

## Note to Self

26<sup>th</sup> January 2012

Dear Owners and Investors,

Australia Day to me is both a happy day - and a sad day. I am so proud to be first generation Australian. My maternal Grandparents brought their family to Australia in the early 1960's. It is only later in life that I wonder what could have been if they didn't have the courage to start a new life. My Grandfather had a barge and that is how he made a living. After the end of the war from what I can piece together there was money but no food to buy with that money. In the middle of the night they packed up the family and headed the barge from Yugoslavia to Italy. I don't know how long they spent in the camp waiting to get to Australia. I asked why they chose Perth, Australia over any other place in the world. Like many that were moving countries it came down to family already being located there. I often wonder what life would be like if the family was located in Canada or America, or even Melbourne!

My Grandparents weren't very educated but they worked hard and created a good life for themselves and their family. I will always remember my Grandfather saying in his broken English "Australia very lucky country". We had the lions on the front lawn and yes, my parents have a fountain as well. I grew up making tomato sauce and picking the grapes to make wine. I even had to do traditional dancing and speak in the worst broken Croatian possible. I love being a "wog" and love this part of my life, but being Australian is just as important. I know have already told the following story before, but for me on Australia Day it makes the whole thing make sense.

There we were, the grand daughters in the back of the brand new HQ Holden piled in with Dida (Grand Dad in Yugoslav) and he drove us all to pick up Baba (Grandmother). She was working at the Osborne Park Hotel as a cleaner in the motel section. I think we were all young and probably under 12 at the time. I remember like it was yesterday she turning to us girls in the back and saying "You stay at school and study so that when you grow up you don't have to clean toilets like me."

I didn't go on study in the education sense of things, and left at Year 10. Although I don't have a certificate on the wall, I think that I have studied enough about property, tenants and how it all puts together and I think she would be proud. Each time I am there cleaning the toilets in the rental properties, I have to look up and tell her that although I am cleaning them, they are ours and we own the so this should be alright.

Australia Day 24 years ago is the day that my Baba passed away. I guess that was the first time I realised that people you love aren't going to be with you for ever so you need to make the most of them while you can.

I know I have told you many tenant stories over the past few months, but today I want to try and motivate you to do something to change your life. We are so lucky to live in Australia and many of us live a fantastic life. We have beautiful homes, each have a car which is nice, go on holidays, buy what we want and do what we want - but all of this is whilst we are still working. I have seen it so often where the income stops either through having to retire, getting sick or running out of money as you are into retirement. Instead of harping on about this, I will tell you the things I have discovered about me in the past year.

I have sent you the photos of where we used to live in Mission Beach and told you about our poor past. The transition has been slow as we have achieved more financially and had more disposable income and you don't realise just how far you have travelled until you look back. I will be honest about what I have learnt about myself over the past year:

I love having a nice car, I want to get in and have the lights come on as soon as it is dark. I love driving home with the roof down, the heated seats on and the stereo blasting something from the 80's.

I want the windscreen wipers to come on when it rains – I nearly crashed whilst driving my parents car and trying to find where the wipers were.

I love that the door locks as soon as I go over 10 km per hour. You forget how safe it feels until you get into a car that doesn't have this.

The car I want next will cost more than what we paid for our house we currently live in - and I don't feel guilty about wanting it.

I am a workaholic and at times my own worst enemy.

If it needs to be done, it needs to be done quickly - so I don't have a tenant calling me all the time to ask when it is getting done.

I don't like eating at food halls. If I go out for a meal, I want to sit down and look at a menu and order.

I like drinking nice wine - from a bottle not a cask.

I like nice food and not having to buy the stuff on special.

I like nice toilet paper – you can keep that cheap sand paper stuff!

I like going to the supermarket and not having to worry about what I put into the trolley.

I don't get terrified when I open the electricity bill as there is money to pay for it.

I still am a shrewd with money, but love that if I want something I can buy it and not have to worry.

I love being able to pay someone to climb onto the roof at one of our rentals rather than dragging Ramon out to do it with me.

I am a hoarder – done it with the properties over the past ten years. You should now see my perfume collection.

I love being able to send flowers or presents for no reason to people that are special to me.

I love buying new clothes, and not have to worry if they are on sale.

I love buying shoes – I have rediscovered the girly girl in me and I am loving the dressing up part of my life.

I want to spend more time doing things I want to do, going on a cruise with Husband Number 2 and 3.

I want to have the time to go and get my nails done when they need to and not when they are so long it is like typing with chop sticks on the end of my fingers.

I want to make the time to donate Plasma every fortnight. I have 52 donation under my belt but not donated in over a year.

I want to make time to go to the hair dressers and get my hair done - not when I have a regrowth of two inches.

I don't want to have to go to office every day - I want to delegate those less important jobs.

I confess, I have become a snob of sorts. This didn't happen overnight, it has occurred slowly over the past ten years.

There will be many people that are nodding their heads as they read this, and understand exactly what I am writing about. Many of you are earning great money right now and have a good lifestyle – I want you to think about what happens when you stop work? Will you be able to continue this lifestyle or will you have to cut back to that scratchy toilet paper again? This is one of the worst financial times in my living memory.

I only caught the end of the recession we had to have and 18% interest rate. I know that even thinking about going into debt to try and make money for your retirement is a scary thought - but the thought of having to live on the Aged Pension is even scarier. There are many ways to create wealth and passive income - you need to find the right thing for you, but more importantly you have to do something as it won't just happen on its own.

To finish on a lighter note, I have to finish the story about the "cleaner" tenant that we moved into one of the properties. Although we had 4 applications on the property we decided to put Miss M into the house for a few reasons. Firstly she is a good tenant that has always paid the rent and doesn't cause me a bother. The other applicants were all very good, but they could be long term tenants of at least a few years. About six months ago I would have probably gone with these as we want people to stay long term in the current market. Since the beginning of January things seem to have changed - for the better for us as investors. If this continues then the chances are we will see good rent increases in 2012.

As a softie property manager, it is so much easier to get more rent from a property that has been vacated than trying to explain to a great tenant why their rent is going up. It is very easy to get an extra \$20 on a change over, but morally not so easy to get \$20 from an existing tenant - especially one of my old people. Miss M although a good tenant, will probably move on in 6 - 12 months. When this happens we know the property is good and in demand, and we can then get another \$20 increase, on top of the current \$20 per week increase we just got. For this reason Miss M beat the others to the property.

When I met Miss M at the property to do the paperwork, she was proud to show off her new and improved top section thanks to the cleaning business. I now have started to turn in to the Mother Hen with my tenants so I had to say to her "Now Miss M, I know you have gone back to "cleaning" you are young and pretty now, you need to set yourself up financially...." At this point she cut me off and said "I know, I know my Mum has already told me that I shouldn't be an old "cleaner". Well, what can you say to that?"

I hope you have all had a lovely Australia Day and all is well in your world.

Linda