



# KFH Local Real Estate Report

Second Quarter 2011 - Kuwait

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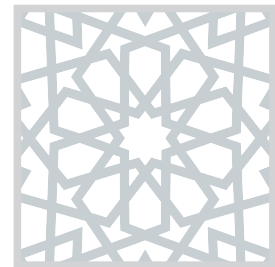


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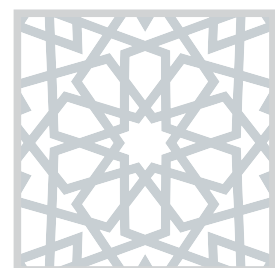
بيت التمويل الكويتي  
Kuwait Finance House







**KFH Local Real Estate Report**  
Second Quarter 2011 - Kuwait





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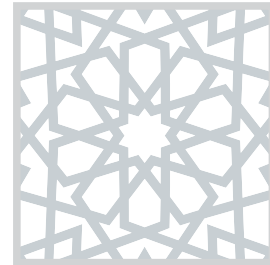
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### Valued Reader...

KFH is pleased to present the new edition of its quarterly Local Real Estate Report for the second quarter in 2011. The real estate sector is considered one of the major sectors in the local economy due to its ability to providing one of the basic needs of citizens. Because the real estate sector is linked to the most important economic sectors, it has the ability to stimulate and trigger the local economy. In addition, this sector can attract and contain large investments in the field of infrastructure as well as provide employment for the labor force.

Accordingly, this report continues to analyze the price indices of real estate properties through all Governorates of Kuwait, as per location (Internal or Prime). This report reflects KFH's effort in providing a broad analysis of certain aspect of the real estate market in the State of Kuwait as it highlights the major qualitative and quantitative developments and activities on a regular basis. This report also includes a glossary of real estate terminology for a better understanding of this dynamic sector.

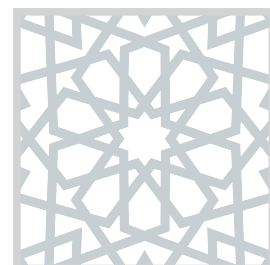
KFH persistently collects and monitors all official data related to trade transactions and the price indices of the local real estate activity. KFH then presents this data illustratively, monitors the real estate performance indicators methodologically, and publishes the same periodically in order to raise awareness about the real estate and investment practices in the local market while encouraging the developmental role of the local market in the economy and helping customers and investors to take sound and well-informed investment decisions.

In addition to the local real estate performance analysis, the report reviews the major economic development activities related to the activity of this real estate market as well as the related governmental regulations.



**Emad Abdullah Al-Thaqeb**

AGM, Finance Sector - KFH





## KFH Local Real Estate Report

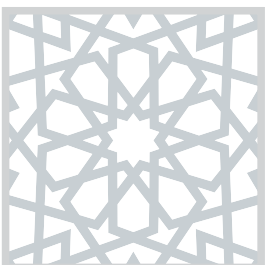
### Introduction

The return of mortgages and real estate financing for Residential sector through Islamic banks after the Court of Cassation issuance of an amendment to exclude KFH and Islamic Banks from Laws 8&9 that restrict banks from trading of residential real estate properties, had a positive impact on the return of the activity and vitality of the real estate market during the second quarter of 2011, rising real estate transactions total by 43% due to growth and increasing circulation in the Residential estate, as well as real estate investment and trading activity of real estate registration at the Ministry of Justice and the rise of trading Residential in the second quarter increased by 40.9% compared to the first quarter, while prices of traded real estate investment increased by 33% and trade by 172% for the same period, as the policy of recording real estate, which accounted for between half to three quarters of real estate wealth in most world economies as a positive policy that benefits investors, and would facilitate the transition from one investor to another and from one sector to another in an accessible and fast manner, accordingly to encourage domestic investment as the ease of registration of real estate helps the investor in obtaining funding to ensure his ownership of his home and land to start his or finance expansions and is well known that banks prefer to acquire land and buildings as collateral, and the benefits of registering ownership of land and buildings extends beyond the access to credit, where it affects the land values and investments.

Under these conditions seeking to break the cycle of crisis, a strange crisis comes to the surface, the sovereign debt crisis in USA and Europe, which requires more effort to cope with external shocks by enhancing the performance particularly the real estate sector which we hope that it won't be an implementation to impose new fees on Residential to enact Law 8/2008 any negative impacts on real estate's activities and trading and concerned parties should coordinate among them in this regard. On other other hand, the economic arena is experiencing intensive efforts to regulate the real estate market in Kuwait and drive the large scale projects which began to move which indicates signs of improvements in the growth of the construction sector where directed financing from local banks to the real estate and construction sectors is started to grow.

The result of these events and developments during the second quarter of this year were reflected on the pace of trading and liquidity in the real estate activity where the value of trading during the second quarter 2011 has reached about 1.032 billion dinars, compared to the value amounted to 720.98 million dinars in the first quarter of 2011, an increase of 40%, based on the average daily circulation of approximately 14.7 million for the first quarter of last year to 16.1 million Kuwaiti dinars in the first year, and for the second quarter of this year compared to the same period last year, has improved the value of trading significantly to \$ 1.032 billion KD 663.4 million compared with KD for the second quarter of last year 2010 by rising 55.7%.

The recorded price indices for residential real estate rose slightly during the second quarter of 2011, compared to the previous quarter, As for the price indices investment housing has witnessed large real estate trading as a



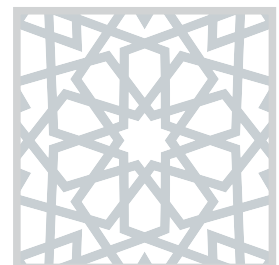
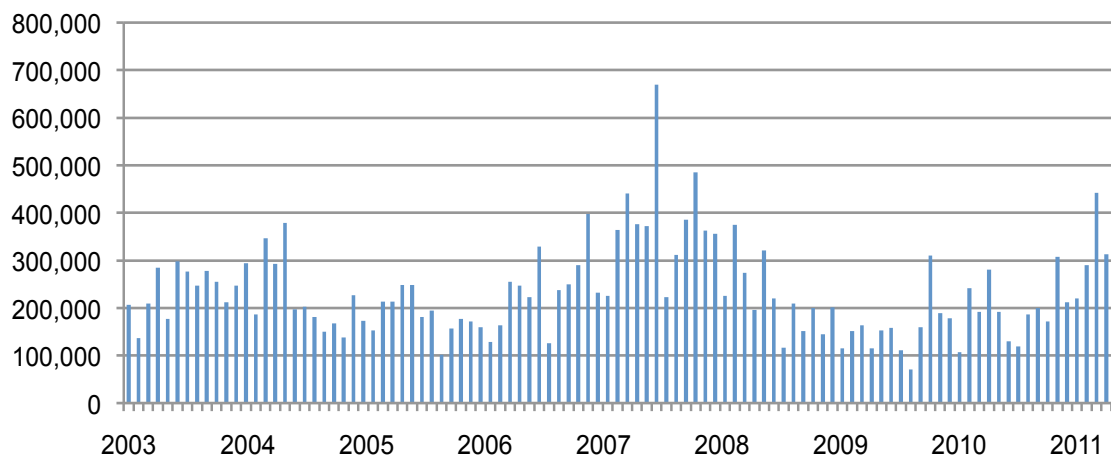


result of the increased investor appetite to investment in real estate investment activity for its high returns, and its competitiveness with investment alternatives other markets such as the Kuwait Stock Exchange and investment deposits as well as the stability of investment and high oil prices, where prices have housing investment percentage rise of 3.1% at the level of the governorates of Kuwait, compared with first quarter 2011, where the average price per square meter in the second quarter of 2011 amounted to 981 KD compared to an average of 950 KD. The price indices of commercial real estate prices in Farwanaiya, Ahmadi, Hawalli, and Jahra reached a slight rise of 2.5% compared to the Q1-2011 where the average price per square meter in Hawalli governorate reached KD 2,567 where in Jahra it reached KD 1,720.

### Market Trading Indices

The real estate sector constitutes more than 10% of GDP, where over the past decades, the economic boom lead to an increase of income levels which in turn had augmented the demand on housing units (i.e. villas) that exceeded the supply margins due to the rapid increase of population and the government's inability to increase supply to meet such demands.

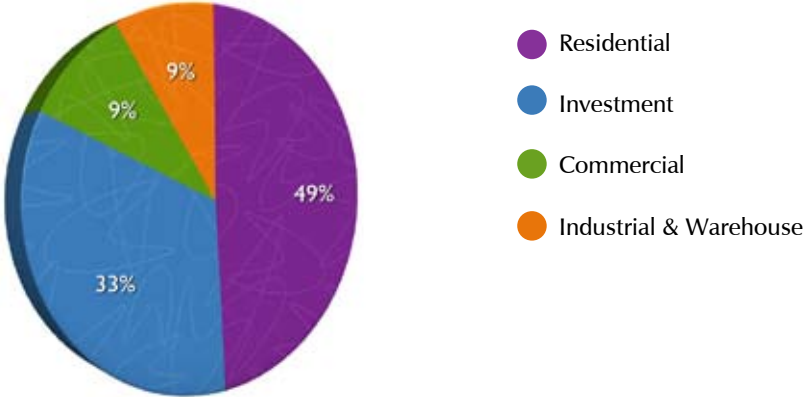
Real estate transactions per month 2003 -2011





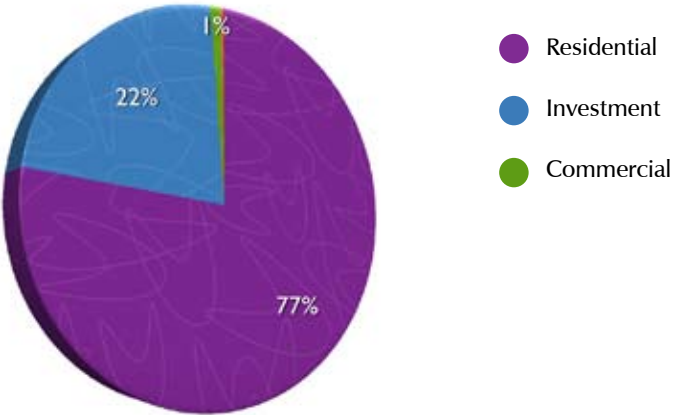
# KFH Local Real Estate Report

Real Estate Percentage Distribution during Q2, 2011



The Public Authority for Housing Welfare has submitted various initiatives and projects to the National Assembly offered by the Kuwaiti Government to launch giant companies into the different sectors of the economy, including the offering of a share to the public offering and pumping new investments in the Kuwaiti economy. Kuwaiti Government has also announced the signature of contracts to construct four residential cities including 22 thousand residential units within its five-year budget (2010-2014) aiming at setting up projects worth KD 37 billion in order to diversify the sources of income, attract more investments, and encourage the private sector’s participation in the government-led projects.

Real Estate Indices during Q2, 2011



Source: Real Estate Registration and Authentication Department, Ministry of Justice

Regarding the overall real estate market, the trading indices posted by the Real Estate Registration and Authentication Department at the Ministry of Justice during Q2-2011 showed an increase of KD 311,844 million equal to 43.2% as compared to KD 720,980 million in Q1-2011.







## Residential Trends

The Residential transactions have increased compared to the previous quarter thus reaching 53.9% of the total real estate trading valued KD 720,980 million. The Residential transactions have amounted to KD 1,032 billion in Q2-2011, increasing 40.95% as compared to Q1-2011. The number of Residential transactions has increased to reach 1,805 transactions during Q2-2011 as compared to 1,761 in Q1-2011. Average transaction has increased during Q2-2011 to KD 308 thousand as compared to KD 224 thousand in Q1-2011. April 2011 recorded the highest trading rate accounting for 43.6% equal to KD 243,475 million of the total Residential transactions amounting to KD 557,432 million during Q2-2011 while May ranked second recording KD 189,144 million recording 33.9% June came last with KD 124,812 million accounting for 22.3% of the total Residential trading.

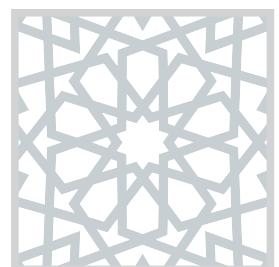
## Investment Real Estate Trends

On one hand, The demand of real estate is associated with the number of non-Kuwaiti families that live in rented apartments. On other hand, the demand is also affected by a range of factors such as the size of population, the average of family size, quality of housing, the policies of non-Kuwaiti labor supply, and the policies of investment housing apartments and the rent average as percentage of the household income in addition to the investment housing construction rate. In the face of scarcity of real estate investment and the high rates of return in the context of low returns of Kuwait Stock Exchange and the low returns of deposits during the first half of this year. In addition to significant impact of imposing fees on residential empty lands starting from the end of May 2011 according to law 8 of 2008, which led investors to strongly invest in real estate investment at the expense of residential real estate.

The total trading of investment real estate increased notably during Q2-2011 to reach KD 374,319 million compared to KD 281,076 million in Q1-2011, with an increase of 33.1% April came as a top volume leader in Q2-2011 recording KD149,073 million, June came second recording KD 138,522 million, while May came third recording KD 86,692 million.

## Commercial Real Estate Trends

Total commercial real estate trading increased notably during Q2-2011 especially in Al Ahmadi, Farwaniya and Hawalli Governorate and away from the Capital Governorate which is still experiencing a remarkable increase in the rates of supply and the scarcity of demand for rental which reduces its revenue while Mubarak Al- Kabeer Governorate was influenced by the municipal desire of the non-renewel of the business license for a list of activities inside it and maintained without change to stay a craft and a service area according to its establishment decision. In light of the pessimistic view that is dominating the market, the tendency by other traders to sell their commercial properties as a result of the decreased sales turnover and the shrunken local consumption, commercial real estate





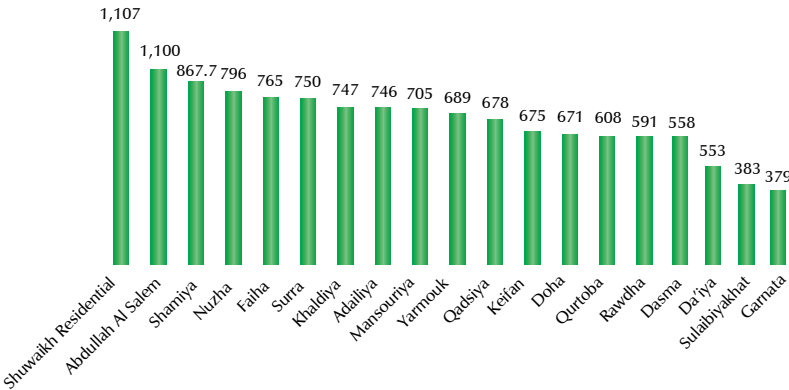
offered for rental witnessed a shortage in demand, especially in the Capital area, forcing some to reduce the price of leasing, the value of trading has increased by 172% registering KD 98,858 million as compared to Q1-2011, which reached KD 36,315 million increasing its share of trading to 9.5 % of the total trading At the expense of real estate transactions for private residence, which approached its share up to 53.9% and investment deals amounting to 36.2%, had occupied the month of April the first place where the trading volume in which to 49.077 million Kuwaiti dinars, while the month of May second, where the volume of trading to 35.972 million dinars Kuwait, and also recorded the third month of June, where trading volume has reached to 13.808 million Kuwaiti dinars, while the average one transaction during the second quarter of 2011 was \$ 3.408 million compared to KD 1,911 million Kuwaiti Dinars for the first quarter of 2011.

### Price Indices:

#### First: Prices of Residential Lands:

The State aims to complete more than 70 thousand housing units by the end of 2015. Since the number of applications reached 92 thousand with an increase of up to 8,250 applications each year. This situation has driven the state to take immediate actions and raise the offerings to provide the additional housing units so as the shortage in supply would not lead prices to soar. As part of its efforts, the state is planning to build 22 thousand residential units through the establishment of 4 new cities. Market price indices monitored by KFH showed an increase in the prices of residential lands during Q2-2011 in the Capital Governorate registering an average rate of KD 695.7 per square meter in Q1 – 2010 compared to 673.4 in Q4 – 2011, while other areas (Dahiya Abdulla Al Salem, Shamiya, Residential Shuwaikh, Faiha, Keifan, Adeliya, Qadsiya, Yarmouk, Deyia, Ghornata, Sulaibikhat, Doha) witnessed a slight increase (%1: 3.5).

Average rate of Residential in Capital Governorate- Q2, 2011



## Second Quarter 2011 - Kuwait



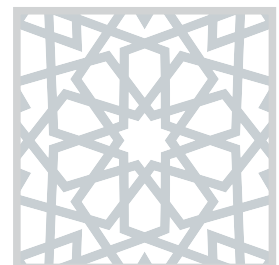
| Area                 | Area (M2) | % of Built Area | Location | Value*    |           | Price per Meter |       | AR Q2-2011 (KD)* |
|----------------------|-----------|-----------------|----------|-----------|-----------|-----------------|-------|------------------|
|                      |           |                 |          | From      | To        | From            | To    |                  |
| Abdullah Al Salem    | 500       | %210            | Internal | 450,000   | 580,000   | 900             | 1,160 | 1,030            |
|                      | 750       | %210            | Internal | 680,000   | 800,000   | 907             | 1,067 | 986.7            |
|                      | 1,000     | %210            | Internal | 850,000   | 1,000,000 | 850             | 1,000 | 925              |
|                      | 750       | %210            | Prime    | 825,000   | 950,000   | 1,100           | 1,267 | 1,183.3          |
|                      | 1,000     | %210            | Prime    | 1,000,000 | 1,300,000 | 950             | 1,300 | 1,150            |
|                      | 1,000     | %210            | Prime    | 1,250,000 | 1,400,000 | 1,250           | 1,400 | 1,325            |
| General Area Average |           |                 |          | 842,500   | 1,005,000 | 1,001           | 1,198 | 1,100            |

| Area                 | Area (M2) | % of Built Area | Location | Value*  |           | Price per Meter |       | AR Q1-2011 (KD)* |
|----------------------|-----------|-----------------|----------|---------|-----------|-----------------|-------|------------------|
|                      |           |                 |          | From    | To        | From            | To    |                  |
| Shamiya              | 250       | 210 %           | Internal | 210,000 | 250,000   | 840             | 1,000 | 920.0            |
|                      | 500       | 210 %           | Internal | 330,000 | 450,000   | 660             | 900   | 780.0            |
|                      | 750       | 210 %           | Internal | 460,000 | 600,000   | 613             | 800   | 706.7            |
|                      | 1,000     | 210 %           | Internal | 700,000 | 850,000   | 700             | 850   | 775.0            |
|                      | 500       | 210 %           | Prime    | 430,000 | 550,000   | 860             | 1,100 | 980.0            |
|                      | 750       | 210 %           | Prime    | 640,000 | 800,000   | 853             | 1,067 | 960.0            |
|                      | 1,000     | 210 %           | Prime    | 875,000 | 1,030,000 | 875             | 1,030 | 952.5            |
| General Area Average |           |                 |          | 520,714 | 647,143   | 771.7           | 963,8 | 867.7            |

\* AR means average rate per square meter in KD. \* (KD) Valued in Kuwaiti Dinar

| Area                 | Area (M2) | % of Built Area | Location | *Value  |         | Price per Meter |       | AR Q1-2011 *(KD) |
|----------------------|-----------|-----------------|----------|---------|---------|-----------------|-------|------------------|
|                      |           |                 |          | From    | To      | From            | To    |                  |
| khaldiya             | 750       | 210%            | Internal | 450,000 | 565,000 | 600             | 753   | 676.7            |
| khaldiya             | 750       | 210%            | Prime    | 510,000 | 630,000 | 680             | 840   | 760.0            |
| khaldiya             | 1,000     | 210%            | Internal | 680,000 | 800,000 | 680             | 800   | 740.0            |
| khaldiya             | 1,000     | 210%            | Prime    | 750,000 | 870,000 | 750             | 870   | 810.0            |
| General Area Average |           |                 |          | 597,500 | 716,250 | 662.5           | 815.8 | 746.7            |

\* AR means average rate per square meter in KD. \* (KD) Valued in Kuwaiti Dinar





# KFH Local Real Estate Report

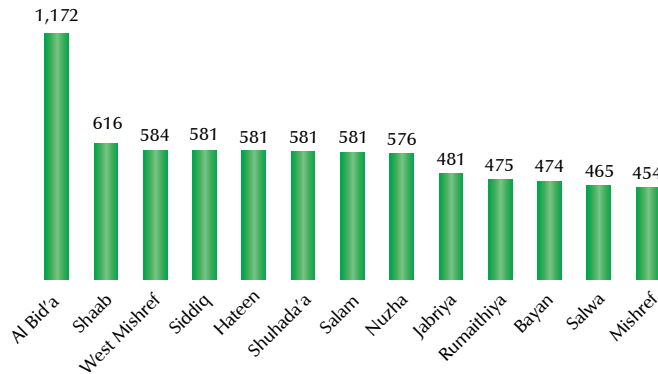
| Area                 | Area (M2) | % of Built Area | Location | Street               | *Value  |         | Price per Meter |       | AR Q1-2011 *(KD) |
|----------------------|-----------|-----------------|----------|----------------------|---------|---------|-----------------|-------|------------------|
|                      |           |                 |          |                      | From    | To      | From            | To    |                  |
| Adeliya              | 500       | 210%            | Internal |                      | 330,000 | 390,000 | 660             | 780   | 720.0            |
| Adeliya              | 500       | 210%            | Prime    |                      | 360,000 | 480,000 | 720             | 960   | 840.0            |
| Adeliya              | 750       | 210%            | Internal |                      | 420,000 | 500,000 | 560             | 667   | 613.3            |
| Adeliya              | 750       | 210%            | Prime    |                      | 500,000 | 600,000 | 667             | 800   | 733.3            |
| Adeliya              | 1,000     | 210%            |          | 3rd Ring             | 730,000 | 840,000 | 730             | 840   | 785.0            |
| Adeliya              | 1,000     | 210%            |          | 4 <sup>th</sup> Ring | 700,000 | 800,000 | 700             | 800   | 750.0            |
| Adeliya              | 1,000     | 210%            |          | Damascus             | 710,000 | 820,000 | 710             | 820   | 765.0            |
| Adeliya              | 1,000     | 210%            |          | Riyadh               | 710,000 | 820,000 | 710             | 820   | 765.0            |
| General Area Average |           |                 |          |                      | 557,500 | 656,250 | 682.1           | 810.8 | 746.5            |

\* AR means average rate per square meter in KD.

\* (KD) Valued in Kuwaiti Dinar

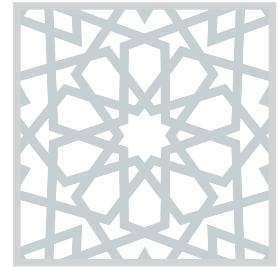
According to the latest KFH survey, prices in Hawally Governorate increased with an average of 2% to 6.1% in Shaab, Jabriya, Rumaithiya, Salwa, Bayan, Mishref, West Mishref, Al Salam, Hateen, Shuhadaa, Al Zahraa, Al Saddiq, Bidaa).

Average Rate of Residential in Hawally Governorate- Q2, 2011

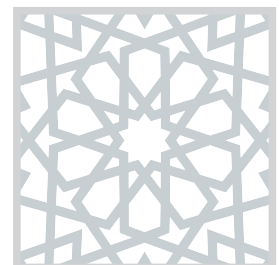




## Second Quarter 2011 - Kuwait



| Area                 | Area (M2) | % of Built Area | Location                          | Street     | *Value  |         | Price per Meter |     | AR Q1-2011 (KD)* |
|----------------------|-----------|-----------------|-----------------------------------|------------|---------|---------|-----------------|-----|------------------|
|                      |           |                 |                                   |            | From    | To      | From            | To  |                  |
| Shaab                | 210%      | 400             | Internal                          |            | 240,000 | 270,000 | 600             | 675 | 637.5            |
| Shaab                | 210%      | 400             | Prime                             |            | 270,000 | 300,000 | 675             | 750 | 712.5            |
| Shaab                | 210%      | 500             | Internal                          |            | 250,000 | 300,000 | 500             | 600 | 550.0            |
| Shaab                | 210%      | 500             | Prime                             |            | 300,000 | 350,000 | 600             | 700 | 650.0            |
| Shaab                | 210%      | 750             | Internal                          |            | 350,000 | 420,000 | 467             | 560 | 513.3            |
| Shaab                | 210%      | 750             | Prime                             |            | 450,000 | 500,000 | 600             | 667 | 633.3            |
| General Area Average |           |                 |                                   |            | 310,000 | 356,667 | 574             | 659 | 616.1            |
| Jabriya              | 210%      | 400             | Internal                          |            | 190,000 | 240,000 | 475             | 600 | 537.5            |
| Jabriya              | 210%      | 400             | Prime                             |            | 220,000 | 260,000 | 550             | 650 | 600.0            |
| Jabriya              | 210%      | 500             | Internal                          |            | 220,000 | 250,000 | 440             | 500 | 470.0            |
| Jabriya              | 210%      | 500             | Prime                             |            | 240,000 | 280,000 | 480             | 560 | 520.0            |
| Jabriya              | 210%      | 750             | Internal                          |            | 280,000 | 325,000 | 373             | 433 | 403.3            |
| Jabriya              | 210%      | 750             | Prime                             |            | 330,000 | 380,000 | 440             | 507 | 473.3            |
| Jabriya              | 210%      | 1000            | Internal                          |            | 380,000 | 420,000 | 380             | 420 | 400.0            |
| Jabriya              | 210%      | 1000            | 5 <sup>th</sup> Ring & Al Maghreb |            | 420,000 | 460,000 | 420             | 460 | 440.0            |
| General Area Average |           |                 |                                   |            | 285,000 | 326,875 | 445             | 516 | 481              |
| Rumaithiya           | 210%      | 400             | Internal                          |            | 180,000 | 205,000 | 450             | 513 | 481.3            |
| Rumaithiya           | 210%      | 400             | Prime                             |            | 200,000 | 230,000 | 500             | 575 | 537.5            |
| Rumaithiya           | 210%      | 500             | Internal                          |            | 190,000 | 240,000 | 380             | 480 | 430.0            |
| Rumaithiya           | 210%      | 500             | Prime                             |            | 210,000 | 260,000 | 420             | 520 | 470.0            |
| Rumaithiya           | 210%      | 750             | Internal                          |            | 240,000 | 260,000 | 320             | 347 | 333.3            |
| Rumaithiya           | 210%      | 750             | Prime                             |            | 295,000 | 335,000 | 393             | 447 | 420.0            |
| Rumaithiya           | 210%      | 1000            |                                   | Al Aqsa St | 500,000 | 550,000 | 500             | 550 | 525.0            |
| Rumaithiya           | 210%      | 1000            |                                   | Al Tawan   | 550,000 | 650,000 | 550             | 650 | 600.0            |
| General Area Average |           |                 |                                   |            | 295,625 | 341,250 | 439             | 510 | 475              |
| Salwa                | 210%      | 500             | Internal                          |            | 185,000 | 220,000 | 370             | 440 | 405.0            |
| Salwa                | 210%      | 750             | Prime                             |            | 205,000 | 240,000 | 410             | 480 | 445.0            |
| Salwa                | 210%      | 750             | Internal                          |            | 240,000 | 275,000 | 320             | 367 | 343.3            |
| Salwa                | 210%      | 1000            | Prime                             | Al Aqsa St | 290,000 | 330,000 | 387             | 440 | 413.3            |
| Salwa                | 210%      | 1000            |                                   | Al Tawan   | 620,000 | 700,000 | 620             | 700 | 660.0            |
| Salwa                | 210%      | 1000            |                                   |            | 500,000 | 620,000 | 500             | 620 | 560.0            |
| Salwa                | 210%      | 500             |                                   |            | 400,000 | 450,000 | 400             | 450 | 425.0            |
| General Area Average |           |                 |                                   |            | 348,571 | 405,000 | 430             | 500 | 465              |

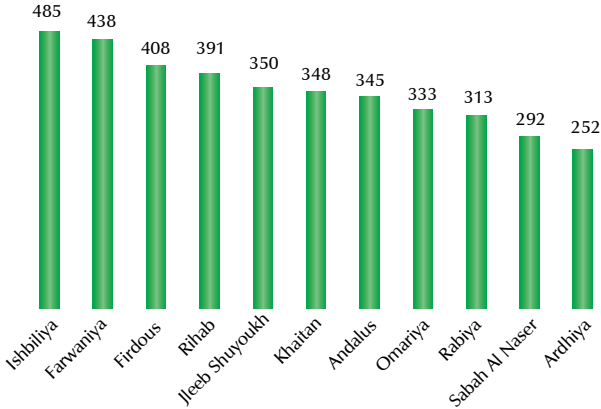




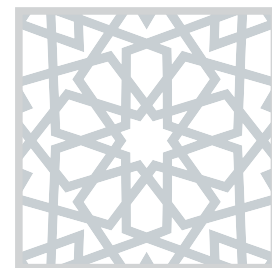
# KFH Local Real Estate Report

The Farwaniya Governorate has recorded an average price rate of KD 359 per square meter during Q2- 2011. The latest studies conducted by KFH showed that 4% to 20% price increase in Andalus, Al Rabiya, Ashbeelia, Farwaniya, Ardiya, Sabah Al Nasser, Al Fardous, Al Omariya, and Al Rihab remained stable.

Average Rate of Residential in Farwaniya Governorate- Q2, 2011



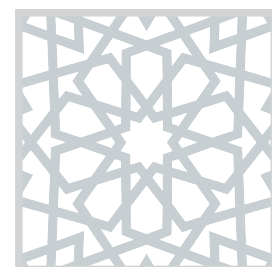
## Second Quarter 2011 - Kuwait



| Area                      | Area (M2) | % of Built Area | Location | Street         | *Value  |         | Price per Meter |       | AR Q1-2011 (KD)* |
|---------------------------|-----------|-----------------|----------|----------------|---------|---------|-----------------|-------|------------------|
|                           |           |                 |          |                | From    | To      | From            | To    |                  |
| Andalus                   | 210%      | 500             | Internal |                | 160,000 | 180,000 | 320             | 360   | 340.0            |
| Andalus                   | 210%      | 500             | Prime    |                | 180,000 | 220,000 | 360             | 440   | 400.0            |
| Andalus                   | 210%      | 750             | Internal |                | 210,000 | 240,000 | 280             | 320   | 300.0            |
| Andalus                   | 210%      | 750             | Prime    |                | 240,000 | 260,000 | 320             | 347   | 333.3            |
| Andalus                   | 210%      | 750             | 5th Ring |                | 250,000 | 280,000 | 333             | 373   | 353.3            |
| General Area Average      |           |                 |          |                | 208,000 | 236,000 | 322.7           | 368.0 | 345.3            |
| Rabiya (Existing House)   | 210%      | 500             | Internal |                | 145,000 | 170,000 | 290             | 340   | 315.0            |
| Rabiya (Existing House)   | 210%      | 500             | Prime    |                | 160,000 | 190,000 | 320             | 380   | 350.0            |
| General Area Average      |           |                 |          |                | 152,500 | 180,000 | 305.0           | 360.0 | 332.5            |
| Ashbeeliya                | 210%      | 400             | Internal |                | 170,000 | 200,000 | 425             | 500   | 462.5            |
| Ashbeeliya                | 210%      | 400             | Prime    |                | 185,000 | 240,000 | 463             | 600   | 531.3            |
| Ashbeeliya                | 210%      | 500             | Internal |                | 210,000 | 240,000 | 420             | 480   | 450.0            |
| Ashbeeliya                | 210%      | 500             | Prime    |                | 235,000 | 260,000 | 470             | 520   | 495.0            |
| General Area Average      |           |                 |          |                | 200,000 | 235,000 | 444.4           | 525.0 | 484.7            |
| Al Farwaniyah             | 210%      | 500             | Internal |                | 200,000 | 220,000 | 400             | 440   | 420.0            |
| Al Farwaniyah             | 210%      | 500             | Prime    |                | 215,000 | 240,000 | 430             | 480   | 455.0            |
| General Area Average      |           |                 |          |                | 207,500 | 230,000 | 415.0           | 460.0 | 437.5            |
| Khaitan (Behind the club) | 210%      | 400             | Internal |                | 140,000 | 180,000 | 350             | 450   | 400.0            |
| Khaitan                   | 210%      | 1000            |          | Faisal Highway | 300,000 | 340,000 | 300             | 340   | 320.0            |
| Khaitan                   | 210%      | 750             | Internal |                | 220,000 | 240,000 | 293             | 320   | 306.7            |
| Khaitan                   | 210%      | 750             | Prime    |                | 250,000 | 300,000 | 333             | 400   | 366.7            |
| General Area Average      |           |                 |          |                | 227,500 | 265,000 | 319.2           | 377.5 | 348.3            |
| Jleeb Al-Shuyoukh         | 210%      | 750             | Internal |                | 225,000 | 300,000 | 300             | 400   | 350.0            |
| AL-Ardiya                 | 210%      | 750             | Internal |                |         |         |                 |       |                  |
| AL-Ardiya                 | 210%      | 750             | Prime    |                |         |         |                 |       |                  |
| General Area Average      |           |                 |          |                | 172,500 | 205,000 | 230.0           | 273.3 | 251.7            |

\* (KD) Valued in Kuwaiti Dinar

\* AR means average rate per square meter in KD.

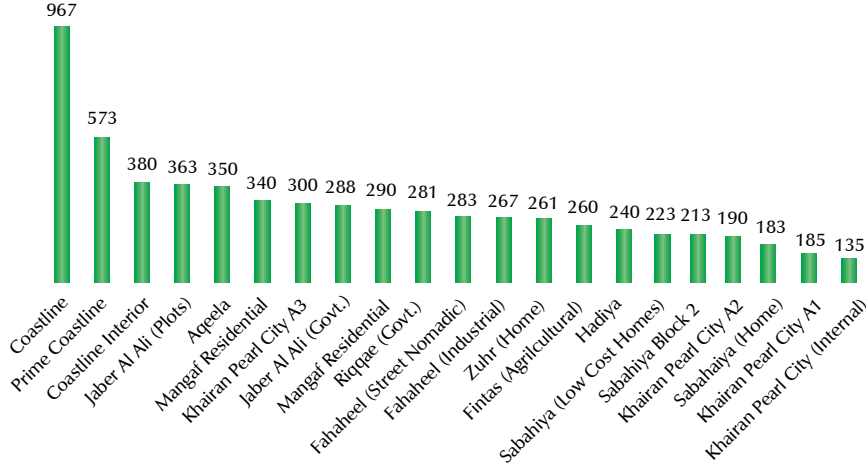




# KFH Local Real Estate Report

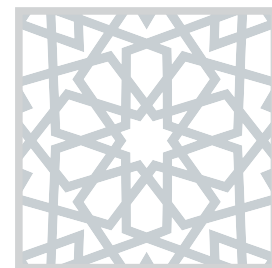
In the Ahmadi Governorate, the prices have witnessed an increase to reach an average price of KD 347 per square meter, compared to KD 330 per square meter in Q1-2011, where prices have risen in the governorate area from 2% to 9%.

Average Rate of Residential in Ahmadi Governorate- Q2, 2011



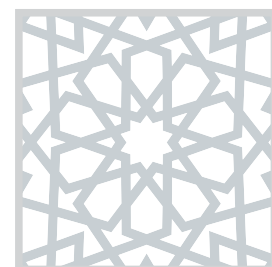


## Second Quarter 2011 - Kuwait



| Area                                   | Area (M2) | % of Built Area | Location   | *Value  |         | Price per Meter |       | AR Q1-2011 (KD)* |
|--|-----------|-----------------|------------|---------|---------|-----------------|-------|------------------|
|  |           |                 |            | From    | To      | From            | To    |                  |
| Fintas agricultural                    | 210%      | 1000            | Internal   | 240,000 | 300,000 | 240             | 300   | 270.0            |
| Fintas agricultural                    | 210%      | 1000            | Prime      | 350,000 | 400,000 | 350             | 400   | 375.0            |
| Hadiyah                                | 210%      | 750             | Internal   | 170,000 | 220,000 | 227             | 293   | 260.0            |
| Hadiyah                                | 210%      | 750             | Prime      | 210,000 | 250,000 | 280             | 333   | 306.7            |
| Al Aqalah                              | 210%      | 400             | Internal   | 140,000 | 165,000 | 350             | 413   | 381.3            |
| Al Aqalah                              | 210%      | 500             | Prime      | 175,000 | 220,000 | 350             | 440   | 395.0            |
| Coastal strip on the sea               | 150%      | 750             |            | 800,000 | 900,000 | 1,067           | 1,200 | 1133.3           |
|  | 150%      | 750             |            | 525,000 | 565,000 | 700             | 753   | 726.7            |
|  | 150%      | 750             |            | 340,000 | 380,000 | 453             | 507   | 480.0            |
| Al-Khiran Residential                  | 210%      | 400             |            | 35,000  | 59,000  | 88              | 148   | 117.5            |
| Sabah Al Ahmad Sea City A1             | 210%      | 1200            | On the sea | 215,000 | 240,000 | 179             | 200   | 189.6            |
| Sabah Al Ahmad Sea City A2             | 210%      | 1200            | On the sea | 222,500 | 250,000 | 185             | 208   | 196.9            |
| Khairan Pearl city A3                  | 210%      | 640             | On the sea | 192,000 | 224,000 | 300             | 350   | 325.0            |
| Al Mangaf Residential                  | 210%      | 375             | Internal   | 130,000 | 160,000 | 347             | 427   | 386.7            |
| Al Wafra Residential                   | 210%      | 400             | Internal   | 140,000 | 170,000 | 350             | 425   | 387.5            |
| Al Wafra Residential ( existing house) | 210%      | 400             | Internal   | 30,000  | 46,000  | 75              | 115.0 | 95.0             |
| Jaber Al Ali                           | 210%      | 400             |            | 160,000 | 190,000 | 400             | 475.0 | 437.5            |
| Al Zaher ( existing House)             | 210%      | 278             |            | 75,000  | 90,000  | 270             | 323.7 | 296.8            |
| Al Fahaheel ( Al Badwyeh St            | 210%      | 600             | Prime      | 160,000 | 210,000 | 267             | 350.0 | 308.3            |

\* (KD) Valued in Kuwaiti Dinar

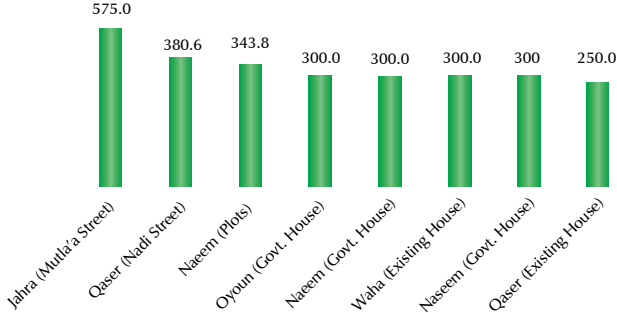




# KFH Local Real Estate Report

Al Jahra Governorate recorded a rise in prices in Al Jahra, Al Oyoum, Al Naem, and Al Waha where the average price per square meter reached KD 331 per square meter.

Average Rate of Residential in Jahra Governorate- Q2, 2011



| Area                         | % of Built Area | Area (M2) | Location | Street      | *Value  |         | Price per Meter |     | AR Q1-2011 (KD)* |
|------------------------------|-----------------|-----------|----------|-------------|---------|---------|-----------------|-----|------------------|
|                              |                 |           |          |             | From    | To      | From            | To  |                  |
| Qasr                         | 210%            | 750       | Internal |             | 150,000 | 190,000 | 200             | 253 | 226.7            |
| Qasr (Al Nadi Street)        | 210%            | 1000      |          | Nadi Street | 360,000 | 400,000 | 360             | 400 | 380              |
| Qasr (Existing House)        | 210%            | 600       |          |             | 135,000 | 155,000 | 225             | 258 | 241.7            |
| Jahra (Mutlaa Street)        | 210%            | 400       | Internal |             | 210,000 | 230,000 | 525             | 575 | 550              |
| Al Oyoum (Government House)  | 210%            | 400       | Prime    |             | 105,000 | 125,000 | 263             | 313 | 287.5            |
| Al Naem (Plots)              | 210%            | 400       | Internal |             | 125,000 | 150,000 | 313             | 375 | 343.75           |
| Al Naem (Government House)   | 210%            | 400       | Prime    |             | 105,000 | 125,000 | 263             | 313 | 287.5            |
| Al Waha (Existing House)     | 210%            | 300       |          |             | 80,000  | 90,000  | 267             | 300 | 283.33           |
| Al Nassim (Government House) | 210%            | 400       | Prime    |             | 105,000 | 125,000 | 263             | 313 | 287.5            |
| Gernaral Area Average        |                 |           |          |             | 156,111 | 81,111  | 305             | 356 | 331              |

\* (KD) Valued in Kuwaiti Dinar  
 \* AR means average rate per square meter in KD.

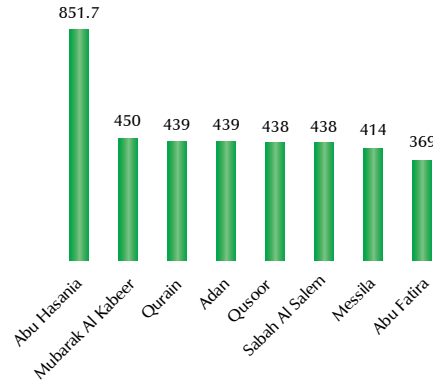


## Second Quarter 2011 - Kuwait



Mubarak Al Kabir Governorate has registered an increase in prices in Q2-2011 where the average price per square meter reached KD 465 compared to KD 452 in Q1-2011 at an approximate rate of 5.9%.

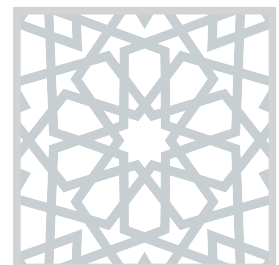
Average Rate of Residential in Mubarak Al Kabir Governorate- Q1, 2011



| Area                     | % of Built Area | Area (M2) | Location | Street   | *Value  |         | Price per Meter |       | AR Q1-2011 *(KD) |
|--------------------------|-----------------|-----------|----------|----------|---------|---------|-----------------|-------|------------------|
|                          |                 |           |          |          | From    | To      | From            | To    |                  |
| Area Abo Al Hasania      | 150%            | 750       | Internal |          | 393,750 | 562,500 | 525             | 750   | 637.5            |
| Abo Al Hasania           | 150%            | 750       |          | Fahaheel | 525,000 | 637,500 | 700             | 850   | 775.0            |
| Abo Al Hasania           | 150%            | 750       | Sea Side |          | 881,250 | 900,000 | 1,175           | 1,225 | 1200.0           |
| General Area Average     |                 |           |          |          | 600,000 | 700,000 | 770             | 933   | 852              |
| Messila                  | 210%            | 400       | Internal |          | 165,000 | 180,000 | 413             | 450   | 450.0            |
| Messila                  | 210%            | 400       | Main     |          | 190,000 | 220,000 | 475             | 550   | 512.5            |
| Messila                  | 210%            | 500       | Internal |          | 175,000 | 220,000 | 350             | 440   | 395.0            |
| Messila                  | 210%            | 500       | Main     |          | 210,000 | 250,000 | 420             | 500   | 460.0            |
| General Area Average     |                 |           |          |          | 165,000 | 180,000 | 413             | 450   | 450.0            |
|                          | 210%            | 400       | Internal |          | 132,500 | 150,000 | 331             | 375   | 353.1            |
| Abo Ftaira (East Qurain) | 210%            | 400       | Main     |          | 150,000 | 180,000 | 375             | 450   | 412.5            |
|                          | 210%            | 500       | Internal |          | 150,000 | 175,000 | 300             | 350   | 350.0            |
|                          | 210%            | 500       | Main     |          | 180,000 | 220,000 | 360             | 440   | 400.0            |

\* (KD) Valued in Kuwaiti Dinar

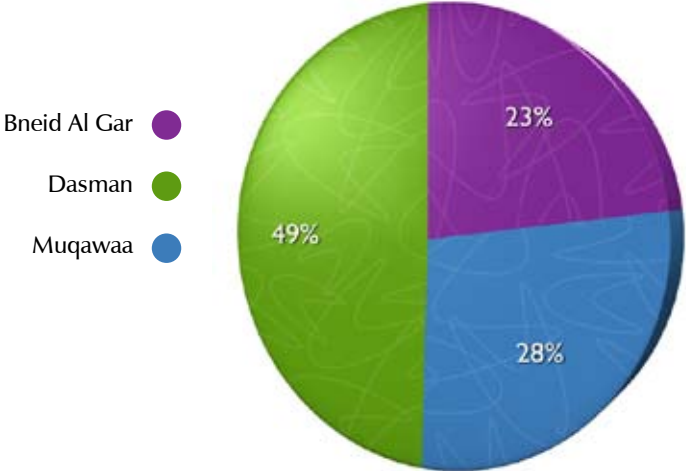
\* AR means average rate per square meter in KD.





Second: Prices of Investment Lands:

Investment lands prices increased 3.4% during Q2-2011 in the Capital Governorate at an average meter price of KD 1,730 compared to KD 1,672 in Q1-2011.





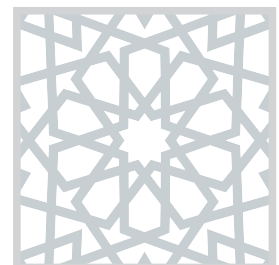
## Second Quarter 2011 - Kuwait



| Area                        | % of Built Area | Area (M2) | Location | Street            | *Value    |           | Price per Meter |         | AR Q1-2011 *(KD) |
|-----------------------------|-----------------|-----------|----------|-------------------|-----------|-----------|-----------------|---------|------------------|
|                             |                 |           |          |                   | From      | To        | From            | To      |                  |
| Bneid Al Gar                | 250%            | 1,000     |          | Gulf Road         | 1,800,000 | 2,000,000 | 1,800           | 2,000   | 1900.0           |
| Bneid Al Gar                | 250%            | 1,000     |          | Al Istqalal       | 1,100,000 | 1,250,000 | 1,100           | 1,250   | 1175.0           |
| Bneid Al Gar                | 250%            | 500       | Internal |                   | 500,000   | 550,000   | 1,000           | 1,100   | 1050.0           |
| Bneid Al Gar                | 250%            | 500       | Prime    |                   | 550,000   | 600,000   | 1,100           | 1,200   | 1150.0           |
| Bneid Al Gar                | 250%            | 1,000     | Internal |                   | 800,000   | 900,000   | 800             | 900     | 850.0            |
| Bneid Al Gar                | 250%            | 1,000     | Prime    |                   | 1,200,000 | 1,350,000 | 1,200           | 1,350   | 1275.0           |
| General Average of the area |                 | 833       |          |                   | 991,667   | 1,108,333 | 1,166.7         | 1,300.0 | 1,233.3          |
| East Muqawaa                | 240%            | 250       | Internal |                   | 300,000   | 340,000   | 1,200           | 1,360   | 1280.0           |
| East Muqawaa                | 400%            | 500       | Internal |                   | 650,000   | 800,000   | 1,300           | 1,600   | 1450.0           |
| East Muqawaa                | 400%            | 500       | Prime    |                   | 775,000   | 925,000   | 1,550           | 1,850   | 1700.0           |
| General Average of the Area |                 | 417       |          |                   | 575,000   | 688,333   | 1,350           | 1,603   | 1476.7           |
| Dasman                      | 400%            | 1,000     |          | Arabian Gulf      | 3,000,000 | 3,200,000 | 3,000           | 3,200   | 3100.0           |
| Dasman                      | 400%            | 1,000     |          |                   | 1,750,000 | 1,900,000 | 1,750           | 1,900   | 1825.0           |
| Dasman                      | 400%            | 750       |          | Abdullah Al Ahmad | 1,770,000 | 2,000,000 | 2,360           | 2,667   | 2513.3           |
| General Average in the Area |                 | 917       |          |                   | 2,173,333 | 2,366,667 | 2,370           | 2,589   | 2479.4           |

\* (KD) Valued in Kuwaiti Dinar

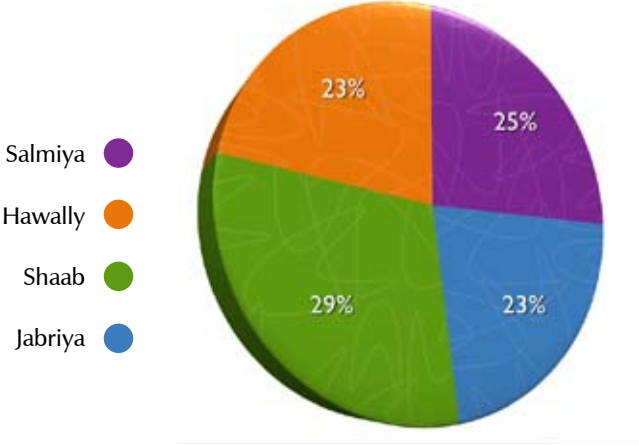
\* AR means average rate per square meter in KD.



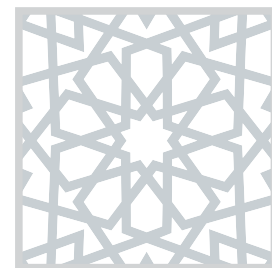


# KFH Local Real Estate Report

In Hawally Governorate, the average price increased to KD 1056.7 per square meter in Q1-2011 compared to KD 1018.1 in Q1-2010 where areas like Hawalli, Salmiya, Shaab and Jabriya witnessed a price increase from 2.5 to 7.7% .



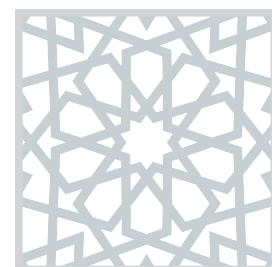
## Second Quarter 2011 - Kuwait



| Area    | % of Built Area | Area  | Location | Street                | Value*    |           | Price per Meter |       | AR Q2-2011 |
|---------|-----------------|-------|----------|-----------------------|-----------|-----------|-----------------|-------|------------|
|         |                 |       |          |                       | From      | To        | From            | To    |            |
| Hawalli | 250%            | 750   |          | Al Muthana            | 715,000   | 800,000   | 953             | 1,067 | 1010.0     |
| Hawalli | 250%            | 750   |          | Qutaiba               | 750,000   | 850,000   | 1,000           | 1,133 | 1066.7     |
| Hawalli | 250%            | 750   |          | Yarmouk               | 680,000   | 740,000   | 907             | 987   | 946.7      |
| Hawalli | 250%            | 750   |          | Mousa ben Naser       | 680,000   | 800,000   | 907             | 1,067 | 986.7      |
| Hawalli | 250%            | 750   |          | Al Muatasem           | 700,000   | 820,000   | 933             | 1,093 | 1013.3     |
| Hawalli | 250%            | 750   |          | 4 <sup>th</sup> Ring  | 950,000   | 1,000,000 | 950             | 1,000 | 975.0      |
| Salmiya | 250%            | 750   |          | Gulf Road             | 1,800,000 | 2,200,000 | 1,800           | 2,200 | 2000.0     |
| Salmiya | 250%            | 750   |          | Abdulkarim Al Khatabi | 800,000   | 900,000   | 1,067           | 1,200 | 1133.3     |
| Salmiya | 250%            | 750   |          | Qatar                 | 820,000   | 920,000   | 1,093           | 1,227 | 1160.0     |
| Salmiya | 250%            | 750   |          | Yousif ben Hemoud     | 685,000   | 800,000   | 913             | 1,067 | 990.0      |
| Salmiya | 250%            | 750   |          | Hamad Al Mubark       | 750,000   | 850,000   | 1,000           | 1,133 | 1066.7     |
| Salmiya | 250%            | 750   |          | Amman                 | 700,000   | 800,000   | 933             | 1,067 | 1000.0     |
| Salmiya | 250%            | 500   | Main     | Al Bahrain            | 720,000   | 800,000   | 960             | 1,067 | 1013.3     |
| Shaab   | 250%            | 1,000 |          | Arabian Gulf          | 1,800,000 | 2,150,000 | 1,800           | 2,150 | 1975.0     |
| Shaab   | 250%            | 1,000 |          | Istiqlal              | 1,100,000 | 1,250,000 | 1,100           | 1,250 | 1175.0     |
| Shaab   | 250%            | 1,000 | Internal |                       | 685,000   | 775,000   | 913             | 1,033 | 973.3      |
| Jabriya | 250%            | 1,000 |          | 4 <sup>th</sup> Ring  | 1,050,000 | 1,200,000 | 1,050           | 1,200 | 1125.0     |
| Jabriya | 250%            | 1,000 |          | Al Maghreb            | 980,000   | 1,050,000 | 980             | 1,150 | 1065.0     |
| Jabriya | 250%            | 1,000 |          | Al Shanakel           | 920,000   | 1,020,000 | 920             | 1,020 | 970.0      |
| Jabriya | 250%            | 1,000 |          | Al Hajeri Mosque      | 800,000   | 850,000   | 800             | 850   | 825.0      |
| Jabriya | 250%            | 1,000 | Internal |                       | 640,000   | 740,000   | 853             | 987   | 920.0      |

\* (KD) Valued in Kuwaiti Dinar

\* AR means average rate per square meter in KD.

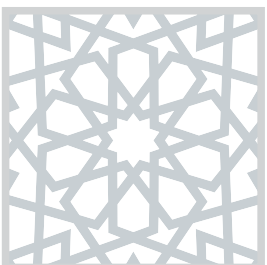




## KFH Local Real Estate Report

Average Annual Return of Properties in Certain Areas

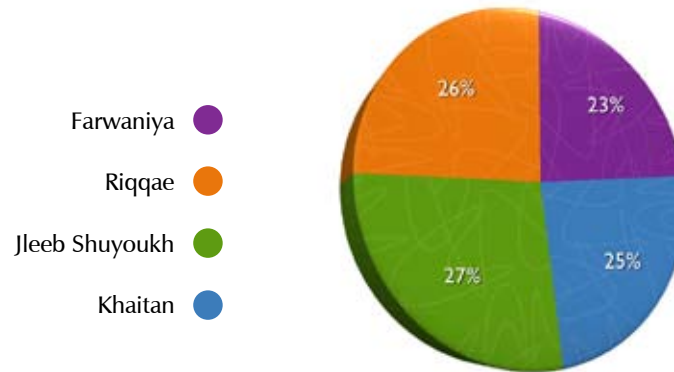
| Area         | % Area Built | Area  | Location | Street                    | Percentage of Sale Profit from the property's annual return for Q2-2011 |       |         |
|--------------|--------------|-------|----------|---------------------------|---|-------|---------|
|              |              |       |          |                           | From  | To    | Average |
| Bneid Al Gar | 250%         | 1,000 |          | Arabian Gulf              | 7.50%   | 8.00% | 7.75%   |
| Bneid Al Gar | 250%         | 1,000 |          | Al Istaqlal               | 7.75%   | 8.00% | 7.88%   |
| Bneid Al Gar | 250%         |       |          |                           | 7.75%   | 8.50% | 8.13%   |
| Bneid Al Gar | 250%         |       |          |                           | 7.75%   | 8.50% | 8.13%   |
| East Muqawaa | 240%         | 250   | Internal |                           | 6.75%   | 7.50% | 7.13%   |
| East Muqawaa | 400%         | 500   | Prime    |                           | 7.25%   | 8.00% | 7.63%   |
| East Muqawaa | 400%         | 500   | Internal |                           | 7.45%   | 8.00% | 7.73%   |
| Dasman       | 400%         | 1,000 |          | Arabian Gulf              | 7.75%   | 8.00% | 7.88%   |
| Dasman       | 400%         | 750   |          | Abdullah Al Ahmad         | 7.75%   | 8.00% | 7.88%   |
| Hawalli      | 250%         | 750   |          | Muthana                   | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 750   |          | Qutaiba                   | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 1,000 |          | Yarmouk                   | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 1,000 |          | Al Hassan Al Basari       | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 1,000 |          | Ahmad Ben Tolon           | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 500   |          | Al Yarmouk                | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 750   |          | Mossan Ben Al Nosair      | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 500   |          | Al Qahra                  | 8.00%   | 8.50% | 8.25%   |
| Hawalli      | 250%         | 1,000 |          | Al Maghreb                | 7.75%   | 8.50% | 8.13%   |
| Hawalli      | 250%         | 1,000 |          | 4 <sup>th</sup> ring road | 7.75%   | 8.50% | 8.13%   |
| Hawalli      | 250%         | 1,000 |          | Fahaheel                  | 7.75%   | 8.50% | 8.13%   |
| Hawalli      | 250%         | 1,000 |          | Sharhbeel                 | 7.75%   | 8.50% | 8.13%   |
| Hawalli      | 250%         | 1,000 | Internal |                           | 7.75%   | 8.50% | 8.13%   |
| Hawalli      | 250%         | 1,000 | Internal |                           | 7.75%   | 8.50% | 8.13%   |
| Hawalli      | 250%         | 1,000 | Prime    |                           | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Arabian Gulf              | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Baghdad                   | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Abdulkarim Al Khatabi     | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Qatar                     | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Youssef Ben Masaoud       | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Hamad Al Mubarak          | 8.00%   | 8.50% | 8.25%   |
| Salmiya      | 250%         | 1,000 |          | Amman Street              | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Al Bahrian                | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Omar ibn al-Aas           | 7.75%   | 8.50% | 8.13%   |
| Salmiya      | 250%         | 1,000 |          | Internal                  | 7.75%   | 8.50% | 8.13%   |
| Shaab        | 250%         | 1,000 |          | Arabian Gulf              | 7.75%   | 8.50% | 8.13%   |
| Shaab        | 250%         | 1,000 |          | Istiqlal                  | 7.75%   | 8.50% | 8.13%   |
| Shaab        | 250%         | 1,000 | Internal |                           | 7.75%   | 8.50% | 8.13%   |



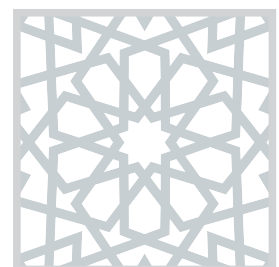
## Second Quarter 2011 - Kuwait



In Farwaniya Governorate, the average price increased at a rate of 2.5% to KD 865 per square meter in Q2-2011 from KD 843 per square meter during Q1-2011 where areas like Farwaniya, Khaitan and Regai witnessed a price increase from 1.5 to 2.92%.



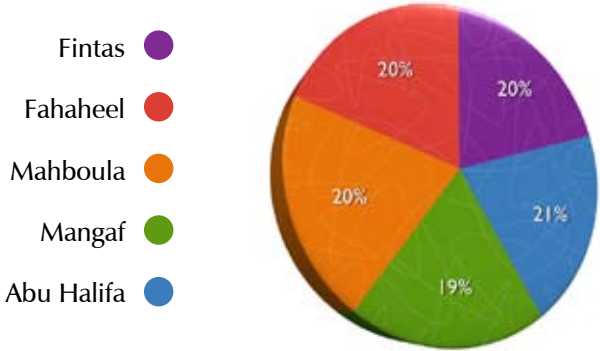
| Area             | % of Built Area | Area (M2) | Location | Street              | *Value  |         | Price per Meter |       | AR Q2-2011 |
|------------------|-----------------|-----------|----------|---------------------|---------|---------|-----------------|-------|------------|
|                  |                 |           |          |                     | From    | To      | From            | To    |            |
| Farwaniya        | 250%            | 1,000     |          | Airport             | 825,000 | 930,000 | 825             | 930   | 877.5      |
| Farwaniya        | 250%            | 1,000     | Main     |                     | 700,000 | 800,000 | 700             | 800   | 750.0      |
| Farwaniya        | 250%            | 1,000     | Internal |                     | 625,000 | 730,000 | 625             | 730   | 677.5      |
| Farwaniya        | 250%            | 750       | Internal |                     | 580,000 | 650,000 | 773             | 867   | 820.0      |
| Farwaniya        | 250%            | 500       | Internal |                     | 400,000 | 450,000 | 800             | 900   | 850.0      |
| Farwaniya        | 250%            | 500       |          | Airport             | 825,000 | 930,000 | 825             | 930   | 877.5      |
| Khitan           | 250%            | 750       |          | Airport             | 650,000 | 750,000 | 867             | 1,000 | 933.3      |
| Khitan           | 250%            | 750       | Prime    |                     | 375,000 | 435,000 | 750             | 870   | 810.0      |
| Khitan           | 250%            | 750       | Internal |                     | 480,000 | 540,000 | 800             | 900   | 850.0      |
| Khitan           | 250%            | 600       | Internal |                     |         |         |                 |       |            |
| Jleeb Al-Shyouch | 250%            | 750       |          | Police Station      | 700,000 | 750,000 | 933             | 1,000 | 966.7      |
| Jleeb Al-Shyouch | 250%            | 750       |          | Mohammed bin Qassem | 650,000 | 700,000 | 867             | 933   | 900.0      |
| Jleeb Al-Shyouch | 250%            | 500       |          | Prime               | 650,000 | 750,000 | 867             | 1,000 | 933.3      |



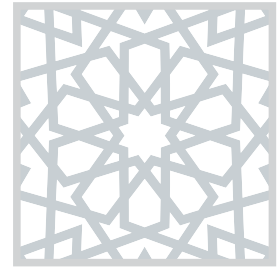


# KFH Local Real Estate Report

The Ahmadi Governorate has also showed a price increase of 2.28% during Q2-2011 compared to Q1-2011 to KD 792 per square meter from KD 774 per square meter in Q1-2011

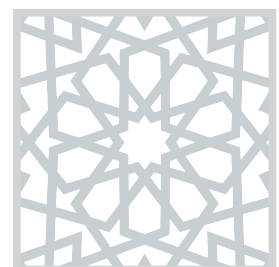






| Area        | % of Built Area | Area (M2) | Location | Street       | *Value    |           | Price per Meter |       | AR Q2-2011 |
|-------------|-----------------|-----------|----------|--------------|-----------|-----------|-----------------|-------|------------|
|             |                 |           |          |              | From      | To        | From            | To    |            |
| Fintas      | 250%            | 500       | Main     |              | 330,000   | 380,000   | 660             | 760   | 710.0      |
|             | 250%            | 750       | Internal |              | 380,000   | 485,000   | 507             | 647   | 576.7      |
|             | 250%            | 750       | Internal |              | 450,000   | 550,000   | 600             | 733   | 666.7      |
|             | 250%            | 750       |          | Fahaheel     | 530,000   | 560,000   | 707             | 747   | 726.7      |
|             | 250%            | 1,000     | Internal | Costal road  | 1,250,000 | 1,350,000 | 1,250           | 1,350 | 1300.0     |
| Abu Helafa  | 250%            | 500       | Prime    |              | 330,000   | 380,000   | 660             | 760   | 710.0      |
|             | 250%            | 750       | Internal |              | 380,000   | 485,000   | 507             | 647   | 576.7      |
|             | 250%            | 750       | Prime    |              | 480,000   | 580,000   | 640             | 773   | 706.7      |
|             | 250%            | 1000      |          | Costal road  | 1,250,000 | 1,350,000 | 1,250           | 1,350 | 1300.0     |
| Al Mangaf   | 250%            | 500       | Main     |              | 330,000   | 380,000   | 660             | 760   | 710.0      |
|             | 250%            | 750       | Internal |              | 380,000   | 460,000   | 507             | 613   | 560.0      |
|             | 250%            | 750       | Main     |              | 450,000   | 540,000   | 600             | 720   | 660.0      |
|             | 250%            | 750       |          | Fahaheel     | 500,000   | 550,000   | 667             | 733   | 700.0      |
|             | 250%            | 1,000     |          | Coastal Road | 1,200,000 | 1,250,000 | 1,200           | 1,250 | 1225.0     |
| Al Mahboola | 250%            | 500       | Main     |              | 330,000   | 380,000   | 660             | 760   | 710.0      |
|             | 250%            | 750       | Internal |              | 380,000   | 460,000   | 507             | 613   | 560.0      |
|             | 250%            | 750       | Fahaheel |              | 500,000   | 550,000   | 667             | 733   | 700.0      |
|             | 250%            | 1,000     | Coastal  | Road         | 1,200,000 | 1,300,000 | 1,200           | 1,300 | 1250.0     |
| Al Fahaheel | 250%            | 500       | Internal |              | 380,000   | 400,000   | 760             | 800   | 780.0      |
|             | 250%            | 500       | Main     |              | 400,000   | 440,000   | 800             | 880   | 840.0      |
|             | 250%            | 750       | Internal |              | 440,000   | 565,000   | 587             | 753   | 670.0      |
|             | 250%            | 750       | Main     |              | 540,000   | 650,000   | 720             | 867   | 793.3      |
|             | 250%            | 1,000     |          | Macca        | 800,000   | 900,000   | 800             | 900   | 850.0      |
|             | 250%            | 750       |          | Al badaweya  | 575,000   | 650,000   | 767             | 867   | 816.7      |

\* AR means average rate per square meter in KD.





# KFH Local Real Estate Report

As for the Jahra Governorate, prices have increased at a rate of 3.29% in Q2-2011 as compared to Q4-2010 where the average price per meter reached KD 697.5 per square meter compared to KD 675.3 in Q4-2010.

## Prices of Investment Land in Al Jahra Governorate

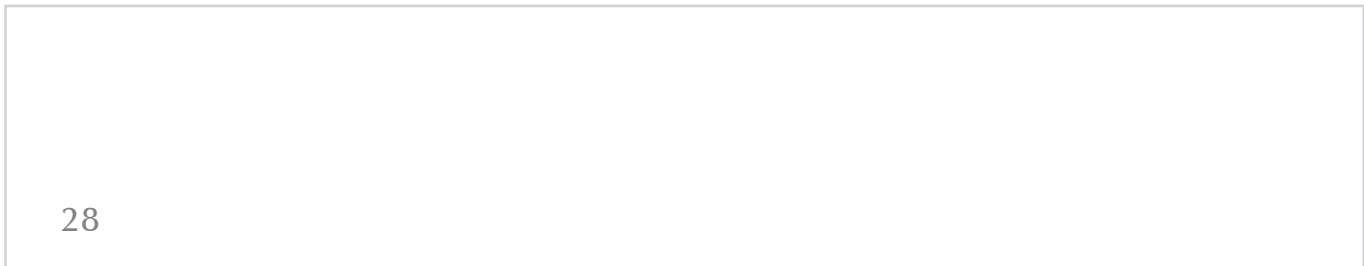
| Area  | % of Built Area | Area (M2) | Location | *Value  |         | Price per Meter |     | AR Q2-2011 |
|-------|-----------------|-----------|----------|---------|---------|-----------------|-----|------------|
|       |                 |           |          | From    | To      | From            | To  |            |
| Jahra | 250%            | 1,000     | Internal | 600,000 | 700,000 | 600             | 700 | 650        |
| Jahra | 250%            | 1,000     | Main     | 650,000 | 750,000 | 650             | 750 | 640        |
| Jahra | 250%            | 800       | Alkuzami | 620,000 | 700,000 | 775             | 875 | 825        |
| Jahra | 250%            | 500       | Internal | 330,000 | 380,000 | 660             | 760 | 710        |
| Jahra | 250%            | 500       | Main     | 370,000 | 440,000 | 740             | 880 | 810        |

\* (KD) Valued in Kuwaiti Dinar

\* AR means average rate per square meter in KD.

## Third: Prices of Commercial Real Estate Properties:

In Q2-2011, commercial real estate trade prices remained stable in the Capital Governorate at an average price per square meter of KD 5,030.. Prices in Mubarakiyah, Ahmad Al Jaber Street, Khaled Bin Al Waleed Street, Al Sour Street, Fahad Al Salem Street, Ali Al Salem Street and Al Gharbally Street remained stable.



## Second Quarter 2011 - Kuwait



| Area  | % of Built Area | Street               | M <sup>2</sup> | Value in KD * |           | Rate per M <sup>2</sup> |       | AR Q2-2011 (KD)* |
|-------|-----------------|----------------------|----------------|---------------|-----------|-------------------------|-------|------------------|
|       |                 |                      |                | From          | To        | From                    | To    |                  |
| Qibla | 300%            | Mubarakiyah          | 500            | 1,250,000     | 2,000,000 | 2,500                   | 4,000 | 3,250            |
| Sharq | 520%            | Ahmad Al Jaber       | 500            | 2,900,000     | 3,100,000 | 5,800                   | 6,200 | 6,000            |
| Sharq | 520%            | Khaled Bin Al Waleed | 500            | 2,675,000     | 2,875,000 | 5,350                   | 5,750 | 5,550            |
| City  | 620%            | Al Soor              | 500            | 2,750,000     | 3,000,000 | 5,500                   | 6,000 | 5,750            |
| City  | 300%            | Al Soor              | 500            | 2,750,000     | 3,000,000 | 5,500                   | 6,000 | 5,750            |
| Qibla | 620%            | Fahad Al Salem       | 500            | 1,500,000     | 1,700,000 | 3,000                   | 3,400 | 3,200            |
| Sharq | 520%            | Jaber Al Mubarak     | 500            | 3,100,000     | 3,250,000 | 6,200                   | 6,500 | 6,350            |
| Qibla | 520%            | Ali Al Salem         | 500            | 1,600,000     | 1,800,000 | 3,200                   | 3,600 | 3,400            |
| Qibla | 300%            | Al Gharabally        | 500            | 1,450,000     | 2,000,000 | 2,900                   | 4,000 | 3,450            |

\* (KD) Valued in Kuwaiti Dinar

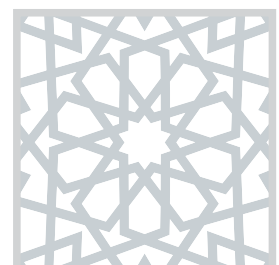
\* AR means average rate per square meter in KD.

On the other hand, prices increased at a rate of 5% in Jahra as compared to Q1-2011 recording an average price per square meter of KD 1,720.

| Area  | % of Built Area | Street                     | M <sup>2</sup> | Value in KD * |           | Rate per M <sup>2</sup> |       | AR Q2-2011 (KD)* |
|-------|-----------------|----------------------------|----------------|---------------|-----------|-------------------------|-------|------------------|
|       |                 |                            |                | From          | To        | From                    | To    |                  |
| Jahra | 180%            | Marzouq Al Metaeb          | 1,000          | 2,000,000     | 2,400,000 | 2,000                   | 2,400 | 2,200            |
|       | 300%            | Business and office center | 875            | 1,750,000     | 2,012,500 | 2,000                   | 2,300 | 2,150            |
|       | 300%            | Al Qaisariyat              | 225            | 393,750       | 450,000   | 1,750                   | 2,000 | 1,875            |

\* (KD) Valued in Kuwaiti Dinar

\* AR means average rate per square meter in KD.





## KFH Local Real Estate Report

In Q2-2011, Hawally Governorate recorded an increase in prices, as the average price reached KD 2,567 as compared to KD 2,550 per square meter in Q1-2011.

| Area    | % of Built Area | Street      | M <sup>2</sup> | Value in KD * |           | Rate per M <sup>2</sup> |       | AR Q2-2011 (KD)* |
|---------|-----------------|-------------|----------------|---------------|-----------|-------------------------|-------|------------------|
|         |                 |             |                | From          | To        | From                    | To    |                  |
| Hawally | 180%            | Tunis       | 1,000          | 2,800,000     | 3,000,000 | 2,800                   | 3,000 | 2,900            |
|         | 180%            | Beirut      | 1,000          | 2,700,000     | 3,000,000 | 2,700                   | 3,000 | 2,850            |
|         | 150%            | Othman      | 750            | 1,500,000     | 1,875,000 | 2,000                   | 2,500 | 2,250            |
|         | 180%            | Ibn Khaldun | 1,000          | 2,100,000     | 2,500,000 | 2,100                   | 2,500 | 2,300            |

\* (KD) Valued in Kuwaiti Dinar

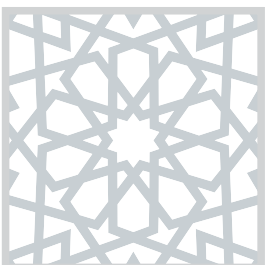
\* AR means average rate per square meter in KD.

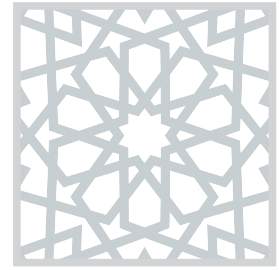
In Farwaniya Governorate, the average price per meter increased at a rate of 2.3% where in Q2-2011 the average price per square meter reached KD 1,518 compared to KD 1,484 in Q1. Khaitan administrative, commercial and Al Dajeej center, showed a price increase at a rate of 4%.

| Area                          | % of Built Area | Street                        | M <sup>2</sup> | Value in KD * |           | Rate per M <sup>2</sup> |       | AR Q1-2011 (KD)* |
|-------------------------------|-----------------|-------------------------------|----------------|---------------|-----------|-------------------------|-------|------------------|
|                               |                 |                               |                | From          | To        | From                    | To    |                  |
| Farwaniya                     | 180 %           | Menawer Street                | 1,000          | 2,750,000     | 3,250,000 | 2,750                   | 3,250 | 3,000            |
| Farwaniya                     | 180 %           | Fire Station                  | 800            | 2,437,500     | 2,812,500 | 3,250                   | 3,750 | 3,500            |
| Khaitan                       | 180 %           | Administrative and Commercial | 1,000          | 1,800,000     | 2,000,000 | 1,800                   | 2,000 | 1,900            |
| Al Dhajeej (5000 m)           | 210 %           | 6 <sup>th</sup> Ringroad      | 5,000          | 3,500,000     | 4,250,000 | 700                     | 850   | 775              |
|                               |                 | Internal                      | 5,000          | 3,500,000     | 4,250,000 | 700                     | 850   | 775              |
| Al Dhajeej (South of Khaitan) | 250 %           | 6 <sup>th</sup> Ringroad      | 5,000          | 1,500,000     | 2,500,000 | 300                     | 500   | 400              |
|                               | 250 %           | Internal                      | 5,000          | 1,400,000     | 2,000,000 | 280                     | 400   | 340              |

\* (KD) Valued in Kuwaiti Dinar

\* AR means average rate per square meter in KD.



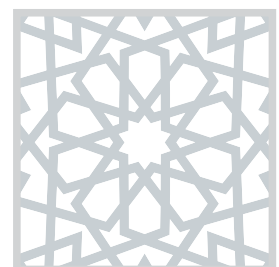


In Al Ahmadi Governorate, prices have also increased as the average price per square meter reached KD 2,316 in Q2-2011 compared to KD 2,256 in Q1-2011. The latest KFH surveys that studied price fluctuations between areas showed that Al Mangaf and Fahaheel witnessed 4 to 10% increase percentages as compared to Q1-2011.

| Area                                   | M <sup>2</sup> | % of Built Area | Value in KD * |           | Rate per M <sup>2</sup> |       | AR Q4-2010<br>(KD)* |
|--|----------------|-----------------|---------------|-----------|-------------------------|-------|---------------------|
|  |                |                 | From          | To        | From                    | To    |                     |
| Mangaf                                 | 750            | 300 %           | 712,500       | 862,500   | 950                     | 1,150 | 1,050               |
| Fintas (Commercial and administrative) | 1000           | 180%            | 2,500,000     | 2,750,000 | 2,500                   | 2,750 | 2,625               |
|  | 1000           | 180%            | 2,000,000     | 2,300,000 | 2,000                   | 2,300 | 2,150               |
| Fahaheel                               | 750            | 180 %           | 2,062,500     | 2,437,500 | 2,750                   | 3,250 | 3,000               |
|  | 750            | 180 %           | 1,500,000     | 1,875,000 | 2,000                   | 2,500 | 2,250               |
|  | 750            | 180 %           | 2,850,000     | 3,000,000 | 3,800                   | 4,000 | 3,900               |
| Khairan Pearl                          | 750            | 280%            | 2,475,000     | 2,812,500 | 3,300                   | 3,750 | 3,525               |
|  | 1000           | 180 %           | 950,000       | 1,050,000 | 950                     | 1,050 | 1,000               |
|  | 1200           | 180 %           | 1,500,000     | 1,620,000 | 1,250                   | 1,350 | 1,300               |

\* (KD) Valued in Kuwaiti Dinar

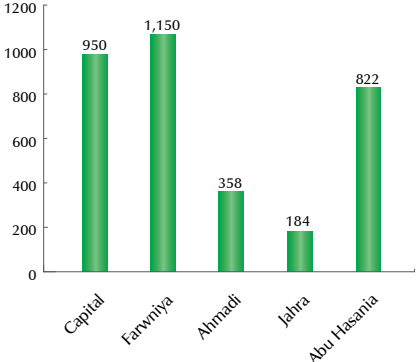
\* AR means average rate per square meter in KD.





**Fourth: Prices of Industrial Plots (Usufruct & Warehousing Contracts):**

Most industrial plots witnessed a slight price increase in the Capital Governorate during Q2-2011 where the average price per square meter reached KD 950 as compared to KD 929.9. in Q1.



| Area                | % of Built Area   | M <sup>2</sup> | Street                    | Value in KD * |            | Rate per M <sup>2</sup> |       | AR Q1-2011 (KD)* |
|---------------------|-------------------|----------------|---------------------------|---------------|------------|-------------------------|-------|------------------|
|                     |                   |                |                           | From          | To         | From                    | To    |                  |
| Industrial Shuwaikh | 170%              | 1,000          | Canadady Street           | 1,150,000     | 1,350,000  | 1,150                   | 1,350 | 1,250            |
|                     |                   | 1,000          | Shahrazad Street          | 1,000,000     | 1,150,000  | 1,000                   | 1,150 | 1,025            |
|                     |                   | 1,000          | Zeinah Street             | 800,000       | 1,300,000  | 800                     | 1,300 | 1,050            |
|                     |                   | 500            | Zeinah Street             | 550,000       | 700,000    | 1,100                   | 1,400 | 1,250            |
|                     |                   | 500            | Al Kahrba Street          | 450,000       | 500,000    | 900                     | 1,000 | 950              |
|                     |                   | 1,000          | Internal                  | 400,000       | 600,000    | 400                     | 600   | 500              |
|                     |                   | 5,000          | Pepsi Street              | 3,750,000     | 4,500,000  | 750                     | 900   | 825              |
|                     |                   | 1,000          | 4 <sup>th</sup> Ring road | 1,100,000     | 1,350,000  | 1,100                   | 1,350 | 1,225            |
|                     |                   | 22,500         | Internal                  | 8,750,000     | 10,250,000 | 389                     | 456   | 422              |
|                     |                   | 1,000          | Mohammed Al Qassem        | 750,000       | 1,000,000  | 750                     | 1,000 | 925              |
| 1,000               | Al Ghazali Street | 850,000        | 1,100,000                 | 850           | 1,100      | 975                     |       |                  |

\* (KD) Valued in Kuwaiti Dinar  
 \* AR means average rate per square meter in KD.







In the Farwaniya Governorate, prices have slightly increased in Al Rai where the average square meter price increased to KD 1,150 in Q2-2011 as compared to KD 1,129 in Q1-2011.

| Area                | % of Area Built | M <sup>2</sup> | Street               | Value in KD* |       | Rate per M <sup>2</sup> |           | AR Q1-2011 (KD)* |
|---------------------|-----------------|----------------|----------------------|--------------|-------|-------------------------|-----------|------------------|
|                     |                 |                |                      | From         | To    | From                    | To        |                  |
| Rai                 | 170%            | 1,000          | Al Ghazaly           | 950          | 1,050 | 850                     | 1,050,000 | 850,000          |
| Rai                 | 170%            | 2,000          | Mohamed Al           | 900          | 950   | 850                     | 1,900,000 | 1,700,000        |
| Rai (Car Showrooms) | 170%            | 4,000          | Qassem               | 1,375        | 1,450 | 1,300                   | 5,800,000 | 5,200,000        |
| Rai                 | 170%            | 1,000          | 4 <sup>th</sup> Ring | 750          | 800   | 700                     | 800,000   | 700,000          |
| Rai                 | 170%            | 1,000          | Car Showrooms        | 450          | 520   | 380                     | 520,000   | 380,000          |
| Rai                 | 170%            | 1,000          | Internal             |              |       |                         |           |                  |

\* (KD) Valued in Kuwaiti Dinar

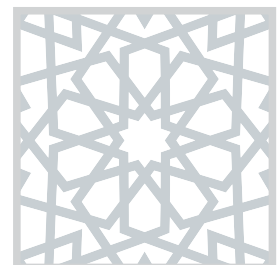
\* AR means average rate per square meter in KD.

Al Ahmadi Governorate witnessed price stability in Fahaheel and East Ahmadi; registering an average price per square meter of KD 385.

| Area            | M <sup>2</sup> | Street                   | Value in KD* |           | Rate per M <sup>2</sup> |         | AR Q1-2011 (KD)* |
|-----------------|----------------|--------------------------|--------------|-----------|-------------------------|---------|------------------|
|                 |                |                          | From         | To        | From                    | To      |                  |
| Mina Abdullah   | 100,000        | Behind Gas Station       | 3,500,000    | 4,200,000 | 35.0                    | 42.0    | 38.50            |
|                 | 10,000         | Diverse                  | 750,000      | 1,000,000 | 75.0                    | 100.0   | 87.50            |
| (West) Shuaibah | 1,000          | Fanar Jewel              | 130,000      | 180,000   | 130.0                   | 180.0   | 155              |
| (East) Shuaibah | 100,000        | Diverse                  | 3,500,000    | 4,200,000 | 35.0                    | 42.0    | 38.50            |
|                 | 50,000         | Diverse                  | 4,000,000    | 4,500,000 | 80.0                    | 90.0    | 85               |
| Fahaheel        | 1,000          | Sultan Center Street     | 1,000,000    | 1,200,000 | 1,000.0                 | 1,200.0 | 1,100            |
|                 | 1,000          | In front of the Refinery | 600,000      | 650,000   | 600.0                   | 650.0   | 625              |
| East Industrial | 1,000          | Internal                 | 360,000      | 500,000   | 360.0                   | 500.0   | 430              |
|                 | 7,500          | Mustafa Karam            | 2,700,000    | 3,200,000 | 360.0                   | 426.7   | 393.33           |
| Ahmadi          | 5,000          |                          | 1,080,000    | 1,350,000 | 216.0                   | 270.0   | 243              |
|                 | 5,000          | Warehousing              | 850,000      | 1,250,000 | 170.0                   | 250.0   | 210              |

\* (KD) Valued in Kuwaiti Dinar

\* AR means average rate per square meter in KD.





# KFH Local Real Estate Report

## Fifth: Prices of Farms and Pales:

Prices of Abdali farms increased during Q2-2011 where price per square meter recorded KD 1,85, Compared to KD 1,78.

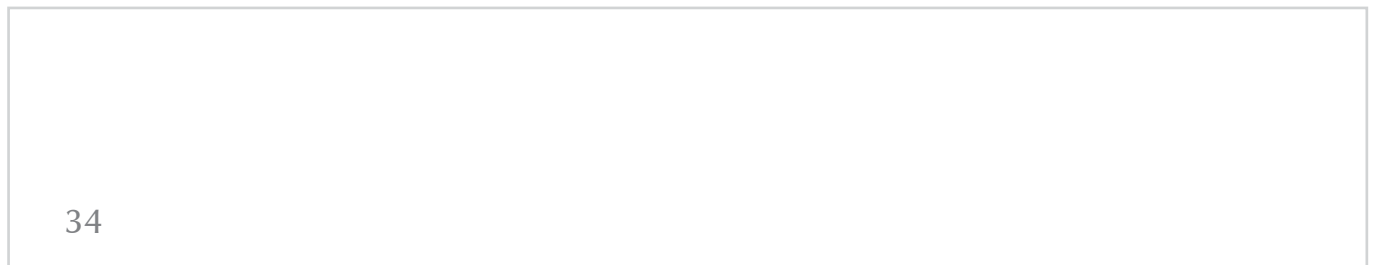
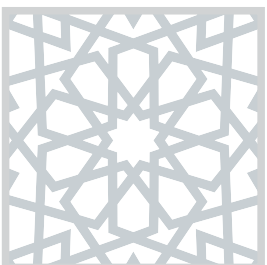
| Area                     | M <sup>2</sup> | Price (KD) |           | Estimated price per square meter (KD) |      | AR Q1-2011 (KD)* |
|--------------------------|----------------|------------|-----------|---------------------------------------|------|------------------|
|                          |                | From       | To        | From                                  | To   |                  |
| Wafra                    | 50,000         | 140,000    | 230,000   | 2.80                                  | 4.60 | 3.700            |
| Wafra                    | 100,000        | 200,000    | 350,000   | 2                                     | 3.5  | 2.750            |
| Abdali                   | 100,000        | 145,000    | 210,000   | 1.45                                  | 2.1  | 1.78             |
| Sulaibiya (Cattle Farms) | 1,000,000      | 2,750,000  | 3,500,000 | 2.75                                  | 3.5  | 3.13             |
|                          | 2.500          | 55,000     | 65,000    | 22                                    | 26   | 60               |
| Kabed Pales              | 50,000         | 140,000    | 230,000   | 2.80                                  | 4.60 | 3.700            |

## Sixth: Prices of Chalets:

There is a correlation chalets prices and the summer time where chalets prices increased in the governorates of Ahmadi, the Capital governorate, and Jahra compared to Q1-2011.

| Area            | Sea façade | Chalet Value (Land) |         | Price of Sea façade per Meter (KD) |        | Average Meter Price of the Sea façade during Q2-2011 (KD) |
|-----------------|------------|---------------------|---------|------------------------------------|--------|---|
|                 |            | From                | To      | From                               | To     |   |
| Mina Abdullah   | 15         | 150,000             | 195,000 | 10,000                             | 13,000 | 11,500  |
| Al Dabaeah      | 15         | 165,000             | 210,000 | 11,000                             | 14,000 | 12,500  |
| Al Juliah       | 15         | 240,000             | 300,000 | 16,000                             | 20,000 | 18,000  |
| Nuwiseeb        | 15         | 157,000             | 215,000 | 12,466                             | 14,333 | 13,400  |
| Asheerge (Doha) | 15         | 55,000              | 86,250  | 4,167                              | 5,750  | 4,959   |
| Doha            | 15         | 70,000              | 101,250 | 5,167                              | 6,750  | 5,708   |
| Sabya           | 25         | 58,000              | 60,000  | 2,820                              | 2,400  | 2,610   |
| Kazma           | 15         | 48,000              | 50,000  | 3,700                              | 3,333  | 3,516   |

\* AR means average rate per square meter in KD.





### Seventh: Occupancy Rates and Rentals:

Occupancy rates of all types of investment properties remained stable; ranging from 90% to 95%. Average rental rate has ranged between KD 145 to KD 220 for apartments with 1 b/r and a hall, KD 170 to KD 270 for apartments with 2 b/r and a hall, KD 200 to KD 320 for apartments with 2 b/r, a hall, 2 bathrooms, and a maid room, and KD 260 to KD 450 for apartments with 3 b/r and a hall; while keeping in mind that rental rates vary according to the area, design, and finishing.

Average rental rate per square meter in commercial ground floors stabilized and ranged between KD 14 to KD 30 per square meter and may reach KD 35 in prime locations. Average rental rate for each square meter in offices is ranged between KD 5 to KD 8 for the different areas in Kuwait and approached KD 6.5 or above in Kuwait City according to the location, level of finishing, and the services provided to tenants and guests. The rental rate of Smart offices; which are turn-key, furnished, and equipped offices with all technologies, options, and secretaries for use on short-term basis; especially by foreign companies that tend to rent such offices for intermittent intervals, reached KD 8 or more per square meter.

A noticeable stability in the rental rates of industrial plots is reported, as the average price rate for each square meter in ground floors; showrooms, ranged between KD 10 to KD 30 in Industrial Shuwaikh, bearing in mind that rates are location-specific. Al Rai Building area comes second with the average price rate ranging between KD 12 to KD 20 for each square meter, while the average price rate for each square meter in Industrial Fahaheel is ranged between KD 10 to KD 16.

On the other hand, prices of freehold apartment and commercial units (occupancy allowance) witnessed price stability.

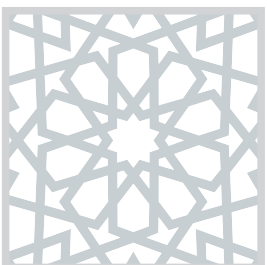


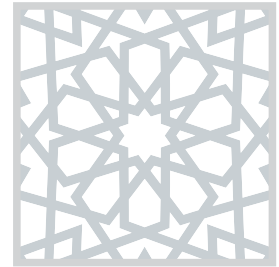


## KFH Local Real Estate Report

### Average Trading of Rental Values of Investment Properties In Governorates of Kuwait, Q2 – 2011, (KD)

| Governorate         | Area                 | 1 b/r & 1 Hall<br>(40-44) M <sup>2</sup> | 2 b/r, 1 hall &<br>a bathroom<br>(60) M <sup>2</sup> | 2 b/r, 1 hall &<br>2 bathrooms<br>(70-74) M <sup>2</sup> | 2 b/r, 2<br>bathrooms &<br>a maid room<br>(80-85) M <sup>2</sup> | 3 b/r, 1 h,<br>maid room<br>(100-110) M <sup>2</sup> |
|---------------------|----------------------|--|--|--|--|--|
| Hawally             | Salmiya              | 170-180                                  | 220-250  | 240-300  | 265-320  | 480-500  |
|                     | Hawally              | 160-170                                  | 200-230  | 230-250  | 240-280  | 450-480  |
|                     | Jabriya              | 170-180                                  | 220-240  | 230-260  | 250-300  | 450-500  |
|                     | Shaab                | 190-200                                  | 250-280  | 280-320  | 320-340  | 480-520  |
| Capital             | Sharq                | 220-240                                  | 260-280  | 330-350  | 360-400  | 480-550  |
|                     | Qibla                | 220-240                                  | 260-280  | 330-350  | 360-400  | 480-550  |
|                     | East Mukawa          | 220-240                                  | 250-270  | 330-350  | 360-400  | 480-550  |
|                     | Dasman               | 220-240                                  | 250-270  | 330-350  | 360-400  | 480-550  |
|                     | Bneid Al Gar         | 200-220                                  | 250-280  | 280-320  | 320-340  | 480-550  |
| Farwaniya           | Khaitan              | 160-170                                  | 185-200  | 200-230  | 240-260  | 280-350  |
|                     | Farwaniya            | 165-175                                  | 190-210  | 200-230  | 240-260  | 280-350  |
|                     | Jleeb Al             | 160-170                                  | 185-200  | 200-230  | 240-260  | 260-330  |
|                     | Shoyoukh<br>Al Reqae | 165-175                                  | 190-210  | 200-230  | 250-270  | 300-350  |
| Ahmadi              | Fintas               | 150-165                                  | 170-200  | 190-220  | 210-240  | 260-300  |
|                     | Mahboula             | 145-160                                  | 170-200  | 190-220  | 210-240  | 260-300  |
|                     | Abu Halifa           | 150-165                                  | 170-200  | 190-220  | 210-240  | 260-300  |
|                     | Mangaf               | 150-165                                  | 170-200  | 190-220  | 210-240  | 280-300  |
|                     | Fahaheel             | 160-175                                  | 180-210  | 200-220  | 225-250  | 285-320  |
| Mubarak Al<br>Kabir | Messila              | 170-180                                  | 200-220  | 235-260  | 260-300  | 330-380  |
| Jahra               | Jahra                | 160-170                                  | 190-200  | 200-220  | 235-260  | 280-320  |



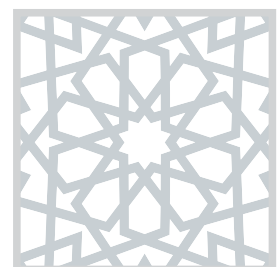


Average Trading of Rental Values of Commercial Properties Throughout Kuwait, «Q2-2011», (KD)

| Areas            | Basement                             | Land                                 | Mezzanine                            | Offices                              |
|------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|                  | Average rental per square meter (KD) | Average rental per square meter (KD) | Average rental per square meter (KD) | Average rental per square meter (KD) |
| Salmiya          | 12 - 18                              | 18 - 30                              | 12 - 18                              | 6 - 8                                |
| Hawally          | 10 - 16                              | 18 - 25                              | 10 - 16                              | 6 - 7                                |
| Farwaniya        | 10 - 15                              | 25 - 35                              | 10 - 15                              | 6 - 7                                |
| Khaitan          | 8 - 14                               | 18 - 25                              | 8 - 14                               | 6 - 7                                |
| Mangaf - Aziziya | 7 - 15                               | 20                                   | 7 - 15                               | 7 - 8                                |
| Fahaheel         | 10 - 14                              | 20 - 30                              | 10 - 14                              | 6 - 7                                |
| Dajeej           | 12 - 18                              | 18 - 30                              | 12 - 18                              | 6 - 8                                |
| Kuwait City      | 12 - 14                              | 16 - 30                              | 10 - 14                              | 6 - 8                                |
| Kuwait City      | 5 - 7                                | 14 - 18                              | 8 - 10                               | 5.5 - 6.5                            |

Average Trading of Rental Values of Industrial Properties throughout Kuwait, «Q2-2011», (KD)

| Areas                  | Basement                                     | Ground                                      | Mezzanine                                 |
|------------------------|--|---|---|
|                        | Average rental per square meter (Warehouses) | Average rental per square meter (Showrooms) | Average rental per square meter (offices) |
| Industrial Shuwaikh    | 3 - 4  | 10 - 30                                     | 3.5 - 7                                   |
| Al Rai                 | 2.5 - 3.5                                    | 12 - 20                                     | 3.5 - 6.5                                 |
| Sabhan                 | 2.5 - 3                                      | 4 - 6                                       | 2.5 - 3                                   |
| Al Ardiya (Warehouses) | 3  | 6 - 6.5                                     | 3 - 5                                     |
| East Ahmadi            | 2 - 4  | 8 - 14                                      | 3.5 - 5                                   |
| Industrial Fahaheel    | 2.5 - 4                                      | 10 - 16                                     | 3 - 5                                     |



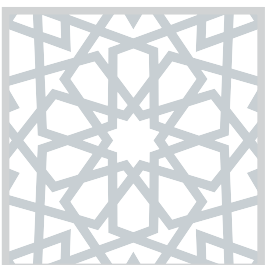


# KFH Local Real Estate Report

## Prices of Freehold Apartments:

| Area         | Description of Location | Net Area of the Apartment | Market Value of the Apartment |         | AR M2 of the Net Surface Area of the Apartment |       | AR Q1-2011 (KD)* |
|--------------|-------------------------|---------------------------|-------------------------------|---------|--|-------|------------------|
|              |                         |                           | From                          | To      | From   | To    |                  |
| Bneid Al Gar | Arabian Gulf            | 95                        | 95,000                        | 120,000 | 1,000  | 1,263 | 1,132            |
| Bneid Al Gar | Prime                   | 72                        | 46,000                        | 54,000  | 639  | 750   | 694              |
| Bneid Al Gar | Internal                | 72                        | 40,000                        | 44,000  | 556  | 611   | 583              |
| Shaab        | Prime                   | 72                        | 48,000                        | 54,000  | 667  | 750   | 708              |
| Shaab        | Internal                | 72                        | 40,000                        | 44,000  | 556  | 611   | 583              |
| Salmiya      | Prime                   | 95                        | 34,500                        | 37,000  | 539  | 578   | 559              |
| Salmiya      | Internal                | 64                        | 30,500                        | 35,000  | 477  | 547   | 512              |
| Salmiya      | Prime                   | 64                        | 39,000                        | 44,000  | 527  | 595   | 561              |
| Salmiya      | Internal                | 74                        | 36,000                        | 38,500  | 486  | 520   | 503              |
| Hawalli      | Prime                   | 64                        | 33,500                        | 36,500  | 523  | 570   | 547              |
| Hawalli      | Internal                | 64                        | 30,000                        | 34,000  | 469  | 531   | 500              |
| Hawalli      | Prime                   | 74                        | 38,000                        | 42,000  | 514  | 568   | 541              |
| Hawalli      | Internal                | 74                        | 35,500                        | 38,000  | 480  | 514   | 497              |
| Jabriya      | Prime                   | 74                        | 46,000                        | 50,000  | 622  | 676   | 649              |
| Messila      | Prime                   | 72                        | 34,500                        | 37,500  | 479  | 521   | 500              |
| Messila      | Internal                | 72                        | 32,000                        | 34,500  | 444  | 479   | 462              |
| Farwaniya    | Prime                   | 72                        | 37,000                        | 40,500  | 514  | 563   | 538              |
| Fintas       | Sea Side                | 95                        | 84,000                        | 95,000  | 884  | 1,000 | 942              |
| Fintas       | Prime                   | 72                        | 34,000                        | 36,500  | 472  | 507   | 490              |
| Mahboula     | Sea Side                | 95                        | 95                            | 84,000  | 95,000   | 884   | 1,000            |
| Mahboula     | Prime                   | 72                        | 72                            | 33,500  | 36,000   | 465   | 500              |
| Mahboula     | Internal                | 72                        | 72                            | 30,000  | 34,000   | 417   | 472              |
| Abo Hleifa   | Prime                   | 72                        | 34,000                        | 36,000  | 472  | 500   | 486              |
| Abo Hleifa   | Internal                | 72                        | 30,000                        | 34,000  | 417  | 472   | 444              |
| Mangaf       | Prime                   | 72                        | 34,000                        | 36,000  | 472  | 500   | 486              |
| Mangaf       | Internal                | 72                        | 30,000                        | 34,000  | 417  | 472   | 444              |
| Fahaheel     | Prime                   | 72                        | 35,000                        | 40,000  | 486  | 556   | 521              |
| Fahaheel     | Internal                | 72                        | 33,500                        | 36,000  | 465  | 500   | 483              |

\* AR means average rate per square meter in KD.





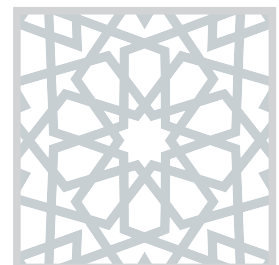


Prices of Commercial Investment Units:

| Area         | The Planning Opinion | Description of Location | Net Area of the Apartment | Market Value of the Apartment |         | AR M2 of the Net Surface Area of the Apartment |       | AR Q1-2011 (KD)* |
|--------------|----------------------|-------------------------|---------------------------|-------------------------------|---------|--|-------|------------------|
|              |                      |                         |                           | From                          | To      | From   | To    |                  |
| Bneid Al Gar | Investment           | Sea Side                | 40                        | 105,000                       | 135,000 | 2,625  | 3,375 | 3,000            |
| Bneid Al Gar | Investment           | Prime-Internal          | 40                        | 75,000                        | 90,000  | 1,875  | 2,250 | 2,063            |
| Shaab        | Investment           | Prime-Internal          | 40                        | 75,000                        | 85,000  | 1,875  | 2,125 | 2,000            |
| Salmiya      | Investment           | Sea Side                | 40                        | 125,000                       | 145,000 | 3,125  | 3,625 | 3,375            |
| Hawalli      | Investment           | Prime-Internal          | 40                        | 60,000                        | 80,000  | 1,500  | 2,000 | 1,750            |
| Messila      | Investment           | Prime-Internal          | 40                        | 50,000                        | 70,000  | 1,250  | 1,750 | 1,500            |
| Fintas       | Investment           | Sea Side                | 40                        | 95,000                        | 105,000 | 2,375  | 2,625 | 2,500            |
| Fintas       | Investment           | Internal                | 40                        | 40,000                        | 55,000  | 1,000  | 1,375 | 1,188            |
| Mahboula     | Investment           | Sea Side                | 40                        | 95,000                        | 105,000 | 2,375  | 2,625 | 2,500            |
| Mahboula     | Investment           | Internal                | 40                        | 40,000                        | 55,000  | 1,000  | 1,375 | 1,188            |
| Abo Hleifa   | Investment           | Internal                | 40                        | 40,000                        | 55,000  | 1,000  | 1,375 | 1,188            |
| Mangaf       | Investment           | Sea Side                | 40                        | 95,000                        | 105,000 | 2,375  | 2,625 | 2,500            |
| Mangaf       | Investment           | Internal                | 40                        | 40,000                        | 55,000  | 1,000  | 1,375 | 1,188            |
| Fahaheel     | Investment           | Sea side                | 95,000                    | 105,000                       | 2,375   | 2,625  | 2,500 | 95,000           |
| Fahaheel     | Investment           | Internal                | 40,000                    | 55,000                        | 1,000   | 1,375  | 1,188 | 40,000           |

\* AR means average rate per square meter in KD.

It's worthy to mention that this Report monitors the general trends of the local real estate market trading in the State of Kuwait. However, Evaluation & Studies Section at KFH believes that a separate evaluation should be made for each real estate property and the respective rental value and returns should be determined to ensure the fair valuation for each property.





# KFH Local Real Estate Report

## Terminology

### Residential Buildings:

The typical buildings designated for a single family and located in the low density population areas and are constructed by individuals or private sector enterprises and have different architectural designs made by multiple landlords, or the lands which are distributed by the State under the Housing Welfare Schemes; and thus have unified or various architectural designs.

### Investment Housing Buildings:

A multiple residential units buildings (Apartments, Villas, Duplex, and Studios) used for freehold or renting purposes in all storeys.

### Private School Buildings:

A buildings designated for the provision of educational services for one or multiple educational stages.

### Hotel and Motel Buildings:

A buildings designated for short accommodation by guests for tourist and recreational purposes where general services are presented to guests.

### Commercial Buildings:

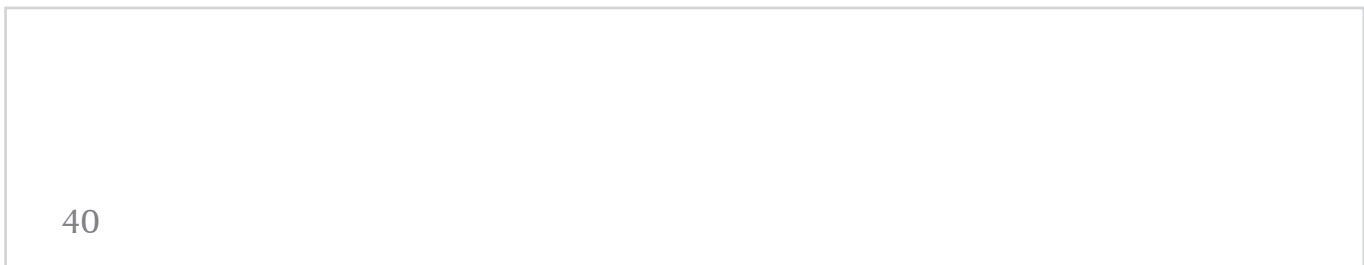
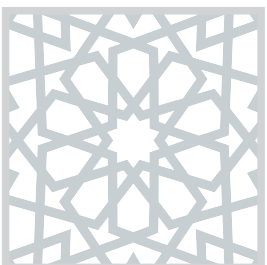
A buildings where the basement, ground, and mezzanine floors are allowed for use as shops, which may be designed as a set of adjacent or separate shops with corridors at the commercial street, or as spacious areas. Repetitive storeys may be used as offices or for any other business activity.

### Industrial Buildings:

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

### Residential Complexes Inside and Outside Kuwait City:

A residential buildings incorporating multiple premises designated for investment housing. Such premises are typically composed of multiple residential units including apartments, villas, studios, and duplex units designated for renting or freehold use in all storeys, and may be designed as adjacent to or separate from each other, provided that the built area may not be less than 3,000 m<sup>2</sup>. Vacant spaces designated for the range of vision and convenience of eyesight are included in the total area required for the construction of the complex.





**Coastal Strip Buildings:**

Buildings built by individuals on their own land extended throughout the coastline.

**Buildings for Horticulture Activities:**

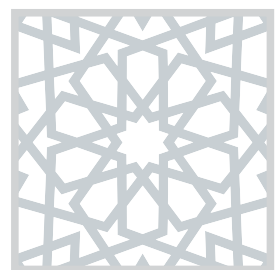
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

**Private Chalets:**

Buildings or facilities established outside public order under leasing contracts for the lease of the State owned properties for recreational and entertainment purposes.

**Private Hospitals:**

Premises designated for the provision of general or specialized medical services (Outpatient clinics, operating theaters, laboratories, patient rooms and wards).





## Measurement Units:

### Length

- Meter is the International Standard Unit for linear measure.
- 1M = 10 cm = 1000 millimeter
- Yard = 3 feet = 0.9144 m.
- Foot = 12 inches = 30.48 cm = 0.3048 m
- Inch = 2.54 cm = 0.0254 m
- Km = 0.6214 mile = 1000 m
- Land Mile = 1.6093 Km = 1609.0 m
- Nautical Mile = 6080 feet = 1.853 km = 1853 m
- League = 3 Miles = 4.8281 Km = 4828 m
- Al Bou = approximately 2 m
- Fathom = 182.88 cm = 1.8288 m
- Cubit = 51 cm = 0.51 m
- Span = 22.86 cm = 0.0229 m
- 1 M = 1.0936 Yard = 3.2808 Feet = 39.37 Inches

### Area

- Square Meter is the International Standard Unit of area.
- Hectare = 10 Donum = 2.471 Feddan = 10,000 m<sup>2</sup>
- Feddan / Acre = 4046.8 m<sup>2</sup>
- Donum = 1000 m<sup>2</sup>
- Square Meter = 10,764 square feet

