



## KFH Local Real Estate Report

Third Quarter 2012 - Kuwait

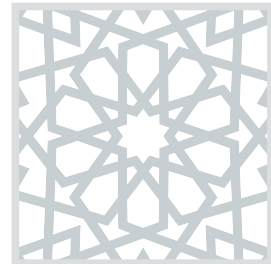
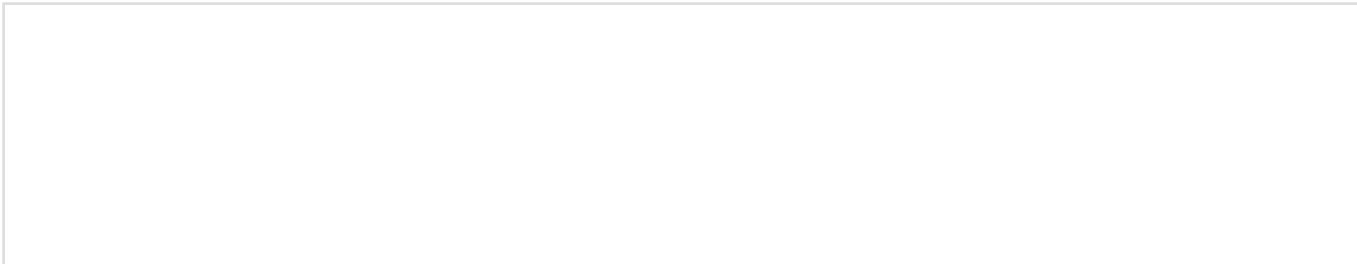
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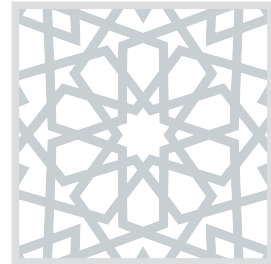
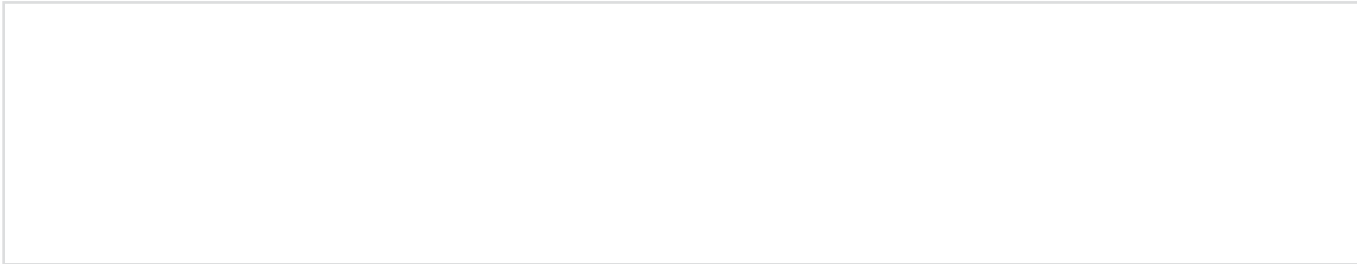
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بيت التمويل الكويتي  
Kuwait Finance House





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Third Quarter 2012 - Kuwait





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**Dear Reader,**

The local real estate market report presents an overview of the economic developments in the real estate market during Q3 of 2012. The report highlights the developments in the field of real estate transactions for different types of real estate properties. In addition, the report includes price analysis in different regions and governorates in Kuwait, based on surveys carried out by Kuwait Finance House (KFH) on a regular basis.

The report includes a section on the most important real estate terms commonly used in the local real estate market. This section aims to help non-specialists understand real estate terminology.

The report is part of KFH social and economic responsibility which both aims to publish the most important developments in the market to improve business environment and provide useful information on real estate market.

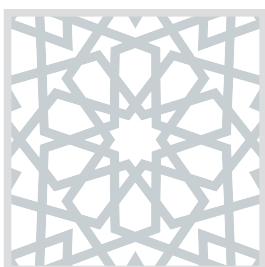
I hope that the information contained in this report will help meet the market needs.

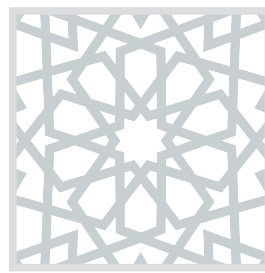


**Mohammad Sulaiman Al-Omar**

CEO

Kuwait Finance House





### Introduction

The real estate market is still stagnant, where real estate trading rates have fallen remarkably during the Q3-2012, coinciding with the travel season, the holy month of Ramadan, and the Eid Al- Fitr Holiday. Demand on residential and investment real estate continued during Q3-2012, driven by steady population growth, increase in the number of standby cases registered at The Public Authority for Housing Welfare, lack of supply, and wages increase in the state to reach up to 20% during FY 2011/2012 to reach KD 4.1 billion, accounting for 24.1% of the total public expenditure with the current government policy to expand the circle of operation.

This led to an increase in the purchasing power of public sectors employees, increase in their wages, and an increase in average incomes to reach \$ 47,099 in 2011, compared to \$ 38,441 in 2009. This increase comes in the item of wages and salaries, reflected on the increase in the current expenditure, which rose by 10.5% during the current year 2011/2012, while the capital expenditure by 2.3% compared to the last year according to statistics issued by the Ministry of Finance. Despite the fact that the state budget has achieved a surplus of KD 13.2 billion, equivalent to 29.7%, there was a decrease the volume of capital expenditure from KD 1.84 billion to KD 1.8 billion on an annual basis.

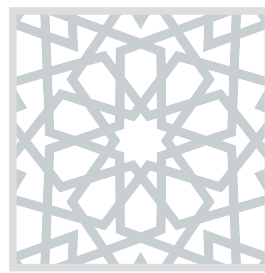
Capital expenditure is important to advance and activate the economy in the state, which was largely affected by political developments, dissolving the National Assembly constitutionally, elimination of 2012 elections, and the Re-election of 2009 National Assembly members.

The Central Bank of Kuwait announced last October a new reduction for the discount rate by 50 basis points from 2.5% to 2%, which is the first reduction since February, 2010, in conjunction with sluggish inflation to reach 2.8 % on an annual basis in August 2012. This came as a part of an effort to stimulate growth in non-oil sectors, reduce the costs of financing and supporting the financial sector, and ensuring competitive Dinar. In addition, Central Bank of Kuwait Governor called to reduce current spending, where it's expected that reducing the discount rate will lead to a growth in lending by local banks and promoting growth funding for the real estate sector, personal and installments loans, where domestic credit grew up to 4% on an annual basis compared to a growth rate of 1.8% over the past year.

The developments and events during Q3 of the current year impacted the pace of trading and liquidity in the real estate activity, where the trading value during Q3-2012 reached around KD 591,8 million, compared to KD 538,8 million in Q3-2011, and around KD 944 million in Q2-2011, representing an increase of 10% compared to Q3 2011, and reduction of 37% compared to Q2-2012. Accordingly, the Average daily trading has fallen from KD 14,5 million in Q2-2012 to KD11,8 million in Q3-2012.

This lower growth rate in the total real estate transactions can be attributed to a decline in the private real estate transactions, which declined by approximately one-third, as well as the significant decline in the value of trades and investment, which declines by up to 47% in Q3-2012 compared to the Q2 of the same year.

The prices indices of private and investment housing witnessed a decline coupled with a slight increase in prices and shortage of supply accompanied with an increase in demand by investors to invest in investment real estate activity due to its high rental returns, its competitiveness with other alternatives such as the Kuwait Stock Exchange and investment deposits, and stability as an investment and shortage in supply. Moreover, price indices of Residential Real estate increased slightly by 4.6% during



Q3 2012 in Kuwaiti governorates. Moreover, price indices of investment housing have increased by 2.8% in Kuwaiti governorates compared to Q2 in 2012, where the average price per meter in Q3 of the current year reached KD 1,229 compared to KD 1,157 in the previous quarter.

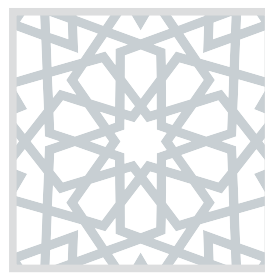
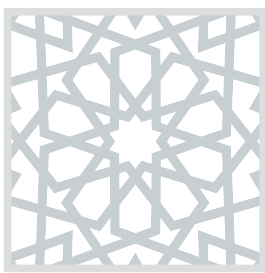
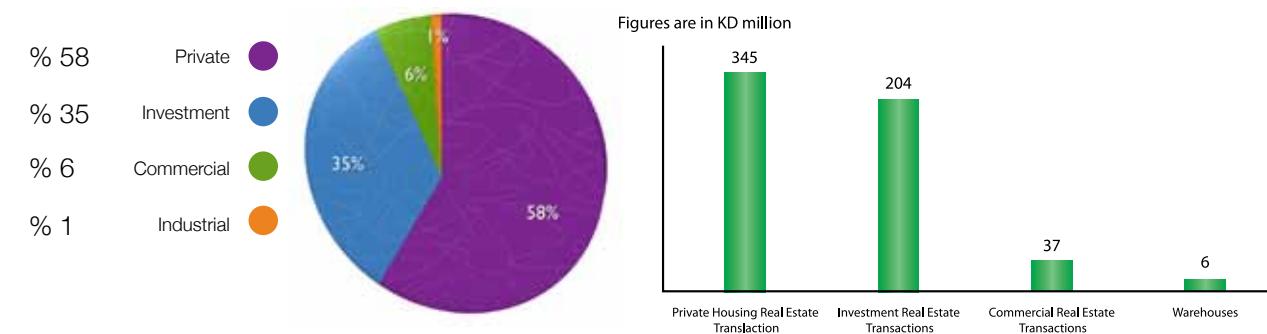
Commercial real estate's price indices rose by 2.9% in all governorates of Kuwait, where prices were stable in the Capital Governorate to reach average price per meter of KD5,095, while Prices other governorates rose compared to Q2. The Average price per meter in Hawalli reached KD 3,132, Farwaniyah reached KD 1,749, Jahra reached KD 1,750, and the price rose in Al Ahmadi to reach KD 2,858, with a significant increase by %7.7, %3.3, %1.7, %3.9 respectively.

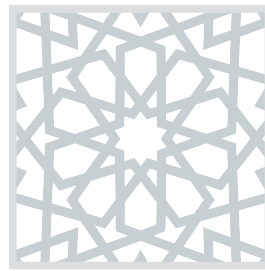
### Market Trends

Real estate sector and sectors related to real estate acquire a good share of more than 10% of GDP. Over the past decades, economic boom led to an increase in income levels, resulting in improved demand for housing units such as villas. This increasing demand exceeded supply because of the government inability to meet the demand for housing and the rapid increase in population growth. Public institutions for residential care developed ambitious plans for projects within the five-year plan 2011 – 2014. The plan was approved by the National Assembly to set up major companies in various economic sectors of the economy and flood new investments in the Kuwaiti economy.

The technical staff for the study of development projects and initiatives announced the launch of a range of projects and initiatives during the last quarter of 2011. The most important among these projects is signing a contract to provide consultancy services to the railway project at a cost of KD 2,49 million. Another project aims to provide consultancy services for the project to develop Failaka Island at a cost of KD 2,12 million over a period of 27 months. A third project involves the introduction of a physical therapy hospital for investment according to Law No. (7) of 2008, with a capacity of 500 beds over 25 years of investment. Another project is the introduction of the first laborer city in south of Jahraa along the sixth ring road on an area of (1,015,000 millions square meters) with a capacity of around 20 thousand laborers.

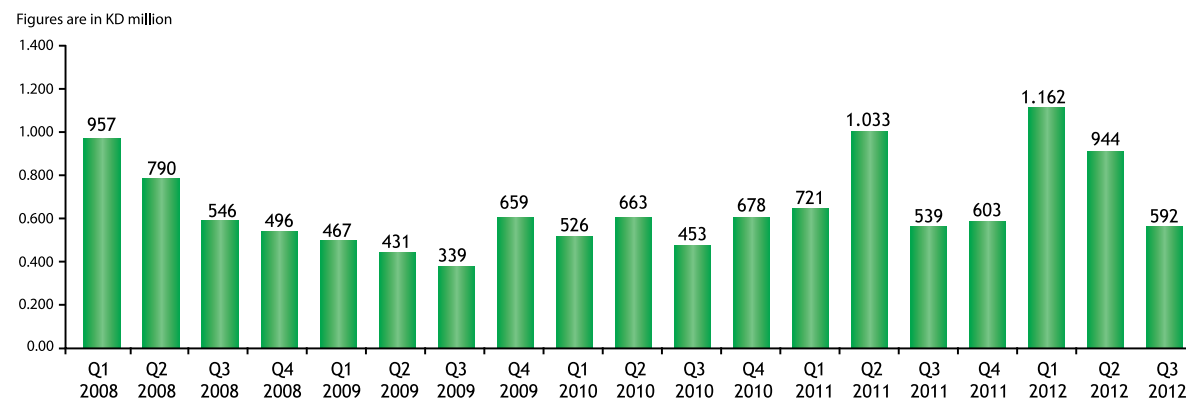
Value Real Estate Transactions for sector during Q3-2012





At the level of the total real estate market, transactions indicators of the Ministry Justice, Department of Real Estate Registration and Authentication recorded KD 591,841 million to witness a decrease valued for amounted for 37%, compared to a decline of KD 217,521million representing KD 18,7% in Q2-2012 million amounted for KD 944,307 million.

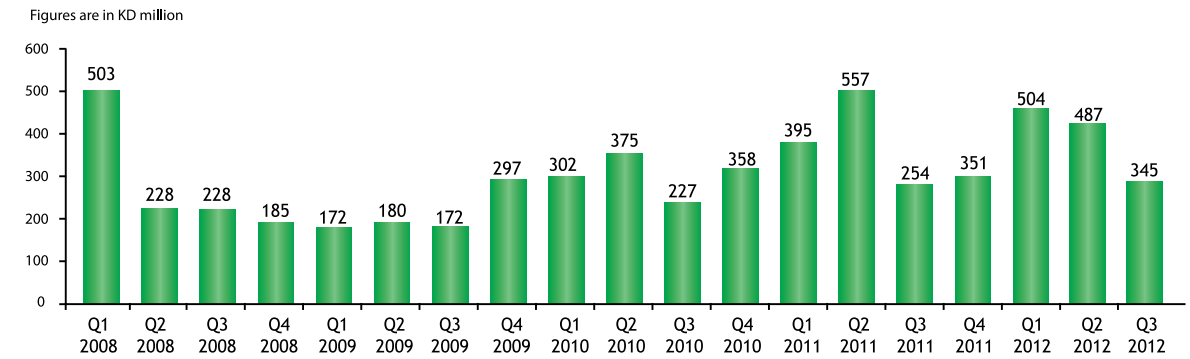
Development of Total Quarterly transactions for Real Estate Q22008 to Q3 2012



### Private Housing Trends

The relative weight of real estate deals of private housing has increased compared to Q2 of 2012, reaching 58% of the total real estate transactions valued at KD 951,841 million. Private housing deals were valued at KD 345,497 million in Q3 of 2012, at 29 % decrease compared to Q2 of 2012. The number of private housing deals reached 1,464 in Q3 2012 compared to 2,293 in Q2 of 2012. Meanwhile, the average deals decreased during Q3 of 2012 to reach KD 236 thousand, compared to KD 212 thousand during Q2 of 2012. July 2012 witnessed the highest number of transactions at 43.8% for KD 151,412 million of the total transactions valued at KD 345,497 million during Q3 2012. September ranked second at KD 108,963 million, at 31.5% of total transactions. August came last at KD 85,150 million 24,6% of total transactions for private housing.

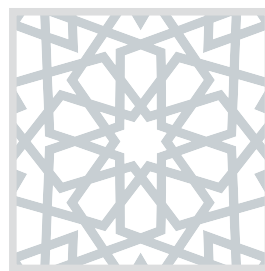
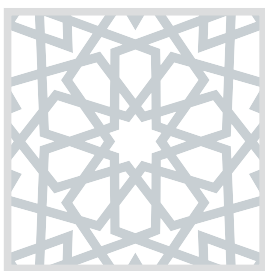
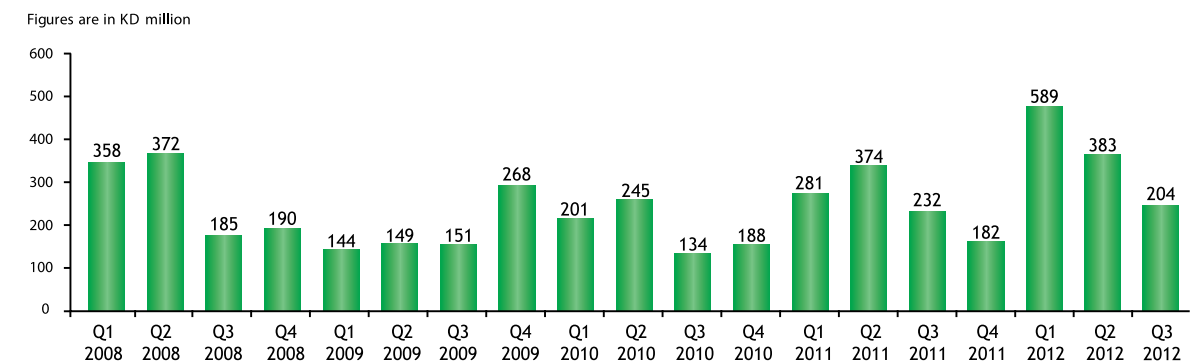
The Development of Total Quarterly Transactions for Private Housing from 2008 to Q3-2012

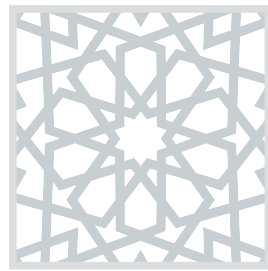


### Investment Real Estate Trends

Total real estate investment transactions decreased significantly in Q3 of 2012 compared to Q2 reaching KD 203,516 million, compared to KD 382,984 million in Q2 of 2012, realizing a decrease in transactions volume trading reaching KD 179,478. July ranked first in transactions volume during Q3 of 2012, at KD 91,751 million with a share of 45%. September ranked second, with transactions value at KD 75,809 million and a share of 37%, while August ranked third in transactions at KD 35,955 million with a share of 18%. The average deal during Q3 of 2012 was estimated at KD 586,501 thousand, compared to KD 808 thousand million for Q2 of 2012.

The Development of Total Quarterly Transactions for Investment Real Estate Trends from 2008 to Q3-2012





### Commercial Real Estate Trends

The total commercial real estate transactions significantly decreased during Q3 of 2012, as a result of stagnant markets and the low demand on commercial real estate trends, especially occupancy rates in the Capital Governorate, due to the repercussions of the global financial crisis and its impact on local private companies. The value of transactions decreased by 45%, recorded value of KD 37,043 million compared to Q2 of 2012 in which the value of transactions was KD 67,244 million

This decreased the quarter share of total trades up to 6%, at the expense of real estate deals for private housing, the share of which was 58%, and investment deals amounting to 35%. July ranked first as the volume of transactions reached KD 16,506 million with a share of 44,6%, September ranked second where transactions volume reached KD 13,846 million with a share of 37,4%. August came third as the volume of transactions reached KD 6,688 with a share of 18% million. The average deal declined during Q3-2012, and was reached at KD 2,646 million, compared to KD 3,956 million for Q2 of 2012.

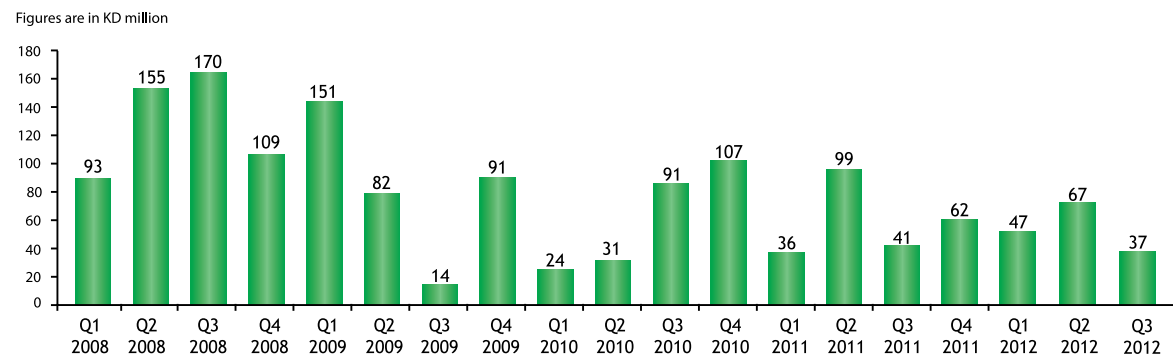
### Price Indices

#### First: Prices of Private Housing Land:

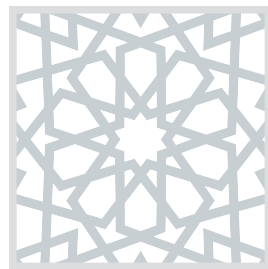
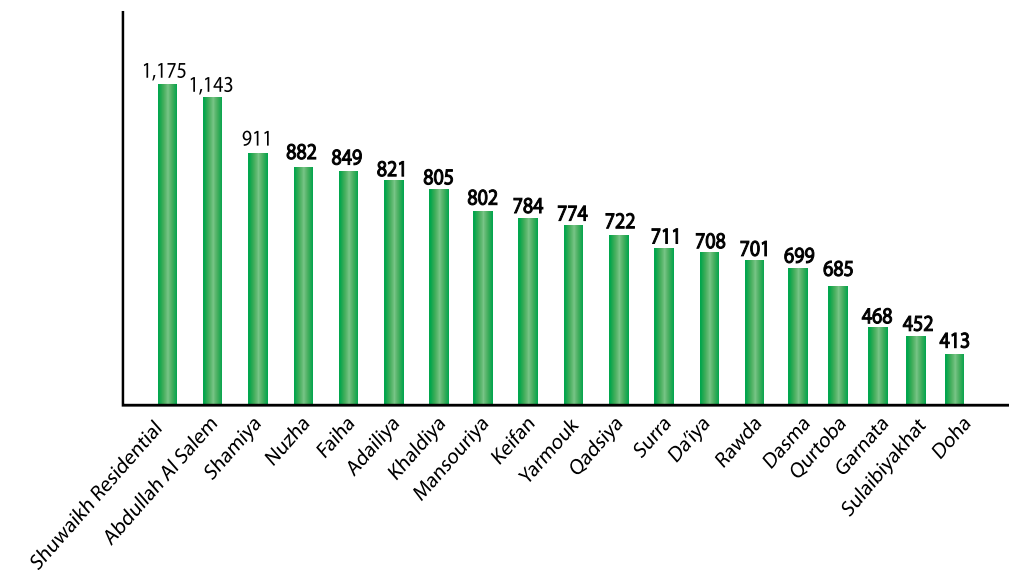
The State aims to build more than 70 thousand housing units until 2015, after receiving 96,000 applications, forming an accumulative increase of 7917 applications per year. This requires more tenders to provide this number of housing units; so as not to let the scarcity of supply escalate prices. It would magnify the crisis through the State efforts to build 22 thousand housing units through the establishment of 4 new cities. Price indices in the market, monitored by KFH in Q3-2012, rose in respect of residential land prices in the capital governorate. The average price per square meter in the capital governorate during the third quarter reached KD 764, compared to KD 744 for Q2 of 2012. The capital areas witnessed an increase ranges between 1% and %12.6.

Average Price per Square Meter of Private Housing Real Estate in the Capital Governorate - Q3-2012

The Development of Total Quarterly Transactions for Commercial Real Estate from 2008 to Q3-2012



Figures are in KD



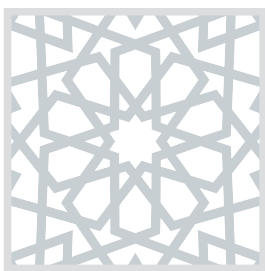
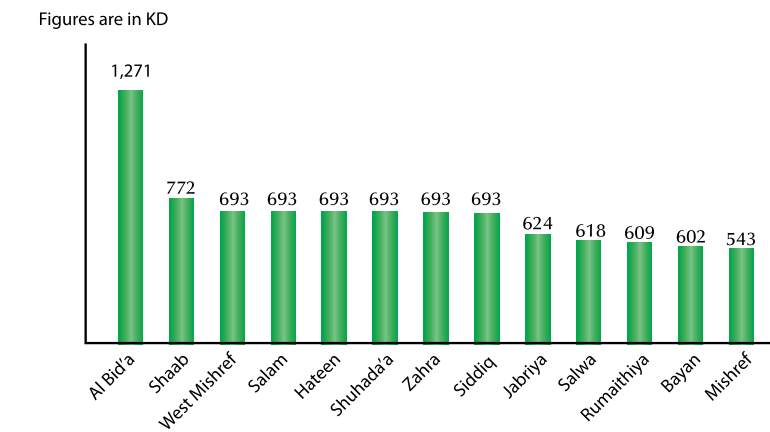


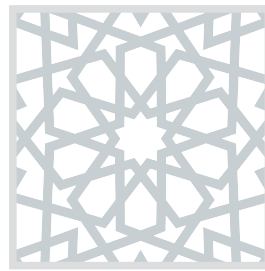
Residential Land Price in the Capital Governorate

Area	Space	Building%	Location	Value		Price per Meter		Average Market Value per Square Meter During Q3-2012
				From	To	From	To	
Shuwaikh Residential	500	%210	Internal	500,000	600,000	1,000	1,200	1100.0
	1.000	%210	Internal	950,000	1,100,000	950	1,100	1025.0
	1.000	%210	Main	1,300,000	1,500,000	1,300	1,500	1400.0
Area Overall Average				916,667	1,066,667	1,083	1,267	1,175
Abdullah	500	%210	Internal	455,000	580,000	910	1,160	1035.0
Al-Salem	750	%210	Internal	680,000	825,000	907	1,100	1003.3
Suburb	1.000	%210	Internal	850,000	1,100,000	850	1,100	975.0
Area Overall Average				886,667	1,042,500	1,047	1,239	1,143
Shamiya	250	%320	Internal	230,000	230,000	250,000	920	1,000
	500	%210	Internal	380,000	400,000	450,000	800	900
	750	%210	Internal	550,000	580,000	650,000	773	867
Area Overall Average				571,429	672,857	850	993	922
Al-Nuzha	500	%210	Internal	380,000	450,000	760	900	830.0
	500	%210	Main	485,000	535,000	970	1,070	1020.0
	750	%210	Internal	550,000	600,000	733	800	766.7
	750	%210	Main	700,000	750,000	933	1,000	966.7
Area Overall Average				573,000	647,000	829	934	882
Khalidiya	750	%210	Internal	525,000	585,000	700	780	740.0
	750	%210	Main	600,000	650,000	800	867	833.3
	1.000	%210	Internal	730,000	860,000	730	860	795.0
	1.000	%210	Main	800,000	900,000	800	900	850.0
Area Overall Average				663,750	748,750	758	852	805
Adailiya	500	%210	Internal	380,000	450,000	760	900	830.0
	500	%210	Main	435,000	535,000	870	1,070	970.0
	750	%210	Internal	535,000	600,000	713	800	756.7
	750	%210	Main	625,000	650,000	833	867	850.0
Area Overall Average				617,500	700,000	768	875	821

Hawalli Governorate witnessed a rise in average price to KD 707 in (Al-Shab - Jabriyah - Rumaithiya - Salwa - Bayan - Meshrif - West Meshrif - Al-Salam - Hattin - Al-Shuhada - Al-Zahra - Al-Sadiq - Al-Bada) at a range between 3.6% and 10.4%, according to the latest surveys carried out by KFH in the governorate.

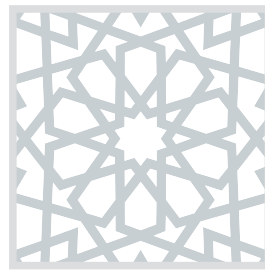
Average Price per Square Meter of Private Housing Real Estate in Hawalli Governorate - Q3-2012





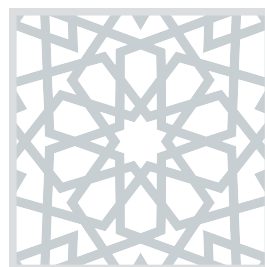
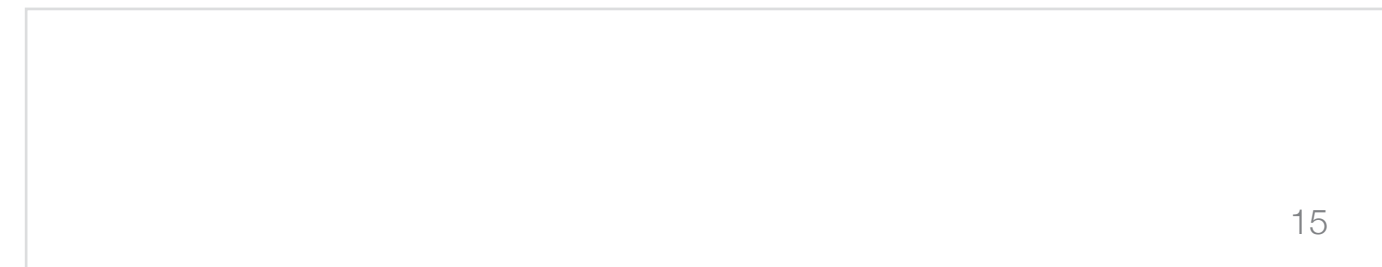
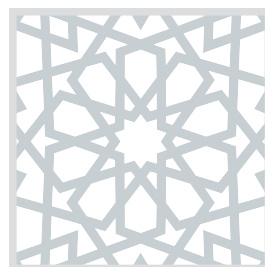
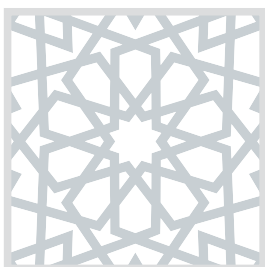
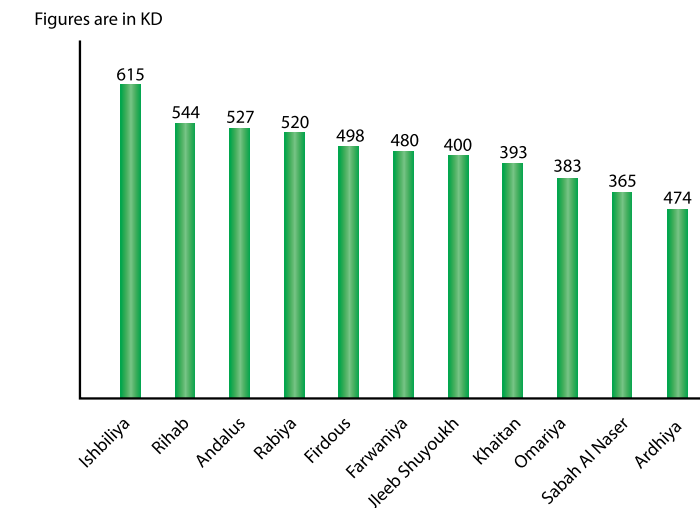
Residential Land Prices in Hawalli

Area	Building %	Space	Location	Value		price per meter		Average market value per square meter during Q3 2012
				From	To	From	To	
Al-Shab	%210	400	Internal	290,000	320,000	725	800	762.5
	%210	400	Main	340,000	360,000	850	900	875.0
	%210	500	internal	360,000	380,000	720	760	740.0
Area Overall Average				403,333	435,000	743	801	772
Jabriyah	%210	400	Internal	250,000	625	625	675	650.0
	%210	400	Main	280,000	700	700	775	650.0
Area Overall Average				383,750	415,000	599	650	624
Rumaihiya	%210	400	Internal	230,000	250,000	575	625	600.0
	%210	400	Main	250,000	270,000	625	675	650.0
	%210	500	Internal	280,000	300,000	560	600	580.0
Area Overall Average				390,000	421,250	584	633	609
Salwa	%210	500	Internal	250,000	270,000	500	540	500.0
	%210	500	Main	270,000	290,000	540	580	560.0
Area Overall Average				480,000	521,429	592	644	618



Farwaniyah Governorate witnessed an average price up to KD 461 per square meter in Q3-2012. The areas of (Andalus – Al-Rabia - Ishbiliya - Farwaniyah – Al-Ardia - Sabah Al-Nasser – Al-Ferdaws – Al-Omariyah – Al-Rehab) witnessed a rise in prices with at an average between 1% and 8.8%.

Average Price per Square Meter of Private Housing Real Estate in Farwaniya Governorate - Q3- 2012



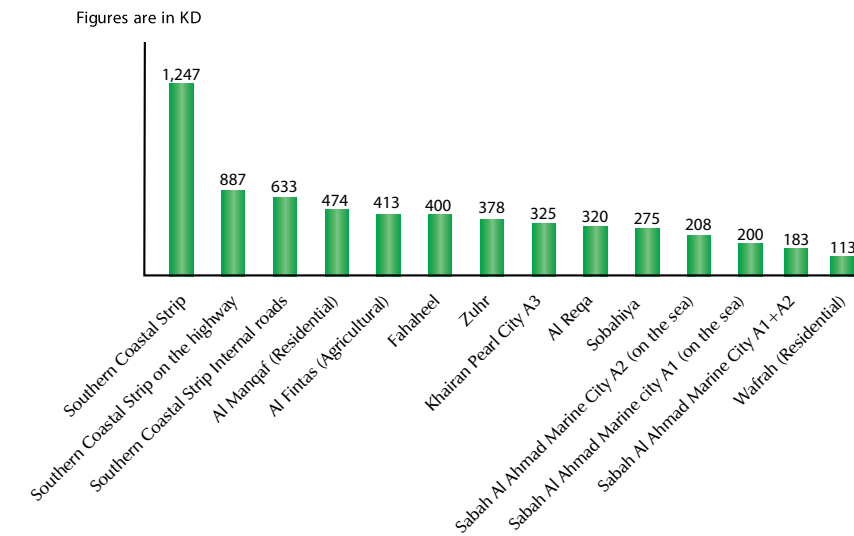


Residential Land Prices in Farwaniyah

Area	Building %	Space	Location	Street	Value		price per meter		Average market value per square meter during Q3 2012
					From	To	From	To	
Al-Andalus	%210	500	Internal		230,000	260,000	460	520	490.0
	%210	500	Main		270,000	300,000	540	600	570.0
Area Overall Average					328,000	356,000	504	549	527
Rabyah (existing house)	%210	500	Internal		220,000	250,000	440	500	470.0
	%210	500	Main		270,000	300,000	540	600	570.0
Area Overall Average					245,500	275,000	490.0	550.0	520.0
Ishbiliya	%210	400	Internal		230,000	260,000	575	650	612.5
	%210	400	Main		270,000	280,000	675	700	687.5
Area Overall Average					263,750	286,250	590.0	640.0	615.0
Farwaniyah	%210	500	Internal		225,000	235,000	450	470	460.0
	%210	500	Main		240,000	260,000	480	520	500.0
Area Overall Average					227,500	247,500	455.0	495.0	475.0
Khaitan (behind the club)	%210	400	Internal		165,000	190,000	413	475	443.8
Khaitan	%210	1000		Faisal Highway	340,000	360,000	340	360	350.0
Area Overall Average					265,750	290,000	374.1	412.1	393.1
Jleeb Al-Shuwaikh	%210	750	Internal		265,000	335,000	353	447	400.0
Area Overall Average					265,000	335,000	353	447	400.0
Ardiya	%210	750	Internal		230,000	250,000	307	333	320.0
	%210	750	Main		270,000	290,000	360	387	373.3
Area Overall Average					220,500	220,000	270,000	333,3	360.0

Prices have witnessed a rise in Ahmadi Governorate. The average price per square meter reached KD 423 compared to KD 412 in the scored quarter of 2012. Prices rose in the areas of the Governorate between 1% and 9%.

Average Price per Square Meter of Private Housing Real Estate in Al-Ahmadi Governorate - Q3-2012



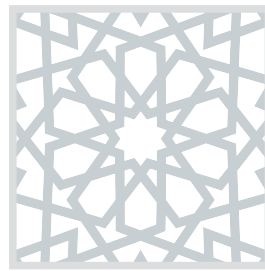
Residential land prices in Ahmadi area

Area	Building %	Space	Location	Street	Value		price per meter		Average market value per square meter during Q3 2012
					From	To	From	To	
Al Fintas agricultural area	%210	1000	Internal		320,000	350,000	320	350	365
	%210	1000	Main		445,000	460,000	445	460	460
Hadiya	%210	750	Internal		215,000	260,000	287	347	333
	%210	750	Main		270,000	330,000	360	440	433
Al-Aqeelah	%210	400	Internal		170,000	190,000	425	475	450
	%210	400	Main		200,000	220,000	500	550	525
	%210	500	Internal		190,000	220,000	380	440	410
	%210	500	Main		230,000	250,000	460	500	480
Southern coastal strip	%150	750		Sea	920,000	950,000	1,227	1,267	1,247
Southern coastal strip on the highway	%150	750		Coastal road	650,000	680,000	867	907	887
Southern coastal strip Internal roads	%150	750		Internal	450,000	500,000	600	667	633
Al-Khairan Residential City	%210	400			45,000	65,000	113	163	138
Sabah al-Ahmad Marine City A1 (on the sea)	%210	1200		Sea	230,000	250,000	192	208	200
Sabah al-Ahmad Marine City A2 (on the sea)	%210	1200		Sea	240,000	260,000	200	217	208
Al-Khairan Pearl City A3 (on the sea)	%210	640		Sea	192,000	224,000	300	350	325

Prices were increased in Jahraa Governorate in the areas of (Jahraa – Al-Oyoun - Al-Naeem – Al-Waha). The average price per square meter reached KD 360 compared to KD 342 in Q2-2012.

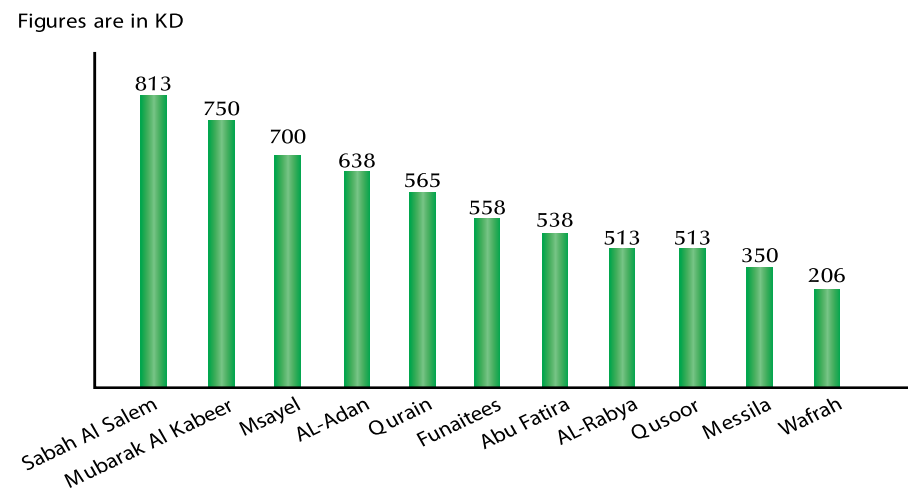
Residential Land Prices in Jahraa Governorate

Area	Building %	Space	Location	Street	Value		Price per Meter		Average Market Value per Square Meter During Q3-2012
					From	To	From	To	
Al-Qasr	%210	750	Internal		210,000	230,000	280	307	320
Al-Qasr- Club Street	%210	1000		Club Street	400,000	20,000	400	420	440
Al-Qasr (Existing House)	%210	600			185,000	200,000	308	333	346
Jahraa - Al-Metlaa Street	%210	400	Internal		235,000	250,000	470	500	485
Al-Oyoun (Government-subsidized house)	%210	400	Main		130,000	70,000	325	425	388
Al-Naeem (Plots)	%210	400	Internal		150,000	80,000	375	450	450
Al-Naeem (Government-subsidized house)	%210	400	Main		130,000	170,000	325	425	388
Al-Waha (Existing house)	Up to 800 square meters	300			105,000	20,000	350	400	392
Al-Nasem (Government-subsidized house)	%210	400	Main		130,000	70,000	325	425	388



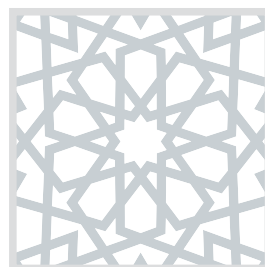
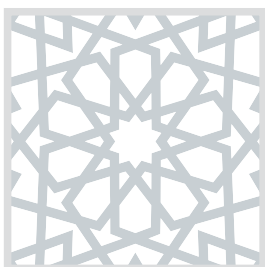
Mubarak Al-Kabeer Governorate recorded an increase in prices. The average price amounted to KD 626 per square meter compared to KD 609 per square meter in Q2-2012 with an increase of 6.3%.

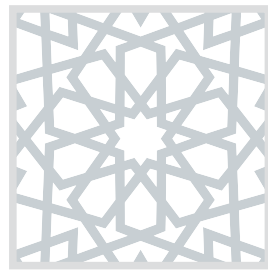
Average Price per Square Meter of Private Housing Real Estate in Mubarak Al-Kabeer Governorate - Q3-2012



Private Land Prices in the Mubarak Al-Kabeer Area

Area	Building %	Space	Location	Street	Market value of Land		Price per square meter		Market value per square meter during Q3 2012
					From	To	From	To	
Abo Al-Hasanya	%150	750	Internal		487,500	600,000	650	800	735
	%150	750		Al-Fahaheel	660,000	712,500	880	950	925
	%150	750	On sea view		1,050,000	1,125,000	1,400	1,500	1,450
Area Overall Average					637,500	732,500	812,500	977	1,083
Al-Masailah	%210	400	Internal		195,000	215,000	488	538	550
	%210	400	Main		230,000	240,000	575	600	600
	%210	500	Internal		245,000	255,000	490	510	510
	%210	500	Main		265,000	275,000	530	550	550
Area Overall Average					233,750	233,750	246,250	521	549
Abo Fatirah	%210	400	Internal		165,000	175,000	413	438	481
	%210	400	Main		200,000	210,000	500	525	550
Residential Area	%210	500	Internal		215,000	235,000	430	470	490
	%210	500	Main		240,000	250,000	480	500	490
Area Overall Average					205,000	205,000	217,500	456	483

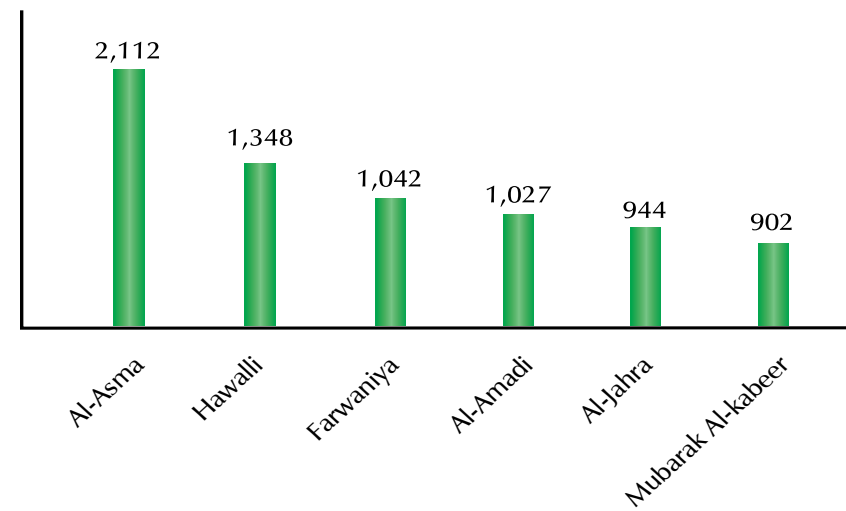




**Second: Prices of Investment Lands:**

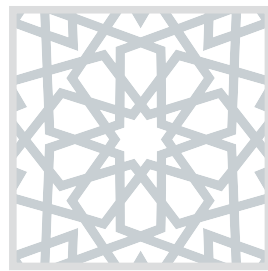
The prices of investment lands varied among governorates where it recorded a significant increase of 3% in Kuwait, while in the Capital Governorate prices increased slightly by 2.3% recording an average price per meter of KD 2,2112 compared to KD 2,109 in Q2-2012.

Figures are in KD



**Investment Land Prices in the Capital Area**

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q3 2012
					From	To	From	To	
Benaïd Al-Qar	%250	1,000		Arabian Gulf	2,250,000	2,400,000	2,250	2,400	2325.0
	%250	1,000		Istiqlal	1,450,000	1,500,000	1,450	1,500	1475.0
	%250	500	Internal		635,000	660,000	1,270	1,320	1295.0
	%250	500	Main		660,000	720,000	1,320	1,440	1380.0
Area Overall Average					1,093,333	1,282,500	1,498.3	1,498.3	1,593.3
Al-Muqawwaa Al-Sharqi	%240	250	Internal		350,000	400,000	1,400	1,600	1500.0
	%400	500	Internal		950,000	1,100,000	1,900	2,200	2050.0
Area Overall Average					1,255,000	1,350,000	2,138	2,138	2,350
Dasman	%400	1,000		Arabian Gulf	3,050,000	3,200,000	3,050	3,200	3125.0
	%400	1,000	Internal		1,900,000	2,000,000	1,900	2,000	1950.0
	%400	750		Abdullah Al-Ahmad	1,850,000	2,000,000	2,467	2,667	2566.7
Area Overall Average					2,200,000	2,266,667	2,400,000	2,472	2,662



As for Hawalli Governorate, it witnessed an increase in prices such that the average price per square meter during Q3-2012 amounted to KD 1,347 compared to KD 1,329 per square meter in Q2-2012. Districts of (Hawalli – Salemiyah – Al-Shab – Jabriyah) witnessed a rise ranging between 1% and 2%.

Farwaniyah Governorate recorded an increase in prices of 4%. The average price per square meter in the Governorate amounted to KD 1,042 compared to KD 1,002 per square meter in Q2 of 2012. Districts (Farwaniyah – Khaitan – Alreghi) witnessed a rise ranging between 1% and 6%.

Investment Land Prices in Hawalli Governorate

Area	Building %	Space	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q3 2012
				From	To	From	To	
Hawalli	%250	750	Muthanna	950,000	980,000	1,233	1,307	1270.0
	%250	750	Qutaiba	950,000	980,000	1,267	1,307	1286.7
	%250	750	Hasan Al-Basri	900,000	930,000	1,200	1,240	1220.0
	%250	750	Ahmed Ibn Tulun	900,000	930,000	1,200	1,240	1220.0
	%250	750	Yarmouk	900,000	930,000	1,200	1,240	1220.0
	%250	750	Musa Ibn Nuseer	900,000	930,000	1,200	1,240	1220.0
Area Overall Average				920,333.3	964,666.7	1,200.4	1,258.4	1229.4
Salemiyah	%250	1,000	Arabian Gulf	2,200,000	2,300,000	2,200	2,300	2250.0
	%250	750	Baghdad (Al-Tahrir)	980,000	1,050,000	1,307	1,400	1353.3
	%250	750	Abdul Karim Al-Khattabi	980,000	1,050,000	1,307	1,400	1353.3
	%250	750	Qatar	980,000	1,100,000	1,307	1,467	1386.7
	%250	750	Abdullah Ibn Masood	925,000	950,000	1,233	1,267	1250.0
	%250	750	Yousef Ibn Hamoud	925,000	950,000	1,233	1,267	1250.0
	%250	750	Hamad Al Mubarak	950,000	1,050,000	1,267	1,400	1333.3
Area Overall Average				1,008,438	1,065,000	1,301	1,375	1337.7
Al-Shab	%250	1,000	Arabian Gulf	2,250,000	2,350,000	2,250	2,350	2300.0
	%250	1,000	Istiqlal	1,550,000	1,570,000	1,550	1,570	1560.0
Area Overall Average				1,485,000	1,548,750	1,562	1,628	1595.0
Jabriyah	%250	1,000	Fourth Ring Road	1,350,000	1,400,000	1,350	1,400	1375.0
	%250	1,000	Al-Maghrib	1,200,000	1,230,000	1,200	1,230	1215.0
	%250	1,000	Al-Shenakl	1,200,000	1,250,000	1,200	1,250	1225.0
Area Overall Average				1,161,429	1,211,429	1,203	1,254	122.8

Investment Land Prices in Farwaniyah Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q3 2012
					From	To	From	To	
Farwaniyah	%250	1,000		Al-Matar	1,150,000	1,180,000	1,150	1,180	1165.0
	%250	1,000		Sixth Ring Road	1,050,000	1,100,000	1,050	1,100	1075.0
	%250	1,000	Main		1,000,000	1,050,000	1,000	1,050	1025.0
	%250	1,000	Internal		850,000	900,000	850	900	875.0
Area Overall Average					726,666.7	788,333.3	839.4	907.2	1025.6
Khaitan	%250	750		Airport	880,000	920,000	1,173	1,227	1200.0
	%250	750	Main		850,000	880,000	1,133	1,173	1153.3
	%250	750	Internal		700,000	750,000	933	1,000	966.7
Area Overall Average					600,000	648,000	895	963	1049.7
Jleeb Al-Shuyokh	%250	750		Sixth Ring Road	825,000	850,000	1,100	1,133	1116.7
	%250	750		Police Station Street	850,000	900,000	1,133	1,200	1166.7
Area Overall Average					615,714	670,000	909	990	1033.3
Al-Raqee	%250	750		Fourth Ring Road	850,000	900,000	1,133	1,200	1166.7
	%250	750		Fifth Ring Road	825,000	880,000	1,100	1,173	1136.7
Area Overall Average					810,833	871,667	1,022	1,098	1060.3

Ahmadi Governorate also witnessed a percentage of increase in prices of 4, 3 % in the average price per square meter during Q2-2012. The average price per square meter in the Governorate amounted to KD 1,027 compared to KD 985 per square meter in Q2 of 2012.

Investment Land Prices in Ahmadi Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q3 2012
					From	To	From	To	
Fintas	%250	500	Main		400,000	450,000	800	900	850.0
	%250	750		Fahaheel Coastal Road	600,000	650,000	800	867	833.3
	%250	1,000			700,000	750,000	933	1,000	966.7
Area Overall Average					770,000	840,000	983	1,073	1028.3
Abu Halifa	%250	500	Main		400,000	450,000	800	900	850.0
	%250	750	Internal		600,000	650,000	800	867	833.3
Area Overall Average					787,500	862,500	996	1,092	1043.8
Al-Manqaf	%250	500	Main		425,000	450,000	850	900	875.0
	%250	750	Internal		625,000	680,000	833	907	870.0
Area Overall Average					790,000	866,000	1,010	1,108	1059.0
Al-Mahbulah	%250	500	Main		400,000	440,000	800	880	840.0
	%250	750	Internal		570,000	630,000	760	840	800.0
Area Overall Average					774,000	834,000	985	1,064	1024.7
Fahaheel	%250	500	Internal		450,000	480,000	900	960	930.0
	%250	750	Main		480,000	500,000	960	1,000	980.0
	%250	1,000		Makka Al-Badaweyah	1,050,000	1,100,000	1,050	1,100	1075.0
	%250	750			730,000	750,000	973	1,000	986.7
Area Overall Average					684,167	717,500	957	1,004	980.8

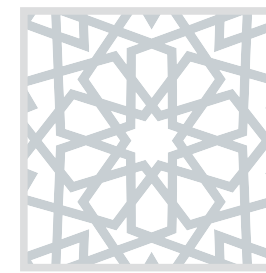
At the same time, Jahraa Governorate witnessed an average percentage of increase in prices of 7% compared to Q2 of 2012. The average price per square meter in the Governorate amounted to KD 943 in Q3 of 2012, compared to KD 909 per square meter in Q2 of 2012

Investment Land Prices in Jahraa Governorate

Area	Building %	Space	Location	Street	Market value of the land		Market value per square meter price		Average price per square meter during Q3 2012
					From	To	From	To	
Jahraa	%250	1,000	Internal		800,000	850,000	800.0	850.0	825.0
	%250	1,000	Main		880,000	950,000	880.0	950.0	915.0
	%250	800		Al-Khuzami	880,000	950,000	1,100.0	1,187.5	1143.8
	%250	500	Internal		425,000	450,000	850.0	900.0	875.0
	%250	500	Main		460,000	500,000	920.0	1,000.0	960.0
Area Overall Average					689,000	740,000	910	978	943.8

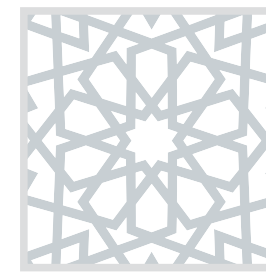
Mubarak Al- Kabeer Governorate recorded an increase in prices. The average price amounted to KD 902 per square meter in Q3-2012 compared to KD 843 per square meter in Q2-2012 with an increase of 7%.

Area	Building %	Space	Location	Market value of Land		Price per square meter		Market value per square meter during Q3 2012
				From	To	From	To	
Mubark Al Kabeer	%150	750	Internal	650,000	700,000	867	933	900.0
	%150	750	Main	750,000	800,000	1,000	1,067	1033.3
	%150	750	Internal	750,000	850,000	750	850	800.0
			Main	850,000	900,000	850	900	875.0
			Al- Fahaheel	1,000,000	1,150,000	1,000	1,150	1075.0
Area Overall Average				725,000	796,667	861	943	902.2



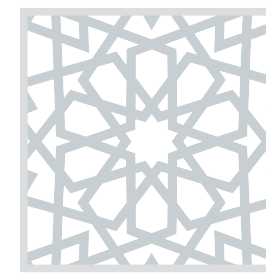
The Annual Rate of Return on Real Estate Investment:

The demand on real estate investment is correlated with investment rate of return generated which ranged between 6.75% to 8.25%, as investment real estates are still characterized by competitiveness and stability compared to expected rates of return on deposit, or unstable returns generated from Kuwait Stock Exchange.



Annual Rate of Return on Investment Real Estate in Some Areas

Governorate	Area	Building %	Space	Location	Street	Percentage of sale proceeds from real estate annual revenues Q3 2012		
						From	To	Average
Capital	Benaid Al-Qar	%250	1,000	Main	Arabian Gulf	% 6.50	% 7.00	% 6.75
		%250	1,000			% 6.50	% 7.00	% 6.75
	Al-Muqawwaa Al-Sharqi	%240	250	Internal	Arabian Gulf	% 6.50	% 6.70	% 6.60
		%400	1,000			% 6.50	% 7.00	% 6.75
Dasman	%400	750	Internal	Abdullah Al-Ahmad	% 6.50	% 7.25	% 6.88	
	%400	750			% 6.50	% 7.25	% 6.88	
Hawalli	Hawalli	%250	750	Internal	Muthanna	% 6.50	% 7.25	% 6.88
		%250	750			% 6.50	% 7.25	% 6.88
	Salemiyah	%250	1,000	Internal	Arabian Gulf	% 6.50	% 7.00	% 6.75
		%250	1,000			% 6.50	% 7.00	% 6.75
		%250	1,000			% 6.50	% 7.00	% 6.75
Farwaniyah	Farwaniyah	%250	1,000	Main	Al-Matar	% 7.25	% 7.25	% 7.25
		%250	1,000			% 7.25	% 7.75	% 7.50
	Khaitan	%250	750	Internal	Al-Matar Fourth Ring Road	% 7.00	% 7.50	% 7.25
		%250	750			% 7.25	% 7.50	% 7.38
		%250	750			% 7.25	% 7.50	% 7.38
Ahmadi	Fintas	%250	500	Internal	Fintas	% 7.70	% 8.00	% 7.85
		%250	500			% 7.70	% 8.00	% 7.85
	Abu Halifa	%250	750	Internal	Abu Halifa	% 8.00	% 8.50	% 8.25
		%250	500			% 7.70	% 8.00	% 7.85
		%250	750			% 7.70	% 8.00	% 7.85
Jahra	Jahra	%250	1,000	Internal	Jahra	% 8.00	% 8.50	% 8.25
		%250	1,000			% 7.70	% 8.00	% 7.85
	Mubarak AlKabeer	Sobah Al Salem	%250	750	Internal	Sobah Al Salem	% 8.00	% 8.50
%250			750	% 7.75			% 8.50	% 8.13
%250			1,000	% 8.00			% 8.50	% 8.25



**Third: Prices of Commercial Real Estate:**

Transactions prices of commercial real estate have been increased in Kuwait governorates by 2.9% , while prices were steady with an average price increase of KD 5,095 per square meter in Q3-2012 in The Capital Governorate as a result of stability in prices in the governorates areas (Soor Street- Mubark Al Kabeer (SEC) –Fahed Al -Salem).

**Commercial Land Prices in Capital Governorate**

Area	Building %	Street	Space	Price		price per meter		price per meter during Q3 2012
				From	To	From	To	
Qiblah	%300	Al-Mubarakiyah	500	1,350,000	2,000,000	1,700	4,000	3,350
Sharq	%520	Ahmed Al-Jaber	500	3,000,000	3,100,000	6,000	6,200	6,100
Al-Madinah	%620	Mubarak Al-Kabeer (Bulukat)	500	2,750,000	2,875,000	5,500	5,750	5,625
	%620	Mubarak Al-Kabeer (Bursah)	500	2,750,000	3,000,000	5,500	6,000	5,750
Qiblah	%620	Fahed Al-Salem	500	2,825,000	3,000,000	5,650	6,000	5,825
Sharq	%520	Jaber Al-Mubarak	500	1,650,000	1,750,000	3,300	3,500	3,400

In Hawalli Governorate areas prices have increased reached to an average price of KD 3,132per square meter in Q3-2012, with an average percentage increase of 7.7%, compared to Q2 of 2012.

**Commercial Land Prices in Hawalli Governorate**

Area	Building %	Street	Space	Price		price per meter		price per meter during Q3 2012
				From	To	From	To	
Hawalli	%180	Tunis	1.000	3,500,000	3,800,000	3,500	3,800	3,650
	%180	Beirut	1.000	3,500,000	3,700,000	3,500	3,700	3,600
Salemiah	%180	Salem Al-Mubarak	800	3,000,000	3,500,000	3,750	3,625	3,000
	%180	Bahrain	500	1,250,000	2,300,000	2,500	2,600	2,550

At the same time, Farwaniyah Governorate witnessed a notable increase in the average prices with a percentage of 3.3% where The average price during Q3-2012 recorded from KD 1,749 per square meter compared to KD 1,200 per square since Q2-2012.

**Commercial Land Prices in Farwaniyah Governorate**

Area	Building %	Street	Space	Price		price per meter		price per meter during Q3 2012
				From	To	From	To	
Farwaniyah - Menawir Street	%180	Menawir	1.000	2,625,000	2,850,000	3,500	3,800	3,650
Farwaniyah - Matafi Street	%180	Matafi	800	2,280,000	2,360,000	2,850	2,950	2,900
Khaitan	%180		1.000	2,500,000	2,700,000	2,500	2,700	2,600
Khaitan (Business and Commercial)	%300	Business and commercial	1.000	1,800,000	2,000,000	1,800	2,000	1,900
Jleeb Shuyokh opposite Coop. Society	%180	Coop. Society Street	1.000	1,400,000	1,600,000	1,400	1,600	1,500
Jleeb Shuyokh (Back area)	%180	Internal	1.000	1,000,000	1,200,000	1,000	1,200	1,100
Ad-Dajij (5000 meters) on Sixth Ring Road	%210	Sixth Ring Road	5,000	5,750,000	6,250,000	1,150	1,250	1,200
Al-Dajij (5000 meters) Internal		Internal	5,000	4,250,000	4,750,000	850	950	900
Al-Dajij South of Khaitan	%250	Internal	5,000	1,500,000	2,500,000	300	500	400



In Jahraa Governorate, prices have been stabilized with an average price increase of KD 1,720 per square meter in Q3-2012.

Commercial Land Prices in Jahraa Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q3 2012
				From	To	From	To	
Jahraa	%180	Marzuk Al-Mutaab	1.000	2,100,000	2,500,000	2,100	2,500	2,300
Jahraa Center - Business and Commercial	%300	Business and Commercial	875	1,750,000	2,750,000	2,000	2,300	2,150
Jahraa	%50	Plot 41 A	1.000	1,000	1,250,000	1,350,000	2,000	1,300

Also, Ahmadi Governorate witnessed a slight rise in prices. The average increase in prices reached to KD 2,564 per square meter in Q3-2012 compared to KD 2,467 per square meter in Q2 of 2012. According to the discrepancies of price movements among the governorates pursuant to the latest surveys undertaken by KFH in the Governorate, Al-Fintas area, Business and Commercial Center, have increased with percentages of 1.5% and 2.5% compared to Q2 of 2012.

Commercial Land Prices in Ahmadi Governorate

Area	Building %	Street	Space	Price		price per meter		price per meter during Q3 2012
				From	To	From	To	
Al-Manqaf	%300	Azizia	750	750,000	900,000	1,000	1,200	1,100
Fintas (Business and commercial)	%180	Main	1000	3,200,000	3,000,000	3,200	3,300	3,250
	%180	Internal	1000	2,950,000	3,050,000	2,950	3,050	3,000
Fahaheel	%180	Ad-Dabbus	750	2,400,500	2,475,500	3,200	3,300	3,250
	%180	Internal	750	1,837,500	1,912,500	2,450	2,550	2,500
	%180	Coastal Road	750	2,887,500	3,037,500	3,850	4,050	3,950

Annual Rates of Return on Commercial Real Estate:

Commercial real estate's returns are still significantly lower than those generated from investment real estate returns due to lower occupancy rates associated with the offices sectors especially in the Capital Governorate, where the average rate of return ranged from 6.25% to 8.25%, and an annual return reached 7.25% in Hawalli Governorate, 8.25% in Farwaniyah, jahraa 7.88% and 18.13% in Al Ahmadi Governorates.

Annual rate of return on commercial real estate in some areas

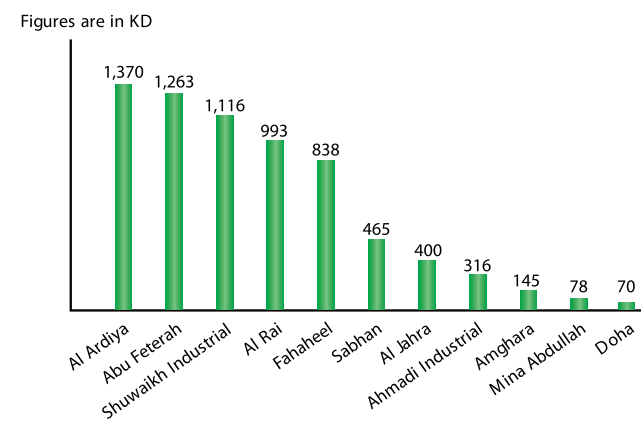
Governorate	Area	Building %	Street	Percentage of sale proceeds from the real estate annual income Q3 2012		Average proceeds of Q3 2012
				From	To	
Capital	Qiblah	%300	Al-Mubarakiyah	%6.00	%7.00	% 6.50
	Sharq	%520	Ahmed Al-Jaber	%7.25	%7.50	% 6.98
	Sharq	%520	Khaled Ibn Al Waleed	%7.25	%7.50	% 6.98
	Al-Madinah	%620	Al-Sour	%7.25	%7.50	% 6.98
	Al-Madinah	%300	Al-Sour	%7.25	%7.50	% 6.98
Hawalli	Al-Madinah	%620	Mubarak Al-Kabeer Al-Bulukat	%7.25	%7.50	% 6.98
	Hawalli	%180	Tunis	%7.50	%8.00	% 7.25
	Hawalli	%180	Beirut	%7.50	%8.00	% 7.25
	Salemiyah	%180	Salem Al-Mubarak	%7.50	%8.00	% 7.25
Farwaniyah	Salemiyah	%180	Bahrain	%7.50	%8.00	% 7.25
	Farwaniyah Menawir Street	%180	Menawir	%7.75	%8.00	% 7.38
	Farwaniyah - Matafi Street	%180	Matafi	%8.00	%8.25	% 7.60
	Khaitan	%180	Khaitan	%7.75	%8.00	% 7.60
	Khaitan (Business and Commercial)	%300	Business and Commercial	%8.00	%8.25	% 7.85
Jahraa	Al-Aridiyah - Warehouses	Ground Floor 80% - Mezzanine 50%	Internal	%8.00	%8.25	% 8.25
	Jahraa	%180	Marzuk Al-Mutaab	%8.00	%8.50	% 7.88
	Jahraa Center - Business and Commercial	%300	Business and Commercial	%8.00	%8.50	% 7.88
Ahmadi	Jahraa - Al-Qaysareyat	%300	Plot 20	%7.50	%7.75	% 7.63
	Al-Manqaf	%300	Azizia	%8.50	%8.75	% 8.13
	Fintas (Business and Commercial)	%180	Main	%8.25	%8.50	% 7.88
	Fahaheel	%280	Makka	%7.50	%7.75	% 7.38



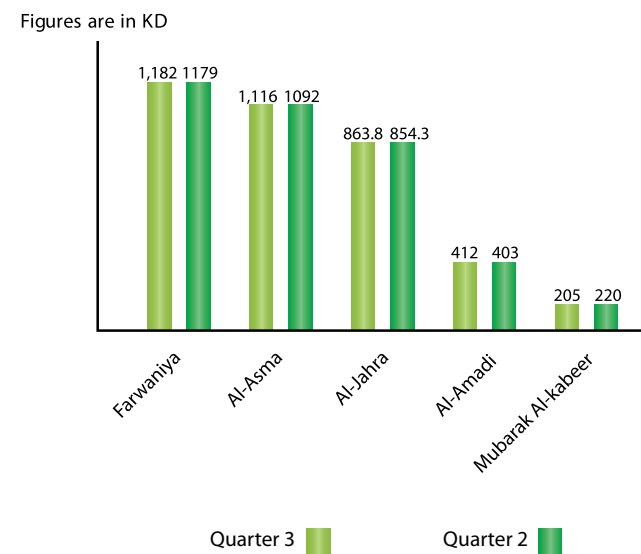
**Fourth: Industrial Plots (Public Utility Contracts) and Warehouses:**

Industrial plots in the Capital Governorate witnessed an increase in average of prices reached to 2 % in most industrial plots. Price per meter reached KD 1,116 in Q3-2012 compared to KD 1,086 per square meter in Q2 of 2012.

Average market value per square meter for industrial and handicraft real estate in Kuwait areas during Q3 of 2012

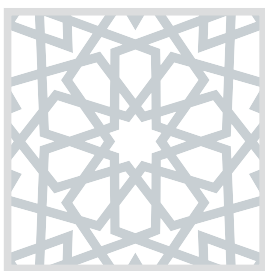


Average market value per square meter for industrial and handicraft real estate in Kuwait Governorates during Q2, Q3 of 2012



Prices of Industrial Plots in Capital Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q3 2012
						From	To	
Shuwaikh Industrial Area	Trade shows + land + industrial	%170	1,000	Internal	Canada Dry Street	1,450,000	1,500,000	1,475
		%170	1,000		Scheherazade Street	1,080,000	1,200,000	1,140
		%170	1,000		Al-Zinah Street	1,150,000	1,300,000	1,225
		%170	500		Al-Zinah Street	650,000	750,000	1,400
		%170	500		Electricity Street	580,000	600,000	1,180
		%170	1,000		Pepsi Street	400,000	600,000	500
		%170	5,000		Fourth Ring	4,000,000	4,500,000	850
		%170	1,000		Road	1,350,000	1,450,000	1,400
		%170	22,500		Muhammad Al-Qasim Al-Ghazali Street	10,000,000	1,500,000	478
		%170	1,000			850,000	1,100,000	975
		%170	1,000			900,000	1,150,000	1,025
Area Overall Average						2,171,818	2,454,545	1,116



Farwaniyah Governorate witnessed an increase in the average percentage of prices which amounted to 7.5 % due to issuance an appeal sentence that stopped renewing commercial licensing at Abu Fatirah professional Area and the migration of investors towards Al-Ardiya professional Area where the average percentage increase in the Governorate reached KD 1,182 per square meter compared to KD 1,168 per square meter in Q2-2012.

Likewise, Ahmadi Governorate witnessed a slight increase in prices amounted for 2.3%, as a result of prices increase in Fahaheel, especially atjawharat Al Fanar Street and other street, while price of some of fahaheel areas has changed.

Prices of Industrial Plots in Farwaniyah Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q3 2012
						From	To	
Al-Rai	Trade shows + industrial	%170	1.000		Safat Al-Ghanim (till Al-Nasr Sports)	1,000,000	1,200,000	1000
		%170	1.000		Al-Ghazali Street	950,000	1,100,000	950
		%170	2,000		Muhammad Al-Qasim	2,000,000	2,100,000	1,000
Area Overall Average						1,803,333	1,975,000	937
Al-Ardiyah Professional Zone	Professional	%130	250		Opposite Al-Ardiyah Warehouses	350,000	380,000	1,460
		%130	250	Internal		360,000	400,000	1,520
Area Overall Average						327,000	357,500	1,370

Prices of Industrial Plots in Ahmadi Governorate

Area	Allocation	Building %	Space	Location	Street	Market value of the land		Average market value per square meter during Q3 2012
						From	To	
Mina Abdullah Western Shuaibah	Industrial		100,000		Behind gasoline station	4,300,000	4,600,000	44.5
			10,000		Variety	1,000,000	1,150,000	105.0
Mina Abdullah			10,000	Internal	Inside the port	150,000	200,000	175.0
Area Overall Average						2,221,429	2,485,714	78
Fahaheel	Trade shows + industrial	%170	1.000		Sultan Center Street	1,200,000	1,400,000	1,300
		%170	1.000		Opposite the refineries	700,000	750,000	725
		%170	1.000		Internal streets	400,000	580,000	490
Area Overall Average						766,667	910,000	438
Industrial Sharq Ahmadi	Trade shows + industrial	%170	7,500		Mustafa Karam	3,000,000	3,500,000	433.33
		%170	5,000	Main		1,300,000	1,500,000	280
Area Overall Average						1,432,500	1,667,500	316

Prices of Industrial Plots in Jahraa Governorate

Area	Allocation	Space	Location	Market value of the land		Average market value per square meter during Q3 2012
				From	To	
Amgharah	Top Contractors	10,000	Internal	1,100,000	1,200,000	108
		10,000	Main	1,300,000	1,500,000	140
Area Overall Average				535,000	852,222	120
Jahraa	Professional	500	Internal	110,000	145,000	225
		500	Main	160,000	195,000	355
Area Overall Average				135,000	170,000	400
Doha	Repairing Ships	1.000		90,000	160,000	125
Area Overall Average				1,813,333	2,186,667	70

Fifth: Prices of Farms and Stables:

The prices per square meter in Kabed and Al-Wafra Areas were constant, likewise, Prices per Al Ahmadi and Al Jahra farms to reach an average of KD 3.65 per square meter at Al Ahmadi Farms governorate KD 4.84 for Al Jahra farms. Likewise, prices per square meter in horsemanship stables at Ahmadi area and Jahra reached KD 35.950.

Prices of Farms and Stables

Governorate	Area	Space	Location	Estimate plot price		Land price per square meter		Price per meter during Q3 2012
				From	To	From	To	
Ahmadi	Kabed Stables	2,500	Internal	55,000	65,000	22.00	26.00	60,000
	Kabed Stables	2,500	Main	65,000	75,000	26.00	30.00	70,000
	Ahmadi	500	Internal	25,000	28,000	50.00	56.00	26,500
	horsemanship stables	400	Golf Course	25,000	30,000	62.50	75.00	27,500
	Al-Wafra Stables	2,500	Main	28,000	33,000	11.20	13.20	30,500

Area	Allocation	Space	Location	Street	Market Value of the Land		Average Market Value per Square Meter During Q3- 2012
					From	To	
Abo Fatirah Professional Zone	Trade shows	1.000	Main	Due to the issuance of an appeal sentence that stopped renewing commercial licensing of the activities breaching the zone allocation (only professional activities. Please do not state data in the report until matters are clear.	1,400,000	1,750,000	1,575
Abo Fatirah Professional Zone	Trade shows	1.000	Internal		1,200,000	1,400,000	1,300
Area Overall Average		750			887,500	1,093,750	1,263
Sabhan	Industrial	1.000	Main		500,000	600,000	550.0
		5,000		Pepsi Pepsi	620,000	680,000	620.0
Area Overall Average					1,078,333	1,235,000	465



### Sixth: Chalet Prices

Chalet prices are related to the summer season. Chalet prices in Ahmadi, the capital, Jahraa Governorates have increased compared with stability status in Q2 of 2012, where average price of meter reached KD5,813 compared to KD 5,459 2012, realizing an increase of 6.5%, while in Al Ahmadi prices increased by 2.1%, Al Jahra 7% compared to average prices in Q2-2012.

Chalet Prices in Ahmadi Governorate

Governorate	Area	Length of the sea view per meter	Market value of the meter chalet (the land)		Price of the linear meter of the sea view		Average price of the sea view of land during Q3 2012
			From	To	From	To	
Ahmadi	Mina Abdullah	15	180,000	210,000	12,000	14,000	13,000
	Al-Dibaeyah	15	180,000	210,000	12,000	14,000	13,000
	Aljlieh	15	255,000	300,000	17,000	20,000	18,500
	Benaider	15	75,000	90,000	5,000	6,000	5,500
	Zoor	15	82,500	101,250	5,500	6,750	6,125
	Al-Khairan (other than Al-Khor)	15	65,000	75,000	2,600	3,000	2,800
	Nuwaisib	15	52,500	60,000	3,500	4,000	3,750

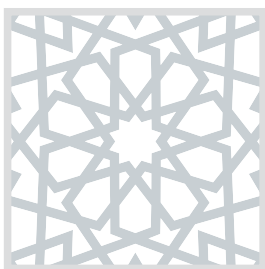
### Seventh: Percentage of Occupancy and Rents

The percentage of occupancy has been stabilized back to their previous rates for all levels of investment real estate types. That percentage ranged between 90 to 95%. The average price of the apartment rent recorded a figure between KD 145 to KD 250 for one bedroom, lounge and bathroom; KD 210 to KD 280 for two bedrooms and a lounge; KD 270 to KD 400 for two bedrooms, a lounge, two bathrooms and a maid's room; and KD 340 to KD 550 for three bedrooms and a lounge. Prices varied according to the area, design, finishing and location of the apartment.

As for the rate of the commercial meter for the ground floor, the average rent has been stabilized to somewhat between KD 10-30 per square meter but it reached KD 35 per square meter in special locations. The rent per square meter for offices space ranges between KD 5.5 – 8 per square meter in different areas in Kuwait but it reaches KD 8 per square meter in the capital or more according to the finishing and location of the apartment and the services rendered to the tenants and their visitors. As for smart offices, i.e. those equipped, furnished and provided with all technological services and secretariat to be used permanently; especially for foreign companies which usually hire intermittently, the rate per meter for hiring those offices reached about KD 8 per square meter.

Regarding the rent rates of industrial plots, they have been stabilized and the average price per square industrial meter of the ground floor – exhibitions – reached between KD 10 - 30 per square meter in the Shuwaikh Industrial Zone. The price differs according to the location. Al-Rai Construction Zone came second where prices reached KD 12-20 per square meter. In addition, prices in Al-Fahaheel Industrial Zone reached KD 10-16 per square meter.

On the other hand, the prices of freehold apartments and the prices of commercial warehouses (exploitation rate) have been stabilized.



Average Transactions of Rental of Investment Real Estate in the Governorates of Kuwait, «Q3 2011» (KD)

Hawalli Governorate	Room and lounge (44-40 m)	Two rooms, lounge and bathroom (60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (80 - 85 m)	Three rooms, lounge and a maid's room (100 -110 m)
Salemiyah	170-180	240-260	280-300	300-350	425-465
Hawalli	160-170	230-250	250-270	285-325	400-450
Jabriyah	170-180	240-260	280-300	300-350	425-465
Al-Shab	190-200	250-270	300-330	330-360	450-500
Capital Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Sharq	230-250	260-280	330-350	360-400	480-550
Qiblah	230-250	260-280	330-350	360-400	480-550
Al-Muqawwaa	230-250	250-270	330-350	360-400	480-550
Al-Sharqi	230-250	250-270	330-350	360-400	480-550
Dasman	230-250	250-270	330-350	360-400	480-550
Benaïd Al-Qar	200-220	250-280	300-330	320-340	480-550
Farwaniyah Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Khaitan	160-170	210-230	250-270	300-320	350-400
Farwaniyah	165-175	210-230	250-270	300-320	350-400
Jleeb Shuyokh	160-170	200-220	235-260	280-300	330-380
Al-Raqee	165-175	220-240	250-280	310-330	360-420
Ahmadi Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Fintas	150-165	215-235	245-250	270-300	340-380
Al-Mahbulah	145-160	200-220	230-240	260-280	340-380
Abu Halifah	150-165	215-235	245-255	270-300	340-380
Al-Manqaf	150-165	215-235	245-255	270-300	340-380
Fahaheel	160-175	220-240	260-280	275-315	360-400
Mubarak Al-Kabeer Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Al-Masailah	180-200	250-270	280-310	310-340	350-400
Jahraa Governorate	Room and lounge (48-50 m)	Two rooms, lounge and bathroom (58 - 60 m)	Two rooms, lounge and two bathrooms (70 - 74 m)	Two rooms, two bathrooms and a maid's room (54 - 80 m)	Three rooms, lounge and a maid's room (100 -110 m)
Jahraa	160-170	200-220	240-270	270-300	340-370

Average Transactions of Rental of Commercial Real Estate in Kuwait Governorates, «Q3 2012» (KD)

Areas	Basement	Ground	Mezzanine	Offices	Price Index
	Average rent per square meter	Average rent per square meter	Average rent per square meter	Average rent per square meter	
Salemiyah	12 - 18	18 - 30	12 - 18	6 - 8	Ground shop 100 m, full basement Malls Business and Commercial Towers
Hawalli	10 - 16	18 - 25	10 - 16	6 - 7	
Farwaniyah	10 - 15	25 - 35	10 - 15	6 - 7	
Khaitan	8 -14	18 - 25	8 -14	6 - 7	
Al-Manqaf-Azizia	7 - 15	20	7 - 15	7 - 8	
Fahaheel	10 - 14	20 - 30	10 - 14	6 - 7	
Dajj (Farwaniyah )	2.5 *	8 - 10	5 - 6		
Kuwait City	12 - 14	16 - 30	10 - 14	6 - 8	
Kuwait City	5 - 7	14 - 18	8 - 10	5.5 - 6.5	

\* The average of the rental values per square meter increases in prime locations and modern buildings, in addition to the type of practiced activity.

Average Transactions of Rental of Industrial Plots in Governorates of Kuwait, «Q3 2012» (KD)

Areas	Basement	Ground	Mezzanine	N.B.
	Average rent per square meter (Warehouses)	Average rent per square meter (Trade shows)	Average rent per square meter (Offices)	
Shuwaikh Industrial Zone	3 - 4	10 - 30	3.5 - 7	Unit area is 40 m This study does not include the rental values in the Avenues Mall When allocating warehouses for the ground floor, the price per square meter ranges between KD 4 and 5 The rental price per square meter is KD 6 – 8 for a 100-meter showroom in the ground floor.
Al-Rai	2.5 - 3.5	12 - 20	3.5 - 6.5	
Sabhan	2.5 - 3	4 - 6	2.5 - 3	
Al-Aridiyah - Warehouses	3	6 - 6.5	3 - 5	
Sharq Ahmadi Fahaheel Industrial Zone	2 - 4	8 - 14	3.5 - 5	
	2.5 - 4	10 - 16	3 - 5	

\* The average of the rental values per square meter increases in prime locations and modern buildings, in addition to the type of activity.

\* The average rental value per square meter increases with the height of the storey. The demand increases on the warehouses with a ceiling of 6-8 meters high.

Price of Investment Freehold Apartments

Governorate	Area	Regulatory opinion	Location description	Net area of the apartment	Apartment market value		Net area of the apartment in square meters		Average price per square meter during Q3 2012	
					From	To	From	To		
Capital	Benaïd Al-Qar	Investment	Arabian Gulf	95	120,000	140,000	1,263	1,474	1,368	
	Benaïd Al-Qar	Investment	Main	72	75,000	80,000	1,042	1,111	1,076	
	Benaïd Al-Qar	Investment	Internal	72	58,000	65,000	806	903	854	
	Overall Average of Benaïd Al-Qar				80	82,167	91,667	84,333	95,000	1,037
	Overall Average of Capital Area				80	84,333	95,000	1,037	1,163	1,100
	Hawalli	Al-Shab	Investment	Arabian Gulf	95	120,000	140,000	1,263	1,474	1,368
Al-Shab		Investment	Main	72	75,000	78,000	1,042	1,083	1,063	
Al-Shab		Investment	Internal	72	60,000	65,000	833	903	868	
Overall Average of Al-Shab				80	86,875	95,500	85,000	94,333	1,046	
Salemiyah		Investment	Arabian Gulf+ beaches	95	110,000	130,000	1,158	1,368	1,263	
Salemiyah		Investment	Main	64	50,000	55,000	781	859	820	
Salemiyah		Investment	Internal	64	45,000	50,000	703	781	742	
Salemiyah		Investment	Main	74	60,000	68,000	811	919	865	
Salemiyah		Investment	Internal	74	55,000	580,000	743	7,838	4,291	
Overall Average of Salemiyah				74	60,300	67,000	64,000	176,600	839	
Mubarak Al-Kabeer	Hawalli	Investment	Main	64	45,000	50,000	703	781	742	
	Hawalli	Investment	Internal	64	40,000	45,000	625	703	664	
	Hawalli	Investment	Main	74	55,000	58,000	743	784	764	
	Hawalli	Investment	Internal	74	48,000	50,000	649	676	662	
	Overall Average of Hawalli				69	42,375	45,750	47,000	50,750	680
	Jabriyah	Investment	Main	74	58,000	65,000	784	878	831	
	Jabriyah	Investment	Internal	74	55,000	58,000	743	784	764	
	Overall Average of Jabriyah				74	54,333	62,333	56,500	61,500	764
	Al-Masailah	Investment	Main	72	45,000	48,000	625	667	646	
	Al-Masailah	Investment	Internal	72	40,000	45,000	556	625	590	
Overall Average of Al-Masailah				72	55,333	63,000	42,500	46,500	590	

Governorate	Area	Regulatory opinion	Location description	Net area of the apartment	Apartment market value		Net area of the apartment in square meters		Average price per square meter during Q3 2012	
					From	To	From	To		
Farwaniyah	Farwaniyah	Investment	Main	72	48,000	52,000	667	722	694	
	Farwaniyah	Investment	Internal	72	42,000	45,000	583	625	604	
	Overall Average of Farwaniyah				72	42,500	45,000	45,000	48,500	625
	Fintas	Investment	Sea view	95	85,000	95,000	895	1,000	947	
	Fintas	Investment	Main	72	40,000	45,000	556	625	590	
	Fintas	Investment	Internal	72	35,000	38,000	486	528	507	
	Overall Average of Fintas				80	50,000	55,333	53,333	59,333	645
	Al-Mahbulah	Investment	Sea view	95	85,000	95,000	895	1,000	947	
	Al-Mahbulah	Investment	Main	72	38,000	42,000	528	583	556	
	Al-Mahbulah	Investment	Internal	72	33,000	36,000	458	500	479	
Overall Average of Al-Mahbulah				80	52,333	60,000	52,000	57,667	627	
Ahmadi	Abu Halifah	Investment	Sea view	95	85,000	98,000	895	1,032	963	
	Abu Halifah	Investment	Main	72	40,000	45,000	556	625	590	
	Abu Halifah	Investment	Internal	72	35,000	38,000	486	528	507	
	Overall Average of Abu Halifah				80	52,333	60,833	53,333	60,333	645
	Al-Manqaf	Investment	Sea view	95	85,000	98,000	895	1,032	963	
	Al-Manqaf	Investment	Main	72	40,000	45,000	556	625	590	
	Al-Manqaf	Investment	Internal	72	35,000	38,000	486	528	507	
	Overall Average of Al-Manqaf				80	52,333	60,833	53,333	60,333	645
	Al-Fahaheel	Investment	Main	72	45,000	48,000	625	667	646	
	Al-Fahaheel	Investment	Internal	72	38,000	40,000	528	556	542	
Overall Average of Fahaheel				72	38,750	43,000	41,500	44,000	576	
Overall Average of Ahmadi				78	49,150	56,000	50,700	56,333	628	



## Terminology

### Residential Buildings:

The typical buildings designated for a single family, located in low density population areas , 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:

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

### Private School Buildings:

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

### Hotel and Motel Buildings:

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

### Commercial Buildings:

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

### Industrial Buildings:

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

### Residential Complexes Inside and Outside Kuwait City:

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 m2. 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:

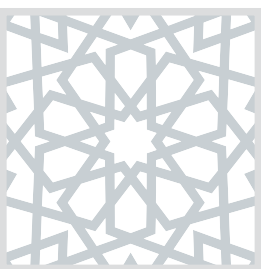
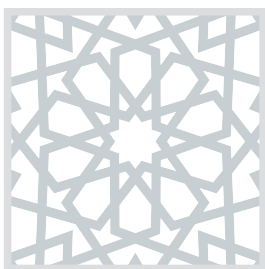
Buildings designated for the cultivation, care, show, and sale of flora and flowers of different types, care of gardens and agricultural products, inventory of seeds and agricultural needs, and office spaces.

### 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.

