

Note to Self

16th August 2015

Dear Owners and Investors,

We all know the concept of property investing – you buy a property, hold it for as long as you can and then when the market get to a price you want it to, and it is time to retire you sell and it has made you money so you can retire. Great concept with just one or two small flaws – the biggest is along the way you have to actually have tenants living there paying you rent so you can pay the mortgage and keep the bank happy. The second flaw is the property will need maintenance – and you can plan all you like, sometimes you just can't predict what will happen or when.

Being a Property Manager is not something that I ever anticipated being – who in their right mind would want to do this every day? It is incredibly difficult to balance the needs and wants of the property, against the needs and wants of the owners and then throw in the needs and wants of the tenants and it is an almost impossible task to complete. Fifteen years ago I was young and naive, but today I am a battle hardened property manager that has just about seen it all – but even now there are days that I am surprised. All the stories except Midnight Sex happened in the week that has just gone – crazy world I live in.

I have learnt that the way I live is not the way that other people live. As a property manager and investor, I can only ask that they tenants pay the rent, look after the property so that there is no damage and not annoy the neighbours. If they choose to leave their dirty dishes in the sink or clothes on the floor – is it really damaging the property or it is just something that I wouldn't want to happen in our house.

Each and every day we get to meet new people – some that in no other circumstances would we ever come into contact with – these are just some of the people and their stories that we have crossed paths with. As there are so many people we meet, a bit like a Seinfeld episode they all have names so that when we mention them every one in the office knows exactly who they are.

We had a unit become available at Buchan Street a few weeks ago. There was a couple that we showed through – actually Stacey had the pleasure of this viewing and afterwards she said “they will be fine, but they are different, next time I see you I will show you.” They currently live on the same street and have decided to move to a place of their own rather than continue sharing. They missed out on Unit 7 but I knew that Unit 5 was coming up in two weeks so we could look at putting them in there. When the unit became vacant – Heidi our new edition to the Property Ladder team was given the chance to show them through.

There are times when we sit around the table trying to work out how we are going to get a good tenant, then there are days that we try to work out of the bad applications which one is the best and then there are times when we have a choice of really great tenants and can't work out who to put in. This unit was one of these really good days where we had lots of great applicants.

At this stage I had not met Mr M and Ms G only spoken to them on the phone and I had already worked out they were going to be quirky. At this point Stacey and Heidi did some role playing in the office and showed me how they were at the inspection – throughout the entire inspection they held hands and whispered to each other.

They went through the entire flat in fine details and gushed over everything, all the time holding hands. At this point didn't know what to do – laugh or cry but the girls convinced me that they were the best ones to go into this property.

I got to do the lease sign up and I tell you from the moment I opened the front door and they walked in I had to bite the side of my cheek or I would burst out laughing. All I could see in front of me was Stacey and Heidi role playing and it was even funnier in real life. They aren't a young couple either and throughout the entire sign up they held each other's hand and I could hear whispers between them. From now on they are known as the Hand Holders.

So now we are left with the second really good application – Ms A. She actually is one of our tenants that just left Grafton Street to go down to Sydney. Yes, this is the same Ms A that had the strange lady come into her unit and drink the beers from the fridge and pee on the sofa.

Living in Cairns you just don't realise just how good it is until you move away. She lasted about 4 weeks before realising it was not what she wanted and called me to arrange for a unit to come back to. She really wanted to go to Buchan Street but for now will go to another unit at Grafton Street. Great idea with just one small problem, we actually haven't finished it as yet. Ramon has to pull out all the stops to get it finished by Thursday as she is moving in – nothing like a bit of pressure to get the job done.

We then have to work out which unit of the three that we haven't renovated at Buchan Street to move on. I think it is going to be the Crazy Cat Man in Unit 1 as he is only paying \$230 per week. If we renovate it like we did Unit 5, and secure off the small balcony area for Ms A I think we can get \$320 for it especially if she can have her little dog Sugar go out onto the balcony area. Pretty good incentive to move on the current tenant on and let Bart the Wonder Handyman and his trusty assistant Katie work their magic on the place.

We have a lot of units at City Park and there has been an issue between two of the units for the past few months. The unit that is on the top floor got new tenants in December 2014. The unit that is in the middle level had a change of tenant in May 2015 – so remember there was a period when the original tenant in the middle was there for almost five months, living with the people on the top floor. When Mr K moved out, he made a comment to me that this complex was one of the best he has ever lived at. The actual complex is really quiet, and the neighbours are great. There is an issue with the complex across the road mainly every second week – coinciding with Pension day but in general it was fantastic living there. I love to hear this and it makes the whole thing worthwhile.

The new tenants we put in are a couple that have been travelling in their caravan for a year or so and are looking to settle in Cairns for a while. Nice enough couple but they have their own business and spend a lot more time at home than most of the other tenants. It was about three weeks later that the first complaint came in. He said that the noise coming from the upstairs unit is unbearable and something needs to be done about it.

I need a bit more information than just its noisy so I start the questioning – well what sort of noise is it? Is it music, it is shouting, is it arguing between them? Mr B tells me it is actually the kids making a heap of noise after they get home from school. There isn't a lot I can really do about this as kids are kids and noise does travel. I then question again, so is there any other noise that happens that is annoying you.

Now this is when I start to shake my head and wonder why I do what I do. Mr B says “well yes, there is another problem that bothers us more than the kids. He comes home after an evening shift and gets home around midnight and well.... they have really loud sex and she moans really loudly, so loudly it wakes us up!” There are times that I don’t know what else to do so I laugh and even now as I type I am laughing. The upstairs tenants are now know as “Midnight Sex.”

My time is pretty limited and there are days when I am just getting into the groove of paperwork when the phone rings and I have to get dragged off to do something I do get annoyed.

Wednesday was one of those days. We have a tenant Mr J who was at Scotsdale for a while. Lovely old guy who is no bother at all. He made the decision to leave us to go to a low car nursing home environment. He got his own little unit but they took 85% of his pension and he had to eat with all the others in the hall. The unit itself is probably nicer than the one he had at Scotsdale to be honest. Mr J lasted just a few months before he rang me very upset saying that it is so depressing living with all these old people and if he could come back. He has now been back at Scotsdale for a few months.

He called me about 5.30pm to say he had been out all day and when he came back home he had no power. I have a set speech that I have for these moments and it goes something like this,

Are you at home right now?

Yes, great go to the front door and just inside near the fridge (luckily I know where all the fuse boxes are) can you see a row of switches?

Great, are all these switches facing up towards the ceiling?

In this case they were – so this tells me that no power is actually coming into the unit, it is further back at the mains

Right Mr J, you need to get your keys and go outside and then lock the door behind you.

Now walk down towards the back, yes towards the pool and then when you get to Unit 12 turn to the right.

Just to your right you will see two big wooden doors – now you need to go and open them

Can you see another row of switches, there will be lots of them?

Great now you need to look for Unit 8 – it is facing up the same way as all the others?

When he tells me yes it is, now I know it will either be an issue with the main circuit breaker in the main board, the main fuse box in the unit or his power has been cut off. Either way these are all beyond me and I need to call someone in. Now I just have to work out what it is and what the next step is to take. Did the young, naive secretary walking down St Georges Terrace in Perth have any idea about this – no chance! See all the useless information I know about now.

Right, Mr J there are lots of meters in the board and they are about the size of your hand. Each one has a number on it either on the front face or next to the meter on the white board behind. They should be in number order, just find one number and you should be able to work it out. You need to find the one for your unit number 8.

Mr J is adamant there are no numbers on them, but I know there are and I tell him to look again. Still he can’t see them and now he is starting to get flustered. Luckily I am still at the office and I guess the paperwork will have to wait until I get back. I tell him to wait there and I will drive over to sort it out in a few minutes. I grumble as I get into the car and turn Robbie Williams up really loud to make it better – practising for the mosh pit in October.

I forget just how nice Mr J is and he is so appreciative that I have come out to sort it out for him. As soon as I get there he says that he did find the numbers and I when I look at the meters I can see why he had trouble. It is in black felt pen but it is small and very light – and given he is 80 now I can see why he didn't see them straight away. I can see the issue easily now. All the other meters are sitting with the disk going from left to right, but Mr J is the only one that is facing up and down – this basically means that Ergon the electricity provider has come out and pulled the meter out and turned it on its side to disconnect him.

Luckily it is now only 5.45pm and I give the team at Ergon a call. Sure enough when he moved in, no one actually put the account into his name. A few months later they have come back to do the regular meter reading and seen that someone has been living in the unit but no account has been set up. I give Mr J a hand to set up the account and they can come back to reconnect but it is going to be at a cost of \$112 as it is an afterhours call out. Mr J can't work it out as he has been having \$30 per fortnight deducted from his Centrelink pension to pay for the electricity. He does agree to get them to come out to reconnect so at least I know he is going to have power back tonight.

I head back to the office and send off an email to one of the other tenants in the building that helps keep an eye on Mr J for me. It is reassuring for me to know that the other tenants look out for me. Mr M is really good with sorting out all this stuff and he will get any money Mr J has already paid credited to his newly opened account.

In the morning I get a call from Mr J to say that when Ergon came out they went to the meter and pulled it out and turned it on its side like the others. He now is sure someone did it and this is why he had no power. I do try to explain again that Ergon did it, not just some random person and it was because he didn't have his name against the property. He didn't believe me, and no amount of explaining would change his mind. That afternoon Mr J calls me again to tell me he just got his mail from today and there is a letter from Ergon to say they were going to disconnect due to no name being on the account – we did have a good laugh over this and now he gets it!!

There are some people that question our fees, and it is the things that none of you get to hear about that we do for you that save you money. We had a new tenant move into a unit. It is a two bedroom unit and she is there on her own. She had two issues after she moved in – the hot water was running out after just a few minutes and the TV would only tune into one station.

Before we sent any trades people out, we try to eliminate all the simple issues first. In regards to the hot water, it seems there is hot water but it only lasts for a few minutes. The fact it actually comes out hot means that the thermostat and element are actually working so it will be either there is air in the tank or she is actually using up all the hot water in one hit and running out.

We had the tank bled and a few days later Ms A called to say the same issue was happening. Ramon has taken over the role of trouble shooter whilst Bart the Wonder Handyman is on holidays and although he grumbled that he would never finish Grafton Street in time, off he went. He ran the water and sure enough it comes out hot and he timed it and there was over 6 minutes of hot water. Here is another piece of absolutely useless information that I have learnt in my 15 year as a Property Manager. A standard shower head when opened fully will pass 9 litres of water a minute. If you have a 50 litre tank of hot water and you are using two thirds hot water, one third cold water you will run out of water in 8 minutes.

We never let anyone adjust the temperature of the hot water system, but it seems that the last tenant turned the dial down to the lowest possible temperature – so this new tenant was probably using 90% hot water and just a dash of cold – hence the reason she was running out.

Ramon turned up the thermostat and I checked yesterday – Ms A can now have a lovely, long hot shower and not run out of hot water.

The TV was even simpler to fix. There were two outlets on the TV antenna plate – one for the normal TV and the other for Foxtel. She had connected up to the wrong one and Ramon just moved it across, tuned in the TV and all the channels are there for Ms A.

This means happy tenant that can have a hot shower then watch TV, happy owner as he didn't have to pay for a plumber but a grumbly husband who still has to finish off Grafton Street by this Thursday.

Ah but I have saved the best for last. We have a tenant at Viewmont that has been with us for at least a decade, probably closer to 12 years now. Ms M is nice lady but I know that she is a hoarder. I can't tell her how to live and she isn't damaging the property. When she goes so will all her stuff. For now she pays the rent which is at market value, doesn't bother the neighbours and if I did ask her to move on I would have to renovate it but probably not get alot more rent. For now she stays. She knows she is a hoarder and I know she is a hoarder.

On Monday afternoon I am sitting at the Accountants and the phone is on silent, but I can see all the calls coming in. I get a call from a unit on the first level of Viewmont – and then he calls again, and again and then again. Now I know something is up so I take the call. The tenant is frantic, he has tried to get a hold of Bart the Wonder Handy Man and his trusty assistant Katie but they are overseas hence his call to me again.

I tell him to slow down and explain what is going wrong. It seems that he has water coming through the light fitting in the bathroom from the upstairs unit. He has been upstairs but no one is home, he can hear the water running, but nothing is coming out from under the front door – which is a good sign for me.

I explain that I can't get there for at least an hour, but if he could listen to my instructions whilst I am on the phone and follow them. Now this is where you need vision goggles. When you are walking to the unit, there is a short hallway and at the end to the left and to the right there are the front doors to each of the units. Between the two of them and at the very end of the hallway is a short door that goes to the ground and up to about your hip. There is a handle and you pull this and the door comes out to expose the drain pipes and the water turn off valve. The unit on the left has its turn off valve to the left, and the unit on the right has its turn off valve to the right – I didn't think I needed to explain this bit as I thought it would be obvious.

Mr K lives in the unit below that has the water coming into it, his unit is on the right side of the hall way. Whilst I am on the phone I ask him to go upstairs and pull out the door to see the turn off valves and to turn off the water to the upstairs unit. This should stop all the water to just this one unit and it should stop the problem until I can get into it to work out what has gone wrong.

About an hour later I give Mr K a call to say I am on my way, and he tells me water is still gushing out of the light fitting and turning off the valve has done nothing. He has turned off all the power in his unit, packed up the fridge and gone to stay at a friend's place until it is all sorted out. He gives me permission to go in and try to work it out.

As soon as I park the car and get out I can hear running water in the drain pipes directly above me – which link up to the top unit that is flooding. Fortunately I can't see water spilling over the balcony, so it hasn't completely water logged the unit YET.

I walk up to Mr K's unit and sure enough I can hear the water from the window before I even get into his unit. In the bathroom it is coming out like a shower rain head but from the light fitting as well as the man hole above the toilet. Mr K was smart enough to put down lots of towels to soak up the water. Now time to try and work out what is going on upstairs.

As I get to the hall way, I can see a small puddle of water that has worked its way through the brick work and is on the hallway, but fortunately it isn't coming out the front door. You can hear the water running and it is a full gush of water.

Now I need to remember that not all my tenants are the sharpest tools in the shed but sometimes I forget this. I am sure you could have heard the cussing that came out of my mouth when I went to the end of the hall way and dropped down the door to expose the pipework and the turn off valves. So Mr K lives down stairs and is on the right of the hallway. The unit that is above him is directly on top and again it is on the right of the hallway – so why on earth did he turn off the water to the unit on the left?

I turn off the water valve to the RIGHT unit and I could hear the water stop gushing, there is still the sound of water going down the drain and I am now dreading what is going to be behind the door. As this tenant has been there for so long, we haven't changed her locks over to the master key system and in some ways this is fortunate as I don't know if I wanted to really see what a flooded hoarders unit would look like.

I call Ms M and ask her how long before she will be home, and then break the news to her. I tell Ms M that I have to go out for 30 minutes but I will be back in the complex and if we can try to work out what has gone wrong and what I need to do to fix it. When Ms M gets home she calls me, and by this stage I am back in the complex and sitting in our unit that we are about to renovate. I tell her I can come up, but she says that she would prefer to clean up first. I explain that I know what the place is like and I don't really care I just want to work out what has gone wrong and what we need to do. She is now starting to get distressed and this isn't going to resolve anything.

I organised for the carpet cleaner to come in as well as a handy man to fix the tap washer that had split for 3pm the next day. All she has to do is get everything off the floor and they will clean up any water that has made it onto the carpets.

The next morning I get a call from Ms M asking for me to cancel the handyman and the carpet cleaner. She has arranged for someone to come in and clean out the unit, do the repairs and clean the carpets. As soon as it is all done she is going to get me to come and inspect so I know it is all done properly. She just can't bear for me to see the unit in the state it is in after the flood and she is prepared to cover all the cost. That afternoon I get a call from the cleaning company to ask permission to put a skip bin out the front to put all the rubbish into. When I drove past the next day and saw it – I couldn't help myself and had to take a photo to share with you all. I guess this is one way to get a hoarder to do a clean out!!

Well that ends another Note to Self. I hope you have gained just a small insight into the world of Property Management!

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

Linda Tuck