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# APARTMENT SURVEY<sup>©</sup>

1<sup>ST</sup> QUARTER 2020 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 23,694 units reported. A total of 95 projects were surveyed. We believe the statistics presented here are representative of the overall conditions of the Reno-Sparks Survey Area.

### Survey Modifications

Two new projects, Lyfe at the Marina and Waterfront at the Marina, reached stabilization during the 1<sup>st</sup> Quarter 2020 and agreed to become survey participants. The total apartment projects participating in the survey increased from 93 projects to 95 projects, and the total units increased from 23,205 units to 23,694 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	4 <sup>th</sup> Quarter 2019	1 <sup>st</sup> Quarter 2020	Change
Total Projects	93	93	2 Additional Projects
Total Units	23,205	23,694	489 Additional Units



#### COVID-19 IMPACT

At the present time, the impact of the Covid-19 Pandemic on the real estate market is unknown; however, it is anticipated to have a significant effect. In an effort to control the spread of the virus, the Federal Government has issued social distancing guidelines, and a majority of states have issued stay at home directives, as well as mandatory closures of non-essential businesses, schools and universities. The Pandemic has caused a significant decrease in business activity and a dramatic increase in the unemployment rate. As a result, the U.S. Congress recently passed legislation providing substantial financial aid to most businesses and individuals. Although this legislation is intended to minimize the economic impact, it is unknown which segments of the market will be adversely affected.

Nevada Governor Steve Sisolak has placed a moratorium on tenant evictions during the Covid-19 Pandemic. According to Rita Greggio, a lawyer with Washoe Legal Services, no-cause evictions, evictions for nonpayment of rent, even lease violations, are not going to be heard by the courts at this time, and landlords are prohibited from serving eviction notices. When the moratorium is raised, rent will still be due for the affected residents; however, late fees cannot be assessed. While it is unknown exactly how this will impact the multi-family market, we can speculate that there may be an increase in vacancies in the coming quarters which may lead to decreases in average rental rates. Additionally, it is likely that rent abatements and other concessions will become more prevalent in the upcoming quarters.



### ECONOMIC OUTLOOK

According to the Nevada Department of Employment, Training and Rehabilitation's (DETR) March 2020 economic report, employment in Nevada is down 4,900 jobs over the month but up 10,600 over the year, a growth rate of 0.8%. This marks the first time since August 2011 that Nevada has grown at a rate under 1.0%. The state's unemployment rate is 6.3% this month, up 2.7% from February and up 2.2% when compared to last March.

DETR's report also notes that Nevada's Unemployment Insurance claims saw an increase of 199,482 claims, or 2,125%, from the same month a year ago. Initial claims are at an all-time high and are nearly six times the previous high set in December 2008, when the State saw 36,414 initial claims.

"This month's report shows the earliest effects of the COVID-19 pandemic on Nevada's economy. Even with a significant increase in unemployment and slowdown in employment growth, it is important to note that our employment and unemployment data is measured the week that includes the 12th day of the month. In March, the week of the 12th was the week before the closure of non-essential business and government offices in Nevada, and therefore does not yet capture what has happened in the economy since then. Even so, the March unemployment rate was the highest it's been in nearly 5 years and employment growth was the slowest it's been in almost 9 years. When data for April is released next month, it will reflect the situation this week and we expect trends will decline significantly. Unemployment insurance claims are at an all-time high and weekly claims and payments will also increase as further claims come into the system. As the situation evolves, we will continue to focus on unemployment insurance activity, and post information on our website, NevadaWorkforce.com" said David Schmidt, Chief Economist for DETR.

#### **Additional March 2020 Economic Report Highlights:**

- Total employment rose by 0.8% over the year, growing at the low end of the range seen over the last year (0.8% - 3.1%).
- Construction added the most jobs out of all sectors, for the 12-month period ending in March 2020, increasing by an average of 6,500 jobs over the same time in the year prior.
- Nevada's seasonally adjusted employment growth realized 111 consecutive months of year-over-year gains this month.
- This marks the second time since July 2012 that Nevada has grown at a slower rate than the national average.
- The unemployment rate is the highest it's been since December 2015, nearly five years ago.
- Initial claims are at an all-time high, totaling 208,869 in March.
- Nevada is now ranked ninth in the country in terms of states with the largest percentage increase in unemployment claims from January to April 2020.

(Source: Nevada Department of Employment, Training and Rehabilitation Labor Market Summary March 2020)



ECONOMIC INDICATORS	
Economic Indicators	
UNEMPLOYMENT RATES February 2020	
Nevada*	3.6%
Las Vegas MSA	3.9%
Reno-Sparks MSA	3.2%
Carson City MSA	4.1%
United States*	3.6%
JOB GROWTH (YOY) February 2020	
Nevada*	1.3%
Las Vegas MSA*	1.3%
Reno-Sparks MSA*	1.8%
Carson City MSA*	2.0%
United States*	1.6%
GAMING WIN (YOY) January 2020	
Nevada	5.5%
Clark County	5.1%
Washoe County	7.8%
TAXABLE SALES (YOY) December 2019	
Nevada	10.8%
Clark County	11.3%
Washoe County	7.1%
*Seasonally Adjusted	
(Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary February 2020)	



## 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	731 SF	862 SF	1,059 SF	1,288 SF	1,256 SF	907 SF
Average Rent-By Unit Type	\$873	\$1,194	\$1,209	\$1,486	\$1,804	\$1,545	\$1,341
Average Rent/SF-By Unit Type	\$2.16	\$1.63	\$1.40	\$1.40	\$1.40	\$1.23	\$1.48
Indicated Vacancy Rate-By Unit Type	3.96%	3.35%	3.33%	3.61%	4.00%	3.78%	3.51%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	4 <sup>th</sup> Quarter 2019	1 <sup>st</sup> Quarter 2020	Change
Average Vacancy	3.96%	3.51%	-45 Basis Points
Average Rent	\$1,324	\$1,341	+\$17 or +1.28%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	4th Qtr. 2019	1st Qtr. 2020	Result	4th Qtr. 2019	1st Qtr. 2020	Result
Studio	\$804	\$873	+\$68	3.08%	3.96%	+0.88%
1 Bedroom/1 Bath	\$1,179	\$1,194	+\$15	3.75%	3.35%	-0.41%
2 Bedroom/1 Bath	\$1,226	\$1,209	-\$17	3.55%	3.33%	-0.21%
2 Bedroom/2 Bath	\$1,461	\$1,486	+\$25	4.48%	3.61%	-0.86%
3 Bedroom/2 Bath	\$1,771	\$1,804	+\$33	3.83%	4.00%	+0.17%
Townhouse	\$1,532	\$1,545	+\$13	2.43%	3.78%	+1.35%
<b>TOTALS</b>	<b>\$1,324</b>	<b>\$1,341</b>	<b>+\$17</b>	<b>3.96%</b>	<b>3.51%</b>	<b>-0.45%</b>

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		4th Qtr. 2019	1st Qtr. 2020	Result	4th Qtr. 2019	1st Qtr. 2020	Result
1	Northwest Reno	\$1,334	\$1,418	+\$84	3.23%	3.20%	-0.02%
2	Northeast Reno	\$1,166	\$1,171	+\$5	1.22%	2.36%	+1.14%
3	W. Sparks/N. Valley	\$1,172	\$1,169	-\$3	4.75%	3.99%	-0.76%
4	East Sparks	\$1,472	\$1,485	+\$13	4.57%	4.66%	+0.09%
5	West Reno	\$1,099	\$1,160	+\$61	1.78%	1.33%	-0.44%
6	Southwest Reno	\$1,258	\$1,248	-\$10	3.76%	2.64%	-1.12%
7	Brinkby/Grove	\$961	\$968	+\$7	6.04%	2.65%	-3.39%
8	Airport	\$1,244	\$1,227	-\$17	2.86%	2.68%	-0.18%
9	Lakeridge	\$1,435	\$1,433	-\$3	4.47%	5.27%	+0.80%
10	Southeast Reno	\$1,402	\$1,393	-\$9	4.06%	2.81%	-1.26%
11	Downtown Urban	\$1,477	\$1,477	+\$1	2.66%	7.25%	+4.59%
<b>Overall Reno-Sparks</b>		<b>\$1,324</b>	<b>\$1,341</b>	<b>+\$17</b>	<b>3.96%</b>	<b>3.51%</b>	<b>-0.45%</b>





## HISTORICAL RENTAL AND VACANCY RATES BY UNIT TYPE

	UNIT TYPE													
Quarter/ Year	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%
Q3-2019	\$814	2.49%	\$1,200	3.23%	\$1,252	3.18%	\$1,481	3.62%	\$1,816	2.76%	\$1,561	2.70%	\$1,345	3.31%
Q4-2019	\$804	3.08%	\$1,179	3.75%	\$1,226	3.55%	\$1,461	4.48%	\$1,771	3.83%	\$1,532	2.43%	\$1,324	3.96%
Q1-2020	\$873	3.96%	\$1,194	3.35%	\$1,209	3.33%	\$1,486	3.61%	\$1,804	4.00%	\$1,545	3.78%	\$1,341	3.51%
AVERAGE	\$589	4.84%	\$832	4.07%	\$880	4.94%	\$1,061	4.99%	\$1,274	5.50%	\$1,190	5.71%	\$967	4.68%
MEDIAN	\$533	4.20%	\$752	3.35%	\$813	3.93%	\$948	4.48%	\$1,130	5.45%	\$1,118	4.92%	\$876	4.05%
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	\$873	10.96%	\$1,200	10.08%	\$1,262	12.20%	\$1,490	11.43%	\$1,838	13.18%	\$1,561	13.65%	\$1,345	10.93%



### **COMMENTARY**

The overall average rental rate for all units surveyed increased by 1.28%, with all unit types except two bedroom/one bathroom units experiencing a slight increase in average rental rates. Additionally, six of the eleven sub-markets experienced an increase in average rental rates, while the West Sparks/North Valleys, Southwest Reno, Airport, Lakeridge and Southeast Reno sub-markets experienced slight decreases.

The overall vacancy rate for all units surveyed decreased by 45 basis points, with seven of the eleven submarkets showing decreases in vacancies. One bedroom/one bathroom units, two bedroom/one bathroom units and two bedroom/two bathroom units experienced decreases in average vacancies, while studios, three bedroom/two bathroom units and townhomes experienced increases in average vacancies. Average vacancy for all unit types is now at 3.51%.

Over 4,000 apartment units are currently under construction in the Reno-Sparks market, with over 5,000 units in the planning stages. Due to the Covid-19 Pandemic, it is likely that development of planned units will be delayed in the short-term, until the ultimate impact of the Pandemic is known. It is likely that vacancy rates will begin to increase once eviction moratoriums are lifted in the future. Rental rates, which have continued to increase since the last recession, will likely begin to stabilize, and ultimately decrease over the next several quarters.



### **GUIDELINES**

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

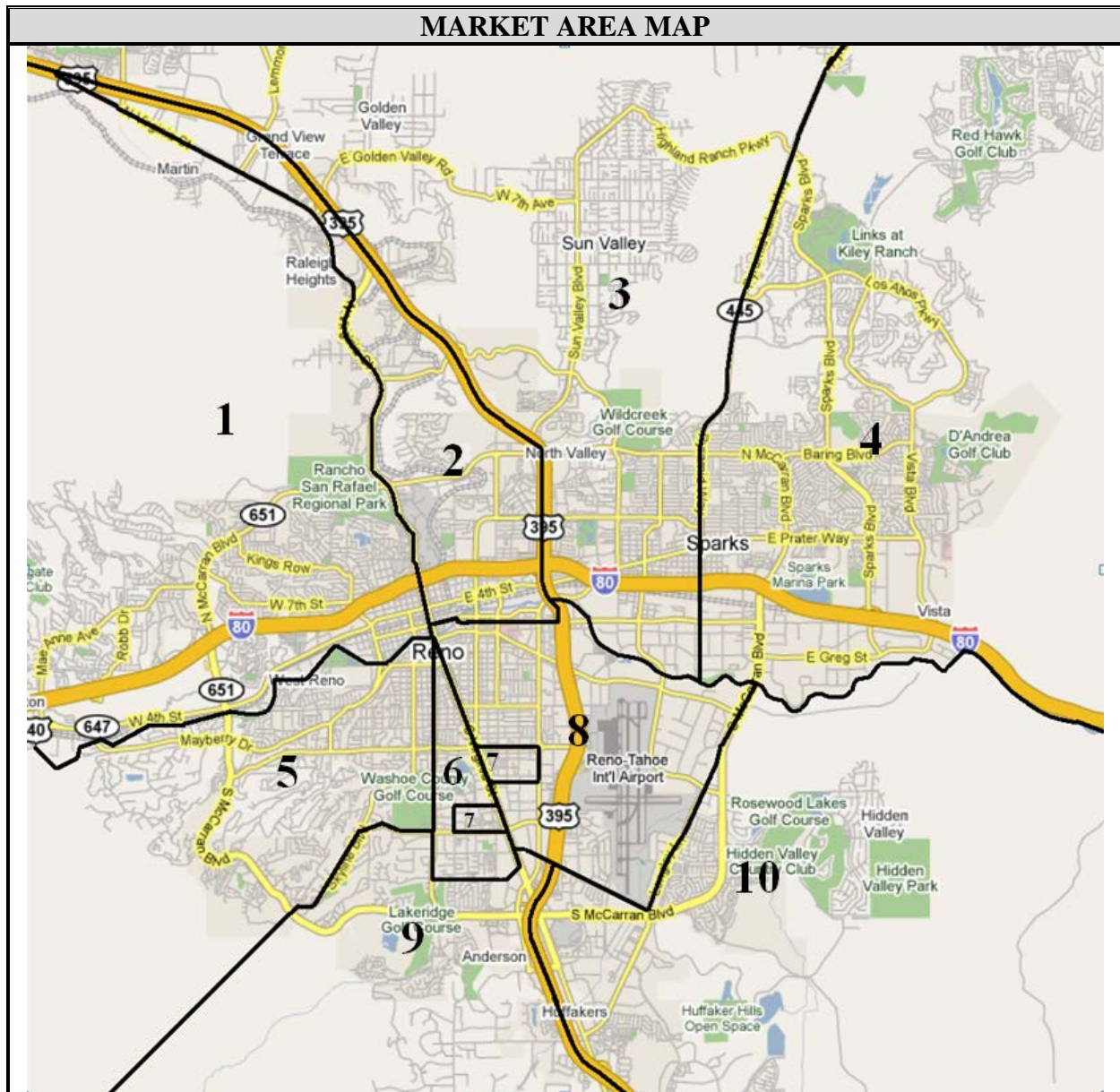
- Occupancy rates represent conditions as of the date of survey;
- Rents utilized in the report represent the base price of an unfurnished apartment;
- Units with more than one size per unit type were calculated on a weighted average for each unit type
- Weighted averages were used in all charts to give 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**

<b>Apartment Type</b>	<b>Description</b>
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 <sup>rd</sup> 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 <sup>nd</sup> 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 <sup>nd</sup> 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 1<sup>st</sup> Quarter of 2016. The project is located at the intersection of Steamboat Parkway and Veterans Parkway. At the end of the 2<sup>nd</sup> Quarter 2018 construction was completed on Phase I. At the end of the 3<sup>rd</sup> Quarter 2019 construction was completed on Phase II. Phase III of this project is being constructed by Pacific West Companies and broke ground in the 3<sup>rd</sup> Quarter of 2017. Phase III will include 260 units. At the end of the 1<sup>st</sup> Quarter of 2020, nine buildings of Phase III were complete, approximately 52% of the project had been pre-leased and 48% of the property was occupied.

ERGS Properties broke ground on the North Peak Apartments, which are located in North Valleys, in 2017. At the end of the 1<sup>st</sup> Quarter of 2020, 29 buildings were complete, 70% of the project had been pre-leased and 68% of the property was occupied.

In the 1<sup>st</sup> 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 1<sup>st</sup> Quarter of 2019. As of the date of this survey, 87% of the project had been leased and 82% of the project was occupied.

Sunroad Enterprises broke ground on Lumina, a 330-unit apartment complex, in the 3<sup>rd</sup> 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. Construction on the project was completed in the 1<sup>st</sup> Quarter of 2020. As of the date of this survey, 67% of the project had been pre-leased and 63% of the project was occupied.

Silverado Homes broke ground on the Silverado Apartments in the 3<sup>rd</sup> 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. Construction on the project was completed in the 1<sup>st</sup> Quarter of 2020. As of the date of this survey, 83% of the project had been pre-leased and 75% of the project was occupied.

Reno Land Inc. broke ground on INOVA in the 2<sup>nd</sup> Quarter of 2018. INOVA is a 581-unit apartment project located adjacent to The Summit outdoor shopping center near Mt. Rose Hwy and Interstate 580. This property features a blended mix of 80% market rate housing and 20% workforce housing. At the end of the 1<sup>st</sup> Quarter of 2020, three buildings were complete, approximately 15% 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.





<b>PROPOSED &amp; UNDER CONSTRUCTION (MAJOR APARTMENT PROJECTS OVER 80 UNITS)</b>				
<b>Projects Under Construction</b>				
<b>Project Name</b>	<b>Units</b>	<b>Location</b>	<b>Area</b>	<b>Status</b>
Westlook	192	West 4th Street, East of South McCarran Boulevard	1	Under Construction
North Peak Apartments	328	Intersection of Military Road & Lemmon Drive	3	Under Construction
Parq Crossing	312	Southeast Corner of El Rancho Drive & Greenbrae Drive	3	Under Construction
The Atrium	132	Victorian Square	3	Under Construction
The Deco	209	Victorian Square	3	Under Construction
The Lakes at Sky Vista	768	Sky Vista Parkway, West of Lemmon Valley Road	3	Under Construction
Azure	308	East of Sparks Marina-East Side of Marina Gateway Drive	4	Under Construction
Park Lane-Reno Urban Development	505	Previous Park Lane Mall Site	7	Under Construction
Espirit Apartments	126	Southeast Corner of Veterans Parkway & Geiger Grade Road	10	Under Construction
INOVA	581	Mt. Rose Highway	10	Under Construction
Oakmont Properties Development	440	Double R Boulevard & Technology Way	10	Under Construction
The Harvest-Phase III	260	Damonte Ranch	10	Under Construction
<b>Total Units:</b>	<b>4,161</b>			
<b>Projects Planned</b>				
<b>Project Name</b>	<b>Units</b>	<b>Location</b>	<b>Area</b>	<b>Status</b>
290 Keystone	268	Southeast Corner of Keystone Avenue & West 4th Street	1	Planning Stages
Keystone Commons	302	Northeast Corner of Keystone Avenue & 5th Street	1	Planning Stages
Mountainview	300	West 4th Street and Summit Ridge Drive	1	Planning Stages
The Villas at Keystone Canyon-Phase II	125	Keystone Avenue & North McCarran Boulevard	1	Planning Stages
Verdi Village	242	Southeast Corner of South Verdi Road & Cabela Drive	1	Planning Stages
550 North Virginia	261	Northeast Corner of North Virginia Street & East 5th Street	2	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
Vista Rafael Apartments	416	North Virginia Street & Vista Rafael Parkway	3	Planning Stages
Azure-Phase II	340	East of Sparks Marina-East Side of Marina Gateway Drive	4	Planning Stages
Kiley Ranch North Phase 6	306	Southwest Corner of Kiley Parkway & Windmill Farms Road	4	Planning Stages
Lumina-Phase II	220	Pioneer Meadows	4	Planning Stages
Park Lane-Reno Urban Development	1,295	Previous Park Lane Mall Site	7	Planning Stages
The Wolff Company (Damonte Ranch)	328	South Reno Market	10	Planning Stages
Ryland Apartments	118	North Side of Ryland Street, Between Park Street & High Street	11	Planning Stages
<b>Total Units:</b>	<b>5,241</b>			

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 Lyfe at the Marina and Waterfront at the Marina.

### 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 <sup>rd</sup> Street Flats	94	Dec-16	Jun-17	13.43
Fountainhouse	220	May-16	Aug-17	13.75
Harvest at Damonte Ranch Phase I	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
Harvest at Damonte Ranch Phase II	182	Nov-18	Oct-19	15.17
Sierra Vista	336	Mar-18	Oct-19	16.80
Vida	312	May-18	Nov-19	16.42
Waterfront at the Marina	209	Dec-18	Jan-20	14.93
Lyfe at the Marina	280	Aug-18	Feb-20	14.74





### RENT CONCESSIONS

During the 1<sup>st</sup> Quarter of 2020 27.37% of the apartment projects in our Survey offered rent concessions, which increased from 23.66% in the 4<sup>th</sup> Quarter of 2019. Concessions range from discounted move-in costs to reduced rent on a twelve-month lease. A majority of the properties now offering concessions, are offering a discount to Tesla and other Tahoe Reno Industrial Center employees. 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%
Q3-2019	19.57%	3.31%
Q4-2019	23.66%	3.96%
Q1-2020	27.37%	3.51%



## **SURVEY RESULTS**

This section of the report covers survey findings pertaining to the total survey area for the 1<sup>st</sup> Quarter of 2020.

### **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:**

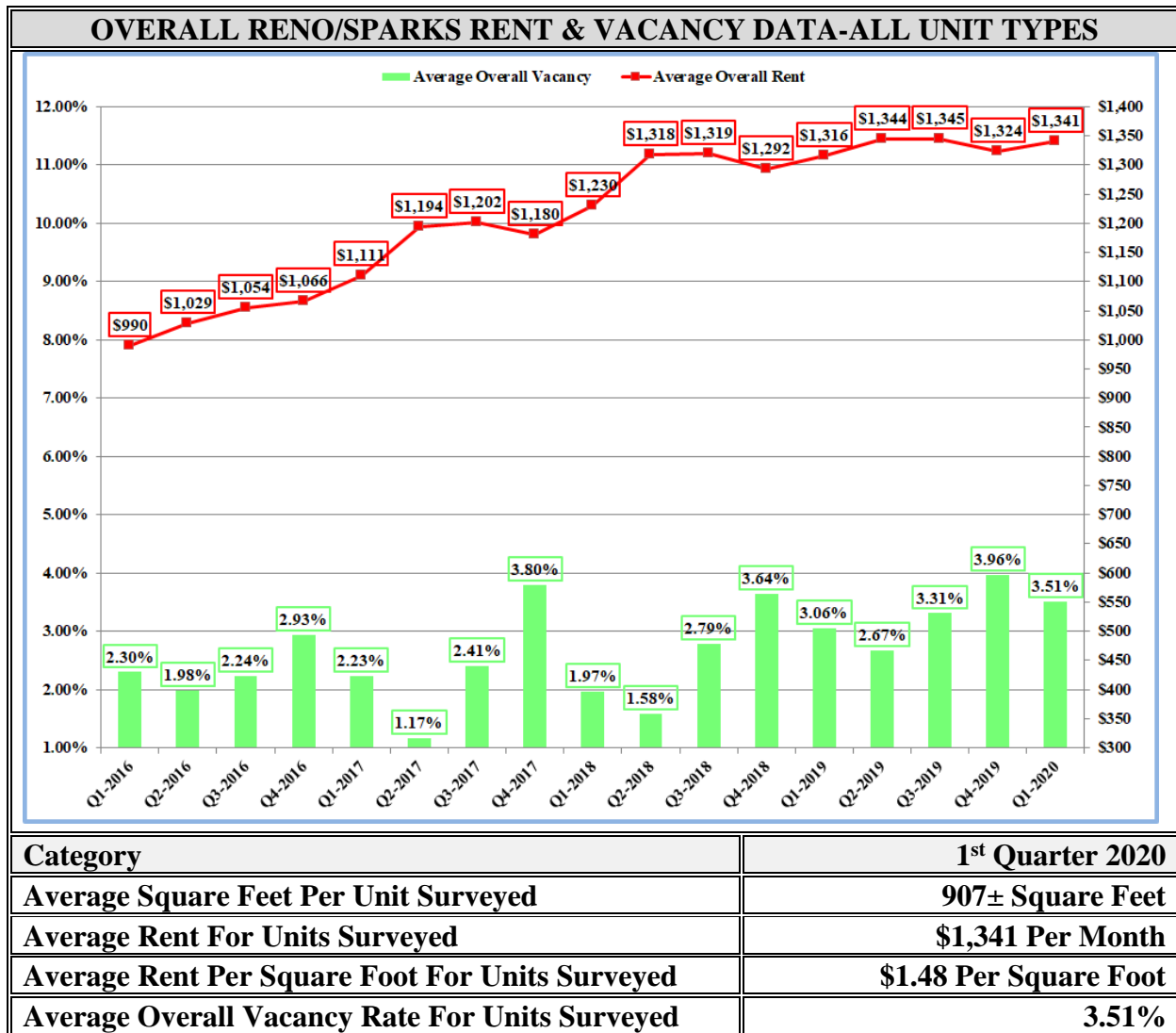
These graphs illustrate quarterly vacancy percentage and average monthly rent. The sub-market categories are as follows:

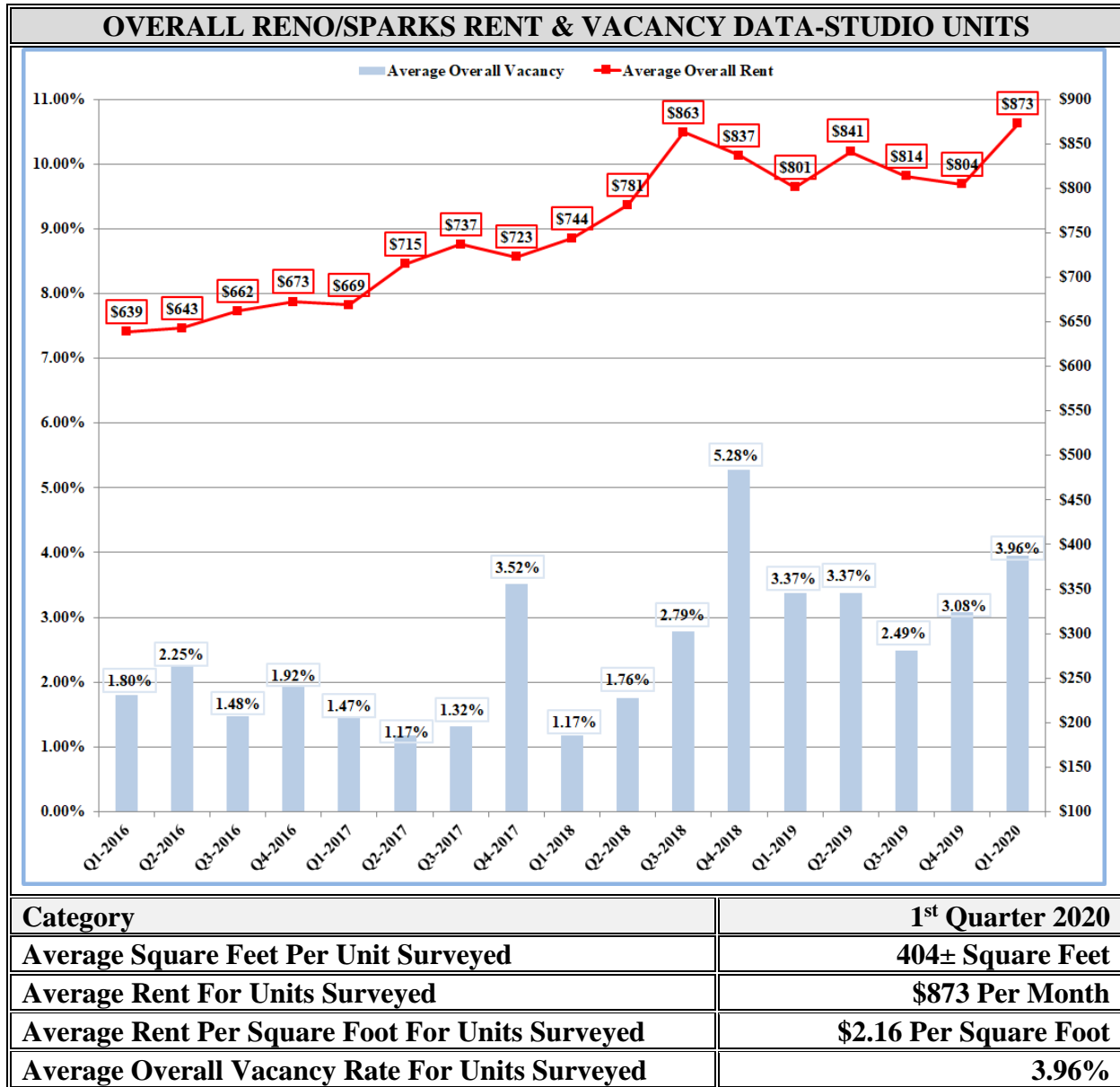
- Area 1-Northwest Reno
- Area 2-Northeast Reno
- Area 3-West Sparks/North Valleys
- Area 4-East Sparks
- Area 5-West Reno
- Area 6-Southwest Reno
- Area 7-Brinkby/Grove
- Area 8-Airport
- Area 9-Lakeridge
- Area 10-Southeast Reno
- Area 11-Downtown Urban

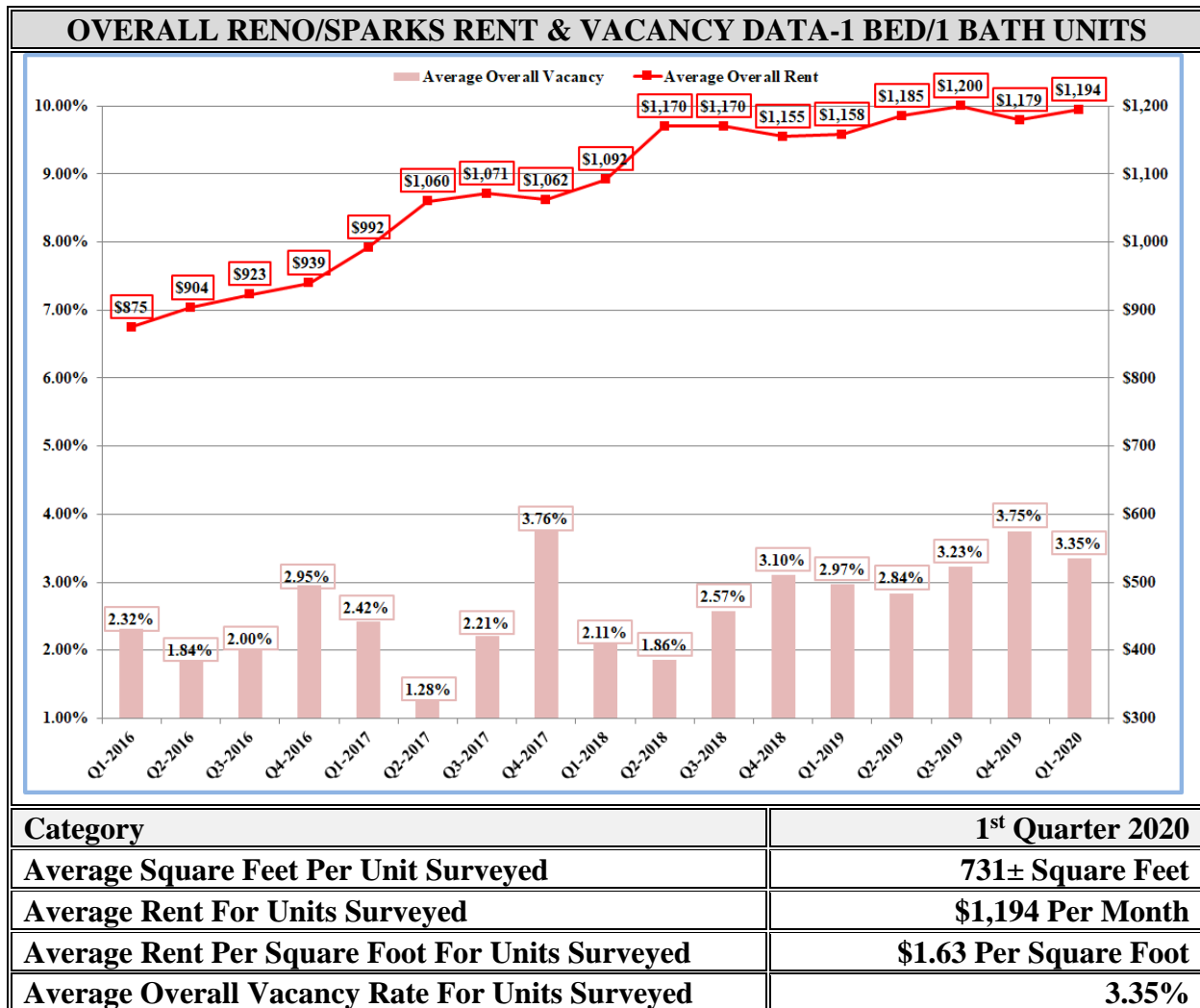
### **CURRENT SURVEY COMPARISONS:**

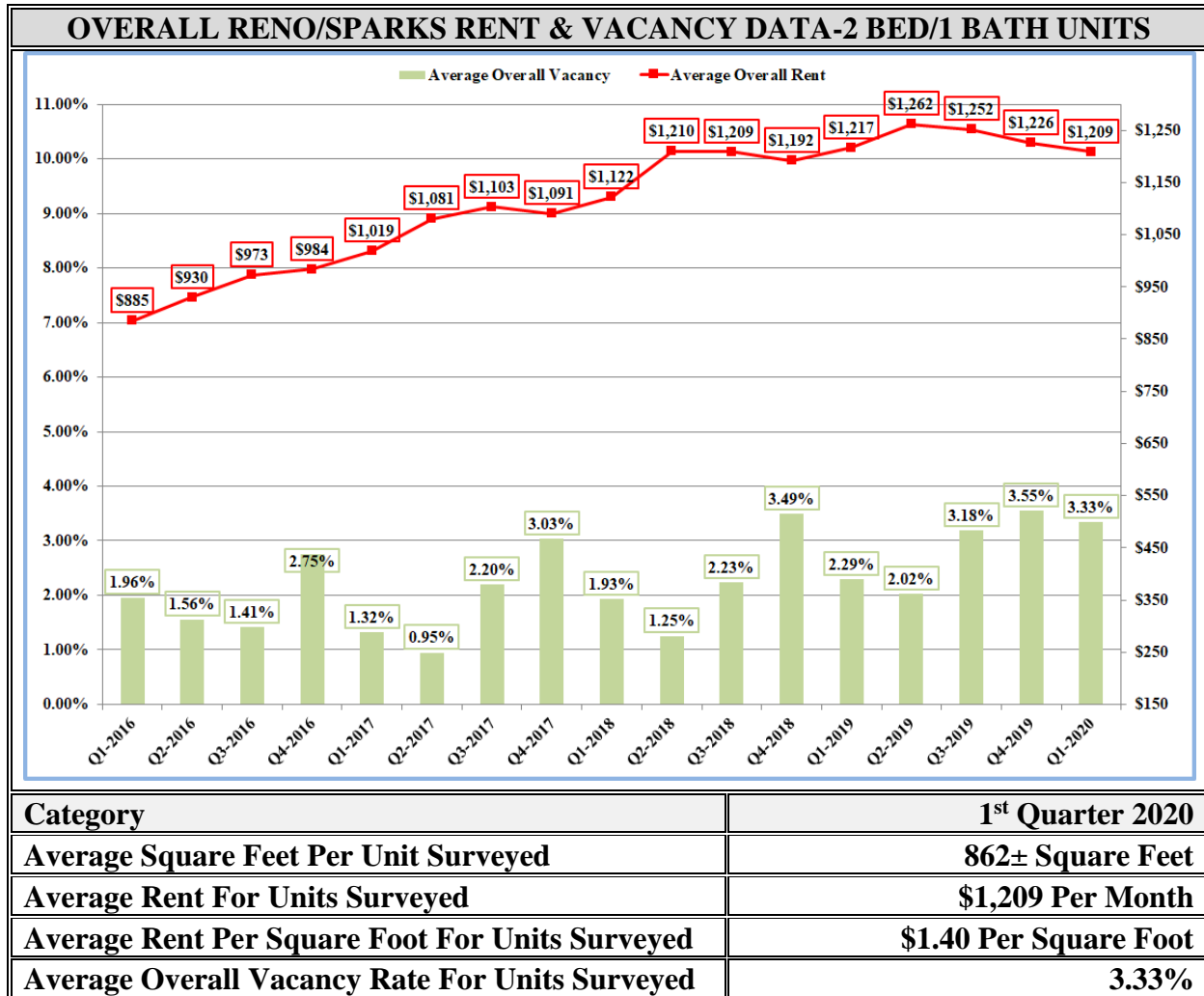
This section of graphs illustrates overall comparisons based on unit type and sub-market categories. These graphs include:

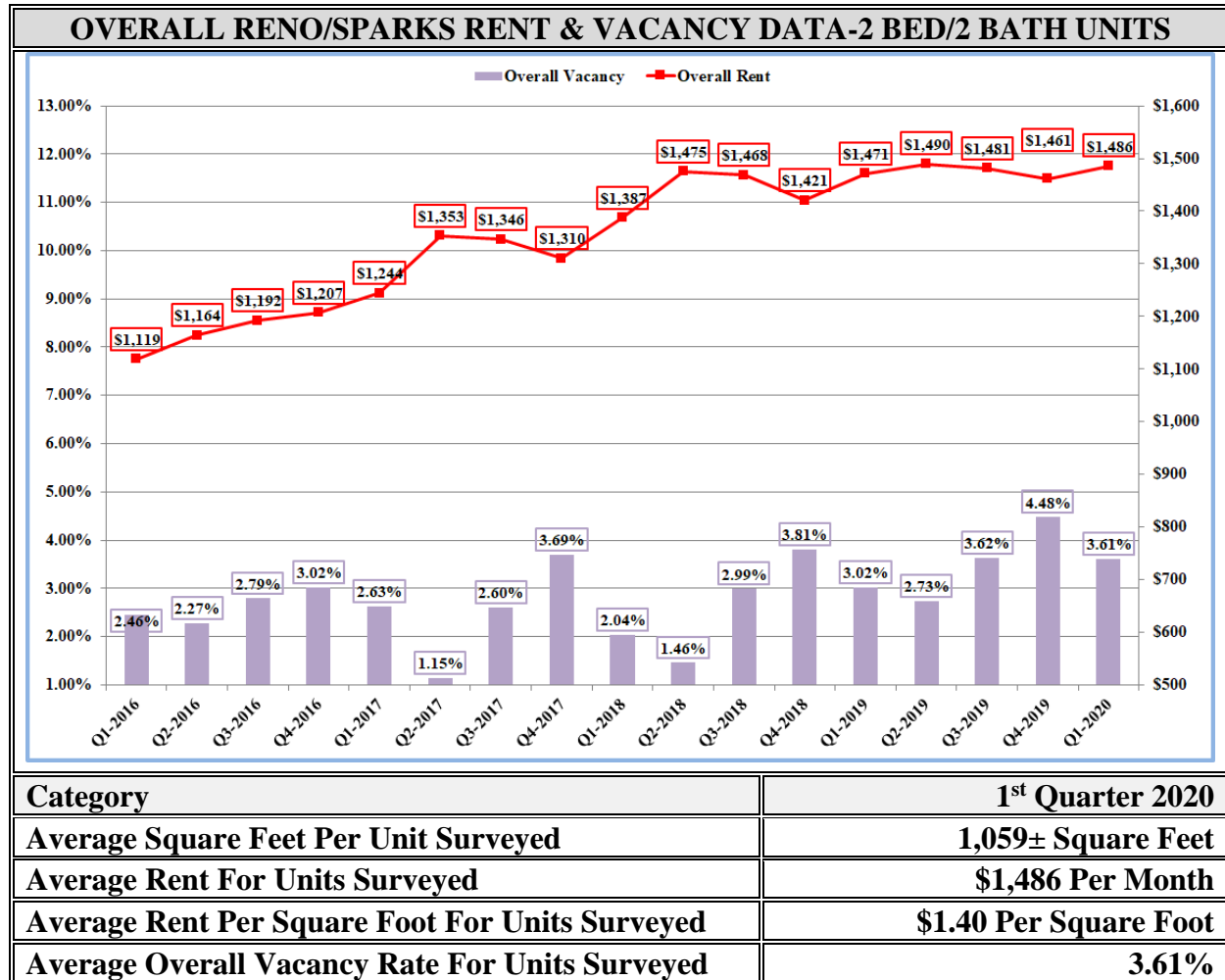
- Summary By Unit Type
- Summary By Area
- 15 Properties With The Highest Average Rents

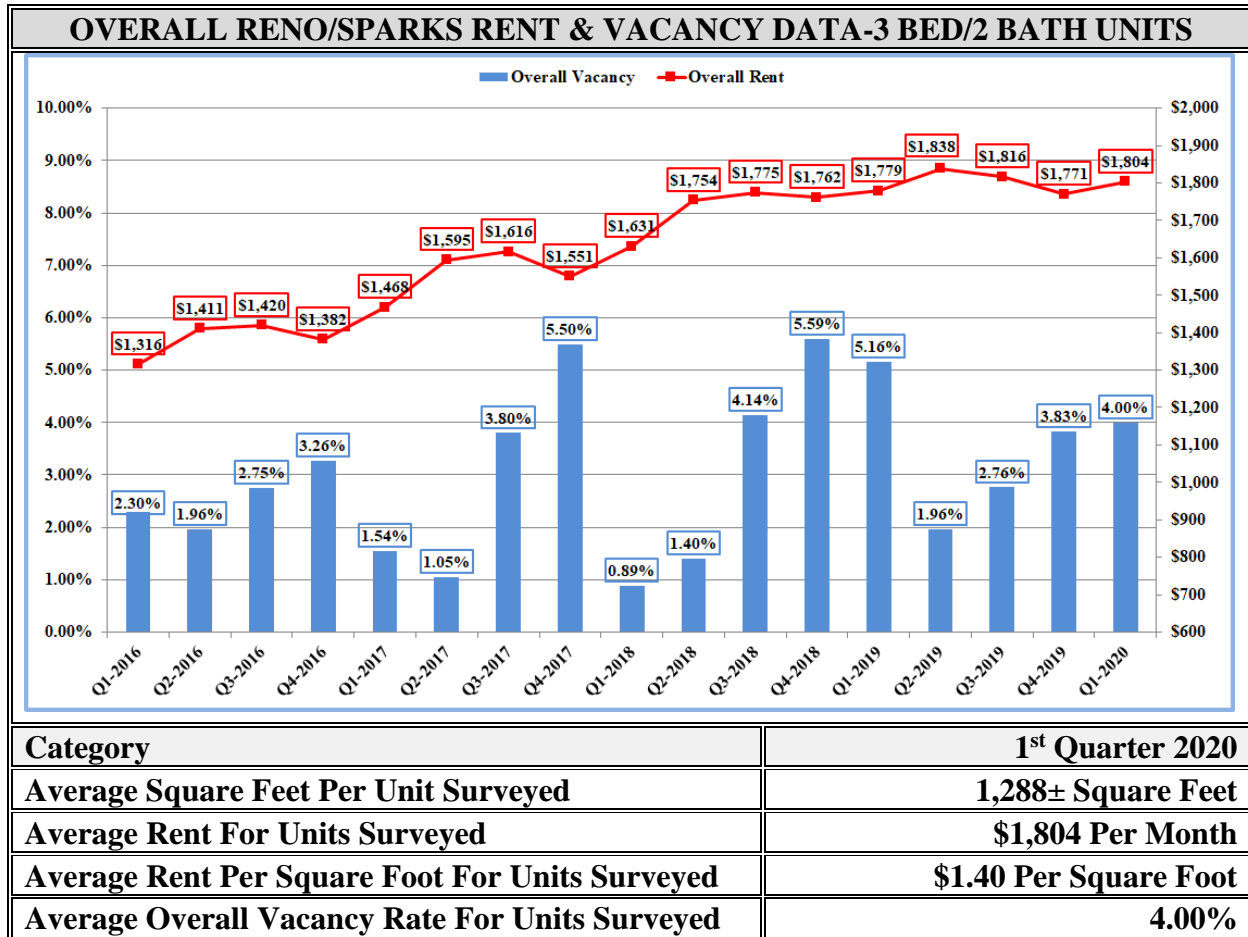




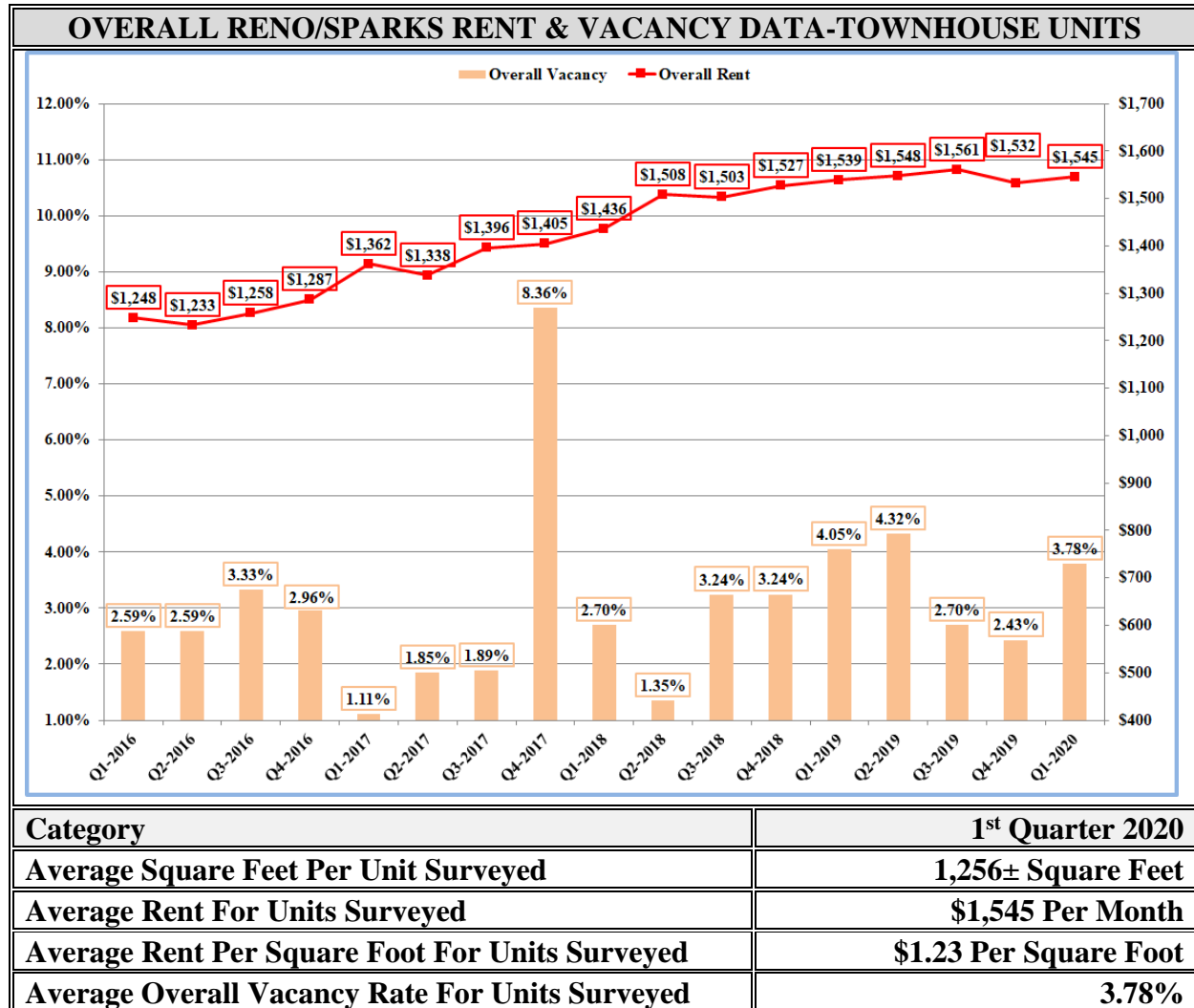


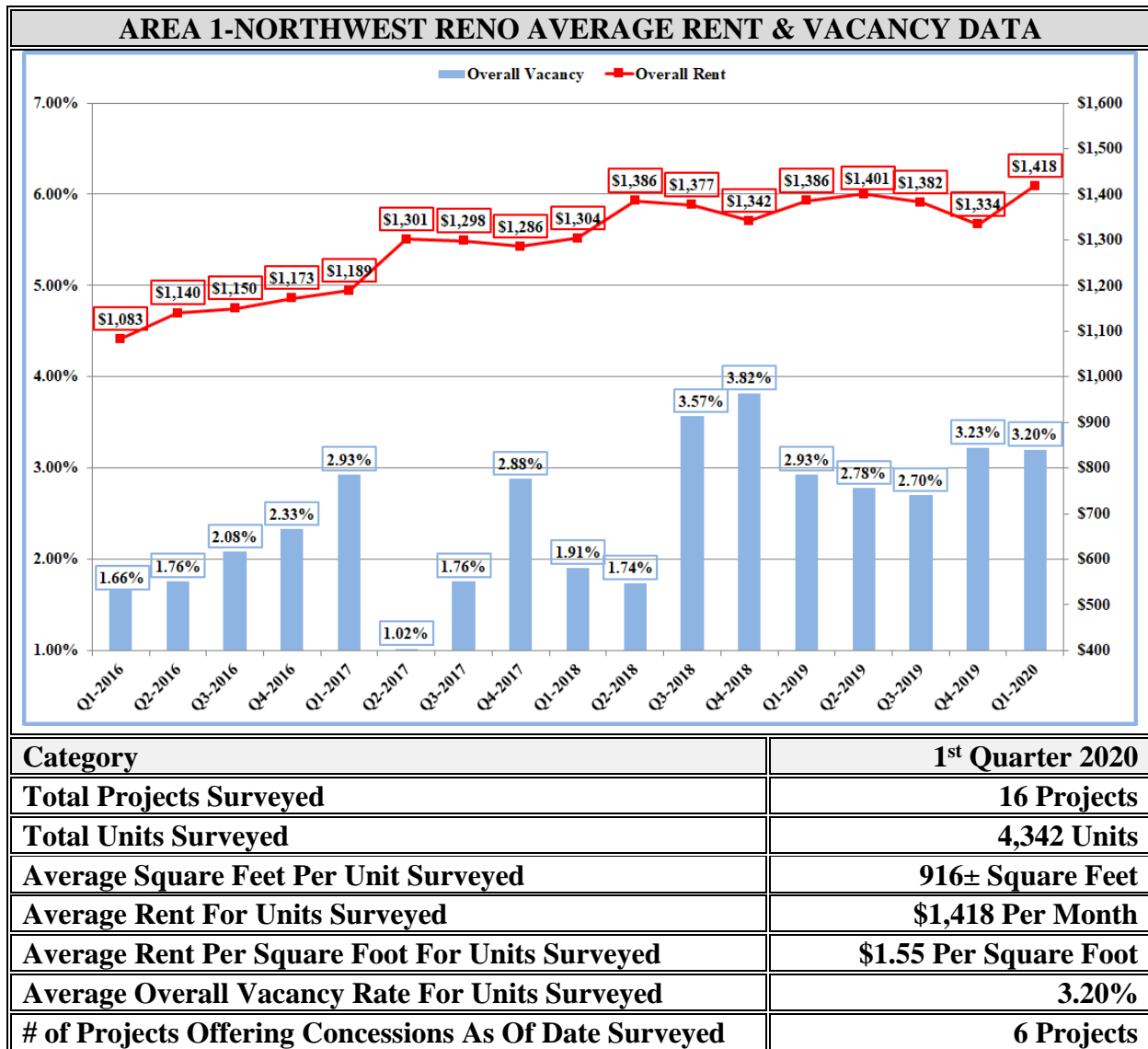


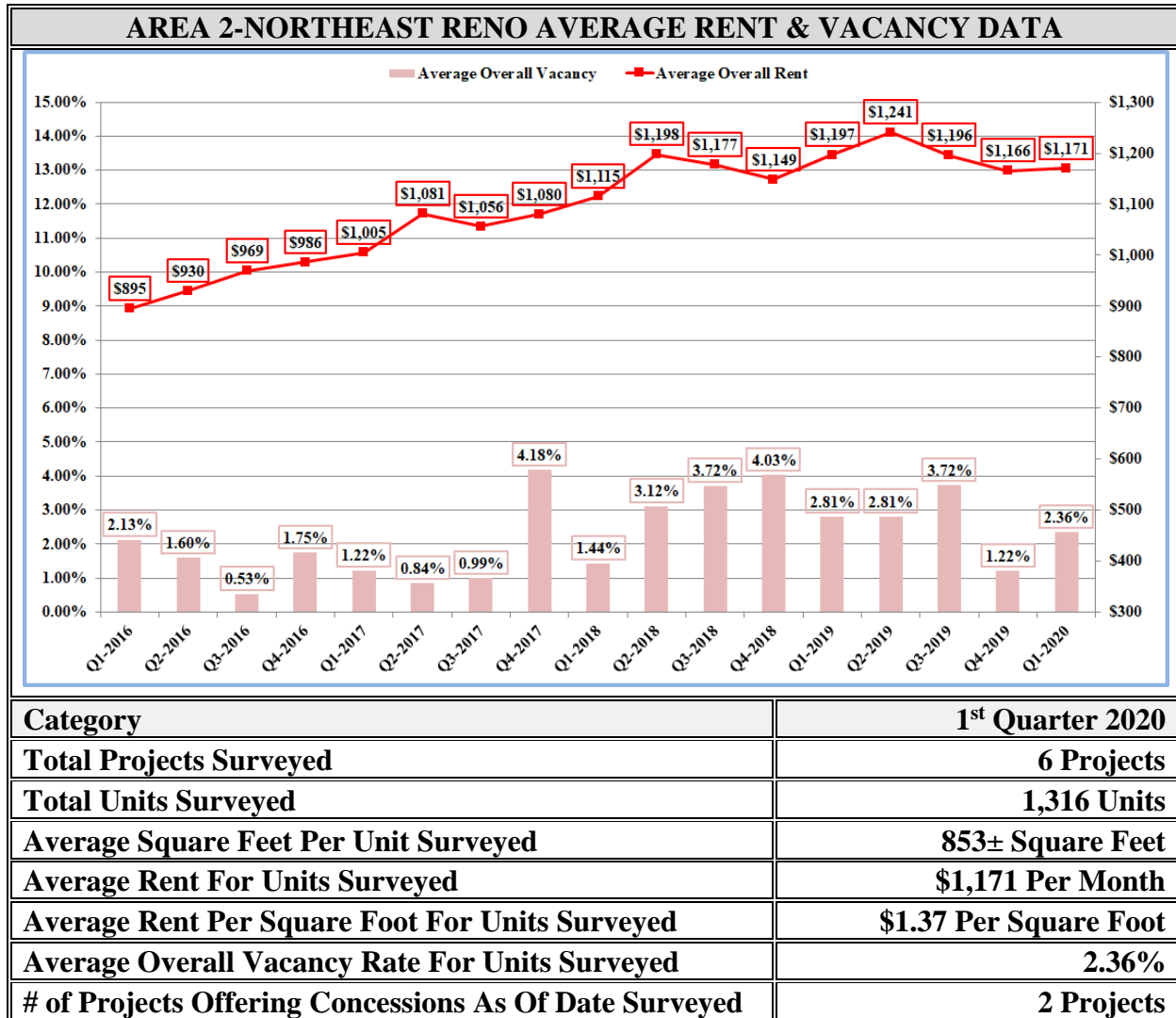






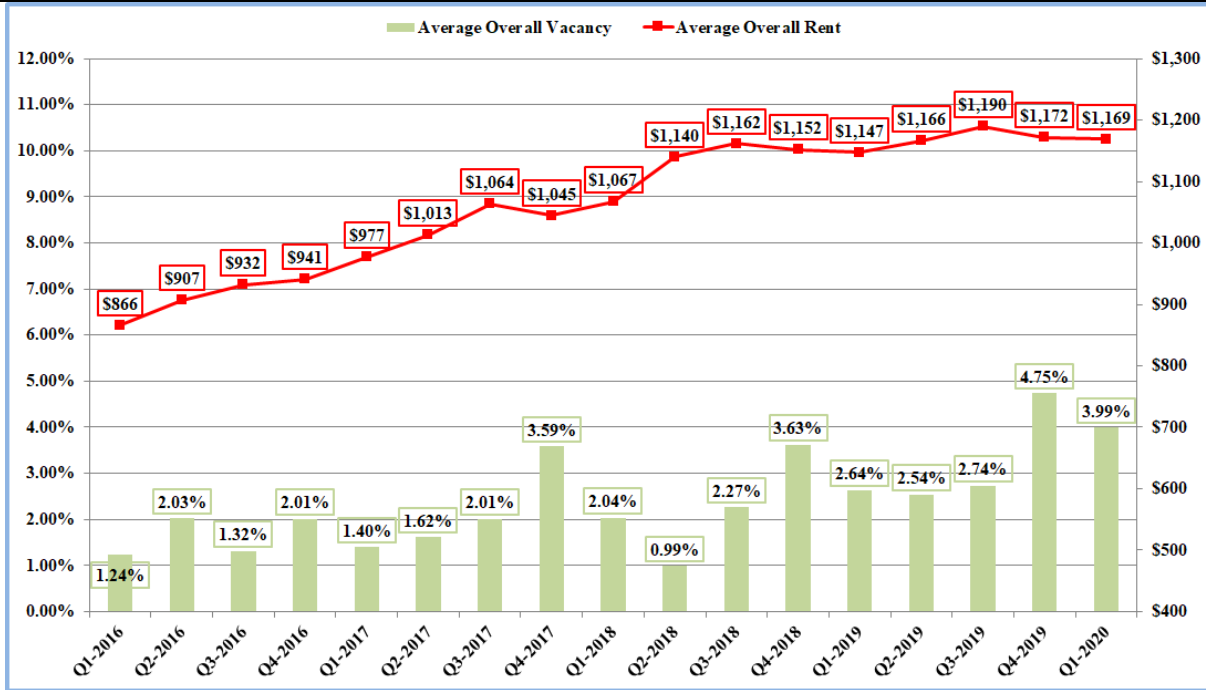








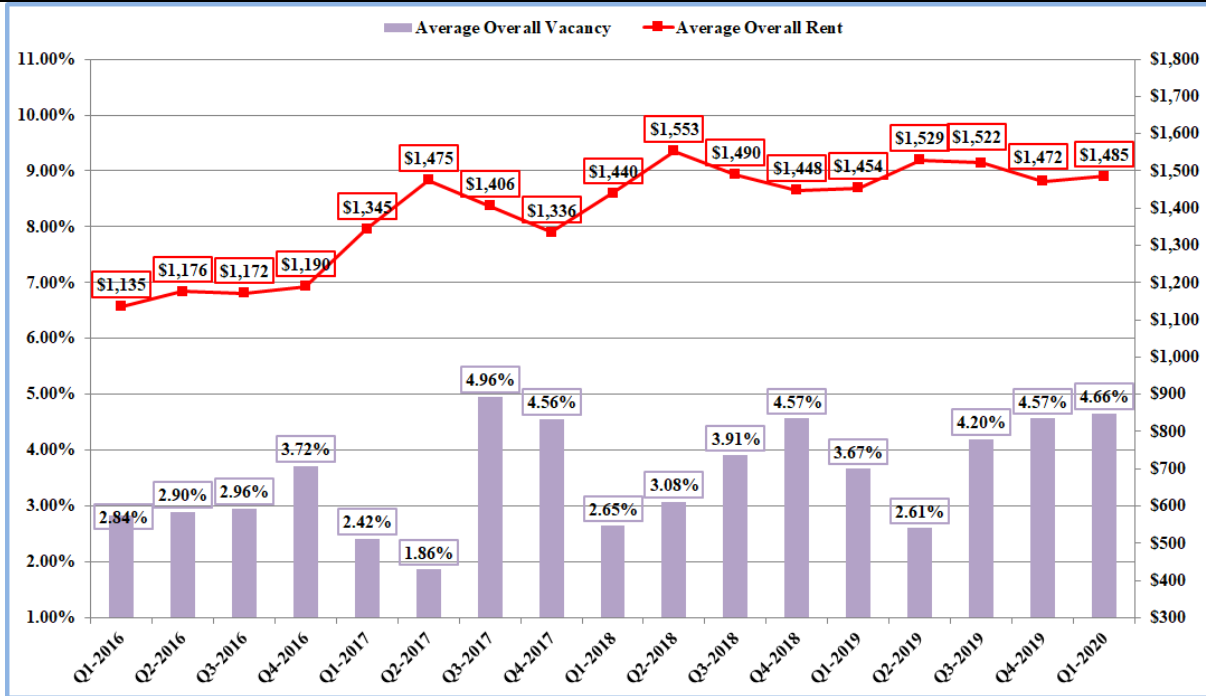
### AREA 3-WEST SPARKS/NORTH VALLEYS AVERAGE RENT & VACANCY DATA



Category	1 <sup>st</sup> Quarter 2020
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	\$1,169 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.35 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.99%
# of Projects Offering Concessions As Of Date Surveyed	3 Projects



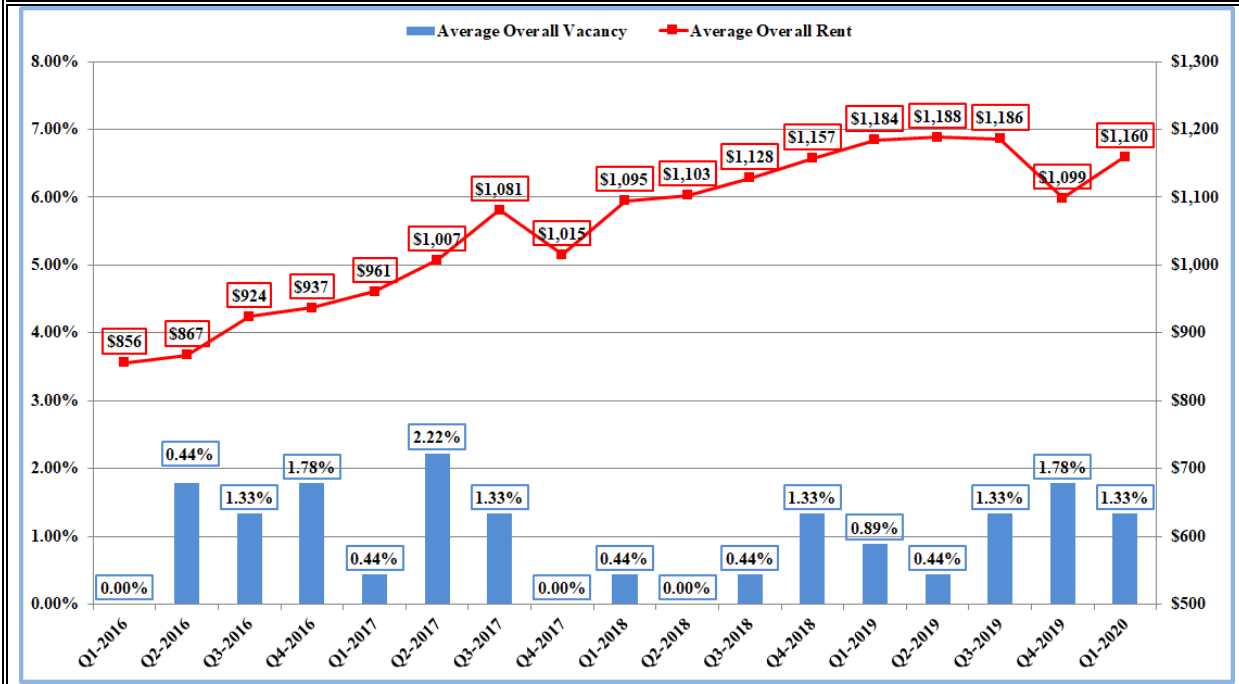
### AREA 4-EAST SPARKS AVERAGE RENT & VACANCY DATA



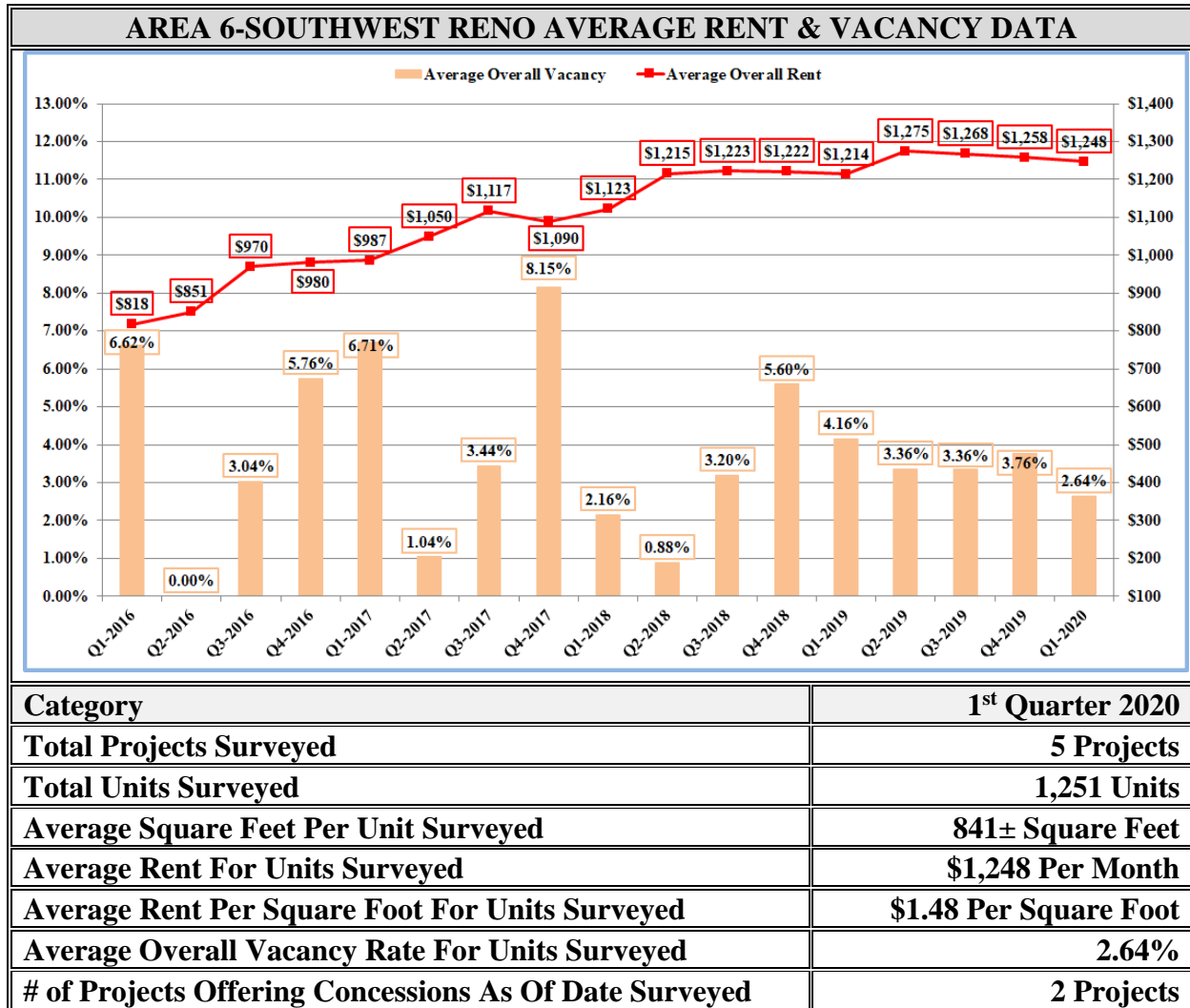
Category	1 <sup>st</sup> Quarter 2020
Total Projects Surveyed	16 Projects
Total Units Surveyed	4,250 Units
Average Square Feet Per Unit Surveyed	969± Square Feet
Average Rent For Units Surveyed	\$1,485 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.53 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	4.66%
# of Projects Offering Concessions As Of Date Surveyed	8 Projects

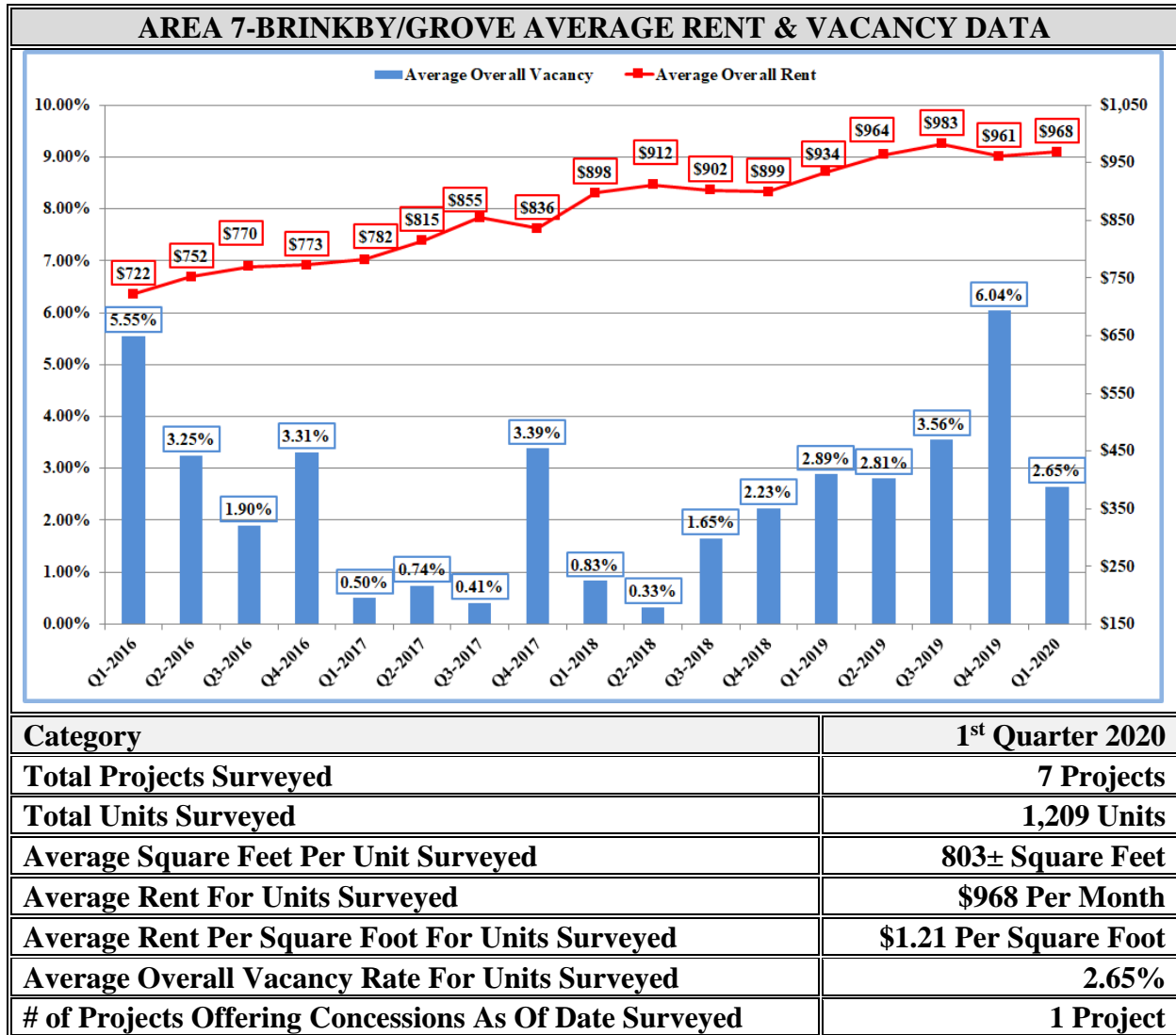


### AREA 5-WEST RENO AVERAGE RENT & VACANCY DATA

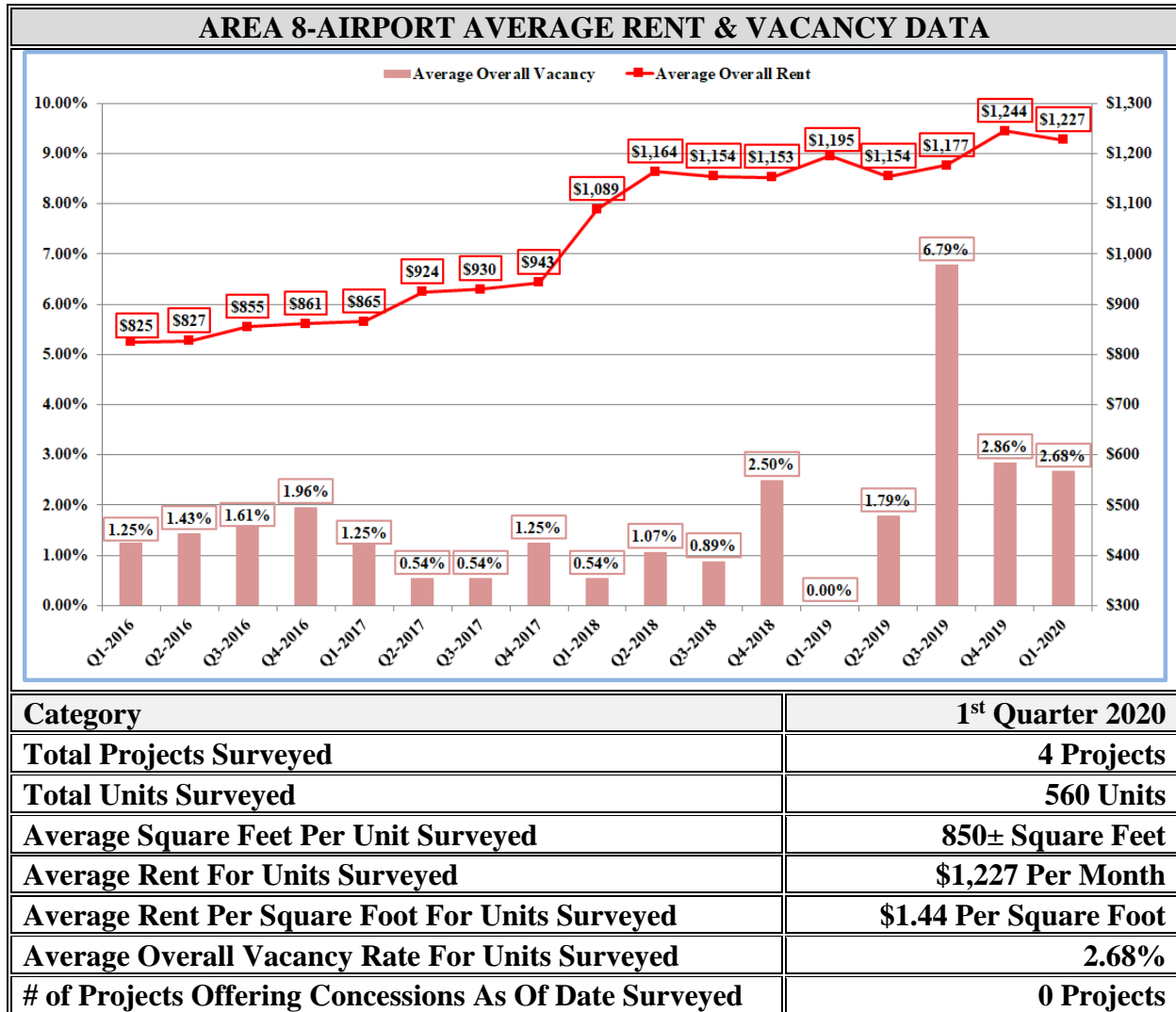


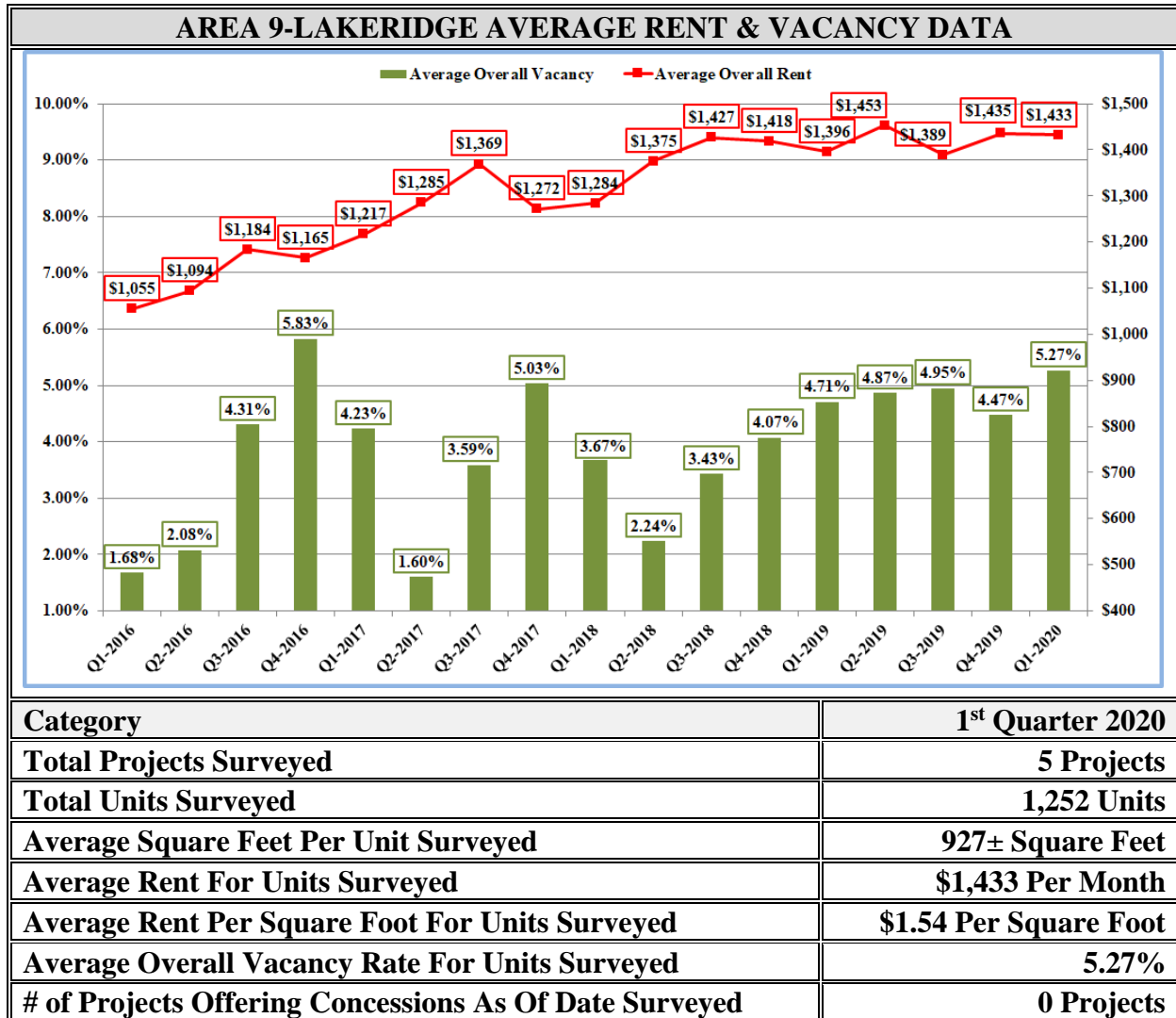
Category	1 <sup>st</sup> Quarter 2020
Total Projects Surveyed	2 Projects
Total Units Surveyed	225 Units
Average Square Feet Per Unit Surveyed	870± Square Feet
Average Rent For Units Surveyed	\$1,160 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.33 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.33%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects

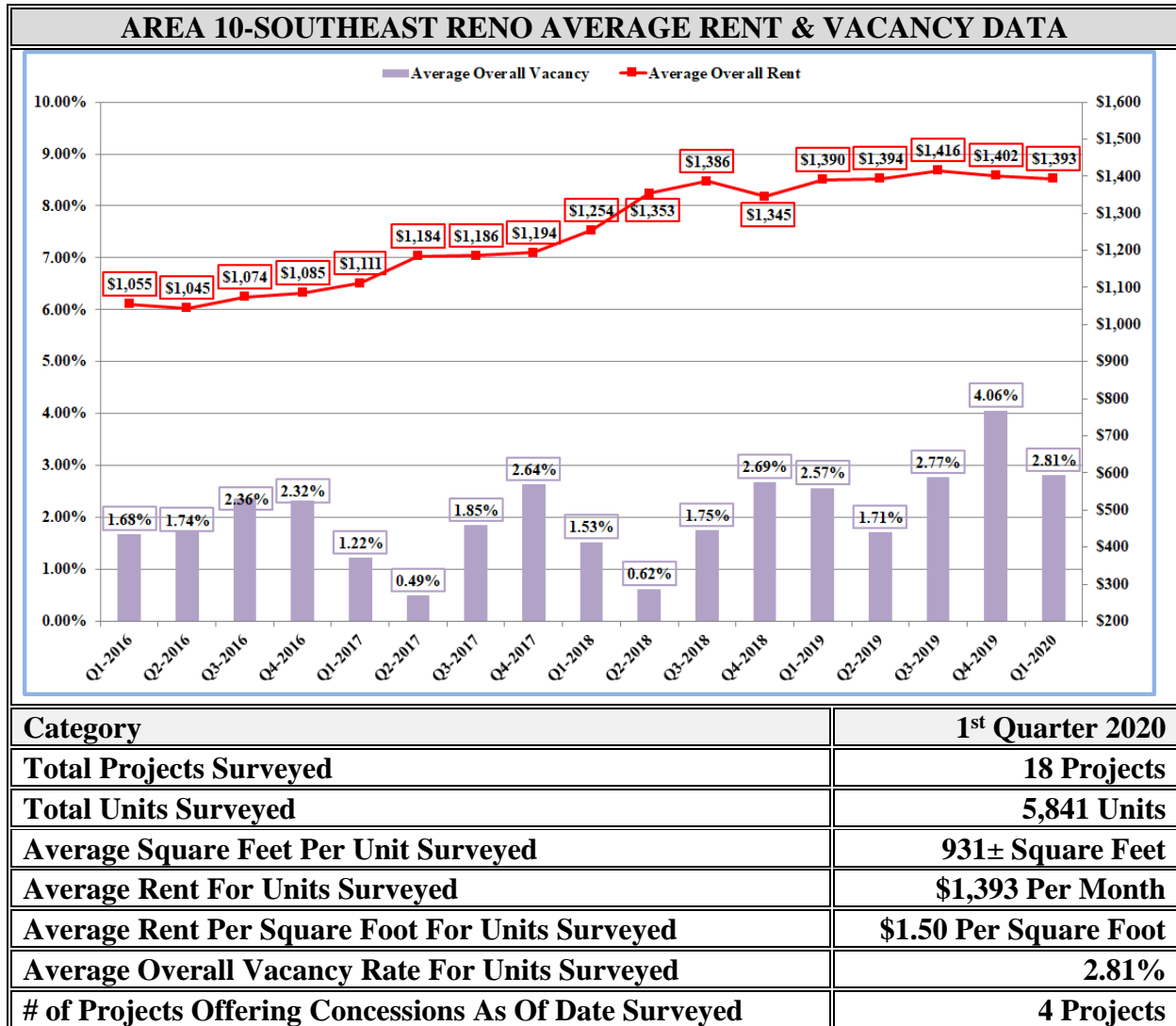


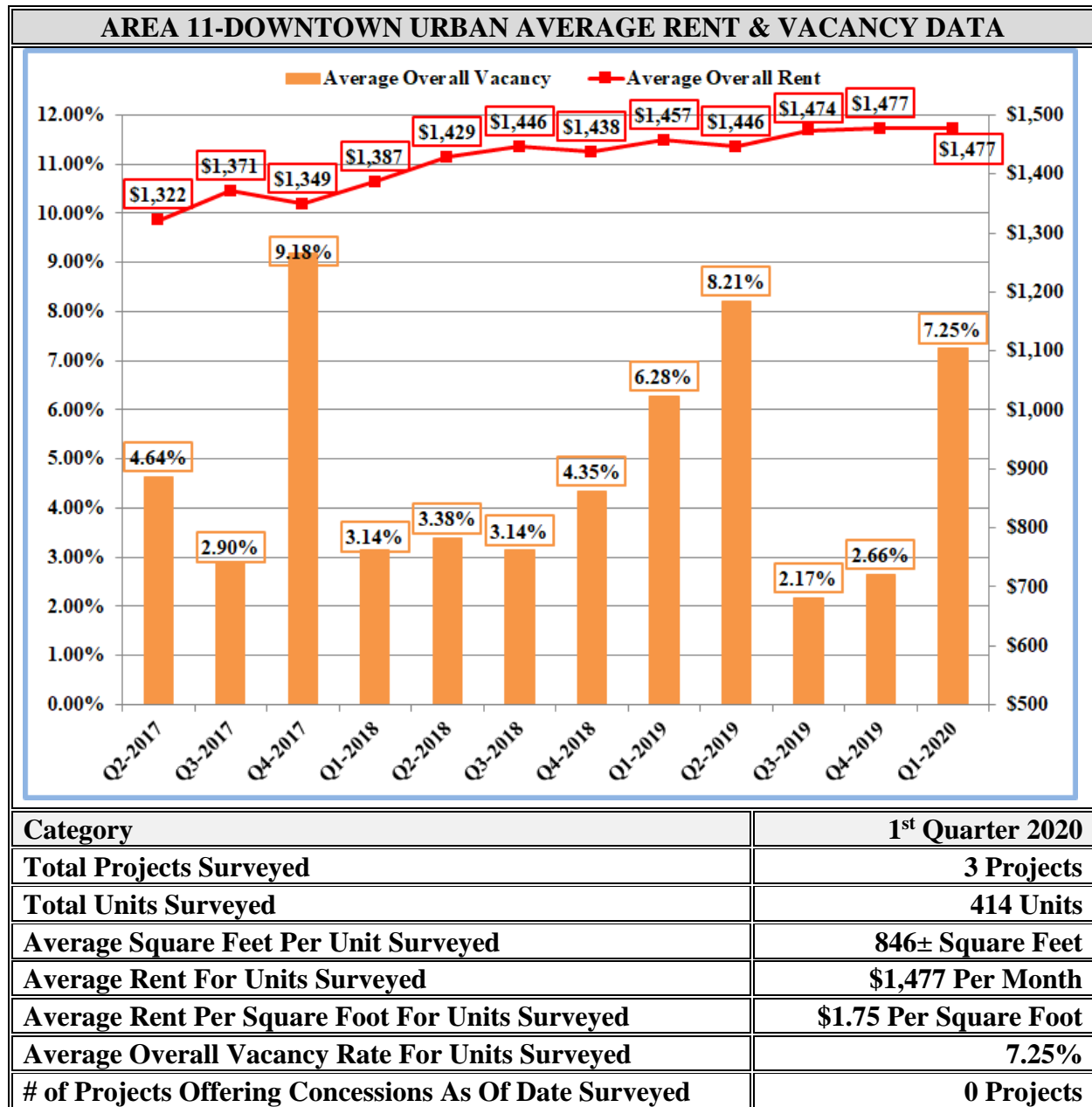


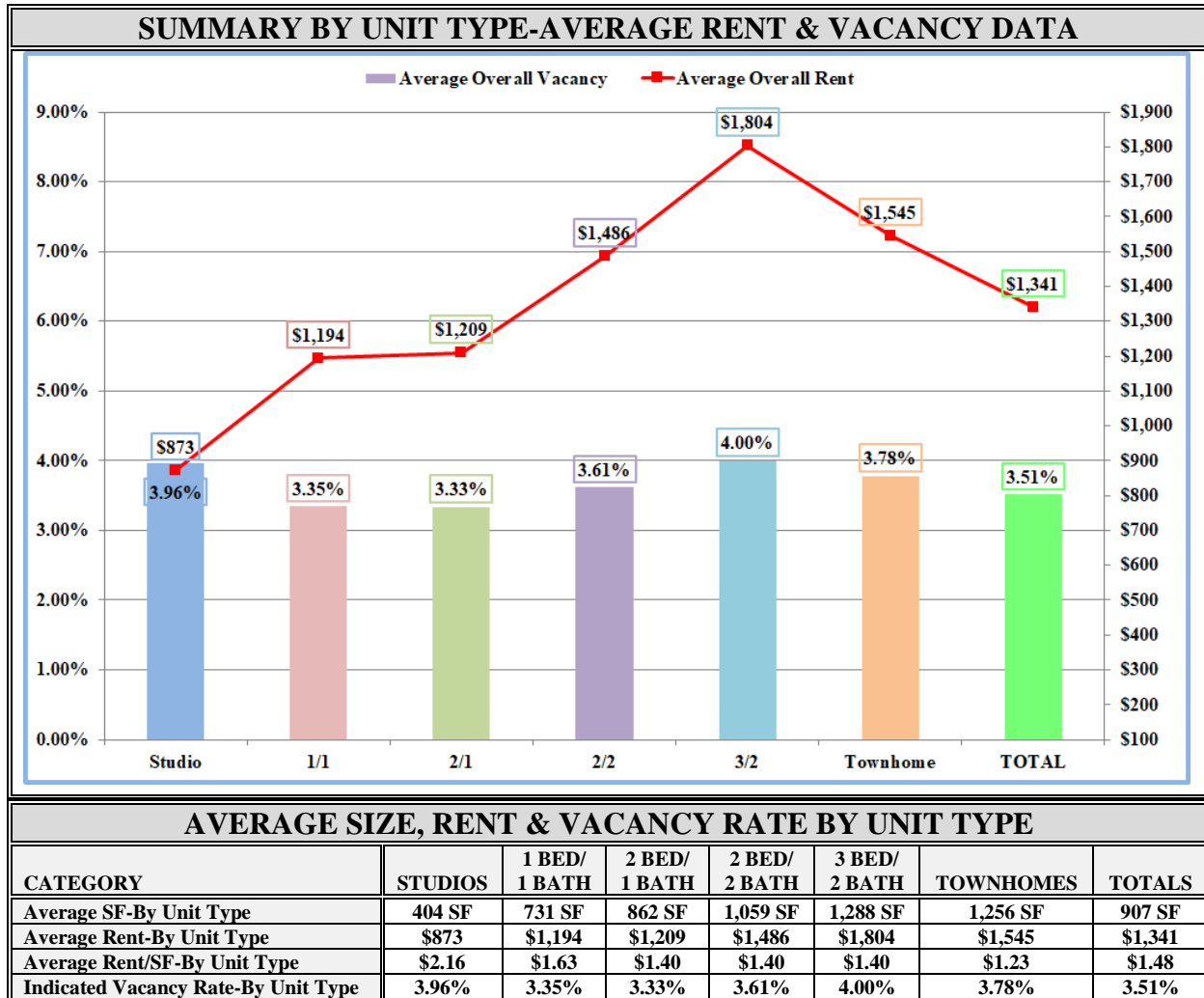


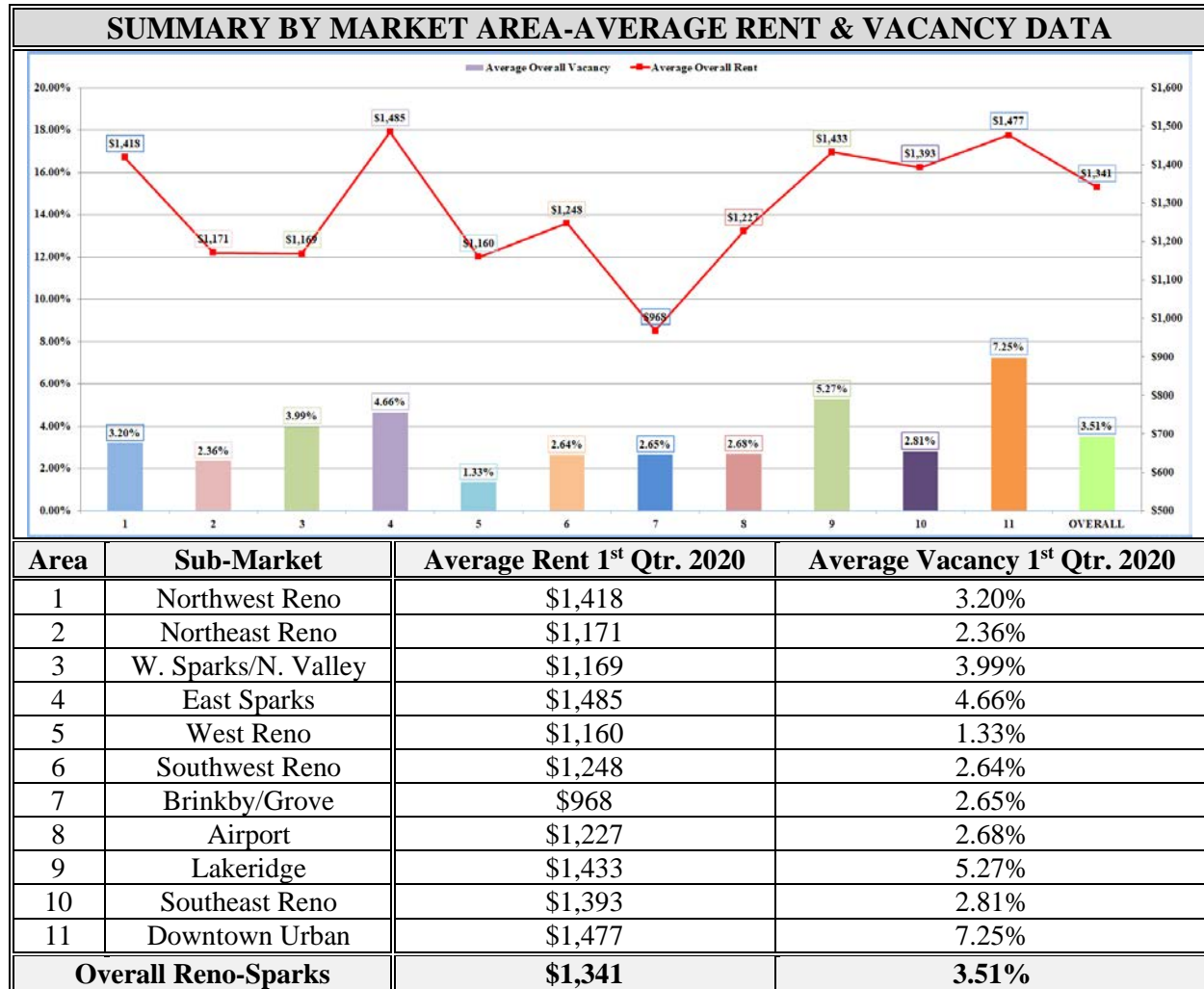






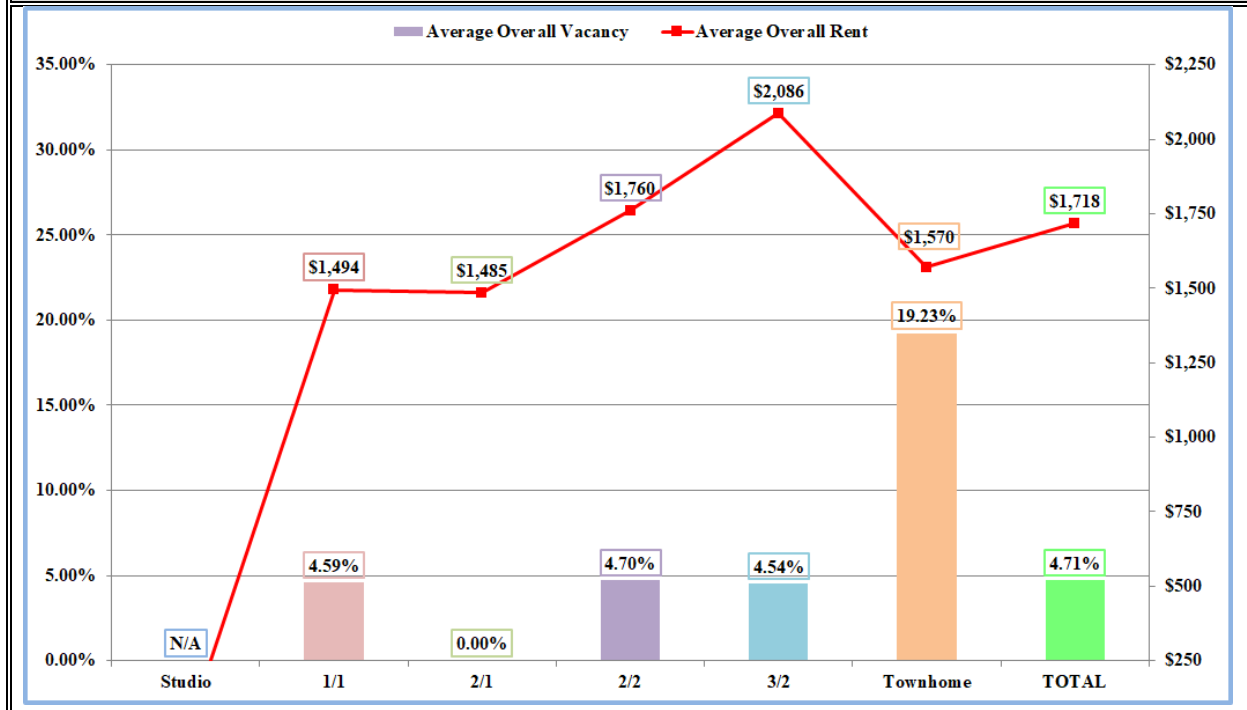








### 15 PROPERTIES WITH HIGHEST AVERAGE RENTS AVERAGE RENT & VACANCY DATA



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	1,220 Units	24 Units	1,871 Units	551 Units	26 Units	3,692 Units
Average SF-By Unit Type	N/A	802 SF	993 SF	1,191 SF	1,405 SF	1,154 SF	1,093 SF
Average Rent-By Unit Type	N/A	\$1,494	\$1,485	\$1,760	\$2,086	\$1,570	\$1,718
Average Rent/SF-By Unit Type	N/A	\$1.86	\$1.50	\$1.48	\$1.48	\$1.36	\$1.57
Indicated Vacancy Rate-By Unit Type	N/A	4.59%	0.00%	4.70%	4.54%	19.23%	4.71%



<b>SURVEY PARTICIPANTS</b>	
<b>Special thanks to the following apartment complexes for their continued and reliable support:</b>	
Aviana at Tuscany	Waterfront at the Marina
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
Vida	Palace Apartments
Vizcaya Hilltop Apartments	Regency Park Apartments
Westcreek Apartments	Roselake Apartments
Westridge Apartments	Sherwood Forest
El Chaparral	Southwest Village
Green Pines	Balfour Place
Northtowne Summit	Brooktree Apartments
Reno Vista Apartments	Kirman Gardens
Riverwood Apartments	The Meadows II
The View Apartments	Aspen Ridge
1100 Place	Lakeridge East Apartments
Lansdowne House	Redfield Ridge
Sandpebble	Skyline Canyon
Sierra Point Apartments	The Lodge at McCarran Ranch
Sierra Sage Apartments	Bristle Pointe
Sierra View Apartments	Creekside Apartments
Sierra Woods	Harvest at Damonte Ranch Phase I
Silver Lake Apartments	Harvest at Damonte Ranch Phase II
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	Sierra Vista
Canyon Vista Apartments	The Alexander at South Virginia
Caviata at Kiley Ranch	The Element
Eastland Hills	The Enclave
High Rock 5300	The Phoenix Reno
Lyfe at the Marina	The Village at Arrowcreek
Marina Garden Apartments	The Village at Iron Blossom
Marina Village	The Village South
Park Vista	Vida
Reflections at the Marina	Village of the Pines
Spring Villas Townhomes	Vintage at South Meadows
The Trails at Pioneer Meadows	3rd Street Flats
The Villas at D'Andrea	Fountainhouse
Vineyards at Galleria	Square One