

بيت التمويل الكويتي
Kuwait Finance House



KFH Local
Real
Estate **Report**
2015



Second Quarter

Q2

KFH

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Real
Estate

Report

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Introduction

Kuwait real estate market witnessed relative stability during the current period. Several reasons have contributed to this stability including the following factors: residential real estate units offered in the market to fulfill the increasing demand on residential real estates through the Public Authority for Housing Welfare, improvements in offered investment real estates on the back of the increase in construction ratios therein, thus contributing to the increase in offered quantities compared to demand during the first half of the current year.

The Holy month of Ramadan and the leave and summer vacations season have all contributed to the decline in real estate market performance. Real estate market witnessed a decline in general performance since the beginning of the Holy month of Ramadan. As many investors were either busy or on vacation. Specialized real estate companies staff as well as customers were also busy or on vacation. Needless to say that working hours during the holy month were very short to carry out any activities. Accordingly, the number of transactions in real estate market has declined significantly by 70% compared to the first half of 2014, thus leading to a decline in the value of real estate transactions by 29% for the same period, Average prices denominated as average transaction value of real estate sector has increased to exceed 2014 prices by 2% bearing in mind that these price levels are considered as unprecedented levels for the last 10 years.

Several regulatory restrictions were imposed on credit facilities granted to finance long term residential real estate, thus aiming to finance reparation and purchase of private residence houses. Value is settled on monthly installments within the period of 15 years maximum as a deduction from the borrower's net income. Deductions shall not exceed 40% from net income. However, the continuous decline in interest rates on discount ratio by 2% has led to an increase in installment loans used to finance non-commercial needs (reparation or purchase of private residence) annually during the first half of the

Average prices denominated as average transaction value of real estate sector has increased to exceed 2014 prices by 2%.

current year by 15%. This ratio is much higher than the annual growth rate of total credit which has approximated 5.2% in June. These facts reflect the continuing demand on residential loans used for private construction purposes or for investment purposes through real estate leading in model areas.

Although credit growth is noticed in installment loans extended by the banking sector yet a decline was noticed in the real estate loans granted by credit bank to finance houses and plots during June by 27%. Installment loans declined on annual basis to reach 45%. Real estate loans size exceeded KD 18 million granted by credit bank during July 2015. This amount covers 652 cases including building private or government plots, purchase of private or government houses, granting concrete houses loans, providing grants to the handicapped. Loans released by credit bank amounted KD 227.5 thousand covering 34 cases for expansion and reparation purposes in July 2015.

Growth in retail installment credit granted by Kuwaiti banking sector was not accompanied by any parallel growth in the construction sector which has recorded a decline by 1.4%. Banking credit allocated to real estate increased slightly by less than 1% on annual basis during the first half of the current year as per the latest information issued by the Central Bank of Kuwait in June 2015.

Accordingly, loans portfolio granted by banking sector to real estate sector with all its categories approximated more than KD 18.4 Million in June 2015, thus marking an annual growth by 6.6% which is the lowest annual growth recorded since June 2012. The said portfolio represents more than 58% of credit loans granted by the Kuwaiti banking sector.

It seems that declining oil prices started impacting real estate sector during the first half of the current year. Psychological impacts resulting from international and geopolitical developments in the region in addition to the Greek crises have all impacted local and global financial markets. It is noticed that the said factors have impacted real estate activities in various ways. However, the most evident impact was noticed on the construction and building sector while impact was less real estate sector. Residential real estates were not impacted severely by such developments due to the rarity of this type of properties and investors interest therein.



Some of the main factors which have contributed to the decline in the size of local liquidity of the real estate market during the current period include the vacations and travelling, investors' interest in locating real estate opportunities in regional and global markets instead of local markets. Sterling Pound exchange rate against the Kuwaiti Dinar has declined by 1%. Euro exchange rate has declined by 12% in June 2015 compared to preceding year. US Dollar exchange rate against KD has increased by 7.5% while Saudi Riyal and UAE Dirham exchange rate against KD have increased by 7% each on annual basis till the end of June 2015. This change has created investment opportunities, namely in real estate sector, in the Eurozone and Turkey. Also, it has created a motive for purchasing in light of the declining real estate prices due to the decline in currency exchange rates in such regions. This matter was noticed clearly in the decline of local liquidity applied for investment in the Kuwait stock exchange to KD 2.4 Billion during the first half of 2015 thus marking a decline by 14% of transactions value which has recorded KD 2.8 Billion in the preceding half year and a decline approximating 30% of the transactions value which has approximated KD 3.4 Billion in the first half of 2014.

Fitch Rating Agency report issued on 19/06/2015 anticipated a decline in the general budget surplus to 10.6% of product for the year 2015/ 2016 compared to 20.7% of product last year. This decline may be attributed mainly to the decline in oil prices. Estimations indicate that the size of government spending is approximated to be KD 11.9 Billion during the financial year 2014/2015. Accordingly, the government was compelled to adopt certain procedures to mitigate spending in the current year without impacting investment spending on development projects which is estimated to be KD 1.6 Billion in the 2014/2015 budget. However, the delay in some housing welfare projects, namely in new cities and some infrastructure projects may prevent the release of such investment spending provisions.

Real estate transactions value has declined on annual basis by 24% compared to the ratio recorded in Q2 of 2014. Local real-estate in Kuwait is still maintaining high levels of liquidity in Q2 of 2015, thus approximating KD 1 Billion during Q2 this year respectively.

Variable performance is noticed on various real estate categories in Q2 this year. This performance came on the back of increase in the value of investment transactions compared to Q1. Also, this performance was limited by the decline in real estate transactions on private residence. Growth in commercial real estate transactions has contributed to the increase in gross value of real estate transactions during Q2 compared to Q1 2015. Decline in real estate transactions has contributed to the increase in average transaction value by 7%.

Private residence real estate values have declined by 15% in Q2 2015 due to the decline in the number of transactions by 16%. This has led to a slight increase in average transaction value of private residence real estate by 2% compared to Q1 2015. Accordingly, average transaction value reached KD 357 thousand in Q2 i.e. less than ratios recorded last year. Surveys made by KFH on price movements indicate a decline by 4% in prices of residential real estates at Kuwait governorates level compared to Q1. Annual decline reached 7% compared to Q2 - 2014.

Investment real estate transactions recorded an increase by 20% during Q2 - 2015. Number of transactions has increased by 14.3% during Q2. This increase has contributed to the increase in average transaction value to more than KD 1 million. However, this percentage is still much more less by 32% than the highest levels recorded during Q2 - 2014 which has recorded KD 1.2 Million and the highest levels witnessed in the market since late 2013. Average investment residence prices are still witnessing a limited decline. Average prices were stable in Q2 compared to Q1 where they recorded an annual increase by 2.8% compared to Q2 - 2014.

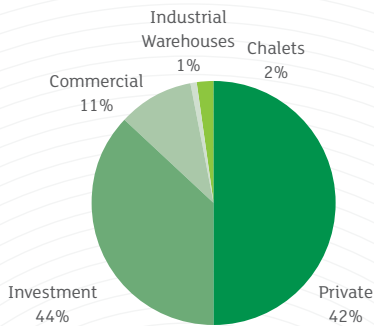
Commercial real estate transactions recorded an increase by 11% during Q2 - 2015. The number of

transactions increased by 94%. This has contributed to the decline in average transaction value during Q2 - 2015 to reach KD 3.3 Million i.e. 43% compared to Q1 - 2015.

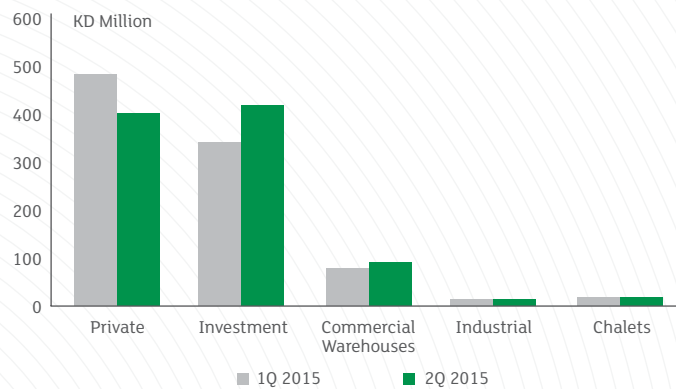
Average commercial transaction value declined by 46% compared to the levels recorded in Q2 - 2014 although commercial real estate prices were stable. Price indicators increased on annual basis by 1.9%. Average Price per meter in Capital governorate stabilized at KD 5,948 during Q2 - 2015. Average price per meter recorded KD 3,582 for the second time respectively in Hawalli governorate.

Price levels declined relatively in Farwaniya governorate by not more than 0.5%, being highest ratio among governorates, thus reaching KD 2,651. Prices stabilized in Jahra governorate at KD 2,870 and in Ahmadi at 3,078 during Q2 - 2015.

Real Estate Trading Ratio (Sector wise) / Total Real Estate Trading Value Q2 2015

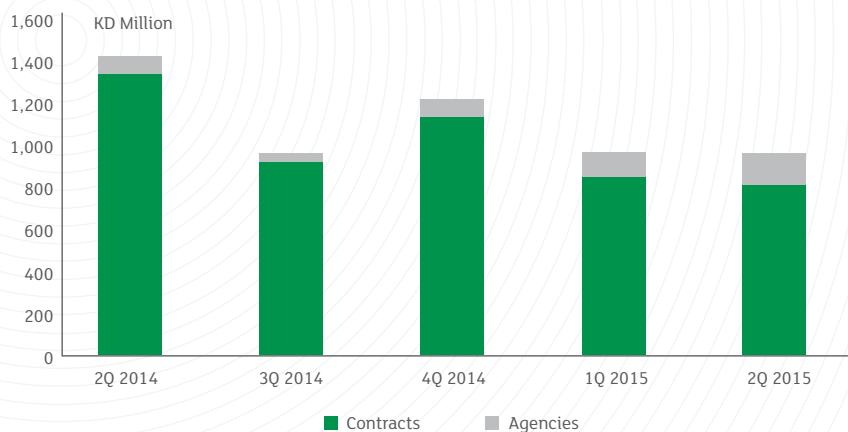


Total Real Estate Trading Value Q2 and Q1 - 2015



Market Trends During Q1

Developments on Total Real Estate Transaction Value Q2 2014 - Q2 2015

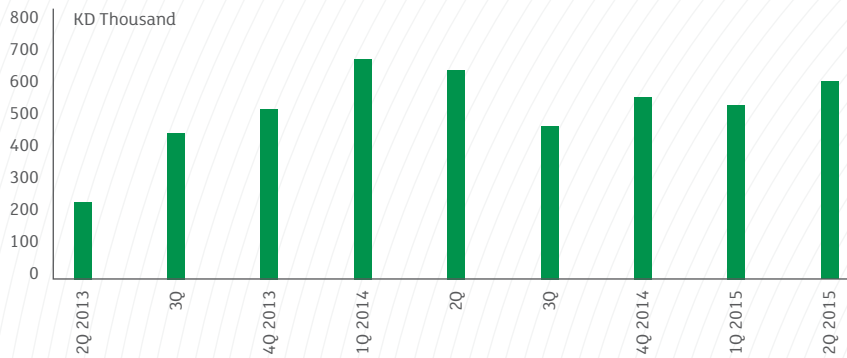


Total real estate transactions (contracts) decreased to KD 855 Million i.e. a decline by KD 40 Million compared to KD 895.4 Million during Q1 i.e. 22%. Total real estate transactions (agencies) increased to KD 111 Million i.e. a significant increase by more than 83% compared to its value which has declined to KD 60.0 Million, a decline by 23% during Q1.

Total real estate transactions (contracts) recorded an annual decline by 36% or KD 491 Million compared to its unprecedented value which has approximated KD 1.4 Billion during Q2 - 2015. Total real estate trading value - agencies - increased significantly on annual basis by 29% or KD 25 Million compared to KD 86 Million recorded during Q2 2014.

Average total transaction value indicator witnessed an increase by 7% or KD 38 Thousand. Average real estate transaction value reached KD 582 Thousand during Q2 compared to a decline by 3% witnessed during Q1 which has recorded KD 544 Thousand. Meanwhile a significant annual decline was noticed compared to the high levels which have reached KD 646 Thousand during Q2 2014 i.e. 10%.

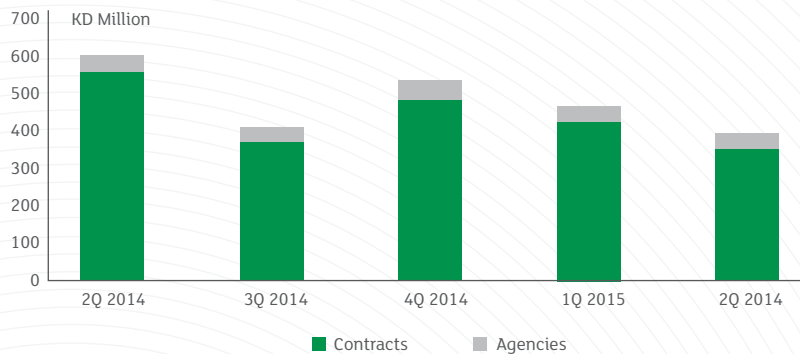
**Progress on Total Transaction Value/ Total Real Estate Trading
Q2 2013 - Q2 2015**



Private Residence Trends

Real estate trading value in regard to private residence recorded a decrease by 42% or KD 410.3 Million of total real estate transactions during Q2 - 2015. Residential sales value recorded a decline by 15% compared to its volume which had declined to KD 480 Million or 13% thus representing half total transactions value during Q1.

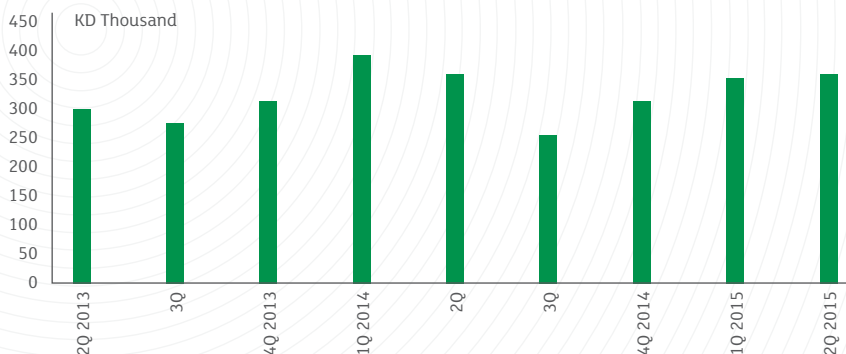
**Progress on Real Estate Transactions Value - Private Residence
Q2 2014 - Q2 2015**



Private residence transactions recorded 1,151 transactions during Q2 - 2015 thus declining by 16% of its number which has reached 1372 transactions during Q1 - 2015.

Average transaction value increased by 2% thus recording KD 357 Thousand during Q2 - 2015 compared to KD 350 Thousand during Q1 - 2015 i.e. an increased by 11%. Average transaction value of private residence decreased on annual basis by less than 2% for the second time respectively.

**Progress on Average Transaction Value/Private Residence Transactions
Q2 2013 - Q2 2015**



Concerning private residence monthly transactions value during Q2 2015, the month of June recorded the highest transactions share by 34.6% or KD 142 million of total private transactions. The month of April came second with KD 137 million representing 33.4% while May came last with KD 131 million or 32% of private residence transactions during Q2 2015.

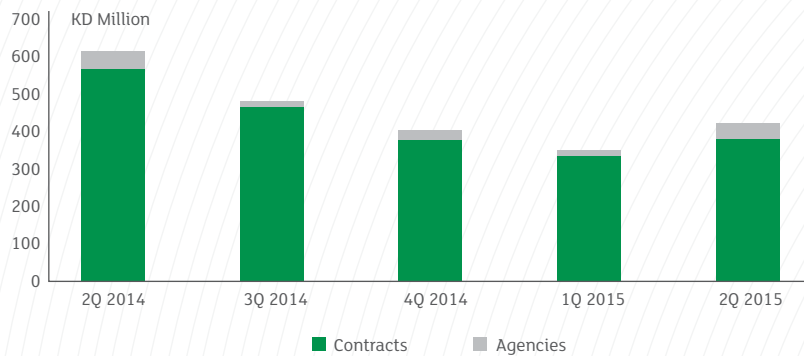
Investment Real Estate Trends

Investment real estate transactions reached KD 422 Million during Q2 thus marking an increase by 20% compared to KD 352.6 Million during Q1 - 2015 which had witnessed a decline by 12%.

Increase in investment real estate sale value has led to an increase of its share to 44% of total real estate transactions value during Q2 compared to its share 37% during Q1 - 2015.

Investment real estate transactions value dropped down on annual basis by 32% to reach KD 617 Million during Q2 - 2014.

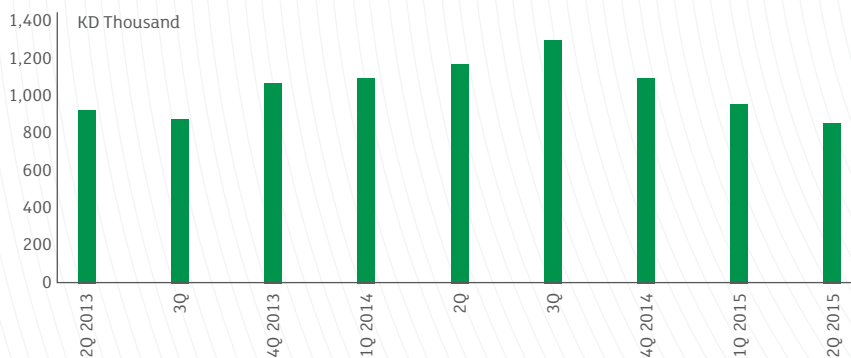
Progress on Investment Real Estate Transactions Value Q2 2014 - Q2 2015



Investment real estate transactions witnessed an increase in number to reach 462 transactions, thus marking a significant increase by 33% during Q2 - 2015 compared to its number which has declined to 347 deals by 3% during Q1 - 2015.

Investment real estate value per transaction decreased to reach KD 913.7 Thousand during Q2 - 2015 i.e. a decrease by 10% compared to a decline to KD 1 Million during Q1 - 2015 i.e. a decline by 10%. Transaction value recorded a significant annual decline by 24% compared to its high levels which have prevailed during Q2 - 2014.

Progress on Average Transaction Value/Investment Real Estate Transaction Value Q2 2013 - Q2 2015



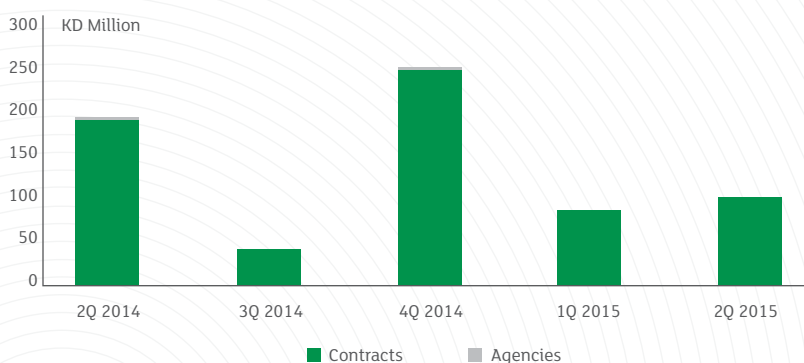
Concerning monthly investment transactions volume during Q2 2015, the month of June has dominated 40% of total investment transactions during Q2 2015, thus recording KD 169 million, followed by April which has dominated 31.5% i.e. KD 133 million while May came last with a share approximating 28.5% or KD 120 million.

Commercial Real Estate Trends

Commercial real estate transactions value recorded KD 102 Million during Q2 - 2015 thus marking an increase by 11.3% compared to KD 91.5 Million recorded during Q1 - 2015 i.e. a decline by 63.7%. The value recorded in Q2 represents 11% of real estate transactions value compared to its share 10% during Q1 - 2015.

Annual commercial real estate transactions value recorded a significant decrease by 47% i.e. KD 193.4 Million during Q2 2014.

**Progress on Commercial Real Estate Transaction Value
Q2 2014 - Q2 2015**

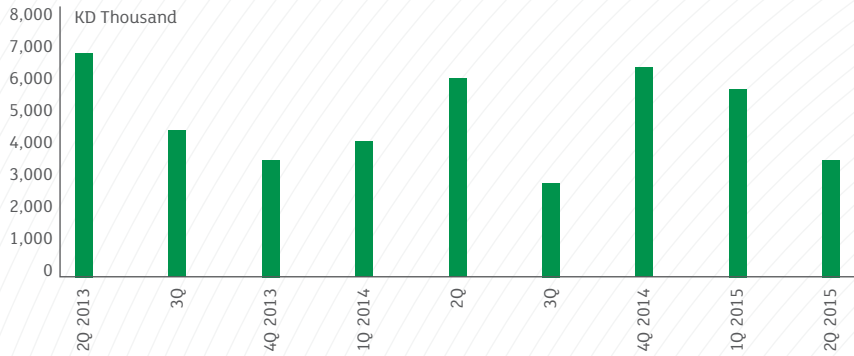


The number of commercial real estate transactions doubled to reach 31 transactions during Q2 - 2015 compared to a decline to 16 transactions i.e. 59% during Q1 - 2015.

Average commercial real estate transaction value decreased significantly by 43% to reach KD 3.3 Million during Q2 compared to its value which has declined to KD 5.7 Million during Q1 2015 i.e. a decline by 12%.

Average transaction value decreased on annual basis by 46% compared to its value which has exceeded KD 6 Million during Q2 - 2014.

**Progress on Average Transaction Value/Commercial Real Estate Transactions
Q2 2013 - Q2 2015**



Concerning monthly transaction values of commercial real estate transactions volume during Q2 2015, April has dominated nearly half the value, capturing a share exceeding 52% or KD 53 Million of commercial real estate transactions. June came second with a share representing 25.4% of total commercial real estate transactions or KD 26 Million while May came last with a share of 22.6% or KD 23 million.

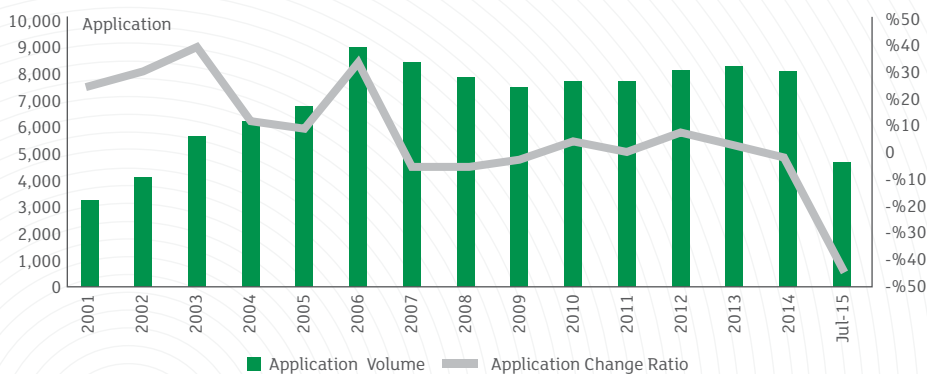
Public Authority for Housing Welfare has completed the execution of some other projects during Q2 2015.

Housing Projects

The state aims to complete more than 36 thousand residential units by 2017. This plan will be part of several projects executed by the Public Authority for Housing Welfare in accordance with very stringent technical conditions set by the authority. These planned housing projects shall fulfill part of the increasing demand on such projects including housing applications accumulated since 1985 which have declined to 109.8 Thousand applications till the date of the latest report published on the authority's website in July 2015. Total applications reached 4,559 applications during 2015 as per the latest report.

Public Authority for Housing Welfare has managed, according to the proposed distribution table for the year 2014/ 2015, to distribute around 3,258 residential units. Also, 9,459 units were distributed till Q1 of 2015 in Sabah Al-Ahmed, Western Abdullah Al-Mubarak, Abu-Halifa and Sabahiya areas during the period from Sep. 2014 - April 2015. Accordingly, total units distributed reached 12,753 units during the financial year 2014/2015 as per the announced distribution plan. These projects may mitigate the volume of housing crises in the country by increasing the size of new offered residential lands.

**Progress on Residential Applications Presented to the PAHW
2001 - July 2015**



The Public Authority for Housing Welfare has succeeded during Q2 2015 in delivering certain planned projects including houses, plots, services, buildings, public utilities, power stations, infrastructure services and public facilities in Sabah Al-Ahmed city costing approximately KD 133 Million. These projects are executed in continuation of the authority efforts to execute its ambitious plan during the period 2011 - 2014 in cooperation with certain major companies in various economic sectors. Such projects require the construction of roads and service buildings.

Public Authority for Housing Welfare has completed the execution of some other projects during Q2 2015. Actual completion percentage in some of those projects approximated 100% but not yet delivered. The completion percentage in some of these projects exceeded KD 2.6 Million and execution percentage exceeded 85%. However, execution is still less than expected in projects pertaining to plots and services at Jaber Al-Ahmad and Sabah Al-Ahmed areas, North West Sulaibikhat and Qairawan areas with a cost approximating KD 401 Million. Completion percentage in most of the projects is still far less than expected. Total value of incomplete projects approximate KD 318.5 Million including public buildings projects which dominate a cost approximating KD 353 Million. These facts indicate that there is a major delay in the completion of these projects compared to planned schedule.

The authority has commenced, according to the laid plan, the construction of new projects during Q2 2015 in Qairawan and Saad Al-Abdullah cities with total cost approximating KD 5.3 Million for the construction of public buildings in Qairawan project and supply, installation and maintenance of high voltage cables in North West Sulaibkhat residential project.

List of projects announced by the technical bureau for studying development projects, mainly as follows:

List of Projects for Houses, Plots, Services, and Affiliated Public Buildings carried out by PAHW July 2015

#	Area	Contract Value	Actual Rate of Completion	
			Q2 2015	Q1 2015
1	Sabah Al Ahmad City	132.9	Delivered	98%
2	Sabah Al Ahmad City	127.9	94.5%*	86%
3	Sabah Al Ahmad City	200.7	91%*	84.4%
4	Northwest Sulaibkhat City	34.3	91%*	75%
5	Sabah Al Ahmad City	18.9	76%*	73%
6	Northwest Sulaibkhat City	38.1	89%*	70.5%
7	Jaber Al Ahmed City	58.4	3.9%*	3.5%
8	Wafrah Housing Extensions	28.5	18%*	3.6%
9	Abu-Halifa Housing Project	2.2	23.6%*	7%
Cost		KD 641.99M	*Delayed projects	

List of Projects for Public Buildings carried out by PAHW July 2015

#	Area	Contract Value	Actual Rate of Completion	
			Q2 2015	Q1 2015
10	Sabah Al Ahmad City	34	62%*	60.7%
11	Sabah Al Ahmad City	38.5	69%*	55%
12	Sabah Al Ahmad City	6.2	55%*	45%
13	Jaber Al Ahmad City	57.3	80%*	60%
14	Sabah Al Ahmad City	44.7	33%*	29%
15	Naseem Housing Project	9	65%*	41.3%
16	Sabah Al Ahmad City	36.4	18%*	8.6%
17	Existing Wafrah Project	21.1	15%*	4.9%
18	Qairawan Project	4.5	Time Schedule under process	
Cost		KD 251.97M	*Delayed projects	

List of Projects for Roads & Main Services carried out by PAHW July 2015

#	Area	Contract Value	Actual Rate of Completion	
			Q2 2015	Q1 2015
19	Sabah Al Ahmad City	6.6	65	60.4%
20	Jaber Al Ahmad City	1.9	100%*	61.5%
21	Jaber Al Ahmad City	1.09	100%*	43.6%
22	Qairawan Area	79.3	100%*	36.5%
23	Jaber Al Ahmad City	0.228	91.5%	New Project. Time schedule under process
24	Sabah Al Ahmad City	2.29	65.3%	7.5%
25	Saad Al Abdallah	1.46	19%	New Project. Time schedule under process
26	Saad Al Abdallah	0.799	New Project. Time schedule under process	
Cost		KD 14.7M		
Total Cost of PAHW Projects		KD 904.2M		

Source: List of Projects of the Public Authority for Housing Welfare (PAHW) – July 2015 (www.housing.gov.kw)

Price Indicators

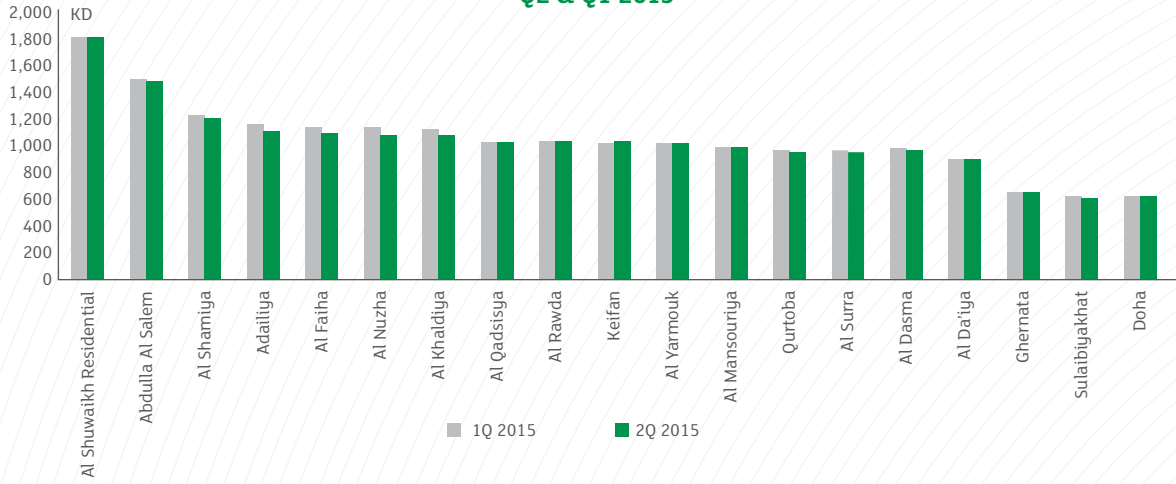
First: Private Residence Land Prices

Price indicators fluctuate based on various factors related to real estate types. Also, real estate prices fluctuate in various Kuwait governorates. Residential land price indices decreased in capital governorate by 1.3% during Q2 2015 compared to the decline witnessed during Q1 by 1.6%. Average price per meter approximated KD 1,043 during Q2 compared to KD 1,057 during Q1 2015. This decline has come on the back of the decline witnessed in various areas. Prices were stable in Shuwaikh residential area (highest price area in governorate) at KD 1,819/m² during Q2 compared to Q1 which has witnessed an increase in average prices by less than 1%.

Abdullah Al-Salem district recorded second highest average price per square meter at the governorate level as prices dropped by less than 0.5% during Q2, thus recording KD 1,498/m² compared to a decline by 1.5% witnessed during Q1. Shamiya and Faiha areas recorded a decline by 2% during Q2 while decline in Adailiya area reached 4.4% compared to Q1 2015.

Price levels in Nuzha and Khaldiya witnessed a decline by 4% while the only price increase was witnessed in Keifan and Yarmouk areas at the governorate level by less than 1%. Decline in prices reached 1% in Qurtoba and Surra areas while it recorded 3% in Dasma area. Prices remained stable in the lowest priced areas in the governorate i.e. Doha and Ghernata. Prices witnessed a decline by 2.2% in Sulaibikhat area.

Average Price/m² for Private Residence in Capital Governorate Q2 & Q1 2015



Residential Plot Prices at Capital Governorate

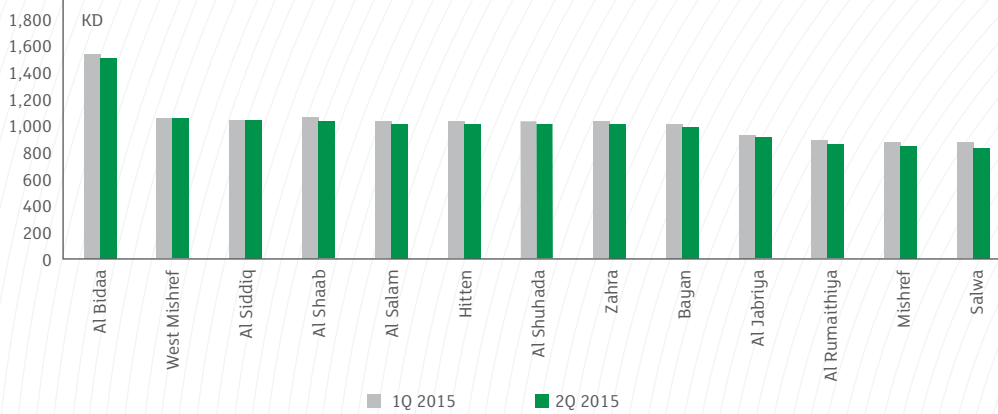
Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Al Shuwaikh Residential	500	210%	Internal	850,000	900,000	1,700	1,800	1,750
	1,000	210%	Internal	1,500,000	1,750,000	1,500	1,750	1,625
	1,000	210%	Main	1,750,000	1,900,000	1,750	1,900	1,825
General Average in the Area				1,525,000	1,675,000	1,738	1,900	1,901
Abdullah Al Salem Area	500	210%	Internal	675,000	800,000	1,350	1,600	1,475
	750	210%	Internal	900,000	1,180,000	1,200	1,573	1,387
	1,000	210%	Internal	1,100,000	1,400,000	1,100	1,400	1,250
General Average in the Area				1,525,000	1,675,000	1,738	1,900	1,819
Shamiyah	250	Till 800	Internal	290,000	340,000	1,160	1,360	1,260
	750	210%	Internal	730,000	920,000	973	1,227	1,100
	500	210%	Main	650,000	750,000	1,300	1,500	1,400
General Average in the Area				740,000	875,714	1,115	1,311	1,213
Nuzha	500	210%	Internal	520,000	600,000	1,040	1,200	1,120
	500	210%	Main	600,000	700,000	1,200	1,400	1,300
	750	210%	Internal	730,000	900,000	973	1,200	1,087
	750	210%	Main	850,000	1,050,000	1,133	1,400	1,267
General Average in the Area				760,000	910,000	1,089	1,300	1,195
Khaldiya	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
	1,000	210%	3rd	1,000,000	1,200,000	1,000	1,200	1,100
	1,000	210%	4th	1,000,000	1,200,000	1,000	1,200	1,100
General Average in the Area				825,625	978,750	1,024	1,208	1,116
Surra	500	210%	Internal	440,000	500,000	880	1,000	940
	500	210%	Main	480,000	580,000	960	1,160	1,060
	750	210%	Internal	580,000	650,000	773	867	8200
General Average in the Area				624,000	710,000	888	1,021	954
Adailiya	500	210%	Internal	500,000	580,000	1,000	1,160	Internal
	750	210%	Main	825,000	940,000	1,100	1,253	Main
	1,000	210%	3rd	1,000,000	1,200,000	1,000	1,200	3rd
	1,000	210%	4th	1,000,000	1,200,000	1,000	1,200	
General Average in the Area				825,625	978,750	1,024	1,208	1,116

Hawalli governorate witnessed a slight decrease by 1.9% during Q2 2015 compared to an average approximating KD 1,007 during Q1 2015 which has witnessed a decline by less than 1%.

Prices varied as they declined in most areas while they remained stable in other governorate areas. Price levels recorded a decrease by 3% in Bidaa area which is the highest priced area in the governorate. West Mishref, being second highest price area in the governorate, recorded a stability in prices while price in Siddique area declined by 1%.

Prices in average price areas (e.g. Shaab) declined by 3% while in Hitteen and Salam the decline reached less than 1%. Shuhada, Zahra and Bayan areas witnessed a decline within 1%. Jabriya and Mishref areas witnessed a decline by 3%. Salwa and Rumaithiya areas, being highest price areas, witnessed a decline by 2% during Q2 2015.

**Average Price/m² for Private Residence at Hawalli Governorate
Q2 & Q1 2015**



Prices varied as they declined in most areas while they remained stable in other governorate areas.

Residential Plot Prices at Hawalli Governorate

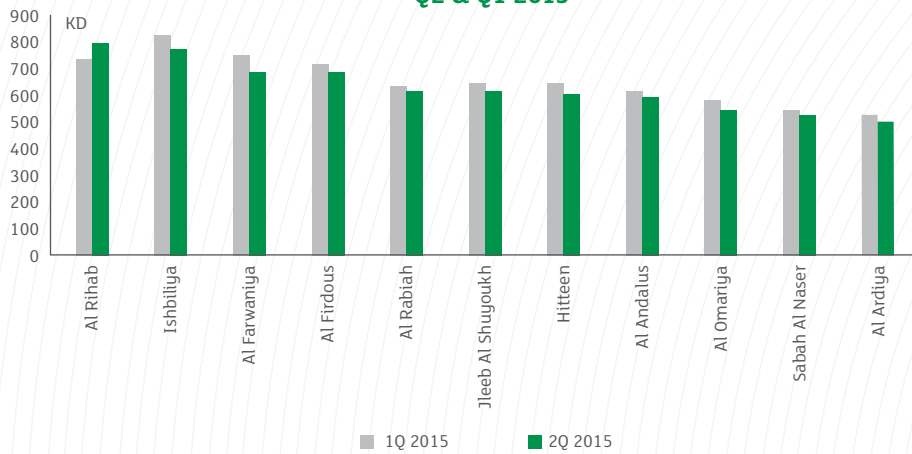
Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Shaab	400	210%	Internal	400,000	450,000	1,000	1,125	1,063
	400	210%	Main	450,000	500,000	1,125	1,250	1,188
	500	210%	Internal	430,000	510,000	860	1,020	940
General Average in the Area				510,000	585,000	949	1,086	1,017
Jabriya	400	210%	Internal	340,000	400,000	850	1,000	925
	400	210%	Main	390,000	450,000	975	1,125	1,050
	500	210%	Internal	380,000	460,000	760	920	840
General Average in the Area				501,111	582,222	789	919	854
Rumaithiya	400	210%	Internal	320,000	370,000	800	925	863
	400	210%	Main	360,000	440,000	900	1,100	1,000
	750	210%	Internal	430,000	530,000	573	707	640
General Average in the Area				507,778	592,222	764	902	833
Salwa	500	210%	Internal	330,000	400,000	660	800	730
	750	210%	Internal	430,000	530,000	573	707	640
	1,000	210%	Aqsaa	850,000	900,000	850	900	875
	1,000	210%	Taawon	1,000,000	1,100,000	1,000	1,100	1,050
General Average in the Area				507,778	592,222	764	902	737
Salaam	400	210%	Internal	380,000	430,000	950	1,075	1,013
	400	210%	Main	430,000	470,000	1,075	1,175	1,125
	500	210%	Internal	410,000	470,000	820	940	880
	500	210%	Main	470,000	550,000	940	1,100	1,020
General Average in the Area				422,500	480,000	946	1,073	1,009
Siddique	400	210%	Internal	390,000	440,000	975	1,100	1,038
	400	210%	Main	435,000	470,000	1,088	1,175	1,131
	500	210%	internal	420,000	480,000	840	960	900
General Average in the Area				431,250	487,500	966	1,089	1,027
Shuhada	400	210%	Internal	380,000	430,000	950	1,075	1,013
	400	210%	Main	430,000	470,000	1,075	1,175	1,125
	500	210%	Internal	410,000	470,000	820	940	880
	500	210%	Main	470,000	550,000	940	1,100	1,020
General Average in the Area				422,500	480,000	946	1,073	1,009

Farwaniya governorate recorded a decline in square meter price to KD 638, second highest decline percentage at Kuwait governorates level, by 3.7% during Q2 2015 compared to average price recorded in Q1 which has reached KD 663 /m² thus marking a decline by 4.7%.

Most governorate areas witnessed a decrease in average prices. Average price recorded a decline by 5% in Ishbiliya area during Q2, thus placing the area in the second position after Rehab area which has occupied first position during Q2. Price levels declined in Farwaniya area by 8% while they increased by 7% in Rihab area which has regained its first position among governorate areas.

Fardous area witnessed a decline by 5% in Q2 2015. Decline in prices reached 4% in Jaleeb Al-Shoyoukh area while the decline reached 1.6% in Rabiah area. Omariya area witnessed a decline by 5% while Ardiya (lowest price area) recorded a decrease by 4%. Sabah Al-Naser area recorded a decline by 4% in average meter price during Q2 2015.

Average Price/m² for Private Residence at Farwaniya Governorate Q2 & Q1 2015



Residential Plot Prices at Farwaniya Governorate

Region	Area m ²	Building %	Site	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Andalus	500	210%	Internal	250,000	300,000	500	600	550
	750	210%	Main	420,000	500,000	560	667	613
General Average in the Area				360,000	422,000	553	649	601
Rabia (Existing house)	500	210%	Internal	270,000	320,000	540	640	590
	500	210%	Main	320,000	350,000	640	700	670
General Average in the Area				295,000	335,000	590	670	630
Ashbilya	375	210%	Internal	260,000	300,000	693	800	747
	400	210%	Main	330,000	360,000	825	900	863
	500	210%	internal	310,000	370,000	620	740	680
General Average in the Area				306,667	356,667	726	843	785
Farwaniya	500	210%	Internal	290,000	350,000	580	700	640
	500	210%	Main	340,000	410,000	680	820	750
General Average in the Area				315,000	380,000	630	760	695
Khaitan	400	210%	Internal	240,000	290,000	600	725	663
	750	210%	Main	350,000	410,000	467	547	507
General Average in the Area				415,000	470,000	568	651	609
Jaleeb Al Shuyoukh	500	210%	Main	305,000	360,000	610	720	665
General Average in the Area				282,500	335,000	565	670	618
Ardiya	750	210%	Internal	330,000	380,000	440	507	473
	750	210%	Main	380,000	430,000	507	573	540
General Average in the Area				355,000	405,000	473	540	507

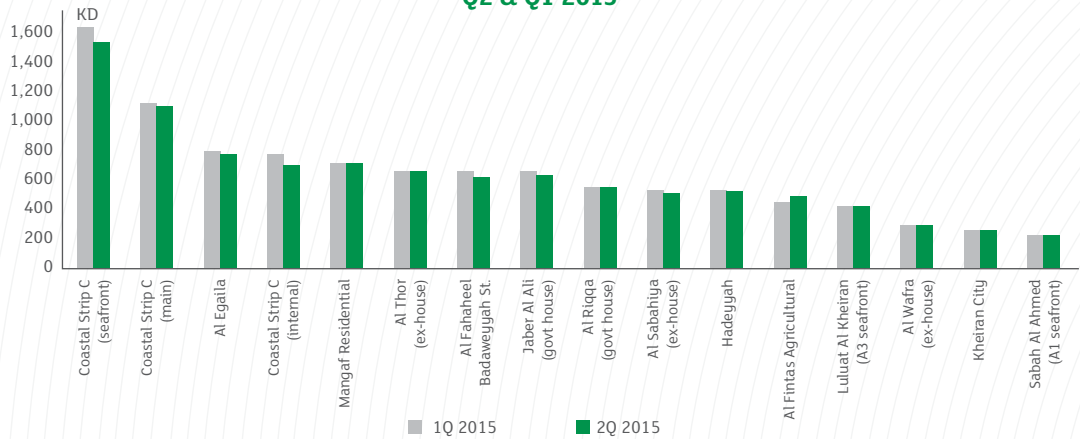
Ahmadi governorate recorded an average price by KD 567, thus recording a decline by 1.1% during Q2 compared to KD 573/m² during Q1 2015 which has recorded a decline by 3.3 %.

Most areas recorded a decline in prices except Fintas agricultural area which has recorded an increase in value by 5.2% while Sabah Al-Ahmed area (lowest price area) recorded a slight increase. Prices remained stable at Riqqa and Wafra residential area.

Southern Coast Strip area is still the highest among governorate areas price wise. The area witnessed a decline by 7% in the southern part and main streets. Eqaila recorded a decline by 1% while Mangaf witnessed a decline by less than 0.5%.

Jaber Al-Ali area witnessed a decline within 1% while Khairan residential area recorded a decline by 2.6%.

Average Price/m² for Private Residence at Ahmadi Governorate Q2 & Q1 2015



Residential Plot Prices at Ahmadi Governorate

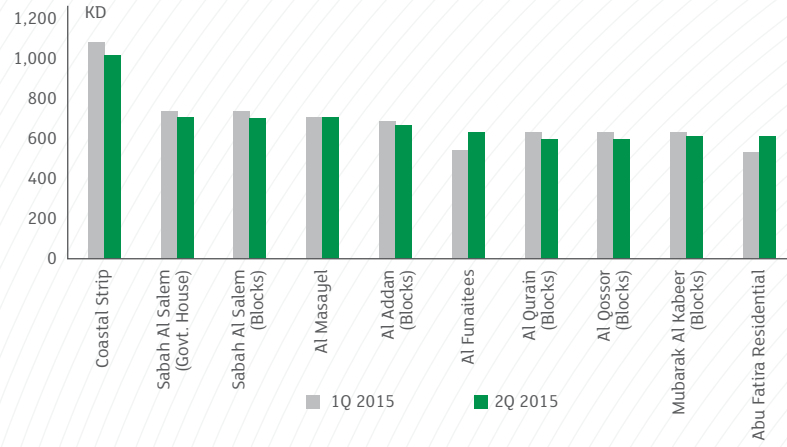
Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Fintas Agricultural	1,000	210%	Internal	380,000	450,000	380	450	415
	1,000	210%	Main	450,000	550,000	450	550	500
Hadiya	750	210%	Internal	300,000	360,000	400	480	440
	750	210%	Main	380,000	420,000	507	560	533
Egaila	400	210%	Main	300,000	340,000	750	850	800
	500	210%	Main	325,000	370,000	650	740	695
Coast strip C overlooking sea	1,000	150%	Marine	1,350,000	1,450,000	1,350	1,450	1,400
Coast strip C overlooking main road	750	150%	Internal	425,000	550,000	567	733	650
Khairan Residential	400	210%	-	90,000	100,000	225	250	238
Sabah Al Ahmad Marine A1 (overlooking sea)	1,200	210%	Marine	250,000	270,000	208	225	217
Sabah Al Ahmad Marine A2 (overlooking Sea)	1,200	210%	Marine	260,000	295,000	217	246	231
Khairan Pearl Marine A3 City (overlooking Sea)	450	210%	Marine	180,000	200,000	400	444	422
Al Mangaf Residential	375	210%	Internal	205,000	240,000	547	640	593

Mubarak Al Kabeer governorate witnessed the highest decline ratio among governorate areas as it recorded a decline by 13.4% during Q2 2015. Price per square meter reached KD 675 compared to KD 779 recorded during Q1 2015 i.e. a decline by 6.6%.

This decline may be attributed to the significant decline in average prices in most of governorate areas except Masayel area in which prices were stable. Funaitees area witnessed an increase in average price/m² by 13%. Abu-Fatira area witnessed a significant increase by 13.4% while price levels declined in the highest price areas e.g. coast strip area which has recorded a decline by 5.3%.

Sabah Al-Salem (second highest price area in the governorate) witnessed a decline by 3% during Q2 2015/ prices declined in average price areas e.g. Adan area by 3%. Qurain and Qosour areas recorded a decline by 3%. Mubarak Al Kabeer area is considered one of the lowest price areas in the governorate as it recorded a decline by 3.2%.

Average Price/m² for Private Residence at Mubarak Al Kabeer Governorate Q2 & Q1 2015



Residential Plot Prices at Mubarak Al Kabeer Governorate

Region	Area m ²	Building %	Site	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Masayel	400	210%	Internal	280,000	320,000	700	800	750
	400	210%	Main	320,000	360,000	800	900	850
General Average in the Area				320,000	365,000	715	815	765
Coastal Strip B	1,000	150%	Internal	600,000	800,000	600	800	700
	1,000	150%	Main	3,000,000	3,300,000	1,500	1,650	1,575
General Average in the Area				1,516,667	1,750,000	1,017	1,200	1,108
Abu Fatira Residential	400	210%	Internal	230,000	270,000	575	675	625
	400	210%	Main	270,000	310,000	675	775	725
General Average in the Area				267,500	315,000	598	703	785
Adan	500	210%	Internal	250,000	290,000	625	725	640
	500	210%	Main	290,000	330,000	725	825	750
General Average in the Area				270,000	310,000	675	775	695

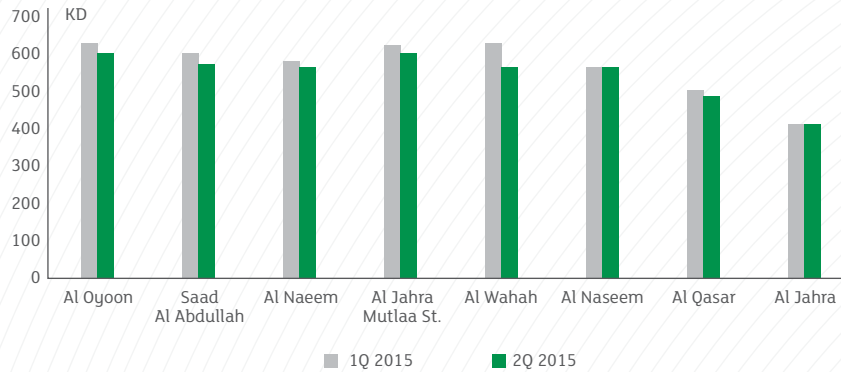
Jahra governorate recorded an average price/m² by KD 528 thus marking a decline by 3.4% during Q2 2015 compared to KD 547 recorded during Q1 i.e. a decline by 2%.

Oyoun area is considered as the highest price area in the governorate. The area has witnessed an increase in prices by 6.5% during Q2 2015. Saad Al-Abdullah area, being second highest price area, recorded a decline by 7.8% during Q2. Decline percentage reached 3.2% in Al-Na'eem area.

Mutlaa street area has taken the leading position among governorate average price areas. The area witnessed a decline by 2.7% while Al-Waha area recorded a significant increase by 19%. Prices stabilized in Al-Naseem area during Q2 2015.

Al-Qasr area is considered as the lowest price area among governorate areas. Prices in this area declined by 3%. Jahra old area recorded the highest decline in prices among governorate areas by 15% during Q2.

Average Price/m² for Private Residence at Jahra Governorate Q2 & Q1 2015



Residential Plot Prices at Jahra Governorate

Region	Area m ²	Building %	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
			From	To	From	To	
Qasr – Club Street	1,000	210%	480,000	550,000	480	550	515
Qasr (existing houses)	600	210%	220,000	300,000	367	500	433
Jahra – Mutla'a St. - Internal	1,000	210%	500,000	600,000	500	600	550
Na'eem – Plots	400	210%	210,000	270,000	525	675	600
Na'eem – (government house)	400	210%	180,000	230,000	450	575	513
Oyouon	297.68	Till 800	150,000	200,000	504	672	588
Al Naseem (government house) – Main Roads	400	210%	190,000	240,000	475	600	550
Oasis (existing houses)	300	Till 800	160,000	210,000	533	700	617
Saad Al-Abdullah	400	210%	230,000	260,000	575	650	613

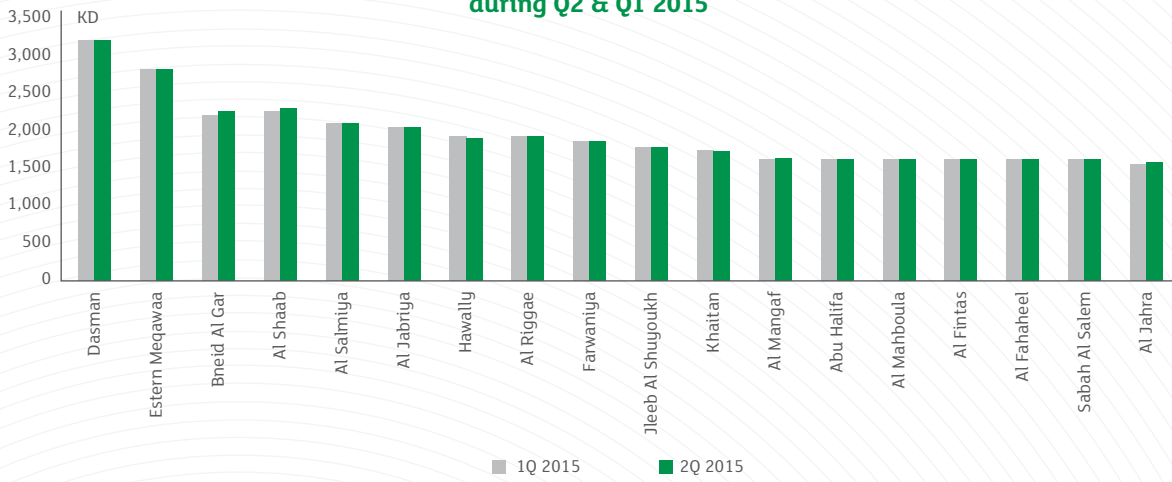
Second: Investment Land Prices

Prices per square meter of investment land at Kuwait level recorded a decline by less than 1% during Q2 2015 compared to a lower decline recorded during Q1. Prices recorded an increase by 2.8% on annual basis.

Average price/m² at capital governorate reached KD 2,689 during Q2 2015, thus recording a decline by less than 1% compared to the average price/m² which had recorded KD 2,706 during Q1 2015. Prices at the governorate recorded the highest annual increase among governorates, thus recording 7.2% compared to Q1 2014.

Concerning investment land price levels at capital governorate areas, Dasman area, being the highest price area, witnessed a decrease in prices by less than 1% during Q2 2015, bearing in mind that it was considered as the highest price increase area among governorate areas during Q1 by 3.3%. Prices have also decreased in Eastern Meqawaa by 1%. Bneid Al Gar is the lowest price area among the governorate areas as it witnessed a decline by 1% during Q2 2015.

Average price/m² for Investment Residence Property at Kuwait Governorates during Q2 & Q1 2015



Prices per square meter of investment land at Kuwait level recorded a decline by less than 1% during Q2 2015.

Investment Land Prices at Capital Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Bneid Al Gar	1,000	250%	Gulf Road	2,900,000	3,000,000	2,900	3,000	2,950
	1,000	250%	Istiqlal	1,950,000	2,150,000	1,950	2,150	2,050
	500	250%	Internal Main	1,000,000	1,100,000	2,000	2,200	2,100
	1,000	250%	1st & 2nd Roundabout	2,000,000	2,250,000	2,000	2,250	2,125
General Average in the Area				1,758,333	1,916,667	2,083	2,275	2,179
Eastern Muqawa	250	240%	Internal	525,000	580,000	2,100	2,320	2,210
	500	400%	Internal	1,300,000	1,425,000	2,600	2,850	2,725
	1,000	400%	Shuhada	3,000,000	3,100,000	3,000	3,100	3,050
General Average in the Area				1,568,750	1,657,500	2,650	2,830	2,740
Dasman	1,000	400%	Gulf Road	3,700,000	4,000,000	3,700	4,000	3,850
	1,000	400%	Internal	2,500,000	2,725,000	2,500	2,725	2,613
	750	400%	Abdullah Al-Ahmed	2,175,000	2,300,000	2,900	3,067	2,983
General Average in the Area				2,791,667	3,008,333	3,033	3,264	3,149

Hawalli governorate witnessed stability in prices as it recorded an average price/m² amounting KD 2,032 during Q2 compared to KD 2,047 per square meter during Q1 2015.

Average price per square meter at Shaab area is the highest among governorate areas. Price levels improved in the area by 1%. Salmiya area witnessed a decline by more than 1% while Jabriya area recorded a decline by less than 1%. Price decline in Hawalli area was the highest among governorate areas as it approximated 2% during Q2 2015.

Investment Land Prices at Hawalli Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Hawalli	750	250%	Muthanna	1,350,000	1,500,000	1,800	2,000	1,900
	750	250%	Qutaiba	1,425,000	1,600,000	1,900	2,133	2,017
	750	250%	Ahmed bin Toloun	1,275,000	1,425,000	1,700	1,900	1,800
	750	250%	Maghreb	1,425,000	1,550,000	1,900	2,067	1,983
	1,000	250%	4th Ring Road	1,950,000	2,150,000	1,950	2,150	2,050
	750	250%	Sharhabeel	1,300,000	1,450,000	1,733	1,933	1,833
	1,000	250%	Internal	1,600,000	1,800,000	1,600	1,800	1,700
General Average in the Area				1,355,000	1,507,500	1,768	1,964	1,866
Salmiya	1,000	250%	Gulf Road	2,800,000	3,100,000	2,800	3,100	2,950
	750	250%	Baghdad (liberation)	1,462,500	1,575,000	1,950	2,100	2,025
	750	250%	Hamad Al-Mubarak	1,450,000	1,600,000	1,933	2,133	2033
	750	250%	Bahrain	1,462,500	1,575,000	1,950	2,100	2,025
	750	250%	Amr Bin Al-Aas	1,550,000	1,687,500	2,067	2,250	2,158
	1,000	250%	Main	1,850,000	1,950,000	1,850	1,950	1,900
	1,000	250%	Internal	1,700,000	1,850,000	1,700	1,850	1,775
General Average in the Area				1,492,969	1,628,125	1,935	2,114	2,024
Shaab	1,000	250%	Gulf Road	2,900,000	3,200,000	2,900	3,200	3,050
	1,000	250%	Istiqlal	1,900,000	2,150,000	1,900	2,150	2,025
	1,000	250%	Internal	1,800,000	1,950,000	1,800	1,950	1,875
General Average in the Area				2,012,500	2,200,000	2,125	2,325	2,225
Jabriya	1,000	250%	4th Ring Road	2,100,000	2,250,000	2,100	2,250	2,175
	1,000	250%	Maghreb	1,950,000	2,100,000	1,950	2,100	2,025
	1,000	250%	McDonald's	2,100,000	2,200,000	2,100	2,200	2,150
	750	250%	Al-Hajri Mosque	1,950,000	2,100,000	1,950	2,100	2,025
General Average in the Area				1,876,786	2,016,071	1,939	2,086	2,013

Farwaniya governorate recorded the highest decline among Kuwait governorates in price/m² by 1.7%. Average price/m² approximated KD 1,783 during Q2 compared to KD 1,815 in Q1 2015.

The governorate witnessed a price decline in most of its areas. Riggae area recorded a decline by less than 1% during Q2 2015. Farwaniya area recorded a higher decline by 1.5%. Price decline in Jleeb Al-Shuyoukh area reached 1.6% during Q2 2015. Khaitan area recorded the highest decline ratio by 3.3% during Q2 2015.

Investment Land Prices at Farwaniya Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Farwaniya	750	250%	Airport	1,462,500	1,600,000	1,950	2,133	2,042
	750	250%	6th Ring Road	1,450,000	1,550,000	1,933	2,067	2,000
	1,000	250%	Internal	1,650,000	1,800,000	1,650	1,800	1,725
	1,000	250%	Main	1,400,000	1,600,000	1,400	1,600	1,500
General Average in the Area				1,285,417	1,416,667	1,739	1,917	1,828
Khaitan	1,000	250%	Airport	1,800,000	2,000,000	1,800	2,000	1,900
	750	250%	Internal	1,237,500	1,350,000	1,650	1,800	1,725
	1,000	250%	Main	1,400,000	1,600,000	1,400	1,600	1,500
General Average in the Area				1,283,500	1,440,000	1,560	1,750	1,655
Jleeb Al Shuyoukh	750	250%	6th Ring	1,325,000	1,400,000	1,767	1,867	1,817
	750	250%	Police Station	1,300,000	1,450,000	1,733	1,933	1,833
	750	250%	Mohammad Al-Qasem	1,275,000	1,350,000	1,700	1,800	1,750
	750	250%	Internal	1,012,500	1,200,000	1,350	1,600	1,475
General Average in the Area				1,128,929	1,235,714	1,672	1,829	1,750
Al Riggae	1,000	250%	5th Ring Road	1,850,000	2,000,000	1,850	2,000	1,925
	1,000	250%	4th Ring Road	1,900,000	2,025,000	1,900	2,025	1,963
	750	250%	Internal	1,237,500	1,350,000	1,650	1,800	1,725
General Average in the Area				1,437,500	1,553,571	1,824	1,975	1,899

Prices in Ahmadi area witnessed a slight decline by less than 1% in regard to average price per square meter during Q2 2015. Average price/m² recorded KD 1,609 during Q2.

Abu Halifa area took the leading position price wise among governorate areas despite the decline by 1% during Q2 2015. Fintas area witnessed a decline by 1%. Mahboula area recorded a decline by less than 1% during Q2 compared to Q1 2015. Meanwhile, prices increased in Mangaf area by less than 1% during Q2 2015. Fahaheel area is considered as the highest decline area among governorate areas by 1.2% for average price/m² during Q2.

Investment Land Prices at Ahmadi Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Fintas	500	250%	Internal	720,000	800,000	1,440	1,600	1,520
	750	250%	Internal	937,500	1,100,000	1,250	1,467	1,358
	750	250%	Fahaheel	1,125,000	1,237,500	1,500	1,650	1,575
	1,000	250%	Coast Strip	2,000,000	2,200,000	2,000	2,200	2,100
General Average in the Area				1,166,500	1,300,000	1,518	1,693	1,606
Abu Halifa	500	250%	Internal	720,000	800,000	1,440	1,600	1,520
	750	250%	Main	1,050,000	1,162,500	1,400	1,550	1,475
	1,000	250%	Coast Strip	2,000,000	2,200,000	2,000	2,200	2,100
General Average in the Area				1,176,875	1,315,625	1,523	1,704	1,613
Mangaf	500	250%	Internal	735,000	815,000	1,470	1,630	1,550
	750	250%	Internal	950,000	1,100,000	1,267	1,467	1,367
	750	350%	Mecca Street	1,162,500	1,250,000	1,550	1,667	1,608
	750	350%	Fahaheel	1,150,000	1,237,500	1,533	1,650	1,592
	1,000	250%	Coast Strip	2,000,000	2,250,000	2,000	2,250	2,125
General Average in the Area				1,180,833	1,302,500	1,545	1,702	1,624
Mahboula	500	250%	Internal	720,000	815,000	1,440	1,630	1,535
	750	250%	Internal	937,500	1,100,000	1,250	1,467	1,358
	750	250%	Main	1,050,000	1,162,500	1,400	1,550	1,475
	750	250%	Fahaheel	1,150,000	1,237,500	1,533	1,650	1,592
	1,000	250%	Coast Strip	2,000,000	2,200,000	2,000	2,200	2,100
General Average in the Area				1,150,000	1,237,500	1,533	1,650	1,592
Fahaheel	750	250%	Internal	975,000	1,125,000	1,300	1,500	1,400
	750	250%	Main	1,087,500	1,200,000	1,450	1,600	1,525
	1,000	250%	Mecca	1,650,000	1,800,000	1,650	1,800	1,725
	750	250%	Badawiya	1,200,000	1,275,000	1,600	1,700	1,650
General Average in the Area						1,824	1,975	1,899

Mubarak Al Kabeer governorate recorded a decline by less than 1.4% in its prices per square meter KD 1,595 during Q2 2015 compared to Q1 prices which recorded KD 1,617.

Price levels stabilized in the highest price areas at Fahaheel Street areas including Sabah Al-Salem area. Prices declined in some areas overlooking 6th Ring Road (second highest price area per square meter) by 1.4% during Q2. Prices declined in average priced areas at the governorate including main and internal areas by 1% - 1.5% while it declined by 3.7% in the lowest priced areas during Q2.

Investment Land Prices at Mubarak Al Kabeer Governorate

Region	Area m ²	Building %	Site	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Sabah Al Salem	1,000	250%	Internal	1,450,000	1,600,000	1,450	1,600	1,525
	1,000	250%	Main internal	1,550,000	1,650,000	1,550	1,650	1,600
	1,000	250%	Fahaheel	1,850,000	2,000,000	1,850	2,000	1,925
	1,000	250%	6th Ring Road	1,750,000	1,850,000	1,750	1,850	1,800
	1,000	250%	-	550,000	625,000	1,100	1,250	1,175
General Average in the Area				1,344,643	1,453,571	1,531	1,660	1,595



Price levels declined with the highest ratio at Fahaheel Street at Sabah Al-Salem area.

Average price per square meter at Jahra governorate reached KD 1,581 during Q2 2015, thus recording an increase by 1%. Price per square meter reached KD 1,573 during Q1.

Price levels stabilized in most of the governorate areas during Q2 compared to Q1 levels except some internal areas which have witnessed an increase by 2.9% during Q2 compared to Q1 2015.

Investment Land Prices at Jahra Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q2 2015
				From	To	From	To	
Jahra	1,000	250%	Internal	1,300,000	1,450,000	1,300	1,450	1,375
	1,000	250%	Main	1,500,000	1,650,000	1,500	1,650	1,575
	800	250%	Water Station St. (Khuzami St.)	1,320,000	1,400,000	1,650	1,750	1,700
	500	250%	-	800,000	875,000	1,600	1,750	1,675
General Average in the Area				1,134,000	1,241,000	1,510	1,652	1,581

Annual Rate of Return on Investment Properties

Demand on investment properties is dependent on realized rates of return. Such returns approximated, at governorates level, 6.2% - 7.5% during Q2 2015. Capital governorate areas recorded rates reached 6.55% during Q2. Recorded price ranged between 6.20% - 6.88% in various governorate areas. Average returns on investment properties reached 6.74% in Hawalli governorate areas. Rates of Return on investment properties in governorate areas increased to 6.2% - 7% during Q2 2015.

Realized returns in Farwaniya governorate increased to 7.14% while returns ranged between 7% - 7.38% in governorate areas. Returns recorded in Ahmadi governorate reached 7.19% during Q2 2015 and reached their lowest level at 6.63%. Returns recorded at Mubarak Al Kabeer and Jahra governorates levels reached 7.18%. Returns recorded in governorate areas ranged between 7% - 7.25% during Q2 2015.

Investment properties are still considered competitive and stable when compared to rates of return on bank deposits or fluctuating returns realized by Kuwait Stock Exchange.

**Annual Rate of Return (ARR) on Investment Properties
in Certain Areas in Kuwait**

Governorate	Region	Building %	Area m ²	Site	Sale Return/Annual Real Estate Income % Q2 2015		
					From	To	Average
Capital	Bneid Al Gar	250%	1,000	Gulf Road	6.15%	6.25%	6.20%
	Bneid Al Gar	250%	1,000	Istiqlal	6.50%	6.75%	6.63%
	Eastern Maqwa	240%	250	Internal	6.00%	6.50%	6.25%
	Dasman	400%	1,000	Gulf Road	6.25%	6.75%	6.50%
Hawalli	Hawalli	250%	750	Muthanna	6.75%	7.00%	6.88%
	Hawalli	250%	1,000	Mousa Bin Nasir	6.75%	7.00%	6.88%
	Salmiya	250%	1,000	Gulf Road	6.15%	6.25%	6.20%
	Salmiya	250%	1,000	Hamad Al-Mubarak	6.50%	6.75%	6.63%
	Shaab	250%	1,000	Gulf Road	6.15%	6.25%	6.20%
	Shaab	250%	1,000	Internal	6.75%	7.00%	6.88%
Farwaniya	Farwaniya	250%	1,000	Airport	6.75%	7.25%	7.00%
	Farwaniya	250%	750	Internal	7.25%	7.50%	7.38%
	Khaitan	250%	750	Airport	6.75%	7.25%	7.00%
	Riggae	250%	750	Internal	7.25%	7.50%	7.38%
	Riggae	250%	1,000	5th Ring Rd	6.75%	7.25%	7.00%
Ahmadi	Fintas	250%	500	Internal	7.00%	7.25%	7.13%
	Abu Halifa	250%	750	Main	7.25%	7.50%	7.38%
	Abu Halifa	250%	500	Internal	7.00%	7.25%	7.13%
	Mangaf	250%	1,000	Coast strip	6.50%	6.75%	6.63%
	Mahboula	250%	750	Internal	7.25%	7.75%	7.50%
	Mahboula	250%	750	Fahaheel	7.25%	7.25%	7.25%
	Mahboula	250%	1,000	Coast Strip	6.50%	6.75%	6.63%
	Fahaheel	250%	500	Internal	7.00%	7.25%	7.13%
Jahra	Jahra	250%	1,000	Internal	7.00%	7.502%	7.25%
	Jahra	250%	800	Khuzami	7.00%	7.25%	7.13%
Mubarak Al Kabeer	Sabah Al Salem	250%	750	Internal	7.00%	7.50%	7.25%
	Sabah Al Salem	250%	1,000	Main	7.00%	7.25%	7.13%

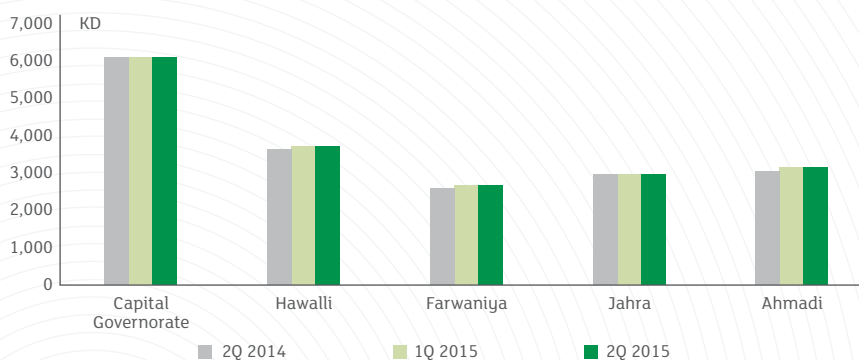
Third: Commercial Property Prices

Commercial property prices at Kuwait governorates level were stable for the second time during Q2 2015, bearing in mind that they have witnessed an annual increase by 1.9% during Q2 compared to price levels during Q2 2014.

Concerning average price per square meter in each governorate, the average price per square meter for commercial properties reached KD 5,948 at Capital governorate during Q2 2015 without any significant change compared to average price during Q1 2015. The price stabilized on annual basis.

The above stability comes as a result of the stable prices witnessed in most of the commercial property areas in capital governorate e.g. city, Mubarak Al Kabeer St., Qibla, some areas in Fahad Al-Salem St. which are considered as the highest price areas. Prices stabilized also in Sharq areas (average price area) including Ahmed Al-Jaber, Khaled bin Al-Waleed, Abdullah Al-Mubarak and Sour Streets. Prices stabilized also in the lowest price areas e.g. Soor Street and Ali Al-Salem Street during Q2 2015.

Average Price/m² of Commercial Real Estate at Kuwait Governorates Q2 & Q1 2015



Commercial Land Prices at Capital Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q2 2015
				From	To	From	To	
Qiblah	500	300%	Mubarakiya	2,375,000	2,875,000	4,750	5,750	5,250
Sharq	500	520%	Ahmad Al Jaber	3,250,000	3,500,000	6,500	7,000	6,750
Downtown	500	620%	Mubarak Al Kabeer (Textile Blocks)	2,975,000	3,250,000	5,950	6,500	6,225
	500	620%	Mubarak Al Kabeer (Stock Exchange)	3,750,000	4,000,000	7,500	8,000	7,750
Qiblah	500	620%	Fahd Al Salem	3,450,000	3,625,000	6,900	7,250	7,075
Sharq	500	520%	Jaber Al Mubarak	2,950,000	3,050,000	5,900	6,100	6,000

Hawalli governorate recorded stability in average price levels per square meter. Prices stabilized at KD 3,582 per square meter during Q2 2015 compared to an increase by less than 1% during Q1 2015.

Prices stabilized significantly in all governorate areas. In Salmiya area - Salem Al-Mubarak St. price/m² stabilized at KD 4,150. This area is the highest price area in the governorate. Prices have stabilized also in Hamad Al-Mubarak St. and Bahrain Street which is considered as one of the lowest price areas in the governorate. No change was noticed on prices prevailing in Hawalli during Q2 2015. Commercial real estate prices stabilized in Tunis Street (highest price in Hawalli) and Beirut St. which came second in average price per square meter. Prices have also stabilized during Q2 2015 in Othman St. and Ibn Khaldoun St. during Q1 2015.

Commercial Land Prices at Hawalli Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q2 2015
				From	To	From	To	
Hawalli	1,000	180%	Tunis	3,800,000	4,300,000	3,800	4,300	4,050
	1,000	180%	Beirut	3,750,000	4,200,000	3,750	4,200	3,975
Salmiya	800	180%	Salem Al Mubarak	3,040,000	3,600,000	3,800	4,500	4,150
	500	180%	Bahrain	1,425,000	1,550,000	2,850	3,100	2,975

Price per square meter dropped down slightly in Farwaniya governorate to KD 2,651 i.e. nearly 0.5% during Q2 2015 compared to KD 2,665 during Q1 which recorded the highest increase ratio among Kuwait governorates by 4.8%. Stability prevailed also in other governorate areas which have marked the highest prices i.e. Munawer St. at Farwaniya area which has increase by 8.5% during the preceding quarter. Prices have also stabilized in Fire brigade street which came second in regard to average price per square meter during Q2 2015.

Khaitan area prevailed in the governorate, especially the properties falling opposite the commercial and office center. The said area is considered as one of the average price areas in Farwaniya in regard to price/m². Jleeb Al Shuyoukh area, namely Cooperative Society and internal areas did not witness any change in prices during Q2 2015.

A state of stability prevailed in Dhajeej area including places overlooking 6th ring road except internal places and other places overlooking 6th ring road which have witnessed a decline in prices ranging 1.1% - 1.7% during Q2. Ardiya area did not witness any change during Q2 2015.

Commercial Land Prices at Farwaniya Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q2 2015
				From	To	From	To	
Farwaniya Munawer St.	1,000	180%	Munawer	5,100,000	5,500,000	5,100	5,500	5,300
Farwaniya Fire Brigade St.	800	180%	Fire Brigade St.	3,600,000	3,840,000	4,500	4,800	4,650
Khaitan	1,000	180%	Opposite the Admin. & Commercial Building	4,200,000	4,650,000	4,200	4,650	4,425
Khaitan (Admin & Commercial)	1,000	300%	(Admin & Commercial)	3,900,000	4,200,000	3,900	4,200	4,050
Jaleeb Al Shuyoukh (Opposite Society)	1,000	180%	Coop Society St.	2,700,000	2,900,000	2,700	2,900	2,800
Jaleeb Al Shuyoukh (Background)	1,000	180%	Internal	2,100,000	2,350,000	2,100	2,350	2,225
Dajeej (5,000 M) on the 6th R. R.	5,000	50%	6th Ring Road	6,250,000	6,750,000	1,250	1,350	1,300
Dajeej (5,000 M) Internal	5,000		Internal	4,500,000	5,250,000	900	1,050	975
Al Dajeej – South Khaitan	5,000		6th Ring Road	2,900,000	3,000,000	580	600	590

Ahmadi governorate witnessed a remarkable stability in prices as average price per square meter reached KD 3,078 during Q2 2015.

Prices stabilized in the highest price areas i.e. coast strip. Mecca street area witnessed stability in prices bearing in mind that this area comes second in position price wise in Fahaheel area. Prices have stabilized also in Dabous Street which has recorded the highest increase 5.7% during Q1. Prices in internal and main streets at the commercial and administrative center – Fintas area have stabilized as well.

The only decline in prices at the governorate level was noticed in internal places of Luluat Al-Khairan area (lowest price area) while prices stabilized in Marina street during Q2 2015.

Commercial Land Prices at Ahmadi Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q2 2015
				From	To	From	To	
Mangaf	750	300%	Aziziya	1,500,000	1,687,500	2,000	2,250	2,125
Fintas Admin. & Comm.	1,000	180%	Main	3,500,000	3,800,000	3,500	3,800	3,650
	1,000	180%	Internal	3,400,000	3,600,000	3,400	3,600	3,500
Fahaheel	750	180%	Dabbous	2,925,000	3,150,000	3,900	4,200	4,050
	750	180%	Internal	2,362,500	2,550,000	3,150	3,400	3,275
	750	180%	Coast Road	3,262,500	3,450,000	4,350	4,600	4,475

Average prices stabilized at Jahra governorate at KD 2,870 per square meter during Q2 2015. Prices have also stabilized in all governorate areas e.g. administrative and commercial area which is considered as the highest price area concerning commercial land prices followed by Marzouk Met'eb Street in which no change in prices was noticed during Q2 2015. Prices have also stabilized at the Qaisariyat area as well as all other areas in Jahra governorate during Q2 2015.

Commercial Land Prices at Jahra Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q2 2015
				From	To	From	To	
Jahra	1,000	180%	Marzouk Al-Mat'aab	3,100,000	3,300,000	3,100	3,300	3,200
Jahra Admin. & Comm. Center	875	300%	Admin. & Commercial	3,325,000	3,500,000	3,800	4,000	3,900
Jahra	1,000	50%	Plot 41 A	2,300,000	2,500,000	2,300	2,500	2,400

Commercial Properties' Annual Rate of Return (ARR)

Rates of Return on commercial properties are still relatively less than returns realized from investment properties in certain governorates e.g. capital governorate in which average return on commercial property stabilized at 6.25%. Returns were relatively more in remaining governorates. This may be attributed to the decrease in occupancy rates of offices sector. Average return at Hawalli governorate level stabilized during Q2 2015 at 7.2%, Farwaniya 7.6% Jahra 7.53% Ahmadi 7.39%.

Commercial Properties Annual Rate of Return (ARR) In Certain Kuwait Areas

Governorate	Region	Building %	Street	Sale Return/Annual Real Estate Income % Q2 2015		
				From	To	Average
Capital	Qiblah	300%	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%
	City	620%	Al Soor	6.00%	6.50%	6.25%
	City	620%	Mubarak Al Kabeer - Blocks	6.00%	6.50%	6.25%
Hawalli	Hawalli	180%	Tunis	7.00%	7.50%	7.25%
	Hawalli	180%	Beirut	7.00%	7.50%	7.25%
	Salmiya	180%	Hamad Al Mubarak	7.00%	7.50%	7.25%
	Salmiya	180%	Salem Al Mubarak	7.00%	7.00%	7.00%
Farwaniya	Farwaniya Munawer St.	180%	Munawer	7.00%	7.50%	7.25%
	Farwaniya Fire Brigade St.	180%	Fire Brigade	7.00%	7.50%	7.25%
	Khaitan	180%	-	7.00%	7.50%	7.25%
	Khaitan (Admin. & Commercial)	300%	(Admin & Commercial)	7.00%	7.50%	7.25%
	Ardiya (Warehouses)	GF 80% Mezzanine 50%	Internal	7.50%	8.00%	7.75%
Jahra	Jahra	180%	Marzouk Al-Mat'aab	7.50%	7.50%	7.50%
	Jahra (Admin. & Commercial)	300%	(Admin. & Commercial)	7.50%	7.50%	7.50%
	Jahra - Quisareyat	300%	Plot 20	7.50%	7.50%	7.50%
Ahmadi	Mangaf	300%	Aziziya	7.50%	7.50%	7.50%
	Fintas (Admin. & Commercial)	180%	Main	7.50%	7.50%	7.50%
	Fahaheel	180%	Dabbous	7.00%	7.50%	7.25%

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

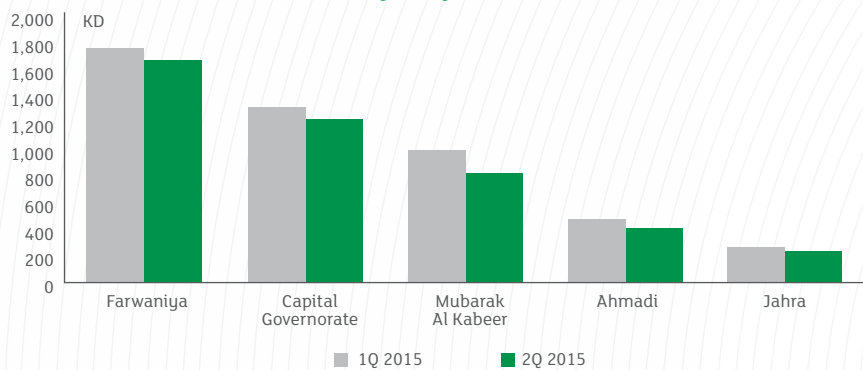
Industrial plot prices declined at Kuwait governorates level by 5.9% during Q2 2015 due to the decline in prices in most governorates.

At the governorates level, capital governorate witnessed a decline in average price/m² of industrial plots by 3.2% thus recording a price KD 1,303/m² during Q2 2015 compared to KD 1,346 recorded during Q1 2015.

Prices of industrial plots stabilized in Electricity and Decorations Streets during Q2. These areas are considered as the highest price areas at the governorate level. Prices declined in Canada Dry Street by 4.8% and declined significantly in Shahrazad Street by 12%. Prices stabilized in certain areas of decoration street during Q2 2015.

Prices declined in Pepsi Street by 2% and declined in 4th ring road areas by 13%. Internal areas of Mohammed Al-Qasem Street have also witnessed a decline by 2% during Q2 2015.

Average Market Value/m² for Industrial and Handcraft Property at Kuwait Governorates Q2 & Q1 2015



Industrial Plot Prices at Capital Governorate

Region	Allocation	Area m ²	Building %	Street	Land Market Value (KD)		Average Price/m ² Q2 2015
Industrial Shuwaikh	Showrooms + Industrial	1,000	100% Basement + 80% Ground + 50% Mezzanine	Canada Dry St.	1,450,000	1,500,000	1,475
		5,000		Canada Dry St.	6,000,000	6,250,000	1,225
		1,000		Shahrazad St.	1,050,000	1,150,000	1,100
		1,000		Decoration St.	1,300,000	1,500,000	1,400
		500		Decoration St.	800,000	900,000	1,700
		500		Electricity St.	875,000	975,000	1,850
		5,000		Pepsi St.	5,250,000	5,500,000	1,075
		1,000		4th Ring Road	1,100,000	1,250,000	1,175
		22,500		Internal	11,250,000	14,000,000	561
		1,000		Mohammad Al Qasim	1,100,000	1,200,000	1,150
		1,000		Ghazalli St.	900,000	1,100,000	1,000
		General Average in the Area					2,884,090,9

Average price/m² of industrial plots recorded KD 1,744 in Farwaniya governorate i.e. a decline by 3% during Q2 2015 compared to KD 1,798/m² during Q1 2015.

Ardiya - handcraft area is still recording the highest price level among various industrial areas in Kuwait during Q2 2015. Average price per square meter witnessed a decline by 4.5% during Q2 2015. Also, prices declined in certain internal warehousing areas by 1.9% while it declined in handcraft areas opposite 5th Ring Road by 5.5%. Prices have also declined in places falling opposite Ardiya area by 3% while internal areas witnessed a decline by 8% during Q2 2015.

Al Rai area recorded an improvement by less than 1% during Q2 2015. The area from Safat Alghanim till Al Nasser Showroom witnessed a significant increase by 13.5% while prices stabilized in Ghazalli Street. 4th Ring Road and Mohammed Al-Qasem Street witnessed a decline by 3.4% and 2%. Decline in prices reached its highest by 5.1% in Automotive Showrooms. Prices in internal streets of the area declined by 3.5%.

Industrial Plot Prices at Farwaniya Governorate

Region	Allocation	Area m ²	Building %	Site	Street	Land Market Value (KD)		Average Price/m ² Q2 2015
						From	To	
Al Rai	Showrooms + Industrial	1,000	100% Basement	Main	Safat Alghanim (till Al Nasser Sports)	1,400,000	1,550,000	1,475
		1,000	80% GF	Main	Ghazalli St.	1,100,000	1,200,000	1,150
		4,000	50% Mezzanine	Main	Mohammad Al Qasim	4,800,000	5,000,000	1,225
General Average in the Area						2,341,667	2,525,000	1,211
Ardiya Craft Area	Crafts	250	100% Basement	Main	Opposite Ardiya Stores	625,000	675,000	6002
		250	80% GF + 50% Mezzanine	Main	Opposite Ardiya Residential	550,000	600,000	3002
General Average in the Area						565,000	618,750	2,368

Ahmadi governorate recorded KD 473/m², thus marking a decline by 7.4% during Q2 2015 compared to KD 511 during Q1 2015.

Price levels declined by 4.3% in Fahaheel area which is considered as the highest price area in the governorate. Average price decline in some of its areas reached 5% during Q2 2015. Prices in East Ahmadi industrial area, second highest average price area, witnessed the highest decline by 13.6%. Certain areas therein e.g. Mustafa Karam Street recorded a significant decline in prices by 26% during Q2. Prices have also declined in other internal places in the area. Shuaiba port and Mina Abdullah Prices declined by 2.9% while prices stabilized in Jawharat Al-Fanar, Highest price area. Decline in prices reached 8.3% in some of the main places in the area which is considered as the second highest price area. However, prices stabilized in some gravel storage areas and some internal areas of Mina Abdullah during Q2 2015.

Industrial Plot Prices in Al Ahmadi Governorate

Region	Allocation	Area m ²	Street	Land Market Value (KD)		Average Price/m ² Q2 2015
West Shuaiba	Industrial	120,000	Behind Gas Station	10,500,000	12,500,000	95,8
West Shuaiba		10,000	Internal	1,600,000	1,750,000	167,5
Mina Abdullah		10,000	Fanar	950,000	1,150,000	235
General Average in the Area				3,252,500	3,750,000	129
Fahaheel	Showrooms + Industrial	1,000	Sultan Center St.	1,200,000	1,250,000	1,275
		1,000	Opposite Fire Brigade	700,000	725,000	750
		1,000	Internal Streets	500,000	600,000	575
General Average in the Area				800,000	858,333	829
East Ahmadi Industrial Area	Showrooms + Industrial	75,000	Mustafa Karam	4,500,000	5,250,000	650
		5,000	Main	2,000,000	2,200,000	420
General Average in the Area				2,162,500	2,450,000	460

Prices of Industrial Plots in Mubarak Al Kabeer Governorate

Region	Allocation	Area m ²	Street	Land Market Value (KD)		Average Price/m ² Q2 2015
Abu Fatira Crafts	Showrooms	1,000	Main	1,850,000	1,950,000	1,900
Abu Fatira Crafts	Handcraft	5,000	Main	650,000	725,000	1,375
General Average in the Area				966,000	1,035,000	1,261
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 Area				1,341,667	1,516,667	513

Prices of Industrial Plots in Jahra Governorate

Region	Allocation	Area m ²	Street	Land Market Value (KD)		Average Price/m ² Q2 2015
Amghara	Major Contractors	10,000	Internal	1,400,000	1,600,000	160
		10,000	Main	1,750,000	1,950,000	195
	Major Contractors	1,000	Internal	200,000	250,000	225
		1,000	Main	240,000	270,000	255
	Warehouse	5,000	Internal	150,000	170,000	64
General Average in the Area				717,500	802,500	162
Jahra	Crafts	500	Internal	200,000	225,000	425
		500	Main	250,000	275,000	525
General Average in the Area				218,750	251,250	533

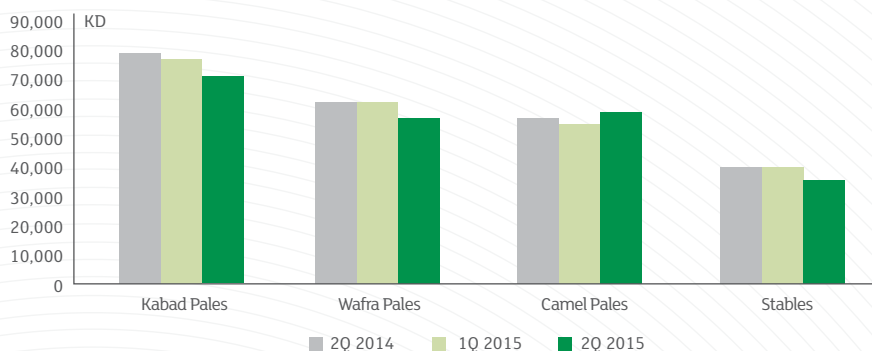
Fifth: Prices of Farms and Livestock Farms

Average price per square meter in livestock farms at Ahmadi governorate declined by 8.7% during Q2 2015 in regard to usufruct during Q2 thus recording KD 54.2 Thousand. Land prices increased in Livestock areas at Ahmadi governorate by 6.5% while they declined in Livestock farms at Kabd by 9%.

Prices declined significantly by 10% in Equestrian Stables during Q2 2015. Prices declined in the racecourse area and golf field by 11% while they declined in internal areas by 12.8%

Prices declined during Q2 2015 in main and internal places at Wafra Livestock farms by 5%. Decline in internal areas reached 8%.

Average Estimated Price of Usufruct at Livestock Farms and Stables at Ahmadi Governorate Q1 2015 – Q2 2015



Estimated price per square meter at Wafra agricultural area witnessed a decline by 11.5% during Q2 2015. Price decline recorded 12.5% in other places in the area. Prices have also declined in Jahra governorate by 14.7% while prices declined by 7.1% in livestock farms (usufruct covering 50 Thousand square meter) as they ranged between KD 300 thousand - KD 350 thousand. Prices declined in another area covering 1 million square meter by 6.7% during Q2 2015 thus recording KD 3.25 Million - KD 3.75 Million.

Price levels per square meter for a 100 thousand m² land declined significantly in Abdali area Mutlaa Road by 33% thus recording KD 200 thousand - KD 300 thousand while they declined by 18.5% (covering a land 50 thousand m²) in Abdali area.

Prices of Farms and Livestock Farms

Governorate	Region	Area m ²	Site	Estimated Plot Usufruct Price (KD)		Price /m ² (KD)		** A/P Q2 2015
				From	To	From	To	
Ahmadi	Kabd Farms	2,500	Internal	70,000	85,000	28.0	34.0	77,500
			Main	85,000	105,000	34.0	42.0	95,000
	Equestrian Stables – Ahmadi	500	Internal	35,000	40,000	70.0	80.0	37,500
			Race Course – Golf	40,000	45,000	80.0	90.0	42,500
	Al Wafra Farms	2,500	Internal	50,000	60,000	20.0	24.0	55,000
			Main	60,000	75,000	24.0	30.0	67,500

** A/P = Average Plot Price

Sixth: Chalet Prices

Demand on chalets increases significantly during summer which coincided with Q2 this year. However, this summer was different. Chalet prices witnessed a decline by 5.2% during Q2 2015 at Ahmadi governorate in general, thus recording KD 16,857 Thousand. Bnaider area witnessed a decline by 3.9%. This area is considered as the highest price area followed by Jelayaa which has witnessed a decline by 4% during Q2 2015. Mina Abdullah and Dhaba'eya areas witnessed a decline by 3%. Decline reached 6% in Al-Zour beach areas and at Khiran during Q2 2015.

Prices were stable at Doha area at KD 8,500/m².

Average chalet prices at Jahra governorate was stable, thus recording KD 5,875 during Q2 2015. Prices stabilized in Kazma area at KD 7500. Prices have stabilized also at Sabiya area at KD 4,250 during Q2 2015.

Chalet Prices at Al Ahmadi Governorate

Governorate	Region	Waterfront Length in Meters	Chalet Market Value		Price/Linear Meter - Waterfront (KD)		**A/P/m ² Waterfront Q2 2015
			From	To	From	To	
Al Ahmadi	Mina Abdullah	20	280,000	320,000	14,000	16,000	15,000
	Dubaeya	20	280,000	320,000	14,000	16,000	15,000
	Julaia	20	460,000	330,000	23,000	24,000	23,500
	Bnaider	20	480,000	500,000	24,000	25,000	24,500
	Al Zour	20	280,000	300,000	14,000	15,000	14,500
	Khairan (Beneficiary contract)	20	280,000	300,000	14,000	15,000	14,500
	Nuwiseeb	20	200,000	240,000	10,000	12,000	11,000

** A/P = Average Price Per Meter

Seventh: Occupancy Rates and Rentals

Occupancy rates maintained former levels for all types of investment properties ranging between 90 - 96%. Occupancy rates improved in commercial properties especially in offices located at capital area.

Private Residence Rental Value

Average rental value for a ground floor, 3 bedrooms, a hall, covering an area of 135 m² in a private residence real estate with a total area 400 m during Q2 2015 at Hawalli governorate ranged between KD 450 - 600. Rental value reached KD 650 at capital governorate. Average rental value at Farwania reached KD 450 and ranged between 350 - 450 in Ahmadi governorate areas. Average rental value increased slightly in Egaila area as it recorded KD 550 while it ranged between 400 - 550 in Mubarak Al Kabeer governorate areas including Abu-Fatira, Addan and Sabah Al-Salem. Average value increases to reach KD 500 - 600 in Masayel area. Rental value in Jahra area ranged between KD 300 - 450.

Average rental value for a full floor in a private residence covering an area of 400 meters ranged between KD 950 - 1,300 at Hawalli governorate and reached KD 1,400 in some distinguished areas therein. Rental value in Ghernata area approximated KD 950 while it goes higher between KD 1,100 - 1,400 in most of Capital governorate areas. Rental value in Farwaniya area ranged between KD 900 - 1,000.

Average rental value ranged between KD 750 - 850 at Ahmadi governorate while it increases slightly to KD 850 - 950 at Egaila. Rental value ranges between KD 800 - 900 in most of Mubarak Al Kabeer governorate areas including Adan and Abu Fatira residential area. Rental value in Sabah Al-Salem areas reached KD 950 and increases to range between KD 900 - 1,000 in Masayel area. Rental value at old Jahra area ranged between KD 650 - 750.

Average rental value for a full first or second floor at a private residence covering an area 400 meter ranges between KD 900 - 950 at Mishrif, Bayan, and Salwa while the value ranges between KD 1,000 - 1,200 in most of Hawalli governorate areas and KD 1,100 - 1450 at capital governorate areas except Ghernata and Sulaibikhat areas where it ranges between KD 800 - 900. Full floor at Farwaniya governorate ranged between KD 850 - 950.

Rental value at Ahmadi governorate ranged between KD 650 - 750 while it increased slightly at Egaila area KD 650 - 750. Rental value at Mubarak Al Kabeer governorate areas ranged between KD 700 - 800 including Abu-Fatira residential area and Addan area. The value increased at Sabah Al-Salem area and ranged between KD 750 - 850. Average value at Masayel ranged between KD 800 - 900. Rental value at Jahra governorate ranged between KD 500 - 650 including Saad Al-Abdulla while it ranged between KD 550 - 650 at old Jahra area.

Investment Residence Rental Value

Average rental value of a 2 bedroom flat and a hall covering an area of 60 m in capital governorate ranged between KD 330 - 350. Rental value for the same area in Hawalli governorate ranged between KD 310 - 350. Rental value for the same area ranged between KD 280 - 330 in Farwaniya Governorate and KD 260 - 290 in Ahmadi governorate. Rental values recorded KD 290 - 320 at Mubarak Al Kabeer governorate and KD 270 - 300 at Jahra governorate.

Rental value of a 2 bedroom flats + a hall coving an area of 70 - 74 m ranged between KD390 - 415 at capital governorate and KD 320 - 370 in Hawalli governorate areas. Rental value ranged between 320 - 350 in Farwaniya governorate, KD 300 - 340 in Ahmadi governorate, KD 325 - 350 at Mubarak Al Kabeer governorate and KD 310 - 330 at Jahra governorate.

Rental value for investment apartments covering an area of 80 - 85 m² ranged between KD 435 - 465 at capital governorate and ranged between KD 365 - 450 at Hawalli governorate areas. Rental value ranged between KD 350 - 390 at Farwaniya governorate areas and ranged between KD 330 - 360 at Ahmadi governorate. Rental value approximated KD 330 and KD 380 at Mubarak Al Kabeer governorate and Jahra governorate respectively.

Rental value for a flat covering an area of 100 - 110 m² ranged between KD 500 - 580 in Capital governorate areas, KD 485 - 550 for Hawalli governorate areas, KD 480 for Farwaniya governorate while the value ranged between KD 425 - 450 for Ahmadi governorate. Rental value increased slightly in Mubarak Al Kabeer area ranging between KD 450 - 480 and reached to KD 430 - 460 at Jahra governorate.

Prices differ according to different areas, design type, finishing and location. The property age is considered as a basic factor in determining average rental value of the property in Kuwait. We shall focus in this report on new property prices which are increasing rapidly, thus putting more pressure on the rental values of old properties available in the market. When old properties are vacant the land lord will eventually increase rent for the new tenant.

Average property trading is considered a significant factor for assessment of rental value. There are distinguished areas, e.g. Shaab, Mirqab, Bneid Al Gar, Sharq and other places inside those distinguished areas e.g. Qatar and Bahrain Streets at Salmiya, real estate buildings overlooking the coast and Qutaiba and Al Muthanna at Hawalli. Also, there are less significant areas e.g. Jleeb Al Shuyoukh, Abu Halifa and Khaitan.

Real estate furnishing is a phenomenon which has spread recently especially for highly distinguished properties. Accordingly, rental value for such properties is determined based on different levels. It is surprisingly noticed recently that rental activities have increased tremendously in internal areas where Kuwaiti citizens live i.e. Salwa, Surra, South Surra and other areas. This may be attributed to the high increase in property prices and the wish to improve loan settlement ability.

Commercial Property Rental Value

Average rent of a commercial meter in a ground floor has increased where average rent ranged KD 25 - KD 35/m² as it reached KD 35/m² in Kuwait city and KD 40 in Salmiya. Average rent/m² at offices ranged KD 6.5-KD 7 and reached KD 8 in certain prime areas and grand yards in Kuwait city. Also it has reached KD 8/m² in certain areas in Hawalli, Fahaheel and Mangaf and more than that, depending on location, finishing type and services provided to tenants and visitors.

Industrial Plots Rental Value

Average rental price for industrial plots rental values per square meter for a ground floor - showrooms ranged between KD 14 - 40 at Shuwaikh industrial area. Prices differ according to different locations. Al-Rai area buildings came second. Average rental value per square meter ranged between KD 14 - 30. Average rental price per meter at Ardiya area (warehouses) ranged between KD 6.5 - 8. This value was much higher in Ardiya (crafts) area where average price per square meter ranged between KD 20 - 30. Average price per square meter at East Ahmadi ranged between KD 12 - 18. Prices at Fahaheel industrial area ranged between KD 14 - 20 per square meter during Q2 2015.

**Average Rental Value for Private Residence in KD Covering
an Area 400m - Newly Built in Kuwait Governorates
during Q2 2015**

Hawalli Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Siddique	500	600	1,100	1,300	1,000	1,200
Salaam	500	600	1,100	1,300	1,000	1,200
Hitteen	500	600	1,100	1,300	1,000	1,200
Shuhada	500	600	1,100	1,300	1,000	1,200
Zahra	500	600	1,100	1,300	1,000	1,200
Shaab	550	650	1,200	1,400	1,100	1,300
Mishref	450	550	1,050	1,250	950	1,100
Bayan	450	500	1,000	1,200	900	1,100
Mubarak Al-Abdullah	500	600	1,200	1,300	1,000	1,200
Salwa	450	500	950	1,200	900	1,000
Jabriya	500	550	1,100	1,300	950	1,150

Capital Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Adailiya	600	650	1,200	1,400	1,100	1,300
Faiha	600	650	1,200	1,400	1,100	1,300
Rawda	600	650	1,200	1,400	1,100	1,300
Yarmouk	600	650	1,200	1,400	1,100	1,300
Keifan	600	650	1,200	1,400	1,100	1,300
Mansouriya	600	600	1,200	1,400	1,100	1,300
Qadsiya	550	550	1,100	1,300	1,000	1,200
Da'iya	550	550	1,100	1,300	1,000	1,200
Dasman	550	550	1,100	1,300	1,000	1,200
Surra	550	550	1,100	1,300	1,000	1,200
Qurtoba	550	600	1,100	1,300	1,000	1,200
Ghernata	450	500	950	1,050	850	950
Sulaibikhat	400	500	900	1,000	800	900

Farwaniya Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Farwaniya	400	450	900	1,000	850	950
Omaria	400	450	900	1,000	850	950
Khaitan	350	400	900	1,000	850	950
Ishbiliya	400	450	900	1,000	850	950
Rabia	350	400	900	1,000	850	950
Rihab	350	400	900	1,000	850	950
Ardiya	350	400	900	1,000	850	950
Andalus	350	400	900	1,000	850	950

Ahmadi Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Hadiya	350	450	750	850	650	750
Egaila	450	550	850	950	750	850
Mangaf	350	450	750	850	650	750

Mubarak Al Kabeer Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Two Full Floor (Ground)		Full Floor (1st & 2nd)	
Sabah Al-Salem	450	550	850	950	750	850
Masayel	500	600	900	1,000	800	900
Abu Fatira Residential	400	500	800	900	700	800
Addan	400	500	800	900	700	800
Qurain	350	450	750	850	650	750

Jahra Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Two Full Floor (Ground)		Full Floor (1st & 2nd)	
Old Jahra	350	450	650	750	550	650
Saad Al-Abdullah	300	400	600	700	500	600

**Average Rental Value Trading
Investment Properties in Kuwait Governorates during Q2 2015 (KD)**

Hawalli Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & Maid's Room (100 - 110)m	
Salmiya	310	340	350	370	380	425	480	500
Hawalli	300	320	320	345	365	410	450	485
Jabriya	320	350	335	355	380	425	480	500
Shaab	320	350	350	360	425	450	500	550
Capital Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & Maid's Room (100 - 110)m	
Sharq	330	350	390-	415	435	465	510	585
Qibla	330	350	390	415	435	465	510	570
Eastern Muqawa	330	350	390	415	435	465	510	570
Dasman	330	350	390	415	435	465	510	570
Bneid Al Gar	330	350	390	410	425	450	500	580
Farwaniya Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & Maid's Room (100 - 110)m	
Khaitan	300	330	330	350	350	390	430	475
Farwaniya	300	330	330	350	350	390	430	480
Jleeb Al Shuyoukh	280	300	330	350	350	370	420	460
Riggae	310	340	350	370	380	425	480	500
Ahmadi Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & Maid's Room (100 - 110)m	
Fintas	260	290	300	340	330	360	425	450
Mahboula	260	290	300	340	330	360	425	450
Abu Halifa	260	290	300	340	330	360	425	450
Mangaf	260	290	300	340	330	360	425	450
Fahaheel	270	300	310	350	340	370	435	460
Mubarak Al Kabeer Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & Maid's Room (100 - 110)m	
Sabah Al Salem	310	290	325	350	350	380	450	480
Jahra Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & Maid's Room (100 - 110)m	
Jahra	270	300	310	330	330	360	430	460

Average Rental Value Trading of Commercial Properties at Kuwait Governorates during Q2 2015 (KD)

Average Rental price per Square Meter (KD)

Areas	Basement	Ground Floor	Mezzanine	Offices
Salmiya	12 - 18	25 - 40	12 - 14	7 - 8
Hawalli	10 - 16	25 - 35	12 - 14	7 - 8
Farwaniya	12 - 18	30 - 45	12 - 14	8 - 9
Khaitan	10 - 16	25 - 35	12 - 12	7 - 8
Mangaf - Aziziyah	8 - 15	20 - 25	10	7 - 7
Fahaheel	10 - 14	25 - 40	12 - 12	7 - 8
Dajeej (Farwaniya)	5 - 6	9 - 12	5 - 6	-
Kuwait City	10 - 11	25 - 35	11 - 12	6.5 - 8.5

* Average rental values per square meter increase in prime locations and modern buildings. Activity type is also considered.

** Basement as a commercial unit and not a store.

*** Administrative and commercial towers.

Average Rental Value Trading of Industrial Plots At Kuwait Governorates during Q2 2015 (KD)

Average Rental price per Square Meter (KD)

Areas	Basement	Ground Floor	Mezzanine	Price Index	Notes
Industrial Shuwaikh	3.5 - 4.5	14 - 40	3.5 - 5	Unit Area = 40 m	-
Al Rai	3.5 - 4.5	14 - 34	3.5 - 5	Excluding rental values in Avenues Mall	-
Sabhan	2.75 - 3	4 - 6.5	3 - 4	► Upon allocating stores for the Ground Floor, Price/m ² ranges KD 4 - KD 5	-
Ardiya (Stores)	3.5 - 4 (As per height)	6.5 - 8	3.5 - 5	► Price/m ² = KD 8 - 6 for a 100-m ² showroom at Ground Floor	-
East Ahmadi	3.75	12 - 18	3 - 4.5	Auto Show & restaurant rentals are the highest	-
Industrial Fahaheel	3.5 - 4 (As per height)	14 - 20	3.5 - 5	Depending on activity	-

• Average rental values per square meter increase in prime locations and modern buildings. Activity type is also considered.

• Average rental values per square meter increase depending on floor height.

In addition, demand increases on stores with a net ceiling height of 8 - 6 m.

This report highlights the general trends adopted to transact real estate market prices in Kuwait. However, the methodology applied by the Evaluation and Studies Department at "KFH" depends on the study of each property separately, study characteristics, determine rental value and returns in order to produce a special recommendation and a fair evaluation for each property.

GLOSSARY OF TERMS

Private Residence Buildings

Model single family buildings located in low density areas. These buildings are constructed either by individuals or private sector companies using various architectural designs as provided by various owners, or lands of which were distributed by the state as part of the housing welfare programs using unified or various architectural designs (model)

Investment Residence Building

A building comprising several residential units (apartments - villas - duplex - studios) used fully for leasing or ownership purposes.

Private School Building

Buildings allocated to provide educational services to a single or several learning stages.

Hotels and Motels Buildings

Buildings allocated for temporary lodging for touristic or entertainment purposes or to provide general services to visitors.

Commercial Building

A building in which basement, ground floor and mezzanine are used as commercial shops. These shops may be designed as closely lined up or separate shops in a corridor overlooking the commercial street or in the form of mansions. Recurrent floors may be used as offices or for any other commercial purposes.

Industrial Facilities

Buildings allocated for industrial, storage, service or craftwork purposes.

Residential Complexes Outside and Inside Kuwait City

Buildings allocated for investment residence purposes. These buildings comprise several residential units (apartments - villas - studios - duplex) and used fully for leasing or ownership purposes. These buildings may be in the form of several buildings constructed as one building or several separate buildings provided that the land area on which the complex is constructed is not less than 3,000 m². Areas allocated for vision angles shall be computed as part of the area required to construct the complex.

Buildings in Various Coastal Strip Areas

Buildings constructed at the coastal strip by individuals on their own private properties.

Buildings Allocated as Plant Nurseries

Buildings used for growing all types of seedling, sell and display plants and flowers, landscaping and garden maintenance and sell agricultural products. Buildings include seeds and agricultural requirements store in addition to administrative offices.

Special Seafront Chalet

Buildings and facilities constructed outside the general cordon limits as per lease contracts on state owned properties for entertainment purposes.

Private Hospitals

Buildings allocated to provide medical services (Outpatient clinics - Operation theaters - laboratories - patient rooms and wards). These facilities may provide general or private services.

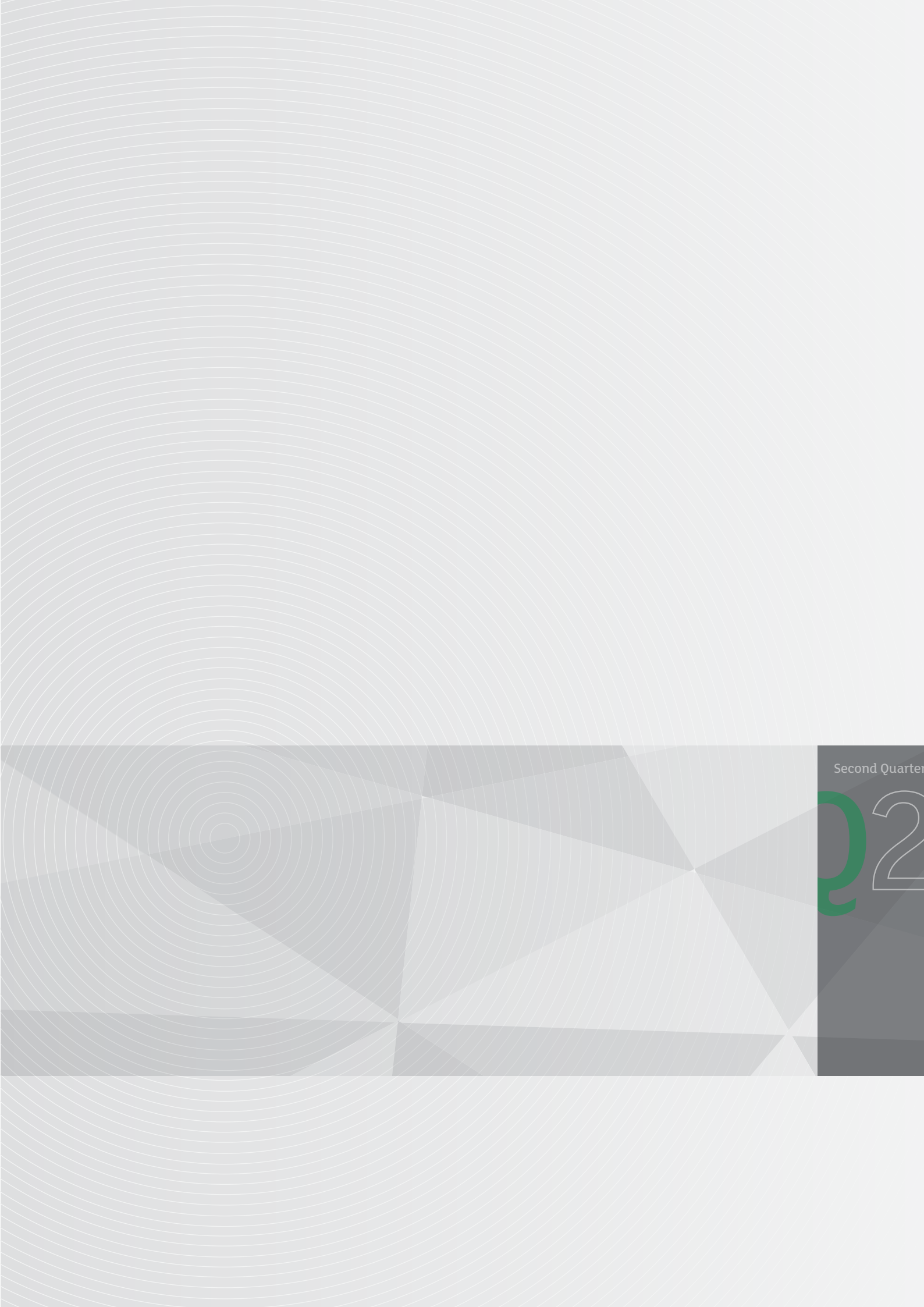
Units of Measurement

Length	
•	The International unit for measuring length is the Meter (m)
•	(1 m = 10 dcm = 100 cm = 1,000 mm)
•	1 yard = 3 feet = 0.9144 m
•	1 foot = 12 inches = 30.48 cm = 0.3048 m
•	1 inch = 2.54 cm = 0.0254 m
•	1 kilometer = 0.6214 miles = 1,000 m
•	1 land mile = 1.6093 kilometers = 1609.0 m
•	1 nautical mile = 6,080 feet = 1.853 kilometers = 1,853 m
•	1 league = 3 miles = 4.8281 kilometers = 4,828 m
•	1 boa = 2 meters approximately
•	1 fathom = 182.88 cm = 1.8288 m
•	1 cubit = 51 cm = 0.51 m
•	1 span = 22.86 cm = 0.0229 m
•	1 meter = 1.0936 yard = 3.2808 feet = 39.37 inches
Area	
•	The International unit for measuring length is the Square Meter (m ²)
•	1 hectare = 10 donum = 2.471 feddan = 10,000 m ²
•	feddan or acre = 4046.8 m ²
•	1 donam = 1,000 m ²
•	1 square meter = 10,764 feet



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