

Note to Self

6th October 2012

Dear Owner and Investors,

Well did you miss me and my late night ramblings? Vietnam was great, and for those of you that haven't experienced it you should go whilst it is still the way it is right now. Fortunately for Ramon there was no chance that I could buy any clothes - they don't make things that big in Vietnam! As for shoes, oh my you should see all the shiny shoes they had, but the biggest size is 38 - and there is no way I will get my size 41 feet into them. Although it was brilliant, I am sorry you just can't beat a cruise for value and more importantly for us the rest you get on them.

Many of you that read my dark email before I left thought I was going to call it day, sadly we are in it for the next 3 - 5 years. You don't think we have done all this hard work only to sell up when it is all cheap and have us living on the pension - I don't think so! Seriously you think I could live on the pension!

Things are starting to turn particularly in the rentals. We are starting to see some desperation come into the market, and it is only going to get worse. This is not such a good thing for tenants but for us owners it is a good thing. We can finally start to put the rents up to cover some of the cost increases we have had to carry for the past few years. A few months ago I did a breakdown of the available rentals. Below is the updated list:

All available rentals August 2012 - 652, October 2012 - 610
Available Houses - August 2012 - 284 total available, October 2012 - 263
Houses up to \$300 per week - August 2012 - 66, October 2012 - 58
Houses between \$300 - \$400 per week - August 2012 - 144, October 2012 - 127
Houses between \$400 - \$500 per week - August 2012 - 60, October 2012 - 58
Houses between \$500 - \$600 per week - August 2012 - 26, October 2012 - 32
Houses \$600 per week and over - August 2012 - 17, October 2012 - 23
Within these figures for October, there have been 35 duplications.

Available Units - August 2012 - 368 total available, October 2012 - 347
Units under \$150 per week - August 2012 - 8, October 2012 - 6
Units between \$150 - \$200 per week - August 2012 - 72, October 2012 - 62
Units between \$200 - \$250 per week - August 2012 - 121, October 2012 - 108
Units between \$250 - \$300 per week - August 2012 - 98, October 2012 - 111
Units between \$300 - \$350 per week - August 2012 - 69, October 2012 - 71
Units between \$350 - \$400 per week - August 2012 - 30, October 2012 - 34
Units \$400 per week and over - August 2012 - 40, October 2012 - 33
Within these figures for October there have been 45 duplications.

What I can see is the rents creeping up slowly into the next bracket, and continuing to rise. When you consider we have a population of 150,000 in Cairns and surrounding areas to have a total of 610 rentals available is very low.

To finish off it has to be a tenant story as you haven't had one for a while. Ramon has been working his little fingers to the bone trying to get the loft town house ready for the new tenant. I have taken lots of before and after photos and will write up a full report for you so you can see what a transformation he has created. Gone are the sky blue walls with a dabbling of eggplant purple and silver.

The lovely Chinese lady that is taking the unit - yes at \$40 per week more than the last tenant has stopped by a few times this week to see how it is all progressing. She had the day off today and brought a few things over. Ok I have to tell you at this stage only the bedroom upstairs is completed and clean. Down stairs we still have ladders, paint tins and tools everywhere, but she is moving her clothes in upstairs.

Today there were no high heels or flash business clothes it was on with the renovation clothes and trying to sort the mess out - she is actually moving in on the weekend and yes it is Friday evening as I type. Today the new stove went in, the vanity is in place and will be fitted in the morning, the last of the painting is waiting for me in the morning and then there are the few nice bits left to do. I have to say, it is lovely and I could easily move into it.

During the day it went pretty chaotic, even for me. I had to deal with a tenant who we now are certain that he is dealing drugs. I had Troy and Clinton hiding in the stair well ready to jump out and to my rescue if I needed them when I went to his door - bit like Starsky and Hutch come to think of it. I don't think the tenant was too happy when I told him that I had already reported him to our contacts at the drug squad - but actually I think he was so out of it that he probably won't remember. Guess who won't be a tenant of ours for much longer? Even sadder this is the second time I have given information to the drug squad this week!

Whilst all of this was happening, I had the electricians waiting at Keith Street for me to bring the new ovens. Only problem was I had to go there, swap cars and then drive all the way back to the Good Guys. The EOS isn't really the sort of car you can stick an upright stove in the boot. Good plan, until I realise that the two stoves won't fit into the Rexton at the same time. In between all of this the phone is ringing constantly. It doesn't happen very often but I will admit that at that point in time I became flustered and actually had to stop and breathe through it all.

I then arrive back at Keith Street, stoves are in, the mess is starting to clear and the phone goes quiet for a while. It is then that the neighbour - one of our tenants as well comes over to thank us for upgrading his stove at the same time. Right there and then I realised that as flustered as I get, as difficult as life can be being a property manager and investor - I am truly lucky. Here is the neighbour who is going through radiotherapy for spots on the lungs, after already battling Cancer - and he is smiling - what on earth do I have to be flustered about?

Ramon and I worked though until after 7.30pm tonight and just as we were starting to pack up, our new Chinese tenant came over with a friend so she could show him her new home. She had baked us a chocolate cake that afternoon and brought it for us. Like I said, I am truly lucky - sometimes I just have to stop and take it all in and actually appreciate it all.

I will try to write a Special Edition over the weekend as it has been a while. That is between finishing the unit, moving three new tenants in and who knows what else!

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

Linda