

PANDANAS APARTMENTS DARWIN



Newsletter May 2007

The View from Level 13

Welcome to the latest news from Pandanas Apartments Darwin

Construction News: Level 14 - the half way mark, has now been reached, exactly one year after excavation began!

The project is progressing well and is scheduled for completion by early 2008.



News

Gwelo Developments has received planning approval to include serviced holiday apartments on level 18. All residential apartments will now start on level 19, which becomes the podium floor.

All purchasers of residential units will move up one floor, which is good news for those who have bought residential already. If, for example, you bought an apartment on level 19 originally, you will now be on level 20.

We now have 236 serviced holiday apartments, with only 50 units remaining for sale. There are 65 residential apartments, of which only 20 remain on the market..

Stella Hospitality Group announced on February 28 that its parent company, MFS Limited had settled the \$120 million acquisition of the Australian and New Zealand operations of the Hawaii-based Outrigger Accommodation Group.

How does this affect us? you may ask..... Really there is no affect at all.

The manager, as appointed by the developer, has changed from Outrigger Hotels & Resorts to Stella Hospitality Group. All contractual arrangements remain the same as per the Stella Hospitality Group Media release of February 29, 2007. (If you would like a copy of the media release please email me at pandanas@gwelodevelopments.com.au)

A Little About Stella Hospitality Group

Stella Hospitality Group has an extensive range of more than 150 resorts, retreats, hotels and apartments across Australia and New Zealand.

Concentrating on the leisure and corporate accommodation market, the company manages in excess of 15,000 rooms, making it the largest operator in the Australian leisure apartment accommodation market.

Stella Hospitality Group brands include, Peppers Retreats, Resorts and Hotels, Mantra Hotels, Resorts and Apartments, Saville Hotels, Pacific International Hotels and BreakFree Hotels, Resorts and Apartment.

Booming Tourism Sector and Occupancy Rates

Although the ABS figures are not out for the March quarter until July 2007, anecdotal evidence from a number of Darwin's serviced apartments/hotel operators, has indicated the March quarter this year has out performed previous years by a good percentage. This has been attributed to increased tourism, relocation and corporate investment. The NT Government's push to bring people into the Territory during the March quarter (traditionally the worst quarter of the year) appears to be paying off.

Growth in Apartments

According to the Real Estate Institute of NT and Residex Jan 2007 publications, the Darwin unit market has achieved 24.6 percent capital growth for the year ending December 2006.

Vacancy Rates

Low vacancy rates have continued in Darwin. According to a report from Elders, Darwin, vacancy rates for March 2007 were a low 0.40 percent. Forecasters predict housing affordability will decrease, resulting in a large swing from home ownership to renting. This trend is not exclusive to Darwin. Rental property shortages are being reported across Australia.

Sales

During the last eight weeks more than 30 apartments have sold. All new purchasers are from interstate, keen to invest in the Territory as it leads the way in occupancy rates and yields.

PRESS RELEASE Litchfield Apartments Release

By the end of May you will be receiving information about this new and exciting project.

We have planning approval and are waiting for a brochure and DVD to be produced.

Anyone who wishes to register, please email me with all your details.

Cheers Mary

Pandanas Display Centre

Gwelo Developments Pty Ltd

45 Knuckey Street, Darwin NT 0800

Email: pandanas@gwelodevelopments.com.au

Tel: 1300 766 090 Fax: 1300 766 089 Mob: 0418 898 373



Knuckey Street Pty. Ltd. CAN 0084 500 327 as the issuer of the Pandanas System Management Rights System

A copy of the Product Disclosure Statement for the Pandanas System is available and can be inspected by request addressed to the Issue at GPO Box 2816, Darwin, NT 0801

The Product Disclosure Statement (PDS) for Pandanas System details the terms of the offer and if you wish to invest, then you should consider the contents of the application form accompanying the PDS.

You should consider the Product Disclosure Statement in deciding whether to acquire or continue to hold this product and also consider if this product is appropriate for you.