

# Real Estate

**The Point** is being developed as an integrated destination for shopping, entertainment and hospitality.

## A Peep into the Kingdom of the Future

By *Rupkatha Bhowmick*



Seven years ago, a momentous event took place in the Kingdom of Saudi Arabia when a paradigm-shifting vision was announced to chart out a new future for the Gulf country. A roadmap with a deadline – the Vision 2030 – was unveiled in April 2016 by His Royal Highness Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister of Saudi Arabia – who was the Deputy Crown Prince at that time.

A strategic plan drawn up to redefine Saudi Arabia as a modern and vibrant society with a deep pride for its heritage, culture and natural resources. A vision created to transform the country's economy with a focus on trade, tourism and technology, and importantly, reduce the nation's dependence on hydrocarbon-based revenues.

Albeit a positive and futuristic plan, back then it seemed like a highly ambitious vision that would need some doing to ensure implementation and execution driving real change. Interestingly, things didn't move at a glacial pace – one of the first big changes happened only a year later (2017) when women in the Saudi workforce increased dramatically and the following year (2018) women started driving. KSA's futuristic giga project NEOM was also announced in 2017.

Circa 2023, it would not be totally wrong to say that a "sleeping giant" has woken up. For perspective, a quick look at some recent developments uplifting KSA's already dynamic retail real estate landscape:

- Ongoing giga projects such as NEOM, Red Sea Global, Diriyah Company, Qiddiya are creating pathways of possibilities with an aim to increase non-oil revenues to more than SAR417 billion by 2023 (estimated by PwC).
- The Kingdom of Saudi Arabia's sovereign wealth fund PIF (Public Investment Fund) plans to invest SAR1 trillion in new projects by 2025 to diversify the economy, catalyse growth opportunities across sectors, support local job creation and fuel entrepreneurship.
- A new entity, Saudi Downtown Company, has been formed to develop downtown areas in 12 cities across Saudi Arabia to boost business and investment opportunities across sectors such as retail, real estate, entertainment, hospitality, tourism and more.
- 300,000 hotel rooms will come up in the Kingdom by 2030.
- In 2023 alone, 9 million-plus people have visited Makkah and Madinah to perform Umrah, while more than 1.3 million visitors are expected during Hajj. The Holy cities are now busy all year round.
- Add to that the cruise terminal in Jeddah that's boosting tourist footfall into the Kingdom.



If anything, there has been massive transformation in every sector in Saudi Arabia facilitated by meaningful collaboration between public and private sector entities. Leveraging its geographical position, the Kingdom aims to become a global trading, tourism and investment hub connecting the Middle East with Asia, Europe and Africa.

“Think about it – Neom, located in the Tabuk Province in northwestern Saudi Arabia, has the potential to connect Turkey, Iraq and Iran via a highway and rail network. On the other hand, Chinese are developing the Jazan sea port to connect China with Africa via Saudi Arabia. These mega developments will open new frontiers for business,” stated Mohammad Alawi, Board Member & CEO, Red Sea Markets Company.

Commenting on the retail real estate sector specifically, he added, “KSA’s retail real estate sector is in a ‘workshop’ mode, evolving to not only meet but exceed visitor expectations. The retail sector has also undergone sea change.



**Mohammad Alawi**

Board Member & CEO  
Red Sea Markets Company

Earlier retailers mostly depended on the local purchasing power, which is no longer the case today with the rise in tourist footfall.”

## Switzerland of the Middle East: A global tourism hub in the making

Imagine sand blanketed in snow! That’s what happened in the winter of 2022 in Saudi Arabia’s Asir region.

For perspective, Asir is located in the southwestern part of Saudi Arabia characterised by its majestic mountains and plains. It also has beautiful seacoasts and a mild weather pattern all year round. All factors contributing to its rapid development as a major tourist attraction in the Kingdom.

Unsurprisingly thus, in September 2021 Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud introduced a strategy to develop the Asir region into a global year-round tourist destination with an aim to attract 10 million visitors by 2030.

The announcement has prompted private and government sectors to take the required steps, launching several investment and tourism projects that will help achieve the strategy. A great

example is the Abha project in Asir. It is a strategic partnership between the Red Sea Markets Company Ltd., a SEDCO Holding company, and the Tourism Development Fund.

“Abha’s weather pattern can be compared to Switzerland. It rains all year round and the weather is very pleasant making it a hot tourist spot for GCC travellers,” Alawi emphasised. “Now that the government has developed a strategic objective to popularise Abha as a desirable tourist spot, public and private entities like us are investing heavily to upgrade the airport, develop more high-quality hospitality and entertainment and differentiated retail offerings.

## Making a ‘Point’

The Red Sea Markets Company which owns one of the leading shopping and entertainment projects in the Kingdom, the Red Sea Mall in Jeddah, is working to replicate the same success in Abha through a mixed-use destination called The Point spanning 75,000 sqm.

The Point is one of the projects by the Investment Committee of the Aseer Investment Forum Project showcasing the government’s commitment to develop projects to support businesses in the region including SMEs and entrepreneurs.

Located on King Fahd Road between Abha and Khamis Mushait and 14 minutes away from Abha International Airport, The Point is being developed as an integrated destination for shopping, entertainment and hospitality. The



project is part of the Red Sea Markets Company – under SEDCO Holding Group – that specialises in the management and development of shopping centres and commercial businesses.

In Alawi’s words, “The Red Sea Markets Company Ltd – Aseer is committed to investing in our Kingdom’s future. Our aim is to become the main shopping, entertainment and tourism destination in the Asir region and to play a pivotal role in supporting national tourism, create career development opportunities for citizens and enhancing quality of life aligned with the Kingdom’s Vision 2030.”

“When we bought the land in Abha in 2016, we went quiet to first strategise the development and what the project

should comprise to truly stand out. The success of Red Sea Mall in Jeddah is nothing short of a case study and we are keen to replicate that success for our Abha project too. However, it will look nothing like the Red Sea Mall. What’s the point in creating similar properties? The location and the consumer needs of Abha are much different from Jeddah, and we have to bear that in mind while planning every element,” he added.

## A lifestyle project with a difference

Towards the end of May 2023 Prince Turki bin Talal Al Saud, Prince of the Asir region and the Chairman of the Asir Development Authority laid the foundation stone of The Point project.

During the inauguration Prince Turki bin Talal emphasised how the investment department of the Asir Development Authority is working to bring new investments and projects with competitive values to promote the region as a leading tourism destination for shopping, entertainment and recreation while also creating massive job opportunities in the region. For instance, The Point project is expected to create over 2,500 job opportunities for people in the region.

The Point project targets several activities compatible with urban identity and architectural designs of the Asir region, aligned with its economic and tourism requirements. Spread across a land area of 75,000 sqm, the project will include building areas of 150,000 sqm,



leasing area of 50,000 sqm, 50,000 sqm of green areas, 1,000 sqm of fountains and water bodies. Along with a 1,000 sqm youth centre, 3,000 sqm health centre, 6,000 sqm hypermarket, 10 cinemas, 150 stores, 40+ restaurants and cafés, 1,500 car parks, 100 hotel apartments, and a hotel with 150 rooms managed by Hilton Residence & Canopy by Hilton brands.

Explaining the leasing strategy, Alawi said, “The idea is to add diversified offerings – such as a spa, new F&B concepts, entertainment and brands that are currently not available in Abha and Asir. We are already in talks with retail groups such as Alshaya, Chalhoub, VOX Cinemas and the initial response has been way better than we had expected. Moreover, we will create a youth centre to function as an entrepreneurial incubator in addition to coworking spaces.”

Interestingly since the announcement of The Point in December 2022, other developments in Abha have started planning upgrades and renovations. “Competition is healthy; it enables people to think and innovate,” Alawi observed.

### An ode to heritage and inclusion

Every design aspect of The Point is inspired by the heritage and culture of Abha and the adjoining areas. The architects and designers were inspired by the history, architecture and topography of the Asir region.

“The diversity of the region will be expressed through the facades and external spaces in an elegant manner that celebrates the history of Asir. Some of the most prominent landmarks of the region are expressed at various points of the Abha project. From Rijal Alma to AlBirk of the coast and from the mountain top of Al Souda to the green hills of Khamis Mushayt and the vast plains of Bisha, the Abha project is a celebration of the region,” Alawi stated.

Importantly, The Point project is being developed in a manner that is easily navigable for people of determination. The Government of Saudi Arabia is very serious about its diversity and inclusion commitments. “Not a single project can ignore these criteria, and it will always be work in progress to strengthen these commitments,” Alawi emphasised.

In summation, we asked, a decade since acquiring the land in 2016 until completion in 2026 how will the project evolve keeping pace with changing business landscape and consumer behaviour?

“We are working with consultants of great calibre who understand the importance of continuous evolution and the pivotal role of tech-enablement in creating a destination of the future. This coupled with deep research we’ve conducted and the flexibility of design, The Point project will become a landmark showcasing dynamism while being a reference point as a sustainable development,” Alawi concluded. ●

