



Feasibility Study For Establishing a 4-Hotel

Overview

Project Overview

- This's a Feasibility Study for Establishing and Operating a 4-Star Hotel In The Western Central Region of Madinah, Plot 3097.
- The Hotel is Called Bishara Hotel and Consists of 90 Rooms and 30 Suites, and The Price for The Night In the Room Is 600 SAR and The Suite is 900 SAR.
- The Most Popular Landmarks Near To The Hotel are
 1. Prophet's Mosque : 500M
 2. Al Quba Mosque : 5.9KM
 3. Two Qibla Mosque : 5.5KM
 4. Uhud Mountain : 7KM

Assumptions

Assumptions And Investment Costs

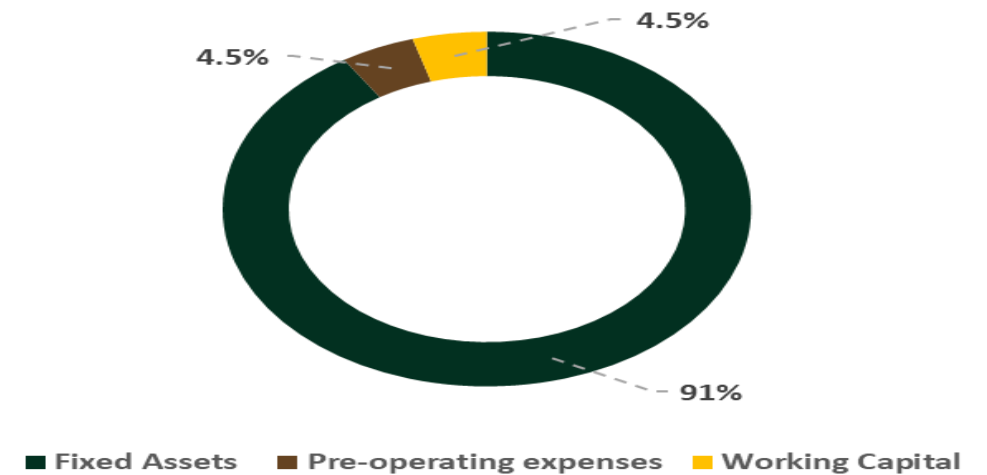
- As We Notice Most of Investment Costs From Fixed Assets and the rest from Pre-operating Expenses and Working Capital.
- There are Assumptions For Growth and Discount Rates Annually Included Taxes

Growth and Discount rates

4%	Annual growth rate of accommodation prices
2%	Annual growth rate of indirect costs
5%	discount rate
20%	Tax

Investment Costs

Fixed Assets	SAR 75,159
Pre-operating expenses	SAR 3,758
Working Capital	SAR 3,756
Total	SAR 82,673



Assets Assessment

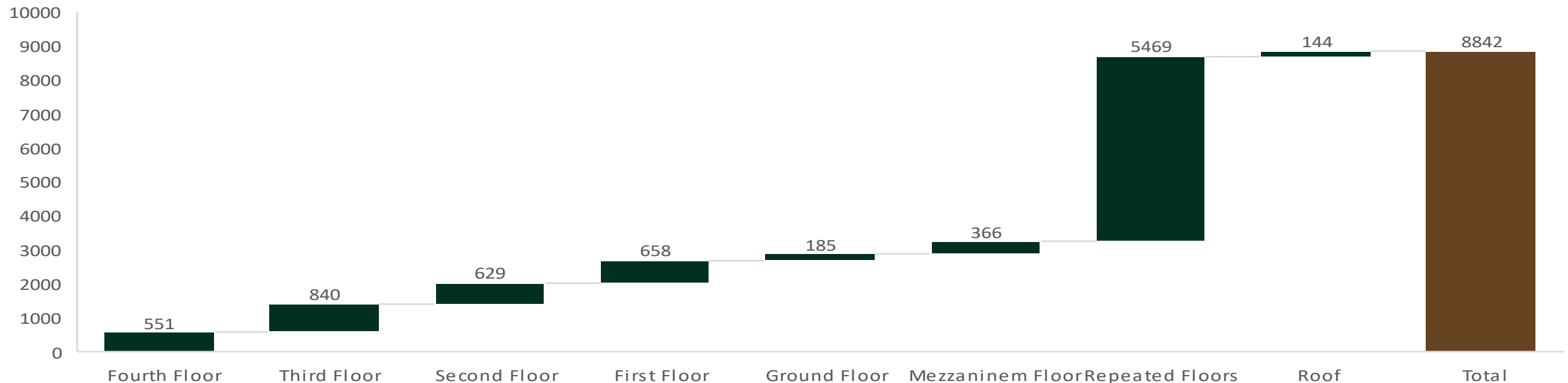
Building Area

Building Area 8842.26

Average cost per square meter SAR 8,500

Total Cost SAR 75,159,210

- The Building Area Is 8842M and The Average Cost Per Square Is 8500 SAR, so The Total Cost is 75 Million SAR, we Can notice the repeated Floor that contains rooms and suites has the most capacity of 5469M That's Good Capacity and the rest of 3373M.



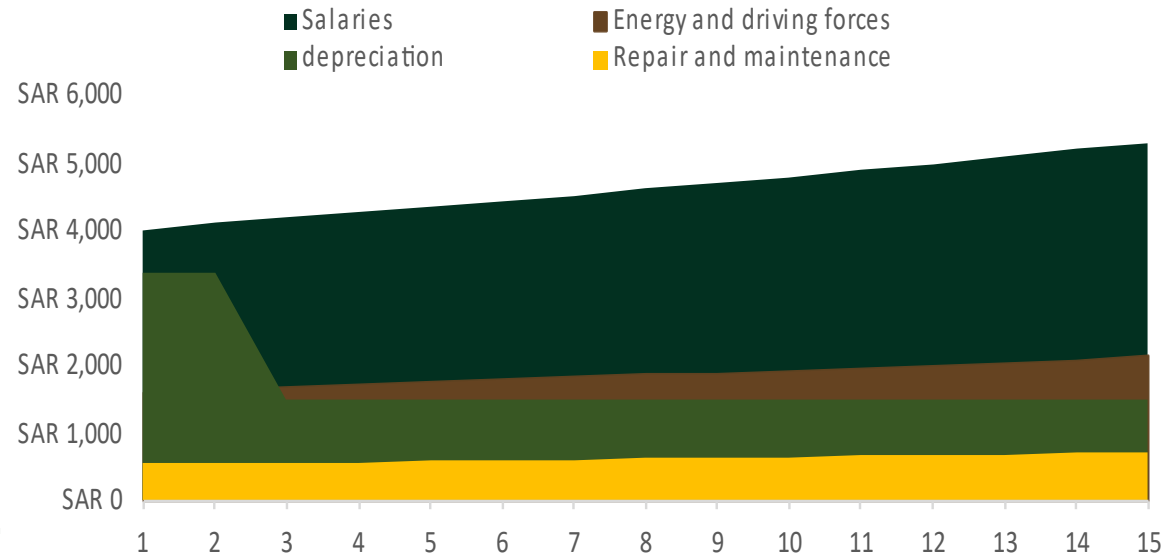
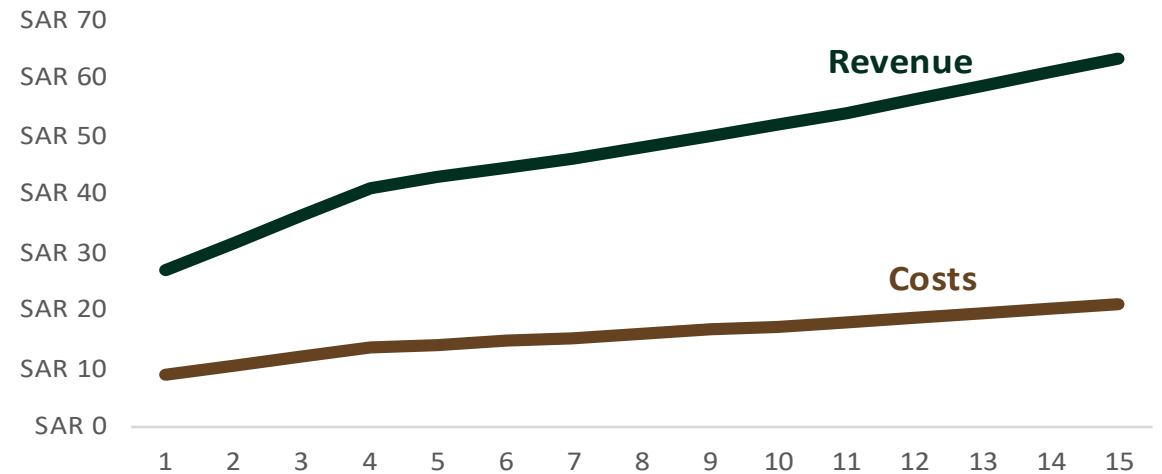
Income List

Revenue, Costs, and Expenses

- As We Noticed, The Trend Revenue Compares with Costs Trend Seems Good And Normal.
- The Most of Expenses Are Paid on Salaries And That's Pretty Normal.
- In Income List Table, There is a good Net Profit after Paying all Costs, Expenses, and Taxes.

Income List Summary

Revenues	SAR 713,056
Costs	SAR 235,308
Expenses	
Salaries	SAR 69,595
Repair and maintenance	SAR 9,279
Energy and Driving forces	SAR 27,838
Depreciation	SAR 26,306
Total Expenses	SAR 133,018
Taxes	SAR 68,946
Net Profit	SAR 275,784



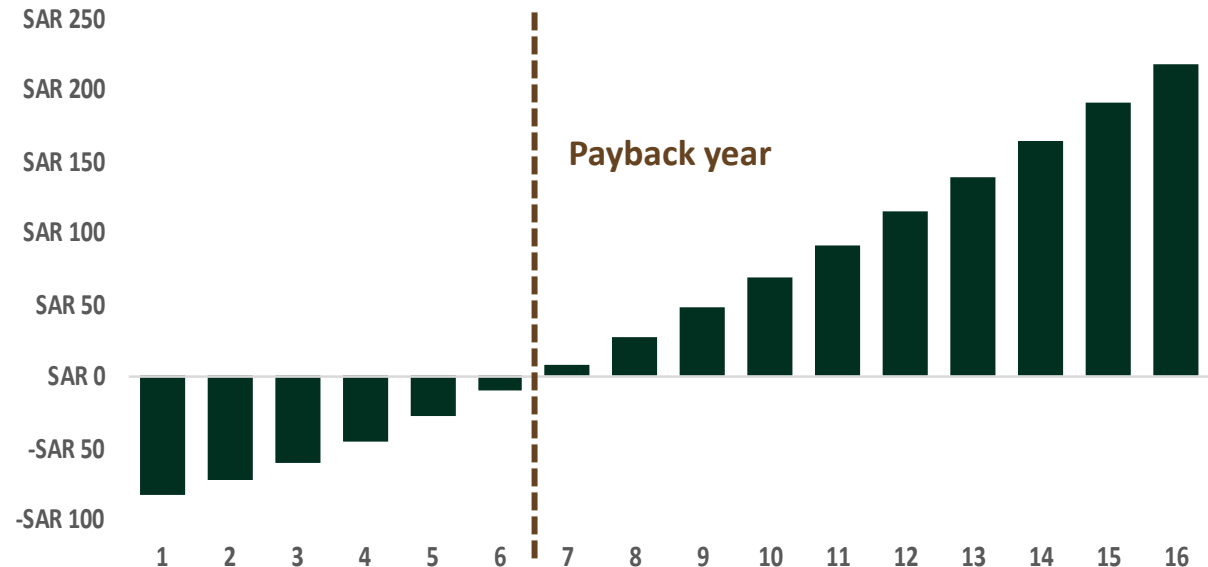
Payback

Forecasting and Financial Analysis

- It is expected that the capital, estimated at 82 Million SAR, will be repaid in the sixth year after the construction of the hotel, with a surplus of 8 million, estimated at 92 Million SAR.
- In Financial Analysis Summary table, we can notice after 10 years from the construction, the Cumulative Return will estimated at 174 Million SAR.

Financial Analysis Summary

Cumulative Return Over 10 Years	SAR 174,680,908
Investment Costs	SAR 82,673,231
Net Return	SAR 92,007,677
Payback Is Achieved	6
Average Profit Margin	36%
Average of ROI	21%
IRR	14%
Net Present Value	SAR 50,408,603



Thank You