

It is possible to benefit from a property's income but not from the land which isn't easy to liquidate. In this scenario, you would also need to consider the rights of the contractor when construction is interrupted through no fault of his own.

Second, real estate investors should be careful not to violate the laws and building codes. Do not accept the idea that it doesn't matter because nobody follows the law anyway. Also, you need to carefully inspect the description certificates before bringing it to be registered with the municipality. A friendly reminder that responsibility for building code violations rest on the owner of the building. The fine for building code violations is 10 thousand KWD per meter, which means illegally building an addition of 100 meters can be fined one million dinars. The new laws under review are even more severe than the current ones. On top of that, tenants can't be easily evicted to demolish illegal additions because the law doesn't recognize it as licensed leasable space.

Lastly, the investment property has an inverse relationship with interest rates. Simply put, the lower the value of the property, the higher the interest rates charged by the bank. This isn't necessarily the case in a market where rental values are increasing, but that's not the case in Kuwait where rents have reached unprecedented levels which are burdensome for citizens and residents. It won't be long before we see interest rates increasing in the US which will begin a new economic cycle whose victims will be gold and oil, and later on, real estate.