

DEVELOP 3 STAR HOTEL IN JEDDAH

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



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Restricted / مقيد

High Potential

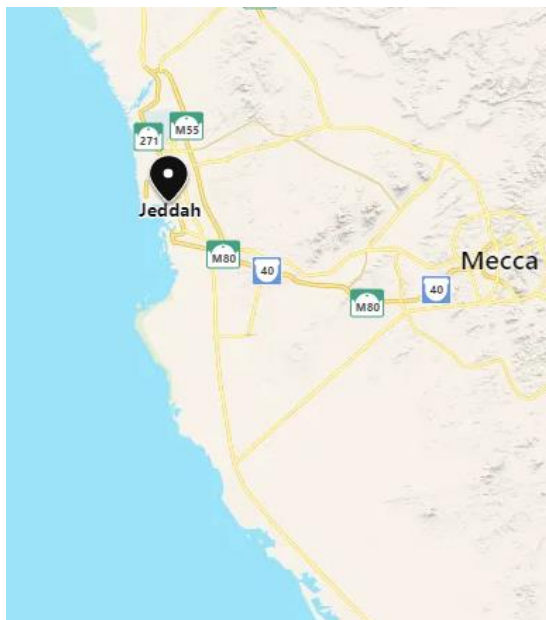
Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Opportunity to develop 3 star hotels in Jeddah

DEMAND

- Expected demand for numbers of keys in 2019:
 - Total of Trips 7,126K
 - Total Tourist Receipts 13,350M SAR
 - Avg. Visitor Spend 3,189 SAR
 - Avg. Occupancy: Hotel 69.5%, Apartment 71.5%
- Expected demand for number of keys in 2025 is 31K and in 2030 is 83K



INVESTMENT HIGHLIGHTS

- To develop 3 star hotel 100-200 keys
- Expected Investment size 40-100 Mn SAR
- Investment model options: leasing, shared revenue model or 100% ownership
- Location: Jeddah city
- Estimated Project IRR: 8-10 %

INVESTMENT OVERVIEW

VALUE PROPOSITION

- Over the years, no Saudi city has been more open to outside influencers such as traders, international artists and Makkah-bound pilgrims than the ancient port of Jeddah. Indeed, the city's unofficial motto is "Jeddah ghair," or "Jeddah's different." Today, Jeddah is Saudi Arabia's buzzing cosmopolitan hub, home to gleaming hotels and big-ticket events like the Red Sea International Film Festival, which takes place in late winter.
- The city's heart is still intact in Al Balad, the magical historical quarter that has undergone a renaissance in recent years. And the Red Sea is still central to it all — for trade, for diving among pristine reefs, and for fishing for Jeddah's legendary seafood. The city where Eve was laid to rest (according to local lore) is a beguiling mix of old and new, and one that remains gloriously different.
- Opportunity to develop 83K number of keys in Jeddah by 2030
- 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

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
- The distance from key cities:
 - 1 hour from Makkah
 - 2 hours from Taif
 - 4 hours from Madinah

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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