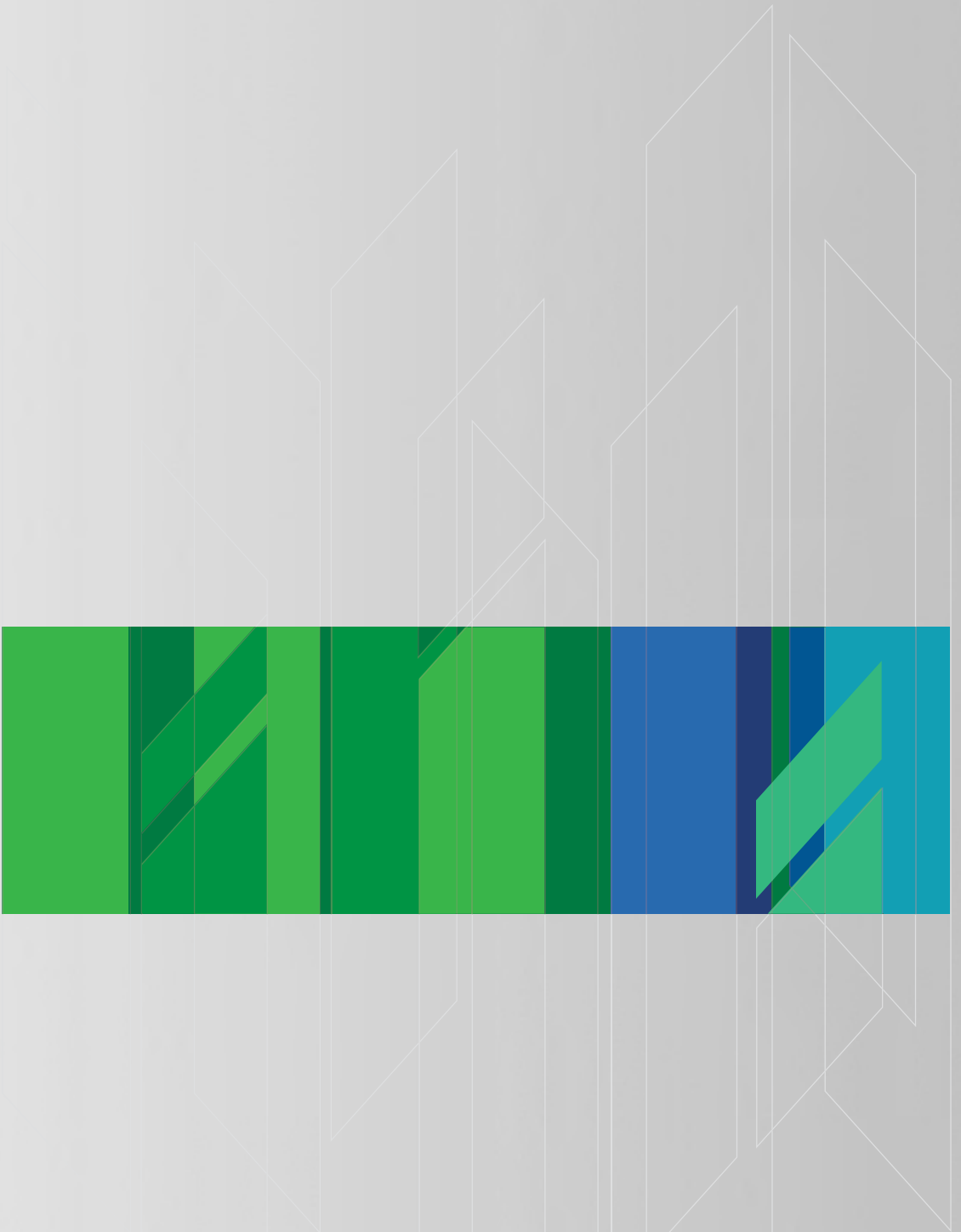




KFH Report
Local Real Estate

2016
Q3

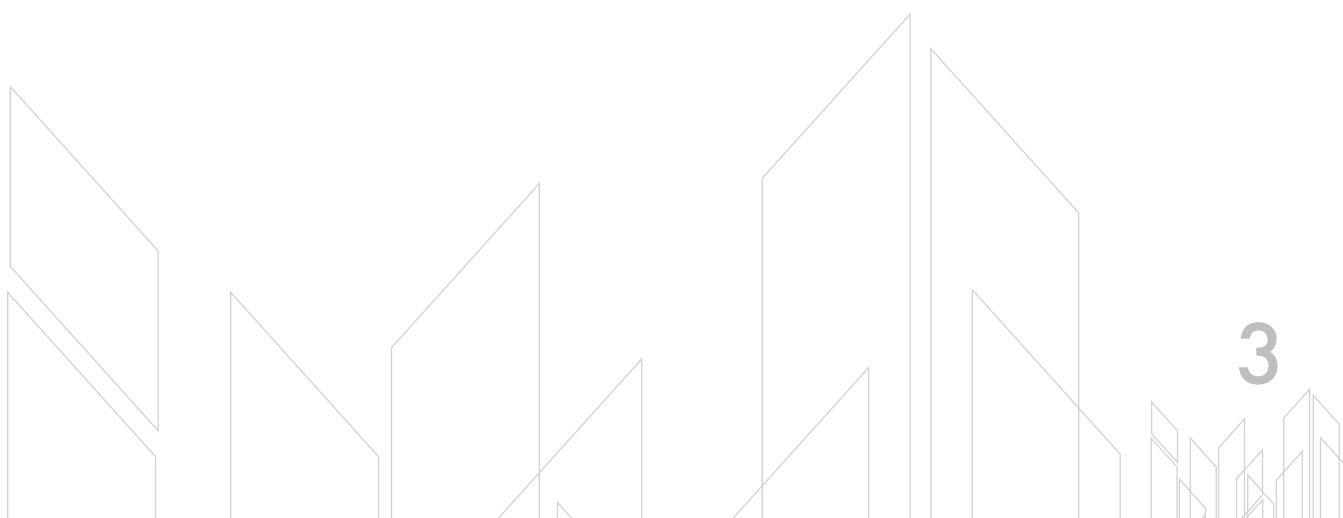






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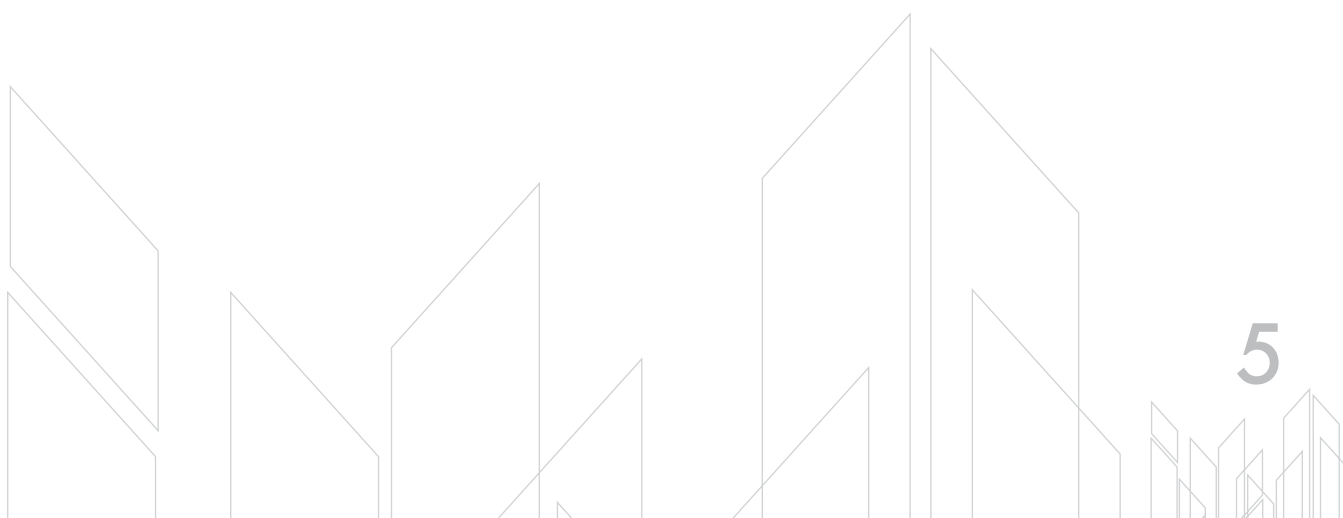
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Introduction

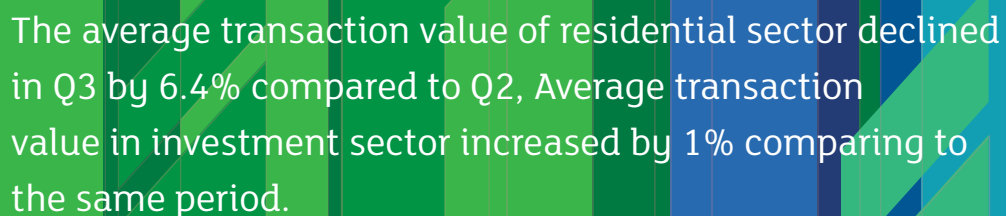
Quarter 3 - 2016 witnessed significant expansion in the projects market in Kuwait in light of the government commitment to execute the development plan and achieve remarkable levels despite the decline in oil prices and the impacts thereof on revenues. However, the execution of the development plan did not have any impact on real estate market and trading indicators which are still witnessing significant decline in all various real estate activities of private, investment and commercial real estates.

Price levels in various areas are still witnessing minor – mid correctional declines considering the variations in real estate activities and areas. Real estate market has retained maintained its strength to overcome pressures, challenges and development on the local and global levels compared to alternative markets.

Real estate market is expected to be impacted by the government financial procedures aiming to mitigate the impacts of the financial deficit resulting from the drop in oil prices. This mitigation may be achieved through enhancement of revenues and fees, cost optimization by reconsidering wages and support and the increase of fuel and electricity prices. State budget is expected to record a deficit by KD 8.5 Billion i.e. 24.8% of GDP in 2016/ 2017.

The impact of such procedures shall reflect on real estate sector, thus leading to an increase in construction costs due to the increase in inflation rates or in the cost of living which shall impact real estates. The increase in electricity prices included investment and commercial real estates. Increase in prices shall be implemented effective Sept. 2017. Increase in fuel prices shall also be implemented. Electricity and water support represents a large share of total support cost.

Real estate sector sales lost 36.4% of its value in Q3 compared to the same period last year. This comes on the back of the decline in the value of sales in all real estate sectors including residential, investment and commercial sectors by 27.8%, 28.6% and 59.2% respectively.



The average transaction value of residential sector declined in Q3 by 6.4% compared to Q2, Average transaction value in investment sector increased by 1% comparing to the same period.



Real estate sales declined on quarterly basis for the third time respectively in Q3 this year. This comes on the back of the significant decline witnessed in each of the residential, investment and commercial sectors by 29.8%, 28.6% and 59.2% respectively.

Summer season and vacations have contributed to the increase in the decline impacts during Q3 this year in light of the local, regional and global financial and economic pressures in addition to overheated political events in the Middles East. Oil prices stabilized during Q3 at the sale levels of Q2 this year. However, in light of global fluctuations in oil market and the structural changes which have occurred and its transformation to a buyers trend sensitive market, our continued absolute dependence on this source shall not achieve the economic growth sustainability and shall subject the same to regular fluctuations based on market fluctuations.

The decline in oil prices has impacted general financial conditions and current account. On the short run, available reserves and finance may be used through local banks or through Sukuks and promissory notes to avoid massive cut downs and mitigate the impact on non-oil growth.

It seems that the government is continuing its financial reformation program by imposing taxes on companies and replacing current taxes with bigger taxes on local and foreign companies to reach 10%. Authorities are also considering imposing added value tax by 5% in coordination with other GCC countries. However, these suggestions still need proper regulatory authorizations in order to be implemented. In light of government tendency to improve budget conditions and mitigate expected deficit it has resorted to increase certain collected fees against government services i.e. Ministry of Finance approval on new regulations to increase usage fees of state properties which shall be implemented effective April next year and the increase of other government fees.

Private Residence, Investment and Commercial Land Prices

Surveys conducted by Kuwait Finance House at the price residence properties level show a record of the movement in real estate market prices at Kuwait governorates level during Q3. The decline in prices has stabilized in regard to the recorded prices of certain private residence land, thus recording a decline by 2% compared to Q2. Meanwhile, decline ratios improved relatively in Q3 this year compared to ratios recorded in the same period last year as a decline by 8% was recorded this year compared to last year.

Investment land price indicators continued improving in Q3 as the decline in prices recorded therein was less than the decline recorded in the preceding quarter. Average price per square meter declined in Q3 by 2% compared to Q2. Meanwhile, annual decline increased to reach 13% in Q3 compared to an annual decline by 11% in Q2 this year.

Average price per square meter for commercial land declined by 1% compared to the preceding quarter. Meanwhile, prices declined by 5% compared to Q3 last year.

Price per meter declined in Capital Governorate, thus recording KD 5,803 while it recorded KD 3,300 in Hawalli and declined to reach KD 2,431 in Farwaniya governorate. Prices declined also in Jahra governorate to reach KD 2,698 while it reached in Ahmadi KD 2,913.

Market Trends during Q3

Real estate sales declined in Q3 2016 by 34% compared to the preceding quarter this year. This decline ratio is relatively higher than the rate recorded in Q2, to reach KD 436 Million in Q3 compared to KD 664 Million in Q2. Accordingly, average transaction value has declined by 7.4% on quarterly basis.

The decline in trading value has led to a decline in average real estate transaction value in Q3 compared to same period last year. While average transaction value of private residence declined yet average transaction value of investment real estate increased and average transaction value of commercial real estate declined compared to Q2 this year.

At the private residence real estate level, sales declined in Q3 by 29.8% compared to the preceding quarter. Average transaction value declined by 6.4% compared to Q2. Despite this decline yet the transaction value has improved compared to Q3 value last year.

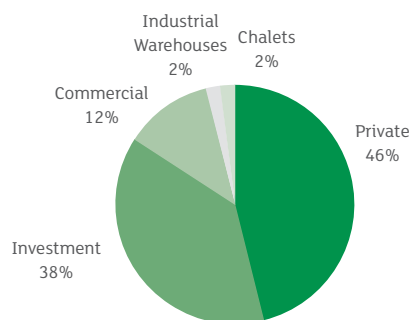
Investment real estate sales declined by 28.5% compared to Q2, thus recording a decline compared to last year. Average transaction value declined by 17.2% compared to Q3 last year.

Commercial real estate sales declined significantly in Q3 by 59.2% compared to the preceding quarter this year. The value in Q3 is less by 50.4% compared to the same period last year. Average transaction value declined by 35.7% compared to Q2 and declined by 13% compared to its value in Q3 last year.

Real estate transaction value recorded KD 436 Million during Q3, including amount of KD 200 Million has been recorded for the residential sector, and around KD 165 Million for the transaction value in investment sector. Meanwhile KD 51 Million for the value of commercial sector.

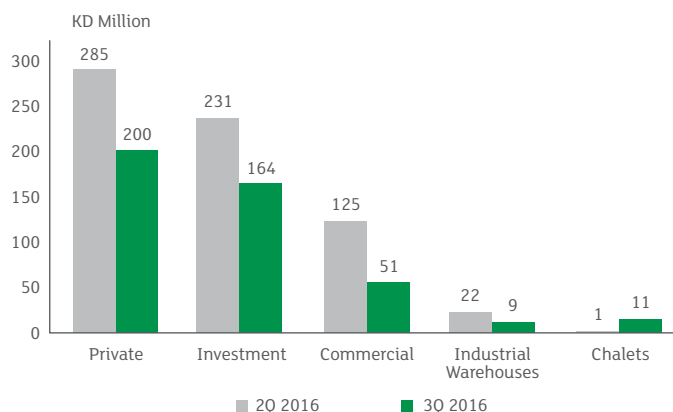


Distribution of Real Estate Transactions Share (Sector wise) / Total Real Estate Transactions Value Q3 2016



Source: Ministry of Justice - Kuwait Finance House

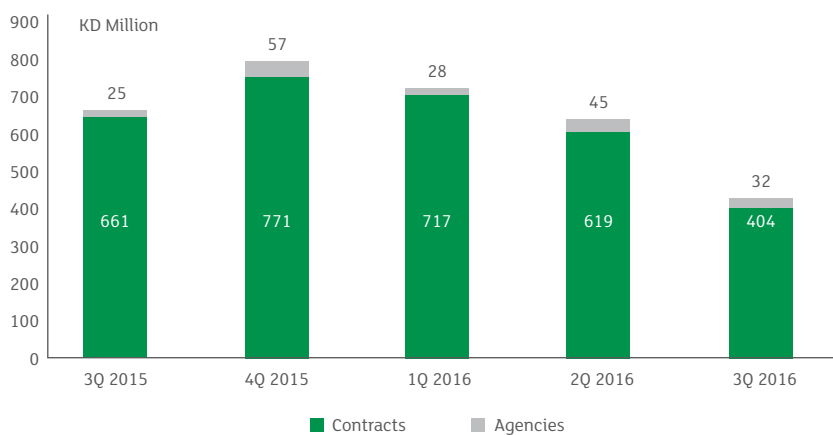
Total Real estate Trading Value Q3 and Q2 - 2016



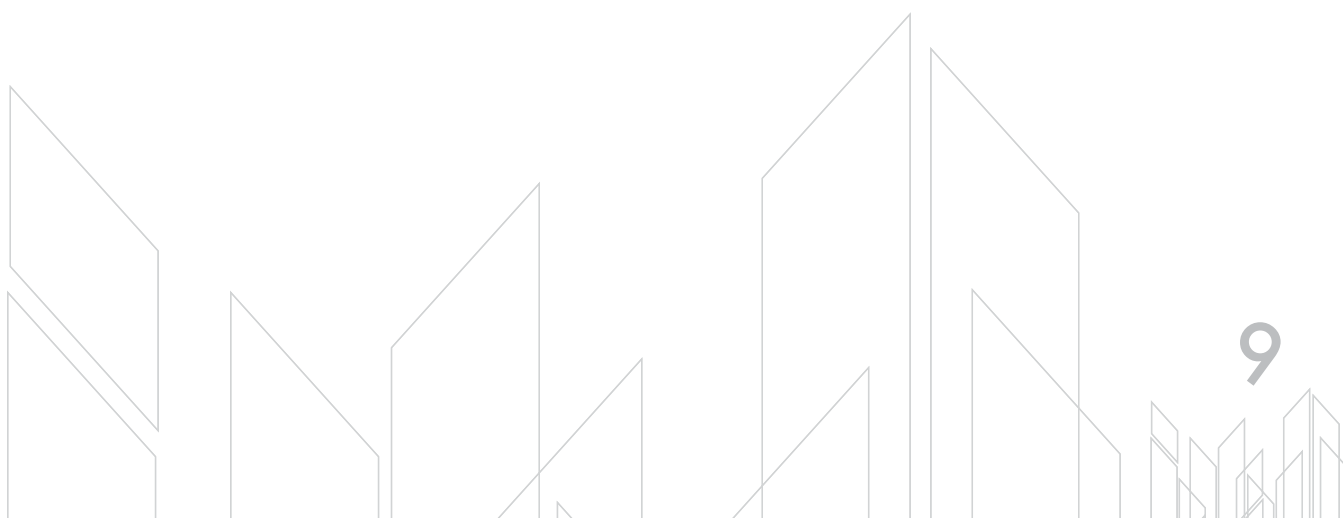
Real Estate Sector Trends During Q3

Real estate sales value declined as per trading indications issued by the Real estate Registration & Authentication Dept. – Ministry of Justice during Q3 by 34% or KD 228 Million compared to the preceding quarter. Sales value reached KD 436 Million in Q3 compared to KD 663.9 Million in Q2 this year.

Development on Total Real Estate Transaction Value Q3 2015 - Q3 2016



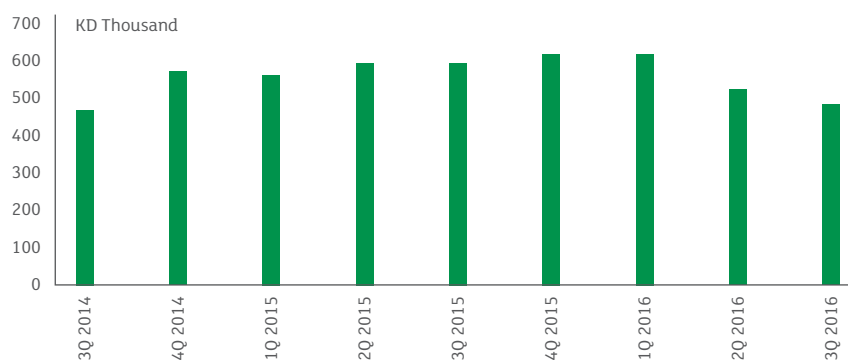
Source: Ministry of Justice - Kuwait Finance House



Contracts trading reached KD 404 Million in Q3 compared to KD 619 Million in Q2 this year, thus marking a decline by 34.7% or KD 215 Million in Q3 compared to Q2. Agencies trading declined to reach KD 32 Million in Q3 compared to KD 45 Million in Q2, thus recording a significant decrease by 28.9% in Q3 or KD 13 Million.

Average total transaction value has declined on quarterly basis by 7.4% i.e. KD 39 Thousand in Q3 following a decline by 12.6% in Q2. Average real estate transaction value reached KD 485 thousand in Q3 compared to KD 524 Thousand in Q2. On annual basis average transaction value declined by 15.5% in Q3 this year compared to the same period last year.

Development on Average Transaction Value/ Total Real Estate Sales Q3 2014 - Q3 2016



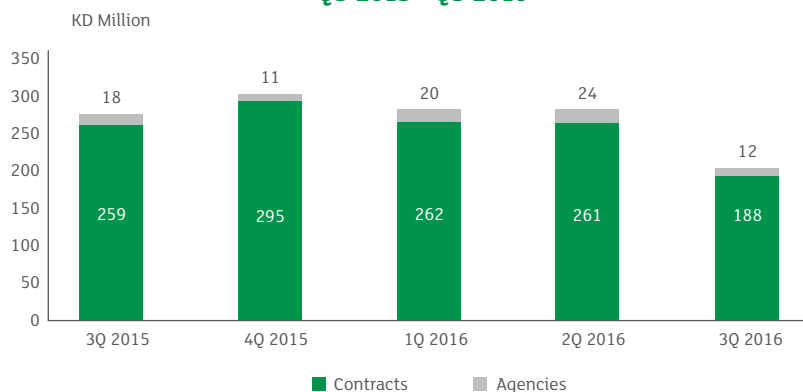
Source: Ministry of Justice - Kuwait Finance House

Private Residence Trends

Private residence transactions value improved to reach more than KD 200 Million in Q3 compared to KD 285 Million in Q2 this year. This value is the lowest value witnessed in Q3 during the last 5 years. The value declined by 27.8% or KD 77 Million compared to Q3 last year. Accordingly, annual decline trend witnessed by private residence sales continued, this recording a decline by 27.8% in Q3 compared to the same period last year. Upon comparison with the preceding quarter this year we find a decline by 29.8%.



Development on Private Residence Real Estate Sales Q3 2015 - Q3 2016

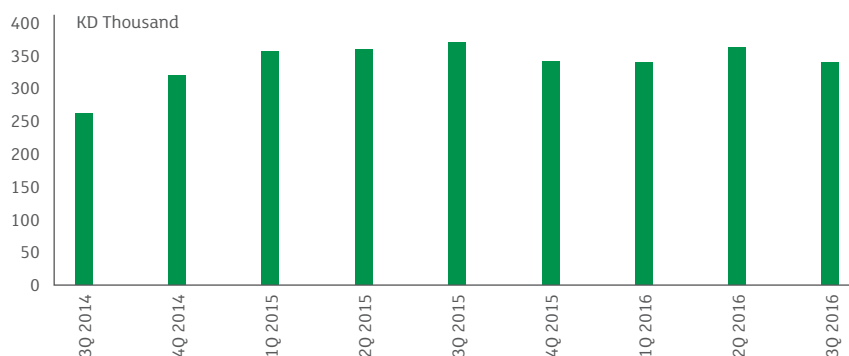


Source: Ministry of Justice - Kuwait Finance House

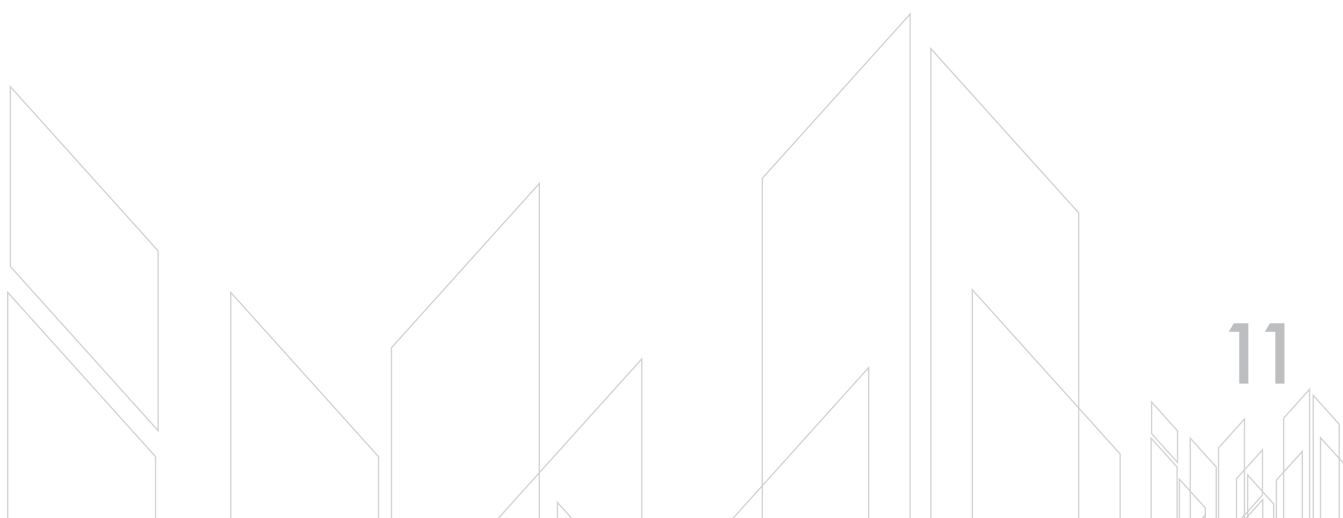
The decline is represented in the decline of private residence average transaction value, thus recording KD 334 Thousand compared to an average of KD 357 Thousand in Q2.

Average transaction value declined by 30.4% or KD 78 Thousand in Q3 last year while Q3 this year recorded KD 256 Thousand.

Progress on Average Transaction Value/Private Residence Transactions Q3 2014 - Q3 2016



Source: Ministry of Justice - Kuwait Finance House



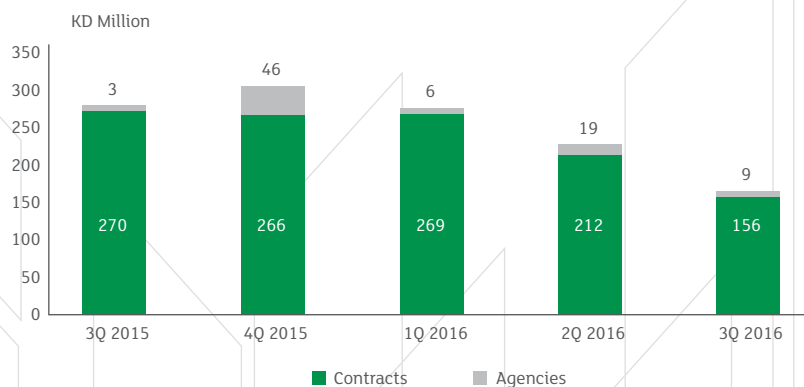
Investment Real Estate Trends

Investment real estate trading value declined by 28% or approximately KD 65.7 Million in Q3 this year. Investment real estate sales value reached KD 165 Million in Q3 compared to KD 230.7 in Q2. Accordingly, its share in real estate sector sales increased.

Based on this decline in the value of investment sales in Q3 the levels have declined on annual basis in Q3 thus recording 39.5% compared to the same period last year.

Investment real estate average transaction value increased to reach KD 608 Thousand in Q3 compared to KD 552 Thousand this year, thus recording an increase by 10.1% or KD 56 Thousand compared to Q2. Average transaction value decline in Q2 by 35% compared to the preceding quarter.

**Progress on Investment Real Estate Transactions Value
Q3 2015 - Q3 2016**



Source: Ministry of Justice - Kuwait Finance House

The average transaction value of residential sector recorded KD 334 Thousand, investment sector reached to KD 608 Thousand, meanwhile the average transaction value at the commercial sector recorded KD 3.2 Million during Q3.



Progress on Average Transaction Value/Investment Real Estate Transaction Value Q3 2014 - Q3 2016

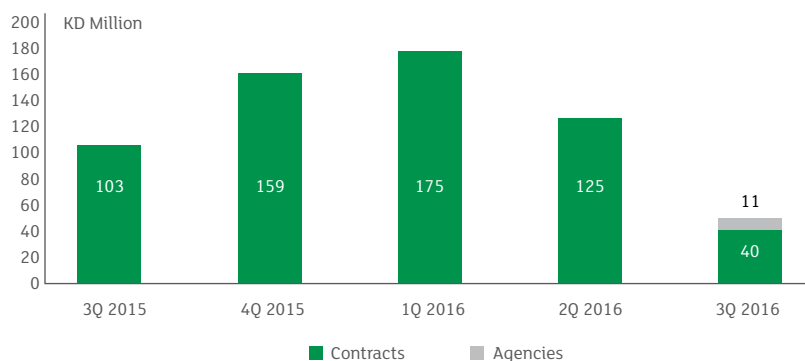


Source: Ministry of Justice - Kuwait Finance House

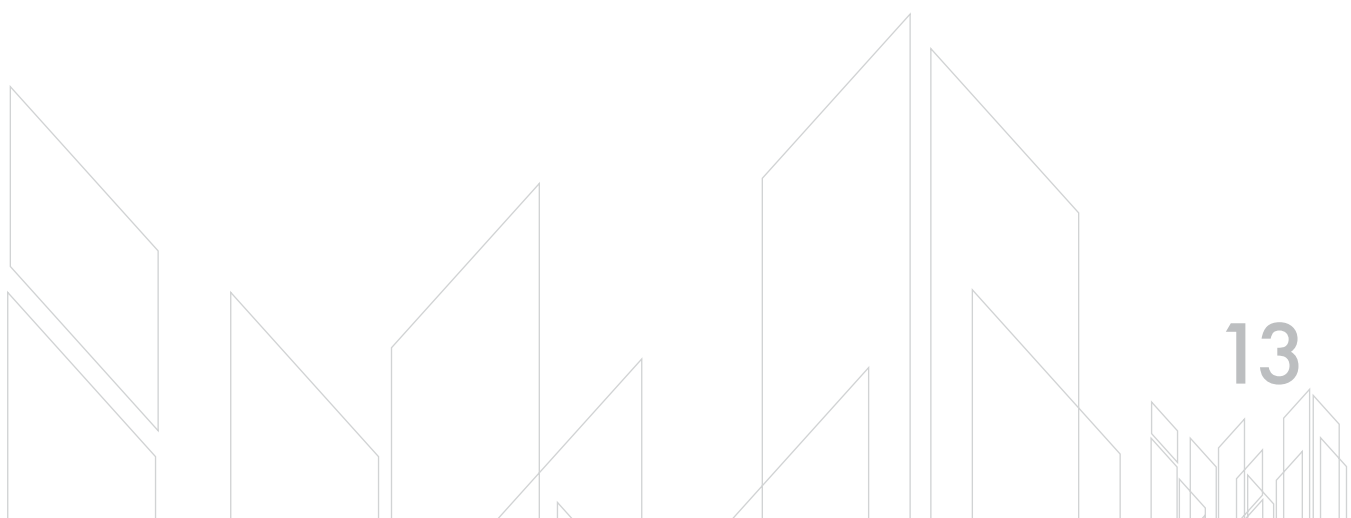
Commercial Real Estate Trends

Commercial real estate sales declined in Q3 by 59.2% or KD 74 Million compared to Q2. Sales value reached KD 51 Million in Q3 compared to KD 125 Million in Q2. Commercial real estate sales value declined on annual basis by 50.5% in Q3 last year.

Progress on Commercial Real Estate Transaction Value Q3 2015 - Q3 2016

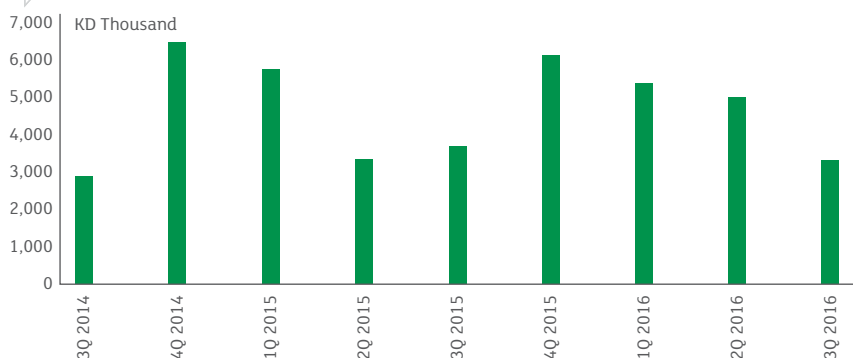


Source: Ministry of Justice - Kuwait Finance House



Commercial real estate average transaction value declined to reach KD 3.2 Million in Q3 this year i.e. a decline by 35.8% compared to KD 5 Million in Q2 this year. Average transaction value declined by 13% in Q3 this year compared to the same period last year.

Progress on Average Transaction Value/Commercial Real Estate Transactions Q3 2014 - Q3 2016



Source: Ministry of Justice - Kuwait Finance House

Housing Projects

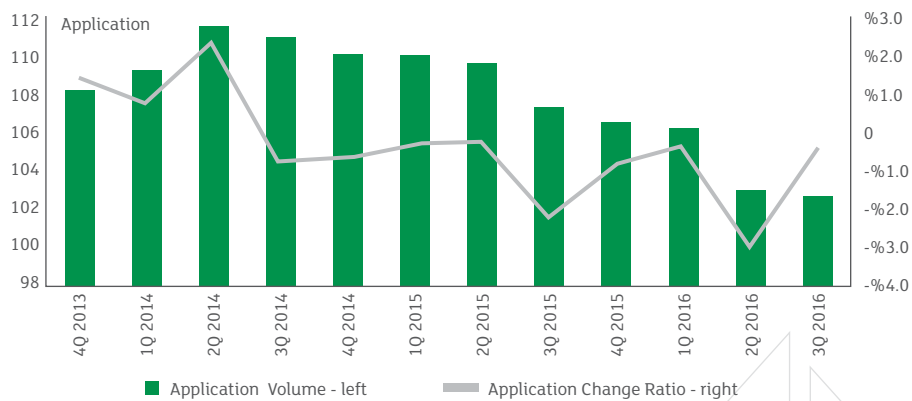
The state aims to complete more than 36 thousand residential units by 2017. This plan will be part of several projects executed by the Public Authority for Housing Welfare in accordance with very stringent technical conditions set by the authority. These planned housing projects shall fulfill part of the increasing demand on such projects including the accumulating housing applications.

Submitted applications declined to reach 103 thousand till the date of the latest report issued by the PAHW in September 2016. Submitted applications reached 3,462 submitted applications since the beginning of the year.

The Public Authority for Housing Welfare has completed the distribution of 12,177 residential units as per the current year financial plan 2015/2016. The authority was able to distribute the remaining 4,660 units as per the plan in Southern Mutlaa during Q1 this year. The authority plans to distribute 11,338 units for the financial year 2016/2017 in the same project as well. This may mitigate the housing crises in the country by increasing offered quantities of new residential land.



Progress on Residential Applications Presented to the PAHW



Source: Public Authority for Housing Welfare (PAHW) - www.housing.gov.kw

Submitted applications successfully declined to reach 103 thousand till Q3 by the PAHW.

The Public Authority for Housing Welfare, in cooperation with certain major global companies has succeeded during Q3 2016 in executing certain projects which it planned in 4 new main areas including all required road works, service facilities, main facilities and other planned projects. The completion and delivery process of these projects is due on Q3 this year including projects worth KD 38 Million for the construction and completion of public buildings in south west Sulaibikhat project, KD 9.9 Million for Sabah Al-Ahmed city, KD 3 Million and KD 1.6 Million in Al-Naseem Housing project to complete various main roads and electricity works total value of which approximates KD 88.2 Million. Completion ratio in Sabah Al-Ahmed marine area and expansion projects of Wafra and Abu-Halifa residential projects reached 80%.

The Authority has completed during Q3 the execution of certain projects which it started during the preceding period with various completion ratios. The value of such projects approximates KD 270 Million. However, there was delay in the execution of the projects as planned. The completion of certain projects is still less than expected e.g. plots, public buildings and main service buildings.

The Authority has commenced the execution of new projects, value of which approximates KD 290 Million which it had rescheduled in Q3 this year. This amount includes more than KD 288 Million for infrastructure services projects for South Mutlaa, and KD 1.8 Million project in South West Sulaibikhat and Sabah Al-Ahmed Marine city as per the plan set by the authority.

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

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

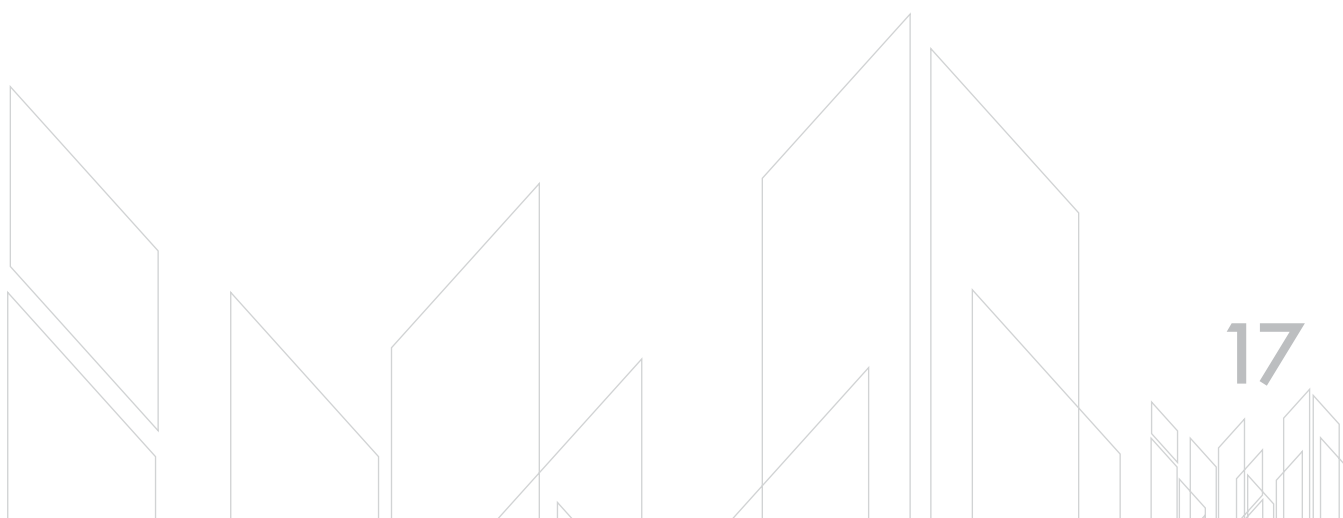
| | # | Area | Contract Value | Actual Rate of Completion | |
|---|---|--|----------------|---------------------------|-----------------------------|
| | | | | Q3 2016 | Q1 2016 |
| Projects for Houses, Plots, Services, and Affiliated Public Buildings | 1 | Sabah Al Ahmad City | 18.9 | 100%* | 89%* |
| | 2 | Northwest Sulaibkhat City | 38.1 | 99.7%* | 95.4%* |
| | 3 | Expansion of Wafra Residential Project | 28.5 | 80%* | 39.2%* |
| | 4 | Abu-Halifa Residential Project | 2.2 | 83%* | 48.8%* |
| | 5 | Abdullah Al-Mubarak West Project | 46 | 22.1% | Time schedule under process |
| | | Cost | KD 133.8M | | *Delayed projects |



| | # | Area | Contract Value | Actual Rate of Completion | |
|-------------------------------|----|------------------------|----------------|---------------------------|---------|
| | | | | Q3 2016 | Q1 2016 |
| Projects for Public Buildings | 6 | Sabah Al Ahmad City | 38.5 | 94.2%* | 84.3%* |
| | 7 | Sabah Al Ahmad City | 6.2 | 77.9%* | 65%* |
| | 8 | Sabah Al Ahmad City | 44.7 | 72%* | 46.5%* |
| | 9 | Jaber Al Ahmad City | 36.4 | 60%* | 28.8%* |
| | 10 | Sabah Al Ahmad City | 21.1 | 39%* | 20.5%* |
| | 11 | Naseem Housing Project | 4.5 | 32.2% | 8.4% |
| Cost | | | KD 151.5M | *Delayed projects | |

| | # | Area | Contract Value | Actual Rate of Completion | |
|------------------------------------|---------------------|--|-----------------------|--------------------------------------|-------------------|
| | | | | Q3 2016 | Q1 2016 |
| Projects for Roads & Main Services | 12 | Sabah Al Ahmad City | 6.6 | 98%* | 82%* |
| | 13 | Sabah Al Ahmed City | 2.29 | 98% | 94% |
| | 14 | Saad Al Abdullah City | 1.46 | 96%* | 78.5% |
| | 15 | Sabah Al Ahmed City | 1.4 | 56% | Start preparation |
| | 16 | Sabah Al Ahmed City | 0.669 | 96% | Start preparation |
| | 17 | Sabah Al Ahmed City | 2.7 | 95% | 3.9% |
| | 18 | Expansion of Wafra residential project | 46.6 | 5% | |
| | 19 | Naseem Residential Project | 1.6 | 99.5% | |
| | 20 | Qairawan Residential Project | 0.797 | 26% | |
| | 21 | Sabah Al Ahmed City | 2.8 | 76% | |
| | 22 | Sabah Al Ahmed City | 2.6 | 68%* | |
| | 23 | Sabah Al Ahmed City | 0.979 | 2% | |
| | 24 | Jaber Al Ahmed City | 1.08 | 5% | |
| | 25 | North west Sulaibikhat | 0.322 | Start work and prepare time schedule | |
| | 26 | South Mutlaa | 288 | Prepare time schedule | |
| 27 | Sabah Al Ahmed City | 1.489 | Prepare time schedule | | |
| Cost | | | KD 67.3M | *Delayed projects | |
| Total Cost of PAHW Projects | | | KD 874.4M | | |

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



Price Indicators

First: Private Residence Land Prices

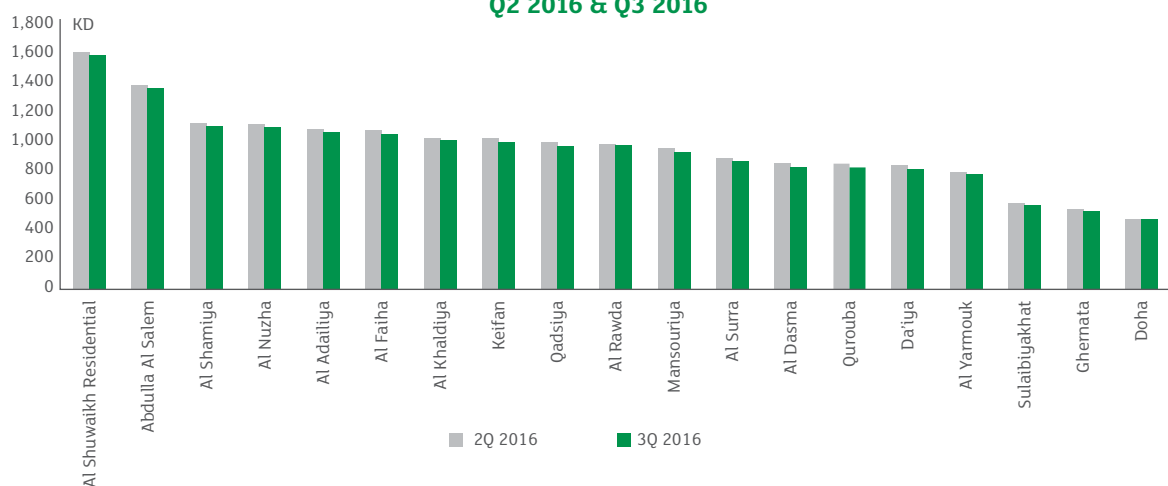
Price indicators fluctuate based on various factors related to real estate types. Also, real estate prices have fluctuated in various Kuwait governorates. Residential land price indices decreased in capital governorate by 2% during Q3 2016 compared Q2. Average price per square meter reached KD 933 in Q3 compared to KD 953 in Q2 this year. This decline comes on the back of the decline in prices in all governorate areas. Average price per meter declined in the highest value area, e.g. Shuwaikh residential area by more than 1%. Average price per meter declined by double the said percentage in Abdullah Al-Salem District which is considered as the second highest price area at Capital Governorate level.

Price indices declined in other residential areas at the governorate. Price per square meter declined in Shamiya area by 2.1% compared to Q2 prices while in Nuzha it declined by 1.6% while it recorded higher decline in Edailiya. Faihaa and Keefan in price per square meter by 2.7%.

In regard to other average price areas e.g. Mansouriya, average price per meter has recorded the highest decline ratio among governorate areas by 3%. Meanwhile, price per meter declined in Rawda area by 1% and in Surra by 2.1%.

Average price per meter declined in Qurtuba and Yarmouk areas by 2.4% and 2.5% respectively and little more in Daeya and Gharnata areas by 2.4% compared to Q2.

**Average Price/m² for Private Residence in Capital Governorate
Q2 2016 & Q3 2016**




 2016
Q3
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 2016 |
|------------------------------------|------------------------|---------------------------|----------|---------------------------|------------------|-------------------------------------|--------------|--|
| | | | | From | To | From | To | |
| Al Shuwaikh Residential | 500 | 210% | Internal | 750,000 | 800,000 | 1,500 | 1,600 | 1,550 |
| | 1,000 | 210% | Internal | 1,250,000 | 1,450,000 | 1,250 | 1,450 | 1,350 |
| | 1,000 | 210% | Main | 1,450,000 | 1,650,000 | 1,450 | 1,650 | 1,550 |
| General Average in the Area | | | | 1,300,000 | 1,475,000 | 1,488 | 1,675 | 1,581 |
| Abdullah Al Salem District | 500 | 210% | Internal | 660,000 | 750,000 | 1,320 | 1,500 | 1,410 |
| | 750 | 210% | Internal | 780,000 | 1,080,000 | 1,040 | 1,440 | 1,240 |
| | 1,000 | 210% | Internal | 930,000 | 1,280,000 | 930 | 1,280 | 1,105 |
| General Average in the Area | | | | 1,300,000 | 1,475,000 | 1,488 | 1,675 | 1,581 |
| Shamiyah | 250 | Till 800m ² | Internal | 270,000 | 325,000 | 1,080 | 1,300 | 1,190 |
| | 750 | 210% | Internal | 650,000 | 840,000 | 867 | 1,120 | 993 |
| | 500 | 210% | Main | 550,000 | 660,000 | 1,100 | 1,320 | 1,210 |
| General Average in the Area | | | | 657,143 | 805,000 | 989 | 1,206 | 1,097 |
| Nuzha | 500 | 210% | Internal | 475,000 | 550,000 | 950 | 1,100 | 1,025 |
| | 500 | 210% | Main | 550,000 | 675,000 | 1,100 | 1,350 | 1,225 |
| | 750 | 210% | Internal | 650,000 | 800,000 | 867 | 1,067 | 967 |
| | 750 | 210% | Main | 780,000 | 950,000 | 1,040 | 1,267 | 1,153 |
| General Average in the Area | | | | 687,000 | 845,000 | 987 | 1,207 | 1,097 |
| Khaldiya | 750 | 210% | Internal | 650,000 | 800,000 | 867 | 1,067 | 967 |
| | 750 | 210% | Main | 770,000 | 950,000 | 1,027 | 1,267 | 1,147 |
| | 1,000 | 210% | Internal | 740,000 | 980,000 | 740 | 980 | 860 |
| | 1,000 | 210% | Main | 920,000 | 1,200,000 | 920 | 1,200 | 1,060 |
| General Average in the Area | | | | 770,000 | 982,500 | 888 | 1,128 | 1,008 |
| Adailiya | 500 | 210% | Internal | 450,000 | 550,000 | 900 | 1,100 | 1,000 |
| | 750 | 210% | Main | 780,000 | 880,000 | 1,040 | 1,173 | 1,107 |
| | 1,000 | 210% | 3rd | 950,000 | 1,150,000 | 950 | 1,150 | 1,050 |
| | 1,000 | 210% | Damascus | 950,000 | 1,150,000 | 950 | 1,150 | 1,050 |
| General Average in the Area | | | | 776,250 | 930,000 | 960 | 1,147 | 1,053 |

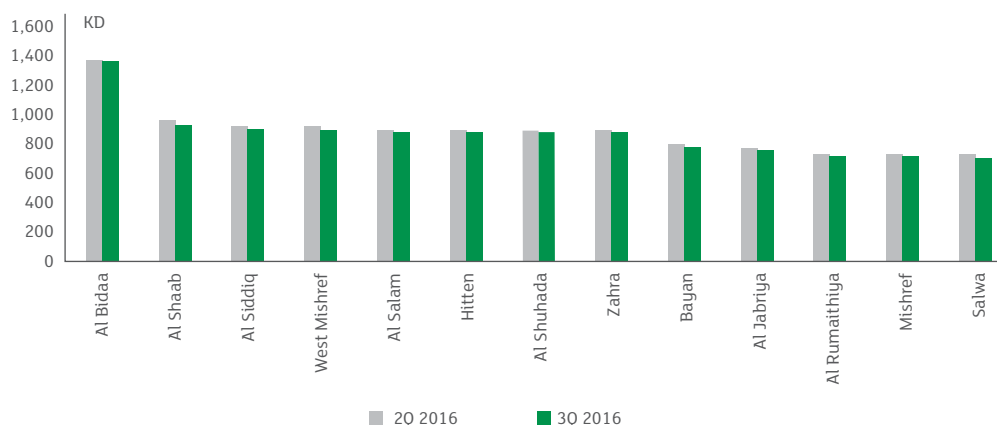
Prices declined in Hawalli governorate during Q3. Average price per square meter declined to less than KD 900 per square meter for the second time respectively in more than 2 years, thus declining by 2% compared to Q2. Price per square meter reached KD 860 i.e. a decline by 11% compared to Q3 prices last year.

All governorate areas recorded nearly similar decline ratios in Q3 compared to Q2 prices this year. Average price per square meter declined in the highest price area in the governorate by not more than 1%. Prices in Shaab area witnessed the highest decline ratio among governorate areas as it recorded a decline by 2.5% compared to Q2 this year.

Average price per square meter declined in average value areas in the governorate e.g. Salam and Hiteen areas by 1.3% which is the same decline percentage of prices at Shuhada area. Meanwhile, decline ratio increased in Zahraa area and reached 2.2% in Bayan area.

Average price per meter declined by 1.8% in average price per meter areas e.g. Jabriya area in quarter 3 compared to the preceding quarter.

Average Price/m² for Private Residence at Hawalli Governorate Q2 2016 & Q3 2016




 2016
Q3
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 2016 |
|------------------------------------|------------------------|---------------|----------|---------------------------|----------------|-------------------------------------|--------------|--|
| | | | | From | To | From | To | |
| Shaab | 400 | 210% | Internal | 350,000 | 410,000 | 875 | 1,025 | 950 |
| | 400 | 210% | Main | 400,000 | 470,000 | 1,000 | 1,175 | 1,088 |
| | 500 | 210% | Internal | 375,000 | 450,000 | 750 | 900 | 825 |
| General Average in the Area | | | | 457,500 | 542,500 | 846 | 1,003 | 924 |
| Jabriya | 400 | 210% | Internal | 290,000 | 350,000 | 725 | 875 | 800 |
| | 400 | 210% | Main | 340,000 | 410,000 | 850 | 1,025 | 938 |
| | 500 | 210% | Internal | 320,000 | 385,000 | 640 | 770 | 705 |
| General Average in the Area | | | | 433,889 | 527,222 | 677 | 823 | 750 |
| Rumaithiya | 400 | 210% | Internal | 250,000 | 320,000 | 625 | 800 | 713 |
| | 400 | 210% | Main | 300,000 | 370,000 | 750 | 925 | 838 |
| | 750 | 210% | Internal | 340,000 | 470,000 | 453 | 627 | 540 |
| General Average in the Area | | | | 423,889 | 515,556 | 636 | 783 | 710 |
| Salwa | 500 | 210% | Internal | 280,000 | 350,000 | 560 | 700 | 630 |
| | 750 | 210% | Internal | 340,000 | 470,000 | 453 | 627 | 540 |
| | 1,000 | 210% | Aqsaa | 700,000 | 825,000 | 700 | 825 | 763 |
| | 1,000 | 210% | Taawon | 880,000 | 1,050,000 | 880 | 1,050 | 965 |
| General Average in the Area | | | | 506,429 | 617,857 | 633 | 776 | 704 |
| Salaam | 400 | 210% | Internal | 320,000 | 365,000 | 800 | 913 | 856 |
| | 400 | 210% | Main | 360,000 | 425,000 | 900 | 1,063 | 981 |
| | 500 | 210% | Internal | 345,000 | 425,000 | 690 | 850 | 770 |
| | 500 | 210% | Main | 400,000 | 480,000 | 800 | 960 | 880 |
| General Average in the Area | | | | 356,250 | 423,750 | 798 | 946 | 872 |
| Hitteen | 400 | 210% | Internal | 320,000 | 365,000 | 800 | 913 | 856 |
| | 400 | 210% | Main | 360,000 | 425,000 | 900 | 1,063 | 981 |
| | 500 | 210% | Internal | 345,000 | 425,000 | 690 | 850 | 770 |
| | 500 | 210% | Main | 400,000 | 480,000 | 800 | 960 | 880 |
| General Average in the Area | | | | 356,250 | 423,750 | 798 | 946 | 872 |
| Shuhada | 400 | 210% | Internal | 320,000 | 365,000 | 800 | 913 | 856 |
| | 400 | 210% | Main | 360,000 | 425,000 | 900 | 1,063 | 981 |
| | 500 | 210% | Internal | 345,000 | 425,000 | 690 | 850 | 770 |
| | 500 | 210% | Main | 400,000 | 480,000 | 800 | 960 | 880 |
| General Average in the Area | | | | 356,250 | 423,750 | 798 | 946 | 872 |

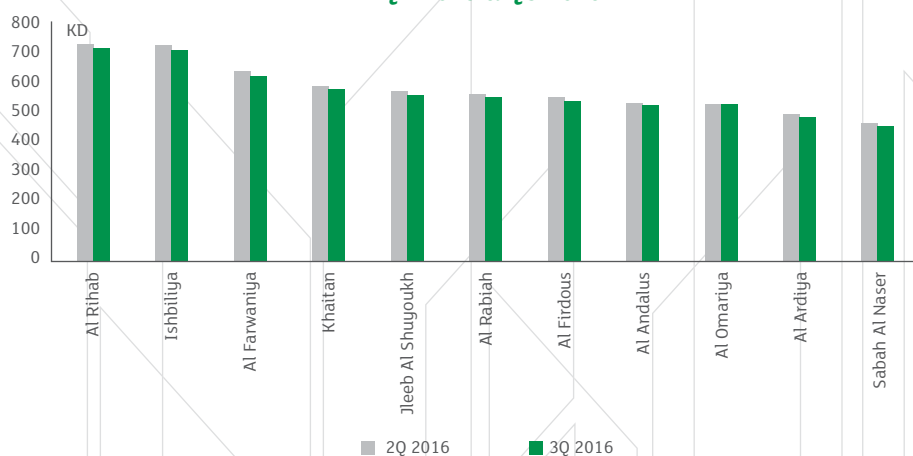
Average price per square meter declined by 1% in Farwaniya governorate in Q3, thus recording the lowest decline ratio among other governorates compared to Q2 this year. Average price per square meter in the governorate approximated KD 566. Price per square meter declined significantly by 10% compared to average price in Q3 last year.

Most of governorate areas witnessed variable declines 1% - 3%. Prices declined in Eshbilia area by 2% as it is considered as one of the highest price areas. Prices declined in Rehab area similarly compared to Q2. Prices declined in Farwaniya area by 3% and declined by 2% in Khaitan area compared to Q2 this year.

Prices declined in average price areas e.g. Jaleeb Al-Shoyoukh by 3% and declined in Rabia by 1%. Prices declined in Fardoas area by 2%.

Omariya, a low price area, was an exception among governorate areas as it witnessed remarkable stability in prices. Prices declined in Ardia area just like other governorate areas.

**Average Price/m² for Private Residence at Farwaniya Governorate
Q2 2016 & Q3 2016**



Decline rate for residential real estate prices have stabled recording 2% in Q3 compared to Q2.



2016
Q3

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 2016 |
|------------------------------------|------------------------|---------------|----------|---------------------------|----------------|-------------------------------------|------------|--|
| | | | | From | To | From | To | |
| Andalus | 500 | 210% | Internal | 215,000 | 260,000 | 430 | 520 | 475 |
| | 750 | 210% | Main | 355,000 | 415,000 | 473 | 553 | 513 |
| General Average in the Area | | | | 310,000 | 365,000 | 477 | 563 | 520 |
| Rabia (Existing house) | 500 | 210% | Internal | 230,000 | 275,000 | 460 | 550 | 505 |
| | 500 | 210% | Main | 265,000 | 325,000 | 530 | 650 | 590 |
| General Average in the Area | | | | 247,500 | 300,000 | 495 | 600 | 548 |
| Ashbilya | 375 | 210% | Internal | 225,000 | 280,000 | 600 | 747 | 673 |
| | 400 | 210% | Main | 295,000 | 345,000 | 738 | 863 | 800 |
| | 500 | 210% | Internal | 270,000 | 335,000 | 540 | 670 | 605 |
| General Average in the Area | | | | 270,833 | 329,167 | 641 | 779 | 710 |
| Farwaniya | 500 | 210% | Internal | 250,000 | 310,000 | 500 | 620 | 560 |
| | 500 | 210% | Main | 300,000 | 375,000 | 600 | 750 | 675 |
| General Average in the Area | | | | 275,000 | 342,500 | 550 | 685 | 618 |
| Khaitan | 400 | 210% | Internal | 220,000 | 270,000 | 550 | 675 | 613 |
| | 750 | 210% | Main | 580,000 | 645,000 | 580 | 645 | 613 |
| General Average in the Area | | | | 380,000 | 450,000 | 507 | 600 | 553 |
| Jaleeb Al Shuyoukh | 500 | 210% | Main | 220,000 | 275,000 | 440 | 550 | 495 |
| General Average in the Area | | | | 275,000 | 340,000 | 550 | 680 | 615 |
| Ardiya | 750 | 210% | Internal | 247,500 | 307,500 | 495 | 615 | 555 |
| | 750 | 210% | Main | 300,000 | 365,000 | 400 | 487 | 443 |
| General Average in the Area | | | | 355,000 | 420,000 | 473 | 560 | 517 |

Prices declined in Ahmadi governorate by 2.7% in Q3 compared to Q2. Price per square meter reached KD 496 in Q3 at the governorate level.

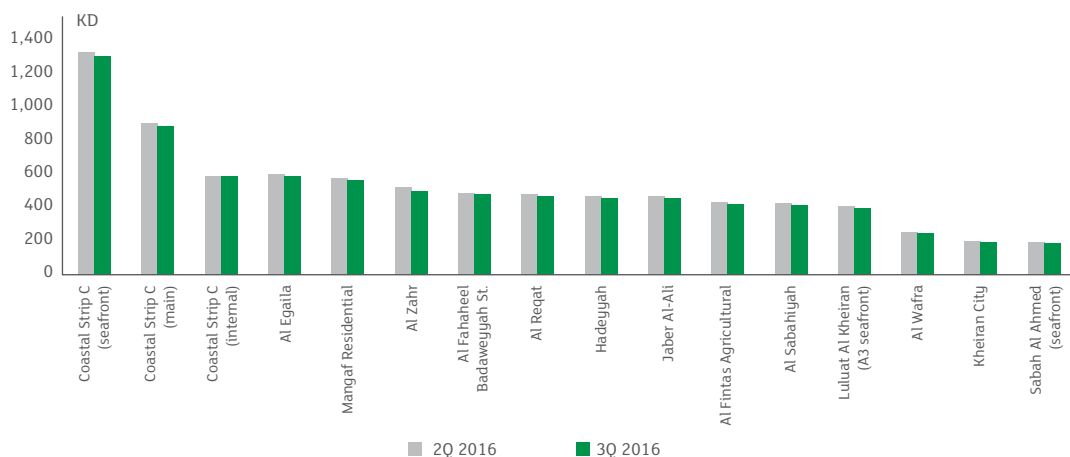
Most of governorate areas witnessed variable decline ratios starting from 1% and reaching more than 7%. Prices stabilized significantly in other governorate areas. Prices stabilized for the second quarter respectively in the southern coast strip area and main coast strip. Prices stabilized in Agaila area as well.

Mangaf area recorded the highest decline ratio among all governorate areas by 7.2% compared to Q2 prices. Prices declined in Dhaher area by half this ration and by a lesser ratio in Fahaheel area and certain places of Badaweya St. i.e. 2.6% compared to Q2.

Prices declined in Hadiya area by 1% while it declined by 4.4% in Jaber Al-Ali area. Prices declined in Fintas agricultural area by 3.3% while they stabilized in Sabahiya and Kheiran Pearl city.

Prices declined in low price areas e.g. existing houses in Wafra, by 4.5% while prices stabilized in the lowest price areas e.g. Kheiran. Declined by 1% in Sabah Al Ahmed Marine area.

Average Price/m² for Private Residence at Ahmadi Governorate Q2 2016 & Q3 2016




 2016
Q3

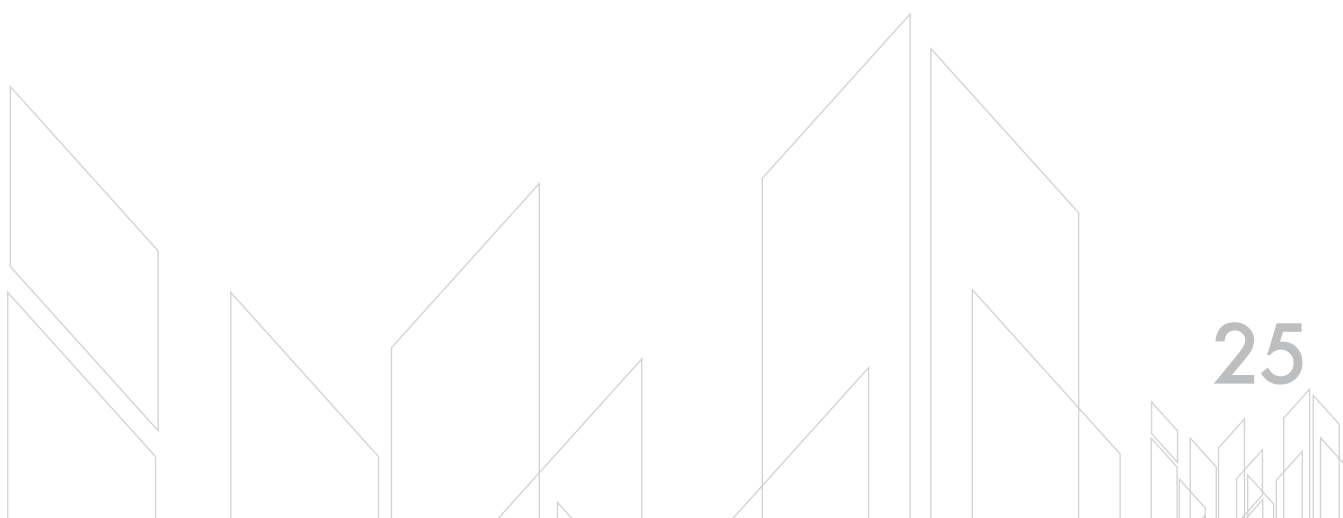
Residential Plot Prices at Ahmadi Governorate

| Region | Area m ² | Building % | Street | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/ m ² Q3 2016 |
|--|------------------------|---------------|----------|---------------------------|-----------|-------------------------------------|-------|--|
| | | | | From | To | From | To | |
| Fintas Agricultural | 1,000 | 210% | Internal | 350,000 | 415,000 | 350 | 415 | 383 |
| | 1,000 | 210% | Main | 425,000 | 520,000 | 425 | 520 | 473 |
| Hadiya | 750 | 210% | Internal | 280,000 | 350,000 | 373 | 467 | 420 |
| | 750 | 210% | Main | 350,000 | 425,000 | 467 | 567 | 517 |
| Egaila | 400 | 210% | Main | 250,000 | 290,000 | 625 | 725 | 675 |
| | 500 | 210% | Main | 275,000 | 315,000 | 550 | 630 | 590 |
| Coast strip C overlooking sea | 1,000 | 150% | Marine | 1,250,000 | 1,375,000 | 1,250 | 1,375 | 1,313 |
| Coast strip C overlooking main road | 750 | 150% | Internal | 390,000 | 500,000 | 520 | 667 | 593 |
| Khairan Residential | 400 | 210% | Internal | 70,000 | 95,000 | 175 | 238 | 206 |
| Sabah Al Ahmad Marine A1 (overlooking sea) | 1,200 | 210% | Marine | 220,000 | 250,000 | 183 | 208 | 196 |
| Sabah Al Ahmad Marine A2 (overlooking Sea) | 450 | 210% | Marine | 165,000 | 200,000 | 367 | 444 | 406 |
| Khairan Pearl Marine A3 City (overlooking Sea) | 450 | 210% | Marine | 165,000 | 200,000 | 367 | 444 | 406 |
| Al Mangaf Residential | 375 | 210% | Internal | 160,000 | 200,000 | 427 | 533 | 480 |
| | 400 | 210% | Main | 225,000 | 280,000 | 563 | 700 | 631 |

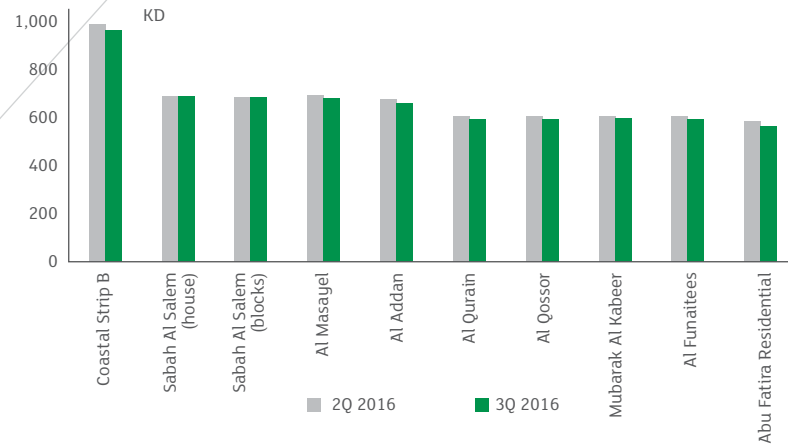
Prices declined in Mubarak Al Kabeer by 1% in Q3 this year compared to the preceding quarter, thus recording KD 665. Prices declined in most of the governorate areas compared to Q2 by 1% minimum and 2% maximum in other areas. Prices declined in the highest price areas e.g. coast strip (B) by 2% while they stabilized in Sabah Al-Salem area – existing government houses and residential plots area.

Average price areas e.g. Masayel area, witnessed a decline in prices by 1.8% compared to Q2 prices this year. Prices declined in Addan area by 2.1% while they declined in Qurain area by 1%.

Prices declined in low price areas e.g. Qosour and Mubarak Al Kabeer areas by 1.3% and declined more than that in Funaitees and Abu-Fatira areas by more than 2.1% in Q3 this year.



Average Price/m² for Private Residence at Mubarak Al Kabeer Governorate Q2 2016 & Q3 2016



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 2016 |
|-----------------------------|---------------------|------------|----------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Masayel | 400 | 210% | Internal | 235,000 | 295,000 | 588 | 738 | 663 |
| | 400 | 210% | Main | 285,000 | 345,000 | 713 | 863 | 788 |
| General Average in the Area | | | | 273,750 | 332,500 | 613 | 745 | 679 |
| Coastal Strip B | 1,000 | 150% | Internal | 500,000 | 700,000 | 500 | 700 | 600 |
| | 1,000 | 150% | Fahaheel | 820,000 | 930,000 | 820 | 930 | 875 |
| General Average in the Area | | | | 1,306,667 | 1,576,667 | 873 | 1,060 | 967 |
| Abu Fatira Residential | 400 | 210% | Internal | 190,000 | 255,000 | 475 | 638 | 556 |
| | 400 | 210% | Main | 245,000 | 285,000 | 613 | 713 | 663 |
| General Average in the Area | | | | 226,250 | 280,000 | 507 | 628 | 567 |
| Funaitees | 400 | 210% | Main | 200,000 | 265,000 | 500 | 663 | 581 |
| | 500 | 210% | Internal | 225,000 | 275,000 | 450 | 550 | 500 |
| General Average in the Area | | | | 236,250 | 290,000 | 529 | 650 | 590 |
| Adan | 400 | 210% | Internal | 230,000 | 280,000 | 575 | 700 | 638 |
| | 400 | 210% | Main | 265,000 | 300,000 | 663 | 750 | 706 |
| General Average in the Area | | | | 242,500 | 286,250 | 606 | 716 | 661 |





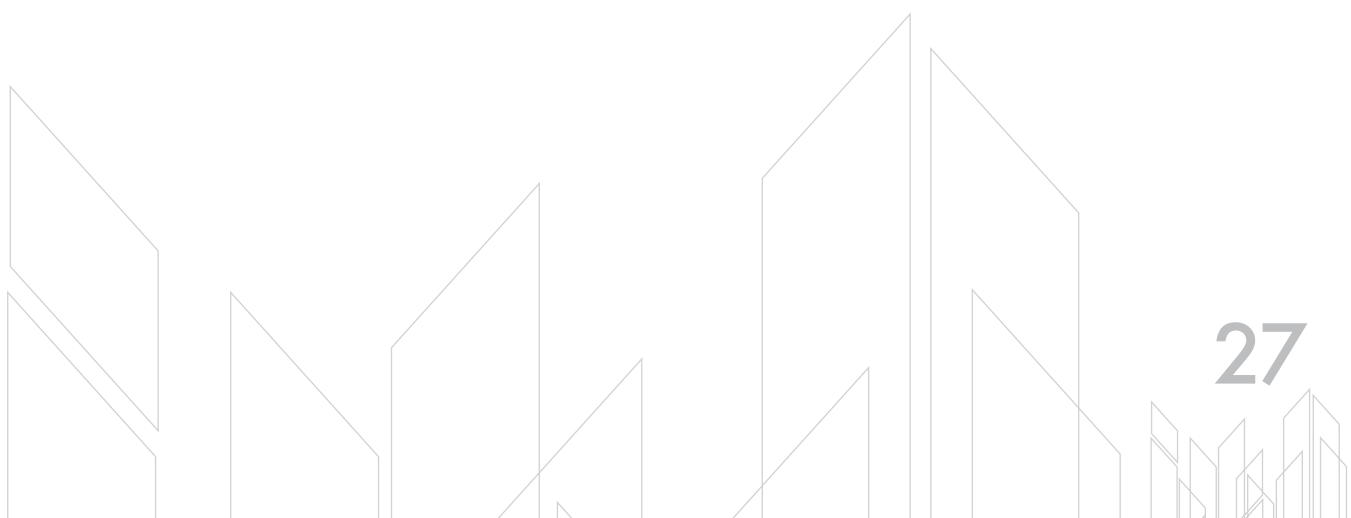
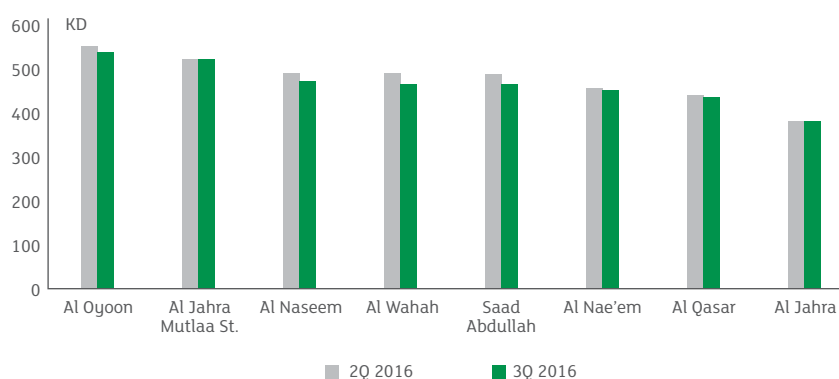
Prices declined in Jahra governorate by 2% thus recording KD 452 / m² in Q3. This ratio is less than the decline ratio 4.2% recorded in Q2. On annual basis the price per meter did not witness any change compared to Q3 last year.

Prices declined in governorate areas by 1.5% - 3% in Q3. Prices declined in the highest price areas e.g. government houses in Oyoun area by 1.9% and in Mutlaa St. at Jahra area by a higher percentage 2.9% and in government houses at Naseem area where it declined by 2.6% during Q3.

Average price areas e.g. government houses at Oases area witnessed a decline in prices by 1.8% while more declines were witnessed in prices of internal government houses at Saad Al Abdullah areas.

Low price areas e.g. government houses at Na'eem area witnessed a decline in prices by 2.4% followed by Qaser area – Club St. by 1.5% compared to Q2. Old Jahra area witnessed a decline by 1.5% in Q3 compared to the preceding quarter.

**Average Price/m² for Private Residence at Jahra Governorate
Q2 2016 & Q3 2016**



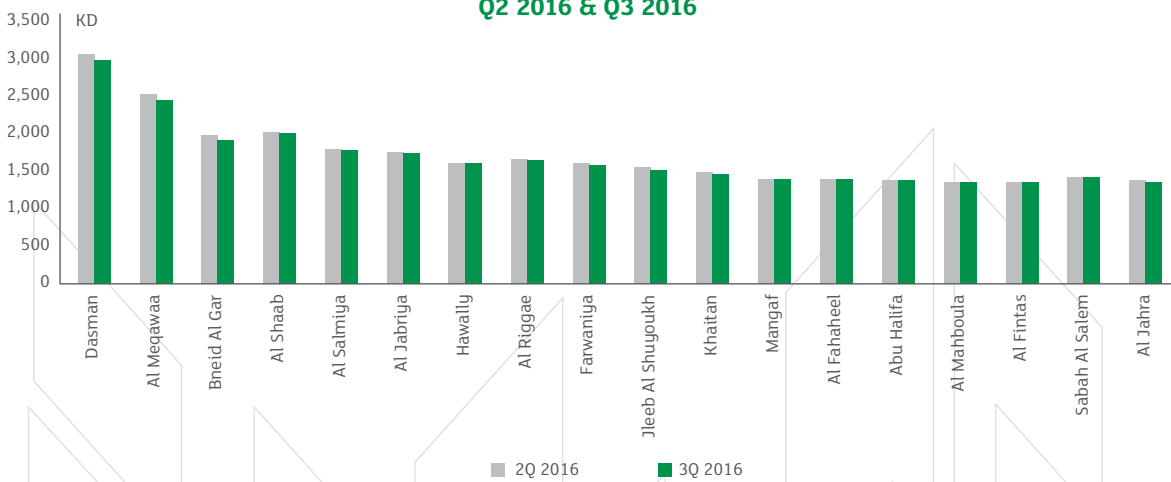
Residential Plot Prices at Jahra Governorate

| Region | Area m ² | Building % | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/ m ² Q3 2016 |
|---|------------------------|---------------------------|---------------------------|---------|-------------------------------------|-----|--|
| | | | From | To | From | To | |
| Qasr – Club Street | 1,000 | 210% | 450,000 | 510,000 | 450 | 510 | 480 |
| Qasr (existing houses) | 600 | 210% | 190,000 | 265,000 | 317 | 442 | 379 |
| Jahra – Mutla'a St. - Internal | 1,000 | 210% | 320,000 | 425,000 | 320 | 425 | 373 |
| Na'eem – Plots | 400 | 210% | 138,000 | 185,000 | 345 | 463 | 404 |
| Na'eem – (government house) | 400 | 210% | 165,000 | 215,000 | 413 | 538 | 475 |
| Oyoun | 297.68 | Till 800m ² | 132,000 | 182,000 | 443 | 611 | 527 |
| Al Naseem (government house) – Main Roads | 400 | 210% | 160,000 | 210,000 | 400 | 525 | 463 |
| Oasis (existing houses) | 300 | Till 800m ² | 120,000 | 155,000 | 400 | 517 | 458 |
| Saad Al-Abdullah | 400 | 210% | 160,000 | 205,000 | 400 | 513 | 456 |

Second: Investment Land Prices

Average investment land Prices per square meter declined in Q3 this year compared to Q2. Price per meter declined by 2% compared to Q2 this year. Average price per square meter of investment land approximated KD 1,672 during Q3, bearing in mind that price per meter has declined in all governorates. Price levels declined significantly in Q3 by 13 % compared to the same period last year.

**Average price/m² for Investment Residence Properties at Kuwait Governorates
Q2 2016 & Q3 2016**



Price per square meter of investment land in Capital Governorate reached KD 2,424 during Q3, declining by 3% compared to Q2.

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 2016 |
|------------------------------------|---------------------|------------|---------------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
| | | | | From | To | From | To | |
| Bneid Al Gar | 1,000 | 250% | Gulf Road | 2,750,000 | 3,000,000 | 2,750 | 3,000 | 2,875 |
| | 500 | 250% | Internal Main | 900,000 | 950,000 | 1,800 | 1,900 | 1,850 |
| | 1,000 | 250% | Internal | 1,500,000 | 1,600,000 | 1,500 | 1,600 | 1,550 |
| | 1,000 | 250% | 1st & 2nd Ring Road | 1,750,000 | 1,900,000 | 1,750 | 1,900 | 1,825 |
| General Average in the Area | | | | 1,502,500 | 1,622,500 | 1,818 | 1,964 | 1,891 |
| Eastern Muqawa | 250 | 240% | Internal | 400,000 | 500,000 | 1,600 | 2,000 | 1,800 |
| | 500 | 400% | Internal Main | 1,250,000 | 1,375,000 | 2,500 | 2,750 | 2,625 |
| | 1,000 | 400% | Shuhada | 2,700,000 | 2,875,000 | 2,700 | 2,875 | 2,788 |
| General Average in the Area | | | | 1,375,000 | 1,518,750 | 2,275 | 2,569 | 2,422 |
| Dasman | 1,000 | 400% | Gulf Road | 3,650,000 | 3,800,000 | 3,650 | 3,800 | 3,725 |
| | 1,000 | 400% | Internal | 2,300,000 | 2,500,000 | 2,300 | 2,500 | 2,400 |
| | 750 | 400% | Abdullah Al-Ahmed | 2,025,000 | 2,100,000 | 2,700 | 2,800 | 2,750 |
| General Average in the Area | | | | 2,658,333 | 2,800,000 | 2,883 | 3,033 | 2,958 |

Price per square meter of investment land in Capital Governorate reached KD 2,424 during Q3, thus declining by 3% compared to prices in Q2. Average prices has also declined significantly by 10% compared to last year.

It is noticed at Capital governorate level that prices have declined by 3% in the highest price areas in Kuwait e.g. Dasman area, due to the decline in prices of internal streets and gulf road as well as Abdullah Al Ahmed street. Meanwhile decline increased on annual basis in Eastern Maquaa during Q3 thus recording 4% due to the significant decline in main and internal locations at the area. Decline increased also in Q3 compared to Q2 in Benaid Al-Qar. The area has witnessed a decline by 4% during Q3 which comes on the back of the decline in prices in Gulf road and main places at the first ring road and second ring road as well as several location at Istiqlal Street.



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 2016 |
|------------------------------------|---------------------|------------|----------------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
| | | | | From | To | From | To | |
| Hawalli | 750 | 250% | Muthanna | 1,100,000 | 1,200,000 | 1,467 | 1,600 | 1,533 |
| | 750 | 250% | Qutaiba | 1,200,000 | 1,275,000 | 1,600 | 1,700 | 1,650 |
| | 750 | 250% | Ahmed bin Toloun | 1,100,000 | 1,200,000 | 1,467 | 1,600 | 1,533 |
| | 750 | 250% | Maghreb | 1,240,000 | 1,300,000 | 1,653 | 1,733 | 1,693 |
| | 750 | 250% | Sharhabeel | 1,125,000 | 1,250,000 | 1,500 | 1,667 | 1,583 |
| | 1,000 | 250% | Internal | 1,350,000 | 1,480,000 | 1,350 | 1,480 | 1,415 |
| General Average in the Area | | | | 1,159,000 | 1,257,000 | 1,513 | 1,641 | 1,577 |
| Salmiya | 1,000 | 250% | Gulf Road | 2,700,000 | 3,000,000 | 2,700 | 3,000 | 2,850 |
| | 750 | 250% | Baghdad (liberation) | 1,250,000 | 1,380,000 | 1,667 | 1,840 | 1,753 |
| | 750 | 250% | Amman | 1,250,000 | 1,340,000 | 1,667 | 1,787 | 1,727 |
| | 750 | 250% | Bahrain | 1,280,000 | 1,370,000 | 1,707 | 1,827 | 1,767 |
| | 750 | 250% | Amr Bin Al-Aas | 1,300,000 | 1,580,000 | 1,733 | 2,107 | 1,920 |
| | 1,000 | 250% | Main | 1,580,000 | 1,700,000 | 1,580 | 1,700 | 1,640 |
| | 1,000 | 250% | Internal | 1,420,000 | 1,520,000 | 1,420 | 1,520 | 1,470 |
| General Average in the Area | | | | 1,306,875 | 1,431,250 | 1,695 | 1,856 | 1,775 |
| Shaab | 1,000 | 250% | Gulf Road | 2,800,000 | 3,050,000 | 2,800 | 3,050 | 2,925 |
| | 750 | 250% | Internal | 1,150,000 | 1,300,000 | 1,533 | 1,733 | 1,633 |
| General Average in the Area | | | | 1,800,000 | 1,987,500 | 1,896 | 2,096 | 1,996 |
| Jabriya | 1,000 | 250% | 4th Ring Road | 1,750,000 | 1,900,000 | 1,750 | 1,900 | 1,825 |
| | 1,000 | 250% | Maghreb | 1,650,000 | 1,800,000 | 1,650 | 1,800 | 1,725 |
| | 1,000 | 250% | McDonald's | 1,800,000 | 1,950,000 | 1,800 | 1,950 | 1,875 |
| | 750 | 250% | Internal | 1,125,000 | 1,280,000 | 1,500 | 1,707 | 1,603 |
| General Average in the Area | | | | 1,543,125 | 1,693,125 | 1,639 | 1,800 | 1,719 |

Prices declined in Hawalli governorate by 1% compared to Q2 this year. Average price per square meter at the governorate approximated KD 1,767 in Q3. Price per square meter declined by 14% on annual basis compared to Q3 last year.

Prices in investment areas of Hawalli governorate have recorded a decline on quarterly basis. Price per square meter declined in Shaab area by less than 1% compared to Q2 due to the decline in some places of Istiqlal Street by 1.4% compared to Q2. Prices have stabilized in certain internal places in the area. Average price per square meter declined in Salmiya area by the same percentage. Decline has reached 2% in certain internal places in the area and 1.9% in some places of Al Mugheera Bin Shuba Street. However, decline ratios have exceeded 2.4% in some places of Amr Bin Al Aas Street.

Average price per meter declined in Jabriay by 1.2% due to the decline in most of the places in the area e.g. a location adjacent to Al-Hajri Mosque and some other main locations. Prices declined also at the highest prices areas e.g. Maghreb St. by 1.4% while they declined by less percentage in some other average price locations. Prices declined in some internal places at the area by 1% compared to Q2.

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 2016 |
|------------------------------------|---------------------|------------|----------------|------------------------|------------------|----------------------------------|--------------|---------------------------------------|
| | | | | From | To | From | To | |
| Farwaniya | 750 | 250% | Airport | 1,250,000 | 1,300,000 | 1,667 | 1,733 | 1,700 |
| | 750 | 250% | 6th Ring Road | 1,220,000 | 1,280,000 | 1,627 | 1,707 | 1,667 |
| | 1,000 | 250% | Internal | 1,200,000 | 1,420,000 | 1,200 | 1,420 | 1,310 |
| | 500 | 250% | Main | 775,000 | 880,000 | 1,550 | 1,760 | 1,655 |
| General Average in the Area | | | | 1,178,571 | 1,284,286 | 1,511 | 1,651 | 1,581 |
| Khaitan | 750 | 250% | 6th Ring Road | 1,180,000 | 1,275,000 | 1,573 | 1,700 | 1,637 |
| | 1,000 | 250% | Internal | 1,200,000 | 1,410,000 | 1,200 | 1,410 | 1,305 |
| | 600 | 250% | Internal | 800,000 | 920,000 | 1,333 | 1,533 | 1,433 |
| General Average in the Area | | | | 1,130,000 | 1,260,000 | 1,375 | 1,535 | 1,455 |
| Jleeb Al Shuyoukh | 750 | 250% | 6th Ring | 1,180,000 | 1,275,000 | 1,573 | 1,700 | 1,637 |
| | 750 | 250% | Police Station | 1,150,000 | 1,250,000 | 1,533 | 1,667 | 1,600 |
| | 750 | 250% | Main | 1,080,000 | 1,220,000 | 1,440 | 1,627 | 1,533 |
| | 500 | 250% | Internal | 720,000 | 820,000 | 1,440 | 1,640 | 1,540 |
| General Average in the Area | | | | 988,750 | 1,108,750 | 1,443 | 1,620 | 1,531 |
| Al Riggae | 750 | 250% | 4th Ring Road | 1,280,000 | 1,340,000 | 1,707 | 1,787 | 1,747 |
| | 1,000 | 250% | 5th Ring Road | 1,640,000 | 1,740,000 | 1,640 | 1,740 | 1,690 |
| | 1,000 | 250% | 4th Ring Road | 1,650,000 | 1,750,000 | 1,650 | 1,750 | 1,700 |
| | 750 | 250% | Internal Main | 1,100,000 | 1,260,000 | 1,467 | 1,680 | 1,573 |
| General Average in the Area | | | | 1,240,000 | 1,348,571 | 1,570 | 1,713 | 1,641 |

Average price per meter declined in Farwaniya governorate in Q3 by 1.1% compared to Q2. Average price per meter reached KD 1,552 in Q3. Accordingly the price declined by 14% compared to Q3 last year.

Price levels in governorate areas declined mostly by 1% while prices stabilized in some other areas. Prices declined in Riq'a'e, highest price investment area, by 1% in Q2 while certain locations at the 5th ring road declined by 2% and certain internal main areas declined by 2.9%.

Prices in Farwaniya declined by 0.5% during Q3. Certain places overlooking airport road recorded a decline by 0.3% while decline ratio was higher in internal places by 1.5%. Prices declined in Jaleeb Al-Shoyoukh area by 0.8% and in places overlooking 6th ring road. However, the decline percentage was less in certain places at Police Station Street. Average price declined in Khaitan during Q3 by 1.3% while prices declined in certain places of Airport road by 1%. decline ratio reached 1.7% and 1.5% in certain internal places of the area.


 2016
Q3

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 2016 |
|------------------------------------|------------------------|---------------|--------------|---------------------------|------------------|-------------------------------------|--------------|--|
| | | | | From | To | From | To | |
| Fintas | 750 | 250% | Fahaheel | 1,040,000 | 1,125,000 | 1,387 | 1,500 | 1,443 |
| | 750 | 250% | Main | 880,000 | 1,050,000 | 1,173 | 1,400 | 1,287 |
| | 1,000 | 250% | Coast Strip | 1,620,000 | 1,750,000 | 1,620 | 1,750 | 1,685 |
| General Average in the Area | | | | 983,333 | 1,137,500 | 1,232 | 1,431 | 1,331 |
| Abu Halifa | 500 | 250% | Internal | 590,000 | 720,000 | 1,180 | 1,440 | 1,310 |
| | 750 | 250% | Main | 880,000 | 1,050,000 | 1,173 | 1,400 | 1,287 |
| | 1,000 | 250% | Coast Strip | 1,620,000 | 1,750,000 | 1,620 | 1,750 | 1,685 |
| General Average in the Area | | | | 967,500 | 1,115,000 | 1,253 | 1,461 | 1,357 |
| Mangaf | 500 | 250% | Internal | 600,000 | 740,000 | 1,200 | 1,480 | 1,340 |
| | 750 | 350% | Mecca Street | 1,040,000 | 1,160,000 | 1,387 | 1,547 | 1,467 |
| | 1,000 | 250% | Coast Strip | 1,670,000 | 1,800,000 | 1,670 | 1,800 | 1,735 |
| General Average in the Area | | | | 1,022,857 | 1,156,429 | 1,292 | 1,466 | 1,379 |
| Mahboula | 500 | 250% | Internal | 590,000 | 720,000 | 1,180 | 1,440 | 1,310 |
| | 750 | 250% | Main | 880,000 | 1,050,000 | 1,173 | 1,400 | 1,287 |
| | 750 | 250% | Fahaheel | 1,040,000 | 1,125,000 | 1,387 | 1,500 | 1,443 |
| | 1,000 | 250% | Coast | 1,620,000 | 1,750,000 | 1,620 | 1,750 | 1,685 |
| General Average in the Area | | | | 1,040,000 | 1,125,000 | 1,387 | 1,500 | 1,443 |
| Fahaheel | 500 | 250% | Internal | 640,000 | 750,000 | 1,280 | 1,500 | 1,390 |
| | 750 | 250% | Main | 970,000 | 1,110,000 | 1,293 | 1,480 | 1,387 |
| | 1,000 | 250% | Mecca | 1,440,000 | 1,550,000 | 1,440 | 1,550 | 1,495 |
| General Average in the Area | | | | 958,571 | 1,086,429 | 1,288 | 1,461 | 1,375 |

Prices declined in Ahmadi are by 1.1% in Q3 on quarterly basis. Average price per meter reached KD 1,355 in Q3. Price levels at the governorate declined on annual basis by 15% compared to Q3 last year. Price levels are still recording the highest annual decline ratio among governorates.

Concerning price development in governorate areas, price decline levels have improved in all governorate areas. Average price per meter declined in the highest price investment areas e.g. Mangaf by 1% compared to Q2 followed by Fahaheel area which has recorded a decline by the same percentage. Prices declined by 0.6% in certain locations.

Prices declined in Abu-Halifa area by 1% compared to Q2. Prices declined in certain internal places of the area by the same percentage approximately. Certain locations overlooking the coast strip road recorded a higher decline ratio by 2.3%. price levels in Fintas declined by 1% and declined by the same ratio in Mahboula. Prices declined in certain internal places of a 1000 m² area.

Average price per square meter of investment land in Mubarak Al-Kabeer governorate reached KD 1,408 during Q3. Accordingly, average price per square meter has declined by 1% compared to price levels in Q2. Price levels at the governorate declined significantly by 13% compared to Q3 last year.

Price levels declined in Sabah Al-Salem area in Q3 by 0.8% compared to Q2 due to the decline in prices in the highest price areas in the governorate e.g. Fahaheel street by 1.5%. However, prices stabilized in some other locations overlooking the 6th ring road. Prices stabilized in average price areas while they declined by 1.5% in other main and internal locations of 1000 m² area.

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 2016 |
|-----------------------------|---------------------|------------|---------------|------------------------|-----------|----------------------------------|-------|---------------------------------------|
| | | | | From | To | From | To | |
| Sabah Al Salem | 750 | 250% | Internal | 920,000 | 1,080,000 | 1,227 | 1,440 | 1,333 |
| | 1,000 | 250% | Internal Main | 1,300,000 | 1,500,000 | 1,300 | 1,500 | 1,400 |
| | 1,000 | 250% | Fahaheel | 1,600,000 | 1,700,000 | 1,600 | 1,700 | 1,650 |
| | 500 | 170% | 6th Ring | 515,000 | 575,000 | 1,030 | 1,150 | 1,090 |
| General Average in the Area | | | | 1,162,143 | 1,299,286 | 1,328 | 1,489 | 1,408 |

Average price per square meter in Jahraa governorate reached KD 1,363 in Q3 this year i.e. a decline by 1% compared to Q2. Meanwhile prices declined by 14% on annual basis compared to Q3 last year.

Prices declined in the governorate areas overlooking main streets in the governorate e.g. water station street (Khuzami Street). However, prices stabilized in main locations.

Prices declined in average price areas covering an area of 500 m². in Jahra governorate i.e. internal areas by 4.1%. Prices stabilized in other main areas covering an area of 1000 m². In other internal places of an area 1000 m². prices declined by 1.3% compared to Q2 while in areas covering an area of 750 sm. prices declined by 1.5% compared to Q2.

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 2016 |
|-----------------------------|------------------------|---------------|--------------------------------|---------------------------|-----------|-------------------------------------|-------|--|
| | | | | From | To | From | To | |
| Jahra | 1,000 | 250% | Internal | 1,080,000 | 1,240,000 | 1,080 | 1,240 | 1,160 |
| | 1,000 | 250% | Main | 1,300,000 | 1,400,000 | 1,300 | 1,400 | 1,350 |
| | 800 | 250% | Khuzami St. (water station) | 1,180,000 | 1,250,000 | 1,475 | 1,563 | 1,519 |
| | 500 | 250% | Main | 700,000 | 790,000 | 1,400 | 1,580 | 1,490 |
| General Average in the Area | | | | 963,333 | 1,076,667 | 1,285 | 1,442 | 1,363 |

Annual Rate of Return on Investment Properties

Investment properties realize competitive returns compared to other types of investment opportunities. Returns on investment real estates ranged between 6.5 % - 8.4 % during Q2 at governorates level. In capital areas returns stabilized during Q3 at 7.1% compared to Q2. Average returns ranged between 6.5% - 7% in various areas of the governorate. Returns reached 7.25% - 7.5% in certain areas of the governorate. Returns on investment real estates improved in Hawalli area thus recording average 7.6% due to the increase in the rates of return on investment properties in certain governorate areas.

Returns in Farwania governorate reached 8% and reached 8.4% in some other areas. Returns on investment real estates improved in Ahmadi governorate to reach 8% while they exceeded 8.3% in some distinguished areas. Returns at Jahraa governorate level reached 8% while reached 7.8% in Mubarak Al-Kabeer.

Average price/m² declined in regard to investment land during Q3 by 2% comparing to Q2.

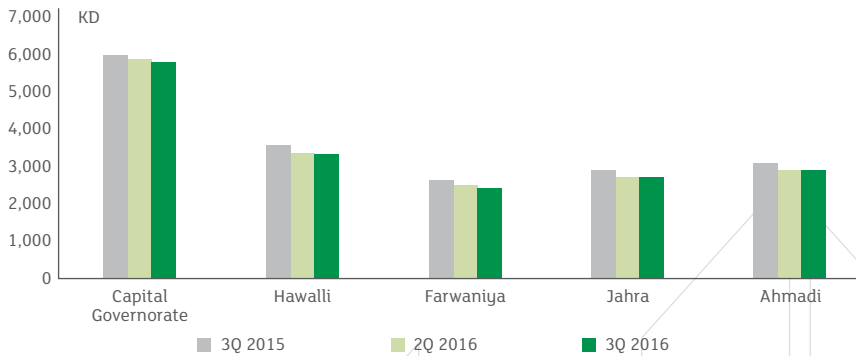
**Annual Rate of Return (ARR) on Investment Properties
in Certain Areas in Kuwait**

| Governorate | Region | Building % | Area m ² | Site | Sale Return/Annual Real Estate Income % Q3 2016 | | |
|-------------------|----------------|------------|---------------------|------------------|---|-------|---------|
| | | | | | From | To | Average |
| Capital | Bneid Al Gar | 250% | 1,000 | Gulf Road | 6.50% | 6.75% | 6.63% |
| | Bneid Al Gar | 250% | 1,000 | Istiqlal | 7.00% | 7.25% | 7.13% |
| | Eastern Maqwa | 240% | 250 | Internal | 6.50% | 6.75% | 6.63% |
| | Dasman | 400% | 1,000 | Gulf Road | 6.50% | 6.75% | 6.63% |
| Hawalli | Hawalli | 250% | 750 | Muthanna | 7.50% | 7.75% | 7.63% |
| | Hawalli | 250% | 1,000 | Mousa Bin Nasir | 7.50% | 7.75% | 7.63% |
| | Salmiya | 250% | 1,000 | Gulf Road | 6.50% | 6.75% | 6.63% |
| | Salmiya | 250% | 1,000 | Hamad Al-Mubarak | 7.50% | 7.75% | 7.63% |
| | Shaab | 250% | 1,000 | Gulf Road | 7.50% | 7.75% | 7.63% |
| | Shaab | 250% | 1,000 | Internal | 7.50% | 7.75% | 7.63% |
| Farwaniya | Farwaniya | 250% | 1,000 | Airport | 7.75% | 8.00% | 7.88% |
| | Farwaniya | 250% | 750 | Internal | 8.25% | 8.50% | 8.38% |
| | Khaitan | 250% | 750 | Airport | 7.75% | 8.00% | 7.88% |
| | Khaitan | 250% | 750 | Internal | 8.25% | 8.50% | 8.38% |
| | Riggae | 250% | 1,000 | 5th Ring Rd | 7.50% | 7.75% | 7.63% |
| Ahmadi | Fintas | 250% | 500 | Internal | 8.00% | 8.50% | 8.25% |
| | Fintas | 250% | 750 | Main | 8.00% | 8.25% | 8.13% |
| | Abu Halifa | 250% | 500 | Internal | 8.00% | 8.50% | 8.25% |
| | Abu Halifa | 250% | 1,000 | Coast strip | 6.75% | 7.50% | 7.13% |
| | Mahboula | 250% | 750 | Internal | 8.25% | 8.50% | 8.38% |
| | Mahboula | 250% | 750 | Fahaheel | 8.00% | 8.25% | 8.13% |
| | Mahboula | 250% | 1,000 | Coast Strip | 6.75% | 7.50% | 7.13% |
| | Fahaheel | 250% | 500 | Internal | 7.75% | 8.25% | 8.00% |
| Jahra | Jahra | 250% | 1,000 | Internal | 8.00% | 8.25% | 8.13% |
| | Jahra | 250% | 800 | Khuzami | 7.75% | 8.00% | 7.88% |
| Mubarak Al Kabeer | Sabah Al Salem | 170% | 500 | Internal | 7.00% | 7.50% | 7.25% |
| | Sabah Al Salem | 250% | 1,000 | Internal | 8.00% | 8.25% | 8.13% |

Third: Commercial Property Prices

Commercial property average price per square meter declined during Q3 by 1% compared to Q2 this year. Average price per meter declined by 5% in Q3 this year compared to Q3 last year.

**Average Price/m² of Commercial Real Estate at Kuwait Governorates
Q3 2015, Q2 & Q3 2016**



Concerning average price per square meter in each governorate, prices have declined in all governorates on quarterly basis during Q3 by similar decline ratios and in a better shape than the decline recorded in Q2. Price per square meter in capital governorate which is the highest price are declined in Q3 by 0.8% compared to Q2 as price per square meter reached KD 5,803 in Q3. Price per square meter declined in Q3 this year by 2% compared to Q3 last year.

Commercial real estates at capital governorate witnessed a decline in price per square meter by 0.5% - 1% compared to Q2 2016 in the governorate areas. Prices declined in certain parts of Mubarak Al Kabeer St. downtown by 1% although it is considered as one of the highest price areas. Prices declined also by lower rates in certain places of Fahad Al-Salem St. – Qibla area. Average price per square meter declined by more than that in Ahmed Al-Jaber St. – Sharq area – Sharq by 1.5% compared to Q2. Meanwhile, prices declined in Mubarakia area by 0.5% and declined in some locations of Ali Al Salem St. and Gharaballi area compared to Q2 this year.

Commercial property average price per square meter declined during Q3 by 1% compared to Q2.

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 2016 |
|--------|---------------------|------------|------------------------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Qiblah | 500 | 300% | Mubarakiya | 2,100,000 | 2,750,000 | 4,200 | 5,500 | 4,850 |
| Sharq | 500 | 520% | Ahmad Al Jaber | 3,100,000 | 3,400,000 | 6,200 | 6,800 | 6,500 |
| City | 500 | 620% | Soor | 2,950,000 | 3,100,000 | 5,900 | 6,200 | 6,050 |
| City | 500 | 620% | Mubarak Al Kabeer (Stock Exchange) | 3,450,000 | 3,850,000 | 6,900 | 7,700 | 7,300 |
| City | 500 | 300% | Ali Al-Salem | 2,250,000 | 2,500,000 | 4,500 | 5,000 | 4,750 |
| Qiblah | 500 | 520% | Ali Al-Salem | 2,850,000 | 3,000,000 | 5,700 | 6,000 | 5,850 |

Price per square meter reached KD 3,300 in Q3 at Hawalli governorate this year, i.e. a decline by 1% compared to Q2 levels.

Regarding governorate areas, prices have declined in Hawalli and Salmiya areas. Prices declined in Hawalli area – Tunis Street by 0.7% and declined by the same ratio in Beirut St. Prices declined in Othman by 0.9% and in Ibn Khaldoun St. by 0.8% compared to Q2. Salmiya area witnessed a decline in prices in most of its areas. Prices declined in the highest price areas e.g. Salem Al-Mubarak area by 1.3% followed by Hamad Al-Mubarak area by 0.8%. Prices declined in the highest price area e.g. Bahrain St. i.e. a decline by 1.7% compared to Q2 this year.



Commercial Land Prices at Hawalli Governorate

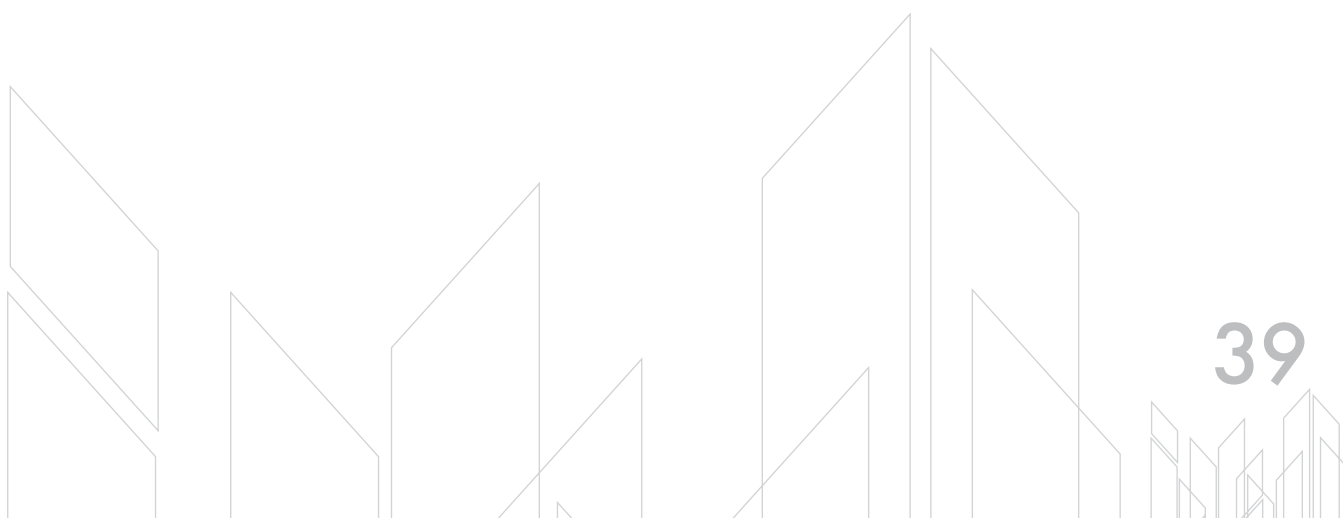
| Region | Area m ² | Building % | Street | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/m ² Q3 2016 |
|---------|---------------------|------------|------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Hawalli | 1,000 | 180% | Tunis | 3,400,000 | 3,750,000 | 3,400 | 3,750 | 3,575 |
| | 750 | 150% | Othman | 2,025,000 | 2,250,000 | 2,700 | 3,000 | 2,850 |
| Salmiya | 800 | 180% | Hamad Mubarak | 2,400,000 | 2,680,000 | 3,000 | 3,350 | 3,175 |
| | 800 | 180% | Salem Al Mubarak | 2,640,000 | 3,520,000 | 3,300 | 4,400 | 3,850 |
| | 500 | 180% | Bahrain | 1,375,000 | 1,475,000 | 2,750 | 2,950 | 2,850 |

Prices declined in Farwaniya governorate by 1.6% as the average price per square meter reached KD 2m 431 in Q3 compared to Q2. Prices declined on quarterly basis among Kuwait governorates in Q3. Prices declined on annual basis by 8% which is considered as the highest decline ratio compared to Q3 last year.

Prices declined in commercial areas of Farwania governorate. Prices declined in the highest price areas at Farwania governorate e.g. Munawer St. by 1% and recorded higher decline in other places of the same street by 2.5% compared to Q2. Prices declined in Fire Brigade St. by 1.7% compared to Q2.

Prices declined in Khaitan area opposite commercial and business center by 0.6% and declined by a higher ratio 1.3% in the same commercial and business center itself. Prices declined in Jaleeb Al-Shoyoukh area opposite Cooperative Society by 4.72% compared to Q2.

Prices declined in Dhajeej area in places overlooking 6th Ring Road by 2% while they declined by more than that in Dhajeej area south Khaitan. Prices declined in main places of Ardiya area by 2.1% and in internal areas by 1.3% compared to Q2 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 2016 |
|---------------------------------------|---------------------|-----------------------------|---------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Farwaniya Munawer St. | 1,000 | 180% | Munawer | 4,500,000 | 5,200,000 | 4,500 | 5,200 | 4,850 |
| Farwaniya Fire Brigade St. | 800 | 180% | Fire Brigade Street | 3,200,000 | 3,600,000 | 4,000 | 4,500 | 4,250 |
| Jaleeb Al Shuyoukh (Opposite Society) | 1,000 | 180% | Cooperative Street | 2,350,000 | 2,600,000 | 2,350 | 2,600 | 2,475 |
| Jaleeb Al Shuyoukh (Background) | 1,000 | 180% | Internal | 2,000,000 | 2,200,000 | 2,000 | 2,200 | 2,100 |
| Dhajej (5,000 M) on the 6th R. R. | 5,000 | 50% | 6th Ring Road | 6,000,000 | 6,250,000 | 1,200 | 1,250 | 1,225 |
| Dhajej (South Khaitan) | 5,000 | 250% | Internal | 1,500,000 | 2,250,000 | 300 | 450 | 375 |
| Ardiya (Warehouses) | 1,000 | Ground 80% Mezzanine 50% | Main | 1,125,000 | 1,225,000 | 1,125 | 1,225 | 1,175 |

Average price per square meter reached KD 2,913 in Q3 thus marking a decline by less than 1% compared to Q2 prices. Prices declined on annual basis at the governorate by 5% compared to Q3 prices last year.

Prices declined in commercial areas of the governorate compared to Q2. In high price areas e.g. coast road, average price per square meter declined by more than 1%. However, price per meter has declined in Mecca St. by 0.6% compared to Q2. Fintas area comes next as the second highest price area among governorate areas. Prices declined by 0.7% in main streets and a little higher than that in internal locations.

Price per square meter declined in Mangaf area e.g. Azeezia St. by 1.2% and declined in Khairan Pearl area – Marina St. by 2% which is the highest decline ratio among commercial areas. Prices declined in internal locations of the area by 1.3% compared to Q2 this year.


 2016
Q3

Commercial Land Prices at Ahmadi Governorate

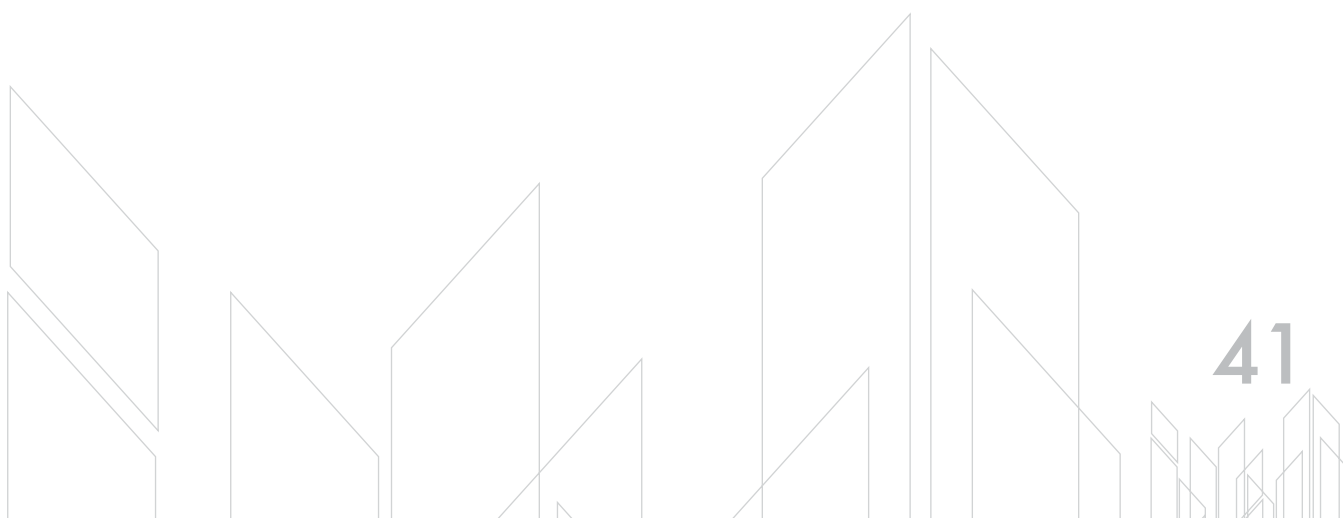
| Region | Area m ² | Building % | Street | Land Market Value (KD) | | Market Value/m ² (KD) | | Average Price/m ² Q3 2016 |
|-----------------------|---------------------|------------|--------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Mangaf | 750 | 300% | Aziziya | 1,350,000 | 1,687,500 | 1,800 | 2,250 | 2,025 |
| Fintas Admin. & Comm. | 1,000 | 180% | Main | 3,250,000 | 3,700,000 | 3,250 | 3,700 | 3,475 |
| | 1,000 | 180% | Internal | 3,100,000 | 3,500,000 | 3,100 | 3,500 | 3,300 |
| Fahaheel | 750 | 180% | Internal | 2,737,500 | 3,075,000 | 3,650 | 4,100 | 3,875 |
| Fahaheel | 750 | 180% | Coastal Road | 2,212,500 | 2,475,000 | 2,950 | 3,300 | 3,125 |
| Fahaheel | 750 | 180% | Mecca | 3,075,000 | 3,375,000 | 4,100 | 4,500 | 4,300 |
| Khiran Pearl | 1,200 | 180% | Marina | 2,812,500 | 3,112,500 | 3,750 | 4,150 | 3,950 |

Average price per square meter in Jahra Governorate reached 2,698 in Q3 thus marking a decline by 1% compared to Q2 prices at the governorate. Average price per square meter declined by 6% on annual basis compared to Q3 last year.

Prices declined in governorate areas by approximately similar ratios. Administrative and commercial center at Jahra witnessed a decline by 0.7% compared to Q2 this year. This areas is considered as one of the highest price areas in regard to average price per square meter of commercial real estates. Next comes Marzouk Al-Met'eb St. in which average price per square meter declined nearly by the same ratio. Prices declined in Qaisariyat area by a little higher ratio 1% compared to Q2. Prices declined also in commercial sites of Jahraa area by 1.6% mainly in plots of 1000 m² area during Q3 compared to Q2.

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 2016 |
|-----------------------------|---------------------|------------|---------------------|------------------------|-----------|----------------------------------|-------|--------------------------------------|
| | | | | From | To | From | To | |
| Jahra | 1,000 | 50% | Marzouk Al-Mat'aab | 2,800,000 | 3,200,000 | 2,800 | 3,200 | 3,000 |
| Jahra Admin. & Comm. Center | 875 | 300% | Admin. & Commercial | 3,018,750 | 3,500,000 | 3,450 | 4,000 | 3,725 |
| Jahra Qaisariyat | 225 | 300% | Block 20 | 562,500 | 618,750 | 2,500 | 2,750 | 2,625 |
| Jahra | 1,000 | 50% | Block 21 | 1,700,000 | 2,000,000 | 1,700 | 2,000 | 1,850 |



Commercial Properties' Annual Rate of Return (ARR)

Annual Rates of Return on commercial properties stabilized in Q3 compared to Q2 this year. However they are still relatively less than the rates of return on investment real estates in certain governorates considering the remarkable stability in average rate of return on commercial properties at Capital governorate which has recorded 6.7% while the rate of return on commercial property in Hawalli governorate has reached 7.8% and still higher than the rate of return on investment property at the governorate till Q3 due to the continued increase in expectations related to office sector mainly in attraction areas.

Returns stabilized in Farwaniya governorate thus recording 8% i.e. little higher than returns on investment properties at the governorate. Returns on commercial properties have stabilized also at Jahra governorate, thus recording 7.78%, which is slightly less than returns on investment properties in the same governorate during Q3. Returns on commercial properties have stabilized also at Ahmadi governorate, thus recording 7.73% which is less than returns on investment properties in the governorate in Q3 this year.

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

| Governorate | Region | Building % | Street | Sale Return/Annual Real Estate Income % Q3 2016 | | |
|-------------|---|-------------------------|----------------------------|---|-------|---------|
| | | | | From | To | Average |
| Capital | Qiblah | 300% | Mubarakiya | 6.00% | 6.50% | 6.25% |
| | Sharq | 520% | Ahmad Al Jaber | 6.50% | 7.00% | 6.75% |
| | City | 620% | Soor | 6.50% | 7.00% | 6.75% |
| | City | 620% | Mubarak Al Kabeer - Blocks | 6.50% | 7.00% | 6.75% |
| | Qiblah | 620% | Fahd Al Salem | 6.50% | 6.75% | 6.63% |
| Hawalli | Hawalli | 180% | Tunis | 7.50% | 8.00% | 7.75% |
| | Hawalli | 180% | Beirut | 7.50% | 8.00% | 7.75% |
| | Hawalli | 180% | Ibn Khaldoun | 7.50% | 8.00% | 7.75% |
| | Salmiya | 180% | Hamad Al Mubarak | 7.50% | 8.00% | 7.75% |
| | Salmiya | 180% | Salem Al Mubarak | 7.50% | 8.00% | 7.75% |
| Farwaniya | Farwaniya Munawer St. | 180% | Munawer | 7.50% | 7.75% | 7.63% |
| | Khaitan (Admin & Commercial) | 300% | Admin & Commercial | 7.75% | 8.00% | 7.88% |
| | Jaleeb Al Shuyoukh (Opposite Cooperative) | 180% | Cooperative St. | 8.00% | 8.25% | 8.13% |
| | Dhajeej (5,000 M) Internal | - | Internal | 8.25% | 8.50% | 8.38% |
| | Ardiya (Warehouses) | GF 80% Mezzanine 50% | Main | 8.00% | 8.00% | 8.00% |

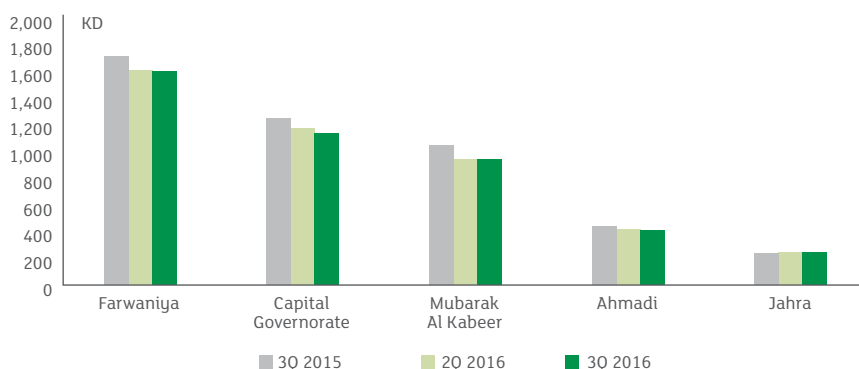


| Governorate | Region | Building % | Street | Sale Return/Annual Real Estate Income % Q3 2016 | | |
|-------------|------------------------------|------------|---------------------|---|-------|---------|
| | | | | From | To | Average |
| Jahra | Jahra | 180% | Marzouk Al-Mat'aab | 7.50% | 8.00% | 7.75% |
| | Jahra (Admin. & Commercial) | 300% | Admin. & Commercial | 7.50% | 8.00% | 7.75% |
| | Jahra - Qaisariyat | 300% | Plot 20 | 7.50% | 7.50% | 7.50% |
| | Jahra | 50% | Plot 41A | 7.75% | 8.00% | 7.88% |
| Ahmadi | Mangaf | 300% | Aziziya | 8.00% | 8.25% | 8.13% |
| | Fintas (Admin. & Commercial) | 180% | Internal | 7.75% | 8.00% | 7.88% |
| | Fahaheel | 180% | Internal | 7.75% | 8.00% | 7.88% |
| | Fahaheel | 280% | Mecca | 7.50% | 7.75% | 7.63% |

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

Quarterly decline in Average price per square meter of industrial plots improved, thus recording 0.8% during Q3 this year at Kuwait governorates level compared to Q2 which has recorded 1.9% due to the decline in prices in Industrial areas. Price per square meter has declined by 8% on annual basis compared to Q3 last year.

Average Market Value/m² for Industrial and Handcraft Property at Kuwait Governorates Q3 2015, Q2 & Q3 2016



At governorates level, prices declined by 2.5% during Q3 in capital governorate compared to Q1, thus recording KD 1,180 per square meter compared to a slight decline by less than 1% in Q2.

Prices of industrial plots declined during Q3. Prices stabilized in the highest price areas e.g. Electricity Street – 500 m² areas. Prices declined in other locations of Decoration Street by 1.6% and declined by higher ratio 3.6% in other places of the street. Prices stabilized in certain plots of Canada Dry Street and declined in other plots of the street by 2.1%.

Price per square meter declined in places overlooking 4th Ring Road by 3.5%. Prices declined in Pepsi Street by 1.8% compared to Q2. Prices declined in certain internal areas of Shuwaik Industrial Area by 1.2% while they declined in the highest price areas of the governorate e.g. some places of Gazalli Street during Q3 by 5.4% compared to Q2 and declined in certain places of Mohammed Bin Al-Qasem St. by 4.9%

Industrial Plot Prices at Capital Governorate

| Region | Allocation | Area m ² | Building % | Street | Land Market Value (KD) | | Average Price/m ² Q3 2016 |
|---------------------|------------------------|-----------------------------|--|-------------------|------------------------|------------|--------------------------------------|
| Industrial Shuwaikh | Showrooms + Industrial | 1,000 | 100% Basement + 80% Ground + 50% Mezzanine | Canada Dry St. | 1,200,000 | 1,320,000 | 1260 |
| | | 5,000 | | Canada Dry St. | 5,000,000 | 6,000,000 | 1100 |
| | | 1,000 | | Shahrazad St. | 875,000 | 925,000 | 900 |
| | | 1,000 | | Decoration St. | 1,250,000 | 1,450,000 | 1350 |
| | | 500 | | Decoration St. | 750,000 | 800,000 | 1550 |
| | | 500 | | Electricity St. | 1,300,000 | 1,500,000 | 1400 |
| | | 5,000 | | Pepsi St. | 3,900,000 | 4,250,000 | 815 |
| | | 1,000 | | 4th Ring Road | 975,000 | 1,100,000 | 1037.5 |
| | | 22,500 | | Internal | 9,000,000 | 11,000,000 | 444 |
| | | 1,000 | | Mohammad Al Qasim | 830,000 | 1,000,000 | 915 |
| | | 1,000 | | Ghazalli St. | 800,000 | 950,000 | 875 |
| | | General Average in the Area | | | | | 2,260,833 |

Price per square meter in Farwania area reached KD 1,618 in Q3 this year i.e. a decline by 0.3% compared to Q2. Price per square meter declined largely by 7% compared to Q3 last year.

Prices declined in Ardiya Handcraft area by 1% compared to Q2. This area is considered as one of the highest price industrial areas in Kuwait. Prices declined in places opposite Ardiya Warehouses by 2.1% and in places overlooking 5th Ring Road. Prices stabilized in places opposite Ardiya area during Q3.

Price per square meter declined in Rai area by 1.5% compared to Q2. This decline comes on the back of the major decline in prices in certain locations and a remarkable stability in other sites of the area. Prices declined in the area from Safat Al-Ghanem till Al-Nasr Showroom by 2% while prices declined in Gazali Street by 3.7%. Average price per meter stabilized in Mohammed Bin Al-Qasem St. area while internal areas witnessed a significant decline in prices compared to other industrial areas by 5.3% compared to Q2.



Industrial Plot Prices at Farwaniya Governorate

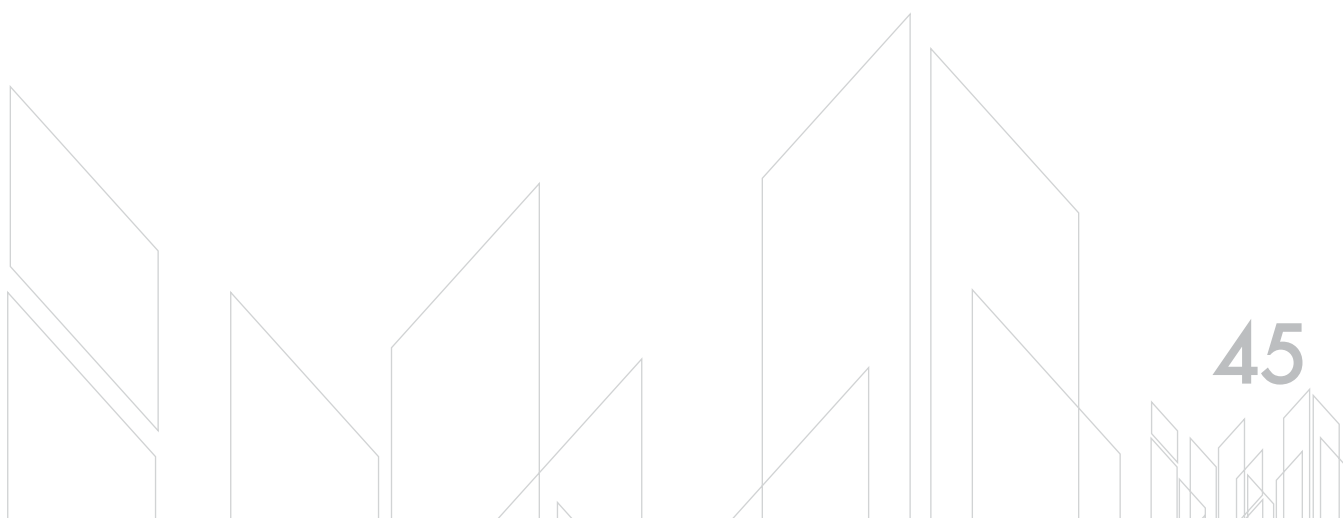
| Region | Allocation | Area m ² | Building % | Site | Street | Land Market Value (KD) | | Average Price/m ² Q3 2016 |
|-----------------------------|------------------------|---------------------|--|------|--|------------------------|-----------|--------------------------------------|
| | | | | | | From | To | |
| Al Rai | Showrooms + Industrial | 1,000 | 100% Basement | Main | Safat Alghanim (till Al Nasser Sports) | 1,200,000 | 1,300,000 | 1250 |
| | | 1,000 | 80% GF | Main | Ghazalli St. | 900,000 | 1,050,000 | 975 |
| | | 4,000 | 50% Mezzanine | Main | Mohammad Al Qasim | 4,000,000 | 5,000,000 | 1125 |
| General Average in the Area | | | | | | 2,020,833 | 2,426,667 | 996 |
| Ardiya Craft Area | Crafts | 250 | 100% Basement + 80% GF + 50% Mezzanine | Main | Opposite Ardiya Stores | 580,000 | 650,000 | 2,460 |
| | | 250 | 80% GF + 50% Mezzanine | Main | Opposite Ardiya Residential | 540,000 | 580,000 | 2,240 |
| General Average in the Area | | | | | | 595,000 | 595,000 | 2,240 |

Average price per square meter reached KD 421 in Q3 i.e. a decline by 1% compared to Q2. Price levels declined significantly by 7% compared to Q3 last year.

Price levels stabilized in Q3 in Fahaheel area compared to Q2. Fahaheel is considered as the highest price area in the governorate. This stability comes on the back of the stability witnessed in the highest price places concerning average price per square meter in places covering 1000 m² area e.g. Sultan Center area and other places facing the refineries in addition to internal streets in Fahaheel area during Q3.

Prices declined in East Ahmadi Industrial area by 2.5%. This area is considered as the second highest price area per square meter. Price per square meter in Mustafa Karam Street declined by 1.1%. Prices declined also in main areas covering 5000 m² by 2.1% in Warehouses area. Prices declined by a higher percentage 3.8% in internal places and warehouses covering an area of 1000 m².

Prices declined in Shuaiba and Mina Abdullah areas in Q3 compared to Q2 this year. Average price per square meter declined in the highest price areas e.g. Jawharat Fanar area by 1.3%. Prices declined also in most of the internal and main areas but with variable ratios which did not exceed 1% prices declined in Mina Abdullah by 2.1% in gravel storage area. Prices declined in other internal areas by 1.3% compared to Q2 this year.



Industrial Plot Prices in Al Ahmadi Governorate

| Region | Allocation | Area m ² | Street | Land Market Value (KD) | | Average Price/m ² Q3 2016 |
|-----------------------------|------------------------|---------------------|--------------------|------------------------|------------|--------------------------------------|
| West Shuaiba | Industrial | 120,000 | Behind Gas Station | 9,200,000 | 12,000,000 | 90 |
| West Shuaiba | | 10,000 | Internal | 1,385,000 | 1,550,000 | 147 |
| Mina Abdullah | | 1,000 | Fanar | 175,000 | 220,000 | 198 |
| General Average in the Area | | | | 2,932,500 | 3,543,125 | 115 |
| Fahaheel | Showrooms + Industrial | 1,000 | Sultan Center St. | 1,000,000 | 1,200,000 | 1,100 |
| | | 1,000 | Opposite Refinery | 550,000 | 620,000 | 585 |
| | | 1,000 | Internal Streets | 400,000 | 520,000 | 460 |
| General Average in the Area | | | | 650,000 | 780,000 | 715 |
| East Ahmadi Industrial Area | Showrooms + Industrial | 75,000 | Mustafa Karam | 4,500,000 | 4,900,000 | 627 |
| | | 5,000 | Main | 1,750,000 | 2,100,000 | 385 |
| General Average in the Area | | | | 2,062,500 | 2,306,250 | 434 |

Industrial Plot Prices in Mubarak Al Kabeer Governorate

| Region | Allocation | Area m ² | Street | Land Market Value (KD) | | Average Price/m ² Q3 2016 |
|-----------------------------|------------|---------------------|--------|------------------------|-----------|--------------------------------------|
| Abu Fatira Crafts | Showrooms | 1,000 | Main | 1,600,000 | 1,800,000 | 1,750 |
| Abu Fatira Crafts | Handcraft | 5,000 | Main | 600,000 | 700,000 | 1,300 |
| General Average in the Area | | | | 1,105,000 | 1,225,000 | 1,468 |
| Sabhan | Industrial | 1,000 | Main | 425,000 | 550,000 | 488 |
| | | 1,000 | Pepsi | 525,000 | 600,000 | 563 |
| | | 5,000 | Pepsi | 2,200,000 | 2,500,000 | 470 |
| General Average in the Area | | | | 1,101,667 | 1,303,333 | 429 |



Industrial Plot Prices in Jahra Governorate

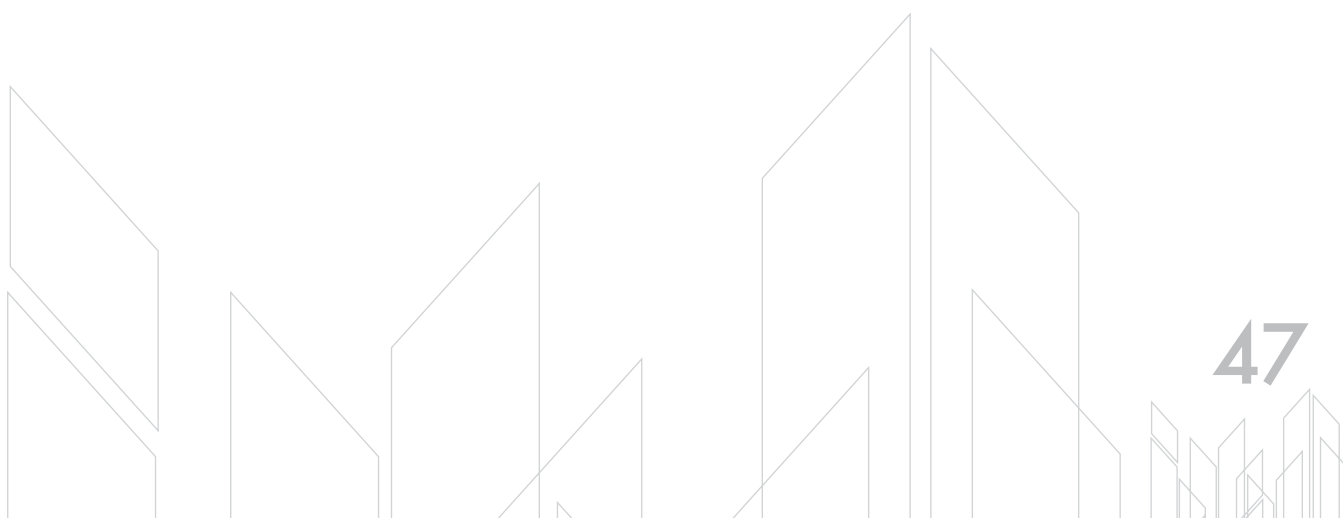
| Region | Allocation | Area m ² | Street | Land Market Value (KD) | | Average Price/m ² Q3 2016 |
|------------------------------------|-------------------|---------------------|----------|------------------------|----------------|--------------------------------------|
| Amghara | Major Contractors | 10,000 | Internal | 1,300,000 | 1,550,000 | 143 |
| | | 10,000 | Main | 1,650,000 | 1,850,000 | 175 |
| | Major Contractors | 1,000 | Internal | 750,000 | 825,000 | 158 |
| | | 1,000 | Main | 850,000 | 1,000,000 | 185 |
| General Average in the Area | | | | 820,833 | 940,833 | 176 |
| 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 | 553 |

Fifth: Prices of Farms and Livestock Farms

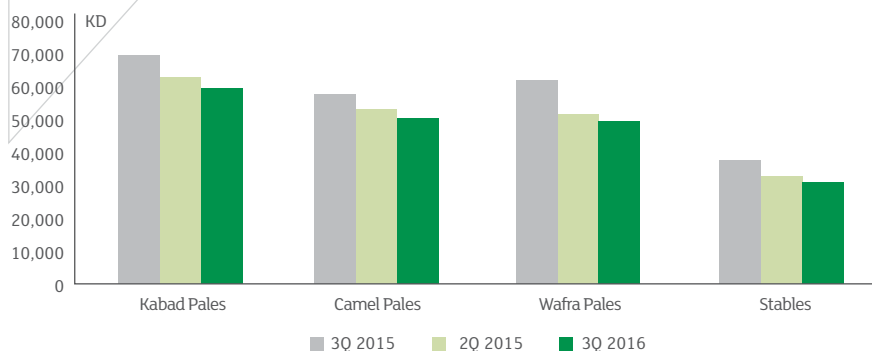
Prices of livestock farms and stables in Kuwait declined significantly by 5% in Q3 this year on quarterly basis. This decline follows the significant stability witnessed in Q2. Prices recorded a significant decline by 16% on annual basis compared to Q3 last year.

Prices declined in most of the governorate areas such as public benefit areas e.g. Kabd Livestock farms covering an area of 3500 m² in Ahmadi governorate as it reached KD 59.3 Thousand in Q3 i.e. a decline by 5% compared to Q2. Prices declined also in Camel Farms compared to Q2 by the same ratio where price for public benefit land reached KD 50 thousand. Prices have also declined in Wafra livestock farms by 4% as price reached KD 9 thousand.

Prices declined in Equestrian stables at Ahmadi Governorate during Q3 by 5% due to the decline in the prices of the Equastrian Stables area, racecourse area, golf area and internal areas on quarterly basis.



Average Estimated Price of Beneficiary Right at Livestock farms and Stables at Ahmadi Governorate Q3 2015, Q2 & Q3 2016



Prices of agricultural areas in Jahra and Ahmadi governorates declined during Q3 due to the decline in average price per square meter in most of the areas. Average price per square meter reached KD 3.5 in Wafra agricultural area in Ahmadi governorate. Prices declined slightly in Wafra area which covers an area of 50 thousand square meters by 0.7% during Q3. In regard to a 100 thousand square meters area prices declined by a higher ratio 1.7% compared to Q2.

Average price of square meter of agricultural area in Jahra governorate reached KD 3.2 thus recording a slight decline by 0.5%. In Abdalli area covering an area of 100,000 m² prices declined by 2.1% in compared to Q2. Meanwhile prices stabilized in livestock farms at Sulaibiya covering an area of 1 Million m² and plots covering an area of 50,000 M2 during Q3 respectively.

Prices of Farms and Livestock Farms

| Governorate | Region | Area m ² | Site | Estimated Plot Usufruct Price (KD) | | Price /m ² (KD) | | ** A/P Q3 2016 |
|-------------|-----------------------------|---------------------|--------------------|------------------------------------|--------|----------------------------|------|----------------|
| | | | | From | To | From | To | |
| Ahmadi | Kabd Farms | 2,500 | Internal | 55,000 | 73,000 | 22.0 | 29.2 | 64,000 |
| | Kabd Farms | 2,500 | Main | 70,000 | 90,000 | 28.0 | 36.0 | 80,000 |
| | Equestrian Stables – Ahmadi | 500 | Internal | 28,000 | 32,000 | 56.0 | 64.0 | 30,000 |
| | | 500 | Race Course – Golf | 32,000 | 40,000 | 64.0 | 80.0 | 36,000 |
| | Al Wafra Farms | 2,500 | Internal | 38,000 | 48,000 | 15.2 | 19.2 | 43,000 |
| | | 2,500 | Main | 48,000 | 62,500 | 19.2 | 25.0 | 55,250 |

** A/P = Average Plot Price



Sixth: Chalet Prices

Quarter 3 this year has coincided with the end of summer season and summer holidays. Accordingly, demand on such real estates has increased. However, Average price per meter declined in Q3 compared to Q2.

Prices declined in Ahmadi governorate by 2.6% during Q3 compared to Q2. Average price per meter (longitude) of sea front reached KD 15.6 Thousand which comes on the back of the decline in prices in all governorate areas. Prices declined in Benaider area by 2.6% and Jelyaa by 2.2%. Prices declined during Q3 by 2.6% in the lowest price area e.g. Nuwaiseeb area.

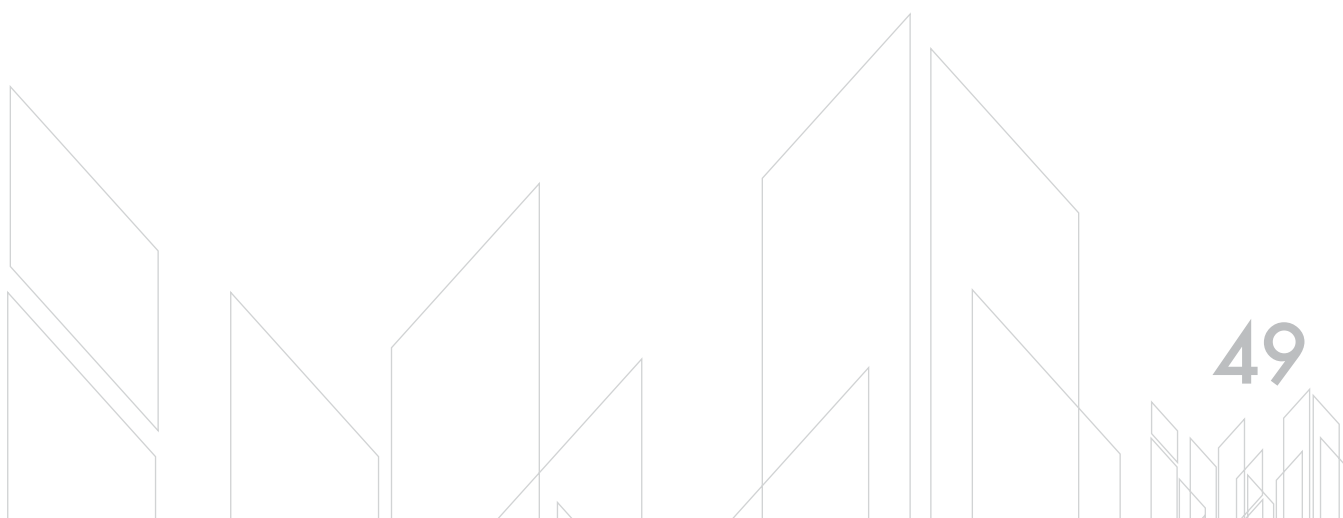
Average price areas e.g. Mina Abdullah and Dhaba'eya witnessed a decline in prices by 2.6%. Prices declined in Al-Zour sea side area and in public benefit areas in Khairan area by 2.8% in Q3 compared to Q2.

Prices declined in Capital governorate by 1.8%. Price per meter at the sea front in Doha area reached KD 6,875. Prices declined in Jahraa governorate by less than 1% thus recording KD 5,013 due to the slight decline in certain chalet locations at Kazma area by less than 0.5%. Prices declined in Chalet areas e.g. Sabbiya area by 1.9% in Q3 compared to Q2 this year.

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 2016 |
|-------------|--------------------------------|-----------------------------|---------------------|---------|--------------------------------------|--------|--|
| | | | From | To | From | To | |
| Al Ahmadi | Mina Abdullah | 20 | 250,000 | 315,000 | 12,500 | 15,750 | 14,125 |
| | Dubaeya | 20 | 250,000 | 315,000 | 12,500 | 15,750 | 14,125 |
| | Julaia | 20 | 425,000 | 465,000 | 21,250 | 23,250 | 22,250 |
| | Bnaider | 20 | 440,000 | 485,000 | 22,000 | 24,250 | 23,125 |
| | Al Zour | 20 | 235,000 | 290,000 | 11,750 | 14,500 | 13,125 |
| | Khairan (Beneficiary contract) | 20 | 235,000 | 290,000 | 11,750 | 14,500 | 13,125 |
| | Nuwaiseeb | 20 | 155,000 | 215,000 | 7,750 | 10,750 | 9,250 |

** 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 2016 at Hawalli governorate ranged between KD 400 – 550. Rental value reached KD 600 and 650 at capital governorate. Average rental value at Farwania ranges between KD 320 – 370 and reaches KD 400 in certain distinguished areas and ranges KD 320 – 450 in Ahmadi governorate areas while it increases slightly to KD 550 in certain areas. Average rent ranges KD 400 – 450 in Mubarak Al-Kabeer governorate areas including Abu-Fatira, Addan and Sabah Al-Salem. Average value increases to reach KD 500 – 550 in some other areas. Rental value in Jahraa area ranged KD 300 – 420 and it reaches KD 450 in distinguished areas.

Rental value for a full floor in a private residence covering an area of 400 meters ranges KD 800 – 900 at Hawalli governorate and reached KD 950 in some distinguished areas therein, while it is little higher to reach KD 1000 in more distinguished areas e.g. Shaab area. Rental value ranges between KD 1000 – 1100 in most of Capital governorate areas. Rental value ranges KD 680 – 780 in in less distinguished areas. Prices in Farwania governorate ranged between KD 640 – 740 and reached KD 800 in certain distinguished areas.

Average rental value ranges between KD 640 – 740 at Ahmadi governorate and reaches KD 800 and 900 in certain distinguished areas. Rental value reaches KD 800 – 900 at Mubarak Al-Kabeer areas including Abu-Fatira area and may reach KD 1000 in areas like Masayel area. Rental value ranges KD 600 – 700 in Jahraa Governorate.

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

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

Investment Residence Rental Value

Average rental value of a 2 bed room flat and a hall covering an area of 60 m in capital governorate ranged between KD 320 – 340. Rental value for the same area in Hawalli governorate ranged between KD 290 – 330. Rental value for the same area ranged between KD 270 – 320 in Farwaniya Governorate and KD 260 – 290 in Ahmadi governorate. Rental values recorded KD 290 – 320 at Mubarak Al-Kabeer governorate and KD 270-300 at Jahra governorate.

Rental value of a 2 bed room flats + a hall coving an area of 70 – 74 m ranged KD 350 – 400 at capital governorate and KD 310 – 360 in Hawalli governorate areas. Rental value ranged between 300 – 340 in Farwaniya governorate, KD 300 – 340 in Ahmadi governorate, KD 325 – 350 at Mubarak Al-Kabeer governorate and KD 310 – 330 at Jahraa governorate.





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

Rental value for a flat coving an area of 100 – 110 m² ranged between KD 470 – 540 in Capital governorate areas, KD 440 – 520 for Hawalli governorate areas, KD 490 for Farwaniya governorate while value ranged KD 420 – 450 for Ahmadi governorate. Rental value increased slightly in Mubarak Al-Kabeer area ranging KD 450 – 480 and reached KD 430 – 460 at Jahraa governorate.

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

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

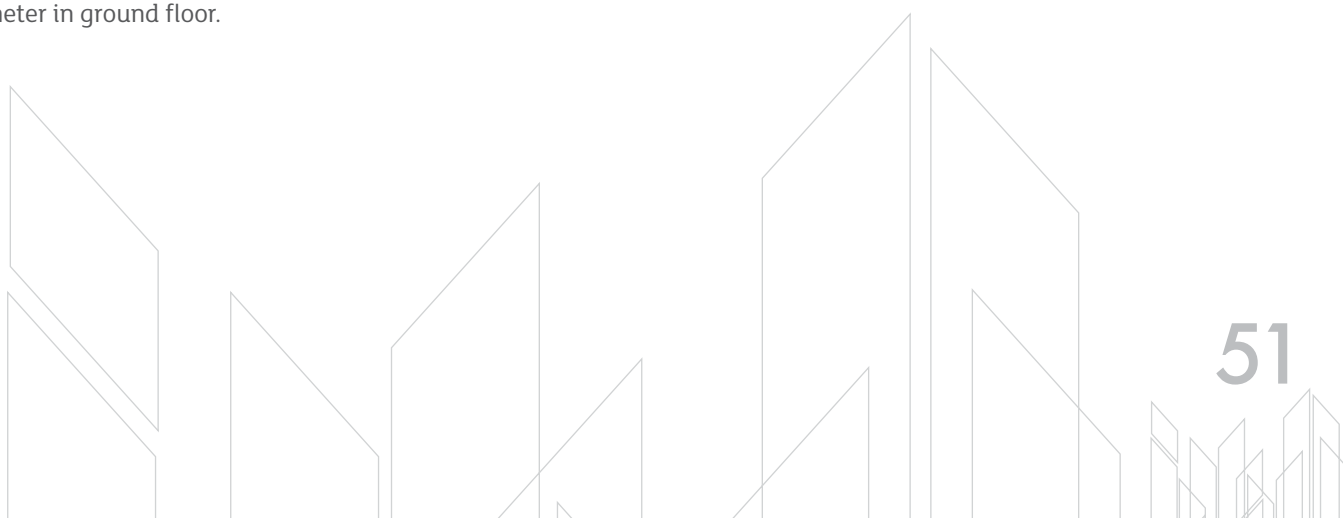
Real estate furnishing is a phenomenon which has spread recently especially for highly distinguished properties. Accordingly, rental value for such properties is determined based on different levels. It is surprisingly noticed recently that rental activities have increased tremendously in internal areas where Kuwaiti citizens live i.e. Salwa, Surra, South Surra and other areas.

Commercial Property Rental Value

Average rent of a commercial meter in a ground floor ranged KD 25 – KD 45 / m² in Hawalli as it reached KD 35/ m² in Kuwait city while it reached KD 50 in Salmiya. Average rent / m² at offices ranges KD 6.5 and reaches KD 8 in certain prime areas and grand yards in Kuwait city. Also it has reached KD 7-8 / m² in certain areas in Hawalli, Fahaheel and Mangaf and reached KD 9 in certain places, depending on location, finishing type and services provided to tenants and visitors.

Industrial Plots Rental Value

Average rental price for industrial plots rental values per industrial square meter for a ground floor – showrooms - ranged between KD 12 – 20 at Shuwaikh industrial area and Al-Rai area. Prices differ according to different locations. Average rental price per meter at Ardiya area (warehouses) ranged between KD 6.5 – 8 and exceeds this rang to reach KD 10 – 18 for average price per square meter of ground floor in East Ahmadi area. Prices at Fahaheel industrial area ranged KD 12 – 20 per square meter in ground floor.



**Average Rental Value for a Newly Built Private Residence
in KD covering an area 400m Kuwait Governorates during Q3 2016**

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

| Capital Governorate | 3 Bedrooms, a Hall & 4 Bathrooms + Maid's Room (1st & 2nd Floor) (135)m | | Full Floor (Ground) | | Full Floor (1st & 2nd) | |
|---------------------|---|-----|---------------------|-------|------------------------|-------|
| Adailiya | 500 | 650 | 1,000 | 1,100 | 900 | 1,000 |
| Faiha | 500 | 650 | 1,000 | 1,100 | 900 | 1,000 |
| Rawda | 500 | 650 | 1,000 | 1,100 | 900 | 1,000 |
| Yarmouk | 500 | 650 | 1,000 | 1,100 | 900 | 1,000 |
| Keifan | 500 | 650 | 1,000 | 1,100 | 900 | 1,000 |
| Mansouriya | 500 | 600 | 1,000 | 1,100 | 900 | 1,000 |
| Qadsiya | 500 | 550 | 1,000 | 1,100 | 900 | 1,000 |
| Da'iya | 500 | 550 | 1,000 | 1,100 | 900 | 1,000 |
| Dasman | 500 | 550 | 1,000 | 1,100 | 900 | 1,000 |
| Surra | 500 | 550 | 1,000 | 1,100 | 900 | 1,000 |
| Qurtoba | 500 | 600 | 1,000 | 1,100 | 900 | 1,000 |
| Ghemata | 340 | 500 | 680 | 780 | 580 | 680 |
| Sulaibikhat | 340 | 450 | 680 | 780 | 580 | 680 |

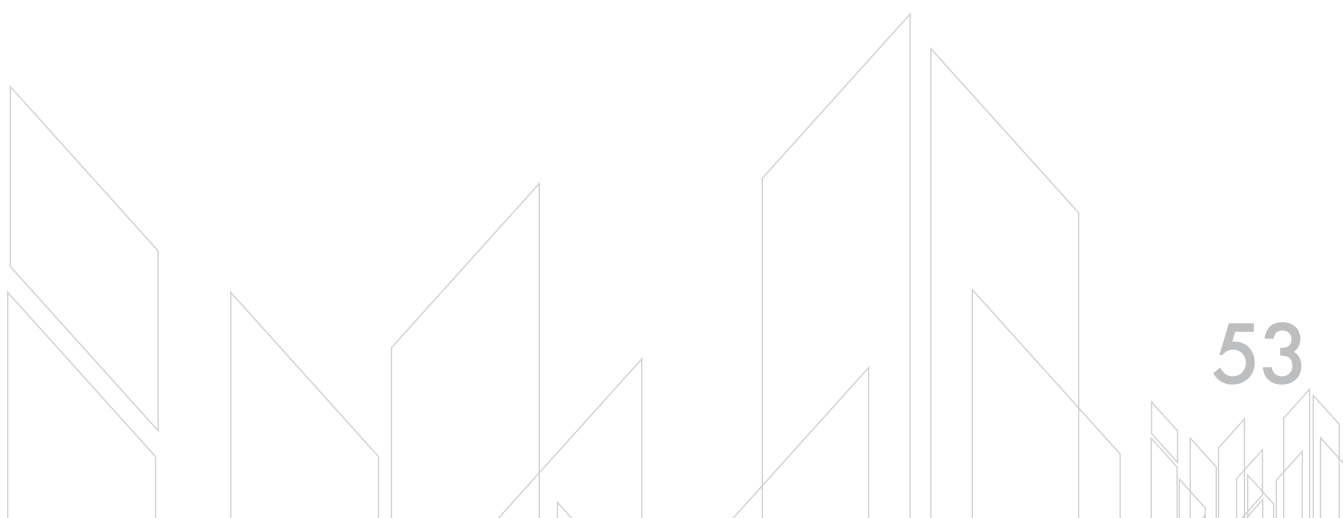

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Q3

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

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

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

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



Average Rental Value Trading
Investment Properties in Kuwait Governorates during Q3 2016 (KD)

| Hawalli Governorate | 2 Bedrooms, a Hall & Bathroom (60)m | | 2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m | | 2 Bedrooms, 2 Bathrooms (80 - 85)m | | 3 Bedrooms, a Hall & Maid's Room (100 - 110)m | |
|-------------------------------|---|-----|--|-----|--|-----|--|-----|
| Salmiya | 300 | 320 | 320 | 350 | 380 | 420 | 450 | 490 |
| Hawalli | 290 | 300 | 310 | 340 | 365 | 400 | 440 | 475 |
| Jabriya | 310 | 330 | 325 | 350 | 380 | 420 | 460 | 490 |
| Shaab | 320 | 330 | 340 | 360 | 400 | 440 | 470 | 520 |
| Capital Governorate | 2 Bedrooms, a Hall & Bathroom (60)m | | 2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m | | 2 Bedrooms, 2 Bathrooms (80 - 85)m | | 3 Bedrooms, a Hall & Maid's Room (100 - 110)m | |
| Sharq | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Qibla | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Eastern Muqawa | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Dasman | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Bneid Al Gar | 320 | 340 | 350 | 400 | 420 | 450 | 470 | 540 |
| Farwaniya Governorate | 2 Bedrooms, a Hall & Bathroom (60)m | | 2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m | | 2 Bedrooms, 2 Bathrooms (80 - 85)m | | 3 Bedrooms, a Hall & Maid's Room (100 - 110)m | |
| Khaitan | 290 | 310 | 310 | 340 | 350 | 390 | 430 | 475 |
| Farwaniya | 290 | 310 | 310 | 340 | 350 | 390 | 430 | 475 |
| Jleeb Al Shuyoukh | 270 | 300 | 300 | 330 | 350 | 370 | 420 | 460 |
| Riggae | 300 | 320 | 320 | 345 | 380 | 420 | 450 | 490 |
| Ahmadi Governorate | 2 Bedrooms, a Hall & Bathroom (60)m | | 2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m | | 2 Bedrooms, 2 Bathrooms (80 - 85)m | | 3 Bedrooms, a Hall & Maid's Room (100 - 110)m | |
| Fintas | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Mahboula | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Abu Halifa | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Mangaf | 260 | 280 | 300 | 340 | 330 | 360 | 420 | 450 |
| Fahaheel | 270 | 290 | 300 | 340 | 330 | 360 | 430 | 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 2016 (KD)

Average Rental price per Square Meter (KD)

| Areas | Basement | Ground Floor | Mezzanine | Offices |
|----------------------|----------|--------------|-----------|---------|
| Salmiya | 12 - 18 | 25 - 50 | 12 - 14 | 7 - 8 |
| Hawalli | 10 - 16 | 25 - 45 | 12 | 7 - 8 |
| Farwaniya | 12 - 18 | 30 - 55 | 12 - 14 | 8 - 9 |
| Khaitan | 10 - 16 | 25 - 45 | 12 | 7 - 8 |
| Mangaf - Aziziyah | 7 - 8 | 15 - 25 | 10 | 6 - 7 |
| Fahaheel | 10 - 14 | 25 - 45 | 12 - 13 | 7 - 8 |
| Dhajej (Farwaniya)** | 5 - 6 | 9 - 14 | 5 - 6 | - |
| Kuwait City*** | 10 - 11 | 25 - 35 | 11 - 12 | 6.5 - 8 |

* 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 2016 (KD)

Average Rental price per Square Meter (KD)

| Areas | Basement | Ground Floor | Mezzanine | Price Index |
|---------------------|----------------------------|--------------|-----------|--|
| Industrial Shuwaikh | 3.5 - 4.5 | 12 - 20 | 3.5 - 5 | Unit Area = 40 m |
| Al Rai | 3.5 - 4 | 12 - 20 | 3.5 - 5 | Excluding rental values in Avenues Mall |
| Sabhan | 2.5 - 3 | 3.5 - 6.5 | 3 - 4 | ► Upon allocating stores for the Ground Floor, Price/m ² ranges KD 4 - KD 5 |
| Ardiya (Stores) | 3.5 - 4 (As per height) | 6.5 - 8 | 3.5 - 5 | ► Price/m ² = KD 8 - 6 for a 100-m ² showroom at Ground Floor |
| East Ahmadi | 3.75 | 10 - 18 | 3 - 4.5 | Auto Show & restaurant rentals are the highest |
| Industrial Fahaheel | 3.5 - 4 (As per height) | 12 - 20 | 3.5 - 5 | Depending on activity |

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

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

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

GLOSSARY OF TERMS

Private Residence Buildings

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

Investment Residence Building

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

Private School Building

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

Hotels and Motels Buildings

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

Commercial Building

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

Industrial Facilities

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

Residential Complexes Outside and Inside Kuwait City

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

Buildings in Various Coastal Strip Areas

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

Buildings Allocated as Plant Nurseries

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

Special Seafront Chalet

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

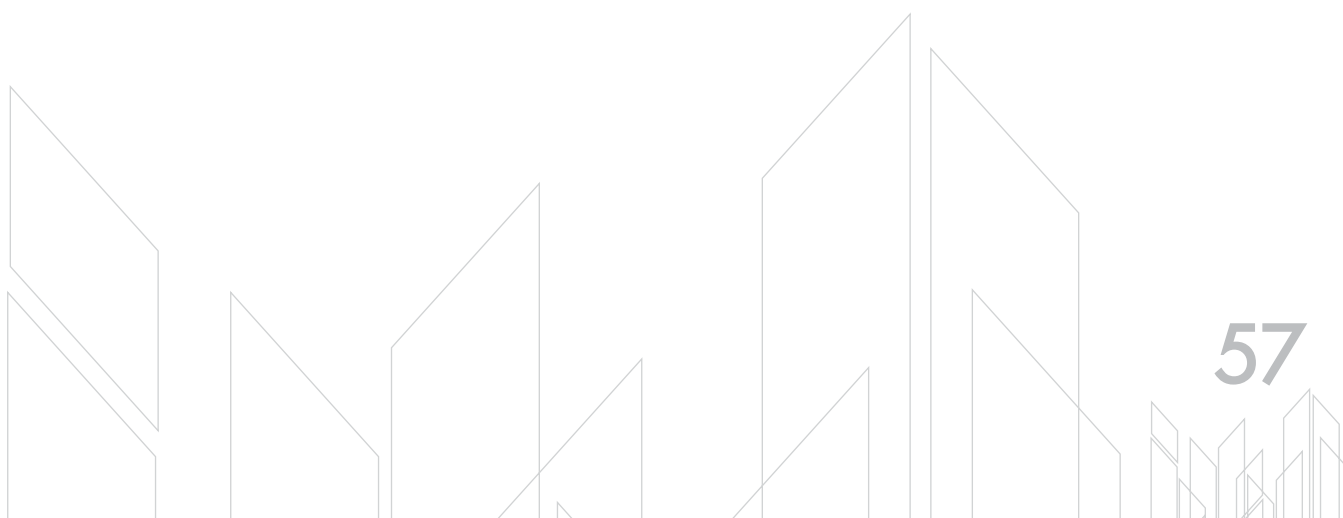
Private Hospitals

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



Units of Measurement

| Length | |
|--------|---|
| • | The International unit for measuring length is the Meter (m) |
| • | (1 m = 10 dcm = 100 cm = 1,000 mm) |
| • | 1 yard = 3 feet = 0.9144 m |
| • | 1 foot = 12 inches = 30.48 cm = 0.3048 m |
| • | 1 inch = 2.54 cm = 0.0254 m |
| • | 1 kilometer = 0.6214 miles = 1,000 m |
| • | 1 land mile = 1.6093 kilometers = 1609.0 m |
| • | 1 nautical mile = 6,080 feet = 1.853 kilometers = 1,853 m |
| • | 1 league = 3 miles = 4.8281 kilometers = 4,828 m |
| • | 1 boa = 2 meters approximately |
| • | 1 fathom = 182.88 cm = 1.8288 m |
| • | 1 cubit = 51 cm = 0.51 m |
| • | 1 span = 22.86 cm = 0.2286 m |
| • | 1 meter = 1.0936 yard = 3.2808 feet = 39.37 inches |
| Area | |
| • | The International unit for measuring length is the Square Meter (m ²) |
| • | 1 hectare = 10 donum = 2.471 feddan = 10,000 m ² |
| • | feddan or acre = 4046.8 m ² |
| • | 1 donam = 1,000 m ² |
| • | 1 square meter = 10,764 feet |





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