



# Abraj al Bait Mall

Leasing Brochure

**McARTHUR**  
**+COMPANY**  
SHOPPING CENTRE  
SPECIALISTS



# INTRODUCTION



## PROJECT ESSENTIALS

Abraj al Bait Mall is part of a hospitality mega-project development in Makkah, to the south of the Al Haram holy site. The project includes six hotel towers and a residential tower clustered around the central Makkah Clock Tower.

The mall occupies six levels of the central tower podium and offers around 43,500m<sup>2</sup> of GLA (TBC).

The mall benefits from its pedestrian accessibility from Al Masjid Al Haram and as a result attracts pilgrims with a mix focused on catering for their everyday essentials and gifting needs.

Anchored by a hypermarket, supermarket and department stores, the offering includes fashion, perfumes and cosmetics, watches & jewellery, gifts, souvenirs and quick service restaurants.



### Project Details

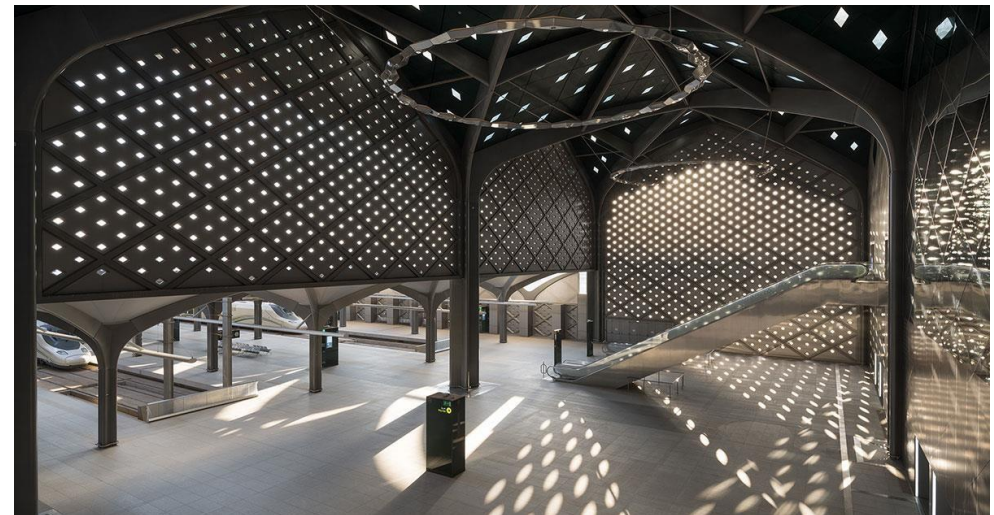
Developer/Owner	Saudi Bin Laden Group / Ministry of Islamic Affairs
Project Name	Abraj al Bait Mall
Project Location	Al Haram, Makkah, KSA
Coordinates	<a href="#">21°25'08.3"N 39°49'32.2"E</a>
GLA (m <sup>2</sup> )	43,500 (TBC)
Retail Levels	6
Units	800 (TBC)
Parking	0
Opened	2007

# MARKET BACKGROUND



## MARKET BACKGROUND & CONSUMER TRENDS

- The city of Makkah, which had an estimated population of 1.76 million inhabitants in 2020, is the capital of the Kingdom's Makkah Region.
- There were an estimated 320,000 households in Makkah City in 2020, which is expected to grow over the coming years to reach 380,000 by 2028. Households are accommodated predominantly in apartments with very little good quality villa housing stock in the city.
- Of the city's resident population, only around 53% are Saudi nationals. Among Saudi households, monthly household income stands at around SAR15,000, compared to the overall average for all households of SAR11,900. With 67% of inhabitants below the age of 40, the youthful demographic has positive implications for the city's retail and leisure industries over the next decade.
- At the heart of Makkah's economy lies its status as the holiest city in Islam. The city is home to the Kaaba, the Al Haram Mosque and other holy sites, which attract pilgrims from across the Muslim world during the annual Hajj season and throughout the year for the performance of the Umrah 'lesser' pilgrimage.
- There were around 17.5 million visitors to Makkah in 2019, including around 10.3 million international visitors. Although 2020 will be severely hit by the COVID-19 outbreak, we expect the total number of visitors to reach 21.4 million by 2023 and 26.6 million by 2028 as government initiatives to boost the capacity of the religious sites and relax visa controls drive growth.
- Makkah enjoys good connectivity with domestic locations via highways and the Haramain High-Speed Rail Service between Madinah and Makkah via Jeddah. The city does not have a civilian airport. However, international visitors tend to arrive in KSA at King Abdulaziz Int'l Airport in Jeddah or Prince Mohammed Int'l Airport in Madinah.





# MARKET BACKGROUND



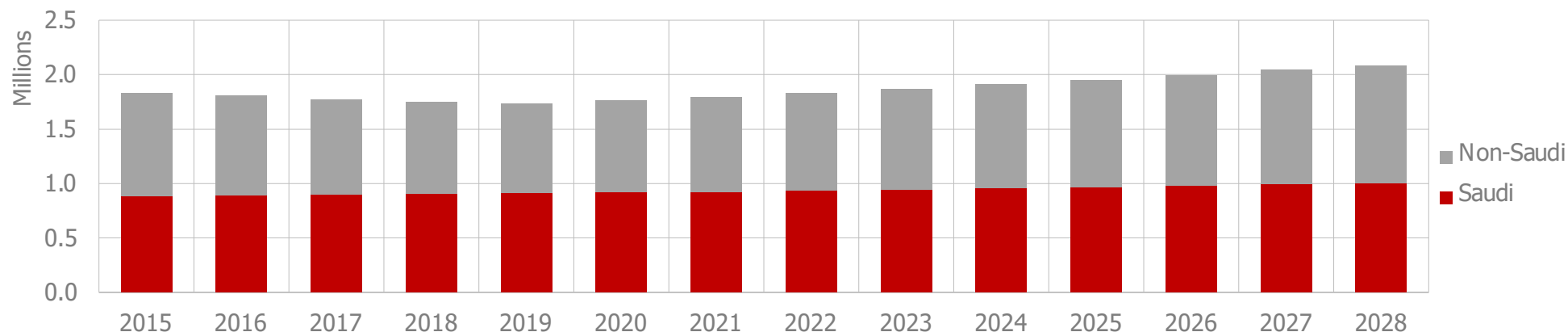
## POPULATION & FORECAST

The city of Makkah had an estimated 1.76 million residents in 2020. The population is forecast to experience average annual growth of around 2.1% over the next ten years. As may be expected from this relatively mature city and a background of slower economic growth, the increase is expected to be steady if not spectacular. It is anticipated that Makkah will expand to just under 2.1 million residents by 2028.

Makkah has a diverse population with only around 53% of residents being Saudi nationals in 2020. A combination of factors, including the economic slowdown, the Nitaqat Saudisation economic programmes as well as implementation of the Expat Dependent fee in 2017, have impacted the population of non-Saudis in the city during the last few years. However, the Hajj and Umrah Program of Vision 2030 is expected to boost the demand for workers from overseas during the outlook period.



Makkah City: Total Population



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

# MARKET BACKGROUND



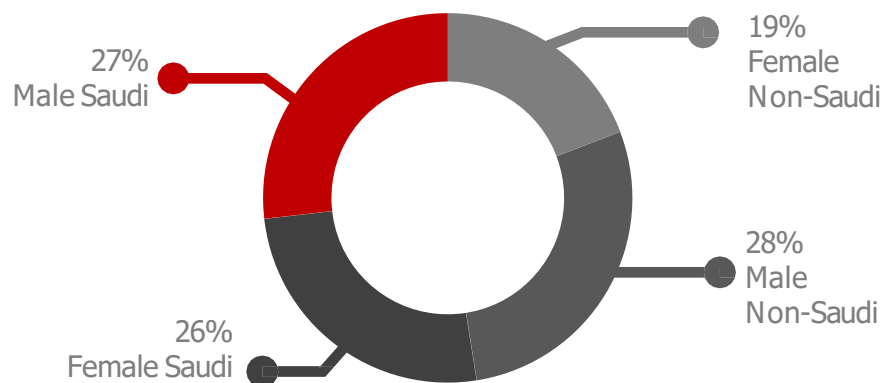
## POPULATION BY AGE & NATIONALITY

Around 30% of the city's population were under 20 years old in 2020. It is estimated that those aged 20 to 29 composed 16% of the city's total population, while those aged 30 to 39 made up a further 20%.

With 67% of inhabitants below the age of 40, such a youthful demographic has positive implications for the city's retail and leisure industries over the next decade.

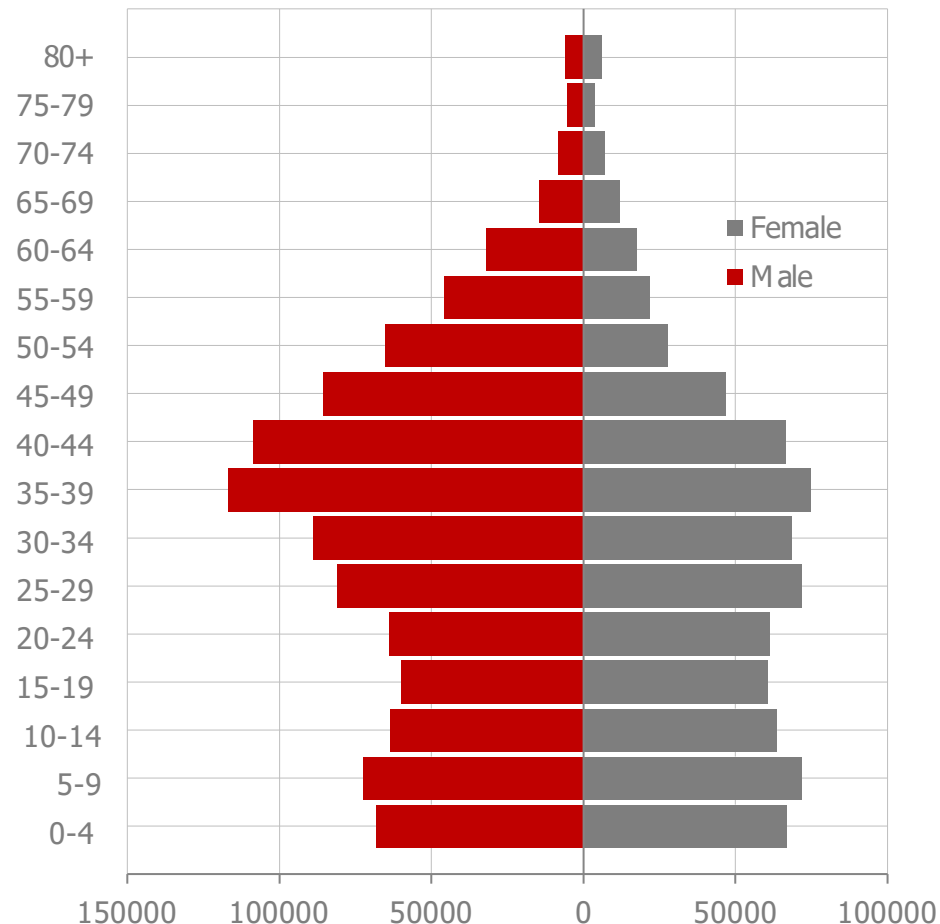
As with other Saudi cities, the population is heavily skewed towards males aged 25-50, due to the high level of expatriate workers.

Makkah: Pop by Gender/Nationality 2020e



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

Makkah: Population by Age Group 2020e



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

# MARKET BACKGROUND



## HOUSEHOLDS

There were an estimated 320,000 households in Makkah City in 2020. This figure is expected to grow steadily over the coming years to reach 380,000 by 2028.

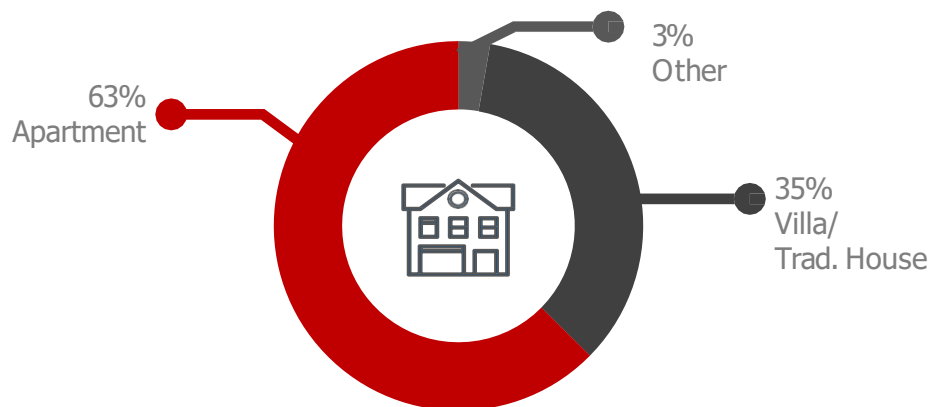
Average household size is around 5.5 people, with average for Saudi families at 5.6 people.

Given the high proportion of non-Saudi nationals in the city, the majority 63% of households are accommodated in apartments, while only around 35% are accommodated in villas, traditional houses or subdivided areas of villas/houses.

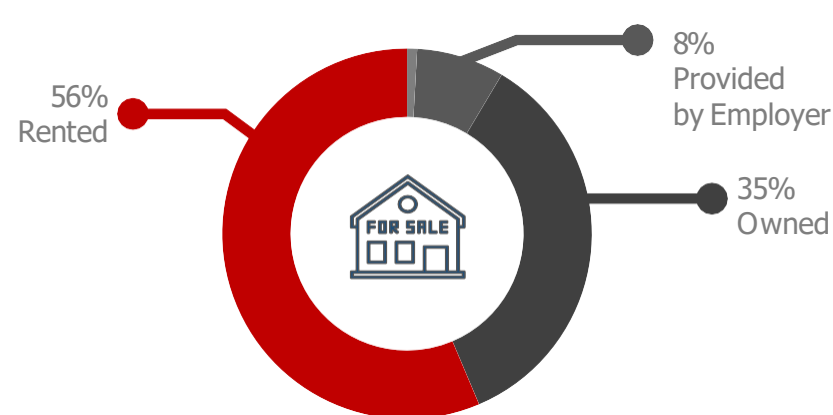
Similarly, way over half the city's households live in rented accommodation (56%) or that provided by employers (8%).



Makkah: Households by Type 2020e



Makkah: Households by Tenure 2020e



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

## MARKET BACKGROUND



### MONTHLY INCOME & EXPENDITURE

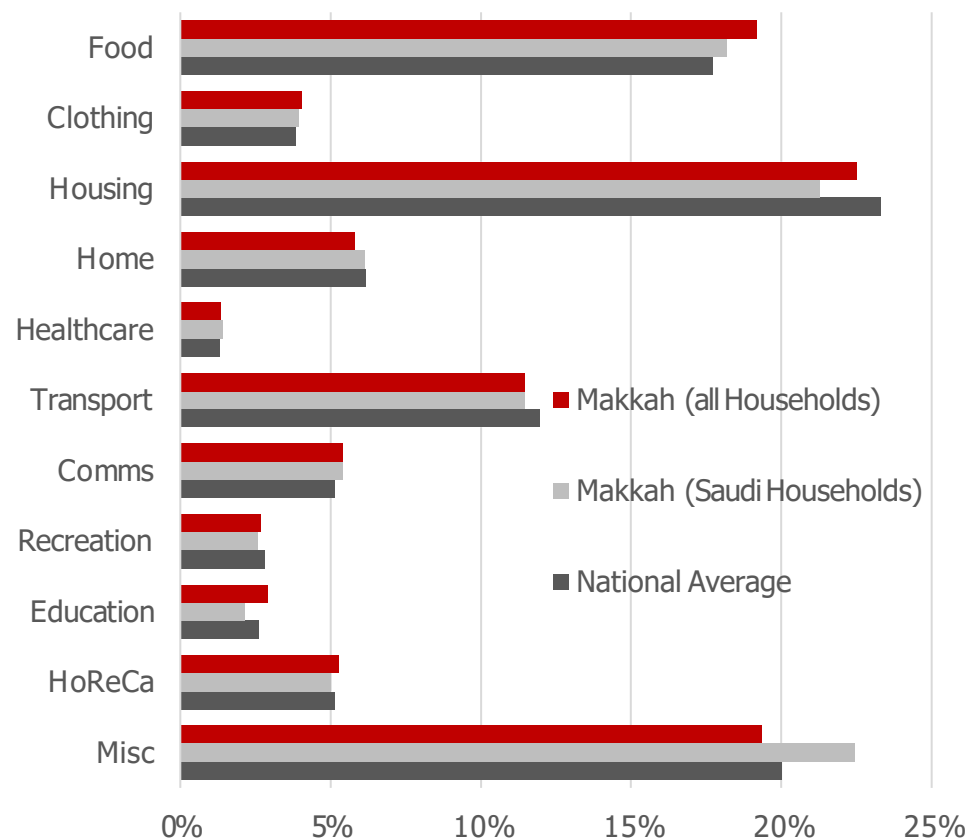
Using data from the last official Household Expenditure & Income Surveys published in 2007, 2013 and 2018 as a base, we have trended data forward, incorporating IMF economic growth figures, to generate current & forecast household income levels and expenditure breakdowns.

Monthly household income in the Makkah Region is expected to have reached SAR11,900 in 2020, compared to SAR12,300 for the Kingdom as a whole. Among Saudi households, incomes were SAR15,000 on average, around 1.2% lower than the national average.

Residents in Makkah Region as a whole spent around SR12,400 per month, slightly less than national average of SR13,100 in 2020, while Saudi households spent around SAR16,300 on average, slightly lower than the national average.

Makkah residents outspent their compatriots in key retail areas including Food, Clothing and HoReCa. Household spending on recreation, at 3% of the total, was on a par with the national average, but below the typical GCC rate. Nevertheless, from this low base, the sector is expected to be one of the fastest growing in the Saudi economy through 2028. In Makkah, however, there are currently no signs that the restrictions on entertainment facilities such as cinema will be lifted.

Average Monthly Household Expenditure by Category (% of total)



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

## MARKET BACKGROUND



### VISITORS

The city's status as the holiest site in the Islamic faith, and the key destination for pilgrims performing the Hajj and Umrah, means that it attracts a substantial annual influx of domestic and international visitors.

Visitor numbers are estimated to have reached **17.5 million** in 2019, including 10.3 million international visitors (59% of the total).

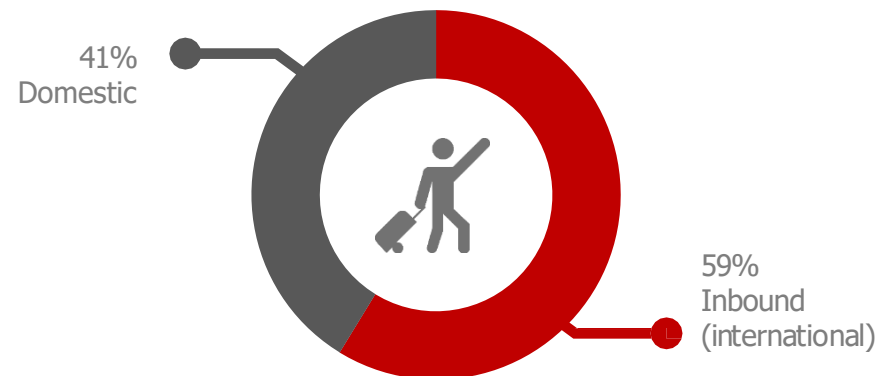
**98%** of visitors to the city did so for religious purposes in 2019. A further 1.4% were visiting friends and relatives. Fewer than 1% of visits were for business or other leisure purposes. Most visitors, around 11.6 million or 73% of the total, were accommodated in the city's hotels during their stay, with hotel apartments accounting for a further 21% of visitors.

Domestic visitors tend to stay in the city for 1-3 nights (58% of the total), with **94%** of total domestic visits lasting a week or less. Inbound tourists tend to stay much longer, with 22% of visitors staying one week or less, 33% staying 1-2 weeks and. **40%** of international visitors stay for 2-4 weeks.

The kingdom's Vision 2030 includes a program to boost the number of pilgrim visitors that are able to perform the Hajj and Umrah over the coming decade – by raising the capacity of the holy sites & supporting accommodation and transport infrastructure as well as relaxing visa controls – which will be the key driver of visitor numbers. The plans call for the capacity during the Hajj season alone to be raised to 5 million by 2030, double the current number of visitors.

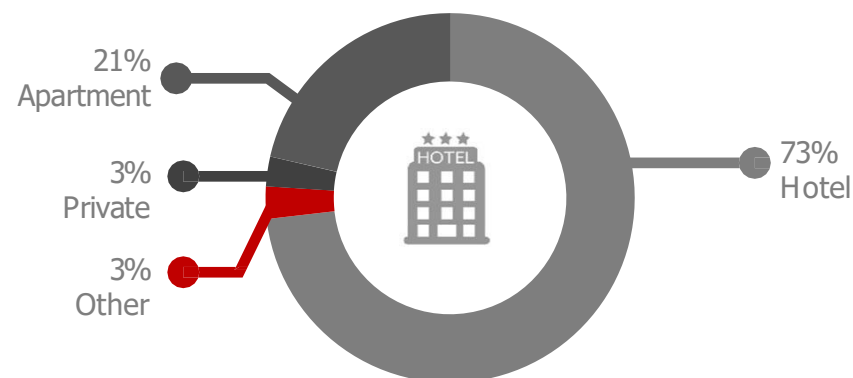
While **COVID-19** will have a sever impact on the number of pilgrims in 2020, we estimate that the Vision 2030 drive will help to boost the number of visitors to the city to reach 22.7 million by 2023 and 26.6 million by 2028. A major constraint on visitor numbers is that **non-Muslims** are currently prohibited from entering the city for religious/cultural reasons.

Makkah City: Visitors 2019e



Source: McARTHUR + COMPANY Analysis, Saudi Commission for Tourism and National Heritage

Makkah City: Visitors by Accommodation Type 2019e



Source: McARTHUR +COMPANY Analysis, Saudi Commission for Tourism and National Heritage



# MARKET BACKGROUND



## VISITOR SPEND

Visitors to Makkah spent an estimated SAR83 billion during their stays in the city in 2019. Around SAR75.4 billion was spent by international visitors and SAR7.6 billion by domestic visitors.

We estimate that spending will reach SAR122 billion by 2023 and SAR166 billion by 2028 on the back of expected robust growth in visitor numbers and a scenario of inflationary growth in average spend per visitor.

The average international visitor spent SAR7,350 during their visit in 2019, while the domestic visitor spent an average of just SAR1,056.

The largest single item of expenditure for all visitors was accommodation, with 37% of the total.

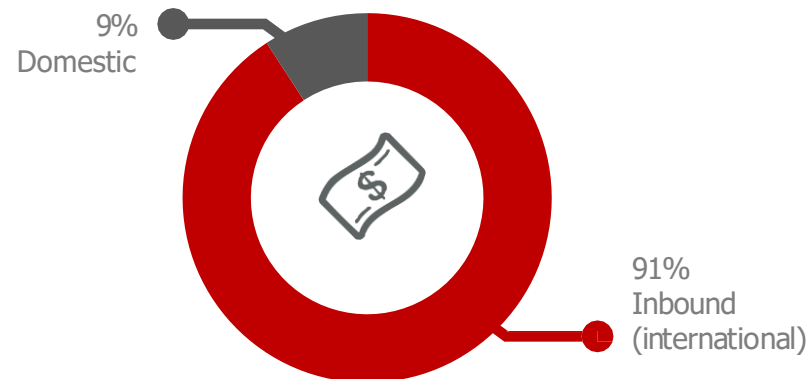
Items relevant to retail, dining and entertainment destinations accounted for a combined 41% of total spending, or SAR32.9 billion, in 2019.

Average spending on retail, dining and entertainment per visitor was SAR2,800 and SAR581 for international and domestic visitors respectively in 2019.

Based on average length of stay calculations (4 nights for domestic visitors, 14 nights for international visitors), we calculate that the overall average per diem total spending on retail, dining and entertainment was SAR235 in 2019, which we expect to rise to SAR258 by 2023 and SAR289 by 2028.

We expect total spending on retail, dining and entertainment categories will reach SAR48 billion by 2023 and SAR65 billion by 2028, similarly, on the back of robust growth in visitor numbers and a scenario of inflationary growth in average spend per visitor.

Makkah City: Visitor Spend 2019e



Source: McARTHUR + COMPANY Analysis, Saudi Commission for Tourism and National Heritage

Makkah City: Visitors Spend by Category 2019e



Source: McARTHUR + COMPANY Analysis, Saudi Commission for Tourism and National Heritage

## MARKET BACKGROUND



### HAJJ AND UMRAH

Makkah is a pilgrimage destination for the global Muslim population, regardless of denomination.

The Hajj, or 'greater' pilgrimage, is performed annually at sites in and around the city during the 8<sup>th</sup>-12<sup>th</sup>/13<sup>th</sup> of the Islamic month of Dhu al Hijjah, in the run up to Eid al Adha. Every adult, healthy Muslim who has the financial and physical capacity to travel to Makkah and can make arrangements for the care of his/her dependents during the trip, should perform the Hajj at least once in a lifetime.

The Umrah, or 'lesser' pilgrimage, can be performed throughout the year. The rites of the pilgrimage are fewer than the requirements of the Hajj and can be performed within hours, rather than over several days. The rites of the Umrah are undertaken at sites within Masjid Al Haram area in the centre of the city.

In 2019, 2.5 million Hajj pilgrimages were undertaken and 19.3 million Umrah trips, giving a total of 21.8 million pilgrimages.

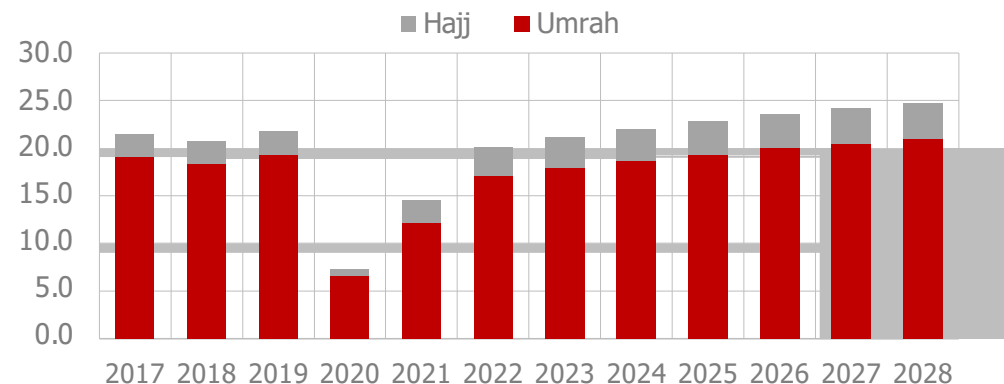
Inbound pilgrim visit numbers and times are dependent on quotas determined by the visa-issuing authority, Ministry of Hajj and Umrah of the KSA. As part of a series of measures aimed at boosting the country's tourism industry, the fees for pilgrims were significantly reduced in 2019, from around SAR2,000 to SAR300.

The COVID-19 pandemic that emerged in 2020 Q1 has cast a significant degree of uncertainty over the short and medium term outlook for the pilgrimage season. We have assumed a return to historical trends from 2022.

We also expect that efforts to improve the infrastructure and ease the visa requirements will contribute to driving the number of pilgrimages undertaken in the city to around 25 million by 2028. \*

Note: \*the number of pilgrimages exceeds the total number of visitors to the city as Makkah residents can perform the pilgrimage rituals, once or multiple times, without being counted as a visitor.

Makkah City: Pilgrimage Visits



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics.



# MARKET BACKGROUND



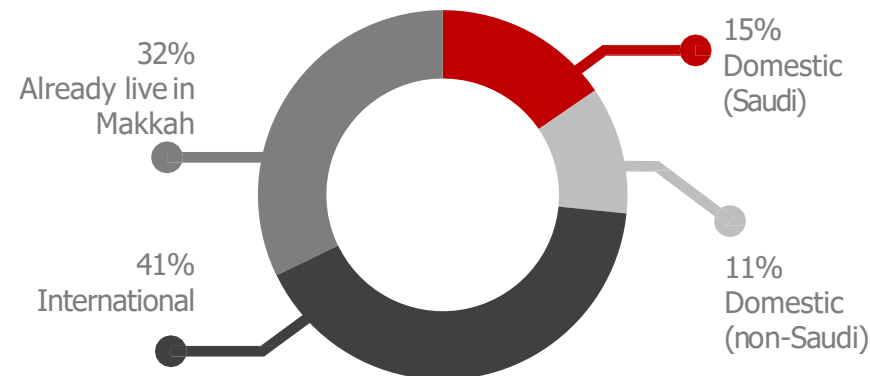
## PILGRIM PROFILES

Of the total 21.8 million pilgrimages in 2019, around 41% of pilgrims arrived from overseas. The remaining pilgrims were KSA residents with most (32% of total pilgrims) already living in Makkah province. Those travelling within the KSA to Makkah were roughly evenly split between citizens and ex-pat residents.

Most Hajj pilgrims (53%) arrived from Asia. The remainder were from North Africa (22%), GCC (incl Saudi), Sub-Saharan Africa (9%), Europe (3%) and Americas/Australasia (1%). Asia was the fastest growth region in absolute terms (up 50%) between 2016 and 2019.

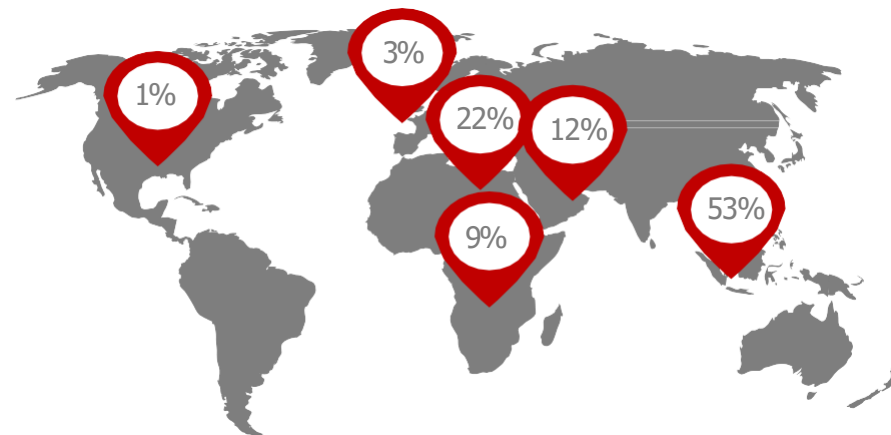
International pilgrim data is not available by specific nationality, but the leading foreign nationalities performing Hajj from within KSA were Egyptian, Pakistani, Yemeni and Indian.

Hajj & Umrah Performers by Origin 2019e



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

Hajj Pilgrims by Nationality 2019



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

Nationalities	%of Domestic Hajj Performers 2019
Saudi Arabia	60
Egypt	14
Pakistan	5
Yemen	4
India	4
Sudan	2
Bangladesh	2
Jordan	2
Syria	1
Indonesia	1

Source: McARTHUR +COMPANY Analysis, GaStat. Note: Excludes Makkah residents



## MARKET BACKGROUND

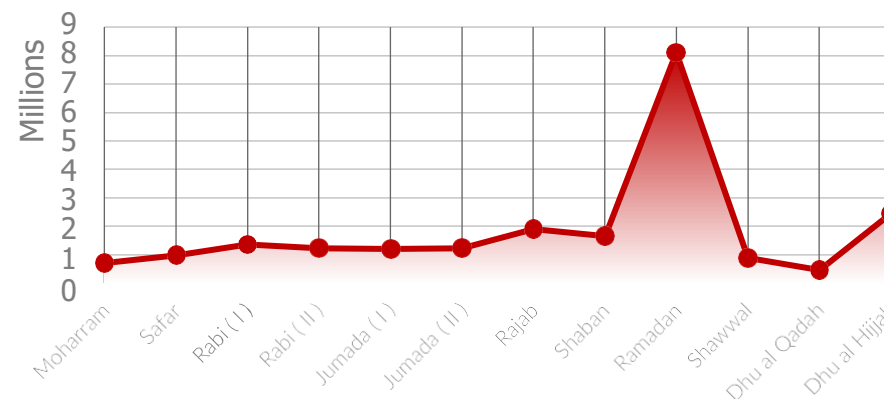


### PILGRIMAGE SEASONALITY

Most pilgrims visit during the Islamic calendar month of **Ramadan**, with an average in excess of 8 million visitors over the three-year period 2016-2018. The final month of the year, Dhu al Hijjah, in which the Hajj is performed, saw the second highest number of visits with around 2.5 million. For the rest of the calendar year, visitor numbers tend to be more evenly spread (although actual numbers can vary considerably from year to year). In general, Dhu al Qadah is the quietest period.

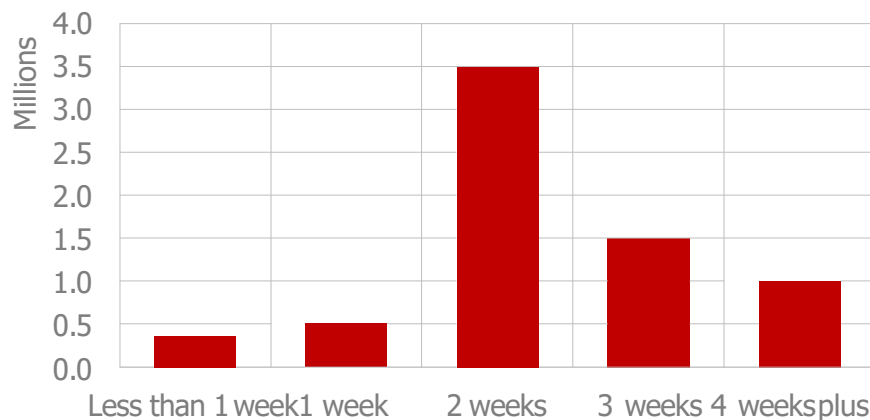
Inbound pilgrim visitors typically arrive in the KSA by air, with 93% of all Umrah arrivals in 2018. 62% of arrivals entered at King Abdulaziz International Airport in Jeddah, with a further 29% arriving at Prince Mohammed bin Abdulaziz International Airport in Madinah. Onward journeys are taken by bus or car to Makkah. The **Haramain High-Speed Rail Service** is expected to play an increasingly important role in completion of onward journeys in the coming years.

Average Pilgrimage Visits by Month 2016-18

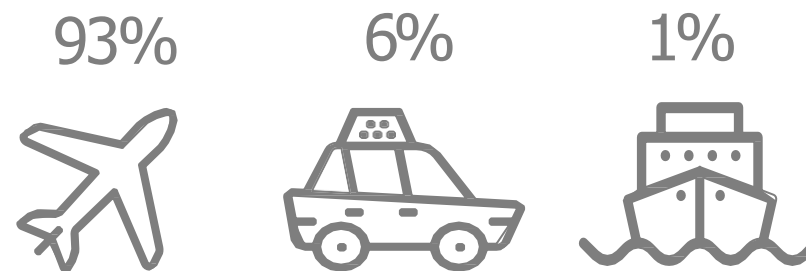


Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

Inbound Umrah Pilgrims by Length of Stay



Umrah: Inbound Pilgrims Mode of Arrival 2018



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics

# SITE ANALYSIS



## CONTEXT MAP



Source: Bing Maps; McARTHUR +COMPANY Analysis



# SITE ANALYSIS



## IMAGES



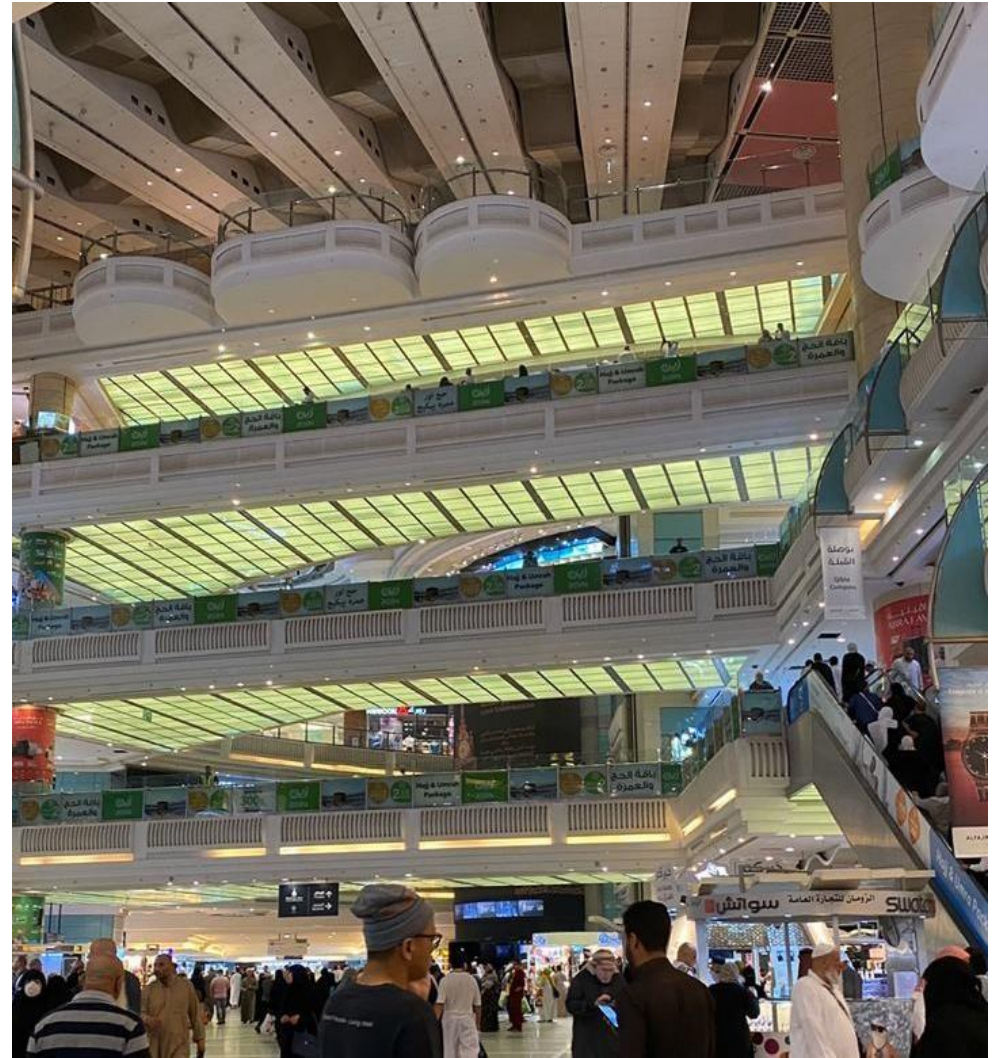
Source: Google Maps; McARTHUR +COMPANY Analysis



# SITE ANALYSIS



## IMAGES





# SITE ANALYSIS



## IMAGES



# DEMAND ANALYSIS



## VISITORS: INBOUND AND DOMESTIC

The city's status as the holiest site in the Islamic faith, and the key destination for pilgrims performing the Hajj and Umrah, means that it attracts a substantial annual influx of domestic and international visitors.

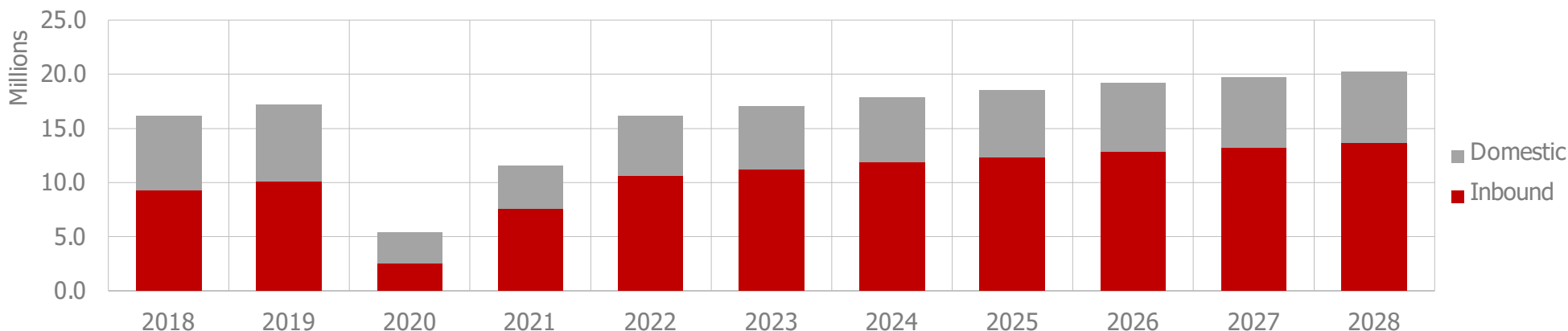
Visitor numbers are estimated to have reached **17.5 million** in 2019, including 10.3 million international visitors (59% of the total).

The kingdom's Vision 2030 includes a program to boost the number of pilgrim visitors that are able to perform the Hajj and Umrah over the coming decade – by raising the capacity of the holy sites & supporting accommodation, transport infrastructure as well as relaxing visa controls.

While **COVID-19** will have a severe impact on the number of pilgrims in 2020, we estimate that the Vision 2030 drive will help to boost the number of visitors to the city to reach 18 million by 2024 and 20 million by 2028.



Makkah City: Visitors



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics



## DEMAND ANALYSIS



### VISITORS: TOTAL SPENDING ON RETAIL, DINING & ENTERTAINMENT (RDE)

We expect the trade area for the project to include the pilgrims and business visitors staying in Makkah.

Based on spending trends set out in MAS Tourism Report for 2018, we estimate that the average inbound (international) visitor spending in Makkah on **retail, dining and entertainment (RDE)** was SAR2,734 in 2018, which we expect to climb to SAR3,275 by 2028 based on inflationary rises. For domestic visitors, average RDE spending was SAR567, climbing to SAR679 by 2028.

This yields a total annual spend on retail, dining and entertainment by visitors to Makkah of SAR39 billion in 2024, rising to SAR49 billion by 2028.



	Unit	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Visitors: Inbound	million	9.3	10.1	2.5	7.6	10.6	11.2	11.9	12.4	12.8	13.2	13.6
Visitors: Domestic	million	6.9	7.1	2.9	4.0	5.6	5.8	6.0	6.2	6.4	6.5	6.6
Average Spending on RDE (Inbound Visitors)	SAR	2,734	2,800	2,660	2,793	2,857	2,923	2,990	3,059	3,129	3,201	3,275
Average Spending on RDE (Domestic Visitors)	SAR	567	581	552	579	593	606	620	635	649	664	679
Total Spending on RDE (Inbound Visitors)	SAR million	25,493	28,193	6,696	21,092	30,208	32,757	35,521	37,791	40,207	42,366	44,640
Total Spending on RDE (Domestic Visitors)	SAR million	3,892	4,145	1,575	2,315	3,316	3,528	3,717	3,917	4,127	4,307	4,494
<b>Total Spending on RDE</b>	<b>SAR million</b>	<b>29,385</b>	<b>32,338</b>	<b>8,271</b>	<b>23,407</b>	<b>33,524</b>	<b>36,285</b>	<b>39,238</b>	<b>41,708</b>	<b>44,334</b>	<b>46,672</b>	<b>49,134</b>

# DEMAND ANALYSIS



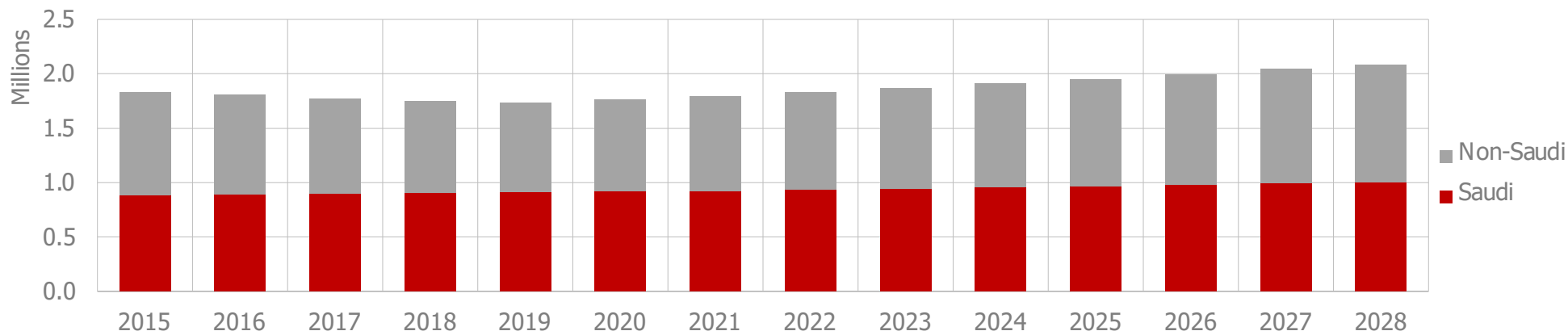
## RESIDENTS: POPULATION & FORECAST

The city of Makkah had an estimated 1.76 million residents in 2020. The population is forecast to experience average annual growth of around 2.1% over the next ten years. As may be expected from this relatively mature city and a background of slower economic growth, the increase is expected to be steady if not spectacular. It is anticipated that Makkah will expand to just under 2.1 million residents by 2028.

Makkah has a diverse population with only around 53% of residents being Saudi nationals in 2020. A combination of factors, including the economic slowdown, the Nitaqat Saudisation economic programmes as well as implementation of the Expat Dependent fee in 2017, have impacted the population of non-Saudis in the city during the last few years. However, the Hajj and Umrah Program of Vision 2030 is expected to boost the demand for workers from overseas during the outlook period.



Makkah City: Total Population



Source: McARTHUR +COMPANY Analysis, General Authority for Statistics



# DEMAND ANALYSIS



## RESIDENTS: HOUSEHOLDS

The overall average household size in Makkah stands at around 5.5 people, with average for Saudi households at 5.6 people and non-Saudi households of 5.3 in average size.

As such, there are an estimated 320,000 households in Makkah City in 2020. This figure is expected to grow steadily over the coming years to reach nearly 380,000 by 2028.

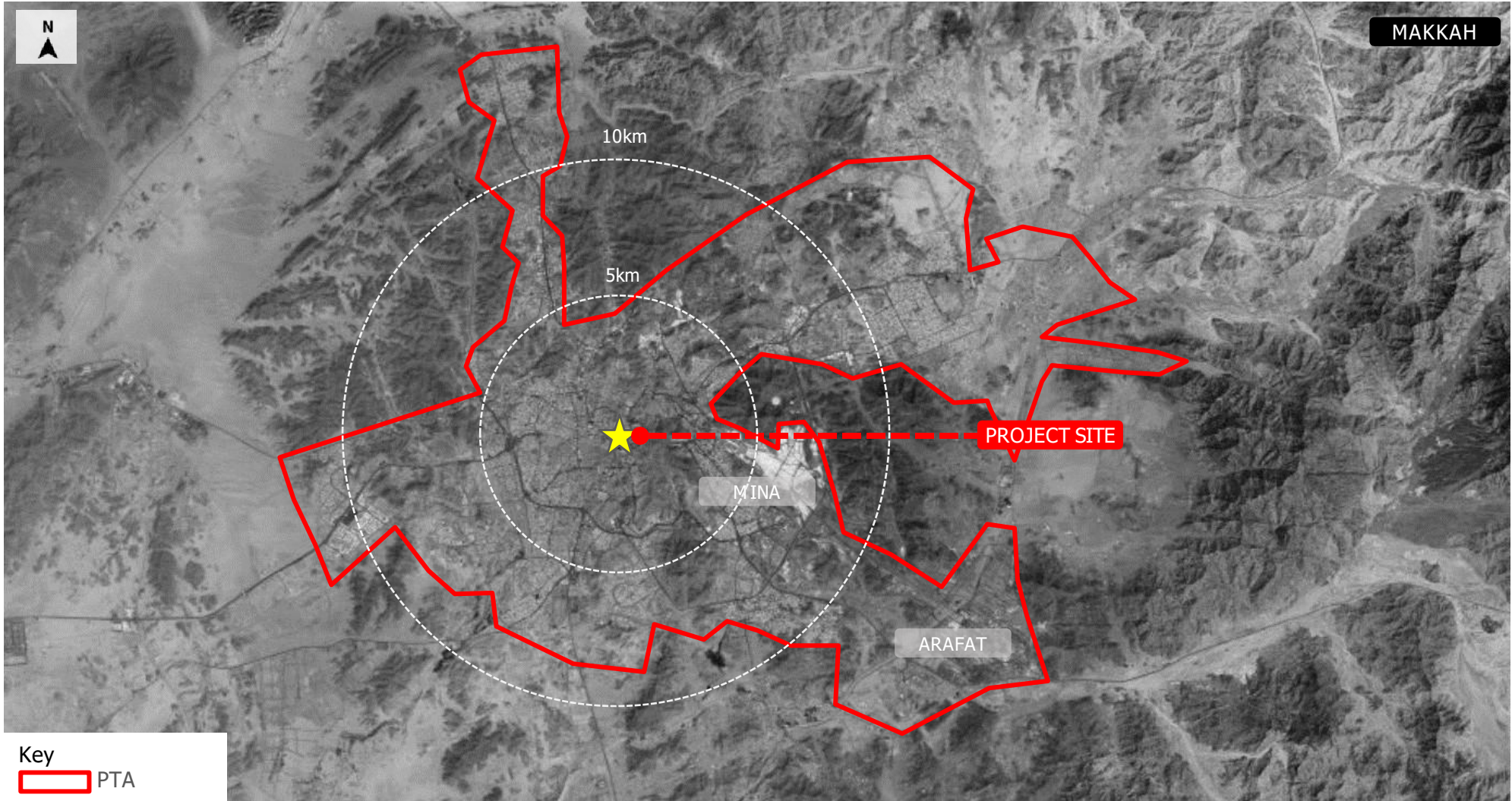
Households	Unit	2020	2024	2028
Population	#	1,759,240	1,909,467	2,086,380
Average Household Size	#	5.5	5.5	5.5
Households	#	319,832	347,144	379,307



# DEMAND ANALYSIS



## RESIDENTS: TRADE AREA MAP



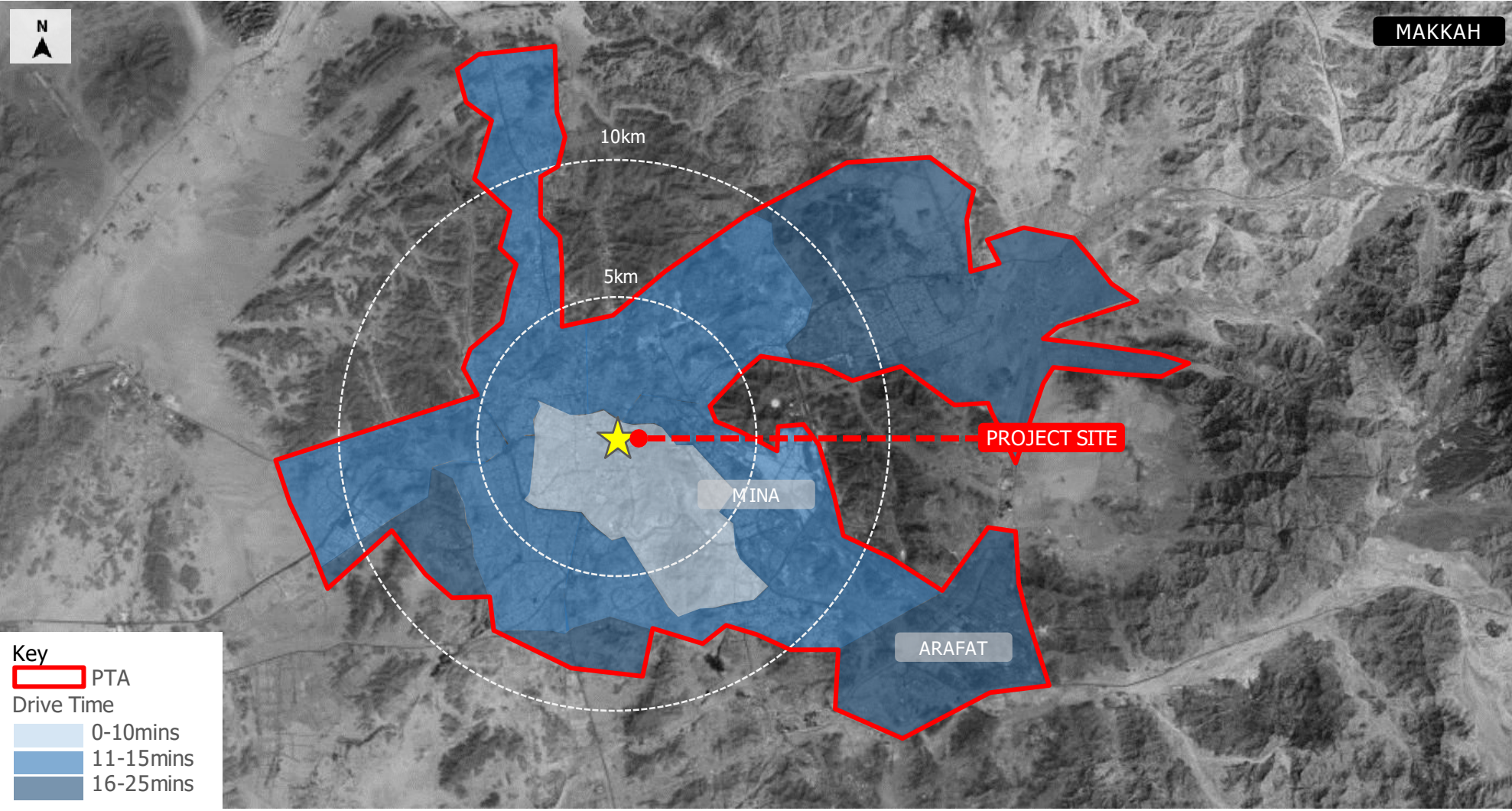
Source: Bing Maps; McARTHUR +COMPANY Analysis



# DEMAND ANALYSIS



## RESIDENTS: TRADE AREA AND DRIVE TIMES MAP



Source: Bing Maps; McARTHUR +COMPANY Analysis

## DEMAND ANALYSIS



### KEY DEMAND FIGURES

# Abraj al Bait Mall Customer Potential

## Visitors to Makkah

- 12 million international
- 6 million domestic
- 99% of all visits for religious purposes



## Makkah Residents

- 1.9 million people
- 203,000 Saudi households
- 144,000 non-Saudi households



## Retail Spend

- SAR39 billion by visitors\*
- SAR24 billion by residents\*





# LEASING STRATEGY



## BASEMENT



### TENANT ACTIVITIES

#### LEGEND:-

- Line Shop
- Coffee Shop
- Restaurant
- Food Outlets
- Supermarket
- Anchor
- Storage

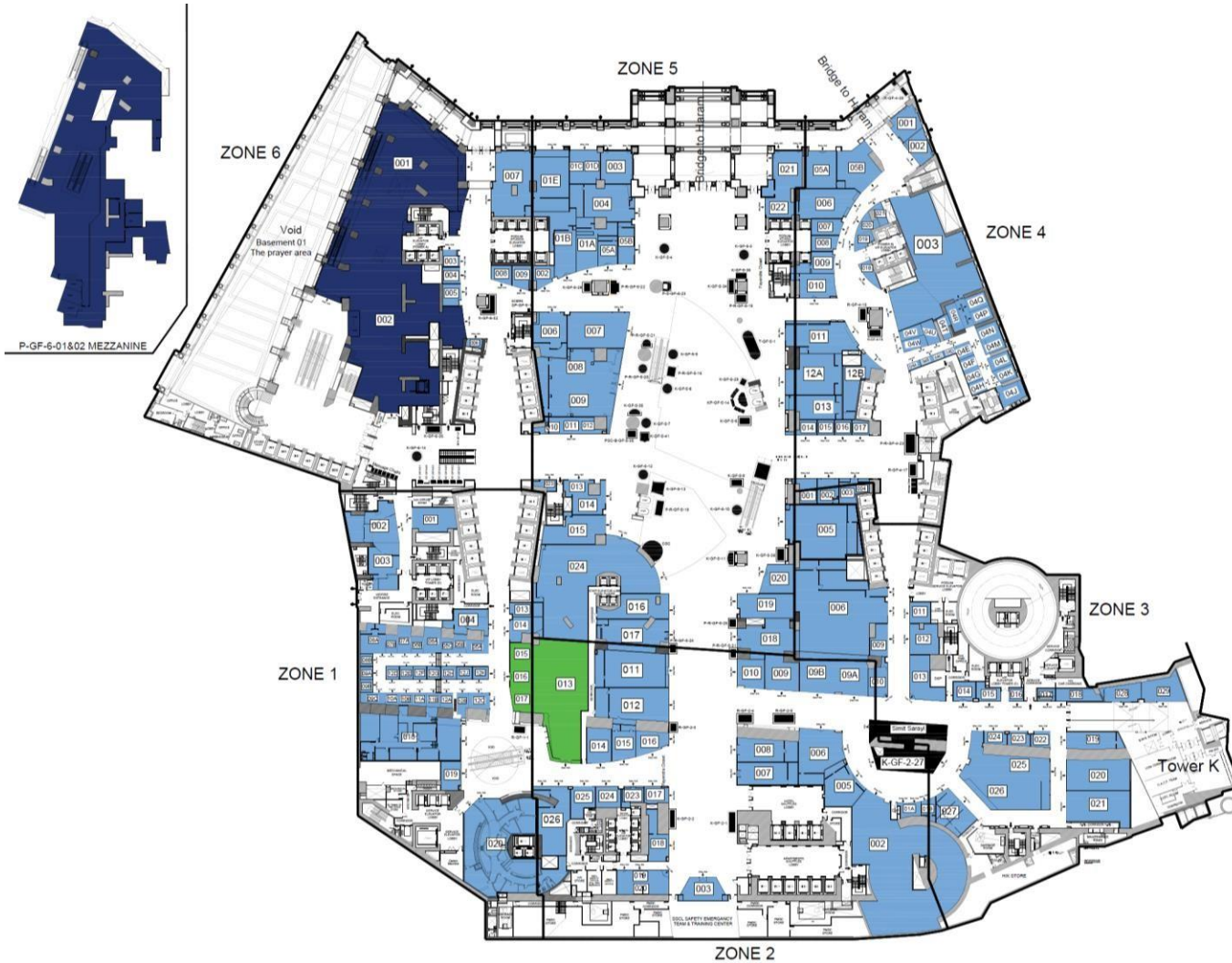
001 SHOP NUMBER

- Kiosk
- FIRE EXIT STAIRCASE - ENTRY
- SHOP ENTRY / EXIT

# LEASING STRATEGY



## GROUND FLOOR



### TENANT ACTIVITIES

#### LEGEND:-

- Line Shop
- Coffee Shop
- Restaurant
- Food Outlets
- Supermarket
- Anchor
- Storage

001 SHOP NUMBER

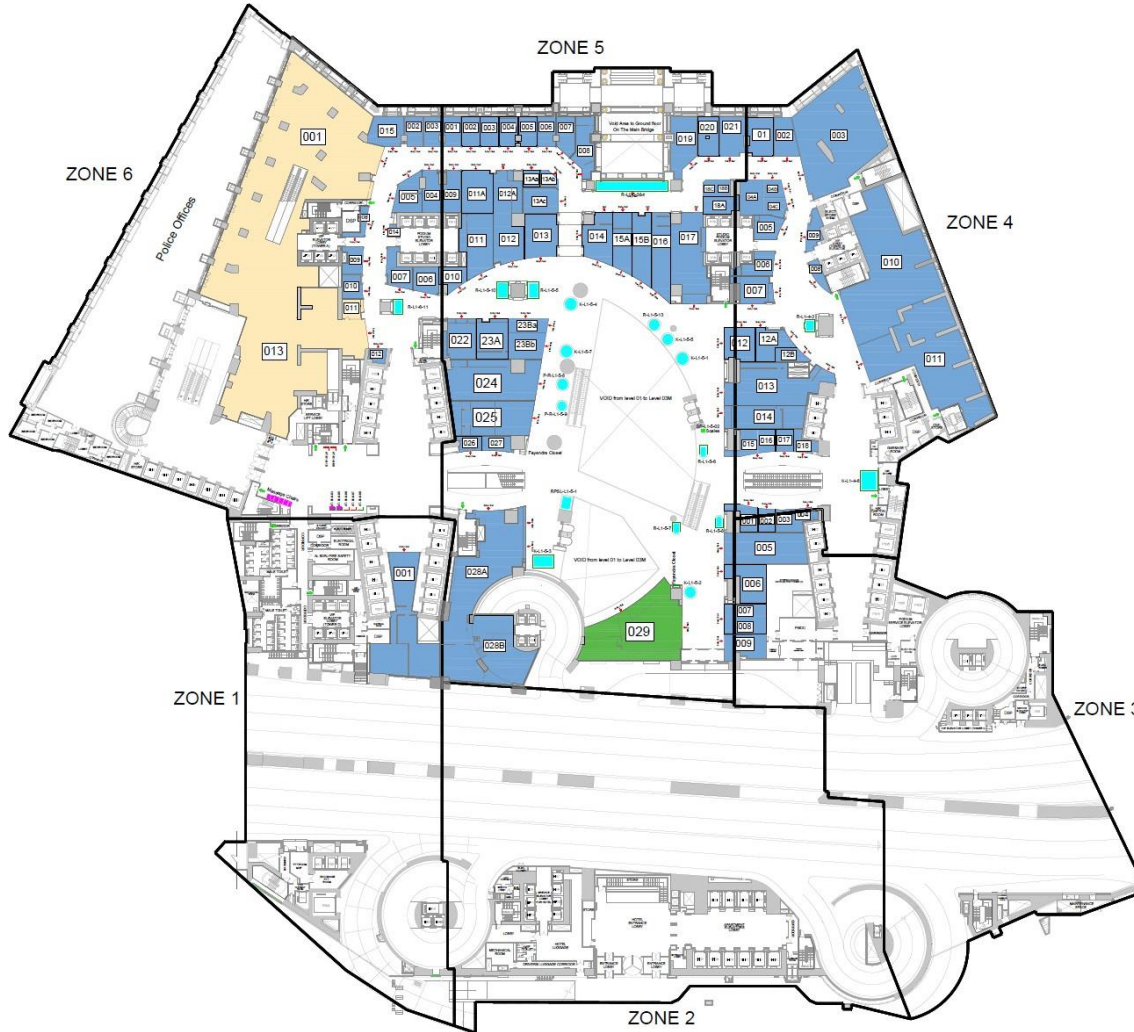
- Kiosk
- FIRE EXIT STAIRCASE - ENTRY
- SHOP ENTRY / EXIT
- Digital Scale
- MESSAGE CHAIRS
- ATM



# LEASING STRATEGY



## FIRST FLOOR



### TENANT ACTIVITIES

#### LEGEND:-

- Line Shop
- Coffee Shop
- Restaurant
- Food Outlets
- Supermarket
- Anchor
- Storage

001 SHOP NUMBER

● Kiosk

➔ FIRE EXIT STAIRCASE - ENTRY

➔ SHOP ENTRY / EXIT

■ Digital Scale

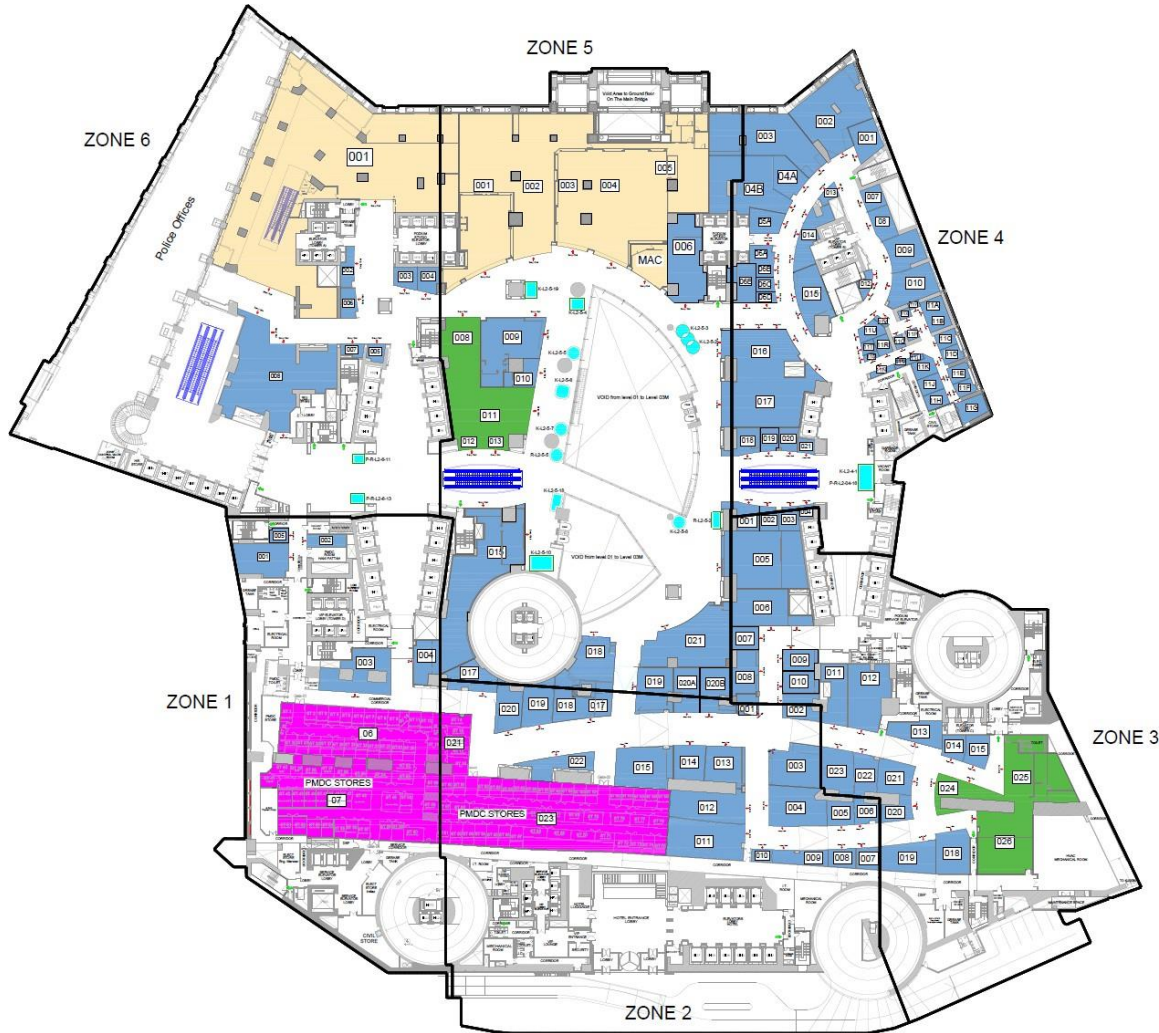
▲ MASSAGE CHAIRS

| ATM

# LEASING STRATEGY



## SECOND FLOOR



### TENANT ACTIVITIES

#### LEGEND:-

- Line Shop
- Coffee Shop
- Restaurant
- Food Outlets
- Supermarket
- Anchor
- Storage

001 SHOP NUMBER

- Kiosk
- FIRE EXIT STAIRCASE - ENTRY
- SHOP ENTRY / EXIT
- Digital Scale
- MESSAGE CHAIRS
- ATM



# LEASING STRATEGY



## THIRD FLOOR



### TENANT ACTIVITIES

#### LEGEND:-

- Line Shop
- Coffee Shop
- Restaurant
- Food Outlets
- Supermarket
- Anchor
- Storage

001 SHOP NUMBER

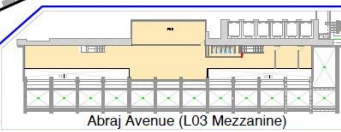
● Kiosk

➔ FIRE EXIT STAIRCASE - ENTRY

➔ SHOP ENTRY / EXIT

| ATM

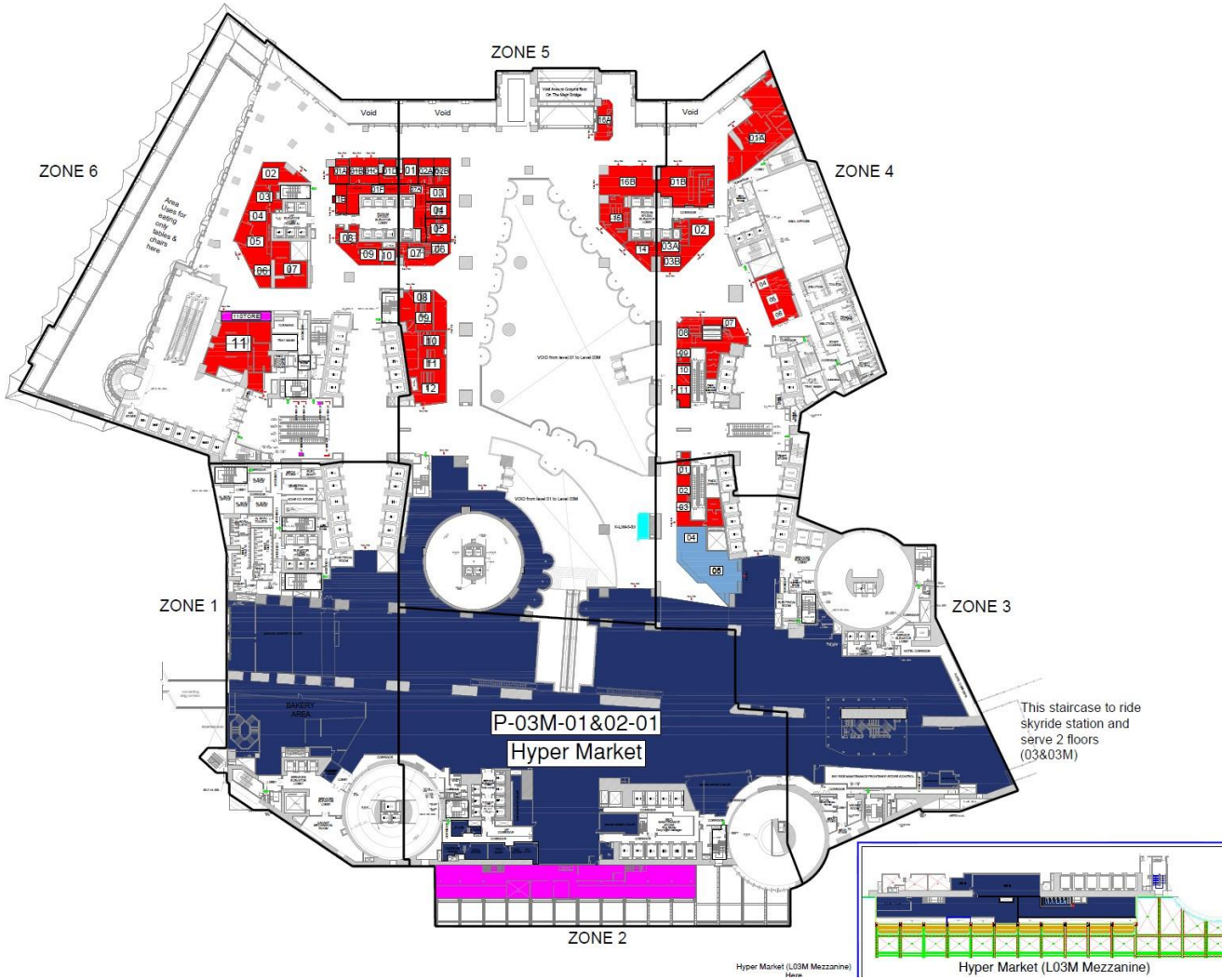
This staircase to ride skyride station and serve 2 floors (03&03M)



# LEASING STRATEGY



## THIRD FLOOR MEZZANINE



### TENANT ACTIVITIES

#### LEGEND:-

- Line Shop
  - Coffee Shop
  - Restaurant
  - Food Outlets
  - Supermarket
  - Anchor
  - Storage
- 001 SHOP NUMBER
- Kiosk
  - FIRE EXIT STAIRCASE - ENTRY
  - SHOP ENTRY / EXIT
  - ATM

**McARTHUR**  
**+COMPANY**

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SHOPPING CENTRE  
SPECIALISTS