

Part 2: A Violator of an Investment Residence.

In 2003, the municipal council decided to increase the allowable built-up area again to 250%. At that time the objective was to activate the real estate market after the second Iraq War with the oil prices fluctuating under \$9 per barrel. Back then, the average price per meter in Salmiya was 200 KD, and then it moved up slowly to 350 KD to only go higher and higher after the events of September 11. Interest rates started going down, oil prices started to increase, and an increase in foreign workers all resulted in its price reaching 2000 KD per square meter. With this decision, the Municipal Council replaced the Ministry of Commerce and the Chamber of Commerce, taking it upon itself to raise the limit to encourage the real estate sector while ignoring the consequences of its decision. It did not consider the issue of parking lots, public services, or congestion. The Council simply made the decision with the mentality of a broker making a deal, leaving the result with the seller and the buyer. Moreover, the Council tried to rectify the matter by issuing a new law in 2005, but the money already flowed into the real estate market and everybody, both the experienced and the ignorant, entered the development market. Land values increased and the developers' income decreased. So to increase their revenues, developers found their way into the weaknesses of the municipalities' control and worked within the gaps of the building regulations, and became truly creative with the kinds of violations.

For example, one banker bought a land and licensed it to build ten floors with 40 apartments, a hanging floor, and a floor for the building services. After he got approval from the Ministry of Electricity and Water (MEW) to connect the building's electricity, he divided the building into a total of 84 apartments. How was this even possible?! Simply put, he licensed the building with 150 square meter hallways, then joined them with any space he could find from the corridors and stairways and made new violating apartments. He did the same in the two service floors and built partitions inside the apartments to create additional rooms! In this one building our friend managed to execute almost every kind of irregularity that a mind can imagine. The only violation he didn't do was building on an extra floor and erecting annexes