ABUSHAIKHA · HOSPITALITY CONSULTANCY

Saudi Hotel Investment Committee Pack

Worksheets for owners, developers and family offices: assess the investment, compare scenarios honestly, interrogate the operator deal, and register the risks — before capital is committed.

Independent owner-side advisory · Riyadh, Saudi Arabia
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Educational templates. Not investment advice, a valuation, or legal advice.



1 · How to use this pack

Work through the four worksheets in order. Each ends with a decision you must be able to defend in one sentence. If a section cannot be completed from evidence you hold today, that gap — not the spreadsheet — is your first finding.

Worksheet	Decision it supports	Free companion tool
2 · Investment checklist	Is this asset worth a full feasibility?	Hotel Owner Risk Check (homepage)
3 · Scenario template	Does it survive an honest downside?	Investment Studio calculator
4 · Operator & HMA questions	Are the next 20 years protected?	HMA red-flag scorecard
5 · Risk register + data list	What could still hurt us — and who owns it?	AOIP Lite owner health check

> **October 2026 context.** GASTAT Q2 2026: national hotel occupancy 51.0% (53.2% in Q2 2025), ADR SAR 563 (−12.4%). Branded-hotel samples (e.g. JLL) run warmer. Underwrite against the dataset that matches *your* asset class — see Market Brief No. 1 on our Insights page.

2 · Investment assessment checklist

Market & demand

☐ Independent demand study ≤ 12 months old, Q-on-Q (not annualised peak) evidence

☐ Competitive set named hotel-by-hotel, with 3-year occupancy/ADR history

☐ New supply pipeline within the catchment quantified (keys, opening years)

☐ Demand segments sized: corporate / government / religious / leisure / MICE / long-stay

☐ Seasonality profiled by month — including Ramadan/Hajj drift across the hold period

Product & capital

☐ Key count and room mix validated by a highest-and-best-use review

☐ Development cost per key benchmarked; land, pre-opening and financing costs separated

☐ FF&E reserve at a realistic % of revenue from year 1 (zero is not a plan)

☐ Brand PIP obligations and first-cycle capex priced into the model

Economics & financing

☐ Stabilised year justified (not defaulted); ramp years cash-flowed explicitly

☐ Downside case with **fixed costs frozen** — costs do not fall with occupancy in real life

☐ Break-even occupancy and DSCR tested at lender covenants, not at hope

☐ Debt sized by coverage, not only by loan-to-cost; TDF/bank feasibility requirements mapped early

☐ Fees modelled in full: base, incentive (with/without owner priority), marketing/reservation charges

☐ Exit tested at a cap rate at least 100 bps above entry yield logic

Governance

☐ Decision memo states the top 3 risks and the kill-criteria before signature

☐ Advisor conflicts disclosed in writing; no operator-paid commissions anywhere in the chain

3 · Scenario comparison template

Complete with your model (or our Investment Studio). Rules: same hold period; fixed costs frozen in the downside; state every changed assumption.

Assumption / output	Downside	Base	Upside
Stabilised occupancy			
ADR (stabilised, SAR)			
Total development cost / per key			
Stabilisation year			
Yield on cost			
Project IRR (unlevered)			
Equity IRR / multiple			
Min DSCR / break-even occupancy			
Exit value (state cap rate)			
What must be true for this case?			

> **Committee question:** In the downside, does the asset still service debt and protect principal? If the downside needs a rescue, the base case is a hope, not a plan.

4 · Operator selection & HMA questions

☐ Was there a competitive RFP — or a single suitor? Who else bid, on what terms?

☐ Term length vs your hold period and exit window; renewal mechanics

☐ Base fee, incentive fee and the exact hurdle — is there an **owner priority** before incentive?

☐ Centralised charges (marketing, reservations, loyalty, IT) — capped? auditable?

☐ Key money: amount, amortisation, repayment on early termination (it is paid *by* the operator *to* you — treat it as prepaid consideration)

☐ Performance test: metric, comp set, cure rights, termination consequence

☐ Owner approval rights: budgets, GM appointment, capex thresholds, brand-standard changes

☐ FF&E reserve %, PIP triggers, and who funds brand-mandated upgrades mid-term

☐ Termination rights (sale, convenience, operator default, change of control) and their price

☐ Non-compete / area protection and its expiry; franchise conversion options

☐ Dispute resolution, governing law, and step-in rights in an operator failure

☐ What happens to bookings, data and staff on exit day?

Commercial screening only — final terms require your hospitality lawyers. Free first pass: the HMA red-flag scorecard at abushaikha-consultancy.com/hma-scorecard.

5 · Risk register & information request

Risk register (starter rows — extend freely)

Risk	Trigger / evidence	Impact if realised	Mitigation & owner
Demand below study (supply wave)	Comp-set occupancy < plan 2 consecutive quarters	IRR −300 bps; DSCR breach	
ADR compression	Market ADR −10% y/y (as Q2 2026)	GOP margin squeeze	
Cost overrun / delay	Tender > budget; permit slippage	Equity call; missed season	
Operator underperformance	RGI < 95 for 2 years	Value erosion; test cure cycle	
Event / geopolitical disruption	Regional security or event-calendar shock	Demand shock year; liquidity	
Financing tightening	Rate +200 bps; lender re-trades	Equity IRR compression	

To commission an independent Go/No-Go review, assemble:

☐ Site/title documents and any existing feasibility or valuation reports

☐ Operator proposals / draft HMA or LOI (if any)

☐ Development budget and programme; brand PIP correspondence

☐ For operating assets: 24 months P&L (USALI if available), STR/comp-set reports, current HMA

☐ Financing term sheets or lender feedback received

☐ Your hold period, return hurdle and exit preference — in writing

Next step. A confidential 30-minute qualification call: your asset, the decision you face, timing and fit. If there is a fit, we scope a defined diagnostic — inputs, deliverables and fee agreed in writing first. abushaikha-consultancy.com/book · sharif@abushaikha-consultancy.com

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