



Happy spring! We're excited to bring you another issue of Homeowner's Quarterly, and hopefully one that doesn't go right to your SPAM folder. If it's been a while since we've connected, use this email as a reason to reach out to our team for an update.

-The Team at Realty Masters



What's new?

In Pensacola: Our local economy and job market are stable. We continue to receive a record number of tourists and increased migration into our area, despite some remote workers being called back to the office and leaving the area. Strong residential and commercial development continues especially in Pace and Navarre in Santa Rosa County, Beulah in NW Pensacola and the Downtown Pensacola area.

Delinquencies trending down: We're seeing delinquencies level out, likely due to tax return time. We are still closely monitoring late payments, as with record low saving rates and skyrocketing consumer debt, we are concerned delinquencies will increase throughout the year.

Days on the market continues to increase: We've seen a steady climb in days on the market. While our average days on the market YTD is only 23, nearly half the local average of 47 days, we are seeing certain properties sit longer. Affordable properties are still renting fast, but new construction homes and townhomes that have a lot of competition and properties over \$2,000 monthly rent are taking longer to rent due to increased comparable supply.

Insurance problems worsen: Regarding increases in insurance rates, we're hearing insurance rates that have doubled or tripled since 2020 after COVID and Hurricane Sally. The car insurance industry is also being affected, which is causing further budgetary constraints among renters. Additionally, we're seeing increased regulations by insurance companies including a chain of inspections and demand letters. *Read more about this below.*

Legislative Session 2024

We were watching legislative bills that were detrimental to landlord's rights this session but all anti-landlord bills were rejected in committees.

The only bill affecting homeowners that we've seen pass this legislative session is a win for Florida landlords and is HB 621: Property Rights.

Recently signed by the governor, this bill allows property owners to remove unauthorized occupants, or "squatters", from the property immediately. We'll keep you posted on any further legislative changes that may affect you.

Good Reading for Landlords

Here's a few telling headlines and our picks to read this quarter:

- [Redfin](#)- The Cost of Buying a Home Hits New Record
 - [Federal Reserve Bank of New York](#)- Household Debt and Credit Report
 - [Fannie Mae](#)- Hot Inflation Data Likely to Delay Rate Cuts, Put Upward Pressure on Mortgage Rates
 - [WRE News](#)- Roughly 40% of Homeowners could not Afford to Purchase their Home Today
-



Don't wait until your tenants move after a lengthy occupancy to improve your rental property. Routinely investing in your properties over time is the best approach. We recommend an annual review and budget for each of your rental properties to ensure costly repairs are not delayed until vacancy when cosmetic turnover repairs are needed.

While we don't recommend major, messy repairs while your home is occupied, here's a list of preventative maintenance items and cosmetic upgrades we can easily complete with your tenants in place to improve your property.

- **Appliance upgrades-** With extensive delays in getting new appliances, proactively upgrading these will make life easier on your tenants and keep your rental values high.
- **Lighting replacements-** 90's brass chandeliers are out! It's time to update your lighting, add a ceiling fan to the primary bedroom, or replace that bulky fluorescent kitchen light.
- **Tree work-** It's expensive and nobody loves it, but with hurricane season approaching it's a good idea to pull the trigger on any tree work you've been putting off. Plus, your insurance company may end up requiring it. See more about this in our insurance article.
- **Termite treatment and bond-** Florida is home to the largest amount of termite damage. Having an annual termite treatment and bond is a good investment in your rental property.

Looking to budget some funds to improve your rental property this year?
Reply to this email and we'll make some suggestions for you!

Recent Articles on our Blog

We've been writing a lot on [our blog](#) recently! Check it out.



What improvements should you make to your Pensacola home?

Here's Realtor Lindsay Scapecchi answering this question with advice for landlords about how to make your property more attractive to renters.

**Lighthouse Tours and Blue
Angels Practices!** We want to tell
you about one of our favorite places
to catch the Blue Angels
performance from the top of the
Pensacola Lighthouse!



PROS

PROS AND

CONS OF

BEING A

LANDLORD

From Realty Masters

Pros and Cons of Being a Landlord. Transitioning your personal home to a rental property is a huge decision. Here's a few pros and cons to remember as you navigate your short and long-term goals as a landlord.

Homeowners Insurance Market Update

We've noticed two notable changes in the past few months from owner's insurance companies we wanted to share with you.

The first is a **string of inspection requests from insurance companies**. Some companies are completing drive by inspections without notice and sending notices to cure issues like landscaping, tree work, and siding. We're also getting requests to complete inspections inside of the property as if they were doing a visit for a claim. Some of the requests we've gotten include cleaning the roof off, asking your tenant to disconnect a hose from the faucet, or installing a fire extinguisher inside the home. We've also seen expensive requests, like roof repairs and trimming trees away from a roof line. These requests are coming in quite often so be sure to notify us and comply so you do not lose your insurance coverage.

While we previously updated you about major changes to **Citizens Insurance policies**, we've seen [these changes](#) come into effect. Homeowners insured with Citizens are now being forced to procure flood insurance for properties in a flood zone. We're also seeing numerous requests for lease agreements showing your tenant is in a 12 month lease. **If you get a letter like the one below and ignore it, you will receive a 30% increase in your yearly premium**; this is completely avoidable if your tenant is on a 12-month lease. Do not ignore this notice, and make sure you are updating Citizens with a lease agreement when requested. If you have an insurance agent, reach out to them about this to be sure you are in compliance.



Action Required: Submit Proof of Primary Residency to Your Agent

April 15, 2024

Dear Policyholder:

New legislation was passed that will increase the insurance premium charged on non-primary residences. Citizens is contacting you because our records indicate your policy does not insure a primary residence. Under Florida law, a primary residence is a dwelling that is the policyholder's primary home or a leased rental property that is the primary home of the tenant – either of which the policyholder or tenant occupies for more than nine months of each year.

If your policy insures your primary residence, contact your agent. You may need to sign the *Policyholder Affirmation Regarding Primary Residence (CIT PR01)* form and submit it, along with the required acceptable documentation, to your agent prior to your renewal processing. This will help you avoid an additional increase in renewal premium for non-primary residence.

Acceptable documentation for proof of primary residence includes:

- Homestead exemption
- Voter registration card
- Florida driver's license*
- Florida identification card*
- Military orders*
- Vehicle registration
- Lease agreement executed within the last 12 months

Notes:

- Your agent must redact the personal information (i.e., driver's license number, identification card number, military identification number) from the documents marked with an asterisk prior to submission.



Rental Market Update

The number of active rentals available has increased drastically in recent years, but is on trend with the market statistics prior to 2020. The average days on the market for rentals is up to 47 locally, which has noticeably increased compared to previous years. This can largely be attributable to supply and demand dynamics. The median rental rate in the Pensacola area remains largely unchanged from last year between \$1,700 and \$1,800, depending on sources. The Pensacola area has experienced a significant surge in build-to-rent new construction homes and apartments, contributing to downward pressure on rents.

Given the saturation of the rental market, tenants have a multitude of options. Apartments and build-to-rent communities are still offering incredible incentives like one or two month's free rent and considerably lower, or even waived, security deposits. This has created a challenging market.

As rent burdened tenants are seeking more affordable options, we find that affordability is among top concerns for house hunters. With a host of newer construction options, we're also still seeing a renter base that demands an updated interior. Having a well priced, updated unit is still the best way to find and retain a quality tenant!

RENTAL MARKET STATISTICS

Data from Pensacola MLS & Zillow

MARCH
2024



Days on the market and # of active listings increased in March 2024, while the average rental rate increased slightly month over month but decreased year over year.

↑
609
ACTIVE
LISTINGS

↑
248
RENTED
LISTINGS

↑
41 DAYS
AVG. DAYS ON
THE MARKET

↑
\$1,802
AVERAGE
RENTAL RATE

↓
-\$43
YEAR OVER
YEAR RENTAL
CHANGE

Sales Market Update

The new year has brought with it a lot of new and exciting changes to the real estate market. On a broad scale, the Sunshine State has been having a solid 2024. The new year data in January showed that Florida's median home sales price had actually risen 4.5 % YOY compared to 2023. In

general, that is a great return to see, but as interest rates hover over 7% now it is important for this trend to continue rising to outpace inflation.

Looking at the Pensacola market, YTD the average sale price was \$387,066 and the average days on the market was 63. The average listing sold for 97.23% of the listing price, although this number likely includes some seller paid concessions. Finally, there were 5,842 homes listed and 2,637 of those sold. Historically, these are solid numbers, but it is important to see how we stack up against the previous year to see if this is really an increasing growth outlook.

By comparison, last January to April, 4,023 homes were listed and 3,372 homes were sold. 2023 actually had significantly less listings and still had more sales than this year. The average sale price was slightly lower at \$366,103, and days on the market were also lower at only 53. The only thing that was almost the same was the list to sale price ratio which was nearly identical at 97.22%. Those comparisons show the stalling pace of today's market.

While we have seen prices go up 5.72% from last year to this year, we are seeing a clear indication of increasing competition and a slowing of the seller's market. The inventory has increased significantly and less of that inventory is selling compared to the year past. This could be another signal that prices are starting to plateau. If the supply of existing listings is not reduced over the busier months of the spring and summer, we could see the increased days on the market and competition lead to a sales slump at the end of the year.

With the recent meeting of the Federal Reserve, they are indicating that interest rates are not lowering any time soon either. Buyers are slowly being priced out of homes they can afford, so we recommend that owners that have been on the fence about selling should consider making that commitment before the market takes a dip or buyers become even harder to find as the expense to buy a home grows.



Considering selling?

One of our Realtors is happy to provide a market analysis.

[Request CMA](#)

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 FL
4400 Bayou Blvd, 58B Pensacola FL 32503
850-473-3983
<https://www.PensacolaRealtyMasters.com>

Connect with us on Social

