



It's spring in Florida. What's not to love? The rental market has picked back up after the seasonal slowdown, but we are far from the rental or sales market we had last year. Despite the changing real estate market, we continue to see strength in our local economy, job market, and housing market overall with positive population growth. We've got a lot of information for you in our second newsletter of the year. As always, reach out to our team with any questions about your Pensacola real estate investment, the local market, or your property. We appreciate you.

-The Realty Masters Team



Everything we wrote about last quarter still applies so if you didn't catch [last quarter's newsletter, do so now](#). We're still watching the following trends:

- 1) Small increase in **tenant delinquency**, which was tamed the past few months with tax returns
- 2) Tenants **skipping out on last month's rent** as they can't handle paying new deposits, rents, and moving expenses
- 3) A huge increase in **fake paystubs** that have made application processing increasingly difficult
- 4) An abundance of **new construction apartment complexes and new construction build to rent neighborhoods** added in both Pensacola and Pace affecting rents of newer construction homes
- 5) New **rentals hitting the rental market** as property owners cannot sell for what they paid and as short term rentals have not been successful
- 6) Insurance continues to be a pain! We're watching some new requirements from Citizens

Here's a few statistics for the first quarter of 2023:

- Our team has rented 83 properties with an **average of 22 days on the market**. That's up from our 2022 average of 14 days, but well below the average for the area of 79 days on the market.
- Our new **move in rents averaged 9.3% above** previous move in rents and our **renewal increases averaged 4.1%**.
- The **tenant renewal rate** for the first quarter of 2023 was **65.5%**.

HVAC Tune-Up Special

It's not too late to schedule an HVAC tune up for as little as \$75. **We recommend this service yearly to prevent future costly maintenance.**

A well-maintained HVAC system tends to have a longer life span. As we know, most tenants are not great at maintaining the HVAC system and this is one of the ways we can help educate our tenants and extend the life of your systems. Reach out to your property manager or respond to this email to schedule a tune up for early spring.

Insurance Audit Continues

Please help us by providing a copy of your annual insurance declaration page so we can be sure you have active insurance. If you add Realty Masters to your policy as additional interest or additional insured, we will receive these updates with no effort on your part aside the initial ask. **While full coverage insurance is not required, we do need to see proof of liability coverage for your rental property. If we cannot get this, we will not be able to manage your property any longer.** Please reach out with any questions.

Help us with a Google Review!

We'd sure love your positive review on Google or Yelp. We've not done a great job asking for these from happy clients, and you know upset applicants and tenants take to the internet pretty fast. If you have a minute, consider leaving us a positive star rating or recognize your property manager on our social media. [Review on Google](#)

Insulation Rebate & Tax Credit

Florida Power and Light is offering an energy rebate when you use a qualified insulation contractor to install ceiling insulation in your property. If your property is older, you may consider this upgrade as rising energy expenses have put more focus on energy efficiency. Coupled with a federal tax credit which will allow you to claim 30% of the cost, this seems like a great time to investigate insulation if your home has been in need of it. Read more on [FPL's website here](#).

Good Reading for Landlords

This quarter's headlines read differently than previous as economic recession fears continue and the housing market is changing. Here's a few telling headlines and our pick to read this quarter:

- [Redfin](#)- Housing Market Update: homebuyers' monthly payments hit all-time high as mortgage rates rise
- [New York Fed](#)- Household debt rises to \$16.90 trillion; credit cards pass pre-pandemic high
- [CNBC](#)- Luxury home sales plunge 45% with Miami and the Hamptons hit hardest
- [PYMNTS](#)- Fed's Nod to Credit Tightening Portends Tough Time for Paycheck-to-Paycheck Economy
- [WRE News](#)- Nearly 14% of renters are behind on rent payments
- [Fannie Mae](#)- Economy and Housing Begin Year on Strong Footing, But It's Not Expected to Last & [Fannie Mae](#)- Housing Forecast March 2023



White House Introduces Blueprint for Renter's Bill of Rights

Earlier this year, the White House announced an initiative to "increase fairness in the rental market and further principles of fair housing." As of now, this is an effort to encourage reform and is not an official policy. It states all renters deserve:

- 1) Safe, quality, accessible and affordable housing
- 2) Clear and fair leases
- 3) Education, enforcement, and enhancement of renter rights
- 4) The right to organize
- 5) Eviction prevention, diversion, and relief

The language provided in number one and number five are both concerning when it comes to future legislation. We do anticipate lawmakers in other states to cite this document in coming housing reform bills, but we are not aware of anything that will affect the state or nation at this time. [Read it here.](#)

Florida Legislature Passes New Housing Bill

In fact, the Florida Legislature just passed a new housing bill "Live Local" that is meant to help stimulate more affordable housing in Florida. In it, they no longer allow any local governments to impose rent control measures. It also allows a number of tax saving incentives for those providing affordable housing and funds two large homebuyer programs to help renters transition to homeownership. Read a summary of the ["Live Local" bill here.](#)

Recent Articles on Our Blog

We've been writing a lot on [our blog](#) recently! Here's some of our new articles you may be interested in.

Should I Accept Pets at my Rental Property?

If you're hopeful to achieve maximum rental rate, reduce your time on the market, and keep tenants longer, you should consider pets at your rental property. Read more on our [blog here](#).



Pensacola's Most Fun & Unique Vacation Rentals

Planning a visit to Pensacola soon or have family coming into town? From sailboats to yurts, check out some of the coolest and most fun vacation rentals on our [blog here](#).

Four Reasons to Invest in Pensacola, Florida Real Estate

We sure do love our hometown! Our area continues to grow in popularity, making it a great area to invest in. Read more on our [blog here](#).

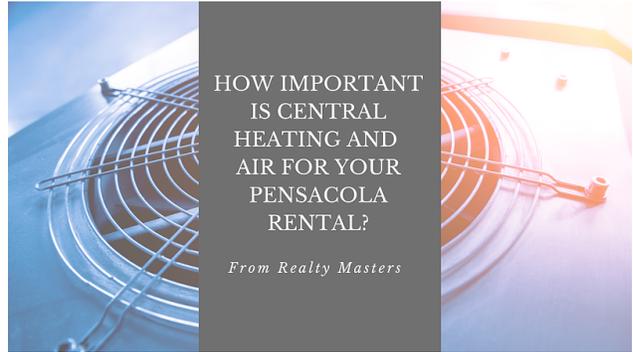


Resetting Breakers & GFI Outlets to Resolve Common Electrical Issues

We produce content for your tenants, also. This article and video shows tenants how to reset breakers and GFCI's in case of an electrical issue and is sent before we dispatch a vendor. Read more on [our blog here](#).

How Important is Central Heating & Air for your Pensacola Rental?

With high humidity and temperatures, central HVAC is one of the most important amenities for your Pensacola rental. Read more on our [blog here](#).



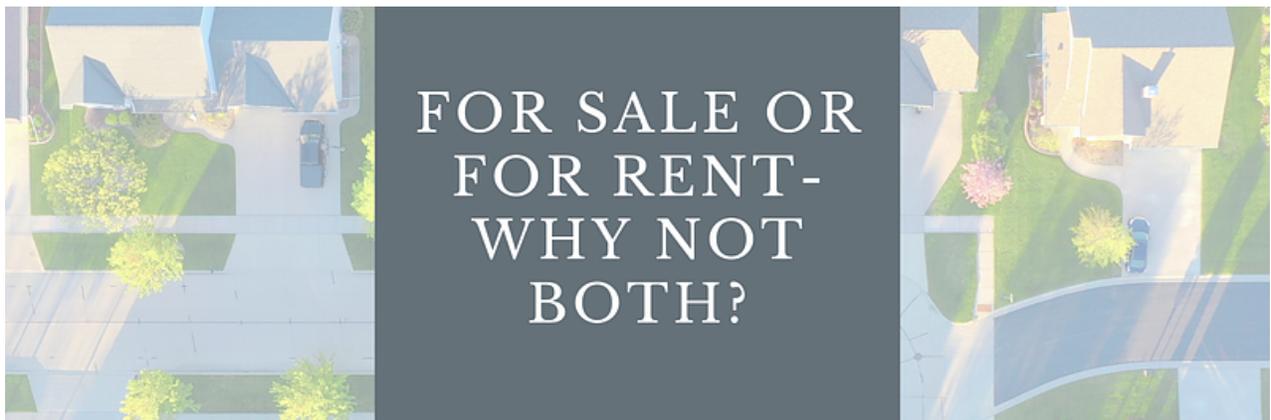
Follow us on Social Media

Thanks to Lindsay and Nicole, we have several active social media accounts we use to promote our available rentals on. Are you on social media? Follow us on [Facebook](#), [Instagram](#), and [YouTube](#).



We are Committed to Fair Housing

Our team believes in and commits to the principles of Fair Housing. Please understand that a lot of our policies are designed in accordance with Fair Housing guidelines.



For Sale or For Rent, why not both?

Did you know that we can list your home for sale and for rent simultaneously to see which happens first? We have Realtors that are trained in both leasing and selling your home. As your reasons to try both markets may vary, the outcome is the same, maximize your reach and profit as soon as possible.

Here's how it works: We recommend starting with listing the property for sale, if time allows, to give the property 4 weeks on the market alone. In addition, the average days on the market for a listing for sale in this area is about 30 days so we want to give the listing a full chance. This is for the owners that ultimately prefer to sell their property over being a landlord. Once the home has been on the sales market for about 4 weeks, we would begin marketing the home for rent. Homes for rent move faster than homes for sale. Homes under \$1,500 rental range average about 15 days on the market and about 30 days on the market for higher price ranges.

Luckily, we can list your property on both markets at the same time and ultimately procure a renter or buyer without losing time on either market. Once we get the home either under contract or find a qualified tenant, we would remove the other listing. If your ultimate goal is to sell the home, we can do a shorter lease anywhere from 7-12 months and reassess. The benefits to this process also include that if you end up placing a tenant vs selling, that tenant might want to reach out and purchase the home towards the end of the lease as they would have known you were already open to it prior. We can advise you on the best route depending on the home and your situation. **Interested in a market value for your property?** Complete this form and we'll be in contact soon.

<https://www.pensacolarealtymasters.com/sellers>



Pensacola Rental Market Update

The Pensacola rental market has rebounded after a super slow winter, but today's spring market is not the same market we had last year. While we have not seen decreases in rental rates overall, we have seen a notable deceleration in rental growth.

If your property was rented at peak time last year, you may need to keep the rent the same or reduce it to find or keep a qualified tenant. We are noticing the gap closing between lower-end apartments and higher-end single-family housing as we continue to raise one and two bedrooms and larger newer home pricing stalls.

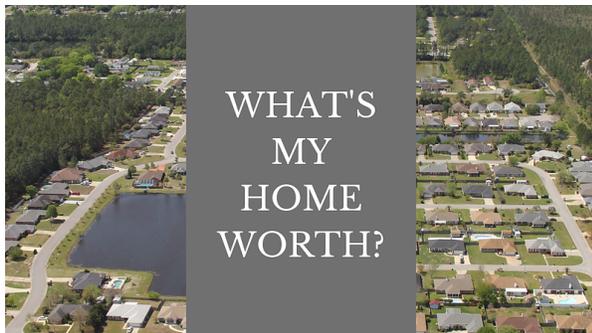
Homes hit the hardest seem to be newly built larger homes in Beulah, Cantonment, and Pace that were rented at premium rents last year. Before 2022, the Pensacola area did not have any build-to-rent

communities, a new construction community built solely to rent rather than sell. We now have 6 of these communities in the Beulah, Pensacola, and Pace area with others scheduled to be built. This influx in new construction housing is significantly adding units to the rental market at a time when owners are leasing their home instead of selling. While incomes have risen some over the last few years and Navy Federal has brought better paying jobs to our areas, many rental households cannot comfortably afford these monthly payments. Coupled with rising costs, pricing has become the most important factor when shopping for a rental.

Days on the market have increased, and it's important that your home looks good and has amenities that tenants desire. We see affordable properties, and homes with fenced yards that are pet friendly renting fastest. Unfortunately, with the average days on the market for the first quarter of 2023 for Pensacola rentals at 79 days, you can see that pricing the property too high will only financially burden you in the end. Is it worth a few hundred dollars increase a month to have three months of lost income?

As inventory levels have stabilized with a large influx of new construction, single and multifamily properties, as well as new rental properties, coming on the market from both owner occupied and short rentals, renters have more choices than they have in many years especially in properties above \$1,800 a month.

For 10+ years in a row, our company has leased more properties than any other company in Pensacola. Trust that our market knowledge is accurate and our assessment of your property will yield the greatest returns. Of course, we always want to evaluate your rental property uniquely, so reach out if you have any questions about your upcoming lease, renewal or vacancy.



Considering selling a rental property?

We're happy to provide a market analysis to help you decide what the best course of action for your rental is. Request one here.

Request
CMA

Pensacola Real Estate Sales Market Update

The nationwide real estate market outlook has been rapidly changing as interest rate increases have made a big impact on a buyer's ability to afford a loan. Thankfully, after a slow winter, we are still seeing a typical seasonal increase in production. However, it pales in comparison to the previous two years with only a slight increase in sold listings, when this should be much more drastic to keep up with normal years of price growth.

- The average sold price in February 2023 was about \$320,000.
- We are seeing a drop in number of sold listings and, inversely, the active listing population is stabilizing.
- While inventory levels still remain low, there are more options for a buyer to choose from now that supply is stable. Builders are offering great incentives. Additionally, the amount of people

purchasing homes is starting to decrease for several reasons in addition to affordability. People are now locked into cheap interest rates and can't afford to "trade up" as they historically would.

- Days on the market are climbing slowly with the average days on the market for sale climbing to 56, nearly twice as many as last year.
- The longer a property sits, the wider the gap between list and sold price tends to grow. List to sold price is averaging around 97%.

Considering the data, this spring and summer may be the last time to try and sell a home before home prices really start to take a dip. We do expect to have a flat and stable market during the next quarter, but all the data is hinting at a decline in the market as a whole later in the year. For that reason, this may be the best time to capitalize on the last window of opportunity at these peak prices and to secure max equity in your investment or get ready to hold on to the property for the longer term.

Realty Masters does have a sales team and multiple qualified agents available any time to help you with all your selling and buying needs. Even if you would just like to know your home's value, or you have questions and need our advice, we are here any time for those that are interested.

Did you know? You can text our office! (850) 473-3983

Questions About Your Property?

If you have any questions or concerns about your rental property, please respond to this email to reach a supervisor, or reach out to our office by phone, text, or email. Don't hesitate to let us know how we can be of assistance to you. We look forward to hearing from you.



Realty Masters of Florida

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