



**RAMADA**  
BY WYNDHAM

HERVEY BAY

*Unsurpassed Luxury*

# SkyHotel Information Outline

## A view to your next investment

Experience the power of collective investment, minimum investment \$5,000

Benefit from a forecast minimum 8% per annum average cash return

Managed by SkyHotel Hotel Resort Management Pty Ltd (franchisee)

Forecast total compound return of 14.7% per annum (IRR) at 2% CG

Investment is secured and managed by independent custodian

Asset ownership, tax advantages, target capital growth

Clear exit structure with a Primary Markets listing

**PRIVATE  
INFORMATION**

This document is private and  
confidential to the addressed party

**You are  
*Registered*  
for a Product Disclosure  
Statement (PDS)**

Investment can only be made  
on the Application Form  
in the Product Disclosure  
Statement



## Important notice

Ramada SkyHotel is stage two of an elegant integrated development in Hervey Bay. The development has 83 rooms including executive rooms and a presidential suite, along with a splendid top floor bar restaurant and conference facility. Capital for the development and ownership will be raised with a Product Disclosure Statement (PDS).

The Property Collect Growth Trust ARSN 621 450 397 is a registered scheme (Trust). The SkyHotel Investment Fund (Fund) is a sub trust. The responsible entity of the Fund is Huntley Management Limited ACN 089 240 513 (RE) who holds Australian financial services licence No. 229754, which amongst other things authorises it to operate the Fund as a managed investment scheme which only holds direct real property.

The issuer of units in the fund is the RE. A Product Disclosure Statement (PDS) for units in the Trust is available.

A person should consider the PDS in deciding whether to acquire or continue to hold units in the Trust. Units in the Trust can only be acquired by filling out the Application Form attached to the PDS.

ALL REGISTRATIONS FOR A PDS WILL BE TIME AND DATE STAMPED AND ORDER OF PRIORITY OF INVESTMENT WILL BE GIVEN AS PER THAT STAMP.

MONEYS AND SUBSCRIPTIONS CAN ONLY BE TAKEN WITH THE ISSUE OF THE PDS. NO INVESTMENT IS ACCEPTED PURSUANT TO THIS SKYHOTEL INFORMATION OUTLINE (SIO).

This SkyHotel Information Outline (SIO) has been solely prepared and distributed by Collective Wealth Pty Ltd and no other party. Collective Wealth Pty Ltd has been appointed as the Investment Manager by the Responsible Entity.

## Forward looking statements

This SkyHotel Information Outline may contain forward looking statements made by the Collective Wealth Pty Ltd (Investment Manager) or by independent consultants. Forward looking statements are not based on historical facts but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in those forward looking statements. Any prospective financial information included in this

document is predictive in character and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Prospective financial information may differ materially from results ultimately achieved.

The SIO contains statements about risk factors, as well as other matters, while all care has been taken in formulating assumptions and inputs, actual results or events may be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this SIO or provided by independent parties is qualified by this cautionary statement.

## Disclosure

The sole purpose of this SIO is to provide a product marketing and technical overview of the SkyHotel project. These documents are not intended to replace the contents of the PDS, which should be read in full before making any investment.

Please note - this document is not a PDS and no funds can be invested pursuant to this document. Indicative returns and further disclosed information may vary in the PDS to what is described or calculated in this SIO. Register for a PDS by completing the PDS Registration Form contained in this SIO. It is important to complete the date and time of completion of this form as investment priority will be given as per the time and date of completion of the PDS Registration Form. Upon issue of a PDS, all subscription moneys are held in trust until the investment conditions are achieved.

## Wyndham hotel group

This document is not promoted in anyway by Wyndham Hotel Group or any related company or entity or person associated with Wyndham Hotel Group.

The manager and operator of Ramada Hervey Bay, being Angel Hotel Management Pty Ltd (ABN 37 604 622 817 owner of the Management and Letting Rights of Ramada Hervey Bay) operate under a franchise arrangement with Ramada and Wyndham Hotel Group and such franchise arrangement will extend to Ramada SkyHotel.

Wyndham Hotel Group or Ramada or any related company or entity or person associated with Wyndham Hotel Group are not the developer of Ramada SkyHotel and provide no warranties or guarantees or performance guarantees of any description, or any association or relationship with Ramada SkyHotel, other than being franchisor of the Ramada brand under which SkyHotel Resort Management Pty Ltd (AHM or Angel Hotel Management) operates as franchisee.

INDEPENDENT ADVICE SHOULD ALWAYS BE SOUGHT FOR ANY INVESTMENT

SKYHOTEL • HERVEY BAY

# Introducing SkyHotel

*Unsurpassed luxury*

SKYHOTEL • HERVEY BAY

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This seven storey, architecturally designed building will be crowned by a top floor bar, restaurant, and multi-purpose function and conference centre. SkyHotel will take advantage of magnificent uninterrupted ocean views over the marina and out to the renowned Fraser Island, including 360° vistas of the Hervey Bay area and hinterland.

## A number of features

- 83** SkyHotel has 83 beautifully appointed rooms
- 78** Luxury hotel rooms
- 7** Storey architecturally designed building
- 4** Executive rooms with lounge
- 1** Presidential suite for unsurpassed luxury
- +** Accompanying top floor bar, restaurant and multi-purpose conference facilities



**“As the architects for the current Ramada Hervey Bay we are excited to deliver the design for the new Ramada Sky Hotel, the final stage of this integrated development.**

Orientated to take advantage of the existing resort pool and views to the Great Sandy Strait, we have designed a contemporary hotel building that not only expands guest amenity but completes the existing resort.”

*Aaron & Jodie Muller, MullArch Architects*





# Why investing just makes sense

The benefit of Ramada Hervey Bay's proven track record, combined with location and cost to build benefits, is why investing just makes sense.

- 1 Forecast average minimum 8% per annum cash return paid quarterly with tax advantages plus target capital growth
- 2 Forecast total compound return (IRR) of 14.7% p.a. at conservative 2% p.a. capital growth escalation on valuation
- 3 Fixed investment return of 7% per annum paid quarterly during construction
- 4 6 year trust term until final sale of asset and distribution of any capital growth
- 5 Units transferable. Clear exit structure including a Primary Markets listing
- 6 One of the fastest growing areas in Australia
- 7 Ramada SkyHotel is a franchisee of the largest hotel group in the world
- 8 Investing at cost to optimise future capital growth
- 9 Lease security to guarantee investor returns from the trust
- 10 Benefit from the operator offering the top floor asset as security to optimise borrowing and investor repayment

**Note:** Returns are based on the median subscription of \$10 million



**“As the founder of Ramada Hervey Bay, I am confident, as you investigate the investment and in due course receive the PDS, the benefits and structuring of this investment targeting to optimise returns will become very apparent.”**

*Timothy Wright, Founder*

Valuation of \$25.5 million for an expected \$22.5 million Total Development Cost



# Key facts

**1** This SkyHotel Information Outline (SIO) seeks to provide an overview, subject to the Important Notice contained within this document, to prospective investors in the SkyHotel Investment Fund (Fund). A Product Disclosure Statement (PDS) has been issued by the Responsible Entity (RE) under the Managed Investments Act released in December 2021 for the Trust (and hence the investors) to purchase the land (on an exchange basis as described later) and develop Ramada SkyHotel (Stage 2 Ramada Hervey Bay).

**2** With a forecast total development cost (TDC) of \$22.5 million this could comprise a combination of approximately \$10 million of investor funds and a bank borrowing of approximately \$12.5 million.

**3** The existing Ramada Hervey Bay (Ramada Stage 1) is a 91 room hotel and was developed by Timothy Wright's entities and commenced operation in 2009 operating under a Ramada franchise. The hotel is operated by Angel Hotel Management Pty Ltd.

**4** Extensive independent analysis has been undertaken with respect to the justification to develop a further 83 rooms for Ramada Stage 2 over 7 storeys with a top floor facility multi-purpose bar, restaurant, and conference centre. The development land is owned by a Ramada Hervey Bay land ownership company, Marina Land Pty Ltd.

**5** The total development cost of Ramada Stage 2 is currently estimated at \$22.5 million. This is based on the land ownership company exchanging the land and other contributed assets in exchange for the top floor facility. There is no development margin and accordingly the investor(s) obtain Ramada SkyHotel at cost.

**6** The investor(s) will own the 83 rooms and the Marina Land Pty Ltd will own the top floor facility.

**7** Ramada SkyHotel and Ramada Stage 1 will operate under the same Community Management Scheme and body corporate. Ramada SkyHotel will be operated by SkyHotel Resort Management Pty Ltd, wholly owned by the operator of the current Ramada, Angel Hotel Management Pty Ltd. This will enable the integration of the two hotels sharing common facilities and areas such as the pool.

**8** The PHV valuation of the 83 rooms of SkyHotel is \$25.5 million. Under an agreed security arrangement and a 55% bank borrowing the prospective debt funding is \$12 million to \$13 million.

**9** The forecast average cash return to the investor(s) is 8% plus per annum, along with depreciation benefits. Further, based on the cash development cost of SkyHotel and no development margin, there is a target \$3 million 'value add' on completion. Finally, based on independent research, and escalating operating returns, along with strong capital growth, there is an attractive return profile.

**10** Additional security provided for bank facility and repayment of investor capital.

14.7% per annum compound return  
(IRR of cash paid + capital growth)  
based on a conservative 2% capital  
growth of the 'on completion valuation'.



**OPPORTUNITY**  
*to enjoy*  
**FREE nights**  
**every year\***

All hotels often have a level of vacancy – with eligibility to enjoy this as an investor

*take advantage of*

Bricks and mortar security

Proven track record of Stage 1 over the last 10 years at the already established Ramada Hervey Bay

Reduced cost due to existing infrastructure, thus optimising capital growth prospects

Benefit from the market access of the largest hotel group in the world

Hervey Bay is one of the fastest growth areas in Australia

Tourism boom on the Fraser Coast

Low interest rate environment to optimise cash returns

## Asset Security Analysis for Borrowing and Investor Capital

### **BROAD RESEARCH REPORT EXTRACT:**

The top floor conference centre, restaurant and bar and related facilities will be owned by Marina Land Pty Ltd and the 83 rooms and related facilities by the SkyHotel Investment Fund. The Investment Manager has negotiated that Marina Land agreed to allow the

conference centre, restaurant and bar to be utilised as security for the SkyHotel Investment Fund loan under agreed terms. This will substantially increase the borrowing capacity of the SkyHotel Investment Fund to the benefit of investors.

Further, the Investment Manager has negotiated that Marina Land will allow the top floor conference centre, restaurant and bar to be collateral for the ultimate repayment of investor capital if required.

\* Prospective free nights varies with investment level & availability



# Supported by Fraser Coast Tourism

## Location, location, location

Welcome to our backyard - Queensland's Fraser Coast. As the home of World Heritage-listed natural gems, unique diving experiences, safe and secluded beaches, the number one place to watch humpback whales play, an extensive military history, and the world's largest sand island, K'gari (Fraser Island), the Fraser Coast continues to be one of Australia's most popular holiday destinations.

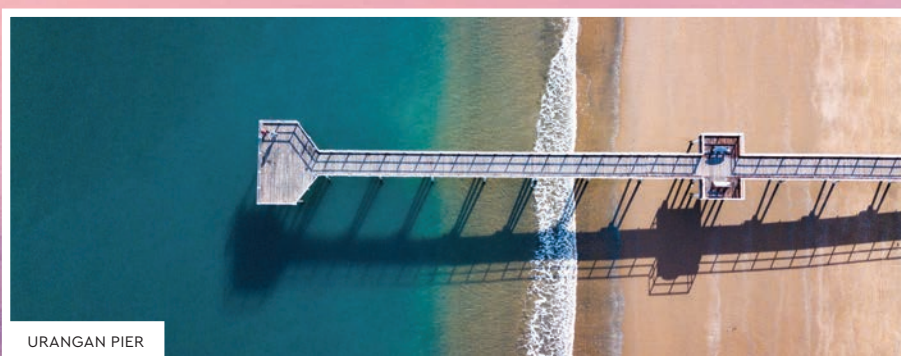
In 2019 the region welcomed 1.83 million visitors, who spent an estimated \$535m, staying a total 2,099,000 holiday visitor nights. On the domestic front, we saw growth in their length of stay and average spend compared to the three-year average for the region.

Demand is being driven by the Fraser Coast's growing popularity as a domestic overnight holiday destination for South-East Queenslanders. Approximately 70% of the State's 5 million population live within three to four hours' drive from the Fraser Coast.

Accommodation occupancy of 80 percent in the middle of a pandemic makes this a prime investment location.



FRASER COAST



URANGAN PIER

## Hervey Bay

*Australia's favourite  
lifestyle destination*

Only 3.5 hours' drive from Brisbane

Sydney, Melbourne & Brisbane direct flights

Ideal climate for year round outdoor living

World renowned Fraser Island

Humpback whales' playground

Strong population and employment growth

Over \$1 billion of infrastructure projects

Best property growth prospects in Queensland



FRASER ISLAND





## “Fraser Coast Tourism & Events

is strongly supportive of the building of Stage 2 of the Ramada complex in Hervey Bay to meet needed growth in quality accommodation in the Fraser Coast region.

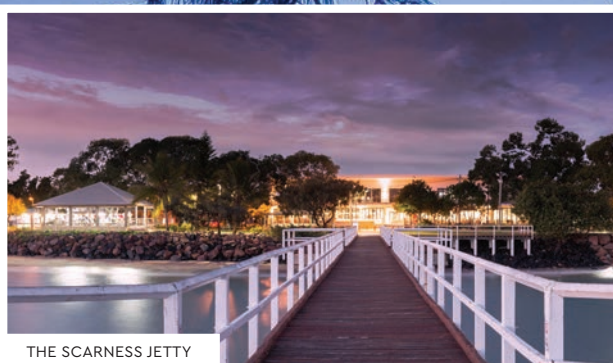
The Fraser Coast has what the South-East Queenslanders want in a holiday destination – pristine open spaces, low-rise, uncrowded accommodation, and world class natural attractions.

**We are extremely confident of our future tourism track**

The Fraser Coast is developing quickly as a tourism destination, proved by its sustained visitor growth since 2017. We are fortunate to be backed by an entrepreneurial council that understands the value of the tourism dollar. We also have the support of the State's peak tourism body in Tourism & Events Queensland. With the resources and the product, we are extremely confident of our future tourism track.

**Final word:** Accommodation occupancy of 80 percent in the middle of a pandemic makes us a prime investment target. Ramada Hervey Bay is ideally placed with plans already developed to put itself at the front of this growth curve.”

**Martin Simons**  
General Manager,  
Fraser Coast Tourism & Events



THE SCARNNESS JETTY



HUMPBACK WHALE



SKYHOTEL • HERVEY BAY

# The bigger picture...

## Building on 10 years of success

SkyHotel will form part of an already well-established and successful hotel complex – Ramada Hervey Bay.

Combining SkyHotel with Ramada Hervey Bay Stage 1 creates a very flexible property asset of apartments and hotel rooms with dining and function options (including the famous Smokey Joe's Restaurant and Bar), thus catering to a wide range of leisure, corporate, wedding and conference options ensuring high occupancy and rates throughout the year.



RAMADA ENTRANCE

# RAMADA®

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# take advantage

There are strategic investment cost advantages of building a stage 2 development:

Sharing many common facilities with Ramada Stage 1 such as pool, restaurant, reception and lobby

Many infrastructure services are already in place

Proven track record with Ramada Stage 1 already operating for over 10 years

Operational team are already in place

Strong relationships with travel companies and many repeat guests

Existing strategic relationship with Wyndham Hotel Group

## Current Ramada

91 rooms  
(suites and hotel rooms)

Smokey Joe's  
Restaurant and Bar

Elegant reception and  
conference facilities

Averaging over 80%  
occupancy over 12 months

A sensational pool and  
hot spa



## “Ramada Hervey Bay is renowned as a leading hotel in Hervey Bay

The decision for Ramada SkyHotel as the second stage to be solely hotel rooms is evidence based. From our research we believe that Ramada SkyHotel with its top floor restaurant and bar will not only be a real winner for Ramada Hervey Bay but also Hervey Bay and the Fraser Coast. The expansive hotel room design plus unique conference, wedding and event facilities will be a real catalyst for the property, the likes of which are not in Hervey Bay. ”

Tony Barradale  
Principal,  
H-One Hotel Consultants



RAMADA POOL

# Stronger together

SkyHotel will form part of an already well established, successful hotel, Ramada Hervey Bay. As a franchisee we look forward to the business and marketing strength of the world's largest hotel franchisor – Wyndham Hotels and Resorts, Inc.

Wyndham Hotels and Resorts based in the United States is the largest hotel franchisor in the world with over 9,000 locations worldwide and 20 hotel brands including deluxe hotels such as Wyndham Chancellor and Ramada.

As well as their own dedicated marketing as a franchisee member of the Wyndham family, the Ramada Hervey Bay SkyHotel will benefit from the strength of the Wyndham national and international marketing team. This includes the reach of their extensive online presence and direct access to the over 84 million participants in their rewards program, of which 4 million are in the Asia Pacific region.

## Wyndham fast facts

### 20 brands

Wyndham's 20 iconic brands bring a diverse perspective to the travel experience

### 80+ countries

From big cities and small towns to beachfront resorts and highway hotels

### 9000 hotels

Wyndham will be there to welcome you wherever you go.

# WYNDHAM

## HOTELS & RESORTS

**IMPORTANT NOTICE:** Wyndham Hotel Group are not the developer, owner or operator of Ramada Hervey Bay SkyHotel and offer no guarantees whatsoever as to the investment or the returns.

WYNDHAM GUAYAQUIL, ECUADOR





Timothy Wright  
Ramada Hervey Bay  
627 Charlton Esplanade  
Urangan 4655 Hervey Bay

**RAMADA HERVEY BAY – PROPOSED STAGE 2 DEVELOPMENT**

Dear Tim

We are very excited to learn of your intent to further develop the existing Ramada Hervey Bay through the addition of "Stage 2". The proposed 80+ rooms along with facilities such as Food & Beverage and Meeting Spaces, is an excellent show of confidence in both the Ramada brand and also in Hervey Bay as a popular domestic and international destination.

We have enjoyed a successful and strong partnership for more than 10 years now, and we greatly appreciate and value your ongoing loyalty and support as our partner. We certainly look forward to an extended relationship covering both the existing Ramada as well as the new proposed addition to this, and for many years ahead Tim. We remain committed to ensuring you and your team receive excellent support in the form of training, guidance and systems access to ensure you maximise what Wyndham offers in an effort to drive optimal commercial performance of your hotel, and to assist you in delivering exceptional experiences to our loyal guests, both current and future.

Whilst the COVID-19 pandemic has impacted our industry more than perhaps any other global event, we remain laser focussed on key strategic actions and activities which will support you and other partners with their ongoing recovery. Leveraging our award-winning Loyalty Program; Wyndham Rewards, will continue to be a key priority as we welcome guests back. Further developing and enhancing partnerships with our extensive Global Sales accounts will also remain. We are also constantly looking at technological advancements which will improve the guest experience, driving high levels of customer satisfaction and engagement. Whether it be our extensive sales networks, or our comprehensive suite of marketing including digital and social, we are committed to doing all we can to assist in the support and recovery of all hotels.

Whilst a level of uncertainty remains as to what lies ahead in the tourism industry, pleasingly we are seeing positive market recovery signs across a number of destinations, including Hervey Bay. Its strong leisure offerings and drive to access from key hubs such as the Sunshine Coast, Brisbane and the Gold Coast, make it a very appealing destination for both intrastate Queensland visitors and interstate customers from major markets such as Victoria and New South Wales. We know that when international borders open and tourism continues in the way it once did, we will be ideally positioned to further leverage demand from inbound markets that have held Australia in high regard.

We wish you the very best with the development of Stage 2 Tim. The team and I remain available to assist as needed with this and the existing open and operating Ramada by Wyndham Hervey Bay.

Regards

Ben Schumacher  
Vice President Operations  
South East Asia Pacific Rim



**“From our research, global branding can add substantial value to a hotel.**

The fundamentals of Hervey Bay for real estate investment are strong and with global branding the Ramada SkyHotel can be optimistic about the future ”

Paul Broad, Broad Property Research





# Founder letter

Welcome to Ramada Hervey Bay and the new Ramada SkyHotel. This SkyHotel Information Outline will provide an overview of the Ramada SkyHotel development and details regarding the Product Disclosure Statement (PDS) released in December 2021, to raise an estimated \$10 million from investors, which along with bank funding, will allow the development of Ramada SkyHotel.

As the founder and developer of Ramada Hervey Bay (construction of Stage 1 was completed and operational in 2009), it is with great excitement to announce that all is progressing well to commence construction in early 2022 of Ramada Hervey Bay Stage 2, Ramada SkyHotel. Seven stories comprising 83 luxury rooms and a top floor bar, restaurant, and conference multi-purpose centre, with sensational views over the marina out to the iconic Fraser Island.

The comprehensive independent reports of THSA and Novak, and our own investigations and justification analyses, clearly confirms the demand factors and opportunity for SkyHotel in Hervey Bay.

Particularly with the Fraser Coast noted as one of the fastest growing areas in Australia being right next to the ever-growing population of South East Queensland. It also helps greatly to be touted as the best climate in the world and the whale watching capital of the planet.

As advised, our intention to capitalise the SkyHotel project is a Product Disclosure Statement (PDS) released in December 2021 and for such to be marketed as part of our Property Collect syndication model we are undertaking Australia wide.

## So, what can my team and our assets bring to a prospective investor(s) in SkyHotel?

An opportunity to acquire a high yielding asset 'at cost' creating immediate value uplift.

Land and assets exchanged for top floor bar, restaurant, and conference. Not a direct cost.

Global Wyndham Hotel branding – largest hotel group on the planet.

Proven 10 year operator performance of Ramada Stage 1 (91 rooms).

Clear and proven development expertise for SkyHotel construction.

Distinct benefits from existing infrastructure.

Development Approval and other approvals in place – shovel ready.

Common sense flexibility in financial structure to 'get the job done'.

Common sense in thinking which 'works for all parties' benefit'.

We look forward to discussing all aspects with prospective interested parties. Importantly, please visit us, inspect the site and all that we have to offer. We are confident you will be impressed and recognise the opportunity.

With respect to 'outcomes' as to the return on investment, we have presented the 'big picture' analyses as each individual investor's circumstance will be different. With a prospective 8% plus cash return and increasing with time, an 'on completion' value uplift, and depreciation benefits, I commend the SkyHotel investment to you.

All the very best



Timothy Wright  
Founder and Development Director



# Location and models



## Hervey Bay

Right next to the growing South East Queensland population



## Model

Ramada Stage 1 at front with SkyHotel at the rear





SOUTH EAST 3D VIEW



NORTH 3D VIEW



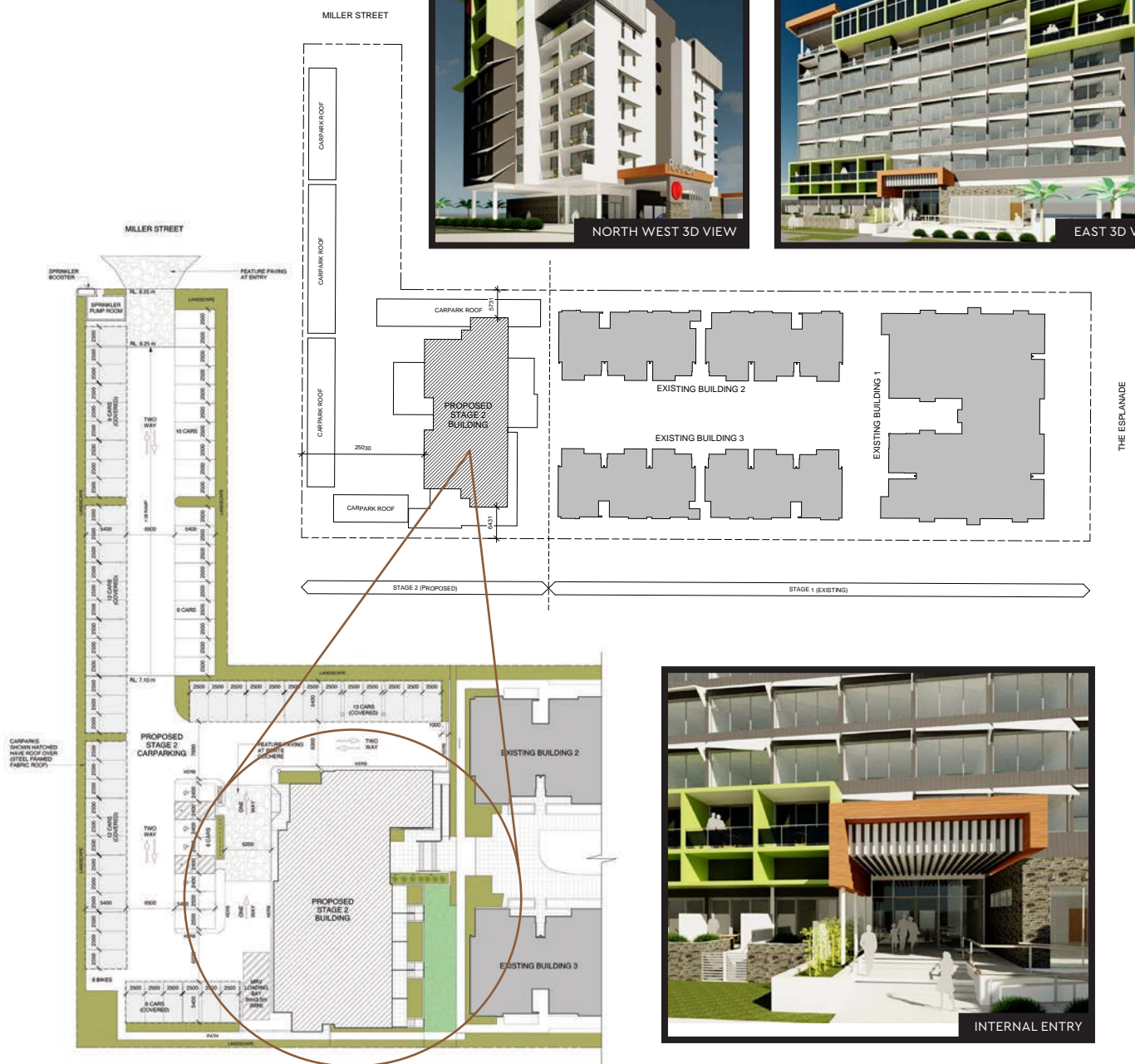
SOUTH WEST 3D VIEW



NORTH WEST 3D VIEW



EAST 3D VIEW





# Investment roles and responsibilities glossary

The following table is intended to provide prospective investors with an overview of the key roles and responsibilities of the key parties involved in the Product Disclosure Statement (PDS) and the investment generally.

Role	Responsibility
Responsible Entity (RE)	Under the Managed Investments Act (MIA) a Product Disclosure Statement (PDS) raising capital for investment purposes is issued by a Responsible Entity (RE). The RE role includes the following: <ul style="list-style-type: none"> <li>• Issue the PDS</li> <li>• Complying with annual financial reporting and auditing obligations</li> <li>• Dealing with investors enquiries</li> <li>• Appointing the scheme operational manager</li> <li>• Enter into an agreement with the Investment Manager who governs reporting, funding and budgetary arrangements, insurances, audits, additional funding and other relevant matters</li> </ul>
Trustee and Custodian	The SkyHotel development will be owned by the SkyHotel Investment Fund which will issue trust units that investors can subscribe to. The trust will have an approved Trustee (Custodian) of the Trust. The Custodian is an independent ASIC compliant trustee who is appointed to hold the properties on behalf of the Trust and hence the investors.
Investment Manager  Collective Wealth Pty Ltd	Collective Wealth Pty Ltd is issuing this SkyHotel Information Outline and takes sole responsibility for its issue. Collective Wealth has been appointed as the investment manager by the RE for Ramada SkyHotel. The Investment Manager will identify, undertake and co-ordinate extensive research and due diligence on SkyHotel; commission independent reports and ensure independent valuations are conducted; co-ordinate and negotiate the purchase of all property; and monitor and report all progress to the RE and the collective investors. The Investment Manager will strategically manage the sale of property over time to optimise the return to the investors.
Operator	The RE and Investment Manager will appoint the operator, currently proposed to be SkyHotel Resort Management Pty Ltd to manage and operate Ramada SkyHotel. AHM has successfully been managing the current Ramada Hervey Bay since 2009.
Solicitors	There are independent solicitors acting for each of the parties.
IAR	The PDS will contain an Independent Accountant's Report.
Hotel Experts Report	A summary letter of the independent hotel expert's report from THSA and Novak is in this SkyHotel Information Outline.
BPR&A	A summary letter of the Broad Property Research and Advisory Report is included in this SkyHotel Information Outline.
Janivco	A summary letter of the Janivco Quantity Surveyor report is included in this SkyHotel Information Outline.

# Investment snapshot

## Ramada Hervey Bay

Ramada Hervey Bay was developed by entities associated with property developer Timothy Wright. The hotel and facilities was completed in 2009 and is operated under a Ramada by Wyndham franchise by franchisee SkyHotel Resort Management Pty Ltd.

### Current hotel

Ramada Hervey Bay comprises 44 dual key apartments, one triple key apartment (91 rooms in total) and a manager's apartment as well as a restaurant and small conference room. The dual key apartments and triple key apartment are externally owned by individuals and under management by the management rights owner and operator Angel Hotel Management. The restaurant, manager's apartment, office facilities and conference room are owned by entities associated with Angel Hotel Management. The hotel has a strong corporate following as well as leisure.

The current Ramada Hervey Bay does not form part of the Ramada SkyHotel investment.

## SkyHotel

### Overview and structure

The 3,000 sqm site on which SkyHotel is to be located on land owned by Marina Land Pty Ltd (Marina Land). The Development Approval for Ramada SkyHotel was issued in August 2021.

Marina Land has agreed to exchange the top floor bar, restaurant and multi-purpose conference centre, and the management and letting rights, for the land and other benefits Marina Land bring to the project.

Ramada SkyHotel and the current Ramada will be under a common body corporate agreement (already in place) and managed by body corporate managers SSKB.

### Justification and Documents

A detailed analysis of the investment, operational and justification of SkyHotel is contained in documents which will be available to prospective investors who have registered for a PDS. These documents currently include:

THSA Independent Hotel Expert Report	.....
Novak Independent Hotel Expert Report	.....
SkyHotel Justification Report	.....
Broad Property Research and Advisory Report (letter in this Investment Memorandum)	.....
Architectural Plans	.....
Operational and Marketing Analysis for SkyHotel	.....
Quantity Surveyor Report and Analysis (letter in this Investment Memorandum)	.....

## Expected Total Development Cost (TDC) is \$22.5 million

The estimated TDC (direct cash costs) for SkyHotel, still in the process of refinement. The construction cost estimate is detailed in the QS Letter in this document.





## On completion value

PHV Valuation based on review of capitalised, comparable and DCF methods:

**\$25.5 million**

## Lease security

SkyHotel Resort Management (lessee) will Lease Ramada SkyHotel from the SkyHotel Investment Fund (Lessor) and pay a Fixed Rent plus Additional Rent.

This Fixed Rent provides investors security and guarantee of a rental return plus the opportunity of 'upside rent' (turnover rent) based on the gross rooms revenue of Ramada SkyHotel

## SkyHotel manager

The PDS will offer investors an opportunity to own and receive income from the 83 rooms in SkyHotel. SkyHotel will be operated by SkyHotel Resort Management with Angel Hotel Management (AHM - current operator of Ramada Hervey Bay) as performance guarantor and shareholder.

## Lending security

Marina Land will enter into an agreement with the Responsible Entity and Trustee whereby all the SkyHotel assets (the rooms and the top floor facility) are used as bank security for a loan facility. This will facilitate the opportunity for the SkyHotel Investment Fund investor to maximise any required loan facility and to optimise return on investment.

## Capital repayment guarantee

The Investment Manager has negotiated agreed terms that the top floor will act as collateral for the repayment of investor capital upon the sale of Ramada SkyHotel which adds considerably to investor security.

## Initial loan calculations

Based on an initial analysis of the 83 rooms and the top floor facility as security as advised previous, and a conservative 'bank mortgagee valuation', along with adopting a conservative Loan to Value Ratio (LVR) of 55%, the SkyHotel Investment Trust could prospectively own the 83 rooms with a \$10 million capital investment.

## Construction Contractor

It is proposed that a reputable and experienced construction contractor will be engaged to build Ramada SkyHotel. The Investment Manager is negotiating arrangements with various contractors.

## Timeframes

The objective is to commence construction in the beginning of Q2 2022 and with a tight program, Ramada SkyHotel will be completed and commence operations by mid 2023.

## Strategic Advantages to Ramada SkyHotel Development

- 1** Land owned and the SkyHotel Investment Trust will be owned 'at cost'
- 2** All services are to the boundary
- 3** Headworks dispensation to add value to investors
- 4** Proven operating track record of Angel Hotel Management as an operator
- 5** Part of Wyndham worldwide global hotel chain to drive occupancy
- 6** Extensive development experience by the Ramada SkyHotel development team
- 7** Detailed justification reports for Ramada SkyHotel have been undertaken
- 8** The clear need for a new hotel such as Ramada SkyHotel in Hervey Bay
- 9** Ramada SkyHotel will allow excellent operational efficiencies (manpower and other assets)
- 10** Cost savings due to shared amenities already constructed such as the pool

Forecast average 8%+ p.a. cash return paid quarterly. Forecast 14.7% p.a. compound return (IRR) adding in capital growth at 2% p.a. escalation of the valuation (BPRA Research)

## Ramada SkyHotel Summary Forecasts and Return on Investment

### Depreciation and capital value

Collective Wealth Pty Ltd have undertaken extensive occupancy, gross revenue and EBITDA analysis on Ramada SkyHotel and these forecasts are summarised as follows:

- 1** Room nights sold progresses from 24,000 in Year 1 (2023) to 26,000 in Year 5
- 2** Occupancy at 80%+ in line with current hotel occupancy
- 3** Gross Room Revenue to escalate from \$4 million to \$5 million over 5 years
- 4** Management operating cost to escalate from \$2 million to \$2.5 million over 5 years
- 5** Distributable surplus to Ramada SkyHotel Investment Fund before interest payment to escalate from \$1.2 million to \$1.6 million over 5 years
- 6** After deducting bank interest, the forecast cash return to the SkyHotel Investment Fund (and hence the investors) on the \$10 million investment capital is estimated at 8% per annum in the first year escalating to over 10% per annum in future years
- 7** Further, the SkyHotel Investment Fund (and hence the investors) will be eligible for taxation benefits as well as any future capital growth
- 8** It should be noted that as the SkyHotel Investment Fund will own Ramada SkyHotel at the cost of development, an immediate value 'uplift' is expected and this will be qualified by the valuation in the PDS of \$25.5 million.





# The SkyHotel team

The development, operational and coordination team for Ramada SkyHotel brings together a wealth of experience in property development, marketing and operations. Key people involved in the development, operations and coordination of SkyHotel include the following:



## Tim Wright

Founder of Ramada Hervey Bay,  
SkyHotel and Property Collect

Tim Wright is a specialist in financial strategy, financial analysis and packaging of debt and equity transactions as well as an experienced property developer. He has acted on behalf of individuals, corporations and governments both nationally and internationally. Tim Wright's experience in property and financial affairs is international and diverse. This includes substantial experience in management rights and MLR operations which includes Ramada Hervey Bay (which he developed) for 10 years operation as well as BayLife more recently.

Tim Wright is a Queenslander by origin, educated in Brisbane and the University of New England, and has travelled the world extensively on real estate and business affairs. His current passion in business is the Property Collect residential syndication program - the direct alternative to outright ownership of residential investment property which will revolutionise residential property investment. With Property Collect he can optimise his skills in property acquisition (BuyPower), property development (BuildPower) and rental and management rights.

### Property Developments involvement comprises over 15 and includes:

Dockside Venture Limited developing  
Dockside Mildura

Skygardens – 112 apartments and commercial  
– North Brisbane 74 apartments

Sanctuary Vista Limited completing a 190 lot  
subdivision at Ipswich – 150 lots in 3 estates  
in Toowoomba

Pinnacles Vista Limited completing 27  
apartments at Caloundra, Qld

### Consultancy Roles include:

Consultant to Boeing Australia on the  
acquisition of British Aero space

Economic consultant for 2 years to the United  
States government

Australian economic consultant to the Israeli  
Company Netafim for 2 years

Property consultant for 4 years to a  
Consolidated Press Holdings Limited company



## Bryce Wedemeyer

LLB, BBus (Acc), CA, G Dip Fin, Dip PM, JP (Qual)

Chief Executive – Property Collect CEO and Development Director

Bryce is the CEO of Property Collect and with Tim Wright is responsible for bringing to market the SkyHotel project. Bryce is an admitted legal practitioner in Queensland and is a Chartered Accountant. Bryce also holds a Graduate Diploma in Applied Finance and Investment and has qualifications in Project Management. Bryce has previously been an ASX public company Director; one of these companies he led a turnaround team before successfully dealing with an on-market takeover. Bryce has 20+ years' finance and business operations experience. Bryce is an entrepreneur at heart having started businesses in industries he identifies with potential. Bryce has experience in health, property, construction, automotive/transport, and services industries. Bryce believes in partnering with the right people and projects to achieve successful outcomes.

### As CEO of Property Collect, he is responsible for:

Investor and Public Relations – Research and Development Strategy  
 Site Acquisition – Capital raising  
 Development Management – Project Management  
 Legal and compliance

## Dennis Mackenzie

JP, REA, ACIA

Operations and Compliance



Dennis Mackenzie is regarded as an Industry expert in Queensland Management Rights Business. He has been involved with Australian and Overseas Developers for over 20 years with Planning and Development of Resort complexes. Dennis is the CEO and Owner of Property Training Australia and Resort Management and Licensing Training Pty Ltd – Registered Training Organisation and Resort Consultancy Services – based on the Gold Coast with locations on the Sunshine Coast, Brisbane and North Queensland. This Business has been established since 2003.

With this extensive knowledge and experience, Dennis has established Professional Management Teams to manage and operate these businesses to be successful with excellent rental returns for owners and investors ensuring long term capital growth.

### Resort and Complex Developments that Dennis and his Company has been involved with from inception to Opening the Doors and Welcoming Guests, Tenants and Owners:

The French Quarter Resort Hastings Street Noosa Heads – Mooloolaba International Hotel Mooloolaba

Ramada Resort Hervey Bay – Golden Beach Resort Caloundra – Rise Apartments Noosa Heads

Beach House Resort Coolangatta – The Resort Surfers Paradise – Saks Apartments Noosa Heads

Ivory Palms Noosaville – Riviera Resort Hervey Bay – Freshwater Point Resort Broadbeach

Swell Apartments Burleigh Heads – BayLife Apartments Deception Bay – Oaks Resorts Sydney

Desert Ash Grove Bribie Island – Evian Apartments Coorparoo





## Rebecca Dennis

Client Manager

Rebecca is client manager for Collective Wealth Pty Ltd, the investment manager of the SkyHotel Investment Fund. She holds an open real estate license and is the real estate principal and director of Future in Property, a Property Research and Marketing Company. In the last 5 years Rebecca and her team have specialised in bringing large projects to market through a combination of thorough Property Research for potential investors and the adherence to solid fundamental development principles.

Rebecca worked with major developers in South East Queensland in the lead up to the boom with past clients subdivisions either completely sold out or extensive wait lists for further stages awaiting Council Approval.

Rebecca has worked with the Ramada Hervey Bay founder and developer, Timothy Wright on various

projects for over 5 years. In 2016, Rebecca began marketing the Baylife development for Tim and the prospective use of a Responsible Entity and Unit Trust structure to exit Stage Two of this project.

Rebecca has assisted in the design of the marketing and communication package for the SkyHotel fund raise and manages the team of staff that you will speak to throughout your journey learning about this investment. She takes pride in a warm and friendly personality to help you feel comfortable to ask questions, discuss any area where you may feel confused or unsure and her approachable style reassures investors that they have someone to speak to directly that can get them the information they need to feel confident in making an informed decision. This is an invaluable part of the process for many people.

## David Hutcheon

General Manager, Ramada Hervey Bay



David Hutcheon is an experienced hotelier who has held General Manager roles with Ramada, Mantra Group and Accor. David is a graduate of the Blue Mountains International Hotel Management School where he attained his Swiss Advance Diploma in Hotel and Tourism Management and Bachelor of Commerce from the University of New England.

David has held management positions in both busy CBD corporate hotels and luxury resorts giving him a strong understanding of both the corporate and leisure markets. David's General Management

experience has been in strata titled resorts in which he has an excellent understanding of owner relations, body corporate and trust accounting compliance and maximizing the returns for both the owners and management company.

David also has strong yield management skills, operational management and builds teams that offer exceptional customer service ensure a high level of return guests and overall guest satisfaction.



## Simon Wright

Investor Relations

Simon has extensive experience in property through working for developers, as a real estate agent, and also as a property lawyer. This experience provides Simon with a holistic understanding of the property industry and the importance of the various aspects required to develop a property, make a deal, and take it through to settlement.

Simon began working in-house for developers and actively assisted in all aspects of the project. This included capital raising, the construction of the property, extensive marketing campaigns and the final sale of the properties. Simon then began his own project marketing division in REMAX and worked closely with developers as a project marketer to direct the sales and marketing of their

project. This included PR activities, design, content writing, managing investment sellers, and general marketing and sales activities to ensure the project was successful. These projects include Flourish, a 33 apartment development, and Cielo Centro, a 50 apartment development.

Simon is a qualified lawyer who was admitted in Queensland and worked in a property firm to gain more experience with the legal aspects of property. He has provided legal advice for property sales and purchases, lease agreements, options contracts, off-the-plan contracts, and numerous other legal documents required in property transactions.

Simon now consults for companies in Australia and Japan and is currently involved in deals in Australia, England, Thailand, Hong Kong, Malaysia, and Japan.





# Key justification parameters for Ramada SkyHotel

The following is a bullet point summary of key points justifying the development of Ramada SkyHotel extracted from the various independent expert reports as well as the Ramada Justification Report.

- 1 The Fraser Coast has nearly 2 million visitors a year with the 3 to 4 hour 'drive market' being the biggest market due to proximity to the South East Queensland population base of which between 40% and 50% are domestic overnight visitors generating 3.7 million visitor nights with an average stay of 4 nights.
- 2 The leisure market has increased by 16% per annum from 2017 to 2019. Important to the Ramada Hervey Bay equation is the hotels strong corporate guest following and this is increasing as the corporate guests have increased 50% from 164,000 in 2018 to 256,000 in 2019.
- 3 There are 1,150 visitor accommodation rooms across hotels, motels, serviced apartments, hostels and B&B's, however Mantra and Ramada Hervey Bay are the only hotels that provide hotel type rooms. Further, Ramada Hervey Bay is the only hotel that is a 'full service hotel' with facilities such as managed restaurant and room service. This is reflected in the strong corporate following.
- 4 Ramada Hervey Bay has consistently had higher occupancies than other Hervey Bay accommodation with REVPAR averaging 15% above the market.
- 5 The top floor multi-purpose facility of bar, restaurant and conference will be unique to Hervey Bay and create 'the whole reason' to stay at Ramada SkyHotel for national and international guests, as well as weddings and conferences. The SkyHotel top floor facility will be a catalyst to obtain high and consistent occupancy at premium rates.
- 6 It is foreseen that the challenge for Ramada Hervey Bay management will be to maintain high occupancy in the existing Ramada Hervey Bay as guests will likely preference the new Ramada SkyHotel.
- 7 Through the introduction of a new internationally branded hotel to Hervey Bay after a period of 10 years with no new hotels developed in Hervey Bay, SkyHotel is envisaged to create great interest and sound demand.
- 8 The economic, infrastructure and general development of the Fraser Coast and particularly Hervey Bay is setting a strong platform for growth and accommodation needs.
- 9 Fraser Island continues to expand facilities and acts as a world class draw card for national and international tourists with its pristine natural beauty.
- 10 The upgraded airport and recently upgraded runway that can accommodate large jets, sets the scene for increasing jet traffic once COVID is under control.

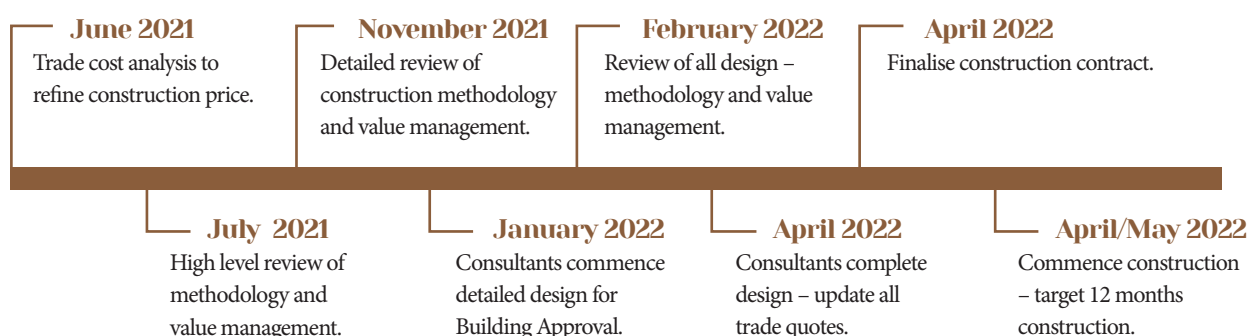
# SkyHotel development cost analysis

Over the last several months during the design development and the Development Approval process the SkyHotel team have worked closely with contract constructions companies and independent QS James Niven (Janivco Pty Ltd) on development costs. James Niven's QS letter follows.

A summary of the costings and status to date is as follows:

Item	Cash Cost	Explanatory Notes
Expected Construction (QS Report)	<b>\$17,600,000</b>	Janivco has undertaken detailed analysis and trade quotes. The next stage being undertaken is extensive value management and methodology to optimise the final result in cost, quality and finish. Janivco is currently in the process of further trade quotes.
Finance and settlement costs	<b>\$372,000</b>	Estimate as provided by finance broker, Queensland Finance Group, plus discussions with various bank construction financiers including Commonwealth Bank who finance Angel Hotel Management.
Marketing	<b>\$100,000</b>	An allocation for the marketing of capital raising documents.
Consultants	<b>\$450,000</b>	Fee proposals for all development consultants for detailed design (architecture, engineers, fire, certifier, interior design and many more have been obtained).
Council Costs	<b>\$100,000</b>	An estimate for plumbing certificate and other council certificates required for construction.
Project Management	<b>\$150,000</b>	An estimate for the SkyHotel team to project manage the development of SkyHotel.
Company costs	<b>\$50,000</b>	Cost allocation for administration of the development company during construction.
Development Contingency	<b>\$750,000</b>	A development contingency on top of the construction contingency for rise and fall of costs and unforeseen costs.
FFE (Furniture, Fixtures and Equipment)	<b>\$850,000</b>	Two detailed quotes have been obtained for FFE and this is being refined.
Total Costs Excl GST	<b>\$20,422,000</b>	Estimated TDC as cash costs expended to develop SkyHotel.
Exclusions include	To be advised	Interest, allocation for capital raising intermediaries, set aside interest for SkyHotel Investment Trust, set aside interest for bank.

The proposed timetable for the construction cost commencement program is as follows:





The Project Directors  
Ramada SkyHotel  
627 Charlton Esplanade  
Urangan 4655  
Hervey Bay



Attention: Timothy Wright and Bryce Wedemeyer

Dear Tim and Bryce

### **QS ANALYSIS OF CONSTRUCTION COSTS SKYHOTEL RAMADA STAGE 2 – HERVEY BAY**

With reference to your engagement of our services to undertake a detailed analysis of the construction cost of SkyHotel we provide this Summary Report as part of our detailed report titled Construction Cost Analysis and Report Ramada SkyHotel dated August 2021. We confirm that we have inspected the site and have been provided various material and cost estimates undertaken to date. We confirm that this letter must be read in conjunction of our full report dated August 21 and that this letter forms part of such full report.

We confirm our agreement for the use of this letter in the Product Disclosure Statement (PDS) to be issued by Huntley Management Limited to raise capital for the development and construction of the Ramada SkyHotel located at the rear (west) of the current Ramada Hervey Bay with access off Miller Street. We consent to this letter being included in the PDS to be issued by the Responsible Entity, Huntley Management Limited.

### **Chronology**

We outline the following summary chronology of progress as provided by you with respect to the Development Approval, consultants and construction cost estimates which have largely been undertaken by RCQ Constructions located on the Sunshine Coast.

1. The subject site already has a Development Approval dated 26 August 2021. The development approval was lodged and advanced by Ward Veitch of Urban Planet Town Planning with the architectural drawings undertaken by Mullarch Architects.
2. RCQ undertook preliminary construction estimates in late 2020 which were provided as a cost plan in December 2020. This cost plan was based on preliminary consultants' drawings and advice.
3. In 2021 RCQ were instructed to undertake a more comprehensive Cost Plan and to test the market and provide Scopes of Work to various trades and suppliers. This has now occurred and consequently we have analysed and continue in the process of analysis of such and accordingly we have derived an Expected, Optimistic and Pessimistic construction price estimate.
4. With respect to the ongoing refinement of the construction price for SkyHotel the following program has been devised taking into account that civil construction commencement will occur in early 2022 with a physical construction period estimated at 52 weeks (1 year) adopting time saving methodology.
  - September to early 2022 – the commencement and completion of detailed design by the consultants including – architecture – structural engineering – hydraulic engineering – electrical engineering – fire engineering – building certification – geotech – landscape – interior design – external finishes – civil works.
  - During this process of detailed design, we will be critically analysing from a time and cost perspective methodology and value management to ensure the most competitive construction price is obtained in line with the quality of the building which is essential.

5. With respect to the construction estimates of Expected – Pessimistic – Optimistic - which excludes all other development costs such as consultants, council charges, project management and administration, interest and external works costs, we have derived the following:

Cost Item	Expected	Optimistic	Pessimistic
Site Works & External Drainage	\$558,290	\$528,290	\$567,110
Concrete, Formwork, Reinforcement	\$2,365,845	\$2,270,845	\$2,366,742
External & Internal Walls	\$1,752,937	\$1,752,937	\$1,752,936
Structural Steel & Roofing	\$298,799	\$298,799	\$318,799
External Screens & Handrails	\$489,495	\$397,428	\$503,611
Windows	\$574,000	\$574,000	\$577,267
Carpentry, Joinery & Doors	\$1,372,976	\$1,080,637	\$1,477,976
Carpet, Vinyl & Tiles	\$838,651	\$824,055	\$913,651
Painting	\$435,000	\$435,000	\$464,624
Hydraulic Services	\$800,734	\$800,734	\$800,734
Electrical Services	\$1,315,000	\$1,282,700	\$1,644,464
Mechanical Services	\$753,145	\$613,145	\$753,145
Fire Services	\$421,490	\$421,490	\$421,490
Lifts	\$469,750	\$469,750	\$499,750
Kitchen Equipment	\$341,000	\$341,000	\$341,000
External Works	\$485,324	\$485,324	\$505,324
Craneage, Hoists	\$694,178	\$694,178	\$705,818
Scaffolding	\$538,200	\$508,200	\$538,200
<b>Sub-Total</b>	<b>\$14,504,814</b>	<b>\$13,778,512</b>	<b>\$15,152,641</b>
Preliminaries & Margin	\$2,703,258	\$2,344,498	\$2,785,803
Contingencies & BWIC to Services	\$404,000	\$385,000	\$404,000
Price Rise Contingency			\$500,000
<b>Total Estimated Construction Costs</b>	<b>\$17,612,072</b>	<b>\$16,508,010</b>	<b>\$18,842,444</b>
<b>Rounding estimate of construction cost</b>	<b>\$17,600,000</b>	<b>\$16,500,000</b>	<b>\$19,000,000</b>

With respect to our experience the writer has had over 40 years' experience in cost planning, construction and quantity surveying.

Yours Faithfully

*James Niven*

James Niven  
Director



SKYHOTEL • HERVEY BAY

# SkyHotel Independent Research

Broad Property Research & Advisory was engaged to undertake a 'big picture' value analysis on SkyHotel (excluding the top floor facility). The following two pages is the independent summary report and the full report is available upon request.







### IMPORTANT NOTICE:

Broad Property Research & Advisory Pty Ltd (BPRA) has prepared this report for the purpose of providing an overview to Collective Wealth Pty Ltd of various parameters concerning the Ramada SkyHotel development. This report is not to be construed or used as financial or investment advice by any party. BPRA is an independent property research firm that offers a wide range of research services for the residential, commercial, and industrial property sectors. This summary should be read in conjunction with the full report. **BPRA Rating Observations are in Red.**

## Key Research, Location, Economy, Security, Tax, Branding and Exit Structure

### Ramada SkyHotel



SkyHotel Investment Fund will own the 83 rooms. Marina Land Pty will own the top floor conference centre, restaurant and bar.

#### Targets

**BPRA: Opportunity**

1. Commence construction April/May 2022
2. Open mid 2023
3. Operate for 5 years
4. Sell in Year 6 after construction commences

### Research: Needs Analysis & Revenue



Extensive research has been undertaken to validate the need, value and financial viability of Ramada SkyHotel Hervey Bay.

#### Reports Include

**BPRA: Comprehensive**

1. Nexia Australia: Independent Accountants Report
2. THSA: needs analysis, revenue analysis
3. Novak: needs analysis, revenue analysis
4. PHV: 'on completion' valuation
5. Niven: comprehensive QS analysis

### Fraser Coast Economy and Growth



3.7 million visitor nights per year from nearly 2 million visitors to the Fraser Coast showing clear demand factors – Ramada SkyHotel Gross Rooms Revenue growing to \$4.7 million.

#### Reports Include

**BPRA: Strong**

1. Fraser Coast Region (which includes Hervey Bay) has a Gross Regional Product of \$4.4 billion.
2. Gateway to resource-rich Central Queensland and the southern tip of the Great Barrier Reef including heritage-listed Fraser Island.
3. Visitors come from all over the world for the extensive whale-watching season which is enhanced by food, wine and boat festivals.

### Hotel Market Depth



The hotel market is extensive globally approaching \$2 billion in sales in 2021 in Australia alone.

#### Opportunity

**BPRA: Extensive**

Optimises Ramada SkyHotel sale and price opportunity in 6 years.

### Global Branding and Proven Track Record



Ramada SkyHotel will operate with a global Wyndham Hotel Group franchise, optimising national and international booking opportunity.

#### History of Success

**BPRA: Proven**

1. Proven 10 year operational track record
2. All systems in place to operate Ramada SkyHotel
3. Franchisee of a global hotel group

### Security Factors



Top level conference centre, restaurant and bar will act as loan security for bank to optimise loan as well as for capital repayment as per terms and conditions.

#### Benefits

**BPRA: Favourable**

1. Continued security benefit to optimise the loan facility
2. Security for capital repayment under specified terms and conditions

### Taxation Deferral

**BPRA: Benefit**



The PDS describes substantial taxation deferral prospects which adds to the features and benefits of Ramada SkyHotel.

Forecast 100% tax deferral in the **first 3 years**

### Clear Exit Structure

**BPRA: Workable**



Investment period schedule is 6 years however trust units are transferrable and mechanisms in place for exit.

1. Collective Wealth will offer to existing investors first
2. And then to full database plus associates database
3. Plus propose to list on primarymarkets.com







### IMPORTANT NOTICE:

Broad Property Research & Advisory Pty Ltd (BPRA) has prepared this report for the purpose of providing an overview to Collective Wealth Pty Ltd of various parameters concerning the Ramada SkyHotel development. This report is not to be construed or used as financial or investment advice by any party. BPRA is an independent property research firm that offers a wide range of research services for the residential, commercial, and industrial property sectors. This summary should be read in conjunction with the full report. **BPRA Rating Observations are in Red.**

## Key Financial Findings and Observations

### Distributions (Returns) – Cash: Cash + Capital Growth



IRR (Internal Rate of Return) can be described as the compound rate of return per annum on an investment.

#### BPRA: Attractive

Forecast cash return detailed in PDS at Median Subscription and Expected Total Development Cost over 6 years:

**IRR = 9.8% per annum**

Forecast cash return paid quarterly, added to capital growth distribution at sale, based on a conservative 2% per annum escalation over 5 years of the 'on completion' PHV Valuation:

**IRR = 14.7% per annum**

Note: No tax deferrals or tax paid taken into account

### Forecast 'on completion' valuation and TDC in PDS



Total Development Cost (TDC) is the total funds required to develop and construct Ramada SkyHotel.

#### BPRA: Value

The forecast 'on completion' valuation of the 83 rooms of Ramada SkyHotel as detailed in the PDS:

**\$25.5 million**

The Expected Total Development Cost (TDC) is:

**\$22.5 million**

Forecast value start margin: **\$3 million**

Note: The margin is more on the Optimistic TDC and less on the Pessimistic TDC as detailed in the PDS

### Valuation Substantiation



PHV 'on completion' valuation substantiation based on TDC, room value, capitalisation and DCF.

#### BPRA: Substantiated

TDC Substantiation: **\$25.5 million**

Capitalisation Substantiation: **\$25 to \$26 million**

Discounted Cash Flow (DCF) Substantiation:

**\$24.7 to \$28.3 million**

### Capital Value \$ Per Room



Room \$ analysis relates to the \$ capital value per room for national sales and for Ramada SkyHotel per room for the 83 rooms and then calculated for TDC for Ramada SkyHotel.

#### BPRA: Value

Hotel Report National Calculated Average: **\$312,000**

PHV 'on completion' Valuation 83 rooms: **\$307,000**

Cost per room at Expected TDC: **\$250,000**

Cost per room Expected TDC below national average: **20%**

### Comparative RevPAR Analysis and GRR Forecasts



RevPar refers to the Gross Rooms Revenue per total available rooms in the hotel.

#### BPRA: Conservative

Current Ramada Hervey Bay: **\$128 per room 2021**

Forecast Ramada SkyHotel: **\$133 per room 2023**

Cost per room at Expected TDC: **\$250,000**

Ramada Hervey Bay GRR Growth last 5 years: **44%**

Forecast Ramada SkyHotel GRR Growth 5 years: **29%**

### Comparative Revenue Per Sqm Analysis



Ramada Hervey Bay historical Gross Room Revenue (GRR) return per Sqm compared to future GRR per Sqm in SkyHotel.

#### BPRA: Robust Decision

2021 Ramada Hervey Bay suites \$ return/sqm: **\$2.46**

2021 Ramada Hervey Bay rooms return \$/sqm: **\$4.20**

2023 Forecast Ramada SkyHotel hotels rooms: **\$4.44**

### Forecast Fixed Rent and Additional Rent



SkyHotel Resort Management will lease SkyHotel and pay Fixed Rent (based on TDC) and Additional Rent (based on GRR).

#### BPRA: Favourable

Year 1 Fixed Rent as a % of Total Rent: **> 80%**

# SkyHotel forecast revenue summary

Two comprehensive independent expert reports have been undertaken by THSA and Novak and are available upon registration of interest. The THSA summary letter follows this page.

Nexia Australia (Chartered Accountants) have undertaken an independent Investigative Accountants Report on the Ramada SkyHotel Financial Forecasts with such included in the Product Disclosure Statement.

For financial forecasting purposes the 'middle ground' has been taken between the two independent experts to generate the following 5 year model, with EBITDA escalating from \$1.25 million to \$1.5 million over the 5 years.

# Sensitivity analysis

With any investment there are risks. Key risks in hotels include occupancy and room rate (ADR).

The management team of Ramada Hervey Bay have undertaken detailed sensitivity analyses which will be available to registered parties. The key in hotel yield management is not necessarily to maximise occupancy as it is more profitable to have a lower occupancy and a higher rate, but to maximise gross revenue. A detailed analysis of 'risks' will be included in the PDS.







**Address:** Tourism and Hospitality Services AustralAsia  
Level 8, 261 George Street  
SYDNEY NSW 2000  
ABN 77 602 813 883

**Phone:** +61 417 488 881

Timothy Wright and Bryce Wedemeyer  
Ramada Hervey Bay and Property Collect  
627 Charlton Esplanade  
Urangan 4655  
Hervey Bay

7 June 2021

## Market Assessment & Operating Projections for Proposed Development of SkyHotel, Hervey Bay

Dear Timothy and Bryce

Further to the submission of our Final Report dated 21 May 2021 titled '*Market Assessment and Operating Projections for Proposed Development of the SkyHotel Hervey Bay*' which is planned to open in early 2023, you have requested us to provide a Summary Letter to be used as part of your capital raising documentation including Product Disclosure Statement (PDS).

With respect to such we confirm that this Summary Letter must be read by any prospective investor in conjunction with the full report which you will also make available to prospective investors. We further confirm we consent to the use of this Summary Letter in the capital raising documentation and PDS and note although we are recognised hotel experts THSA is not authorised to provide investment advice.

### Overview

Hervey Bay is located 240km to the North of Brisbane on the Fraser Coast and is sheltered by Fraser Island. The existing Ramada Hervey Bay was completed in 2009 by property developer Timothy Wright and since then operated by entities associated with him under a Ramada / Wyndham Hotel franchise. Timothy is also the key proponent for the development of Ramada SkyHotel. The land on which Ramada SkyHotel is to be built is currently owned by entities associated with Ramada Hervey Bay.

Property Collect proposes to develop an extension to the existing Ramada Hervey Bay to be called Ramada SkyHotel to comprise of 83 hotel rooms (78 standard rooms, four executive rooms and a presidential suite) as well as a rooftop multipurpose facility for conference, restaurant and bar in a seven-story building.

We are advised that Ramada Hervey Bay will be developed under the Property Collect syndication program of which Bryce Wedemeyer is CEO and Development Director.

### Key Summary Findings

1. Hervey Bay and the Fraser Coast are experiencing a transformation from its agricultural past and relaxed seaside village to a modern economy.
2. There is an estimated 1,150 accommodation rooms in Hervey Bay across a range of hotels, serviced apartments, hostels and B&B. Ramada Hervey Bay is the only full-service establishment in Hervey Bay.
3. From our analysis of the market and discussions with various industry stakeholders there is a need for a new hotel accommodation (not serviced apartments) Ramada SkyHotel rather than serviced apartments and that the rooftop facility will be unique to the Fraser Coast.
4. Pre-COVID, the average occupancy was 64% and ADR \$140. This has increased to 69% and \$165 respectively post-COVID.



5. Located at the marina in Hervey Bay the new hotel will continue to benefit from the internationally known Wyndham Hotel and Ramada brands.
6. The current Ramada Hervey Bay still presents as modern and appealing and for this reason along with its on-site restaurant and other hotel services offered has enjoyed a higher than average occupancy. Ramada SkyHotel and the current Ramada will complement each other operationally and for product offering.
7. Ramada Hervey Bay has a very strong corporate guest business due to it having hotel rooms as well as other hotel services offered, which can assist greatly in underpinning revenue and occupancy consistency.
8. Council and other organisations are proactively and highly supportive of tourism and development of the region in a number of sectors (including tourism, health, energy, education) and this is reflected in the modern airport capable of large jets and serviced with a number of flights daily from both Brisbane (30 mins) and 3 times a week from Sydney (90 mins).
9. In 2019 the region and Fraser Island welcomed 1.8 million tourists generating 3.7 million visitor nights which reflects the underlying strength of the market and the need for quality accommodation and services such as the proposed Ramada SkyHotel.
10. The region has a very strong drive market (3.5 hours from Brisbane) being next to the populous South East Queensland and is one of Australia's premier whale watching destinations and only one of four Whale Heritage Sites in the world.
11. The development of the roof top multipurpose facility which will have excellent views over the marina out to Fraser Island, for conference (including a focus on weddings, meetings and social events) restaurant and bar will complement and be very beneficial for the hotel accommodation.
12. Based on the market assessment and opportunity presented in our report by the proposed 83-room SkyHotel, we estimate that the property could achieve a stabilised annual room occupancy of 83.0% and ADR of \$177.52 by the third year of operation (2025) and generate a total estimated rooms revenue of \$4.46 million increasing to an ADR of \$187.18 by the fifth year and generate a total estimated rooms revenue of \$4.7 million.

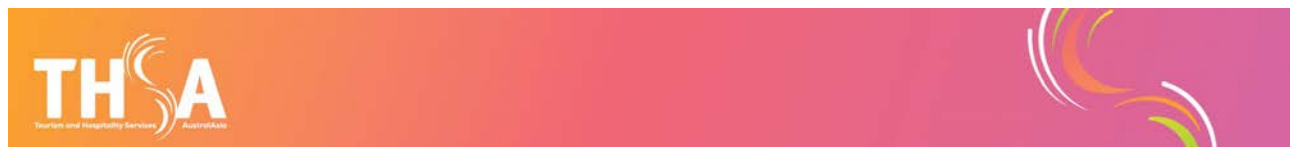
As advised this letter must be read in conjunction with our comprehensive report dated May 2021, *'Market Assessment and Operating Projections for Proposed Development SkyHotel Hervey Bay'* and no statement in this Summary Letter should be taken out of context relative to that report or should be construed as THSA providing investment advice.

For optimal operations, international branded accommodation hotels often need to be above 150 rooms in scale. We conclude from our study that there appears to be a clear need, market opportunity and niche for the development of Ramada SkyHotel of 83 rooms in Hervey Bay with such adding to the 90 rooms of the existing Ramada Hervey Bay to total 173 rooms. This should provide sufficient rooms to allow the hotel to maximise operational efficiency with respect to marketing and services offered. Having two restaurants with one of these being a roof top (suitable for weddings and conferences) will be a drawcard for tourists, corporates, and locals.

Yours sincerely



Rodger Powell  
Managing Director







SKYHOTEL • HERVEY BAY

# Register now

Offers to invest shall be  
in order of registration.

Regular updates on Product Disclosure Statement (PDS) will be provided.

**Click here for direct link to registration** [skyhotel.com.au/register](https://skyhotel.com.au/register)

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**1300 096 266 | [rebecca@skyhotel.com.au](mailto:rebecca@skyhotel.com.au) | [skyhotel.com.au](https://skyhotel.com.au)**

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**IMPORTANT NOTICE:** This brochure has been formulated and distributed by Collective Wealth Pty Ltd. Collective Wealth Pty Ltd are seeking to be appointed by the Responsible Entity the investment manager of the SkyHotel ownership trust (with an independent custodian). Collective Wealth Pty Ltd can be contacted on 07 4197 0573.

INVESTMENT CAN ONLY BE ON THE APPLICATION FORM IN THE PDS. INVESTORS ARE ADVISED TO ALWAYS SEEK INDEPENDENT, PROFESSIONAL AND CONSIDERED ADVICE.

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**“Critical to  
any business is  
management capability  
and commitment**

We have an excellent and established dedicated team operating Ramada Hervey Bay, from which SkyHotel will benefit enormously. Combining this with the investment management capability and experience as well as the development team's credentials and track record along with the independent custodian and responsible entity, gives me great confidence that you will feel safe that your investment is in competent and secure hands.

Experience, knowledge, drive, and commitment to perform are essential ingredients of our mantra.”

*Tim Wright, Founder and  
Developer of Ramada Hervey Bay*