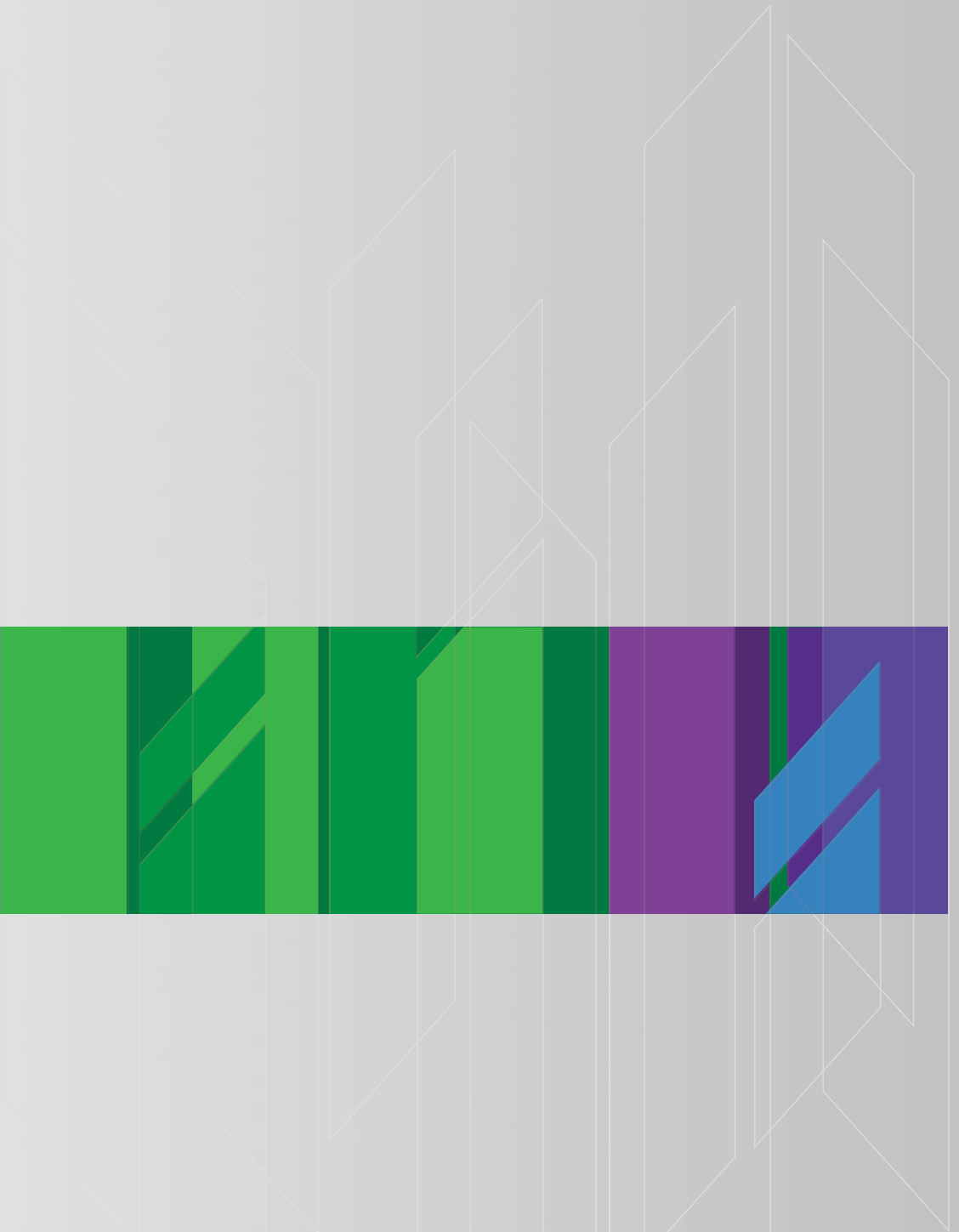




KFH Report
Local Real Estate

2016
Q1

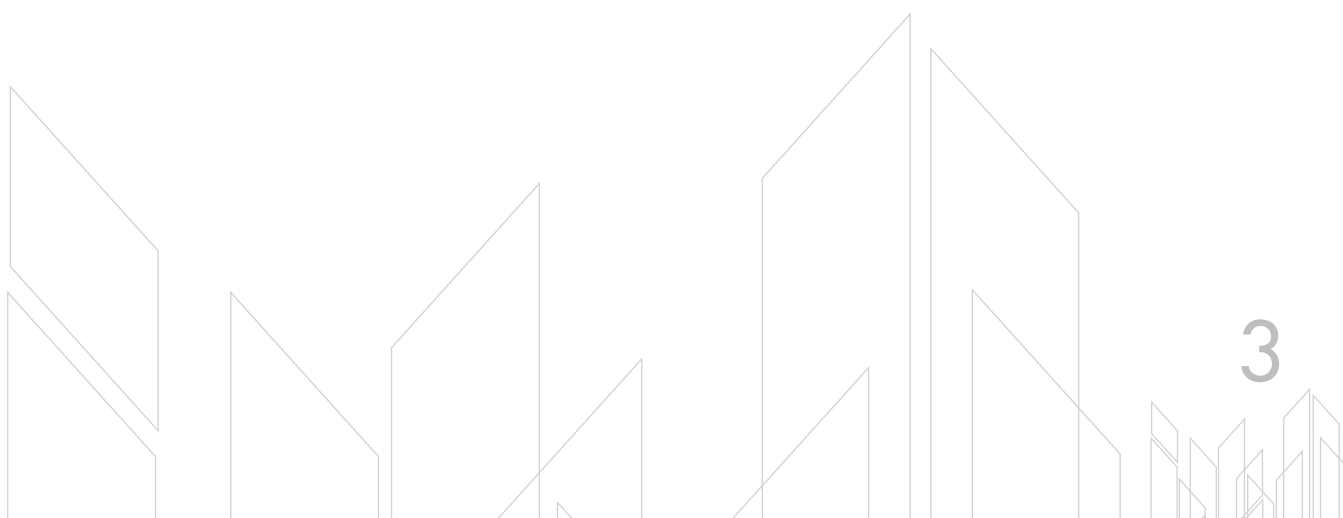






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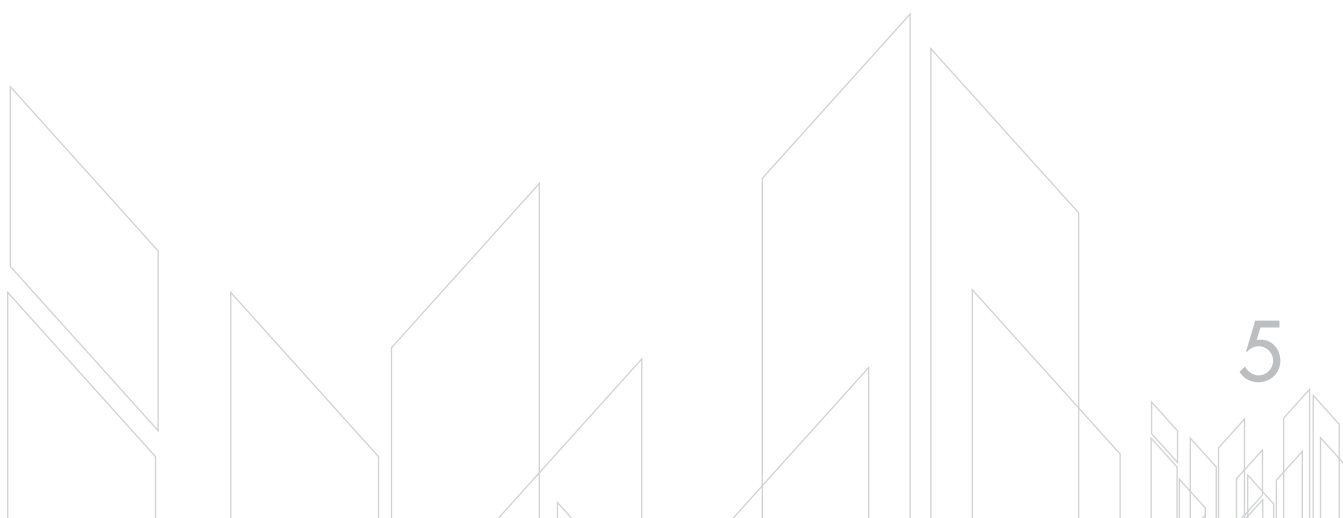
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Introduction

The real estate market declined during Q1 of 2016 due to the massive decline witnessed in both private residence and investment sectors which form the major part of real estate transactions volume. Meanwhile, commercial sector witnessed a significant growth, thus reaching performance levels in Q1 of 2011.

The decline comes on the back of the slump in oil prices since mid-2014 and the continued fears of deficit in the state budget and its impacts on the economy in general. Accordingly, Kuwait has accelerated the adoption of reformation plans that are able to diversify the source of income. To minimize the impact of deficit over the next few years and to achieve positive financial positions, proposals are there to implement VAT value added tax system across the GCC countries. Kuwait's emir has called for better management of spending and for budget cuts to cope with declining revenues due to lower oil price.

A working paper prepared by the economic affairs committee – Council of Ministers on March 2016 included the procedures supporting the financial and economic reformation course on the medium run. The working paper aims to achieve equilibrium in the national economic structure by diversifying the sources of revenues, providing work opportunities and supporting economic and social growth on the long run. This can be achieved through several reformation stages starting with the first stage which includes economic, legislative and corporate reformation to attract national and foreign capitals in an encouraging investment environment. The plan comprises several executive programs approximating 41 programs (23 short term programs, 13 mid-term programs and 5 starting on short term and continue during mid-term). The plan comprises also 6 different themes relating to financial reformation, re-engineering the state role in national economy, expansion of private sector participation in economy, citizens' ownership of projects, reformation of labor market and legislative and economic reformation.



Average transaction value declined during 1Q 2016 for Commercial Real-Estate, slight decrease for Private Real-Estate, while the average value for Investment Real-Estate increased comparing to 4Q 2015.



Real estate sector transactions declined during Q1 this year compared to the value recorded in Q4 last year. The decline comes on the back of the decline in sector transactions except the commercial sector which has witnessed remarkable growth. Accordingly, real estate value declined slightly on the back of the significant decline in the commercial real estate value while private residence value declined slightly. Investment average real estate value increased during Q1 this year compared to Q4 last year.

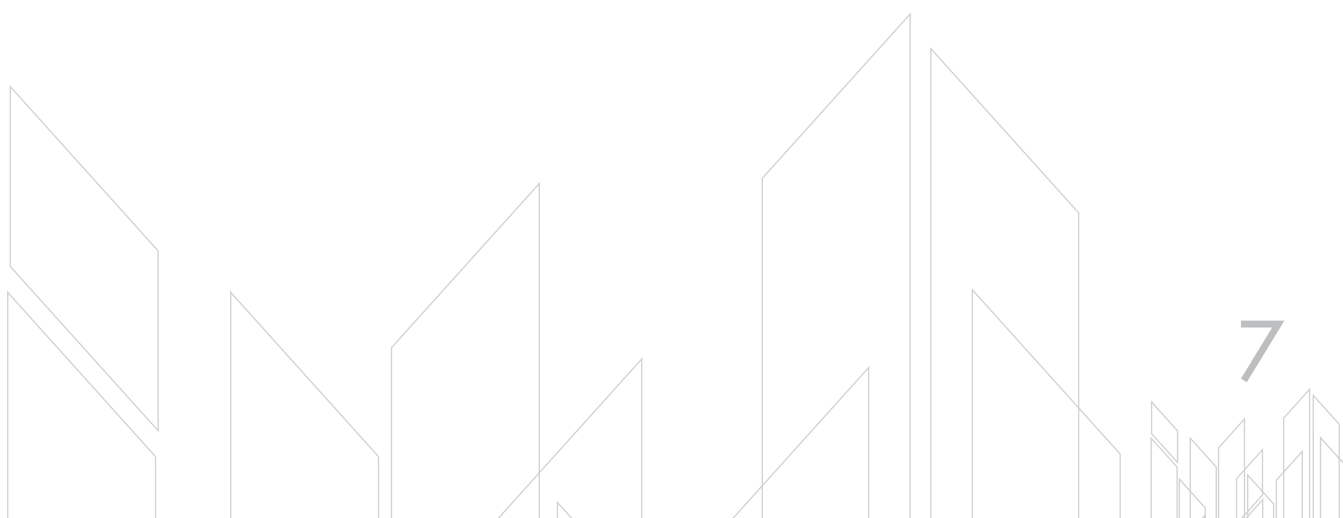
This comes simultaneously with the stability in the volume of liquidity allocated to this sector including loans granted by banking sector during Q4 last year. Loans portfolio approximated KD 19.4 Billion during February 2016 without calculating the loans of credit bank to real estate activity of all types. Meanwhile, the portfolio recorded an annual growth by 7.4% i.e. more than KD 1.3 Billion. The portfolio represents 58.4 % of credit loans granted by the Kuwaiti banking sector in February.

Residential loans granted by Kuwait Credit Bank during March 2016 approximated KD 34.5 Million covering 934 cases including KD 20 million to build government plots, KD 4.9 Million for other government houses and KD 3 Million for building private plots. More than KD 3.4 Million were given as loans and grants to handicapped people. Loans were also given to purchase houses and private residences. Portfolio loans granted by the credit bank for expansion and renovation purposes approximated KD 255 Thousand granted to 31 cases in January.

Financial performance of real estate sector companies was good as per the latest financial results. However, 23 out of 36 real estate companies listed in Kuwait Stock Exchange announced their financial results for the preceding year. Net profit reached KD 138.3 Million in 2015 i.e. 8.6% of net profit for all sectors, thus recording an annual increase by 16.6% in net profit. Share profitability increased in Q3 to reach Fils 11.7, thus recording an annual increase by 14.2%. Total assets increased at the end of 2015 to form 3.4% of all sectors assets. Assets approximated KD 3.9 Billion i.e. an increase by 5.5%. Shareholders' equity increased to KD 2 Billion i.e. 5.8% on annual basis while it represents 9.9% of shareholders equity for all sectors. Capital value of companies which have declared their statements reached KD 2.3 Billion representing 10% of KSE Sectors.

The volume of liquidity traded on the shares of real estate companies in KSE declined during Q1 by 14% thus recording KD 120 Million. Weight index of this sector declined by 8% compared to Q4. Share price declined as at the end of 2015 in 8 of the real estate companies which have announced their financial results (23 companies) compared to last year. Kuwait Stock Exchange performance during Q1 was not different. Transactions value dropped to KD 835 Million i.e. a decline by 19% compared to KD 1 Billion during Q4 last year. Both market price and weight indices declined by 7% compared to Q4.

Local real estate transactions in the real estate market have contributed significantly to liquidity as provided in Q1 financials this year despite the decline which they have witnessed.



Market Trends during the Year

Real estate sales declined in Q1 2016 to reach KD 744 Million i.e. a decline by 10% or KD 84 Million compared to the preceding quarter where transactions exceeded KD 828 Million. Real estate sales increased on quarterly basis by 21% in Q4 while the number of transactions declined by 8.7% during Q1. Accordingly, transaction value declined slightly by 1.6% compared to preceding quarter.

Real estate sales were impacted by the decline in oil prices and the decline witnessed in all real estate sectors during Q1 this year except commercial sector which has witnessed a remarkable increase compared to Q4 2015. Performance was the same as other real estate sectors when compared to Q1 last year. Sale transactions declined in Q1 on annual basis. This decline comes on the back of the decline in the number of transactions in Q1 for all sectors except the commercial sector. This decline has contributed to the decline in the number of transactions in the real estate sector. The decline in real estate sector transactions has led to a similar decline in the average real estate transaction value in Q1 compared to Q4. Except the investment sector in which transaction value has increased, the value has declined in other sectors. Regarding annual performance in Q1, transaction value in all commercial sectors has declined compared to the same period last year.

At the private residence real estate level, sales declined in Q1 by 8% compared to Q4 while it declined significantly by 41% in Q1 2015. Average transaction value declined by 1% compared to Q4 and by 4% compared to Q1 last year. Surveys conducted by Kuwait Finance House show the movement of prices in the real estate market at Kuwait governorates level which indicates that residential real estate prices have recorded a decline by 3.7% in Q1 compared to Q4. They also recorded a decline by 11% compared to prices for the same period last year.

Investment real estate sales declined by 12% in Q1 compared to Q4 while average transaction value increased by 7%. Sales value declined on annual basis by 22% while transaction value declined by 17%. The decline in average investment residence real estate prices improved in Q1 compared to Q4. Prices declined by 3.4% compared to Q4 while its decline increased to 9.6% compared to Q1 last year.

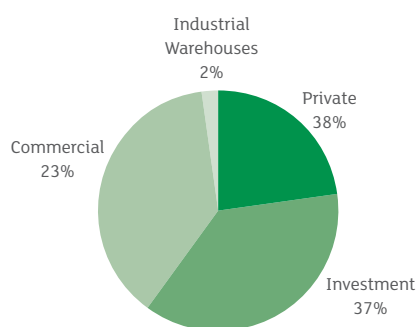
Commercial real estate sales increased in Q1 by 10% compared to Q4. Sales increased by 91% compared to Q1 last year. Despite the significant increase there was a decline in the transaction value by 13% compared to Q4 last year and by 7% compared to Q1 last year. Price indexes declined by 1.5% compared to Q4 last year and by 2.9% compared to Q1 last year.

Price per square meter declined to reach KD 5,932 in Capital governorate, KD 3,418 in Hawalli Governorate, KD 2,535 in Farwaniya governorate, KD 2,765 in Jahraa governorate and KD 2,964 in Ahmadi governorate.

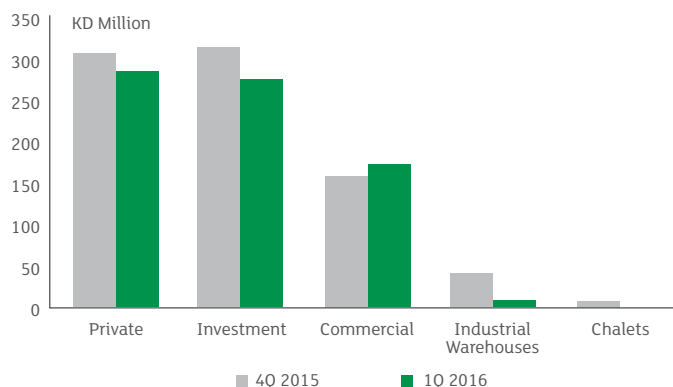




Distribution of Real Estate Transactions Share (Sector wise) / Total Real Estate Transactions Value Q1 2016



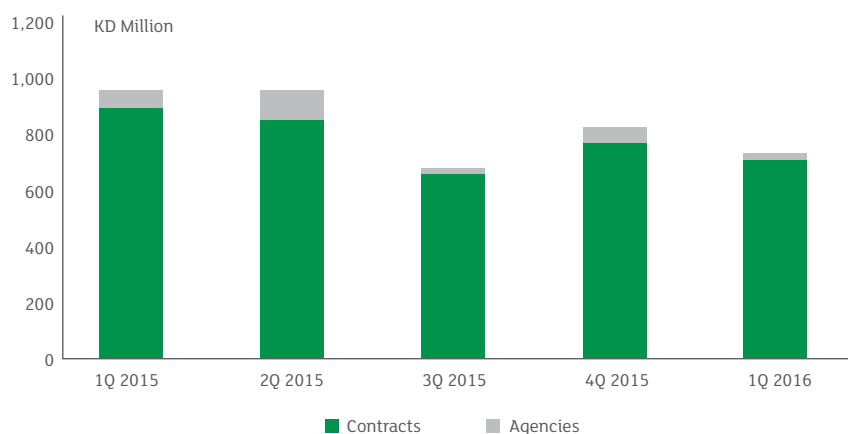
Total Real Estate Trading Value Q1 2016 and Q4 - 2015



Real Estate Sector Trends During the Year

Real estate sales value declined as per trading indications issued by the Real estate Registration & Authentication Dept. – Ministry of Justice during Q4, thus recording KD 744 Million i.e. a decline by 10% compared to sales which have declined in Q4 to KD 828 Million. The value has increased by 21% in Q4. Sales in Q1 this year have declined by 21% compared to sales which have approximated KD 956 Million for the same period last year.

Development on Total Real Estate Transaction Value Q4 2015 - Q1 2016



Contracts trading declined by 7%, thus recording KD 717 Million in Q1 compared to KD 771 Million in Q4. Agencies trading declined by to KD 28 Million in Q1 i.e. a decline by 51% compared to KD 57 Million in Q4 last year.

The annual decline in contract sales retreated to 20% in Q1 following an annual decline by 32% in Q4. Meanwhile the decline in agency sales increased to reach 54% in Q1 while it declined on annual basis by less than 28% in Q4.

Average total transaction value reached KD 600 thousand in Q1 thus marking a decline by 1.6% compared to KD 609 Thousand in Q4. Average transaction value had increased by 4.9% on annual basis while it increased during Q1 significantly by 10% for the same period last year which has recorded a decline by 19%.

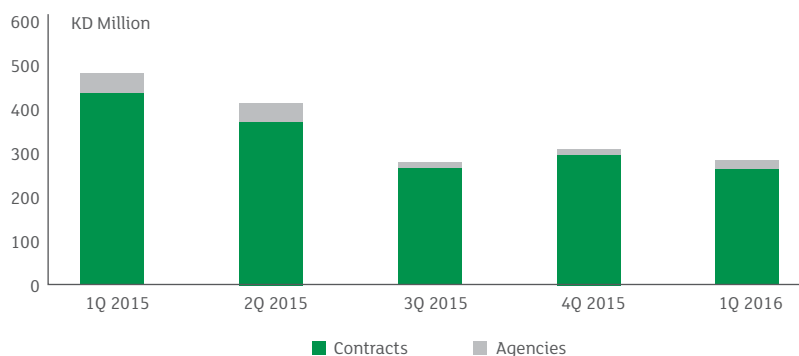
Development on Average Transaction Value/ Total Real Estate Transactions Q1 2014 - Q1 2016



Private Residence Trends

Private residence trading declined in Q1 by 8% compared to Q4. Value approximated KD 282.2 Million in Q1 compared to KD 306.4 in Q4. The share increased to reach 37.9% of real estate sales in Q1 compared to 37% in Q4. The annual decline in value stabilized relatively which reached 41% a year ago compared to 45% in Q4 2015.

Development on Private Residence Real Estate Transactions Q1 2015 - Q1 2016



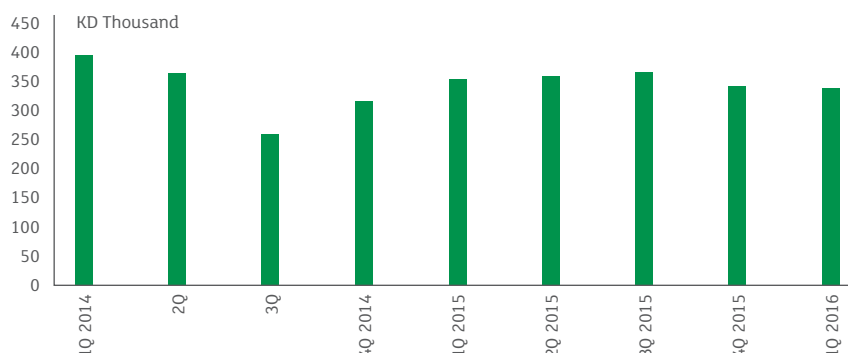
The number of private residence transactions declined by 7% to reach 842 transactions in Q1 compared to 906 transactions by 19%. The number declined in Q1 by 63% compared to the same period last year.

Average private residence transactions declined to KD 335 Thousand by 1% compared to Q4 in which it declined by 7% thus recording KD 338 Thousand. Meanwhile transaction value decline by 4% compared to Q1 last year.





Progress on Average Transaction Value/Private Residence Transactions Q1 2014 - Q1 2016



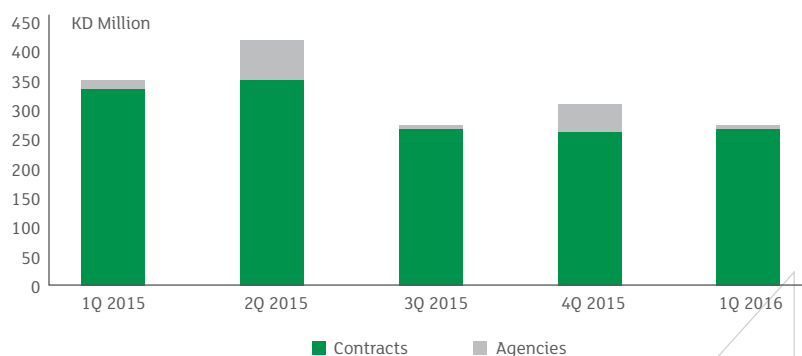
Concerning monthly trading value of private residence during Q1 of 2016 the month of March has recorded the highest trading share, thus dominating 37% of total private residence sales or KD 105.6 Million. January came second with KD 90.6 Million or 32% while February came last with a share approximating KD 86 Million or 30% of private residence sales.

Investment Real Estate Trends

Investment real estate trading value declined by 12% thus recording KD 275.5 Million in Q1 compared to an increase by 14% in Q4 2015 in which value approximated KD 312 Million. Investment real estate share in sector sales declined slightly to 37% in Q1 compared to 37.7 in Q4.

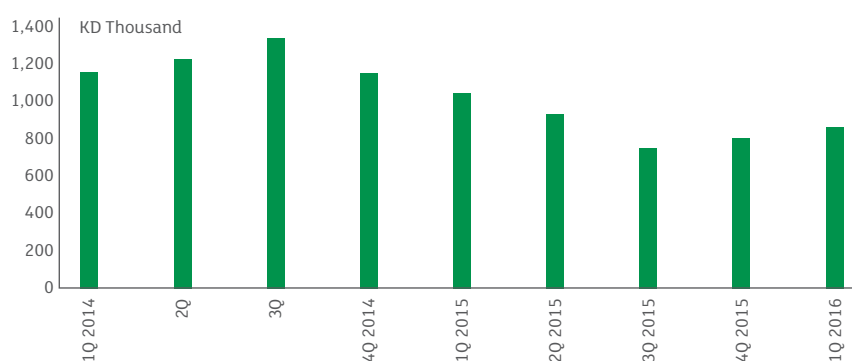
Annual decline in investment sector sales slowed down as it declined by 22% in Q1 compared to a major annual decline by 23% in Q4 bearing in mind that the annual decline last year approximated 42%.

Progress on Investment Real Estate Transactions Value Q1 2015 - Q1 2016



Investment real estate transactions declined by 17.7% in Q1 thus recording 325 transactions compared to an increase by 5.2% reaching 395 transactions in Q4 while it declined by 6.8% compared to Q1 last year. Concerning average investment real estate transaction value it increased by 7% compared to Q4 in which it increased by 8%. Transaction value reached KD 848 Thousand in Q1 compared to KD 789 Thousand in Q4. Meanwhile transaction value declined by 17% in Q1 compared to the same period last year.

Progress on Average Transaction Value/Investment Real Estate Transaction Value Q1 2014 - Q4 2016



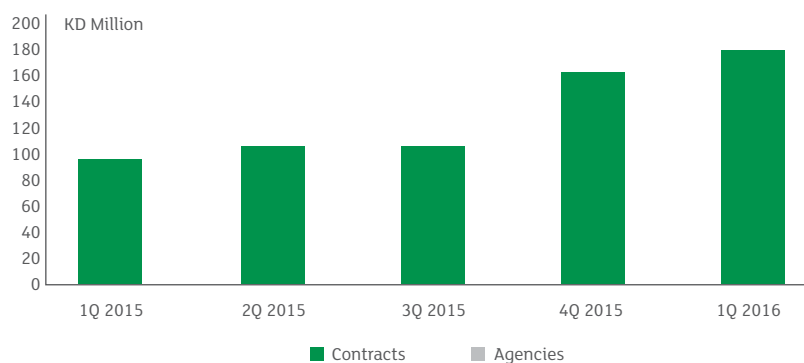
Concerning the volume of investment sales on monthly basis, January came first with a share approximating 36% of total investment sales, thus recording KD 99.5 Million followed by February with 34% share or KD 92.9 Million while March came last with 30% share or KD 83.1 Million.

Commercial Real Estate Trends

Commercial real estate sales increased by 10% to reach KD 175 Million in Q1 compared to sales approximating KD 158.7 Million which have increased during Q4 by 54%. This significant increase has led to an increase in share to reach 24% of real estate transactions in Q1 compared to a share of 19% during Q4.

Commercial real estate sales increase significantly on annual basis to reach 91% of sales in Q1 last year in which sales declined by 10% on annual basis to reach KD 91.5 Million.

Progress on Commercial Real Estate Transaction Value Q1 2015 - Q1 2016



The number of commercial real estate transactions increased by 27% as it recorded 33 transactions compared to its number which has declined by 7% to reach 27 transactions in Q1 2015. Meanwhile transactions number increased in Q1 this year to exceed half of the number recorded for the same period last year 16 transactions.

Commercial real estate transaction value declined by 13%, thus recording KD 5.3 Million compared to a value which has exceeded KD 6.1 Million in Q4. Transaction value has also decline in Q1 this year by 6% compared to the same period last year.

Progress on Average Transaction Value/Commercial Real Estate Transactions Q1 2014 - Q1 2016



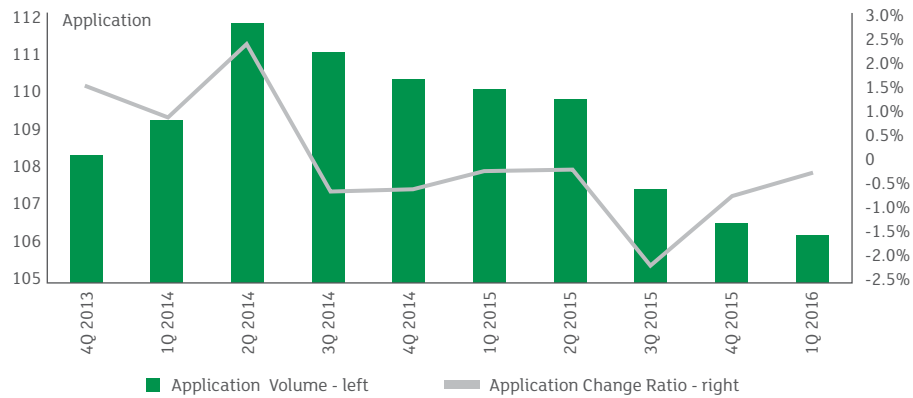
Concerning monthly transaction values of commercial real estate transactions volume during Q1 2016 the month of February has dominated more than half of the sales which have exceeded 90% with a share approximating 51% of the value of commercial real estate sales value. March came next with 33% share or KD 57 Million, followed by October which has recorded 16% or KD 27.8 Million.

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 the accumulating housing applications since 1985 which have declined to 106 Thousand applications according to the latest report published on the authority's website in April 2016. Total applications reached 1783 applications during April as per the latest report.

The Public Authority for Housing Welfare has completed the distribution of 12,177 residential units as per the current year financial plan 2015/2016. The authority was able to distribute the remaining units 4660 unit as per the plan in Southern Mutlaa during Q1 this year. The authority plans to distribute 11,338 units for the financial year 2016/2017 in the same project as well. This may mitigate the housing crises in the country by increasing offered quantities of new residential land.

**Progress on Residential Applications Presented to the PAHW
2000 - 2015**





The Public Authority for Housing Welfare, in cooperation with certain major global companies has succeeded during Q1 2016 in executing certain projects which it planned in those new cities including projects amounting KD 9 Million for the construction and maintenance of public buildings and infrastructure in Al-Naseem Housing Project and KD 1 Million projects for the construction and maintenance of main roads in Jaber Al-Ahmed residential city and projects for the maintenance of power cables in North West Sulaibikhat. The authority is about to complete projects worth KD 219.5 Million with a completion ratio reaching 98% in Sabah Al-Ahmed Marine area, Jaber Al-Ahmed area and North West Sulaibikhat area.

The Authority has completed during Q1 the execution of certain project which it started during the preceding period. Completion percentage has exceeded the determined percentage as per plan in Q1. The authority is about to complete certain projects with a completion ratio reaching 90% or 95% with a value approximating 241 Million. However, there was a delay in the execution time schedule as per plan. Execution is much more less than expected in plots, public buildings, roads and main services which cost nearly KD 239 Million.

The Authority has commenced, as per plan, to develop new projects including Wafra Housing Extension project and Abdullah Mubarak West Project where both projects costing KD 90 Million, in addition to projects in Sabah Al-Ahmed Marine City costing KD 2 Million and Naseem Housing project costing KD 1.6 Million.

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

List of Projects Announced by the Technical Bureau for Studying Development Projects, Mainly as follows:

| | # | Area | Contract Value | Actual Rate of Completion | |
|-----------------------------------------------------------------------|---|----------------------------------|----------------|-----------------------------|---------|
| | | | | Q1 2016 | Q4 2015 |
| Projects for Houses, Plots, Services, and Affiliated Public Buildings | 1 | Sabah Al Ahmad City | 127.9 | 98.3%* | 98.3%* |
| | 2 | Sabah Al Ahmad City | 200.7 | 94.4%* | 93.7%* |
| | 3 | Northwest Sulaibkhat City | 34.3 | 99.4%* | 98.7%* |
| | 4 | Sabah Al Ahmad City | 18.9 | 83%* | 81.5%* |
| | 5 | Northwest Sulaibkhat City | 38.1 | 95.4%* | 94.5%* |
| | 6 | Jaber Al Ahmed City | 58.4 | 3.9%* | 3.9%* |
| | 7 | Wafrah Housing Extensions | 28.5 | 39.2%* | 32.5%* |
| | 8 | Abu-Halifa Housing Project | 2.2 | 48.8%* | 48.5%* |
| | 9 | Abdullah Al-Mubarak West Project | 46 | Time schedule under process | |
| Cost | | | KD 555.1M | *Delayed projects | |



| | # | Area | Contract Value | Actual Rate of Completion | |
|-------------------------------|----|-------------------------|----------------|---------------------------|---------|
| | | | | Q1 2016 | Q4 2015 |
| Projects for Public Buildings | 10 | Sabah Al Ahmad City | 34 | 63.5%* | 62%* |
| | 11 | Sabah Al Ahmad City | 38.5 | 84.3%* | 69%* |
| | 12 | Sabah Al Ahmad City | 6.2 | 65%* | 55%* |
| | 13 | Jaber Al Ahmad City | 57.3 | 99.5%* | 80%* |
| | 14 | Sabah Al Ahmad City | 44.7 | 46.5%* | 33%* |
| | 15 | Naseem Housing Project | 9 | 100% | 65%* |
| | 16 | Sabah Al Ahmad City | 36.4 | 28.8%* | 18%* |
| | 17 | Existing Wafrah Project | 21.1 | 20.5%* | 15%* |
| | 18 | Qairawan project | 4.5 | 8.4% | 6.6%* |
| Cost | | | KD 251.97M | *Delayed projects | |

| | # | Area | Contract Value | Actual Rate of Completion | |
|------------------------------------|----|-------------------------------------|----------------|-----------------------------------------|---------------------|
| | | | | Q1 2016 | Q4 2015 |
| Projects for Roads & Main Services | 19 | Sabah Al Ahmad City | 6.6 | 82%* | 65%* |
| | 20 | Jaber Al Ahmad City | 0.228 | 100% | 93.8% |
| | 21 | Sabah Al Ahmad City | 2.29 | 94% | 94% |
| | 22 | Saad Al Abdullah | 1.46 | 78.5%* | 65.5%* |
| | 23 | North West Sulaibikhat | 0.799 | 100% | - |
| | 24 | Jaber Al Ahmad City | 2.998 | 31% | 12% |
| | 25 | Sabah Al Ahmad City | 1.4 | New project time schedule under process | |
| | 26 | Saad Al Abdullah | 0.669 | New project time schedule under process | |
| | 27 | Saad Al Abdullah | 2.7 | 3.9% | Preparation started |
| | 28 | Wafra residential extension project | 46.6 | New project time schedule under process | |
| | 29 | Naseem housing project | 1.6 | New project time schedule under process | |
| Cost | | | KD 67.3M | *Delayed projects | |
| Total Cost of PAHW Projects | | | KD 874.4M | | |

Source: List of Projects of the Public Authority for Housing Welfare (PAHW) – Jan. 2016 (www.housing.gov.kw)



Price Indicators

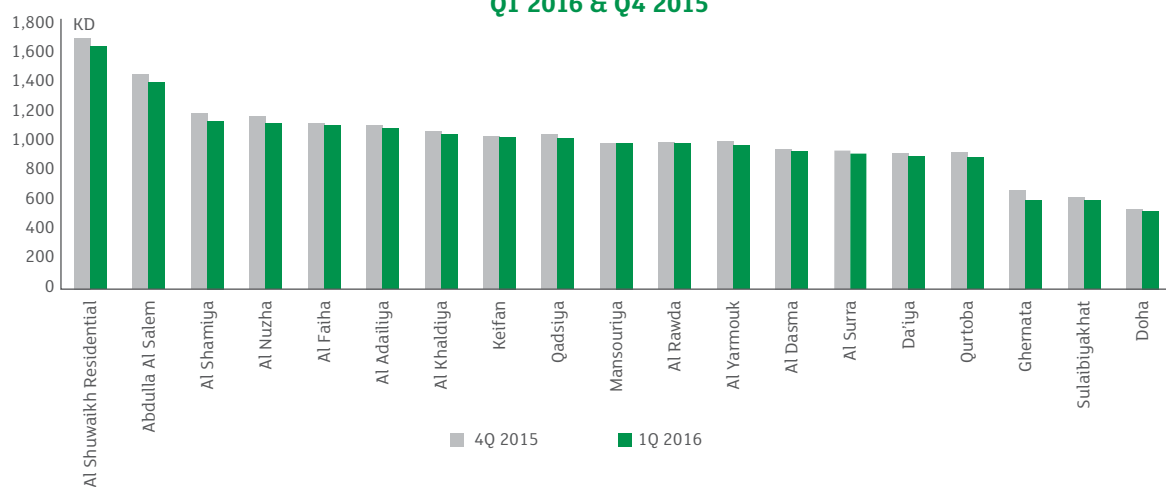
First: Private Residence Land Prices

Price indicators fluctuate based on various factors related to real estate types. Also, real estate prices have fluctuated in various Kuwait governorates. Residential land price indexes decreased in capital governorate by 2.8% during Q1 2016 compared to the decline witnessed during Q4 by 2.8%. Average price per meter approximated KD 98.3 during Q1 2016 compared to an average price KD 1,011 during Q4 2015. This decline comes on the back of the decline in prices in all governorate areas. Prices declines in the highest prices area in the governorate at Shuwaikh industrial area by 3.3%.

Prices have also declined in Q1 by 3.4% in Abdullah Al-Salem district i.e. second highest average price area followed by Shamiya area by 4.6%. Prices have also declined Faihaa area by 1%, Khaldiya and Qadsiya by 2.5% and Yarmouk and Rawda by 2%.

Prices declined by 1.8% in low price areas i.e. Dasma and Da'eya. Decline reached 2.3% in Surra, 4.2% in Qurtuba. Ghernata area witnessed the highest decline among governorate areas during Q1 as it reached 9.2% compared to Q4 last year.

**Average Price/m² for Private Residence in Capital Governorate
Q1 2016 & Q4 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 Q1 2016 |
|-----------------------------|---------------------|------------------------|----------|------------------------|-----------|----------------------------------|-------|---------------------------------------|
| | | | | From | To | From | To | |
| Al Shuwaikh Residential | 500 | 210% | Internal | 780,000 | 820,000 | 1,560 | 1,640 | 1,600 |
| | 1,000 | 210% | Internal | 1,300,000 | 1,550,000 | 1,300 | 1,550 | 1,425 |
| | 1,000 | 210% | Main | 1,500,000 | 1,650,000 | 1,500 | 1,650 | 1,575 |
| General Average in the Area | | | | 1,357,500 | 1,505,000 | 1,553 | 1,710 | 1,631 |
| Abdullah Al Salem District | 500 | 210% | Internal | 680,000 | 750,000 | 1,360 | 1,500 | 1,430 |
| | 750 | 210% | Internal | 800,000 | 1,100,000 | 1,067 | 1,467 | 1,267 |
| | 1,000 | 210% | Internal | 950,000 | 1,300,000 | 950 | 1,300 | 1,125 |
| General Average in the Area | | | | 1,357,500 | 1,505,000 | 1,553 | 1,710 | 1,631 |
| Shamiyah | 250 | Till 800m ² | Internal | 280,000 | 330,000 | 1,120 | 1,320 | 1,220 |
| | 750 | 210% | Internal | 670,000 | 850,000 | 893 | 1,133 | 1,013 |
| | 500 | 210% | Main | 570,000 | 670,000 | 1,140 | 1,340 | 1,240 |
| General Average in the Area | | | | 674,286 | 817,143 | 1,017 | 1,224 | 1,120 |
| Nuzha | 500 | 210% | Internal | 500,000 | 550,000 | 1,000 | 1,100 | 1,050 |
| | 500 | 210% | Main | 570,000 | 680,000 | 1,140 | 1,360 | 1,250 |
| | 750 | 210% | Internal | 670,000 | 800,000 | 893 | 1,067 | 980 |
| | 750 | 210% | Main | 800,000 | 950,000 | 1,067 | 1,267 | 1,167 |
| General Average in the Area | | | | 708,000 | 846,000 | 1,020 | 1,209 | 1,114 |
| Khaldiya | 750 | 210% | Internal | 670,000 | 800,000 | 893 | 1,067 | 980 |
| | 750 | 210% | Main | 800,000 | 950,000 | 1,067 | 1,267 | 1,167 |
| | 1,000 | 210% | Internal | 780,000 | 1,000,000 | 780 | 1,000 | 890 |
| | 1,000 | 210% | Main | 950,000 | 1,200,000 | 950 | 1,200 | 1,075 |
| General Average in the Area | | | | 800,000 | 987,500 | 923 | 1,133 | 1,028 |
| Adailiya | 500 | 210% | Internal | 460,000 | 560,000 | 920 | 1,120 | 1,020 |
| | 750 | 210% | Main | 800,000 | 900,000 | 1,067 | 1,200 | 1,133 |
| | 1,000 | 210% | 3rd | 1,000,000 | 1,150,000 | 1,000 | 1,150 | 1,075 |
| | 1,000 | 210% | 4th | 1,000,000 | 1,150,000 | 1,000 | 1,150 | 1,075 |
| General Average in the Area | | | | 808,750 | 937,500 | 997 | 1,158 | 1,078 |

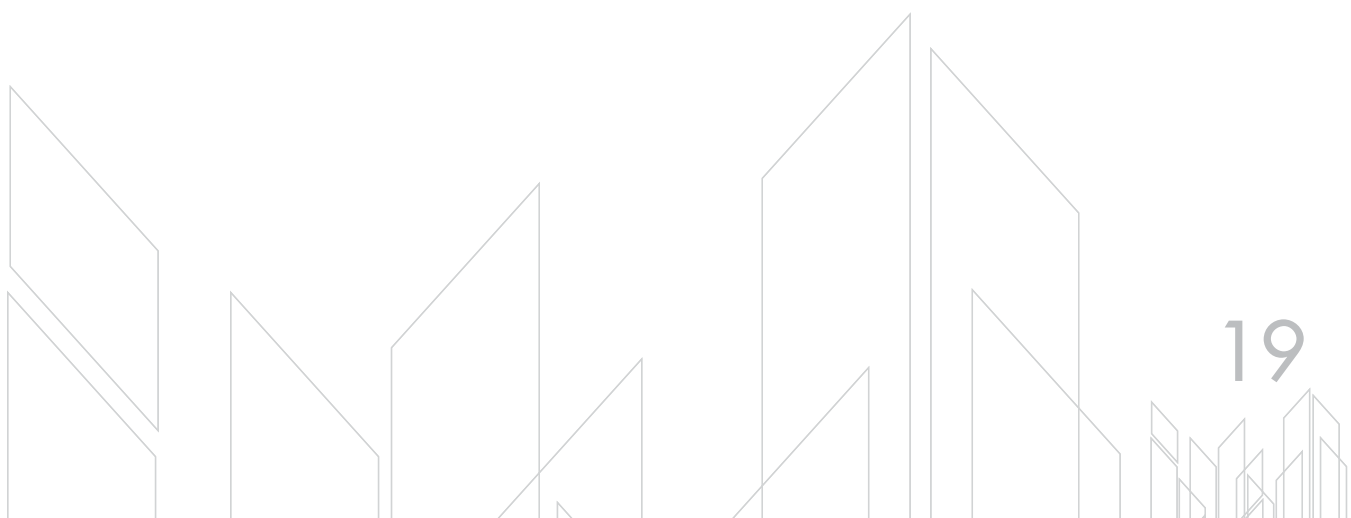
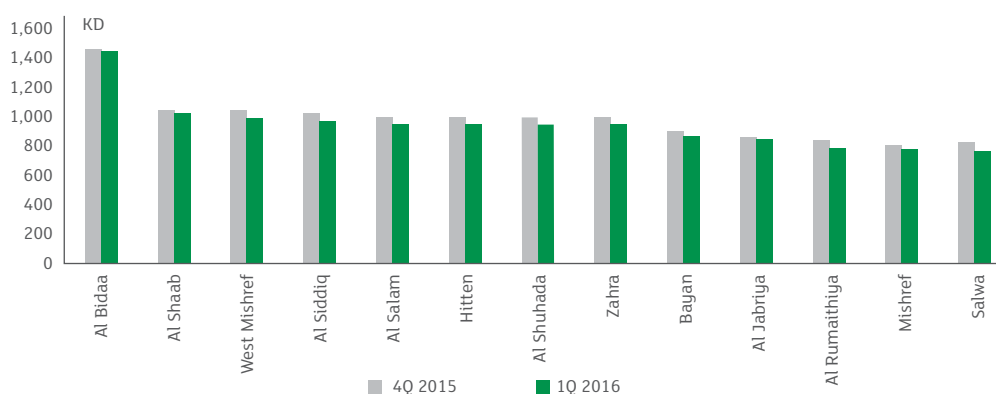


Prices in Hawalli declined in Q1 by 4.2% to reach KD 915 compared to KD 955 in Q4 which has recorded a decline by 1.4% on quarterly basis. Meanwhile, annual decline reached 9.2% in Q1 compared to the same period last year.

Price per square meter declined in governorate areas during Q1. Prices declined by 0.7% in highest value areas i.e. Al-Bidaa and Shaab area which is considered as the second highest value area in the governorate where prices declined by 1.9%. Decline reached 5% in west Mishrif which is considered as the highest average price area.

Concerning average value areas in the governorate, price per square meter declined by 5.3% e.g. Siddique, Salam, Hitteen, Shuhada and Zahraa areas. Prices declined in Bayan by 4% and declined by less percentage in Jabria 1.9%. Decline percentage reached its highest in governorate areas i.e. Salwa area which is considered as the lowest price area during Q1 as it recorded a decline by 7.2%.

**Average Price/m² for Private Residence at Hawalli Governorate
Q1 2016 & Q4 2015**



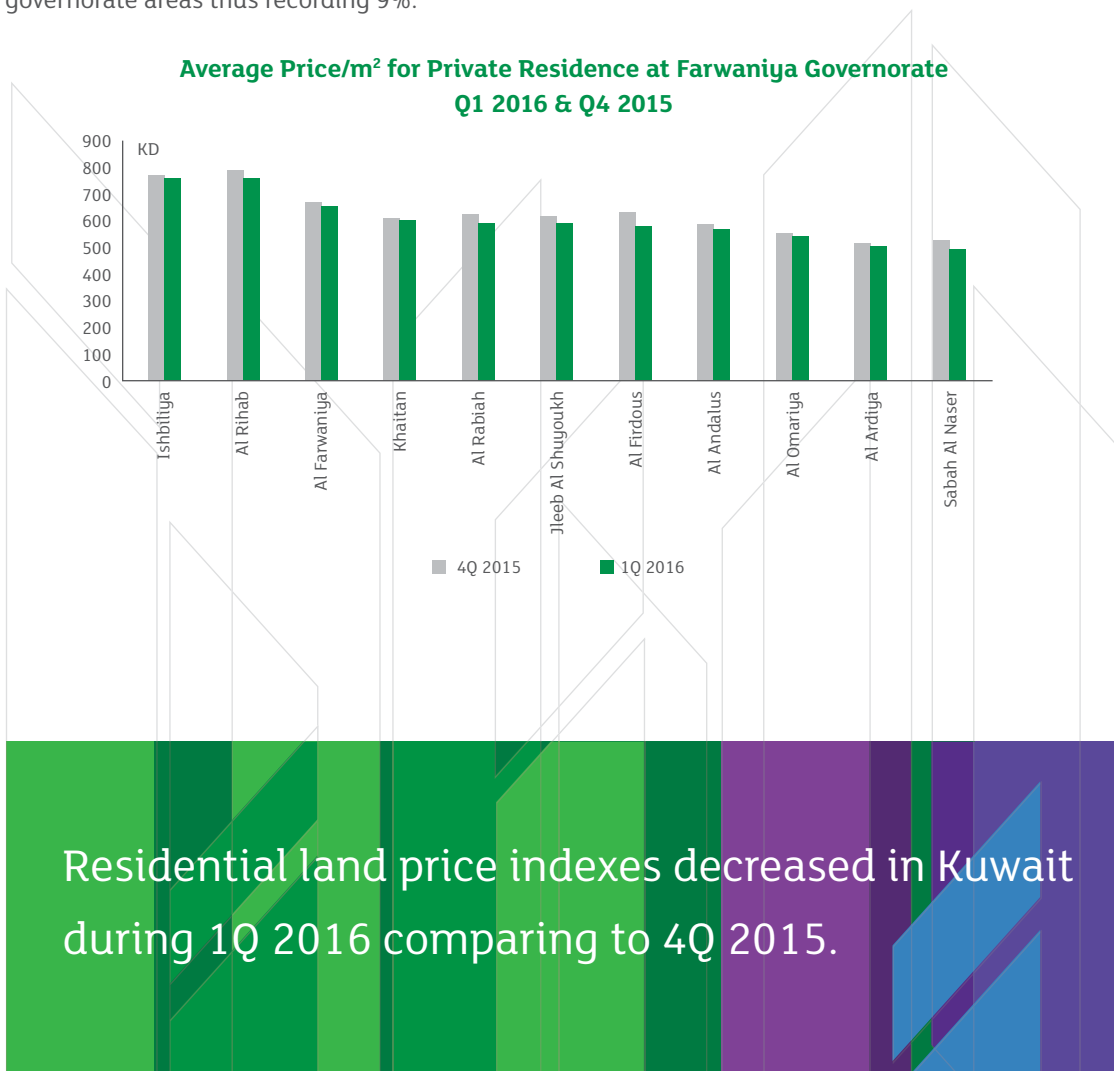
Residential Plot Prices at Hawalli Governorate

| Region | Area m ² | Building % | Street | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/ m ² Q1 2016 |
|-----------------------------|------------------------|---------------|----------|---------------------------|-----------|-------------------------------------|-------|------------------------------------------------|
| | | | | From | To | From | To | |
| Shaab | 400 | 210% | Internal | 380,000 | 450,000 | 950 | 1,125 | 1,038 |
| | 400 | 210% | Main | 430,000 | 500,000 | 1,075 | 1,250 | 1,163 |
| | 500 | 210% | Internal | 410,000 | 510,000 | 820 | 1,020 | 920 |
| General Average in the Area | | | | 490,000 | 585,000 | 910 | 1,086 | 998 |
| Jabriya | 400 | 210% | Internal | 320,000 | 390,000 | 800 | 975 | 888 |
| | 400 | 210% | Main | 370,000 | 450,000 | 925 | 1,125 | 1,025 |
| | 500 | 210% | Internal | 350,000 | 430,000 | 700 | 860 | 780 |
| General Average in the Area | | | | 470,000 | 568,889 | 735 | 893 | 814 |
| Rumaithiya | 400 | 210% | Internal | 290,000 | 340,000 | 725 | 850 | 788 |
| | 400 | 210% | Main | 330,000 | 390,000 | 825 | 975 | 900 |
| | 750 | 210% | Internal | 370,000 | 480,000 | 493 | 640 | 567 |
| General Average in the Area | | | | 458,889 | 546,667 | 694 | 828 | 761 |
| Salwa | 500 | 210% | Internal | 310,000 | 380,000 | 620 | 760 | 690 |
| | 750 | 210% | Internal | 370,000 | 480,000 | 493 | 640 | 567 |
| | 1,000 | 210% | Aqsaa | 750,000 | 850,000 | 750 | 850 | 800 |
| | 1,000 | 210% | Taawon | 900,000 | 1,050,000 | 900 | 1,050 | 975 |
| General Average in the Area | | | | 540,000 | 634,286 | 678 | 801 | 740 |
| Salaam | 400 | 210% | Internal | 330,000 | 400,000 | 825 | 1,000 | 913 |
| | 400 | 210% | Main | 390,000 | 450,000 | 975 | 1,125 | 1,050 |
| | 500 | 210% | Internal | 360,000 | 430,000 | 720 | 860 | 790 |
| | 500 | 210% | Main | 420,000 | 500,000 | 840 | 1,000 | 920 |
| General Average in the Area | | | | 375,000 | 445,000 | 840 | 996 | 918 |
| Hitteen | 400 | 210% | Internal | 330,000 | 400,000 | 825 | 1,000 | 913 |
| | 400 | 210% | Main | 390,000 | 450,000 | 975 | 1,125 | 1,050 |
| | 500 | 210% | Internal | 360,000 | 430,000 | 720 | 860 | 790 |
| | 500 | 210% | Main | 420,000 | 500,000 | 840 | 1,000 | 920 |
| General Average in the Area | | | | 375,000 | 445,000 | 840 | 996 | 918 |
| Shuhada | 400 | 210% | Internal | 330,000 | 400,000 | 825 | 1,000 | 913 |
| | 400 | 210% | Main | 390,000 | 450,000 | 975 | 1,125 | 1,050 |
| | 500 | 210% | Internal | 360,000 | 430,000 | 720 | 860 | 790 |
| | 500 | 210% | Main | 420,000 | 500,000 | 840 | 1,000 | 920 |
| General Average in the Area | | | | 375,000 | 445,000 | 840 | 996 | 918 |

Prices declined in Farwaniya governorate by 3.6%, thus recording KD 597/ M2 in Q1 current year. Price per square meter declined by 2% in Q4 2015 thus recording KD 619. Meanwhile price/m² decline on annual basis in Q1 this year by 9.9% compared to the same period last year.

Price levels declined in governorate areas during Q1 except certain areas in which prices stabilized compared to Q4. Price/ m² declined in Ashbiliya, highest price area, by 1% while it declined in Rehab, second highest price area, by 4%. Prices declined in Farwaniya by 2% followed by Khaitan in which prices declined by 1% during Q1 2016 compared to Q4 2015.

Declines in price/m² were higher than this in certain areas. Prices declined in Rabia area by 5%, while it declined in Jaleeb Al-Shoyoukh by 4%. However, Fardoas area recorded the highest decline among governorate areas thus recording 9%.



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 Q1 2016 |
|-----------------------------|------------------------|---------------|----------|---------------------------|---------|-------------------------------------|-----|------------------------------------------------|
| | | | | From | To | From | To | |
| Andalus | 500 | 210% | Internal | 230,000 | 280,000 | 460 | 560 | 510 |
| | 750 | 210% | Main | 400,000 | 450,000 | 533 | 600 | 567 |
| General Average in the Area | | | | 332,000 | 394,000 | 509 | 608 | 559 |
| Rabia (Existing house) | 500 | 210% | Internal | 240,000 | 300,000 | 480 | 600 | 540 |
| | 500 | 210% | Main | 290,000 | 340,000 | 580 | 680 | 630 |
| General Average in the Area | | | | 265,000 | 320,000 | 530 | 640 | 585 |
| Ashbilya | 375 | 210% | Internal | 240,000 | 290,000 | 640 | 773 | 707 |
| | 400 | 210% | Main | 320,000 | 360,000 | 800 | 900 | 850 |
| | 500 | 210% | Internal | 290,000 | 350,000 | 580 | 700 | 640 |
| General Average in the Area | | | | 291,667 | 345,000 | 691 | 817 | 754 |
| Farwaniya | 500 | 210% | Internal | 270,000 | 320,000 | 540 | 640 | 590 |
| | 500 | 210% | Main | 320,000 | 390,000 | 640 | 780 | 710 |
| General Average in the Area | | | | 295,000 | 355,000 | 590 | 710 | 650 |
| Khaitan | 400 | 210% | Internal | 235,000 | 285,000 | 588 | 713 | 650 |
| | 750 | 210% | Main | 350,000 | 410,000 | 467 | 547 | 507 |
| General Average in the Area | | | | 396,250 | 458,750 | 547 | 638 | 593 |
| Jaleeb Al Shuyoukh | 500 | 210% | Main | 290,000 | 350,000 | 580 | 700 | 640 |
| General Average in the Area | | | | 265,000 | 320,000 | 530 | 640 | 585 |
| Ardiya | 750 | 210% | Internal | 320,000 | 370,000 | 427 | 493 | 460 |
| | 750 | 210% | Main | 370,000 | 430,000 | 493 | 573 | 533 |
| General Average in the Area | | | | 345,000 | 400,000 | 460 | 533 | 497 |

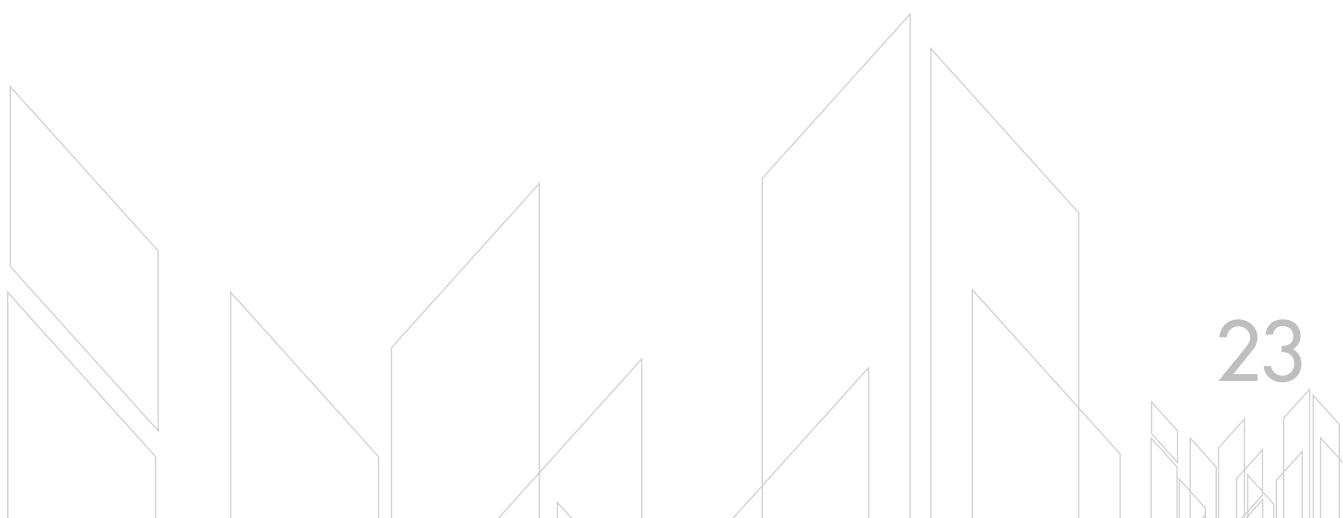
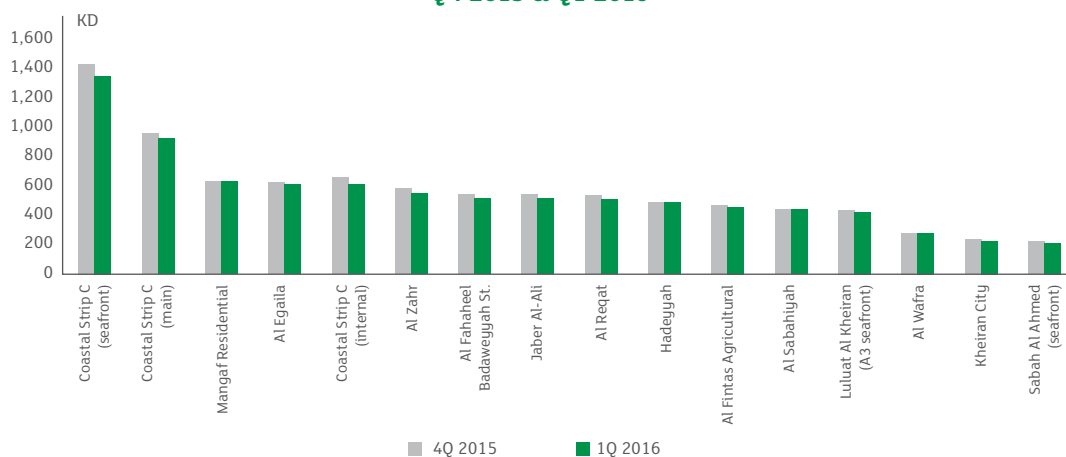


Prices declined in Ahmadi governorate by 2.4% for Q4. Price per square meter reached at the governorate level to KD 519 in Q1 compared to KD 532 in Q4 last year which has witnessed a larger decline by 5.5%. Price per square meter declined on annual basis by 9.3% compared to Q1 last year.

At governorate level prices declined in most of the areas except certain area where prices stabilized. Prices declined in the southern coastal strip and main coastal strip by 5.4% and 3.2% during Q1. Mangaf area comes as second highest value per square meter thus recording stability in price compared to Q4 2015.

Prices declined in Agaila area by 1.8% where decline in prices reached its peak in the internal southern coastal strip area thus recording 7.7% followed by Al-Dhahar area which witnessed a decline by 6%. Prices declined in Jaber Al-Ali area by 4.8%, Fintas and Sabahiya 1.6%. Prices stabilized in Wafra while they declined in Sabah Al-Ahmed Marine area by 5.6% Khiran Pearl City during Q1 2016.

**Average Price/m² for Private Residence at Ahmadi Governorate
Q4 2015 & Q1 2016**



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 Q1 2016 |
|------------------------------------------------|---------------------|------------|----------|------------------------|-----------|----------------------------------|-------|---------------------------------------|
| | | | | From | To | From | To | |
| Fintas Agricultural | 1,000 | 210% | Internal | 350,000 | 450,000 | 350 | 450 | 400 |
| | 1,000 | 210% | Main | 450,000 | 550,000 | 450 | 550 | 500 |
| Hadiya | 750 | 210% | Internal | 290,000 | 360,000 | 387 | 480 | 433 |
| | 750 | 210% | Main | 370,000 | 420,000 | 493 | 560 | 527 |
| Egaila | 400 | 210% | Main | 250,000 | 295,000 | 625 | 738 | 681 |
| | 500 | 210% | Main | 280,000 | 320,000 | 560 | 640 | 600 |
| Coast strip C overlooking sea | 1,000 | 150% | Marine | 1,250,000 | 1,400,000 | 1,250 | 1,400 | 1,325 |
| Coast strip C overlooking main road | 750 | 150% | Internal | 400,000 | 500,000 | 533 | 667 | 600 |
| Khairan Residential | 400 | 210% | - | 70,000 | 100,000 | 175 | 250 | 213 |
| Sabah Al Ahmad Marine A1 (overlooking sea) | 1,200 | 210% | Marine | 230,000 | 250,000 | 192 | 208 | 200 |
| Sabah Al Ahmad Marine A2 (overlooking Sea) | 450 | 210% | Marine | 170,000 | 200,000 | 378 | 444 | 411 |
| Khairan Pearl Marine A3 City (overlooking Sea) | 450 | 210% | Marine | 170,000 | 200,000 | 378 | 444 | 411 |
| Al Mangaf Residential | 375 | 210% | Internal | 165,000 | 240,000 | 440 | 640 | 540 |
| | 400 | 210% | Main | 260,000 | 300,000 | 650 | 750 | 700 |

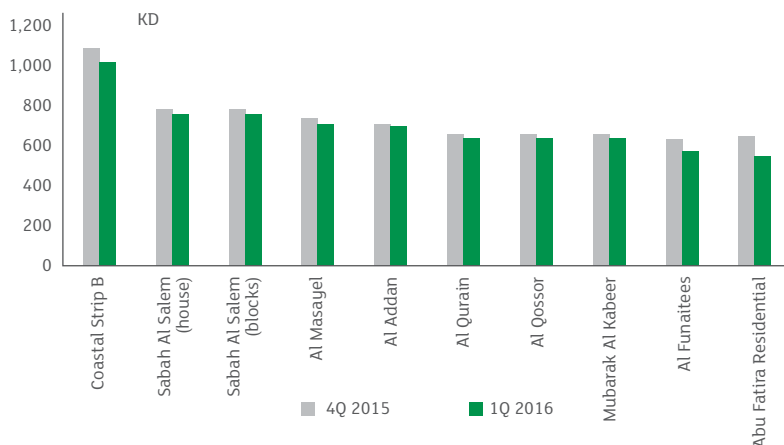
Prices declined also in Mubarak Al-Kabeer governorate by 5.1% thus recording KD 523 per square meter compared to an average KD 656 per square meter in Q4 in which it declined by 2.4% compared to preceding quarter.

Prices declined in governorate areas during Q1 compared to Q4 last year. Prices declined in the highest price areas e.g. coast strip (B) area by 5.9% and declined in Sabah Al-Salem area by 3.3% and in Masayel area by 3.5% during Q1 2016.

In average value areas e.g. Addan area prices declined by 2.2%. Prices also declined in other remaining areas i.e. Qurain, Qusour and Mubarak Al-Kabeer areas by 2.9% in Q1 2016. Prices declined by 1% in Mubarak Al-Kabeer while it declined by 10.3% in Funaites area. The decline reached its peak among governorate areas, thus recording 15.2% in Abu-Fatira area which is the lowest price area in the governorate.

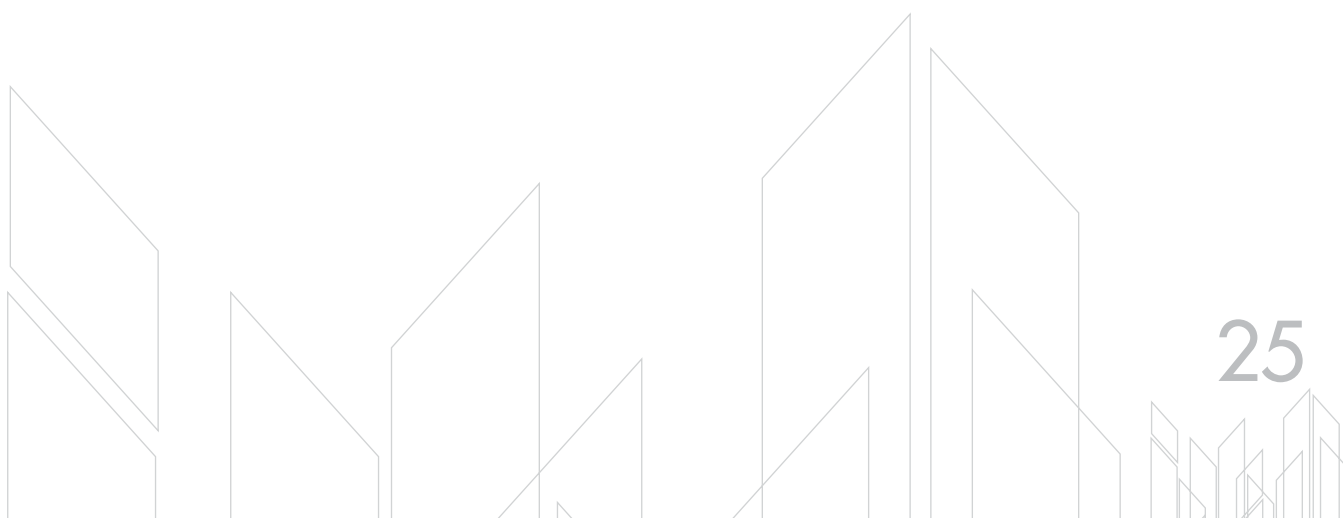


Average Price/m² for Private Residence at Mubarak Al Kabeer Governorate Q1 2016 & Q4 2015



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 Q1 2016 |
|-----------------------------|---------------------|------------|----------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Masayel | 400 | 210% | Internal | 250,000 | 300,000 | 625 | 750 | 688 |
| | 400 | 210% | Main | 290,000 | 350,000 | 725 | 875 | 800 |
| General Average in the Area | | | | 285,000 | 337,500 | 638 | 756 | 697 |
| Coastal Strip B | 1,000 | 150% | Internal | 550,000 | 700,000 | 550 | 700 | 625 |
| | 1,000 | 150% | Fahaheel | 850,000 | 1,000,000 | 850 | 1,000 | 925 |
| General Average in the Area | | | | 1,366,667 | 1,633,333 | 917 | 1,100 | 1,008 |
| Abu Fatira Residential | 400 | 210% | Internal | 180,000 | 230,000 | 450 | 575 | 513 |
| | 400 | 210% | Main | 220,000 | 270,000 | 550 | 675 | 613 |
| General Average in the Area | | | | 215,000 | 265,000 | 480 | 593 | 536 |
| Funaitees | 400 | 210% | Main | 190,000 | 240,000 | 475 | 600 | 538 |
| | 500 | 210% | Internal | 220,000 | 270,000 | 440 | 540 | 490 |
| General Average in the Area | | | | 225,000 | 275,000 | 503 | 615 | 559 |
| Adan | 400 | 210% | Internal | 240,000 | 280,000 | 600 | 700 | 650 |
| | 400 | 210% | Main | 280,000 | 320,000 | 700 | 800 | 750 |
| General Average in the Area | | | | 250,000 | 297,500 | 625 | 744 | 684 |

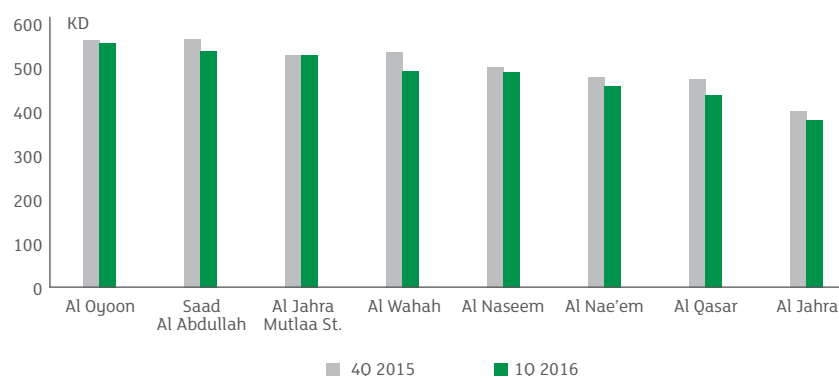


Prices declined in Jahra governorate by 4.4% thus recording KD 482 / M2 in Q1 compared to an increase by 4.4% in the preceding quarter where price per square meter reached KD 504.

Prices declined in most of the governorate areas in Q1. Prices declined in the highest price areas by 1.5% compared to Q4 last year i.e. Oyouon area followed by Saad Al-Abduallah area which has witnessed a decline by 4.4%. Prices stabilized Jahraa area while they decline in Wahah area by 7.8% (highest among governorate areas)

Average value areas i.e. Naseem area, witnessed a decline in prices by 2.5% followed by Naeem area by 3.9%. Prices declined in the lowest prices areas in the governorate e.g. Al-Qasr area – Club Street which has recorded the second highest decline ratio by 7.6% among Jahraa governorate areas followed by old Jahraa area which has witnessed a decline in prices by 5.5% in Q1 compared to Q4 last year.

Average Price/m² for Private Residence at Jahra Governorate Q4 2015 & Q1 2016



Residential Plot Prices at Jahra Governorate

| Region | Area m ² | Building % | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/m ² Q1 2016 |
|-------------------------------------------|---------------------|------------------------|------------------------|---------|----------------------------------|-----|--------------------------------------|
| | | | From | To | From | To | |
| Qasr – Club Street | 1,000 | 210% | 450,000 | 520,000 | 450 | 520 | 485 |
| Qasr (existing houses) | 600 | 210% | 200,000 | 270,000 | 333 | 450 | 392 |
| Jahra – Mutla'a St. - Internal | 1,000 | 210% | 330,000 | 430,000 | 330 | 430 | 380 |
| Na'eem – Plots | 400 | 210% | 500,000 | 550,000 | 500 | 550 | 525 |
| Na'eem – (government house) | 400 | 210% | 140,000 | 190,000 | 470 | 638 | 554 |
| Oyouon | 297.68 | Till 800m ² | 150,000 | 190,000 | 375 | 475 | 425 |
| Al Naseem (government house) – Main Roads | 400 | 210% | 170,000 | 220,000 | 425 | 550 | 488 |
| Oasis (existing houses) | 300 | Till 800m ² | 125,000 | 170,000 | 417 | 567 | 492 |
| Saad Al-Abdullah | 400 | 210% | 170,000 | 220,000 | 425 | 550 | 488 |



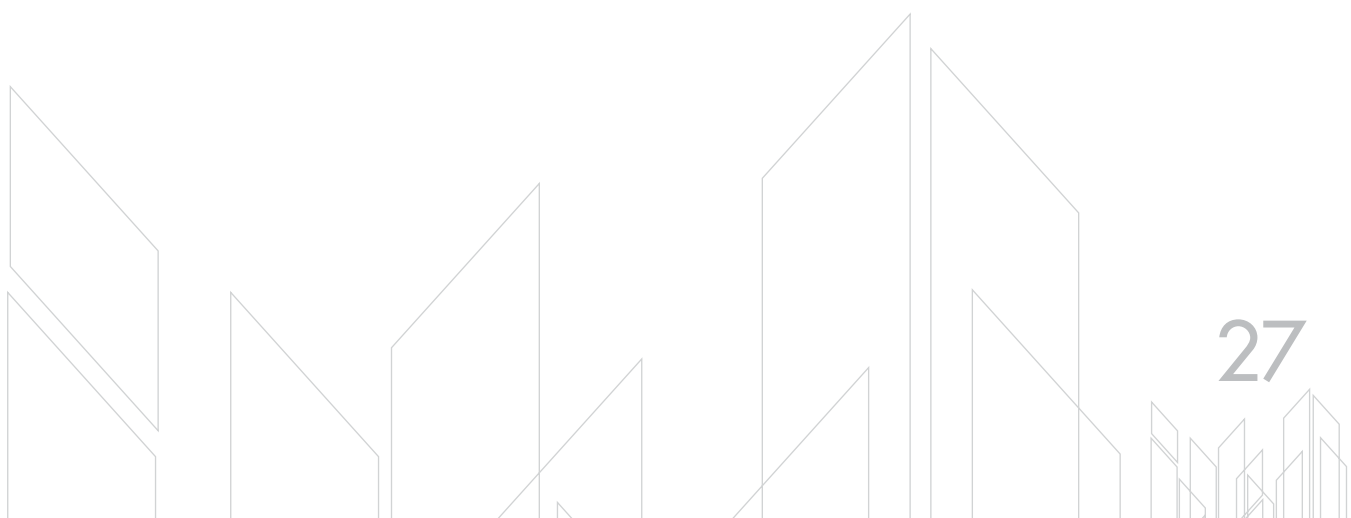
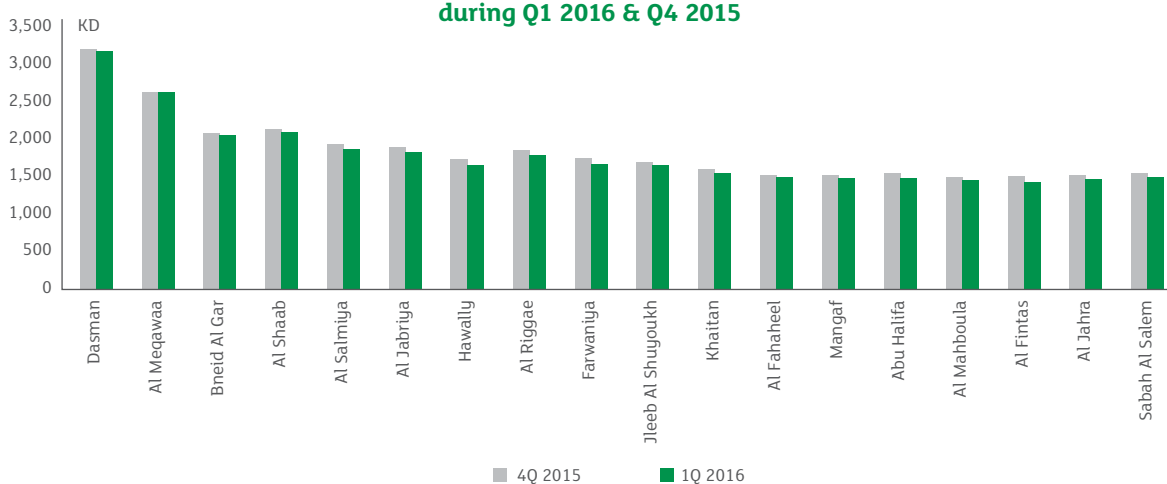
Second: Investment Land Prices

Average price per square meter in investment land declined to reach KD 1,714 /m² in all areas except certain areas in which prices stabilized. This has eventually led to a decline in prices in Q1 by 9.6% compared to the same period last year.

Concerning price levels in each governorate, price per square meter of investment real estate declined in capital governorate by 1.6% thus recording KD 2,556 per square meter in Q1 compared to an average price KD 2,597 in Q4. The decline in prices in Q1 comes on the back of the decline by 4% witnessed in Q4 last year. Prices declined by 5.6% on annual basis during Q1 this year.

Concerning capital governorate areas, price decline ratios during Q1 in the highest price areas i.e. Dasman area are still recording 1% for the second quarter respectively. Meanwhile decline ratio decreased to reach 1% in East Maqua area which had witnessed a higher decline in the preceding quarter. Prices declined by 3% in Bneid Al-Qar area in Q4 last year. The only exception was in the stability witnessed in the prices of certain internal areas of Maqua area and in Gulf Road at Dasman area in which prices stabilized as well.

Average price/m² for Investment Residence Properties at Kuwait Governorates during Q1 2016 & Q4 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 Q1 2016 |
|------------------------------------|---------------------|------------|---------------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
| | | | | From | To | From | To | |
| Bneid Al Gar | 1,000 | 250% | Gulf Road | 2,850,000 | 3,000,000 | 2,850 | 3,000 | 2,925 |
| | 500 | 250% | Internal Main | 950,000 | 1,000,000 | 1,900 | 2,000 | 1,950 |
| | 1,000 | 250% | Internal | 1,450,000 | 1,700,000 | 1,450 | 1,700 | 1,575 |
| | 1,000 | 250% | 1st & 2nd Ring Road | 1,850,000 | 1,950,000 | 1,850 | 1,950 | 1,900 |
| General Average in the Area | | | | 1,625,000 | 1,750,000 | 1,925 | 2,075 | 2,000 |
| Eastern Muqawa | 250 | 240% | Internal | 450,000 | 550,000 | 1,800 | 2,200 | 2,000 |
| | 500 | 400% | Internal Main | 1,350,000 | 1,450,000 | 2,700 | 2,900 | 2,800 |
| | 1,000 | 400% | Shuhada | 2,850,000 | 2,950,000 | 2,850 | 2,950 | 2,900 |
| General Average in the Area | | | | 1,462,500 | 1,587,500 | 2,438 | 2,713 | 2,575 |
| Dasman | 1,000 | 400% | Gulf Road | 3,700,000 | 4,000,000 | 3,700 | 4,000 | 3,850 |
| | 1,000 | 400% | Internal | 2,400,000 | 2,650,000 | 2,400 | 2,650 | 2,525 |
| | 750 | 400% | Abdullah Al-Ahmed | 2,150,000 | 2,200,000 | 2,867 | 2,933 | 2,900 |
| General Average in the Area | | | | 2,750,000 | 2,095,833 | 2,989 | 3,194 | 3,092 |

Price per square meter of investment land declined in Hawalli by 3.9% as price reached KD 1,812 in Q1 compared to KD 1,887 during Q4 2015 which has witnessed a decline by 7.6%. Prices declined on annual basis by 11.5% compared to Q1 last year as this is considered as the second largest annual decline among governorates.

All investment areas in Hawalli governorate recorded a decline. Prices declined in Shaab (highest price area) by 2.8%. Price levels decline also in Salmiya area by 3.6% and Jabriya by 4.4%. decline ratio in Hawalli area reached its peak among governorate areas, thus recording 5.2% on the back of the decline witnessed in certain places by 6% e.g. Al-Hasan Al-Basri St. and Cairo St. as well as Fahaheel road. Price decline approximated 7% in Muthanna St.


 2016
Q1

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 Q1 2016 |
|------------------------------------|------------------------|---------------|----------------------|---------------------------|------------------|-------------------------------------|--------------|------------------------------------------------|
| | | | | From | To | From | To | |
| Hawalli | 750 | 250% | Muthanna | 1,200,000 | 1,250,000 | 1,600 | 1,667 | 1,633 |
| | 750 | 250% | Qutaiba | 1,260,000 | 1,350,000 | 1,680 | 1,800 | 1,740 |
| | 750 | 250% | Ahmed bin Toloun | 1,125,000 | 1,200,000 | 1,500 | 1,600 | 1,550 |
| | 750 | 250% | Maghreb | 1,250,000 | 1,350,000 | 1,667 | 1,800 | 1,733 |
| | 750 | 250% | Sharhabeel | 1,170,000 | 1,250,000 | 1,560 | 1,667 | 1,613 |
| | 1,000 | 250% | Internal | 1,380,000 | 1,550,000 | 1,380 | 1,550 | 1,465 |
| General Average in the Area | | | | 1,194,333 | 1,276,667 | 1,560 | 1,667 | 1,613 |
| Salmiya | 1,000 | 250% | Gulf Road | 2,700,000 | 3,050,000 | 2,700 | 3,050 | 2,875 |
| | 750 | 250% | Baghdad (liberation) | 1,300,000 | 1,400,000 | 1,733 | 1,867 | 1,800 |
| | 750 | 250% | Amman | 1,300,000 | 1,400,000 | 1,733 | 1,867 | 1,800 |
| | 750 | 250% | Bahrain | 1,300,000 | 1,400,000 | 1,733 | 1,867 | 1,800 |
| | 750 | 250% | Amr Bin Al-Aas | 1,350,000 | 1,600,000 | 1,800 | 2,133 | 1,967 |
| | 1,000 | 250% | Main | 1,650,000 | 1,800,000 | 1,650 | 1,800 | 1,725 |
| | 1,000 | 250% | Internal | 1,480,000 | 1,600,000 | 1,480 | 1,600 | 1,540 |
| General Average in the Area | | | | 1,348,750 | 1,473,750 | 1,750 | 1,912 | 1,831 |
| Shaab | 1,000 | 250% | Gulf Road | 2,800,000 | 3,100,000 | 2,800 | 3,100 | 2,950 |
| | 750 | 250% | Internal | 1,170,000 | 1,320,000 | 1,560 | 1,760 | 1,660 |
| General Average in the Area | | | | 1,830,000 | 2,017,500 | 1,928 | 2,128 | 2,028 |
| Jabriya | 1,000 | 250% | 4th Ring Road | 1,800,000 | 1,950,000 | 1,800 | 1,950 | 1,875 |
| | 1,000 | 250% | Maghreb | 1,750,000 | 1,850,000 | 1,750 | 1,850 | 1,800 |
| | 1,000 | 250% | McDonald's | 1,850,000 | 2,000,000 | 1,850 | 2,000 | 1,925 |
| | 750 | 250% | Internal | 1,150,000 | 1,300,000 | 1,533 | 1,733 | 1,633 |
| General Average in the Area | | | | 1,602,500 | 1,743,750 | 1,701 | 1,854 | 1,778 |

Prices declined in Farwaniya governorate by 1.9% during Q1, thus recording KD 1,612 compared to an average KD 1,677 in Q4 which has witnessed a decline by 7.2%. This decline has contributed to the decline in price per meter by 11.2% on annual basis.

Prices have declined in all governorate places and areas. Accordingly Q1 prices were lower than Q4 last year. Price per square meter declined in Riq'a'e area by 3.9% (highest price area) in the governorate. Prices declined in certain main and internal areas by 6.7% while in other places at the 4th ring road they declined by 5.3%. prices declined in Farwaniya area by 4.8% and decline in Jaleeb Al-Shoyoukh by 3.8% while decline continued in Khaitan by 3.2% (lowest price area in the governorate).

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 Q1 2016 |
|------------------------------------|---------------------|------------|----------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
| | | | | From | To | From | To | |
| Farwaniya | 750 | 250% | Airport | 1,280,000 | 1,350,000 | 1,707 | 1,800 | 1,753 |
| | 750 | 250% | 6th Ring Road | 1,250,000 | 1,320,000 | 1,667 | 1,760 | 1,713 |
| | 1,000 | 250% | Internal | 1,250,000 | 1,450,000 | 1,250 | 1,450 | 1,350 |
| | 500 | 250% | Main | 820,000 | 900,000 | 1,640 | 1,800 | 1,720 |
| General Average in the Area | | | | 1,145,000 | 1,253,333 | 1,551 | 1,693 | 1,622 |
| Khaitan | 750 | 250% | 6th Ring Road | 1,250,000 | 1,320,000 | 1,667 | 1,760 | 1,713 |
| | 1,000 | 250% | Internal | 1,250,000 | 1,450,000 | 1,250 | 1,450 | 1,350 |
| | 600 | 250% | Internal | 850,000 | 950,000 | 1,417 | 1,583 | 1,500 |
| General Average in the Area | | | | 1,176,000 | 1,290,000 | 1,431 | 1,573 | 1,502 |
| Jleeb Al Shuyoukh | 750 | 250% | 6th Ring | 1,250,000 | 1,320,000 | 1,667 | 1,760 | 1,713 |
| | 750 | 250% | Police Station | 1,230,000 | 1,300,000 | 1,640 | 1,733 | 1,687 |
| | 750 | 250% | Main | 1,150,000 | 1,250,000 | 1,533 | 1,667 | 1,600 |
| | 500 | 250% | Internal | 750,000 | 850,000 | 1,500 | 1,700 | 1,600 |
| General Average in the Area | | | | 1,041,250 | 1,142,500 | 1,519 | 1,671 | 1,595 |
| Al Riggae | 750 | 250% | 4th Ring Road | 1,350,000 | 1,390,000 | 1,800 | 1,853 | 1,827 |
| | 1,000 | 250% | 5th Ring Road | 1,750,000 | 1,800,000 | 1,750 | 1,800 | 1,775 |
| | 1,000 | 250% | 4th Ring Road | 1,750,000 | 1,800,000 | 1,750 | 1,800 | 1,775 |
| | 750 | 250% | Internal Main | 1,200,000 | 1,320,000 | 1,600 | 1,760 | 1,680 |
| General Average in the Area | | | | 1,324,286 | 1,400,000 | 1,677 | 1,781 | 1,729 |

Prices declined in Ahmadi governorate during Q1 by 4.3%. Average price per square meter reached KD 1,414 compared to a decline by 7.3% where price reached KD 1,478 in Q4. Prices declined on annual basis reaching its highest among governorates by 12.7%.

Price per square meter declined in Fahaheel area by 3.2% accompanied by a decline in prices in internal high price areas and stability in certain average value areas and a decline in other average value internal areas i.e. 1,000 m² area where value declined by 5.6%. Prices declined also in Abu-Halifa area by 5.1. Prices declined in Mangaf area by 4.1% while they declined by 3.9% in Mahboula and by 5.3% in Fintas during Q1 2016.



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 Q1 2016 |
|------------------------------------|---------------------|------------|--------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
| | | | | From | To | From | To | |
| Fintas | 750 | 250% | Fahaheel | 1,050,000 | 1,150,000 | 1,400 | 1,533 | 1,467 |
| | 750 | 250% | Main | 925,000 | 1,075,000 | 1,233 | 1,433 | 1,333 |
| | 1,000 | 250% | Coast Strip | 1,700,000 | 1,800,000 | 1,700 | 1,800 | 1,750 |
| General Average in the Area | | | | 1,025,000 | 1,166,667 | 1,289 | 1,469 | 1,379 |
| Abu Halifa | 500 | 250% | Internal | 650,000 | 750,000 | 1,300 | 1,500 | 1,400 |
| | 750 | 250% | Main | 925,000 | 1,075,000 | 1,233 | 1,433 | 1,333 |
| | 1,000 | 250% | Coast Strip | 1,700,000 | 1,800,000 | 1,700 | 1,800 | 1,750 |
| General Average in the Area | | | | 1,025,000 | 1,150,000 | 1,333 | 1,508 | 1,421 |
| Mangaf | 500 | 250% | Internal | 650,000 | 775,000 | 1,300 | 1,550 | 1,425 |
| | 750 | 350% | Mecca Street | 1,050,000 | 1,170,000 | 1,400 | 1,560 | 1,480 |
| | 1,000 | 250% | Coast Strip | 1,750,000 | 1,850,000 | 1,750 | 1,850 | 1,800 |
| General Average in the Area | | | | 1,066,071 | 1,181,429 | 1,348 | 1,499 | 1,423 |
| Mahboula | 500 | 250% | Internal | 650,000 | 750,000 | 1,300 | 1,500 | 1,400 |
| | 750 | 250% | Main | 925,000 | 1,075,000 | 1,233 | 1,433 | 1,333 |
| | 750 | 250% | Fahaheel | 1,050,000 | 1,150,000 | 1,400 | 1,533 | 1,467 |
| | 1,000 | 250% | Coast | 1,700,000 | 1,800,000 | 1,700 | 1,800 | 1,750 |
| General Average in the Area | | | | 1,050,000 | 1,150,000 | 1,400 | 1,533 | 1,467 |
| Fahaheel | 500 | 250% | Internal | 675,000 | 800,000 | 1,350 | 1,600 | 1,475 |
| | 750 | 250% | Main | 1,000,000 | 1,150,000 | 1,333 | 1,533 | 1,433 |
| | 1,000 | 250% | Mecca | 1,500,000 | 1,600,000 | 1,500 | 1,600 | 1,550 |
| General Average in the Area | | | | 1,006,429 | 1,142,857 | 1,351 | 1,538 | 1,445 |

Price per square meter declined in Mubarak Al-Kabeer governorate in Q1 to reach KD 1,462/m², thus recording a decline by 3.5% compared to Q4 last year. Prices have declined by 6.3% during Q4 in which price per square meter reached KD 1,515 while prices declined significantly by 9.6% compared to Q1 last year.

Concerning prices in governorate areas, price per square meter declined in Sabah Al-Salem area by 3.5% which comes on the back of the decline in the highest price area in the governorate e.g. Fahaheel Street by 4.3% compared to Q4 last year. Prices in this area are considered as the second highest prices among investment areas in the governorate. Prices have declined in average price areas e.g. main and internal areas. Prices have also declined by 2.7% in the lowest price areas in the governorate – 500m² areas.



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 Q1 2016 |
|-----------------------------|------------------------|---------------|------------------|---------------------------|-----------|-------------------------------------|-------|------------------------------------------------|
| | | | | From | To | From | To | |
| Sabah Al Salem | 750 | 250% | Internal | 1,000,000 | 1,150,000 | 1,333 | 1,533 | 1,433 |
| | 1,000 | 250% | Internal Main | 1,400,000 | 1,500,000 | 1,400 | 1,500 | 1,450 |
| | 1,000 | 250% | Fahaheel | 1,700,000 | 1,800,000 | 1,700 | 1,800 | 1,750 |
| | 500 | 170% | Internal | 520,000 | 580,000 | 1,040 | 1,160 | 1,100 |
| General Average in the Area | | | | 1,224,286 | 1,332,857 | 1,396 | 1,528 | 1,462 |

Prices declined in Jahra governorate by 4.2% in Q1, thus recording an average price KD 1,428/m² compared to KD 1,491 in Q4 last year i.e. a decline by 5.5%. Meanwhile, prices declined on annual basis by 5.2%.

Prices declined in most of the governorate areas except some areas overlooking main streets which are considered as the highest prices areas in the governorate. Meanwhile, prices have declined in the 800 m² areas by 2.3% in Q1 e.g. Water station (Khuzami St.). Prices declined in some of the areas overlooking main streets by 5.2% e.g. 1,000 m² areas. In regard to internal areas – 500 m² areas – prices declined by 3%.

Investment land price decreased at all governorates during 1Q 2016 comparing to 4Q 2015.



Investment Land Prices at Jahra Governorate

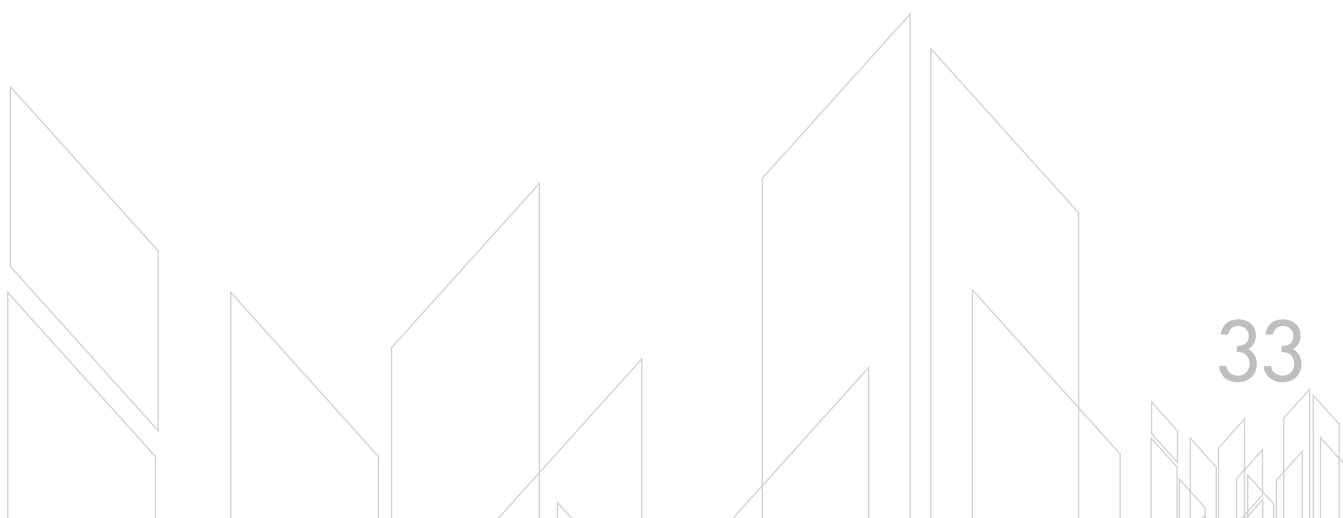
| Region | Area m ² | Building % | Street | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/ m ² Q1 2016 |
|-----------------------------|---------------------|------------|-----------------------------|------------------------|-----------|----------------------------------|-------|---------------------------------------|
| | | | | From | To | From | To | |
| Jahra | 1,000 | 250% | Internal | 1,150,000 | 1,300,000 | 1,150 | 1,300 | 1,225 |
| | 1,000 | 250% | Main | 1,300,000 | 1,450,000 | 1,300 | 1,450 | 1,375 |
| | 800 | 250% | Khuzami St. (water station) | 1,200,000 | 1,300,000 | 1,500 | 1,625 | 1,563 |
| | 500 | 250% | Main | 750,000 | 850,000 | 1,500 | 1,700 | 1,600 |
| General Average in the Area | | | | 995,833 | 1,133,333 | 1,333 | 1,524 | 1,428 |

Annual Rate of Return on Investment Properties

Demand on investment properties is dependent on realized rates of return. Such returns have ranged, at governorates level, between 6.5 % - 8.1 % during Q1 2016. Returns stabilized in Capital governorate areas, thus recording 6.9% compared to Q4. Return ratios stabilized also at 6.6% - 7% in various governorate areas and reached 7.25% in some of governorate areas. Average returns on investment real estates increased to reach 7.1% at Hawalli governorate level. Returns on investment real estates have stabilized in governorate areas at 7.25% in certain areas.

Returns in Farwania governorate reached 7.7% and reached 7.9% in some other areas. Returns stabilized at 7.7% in Ahmadi governorate during Q1 2016 and reached 8.1% in some other areas. Also, returns at Jahra governorate level reached 7.7% while they reached 7.5% in Mubarak Al-Kabeer governorate.

Investment real estates are still considered competitive and stable compared to rates of return on bank deposits or KSE fluctuating returns.



**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 % Q1 2016 | | |
|-------------------|----------------|------------|---------------------|------------------|-------------------------------------------------|-------|---------|
| | | | | | From | To | Average |
| Capital | Bneid Al Gar | 250% | 1,000 | Gulf Road | 6.50% | 6.75% | 6.63% |
| | Bneid Al Gar | 250% | 1,000 | Istiqlal | 6.75% | 7.00% | 6.88% |
| | Eastern Maqwa | 240% | 250 | Internal | 6.50% | 6.75% | 6.63% |
| | Dasman | 400% | 1,000 | Gulf Road | 6.50% | 6.75% | 6.63% |
| Hawalli | Hawalli | 250% | 750 | Muthanna | 7.00% | 7.50% | 7.25% |
| | Hawalli | 250% | 1,000 | Mousa Bin Nasir | 7.00% | 7.50% | 7.25% |
| | Salmiya | 250% | 1,000 | Gulf Road | 6.50% | 6.50% | 6.50% |
| | Salmiya | 250% | 1,000 | Hamad Al-Mubarak | 7.00% | 7.25% | 7.13% |
| | Shaab | 250% | 1,000 | Gulf Road | 6.50% | 6.75% | 6.63% |
| | Shaab | 250% | 1,000 | Internal | 7.00% | 7.25% | 7.13% |
| Farwaniya | Farwaniya | 250% | 1,000 | Airport | 7.50% | 7.75% | 7.63% |
| | Farwaniya | 250% | 750 | Internal | 7.75% | 8.00% | 7.88% |
| | Khaitan | 250% | 750 | Airport | 7.50% | 7.75% | 7.63% |
| | Khaitan | 250% | 750 | Internal | 7.75% | 8.00% | 7.88% |
| | Riggae | 250% | 1,000 | 5th Ring Rd | 7.25% | 7.75% | 7.50% |
| Ahmadi | Fintas | 250% | 500 | Internal | 7.50% | 8.00% | 7.75% |
| | Fintas | 250% | 750 | Main | 7.75% | 8.25% | 8.00% |
| | Abu Halifa | 250% | 500 | Internal | 7.50% | 8.00% | 7.75% |
| | Abu Halifa | 250% | 1,000 | Coast strip | 6.75% | 7.25% | 7.00% |
| | Mahboula | 250% | 750 | Internal | 7.75% | 8.50% | 8.13% |
| | Mahboula | 250% | 750 | Fahaheel | 7.50% | 8.00% | 7.75% |
| | Mahboula | 250% | 1,000 | Coast Strip | 6.75% | 7.25% | 7.00% |
| | Fahaheel | 250% | 500 | Internal | 7.50% | 7.75% | 7.63% |
| Fahaheel | 250% | 750 | Main | 7.50% | 8.00% | 7.75% | |
| Jahra | Jahra | 250% | 1,000 | Internal | 7.50% | 8.25% | 7.88% |
| | Jahra | 250% | 800 | Khuzami | 7.50% | 8.00% | 7.75% |
| Mubarak Al Kabeer | Sabah Al Salem | 170% | 500 | Internal | 6.50% | 6.75% | 6.63% |
| | Sabah Al Salem | 250% | 1,000 | Internal | 7.50% | 8.00% | 7.75% |



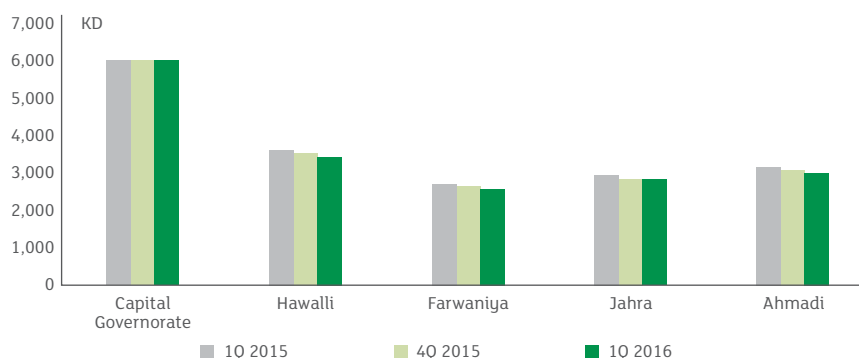
Third: Commercial Property Prices

Commercial property average price per square meter declined by 1.5% at Kuwait level in Q1 compared to Q4 last year. Annual decline in Q4 reached 1.3% at Kuwait level. Price per square meter declined by 2.9% in Q1 compared to the same period last year.

Concerning average price per square meter in each governorate, capital governorate takes the leading position as the highest price area in Kuwait. However, price per square meter has declined by 0.3% in Q1 thus reaching KD 5,932 per square meter compared to an average KD 5,950 in Q4. Price per square meter declined by 0.3%.

Commercial real estates at capital governorate witnessed a continued stability in price per square meter during Q1 2016 compared to Q4 2015. Prices stabilized in City area – Mubarak Al-Kabeer Street, which is considered as the highest price area, followed by certain areas in Fahad Al-Salem Street at Qibla area in which prices declined by 0.7%. Average price per square meter declined in Ahmed Al-Jaber Street with the same percentage. Prices in Mubarakiya area declined by 2.4% while prices increased in Q1 2016 by 0.4% compared to Q4 in the blocks area down town.

**Average Price/m² of Commercial Real Estate at Kuwait Governorates
Q1 2016 & Q4 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 Q1 2016 |
|--------|---------------------|------------|------------------------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Qiblah | 500 | 300% | Mubarakiya | 2,250,000 | 2,875,000 | 4,500 | 5,750 | 5,125 |
| Sharq | 500 | 520% | Ahmad Al Jaber | 3,200,000 | 3,500,000 | 6,400 | 7,000 | 6,700 |
| City | 500 | 620% | Soor | 3,000,000 | 3,125,000 | 6,000 | 6,250 | 6,125 |
| City | 500 | 620% | Mubarak Al Kabeer (Stock Exchange) | 3,750,000 | 4,000,000 | 7,500 | 8,000 | 7,750 |
| City | 500 | 300% | Ali Al-Salem | 2,275,000 | 2,625,000 | 4,550 | 5,250 | 4,900 |
| Qiblah | 500 | 520% | Ali Al-Salem | 2,875,000 | 3,000,000 | 5,750 | 6,000 | 5,875 |

Prices declined in Hawalli area by 2.9% during Q1. Price per square meter reached KD 3,418 compared to KD 3,511 in Q4 which has witnessed a decline by 1.7%. Price per square meter declined also on annual basis among governorates by 4.6% compared to price levels witnessed in Q1 last year.

Regarding governorate areas, prices have declined in Hawalli and Salmiya areas. Prices declined in Hawalli area – Tunis Street by 3.9% bearing in mind that this area is the highest average price area in the governorate. Price per square meter has also declined in Beirut Street by the same ratio while it declined by 2.5% in certain areas of Othman Street and 3% in Ibn Khaldoun St. Salmiya area witnessed a decline in prices in most of its areas. Prices declined in the highest price areas e.g. Salem Al-Mubarak area by 1.2% followed by Hamad Al-Mubarak area by 3%. Prices declined in Bahrain St. by 1%.

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 Q1 2016 |
|---------|---------------------|------------|------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Hawalli | 1,000 | 180% | Tunis | 3,500,000 | 4,100,000 | 3,500 | 4,100 | 3,800 |
| | 750 | 150% | Othman | 2,025,000 | 2,362,500 | 2,700 | 3,150 | 2,925 |
| Salmiya | 800 | 180% | Hamad Mubarak | 2,480,000 | 2,720,000 | 3,100 | 3,400 | 3,250 |
| | 800 | 180% | Salem Al Mubarak | 2,640,000 | 3,840,000 | 3,300 | 4,800 | 4,050 |
| | 500 | 180% | Bahrain | 1,400,000 | 1,500,000 | 2,800 | 3,000 | 2,900 |

Prices declined in Farwaniya governorate by 1.9% where price per square meter in Q1 reached KD 2,535 compared to Q4 where price recorded reached KD 2,585, thus marking a decline on quarterly basis by 2.7%. Price decline reached the highest among governorates in Q1 as it recorded 4.9% compared to the same period last year.

Prices declined in most of the governorate areas e.g. Munawer St. in Farwaniya by 1.5% and 1.9% while price decline in Fire brigade St. reached 3% as it comes in second position among governorate areas in regard to price per square meter.

Prices declined in Khaitan area – commercial center area by 1.3% and by lesser percentage 1.2% in the opposite area. Prices declined also by 1.9% in Jaleeb Al-Shoyoukh area – opposite the cooperative society and the back areas by 1%.

Average prices per square meter stabilized in Q1 in areas overlooking 6th ring road at Dhajeej area. Prices declined by 5.9% in Dhajeej area southern Khaitan and declined in internal areas of Ardiya area by 4.9% in main areas.





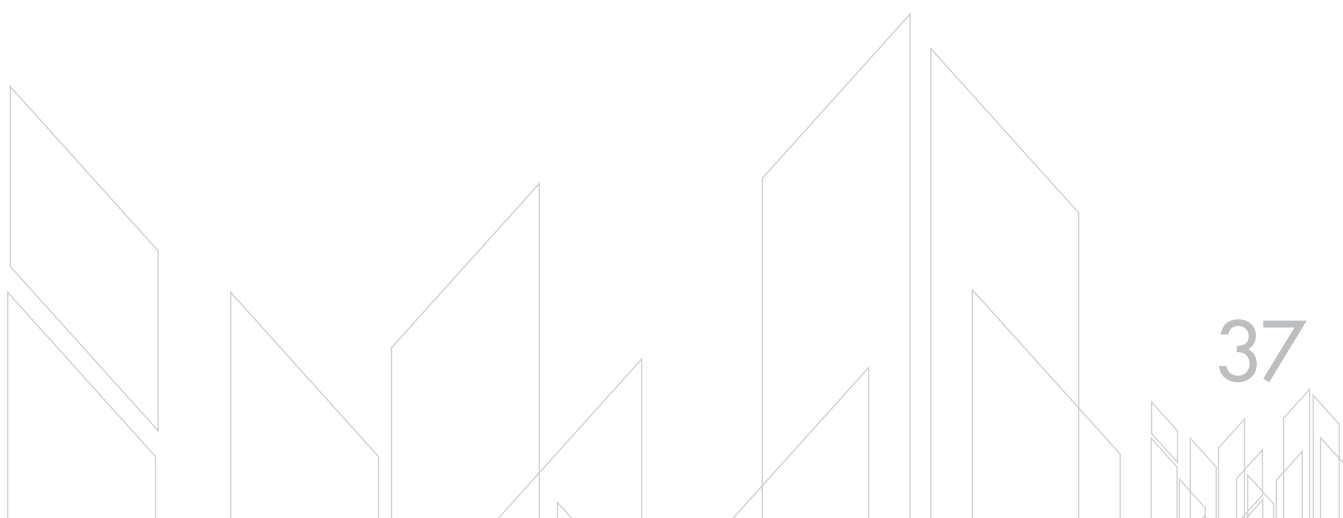
Commercial Land Prices at Farwaniya Governorate

| Region | Area m ² | Building % | Street | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/m ² Q1 2016 |
|---------------------------------------|---------------------|-----------------------------|---------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Farwaniya Munawer St. | 1,000 | 180% | Munawer | 4,800,000 | 5,250,000 | 4,800 | 5,250 | 5,025 |
| Farwaniya Fire Brigade St. | 800 | 180% | Fire Brigade Street | 3,400,000 | 3,600,000 | 4,250 | 4,500 | 4,375 |
| Jaleeb Al Shuyoukh (Opposite Society) | 1,000 | 180% | Cooperative Street | 2,500,000 | 2,800,000 | 2,500 | 2,800 | 2,650 |
| Jaleeb Al Shuyoukh (Background) | 1,000 | 180% | Internal | 2,050,000 | 2,350,000 | 2,050 | 2,350 | 2,200 |
| Dhajej (5,000 M) on the 6th R. R. | 5,000 | 50% | 6th Ring Road | 6,000,000 | 6,500,000 | 1,200 | 1,300 | 1,250 |
| Dhajej (South Khaitan) | 5,000 | 250% | Internal | 1,750,000 | 2,250,000 | 350 | 450 | 400 |
| Ardiya (Warehouses) | 1,000 | Ground 80% Mezzanine 50% | Main | 1,200,000 | 1,250,000 | 1,200 | 1,250 | 1,225 |

Average price per square meter in Ahmadi governorate reached KD 2,964 thus marking a decline by 2.1% compared to KD 3,028 in Q4 which has witnessed a decline by 1.5%. Prices declined at the governorate level in Q1 this year by 3.8% compared to Q1 last year.

Most governorate areas recorded a decline in Q1. Prices at coastal road declined by 2.2% bearing in mind that this area is still considered as one of the highest price areas in the governorate. Prices declined by 3.65% in Mecca Street and 1.9% in Marina area at Fahaheel. Fintas stands as the second highest prices area in the governorate. Prices have declined by 1.4% in main and internal areas. Prices declined in Mangaf area – Aziziya Street by 1.2%

Prices declined in internal places of Khiran Pearl area by 2.6% while they declined by 1.9%.



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 Q1 2016 |
|-----------------------|---------------------|------------|--------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Mangaf | 750 | 300% | Aziziya | 1,387,500 | 1,687,500 | 1,850 | 2,250 | 2,050 |
| Fintas Admin. & Comm. | 1,000 | 180% | Main | 3,300,000 | 3,800,000 | 3,300 | 3,800 | 3,550 |
| | 1,000 | 180% | Internal | 3,200,000 | 3,600,000 | 3,200 | 3,600 | 3,400 |
| Fahaheel | 750 | 180% | Internal | 2,775,000 | 3,112,500 | 3,700 | 4,150 | 3,925 |
| Fahaheel | 750 | 180% | Coastal Road | 2,250,000 | 2,475,000 | 3,000 | 3,300 | 3,150 |
| Fahaheel | 750 | 180% | Mecca | 3,187,500 | 3,375,000 | 4,250 | 4,500 | 4,375 |
| Khiran Pearl | 1,200 | 180% | Marina | 2,850,000 | 3,150,000 | 3,800 | 4,200 | 4,000 |

Prices declined in Jahra governorate by 1.8% thus recording KD 2,765 per square meter during Q1 this year compared to KD 2,815 per square meter in Q4 last year which has declined by the same percentage. Prices declined annually by 3.7% in the governorate during Q1 2016.

Prices declined in various governorate areas e.g. Jahraa area – commercial center by 2.6%. This area is considered as one of the highest price areas in regard to price per square meter of commercial real estate. Prices have also declined in Marzouq Met'eb Street by 1.6%. Prices declined in Qaisariyat area by 1.8% compared to Q4 last year while prices declined in the commercial 1,000 m² areas by 1.3%.

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 Q1 2016 |
|-----------------------------|---------------------|------------|---------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Jahra | 1,000 | 50% | Marzouk Al-Mat'aab | 2,900,000 | 3,250,000 | 2,900 | 3,250 | 3,075 |
| Jahra Admin. & Comm. Center | 875 | 300% | Admin. & Commercial | 3,062,500 | 3,500,000 | 3,500 | 4,000 | 3,750 |
| Jahra Qaisariyat | 225 | 300% | Block 20 | 585,000 | 675,000 | 2,600 | 3,000 | 2,800 |
| Jahra | 1,000 | 50% | Block 21 | 1,750,000 | 2,000,000 | 1,750 | 2,000 | 1,875 |



Commercial Properties' Annual Rate of Return (ARR)

Annual Rates of Return on commercial properties increased in Q1 compared to Q4. However they are still less relatively than the rates of return on investment real estates in certain governorates e.g. capital governorate despite the increase in average return on commercial real estate in Q1 by 6.7% compared to Q4. Return on commercial real estates has exceeded return on investment real estate relatively in Hawalli governorate as a result of the expectations related to the future of offices sector namely the attraction area where rates of return reached 7.7% in Hawalli governorate.

Returns declined to reach 7.85% in Farwaniya governorate. However, they are still higher than the returns on investment real estates at the governorate. Returns on commercial real estate are relatively higher at Jahraa governorate as they reached 7.63% yet they are still less than return on investment real estates at the governorate. Returns have increased in Ahmadi governorate to reach 7.70%, thus exceeding returns on investment real estates at the governorate.

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

| Governorate | Region | Building % | Street | Sale Return/Annual Real Estate Income % Q1 2016 | | |
|-------------|-------------------------------------------|-------------------------|----------------------------|-------------------------------------------------|-------|---------|
| | | | | From | To | Average |
| Capital | Qiblah | 300% | Mubarakiya | 6.25% | 6.75% | 6.50% |
| | Sharq | 520% | Ahmad Al Jaber | 6.50% | 7.00% | 6.75% |
| | City | 620% | Soor | 6.50% | 7.00% | 6.75% |
| | City | 620% | Mubarak Al Kabeer - Blocks | 6.50% | 7.00% | 6.75% |
| | Qiblah | 620% | Fahd Al Salem | 6.50% | 6.75% | 6.63% |
| Hawalli | Hawalli | 180% | Tunis | 7.50% | 7.75% | 7.63% |
| | Hawalli | 180% | Beirut | 7.50% | 7.75% | 7.63% |
| | Hawalli | 180% | Ibn Khaldoun | 7.50% | 7.75% | 7.63% |
| | Salmiya | 180% | Hamad Al Mubarak | 7.50% | 7.75% | 7.63% |
| | Salmiya | 180% | Salem Al Mubarak | 7.50% | 7.75% | 7.63% |
| Farwaniya | Farwaniya Munawer St. | 180% | Munawer | 7.50% | 7.50% | 7.50% |
| | Khaitan (Admin & Commercial) | 300% | Admin & Commercial | 7.50% | 7.75% | 7.63% |
| | Jaleeb Al Shuyoukh (Opposite Cooperative) | 180% | Cooperative St. | 7.75% | 8.25% | 8.00% |
| | Dhajej (5,000 M) Internal | - | Internal | 8.00% | 8.25% | 8.13% |
| | Ardiya (Warehouses) | GF 80% Mezzanine 50% | Main | 7.75% | 8.00% | 7.88% |

| Governorate | Region | Building % | Street | Sale Return/Annual Real Estate Income % Q4 2015 | | |
|-------------|------------------------------|------------|---------------------|-------------------------------------------------|-------|---------|
| | | | | From | To | Average |
| Jahra | Jahra | 180% | Marzouk Al-Mat'aab | 7.50% | 7.50% | 7.50% |
| | Jahra (Admin. & Commercial) | 300% | Admin. & Commercial | 7.50% | 7.75% | 7.63% |
| | Jahra - Qaisariyat | 300% | Plot 20 | 7.50% | 7.50% | 7.50% |
| | Jahra | 50% | Plot 41A | 7.50% | 7.75% | 7.63% |
| Ahmadi | Mangaf | 300% | Aziziya | 8.00% | 8.00% | 8.00% |
| | Fintas (Admin. & Commercial) | 180% | Internal | 7.75% | 8.00% | 7.88% |
| | Fahaheel | 180% | Internal | 7.50% | 8.00% | 7.75% |
| | Fahaheel | 180% | Mecca | 7.50% | 7.75% | 7.63% |

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

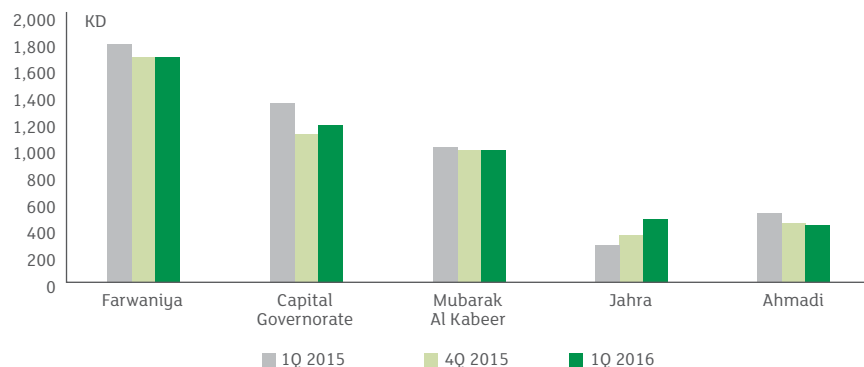
Average price per square meter increased in industrial plots during Q4 at Kuwait governorates level by 3.9% compared to Q4 2015 which has recorded a decline by 4.9% on quarterly basis while price per square meter declined by 4% compared to Q1 last year.

At governorates level, prices increased during Q1 in capital governorate, thus recording KD 1,189 per square meter i.e. an increase by 7.5% compared to Q4 last year. This increase comes after the quarterly decline by 12.4% in Q4 where price per square meter reached KD 1,106.

Price levels stabilized in certain areas of the governorate while price per square meter decline in the highest price areas e.g. electricity street, 500 m² areas by 1.5%. prices declined in certain other areas of 1,000 m² by 1.7%. Prices declined in Decoration St. by 1.6% regarding plots of 500 m² while prices stabilized in plots of 1,000 m². Prices have also stabilized in most places of Canada Dry Street.

Prices stabilized in Q1 in places overlooking 4th Ring Road and in Pepsi Street compared to Q4. Prices declined in certain other internal places by 0.6% while they stabilized in Ghazalli Street.

Average Market Value/m² for Industrial and Handcraft Property at Kuwait Governorates Q1 2016 & Q1 2015





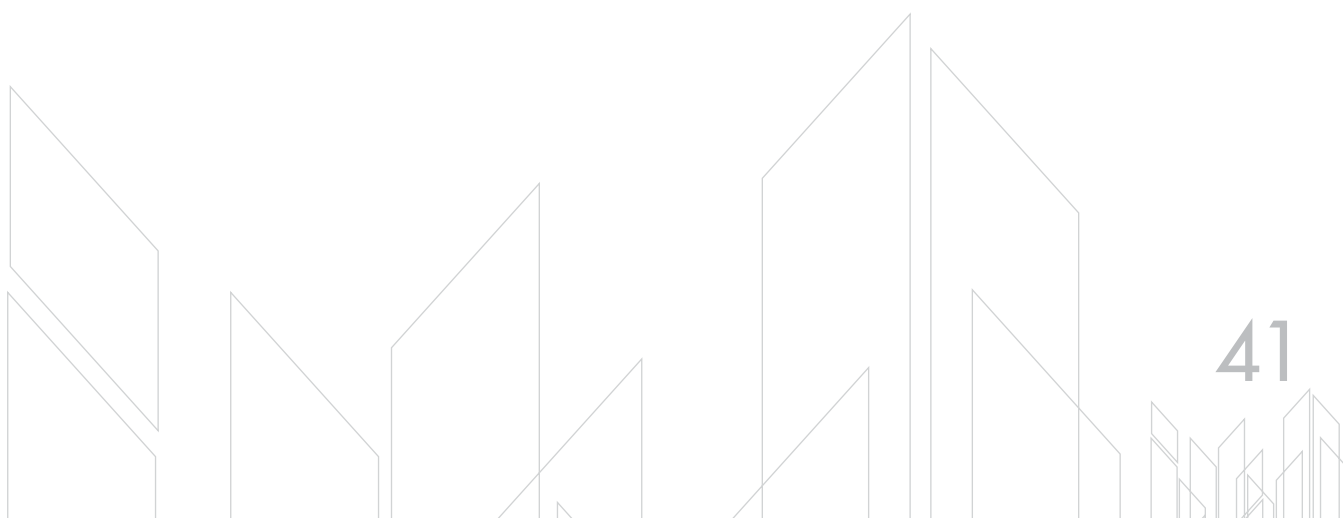
Industrial Plot Prices at Capital Governorate

| Region | Allocation | Area m ² | Building % | Street | Land Market Value (KD) | | Average Price/m ² Q1 2016 |
|---------------------|------------------------|-----------------------------|--------------------------------------------|-------------------|------------------------|------------|--------------------------------------|
| Industrial Shuwaikh | Showrooms + Industrial | 1,000 | 100% Basement + 80% Ground + 50% Mezzanine | Canada Dry St. | 1,225,000 | 1,350,000 | 1,288 |
| | | 5,000 | | Canada Dry St. | 5,000,000 | 6,000,000 | 1,100 |
| | | 1,000 | | Shahrazad St. | 900,000 | 1,000,000 | 950 |
| | | 1,000 | | Decoration St. | 1,300,000 | 1,500,000 | 1,400 |
| | | 500 | | Decoration St. | 750,000 | 825,000 | 1,575 |
| | | 500 | | Electricity St. | 800,000 | 850,000 | 1,650 |
| | | 5,000 | | Pepsi St. | 4,000,000 | 4,500,000 | 850 |
| | | 1,000 | | 4th Ring Road | 1,000,000 | 1,200,000 | 1,100 |
| | | 22,500 | | Internal | 10,000,000 | 12,000,000 | 489 |
| | | 1,000 | | Mohammad Al Qasim | 875,000 | 1,050,000 | 963 |
| | | 1,000 | | Ghazalli St. | 850,000 | 1,000,000 | 925 |
| | | General Average in the Area | | | | | 2,375,000 |

Price per square meter declined in Farwaniya governorate on quarterly basis by 0.4% in Q1 thus recording KD 1,676. This slight decline comes after a higher decline by 2.4% where price per meter reached 1,683 in Q4 2015. Accordingly, price decline in Q1 by 7% on annual basis.

Although price levels stabilized in Ardiya handcraft area yet they are still considered as the highest among various industrial areas among Kuwait governorates. Prices stabilized also in places falling opposite Ardiya warehouses and 5th Ring Road. Prices did not witness any change in the area falling opposite Ardiya residential area.

Price per square meter declined in Al-Rai area during Q1 by 1.3% compared to Q4. This decline comes on the back of the decline in prices in the highest price areas e.g. Safat Al-Ghanem area till Al-Naser Showroom by 1% and in Ghazzalli St. by 1.2%. Prices declined by 1.6% in Mohammed Al-Qasem St., 1.1% in Car showrooms and 1.9% in internal streets of the area.



Industrial Plot Prices at Farwaniya Governorate

| Region | Allocation | Area m ² | Building % | Site | Street | Land Market Value (KD) | | Average Price/m ² Q1 2016 |
|-----------------------------|------------------------|---------------------|------------------------|------|----------------------------------------|------------------------|-----------|--------------------------------------|
| | | | | | | From | To | |
| Al Rai | Showrooms + Industrial | 1,000 | 100% Basement | Main | Safat Alghanim (till Al Nasser Sports) | 1,225,000 | 1,350,000 | 1,288 |
| | | 1,000 | 80% GF | Main | Ghazalli St. | 925,000 | 1,100,000 | 1,013 |
| | | 4,000 | 50% Mezzanine | Main | Mohammad Al Qasim | 4,250,000 | 5,200,000 | 1,181 |
| General Average in the Area | | | | | | 2,080,000 | 2,498,333 | 1,033 |
| Ardiya Craft Area | Crafts | 250 | 100% Basement + 80% GF | Main | Opposite Ardiya Stores | 600,000 | 650,000 | 2,500 |
| | | 250 | + 50% Mezzanine | Main | Opposite Ardiya Residential | 550,000 | 600,000 | 2,300 |
| General Average in the Area | | | | | | 550,000 | 610,000 | 2,320 |

Price per square meter in Ahmadi Governorate declined to reach KD 428 i.e. a decline by 2.2% compared to KD 438 in Q4 which has witnessed a decline by 2.6 on quarterly basis. Prices declined on annual basis in Q1 by 19% compared to prices levels last year.

Price levels declined in Fahaheel area by 1.9% compared to Q4 bearing in mind that this area is considered as one of the highest price areas. The decline in prices comes on the back of the decline by 4% in the area opposite the refineries. Prices stabilized in Sultan Center St. area while they declined by 3.6% in certain internal streets of Fahaheel area compared to Q4 last year.

Prices declined in East Ahmadi Industrial area which is considered as the second highest price area in the governorate by 2.2%. The decline comes on the back of the decline in prices in Mustafa Karam Street by 3.2%. Prices declined in 5,000 m² areas at Warehouses area by 2.4% Prices stabilized in certain internal area of 1000 M2 warehouses while they declined by 6% in other places having same area size.

Prices declined in Shuaiba and Mina Abdullah areas by 1.3% while prices stabilized in the highest price areas. Meanwhile, prices declined in internal places of the main areas by 4.8% while in main places prices declined by 2.9%. Prices stabilized at Mina Abdullah for the third quarter respectively in places including gravel storage warehouses and internal places.


2016
Q1

Industrial Plot Prices in Al Ahmadi Governorate

| Region | Allocation | Area m ² | Street | Land Market Value (KD) | | Average Price/m ² Q1 2016 |
|------------------------------------|------------------------|---------------------|--------------------|------------------------|------------------|--------------------------------------|
| West Shuaiba | Industrial | 120,000 | Behind Gas Station | 9,500,000 | 12,000,000 | 99 |
| West Shuaiba | | 10,000 | Internal | 1,400,000 | 1,550,000 | 155 |
| Mina Abdullah | | 1,000 | Fanar | 180,000 | 220,000 | 200 |
| General Average in the Area | | | | 2,991,250 | 3,552,000 | 116 |
| Fahaheel | Showrooms + Industrial | 1,000 | Sultan Center St. | 1,000,000 | 1,200,000 | 1,100 |
| | | 1,000 | Opposite Refinery | 550,000 | 650,000 | 600 |
| | | 1,000 | Internal Streets | 420,000 | 525,000 | 473 |
| General Average in the Area | | | | 656,667 | 791,667 | 724 |
| East Ahmadi Industrial Area | Showrooms + Industrial | 75,000 | Mustafa Karam | 4,500,000 | 5,000,000 | 653 |
| | | 5,000 | Main | 1,850,000 | 2,150,000 | 410 |
| General Average in the Area | | | | 2,107,500 | 2,350,500 | 445 |

Industrial Plot Prices in Mubarak Al Kabeer Governorate

| Region | Allocation | Area m ² | Street | Land Market Value (KD) | | Average Price/m ² Q1 2016 |
|------------------------------------|------------|---------------------|--------|------------------------|------------------|--------------------------------------|
| Abu Fatira Crafts | Showrooms | 1,000 | Main | 1,750,000 | 1,800,000 | 1,775 |
| Abu Fatira Crafts | Handcraft | 5,000 | Main | 600,000 | 700,000 | 1,300 |
| General Average in the Area | | | | 1,117,500 | 1,225,000 | 1,474 |
| Sabhan | Industrial | 1,000 | Main | 450,000 | 550,000 | 500 |
| | | 1,000 | Pepsi | 600,000 | 700,000 | 650 |
| | | 5,000 | Pepsi | 2,750,000 | 3,000,000 | 575 |
| General Average in the Area | | | | 1,308,333 | 1,491,667 | 478 |

Industrial Plot Prices in Jahra Governorate

| Region | Allocation | Area m ² | Street | Land Market Value (KD) | | Average Price/m ² Q1 2016 |
|------------------------------------|-------------------|---------------------|----------|------------------------|----------------|--------------------------------------|
| Amghara | Major Contractors | 10,000 | Internal | 1,350,000 | 1,550,000 | 145 |
| | | 10,000 | Main | 1,700,000 | 1,850,000 | 177.5 |
| | Major Contractors | 1,000 | Internal | 180,000 | 200,000 | 190 |
| | | 1,000 | Main | 200,000 | 220,000 | 210 |
| General Average in the Area | | | | 338,333 | 378,333 | 125 |
| 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 |

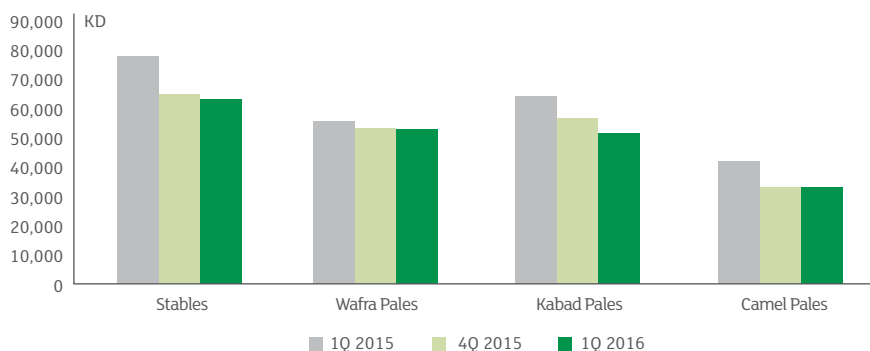
Fifth: Prices of Farms and Livestock Farms

Prices of livestock farms and stables in Kuwait declined by 3% during Q1 this year compared to Q4 last year. Prices recorded a massive decline reaching 17% compared to last year prices. Prices declined in usufruct area e.g. Kabd livestock farms of 2,500 m² area at Ahmadi governorate by 3%, thus recording KD 62.5 Thousand in Q1 compared to KD 64 Thousand during Q4. Meanwhile prices stabilized in camel farms. Usufruct land prices declined to reach KD 51.2 Thousand in Wafra Livestock Farms by 9% compared to Q4.

Prices stabilized in Equestrian stables at Ahmadi Governorate during Q1 compared to Q4. This stability comes on the back of the stability witnessed in prices of equestrian stables area , race course area, golf field and internal areas.



Average Estimated Price of Beneficiary Right at Livestock farms and Stables at Ahmadi Governorate Q1 2016 – Q4 & Q1 2015



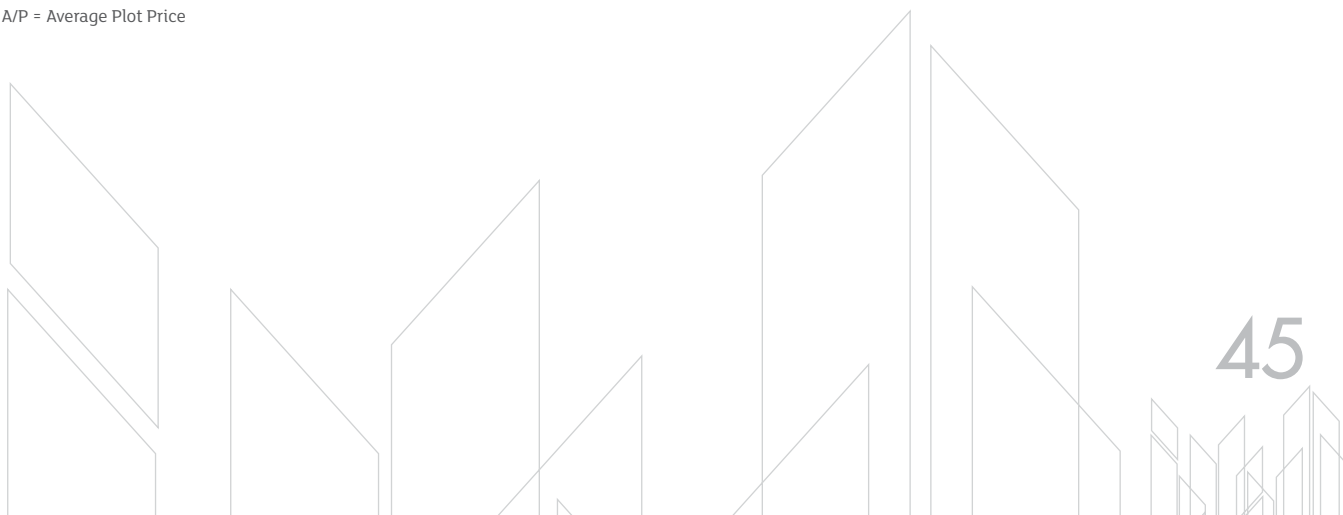
Estimated price per square meter at agricultural area in Kuwait did not record any change in prices in Q1 compared to Q4 last year price levels in Jahra and Ahmadi governorates. Average estimated price per square meter stabilized at KD 3.3 in Wafra agricultural area in Ahmadi governorate. Prices stabilized in Wafra area which covers 50 Thousand square meter and the area that covers 100 Thousand square meters respectively

Prices stabilized also at agricultural lands thus recording KD 3.6 per square meter in Jahra governorate. This stability comes on the back of the stability of prices at Abdali areas covering an area of 50,000 m² and at Mutlaa area covering 100,000 m² and in areas of livestock plots at Sulaibiya covering an area of 1 Million square meters and 50.000 square meters.

Prices of Farms and Livestock Farms

| Governorate | Region | Area m ² | Site | Estimated Plot Usufruct Price (KD) | | Price /m ² (KD) | | ** A/P Q1 2016 |
|-------------|-----------------------------|---------------------|--------------------|------------------------------------|--------|----------------------------|------|----------------|
| | | | | From | To | From | To | |
| Ahmadi | Kabd Farms | 2,500 | Internal | 60,000 | 75,000 | 24.0 | 30.0 | 67,500 |
| | Kabd Farms | 2,500 | Main | 75,000 | 95,000 | 30.0 | 38.0 | 85,000 |
| | Equestrian Stables – Ahmadi | 500 | Internal | 30,000 | 35,000 | 60.0 | 70.0 | 32,500 |
| | | 500 | Race Course – Golf | 35,000 | 40,000 | 70.0 | 80.0 | 37,500 |
| | Al Wafra Farms | 2,500 | Internal | 40,000 | 50,000 | 16.0 | 20.0 | 45,000 |
| | | 2,500 | Main | 50,000 | 65,000 | 20.0 | 26.0 | 57,500 |

** A/P = Average Plot Price



Sixth: Chalet Prices

Q1 has fallen in winter this year. Accordingly demand on this type of real estates may decline. This may explain some of the reasons behind the decline in chalet prices during Q1. Prices have declined in Ahmadi governorate by 1.5% in Q1 compared to Q4 which has witnessed a decline by 2.5% on quarterly basis.

Average price per square meter (longitude) ranged between KD 10 Thousand and KD 15 Thousand in Ahmadi Governorate. Prices declined in the highest price area in the governorate by 1% e.g. Benaider and Jelaia. Prices declined in the lowest price areas by 2.5% e.g. Nuwaiseeb. Average price areas e.g. Mina Abdullah and Dhaba'e'ya witnessed a decline in prices by 2.5% in Q1. Prices declined also in Al-Zour coastal area and in usufruct areas at Khiran area by 1.8%.

Prices decline in capital governorate by 3.1% e.g. Doha area in which price per square meter at the coastal front reached KD 7,750. Prices declined at Jahra governorate thus recording KD 5,313 i.e. a decline by 3.4% in Q4 due to the decline in prices of Kazma chalets area by 3.6% and Sabiya chalets by 3.1%.

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 Q1 2016 |
|-------------|--------------------------------|-----------------------------|---------------------|---------|--------------------------------------|--------|------------------------------------------|
| | | | From | To | From | To | |
| Al Ahmadi | Mina Abdullah | 20 | 270,000 | 320,000 | 13,500 | 16,000 | 14,750 |
| | Dubaeya | 20 | 270,000 | 320,000 | 13,500 | 16,000 | 14,750 |
| | Julaia | 20 | 430,000 | 330,000 | 21,500 | 24,000 | 22,750 |
| | Bnaider | 20 | 450,000 | 500,000 | 22,500 | 25,000 | 23,750 |
| | Al Zour | 20 | 250,000 | 300,000 | 12,500 | 15,000 | 13,750 |
| | Khairan (Beneficiary contract) | 20 | 250,000 | 300,000 | 12,500 | 15,000 | 13,750 |
| | Nuwaiseeb | 20 | 170,000 | 220,000 | 8,500 | 11,000 | 9,750 |

** 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 values have fluctuated among various places and areas. Average rental value for a ground floor, 3 bed rooms, a hall, covering an area of 135 m² in a private residence real estate with a total area 400 m during Q4 2015 at Hawalli governorate ranged between KD 420 – 550. Rental value reached KD 650 at capital governorate. Average rental value at Farwania ranges between KD 320 – 370 and reaches KD 400 - 450 in certain distinguished areas and ranges KD 320 – 450 in Ahmadi governorate areas while it increases slightly to KD 550 in certain areas. Average rent ranges KD 400 – 450 in Mubarak Al-Kabeer governorate areas including Abu-Fatira, Addan and Sabah Al-Salem. Average value increases to reach KD 400 – 500 in some other areas. Rental value in Jahraa area ranged KD 300 – 450.

Average rental value for a full floor in a private residence covering an area of 400 meters ranges KD 800 – 900 at Hawalli governorate and reached KD 950 in some distinguished areas therein, while it is little higher to reach KD 1000 in more distinguished areas. Rental value ranges between KD 1000 – 1100 in most of Capital governorate areas. Rental value ranges KD 680 – 780 in Ghernata while in Farwaniya area it ranges between KD 640 – 740 and reaches KD 800 in certain other distinguished places.

Average rental value ranges between KD 640 – 800 at Ahmadi governorate and reaches KD 900 in certain distinguished areas. Rental value reaches to KD 800 – 900 at Mubarak Al-Kabeer areas including Abu-Fatira area and may reach KD 1000 in areas like Masayel area. Rental value ranges KD 600 – 740 in Jahraa Governorate.

Average rental value for a full first or second floor at a private residence covering an area 400 meter ranges KD 700 – 800 and reaches KD 850 in distinguished places of Hawalli governorate. Rental value reached KD 900 in certain distinguished areas. Rental value in Capital governorate ranged KD 900 – 1000 in most of the governorate areas. The value in certain Farwania governorate areas ranges KD 540 – 649 for a full floor and increases in certain areas to reach KD 700.

Rental value at Ahmadi governorate ranged between KD 540 – 700 while it increased slightly in some other areas. Rental value at Mubarak Al-Kabeer governorate areas ranged KD 600 – 800 and reached KD 900 in some other areas of the governorate. Rental value at Jahra governorate ranged KD 500 – 640.

Investment Residence Rental Value

Average rental value of a 2 bed room flat and a hall covering an area of 60 m in capital governorate ranged between KD 320 – 340. Rental value for the same area in Hawalli governorate ranged between KD 290 – 330. Rental value for the same area ranged between KD 270 – 320 in Farwaniya Governorate and KD 200 – 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 bed room flats + a hall coving an area of 70 – 74 m ranged KD 350 – 400 at capital governorate and KD 310 – 360 in Hawalli governorate areas. Rental value ranged between 300 – 340 in Farwaniya governorate, KD 300 – 340 in Ahmadi governorate, KD 325 – 350 at Mubarak Al-Kabeer governorate and KD 310 – 330 at Jahraa governorate.

Rental value for investment apartments covering an area of 80 – 85 m² ranged between KD 420 – 450 at capital governorate and ranged between KD 365 – 440 at Hawalli governorate areas. Rental value ranged between KD 350 – 420 at Farwaniya governorate areas and ranged KD 330 – 360 at Ahmadi governorate. Rental value approximated KD 380 and KD 360 at Mubarak Al-Kabeer governorate and Jahraa governorate respectively.

Rental value for a flat covering an area of 100–110 m² ranged between KD 470–540 in Capital governorate areas, KD 440–520 for Hawalli governorate areas, KD 490 for Farwaniya governorate while the value ranged KD 420–450 for Ahmadi governorate. Rental value increased slightly in Mubarak Al-Kabeer area ranging KD 450–480 and reached KD 430–460 at Jahraa 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, Mirgab, 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 streets at Hawalli. Also, there are less significant areas e.g. Jaleeb Al Shoyoukh, 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.

governorate. Rental value approximated KD 380 and KD 360 at Mubarak Al-Kabeer governorate and Jahraa governorate respectively.

Commercial Property Rental Value

Average rent of a commercial meter in a ground floor ranged KD 25 – KD 45/m² in Hawalli as it reached KD 40/m² in Kuwait city while it reached KD 50 in Salmiya. Average rent/m² at offices ranges KD 6.5 and reaches KD 8.5 in certain prime areas and grand yards in Kuwait city. Also it has reached KD 6-8 / m² in certain areas in Hawalli, Fahaheel and Mangaf and reached KD 9 in certain places, 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 industrial square meter for a ground floor – showrooms - ranged between KD 12 – 25 at Shuwaikh industrial area and Al-Rai area. Prices differ according to different locations. 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 15 – 22.5. Average price per square meter at East Ahmadi ranged between KD 12 – 18. Prices at Fahaheel industrial area ranged KD 14 – 20 per square meter.

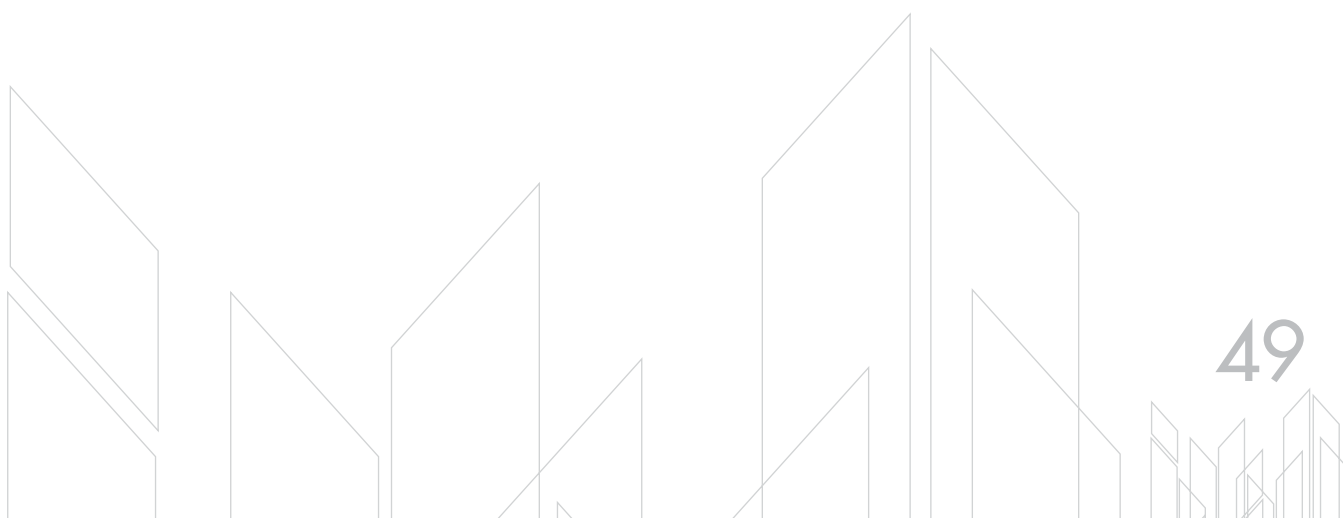




**Average Rental Value for a Newly Built Private Residence
in KD covering an area 400m Kuwait Governorates during Q1 2016**

| Hawalli Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|---------------------|-------------------------------------------------------------------------|-----|---------------------|------|------------------------|-----|
| Siddique | 420 | 550 | 850 | 950 | 750 | 850 |
| Salaam | 420 | 550 | 850 | 950 | 750 | 850 |
| Hitteen | 420 | 550 | 850 | 950 | 750 | 850 |
| Shuhada | 420 | 550 | 850 | 950 | 750 | 850 |
| Zahra | 420 | 550 | 850 | 950 | 750 | 850 |
| Shaab | 450 | 600 | 900 | 1000 | 800 | 900 |
| Mishref | 400 | 500 | 800 | 900 | 700 | 800 |
| Bayan | 400 | 500 | 800 | 900 | 700 | 800 |
| Mubarak Al-Abdullah | 420 | 550 | 850 | 950 | 750 | 850 |
| Salwa | 380 | 480 | 750 | 850 | 650 | 750 |
| Jabriya | 400 | 500 | 800 | 900 | 700 | 800 |

| Capital Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|---------------------|-------------------------------------------------------------------------|-----|---------------------|------|------------------------|------|
| Adailiya | 500 | 650 | 1000 | 1100 | 900 | 1000 |
| Faiha | 500 | 650 | 1000 | 1100 | 900 | 1000 |
| Rawda | 500 | 650 | 1000 | 1100 | 900 | 1000 |
| Yarmouk | 500 | 650 | 1000 | 1100 | 900 | 1000 |
| Keifan | 500 | 650 | 1000 | 1100 | 900 | 1000 |
| Mansouriya | 500 | 600 | 1000 | 1100 | 900 | 1000 |
| Qadsiya | 500 | 550 | 1000 | 1100 | 900 | 1000 |
| Da'iya | 500 | 550 | 1000 | 1100 | 900 | 1000 |
| Dasman | 500 | 550 | 1000 | 1100 | 900 | 1000 |
| Surra | 500 | 550 | 1000 | 1100 | 900 | 1000 |
| Qurtoba | 500 | 600 | 1000 | 1100 | 900 | 1000 |
| Ghernata | 340 | 500 | 680 | 780 | 580 | 680 |
| Sulaibikhat | 340 | 450 | 680 | 780 | 580 | 680 |



| Farwaniya Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|-----------------------|-------------------------------------------------------------------------|-----|---------------------|-----|------------------------|-----|
| Farwaniya | 350 | 400 | 700 | 800 | 600 | 700 |
| Omaria | 350 | 400 | 700 | 800 | 600 | 700 |
| Khaitan | 350 | 400 | 700 | 800 | 600 | 700 |
| Ishbiliya | 350 | 450 | 700 | 800 | 600 | 700 |
| Rabia | 320 | 370 | 640 | 740 | 540 | 640 |
| Rihab | 320 | 370 | 640 | 740 | 540 | 640 |
| Ardiya | 320 | 370 | 640 | 740 | 540 | 640 |
| Andalus | 320 | 370 | 640 | 740 | 540 | 640 |

| Ahmadi Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|--------------------|-------------------------------------------------------------------------|-----|---------------------|-----|------------------------|-----|
| Hadiya | 320 | 450 | 640 | 740 | 540 | 640 |
| Egaila | 400 | 550 | 800 | 900 | 700 | 800 |
| Mangaf | 350 | 450 | 700 | 800 | 600 | 700 |

| Mubarak Al Kabeer Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|-------------------------------|-------------------------------------------------------------------------|-----|---------------------|------|------------------------|-----|
| Sabah Al-Salem | 400 | 500 | 800 | 900 | 700 | 800 |
| Masayel | 450 | 500 | 900 | 1000 | 800 | 900 |
| Abu Fatira Residential | 400 | 450 | 800 | 900 | 700 | 800 |
| Addan | 400 | 450 | 800 | 900 | 700 | 800 |
| Qurain | 350 | 400 | 700 | 800 | 600 | 700 |

| Jahra Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|-------------------|-------------------------------------------------------------------------|-----|---------------------|-----|------------------------|-----|
| Old Jahra | 320 | 450 | 640 | 740 | 540 | 640 |
| Saad Al-Abdullah | 300 | 400 | 600 | 700 | 500 | 600 |


 2016
Q1

**Average Rental Value Trading
 Investment Properties in Kuwait Governorates during Q1 2016 (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 | 300 | 320 | 320 | 350 | 380 | 420 | 450 | 490 |
| Hawalli | 290 | 300 | 310 | 340 | 365 | 400 | 440 | 475 |
| Jabriya | 310 | 330 | 325 | 350 | 380 | 420 | 460 | 490 |
| Shaab | 320 | 310 | 340 | 360 | 400 | 440 | 470 | 520 |
| 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 | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Qibla | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Eastern Muqawa | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Dasman | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Bneid Al Gar | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| 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 | 290 | 310 | 310 | 340 | 350 | 390 | 430 | 475 |
| Farwaniya | 290 | 310 | 310 | 340 | 350 | 390 | 430 | 475 |
| Jleeb Al Shuyoukh | 270 | 300 | 300 | 330 | 350 | 370 | 420 | 460 |
| Riggae | 300 | 320 | 320 | 345 | 380 | 420 | 420 | 490 |
| 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 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Mahboula | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Abu Halifa | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Mangaf | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Fahaheel | 270 | 290 | 300 | 340 | 330 | 360 | 425 | 450 |
| 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 | 290 | 320 | 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 Q1 2016 (KD)

Average Rental price per Square Meter (KD)

| Areas | Basement | Ground Floor | Mezzanine | Offices |
|----------------------|----------|--------------|-----------|-----------|
| Salmiya | 12 - 18 | 25 - 50 | 12 - 14 | 7 - 8 |
| Hawalli | 10 - 16 | 25 - 45 | 12 | 7 - 8 |
| Farwaniya | 12 - 18 | 30 - 55 | 12 - 14 | 8 - 9 |
| Khaitan | 10 - 16 | 25 - 45 | 12 | 7 - 8 |
| Mangaf - Aziziyah | 7 - 8 | 15 - 25 | 10 | 6 - 7 |
| Fahaheel | 10 - 14 | 25 - 40 | 12 - 13 | 7 - 8 |
| Dhajej (Farwaniya)** | 5 - 6 | 9 - 14 | 5 - 6 | - |
| Kuwait City*** | 10 - 14 | 25 - 40 | 12 - 16 | 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 Q1 2016 (KD)

Average Rental price per Square Meter (KD)

| Areas | Basement | Ground Floor | Mezzanine | Price Index |
|---------------------|----------------------------|--------------|-----------|----------------------------------------------------------------------------------------------|
| Industrial Shuwaikh | 3.5 - 4.5 | 12 - 25 | 3.5 - 5 | Unit Area = 40 m |
| Al Rai | 3.5 - 4.5 | 12 - 25 | 3.5 - 5 | Excluding rental values in Avenues Mall |
| Sabhan | 2.5 - 3 | 3.5 - 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 based on location, age, depreciation, finishing, type of place, periphery and infrastructure level.



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 = 0.2286 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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