

Al Henakiyah Multisport Complex

INVESTMENT OPPORTUNITY SCORECARD

REAL ESTATE



Al Henakiyah Multisport Complex

OPPORTUNITY'S DESCRIPTION: Opportunity to develop a multisport complex in Al Henakiyah over 9,082 sqm, comprising 2 Olympic swimming pools, 1 gym, and 2 football pitches

DEMAND

MARKET SIZE

Key figures on KSA fitness market, 2020¹



13.7 million
potential
customers



5.8 billion
SAR
addressable
market



8%
market
penetration

Key Demand Drivers

- Young and growing population (72% of KSA population under the age of 45)
- Increasing physical activity (Sports participation increase for Saudis over the age of 15, from 13% in 2016 to 22% in 2019)
- Increasing affluence (Increase in median household income by 7.2% p.a. between 2013 and 2018)
- Latent demand in Madinah for swimming, walking, running, aerobics, and football

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS²

- Expected Investment size of USD 2.66 Mn
- Expected IRR: 7-15%
- Payback period: 20 years
- Job Creation: 10-15
- GDP Impact: 0.1%
- Location (Region): Al Henakiyah, Madinah

VALUE PROPOSITION

- Young and affluent population with growing interest in physical activity with an increase of 22% mass participation and activity levels sports in 2019, up from 13% in 2016.
- Significant latent demand for a range of sports offerings that led to successfully hosting mega events such as WWE events, 3x3 FIBA, DAKAR, and Formula 1 & Formula-E.
- \$670 million committed to support sports clubs in achieving financial maturity and privatization.
- Growing number of profitable sport facilities that offer high-demand sports (e.g., Padel) that have an opportunity to strategically align to nation wide community sports facilities.

PROJECT OVERVIEW

- The project consists of the development of a multisport complex with several facilities such as Olympic swimming pools, gyms, sports areas and football pitches.

Land use	Area (sqm)	Number of units
Olympic swimming pool	2200	2
Gym	2000	1
Football Pitch	4000	2
Others	882	1
Total	9082	

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PROJECT LOCATION



COORDINATES: 24.903718, 40.532982

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

Operations and maintenance

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

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

Marketing and leasing

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

Execution

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

ENABLING FACTORS

ENABLERS

- Incentive package including a land lease subsidy
- Exemptions from existing parking regulations that are not adapted to multisport complexes
- Developed lands or raw lands based on the tendered project
- Expedite attainment of permits and approvals

COST OF DOING BUSINESS IN KSA

Factor	Ranking Amongst Regional Peers
Macroeconomic risk (100=high)	30
Manpower Costs	\$5.4 /hour
Ease of getting credit (0 – 100)	50
Contract enforcement (0-100)	55
Construction Costs (Indexed to US, % 0 is cheapest)	77

KEY STAKEHOLDERS



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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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RealEstate@misa.gov.sa

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