

HOMEOWNER'S QUARTERLY



Hello from Pensacola! We're in full in "spring" already with a hot rentals and sales market, A/C breakdowns, bugs, and big changes everywhere. Here's an update from our team on what's going on with Hurricane Sally Repairs, COVID-19 Legislation affecting your investment, and the Pensacola Rental and Sales Market. If we can assist you with anything, please do not hesitate to reach out via phone, text, or email us back here.

-The Realty Masters team



Appliance, Furniture and Material Delays

We are still feeling the effects from supply chain disruptions caused from COVID and huge demand causing serious delays in certain materials like lumber and shingles and home appliances. In addition to a shortage of materials around the nation, we are still experiencing extremely high demand as the area works to recover from Hurricane Sally's impact in September 2020. This is causing an increase in pricing and a delay in time to complete serious repairs. We expect further delays with the recent Suez Canal blockage.

Here's a few articles about the issues we're seeing and reasons behind it:

- [Forbes](#): Renovating Your Home? These 4 Things Are In Short Supply- And Could Cost You Time, Money
- [NBC Nightly News](#): What's behind the backup in new furniture and appliance orders
- [The Washington Post](#): Suez Canal mishap puts battered supply chains under more pressure

Appliance Delays Causing Serious Issues

While this may be frustrating while you are trying to upgrade to a new washer/ dryer, it becomes a serious issue with your tenant occupied property when your tenant is left without a crucial appliance like a fridge. We cannot wait weeks or months to get a replacement unit. Your tenant may be entitled to a rent reduction, credit, or some other incentive if you experience a lengthy delay in repairing or replacing an appliance. Here's more about the appliance delays and what can be done.

Buying Direct from Lowes/ Home Depot

This used to be a great, easy option for homeowners and a good way to take advantage of the 10% military discount on purchases. Unfortunately, we've been having serious issues with installation from Lowes and Home Depot as of recent.

Installation Issues

Even if the appliance comes with free delivery, this does NOT mean installation. Furthermore, when you purchase installation services, this does not mean that they send a qualified technician out to the property to install, and if there are any issues, they will not install the appliances. We have recently seen issues pop up with copper piping and copper lines. The installation teams are not equipped to handle turning off the main water supply to the house, so if there are any water lines, this could present an issue. As they do charge for installation, we find it best if you can arrange for delivery and coordinate with our office to have a proper appliance person do the installation.

Items in Stock and Delayed

We've seen Lowes and Home Depot say that an appliance is in stock on their website, only to find out that was not true and for the item to be refunded. When ordering appliances, you must call the store to be sure it's in stock. Don't be surprised if they promise a date and then later change it. Given all these obstacles, it may be better and worth a few extra dollars, to pay a local appliance company to go measure, purchase, and install an in stock unit.

More About Appliance Delays

We spoke with Joseph Lords at Lords Appliances to get some more information on what he's seeing locally. Over the past year, he's noted:

- Fewer options in stock
- Increased prices
- Shipping delays in both new appliances and replacement parts

He has gotten best results with GE and Frigidaire and noted that, in terms of delays, Whirlpool, Bosch, and LG have been really slow on replacement units and parts under warranty causing additional delays.

Lower end appliances have seen a 15-25% increase as the standard dishwasher that used to run \$329 is now \$399 and the basic top freezer/fridge that was \$629 is now \$699. These are also the units that tend to sell out fastest and that the appliance stores are having a harder time keeping in stock. He also warns of the trouble in trusting local hardware stores website for inventory and recommends calling before ordering. Also, keep in mind what we've said about delays in shipping dates. It may be better to purchase an in stock unit even if the website promises a quick delivery.

Used Appliances

While we don't love the idea of used appliances, it may be a good idea if you're budget conscious and need to get a unit fast! We are happy to investigate this option for you, but keep in mind, most used appliances come with a very limited warranty and are not a good long term option.

Roofing & Fence Work

We are finally receiving roof and fence estimates in a timely manner. Unfortunately, these estimates are coming back higher than ever. Roofing repairs are running about a month out and new roofs can be replaced in the same amount of time. If you have outstanding fence, roofing, and tree work at your property, talk to your manager about your options.

Sending Payments through RentTrack

If you have previously sent funds for repairs through RentTrack, you may have received an email to migrate accounts as RentTrack was recently bought out by Zego. While they have successfully migrated tenant's accounts, they have not migrated owners accounts so you can disregard this notice. You do not need to take further action!

Do you need to send funds to us for repairs or utilities? We've got several easy ways to send funds.

- Go to www.payclix.com to send us funds. The e-check is only \$1.49
- You can also use your bank's e-bill pay option to send a paper check from online. This is a free service offered by a number of larger banks and credit unions.
- You can also send funds through your owner's portal, however, this utilizes a credit card and does charge 3.5% for any payments sent.
- You can also send us a check through good old snail mail at 4400 Bayou Blvd 58B, Pensacola, FL 32503.

Please reach out if you have any questions about sending owner funds.

Payments Made Directly to Vendors

While we love owners paying their own bills, anything outside of our normal bill payment routine can complicate things, so here's a few things to note:

- It is our policy to have **funds in our possession** prior to authorizing any jobs over \$200, so payment details need to be arranged before we can approve a job.
- Some of our vendors do take credit cards as can Realty Masters but there is always a fee involved in accepting a credit card. Neither the vendor nor Realty Masters is getting the fee, as it is the credit card processing company.
- Any payments you pay directly will not show up on your year-end statement or in your online account with us, just FYI!
- Please keep in mind, there are tax reporting requirements that you will be responsible for if you pay the vendor directly. If you make direct payments to vendors above \$600, you are required to collect a W-9 and are most likely required to send a 1099 to the vendor and the IRS before January 31st of the following tax year. When we pay bills on your behalf, we do this reporting for you. You can read more about these here:

<https://www.irs.gov/instructions/i1099msc>

CHANGES IN YOUR PROPERTY MANAGER

You may have a new property manager!

2020 was a hard year for everyone! With that, we've got a few changes in staffing this year as Becky Jones moves to retire and Johnna Atherton has moved out of property management. Thus, your property manager might be changing. If you've been working with Becky Jones or Johnna Atherton, you should have a new contact. If you have not heard from our office about this change, feel free to reach out to us now by replying to this email.

Becky Jones is Retiring

After working with Realty Masters for 20 years, Becky Jones is retiring to spend more time with her family and grandchildren. Rehlinda McJenkin will be taking over Becky's portfolio. She has been training with Becky and comes to us with 15 years of property management experience in multi-family housing. Email her at Rehlinda@PensacolaRealtyMasters.com

Johnna Atherton Left the Company

Johnna Atherton is no longer a property manager at our office. If you have not heard from an alternate contact in our office, your contact in the office will be Lacey Yurko. Lacey is a licensed Realtor and Property Manager and has been with us for 6 years. You can reach out to her via email at Lacey@PensacolaRealtyMasters.com

SPRING A/C TUNE UPS!

Invest in an affordable a/c tune up today.

Spring has sprung, especially in Florida, and it's time to look at preventative maintenance items. There's no better preventative maintenance item in Florida than a Spring A/C Tune Up! We've got two companies offering a great deal on these tune up.

Panhandle Heating and Air offers a spring tune up for \$65 and Mathews Heating and Air provides a spring service for \$75. These are done at the normal service call rate and can prevent your property from needing additional service this spring. It can also identify if your system is close to a breakdown due to age or condition and alert you to this issue now.

What are the benefits of an HVAC Tune Up?

During an HVAC tune-up, the technician reviews your A/C system and provides routine maintenance to prevent seasonal issues like an A/C leak or back up. They also test the system thoroughly and can identify problems that can easily be fixed early to prevent a breakdown or more extensive damages. A well-maintained HVAC system lasts longer. Neglecting your system results in a shorter system life that can cost you hundreds or even thousands in early replacement costs. Unfortunately, tenants are not great at maintaining the system, and this is one of the ways we can educate the tenants plus show them you care about their comfort during the season.

What does the Service Include?

- Clear Out Condensation Drain Line
- Change filter if needed
- Check Indoor and Outdoor Coils
- Check Refrigerant Level
- Check All Electrical Connections
- Lubricate All Moving Parts
- Measure Temperature Split
- Check Voltage on Motors
- Monitor A/C and Heating Cycles, season applicable Test Starting Capabilities
- Check Safety Devices

If you want to schedule a spring HVAC tune up for your property, reach out to your property manager or respond to this email, and we will reach out to discuss.



Keeping Tenant's Month to Month

There are quite a few reasons we don't like to keep tenants month-to-month, but given these circumstances, we are now being advised by our attorney to keep tenant's month to month when they have:

- Expressed difficulty in paying rent
- Made recent late payments
- Are delinquent or past due on rent

Moratorium Has Been Extended

As suspected, the CDC Moratorium has been extended until June 30, 2021. We fully expect another extension after this one to September 30, 2021. Here's an [article with details](#).

Rent Assistance Funds

Locally, we still have not seen the rent assistance that was voted on and approved earlier this year.

This allows us the control to non-renew the tenant and file an eviction based off their failure to move, rather than non-payment, which is nearly impossible to do right now. Discuss this option when your property manager reaches out about lease renewals. Of course, new legislation could prevent us from even non-renewing or evicting even based off a failure to vacate but we will continue to monitor this situation and make suggestions as we learn more.

We are working closely with both Escambia and Santa Rosa Counties to find these funds when they are available and connect your residents with them.

Non-Renewals

Luckily, we have been able to use a non-renewal of lease as a tool to evict tenants who are delinquent on rent. We hope no further legislation prevents this, but we will keep you posted with updates as we hear of new pending legislation that will affect you and your investment.



Pensacola Real Estate Market Update

2021 has been the hottest year for selling in decades in the Pensacola area, and the proof is in the statistics. The strength of the market goes hand in hand with how many days on the market a home sits before selling. The current Days on Market average for residential homes in 2021 is 37 compared to 49 the previous year.

The other major factor is the sales price percentage of the list prices. This year, homes have sold for 99.03% of list price, which shows that sellers are not budging on prices and in many cases going well over list price. The median home sales price is sitting around \$240,000 currently in our area, up drastically from years ago.

The other tell-tale sign of a sellers' market is the percentage of listings that have expired. In 2020 that number was 5.6% and today that number is sitting at just 1.46%.

Take all those factors and combine it with a major drop in inventory of over 50% in most price ranges, and you can begin to see why we are dealing with such a strong seller's market. There truly has never been a better time to sell. With Summer just around the corner, the market is only going to keep heating up. Call us today and we can show you just how valuable your home is in this market

Investor Email List

We're putting together an investor email list for when we get new cash flow investments.

Are you interested in being added to the list? [Sign up here.](#)



Pensacola Rental Market Update

More comforting news for Pensacola area landlords is that the Pensacola rental market is performing stronger than ever despite COVID and financial difficulties for many households. Despite the COVID pandemic, Pensacola's rental market saw increases for the 2nd half of 2020 by 10%, on average, for new move in rents.

We came across this New York Times Article titled "How the Pandemic Blew Up Rents" discussing the disparities between different markets and metros. The article cites that Nationwide, 2020 rents were down 1.2% year over year. The majority of larger markets saw rental decreases while smaller metros had the opposite, rental increases. As mentioned, we definitely saw strong rental increases in Pensacola's market. According to Apartment Lists National Rent Data, our data matched up with theirs in showing that the Pensacola area saw nearly a 10% year over year increase. In contrast, other Florida markets did not perform as well. Markets like Orlando and Tallahassee saw a 5% rent decrease in 2020.

Locally, our employment numbers are strong despite and remained so during the pandemic. While we did experience high unemployment in the tourism industry, it's clear that our area was not affected as much as others in the state of Florida, whose economy highly depends on tourism dollars.

Locally, inventory levels for both the real estate sales market and rental market are at record lows. Hurricane Sally's impact on our area in September 2020 exasperated our low inventory issue causing a spike in both rental and sales prices. Into 2021, we continue to see record low inventory and vacancy rates. Both rental rates and home sales prices continue to rise and affordability continues to be an issue as rents and mortgage rates are rising above what the average Pensacola family can pay. Many landlords continue to choose to sell their properties as they become vacant, especially with costly hurricane repairs and eviction moratoriums that limit the landlords right to collect rent and evict for non-payment.

According to the New York Times Article, rents are now stabilizing around the country and rent fluctuations are starting to slow. Locally, we expect the trend of low supply and increasing rents for the foreseeable future.

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

Help Us By Leaving a Review

We'd sure love it if you could leave us a few kind words on **Google!** Just [Google Realty Masters of Florida](#) and click to leave a review. Having top placement on Google helps us rent our properties rent faster than the Pensacola average. We appreciate you!

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 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

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

Call us Monday- Saturday at **850.473.3983**

Info@PensacolaRealtyMasters.com

www.PensacolaRealtyMasters.com

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

Call us Monday- Friday **850.453.9220**

Pam@PensacolaRealtyMasters.com

www.Pensacola-Gulfbreezehomes.com

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