



Kuwait Finance House “KFH”

Report On Local Real Estate Market - Q4 2018



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Introduction

Real estate sector continued its escalating trajectory during 2018, thus reflecting a remarkable increase in the value of real estate sales during the year i.e. the third highest value in the last 10 years as it approximated KD 3.8 Billion in 2018 i.e. an unprecedented increase by 48%. Meanwhile, the number of transactions continued to increase during 2018 to reach 6,341 transactions i.e. an increase by 20% compared to 2017.

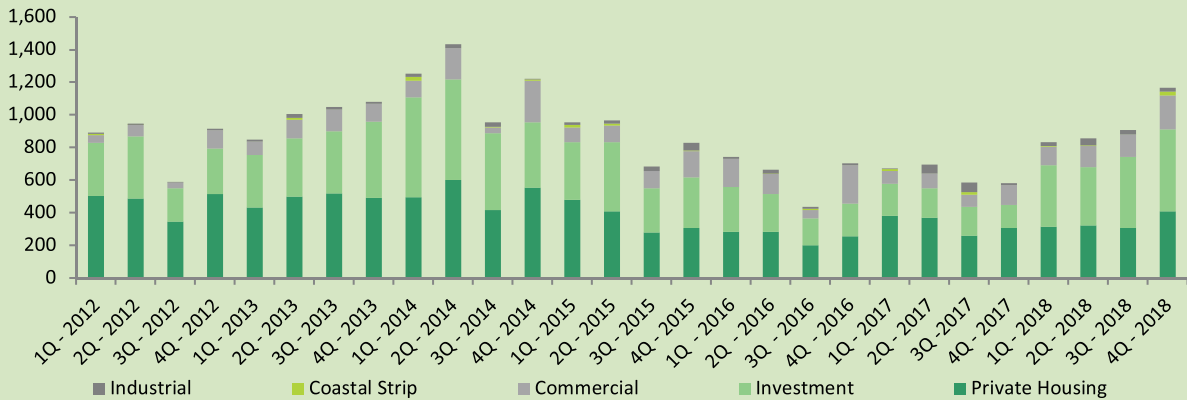
The distinguished performance of the real estate sector in 2018 comes because of the remarkable performance of various sectors, namely investment real estate where value reached KD 1.7 Billion in 2018 compared to KD 700 Million 2017 accompanied by an increase by 57% in the number of transactions as it recorded 1,791 transactions in 2018. Commercial sector sales increased by 63% as it reached KD 585 Million while the number of transactions increased by 86%, thus reaching 132 transactions in 2018. Private residence sales increased to reach KD 1.4 Billion i.e. an increase by 3% compared to 2017 while the number of transactions increase by 10% to reach 4318 transactions. Sales value and number indicators have taken the escalating trajectory during Q1 – Q4 2018 as they have exceeded the performance recorded by the sector during the same period in 2017.

Real estate market witnessed a positive performance in Q4 2018 for all sectors, thus pushing the sales value to approximate KD 1.1 Billion in Q4 i.e. a remarkable increase by 29% compared to the preceding quarter. the number of transactions increased by 23% compared to Q3, as it approximated 1,900 transactions in Q4 which is the highest number reached in three years. The value of sales in Q4 was double the value recorded in the same period 2017. The number of transactions increased by 56% on annual basis.

Private residence sector sales value reached its highest in 4 years, thus recording an increase by 33% in Q4 compared to the preceding quarter. the number of transactions reached its highest in 4 years, thus exceeding one thousand transactions i.e. an increase by 25.7% compared to Q3. Eventually, sales value increase by 33% on annual basis. Meanwhile, the number of private residence transactions increased by 39.6% compared to Q4 2017.

Investment sector continues its escalating trajectory. The value of sales during 2018 quarter is remarkably higher all quarters in the last three years. Sales value in Q4 has reached its highest in 4 years as it recorded an increase by 17% compared to Q3. The number of transactions increased by 18.7% in Q4 compared to Q3. The value in Q4 reached 3 times the value for the same period in 2017 because of the increase in the number of transactions in Q4 as it reached double the number for the same period in 2017, thus exceeding all quarters since 2014.

The escalating performance of the value of sales in the commercial sector has continued as it increased remarkably in Q4 by 46% compared to Q3. The number of transactions increased by 12% for the same period. The value of sales in the commercial sector increased in Q4 by 67% on annual basis while the number of transactions has increased 3 times the number recorded in Q4 2017.



The positive performance of the real estate sector synchronizes with the continued increase in oil prices in 2018. Average price reached US\$ 71.2 per barrel in 2018 i.e. an increase by 30% compared to average price in 2017. Oil prices have witnessed a descending trajectory in few months of 2018. However, they regained their escalating trajectory at the end of the year where price per barrel closed at US\$ 87 beginning of October according to Reuters. Prices enhanced the gains achieved during the year as Kuwait oil prices closed at US\$ 53.8 / Barrel i.e. a decline by 19.5% on annual basis.

Inflation ratios in Kuwait stabilized as at the end of Q4 2018. Consumer Price Index increased by less than 0.5% on quarterly basis which is less than the price level recorded as at the end of 2017 according to the Central Statistics Department information. Prices declined for one of the general price index components (residential sector) by 1.1% on annual basis.

On the other hand, credit facilities granted to both real estate and construction sectors reached KD 10.3 Billion as at the end of 2018 according to the information released by the Central Bank of Kuwait i.e. an increase by 4.6% compared to 2017, thus recording an increase by 3% in Q4 compared to Q3. Credit granted to these two sectors represent 27.8% of total credit compare to 2017.

Instalment credit facilities exceeded KD 11.7 Billion as at the end of 2018, thus recording any increase by 6.8% on annual basis and an increase by 1.6% on quarterly basis compared to the preceding quarter. these facilities represent 32% of total credit granted. Facilities are granted to individuals wishing to purchase residential units in the private residence sector. Accordingly, credit facilities granted to real estate sector continue their escalating trajectory.

Credit facilities granted to real estate sector reached KD 22 Billion according to CBK information, thus representing more than 59.5% of credit facilities granted by banking sector i.e. an increase by 5.8% compared to the end of 2017. It reached at the end of Q4 to 2.2% compared to Q3 2018.

Real estate loans, women loans and facilities granted by the Kuwait Credit Bank approximated KD 56.5 Million during November and December of Q4 2018. KD 37.8 Million of the said amount was granted to build private residence and government plots, KD 9.7 Million to purchase houses, KD 5.7 Million to the handicap and KD 3.3 Million for expansion and renovation of government and concrete houses. Real estate portfolio loans reached KD 264.5 thousand used for expansion and renovation.

Regarding the developments on the local real estate prices as at the end of Q4 2018, average price per square meter at Kuwait level increased to reach KD 630 for private residence sector as at the end of Q4. Average price started witnessing quarterly changes and an escalating trend as they increased by 2.7% on quarterly basis and 4.4% on annual basis. Meanwhile, prices in investment real estate sector maintained their levels in Q4 and Q3 thus recording an average of KD 1,543 per square meter which is 1% less compared to 2017. Prices improved in the commercial real estate sector reaching KD 3,437 per meter as at the end of Q4 i.e. an increase by 1.5% compared to Q3 and increased by 2% on annual basis.

The number of real estate sector companies listed in Kuwait Stock Exchange reached 40 companies as at the end of Q4 & Q3. This sector occupies the second rank after the financial services sector regarding the number of companies according to Kuwait Bourse information. The number of companies in this sector represents 23% of the total number of listed companies which has reached 175 companies in Q4. The sector is still in the 5th rank with a share reaching 20.4% of traded shares and a share of 5.6% of the value of traded shares. Also, the sector comes in 3rd rank concerning the value of traded transactions with a share of 13.7%. The share value of 22 companies has increased in Q4.

Market value of real estate sector companies has increased in the main market to reach KD 2 Billion as at the end of Q4 i.e. 67% compared to KD 1.2 Billion in Q3. The market value of listed companies has declined slightly to reach 28.4 Billion in Q4 i.e. a decline by half billion compared to KD 28.9 Billion in Q3. The capital value of real estate sector companies represented 7.2% as at the end of Q4 compared to 4.2% of listed companies in Q3. Meanwhile, the sales value of real estate sector shares declined to reach KD 65 Million in Q4 compared to KD 71.8 Million in Q3. The volume of traded shares reached 1.2 Billion shares compared to 1.4 Billion shares in Q3 while the number of transactions reached 34.7 thousand transactions compared to 36 thousand transactions in Q3.

The value of sales in Kuwait Bourse declined in Q4 to KD 1.2 Billion compared to KD 1.5 Billion in Q3 while the volume of shares declined to reach 5.9 Billion shares compared to 6.8 Billion shares. The number of transactions declined to reach 252.8 thousand transactions in Q4 compared to 303 thousand shares in Q3. Accordingly, the value of sales in 2018 reached KD 3.8 Billion in the three markets (Prime, main and auction). The volume of traded shares reached 16.3 Billion shares through 722 thousand transactions in 2018.

Total Real estate Trading Value

KD Million

	2012	2013	2014	2015	2016	2017	2018
January	354	303	330	341	222	197	246
February	270	239	500	254	272	166	213
March	281	308	421	361	250	309	373
April	429	310	480	324	233	148	336
May	238	318	374	278	227	370	308
June	277	380	578	345	204	178	213
July	261	461	291	263	156	227	548
August	129	241	263	205	156	193	136
September	202	346	399	217	125	167	222
October	233	289	384	201	168	226	326
November	286	343	442	327	232	168	300
December	395	449	398	301	303	188	542
Total Trading	3,355	3,985	4,861	3,417	2,547	2,536	3,762

Source: Ministry of Justice - KFH

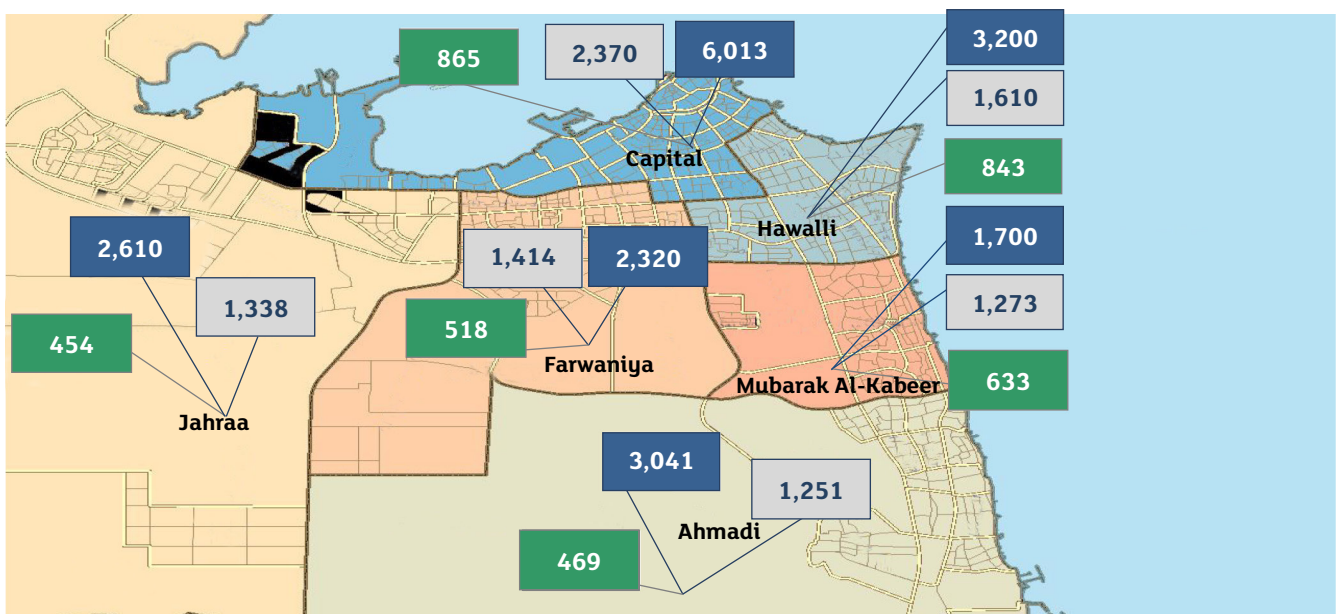
First: Market Trends

Land Prices in Q4 2018

Average price per meter in Capital governorate increased as at the end of 2018 to reach KD 865 in the private residence sector. Average price in investment sector stabilized at KD 2,370 in Q4 & Q3. It is higher at the commercial sector at more than KD 6,000 in Q4 2018. In Hawalli governorate, average price per square meter increased to reach more than KD 843 while it declined in the investment sector to reach KD 1,610. Average price stabilized in the commercial sector at KD 3,200. In Farwaniya governorate, average price reached KD 518 in the private residence sector while it stabilized at KD 1,414 in the investment sector and reached KD 2,320 in the commercial sector as at the end of Q4 2018.

Average price per square meter for Real-estate sectors in all governorates Q4 2018

Numbers in KD



Commercial Lands



Investment Lands



Private Residence



Market Trends during Q4 2018

Real estate sales value enhanced its escalating trajectory during 2018 according to the indicators of the Real Estate Registration and Authentication Department at the Ministry of Justice. The increase comes because of the remarkable increase in various real estate sectors in sales value and volume. Handcraft sector recorded high sales ratio in Q4. Coastal strip area recorded high demand on real estate sales in Q4 as well.

Investment sector recorded highly remarkable activity in Q4, as it ranked first by dominating 43% of the value of sales in Q4 compared to 48% in Q3. Next comes private residence sector with a share approximating 35% of total sales in Q4 compared to 34% in Q3. Commercial sector sales improved to reach 18% of total sales in Q4 compared to 15% in Q3. Handcraft and industrial sectors sales represented 2% while coastal strip sector sales represented 2% of real estate sales in Q4 2018.

Figure (1) Total Real estate Trading Value Q3 2018 - Q4 2018

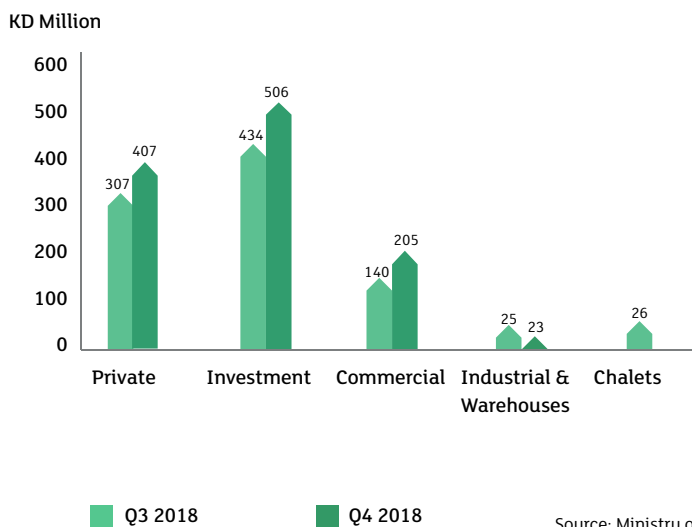
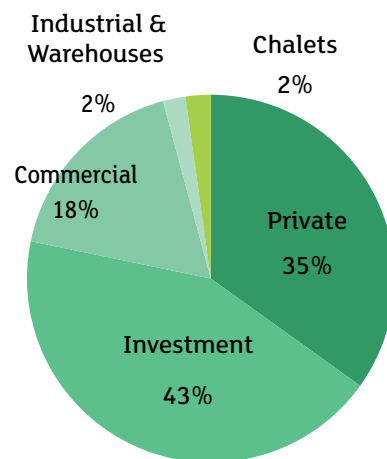


Figure (2) Distribution of Real estate Transactions Share(Sector wise)/ Total Real estate Transactions Value Q4 2018

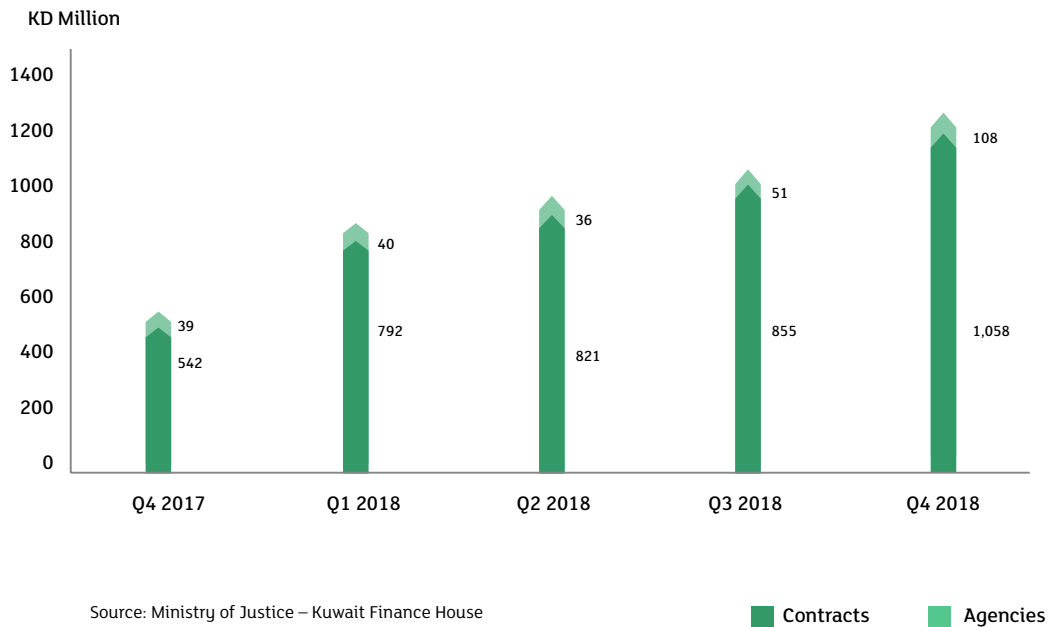


Source: Ministry of Justice – Kuwait Finance House

Real Estate Sales Trends during Q4 2018

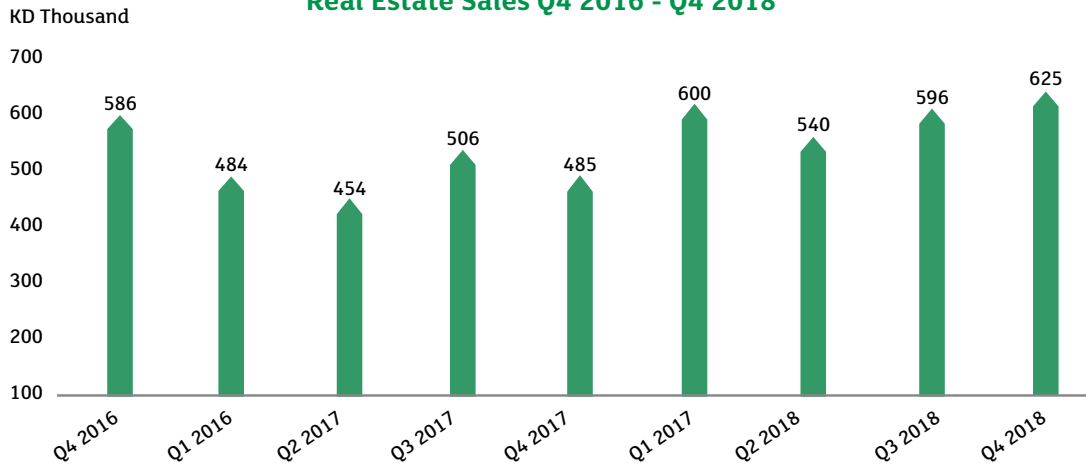
Real estate sales value reached its highest in 3 years as it recorded KD 1.2 Billion in Q4 2018 according to the indicators of the Real Estate Registration and Authentication Department at the Ministry of Justice. The sector sales continued its escalating trajectory since recording its lowest KD 400 Million in Q3 2016. Real estate sales increased by 28.8% in Q4 compared to Q3. The sales value has doubled on annual basis compared to 2017, thus enhancing the remarkable significant growth in the real estate sales. Real estate sales (contracts) exceeded KD 1 Billion in Q4 i.e. an increase by 24% on quarterly basis and 95% on annual basis. Real estate sales (agencies) has doubled in Q4 to reach KD 108 Million compared to KD 51 Million in Q3 or an increase by 147% or 3 times the value in Q4 2017 which has reached KD 39 Million.

Figure (3) Development on total Real Estate Slaes value Q4 2017 - Q4 2018



Average real estate transaction value has increased to reach KD 625 Thousand in Q4 which is the highest level reached in 4 years. Average transaction value continued its escalating trajectory since 2017, thus recording an increase by 4.8% in Q4 compared to Q3 and an increase by 29% on annual basis. Meanwhile, total transactions increased to reach 1,868 transactions in Q4 or an increase by 22.9% on quarterly basis and increased by 55.8% on annual basis.

Figure (4) Development on Average Transaction value/ total Real Estate Sales Q4 2016 - Q4 2018

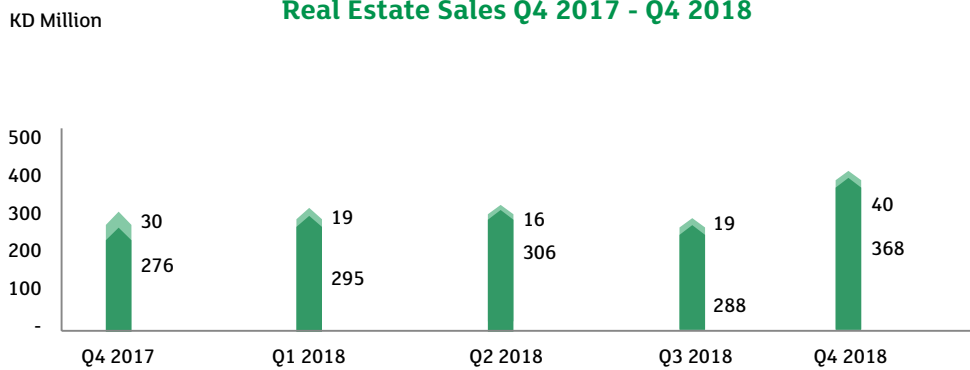


Source: Ministry of Justice – Kuwait Finance House

Private Residence Trends

Private residence sales increased to reach KD 407 Million in Q4 2018 i.e. an increase by 33% compared to Q3. Sector sales recorded its highest in the last three years thus continuing its slow improvement. Sector sales increased by 33% on annual basis, which signifies a clear ascending trend of annual change in residential sector sales.

Figure (5) Development on private residence Real Estate Sales Q4 2017 - Q4 2018



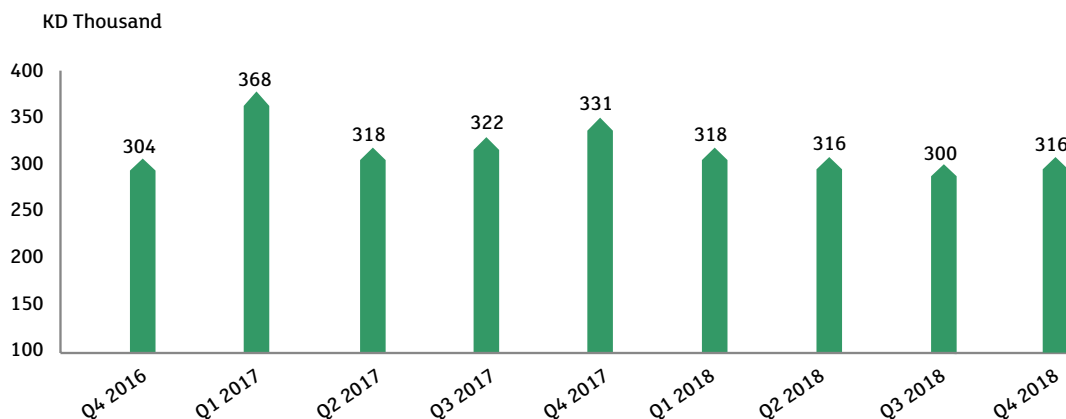
Source: Ministry of Justice – Kuwait Finance House

■ Contracts ■ Agencies

Average transaction value of private residence reached KD 316 Thousand in Q4 i.e. an increase by 6% compared to Q3. Average transaction value seems to be taking the escalating trajectory since the beginning of this year. However, this indicator has recorded a decline by 4.5% on annual basis. Although this sector is recording fluctuating quarterly changes, yet the annual change continues its escalating trajectory.

The number of transactions in private residence sector has increased to reach 1,287 transactions in Q4 i.e. an increase by 26% compared to Q3 and an increase by 40% on annual basis. The number of transactions in this sector is taking the escalating trajectory.

**Figure (6) Progress on average transaction value/
Private residence transactions Q4 2016 - Q4 2018**

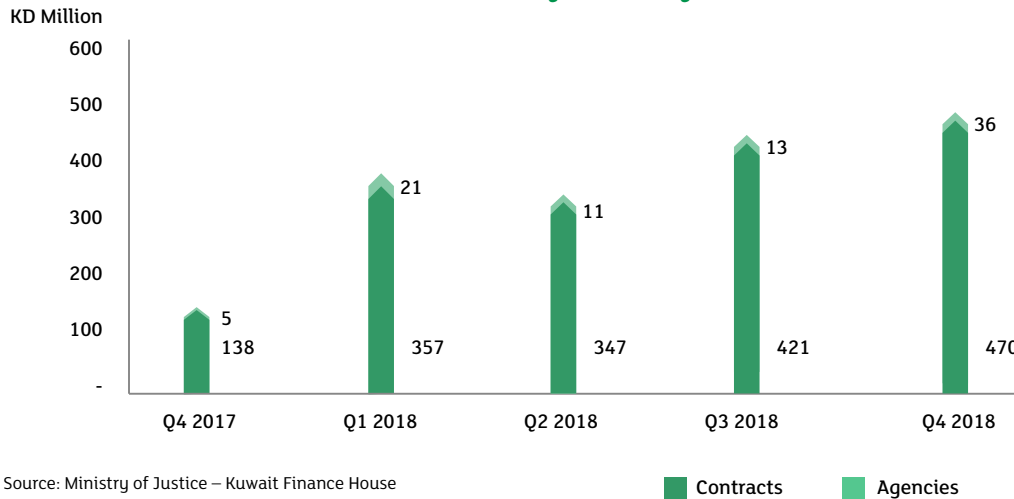


Source: Ministry of Justice – Kuwait Finance House

Investment Real Estate Trends

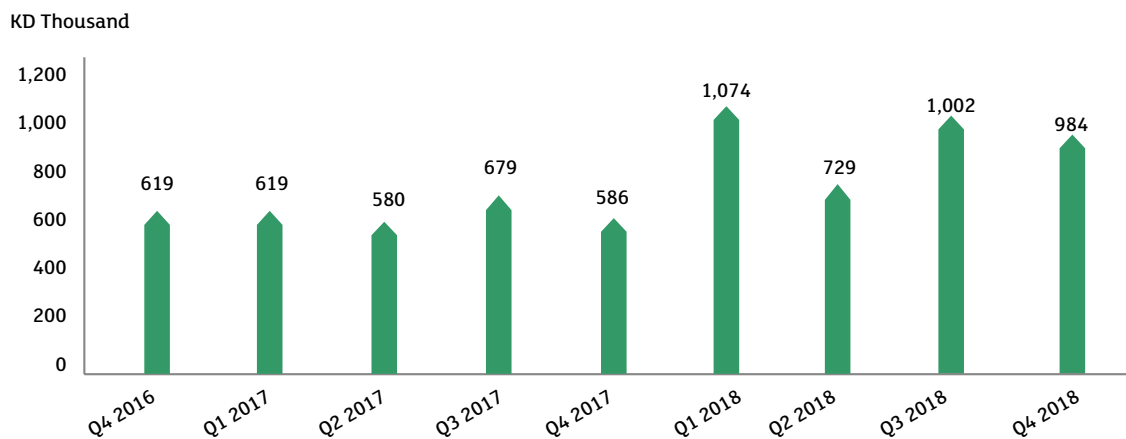
Investment real estate sales value increased to reach KD 506 Million i.e. the 3rd highest level in 5 years following the exceptional value recorded in Q2 & Q3 2014. Escalating trajectory continued since the beginning of 2018 following the exceptional decline recorded since mid-2014. The value recorded a remarkable increase by 17% compared to Q3. Growth continues on annual basis in a remarkable escalating trajectory embodied in the significant increase in the value of sales in this sector to reach 4 times the value in Q4 2017.

Figure (7) Progress on Investment Real Estate Transactions Value Q4 2017 - Q4 2018



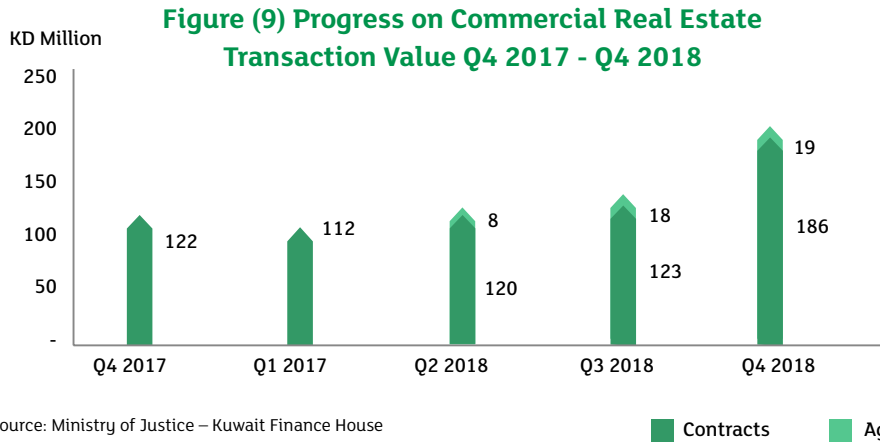
Investment real estate average transaction value reached KD 984 Thousand in Q4 i.e. a decline by 2% compared to Q3 2018 which is less than the highest level recorded in Q3 two years back. The indicator during all quarters 2018 has achieved better results compared to the same period 2017. Annual growth continues its escalating trajectory, thus recording 68% in Q4 on annual basis. The number of investment real estate transactions increased to reach 514 transactions in Q4 i.e. an increase by 18.7% compared to Q3. The transactions volume in this sector continues its escalating trajectory since the beginning of 2018. The number of transactions recorded 243 transactions in Q4 2017.

Figure (8) Progress on Average Transaction Value/ Investment Real Estate Sale Value Q4 2016 - Q4 2018



Commercial Real Estate Trends

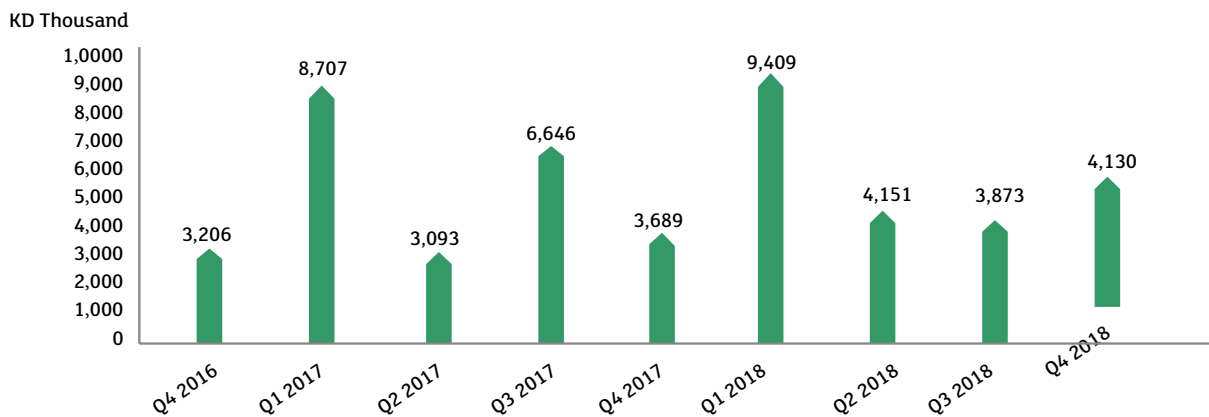
Commercial real estate sales value increased to reach KD 205 Million in Q4 2018 i.e. an increase by 45.8% on quarterly basis. The value has taken a significant escalating trajectory while the escalating trajectory of the sector sales was slow on quarterly basis. On annual basis, the sector sales increased by 67% on annual basis as the annual change ratio has taken a slow escalating trajectory.



Average transaction value in commercial real estate sector approximated KD 5.4 Million in Q4 i.e. a remarkable increase by 30% compared to KD 4.1 Million in Q3. Average transaction value is still taking the slow escalating trajectory. Meanwhile, average transaction value in the commercial sector declined by 43% on annual basis.

The number of transactions in commercial real estate sector continued its increase since mid-2016 as it increased to reach 38 transactions in Q4 i.e. 4 transactions or 11.8% compared to Q3. The number reached 3 times compared to 13 transactions recorded by the sector in Q4 2017.

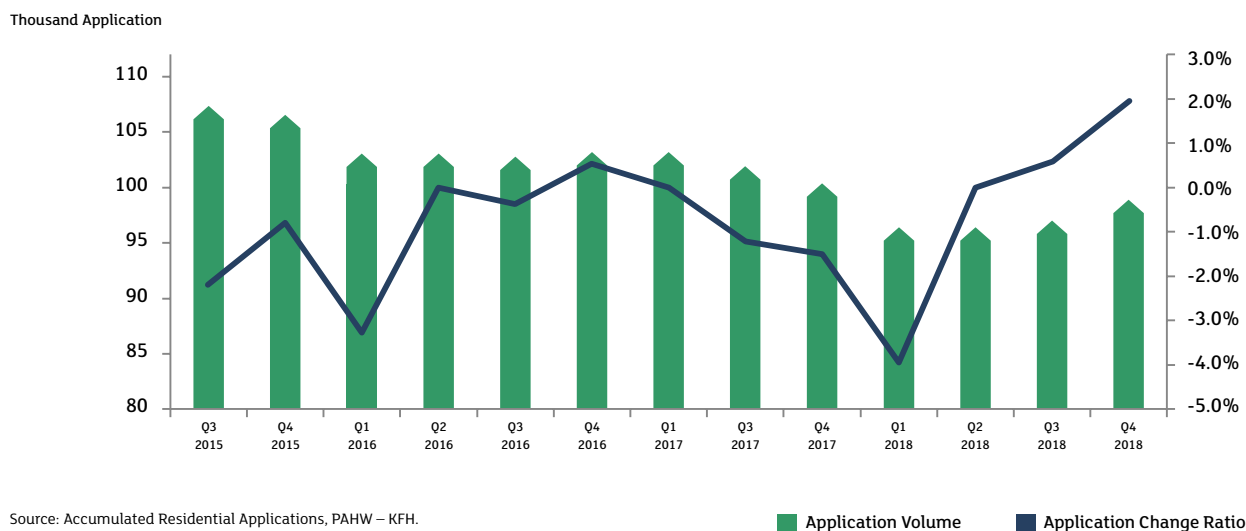
Figure (10) Progress on average transaction value/ Commercial Real Estate transactions Q4 2016 - Q4 2018



Second: Residential Projects

The Public Authority for Housing Welfare (PAHW) 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 center attracting the investment, through various announced 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 December 2018. The authority was able to mitigate the number of applications to reach 98.9 thousand applications i.e. a decline ratio by 1.5% compared to the number of 100 thousand applications as at the end of Q4 2017. Kuwait is continuing its plan to provide and distribute residential units and lots to citizens. PAHW has succeeded in distributing 400 M2 residential units. Also, it announced 11 distributions in district 4 of South Sabah Al-Ahmed City project on two consecutive stages during November and December 2018. According to the distribution plan 2018/ 2019 the Authority plans to distribute 12000 plots in the same project and complete its plan according to the residential units distribution schedule 2018/2019.

Figure (11) Progress on residential applications presented to PAHW



PAHW is continuing its endeavor to execute the volume residential projects planned earlier. According to October 2018 report the authority has completed the execution of the projects which it started in Q3 and commenced planning for projects in several new residential cities during Q4 including construction projects of plots, services and public buildings for KD 58 Million in Sabah Al-Ahmed city and West Abdullah Al-Mubarak city and to highlight the efforts exerted and projects executed through 3 categories according to the sector served as follows:

First: The Authority is executing plots and service projects in 7 contracts of various projects totaling KD 488 Million i.e. 45.2% of the authority project costs of the authority's projects according to October 2018 report. The authority has succeeded in delivering some projects in various residential areas earlier in the year. The projects which are under completion include plots, services and housing projects which have exceeded the contracted completion percentage e.g. Jaber Al-Ahmed city, Mutlaa, South Abdullah Al-Mubarak and East Taimaa totaling KD 463 Million. Time schedule is being prepared also for plots, services and house projects totaling KD 24.9 Million in Sabah Al-Ahmed city during Q4.

Second: The authority is following up the execution of public building projects in the new residential cities and certain other cities for 12 projects amounting more than KD 236 Million representing a share of 22% of the value of the authority projects including construction and maintenance of public buildings which are almost finished in Sabah Al-Ahmed City amounting KD 50 Million. Work includes also other projects under processing in several other cities amounting KD 44.8 Million as well as various contracts in West Abdullah Al-Mubarak city for which the authority has started preparing the time schedule and made significant progress completion wise i.e. KD 33 Million. The authority continues to complete public building projects in the new residential cities.

Third: The authority is executing main roads projects and sundry services amounting KD 356 Million comprising 11 different projects which represent 33% of the value of the PAHW projects. Projects include road construction and maintenance projects and infrastructure networks amounting KD 346 Million and in which the authority has crossed the contracted completion plan. The authority has achieved remarkable progress in the delivery plan of projects amounting KD 329 Million and started other projects amounting KD 19 Million in several other cities. Also, the authority is in the process of completing several other projects in Jaber Al-Ahmed city amounting KD 10.5 Million for the construction, completion and maintenance of highways and roads.

Accordingly, total projects executed by PAHW exceeds KD 1 Billion in several new residential cities through projects which are still under executions and other projects under planning and designing in addition to other future projects which the authority intends to execute in certain new cities in the near future. The authority plans 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 thousand 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:

	#	Area	Contract Value KD Million	Completion %	
				Contractual	Actual
Projects for Houses, Plots, Services, and Affiliated Public Buildings	1	Jaber Al-Ahmed City	73	*59.4	66.2
	2	South Mutlaa	215.8	43.2	20.5
	3	South Mutlaa	50	*8.5	8.7
	4	South Mutlaa	49.3	8.8	5.3
	5	South Abdullah Al-Mubarak city	29	*6.8	6.9
	6	East Taimaa	46	0.5*	3.5
	7	Sabah Al-Ahmed City	24.9	Time Schedule under preparation	-
Cost			KD 488 million		
* Projects which have exceeded completion percentage					
Public Building Projects	8	Sabah Al-Ahmed City	36.4	100	99.7
	9	Existing Wafra Project	21.2	100	87.4
	10	Sabah Al-Ahmed City	1.5	*-	33
	11	Mina Abdullah	2.2	100	64
	12	Wafra	23.7	43	25
	13	Sabah Al-Ahmed City	13.4	100	99
	14	Jaber Al-Ahmed City	8.2	*34.2	32.4
	15	Wafra	24.6	20.3	5.4
	16	Wafra	14.4	13*	15.2
	17	West Abdullah Al-Mubarak City	28.5	11.3	5.8
	18	West Abdullah Al-Mubarak City	32.9	Time Schedule under preparation	5.8
	19	West Abdullah Al-Mubarak City	28.9	*2.9	10.4
Cost			KD 235.9 million		
*Projects which have exceeded completion percentage					
sundry main roads and service projects	20	Mutlaa	288	*31.7	39.2
	21	West Abdullah Al-Mubarak City	16.2	*86.6	87
	22	West Abdullah Al-Mubarak City	18.5	*65	72.4
	23	Jaber Al-Ahmed City	10.4	79.3	68.2
	24	West Abdullah Al-Mubarak City	5.4	*38.7	50
	25	South Abdullah Al-Mubarak City	1.6	57.7	59.3
	26	South Abdullah Al-Mubarak City	8.8	Time Schedule under preparation	-
	27	Sabah Al-Ahmed City	0.140	Time Schedule under preparation	98
	28	Wafra	3.4	0.02*	5
	29	Abu-Halifa Residential City	0.989	0.2	-
	30	Sabah Al-Ahmed City	3.4	0.5	-
Cost			KD 351 million		
Total Cost of PAHW Projects			KD 1,050 million		
*Projects which have exceeded completion percentage					

Source: List of Projects of the Public Authority for Housing Welfare (PAHW) – October 2018 (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. Accordingly, residential land prices differ according to location and advantages in various Kuwait governorates and areas. Average price per square meter increased by less than 2.7% compared to Q3. Average price approximated KD 630 in Q4. Average price recorded the second annual increase respectively as it increased by 4.4% in Q4. The escalating trajectory of the annual change in average price continues at the governorates level in private residence sector.

Private residence price levels increased in Q4 2018 in Kuwait governorates compared to the preceding quarter. Prices increased by 3.3% in Capital governorate, 4.1% in Hawalli governorate which has recorded remarkable stability, 2.3% in Farwaniya, 1% in Mubarak Al-Kabeer (lowest among governorates), 1.9% in Ahmadi and 2.7% in Jahra. Meanwhile, prices increased on annual basis in certain governorates e.g. 3.3% in Capital, 4.2% in Hawalli, 6.9% in Farwaniya and Mubarak Al-Kabeer and increased by 2.7% in Ahmadi and Jahraa on annual basis.

Capital Governorate

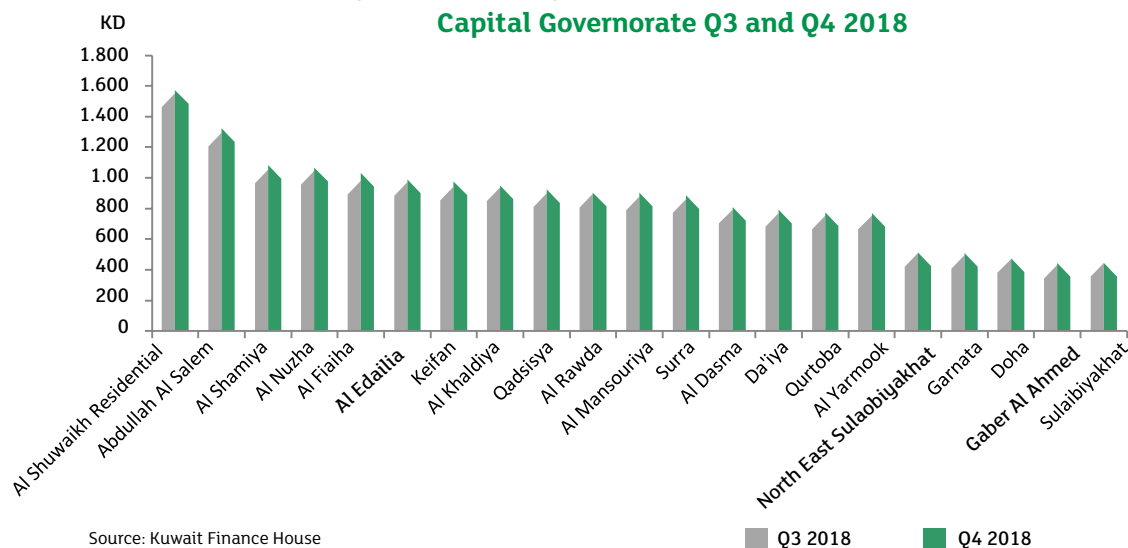
Average price per square meter in private residence sector at Capital governorate increased by 3.3% on quarterly basis as at the end of Q4 as it recorded KD 865. Prices in the governorate are improving as quarterly change ratios are increasing. Average price at the governorate increased by 3.3% on annual basis i.e. the second increase respectively since 2014. Escalating trajectory continues in the annual change ratio concerning average price per meter at the governorate.

Prices increased as at the end of Q4 in most of the residential areas at the governorate compared to Q3. Prices increased in the highest price areas e.g. Shuwaikh residential area by 1.6% on quarterly basis as average price reached KD 1,575. Prices at Abdullah Al-Salem district increased by 2.5%, thus exceeding KD 1,300 while in Shamiya area prices increased by 2.8% and In Nuzha by 1.8% as price approximated KD 1,100 in both areas as at the end of Q4 2018. Prices in Faihaa area exceeded KD 1000 thus recording a significant increase by 5.1% compared to Q3.

Prices improved in most of the areas where price per meter ranged KD 800 and KD 900 e.g. Edailiya by more than 1.9% and Keefan by 3.8%. Prices increased slightly in other remaining areas for this category e.g. Khaldiya and Rawda 1.2%, Mansouriya and Qadisiya by 3% compared to Q3.

Prices increased in areas where price per meter ranged KD 700 – 800 e.g. Surra area by 2.3% which is still the highest price from this category, followed by Dasmah and Da'eya by 2.9%. Price increased in the lowest price areas as at the end of Q4 thus exceeding KD 515 e.g. North West Sulaibikhat by 1.2 compared to Q3 and increased in existing houses at Doha by 1.5%. Ghernata 2.5% and Sulaibikhat 3.1% compared to Q3 2018.

Figuer (12) Average Price/ M² for Private Residence in Capital Governorate Q3 and Q4 2018



Source: Kuwait Finance House

Note: the general average price for the areas in tables: 2 to 5, 8 to13, 21 to 25 present the general average for several transactions. It has been evaluated by KFH in which are not included at these tables.

Accordingly, the reader may not be able to extract the general average at the area based on price samples in each area included in the table. However, the general average price per square meter may be used as a price indicator.

Residential Plot Prices at Capital Governorate

Region	Area M2	Building %	street	Land Market Value (KD)		Market Value /m2 (KD)		Average price/ M2 Q4 2018
				From	To	From	To	
Al Shuwaikh Residential	500	210%	Internal	750,000	850,000	1,500	1,700	1,600
	1,000	210%	Internal	1,250,000	1,500,000	1,250	1,500	1,375
	1,000	210%	Main	1,500,000	1,650,000	1,500	1,650	1,575
	1,000	210%	Jamal Abdul-Naser	1,650,000	1,850,000	1,650	1,850	1,750
General Average in the Area				1,287,500	1,462,500	1,475	1,675	1,575
Abdullah Al Salem District	500	210%	Internal	650,000	750,000	1,300	1,500	1,400
	750	210%	Main	950,000	1,100,000	1,267	1,467	1,367
	1,000	210%	Sanaa	1,550,000	1,650,000	1,550	1,650	1,600
General Average in the Area				1,016,667	1,191,667	1,222	1,431	1,326
Shamiyah	250	Till 800 m	Internal	300,000	340,000	1,200	1,360	1,280
	1,000	210%	Internal	800,000	1,000,000	800	1,000	900
	1,000	210%	Main	1,000,000	1,250,000	1,000	1,250	1,125
General Average in the Area				645,714	784,286	987	1,182	1,085
Nozha	500	210%	Internal	460,000	550,000	920	1,100	1,010
	750	210%	Internal	640,000	740,000	853	987	920
	1,000	210%	Main	1,000,000	1,200,000	1,000	1,200	1,100
General Average in the Area				676,000	814,000	968	1,164	1,066
Khaldiya	750	210%	Internal	620,000	720,000	827	960	893
	750	210%	Internal	720,000	900,000	960	1,200	1,080
	1,000	210%	4 th / 3 rd Ring Road	900,000	1,000,000	900	1,000	950
General Average in the Area				747,500	905,000	859	1,040	950
Adailiya	500	210%	Internal	450,000	520,000	900	1,040	970
	750	210%	Main	730,000	900,000	973	1,200	1,087
	1,000	210%	Riyad/ Damascus	950,000	1,100,000	950	1,100	1,025
General Average in the Area				704,286	835,714	908	1,073	990
Faihaa	400	210%	Internal	390,000	460,000	975	1,150	1,063
	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				575,714	672,857	951	1,113	1,032

Source: Kuwait Finance House

Hawalli Governorate

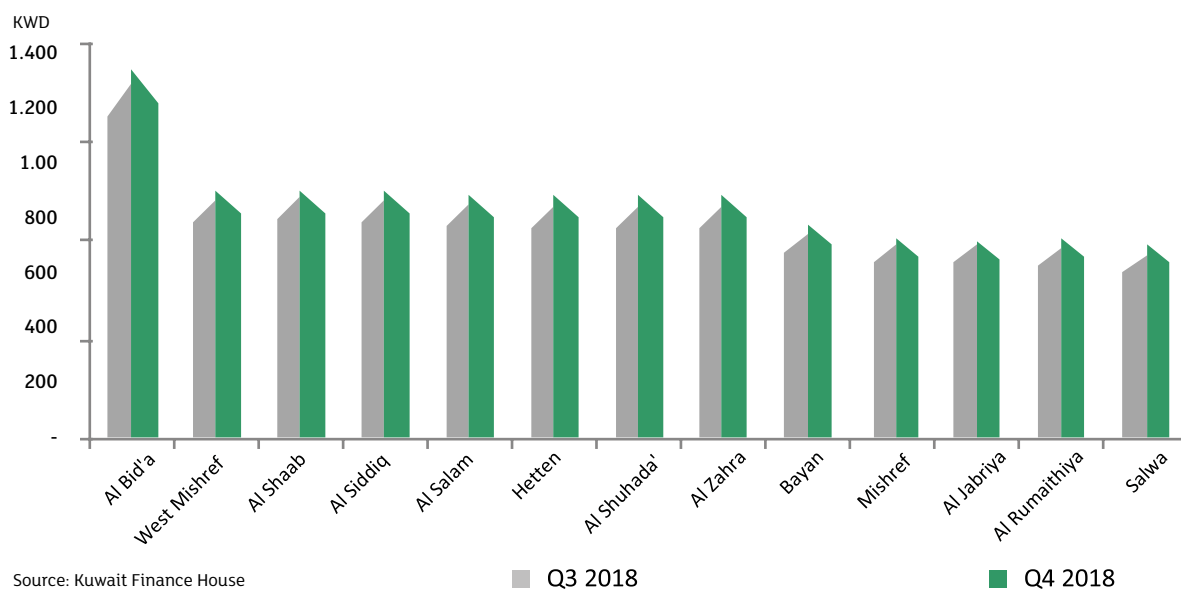
Average price per square meter in Hawalli Governorate increased in Q4 by 4.1% compared to Q3, thus recording KD 843. Prices are still going steady at the governorate with a slight improvement on quarterly basis. Prices increased on annual basis by 4.2% in Q4. Prices have previously recorded annual decline ratios by 2.9% in Q4 last year.

Average price per square meter increased in most of the governorate areas compared to Q3. Prices in Bedaa area are still the highest at the governorate level as they increased by 3%, reaching more than KD 1,300 in Q4. Prices in Sidique area increased by 4.4% as they exceeded KD 880 and increased in West Mishrif and Shaab areas by 2.9% and 3.5%, thus reaching also KD 880 as at the end of Q4.

Price per meter increased in several areas e.g. Salaam, Hitteen, Shuhadaa and Zahraa areas where average price reached KD 860. Meanwhile average price per meter was less in Bayan compared to other areas although it has increased by 5.1% and reached less than KD 760.

In low value areas where price per meter ranged KD 650 – 750 including Mishrif area, average price per meter reached KD 714. Prices increased in Q4 by 4.5% compared to Q3. Prices increased in Jabriya area by 3.4%, Rumaithiya 4.5% and Salwa 5.5%. However, they are still the lowest price areas in Hawalli governorate concerning private residence areas as they recorded an average price per meter KD 690.

Figure (13) Average price/ M2 for Private Residence at Hawalli



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

Region	Area M2	Building %	Street	Land Market Value (KD)		Market Value/m2 (KD)		Average price/ M2 Q4 2018
				from	To	From	To	
Shaab	400	210%	Internal	330,000	400,000	825	1,000	913
	500	210%	Main	420,000	500,000	840	1,000	920
	750	210%	Internal	610,000	710,000	813	947	880
General Average in the Area				436,667	510,833	811	946	878
Jabriya	400	210%	Internal	270,000	330,000	675	825	750
	500	210%	Main	360,000	420,000	720	840	780
	1000	210%	Internal	700,000	810,000	700	810	755
General Average in the Area				413,333	492,222	645	766	705
Rumaithiya	400	210%	Internal	260,000	310,000	650	775	713
	750	210%	Main	360,000	440,000	480	587	533
	1000	210%	Internal	850,000	950,000	850	950	900
General Average in the Area				430,000	513,333	646	775	711
Salwa	500	210%	Internal	280,000	350,000	560	700	630
	750	210%	Internal	350,000	450,000	467	600	533
	1,000	210%	Aqsa	720,000	850,000	720	850	785
	1,000	210%	Taawon	850,000	950,000	850	950	900
General Average in the Area				502,857	592,857	628	751	689
Salaam	400	210%	Internal	310,000	370,000	775	925	850
	400	210%	Main	350,000	420,000	875	1,050	963
	500	210%	Internal	340,000	400,000	680	800	740
	500	210%	Main	420,000	470,000	840	940	890
General Average in the Area				355,000	415,000	793	929	861
Hitteen	400	210%	Internal	310,000	370,000	775	925	850
	400	210%	Main	350,000	420,000	875	1,050	963
	500	210%	Internal	340,000	400,000	680	800	740
	500	210%	Main	420,000	470,000	840	940	890
General Average in the Area				355,000	415,000	793	929	861
Shuhadaa	400	210%	Internal	310,000	370,000	775	925	850
	400	210%	Main	350,000	420,000	875	1,050	963
	500	210%	Internal	340,000	400,000	680	800	740
	500	210%	Main	420,000	470,000	840	940	890
General Average in the Area				355,000	415,000	793	929	861

Farwaniya Governorate

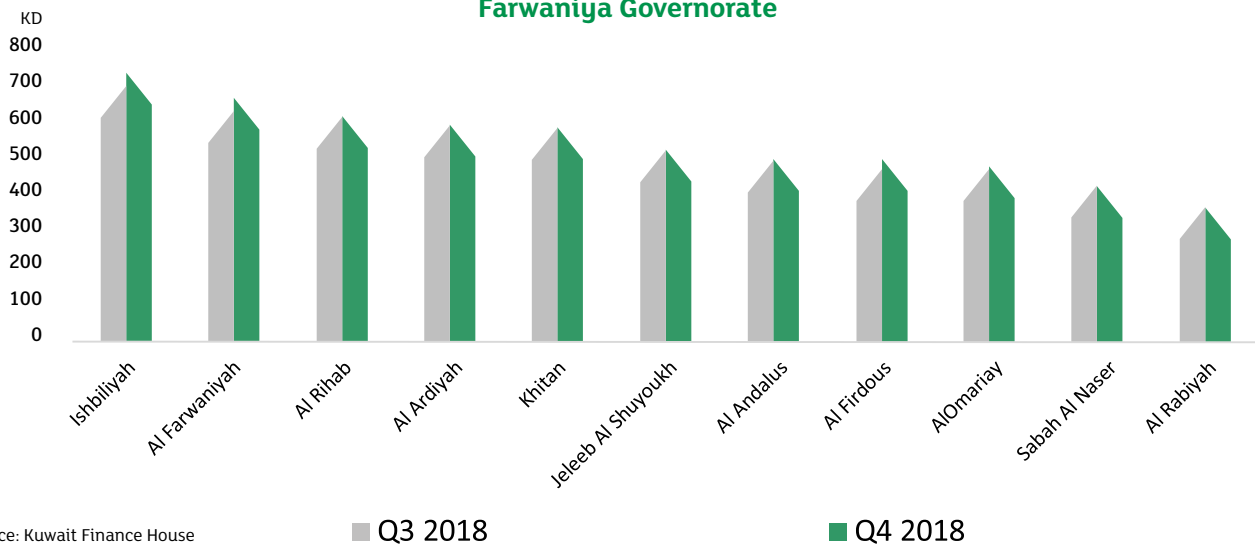
Prices increased in Farwaniya governorate as at the end of Q4 by 2.3% compared to Q3. Average price per square meter reached KD 518. Prices maintained their slow escalating trajectory following a long-term descending trajectory earlier accompanied by a fluctuating quarterly change ratio at the governorate. Meanwhile prices increased on annual basis by 6.9% while the annual change ratio continues its clear escalating trajectory.

Prices increased as at the end of Q4 compared to the preceding quarter in most of Farwaniya governorate areas except some areas which have recorded stability. Prices increased by 4% in Eshbiliya which is considered as the highest price area. Price per meter in this area reached KD 685 M2. Prices increased in Farwaniya area by 3% to reach KD 610 while prices in Rehab did not witness any change and stood at KD 560. Average price stabilized in other areas with lower price e.g. Ardiya and Khaitan where it approximated KD 550 as at the end of Q4.

In average price areas at the governorate where prices ranged KD 450 – less than KD 500, prices stabilized remarkably e.g. Jaleeb Al-Shoyoukh in which prices recorded KD 490 while in Andalus and Fardoas it stabilized at KD 460/-.

Price per meter in law price areas ranged KD 400 – KD 450 or more. Omariya recorded an increase by 1% compared to Q3. Average price stabilized in private residence areas of the governorate e.g. Sabah Al-Naser at KD 400 and in Rabiya at less than KD 350 in Q4 & Q3.

Figure (14)) Average price/ M² for Private Residence at Farwaniya Governorate



Source: Kuwait Finance House

■ Q3 2018

■ Q4 2018

Table 4: Residential Plot Prices at Farwaniya Governorate

Region	Area M2	Building %	Site	Land Market Value (KD)		Market Value/m2 (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Andalus	500	210%	Internal	200,000	260,000	400	520	460
	750	210%	Main	330,000	350,000	440	467	453
General Average in the Area				284,000	324,000	439	504	471
Rabia (Existing House)	500	210%	Internal	220,000	250,000	440	500	470
	500	210%	Main	240,000	280,000	480	560	520
General Average in the Area				202,500	240,000	318	373	345
Ashbilya	375	210%	Internal	230,000	260,000	613	693	653
	400	210%	Main	280,000	320,000	700	800	750
	500	210%	Internal	275,000	340,000	550	680	615
General Average in the Area				269,167	313,333	635	739	687
Farwaniya	500	210%	Internal	260,000	300,000	520	600	560
	500	210%	Main	310,000	360,000	620	720	670
General Average in the Area				285,000	330,000	570	660	615
Khaitan	400	210%	Internal	210,000	250,000	525	625	575
	1000	210%	King Faisal Road	500,000	600,000	500	600	550
General Average in the Area				360,000	420,000	480	560	520
Jaleeb	500	210%	Main	210,000	240,000	420	480	450
Al Shuyoukh	500	210%	Internal	250,000	300,000	500	600	550
General Average in the Area				230,000	270,000	460	540	500
Ardiya	750	210%	Internal	230,000	270,000	460	540	500
	750	210%	Main	250,000	320,000	333	427	380
General Average in the Area				350,000	380,000	467	507	487

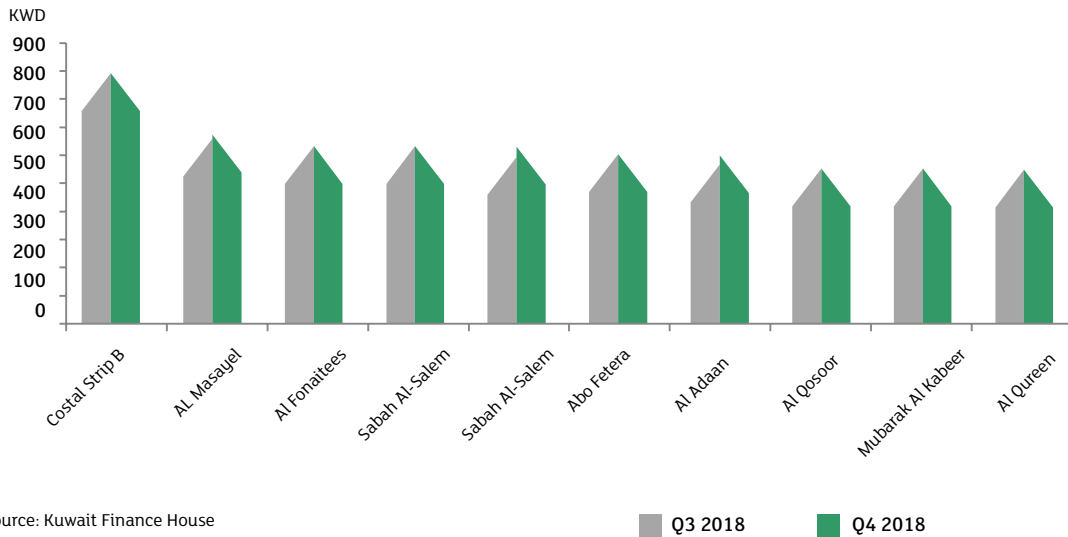
Mubarak Al Kabeer Governorate

Average price per meter at Mubarak Al-Kabeer governorate increased in Q4 by 1% compared to Q3. i.e. lowest increase among governorate areas. Average price reached KD 633 as at the end of Q4. Prices started taking the escalating trajectory but in a slow manner. Despite this trend yet the annual change ratio in average price has recorded the highest increase as at the end of Q4 i.e. 6.9% compared to the same period 2017. The annual change in price is taking a strong escalating trajectory.

Average price per meter has increased in certain governorate areas compared to Q3. Average price stabilized in the highest price area of the governorate e.g. coastal strip (B) area, thus recording KD 880. Meanwhile, prices increased in Masayel are by 2% recording KD 675. Prices increased by more than 6% in Funaitees as it reached KD 645. Prices did not witness any change in Sabah Al-Salem area compared to Q3 e.g. existing government houses and residential plots where average price reached KD 625 per meter.

Prices increased in Abu-Fatira by 5.8% reaching KD 623 as at the end of Q4 while prices did not witness any change in Addan area and stood at KD 600 per square meter. In Qosour, prices did not witness any change as average price reached less than KD 450. Prices did not witness any change in Mubarak Al-Kabeer as it stood at KD 550 in Q4 and Q3. Prices stabilized in the lowest price areas of the governorate e.g. Qurain and stood at little more than KD 450 per square meter.

Figure (15)) Average price meter for the Private Residence in Mubarak Al Kabeer Governorate



Source: Kuwait Finance House

■ Q3 2018 ■ Q4 2018

Table 5: Residential Plot Prices at Mubarak Al Kabeer Governorate

Region	Area	Building %	Street	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Masayel	400	210%	Internal	240,000	300,000	600	750	675
	500	210%	Main	310,000	350,000	620	700	660
General Average in the Area				273,750	328,750	613	738	675
Coast Strip B	1000	150%	Internal	450,000	600,000	450	600	525
	2000	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	220,000	280,000	550	700	625
	500	210%	Main	280,000	320,000	560	640	600
General Average in the Area				250,000	305,000	560	685	623
Funaites	400	210%	Internal	230,000	290,000	575	725	650
	500	210%	Main	290,000	330,000	580	660	620
General Average in the Area				260,000	315,000	583	708	645
Addan	400	210%	Main	250,000	270,000	625	675	650
	400	210%	Internal	195,000	240,000	488	600	544
General Average in the Area				226,250	255,000	566	638	602

Source: Kuwait Finance House

Ahmadi Governorate

Prices improved in Ahmadi governorate as at the end of Q4 and increased by 1.9% compared to Q3 as average price reached KD 469 per square meter in Q4. Prices have taken a slow escalating trajectory with fluctuations in the change ratios on quarterly basis. On annual basis, average price per meter increased by 2.7% which is the lowest increase in the governorate compared to the prices in Q4 2017. Increase ratios are taking the relatively slow escalating trajectory.

Average price increased in most of the private residence areas at Ahmadi governorate except some areas which have recorded stability in prices as at the end of Q4 compared to the preceding quarter e.g. southern marine coastal strip where prices approximated KD 1,300 per meter. This area is one of the highest price areas. Prices stabilized at little more than KD 750 in coastal strip area e.g. main southern sites. In Fahad Al-Ahmed area prices stabilized at KD 600 per meter as at the end of Q4 for the second time respectively.

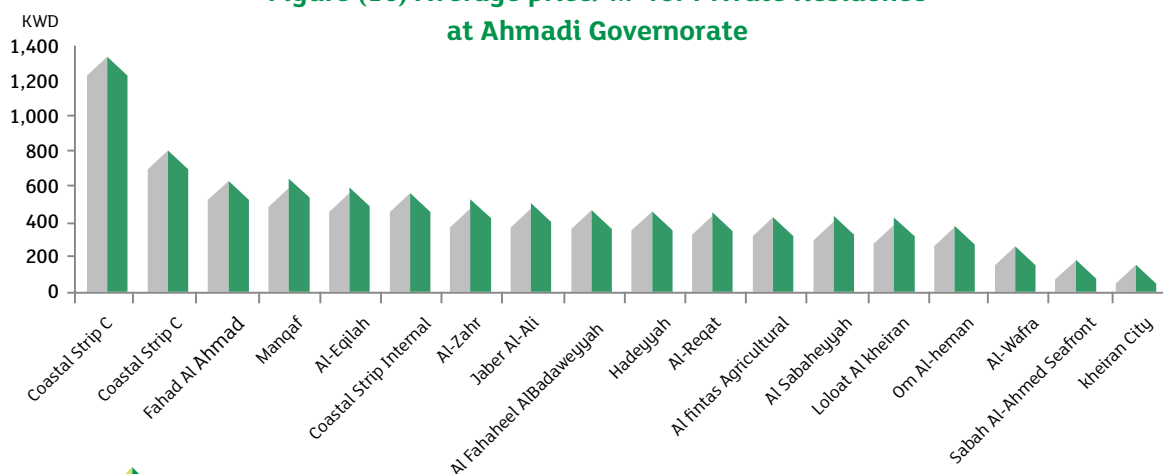
Average price increased in average value areas of the governorate e.g. Eqaila in which prices increased by 4.5% thus exceeding KD 580 per meter in Q4. Prices increased in Manqaf residential area by 1.7% while they stabilized in internal parts of the Southern Coastal Strip at KD 530.

Prices increased in areas where it ranged KD 400 – KD 500 e.g. Dhaher area by 8% and some places of Jaber Al-Ali area by less than 7.2%. prices increased slightly by 1% in Badawiya St. and Hadiya area, thus recording KD 450. Prices increased in Riqqa area by 1.5% compared to Q3. However, prices stabilized in Fintas agricultural area to reach more than KD 400 for the second quarter respectively.

Prices improved in the lowest price areas of the governorate e.g. Sabahiya by 1.1% as they reached KD 380. Prices increased in Khiran Pearl overlooking the sea by 6.3% while prices did not witness any change in Um-Al-Haiman compared to Q3. Average price in these areas exceeds KD 360 per square meter.

Prices stabilized in the lowest price areas in which price is less than 300 per square meter e.g. Wafra at KD 250. Price increased by 2.1% in certain places of Sabah Al-Ahmed Marine Area, thus exceeding KD 170 per meter. Meanwhile, average price stabilized in Khairan Pearl residential area as at the end of Q4 at less than KD 150 per square meter.

Figure (16) Average price/ M² for Private Residence at Ahmadi Governorate



Source: Kuwait Finance House

■ Q3 2018 ■ Q4 2018

Table 6: Residential Plot Prices at Ahmadi Governorate

Region	Area	Building %	street	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Fintas Agricultural	1000	210%	Internal	320,000	400,000	320	400	360
	1000	210%	Main	400,000	500,000	400	500	450
Hadiya	750	210%	Internal	270,000	330,000	360	440	400
	750	210%	Main	340,000	400,000	453	533	493
Aqaila	400	210%	Main	240,000	280,000	600	700	650
	500	210%	Main	260,000	310,000	520	620	570
Coast strip (S) overlooking Sea	2000	150%	Marine	2,400,000	2,700,000	1,200	1,350	1,275
Coast strip (S) overlooking Internal Road	750	150%	Internal	350,000	450,000	467	600	533
Khairan Residential	400	210%	-	40,000	75,000	100	188	144
Sabah Al Ahmad Marine A1 (Overlooking Sea)	1200	210%	Marine	190,000	230,000	158	192	175
Sabah Al Ahmad Marine A2 (overlooking Sea)	450	210%	Marine	160,000	180,000	356	400	378
Khiran Pearl overlooking sea A3	450	210%	Marine	160,000	180,000	356	400	378
Mangaf Residential	375	210%	Internal	175,000	215,000	467	573	520
	400	210%	Main	230,000	255,000	575	638	606

Source: Kuwait Finance House

Jahra Governorate

Prices increased in Jahra governorate as at the end of Q4 as they reached KD 454 and recorded the first increase on quarterly basis in 2018. Following the remarkable stability witnessed during the year, prices increased in Q4 by 2.7% compared to Q3. This increase has accompanied a slow escalating trajectory in prices because of the fluctuation in the annual change ratios. Prices increased in Q4 on annual basis by 2.7% bearing in mind that this governorate is considered as the lowest among all governorates. annual change in prices is fluctuating even through it has taken the escalating trajectory.

Prices increased for the first time in 2018 on quarterly basis in most of the areas in Jahra governorate including residential areas which are considered as the highest price e.g. Mutlaa street by 5% thus recording a price by KD 475 per meter. Prices increased in Saad Al-Abdullah area by 1% and reached KD 460 followed by Oyoun area which has recorded an increase by 2% compared to Q3. Prices increase in Naseem area where average price reached KD 420 per meter while Waha area witnessed a remarkable increase in prices by 6%.

Prices increased in areas where average price ranged KD 400 or less e.g. Na'eem area by 2% compared to Q3. Prices increased in Qasr area and certain locations of Club Street by 3% but did not exceed the KD 400 limit. In old Jahraa area which is the lowest residential area prices in the governorate, average price per square meter increased by 6% as it recorded KD 370 as at the end of Q4.

Figure (17) Average price/ M2 for Private Residence at Al Jahraa Governorate

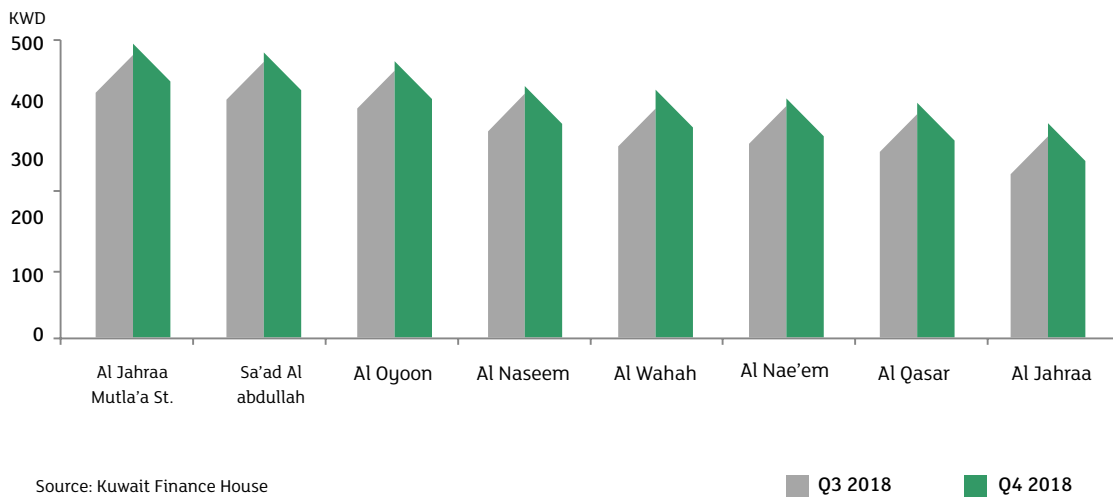


Table 7: Residential Plot Prices at Jahraa Governorate

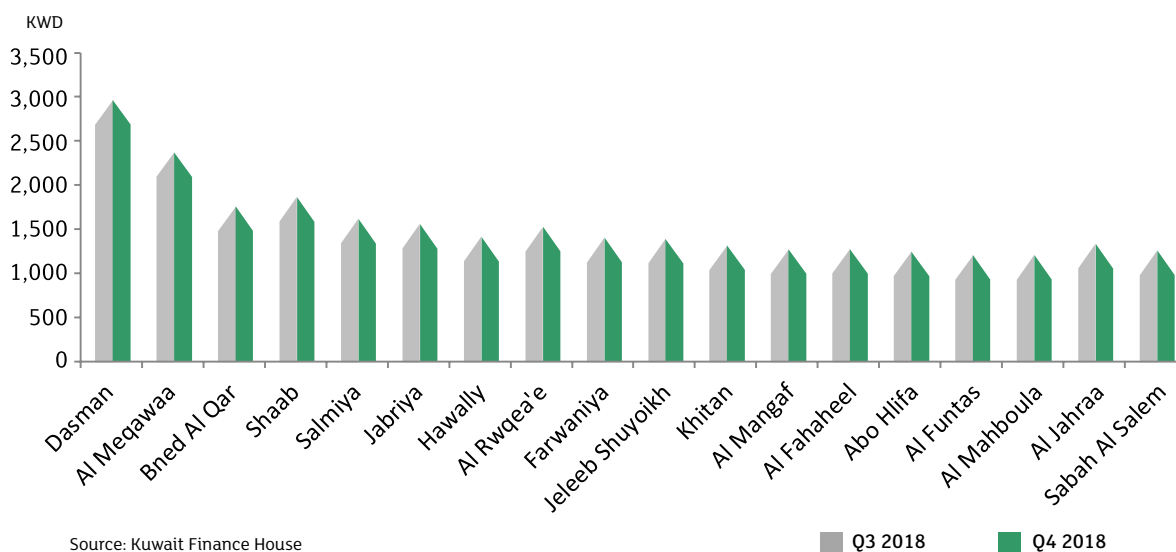
Region	Area	Building %	Land Market Value (KD)		Market Value /M ² in (KD)		Average Price/M ² Q4 2018
			From	To	From	To	
Qasr – Club Street	1000	210%	425,000	500,000	425	500	463
Qasr (Existing Houses)	600	210%	180,000	220,000	300	367	333
Jahraa – Mutla'a St. - Internal	1000	210%	450,000	500,000	450	500	475
Na'eem – Plots	400	210%	130,000	170,000	325	425	375
Na'eem – (GVT House)	400	210%	145,000	200,000	363	500	431
Oyoun	298	Up to 800 M2	115,000	155,000	386	521	454
Al Naseem (GVT House) – Main Roads	400	210%	145,000	190,000	363	475	419
Oasis – Existing House	300	Up to 800 M2	110,000	140,000	367	467	417
Saad Al-Abdullah	400	210%	135,000	170,000	338	425	381
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 stabilized for the second time respectively. Prices did not witness any change in Q4 compared to Q3. Average price is still exceeding KD 1,500 at all governorates level, thus maintaining a stable trend. Prices did not witness any change as at the end of Q4 in most of the governorates compared to Q3. This fact is evident through the stability or prices and decline ratios on annual basis of the average prices in governorates. Decline ratio stabilized at 1% during all quarters 2018 compared to a higher decline in 2017 and earlier. Average price stabilized in Q4 in Capital Governorate compared to the preceding quarter. Price levels did not witness any changes in other governorates while prices declined slightly in Hawalli governorate by less than 0.5% while it improved in Mubarak Al-Kabeer by less than 1% in compared to Q3. On annual basis, prices witnessed remarkable stability in most governorates, namely capital governorate. Price per meter did not witness any change in Farwaniya and Jahra governorates in Q4 compared to the preceding quarter. Prices declined in other remaining governorates e.g. Hawalli by 2%, Mubarak Al-Kabeer and Ahmadi governorates by 3% compared to Q4 2017.

Figure (18)) Average Price per sqm for Investment Residence properties in Kuwait Governorates



Source: Kuwait Finance House

■ Q3 2018 ■ Q4 2018

Capital Governorate

Concerning prices in each governorate, all prices in capital governorate stabilized in Q4 and Q3 at KD 2,370 per square meter. Price per meter continues its stability trend since the end of 2016 and stands as the highest at all governorates level. Accordingly, the quarterly change in average price per meter is taking the ascending trend. This was reflected in the stability of average price per meter in Capital governorate on annual basis during 2018 compared to an annual decline in the same periods 2017.

Regarding prices at the capital governorate level, prices in Dasman area are still the highest among capital governorate areas and all investment areas in other governorates. Average price in this area approximated KD 3,000 M2, thus stabilizing in Q4 at the area level compared to Q3 prices. Prices stabilized in certain places of Gulf Street and in most of locations e.g. Abdullah Al-Ahmed Street and certain internal places in Dasman area compared to Q3. Average price in Eastern Maquaa area stabilized at KD 2,376 in Q4 2018 and prices stabilized in general at the area level. Average price stabilized in investment areas specially those overlooking main roads at Shuhadaa Street and certain main streets. Prices come next and did not witness any change in certain main locations where prices are still approximating more than KD 2,600 per meter. Prices declined in internal areas covering 500 M2 area. However, prices stabilized at KD 1,800/- in Q4 this year in other locations.

Average price in Benaid Al-Qar area reached more than KD 1,760 in Q4. Price levels stabilized in certain locations of the area and declined in other locations which higher e.g. Gulf road by 1.7% to reach less than KD 2,900. Prices declined also in other places of Istiqlal Street while stabilized in certain main locations in the area. Prices increased in main locations overlooking 1st and 2nd ring roads by 3.7% as they reached KD 1,800/- while declined in the internal places of Benaid Al-Qar area by less than 1%. Prices stabilized in main sites covering an area of 1,000 M2 of Port Saeed Street as they reached KD 1,400 per meter, these locations are considered as the lowest price locations in the area.

Table 8: Investment Land Prices at Capital Governorate

Region	Building %	Area M2	Street	Land Market Value (KD)		Market Value/ M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Bneid	250%	1,000	Gulf Road	2,700,000	3,000,000	2,700	3,000	2,850
	250%	500	Main	850,000	900,000	1,700	1,800	1,750
Al Gar	250%	1,000	Internal	1,300,000	1,500,000	1,300	1,500	1,400
	250%	1,000	1 st & 2 nd Ring	1,700,000	1,900,000	1,700	1,900	1,800
General Average in the Area				1,431,250	1,587,500	1,673	1,854	1,764
Eastern Muqawa	240%	250	Internal	400,000	500,000	1,600	2,000	1,800
	400%	500	main	1,250,000	1,375,000	2,500	2,750	2,625
	400%	1,000	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	400%	1,000	Gulf Road	3,800,000	4,000,000	3,800	4,000	3,900
	400%	1,000	Internal	2,150,000	2,400,000	2,150	2,400	2,275
	400%	750	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 1,610 in Q4 compared to KD 1,618 in Q3 which indicates a steady remarkable stability following the stability of the annual decline ratios at the government last year at less than 0.5%. Annual decline ratios in average price have stabilized at 2% as at the end of Q4 and Q3 compared to a higher decline ratio for the same periods 2017.

Average price per meter stabilized in most of the investment areas at the governorate e.g. Shaab area in which average price per meter stabilized at less than KD 1,900 and still the highest level in the governorate. Prices stabilized in most of the governorate areas e.g. the 1000 sm areas in Gulf Road which are considered as the highest price areas in Shaab area and in certain places of Istiqlal street as well as certain internal locations.

Prices in Salmiya area reached KD 1,622 per square meter in Q4 and did not witness any change in prices compared to Q3. Average price stabilized in the highest price areas including those overlooking Gulf Road and the next price areas e.g. certain parts of Amr Bin Al-Aas Street. Prices stabilized in several other locations where price reached KD 1,700 and in certain parts of Hamad Al-Mubarak Street and Baghdad Street where price exceeded KD 1,600. Prices did not witness any change in Al-Mugheera Bin Shuaba Street or Amman Street and in main locations covering an area of 750 M2. Meanwhile, prices declined in internal locations of Salmia area covering an area of 1,000 M2 by 1.9% compared to Q3.

Prices declined in Jabriya area by 0.5% thus recording KD1,566 accompanied by a remarkable stability in average price per meter in most of the area locations. This includes the highest price sites in the area which have recorded KD 1,700 per square meter. It also includes places overlooking 4th Ring Road which have crossed the limit of KD 1,670. Prices stabilized in Shanakel Street at KD 1,600 while they declined in places overlooking Maghreb Highway by 3.2% compared to Q3. Prices did not witness any change in main and internal places e.g. places with 750 M2 areas, thus recording KD 1,550 and KD 1,400 per meter respectively in Q4.

Average price per meter in Hawalli area declined by 1.7% to reach KD 1,392 compared to Q3. Prices declined in most of the area locations by 1% - 3%. Prices stabilized in the highest price areas e.g. places overlooking Fahaheel Highway and Cairo Street, thus exceeding KD 1,550. Prices declined in places overlooking Maghreb Highway and 4th Ring Road by 4.3% and 3.3% respectively and in places with lower prices e.g. Qutaiba Street by 3.1%, Muthana Street 1.2%. Also, prices declined in Hasan Al-Basri Street and Yarmouk Street by 1.8% and some internal locations of Hawalli by 1.3%. Prices declined also in places with 1,000 M2 area by 2% compared to Q3.

Table 9: Investment Land Prices at Hawalli Governorate

Region	Building%	Area M2	Street	Land Market Value (KD)		Market Value/ M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Hawally	250%	750	Muthana	1,000,000	1,100,000	1,333	1,467	1,400
	250%	750	Qutaiba	1,050,000	1,150,000	1,400	1,533	1,467
	250%	750	Ahmed Bin Toloun	950,000	1,050,000	1,267	1,400	1,333
	250%	750	Maghrib	1,050,000	1,150,000	1,400	1,533	1,467
	250%	750	Sharhabeel	950,000	1,050,000	1,267	1,400	1,333
	250%	1,000	Internal	1,100,000	1,300,000	1,100	1,300	1,200
General Average in the Area				1,013,333	1,114,333	1,326	1,459	1,392
Al Salmiya	250%	1,000	Gulf	2,600,000	2,900,000	2,600	2,900	2,750
	250%	750	Baghdad	1,162,500	1,250,000	1,550	1,667	1,608
	250%	750	Amman	1,150,000	1,200,000	1,533	1,600	1,567
	250%	750	Bahrain	1,200,000	1,250,000	1,600	1,667	1,633
	250%	750	Amr Bin Aas	1,235,000	1,400,000	1,647	1,867	1,757
	250%	1,000	Main	1,500,000	1,550,000	1,500	1,550	1,525
	250%	1,000	Internal	1,200,000	1,450,000	1,200	1,450	1,325
General Average in the Area				1,196,719	1,309,688	1,549	1,694	1,622
Al Shaab	250%	1,000	Gulf	2,800,000	3,000,000	2,800	3,000	2,900
	250%	750	Internal	1,000,000	1,200,000	1,333	1,600	1,467
General Average in the Area				1,687,500	1,862,500	1,771	1,963	1,867
Al Jaberiya	250%	1,000	4 th Ring	1,650,000	1,700,000	1,650	1,700	1,675
	250%	1,000	Maghrib	1,450,000	1,550,000	1,450	1,550	1,500
	250%	1,000	McDonalds	1,650,000	1,750,000	1,650	1,750	1,700
	250%	750	Internal	980,000	1,125,000	1,307	1,500	1,403
General Average in the Area				1,406,875	1,528,125	1,495	1,625	1,560

Source: Kuwait Finance House

Farwania Governorate

Prices in Farwaniya governorate are still remarkably stable as at Q4, thus recording at KD 1,414/-. Stability is clearly noticed since the beginning of 2017. Accordingly, average price did not witness any change for the third time respectively on annual basis in 2018. These ratios are still better than the decline in prices witnessed in previous years.

Prices stabilized in most of the areas in Farwaniya Governorate including highest price investment areas in the governorate e.g. Riqqa'e area which has recorded KD 1,531 per meter. Prices stabilized in various locations overlooking 5th ring road and some locations opposite 4th ring road. Also, prices stabilized in main and internal places of Riqqa'e area.

Average price stabilized at KD 1,400 per meter in Farwaniya area in Q4 and in places overlooking airport road compared to the preceding quarter. Also, prices stabilized in main locations in the area and other lower price main areas. Prices in Jaleeb Al-Shoyoukh did not witness any change compared to Q3 reaching KD 1,400. 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 reaching KD 1,320 per meter. Prices stabilized in most of the locations overlooking the airport road and in certain places and internal streets and locations in the area.

Table (10) Investment Land Prices at Farwaniya Governorate

Region	Building %	Area M2	Street	Land Market Value (KD)		Market Value/ M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Farwaniya	250%	750	Airport	1,050,000	1,165,000	1,400	1,553	1,477
	250%	750	6 th Ring	1,050,000	1,130,000	1,400	1,507	1,453
	250%	1,000	Internal	1,100,000	1,250,000	1,100	1,250	1,175
	250%	500	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	250%	750	6 th Ring	1,050,000	1,130,000	1,400	1,507	1,453
	250%	1,000	Internal	1,100,000	1,250,000	1,100	1,250	1,175
	250%	600	Internal	750,000	840,000	1,250	1,400	1,325
	General Average in the Area				1,025,000	1,138,000	1,250	1,390
Jaleeb Al Shuyoukh	250%	750	6 th Ring	1,050,000	1,130,000	1,400	1,507	1,453
	250%	750	Police Station	1,040,000	1,130,000	1,387	1,507	1,447
	250%	750	Main	1,000,000	1,100,000	1,333	1,467	1,400
	250%	500	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	250%	750	4 th Ring	1,200,000	1,230,000	1,600	1,640	1,620
	250%	1,000	5 th Ring	1,500,000	1,600,000	1,500	1,600	1,550
	250%	1,000	4 th Ring	1,500,000	1,600,000	1,500	1,600	1,550
	250%	750	Internal Main	1,050,000	1,160,000	1,400	1,547	1,473
General Average in the Area				1,155,000	1,252,857	1,464	1,599	1,531

Mubarak Al-Kabeer Governorate

Average price per meter in Mubarak Al-Kabeer governorate reached at KD 1,273/- in Q4 i.e. an increase by 1% compared to Q3. Prices have witnessed stability for quite some time and took a slow escalating trajectory. Annual change ratio has also taken an escalating trajectory. Decline ratios continue to improve on quarterly basis as well as on annual basis since mid-2016. Accordingly, prices declined in the government on annual basis by 3% in Q4 which is a better decline ratio than the annual decline which has reached 8% and 10% for the same period 2017. Prices did not witness any change as at the end of Q4 in most of the governorate areas compared to the preceding quarter while they declined in some other locations. Average price stabilized in locations overlooking Fahaheel Road which are considered as the higher in price than Sabah Al-Salem area compared to Q3. Prices in locations overlooking the 6th ring road stabilized at more than KD 1,425 in Q4. Prices stabilized also in certain locations and main streets in the area at KD 1,300 while they increased in certain internal 1,000 M2 locations at Sabah Al-Salem area by 4.4% as they reached KD 1,175. Prices increased also in other internal locations covering an area of 750 m2 by 2% thus recording KD 1,200 compared to Q3.

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

Region	Building %	Area M2	Site	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Sabah Al Salem	250%	750	Internal	850,000	950,000	1,133	1,267	1,200
	250%	1,000	Main	1,200,000	1,350,000	1,200	1,350	1,275
	250%	1,000	Fahaheel	1,400,000	1,450,000	1,400	1,450	1,425
	170%	500	6 th Ring	500,000	550,000	1,000	1,100	1,050
General Average in the Area				1,064,286	1,152,857	1,221	1,325	1,273

Source: Kuwait Finance House

Ahmadi Governorate

Average price per square meter in Ahmadi Governorate improved slightly in Q4 to reach more than KD 1,250 compared to KD 1,248 in Q3. However, it is still the lowest price among investment areas at all Kuwait governorates level. Accordingly, annual prices change ratios continue their stability trend.

Prices stabilized in most of the governorate areas including Fahaheel area in which average price per meter reached KD 1,300/-. Prices stabilized in most of the location in the area. Average price stabilized in main streets and in certain parts of Mecca Street which are considered as the highest price locations in the area. Prices did not witness any change in Badawiya Street compared to Q3 and in certain internal locations of 1,000 M2, which are considered as the lowest price areas where price approximated KD 1,100/- per meter in Q3.

Mangaf area comes in second rank price wise among investment areas in the governorate. Average price stabilized at KD 1,281/- as at the end of Q4. Certain locations in the area witnessed stability in prices. Prices stabilized in the coastal strip zone which is considered the highest price area e.g. Mecca Street. Prices stabilized in main locations of Fahaheel highway and Water Station Street. Average price increased by 1.2% compared to Q3 to approximate KD 1,100 per meter in internal locations of 750 m2. Prices stabilized in other internal areas of 1,000 m2 to approximate KD 1,000/-.

Prices increased in Abu-Halifa area by 0.5% as they reached KD 1,250 in Q4, this stability covered most of the locations in the area. Most of the places on the coastal road and certain high price locations did not witness any change in prices. Meanwhile, prices stabilized in internal locations. However, prices increased by 1.6% in some lowest price internal locations.

Prices improved in Fintas area to approximate KD 1,217 with stability in most of the area locations. Certain other highest price locations on the coastal road did not witness any change compared to Q3 and still considered as the highest price locations. Prices stabilized also in Mahboula area which is considered as the lowest price area in the governorate. Prices stabilized in most of the locations including those overlooking Fahaheel Highway and Internal areas covering an area of 750 M2. Prices increased in some internal areas by 1.6% while they stabilized in some other main areas.

Table (12) Investment Land Prices at Ahmadi Governorate

Region	Building %	Area M2	Street From	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 2018
				To	From	To	From	
Al Fintas	250%	750	Fahaheel	950,000	1,000,000	1,267	1,333	1,300
	250%	750	Main	850,000	975,000	1,133	1,300	1,217
	250%	1,000	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				912,500	1,033,333	1,139	1,294	1,217
Abu Halifa	250%	500	Internal	525,000	625,000	1,050	1,250	1,150
	250%	750	Main	850,000	975,000	1,133	1,300	1,217
	250%	1,000	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				918,750	1,025,000	1,179	1,333	1,256
Mangaf	250%	500	Internal	570,000	675,000	1,140	1,350	1,245
	250%	750	Main	1,000,000	1,050,000	1,333	1,400	1,367
	250%	1,000	Main	1,650,000	1,700,000	1,650	1,700	1,675
General Average in the Area				966,429	1,057,143	1,221	1,340	1,281
Mahboula	250%	500	Internal	525,000	625,000	1,050	1,250	1,150
	250%	750	Main	850,000	975,000	1,133	1,300	1,217
	250%	750	Fahaheel	950,000	1,000,000	1,267	1,333	1,300
	250%	1,000	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	250%	500	Internal	600,000	675,000	1,200	1,350	1,275
	250%	750	Main	900,000	1,050,000	1,200	1,400	1,300
	250%	1,000	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

Jahra Governorate

Prices stabilized in Jahra governorate as they reached KD 1,338/- in Q4 & Q3, thus going steadily stable for several quarters. Accordingly, prices did not witness any change in the governorate as at the end of Q4 and the preceding periods this year compared to same periods last year compared to the same period 2017. Annual change ratios take an ascending trend remarkably.

Prices did not witness any change in the investment areas of the governorate in Q4. Prices stabilized in most of the locations e.g. water Station Street where prices did not record any change compared to Q3. Prices stabilized also in average price areas e.g. main and internal locations covering 500 m2 and 1,000 M2 in investment areas.

Table (13) Investment land Prices at Jahraa Governorate

Region	Building%	Area	Street	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 2018
				From	To	From	To	
Al Jahraa	250%	1,000	Internal	1,000,000	1,240,000	1,000	1,240	1,120
	250%	1,000	Main	1,250,000	1,400,000	1,250	1,400	1,325
	250%	800	Khuzami St. (water station)	1,150,000	1,220,000	1,438	1,525	1,481
	250%	500	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 distinct investment in generating income competitively 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 at 7.3% - 8.5% in capital governorate as at the end of Q3 2018 for all governorates level in Kuwait. Capital governorate recorded 7.3% returns on investment real estates as at the end of Q3 2018 while Hawalli governorate recorded an average return of 7.86% for investment real estate.

Average return on investment real estates reached 8.1% in Farwaniya governorate and slightly exceeded the rate of return on commercial real estates in this governorate. Average return in Ahmadi governorate reached 8.3% and stabilized at 8.2% and 8.1% in Mubarak Al-Kabeer and Jahraa as at the end of Q4 & Q3.

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

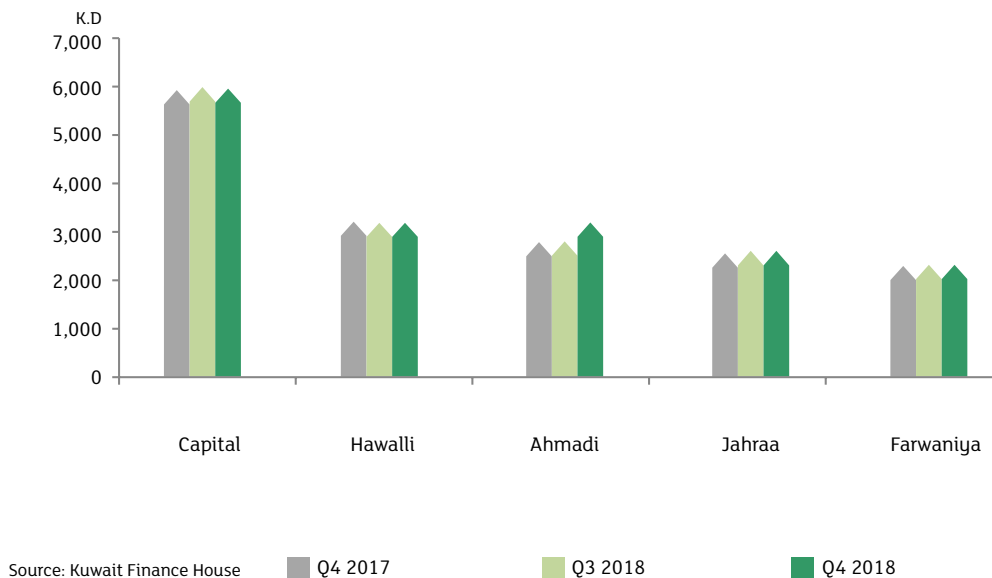
Governorate	Region	Building %	Area M2	Site	Sale Return/Annual Real Estate Income % Q4 2018		
					From	To	Average
Capital	Bneid Al Gar	250	1,000	Gulf	6.50%	7.00%	6.75%
	Bneid Al Gar	250	1000	Istiqlal	7.50%	7.50%	7.50%
	Eastern Maqwa	240	250	Internal	6.50%	7.00%	6.75%
	Dasman	400	1000	Gulf	6.50%	7.00%	6.75%
	Hawalli	250	750	Muthana	8.00%	8.25%	8.13%
Hawalli	Hawalli	250	1000	Mousa Bin Nasir	8.00%	8.25%	8.13%
	Salmiya	250	1000	Gulf	6.50%	7.00%	6.75%
	Salmiya	250	1000	Hamad Mubarak	7.75%	8.00%	7.88%
	Shaab	250	1000	Gulf	6.50%	7.00%	6.75%
	Shaab	250	1000	Internal	7.75%	8.00%	7.88%
Farwaniya	Farwaniya	250	1000	Airport	8.00%	8.00%	8.00%
	Farwaniya	250	750	Internal	8.50%	8.50%	8.50%
	Khaitan	250	750	Airport	8.00%	8.00%	8.00%
	Khaitan	250	750	Internal	8.50%	8.50%	8.50%
	Raqei	250	1000	5 th Ring	7.75%	8.00%	7.88%
Ahmadi	Fintas	250	500	Internal	8.25%	8.50%	8.38%
	Fintas	250	750	Main	8.50%	8.75%	8.63%
	Abu-Halifa	250	500	Internal	8.25%	8.50%	8.38%
	Abu-Halifa	250	1000	Coast	7.00%	7.50%	7.25%
	Mahboula	250	750	Internal	8.50%	8.75%	8.63%
Al Jahraa	Mahboula	250	750	Fahaheel	8.50%	8.50%	8.50%
	Mahboula	250	1000	Coast	7.00%	7.50%	7.25%
	Fahaheel	250	500	Internal	8.25%	8.50%	8.38%
	Fahaheel	250	750	Main	8.50%	8.50%	8.50%
	Jahraa	250	1000	Internal	8.25%	8.50%	8.38%
Mubarak	Jahraa	250	800	Khuzami	8.00%	8.00%	8.00%
	Sabah Al-Salem	170	500	Internal	7.50%	7.50%	7.50%
Al Kabeer	Sabah Al Salem	250	1000	Internal	8.50%	8.50%	8.50%

Source: Kuwait Finance House

Third: Commercial Real Estate Prices

Commercial land prices improved as at the end of Q4 2018 to reach KD 3,437 at all governorates level i.e. an increase by 1.5% compared to KD 3,380 in Q3. Prices started to improve, and annual change ratio started to take the escalating trajectory. On annual basis, prices increased by 2% compared to Q4 2017. Average price change ratio continued to increase in 2018 following the decline in prices witnessed in 2018. Prices are moving better compared to prices in residential and investment sectors.

Figure (19) Average price/ M2 of Commercial Real estate at Kuwait Governorates



Prices in all governorates maintained their stability compared to Q3. Prices stabilized in Hawalli and Farwaniya governorates while they improved slightly in Capital and Jahraa governorates and increased in Ahmadi governorate as at the end of Q4 compared to Q3.

Capital Governorate

Average price per meter at Capital governorate reached KD 6,000 as at the end of Q4 compared to less than that in Q3. Accordingly, prices have increased on annual basis by 1.2% and continued their escalating trajectory during 2018.

Price levels stabilized in most of the commercial real estate areas in capital governorate as at the end of Q4 including highest price areas in downtown. Average price per meter reached KD 7,350 e.g. Mubarak Al-Kabeer (near Boursa) while average price did not exceed KD 6,400 in other locations of the street e.g. blocks area. Average price stabilized also at KD 6,250 e.g. certain locations of Abdul-Aziz Al-Saqer Street (Shuhadaa). Price recorded little less than that in Ali Al-Salem Street. Prices stabilized in certain areas downtown e.g. Sour Street reaching less than KD 6,000 while they reached KD 4,150 in other locations as at the end of Q4.

Prices in Qibla did not witness any change as they reached KD 7,000 in certain places of Fahad Al-Salem Street and reached less than that KD 6,250 in other locations including Gharaballi Market and KD 6,100 in Abdullah Al-Mubarak Street. Prices stabilized in certain locations of Ali Al-Salem Street as they did not exceed KD 5,900 per meter while they increased by 1.5% in other locations, thus exceeding KD 5,000 including 1,000 m2 areas. Average price in Mubarakiya area stabilized at KD 5,500 in Q4 and Q3 2018.

Table (15) Commercial Land Prices at Capital Governorate

Region	Building %	Street	Area M2	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 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	4,687,500	5,250,000	6,250	7,000	6,625
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 stabilized at KD 3,200/- in Q4 2018. This stability comes following the slight decline in prices witnessed at the beginning of the year. On annual basis, prices declined by 1% compared to Q4 2017. These ratios are more favorable compared to the decline by 3.2% and 5.6% at certain periods of 2017.

Average price stabilized in most of the commercial areas in the governorate and the highest price commercial areas. In Salmia and certain parts of Salem Al-Mubarak Street, price per meter stabilized at KD 3,700/- while price exceeded KD 3,100/- in certain places of Hamad Al-Mubarak Street. Prices stabilized in the commercial locations of Bahrain Street at more than KD 2,700 per meter.

Average price stabilized in Hawalli area and most of its commercial areas. Prices in several places of Tunis St. and Beirut St. reached KD 3,500/-. Average price in certain parts of Ibn Khaldoun Street reached KD 3,100. Meanwhile, prices stabilized in several available sites of Othman Street at less than KD 2,800 per meter as at the end of Q4.

Table (16) Commercial Land Prices at Hawalli Governorate

Region	Building %	Street	Area	Market Value of Land (KD)		Market Value per M ² in (KD)		Average Price per M ² Q4 2018
				From	To	From	To	
Hawalli	180%	Tunis	1000	3,350,000	3,600,000	3,350	3,600	3,475
	150%	Othman	750	1,950,000	2,175,000	2,600	2,900	2,750
Salmiya	180%	Hamad Mubarak	800	2,360,000	2,640,000	2,950	3,300	3,125
	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 at Farwaniya governorate as at the end of Q4 2018, recording KD 2,320/- per meter. Prices have been stable for several quarter. Quarterly price change ratios in the governorate are improving. On annual basis, price per meter continued improving as it maintained an improving annual change ratio which recorded 0.5% compared to Q4 2017 compared to decline ratio by 4.9% during certain periods of 2017.

Prices stabilized as at the end of Q4 2018 in most of Farwaniya governorate areas. However, prices have recorded a limited increase in some of the governorate areas. Average price stabilized in the highest price areas in the governorate as at the end of Q4 e.g. Munawer Street in Farwania which has recorded KD 4,800 per square meter in places covering an area of 750 M2. In lower price areas average price recorded less than KD 4,600 per meter in places covering an area of 1,000 M2. No changes were detected in several locations of Fire Brigade Street compared to Q3.

Average price stabilized in Khaitan area compared to Q3 e.g. locations opposite the commercial and office center where price reached KD 3,800 per meter. Average price stabilized in certain places of Jelaib Al-Shoyoukh area e.g. those located in Cooperative Society street. Meanwhile, prices declined in internal streets to less than KD 2000 per meter i.e. a decline by 3.7% compared to A3 2018.

Average price stabilized as at the end of Q4 in Dhajeej area including locations overlooking 6th Ring Road and internal locations at KD 1,100 per meter. Also, prices stabilized in Dhajeej area – South Khaitan in internal locations at less than KD 900 and in places overlooking 6th Ring Road at more than KD 500. Prices increased in Ardiya area e.g. certain main streets as at the end of Q4 by 2.2% approximating KD 1,200 per square meter. Prices increased significantly in the internal areas by 9%, thus recording KD 1,050/- per square meter.

Table (17) Commercial Land Prices at Farwaniya Governorate

Region	Building%	Street	Area	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 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
Khaitan	180%	Opposite Office and Commercial	1,000	3,500,000	4,000,000	3,500	4,000	3,750
Jaleeb Al Shuyoukh (Background)	180%	Internal	1,000	1,850,000	2,100,000	1,850	2,100	1,975
Dhajeej (5000 m) 6 th ring road	50%	6 th 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	1,000,000	1,100,000	1,000	1,100	1,050

Ahmadi Governorate

Prices at Ahmadi governorate improved as at the end of Q4 to reach KD 3,050/- i.e. an increase by 1% compared to Q3. It is noticed that prices have been improving during the whole year compared to the same periods in the preceding year. On annual basis, average price per meter continued its improvement by 8% compared to Q4 2018 which has witnessed a limited annual increase.

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 of its sites KD 4,200/- which is the highest price among governorate areas. Next comes prices in Dabous Street exceeding KD 3,700/-. Prices stabilized in several parts of Mecca Street. Prices did not witness any change in several internal places in the area as they stood at KD 3,000/- per meter as at the end of Q4.

Average price per square meter stabilized in most of the places in the governorate. Meanwhile price increased in Fintas area, internal and main streets, by 2.9% to reach KD 3,500/-. Prices stabilized also at less than that in internal streets in the area. Prices did not witness any change in Azeezia Street at Mangaf as they recorded KD 1,950 per meter and in Khiran Pearl which is considered as the lowest price area at the governorate level e.g. internal areas exceeded KD 1,000/- in Q4 i.e. a remarkable increase by 14% compared to Q3.

Table (18) Commercial Land Prices at Ahmadi Governorate

Region	Building %	Street	Area	Land Market Value (KD)		Market Value/M ² (KD)		Average Price/M ² Q4 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	3,400,000	3,600,000	3,400	3,600	3,500
	180%	Internal	1,000	3,000,000	3,400,000	3,000	3,400	3,200
Fahaheel	180%	Internal	750	2,062,500	2,437,500	2,750	3,250	3,000
Fahaheel	180%	Coastal road	750	3,000,000	3,375,000	4,000	4,500	4,250
Fahaheel	180%	Mecca	750	2,625,000	2,850,000	3,500	3,800	3,650
Khiran Pearl	180%	Marina	2,000	1,900,000	2,000,000	950	1,100	1,025

Source: Kuwait Finance House

Jahra Governorate

Average price per square meter in Jahra governorate stabilized at KD 2,610 as at the end of Q4 2018 following a limited. Prices maintained their annual increase recording 1.4% in Q4. Several annual increases have been recorded respectively at the governorate level.

Prices stabilized in most of the governorate areas as at the end of Q4 compared to the preceding quarter this year e.g. the highest price places such as the commercial and office center in Jahra, and in places where price per square meter reached KD 2,700 e.g. several places in Jahra area including Marzouq Al-Met'eb Street.

Price levels in Qaisariyat area stabilized in Q4, thus recording KD 2,650 for the third quarter respectively. Average price did not witness any change in certain parts of Jahra area including places with an area of 1,000/- M2 e.g. block 41, thus recording KD 2,200 per meter and in commercial locations e.g. Block 21 where average price reached KD 1,850 as at the end of Q4 & Q3.

Table (19) Commercial Land Prices at Jahra Governorate

Region	Building %	Street	Area	Land Market Value (KD)		Market Value/ M ² (KD)		Average Price/M ² Q3 2018
				From	To	From	To	
				Jahraa	50%	Marzouk Al-Mat'aab	1,000	
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 stabilized in most of the commercial areas in all governorates as at the end of Q4. However, rates of return are still relatively lower than the returns on investment properties in some governorates except Hawalli governorate where the rate of return on commercial properties is more than the rate of return on investment property.

Average return on commercial property in Capital Governorate stabilized, thus recording 7% as at the end of Q4 and Q3 2018 compared to a higher return by 7.3% on investment real estates. Meanwhile, such ratios have reached 7.89% in Hawalli Governorate, thus exceeding returns on investment real estate in the governorate which has reached 7.85%. Because of the increased expectations related to the future of business and office sector, especially in significant areas. Average return on commercial real estates reached 8% in some distinguished areas of Salmiya while it ranges area 7.7% : 7.9% in some other areas of Hawalli.

Average return on commercial properties in Farwaniya governorate reached 8.1% i.e. the same rate of return on investment properties in the governorate. Average return in some distinguished commercial areas reached 8.4% e.g. Jaleeb Al-Shoyoukh, Dhajeej and internal areas. Average return on commercial real estates in Jahra governorate stabilized at 7.9%. Average return in the distinguished Jahra commercial area has exceeded 8.1%. 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 8.1% in Fintas and Fahaheel areas and exceeds 8.2% in some distinguished places of the governorate e.g. Mangaf area in Q4.

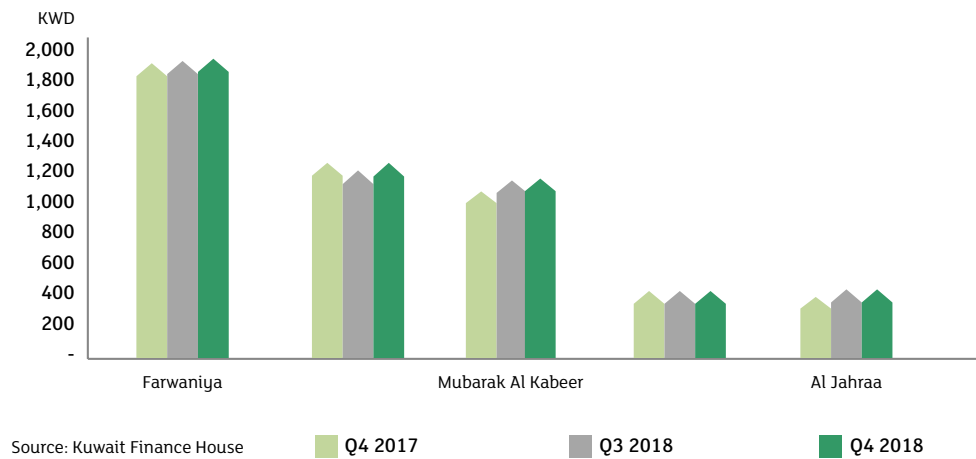
Table (20) Annual Rate of Return (ARR) on Commercial Properties In Certain Kuwait Areas

Governorate	Region	Building %	Street	Average Annual Return %		
				Q4 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	7.50%	8.00%	7.75%
	Hawalli	180	Beirut	7.50%	8.00%	7.75%
	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	7.50%	7.75%	7.63%
	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%
	Dhajej (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 reached KD 942/- as at the end of Q4 i.e. an increase by 3.4% compared to Q3 which has recorded KD 912/- per square meter. Accordingly, prices have continued their escalating trajectory since the beginning of 2017 bearing in mind that prices have improved in most of the industrial plots at all governorates level except some plots located at Jahra governorate. Accordingly, average price per meter increased on annual basis by 5% for all governorates compared to the same period 2017, driven by the continued and remarkable increase in prices levels for most of the governorates. Prices stabilized in Capital governorate compared to Q4 2018.

Figure (20) Average Market Value/ M2 for Industrial and Handcraft Property at Kuwait Governorates



Capital Governorate

At various governorates level, average price per square meter increased in capital governorate as at the end of Q4, thus recording KD 1,077 as at the end of Q4 i.e. an increase by 2.8% compared to KD 1,048 per meter i.e. a decline by 6.4% on quarterly basis. The escalating trajectory of prices which has started at the beginning of 2017 has slowed down. Meanwhile, average price per square meter did not witness any change in Q4 2018 for the second time respectively compared to the same periods 2017.

The movement in average price in industrial area of the governorate differed as at the end of Q4. Prices increased in most of the locations while they stabilized in few areas at the governorate level. Locations where prices increased include Electricity Street, highest price in Industrial Shuwaikh. Price per meter in certain locations reached KD 1,500. average price in other industrial areas of this street reached KD 1,450 i.e. an increase by 3.6% compared to prices in Q3. Prices stabilized in certain locations of Decoration Street and increased in some other locations by 3.6% compared to Q3 prices. This area is considered as the second highest price area at the governorate level. prices increased in certain locations of Canada dry Street as they reached KD 1,450 i.e. an increase by 3.6%. Also, prices increased in other locations of the same street to reach KD 1,150 i.e. an increase by 4.5% compared to Q3.

Prices increased in showrooms and industrial plots located at the 4th Ring Road to reach KD 950 i.e. an increase by 2.7% compared to Q3. Prices stabilized in some locations of Jahraa Road and in certain industrial plots of Mohammed Bin Al-Qasem Street, thus recording KD 950 per meter while they increased in certain locations of Ghazzalli street to KD 775 per meter i.e. an increase by 3.3%. prices in certain internal locations of 1,000 M2 area reached KD 575 and reached less than that to KD 478 in plots having an area of 22,500 M2.

Table 21: Industrial Plot Prices at Capital Governorate

Region	Allocation	Area M2	Building %	Street	Land Market Value (KD)		Average Price/M ² Q4 2018	
Industrial Shuwaikh	Showrooms + Industrial	1,000	100% Basement	Canadadry St.	1,350,000	1,550,000	1,450	
		5,000		Canadadry St.	5,000,000	6,500,000	1,150	
		1,000		Shahrazad St.	800,000	1,100,000	950	
		1,000		Decoration St.	1,350,000	1,550,000	1,450	
		500		Decoration St.	725,000	775,000	1500	
		500		+	Electricity St.	1,350,000	1,550,000	1,450
		5,000		80% Ground	Pepsi St.	3,750,000	4,500,000	825
		1,000		+	4 th Ring Road	850,000	1,050,000	950
		22,500		50% Mezzanine	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	850,000	775
General Average in the Area					2,069,231	2,650,000	1,077	

Source: Kuwait Finance House

Farwania Governorate

Prices in Farwaniya governorate continue their escalating trajectory in the industrial real estate sector, thus increasing to reach a level which has not been reached since the beginning of 2015, recording KD 1,783 per meter in Q4 i.e. an increase by 4% (highest in 1.5 years) compared to Q3. Average price is still the highest at all governorates level. Accordingly, prices have increased by 5% on annual basis and continued its strong escalating trajectory.

Prices have increased at the end of Q4 in most of the industrial areas of the governorate compared to Q3 2018. Prices increased in Ardiya hand craft area, exceeding KD 2,600/- recording an increase by 5.1% compared to Q3. Prices are still the highest in the industrial area. Prices increased in some other sites of Ardiya area including those overlooking 5th ring road by 7.2% compared to Q3. Prices stabilized in places opposite Ardiya Stores while they increased in other places opposite Ardiya residential area by 4.7% where average price reached KD 2,700 as at the end of Q4. Prices recorded an increase in some internal areas to reach KD 2,300 i.e. an increase by 9% compared to Q3.

Prices increased in Rai area, recording KD 936 as at the end of Q4 i.e. an increase by 1% compared to Q3. Prices stabilized in most of the area locations while they increased in certain other limited sites. 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 950/- per meter. Prices increased in certain parts of Ghazalli Street to reach KD 900/- i.e. an increase by 5.9% and increased in Car Showrooms area to reach KD 800/- at the end of Q4. Prices increased in the internal streets of the area to reach KD 960/- per meter.

Table 22: Industrial Plot Prices at Farwaniya Governorate

Region	Allocation	Area	Building %	Site	Street	Land Market Value (KD)		Average Price/ M ² Q4 2018
						From	To	
Al Rai	Showrooms + Industrial	1,000	100% Basement	Main	Safat Al Ghanim (till Al Nasr Sports)	1,150,000	1,250,000	1,200
		1,000	80% Ground	Main	Ghazali St.	800,000	1,000,000	900
		4,000	50% Mezzanine	Main	Mohammad Al Qasim	3,400,000	4,250,000	956
General Average in the Area						1,825,333	2,200,000	936
Ardiya Craft Area	Crafts	250	100% Basement +	Main	Opposite Ardiya Stores	630,000	680,000	2,620
		250	80% GF +	Main	Opposite Ardiya Residential	650,000	700,000	2,700
			20% Mezzanine					
General Average in the Area						620,000	695,000	2,630

Source: Kuwait Finance House

Ahmadi Governorate

Average price per square meter improved to reach KD 395 as at the end of Q4 in Ahmadi governorate. Prices have taken an escalating trajectory following a continued stability period since the beginning of 2017. Average price increase by 2.7% compared to Q3. This performance has reflected positively on the annual change ratio, marking an increase by 3% compared to Q4 2017. Annual change ratio continues its strong escalating trajectory since the last two years.

Average price stabilized in most of the industrial areas at Ahmadi Governorate as at the end of Q4 compared to the preceding quarter. Prices improved in Fahaheel to reach KD 675 i.e. an increase by 1.3% compared to Q3. Prices are still the highest among industrial areas at the governorate despite the stability in prices in some of the locations in the area e.g. certain parts of Sultan Center Street and other locations opposite refineries. Prices increased in internal streets by 5.9% as at the end of Q3.

Prices increased in East Ahmadi industrial area to reach KD 400 i.e. an increase by 5.6% compared to Q3. Prices stabilized in several places of the area e.g. Mustafa Karam Street as well as several places in the main warehouses area covering an area of 5,000 m² and increased in certain internal warehouses covering an area 1,000 M², thus exceeding KD 375. Also, it increased in other locations covering an area of an area 5,500 M² thus recording KD 315. Prices stabilized in low price areas e.g. Shuaiba area and Mina Abdullah at KD 110 and stabilized at the highest price areas e.g. Jawharat Al-Fanar, most of the internal and main areas, main locations of eastern Shuaiba area, Mina Abdullah areas, gravel storage area, and internal areas of Mina Abdullah.

Table 23: Industrial Plot Prices at Ahmadi Governorate

Region	Allocation	Area M2	Street	Land Market Value		Average Price/ M ²
				(KD)		Q4 2018
West Shuaiba		120,000	Behind Gas Station	8,500,000	10,500,000	79
West Shuaiba	Industrial	10,000	Internal	1,350,000	1,550,000	145
Mina Abdullah		1000	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	400,000	500,000	450
General Average in the Area				600,000	750,000	675
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				1,900,000	2,075,000	400

Source: Kuwait Finance House

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

Region	Allocation	Area	Street	Land Market Value		Average Price/ M ²
				(KD)		Q4 2018
Abu Fatira Crafts	Showrooms	1,000	Main	1,900,000	2,000,000	1,950
Abu Fatira Crafts	Handcraft	5,00	Main	650,000	750,000	1,425
General Average in the Area				1,237,500	1,437,500	1,700
Sabhan	Industrial	1,000	Main	400,000	550,000	475
		1,000	Pepsi	2,250,000	2,500,000	475
		5,000	Pepsi	350,000	400,000	375
General Average in the Area				1,133,333	1,308,333	438

Source: Kuwait Finance House

Table 25: Prices of Industrial Plots in Al Jahraa Governorate

Region	Allocation	Area	Street	Land Market Value		Average Price/M ²
				(KD)		Q4 2018
Amghara	Major Contractors	10,000	Internal	1,300,000	1,500,000	140
		10,000	Main	850,000	1,000,000	185
	Minor Contractors	1000	Internal	165,000	190,000	178
		1000	Main	190,000	210,000	200
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				190,000	247,500	603

Source: Kuwait Finance House

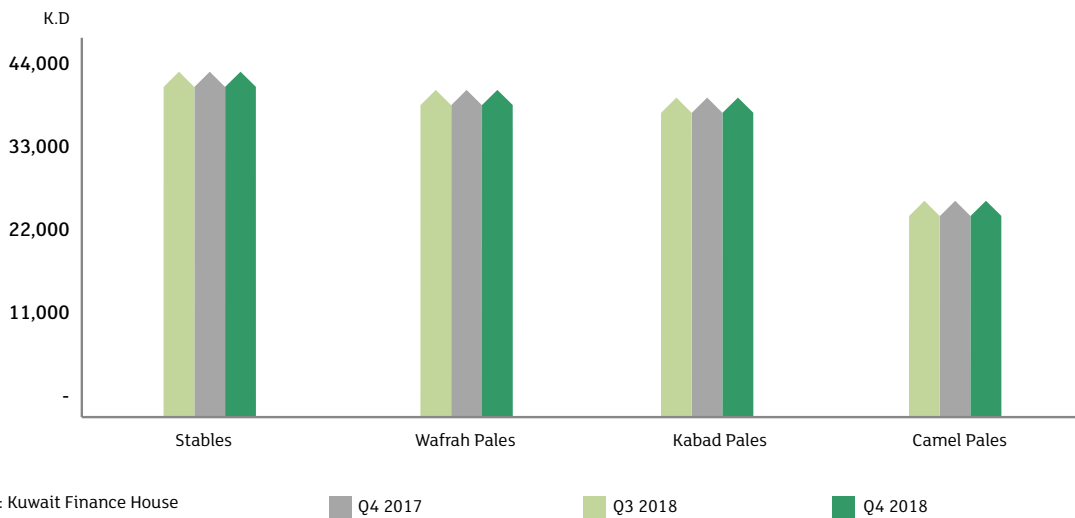
Fifth: Prices of Farms and Livestock Pales

Prices of livestock pales and stables increased by 1% as at the end of Q4 compared to the preceding quarter and stabilized remarkably in most of the livestock pales and stables in Ahmadi Governorate. Estimated usufruct price of land having an area of 1,465 M2 has exceeded KD 35.2 Thousand i.e. an increase by 1% compared to the estimated average price on annual basis.

Prices improved in certain governorate areas and stabilized in most of the other governorate areas. Estimated usufruct price of land in a 2,500 M2 area at Kabd Farms increased to reach KD 42.8 Thousand i.e. an increase by 1% compared to Q3. Price per meter in this area ranged KD 18 – 24. Average price per square meter of land in certain locations at the livestock pales area with 1,600 M2 area stabilized KD 40 Thousand. Price per meter in these areas ranges 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 while price per meter ranged KD 12 – 18 as at the end of Q4.

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 KD 83 in other locations e.g. racecourse.

Figure (21) Average estimated price of usufruct right at Livestock farms and Stables at Ahmadi Governorate



Source: Kuwait Finance House



Agricultural Land in Jahra and Ahmadi Governorates

Prices stabilized in the farms area as at the end of Q4 & Q3 2018 in farms area. Estimated Average Price per square meter of usufruct land recorded K.D 3 in agricultural land in Kuwait governorates. Average price stabilized at KD 3.5 in land covering an area of 50,000 M2 and KD 2.4 per meter for land covering 100 thousand M2. Prices stabilized in land covering 1 Million M2 at KD 3.4 M2. 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 Q4 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 / M2. 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 50 thousand meters stabilized also as at the end of Q4 2018.

Table 26: Prices of Farms and Livestock Pales

Governorate	Region	Area	Site	Estimated Plot Usufruct Price (KD)		Price / M ² (KD)		** A/P Q4 2018
				from	To	From	To	
Ahmadi	Kabd Pales	2,500	Internal	45,000	50,000	18	20	47,500
	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

Quarter 4 2018 has coincided with the beginning of Winter season. This could be the reason behind the slowdown in demand on this type of lands. 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 Q4 this year.

Average price per square meter at the sea front in Ahmadi governorate reached KD 14.4 Thousand as at the end of Q4 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. Prices stabilized also in average price areas of Dhaba'eya.

Prices did not witness any change in Q4 in capital governorate compared to the preceding quarter. Prices stabilized in governorate areas e.g. Doha area. Prices stabilized also in Jahra governorate and in certain chalets of Kazma and Sabbiya areas.

Table 27: Chalet Prices at Al-Ahmadi Governorate

Governorate	Region	Waterfront Length in Meters	Chalet Market Value		Price/Linear Meter - Waterfront (KD)		**A/P/m ² Waterfront Q4 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	190,000	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 m² in capital governorate has stabilized at KD 482 as at the end of Q4 2018 in a private residence real estate. It reached KD 460 in Daeya, KD 500 in Qadisiya, and reached KD 540 in certain distinguished locations of the governorate e.g. Faiha area. Average rent value in Hawalli declined by 3% on an annual basis to reach KD 443/- at the end of Q4. Average rent ranged between KD 400 to more than KD 450/- and reached KD 460 – 470 in certain distinguished areas e.g. Siddique and Shaab areas as at the end of Q4 2018. Meanwhile, average rent in Farwaniya governorate reached less than KD 360 i.e. a decline by 2% on annual basis. Average rent reached KD 350 for this area in most of the governorate areas. Also, it surpassed KD 380 in certain distinguished areas e.g. Ishbiliya. Average price in Mubarak Al-Kabeer area reached less than KD 360 for the same area i.e. a decline by 4% on annual basis. Average rent reached KD 360 in Addan and Qosour areas, more than KD 380 in Sabah Al-Salem, KD 440 in Masayel. Average rent value stabilized in Ahmadi governorate on annual basis as it approximated KD 400. The price recorded KD 360 in Mangaf and KD 380 in Fintas. Average rent value stabilized on annual basis in Jahra Governorate as it reached KD 350 while it reached KD 360 in other places e.g. old Jahra sites as at the end of Q4.

Rental value for a full floor in a private residence covering an area of 400 meters: Average rent value for this category reached KD 880 as at the end of Q4 2018 compared to Q4 2017. Average value reached KD 900 in Qadisiya area and exceeded this value in some distinguished sites e.g. Edailiya, Faihaa and Rawda when it reached KD 1,000/-. Average value declined by 1% on annual basis in Hawalli governorate as it recorded KD 825 and reached KD 850 in certain distinguished parts of the governorate. Also, it reached KD 900 in most distinguished places. Average rent value in Farwaniya governorate reached KD 650 i.e. a decline by 3% on annual basis and reached KD 640 in most of the governorate areas e.g. Omariya and reached KD 700 in Ishbiliya.

Average rental value stabilized in Ahmadi governorate at KD 660 in Q4, while it reached KD 640 in most of the areas and KD 700 in certain distinguished areas in the governorate e.g. Eqaila. Average rent value declined in Mubarak Al-Kabeer to KD 580 i.e. a decline by 5% on annual basis and recorded KD 640 in most of the areas e.g. Addan and Qurain areas. Average rent declined in Abu-Fatira and Sabah Al-Salem areas by %8, thus recording KD 700 in both areas. In Jahraa governorate, average rent value reached KD 620, KD 600 in Saad Al-Abdullah and KD 640 in old Jahraa as at the end of Q4.

Average rental value for a full first or second floor at a private residence covering an area of 400 meter: Average rent value has exceeded KD 780 at capital governorate as at the end of Q4 without any change on annual basis and reaches KD 900 in the highest price areas e.g. Edailiya, Faihaa and Rawda. Average rent value reached KD 740 in most of the governorate areas. In the lowest price areas in the governorate e.g. Ghernata and Sulaibikhat, average rent value reached KD 580 and KD 540. Average rent value declined by 1% in Hawalli governorate, thus recording KD 725 and reached KD 800 in some distinguished parts. Average rent recorded KD 750 in most of the governorate areas and stabilized on annual basis. Average rent reached KD 600 in the lowest price area Salwa while it declined in Farwaniya governorate to reach KD 550 i.e. a decline by 4% on annual basis. Also, it reached KD 600 in Ishbiliya and recorded KD 540 in most of the governorate areas as at the end of Q4.

Rental value at Ahmadi governorate stabilized on annual basis to reach KD 560 and reached more than this in certain governorate areas e.g. Egaila area as it reached KD 600. Average rent in Mubarak Al-Kabeer governorate reached KD 480 i.e. a decline by 6% on annual basis. Rent value stabilized in Jahra governorate, thus recording KD 520 as at the end of Q4.

Investment Residence Rental Value

Average rental value of a 2 bed rooms flat and a hall covering an area of 60 m² in capital governorate declined to reach KD 315 i.e. a decline by 2% on annual basis, while it reached KD 295 for the same area in Hawalli i.e. a decline by 4% compared to Q4 2017. Rental value declined in Farwaniya area by 3% as the average rent reached KD 280 and declined by the same percentage on annual basis in Ahmadi governorate as it reached KD 256. Average rent value stabilized at Jahra governorate reached KD 285 in Mubarak Al-Kabeer and Jahra governorates as at the end of Q4. Rental value of a 2 bed rooms flats + a hall covering an area of 70 – 74 m² in Q4 2018 reached KD 345 in Capital governorate i.e. a decline by 1% on annual basis and ranged KD 320 – 345 in Hawalli governorate areas i.e. a decline by 3% on annual basis at the governorate level. Rent value ranged KD 305 – 310 in Farwaniya governorate i.e. a decline by 2% on annual basis while it ranged KD 280 – 300 in Ahmadi governorate i.e. a decline by 3% on annual basis. Average rent for this area declined by 2% for Mubarak Al-Kabeer while it has not changed at Jahra governorates in Q4 when reached KD 315 for each of them.

Rental value for investment apartments covering an area of 80 – 85 m² reached KD 375 in Capital governorate i.e. a decline by 1% on annual basis and reached KD 355 in Hawalli governorate i.e. a decline by 3%. Average rent in Farwaniya governorate reached KD 340 i.e. a decline by 2%. Rental value in Ahmadi governorate ranged KD 310 – 330 while average rent value reached KD 316 i.e. a decline by 2% on annual basis. Average rent value in Mubarak Al-Kabeer reached KD 345 declined 2% while it stabilized at Jahra governorates as at the end of Q4 on annual basis. Rental value for a flat covering an area of 100 – 110 m² reached KD 425 at Capital governorate level i.e. a decline by 1% on annual basis. Average rent ranged 380 – 425 in Hawalli governorate areas, thus declining to reach KD 391 i.e. a decline by 3% on annual basis. Average rent ranged KD 380 – 400 in Farwaniya governorate i.e. a decline by 2% on annual basis and ranged KD 360 – 380 in Ahmadi governorate i.e. a decline by 2% on annual basis. Average value reached KD 395 in each of Mubarak Al-Kabeer and Jahra governorates.

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 / m² in Hawalli and reached KD 35/- m² in certain distinguished areas of downtown at the capital. Rental value of a commercial meter reached KD 50/- in Salmiya. Average rent / m² 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 /m² 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, it may be recording more 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 industrial area 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 range to reach 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 Kuwait Governorates during Q4 2018

Hawalli Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1 st & 2 nd Floor) (135) m		Full Floor (Ground)		Full Floor (1 st & 2 nd)	
Siddique	400	520	800	900	700	800
Salaam	400	500	800	900	700	800
Hitteen	400	500	800	900	700	800
Shuhadaa	400	500	800	900	700	800
Zahraa	400	500	800	900	700	800
Shaab	420	520	850	950	750	850
Mishrif	380	480	750	850	650	750
Bayan	380	480	750	850	650	750
Mubarak Al-Abdullah	400	500	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 (1 st & 2 nd Floor) (135)m		Full Floor (Ground)		Full Floor (1 st & 2 nd)	
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

Farwaniya Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1 st & 2 nd Floor) (135)m		Full Floor (Ground)		Full Floor (1 st & 2 nd)	
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 (1 st & 2 nd Floor) (135)m		Full Floor (Ground)		Full Floor (1 st & 2 nd)	
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 (1 st & 2 nd Floor) (135)m		Full Floor (Ground)		Full Floor (1 st & 2 nd)	
Sabah Al-Salem	350	420	650	750	550	650
Masayel	400	480	750	850	650	750
Abu-Fatira – Residential	350	420	650	750	550	650
Addan	320	400	590	690	490	590
Qurain	320	400	590	690	490	590
Jahra Governorate	3 Bedrooms, a Hall & 4 Bathroom + Maid Room (1 st & 2 nd Floor) (135)m		Full Floor (Ground)		Full Floor (1 st & 2 nd)	
Old Jahra	320	400	590	690	490	590
Saad Al-Abdullah	300	380	550	650	450	550

Source: Kuwait Finance House

Table 31: Average Rental Value Investment Properties in Kuwait Governorates during Q4 2018 (KD)

Hawalli Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & maid (100 – 110)m	
Salmiya	310	270	340	300	370	330	420	380
Hawalli	290	260	320	290	350	320	400	370
Jabriya	320	280	350	310	380	340	430	390
Shaab	330	300	360	330	390	360	440	410
Capital Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & maid (100 – 110)m	
Sharq	330	300	360	330	390	360	440	410
Qibla	330	300	360	330	390	360	440	410
Eastern Muqawa	330	300	360	330	390	360	440	410
Dasman	330	300	360	330	390	360	440	410
Bneid Al Gar	330	300	360	330	390	360	440	410
Farwaniya Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & maid (100 – 110)m	
Khaitan	300	260	330	290	360	320	410	370
Farwaniya	300	260	330	290	360	320	410	370
Jaleeb Al Shuyoukh	290	260	320	290	350	320	400	370
Raqei	310	270	340	300	370	330	420	380
Ahmadi Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & maid (100 – 110)m	
Fintas	260	240	290	270	320	300	370	350
Mahboula	260	240	290	270	320	300	370	350
Abu Halifa	260	240	290	270	320	300	370	350
Mangaf	270	250	300	280	330	310	380	360
Fahaheel	280	260	310	290	340	320	390	370
Mubarak Al Kabeer Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & maid (100 – 110)m	
Sabah Al Salem	300	270	330	300	360	330	410	380
Jahraa Governorate	2 Bedrooms, a Hall & Bathroom (60)m		2 Bedrooms, a Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, 2 Bathrooms (80 - 85)m		3 Bedrooms, a Hall & maid (100 – 110)m	
Al Jahraa	300	270	330	300	360	330	410	380

Table 32: Average Rental Value Trading of Commercial Properties At Kuwait Governorates "Q4 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	12 - 14	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

Source: Kuwait Finance House

Table 33: Average Rental Value per Square Meter of Industrial Plots At Kuwait Governorates during Q4 2018 (KD)

Areas	Basement	Ground Floor	Mezzanine	Price Index
Industrial Shuwaikh	4 - 3	6.5 - 15	3.5 - 4	Unit Area = 40 m
Al Rai	4 - 3	6.5 - 15	3.5 - 4	Excluding rental values in Avenues Mall
Sabhan	3 - 2.5	6 - 3.5	3 - 4	► Upon allocating stores for the GF, Price/M ² ranges KD 4 - KD 5
Ardiya (Stores)	3 - 4 As per Height	6.5 - 7	3.5 - 4	► Price/M ² = KD 8 - 6 for a 100-m ² showroom at Ground Floor
	3 - 3.5 As per height	12 - 20	4 - 5	► Price/M ² = KD 8 - 6 for a 100-m ² 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

Source: Kuwait Finance House

- 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 report highlights the general trends of Kuwait Real estate market trading prices. However, the method applied by the Evaluation and Studies department 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 m². Areas allocated for vision angles shall be computed as part of the area required to construct the complex.

Buildings In Various Coastal Strip Areas:

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

Buildings allocated as plant nurseries:

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

Special Seafront Chalet:

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

Private Hospitals

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

UNITS OF MEASUREMENT

Length

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

Area

- The International unit for measuring length is the Square Meter (M²)
- 1 Hectare = 10 Donum = 2.471 Feddan = 10,000 M²
- Feddan or Acre = 4046.8 M²
- 1 Donam = 1,000 M²
- 1 Square Meter = 10,764 Feet

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