

Note to Self

19<sup>th</sup> February 2013

Dear Owners and Investors,

I have been doing this a very long time - life before property management is a distant memory now. Oh that secretary walking down St Georges Terrace is long gone. Part of the reason we are good at what we do is the fact that when something is reported - we get on to it quickly.

There is nothing worse than having maintenance not done - the tenants are always calling to complain, so we just get it done. I have been reminded today that when a tenant says "this is not working, but it really doesn't bother me, there is no rush - just get it down when you can" it really doesn't mean that at all. The other day one of my "I collect old people" called to say that the stove wasn't working. Two of the elements have gone - that still leaves two fully working elements. I told him that I would talk to the owner and see what he would like to do. The stoves are now 22 years old so they are nearing the end of their working lives.

That phone call was on Tuesday, I assured him that it would get fixed as soon as I had an answer from the owner and then I would have to work out a time with the electrician. Thursday - yes two days later I get another message from him. When I call he again assures me that he is fine, and there is no rush. He is getting a new oven next week as soon as MDE (Modern Day Electrician) can arrange a time. This will allow me to cross another thing off the never ending list!

Another part of our success is my dobbling network. It is pretty good - I get to know about everything that happens in the complexes. We have concentrated a lot of our properties in the same blocks and this makes our lives so much easier. The other day I got a call from a tenant and he said "I just wanted to call you before anyone else did. Ms D came over last night and she was a drunk and caused a bit of a problem. I tried to keep it down, but there may be some complaints". As it turns out no one complained - love it when the tenants actually dob themselves in!!

You all know that I am a softie, and I am now going to give you all permission in a few months time to say I TOLD YOU SO. The rental market really is turning fast, so the choice of tenants and rents is starting to get so much better than it was before. One of our personal units came up at Palm Trees. It is a very small bedsit unit that we bought back in 2000. We have repainted it once, upgraded the furniture at one point and put a new washing machine in. Apart from that it is pretty much as we bought it. To be honest, it probably needs to be repainted, new curtains and new furniture.

The last tenant - which I scrapped from the bottom of the barrel in the dark days - he left. Actually the choice was he leaves or I give him a Notice to Leave - fortunately he just left. We still do a bit with OzCare and Mission Australia - they only ask for rentals for clients they are sure will be successful. Not all are - the failure rate is fairly high to be honest. Mission Australia has been working with a man and the softie in me gave in. When I told Ramon, he rolled his eyes and said "You know this will bite you in the backside". Deep down I know that it very probably will, but with the Big Man in the Sky watching down on me I have to give him the chance.

I didn't repaint, I didn't put new furniture in and I didn't even put in new curtains. I did however put the rent up \$15 per week - and the new collection to my "I collect old people" has now been added and is very happy with his new home. I figure that if it buys us another six months, then I win. We had almost no vacancy and the rent went up - so we are in front. I still give you permission to say I TOLD YOU SO.

We also don't do the traditional inspections like other agents. Most agents go into a property only every three months and then it is pre arranged and the mess that may be there is cleaned up ready for the inspection. The other day I got a call from a tenant to say the front door wasn't locking but the security screen was. Bart was busy, but I had Ramon with me so off we went to the unit. I have the routine down pat now. My job is to keep the tenants talking and out of Ramons way - he has no patience with tenants at all. He calls me when he wants me to do something - in this case lift the big glass sliding door out of the track.

There I am in my fancy clothes and high heels lifting a big glass door - bet you don't see many Franchise Property Managers doing that! The door needed adjusting, and now locks. The tenant had asked us to come over with only a few hours notice - I get to see how they really live and look after the place. In this case they look after it really well - and now they have a locking door again.

We are in the middle of upgrading a unit we personally have on Spence Street. It is an older property, and we renovated it about 7 years ago. It has polished timber boards and is a really big unit. It can't be described as flash, but it is big and has character with casement windows and high ceilings. It is also located within easy walking distance to the city. The main bedroom has an issue with the ceiling flaking, and it went really mouldy. To be honest it probably needs to have a new false ceiling put up in plaster board - but that can go onto the wish list. For this time we are just refreshing it. We have had it all repainted internally and will put up new curtains and change a few pieces of furniture.

The property manager clothes - including my high heels were left at home today as I was helping Ramon finish it off. I have to tell you we are getting soft, we don't do the long hours we used to and the heat really knocks us about - I mean would you rather be vacuum cleaning the floors or sitting on a deck chair with a cocktail in your hand? We never normally put the air conditioning on, but today I caved and had it all on, not that it made it any more enjoyable. How crazy is this, there I am on knees vacuuming out the dirt between the floor boards, cussing that I don't want to really be here - mean while I have paid someone to come and clean our house!! For a split second I almost fell into the renovator trap.

This was the first unit we renovated and we hadn't done polished boards before. There are some fairly big gaps between the boards and I am not happy with them at all. For the other two properties we did, I spent far too many hours removing all the built up glue and gunk from between the boards and then filling them in with wood putty - see photo attached. The finish was lovely and no more gaps to collect the dirt.

For about 30 seconds I was actually thinking about saying to Ramon lets redo the boards and I will putty fill in the gaps as it does look so much better - that thought was shot down quickly as I remembered that it is a rental property and tenants just won't look after it like we would. Seriously we had just finished the second property. It was one of the hottest Decembers on records and we had just spent three days sanding the boards ourselves, then two days varnishing and the place looked absolutely incredible.

As we were putting the finishing touches to the unit, the new tenants were moving in and as they wheeled their suitcase into the bedroom they put a huge scratch into the floor. I thought Ramon was going to jump out the window - I just shook my head. These boards will come up great with a good mop and clean - they will do for another year at least and then I will pay someone to come in and do them!!

To finish off I will tell you about a new management we just picked up. It is a beautiful two bedroom unit on Hoare Street. It has just been fully renovated and I mean beautifully. As an owner occupier you couldn't get any better - as a rental, it probably is done too well - and not tenant proof in any way. I wanted to be sure that we would not only get a good rental, but a good tenant to look after this. Given the presentation is so good, I thought I would take a chance and list it at \$250 per week - I know I am aiming very high considering it is unfurnished.

I couldn't believe it when the phone and emails started to come in. I will be honest and say 99% of them didn't even get a chance to inspect as I knew just by the phone call they wouldn't be the right one for the property. I got a call from a young man, who is a chef. He went past and had a look and then called back asking for an inspection. I know you won't believe this but tenants that are chefs fall into two categories only - really clean or really messy and there doesn't seem to be an in between. Having nothing to lose, I asked him which one he was and he assured me that he is the really clean category.

I organised to meet him that afternoon and when I saw him I knew straight away he was the perfect tenant for the property. He has been looking for so long and prepared to pay the extra rent because everything is brand new. He is about to move in so this now brings me to the next bit. Cue the music and let the dance of NO VACANCIES BEGIN!!!

Yes, we do have some that are coming up for rent, but with this one gone it leaves us with nothing actually empty! I definitely think that 2013 is going to be the year of the Landlord in Cairns. I hope that you are all happy and well in your world.

Linda