

Note to Self

26 March 2011

Dear Owners and Investors,

I can feel the winds of change coming through Cairns and it is such a lovely feeling! Last time I wrote about the tenant shuffle, well it gets even better.

Grafton Street is leaving and I had a call from one of our old tenants. I showed him through during the week, and he is taking it as soon as the current tenant vacates. He may have arrived with no shoes, and covered in tattoos and I think there are even a few teeth missing, but he is one of the best tenants we have had. He is super clean, pays his rent and is so easy to deal with.

20 City Park is breaking his lease, and of the four people I showed through so far two have handed in application forms.

14 City Park is wanting a house, so I know they will be giving notice any day now.

9 City Park is wanting to upgrade from a bedsit to a two bedroom and wants to take 20 City Park. The two applications I have received will then go into 14 City Park and 42 Palm Trees

42 Palm Trees wants a yard, so they are moving into the townhouse at Tropic Gardens. The people that were going to vacate Palm Trees bedsit changed their mind, but I have at least four people who want to see inside, so they can see 9 City when they move to 20 City.

3 Joan is looking for a house and I received a fax for a rental reference which means any day now I will get the phone call. The lady at 4 Joan has a friend moving up from Melbourne and I have already sent him the photos and he wants to take it - with a \$25 increase in rent (still short of the rents pre GFC but much better than they were and no vacancy).

7 Greenslopes hasn't left yet but I showed four people through and have two fantastic applications with \$5 per week increase.

I have an email from a couple who are coming from Europe and they want a two bedroom close to the city - if one of the applicants don't take Buchan or Spence they can have this.

I know that you will be shaking your head and wondering why I do all this extra work, but the reality is that these existing tenants are going to move because they want to change the place they live in. I don't do this for all tenants, just the ones that are great and we want to keep. It is better for me to do this and have a good tenant in place, better the devil you know in this case. What is even nicer is the properties will have almost no vacancies and in many cases slight increases in rent. I am still advertising the properties on the internet and in the Cairns Post, and the phone is ringing and email enquiries are coming in fast. I hope this is a sign of things to come - FINALLY!

I have just received an advert from the people at Cairns Mulch and until the end of March they are having a special. They will deliver 6 cubic metres of fine mulch for \$50! The normal price is \$90 so this is a great saving. For those with units, this won't apply as the body corporate looks after the gardens. Those with houses it may be an idea a great time to get the garden ready for the dry season.

Yesterday it was my day off! Yes, I planned it so that I had my hair done, my nails done even got my legs waxed! I had hoped not to do any work, but that wasn't the case.

I had a call from a lady whose son owned a unit at City Park. He was tragically killed two years ago. When we were talking I didn't even think and before you knew it I had her in tears - how bad do you think I felt? He was such a nice young lad with his head screwed on. They are now ready to put it on the market. I went to see it and all I can say is WOW! We may be listing the property for this couple and it would make a great long term investment. It isn't going to be sold off for a bargain, they are looking for offers around the \$180 - 185K mark. Currently a two bedroom unit will sell for approximately \$165 - 170K and these are fairly much in original condition.

This unit has been retiled throughout the living area, even out to the balcony area. New carpets are in both bedrooms. Split system air conditioning in the living and main bedroom - can't remember what the second bedroom has. They have changed the glass door to the balcony area so it is has a larger opening in the middle, rather than sliding to one side. The kitchen has been replaced with stainless cooker and dishwasher - it is a high quality kitchen. The unit has been repainted and new carpets to the bedroom. Honestly, if you took into consideration the cost of these upgrades you couldn't buy a unit at \$165K and complete the renovations. There was a unit sold in Palm Trees pre GFC for \$240K so this gives you an idea of the potential capital growth in the next 3 - 5 years. In the meantime, as it is finished off so well, it will command a higher rent than the standard units. This could be an extra \$20 - 30 per week. If you would like more information, please let me know.

There are some days that I wonder why I do this, but last night I opened a card from the daughter of one of our tenants. Her father hadn't spoken to the children for many years. Sadly he committed suicide in the unit, and we were left to sort out the problems. I even had to identify the body, but fortunately as it was late in the evening they let me do it by photo rather than having to go to the morgue. He was a genuinely nice person and it still baffles me as to why. The letter he left us said amongst other things that he had run out of money and didn't want to be a burden on any one. I did have contact with the family and I did let them know about the person that I knew as their father. The card was just a thank you, but it did make my day. It felt good to have made a difference to some one's life.

Sunday will see Ramon and I celebrate 18 years of marriage - and not once has there been a cross word exchanged in that time! Yeah right, if you believe that you will believe that the tooth fairy lives in our back yard along with the Easter Bunny and Father Christmas. Can't believe how fast it has gone or what we have achieved together in such a relatively short period of time. For those that don't know us we spent about six years travelling either overseas, driving around Australia or sailing our catamaran from Perth to Mission Beach. It hasn't been an easy path but it has been worthwhile. Today we were out fishing on the inlet (actually we were just throwing lures out and retrieving them because there were no fish to be seen anywhere). We came to a part of the inlet that you can see our house up on the hill and it was such a nice feeling to know that is ours! It makes all those long hours worthwhile!

Hope you are all happy and well in your world. If you have any questions on anything please give me a call or email.

Linda