

# HOMEOWNER'S

## QUARTERLY



### We are more than halfway through 2020!

*Hello!* We hope this email finds you happy and healthy. A lot has been going on in the world, and we've got a jam packed Summer Newsletter for you! Despite your personal feelings on masks and this pandemic, how we live and do business is changing because of it. Our team has been working at the office and is adjusting to the ever changing atmosphere. Tenants, owners, and vendors have been facing unique challenges and we are doing our best to adapt to these situations and hardships. We appreciate your patience and kindness as we all navigate this landscape together. We hope your livelihood and health has remained strong during these times. Please contact our team if we can be valuable for you in any way. **-Your friends at Realty Masters of Florida**

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#### COVID-19 Legislation Update

Like many states and local areas, we are still unable to file evictions for non payment at this time. Florida Governor Ron DeSantis has extended the suspension of evictions for nonpayment of rent until August 1, 2020. We are unsure if this will be extended again, as it was for June 1st and July 1st.

The CARES Act legislation will be expiring July 27, 2020 and we will be able to move forward with a 30 day notice to vacate or 30 day demand for rent at that time, unless further legislation is

#### Assistance Animal Legislation Update

Florida's Governor recently signed in a new piece of legislation F.S. 760.27 addressing emotional support animals in the state of Florida! This new legislation mirrors some HUD Guidelines established earlier this year. It gives us a little more clarity in the area of emotional support animals. The following are now established:

- It is unlawful to deny a reasonable accommodation request for an emotional support animal

passed.

We are not allowed to serve a 3 day notice for non-payment of rent at this time, nor have we been allowed to collect any late fees since the pandemic began in March.

If your tenant(s) are behind on payments, we will be making recommendations to move forward with payment plans or evictions as soon as we are able. At this time, it's hard to know whether this legislation will be lifted August 1. As with everything since COVID started, we are being patient and hoping for the best!

- For a housing provider to request reliable information that supports the person has a disability if it is not readily apparent
- Supporting information can be established by proof of disability benefits from any agency
- If a person requests to keep more than one emotional support animal, information can be requested regarding the specific need for each animal
- An emotional support registration, certificate, or other online certification is not, by itself, sufficient
- Abuse of the emotional support law is now a second degree misdemeanor



### **Don't Forget, It's Hurricane Season**

Hurricane Season runs from June 1 through November 30 with peak season around September. Here are some things you need to consider as we are approaching the middle of the season.

**This is the time to check on your insurance.** Make sure all policies are effective, and we urge you to consider getting a flood policy. Please remember to send us a copy of your new insurance declaration page or add us as additional insured so that we will receive an updated policy yearly. Once a storm is in the Gulf of Mexico, you will not be able to change your policy!

**Should a small tropical system approach the area, it is not standard practice to put up hurricane shutters on your property.** These would be deployed for major hurricanes only. Additionally, you will need to reach out to us should you want the hurricane shutters deployed. Due to

the lack of resources available in the area, we only secure storm and/or hurricane shutters on properties that already have hurricane panels or hurricane fabric shield shutters on site should a storm approach the area.

For more **hurricane information** check out this link.

<https://pensacolarealtymasters.com/hurricane-information-for-realty-masters-landlords>

## Delayed Shipping and Inventory Shortages due to COVID

As you have seen inventory shortages and supply chain disruptions (think toilet paper and coins), so have we. Our vendors have reported significant delays in shipping from everything from appliance parts to lumber. While our reliable vendors are doing everything to get owner approved jobs completed as quickly as possible, the materials are not currently available and back ordered in many instances.

Vendors are checking stores daily, and some have pre-purchased materials in hopes to receive product once available.

Finding reasonably priced appliances in stock is also a current issue. Many manufacturers are back ordered and expecting 8-10 weeks before certain appliance orders can be filled. Our property managers and vendors are spending an exhausting amount of time searching for affordable appliances that are available in a reasonable time period. Please be aware and patient with us.



## Let's Talk Normal Wear and Tear VS Tenant Damage

It seems like every month we are discussing what normal wear and tear is and what is considered tenant caused damage. We strive to be fair with both our owners and tenants so we are always doing our research to make sure our standards are on track with others. Most recently we have compared our guidelines to the U.S. Department of Housing and Urban Development. The U.S. Department of Housing and Urban Development says that “the costs an owner incurs for the basic cleaning and repairing of such items necessary to make a unit ready for occupancy by the next tenant are part of the costs of doing business.”

### Some items HUD identifies normal wear and tear are

- Fading, peeling, cracked paint

- Small chips in the plaster
- Nail holes, pinholes, cracks in walls
- Door sticking from humidity
- Carpet faded or worn from walking
- Partially clogged sinks caused by aging pipes
- Dirty or faded lamp or window shades

Tenant caused damages usually cost more to fix and go beyond normal wear and tear items likely a result of a tenants' negligence or abuse.

#### **Some examples from HUD are:**

- Gaping holes in walls or plaster
- Chipped or gouged wood floors
- Doors ripped of hinges
- Holes, stains or burns in the carpet
- Clogged or damaged toilet from improper use
- Torn, stained, or missing lamp and window shades

See the attached HUD document and review [Appendix 5C and 5D](#) for more information on normal wear and tear as well as a sample life expectancy chart.

### **Your Online Account**

Don't forget to utilize your owner's account online. In your online account, you will find access to monthly statements, invoices, lease agreements, copies of occupied evaluations and more.

- Reply to this email if you need to set up access to your online account.
- Have an account? [Log on here](#) and review your recent activity.
- Be sure to set the date range to see all historical documents.

### **Self Evaluations**

As the number of COVID-19 cases continues to rise in our area, we have not yet returned to occupied interior evaluations.

- At this time, tenants are continuing to complete [self evaluations](#).
- We have been completing interior occupancy checks when tenants are past due on rent and not responding.
- We will be scheduling evaluations for tenants who have failed to complete their self-evaluation.



## 2020 Home Design Trends

**Nonwhite Kitchens-** We all know that white kitchens have been all the rave for a very long time. While they are still popular we are seeing an increase in colored cabinets. Colors are ranging from soft greys and pastel blues to bold navy blues and black. Some are even combining the two trends with the colored lower and white upper cabinets.

**Rustic/ Antique accents-** Locally the “farmhouse” style seems to be the most popular. The antique look goes beyond the country feel. Antique lighting fixtures seem to be the most popular. The combination of new and old creates one of a kind spaces.



**Bath Tubs-** One of the biggest selling features in a home beside the kitchen is the master bathroom. The new trends are showing that more people prefer the freestanding tub. If you want to take it over the top you can even put the freestanding tub into the over-sized shower like one of our recent sellers.

**Bathroom Tiles-** Like we mentioned before the primary bathroom is a huge selling feature so many sellers are choosing to use bold tiles to leave an impression. While accent tiles have been around for a while these have taken it to the next level. In small bathrooms, they are commonly seen on the floor while in the larger bathrooms you can find them on an entire wall.

**Formal Dining Room-** For a while, we were seeing that the formal dining space was going away. It seems that trend may be coming to an end as more people are choosing to use the dining space as a staged room and a focal point in the home.



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All of our practices are designed in accordance with Fair Housing. Our team strongly believes in and adheres to the Fair Housing Act. We promote and honor diversity and inclusivity and hope you do too.

## Pensacola Real Estate Market Update

Despite the Pandemic which has resulted in job losses and temporary or permanent shutdowns of certain businesses in our area, the Pensacola real estate market has remained stable! Here's a few statistics:

- **Prices are up.** The average sales price was up over 6% from \$243,891 at the end of June 2019 to \$259,305 as of the end of June 2020.
- **Sales remained stable.** There have been 4925 sales closed from January-June 2020, in comparison to 4936 closed sales from January-June 2019.
- **Inventory has remained stable.** Inventory of existing homes on the market is now 2580, similar to the same time last year despite many sellers who decided not to move forward with selling due to COVID.
- **List to sell ratios have remained high.** The average list to sell ratio for 2020 so far is 97.83% which is slightly up from last year during the same period of time.

# PENSACOLA REAL ESTATE MARKET UPDATE



CALL SALES OFFICE (850) 453-9220  
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There are some experts who predict we will face a downturn in the market. Other than some sales falling through early on in the shutdown, mostly due to job loss and stricter bank requirements due to uncertainty, we have not seen signs of that happening here. There was a slight dip in closings during April, but we since seem to have adjusted to the new normal. In Florida, foreclosures and evictions are currently suspended until at least August 1, 2020. That could affect our market later this year and going into 2021. When there are more distressed properties on the market, it tends to affect prices negatively.

Compared to National Data published by the National Association of Realtors, **Pensacola is holding up much better than other parts of the country**, and we hope that continues. Nationally through May, the numbers show a 9% decline in sales volume but no real declines in prices.

Realty Masters has a small team of sales agents dedicated to serving our clients. We specialize in working with investors and our current clients. So far this year we listed and sold 30 properties from our rental inventory. Six of those were sold to the existing tenants!

**Our biggest problem has been showing and selling tenant occupied homes.** While in the past, we were able to close the entire transaction seamlessly with tenant cooperation, everything is harder with

COVID-19. Most of our tenants have been accommodating, but we have had to adapt to social distancing, accommodate with video tours and when doing in person showings it is required we wear a mask.

If you are looking to sell your home that is currently managed by Realty Masters, we are happy to provide a free market analysis and consultation. If you are looking to buy another property, we can also help you with that. We are selling both single and multi-family investment properties to current and new investors. Reach out to Pam at (850) 453-9220 or [email her](#) if you are interested in knowing your property's value or purchasing another investment.

## Rental Income Podcast: Pam's Episode

Here's Pam on the Rental Income Podcast with "[The formula for buying the perfect rental](#) "

## Pensacola Rental Market Trends

The Pensacola rental market is strong! Here's a few of our observations over the last quarter.

- **Inventory is low!** Many tenants decided to renew their lease instead of vacating. We also had several tenants delay their move outs. Coupled with a reduced rental inventory the last few years, we are facing an affordable rental housing shortage in the area.
- **Rents are continuing to increase.** Due to low inventory and the busiest months of the year, we are able to increase new move in rents in excess of 5% on average.
- **Affordability is becoming an issue with tenants.** Tenants' income is down, rents are up, and affordability is a bigger issue than it has been in years' past. Renters tend to have significantly less savings than homeowners, and we are seeing this with the current economic situation.
- **The quality of applicants have decreased.** The average number of applications processed per property is increasing as tenants are not as qualified as they were before the pandemic started. Prospective tenants are trying to use unemployment income and gig income like DoorDash and PayPal more than usual. We are working harder to ensure your tenants are qualified to make the rental payments.



**Realty Masters of Florida**



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