

# Beachfront Family Resort

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



# TOURISM & QUALITY OF LIFE

## Beachfront Family Resort

Restricted / مقيد

High Potential

Moderate Potential

Low Potential

**OPPORTUNITY'S DESCRIPTION:** Opportunity to develop an all-inclusive beachfront resort destination on the pristine sands and waters of Aseer Seaside

### DEMAND

- Actual demand for numbers of keys in 2019:
  - Total of Trips 5,032K
  - Total Tourist Receipts 6,577M SAR
  - Avg. Visitor Spend 1,453 SAR
  - Avg. Occupancy: Hotel 57%, Apartment 55.7%
- Expected demand for number of keys in 2025 is 14K and in 2030 is 32K

### INVESTMENT HIGHLIGHTS

- To develop beachfront resort 250 keys
- Construction cost 12,936 SAR / sqm
- IRR: 7.9%
- Payback period: >10 years
- Cap Rate: 7.0%
- Location: Aseer

### INVESTMENT OVERVIEW

#### VALUE PROPOSITION

- The beach is known for its pure blue waters and distinctive white sands, with flourishing marine life all around
- Pristine, pure waters with a distinctive clear blue color
- Long stretches of private, undeveloped beachfront with beautiful, white sand
- Flourishing and rich marine life, and nearby mangroves provide a nursery habitat
- Shallow coast ideal for fishing and a gathering point for migratory birds

### 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 Aseer's city hospitality sector
- The region will offer a mix of affordable assets and luxury anchor projects [50% of hotel keys at 3 stars]. The existing PIF projects, Abha downtown, Al Souda, and Habala will play a crucial role as high-end anchor assets and have been factored into our strategy
- Aseer will attract 8.6 m visits in 2030 tripling the current leisure visits. Growth mainly originates from domestic leisure [+250%] and international tourism

#### MARKET READINESS

- Tourism is Aseer's priority. Aseer mainly cater towards the Saudi middle class leisure tourist, ensuring complementarity to other destinations. This is flanked by international visits
- Tapping into Aseer's natural and cultural assets, 5 well-differentiated tourism development areas has been identified which highlighted the need for 23k additional keys and a comprehensive investment package of ~81B SAR to vitalize these areas



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## DEVELOPMENT ASSUMPTIONS

- **Description:** A self-contained all-inclusive leisure and activity destination resort in landscaped grounds with a water park, activity centre, and extensive private beach with water sports.
- **Components:**
  - Hotel rooms, family suites and beachfront chalets
  - 7 – 8 F&B outlets, including informal snack bars
  - Spa, wellness, Gym and fitness facilities
  - Family and adult outdoor pools
  - Activity centres, beach club with water sports
  - Kids club with splash park for toddlers; games room for teenagers.
  - Animation team in season
  - Water park features



HOTEL INFORMATION	
No. keys	250
Standard Rooms	210 (84%)
Family Suites	25 (10%)
2-BR Beach Chalets	10 (4%)
3-BR Beach Chalets	5 (2%)
Total GFA*	~ 25,600 sqm
Category	Upscale
Years Construction	4

## CAPEX requirements



**Total development cost**



**Development cost per  
GFA sqm**



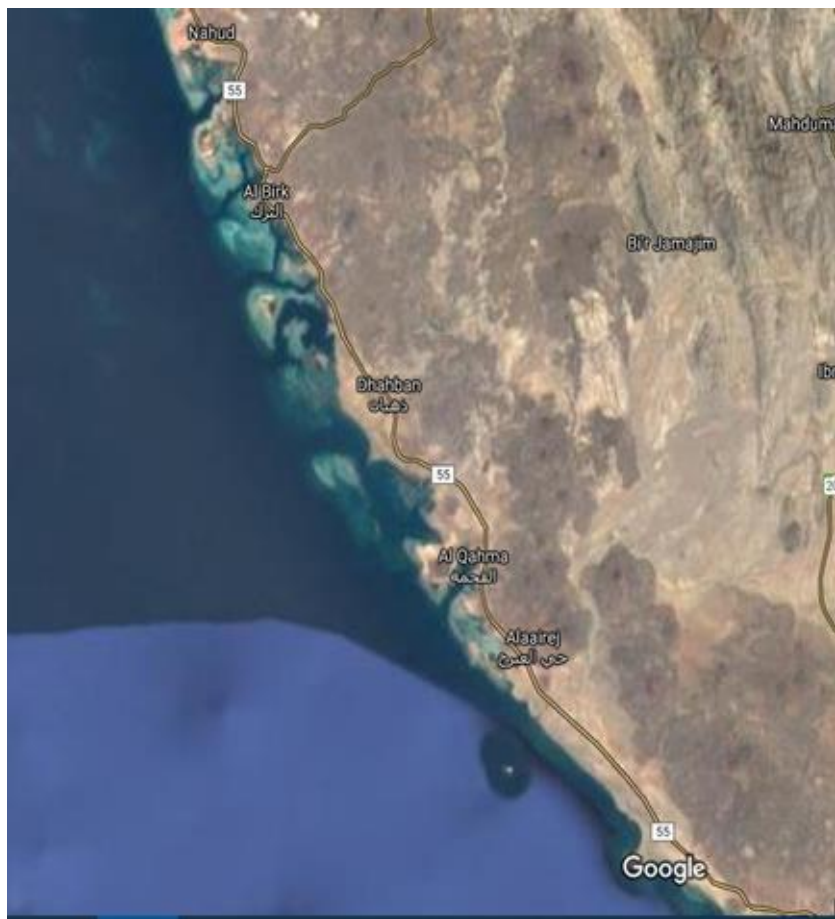
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### LOCATION AND CONNECTIVITY FEATURES

- Aseer Province is located on southwest of The Kingdom containing the country's highest peaks and bordering Yemen



#### Population



**~1.5 million**  
living in Aseer Province

**~1 million**

people living within the capital Abha

#### Location



#### Distance from Key Cities

**5**

hours from Jeddah

**9**

hours from Madinah

**3**

hours from Al Bahah

#### Connectivity



**Air**

via Abha international airport



**Road**

served by multiple major highways connecting to Madinah, Jeddah, Yanbu, etc.



**Rail**

Benefit from new rail/metro links to cities

# 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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