



# HOMEOWNER'S QUARTERLY



## Happy New Year from Realty Masters!

It's a new year and we're already a month in. We're in what we call "winter" here in Northwest Florida and the real estate market is rebounding from the holiday break. We're seeing higher than typical inventory right now and a lot of turnover in the market, but we are working hard to keep your properties occupied and well-kept. Haven't heard from our team lately? Now is the time to reach out and get your property ready for the New Year!

We've got a lot of information in this edition of Homeowner's Quarterly so please review it below and reach out to our team to touch base.

### ***This quarter's newsletter contains:***

- Year End Statements & 1099's Mailed
- Payments Made to Vendors Directly
- Tenant Move Out Survey Comments
- Florida Legislation in Session
- HUD Releases New Guidance on Assistance Animals
- Maintenance Considerations to Improve Tenant Relations
- Pensacola Real Estate Market Update
- Pensacola Rental Market Update and Stats

*Missed last quarter's newsletter from  
October 2019? [Read it here!](#)*

*Rental inventory is up! Read below for  
a Pensacola rental market update.*

# 1099'S HAVE BEEN MAILED!

*to the address you have on file  
AND uploaded in your portal.*



## **1099's & Year End Statements Have Been Mailed Already!**

Year end statements and 1099's have been mailed to the address you have on file. Didn't receive it? No worries. You can also find a copy uploaded in your online portal! Your online portal also holds other documents you will need to complete your taxes including copies of paid invoices from throughout the year.

### **[Log on your online portal](#)**

***Need help accessing your online portal?*** Reach out to our team by replying to this email or your property manager to get your access restored.

## **Payments You Made to Vendors**

If you made payments to a vendor directly, you are responsible for reporting that income. You may be required to send the vendor a 1099 and the IRS a 1096 showing income paid to LLC and individuals for services of over \$600 during the 2019 tax year by January 31, 2020. Please consult with your accountant to be informed of your legal requirement for reporting income if you made payments directly to a vendor.

We do take care of 1096 and 1099 reporting for any payments we made on your behalf in accordance with IRS guidelines.

## **Tenants' Move Out Survey Comments**

It's sometimes hard to hear current or prospective tenant feedback about your property. As a homeowner, you take pride in your property and spend a lot of money to keep it maintained. With so much new construction and so many properties being remodeled, tenant expectations are ever increasing. It is important to stay tuned to the updates that renters are asking for.

A tenant's main concerns are moving into a property that it is clean, functional, and does not have any apparent maintenance issues. Properties will always have some form of maintenance throughout occupancy, but right when they move in is a critical time to make sure everything is working as it should. Tenants are also commenting on future updates or improvements to the home. Even though your tenants are renting the property from you, most do look at the property as their home.

Below are a few of our most common complaints and suggested improvements that we hear from tenants at move out.

- **Update, Repair, and Maintain Appliances** - Stove, Refrigerator, Dishwasher, and Garbage Disposals are the main appliances of a home. Your tenants want them to be updated!
- **Air Conditioning and Heating** – A/C and heating repairs are one of the most common complaints we see on tenant move out surveys. These types of repairs are to be expected, but the length of time it takes to get the repairs made is the main issue. Many owners are relying on Home Warranty companies to help with these sometimes costly repairs. We are finding that many of these Home Warranty companies are taking much longer to repair or order parts than it would if you paid an AC technician directly. Tenants get upset when they are without A/C or heat, and some tenants have health issues that are worsened by extreme temperatures. We ask that you take this into consideration when deciding on renewing your Home Warranty, or if a Home Warranty is a smart move for your investment. Any of our managers would be happy to discuss their experiences with Home Warranties, both the good and the bad.
- **Condition of Flooring** – Comments on replacing old carpet, getting rid of carpet for tile, wood-plank, or laminate. Cleaning floors or maintaining them over time including cleaning grout lines on tile floors. Older carpets that are stained and worn tend to hold odors that may be off-putting to potential renters.
- **Condition of Yards** – Always a hot debate between landlords and tenants on keeping the yard in good condition. A lot of comments on trimming trees, laying down sod or grass seed on barren lawns, and maintain gutters or flower beds throughout the year. Not all tenants have the necessary equipment to maintain lawns that require more than a simple cut and edge. Sometimes less landscaping is better and easier for tenants to maintain. If the property is in an active HOA that might send fine letters for not properly maintaining lawns, it might be a good idea to include lawn service in the lease terms and increase the rental price to cover the monthly maintenance.
- **Fence Repairs** – Fences are tricky if they share a property line between your neighbors. Whose responsibility is it? Who really owns the fence? Tenants aren't concerned with this, but they do leave comments about broken fences, worn down fences, and fences that need to be replaced. In some cases, replacing a few fence pickets and pressure washing is an affordable fix.
- **Fixture Repairs** – A lot of tenants leave comments on the little things. A light fixture was broken and never repaired. Some older homes have outdated light or plumbing fixtures. Sometimes a simple fixture update can make a big difference. The little things add up in tenants' overall comments on how their renting experience was.

---

## Florida Legislature is in session

As we head into a 60-day session of the Florida legislature, both the Florida Realtors and Florida State Chapter of the National Association of Property Managers are keeping us informed of possible new legislation. Here's a few of the 2020 Legislative Bills we are watching concerning Florida real estate.

### [HB 6069](#) Landlords & Tenants

"Removes requirement that certain money can be paid into registry of court."

### [HB 209](#)- Emotional Support Animals

"Prohibits discrimination in rental of dwelling to person with disability who has emotional support animal; prohibits landlord from requiring such

### **HB 6013 Rent Control Measures**

"Deletes provision prohibiting specified local governments from adopting ordinances or rules imposing price controls upon certain business activities."

### **SB 1852 Landlords & Tenants**

"Revising the definition of the term "tenant"; providing requirements for rental agreements; requiring landlords to provide certain information with rental agreements; prohibiting a landlord from evicting a tenant or terminating a rental agreement because the tenant or the tenant's minor child is a victim of actual or threatened domestic violence, dating violence, sexual violence, or stalking, etc."

### **HB 321 Declared State of Emergency**

"Prohibits specified service of process during declared state of emergency; provides immunity from liability for certain persons; tolls specified time periods for certain evictions; requires court to stay certain eviction proceedings."

### **HB 1449 Residential Tenancies**

"Revises & provides requirements for rental agreements & landlords; removes option for landlord to deposit money into specified account; removes requirement money be paid into registry of court; authorizes filing of civil action & award of damages, court costs, & attorney fees; provides requirements for certain evictions; specifies what constitutes unreasonable rent increase; prohibits park owner from taking certain actions during pendency of dispute; increases payment homeowner may collect from Florida Mobile Home Relocation Corporation in certain situations; revises provisions relating to sale of mobile home park."

person to pay extra compensation; authorizes landlord to request certain written documentation; prohibits falsification of written documentation or other misrepresentation; specifies person with disability is liable for damage done by emotional support animal; prohibits health care practitioner, as exclusive service to patient, from providing documentation for emotional support animal for fee."

### **SB 1128 / HB 1011- Vacation Rentals**

"Preempts regulation of vacation rentals to the state; prohibits local law, ordinance, or regulation from allowing or requiring inspections or licensing of vacation rentals; requires licenses issued by the Division of Hotels and Restaurants of DBPR to be displayed conspicuously inside licensed establishment; preempts regulation of advertising platforms for vacation rentals to the state; provides requirements for advertising platforms."

### **HB 469 Real Estate Conveyances**

"Provides that subscribing witnesses are not required to validate certain instruments conveying leasehold interest in real property."

### **HB 229 Swimming Pool Safety**

"Requires home inspector to include certain information relating to swimming pools in his or her report; requires that new residential swimming pools meet additional requirement in order to pass final inspection & receive certificate of completion; requires that certain pool safety features meet specified standards; prohibits property owner from transferring ownership of parcel that includes swimming pool unless certain requirements are met; provides civil penalties rather than criminal penalties."

**Want to follow along?** The Florida Realtors Legislative Tracker allows us to review proposed bills and follow the status with [in-depth information here](#). With nearly 200 proposed bills that home some tie to real estate, we will surely see some results from this year's legislative session. Of course, we will keep you posted with legislation that passes as the year progresses.

---

# HUD Issues New Guidance on Assistance Animals

We have been awaiting some guidance from the Department of Housing and Urban Development on Assistance Animals for some time. The new guidance was released January 28, 2020. We are excited to see this [19 page document](#) which addresses both service animals and assistance animals under the Fair Housing Act and gives guidance to both housing providers and individuals searching for housing who own assistance animals. The guidance includes best practices to comply with the Fair Housing Act in conjunction with ' [Reasonable Accommodations Under the Fair Housing Act.](#)'

Notable highlights from the article include:

- Nearly 60% of FHA complaints are comprised of complaints regarding denial of reasonable accommodation and disability access
- The guidance (for the first time) addresses types of animals and considers those commonly kept in household. "For purposes of this assessment, reptiles (other than turtles), barnyard animals, monkeys, kangaroos, and other non-domesticated animals are not considered common household animals."
- It also addresses letters from internet physicians that tenants purchase online.

We are working with our attorney to review the documents and update our [assistance animal policy](#) as necessary and will keep you posted of changes. Read the [press release from HUD here.](#)

---

## Maintenance Considerations to Improve Tenant Relations

We here at Realty Masters are more than happy to be able to provide all of our clients with our services and to help relieve you from some of the stress and day to day worries that come along with property management. As you know, there are always maintenance issues that come with owning an investment property. Here are a few ideas on how to help make this process as easy as possible when it comes to the maintenance process.

**When a repair is time sensitive, it can be very difficult to wait for multiple quotes.** Reaching out to several vendors and coordinating multiple visits to a property when there is an active issue that can compromise the condition of the property, as well as upset tenants, is not ideal. It can become frustrating for all involved when the first vendor we sent eventually gets the green light to do the job, but it's too late for a same day repair and then it must be delayed.

**While we understand you may want to use a vendor of your choosing,** we have a large database of vendors to choose from for all types of repairs. Using our own registered vendors can make for an easier and more seamless process. Reaching out to unknown vendors can sometimes get a bit difficult, we don't have that established relationship as we do with our vendors, and we cannot make payment directly on your behalf. Please consider using our vendors when possible.

**There may be an occasion where the repair that is needed is above and beyond our scope of knowledge and expertise.** There may be times when it is best if you reach out to a vendor directly and ask the specific questions you have, to get a better understanding of what needs to be

addressed, so you can make an informed decision.

Please know that we have your best interest in mind. We are here to help make for an easy investment property experience for you. Like those Farmers Insurance commercials say, “We know a thing or two because we’ve seen a thing or two.”

---



## Pensacola Real Estate Market Stats

How's the Pensacola real estate market doing? Here's a recap of 2019. We're digging deep into the data to bring you the best information possible. While we're still waiting for Florida Realtors to release 2019 year end reports, we have some data from local MLS that can help to summarize the year and the current Pensacola real estate market.

- Monthly real estate sales have continued to improve year over year since 2010.
- The average sold price for homes sold in the Pensacola MLS was approximately \$246,706 with a median sales price of \$214,900.
- Cash sales made up around 21% of all sales in 2019, compared to a high of 34% in 2014.
- New construction sales represented more than 1 in 10 sales in 2019 and comprises 1 in 7 active listings on the market for sale currently.

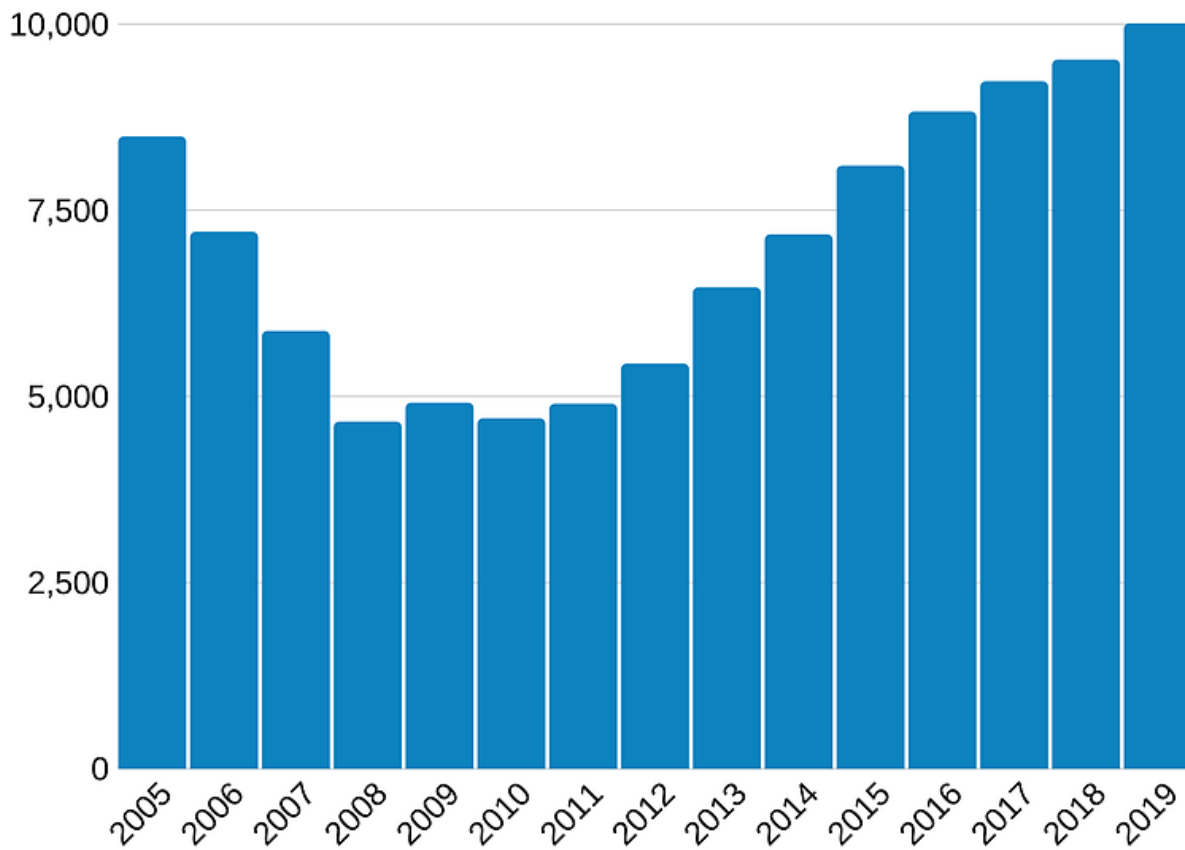
Recently, our agents attended an Economic Summit with Dr. Rick Harper here in Pensacola. They brought back this information for you:

- There was a 7% price increase last year due to high demand and inadequate supply.
- Prices are expected to continue to increase this year but at a slower rate
- The 12 month recession risk has grown to 30% and is increasing over time. Experts think that as long as interest rates remain low and inventory remains tight, we will not experience a significant recession in the foreseeable future.
- We are in the longest period of expansion in US History at 126 months.
- 2018-2019 reflects the lowest population growth rate in US History.



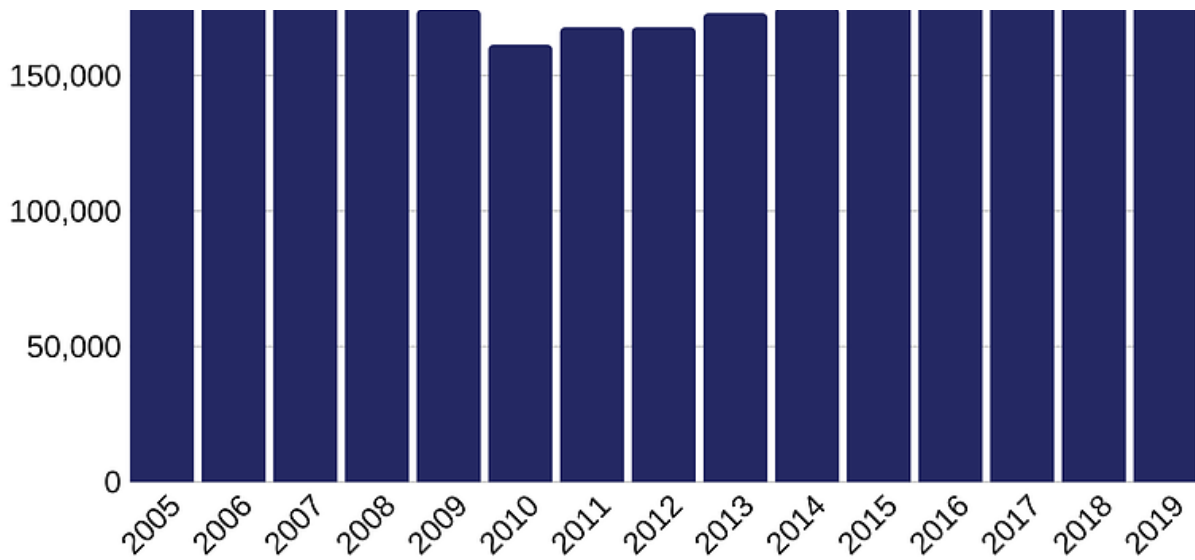
# PENSACOLA REAL ESTATE MARKET UPDATE

## # OF RESIDENTIAL REAL ESTATE SALES IN PENSACOLA MLS



## AVERAGE RESIDENTIAL SALES PRICES IN PENSACOLA MLS





**CALL US**  
850-453-9220



**VISIT US ONLINE**  
WWW.REALTYMASTERSOFFLORIDA.COM

Realty Masters ©2020 Data compiled from Pensacola MLS deemed reliable but not guaranteed.  

## Investment Sales

Investment sales are slowing in the area. While demand for income producing assets is high, sales prices have increased too high to meet investors' demands for cash flow real estate investments. If you are looking for investments, reach out to our sales team to discuss further.

## Multi-Family Sales

Multi-family sales in Pensacola MLS showed the highest sales prices ever. The average price for a duplex was \$154,090 with the average price for a fourplex at a whopping \$341,181. If you own a multi-family property, now may be the time to sell.

**WE'VE HELPED THESE LANDLORDS SELL**



We have a full staff of sales agents at our sales office and we can provide a free market analysis if you are considering selling. Reach out to Pam at (850) 453-9220 or [email her](#) if you are interested in knowing your property's value.



## Pensacola Rental Market Stats

We had a great year in 2019! Inventory stayed low in the area so time on the market was down and rental rates were up. We saw strong increases in rental rates in our portfolio during 2019. Currently, we are seeing an increase in active inventory with nearly 100 units above inventory levels in January 2019.

- According to Pensacola MLS, we saw about a 3% increase in average rental rates in the Pensacola area.
- Our average new move in rent increases over previous years increased by about 6%.
- Owners who made significant improvements in their rental properties saw appreciation in rental increases by as much as 15%.
- Inventory remained low in 2019 with only an average of 1.5 month supply of rentals throughout the year.

CoreLogic reports an increase in rents of around 3% overall since the beginning of 2019. Read their article here: [Rent Increases Mirrored Population Growth in 2019](#). They report that rental rates of lower end homes are increasing at a faster and higher rate than high end properties, which we have seen here in Pensacola.

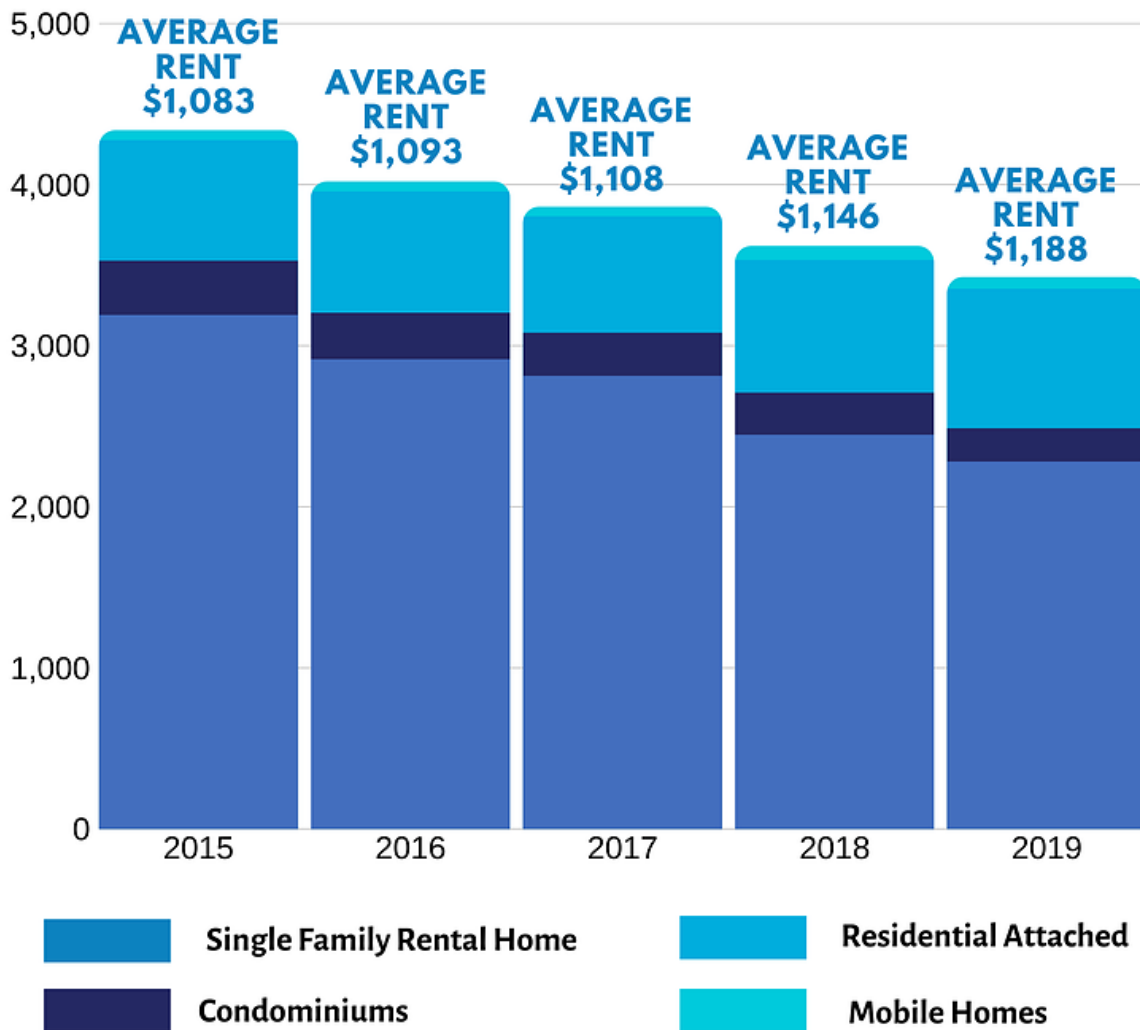
Here's a look at Pensacola rental market data since 2015 showing the downward trend in inventory with an increase in rent each year since. Reach out if you have any additional questions for us about the Pensacola rental market!



# PENSACOLA REAL ESTATE RENTAL MARKET UPDATE

**Pensacola area Rental Inventory Continues to Decline**  
 In 2019, the number of homes offered for lease in the Pensacola area MLS declined by 5% from the previous year.

## # OF PROPERTIES LEASED IN PENSACOLA MLS WITH RENTS



**Pensacola Rental Rates Continue to Increase**

Pensacola Rental Rates Continue to Increase  
Rents in the Pensacola area continued to increase. The average rental rate increased nearly 4% from 2018's rate to \$1,186 average rent.



**CALL US**  
850-473-3983



**VISIT US ONLINE**  
WWW.PENSACOLAREALTYMASTERS.COM

Realty Masters ©2020 Data compiled from Pensacola MLS deemed reliable but not guaranteed.  



*Thanks for trusting in our team! Please reach out if we can be of assistance in any way.*

**Realty Masters of Florida**

4400 Bayou Blvd 58B, Pensacola, FL 32503 Rental Office

Call us Monday- Saturday at **850.473.3983**

[Info@PensacolaRealtyMasters.com](mailto:Info@PensacolaRealtyMasters.com)

[www.PensacolaRealtyMasters.com](http://www.PensacolaRealtyMasters.com)

4400 Bayou Blvd 52B, Pensacola, FL 32503 Sales Office

Call us Monday- Friday **850.453.9220**

[Pam@PensacolaRealtyMasters.com](mailto:Pam@PensacolaRealtyMasters.com)

[www.Pensacola-Gulfbreezehomes.com](http://www.Pensacola-Gulfbreezehomes.com)

LET'S CONNECT



This email was sent to from [pam@pensacolarealtymasters.com](mailto:pam@pensacolarealtymasters.com)

[Update Your Profile](#) | [Privacy Policy](#) | [Forward to a Friend](#)

To opt out of future emails, please [click here](#).

**Realty Masters of FL**

4400 BAYOU BLVD 58B | Pensacola | FL | 32503 | 850-473-3983 | 8504733983

