



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY[©]

2ND QUARTER 2019 DATA

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON PERKINS GRIFFIN, LLC

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STATEMENT OF METHODOLOGY

The information presented in this report was collected and assembled from a combination of original research and secondary sources. This section summarizes the methods used in gathering the data.

Sources

The survey data is collected on a quarterly basis from participating apartment managers, management companies and owners. All information collected from individual complexes is completely confidential and only aggregate statistics are reported. The information furnished by the survey participants is considered reliable. However, the Survey Committee makes no warranty as to the reliability of the data and assumes no legal responsibility for the use of the data from the survey.

Survey Criteria

The projects have 80 units or more in the Reno/Sparks service area;

- Projects reflect market rents. **Affordable Housing, Student & Senior Housing Projects are excluded;**
- New projects have reached a stabilized occupancy of at least 90%;
- The projects have a competitive on-site management program; and
- A willingness of the on-site manager to participate in the survey.

The results of this survey depict the operating conditions of the average of 22,375 units reported. A total of 90 projects were surveyed. We believe the statistics presented here are representative of the overall conditions of the Reno-Sparks Survey Area.

Survey Modifications

The total apartment projects participating in the survey remained the same at 90 projects, and the total units remained the same at 22,375 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	1 st Quarter 2019	2 nd Quarter 2019	Change
Total Projects	90	90	No Additional Projects
Total Units	22,375	22,375	No Additional Units



ECONOMIC OUTLOOK

In June, employment in Nevada is up 45,500 over the year, despite decreasing by 4,000 jobs over the month. The state's unemployment rate is at 4 percent, remained unchanged from May, and is down half a percentage point when compared to last June. This is according to the Nevada Department of Employment, Training and Rehabilitation's (DETR) June 2019 economic report.

"It is encouraging to see that June's numbers reinforce the State's strong employment growth over the year, a movement Nevada has experienced for more than eight consecutive years. Although there was a slight decline in employment over the month, our employment gains remain strong, and unemployment level remains low. While these numbers are encouraging, we must continue to be vigilant in our efforts to ensure all the benefit of these ongoing, positive conditions of our economy and current labor market are afforded to all Nevadans," Governor Steve Sisolak said.

DETR's report also notes that Nevada per capita personal income reached \$49,458 in the first quarter of 2019 and was 90 percent of the national level which was \$54,730.

"The decline in the construction industry's employment over the month was led by a decline in employment in specialty trade contractors. With the strong demand we have seen in this industry, this month's number is not likely to be the start of a new trend, but we will closely watch this data over the next several months. The unemployment rate remains relatively low at four percent, historically speaking. For the 12-month period ending in June 2019, the long-term unemployment rate, including those unemployed for 27 weeks or more, remains at 0.8 percent and is down 6.2 percentage points from the peak seen in 2011. Overall, the employment picture around the state continues to remain positive but we will continue to monitor the labor market for signs of a turning point." said David Schmidt, Chief Economist for DETR.

Additional June Report Highlights:

- Total employment rose by 3.3 percent over the year, more than double the current U.S. growth rate (1.5%).
- Professional and business services have added the most jobs out of all sectors using a 12-month moving average through June over the same year time last year, up 13,100 jobs.
- From the fourth quarter of 2017 to the fourth quarter of 2018, in terms of volume of jobs added in establishments, employers with 500-999 employees led the way by adding 7,100 new jobs or growing by 8.5 percent. In absolute terms, the size class that saw the greatest increase in establishments over last year was 0-4 at 560 establishments.
- The gap between the U.S. unemployment rate and Nevada's rate is the smallest it's been since January of 2008, at 0.3 percentage point.
- Nevada's long-term unemployment (those unemployed for 27 weeks or more) rate stands at 0.8 percent, unchanged over last June.
- The Nevada veteran unemployment rate was 1.9 percent in June 2019 decreasing from 4.9 percent the previous year, and below the state rate of 4.2 percent.
- From January 2014 to June 2019, the unemployment rate for Asians, Blacks, Hawaiian/Pacific Islander, American Indian, Alaskan Native, and Whites have all been trending downward.
- Year-to-date through June, 179,032 ads have been posted for jobs in Nevada, an increase of 49,273 (38 percent) from the same period last year.

(Source: Nevada Department of Employment, Training and Rehabilitation Labor Market Summary June 2019)



ECONOMIC INDICATORS	
Economic Indicators	
UNEMPLOYMENT RATES May 2019	
Nevada*	4.0%
Las Vegas MSA	4.0%
Reno-Sparks MSA	3.0%
Carson City MSA	3.8%
United States*	3.6%
JOB GROWTH (YOY) May 2019	
Nevada*	4.0%
Las Vegas MSA*	2.8%
Reno-Sparks MSA*	6.2%
Carson City MSA*	3.6%
United States*	1.6%
GAMING WIN (YOY) April 2019	
Nevada	-1.8%
Clark County	-2.0%
Washoe County	0.7%
TAXABLE SALES (YOY) March 2019	
Nevada	4.0%
Clark County	5.9%
Washoe County	3.4%
*Seasonally Adjusted	
(Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary May 2019)	



SUMMARY OF FINDINGS

AVERAGE SIZE, RENT & VACANCY RATE BY UNIT TYPE							
CATEGORY	STUDIOS	1 BED/1 BATH	2 BED/1 BATH	2 BED/2 BATH	3 BED/2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	404 SF	724 SF	862 SF	1,049 SF	1,284 SF	1,256 SF	898 SF
Average Rent-By Unit Type	\$841	\$1,185	\$1,262	\$1,490	\$1,838	\$1,548	\$1,344
Average Rent/SF-By Unit Type	\$2.08	\$1.64	\$1.46	\$1.42	\$1.43	\$1.23	\$1.50
Indicated Vacancy Rate-By Unit Type	3.37%	2.84%	2.02%	2.73%	1.96%	4.32%	2.67%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	1 st Quarter 2019	2 nd Quarter 2019	Change
Average Vacancy	3.06%	2.67%	-39 Basis Points
Average Rent	\$1,316	\$1,344	+\$28 or +2.13%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	1 st Qtr. 2019	2 nd Qtr. 2019	Result	1 st Qtr. 2019	2 nd Qtr. 2019	Result
Studio	\$801	\$841	+\$40	3.37%	3.37%	0.00%
1 Bedroom/1 Bath	\$1,158	\$1,185	+\$26	2.97%	2.84%	-0.13%
2 Bedroom/1 Bath	\$1,217	\$1,262	+\$45	2.29%	2.02%	-0.28%
2 Bedroom/2 Bath	\$1,471	\$1,490	+\$18	3.02%	2.73%	-0.29%
3 Bedroom/2 Bath	\$1,779	\$1,838	+\$59	5.16%	1.96%	-3.20%
Townhouse	\$1,539	\$1,548	+\$8	4.05%	4.32%	+0.27%
TOTALS	\$1,316	\$1,344	+\$28	3.06%	2.67%	-0.39%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		1 st Qtr. 2019	2 nd Qtr. 2019	Result	1 st Qtr. 2019	2 nd Qtr. 2019	Result
1	Northwest Reno	\$1,386	\$1,401	+\$14	2.93%	2.78%	-0.15%
2	Northeast Reno	\$1,197	\$1,241	+\$44	2.81%	2.81%	0.00%
3	W. Sparks/N. Valley	\$1,147	\$1,166	+\$19	2.64%	2.54%	-0.10%
4	East Sparks	\$1,454	\$1,529	+\$75	3.67%	2.61%	-1.06%
5	West Reno	\$1,184	\$1,188	+\$5	0.89%	0.44%	-0.44%
6	Southwest Reno	\$1,214	\$1,275	+\$62	4.16%	3.36%	-0.80%
7	Brinkby/Grove	\$934	\$964	+\$31	2.89%	2.81%	-0.08%
8	Airport	\$1,195	\$1,154	-\$40	0.00%	1.79%	+1.79%
9	Lakeridge	\$1,396	\$1,453	+\$57	4.71%	4.87%	+0.16%
10	Southeast Reno	\$1,390	\$1,394	+\$4	2.57%	1.71%	-0.86%
11	Downtown Urban	\$1,457	\$1,446	-\$11	6.28%	8.21%	+1.93%
Overall Reno-Sparks		\$1,316	\$1,344	+\$28	3.06%	2.67%	-0.39%



HISTORICAL RENTAL AND VACANCY RATES BY UNIT TYPE

Quarter/ Year	UNIT TYPE													
	Studio		1/1		2/1		2/2		3/2		Townhouse		TOTAL	
	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %
Q1-2006	\$524	3.47%	\$733	3.01%	\$795	3.93%	\$914	4.40%	\$1,080	5.20%	\$1,044	5.70%	\$848	3.83%
Q2-2006	\$545	3.47%	\$732	2.56%	\$814	3.80%	\$915	4.26%	\$1,081	4.58%	\$1,055	3.42%	\$857	3.50%
Q3-2006	\$548	5.04%	\$739	2.19%	\$821	3.63%	\$924	3.55%	\$1,093	3.76%	\$1,052	3.13%	\$863	3.07%
Q4-2006	\$549	4.68%	\$743	3.31%	\$815	4.67%	\$930	5.90%	\$1,103	6.10%	\$1,100	7.41%	\$873	4.70%
Q1-2007	\$527	4.32%	\$745	5.00%	\$813	7.02%	\$934	6.99%	\$1,111	8.36%	\$1,102	5.98%	\$872	6.24%
Q2-2007	\$527	8.99%	\$750	3.24%	\$817	6.29%	\$940	5.38%	\$1,118	7.46%	\$1,106	4.27%	\$876	4.88%
Q3-2007	\$526	7.19%	\$754	3.18%	\$818	6.39%	\$946	4.72%	\$1,124	5.45%	\$1,115	4.84%	\$881	4.54%
Q4-2007	\$527	7.14%	\$754	4.43%	\$822	7.24%	\$949	8.02%	\$1,130	8.06%	\$1,127	8.12%	\$885	6.50%
Q1-2008	\$527	8.58%	\$756	5.37%	\$820	8.22%	\$950	7.73%	\$1,130	5.79%	\$1,132	7.28%	\$886	6.85%
Q2-2008	\$524	6.34%	\$752	6.00%	\$814	8.46%	\$949	6.59%	\$1,132	6.24%	\$1,132	13.37%	\$884	6.83%
Q3-2008	\$524	5.62%	\$755	6.93%	\$813	8.82%	\$953	7.10%	\$1,132	7.72%	\$1,134	7.52%	\$885	7.35%
Q4-2008	\$523	5.43%	\$744	8.70%	\$798	11.83%	\$933	9.72%	\$1,130	10.44%	\$1,122	10.03%	\$875	9.63%
Q1-2009	\$523	7.90%	\$727	10.08%	\$776	11.97%	\$914	11.43%	\$1,119	11.45%	\$1,118	10.14%	\$863	10.87%
Q2-2009	\$515	8.64%	\$696	9.76%	\$753	12.20%	\$886	11.29%	\$1,088	13.18%	\$1,122	13.65%	\$844	10.93%
Q3-2009	\$501	9.57%	\$699	8.15%	\$741	11.46%	\$930	9.02%	\$1,117	7.23%	\$1,156	8.96%	\$857	9.08%
Q4-2009	\$500	8.97%	\$693	7.74%	\$728	9.48%	\$925	8.46%	\$1,111	10.32%	\$1,141	9.52%	\$848	8.54%
Q1-2010	\$490	10.96%	\$701	7.40%	\$734	6.70%	\$936	8.11%	\$1,128	10.16%	\$1,090	10.48%	\$858	7.87%
Q2-2010	\$489	10.96%	\$687	6.70%	\$725	10.03%	\$909	7.43%	\$1,102	8.58%	\$1,068	9.35%	\$837	7.79%
Q3-2010	\$483	7.06%	\$687	5.68%	\$721	7.27%	\$905	6.10%	\$1,091	6.04%	\$1,100	6.23%	\$834	6.18%
Q4-2010	\$480	7.66%	\$677	5.57%	\$711	7.40%	\$895	8.37%	\$1,085	9.40%	\$1,073	7.65%	\$824	7.16%
Q1-2011	\$487	10.36%	\$675	4.86%	\$716	5.06%	\$887	6.25%	\$1,086	6.30%	\$1,056	4.53%	\$821	5.64%
Q2-2011	\$476	7.21%	\$686	5.22%	\$738	5.33%	\$902	5.73%	\$1,115	5.06%	\$1,009	6.52%	\$837	5.51%
Q3-2011	\$484	4.20%	\$691	4.76%	\$744	3.87%	\$913	6.31%	\$1,098	9.06%	\$1,027	6.83%	\$840	5.38%
Q4-2011	\$463	6.31%	\$680	5.61%	\$756	7.30%	\$875	6.67%	\$1,070	8.96%	\$1,074	7.37%	\$822	6.56%
Q1-2012	\$472	3.60%	\$673	4.25%	\$752	5.84%	\$883	6.43%	\$1,070	9.30%	\$1,028	7.65%	\$822	5.59%
Q2-2012	\$482	5.86%	\$679	3.89%	\$758	4.96%	\$910	6.12%	\$1,094	7.10%	\$1,038	7.65%	\$836	5.13%
Q3-2012	\$507	4.25%	\$689	3.59%	\$757	4.86%	\$899	5.77%	\$1,074	7.19%	\$1,068	7.08%	\$836	4.83%
Q4-2012	\$487	8.86%	\$687	4.37%	\$757	6.35%	\$892	5.85%	\$1,083	6.43%	\$1,074	9.35%	\$830	5.60%
Q1-2013	\$494	7.96%	\$683	3.81%	\$759	5.75%	\$888	5.49%	\$1,080	6.81%	\$1,029	8.22%	\$829	5.11%
Q2-2013	\$509	7.66%	\$695	3.50%	\$770	5.54%	\$912	4.72%	\$1,082	6.05%	\$1,051	7.93%	\$843	4.65%
Q3-2013	\$531	4.35%	\$713	3.18%	\$780	4.96%	\$928	4.20%	\$1,113	5.58%	\$1,067	4.92%	\$859	4.05%
Q4-2013	\$545	2.40%	\$717	3.81%	\$785	4.05%	\$917	4.52%	\$1,117	5.28%	\$1,068	3.92%	\$860	4.12%
Q1-2014	\$548	3.89%	\$731	4.03%	\$795	3.28%	\$948	3.94%	\$1,123	3.04%	\$1,093	5.47%	\$876	3.83%
Q2-2014	\$533	2.69%	\$753	2.51%	\$764	2.33%	\$969	2.40%	\$1,170	1.97%	\$1,105	1.92%	\$852	2.41%
Q3-2014	\$540	1.35%	\$768	2.16%	\$796	2.58%	\$1,023	1.96%	\$1,189	2.10%	\$1,106	6.23%	\$887	2.13%
Q4-2014	\$555	1.35%	\$775	3.14%	\$797	3.90%	\$968	3.24%	\$1,176	4.23%	\$1,096	4.44%	\$868	3.31%
Q1-2015	\$565	1.65%	\$790	2.55%	\$810	3.11%	\$997	3.35%	\$1,209	3.32%	\$1,107	4.10%	\$889	2.97%
Q2-2015	\$562	1.95%	\$816	2.19%	\$823	1.88%	\$1,040	2.38%	\$1,251	2.85%	\$1,143	4.44%	\$920	2.27%
Q3-2015	\$589	2.99%	\$837	2.35%	\$848	2.29%	\$1,065	3.11%	\$1,264	2.81%	\$1,137	2.30%	\$942	2.67%
Q4-2015	\$580	2.54%	\$840	2.85%	\$854	2.83%	\$1,066	3.01%	\$1,263	2.56%	\$1,159	4.81%	\$946	2.90%
Q1-2016	\$639	1.80%	\$875	2.32%	\$885	1.96%	\$1,119	2.46%	\$1,316	2.30%	\$1,248	2.59%	\$990	2.30%
Q2-2016	\$643	2.25%	\$904	1.84%	\$930	1.56%	\$1,164	2.27%	\$1,411	1.96%	\$1,233	2.59%	\$1,029	1.98%
Q3-2016	\$662	1.48%	\$923	2.00%	\$973	1.41%	\$1,192	2.79%	\$1,420	2.75%	\$1,258	3.33%	\$1,054	2.24%
Q4-2016	\$673	1.92%	\$939	2.95%	\$984	2.75%	\$1,207	3.02%	\$1,382	3.26%	\$1,287	2.96%	\$1,066	2.93%
Q1-2017	\$669	1.47%	\$992	2.42%	\$1,019	1.32%	\$1,244	2.63%	\$1,468	1.54%	\$1,362	1.11%	\$1,111	2.23%
Q2-2017	\$715	1.17%	\$1,060	1.28%	\$1,081	0.95%	\$1,353	1.15%	\$1,595	1.05%	\$1,338	1.85%	\$1,194	1.17%
Q3-2017	\$737	1.32%	\$1,071	2.21%	\$1,103	2.20%	\$1,346	2.60%	\$1,616	3.80%	\$1,396	1.89%	\$1,202	2.41%
Q4-2017	\$723	3.52%	\$1,062	3.76%	\$1,091	3.03%	\$1,310	3.69%	\$1,551	5.50%	\$1,405	8.36%	\$1,180	3.80%
Q1-2018	\$744	1.17%	\$1,092	2.11%	\$1,122	1.93%	\$1,387	2.04%	\$1,631	0.89%	\$1,436	2.70%	\$1,230	1.97%
Q2-2018	\$781	1.76%	\$1,170	1.86%	\$1,210	1.25%	\$1,475	1.46%	\$1,754	1.40%	\$1,508	1.35%	\$1,318	1.58%
Q3-2018	\$863	2.79%	\$1,170	2.57%	\$1,209	2.23%	\$1,468	2.99%	\$1,775	4.14%	\$1,503	3.24%	\$1,319	2.79%
Q4-2018	\$837	5.28%	\$1,155	3.10%	\$1,192	3.49%	\$1,421	3.81%	\$1,762	5.59%	\$1,527	3.24%	\$1,292	3.64%
Q1-2019	\$801	3.37%	\$1,158	2.97%	\$1,217	2.29%	\$1,471	3.02%	\$1,779	5.16%	\$1,539	4.05%	\$1,316	3.06%
Q2-2019	\$841	3.37%	\$1,185	2.84%	\$1,262	2.02%	\$1,490	2.73%	\$1,838	1.96%	\$1,548	4.32%	\$1,344	2.67%
AVERAGE	\$576	4.93%	\$812	4.11%	\$861	5.02%	\$1,038	5.05%	\$1,245	5.61%	\$1,171	5.86%	\$946	4.74%
MEDIAN	\$529	4.29%	\$748	3.41%	\$812	4.36%	\$943	4.62%	\$1,126	5.54%	\$1,111	5.59%	\$874	4.33%
LOW	\$463	1.17%	\$673	1.28%	\$711	0.95%	\$875	1.15%	\$1,070	0.89%	\$1,009	1.11%	\$821	1.17%
HIGH	\$863	10.96%	\$1,185	10.08%	\$1,262	12.20%	\$1,490	11.43%	\$1,838	13.18%	\$1,548	13.65%	\$1,344	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased by 2.13%, with all units experiencing an increase in average rental rates. Additionally, nine of the eleven sub-markets experienced an increase in average rental rates, while the Airport and Downtown Urban sub-markets experienced slight decreases.

The overall vacancy rate for all units surveyed decreased by 39 basis points, with seven of the eleven submarkets showing decreases in vacancies. All unit types, except studios and townhomes, experienced decreases in average vacancies. Average vacancy for all unit types is now at 2.67%.

Although several projects are under construction, supply within the major apartment projects in the region is expected to remain extremely tight over the coming year. Vacancies are expected to remain very low. Rental rates, which have moderated somewhat, should continue to show increases, although at a slower rate than we have seen in the recent past. Over 4,100± units within major apartment projects (over 80 units) are now under construction in the region, with many more projects in the planning and entitlement stages.



GUIDELINES

The units reported in the survey are subject to the following conditions:

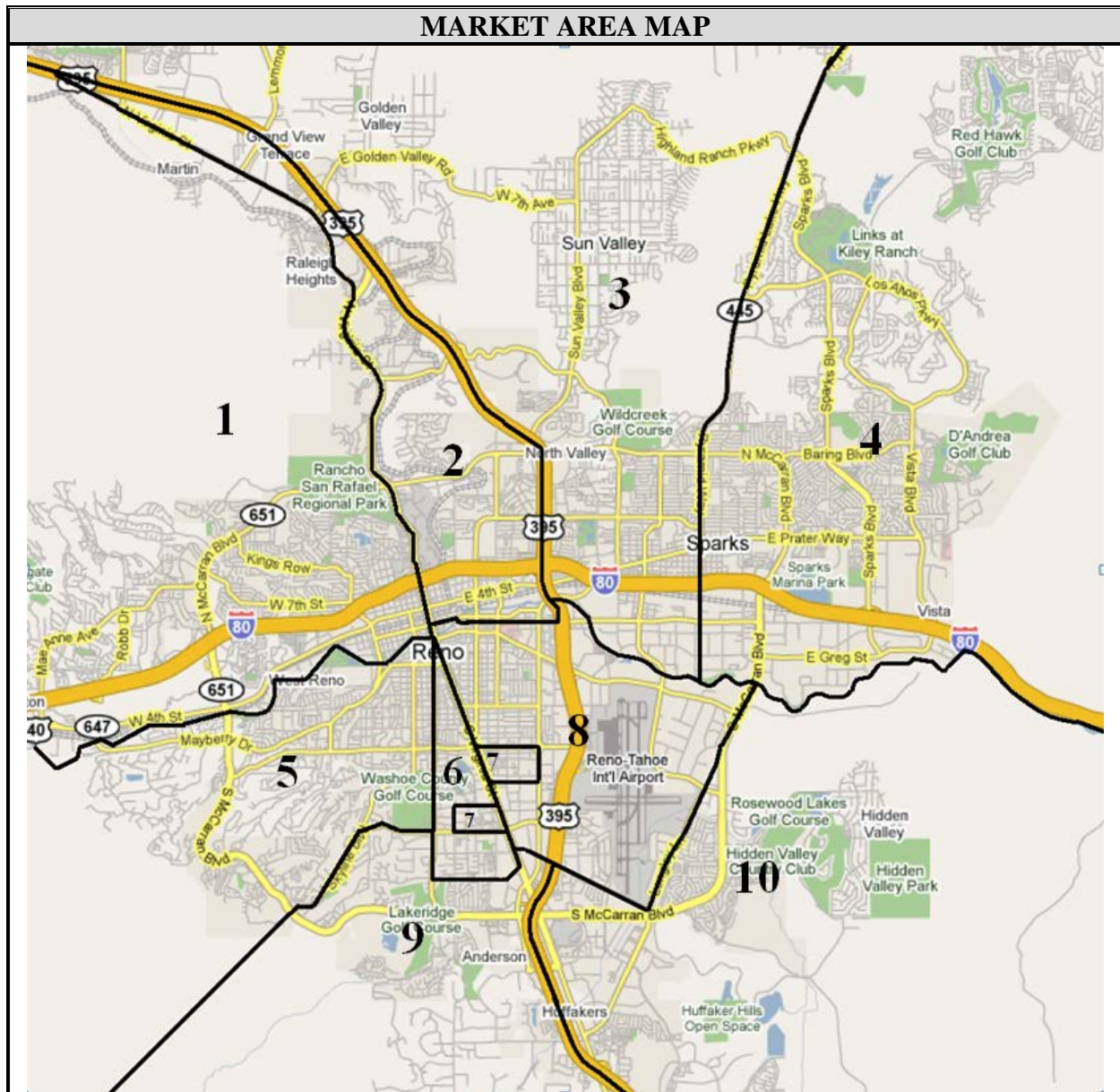
- Occupancy rates represent conditions as of the date of survey;
- Rents utilized in the report represent the base price of an unfurnished apartment;
- Units with more than one size per unit type were calculated on a weighted average for each unit type
- Weighted averages were used in all charts to give the most accurate statistics possible. The averages were weighted by the number of units reporting each data type;
- Vacant units are defined as those units currently available for lease (no contract in place).

APARTMENT UNIT CLASSIFICATIONS

Apartment Type	Description
Studio	Units With One Living Area Plus Bath & Kitchen
1 Bed/1 Bath	Units With One Bedroom And 1 Bath Or 1-1/2 Baths
2 Bed/1 Bath	Units With 2 Bedrooms, 1 Bath OR 1 Bedroom, Den, 1 Bath
2 Bed/2 Bath	Units Have 2 Bedrooms And 2 Baths Or 1-1/2 Baths
3 Bed/2 Bath	Units Having 3 Bedrooms And 2 Baths (Some Units Include A 3 rd Bath)
Townhouse	Units Having 2 Or 3 Bedrooms, 2 Baths OR 2 Bedrooms, Den, 2 Baths



MARKET AREAS		
Area	Sub-Market	Location
1	Northwest Reno	North of Truckee River & West of N. Virginia St.
2	Northeast Reno	North of 2 nd St.; West of US-395 & Northtowne Lane; East of N. Virginia St.
3	West Sparks/North Valleys	North of the Truckee River; West of Pyramid Way; East of US-395
4	East Sparks	North of the Truckee River & East of Pyramid Way
5	West Reno	North of Moana Lane; West of Plumas St.; South of Truckee River
6	Southwest Reno	South of Truckee River; West of S. Virginia St.; East of Plumas St.; North of Redfield Parkway
7	Brinkby/Grove	North of Moana Lane; West of S. Virginia St.; South of Brinkby Ave.; East of Lakeside Dr. & North of Linden St.; West of Kietzke Lane; South of Plumb Lane; East of S. Virginia St.
8	Airport	North of Peckham Lane; West of Longley Lane; East of S. Virginia St.; South of 2 nd St. & Truckee River
9	Lakeridge	South of Moana Lane and Redfield Parkway; West of S. Virginia St.
10	Southeast Reno	South of Truckee River; East of S. Virginia St. & Longley Lane
11	Downtown Urban	Downtown Reno; Downtown Sparks
*Sub-Market Area 11 is not depicted on the following Market Area Map, as it contains portions of Downtown Reno and Downtown Sparks, which are contained within previously existing Sub-Market Areas.		





PROJECTS APPROVED AND/OR UNDER CONSTRUCTION

The Harvest is a 720-unit apartment complex in Damonte Ranch. Tanamera Construction broke ground on Phase I, which includes 278 units, in the 1st Quarter of 2016. At the end of the 2nd Quarter 2018 construction was completed on Phase I and the property was 100% occupied. The project is located at the intersection of Steamboat Parkway and Veterans Parkway. Phases II of and III this project are being constructed by Pacific West Companies and broke ground in the 3rd Quarter of 2017. Phase II will include 182 units and Phase III will include 260 units. At the end of the 2nd Quarter of 2019, 122 units of Phase II were complete, approximately 87% of the project had been pre-leased and 66% of the project was occupied. At the end of the 2nd Quarter of 2019, 20 units of Phase III were complete, approximately 4% of the project had been pre-leased and only one unit was occupied.

ERGS Properties broke ground on the North Peak Apartments, which are located in North Valleys, in 2017. At the end of the 2nd Quarter of 2019, 19 buildings were complete, 49% of the project had been pre-leased and 48% of the project was occupied.

Vida is a 312-unit apartment complex located on the corner of Sharlands and Mae Anne Avenues in northwest Reno near Somerset. Construction broke ground in the 2nd Quarter of 2017. At the end of the 2nd Quarter of 2019, 18 buildings were complete, approximately 77% of the project had been pre-leased and 62% of the project was occupied.

Tanamera Construction broke ground on the Sierra Vista Apartments in 2017. The 336-unit property is located along Arrowcreek Parkway in South Reno. At the end of the 2nd Quarter of 2019, 26 buildings were complete, 87% of the property had been pre-leased and 81% of the property was occupied.

In the 2nd Quarter of 2017, S3 Development broke ground on Lyfe at the Marina, a 280-unit apartment complex located along the west side of Marina Gateway Drive. At the end of the 2nd Quarter of 2019, 11 buildings were complete, 54% of the project had been pre-leased and 49% of the project was occupied.

In the 1st Quarter of 2017, Silverwing Development broke ground on The Bridges, a 194-unit apartment complex located at Victorian Square in Sparks. Construction on the project was completed in the 1st Quarter of 2019. As of the date of this survey, 72% of the project had been leased and 68% of the project was occupied.

Sunroad Enterprises broke ground on Lumina, a 330-unit apartment complex, in the 3rd Quarter of 2017. The project is located at the intersection of Wingfield Hills Road and Rolling Meadows Drive in the master planned community of Pioneer Meadows. At the end of the 2nd Quarter of 2019, 12 buildings were complete, approximately 24% of the project had been pre-leased and 18% of the project was occupied.

LandCap Investment Partners, LLC broke ground on The Waterfront at Sparks Marina in the 1st Quarter of 2017. The Waterfront at Sparks Marina is a 209-unit luxury rental project, built around an existing parking garage at the Sparks Marina. Construction on the project was completed in the 2nd Quarter of 2019. As of the date of this survey, 59% of the project had been leased and 59% of the project was occupied.

Silverado Homes broke ground on the Silverado Apartments in the 3rd Quarter of 2018. Silverado Apartments is a 96-unit apartment project located in Wingfield Springs at the northwest corner of Vista Boulevard and Passage Drive. At the end of the 2nd Quarter of 2019, one building was complete, approximately 26% of the project had been pre-leased and 7% of the project was occupied.

The chart below summarizes the market rate projects within the Reno-Sparks market with approvals, in planning stages, or under construction.



PROPOSED & UNDER CONSTRUCTION (MAJOR APARTMENT PROJECTS OVER 80 UNITS)				
Projects Under Construction				
Project Name	Units	Location	Area	Status
Vida	312	Southeast Corner Sharlands & Mae Anne	1	Under Construction
The Deco	209	Victorian Square	3	Under Construction
The Atrium	132	Victorian Square	3	Under Construction
North Peak Apartments	328	Intersection of Military Road & Lemmon Drive	3	Under Construction
The Lakes at Sky Vista	768	Sky Vista Parkway, West of Lemmon Valley Road	3	Planning Stages
Lumina-Phase I	330	Pioneer Meadows	4	Under Construction
The Waterfront at Sparks Marina	209	Around Existing Parking Garage @ Sparks Marina	4	Under Construction
Lyfe at the Marina	280	East of Sparks Marina-West Side of Marina Gateway Drive	4	Under Construction
Azure	308	East of Sparks Marina-East Side of Marina Gateway Drive	4	Under Construction
Silverado Development	96	Wingfield Springs	4	Under Construction
Sierra Vista	336	Arrowcreek Parkway	10	Under Construction
INOVA	581	Mt. Rose Highway	10	Under Construction
The Harvest-Phase II	182	Damonte Ranch	10	Under Construction
The Harvest-Phase III	260	Damonte Ranch	10	Under Construction
Espirit Apartments	126	Southeast Corner of Veterans Parkway & Geiger Grade Road	10	Under Construction
Total Units:	4,457			
Projects Planned				
Project Name	Units	Location	Area	Status
4th Street Apartments	164	West 4th Street, East of South McCarran Boulevard	1	Planning Stages
The Villas at Keystone Canyon-Phase II	125	Keystone Avenue & North McCarran Boulevard	1	Planning Stages
Vista Rafael Apartments	416	North Virginia Street & Vista Rafael Parkway	3	Planning Stages
Silverwing Development	200	Victorian Square	3	Planning Stages
Silverwing Development	100	Victorian Square	3	Planning Stages
Spectrum-Dandini Development	420	Northeast Corner of US Highway 395 & Dandini Boulevard	3	Planning Stages
Oddie Apartments	312	Southeast Corner of El Rancho Drive & Greenbrae Drive	3	Planning Stages
Lumina-Phase II	220	Pioneer Meadows	4	Planning Stages
The Point at the Marina-Phase II	342	East of Sparks Marina	4	Planning Stages
Azure-Phase II	340	East of Sparks Marina-East Side of Marina Gateway Drive	4	Planning Stages
Golden Triangle	282	Vista Boulevard, Southwest of Wingfield Springs	4	Planning Stages
Park Lane-Reno Urban Development	1,800	Previous Park Lane Mall Site	7	Planning Stages
Oakmont Properties Development	440	Double R Boulevard & Technology Way	10	Planning Stages
The Wolff Company (Damonte Ranch)	328	South Reno Market	10	Planning Stages
Sierra Vista Phase II	216	Arrowcreek Parkway	10	Under Construction
Ryland Apartments	118	North Side of Ryland Street, Between Park Street & High Street	11	Planning Stages
Total Units:	5,823			

In addition to the above projects, a number of apartment projects, including smaller market rate and tax credit projects, are in the planning stages. A number of land owners are also going through the entitlement process for apartments, in order to sell or develop the properties.



ABSORPTION

The chart below summarizes the absorption rates of several market apartment projects in the Reno-Sparks area between 2002 and a current date, and includes the recent absorption rates of Harvest at Damonte Ranch, The Village South, Vineyards at Galleria and Latitude 39.

HISTORICAL & CURRENT ABSORPTION RATES

Project Name	# of Units	Lease up Dates		Absorption Per Month
		Start	Stabilized	
Sharlands Terrace	304	Mar-00	Jan-02	13.22
Canyon Hills Phase I	256	Jun-01	Jul-02	18.29
The Village at Wildcreek	240	Jul-01	Sep-02	16.00
Aviana at Tuscany	311	Jul-01	Apr-03	14.14
Silver Creek	376	Jan-01	Aug-03	11.75
Villas at D'Andrea	256	Apr-02	Dec-03	12.19
Marina Village	240	Oct-04	Oct-06	10.00
Horizons at South Meadows	344	Nov-05	Jan-07	22.93
Caviata at Kiley Ranch	184	Jun-07	Oct-09	6.10
Waterstone at Kiley Ranch	203	Jul-07	Oct-09	7.00
The View Apartments	308	Apr-09	Jan-11	13.33
The Trails at Pioneer Meadows	300	Aug-09	Jul-11	11.78
The Alexander at South Virginia	350	Aug-09	Jul-11	13.87
The Village at Arrowcreek	208	Oct-13	Feb-15	11.56
The Bungalows at Sky Vista-Phase I	338	Mar-14	Nov-15	16.10
The Villas at Keystone Canyon	288	Sep-14	Nov-15	19.20
Edge Water at Virginia Lake	284	May-15	Sep-16	16.71
Square One	100	Jun-16	Feb-17	11.11
3 rd Street Flats	94	Dec-16	Jun-17	13.43
Fountainhouse	220	May-16	Aug-17	13.75
Harvest at Damonte Ranch	278	Nov-16	Jun-18	13.90
The Village South	243	Nov-16	Jun-18	12.15
Vineyards at Galleria	210	Aug-17	Jun-18	19.09
Latitude 39	148	June-17	Aug-18	9.87



RENT CONCESSIONS

During the 2nd Quarter of 2019 10.00% of the apartment projects in our Survey offered rent concessions, which increased from 16.67% in the 1st Quarter of 2019. A majority of the properties now offering concessions, are offering a discount to Tesla and other Tahoe Reno Industrial Center employees. Concessions range from discounted move-in costs to reduced rent on a twelve-month lease. The most commonly found rent concessions consist of:

- Reduced rent with or 12-month lease

The chart below summarizes the percentage of projects which have offered concessions, and the overall vacancy rate, between 2014 and a current date. It is recognized that an increasing number of apartment projects are utilizing YieldStar, and concessions are not reported separately by the apartment managers.

REGIONAL CONCESSION HISTORY

Quarter/Year	% Offering Concessions	Overall Vacancy %
Q1-2014	37.18%	3.83%
Q2-2014	32.89%	2.41%
Q3-2014	24.36%	2.13%
Q4-2014	35.06%	3.31%
Q1-2015	35.90%	2.97%
Q2-2015	16.67%	2.27%
Q3-2015	20.25%	2.67%
Q4-2015	14.81%	2.90%
Q1-2016	12.35%	2.30%
Q2-2016	6.17%	1.98%
Q3-2016	4.82%	2.24%
Q4-2016	10.84%	2.93%
Q1-2017	7.14%	2.23%
Q2-2017	2.35%	1.17%
Q3-2017	4.65%	2.41%
Q4-2017	4.65%	3.80%
Q1-2018	4.65%	1.97%
Q2-2018	11.24%	1.58%
Q3-2018	13.33%	2.79%
Q4-2018	8.89%	3.64%
Q1-2019	16.67%	3.06%
Q2-2019	10.00%	2.67%



SURVEY RESULTS

This section of the report covers survey findings pertaining to the total survey area for the 2nd Quarter of 2019.

OVERALL QUARTERLY TRENDS:

The graphs in this section illustrate percentage vacant, percentage of rent increases or decreases and average monthly rent per quarter. The following graphs are included in overall trends:

- Overall Reno/Sparks Averages
- Overall Trends For Studio Units
- Overall Trends For 1 Bedroom/1 Bath Units
- Overall Trends For 2 Bedroom/1 Bath Units
- Overall Trends For 2 Bedroom/2 Bath Units
- Overall Trends For 3 Bedroom/2 Bath Units
- Overall Trends For Townhouse Units
- Average Rent Per Unit Type

TRENDS PER MARKET AREA:

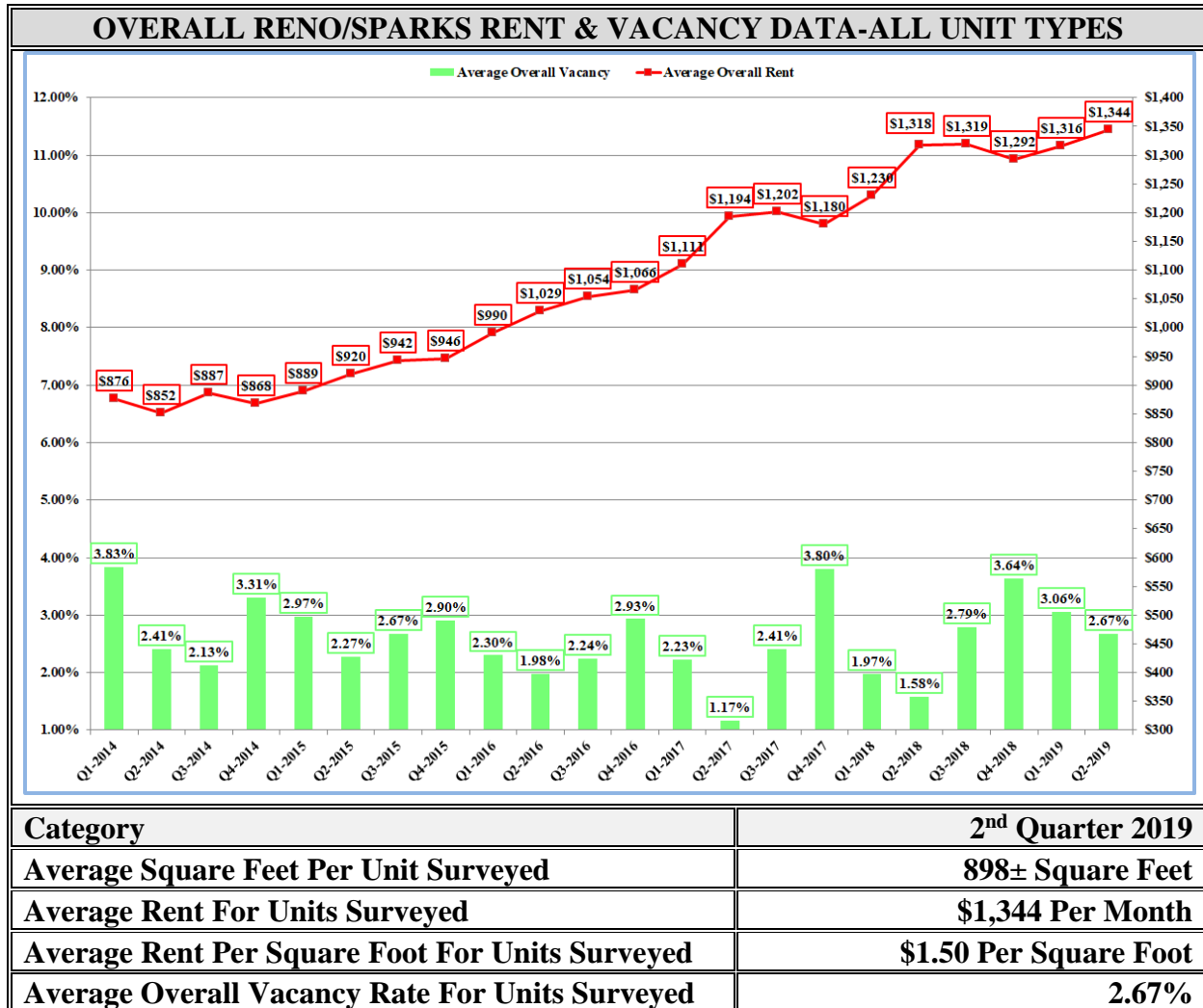
These graphs illustrate quarterly vacancy percentage and average monthly rent. The sub-market categories are as follows:

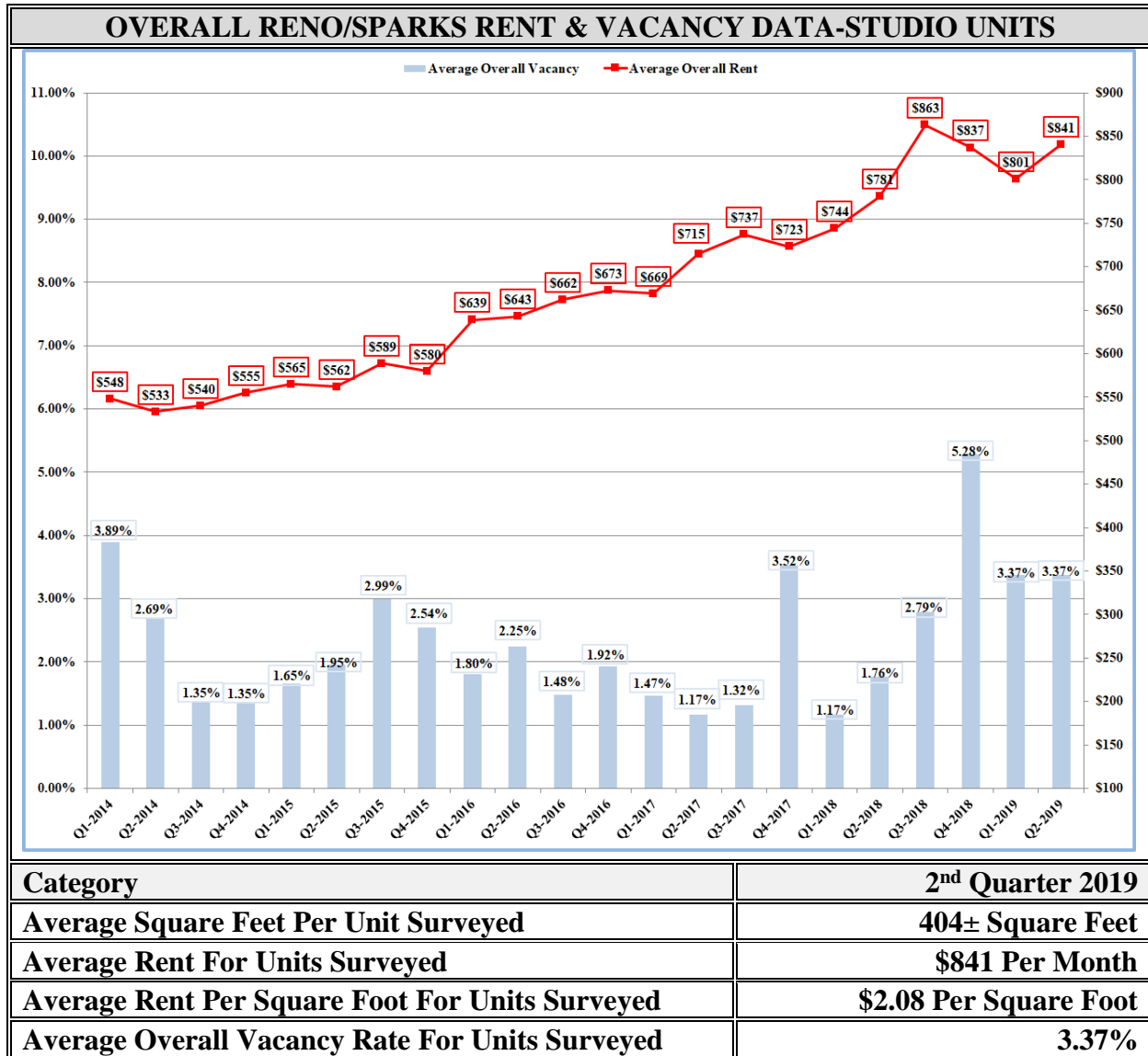
- Area 1-Northwest Reno
- Area 2-Northeast Reno
- Area 3-West Sparks/North Valleys
- Area 4-East Sparks
- Area 5-West Reno
- Area 6-Southwest Reno
- Area 7-Brinkby/Grove
- Area 8-Airport
- Area 9-Lakeridge
- Area 10-Southeast Reno
- Area 11-Downtown Urban

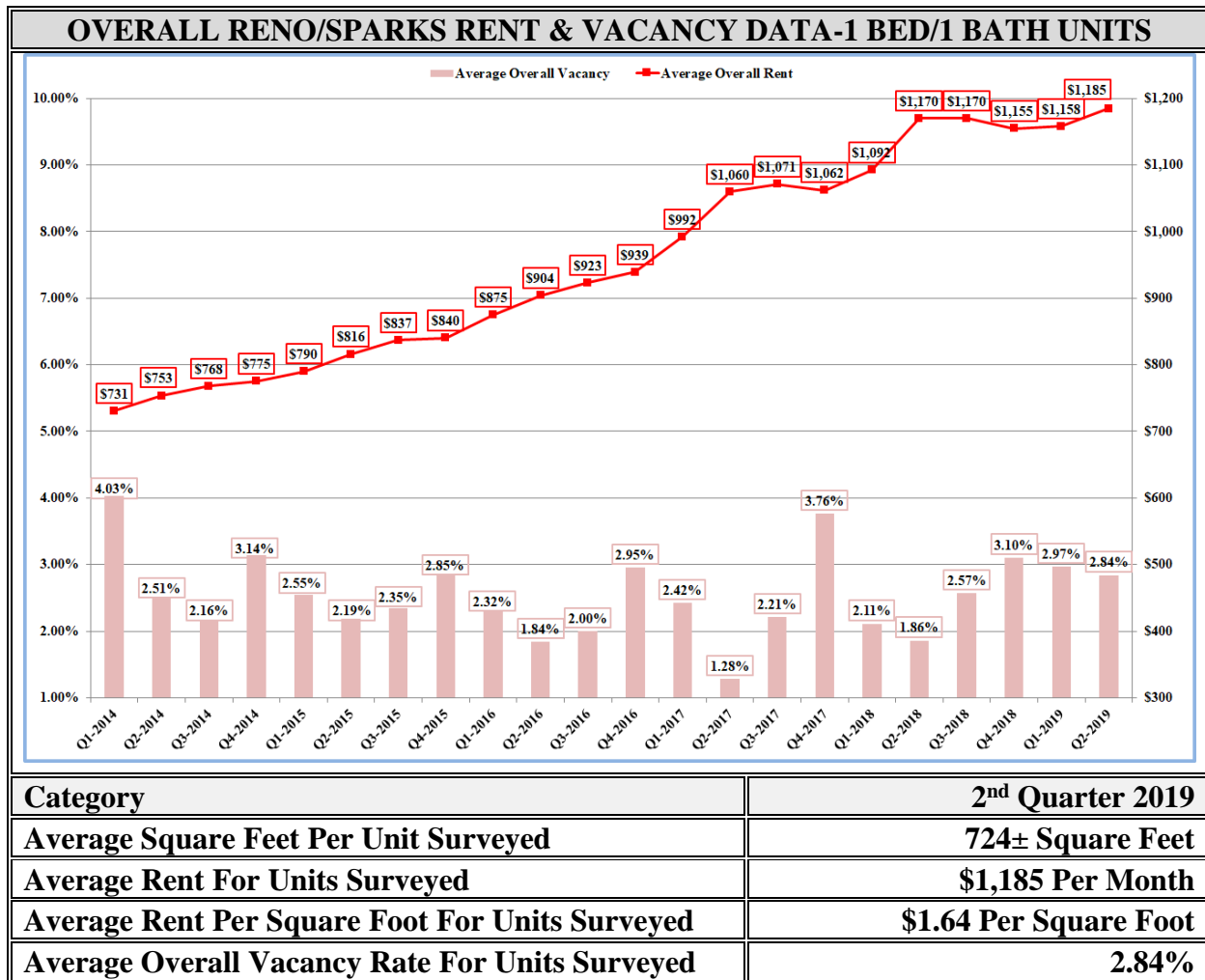
CURRENT SURVEY COMPARISONS:

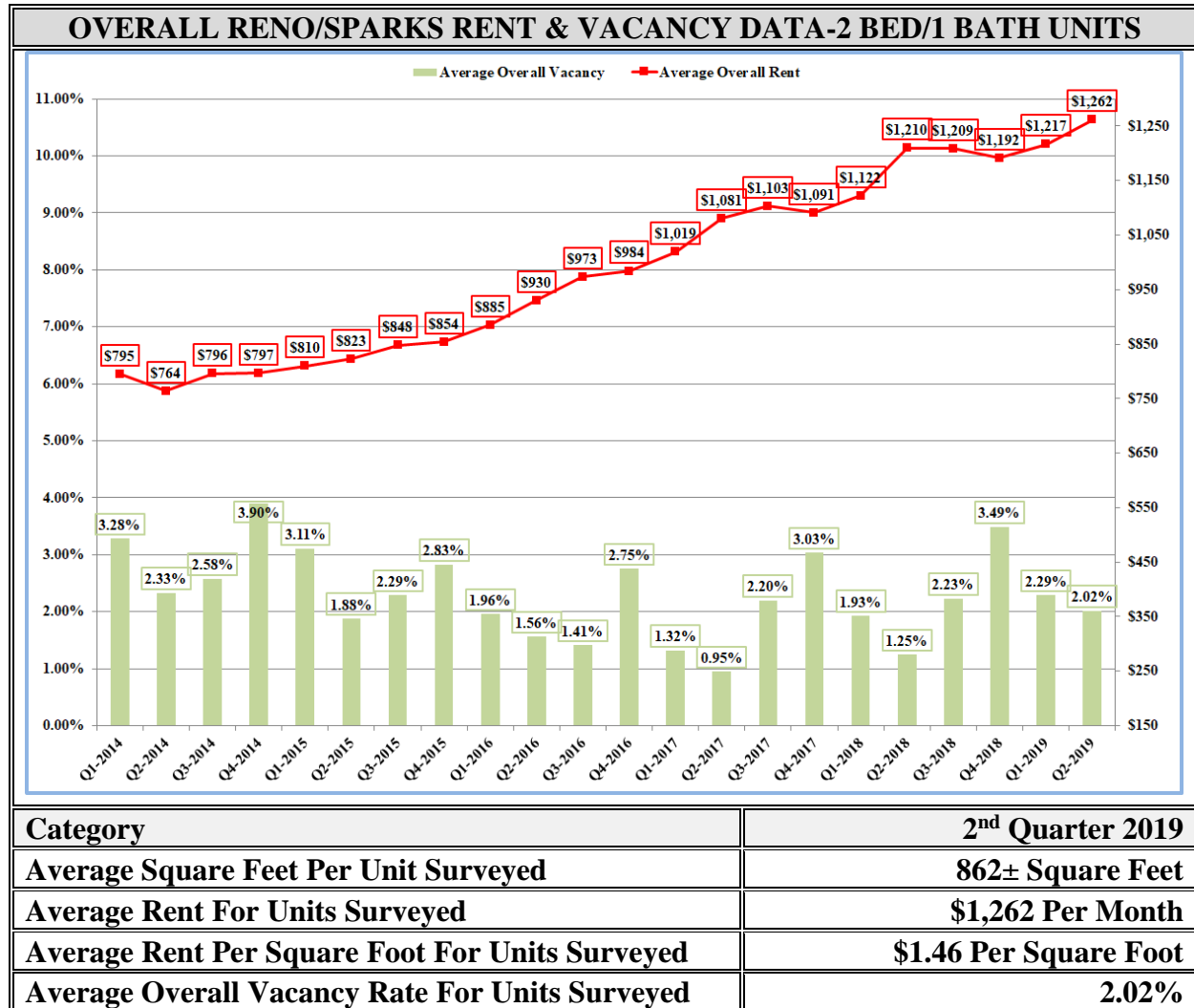
This section of graphs illustrates overall comparisons based on unit type and sub-market categories. These graphs include:

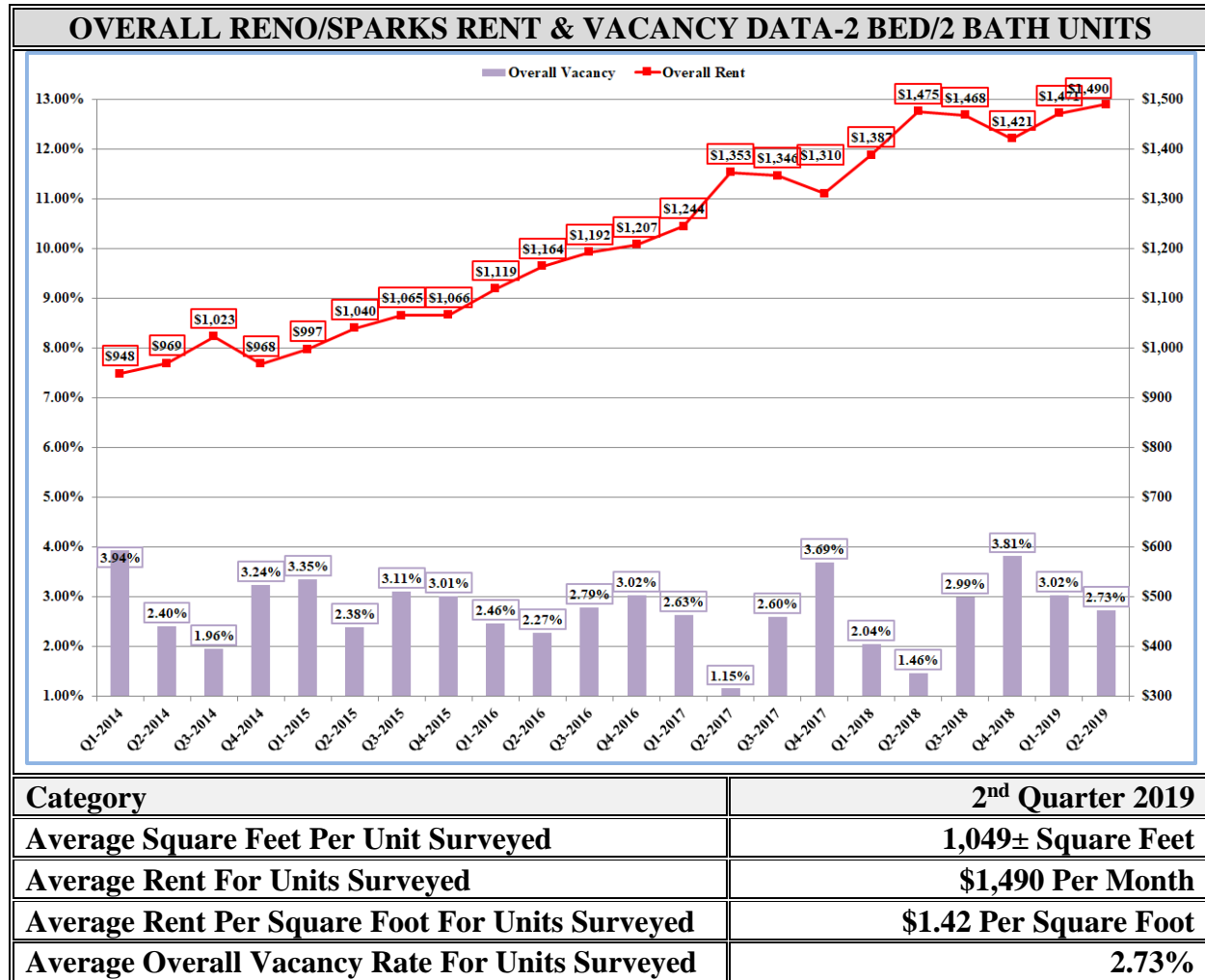
- Summary By Unit Type
- Summary By Area
- 15 Properties With The Highest Average Rents





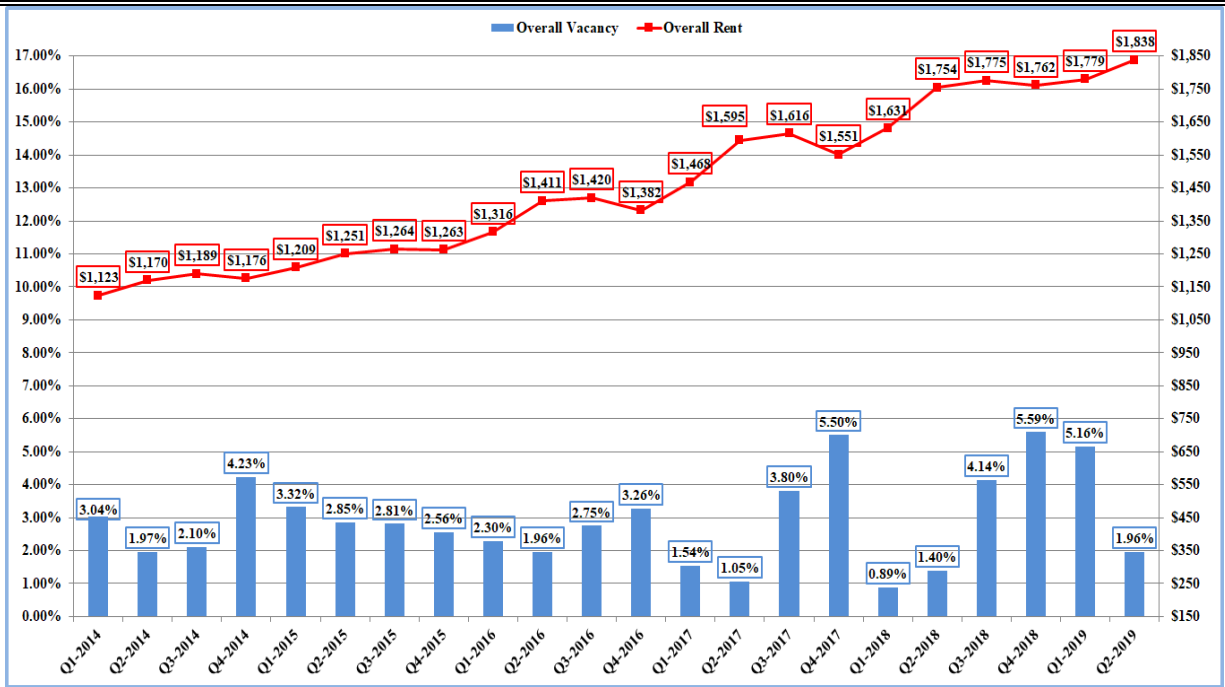




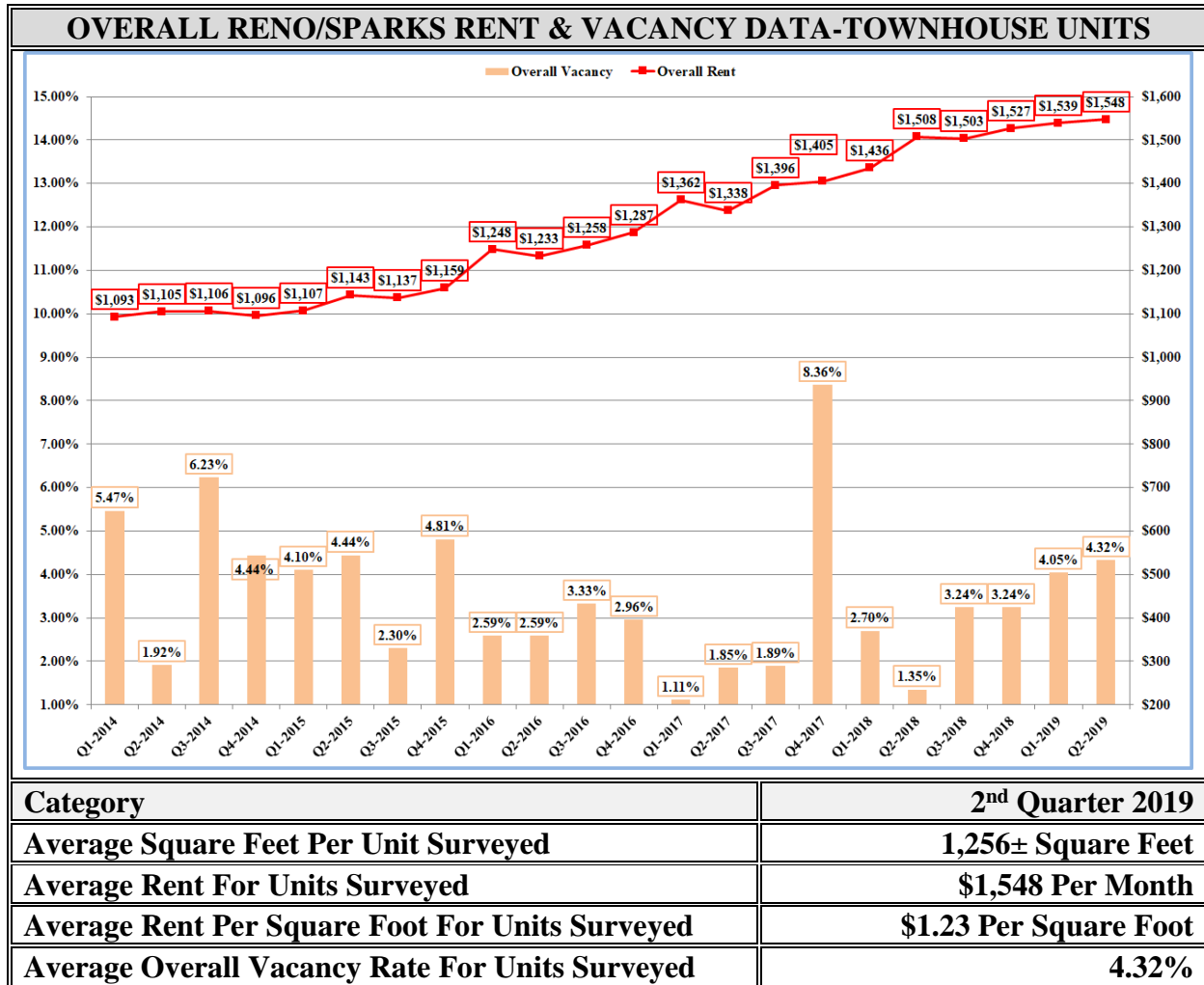


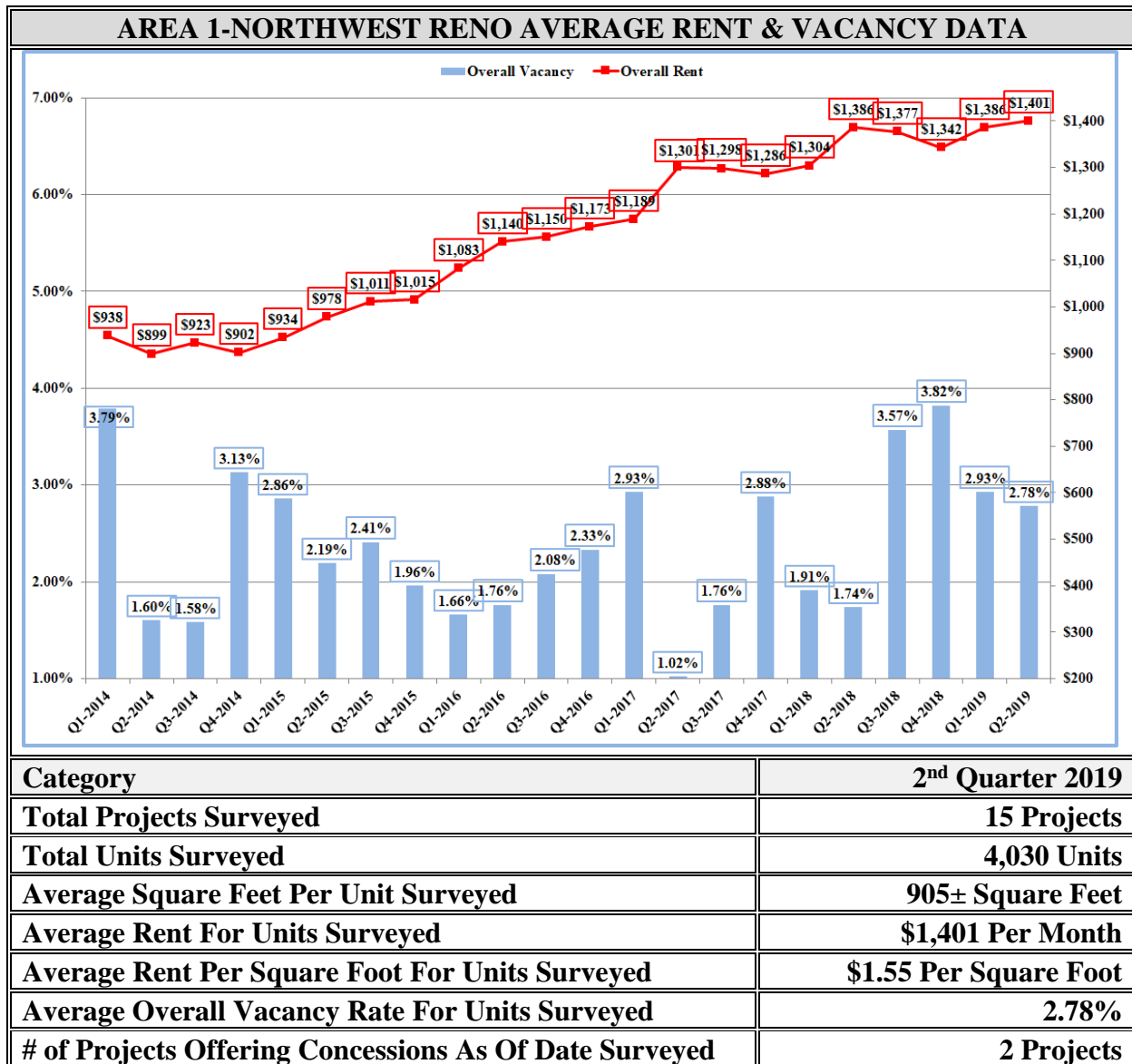


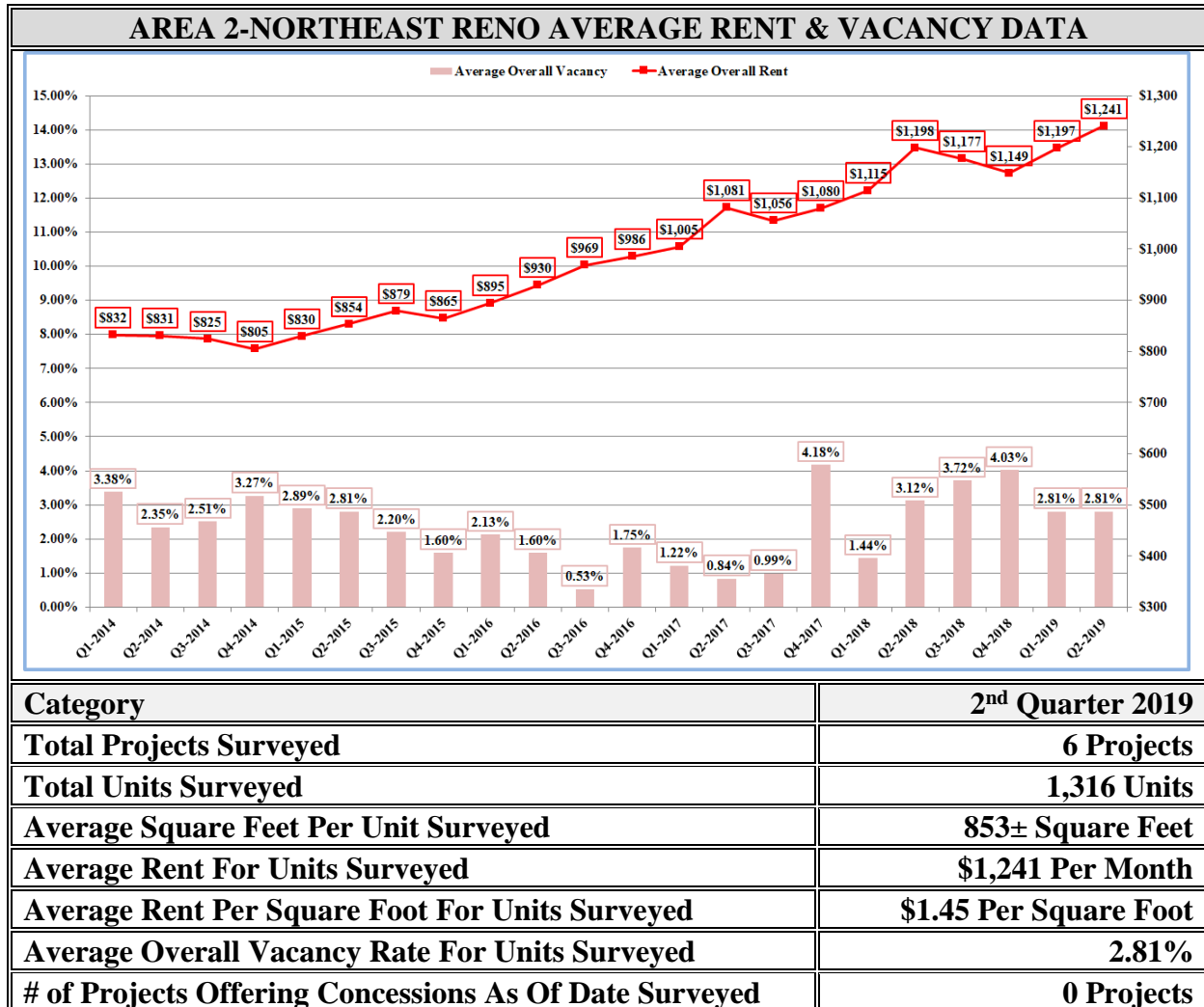
OVERALL RENO/SPARKS RENT & VACANCY DATA-3 BED/2 BATH UNITS



Category	2 nd Quarter 2019
Average Square Feet Per Unit Surveyed	1,284± Square Feet
Average Rent For Units Surveyed	\$1,838 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.43 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.96%

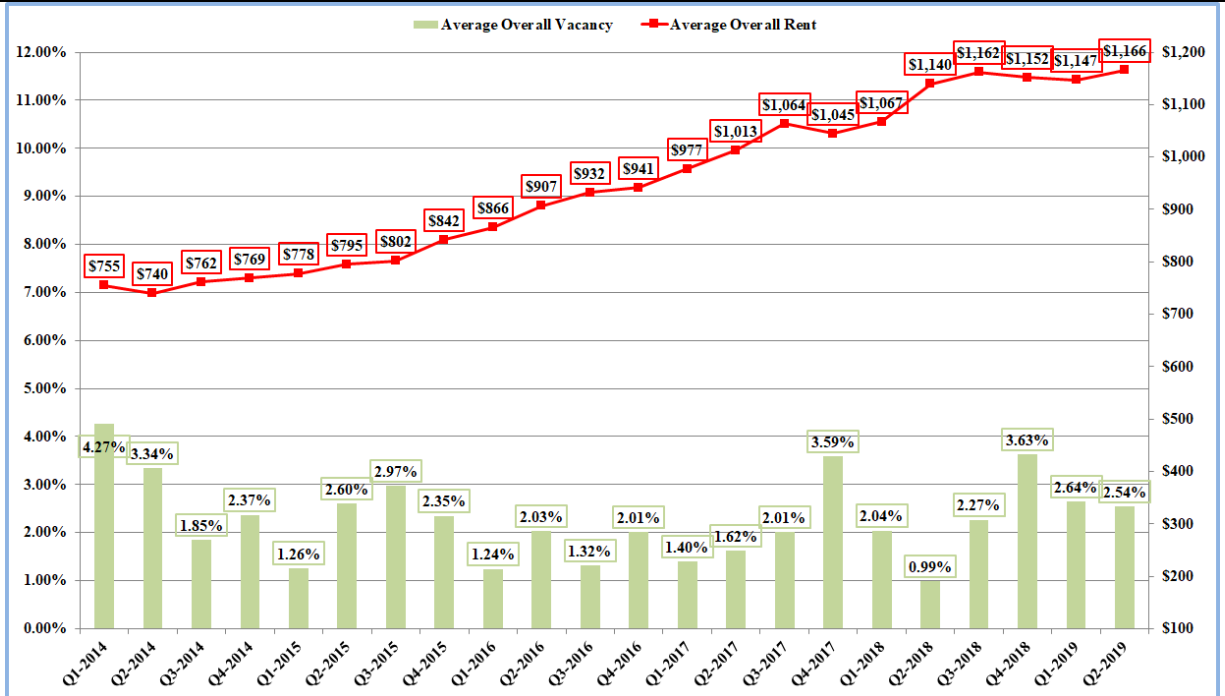




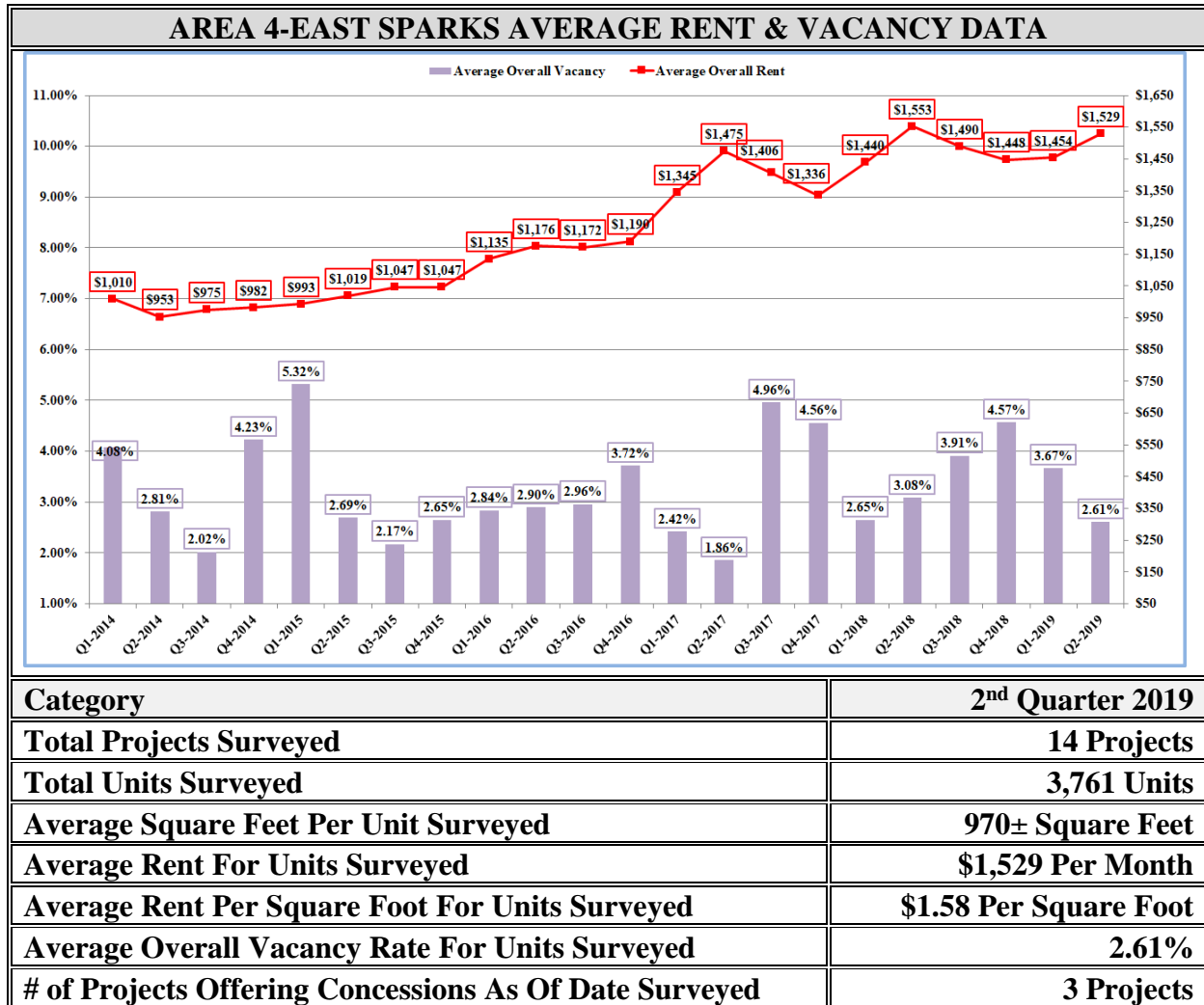


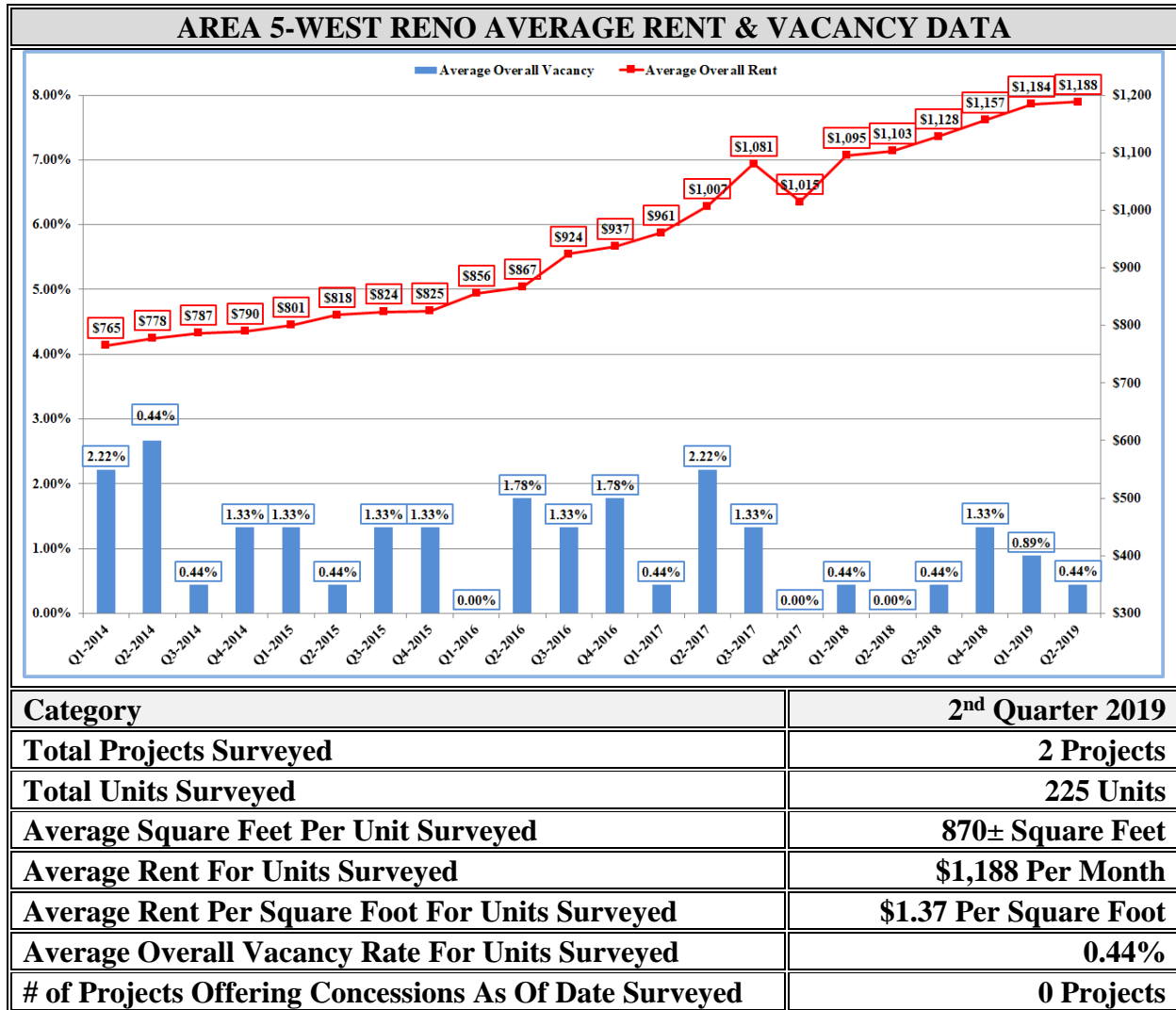


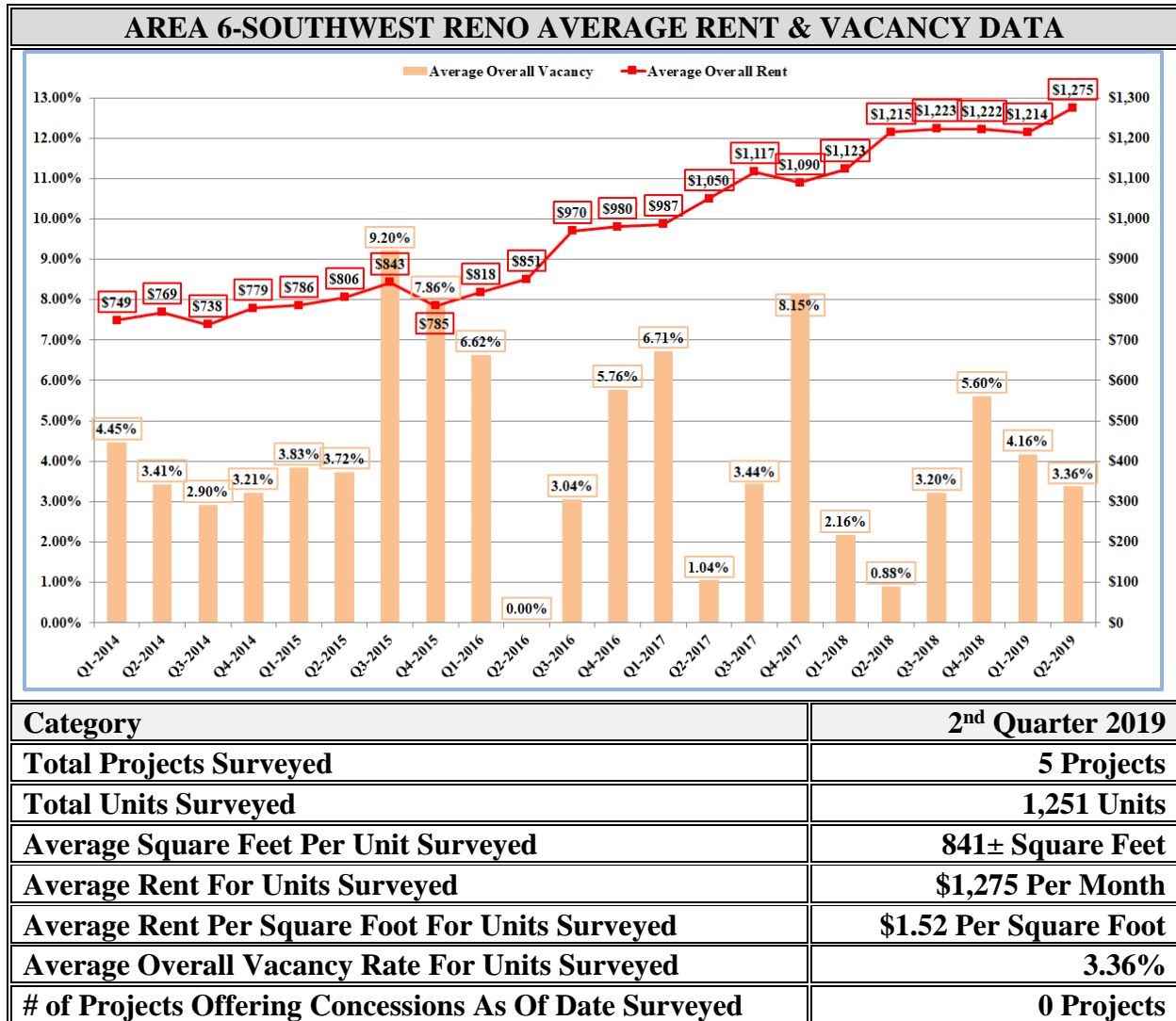
AREA 3-WEST SPARKS/NORTH VALLEYS AVERAGE RENT & VACANCY DATA

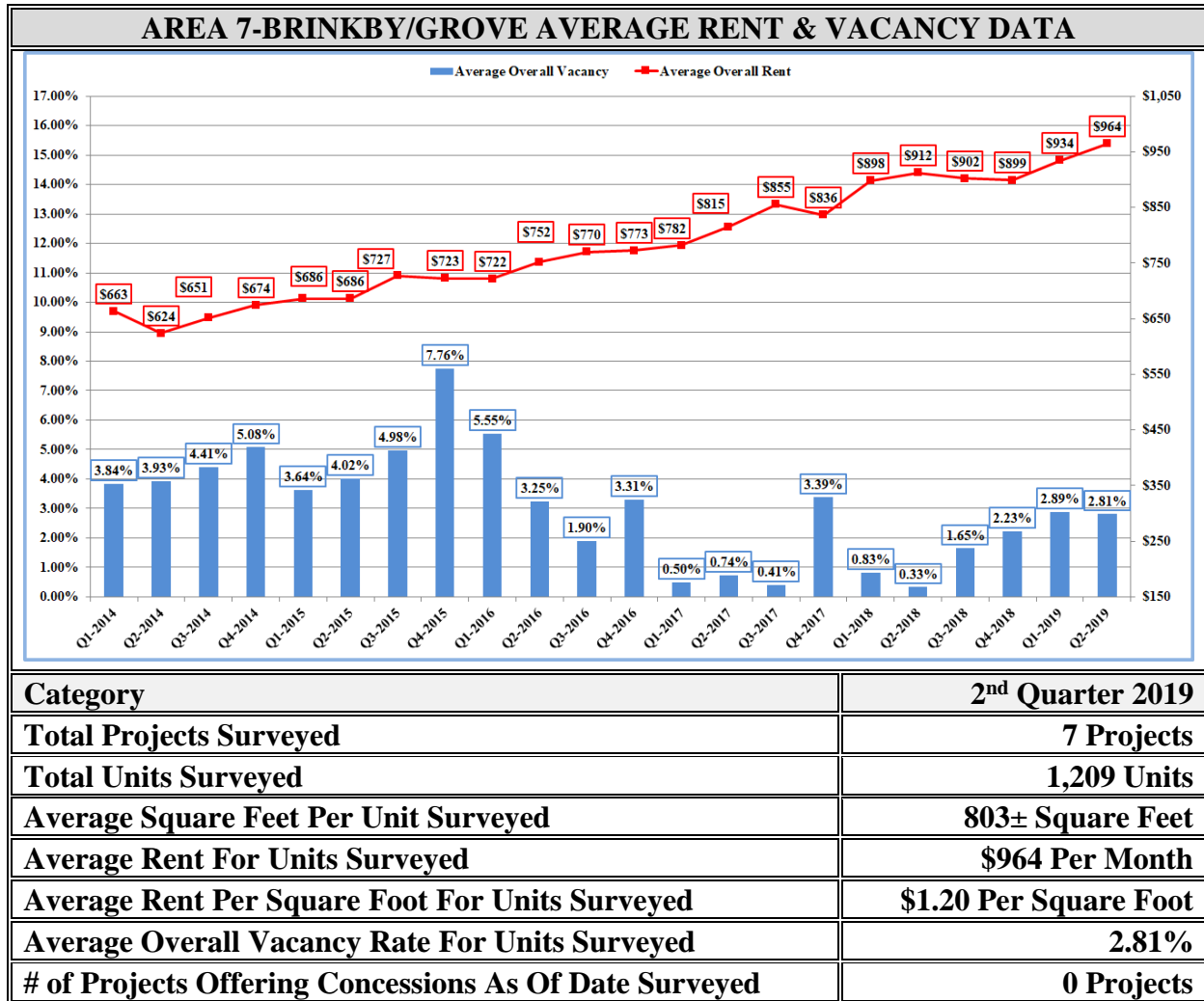


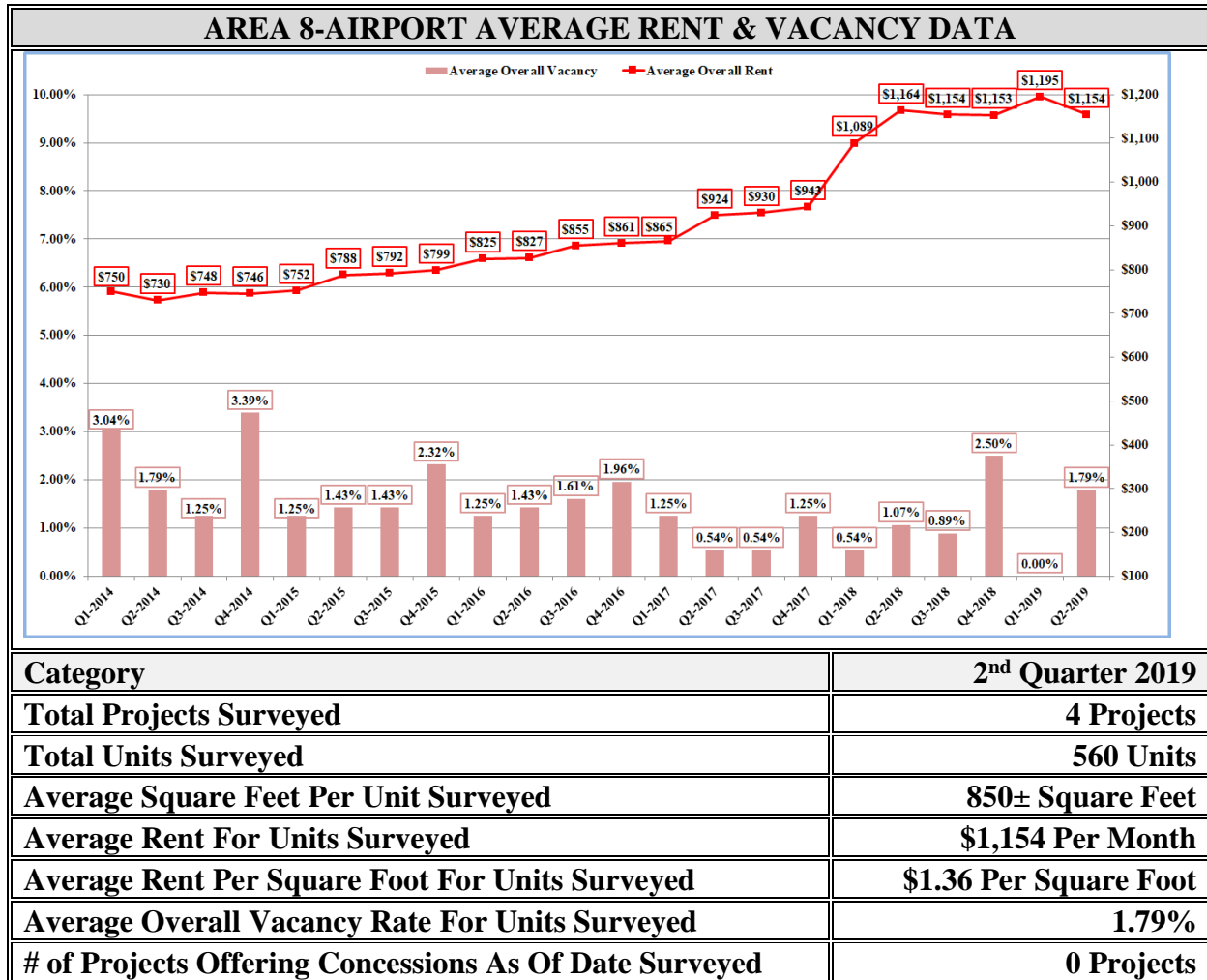
Category	2 nd Quarter 2019
Total Projects Surveyed	13 Projects
Total Units Surveyed	3,034 Units
Average Square Feet Per Unit Surveyed	867± Square Feet
Average Rent For Units Surveyed	\$1,166 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.35 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.54%
# of Projects Offering Concessions As Of Date Surveyed	1 Project

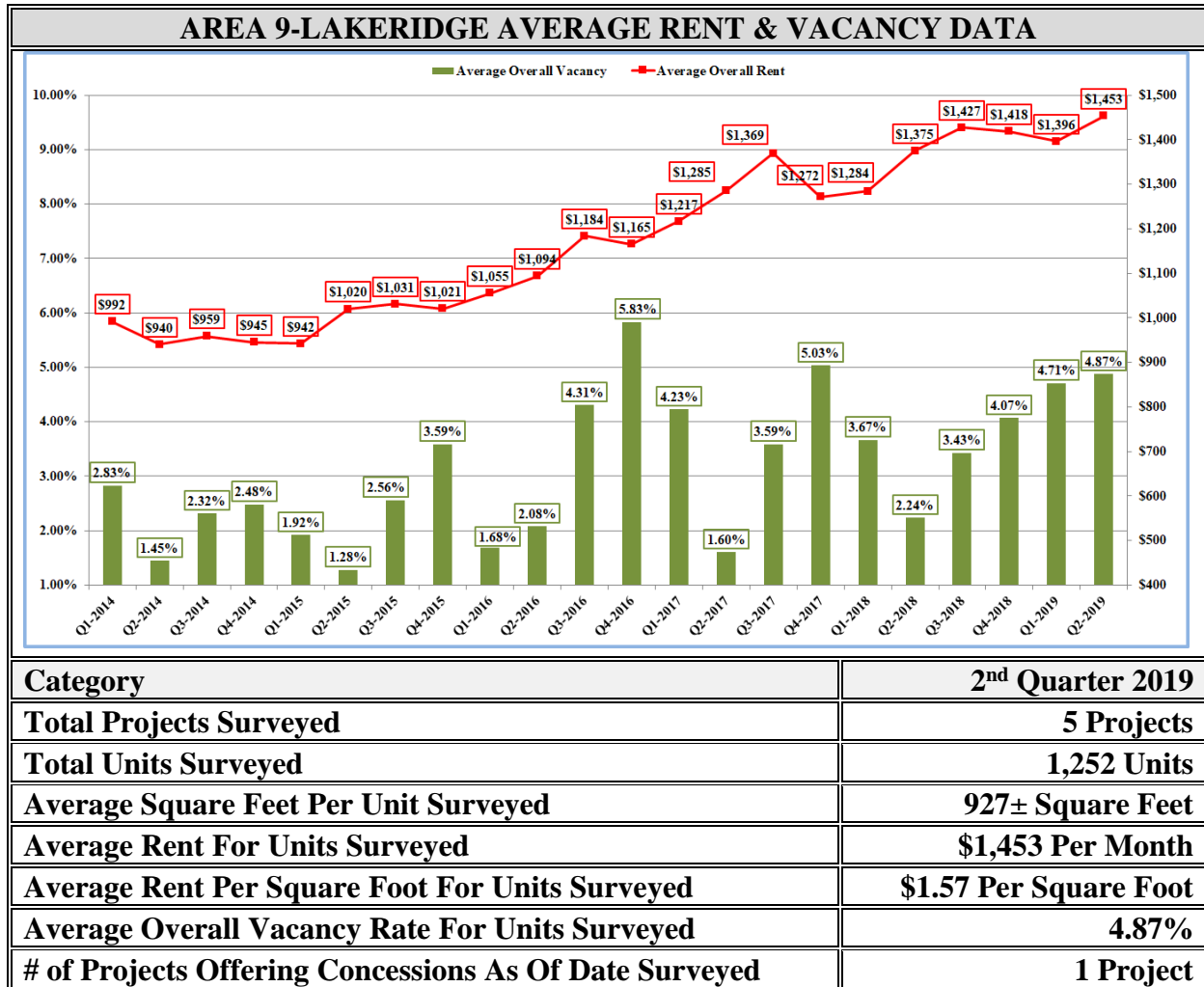


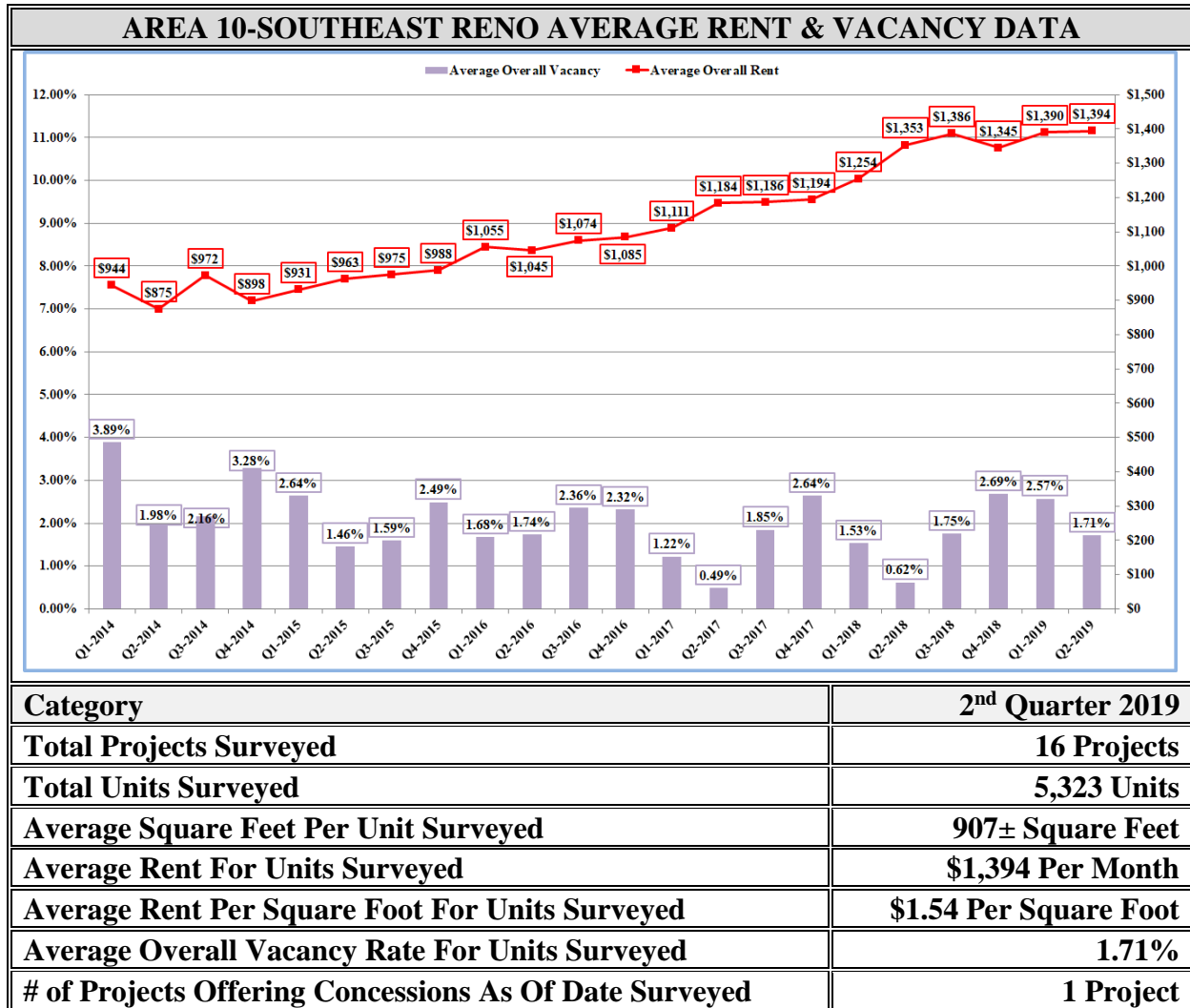


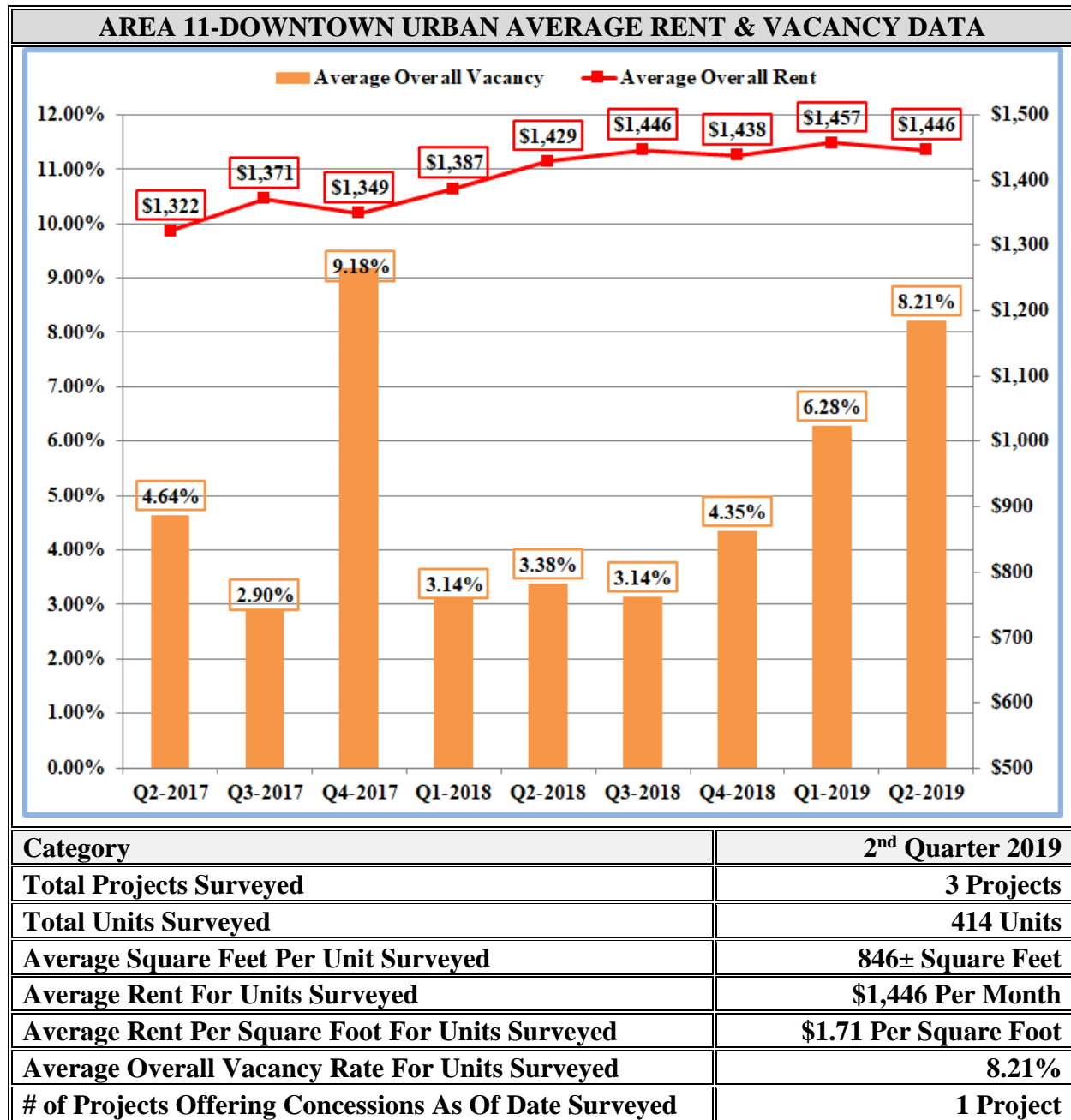


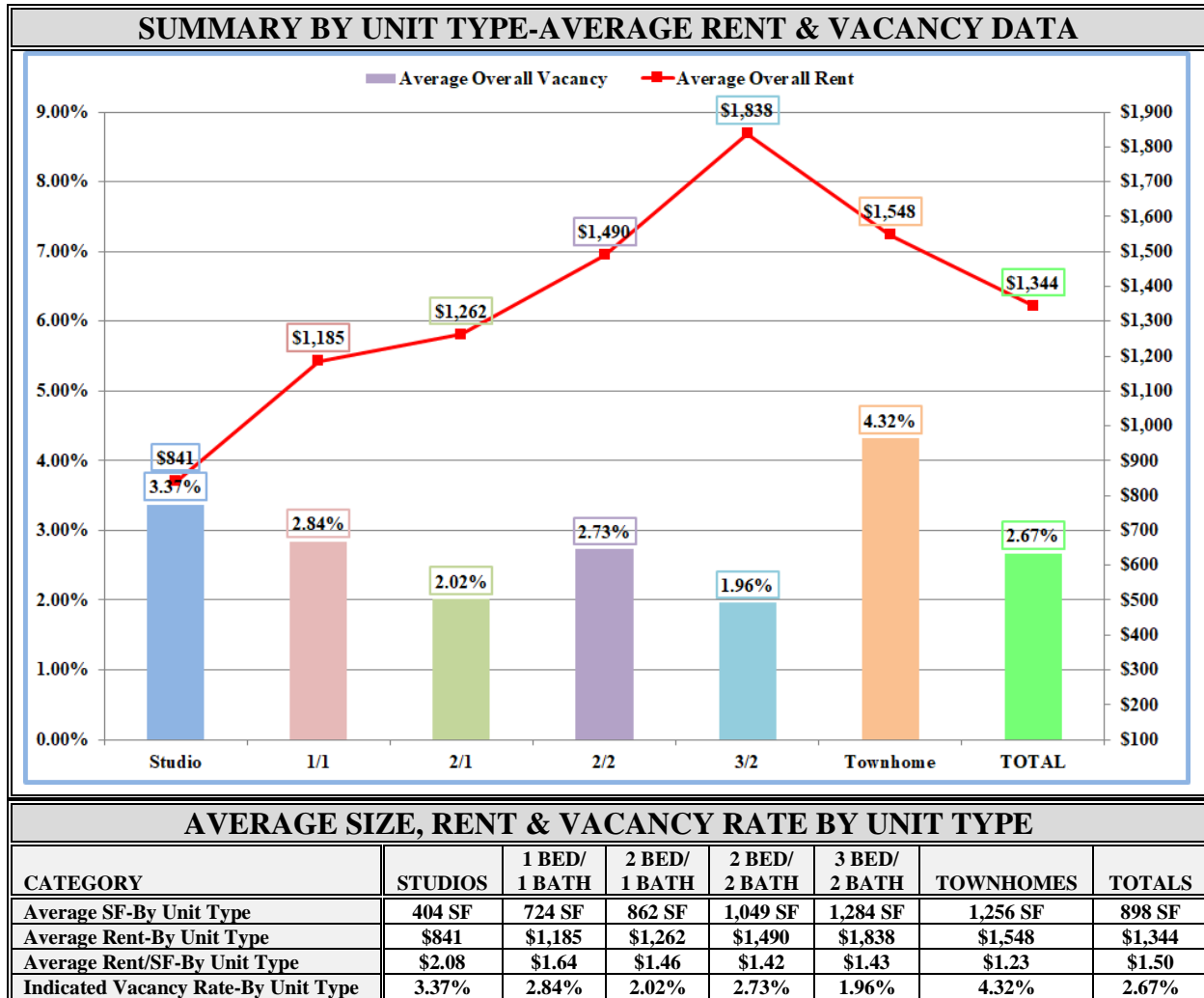


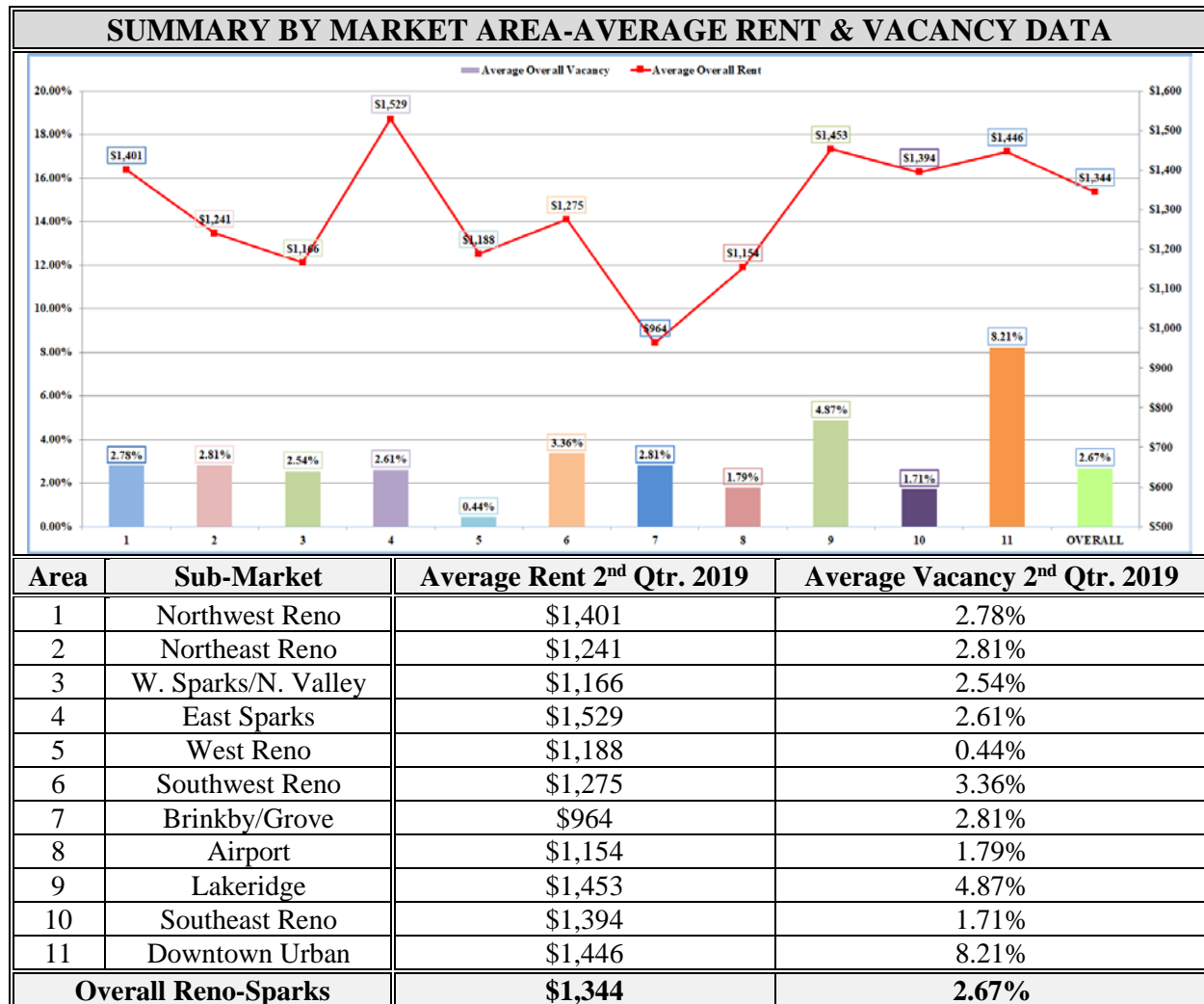






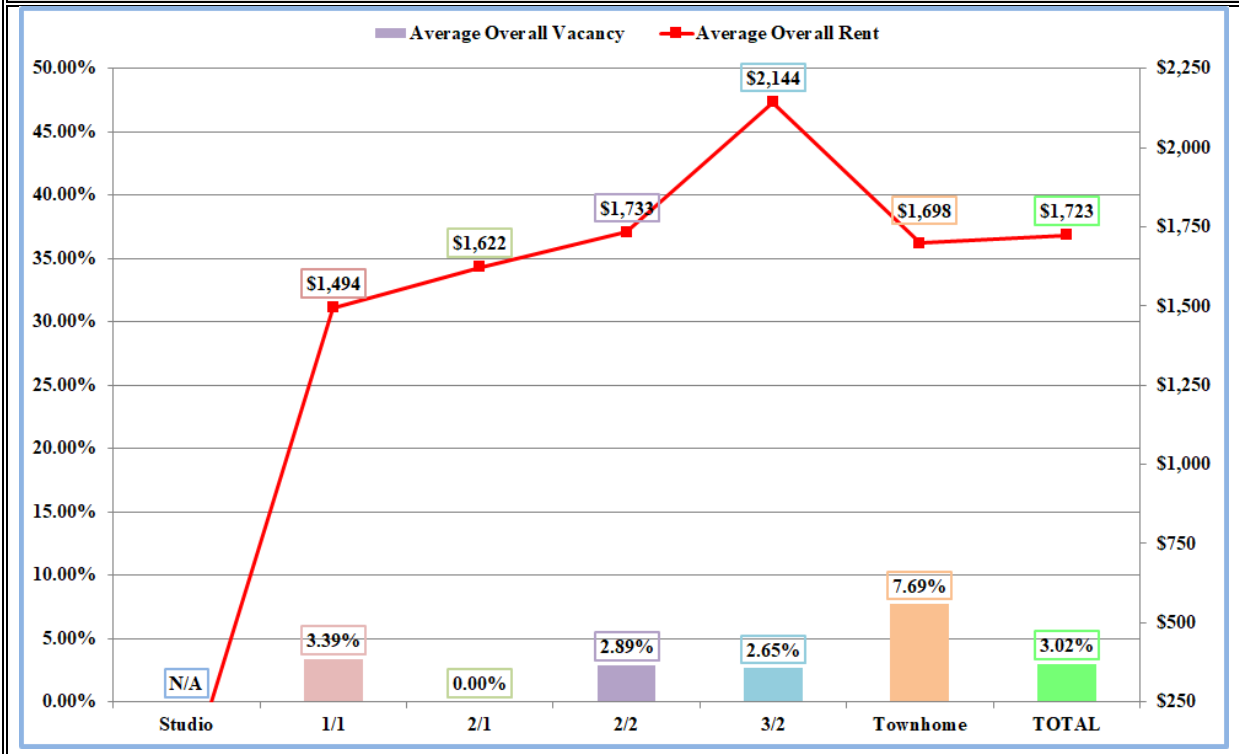








15 PROPERTIES WITH HIGHEST AVERAGE RENTS AVERAGE RENT & VACANCY DATA



CATEGORY	STUDIOS	1 BED/ 1 BATH	2 BED/ 1 BATH	2 BED/ 2 BATH	3 BED/ 2 BATH	TOWNHOME	TOTALS
Total Number of Units-By Unit Type	N/A	1,181 Units	24 Units	2,038 Units	603 Units	26 Units	3,872 Units
Average SF-By Unit Type	N/A	841 SF	993 SF	1,162 SF	1,397 SF	1,154 SF	1,099 SF
Average Rent-By Unit Type	N/A	\$1,494	\$1,622	\$1,733	\$2,144	\$1,698	\$1,723
Average Rent/SF-By Unit Type	N/A	\$1.78	\$1.63	\$1.49	\$1.53	\$1.47	\$1.57
Indicated Vacancy Rate-By Unit Type	N/A	3.39%	0.00%	2.89%	2.65%	7.69%	3.02%



SURVEY PARTICIPANTS	
Special thanks to the following apartment complexes for their continued and reliable support:	
Aviana at Tuscany	Vineyards at Galleria
Club Ambassador	Waterstone at Kiley Ranch
Manzanita Gate	Willow Creek Villas
Montebello at Summit Ridge	The Park at Idlewild
Northwind Apartments	Waters Edge Apartments
Sharlands Terrace	Edge Water at Virginia Lake
Shoreline Plaza	Lakeview Apartments
Silver Ridge Apartments	Plumas Gardens
The Boulders	Sundance West
The Villas at Keystone Canyon	Willowbrook Apartments
Truckee River Terrace	Ala Moana Apartments
Vista Ridge Apartments	Century Park Apartments
Vizcaya Hilltop Apartments	Palace Apartments
Westcreek Apartments	Regency Park Apartments
Westridge Apartments	Roselake Apartments
El Chaparral	Sherwood Forest
Green Pines	Southwest Village
Northtowne Summit	2300 West
Reno Vista Apartments	Brooktree Apartments
Riverwood Apartments	Kirman Gardens
The View Apartments	The Meadows II
1100 Place	Aspen Ridge
Lansdowne House	Lakeridge East Apartments
Sandpebble	Redfield Ridge
Sierra Point Apartments	Skyline Canyon
Sierra Sage Apartments	The Lodge at McCarran Ranch
Sierra View Apartments	Bristle Pointe
Sierra Woods	Creekside Apartments
Silver Lake Apartments	Harvest at Damonte Ranch
Sky Vista Commons	Horizons at South Meadows
Spanish Oaks	Latitude 39
Stonegate Apartments	Meadowood Apartments
The Bungalows at Sky Vista	Rosewood Park
The Village at Wildcreek	The Alexander at South Virginia
Canyon Vista Apartments	The Element
Caviata at Kiley Ranch	The Enclave
Eastland Hills	The Phoenix Reno
High Rock 5300	The Village at Arrowcreek
Marina Garden Apartments	The Village at Iron Blossom
Marina Village	The Village South
Park Vista	Village of the Pines
Reflections at the Marina	Vintage at South Meadows
Spring Villas Townhomes	3rd Street Flats
The Trails at Pioneer Meadows	Fountainhouse
The Villas at D'Andrea	Square One