



Kuwait Finance House “KFH”

Report On Local Real Estate Market - Q3 2018



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Introduction

Real estate sector maintained in Q3 the same growth realized in Q2, thus recording 5.7% for total sales compared to Q2. Total real estate trading value stabilized in Q3 at KD 906 Million i.e. the highest value recorded since Q3 2015. Total value recorded during Q1 – Q3 this year exceeds the value recorded by this sector for the same periods last year due to the growth in the value of sales in both investment and commercial sectors during the said period this year compared to last year.

As quarter 3 has coincided with seasonal and summer holidays, it is anticipated that the market performance would be weak. However, the real estate sector has achieved positive performance on quarterly basis, thus contributing to the remarkable increase by 54% on annual basis. Meanwhile oil prices have been increasing positively since Q1 2017 despite the slight decline witnessed on quarterly basis in the number of real estate sales which are still exceeding 1,500 transactions in Q3 2018 i.e. third highest level in the number of transactions compared to the high levels achieved in 2014. The number of transactions has increased remarkably by 31% on annual basis.

Real estate sales value in private residence sector declined slightly as at the end of Q3 compared to the preceding quarter i.e. a decline by 5%. The number of transactions recorded a slight increase during the said period, exceeding the 1,000 transaction limit for the second quarter respectively. Accordingly, the number of transactions increased remarkably in Q3 by 27% compared to the limited level recorded for the same period last year of more than 800 transactions. The value of sales increased by 19% on annual basis this year compared to the sales which did not exceed KD 300 Million in Q3 last year.

Investment sector maintained its earnings in Q3 compared to the preceding quarter. Sales value continued its growth, thus exceeding KD 400 Million in Q3 i.e. highest limit achieved since Mid-2015. The value of sales increased remarkably in Q3 by 21% on quarterly basis. Despite the significant decline in number of transactions yet it is still higher than the levels achieved through all quarters since 2014 as the value in Q3 has exceeded double the sales recorded for the same period last year where sales were at their lowest level. The increase in sales was achieved for the third time respectively as it reached 65%.

The value of sales in commercial sector continue its ascending trend as it increased slightly in Q3. The value of sales reached its highest level since the beginning of last year. Meanwhile, the number of sales increased slightly by 3% on quarterly basis while the value and number of sales indicators in the commercial real estate sector recorded a significant increase on annual basis.

The said improvement comes as a new reflection of the positive performance of economy due to the increase in oil prices. Kuwaiti oil price closed as at the end of Q3 2018 on US\$ 82.7 / barrel as per Reuters, thus maintaining its remarkable ascending trend and earnings achieved during the preceding periods this year i.e. an increase by 4.1% on quarterly basis and a significant annual increase by 45%. However, the significant increase in oil prices did not really affect the inflation ratios in Kuwait as at the end of Q3. Consumer price index increased by less than 0.25% on quarterly basis i.e. a slight inflation ratio by 0.3% on annual basis as per information derived from the Central Statistics bureau.

Most of the components of the price index witnessed stability and slight increase by 0.50% as at the end of Q3 2018 compared to Q2 including the housing services component which has recorded cleared stability for the second quarter respectively. On annual basis, price index components recorded an increase, highest of which is the inflation ratio in the communication component by 4.5%. Two components of the price index recorded a decline, housing, clothes and footwear, by 1.5% compared to Q3 last year due to the continued availability of residential units and an increase in available land as per the requirements of growth plan.

Credit facilities granted to both real estate and construction sectors exceeded KD 9.9 Billion in August 2018 as per the latest information announced by the Central Bank of Kuwait i.e. a limited annual decline by 1.6%. Meanwhile credit facilities formed 27.4% of total credit in August 2018 compared to 28% in the same month last year.

Instalment credit facilities approximated KD 11.5 Billion in August, thus recording an increase by 1.5% on quarterly basis and 7.2% on annual basis. These facilities are granted to individuals wishing to purchase residential units in private residence sector. Accordingly, credit facilities granted to real estate activity in general continue their ascending trend.

In regard to development on local real estate prices during Q3 2018 Average price per square meter has recorded more than KD 612 as at the end of Q3 and still witnessing fluctuating quarterly changes. Meanwhile, investment real estate sector maintained its price levels in Q2, thus recording KD 1,543 per meter, with a slight decline by less than 1% in average price per square meter on annual basis. Prices increased slightly to reach KD 3,392/- per square meter as at the end of Q3 this year, i.e. a slight increase by 1% on annual basis.

Real estate sector listed companies reached 40 companies in Q3 2018. This sector comes in second rank in regard to the number of companies as per Borsa Kuwait Compan's information in Q3. Real estate listed companies represent 23% of the number of listed companies which has reached 174 companies in Q3. Real estate sector comes in third rank among sectors and represents 21% of traded shares and 5th rank with a share of 4.7% in regard to the value of traded shares. Also, it occupies 4th rank in regard to the number of transactions with a share approximating 11.9%. Meanwhile, the shares value of 2 real estate companies have increased in this sector while the shares of two other companies have declined in value. Shares of other companies remained stable.

The market value of real estate sector companies has declined slightly for the second quarter respectively to reach KD 1.2 Billion as at the end of Q3 this year compared to KD 1.4 Billion as at the end of Q2. Market value of listed companies increased to reach KD 28.9 Billion in Q3 i.e. an increase by KD 1 Billion compared to KD 27.9 Billion as at the end of Q2. The capital value of the real estate sector companies as at the end of Q3 represented 4.2% compared to 5% of listed companies in Q2. Meanwhile, the value of traded real estate sector shares increased to reach KD 71.8 Million in Q3 i.e. 3times the value in the preceding quarter. The quantity of traded shares doubled to reach KD 1.4 Billion shares in Q3 compared to 690 shares in Q2. The number of transactions increased to reach more than 36 thousand transactions compared to less than 21 thousand transactions in Q2

Meanwhile, the value of transactions in Kuwait stock exchange doubled to reach KD 1.5 Billion in Q3 compared to KD 688 Million in Q2. the quantity of traded shares doubled to reach 6.8 Billion shares in 303 thousand transactions in Q3 compared to 3.6 Billion shares in 166 thousand transactions in Q2.

First: Market Trends

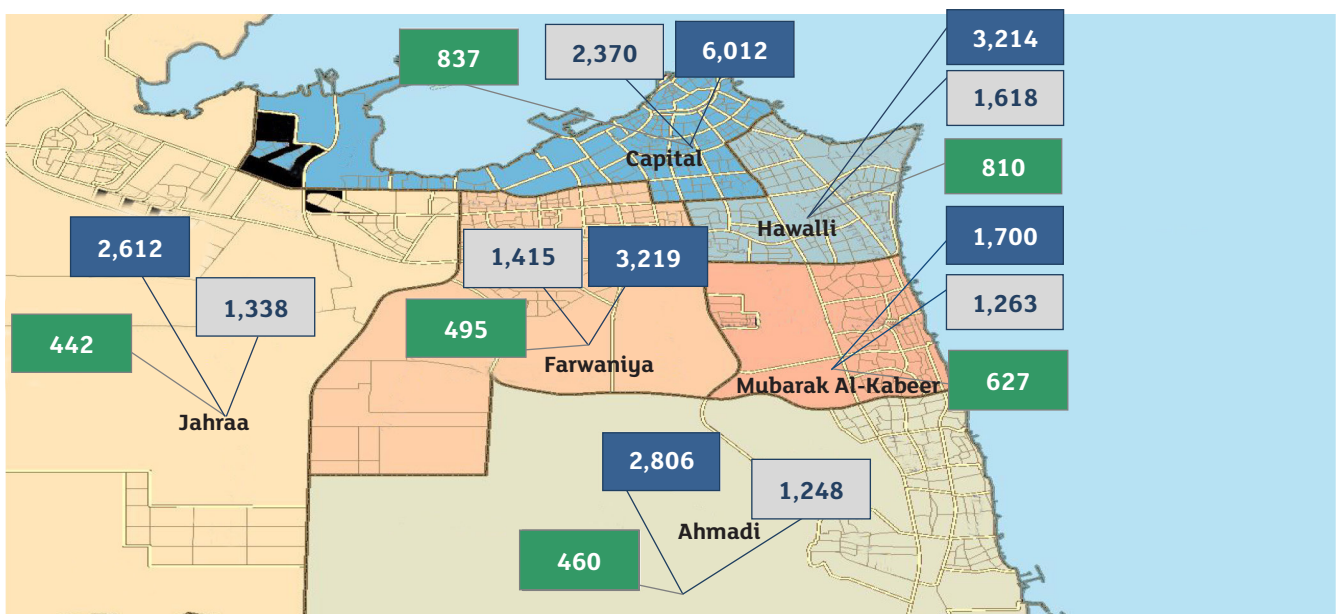
Land Prices in Q3 2018

Average price per meter in Capital governorate reached KD 837 in the private residence sector as at the end of Q3 2018 while it stabilized at KD 2,370 in the investment sector. Average price per meter has far exceeded this limit in the trade sector thus exceeding KD 6000 and more in Q3 2018.

In Hawalli governorate, price per square meter improved to reach KD 810 in private residence sector and KD 1,618 in investment sector while it stabilized in the commercial sector at KD 3,214. In Farwaniya governorate, average price per square meter reached KD 495 for private residence sector, stabilized at KD 1,415 for investment sector and exceeds KD 2,319 in trade sector for the same governorate as at the end of Q3 2018.

Average price per square meter for Real-estate sectors in all governorates Q3 2018

Numbers in KD



Commercial Lands



Investment Lands



Private Residence



Market Trends during Q3

Real estate sales value tend to improve since the beginning of the year as per the real estate registration and authentication department as at the end of Q3, thus recording a quarterly increase by 5.7% compared to Q2. Meanwhile, both investment and commercial sectors were remarkably active in regard to sales value while residential and handcraft sectors witnessed a decline in sales value.

Private residence sector share reached 34% of real estate sector sales in Q3. Investment sector share has surpassed all other sectors share as it reached 48% of sales while commercial sector's share represented 15% of the value of real estate sales and Handcraft and industrial sector formed 3% of the real estate sales in Q3.

Figure (1) Total Real estate Trading Value Q2 2017 - Q2 2018

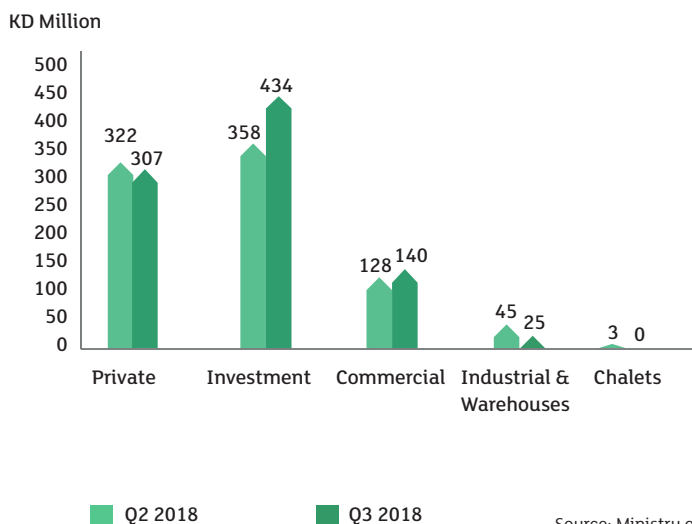
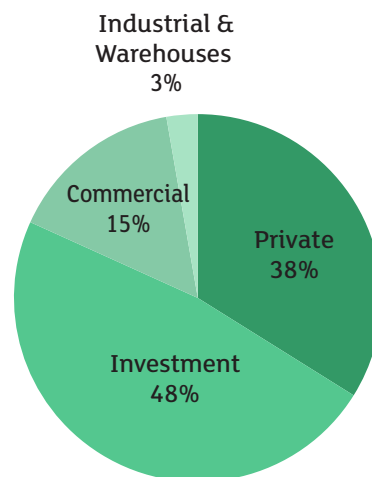


Figure (2) Distribution of Real estate Transactions Share(Sector wise)/ Total Real estate Transactions Value Q2 2018

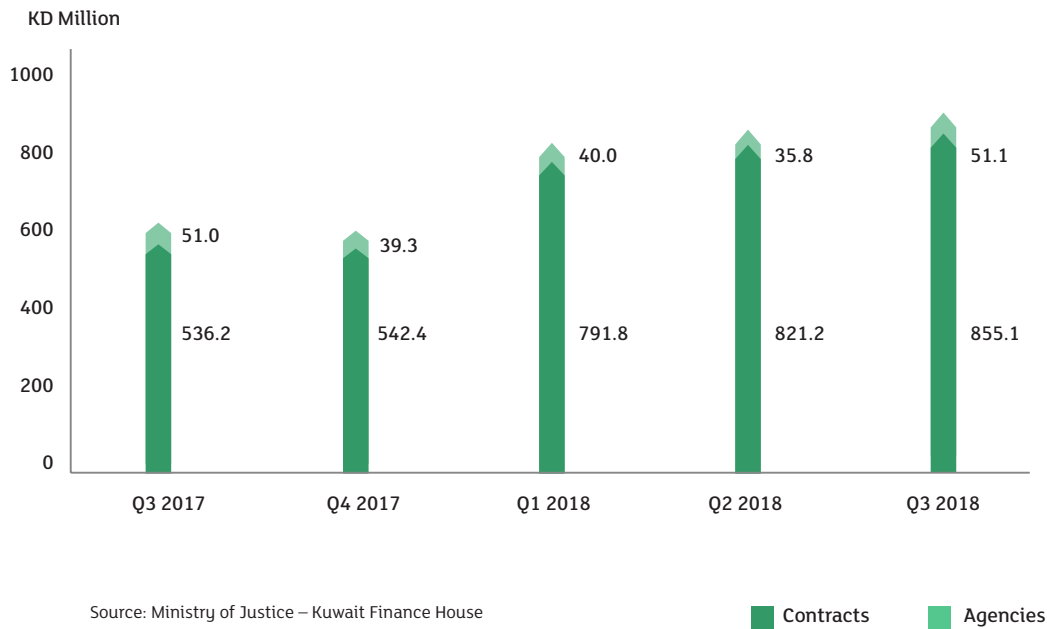


Source: Ministry of Justice – Kuwait Finance House

Real Estate Sales Trends during Q3 2018

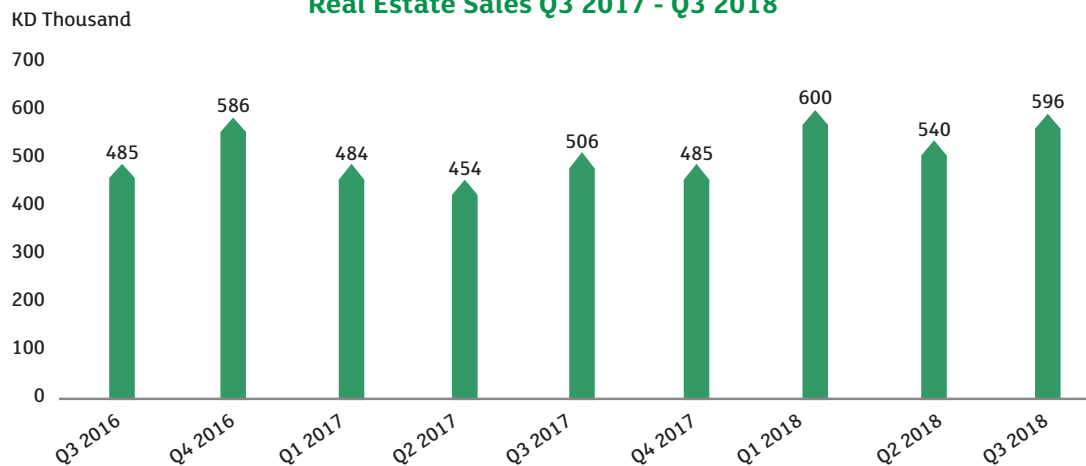
Real estate sales value increased when reached KD 906 Million in Q3 as per the indicators of the Real estate Registration & Authentication Dept. – Ministry of Justice in Q3 2018. Real estate sales (contracts) approximated KD 855 Million in Q3 i.e. an increase by 4% compared to Q2 2018. This ratio is still higher than 59% on annual basis. Real estate sales (agencies) recorded an increase as it approximated KD 51 Million in Q3 i.e. 43% compared to Q2 2018 with remarkable stability on annual basis.

Figure (3) Development on total Real Estate Slaes value Q3 2017 - Q3 2018



Average real estate transaction value has exceeded KD 596 Thousand in Q3 compared to KD 540 Thousand in Q2 2018. This index has taken the ascending trend since the beginning of last year, thus recording an increase approximating 10% in Q3 compared to Q2. Meanwhile, average value recorded an increase by 18% on annual basis, while number of transactions decreased in Q3 to 1,520 transactions i.e. a decrease by 4.2% compared to 1,587 transactions in Q2. The number of transactions increased on annual basis by 31% compared to the same period last year.

Figure (4) Development on Average Transaction value/ total Real Estate Sales Q3 2017 - Q3 2018

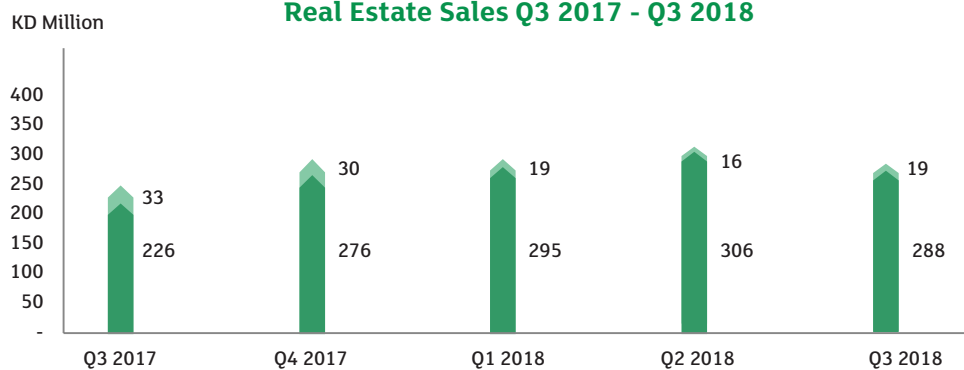


Source: Ministry of Justice – Kuwait Finance House

Private Residence Trends

Private residence sales reached KD 307 Million in Q3 2018 i.e. a decrease by 5% compared to KD 322 Million in Q2. Sector sales marked slow improvement, while sector sales increased by 19% in Q3 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 Q3 2017 - Q3 2018



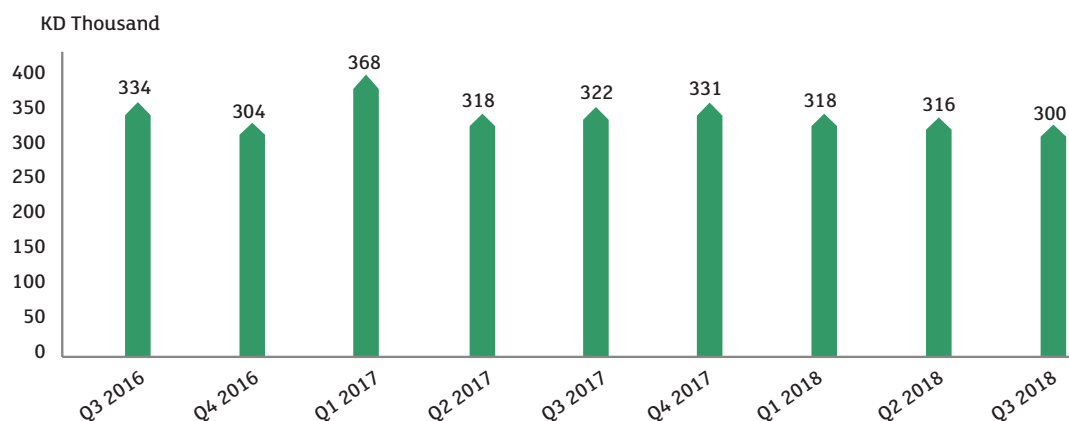
Source: Ministry of Justice – Kuwait Finance House

Contracts Agencies

Average transaction value of private residence reached KD 300 Thousand in Q3 this year i.e. a limited decline by 5% compared to Q2. Average transaction value in this sector has taken the descending trend as it recorded a decline by 6.9% on annual basis. Although the index has recorded fluctuating quarterly change ratios yet the annual change has taken the ascending trend on annual basis.

The number of transactions in private residence sector increased to reach 1,024 transactions as at the end of Q3, marking an increase by 0.5% on quarterly basis compared to 1,019 transactions as at the end of Q2 . The number of transactions increased by 27% on annual basis.

**Figure (6) Progress on average transaction value/
Private residence transactions Q3 2017 - Q3 2018**

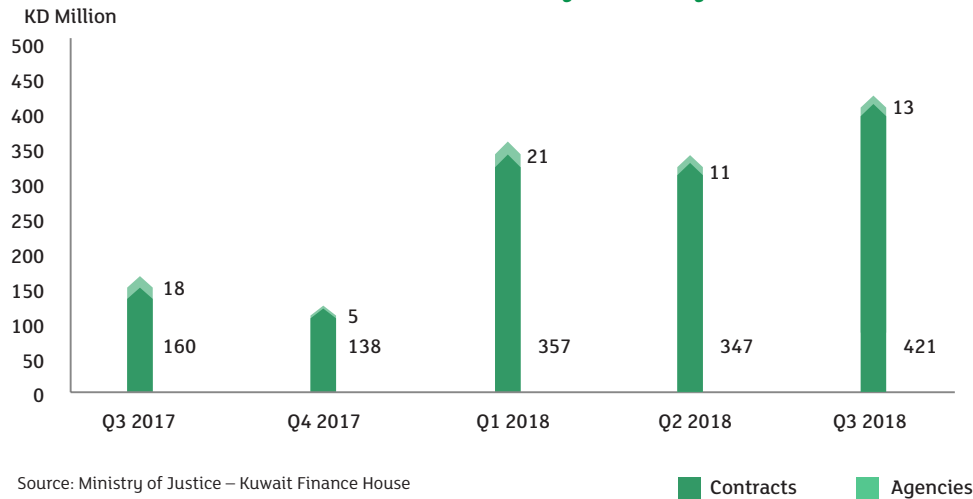


Source: Ministry of Justice – Kuwait Finance House

Investment Real Estate Trends

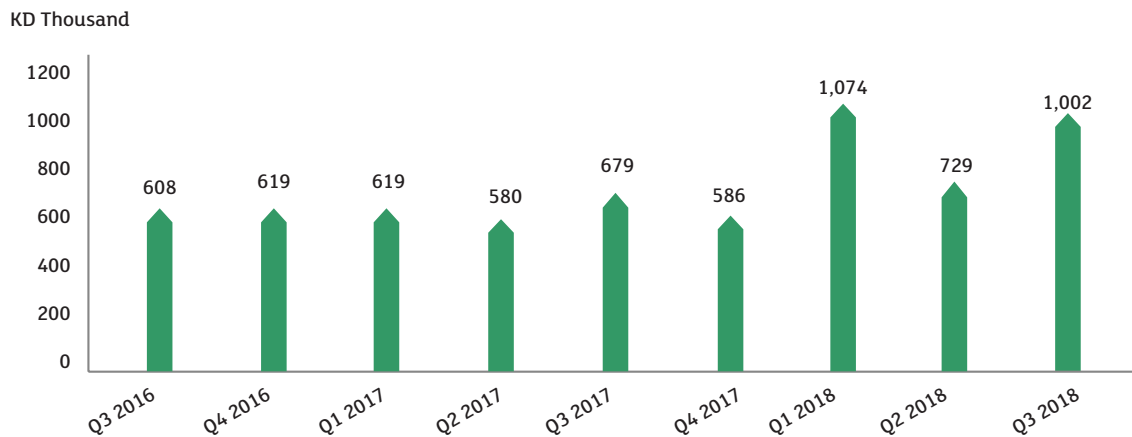
Investment real estate sales value reached KD 434 Million in Q3 2018 compared to KD 358 Million in Q2, thus recording a significant increase in Q3 by 21% on quarterly basis. It is noticed that value during quarters of this year has surpassed value for the same periods in the last two years. Annual changes in sector sales continue to take the ascending trend as the sector sales have doubled compared to the value KD 179 Million in Q3 last year.

Figure (7) Progress on Investment Real Estate Transactions Value Q3 2017 - Q3 2018



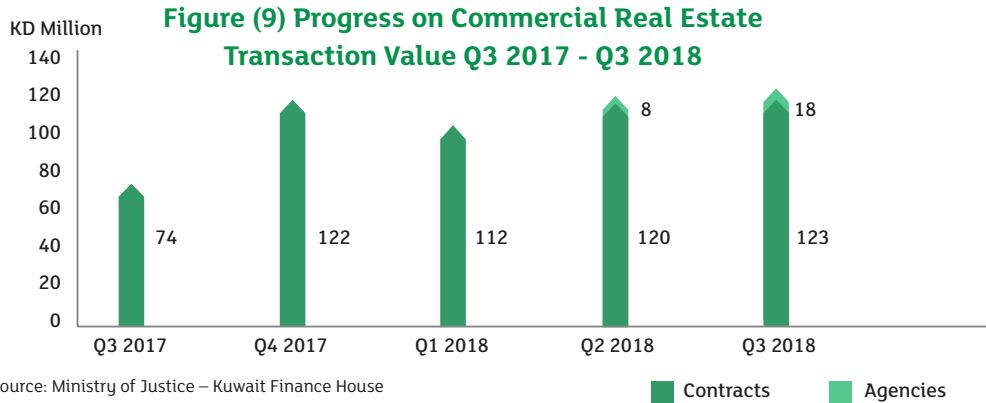
Investment real estate average transaction value reached more than KD 1 Million in Q3 i.e. highest level in 2 years while it comes after Q1 in rank. This index continues its ascending trend since several quarters, thus recording a significant increase by 37% in Q3 on quarterly basis and 47% on annual basis. Meanwhile the number of investment real estate transactions reached 433 transactions in Q3 compared to 492 transactions in Q2 i.e. a decline by 12% on quarterly basis. The number of transactions increased on annual basis as it recorded 65% on annual basis.

Figure (8) Progress on Average Transaction Value/ Investment Real Estate Sale Value Q3 2016 - Q3 2018



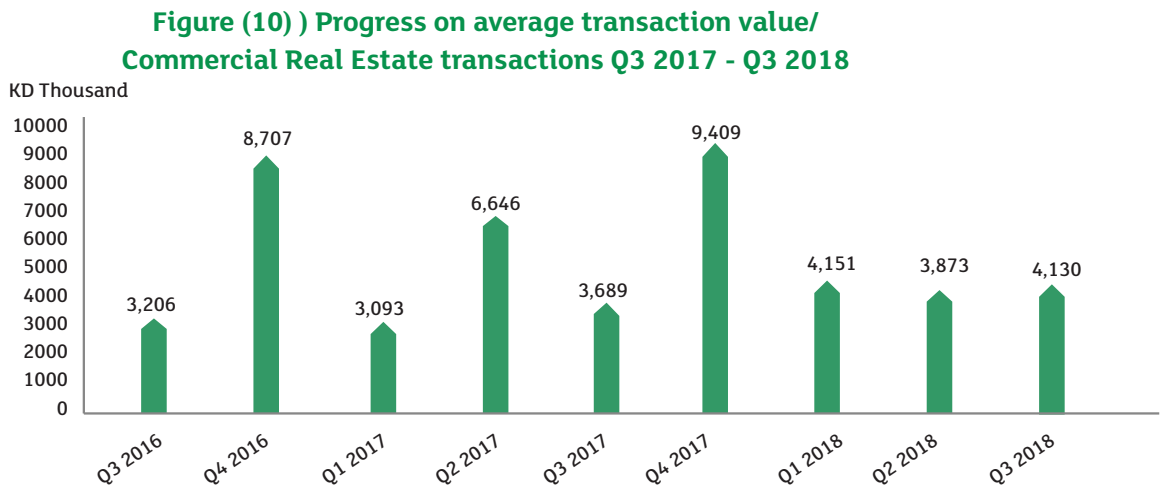
Commercial Real Estate Trends

Commercial real estate sales value increased to reach KD 140 Million in Q3 2018, thus taking the ascending trend since the beginning of last year and recording an increase approximating 10% compared to KD 128 Million in Q2 2018. On annual basis sector sales recorded a significant increase by 90% compared to its limited level of KD 74 Million in Q3 last year.



Average transaction value in commercial real estate sector reached more than KD 4.1 Million compared to KD 3.9 Million in Q2 2018. Accordingly, average value ascending slowly as it recorded an increase by 7% on quarterly basis. Average transaction value increased largely by 12% on annual basis.

The number of transactions in commercial real estate sector increased to reach 34 transactions in Q3 i.e. an increase 1 transaction compared to Q2 i.e. an increase by 3% on quarterly basis while the annual ratio increased by 70% on annual basis compared to 13 transactions for the same period last year



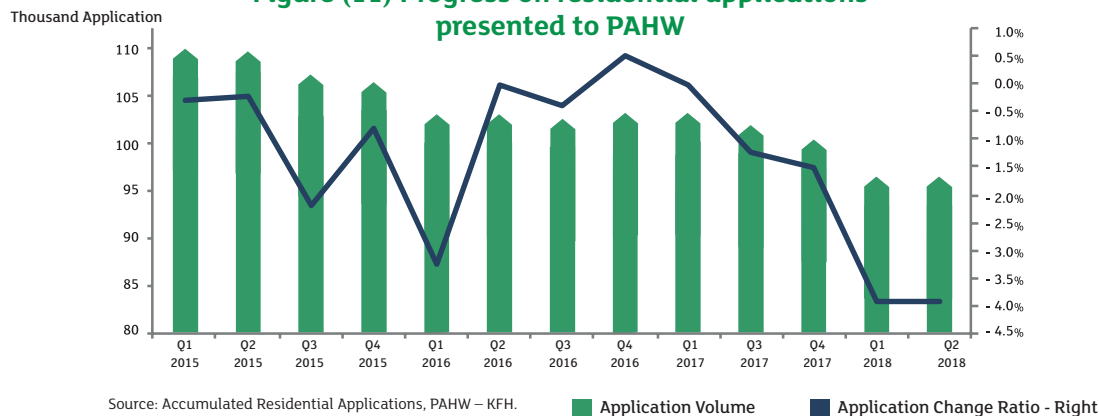
Second: Residential Projects

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 February 2018. The authority was able to mitigate the number of applications to reach 96.4 thousand applications i.e. a decline ratio by 3.9% compared to the number of 100 thousand applications as at the end of Q4 2017. Kuwait is still continuing its plan to provide and distribute residential units and lots to citizens. PAHW has succeeded in distributing more than 3,260 units covering an area of 400 M2 each in South Abdullah Al-Mubarak

during Q1 2018 as it distributed 856 plots in January and approximately 897 plots in February. Also it announced the distribution of 1,507 units in the same residential project in March 2018 as per the distribution plan 2017/2018.

Figure (11) Progress on residential applications presented to PAHW



PAHW plans to execute several residential projects during the coming period including construction projects of plots, services and public buildings in 3 residential cities comprising Jaber Al-Ahmed, South Mutlaa and South Abdullah Al-Mubarak which have started in Q2, in addition to new projects in East Taimaa area which have started in Q3. Accordingly, the authority is executing plots and services projects in 6 various contracts. The value of these projects approximate KD 463 Million with a share reaching 44% of the cost of the PAHW projects as provided in August 2018 report. The authority continues to complete other projects as per the time schedule and has exceeded the agreed completion percentage. The authority has started preparing the time schedule for some projects in East Taimaa area approximating KD 46 Million.

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 and representing a share approximating 22% of the value of the authority projects in Q3 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 88.7 Million as well as three various contracts in West Abdullah Al-Mubarak city and Wafra area amounting KD 76 Million and for which the authority started the preparation of the time schedule during Q3.

In addition, the authority is executing main roads projects and sundry services amounting KD 351 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 1.9 Million which the authority has actually delivered as per August Reports. Projects include also 5 other contracts amounting KD 349 Million in several cities, where completion percentage exceeded the contracted percentage e.g. South Mutlaa Residential Project, approximating KD 288. PAHW has commenced setting the time schedule for projects in South Abdullah Al-Mubarak city and Sabah Al-Ahmed marine city approximating KD 9 Million for the installation of main power stations and low and medium voltage cables for connectivity of public buildings.

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 thousands residential units. Also included is Khairan city which is 80 km far from capital and comprises 36 thousand residential units, Nawaf Al-Ahmed city which is 110 km far from capital and comprises 52 thousand units covering an area of 400 M2 each.

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

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

Field of the Product	#	Area	Contract Value Million KD	Actual Completion %	
				Contractual	Actual
Houses and Plots Project, Public Services Building	1	Jaber Al-Ahmed City	73	*51.4	58.9
	2	South Mutlaa	215.8	31.6	16.2
	3	South Mutlaa	50	*4.4	4.4
	4	South Mutlaa	49.3	4.4	2
	5	South Abdullah Al-Mubarak city	29	*2.5	3
	6	East Taimaa	46	Time Schedule under preparation	-
Total Cost			KD 463.1 Million		

*Projects exceeded contractual ratio

Public Building Projctcs	7	Sabah Al-Ahmed City	36.4	100	99.6
	8	Existing Wafra Project	21.2	100	85
	9	Sabah Al-Ahmed City	1.5	100	38.8
	10	Mina Abdullah	2.2	100	62
	11	Wafra	23.7	36.3	22.6
	12	Sabah Al-Ahmed City	13.4	100	95
	13	Jaber Al-Ahmed City	8.2	*20.9	27
	14	Wafra	24.6	14.7	5
	15	Wafra	14.4	Time Schedule under preparation	11.8
	16	West Abdullah Al-Mubarak City	28.5	6.9	3.6
	17	West Abdullah Al-Mubarak City	32.9	Time Schedule under preparation	5.1
	18	West Abdullah Al-Mubarak City	28.9	Time Schedule under preparation	-
Total Cost			235.9 Million		

* Projects exceeded contractual ratio

	19	Expansion project of Wafra residential	288	*25.8	31.4
	20	Sabah Al Ahmad City	16.2	*80	81
	21	Jaber Al-Ahmed City	1.2	*100	100
	22	South Mutlaa	0.424	*100	100
	23	South Mutlaa	18.5	*60	63.2
	24	Sabah Al-Ahmed City	10.4	*57.4	57.4
	25	Sabah Al-Ahmed City	5.4	*30.8	36.2
	26	West Abdullah Al-Mubarak City	0.366	*100	100
	27	Sabah Al-Ahmed City	1.6	*11.2	14.9
	28	Abu-Halifa Residential City	8.8	Time Schedule under preparation	-
	29	Sabah Al-Ahmed City	0.140	Time Schedule under preparation	63
	Cost			KD 351 Million	
Total Cost of PAHW Projects			KD 1,050 Million		

* Projects exceeded contractual ratio

Source: List of Projects of the Public Authority for Housing Welfare (PAHW) – August. 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 1% to approximate KD 612 compared to Q2, thus marking the first increase on annual basis since 2014 i.e. an increase by 1.7% in Q3. This increase comes as a result of the ascending trend of the annual change in average price at all governorates level for this sector.

Private residence price levels have stabilized in certain governorates in Q3 compared to the preceding quarter. Prices increased in some other governorates. Average price stabilized in Hawalli, Ahmadi and Jahra compared to Q2. Prices increased by 1% in capital governorate, 1.2% in Mubarak Al-Kabeer and 1.5% in Farwaniya governorate on quarterly basis. Meanwhile, prices stabilized on annual basis in certain governorates e.g. Hawalli, increased in Capital governorate by 0.5% and in Kubarak Al-Kabeer and Ahmadi governorates by 2.5%. Prices declined in Farwaniya governorate by 0.5% compared to Q3 last year.

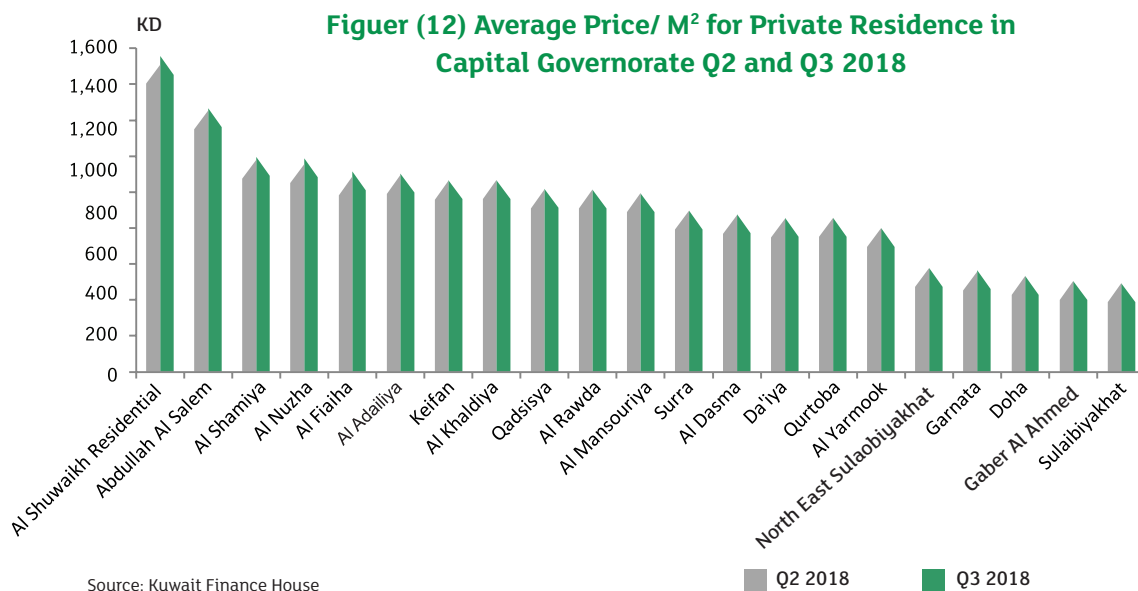
Capital Governorate

Average price per square meter in private residence sector at Capital governorate improved when reached KD 837 as at the end of Q3 this year i.e. an increase by 1% compared to Q2. Prices at the governorate are still recording fluctuating quarterly change towards to improve. On annual basis, price per meter recorded an increase by 0.5%. However, this increase ratio is the first increase ever recorded since 2014. There is a clear ascending trend in the annual change ratio of average price per meter at the governorate level.

Prices have stabilized at the end of Q3 in most of the residential areas at Capital governorate compared to Q2 this year except some areas which have recorded slight variable increase. Prices improved in the highest price areas e.g. Shuwaikh residential area by 2.9% on quarterly basis as average price reached KD 1,550 as at the end of Q3. Abdullah Al-Salem District comes next with a slight increase by less than 1% as average price reached KD 1,300 while prices improved in Shamiya area by 1.2% and in Nuzha by 2.6%. prices approximated more than KD 1,000 per meter in both areas as at the end of Q3.

Prices improved in most of the areas where price per meter ranged KD 800 and KD 900 to KD 1,000 e.g. Faihaa area by 2.4%, Edailiya by less than 1% and Keefan by 0.5%. Prices increased slightly in other remaining areas for this category e.g. Khaldiya, Rawda and Mansouriya.

Prices stabilized in areas where price per meter ranged KD 700 – 800 e.g. Surra area which is still the highest price from this category area followed by Dasmah and Da'eya. Average price increased in these two areas by 0.5% while prices did not witness any change in the lowest price areas as at the end of Q3 compared to the preceding quarter as they stabilized at KD 500 e.g. North West Sulaibikhat, old houses in Doha area. Prices increased in the lowest price areas e.g. Ghernata by 1.4% and Sulaibikhat by 1% compared to Q2.



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

Residential Plot Prices at Capital Governorate

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 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	1,450,000	1,250	1,450	1,350
	1,000	210%	Main	1,450,000	1,650,000	1,450	1,650	1,550
	1,000	210%	Jamal Abdul-Naser	1,600,000	1,800,000	1,600	1,800	1,700
General Average in the Area				1,262,500	1,437,500	1,450	1,650	1,550
Abdullah Al Salem District	500	210%	Internal	620,000	750,000	1,240	1,500	1,370
	750	210%	Internal	950,000	1,050,000	1,267	1,400	1,333
	1,000	210%	Sanaa	1,500,000	1,600,000	1,500	1,600	1,550
General Average in the Area				995,000	1,158,333	1,193	1,394	1,294
Shamiyah	250	Till 800 m	Internal	280,000	320,000	1,120	1,280	1,200
	1,000	210%	Internal	780,000	1,000,000	780	1,000	890
	1,000	210%	Main	1,000,000	1,250,000	1,000	1,250	1,125
General Average in the Area				628,571	774,286	952	1,157	1,055
Al Nuzha	500	210%	Internal	450,000	550,000	900	1,100	1,000
	750	210%	Internal	650,000	750,000	867	1,000	933
	1,000	210%	Main	900,000	1,200,000	900	1,200	1,050
General Average in the Area				660,000	800,000	953	1,140	1,047
Al Khaldiya	750	210%	Internal	600,000	750,000	800	1,000	900
	750	210%	Internal	720,000	900,000	960	1,200	1,080
	1,000	210%	4th / 3rd Ring Road	900,000	1,000,000	900	1,000	950
General Average in the Area				732,500	897,500	843	1,035	939
Al Adailiya	500	210%	Internal	440,000	520,000	880	1,040	960
	750	210%	Main	720,000	850,000	960	1,133	1,047
	1,000	210%	Riyad/ Damascus	950,000	1,100,000	950	1,100	1,025
General Average in the Area				695,714	815,714	897	1,048	972
Faihaa	400	210%	Internal	370,000	430,000	925	1,075	1,000
	750	210%	Internal	700,000	800,000	933	1,067	1,000
	1,000	210%	Main	900,000	1,050,000	900	1,050	975
General Average in the Area				548,571	641,429	906	1,058	982

Source: Kuwait Finance House

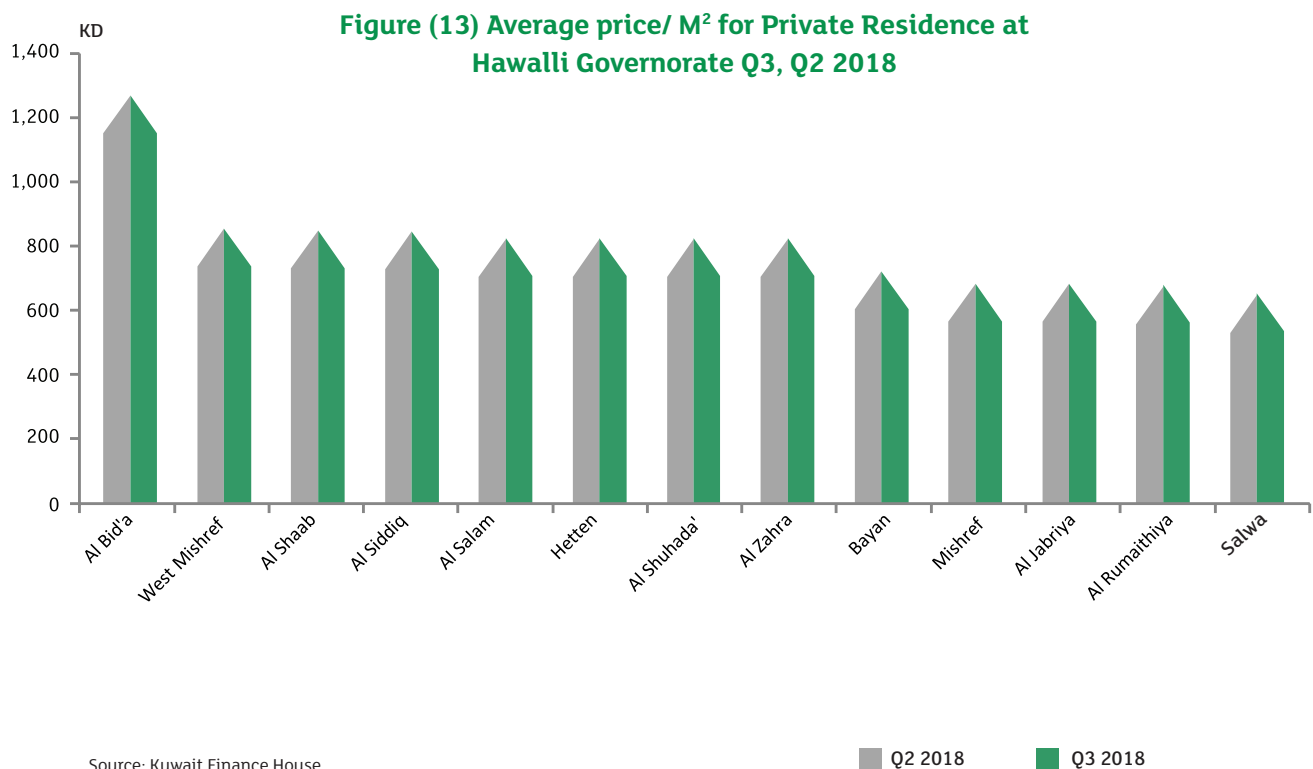
Hawalli Governorate

Average price per square meter in Hawalli Governorate improved to reach KD 810 in Q3 compared to KD 808 in Q2. Prices are still stable at the governorate although they have recorded a slight increase on quarterly basis. Prices stabilized on annual basis in Q3 following the continuous decline ratios recorded by 5.8% in Q3 last year.

Average price per square meter stabilized in most of the governorate areas for the second quarter respectively. Prices in Al-Bedaa area recorded the highest level in the governorate as it stabilized at more than KD 1,200 in Q3. Prices stabilized in west Mishrif and Shaab areas at KD 850 while it reached little less than that in Siddique area which did not witness any change in prices.

Average price per square meter increased slightly in areas where price per meter ranged between KD 800 – KD 850 e.g. Salaam, Hitteen and Shuhadaa areas as at the end of Q3. Prices stabilized in Zahraa area also while average price per meter is still less than the preceding prices in the area, thus stabilizing at KD 720/-.

Prices in average price areas where price ranged between KD 650 – KD 700 including Mishrif area did not witness any change in private residence areas as at the end of Q3 and Q2. The same applies to Jabriya and Rumaithiya areas. Prices improved slightly by 1% in Salwa which is considered the lowest price private residence area in Hawalli governorate.



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

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Shaab	400	210%	Internal	320,000	380,000	800	950	875
	500	210%	Main	400,000	480,000	800	960	880
	750	210%	Internal	600,000	700,000	800	933	867
General Average in the Area				421,667	496,667	782	916	849
Jabriya	400	210%	Internal	260,000	320,000	650	800	725
	500	210%	Main	350,000	400,000	700	800	750
	1000	210%	Internal	690,000	800,000	690	800	745
General Average in the Area				400,000	478,889	624	741	682
Rumaihiya	400	210%	Internal	240,000	300,000	600	750	675
	750	210%	Main	330,000	430,000	440	573	507
	1000	210%	Internal	800,000	900,000	800	900	850
General Average in the Area				408,889	493,333	613	747	680
Salwa	500	210%	Internal	270,000	330,000	540	660	600
	750	210%	Internal	320,000	430,000	427	573	500
	1,000	210%	Aqsa	700,000	800,000	700	800	750
	1,000	210%	Taawon	800,000	900,000	800	900	850
General Average in the Area				475,714	562,857	595	712	654
Salaam	400	210%	Internal	290,000	360,000	725	900	813
	400	210%	Main	340,000	400,000	850	1,000	925
	500	210%	Internal	315,000	390,000	630	780	705
	500	210%	Main	400,000	450,000	800	900	850
General Average in the Area				336,250	400,000	751	895	823
Hitteen	400	210%	Internal	290,000	360,000	725	900	813
	400	210%	Main	340,000	400,000	850	1,000	925
	500	210%	Internal	315,000	390,000	630	780	705
	500	210%	Main	400,000	450,000	800	900	850
General Average in the Area				336,250	400,000	751	895	823
Shuhadaa	400	210%	Internal	290,000	360,000	725	900	813
	400	210%	Main	340,000	400,000	850	1,000	925
	500	210%	Internal	315,000	390,000	630	780	705
	500	210%	Main	400,000	450,000	800	900	850
General Average in the Area				336,250	400,000	751	895	823

Source: Kuwait Finance House

Farwaniya Governorate

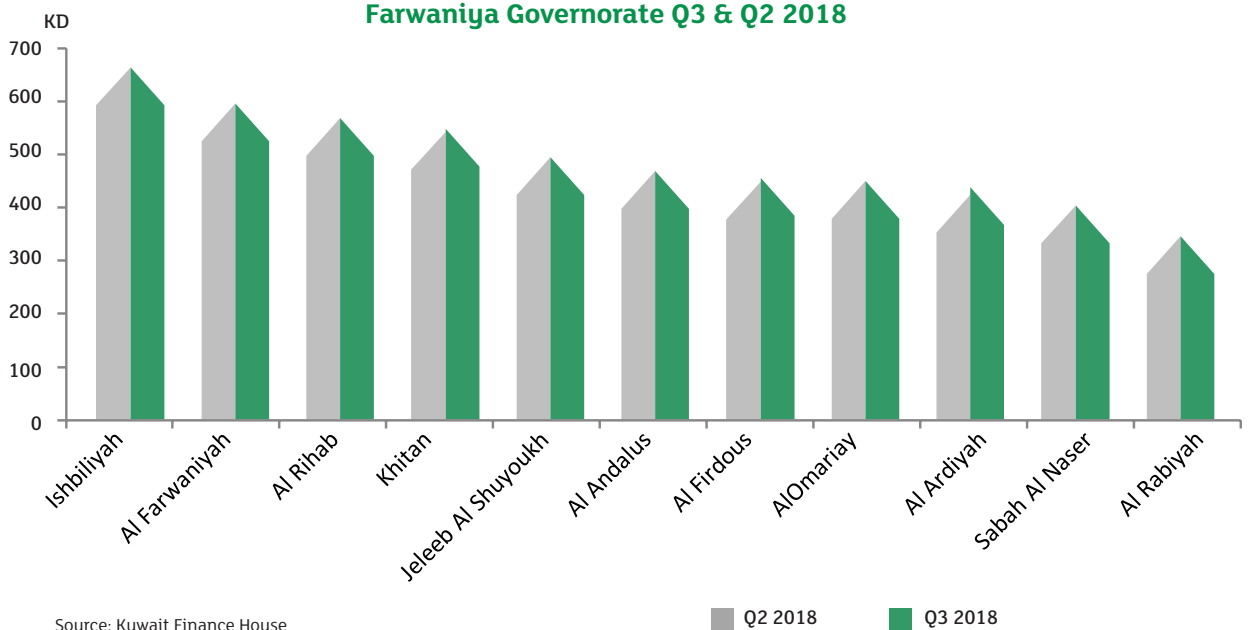
Average price per square meter increased to reach KD 495 in Farwaniya governorate in Q3 2018, i.e. an increase by 1.2% than KD 489 in Q2. Prices at the governorate have been ascending slowly following the descending trend which it had adopted earlier while the quarterly change ratio of prices is still fluctuating. Meanwhile, prices at the governorate declined on annual basis by 2.6% following the improvement achieved in the price decline ratios after it has recorded continuous annual decline reached to 8.1% earlier in Q3 last year.

Prices stabilized as at the end of Q3 and Q2 in most of Farwaniya governorate areas. Prices did not witness any change in Ishbilia area which is considered as the highest price area at the governorate level. Average price per meter reached more than KD 650 / M². Prices stabilized also in Farwaniya area at less than KD 600 while in Rehab area it reached more than KD 550, followed by Khaitan area where price per meter increased for the second time respectively by 1% to reach KD 543 as at the end of Q3 this year.

Prices stabilized in areas that have mid-price level where ranged between KD 450 and less than KD 500. Prices stabilized in Andalus and in Jaleeb Al-Shoyoukh areas.

In low price areas where price per meter ranges between KD 400 – KD 450, Fardous takes the lead as the highest price area in this category. Prices increased by 2% in this area in Q3 compared to Q2. Prices increased in Ardiya by 3%. Prices stabilized in lowest price private residence areas in the governorate e.g. Sabah Abdul-Naser reaching KD 400 and in Rabiya at less than KD 350 per meter in Q3 and Q2.

Figure (14)) Average price/ M² for Private Residence at Farwaniya Governorate Q3 & Q2 2018



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

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Andalus	500	210%	Internal	195,000	240,000	390	480	435
	750	210%	Main	330,000	350,000	440	467	453
General Average in the Area				283,000	320,000	437	496	466
Rabia (Existing House)	500	210%	Internal	210,000	250,000	420	500	460
	500	210%	Main	240,000	280,000	480	560	520
General Average in the Area				200,000	240,000	313	373	343
Ashbilya	375	210%	Internal	220,000	260,000	587	693	640
	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				267,500	313,333	631	739	685
Farwaniya	500	210%	Internal	250,000	300,000	500	600	550
	500	210%	Main	310,000	360,000	620	720	670
General Average in the Area				280,000	330,000	560	660	610
Khaitan	400	210%	Internal	200,000	250,000	500	625	563
	1000	210%	-	500,000	590,000	500	590	545
General Average in the Area				360,000	420,000	480	560	520
Jaleeb Al Shuyoukh	500	210%	Main	200,000	240,000	400	480	440
	500	210%	Internal	240,000	300,000	480	600	540
General Average in the Area				220,000	270,000	440	540	490
Ardiya	750	210%	Internal	220,000	270,000	440	540	490
	750	210%	Main	250,000	320,000	333	427	380
General Average in the Area				350,000	380,000	467	507	487

Source: Kuwait Finance House

Mubarak Al Kabeer Governorate

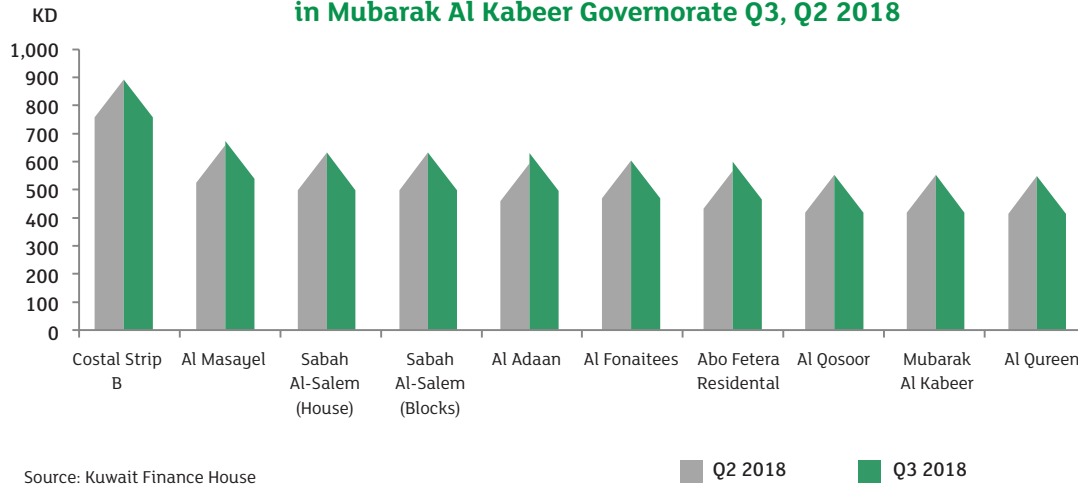
Average price per meter at Mubarak Al-Kabeer governorate increased to KD 627 in Q3 compared to KD 618 in Q2, thus recording the highest increase at all governorates level i.e. an increase by 1.5% than Q2. Private residence prices at the governorate level started taking the ascending trend. This trend is reflected in the annual change ratio of average price. Average price has recorded the second annual increase by 2.6% compared to the preceding year. The annual change in price per meter at the governorate seems to be taking the ascending trend.

Average price per square meter stabilized in most of the governorate areas compared to price levels in the preceding quarter. Prices stabilized in the highest price areas e.g. coast strip area (B) at KD 880 in Q3 while increased in Masayel area by 2% as it exceeded KD 650. Prices did not witness any change in Sabah Al-Salem area e.g. existing government houses and residential plots where price reached KD 625 per square meter.

Prices increased in Funaites area by 6.1%, thus exceeding KD 623 per meter followed by Addan area where price stabilized at less than KD 600 per square meter. Meanwhile, average price increased in Abu-Fatira by 5.8% to reach KD 595. Prices did not witness any change in Qosour and Mubarak Al-Kabeer areas as they stabilized at KD 550 in Q3 and Q2.

Prices stabilized at the lowest price areas e.g. Qurain area for the fourth quarter respectively at little more than KD 540 / M² in Q3.

Figure (15) Average price meter for the Private Residence in Mubarak Al Kabeer Governorate Q3, Q2 2018



Source: Kuwait Finance House

■ Q2 2018 ■ Q3 2018

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

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average price / M ² Q3 2018
				From	To	From	To	
Masayel	400	210 %	Internal	235,000	290,000	588	725	656
	500	210 %	Main	310,000	350,000	620	700	660
General Average in the Area				272,500	322,500	609	723	666
Coast Strip B	1,000	150 %	Internal	450,000	600,000	450	600	525
	2,000	150 %	Marine	2,500,000	2,900,000	1,250	1,450	1,350
General Average in the Area				1,233,333	1,433,333	817	950	883
Abu Fatira Residential	400	210 %	Internal	210,000	260,000	525	650	588
	500	210 %	Main	270,000	320,000	540	640	590
General Average in the Area				238,750	292,500	534	655	594
Funaites	400	210 %	Internal	220,000	270,000	550	675	613
	500	210 %	Main	280,000	330,000	560	660	610
General Average in the Area				253,750	302,500	569	678	623
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				223,750	255,000	559	638	598

Source: Kuwait Finance House

Ahmadi Governorate

Average price per square meter stabilized in Ahmadi governorate at KD 460 per meter in Q3 and Q2. Prices started stabilizing as at the end of Q3 following to a slow increase earlier. On annual basis, average price per meter continues its increase for the fourth time respectively, thus recording the highest percentage at all governorates level by 2.5% compared to Q3 last year. This increase comes after the continuous price decline witnessed earlier.

Average price per meter stabilized in most of the private residence areas at Ahmadi governorate as at the end of Q3 2018 compared to Q2 e.g. coast strip area, at KD 1,300 per square meter, bearing in mind that this area is considered one of the highest price areas in the governorate. Prices stabilized also at more than KD 750 at the coast area e.g. main southern sites as well as at Fahad Al-Ahmed area where price approximates KD 600 per square meter during Q3 this year.

Average price did not witness any change in most of the governorate areas, thus exceeding KD 550 in Q3. Prices stabilized in Mangaf residential area and the internal parts of the southern coast strip at less than KD 550 in Q3. Prices stabilized also at KD 400 and KD 500 in most of the average value areas in the governorate and other areas including Dhaher area and certain parts of Fahaheel area which did not witness any change compared to Q2. Prices stabilized at Hadiya and Jaber Al-Ali at less than KD 450/-. However, price increased in Riqqa by 4.5% compared to Q2. Prices stabilized also in Fintas agricultural area as it slightly exceeded KD 400.

Lowest price areas in the governorate did not witness any change in prices including Um-Al-Haiman. While prices increased in Khiran Pearl area overlooking the sea by 1.6% where average price in these areas exceeded KD 350 per square meter.

Prices stabilized at the lowest price areas in the governorate, in which price was less than KD 300, e.g. Wafra at approximately KD 250 while they increased in several locations of Sabah Al-Ahmed Marine Area by 1%, thus reaching KD 170 per meter. Meanwhile, average price declined in Khiran Pearl Residential area by 0.5% i.e. less than KD 150 per square meter in Q3.

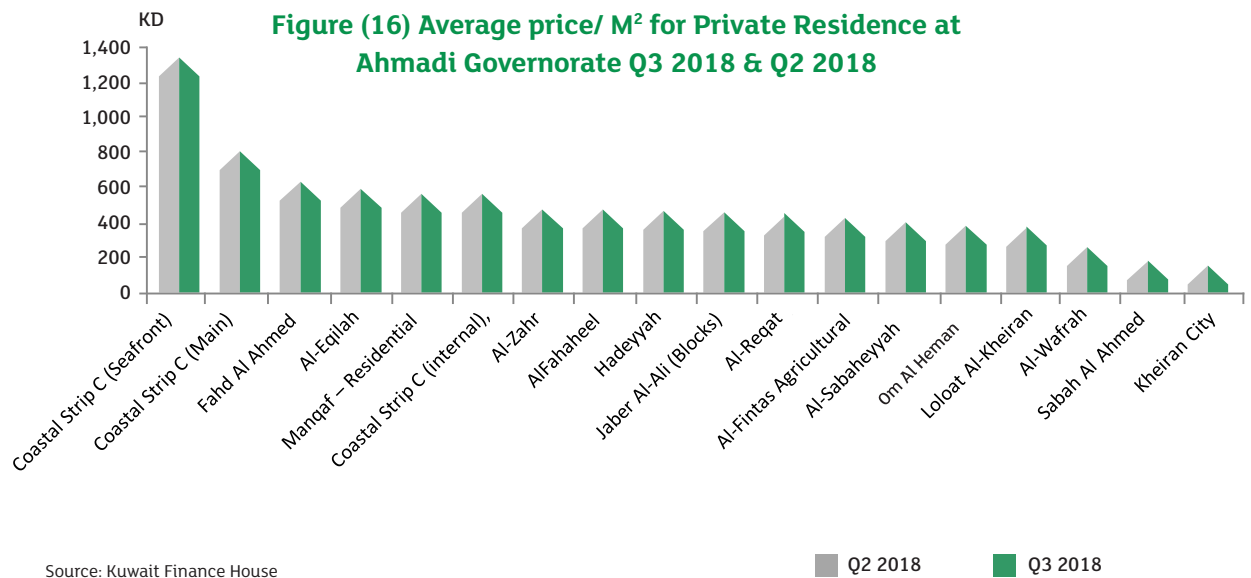


Table (6): Residential Plot Prices at Ahmadi Governorate

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Fintas Agricultural	210%	1,000	Internal	320,000	400,000	320	400	360
	210%	1,000	Main	400,000	500,000	400	500	450
Hadiya	210%	750	Internal	260,000	330,000	347	440	393
	210%	750	Main	340,000	400,000	453	533	493
Aqaila	210%	400	Main	230,000	270,000	575	675	625
	210%	500	Main	255,000	300,000	510	600	555
Coast Strip (S) Overlooking Sea	150%	2,000	Marine	2,400,000	2,700,000	1,200	1,350	1,275
Coast Strip (S) Overlooking Internal Road	150%	750	Internal	350,000	450,000	467	600	533
Khairan Residential	210%	400	-	40,000	75,000	100	188	144
Sabah Al Ahmad Marine A1 Overlooking Sea	210%	1,200	Marine	185,000	230,000	154	192	173
Sabah Al Ahmad Marine A2 Overlooking Sea	210%	450	Marine	150,000	170,000	333	378	356
Khiran Pearl Overlooking Sea A3	210%	450	Marine	150,000	170,000	333	378	356
Mangaf Residential	210%	375	Internal	170,000	210,000	453	560	507
	210%	400	Main	230,000	250,000	575	625	600

Source: Kuwait Finance House

Jahra Governorate

Prices are stable at Jahra governorate, thus recording KD 442 as at the end of Q3 and Q2. Prices have stabilized following a clear evident decline. Meanwhile, change ratios stabilized on quarterly basis. Prices recorded an increase on annual basis for the fourth time respectively by 7.3% as at the end of Q3 this year, taking into consideration the ascending trend of prices on annual basis even though it has fluctuated, thus recording an increase by 7.5% followed to a significant decline on annual basis last year.

Prices stabilized for the third quarter respectively in Jahraa governorate areas including residential areas which are considered as the highest price areas in the governorate e.g. Mutlaa Street, thus recording an average price KD 450/- per meter. Prices stabilized also in Saad Al-Abdulla and Oyoun areas which come next in terms of prices. Prices did not witness any change in Naseem area in which average price exceeded KD 400 per square meter. Prices stabilized in areas where average price is less than KD 400 e.g. Naeem area and existing houses in Oasis area. Prices stabilized also in Al-Qasr area and certain parts of Club Street. Prices stabilized in old Jahraa area which is the lowest price area, at KD 350 in Q3 this year.

Figure (17) Average price/ M² for Private Residence at Al Jahraa Governorate Q3, Q2 2018

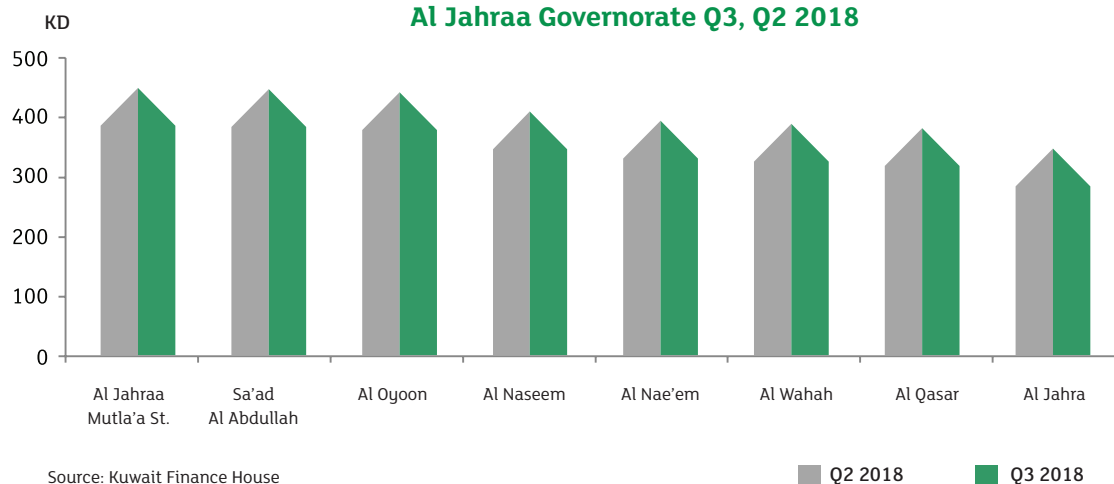


Table (7): Residential Plot Prices at Jahraa Governorate

Region	Area M ²	Building %	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
			From	To	From	To	
Qasr – Club Street	1,000	210%	425,000	480,000	425	480	453
Qasr (Existing Houses)	600	210%	170,000	210,000	283	350	317
Jahraa – Mutla'a St. - Internal	1,000	210%	425,000	480,000	425	480	453
Na'eem – Plots	400	210%	125,000	170,000	313	425	369
Na'eem – (GVT House)	400	210%	140,000	200,000	350	500	425
Oyoon	298	Up to 800 M ²	110,000	155,000	370	521	445
Al Naseem (GVT House) – Main Roads	400	210%	140,000	190,000	350	475	413
Oasis – Existing House	300	Up to 800 M ²	100,000	135,000	333	450	392
Saad Al-Abdullah	400	210%	130,000	170,000	325	425	375
Qairawan	400	210%	150,000	190,000	375	475	425

Source: Kuwait Finance House

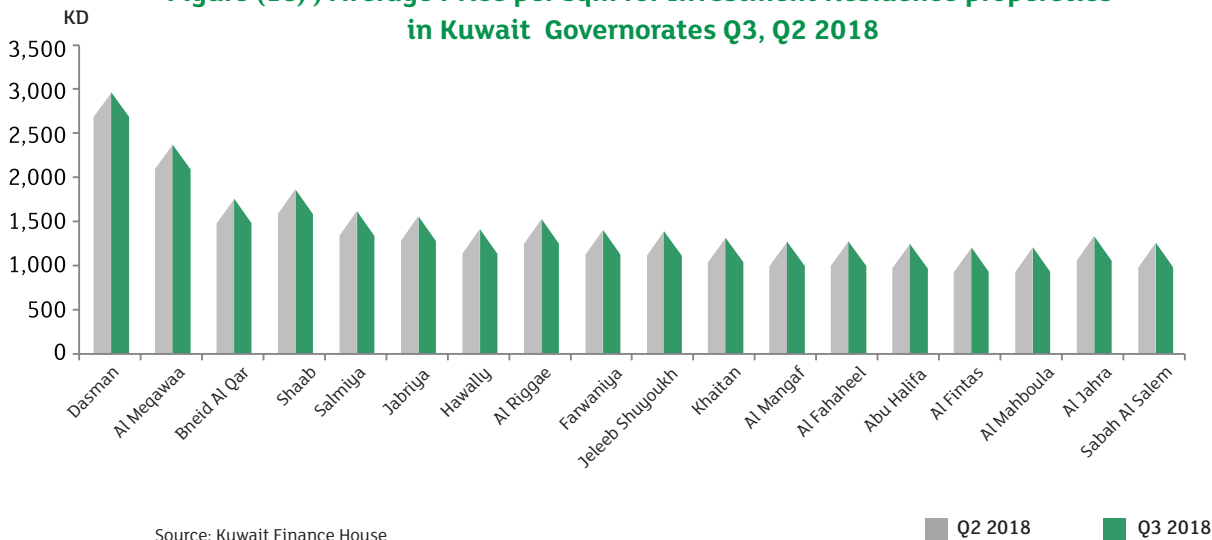
Second: Investment Land Prices

Average price per square meter of investment land stabilized at KD 1,500 at all governorates level, thus maintaining a stable average price. Prices did not witness any change as at the end of Q3 at all governorates level compared to Q2 in which prices declined by 1% on quarterly basis. This fact is evident through the improvement in the decline ratios of average price on annual basis in all governorates. Decline ratio stabilized at 1% during all quarters this year compared to a higher decline reached to 5% in Q3 last year.

Average price stabilized in Q3 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 compared to Q2.

On annual basis, prices witnessed remarkable stability in most governorates, namely capital governorate. Price per meter did not witness any change in in Farwaniya and Jahra governorates in Q3 compared to the preceding quarter. Prices declined in other remaining governorates e.g. Hawalli by 2%, Mubarak Al-Kabeer and Ahmadi governorates by 3% for the second quarter respectively.

Figure (18)) Average Price per sqm for Investment Residence properties in Kuwait Governorates Q3, Q2 2018



Source: Kuwait Finance House

■ Q2 2018 ■ Q3 2018

Capital Governorate

Concerning prices in each governorate, all prices in capital governorate stabilized in Q3 and Q2 at KD 2,371 per square meter. Price per meter continues its stability trend since the end of last year and stands as the highest at all governorates level. Accordingly the quarterly change in average price per meter is taking the ascending trend. This has reflected in the stability of average price per meter in Capital governorate on annual basis this year compared to former periods.

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 has approximated KD 3,000 M², thus stabilizing in Q3 at the area level compared to Q2 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 Q2.

Average price in Eastern Maquaa area stabilized at KD 2,376 in Q3 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 Q3 this year in other locations.

Average price in Benaid Al-Qar area reached more than KD 1,760 in Q3. 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 1000 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 in Q3.

Table (8): Investment Land Prices at Capital Governorate

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Bneid Al Gar	1,000	250%	Gulf Road	2,700,000	3,000,000	2,700	3,000	2,850
	500	250%	Main	850,000	900,000	1,700	1,800	1,750
	1,000	250%	Internal	1,300,000	1,500,000	1,300	1,500	1,400
	1,000	250%	1 st & 2 nd Ring Road	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	250	240%	Internal	400,000	500,000	1,600	2,000	1,800
	500	400%	Main	1,250,000	1,375,000	2,500	2,750	2,625
	1,000	400%	Shuhadaa	2,700,000	2,800,000	2,700	2,800	2,750
General Average in the Area				1,362,500	1,476,250	2,250	2,503	2,376
Dasman	1,000	400%	Gulf Road	3,800,000	4,000,000	3,800	4,000	3,900
	1,000	400%	Internal	2,150,000	2,400,000	2,150	2,400	2,275
	750	400%	Abdullah Al-Ahmed	2,000,000	2,100,000	2,667	2,800	2,733
General Average in the Area				2,650,000	2,833,333	2,872	3,067	2,969

Hawalli Governorate

Average price in Hawalli governorate reached KD 1,618 compared to KD 1,622 in Q2 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 Q3 and Q2 compared to a higher decline ratio by 7% for the same periods last year.

Average price per meter declined slightly in certain investment areas at the government e.g. Shaab area in which average price per meter reached less than KD 1,900 and still the highest level in the governorate in Q3 i.e. a decline by less than 0.5% compared to Q2. Prices stabilized in certain locations of the area while declined slightly in other locations. Prices stabilized in certain parts of Gulf Road covering 1,000 M² area e.g. highest price parts of Shaab area. Meanwhile, prices increased in certain parts of Istiqlal Street by 0.5%. Prices stabilized in certain internal locations while they declined in other internal locations by 1.7% compared to Q2.

Prices in Salmiya area declined to KD 1,623 per square meter in Q3 i.e. by less than 0.5% compared to Q2. Average price per meter stabilized in most of the locations. The highest price areas e.g. areas overlooking Gulf Road recorded a decline by 1.8% while the second highest price areas e.g. Amr Bin Al-Aas Street recorded a stability in prices compared to Q2. Prices stabilized in several other locations where price reached KD 1,700. Prices declined by less than 0.5% or more in certain locations of Hamad Al-Mubarak Street, stabilized at more than KD 1,600 per meter in Baghdad Street and declined in certain parts of Al-Mugheera Bin Shuaba Street by 1.1% compared to Q2. Meanwhile, prices did not witness any change in several parts of Amman Street and in main locations covering an area of 750 M² and in internal locations covering an area of 1,000 M².

Prices declined in Jabriya area and reached KD1,566 in Q3 i.e. by 1% compared to Q2 this year. Average price per meter stabilized remarkably in most of the area locations with a slight decline in other areas. Prices stabilized in the highest price areas recording KD 1,700/- per meter and in other locations overlooking the 4th ring road at KD 1,670. Prices stabilized at Shanakel Street at KD 1700/- per meter. Prices did not witness any change in places overlooking Maghrib Street. Average price per meter declined in Q3 by less 1% in internal locations to reach KD 1,400/- per meter including places covering an area of 750 M² in Jabriya area.

Average price per meter reached KD 1,417 in Hawalli area, thus stabilizing in most of the areas with a slight decline by 0.5% in various places. Prices stabilized in places overlooking Cairo Street while they declined in certain places of Hasan Al-Basri Street and Yarmouk Street by 0.5%. Prices stabilized in certain internal places of Hawalli covering an area of 500 M². They also stabilized in lower price areas covering an area of 1,000 M² and 750 M² as at the end of Q3.

Table (9): Investment Land Prices at Hawalli Governorate

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Hawalli	750	250 %	Muthana	1,000,000	1,125,000	1,333	1,500	1,417
	750	250 %	Qutaiba	1,100,000	1,170,000	1,467	1,560	1,513
	750	250 %	Ahmed Bin Toloun	950,000	1,087,500	1,267	1,450	1,358
	750	250 %	Maghrib	1,125,000	1,175,000	1,500	1,567	1,533
	750	250 %	Sharhabeel	950,000	1,087,500	1,267	1,450	1,358
	1,000	250 %	Internal	1,150,000	1,300,000	1,150	1,300	1,225
General Average in the Area				1,030,000	1,137,333	1,346	1,489	1,417
Al Salmiya	1,000	250 %	Gulf	2,600,000	2,900,000	2,600	2,900	2,750
	750	250 %	Baghdad	1,162,500	1,250,000	1,550	1,667	1,608
	750	250 %	Amman	1,150,000	1,200,000	1,533	1,600	1,567
	750	250 %	Bahrain	1,200,000	1,250,000	1,600	1,667	1,633
	750	250 %	Amr Bin Aas	1,235,000	1,400,000	1,647	1,867	1,757
	1,000	250 %	Main	1,500,000	1,550,000	1,500	1,550	1,525
	1,000	250 %	Internal	1,250,000	1,450,000	1,250	1,450	1,350
General Average in the Area				1,199,844	1,309,688	1,552	1,694	1,623
Al Shaab	1,000	250 %	Gulf	2,800,000	3,000,000	2,800	3,000	2,900
	750	250 %	Internal	1,000,000	1,200,000	1,333	1,600	1,467
General Average in the Area				1,687,500	1,862,500	1,771	1,963	1,867
Al Jaberiya	1,000	250 %	4 th Ring Road	1,650,000	1,700,000	1,650	1,700	1,675
	1,000	250 %	Maghrib	1,500,000	1,600,000	1,500	1,600	1,550
	1,000	250 %	McDonalds	1,650,000	1,750,000	1,650	1,750	1,700
	750	250 %	Internal	980,000	1,125,000	1,307	1,500	1,403
General Average in the Area				1,413,125	1,534,375	1,501	1,631	1,566

Source: Kuwait Finance House

Farwaniya Governorate

Prices in Farwaniya governorate are still remarkably stable as at Q3, thus recording at KD 1,415/- in Q3 2018. Stability is clearly noticed since the beginning of last year. Accordingly, average price did not witness any change for the third time respectively on annual basis in Q3. These ratios are still better than the decline in prices which has approximated 9% in Q3 last year.

Prices stabilized in most of the areas in Farwaniya Governorate including highest price investment areas in the governorate e.g. Riqqa'e area. 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 in Farwaniya area in Q3 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 Q2 while average price stabilized at places overlooking 6th ring road and other main and internal locations as well as the 500 M² locations. Prices stabilized also in several sites of Khaitan area e.g. the main and internal streets while prices stabilized in most of the locations overlooking the airport road and in certain places and internal streets and locations in the area.

Table (10) Investment Land Prices at Farwaniya Governorate

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Farwaniya	750	250 %	Airport	1,050,000	1,165,000	1,400	1,553	1,477
	750	250 %	6 th Ring	1,050,000	1,130,000	1,400	1,507	1,453
	1,000	250 %	Internal	1,100,000	1,250,000	1,100	1,250	1,175
	500	250 %	Main	750,000	800,000	1,500	1,600	1,550
General Average in the Area				1,042,857	1,142,143	1,343	1,473	1,408
Khaitan	750	250 %	6 th Ring	1,050,000	1,130,000	1,400	1,507	1,453
	1,000	250 %	Internal	1,100,000	1,250,000	1,100	1,250	1,175
	600	250 %	Internal	750,000	840,000	1,250	1,400	1,325
General Average in the Area				1,030,000	1,138,000	1,257	1,390	1,323
Jaleeb Al Shuyoukh	750	250 %	6 th Ring	1,050,000	1,130,000	1,400	1,507	1,453
	750	250 %	Police Station	1,040,000	1,130,000	1,387	1,507	1,447
	750	250 %	Main	1,000,000	1,100,000	1,333	1,467	1,400
	500	250 %	Internal	625,000	750,000	1,250	1,500	1,375
General Average in the Area				905,625	1,007,500	1,322	1,473	1,397
Al Raqei	750	250 %	4 th Ring	1,200,000	1,230,000	1,600	1,640	1,620
	1,000	250 %	5 th Ring	1,500,000	1,600,000	1,500	1,600	1,550
	1,000	250 %	4 th Ring	1,500,000	1,600,000	1,500	1,600	1,550
	750	250 %	Internal Main	1,050,000	1,160,000	1,400	1,547	1,473
General Average in the Area				1,157,143	1,252,857	1,467	1,599	1,533

Source: Kuwait Finance House

Mubarak Al-Kabeer Governorate

Average price per meter in Mubarak Al-Kabeer governorate reached at KD 1,263/- in Q3 and Q2 2018 which indicates ongoing stability of prices in the governorate for some time. Decline ratios continue to improve on quarterly basis as well as on annual basis since the beginning of last year. Accordingly, prices declined in the government on annual basis by 3% in Q3 which is a better decline ratio than the annual decline which has reached 7% for the same period last year.

Prices stabilized in most of the locations in Sabah Al-Salem area in Q3 compared to Q2. Average price stabilized in locations overlooking 6th Ring Road which are considered as the highest price locations, thus recording KD 1,500 in Q3 and in locations overlooking Fahaheel Road at more than KD 1,400. Prices stabilized in certain main locations and streets in the area at KD 1,300 and in internal areas covering an area of 500 M² in Sabah Al-Salem area at less than KD 1,100 in Q3.

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

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

Source: Kuwait Finance House

Ahmadi Governorate

Average price per square meter in Ahmadi Governorate stabilized at KD 1,248/- as at Q3 & Q2 2018 i.e. lowest price of investment areas at all governorates level. Accordingly, annual price change ratios have been stable for the third time respectively at 3% in Q3 2018. However, they are considered as favorable compared to a noticeable annual decline by 5% in Q3 last year.

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 Q2 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 1,279/- as at the end of Q3. 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, Water Station Street and lowest prices in internal locations where prices reached KD 1,000/- per meter as at the end of Q3 and Q2 this year.

Prices stabilized in Abu-Halifa area as they reached KD 1,250 in Q3, 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 in some lowest price internal locations.

Prices stabilized in most of the locations in Fintas area. Certain other highest price locations on the coastal road did not witness any change compared to Q2 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 in addition to other internal areas. declined by 4.2%. Prices stabilized in other internal sites covering an area of 1,000 M² and some other main locations in the area.

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

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Al Fintas	750	250%	Fahaheel	950,000	1,000,000	1,267	1,333	1,300
	750	250%	Main	850,000	975,000	1,133	1,300	1,217
	1,000	250%	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				908,333	1,033,333	1,133	1,294	1,214
Abu Halifa	500	250%	Internal	525,000	625,000	1,050	1,250	1,150
	750	250%	Main	850,000	975,000	1,133	1,300	1,217
	1,000	250%	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				912,500	1,025,000	1,171	1,333	1,252
Mangaf	500	250%	Internal	570,000	675,000	1,140	1,350	1,245
	750	350%	Main	1,000,000	1,050,000	1,333	1,400	1,367
	1,000	250%	Main	1,650,000	1,700,000	1,650	1,700	1,675
General Average in the Area				963,571	1,057,143	1,218	1,340	1,279
Mahboula	500	250%	Internal	525,000	625,000	1,050	1,250	1,150
	750	250%	Main	850,000	975,000	1,133	1,300	1,217
	750	250%	Fahaheel	950,000	1,000,000	1,267	1,333	1,300
	1,000	250%	Coast	1,600,000	1,650,000	1,600	1,650	1,625
General Average in the Area				950,000	1,000,000	1,267	1,333	1,300
Fahaheel	500	250%	Internal	600,000	675,000	1,200	1,350	1,275
	750	250%	Main	900,000	1,050,000	1,200	1,400	1,300
	1,000	250%	Mecca	1,400,000	1,450,000	1,400	1,450	1,425
General Average in the Area				896,429	1,014,286	1,205	1,360	1,282

Source: Kuwait Finance House

Jahra Governorate

Prices stabilized in Jahra governorate as they reached KD 1,338/- in Q3 & Q2, thus going steadily stable for several quarters. Accordingly, prices did not witness any change in the governorate as at the end of Q3 and the preceding periods this year compared to same periods last year. Annual change ratios take an ascending trend remarkably.

Prices stabilized remarkably in investment areas of the governorate compared to Q2 e.g. water Station Street and several main locations in the area. Prices stabilized also in average price areas e.g. main and internal locations covering 500 M² and 1,000 M² in investment areas.

Table (13) Investment land Prices at Jahraa Governorate

Region	Area M ²	Building %	Street	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Al Jahraa	1,000	250 %	Internal	1,000,000	1,240,000	1,000	1,240	1,120
	1,000	250 %	Main	1,250,000	1,400,000	1,250	1,400	1,325
	800	250 %	Khuzami St. (water station)	1,150,000	1,220,000	1,438	1,525	1,481
	500	250 %	Main	700,000	780,000	1,400	1,560	1,480
General Average in the Area				931,667	1,066,667	1,250	1,425	1,338

Source: Kuwait Finance House

Annual rate of return on Investment properties

Investment real estate are considered a 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% 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%.

Average return on investment real estates reached 8.2% in Farwaniya governorate and slightly exceeded the rate of return on commercial real estates in this governorate. The average rate of return on investment real estates stabilized significantly in the governorate in Q3. Average return in Ahmadi governorate reached 8.3% and reached 8.2% and 8.1% in Mubarak Al-Kabeer and Jahraa as at the end of Q3 & Q2.

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

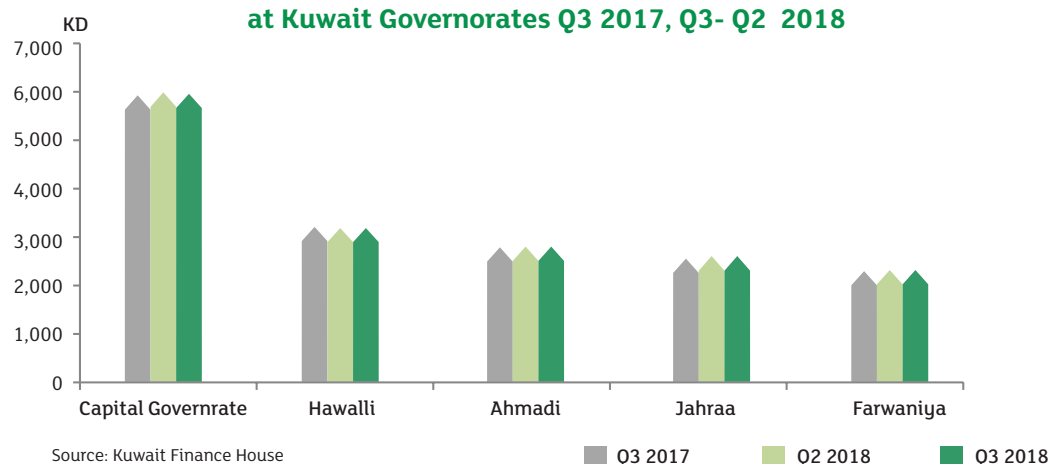
Governorate	Region	Area M ²	Building %	Site	Sale Return/Annual Real Estate Income % Q3 2018		
					From	To	Average
Capital	Bneid Al Gar	1,000	250 %	Gulf	6.50%	7.00%	6.75%
	Bneid Al Gar	1000	250 %	Istiqlal	7.50%	7.50%	7.50%
	Eastern Maqwa	250	240 %	Internal	6.50%	7.00%	6.75%
	Dasman	1000	400 %	Gulf	6.50%	7.00%	6.75%
Hawalli	Hawalli	750	250 %	Muthana	8.00%	8.25%	8.13%
	Hawalli	1000	250 %	Mousa Bin Nasir	8.00%	8.25%	8.13%
	Salmiya	1000	250 %	Gulf	6.50%	7.00%	6.75%
	Salmiya	1000	250 %	Hamad Mubarak	7.75%	8.00%	7.88%
	Shaab	1000	250 %	Gulf	6.50%	7.00%	6.75%
	Shaab	1000	250 %	Internal	7.75%	8.00%	7.88%
Farwaniya	Farwaniya	1000	250 %	Airport	8.00%	8.00%	8.00%
	Farwaniya	750	250 %	Internal	8.50%	8.50%	8.50%
	Khaitan	750	250 %	Airport	8.00%	8.00%	8.00%
	Khaitan	750	250 %	Internal	8.50%	8.50%	8.50%
	Raqei	1000	250 %	5 th Ring	7.75%	8.00%	7.88%
Ahmadi	Fintas	500	250 %	Internal	8.25%	8.50%	8.38%
	Fintas	750	250 %	Main	8.50%	8.75%	8.63%
	Abu-Halifa	500	250 %	Internal	8.25%	8.50%	8.38%
	Abu-Halifa	1000	250 %	Coast	7.00%	7.50%	7.25%
	Mahboula	750	250 %	Internal	8.50%	8.75%	8.63%
	Mahboula	750	250 %	Fahaheel	8.50%	8.50%	8.50%
	Mahboula	1000	250 %	Coast	7.00%	7.50%	7.25%
	Fahaheel	500	250 %	Internal	8.25%	8.50%	8.38%
Fahaheel	750	250 %	Main	8.50%	8.50%	8.50%	
Al Jahraa	Jahraa	1000	250 %	Internal	8.25%	8.50%	8.38%
	Jahraa	800	250 %	Khuzami	8.00%	8.00%	8.00%
Mubarak Al Kabeer	Sabah Al-Salem	500	170 %	Internal	7.50%	7.50%	7.50%
	Sabah Al-Salem	1000	250 %	Internal	8.50%	8.50%	8.50%

Source: Kuwait Finance House

Third: Commercial Real Estate Prices

Commercial land prices improved relatively as at the end of Q3 2018 reached KD 3,388 at all governorates level compared to KD 3,392 in Q2. Although annual change ratio has improved yet prices are taking the descending trend. On annual basis, prices improved by 0.5% compared to prices in Q3 last year. Accordingly, slow improvement still continues in the change of average price per meter following a decline by 1.8% in Q3 last year. Average prices are still registering better ratios compared to results recorded by both residential and investment sectors.

Figure (19) Average price/ M² of Commercial Real Estate at Kuwait Governorates Q3 2017, Q3- Q2 2018



Prices in all governorates maintained their stability as at the end of Q3 2018 compared to the preceding quarter. Prices recorded a slight decline in some governorates while they witnessed stability in others, e.g. Ahmadi, Jahraa and Farwaniya. Prices declined slightly in Capital governorate and Hawalli by less than 0.5% compared to Q2.

Capital Governorate

Average price per meter at Capital governorate reached KD 6,000 as at the end of Q3 compared to KD 6,011 in Q2 i.e. a slight decline by 0.25% in Q3 compared to the preceding quarter. However, prices have recorded an increase on annual basis by 1% which is the second highest increase at governorates level in the commercial real estate sector, thus continuing the ascending trend of annual change at the governorate price levels.

Price levels stabilized in most of the commercial real estate areas in capital governorate compared to the preceding quarter including the highest price areas e.g. down town where average price reached KD 7,350/- in Mubarak Al-Kabeer Street (Kuwait Boursa Area) while average price did not exceed KD 6,400 in other parts of the street e.g. Blocks Market. Average price stabilized at KD 6,250 in Abdul-Aziz Al-Saqer Street (Shuhadaa) while it recorded less than that in certain parts of Ali Al-Salem Street. Prices stabilized also in some streets of the down town area e.g. Sour Street, thus recording less than KD 6,000 while it recorded KD 4,150 in other locations in Q3.

Prices stabilized in several locations of Sharq area except some parts which have witnessed a slight decline in prices e.g. Ahmed Al-Jaber Street which is considered as the highest price parts at the area level, i.e. a decline by 1% as average price reached KD 6,625 per meter. Prices stabilized in other locations of the area e.g. Khaled Bin Al-Waleed Street and Jaber Al-Mubarak Street at KD 6,000 per meter.

Prices did not witness any change in Qibla area as they reached KD 7,000 in some locations e.g. Fahad Al-Salem Street and reached KD 6,250 in other locations e.g. Gharaballi market and KD 6,100 in Abdullah Al-Mubarak Street. Prices stabilized in certain parts of Ali Al-Salem Street at KD 5,900 while they recorded less than KD 5,000 in other locations of the same street covering 1,000 M² area. Average price in Mubarakiya area reached KD 5,500 thus marking a stability in Q3 & Q2 this year.

Table (15) Commercial Land Prices at Capital Governorate

Region	Building %	Street	Area M ²	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 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 reached KD 3,200/- in Q3 2018 i.e. a slight decline by not more than 0.5% on quarterly basis for the second time respectively. This decline comes on the back of the stability in prices during last year. On annual basis, average price declined by 1% compared to the prices in Q3 last year. These ratios are compare well considering the continued decline when reached 2.3% in Q3 last year.

Average price stabilized in most of the commercial areas in the governorate except some areas which have recorded a slight decline. In the highest price commercial areas in the governorate including Salmia and certain parts of Salem Al-Mubarak Street, price per meter stabilized at KD 3,700/-. Prices declined slightly by approximately 1% in several parts of Hamad Al-Mubarak Street, thus exceeding KD 3,100 per meter. Prices stabilized in the commercial locations of Bahrain Street at more than KD 2,700 per meter.

Average price declined slightly in Hawalli area by not exceeding 1%. In several locations of Tunis Street and Beirut Street, average price per meter reached KD 3,500 i.e. a decline by less than 1%. Average price declined also in certain parts of Ibn Khaldoon Street as it reached KD 3,100. Meanwhile, prices stabilized in several available sites of Othman Street at less than 2,800 per meter as at the end of Q3.

Table (16) Commercial Land Prices at Hawalli Governorate

Region	Building %	Street	Area M ²	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 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 stabilized at Farwaniya governorate as at the end of Q3 2018, recording KD 2,317/- per meter. Prices have been stable for several quarters, thus reaching the same level recorded in Q3. Quarterly price change ratios in the governorate are improving. Decline ratios of price per meter continued improving as average price per meter stabilized in Q3 on annual basis as it recorded in the preceding quarter the first slight increase on annual basis.

Prices stabilized as at the end of Q3 2018 in most of the governorate areas compared to Q2 2018. However, prices are still recording a limited increase in certain areas and a decline in some other sites. Average price per meter stabilized in the highest price areas in the governorate as at the end of Q3 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 Q2.

Average price declined slightly in Khaitan area as at the end of Q3 compared to Q2 e.g. locations opposite the commercial and office center where price reached KD 3,800 per meter i.e. a decline by 1.3% compared to Q2. Meanwhile, prices increased in certain parts of Jaleeb Al-Shoyoukh area e.g. places available in the Co-op Society Street, by 2.2% and stabilized at more than KD 2,000 per meter in internal streets in Q3.

Average price stabilized in places in Dhajeej compared to Q2, e.g. sites overlooking and internal locations at limtes exceeding KD 1,100 per M², and in South Khaitan internal areas at less than KD 900/- and in locations overlooking 6th Ring Road where they exceeded KD 500 per square meter. Prices stabilized in certain main streets of Ardiyaa in Q3 as they recorded more than KD 1,100 per square meter and increased in internal places to reach more than KD 950 as at the end of Q3.

Table (17) Commercial Land Prices at Farwaniya Governorate

Region	Building %	Street	Area M ²	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Farwaniya Menawer St.	180 %	Menawer	1,000	4,400,000	4,750,000	4,400	4,750	4,575
Farwaniya Fire Brigade St.	180 %	Fire Brigade St.	800	3,040,000	3,400,000	3,800	4,250	4,025
Jaleeb Al Shuyoukh (Opposite Society)	180 %	Cooperative St.	1,000	2,150,000	2,450,000	2,150	2,450	2,300
Jaleeb Al Shuyoukh (Background)	180 %	Internal	1,000	3,500,000	4,000,000	3,500	4,000	3,750
Dhajeej (5000 m) 6 th Ring Road	50 %	6 th Ring	5,000	2,000,000	2,100,000	2,000	2,100	2,050
Dajeej (South Khaitan)	250 %	Internal	5,000	5,500,000	6,000,000	1,100	1,200	1,150
Ardiya – Warehouses	Ground 80% Mezanin 50%	Main	1,000	1,500,000	2,250,000	300	450	375

Source: Kuwait Finance House

Ahmadi Governorate

Prices at Ahmadi governorate reached KD 2,808/- as at the end of Q3, recording an improvement in Q3 compared to the preceding quarters this year. Prices improved compared to the same periods last year. On annual basis, average price per meter continued its limited improvement for the third time respectively, thus increasing by 0.5% compared to Q3 last year where it witnessed a higher decline by 4.1% on annual basis.

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 Q3.

Average price per square meter stabilized in most of the places in the governorate e.g. Fintas area internal and main streets, recording KD 3,400/-. 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 despite the improvement achieved in Marina Street where price approximated KD 1,200/- in Q3 i.e. an increase by 2.9% compared to Q2. Average price per square meter stabilized in internal places thus recording KD 900/- per meter in Q3.

Table (18) Commercial Land Prices at Ahmadi Governorate

Region	Building %	Street	Area M ²	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Mangaf	300%	Aziziya	750	1,312,500	1,612,500	1,750	2,150	1,950
Fintas Admin. & Comm.	180%	Main	1,000	3,200,000	3,600,000	3,200	3,600	3,400
	180%	Internal	1,000	3,000,000	3,400,000	3,000	3,400	3,200
Fahaheel	180%	Internal	750	2,062,500	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	750	1,320,000	1,500,000	1,100	1,250	1,175

Source: Kuwait Finance House

Jahra Governorate

Average price per square meter in Jahra governorate stabilized at KD 2,610 as at the end of Q3 2018 following a limited, albeit the highest, increase in several years in Q2 by 1.4% compared to the preceding quarter. Prices maintained in Q3 the increase achieved in Q2 as they increased by 1.8% i.e. the same increase recorded in Q2 respectively. This increase is the highest increase recorded in several quarters. Decline ratios of prices continue to improve.

Prices stabilized in most of the governorate areas as at the end of Q3 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 Q3, 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 Q3.

Table (19) Commercial Land Prices at Jahra Governorate

Region	Building %	Street	Area M ²	Land Market Value (KD)		Market Value / M ² (KD)		Average Price / M ² Q3 2018
				From	To	From	To	
Jahraa	50%	Marzouq Al-Met'eb	1,000	2,500,000	2,900,000	2,500	2,900	2,700
Jahraa Admin. & Comm. Center	300%	Admin. & Commercial	875	3,062,500	3,325,000	3,500	3,800	3,650
Jahra - Qaisariyat	300%	Block 20	225	562,500	630,000	2,500	2,800	2,650
Jahraa	50%	Block 21	1,000	1,700,000	2,000,000	1,700	2,000	1,850

Source: Kuwait Finance House

Annual Rate of Return on Commercial Properties

Return ratios on commercial properties improved in some commercial areas in the governorate as at the end of Q3. However, returns stabilized in Q3 compared to Q2. Return ratios in some governorates are considered relatively lower than returns on investment real estates except Hawalli governorate in which return on commercial properties is more than the return on investment properties.

Average return on commercial property in Capital Governorate stabilized, thus recording 7% as at the end of Q3 and Q2 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%. As a result 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.

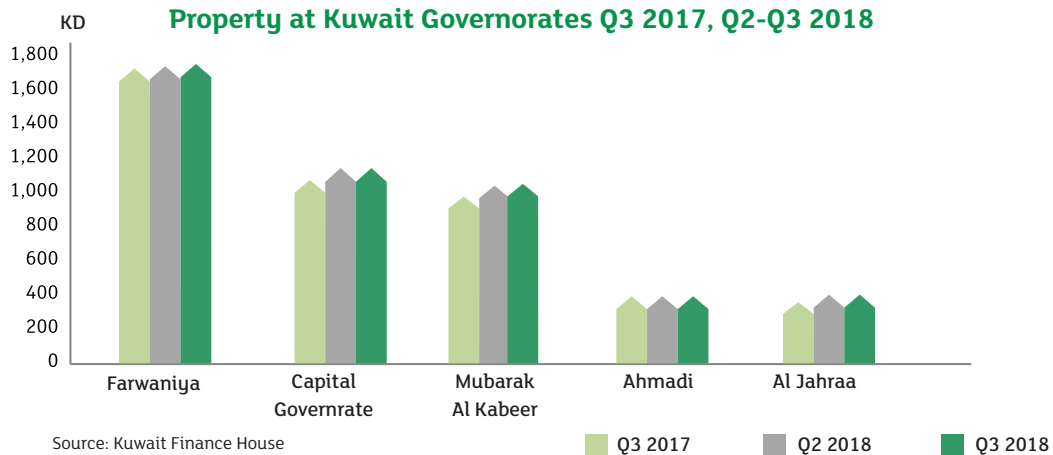
Table (20) Annual Rate of Return (ARR) on Commercial Properties in Certain Kuwait Areas

Governorate	Region	Building %	Street	Average Annual Return % Q3 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	7.75%	7.75%	7.75%
	Khaitan (Admin. & Commercial)	300%	Admi. & Comm.	8.00%	8.25%	8.13%
	Jaleeb Shoyoukh – Opposite Cooperative	180%	Coop. St.	8.00%	8.25%	8.13%
	Dhajeej (5000m) Internal	210%	Internal	8.25%	8.50%	8.38%
	Ardiya - warehouses	Ground 80% Mezzanine 50%	Main	8.00%	8.00%	8.00%
Jahraa	Jahraa	180%	Marzouk Al-Mat'aab	7.75%	8.00%	7.88%
	Jahraa (Admin. & Commercial)	300%	(Admin. & Commercial)	7.75%	8.00%	7.88%
	Jahraa - Quisareyat	300%	Plot 20	7.50%	7.75%	7.63%
	Jahraa	50%	Plot 41 A	8.00%	8.00%	8.00%
Ahmadi	Mangaf	300%	Aziziya	8.00%	8.50%	8.25%
	Fintas (Admin. & Commercial)	180%	Internal	8.00%	8.25%	8.13%
	Fahaheel	180%	Internal	8.00%	8.25%	8.13%
	Fahaheel	280%	Mecca	7.50%	8.00%	7.75%

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

Average price per square meter of industrial plots reached KD 912/- as at the end of Q3 i.e. a decline by 1% compared to Q2 which has recorded KD 920/- per square meter. Accordingly, although the ascending trend in prices in real estate sector continued since the beginning of last year it has eased. Prices increased in most of the industrial plots including those falling at Farwaniya Governorate. Prices decreased slightly at Farwaniya governorate while they stabilized and in industrial plots in Ahmadi and Jahra governorates. Prices increased slightly in industrial plots of Mubarak Al-Kabeer governorate compared to Q2 this year. Accordingly, average price at all governorates levels improved, thus recording in Q3 an increase by 3% compared to the same period last year. This increase comes on the back of the remarkable increase in the prices in Farwaniya, Mubarak Al-Kabeer and Jahraa governorates. Meanwhile, prices stabilized in Capital and Ahmadi and governorates compared to Q3 last year.

Figure (20) Average Market Value/ M² for Industrial and Handcraft Property at Kuwait Governorates Q3 2017, Q2-Q3 2018



Capital Governorate

At various governorates level, average price per square meter decreased in Q3, which is relatively the same level recorded last year as it reached KD 1,048 per meter in Q3 i.e. a decline by 6.4% on quarterly basis. Bearing in mind that it has reached a level which has not been achieved since the beginning of last year KD 1,160/- as at the end of Q2. The ascending trend of prices which was achieved by prices since the beginning of last year. Average price per meter has stabilized on annual basis in Q3 following the positive growth ratios achieved in Q2 and the preceding two quarters.

Average price has fluctuated in some industrial areas as at the end of Q3 2018. Prices increased in some sites while they stabilized in some other parts. Prices increased in some places of Electricity Street which is considered the highest price area in Industrial Shuwaikh where price per square meter reached KD 1,500. Prices increased also in Al Zena Street by 3.7% while they stabilized in other locations compared to Q2. This area is considered as the second highest price area at the governorate level. Meanwhile prices increased in certain places of Canada Dry Street to average KD 1,400/- i.e. an increase by 3.7% compared to Q2 and stabilized in other parts of this street at KD 1,100 in Q3.

Prices declined in industrial places overlooking 4th Ring Road to reach KD 925/- as at the end of Q3. Prices increased remarkably in certain places of Jahra road by 6.5% compared to Q2 and stabilized in Shuwaikh Industrial area, Mohammed Bin Al-Qasem Street recording KD 950/- and Ghazallie Street recording KD 750 per meter. Prices did not witness any change in certain internal areas compared to Q2.

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

Region	Allocation	Area M ²	Building %	Street	Land Market Value (KD)		Average Price / M ² Q3 2018
					From	To	
Industrial Shuwaikh	Showrooms + Industrial	1,000	100% Basement + 80% Ground + 50% Mezzanine	Canadadry St.	1,300,000	1,500,000	1,400
		5,000		Canadadry St.	5,000,000	6,000,000	1,100
		1,000		Shahrazad St.	800,000	1,000,000	900
		1,000		Decoration St.	1,300,000	1,500,000	1,400
		500		Decoration St.	725,000	775,000	1500
		500		Electricity St.	1,300,000	1,500,000	1,400
		5,000		Pepsi St.	3,750,000	4,500,000	825
		1,000		4 th Ring Road	850,000	1,000,000	925
		22,500		Internal	9,000,000	12,500,000	478
		1,000		Mohammad Al Qasim	800,000	1,100,000	950
		1,000		Ghazali St.	700,000	800,000	750
General Average in the Area					2,052,308	2,576,923	1,048

Source: Kuwait Finance House

Farwania Governorate

Prices increased at Farwaniya governorate, recording KD 1,715 as at the end of Q3 2018 as they have reached a level which has not been achieved since 2015, thus recording an increase in Q3 by 1.3% compared to Q2. Average price in the governorate is still the highest at all governorates level. Price levels have regained their momentum as they recorded an annual increase by 2% compared to Q3 last year.

Prices have stabilized at the end of Q3 in most of the industrial areas of the governorate compared to Q2 2018 while they increased slightly in some other sites. Prices increased in Ardiya hand craft area, exceeding KD 2,500/- which is the highest price in the industrial area. Prices stabilized in some other sites of Ardiya area including those overlooking 5th ring road, certain places opposite Ardiya stores and other places opposite Ardiya residential area as at the end of Q3. Prices increased in internal areas by 5.5% compared to Q2.

Prices increased in Rai area as at the end of Q3 by 1.8% compared to Q2. Prices stabilized in some locations and increased in others. 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/- i.e. an increase by 6.7% compared to Q2. Prices stabilized in the internal streets of the area at KD 510 per meter as at the end of Q3 2018.

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

Region	Allocation	Area M ²	Building %	Site	Street	Land Market Value (KD)		Average Price / M ² Q3 2018
						From	To	
Al Rai	Showrooms + Industrial	1.000	100% Basement + 80% Ground + 50% Mezzanine	Main	Safat Al Ghanim (till Al Nasr Sports)	1,150,000	1,250,000	1,200
		1.000		Main	Ghazali St.	800,000	1,000,000	900
		4.000		Main	Mohammad Al Qasim	3,400,000	4,250,000	956.25
General Average in the Area						1,825,000	2,186,667	928
Ardiya Craft Area	Crafts	250	100% Basement + 80% GF + 20% Mezzanine	Main	Opposite Ardiya Stores	630,000	680,000	2,620
		250		Main	Opposite Ardiya Residential	620,000	670,000	2,580
General Average in the Area						593,750	657,500	2,110

Source: Kuwait Finance House

Ahmadi Governorate

Average price per square meter stabilized at KD 385 as at the end of Q3 & Q2 in Ahmadi governorate and did not witness any change compared to last year, thus continuing its remarkable stability in the general in quarterly and annual change ratios. This governorate is the only governorate which has recorded a stability in price levels on annual basis in industrial areas in Q3.

Average price stabilized the industrial areas at Ahmadi Governorate as at the end of Q3 compared to the preceding quarter. Prices stabilized in Fahaheel are at KD 667 as at the end of Q3 and still the highest among industrial areas in the governorate. Prices stabilized also in certain sites of Sultan Center Street and other locations opposite the refineries and internal streets in the area.

Prices stabilized in East Ahmadi industrial area, thus recording KD 379. Prices stabilized in several locations in the area e.g. Mustafa Karam Street as well as several places in the main warehouses area covering an area of 5,000 M² and in certain internal warehouses covering an area 5,000 M² as well as other sites in the warehouses area covering an area 1,000 M².

Prices stabilized also in low price areas e.g. Shuaiba area and Mina Abdullah at KD 110 as at the end of Q3 2018. Prices stabilized in highest price areas e.g. Jawharat Al-Fanar area, most of the internal places in the area, main places of Eastern Shuiaba area, Mina Abdullah area, gravel storage area, and internal areas of Mina Abdullah.

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

Region	Allocation	Area M ²	Street	Land Market Value (KD)		Average Price / M ² Q3 2018
				From	To	
West Shuaiba	Industrial	120,000	Behind Gas Station	8,500,000	10,500,000	79
West Shuaiba		10,000	Internal	1,350,000	1,550,000	145
Mina Abdullah		1,000	Fanar	175,000	210,000	193
General Average in the Area				2,721,875	3,254,375	110
Fahaheel	Showrooms + Industrial	1,000	Sultan Center St.	900,000	1,150,000	1,025
		1,000	Opposite Refinery	500,000	600,000	550
		1,000	Internal Streets	350,000	500,000	425
General Average in the Area				583,333	750,000	667
East Ahmadi Industrial Area	Showrooms + Industrial	75,000	Mustafa Karam	4,150,000	4,500,000	577
		5,000	Main	1,600,000	1,750,000	335
General Average in the Area				1,892,500	2,020,500	379

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

Region	Allocation	Area M ²	Street	Land Market Value (KD)		Average Price / M ² Q3 2018
				From	To	
Abu Fatira Crafts	Showrooms	1,000	Main	1,900,000	2,000,000	1,950
Abu Fatira Crafts	Handcraft	500	Main	675,000	750,000	1,425
General Average in the Area				1,212,500	1,400,000	1,638
Sabhan	Industrial	1,000	Main	400,000	550,000	475
		1,000	Pepsi	2,000,000	2,250,000	425
		5,000	Pepsi	300,000	400,000	350
General Average in the Area				1,033,333	1,216,667	408

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

Region	Allocation	Area M ²	Street	Land Market Value (KD)		Average Price / M ² Q3 2018
				From	To	
Amghara	Major Contractors	10,000	Internal	1,300,000	1,500,000	140
		10,000	Main	850,000	1,000,000	185
	Minor Contractors	1,000	Internal	165,000	190,000	178
		1,000	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

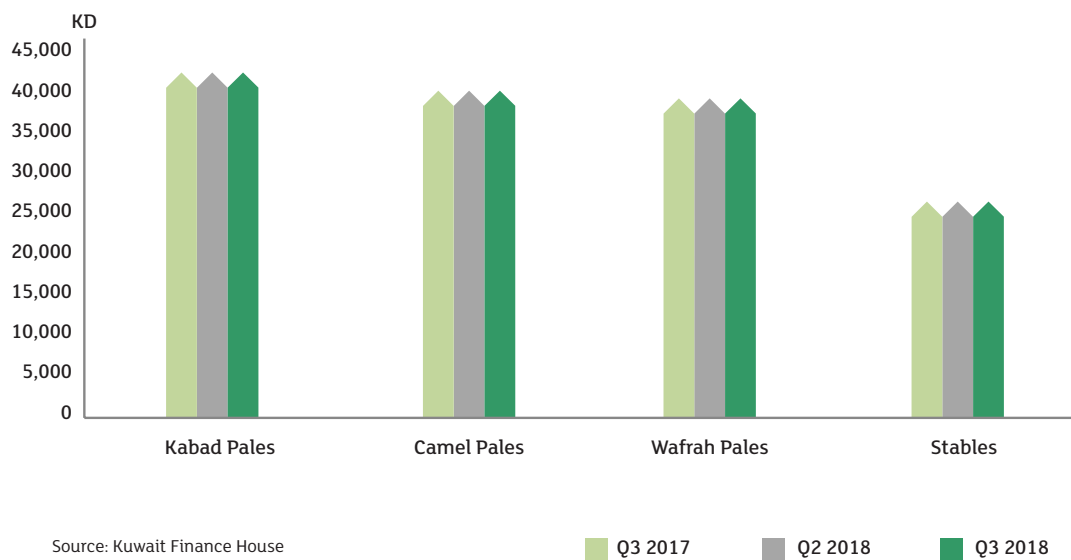
Fifth: Prices of Farms and Livestock Pales

Average prices of livestock pales and stables are still stable in Q3 and did not witness any change compared to the preceding quarter. Average price stabilized at Kuwait level. Prices stabilized remarkably in most of the stables and pales in Ahmadi governorate. The estimated usufruct price of the land covering 1,465 M² reached KD 36,800. This price did not witness any change as at the end of Q3 2018 compared to average price on annual basis.

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

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

Figure (21) Average estimated price of usufruct right at Livestock farms and Stables at Ahmadi Governorate Q3 2017 and Q3, Q2 2018



Agricultural Land in Jahra and Ahmadi Governorates

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

Table 26: Prices of Farms and Livestock Pales

Governorate	Region	Area M ²	Site	Estimated Plot Usufruct Price (KD)		Price / M ² (KD)		** A/P Q3 2018
				From	To	From	To	
Ahmadi	Kabd Pales	2,500	Internal	40,000	50,000	16	20	45,000
	Kabd Pales	2,500	Main	50,000	55,000	20	22	52,500
	Equestrian Stables –Ahmadi	500	Internal	20,000	25,000	40	50	22,500
		500	Racecourse + Golf	30,000	35,000	60	70	32,500
	Wafra Farms	2,500	Internal	30,000	40,000	12	16	35,000
		2,500	Main	40,000	45,000	16	18	42,500

** A/P = Average Plot Price in KD

Source: Kuwait Finance House

Sixth: Chalet Prices

Quarter 3 2018 has coincided with end of summer 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 Q3 this year.

Average price per square meter at the sea front in Ahmadi governorate reached KD 14.4 Thousand as at the end of Q3 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 Q3 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 Q3 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 declined to KD 482 i.e. a decline by 2% as at the end of Q3 2018 in a private residence real estate. It reaches KD 460 in Daeya, KD 500 in Qadisiya, and reaches KD 540 in certain distinguished locations of the governorate. Average rent value in Hawalli declined by 4% to reach KD 445/- at the end of Q3. 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 Q3 2018. Meanwhile, average rent in Farwaniya governorate reached less than KD 360 i.e. a decline by 1% 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 400 for the same area i.e. a decline by 7% on annual basis. Average rent in Mangaf area reached KD 360 and reached KD 385 in Eqaila area i.e. a decline by 14% on annual basis. Average rent value declined in Ahmadi governorate by 9% on annual basis to reach KD 360. Average rent value in Sabah Al-Salem area recorded KD 385 and reached KD 440 in Masayel. In Jahra governorate, average rent value declined by 2% as it reached KD 350 and reached KD 360 in certain parts of old Jahraa in Q3.

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 Q3 2018. 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 stabilized in Hawalli governorate as it recorded KD 830 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 declined in Ahmadi governorate to reach KD 660 in Q3 i.e. a decline by 7% on annual basis 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 7% 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 5% and 8% respectively, 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 Q3.

Average rental value for a full first or second floor at a private residence covering an area 400 meter: Average rent value stabilized in capital governorate at KD 780 as at the end of Q3 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. Ghemata and Sulaibikhat, average rent value reached KD 580 and KD 540 as at the end of Q3. Average rent value stabilized in Hawalli governorate, thus recording KD 730 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 Q3.

Rental value at Ahmadi governorate declined by 9% on annual basis in Q3 and declined more than this in certain parts of the governorate e.g. Eqaila area as it reached KD 600. Average rent in Mubarak Al-Kabeer governorate less than KD 600 i.e. an increase by 14% on annual basis. Average rent value stabilized in Jahra governorate, thus recording KD 520 for the 1st or 2nd floor.

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% on annual basis. 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 reached KD 285 in Mubarak Al-Kabeer and Jahra governorates as at the end of Q3.

Rental value of a 2 bed rooms flats + a hall covering an area of 70 – 74 M² in Q3 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. 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 2% on annual basis. Average rent for this area reached KD 315 in Mubarak Al-Kabeer and Jahra governorates in Q3.

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 and Jahra governorates reached KD 345 as at the end of Q3 on annual basis.

Rental value for a flat coving 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 295 in 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 rang 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 in various Kuwait Governorates during Q3 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

Average Rental Value for a newly built Private Residence in KD covering an area 400 m Kuwait Governorates during Q3 2018

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

Table (31): Average Rental Value Trading Investment Properties in Kuwait Governorates during Q3 2018

Hawalli Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Salmiya	270	310	300	340	330	370	380	420
Hawalli	260	290	290	320	320	350	370	400
Jabriya	280	320	310	350	340	380	390	430
Shaab	300	330	330	360	360	390	410	440

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

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

Average Rental Value Trading Investment Properties in Kuwait Governorates during Q3 2018

Ahmadi Governorate	2 Bedrooms, Hall & Bathroom (60)m		2 Bedrooms, Hall & 2 Bathrooms (70 - 74)m		2 Bedrooms, Hall & 2 Bathrooms (80 - 85)m		3 Bedrooms, Hall & Maid Room (100 – 110)m	
Fintas	240	260	270	290	300	320	350	370
Mahboula	240	260	270	290	300	320	350	370
Abu Halifa	240	260	270	290	300	320	350	370
Mangaf	250	270	280	300	310	330	360	380
Fahaheel	260	280	290	310	320	340	370	390

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

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

**Tabel (32) Average Rental Value Trading of Commercial Properties at Kuwait Governorates
"Q3 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

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

** Basement as a commercial unit and not a store

*** Administrative and commercial towers

**Table (33): Average Rental Value Trading of Industrial Plots at Kuwait Governorates during Q3 2018 (KD)
Average Rental price per Square Meter (KD)**

Areas	Basement	Ground Floor	Mezzanine	Price Index
Industrial Shuwaikh	3 - 4	6.5 - 15	3.5 - 4	Unit Area = 40 m
Al Rai	3 - 4	6.5 - 15	3.5 - 4	Excluding Rental Values in Avenues Mall
Sabhan	2.5 - 3	3.5 - 6	3 - 4	► Upon Allocating Stores for the GF, Price/M ² Ranges KD 4 - KD 5
Ardiya (Stores)	3 - 4 as per Height	6.5 - 7	3.5 - 4	► Price/m ² = KD 6 - 8 for a 100-M ² Showroom at Ground Floor
Ardiya	3 - 3.5 as per Height	12 - 20	4 - 5	► Price/m ² = KD 6 - 8 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

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

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

This reports highlights the general trends of Kuwait Real estate market trading prices. However, the method applied by the Evaluation and Studies Section at KFH is dependent on the study of each property separately including features, rental value and returns in order to prepare a special recommendation and adequate appraisal of each real estate based on location, age, depreciation, finishing levels, surrounding environment and infrastructure level.

GLOSSARY OF TERMS

Private Residence Buildings

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

Investment Residence Building

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

Private School Building

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

Hotels and Motels Buildings

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

Commercial Building

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

Industrial Facilities

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

Residential Complexes Outside and Inside Kuwait City

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