

Note to Self

10th July 2013

Dear Owners and Investors,

Before I start, there are many of you on the list now. If you would like to be taken off at any point in time, please just send me an email and I will remove you from the list.

Bet you all missed me!!! Yes, we are back to the real life of work, tenants and what they get up to each day. The cruise is a distant memory now, but I am sure that we will be going on another one real soon.

Cairns is starting to turn the corner, but it is going to be a long, slow turn around - but it will happen. The latest Herron Todd White report has come out, the link is <http://cairnswatch.com.au/uploads/uploads/201306fullreport.pdf>

There is great news, with our unemployment level down to BELOW 6%. This is a long way from where it was at over 13%. We are in our peak season, and the signs of recovery particularly in the Hospitality Industry are there. I have two tenants that work for different 5 Star Resorts, and both say that they have been at 100% occupancy for a few weeks now. There is a flow on effect from the Lions Tour, with the travellers coming North to explore our region. Although the numbers are up, I think the way that all travellers spend has changed significantly. The actual dollars they spend has decreased significantly, or that is what I am hearing.

I particularly want to bring to your attention the last page where they state "Cairns is getting ready to tick over from the bottom of the cycle to the start of the recovery phase, but is not quite there yet."

The rental market is STRANGE at the moment. Although things are renting, there are some properties that for no reason we are struggling to rent out. We recently had a two bedroom unit in Edge Hill. It is small, but nicely presented. It comes fully furnished and has two air conditioners. We weren't chasing the big rents, just wanted to get it rented out. The weekly rent was \$210 per week - which is very reasonable. I can't count how many people we showed through, and not a single application. It took us close to four weeks to rent this unit. I cannot explain why. It was the same story for another two units at the same time.

On the other hand, we had a bed sit that vacated today - but she gave us back the keys on Monday. We have a new tenant move in today - No Vacancy and a \$10 per week increase. Go figure!

I was busy whilst on the cruise and have pre written lots of emails to send you over the next few weeks. For now you will just have to settle for tenant stories. As we were at Sydney Airport waiting to come back to reality, I went through my text messages. There was one that just came in from a Japanese tenant to say his stove wasn't working. I called him to see what was going on. He told me that it went bang, and now one of the elements wasn't working.

I questioned him if the other three were still working and he told me YES!! This can happen, and the element itself needs to be replaced by the electricians. As he had three working elements, and it is a bedsit unit I thought he would be able to cope with this for a few days until I could get the electrician there. On the list, and I thought nothing more of it.

That was Saturday. On Tuesday I get a call from Bart the Wonder Handy Man to say that we need to get the electrician out to the same unit - I told him it was on the list and they will get there next week some time. He asked if I knew that the safety had tripped out and the tenant has had no power since Saturday. What can I say, I don't read minds! Bart turned the circuit to the stove off, got power back to the unit and the electrician were out the next morning and all happy again.

This is only a short one tonight, I will write a serious update one very soon. I thought I would share with you what I did on Friday and Sunday. We spent the day at home on Friday catching up on the 1000 emails - no literally that many. I also went through the mail and in there was the Spotlight catalogue. Curtains and I have a love/hate relationship. I have to love the difference they can make to a property, but do I hate shopping for them - nearly as much as Ramon hates putting them up. We all know that we have to start visually improving the properties, and if I have to ask you to upgrade things like the curtains I need for it to be affordable. I also don't need to be running around every week looking at the specials, so when I see something that is good value and we can all use I buy up BIG.

In the catalogue they had a run out on Roman Blinds, Holland Blinds, Eyelet Curtains and normal curtains. The prices were great so I ordered and took whatever they had in stock - plus ordered a heap more. They asked that I come and pick it up as soon as I could.

On Sunday I could have been practical and taken in the big 4WD, but given it is my day off (oh yeah, I am laughing about that as well) I decided to take the Lemon EOS in for a drive. I didn't quite appreciate just how impractical it would be to collect 1.8 metre Holland blinds - and lots of them. There was no way that they would fit in with the roof on, so in the middle of the Spotlight car park I dropped the roof and piled them in.

It isn't too far from our office, but I could just see one of them flying out the car, so I had to then figure how to secure them - no real tie down points in the EOS, so now I had to figure how to get the roof back on without squashing them all. It must have been hilarious watching this crazy woman darting around the car, tucking in the blinds as the roof inched closer to closing.

I can say that we now have plenty of reserve stock for curtains when your property needs to be upgraded. For such a small outlay, it really is a big improvement!

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

Linda