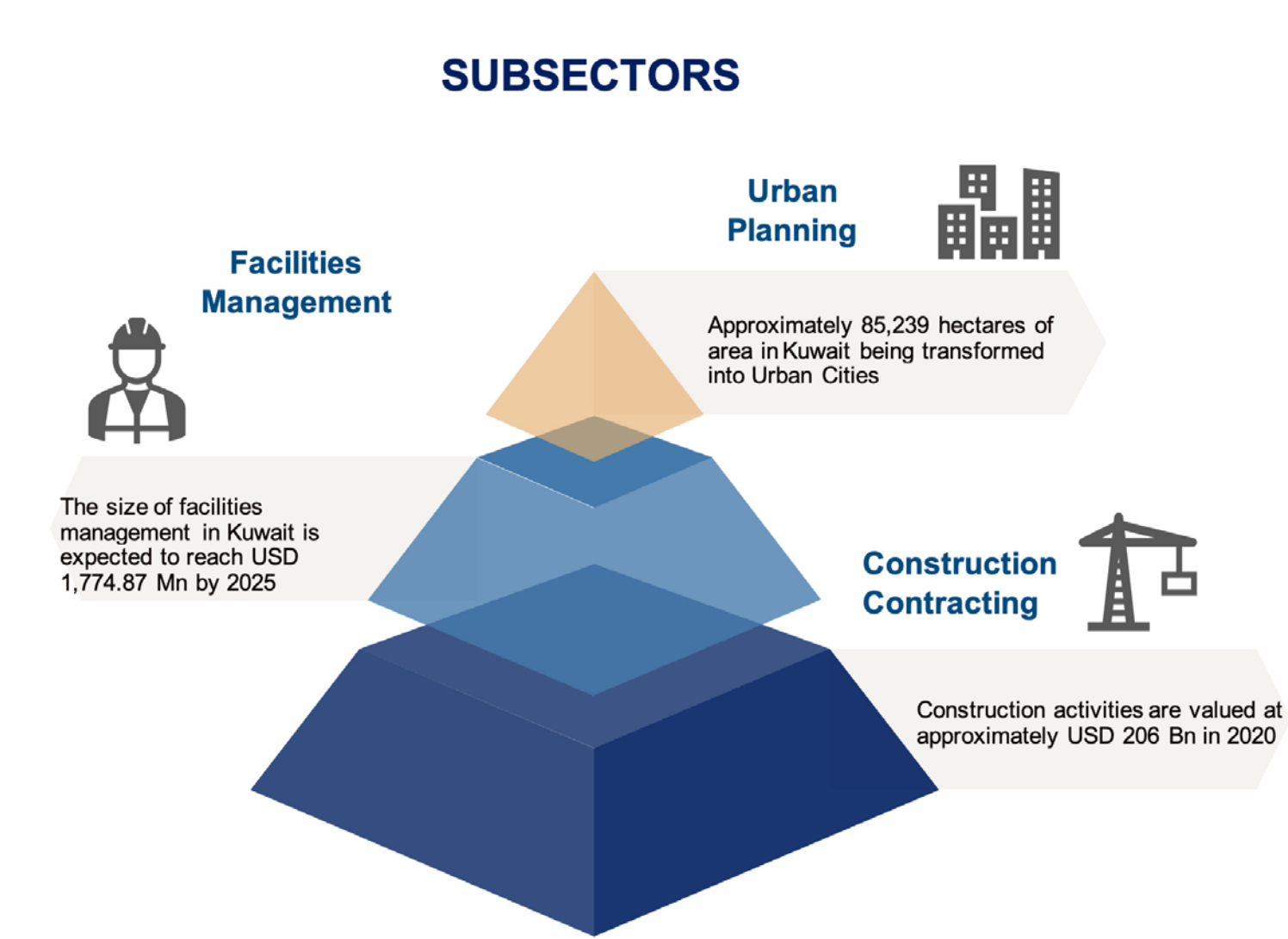




Housing & Urban Development Sector

Sector Overview

Housing and Urban Development sector includes a number of mega infrastructural projects undertaken by the government. These projects revolve around the development of new sustainable residential cities in Kuwait with the intention of providing quality modern living housing facilities for the Kuwaiti population. The projects undertaken are of massive scale that the government chooses to utilize and activate the public private partnerships (PPP) in the development of several components of these projects.



Kuwait offers interested investors a host of investment opportunities in urban planning, construction contracting, and facilities management projects in the field of housing and urban development to attain the goals of the National Vision 2035 and its development plans.



Urban Planning

MARKET FACTORS

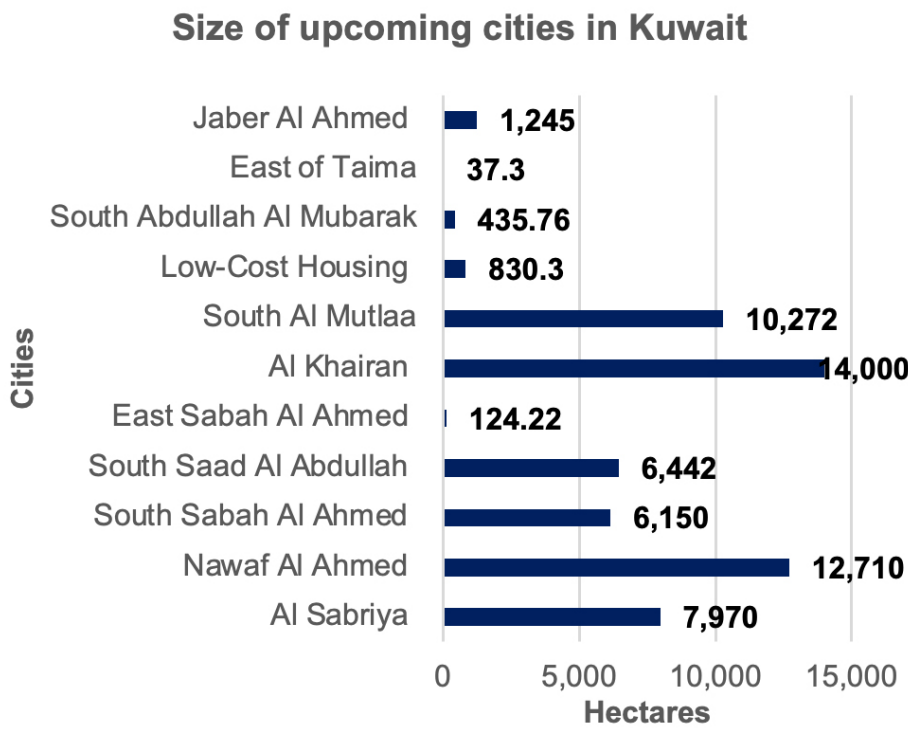
- The Public Authority for Housing Welfare (PAHW) was established to provide the housing welfare services to eligible families, reduction of the waiting period for houses, and expanding the provision of various real estate products and services.
- PAHW collaborates with real estate developers to implement the development of a number of cities/housing projects. Some of the Projects are listed below²:

City Name	Areas (Hectares)
Al Sabriya	7,970
Nawaf Al Ahmed	12,710
South Sabah Al Ahmed	6,150
South Saad Al Abdullah	6,442
East Sabah Al Ahmed	124.22
Al Khairan	14,000
South Al Mutlaa	10,272
Low-Cost Housing	830.30
South Abdullah Al Mubarak	435.76
East of Taima	37.3
Jaber Al Ahmed	1,245

- Several real estate developers in the private sector have launched large scale projects at varying stages of development, of which:

Developer	Project Name	Area (Hectares)	Use
KIPCO	Hessah Al Mubarak	22.7	Multi Use ³
Al Tamdeen Group	Madinat Al Hareer (Silk City)	25,000	Multi Use ⁴

Sources: ¹PAHW, ²Kuwait Vision 2035 , ³KIPCO, ⁴Al Tamdeen Group.

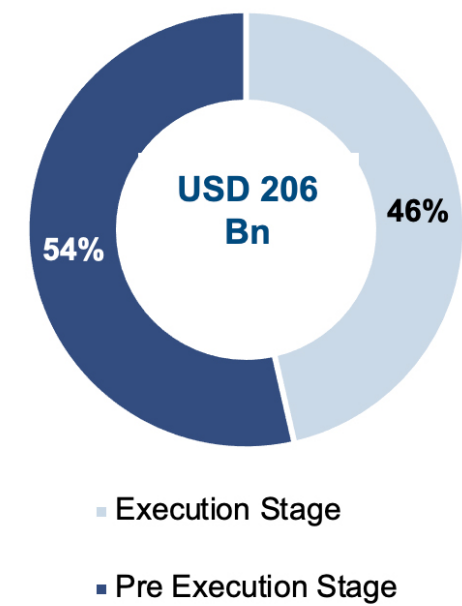


Construction Contracting

MARKET FACTORS

- The government has launched several infrastructural projects in the country within the real estate, healthcare, oil and gas, transport, and other sectors, to be procured at a value of approximately USD 206 Bn in 2020.¹ Most of the projects have been launched taking into consideration the young demography of the country and its growing needs for housing, electricity and water, transport, and healthcare.
- The real estate sector is the largest sector in demand for construction activities comprising 39% of the total, followed by the oil and gas sector at 25% and Air, Maritime and Transport in the third position at 24%.¹
- Around 46% of the infrastructure projects were in the execution stage, the remaining projects at 54% were at varied stages of pre-execution including study, planning and design.¹
- There is a large number of construction companies present in Kuwait, with varying ability to execute massive projects.

Construction Stage by Sector



Sources: ¹Gulf Bank.



Facilities Management

MARKET FACTORS

- The size of the Facilities Management sector in Kuwait was estimated to be around USD 1.2 Bn in 2019. This is expected to grow to USD 1.99 Bn by 2030.¹
- Kuwait has invested in infrastructure related to airports, hotels, and resorts. The need to provide tourists with facilities of international standards will increase the demand for effective facility management in the hospitality sector.
- Demand in this sector is driven from three different segments:
 - The government of Kuwait tendered many infrastructural projects including housing, schools, universities, and hospitals, mostly on a PPP basis. As part of such arrangement, the participation of a facility management company with international experience is a mandatory requirement.
 - Private residential owners with demand for high quality housing are expected to be catered to by professional facility managers.
 - Private companies intend to optimize their operations, there by outsourcing their non-core activities, that helps to reduce costs.
 - The rise of climate and environmental consciousness requires facility management services to be provided through eco-friendly solutions
- Major players within the facility management sector include local companies and several international companies, that include:
 - Tanzifco Company (W.L.L)
 - Magnaflux Corp.
 - Al Mulla Group
 - Alghanim International General Trading & Contracting Co. (W.L.L)

- United Facilities Management Company (K.S.C.C)
- ENGIE Services General Contracting for Buildings Company (W.L.L)
- Al Mazaya Holding Company (K.S.C.P)
- Ecovert FM
- Kharafi National FM
- PIMCO Kuwait

Source: ¹Business Wire.

