

Note to Self

21st April 2013

Dear Owners and Investors,

Before I get into the fun stuff, I have to do some gloating. I wrote this in April 2012

With the rents, I don't have a crystal ball but I would like to think that by the end of 2013 we will see the bedsit units renting for \$170 and the two bedroom units \$250 per week. This is assuming they are well presented internally and fully furnished. It will come down to supply and demand. If we are tight on rentals now and the economy hasn't started to boom, I think these are achievable.

I can now say that we have rented not one, not two but THREE bedsits at \$170 per week. I need to say that these have been upgraded with the inside being repainted, new curtains and a general upgrade of lights and fans. They haven't flown out the door, but I have rented each of them with minimal vacancies. In fact the last one as I was taking the final photos, the new tenant was moving their things in behind me. As we were sitting there signing the lease papers he said to me as he looked around at the unit - you know that I will not be leaving here for a very long time and probably via a box. Yes, I have another addition to my "I Collect Old People".

The two bedroom unit I am going to be testing at the end of the month. We have one coming up and I have been advertising it at \$250 per week and had a fair amount of enquiries - will let you know if I manage to pull it off. All of this and it is just April - how happy do you think I am at this point in time???

Thank you to all of those that have written to let me know you enjoy my emails. I have to tell you, that I am just reporting it as it happens. I couldn't think of these things even if I tried, and boy do I have some clangers to share with you in this email. It is really hard to explain just how much gets crammed into each day in property management - but all of these things happened this week.

I got a call from a tenant at a small complex of four, we manage all four. He is at home most of the time and he noticed that the gas people had been around and disconnected the gas to one of the neighbours. This triggered his call as he was worried. She works odd hours and although he doesn't see her regularly he would see her catching a cab from the front. Now that the gas had been cut off he was worried that something had happened to her so he called me. Her payments are automatic so this sent alarm bells off for me as well. I called and it went to message bank. I continued to call over the next day but nothing - oh starting to get worried now. Finally she called and said she was just really busy and had changed jobs - very happy I didn't have to go to see if she was still in this world.

This week we sent out the balance of the rent increase letters. I know we could have simply put a stamp on the envelope and sent them in the mail - but I have been doing this a very long time and I know that in two months time there will be some that will swear they didn't receive a letter. For this reason, we sent Maureen off to hand deliver them all. As fast as Maureen slipped them under the door - the phone calls started. I will say most of our tenants just wanted to let us know that it was very fair and reasonable and that they would adjust their payments. I only had one that was a bit cranky, I have managed to explain it to him and he is now happy. As we are now in a rising rental market we have to continue to adjust the rents or we will fall behind very quickly. It isn't a job I like doing, but it has to be done.

As we were keying the new rents into the Console system, there was one tenant that we found was actually paid up until August. I thought this was really odd. I was in his complex when he came up to me and mentioned the letter. He said he would make the adjustments - this is when I mentioned that he was actually paid up months in advance. It actually came as a bit of a shock to him. He then told me that he had a stroke 6 years ago and that his short term memory is not so good. He thinks he hasn't paid the rent, so he goes back to the bank and pays it again, and then again - each time a month at a time!!!

When he started to tell me the side effects he has had since his stroke, I starting saying thank you to the Big Man in the Sky that Ramon didn't get any of them. He used to be a chef, and he now can't "even boil an egg". He saw a video of him in full uniform with the big poofy hat and he can't remember a thing about that part of his life. I will now make a calendar and put a big star on where he is paid to, and give him stars so he can put one one when he goes to the bank.

Last year I wrote about Miss A who lives at Sheridan Street. She goes through binge drinking stages, and these can last for weeks and wow can they get messy. She is a quiet drunk and doesn't cause us a bother but it isn't pretty. Something happens and she sobers up and is really good. This has been going on since she moved into our property. Apart from the drinking she is a great tenant. She is quiet, keeps the place incredibly clean and the rent is paid on time all the time.

Now that Ron isn't at Sheridan Street, we don't get there as often. I will write a special one about Ron very soon - he is still alive, but won't be coming home again. My big concern is that something will happen to her and I really don't want to go in to find someone "expired". I have struggled with this one for months now, but Ramon and I made the decision to give her two months Notice to Leave - which we are legally entitled to do. Within minutes of it being slipped under the door, the phone rang. Ramon saw her the other day so I knew we are now in the sober stage. She obviously was very upset, and asked why. I have nothing to lose so I told her exactly why.

After much toing and froing, we came to an agreement. If she stays clean and sober until the Notice to Leave expires then I will tear it up and she can stay. If she lapses, then I will enforce it. I did see her on Friday and she looked great. She told me about taking the letter to her AA meeting which she goes to each and every day. Let's hope that in two months time I will be writing about her staying on.

We recently did an upgrade on a unit for a client. I even surprised myself when I got \$250 per week for it - the right people came along and it was perfect for them - sometimes it just all comes together. They came to our office to sign the paperwork earlier this week. They are a lovely gay couple from Sydney and their dog which of course is called Priscilla. There is a small courtyard at the front - which could be lovely but really isn't. There is some brick paving, and well nothing much else. They want to create a garden - so who am I to stop them?

For those of you that don't live in the wet tropics - here is a gardening lesson. In Sydney you have to go to the Nursery, chose the plant, take it home and care for it. Here in Cairns, you go up to a sticky plant with a big pair of gardening scissors, cut it off, trim some leaves, dig a hole or if you are lazy just poke it into the ground and then before you know it, it starts to grow.

Seriously, if you cut a plant that works off cuttings, leave it lying on the ground it will start to grow!! Even better where you have cut the plant off it sprouts again and sometimes with multiple branches. We have a bunch of plants in the office garden that will grow from cuttings so armed

with a huge pair of shearers and my high heels off I trot into the garden and like Edward Scissorhands in a pair of stiletto's out I come with a bunch of cuttings.

On Friday whilst out on my rounds I took another boot full of cuttings and dropped them in. They cost me nothing to get, and by dropping them in, I will get a lovely garden for free!! Happy tenants, happy owner and when they go it will be a feature that will help me to get another great tenant paying a great rent.

Back onto rent increases - I got a call from Mr S my blind man - no literally he is blind. He called and said that he couldn't read the letter - yes, I felt pretty bad about that as well. I read it to him over the phone and he was really happy with the increase. I had warned him months ago it would happen as we upgraded his floor coverings. I haven't had a lot of success stories from Mission Australia but he is one of them. He was homeless for a while and just needed a break. He is super clean, and looks after the property really well. He is also a nice person and he is really happy in his new home and will be with us for a long time. Yep, he is one of my "I Collect Old People".

We have another lady that came to us from OzCare that has been a real success story. She is lovely and has been no bother at all. She is in a little bedsit unit, and when she went in the rents were very low. They were only \$145 per week when she first went in. Last year we did give her a small increase of \$5 per week, and this time given the rents are continuing to increase we gave her another \$5 per week. Now no laughing, as my tenants are not necessarily the sharpest tools in the shed. When she got her latest rent increase she sent me a text saying "If the rent is going to go up again, I think I would like a bigger place, with a proper bedroom."

When I called, seriously she couldn't understand that to get a bigger place is going to cost her another \$20 per week on top of what she is currently paying. I will have to go around and see her to try and explain it. For your reference this is the same tenant that sent me a message saying the back door couldn't lock, then when I said Bart was on his way she said "Not today, gone fishing".

It is now time for you to say "I told you so". I took a punt on another person from Mission Australia and unfortunately it didn't work out. I knew it wouldn't but I had to give him a chance to prove himself. It was one of our personal units and it meant I had no vacancies, and \$15 per week extra. I also didn't upgrade it so I had nothing to lose. The sad thing is that he did so well for many months. I know that I take a chance, but part of the reason I take the chance is the backing the organisations give us. To legally evict him, especially if he doesn't co-operate, can take me 3 weeks, plus visits to the courts. It isn't the going to court bit that I don't like, it is being there at 9am that I have trouble with. For me that is the middle of the night. Of course if he wants to leave, then that makes it much easier. Within a week of the final decision being made, the keys were handed back to us - and for me this gives me the "courage" to be able to give another person a chance.

We have a tenant in one of the two bedroom units, and I have known for the past few months that he isn't very well. He has Mesothelioma so this is very probably going to kill him soon. I send him messages every few weeks to see how he is as he only had the operation to remove some of his lung recently. Sadly, when I got his last message he was in Cairns Base Hospital waiting for the Royal Flying Doctor to take him to Townsville. He isn't even one of my "I Collect Old People". I know we can't do much to help him out, but by him just knowing that we will be there to work with the social work department to get his rent paid if need be, is a great help to him.

It is a bit sad, but the Social Work Department know me really well at Cairns Base. I have another tenant that had a massive heart attack and poor wife is there trying to hold it all together financially. I know that I take clients from charities such as Mission Australia and OzCare, but I send the worthy tenants to see them - bit like a student exchange program really!

They know that I only send people down that truly need help and are worth helping. They have funding to be able to help with some of their arrears, and the ability to work with Centrelink and know what buttons to press to get them extra assistance.

Many of these people have never been on benefits before and really don't know where to start. When they get into trouble through no real fault of their own, particularly when it is a health issue the last thing they need is a Property Manager that doesn't understand and makes it difficult.

Now to finish up, I have to tell you about the conversation I had on Friday afternoon with one of our tenants in the carpark. He has been at the complex for 10 years now, and he is only a young fellow. He doesn't work and is on a Disability Pension, although I am not exactly sure why. When I was handed the "How to be a Property Manager" book I didn't read about how to deal with this statement - so any suggestions that you may have will be welcomed.

Mr R - Linda, I have to tell you something. I have been meaning to tell you for some time.

Me - "Sure, are any of the neighbours playing up that I need to deal with?"

Mr R - No they are fine, but I think I have a ghost in my unit.

Me - With a dazed look on my face, and trying to think on my feet I say "Really what makes you say that"

Mr R - I have seen him lots of times. He stands by the front door and watches me.

Me - "Really?" I am stunned and for once have no idea what to say.

Mr R - Yeah, once I was on the computer and I could see him in the reflection of the screen

Me - "Really" no seriously, all the cogs were turning but there was no traction - I couldn't think of a single thing to say but REALLY!!! Not only was I saying REALLY but it was with a really, really stupid look on my face.

Mr R - I think it must be the last tenant - he still gets mail here some times and his name is Mr D

Me - "Really" now I am starting to shake my head, and although still searching for words I am starting to see the really funny side of it all.

Mr R - It doesn't really bother me, but I thought I would just let you know.

Me - "That's great, I really am not sure what I can do about this one, but if you think of something that I can do, you just let me know".

Ok people, how on earth am I supposed to handle this one?

On that note, I hope you are all happy and well in your world and I have given you a small insight of what life is like in my world.

Linda