

Note to Self

4th February 2013

Dear Owners and Investors,

Before I start, there are many of you on my automatic email list. I know that not everyone will want to receive my emails, and you would like your name removed at any time, please just let me know. I try to be that little bit different to the standard franchise agents in the industry and hope that you not only enjoy these emails, but learn something from them.

The latest Cairns Watch by Herron Todd White has been released and to read the full report go to

<http://www.cairnswatch.com.au/uploads/uploads/201301fullreport.pdf>

The Cairns economy is picking up, the vacancy rate is down, the house approvals are up however there are no unit developments to speak of. All the indicators are there that we are at the bottom, and now it is only up from here.

Cairns is in the middle of weather we have never seen before - and to be honest don't want to see again. We can handle the humidity, we may sweat all over the place but we can deal with that. We can deal with it raining 200mm every day - everything is wet and starts to go mouldy but the water runs away and doesn't cause us too much bother. We can handle the sun coming out - it makes it possible for you to sit outside and watch the grass grow - literally. We are even pretty good at handling the odd cyclone coming our way. What we can't handle is days on end of blue skies, temperatures close enough to 40 and no rain in sight. Everything and everyone is wilting and now that it has been around for a week everyone is starting to get cranky!!

We have been here since 2000 and it makes you want to go on a cruise ship to escape. These companies send us tempting emails every day and I tell you if I could have snuck the last offer in from Cunard - we would have been off. It worked out to be \$70 per night per person - crazy prices. Ramon can eat \$70 worth of fruit flans a day no problem!!!

It is a funny time of year on the rental front. We are seeing a few more properties coming up for rent, and oddly enough some of the other agents are renting them out cheaply. At Viewmont we had a tenant want to break his lease and leave a few days before Christmas. He was paying \$170 per week. Technically I can't hold him to his lease and have him pay for lost days rent if I am trying to get a higher rent. Between us, the owner and the tenant we agreed that there would be no chance of reletting his apartment between Christmas and New Year. We agreed that he would be responsible for paying the rent up to the 4th January and after that point in time if we didn't find someone then the owner would be without rent. Yes, I know I set the goal posts pretty high for myself at times.

This particular unit was repainted recently, the furniture is near new and it presents nicely internally. Of course there is a great Chairperson there that makes sure the outside is looking good as well. Traditionally just after New Year Cairns receives an influx of people moving here for the beginning of the year - doctors, nurses, police, teachers, students etc. I thought we have nothing to lose so we advertised it for \$190 per week - and believe it or not got it - with no days vacancy!!!! That is an extra \$20 in the pocket of the owner and the highest rent I have ever achieved at Viewmont. Since then things have backed off a little, but I have managed to rent another unit in the complex for \$180 per week.

When I saw there was another unit - not one of ours of course - and the agent was trying to get \$160 I sat and shook my head. I am getting consistently \$165 per week for a bedsit so why are they only advertising it for \$160? The poor owner is missing out on potentially higher rent to offset the increases in costs.

If you thought that was good - wait until I tell you about a house we just relet at Edge Hill. It is a nice 5 bedroom, 2 bathroom house with a pool and lovely patio area. It is in the catchment area for Edge Hill State School and is in a very nice part of Edge Hill. The last tenant was paying \$480 per week. I did a bit of home work and to be honest there wasn't a lot available for rent in the upper end of the market. Because we had time up our sleeves before the tenant moved out, we put it on for \$575 per week. To be honest I thought I was pushing it a bit far, so you can imagine my surprise when I had a few people wanting to see it. We did manage to get a lovely couple - who will be a pain in my side but great tenants for the property. These owners get an extra \$95 per week which is just incredible.

This doesn't happen to each and every property that we have come up for rent. We had a unit at Edge Hill and this is normally an easy one to rent out. We had it for \$190 per week, but then dropped it to \$180 per week which I thought was very fair. Ramon and I bought this unit over ten years ago and the only thing we have done internally is put in an air conditioner and furniture. The walls haven't been painted, the stove is older than me I think, the bathroom is very 1970's and the floor coverings are now at least 15 years old. One thing on its own wouldn't have put someone off, but all of them combined put everyone off.

Ramon and I decided to do some upgrades and now have a lovely tenant that is paying \$180 per week. We could have pushed for more, but it had been vacant for a few weeks already, so we thought it was best to rent it out quickly. This tenant is the tiniest girl and she works in the mines and I have to tell you she has the strongest hand shake of any female I have ever met!

Peaceful Lover from Scotsdale has now left us, but it will be forever known as the Peaceful Lover unit - don't ask you really don't want to know. I sent Ramon over there to be my eyes on what needed to be done. There is a small book case that has been screwed to the wall. It would only be about 40 cm wide, so it isn't very big. Ramon said that he would bet that when it came down off the wall there would be a hole behind it - sure enough when Bart went to do his thing there it was!!! Love it when they think they can hide things from us - every time a poster is up on the wall and left behind you know for sure that there will be something they are trying to hide!

Now onto Ron at Sheridan Street - every year he has a friend called Stan come to visit around New Years. Stan is tall and very thin, where as Ron is short and was fat - put them together they are like Laurel and Hardy when they were young. Stan would have to be close to 70 now and is a really bad diabetic. Each year the tenants of Sheridan Street take bets as to which one of them will be taken away by Ambulance - luckily this year no visits. Each year we take the two of them out to dinner at Dunwoody's because they have a great fish and chips which they both enjoy. Ron has a bet on Keno, Stan shuffles to the boys room to take his sugar levels, and poor Ramon and I are left to go to the bar order the drinks and dinner - and pay for them of course!

The other day we were there and Stan came out of the room. This is very visual so you have to get your vision goggles on - it is very hot so both of them are just in shorts. Stan came out and has taken a fashion tip from the youngsters - his undies are up around his waist, whilst his shorts are way down low. We had our niece Tenille with us and she didn't think it was trendy at all. Stan came out of the room very confused and was saying "I've lost my medical bag, I must have left it in the taxi, I need the medical bag". I am just about to dial the taxi company when I say to Stan "what is that hanging around your waist tucked into your shorts?" Yep it is the missing medical bag.

The next thing I was worried about was that he was going into diabetic shock, confusion is the tell tale sign so we chatted for a bit and we soon worked out he was just having a blonde day.

Five minutes later Ron comes out to tell me that someone has stolen all his washing. I don't know who would want to do that, then two minutes later Mr S comes out to say there is some washing in the laundry room that could be Ron's. Now I have to spend the next 15 minutes folding his washing including at least 25 hankies! Not sure where in the Property Managers guide book it has that as one of my duties - but here I am! The Big Man in the Sky had better be watching me.

Each time a tenant gives us a call about an issue, before we send someone out that will cost the owners money one of us from the office goes to see if it is something simple. This of course is not charged to you, and many of you will never know what we do because they happen every single day. It was the Monday holiday last week when I got a call from Ms M who is at Tropic Gardens. She is Chinese so English over the phone just isn't easy. I did manage to get that the air conditioners weren't working and as it was so hot, she really would like them looked at. We were just around the corner so I asked if we could come over to have a look. I love it when we arrive and are invited in with about 10 minutes notice and the place is spotlessly clean!

There are three split system air conditioners in this town house. I first checked that the circuit breaker was turned on and hadn't tripped out. I then got her to show me how she was turning it on. The light on the front face of the split was coming on but then flashing - that was it. I could tell that there was power to the unit, which was a good sign I think. That was the end of my split system knowledge. I could then see the sitcom The IT Crowd flash up. For those of you that haven't seen it they are computer geeks and when someone calls with a problem the first thing they say is "have you turned it off and on again". Hey I had nothing to lose so I went to the fuse box and pretended like I knew what I was doing, when I was really only turning the circuit breaker off, counting to 15 and then turning it on again.

I asked Ms M to try that and from the squeals coming from the lounge room I figured cold air was coming out again. She raced upstairs and turned on the other two - more happy squeals! I told her that it may not be the solution and that if it stopped working again to call me. I did get a text from her a few days later to say they are very cool and the air conditioners are all working well. Mr M owes me a bottle of Merlot!

Fortunately for Ramon I really don't get to go to the shops very often. As you all know I just love my shoes, and clothes, and make up and bling - gone are the days where I were renovating clothes to work each day. As we had Tenille (our fake niece from Brisbane) here for a few days, we decided it was a great idea for the two of us to go to Cairns Central over the long weekend.

How lucky were we that EVERY shop was having a sale! Seriously, the shoe department in Myers had them marked down and then take a further 75% off some of them. I got a lovely pair of red shoes for \$12.30!! Now how can a girl pass that up? There are some days when every shop has something just right - and this was one of those days.

We came home with a lot of shoes!! On the last day before Tenille flew home we decided to check out Mount Sheridan Shopping Centre and more jumped into the trolley. I think now I have enough shoes for 2013 - 12 pairs and loving every single one of them. Although, I am off to Sydney in a few weeks time with Tenille so there could possibly be a few more shoes to add to the collection - only if they are on sale of course. I now have to go out and buy another shoe rack to fit them all into!

Next Note to Self I will write about the latest Tenant Shuffle - lots more work for us, but if it gets each of us more rent for our properties and we get great tenants to stay with us - then we will do it. I hope you are all happy and well in your world.

Linda