

Note to Self

14th June 2013

Dear Owners and Investors,

It must be because we are going on a cruise in FIVE more sleeps that I am not writing a Special Edition tonight but a Note to Self. I will be serious for a few minutes.

For those of you that are our clients, I have written to each of you to give you an End of Year update. If you haven't replied, if you can let me know if there is anything you require before the 30th June.

For those of you that aren't our clients, but do have properties here in Cairns, we have a great deal on Depreciation Reports and if you would like more information on this just send me an email. We are also doing the termite rounds and if you need your property inspected - again let me know and I will put you in touch with the best people in Cairns. They are so good that we trust them to look after our timber pole home surrounded by bush.

There is one more deal going. When we are looking at properties for rent, there are certain things that the modern day tenant wants. Apart from a nicely presented property - the two big ones are air conditioning and security screens. We personally don't have air conditioning at home and that is fine for us. For our rental properties however we need to ensure that there is sufficient air conditioning in all the rooms. Sometimes we can get away with just the bedrooms - but as we try to put the rents up this is what the tenants are expecting.

We personally still try to put box air conditioners in where possible - they are cheaper to buy and easier to install. There are some times that this just isn't possible due to the configuration of the wall and window so the only option is a split system. The attached is a special offer on an Aura.

Would I put it into our personal home - probably not. If it were the same price as a named brand to supply and install - then I would go with a name brand. They do come with a 5 year parts and labour warranty - so is it worth a punt - in the right circumstances yes. I have had name brand air conditioners that have died just days outside of warranty - so just because you buy a name brand doesn't mean it will last. To be honest the original ones that are now close to 20 years old are the best - they are actually still working. The price is great at \$799 supply and install which is a great price. If you want more information just let me know.

Now onto the fun stuff. I have to tell you that there is something happening in the rental market. I haven't seen these things since just prior to the take off in 2003. For the past five years it has been very rare for someone coming to look at a property for rent say that the reason they are looking is that their current rental property has been sold and they have been given Notice to Leave. It also is rare that someone says they are moving on because the property is up for sale.

Up until recently, even if it is on the market, it has meant very little to the tenants - particularly those living in unit. We have had a unit for sale for the past 18 months and there have been very few inspections. For tenant it hasn't been an issue - but now that there is activity happening you can see the changes start.

The other thing that is interesting is that I can't remember when tenants talked about buying their own property when inspecting. A couple have mentioned that they are saving for a deposit just lately - so this is another good sign that things are on the up.

I recently sent a letter out to all the tenants and included a brochure on tenant contents as many of them were unaware that they really should have it to protect themselves. I got a phone call from Mr S, who is my blind guy - no not the blinds you hang up but really blind. He rang all concerned that he had done something wrong. He said he could only just manage to make out our logo and figured he had better call me - I need to make big notes on his file not to send anything out in the mail - as he is BLIND and won't be able to read it. I have to say, he is one of my absolute success stories. He came to us from Mission Australia and was homeless - and now he has a lovely home that he is really proud of and so thankful that he has been given a chance. I don't always win, but it is nice when I do.

I have put in a new tenant into one of our bedsit units. I hadn't actually met her as Maureen did the inspection and I had only spoken to her on the phone and by email. She came into the office and she was incredibly tall, skinny like a stick insect and had beautiful long blonde hair - yes she was a model. By the time I finished the lease paperwork I figured that she was actually blonder than I was. This was confirmed over the weekend when I got not one but two phone calls - she only moved in on Friday. The first she managed to blow the safety switch out and the second she managed to lock herself out. Bless her - luckily she is very pretty to look at.

I had another really big win for one of our tenants. We had a couple that were falling behind in their rent in a house. I can't say that this financial pressure was the reason, but he ended up having a heart attack. It is when things like this happen that you realise just how close to the wind some people sail. I could have gone the heavy with them and issued Notice to Remedy Breaches and then evicted them for not being able to pay the rent. Instead I suggested that they go down to see the great team at OzCare. They couldn't help them financially, but just having someone who knows the system and how it can help and who to contact made all the difference to this couple. They struggled along for a while longer.

I asked them to go and see Rent Connect which is part of the Government. For the right situation there is the ability to get financial assistance. I don't let all my tenants know this, it is only the ones that I think are saveable and will be able to get back on track. I can't tell you the smile on my face when the fax came through to say they had paid the arrears. I made the phone call to the tenants to let them know - you could hear the relief when they knew that they had one less thing hanging over their heads. It will be a battle for them to stay financially, but they are going to try their best. I will be there to monitor it and if they need to move them to a smaller and cheaper place.

The rental market is getting better and with this it gives me the ability to be a bit more picky - no more bottom of the barrel scraping for this little black duck. The other day I had two inspections at a lovely Townhouse at Tropic Gardens. The first lady is single and will be living with her Aunt. She came with her Mum in tow and she will be a lovely tenant that will be no bother. The trouble is that she wants it unfurnished - a few years ago we would have considered it but now we don't need to go through all this hassle as there will be another tenant apply that will take it furnished.

The next lady came with her Mum again - must be the day for it. It is for her, her husband and their toddler. I really liked them - but even if they applied I really would be pushed to take them. It would be only if there is absolutely no one else.

Why you ask? The child went and played with all the lovely shiny knobs on the oven, twisting and turning, then pushing and pulling - only going to be so long before that stops working! Then there are the timber stairs - oh I can see what a great game it will be to run up and down them all day long. I actually am very paranoid about kids and stairs and can see an accident waiting to happen.

As it turns out Maureen showed a lovely Japanese man today and less than four hours later he brought in the application - all going to plan he will be in for the weekend.

We just picked up a house in Forest Gardens. We knew it was coming up and we had been working with a potential tenant. Her partner had an accident and now is in a wheel chair. She had viewed the property whilst the last tenants were in place then even came back with the OT who said it would be perfect. The day I get the keys she calls to say they have changed their mind and the OT says it isn't suitable. I felt sorry for her, as it is going to be incredibly difficult to find a place that will meet her needs. As I hang up I realise that now I have a vacant property and I really want to get this rented out BEFORE I go on the cruise - did I mention that we are going on a cruise in FIVE more sleeps.

I took all the photos and loaded it up this afternoon onto the internet. That was around 2pm when it went live. At 3.30pm I get a phone call, followed by an email and then an application form from a couple. She is a doctor at Cairns Base Hospital and her husband is studying at JCU. They do have a toddler - but the oven is up high so no knobs to play with and there are no stairs to run up and down. I had to show another property this evening, so I said that if they didn't mind seeing it late I could show it to them tonight. So whilst most other property managers are at home having their dinner, there I am at 6.30pm showing a property. They loved it, and they want to take it as soon as it is ready. Hoorah looks like another one rented before we leave.

There have been two properties that we have been struggling to rent. There is no reason as they are both well presented and priced right. I am not chasing the high rental dollars for these two. There have been lots of inspections on both - but no applications. Yet on the other hand I manage to rent some out at really high rentals with the first person to see it take it. I am sure that these will go soon - but I still scratch my head as to why these two aren't moving?

There are some days that things just fall into place. Some think I have a knack at finding tenants - but really it is just one big game of SNAP. I had a long term tenant send me an email to say that he can't live in his unit any more. It is an older unit and difficult to keep clean and too big. He also struggles with the garden so he wants a smaller place. I am not lying but about 15 minutes after I read this, one of the tenants a bedsit we just renovated and rented out for \$170 per week called to say he had to break his lease as his Father was sick. SNAP!!! I called Mr G to ask him to go and have a look - I already knew it would be perfect for him. There is parking at the front door, it is compact and just renovated - there is a garden at the back but that is all taken care of by Body Corporate. He loved it and is moving in next week.

The best part is that I get to keep a great tenant, yes he is one of my I collect Old People Collection, the owner of the bedsit gets some one that will be there long term and really look after the place at the higher rent. The icing on the cake is that the place he is in right now needs to be renovated and the owner had planned on doing this next year - I would have had to move Mr G on. The owner is going to do the renovations and the rent will go from \$180 per week up to hopefully the same as next door - \$250!!!

To finish off I will tell you about our LOTTO WIN - OK so we didn't actually win a lottery, but to me it is just about as good as. We have the lovely French couple that are in our unit at Grafton Street. She mentioned that her brother is coming out and is handy. He is studying at TAFE and is looking for some work after hours. I spoke to him - well via his lovely French sister and he seemed to be able to do lots of different things. I spoke to Ramon and said we have nothing to lose by giving him a try out. OH MY GOODNESS - the man can do just about anything, but better than that he is fast and is a craftsman.

Unlike Brad the Bogan painter, I (actually Ramon) doesn't have to check up on his work. He has been working with Ramon all this week and torn through the renovations at Grafton Street. I am now lining up all those horrible jobs that I have been putting off for years - can't tell you what a find he has been.

Ramon said William reminds him of himself when he was younger - oh except he is taller, better looking, has tattoos and doesn't speak a word of English!!!

I hope you are happy and well in your world. Did I mention only FIVE more sleeps.

Linda Tuck