

# HEALTHCARE & RETAIL DEVELOPMENT IN ALMADINAH

INVESTMENT OPPORTUNITY SCORECARD

REAL ESTATE

SEPTEMBER 2021

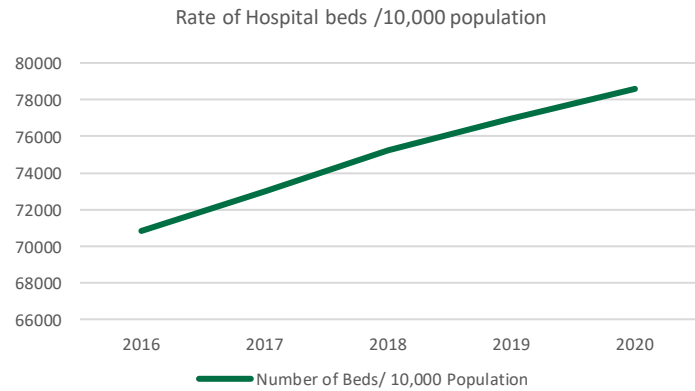


# HEALTHCARE & RETAIL IN ALMADINAH

**OPPORTUNITY'S DESCRIPTION:** An opportunity for developing a private hospital & retail.

## DEMAND

### MARKET DEMAND



\* The increase of number of hospital beds indicates the demand for more beds around the kingdom.

### INVESTMENT HIGHLIGHTS

- Expected investment size of SAR 271.34 Mn (development cost)
- Investment model options: leasing, shared revenue model or shared revenue model + fixed amount
- Location: Medina
- Estimated Project IRR (25 year lease term) 9%~11%
- Estimated Equity IRR (25 year lease term & 50:50 D/E ratio) 10%~12%

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- KSA is transforming its cities into world-class retail destinations to become a global economic powerhouse and an international business hub.
- Healthcare is one of the main focus areas of the Kingdom's Vision 2030 and the National Transformation Program. Research indicates that to keep pace with population growth, Saudi Arabia would require additional 20,000 beds by 2035.
- The Ministry of Municipality and Rural Affairs and Housing's (MOMRAH) firm commitment to investors by creating supporting regulatory ecosystem, launching key initiative such as Sharakat (partnership to codevelop properties) & Etmam (developer services center that provides certificates and licenses to fast-track development), and easy issuance of necessary permits showcases progress of this sector.
- MOMRAH is seeking to collaborate with the private sector for developing land parcels across the Kingdom of Saudi Arabia. The selected land parcel, owned by the municipalities, are strategically selected to be in close proximity to demand generators

## PROJECT OVERVIEW

Medina has an undersupply of hospital beds compared to the Kingdom's national average and Vision 2030 targets, hence providing an opportunity for developing a private hospital. In addition, it is proposed to develop a convenience retail offering, attracting both the hospital employees and visitors in addition to the surrounding residents.

Furthermore, the developed infrastructure around the land plot optimizes the construction costs and enhances the development opportunity.

- Several amenities are located near the project site including:
  - Aliat Mall 1 km from subject site
  - King Fahad Central Park 2.5 km from subject site
  - Masjid Quba 5 km from subject site
  - King Abdulaziz School 7 km from subject site
  - Saudi German Hospital 15 km from subject site
  - Prince Mohammed bin Abdulaziz International Airport 27 km from subject site

Land use	Area (sqm)	Gross Leasable Area (sqm)	Number of floors
Healthcare	20,000	30,00	3
Retail (convenience)	4,000	1,800	1
<b>Total</b>	<b>40,000</b>	<b>17,413</b>	<b>100.0%</b>



# HEALTHCARE & RETAIL IN ALMADINAH

## PROJECT LOCATION

## INVESTOR/ DEVELOPER ROLE

## ENABLING FACTORS



COORDINATES: 24.411044 / 39.622212

### 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

### Operations and maintenance

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

### Marketing and leasing

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

### Execution

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

### ENABLERS

- Developed lands or raw lands based on the tendered project
- Expedite attainment of permits and approvals
- Long term leasing contract for up to 50 years

### 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



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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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