

Note to Self

25th January 2012

Dear Owners and Investors,

Before I start telling you about life as a property manager, I have some GREAT NEWS! I have to tell you that every single property we have rented in 2012 has had minimal vacancies, lots of applicants of good quality and this is the best part - every single one has rented for more than what the last tenant was paying. I got \$150 for the bedsit, which is the first time in a very long time I have achieved this level of rent - this is what they were renting for pre GFC. I have had four, two bedroom units that have rented for between \$20 and \$25 per week extra. That sounds like a lot, but for three of them it is still lower than where they were at the height of the market.

Logically, with no real development since 2007 there would eventually be a tightening of the rental market, but when you are stuck in a dark place thanks to the GFC it is difficult to see the light at the end of the tunnel. Of all the applications and enquiries that we received I would say that at least 40% were from people relocating to Cairns for work or study. Each year we traditionally get a boom the first week after New Year with people transferring in to start work - nurses, doctors, teachers, policemen and even students for TAFE and JCU. This year it has not stopped after the first two weeks, it has continued on. Hopefully we will see this trend continue and the rents start to creep up.

This morning has started with a bang. The first tenant ring was at 8am to say the toilet was leaking - this is a fairly simple one. It is sad to know that I can now diagnose what part is broken and needs replacing over the phone by asking some simple questions. This one is the big rear seal that takes the clean water from the cistern down into the pan - easy one to fix. The secretary I used to be a long time ago would not have had a clue - see what happens after 10 years of property management.

The next one was a text message to say that there was smoke coming up from the hot water system outside the kitchen window. I had Bart around there within 20 minutes to find that the top of the hot water system had popped off and water was boiling out the top. Another relatively easy fix, all done and sorted out within 20 minutes with the electricians ready to go in and connect up as soon as the new tank is fitted.

Remember the saying from the movie "I see dead people", well you know that "I collect old people". We have Ron at Sheridan Street and because he has no friends or family we worry that he may get sick or have a fall. He is our doggy day care for Tucker and Holly, but we don't get to Sheridan Street each day. There is a fantastic free service that the Red Cross provides. Each morning he gets a phone call from the Red Cross to check he is alright. It happens first thing in the morning. If he doesn't answer, they leave it for 10 - 15 minutes and then call back again. If he doesn't answer this time they ring the nominated number - which is me.

We live a 30 minute drive away, so I try to get in touch with the other tenants that live in the block to see if they are home. This morning none of them were home, so I asked Bart to stop past. The cheeky old bugger has taken the go go mobile (yes the one that we had to buy because he didn't have any money, but he did pay us back) and gone out shopping. I will have to make up a sheet and stick it to the front door to remind him if he hasn't had the call from Red Cross he has to call them before going out.

As much as it is a pain when they call, it is reassuring because if they can't get him and I can't confirm he is alright they automatically send out an ambulance to check on him.

While still on the subject of old people, I have a lady at one of our units in Edge Hill. She is in her mid 70's and has never married, no children and all her family is dead or close to it. We picked her up as an existing tenant in a block of units one of our clients bought. She couldn't really afford where she was staying so we moved her to a bedsit which was great. She was a bit squished in there as she has so much stuff, but it was good. I am not sure what spooked her but she decided she wanted to move, so we moved her again to a really nice one bedroom unit in Edge Hill.

When I say we moved her, I mean we had to arrange for the boys to go over pick up her stuff, put it into the utes and take it to the new place - not sure where in the manual it says we have to do this, but I am hoping it gets us another gold star with the Big Man in the Sky. She has now gotten spooked again, but this time I checked with the neighbours and there aren't any issues at all. In fact one of the owners said it is the best and quietest it has been for many years. I think my lady is in early stages of Dementia or similar. I am now in a moral dilemma - what on earth do I do with her? She isn't happy where she is right now but if I move her I know it will only be 6 months before I have to do it again. To make it even more complicated she is on a limited budget and needs the ground floor.

I know that in the next few years that the rents will be going up - because we have had no increases for the past 4 years but I do worry about these tenants. If they can barely afford to make ends meet, what will happen when the rents go up another \$10 per week? This is another reason that I am motivated each and every day to try and get the message across - if we do nothing now there is every real possibility that we too will be the old people not being able to make ends meet.

I try to make these updates personal, rather than just boring stats and stuff. I have included a picture from our last cruise. We decided to get married again whilst on the cruise. Now the burning question is - does this make me wife number two or wife number three? If we do get divorced does this mean that I get half or two thirds? Seriously, it was a beautiful afternoon and evening that we will won't forget. I know not many of you will believe it but Ramon turned 60, so this is another reason that we want to start enjoying life. We still will be doing what we do, just not so hard. I do have a change in the wind at the office and will tell you more about that next time.

Hope you are all happy and well in your world.

Linda

WEDDING PHOTO