

## Economic Insight

16 April 2026



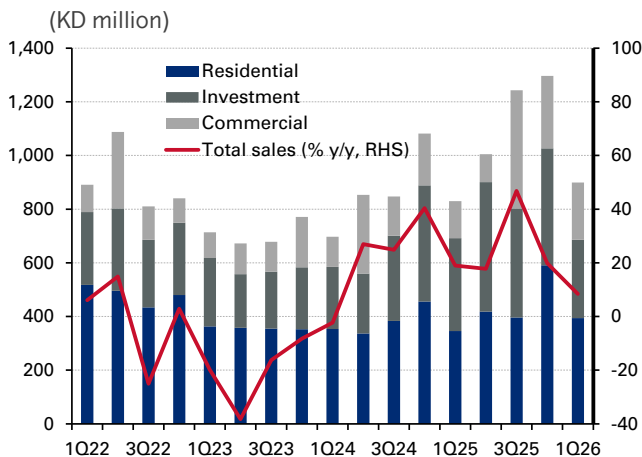
# Kuwait: Real estate sales slump in Q1 26 amid geopolitical and seasonal headwinds

Real estate sales softened in Q1 2026 to the lowest level in a year, marking a shift from the strong momentum that had built in previous quarters. By month, market conditions deteriorated most in March, weighed down by the US-Iran conflict (that began end-February) alongside the seasonal slowdown associated with Ramadan and the Eid holiday. Activity in March specifically slowed sharply across all segments after a relatively strong February. Price dynamics also appear to have been hit with downward pressure intensifying in the residential segment, reflecting softer demand after the strong gains in previous years. Looking ahead, the short-term outlook for the market will depend on the evolution of regional geopolitical risks, with a de-escalation or resolution of the conflict potentially boosting confidence and supporting a recovery in demand. A prolonged conflict generating further uncertainty could continue to weigh on investor appetite, keeping activity and prices under pressure.

Total real estate sales fell 31% q/q in Q1 to KD899 million, albeit from a strong performance in the previous quarter. As mentioned, the pullback was driven by an abrupt fall in March, in which sales slumped 72% m/m affected by the reasons described above. Indeed, support for this view can be seen in the figures for January and February alone, which averaged a healthy KD377 million per month and were up a combined 32% y/y. Despite the steep q/q decline, overall sales in Q1 remained 8.4% higher on a year-on-year basis, underpinned by low base effects in early 2025, especially in the residential and commercial segments.

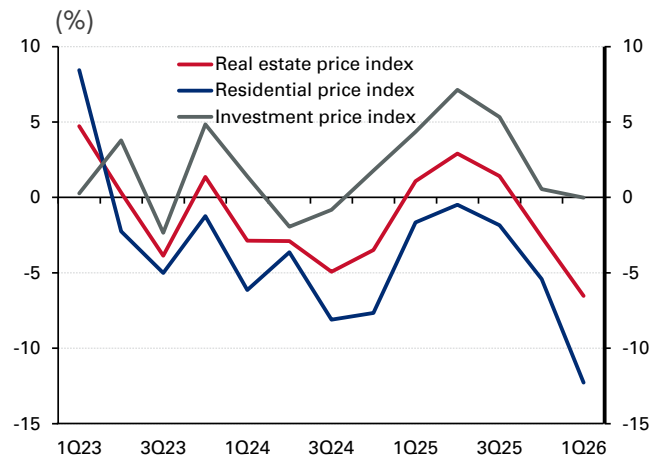
Residential sales also witnessed a sharp quarterly decline of -33%, moving from the historical high of KD591 million reached in Q4 25 while posting a solid increase of 13.9% y/y, despite the sharp loss of momentum in March, when residential sales dropped to KD91.0 million (-46% m/m). Investment segment activity also

**Chart 1: Real estate sales**



Source: Ministry of Justice (MoJ)

**Chart 2: Real estate price index**



Source: Central Bank of Kuwait, NBK estimates

softened with Q1 sales declining to KD292 million (-33% q/q), the lowest since Q2 24, reflecting heightened investor caution amid rising regional tensions and uncertainties. Commercial segment sales were also volatile, contracting to KD213 million in Q1 (-21% q/q), with March sales stalling to just KD2 million, though still logging a 54% y/y increase in Q1 2026.

Prices, according to our real estate price index, continued to decline on a quarterly basis, with the overall real estate price index decline accelerating to -3.2% q/q, while the year-on-year figure saw its steepest fall since Q1 2017 at -6.5%. Residential prices recorded particularly sharp declines (-12.3% y/y; -6.8% q/q), the largest since Q1 2009, underscoring perhaps the effects of the US-Iran conflict and recent policy efforts to curb speculative land hoarding. In contrast, investment prices proved relatively resilient, remaining broadly flat y/y and still rising modestly q/q (+0.7%), perhaps reflecting still relatively attractive starting valuations. The thin number of transactions in Q1 makes interpreting price movements more difficult than usual. Still, with both sales activity and prices on the retreat in Q1 26, the outlook for both will surely be influenced by developments in the US-Iran conflict, with a quick resolution potentially providing reassurance and leading to a recovery in Q2, helped by a reversal of seasonal factors.

**Table 1: Real estate sales & prices**

|                                | 3Q24         | 4Q24           | 1Q25         | 2Q25           | 3Q25           | 4Q25           | 1Q26         |
|--------------------------------|--------------|----------------|--------------|----------------|----------------|----------------|--------------|
| <b>Total real estate sales</b> | <b>846.9</b> | <b>1,081.9</b> | <b>829.7</b> | <b>1,004.7</b> | <b>1,243.2</b> | <b>1,296.5</b> | <b>899.3</b> |
| Y/Y                            | 24.8         | 40.4           | 19.0         | 17.7           | 46.8           | 19.8           | 8.4          |
| Q/Q                            | -0.8         | 27.7           | -23.3        | 21.1           | 23.7           | 4.3            | -30.6        |
| <b>Residential</b>             | <b>383.7</b> | <b>455.8</b>   | <b>346.1</b> | <b>418.2</b>   | <b>396.0</b>   | <b>591.1</b>   | <b>394.3</b> |
| Y/Y                            | 8.2          | 29.2           | -2.0         | 24.2           | 3.2            | 29.7           | 13.9         |
| Q/Q                            | 14.0         | 18.8           | -24.1        | 20.8           | -5.3           | 49.3           | -33.3        |
| <b>Investment</b>              | <b>317.1</b> | <b>432.7</b>   | <b>345.4</b> | <b>482.6</b>   | <b>406.6</b>   | <b>435.2</b>   | <b>291.8</b> |
| Y/Y                            | 49.3         | 87.6           | 49.0         | 116.2          | 28.2           | 0.6            | -15.5        |
| Q/Q                            | 42.1         | 36.4           | -20.2        | 39.7           | -15.8          | 7.0            | -33.0        |
| <b>Commercial</b>              | <b>146.1</b> | <b>193.3</b>   | <b>138.2</b> | <b>103.9</b>   | <b>440.6</b>   | <b>270.2</b>   | <b>213.3</b> |
| Y/Y                            | 31.1         | 3.3            | 22.9         | -64.6          | 201.5          | 39.7           | 54.3         |
| Q/Q                            | -50.2        | 32.3           | -28.5        | -24.8          | 324.2          | -38.7          | -21.1        |
| <b>Real estate price index</b> | <b>115.3</b> | <b>119.4</b>   | <b>120.4</b> | <b>120.6</b>   | <b>116.9</b>   | <b>116.3</b>   | <b>112.5</b> |
| Y/Y                            | -4.9         | -3.5           | 1.1          | 2.9            | 1.4            | -2.6           | -6.5         |
| Q/Q                            | -1.6         | 3.5            | 0.8          | 0.2            | -3.1           | -0.6           | -3.2         |
| <b>Investment</b>              | <b>99.4</b>  | <b>105.7</b>   | <b>107.1</b> | <b>106.1</b>   | <b>104.7</b>   | <b>106.3</b>   | <b>107.0</b> |
| Y/Y                            | -0.8         | 1.8            | 4.4          | 7.1            | 5.3            | 0.6            | 0.0          |
| Q/Q                            | 0.4          | 6.4            | 1.3          | -0.9           | -1.3           | 1.6            | 0.7          |
| <b>Residential</b>             | <b>133.1</b> | <b>134.6</b>   | <b>135.3</b> | <b>136.9</b>   | <b>130.6</b>   | <b>127.4</b>   | <b>118.7</b> |
| Y/Y                            | -8.1         | -7.7           | -1.6         | -0.5           | -1.8           | -5.4           | -12.3        |
| Q/Q                            | -3.3         | 1.2            | 0.5          | 1.2            | -4.6           | -2.5           | -6.8         |

Source: Ministry of Justice, NBK calculations NBK calculations

\* The NBK real estate price index is based on a dataset of real estate transactions available at the Ministry of Justice website. The index is calculated on a quarterly basis by type of real estate for all governorates. The methodology is based on a fixed-weight Laspeyres type with the base year 2019.

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