

Heritage Boutique Compound

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



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Heritage Boutique Compound

Restricted / مقيد

High Potential

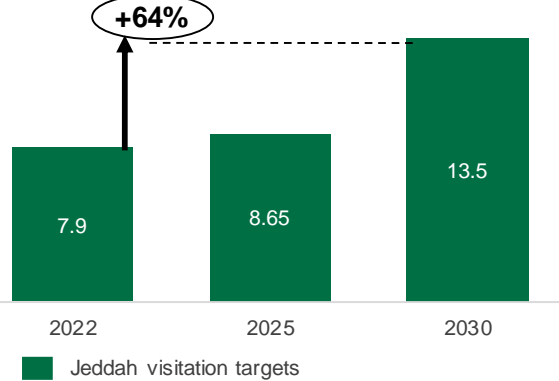
Moderate Potential

Low Potential

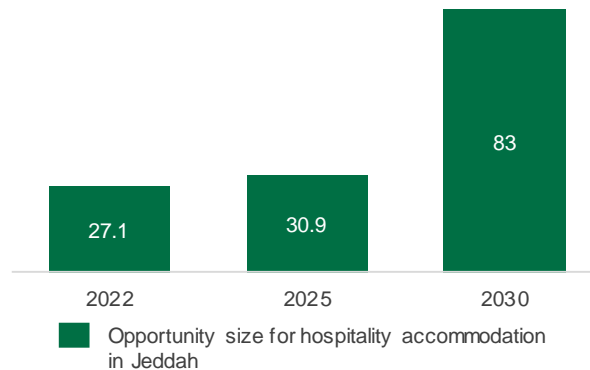
OPPORTUNITY'S DESCRIPTION: Opportunity to develop a heritage boutique compound imbued with the culture and traditions of historic Jeddah

DEMAND

MARKET SIZE, IN MILLION



NUMBER OF KEYS, IN THOUSANDS



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- To develop heritage boutique 30 keys
- Construction cost 11,788 SAR / sqm
- IRR 11.0%
- Payback period: 10.0 years
- Cap Rate: 7.0%
- Location: Jeddah city

VALUE PROPOSITION

- The Old Town's rich cultural and heritage assets position it as a prime location for a heritage boutique compound diffused throughout the site
- Designated UNESCO World Heritage site, dating back to the 7th century AD
- Known for its beautiful and unique coral architecture, from which the buildings and houses are made
- Home to important heritage assets such as Makkah Gate and Naseef House, a former residence of King Abdulaziz
- Location of Souq Al Alawi, a traditional open air market that contributes to the authenticity of the site

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 cluster of carefully restored historic buildings, infused with the Red Sea Roshan architectural tradition and culture of this ancient cosmopolitan city. A stylish yet authentic sanctuary blending comfort with authenticity and delivering immersive local cultural experiences.
- **Components:**
 - Studios with separate majlis area and 1-BR suites
 - Restaurant serving local delicacies and fresh Red Sea seafood
 - Spa and fitness facilities with rooftop pool
 - Boutique/souq showcasing local arts and crafts



HOTEL INFORMATION	
No. keys	30
Studio	16 (55%)
Executive Suite	9 (30%)
Corner Suites	5 (15%)
Total GFA*	~ 2,200 sqm
Category	Upscale
Years Construction	2

CAPEX requirements



Total development cost



Development cost per GFA sqm



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LOCATION AND CONNECTIVITY FEATURES

- Jeddah Old Town, also known as “Al Balad”, is one of the premier attractions in Jeddah and a key NTS site



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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