



Kuwait Real Estate Report

H2 2025 Review and H1 2026 Outlook

January 2026

المركز
MARKAZ

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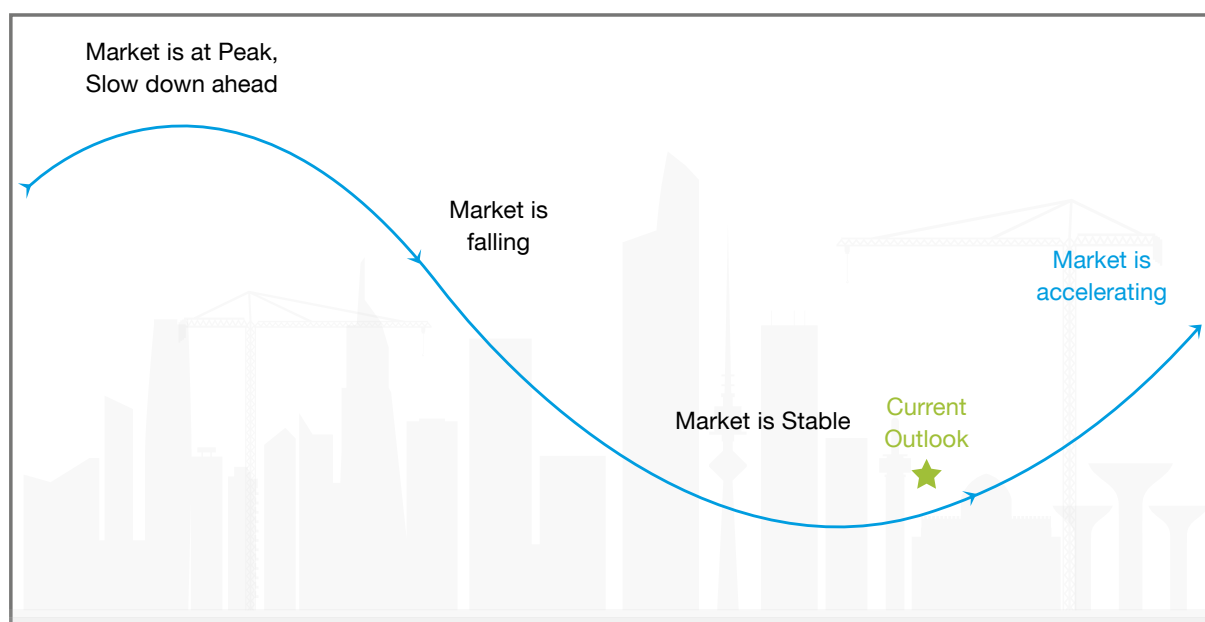
1. Executive Summary

- Kuwait's real GDP is projected to grow by 3.9% y/y in 2026, up from 2.6% in 2025, driven by increased oil output and steady non-oil activity. Real oil GDP is forecast to expand by 5.4% y/y in 2026 as Kuwait reverses two earlier tranches of OPEC-mandated production cuts. In the non-oil sector, improved business sentiment, stronger project awards, potential interest-rate reductions, and government efforts to accelerate project delivery and advance reforms are expected to underpin growth. This broader economic expansion is also likely to translate into greater demand for commercial and industrial real estate.
- During January-October 2025, oil prices have remained volatile, weighed down by rising OPEC+ production, market oversupply, and U.S. tariff-related trade tensions. The U.S. Energy Information Administration (EIA) expects Brent crude to average USD 55/bbl. in 2026, reflecting subdued demand and persistent oversupply. Lower oil prices could reduce government revenues, potentially slowing public spending on infrastructure projects that affect the support real estate demand.
- After trending downward between January and April 2025, inflation in Kuwait stabilized in May before edging higher in June and July. Consumer prices rose to 2.39% y/y in July, up from 2.32% y/y in June. Housing rents were steady at 0.98% y/y, while food and beverage inflation increased to 5.63% y/y in July from 5.11% in June 2025. Food and beverages prices could moderate in H1 2026 amid occasional increases due to seasonality.
- Domestic credit in Kuwait rose by a robust 8.3% y/y in October 2025, up from 3.6% y/y in December 2024, supported by solid business lending and steady household demand. Business credit expanded by 6.2% y/y, driven by 7.6% y/y increase in loans to the real estate sector. Household credit grew by 4.0% y/y in October, bringing year-to-date growth to 3.5%. The anticipated passage of the mortgage law submitted to the cabinet in September 2025, and potential interest-rate reductions could further stimulate household borrowing and consumer spending in H1 2026.
- The Central Bank of Kuwait (CBK) cut rates by 25 bps each in in September and December 2025 to 3.5%, mirroring the moves of U.S Fed. The December rate cut was the third reduction by CBK since the U.S. Fed began easing rates in September 2024. While the Fed lowered rates again by 25 bps in October, the CBK kept rates unchanged citing regional economic conditions. By December 2025, CBK had reduced rates by a total of 75 bps, compared with 175 bps by the

U.S Fed. Markets expect one or two 25 bps rate cut in 2026, though uncertainty around the Fed's path continues to influence CBK's policy decisions. A reduction in borrowing costs is expected to stimulate real estate demand, particularly in the commercial and investment property segments.





- Kuwait real estate sector sustained its growth trajectory in 9M 2025, signaled by the rise in prices and rentals across Istithmari and commercial segments. Land prices of Istithmari (investment) and commercial segments posted increases on annual basis across the governorates. Overall average rental rates for 3-bedroom and 60 sq.m. apartments in Istithmari (investment) segment witnessed stable increase in Q1 2025. The average rental value for the office segment in the commercial sector recorded increases on y/y basis across most governorates compared to remaining flat on an annual basis in Q1 2025. The volume and value of real estate transactions in Kuwait registered a positive trend in 9M 2025. Real estate sales rose by 26.9% y/y to KD 3,043 million in 9M 2025 driven by an increase in sales across all the segments. Residential and commercial segment sales increased by 8.0% y/y and 17.4% y/y respectively during the first nine months of 2025. The growth in the residential segment was constrained by affordability pressures and supply shortages. Investment segment sales increased the most, by 60.0% y/y during the period. The volume of transactions in the real estate sector grew by 27.8% y/y to 4,247, supported by an uptick in the number of transactions across all the segments. The volume of transactions in the residential and investment segment grew by 24.2% y/y and 34.3% y/y in 9M 2025. The number of transactions in the commercial segment witnessed a strong increase of 58.8% y/y to 154 in 9M 2025.
- Based on our assessment of various macroeconomic indicators, we believe that the Real Estate market in Kuwait would remain stable in H1 2026 with prospects of increase in land prices and rental rates amid the rollout of government reforms as indicated by Markaz Real estate Macro Index score of 3.45 out of 5.0.

Kuwait Real Estate Market Outlook









Source: Marmore Research

Kuwait Macro-Economic Views

Economic Factors	Our take	Our View
 Oil (Real) GDP Growth	Strong	Oil GDP growth is expected to remain robust at 5.4% y/y in 2026 supported by the phase out of OPEC+ oil production cuts and USD 50 billion investments to improve oil production capacity in the next five years.
 Non-Oil (Real) GDP Growth	Neutral	The lower, albeit improving levels of government investment on infrastructure projects, subdued consumer spending and slower rollout of government reforms are likely to weigh on non-oil sector growth.
 Fiscal Position ¹	Neutral	The fiscal deficit for 2026 is expected to widen to 4.5% of the GDP from 3.9% in 2024 amid lower oil prices. However, introduction of excise taxes, subsidy cuts and wage control measures could support the fiscal position.
 Investments	Moderate	Investments are expected to rise to 24.6% of GDP in 2026 from 24.0% in 2025 driven by government-led investments aimed at advancing economic diversification efforts.

¹ Excludes Investment Income and after transfer to FGF

	Money Supply	Moderate	Money supply (M2) is expected to expand by 5.1% y/y in 2025, compared to 4.3% y/y in 2025 amid softer inflation and easing of monetary policy.
	Inflation	Neutral	Inflation is expected to hold steady at 2.2% in 2026, supported by moderate non-oil sector growth and restrained consumer spending. Food prices are also expected to ease, though occasional seasonal upticks may persist.
	Interest Rate	Neutral	The Central Bank of Kuwait (CBK) has adopted a more gradual approach to monetary easing than the U.S Fed in line with regional economic and financial conditions. U.S Fed is likely to reduce interest rates by 50 bps in 2026 although uncertainty persists in the interest rate trajectory amid mixed macroeconomic signals.
	Population Growth	Neutral	Population growth is expected to remain broadly neutral due to the government's ongoing revocation of Kuwait citizenship in certain cases. Higher fees for sponsoring the family members of expats, along with increased health insurance fee could weigh on expat population growth.
	Job creation	Neutral	Job creation is expected to remain limited due to the revocation of Kuwait citizenship. However, efforts to fast-track project implementation could increase demand for construction workers and offer support to some extent.
	Government reforms	Neutral	The draft mortgage law was submitted to the cabinet for final approval in September 2025 and is likely to be enacted soon. However, CBK initiated the mortgage law and submitted a draft to the government in 2018, reflecting prolonged delay in moving the legislation forward. Broadly, the pace of real estate reforms in Kuwait continues to lag behind that of Saudi Arabia and UAE.

Source: Marmore Research

2. Kuwait: Macroeconomic Update

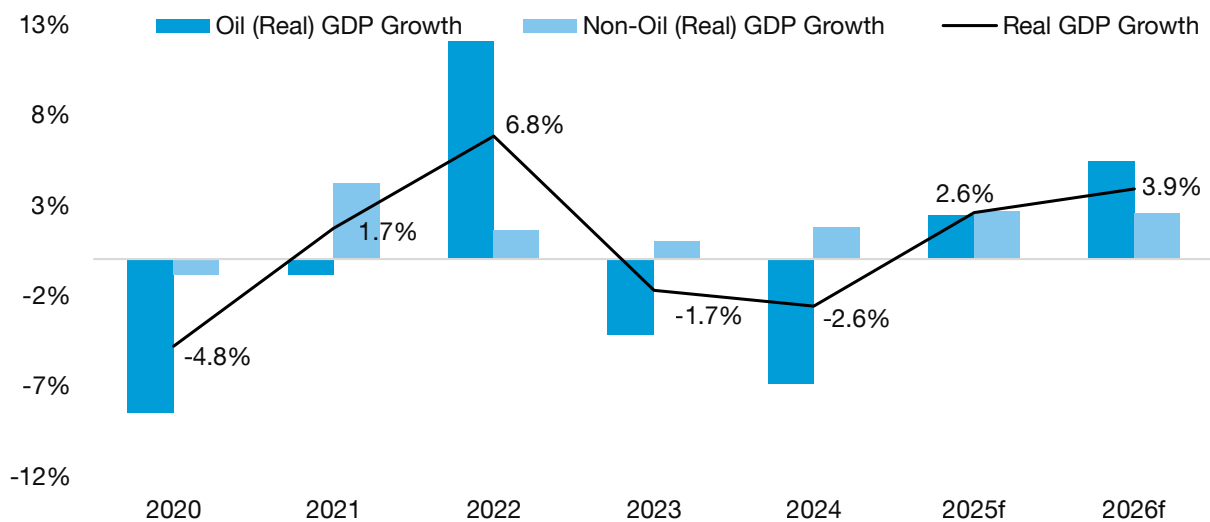
a. Expansion of oil output to support real GDP growth in 2026

Kuwait's real GDP is forecast to grow by 3.9% y/y in 2026, up from an expected 2.6% y/y in 2025 on the back of higher oil production and improved activity in the non-oil sector. Kuwait's economic growth is likely to return to positive territory in 2025 after two consecutive years of contraction. Real oil GDP is expected to grow by 5.4% y/y in 2026 as Kuwait unwinds two previous tranches of the OPEC-mandated production cuts. OPEC+ had been reducing oil output from 2023 until April 2025, amounting to 5.85 million bpd. The reductions were made in three tranches: voluntary cuts of 2.2 million bpd, 1.65 million bpd by eight members (including Kuwait) and a further 2 million bpd by the whole group. The group has been unwinding voluntary cuts, while third tranche for the whole group is likely to stay in place until the end of 2026. In September 2025, it completed the unwinding of 2.2 million bpd of cuts that were first announced in November 2023. The group is currently unwinding 1.65 million bpd of voluntary cuts announced in April 2023. The unwinding of the two tranches is expected to raise Kuwait's oil output by a total of 263 thousand bpd. However, the group has paused output increases in Q1 2026 amid signs of oversupply in the market indicating that the rate of unwinding the 1.65 million bpd cut is subject to the evolving market conditions. From a long-term perspective, Kuwait Petroleum Company (KPC) plans to raise production capacity to 4.0 mb/d by 2035, expanding the refining sector. Kuwait plans to invest USD 50 billion to raise its oil production capacity above 3 million bpd over the next five years.

The growth in the non-oil sector is expected to remain stable at 2.6% y/y in 2025 compared to an expected 2.7% y/y in 2025 driven by improved business optimism, higher project awards, a potential decline in interest rates coupled with government efforts to speed up project execution and reform implementation. Growth in non-oil private sector, as indicated by the PMI, rose to 52.8 in October from 52.2 in September supported by expansion in new orders. The government is emphasizing the delivery of key infrastructure projects, such as the Mubarak Al-Kabeer port, the Al-Zour North IWPP project and housing cities. According to MEED Projects, total contracts awarded in Kuwait during 9M 2025 increased by 25.3% y/y to USD 7.0 billion compared to USD 5.6 billion 9M 2024. Kuwait has roughly USD 127.0 billion worth of upcoming projects in the pipeline. The passage of the public debt law in April and the upcoming mortgage law in addition to efforts

to diversify government non-oil revenues are likely to augur well for non-oil sector growth. In March 2025, the Kuwait government issued the public debt law that sets the public debt ceiling at a maximum of KD 30 billion (about USD 97 billion), or its equivalent in major convertible foreign currencies. The law also allows the issuance of financial instruments with maturities of up to 50 years. In October 2025, Kuwait issued USD 11.25 billion worth of sovereign bonds, and the issuance was oversubscribed by 2.5 times. However, softer consumer spending, lower capital expenditure by the government and any unanticipated delays in the rollout of reforms such as mortgage law could impact the pace of non-oil sector growth.

Annual Real GDP Growth (% change)

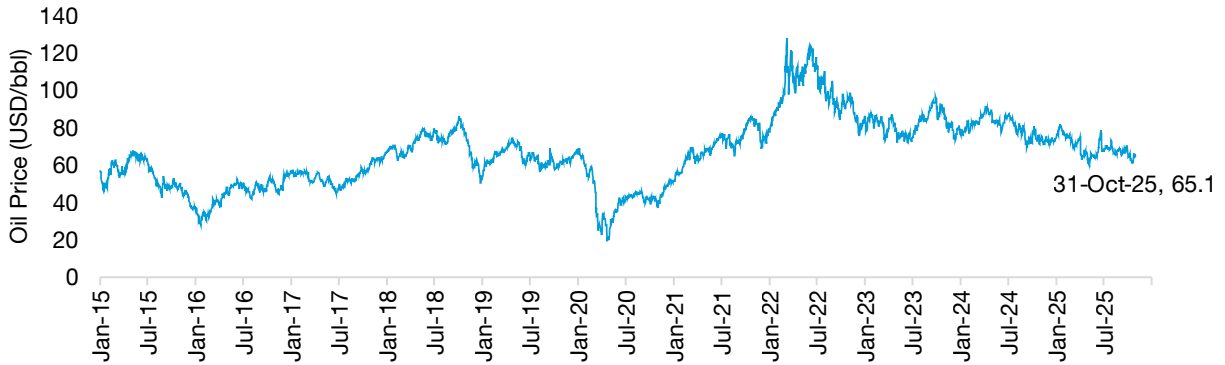


Source: IMF Regional Economic Outlook October 2025

Oil prices remained volatile through January–October 2025, declining by 12.8% over the period, weighed down by U.S. tariff-driven trade tensions, weakening global demand and expectations of oversupply following the rollback of OPEC+ production cuts. OPEC+ has increased its production targets by roughly 2.9 million bpd—equivalent to about 2.7% of global supply from April–October 2025. However, the group slowed the pace of these increases from October due to rising concerns about a potential oversupply in the oil market. OPEC+ announced a production hike of 137,000 bpd in October 2025 compared to 547,000 bpd in September 2025. OPEC+ announced a production hike of 137,000 bpd for 2 consecutive months of November and December 2025. However, OPEC+ has decided to pause output increases in the first quarter of 2026 due to fears of an oil supply glut. On an annual basis, the International Energy Agency (IEA) anticipates the oil surplus to be 2.3 million bpd in 2025, rising to 4.0

million bpd in 2026. The U.S. Energy Information Administration (EIA) forecast Brent crude oil to average USD 55 per barrel in 2026, down from an estimated USD 66 per barrel in 2025. Although the unwinding of OPEC+ production cuts is likely to pressure oil prices, lower output from Russia due to sanctions could provide some support to oil prices in H1 2026.

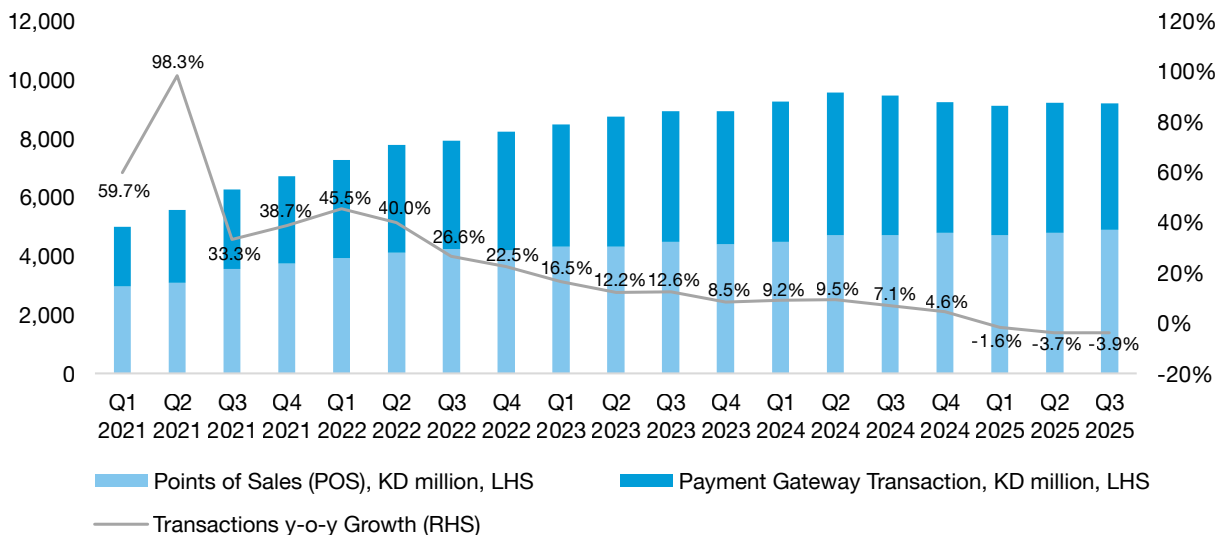
Brent Crude Oil Prices USD/bbl. (Jan 2015 – Oct 2025)



Source: LSEG Workspace; As of October 31st, 2025

Consumer spending, as proxied by Payment Gateway and Point of Sales (POS) transactions, continued to ease in Q3 2025 and declined by 3.9% y/y following periods of strong growth in 2021 and 2022. In Q3 2025, growth in POS transactions moderated to 1.3% y/y compared to 5.0% in Q1 2025 and 11.3% in Q4 2024. The degrowth in payment gateway transactions widened to 9.2% y/y in Q3 2025 compared to -7.7% y/y in Q1 2025. The weakness in spending is likely to taper off in H1 2026 amid government efforts to control wage spending and still elevated albeit declining interest rates.

POS/Payment Gateway Transactions in Kuwait (y/y growth)

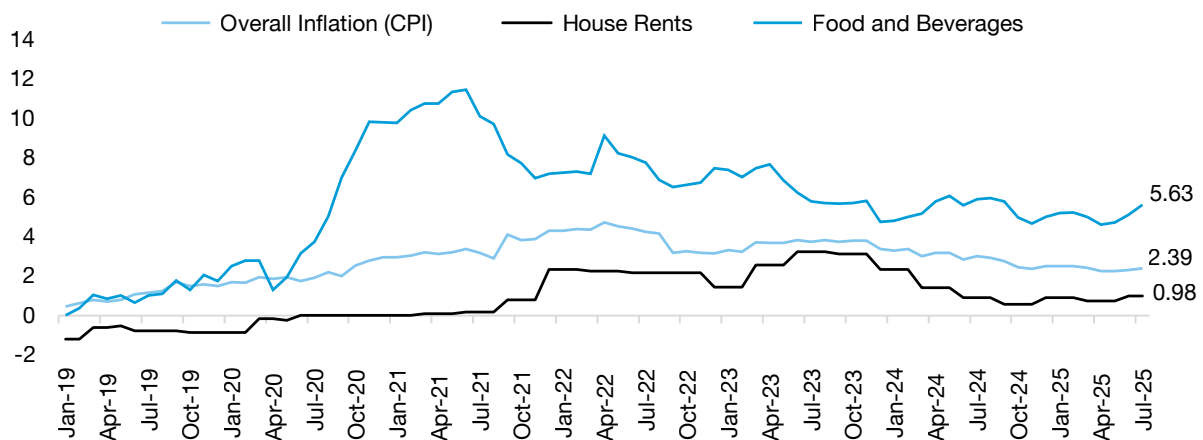


Source: Central Bank of Kuwait

b. Inflation is likely to remain stable in 2026

Following a downtrend during January–April 2025, inflation in Kuwait remained steady in May and reversed its course by registering an uptick in June and July. Consumer price inflation rose to 2.39% y/y in July 2025, compared to 2.32% y/y in the previous month. Housing rents remained unchanged compared to the previous month at 0.98% y/y while food and beverages prices rose to 5.63% y/y in July compared to 5.11% y/y in June 2025. However, overall inflation has eased from 2.50% y/y in December 2024 despite slight rise in food costs and housing rents driven by lower clothing prices (8.03% weightage in the index) and wider contraction in transport prices (7.54% weightage in the index). Housing rents increased by 0.90% y/y and food and beverages prices rose by 5.0% y/y in December 2024, lower than the levels registered in July 2025. However, the costs of clothing and footwear rose by 3.70% y/y in July 2025 compared to 5.13% y/y in December 2024. Transport costs fell by 1.75% y/y in July 2025 compared to a decline of 1.47% y/y in December. Inflation is expected to average at current levels close to 2.2.% y/y in 2026 amid moderate non-oil growth and subdued consumer spending. With more than 95% of basic commodities imported from abroad, fluctuations in international prices and shipping costs are quickly transmitted to the regional market. Price pressures in the food and beverages category could moderate further amid occasional acceleration due to seasonal factors.

Consumer Price Index Inflation and Subcomponents (Jan 2019 – July 2025) in %



Source: Kuwait CSB

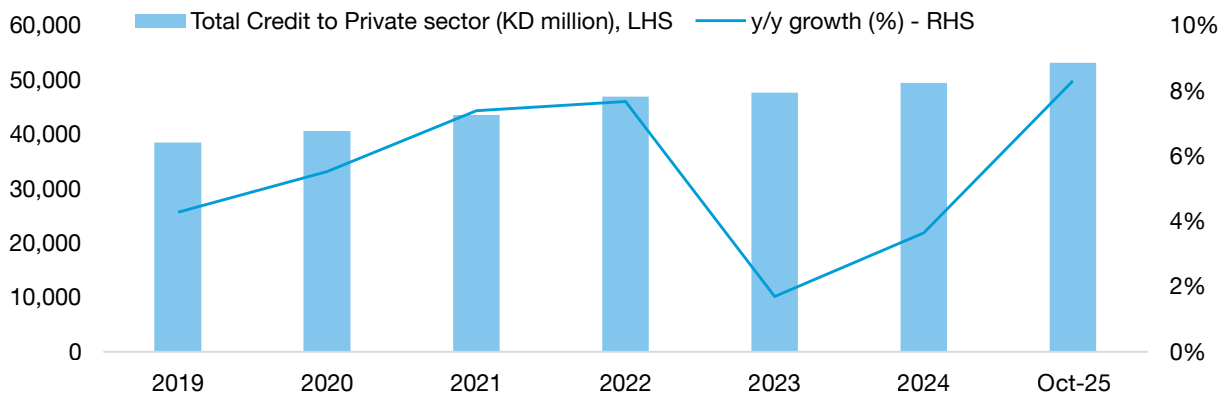
Components	Inflation, y/y % - July 2025	Weights
All Items	2.39	100%
Housing Services	0.98	33.21%
Food & Beverages	5.63	16.71%
Home Furnishings and Maintenance Equipment	3.22	11.43%
Clothing & Footwear	3.7	8.03%
Transport	-1.75	7.54%
Services & Miscellaneous Goods	4.86	5.84%
Education	0.71	4.19%
Communication	0.48	3.98%
Recreation and Culture	1.76	3.85%
Restaurants and Hotels	1.94	3.42%
Health	2.85	1.48%
Cigarettes & Tobacco	0.07	0.33%
Total index less food	1.61	83.29%
Total index less housing	3.08	66.79%

Source: Kuwait Central Statistics Bureau

c. Anticipated mortgage law could augur well for household credit growth

Domestic credit in Kuwait recorded strong growth of 8.3% y/y in October 2025 and 7.5% on YTD basis compared to 3.6% y/y in December 2024 driven by expanding business credit and steady household credit. However, the overall domestic credit growth outpaced the corporate and retail segment loan growth on y/y basis during October 2025 driven by increased lending to banks and for purchase of securities. Business credit grew by 6.2% y/y (YTD growth of 5.7%) supported by 7.6% y/y growth in the loans to real estate sector. Credit to construction sector declined by 3.1% y/y in October 2025 despite the ongoing momentum in project awards. According to MEED, total projects awarded in Kuwait improved 33.8% y/y during Q3 2025 to reach USD 4.3 billion, as compared to USD 3.2 billion in Q3 2024. Household credit² grew by 4.0% y/y in October 2025, the highest since mid-2023, extending the YTD increase to 3.5%. Housing loans grew by 4.8% y/y amid reduction in interest rates while consumer loans registered moderate growth of 1.1% y/y. The expected passage of the mortgage law over coming months was submitted to the cabinet for approval in September and expected interest rate cuts could drive household borrowing and related consumer spending in H1 2026.

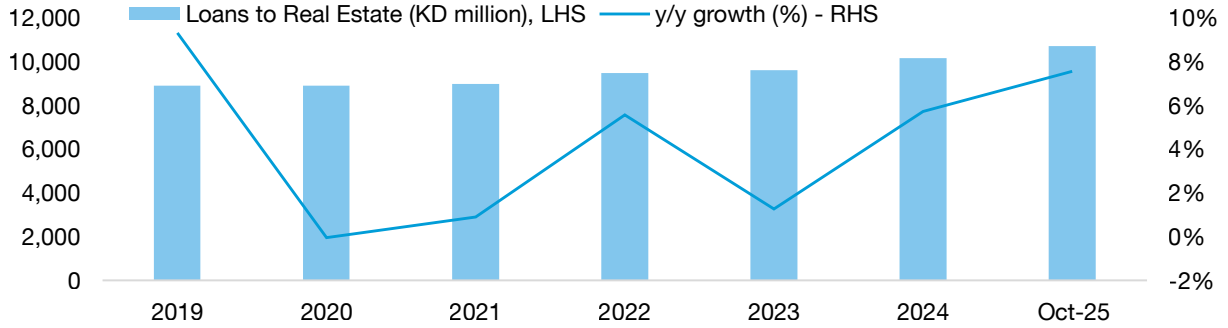
Total Credit to Private Sector



Source: Central Bank of Kuwait; Values are as of end of period

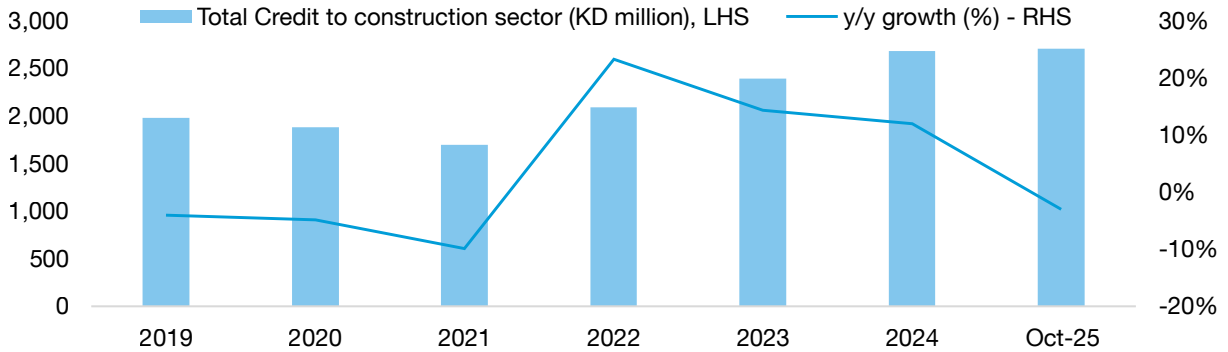
² Overall credit growth includes lending to non-banking institutions and lending for purchase of securities, which is excluded from the computation of business and household credit

Loans to Real Estate Sector



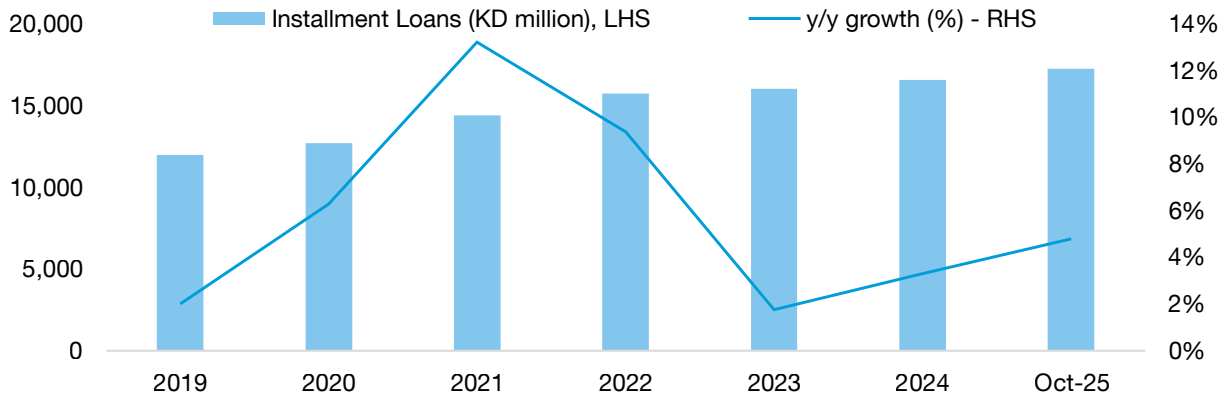
Source: Central Bank of Kuwait; Values are as of end of period

Loans to construction sector



Source: Central Bank of Kuwait; Values are as of end of period

Installment Loans



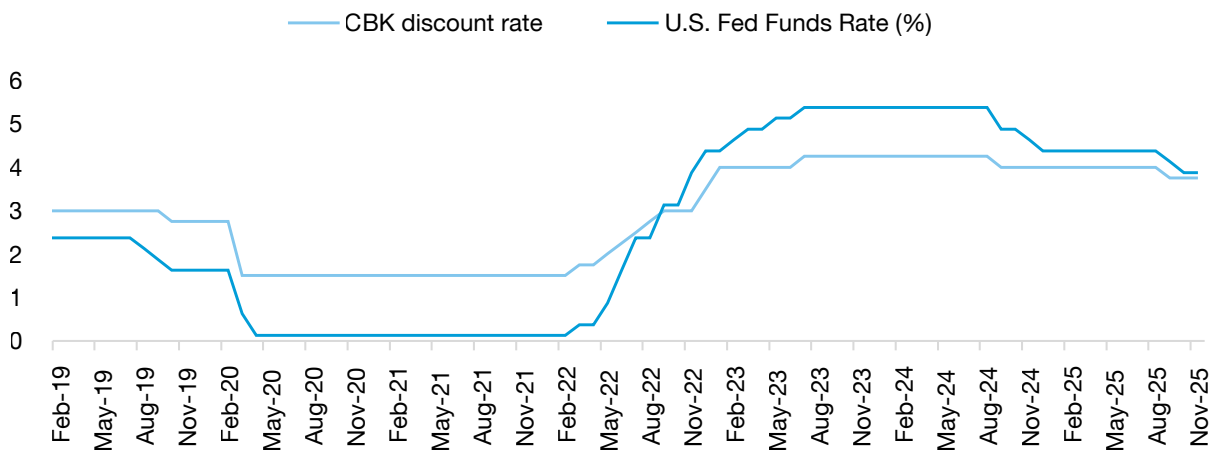
Source: Central Bank of Kuwait; Values are as of end of period

d. Macroeconomic uncertainties weigh on rate cut expectations

The Central Bank of Kuwait (CBK) implemented a 25-bps rate cut each in September and December 2025 aligning with the moves of U.S Fed, reducing the discount rate to 3.5%. The December rate cut marked the third reduction by the CBK since the U.S. Fed began its monetary easing cycle in September 2024. U.S Fed had paused rate cuts during January-August 2025 owing to concerns over rising inflation due to tariffs. In October, U.S Fed reduced its interest rates by 25 bps, to 3.75-4.00% amid weakening job market conditions. In contrast, the CBK held its interest rates steady at 3.75%, which pegs its currency to a basket of currencies rather than exclusively to the U.S dollar. As of December 2025, the cumulative reduction in interest rates by CBK stood at 75 bps compared to 175 bps by U.S Fed. The CBK has lowered interest rates at a more gradual pace than the U.S Fed, in line with regional macroeconomic and financial conditions. Market expects U.S Fed to implement one or two 25 bps rate cuts in 2026. However, the prospect of further rate reductions by the U.S. Fed in 2025 is still uncertain, that affects CBK’s policy rate moves amid a volatile global economic backdrop.

Uncertainty surrounding the CBK’s future interest-rate decisions or the prospects of higher-for-longer policy rate is expected to keep borrowing costs elevated, causing households to postpone mortgage decisions. This could weigh on real estate transactions volume and delay the rollout of new projects by real estate developers. As a result, sector recovery could slow down, with market sentiment and investment plans muted until a clearer policy path takes shape.

Policy Rate Trajectory in Kuwait and U.S (%)



Source: LSEG Workspace

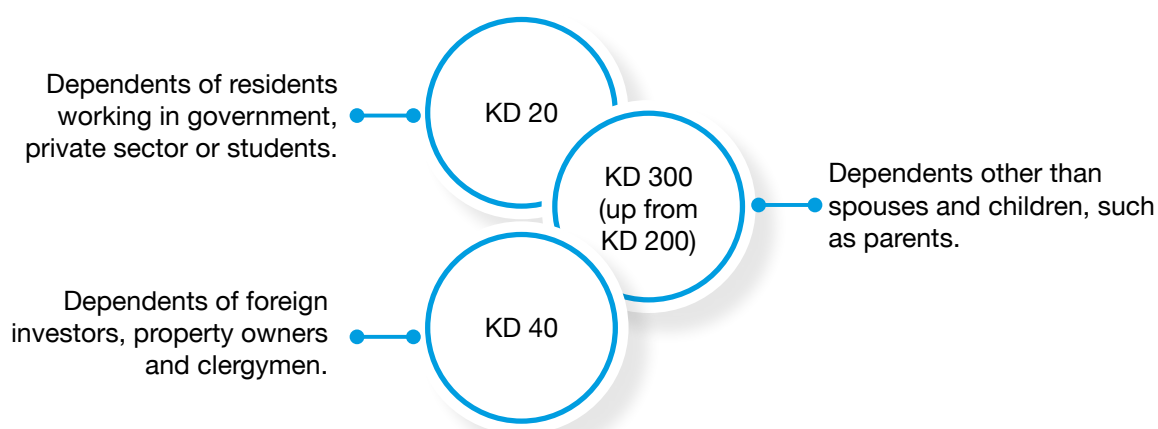
e. Kuwait population crosses 5 million in H1 2026

Kuwait's population increased by 3.6% y/y to 5.1 million in H1 2025 compared to 2.6% y/y in 2024 driven by strong growth in expat population. The expat population grew by 5.6% y/y to 3.55 million amid changes in the expat visa policies. The expat population account for 69.6% of the total population, up from 68.6% at the end of 2024. However, the national population fell by 0.6% y/y to 1.55 million reflecting revocations of Kuwait citizenship in certain cases.

In August 2025, Kuwait revised expat visa policies by expanding the eligibility for family visit visas. The updated visit visa permits an initial stay of three months, with the possibility of extending it to six months or even up to one year, depending on the applicant's request and adherence to visa rules. The policy extended kinship qualifications to the fourth degree and eliminates the requirement for visitors to hold a university degree.

In November 2025, Kuwait Ministry announced increases in residency and visit visa fees, which are likely to take effect from end of December 2025. The Ministry reaffirmed that a minimum monthly salary of KD 800 is required to sponsor a spouse and children. Meanwhile, the annual fees for sponsoring non-immediate family members including parents and siblings have increased to KD 300. Under the new structure, all visit visas including those for tourism, family visits, work entry or residency entry carry a flat fee of KD 10.

Revised annual dependent visa fee across categories:

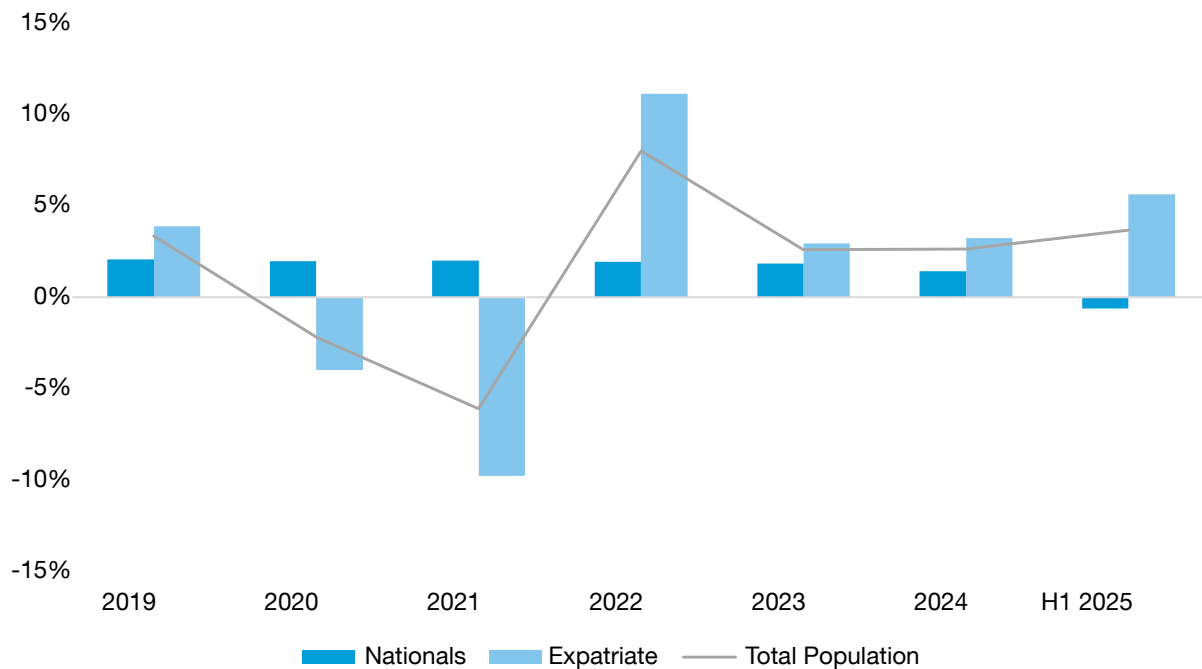


The executive regulations effective from December 23, 2025, require the payment of health insurance fees across all categories of residency and visit visas, with the applicable fee levels clearly specified. Most expatriates including workers (government & private), students, self-sponsored foreigners, investors, and dependents must pay

an annual health insurance fee of KD 100. Some workers in specific occupations such as agricultural workers, fishermen, herders, and dairy employees pay a significantly lower annual fee, typically around KD 10. Entry visas for residency processing also carry a KD 5 insurance fee covering visa validity until residency status is finalized. A health insurance fee of KD 100 is required for joining family members.

The increase in expatriate family sponsorship fees, coupled with higher health insurance costs could constrain expat population growth in H1 2026. Any updates on the reform changes concerning visit visa eligibility and visa fees could shape expat population growth dynamics.

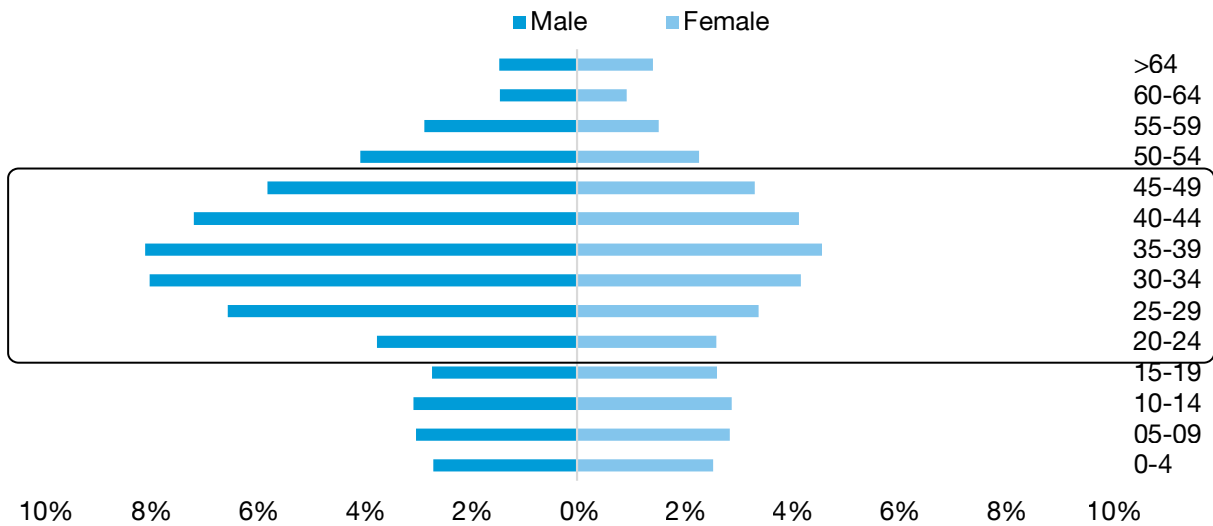
Kuwait Population Growth in percentage - y/y (2019- H1 2025)



Source: PACI; Values are as of end of period.

Kuwait’s population surpassed the 5 million in H1 2025. Strong growth in the expatriate population, coupled with nearly 80% of Kuwaitis falling within the working-age group of 15–64 years, is expected to support real estate demand. Over the longer term, the sector is expected to benefit from the country’s favourable demographics, with around 30% of the population under 25 who are likely to enter the workforce in the coming years.

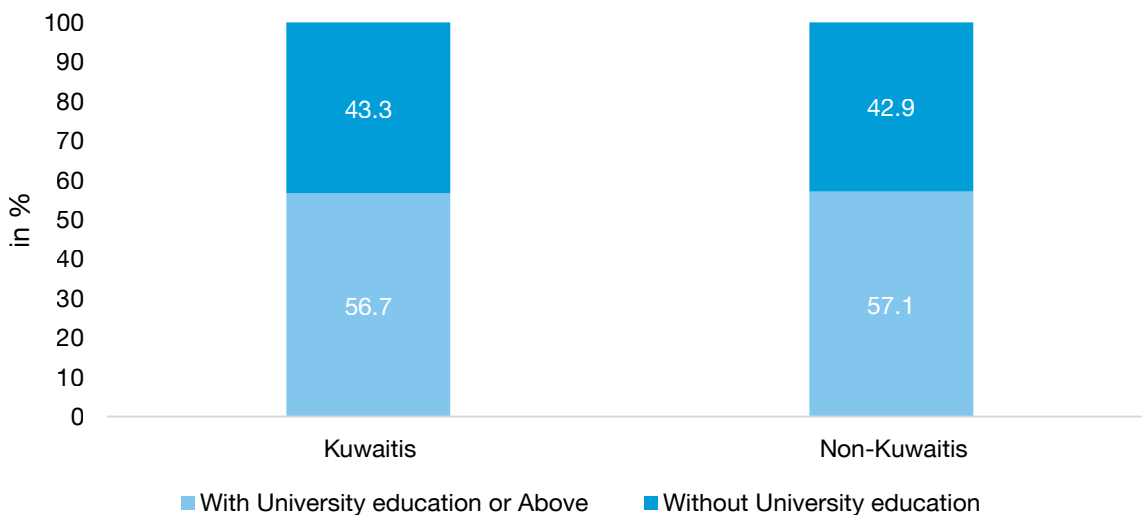
Kuwaiti Nationals - Population Pyramid (H1 2025)



Source: Central Statistics Bureau; Values are as of end of period

Expatriate labour force in Kuwait grew by 4.4% y/y, with expats accounting for 85% of total employment in Kuwait. The proportion of Kuwaiti nationals without university education or above stood at 43.3% of total Kuwaiti population. The same proportion among non-Kuwaitis stood at 42.9% in H1 2025, much lower than the 57.1% in 2024, indicating a notable reduction in the number of unskilled, lower-wage expatriate workers.

Break-up of Kuwaitis and Non-Kuwaitis by education level



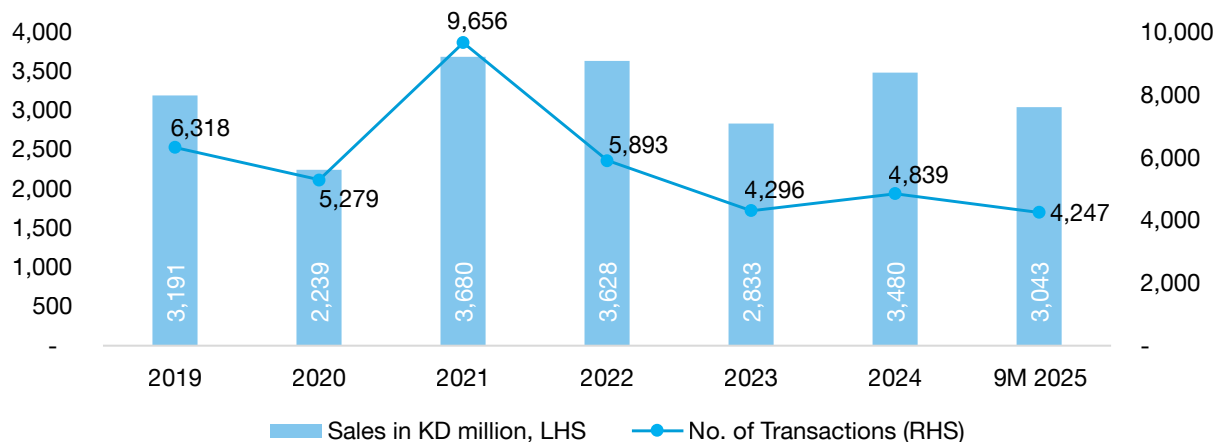
Source: Labour Market Information System – Kuwait; Note: As of 6M 2025

3. Real Estate Performance

a. Kuwait Real Estate Overview

Real estate activity in Kuwait witnessed a positive momentum in 9M 2025 as indicated by an increase in the value and volume of transactions on an y/y basis. Real estate sales rose by 26.9% y/y to KD 3,043 million in 9M 2025 driven by increases across residential (Private Housing), investment (Istithmari) and commercial segments. Investment segment sales surged by 60.0% y/y in 9M 2025 followed by commercial segment at 17.4% y/y while residential segment recorded subdued growth of 8.0% y/y in 9M 2025. The volume of transactions rose by 27.8% y/y to 4,247 in 9M 2025, driven by a strong increase in the number of transactions across all the segments. The number of transactions in the residential and investment segments increased by 24.2% y/y and 34.3% y/y respectively. The highest rise in the number of transactions was registered by the commercial segment at 58.8% y/y in 9M 2025.

Overall Real Estate Transactions (2019- 9M 2025)



Source: Ministry of Justice

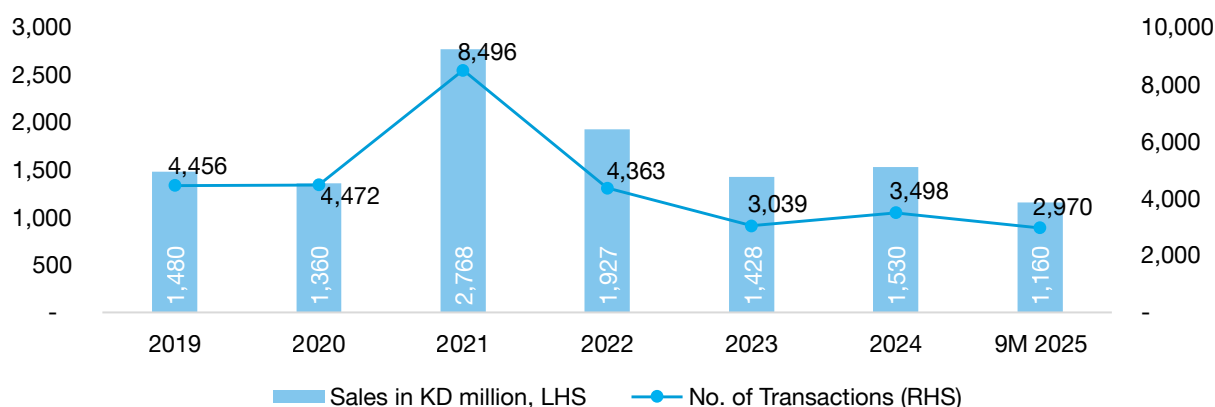
Sales in Private Housing (residential) segment rose by 8.0% y/y to KD 1,160 million in 9M 2025. The volume of transactions registered a notable increase of 24.2% to 2,970 during the period. The growth in residential sales has been moderate, weighed down by affordability pressures and supply constraints. The trend in transaction activity indicates the execution of large number of lower-value transactions, especially in areas such as the Al-Ahmadi and Al Jahra governorates.

In October 2025, Kuwait's Public Authority for Housing Welfare (PAHW) has unveiled a new strategic roadmap aimed at involving real estate developers in public-private housing projects. In its first phase, the plan focuses on three major areas: Mutlaa (2,500 units), East Saad Al-Abdullah (1,200 units), and a combined development across Jaber Al-Ahmad and West Saad Al-Abdullah (1,000 units). This initiative

seeks to accelerate project delivery and ease the housing shortage, where pending applications for government housing reached 103,110 by mid-July.

The draft mortgage law that will enable commercial banks in Kuwait to extend mortgage financing, was submitted to the Cabinet in September 2025 and is close to completion. In the current phase, housing loans are offered only by the state-owned Kuwait Credit Bank (KCB) to Kuwait citizens and companies. Under the proposed framework, commercial banks would be able to provide mortgages of up to KD 200,000 (USD 649,000), with KD 130,000 carrying a 2% interest rate and the remaining KD 70,000 offered interest-free. The potential approval of the mortgage law in the near term and the expected interest rate cuts in 2026 support the outlook for the residential segment.

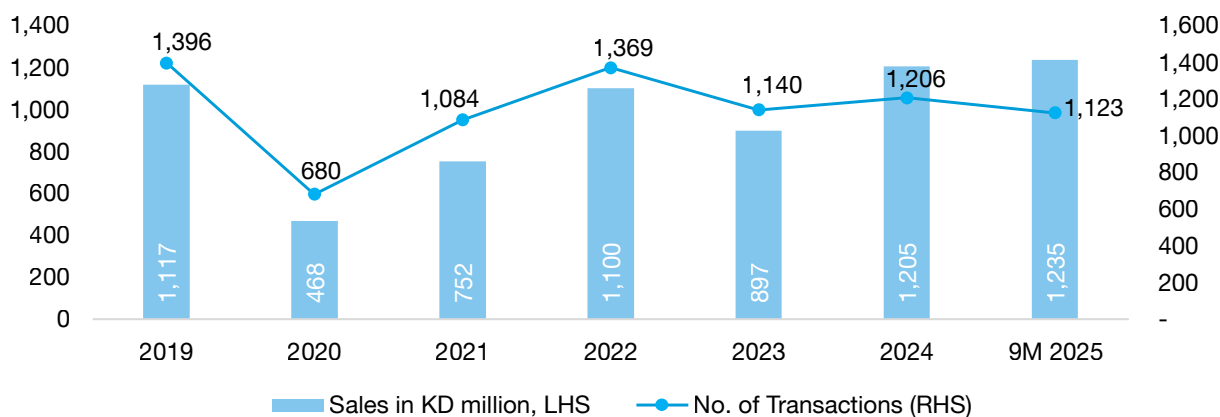
Private Housing (Residential) Real Estate Transactions (2019- 9M 2025)



Source: Ministry of Justice

Sales in the Istithmari (Investment) segment, comprising of apartments and apartment buildings, increased the most among the segments by 60.0% y/y in 9M 2025 to KD 1,235 million. The number of transactions increased by 34.3% to 1,123 during the period. Recent changes to the foreign ownership policies, strong bank lending to the real estate sector and rise in expat population have supported the investment segment sales.

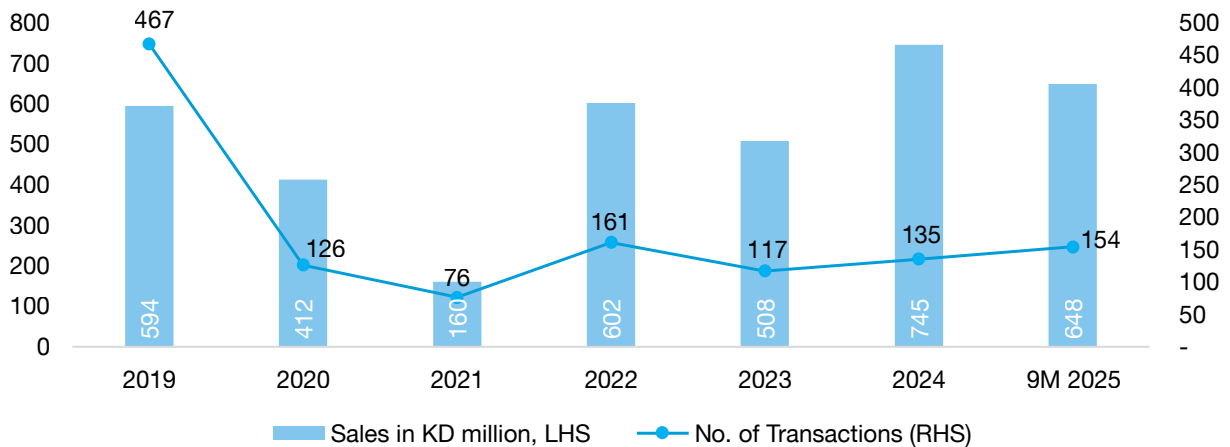
Istithmari (Investment) Real Estate Transactions (2019- 9M 2025)



Source: Ministry of Justice

Sales in the commercial segment rose by 17.4% y/y to KD 648 million, while volume of transactions increased by 58.8% to 154 in 9M 2025. Sales in the segment were supported by large-scale transactions in Al-Ahmadi governorate with KD 240 million worth of deals concluded in August 2025 alone. Kuwait's commercial real estate outlook is moderately stable supported by the easing of business visa rules, ongoing regulatory reforms, and gradual recovery in business activity.

Commercial Real Estate Sales (2019- 9M 2025)



Source: Ministry of Justice

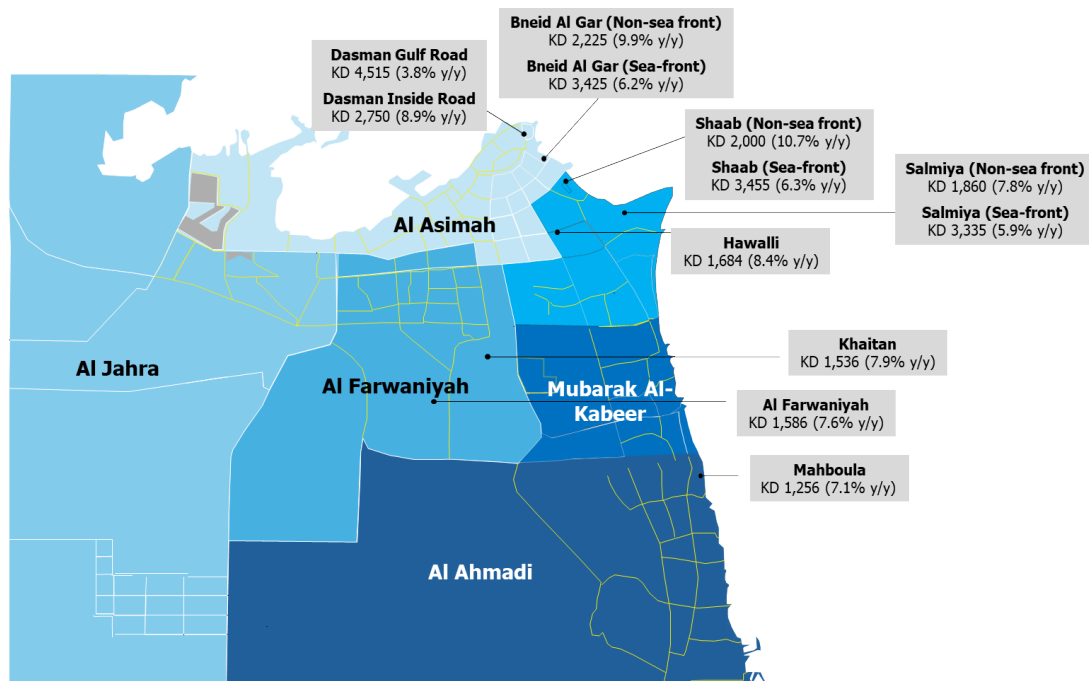
b. Land Prices, Rental Values and Cap rate

Land Prices

In the Istithmari (investment) segment, land prices continued to rise across all the governorates in Q3 2025. Shaab (Non-Sea Front) registered the highest increase by 10.7% y/y during the quarter. Year-on-year increases in Istithmari land prices in Q3 2025 have outpaced those recorded in Q1 2025 across all governorates.

Prices of land in the commercial segment recorded a notable increase in all the governorates in Q3 2025, with Salmiya recording the highest increase of 21.5% y/y. The growth in commercial land prices in Hawalli moderated to 2.9% y/y in Q3 2025 compared to 12.5% y/y in Q1 2025. Increases across governorates such as Farwaniya, Fahaheel and Khaitan remained moderate during the quarter.

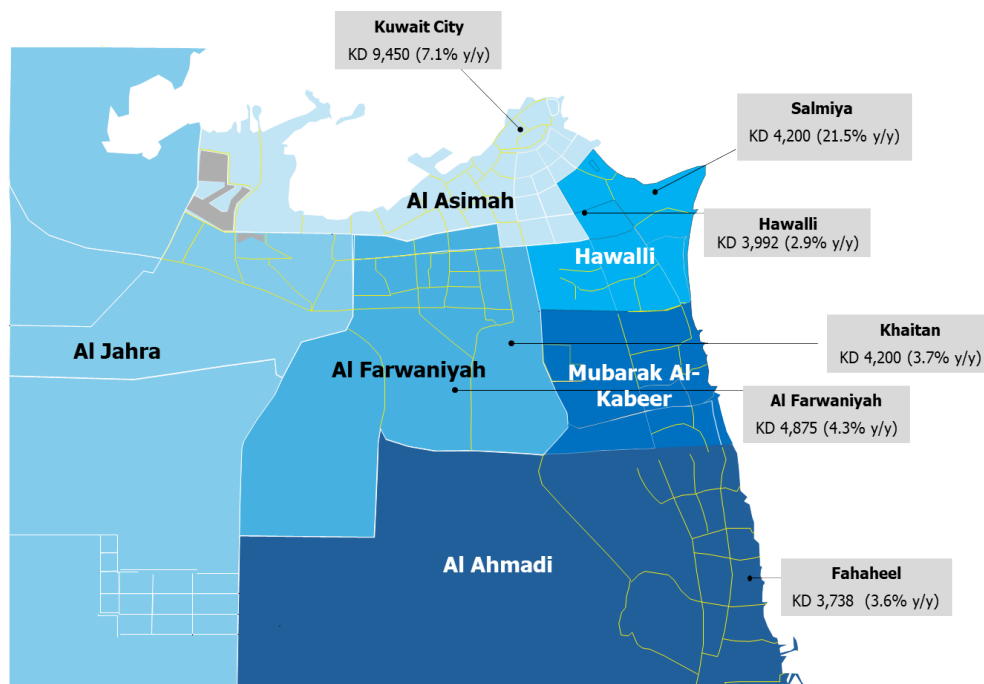
Average Land Value/Sq.M. for Apartments (Istithmari Properties) (KD)



Apartments (Istithmari Properties)	Average land value/Sq. M. (KD)			
	Q3 2024	Q2 2025	Q3 2025	y/y change %
Dasman Gulf Rd	4,350	4,460	4,515	3.8%
Dasman Inside Rd	2,525	2,700	2,750	8.9%
Bneid Al Gar (Non-Sea Front)	2,025	2,170	2,225	9.9%
Bneid Al Gar (Sea Front)	3,225	3,370	3,425	6.2%
Shaab (Non-Sea Front)	1,807	1,947	2,000	10.7%
Shaab (Sea Front)	3,250	3,435	3,455	6.3%
Salmiya (Non-Sea Front)	1,725	1,830	1,860	7.8%
Salmiya (Sea Front)	3,150	3,310	3,335	5.9%
Hawalli	1,553	1,643	1,684	8.4%
Farwaniya	1,474	1,545	1,586	7.6%
Khaitan	1,426	1,501	1,538	7.9%
Mahboula	1,173	1,230	1,256	7.1%

Source: KFH Report

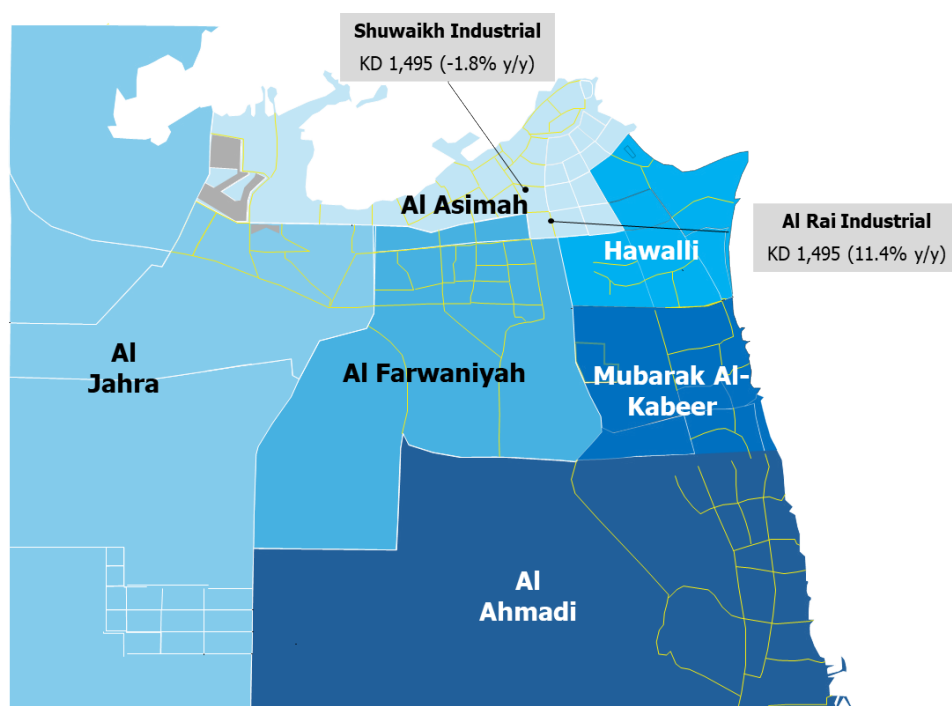
Average Land Value/Sq.M. for Commercial Real Estate (KD)



Commercial	Average land value/Sq. M. (KD)			
	Q3 2024	Q2 2025	Q3 2025	y/y change %
Kuwait City	8,820	9,050	9,450	7.1%
Salmiya	3,458	4,200	4,200	21.5%
Hawalli	3,878	3,967	3,992	2.9%
Farwaniya	4,675	4,725	4,875	4.3%
Khaitan	4,050	4,100	4,200	3.7%
Fahaheel	3,607	3,700	3,738	3.6%

Source: KFH Report

Average Land Value/Sq.M. for Industrial Real Estate (KD)



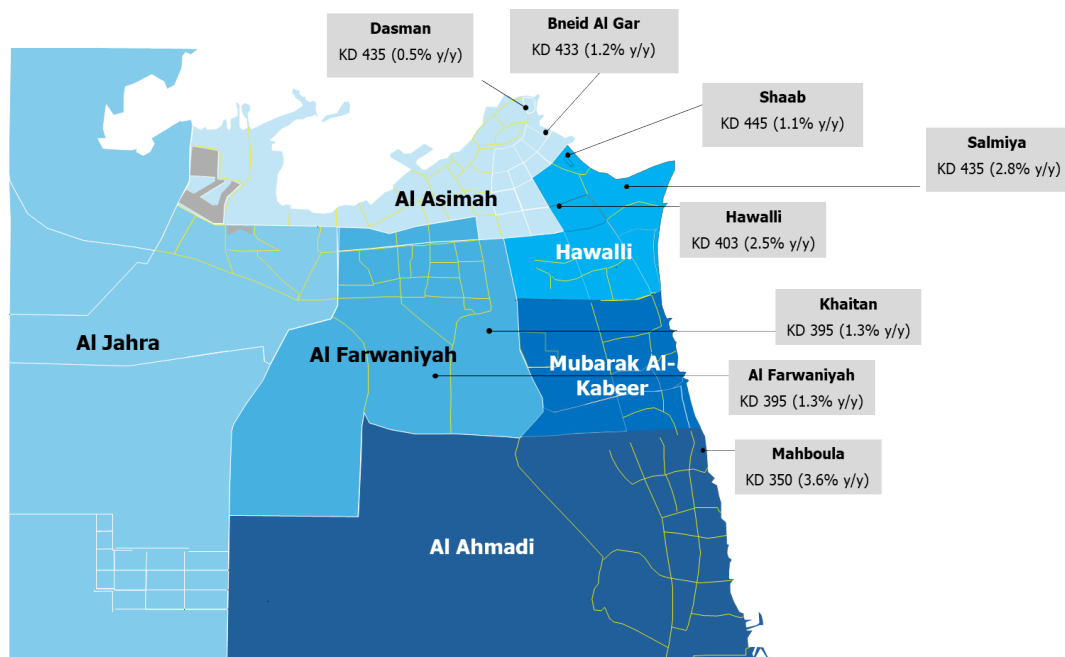
Industrial	Average land value/Sq. M. (KD)			
	Q3 2024	Q2 2025	Q3 2025	y/y change %
Shuwaikh Industrial	1,523	1,515	1,495	-1.8%
Al Rai Industrial	1,342	1,323	1,495	11.4%

Source: KFH Report

Rental Rates

The rental rates for 3-bedroom apartments in the Istithmari (investment) segment registered a modest increase in Q3 2025 on an annual basis across governorates. The average rental rates for 60 sq. m. apartments recorded a marginal increase in Q3 2025 on y/y basis. Mahboula continued to witness the highest increase across both the segments by 3.6% y/y and 5.3% y/y respectively. The rental rates have witnessed slight moderation in both categories as y/y increases in Q3 2025 are lower compared to the y/y increase in rental rates recorded in Q1 2025, except for governorates such as Hawalli and Salmiya. In the retail segment, the average rental values for the basement and mezzanine recorded a steady increase across governorates in Q3 2025 on a y/y basis. The rental value in the office segment rose across governorates except Farwaniya and Fahaheel during the quarter on an annual basis compared to remaining unchanged on a y/y basis in Q1 2025.

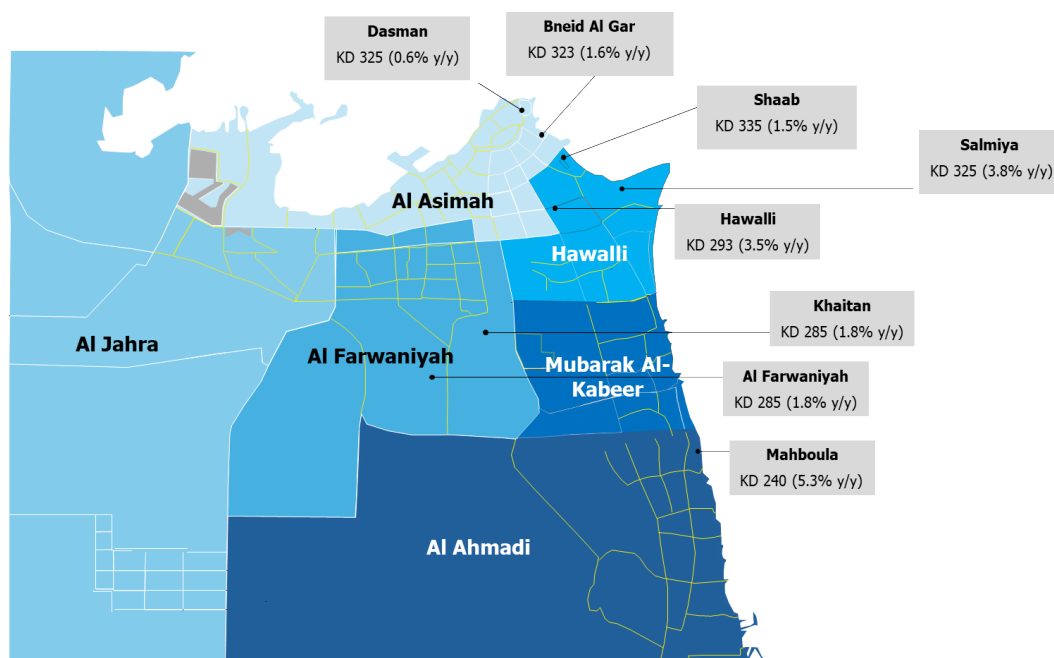
Average rent value of apartments (Istithmari properties) with 3-bedroom, hall and maid room – 100-110 sqm (KD)



Apartments (Istithmari Properties)	Average rent value – 3-bedroom, hall and maid room 100-110 sqm (KD)			
	Q3 2024	Q2 2025	Q3 2025	y/y change %
Dasman	433	435	435	0.5%
Bneid Al Gar	428	430	433	1.2%
Shaab	440	443	445	1.1%
Salmiya	423	425	435	2.8%
Hawalli	393	395	403	2.5%
Farwaniya	390	393	395	1.3%
Khaitan	390	393	395	1.3%
Mahboula	338	343	350	3.6%

Source: KFH Report, Markaz

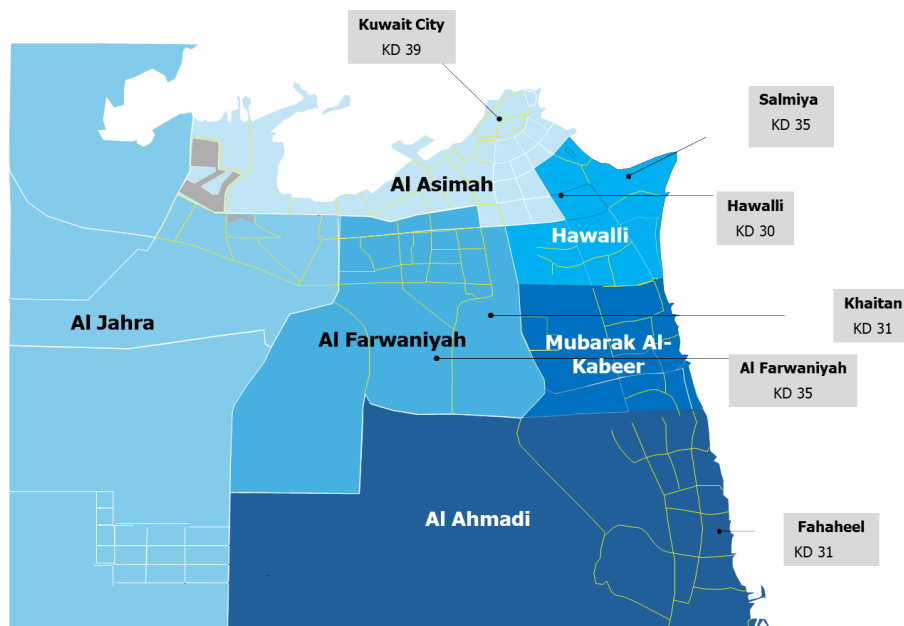
Average rent value of apartment (Istithmari properties) with 60 sqm apartments (KD)



Apartments (Istithmari properties)	Average rent value – 60 SQM apartments (KD)			
	Q3 2024	Q2 2025	Q3 2025	y/y change %
Dasman	323	325	325	0.6%
Bneid Al Gar	318	320	323	1.6%
Shaab	330	333	335	1.5%
Salmiya	313	315	325	3.8%
Hawalli	283	285	293	3.5%
Farwaniya	280	283	285	1.8%
Khaitan	280	283	285	1.8%
Mahboula	228	233	240	5.3%

Source: KFH Report, Markaz

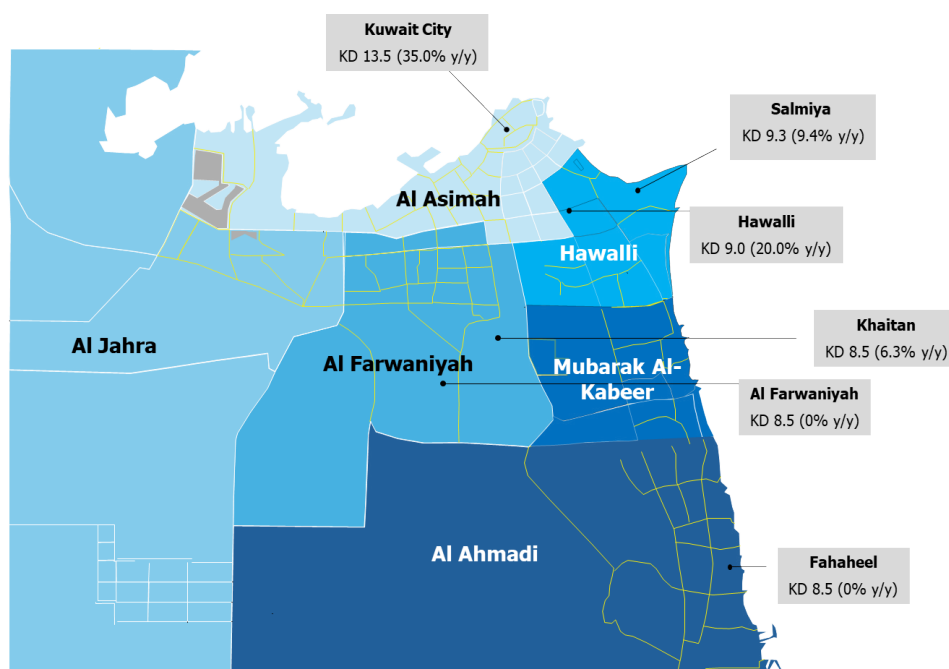
Average rent value for retail segment in commercial real estate (KD) – Ground floor



Commercial - Retail	Rental value/Sq. M. (KD)								
	Basement			Ground Floor			Mezzanine		
	Q3 2024	Q2 2025	Q3 2025	Q3 2024	Q2 2025	Q3 2025	Q3 2024	Q2 2025	Q3 2025
Kuwait City	11	11	15	25 - 42	25-42	39	12 - 15	12-15	16.5
Salmiya	11	11	13.5	25 - 40	25-40	35	12 - 14	12-14	15
Hawalli	10	10	12	20 - 35	20-35	30	11 - 12	11-12	14
Farwaniya	11	11	13	25 - 40	25-40	35	12 - 14	12-14	15
Khaitan	10.5	10.5	13	22 - 35	22-35	31	11 - 12	11-12	14.5
Fahaheel	10	10	13	18 - 33	18-33	31	11 - 12	11-12	13.8

Source: KFH Report

Average rent value for office segment in Commercial Real Estate (KD)



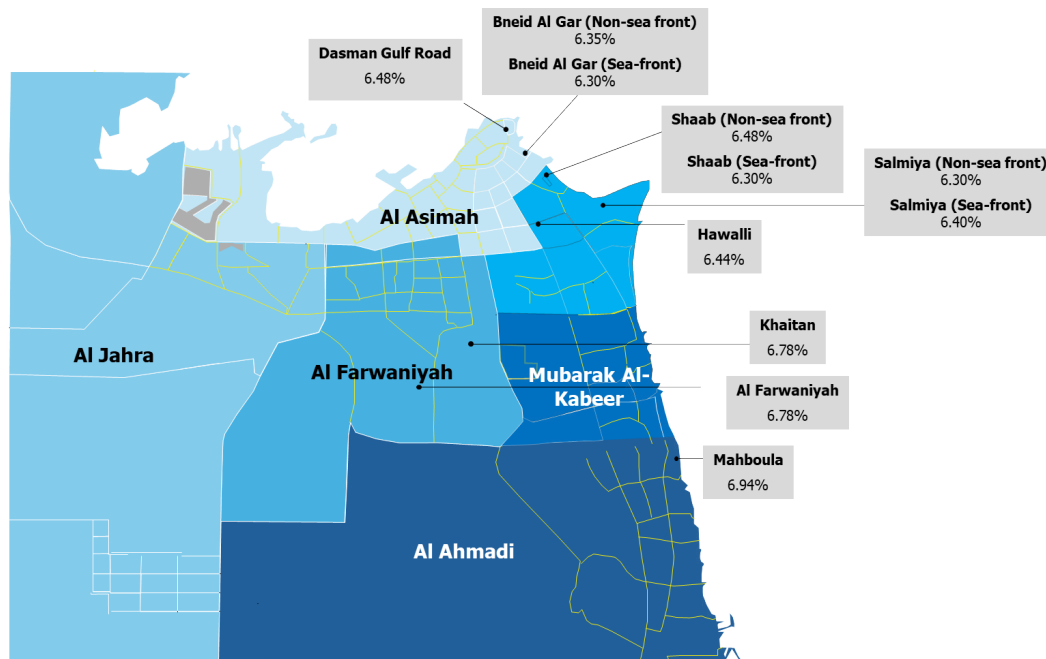
Commercial - Office	Rental value/Sq. M.			
	Q3 2024	Q2 2025	Q3 2025	y/y change %
Kuwait City	10	10	13.5	35.0%
Salmiya	8.5	8.5	9.3	9.4%
Hawalli	7.5	7.5	9.0	20.0%
Farwaniya	8.5	8.5	8.5	0.0%
Khaitan	8	8	8.5	6.3%
Fahaheel	8.5	8.5	8.5	0.0%

Source: KFH Report

Cap Rates

Cap rates for Investment properties (Istithmari segment) continued to decline on an annual basis across governorates in Kuwait in Q3 2025 due to consistent increase in land prices. The rental value increased across segments in all the governorates during the quarter, albeit at a slower rate than the increase in the value of land prices. Cap rates for Istithmari properties ranged between 6.30% to 6.97%, with Mahboula registering the highest cap rate at 6.94% in Q3 2025. The cap rates for commercial segment increased on a y/y basis in the Salmiya and Fahaheel governorates while the cap rate fell on a y/y basis in Kuwait City and Hawalli.

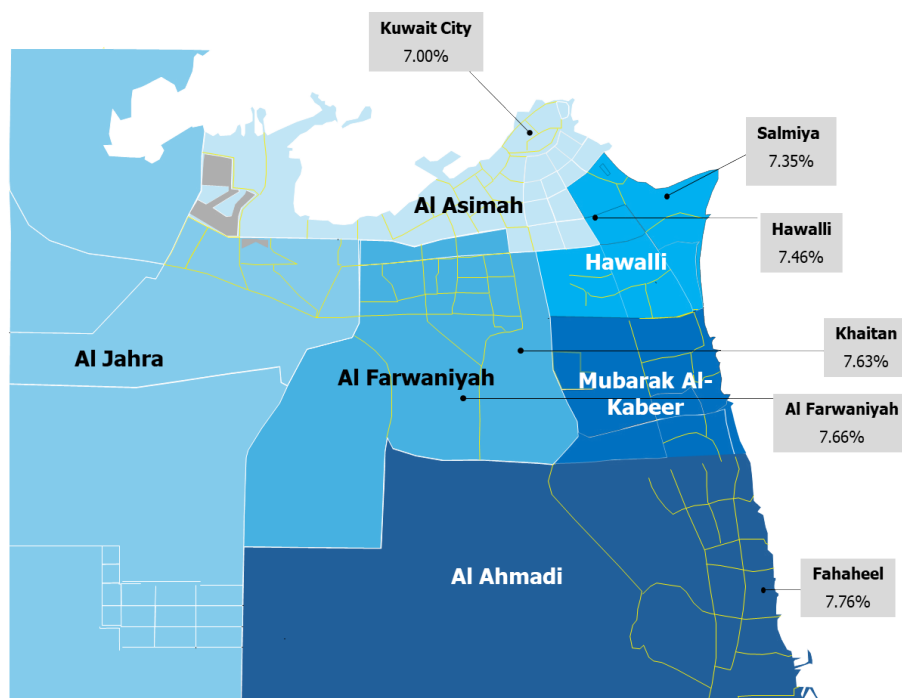
Apartments (Istithmari Real estate) Capitalization Rate



Apartments (Istithmari real estate)	Gross Capitalization Rate (Gross Annual rental /Value of Property)		
	Q3 2024	Q2 2025	Q3 2025
Dasman (Gulf Rd)	6.88%	6.55%	6.48%
Bneid Al Gar (Non-Sea Front)	7.13%	6.68%	6.35%
Bneid Al Gar (Sea Front)	6.93%	6.53%	6.30%
Shaab (Non-Sea Front)	7.13%	6.63%	6.48%
Shaab (Sea Front)	6.88%	6.45%	6.30%
Salmiya (Non-Sea Front)	6.88%	6.45%	6.30%
Salmiya (Sea Front)	7.03%	6.53%	6.40%
Hawalli	7.05%	6.67%	6.44%
Farwaniya	7.33%	6.87%	6.78%
Khaitan	7.44%	6.89%	6.78%
Mahboula	7.34%	7.06%	6.94%

Source: KFH Report

Commercial Real Estate Capitalization Rate



Commercial	Gross Capitalization Rate (Gross Annual rental /Value of Property)		
	Q3 2024	Q2 2025	Q3 2025
Kuwait City	7.12%	7.03%	7.00%
Salmiya	7.14%	7.37%	7.35%
Hawalli	7.52%	7.46%	7.46%
Farwaniya	7.66%	7.66%	7.66%
Khaitan	7.63%	7.63%	7.63%
Fahaheel	7.276%	7.76%	7.76%

Source: KFH Report

4. Kuwait's Mortgage Laws: Legal Barriers and Financing Gaps in Housing Sector³

Kuwait's mortgage sector faces major challenges due to the government's inability to provide sufficient private housing and restrictions on foreign property ownership. Laws No. (8) and (9) of 2008 prohibit banks and financial institutions from the sale, purchase, or transfer of rights in private housing plots, limiting real estate financing to 40–50% of property value. These regulations, intended to curb land monopolies and speculation, have instead reduced investor interest, causing a recession in both private and investment real estate markets.

Impact of Laws No. 8 and 9 of 2008

- Law No. (8) of 2008 aimed to deliver 100,000 residential units within three years, a target that proved unrealistic due to structural and procedural limitations. The law also imposed charges on undeveloped lands to discourage monopolistic practices and amended provisions of Law No. (50) of 1994, which regulates the exploitation of vacant lands.
- Law No. (9) of 2008 amended certain provisions of the Commercial Companies Law No. (15) of 1960, restricting corporate involvement in private housing transactions. Both laws were designed to break monopolies and prevent artificial inflation of land prices. However, they inadvertently limited financing channels for private housing acquisition.

While these laws make exceptions for Islamic banks, participation is allowed only after obtaining a judicial ruling from the Court of Cassation, adding complexity to financing options.

³ "The Evolution of Mortgage Legislation and the Role of the Banking Industry in Kuwait". Arab Journal of Administration, vol. 45, no. 5, 4 Sept. 2024, pp. 1–20, https://aja.journals.ekb.eg/article_378176_f4939b1f15de50d82eab2ada255e7f98.pdf, <https://doi.org/10.21608/aja.2024.309980.1690>.

Current Financing Channels and Limitations

Credit and Savings Bank (Government)	Commercial Banks
<ul style="list-style-type: none"> ■ Maximum loan: KWD 70,000 for building or purchasing a new house. ■ Repayment period: Up to 58 years. ■ Renovation loans: KWD 25,000–30,000, repayable over 25 years. 	<ul style="list-style-type: none"> ■ Maximum loan: KWD 70,000. ■ Repayment period: 2–15 years. ■ Interest rate: Central Bank discount rate + 3%, adjusted every five years within a $\pm 2\%$ range. ■ Financing methods: Murabaha or salary-based borrowing systems.

Despite these options, rising land and construction costs make the current loan limits insufficient for most citizens, particularly young Kuwaitis seeking homeownership.

The State Monopoly: Kuwait Credit Bank (KCB)

Due to the legal exclusion of commercial banks, the state-run Kuwait Credit Bank (KCB) acts as the sole primary lender for citizens. KCB provides an interest-free loan of 70,000 KWD to eligible citizens, plus a subsidy of subsidized building materials (approx. 30,000 KWD). With average housing prices in Kuwait exceeding 350,000–450,000 KWD, the state provision covers less than 30% of the asset cost. Commercial Banks are relegated to offering “Instalment Loans” (Housing Loans) capped at KWD 70,000 with a maximum tenor of 15 years. Crucially, these are “cash-flow based” loans secured by salary assignment, not “asset-backed” mortgages secured by the property.

Key Challenges and Need for Reform

Kuwait’s housing market continues to struggle under restrictive mortgage laws and limited financing options. Law No. (8) fell short of its housing delivery goals, while Law No. (9) restricts private sector involvement, leaving citizens reliant on government-backed loans. The Kuwait Credit Bank remains the primary lender, offering interest-free loans, while commercial banks are confined to small, salary-based facilities rather than true asset-backed mortgages. Rising land and construction costs further erode

affordability, making current loan limits inadequate, especially for younger buyers. These challenges highlight the urgent need for a modern mortgage framework that complements state financing, closes funding gaps, and reflects market realities. Without reform, homeownership will remain out of reach for many, deepening Kuwait's housing crisis.⁴

Regional Comparative Analysis: Real Estate Mortgage Frameworks

Dimension	Kuwait	Saudi Arabia	UAE
Primary Law/ Framework	Laws No. (8) & (9) of 2008 (housing supply & corporate restrictions in private housing); market practice dominated by Kuwait Credit Bank (KCB).	Registered Real Estate Mortgage Law (Royal Decree M/49, 2012).	Dubai's Law No. (14) of 2008 (Concerning Mortgage in Dubai) and Abu Dhabi's Law No. (3) of 2015 (Abu Dhabi's mortgage and broader sector governance)
Who can be mortgagee	Commercial banks largely excluded from asset-backed private housing mortgages; Islamic participation only via Court of Cassation ruling (case-specific).	Banks/finance companies; mortgage created by registered contract; enforceable vs third parties on registration.	Only banks/ financing institutions licensed by UAE Central Bank.
Collateral scope	Private housing land/units not generally available for asset-backed mortgages by commercial banks; loans are cash-flow/salary secured.	Covers property, appurtenances; usufruct can be mortgaged.	Covers real estate, appurtenances ⁵ and property rights; includes off-plan contractual rights (with escrow).

⁴ Hamad Al-Hasawi. "The Evolution of Mortgage Legislation and the Role of the Banking Industry in Kuwait". Arab Journal of Administration, vol. 45, no. 5, 4 Sept. 2024, pp. 1–20, https://aja.journals.ekb.eg/article_378176_f4939b1f15de50d82eab2ada255e7f98.pdf, <https://doi.org/10.21608/aja.2024.309980.1690>.

⁵ Added accessories and items

Registration requirement	Not available for bank asset-backed mortgages in private housing (generally disallowed).	Mandatory registration under Real Estate Registration Law or court/notary for enforceability.	Mandatory registration in Initial Real Estate Register or Real Estate Register (DLD, ADREC); e-deeds valid.
Mortgage ranking/priority	Not applicable in practice for private housing (no asset-backed bank mortgages).	Multiple mortgages allowed; rank by registration date/entry; mortgagee preference on sale proceeds.	Rank by registration date/serial; simultaneous filings share rank; shortfall recoverable from debtor; priority governs sale proceeds. ⁶
Foreclosure & enforcement	Not a standard path (salary-assignment loans); asset foreclosure on housing not the norm.	Foreclosure via Enforcement Law; sale by auction; notice to debtor / possessor.	30-day notary/registered mail notice; court-ordered public auction; single postponement up to 60 days.
Prohibited clauses	-	No “automatic ownership” to lender; benefits-of-use restricted; must follow legal sale.	No “title transfer on default” or sale without legal process.
Financing limits / pricing	KCB: KWD 70,000 interest-free (+ ~KWD 30,000 materials subsidy); Commercial banks: KWD 70,000, 2–15 yrs, rate = CBDR + 3% (reset every 5 yrs within ±2% band).	Market-driven; priority and enforcement rules support bank lending.	Market-driven; Central Bank prudentials; law embeds process not pricing caps.

⁶ The rank of a Mortgage is established based on its registration sequence with the Dubai Land Department (DLD). If multiple mortgages are registered simultaneously against the same property interest, they will share the same registration number, and the creditors will hold equal ranking when distributing proceeds from a public auction.

LTV Caps	Not applicable (asset-backed mortgages largely prohibited; salary-based loans only).	Up to 90% for first-home buyers; lower ratios (~70–85%) for other cases per SAMA rules.	CBUAE Mandate: Nationals: 85% (≤AED 5m), 75% (>AED 5m); second/ investment 65%. Expats: 80% (≤AED 5m), 70% (>AED 5m); second/ investment 60%. Off-plan: 50%.
Added Provisions	-	Mortgage contracts cannot grant ownership to the mortgagee upon default; foreclosure and sale follow Enforcement Law procedures.	Permits mortgaging of usufruct, Musataha (over 10 years), and long-term lease rights; contractual rights for off-plan units allowed if escrow compliance is met. Strict fines for violations, including unlicensed activity and misuse of escrow funds ⁷ .

Source: CBUAE, DLD SAMA, Fitch, Zawya, Department of Urban Planning and Municipalities (Abu Dhabi)

⁷ Department of Urban Planning and Municipalities, Abu Dhabi

5. Kuwait Real Estate – Major News/Laws

Kuwait circulated the first draft of the mortgage law

In September 2025, Kuwait circulated the preliminary draft of the mortgage law, which is still awaiting approval. The initial draft shows that the primary objective of the law is to minimize the mounting pressure on the Kuwait Credit Bank in providing traditional government financing by creating alternative financing channels to support the Public Authority for Housing Welfare (PAHW) in meeting housing demands. The first formal draft of the mortgage law was submitted by CBK to the government in 2018. For several years the draft was not formulated into law. The push for approval accelerated from 2024, and by March 2025 it was being publicly discussed as under progress. As of September 2025, the finalized draft has been submitted to the cabinet and is under finalization, but full enactment still appears pending. The law will not directly affect the traditional residential sector or the investment market, in order to avoid disrupting trading activity or driving up prices. The legislature is currently focusing on two main objectives: enabling those eligible for housing assistance to obtain homes quickly through new financing mechanisms and ensuring that any new legislation does not affect prices or create distortions in the real estate market. The legislative framework will become clear once the law and its implementing regulations are issued. The Central Bank is expected to prepare these regulations, which will define rules and mechanisms for financing, repayment rates, and loan eligibility criteria.

Kuwait amends property ownership rules

In October 2025, Kuwait introduced major changes to the property reforms. The new decree allows listed companies with non-Kuwaiti shareholders to own property, excluding private residences. This move aims to attract investment and modernize the real estate market. The latest decree changes these rules for the first time in decades. It allows listed shareholding companies, real estate funds, and investment portfolios with non-Kuwaiti ownership to purchase property. Companies must be publicly listed on Kuwaiti stock exchanges and have property trading as one of their main activities. However, they cannot buy land intended for private housing. Gulf Cooperation Council nationals still receive the same property rights as Kuwaitis, ensuring regional consistency.

Kuwait approved long-term residency of up to 15-years for foreign investors

In November 2025, Kuwait has approved a new residency framework that allows eligible foreigners to obtain long-term residence permits of up to 10 or 15 years. The changes expand the current system and link residency duration to investment value, property ownership and family-based eligibility. While the standard residency will continue to be granted for up to five years, the system now permits select groups of foreigners to obtain residency of up to 10 years if they meet the conditions set by authorities. The longest term, up to 15 years, is designated for foreign investors who qualify under Law No. 116 of 2013 on foreign capital investment and fulfil additional requirements determined by the Council of Ministers. The move aims to promote stability and long-term economic engagement by attracting high-value investors. Additional categories eligible for extended residency include children of Kuwaiti citizens, expatriates who own property in Kuwait, and other groups identified through official decisions by the Minister of Interior.

Kuwait announced major hike for residency and visa fee

In November 2025, the Interior Ministry of Kuwait announced major increase in residency and visa fees which shall take effect at the end of December 2025. They are part of the executive by-laws introduced under the updated Residency Law issued last year. The ministry has also confirmed the minimum monthly salary of KD800 required to sponsor a spouse and children. Fees for sponsoring dependants outside the immediate family (such as parents or siblings) have risen to KD300 a year. The new regulations include revised fees, new conditions for dependents, and expanded options for visit visa extensions and conversions.

Kuwait launches 3-month family visit visa

In August 2025, Kuwait introduced a three-month family visit visa and the removal of long-standing entry requirements aiming to enhance tourism and ease travel restrictions. The revised visit visa allows for an initial stay of three months, with options to extend for six months or even a year, depending on the applicant's preference and compliance with visa regulations. Coming into effect from August 2025, the key changes include the cancellation of the local carrier requirement, previously a mandatory condition for visa issuance. Travelers can now select airlines of their choice, following the removal of the rule tying visa issuance to national carriers.

Kuwait sets new health insurance fees for expats and visitors

Under the executive regulations effective December 23, 2025, Kuwait has made health insurance mandatory for all expatriates and visitors as a prerequisite for issuing or renewing residency and visit visas. Most expatriate residents, including employees, investors, students, self-sponsored individuals, and dependents, are required to pay an annual health insurance fee of KD 100. Entry visas linked to residency and short-term visit visas typically carry a KD 5 insurance fee. Certain categories, such as specific manual or agricultural workers, benefit from reduced fees of KD 10, and limited exemptions apply to select groups. The policy standardizes insurance requirements across visa types and ensures healthcare cost coverage during the stay in Kuwait.

Public Authority for Industry freezes licensing and contract procedures

In September 2025, The Public Authority for Industry issued a circular instructing the suspension of all concession procedures in the areas under its supervision. The directive includes a halt on industrial licenses, service, craft, and commercial plot contracts, as well as transfer procedures for all types of licenses and contracts. The directive, which took effect on September 10, 2025, applies across multiple administrative sectors within the authority. The suspension will remain in force “until further notice” with no specified timeline for resumption. The move is part of broader regulatory actions affecting the industrial and commercial licensing landscape in Kuwait.



6. Markaz Real Estate Macro Index

'Markaz Real Estate Macro Index' helps investors in identifying the current state of real estate market using a list of economic indicators such as Oil and non-Oil GDP growth, inflation, new jobs generated etc. The past seven years data along with estimates for 2025 and forecasts for 2026 were considered and a qualitative rating (strong, moderate, neutral, weak & poor) was assigned considering the historical information and the current environment.

Macro-Economic factors that drive Real Estate markets

Economic factors	Weightage Assigned	Rationale
GDP Growth (Oil & non-oil)	25%	Real Estate could benefit from the rewards of strong economic growth opening opportunities for the Commercial, Residential and investor market.
Fiscal Balance	10%	Government support to economic expansion is key for any sector to grow. Fiscal deficit has narrowed as a % of GDP signaling government's ability to fund and build the economy. This could bode well for the Real Estate sector.
Investments	10%	Investments are a key indicator of market sentiment. Increased investments stand to influence the real estate markets through job, creation, and increased economic activity.
Money (M2) Supply Growth	5%	Increase in money supply indicates higher economic growth
Inflation	10%	Real Estate traditionally is a natural hedge against inflation, as rents, land value and prices increase at the time of inflation. Higher Inflation periods could give a positive outlook for Real Estate.
Interest Rate	10%	Interest rate fluctuations directly impact Real Estate investments. Higher interest rates translate to higher borrowing costs thereby reducing demand for home buyers.
Population Growth	10%	Increasing population indicates the need for more dwelling units eventually benefiting the Real Estate sector.
Jobs created	10%	The number of jobs created serves as a useful indicator for real estate demand.
Government reforms	10%	New laws and policies in the real estate sector directly impact housing demand and availability, market transparency and foreign investment.

Source: Marmore research

For each qualitative factor, a quantitative score was assigned with 'Strong' being assigned a top score of '5' and 'Poor' assigned a value of '1'. A weighted average score was computed based on the weights as provided in the below table.

Kuwait Macro-Economic Factor Assessment									
Economic Factors	2020	2021	2022	2023	2024	2025e	2026f	Qualitative Take	Quantitative Score
Oil (Real) GDP Growth	-8.5%	-0.9%	12.1%	-4.2%	-6.9%	2.4%	5.4%	Strong	5
Non-Oil (Real) GDP Growth	-0.8%	4.2%	1.6%	1.0%	1.8%	2.7%	2.6%	Neutral	3
Fiscal Position, % of GDP	-24.7%	-8.9%	11.5%	5.2%	-1.1%	-3.9%	-4.5%	Neutral	3
Investments (as % of GDP)	18.7%	14.5%	16.5%	17.7%	21.2%	24.0%	24.6%	Moderate	4
Money Supply, M2 (Y/y)	-7.3%	3.8%	6.5%	1.0%	4.3%	4.3%	5.1%	Moderate	4
Inflation	2.1%	3.4%	4.0%	3.6%	2.9%	2.2%	2.2%	Neutral	3
Interest Rate	1.7%	1.5%	2.4%	4.1%	4.2%	3.8%	3.2%	Neutral	3
Yearly Population Growth	-2.9%	1.2%	9.3%	2.5%	2.0%	2.0%	2.0%	Neutral	3
Net Jobs created (in '000s)	(140)	(111)	155	96	81	44	45	Neutral	3
Government reforms	-	-	-	-	-	-	-	Neutral	3
								Overall Score	3.45
Source: IMF, CSB Kuwait, LMIS, Refinitiv, S&P, Marmore research									

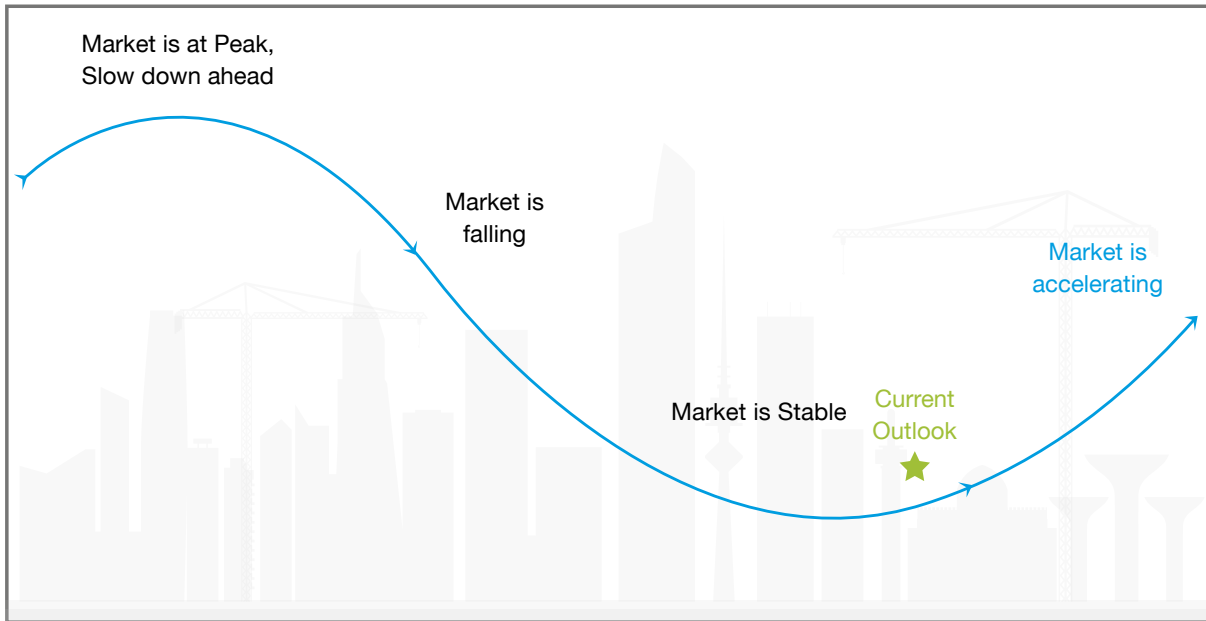
The state of the real estate market was categorized into four distinct phases as shown below.

Market Phases

From	To	Market Phase
4.3	5.0	Market is at peak, slowdown ahead
3.5	4.3	Market is accelerating
2.8	3.5	Market is stable
Less than 2.8		Market is Falling

Source: Marmore Research

Markaz Real Estate Outlook based on Macro Economic Indicators



Source: Marmore Research

Kuwait Markaz Real Estate Macro Index Scores (H1 2026 vs. H2 2025)

Economic Factors	H1 2026	H2 2025
Oil (Real) GDP Growth	5	3
Non-Oil (Real) GDP Growth	3	3
Fiscal Position, % of GDP	3	3
Investments (as % of GDP)	4	4
Money Supply, M2 (y/y)	4	4
Inflation	3	4
Interest Rate	3	3
Yearly Population Growth	3	2
Jobs created (in '000s)	3	3
Government reforms	3	4
Total Score	3.45	3.25

Source: Marmore research

Conclusion

Kuwait's real GDP is expected to grow by 3.9% y/y in 2026 supported by higher oil production and stable non-oil activity. The implementation of government reforms, higher project awards driven by economic diversification objectives and interest rate cuts bode well for the non-oil economy. The increase in sponsorship fees for family members of expats and rise in health insurance fee could constrain expat population growth. Job creation is likely to hinge on the pace of rollout of the government infrastructure projects. The broader economic outlook remains favorable for real estate sector, especially for the commercial and industrial segments.

Kuwait's real estate sector maintained its growth momentum in Q3 2025 supported by rise in land prices and rentals. Istithmari (Investment) segment has witnessed a notable increase in both land prices and rents amid signs of some softening in rentals. While prices in the commercial segment witnessed a stable increase, rents in the office segment recorded sharp increase on y/y basis across select governorates such as Kuwait City and Hawalli. The first nine months of 2025 recorded y/y growth in both sales values and transaction volumes across residential, commercial, and investment properties, signaling a pickup in investor confidence.

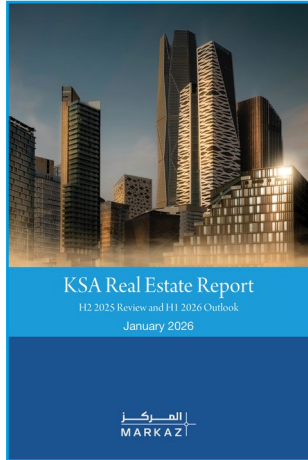
The anticipated passage of the mortgage law is likely to support residential real estate demand and housing credit growth. Liquidity in the real estate market is likely to improve amid anticipated additional interest rate cuts. Based on our assessment of various macroeconomic factors, we believe that the Real Estate sector in Kuwait would remain stable in H1 2026 in terms of property prices and rents.

Summary – Kuwait Markaz Real Estate Macro Index

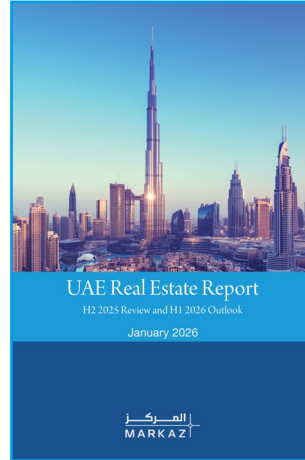
Macro indicators	Outlook (2026 & beyond)	Quantitative Score
 Oil Real GDP Growth	Strong	5
 Non-Oil Real GDP Growth	Neutral	3
 Fiscal Position	Neutral	3
 Investments	Moderate	4
 Money Supply, M2 (y/y)	Moderate	4
 Inflation	Neutral	3
 Interest Rate	Neutral	3
 Population growth	Neutral	3
 Net Jobs created	Neutral	3
 Government reforms	Neutral	3
Overall Score	Market is stable	3.45

Source: Marmore Research

What reports to expect soon?



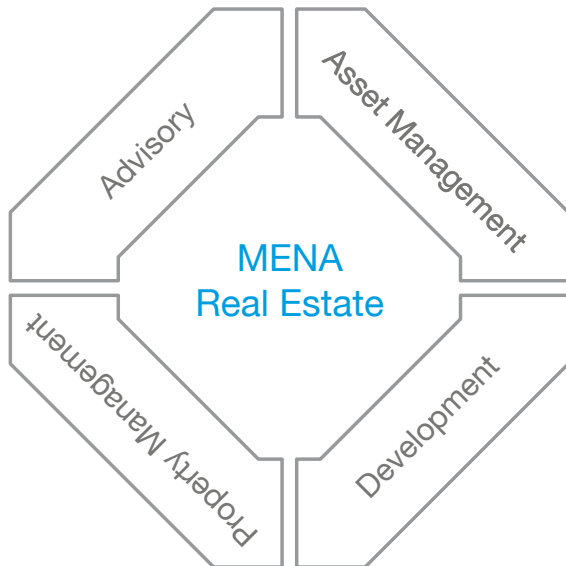
**KSA Real Estate Report H2 2025
Review and H1 2026 Outlook**



**UAE Real Estate Report H2 2025
Review and H1 2026 Outlook**

Markaz Real Estate Capabilities: Management Team

With a team of 27 professionals, Markaz MENA Real Estate provides a fully integrated insights and services to managing real estate funds



Team of 27

- Investment
- Project Management
- Financial Management
- Administration

Kuwait HQ

- Riyadh KSA - 2006
- Khobar KSA - 2006
- Abu Dhabi - 2010
- Dubai - 2014

Markaz provides great value through:

- Governance
- Experience
- On the ground presence
- Hands-On approach
- Developed Systems covering
 - Operations,
 - Maintenance,
 - Financial management, &
 - Administration
- Software Support

Markaz Real Estate Fund (MREF)

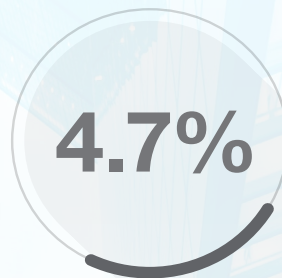
Shariah compliant fund, owns income-generating properties in Kuwait

9.7% Total Return in 2025

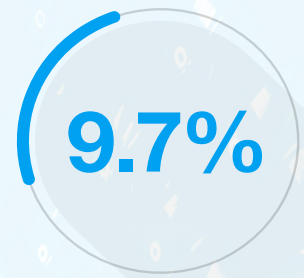
7.7% IRR per annum over 23 years



Capital Gain

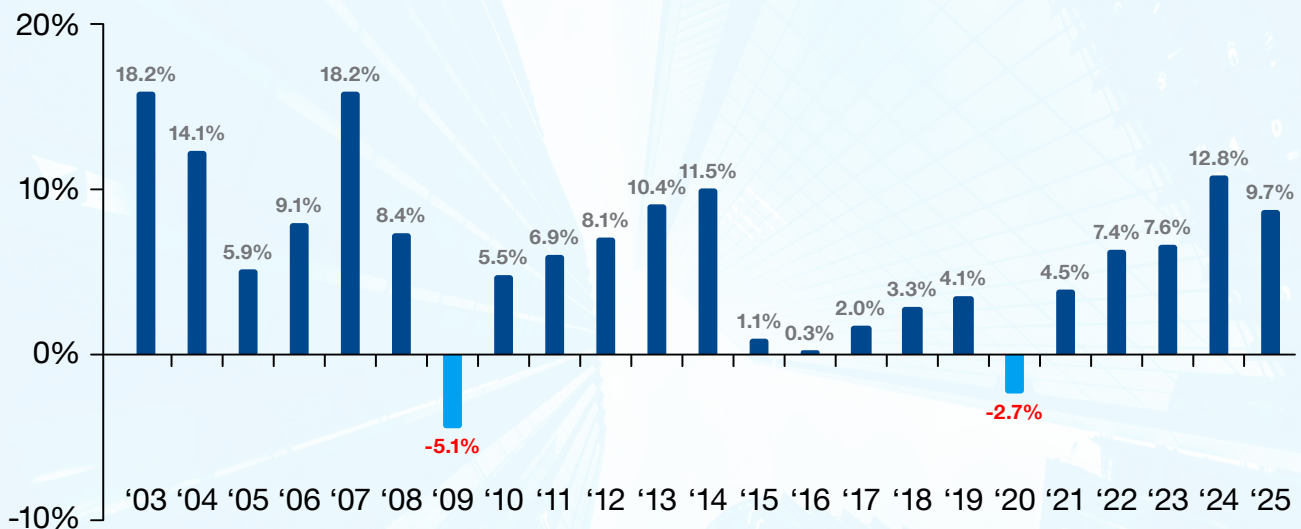


Cash Distribution



Total Return

Annual Total Return (%)



Disclaimer: Investments are subject to risk; investment returns and performance are difficult to predict and are not guaranteed. Prospective investors are required to review the offering documents and consult their Advisors to evaluate suitability of any proposed investment opportunity. Please review the disclaimer and important information and Fund's performance on the Fund's website page at: markaz.com/MREF

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