

DESERT RESORT IN RIYADH

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

FEBRUARY 2021



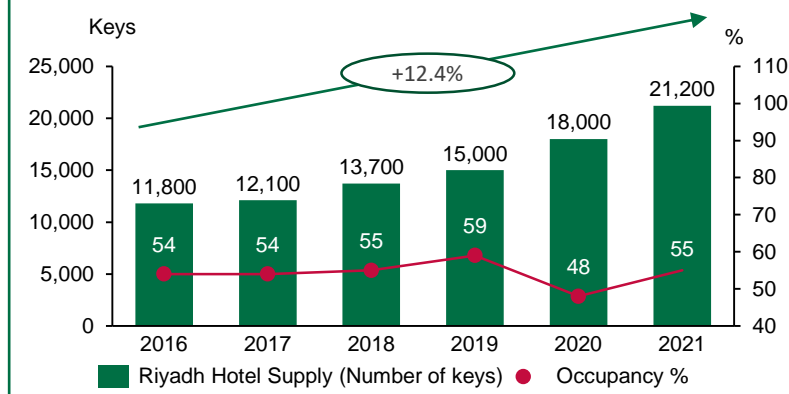
TOURISM & QUALITY OF LIFE

Desert Resort In Riyadh

OPPORTUNITY'S DESCRIPTION: Opportunity to develop a desert resort in the outskirts of Riyadh

DEMAND

RIYADH MARKET SIZE



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of USD 99 – 121 Mn
- Location: Riyadh city
- Expected IRR: 11%
- Expected payback period: 9.2 years

VALUE PROPOSITION

- In line with Saudi vision 2030, KSA aims to become an international tourist destination, with aspirations to attract 100 million visitors annually by 2030
- KSA is aiming to attract ~USD 59 Bn in investments to its tourism sector by 2023 and more than USD 130 Bn by 2030
- Opportunity to leverage the recent government initiatives to boost tourism and hospitality in the Kingdom such as the launch of tourist visas
- Opportunity to capitalize on the increasing leisure market in KSA
- Opportunity for first mover advantage due to the lack of similar projects (desert resorts) in KSA

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
- The new infrastructure developments in Riyadh, the enhancement of the entertainment and leisure sectors and government initiatives such as the relaxation of visas are expected to drive the hospitality demand in the city
- Rising number of business visitors, tourists' arrivals, exhibitions, events, trade fairs and entertainment centers in Riyadh will drive the demand for resorts in the city
- The project's premium location near the airport and the lack of similar projects in the Riyadh will spur its demand

PROJECT AMENITIES

- Dedicated guest arrival and VVIP parking
- Signature desert library with heritage and culture display
- Desert views Cafe and High Tea lounge
- All-Day dining restaurant and desert specialty restaurant
- Specialty dining Mekong Restaurant
- Signature SPA and main resort Pool with juice bar
- Kids and teens areas with activities and games areas
- Outdoor desert cinema
- Desert Star gazing deck with fire pit and sunken majlis
- Desert sports & activity pavilion
- Desert Lounge & Bar
- Educational Desert fauna & animal compound
- A Royal Ballroom & Event space with outdoor area

PROJECT OVERVIEW

PROJECT SIZE

Guestrooms & Villas	Area (sqm)	# of keys
Deluxe Garden & Desert views room	55	60
Deluxe Terrace Desert garden room	55	50
Suites	110	33
One bedroom Villa & Pool	140	60
Two-bedroom Villa & Pool	190	12
Three-bedroom Vila & Pool	210	3
Royal Pavilion	280	1
Desert Imperial Villa	350	1
Total		220



TOURISM & QUALITY OF LIFE DESERT RESORT IN RIYADH

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



Marketing and leasing

The developer will be responsible for marketing the project



Execution

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



Contract with Operator

The developer will negotiate the operations and maintenance services contract with the operator, including revenue and fee share and clear roles and responsibilities of each partner among others

ENABLING FACTORS

ENABLERS

- Financing provided by Tourism Development fund
- Expedited attainment of permits and approvals
- The Ministry of Municipality and Rural Affairs has created supporting regulatory ecosystem for easy issuance of necessary permits

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 الاستثمار
Ministry of Investment



الهيئة الملكية لعدينة الرياض
ROYAL COMMISSION FOR RIYADH CITY



وزارة الشؤون البلدية والقروية
Ministry of Municipality & Rural Affairs



وزارة السياحة
Ministry of Tourism

صندوق التنمية السياحية
Tourism Development Fund

Royal Reserves Commission

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	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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