

# KAEC Lagoona Motor Park

INVESTMENT OPPORTUNITY SCORECARD

**TOURISM & QUALITY OF LIFE**

September 2021



# TOURISM & QUALITY OF LIFE

## KAEC Lagoon Motor Park

Restricted / مقيد



High Potential

Moderate Potential

Low Potential

**OPPORTUNITY'S DESCRIPTION:** 13 Track Variations & 4 FIA Homologated tracks with a capacity to host Formula 2, 3, & 4, Porsche Series Cup, Single Seater Races, Drifting, GT Series, Blancpain, Track Days, Arrive and Drive, and Road Safety Training. Building Capacity up to 1,300 Visitors, 15 Pits and VIP lounge + 2 Paddock lounges, Welcome Center for Arrive and Drive experiences

### 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 OVERVIEW

#### INVESTMENT HIGHLIGHTS

- Investment size 160 Million SAR
- RoI Expected 12%
- Completion 87%
- Forms of collaboration:
  - 3rd party investor
  - Direct investment

#### VALUE PROPOSITION

- KAEC, is a growing business and logistics hub with a focus on tourism. A vibrant city designed to support the socio-economic transition of an ambitious Saudi Arabia
- The distance from key cities:
  - 1 hour from Makkah
  - 2 hours from Taif
  - 4 hours from Madinah

### 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

- KAEC aspires to be Saudi Arabia's premier all-purpose tourism destination along the Red Sea delivering quality travel and leisure experiences to all visitors through:
  - The development of unique attractions, leisure and entertainment experiences, event venues, and unsurpassed hospitality offerings for: The domestic travelers from all Saudi regions and inbound traveler to Saudi Arabia. And aligned with Vision 2030, serving a national need and creating an economic gain for KAEC and the Kingdom.

# 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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