

# Management and Operation of the Qasr-e-Naz

## Investment pitchbook

September 2025



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# Executive Summary

## Attractive Investment Destination

- **Pakistan** is emerging as a **regional powerhouse**, with a **reformed economy** (inflation stabilized at the lowest level in the past 50 years and GDP expected to cross USD 3.3T by 2050) and **vibrant talent** (7<sup>th</sup> largest global workforce, with 64% of the workforce under 30)
- Investors can count on **strong government support**, including accelerated licensing and tax incentives under hospitality and infrastructure development schemes




## Widening Demand Gap for Luxury Hospitality

- Tourism promotion initiatives, combined with robust business and diplomatic engagement and rising medical tourism, have driven international visitor flows to Pakistan **nearly 3x** over the past five years; tourism projected to **double** again by 2030
- In particular, **Karachi stands out as a key destination for business** (hosting the country's largest port and many industrial zones), **culture, fashion, and sports** events (hosts Fashion Pakistan Week, frequent music and film launches, cricket matches), **and connectivity** (home to Pakistan's busiest airport and an entry for the Middle East, UK diaspora)
- One of the key **supply gaps is in the luxury segment**, where 4- and 5-star accommodation per capita is 8x that in Islamabad and 4x that in Lahore

## Landmark Premium Hospitality Project

- Investors have the opportunity to **rehabilitate, manage and operate the Qasr-e-Naz in Karachi**, leveraging its **historic, cultural and architectural heritage** in a concession agreement with the government
- The property spans 101 rooms with the opportunity to build an additional event hall, requiring **USD 13-14M in restoration and construction costs** and can generate an estimated **USD 10-12M in run-rate revenues**
- This project has the potential of achieving a **20+% IRR over 25-year concession period**











# Pakistan: Your Tourism Destination

Pakistan Value Proposition						
<b>Reformed Economy</b>  	<b>USD 3.3Tn<sup>1</sup></b> Expected GDP in 2050 (from USD >410Bn <sup>2</sup> today)	<b>B-</b> Improved Credit Rating <sup>3</sup> from CCC-	<b>Top 10</b> In Business Entry Regulations ranking <sup>5</sup>	<b>Stabilized Inflation</b> At lowest levels since 1968 <sup>6</sup>	<b>Stabilized Currency</b> Achieved since 2023 in coordination with IMF	<b>Special Economic Zones (SZE)s</b> Robust fiscal and trade incentive packages <sup>7</sup>
<b>Vibrant Demographics and Talent</b>  	<b>255 million</b> Large and growing population <sup>8</sup>	<b>64%</b> Population younger than 30 <sup>8</sup>	<b>7<sup>th</sup> largest</b> Global workforce <sup>9</sup>	<b>2 million</b> University students enrolled every year <sup>10</sup>		
<b>Emerging Tourism Ecosystem</b>  	<b>6.1% (+0.3pp yoy)</b> Tourism contribution to GDP <sup>11</sup>	<b>USD &gt;1.5 Bn (USD 2Bn expected by 2033)</b> International visitors spending <sup>11</sup>	<b>USD &gt;13 Bn (USD 24 Bn expected by 2023)</b> Domestic visitors spending <sup>11</sup>	<b>12</b> International airports <sup>7</sup>	<b>Strategic Positioning</b> Crossroads between South Asia, East Asia, and Middle East	<b>6</b> UNESCO Heritage Sites <sup>12</sup>

1. Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. Bloomberg, 84% in PKR; 5. World Bank’s B-READY assessment; 6. US (St Louis) Federal Reserve Bank; 7. Pakistan Government; 8. United Nations, SIFC; 9. CIA World Factbook; 10. Higher Education Commission; 11. Pakistan Tourism Insights, 2024; 12. Include Archaeological Ruins at Moenjodaro, Taxila, and Rohtas Fort

# Investors have an opportunity to rehabilitate, manage, and operate the Qasr-e-Naz in Karachi

## Opportunity overview and key highlights

Opportunity Description 		Rehabilitate, manage, and operate the Qasr-e-Naz in Karachi to transform it into a profitable and sustainable asset		
High-Level Opportunity Facts 		Value Proposition 		
A Project Details		<div><b>Property Use Rights:</b> Ministry of Housing &amp; Works is providing the use rights for a prime property in the center of Pakistan’s financial hub, Karachi</div> <div><b>Increasing Demand for Accommodation:</b> Strategic entry into an under-served hotel market for both the private sector and government officials</div> <div><b>Diversified Revenue Streams:</b> Project provides diversified revenue streams through the provision of accommodation services (rooms), as well as hosting of events and restaurants</div> <div><b>Strong Government Backing:</b> Robust policies and incentives enhance project viability</div>		
 <b>Club Road, Karachi</b>	 <b>2.6 Acres Plot Size</b>			 <b>101 Rooms</b>
B Supply-Demand Gap	Underserved luxury accommodation market despite being the financial and trade hub of Pakistan			
C Investment Model	Revenue sharing with government while investor retains full operational and decision-making control			
Return Profile <sup>1</sup>	IRR 21-22%			
Run-Rate Revenues	USD 10-12Mn			
Estimated Project Cost (Renovation)	USD 13-14Mn (100% equity)			

1. In local currency; over 25 years of operations (detailed in Business Case section)  
2. Year 6 of contract  
Source: Expert input





# A. The project involves the rehabilitation and operations of Qasr-e-Naz in Karachi to convert it into a sustainable and profitable asset

## Project details



### Offering

- Qasr-e-Naz is a federal historic government-owned building used as a state guest house and office space
- Currently, the hotel is operational; however, renovations are needed to upgrade the facilities
- Historically, it has commonly been used to host visiting dignitaries and as office space for government or commission purposes
- Once restored, the property will offer accommodation for private sector and event hosting, ideal for business meetings, weddings, and small to medium gatherings



### Technical Specifications

- 101 keys (single and family rooms)
- 0.92 acres main hotel space
- 1.68 acres outside area



### Targeted End-Users

- International / domestic tourists and business travelers (corporate, multilateral agencies)
- Senior Pakistani government officials on tours
- MICE1 segment: conferences, business meetings, and banquets (e.g., weddings)



### Location

- Prime location in Karachi's Club Road, in close proximity to recreational, civic, historic, and commercial centers in Pakistan's financial hub

## Property Location

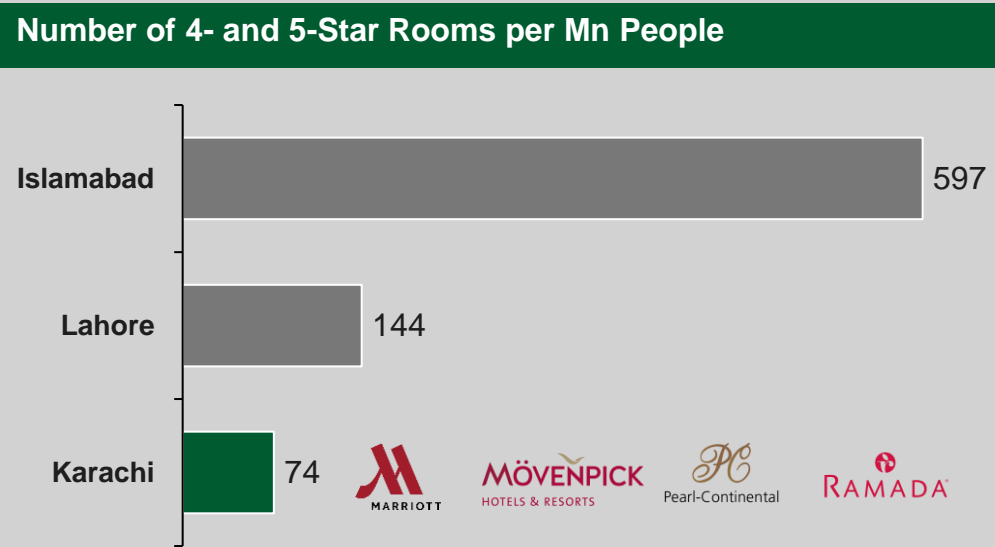


★ *Luxury properties confirming prime location*

# B. The opportunity aims to leverage the growing demand for luxury accommodation in Karachi

## Luxury accommodation demand tailwinds

Compared to Islamabad and Lahore, Karachi faces an undersupply of luxury accommodation<sup>1</sup>



- Despite being the financial hub of Pakistan and an important coastal city, **Karachi has an underserved luxury accommodation market compared to Islamabad and Lahore**
- **With luxury hotel occupancies at ~70%**, serving the luxury accommodation market remains critical

### Key Growth Drivers

- |   |   |
|---|---|
| <b>Growing Trade &amp; Industrial Hub</b>                           | <ul style="list-style-type: none"><li>– Karachi is Pakistan’s economic engine, <b>contributing over 20% to GDP and hosting its largest port, stock exchange, and industrial zones</b></li><li>– The city attracts a steady stream of business travel, especially from finance, shipping, logistics, and FMCG sectors</li><li>– Industrial exhibitions, trade delegations, and port-based business <b>create recurring demand for executive accommodation</b></li></ul>      |
| <b>Emerging Events, Fashion, and Culture Activity</b>               | <ul style="list-style-type: none"><li>– Karachi hosts major cultural events such as <b>Fashion Pakistan Week, Karachi Literature Festival, and music/film launches</b>, which draw media, influencers, and audiences from across Pakistan</li><li>– As a media and entertainment hub of the country, it generates sustained hotel demand from production crews, artists, and events</li></ul>   |
| <b>Positioning as Pakistan’s Domestic and International Gateway</b> | <ul style="list-style-type: none"><li>– <b>With Jinnah International Airport as Pakistan’s busiest airport</b>, Karachi remains a top domestic and international entry point</li><li>– In 2024, <b>6.4 Mn passengers</b> passed through Jinnah International Airport, out of which <b>4 Mn were international passengers</b></li><li>– Increasing diaspora traffic (Middle East &amp; UK routes), and corporate ties bring recurring transit and long-stay guests</li></ul> |

1. Refers to 5-star and 4-star accommodation; Savills report

## C. Investors will be supported by public parties in a robust hospitality ecosystem



### Ministry of Housing & Works

- Custodian of federal land and responsible for allocating prime urban sites for redevelopment
- Leads planning and oversight for heritage restoration, public infrastructure, and real estate PPPs
- Provides properties use rights and facilitate government approvals



### Pakistan Public-Private Authority (P3A)

- Regulates and promotes public-private partnership projects at the federal level
- Reviews, approves, and structures PPP proposals to ensure commercial viability and value-for-money



### Special Investment Facilitation Council (SIFC)

- Facilitates and fast-tracks foreign and domestic investments
- Provides a streamlined, one-window operation for investor support and coordination across government entities





## D. Investors will benefit from the Government support to create an attractive business and regulatory environment

### Key opportunity enablers and incentives

#### Ease of Doing Business

- Ongoing review and simplification / deregulation across sectors
- One-stop licensing and digital registration
- Government intermediation with public entities



#### Demand Attractiveness

- Collaboration with government on diplomatic and event agenda (e.g., becoming official host of government-led events)
- Demand from the government for touring government officials



#### Tax & Fiscal Incentives

- Eligibility for corporate tax incentives under hospitality and infrastructure development schemes











#### Prime Property Use Rights

- Provision of use rights for a prime property in the center of Pakistan's financial hub, Karachi



# D. The opportunity for private sector partnership with Ministry of Housing & Works is structured through a revenue sharing model

## Proposed investment model and role delineation between the public and private sector

Proposed Investment model		Role delineation between public and private sector	
Revenue-sharing model with Ministry of Housing & Works providing the property		Investors 	Government (Ministry of Housing & Works) 
Overview	Role		
<ul style="list-style-type: none"> <li>Ministry provides the property through a concession to the private sector to <b>rehabilitate, operate, and manage Qasr-e-Naz</b> for the concession duration</li> <li>Private sector <b>invests in and fully manages the hotel</b></li> <li>Ministry <b>earns revenue</b> through an agreed <b>annual revenue share (20%)</b></li> <li><b>Property ownership remains</b> with the <b>Ministry</b></li> </ul>	Hotel Ownership 	N/A	Provide property use rights
	Hotel Development 	Rehabilitate, operate, and manage the hotel	Facilitate approvals and enable development
	Hotel Operations 	Fully operate hotel, hire staff, manage services	N/A
	Revenue Sharing 	Share agreed % of gross revenues with Ministry	Receive agreed % share of revenues
	Financing 	Raise equity for project	N/A
	Demand Generation 	Manage marketing and pricing to attract guests	Support through tourism promotion and enabling policies

## D. Consequently, investors can expect 21-22% IRR over 25 years of operations, with estimated USD 13-14Mn in required CAPEX

### Estimated project financials and investment case

(Figures provided are estimations based on available information)

Business Case			
Return profile	Expected IRR	21-22% <sup>1</sup>	– Revenue sharing model (80% investor; 20% Ministry of Housing & Works) over the contract period of 25 years (24 operating years and 1 year asset development lead time) with an extension option
	Payback Period	6 years <sup>2</sup>	
Operations	Revenues <sup>3</sup>	USD 10-12Mn (PKR 3.1-3.3Bn)	<ul style="list-style-type: none"> <li>– 101 rooms (64 single rooms, and 37 suites / family rooms)</li> <li>– Expected ADR: <ul style="list-style-type: none"> <li>– Single rooms – USD 160</li> <li>– Suites / Family rooms – USD 400</li> </ul> </li> <li>– Average occupancy 75%</li> <li>– Additional revenue streams from F&amp;B and events</li> </ul>
	EBITDA Margin <sup>3</sup>	38%	– Costs (SG&A, management / incentive fees of potential brand, utilities, insurance and other) computed bottom-up and based on expert input
	NOPAT <sup>3,4</sup>	USD 2.5-3Mn (PKR 770-780Mn)	
Development	Construction Cost <sup>5</sup>	USD 13-14Mn (PKR 3-4Bn)	<ul style="list-style-type: none"> <li>– USD ~107k renovation cost per room (renovation CAPEX assumed at 60% of average construction CAPEX for luxury rooms)</li> <li>– USD ~100 per ft<sup>2</sup> to build banquet halls; each banquet hall is ~10,000 ft<sup>2</sup></li> </ul>

*Additional IRR upside can be achieved through local bank debt financing*










1. Computed on 24-year operating period; 2. Payback period excludes development lead time

3. Run-rate figures after demand stabilization (year 5 of operations / year 6 of contract); 4. NOPAT computed as EBIT \* (1-Tax); corporate tax rate of 29% applied

5. Estimated construction cost based on expert input and industry benchmarks

## D. Support mechanisms are in place to mitigate potential risks impacting the investment case

### Key investment risks and mitigation measures

Risk type 	Description 	Degree of Risk 	Investor Mitigation Actions 	Public Sector Support 
<b>Demand/ revenue</b> 	Risk of not achieving projected revenues or sales targets	<b>Low</b> – Consistent demand and supply imbalance pointing to structural (i.e., sticky) demand	Tailor marketing plans and promotional activities to attract local and expat population	Support demand through overall promotion of tourism (e.g., conferences, city-wide branding initiatives)
<b>Macroeconomic conditions</b> 	Risk of inflation or currency depreciation affecting profitability	<b>Medium</b> – Recent track record of currency and inflation and currency (at lowest levels since 1968 <sup>1</sup> ) pointing to stabilization	Increase local sourcing: transfer CAPEX risk to developer; local OPEX (e.g., payroll, supplies)	Facilitate access to local currency loans
<b>Infrastructure</b> 	Delays in utilities or access roads affecting timely operations	<b>Low</b> – Premium property location (Club Road) in developed area of Karachi suggesting advanced connectivity	Assess site readiness and secure contingency plans for critical infrastructure	Ensure timely provision of approvals along with supporting infrastructure such as roads, utilities, and off-site infrastructure to site boundary
<b>Regulatory / Legal</b> 	Risk of sudden policy changes impacting contract or taxes	<b>Low</b> – Recent reforms and deregulation trend suggesting commitment to private sector partnerships	Include independent jurisdiction (e.g., UK) in contract; include robust stabilization and early termination clauses in concession contract	Offer legal protections and enable international arbitration where applicable

**Connect with SIFC  
to learn more**



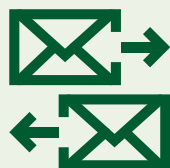
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**<https://sifc.gov.pk/>**



**SIFC E-Service Gate**

**<https://ticketinghub.sifc.gov.pk/>**



**Email**

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# APPENDIX



**A. Pakistan has reemerged as an investment destination thanks to macroeconomic stability**

## Pakistan's Economic Turnaround in the News

**Pakistan Isn't That Risky Anymore.  
Its Economy Is a Mini-Miracle.**

**BARRON'S**

**Pakistan Economy Grows Faster Than  
Expected on IMF Aid Boost**

**Bloomberg**

**Fitch Upgrades Pakistan to 'B-';  
Outlook Stable**

**Fitch**Ratings

**Azerbaijan to invest \$2 billion in  
economic sector of Pakistan**

**ARAB NEWS**

## A. Pakistan has a track record of successful Foreign Direct Investments across sectors

### Examples of Foreign Direct Investment (FDI) projects in Pakistan

#### FDI projects (non-exhaustive)

**AD Ports (UAE)**  
USD 220Mn



- 50 year concession agreement to manage, operate and develop the Karachi Gateway Terminal
- USD 200Mn investment in infrastructure development by AD Ports in first 10 years

**Al Mirqab Capital (Qatar)**  
**Power Construction Corp.**  
(China) USD 2.09Bn



- Construction of coal-powered power plant in Port Qasim, under build-own-operate (BOO) model
- USD 2.09Bn investment, of which c.a. USD 500Mn in equity

**DP World (UAE) and National Logistics Corp.**  
(Pakistan) JV investment not public



- Joint venture (DP World: 60%) focused on road freight logistics approved
- Follows MoU by DP World for the development of 50km freight corridor from Karachi Port to Pripri

**ORA Developers (Egypt), Saif Group (Pakistan), Kohistan Builders (Pakistan)**  
USD 2 Bn



- Development of a USD 2 Bn mixed-use residential and hospitality development in Islamabad ("Eighteen")
- The complex is envisioned to have ~3,000 residential units (apartments and villas) and extensive leisure and commercial components (e.g., golf clubs, cinema, spa)
- Project being developed by ORA Developers (an arm of Orascom Development)

#### Other Announcements and MoUs (non-exhaustive)

- Reportage Properties (UAE): JV with Empire Holding Pakistan for USD 300Mn real estate development in Islamabad and Lahore
- Emaar Group (UAE): JV with Giga Group Pakistan for USD 2.4Bn Crescent Bay real estate
- Saudi Development Fund (KSA): Potential investment in mining infrastructure (USD 100Mn)
- Manara Minerals (KSA): Exploring stake in Reko Diq copper and gold mine (USD 7Bn)
- China-Pakistan Economic Corridor (China): Umbrella FDI initiative covering roads, railways, ports, energy, among others (USD 65Bn)

A. In addition,  
multiple hotels are  
currently being  
developed across  
Pakistan's main  
cities

## Examples of Hotels Under Development and Announced in Pakistan

ISLAMABAD

Rotana

  
JW MARRIOTT

IHG<sup>®</sup>  
HOTELS & RESORTS

Non-Exhaustive

KARACHI

  
ACCOR

LAHORE

  
FAISALTOWN

**Swiss** International  
HOTELS & RESORTS

  
HYATT  
REGENCY<sup>™</sup>  
RESORT

Source: Press releases

## D. Opportunity P&L

### Extract from pre-feasibility financial model

Preliminary numbers being validated; figures provided are estimations based on available information

Numbers in PKR	Year 1 <sup>1</sup>	Year 5 <sup>1</sup>	Year 10 <sup>1</sup>
<b>Occupancy rate</b>	30%	75%	75%
<b>Total Revenue</b>	<b>1,072,893,906</b>	<b>3,140,811,038</b>	<b>4,250,664,285</b>
Rooms	797,503,100	2,630,815,371	3,689,854,651
Food & Beverage	165,824,820	355,338,900	355,338,900
MICE	96,300,000	126,229,656	177,043,622
Other	13,265,986	28,427,112	28,427,112
<b>Total Cost of Service Delivery</b>	<b>262,409,108</b>	<b>707,014,017</b>	<b>927,540,787</b>
<b>Gross Profit</b>	<b>810,484,797</b>	<b>2,433,797,022</b>	<b>3,323,123,498</b>
<i>Gross Margin</i>	76%	77%	78%
<b>Total OPEX</b>	<b>437,773,604</b>	<b>1,242,645,652</b>	<b>1,685,867,594</b>
SG&A	60,414,026	157,241,433	213,587,389
Utilities	19,131,600	38,403,161	53,862,419
Others expenses	303,628,975	879,634,759	1,190,013,808
Royalties	54,599,003	167,366,299	228,403,977
Management base fees	21,457,878	62,816,221	85,013,286
Incentive fees	33,141,124	104,550,078	143,390,691
<b>EBITDA</b>	<b>372,711,194</b>	<b>1,191,151,370</b>	<b>1,637,255,904</b>
<i>EBITDA Margin</i>	35%	38%	39%
<b>NOPAT</b>	<b>187,631,133</b>	<b>777,555,402</b>	<b>1,103,918,603</b>

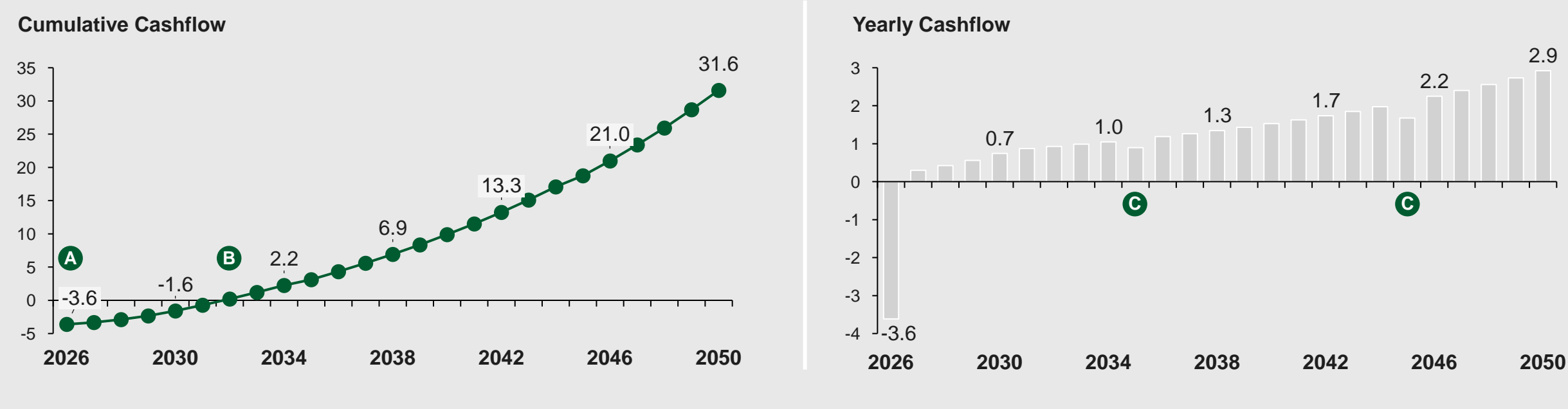
- Ministry of Housing & Works internal data
- Expert input

- Expert input / industry reports (e.g., JLL)
- Ministry of Housing & Works
- Other desktop research and benchmarking



# D. Investor Cash Flows

## Investor cash flows, PKR Bn



**Investor cash flows:**

- Upfront equity investment: PKR 3.6Bn
- Cumulative cash flows over the duration of the investment: PKR 31.6Bn

**Additional information:**

- A** Development period: 1 years
- B** Payback period: year 6 of operations
- C** Periodical maintenance: 5% of CAPEX every 10 year

# D. Revenue Assumptions



## Extract from pre-feasibility financial model

Preliminary numbers being validated; figures provided are estimations based on available information

Revenue		Assumption	Value	Unit
Rooms	Single	Number of single rooms	64	#
		Average daily rate <sup>1</sup>	46,000	PKR
	Family	Number of family rooms	37	#
		Average daily rate <sup>1</sup>	114,000	PKR
		Starting occupancy rate	30%	%
		Stabilized occupancy rate	75%	%

Revenue		Assumption	Value	Unit
Food & Beverage		Number of restaurants	1	#
		Average seating capacity per restaurant	155	#
		Average number of meals per day	1	#
		Table turnover ratio per restaurant	2	#
		Average cost per customer	4,200	PKR
		Starting occupancy rate	30%	%
		Stabilized occupancy rate	75%	%
MICE <sup>2</sup>		Area	2	#
		Capacity	1,000	#
		Number of times this is being utilized	24	#
		Utilization	50%	%
		Charge per person	7,500	PKR
MOD <sup>3</sup>		MOD <sup>1</sup>	8%	% of F&B Revenues

1. An approximate exchange rate of USD 1 = PKR 280 has been estimated; 2. Meetings, Incentives, Conferences, and Exhibitions; 3. Minor operating department, which refers to revenues from secondary or ancillary sources (e.g., gift shops, parking, business centers, technology);

# D. Sensitivity Analysis

## Increase in Room Average Daily Rate vs. Stabilized Occupancy

		Increase in Stabilized Occupancy				
		65%	70%	75%	80%	85%
Increase in Room Average Daily Rate	-20%	17.4%	17.8%	18.5%	19.0%	19.6%
	-10%	18.8%	19.3%	20.0%	20.6%	21.1%
	0%	20.3%	20.8%	21.4%	22.1%	22.6%
	10%	21.6%	22.1%	22.8%	23.5%	24.0%
	20%	22.9%	23.5%	24.2%	24.8%	25.4%

## Increase in Room Average Daily Rate vs. CAPEX

		Restoration CAPEX as a % of Total CAPEX				
		50%	55%	60%	65%	70%
Increase in Room Average Daily Rate	-20%	20.5%	19.4%	18.5%	17.6%	16.8%
	-10%	22.2%	21.0%	20.0%	19.1%	18.2%
	0%	23.8%	22.5%	21.4%	20.5%	19.6%
	10%	25.3%	24.0%	22.8%	21.8%	20.9%
	20%	26.8%	25.4%	24.2%	23.1%	22.1%

IRR is higher than the estimated cost of equity (19%)

# Thank You

