

GLOBAL SPOTLIGHT

Kuwait City, Kuwait



Kuwait is a highly industrialized country and is the fourth richest country in the world per capita.

- The real estate sector in Kuwait continues to boom as evidenced by the construction cranes littering the skyline. The property market as a whole has experienced unprecedented expansion as oil revenues flood into about 270 new towers and projects crowding Kuwait city's urban centers - mainly in Sharq, Kuwait City, Salmiya, Hawally and Fahaheel.
- Kuwait's strong economic growth has contributed towards a positive business environment, which in turn has attracted more foreign companies to participate in different sectors of the country. Due to the shortage in supply of office space, rental rates and sale prices have risen significantly. Office land rates continue to soar, primarily due to increasing demand from local companies. Rentals for Class A office space are expected to increase at lower rates in the medium term and start decreasing in the long term.
- The rising number of expatriates and growing purchasing power are fueling retail consumption, thereby shaping the retail real estate market in Kuwait. Trends are shifting towards development of large malls. Several mega malls are planned to be developed. The total offering of retail space in Kuwait is expected to top 1.1 million SM of GLA by the end of 2010. Kuwait will be the third largest provider of retail space, accounting for 10% of the total supply coming online by 2010 in the GCC region.
- The industrial segment in Kuwait has benefited from higher hydrocarbon prices and rich availability of oil reserves. Kuwait is planning to invest nearly \$64 billion in its hydrocarbon sector over the next 15 years as it seeks to ramp up both oil production and refining capacity. This is likely to fuel demand for industrial property. The industrial sector has also benefited from the government's efforts to diversify the economy and increase investments in other sectors.
- Kuwait's population increase, combined with high levels of liquidity, burgeoning regional markets and relative political stability, has created an ideal environment for property investment. Transaction activity in the Gulf region in general and Kuwait in particular has flourished.

Kuwait City At A Glance

Population	2,380,000 Metro
Location	Capital and largest city of Kuwait
GDP	\$103.4 billion (2007 est.)
Inflation	3.9% (2007 est.)
Unemployment	2.2% (2004 est.)
Conversion	1 USD = 0.2666 KWD 1 KWD = 3.75094 USD

Property	Rent/SF/Year		Vacancy Rate
	Low	High	
Downtown Office Class A	\$32.07	\$56.12	2.0%
Suburban Office Class A	N/A	N/A	N/A
Industrial Bulk Warehouse	\$12.03	\$20.04	10.0%
Retail City Center	\$48.10	\$100.22	3.0%

NAI Kuwait provides local market expertise in Kuwait.

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At A Glance

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8,000	Professionals
\$45 billion	Annual Transaction Volume
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