

HEALTHCARE & RETAIL DEVELOPMENT IN TABUK

INVESTMENT OPPORTUNITY SCORECARD

REAL ESTATE

SEPTEMBER 2021



REAL ESTATE HEALTHCARE & RETAIL - TABUK

Public / متاح

High Potential

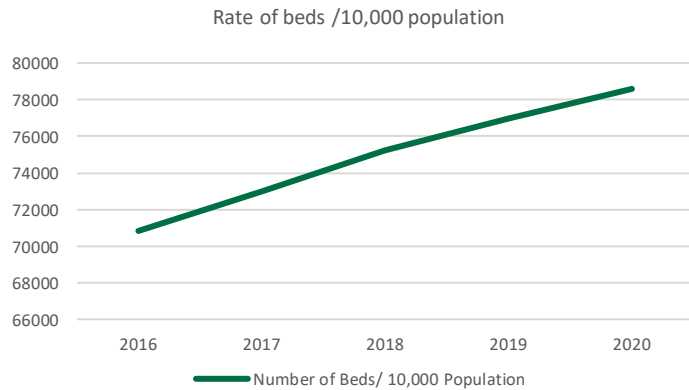
Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Development of a private hospital in tabuk with an area of 25,000 sqm & retail.

DEMAND

MARKET DEMAND



* The increase of number of hospital beds indicates the demand for more beds around the kingdom.

INVESTMENT HIGHLIGHTS

- Expected investment size of SAR 348.59 Mn (development cost)
- Investment model options: leasing, shared revenue model or shared revenue model + fixed amount
- Location: Tabuk
- Estimated Project IRR (25 year lease term) 7%~9%
- Estimated Project IRR (50 year lease term) 9%~11%
- Estimated Equity IRR (25 year lease term & 50:50 D/E ratio) 8%~10%

INVESTMENT OVERVIEW

VALUE PROPOSITION

- KSA is transforming its cities into world-class retail destinations to become a global economic powerhouse and an international business hub.
- Healthcare is one of the main focus areas of the Kingdom's vision 2030 and the National Transformation Program. Research indicates that to keep pace with population growth, Saudi Arabia would require additional 20,000 beds by 2035.
- The Ministry of Municipality and Rural Affairs and Housing's (MOMRAH) firm commitment to investors by creating supporting regulatory ecosystem, launching key initiative such as Sharakat (partnership to codevelop properties) & Etmam (developer services center that provides certificates and licenses to fast-track development), and easy issuance of necessary permits showcases progress of this sector.
- MOMRAH is seeking to collaborate with the private sector for developing land parcels across the Kingdom of Saudi Arabia. The selected land parcel, owned by the municipalities, are strategically selected to be in close proximity to demand generators
- The presence of a Giga project near Tabuk (Neom) will bring considerable transformation on a national scale to the urban environment and the life of citizens in surrounding urban settlements.

PROJECT OVERVIEW

Tabuk has an undersupply of hospital beds compared to the Kingdom's national average and Vision 2030 targets. The existing healthcare facilities in Tabuk are of mid-to-low quality. This often drives residents to travel to neighboring countries to receive medical treatment. Therefore, it is proposed to develop a 175-bed private hospital. The retail offering would support the overall development by targeting visitors of the hospital and the neighboring mosque. Furthermore, the developed infrastructure and parking spaces around the land plot optimizes the construction costs and enhances the development opportunity.

Several amenities are located near the project site including:

- Alwalidayn Mosque 0.1 km from site
- Tabuk Park Mall 2 km from subject site
- Prince Fahad Bin Sultan Park 2.5 km from subject site
- King Abdullah Medical Complex 9 km from subject site
- Tabuk University 24 km from subject site
- Prince Mohammed Bin Abdulaziz International Airport 24 km from subject site

Land use	Area (sqm)	Gross Leasable Area (sqm)	# of floors
Healthcare (Hospital)	25,000	35,000	3.5
Retail (neighborhood)	12,000	4,500	1
Total	37,000	39,500	4.5



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PROJECT LOCATION



COORDINATES: 28.457432, 36.511478

INVESTOR/ DEVELOPER ROLE

Studies, design and permits

The developer will be responsible for conducting all the necessary studies to secure commercial aspects of the project, develop all the designs of the project, and obtain the necessary government permits

Financing

The developer will bear the burden of securing funding of the project, whether through private sources, financing entities, or mix of various financing instruments

Operations and maintenance

The developer will be responsible for the operations and maintenance either by himself or through another professional entity

Marketing and leasing

The developer will be responsible for marketing and leasing out the units in the project

Execution

The developer will be responsible for the execution of all aspects of the project

ENABLING FACTORS

ENABLERS

- Developed lands or raw lands based on the tendered project
- Expedite attainment of permits and approvals
- Long term leasing contract for up to 50 years

COST OF DOING BUSINESS IN KSA

Factor	Ranking Amongst Regional Peers
Macroeconomic risk (100=high)	30
Productivity adjusted wages	\$3.3 /hour
Ease of getting credit (0 – 100)	50
Contract enforcement (0-100)	55
Construction Costs (Indexed to US, % 0 is cheapest)	74

KEY STAKEHOLDERS



وزارة الشؤون البلدية والقروية والإسكان
Ministry of Municipal Rural Affairs & Housing



بوابة الاستثمار البلدي
FURAS | Gate to Municipal Investments



Sources for Cost of Doing Business: EIU, World Bank

Bottom 25% | Top 75% | Top 50% | Top 25%

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DEFINITIONS

#	SCORECARD SECTION	DEFINITION
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	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
7	Enablers	Factors that enable investment in the underlying opportunity
8	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region

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