



## JUNE 2009 | INSIDE THIS ISSUE

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**Quote:** "Chance favors only the prepared mind".

**Louis Pasteur (1822-1895)**  
**French chemist and biologist**

### OFFICE NEWS

HI EVERYONE!

Congratulations to all of you who have managed to hold on to your investment through this turbulent financial year! It is wonderful to observe many of our savvy Landlords who have owned their investment properties for at least 5 to 10 years- some 30 years, continue to enjoy positive rental cash flows while others struggle to meet the payments of over geared property. New housing approvals are now officially down by 80% in Cairns suggesting the promise of good capital gains in the future. The old adage "Buy & Hold" still rings true & right now, any salesperson will tell you "Cash is King!"

Our skies continue to shine blue attracting plenty of southerners particularly from Adelaide! Most on a recognizance trip to check out the investor market in Cairns. It is rather surprising to see many of them returning to make this beautiful town home.

Job loss is still the number one reason for tenants breaking leases on rental properties. The courts are still favoring tenants in arrears under the guise of "hardship". A problem we constantly grapple with, an "out" many tenants are aware of.

The Property Managers are still securing excellent tenants with properties priced correctly for the market. It is better to have your property rented than sitting empty costing you money. Let's hope that our market starts performing the way the media keep reporting it!

Have a great month!

**Ray White On Mulgrave Property Management**

### OFFICE ACTIVITY THIS MONTH

Our overall current Occupancy Rate is 96.95%

Address	Property Description	Days Vacant	Rent Change
<b>HOUSES</b>			
<b>LEASED THIS MONTH</b>			
White Rock	3 bed, 2 bath, \$310 p/w	0	↔ Same
Manoora	3 bed, 1 bath, \$270 p/w	49	↓ \$10
Edge Hill	3 bed, 1 bath, \$380 p/w	16	↓ \$30
Cairns North	8 bed, 2 bath \$450	53	↔ New
Kewarra Beach	3 bed, 1 bath, \$260 p/w	147	↓ \$80
Redlynch	4 bed, 2 bath, \$420 p/w	45	↔ Same
<b>UNITS</b>			
<b>PROPERTY DESCRIPTION</b>			
<b>LEASED THIS MONTH</b>			
White Rock	3 bed, 1 bath, \$270 p/w	22	↔ New
Cairns City	3 bed, 2 bath, \$330 p/w	22	↓ \$20
Earville	2 bed, 1 bath, \$205 p/w	42	↓ \$45
Palm Cove	1 bed, 1 bath, \$210 p/w	17	↑ \$30
Yorkeys Knob	2 bed, 1 bath, \$260 p/w	25	↓ \$20

The present market for units is quiet & low with many a good deal to be snapped up by investors. Unfortunately, we are also seeing the beginning of Mortgagee sales which will have a big effect on how the Valuers are valuing existing new units. Financing has become a lot harder in the past 4 weeks. House prices will have to go up as there have been very few new houses built in the last 18 months. Stock on market is also at an all time low. Low price commission real estate agents continue to pressure their Sellers to accept ridiculously low offers from predator buyers creating evidence of falling house prices across Cairns....yet the media reports the opposite! No wonder the Valuers are confused!

## CONTRACTORS AND TRADESPEOPLE

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It is important to note that any contractor or tradesperson we engage to carry out repairs or maintenance on your rental property, must hold appropriate qualifications & up-to-date licenses. A cleaner or gardener does not require formal qualifications, but a tradesperson- such as an electrician, builder or plumber must.

When appointing a contractor or tradesperson, we obtain details of current qualifications, licenses & insurance which are updated annually. They must complete a Contractor Appointment Form, show proof of certificates of insurance to ensure that their policies cover the scope of work to be performed. Each time a contractor or tradesperson is engaged to perform a task, irrespective of how small the task may be, all instructions must be provided in writing & a copy kept on file. We then follow up & ensure the work has been completed to a satisfactory standard, within an appropriate time frame, and of course, to budget.

If a property owner requests a specific contractor or tradesperson to carry out their work, the property manager will seek the owners instructions in writing & ensure that the nominated individual is appropriately qualified & licensed. If he/she is not, the property manager must make the property owner aware of the fact & the risks associated with using them in regards to claims from injury, damage or unsatisfactory work, particularly in relation to works which may impact upon tenants health & safety! Please note that in the Cairns region, most contractors will charge a call-out fee for supplying a quote!

## SEVEN PROPERTY MANAGEMENT QUESTIONS

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- 1. How much notice must a tenant give a Landlord that they are going to vacate?**  
Fixed term/Periodic-14 days notice
- 2. How much notice must a Landlord give a tenant that they require vacant possession?**  
At end of fixed term/periodic (without grounds) - 2 months notice
- 3. How much notice must a Landlord give tenant when they want to vary the rent?**

Only allowed if the original tenancy agreement allows it-2 months notice (maximum of once every 6 months)

- 4. What is the difference between fair wear & tear & negligence?**  
Fair wear & tear something that deteriorates with age, usage & time.
- 5. What is the maximum security deposit/bond a Landlord can charge a tenant?**  
For rent amounts up to \$700 pw x 4=\$2800, if rent is more than \$700pw, there is no limit
- 6. What is the minimum period a tenant need be in arrears before a landlord may commence formal eviction proceedings?**  
Once the tenant is more than 7 days behind, they have breached their tenancy agreement. The agent must then give 7 days to pay (if not paid). If it is still not paid, the agent must then give 7 days notice to leave.
- 7. Can you briefly explain the steps involved in a formal eviction?**

- 7 days in arrears (Form 11)
- 7 days to pay-Notice To Leave (Form 12)
- 7 days to vacate
- Apply to RTA's Dispute Resolution Service
- Apply for Termination Order & a Warrant of Possession (within 14 days)
- If a Warrant of Possession is issued, this authorizes a police officer to enter the premises & force the tenant to leave.

## REFERRALS ARE REWARDING!

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Don't forget our "Thank you for your Referring" bonus gifts! A \$100 Gift Voucher from Bunnings Warehouse or a \$100 Money Order will be sent to you for every management that you refer and is subsequently signed up.

## CALENDAR OF EVENTS- JULY 2009

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15 July	Mid month Accounting
17 July	Cairns Show Day– Office Closed
31 July	End of Month Accounting

