

بيت التمويل الكويتي
Kuwait Finance House



KFH Local
Real
Estate **Report**
2015



Third Quarter

Q3

KFH

Local
Real
Estate

Report

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Introduction

Real estate sales performance was significantly impacted during Q3 of 2015 by the negative developments and external shocks witnessed at the global market level. These impacts were reflected on the growth ratios in real estate activity at various degrees. These negative impacts which have affected economic activity levels comprised decline in oil prices since the first half of the current year, effects of the Greek crises, devaluation of the Chinese Yuan, decline in Chinese economy growth, and impacts on imports and exports movement in one of the major global economies in addition to continued fluctuation of FX rates.

These factors had variable impacts on real estate activities. The impact was clearly evident on the construction and building sector and lesser at the real estate sector level. Meanwhile residential real estate's sector was not impacted much by the said development due to the rarity of this type of real estates and investments therein.

The beginning of the third quarter coincided with the last days of the Holy month of Ramadan and Eid Al-Fitr holidays. The end of the 3rd quarter has coincided with the end of the pilgrimage season and Eid Al-Adha, thus participating in the deterioration of the real estate market performance including all units and sectors. Real estate market general performance declined since the beginning of the holy month, thus leading to a decline in real estate market transaction by 29% to form 71% of its total transactions in Q2 and by 42% than Q3 2014. This had led also to a decline in the value of real estate transactions by 29% compared to Q2 2015 and 28% compared to Q3 2014. This has also participated in the stability of average prices in Q3 represented in average transactions value of real estate sector compared to Q2 against a massive increase by 23% compared to 2014 levels for the same period.

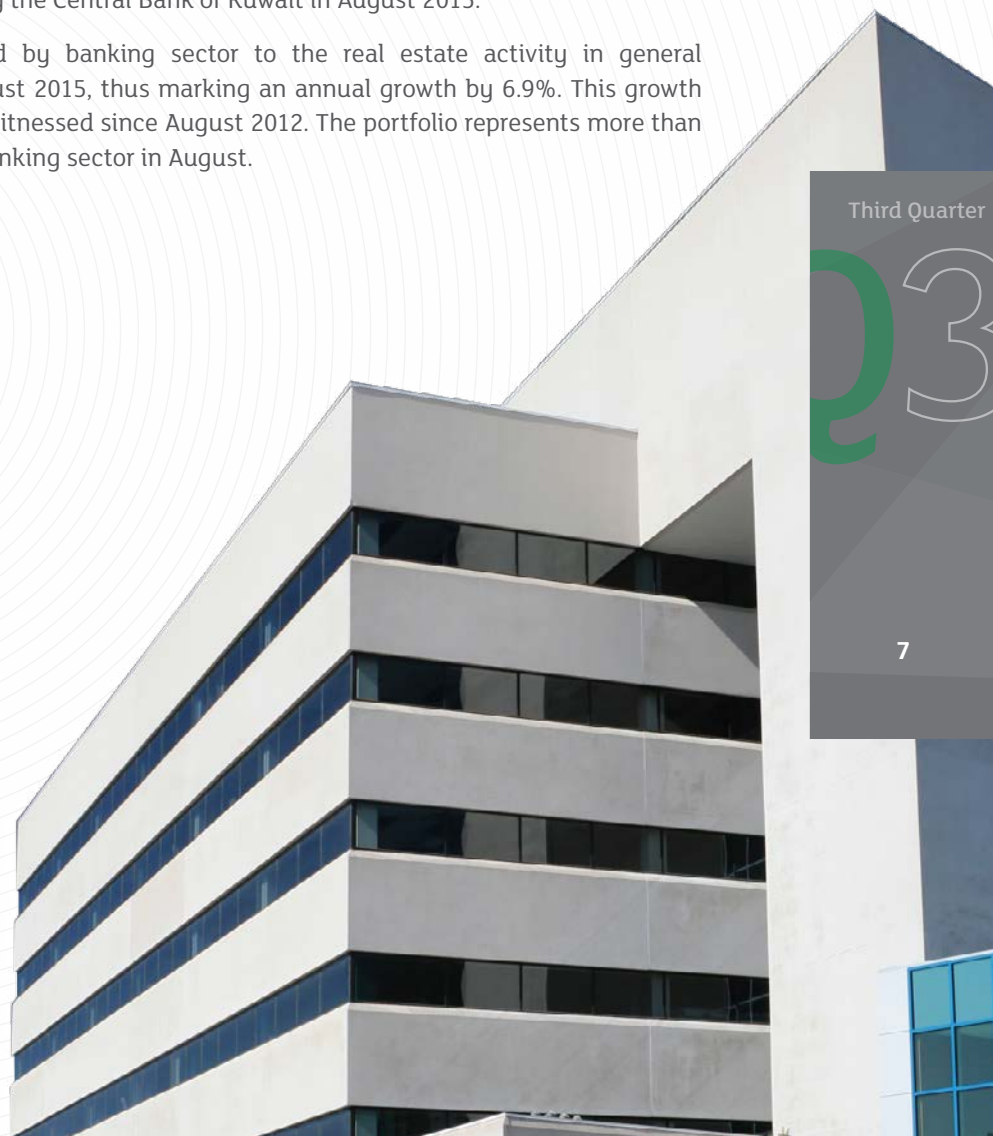
Average prices denominated as average transaction value of real estate sector has stabled during Q3 2015 comparing to Q2.

Regulatory restrictions are imposed on granting a long term credit on housing real estates which is aimed to carry out reparation and purchase of private houses. These facilities are settled on monthly installments within a period that does not exceed 5 years through deduction from net borrower's income i.e. 40 % of net income. However, the continued decline in interest rates of the discount ratio reaching 2% has led to an increase in retail installment loans used in funding non-commercial needs e.g. renovation of private residences on annual basis during August 2015 thus near to 16%. This ratio is much higher than the annual growth ratio of gross credit which has approximated 5.2% in August, thus reflecting the continued demand on housing loans whether for construction, personal or investment purposes by leasing real estates in typical areas.

Real estate loans reached KD 19.9 Million granted to Kuwait Credit Bank during September 2015 for 712 transactions, thus recording a decline by 12% in size and 20% of number compared to KD 22.5 million covering 885 transactions in August. This includes private plots, government plots, purchase of residential houses, private or government houses, loans for concerned houses and loans to the handicapped. Portfolio loans released by the credit bank for expansion and reparation purposes approximated KD 181 thousand covering 21 transactions in September, i.e. a decline by 35% in value and 16 % in number compared to KD 228 thousand covering 25 transactions in August for expansion and reparation purposes.

Growth in personal installment credit provided by banking sector was not accompanied by any parallel growth in the building and construction sector which has recorded an annual decline by 1.4% in August. Banking credit provided to real estate sector increased by 0.4% annually in August this year as per the latest statements issued by the Central Bank of Kuwait in August 2015.

Accordingly, loans portfolio granted by banking sector to the real estate activity in general approximated KD 18.8 Billion in August 2015, thus marking an annual growth by 6.9%. This growth is the second lowest annual growth witnessed since August 2012. The portfolio represents more than 59% of credit loans granted by the banking sector in August.



Concerning financial performance of listed real estate sector companies' listed, as per most of companies in this sector have not announced their financial result at Q3 2015 yet, so we will highlight the financial performance through Q2 2015, thus net profit has increased in Q2 of the year to form 10% of net profit for all sectors i.e. more than KD 100 million compared to net losses of KD 46 million incurred in Q1. Meanwhile net profit increased by 35% on annual basis. Share profitability increased in Q2 to Fils 6.26, thus marking an increase by 71% compared to Q1.

Total assets declined in Q2 thus representing 4% of sector assets down to KD 5.4 Billion, a decline by KD 189 million i.e. 3% compared to Q1 while profitability increased annually by 6%.

Shareholders equity reached KD 2.9 Billion i.e. 12% of shareholders equity in all sectors in Q2. Thus marking a decline by 4% compared to Q1. Shareholders equity marked an annual increase by 8%. Capital value of real estate sector reached KD 2.4 Billion thus representing 8% for all stock exchange sectors i.e. an increase by 1% compared to Q1 with an annual growth 12% as provided in the latest announced financial statements as at the end of September 2015 compared to Q2 last year.

This was clearly witnessed in the decline in local liquidity applied for investment at the stock exchange to less than KD 1 Billion, thus recording KD 774 Million, i.e. a decline by 29% compared to value in Q2 which has exceeded KD 1 Billion. It also declined significantly on annual basis by 41% compared to KD 1.3 Billion in Q3 2014. Real estate sector performance in the stock exchange was similar. Number of trading companies declined to 36 companies in Q3 compared to 39 companies last year. Real estate sector decline was less in the stock exchange as transactions value in the real estate sector declined in Q3 by 23% compared to Q2 last year while the value declined by 24% compared to Q3 last year.

Local real estate in Kuwait is still enjoying moderate levels during Q3 2015 thus getting closer to 2012 levels. However, this percentage has declined in the two former quarters and last two years. Real estate sales declined on annual basis by 28% compared to the record level recorded in Q3 2014.

Performance was variable for all various types of real estates in Q3 this year. The decline came on the back of the decline in the value of real estate transactions related to private residences compared to Q2. The decline was also increased due to the decline witnessed in the sales of investment real estates. Meanwhile commercial real estate sales remained stable compared to the preceding quarter. Total real estate transactions declined significantly to lower than usual levels achieved in the past, thus participating in the slight decline in the average transaction value.

At the private residence level Q3 2015 witnessed a decline in value by 32% due to the decline in number by 34% compared to Q2. This has led to a limited increase in the transaction average value of private residence by 2% compared to Q2 2015. Average transaction value reached KD 365 thousand during Q3 i.e. higher by 43% when compared to the levels recorded for the same period last year. The results of the surveys made by KFH to track price movement indicate that there was a decline by 1% in residential real estate prices at Kuwait governorates level compared to Q2 while annual decline reached 8.3% compared to Q3 2014.

Investment real estate transactions recorded a decline by 35% during Q3 2015. Number of transactions declined significantly by 19.3% compared to Q2. This decline has participated significantly in the decline of the average transaction value to KD 734 thousand with a value less by 20% compared to Q2 levels which has recorded KD 914 million i.e. 44% compared to higher levels witnessed by the market during Q3 last year. Average price indicators of investment residences are still witnessing a limited decline by 1% compared to Q2. Indicators recorded a slight increase on annual basis by 0.5% compared to Q3 2014.

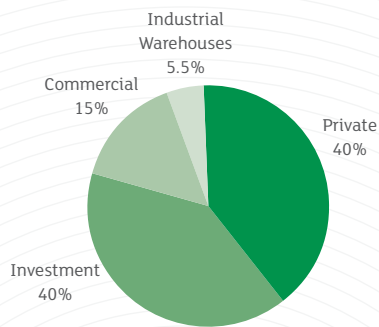
Commercial real estate's sales volume recorded an increase by 1.3% during Q3 2015 despite the decline

in number of transactions by 9.7%. this has contributed to the increase in average transaction value during Q3 2015 to KD 3.7 Million i.e. 12% compared to value in Q2 2015.

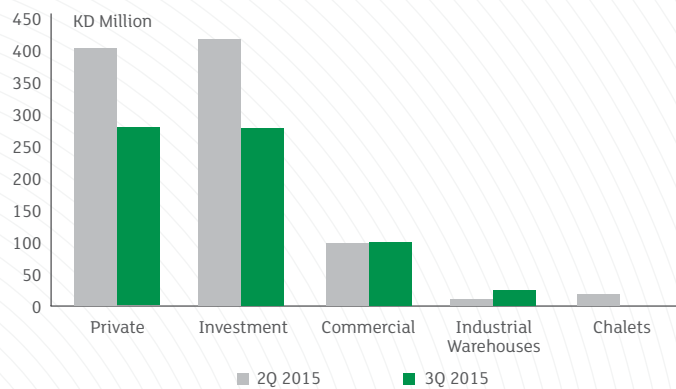
Transaction value increased by 29% on annual basis during Q3 2015. Commercial real estate price indicators were stable for the second quarter respectively. Price indicators increased by 1.2% annually. Average price/M² remained stable in Capital governorate at KD 5,948 during Q3 2015 while average price/M² decline relatively to reach KD 3,571 in Hawalli governorate.

Prices increased relatively in Farwaniya governorate to KD 2,655 while they remained stable at Jahra Governorate at KD 2,870 for the second quarter respectively. Prices reached KD 3,075 at Ahmadi governorate during Q3 2015.

Real Estate Trading Ratio (Sector wise) / Total Real Estate Trading Value Q3 2015



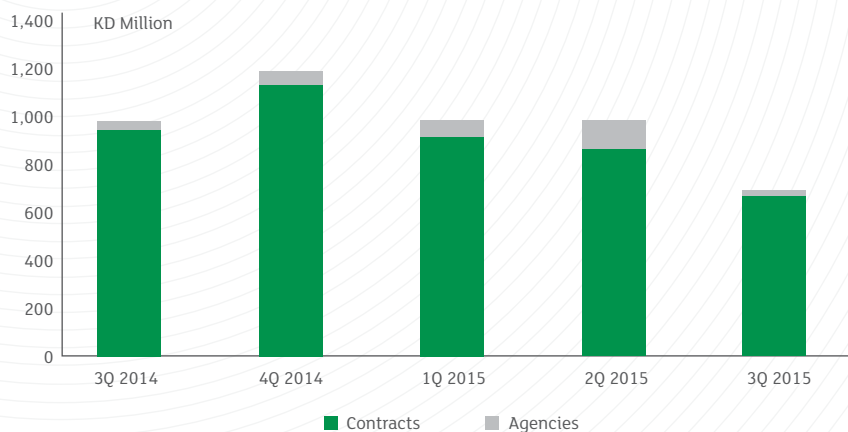
Total Real Estate Trading Value Q2 and Q3 - 2015



Market Trends During Q3

Real estate sales value declined as per the trading indicators issued by the real estate registration and authentication department at the Ministry of Justice thus reaching KD 685.4 million during Q3 2015 i.e. 29% compared to the high levels which have exceeded KD 966 million during Q2 which has witnessed a limited increase by 1%. Annual decline during Q3 this year reached 28% compared to high levels which have prevailed during the same period last year thus recording KD 953 million during Q3 2014.

Developments on Total Real Estate Transaction Value Q3 2014 - Q3 2015



Total real estate transactions (contracts) decreased to reach KD 661 Million during Q3 i.e. a decline by 23% compared to KD 855 Million during Q2 i.e. a decline by 4%. Total real estate transactions in agencies increased to reach KD 25 Million i.e. a significant increase by more than 78% compared to its value KD 111 million during Q2 which has increased significantly by more than 83%.

Total real estate transactions (contracts) recorded an annual decline by 28% or KD 259 Million compared to KD 920 million during Q3 2015. Total real estate trading value – agencies – declined significantly on annual basis by 25% or KD 8 Million compared to KD 33 Million recorded during Q3 2014.

Average total transaction value indicator witnessed a slight decrease by 0.5% or KD 581 Thousand per deal compared to KD 582 thousand during Q2 which has witnessed an increase by 7%. Meanwhile a significant annual increase by 23% was noticed compared to KD 471 thousand during Q3 2014.

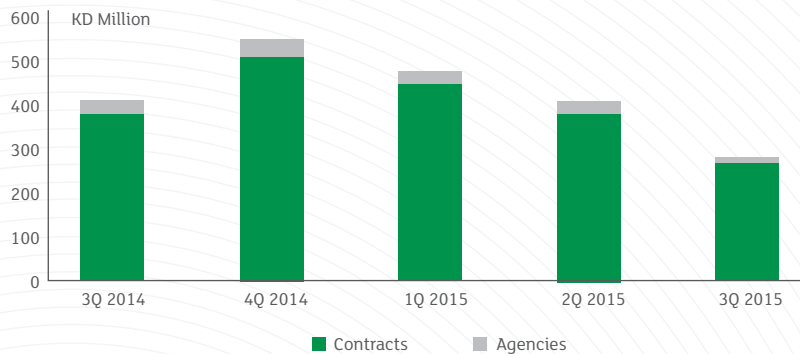
**Progress on Average Transaction Value/ Total Real Estate Trading
Q3 2013 - Q3 2015**



Private Residence Trends

Real estate trading value concerning private residence recorded a decrease by 32% during Q3 2015 to reach KD 277.4 Million i.e. 40.5% of total real estate transactions compared to KD 410 million or 43% of total sales during Q2 – 2015. Value declined on annual basis by 33% compared to KD 414.7 million during the same period last year.

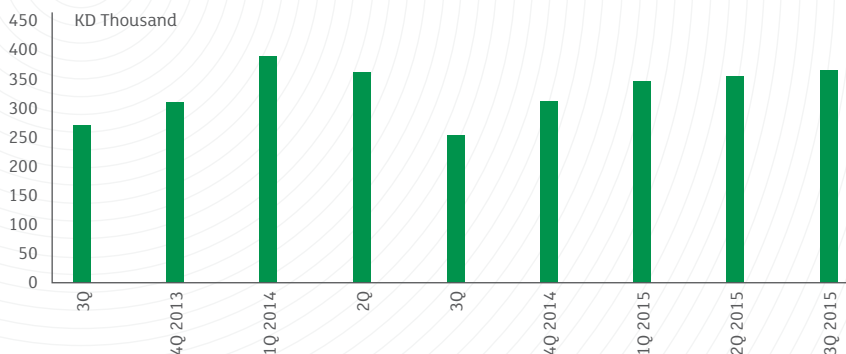
**Progress on Real Estate Transactions Value - Private Residence
Q3 2014 - Q3 2015**



Transactions declined to the second lowest level in 10 years after the first quarter in 2009 thus recording 760 transactions during Q3 2015 i.e. a decline by 34% compared to a decline by 1,151 transactions during Q2 – 2015. Also it has declined by 53% in number for the same period last year.

Average transaction value increased by 2% for the second time respectively during Q3 thus recording KD 365 Thousand compared to KD 357 Thousand during Q2 – 2015 which has witnessed an increase by the same percentage. Average transaction value of private residence increased significantly by 43% compared to the value for the same period last year.

**Progress on Average Transaction Value/Private Residence Transactions
Q3 2013 - Q3 2015**



Concerning private residence monthly transactions value during Q3 2015, the month of July recorded the highest transactions share during Q3 2015, thus recording 37% or KD 102.3 million of total private transactions. The month of September came second with KD 89 million representing 32% while August came last with KD 89 million or 31 % of private residence transactions during Q3 2015.

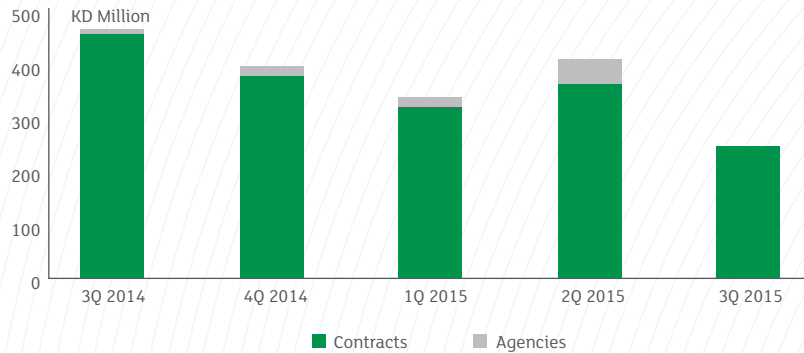
Investment Real Estate Trends

Investment real estate transactions declined by 35% during Q3 2015 to reach KD 274 million compared to KD 422 million during Q2 which has witnessed the only increase since the beginning of the year by 20%.

The decline in investment real estate sale value has led to a decline in its share to 40% of total real estate transaction value during Q3 compared to an increase by 44% during Q2.

Annual decline reached 42% compared to KD 474 million during Q3 2014.

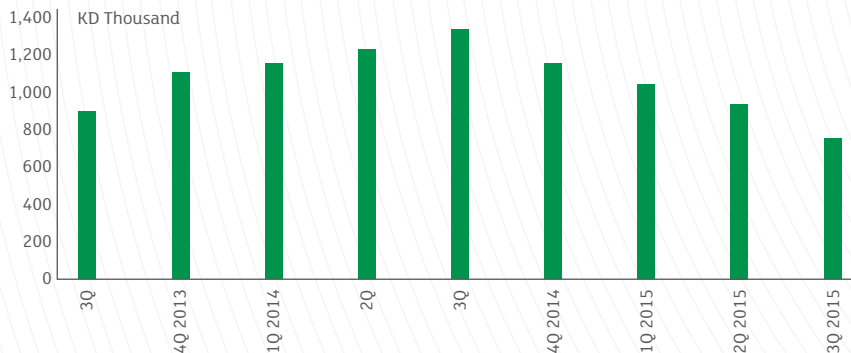
Progress on Investment Real Estate Transactions Value Q3 2014 - Q3 2015



Investment real estate transactions witnessed a decline by 19% in number to reach 373 transactions during Q3 compared to Q2 which has recorded an increase reaching KD 462 or 33%. Transactions increased on annual basis by 3.6% compared to the same period last year.

Concerning investment real estate value per transaction the value has continued its decrease during the three quarters preceding the third quarter. The decline reached 20% thus reaching KD 734 thousand per transactions compared to KD 914 thousand during Q2 2015 which has witnessed a decline by 10%. Meanwhile the annual decline reached 44% compared to the unprecedented levels recorded in 10 years during the same period last year.

Progress on Average Transaction Value/Investment Real Estate Transaction Value Q3 2013 - Q3 2015



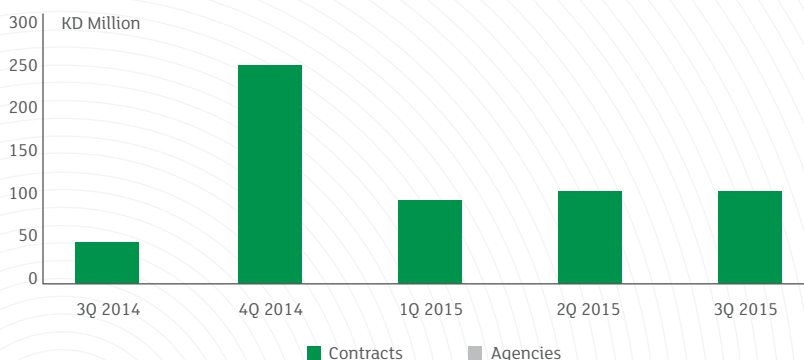
Concerning monthly investment transactions volume during Q3 2015, the month of July has dominated 44% of total investment transactions during Q3 2015, thus recording KD 121 million, followed by August which has dominated 31% i.e. KD 85 million while September came last with a share approximating 25% or KD 68 million.

Commercial Real Estate Trends

Commercial real estate transactions value increased during Q3 by 1.3% reaching more than KD 103 million compared to KD 102 Million during Q2 – 2015 thus marking an increase by more than 11%. This increase has raised the share of commercial real estate in sales value to 15% thus marking a significant increase compared to 11% during Q2 of the year.

Annual commercial real estate transactions value doubled significantly to exceed KD 69 million compared to KD 34 million recorded during Q3 last year.

**Progress on Commercial Real Estate Transaction Value
Q3 2014 - Q3 2015**



The number of commercial real estate transactions decreased to reach 28 transactions during Q3 – 2015 thus marking a decline by 9.7% compared to 31 transactions recorded during Q2 2015. Commercial transactions increased by 133% during Q3 2015 compared to levels recorded last year – 12 transactions only.

Average commercial real estate transaction value increased by 12% during Q3 2015 to reach KD 3.7 million compared to the significant decline by 43% witnessed during Q2 which has recorded KD 3.3 million per transaction.

Average transaction value increased on annual basis by 29% compared to KD 2.9 million last year.

**Progress on Average Transaction Value/Commercial Real Estate Transactions
Q3 2013 - Q3 2015**



Concerning monthly transaction values of commercial real estate transactions volume during Q3 2015 September has recorded sales approximating KD 45 million thus representing a share by 45% of commercial real estate transactions value. July came second with a share representing 30% of total commercial real estate transactions or KD 31.2 Million while August came last with a share of 25% or KD 26 million.

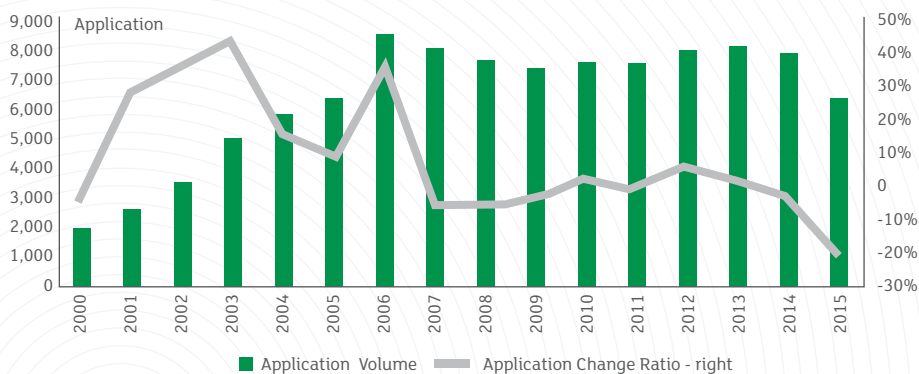
Public Authority for Housing Welfare has completed the execution of some other projects during 2015.

Housing Projects

The state aims to complete more than 36 thousand residential units by 2017. This plan will be part of several projects executed by the Public Authority for Housing Welfare in accordance with very stringent technical conditions set by the authority. These planned housing projects shall fulfill part of the increasing demand on such projects including the accumulating housing applications since 1985 which have declined to 107.4 Thousand applications according to the latest report published on the authority's website in September 2015 compared to July report. Total applications reached 6400 applications during 2015 as per the latest report.

The Public Authority for Housing Welfare has planned, as per the proposed distribution plan for the year 2014/ 2015 to distribute around 12,753 residential units. The authority seeks as per the 2015/2016 plan to distribute 12,177 units of 400 meters each at the suburbs of Southern Mutlaa area till March 2016 including 2849 plots which were planned to be distributed in districts 9 and 11 during Q3 2015 in August and September. These distributions may mitigate the volume of the housing crises in the country by increasing the new offered residential lands.

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



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

Public Authority for Housing Welfare has completed the execution of some other projects during Q2 2015. Actual completion percentage in some of those projects approximated 100% but not yet delivered. The completion percentage in some of these projects exceeded KD 2.6 Million and execution percentage exceeded 85%. However, execution is still less than expected in projects pertaining to plots and services at Jaber Al-Ahmad and Sabah Al-Ahmed areas, North West Sulaibikhat and Qairawan areas with a cost approximating KD 401 Million. Completion percentage in most of the projects is still far less than expected. Total value of incomplete projects approximate KD 318.5 Million including public buildings projects which dominate a cost approximating KD 252 Million. These facts indicate that there is a major delay in the completion of these projects compared to planned schedule.

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

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

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

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

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

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

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

#	Area	Contract Value	Actual Rate of Completion	
			Q2 2015	Q1 2015
19	Sabah Al Ahmad City	6.6	65	60.4%
20	Jaber Al Ahmad City	1.9	100%*	61.5%
21	Jaber Al Ahmad City	1.09	100%*	43.6%
22	Qairawan Area	79.3	100%*	36.5%
23	Jaber Al Ahmad City	0.228	91.5%	New Project. Time schedule under process
24	Sabah Al Ahmad City	2.29	65.3%	7.5%
25	Saad Al Abdallah	1.46	19%	New Project. Time schedule under process
26	Saad Al Abdallah	0.799	New Project. Time schedule under process	
Cost		KD 14.5M		
Total Cost of PAHW Projects		KD 904.2M		

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

Price Indicators

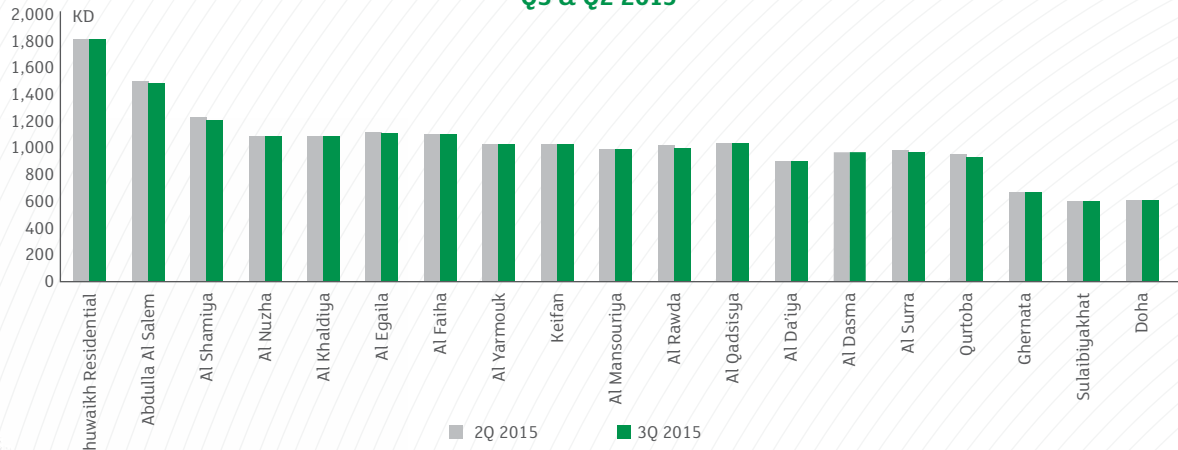
First: Private Residence Land Prices

Price indicators fluctuate based on various factors related to real estate types. Also, real estate prices fluctuate in various Kuwait governorates. Residential land price indexes decreased in capital governorate by 1 % during Q3 2015 compared to the decline witnessed during Q2 by 1.3%. Average price per meter approximated KD 1,033 during Q3 compared to KD 1,043 during Q2 2015. This decline has come on the back of the stability witnessed in some areas and decline witnessed in other areas. Prices were stable in Shuwaikh residential area (highest price area in governorate) at KD 1,819 m² during Q3 compared to Q2.

Abdullah Al-Salem district, second highest average price per square meter at the governorate level, declined by 1.7% during Q3 to KD 1,472 as prices dropped by less than 0.5% during Q2 thus recording KD 1,498/m² compared to a decline by 1.8% witnessed during Q2 in Shamiya while it remained stable in Nuzha, Khaldiya, Adailiya, Yarmouk and Keifan during Q3 2015.

Price levels in Rawda area declined during Q3 by 1.7% compared to Q2. Prices remained stable at Qadsiya, Daiya and Dasma while they declined by 1% in Surra area and 2.3% in Qurtoba area. Prices remained stable in the lowest priced areas of City governorate as it is the case with Sulaibikhat and Ghernata.

**Average Price/m² for Private Residence in Capital Governorate
Q3 & Q2 2015**



Residential Plot Prices at Capital Governorate

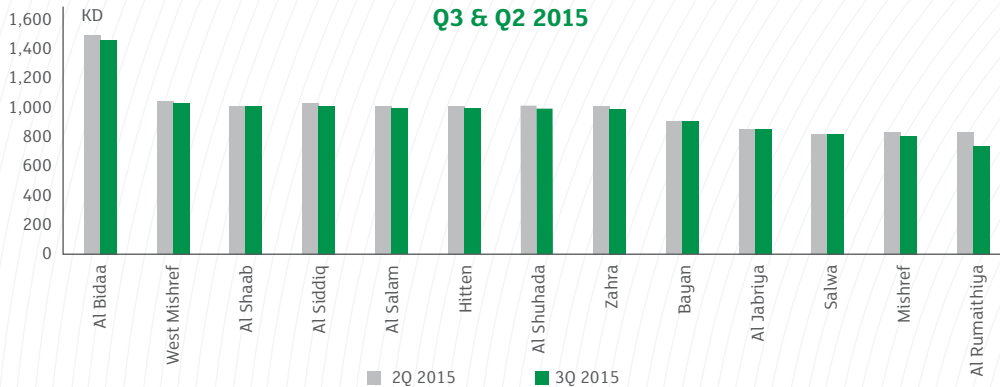
Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Al Shuwaikh Residential	500	210%	Internal	850,000	900,000	1,700	1,800	1,750
	1,000	210%	Internal	1,500,000	1,750,000	1,500	1,750	1,625
	1,000	210%	Main	1,750,000	1,900,000	1,750	1,900	1,825
General Average in the Area				1,525,000	1,675,000	1,738	1,900	1,825
Abdullah Al Salem Area	500	210%	Internal	675,000	800,000	1,350	1,600	1,475
	750	210%	Internal	900,000	1,150,000	1,200	1,533	1,367
	1,000	210%	Internal	1,050,000	1,350,000	1,050	1,350	1,200
General Average in the Area				1,525,000	1,675,000	1,738	1,900	1,819
Shamiyah	250	Till 800m ²	Internal	290,000	340,000	1,160	1,360	1,260
	750	210%	Internal	720,000	900,000	960	1,200	1,080
	500	210%	Main	650,000	750,000	1,300	1,500	1,400
General Average in the Area				720,000	858,571	1,090	1,290	1,190
Nuzha	500	210%	Internal	550,000	620	1,100	1	551
	500	210%	Main	650,000	750,000	1,300	1,500	1,400
	750	210%	Internal	700,000	900,000	933	1,200	1,067
	750	210%	Main	850,000	1,000,000	1,133	1,333	1,233
General Average in the Area				770,000	790,124	1,113	1,067	1,090
Khaldiya	750	210%	Internal	700,000	850,000	933	1,133	1,033
	750	210%	Main	825,000	940,000	1,100	1,253	1,177
	1,000	210%	3rd	1,000,000	1,200,000	1,000	1,200	1,100
	1,000	210%	4th	1,000,000	1,200,000	1,000	1,200	1,100
General Average in the Area				825,625	978,750	1,024	1,208	1,116
Surra	500	210%	Internal	700,000	900,000	933	1,200	1,067
	500	210%	Main	850,000	1,000,000	1,133	1,333	1,233
	750	210%	Internal	800,000	1,050,000	800	1,050	925
	750	210%	Main	1,000,000	1,200,000	1,000	1,200	1,100
General Average in the Area				837,500	1,037,500	967	1,196	1,081
Adailiya	500	210%	Internal	500,000	580,000	1,000	1,160	1,080
	750	210%	Main	825,000	940,000	1,100	1,253	1,177
	1,000	210%	3rd	1,000,000	1,200,000	1,000	1,200	1,100
	1,000	210%	Damascus	1,000,000	1,200,000	1,000	1,200	1,100
General Average in the Area				825,625	978,750	1,024	1,208	1,116

Hawalli governorate witnessed the highest decline ratio by 2% during Q3 2015 as average price per meter reached KD 968 during Q3 compared to KD 988 during Q2 which has witnessed a decline by 1.9%.

Decline in price levels varied among governorate areas. Prices levels declined by 2% during Q3. Prices have also declined by 1% in West Mishref being the second highest priced area among governorate areas followed by Shaab area which has witnessed stability in prices during Q3 2015.

Concerning Siddique area in which price levels exceed KD 1000 per square meter average price per m² declined by 1.7% during Q3 while prices declined in Salam, Hitteen, Shuhada and Zahra areas by more than 2.2% during Q3. Average price per meter recorded KD 987 in most areas while prices stabilized in Bayan, Jabriya and Salwa thus ranging KD 700 – 800 per square meter. Prices declined in Mishrif by 2.1% while decline reached its highest in Rumaithiya thus recording 11.5% although it is the lowest price area during Q3 2015.

Average Price/m² for Private Residence at Hawalli Governorate Q3 & Q2 2015



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

Residential Plot Prices at Hawalli Governorate

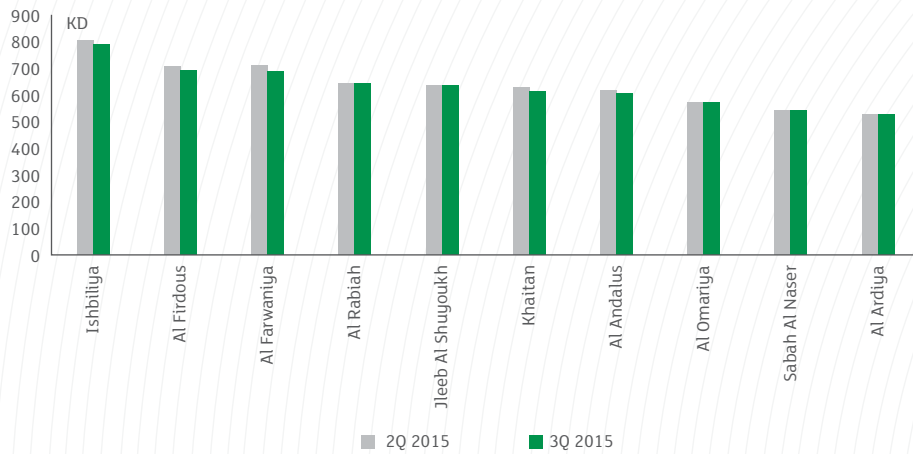
Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Shaab	400	210%	Internal	400,000	450,000	1,000	1,125	1,063
	400	210%	Main	450,000	500,000	1,125	1,250	1,188
	500	210%	Internal	430,000	510,000	860	1,020	940
General Average in the Area				510,000	585,000	949	1,086	1,017
Jabriya	400	210%	Internal	350,000	400,000	875	1,000	938
	400	210%	Main	390,000	450,000	975	1,125	1,050
	500	210%	Internal	400,000	460,000	800	920	860
General Average in the Area				504,444	582,222	796	919	858
Rumaithiya	400	210%	Internal	320,000	370,000	800	925	-
	400	210%	Main	360,000	440,000	900	1,100	1,000
	750	210%	Internal	430,000	530,000	573	707	640
General Average in the Area				507,778	592,222	764	902	737
Salwa	500	210%	Internal	330,000	400,000	660	800	730
	750	210%	Internal	430,000	530,000	573	707	640
	1,000	210%	Aqsaa	850,000	900,000	850	900	875
	1,000	210%	Taawon	1,000,000	1,100,000	1,000	1,100	1,050
General Average in the Area				507,778	592,222	764	902	737
Salaam	400	210%	Internal	370,000	420,000	925	1,050	988
	400	210%	Main	420,000	460,000	1,050	1,150	1,100
	500	210%	Internal	400,000	460,000	800	920	860
	500	210%	Main	460,000	540,000	920	1,080	1,000
General Average in the Area				412,500	470,000	924	1,050	987
Hitteen	400	210%	Internal	370,000	420,000	925	1,050	988
	400	210%	Internal	420,000	460,000	1,050	1,150	1,100
	400	210%	Main	400,000	460,000	800	920	860
	500	210%	Internal	460,000	540,000	920	1,080	1,000
General Average in the Area				412,500	470,000	924	1,050	987
Shuhada	400	210%	Internal	370,000	420,000	925	1,050	988
	400	210%	Main	420,000	460,000	1,050	1,150	1,100
	500	210%	Internal	400,000	460,000	800	920	860
	500	210%	Main	460,000	540,000	920	1,080	1,000
General Average in the Area				412,500	470,000	924	1,050	987

Prices declined in Farwaniya governorate by 1% during Q3 compared to prices in Q2. Average price per m² reached KD 632 during Q3 compared to KD 638 during Q2 2015 which has witnessed the second highest decline ratio among Kuwait governorates by 3.7%.

Prices stabilized in most governorate areas while they declined in other areas. Ishbiliya witnessed a decline by 2% during Q3 while price levels declined in Fardous by 1%. Decline ratio reached its highest level among governorate areas in Farwaniya area by 3%.

Prices stabilized in Rabiya and Jaleeb Al-Shoyoukh thus recording KD 620 - 630 per square meter. Prices declined in Khaitan area by 2% and reached 3% in Andalus area. Low value areas in Farwaniya governorate i.e. Omaria and Sabah Al-Naser witnessed stability in prices during Q3. Prices have stabilized as well in the lowest priced area in the governorate as it is the case in Ardiya during Q3 2015.

Average Price/m² for Private Residence at Farwaniya Governorate Q2 & Q3 2015



Residential Plot Prices at Farwaniya Governorate

Region	Area m ²	Building %	Site	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Andalus	500	210%	Internal	250,000	300,000	500	600	550
	750	210%	External	420,000	450,000	560	600	580
General Average in the Area				354,000	402,000	545	623	584
Rabia (Existing house)	500	210%	Internal	270,000	320,000	540	640	590
	500	210%	External	320,000	350,000	640	700	670
General Average in the Area				295,000	335,000	590	670	630
Ashbilya	375	210%	Internal	255,000	300,000	680	800	740
	400	210%	External	320,000	360,000	800	900	850
	500	210%	Internal	300,000	360,000	600	720	660
General Average in the Area				299,167	351,667	708	832	770
Farwaniya	500	210%	Internal	280,000	340,000	560	680	620
	500	210%	External	330,000	400,000	660	800	730
General Average in the Area				305,000	370,000	610	740	675
Khaitan	400	210%	Internal	240,000	290,000	600	725	663
	750	210%	Internal	350,000	410,000	467	547	507
General Average in the Area				397,500	465,000	550	646	598
Jaleeb Al Shuyoukh	500	210%	External	305,000	360,000	610	720	665
General Average in the Area				282,500	335,000	565	670	618
Ardiya	750	210%	Internal	330,000	380,000	440	507	473
	750	210%	External	380,000	430,000	507	573	540
General Average in the Area				355,000	405,000	473	540	507

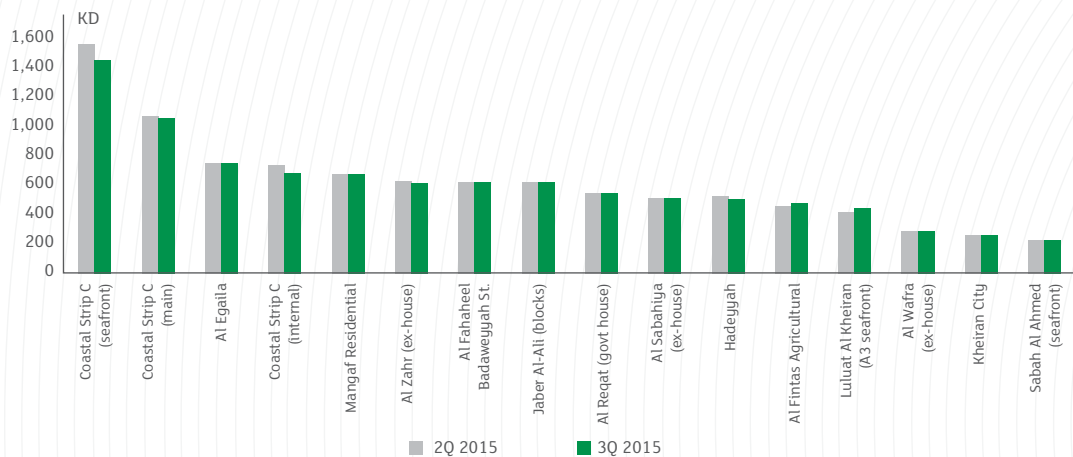
Prices in Ahmadi governorate declined by less than 1% during Q3 thus recording KD 563 as average price per square meter compared to KD 567 during Q2 in which decline reached 1%.

Price levels declined in certain governorate areas while they stabilized in some other areas during Q3 compared to Q2. Few areas only witnessed an increase during Q3. Coast strip area come on top of the governorate areas by average price KD 1,400 M2 which has stabilized during Q3. Next comes the southern coastal area which has declined by 6.1% during Q3 2015.

Prices levels declined by 1.8% in Agaila area which is considered as one of the highest value areas in the governorate. Price levels declined in Manqaf residential area during Q3 by 5.5% compared to Q2. Prices stabilized in Dhaher area and improved at Badawiya Street at Fahaheel area. Prices continued to decline to its highest level at Jaber Al-Ali area 12.4 followed by Fintas areas which has witnessed a decline by 8.4%.

Prices stabilized at the lowest priced areas as at Wafra and Khiran Residential city while price levels improved by 1.7% in Sabah Al-Ahmed marine area which is considered as the highest price area at Ahmadi Governorate.

Average Price/m² for Private Residence at Ahmadi Governorate Q2 & Q3 2015



Residential Plot Prices at Ahmadi Governorate

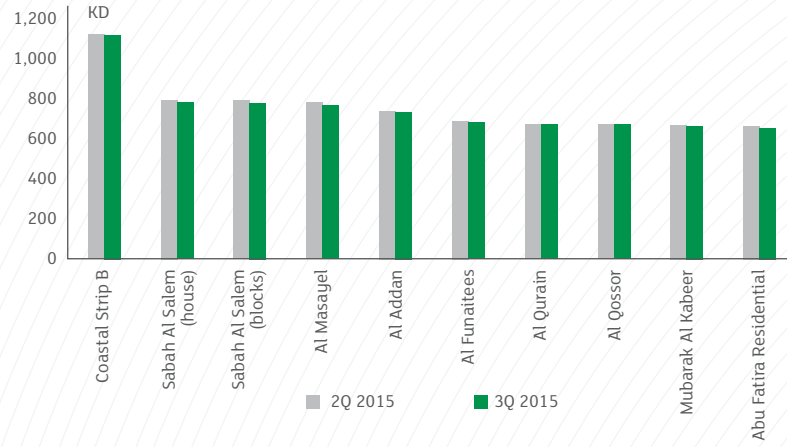
Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Fintas Agricultural	1,000	210%	Internal	380,000	450,000	380	450	415
	1,000	210%	Main	450,000	550,000	450	550	500
Hadiya	750	210%	Internal	300,000	360,000	400	480	440
	750	210%	Main	380,000	420,000	507	560	533
Egaila	400	210%	Main	300,000	340,000	750	850	800
	500	210%	Main	325,000	370,000	650	740	695
Coast strip C overlooking sea	1,000	150%	Marine	1,350,000	1,450,000	1,350	1,450	1,400
Coast strip C overlooking main road	750	150%	Internal	425,000	550,000	567	733	650
Khairan Residential	400	210%	-	80,000	100,000	200	250	225
Sabah Al Ahmad Marine A1 (overlooking sea)	1,200	210%	Marine	250,000	270,000	208	225	217
Sabah Al Ahmad Marine A2 (overlooking Sea)	450	210%	Marine	180,000	200,000	400	444	422
Khairan Pearl Marine A3 City (overlooking Sea)	450	210%	Marine	180,000	200,000	400	444	422
Al Mangaf Residential	375	210%	Internal	205,000	240,000	547	640	593
	-	210%	Main	260,000	300,000	650	750	700

Price levels at Mubarak Al-Kabeer governorate declined slightly by 0.5% thus recording KD 672 during Q3 2015 compared to the decline witnessed during Q2 which was the highest among Kuwait governorates by 13.4% as the price per square meter reached KD 675.

This status may be attributed to the stability in prices in certain governorate areas and price decline in some other areas. Prices stabilized at the highest price areas of the governorate i.e. coastal strip areas (B) at KD 1108 per square meter followed by Sabah Al-Salem area in which prices declined by 1% during Q3, followed by Masayel area in which average price per square meter declined to KD 754 or by 1.4%.

Prices stabilized at the average price areas i.e. Addan, Qurain, Qosour and Mubarak Al-Kabeer areas while they declined by 1% at Funaitees area. Prices declined in the lowest price governorate areas i.e. Abu-Fatira by 1% during Q3 2015.

**Average Price/m² for Private Residence at Mubarak Al Kabeer Governorate
Q3 & Q2 2015**



Residential Plot Prices at Mubarak Al Kabeer Governorate

Region	Area m ²	Building %	Site	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Masayel	400	210%	Internal	280,000	320,000	700	800	750
	400	210%	Main	320,000	360,000	800	900	850
General Average in the Area				320,000	365,000	715	815	765
Coastal Strip B	1,000	150%	Internal	600,000	800,000	600	800	700
	1,000	150%	Marine	3,000,000	3,300,000	1,500	1,650	1575
General Average in the Area				1,516,667	1,750,000	1,017	1,200	1,108
Abu Fatira Residential	400	210%	Internal	230,000	270,000	575	675	625
	400	210%	Main	270,000	310,000	675	775	725
General Average in the Area				267,500	315,000	598	703	650
Funaitees	400	210%	Main	280,000	320,000	700	800	750
	500	210%	Internal	260,000	320,000	520	640	580
General Average in the Area				272,500	325,000	609	725	667
Adan	500	210%	Internal	250,000	290,000	625	725	675
	500	210%	Main	290,000	330,000	725	825	775
General Average in the Area				270,000	310,000	675	775	725

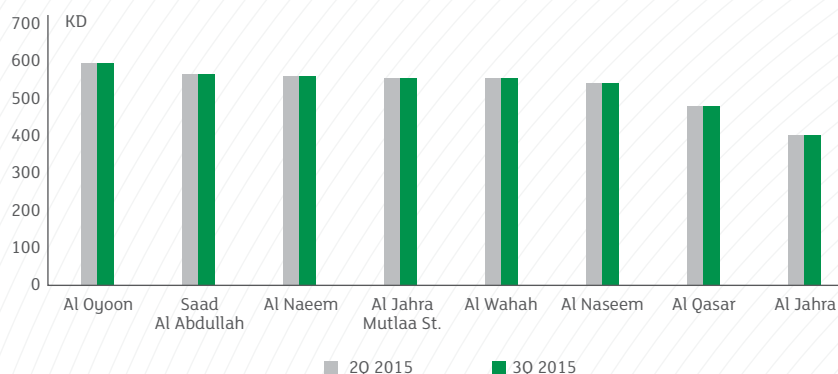
Prices stabilized in Jahra governorate at KD 528 during Q3 compared to Q2 levels which have declined by 3.4%.

Average price per square meter of residential real estate witnessed significant stability at all Jahra governorate areas. No change in price levels was noticed at Oyoum area being the highest price area in the governorate during Q3. Prices witnessed an increase by 5.4% during Q2. Saad Al-Abdullah area witnessed stability in prices after recording a decline in prices by 5.38 % during Q2. Average price per square meter also stabilized at Al-Na'eem area thus recording KD 556 during Q3 compared to a 2.2% decline during Q2.

Prices stabilized as well during Q3 respectively at Mutlaa street area which is considered as one of the average price areas among governorate areas. Prices stabilized at Al-Waha are during Q3 while they witnessed a significant decline by 11% during Q2. Prices stabilized at Al-Naseem area during Q2 respectively.

Prices stabilized at Al-Qasr area which is considered as one of the lowest priced areas at the governorate. No change was witnessed at the lowest price areas of the governorate i.e. old Jahra while price decline reached its highest at governorate areas i.e. 15% during Q2.

Average Price/m² for Private Residence at Jahra Governorate Q3 & Q2 2015



Residential Plot Prices at Jahra Governorate

Region	Area m ²	Building %	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
			From	To	From	To	
Qasr – Club Street	1,000	210%	480,000	550,000	480	550	515
Qasr (existing houses)	600	210%	220,000	300,000	367	500	433
Jahra – Mutla'a St. - Internal	1,000	210%	500,000	600,000	500	600	550
Na'eem – Plots	400	210%	210,000	270,000	525	675	600
Na'eem – (government house)	400	210%	180,000	230,000	450	575	513
Oyoun	297.68	Till 800m ²	150,000	200,000	504	672	588
Al Naseem (government house) – Main Roads	400	210%	190,000	240,000	475	600	550
Oasis (existing houses)	300	Till 800m ²	160,000	210,000	533	700	617
Saad Al-Abdullah	400	210%	230,000	260,000	575	650	613

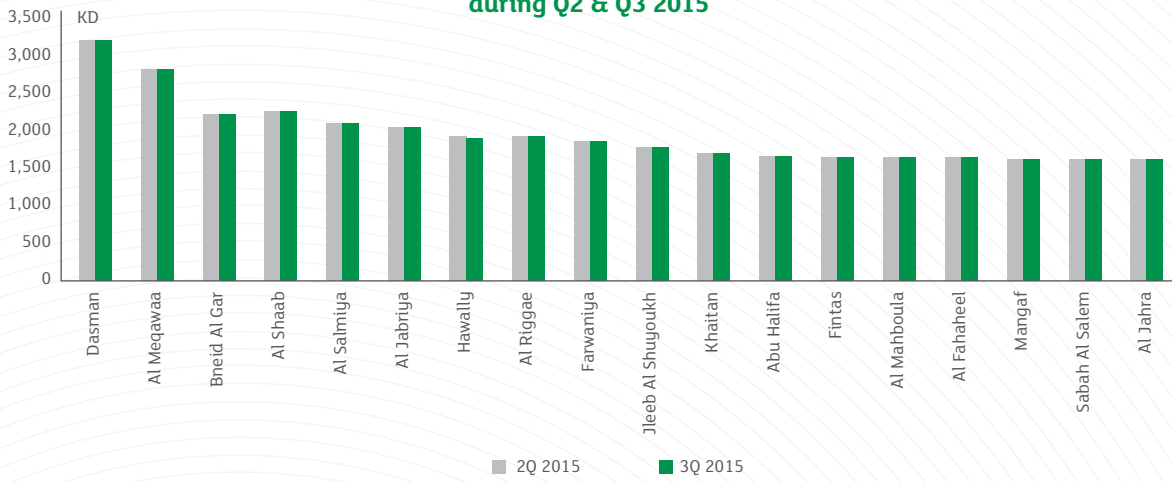
Second: Investment Land Prices

Prices per square meter of investment land at Kuwait level recorded a decline by less than 1% during Q3 2015. This percentage is considered as little higher than the decline witnessed during the preceding quarter. Performance during the same period in 2014 witnessed a growth by 3.3% compared to the preceding quarter. Prices increased on annual basis by less than 0.5% during 2015 compared to Q3 2014 levels. This may be attributed to the slight decline in prices during Q3 2015 in most governorate areas and the significant stability in some other areas compared to Q2 this year.

In regard to price levels at each governorate separately average price per square meter of investment real estates at city governorate has declined slightly by less than 0.5% thus recording KD 2,681 per square meter during Q3 compared to KD 2,689 during Q2 2015 while price levels increased by 1% during Q3.

At city governorate area level prices have stabilized at Dasman area which is considered as one of the highest priced areas in Kuwait concerning average price per square meter of investment real estates. Prices have also stabilized at East Maquaa area during Q3 following the decline witnessed during the preceding quarter. Prices declined by 1.1% at Bneid Al-Qar area which is considered as one of the lowest investment real estate areas at the governorate.

Average price/m² for Investment Residence Properties at Kuwait Governorates during Q2 & Q3 2015



Prices per square meter of investment land at Kuwait level recorded a decline by less than 1% during Q3 2015.

Investment Land Prices at Capital Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Bneid Al Gar	1,000	250%	Gulf Road	2,900,000	3,000,000	2,900	3,000	2,950
	500	250%	Internal Main	950,000	1,100,000	1,900	2,200	2,050
	1,000	250%	Istiqlal	1,700,000	1,900,000	1,700	1,900	1,800
	1,000	250%	1st & 2nd Ring Road	2,000,000	2,250,000	2,000	2,250	2,125
General Average in the Area				1,733,333	1,908,333	2,042	2,267	2,154
Eastern Muqawa	250	240%	Internal	525,000	580,000	2,100	2,320	2,210
	500	400%	Internal Main	1,450,000	1,525,000	2,900	3,050	2,975
	1,000	400%	Shuhada	3,000,000	3,100,000	3,000	3,100	3,050
General Average in the Area				1,568,750	1,657,500	2,650	2,830	2,740
Dasman	1,000	400%	Gulf Road	3,700,000	4,000,000	3,700	4,000	3,850
	1,000	400%	Internal	2,500,000	2,725,000	2,500	2,725	2,613
	750	400%	Abdullah Al-Ahmed	2,175,000	2,300,000	2,900	3,067	2,983
General Average in the Area				2,791,667	3,008,333	3,033	3,264	3,149

Average price per square meter declined at Hawalli governorate to KD 2,022 by less than 0.5% compared to the average price recorded at KD 2,029 during Q2. Average price has also declined on annual basis at the same percentage compared to Q3 last year.

Most investment areas at the governorate witnessed a decline in prices namely at Shaab area which is considered as the highest priced area at the governorate. The decline was less than 0.5%. Prices have also declined in Salmiya area at a lower percentage. Prices stabilized at Jabriya area during Q3 and this was the only exception among the governorate areas. Prices declined at Hawalli area by more than 1% during Q3 2015.

Investment Land Prices at Hawalli Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Hawalli	750	250%	Muthanna	1,312,500	1,450,000	1,750	1,933	1,842
	750	250%	Qutaiba	1,400,000	1,550,000	1,867	2,067	1,967
	750	250%	Ahmed bin Toloun	1,275,000	1,400,000	1,700	1,867	1,783
	750	250%	Maghreb	1,425,000	1,550,000	1,900	2,067	1,983
	750	250%	Sharhabeel	1,300,000	1,450,000	1,733	1,933	1,833
	1,000	250%	Internal	1,600,000	1,800,000	1,600	1,800	1,700
General Average in the Area				1,347,500	1,485,000	1,756	1,936	1,846
Salmiya	1,000	250%	Gulf Road	2,800,000	3,100,000	2,800	3,100	2,950
	750	250%	Baghdad (liberation)	1,462,500	1,575,000	1,950	2,100	2,025
	750	250%	Amman	1,462,500	1,575,000	1,950	2,100	2,025
	750	250%	Bahrain	1,462,500	1,575,000	1,950	2,100	2,025
	750	250%	Amr Bin Al-Aas	1,550,000	1,687,500	2,067	2,250	2,158
	1,000	250%	Main	1,850,000	1,950,000	1,850	1,950	1,900
	1,000	250%	Internal	1,700,000	1,850,000	1,700	1,850	1,775
General Average in the Area				1,491,406	1,628,125	1,933	2,114	2,023
Shaab	1,000	250%	Gulf Road	2,900,000	3,200,000	2,900	3,200	3,050
	750	250%	Internal	1,350,000	1,500,000	1,800	2,000	1,900
General Average in the Area				1,975,000	2,200,000	2,088	2,325	2,206
Jabriya	1,000	250%	4th Ring Road	2,100,000	2,250,000	2,100	2,250	2,175
	1,000	250%	Maghreb	1,950,000	2,100,000	1,950	2,100	2,025
	1,000	250%	McDonald's	2,100,000	2,200,000	2,100	2,200	2,150
	750	250%	Internal	1,312,500	1,462,500	1,750	1,950	1,850
General Average in the Area				1,876,786	2,016,071	1,939	2,086	2,013

Prices declined during Q3 at Farwaniya governorate at less than 1% which is the highest percentage recorded among all governorates. Average price per square meter approximated KD 1,771 compared to a higher decline by 1.7% thus recording KD 1,783 per square meter during Q2 2015.

Prices have stabilized in certain governorate areas during Q3 while they declined in some other areas. Average price per square meter stabilized at Riq'a'e area while it declined in Farwaniya by 1.9%. Prices stabilized in Jelaib Al-Shoyoukh area during Q3 this year while the decline ratio was less than 1% in the investment real estate area of Khaitan which is the lowest price area among investment areas at the governorate.

Investment Land Prices at Farwaniya Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Farwaniya	750	250%	Airport	1,450,000	1,600,000	1,933	2,133	2,033
	750	250%	6th Ring Road	1,450,000	1,550,000	1,933	2,067	2,000
	1,000	250%	Internal	1,400,000	1,600,000	1,400	1,600	1,500
	500	250%	Main	850,000	950,000	1,700	1,900	1,800
General Average in the Area				1,266,667	1,400,000	1,703	1,883	1,793
Khaitan	750	250%	6th Ring Road	1,325,000	1,400,000	1,767	1,867	1,817
	1,000	250%	Internal	1,400,000	1,600,000	1,400	1,600	1,500
	600	250%	Internal	900,000	1,000,000	1,500	1,667	1,583
General Average in the Area				1,277,500	1,430,000	1,550	1,733	1,642
Jleeb Al Shuyoukh	750	250%	6th Ring	1,325,000	1,400,000	1,767	1,867	1,817
	750	250%	Police Station	1,300,000	1,450,000	1,733	1,933	1,833
	750	250%	Main	1,240,000	1,350,000	1,653	1,800	1,727
	500	250%	Internal	825,000	900,000	1,650	1,800	1,725
General Average in the Area				1,128,929	1,235,714	1,672	1,829	1,750
Al Riggae	750	250%	4th Ring Road	1,425,000	1,550,000	1,900	2,067	1,983
	1,000	250%	5th Ring Road	1,850,000	2,000,000	1,850	2,000	1,925
	1,000	250%	4th Ring Road	1,900,000	2,025,000	1,900	2,025	1,963
	750	250%	Internal Main	1,350,000	1,425,000	1,800	1,900	1,850
General Average in the Area				1,437,500	1,553,571	1,824	1,975	1,899

Prices stabilized in Ahmadi governorate during Q3 at KD 1,607 per square meter of investment real estates compared to a slight decline by less than 1% during the preceding quarter.

Concerning movement of prices at the governorate level Manqaf area maintained its leading position in regard to average price per square meter for the second quarter respectively despite the slight decline witnessed during Q3 by less than 0.5%. Prices stabilized at Abu-Halifa area. Prices declined in Mahboula and Fintas areas by less than 0.5% while they stabilized at Fahaheel during Q3 2015 bearing in mind that this area was the lowest price area among governorate areas by 1.2% during Q2.

Investment Land Prices at Ahmadi Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Fintas	750	250%	Fahaheel	1,125,000	1,200,000	1,500	1,600	1,550
	750	250%	Main	1,050,000	1,162,500	1,400	1,550	1,475
	1,000	250%	Coast Strip	2,000,000	2,200,000	2,000	2,200	2,100
General Average in the Area				1,166,500	1,292,500	1,518	1,683	1,601
Abu Halifa	500	250%	Internal	720,000	800,000	1,440	1,600	1,520
	750	250%	Main	1,050,000	1,162,500	1,400	1,550	1,475
	1,000	250%	Coast Strip	2,000,000	2,200,000	2,000	2,200	2,100
General Average in the Area				1,176,875	1,315,625	1,523	1,704	1,613
Mangaf	500	250%	Internal	735,000	815,000	1,470	1,630	1,550
	750	250%	Mecca Street	1,162,500	1,250,000	1,550	1,667	1,608
	1,000	350%	Coast Strip	2,000,000	2,250,000	2,000	2,250	2,125
General Average in the Area				1,180,833	1,296,250	1,545	1,694	1,619
Mahboula	500	250%	Internal	720,000	815,000	1,440	1,630	1,535
	750	250%	Main	1,050,000	1,162,500	1,400	1,550	1,475
	750	250%	Fahaheel	1,150,000	1,200,000	1,533	1,600	1,567
	1,000	250%	Coast	2,000,000	2,200,000	2,000	2,200	2,100
General Average in the Area				1,150,000	1,200,000	1,533	1,600	1,567
Fahaheel	500	250%	Internal	750,000	830,000	1,500	1,660	1,580
	750	250%	Main	1,087,500	1,200,000	1,450	1,600	1,525
	1,000	250%	Mecca	1,650,000	1,800,000	1,650	1,800	1,725
General Average in the Area				1,077,083	1,184,167	1,517	1,668	1,593

Prices stabilized at Mubarak Al-Kabeer governorate during Q3 2015 thus recording KD 1,595 following a decline by 1.4% in average price per square meter witnessed during the preceding quarter.

Prices stabilized in the highest price area at the governorate level as witnessed in certain places of Fahaheel St. in Sabah Al-Salem area. Prices have also stabilized in certain areas overlooking the 6th Ring Road which is considered as the second highest price area per square meter. Middle and low priced areas witnessed stability in prices as well during Q3 as it is the case in some main and internal areas. The same applies to the lowest priced plots in the governorate covering an area of 500 M2 each.

Investment Land Prices at Mubarak Al Kabeer Governorate

Region	Area m ²	Building %	Site	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Sabah Al Salem	750	250%	Internal	1,100,000	1,200,000	1,467	1,600	1,533
	1,000	250%	Internal Main	1,550,000	1,650,000	1,550	1,650	1,600
	1,000	250%	Fahaheel	1,850,000	2,000,000	1,850	2,000	1,925
	500	170%	6th Ring Road	550,000	625,000	1,100	1,250	1,175
General Average in the Area				1,344,643	1,453,571	1,531	1,660	1,595

Price levels stabled in Ahmadi Governorate during Q3 2015.

Prices stabilized significantly at Jahra governorate during Q3 this year as average price per square meter reached KD 1,581 following the increase by 1% witnessed during Q2 2015.

A state of stability in prices prevailed in all governorate areas during Q3 compared to Q2 2015 as it is the case with the 800 m² area located at Water station street (Khuzami St.) which is considered as the highest price investment area among all governorate areas. Prices have also stabilized in internal and main areas of the governorate covering 1000 m² area and 500 m² areas which all have witnessed significant stability during Q3.

Investment Land Prices at Jahra Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value /m ² (KD)		Average Price/ m ² Q3 2015
				From	To	From	To	
Jahra	1,000	250%	Internal	1,300,000	1,450,000	1,300	1,450	1,375
	1,000	250%	Main	1,500,000	1,650,000	1,500	1,650	1,575
	800	250%	Khuzami St. (water station)	1,320,000	1,400,000	1,650	1,750	1,700
	500	250%	Main	800,000	875,000	1,600	1,750	1,675
General Average in the Area				1,134,000	1,241,000	1,510	1,652	1,581

Annual Rate of Return on Investment Properties

Demand on investment properties is dependent on realized rates of return. Such returns approximated, at governorates level, between 6.4 % - 7.5 % during Q3 2015. Capital governorate areas recorded rates reached 6.55% during Q3 and Q2. Recorded price ranged between 6.6 % - 6.8 % in various governorate areas and reached 7% in some of the governorate areas. Average returns on investment properties reached more than 6.9 % in Hawalli governorate areas. Rates of Return on investment properties in governorate areas increased to 7.25% during Q3 2015 in certain governorate areas.

Realized returns in Farwaniya governorate increased to 7.3% while returns ranged between 7.2% - 7.4% in governorate areas. Returns in Ahmadi governorate recorded 7.4% during Q3 2015 and reached their lowest level at 6.5%. Returns at Mubarak Al-Kabeer and Jahra governorates levels reached 7.3%.

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

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

Governorate	Region	Building %	Area m ²	Site	Sale Return/Annual Real Estate Income % Q3 2015		
					From	To	Average
Capital	Bneid Al Gar	250%	1,000	Gulf Road	6.25%	6.25%	6.25%
	Bneid Al Gar	250%	1,000	Istiqlal	6.50%	6.75%	6.63%
	Eastern Maqwa	240%	250	Internal	6.00%	6.50%	6.25%
	Dasman	400%	1,000	Gulf Road	6.25%	6.50%	6.38%
Hawalli	Hawalli	250%	750	Muthanna	7.00%	7.25%	7.13%
	Hawalli	250%	1,000	Mousa Bin Nasir	7.00%	7.25%	7.13%
	Salmiya	250%	1,000	Gulf Road	6.25%	6.25%	6.25%
	Salmiya	250%	1,000	Hamad Al-Mubarak	6.75%	7.00%	6.88%
	Shaab	250%	1,000	Gulf Road	6.25%	6.25%	6.25%
	Shaab	250%	1,000	Internal	7.00%	7.00%	7.00%
Farwaniya	Farwaniya	250%	1,000	Airport	7.25%	7.25%	7.25%
	Farwaniya	250%	750	Internal	7.50%	7.50%	7.50%
	Khaitan	250%	750	Airport	7.25%	7.25%	7.25%
	Khaitan	250%	750	Internal	7.50%	7.50%	7.50%
	Riggae	250%	1,000	5th Ring Rd	7.00%	7.25%	7.13%
Ahmadi	Fintas	250%	500	Internal	7.25%	7.50%	7.38%
	Fintas	250%	750	Main	7.50%	7.75%	7.63%
	Abu Halifa	250%	500	Internal	7.25%	7.50%	7.38%
	Abu Halifa	250%	1,000	Coast strip	6.50%	6.75%	6.63%
	Mahboula	250%	750	Internal	7.50%	8.00%	7.75%
	Mahboula	250%	750	Fahaheel	7.25%	7.50%	7.38%
	Mahboula	250%	1,000	Coast Strip	6.50%	6.75%	6.63%
	Fahaheel	250%	500	Internal	7.25%	7.25%	7.25%
Jahra	Jahra	250%	1,000	Internal	7.25%	7.75%	7.50%
	Jahra	250%	800	Khuzami	7.25%	7.50%	7.38%
Mubarak Al Kabeer	Sabah Al Salem	250%	750	Internal	7.00%	7.50%	7.25%
	Sabah Al Salem	250%	1,000	Main	7.00%	7.50%	7.25%



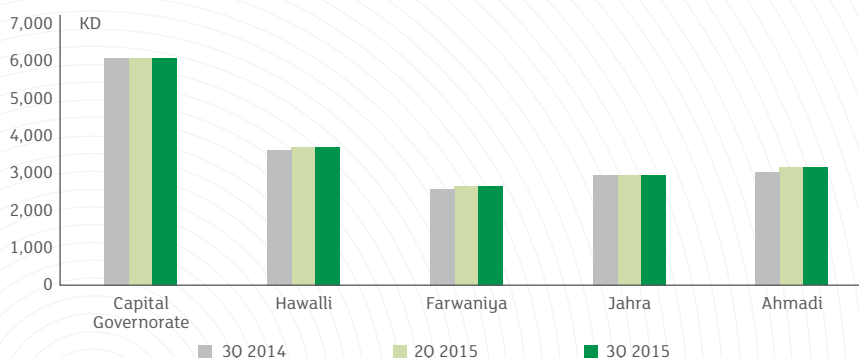
Third: Commercial Property Prices

Commercial property average price per square meter stabilized for the second time during Q3 at the state of Kuwait level compared to Q2. Meanwhile prices improved on annual basis during Q3 by 1.2% compared to last year's levels.

Concerning average price per square meter in each governorate, city governorate is considered as the highest price area in Kuwait. However, price per square meter has stabilized during Q3 for the third time respectively thus recording KD 5,948. Prices have also stabilized significantly compared to the prices which have prevailed during Q3 last year.

At the city governorate areas level a state of significant stability is noticed during Q3 this year as it is the case in the highest price areas in the governorate i.e. Mubarak Al-Kabeer St. in city area and Qibla area – Fahad Al-Salem St. Prices per square meter have stabilized also at Sharq area which is considered as one of the average priced areas in the governorate during Q3. The same applies to certain other areas i.e. Ahmed Al-Jaber St., Khaled Bin Al-Waleed St. and Abdullah Al-Mubarak St. Prices stabilized also in the lowest priced areas of the governorate namely Sour St. and Ali Al-Salem St.

**Average Price/m² of Commercial Real Estate at Kuwait Governorates
Q3 & Q2 2015 – Q3 2014**



Commercial Land Prices at Capital Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q3 2015
				From	To	From	To	
Qiblah	500	300%	Mubarakiya	2,375,000	2,875,000	4,750	5,750	5,250
Sharq	500	520%	Ahmad Al Jaber	3,250,000	3,500,000	6,500	7,000	6,750
Downtown	500	620%	Soor	3,000,000	3,125,000	6,000	6,250	6,125
	500	620%	Mubarak Al Kabeer (Stock Exchange)	3,750,000	4,000,000	7,500	8,000	7,750
Qiblah	500	620%	Ali Al-Salem	2,275,000	2,625,000	4,550	5,250	4,900
Sharq	500	520%	Ali Al-Salem	2,875,000	3,000,000	5,750	6,000	5,875

Prices declined in Hawalli governorate by less than 0.5% during Q3 to reach KD 3,571 following the stability witnessed during the preceding quarter which has recorded an average price per square meter at KD 3,582. Despite this decline yet the price per square meter during Q3 remains higher by 1% than the levels recorded during the same period 2014.

At the governorate level prices have stabilized in most of the areas during Q3. Prices have stabilized in Hawalli area – Tunis St. and Beirut St. compared to Q2 prices. Prices have also stabilized at Othman St. covering 750 m² areas while the only exception was in Ibn Khaldoun St. which has witnessed a decline in prices during Q3 by 2.1% compared to Q2. A state of stability in prices – prevailed in Hamad Al-Mubarak St. and Salem Al-Mubarak St. during Q3. Stability has also prevailed in investment areas at the governorate in Bahrain St. during Q3 2015.

Commercial Land Prices at Hawalli Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q3 2015
				From	To	From	To	
Hawalli	1,000	180%	Tunis	3,800,000	4,300,000	3,800	4,300	4,050
	750	150%	Othman	2,175,000	2,400,000	2,900	3,200	3,050
Salmiya	800	180%	Hamad Mubarak	2,560,000	2,840,000	3,200	3,550	3,375
	800	180%	Salem Al Mubarak	2,800,000	3,840,000	3,500	4,800	4,150
	800	180%	Bahrain	1,425,000	1,550,000	2,850	3,100	2,975

Price levels stabilized at Farwaniya governorate at KD 2,655 during Q3 2015 following a slight decline witnessed during the preceding quarter. Prices increased during Q3 by 6% compared to Q3 last year ,thus recording the highest annual growth ratio in commercial real estate prices in various Kuwait governorates.

A state of significant stability prevailed in most of the governorate areas during Q3 as witnessed in some of the highest price areas i.e. Munawer St. – Farwaniya area for the second time respectively. Prices have also stabilized in Fire brigade St. during Q3 and Q2 of the year thus putting it in the second position in regard to average price per square meter during Q3 2015.

Significant price stability has also prevailed in Khaitan area opposite commercial and office center. Jaleeb Al-Shoyoukh has also witnessed stability in areas like cooperative street and internal areas which have not witnessed any change.

Price levels stabilized in 6th Ring Road areas i.e. Dhajeej area. The only exception is represented in the significant increase by more than 5% noticed in the internal areas following the decline witnessed during the preceding quarter by 11%. Average price per square meter stabilized at Ardiya area during Q3 this year.

Commercial Land Prices at Farwaniya Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q3 2015
				From	To	From	To	
Farwaniya Munawer St.	1,000	180%	Munawer	5,100,000	5,500,000	5,100	5,500	5,300
Farwaniya Fire Brigade St.	800	180%	Fire Brigade Street	3,600,000	3,840,000	4,500	4,800	4,650
Jaleeb Al Shuyoukh (Opposite Society)	1,000	180%	Cooperative Street	2,700,000	2,900,000	2,700	2,900	2,800
Jaleeb Al Shuyoukh (Background)	1,000	180%	Internal	2,100,000	2,350,000	2,100	2,350	2,225
Dhajeej (5,000 M) on the 6th R. R.	5,000	50%	6th Ring Road	6,250,000	6,750,000	1,250	1,350	1,300
Dhajeej (South Khaitan)	5,000	250%	Internal	2,000,000	2,250,000	400	450	425
Ardiya (Warehouses)	1,000	Ground 80% Mezzanine 50%	Main	1,200,000	1,250,000	1,200	1,250	1,225

Ahmadi governorate witnessed a remarkable stability in prices as average price per square meter reached KD 3,075 during Q3 2015. Meanwhile prices have increased slightly by 1% on annual basis compared to Q3 2014.

Prices stabilized significantly in most of the governorate areas. Prices stabilized for the second time respectively in certain places at the coastal strip road which is considered as one of the highest priced areas at the governorate level. Price per square meter stabilized at Meccas St. which comes in the second position value wise at Fahaheel area. Prices have also stabilized at Dabbous St., internal and main roads at the commercial and office center at Fintas area.

Prices stabilized at internal areas in Khiran Pearl area during Q3 following a decline by 2.3% witnessed during the preceding quarter. Prices decline by 1.8% in place like marina St. at Khiran Pearl.

Commercial Land Prices at Ahmadi Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q3 2015
				From	To	From	To	
Mangaf	750	300%	Aziziya	1,500,000	1,687,500	2,000	2,250	2,125
Fintas Admin. & Comm.	1,000	180%	Main	3,500,000	3,800,000	3,500	3,800	3,650
	1,000	180%	Internal	3,400,000	3,600,000	3,400	3,600	3,500
Fahaheel	750	180%	Internal	2,362,500	2,550,000	3,150	3,400	3,275
Fahaheel	750	180%	Coastal Road	3,262,500	3,450,000	4,350	4,600	4,475
Fahaheel	750	180%	Mecca	3,000,000	3,300,000	4,000	4,400	4,200
Khiran Pearl	1,200	180%	Marina	1,560,000	1,680,000	1,300	1,400	1,350

Average prices stabilized at Jahra governorate at KD 2,870 per square meter during Q2 2015 while they increased by less than 1% on annual basis during Q3 2015.

Prices have also stabilized in all governorate areas e.g. administrative and commercial area in Jahra which is considered as the highest price area concerning commercial land prices followed by Marzouk Met'eb Street in which no change in prices was noticed during Q3 2015. Prices have also stabilized at the Qaisariyat area during Q3 as well as all other areas in Jahra governorate.

Commercial Land Prices at Jahra Governorate

Region	Area m ²	Building %	Street	Land Market Value (KD)		Market Value/m ² (KD)		Average Price/m ² Q3 2015
				From	To	From	To	
Jahra	1,000	50%	Marzouk Al-Mat'aab	3,100,000	3,300,000	3,100	3,300	3,200
Jahra Admin. & Comm. Center	875	300%	Admin. & Commercial	3,325,000	3,500,000	3,800	4,000	3,900
Jahra Qaisariyat	225	300%	Block 20	607,500	675,000	2,700	3,000	2,850
Jahra	1,000	50%	Block 21	1,900,000	2,100,000	1,900	2,100	2,000

Commercial Properties' Annual Rate of Return (ARR)

Rates of Return on commercial properties are still relatively less than returns realized from investment properties in certain governorates e.g. capital governorate in which average return on commercial property increased to reach 6.4%. Returns on commercial real estate exceed returns on investment relatively in remaining governorates. This may be attributed to the increase in expectations related to the future of offices sector namely in the attraction area in capital area. Returns have increased by 7.3% in Hawalli area and 7.7% in Farwaniya area during Q3 this year. Returns have stabilized thus recording 7.53% at Jahra governorate and increased relatively by 7.4% in Ahmadi Governorate.

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

Governorate	Region	Building %	Street	Sale Return/Annual Real Estate Income % Q3 2015		
				From	To	Average
Capital	Qiblah	300%	Mubarakiya	6.00%	6.50%	6.25%
	Sharq	520%	Ahmad Al Jaber	6.50%	6.50%	6.50%
	City	620%	Soor	6.50%	6.50%	6.50%
	City	620%	Mubarak Al Kabeer - Blocks	6.50%	6.50%	6.50%
	Qiblah	620%	Fahd Al Salem	6.50%	6.50%	6.50%
Hawalli	Hawalli	180%	Tunis	7.00%	7.50%	7.25%
	Hawalli	180%	Beirut	7.00%	7.50%	7.25%
	Hawalli	180%	Ibn Khaldoun	7.25%	7.50%	7.38%
	Salmiya	180%	Hamad Al Mubarak	7.25%	7.50%	7.38%
	Salmiya	180%	Salem Al Mubarak	7.00%	7.00%	7.00%
Farwaniya	Farwaniya Munawer St.	180%	Munawer	7.00%	7.50%	7.25%
	Khaitan (Admin & Commercial)	300%	Admin & Commercial	7.25%	7.50%	7.38%
	Jaleeb Al Shuyoukh (Opposite Cooperative)	180%	Cooperative St.	7.75%	8.00%	7.88%
	Dhajej (5,000 M) Internal	0%	Internal	7.75%	8.00%	7.88%
	Ardiya (Warehouses)	GF 80% Mezzanine 50%	Main	7.75%	8.00%	7.88%
Jahra	Jahra	180%	Marzouk Al-Mat'aab	7.50%	7.50%	7.50%
	Jahra (Admin. & Commercial)	300%	Admin. & Commercial	7.50%	7.50%	7.50%
	Jahra - Qaisariyat	300%	Plot 20	7.50%	7.75%	7.63%
	Jahra	50%	Plot 41A	7.50%	7.50%	7.50%
Ahmadi	Mangaf	300%	Aziziya	7.50%	7.50%	7.50%
	Fintas (Admin. & Commercial)	180%	Internal	7.50%	7.75%	7.63%
	Fahaheel	180%	Internal	7.50%	7.50%	7.50%
	Fahaheel	280%	Mecca	7.00%	7.50%	7.25%

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

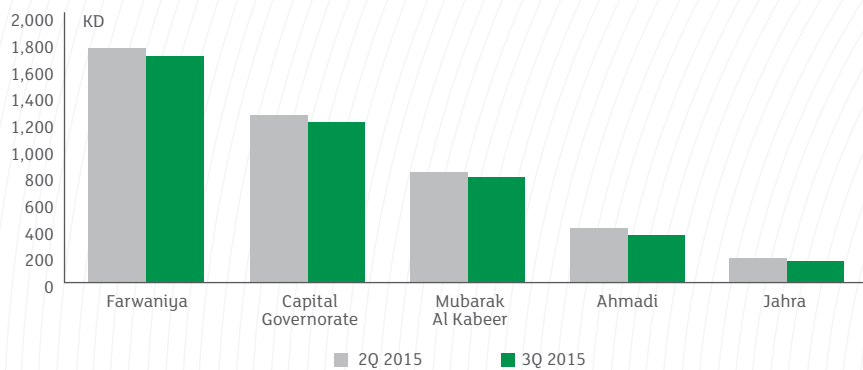
Average price per square meter declined in industrial plots during Q3 at Kuwait governorates level by 2.4% compared to Q2 in which has declined by 5.8%.

At governorates level, prices declined in capital governorate by 3.6% during Q3 to reach KD 1,257 per square meter compared to a decline by 3.2% witnessed during Q2 2015.

Prices stabilized in industrial plots during Q3 at Decoration St. compared to Q2. Prices declined at Electricity St. by 3% bearing in mind that such areas are considered as the highest price areas at the governorate level. Prices declined at variable levels ranging 4% and 2% at Canada Dry St. while they decline in Shahrazad St. by 5% during Q3 2015.

Prices declined at Pepsi St. by 5% while in 4th Ring Road prices declined by 6%. Prices continued their decline at Mohammed Al-Qasem St. by 7% while they stabilized at Ghazalli St. area during Q3 2015.

Average Market Value/m² for Industrial and Handcraft Property at Kuwait Governorates Q3 & Q2 2015



Industrial Plot Prices at Capital Governorate

Region	Allocation	Area m ²	Building %	Street	Land Market Value (KD)		Average Price/m ² Q3 2015
Industrial Shuwaikh	Showrooms + Industrial	1,000	100% Basement + 80% Ground + 50% Mezzanine	Canada Dry St.	1,400,000	1,500,000	1,450
		5,000		Canada Dry St.	5,500,000	6,250,000	1,175
		1,000		Shahrazad St.	1,000,000	1,100,000	1,050
		1,000		Decoration St.	1,300,000	1,500,000	1,400
		500		Decoration St.	800,000	900,000	1,700
		500		Electricity St.	850,000	950,000	1,800
		5,000		Pepsi St.	4,750,000	5,500,000	1,025
		1,000		4th Ring Road	1,100,000	1,250,000	1,175
		22,500		Internal	10,125,000	12,375,000	500
		1,000		Mohammad Al Qasim	1,000,000	1,150,000	1,075
		1,000		Ghazalli St.	900,000	1,100,000	1,000
		General Average in the Area					2,652,273

Prices per square meter of industrial plots at Farwaniya governorate declined by 1% to reach 1,724 per square meter during Q3 compared to the decline witnessed during Q2 by 3% after recording KD 1,744 per square meter.

Prices stabilized at Ardiya area during Q3. This area is considered from the highest price area among various industrial areas at Kuwait governorates level following the decline by 4% witnessed during Q2. Prices stabilized in certain internal warehouses places and certain handcraft places opposite 6th Ring Road while they declined during Q2 by 5.5%. Prices have also stabilized in the area opposite Ardiya during Q3 2015.

Prices declined in Al-Rai area by 4% during Q3 compared to a slight increase witnessed during Q2 2015. Prices increased at Safat Al-Ghanem till Al-Nasr Showroom by 2%. Prices stabilized at Ghazalli St. area during the second quarter respectively while they declined by 2% at 4th Ring Road, being the highest price area at Al-Rai by 13% at Mohammed Al-Qasem St. Prices declined at car showrooms area by 3% during Q3 2015 and declined by 9% in internal streets bearing in mind that this area is considered as the lowest average price per square meter area.

Industrial Plot Prices at Farwaniya Governorate

Region	Allocation	Area m ²	Building %	Site	Street	Land Market Value (KD)		Average Price/m ² Q3 2015
						From	To	
Al Rai	Showrooms + Industrial	1,000	100% Basement	Main	Safat Alghanim (till Al Nasser Sports)	1,450,000	1,550,000	1,500
		1,000	80% GF	Main	Ghazalli St.	1,100,000	1,200,000	1,150
		4,000	50% Mezzanine	Main	Mohammad Al Qasim	4,000,000	4,500,000	1,063
General Average in the Area						2,166,667	2,433,333	1,081
Ardiya Craft Area	Crafts	250	100% Basement +	Main	Opposite Ardiya Stores	625,000	675,000	2,600
		250	80% GF + 50% Mezzanine	Main	Opposite Ardiya Residential	550,000	600,000	2,300
General Average in the Area						565,000	618,750	2,368

Average price per square meter declined at Ahmadi governorate by 5% thus recording KD 450 during Q3 compared to a decline by 4.4% during Q2 which had recorded KD 472 per square meter.

Prices declined at Fahaheel area during Q3 by 9%. This area is considered as the highest price area in the governorate. Decline in certain internal streets reached 14% while it reached 9% in the area opposite refineries and 6% in Sultan Center Street.

Prices increased in East Ahmadi industrial area, being the second highest price area, by 1% during Q3 compared to a decline by 13.6% during Q2. Prices stabilized at Mustafa Karam St. during Q3 while they declined in internal places at the warehousing area by 1%.

Shuaiba and Mina Abdulla area witnessed a significant stability during Q3. Prices stabilized as well in Jawharat Al-Fanar which is considered as the highest price area. Prices have also stabilized in main places of the area compared to the decline by 8.3% witnessed during Q2. Prices stabilized in Gravel storage areas and internal places of Mina Abdulla during Q3 2015.

Industrial Plot Prices in Al Ahmadi Governorate

Region	Allocation	Area m ²	Street	Land Market Value (KD)		Average Price/m ² Q3 2015
West Shuaiba	Industrial	120,000	Behind Gas Station	10,500,000	12,500,000	95.8
West Shuaiba		10,000	Internal	1,600,000	1,750,000	167.5
Mina Abdullah		1,000	Fanar	950,000	1,150,000	235
General Average in the Area				3,252,500	3,750,000	129
Fahaheel	Showrooms + Industrial	1,000	Sultan Center St.	1,100,000	1,200,000	1,150
		1,000	Opposite Refinery	600,000	700,000	650
		1,000	Internal Streets	400,000	550,000	475
General Average in the Area				700,000	816,667	758
East Ahmadi Industrial Area	Showrooms + Industrial	75,000	Mustafa Karam	4,500,000	5,250,000	650
		5,000	Main	2,000,000	2,200,000	420
General Average in the Area				2,157,500	2,450,000	463

Industrial Plot Prices in Mubarak Al Kabeer Governorate

Region	Allocation	Area m ²	Street	Land Market Value (KD)		Average Price/m ² Q3 2015
Abu Fatira Crafts	Showrooms	1,000	Main	1,850,000	1,950,000	1,900
Abu Fatira Crafts	Handcraft	5,000	Main	600,000	700,000	1,400
General Average in the Area				950,000	1,020,000	1,230
Sabhan	Industrial	1,000	Main	500,000	600,000	550
		1,000	Pepsi	650,000	700,000	675
		5,000	Pepsi	2,750,000	3,000,000	575
General Average in the Area				1,341,667	1,508,333	508

Industrial Plot Prices in Jahra Governorate

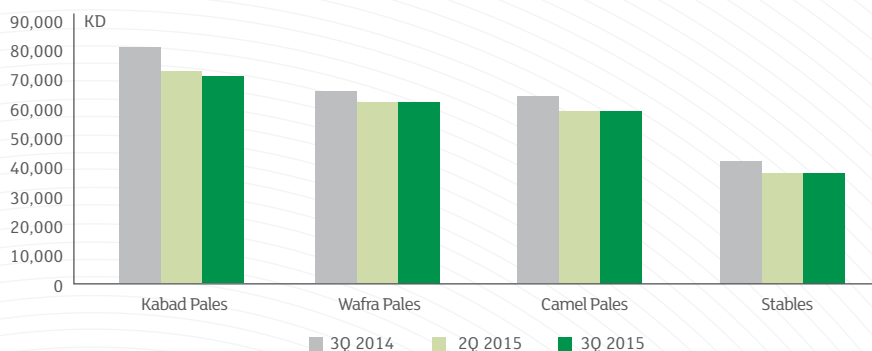
Region	Allocation	Area m ²	Street	Land Market Value (KD)		Average Price/m ² Q3 2015
Amghara	Major Contractors	10,000	Internal	1,400,000	1,600,000	150
		10,000	Main	1,750,000	1,950,000	185
	Major Contractors	1,000	Internal	200,000	250,000	225
		1,000	Main	240,000	270,000	255
General Average in the Area				673,750	752,500	149
Jahra	Crafts	500	Internal	200,000	225,000	425
		500	Main	250,000	275,000	525
General Average in the Area				218,750	251,250	533

Fifth: Prices of Farms and Livestock Farms

Average price per m² in livestock farms at Ahmadi governorate declined by 2% during Q3 2015 compared to a higher decline ratio by 9% witnessed during Q2. Prices of land (usufruct) reached KD 69 thousand. Livestock farm in Wafra witnessed stability in prices during Q3 compared to the preceding quarter thus recording KD 61 thousand for a 2500 m² land.

Prices stabilized at camel farms. Prices have also stabilized in Equestrian Stables – Ahmadi governorate during Q3 following the declined witnessed by 10% during Q2. Prices have stabilized at the equestrian stables and golf field following the decline by 11% and the decline in internal areas by 12.8% during Q2 2015.

Average Estimated Price of Beneficiary Right at Livestock farms and Stables at Ahmadi Governorate Q3 & 2Q 2015 – Q3 2014



Estimated price per square meter at Wafra agricultural area stabilized during Q3 following the decline by 11.5% witnessed during Q2. This stability comes on the back of the stability witnessed in Wafra area of 50 thousand square meters during Q3. The stability comes following the decline by 12.5% witnessed during Q2. Prices of the 100 thousand square meters area have also stabilized during Q3 following a decline by 10.3% witnessed in Q2.

Price levels of agricultural land at Jahra governorate stabilized during Q3 following the significant decline by 14.7% witnessed during Q2. Prices have stabilized in areas which have witnessed significant decline by 18.5% and 33% during Q2 i.e. Abdali and Mutlaa road areas. Prices have also stabilized in livestock farms at Sulaibiya during Q3 at KD 3 - 3.8 Million following the decline witnessed in a 1 million square meter area by 6.7% and declined in a 50 thousand square meter area by 7.1% during Q2 2015.

Prices of Farms and Livestock Farms

Governorate	Region	Area m ²	Site	Estimated Plot Usufruct Price (KD)		Price /m ² (KD)		** A/P Q3 2015
				From	To	From	To	
Ahmadi	Kabd Farms	2,500	Internal	70,000	80,000	28	32	75,000
	Kabd Farms	2,500	Main	85,000	100,000	34	40	92,500
	Equestrian Stables – Ahmadi	500	Internal	35,000	40,000	70	80	37,500
		500	Race Course – Golf	40,000	45,000	80	90	42,500
	Al Wafra Farms	2,500	Internal	50,000	60,000	20	24	55,000
		2,500	Main	60,000	75,000	24	30	67,500

** A/P = Average Plot Price

Sixth: Chalet Prices

Demand on chalets increases significantly during summer which coincides with the Q3 this year. However, prices witnessed relative stability this season. Prices stabilized at Ahmadi governorate during Q3 following the decline by 5.2% witnessed during Q2. Average price per square meter (longitude) at the water front ranges between KD 16.1 thousand - KD 17.6 thousand during Q3.

Prices stabilized at Benaider area during Q3 following the decline by 3.9%, the said area is considered as the highest price area per square meter. The area is followed by Jelai'a area in which prices stabilized during Q3 following the decline by 4% witnessed during Q2 2015. Prices at Mina Abdullah and Dhaba'eya did not witness any changes during Q3 following the 3% decline witnessed during Q2. Prices stabilized at Al-Zour beach and at certain places of Khiran area.

Prices stabilized at Doha for the third quarter respectively at an average price KD 8,500 per square meter at the water front.

Chalet prices stabilized also at Jahra governorate reaching KD 5,875 per meter at the water front during Q3 2015 and KD 7,500 per meter at Kazma area and KD 4.250 at Sabiya area during Q3.

Chalet Prices at Al Ahmadi Governorate

Governorate	Region	Waterfront Length in Meters	Chalet Market Value		Price/Linear Meter - Waterfront (KD)		**A/P/m ² Waterfront Q3 2015
			From	To	From	To	
Al Ahmadi	Mina Abdullah	20	280,000	320,000	14,000	16,000	15,000
	Dubaeya	20	280,000	320,000	14,000	16,000	15,000
	Julaia	20	460,000	330,000	23,000	24,000	23,500
	Bnaider	20	480,000	500,000	24,000	25,000	24,500
	Al Zour	20	280,000	300,000	14,000	15,000	14,500
	Khairan (Beneficiary contract)	20	280,000	300,000	14,000	15,000	14,500
	Nuwiseeb	20	200,000	240,000	10,000	12,000	11,000

** A/P = Average Price Per Meter

Seventh: Occupancy Rates and Rentals

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

Private Residence Rental Value

Average rental values have fluctuated among various places and areas. Average rental value for a ground floor, 3 bed rooms, a hall, covering an area of 135 m² in a private residence real estate with a total area 400 m during Q3 2015 at Hawalli governorate ranged between KD 450 - 600. Rental value reached KD 650 at capital governorate. Average rental value at Farwaniya reached KD 450 and ranges 350 - 450 in Ahmadi governorate areas. Average rental value increased slightly in Egaila area as it recorded KD 550 while it ranged 400 - 550 in Mubarak Al-Kabeer governorate areas including Abu-Fatira, Addan and Sabah Al-Salem. Average value increases to reach KD 500 - 600 in Masayel area. Rental value in Jahra area ranged KD 300 - 450.

Average rental value for a full floor in a private residence covering an area of 400 meters ranges KD 800 - 1200 at Hawalli governorate and reached KD 1400 in some distinguished areas therein. Rental value in Ghernata area approximates KD 900 while it goes higher between KD 1100 - 1400 in most of Capital governorate areas. Rental value in Farwaniya area ranges between KD 700 - 1000.

Average rental value ranges between KD 700 - 850 at Ahmadi governorate while it increases slightly to KD 800 - 950 at Egaila. Rental value ranges KD 800 - 900 in most of Mubarak Al-Kabeer governorate areas including Addan and Abu-Fatira residential area. Rental value in Sabah Al-Salem areas reached KD 950 and increases to range between KD 800 - 900 in Masayel area. Rental value at old Jahra area ranged between KD 600 - 700.

Average rental value for a full first or second floor at a private residence covering an area 400 meter ranges KD 900 - 950 at Mishrif, Bayan, and Salwa while the value ranges KD 1000 - 1200 in most of Hawalli governorate areas and KD 1100 - 1300 at capital governorate areas except Ghernata and Sulaibikhat areas where it ranges KD 800 - 900. Full floor at Farwaniya governorate ranged between KD 850 - 950.

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

Investment Residence Rental Value

Average rental value of a 2 bed room flat and a hall covering an area of 60 m in capital governorate ranged between KD 330 - 380. Rental value for the same area in Hawalli governorate ranged between KD 310 - 350. Rental value for the same area ranged between KD 280 - 340 in Farwaniya Governorate and KD 260 - 300 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 KD390 - 415 at capital governorate and KD 330 - 370 in Hawalli governorate areas. Rental value ranged between 330 - 370 in Farwaniya governorate, KD 300 - 340 in Ahmadi governorate, KD 325 - 350 at Mubarak Al-Kabeer governorate and KD 290 - 330 at Jahra governorate.

Rental value for investment apartments covering an area of 80 - 85 m² ranged between KD 435 - 465 at capital governorate and ranged between KD 365 - 450 at Hawalli governorate areas. Rental value ranged between KD 350 - 425 at Farwaniya governorate areas and ranged KD 330 - 360 at Ahmadi governorate. Rental value approximated KD 330 and KD 360 at Mubarak Al-Kabeer governorate and Jahra governorate respectively.

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

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

Average property trading is considered a significant factor for assessment of rental value. There are distinguished areas, e.g. Shaab, 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 Shoyoukh, Abu Halifa and Khaitan.

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

Commercial Property Rental Value

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

Industrial Plots Rental Value

Average rental price for industrial plots rental values per 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 - 40. Average price per square meter at East Ahmadi ranged between KD 12 - 18. Prices at Fahaheel industrial area ranged KD 14 - 20 per square meter during Q3 2015.

**Average Rental Value for Private Residence in KD Covering
an Area 400m - Newly Built in Kuwait Governorates
during Q3 2015**

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

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

Farwaniya Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Farwaniya	400	450	700	1,000	850	950
Omaria	400	450	700	1,000	850	950
Khaitan	350	400	700	1,000	850	950
Ishbiliya	400	450	700	1,000	850	950
Rabia	350	400	700	1,000	850	950
Rihab	350	400	700	1,000	850	950
Ardiya	350	400	700	1,000	850	950
Andalus	350	400	700	1,000	850	950

Ahmadi Governorate	3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Hadiya	350	450	700	850	650	750
Egaila	450	550	800	950	750	850
Mangaf	350	450	700	850	650	750

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

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

**Average Rental Value Trading
Investment Properties in Kuwait Governorates during Q3 2015 (KD)**

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

Average Rental Value Trading of Commercial Properties at Kuwait Governorates during Q3 2015 (KD)

Average Rental price per Square Meter (KD)

Areas	Basement	Ground Floor	Mezzanine	Offices
Salmiya	12 - 18	25 - 40	12 - 17	7 - 8
Hawalli	10 - 16	25 - 35	12 - 14	7 - 8
Farwaniya	12 - 18	30 - 45	12 - 14	8 - 9
Khaitan	10 - 16	25 - 35	12 - 12	7 - 8
Mangaf - Aziziyah	8 - 15	20 - 25	10	7 - 7
Fahaheel	10 - 14	25 - 40	12 - 13	7 - 8
Dhajej (Farwaniya)	5 - 6	9 - 12	5 - 6	-
Kuwait City	10 - 11	25 - 35	11 - 12	6.5 - 8.5

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

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

*** Administrative and commercial towers.

Average Rental Value Trading of Industrial Plots At Kuwait Governorates during Q3 2015 (KD)

Average Rental price per Square Meter (KD)

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

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

• Average rental values per square meter increase depending on floor height.
In addition, demand increases on stores with a net ceiling height of 8 - 6 m.

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

GLOSSARY OF TERMS

Private Residence Buildings

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

Investment Residence Building

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

Private School Building

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

Hotels and Motels Buildings

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

Commercial Building

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

Industrial Facilities

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

Residential Complexes Outside and Inside Kuwait City

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

Buildings in Various Coastal Strip Areas

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

Buildings Allocated as Plant Nurseries

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

Special Seafront Chalet

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

Private Hospitals

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

Units of Measurement

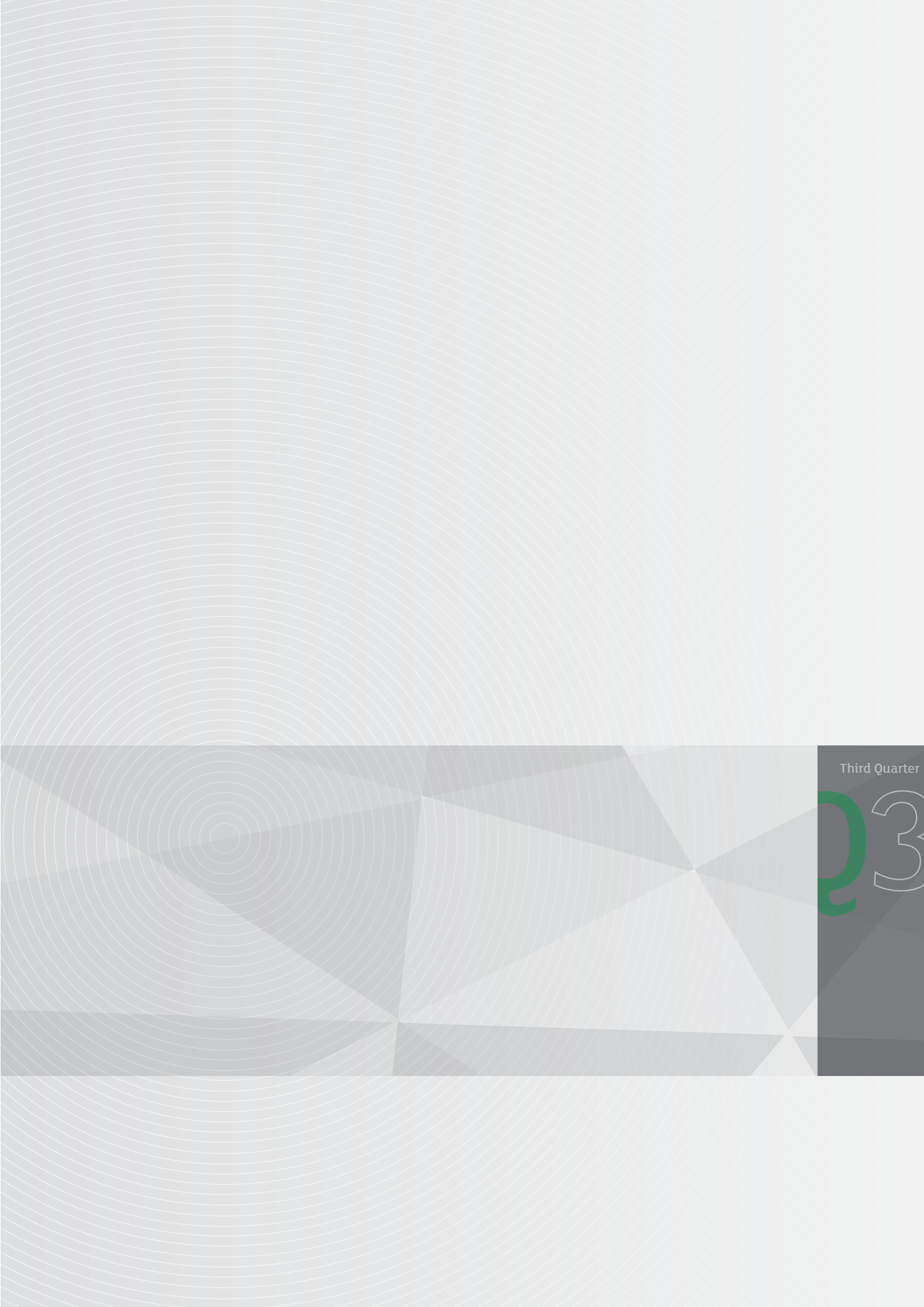
Length	
•	The International unit for measuring length is the Meter (m)
•	(1 m = 10 dcm = 100 cm = 1,000 mm)
•	1 yard = 3 feet = 0.9144 m
•	1 foot = 12 inches = 30.48 cm = 0.3048 m
•	1 inch = 2.54 cm = 0.0254 m
•	1 kilometer = 0.6214 miles = 1,000 m
•	1 land mile = 1.6093 kilometers = 1609.0 m
•	1 nautical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





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