

Note to Self

29th July 2012

Dear Owners and Investors,

There are some weeks where I sit and wonder what on earth I will write about - and then there are weeks like the one we have just had where I wonder how much do I need to include?

Last Friday was a public holiday here in Cairns - we get the day off so the town can go to the Cairns Show. It is a very country thing! My first text message came in at 7.42am and you can imagine how impressed I was. Actually I lie, I hit the silent button and fell asleep again. It was from a tenant who from the day he moved into our unit has been behind. He always pays, but I always have to remind him how much to pay. He sent a text asking me how much rent he needs to pay to be paid up, so he could work out how much he could spend at the show? I have to shake my head when things like this happen as I forget that some people have absolutely no idea on how to budget and track their bills. They will be like this all their lives.

I decided to spend the day at the office as everyone else would be at the show and hopefully the phone wouldn't ring and I could actually get some paperwork done. I get a call from a tenant to say she was cooking in the oven last night when the power to it went off. It is scary just how much I remember in each unit, I have to because if you ask a tenant where the fuse box is you normally get silence from the other end of the phone. This particular unit has the main power, meter box and the main circuit breaker on the front wall, and the actual fuse box inside on the garage wall.

First of all, I checked that she had other power and lights. When she said yes, it made sense that it would be something in the fuse box. Sure enough the circuit breaker for the oven was blown out and in the down position. I got her to make sure all the elements, grill and oven were off on the front of the stove then got her to turn the circuit back on. We worked out that the four elements were fine, it was the actual element in the stove that had burnt out. A picture message from her with the details that I got her to write down from the front of the stove were then sent onto the MDE and OSE (Modern Day Electrician and Old School Electrician). They were out there the next business day and it was another thing crossed off my list.

Another tenant rang me to say that he probably should have called earlier, but for the past few weeks the element on his stove has been stuck on. He figured it was easier just to turn the power on and off to the stove at the circuit board than to actually let me know. What can I say? This doesn't happen very often, normally either the element itself blows out completely and won't heat up at all, or the simmer stat when turned on will go straight up to high. When you turn it off, it actually does turn off but just won't turn down to low.

In this case it was stuck in the on position and you couldn't turn it off no matter where the knob on the front was. MDE was working on show day as well and it was organised that he would be at the property between 9 - 10am in the morning. This one was on the to do list and crossed off within 24 hours. With things like this, we get them done as soon as possible - don't need for the tenant to forget to turn it off at the mains and burn the house down.

I have some tenants that just push my buttons, but for no logical reason - they just do. One such tenant lives in a two bedroom unit we have in Manunda. He is a good tenant, never causes me a problem but for some reason he just does. His place is lovely and has a big yard at the front, even has a lock up garage. He started to rent from us in the dark times a few years ago and he was paying \$180 per week. We did give him an increase back in May to \$200 per week. He came into our office so we could sign a rent certificate for the new rental amount. He said well seeing as I am now having to pay the owner \$1000 extra a year I want all of these things fixed, including a remote for the garage. There never has been one, there never has been a promise to get him one and you know what - he ain't getting one.

Ramon and I were given a voucher to Thala Beach Resort recently. We decided to head up there for the night on Tuesday. The plan was to get up early, get ready and then drive up so we could spend a relaxing day up there enjoying the surroundings. We could even maybe go for a walk along the beach - and if we were really, really lucky there would be no phone reception!

Tuesday was a morning of calls, more calls and more calls - any one would think I was in training for the new Olympic sport of Mobile Phone Talking. At 1pm we managed to get out the front door of home. We decided to take the SLK as it was a beautiful day, and what better way to get up to Port Douglas than with the roof down and the music blaring? We had to drop the dogs off at Ron's at Sheridan Street first, and we thought we could sneak in without the tenants seeing the car - wrong. It is always the case that when you don't want to bump into them - you will. We don't like tenants to see the car, as they then assume that we don't need the rent.

We got to the resort, and it is just beautiful. For those of you that haven't experienced the rainforest and views to the ocean, this is a fabulous place to stay at. The link just in case you want to experience it is
<http://www.thalabeach.com.au/>

Sadly, there was mobile phone reception there and between beers on the balcony I did have a few calls to take care of. One of them is from the tenant above that presses my buttons. The first call came in at close to 6pm. He said that he was cooking, the television was on and then the next thing you know all the power was off. He had checked with the neighbours and they all had power. We went through the fuse box which I know is inside, in the second bedroom in the rear of the built in robe (told you it is scary how much I know about all the units). All the switches were in the up position, and when he pressed the safety switch nothing happened.

This means that the actual power to the unit itself is off. It is now out to the meter box. This is in a complex we only have one in, and the committee had decided to put a Z Lock on. This is only opened by the one key, but this is master keyed to the Ergon key and they can get in. The Chairperson lives on site, and believe it or not I actually had his number in my phone. Unfortunately he wasn't home, and until he got back home there was very little I could do - or the tenant. We went to dinner and I text him when we got back to see what had happened. He was still waiting, and he got power back around 11pm that night.

The next morning the tenant called me to say there was no hot water, and the switch was down in the fuse box. When something happens with the power there is some times a reason - sometimes there isn't. It can be that the fridge comes on the same time as you are cooking, and the dryer is on as well and the combination of consumption throws the safety out. Other times it can be gremlins and for no reason it goes off. In this case it was the element or thermostat that was faulty in the hot water system. That call came in at 9.15am and by 1.30pm that afternoon it was all fixed by the electricians.

Now I will grumble, not only did this tenant call me after hours in the first place, he then was texting me until nearly 11pm that night and then I had all the issues sorted out on the same day - and do you think there was a single text message or phone call to say THANK YOU? Not a chance.

Back to our lovely night at Thala Beach Resort, I was dead to the world when I was woken from my deep sleep by the dreaded text message ring. With one eye open I read it was from a tenant - oh yes, the time was 11.42pm. It said "Sorry Linda, but we were cooking dinner and the power just went out don't know what to do." With one eye still closed, I managed to type to have a look at the safety switch in the garage on the back wall (yes, know where that one is as well) and you will probably find you have tripped it out. If it doesn't turn back on and things aren't right to call me. Another text message at 11.52pm to say all back on and happy again. What would our tenants do if they had a regular property manager who left the office at 5pm and went home?

The next morning Ramon and I headed up to Mossman to enjoy a cooked breakfast. It is a lovely town, and it would be something that could be straight out of the 1950's with its main street in town. By now it wasn't actually breakfast time, but luckily for us they have an all day breakfast!! It was a beautiful day, and with the roof down you have to smile at the incredibly beautiful place we live in. The drive from Port Douglas down to the northern beaches of Cairns is spectacular with the water just there and the mountains on the other side - oh and a racing car driver behind the wheel. Luckily I don't get car sick.

The phone was pretty quiet, so we thought we would go home and hide for the afternoon - a far better option than going to the office and do paper work or start a renovation. We were just starting to get relax when the inevitable happens - a problem with a tenant. Of course it is now getting dark, and you just know it isn't going to be an easy one to fix. It seems the tenant had gotten home, went to unlock the front wooden door handle - could hear the lock click and the handle would turn in both directions - but the latch thingy that is supposed to pull in when you turn the handle wasn't playing nice at all. It isn't the lock that was not working but the latch and to be honest in 12 years we haven't come across this one before. Oh I lie there was the one where Ramon changed the door handle and didn't check that the latch thingy was engaged and found us all locked outside on the landing - but this was different.

Ramon said there was an easy solution to this and all the other stuff - stop answering the phone after hours but that wouldn't be us would it? With no idea of exactly what we were going to do, we got back into the car and drove into town. I did call the tenant myself to say that if I got there and the door opened I would be very cranky, but he assured me he couldn't open it.

So now you have to put your vision/imagination goggles on. There it is now close to 7pm, it is dark and Ramon, Clinton, the tenant and myself are standing in the carport of the complex. Sure enough the key goes in, and you can feel the handle able to move from left to right - but no chance that latch thingy is going to pull in so you can open the door. The tenant is standing in the back ground and not saying a word, Clinton is the tool man getting the drill, screw driver and other bits ready for Ramon to use, and I am the torch bearer. We managed to get the front door handle off, but the middle bit is firmly in place and screwed in from the back.

About 15 minutes later I observe that the bathroom window is opened, and we could take the security screen off and get in that way. Out comes the cordless drill and we drill out the five pop rivets and in a real world the screen should have just come out. Oh not so, it takes brute force to get it out. All the while I have the torch shining in the right places and thinking. The bathroom window has an opening of about 500mm wide by 400 mm. It is high up the wall and I can barely through the window unless I stand on my tippy toes.

Remember people I am in training for mobile phone talking, not gymnastics and if you think I am going to get by big ass that high up off the ground and through that small window - you have another thing coming. Unless you bring me a big ladder to climb up on, it just ain't going to happen. This is not in the Property Manager Guide Book that I read, so NO CHANCE.

With the screen off, Clinton the youngest and fittest of us all climbs in with ease. Oh to be young, fit and agile again. Now we are all thinking great should be just a few minutes now and we will be in - yeah right. Five minutes later Ramon jumps through the window - for a bloke that can get his Senior Card he did bloody well - haven't asked him how he is fairing now.

The tenant is still hovering in the shadows, I am shining the door in the direction of the front lock and Ramon and Clinton are now locked inside the unit! I have to tell you we weren't quiet about trying to get into the property and out of a group of 32 units not a single soul came out to see what was happening. OK so we would make rubbish burglars - 30 minutes later and two people are locked outside in the carport and two people are now locked inside. It is scary in such a small environment how little the neighbours took notice.

Ramon and Clinton managed to get the back of the handle off, the middle barrel unscrewed and the lock itself pulled out from the front of the door - great but still got the latch thing stuck tight. There are two metal springs that you should be able to pull and the latch comes out with it - no chance. Ramon and Clinton had to use two knives to lever the latch thingy out - got that done once but then weren't quick enough to pull the door open - cussing about this time of the night starting to happen. On the second go, latch pulled back - and door opened!!!! Big hooray from everyone concerned.

We had to go back to the office to get a new latch, and about 2 hours after the initial call out tenant is in, new latch in and we could all go back home again. Even nicer when we did get the front door open, the place was lovely and clean and really well looked after.

The rental market is getting tighter by the day, and we are starting to see things that we haven't seen for many years. There is a desperation when people are calling to see a property - each one they look at or apply for is gone quickly and they are starting to run out of options. This hasn't spread across to every property and we aren't seeing increases on a big scale yet - it is more gradual. When you consider I struggled to rent a bedsit just a year ago for \$145 per week and today it is going to rent for \$160 per week that is a huge improvement.

Whilst I was at my desk doing paperwork and the rest of Cairns was at the Show, I was going through the list of tenants we have. There are many on the list that we have taken on, not because we wanted to but they were the pick of the bunch at the time. We have a tenant in our personal unit that hasn't been renovated as yet. It is a big one bedroom unit at Sheridan Street and the tenant has a lease for \$140 per week. It suited us at the time as it was at the beginning of the wet season, and we haven't had too much bother from him since. He is another that presses my buttons on days.

He called me to say that he has been putting up with the bed and mattress for some time - oh did I say for \$140 per week, the unit is 1.5 km walk to the city and comes fully furnished. He said the bed was so bad, he would like it replaced. I shook my head and said I would speak to Ramon. I can't believe he wants us to spend about \$500 on a new bed and mattress and he still thinks he is going to stay at \$140 per week. We are just about finished the latest renovation on the unit next door and as soon as this is done and rented - he will be getting a Notice to Leave and he won't be too happy about it. We will give him two months notice with no reason, and move him on.

We can get in there, do a simple repaint and upgrade (think upgrade at Grafton Street and you never know where it will end). We can actually convert this really big one bedroom to a two bedroom and should be able to get between \$200 - \$250 per week rent for it.

I will finish off with a tenant story. We recently had a unit at Keith Street come up for rent. It is a lovely one bedroom loft town house and if I had to live in a one bedroom unit, I could actually live there. The last tenant technically doesn't hand back the property to us until Monday 30th July but he has actually left and handed back the keys as he has gone to the Northern Territory. The cleaners have been through and the place is really lovely inside. The last tenant was paying \$170 per week, and we have been advertising it at \$190 per week and had heaps of interest.

On Friday I arranged to show through two people. The second one is a referral from an existing tenant - I haven't had this happen for a very long time. When things start to tighten up and people struggle to find properties I start to get calls from our existing tenants pleading with us to find a place for their friend who they will vouch for. When I tell them that if they do the wrong thing by me, it will reflect on them and they still say find them a place I know I have found a potential good tenant. The second young man will be fine, and he will be bringing his application form this week - he won't be getting this property but instead the another one that is about to come up.

The first young man that I showed through was Mr T. He is a huge strapping young country boy. His Mum called me from Croydon to arrange it all - the hairs on the back of my neck normally stand up when this happens but in this case it was a Mum wanting to find a nice safe place for her lad that was coming to the big smoke.

Mr T has just got an apprenticeship as a carpenter and is staying with family. I pull up in the car park and of course there he is with the big, beat up four wheel drive with the tray on the back. I didn't see it, but I bet there was a cocky farmers hat on the front seat. He loved the place and said compared to the ones he has seen around this is the nicest inside. I gave him the stern property managers speech with the three rules - pay the rent, look after the place and don't annoy the neighbours. I noticed he walked with a bit of a limp so of course I had to ask what happened. He had busted his leg up while riding in the RODEO! Oh my, I love a cowboy!

I genuinely like this young man, and I know that he will do the right thing. Mum does all the finances so I know the payment of rent won't be an issue. When I told her that he got the place and could move in, you could hear the sigh of relief knowing that her boy was safe. Oh sometimes my job is just fantastic. Even better I have the pleasure of telling the owner that he has a lovely cowboy in his property and the rent has gone up by \$20 per week! Even better than that there is not a single days vacancy!

I do hope that you are all happy and well in your world.

Linda