

Beachfront Lifestyle Resort

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021

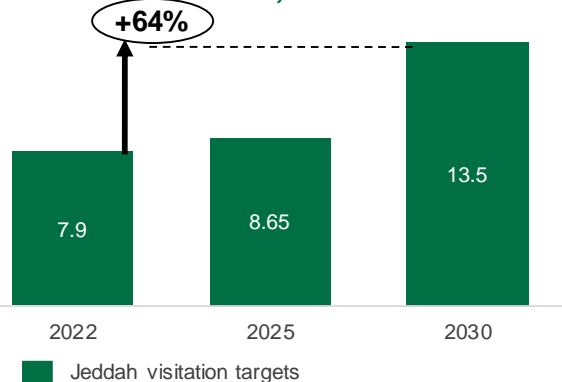


Beachfront Lifestyle Resort Jeddah Corniche / Beach

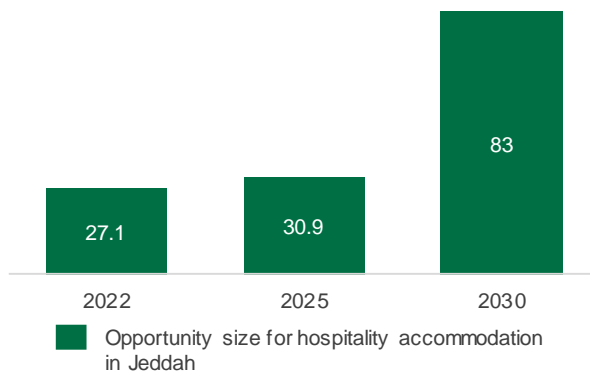
OPPORTUNITY'S DESCRIPTION: Opportunity to develop a beachfront lifestyle resort on the Red Sea, renowned for bespoke experiences and being the pinnacle of comfort and luxury

DEMAND

MARKET SIZE, IN MILLION



NUMBER OF KEYS, IN THOUSANDS



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- To develop beachfront lifestyle resort 250 keys
- Construction cost 14,107 SAR / sqm
- IRR 8.2%
- Payback period: >10 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



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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	187 (75%)
Suites	63 (25%)
Total GFA*	~ 31,100 sqm
Category	Upscale
Years Construction	4

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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