



# Kuwait Finance House “KFH”

Report On Local Real Estate Market - Q2 2018



**Registered in the Literary Property Sector**

**Bookmark Filing No.: ISBN: 978 - 9921 - 9705 - 7 - 9**

**Edition No.: 46/2018**

**Kuwait Finance House reserves the right to publish the general average price area wise depending on several actual indicators and sales as per KFH surveys.**

**It is not permissible to quote, copy or transcript any part of the report wholly or partially without the prior written consent of the publisher or the author (Kuwait Finance House). Violators shall render themselves liable for legal questioning.**





# Contents

Introduction	6
<b>First: Market Trends</b>	<b>8</b>
Land Prices in Q2 2018	8
Market Trends in Q2	9
Real Estate Trading Trends in Q2	10
Private Residence Trends	11
Investment Real Estate Trends	12
Commercial Real Estate Trends	14
<b>Second: Housing Projects</b>	<b>14</b>
List of Public Authority for Housing Welfare Projects	16
<b>Third: Price Indicators</b>	<b>17</b>
<b>First: Private Residence Land Prices</b>	<b>17</b>
Capital Governorate	17
Hawalli Governorate	18
Farwaniya Governorate	21
Mubarak Al-Kabeer Governorate	22
Ahmadi Governorate	24
Jahra Governorate	25
<b>Second: Investment Land Prices</b>	<b>27</b>
Capital Governorate	27
Hawalli Governorate	28
Farwaniya Governorate	31
Mubarak Al-Kabeer Governorate	32
Ahmadi Governorate	32
Jahra Governorate	34
Annual Rate of Return on Investment Real Estates	34
<b>Third: Commercial Land Prices</b>	<b>35</b>
Capital Governorate	36
Hawalli Governorate	37
Farwaniya Governorate	38
Ahmadi Governorate	38
Jahra Governorate	39
Annual Rate of Return on Commercial Land	40



# Contents

<b>Fourth: Industrial Plots Prices (Beneficiary Contracts) and Warehouses</b>	<b>41</b>
Capital Governorate	41
Farwaniya Governorate	42
Ahmadi Governorate	43
<b>Fifth: Farms and Livestock Pales Prices</b>	<b>45</b>
<b>Sixth: Chalets Prices</b>	<b>47</b>
<b>Seventh: Occupancy and Rent Ratios</b>	<b>48</b>
Private Residence Rent Value	48
Investment Residence Rent Value	48
Commercial Real Estate Rent Value	49
Industrial Real Estate Rent Value	49
<b>Glossary of Terms</b>	<b>55</b>
<b>Tables</b>	
Table (1) List of Public Authority for Housing Welfare Projects	16
<b>First: Prices of Residential Plots in Kuwait Governorates</b>	<b>18</b>
Table (2) Capital Governorate	20
Table (3) Hawalli Governorate	22
Table (4) Farwaniya Governorate	23
Table (5) Mubarak Al-Kabeer Governorate	23
Table (6) Ahmadi Governorate	25
Table (7) Jahra Governorate	26
<b>Second: Prices of Investment Land in Kuwait Governorates</b>	<b>27</b>
Table (8) Capital Governorate	28
Table (9) Hawalli Governorate	30
Table (10) Farwaniya Governorate	31
Table (11) Mubarak Al-Kabeer Governorate	32
Table (12) Ahmadi Governorate	33
Table (13) Jahra Governorate	34
Table (14) Rate of Return on Investment Real Estate	35
<b>Third: Prices of Commercial Land in Kuwait Governorates</b>	<b>35</b>
Table (15) Capital Governorate	37
Table (16) Hawalli Governorate	37
Table (17) Farwaniya Governorate	38
Table (18) Ahmadi Governorate	39
Table (19) Jahra Governorate	39
Table (20) Annual Rate of Return on Commercial Real Estate	40

<b>Fourth: Prices of Industrial Plots in Kuwait Governorates</b>	<b>41</b>
Table (21) Capital Governorate	42
Table (22) Farwaniya Governorate	43
Table (23) Ahmadi Governorate	44
Table (24) Mubarak Al-Kabeer Governorate	44
Table (25) Jahra Governorate	44
<b>Fifth: Table (26) Prices of Farms and Livestock pales</b>	<b>46</b>
<b>Sixth: Table (27) Prices of Chalets</b>	<b>47</b>
<b>Seventh: Average Rent Value Trading in Certain Kuwait Governorates</b>	<b>50</b>
Table (30) Private Residence	50
Table (31) Investment Real Estate	52
Table (32) Commercial Real Estate	54
Table (33) Industrial Real Estate	54
<b>Charts:</b>	
Figure (1): Total Real Estate Sales Value	9
Figure (2): Distribution of Real Estate Sales Share – Sector Wise	9
Figure (3): Development on Total Real Estate Sale Value	10
Figure (4): Average Real Estate Transaction Value	11
Figure (5): Private Residence Real Estate Transactions Value	11
Figure (6): Average Transaction Value - Private Residence Real Estate Transaction	12
Figure (7): Investment Real Estate Sales Value	13
Figure (8): Average Investment Real Estate Sales Value	13
Figure (9): Commercial Real Estate Sales Value	14
Figure (10): Average Commercial Real Estate Sales Value	14
Figure (11): Accumulating Residential Applications	15
<b>Average Transaction Value / Real Estate Trading Value</b>	
Figure (12): Capital Governorate	17
Figure (13): Hawalli Governorate	19
Figure (14): Farwaniya Governorate	21
Figure (15): Mubarak Al-Kabeer Governorate	23
Figure (16): Ahmadi Governorate.	24
Figure (17): Jahra Governorate.	26
Figure (18): Average Price/ m2 of Investment Land	27
Figure (19): Average Price / m2 of Commercial Real Estates	36
Figure (20): Average Market Value / m2 of Industrial and Handcraft Real Estate	41
Figure (21): Average Estimated Price of Livestock Pales and Stables in Ahmadi Governorate	45

## Introduction

Real estate sales increased remarkably in Q2 2018 compared to the preceding quarter as the value reached KD 857 Million, thus reaching its highest level since mid-2015. The value recorded an increase by 43% on quarterly basis. Despite the recession witnessed in the real estate market the increase in value can be attributed to the deal analysis conducted on the buildings which represent 66% of the value of deals. Meanwhile the share of lands in these transactions represented 37% while apartments represented 3.1%.

Ownership flats witnessed remarkable activity. The value of real estate auctions held during Q2 represent 6.7% of the value of real estate sales during this quarter. This real estate performance goes against market trends during previous periods as those previous factors were have activated the sales volume on exceptional basis.

The market may experience week performance during the next quarter which coincides with summer season and summer holidays compared to robust periods. Oil prices had witnessed positive developments since Q1 2017 which indicates that the government has sufficient liquidity which could reflect positively on the local real estate sector. Meanwhile, the number of real estate transactions reached 1,400 transaction in Q2 2018 on quarterly basis i.e. second highest level in the number of transactions during last year.

It can be assumed that a large part of the sales value can be attributed to several reasons including the increase in the value of sales of buildings, malls and houses to reach approximately KD 550 Million which also include malls and car parking. Land transactions in various real estate sectors approximated KD 307 Million while the value of traded apartments reached KD 26 Million covering an area ranging between 60 M2 – 100 M2 in addition to KD 6 Million as medical clinics. It is noticed that the transactions on real estate buildings have exceeded 248 Million in various investment areas of the governorates. Investment land trades approximated KD 130 Million. Several large auctions were made for several types of real estates during Q2 2018 value of which exceeded KD 55.4 Million including auctions approximating KD 44 Million related to investment real-estate sector and KD 7.6 Million on private housing sector and KD 4.5 Million on commercial real estate sector.

Real estate sales value increased in regard to private housing sector during Q2 compared to the preceding quarter. the number of transactions increased remarkably to reach levels which were not reached the one thousand deals level which has prevailed during the second half of 2015. The sector recorded a 3% increase in the value of transactions while the number of transactions has increased by 7.2% on quarterly basis. Despite this good performance yet the value is less on annual basis in regard to the value and No. indicators.

Investment sector recorded an exceptional performance in Q2 which it has not witnessed since mid-2015. The value of sales increased remarkably during Q2. The number of transactions reached an unprecedented level since 2 years due to the remarkable activity in the number of transactions which has recorded a remarkable annual increase by 93% in the value of sales, thus marking a first time increase in the number of transactions during the past two years to reach 11%.

Trade sector is still fluctuating as the value of sales has declined during Q2 by 8.4% compared to the preceding quarter despite the fact that the number of transactions has doubled during the same period. Both value and no. indices have recorded an annual increase in regard to commercial real estate sector.

Kuwait oil prices closed on US\$ 74.66 as at the end of Q2 2018, thus continuing its ascending trend and maintaining its earnings and recording a remarkable quarterly increase by 16.2% as at the end of Q2 2018 according to Kuwait Borsa, and a remarkable annual increase by 68.6%. Consumer price index increased as at the end of Q2 by 0.44% on quarterly basis and recorded an inflation ratio by 0.53% on annual basis as per the information derived from the Central Statistics Department which has adopted the new basis (2013). Most of the price indices recorded slight increase compared to Q1 2018 except some components which have recorded a decline. The clothes and shoes component recorded the highest decline by 0.09% followed by restaurants and hotels by 0.08% for Q1. Clothes and shoes declined by 1.96% on annual basis while housing services declined by 0.94% on annual basis in light of the continued availability of residential units, decline in occupancy rates and increase in available land as per the requirements of the growth plan and the Kuwaiti government commitment to continue its investment spending program.

Real estate and constructions sectors' share approximated KD 9.9 Billion in June 2018 accompanied by a limited annual decline by 1.4% or KD 139 Million. Meanwhile, credit granted to real estate and construction sectors approximated 27.5% of total credit granted in June 2018 compared to 28.4% for the same month last year as per the latest information issued by the Central Bank of Kuwait i.e. a slight increase not exceeding 0.4% on quarterly basis.

Instalment credit facilities exceeded KD 11.3 Billion as at the end of Q2, thus recording an increase by 1.3% on quarterly basis and 8% on annual basis. These facilities are granted to individuals who wish build residential units in the private residence sector. Accordingly, credit facilities granted to real estate sector continue to grow in general. In regard to development on local real estate prices during Q2 2018 Average price per square meter has recorded more than KD 604 as at the end of Q2 and still witnessing fluctuating quarterly changes. Meanwhile, investment real estate sector maintained its price levels with a slight decline by less than 1% in average price per square meter as it reached KD 1,543/- for average price per square meter. Prices increased slightly to reach KD 3,400/- per square meter as at the end of Q2 this year.

Real estate loans, women loans and various amounts released by Kuwait Credit Bank Q2 reached KD 92.6 Million which was used to purchase houses, expansion or renovation of private houses or government houses in addition to amounts granted to government houses and handicapped. Loans released include loans to build private and government plots KD 57.4 Million. Loans granted to real estate portfolio reached KD 438 Thousand during Q2 2018 used for expansion and renovation of private residence.

Real estate sector listed companies increased to reach 40 companies in Q2 2018 compared to 34 companies in Q1 2018 as per Q2 statements this year. Real estate listed companies represent 23% of the number of listed companies which has reached 175 companies in Q2 compared to 19.3% of 176 listed companies in Q1 this year. Real estate sector comes in third rank among sectors in regard to the quantity of traded shares and 5th rank in regard to the value of traded shares. Also, it occupies 4th rank in regard to the number of transactions with a share approximating 12.4%. Meanwhile, the shares value of 10 real estate companies has increased in this sector, while 16 shares have decreased, and 14 shares has stabilized.

The market value of real estate sector companies has declined to reach less than KD 1.4 Billion as at the end of Q2 this year i.e. a decline by 33% compared to KD 2 Billion in Q1. Market value of listed companies declined to reach KD 27.9 Billion as at the end of Q2 i.e. a decline by 3% compared to the preceding quarter. The capital value of the real estate sector companies as at the end of Q2 represented 5% of the listed companies. Meanwhile, the value of traded real estate sector shares reached KD 26 Million in Q2 i.e. a decline by 38% compared to more than KD 67 Million in Q1. The quantity of traded shares declined to reach KD 674 Million shares i.e. a decline 46% compared to 1.2 Billion shares in Q1. The number of transactions declined to reach less than 19 thousand transactions i.e. a decline by 44% compared to more than 33 Thousand shares in Q1. Meanwhile, the value of transactions in Kuwait stock exchange reached KD 183.3 Million in Q1 i.e. a decline by 76% accompanied by a decline in the quantity of trades and no. of transactions by 58% each compared to Q1 this year.

## First: Market Trends

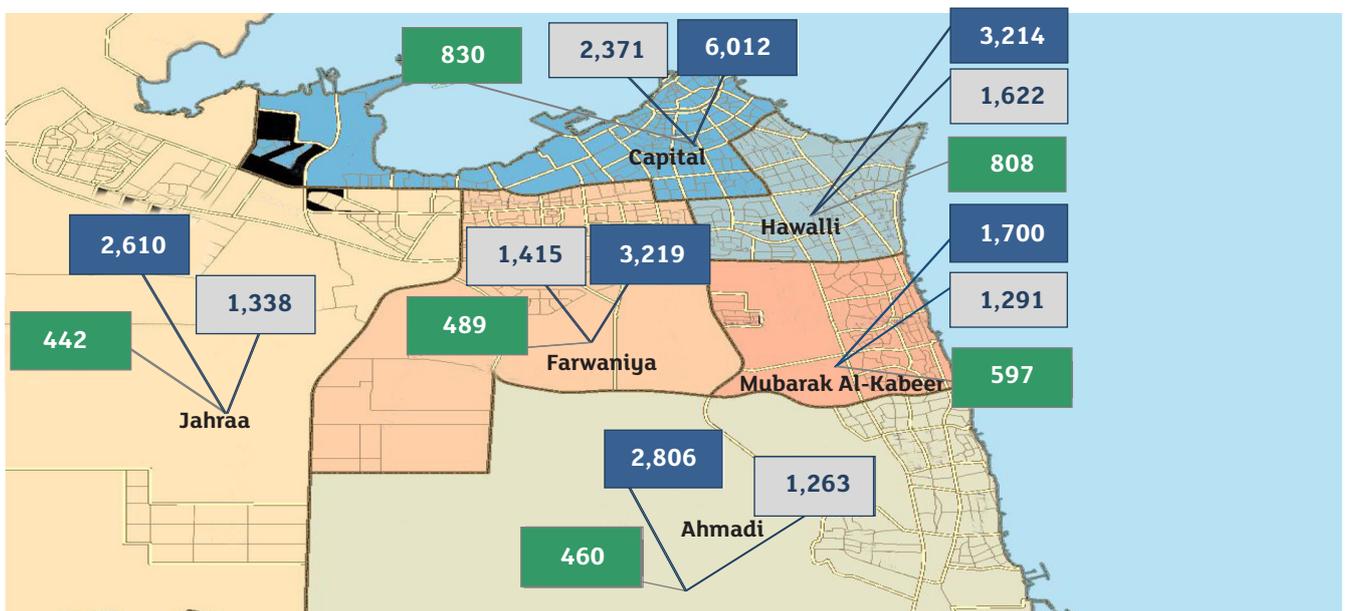
### Land Prices in Q2 2018

Average price per meter in Capital governorate reached KD 830 in the private residence sector as at the end of Q2 2018 while it reached KD 2,371 in the investment sector. Average price per meter has exceeded this limit in the trade sector thus exceeding KD 6,000 and stabilizing at this level in Q2 2018.

In Hawalli governorate, price per square meter reached KD 808 in private residence sector, KD 1,622 in investment sector and KD 3,214 i.e. a slight decline. In Farwaniya governorate, average price per square meter reached KD 489 for private residence sector, KD 1,415 for investment sector and KD 2,319 in trade sector for the same governorate as at the end of Q2 2018.

Average price per square meter for Real-estate sectors in all governorates Q2 2018

Numbers in KD



Commercial Lands



Investment Lands



Private Residence

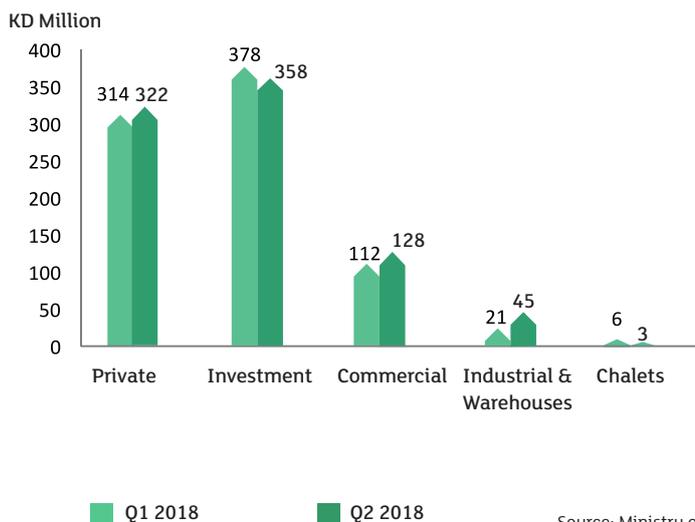


## Market Trends during Q2

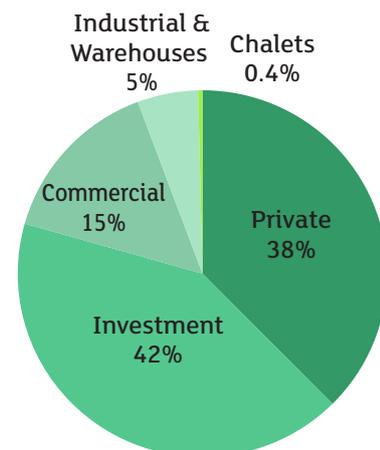
Real estate sales value reached KD 857 Million as per the real estate registration and authentication department at the Ministry of Justice in Q2 i.e. an increase by 3% compared to the preceding quarter. Meanwhile, both residential and commercial sectors were active in regard to the sales value while investment sector and coastal strip witnessed a decline in sales value.

Private residence sector share reached 37.6% of sector sales in Q2. Investment sector sales represented 41.8% of real estate sales while commercial sector sales represented 14.9%. Handcraft and industrial sector sales represented 5.3% of real estate sales in Q2 2018.

**Figure (1) Total Real estate Trading Value Q1 2018 - Q2 2018**



**Figure (2) Distribution of Real estate Transactions Share(Sector wise)/ Total Real estate Transactions Value Q2 2018**

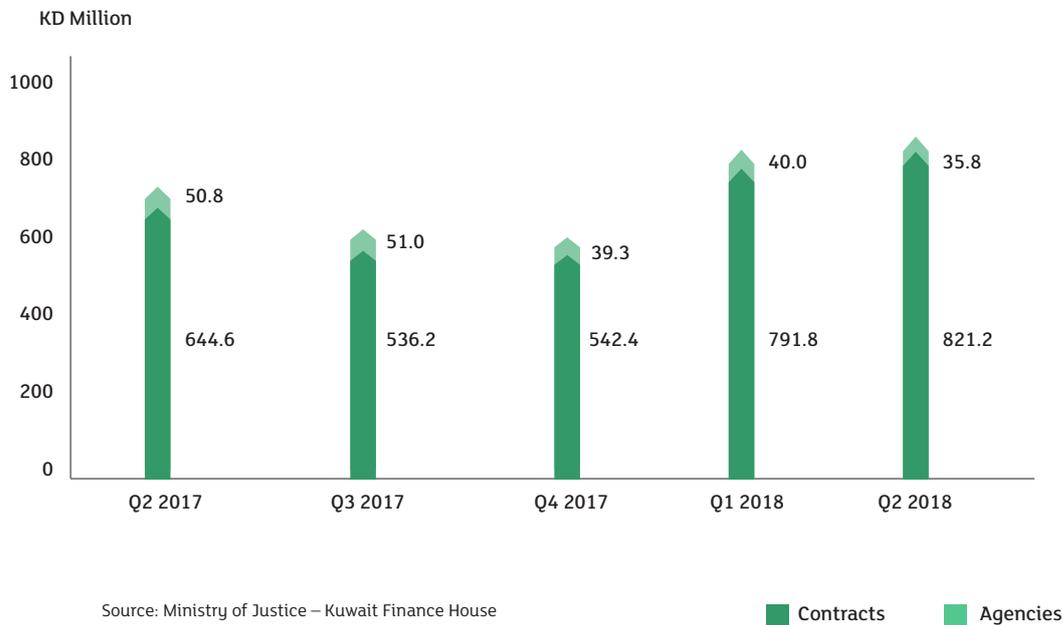


Source: Ministry of Justice – Kuwait Finance House

### Real Estate Sales Trends during Q2 2018

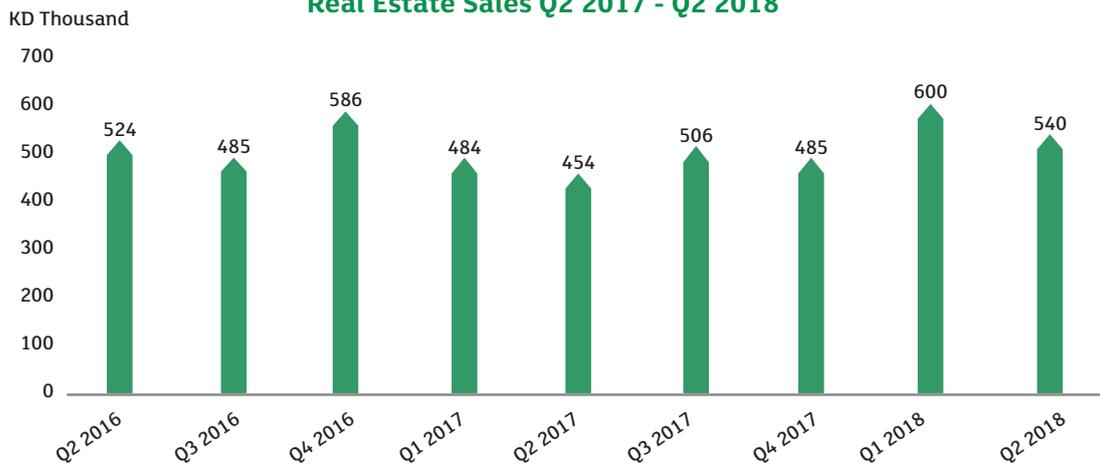
Real estate sales value increased as per the indicators of the Real estate Registration & Authentication Dept. – Ministry of Justice KD 857 in Q2 2018. Real estate sales (contracts) approximated KD 821 Million in Q2 i.e. an increase by 3.7% compared to Q1 2018. This ratio is still higher by 27.4% on annual basis. Real estate sales (agencies) recorded a decline as it approximated KD 35.8 Million in Q2 i.e. 10.5% compared to Q1 2018 and a higher decline ratio by 29.5% on annual basis.

**Figure (3) Development on total Real Estate Slaes value Q2 2017 - Q2 2018**



Average real estate transaction value reached KD 540 Thousand in Q2 compared to KD 600 Thousand in Q1 2018, thus recording a decrease approximating 10% on quarterly basis. Average value recorded an increase this year by 19% on annual basis. The number of transactions increased in Q2 to reach 1,587 transactions i.e. an increase by 14% compared to 1,387 transaction in Q1. The number of transactions increased on annual basis by 3.5% compared to the same period last year.

**Figure (4) Development on Average Transaction value/ total Real Estate Sales Q2 2017 - Q2 2018**

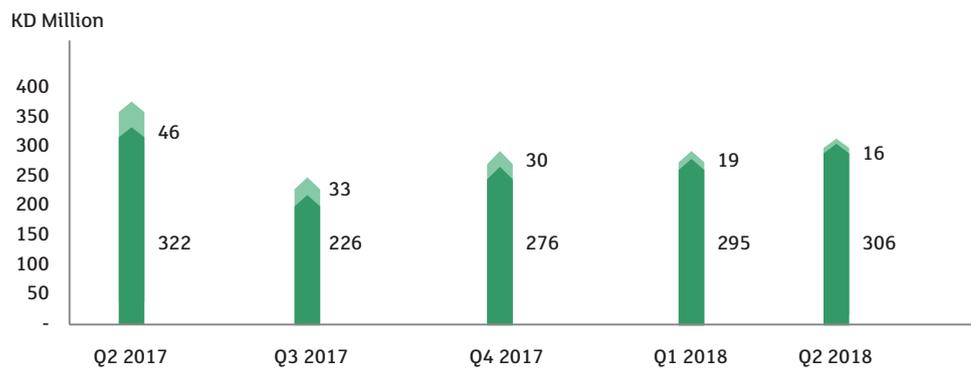


Source: Ministry of Justice – Kuwait Finance House

### Private Residence Trends

Private residence sales increased to reach KD 321.9 Million in Q2 2018 i.e. an increase by 2.4% compared to Q1. Sector sales declined by 12.4% on annual basis since Q2 2017.

**Figure (5) Development on private residence Real Estate Sales Q2 2017 - Q2 2018**



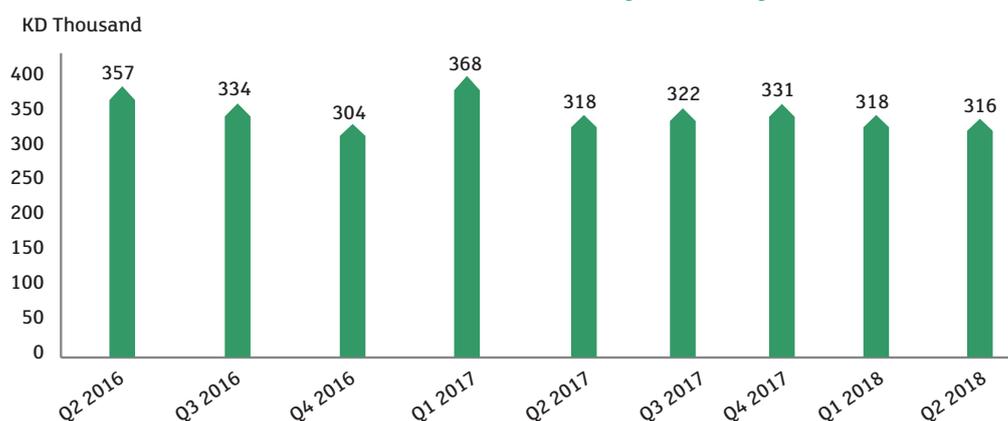
Source: Ministry of Justice – Kuwait Finance House

■ Contracts ■ Agencies

Average transaction value of private residence reached KD 316 Thousand in Q2 this year i.e. a decline by 1% compared to Q1. Average transaction value in this sector recorded a slight decline by 0.5% on annual basis. Average value is still recording fluctuating change ratios on quarterly basis. However, it is taking the ascending trend on annual basis.

The number of transactions in private residence sector increased to reach 1,019 transactions as at the end of Q2, marking an increase by 3.1% on quarterly basis. The number of transactions declined by 11.9% on annual basis.

**Figure (6) Progress on average Transaction value/  
Private Residence Transactions Q2 2016 - Q2 2018**

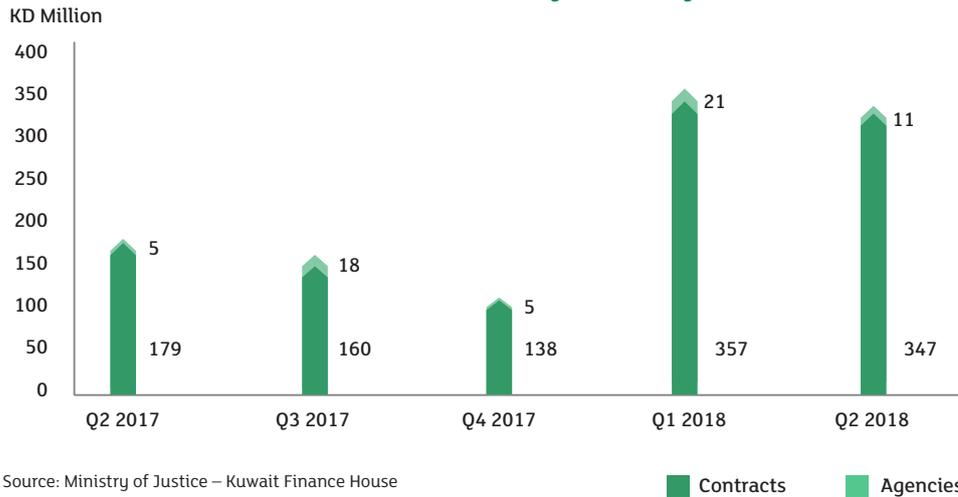


Source: Ministry of Justice – Kuwait Finance House

## Investment Real Estate Trends

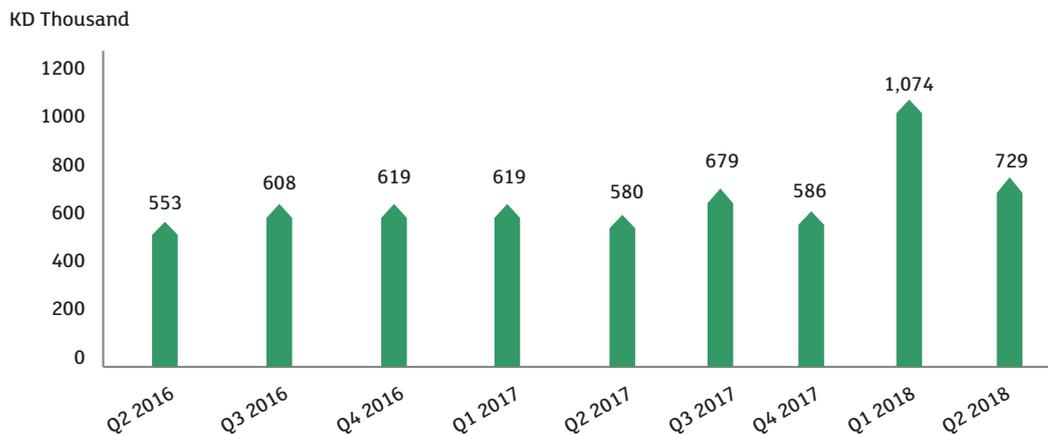
Investment real estate sales value reached KD 358.5 Million in Q2 2018 i.e. a decline by 5.2% compared to the preceding quarter. Annual changes in sector sales continue to take improve as ratio increased by 94.4% compared to the same period last year.

**Figure (7) Progress on Investment Real estate Transactions Value Q2 2017 - Q2 2018**



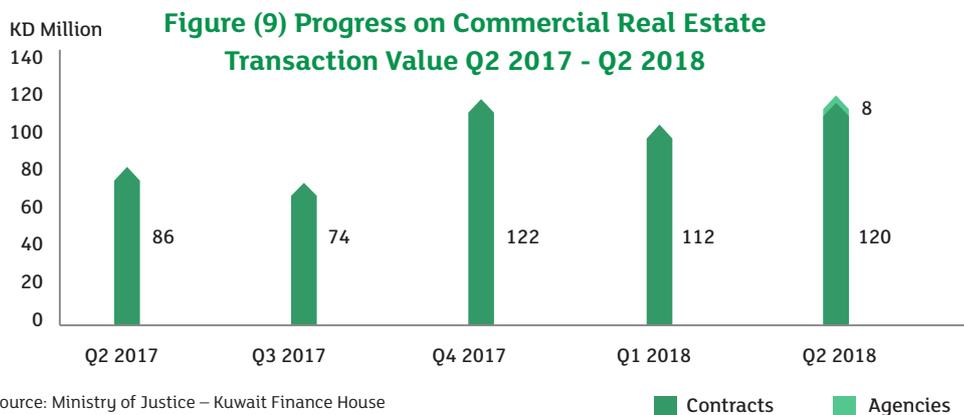
Investment real estate average transaction value reached KD 728.5 Thousand in Q2 i.e. an increase by 120% on quarterly basis and it reached 25.6% on annual basis. Meanwhile the number of investment real estate transactions declined to reach 492 transactions in Q2 or 56.9% compared to Q1. The number of transactions increased on annual basis as it recorded 54.7%.

**Figure (8) Progress on Average Transaction Value/ Investment Real Estate Sale Value Q2 2016 - Q2 2018**



## Commercial Real Estate Trends

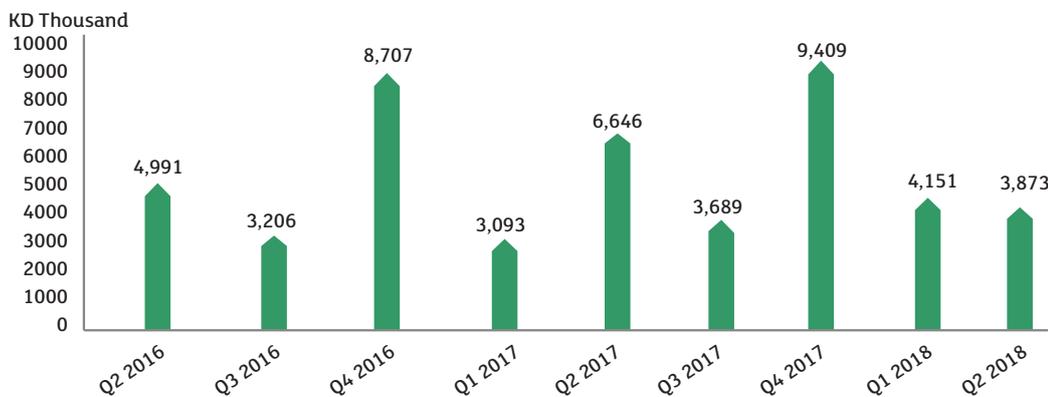
Commercial real estate sales value increased to reach KD 127.8 Million in Q2 2018 compared to KD 112.1 in Q1 2018, thus recording an increase by 14% compared to the preceding quarter and 47.9% on annual basis compared to KD 86.4 Million for the same period last year.



Average transaction value in commercial real estate sector reached KD 3.9 Million in Q2 2018 compared to KD 4.2 Million in Q1. Accordingly, average value is still fluctuating after recording a decline in Q2 by 7% compared to Q1. However, average transaction value in this sector declined significantly by 42% on annual basis.

The number of transactions in commercial real estate sector declined to reach 33 transactions in Q2 i.e. a significant decline by 53.5% on quarterly basis while the annual ratio increased to reach 153.8% on annual basis compared to 13 transactions for the same period last year.

**Figure (10) Progress on average Transaction value/ Commercial Real Estate Transactions Q2 2016 - Q2 2018**

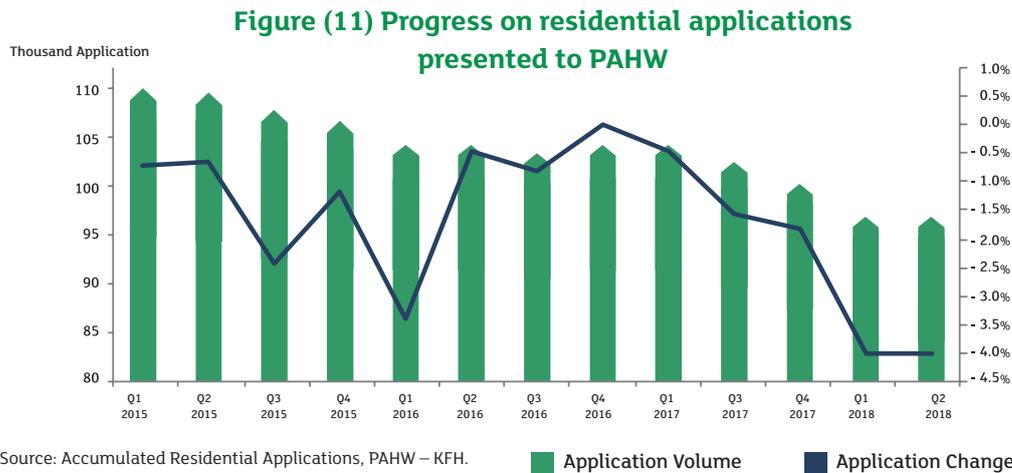


## Second: Residential Projects

The Public Authority for Housing Welfare is executing several projects in the new cities according to the approved time schedule of the current development plan 2015/2016 – 2019/2020. The State of Kuwait aims to be a commercial and financial hub through various announced projects and infrastructure projects executed by the ministry of public works. The authority is also executing residential projects based on very strict technical conditions placed by the authority for the execution of new residential cities. This activity shall fulfil part of the demand which comprises partially accumulated residential applications.

PAHW has succeeded in mitigating the number of residential applications as per the latest report issued by the authority in February 2018. The authority was able to mitigate the number of applications to reach 96.4 thousand application i.e. a decline ration by 3.9% compared to the number of current applications 100 thousand applications as at the end of Q4 2017. Kuwait is still continuing its plan to provide and distribute residential units and lots to citizens. PAHW has succeeded in distributing more than 3,260 units covering an area of 400 m2 each in South Abdullah Al-Mubarak during Q1 2018 as it distributed 856 plots in January and approximately 897 plots in February. Also it announced the distribution of 1,507 units in the same residential project in March 2018 as per the

distribution plan 2017/2018. The authority has distributed 1,448 plots in south Khaitan project during November and December last year as per the announced distribution plan.



PAHW plans to execute several residential during the coming period including the construction projects of plots, services and public buildings in 3 residential cities including Jaber Al-Ahmed, South Mutlaa and South Abdullah Al-Mubarak by executing 5 project contracts. The value of these projects approximate KD 417 Million with a share reaching 44% of the cost of the PAHW projects as provided in April 2018 report. The authority has succeeded in handing over certain projects in those areas during Q1 this year. The authority continues to complete other projects as per the time schedule and has exceeded the agreed completion percentage. The authority has started preparing the time schedule for some projects in South Mutlaa area and South Abdullah Al-Mubarak area approximating KD 130 Million.

The authority is following up the execution of public building projects in the new residential cities and certain other cities for 10 projects amounting more than KD 174 Million and representing a share approximating 19.1% of the value of the authority projects including construction and maintenance of public buildings at Wafra area amounting KD 71 Million. Time schedule of some projects is still under processing. These projects amount KD 24.6 Million. These ten projects include construction and maintenance works of public buildings at Sabah Al-Ahmed Area amounting KD 51.3 Million. Concerning main roads projects and sundry services the PAHW is executing projects amounting KD 400 Million and which represent 44% of the value of the PAHW projects i.e. a value 17 projects including road construction and maintenance projects and infrastructure networks at South Mutlaa Residential Project, approximating KD 294 Million i.e. a completion ratio exceeding the determined hand over schedule.

PAHW designs also installation and maintenance projects of main power stations and managed to deliver them e.g. Residential Wafra Expansion Project of total value KD 47 Million other projects are still in their initial stages e.g. West Abdullah Al-Mubarak city approximating KD 42 Million including projects amounting KD 7.3 Million for which time schedules are under processing.

Accordingly, total projects executed by PAHW exceeds KD 911 Million being the value of projects in several cities, other projects under planning and designing and other future projects which the authority intends to execute in the new residential cities. The authority aims to design residential projects in 6 different areas comprising more than 53 thousand residential units of 400 M2 area each as in South Sabah Al-Ahmed Area which is located 70 km away from the capital governorate, South Saad Al-Abdullah city which is located 27 km and south Abdullah Al-Mubarak which is located at a distance of 16 km, in addition to Khaitan area and East Taimaa area which is located in the middle of Jahra governorate. It also includes low cost residences in the western area of Kuwait 45 km from capital and 15 km from Jahraa governorate. There are other projects also which are still under execution to deliver 39 thousand units of 400 M2 area each. These units include 900 flats covering an area of 385 M2 each. Such projects are distributed in various residential cities including Wafra expansion project and Wafra current project which comprises 600 M2 units, Jaber Al-Ahmed city which 22 km far from the capital, south Mutlaa, Sabah Al-Ahmed city, North West Sulaibikhat as well as west Abdullah Al-Mubarak city. The Authority plans to execute several future projects aiming to provide around 140 residential units covering an area of 400 M2 each e.g. Sabriya city which is located 60 km North Country from capital. The city comprises more than 52 thousands residential units. Also included is Khairan city which is 80 km far from capital and comprises 36 thousand residential units, Nawaf Al-Ahmed city which is 110 km far from capital and comprises 52 thousand units covering an area of 400 M2 each.

## List of projects announced by the Technical Bureau for Studying Development Projects, mainly as follows:

### Projects for Houses, Plots, Services, and Affiliated Public Buildings

Field of the Product	#	Area	Contract Value Million KD	Actual Completion %	
				Contractual	Actual
Houses and Plots Project, Public Services Building	1	Abu-Halifa Residential Project	2.2	100	100
	2	West Abdullah Al-Mubarak city	46	100	100
	3	Jaber Al-Ahmed City	73	*18.1	33.2
	4	South Mutlaa	215.8	9.9	9.0
<b>Total Cost</b>			<b>KD 336.9 Million</b>		

\*Projects exceeded contractual ratio

Public Building Projects	5	Sabah Al-Ahmed City	36.4	100	98.7
	6	Existing Wafra Project	21.2	100	76.1
	7	Sabah Al-Ahmed City	1.5	51.3	17.3
	8	Mina Abdullah	2.2	78.3	54.7
	9	Wafra	23.7	12	7.1
	10	Sabah Al-Ahmed City	13.4	*28.8	32.1
	11	Jaber Al-Ahmed City	8.2	*3.94	6.5
	12	Wafra	24.6	Time program under process	Not started yet
	13	Wafra	14.4	*0.1	2.4
	14	West Abdullah Al-Mubarak City	28.5	Time program under process	Not started yet
<b>Total Cost</b>			<b>174.1 million</b>		

\* Projects exceeded contractual ratio

Roads Projects and Sundry Services	15	Expansion project of Wafra residential	46.6	100	100
	16	Sabah Al Ahmad City	0.979	100	100
	17	Jaber Al-Ahmed City	1.1	100	100
	18	South Mutlaa	288	*13.3	16.7
	19	South Mutlaa	6	26.6	Not started yet
	20	Sabah Al-Ahmed City	1.5	100	100
	21	Sabah Al-Ahmed City	1.4	87.2	77.2
	22	West Abdullah Al-Mubarak City	16.2	*48.7	50.4
	23	Sabah Al-Ahmed City	1.2	*58.5	73
	24	Abu-Halifa Residential City	0.188	*89.2	93
	25	Sabah Al-Ahmed City	0.424	*57.3	60
	26	West Abdullah Al-Mubarak City	18.5	*3.5	10
	27	Jaber Al-Ahmed City	10.4	*13.8	25.8
	28	West Abdullah Al-Mubarak City	5.7	Time program under process	Not started yet
	29	Wafra	0.366	*36.5	55
	30	South Abdullah Al-Mubarak	1.6	Time program under process	Not started yet
31	Wafra	0.148	70.4	88.8	
<b>Cost</b>			<b>KD 394.3 million</b>		
<b>Total Cost of PAHW Projects</b>			<b>KD 905.4 million</b>		

\* Projects exceeded contractual ratio

Source: List of Projects of the Public Authority for Housing Welfare (PAHW) – April 2018 ([www.housing.gov.kw](http://www.housing.gov.kw))

### Third: Price Indicators

#### First: Private Residence Land Prices

Prices of residential land and real estate differ according to the characteristics of each type of various real estates including location and other advantages in various Kuwait areas and governorates. Average price per square meter increased to approximate KD 610, thus marking a slight increase by 0.5% compared to Q1 2018 prices. The decline in annual prices has improved to 0.5% in Q2 this year compared to an annual decline by 1% in Q1.

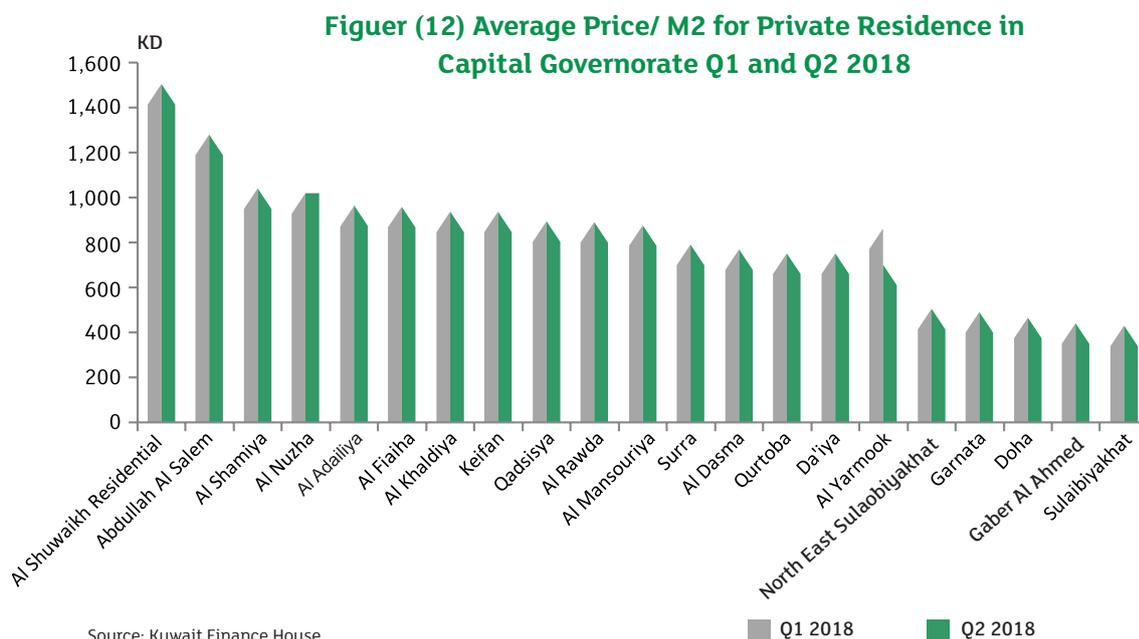
Private residence price levels have stabilized in some of the governorates in Q2 compared to the preceding quarter. Prices increased in other governorates and declined slightly in the rest. Average price stabilized in Hawalli, Jahra, improved in Ahmadi governorate and declined in capital governorate by 1%, Mubarak Al-Kabeer and Farwaniya governorates declined by slightly more or 2.5% than Q1. On annual basis capital governorate recorded the highest decline ratio among governorates by 4.2%, Mubarak Al-Kabeer 2.6%, Farwaniya and Hawalli by 2% & 1.3% respectively. Prices increased in other governorates including Ahmadi and Jahra governorates by 1.5% and 3% compared to Q2 last year.

#### Capital Governorate

Average price per square meter in private residence sector at Capital governorate reached KD 830 as at the end of Q2 this year i.e. a decline by 1% compared to Q1. Prices at the governorate have recorded fluctuating but improving quarterly change ratios. On annual basis, price per meter recorded a decline by 4.2%. However, this decline ratio is better than compared to the same period last year when declined by more than 9% on annual basis.

Prices have stabilized at the end of Q2 in most of the residential areas at Capital governorate compared to Q1 this year except some areas which have recorded slight increase. Prices stabilized in those areas which considered the highest price e.g. Shuwaikh residential area in which average price exceeded KD 1,500 as at the end of Q2 2018, followed by Abdullah Al-Salem district in which prices stabilized at less than KD 1,300, Shamiya and Nuzha more than KD 1,000.

Prices stabilized in areas where price per meter ranged KD 800 and KD 900. Prices increased slightly by less than 0.5% in Edailiya while average price stabilized in the next Area Faihaa, Khaldiya, Kifan, Rawda and Mansouriya. Prices stabilized in areas where price per meter ranged KD 700 – 800 e.g. Surra area which is still the highest price area followed by Dasmah and Da'eya. Prices did not witness any change in the lowest price areas as at the end of Q2 compared to the preceding quarter. Prices stabilized at KD 500 e.g. North West Sulaibikhat, old houses at Doha area , and Ghernata area.



\*Note: General average of the area in tables from 1 to 5, 8 to 13, and 21 to 25 present a general average for several transactions evaluated by KFH, not all of them presented at these tables, thus the readers can not calculate the average price in the area only upon to the price sample found in the tables, however the reader can depend on the general average of the area in order to know the average price per square meter at that area as a price indicator.

## Residential Plot Prices at Capital Governorate

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Al Shuwaikh Residential	500	210%	Internal	700,000	800,000	1,400	1,600	1,500
	1,000	210%	Internal	1,200,000	1,400,000	1,200	1,400	1,300
	1,000	210%	Main	1,400,000	1,650,000	1,400	1,650	1,525
	1,000	210%	Jamal Abdul-Naser	1,600,000	1,800,000	1,600.0	1,800.0	1,700
General Average in the Area				1,225,000	1,412,500	1,400	1,613	1,506
Abdullah Al Salem District	500	210%	Internal	600,000	700,000	1,200	1,400	1,300
	750	210%	Internal	950,000	1,050,000	1,267	1,400	1,333
	1,000	210%	Sanaa	1,500,000	1,600,000	1,500	1,600	1,550
General Average in the Area				991,667	1,150,000	1,186	1,378	1,282
Shamiyah	250	Till 800 m	Internal	260,000	320,000	1,040	1,280	1,160
	1,000	210%	Internal	780,000	1,000,000	780	1,000	890
	1,000	210%	Main	1,000,000	1,250,000	1,000	1,250	1,125
General Average in the Area				622,857	770,000	935	1,148	1,042
Al Nuzha	500	210%	Internal	425,000	520,000	850	1,040	945
	750	210%	Internal	610,000	750,000	813	1,000	907
	1,000	210%	Main	900,000	1,200,000	900	1,200	1,050
General Average in the Area				637,000	794,000	913	1,128	1,020
Al Khaldiya	750	210%	Internal	600,000	750,000	800	1,000	900
	750	210%	Internal	720,000	900,000	960	1,200	1,080
	1,000	210%	4th / 3rd Ring Road	900,000	1,000,000	900	1,000	950
General Average in the Area				732,500	897,500	843	1,035	939
Al Adailiya	500	210%	Internal	420,000	520,000	840	1,040	940
	750	210%	Main	720,000	850,000	960	1,133	1,047
	1,000	210%	Riyad/ Damascus	950,000	1,100,000	950	1,100	1,025
				685,714	815,714	880	1,048	964
Faihaa	400	210%	Internal	420,000	520,000	840	1,040	940
	750	210%	Internal	720,000	850,000	960	1,133	1,047
	1,000	210%	Main	950,000	1,100,000	950	1,100	1,025
General Average in the Area				688,571	815,714	884	1,048	966

Source: Kuwait Finance House

### Hawalli Governorate

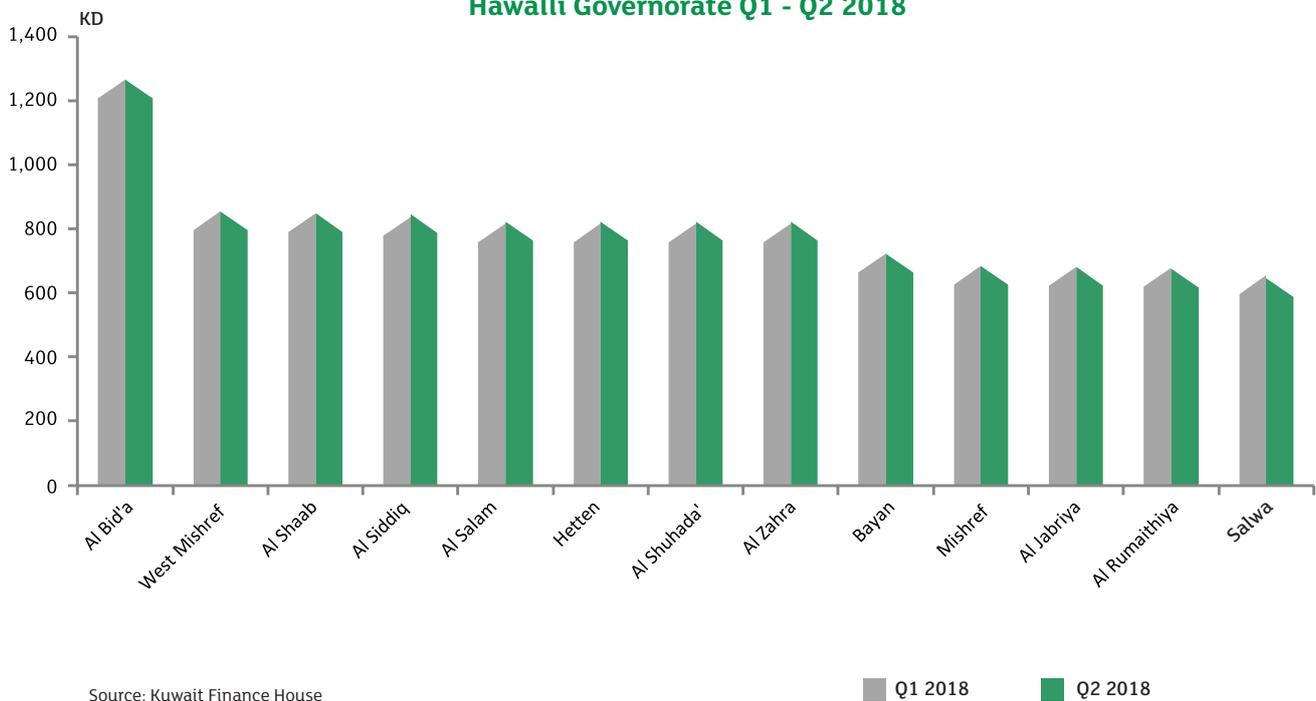
Average price per square meter in Hawalli Governorate stabilized at KD 808 in Q2 and Q1 as prices are going steadily stable at the governorate with an improvement in the decline ratios on quarterly basis at the governorate earlier. Accordingly, prices declined on annual basis in Q1 by 1.3% which compares better than Q2 last year where it reached 6.3% on annual basis.

Average price per square meter stabilized in most of the governorate areas. Prices in Al-Bedaa area recorded the highest level in the governorate as it stabilized at KD 1,200 in Q2. Prices stabilized in west Mishrif and Shaab areas at KD 850 while it reached little less than that in Siddique area which was one of the areas that has recorded a slight decline by 1% in Q2 compared to Q1.

Average price per square meter increased slightly in areas where price per meter ranged between KD 800 – KD 850 e.g. Salaam, Hitteen and Shuhadaa areas by 1% compared to Q1. also in Zahraa area. However, average price per square meter is still less than these areas in Bayan as it recorded more than KD 700 while prices stabilized in it during Q2 and Q1 this year.

Prices in average price areas where price ranged between KD 650 – KD 700 including Mishrif area did not witness any change in private residence areas as at the end of Q2 compared to the preceding quarter and also in Jabreyaa. prices declined by 0.5% in Rumaithia area and by more than 1% in Salwa which still the lowest in Hawalli governorate areas.

**Figure (13) Average price/ M2 for Private Residence at Hawalli Governorate Q1 - Q2 2018**



Source: Kuwait Finance House

■ Q1 2018

■ Q2 2018

 **Table (3): Residential Plot Prices at Hawalli Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Shaab	400	210%	Internal	320,000	380,000	800	950	875
	500	210%	Main	400,000	480,000	800	960	880
	750	210%	Internal	600,000	700,000	800	933	867
General Average in the Area				421,667	496,667	782	916	849
Jabriya	400	210%	Internal	260,000	320,000	650	800	725
	500	210%	Main	350,000	400,000	700	800	750
	1000	210%	Internal	690,000	800,000	690	800	745
General Average in the Area				400,000	478,889	624	741	682
Rumaihiya	400	210%	Internal	240,000	300,000	600	750	675
	750	210%	Main	330,000	430,000	440	573	507
	1000	210%	Internal	800,000	850,000	800	850	825
General Average in the Area				408,889	482,222	613	736	675
Salwa	500	210%	Internal	270,000	330,000	540	660	600
	750	210%	Internal	320,000	430,000	427	573	500
	1,000	210%	Aqsa	700,000	750,000	700	750	725
	1,000	210%	Taawon	800,000	850,000	800	850	825
General Average in the Area				475,714	548,571	595	698	646
Salaam	400	210%	Internal	290,000	360,000	725	900	813
	400	210%	Main	340,000	400,000	850	1,000	925
	500	210%	Internal	310,000	390,000	620	780	700
	500	210%	Main	400,000	450,000	800	900	850
General Average in the Area				335,000	400,000	749	895	822
Hitteen	400	210%	Internal	290,000	360,000	725	900	813
	400	210%	Main	340,000	400,000	850	1,000	925
	500	210%	Internal	310,000	390,000	620	780	700
	500	210%	Main	400,000	450,000	800	900	850
General Average in the Area				335,000	400,000	749	895	822
Shuhadaa	400	210%	Internal	290,000	360,000	725	900	813
	400	210%	Main	340,000	400,000	850	1,000	925
	500	210%	Internal	310,000	390,000	620	780	700
	500	210%	Main	400,000	450,000	800	900	850
General Average in the Area				335,000	400,000	749	895	822

Source: Kuwait Finance House

## Farwaniya Governorate

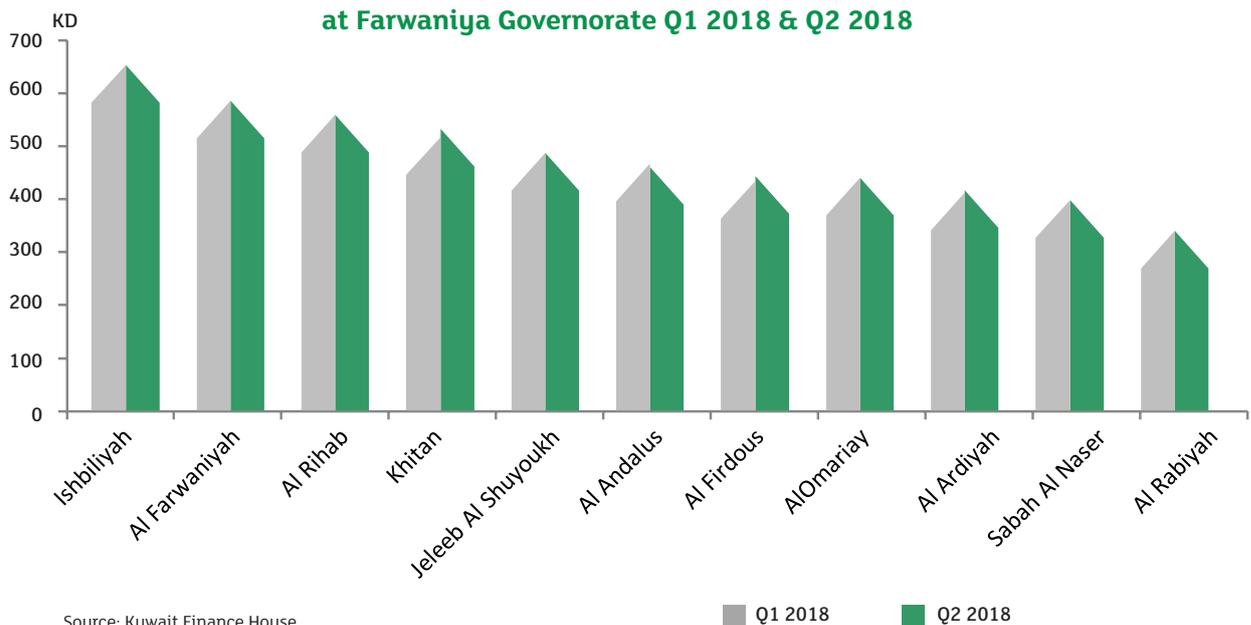
Average price per square meter reached KD 489 in Farwaniya governorate in Q2 2018, i.e. a decline by 2.4% compared to Q1. Prices at the governorate have been fluctuating for almost a year now following a stability period and a former decline. Meanwhile, prices at the governorate declined on annual basis by 2%. However, this decline continues against a higher annual decline in previous periods where decline reached 12.7% as at Q2 last year.

Prices did not witness any change as at the end of Q2 in most of Farwaniya governorate areas. Prices stabilized in Ishbilia area one of the highest price areas at the governorate level. Average price per meter reached more than KD 650 / M2. Prices stabilized also in Farwaniya area at KD 600. Prices stabilized in while in Rehab area it reached more than KD 550, followed by Khaitan area where price per meter increased by 3% to reach less than KD 540 as at the end of Q2 this year.

Prices declined in areas that have average prices where ranged between KD 450 and KD 500. Prices declined in Andalus area by 1% while they stabilized in Jaleeb Al-Shoyoukh area compared to Q1.

In areas that have lower price where price per meter ranges between KD 400 – KD 450, Fardous takes the lead as the highest price area in this category. Prices increased by 2% in this area compared to Q1. Prices stabilized in Omaria area while they increased in Ardiya by 1%. Prices stabilized in private residence areas in the governorate e.g. Sabah Abdul-Naser reaching KD 400 and in Rabiya at less than KD 400 and in Rabiya less than KD 350.

**Figure (14) ) Average price/ M2 for Private Residence at Farwaniya Governorate Q1 2018 & Q2 2018**



 **Table (4): Residential Plot Prices at Farwaniya Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Andalus	500	210%	Internal	185,000	240,000	370	480	425
	750	210%	Main	330,000	350,000	440	467	453
General Average in the Area				281,000	320,000	433	496	464
Rabia (Existing House)	500	210%	Internal	210,000	250,000	420	500	460
	500	210%	Main	240,000	280,000	480	560	520
General Average in the Area				200,000	240,000	313	373	343
Ashbilya	375	210%	Internal	210,000	250,000	560	667	613
	400	210%	Main	270,000	320,000	675	800	738
	500	210%	Internal	260,000	320,000	520	640	580
General Average in the Area				255,000	301,667	603	713	658
Farwaniya	500	210%	Internal	240,000	300,000	480	600	540
	500	210%	Main	290,000	350,000	580	700	640
General Average in the Area				265,000	325,000	530	650	590
Khaitan	400	210%	Internal	200,000	250,000	500	625	563
	1000	210%	-	490,000	590,000	490	590	540
General Average in the Area				360,000	420,000	480	560	520
Jaleeb Al Shuyoukh	500	210%	Main	200,000	240,000	400	480	440
	500	210%	Internal	240,000	300,000	480	600	540
General Average in the Area				220,000	270,000	440	540	490
Ardiya	750	210%	Internal	220,000	270,000	440	540	490
	750	210%	Main	250,000	320,000	333	427	380
General Average in the Area				350,000	380,000	467	507	487

Source: Kuwait Finance House

### Mubarak Al Kabeer Governorate

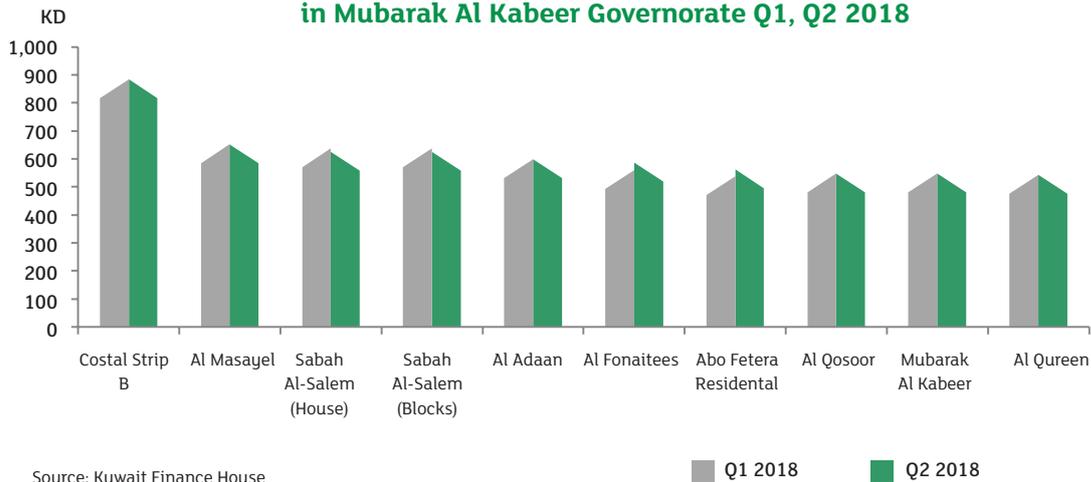
Average price per meter at Mubarak Al-Kabeer governorate reached KD 597 as at the end of Q2 2018 i.e. a limited decline by 2.8% compared to KD 614 in Q1. Price levels at the governorate are stable relatively for some time. Accordingly, the decline in average price per meter has improved on annual basis, thus recording 2.6% compared to a higher decline by 9.1% in Q2 last year on annual basis.

Average price per square meter stabilized as at the end of Q2 compared to the preceding quarter in most of the governorate areas, the highest price areas e.g. coast strip area (B) at KD 880 in Q2 and KD 650 in Masayel area. Prices declined in Sabah Al-Salem area by 2% e.g. existing government houses and residential plots to reach KD 625 per square meter.

Prices are still stable in Addan area as at the end of the year at levels not exceeding KD 600 per square meter while they have increased in Funaites area by 4.9%, Abu-Fatira by 4.6% where average price reached KD 560. Prices did not witness any change in Qosour and Mubarak Al-Kabeer areas compared to Q1 as they stabilized at KD 550.

Prices stabilized at the lowest price areas e.g. Qurain area for the second quarter respectively at little more than KD 540 / M2.

**Figure (15) Average price meter for the Private Residence in Mubarak Al Kabeer Governorate Q1, Q2 2018**



Source: Kuwait Finance House

■ Q1 2018 ■ Q2 2018

**Table (5): Residential Plot Prices at Mubarak Al Kabeer Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Masayel	400	210 %	Internal	230,000	280,000	575	700	638
	500	210 %	Main	310,000	350,000	620	700	660
General Average in the Area				267,500	316,250	598	708	653
Coast Strip B	1,000	150 %	Internal	450,000	600,000	450	600	525
	2,000	150 %	Marine	2,500,000	2,900,000	1,250	1,450	1,350
General Average in the Area				1,233,333	1,433,333	817	950	883
Abu Fatira Residential	400	210 %	Internal	200,000	240,000	500	600	550
	500	210 %	Main	260,000	310,000	520	620	570
General Average in the Area				227,500	275,000	509	615	562
Funaitees	400	210 %	Internal	210,000	250,000	525	625	575
	500	210 %	Main	270,000	320,000	540	640	590
General Average in the Area				240,000	285,000	538	638	588
Addan	400	210 %	Main	250,000	270,000	625	675	650
	500	210 %	Internal	195,000	240,000	488	600	544
General Average in the Area				223,750	255,000	559	638	598

Source: Kuwait Finance House

### Ahmadi Governorate

Average price per square meter in Ahmadi governorate increased slightly as it recorded KD 560 as at the end of Q2 2018 i.e. less than 1% compared to Q1 2018. Price levels are taking the ascending trend with fluctuation in the change ratios on quarterly basis despite their increase. On annual basis average price increased in Q2 2018 by 1.5% compared to Q2 2017. This is the third time respectively where prices record an annual increase after recording a decline ratios which have continued for more than 2 years. The annual change in prices at the governorate level continued its ascending trend for a while.

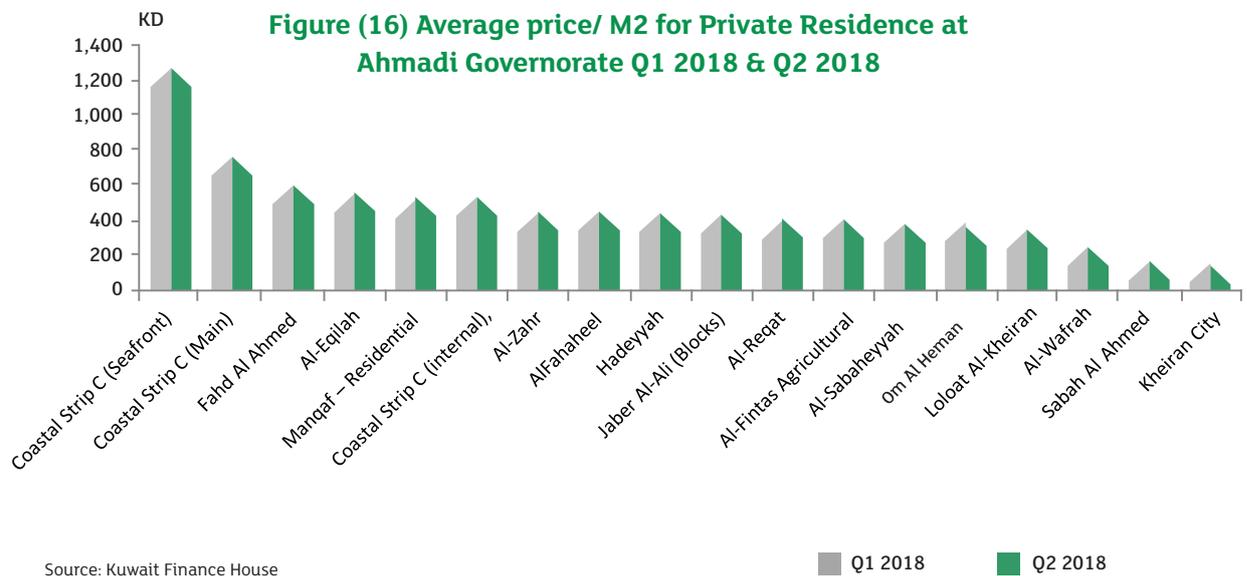
Average price per meter stabilized in most of the private residence areas at Ahmadi governorate as at the end of Q2 2018 compared to the preceding quarter. Average price stabilized at KD 1,300/- per square meter e.g. southern coast strip area which is considered one of the highest price areas in the governorate. Prices stabilized also at less than KD 800 at the coast area e.g. main southern sites as well as at Fahad Al-Ahmed area where price approximates KD 600 per square meter during Q2 this year.

Eqaila is one of the areas which have recorded limited increase by 1.5% compared to price levels in Q1 of the year, followed by Mangaf residential area where average price per square meter increased by 3% on quarterly basis while prices stabilized in the internal area of the souther coastal strip.

Prices stabilized also in most of the average value areas in the governorate and other areas in which price per meter is less than KD 450. Shaher area was an exception as prices increased by 2%. Prices declined also in certain places in Fahaheel by less than 0.5% compared to Q1. Prices stabilized in Hadiya and Jaber Al-Ali as average price per square meter reached KD 430/-.

Prices stabilized in the lowest price areas e.g. agricultural Fintas. Prices increased by more than 3% in Riqqa where average price exceeded KD 400/-. Prices stabilized in Sabahiya area while they increased in Khiran Pearl area by 1.6% as they reached KD 350/- in Q2 this year.

Prices stabilized at the lowest price areas in the governorate e.g. Wafra at approximately KD 250 while they increased in several locations of Sabah Al-Ahmed Marine Area by 3.4% compared to Q1 this year.



**Table (6): Residential Plot Prices at Ahmadi Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Fintas Agricultural	210%	1,000	Internal	320,000	400,000	320	400	360
	210%	1,000	Main	400,000	500,000	400	500	450
Hadiya	210%	750	Internal	260,000	330,000	347	440	393
	210%	750	Main	340,000	400,000	453	533	493
Aqaila	210%	400	Main	230,000	270,000	575	675	625
	210%	500	Main	255,000	300,000	510	600	555
Coast Strip (S) Overlooking Sea	150%	2,000	Marine	2,400,000	2,700,000	1,200	1,350	1,275
Coast Strip (S) Overlooking Internal Road	150%	750	Internal	350,000	450,000	467	600	533
Khairan Residential	210%	400	-	40,000	75,000	100	188	144
Sabah Al Ahmad Marine A1 Overlooking Sea	210%	1,200	Marine	185,000	230,000	154	192	173
Sabah Al Ahmad Marine A2 Overlooking Sea	210%	450	Marine	150,000	165,000	333	367	350
Khiran Pearl Overlooking Sea A3	210%	450	Marine	150,000	165,000	333	367	350
Mangaf Residential	210%	375	Internal	170,000	210,000	453	560	507
	210%	400	Main	230,000	250,000	575	625	600

Source: Kuwait Finance House

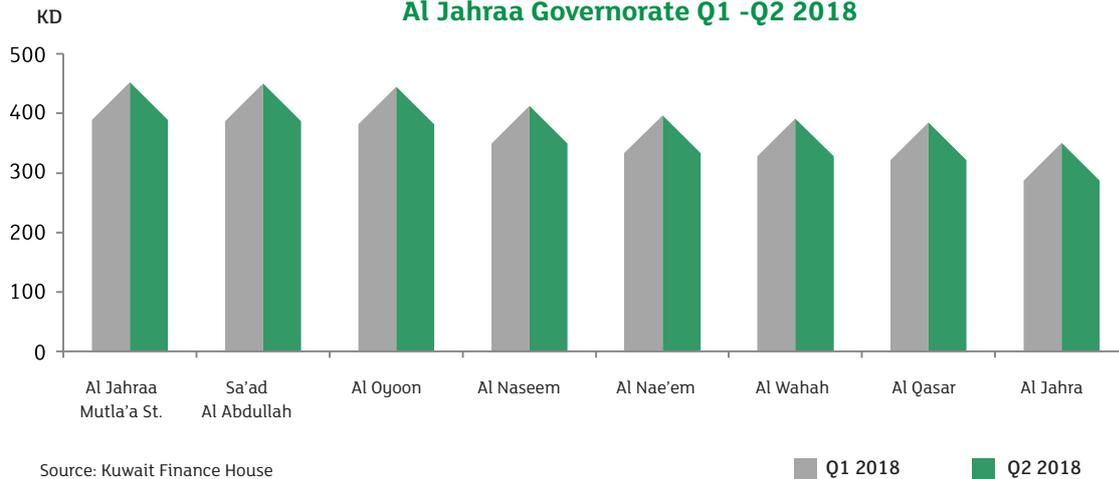
### Jahra Governorate

Prices stabilized in Jahra governorate, thus recording KD 442 as at the end of Q2 and did not witness any change as at the end of the second and first quarters this year. Prices have stabilized following a clear evident decline. Meanwhile, change ratios improved on quarterly basis but still fluctuating. Prices recorded an increase on annual basis for the third time respectively by 3% as at the end of Q2 this year, taking into consideration the ascending trend of prices on annual basis even though it has fluctuated for a certain period and recorded decline ratios on annual basis for quite long periods.

Prices stabilized in the highest price residential areas in the governorate in Q2 respectively e.g. Jahra area - Mutlaa street, thus recording an average price exceeding KD 450/-. Prices stabilized also in Saad Al-Abdulla and Oyoun areas.

Prices stabilized in most of the governorate areas including Naseem area where average price is less than KD 420 followed by Al-Naeem area price wise. Average price is less than KD 400 in Oasis area - Club Street. Prices stabilized also in Al-Qasr area. Prices stabilized in old Jahraa area which is the lowest price area, at KD 350 in Q2 this year.

**Figure (17) Average price/ M2 for Private Residence at Al Jahraa Governorate Q1 -Q2 2018**



**Table (7): Residential Plot Prices at Jahraa Governorate**

Region	Area m <sup>2</sup>	Building %	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
			From	To	From	To	
Qasr – Club Street	1,000	210%	425,000	480,000	425	480	453
Qasr (Existing Houses)	600	210%	170,000	210,000	283	350	317
Jahraa – Mutla'a St. - Internal	1,000	210%	425,000	480,000	425	480	453
Na'eem – Plots	400	210%	125,000	170,000	313	425	369
Na'eem – (GVT House)	400	210%	140,000	200,000	350	500	425
Oyoun	298	Up to 800 M2	110,000	155,000	370	521	445
Al Naseem (GVT House) – Main Roads	400	210%	140,000	190,000	350	475	413
Oasis – Existing House	300	Up to 800 M2	100,000	135,000	333	450	392
Saad Al-Abdullah	400	210%	130,000	170,000	325	425	375
Qairawan	400	210%	150,000	190,000	375	475	425

Source: Kuwait Finance House

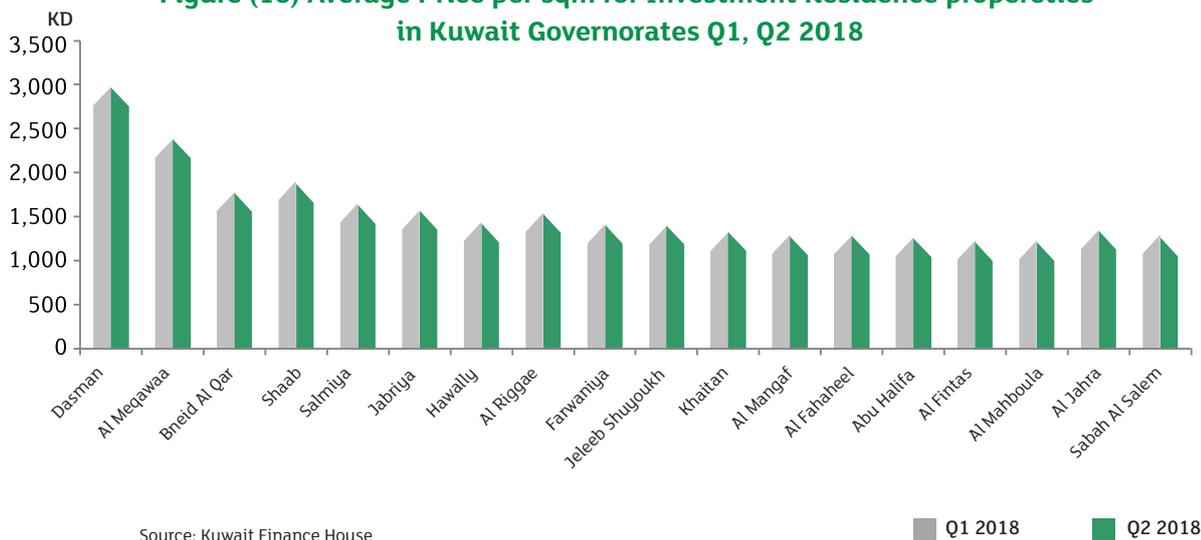
## Second: Investment Land Prices

Average price per square meter of investment land exceeded KD 1,500 at all governorates level as at the end of Q2 this year while average price per meter continued to stabilize. Prices declined as at the end of Q2 at all governorates level by less than 1% compared to Q1 this year. Relative improvement is notice in the decline ratios of average price on quarterly basis as recorded earlier. Accordingly, decline ratios of average price continue to improve on annual basis as at the end of Q2 this year. decline ratio has stabilized remarkably, recording 1% during Q2 and Q1 this year compared to a higher decline by 6% in Q2 last year.

Average price recorded a slight decrease in Q2 on quarterly basis in Capital Governorate compared to the preceding quarter. Price levels declined in Farwaniya and Jahraa governorates by less than 0.5% while they declined in Hawalli and Ahmadi governorates by 1% . The highest decline level was recorded in Mubarak Al-Kabeer governorate by 2.1% compared to Q1.

On annual basis, prices witnessed remarkable stability in most governorates, namely capital governorate. Price per meter did not witness any change in Q2 compared to Q2 last year e.g. Farwaniya and Jahraa governorates for the second quarter respectively. Prices declined in other remaining governorates e.g. Hawalli by 2%, Mubarak Al-Kabeer and Ahmadi governorates by 3%.

**Figure (18) Average Price per sqm for Investment Residence properties in Kuwait Governorates Q1, Q2 2018**



Source: Kuwait Finance House

■ Q1 2018 ■ Q2 2018

## Capital Governorate

Concerning prices in each governorate, all prices in capital governorate showed a slight decrease at the end of Q2 which did not exceed 0.5% compared to Q1 2018. Average price per meter reached KD 2,371 in Q2. Price per meter is relatively stable since the end of the preceding year and still the highest at all governorates level. It is noticed that there is a noticeable ascending trend in the quarterly change in the average price per meter which has reflected in the form of a stability in average price in the capital governorate on annual basis as at the end of Q2 this year compared to price levels for the same period last year.

Regarding prices at the capital governorate level, prices in Dasman area are still the highest among capital governorate areas and among all investment areas in other governorates. Average price in this area has approximated KD 3,000 M2, bearing in mind that it has declined in Q2 at the area level by 0.5% compared to Q1. Prices stabilized in certain places of Gulf Street and in most of the areas e.g. Abdullah Al-Ahmed Street and certain internal places in Dasman area by 1% compared to Q1.

Average price in Eastern Maquaa area declined by 0.5% compared to Q1 2018 while prices stabilized at the area level to approximate KD 2,400 per meter. Average price stabilized in investment areas specially those overlooking main roads at Shuhadaa Street and certain main streets. Prices did not witness any change in certain main locations where prices are exceeding KD 2,600 per meter. Prices declined in internal areas covering 500 M2 in Maquaa area by 1%. However, prices stabilized at KD 1,800/- in Q2 this year in other locations.

Average price in Benaid Al-Qar area declined in Q2 by 1% to less than KD 1,800. Price levels stabilized in most of the places in the area including the highest price areas of Gulf road at KD 2,900. Prices stabilized also in other places of Istiqlal Street and certain main location of 1st and 2nd ring road while they declined in certain internal areas by 3%. Prices stabilized in main sites covering an area of 1,000 M2 of Port Saeed Street and declined in internal sites by 1.6% which are considered as the lowest at the area level.

**Table (8): Investment Land Prices at Capital Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Bneid Al Gar	1,000	250%	Gulf Road	2,800,000	3,000,000	2,800	3,000	2,900
	500	250%	Main	850,000	900,000	1,700	1,800	1,750
	1,000	250%	Internal	1,300,000	1,500,000	1,300	1,500	1,400
	1,000	250%	1 <sup>st</sup> & 2 <sup>nd</sup> Ring Road	1,650,000	1,820,000	1,650	1,820	1,735
General Average in the Area				1,439,375	1,583,750	1,682	1,850	1,766
Eastern Muqawa	250	240%	Internal	400,000	500,000	1,600	2,000	1,800
	500	400%	Main	1,250,000	1,375,000	2,500	2,750	2,625
	1,000	400%	Shuhadaa	2,700,000	2,800,000	2,700	2,800	2,750
General Average in the Area				1,362,500	1,476,250	2,250	2,503	2,376
Dasman	1,000	400%	Gulf Road	3,800,000	4,000,000	3,800	4,000	3,900
	1,000	400%	Internal	2,150,000	2,400,000	2,150	2,400	2,275
	750	400%	Abdullah Al-Ahmed	2,000,000	2,100,000	2,667	2,800	2,733
General Average in the Area				2,650,000	2,833,333	2,872	3,067	2,969

## Hawalli Governorate

Average price in Hawalli governorate reached KD 1,622 thus recording a slight decline by approximately 1.1% compared to prices in Q1 this year. Decline ratios of price per meter have stabilized in the governorate during last year at less than 0.5% . Average price per meter declined by 2% in Q2 compared to a higher annual decline by 7% in Q2 last year. Average price per meter stabilized in certain investment areas in the governorate e.g. Shaab area in which average price declined by 1.6% to reach less than KD 1900/-, however, it is still the highest level among the governorate areas in Q2 2018. Prices have declined in other locations in the area and in places overlooking Gulf Gulf Road covering 1,000 M2 area e.g. Shaab area. Meanwhile, prices declined in certain internal places, which come next in prices, and other internal locations in Q2 by 2.7% and 3.5%.

Prices in Salmiya area declined to reach KD 1,628 per square meter in Q2 i.e. a decline by 1% compared to the preceding quarter. Average price per meter stabilized in certain locations. The highest price areas e.g. areas overlooking Gulf Road recorded a decline by 1.8% while the second highest price areas e.g. Amr Bin Al-Aas Street, Prices declined by 0.5%. Prices stabilized in several other locations where price ranged KD 1,500 – KD 1,700. Prices declined by less than 1% or more in certain locations of Hamad Al-Mubarak Street, Baghdad Street and Al-Mugheera Bin Shuaba Street. Meanwhile, prices did not witness any change in several parts of Amman Street as they stabilized also in main locations covering an area of 750 M2 and in internal locations covering an area of 1,000 M2.

Prices declined in Jabriya area and reached KD1,572 as at the end of Q2 this year by 0.5% compared to Q1 this year. Average price per meter stabilized remarkably in most of the area locations with a slight decline in other areas. Prices stabilized in the highest price areas recording KD 1,700/- per meter and in other locations overlooking the 4th ring road at KD 1,670 and prices stabilized at Shanakel Street at KD 1,700/- per meter. Prices did not witness any change in places overlooking Maghrib Street compared to Q1 2018. Average price per meter stabilized in internal locations at KD 1,400/- per meter including places covering an area of 1,000 M2 in Jabriya area.

Prices declined in most of the areas in Hawalli Governorate as they recorded KD 1,420/- per meter. Prices stabilized in places overlooking Cairo Street while they declined in certain places of Hasan Al-Basri Street and Yarmouk Street by 1.2%. Prices declined also in certain internal places of Hawalli covering an area of 500 M2 by 1.6% compared to Q1. They also declined in lower price areas covering an area of 1,000 M2 and 750 M2 as at the end of Q2 by 1.8% and 2% compared to Q1 this year.

Table (9): Investment Land Prices at Hawalli Governorate

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Hawalli	750	250 %	Muthana	1,000,000	1,125,000	1,333	1,500	1,417
	750	250 %	Qutaiba	1,100,000	1,170,000	1,467	1,560	1,513
	750	250 %	Ahmed Bin Toloun	950,000	1,100,000	1,267	1,467	1,367
	750	250 %	Maghrib	1,125,000	1,175,000	1,500	1,567	1,533
	750	250 %	Sharhabeel	950,000	1,100,000	1,267	1,467	1,367
	1,000	250 %	Internal	1,150,000	1,300,000	1,150	1,300	1,225
General Average in the Area				1,030,000	1,142,333	1,346	1,495	1,420
Al Salmiya	1,000	250 %	Gulf	2,700,000	2,900,000	2,700	2,900	2,800
	750	250 %	Baghdad	1,162,500	1,250,000	1,550	1,667	1,608
	750	250 %	Amman	1,150,000	1,200,000	1,533	1,600	1,567
	750	250 %	Bahrain	1,200,000	1,250,000	1,600	1,667	1,633
	750	250 %	Amr Bin Aas	1,235,000	1,400,000	1,647	1,867	1,757
	1,000	250 %	Main	1,500,000	1,550,000	1,500	1,550	1,525
	1,000	250 %	Internal	1,250,000	1,450,000	1,250	1,450	1,350
General Average in the Area				1,209,219	1,309,688	1,562	1,694	1,628
Al Shaab	1,000	250 %	Gulf	2,800,000	3,000,000	2,800	3,000	2,900
	750	250 %	Internal	1,000,000	1,200,000	1,333	1,600	1,467
General Average in the Area				1,697,500	1,862,500	1,781	1,963	1,872
Al Jaberiya	1,000	250 %	4 <sup>th</sup> Ring Road	1,650,000	1,700,000	1,650	1,700	1,675
	1,000	250 %	Maghrib	1,500,000	1,600,000	1,500	1,600	1,550
	1,000	250 %	McDonalds	1,650,000	1,750,000	1,650	1,750	1,700
	750	250 %	Internal	1,000,000	1,125,000	1,333	1,500	1,417
General Average in the Area				1,415,625	1,534,375	1,504	1,631	1,568

Source: Kuwait Finance House

## Farwaniya Governorate

Average price per square meter stabilized since the beginning of 2018 in Farwaniya governorate at KD 1,415/- in Q2 2018. Stability is clearly noticed since that period following the significant decline in prices earlier. Accordingly, average price per meter did not witness any change on annual basis in Q2 for the second time respectively. These ratios are still better than the decline in prices which has exceeded 10% for the same period last year.

Prices stabilized in most of the areas in Farwaniya Governorate despite the slight decline 0.5% recorded in Riqqa'e area which is considered as the highest price area at the governorate. Prices stabilized in various locations overlooking 5th ring road and main and internal areas and some locations opposite 4th ring road. Also prices stabilized in main and internal places of Riqqa'e area.

Average price stabilized in Farwaniya area and certain places overlooking airport road in addition to the main locations and other less priced main locations. Prices in Jaleeb Al-Shoyoukh did not witness any change compared to Q1 last year while average price stabilized at places overlooking 6th ring road and other main and internal locations as well as the 500 M2 locations. Prices stabilized also in several sites of Khaitan area e.g. the main and internal streets while prices stabilized in most of the locations overlooking the airport road and in certain places and internal streets in the area.

**Table (10) Investment Land Prices at Farwaniya Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Farwaniya	750	250 %	Airport	1,050,000	1,165,000	1,400	1,553	1,477
	750	250 %	6 <sup>th</sup> Ring	1,050,000	1,130,000	1,400	1,507	1,453
	1,000	250 %	Internal	1,100,000	1,250,000	1,100	1,250	1,175
	500	250 %	Main	750,000	800,000	1,500	1,600	1,550
General Average in the Area				1,042,857	1,142,143	1,343	1,473	1,408
Khaitan	750	250 %	6 <sup>th</sup> Ring	1,050,000	1,130,000	1,400	1,507	1,453
	1,000	250 %	Internal	1,100,000	1,250,000	1,100	1,250	1,175
	600	250 %	Internal	750,000	840,000	1,250	1,400	1,325
General Average in the Area				1,030,000	1,138,000	1,257	1,390	1,323
Jaleeb Al Shuyoukh	750	250 %	6 <sup>th</sup> Ring	1,050,000	1,130,000	1,400	1,507	1,453
	750	250 %	Police Station	1,040,000	1,130,000	1,387	1,507	1,447
	750	250 %	Main	1,000,000	1,100,000	1,333	1,467	1,400
	500	250 %	Internal	625,000	750,000	1,250	1,500	1,375
General Average in the Area				905,625	1,007,500	1,322	1,473	1,397
Al Raqei	750	250 %	4 <sup>th</sup> Ring	1,200,000	1,230,000	1,600	1,640	1,620
	1,000	250 %	5 <sup>th</sup> Ring	1,500,000	1,600,000	1,500	1,600	1,550
	1,000	250 %	4 <sup>th</sup> Ring	1,500,000	1,600,000	1,500	1,600	1,550
	750	250 %	Internal Main	1,050,000	1,160,000	1,400	1,547	1,473
General Average in the Area				1,157,143	1,252,857	1,467	1,599	1,533

## Mubarak Al-Kabeer Governorate

Average price per meter in Mubarak Al-Kabeer governorate reached at KD 1,263/- in Q2 2018 i.e. a decline by 2.1% compared to the preceding quarter. Accordingly, prices declined on annual basis by 3% in Q2 compared to a decline by 8% for the same period 2017.

Prices stabilized in most of the locations in Sabah Al-Salem area in Q2 compared to Q1. Prices declined in most of the locations at limited ratios. Price per meter in locations overlooking Fahaheel road declined by 3.2%. In certain locations overlooking 6th ring road prices declined by 1.7%. Also, prices declined in certain main internal streets and locations in the area by 1.5% and 4.3%. Meanwhile, prices stabilized in certain internal locations covering 750 M2 and 500 M2 area in Sabah Al-Salem.

**Table (11) Investment Land Prices at Mubarak Al Kabeer Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Sabah Al Salem	750	250%	Internal	825,000	940,000	1,100	1,253	1,177
	1,000	250%	Main	1,200,000	1,350,000	1,200	1,350	1,275
	1,000	250%	Fahaheel	1,400,000	1,450,000	1,400	1,450	1,425
	500	170%	6 <sup>th</sup> Ring	500,000	550,000	1,000	1,100	1,050
General Average in the Area				1,053,571	1,144,286	1,210	1,316	1,263

Source: Kuwait Finance House

## Ahmadi Governorate

Average price per square meter in Ahmadi Governorate recorded KD 1,248/- as at the end of Q2 2018 i.e. a decline by 1% compared to Q1 2018. This price is considered the lowest among investment areas in other Kuwait Governorates. Accordingly, annual price change ratios have been stable as they have declined for the second time respectively by 3% in Q2 2018. However, they are considered as favourable compared to a noticeable annual decline by 6% in Q2 last year.

Prices declined in most of the governorate areas including Fahaheel area in which average price per meter declined to reach KD 1,300/- although prices stabilized in most of the location in the area. Average price stabilized in main locations of Mecca Street which are considered as the highest price locations in the area. Prices declined in Badawiya Street by 1.4% compared to Q1 while they stabilized in certain internal locations 1,000 M2 which are considered as the lowest price areas where price approximated KD 1,100/- per meter.

Mangaf area comes in second rank price wise among investment areas in the governorate. Average price declined to reach KD 1,279/- as at the end of Q2 compared to KD 1,292/- in the preceding quarter. Certain locations in the area witnessed a limited decline while other locations witnessed stability in prices. Prices stabilized in the coastal strip zone which is considered one of the highest price areas e.g. Mecca Street. Prices declined in main locations of Fahaheel highway by 3.7% and in Water Station Street by 1.3%. prices declined in internal locations by 2.4% as they reached KD 1,000/- per meter as at the end of Q2 this year.

Prices declined in Abu-Halifa area by 1.2% compared to Q1 as they declined in certain locations and stabilized in some other locations of the area. Most of the places on the coastal road and certain high price locations did not witness any change in prices. Meanwhile, prices declined variably in internal locations as they reached 4.2% in some locations and 1.3% in some lowest price locations.

Prices declined in Fintas area by 1% with a limited decline in certain sites by 1%. Certain other highest price locations on the coastal road did not witness any change compared to Q1. Mahboula area is still the lowest price area in the governorate. Prices declined as at the end of Q2 by 1% compared to the preceding quarter while some other locations in the area overlooking Fahaheel Highway witnessed a limited decline by 1%. Internal areas covering an area of 750 M2 witnessed a decline by 1.3% while other internal areas declined by 4.2%. Prices stabilized in other internal sites covering an area of 1,000 M2 as at the end of Q2 this year.

 **Table (12) Investment Land Prices at Ahmadi Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Al Fintas	750	250%	Fahaheel	950,000	1,000,000	1,267	1,333	1,300
	750	250%	Main	850,000	975,000	1,133	1,300	1,217
	1,000	250%	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				908,333	1,033,333	1,133	1,294	1,214
Abu Halifa	500	250%	Internal	525,000	625,000	1,050	1,250	1,150
	750	250%	Main	850,000	975,000	1,133	1,300	1,217
	1,000	250%	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				912,500	1,025,000	1,171	1,333	1,252
Mangaf	500	250%	Internal	570,000	675,000	1,140	1,350	1,245
	750	350%	Main	1,000,000	1,050,000	1,333	1,400	1,367
	1,000	250%	Main	1,650,000	1,700,000	1,650	1,700	1,675
General Average in the Area				963,571	1,057,143	1,218	1,340	1,279
Mahboula	500	250%	Internal	525,000	625,000	1,050	1,250	1,150
	750	250%	Main	850,000	975,000	1,133	1,300	1,217
	750	250%	Fahaheel	950,000	1,000,000	1,267	1,333	1,300
	1,000	250%	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				950,000	1,000,000	1,267	1,333	1,300
Fahaheel	500	250%	Internal	600,000	675,000	1,200	1,350	1,275
	750	250%	Main	900,000	1,050,000	1,200	1,400	1,300
	1,000	250%	Mecca	1,400,000	1,450,000	1,400	1,450	1,425
General Average in the Area				896,429	1,014,286	1,205	1,360	1,282

Source: Kuwait Finance House

## Jahra Governorate

Prices in Jahra governorate reached KD 1,338/-, going steadily stable for several quarters while the decline did not exceed 0.5% compared to the preceding quarter which did not witness any change compared to the preceding quarter. Prices in the governorate have been stable on annual basis compared to prices last year while annual change ratios are improving remarkably.

Prices stabilized remarkably in investment areas of the governorate which comes on the back of the stability witnessed in most of the areas including water Station Street and several main locations in the area. Prices stabilized also in average price areas e.g. main and internal locations covering 500 m<sup>2</sup> and 1,000 M<sup>2</sup> by 2.2% compared to Q1 prices.

**Table (13) Investment land Prices at Jahraa Governorate**

Region	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Al Jahraa	1,000	250 %	Internal	1,000,000	1,240,000	1,000	1,240	1,120
	1,000	250 %	Main	1,250,000	1,400,000	1,250	1,400	1,325
	800	250 %	Khuzami St. (water station)	1,150,000	1,220,000	1,438	1,525	1,481
	500	250 %	Main	700,000	780,000	1,400	1,560	1,480
General Average in the Area				931,667	1,066,667	1,250	1,425	1,338

Source: Kuwait Finance House

## Annual rate of return on Investment properties

Investment real estate are considered a competitive income generating investment compared to other investment opportunities. Returns on investment real estates have surpassed returns on commercial real estates in most of the governorates. Returns on investment real estates have been remarkably stable as at the end of Q2 2018 at all governorates level at 7.3% - 8.5% in Kuwait. Capital governorate recorded 7.3% returns on investment real estates as at the end of Q2 2018 while Hawalli governorate recorded an average return on investment real estates by 7.86% as at the end of Q2 this year.

Average return on investment real estates stabilized at 8.2% in Farwaniya governorate and slightly exceeded the rate of return on commercial real estates in the governorate.. Average return in Ahmadi governorate reached 8.3% and reached 8.2% in Mubarak Al-Kabeer and 8.1% Jahra.

**Table (14) Annual Rate of Return (ARR) on Investment Properties in Certain Areas in Kuwait**

Governorate	Region	Area m <sup>2</sup>	Building %	Site	Sale Return/Annual Real Estate Income % Q2 2018		
					From	To	Average
Capital	Bneid Al Gar	1,000	250 %	Gulf	6.50%	7.00%	6.75%
	Bneid Al Gar	1,000	250 %	Istiqlal	7.50%	7.50%	7.50%
	Eastern Maqwa	250	240 %	Internal	6.50%	7.00%	6.75%
	Dasman	1,000	400 %	Gulf	6.50%	7.00%	6.75%
Hawalli	Hawalli	750	250 %	Muthana	8.00%	8.25%	8.13%
	Hawalli	1,000	250 %	Mousa Bin Nasir	8.00%	8.25%	8.13%
	Salmiya	1,000	250 %	Gulf	6.50%	7.00%	6.75%
	Salmiya	1,000	250 %	Hamad Mubarak	7.75%	8.00%	7.88%
	Shaab	1,000	250 %	Gulf	6.50%	7.00%	6.75%
	Shaab	1,000	250 %	Internal	7.75%	8.00%	7.88%
Farwaniya	Farwaniya	1,000	250 %	Airport	8.00%	8.00%	8.00%
	Farwaniya	750	250 %	Internal	8.50%	8.50%	8.50%
	Khaitan	750	250 %	Airport	8.00%	8.00%	8.00%
	Khaitan	750	250 %	Internal	8.50%	8.50%	8.50%
	Raqei	1,000	250 %	5 <sup>th</sup> Ring	7.75%	8.00%	7.88%
Ahmadi	Fintas	500	250 %	Internal	8.25%	8.50%	8.38%
	Fintas	750	250 %	Main	8.50%	8.75%	8.63%
	Abu-Halifa	500	250 %	Internal	8.25%	8.50%	8.38%
	Abu-Halifa	1,000	250 %	Coast	7.00%	7.50%	7.25%
	Mahboula	750	250 %	Internal	8.50%	8.75%	8.63%
	Mahboula	750	250 %	Fahaheel	8.50%	8.50%	8.50%
	Mahboula	1,000	250 %	Coast	7.00%	7.50%	7.25%
	Fahaheel	500	250 %	Internal	8.25%	8.50%	8.38%
Fahaheel	750	250 %	Main	8.50%	8.50%	8.50%	
Al Jahraa	Jahraa	1,000	250 %	Internal	8.25%	8.50%	8.38%
	Jahraa	800	250 %	Khuzami	8.00%	8.00%	8.00%
Mubarak Al Kabeer	Sabah Al-Salem	500	170 %	Internal	7.50%	7.50%	7.50%
	Sabah Al Salem	1,000	250 %	Internal	8.50%	8.50%	8.50%

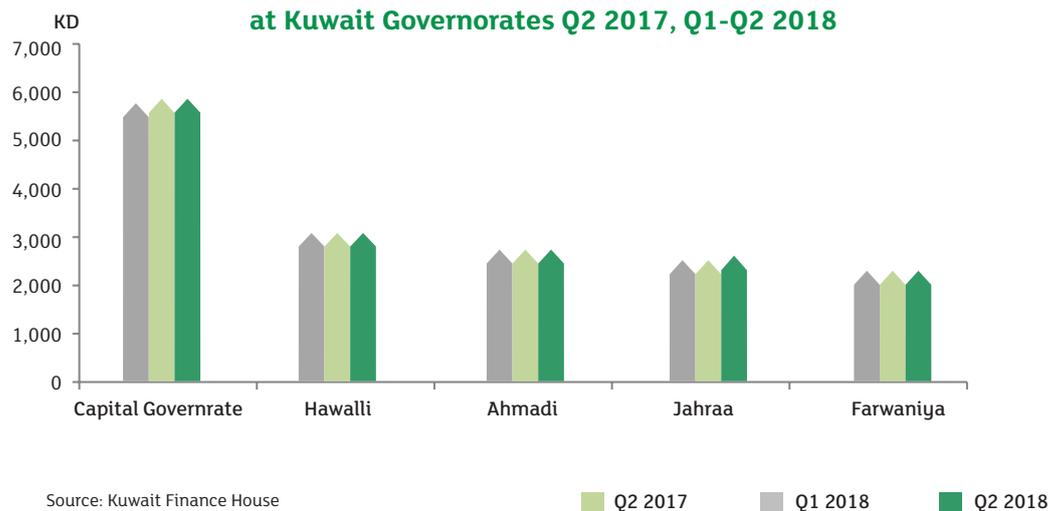
Source: Kuwait Finance House

**Third: Commercial Real Estate Prices**

Commercial land prices improved relatively as at the end of Q2 2018 at all governorates level. . Average price per meter reached KD 3,392 compared to KD 3,386 in Q1 2018. On annual basis, prices improved by less than 1% compared to prices in Q2 last year.

Accordingly, slow improvement still continues in average price per meter following a decline by 2.8% in Q2 last year. Average prices are still witnessing better ratios compared to performance recorded by both residential and investment sectors.

**Figure (19) Average price/ M2 of Commercial Real estate at Kuwait Governorates Q2 2017, Q1-Q2 2018**



Prices in all governorates maintained their stability as at the end of Q2 2018 compared to the preceding quarter. Prices recorded a slight increase in some governorates while they witnessed a limited decline in some other governorates. Prices improved in Farwaniya and Jahra governorates while they stabilized in Capital and Ahmadi governorates. Prices declined by less than 0.5% in Hawalli governorate compared to Q1 this year.

### Capital Governorate

Average price per meter at capital governorate exceeded KD 6,011 as at the end of Q2 and Q1 2018 with a slight increase by 1.2% on annual basis, thus maintaining the improvement in annual change ratio at the governorate.

Price levels stabilized in most of the commercial real estate areas in capital governorate including the highest price areas where average price reached KD 7,000/- and KD 7,350/- per meter e.g. city and other sites available in Mubarak Al-Kabeer Street (Boursa Area) compared to Q1 2018. Prices did not witness any change in certain parts of Fahad Al-Salem Street where average price per meter reached KD 7,000/-. Prices stabilized in certain parts of the blocks area in Mubarak Al-Kabeer Street in which price per meter exceeded KD 6,300/- and other parts of Shuhadaa Street where price per meter at more than KD 6,200/-. Prices stabilized also in certain parts of Sharq area – Ahmed Al-Jaber Street at KD 6,700/- and Khaled Bin Al-Waleed Street which has recorded KD 6,100/- per meter. Price in Qibla area stabilized at KD 5,500/- while in Gharaballi market price is higher than KD 6,200/-. Prices stabilized also in some other parts of the area.

**Table (15) Commercial Land Prices at Capital Governorate**

Region	Building %	Street	Area m <sup>2</sup>	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Qiblah	300 %	Mubarakiya	500	1,350,000	1,950,000	4,500	6,500	5,500
Sharq	520 %	Ahmad Al Jaber	500	4,875,000	5,250,000	6,500	7,000	6,750
City	620 %	Sour	500	4,275,000	4,650,000	5,700	6,200	5,950
City	620 %	Mubarak Al Kabeer Stock Exchange	500	7,000,000	7,700,000	7,000	7,700	7,350
City	300 %	Ali Al-Salem	500	1,500,000	1,875,000	5,000	6,250	5,625
Qibla	520 %	Ali Al-Salem	500	4,275,000	4,500,000	5,700	6,000	5,850

Source: Kuwait Finance House

### Hawalli Governorate

Average price per meter of commercial land in Hawalli governorate reached KD 3,214/- in Q2 2018 i.e. a slight decline by less than 0.5% compared to Q1 2018. Prices at the governorate are still stable since the beginning of last year as clearly noticed in the in the stability of the increase ratio recorded on annual basis for the second quarter respectively by 1.2% which is slightly less than the increase ratio in average price per meter in Q2 last year which has reached 1.6% on annual basis.

Average price stabilized in most of the commercial areas in the governorate e.g. highest price areas including Salem Al-Mubarak Street where price per meter stabilized at KD 3,700/-. Prices declined slightly by approximately 1% in several parts of Tunis and Beirut streets at an average reaching KD 3,500/- . Prices stabilized in several available places in Othman Street at less than KD 2,800 per square meter. Prices stabilized also at more than KD 2,700/- in some commercial places at the governorate e.g. several commercial places in Bahrain Street.

**Table (16) Commercial Land Prices at Hawalli Governorate**

Region	Building %	Street	Area m <sup>2</sup>	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Hawalli	180 %	Tunis	1000	3,400,000	3,600,000	3,400	3,600	3,500
	150 %	Othman	750	1,950,000	2,175,000	2,600	2,900	2,750
Salmiya	180 %	Hamad Mubarak	800	2,400,000	2,640,000	3,000	3,300	3,150
	180 %	Salem Mubarak	800	3,000,000	4,500,000	3,000	4,500	3,750
	180 %	Bahrain	500	1,300,000	1,425,000	2,600	2,850	2,725

Source: Kuwait Finance House

## Farwaniya Governorate

Prices improved slightly at Farwaniya governorate as at the end of Q2 2018, recording KD 2319/- per meter i.e. an increase approximating 0.5% compared to Q1 2018 which did not witness any change since the second half of the preceding year. the decline in price per meter on annual basis is still improving as the average price per meter has recorded for the first time in Q2 and Q1 an increase ratio on annual basis by less than 0.5% compared to an annual decline ration 6.4% in Q2 last year.

Prices witness a stability as at the end of Q2 2018 in most of the governorate areas compared to Q1 2018. However, prices recorded a limited increase in certain areas. Average price per meter stabilized in the highest price areas in the governorate e.g. Munawer Street in Farwania at places covering an area of 750 M2. Meanwhile, average price stabilized in locations covering an area of 1,000 M2 in the same area. Prices did not witness any change in several locations of Fire brigade Street.

Prices stabilized in Khaitan area as at the end of Q2 and Q1 this year and maintained their levels in several locations namely those falling opposite commercial and office center as compared to prices in Q1. Meanwhile, prices increased in certain locations of Jaleeb Al-Shoyoukh area e.g. places available in the Society Street, by 2.2% and increased by 2.5% in internal streets compared to Q1 this year.

Average price stabilized in most of the places in Dhajeej area compared to Q1 e.g. locations overlooking 6th Ring Road and internal locations at more than KD 1,100/- per square meter. Prices stabilized in Dhajeej area - South Khaitan and in Aardiya area at KD 1,100/- per meter e.g. main locations while they did not exceed KD 1,000/- in internal sites as at the end of Q2 2018.

**Table (17) Commercial Land Prices at Farwaniya Governorate**

Region	Building %	Street	Area m <sup>2</sup>	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Farwaniya Menawer St.	180 %	Menawer	1,000	4,400,000	4,750,000	4,400	4,750	4,575
Farwaniya Fire Brigade St.	180 %	Fire Brigade St.	800	3,040,000	3,400,000	3,800	4,250	4,025
Jaleeb Al Shuyoukh (Opposite Society)	180 %	Cooperative St.	1,000	2,150,000	2,450,000	2,150	2,450	2,300
Jaleeb Al Shuyoukh (Background)	180 %	Internal	1,000	2,000,000	2,100,000	2,000	2,100	2,050
Dhajeej (5000 m) 6 <sup>th</sup> Ring Road	50 %	6 <sup>th</sup> Ring	5,000	5,500,000	6,000,000	1,100	1,200	1,150
Dajeej (South Khaitan)	250 %	Internal	5,000	1,500,000	2,250,000	300	450	375
Ardiya – Warehouses	Ground 80% Mezanin 50%	Main	1,000	1,100,000	1,200,000	1,100	1,200	1,150

Source: Kuwait Finance House

## Ahmadi Governorate

Prices at Ahmadi governorate reached KD 2,806/- as at the end of Q2 and Q1 2018, recording a stability in Q2 following an increase by 0.5% in Q1. On annual basis, average price per meter increased slightly by 0.5%.annual change ratio is continuing to improve compared to a higher decline by 5% in Q2 last year.

Concerning average price in governorate areas, price levels have stabilized in most of the commercial locations in the governorate e.g. coast strip places in Fahaheel area, and still exceeding in some sites KD 4,200/- which is the highest price among governorate areas. Next comes prices in Mecca Street. Prices have stabilized in several locations of Dabous

Street. Prices did not witness any change in several places of Fahaheel area e.g. Coast Strip. Average price has stabilized in internal areas in Q2 and Q1 this year.

Average price per square meter stabilized in most of the places in the governorate e.g. Fintas area internal and main streets. Prices did not witness any changes in Azeezia Street at Mangaf and Khiran Pearl which is considered as the lowest price area at the governorate level. Average price in this area e.g. Marina Street reached more than KD 1,000/-. Average price per square meter stabilized in internal places at a lower percentage.

**Table (18) Commercial Land Prices at Ahmadi Governorate**

Region	Building %	Street	Area m <sup>2</sup>	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Mangaf	300%	Aziziya	750	1,312,500	1,612,500	1,750	2,150	1,950
Fintas Admin. & Comm.	180%	Main	1,000	3,200,000	3,600,000	3,200	3,600	3,400
	180%	Internal	1,000	3,000,000	3,400,000	3,000	3,400	3,200
Fahaheel	180%	Internal	750	2,625,000	3,000,000	3,500	4,000	3,750
Fahaheel	180%	Coastal road	750	2,062,500	2,437,500	2,750	3,250	3,000
Fahaheel	180%	Mecca	750	3,000,000	3,375,000	4,000	4,500	4,250
Khiran Pearl	180%	Marina	750	2,625,000	2,850,000	3,500	3,800	3,650

Source: Kuwait Finance House

### Jahra Governorate

Average price per square meter in Jahra governorate increased to reach KD 2,610 as at the end of Q2 2018 i.e. an increase by 1.4% compared to the preceding quarter, bearing in mind that this is the highest price level recorded in the governorate for the past few years. Accordingly, prices improved on annual basis by 1.8% i.e. the highest price ratio recorded for several quarters. Decline ratios recorded by prices continue to improve compared to an annual decline by 5.9% as at the end of Q2 last year.

Price levels have increased slightly in most of the governorate areas as at the end of Q2 compared to the preceding quarter this year e.g. the highest price places such as the commercial and office center in Jahra, thus recording an increase by 3.5% compared to Q1. Prices stabilized also in places where price per square meter is less than KD 3,000/- e.g. several places in Jahra area including Marzouq Al-Met'eb Street.

Price levels in Qaisariyat area stabilized in Q2 this year at KD 2,650 for the second quarter respectively. Average price increased in certain places of Jahra area including places with an area of 1,000/- M2 by 2.8% e.g. blocks 21. Meanwhile prices stabilized in other places of Jahra commercial area e.g. block 41 compared to Q1 this year.

**Table (19) Commercial Land Prices at Jahra Governorate**

Region	Building %	Street	Area m <sup>2</sup>	Land Market Value (KD)		Market Value / m <sup>2</sup> (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	From	To	
Jahraa	50%	Marzouq Al-Met'eb	1,000	2,500,000	2,900,000	2,500	2,900	2,700
Jahraa Admin. & Comm. Center	300%	Admin. & Commercial	875	3,062,500	3,325,000	3,500	3,800	3,650
Jahra - Qaisariyat	300%	Block 20	225	562,500	630,000	2,500	2,800	2,650
Jahraa	50%	Block 21	1,000	1,700,000	2,000,000	1,700	2,000	1,850

Source: Kuwait Finance House

## Annual Rate of Return on Commercial Properties

Return ratios on commercial properties improved as at the end of Q2 this year compared to Q1 same year in most of the governorates. Return ratios in some governorates are considered relatively lower than returns on investment real estates except Hawalli governorate in which the return on commercial properties is more than the return on investment properties.

Average return on commercial property in Capital Governorate reached 7% as at Q2 2018 compared to a higher return of 7.3% on investment real estates. Meanwhile, such ratios have stabilized in Hawalli Governorate, thus recording 7.93% which exceeds the average return on investment real-estate in the same governorate 7.86% due to high expectations related to the future of business and office sector, especially in the significant areas that have a high demand. Average return reached on commercial real estates in some distinguished areas reached 8.1% e.g. Salmiya area, while recorded between 7.7% and 7.9% in other places in Hawalli area.

Average return on commercial properties at Farwaniya governorate reached 8.1% compared to 8.2% on investment real estates, and reached in some distinguished commercial areas 8.4% e.g. Jaleeb Al-Shoyoukh, Dhajeej and internal areas. Average return on commercial real estates in Jahra governorate stabilized at 7.9% , returns higher than 8.1% in the distinguished Jahra commercial area. Return ratio on commercial real estate in Ahmadi area reached 7.91% compared to 8.3% on investment real estates. Return on commercial real estate is slightly higher than 8% in Fintas and Fahaheel areas and exceeds 8.2% in some distinguished places of the governorate e.g. Mangaf area.

**Table (20) Annual Rate of Return (ARR) on Commercial Properties in Certain Kuwait Areas**

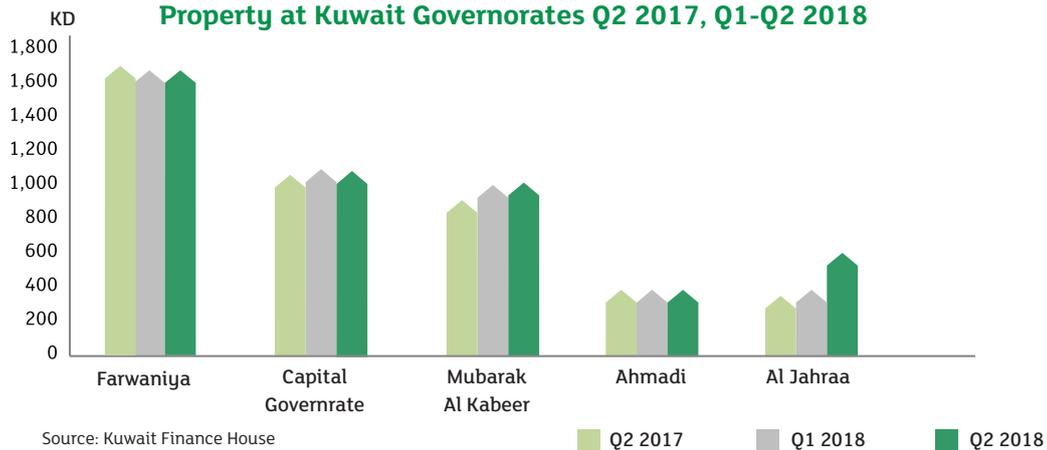
Governorate	Region	Building %	Street	Average Annual Return % Q2 2018		
				From	To	Average
Capital	Qiblah	300%	Mubarakiya	6.50%	7.00%	6.75%
	Sharq	520%	Ahmad Al Jaber	7.00%	7.25%	7.13%
	City	620%	Sour	7.00%	7.25%	7.13%
	City	620%	Mubarak Al-Kabeer (Blocks)	7.00%	7.25%	7.13%
	Qibla	620%	Fahad Al-Salem	7.00%	7.25%	7.13%
Hawalli	Hawalli	180%	Tunis	7.75%	8.00%	7.88%
	Hawalli	180%	Beirut	7.75%	8.00%	7.88%
	Hawalli	180%	Ibn Khaldoun	7.75%	8.25%	8.00%
	Salmiya	180%	Hamad Al Mubarak	7.75%	8.00%	7.88%
	Salmiya	180%	Salem Al Mubarak	7.50%	8.00%	7.75%
Farwaniya	Farwaniya Menawer St.	180%	Menawer	7.75%	7.75%	7.75%
	Khaitan (Admin. & Commercial)	300%	Admi. & Comm.	8.00%	8.25%	8.13%
	Jaleeb Shoyoukh – Opposite Cooperative	180%	Coop. St.	8.00%	8.25%	8.13%
	Dhajeej (5000m) Internal	210%	Internal	8.25%	8.50%	8.38%
	Ardiya - warehouses	Ground 80% Mezzanine 50%	Main	8.00%	8.00%	8.00%
Jahraa	Jahraa	180%	Marzouk Al-Mat'aab	7.75%	8.00%	7.88%
	Jahraa (Admin. & Commercial)	300%	(Admin. & Commercial)	7.75%	8.00%	7.88%
	Jahraa - Quisareyat	300%	Plot 20	7.50%	7.75%	7.63%
	Jahraa	50%	Plot 41 A	8.00%	8.00%	8.00%
Ahmadi	Mangaf	300%	Aziziya	8.00%	8.50%	8.25%
	Fintas (Admin. & Commercial)	180%	Internal	8.00%	8.25%	8.13%
	Fahaheel	180%	Internal	8.00%	8.25%	8.13%
	Fahaheel	280%	Mecca	7.50%	8.00%	7.75%

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

Average price per square meter of industrial plots increased to reach KD 964/- as at Q2 compared to KD 900/- per square meter at the governorates level as at the end of Q1 this year. Prices in this real estate sector continued its ascending trend since the beginning of last year. Prices increased in most of the industrial plots including those falling at Capital Governorate. Prices increased slightly at Farwaniya governorate while they stabilized and in industrial plots in Ahmadi and Jahra governorates.

Prices increased slightly in industrial plots of Mubarak Al-Kabeer governorate compared to Q1 this year. Accordingly, annual growth of average price improved at the governorates level to record 8% in Q2 this year compared to an annual increase by 7% in Q1. This increase comes on the back of the remarkable increase in the prices in Capital and Mubarak Al-Kabeer and the increase in Jahraa governorate. Meanwhile, prices stabilized in Ahmadi governorate and declined in Farwaniya governorate compared to Q1 this year.

**Figure (20) Average Market Value/ M2 for Industrial and Handcraft Property at Kuwait Governorates Q2 2017, Q1-2018**



#### Capital Governorate

At various governorates level, average price per square meter reached a limit which it has not reached since before the last year as it recorded KD 1,160 in Q2 2018 i.e. a slight increase by 0.5% compared to Q1. This is the third time where prices record an increase ratio on quarterly basis since its decline in mid2016. Prices have maintained their relative ascending trend since the beginning of 2017. Accordingly average price increased by 6% for the third time respectively as it started to record positive growth ratios following a decline by 12% recorded on annual basis for in Q2 last year.

Average price has fluctuated in some industrial areas as at the end of Q2 2018. Prices increased in some sites while they stabilized in some other areas. Prices increased in some places of Electricity Street which is considered the highest price area in Industrial Shuwaikh where price per square meter reached KD 1,500 i.e. an increase by 3.1% as at the end of Q2 2018. Prices increased also in Al Zannah Street with the same percentage, bearing in mind that this area is considered as the second highest price area at the governorate level. Meanwhile prices increased in certain places of Canada Dry Street to average KD 1,350/- i.e. an increase by 3.8% compared to Q1 this year.

Prices stabilized in industrial places overlooking 4th Ring Road at KD 950/-. Prices stabilized also in certain places of Pepsi Street and certain internal areas of Shuwaikh Industrial area, Mohammed Bin Al-Qasem Street recording KD 950/- and Ghazallie Street recording KD 750 per meter. Prices did not witness any change in in certain internal areas compared to Q1 this year.

 **Table 21: Industrial Plot Prices at Capital Governorate**

Region	Allocation	Area m <sup>2</sup>	Building %	Street	Land Market Value (KD)		Average Price / m <sup>2</sup> Q2 2018
					From	To	
Industrial Shuwaikh	Showrooms + Industrial	1,000	100% Basement + 80% Ground + 50% Mezzanine	Canadadry St.	1,250,000	1,450,000	1,350
		5,000		Canadadry St.	5,000,000	6,000,000	1,100
		1,000		Shahrazad St.	800,000	1,000,000	900
		1,000		Decoration St.	1,250,000	1,450,000	1350
		500		Decoration St.	725,000	775,000	1,500
		500		Electricity St.	1,250,000	1,450,000	1,350
		5,000		Pepsi St.	3,750,000	4,000,000	775
		1,000		4 <sup>th</sup> Ring Road	900,000	1,000,000	950
		22,500		Internal	9,000,000	12,500,000	478
		1,000		Mohammad Al Qasim	800,000	1,100,000	950
		1,000		Ghazali St.	700,000	800,000	750
General Average in the Area					2,215,000	2,737,500	1,120

Source: Kuwait Finance House

### Farwania Governorate

Prices improved at Farwaniya governorate, recording KD 1,693 as at the end of Q2 2018 i.e. a slight increase by less than 0.5% compared to Q1 this year. Average price in the governorate is still the highest at all governorates level. Price levels have maintained their relative stability since middle of last year. On annual basis, price per meter decreased by 1% for the first time since one year where it had recorded remarkable increase ratios.

Prices have recorded remarkable stability in industrial areas of the governorate compared to Q1 2018 while they increased in some other sites. Prices stabilized in Ardiya hand craft area at less than KD 2,500/- which is the highest price in the industrial area. Prices stabilized in some other sites of Ardiya area including those overlooking 5th ring road and certain places opposite Ardiya stores. Prices stabilized also in the areas opposite Ardiya residential area as at the end of Q2 this year.

Prices increased in Rai area as at the end of Q2 by 1.2% compared to Q1. Prices stabilized in most locations and increased in some other locations. Prices stabilized in the highest price area, Safat Al-Ghanem till Al-Nasr Sporting Showroom, and some other locations overlooking 4th Ring Road at KD 1,200/- per meter as well as certain parts of Mohammed Bin Al-Qasem Street at KD 1,000/- per meter. Prices did not witness any change in certain parts of Ghazalli Street and stabilized at KD 850/- per meter. Prices stabilized in the showrooms area at KD 750/-. Prices were a clear exception in the internal streets of the area when increased to reach KD 510 per meter as at the end of Q2 2018.

 **Table 22: Industrial Plot Prices at Farwaniya Governorate**

Region	Allocation	Area m <sup>2</sup>	Building %	Site	Street	Land Market Value (KD)		Average Price / m <sup>2</sup> Q2 2018
						From	To	
Al Rai	Showrooms + Industrial	1.000	100% Basement + 80% Ground + 50% Mezzanine	Main	Safat Al Ghanim (till Al Nasr Sports)	1,150,000	1,250,000	1,200
		1.000		Main	Ghazali St.	750,000	950,000	850
		4.000		Main	Mohammad Al Qasim	3,400,000	4,250,000	956
General Average in the Area						1,808,333	2,170,000	911
Ardiya Craft Area	Crafts	250	100% Basement + 80% GF + 20% Mezzanine	Main	Opposite Ardiya Stores	630,000	680,000	2,620
		250		Main	Opposite Ardiya Residential	620,000	670,000	2,680
General Average in the Area						587,500	650,000	2,600

Source: Kuwait Finance House

### Ahmadi Governorate

Average price per square meter stabilized at KD 385 in Ahmadi governorate and did not witness any change compared to all price levels during last year, thus continuing its clear stability in general trend for quarterly change ratios. This governorate is the only governorate which has recorded a stability in price levels on annual basis.

Average price stabilized the industrial areas at Ahmadi Governorate as at the end of Q2 compared to the preceding quarter. Prices stabilized in Fahaheel are at KD 667 as at the end of Q2 and still the highest among industrial areas in the governorate. Prices stabilized also in certain sites of Sultan Center Street and other locations opposite the refineries and internal streets in the area.

Prices stabilized in East Ahmadi industrial area, thus recording KD 379. Prices stabilized in several locations in the area e.g. Mustafa Karam Street as well as several places in the main warehouses area covering an area of 5,000 m<sup>2</sup> and in certain internal warehouses covering an area 5,000 M<sup>2</sup> as well as other sites in the warehouses area covering an area 1,000 M<sup>2</sup>.

Prices stabilized also in low price areas e.g. Shuaiba area and Mina Abdullah at KD 110 as at the end of Q2 2018. Prices stabilized in highest price areas e.g. Jawharat Al-Fanar area, most of the internal places in the area, main places of Eastern Shuaiba area, Mina Abdullah area, gravel storage area, and internal areas of Mina Abdullah.

 **Table 23: Industrial Plot Prices at Ahmadi Governorate**

Region	Allocation	Area m <sup>2</sup>	Street	Land Market Value (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	
West Shuaiba	Industrial	120,000	Behind Gas Station	8,500,000	10,500,000	79
West Shuaiba		10,000	Internal	1,350,000	1,550,000	145
Mina Abdullah		1,000	Fanar	175,000	210,000	193
General Average in the Area				2,721,875	3,254,375	110
Fahaheel	Showrooms + Industrial	1,000	Sultan Center St.	900,000	1,150,000	1,025
		1,000	Opposite Refinery	500,000	600,000	550
		1,000	Internal Streets	350,000	500,000	425
General Average in the Area				583,333	750,000	667
East Ahmadi Industrial Area	Showrooms + Industrial	75,000	Mustafa Karam	4,150,000	4,500,000	577
		5,000	Main	1,600,000	1,750,000	335
General Average in the Area				1,892,500	2,020,500	379

 **Table 24: Prices of Industrial Plots in Mubarak Al Kabeer Governorate**

Region	Allocation	Area m <sup>2</sup>	Street	Land Market Value (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	
Abu Fatira Crafts	Showrooms	1,000	Main	1,900,000	2,000,000	1,950
Abu Fatira Crafts	Handcraft	500	Main	650,000	750,000	1,400
General Average in the Area				1,200,000	1,350,000	1,600
Sabhan	Industrial	1,000	Main	400,000	550,000	475
		1,000	Pepsi	500,000	600,000	550
		5,000	Pepsi	2,000,000	2,250,000	425
General Average in the Area				1,033,333	1,216,667	408

 **Table 25: Prices of Industrial Plots in Al Jahra Governorate**

Region	Allocation	Area m <sup>2</sup>	Street	Land Market Value (KD)		Average Price / m <sup>2</sup> Q2 2018
				From	To	
Amghara	Major Contractors	10,000	Internal	300,000,	1,500,000	140
		10,000	Main	1,600,000	1,800,000	170
	Minor Contractors	1,000	Internal	750,000	825,000	158
		1,000	Main	850,000	1,000,000	185
General Average in the Area				809,167	920,833	172
Al Jahraa	Crafts	500	Internal	225,000	300,000	525
		500	Main	155,000	195,000	681
General Average in the Area				197,500	246,250	603

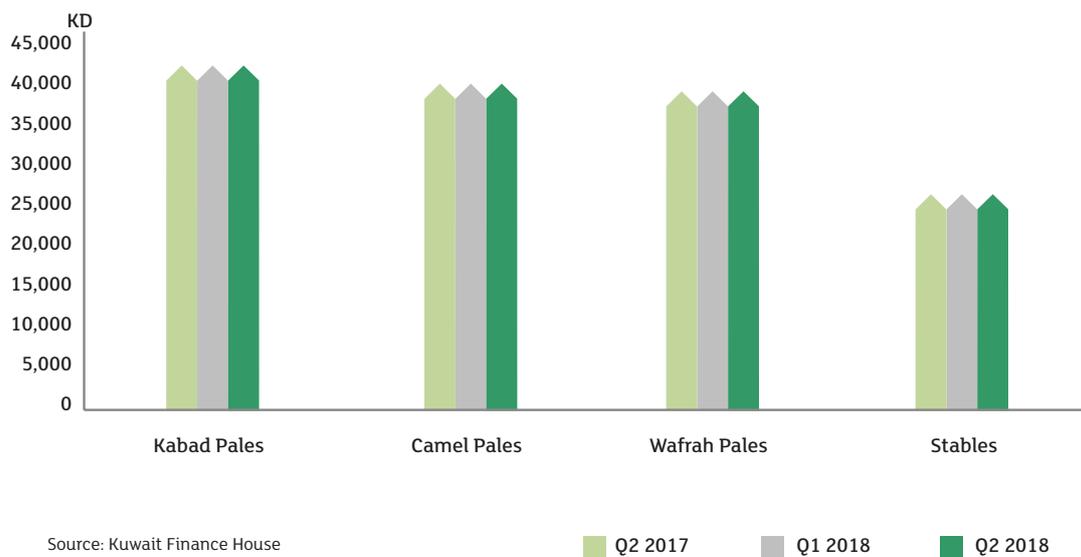
## Fifth: Prices of Farms and Livestock Pales

Average prices of livestock pales and stables did not witness any change in Q2 compared to the preceding quarter. Average price stabilized at Kuwait level. Prices stabilized remarkably in most of the stables and pales in Ahmadi governorate. The estimated usufruct price of the land reached KD 36,800. This price did not witness any change as at the end of Q2 2018 compared to average price on annual basis.

Prices stabilized in all governorate areas. Estimated usufruct price of land in a 2,500 M2 area location at Kabd Farms reached KD 42 Thousand. Price per meter in this area is still ranging between KD 16 – 22. Average price per square meter of land in certain locations at the livestock pales area with 1,600 M2 area reached KD 40 Thousand. Price per meter in these areas ranges between KD 22-28. Prices in usufruct land at Wafra farms stabilized as the estimated price for a 2,500 M2 land approximated KD 38.8 Thousand.

Equestrian stables witnessed stability in average price per square meter. Average price per square meter of usufruct land covering an area of 400 – 500 M2 approximated KD 26.5 Thousand. Average price per square meter in internal areas ranged between KD 40 – 50 in a 500 M2 area and ranged KD 60 – 70 in Racecourse and Golf field. Average price in other 400 M2 locations reached KD 70 and reached more in other locations e.g. racecourse.

**Figure (21) Average estimated price of usufruct right at Livestock Farms and Stables at Ahmadi Governorate Q2 2017, Q1 2018, Q2 2018**



## Agricultural Land in Jahra and Ahmadi Governorates

Prices stabilized in the farms area as at the end of Q2 2018 compared to the preceding quarter. Average estimated price per square meter of usufruct land recorded K.D 3 in agricultural land in Kuwait governorates in Q1 2018. Average price stabilized at KD 3.5 in land covering an area of 50,000 M2, KD 2.4 per meter for land covering 100 thousand M2. Prices stabilized in land covering 1 Million M2 at KD 3.4. Average price per meter stabilized significantly in Ahmadi Governorate at KD 2.7 per meter and stabilized at KD 3.2 in Jahra as at the end of Q2 2018.

Estimated average price for usufruct land in Jahra governorate ranged between KD 900 thousand – KD 1 Million as per areas and locations. Prices stabilized in most of the agricultural areas in the governorate. Average price per square meter of usufruct land covering an area of 1 million square meters in the livestock farm at Sulaibiya area approximated KD 3.4 Million. Average price of usufruct land approximated KD 290 thousand in farms covering an area of 50 thousand square meter. Estimated price of usufruct land in agricultural land in Abdali – Mutlaa Road for a land covering an area of 100 thousand square meters reached KD 175 Thousand.

Meanwhile, estimated average price per square meter in agricultural land in Ahmadi governorate - Wafra area covering an area of 100 thousand meters stabilized. Prices in areas covering an area of 50 thousand stabilized also as at the end of Q2 2018.

**Table 26: Prices of Farms and Livestock Pales**

Governorate	Region	Area m <sup>2</sup>	Site	Estimated Plot Usufruct Price (KD)		Price / m <sup>2</sup> (KD)		** A/P Q2 2018
				From	To	From	To	
Ahmadi	Kabd Pales	2,500	Internal	40,000	50,000	16	20	45,000
	Kabd Pales	2,500	Main	50,000	55,000	20	22	52,500
	Equestrian Stables –Ahmadi	500	Internal	20,000	25,000	40	50	22,500
		500	Racecourse + Golf	30,000	35,000	60	70	32,500
	Wafra Farms	2,500	Internal	30,000	40,000	12	16	35,000
		2,500	Main	40,000	45,000	16	18	42,500

\*\* A/P = Average Plot Price in KD

Source: Kuwait Finance House

## Sixth: Chalet Prices

Quarter2 2018 has coincided with end of winter season and the beginning of summer season. This could be the reason behind the increase in demand on this type of land. However, as this quarter has coincided with the holy month of Ramadan, this could justify the slow movement in demand. Average price per square meter in the sea front has stabilized as it is the case with the stability witnessed in certain real estate sectors during Q2 this year.

Average price per square meter at the sea front in Ahmadi governorate reached KD 14.4 Thousand as at the end of Q2 2018. Prices stabilized in most governorate areas e.g. Benaider and Jelai'a chalets which are considered as the highest price areas in the governorate. Prices stabilized in Nuwaiseeb area and Al-Zour which are considered as the lowest price areas. Average price stabilized in several usufruct sites in Khiran and Mina Abdullah. Meanwhile, prices stabilized in average price areas of Dhaba'eya.

Prices did not witness any change in Q2 in capital governorate compared to the preceding quarter. Prices stabilized in governorate areas e.g. Doha area. Prices stabilized in Jahra governorate and in certain chalets of Kazma and Sabbiya areas in Q2 this year.

**Table 27: Chalet Prices at Al-Ahmadi Governorate**

Governorate	Region	Waterfront Length in Meters	Chalet Market Value		Price/Linear Meter - Waterfront (KD)		**A/P / m2 Waterfront Q2 2018
			From	To	From	To	
Ahmadi	Mina Abdullah	20	220,000	280,000	11,000	14,000	12,500
	Dubaeya	20	240,000	300,000	12,000	15,000	13,500
	Julaia	20	400,000	450,000	20,000	22,500	21,250
	Bnaider	20	420,000	480,000	21,000	24,000	22,500
	Al Zour	20	90,000	280,000	9,500	14,000	11,750
	Khairan (beneficiary contract)	20	170,000	240,000	8,500	12,000	10,250
	Nuwaiseeb	20	155,000	200,000	7,750	10,000	8,875

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

Source: Kuwait Finance House

## Seventh: Occupancy Rates and Rentals

Occupancy rates stabilized at their former levels for all types of investment properties ranging between 87 – 95%. Occupancy rates improved in commercial properties especially in offices located at capital area.

### Private Residence Rental Value

Average rental values have fluctuated in various places and areas. Average rental value for a ground floor, 3 bed rooms, a hall, covering an area of 135 m<sup>2</sup> in capital governorate reached KD 520 in a private residence real estate with a total area 400 m<sup>2</sup> e.g. Yarmouk area, KD 550/- in Qadisiya and KD 580/- in certain distinguished areas e.g. Mansouriya and Keefan.

Average rent value in Hawalli reached KD 350/- to KD 500/- and reached KD 520/- in certain distinguished areas during Q2 2018. Average rental value at Farwania ranges between KD 320 – 380 and reaches KD 400 in certain distinguished areas and KD 420/- in more distinguished areas e.g. Eshbilia. Also, it ranges KD 320 – 420 in Ahmadi governorate areas. Average rent ranges KD 350 – 450 in Mubarak Al-Kabeer governorate areas. Average value increases to reach KD 480 in some other areas at Masayel. Rental value in Jahraa area ranged KD 300 – 400 as at the end of Q2 2018.

Rental value for a full floor in a private residence covering an area of 400 meters ranges KD 790 – 890 in capital governorate and exceeded KD 1,000/- in distinguished areas e.g. Edailiya, Faihaa and Rawda. Rental value ranged KD 750 – KD 850 at Hawalli governorate and reached KD 800 – KD 850 in some distinguished areas and may be little higher to reach KD 900 in more distinguished areas. Rental value ranges between KD 590 – KD 690 in Farwaniya governorate and reached KD 750 in certain distinguished areas of Omariya.

Average rental value ranges between KD 590 – 690 at Ahmadi governorate and reaches KD 750 in certain distinguished areas in the governorate e.g. Aqaila. Average rental value reaches KD 650 – 750 at Mubarak Al-Kabeer areas including Abu-Fatira area. Also it reaches KD 850 in certain distinguished areas e.g. Masayel. Rental value ranges between KD 550 – 650 in Jahraa Governorate and reaches KD 690 in distinguished areas e.g. Old Jahra area.

Average rental value for a full first or second floor at a private residence covering an area 400 meter in capital governorate ranges KD 690 – 790 in most of the places and reaches KD 850 in some places and KD 950 in distinguished places e.g. Keefan and Mansouriya. In Hawalli, rental value ranges between KD 550 – KD 750 in certain areas while it reaches KD 700 – KD 800 in most of the other areas in the governorate and KD 850 in distinguished areas of Hawalli governorate including Shaab area. Rental value in Farwania ranged KD 490 – KD 590 and reached KD 650 in some distinguished places of the governorate.

Rental value at Ahmadi governorate ranges between KD 490 – 590 while it exceeds this limit in certain governorate areas. Also, it ranges between KD 550 – 650 in most of the areas of Mubarak Al-Kabeer governorate. Rental value at Jahra governorate ranged KD 450 – 590.

### Investment Residence Rental Value

Average rental value of a 2 bed rooms flat and a hall covering an area of 60 m<sup>2</sup> in capital governorate ranged between KD 300 – 330. Rental value for the same area in Hawalli governorate ranged between KD 270 – 320 and may increase to reach KD 330 in certain areas. Rental value for the same area ranged between KD 260 – 300 in Farwaniya Governorate and KD 260 – 270 in Ahmadi governorate. Rental values recorded KD 280 – 300 at Mubarak Al-Kabeer governorate and KD 270 - 300 at Jahra governorate.

Rental value of a 2 bed rooms flats + a hall covering an area of 70 – 74 m<sup>2</sup> in Q2 2018 ranged KD 330 – 360 at capital governorate and KD 300 – 350 in Hawalli governorate areas. Rental value ranged between 290 – 340 in Farwaniya governorate and KD 280 – 310 in Ahmadi governorate and is higher up to KD 320/- in Fahaheel. Rental value reached KD 310 – 330 at Mubarak Al-Kabeer governorate and KD 300 – 330 at Jahraa governorate.

Rental value for investment apartments covering an area of 80 – 85 m<sup>2</sup> ranged between KD 360 – 390 at capital governorate and ranged between KD 330 – 390 at Hawalli governorate areas. Rental value ranged between KD 320 – 370 at Farwaniya governorate areas and ranged KD 310 – 350 at Ahmadi governorate, and reached KD 360 at Mubarak Al-Kabeer governorate and Jahraa governorates.

Rental value for a flat covering an area of 100 – 110 m<sup>2</sup> ranged between KD 410 – 440 in Capital governorate areas, KD 380 – 440 for Hawalli governorate areas, KD 370 – 420 in certain areas of Farwaniya governorate while value ranged KD 360 – 400 for Ahmadi governorate. Rental value increased slightly in Mubarak Al-Kabeer area ranging KD 390 – 410 and reached KD 380 – 410 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 a 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 despite the increase in real estate prices and aiming to improve the ability to settle loans.

### Commercial Property Rental Value:

Average rent of a commercial meter in a ground floor ranged KD 20 – KD 45 / m<sup>2</sup> in Hawalli and reached KD 35/- m<sup>2</sup> in certain distinguished areas of Kuwait city. Rental value of a commercial meter reached KD 50/- in Salmiya.

Average rent / m<sup>2</sup> at offices in Mezzanine ranges KD 12 and reaches KD 14 in certain prime areas and grand yards in Hawalli. Also it has reached KD 16/- in certain areas of Capital governorate. Price reached KD 12-14 /m<sup>2</sup> in certain areas in Fahaheel and reached less than this when recorded KD 10/- in Mangaf. It may reach KD 12 – 16 in certain places in Farwaniya area, depending on location, finishing type and services provided to tenants and visitors.

### Industrial Plots Rental Value:

Average rental price per industrial square meter for a ground floor – showrooms – in Shuwaikh and Al-Rai ranged between KD 6.5 – 15. Prices differ according to different locations and other advantages and specifications. Average rental price per meter for a ground floor in Ardiya area (warehouses) ranged between KD 6.5 – 7 and exceeds this rang when reached KD 12 – 20 for average price per square meter of ground floor in Ardiya (craft). Average price per square meter in East Ahmadi area ranged between KD 5 – 12 while prices in Fahaheel industrial area ranged KD 6 – 15 per square meter in ground floor.

**Table (30): Average Rental Value for a newly built Private Residence in KD covering an area 400 m in various Kuwait Governorates during Q2 2018**

Hawalli Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Siddique	420	520	800	900	700	800
Salaam	420	500	800	900	700	800
Hitteen	420	500	800	900	700	800
Shuhadaa	420	500	800	900	700	800
Zahraa	420	500	800	900	700	800
Shaab	450	520	850	950	750	850
Mishrif	400	500	750	850	650	750
Bayan	400	500	750	850	650	750
Mubarak Al-Abdullah	420	520	850	950	750	850
Salwa	350	450	650	750	550	650
Jabriya	400	500	750	850	650	750

Capital Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Edailiya	500	580	950	1050	850	950
Faihaa	500	580	950	1050	850	950
Rawda	500	580	950	1050	850	950
Yarmouk	450	520	850	950	750	850
Keefan	500	580	950	1050	850	950
Mansouriya	500	580	950	1050	850	950
Qadsiya	450	550	850	950	750	850
Da'eya	420	500	790	890	690	790
Dasma	420	500	790	890	690	790
Surrah	420	500	790	890	690	790
Qurtoba	420	500	790	890	690	790
Ghernata	340	420	630	730	530	630
Sulaibikhat	320	400	590	690	490	590

## Average Rental Value for a newly built Private Residence in KD covering an area 400 m Kuwait Governorates during Q2 2018

Farwaniya Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Farwaniya	350	400	650	750	550	650
Omaria	350	400	650	750	550	650
Khaitan	350	400	650	750	550	650
Ishbilia	350	420	650	750	550	650
Rabia	320	380	590	690	490	590
Rehaab	320	380	590	690	490	590
Aardiya	320	380	590	690	490	590
Andalus	320	380	590	690	490	590

Ahmadi Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Hadiya	320	400	590	690	490	590
Agaila	350	420	650	750	550	650
Mangaf	320	400	590	690	490	590

Mubarak Al-Kabeer Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Sabah Al-Salem	380	450	710	810	610	710
Masayel	400	480	750	850	650	750
Abu-Fatira – Residential	350	420	650	750	550	650
Addan	350	420	650	750	550	650
Qurain	350	400	650	750	550	650

Jahra Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1st & 2nd Floor) (135)m		Full Floor (Ground)		Full Floor (1st & 2nd)	
Old Jahra	320	400	590	690	490	590
Saad Al-Abdullah	300	380	550	650	450	550

**Table (31): Average Rental Value Trading Investment Properties in Kuwait Governorates during Q2 2018**

Hawalli Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Salmiya	280	310	310	340	340	370	390	420
Hawalli	270	290	300	320	330	350	380	400
Jabriya	290	320	320	350	350	380	400	430
Shaab	300	330	330	360	360	390	410	440

Capital Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Sharq	300	330	330	360	360	390	410	440
Qibla	300	330	330	360	360	390	410	440
Eastern Muqawa	300	330	330	360	360	390	410	440
Dasman	300	330	330	360	360	390	410	440
Bneid Al Gar	300	330	330	360	360	390	410	440

Farwaniya Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Khaitan	270	300	300	330	330	360	380	410
Farwaniya	270	300	300	330	330	360	380	410
Jaleeb Al Shuyoukh	260	290	290	320	320	350	370	400
Raqei	280	310	310	340	340	370	390	420

## Average Rental Value Trading Investment Properties in Kuwait Governorates during Q2 2018

Ahmadi Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Fintas	260	280	290	310	320	340	370	390
Mahboula	250	270	280	300	310	330	360	380
Abu Halifa	260	280	290	310	320	340	370	390
Mangaf	260	280	290	310	320	340	370	390
Fahaheel	270	290	300	320	330	350	380	400

Mubarak Al Kabeer Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Sabah Al Salem	280	300	310	330	340	360	390	410

Jahraa Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Al Jahraa	270	300	300	330	330	360	380	410

**Tabel (32) Average Rental Value Trading of Commercial Properties at Kuwait Governorates  
"Q2 2018" (KD)**

Areas	Basement	Ground Floor	Mezzanine	Offices
Salmiya	10 - 14	20 - 50	12 - 15	8 - 9
Hawalli	10 - 12	20 - 45	12 - 14	7 - 8
Farwaniya	12 - 15	25 - 55	12 - 16	8 - 9
Khaitan	10 - 14	20 - 45	14 - 12	7 - 8.5
Mangaf - Aziziyah	7 - 8	13 - 25	10	6 - 7
Fahaheel	10 - 16	20 - 50	12 - 14	7 - 9
**Dajeej (Farwaniya)	5 - 6	9 - 14	5 - 6	-
*** Kuwait City	12 - 14	20 - 35	12 - 16	8 - 10

\* 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

**Table (33): Average Rental Value Trading of Industrial Plots at Kuwait Governorates during Q2 2018 (KD)  
Average Rental price per Square Meter (KD)**

Areas	Basement	Ground Floor	Mezzanine	Price Index
Industrial Shuwaikh	3 - 4	6.5 - 15	3.5 - 4	Unit Area = 40 m
Al Rai	3 - 4	6.5 - 15	3.5 - 4	Excluding Rental Values in Avenues Mall
Sabhan	2.5 - 3	3.5 - 6	3 - 4	► Upon Allocating Stores for the GF, Price/m <sup>2</sup> Ranges KD 4 - KD 5
Ardiya (Stores)	3 - 4 as per Height	6.5 - 7	3.5 - 4	► Price/m <sup>2</sup> = KD 6 - 8 for a 100-m <sup>2</sup> Showroom at Ground Floor
Ardiya	3 - 3.5 as per Height	12 - 20	4 - 5	► Price/m <sup>2</sup> = KD 6 - 8 for a 100-m <sup>2</sup> Showroom at Ground Floor
East Ahmadi	3 - 4	5 - 12	3 - 3.5	Auto Show & Restaurant Rentals are the Highest
Industrial Fahaheel	3 - 4 as per Height	6 - 15	3.5 - 4	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 6-8 m.

This reports highlights the general trends of Kuwait Real estate market trading prices. However, the method applied by the Evaluation and Studies Section at KFH is dependent on the study of each property separately including features, rental value and returns in order to prepare a special recommendation and adequate appraisal of each real estate based on location, age, depreciation, finishing levels, surrounding environment 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 3000 m<sup>2</sup>. Areas allocated for vision angles shall be computed as part of the area required to construct the complex.

### Buildings In Various Coastal Strip Areas

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

### Buildings Allocated as Plant Nurseries

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

### Special Seafront Chalet

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

### Private Hospitals

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

## UNITS OF MEASUREMENT

### Length

- The International unit for measuring length is the Meter (M)
- (1 M = 10 DCM = 100 CM = 1000 MM)
- 1 Yard = 3 Feet = 0.9144 M
- 1 Foot = 12 Inches = 30.48 CM = 0.3048 M
- 1 Inch = 2.54 CM = 0.0254 M
- 1 Kilometer = 0.6214 Miles = 1000 M
- 1 Land Mile = 1.6093 Kilometers = 1609.0 M
- 1 Nautical Mile = 6080 Feet = 1.853 Kilometers = 1853 M
- 1 League = 3 Miles = 4.8281 Kilometers = 4828 M
- 1 Boa = 2 Meters approximately
- 1 Fathom = 182.88 CM = 1,8288 M
- 1 Cubit = 51 CM = 0.51 M
- 1 Span = 22.86 CM = 0.0229 M
- 1 Meter = 1.0936 Yard = 3.2808 Feet = 39.37 Inches

### Area

- The International unit for measuring length is the Square Meter (M<sup>2</sup>)
- 1 Hectare = 10 Donum = 2.471 Feddan = 10,000 M<sup>2</sup>
- Feddan or Acre = 4046.8 M<sup>2</sup>
- 1 Donam = 1,000 M<sup>2</sup>
- 1 Square Meter = 10,764 Feet

**Disclaimer:**

This presentation has been prepared by Kuwait Finance House and is subject to the applicable laws and regulations in the State of Kuwait. It is for information purposes only and it shall not be reproduced or redistributed to any other person without obtaining Kuwait Finance House's prior written consent. It does not and shall not constitute either an offer to purchase or buy or a solicitation to purchase or buy or an offer to sell or exchange or a solicitation to sell or exchange any securities of Kuwait Finance House. Neither this presentation nor anything contained herein shall form the basis of any contract, commitment or advice whatsoever. This Presentation must be read in conjunction with all other publicly available information. To the maximum extent permitted by law, Kuwait Finance House and its directors, employees, agents, consultants, affiliates and subsidiaries expressly exclude all liability and responsibility for any loss or damage arising from the use of, or reliance on, the information contained in this presentation or the website whether or not caused by any negligent act or omission. Neither Kuwait Finance House nor any of its directors, employees, agents, consultants, affiliates, or subsidiaries warrant or represent the correctness, accurateness or completeness of the information provided herein. This document is not to be relied upon in any manner as legal, tax or investment advice. Each recipient hereof shall be responsible for conducting its own investigation and analysis of the information contained herein and shall familiarize and acquaint itself with, and adhere to, the applicable local legislations. Except where otherwise expressly indicated herein, this presentation contains time-sensitive information which is based on currently available information to Kuwait Finance House as of the date stated or, if no date is stated, as of the date of this preparation and accordingly does not guarantee specific future results, performances or achievements. The information and the opinions contained herein are subject to change without notice. None of Kuwait Finance House or any of its subsidiaries or affiliates assume any obligation to update or otherwise revise any such information to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof.

