

Note to Self

28th July 2013

Dear Owners and Investors,

There are times when I sit looking at the screen thinking what on earth am I going to write about? Then there are weeks like the past one where I wonder how I am going to fit it all in.

This is going to be a long and hopefully entertaining email. Grab a cup of tea, sit back and enjoy it! It will give you an insight into what we do every single day.

This past week, particularly yesterday has been "Property Management to the Extreme". When you are in it every single day you get used to things happening and you forget what role a property manager actually takes on. For most investors you would think it would be:

List a Property - show potential tenants - find a tenant and put them in - sit back collect the money - go and do 3 monthly inspections - wait until something goes wrong then fix it

How I wish that was the extent of the job!! I am sure there are many that do simply this, but that just isn't the way we do things and probably the reason we are so good at what we do. Plus, if I was like that you wouldn't be reading the Note to Self!! Our role includes:

Social Work - Mediation - Life Skills - Budgeting - Renovations - Handy Man - Locksmith to name but a few.

When I was growing up, my Mum used to say things always come in Three's. I didn't believe her but after this week - I Sure Do!!!!

Number One - whilst in Brisbane, which I can tell you although it was only a week ago is like a million years ago, I get a text message from the tenant to say the water is coming out from the hot water system. I have to shake my head at the logic - the hot water system is leaking so instead of calling me - they send a text message to Maureen? When I get it, which wasn't very long after it was sent I try to call - but the tenant has gone out, leaving the leaking hot water system to do what it likes. He ambles home late afternoon and then calls me. It is Saturday afternoon so there is no way I am going to get anything done before Monday. I need to stop the water loss and any damage.

These tenants are from Bhutan and English is not so easy over the phone - especially trying to explain that they need to turn the power off to the hot water and then the black tap on the tank!

After repeating and changing the same sentence into 25 different ways we succeeded. I had him turn on the hot water tap in the vanity and no water was coming out. Monday came and the top of the hot water had blown so there was no option but to replace it. Fortunately there was no real water damage so I can cross an insurance claim off the list. By Tuesday lunch time, a new hot water system is in and I have happy tenants.

Number Two - Tuesday I get a call from one of our tenants to say that the hot water system wasn't working. Why wait until 6pm is beyond me when it wasn't working first thing in the morning. Ramon was with me in the car and we weren't far away so I asked if it would be alright to come and have a look straight away. We always go out and have a look just in case it is something really simple. This particular tenant has been with us for a very long time and over three different units. I don't actually get to physically see him often, most of our conversations are by phone.

Now my trusty assistant does the inspections I don't get to the properties as much as I used to. I walk up to the front door and yell through the door if it is alright to come in and then make a smart comment like "Mr C what on earth are you doing with a pram at the front door?" thinking he had a visitor or the like. He goes on to tell me that it is for his 6 month old son - the jaw falls slightly as I had totally missed that one. He continues to tell me that he lives with him full time - at this point I should have kept my mouth shut but it automatically spilled out "Where's Mum?" The jaw fell to the floor as he said "She died."

I remember months ago he called to ask about getting a bigger place that was two bedrooms, but he wasn't in any hurry. I didn't think anything of it really and wasn't in that much of a hurry to move him on as it needs to be repainted inside. There was no mention of a partner, or a baby and certainly nothing about her being sick. It seems that he had met a lady, who lived in the Philippines and he went there quite often. She was planning to come out to Australia soon.

She was pregnant when they found out she had Leukaemia. They delivered the baby early in January and she passed in February. Mr C has been thrown in the deep end and seems to be coping alright, but now he is going back to work and really has no idea on how "the System" works. Every time I asked about Parenting Payments, Childcare Rebates or even Rent Assistance his eyes glazed over. Ramon is hovering about working out what has happened with the hot water system - you see my job is to keep the tenants away from him so he can do what he needs to do without being disturbed. I didn't have to make small talk this time.

I will now go into girlie maintenance talk, as there is no way I am going to get the technical bits right. The little plastic joiner thingy that is in the front of the hot water tank probably got some moisture on it - funny how that would possibly happen when it is in a hot water tank. That then surged and melted the thingy, which then also sent power back to the main circuit breaker. In this case it was a wire fuse - luckily the Old School Electrician was the one that answered the phone as the Modern Day Electrician is well after the fuse wire era. This wasn't going to be a simple fix and definitely needed an Electrician. I am so lucky with our trades men, not only did OSE answer the phone at 6pm he was still working and came out in 10 minutes to fix it!

We now have to wait, so Mr C says "You want to hold him". Me holding a baby, now that is something you won't see very often!! Then he brings out the bottle that has just been prepared and shoves it in my hand and then into the baby's mouth - obviously Mr C has no idea that I don't have a single Mummy gene in my system! As I continued to speak to Mr C, I could see trouble on the horizon financially, and only because he had no idea on where to start. I gave him the number for OzCare and made him promise to make an appointment. I have since spoken to my contact and asked him to call Mr C and get him in. Now I have to find a two bedroom unit in a hurry that is going to suit them - oh and line up the painter for when he moves out.

Number Three - this was the easiest of them all. I got a call from the tenant at 4pm Thursday to say they had no hot water. Ramon was out there about to visit Ron in the nursing home so he stopped by. It was the same plastic thingy in the front of the tank and it has also melted the circuit breaker back in the box. Luckily we had the electricians lined up for jobs all day Friday, so this was put on the list. By mid morning on Friday, the plastic thingy was replaced with a better style and the tenants had hot water again.

Fortunately out of the three hot water systems - we only had to replace one!!

The next thing was stoves. Most of the upright stoves are original, and the reality is they are now 20 years old and starting to look very ordinary. It is such a tough call to fix or upgrade a stove, and this is one that we struggle with personally. There are essentially two things that can go wrong with a stove top. The element can pop - and will stop working altogether or the simmer stat will only go up to high. This basically means if the tenant turns the stove on to low, it will go straight up to high and won't be able to be turned down. When either of these happen you can't fix this, it is a new part that needs to be installed.

Of course this needs to be done by an electrician, so you are looking at anything from \$100 up to \$300 to fix a stove depending on how many of the elements or simmer stats need to be replaced. Like fixing an old car, you may have fixed that bit, but the wiring and running gear is still 20 years old and it will continue to fail and cost you money. It may work, but visually it is still an old clanger.

Number One - this is one of our units and when we were repainting it, we took out the air conditioner as it wasn't working. It was a split system and we patched over the hole so you would never know it was there. Personally we don't use air conditioners but in units they are essential. We had a lovely man take the unit - and he has been added to the "I Collect Old People Collection". Not only do we need to put in an air conditioner but the stove is really, really awful looking. I gave him a call and secretly had my fingers and toes crossed.

I have seen him sitting on the balcony as I drive past so I was hoping he was going to be from the school of non air conditioning - AND HE WAS!!! I told him that I am doing upgrades but can only afford to do just one thing. It could be the air conditioner for summer or a new stove - before the words finished tumbling out of my mouth he answered "Stove Please". I called him on Thursday to let him know it would be going in on Friday and he was thrilled. After it went in, he called to thank me and tell me he was cooking a roast for dinner.

Number Two - We took over a property in Bungalow a few years ago. The stove in Unit 5 needed be replaced back then but we have nursed it along, and nursed it along but now with 3 elements out the time had come. It is funny how exciting getting a new stove is to some tenants!!! That one is in and he is thrilled. He is a great tenant, and for the owner it means that the unit is now upgraded to the next level. This will make my job easier when they do go.

Number Three - Our lovely Chinese lady at Tropic Gardens had two elements out. This one was a difficult call as it is slightly newer at about 18 years old but the owner decided to upgrade. As soon as the electrician was out the door she was on the phone to say thank you and that she would look after it for us. Some days it is so nice to know that we have great tenants.

You are thinking now surely that is the end of the run of Three's but oh nooooo!!! This is one of the weirdest ones in the entire 13 years doing what we do. Most normal people wake up Saturday morning and think Yahoooooo it is the weekend - what am I going to do? They go out and do things, they go to the shopping centre or they just sit on the couch and be a couch potato. I may have a collection of Barbie shoes but I buy in bulk. Brisbane was a bonanza for shoe shopping - I now have SIX more pairs to my collection. I thank my lucky stars that Events Clothing is on line or I would have no clothes.

One of my new favourites is T2 which is a tea shop. I really never get time to go to the shopping centre and just amble. I cannot believe that now in Cairns Central we have TWO of my favourite stores - and I had no idea they were there. There is T2 and Fantastic Footwear - I can just see Ramon's eyes rolling as he can see lots more Barbie shoes being added to the collection.

I get so much more done in the office on the weekend than I do during the week that I actually prefer to go in on Saturday or Sunday to do paperwork. Sadly this weekend it is going to be both days as I have a lot to catch up on. On goes the Music Video channel to the 80's collection, it goes up loud and away I go. I know I am such an 80's left over, music, hair and if I could great big shoulder pads.

Number One - It was about 2pm when the tenant ring went off on my phone. It is a tenant that we don't look after as the owner looks after him directly. He has been there for years, and it is very rare that I get to hear from him. To be honest if he hadn't of called from his mobile and the number registered in my phone, I would have had no idea it was him. I initially thought he was really drunk, but then as I tried to understand him I would have sworn he lost his speech after a stroke.

It was really hard going to understand him, but I did manage to get out of him that he was at Cairns Base Hospital and that he was dying. I am going to have to go up to the hospital and visit to work out what is going on and how we can help him out. Those girls in the Social Work Department thought they saw the last of me after Ron - don't think they will ever see the end of me whilst I am doing this.

Number Two - It is now about 5pm when the tenant ring goes off again. This isn't unusual as they really do call me all the time. It is Ms R who calls me to dob on herself after she has done something wrong. I am wondering what she has got up to this time - haven't had any complaints from the neighbours yet so it can't be that bad. She has been with us over 3 different units for many years now. There was a gap of a few years between renting and during that gap she had a child and separated. Ms R does have some mental health issues, and can go off the rails quickly. She did go off badly and I had to move her on but to her credit this was her bottom and she has come back strong. She has paid off the arrears, got her life back together and is on the right track. Her down fall is Mr G who was the dead beat boyfriend.

Whenever he was around it would turn pear shaped. Mr G doesn't live with her, and he is at sea most of the time fortunately. I am sitting there waiting for her to tell me who she has had a falling out with when she just comes out and says "Mr G is dead". I honestly didn't know what to say. It seems that he drowned whilst at sea. She is listed as his Next of Kin so the Police came to tell her in the morning. There was nothing that she wanted me to do, she just wanted someone to listen. I had to broach the subject and remind her just how far she had come. She needed to be careful that this didn't tip her over the edge as she has a little girl that depends on her. On my list for this week now is a hospital visit and a counselling session with Ms R.

Number Three - It is now getting close to 7pm and I am thinking I really should go out and buy a lottery ticket to cancel out any thought of Number Three. That is when the tenant ring goes off on my mobile again. It is a tenant that I have been having trouble with lately for rent payment. Although she has been great liaising by email and every time she says she will do something she does, I really just needed to talk it through with her. They have both just come from big salaries and the work situation didn't pan out as it should have here in Cairns.

They have gone from \$150K combined income to both having no choice but be on Welfare. They have used up all their resources and things are now dire. At this point Ms L broke down in tears and told me that she tried to commit suicide three weeks ago and has only just come back home. Things got so bad that they didn't have any food in the house for a few weeks. I can't think how awful it must be.

I have her going to see my friends down at OzCare on Monday. We are going to move her to a smaller and cheaper property. This is \$110 per week less and I will help point her in the right direction.

So Monday I have to go to the Cairns Base Hospital, do a Counselling session with Ms R, go and see OzCare to get them to see Mr C and Ms L. I know that I don't have to actually do any of this - how can you not when you have the knowledge and connections? The Big Man in the Sky had better be watching and taking notes.

I have not one but Three tenant Stories to finish off. See the theme continues even to the end of the email.

Tenant Story One - Mr A has been with us a very long time now. He is in one of our personal town houses and at the moment he is paying \$170 per week. The unit next door is presented the same and we get \$210 per week. I could print out a letter and send him a rent increase. If it were a \$10 increase it wouldn't make much of a difference to us, to be honest even if we took it up by \$40 per week it really isn't going to make that big a difference to our lives. Don't me wrong, if I can I do increase the rents but in this case even a \$5 week increase will make Mr A's life even more difficult. I have written about him in the past.

He has been battling Cancer for the past few years. He is now in technical Remission, but as he has had stomach surgery he is now having Adhesions. This means he can't go back to work although he desperately wants to. He has just been moved from a Sickness Benefit back to a Newstart Allowance. This is a big financial difference and he is really struggling financially. He is now behind in his rent, and I know he would be stressing and this just isn't what he needs.

There is an arm of the State Government where I can send tenants for financial assistance. Since knowing about them, I have only sent one person. It is only when someone is "worthy" that I send them. That is going to come across oh so wrong, so I will try to explain. If someone is in a situation through no fault of their own, if they are trying everything possible to get themselves out of that situation and if they are some one that will appreciate the help - then I send them. Mr A has an appointment to go and see them on Monday and if they do pay for his arrears, it will take such a financial burden off him. My reward for this one is a cup of tea at his unit with chocolate biscuits.

Tenant Story Two - One of our clients works here in Cairns for Centrelink. She had an older gentleman that needed a property to rent. Mr J is 78 years old and I don't have the full story on him yet, but it seems he was sharing or staying somewhere that he absolutely hated. He would have taken anything to just get away. Monday morning Maureen showed him a property that had just become vacant. You didn't actually think that I would be showing him a unit in the morning!!!

This is one of the bedsit units and the tenant has been living there for a very long time. There was no bed in the unit when he looked at it - it was on order and going to be delivered. He wanted to take the unit there and then - he would sleep on the floor because it was a better option than going back to where he was staying. I just couldn't do this but I did promise to pull a rabbit out of the hat and have it ready for him in the morning. As luck has it, the new bed and mattress is not in stock at Amart.

Fortunately we had a bed a mattress that was good, but not good enough for the unit we are renovating at Sheridan Street. We were about to call the Charity shop to come and take it away - instead Bart took it over to the unit and Mr J moved in on Tuesday morning.

He is Greek from Sydney, so not sure how he came here or his story but I have a feeling I will find out very soon. He called me on Tuesday afternoon once he had settled in and couldn't thank us enough for making it happen so quickly. Happy ending - happy tenant, happy owners with \$15 per week more and now I have yet another oldie for my "I collect Old People" collection.

Tenant Story Three - Ms T again has been with us for a very long time. She is in a little bedsit and is a truly a lovely person. When she moved in I thought she was a bit too thin, but you can't get that personal. I was right and she battles Anorexia and has done so since she was a young teen. Over the years, she has shared her story with me. A few years ago she called me to say that she won't be at her unit, but she will continue to rent it.

She ended up in hospital for a few months as her weight had dropped down to 28kg. That was her low point, and since then she has continued to battle her demons, but each time I see her she looks better and better. She called to say that she is leaving us in a few weeks. She has an opportunity to move in with her Aunt and this will be great for both Ms T and her Aunt. She is now a blossoming 60kg and holds down a normal job and is happy. Did we make a difference, we don't think so but she does and that is enough to make all the horrible bits of my job fade away.

Time now to get ready and go to the office and tackle the paperwork! I can't complain as this time last week I was in Brisbane with the two Dinosaurs and fake niece about to go to the Pink Concert. I hope that you have enjoyed this insight into my world.

I hope you are happy and well in your world.

Linda Tuck