

Note to Self

5<sup>th</sup> February 2013

Dear Owners and Investors,

I know two in one week - you would think I would have better things to do than to write to you! Many of you don't live in Cairns, and for you it must be difficult to know exactly where we are in the market, so I try my best to let you know. Right now things are really tight on the rental front, and unlike the dark years that we were in a few years ago, it is now fairly easy to find a good tenant, and achieve a good rent. Gone are the days where I would be upside down in the barrel, scraping along the bottom taking what I could!! I am slowly clearing out the bad tenants, and with some minor upgrading we are getting great tenants again.

As the market continues to get tighter, I am now getting constant phone calls from existing tenants wanting to upgrade, past tenants wanting to come back and even current tenants trying to find places for their friends. In those dark days, I didn't want tenants to give us notice as I would be worried that we wouldn't get someone to take the property, or there would be long vacancies, or worse still long vacancies and a lower rent than what the last tenant was paying.

Now, I am actually quite happy when they want to move on. My thoughts are that we can usually get more with a new tenant, than by increasing the rent on the existing tenant - for this reason I am happy for them to go.

I know my mind works in really weird and wonderful ways, but the way I look at the vacancies is like a big game of snap. I just take notes and move the people so we have a match. I know that it is a pain in my side (and Maureen for the paperwork) but if we have a good tenant and they need a bigger place, and will pay the market rent - why wouldn't we move them? I would rather keep a great tenant, than loose them and possibly get a not so good tenant for both places. For this reason we are in the middle of the tenant shuffle.

Ms L the girlie butcher is moving from Viewmont to Holden Street. She is paying us \$250 for the unit at Holden Street and this is back to the highs we were getting pre GFC. She is a bit loud at times, and has been known to have the music occasionally too loud when she comes home under the influence - but this is rare. The next day when I hear about it and I call her, she knows it wasn't right and apologies. As she has gotten older, these occasions are now far less. She is incredibly clean and there is never an issue with her rent.

Mr H who is a lovely Japanese tenant we had years ago was looking for a one bedroom place - and what better place than the unit at Viewmont that Ms L just left. Again, great tenant with the rent paid and will be such an easy tenant for us - and the complex. Love Japanese and Korean tenants - they are clean, don't have wild parties and rent is never an issue. Best of all, with just a few minor things like a new toilet cistern and some curtains he took it at \$10 per week more than Ms L.

Mr S wanted a bigger yard and has been badgering me for ages for a place so when Ms J decided to leave a duplex - he moved out to this place. The rent is \$10 per week extra for the duplex so those owners are happy, and Mr S is happy now.

I then have the two bedroom unit Mr S just left. It is in a small complex of six near the city. I have it advertised at \$250 per week and have shown a few people through over the weekend. Yesterday I had a brother and sister come to look at the place that will be perfect and they want to take it straight away. They will be great and not cause me a bother.

They had just left and I was about to lock up and leave myself when the lady in one of the other units in the complex came over with her Mum. They had just heard that Mr S had just left and the parents wanted to take the place. I showed them through - although it is pretty much identical to the one she is in and then I said "You know the rental market has moved a lot since you moved in, so unfortunately this one is going to be more than your place. It is \$250 per week." They said that was fine and if they could take it straight away.

Great now I have two tenants wanting to pay \$30 per week more than Mr S. All I have to do is find the brother and sister another place and every one will be happy. Best of all, now that Mum and Dad are going to pay \$250 per week, it won't be such a shock when she gets her rent increase!!

Mr A and his wife were tenants of ours at two other properties. They left and went to another agent, but they didn't like that. They were desperate for a two bedroom place, so when the messy Indian taxi drivers said they were leaving - there was our perfect match. It wasn't clean when the taxi drivers left, but after Dijon (also known as Tasha by Ron) had worked her magic the place was sparkling clean. We put in new curtains and that was pretty much it for the upgrades. There was no real days vacancy and the rent went up by \$10 per week.

Mr A is in a house but is wanting to down size, but still stay close to the city. I have just shown him a unit we have on Spence Street. It needs to be repainted inside before we rent it out, but it is a lovely two bedroom unit that has polished timber boards. If he doesn't take this, I will put the brother and sister in - either way it looks like after repainting, new curtains and fans we will get \$30 per week extra. It was rented very low because we needed to get it painted inside, so by spending the money we are going to get a better rent and a much better tenant.

Ms R has been a tenant at four different places over the past I don't know how many years. She has finally found love and called to say they are moving in together - and I am very happy for her. I am even happier because her rent is really low at \$165 and I was tossing up what to increase it to. It is so much harder to put up the rent to the true market value on an existing tenant. As it turns out Mr H my new Japanese tenant in Ms L the lady butchers place has a Japanese lady friend looking for a new place. I told her \$180 per week, but as it is now. If we have to put in new floor coverings then it will have to go to \$190 per week. Love it - might not even have to haggle to find a new tenant!!

Now for a quick tenant story - or two. It has been ridiculously hot here in Cairns, with absolutely no break in the heat. I know that I have turned into a cranky cow, that is hot and bothered as is most of the population of Cairns - unless you live permanently in air conditioning. Tasha went to clean Ron's house at Sheridan Street on Monday morning. She called to say he wasn't looking right and just wasn't himself. I told her to keep an eye on him until we got there and sure enough as soon as I walked in he looked at me and said "I'm stuffed" which is better than the last time which was "I'm dying but just taking a very long time to do it".

He knows the drill now, I get the bag, we pack his medicines, his glasses - now it isn't his regular glasses we have a pair of "best" glasses - I mean really at 76 with end stage kidney disease, emphysema, anorexia and who know what else - why is he saving the glasses only for BEST, the magnifying glass as his regular glasses just aren't enough and some hankies. Once we are packed, I call the ambulance and I go stand out the front. I am not a nurse or doctor but I am guessing that with the heat he has dehydrated and this has started off a series of things.

Today with a mountain of papers on my desk not just at home but at my office I had a million things I should be doing. My training for the phone Olympics takes up a huge amount of my day, so when it goes quiet late in the day is the time when I get a chance to actually do some paperwork. Ramon spent the day at home doing things around the house, whilst I ran all over the place sorting out tenant things. About 5.30pm the guilt set in. I have admitted it in the past - I am my own worst enemy and today was no exception. I hadn't been up to the hospital to see Ron, so instead of doing paperwork I headed up there to see how he is.

He is getting better as he is starting to get cranky with the nurses. I forget that he is really quite blind - he has a lazy eye and he used to have a good eye. A long time ago when he was travelling he was putting an ockey strap on the car when it released and came back and killed off his good eye. I asked if he wanted me to get the television put on - which of course we would pay for but he just looked at me, then looked at this tiny television up on the ceiling that would be about 30 centimetres wide and said only if they put a big plasma on the wall - there is no way I can see that!!

Mr S who is in Unit 7 at Sheridan Street is weird but in a nice harmless way. He went into the hospital to see Ron and check up on him. When he came back he noticed that we hadn't hung out Ron's washing yesterday after the ambulance arrived. By the time we came back to Sheridan Street to pick up the dogs, it was dry, folded and outside Ron's door. The world works in funny ways, as I really didn't want to take Mr S on as a tenant - but I had no one else. He has turned out to be great and best of all keeps an eye on Ron for me. I really don't know how much longer we will have Ron in this world, but we can only make his life as nice and as comfortable as possible whilst he is with us.

Tommy one of my lovely "I collect old people" as you know passed away. I got a call from Ms L who used to be one of our tenants, asking if we had a place for her friend that is in her 60's and desperate to find a place. I did tell her that the rents have gone up since she left us, and she acknowledged this. There are some days that I love what I do and this afternoon for about 30 minutes I really loved it.

Ms E had been desperate to find somewhere, she had been having no luck at all and was now at a motel which was costing her a fortune - which she just couldn't afford. She came to see Tommy's unit, which we had just had scrubbed clean by Tasha so it looked good. The owners did upgrade the furniture inside, and recently they put in a new fridge and washing machine.

Outside the unit are the gardens that Troy has planted are now taking off, so this makes it is a lovely ground floor unit with a view. I know we push things to happen, and today was a classic example of it. I am in the unit showing Ms E around, whilst Bart is bringing in the new furniture, I then help him to take the old furniture out - yes, we could have delayed the moving in by a day or two to make it easier for us but then that just isn't the way we do things. As I was finishing up, Ms E was almost over whelmed by it all. You could see the relief that she had found a home that was nice, affordable and was all hers. She thanked me for giving her a chance - what she doesn't realise is that the Big Man in the Sky has a plan.

She is a replacement for Tommy in my I collect old people collection. I sometimes forget that it isn't about weekly rent, or upgrades to be done, or the state of the curtains - we deal every day with real people and it is lovely to be able to give them a good home. Best of all the owners are very happy with a \$15 per week increase in the rent.

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

Linda