

Note to Self

23rd October 2011

Dear Owners and Investors,

We are back - would have written earlier, but my feet haven't touched the ground since we landed. Before I get into the fun stuff, I came across this new listing

<http://www.realestate.com.au/property-unit-qld-manunda-108292971?rsf=emailalert-propdetails>

It is a proper one bedroom unit located on Hoare Street in Manunda. It is a small block of 8 that was built after 1987 so you will be able to get depreciation on it. The complex itself is fairly well maintained, and it is close to the TAFE, Raintrees Shopping Centre and about 4 kilometres from the CBD. The rent is \$160 per week and when the market pick up you should be able to get slightly more. These aren't big units but are a great rental as they are always full. At an asking price of \$76,500 it doesn't get much closer to neutrally geared than this. When you consider there were selling for up to \$150,000 at the peak of the market, it is a bargain. I have looked at the other options that are similar and this is by far one of the best choices. If you want more information, please just let me know.

If you need some motivation, watch this advert which I saw recently on TV. According to research, it predicts that at age 70, 1 in 5 people will have ANY superannuation left. What is going to happen to the other four - and actually how much will that one person with super have left, and how much longer will it last them. I overheard a couple on the boat who said they had down sized their house, and have down sized yet again and they can barely make ends meet - do you want to be in this position when you get to 70?

<http://www.youtube.com/user/WestpacBanking#p/c/1D38F2AF22693B96/1/NAwDVx1CHQ>

Ramon and I had a wonderful break on the Dawn Princess, and the two weeks has refreshed me. I now can answer the phone without cringing and getting cranky at the drop of a hat - the rest was much needed. If you want to know why I needed the break - here it is.

A typical day aboard the Dawn Princess:

Wake up when body is ready to, no alarm clock or phone ringing to jump you to life.

Amble about deciding what to wear and whether to have a shower or finish watching a movie on the TV

Look at the clock and see if we have missed breakfast

Wander up to the Horizon Buffett, put Ipad down on table as our marker, wander away and come back 15 minutes later with food - Ipad still on table

After eating and cup of tea decide what to next - see the port if we are in, or go and do something on the ship

Wander down to the Wheel House bar or sit in a deck chair and read a book

Watch all the people walking around the deck exercising and feel guilty - think about doing exercise - maybe after lunch

Decide whether to do trivia, watch a movie, do 6 laps of the boat (2 miles) or have a nanny nap

Get ready for dinner and wander down to our table

After dinner decide what entertainment to go and see

Got to bed and do it all again in the morning.

Our first day back from the Holiday - yes all this in just a single day:

Cairns experiences the biggest rains for a day in October for 47 years - and it continues to rain for days. This sets the scene for our return.

http://www.cairns.com.au/article/2011/10/19/186915_local-news.html

I get a call from a tenant at Viewmont to say that she is getting water through her ceiling - she is on the middle level, so we have to work out what it happening to the unit above her. Turns out the lady above has been away for a month and leaves have built up on her balcony and when it started to rain this blocked the two drain holes and the rain filled her balcony, then went under the frame of the sliding door and into her unit. She came home that night and everything was soggy. Fortunately no real damage to either unit.

A tenant called to break his lease, when I asked why he said he couldn't stand the noise from the unit above. I assured him it would be dealt with. A call to the tenant above and all I had to do was ask "Do you think there is a reason that I would be ringing? Do you think you have done anything to upset me?"

Very sheepish answer and promises that it won't happen again. Told her that the cranky property manager will be calling her back with an eviction notice if it does happen again - not a peep since.

A tenant called to say she has lost her letter box key - can she have another one. One more thing to go on my to do list.

Call from a long term tenant to say there are new people above her and although they have only been there three days the noise has been pretty bad. Considering it is a one bedroom unit, it wasn't a good idea that the owner put in a couple with two children. Ask her to put it in writing and then follow up with the body corporate manager.

One of my oldies is going in for a hip operation and we need to organise to sign an authority so that the Government can put on the necessary grab rails into the unit. Mental note, see if I have an old arm chair with solid arms to drop off to him to make it easier to get out of the chair.

A house we look after reports a leak in the bathroom window. Talk to the tenant to work out what the possible issues can be and get one of our handy men to go out and check it out. The timber casing of the window frame has rotted out so we need to get quotes to get it fixed or replaced.

One of our tenants personally calls to whinge about the sofa. It is a leather look vinyl and it has cracked, luckily I have lots in the store room to replace it.

A wheelie bin has been damaged and the tenant wants it fixed. Ask him to put it out on the verge, call Council and ask them to come out and repair or replace it.

A friend of one of our tenants calls to say she was in a really bad car accident and has broken her leg. She is still in hospital and can't work. The rent will be late but she is hoping to be back at work within two weeks. Tell her that I can point her in the right direction if she needs financial assistance.

A young lad that has fallen behind calls to say he needs the bank details so he can go to the bank - he is paying all his arrears so this makes me happy.

Another tenant in arrears, yes my "Your presence drives me crazy" tenant is wanting to come and see me. Put him off until someone else will be in the office with me, not that I am worried just don't want to be alone.

Yes, another leak this time a rear sliding glass door. The wind and rain has obviously come from a different angle and the water has run down the wall, hit the glass sliding door and started to come in around the frame work. Send the handy man out and work out we can't silicone seal it any more than it is, so we put a small flashing over the door to divert the rain- problem solved. It is starting to get to the hot season and I get two calls from tenants who have turned on their air conditioners and they aren't working after being off for a few months. Luckily I have found a fantastic air conditioner technician and we should be able to get these fixed rather than replaced.

The flexible hose to the hot water in the vanity of one of our units has either split or has come loose - luckily he can isolate the hot water for now. Will have to get Ramon in to fix it. A tenant called to say his shower head had broken as well as the back door lock - stick that onto the to do list.

The neighbour to our Rocky Horror tenant called asking what to do as one of her light globes has blown. It is a standard bayonet in a side light - which she has to replace but she thought she would try her luck. Ask her about Rocky Horror and he has been behaving really well - even better he has caught up all his arrears.

Yep, another leak this time a flood rather than a leak. The amount of rain we have had this was going to be inevitable. Luckily I had some one in the area and they stopped by to see what needs to be done to fix the problem for good.

We had a tenant move into a unit whilst we were away. They took it sight unseen via the internet. I don't do white glove inspections when our tenants move out, but I do expect them to be clean and presentable. I have to allow for the fact that these units are now over 20 years old and very little, if anything has been done to them in this time. It doesn't matter how much you clean, it is still a 20 year old unit that hasn't been renovated or painted! I got the heads up from the gardener that they were complaining about it being dirty especially the windows. It is on the first floor, so I am not sure how they expect a tenant to clean this? I wonder sometimes exactly what people expect when they are renting a two bedroom fully furnished, air conditioned unit, with white goods for \$200 per week. It isn't going to be the Penthouse at Harbour Lights - but I am sure some expect it to be. Will deal with this later.

Collect the keys from another property management company as we have taken over the management for this unit. It is in Palm Tree Apartments, and it is a fairly nice unit. It has now been empty for 8 weeks and the parting words from the agent were that some similar have been empty for over 10 weeks. That is a scary thought that they are letting them go for that long - I start to panic when it has been empty for a week.

A tenant calls to say the dryer doesn't work. She made the mistake of calling me again 24 hours later to ask why it hadn't been fixed - by this stage cranky property manager is nearly back. Just as I am thinking of heading home, Ron from Sheridan Street calls to remind me that the bins need to come in. Yep, I have to drive all the way over and haul the bins in - dressed nicely with my heels in the pouring rain - cussing under my breath, then I remember how much we have made from this block and smile.

It is now just after 9pm and I am about to sit down to dinner when the tenant at Viewmont rings in tears. I manage to piece together that the couple she complained about upstairs are having a serious domestic violence situation and he is beating her senseless. I call the Police and they are there in minutes. Stick that in the pile to follow up in the morning.

Oh, but I have left the best for last. I get a call first thing in the morning to say we have a sink hole at a complex. Bart went there and he called to let me know it is over a metre deep and a metre wide - I have attached photos for you. This one has taken up heaps of my time, but now we know the sewer line is solid, there is no large council storm water drain underneath - actually no explanation at all as to why it happened. Working out whether to send in the excavator or fill it in and see what happens.

Yep, all this was just in one day. It does make life ever so interesting, and as much as I carry on about it, I really do love it. If I were doing this just as a regular property manager, I can see how they get disillusioned, and put things into the too hard basket. Each time a tenant gets under my skin I have to realise that without them, the mortgage won't get paid. What we have achieved in just over 10 years takes others a life time to achieve financially. I also amaze myself at how much useless information I know, and how even a huge sink hole hasn't baffled me!

I hope you are all happy and well.

Linda

PS Have added a photo of the Dawn Princess on anchor in Lifou.