

# Beachfront F&B & Retail Destination

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021

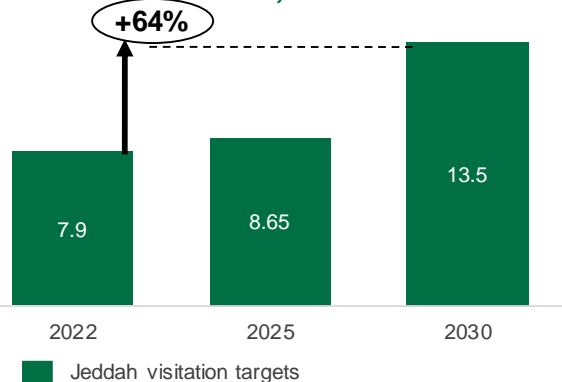


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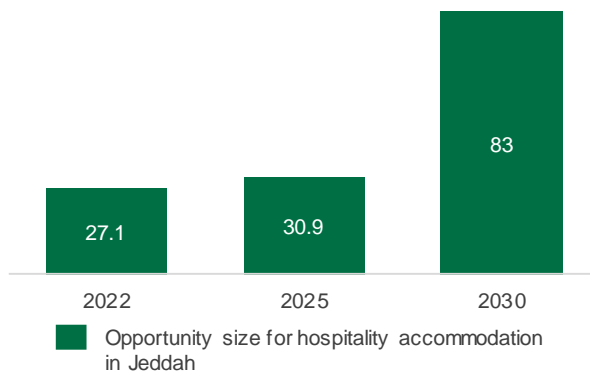
**OPPORTUNITY'S DESCRIPTION:** Opportunity to develop a one-stop beachfront destination combining a variety of dining, shopping and entertainment options for entire families

### DEMAND

#### MARKET SIZE, IN MILLION



#### NUMBER OF KEYS, IN THOUSANDS



### INVESTMENT OVERVIEW

#### INVESTMENT HIGHLIGHTS

- To develop beachfront destination 300 keys
- Construction cost 11,514 SAR / sqm
- IRR 12.6%
- Payback period: 9.4 years
- Cap Rate: 7.0%
- Location: Jeddah city

#### VALUE PROPOSITION

- Jeddah's Red Sea coastline is highly diversified, with some already developed areas along the corniche, while some areas further afield remain untouched
- ~100 km of Red Sea coastline along the western edge of the city
- Long stretches of private, undeveloped beachfront with pristine waters
- Newly developed Jeddah Waterfront stretching along the corniche and hosting various attractions and amenities

### MARKET OVERVIEW

#### KEY DEMAND DRIVERS

- KSA is the largest economy in MENA, contributing 20%+ to the total regional GDP and is expected to grow at 2.9% post Covid-19 pandemic crisis which will result in booming tourism sector
- Investments made in infrastructure projects, ease and affordability of tourist visas and overall progress made in tourism sector are set to have a major impact on the growth of Jeddah's hospitality sector
- KSA's focus to increase the number of religious visitors from 7 mn visitors in 2019 to 30 mn visitors by 2030 is likely to drive the demand for hospitality assets in and around the Holy Cities

#### MARKET READINESS

- In line with Saudi vision 2030, KSA aims to become an international tourist destination, with aspirations to attract 100 million visitors annually by 2030
- Well established tourism ecosystem led by the Ministry of tourism supporting investors across their journey which includes the tourism development fund, the Saudi tourism authority and Ministry of investment



# TOURISM & QUALITY OF LIFE Beachfront F&B & Retail Destination

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## DEVELOPMENT ASSUMPTIONS

- **Description:** 300-Key Upmarket hotel set within a vibrant retail and leisure waterfront community; an oasis of calm among the bustle; a modern take on traditional Arabic architecture and cultural values.
- **Components:**
  - Hotel rooms and suites
  - Front of house facilities
  - All day restaurant
  - Arabic coffee lounge within shaded courtyard setting
  - Gym and fitness facilities
  - Infinity pool
  - Stunning views and sympathetic architecture



HOTEL INFORMATION	
No. keys	300
Standard Rooms	255 (85%)
Suites	45 (15%)
Total GFA*	~ 23,700 sqm
Category	Upscale
Years Construction	3

## CAPEX requirements



**Total development cost**



**Development cost per  
GFA sqm**



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### LOCATION AND CONNECTIVITY FEATURES

- Jeddah's Red Sea coastline is one of the most prominent attractions not only in the city, but across the Kingdom, making it one of the prime tourist destinations



#### Population



**4.5 million**

living in Jeddah

**~10 million**

people within  
3-hours driving distance

#### Location



#### Distance from Key Cities

**1**

hour from Makkah

**2**

hours from Taif

**4**

hours from Madinah

#### Connectivity



**Air**

via King Abdulaziz  
and Taif  
International  
Airports



**Road**

Focal node in 2 main  
economic corridors  
(North to South and  
East to Dammam via  
Riyadh)



**Rail**

Important stop  
on new light  
rail / metro  
developments

# DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Demand drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
9	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	Enablers	Factors that enable investment in the underlying opportunity
13	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of \$1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

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