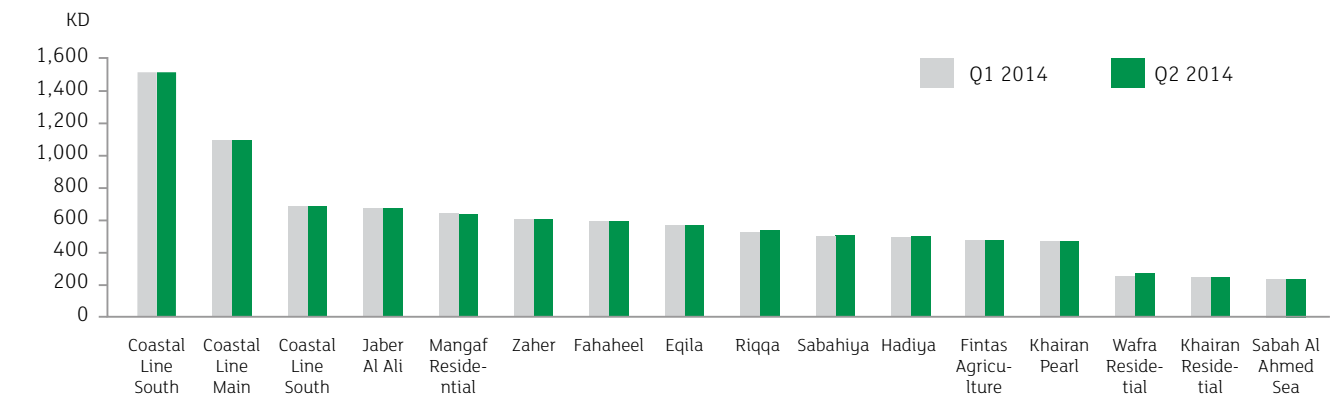
Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per Square Meter (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Andalus	210%	500	Internal	300,000	330,000	600	660	630
	210%	500	Main	320,000	360,000	640	720	680
General Average in the Region				388,000	444,000	600	684	642
Al Rabia (Beit Existing)	210%	500	Internal	280,000	325,000	700	813	756
	210%	500	Main	330,000	370,000	825	925	875
General Average in the Region				305,000	347,500	763	869	816
Ashbilya	210%	400	Internal	330,000	350,000	825	875	850
	210%	400	Main	340,000	380,000	850	950	900
General Average in the Region				338,333	374,167	799	884	842
Al Farwaniya	210%	500	Internal	350,000	380,000	700	760	730
	210%	500	Main	380,000	420,000	760	840	800
General Average in the Region				365,000	400,000	730	800	765
Khairan (behind Khairan Club)	210%	400	Internal	270,000	300,000	675	750	713
	210%	1000	Main	700,000	750,000	700	750	725
General Average in the Region				455,000	500,000	627	692	659
Jaleeb Al Shuyoukh	210%	500	Internal	300,000	360,000	600	720	660
General Average in the Region				340,000	400,000	680	800	740
Al Ardiya	210%	750	Internal	300,000	340,000	400	453	427
	210%	750	Main	345,000	370,000	460	493	477
General Average in the Region				322,500	355,000	430	473	452

Al Ahmadi Governorate witnessed a limited increase, as average price per square meter has recorded KD 584 during Q2 of 2014 with a rate of increase that stabilized at half percent, compared to a value of KD 582 per square meter in Q1 of the year 2014.

The prices have stabilized during Q2 of 2014 in all areas of the governorate except the areas of Al Mangaf and Al Wafra, as they have in areas of higher market value in terms of market value in the main coastline region at Al Ahmadi Governorate, after they have witnessed increases in rates that ranged between 4% and 4.7% during Q1 of 2014. The prices also stabilized in the internal streets of the coastline region, whereas they have increased by 2%. They have stabilized in Al Aqila, which is the second highest area in value within the governorate, whereas they have increased by a limited percentage of 1.8 % during Q1 of 2014.

The areas of Jaber Al Ali have witnessed a slight increase of less than half percent, and the prices at Al Daher have witnessed a remarkable change while the averages of prices at Al Mangaf area have declined. However, the prices in the areas of Hadiya and Al Fintas have stabilized as well as in the area of Al Sabahiya and stabilized in the remaining areas of the governorate. Al Wafra area has recorded a remarkable increase by a rate that reached 10 % during Q2 of 2014, whereas the prices have stabilized in Al Khairan residential area compared to Q1 of 2014.

**Average Price per Square Meter for the Private Residence in Al Ahmadi Governorate during Q2 & Q1 of 2014**



**Prices of Residential Plots of Land in Al Ahmadi Governorate**

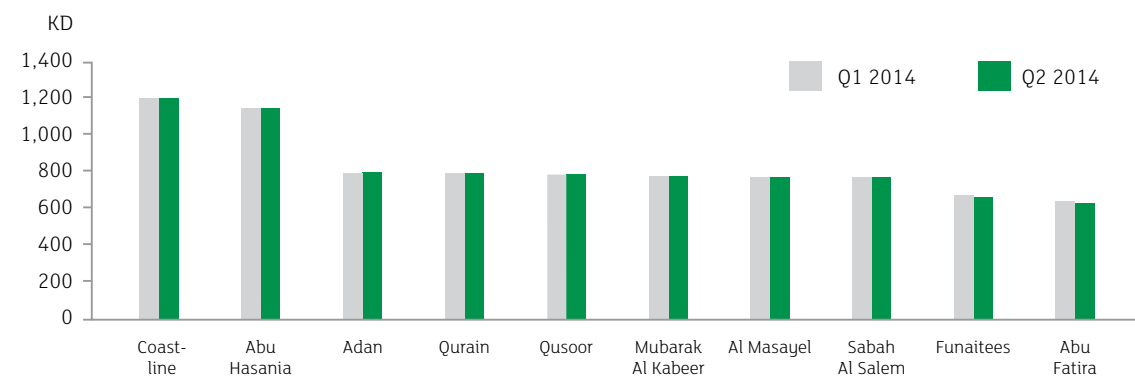
Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Fintas Agricultural	210%	1000	Internal	430,000	470,000	430	470	450
	210%	1000	Main	480,000	520,000	480	520	500
Hadiya	210%	750	Internal	315,000	360,000	420	480	450
	210%	750	Main	380,000	420,000	507	560	533
Al Aqila	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 C overlooking the Sea	150%	750	Main	1,100,000	1,150,000	1,467	1,533	1,500
Coastline C overlooking the Sea	150%	750	Main	770,000	870,000	1,027	1,160	1,093
Coastline C Internal Streets	150%	750	Internal	500,000	525,000	667	700	683
Al Khairan Residential	210%	400	Internal	85,000	110,000	213	275	244
Sabah Al Ahmad Marine A1 (overlooking the Sea)	210%	1200	Marine	265,000	290,000	221	242	231
Sabah Al Ahmad Marine A2 (overlooking the Sea)	210%	1200	Marine	295,000	335,000	246	279	263
Khairan Pearl Marine A3 City (overlooking the Sea)	210%	640	Marine	280,000	320,000	438	500	469
Al Mangaf Residential	210%	500	Internal	270,000	300,000	540	600	570
Al Mangaf Residential	210%	375	Main	235,000	260,000	627	693	660
Al Mangaf Residential	210%	400	Main	245,000	280,000	613	700	656

The Governorate of Mubarak Al Kabeer has recorded a slight decline by less than half percent, as average price per square meter has recorded KD 831 during Q2 of the year 2014 compared to KD 832 per square meter in Q1 of 2014.

The prices have stabilized in most of the areas in the governorate, as the coastline area – the highest area in the governorate - did not witness any significant change during Q2 of the year 2014 compared to Q1 of 2014. Likewise, the area of Abu Al Hasaniya – the second highest area in the governorate, did not record any change during Q2 of the year 2014. Prices in the areas of Al Qurain, Al Adan and Al Qusoor have witnessed a slight increase at less than one percent, while the prices have been stable in the areas of Sabah Al Salem (the governmental houses). At the plots area in Al Ahmadi Governorate, and in Al Masilah, average prices have declined by less than half percent during Q2 of 2014.

While Al Fintas and Abu Fatira residential areas, the lowest areas in the governorate in terms of the prices, have witnessed a slight decline of 2% and 1.7% respectively during Q2 of 2014.

**Average Price per Square Meter for the Private Residence in Mubarak Al Kabeer Governorate during Q2 & Q1 of 2014**



**Prices of Residential Plots of Land in Mubarak Al Kabeer Governorate**

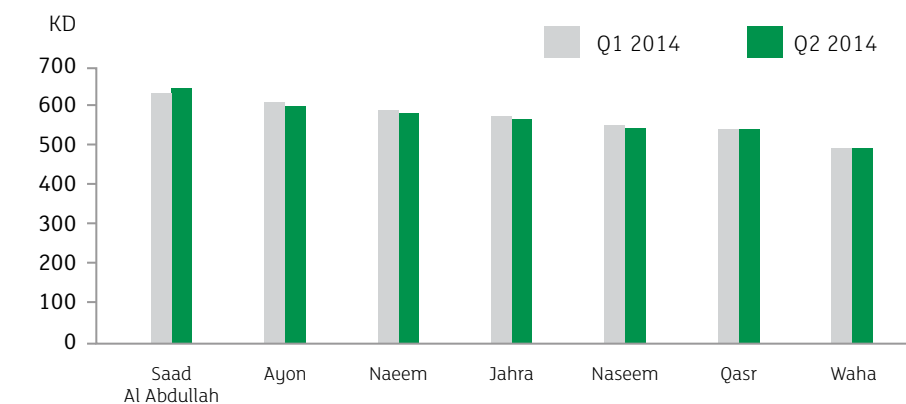
Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Abu Al Hasaniya	150%	750	Internal	750,000	900,000	750	900	825
	150%	750	Fahaheel	1,050,000	1,150,000	1,050	1,150	1,100
	150%	750	Marine	2,900,000	3,200,000	1,450	1,600	1,525
<b>General Average in the Region</b>				<b>1,566,667</b>	<b>1,750,000</b>	<b>1,083</b>	<b>1,217</b>	<b>1,150</b>
Al Masilah	210%	400	Internal	290,000	320,000	725	800	763
	210%	400	Main	335,000	370,000	838	925	881
	210%	500	Internal	320,000	360,000	640	720	680
	210%	500	Main	365,000	420,000	730	840	785
<b>General Average in the Region</b>				<b>327,500</b>	<b>367,500</b>	<b>733</b>	<b>821</b>	<b>777</b>
Abu Fatira Residential	210%	400	Internal	235,000	275,000	588	688	638
	210%	400	Main	260,000	305,000	650	763	706
	210%	500	Internal	255,000	300,000	510	600	555
	210%	500	Main	300,000	350,000	600	700	650
<b>General Average in the Region</b>				<b>262,500</b>	<b>307,500</b>	<b>587</b>	<b>688</b>	<b>637</b>

At Al Jahra Governorate, the prices have slightly declined, as average price per square meter has recorded KD 577 during Q2 of the year 2014, with a slight drop of less than half percent of average price per square meter that recorded KD 581 during Q1 of the year 2014.

Most of the areas of the governorate have witnessed stability in the prices, as prices have stabilized in Saad Al Abdullah City – the highest area in the governorate in terms of value – while the prices have declined in Al Naim area by a limited rate of 2% in some places of the area. However, the areas of Al Jahra and Al Oyoum have recorded a decline in prices of 2.5% and 1.4% respectively, while the areas of Al Naseem has been subject to a decline of 1% during Q2 of the year 2014.

The areas of Al Qasr and existing houses in Al Waha area have recorded stability during Q2 of the year 2014.

**Average Price per Square Meter for the Private Residence in Al Jahra Governorate during Q2 & Q1 of 2014**



**Prices of Residential Plots of Land in Al Jahra Governorate**

Region	% of Building	Area	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 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 Houses	210%	600	550,000	590,000	550	590	570
Al Jahra – Al Mutla'a St. - Internal	210%	400	270,000	305,000	540	610	575
Al Oyoum – (GVT House) – Main	210%	400	160,000	190,000	533	633	583
Al Naim – Plots – Internal	210%	400	230,000	270,000	575	575	625
Al Naim – (GVT House) – Main	210%	400	200,000	240,000	500	600	550
Oasis – Existing House	Up to 800M <sup>2</sup>	300	140,000	160,000	467	533	500
Al Naseem (GVT House) – Main	210%	400	195,000	245,000	488	613	550



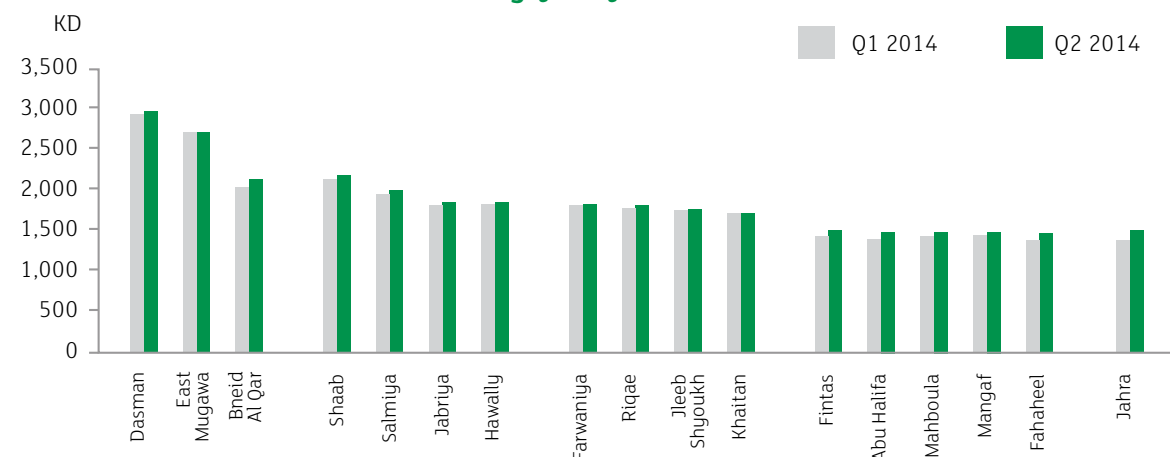
## Second: Prices of Investment Lands

The prices of the investment lands registered in general average for in all Governorates of Kuwait during Q2 of 2014 have recorded a limited increase vis-à-vis Q1 of 2014, as the general average of all governorates has recorded an increase of 3.4 % during Q2, compared to Q1 of 2014 which recorded an increase that reached 4.3%

Average price per meter in Capital Governorate has recorded an increase of 1.6% during Q2 of 2014, compared to a limited increase of 3.7% during Q1 of 2014. Average price per meter has reached about KD 2,632 during Q2 of 2014 vis-à-vis an average price of KD 2,589 per square meter during Q1 of 2014.

Dasman area has witnessed an increase that reached 3.7%, while the prices were stable in Eastern Al-Muqawa during Q2 of 2014. The area of Bneid Al Qar at Capital Governorate has witnessed an increase of 1.7 % vis-à-vis average prices recorded during Q1 of 2014.

**Average Price per Square Meter for the Investment Residence in Kuwait Governorates during Q2 & Q1 of 2014**



### Prices of Investment Lands in Capital Governorate

Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Bneid Al Qar	250%	1,000	Arab Gulf	2,850,000	3,000,000	2,850	3,000	2,925
	250%	1,000	Istiqlal	1,900,000	2,000,000	1,900	2,000	1,950
	250%	500	Internal	925,000	1,000,000	1,850	2,000	1,925
	250%	500	Main	950,000	1,050,000	1,900	2,100	2,000
General Average in the Region				1,762,500	1,875,000	2,075	2,217	2,146
Eastern al-Muqawa	210%	400	Internal	500,000	550,000	2,000	2,200	2,100
	400%	400	Main	1,300,000	1,450,000	2,600	2,900	2,750
General Average in the Region				1,562,000	1,712,500	2,613	2,875	2,744
Dasman	400%	1,000	Arab Gulf	3,000,000	3,450,000	3,300	3,450	3,375
	400%	1,000	Internal	2,500,000	2,750,000	2,500	2,750	2,625
	400%	750	Abdullah Al Ahmad	2,200,000	2,325,000	2,933	3,100	3,017
General Average in the Region				2,666,667	2,841,667	2,911	3,100	3,006

Hawally Governorate has witnessed a slight increase of 1.7% during Q2 of 2014 compared to Q1 of 2014, as average price per square meter has recorded KD 1,988 during Q2 of 2014 compared to an average of KD 1,850 during Q1 of 2014.

The areas of Al Shaab and Hawally have witnessed an increase of 1.2% and 2% respectively during Q2 of 2014, while Al Salmiya area has recorded an increase of 2.1%, while Al Jabriya has achieved an increase that reached 2.2% vis-à-vis average price per square meter as recorded during Q1 of 2014.

### Prices of Investment Lands in Hawally Governorate

Region	% of Building	Area	Street	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Hawally	250%	750	Al-Muthanna	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Qutaiba	1,375,000	1,500,000	1,833	2,000	1,917
	250%	750	Al Hasan Al Basri	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Ahmad Ibn Tulun	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Al Yarmouk	1,350,000	1,450,000	1,800	1,933	1,867
	250%	750	Musa bin Nusair	1,325,000	1,475,000	1,767	1,967	1,867
General Average in the Region				1,381,333	1,486,667	1,802	1,940	1,871
Al Salmiya	250%	1000	Arab Gulf	2,750,000	3,000,000	2,750	3,000	2,875
	250%	750	Baghdad (Tahrir)	1,480,000	1,575,000	1,973	2,100	2,037
	250%	750	A/ Karim Al Khattabi	1,475,000	1,550,000	1,967	2,067	2,017
	250%	750	Qatar	1,475,000	1,575,000	1,967	2,100	2,033
	250%	750	Abdullah bin Masoud	1,400,000	1,450,000	1,867	1,933	1,900
	250%	750	Youssef bin Hamoud	1,400,000	1,450,000	1,867	1,933	1,900
	250%	750	Hamad Al Mubarak	1,400,000	1,540,000	1,867	2,053	1,960
General Average in the Region				1,497,188	1,603,125	1,941	2,081	2,011
Al Shaab	250%	1000	Arab Gulf	2,850,000	3,000,000	2,850	3,000	2,925
	250%	1000	Istiqlal	1,950,000	2,100,000	1,950	2,100	2,025
General Average in the Region				2,012,500	2,137,500	2,129	2,263	2,196
Al Jabriya	250%	1000	4 <sup>th</sup> Ring Road	1,950,000	2,000,000	1,950	2,000	1,975
	250%	1000	Maghreb	1,800,000	1,875,000	1,800	1,875	1,838
	250%	1000	Al Shanakel	1,800,000	1,900,000	1,800	1,900	1,850
General Average in the Region				1,750,000	1,860,714	1,814	1,932	1,873

At Al-Farwaniya Governorate, average price per meter has recorded about KD 1,797 during Q2 of 2014; thus achieving a slight increase of 1% vis-à-vis a value of KD 1,778 that was recorded during Q2 of 2014.

Al Raqei area has witnessed an increase by 2% compared to average prices recorded during Q1 of 2014, whereas the area of Jaleeb Al Shuyoukh has witnessed a slight increase of less than one percent, while Khaitan area has achieved an increase of less than half percent during Q2 of 2014. Meanwhile, Al Farwaniya area has achieved an increase of 1% compared to average prices per square meter during Q1 of 2014.

#### Prices of Investment Lands in Al Farwaniya Governorate

Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 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 %	1000	Main	1,650,000	1,800,000	1,650	1,800	1,725
	250 %	1000	Internal	1,575,000	1,750,000	1,575	1,750	1,663
General Average in the Region				1,305,000	1,433,333	1,753	1,925	1,839
Khaitan	250 %	1000	Airport	1,800,000	1,950,000	1,800	1,950	1,875
	250 %	750	Main	1,330,000	1,400,000	1,773	1,867	1,820
	250 %	1000	Internal	1,550,000	1,700,000	1,550	1,700	1,625
General Average in the Region				1,371,000	1,480,000	1,666	1,797	1,732
Jaleeb Al Shuyoukh	250 %	750	6 <sup>th</sup> Ring Road	1,325,000	1,400,000	1,767	1,867	1,817
	250 %	750	Police Station St.	1,300,000	1,450,000	1,733	1,933	1,833
General Average in the Region				1,155,714	1,261,429	1,708	1,863	1,785
Al Raqei	250 %	750	4 <sup>th</sup> Ring Road	1,385,000	1,500,000	1,847	2,000	1,923
	250 %	750	5 <sup>th</sup> Ring Road	1,350,000	1,475,000	1,800	1,967	1,883
General Average in the Region				1,394,286	1,489,286	1,772	1,893	1,833

Al Ahmadi Governorate has recorded an average price of KD 1,502 per square meter during Q2 of 2014, where it rose at rate of 5.3% during Q2 of 2014 compared to an average of KD 1,426 for Q1 of 2014.

The area of Al Fintas – the highest area in the Governorate in terms of value – has witnessed an increase in Average Price per meter that amounted to 4.9% during Q2 of 2014. Abu Halifa has recorded an increase of 3.3% during Q2 of 2014 compared to Q1 of 2014, while the area of Al Mangaf has witnessed the highest rate of increase in the Governorate that amounted to 6.6% compared to the price per meter during Q1 of 2014, while Al Mahboula area has witnessed an increase that reached 4.5%, and the prices in Al Fahaheel have increased by 5.8%.

#### Prices of Investment Lands in Al Ahmadi Governorate

Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Fintas	250%	500	Main	950,000	1,100,000	1,267	1,467	1,367
	250%	750	Fahaheel	1,100,000	1,240,000	1,467	1,653	1,560
	250%	1000	Coastal Road	1,850,000	1,950,000	1,850	1,950	1,900
General Average in the Region				1,096,000	1,218,000	1,429	1,594	1,511
Abu Halifa	250%	750	Internal	900,000	1,050,000	1,200	1,400	1,300
	250%	750	Main	975,000	1,100,000	1,300	1,467	1,383
General Average in the Region				1,100,000	1,212,500	1,425	1,579	1,502
Al Mangaf	250%	750	Internal	800,000	980,000	1,173	1,307	1,240
	250%	750	Internal Water Station St.	1,000,000	1,100,000	1,333	1,467	1,400
General Average in the Region				1,110,000	1,191,667	1,453	1,561	1,507
Al Mahboula	250%	500	Internal	880,000	1,100,000	1,173	1,467	1,320
	250%	750	Main	950,000	1,200,000	1,267	1,600	1,433
General Average in the Region				1,072,000	1,226,000	1,397	1,608	1,503
Al Fahaheel	250%	500	Internal	675,000	780,000	1,350	1,560	1,455
	250%	750	Main	975,000	1,200,000	1,300	1,600	1,450
	250%	1000	Makkah	1,600,000	1,700,000	1,600	1,700	1,650
	250%	750	Al Badaweya	1,050,000	1,200,000	1,400	1,600	1,500
General Average in the Region				987,500	1,128,333	1,381	1,590	1,485





Al Jahra Governorate – the highest increased rate between all Kuwait Governorates - has witnessed an increase during Q2 of 2014, as the prices have been subject to a significant increase that reached 8.4%, given that the average rate per meter has recorded KD 1,512 during Q2 of 2014, compared to an average price of KD 1,395 during Q1 of 2014.

#### Prices of Investment Lands in Jahra Governorate

Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Jahra	250 %	1000	Internal	1,250,000	1,400,000	1,250	1,400	1,325
	250 %	1000	Main	1,450,000	1,600,000	1,450	1,600	1,525
	250 %	800	Al Khuzami	1,325,000	1,400,000	1,656	1,750	1,703
	250 %	500	Internal	680,000	775,000	1,360	1,550	1,455
	250 %	500	Main	700,000	850,000	1,400	1,700	1,550
General Average in the Region				1,081,000	1,205,000	1,423	1,600	1,512

Likewise, the Governorate of Mubarak Al Kabeer has achieved a remarkable increase of 4.8% as the price per meter has recorded about KD 1,554 during Q2 of 2014 compared to a value of KD 1,483 during Q1 of 2014.

Many of the developers are directed towards investment in the building of private owned apartments, and to the construction of mega investment complexes, not to mention the high demand to build private schools, as large spaces were available that reach 3,000 meters in the area of Sabah Al Salem Investment within the governorate.

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

Region	% of Building	Area	Site	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Sabah Al Salem	250 %	750	Internal	1,100,000	1,200,000	1,467	1,600	1,533
	250 %	750	Main	1,250,000	1,250,000	1,533	1,667	1,600
	250 %	1000	Internal	1,400,000	1,600,000	1,400	1,600	1,500
	250 %	1000	Main	1,550,000	1,650,000	1,550	1,650	1,600
	250 %	1000	Fahaheel	1,700,000	1,750,000	1,700	1,750	1,738
General Average in the Region				1,307,857	1,406,429	1,497	1,612	1,554

#### Annual Rate of Return on Investment Real Estate Properties

The demand on the investment real estate properties is associated with the rates of return of such investment, which still ranges between 6.25% and 6.75% during Q2 of 2014 in the various areas of the capital; whereas the average returns on investment real estate properties in the areas of Hawally Governorate have recorded a rate of 6.67 % as the rates of return of investment real estate properties in the various areas of the governorate have ranged between 6.38% and 7% during Q2 of 2014. The returns realized in Al Farwaniya have reached a rate of 7.1%. The returns in the areas of Al Ahmadi Governorate have ranged between 6.6% and 7.25. At the Governorate of Mubarak Al Kabeer – however – the returns have increased and ranged between 7 % and 7.38%, and the returns in the areas of Al Jahra Governorate have stabilized at a rate ranged between 7 % and 7.25% during Q2 of 2014.

The investment real estate properties are still marked with competitiveness and stability, if compared to the rates of return on the deposits at the banks or the fluctuating returns in Kuwait Stock Exchange.

#### Annual Rate of Return on Investment real estate properties in some areas of Kuwait

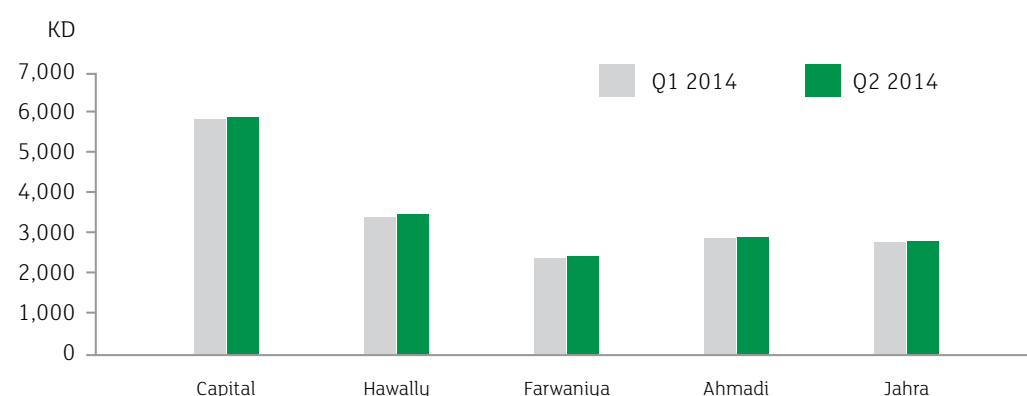
Governorate	Region	% of Building	Area	Site	Percentage of Sale Return of the Annual Real Estate Income during Q2 of 2014		
					From	To	Average
The Capital	Bneid Al Qar	250%	1,000	Arab Gulf	6.00%	6.50%	6.25%
	Bneid Al Qar	250%	1,000	Istiqlal	6.25%	7.00%	6.63%
	Eastern Al Muqawa	250%	250	Internal	6.50%	7.00%	6.75%
	Dasman	250%	1,000	Arab Gulf	6.25%	7.00%	6.50%
Hawally	Hawally	250%	750	Al-Muthanna	6.50%	7.00%	6.75%
	Hawally	250%	1,000	Al Hasan Al Basri	6.50%	7.00%	6.75%
	Al Salmiya	250%	1,000	Arab Gulf	6.00%	6.00%	6.00%
	Al Salmiya	250%	1,000	Baghdad	6.25%	6.50%	6.38%
	Al Shaab	250%	1,000	Arab Gulf	6.00%	6.50%	6.25%
	Al Shaab	250%	1,000	Istiqlal	6.25%	7.00%	6.63%
Al Farwaniya	Al Farwaniya	250%	1,000	Airport	7.00%	7.00%	7.00%
	Al Farwaniya	250%	1,000	Airport (Main Site)	7.00%	7.00%	7.00%
	Khaitan	250%	750	Internal	7.00%	7.50%	7.25%
	Al Raqei	250%	750	4 <sup>th</sup> Ring Road	6.75%	7.00%	6.88%
	Al Raqei	250%	750	5 <sup>th</sup> Ring Road	6.75%	7.00%	6.88%
Al Ahmadi	Al 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%
	Al Mangaf	250%	500	Internal	7.00%	7.25%	7.13%
	Al Mahboula	250%	500	Internal	7.00%	7.50%	7.25%
	Al Mahboula	250%	750	Internal	7.00%	7.50%	7.25%
	Al Mahboula	250%	750	Main	7.00%	7.50%	7.25%
	Al Fahaheel	250%	500	Internal	7.00%	7.50%	7.25%
	Al Fahaheel	250%	500	Main	7.00%	7.00%	7.00%
Al Jahra	Al Jahra	250%	1000	Internal	7.00%	7.50%	7.25%
	Al Jahra	250%	1000	Main	7.00%	7.50%	7.25%
Mubarak Al Kabeer	Sabah Al Salem	250%	750	Internal	7.00%	7.25%	7.13%
	Sabah Al Salem	250%	750	Main	7.00%	7.00%	7.00%

### Third: Prices of the Commercial Real Estate Properties

Average prices of the commercial real estate properties have recorded a slight increase in all governorates by a rate of 1% during Q2 of 2014 compared to Q1. In the Capital Governorate, which is predominantly administrative, especially in the main region in Kuwait City that includes Ahmad Al Jaber Al Shuhada'a, and Jaber Al Mubarak streets, as well as some surrounding streets, average price per meter recorded KD 5,948 during Q2 of 2014. This indicates a slight increase of less than one percent compared to a value of KD 5,898 for average price per meter during Q1 of 2014.

The prices have stabilized in most areas of commercial real estate properties in the governorate compared to Q1 of 2014, with the exception of some places at the area of Al Madina that witnessed substantial increase of 5%, and some places in the area of Al Qiblah where the rate of increase has reached 2.5%

**Average Price per Square Meter for the Commercial real estate properties in various Governorates of Kuwait during Q2 & Q1 of 2014**



### Prices of Commercial Lands in the Capital Governorate

Region	% of Building	Street	Area	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Qiblah	300%	Al Mubarakiya	500	2,375,000	2,875,000	4,750	5,750	5,250
Al Sharq	520%	Ahmad Al Jaber	500	3,250,000	3,500,000	6,500	7,000	6,750
Al Madina	620%	Mubarak Al Kabeer Fabrics' Blocks	500	2,975,000	3,250,000	5,950	6,500	6,225
	620%	Mubarak Al Kabeer (Stock Exchange)	500	3,750,000	4,000,000	7,500	8,000	7,750
Al Qiblah	620%	Fahd Al Salem	500	3,450,000	3,625,000	6,900	7,250	7,050
Al Sharq	520%	Jaber Al Mubarak	500	2,950,000	3,050,000	5,900	6,100	6,000

Hawally Governorate witnessed a slight increase of 1.3% during Q2 of 2014 and recorded about KD 3,525 compared to Q1 of 2014 that witnessed an increase of 4.2%, as it has recorded an average of KD 3,479 per meter during Q1 of 2014.

The prices increased in Q2 vis-à-vis Q1 of 2014 slightly by a percentage of 1.3%, 2% and 2.2% at some areas of Hawally Governorate in the streets of Tunis and Beirut. Prices have increased in some areas of Al Salmiya by a percentage of 1.2% and less than 1% in other places in the area during Q2, compared to average price per square meter during Q1 of 2014.

### Prices of Commercial Lands at Hawally Governorate

Region	% of Building	Street	Area	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Hawally	180 %	Tunis	1000	3,750,000	4,250,000	3,750	4,250	4,000
	180 %	Beirut	1000	3,700,000	4,100,000	3,700	4,100	3,900
Al Salmiya	180 %	Salem Al Mubarak	800	3,040,000	3,600,000	3,800	4,500	4,150
	180 %	Bahrain	500	1,425,000	1,550,000	2,850	3,100	2,975

The prices at Al Farwaniya Governorate has witnessed a limited change of 1.4% during Q2 of 2014 as average price per meter has recorded KD 2,483 during Q2 of 2014, whereas most of the areas in the governorate have witnessed stability in the prices with the exception of some places that witnessed an increase by rates ranging between 1% to 2.5% and some other places in Jaleeb Al Shuyoukh that recorded a substantial increase that reached 3.7%. However, the increase at Al Dajeej area has reached 7.7% during Q2 of 2014, whereas the prices have stabilized in the area of Al Ardiya stores during Q2 of 2014.

### Prices of Commercial Lands at Al Farwaniya Governorate

Region	% of Building	Street	Area	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Farwaniya Menawer St.	180%	Menawer	1000	4,600,000	5,000,000	4,600	5,000	4,800
Al Farwaniya Matafi St.	180%	Al Matafi	800	3,080,000	3,400,000	3,850	4,250	4,050
Khaitan	180%	Facing Admin. & Commercial)	1000	4,000,000	4,300,000	4,000	4,300	4,150
Khaitan (Admin & Commercial)	300%	(Admin & Commercial)	1000	3,900,000	4,100,000	3,900	4,100	4,000
Jaleeb Al Shuyoukh (Opposite Society)	180%	Society St.	1000	2,350,000	2,650,000	2,350	2,650	2,500
Jaleeb Al Shuyoukh (Background)	180%	Internal	1000	2,200,000	2,200,000	2,000	2,200	2,100
Al Dajeej (5000 M) on the 6 <sup>th</sup> R. R.	210%	6 <sup>th</sup> Ring Road	5000	6,650,000	7,000,000	1,330	1,400	1,365
Al Dajeej (5000 M) Internal	210%	Internal	5000	5,250,000	6,000,000	1,050	1,200	1,125
Al Dajeej (5000 M) South Khaitan	250%	6 <sup>th</sup> Ring Road	5000	2,900,000	3,000,000	580	600	590

Meanwhile, the prices of commercial real estate properties at Al Jahra Governorate have witnessed a slight increase by less than one percent, as average price per meter has recorded KD 2,868 during Q2 of 2014, vis-à-vis an average of KD 2,845 during Q1 of 2014, where the prices at Al Jahra area – the administrative and commercial center have witnessed a slight increase of less than one percent during Q2 of 2014, and the prices have recorded an increase in some areas that reached 3.3%, while they have stabilized in the area of Al Qaisareyat during Q1 of 2014.

#### Prices of Commercial Lands at Al Jahra Governorate

Region	% of Building	Street	Area	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Jahra	180%	Marzouk Al-Mat'aab	1000	3,000,000	3,250,000	3,000	3,250	3,125
Al Jahra Admin. & Comm. Center	300%	Admin. & Commercial	875	3,132,000	3,281,250	3,580	3,750	3,665
Al Jahra	50%	Plot 41 A	1000	2,700,000	2,900,000	2,700	2,900	2,800

Average Price per square meter at Al Ahmadi Governorate has reached about KD 2,969 during Q2 of 2014, with a slight increase of 1% compared to about KD 2,939 as an average price per square meter during Q1 of 2014.

The prices at Al Mangaf area has witnessed an increase rate of 2.5% compared to Q1 of 2014, while the prices have stabilized in some areas at the area of Al Fintas - the administrative and commercial center, while the prices at some areas of Al Fahaheel have witnessed an increase of 1.6% and 2.1%, and the prices have stabilized in the rest of areas at Al Fahaheel in the Coast Road and Makkah Street. However, some places in the area of Khairan Pearl have witnessed an increase of 4.3%, whereas the prices have witnessed an increase of 1.9% in other places in the area compared to Q1 of 2014.

#### Prices of Commercial Lands at Al Ahmadi Governorate

Region	% of Building	Street	Area	Market Value of Land (KD)		Market Value per M <sup>2</sup> in (KD)		Average Price per M <sup>2</sup> during Q2 2014
				From	To	From	To	
Al Mangaf	300 %	Al Aziziya	750	1,425,000	1,687,500	1,900	3,250	2,075
Al Fintas Admin. & Comm.	180 %	Main	1000	3,350,000	3,500,000	3,350	3,500	3,425
	180 %	Internal	1000	3,10,000	3,250,000	3,100	3,250	3,175
Al Fahaheel	180 %	Al Dabous	750	2,662,000	2,812,000	3,550	3,750	3,650
	180 %	Internal	750	2,212,000	2,512,500	2,950	3,350	3,150
	180 %	Coast Road	750	3,262,500	3,412,500	4,350	4,550	4,450

#### The Annual Rate of Return on the Commercial real estate properties

The rate of returns of the commercial real estate properties are still much less than the returns generated by the investment real estate property in some governorates, as a result of the rate of occupancy associated with the offices, especially at the Capital area. The average return at the level of the Capital Governorate has stabilized at 6.25%, while the annual return has stabilized at 7.2% at Hawally Governorate compared to Q1 of 2014, and has reached 7.6% at Al Farwaniya Governorate, whereas it has declined to a percentage of 7.53% in Al Jahra Governorate, and a percentage of 7.39% at Al Ahmadi Governorate.

#### The Annual Rate of Return on the Investment Real Estate Properties in some areas of Kuwait

Governorate	Region	% of Building	Street	Percentage of Sale Return of the Annual Real Estate Income during Q2 of 2014		
				From	To	Average
The Capital	Al Qiblah	300%	Al Mubarakiya	6.00%	6.50%	6.25%
	Sharq	520%	Ahmad Al Jaber	6.00%	6.50%	6.25%
	Sharq	520%	Khalid Ibn Al Waleed	6.00%	6.50%	6.25%
	Al Madina	620%	Al Soor	6.00%	6.50%	6.25%
	Al Madina	300%	Al Soor	6.00%	6.50%	6.25%
	Al Madina	620%	Mubarak Al Kabeer - Blocks	6.00%	6.50%	6,26%
Hawally	Hawally	180%	Tunis	7.00%	7.50%	7.25%
	Hawally	180%	Beirut	7.00%	7.50%	7.25%
	Al Salmiya	180%	Hamad Al Mubarak	7.00%	7.50%	7.25%
	Al Salmiya	180%	Salem Al Mubarak	7.00%	7.00%	7.00%
Al Farwaniya	Al Farwaniya Menawer St.	180%	Menawer	7.00%	7.50%	7.25%
	Al Farwaniya Al Matafi St.	180%	Al Matafi	7.00%	7.50%	7.25%
	Khaitan	180%	---	7.00%	7.50%	7.25%
	Khaitan (Admin. & Commercial)	300%	(Administrative & Commercial)	7.00%	7.50%	7.25%
	Al Ardiya "Warehouses"	GF 80% Mezza-nine 50%	Internal	7.50%	8.00%	7.75%
Al Jahra	Al Jahra	180%	Marzouk Al-Mat'aab	7.50%	7.50%	7.50%
	Al Jahra (Admin. & Commercial)	300%	(Administrative & Commercial)	7.50%	7.50%	7.50%
	Al Jahra - Al Qaisareyat	300%	Plot 20	7.50%	7.50%	7.50%
Al Ahmadi	Al Mangaf	300%	Al Aziziya	7.50%	7.50%	7.50%
	Al Fintas (Admin. & Commercial)	180%	Main	7.50%	7.50%	7.50%
	Al Fahaheel	180%	Al Dabous	7.00%	7.50%	7.25%



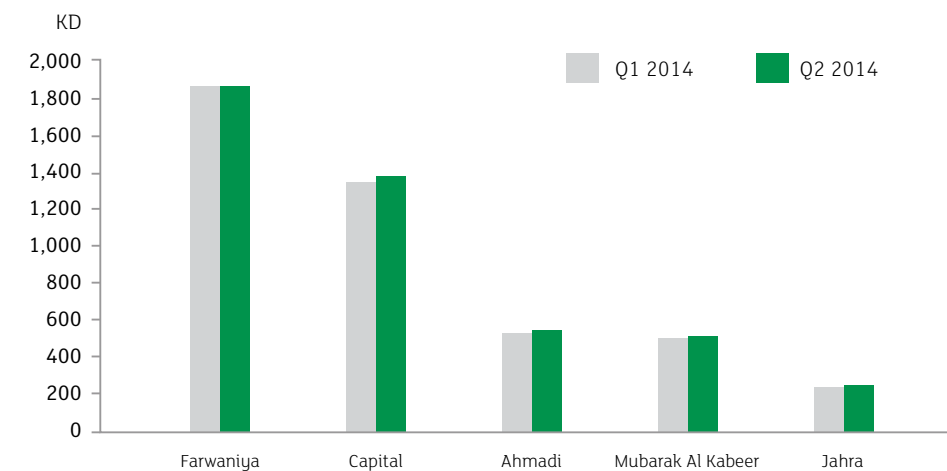
#### Fourth: Prices of Industrial Plots (Public Service Contracts) and Warehouses

The prices of industrial plots during Q2 of 2014 have witnessed a limited increase in most governorates of Kuwait compared to Q1 of 2014, and some governorates that witnessed a slight increase, as the prices per square meter of the industrial plots in the Capital Governorate have witnessed a limited increase of 2.4% during Q2 of 2014 compared to Q1 of 2014.

Average prices of the industrial plots at the governorate was stable in Al Shuwaikh area at Canada Dry Street, while the prices increased at Shahrazad Street by 2%, and at Al Zeina Street by a percentage that reached 9% in some places and at a percentage of 6% in other places. Prices have stabilized at Pepsi Street, and increased at Electricity Street and the internal places in the area by a percentage of 6.5% and less than one percent respectively. The prices also stabilized in some places at Al Shuwaikh industrial area in the 4th Ring Road and the industrial plots at Al Ghazali Street and at the area of Mohammad Al Qasim Street during Q2 of 2014.

Average price per meter in the industrial plots in the Capital Governorate inside Al Shuwaikh industrial area has reached the amount of KD 1,374 during Q2 of 2014 compared to average of KD 1,341 during Q1 of 2014.

**Average Market Value per Square Meter for the Industrial and Craft Real Estate in Governorates of Kuwait During Q2 & Q1 of 2014**



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

Region	Allocation	% of Building	Area	Street	Market Value of Land (KD)		Average Price per M <sup>2</sup> in Q2 2014
Industrial Shuwaikh	Exhibitions + Industrial	170%	1,000	Canada Dry St.	1,550,000	1,650,000	1,600
		170%	5,000	Shahrazad St.	6,000,000	6,250,000	1,225
		170%	1,000	Al Zainah St.	1,200,000	1,250,000	1,225
		170%	1,000	Al Zainah St.	1,350,000	1,550,000	1,450
		170%	500	Al Zainah St.	825,000	875,000	1,700
		170%	500	Electricity St.	850,000	900,000	1,750
		170%	5,000	Pepsi St.	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	Mohammad Al Qasim	1,150,000	1,250,000	1,200
		170%	22,500	Internal	12,550,000	14,500,000	601
		170%	1,000	Al Ghazali St.	1,100,000	1,200,000	1,150
General Average in the Region					3,032,727	3,336,364	1,341

Likewise, Al Farwaniya Governorate has witnessed a slight increase during Q2 of 2014 at a percentage of less than one percent, as the prices have stabilized in most areas at this governorate compared to the prices that were recorded during Q1 of 2014.

Some locations facing Al Ardiyah stores and at the 5th Ring Road area, have witnessed an increase by 1.9 %. Prices stabilized in the internal places in the area which have already increased by a percentage that reached 4.5% during Q1 of 2014.

Al Rai area has witnessed a remarkable stability in most places during Q2 of 2014, while the averages prices have increased by a limited percentage of 1.3% during Q1 of 2014. The prices also stabilized in some places at Al Ghazali Street and Mohammad Al Qasim Street during Q2 of 2014, which have already witnessed an increase of 3.1% and 2.3% during Q1 of 2014.

Average price per square meter in the governorate has recorded the amount of KD 1,849 in Q2 of 2014, compared to about KD 1,848 during Q1 of 2014.

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

Region	Allocation	% of Building	Area	Site	Street	Market Value of Land (KD)		Average Price per M <sup>2</sup> in Q2 2014
Al Rai	Exhibitions + Industrial	170%	1,000	Main	Safat Al Ghanim (till Al Nasr Sports)	1,225,000	1,350,000	1,288
		170%	1,000	Main	Al Ghazali St.	1,200,000	1,250,000	1,225
		170%	4,000	Main	Mohammad Al Qasim	5,500,000	5,750,000	1,406
General Average in the Region						2,570,833	2,758,333	1,180
Ardiya Craft Area	Crafts	130%	250	Main	Opposite Al Ardiya Stores	650,000	725,000	2,750
		130%	250	Main	Opposite Al Ardiya Residential	560,000	625,000	2,370
General Average in the Region						596,250	662,500	2,518

Al Ahmadi Governorate – however – average price per meter has recorded around KD 540 during Q2 of 2014, thus recording a slight increase of 1.4% compared to about KD 533 per square meter during Q1 of 2014.

The prices at Al Fahaheel area, the highest area in the governorate, has witnessed an increase of less than one percent during Q2 of 2014, while the prices at East Al Ahmadi Industrial Area has witnessed a limited increase that reached a 2.2% during Q2 of 2014.

Meanwhile, the average prices at the area of Al Shuaiba and Mina Abdullah have witnessed an increase of 1.4% during Q2 of 2014, as the Gravel Storage area at Mina Abdullah has recorded an increase of 2.3% and the internal places inside the port have increased by a percentage of 2.1% compared to 1st Q 2014. At Al Shuaiba, some main streets have recorded an increase that reached a percentage of 2.8%.The area behind the gas station has recorded the highest place in the area, by an increase that reached 4.6% during Q2 of 2014.

#### Prices of Industrial Plots at Al Ahmadi Governorate

Region	Allocation	Area	Street	Market Value of Land (KD)		Average Price per M <sup>2</sup> in Q2 2014
Al Shuaiba - West	Industrial	120,000	Behind the Gas Station	10,500,000	13,000,000	79,9
Al Shuaiba - West		10,000	Internal	1,150,000	1,300,000	122,5
Mina Abdullah		10,000	Inside the Port	950,000	1,150,000	105
General Average in the Region				3,183,750	3,768,750	123
Al Fahaheel	Exhibitions + Industrial Building % = 170%	1,000	Sultan Center St.	1,350,000	1,500,000	1,425
		1,000	Opposite Al Matafi	800,000	850,000	825
		1,000	Internal Streets	530,000	650,000	590
General Average in the Region				893,333	1,000,000	947
East of Ahmadi Industrial Area	Exhibitions + Industrial Building % = 170%	5,000	Mustafa Karam	4,500,000	5,000,000	950
		5,000	Main	2,050,000	2,300,000	435
General Average in the Region				2,175,000	2,175,000	550

#### Prices of Industrial Plots at the Al Jahra Governorate

Region	Allocation	Area	Street	Market Value of Land (KD)		Average Price per M <sup>2</sup> in Q2 2014
Amghara	Large Contractors	10,000	Internal	1,500,000	1,700,000	160
		10,000	Main	1,850,000	2,050,000	195
General Average in the Region				777,500	855,000	177
Al Jahra	Crafts	500	Internal	165,000	185,000	350
		500	Main	200,000	220,000	420
General Average in the Region				176,250	196,250	478
Doha	Ships Repair	5,000	Main	120,000	170,000	145
General Average in the Region				1,890,000	2,206,667	550

#### Prices of Industrial Plots at the Mubarak Al Kabeer Governorate

Region	Allocation	Area	Street	Market Value of Land (KD)		Average Price per M <sup>2</sup> in Q2 2014
Abu Fatira Crafts	Exhibitions	1,000	Main	1,650,000	1,750,000	1,700
		500	Main	640,000	680,000	1,320
General Average in the Region				1,164,000	1,252,000	1,461
Sabhan	Industrial	1,000	Main	500,000	600,000	550
		1,000	Pepsi	650,000	750,000	700
		5,000	Pepsi	2,750,000	3,000,000	575
General Average in the Region				1,341,667	1,516,667	512.5



### Fifth: The Prices of the Farms and Barns

The prices at Barns area at Al Ahmadi Governorate have recorded about KD 79.4 for average price per meter; thus achieving a limited increase of 1.6% during Q2 of 2014, compared to about KD 78 for average price per meter during Q1 of 2014.

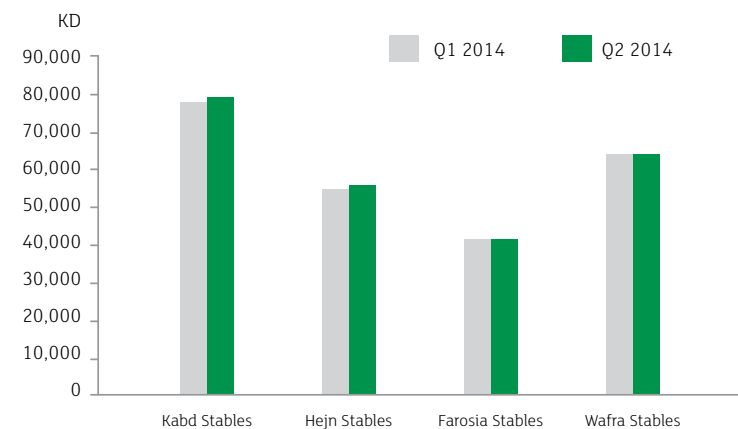
At the areas of Equestrian Stables, the prices that were recorded in Q2 of 2014 have stabilized compared to average price per meter during Q1 of 2014. The prices have stabilized in some internal areas during Q2 which have witnessed a slight increase by 1.4% during Q1. The prices have also stabilized in other internal places during Q2, and the area of the race track and golf have witnessed stability in Q2 of 2014.

The prices stabilized in some internal places like Barns of Al Wafra area, and some main places have witnessed stability in Q2 of 2014.

Meanwhile, Al Wafra industrial area has witnessed a noticeable increase that amounted to a 9.7%, and some places have witnessed an increase that reached 10.5% and 8.6% during Q2 of 2014, and some cattle farms (Usufruct) at Al Sulaibiya area have witnessed stability in prices, as they have recorded between KD 550,000 to KD 650,000 for the area of land that amount to 50 thousand square meters/ Dinar with the exception of an area that witnessed a slight increase of 2.6% during Q2 of 2014. Another area of one million square meter has recorded a price that ranged between 3.65 to 4.35 million Dinar during Q2 of 2014.

The prices per square meter have substantially increased for an area of 100 thousand square meters of land at Al Abdali recording an amount between KD 280,000 and KD 350,000 during Q2 of 2014.

**Average Market Value per Square Meter for the Barns and Stables at Al Ahmadi Governorate, during Q2 & Q1 of 2014**



### Prices of Farms and Barns

Governorate	Region	Area	Site	Estimated Price of Usufruct in Plot (KD)		Price per M <sup>2</sup> of land in (KD)		** A/P during Q2 2014
				From	To	From	To	
Al Ahmadi	Jawakheer Kabd	2,500	Internal	72,000	90,000	28.8	36.0	81,000
	Jawakheer Kabd	2,500	Main	100,000	115,000	40.0	46.0	107,500
	Equestrian Stables – Al Ahmadi	500	Internal	38,000	45,000	76.0	90.0	41,500
		500	The Racecourse – the Golf	45,500	50,000	91.0	100.0	47,750
	Jawakheer Al Wafra	2,500	Main	65,000	77,500	26.0	31.0	71,250

\*\* A/P means Average Price of the Plot

### Sixth: The Prices of the Chalets

Like other types of real estate buildings, the prices of chalets are related to demand, yet it may increase especially in summer time, since Q2 of the year 2014 coincides with the beginning of the summer season. This means an increase of demand on chalets. Prices at the areas of Al Ahmadi Governorate in general have stabilized, recording KD 17,554. However, the prices have increased by a substantial rate of 7.8% at the chalets area in the Capital Governorate during Q2 of 2014, as the price per meter has recorded KD 7,833 during Q2 of 2014.

Average prices of chalets in Alsabia and Kazma at AL Jahra Governorate recorded KD 4,979 achieving an increase of 3.2% during Q2 of 2014.

### Prices of Chalets at Al Ahmadi Governorate

Governorate	Region	Length of the Water-front by Meter	Market Value per Chalet (Land)		Price per Linear Meter of the Water-front (KD)		** A/P per Meter of Land at Water-front during Q2 2014
			From	To	From	To	
Al Ahmadi	Mina Abdullah	15	217,500	247,500	14,500	16,500	15,500
	Al Dubaeya	15	217,500	255,000	14,500	17,000	15,750
	Al Julaia	15	300,000	360,000	20,000	24,000	22,000
	Bnaider	15	375,000	435,000	25,000	29,000	27,000
	Al Zour	15	202,500	232,500	13,500	15,500	14,500
	Khairan (other than Al Khor)	15	195,000	232,000	13,000	15,500	14,250
	Nuwaiseeb	15	191,250	225,000	12,750	15,000	13,875

\*\* A/P means Average Price per meter

## Seventh: Rates of Occupancy and Rents

The rates of occupancy have stabilized at their previous averages for all levels of real estate investment property, as such rates have ranged between 96 and 90%, while the rates of occupancy at the commercial real estate properties have improved, especially in the offices in the capital area.

### Value of Investment Housing Rents

The average rent of the apartment consisting of two rooms and a hall with an area of 60 m<sup>2</sup> in the Capital Governorate range between KD 330 to KD 350, while the rental value for the same area at Hawally has recorded between KD 310 to KD 350, at Al Farwaniya Governorate the rental value for the same area ranged between KD 280 and KD 330, and between KD 260 to KD 290 at Al Ahmadi Governorate, whereas the value of rents have recorded between KD 285 to KD 300 at Mubarak Al Kabeer Governorate and between KD 260 to KD 280 at Al Jahra Governorate. As for the apartments consisting of two rooms and a hall with an area between 70 to 74 square meters, the rental values have ranged between KD 390 and KD 415 in the Capital Governorate, between KD 320 to KD 370 in the areas of Hawally Governorate, ranged between KD 320 to KD 350 at Al Farwaniya Governorate, whereas such rental value becomes less and would range between KD 300 to KD 340 at Al Ahmadi Governorate, while at Mubarak Al Kabeer Governorate ranged between KD 325 to KD 350, and Al Jahra Governorate was between KD 290 to KD 330.

Regarding the investment apartments with an area between 80 and 85 square meters, the rental values have ranged between KD 435 to KD 465 in the Capital Governorate. In the areas of Hawally Governorate, it came between KD 365 to KD 450, while Al Farwaniya Governorate ranged between KD 350 to and KD 390, whereas such rental value would range between KD 330 to KD 360 at Al Ahmadi Governorate, and would reach KD 330 to KD 360 at Mubarak Al Kabeer Governorate and Al Jahra Governorate respectively.

In the same context, the rental values of the apartments with an area between 100 and 110 square meters range between KD 500 to KD 580 at the areas of the Capital Governorate, and in the areas of Hawally Governorate came between KD 485 to KD 550, at Al Farwaniya Governorate would reach KD 480, whereas such rental value would range between KD 425 to KD 450 at Al Ahmadi Governorate and with slight increase at Mubarak Al Kabeer Governorate to range between KD 450 to KD 480, while the value at Al Jahra Governorate is ranging between KD 430 to 460.

The prices varies according to the various areas and the quality of design and finishing and the site, given that the lifetime of the real estate building is considered as a basic factor in determining the average rental value in Kuwait. However, we focus in this report on the prices of the new real estate buildings, which by their high prices would pose pressure on the rental values of the old real estate buildings which are available in the market, and therefore when they are vacated, the owner of the building would raise the rental value to the new tenant.

The average trading of the real estate property is considered as an important matter upon the assessment of the rental value, as there are distinct areas, such as Al Shaab, Al Mirgab, Bneid Al Qar, Sharq and other places among the distinct areas such as Qatar and Bahrain streets at Al Salmiya and the real estate buildings overlooking the coast, and Qutaiba and Al Muthanna at Hawally. There are less distinct areas such as Jaleeb Al Shuyoukh, Abu Halifa and Khaitan.

Recently, the phenomenon of furnishing the buildings, especially the distinct ones, appeared. Therefore, the rental value would be defined in accordance with the different levels. What attracts attention is the expansion of the range of rentals in the internal areas inhabited by Kuwaitis, such as the areas of Salwa, Al Surra and South Surra, as other areas, under the pressure of the increase of real estate prices, and improving the ability to settle loans.

Regarding the average rent as per commercial meter at the ground floor, the average rent has increased and ranged between KD 16 to KD 20 per square meter, and would reach KD 30 in the distinct sites in Kuwait City. However, it may exceed such average to reach KD 40 at Al Salmiya area and KD 35 in Hawally. The average rent per square meter in the offices range between KD 5.5 to KD 6.5, and would reach KD 8 to in some distinct districts and relatively large space areas in Kuwait City. It would also reach KD 8 for the average square meter in some districts of Hawally, Al Fahaheel, and Al Mangaf or even more according to the location, the quality of finishing, and the services rendered to tenants and visitors of the building.

Concerning the rental values of the industrial plots, the rental price of the industrial square meter of the ground floor – showrooms – has ranged between KD 14 to KD 40 Al Shuwaikh Industrial Area, given that the prices differ according to the site. Al Rai Buildings area has come in second, and the average rental value per meter range between KD 14 to KD 30 per square meter. The average price per rental meter in Al Ardiya (Stores) was between KD 6.5 to KD 8, and it would exceed the price much more to record a price that ranges between KD 20 to KD 40 for average price per rental meter at Al Ardiya (Craft) area. The price per meter at East Al Ahmadi has recorded an average that ranges between KD 12 to KD 18, whereas the prices at Al Fahaheel industrial area have ranged between KD 14 to KD 20 per square meter. On the other hand, the prices of owned apartments and the units of “owned” commercial stores have witnessed an increase in prices.



**Average Rent Trading of Investment Real Estate Properties Kuwait Governorates “Q2 – 2014” (in KD)**

Hawally Governorate	2 Bedrooms, a Hall & Bathroom (60)m	2 Bedrooms, a Hall & Bathroom (70 - 74)m	2 Bedrooms, a Hall & Bathroom (80 - 85)m	2 Bedrooms, a Hall & Bathroom (100 - 110) m
Al Salmiya	340 - 310	370 - 350	425 - 380	500 - 480
Hawally	320 - 300	345 - 323	410 - 365	485 - 450
Al Jabriya	350 - 320	355 - 335	425 - 380	500 - 480
Al Shaab	350 - 320	360 - 350	450 - 425	550 - 500
The Capital Governorate	2 Bedrooms, a Hall & Bathroom (60)m	2 Bedrooms, a Hall & Bathroom (70 - 74)m	2 Bedrooms, a Hall & Bathroom (80 - 85)m	2 Bedrooms, a Hall & Bathroom (100 - 110) m
Sharq	350 - 330	415 - 390	465 - 435	585 - 510
Al Qibla	330 - 350	390 - 415	435 - 465	510 - 570
Eastern Al Muqawa	330 - 350	390 - 415	435 - 465	510 - 570
Dasman	330 - 350	390 - 415	435 - 465	510 - 570
Bneid Al Qar	330 - 350	390 - 415	450 - 425	500 - 580
Farwaniya Governorate	2 Bedrooms, a Hall & Bathroom (60)m	2 Bedrooms, a Hall & Bathroom (70 - 74)m	2 Bedrooms, a Hall & Bathroom (80 - 85)m	2 Bedrooms, a Hall & Bathroom (100 - 110) m
Khaitan	330 - 300	350 - 330	390 - 350	475 - 430
Al Farwaniya	330 - 300	330 - 350	390 - 350	430 - 480
Jaleeb Al Shuyoukh	280 - 300	330 - 350	370 - 330	420 - 460
Al Raqei	280 - 300	320 - 340	380 - 360	430 - 475
Al Ahmadi Governorate	2 Bedrooms, a Hall & Bathroom (60)m	2 Bedrooms, a Hall & Bathroom (70 - 74)m	2 Bedrooms, a Hall & Bathroom (80 - 85)m	2 Bedrooms, a Hall & Bathroom (100 - 110) m
Al Fintas	290 - 260	340 - 300	360 - 330	450 - 425
Al Mahboula	260 - 290	300 - 340	330 - 360	425 - 450
Abu Halifa	260 - 290	300 - 340	330 - 360	425 - 450
Al Mangaf	260 - 290	300 - 340	330 - 360	425 - 450
Al Fahaheel	260 - 290	300 - 340	330 - 360	425 - 450
Mubarak Al Kabeer Governorate	2 Bedrooms, a Hall & Bathroom (60)m	2 Bedrooms, a Hall & Bathroom (70 - 74)m	2 Bedrooms, a Hall & Bathroom (80 - 85)m	2 Bedrooms, a Hall & Bathroom (100 - 110) m
Sabah Al Salem	300 - 285	350 - 325	380 - 350	480 - 450
Al Jahra Governorate	2 Bedrooms, a Hall & Bathroom (60)m	2 Bedrooms, a Hall & Bathroom (70 - 74)m	2 Bedrooms, a Hall & Bathroom (80 - 85)m	2 Bedrooms, a Hall & Bathroom (100 - 110) m
Al Jahra	280 - 260	330 - 290	360 - 330	460 - 430

**Average Rent Trading of the Commercial Real-Estate Property Property in the Governorates of Kuwait “Q2 – 2014” (in KD)**

Areas	Basement	Ground Floor	Mezzanine	Offices	Price Index
	Average Rental M <sup>2</sup>	Average Rental M <sup>2</sup>	Average Rental M <sup>2</sup>	Average Rental M <sup>2</sup>	
Al Salmiya	18 - 12	40 - 25	12	8 - 7	---
Hawally	16 - 10	35 - 25	12	8 - 7	---
Al Farwaniya	15 - 10	37 - 25	12	7	---
Khaitan	14 - 9	35 - 25	10	7	---
Al Mangaf - Al Aziziyah	15 - 8	30 - 25	10	8 - 7	---
Al Fahaheel	14 - 10	35 - 25	12	8 - 7	---
Al Dajeej	4.5 - 5	12 - 9	6 - 5	---	The Basement as a Commercial Unit, not a Store
Kuwait City	14 - 12	30 - 20	10	8 - 6	Commercial Complexes
Kuwait City	7 - 6	20 - 16	10	6.5 - 5.5	Administrative & Commercial Towers

\* Average rental values per square meter would be increased in the distinct sites and the modern buildings, in addition to the type of practiced activity

**Average Rent Trading of Industrial Plots in the Governorates of Kuwait “Q2 – 2014” (in KD)**

Areas	Basement	Ground Floor	Mezzanine	Price Index	Notes
	Average Rental M <sup>2</sup> (Stores)	Average Rental M <sup>2</sup> (Exhibitions)	Average Rental M <sup>2</sup> (Offices)		
Al Shuwaikh Industrial	4.5 - 3.5	40 - 14	6.5 - 5	Area per unit = 40 m	---
Al Rai	4 - 3.5	30 - 14	4 - 6	Do not include the rental values in the Avenues Mall	---
Sabhan	3 - 2.75	6.5 - 4	6.5 - 3	*Upon allocating stores for the ground floor the price per M <sup>2</sup> ranges between KD 5 and KD 4	---
Al Ardiya (Stores)	4 - 3.5 (As per Height)	8 - 6.5	8 - 3.5	*Price per rental M <sup>2</sup> = KD 8 - 6 for the Exhibition 100 M at the Ground Floor	---
Al Ahmadi East	3.75	18 - 12	4.5 - 4	Auto Shows & Restaurants are the highest rent	---
Al Fahaheel Industrial	4 - 3.5 (As per Height)	20 - 14	6 - 4	As per the practiced activity	---

\* Average rental values per square meter would be increased in the distinct sites and the modern buildings, in addition to the type of practiced activity

\* The average rental values per square meter would be increased according to the height of the floor, and the demand increases on the stores where the net height of their ceiling ranges between 8 – 6 m.

### Prices of Owned Investment Apartments

Area	Organizational Opinion	Description of the Site	Net Area of APT	APT Market Value		A/P M <sup>2</sup> of Net Area of APT		** A/P during Q2 2014
				From	To	From	To	
Bneid Al Qar	Investment	Arab Gulf	100	160,000	180,000	1,600	1,800	1,700
Bneid Al Qar	Investment	Main	72	88,000	92,000	1,222	1,278	1,250
General Average of The Capital Governorate				110,750	121,750	1,271	1,390	1,330
Al Shaab	Investment	Arab Gulf	100	160,000	180,000	1,600	1,800	1,700
Al Shaab	Investment	Main	72	90,000	95,000	1,250	1,319	1,285
Al Salmiya	Investment	Arab Gulf + Blajat	100	145,000	180,000	1,450	1,800	1,625
Hawally	Investment	Main	64	70,000	75,000	1,094	1,172	1,133
Hawally	Investment	Internal	64	62,500	65,000	977	1,016	996
General Average of Hawally Governorate				94,202	103,883	1,139	1,249	1,194
Sabah Al Salem	Investment	Main	72	66,000	72,000	917	1,000	958
General Average of Mubarak Al Kabeer Governorate				77,667	85,667	943	1,034	988
Al Farwaniya	Investment	Main	80	75,000	80,000	938	1,000	969
General Average of Al Farwaniya Governorate				77,667	83,333	897.5	962.5	930
Al Fintas	Investment	Main	72	62,000	65,000	861	903	882
Al Fintas	Investment	Internal	72	50,000	55,000	694	764	729
Al Mahboula	Investment	Sea Front	100	130,000	145,000	1,300	1,450	1,375
Al Mahboula	Investment	Internal	100	75,000	85,000	750	850	800
Al Mahboula	Investment	Main	72	62,000	65,000	861	903	882
Abu Halifa	Investment	Sea Front	95	130,000	145,000	1,368	1,526	1,447
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	130,000	145,000	1,368	1,526	1,447
Al Mangaf	Investment	Internal	100	75,000	85,000	750	850	800
Al Mangaf	Investment	Main	72	62,000	65,000	861	903	882
Al Fahaheel	Investment	Main	72	62,000	72,000	813	900	856
General Average of Al Ahmadi Governorate				75,450	83,600	878.2	971.0	925

\* It is worth mentioning that: This report monitors the general trends of trading the prices at the real estate market in Kuwait. However, the method used by the Evaluation and Studies Department at "KFH" depends on studying every real estate building separately, and studying its characteristics and defining its rental value, as well as its returns, in order to adopt a special recommendation and a fair evaluation of each property.

### Glossary Annex

Building dedicated for private housing	These are standard buildings located in the areas with low density and dedicated for the residence of one family, which are constructed by individuals or the private sector by using architectural designs that differ according to the owner, or which lands were distributed by the State within the Programs of Housing Welfare by using unified or different architectural designs (Model).
Building dedicated for investment housing	That is the building consisting of a number of housing units (apartments – Villas – Duplex – Studios), which are used for rent or ownership at all floors.
Buildings of Private Schools	These are the buildings dedicated for providing educational services and could be for one educational stage or for several stages
Buildings of Hotels and Motels	These are the buildings dedicated for temporary residence for tourist and recreational purposes and presenting general services to the guests
Commercial Building (Mall)	That is the building that permits the use of the basement and the ground floor and the Mezzanine for commercial shops, it could be designed as closely attached shops or separate shops which could be directly served on corridors on the commercial street, or in the form of cabins. The recurrent floors could be used as offices or for any other purposes.
Industrial Facilities	These are the buildings dedicated for industrial purposes or for warehouses or for service or craft purposes
Residential Complexes outside & inside Kuwait City	These are the buildings dedicated for the investment housing, and such buildings consist of several housing units (apartments or villas or studios or Duplex), and they are being used for rental or ownership purposes at all floors, and the buildings of the Complex could be closely attached as one building or as separate buildings provided that the area of the land on which the Complex is constructed should not be less than 3000 square meters, given that the areas deducted for the vision angles should be calculated within the area required for the construction of the Complex.
Building on various areas on the Coastline	Those mean the buildings constructed on the Coastline, and made by the individuals on their private properties.
Buildings dedicated for Plant Nurseries	The buildings which are being used to grow the Seedlings of all kinds, sale and display of plants and flowers, and arrange and maintain the gardens and the agricultural products, along with a store for the seeds and agricultural requirements, in addition to administrative offices.
Private Marine Chalets	These are buildings which are constructed outside the limits of General System in accordance with rental contracts on the land of State for entertainment purposes
Private Hospitals	These are the buildings dedicated for providing medical services (Outpatient Clinics – Operations Theater – Laboratories – Rooms and Suites for the patients), and their services could be general or specialized



## 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