

بيت التمويل الكويتي  
Kuwait Finance House



**KFH** Local  
Real  
Estate **Report**  
**2015**



First Quarter

**Q1**

**Index for the Report:**

|  |    |
|--|----|
| Introduction   | 4  |
| Market Trends  | 6  |
| Private Residence Trends   | 8  |
| Investment Real estate Trends  | 9  |
| Commercial Real estate Trends  | 10 |
| Housing Projects during the period   |    |
| Price Index  | 12 |
| First: Private Residence Property Prices                                     | 14 |
| Second: Investment Land Prices   | 26 |
| Annual Rate of Return on Investment Properties                               | 32 |
| Third: Commercial Property Prices  | 34 |
| Commercial Properties' Annual Rate of Return (ARR)                           | 39 |
| Fourth: Prices of Industrial Plots (Public Welfare Contracts) and Warehouses | 40 |
| Fifth: Prices of Farms and Livestock Farms                                   | 44 |
| Sixth: Chalet Prices   | 45 |
| Seventh: Occupancy Rates and Rentals   | 46 |

**Tables index within the report:**

|   |    |
|---|----|
| Housing Projects during the period  | 12 |
| Property Prices:  | 14 |
| First: Residential Plot Prices at Kuwait  |    |
| Capital Governorate   | 15 |
| Hawalli Governorate   | 17 |
| Farwaniya Governorate   | 19 |
| Ahmadi Governorate  | 21 |
| Mubarak Al Kabeer Governorate   | 23 |
| Jahraa Governorate  | 25 |
| Second: Investment Land Prices at Kuwait  | 26 |
| Capital Governorate   | 26 |
| Hawalli Governorate   | 27 |
| Farwaniya Governorate   | 28 |
| Ahmadi Governorate  | 29 |
| Jahraa Governorate  | 30 |
| Mubarak Al Kabeer Governorate   | 31 |
| Annual Rate of Return (ARR) on Investment Properties In Certain Areas in Kuwait | 33 |
| Third: Commercial Land Prices at Kuwait:  | 34 |
| Capital Governorate   | 35 |
| Hawalli Governorate   | 35 |
| Farwaniya Governorate   | 36 |
| Ahmadi Governorate  | 37 |
| Jahraa Governorate  | 38 |
| Commercial Properties Annual Rate of Return (ARR) In Certain Kuwait Areas       | 39 |
| Fourth: Industrial Plot Prices at Kuwait  | 40 |
| Capital Governorate   | 40 |
| Farwaniya Governorate   | 41 |
| Al Ahmadi Governorate   | 42 |
| Mubarak Al Kabeer Governorate   | 43 |
| Jahraa Governorate  | 43 |
| Fifth: Prices of Farms and Livestock Farms                                      | 44 |
| Sixth: Chalet Prices at Ahmadi Governorate                                      | 45 |
| Seventh: Average Rental Value Trading Investment Properties                     |    |
| At Kuwait Governorates :  | 48 |
| Commercial Properties, Industrial Plots   | 49 |
| Private Residence covering 400 m – newly built                                  | 50 |

### Introduction

Kuwait local real estate market is still enjoying high liquidity, thus reaching KD 1 billion barrier during Q1 of 2015 despite the significant decline in deals value by 24% compared the preceding quarter. This decline comes after an unprecedented increase in the real estate trading performance in 2014. The sector was not impacted by the significant decline which oil prices witnessed during the second half of 2014 till date.

Local real estate witnessed variable declines in real estate prices during Q1 this year. Residential real estate transaction value declined by 13%. The No. of residential real estate transactions dropped down by 22%. However, despite these declines average deal value increased to reach KD 350 thousand i.e. 11% compared to the preceding quarter. However, this value remained less than its recorded levels last year by 10.6 %

Demand on residential properties witnessed a significant decline in internal areas accompanied by a significant decline in the value of land. Price decline ranged 1.5 % - 3.8 %. Concerning new modular areas where apartment lease activity prevailed at Kuwait governorates level, prices declined by 3.2 %. However, distinguished internal areas are still considered more stable in prices.

Residential property is still representing half of the local real estate transactions. Purchase power is continuing its weakness with prices over coming income growth. Purchases from auctions sales are much preferred than purchases from traders and speculators accompanied by an upward trend in the distribution of private residences, thus mitigating the waiting list. The state was able to distribute 12 thousand residential units during 2014 which is construed as a record figure compared to previous distributions. This achievement may decrease private residence prices name in external areas.

Investment real estate transactions declined by 12% accompanied by a 3% decline in the No. of transactions. Average transaction value is still approximating KD 1 Million despite the increase in offer and demand on development i.e. a limited decline in rental value in investment real estates. investment returns continue to compete with other investment schemes, thus making real estate as a safe sanctuary for investors. Average price indicators of investment residences witnessed a limited decline, namely in a single street properties during Q1 compared to Q4 which has witnessed an increase by 1.7 % for Kuwait governorates average while average prices recorded an increase by 7% on annual basis.

Commercial property transactions witnessed a massive decline in prices by 63.7 %. However, price indexes showed a remarkable growth in commercial real estate prices. Movement on commercial real estates increased in all areas. Office occupation rates remained stable in capital area thus leading to improved returns. Competitive returns continue to perform well compared to other investment schemes. Commercial real estate price indexes are still showing stability for Kuwait governorates average during Q1 2015 compared to Q4 2014. Price indexes increased by 3.2 % annually. Average price per square meter in capital governorate reached KD 5.948 during Q1 of 2015 and KD 3,582 in Hawalli area. Prices in Farwaniya area are still increasing at their highest level among governorates for the second quarter respectively by 4.8% i.e. KD 2,665. Jahra governorate recorded an average price per square meter KD 2,870 while average price recorded in Ahmadi governorate was KD 3,081 during Q1 of 2015.

The sector was not impacted by the significant decline which oil prices witnessed during the second half of 2014 till date.



As we anticipated in the preceding quarter the impact of declining oil prices on real estate activity in Kuwait is still under control on the short run, although it is expected that further development may occur with the lapse of time. Indirect impacts of oil prices decline on economic activity, namely real estate, may lead to a decline in liquidity and profitability levels. Adaptation to the new situation may differ depending on the correlation between non-oil growth and government spending namely in capital spending and infrastructure projects. Real estate is expected to remain stronger in light of its rarity and competition.

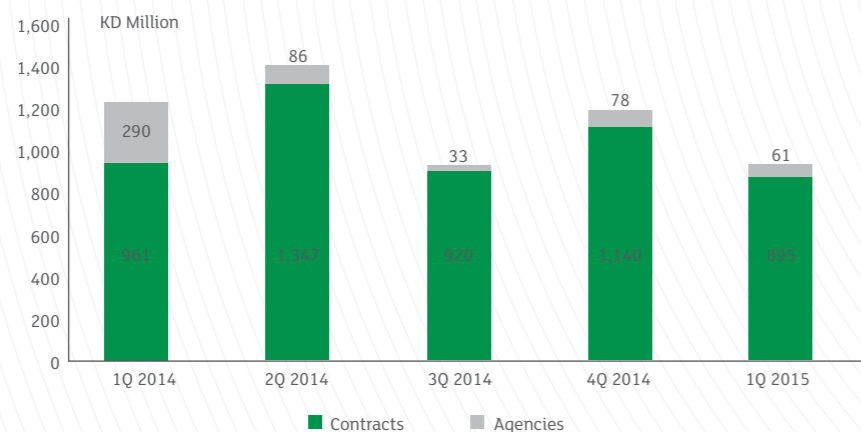
Capital spending in state budget 2014/2015 maintained its growth strength, thus recording an annual growth by 28% i.e. KD 12 Billion as a result of an increase in projects execution trend. Q1 of 2015 witnessed several positive developments which may reflect positively on the local real estate activity. Law No. 117 regulations for the year 2014 concerning private and public sectors partnership were issued. The regulations comprised 76 articles. The said law permits the offering and execution of partnership projects between private and public sectors, subject to the higher government committee on the request of the public authority. The new law lays the roadmap for the organizing of this partnership. This partnership may lead to the reinforcement of projects efficiency, management and expands private sector participation. Large and medium projects may be presented to participate in the problem solving process, support development and construction activity in Kuwait and enable investors to manage and exploit joint ventures for a period of 50 years.

Joint ventures authority has announced two upcoming projects i.e. Khiran Power and distillation station and phase 2 of North Al-Zour Power & Distillation Station. The authority shall handle also the Metro and Railway projects which were relisted. The new 5 year development plan 2015/2020 shall comprise 22 projects within the partnership scenarios totaling KD 8 Billion in value, thus improving the real estate and constructional activity in the country.

**Market Trends during Q1**

Total real estate transactions decreased to KD 956 Million during Q1 of 2015 as per trading indicators issued by the Real estate Registration & Authentication Department – Ministry of Justice compared to KD 1.2 Billion during Q4 2014, thus recording a decline by 22% i.e. KD 268 Million. The decline approximated 24% or KD 295 less than its volume which has approximated KD 1.251 Billion during Q1 2014.

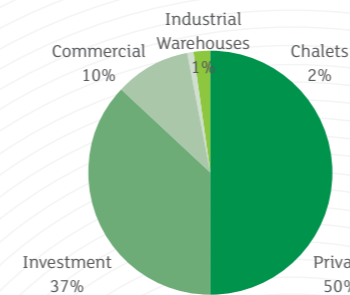
**Developments on Total Real estate Transaction Value Q1 2014 – Q1 2015**



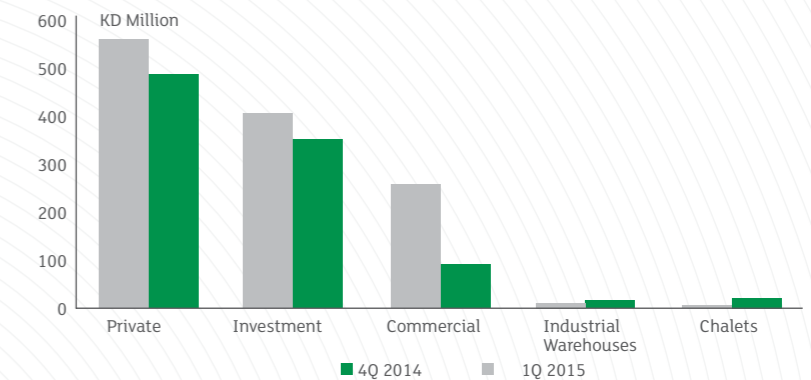
Total real estate transactions (contracts) approximated KD 895.4 Million during Q1, thus recording a decrease by 22% or more than KD 250 million compared to KD 1.1 Billion during Q4 2014. Total real estate transactions in agencies declined to KD 60.0 Million i.e. 23% or KD 250.3 Million compared to KD 78.4 during Q4 2014.

Total real estate transactions (contracts) recorded an annual decrease by 7% or KD 65.9 Million compared to KD 961 Million during Q1 2014. Total real estate trading value – agencies declined on annual basis by 49% or KD 229.5 Million compared to KD 290 Million recorded during Q1 2014

**Real estate Transactions Ratio (Sector wise)/ Total Real estate Transactions Value Q1 2015**

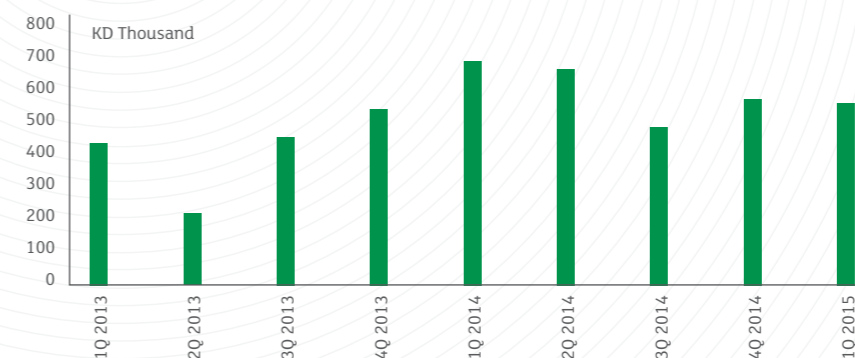


**Total Real estate Trading Value Q1 2015 – Q4 2014**



Average total transaction value declined to KD 544 thousand during Q1 2015 i.e. 3% or KD 18 thousand compared to KD 562 thousand recorded during Q4 2014. The value has recorded a significant decline by 19% or KD 128 thousand on annual basis compared to Q1 2014 which has recorded KD 673 thousand.

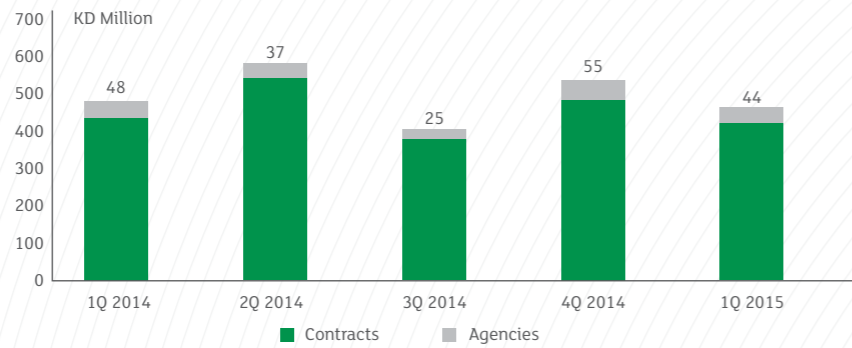
**Progress Average on Total Transaction Value/ Total Real estate Trading Q1 2013 – Q1 2015**



**Private Residence Trends**

Real estate trading value in regard to private residence recorded a decrease by 13% or KD 73.4 Million thus recording KD 480 Million which represents half the real estate sales during Q1 2015 compared to KD 553.4 Million which represents 45% of total real estate transactions during Q4 2014.

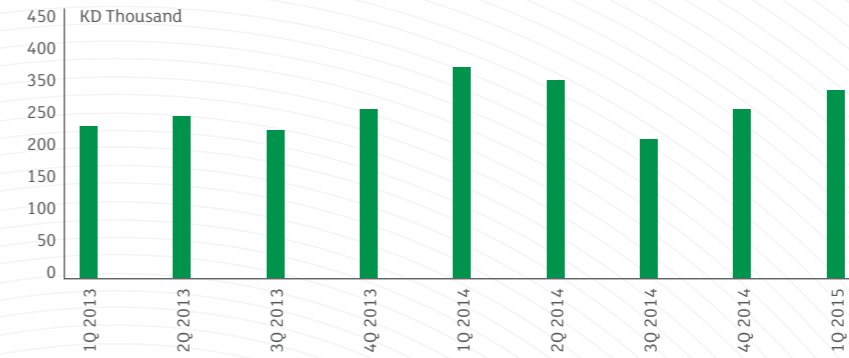
**Progress on Real estate Transactions Value – Private Residence  
Q1 2014 – Q1 2015**



Private residence transactions declined to 1,372 transactions i.e. 22% or 389 transactions compared to Q4 2014.

This status has led to a significant increase in average transaction value to KD 350 thousand during Q1 2015 i.e. an increase by 11% or KD 36 thousand compared to KD 314 thousand during Q4 2014.

**Progress on average transaction value/ private residence transactions  
Q1 2013 – Q1 2014**



Concerning private residence monthly transactions value during Q1 2015, the month of March recorded the highest transactions share during Q1 2015, thus recording 41.3 % or KD 198 million of total private transactions. The month of January came second with KD 152.8 million representing 31.8% while February came last with KD 129 million or 26.5 % of private residence transactions during Q1 2015.

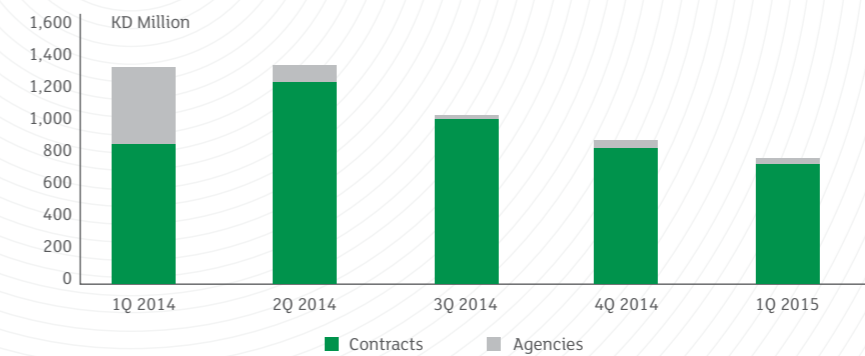
**Investment Real estate Trends**

Investment real estate transactions declined during Q1 2015 by 12% or KD 50 Million, thus recording KD 352.6 during Q1 2015 compared to KD 402.8 during Q4 2014.

Despite the decline in value of investment real estate transactions yet its share in total real estate transactions value during Q1 2015 has increased to 37% compare to 33% of these transactions during Q4 2014.

Investment real estate transactions value dropped down significantly on annual basis by 42% or KD 259.4 Million compared to KD 612 Million recorded in Q1 2014.

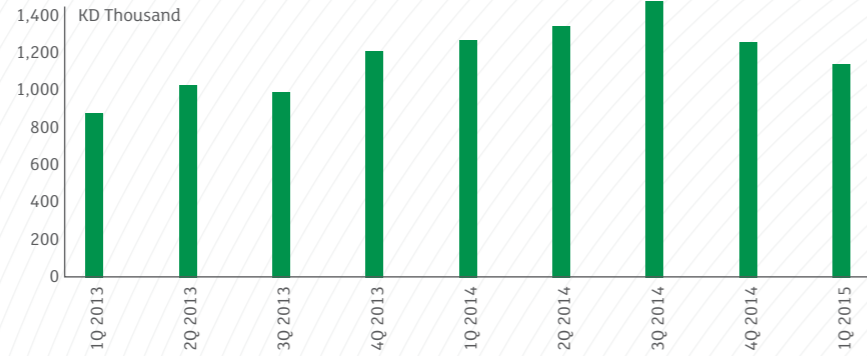
**Progress on Investment Real estate Transactions Value  
Q1 2014 – Q1 2015**



Drop down in total investment real estate transactions value was accompanied by a slight decrease in the number of transactions to reach 347 transactions i.e. a decline by 3% or 11 transactions compared to 358 transactions during Q4 2014.



**Progress on Average Transaction Value/ Investment Real estate Transaction Value  
Q1 2013 – Q1 2015**



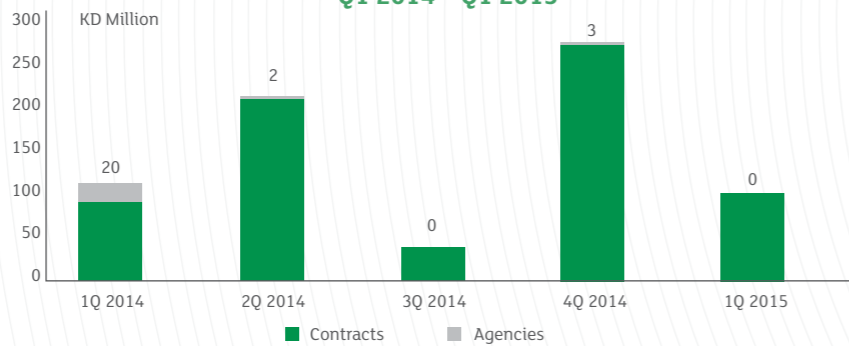
Concerning monthly investment transactions volume during Q1 2015, the month of January has dominated 37.6% of total investment transactions during Q1 2015, thus recording KD 132.5 million, followed by March which has dominated 37% i.e. KD 130.6 million while February came last with a share approximating 25.5% or KD 89.6 million.

**Commercial Real estate Trends**

Commercial real estate transactions value recorded a decline by 63.7% i.e. KD 160.7 Million. The value declined to KD 91.5 Million during Q1 2015 compared to the highest level recorded by the market during Q4 2014 as the value reached KD 252.2 Million, thus leading to the decrease of its share to 10% during Q1 compared to 22% of total real estate transactions during Q4 2014.

Annual commercial real estate transactions value recorded a decrease by 10% i.e. KD 10.5 Million during Q1 2014 which has recorded KD 110 Million.

**Progress On Commercial Real estate Transaction Value  
Q1 2014 – Q1 2015**

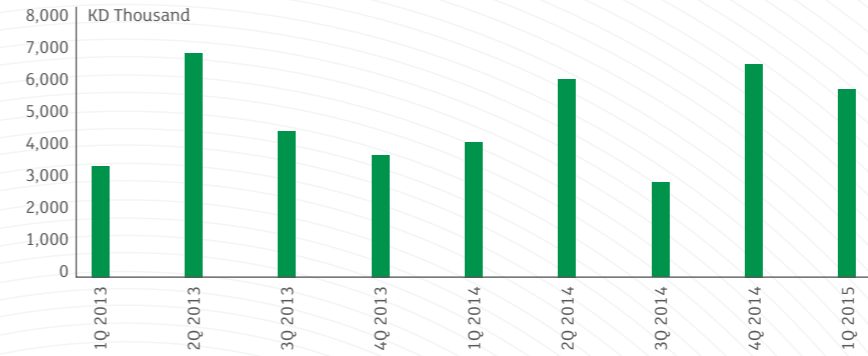


Commercial transactions during Q1 recorded a decrease by 23 transactions i.e. 59% thus reaching 16 transactions during Q1 2015 compared to the significant increase witnessed by 27 transactions as it recorded 39 transactions during Q4 2014.

Average commercial real estate transaction decreased to KD 5.7 Million during Q1 2015 thus marking a decrease by 12% or KD 746 thousand compared to the value which has doubled to reach KD 6.5 Million during Q4 2014, thus marking a remarkable increase by 127% or KD 3.6 Million.

Average transaction value increased on annual basis by 40% or KD 1.6 Million above the value which has recorded KD 6.4 Million during Q1 2014.

**Progress on average transaction value/ commercial real estate transactions value  
Q1 2013 – Q1 2015**



Concerning monthly transaction values of commercial real estate transactions volume during Q1 2015, January has dominated nearly half the value, capturing a share exceeding 48.4% of commercial real estate transactions i.e. KD 44.3 million. February came second with a share representing 28% of total commercial real estate transactions or KD 25.7 Million while March came last with a share of 23.6% or KD 21.6 million.

Annual commercial real estate transactions value recorded a decrease by 10% i.e. KD 10.5 Million during Q1 2014 which has recorded KD 110 Million.

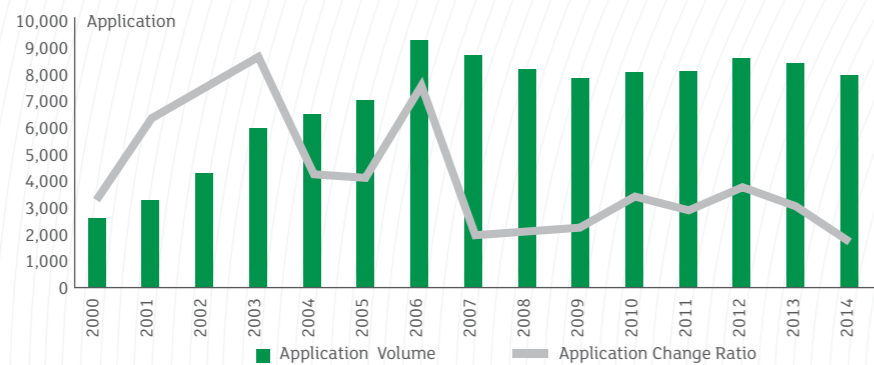
**Price Index**

**First: Private Residence Property Prices**

The state aims to complete more than 36 thousand residential units by 2017. Applications for residential units are still standing at 110.3 thousand applications since 1985 till the date of the latest report issued by the Public Authority for Housing Welfare on their website. Applications submitted approximated 7,792 applications since early 2014 till the latest report.

The Public Authority for Housing Welfare has managed, as per the proposed distribution table for the year 2014/ 2015 to distribute around 4,491 residential units in cities like Sabah Al-Ahmed, West Abdullah Al-Mubarak, Abu-Halifa and Sabahiya since September till the end of December 2014. The authority plans to distribute more than 12,753 units during the year 2014/ 2015. The authority has managed to distributed 9,459 residential units till Q1 2015 a step which may mitigate the impact of the crises.

**Progress on residential applications presented to the PAHW 2000 – 2014**



The Public Authority for Housing Welfare has succeeded in delivering certain completed houses, plots, services, buildings and public utilities during Q1 2015 in continuation of its efforts to execute its ambitious plan during the period 2011 – 2014 in cooperation with certain major companies in various economic sectors. Also, it has injected new investments in Kuwaiti economy, bearing in mind that such investments require road construction project, and provision of service and main buildings.

Public Authority for Housing Welfare has completed the execution of some other projects during Q1 2015 including road and main services projects which were planned to be constructed in Sabah Al-Ahmed city. Actual completion percentage in some of those projects approximated 85%. It also completed various main roads and services projects which are planned to be constructed in Sabah Al-Ahmed area as well as the main buildings in Saad Al-Abdullah city. The authority has executed a significant part of the completion plan of infrastructure projects, road maintenance, main parking, public buildings in Faber Al-Ahmed city and Naseem Residential project.

According to the plan laid by the authority it has commenced the construction of new projects e.g. public buildings construction project in Wafra Project costing KD 21 million in addition to various road and main services projects in Jabder Al-Ahmed city and Saad Al-Abdullah city with total cost 1.7 million.

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

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

| # | Area                       | Contract Value | Actual Completion % |  |
|---|----------------------------|----------------|---------------------|--|
|   |                            |                | Q1 2015             | Q4 2014                                  |
| 1 | Sabah Al Ahmad City        | 132.9          | 98%                 | 96%                                      |
| 2 | Sabah Al Ahmad City        | 127.9          | 86%                 | 82%                                      |
| 3 | Sabah Al Ahmad City        | 200.7          | 84.4%               | 80.7%                                    |
| 4 | Northwest Sulaibkhat City  | 34.3           | 75%                 | 62.6%                                    |
| 5 | Sabah Al Ahmad City        | 18.9           | 73%                 | 65%                                      |
| 6 | Northwest Sulaibkhat City  | 38.1           | 70.5%               | 56.8%                                    |
| 7 | Jaber Al Ahmed City        | 58.4           | 3.5%                | 3%                                       |
| 8 | Wafrah Housing Extensions  | 28.5           | 3.6%                | New project, time schedule under process |
| 9 | Abu-Halifa Housing Project | 2.2            | 7%                  | -  |
|   |                            | <b>Cost</b>    | <b>KD 641.99M</b>   |  |

**List of projects for public buildings carried out by PAHW February 2015**

| #  | Area                    | Contract Value | Actual Rate of Completion |             |
|----|-------------------------|----------------|---------------------------|-------------|
|    |                         |                | Q1 2015                   | Q4 2014     |
| 10 | Sabah Al Ahmad City     | 34             | 60.7%                     | 53%         |
| 11 | Sabah Al Ahmad City     | 38.5           | 55%                       | 41%         |
| 12 | Sabah Al Ahmad City     | 6.2            | 45%                       | 37%         |
| 13 | Jaber Al Ahmad City     | 57.3           | 60%                       | 37%         |
| 14 | Sabah Al Ahmad City     | 44.7           | 29%                       | 21%         |
| 15 | Naseem Housing Project  | 9              | 41.3%                     | 19.6%       |
| 16 | Sabah Al Ahmad City     | 36.4           | 8.6%                      | 4%          |
| 17 | Existing Wafrah Project | 21.1           | 4.9%                      | New project |
|    |                         | <b>Cost</b>    | <b>KD 247.5M</b>          |             |

**List of projects for Roads & Main Services carried out by Public Authority for Housing Welfare (PAHW) – February 2015**

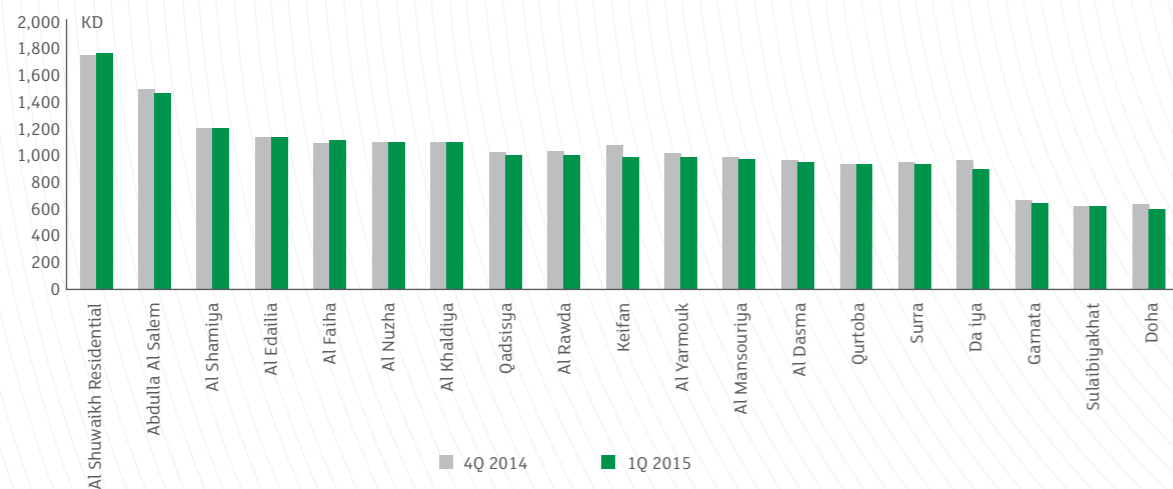
| #                           | Area                | Contract Value | Actual Completion Ratio                  |             |
|-----------------------------|---------------------|----------------|--|-------------|
|                             |                     |                | Q1 2015                                  | Q4 2014     |
| 18                          | Sabah Al Ahmad City | 6.6            | 60.4%                                    | 59.7 %      |
| 19                          | Saad Al Abdallah    | 1              | 86%                                      | 36.4 %      |
| 20                          | Jaber Al Ahmad City | 1.9            | 61.5%                                    | 38 %        |
| 21                          | Jaber Al Ahmad City | 1.09           | 43.6%                                    | 9%          |
| 22                          | Qairawan Area       | 79.3           | 36.5%                                    | New project |
| 23                          | Jaber Al Ahmad City | 0.228          | New Project. Time schedule under process |             |
| 24                          | Sabah Al Ahmad City | 2.29           | 7.5%                                     | New project |
| 25                          | Jaber Al Ahmad City | 1.46           | New Project. Time schedule under process |             |
| Cost                        |                     | KD 14.7M       |  |             |
| Total Cost of PAHW Projects |                     | KD 904.2 M     |  |             |

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

Price indicators fluctuated in various governorates. Residential land price indexes decreased in capital governorate by 1.6 % during Q1 2015 compared to the stability witnessed during Q4 2014. Average price per square meter recorded KD 1,057 during Q1 2015 compared to the average price per meter KD 1,075 during Q3 & Q4 2014 on the back of the decline witnessed in most of the governorate areas. Average price increased by less than 1% in one of the highest value areas in the governorate i.e. Shuwaikh residential area to KD 1,819 per square meter during Q1 2015.

Prices declined in the second highest area in average price per square meter at the governorate level in Abdullah Al-Salem district area by 1.5% or KD 1,506 per square meter. Prices witnessed a slight increase by less than 1% in Shamiya, Nuzha and Khaldiya while prices increased in Faihaa area slightly and remained stable in Mansouriya, Rawda and Qadisiya. Decline percentage reached its peak in Kiefan by 8.9% and 7.2% in Da'eya area. Prices have declined in Doha Area which is the lowest price area to reach 6%.

**Average Price/ M<sup>2</sup> for Private Residence in Capital Governorate Q1 2015 and Q4 2014**



**Residential Plot Prices at Capital Governorate**

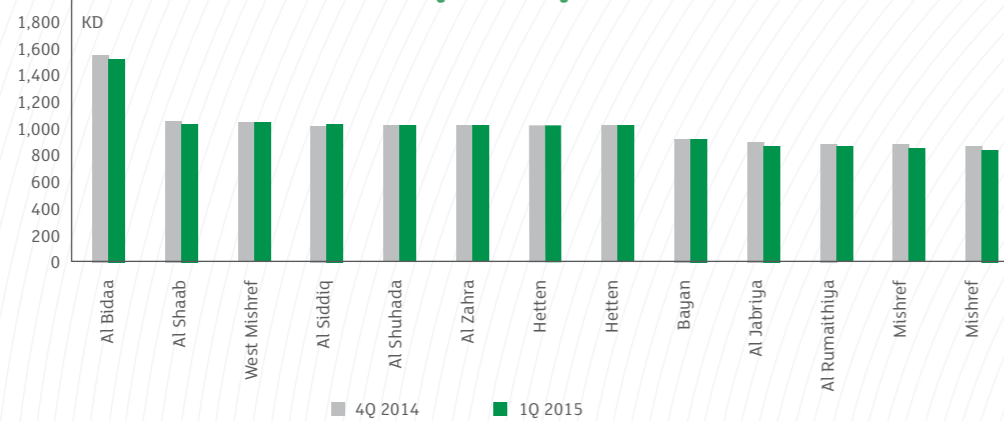
| Region                      | Area  | Building % | Street | Land Market Value (KD) |           | Market Value /m <sup>2</sup> (KD) |          | Q1 2015 |
|-----------------------------|-------|------------|--------|------------------------|-----------|-----------------------------------|----------|---------|
|                             |       |            |        | from                   | To        | From                              | To       |         |
| Al Shuwaikh Residential     | 500   | 210%       |        | 850,000                | 900,000   | 7,700                             | 1,800    | 1,750   |
|                             | 1,000 | 210%       |        | 1,500,000              | 1,750,000 | 1,500                             | 1,750    | 1,625   |
|                             | 1,000 | 210%       |        | 1,750,000              | 1,900,000 | 1,750                             | 1,900    | 1,825   |
| General Average in the Area |       |            |        | 1,525,000              | 1,675,000 | 1,738                             | 1,900    | 1,819   |
| Abdullah Al Salem Area      | 500   | 210%       |        | 675,000                | 800,000   | 1,350                             | 1,600    | 1,475   |
|                             | 750   | 210%       |        | 900,000                | 1,180,000 | 1,200                             | 1,573    | 1,387   |
|                             | 1,000 | 210%       |        | 1,100,000              | 1,400,000 | 1,100                             | 1,400    | 1,250   |
| General Average in the Area |       |            |        | 1,154,167              | 1,363,333 | 1,338                             | 1,634    | 1,506   |
| Shamiyah                    | 250   |            |        | 280,000                | 340,000   | 1,120                             | 1,360    | 1,240   |
|                             | 750   | 210%       |        | 750,000                | 940,000   | 1,000                             | 1,253    | 1,127   |
|                             | 500   | 210%       |        | 650,000                | 750,000   | 1,300                             | 1,500    | 1,400   |
| General Average in the Area |       |            |        | 762,857                | 900,000   | 1,134                             | 1,336    | 1,235   |
| Nozha                       | 500   | 210%       |        | 550,000                | 600,000   | 1,100                             | 1,200    | 1,150   |
|                             | 500   | 210%       |        | 600,000                | 700,000   | 1,200                             | 1,400    | 1,300   |
|                             | 750   | 210%       |        | 750,000                | 920,000   | 1,000                             | 1,227    | 1,113   |
|                             | 750   | 210%       |        | 850,000                | 1,050,000 | 1,133                             | 1,400    | 1,267   |
| General Average in the Area |       |            |        | 800,000                | 929,000   | 1,137                             | 1,320    | 1,229   |
| Khaldiya                    | 750   | 210%       |        | 725,000                | 865,000   | 967                               | 1,153    | 1,060   |
|                             | 750   | 210%       |        | 825,000                | 940,000   | 1,100                             | 1,253    | 1,177   |
|                             | 1,000 | 210%       |        | 1,100,000              | 1,250,000 | 1,100                             | 1,250    | 1,175   |
|                             | 1,000 | 210%       |        | 1,100,000              | 1,250,000 | 1,100                             | 1,250    | 1,175   |
| General Average in the Area |       |            |        | 883,750                | 1,010,625 | 1,088                             | 1,246    | 1,167   |
| Khaldiya                    | 750   | 210%       |        | 750,000                | 900,000   | 1,000                             | 1,200    | 1,100   |
|                             | 750   | 210%       |        | 825,000                | 1,000,000 | 1,100                             | 1,333    | 1,217   |
|                             | 1,000 | 210%       |        | 850,000                | 1,100,000 | 850                               | 1,100    | 975     |
|                             | 1,000 | 210%       |        | 1,150,000              | 1,300,000 | 1,150                             | 1,300    | 1,225   |
| General Average in the Area |       |            |        | 893,750                | 1,075,000 | 1,025                             | 1,233    | 1,129   |
| Adailiya                    | 500   | 210%       |        | 520,000                | 600,000   | 1,040                             | 1,200    | 1,120   |
|                             | 500   | 210%       |        | 600,000                | 680,000   | 1,200                             | 1,360    | 1,280   |
|                             | 750   | 210%       |        | 725,000                | 865,000   | 966.7                             | 1,153.30 | 1,060   |
|                             | 750   | 210%       |        | 825,000                | 940,000   | 1,100.00                          | 1,253.30 | 1,176   |
| General Average in the Area |       |            |        | 883,750                | 1,010,625 | 1,088.60                          | 1,245.80 | 1,167   |



Hawalli governorate witnessed a slight decrease by less than 1% thus recording KD 1,007 for average price per square meter during Q1 2015 compared to KD 1,015 recorded during Q4 2014.

Certain areas recorded stability in prices during Q1 2015. Bedaa area, highest price area, witnessed stability in prices. Shaab area prices were stable as well. Prices were also stable in average value areas such as Western Mishrif, Siddique. Shuhadaa as well as Zahraa area, prices decline in areas like Al Salaam, Jabriya, Rumaithiya and Mishrif. Mishrif area recorded highest decline ratio among governorate areas by 2.9%. Salwa area, being the lowest price area, recorded a decline by 1.5% compared to Q4 2014.

Average price/ M<sup>2</sup> for Private Residence at Hawalli Governorate Q1 2015 – Q4 2014



Certain areas recorded stability in prices during Q1 2015. Bedaa area, highest price area, witnessed stability in prices.

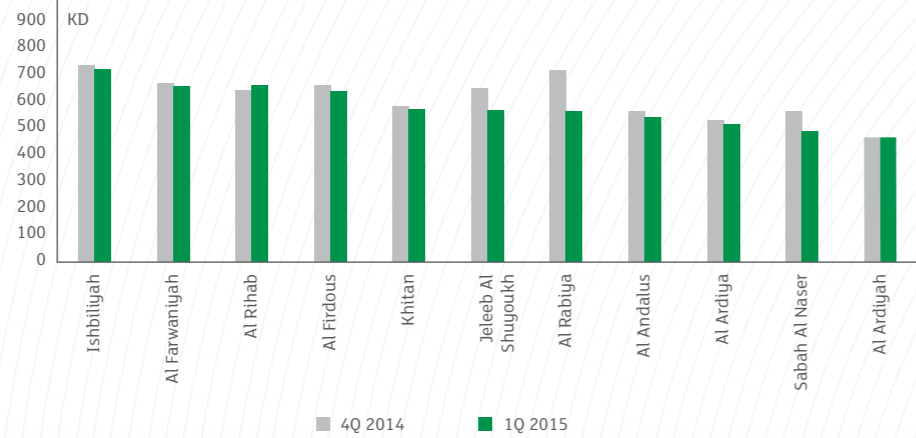
Residential Plot Prices at Hawalli Governorate

| Region                      | Area | Building % | Street   | Land Market Value (KD) |           | Market Value/m <sup>2</sup> (KD) |       | Q1 2015 |
|-----------------------------|------|------------|----------|------------------------|-----------|----------------------------------|-------|---------|
|                             |      |            |          | from                   | To        | From                             | To    |         |
| Shaab                       | 210% | 400        | Internal | 400,000                | 460,000   | 1,000                            | 1,150 | 1,075   |
|                             | 210% | 400        | Main     | 450,000                | 500,000   | 1,125                            | 1,250 | 1,188   |
|                             | 210% | 500        | Internal | 470,000                | 550,000   | 940                              | 1,100 | 1,020   |
| General Average in the Area |      |            |          | 535,833                | 598,333   | 990                              | 1,112 | 1,051   |
| Jabriya                     | 210% | 400        | Internal | 350,000                | 410,000   | 875                              | 1,025 | 950     |
|                             | 210% | 400        | Main     | 400,000                | 460,000   | 1,000                            | 1,150 | 1,075   |
|                             | 210% | 500        | Internal | 400,000                | 475,000   | 800                              | 950   | 875     |
| General Average in the Area |      |            |          | 514,444                | 591,667   | 810                              | 934   | 872     |
| Rumaithiya                  | 210% | 400        | Internal | 320,000                | 370,000   | 800                              | 925   | 863     |
|                             | 210% | 400        | Main     | 370,000                | 450,000   | 925                              | 1,125 | 1,025   |
|                             | 210% | 750        | Internal | 450,000                | 520,000   | 600                              | 693   | 647     |
| General Average in the Area |      |            |          | 523,000                | 612,000   | 790                              | 931   | 860     |
| Salwa                       | 210% | 500        | Internal | 350,000                | 420,000   | 700                              | 840   | 770     |
|                             | 210% | 750        | Internal | 450,000                | 520,000   | 600                              | 693   | 647     |
|                             | 210% | 1,000      | Aqsa     | 850,000                | 900,000   | 850                              | 900   | 875     |
|                             | 210% | 1,000      | Taawon   | 1,000,000              | 1,200,000 | 1,000                            | 1,200 | 1,100   |
| General Average in the Area |      |            |          | 523,000                | 612,222   | 790                              | 931   | 860     |
| Salaam                      | 210% | 400        | Internal | 390,000                | 430,000   | 975                              | 1,075 | 1,025   |
|                             | 210% | 400        | Main     | 430,000                | 460,000   | 1,075                            | 1,150 | 1,113   |
|                             | 210% | 500        | Internal | 430,000                | 480,000   | 860                              | 960   | 910     |
|                             | 210% | 500        | Main     | 480,000                | 550,000   | 960                              | 1,100 | 1,030   |
| General Average in the Area |      |            |          | 432,500                | 480,000   | 968                              | 1,071 | 1,019   |
| Hitteen                     | 210% | 400        | Internal | 390,000                | 430,000   | 975                              | 1,075 | 1,025   |
|                             | 210% | 400        | Main     | 430,000                | 460,000   | 1,075                            | 1,150 | 1,113   |
|                             | 210% | 500        | Internal | 430,000                | 480,000   | 860                              | 960   | 910     |
|                             | 210% | 500        | Main     | 480,000                | 550,000   | 960                              | 1,100 | 1,030   |
| General Average in the Area |      |            |          | 432,500                | 480,000   | 968                              | 1,071 | 1,019   |
| Shuhadaa                    | 210% | 400        | Internal | 390,000                | 430,000   | 975                              | 1,075 | 1,025   |
|                             | 210% | 400        | Main     | 430,000                | 460,000   | 1,075                            | 1,150 | 1,113   |
|                             | 210% | 500        | Internal | 440,000                | 480,000   | 880                              | 960   | 920     |
|                             | 210% | 500        | Main     | 480,000                | 550,000   | 960                              | 1,100 | 1,030   |
| General Average in the Area |      |            |          | 435,000                | 480,000   | 973                              | 1,071 | 1,022   |

Farwaniya governorate recorded a decline by 5.6% during Q1 2015 compared to Q4 which has witnessed a remarkable stability as it reached KD 663 per meter.

Most governorate areas witnessed a decrease in average prices except Rihab area which is considered as the third highest price area among government areas. The area witnessed a remarkable increase by 3% while Ishbilia area being the highest price area recorded a decline in prices by 2.1 %. Average prices declined in Farwaniya area by 1.3 % while Khietan area witnessed a decline by 1.9 %. Jelaib Al-Shoyoukh witnessed a decline by 12.8 % while Rabiya area recorded the highest decline percentage among governorate areas by 21.5 %. The lowest price area in Sabah Al-Naser district witnessed a decline by 13.5 % during Q1 2015.

**Average price/ M<sup>2</sup> for Private Residence at Farwaniya Governorate Q1 2015 – Q4 2014**



**Residential Plot Prices at Farwaniya Governorate**

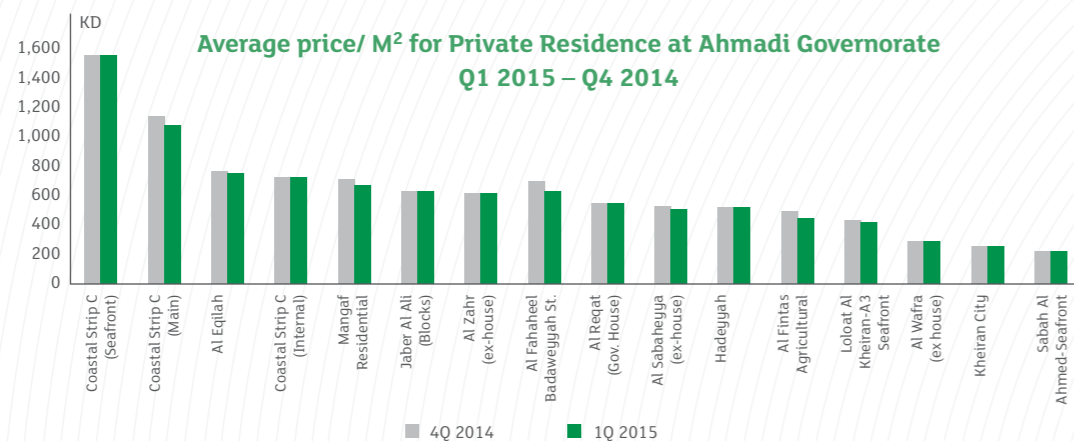
| Region                             | Building % | Area | Site     | Land Market Value (KD) |                | Market Value/m <sup>2</sup> (KD) |            | Average Price/M <sup>2</sup> Q1 2015 |
|------------------------------------|------------|------|----------|------------------------|----------------|----------------------------------|------------|--------------------------------------|
|                                    |            |      |          | From                   | To             | From                             | To         |                                      |
| Andalus                            | 210 %      | 500  | Internal | 260,000                | 310,000        | 520                              | 620        | 570                                  |
|                                    | 210 %      | 500  | Main     | 310,000                | 350,000        | 620                              | 700        | 660                                  |
| <b>General Average in the Area</b> |            |      |          | <b>376,000</b>         | <b>428,000</b> | <b>577</b>                       | <b>659</b> | <b>618</b>                           |
| Rabia (Existin House)              | 210 %      | 500  | Internal | 270,000                | 320,000        | 540                              | 640        | 590                                  |
|                                    | 210 %      | 500  | Main     | 320,000                | 370,000        | 640                              | 740        | 690                                  |
| <b>General Average in the Area</b> |            |      |          | <b>295,000</b>         | <b>345,000</b> | <b>590</b>                       | <b>690</b> | <b>640</b>                           |
| Ashbilya                           | 210 %      | 400  | Internal | 300,000                | 350,000        | 750                              | 875        | 813                                  |
|                                    | 210 %      | 400  | Main     | 340,000                | 380,000        | 850                              | 950        | 900                                  |
| <b>General Average in the Area</b> |            |      |          | <b>326,667</b>         | <b>371,667</b> | <b>773</b>                       | <b>879</b> | <b>826</b>                           |
| Farwaniya                          | 210 %      | 500  | Internal | 320,000                | 380,000        | 640                              | 760        | 700                                  |
|                                    | 210 %      | 500  | Main     | 380,000                | 430,000        | 760                              | 860        | 810                                  |
| <b>General Average in the Area</b> |            |      |          | <b>350,000</b>         | <b>405,000</b> | <b>700</b>                       | <b>810</b> | <b>755</b>                           |
| Khaitan (behind Khaitan Club)      | 210 %      | 400  | Internal | 250,000                | 310,000        | 625                              | 775        | 700                                  |
|                                    | 210 %      | 1000 | Main     | 700,000                | 750,000        | 700                              | 750        | 725                                  |
| <b>General Average in the Area</b> |            |      |          | <b>445,000</b>         | <b>502,500</b> | <b>608</b>                       | <b>698</b> | <b>653</b>                           |
| Jaleeb Al Shuyoukh                 | 210 %      | 500  | Internal | 270,000                | 320,000        | 540                              | 640        | 590                                  |
| <b>General Average in the Area</b> |            |      |          | <b>295,000</b>         | <b>350,000</b> | <b>590</b>                       | <b>700</b> | <b>645</b>                           |
| Ardiya                             | 210 %      | 750  | Internal | 350,000                | 400,000        | 467                              | 533        | 500                                  |
|                                    | 210 %      | 750  | Main     | 390,000                | 450,000        | 520                              | 600        | 560                                  |
| <b>General Average in the Area</b> |            |      |          | <b>370,000</b>         | <b>425,000</b> | <b>493</b>                       | <b>567</b> | <b>530</b>                           |



Ahmadi governorate witnessed a decline by 3.3 %, thus recording KD 573 per square meter during Q1 2015 compared to a lower decline witnessed during Q4 2014 which has recorded KD 592 as average price per square meter.

Prices movement varied among governorate areas as some areas witnessed a decline while other areas remained stable except Sabah Al-Ahmed area which is the lowest value area among governorate areas which witnessed the only increase by 1.7%. Southern coast area witnessed stability in the movement of prices in the southern area while it witnessed a decline in the main area streets by 6.1 %. Eqaila and Manqaf areas witnessed a decline by 1.8 % and 5.8 % respectively. The decline ratio reached 12.4% at Jaber Al-Ali area while Fintas area recorded a decline by a lower ratio 8.4%.

Khiran Pearl area witnessed a decline by 3.8%. Wafra residential area was among the areas which have witnessed stability in the average price per square meter during Q1 2015.



Prices movement varied among governorate areas as some areas witnessed a decline while other areas remained stable except Sabah Al-Ahmed area which is the lowest value area among governorate areas which recorded an increase rate.

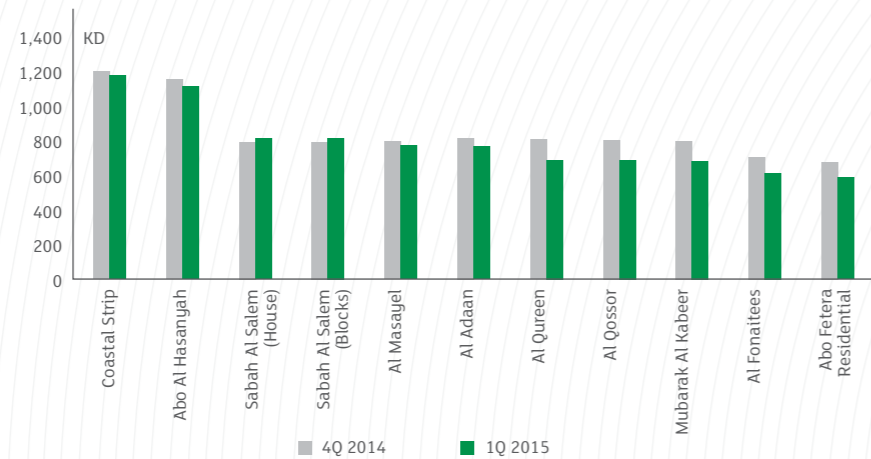
Residential Plot Prices at Ahmadi Governorate

| Region   | Building % | Area | Street   | Land Market Value (KD) |           | Market Value/ M <sup>2</sup> (KD) |       | Average Price/M <sup>2</sup> Q1 2015 |
|--|------------|------|----------|------------------------|-----------|-----------------------------------|-------|--------------------------------------|
|  |            |      |          | From                   | To        | From                              | To    |                                      |
| Fintas Agricultural                            | 210 %      | 1000 | Internal | 380,000                | 430,000   | 380                               | 430   | 405                                  |
|  | 210 %      | 1000 | Main     | 430,000                | 500,000   | 430                               | 500   | 465                                  |
| Hadiya   | 210 %      | 750  | Internal | 310,000                | 360,000   | 413                               | 480   | 447                                  |
|  | 210 %      | 750  | Main     | 380,000                | 420,000   | 507                               | 560   | 533                                  |
| Eqaila   | 210 %      | 400  | Internal | 250,000                | 300,000   | 625                               | 750   | 688                                  |
|  | 210 %      | 400  | Main     | 300,000                | 340,000   | 750                               | 850   | 800                                  |
|  | 210 %      | 500  | Internal | 280,000                | 330,000   | 560                               | 660   | 610                                  |
|  | 210 %      | 500  | Main     | 340,000                | 380,000   | 680                               | 760   | 720                                  |
| Coast strip C overlooking Sea                  | 150 %      | 750  | Main     | 1,100,000              | 1,150,000 | 1,467                             | 1,533 | 1,500                                |
| Coast strip C overlooking Main Road            | 150 %      | 750  | Main     | 715,000                | 825,000   | 953                               | 1,100 | 1,027                                |
| Coast strip C Internal Streets                 | 150 %      | 750  | Internal | 500,000                | 550,000   | 667                               | 733   | 700                                  |
| Khairan Residential                            | 210 %      | 400  | Internal | 85,000                 | 110,000   | 213                               | 275   | 244                                  |
| Sabah Al Ahmad Marine A1 (Overlooking Sea)     | 210 %      | 1200 | Marine   | 250,000                | 270,000   | 208                               | 225   | 217                                  |
| Sabah Al Ahmad Marine A2 (overlooking Sea)     | 210 %      | 1200 | Marine   | 260,000                | 295,000   | 217                               | 246   | 231                                  |
| Khairan Pearl Marine A3 City (overlooking Sea) | 210 %      | 640  | Marine   | 245,000                | 265,000   | 383                               | 414   | 398                                  |
| Sabah Al Ahmad Marine A1 + A2 (Land)           | 210 %      | 500  | Internal | 100,000                | 130,000   | 167                               | 217   | 192                                  |
| Al Mangaf Residential                          | 210 %      | 375  | Main     | 210,000                | 240,000   | 560                               | 640   | 600                                  |
| Al Mangaf Residential                          | 210 %      | 400  | Main     | 220,000                | 260,000   | 550                               | 650   | 600                                  |

Mubarak Al-Kabeer governorate witnessed the highest decline among governorate areas as it recorded an average price 6.6% while the price per square meter reached KD 779 during Q1 2015 compared to a lesser decline by 1.2% as it recorded KD 835 during Q4 2014. .

This decline may be attributed to the decline in average prices in most of governorate areas. Prices increased in Sabah Al-Salem area only by 3.2% bearing in mind that it is considered as the third highest price area in the governorate. Prices declined by 1.7% at the coast strip area which is considered as the highest price area. Prices have also declined in Abul-Hasania area, second highest price area in the governorate during Q1. Addan average value area witnessed a decline by 6.4% followed by Qusour area which has witnessed a decline in prices by 14.8%. Prices have also declined in Mubarak Al-Kabeer, Funaitees and Abu-Fatira area which has recorded the lowest prices as they declined by less than 13.8 % during Q1 2015.

**Average price/ M<sup>2</sup> for Private Residence at Mubarak Al Kabeer Governorate Q1 2015 – Q4 2014**



**Residential Plot Prices at Mubarak Al Kabeer Governorate**

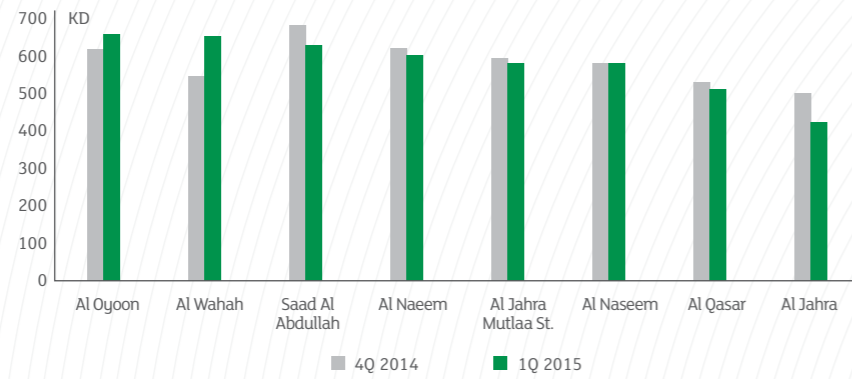
| Region                             | Build- ing % | Area | Street   | Land Market Value (KD) |                  | Market Value/M <sup>2</sup> (KD) |              | Average Price/M <sup>2</sup> Q1 2015 |
|------------------------------------|--------------|------|----------|------------------------|------------------|----------------------------------|--------------|--------------------------------------|
|                                    |              |      |          | From                   | To               | From                             | To           |                                      |
| Abu Al Hassaniya                   | 150 %        | 1000 | Internal | 650,000                | 800,000          | 650                              | 800          | 725                                  |
|                                    | 150 %        | 1000 | Fahaheel | 1,000,000              | 1,100,000        | 1,000                            | 1,100        | 1,050                                |
|                                    | 150 %        | 2000 | Marine   | 2,900,000              | 3,200,000        | 1,450                            | 1,600        | 1,525                                |
| <b>General Average in the Area</b> |              |      |          | <b>1,516,667</b>       | <b>1,700,000</b> | <b>1,033</b>                     | <b>1,167</b> | <b>1,100</b>                         |
| Masayel                            | 210 %        | 400  | Internal | 280,000                | 320,000          | 700                              | 800          | 750                                  |
|                                    | 210 %        | 400  | Main     | 320,000                | 360,000          | 800                              | 900          | 850                                  |
|                                    | 210 %        | 500  | Internal | 320,000                | 360,000          | 640                              | 720          | 680                                  |
|                                    | 210 %        | 500  | Main     | 360,000                | 420,000          | 720                              | 840          | 780                                  |
| <b>General Average in the Area</b> |              |      |          | <b>320,000</b>         | <b>365,000</b>   | <b>715</b>                       | <b>815</b>   | <b>765</b>                           |
| Abu Fatira Residential             | 210 %        | 400  | Internal | 200,000                | 240,000          | 500                              | 600          | 550                                  |
|                                    | 210 %        | 400  | Main     | 240,000                | 290,000          | 600                              | 725          | 663                                  |
|                                    | 210 %        | 500  | Internal | 225,000                | 265,000          | 450                              | 530          | 490                                  |
|                                    | 210 %        | 500  | Main     | 270,000                | 320,000          | 540                              | 640          | 590                                  |
| <b>General Average in the Area</b> |              |      |          | <b>233,750</b>         | <b>278,750</b>   | <b>523</b>                       | <b>624</b>   | <b>573</b>                           |

Prices declined by 1.7% at the coast strip area which is considered as the highest price area.

Average prices differed at Jahra governorate as they increased in some areas and decreased in other areas. Oyoun area advanced to occupy the first rank as the highest price area, thus recording an increase by 6.5% during Q1 2015. Prices increased in Waha area which is considered as the second highest price area, thus increasing by 19.4 %. Prices declined in Saad Al-Abdullah area which came third in rank. Average price per square meter declined to reach 7.8%. Areas like Al-Naeem and Jahra at Mutlaa St. witnessed a decline by 3.2% and 2.7% respectively.

Average prices maintained stability at Sadeem area and declined at Al-Qasr area. Average price per square meter increased at Old Jahra area, lowest price area, significantly by 15% during Q1 2015.

**Average price/ M<sup>2</sup> for Private Residence at Hawalli Governorate  
Q1 2015 – Q4 2014**



**Residential Plot Prices at Jahraa Governorate**

| Region                             | Building % | Area   | Land Market Value (KD) |         | Market Value /M <sup>2</sup> in (KD) |     | Average Price/M <sup>2</sup> Q1 2015 |
|------------------------------------|------------|--------|------------------------|---------|--------------------------------------|-----|--------------------------------------|
|                                    |            |        | From                   | To      | From                                 | To  |                                      |
| Qasr – Club Street                 | 210%       | 1000   | 450,000                | 550,000 | 450                                  | 550 | 500                                  |
| Qasr (Existing Houses)             | 210%       | 600    | 230,000                | 330,000 | 383                                  | 550 | 467                                  |
| Jahraa – Mutla'a St. - Internal    | 210%       | 400    | 350,000                | 450,000 | 350                                  | 450 | 400                                  |
| Na'eem – Plots                     | 210%       | 400    | 210,000                | 270,000 | 525                                  | 675 | 600                                  |
| Na'eem – (GVT House)               | 210%       | 400    | 190,000                | 240,000 | 475                                  | 600 | 538                                  |
| Oyoun                              |            | 297.68 | 160,000                | 210,000 | 537                                  | 705 | 621                                  |
| Al Naseem (GVT House) – Main Roads | 210%       | 400    | 190,000                | 240,000 | 475                                  | 600 | 550                                  |
| Oasis – Existing House             |            | 300    | 160,000                | 210,000 | 533                                  | 700 | 617                                  |

Average prices differed at Jahra governorate as they increased in some areas and decreased in other areas.

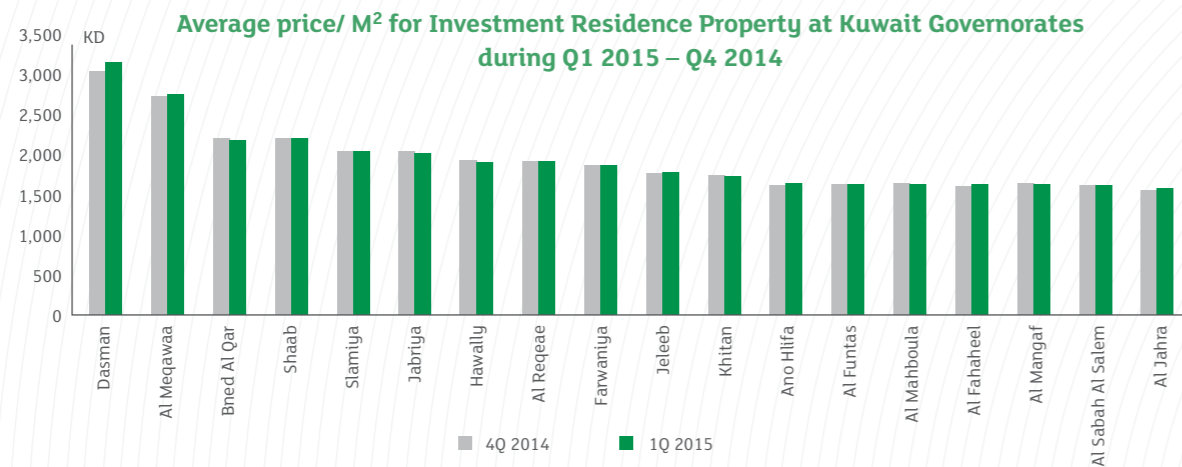


**Second: Investment Land Prices**

General average price per square meter in investment land witnessed a decline by less than 1% for average Kuwait governorates, supported by a decline in most of the governorates during Q1 2015. General average price in Kuwait governorates witnessed an increase by 7.15 % on annual basis.

Capital governorate recorded the only increase among governorates as it reached 1% during Q1 2015 compared to the average price recorded during Q4 2014 where it reached KD 2,706.

Concerning investment land price levels at capital governorate areas, Dasman area, being the highest price area, witnessed an increase in prices as the increase reached 3.3% compared to Q4 2014 levels. Prices have also increased at Eastern Maqwa but by less than 1%. Benaid Al-Qar area witnessed a decline by 13% during Q1 2015.



**Investment Land Prices at Capital Governorate**

| Region                             | Building % | Area  | Street            | Land Market Value (KD) |                  | Market Value/ M <sup>2</sup> (KD) |              | Average Price/M <sup>2</sup> Q1 2015 |
|------------------------------------|------------|-------|-------------------|------------------------|------------------|-----------------------------------|--------------|--------------------------------------|
|                                    |            |       |                   | From                   | To               | From                              | To           |                                      |
| Bneid Al Gar                       | 250 %      | 1,000 | Gulf Rd           | 2,850,000              | 3,000,000        | 2,850                             | 3,000        | 2,925                                |
|                                    | 250 %      | 1,000 | Istiqlal          | 1,950,000              | 2,150,000        | 1,950                             | 2,150        | 2,050                                |
|                                    | 250 %      | 500   | Internal          | 980,000                | 1,050,000        | 1,960                             | 2,100        | 2,030                                |
|                                    | 250 %      | 500   | Main              | 1,025,000              | 1,100,000        | 2,050                             | 2,200        | 2,125                                |
| <b>General Average in the Area</b> |            |       |                   | <b>1,767,500</b>       | <b>1,916,667</b> | <b>2,102</b>                      | <b>2,275</b> | <b>2,188</b>                         |
| Eastern Muqawa                     | 240 %      | 250   | Internal          | 525,000                | 580,000          | 2,100                             | 2,320        | 2,210                                |
|                                    | 400 %      | 500   | Internal          | 1,300,000              | 1,45,000         | 2,600                             | 2,900        | 2,750                                |
| <b>General Average in the Area</b> |            |       |                   | <b>1,568,750</b>       | <b>1,695,000</b> | <b>2,650</b>                      | <b>2,880</b> | <b>2,765</b>                         |
| Dasman                             | 400 %      | 1,000 | Gulf Rd           | 3,700,000              | 4,000,000        | 3,700                             | 4,000        | 3,850                                |
|                                    | 400 %      | 1,000 | Internal          | 2,500,000              | 2,750,000        | 2,500                             | 2,750        | 2,625                                |
|                                    | 400 %      | 750   | Abdullah Al Ahmad | 2,200,000              | 2,325,000        | 2,933                             | 3,100        | 3,017                                |
| <b>General Average in the Area</b> |            |       |                   | <b>2,800,000</b>       | <b>3,025,000</b> | <b>3,044</b>                      | <b>3,283</b> | <b>3,164</b>                         |

Average price per square meter in Hawalli governorate witnessed stability as it recorded KD 2,047 per square meter during Q1 2015 compared to an average KD 2,063 per square meter during Q4 2014.

Average price per square meter at Shaab area is the highest among governorate areas although it declined by less than 1%, thus recording KD 2,210 per square meter during Q1 2015. Salmiya area recorded the lowest decline among governorate areas while Jabriya and Hawalli areas witnessed a decline by 1% and 1.3 % respectively.

**Investment Land Prices at Hawalli Governorate**

| Region                             | Building % | Area  | Street               | Land Market Value (KD) |                  | Market Value/ M <sup>2</sup> (KD) |              | Average Price/ M <sup>2</sup> Q1 2015 |
|------------------------------------|------------|-------|----------------------|------------------------|------------------|-----------------------------------|--------------|---------------------------------------|
|                                    |            |       |                      | From                   | To               | From                              | To           |                                       |
| Hawalli                            | 250 %      | 750   | Muthanna             | 1,350,000              | 1,500,000        | 1,800                             | 2,000        | 1,900                                 |
|                                    | 250 %      | 750   | Qutaiba              | 1,480,000              | 1,612,500        | 1,973                             | 2,150        | 2,062                                 |
|                                    | 250 %      | 750   | Hasan Al Basri       | 1,312,500              | 1,480,000        | 1,750                             | 1,973        | 1,862                                 |
|                                    | 250 %      | 750   | Ahmad Ibn Tulun      | 1,312,500              | 1,480,000        | 1,750                             | 1,973        | 1,862                                 |
|                                    | 250 %      | 750   | Yarmouk              | 1,312,500              | 1,480,000        | 1,750                             | 1,973        | 1,862                                 |
|                                    | 250 %      | 750   | Musa bin Nusair      | 1,312,500              | 1,480,000        | 1,750                             | 1,973        | 1,862                                 |
| <b>General Average in the Area</b> |            |       |                      | <b>1,379,500</b>       | <b>1,537,833</b> | <b>1,800</b>                      | <b>2,005</b> | <b>1,903</b>                          |
| Al Salmiya                         | 250 %      | 1,000 | Gulf Rd              | 2,800,000              | 3,000,000        | 2,800                             | 3,000        | 2,900                                 |
|                                    | 250 %      | 750   | Baghdad (Tahrir)     | 1,500,000              | 1,612,500        | 2,000                             | 2,150        | 2,075                                 |
|                                    | 250 %      | 750   | A/ Karim Al Khattabi | 1,500,000              | 1,612,500        | 2,000                             | 2,150        | 2,075                                 |
|                                    | 250 %      | 750   | Qatar                | 1,475,000              | 1,575,000        | 1,967                             | 2,100        | 2,033                                 |
|                                    | 250 %      | 750   | Abdullah bin Masoud  | 1,425,000              | 1,500,000        | 1,900                             | 2,000        | 1,950                                 |
|                                    | 250 %      | 750   | Youssef bin Hamoud   | 1,425,000              | 1,500,000        | 1,900                             | 2,000        | 1,950                                 |
|                                    | 250 %      | 750   | Hamad Al Mubarak     | 1,475,000              | 1,600,000        | 1,967                             | 2,133        | 2,050                                 |
| <b>General Average in the Area</b> |            |       |                      | <b>1,520,313</b>       | <b>1,633,906</b> | <b>1,974</b>                      | <b>2,124</b> | <b>2,049</b>                          |
| Al Shaab                           | 250 %      | 1000  | Gulf Rd              | 2,850,000              | 3,100,000        | 2,850                             | 3,100        | 2,975                                 |
|                                    | 250 %      | 1000  | Istiqlal             | 2,000,000              | 2,150,000        | 2,000                             | 2,150        | 2,075                                 |
| <b>General Average in the Area</b> |            |       |                      | <b>2,006,250</b>       | <b>2,175,000</b> | <b>2,121</b>                      | <b>2,300</b> | <b>2,210</b>                          |
| Al Jaberiya                        | 250 %      | 1000  | 4th Ring Road        | 2,100,000              | 2,250,000        | 2,100                             | 2,250        | 2,175                                 |
|                                    | 250 %      | 1000  | Maghreb              | 1,950,000              | 2,100,000        | 1,950                             | 2,100        | 2,025                                 |
|                                    | 250 %      | 1000  | Al Shanakel          | 2,000,000              | 2,100,000        | 2,000                             | 2,100        | 2,050                                 |
| <b>General Average in the Area</b> |            |       |                      | <b>1,892,857</b>       | <b>2,021,429</b> | <b>1,957</b>                      | <b>2,093</b> | <b>2,025</b>                          |

Farwaniya governorate recorded a decline by 1% during Q1 2015. Average price per square meter recorded KD 1,815 compared to an average KD 1,831 during Q4 2014.

A state of decline prevailed in the prices recorded by the government areas except Jaleeb Al-Shoyoukh which did not witness any change in prices during Q1 2015. Average prices declined by 1% in Riqa'e area which is still considered as the highest price area compared to the stability which it witnessed during Q4 2014. Prices in Farwaniya area declined by 1% during Q1 2015. Khaitan area recorded the highest decline ratio by 1.6% during Q1 2015 although it had witnessed an improvement during Q4 2014.

#### Investment Land Prices at Farwaniya Governorate

| Region                             | Building % | Area  | Street             | Land Market Value (KD) |                  | Market Value/ M <sup>2</sup> (KD) |              | Average Price/ M <sup>2</sup> Q1 2015 |
|------------------------------------|------------|-------|--------------------|------------------------|------------------|-----------------------------------|--------------|---------------------------------------|
|                                    |            |       |                    | From                   | To               | From                              | To           |                                       |
| Farwaniya                          | 250 %      | 750   | Airport            | 1,475,000              | 1,600,000        | 1,967                             | 2,133        | 2,050                                 |
|                                    | 250 %      | 750   | 6th Ring Road      | 1,450,000              | 1,550,000        | 1,933                             | 2,067        | 2,000                                 |
|                                    | 250 %      | 1,000 | Main               | 1,700,000              | 1,800,000        | 1,700                             | 1,800        | 1,750                                 |
|                                    | 250 %      | 1,000 | Internal           | 1,400,000              | 1,700,000        | 1,400                             | 1,700        | 1,550                                 |
| <b>General Average in the Area</b> |            |       |                    | <b>1,309,167</b>       | <b>1,433,333</b> | <b>1,777</b>                      | <b>1,933</b> | <b>1,855</b>                          |
| Khaitan                            | 250 %      | 1,000 | Airport            | 1,800,000              | 2,000,000        | 1,800                             | 2,000        | 1,900                                 |
|                                    | 250 %      | 750   | Main               | 1,330,000              | 1,400,000        | 1,773                             | 1,867        | 1,820                                 |
|                                    | 250 %      | 1,000 | Internal           | 1,400,000              | 1,700,000        | 1,400                             | 1,700        | 1,550                                 |
| <b>General Average in the Area</b> |            |       |                    | <b>1,321,000</b>       | <b>1,490,000</b> | <b>1,613</b>                      | <b>1,810</b> | <b>1,712</b>                          |
| Jaleeb Al Shuyoukh                 | 250 %      | 750   | 6th Ring Road      | 1,325,000              | 1,400,000        | 1,767                             | 1,867        | 1,817                                 |
|                                    | 250 %      | 750   | Police Station St. | 1,300,000              | 1,450,000        | 1,733                             | 1,933        | 1,833                                 |
| <b>General Average in the Area</b> |            |       |                    | <b>1,145,000</b>       | <b>1,261,429</b> | <b>1,696</b>                      | <b>1,863</b> | <b>1,779</b>                          |
| Al Raqei                           | 250 %      | 750   | 4th Ring Road      | 1,450,000              | 1,550,000        | 1,933                             | 2,067        | 2,000                                 |
|                                    | 250 %      | 750   | 5th Ring Road      | 1,425,000              | 1,525,000        | 1,900                             | 2,033        | 1,967                                 |
| <b>General Average in the Area</b> |            |       |                    | <b>1,450,000</b>       | <b>1,562,500</b> | <b>1,838</b>                      | <b>1,987</b> | <b>1,913</b>                          |

Prices in Ahmadi area witnessed a slight decline by less than 1% in regard to average price per square meter during Q1 2015 compared to the increase 1.4% which they witnessed during Q4 2014. Mahboola area recorded a decline in prices by 1%. Prices in Mangaf declined by less than 1% after recording the second highest price per square meter during Q4 2014.

Fahaheel area recorded a decline in prices by less than 0.5% following the highest increase rate 2.6% which it witnessed during Q4 2014.

#### Investment Land Prices at Ahmadi Governorate

| Region                             | Building % | Area  | Street            | Land Market Value (KD) |                  | Market Value/M <sup>2</sup> (KD) |              | Average Price/ M <sup>2</sup> Q1 2015 |
|------------------------------------|------------|-------|-------------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
|                                    |            |       |                   | From                   | To               | From                             | To           |                                       |
| Al Fintas                          | 250 %      | 500   | Main              | 1,100,000              | 1,162,500        | 1,467                            | 1,550        | 1,508                                 |
|                                    | 250 %      | 750   | Fahaheel          | 1,150,000              | 1,237,500        | 1,533                            | 1,650        | 1,592                                 |
|                                    | 250 %      | 1,000 | Coast strip       | 2,000,000              | 2,200,000        | 2,000                            | 2,200        | 2,100                                 |
| <b>General Average in the Area</b> |            |       |                   | <b>1,189,000</b>       | <b>1,300,000</b> | <b>1,548</b>                     | <b>1,693</b> | <b>1,621</b>                          |
| Abu Halifa                         | 250 %      | 750   | Internal          | 975,000                | 1,100,000        | 1,300                            | 1,467        | 1,383                                 |
|                                    | 250 %      | 750   | Main              | 1,100,000              | 1,162,500        | 1,467                            | 1,550        | 1,508                                 |
| <b>General Average in the Area</b> |            |       |                   | <b>1,198,750</b>       | <b>1,315,625</b> | <b>1,552</b>                     | <b>1,704</b> | <b>1,628</b>                          |
| Al Mangaf                          | 250 %      | 750   | Internal          | 975,000                | 1,100,000        | 1,300                            | 1,467        | 1,383                                 |
|                                    | 250 %      | 750   | Water Station St. | 1,050,000              | 1,125,000        | 1,400                            | 1,500        | 1,450                                 |
| <b>General Average in the Area</b> |            |       |                   | <b>1,176,250</b>       | <b>1,289,583</b> | <b>1,537</b>                     | <b>1,686</b> | <b>1,612</b>                          |
| Al Mahboula                        | 250 %      | 500   | Internal          | 720,000                | 800,000          | 1,440                            | 1,600        | 1,520                                 |
|                                    | 250 %      | 750   | Main              | 975,000                | 1,100,000        | 1,300                            | 1,467        | 1,383                                 |
| <b>General Average in the Area</b> |            |       |                   | <b>1,189,000</b>       | <b>1,300,000</b> | <b>1,548</b>                     | <b>1,693</b> | <b>1,621</b>                          |
| Al Fahaheel                        | 250 %      | 500   | Internal          | 1,000,000              | 1,125,000        | 1,333                            | 1,500        | 1,417                                 |
|                                    | 250 %      | 750   | Main              | 1,125,000              | 1,200,000        | 1,500                            | 1,600        | 1,550                                 |
|                                    | 250 %      | 1000  | Makkah            | 1,700,000              | 1,850,000        | 1,700                            | 1,850        | 1,775                                 |
|                                    | 250 %      | 750   | Badaweya          | 1,200,000              | 1,312,500        | 1,600                            | 1,750        | 1,675                                 |
| <b>General Average in the Area</b> |            |       |                   | <b>1,095,833</b>       | <b>1,198,750</b> | <b>1,539</b>                     | <b>1,685</b> | <b>1,612</b>                          |

Jahra governorate recorded remarkable stability during Q1 2015 thus recording an average price of KD 1,573 compared to the slight increase in price levels by 2.3 % which it witnessed during Q4 2014.

**Investment land Prices at Jahraa Governorate**

| Region                      | Building % | Area  | Street   | Land Market Value (KD) |           | Market Value/M <sup>2</sup> (KD) |       | Average Price/ M <sup>2</sup> Q1 2015 |
|-----------------------------|------------|-------|----------|------------------------|-----------|----------------------------------|-------|---------------------------------------|
|                             |            |       |          | From                   | To        | From                             | To    |                                       |
| Al Jahraa                   | 250 %      | 1,000 | Internal | 1,300,000              | 1,450,000 | 1,300                            | 1,450 | 1,375                                 |
|                             | 250 %      | 1,000 | Main     | 1,500,000              | 1,650,000 | 1,500                            | 1,650 | 1,575                                 |
|                             | 250 %      | 800   | Khuzami  | 1,325,000              | 1,400,000 | 1,656                            | 1,750 | 1,703                                 |
|                             | 250 %      | 500   | Internal | 735,000                | 800,000   | 1,470                            | 1,600 | 1,535                                 |
|                             | 250 %      | 500   | Main     | 800,000                | 875,000   | 1,600                            | 1,750 | 1,675                                 |
| General Average in the Area |            |       |          | 1,132,000              | 1,235,000 | 1,505                            | 1,640 | 1,573                                 |

Mubarak Al-Kabeer governorate recorded a decline by less than 1% in its prices per square meter KD 1,617 during Q1 2015 compared to the highest increase ratio which it witnessed at the governorates level by 4.5% during Q4 2014.

Price levels declined in the highest price areas at Fahaheel St. to reach 3.8% followed by second highest price areas in the 6th street which have declined by 1.4% during Q1 2015.

Prices in main and internal areas increased by 3.3% and 2.1 while some other internal areas remained stable.

**Investment Land Prices at Mubarak Al Kabeer Governorate**

| Region                      | Building % | Area  | Site     | Land Market Value (KD) |           | Market Value/M <sup>2</sup> (KD) |        | Average Price/ M <sup>2</sup> Q1 2015 |
|-----------------------------|------------|-------|----------|------------------------|-----------|----------------------------------|--------|---------------------------------------|
|                             |            |       |          | From                   | To        | From                             | To     |                                       |
| Sabah Al Salem              | 250 %      | 750   | Internal | 1,125,000              | 1,200,000 | 1,500                            | 1,6020 | 1,550                                 |
|                             | 250 %      | 750   | Main     | 1,162,500              | 1,275,000 | 1,550                            | 1,700  | 1,625                                 |
|                             | 250 %      | 1,000 | Internal | 1,500,000              | 1,600,000 | 1,500                            | 1,600  | 1,550                                 |
|                             | 250 %      | 1,000 | Main     | 1,550,000              | 1,700,000 | 1,550                            | 1,700  | 1,625                                 |
|                             | 250 %      | 1,000 | Fahaheel | 1,850,000              | 2,000,000 | 1,850                            | 2,000  | 1,925                                 |
| General Average in the Area |            |       |          | 1,358,214              | 1,475,000 | 1,549                            | 1,686  | 1,617                                 |

Mubarak Al-Kabeer governorate recorded a decline by less than 1% in its prices per square meter KD 1,617 during Q1 2015.



**Annual Rate of Return on Investment Properties**

Demand on investment properties is dependent on realized rates of return which have stabilized relatively at the governorates level to range between 6.36 % - 7.20 % during Q1 2015. Capital governorate areas recorded rates of return ranging 6.25 % - 6.63 % while average returns on investment properties recorded 6.59 % in Hawalli governorate areas. Rates of Return on investment properties in governorate areas stabilized at 6% - 6.75 % during Q1 2015.

Realized returns in Farwaniya governorate stabilized at 7.05 %. Returns were stable in Ahmadi governorate areas as they ranged 6.6 % - 7.25%. However, realized returns declined in Mubarak Al-Kabeer governorate thus recording 7.15% where returns recorded by governorate areas ranged 7.00 % - 7.38 %. In regard to Jahra governorate, realized returns ranged 7% - 7.25 % during Q1 2015.

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

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

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

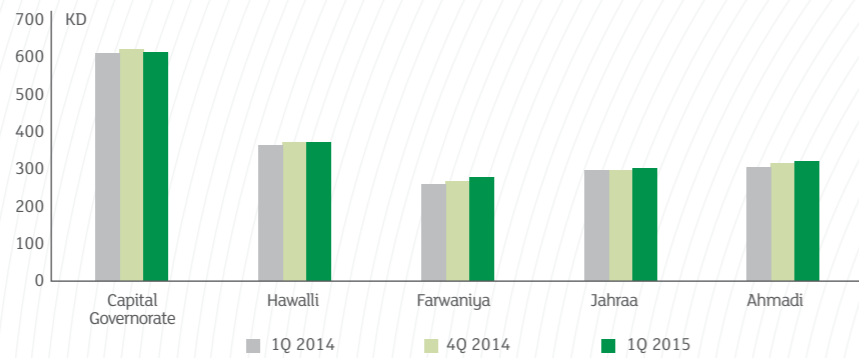
| Governorate    | Region            | Building % | Area  | Site              | Sale Return/Annual Real Estate Income % Q1 2015 |       |         |
|----------------|-------------------|------------|-------|-------------------|---|-------|---------|
|                |                   |            |       |                   | From  | To    | Average |
| Capital        | Bneid Al Gar      | 250 %      | 1,000 | Gulf Rd           | 6.15%   | 6.25% | 6.20%   |
|                | Bneid Al Gar      | 250 %      | 1,000 | Istiqlal          | 6.25%   | 6.75% | 6.50%   |
|                | Eastern Maqwa     | 400 %      | 250   | Internal          | 6.00%   | 6.50% | 6.25%   |
|                | Dasman            | 400 %      | 1,000 | Gulf Rd           | 6.15%   | 6.25% | 6.20%   |
| Hawalli        | Hawalli           | 250 %      | 750   | Muthanna          | 6.50%   | 7.00% | 6.75%   |
|                | Hawalli           | 250 %      | 1,000 | Al Hasan Al Basri | 6.50%   | 7.00% | 6.75%   |
|                | Salmiya           | 250 %      | 1,000 | Gulf Rd           | 6.15%   | 6.25% | 6.20%   |
|                | Salmiya           | 250 %      | 1,000 | Baghdad           | 6.50%   | 6.75% | 6.63%   |
|                | Shaab             | 250 %      | 1,000 | Gulf Rd           | 6.15%   | 6.25% | 6.20%   |
|                | Shaab             | 250 %      | 1,000 | Istiqlal          | 6.25%   | 6.75% | 6.50%   |
| Al Farwaniya   | Farwaniya         | 250 %      | 1,000 | Airport           | 7.00%   | 7.00% | 7.00%   |
|                | Farwaniya         | 250 %      | 1,000 | Main              | 7.00%   | 7.25% | 7.13%   |
|                | Khaitan           | 250 %      | 750   | Internal          | 7.00%   | 7.50% | 7.25%   |
|                | Raqei             | 250 %      | 750   | 4th Ring Road     | 6.75%   | 7.00% | 6.88%   |
|                | Raqei             | 250 %      | 750   | 5th Ring Road     | 6.75%   | 7.00% | 6.88%   |
| Al Ahmadi      | Fintas            | 250 %      | 500   | Internal          | 6.75%   | 7.25% | 7.00%   |
|                | Abu-Halifa        | 250 %      | 500   | Internal          | 6.75%   | 7.25% | 7.00%   |
|                | Abu-Halifa        | 250 %      | 750   | Internal          | 7.00%   | 7.50% | 7.25%   |
|                | Mangaf            | 250 %      | 500   | Internal          | 6.75%   | 7.25% | 7.00%   |
|                | Mahboula          | 250 %      | 500   | Internal          | 6.75%   | 7.25% | 7.00%   |
|                | Mahboula          | 250 %      | 750   | Internal          | 7.00%   | 7.50% | 7.25%   |
|                | Mahboula          | 250 %      | 750   | Main              | 7.00%   | 7.50% | 7.25%   |
|                | Fahaheel          | 250 %      | 500   | Internal          | 6.75%   | 7.25% | 7.00%   |
|                | Fahaheel          | 250 %      | 500   | Main              | 6.50%   | 7.50% | 7.00%   |
| Al Jahraa      | Jahraa            | 250 %      | 1000  | Internal          | 7.00%   | 7.50% | 7.25%   |
|                | Jahraa            | 250 %      | 1000  | Main              | 7.00%   | 7.50% | 7.25%   |
| Mubarak Kabeer | Al Sabah Al Salem | 250 %      | 750   | Internal          | 7.00%   | 7.25% | 7.13%   |
|                | Sabah Al Salem    | 250 %      | 750   | Main              | 7.00%   | 7.00% | 7.00%   |

**Third: Commercial Property Prices**

Commercial property prices at Kuwait governorates level were stable during Q1 2015, bearing in mind that they have witnessed an annual increase by 3% compared to price levels during Q1 2014. Average prices declined at capital governorate level to KD 5,048 i.e. 1% on a yearly base.

The above stability comes as a result of the stable prices witnessed in most of the commercial property areas in the governorate e.g. downtown, Qibla and Sharq areas in Ahmed Al-Jaber, Abdullah Al-Mubarak and Sour streets. Certain Qibla areas at Mubarakiya Street witnessed a decline by 2.3 %. Areas located at Ali Al-Salem abd Gharaballi streets witnessed a decline by 4.7%. Certain other areas down town witnessed a decline by 7%.

**Average price/ M2 of Commercial Real estate at Kuwait Governorates Q1 2015 – Q4 2014**



**Commercial Land Prices at Capital Governorate**

| Region   | Building % | Street                             | Area | Land Market Value (KD) |           | Market Value/M <sup>2</sup> (KD) |       | Average Price/M <sup>2</sup> Q1 2015 |
|----------|------------|------------------------------------|------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
|          |            |                                    |      | From                   | To        | From                             | To    |                                      |
| Qiblah   | 300 %      | Mubarakiya                         | 500  | 2,375,000              | 2,875,000 | 4,750                            | 5,750 | 5,250                                |
| Sharq    | 520 %      | Ahmad Al Jaber                     | 500  | 3,250,000              | 3,500,000 | 6,500                            | 7,000 | 6,750                                |
| Downtown | 620 %      | Mubarak Al Kabeer Textile Blocks   | 500  | 2,975,000              | 3,250,000 | 5,950                            | 6,500 | 6,225                                |
|          | 620 %      | Mubarak Al Kabeer (Stock Exchange) | 500  | 3,750,000              | 4,000,000 | 7,500                            | 8,000 | 7,750                                |
| Qiblah   | 620 %      | Fahd Al Salem                      | 500  | 3,450,000              | 3,625,000 | 6,900                            | 7,250 | 7,075                                |
| Sharq    | 520 %      | Jaber Al Mubarak                   | 500  | 2,950,000              | 3,050,000 | 5,900                            | 6,100 | 6,000                                |

Average prices in Hawalli governorate recorded a slight increase by less than 1% during Q1 2015 compared to a slight increase by less than 1% i.e. (0.7%) during Q4 2014 which has recorded an average of KD 3,564 per square meter.

Prices stabilized at Salmiya area – Salem Al-Mubarak St. which is considered as the highest price area in the governorate. Prices increased by less than 1% in Hawalli area – Tunis St. and by 1.6% in Beirut St. which is considered as the third highest average price per square meter at the governorate level. Prices increased in Ibn Khaldoun St. while they remained stable at Othman St. Prices were stable at Hamad Al-Mubarak St. in Salmiya area during Q1 2015 bearing in mind that they had witnessed an increase by 5.5% during Q4 2014. Prices have also stabilized in other areas in Salmiya e.g. Bahrain St.

**Commercial Land Prices at Hawalli Governorate**

| Region     | % of Building | Street           | Area  | Market Value of Land (KD) |           | Market Value per M <sup>2</sup> in (KD) |       | Average Price per M <sup>2</sup> Q1 2015 |
|------------|---------------|------------------|-------|---------------------------|-----------|---|-------|--|
|            |               |                  |       | From                      | To        | From                                    | To    |  |
| Hawalli    | 180 %         | Tunis            | 1,000 | 3,800,000                 | 4,300,000 | 3,800                                   | 4,300 | 4,050                                    |
|            | 180 %         | Beirut           | 1,000 | 3,750,000                 | 4,200,000 | 3,750                                   | 4,200 | 3,975                                    |
| Al Salmiya | 180 %         | Salem Al Mubarak | 800   | 3,040,000                 | 3,600,000 | 3,800                                   | 4,500 | 4,150                                    |
|            | 180 %         | Bahrain          | 500   | 1,425,000                 | 1,550,000 | 2,850                                   | 3,100 | 2,975                                    |

Farwaniya governorate witnessed the highest increase in average price per square meter thus recording an increase by 4.8% or KD 2,665 during Q1 2015 compared to an average price KD 2,543 during Q4 2014. Prices in Habeeb Munawer St. areas recorded an increase by 8.5% and 7.1%. Prices increased in Fire brigade St. to reach 9.4% during Q1 2015. Prices in Khaitan, areas located opposite commercial center recorded the highest increase by 6% in certain areas while prices recorded an increase by 1% in remaining areas opposite the commercial and administrative center.

The area falling opposite the cooperative society at Jelaib Al-Shoyoukh area recorded an increase by 5.7% in prices while internal areas witnessed a decline by 1% and reached 2.2% in certain areas overlooking 6th ring road. Price levels were stable at Dhajeej area for the second time respectively. Prices were also stable at Aardiya area which is considered as the lowest price area among governorate areas.

Commercial Land Prices at Farwaniya Governorate

| Region                                | Building % | Street                                    | Area  | Land Market Value (KD) |           | Market Value/M <sup>2</sup> (KD) |       | Average Price/M <sup>2</sup> Q1 2015 |
|---------------------------------------|------------|---|-------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
|                                       |            |   |       | From                   | To        | From                             | To    |                                      |
| Farwaniya Menawer St.                 | 180 %      | Menawer                                   | 1,000 | 5,100,000              | 5,500,000 | 5,100                            | 5,500 | 5,300                                |
| Farwaniya Fire Brigade St.            | 180 %      | Fire Brigade St.                          | 800   | 3,600,000              | 3,840,000 | 4,500                            | 4,800 | 4,650                                |
| Khaitan                               | 180 %      | Opposite the Admin. & Commercial Building | 1,000 | 4,200,000              | 4,650,000 | 4,200                            | 4,650 | 4,425                                |
| Khaitan (Admin & Commercial)          | 300 %      | (Admin & Commercial)                      | 1,000 | 3,900,000              | 4,200,000 | 3,900                            | 4,200 | 4,050                                |
| Jaleeb Al Shuyoukh (Opposite Society) | 180 %      | Coop Society St.                          | 1,000 | 2,700,000              | 2,900,000 | 2,700                            | 2,900 | 2,800                                |
| Jaleeb Al Shuyoukh (Background)       | 180 %      | Internal                                  | 1,000 | 2,100,000              | 2,350,000 | 2,100                            | 2,350 | 2,225                                |
| Dajeej (5000 M) on the 6th R. R.      | 210 %      | 6th Ring Road                             | 5,000 | 6,250,000              | 6,750,000 | 1,300                            | 1,400 | 1,350                                |
| Dajeej (5000 M) Internal              |            | Internal                                  | 5,000 | 4,500,000              | 5,500,000 | 1,000                            | 1,200 | 1,100                                |
| Al Dajeej – South Khaitan             | 250 %      | 6th Ring Road                             | 5,000 | 2,900,000              | 3,000,000 | 580                              | 600   | 590                                  |

Ahmadi governorate witnessed a limited increase in average price per square meter thus recording KD 3,081 during Q1 2015 compared to KD 3,053 recorded during Q4 2014 which has witnessed an increase by 2.7%.

Price levels improved in one of the highest price areas at the coast strip while price levels remained stable at Mecca St. Prices increased in Dabous St. areas by 5.7%. Certain areas at Fintas area – Administrative & Commercial center – recorded an increase by 1.4% and declined by less than 1% in some other areas.

Certain internal areas at Khiran Pearl area, lowest average price area at the governorate, recorded a decrease by 1.7% while prices stabilized in certain places at Marina St. area.

Commercial Land Prices at Ahmadi Governorate

| Region                | Building % | Street     | Area  | Land Market Value (KD) |           | Market Value/M <sup>2</sup> (KD) |       | Average Price/M <sup>2</sup> Q1 2015 |
|-----------------------|------------|------------|-------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
|                       |            |            |       | From                   | To        | From                             | To    |                                      |
| Mangaf                | 300 %      | Aziziya    | 750   | 1,500,000              | 1,687,500 | 2,000                            | 2,250 | 2,125                                |
| Fintas Admin. & Comm. | 180 %      | Main       | 1,000 | 3,500,000              | 3,800,000 | 3,500                            | 3,800 | 3,650                                |
|                       | 180 %      | Internal   | 1,000 | 3,400,000              | 3,600,000 | 3,400                            | 3,600 | 3,500                                |
| Fahaheel              | 180 %      | Dabous     | 750   | 2,925,000              | 3,150,000 | 3,900                            | 4,200 | 4,050                                |
|                       | 180 %      | Internal   | 750   | 2,362,500              | 2,550,000 | 3,150                            | 3,400 | 3,275                                |
|                       | 180 %      | Coast Road | 750   | 3,262,500              | 3,450,000 | 4,350                            | 4,600 | 4,475                                |

Price levels improved in one of the highest price areas at the coast strip while price levels remained stable at Mecca St. Prices increased in Dabous St. areas by 5.7%.

Average prices improved at Jahra governorate to reach KD 2,870 per square meter, thus increasing by less than 1% during Q1 2015 compared to KD 2,865 during Q4 2014. Prices were stable in most of the governorate areas except Marzouk Al-Mit'eb St. areas which have witnessed an increase by less than 1%.

Prices stabilized in Jahraa area – administrative & commercial center which is considered as the highest price area in the governorate during Q1 2015 for the second time respectively. Prices have also stabilized at the Qaisariyat area as it is the case with other areas.

**Commercial Land Prices at Jahraa Governorate**

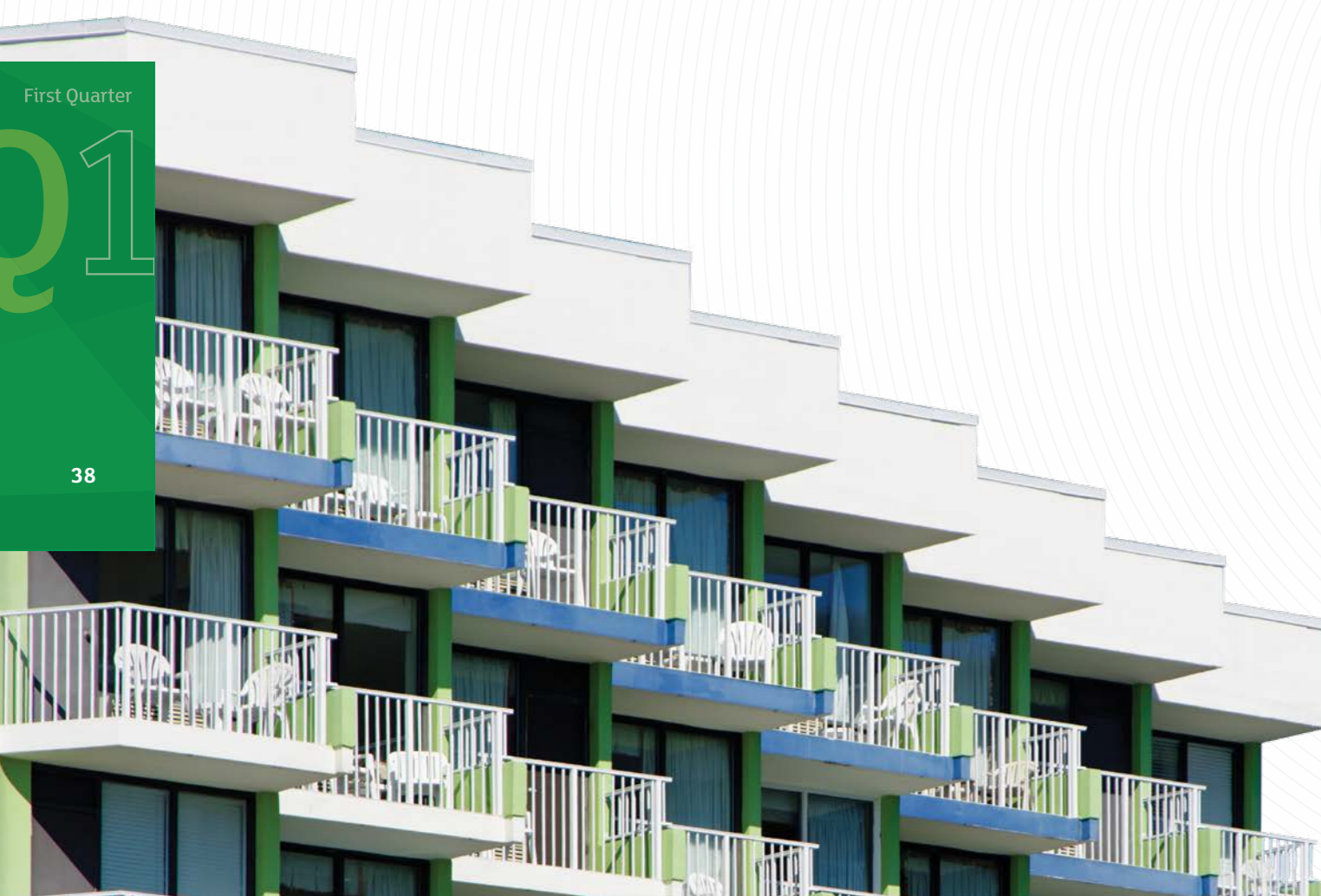
| Region                       | Building % | Street              | Area  | Land Market Value (KD) |           | Market Value/ M <sup>2</sup> (KD) |       | Average Price/M <sup>2</sup> Q4 2014 |
|------------------------------|------------|---------------------|-------|------------------------|-----------|-----------------------------------|-------|--------------------------------------|
|                              |            |                     |       | From                   | To        | From                              | To    |                                      |
| Jahraa                       | 180 %      | Marzouk Al-Mat'aab  | 1,000 | 3,100,000              | 3,300,000 | 3,100                             | 3,300 | 3,200                                |
| Jahraa Admin. & Comm. Center | 300 %      | Admin. & Commercial | 875   | 3,325,000              | 3,500,000 | 3,800                             | 4,000 | 3,900                                |
| Al Jahraa                    | 50 %       | Plot 41 A           | 1,000 | 2,300,000              | 2,500,000 | 2,300                             | 2,500 | 2,400                                |

**Commercial Properties' Annual Rate of Return (ARR)**

Rates of Return on commercial properties are still relatively less than returns realized from investment properties in certain governorates e.g. capital governorate. Returns were relatively more in remaining governorates. This may be attributed to the decrease in occupancy rates of offices sector, namely in capital area. Average return at capital governorate level stabilized during Q1 2015 at 6.25 % while annual return stabilized at 7.2 % at Hawalli governorate, 7.6 % at Farwaniya governorate, 7.53 % at Jahra governorate and 7.39 % at Ahmadi Governorate.

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

| Governorate | Region                        | Building %           | Street                     | Sale Return/ Annual Real Estate Income % Q1 2015 |       |         |
|-------------|-------------------------------|----------------------|----------------------------|--|-------|---------|
|             |                               |                      |                            | from   | To    | Average |
| Capital     | Qiblah                        | 300 %                | Mubarakiya                 | 6.00%  | 6.50% | 6.25%   |
|             | Sharq                         | 520 %                | Ahmad Al Jaber             | 6.00%  | 6.50% | 6.25%   |
|             | Sharq                         | 520 %                | Khalid Ibn Al Waleed       | 6.00%  | 6.50% | 6.25%   |
|             | City                          | 620 %                | Al Soor                    | 6.00%  | 6.50% | 6.25%   |
|             | City                          | 300 %                | Al Soor                    | 6.00%  | 6.50% | 6.25%   |
|             | City                          | 620 %                | Mubarak Al Kabeer - Blocks | 6.00%  | 6.50% | 6.25%   |
| Hawalli     | Hawalli                       | 180 %                | Tunis                      | 7.00%  | 7.50% | 7.25%   |
|             | Hawalli                       | 180 %                | Beirut                     | 7.00%  | 7.50% | 7.25%   |
|             | Salmiya                       | 180 %                | Hamad Al Mubarak           | 7.00%  | 7.50% | 7.25%   |
|             | Salmiya                       | 180 %                | Salem Al Mubarak           | 7.00%  | 7.00% | 7.00%   |
| Farwaniya   | Farwaniya Menawer St.         | 180 %                | Menawer                    | 7.00%  | 7.50% | 7.25%   |
|             | Farwaniya Fire Brigade St.    | 180 %                | Fire Brigade               | 7.00%  | 7.50% | 7.25%   |
|             | Khaitan                       | 180 %                | ---                        | 7.00%  | 7.50% | 7.25%   |
|             | Khaitan (Admin. & Commercial) | 300 %                | (Admin & Commercial)       | 7.00%  | 7.50% | 7.25%   |
|             | Ardiya "Warehouses"           | GF 80% Mezzanine 50% | Internal                   | 7.50%  | 8.00% | 7.75%   |
| Jahraa      | Jahraa                        | 180 %                | Marzouk Al-Mat'aab         | 7.50%  | 7.50% | 7.50%   |
|             | Jahraa (Admin. & Commercial)  | 300 %                | (Admin. & Commercial)      | 7.50%  | 7.50% | 7.50%   |
|             | Jahraa - Quisareyat           | 300 %                | Plot 20                    | 7.50%  | 7.50% | 7.50%   |
| Ahmadi      | Mangaf                        | 300 %                | Aziziya                    | 7.50%  | 7.50% | 7.50%   |
|             | Fintas (Admin. & Commercial)  | 180 %                | Main                       | 7.50%  | 7.50% | 7.50%   |
|             | Fahaheel                      | 180 %                | Dabous                     | 7.00%  | 7.50% | 7.25%   |



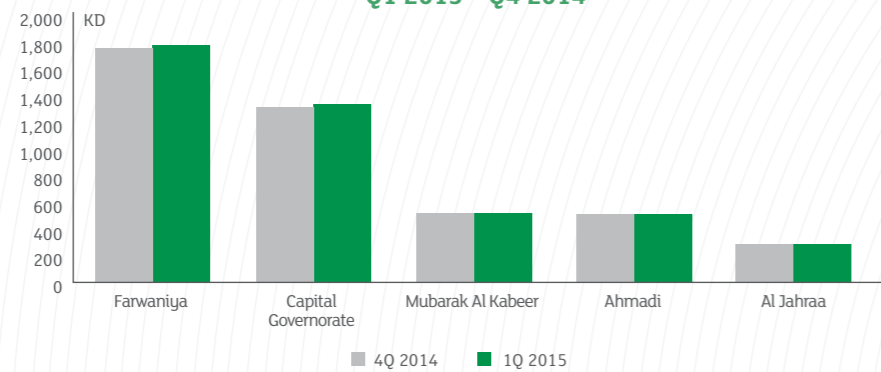
**Fourth: Prices of Industrial Plots (Public Welfare Contracts) and Warehouses**

Industrial plot prices have recovered relatively at Kuwait governorates level by less than 1% during Q1 2015 for the second time respectively. Certain governorates witnessed a relative increase by less than 1% while other governorates witnessed remarkable stability except Ahmadi governorate which has declined by less than 1%.

Price per square meter increased in industrial plots by 1% at Capital governorate to reach KD 1,346.

Industrial plots price levels at both Electricity St. and Decorations St., being highest price areas, increased by 1.4% and 1.5% respectively. Price levels have stabilized at Canada Dry St. and increased at Shahrazad St. and Decoration St. by 2% and 1.8% respectively. Price levels at Pepsi St. witnessed a significant increase by 7.3%. Certain internal areas witnessed a decline by 4.3% in prices while prices stabilized at Ghazalli St. and Mohammed Al-Qasem St.

**Average Market Value/ M<sup>2</sup> for Industrial and Handcraft Property at Kuwait Governorates Q1 2015 – Q4 2014**



**Industrial Plot Prices at Capital Governorate**

| Region                      | Allocation             | Building % | Area              | Street        | Land Market Value (KD) |             | Average Price/M <sup>2</sup> Q1 2015 |
|-----------------------------|------------------------|------------|-------------------|---------------|------------------------|-------------|--------------------------------------|
| Industrial Shuwaikh         | Showrooms + Industrial |            | 1,000             | Canadadry St. | 1,500,000              | 1,600,000   | 1,550                                |
|                             |                        |            | 5,000             | Canadadry St. | 6,000,000              | 6,250,000   | 1,225                                |
|                             |                        | 1,000      | Shahrazad St.     | 1,200,000     | 1,300,000              | 1,250       |                                      |
|                             |                        | 1,000      | Decoration St.    | 1,300,000     | 1,500,000              | 1,400       |                                      |
|                             |                        | 500        | Decoration St.    | 800,000       | 900,000                | 1,700       |                                      |
|                             |                        | 500        | Electricity St.   | 875,000       | 975,000                | 1,850       |                                      |
|                             |                        | 5,000      | Pepsi St.         | 5,250,000     | 5,750,000              | 1,100       |                                      |
|                             |                        | 1,000      | 4th Ring Road     | 1,300,000     | 1,400,000              | 1,350       |                                      |
|                             |                        | 22,500     | Internal          | 11,250,000    | 14,625,000             | 575         |                                      |
|                             |                        | 1,000      | Mohammad Al Qasim | 1,100,000     | 1,250,000              | 1,175       |                                      |
| 1,000                       | Al Ghazali St.         | 900,000    | 1,100,000         | 1,000         |                        |             |                                      |
| General Average in the Area |                        |            |                   |               | 2,913,181.8            | 3,395,454.5 | 1,346.4                              |

Farwaniya governorate witnessed an improvement during Q1 2015 as average price per square meter approximated KD 1,789 at the governorate level.

Ardiya – handcraft area is still recording the highest price level among various industrial areas in Kuwait during Q1 2015. Average price per square meter witnessed stability during Q1 2015. Prices have also stabilized in certain handcraft and internal areas, areas opposite Ardiya stores and 5th ring road areas respectively. Prices have also stabilized in the areas falling opposite Ardiya residential area during Q4.

Al-Rai area recorded an increase by 1.7% during Q1 2015 which came on the back of the significant increase in prices at Safat Al-Ghanem area till Al-Naser Showroom by 1%. Prices have increased at Ghazalli St. area by 4.5% and remained stable at the 4th ring road and in certain parts of Mohammed Al-Qasem Street. Prices declined by 2.5% at the Automotive Exhibition area.

**Industrial Plot Prices at Farwaniya Governorate**

| Region                      | Allocation             | Building %                             | Area  | Site | Street                                | Land Market Value (KD) |           | Average Price/ M <sup>2</sup> Q1 2015 |
|-----------------------------|------------------------|--|-------|------|---------------------------------------|------------------------|-----------|---------------------------------------|
|                             |                        |  |       |      |                                       | From                   | To        |                                       |
| Al Rai                      | Showrooms + Industrial | 100% Basement                          | 1,000 | Main | Safat Al Ghanim (till Al Nasr Sports) | 1,250,000              | 1,350,000 | 1,300                                 |
|                             |                        | 80% Ground                             | 1,000 | Main | Ghazali St.                           | 1,050,000              | 1,250,000 | 1,150                                 |
|                             |                        | 50% Mezzanine                          | 4,000 | Main | Mohammad Al Qasim                     | 4,800,000              | 5,200,000 | 1,250                                 |
| General Average in the Area |                        |  |       |      |                                       | 2,353,333              | 2,578,333 | 1,116                                 |
| Ardiya Craft Area           | Crafts                 | 100% Basement + 80% GF + 50% Mezzanine | 250   | Main | Opposite Ardiya Stores                | 625,000                | 700,000   | 2,650                                 |
|                             |                        |  | 250   | Main | Opposite Ardiya Residential           | 560,000                | 625,000   | 2,370                                 |
|                             |                        | General Average in the Area            |       |      |                                       |                        |           | 583,750                               |

Ahmadi governorate witnessed a decline in prices by less than 1% where price per square meter average reached KD 511 during Q1 2015.

Price levels stabilized at Fahaheel area which is considered as the highest price area in the governorate. Average price per square meter reached KD 867 following an increase by 26% During Q4 2014. East Ahmadi industrial area, second highest average price area, witnessed a decrease by less than 1% during Q1 2015 compared to a remarkable increase by 14.2% recorded during Q4 2014. Certain areas at Mustafa Karam Street recorded a decrease by 2.2% during Q1 2015 following an increase by 42% recorded earlier. Average prices stabilized other areas. Prices have stabilized also at Shuaiba port and Mina Abdullah. Prices have stabilized in Jawharat Al-Fanar area and other main areas. Shuaiba area internal places did not witness any change during Q1 2015 following the highly significant increase which approximated 45% in internal places at Shuaiba area.

**Industrial Plot Prices in Al Ahmadi Governorate**

| Region                      | Allocation             | Area    | Street                | Land Market Value (KD) |            | Average Price/ M <sup>2</sup> Q1 2015 |
|-----------------------------|------------------------|---------|-----------------------|------------------------|------------|---------------------------------------|
| West Shuaiba                | Industrial             | 120,000 | Behind Gas Station    | 10,800,000             | 13,000,000 | 99.2                                  |
| West Shuaiba                |                        | 10,000  | Internal              | 1,700,000              | 1,850,000  | 177.5                                 |
| Mina Abdullah               |                        | 10,000  | Inside Port           | 950,000                | 1,150,000  | 105                                   |
| General Average in the Area |                        |         |                       | 3,321,250              | 3,850,000  | 132                                   |
| Fahaheel                    | Showrooms + Industrial | 1,000   | Sultan Center St.     | 1,200,000              | 1,350,000  | 1,275                                 |
|                             |                        | 1,000   | Opposite Fire Brigade | 700,000                | 800,000    | 750                                   |
|                             |                        | 1,000   | Internal Streets      | 500,000                | 650,000    | 575                                   |
| General Average in the Area |                        |         |                       | 800,000                | 933,333    | 867                                   |
| East Ahmadi Industrial Area | showrooms + Industrial | 5,000   | Mustafa Karam         | 4,000,000              | 4,800,000  | 880                                   |
|                             |                        | 5,000   | Main                  | 2,050,000              | 2,300,000  | 435                                   |
| General Average in the Area |                        |         |                       | 2,050,000              | 2,395,000  | 533                                   |

**Prices of Industrial Plots in Mubarak Al Kabeer Governorate**

| Region                      | Allocation | Area  | Street | Land Market Value (KD) |           | Average Price/ M <sup>2</sup> Q1 2015 |
|-----------------------------|------------|-------|--------|------------------------|-----------|---------------------------------------|
| Abu Fatira Crafts           | Showrooms  | 1,000 | Main   | 1,650,000              | 1,750,000 | 1,700                                 |
| Abu Fatira Crafts           | Handcraft  | 5,00  | Main   | 650,000                | 700,000   | 1,350                                 |
| General Average in the Area |            |       |        | 1,210,000              | 1,300,000 | 1,515                                 |
| Sabhan                      | Industrial | 1,000 | Main   | 500,000                | 600,000   | 550                                   |
|                             |            | 1,000 | Pepsi  | 650,000                | 750,000   | 700                                   |
|                             |            | 5,000 | Pepsi  | 2,750,000              | 3,000,000 | 575                                   |
| General Average in the Area |            |       |        | 1,341,667              | 1,516,667 | 512,5                                 |

**Prices of Industrial Plots in Al Jahraa Governorate**

| Region                      | Allocation        | Area   | Street   | Land Market Value (KD) |           | Average Price/ M <sup>2</sup> Q1 2015 |
|-----------------------------|-------------------|--------|----------|------------------------|-----------|---------------------------------------|
| Amghara                     | Major Contractors | 10,000 | Internal | 1,500,000              | 1,700,000 | 160                                   |
|                             |                   | 10,000 | Main     | 1,850,000              | 2,050,000 | 195                                   |
| General Average in the Area |                   |        |          | 777,500                | 855,000   | 177                                   |
| Al Jahraa                   | Crafts            | 500    | Internal | 200,000                | 225,000   | 425                                   |
|                             |                   | 500    | Main     | 250,000                | 275,000   | 525                                   |
| General Average in the Area |                   |        |          | 218,750                | 251,250   | 533                                   |
| Doha                        | Ships Repair      | 1,000  | Main     | 120,000                | 170,000   | 145                                   |
| General Average in the Area |                   |        |          | 1,890,000              | 2,206,667 | 78                                    |

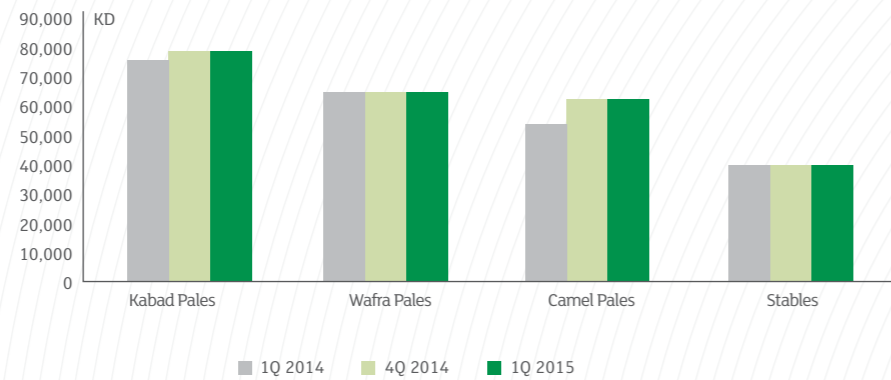
**Fifth: Prices of Farms and Livestock Farms**

Average price per M2 in livestock farms at Ahmadi governorate continued their stability during Q1 2015 thus recording KD 79.4 per m2. Prices stabilized at Livestock areas at the governorate.

Prices settled down in Equestrian Stables during Q1 2015 for the fourth time respectively. Prices have also stabilized in the racecourse area, golf field and internal areas.

Prices were stable during Q1 2015 in main and internal places at Wafra Livestock farms.

**Average estimated price of beneficiary right at Livestock farms and Stables at Ahmadi Governorate Q1 2015 – Q4 2014**



Likewise, average estimated price per square meter at Wafra agricultural area witnessed stability during Q1 2015. Prices were also stable in Sulaibiya area – Livestock farms (usufruct) as they ranged between KD 550 thousand – KD 650 thousand for a land area covering 50 thousand m2. The value of another 1 million m2 land ranged between KD 3.65 million – KD 4.35 million.

Price levels per square meter for a 100 thousand m2 land were stable in Abdali area as they recorded KD 300 thousand – KD 375 thousand.

**Prices of Farms and Livestock Farms**

| Governorate | Region                      | Area  | Site              | Estimated Plot Usufruct Price (KD) |         | Price / M <sup>2</sup> (KD) |       | ** A/P Q1 2015 |
|-------------|-----------------------------|-------|-------------------|------------------------------------|---------|-----------------------------|-------|----------------|
|             |                             |       |                   | from                               | To      | From                        | To    |                |
| Ahmadi      | Kabd Farms                  | 2,500 | Internal          | 72,000                             | 90,000  | 28.8                        | 36.0  | 81,000         |
|             | Kabd Farms                  | 2,500 | Main              | 100,000                            | 115,000 | 40.0                        | 46.0  | 107,500        |
|             | Equestrian Stables – Ahmadi | 500   | Internal          | 38,000                             | 45,000  | 76.0                        | 90.0  | 41,500         |
|             |                             | 500   | Racecourse – Golf | 45,500                             | 50,000  | 91.0                        | 100.0 | 47,750         |
|             | Al Wafra Farms              | 2,500 | Main              | 65,000                             | 77,500  | 26.0                        | 31.0  | 71,250         |

\*\* A/P = Average Plot Price

**Sixth: Chalet Prices**

Demand on chalets increases significantly during summer. Demand on chalets declines in regard to lease cases during this period of the year – mid winter while demand volume may not be impacted by purchase and ownership cases. Prices at Ahmadi governorate areas had witnessed an increase in general, thus recording KD 17,786, an increase by 1.3 % during Q1 2015. Average price had recorded KD 8,500 at Doha area.

Average chalet prices in Jahra governorate areas increased to reach KD 5,875 during Q1 2015. Prices at Kazma area recorded a high significant increase to reach KD 4,979. Sabiyya area recorded an average price KD 4,250 during Q1 2015.

**Chalet Prices at Al Ahmadi Governorate**

| Governorate | Region                       | Waterfront Length in Meters | Chalet Market Value |         | Price/Linear Meter - Waterfront (KD) |        | **A/P/m2 Waterfront Q1 2015 |
|-------------|------------------------------|-----------------------------|---------------------|---------|--------------------------------------|--------|-----------------------------|
|             |                              |                             | From                | To      | From                                 | To     |                             |
| Al Ahmadi   | Mina Abdullah                | 25                          | 375,000             | 400,000 | 15,000                               | 16,000 | 15,500                      |
|             | Dubaeya                      | 25                          | 375,000             | 400,000 | 15,000                               | 16,000 | 15,500                      |
|             | Julaia                       | 25                          | 600,000             | 330,000 | 24,000                               | 25,000 | 24,500                      |
|             | Bnaider                      | 25                          | 625,000             | 650,000 | 25,000                               | 26,000 | 25,500                      |
|             | Al Zour                      | 25                          | 375,000             | 400,000 | 15,000                               | 16,000 | 15,500                      |
|             | Khairan (other than Al Khor) | 25                          | 375,000             | 400,000 | 15,000                               | 16,000 | 15,500                      |
|             | Nuwiseeb                     | 25                          | 300,000             | 325,000 | 12,000                               | 13,000 | 12,500                      |

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

**Seventh: Occupancy Rates and Rentals**

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

**Private Residence Rental Value**

Average rental value for a ground floor, 3 bed rooms, a hall, covering an area of 135 m2 in a private residence real estate with a total area 400 m during 1Q 2015 at Hawalli governorate ranged between KD 541 – 618. Rental value reached KD 622 at capital governorate. Average rental value at Farwania reached KD 438. Average rental value for a full floor in a private residence covering an area of 400 meters ranges between KD 1100 – 1400 at Hawalli governorate compared to KD 1300 – 1600 at most of capital governorate areas and KD 1000 – 1100 at Farwaniya

Average rental value for a full first and second floor at a private residence covering an area 400 meter ranges between KD 1000 – 1200 at most of Hawalli governorate areas and KD 1100 – 1450 at capital governorate areas. Full floor at Farwaniya governorate ranged between KD 850 – 969.

Average rental value of a full house comprising ground floor and first floor of a private residence at Hawalli governorate ranged between KD1900 – 2300. The value reached in certain areas KD 2500. Average value in capital governorate reached KD 1650 while it ranged in certain governorate areas between KD 2200 – 2500. The value reached more than KD 2800 in certain places of Edailiya area – capital governorate. Rental value of a full house ranged between KD 1700 – KD 1850 in Farwaniya governorate.

**Investment Residence Rental Value**

Average rental value of a 2 bed room flat and a hall covering an area of 60 m in capital governorate ranged between KD 330 – 350. Rental value for the same area in Hawalli governorate ranged between KD 310 – 350. Rental value for the same area ranged between KD 280 – 330 in Farwaniya Governorate and KD 260 – 290 in Ahmadi governorate. Rental values recorded KD 285 – 300 at Mubarak Al-Kabeer governorate and KD 260-280 at Jahra governorate.

Rental value of a 2 bed room flats + a hall coving an area of 70 – 74 m ranged between KD390 – 415 at capital governorate and KD 320 – 370 in Hawalli governorate areas. Rental value ranged between 320 – 350 in Farwaniya governorate, KD 300 – 340 in Ahmadi governorate, KD 325 – 350 at Mubarak Al-Kabeer governorate and KD 290 – 330 at Jahraa governorate.

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

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

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

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

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

Average rent of a commercial meter in a ground floor has increased where average rent ranged KD 16 – KD 20 / m2 in prime locations in Kuwait city while it reached KD 40 in Salmiya and KD 35 in Hawalli. Average rent / m2 at offices ranges KD 5.5 – KD 6.5 and reaches KD 8 in certain prime areas and grand yards in Kuwait city. Also it has reached KD 8 /m2 in certain areas in Hawalli, Fahaheel and Mangaf and more than that, depending on location, finishing type and services provided to tenants and visitors.

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



**Average Rental Value Trading Investment Properties in Kuwait Governorates during Q1 2015 (KD)**

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

**Average Rental Value Trading of Commercial Properties At Kuwait Governorates "Q1 2015" (KD)**

| Areas              | Basement                      | Ground Floor                  | Mezzanine                     | Offices                       | Price Index                                    |
|--------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|
|                    | Average Rental M <sup>2</sup> | Average Rental M <sup>2</sup> | Average Rental M <sup>2</sup> | Average Rental M <sup>2</sup> |  |
| Salmiya            | 12 - 18                       | 25 - 40                       | 12                            | 7 - 8                         | ---  |
| Hawalli            | 10 - 16                       | 25 - 35                       | 12                            | 7 - 8                         | ---  |
| Farwaniya          | 14-18                         | 30-45                         | 12-14                         | 8 - 9                         | ---  |
| Khaitan            | 10-16                         | 25 - 35                       | 10                            | 7                             | ---  |
| Mangaf - Aziziyah  | 8 - 12                        | 18-20                         | 10                            | 7 - 8                         | ---  |
| Fahaheel           | 10 - 16                       | 25 - 35                       | 12                            | 7 - 8                         | ---  |
| Dajeej (Farwaniya) | 4.5 - 5                       | 9 - 12                        | 5 - 6                         | ---                           | Basements as a Commercial Unit and not a Store |
| Kuwait City        | 12 - 14                       | 20 - 30                       | 10                            | 6 - 8                         | Commercial Complexes                           |
| Kuwait City        | -                             | 30-35                         | -                             | 5.5 - 6.5                     | Administrative & Commercial Towers             |

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

**Average Rental Value Trading of Industrial Plots At Kuwait Governorates during Q4 2014 (KD)**

| Areas               | Basement                               | Ground Floor                              | Mezzanine                               | Price Index   | Notes |
|---------------------|--|---|---|---|-------|
|                     | Average Rental M <sup>2</sup> (Stores) | Average Rental M <sup>2</sup> (Showrooms) | Average Rental M <sup>2</sup> (Offices) |   |       |
| Industrial Shuwaikh | 3.5 - 4.5                              | 14 - 40                                   | 4 - 5                                   | Unit Area = 40 m  | ---   |
| Al Rai              | 3.5 - 4                                | 14 - 30                                   | 3 - 4                                   | Excluding rental values in Avenues Mall   | ---   |
| Sabhan              | 2.75 - 3                               | 4 - 6.5                                   | 3                                       | Upon allocating stores for the GF, Price/M <sup>2</sup> ranges KD 4 - KD 5        | ---   |
| Ardiya (Stores)     | 4 - 3.5 (As per Height)                | 6.5 - 8                                   | 4 - 3.5                                 | Price/M <sup>2</sup> = KD 8 - 6 for a 100-m <sup>2</sup> showroom at Ground Floor | ---   |
| East Ahmadi         | 3.5 - 3.75                             | 12 - 18                                   | 4 - 3                                   | Auto Show & Restaurant Rentals are the highest                                    | ---   |
| Industrial Fahaheel | 4 - 3.5 (As per Height)                | 14 - 20                                   | 5 - 3.5                                 | depending on activity   | ---   |

• Average rental values per square meter increase in prime locations and modern buildings. Activity type is also considered.  
 • Average rental values per square meter increase depending on floor height. In addition, demand increases on stores with a net ceiling height of 8-6 m.

**Average Rental Values for Private Residence covering 400 m – newly built  
At Kuwait Governorates during Q4 2014**

| Hawalli Governorate | 3 bed rooms + hall + 4 bathrooms + Maid (1st / 2nd floor) 135 m |     | Full floor (ground) |       | Full floor (1st or 2nd) |       | Full House (GF + 1st) |       |
|---------------------|---|-----|---------------------|-------|-------------------------|-------|-----------------------|-------|
|                     |   |     |                     |       |                         |       |                       |       |
| Siddique            | 550   | 600 | 1,200               | 1,400 | 1,000                   | 1,200 | 2,000                 | 2,300 |
| Al-Salam            | 550   | 600 | 1,200               | 1,400 | 1,000                   | 1,200 | 2,000                 | 2,300 |
| Hitteen             | 550   | 600 | 1,200               | 1,400 | 1,000                   | 1,200 | 2,000                 | 2,300 |
| Shuhadaa            | 550   | 600 | 1,200               | 1,400 | 1,000                   | 1,200 | 2,000                 | 2,300 |
| Zahraa              | 550   | 600 | 1,200               | 1,400 | 1,000                   | 1,200 | 2,000                 | 2,300 |
| Shaab               | 600   | 650 | 1,300               | 1,500 | 1,100                   | 1,300 | 2,200                 | 2,500 |
| Mishref             | 550   | 600 | 1,200               | 1,300 | 1,000                   | 1,100 | 2,000                 | 2,300 |
| Bayan               | 500   | 550 | 1,100               | 1,200 | 1,000                   | 1,100 | 1,900                 | 2,100 |
| Mubarak Al-Abdullah | 550   | 600 | 1,200               | 1,300 | 1,000                   | 1,100 | 2,100                 | 2,200 |
| Salwa               | 500   | 550 | 1,100               | 1,200 | 900                     | 1,000 | 1,900                 | 2,000 |
| Jabriya             | 500   | 550 | 1,200               | 1,300 | 950                     | 1,100 | 1,900                 | 2,100 |

| Hawalli Governorate | 3 bed rooms + hall + 4 bathrooms + Maid (1st / 2nd floor) 135 m |     | Full floor (ground) |       | Full floor (1st or 2nd) |       | Full House (GF + 1st) |       |
|---------------------|---|-----|---------------------|-------|-------------------------|-------|-----------------------|-------|
|                     |   |     |                     |       |                         |       |                       |       |
| Edailiya            | 650   | 700 | 1,500               | 1,600 | 1,250                   | 1,400 | 2,700                 | 2,850 |
| Faihaa              | 650   | 700 | 1,400               | 1,500 | 1,250                   | 1,350 | 2,650                 | 2,850 |
| Rawda               | 650   | 700 | 1,400               | 1,500 | 1,250                   | 1,350 | 2,650                 | 2,850 |
| Yarmouk             | 650   | 700 | 1,350               | 1,400 | 1,150                   | 1,300 | 2,550                 | 2,750 |
| Kiefan              | 600   | 650 | 1,300               | 1,400 | 1,100                   | 1,250 | 2,275                 | 2,475 |
| Mansouriya          | 600   | 600 | 1,350               | 1,450 | 1,200                   | 1,300 | 2,350                 | 2,550 |
| Qadsiya             | 550   | 550 | 1,300               | 1,400 | 1,100                   | 1,200 | 2,250                 | 2,450 |
| Da'eya              | 550   | 550 | 1,300               | 1,400 | 1,100                   | 1,200 | 2,200                 | 2,400 |
| Dasma               | 550   | 550 | 1,300               | 1,400 | 1,100                   | 1,200 | 2,200                 | 2,400 |
| Surrah              | 550   | 550 | 1,300               | 1,400 | 1,100                   | 1,200 | 2,250                 | 2,450 |
| Qurtuba             | 550   | 600 | 1,250               | 1,350 | 1,100                   | 1,200 | 2,328                 | 2,528 |
| Ghernata            | 480   | 500 | 1,000               | 1,100 | 1,000                   | 1,100 | 1,650                 | 1,850 |
| Sulaibikhat         | 450   | 500 | 950                 | 1,100 | 1,000                   | 1,100 | 1,650                 | 1,850 |
| Doha (Full House)   | -   | -   | -                   | -     | -                       | -     | 1,300                 | 1,450 |

| Hawalli Governorate | 3 bed rooms + hall + 4 bathrooms + Maid (1st / 2nd floor) 135 m |     | Full floor (ground) |       | Full floor (1st or 2nd) |     | Full House (GF + 1st) |       |
|---------------------|---|-----|---------------------|-------|-------------------------|-----|-----------------------|-------|
|                     |   |     |                     |       |                         |     |                       |       |
| Farwaniya           | 450   | 500 | 1,000               | 1,100 | 850                     | 950 | 1,750                 | 1,850 |
| Omariya             | 450   | 500 | 1,000               | 1,100 | 850                     | 950 | 1,750                 | 1,850 |
| Khaitan             | 400   | 450 | 1,000               | 1,100 | 850                     | 950 | 1,750                 | 1,850 |
| Eshbiliya           | 400   | 450 | 1,000               | 1,100 | 850                     | 950 | 1,750                 | 1,850 |
| Rabiya              | 400   | 450 | 1,000               | 1,100 | 850                     | 950 | 1,700                 | 1,800 |
| Rehaab              | 400   | 450 | 1,000               | 1,100 | 850                     | 950 | 1,700                 | 1,800 |
| Ardiya              | 400   | 450 | 1,000               | 1,100 | 850                     | 950 | 1,700                 | 1,800 |
| Andalus             | 400   | 450 | 1,000               | 1,100 | 850                     | 950 | 1,700                 | 1,800 |

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

The methodology applied by the Evaluation and Studies Department at "KFH" depends on the study of each property separately.

**GLOSSARY OF TERMS**

**Private Residence Buildings:**

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

**Investment Residence Building**

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

**Private School Building**

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

**Hotels and Motels Buildings**

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

**Commercial Building:**

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

**Industrial Facilities**

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

**Residential Complexes Outside and Inside Kuwait City**

Buildings allocated for investment residence purposes. These buildings comprise several residential units (apartments – villas – studios – duplex) and used fully for leasing or ownership purposes. These buildings may be in the form of several buildings constructed as one building or several separate buildings provided that the land area on which the complex is constructed is not less than 3000 m2. Areas allocated for vision angles shall be computed as part of the area required to construct the complex.

**Buildings In Various Coastal Strip Areas:**

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

**Buildings allocated as plant nurseries:**

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

**Special Seafront Chalet :**

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

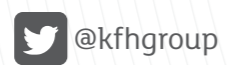
**Private Hospitals**

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

**Units of Measurement**

| Length |   |
|--------|---|
| •      | The International unit for measuring length is the Meter (M)                      |
| •      | (1 M = 10 DCM = 100 CM = 1000 MM)   |
| •      | 1 Yard = 3 Feet = 0.9144 M  |
| •      | 1 Foot = 12 Inches = 30.48 CM = 0.3048 M  |
| •      | 1 Inch = 2.54 CM = 0.0254 M   |
| •      | 1 Kilometer = 0.6214 Miles = 1000 M   |
| •      | 1 Land Mile = 1.6093 Kilometers = 1609.0 M  |
| •      | 1 Nautical Mile = 6080 Feet = 1.853 Kilometers = 1853 M                           |
| •      | 1 League = 3 Miles = 4.8281 Kilometers = 4828 M                                   |
| •      | 1 Boa = 2 Meters approximately  |
| •      | 1 Fathom = 182.88 CM = 1,8288 M   |
| •      | 1 Cubit = 51 CM = 0.51 M  |
| •      | 1 Span = 22.86 CM = 0.0229 M  |
| •      | 1 Meter = 1.0936 Yard = 3.2808 Feet = 39.37 Inches                                |
| Area   |   |
| •      | The International unit for measuring length is the Square Meter (M <sup>2</sup> ) |
| •      | 1 Hectare = 10 Donum = 2.471 Feddan = 10,000 M <sup>2</sup>                       |
| •      | Feddan or Acre = 4046.8 M <sup>2</sup>  |
| •      | 1 Donam = 1,000 M <sup>2</sup>  |
| •      | 1 Square Meter = 10,764 Feet  |

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