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ALHAMADANIA LAND DEVELOPMENT PROJECT

INVESTMENT OPPORTUNITY SCORECARD

REAL ESTATE

NOVEMBER 2020

INVEST SAUDI

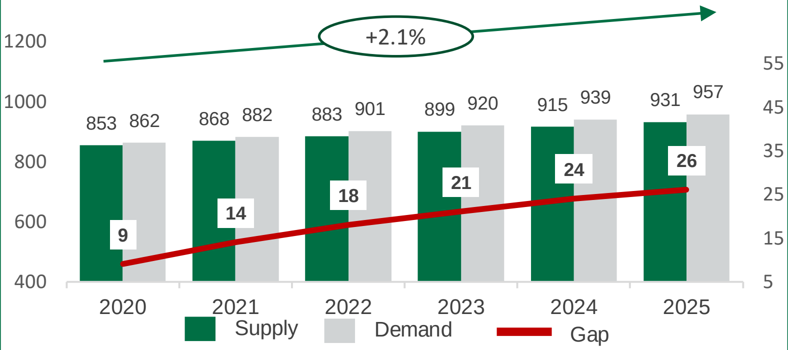
High Potential | Moderate Potential | Low Potential

REAL ESTATE
ALHAMADANIA LAND DEVELOPMENT PROJECT

OPPORTUNITY'S DESCRIPTION: Opportunity for residential and commercial development (4,000 housing units, education, healthcare, hospitality among others).

DEMAND

MARKET SIZE, '000 units



- *The demand and supply shown above are residential units for Jeddah city*

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of USD 500 Mn
- Investment model: Sub-Development Agreement with NHC, the Master Developer
- Location: Jeddah – Alfalah District

VALUE PROPOSITION

- There is unmet demand for housing in KSA illustrated by low home ownership among Saudi families ~ 53% in 2019. Government is supporting to increase it to 70% by 2030 through the Housing Program and Sakany initiative
- Real estate is a high priority sector for Saudi Arabia and is supported by the government through Ministry of Housing initiatives, including Sharakat (partnership to codevelop properties), Wafi (marketing support for selling off plan units), Etmam (developer services centre providing certificates and licenses for removing obstacles and fast-track development)

KEY DEMAND DRIVERS

- Increasing demand for housing units in KSA due to growing population (2% CAGR over next five years) and reducing household size
- Saudi Arabia is a young country with ~45% of the population comprising of citizens in the age group of first time home owners and soon to enter the working class
- Low home ownership in KSA is spurring demand for housing among Saudi families
- Government support for developing the nascent mortgage financing market will lead to higher demand for residential units
- The need for "Quality of Life" Projects that offer a modern and environment friendly communities

MARKET OVERVIEW

- Availability of various housing units in the Alfalah district on lands owned by the private sector and the Ministry of Housing, including duplexes, villas and apartments
- The project can be accessed through the arterial roads of the city and is located in a well developed locality with close proximity to all the modern amenities

AVERAGE PRICES

Average unit size (sqm)	Average price (USD)/ sqm	Average price per unit (USD)
206	669.9	137,581.1

PROJECT OVERVIEW

Land use	Area (sqm)	Number of units	%
Residential	897,823.00	3,659	56.00%
Commercial	156,553.50	45	9.68%
Green areas	158,624.00	—	9.81%
Open spaces and roads	404,336.50	—	25.00%
Total	**1,617,346**	—	**100.0%**

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PROJECT LOCATION

INVESTOR JOURNEY ON MINISTRY LANDS

- Service providers
- Qualification of developer
- Purchase RFP
- Submit technical and financial proposal
- Technical and financial evaluation
- Awarding
- First design approval
- Final design approval
- Signing real estate development agreement
- Initial approval of off-plan sale license
- Signing bank requirements agreement
- Issuing off-plan sales license
- Open a sales site
- Preparation for Construction (Mobilization)
- Building permit issuance
- Sorting real estate units and start construction
- Handing over units
- End

Participation | Pre-sale | Start of sale | Implementation and delivery

ENABLING FACTORS

ENABLERS

- Developed lands or raw lands based on the tendered project
- Assist to obtain higher floor area ratios (FAR)
- Expedite attainment of permits and approvals
- Engage with NHC in Investment agreement which enhance project power

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

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

KEY STAKEHOLDERS

وزارة الاستثمار Ministry of Investment

الشركة الوطنية للإسكان National Housing Company NHC

Jeddah Municipality

وزارة الشؤون البلدية والقروية Ministry of Municipal & Rural Affairs

مركز خدمات المطورين DEVELOPERS SERVICES CENTER إتمام

وزارة الإسكان MINISTRY OF HOUSING

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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	**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

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RealEstate@misa.gov.sa

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