



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY[©]

2ND 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 23,984 units reported. A total of 97 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, The Bridges and Silverado, reached stabilization during the 2nd Quarter 2020 and agreed to become survey participants. The total apartment projects participating in the survey increased from 95 projects to 97 projects, and the total units increased from 23,694 units to 23,984 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	1 st Quarter 2020	2 nd Quarter 2020	Change
Total Projects	95	97	2 Additional Projects
Total Units	23,694	23,984	290 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 issued social distancing guidelines, and a majority of states issued stay at home directives, as well as mandatory closures of non-essential businesses, schools and universities. The Pandemic caused a significant decrease in business activity and a dramatic increase in the unemployment rate. As a result, the U.S. Congress passed legislation providing substantial financial aid to most businesses and individuals. Although this legislation was intended to minimize the economic impact, it is unknown which segments of the market will be adversely affected.

On June 25, 2020, Governor Sisolak signed Emergency Directive 025, which will gradually lift the moratorium he previously placed on evictions. Directive 025 will allow residential evictions and foreclosures to resume in full on September 1, 2020 for non-payment of rents and no cause evictions. Late fees or penalties for non-payment of rent or mortgage payments may not be charged retroactively. While it is unknown exactly how the multi-family market will be impacted, 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.

In order to assess how Covid-19 is impacted our survey participants, we included a question regarding delinquency to our 2nd Quarter 2020 survey. Approximately 43 survey participants provided us with delinquency information. Of those who participated, we had properties report no delinquency up to 20%. Overall, the weighted average delinquency was 4.82% for the participating properties.



ECONOMIC OUTLOOK

According to the Nevada Department of Employment, Training and Rehabilitation's (DETR) May 2020 economic report, employment in Nevada is up 32,700 jobs over the month and the unemployment rate declined to 25.3%. This report is the second report which covers the period affected by the COVID-19 public health emergency and reflects some of the early effects of reopening the economy. Beginning to rebound from April's lows, Nevada added jobs back faster than the nation this month at a rate of 2.9% and 1.9%, respectively. Accommodation and food services added 16,800 jobs over the month which is representative of the ease in restrictions on establishments that serve food during the reference period of May 12th.

DETR's report also notes that employment is down 245,300 jobs over the year, a growth rate of negative 17.3%. Nevada's employment levels remain low despite the strong over the month growth and are at levels last seen in 2012. The State's unemployment rate is 25.3% this month, down 4.7 percentage points from April but up 21.3 percentage points when compared to last May. Nevada's Unemployment Insurance (UI) claims saw a decrease of initial claims over the month of 132,678, or 64%.

"This report reflects the second month of significant impact to the state's labor market due to COVID-19 business closures. Last month, we saw that Nevada was the hardest-hit state in the nation and May's data continues this theme. The unemployment rate remains above 25%, and the number of jobs in the state remains nearly 250,000 jobs lower than this time last year." said David Schmidt, Chief Economist for DETR. "While we have begun to recover from April's lows, this report still describes a labor market affected by widespread business closure. While we expect to see improvement in the months ahead, we are still facing a situation unlike anything the state has ever seen."

Additional May 2020 Economic Report Highlights:

- Nevada (+2.9%) added jobs back faster than the nation (+1.9%) from April to May.
- Accommodation and food services added the most jobs (+16,800) over the month.
- Leisure and hospitality (-37%) and other services (21.2%) are down the most since the same time last year.
- The unemployment rate in Nevada remained much higher than the national rate in May, despite falling to 25.3% on a seasonally adjusted basis, and 25.2% on an unadjusted basis; the national rate was 13.3% adjusted, 13.0% unadjusted.
- The Pandemic Unemployment Assistance (PUA) program for the self-employed, 1099 contract workers, and gig workers saw 16,201 initial claims filed in the week, a decline from last week's total of 18,700. PUA currently has over 90,000 unique claims each week.
- Approximately \$3 billion in total benefits have been paid across all UI programs, with over 4.5 million individual weeks of benefits claimed across UI, PEUC, and PUA.

(Source: Nevada Department of Employment, Training and Rehabilitation Labor Market Summary May 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	420 SF	731 SF	862 SF	1,059 SF	1,285 SF	1,256 SF	906 SF
Average Rent-By Unit Type	\$915	\$1,225	\$1,251	\$1,514	\$1,795	\$1,592	\$1,369
Average Rent/SF-By Unit Type	\$2.18	\$1.68	\$1.45	\$1.43	\$1.40	\$1.27	\$1.51
Indicated Vacancy Rate-By Unit Type	2.12%	3.60%	3.03%	3.25%	2.74%	5.68%	3.32%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	1 st Quarter 2020	2 nd Quarter 2020	Change
Average Vacancy	3.51%	3.32%	-19 Basis Points
Average Rent	\$1,341	\$1,369	+\$28 or +2.09%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	1 st Qtr. 2020	2 nd Qtr. 2020	Result	1 st Qtr. 2020	2 nd Qtr. 2020	Result
Studio	\$873	\$915	+\$42	3.96%	2.12%	-1.84%
1 Bedroom/1 Bath	\$1,194	\$1,225	+\$31	3.35%	3.60%	+0.26%
2 Bedroom/1 Bath	\$1,209	\$1,251	+\$42	3.33%	3.03%	-0.31%
2 Bedroom/2 Bath	\$1,486	\$1,514	+\$28	3.61%	3.25%	-0.36%
3 Bedroom/2 Bath	\$1,804	\$1,795	-\$9	4.00%	2.74%	-1.27%
Townhouse	\$1,545	\$1,592	+\$47	3.78%	5.68%	+1.89%
TOTALS	\$1,341	\$1,369	+\$28	3.51%	3.32%	-0.19%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		1 st Qtr. 2020	2 nd Qtr. 2020	Result	1 st Qtr. 2020	2 nd Qtr. 2020	Result
1	Northwest Reno	\$1,418	\$1,435	+\$17	3.20%	2.53%	-0.67%
2	Northeast Reno	\$1,171	\$1,211	+\$40	2.36%	1.44%	-0.91%
3	W. Sparks/N. Valley	\$1,169	\$1,200	+\$31	3.99%	3.03%	-0.96%
4	East Sparks	\$1,485	\$1,510	+\$25	4.66%	3.24%	-1.41%
5	West Reno	\$1,160	\$1,214	+\$55	1.33%	0.44%	-0.89%
6	Southwest Reno	\$1,248	\$1,245	-\$3	2.64%	2.32%	-0.32%
7	Brinkby/Grove	\$968	\$986	+\$18	2.65%	1.57%	-1.08%
8	Airport	\$1,227	\$1,204	-\$23	2.68%	0.89%	-1.79%
9	Lakeridge	\$1,433	\$1,450	+\$17	5.27%	4.07%	-1.20%
10	Southeast Reno	\$1,393	\$1,436	+\$43	2.81%	5.02%	+2.21%
11	Downtown Urban	\$1,477	\$1,507	+\$29	7.25%	6.09%	-1.16%
Overall Reno-Sparks		\$1,341	\$1,369	+\$28	3.51%	3.32%	-0.19%



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%
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%
Q2-2020	\$915	2.12%	\$1,225	3.60%	\$1,251	3.03%	\$1,514	3.25%	\$1,795	2.74%	\$1,592	5.68%	\$1,369	3.32%
AVERAGE	\$595	4.79%	\$839	4.07%	\$887	4.90%	\$1,069	4.96%	\$1,283	5.45%	\$1,197	5.71%	\$974	4.65%
MEDIAN	\$537	4.08%	\$753	3.42%	\$814	3.92%	\$949	4.44%	\$1,130	5.37%	\$1,120	5.20%	\$876	4.01%
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	\$915	10.96%	\$1,225	10.08%	\$1,262	12.20%	\$1,514	11.43%	\$1,838	13.18%	\$1,592	13.65%	\$1,369	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased by 2.09%, with all unit types except three bedroom/two bathroom units experiencing a slight increase in average rental rates. Additionally, nine of the eleven sub-markets experienced an increase in average rental rates, while the Southwest Reno and Airport sub-markets experienced slight decreases.

The overall vacancy rate for all units surveyed decreased by 19 basis points, with ten of the eleven submarkets showing decreases in vacancies. Studios, two bedroom/one bathroom units, two bedroom/two bathroom units and three bedroom/two bathroom units experienced decreases in average vacancies, while one bedroom/one bathroom units and townhomes experienced increases in average vacancies. Average vacancy for all unit types is now at 3.32%.

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:

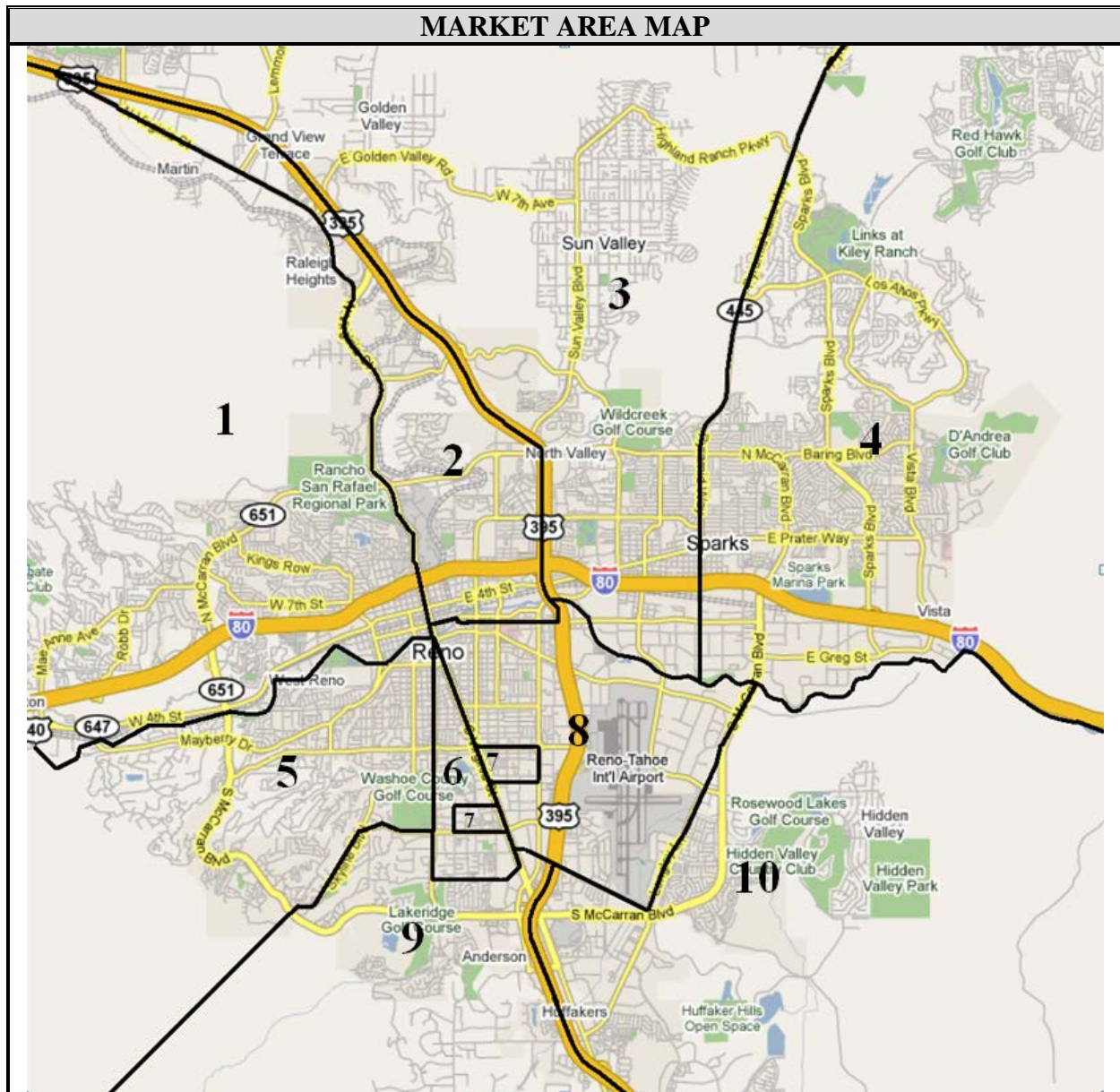
- Occupancy rates represent conditions as of the date of survey;
- Rents utilized in the report represent the base price of an unfurnished apartment;
- Units with more than one size per unit type were calculated on a weighted average for each unit type
- Weighted averages were used in all charts to give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

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. The project is located at the intersection of Steamboat Parkway and Veterans Parkway. At the end of the 2nd Quarter 2018 construction was completed on Phase I. At the end of the 3rd 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 3rd Quarter of 2017. Phase III will include 260 units. At the end of the 2nd Quarter of 2020, 13 buildings of Phase III were complete, approximately 70% of the project had been pre-leased and 63% 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 1st Quarter of 2020, 32 buildings were complete, 80% of the project had been pre-leased and 75% of the property 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. Construction on the project was completed in the 1st Quarter of 2020. As of the date of this survey, 80% of the project had been pre-leased and 73% of the project was occupied.

Reno Land Inc. broke ground on INOVA in the 2nd 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 2nd Quarter of 2020, six buildings were complete, approximately 21% of the project had been pre-leased and 14% of the project was occupied.

Guardian Capital broke ground on Parq Crossing in the 4th Quarter of 2019. Parq Crossing is a 288-unit apartment project located at the northeast corner of Oddie Boulevard and El Rancho Drive in Sparks. At the end of the 2nd Quarter of 2020, no buildings had been completed; however, the first move-ins are tentatively scheduled for August 2020. Approximately 4.86% of the project had been pre-leased.

Bluth Development broke ground on The Lakes at Sky Vista in the 1st Quarter of 2019. The Lakes at Sky Vista is a 768-unit apartment project located along Sky Vista Parkway, west of Lemmon Valley Road. At the end of the 2nd Quarter of 2020, two buildings were complete, approximately 6% of the project had been pre-leased and just under 1% of the project was occupied.

Oakmont Properties broke ground on Azure in the 3rd Quarter of 2018. Azure is a 308-unit apartment complex located along the east side of Marina Gateway Drive. At the end of the 2nd Quarter of 2020, one building was complete, approximately 12% of the project was 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
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	288	Northeast Corner of Oddie Boulevard & El Rancho 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
Esprit Apartments	126	Southeast Corner of Veterans Parkway & Geiger Grade Road	10	Under Construction
INOVA	581	Mt. Rose Highway	10	Under Construction
Double R Apartments	440	Double R Boulevard & Technology Way	10	Under Construction
The Harvest-Phase III	260	Damonte Ranch	10	Under Construction
Total Units:	4,137			
Projects Planned				
Project Name	Units	Location	Area	Status
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
Promenade-Phase I & II	288	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	460	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
875 Damonte	300	Northside of Damonte Ranch Parkway, East of Double R Boulevard	10	Planning Stages
Confidential	330	Northwest Corner of Longley Lane and South Virginia Street	10	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
Total Units:	5,979			

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 Silverado and The Bridges.

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 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
The Bridges	194	Jun-18	Mar-20	8.82
Silverado	96	May-19	May-20	7.38



RENT CONCESSIONS

During the 2nd Quarter of 2020 23.71% of the apartment projects in our Survey offered rent concessions, which decreased from 27.37% in the 1st Quarter of 2020. 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 a 12-month lease

The chart below summarizes the percentage of projects which have offered concessions, and the overall vacancy rate, between 2015 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 %
Q1-2015	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%
Q2-2020	23.71%	3.32%



SURVEY RESULTS

This section of the report covers survey findings pertaining to the total survey area for the 1st 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:

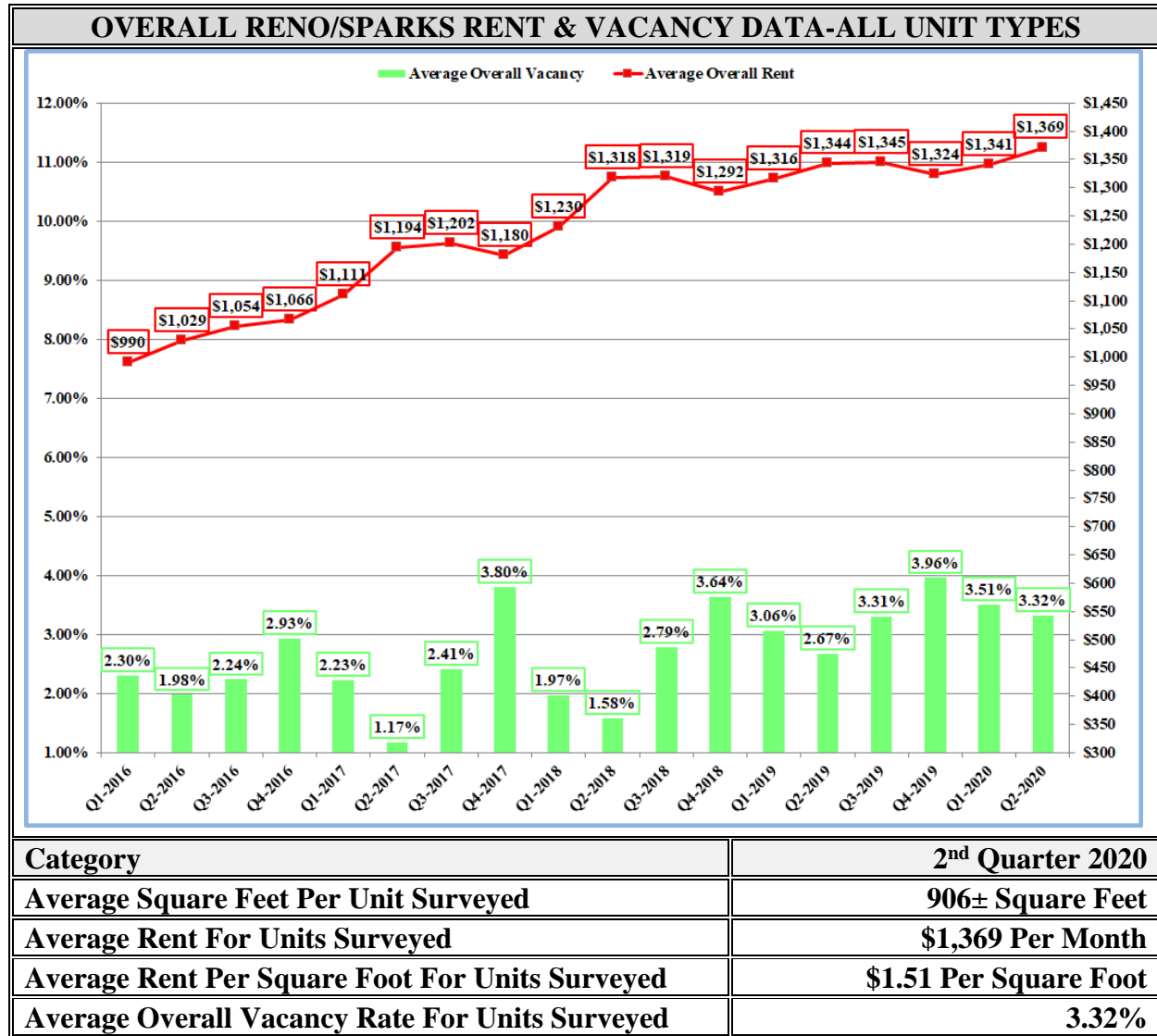
These graphs illustrate quarterly vacancy percentage and average monthly rent. The sub-market categories are as follows:

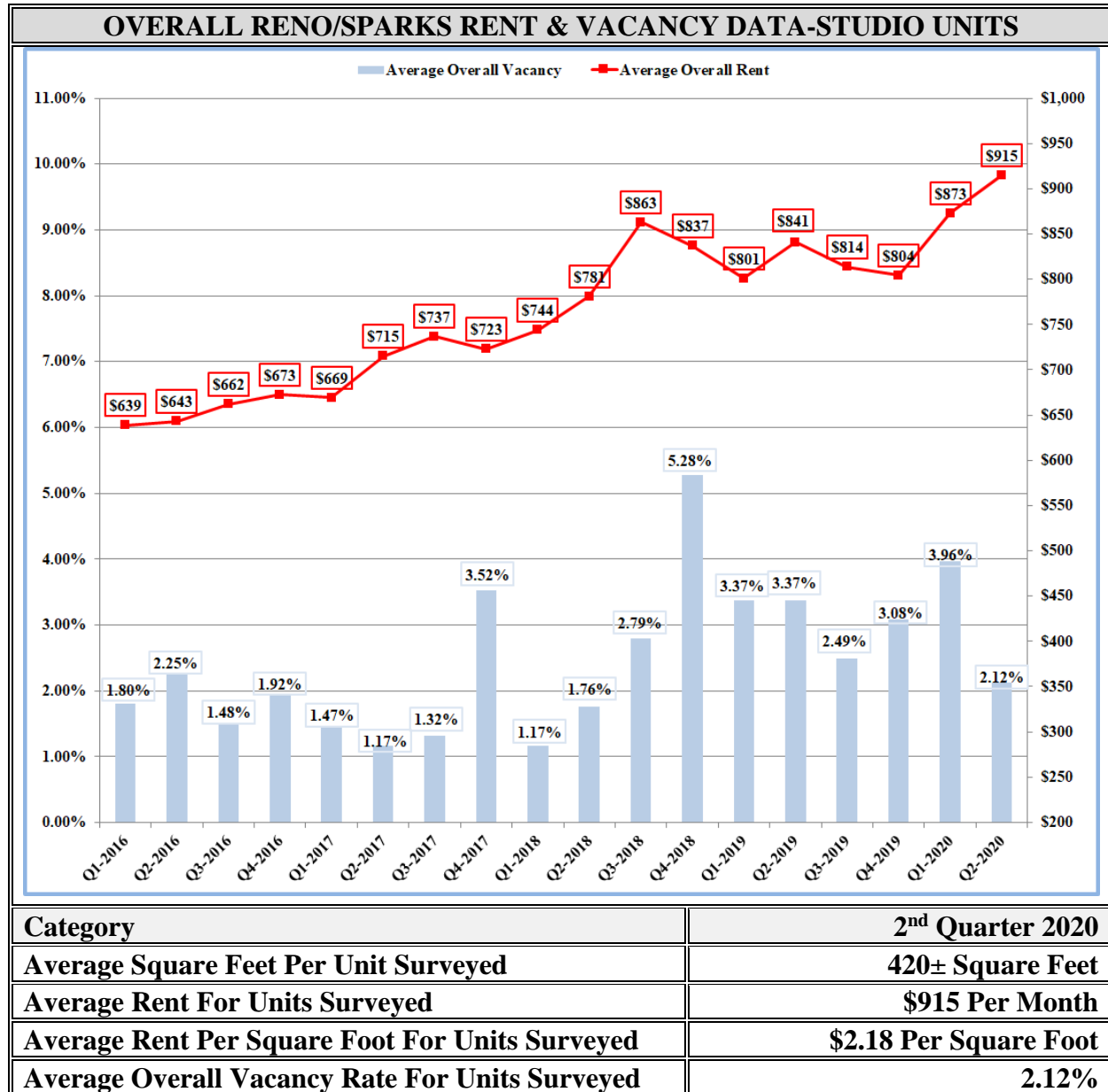
- Area 1-Northwest Reno
- Area 2-Northeast Reno
- Area 3-West Sparks/North Valleys
- Area 4-East Sparks
- Area 5-West Reno
- Area 6-Southwest Reno
- Area 7-Brinkby/Grove
- Area 8-Airport
- Area 9-Lakeridge
- Area 10-Southeast Reno
- Area 11-Downtown Urban

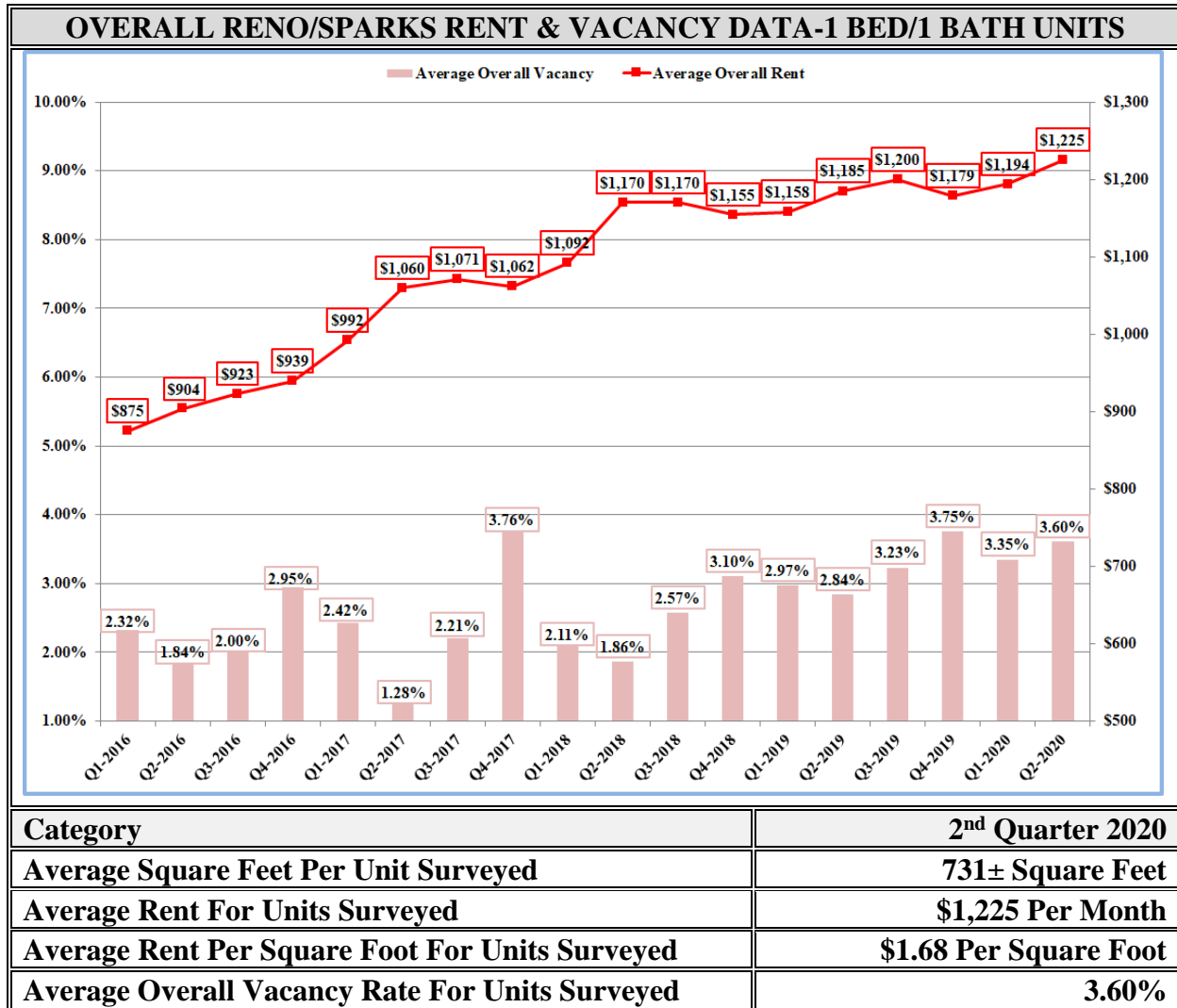
CURRENT SURVEY COMPARISONS:

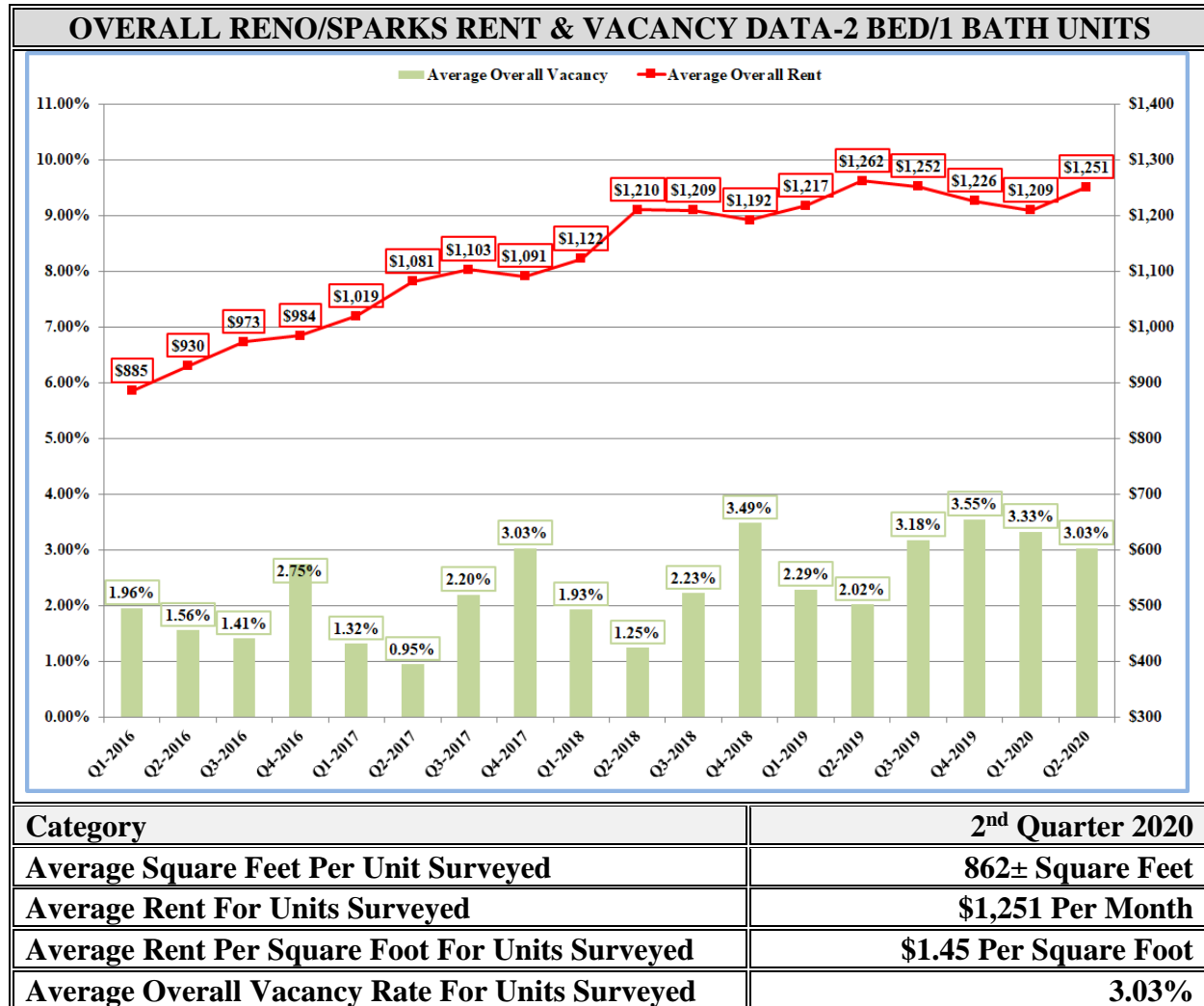
This section of graphs illustrates overall comparisons based on unit type and sub-market categories. These graphs include:

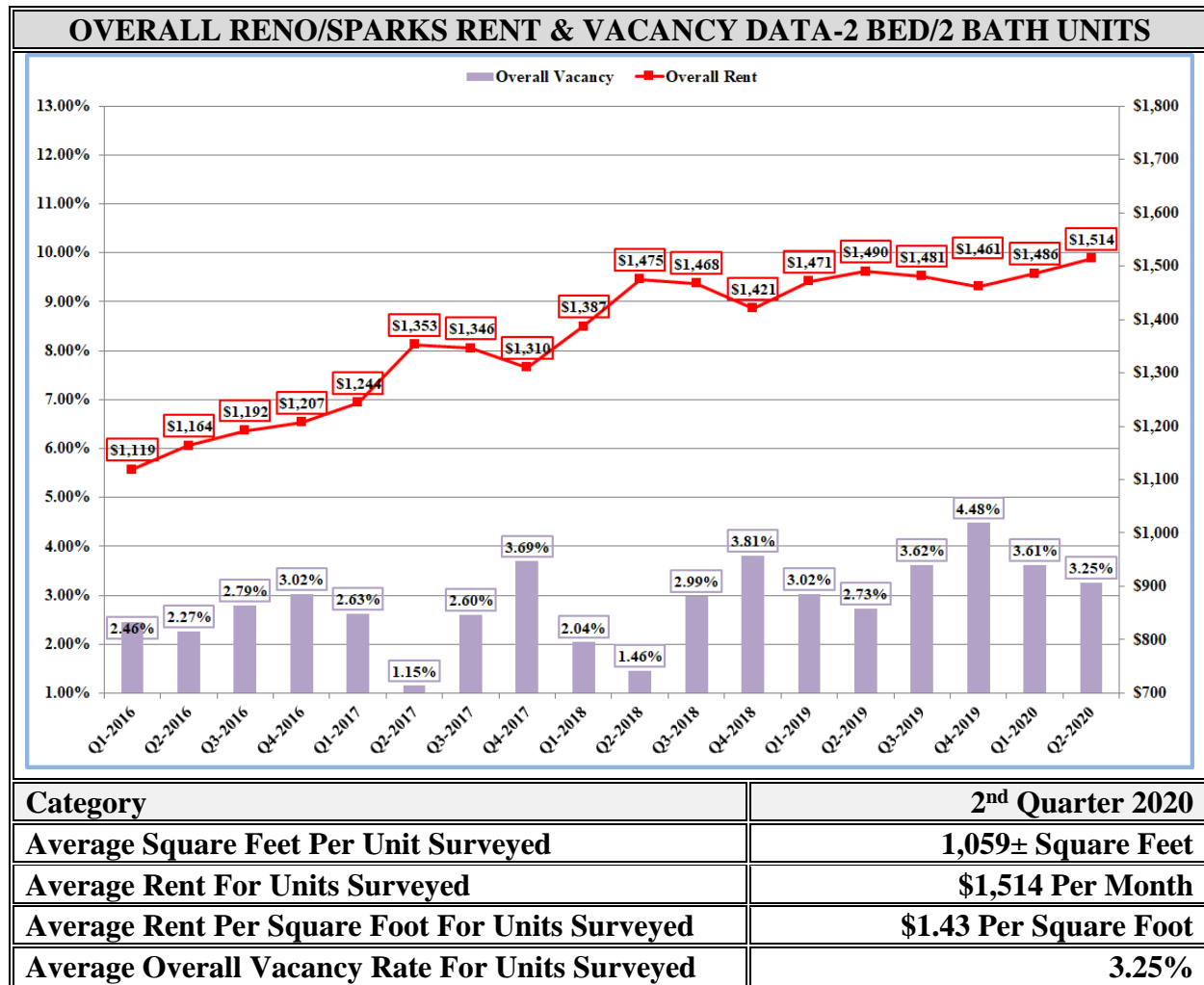
- Summary By Unit Type
- Summary By Area
- 15 Properties With The Highest Average Rents





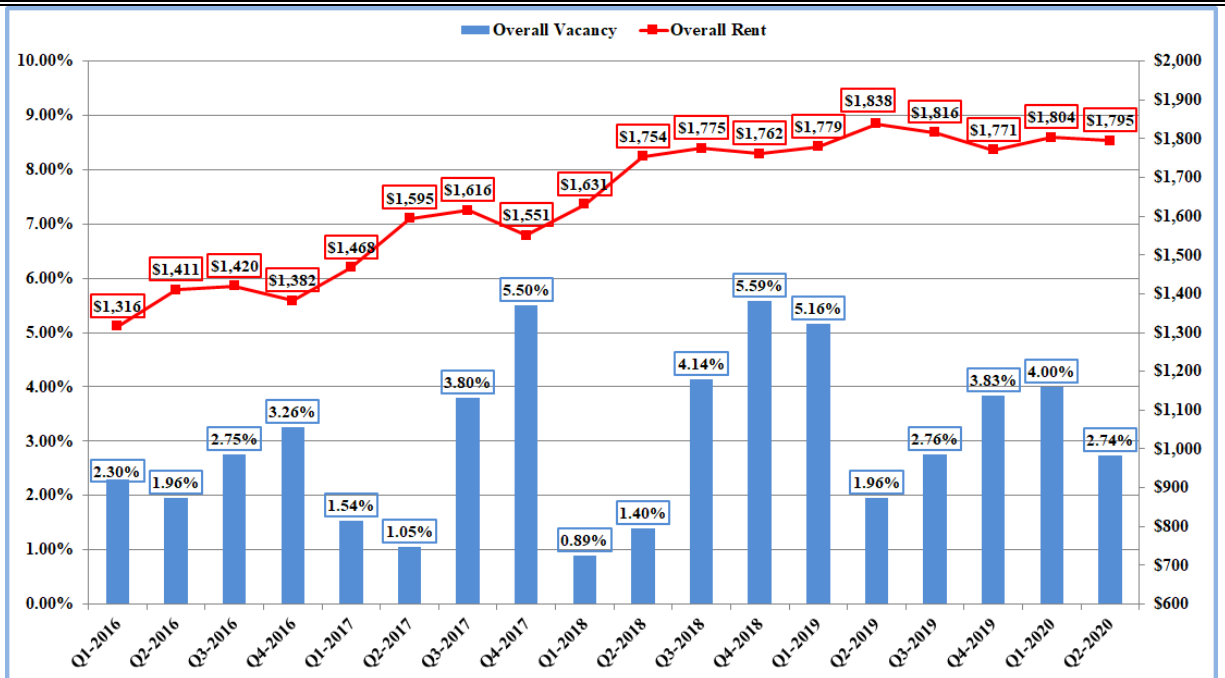




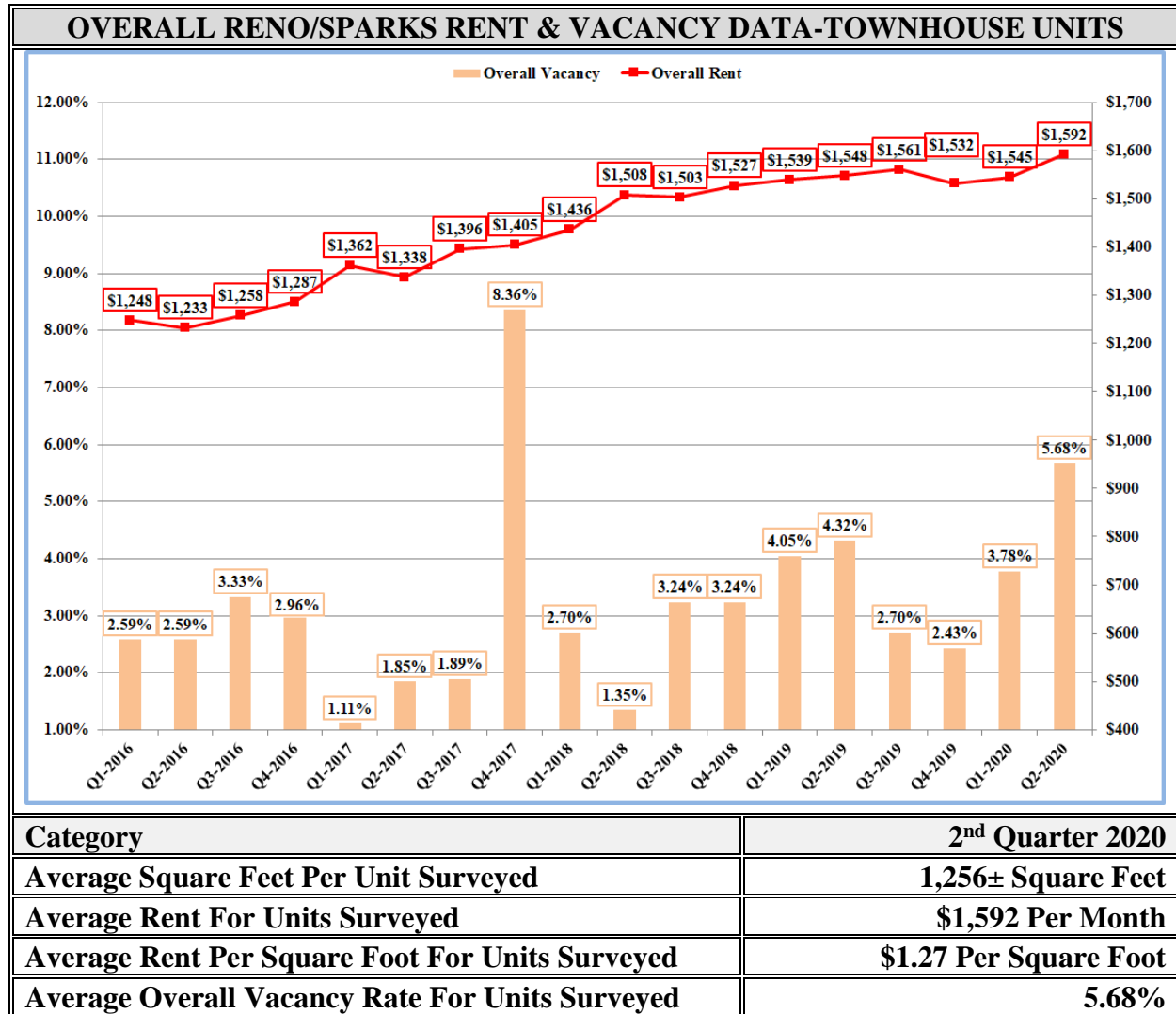


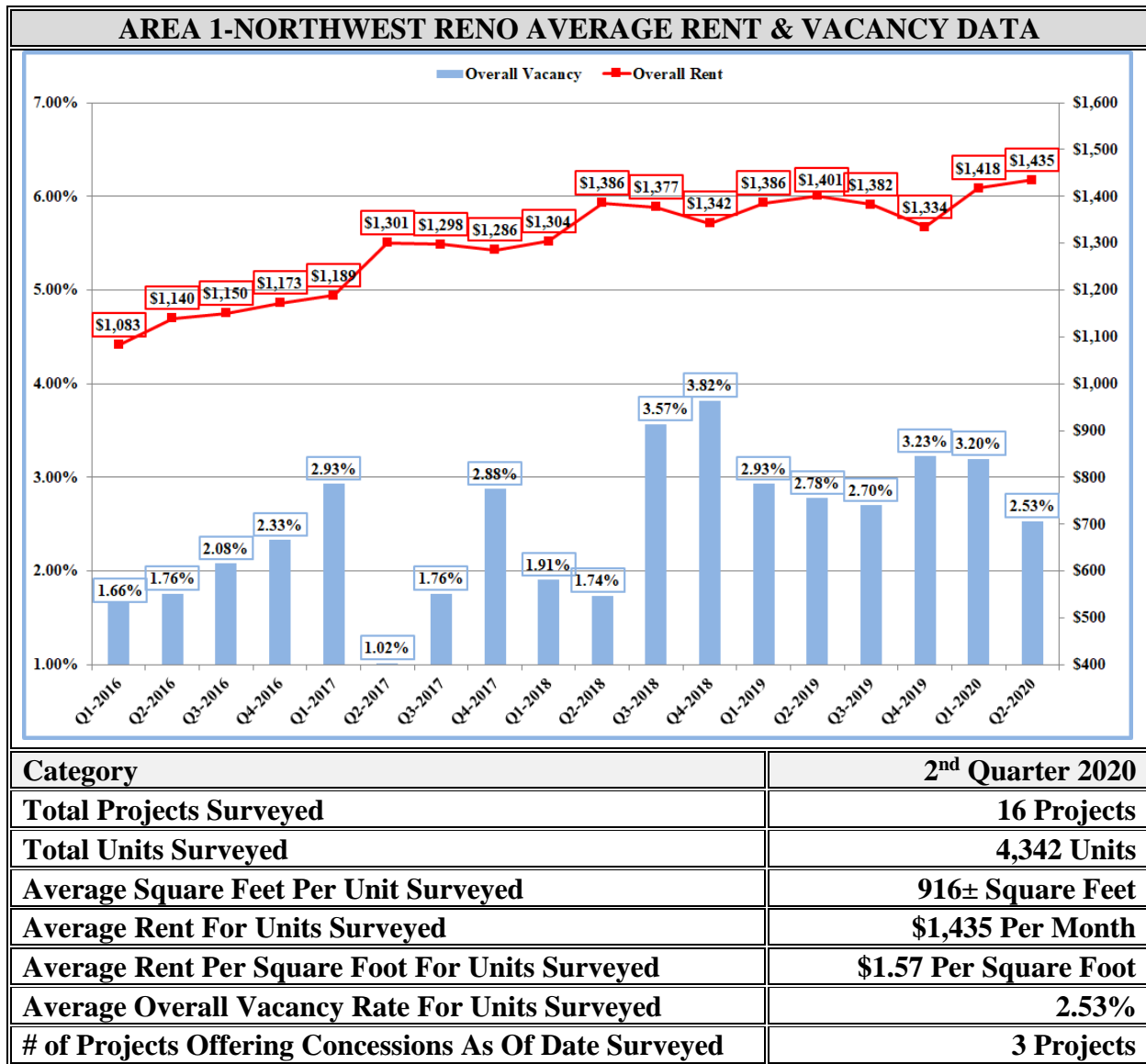


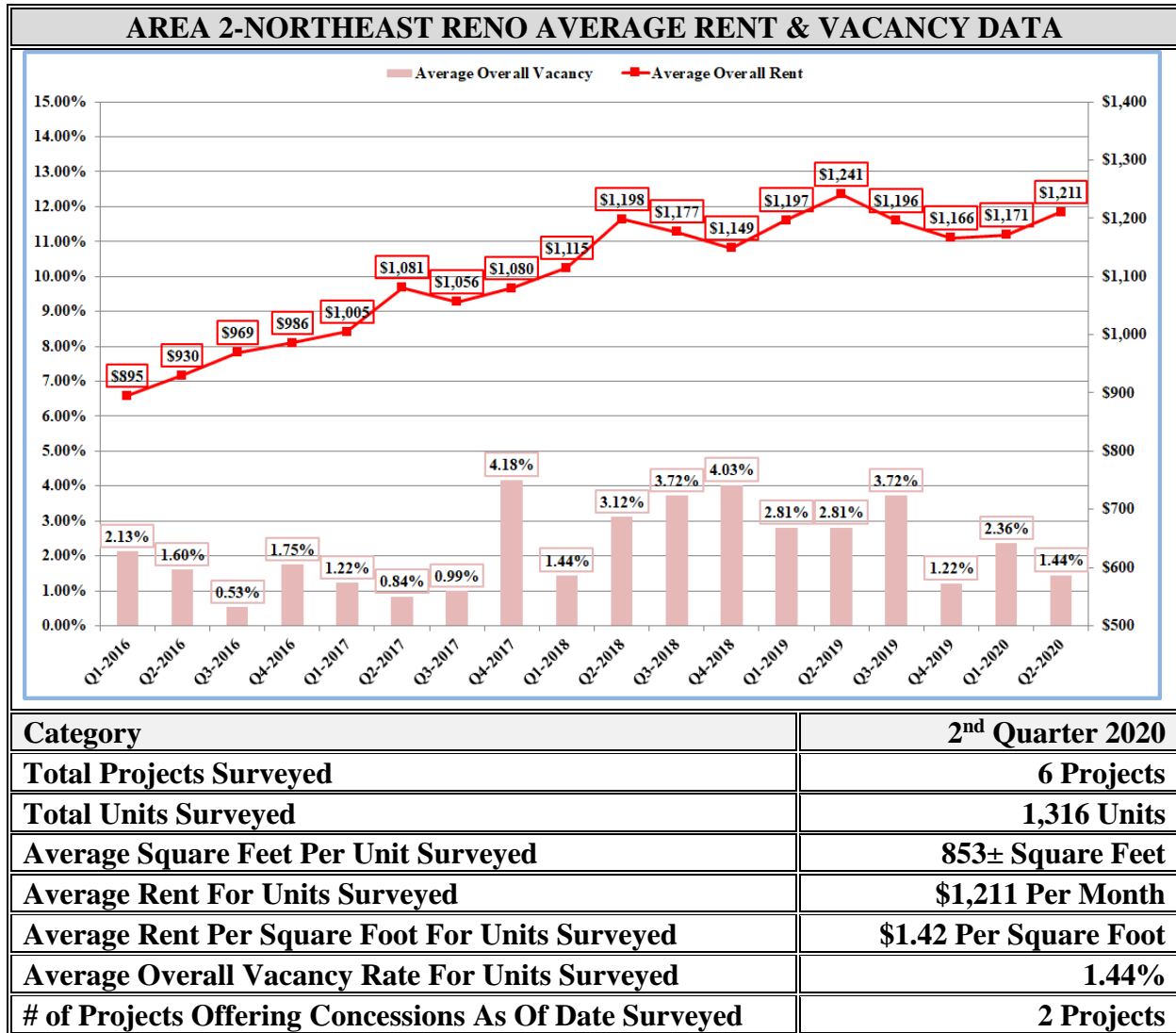
OVERALL RENO/SPARKS RENT & VACANCY DATA-3 BED/2 BATH UNITS



Category	2 nd Quarter 2020
Average Square Feet Per Unit Surveyed	1,285± Square Feet
Average Rent For Units Surveyed	\$1,795 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.40 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.74%

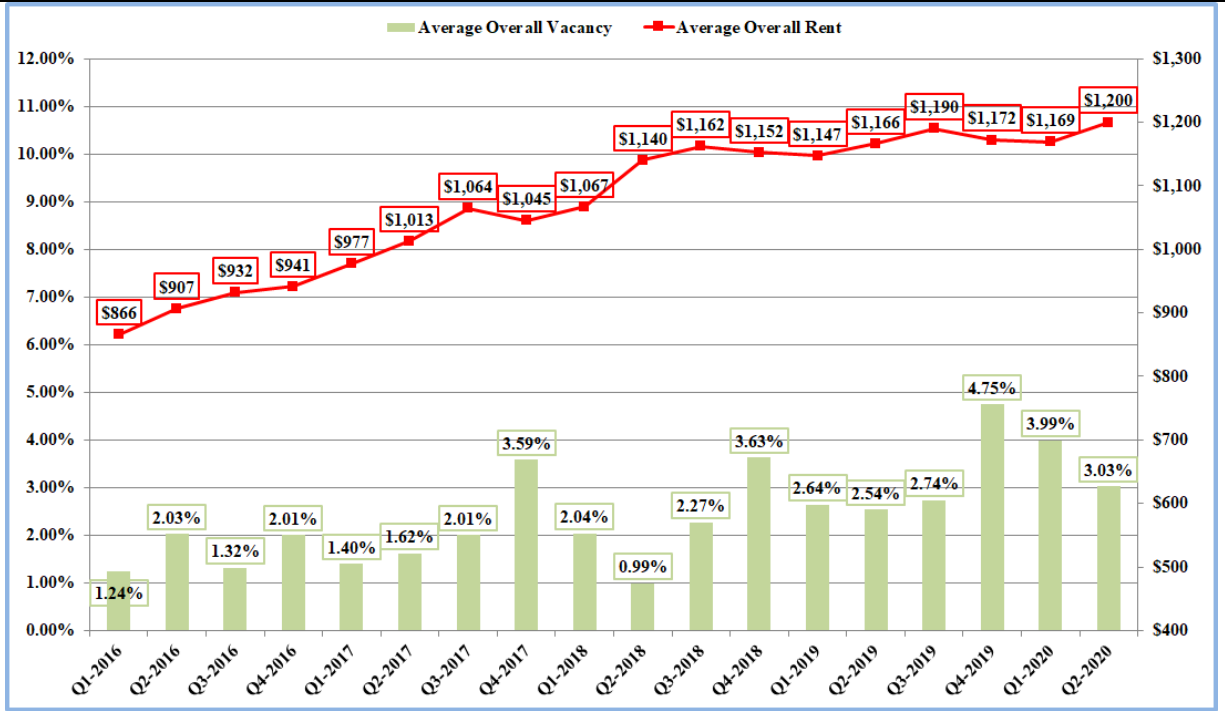








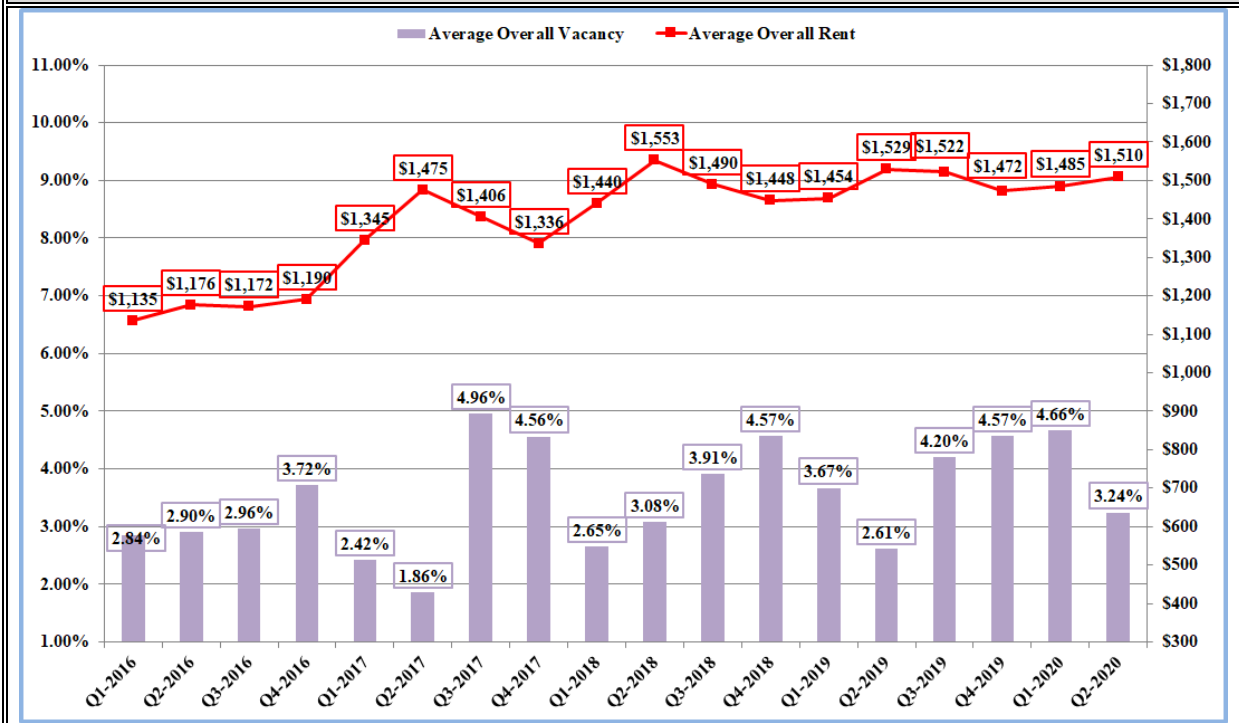
AREA 3-WEST SPARKS/NORTH VALLEYS AVERAGE RENT & VACANCY DATA



Category	2 nd 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	\$1,200 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.38 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.03%
# of Projects Offering Concessions As Of Date Surveyed	3 Projects



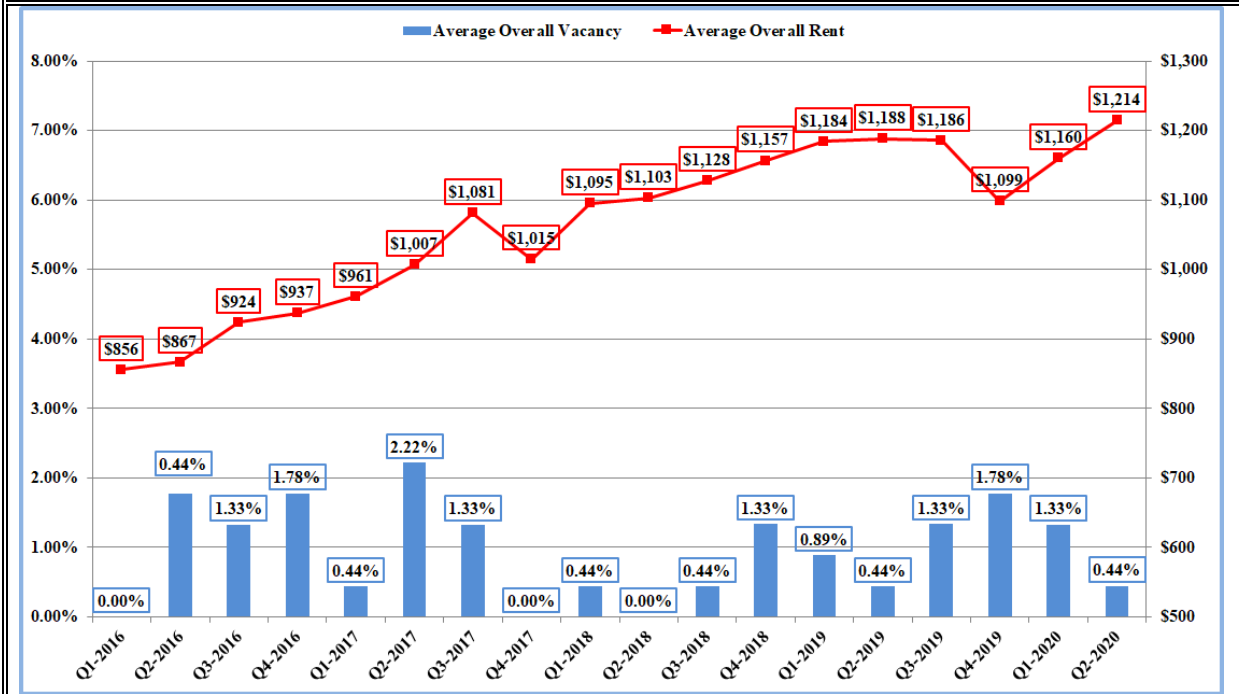
AREA 4-EAST SPARKS AVERAGE RENT & VACANCY DATA



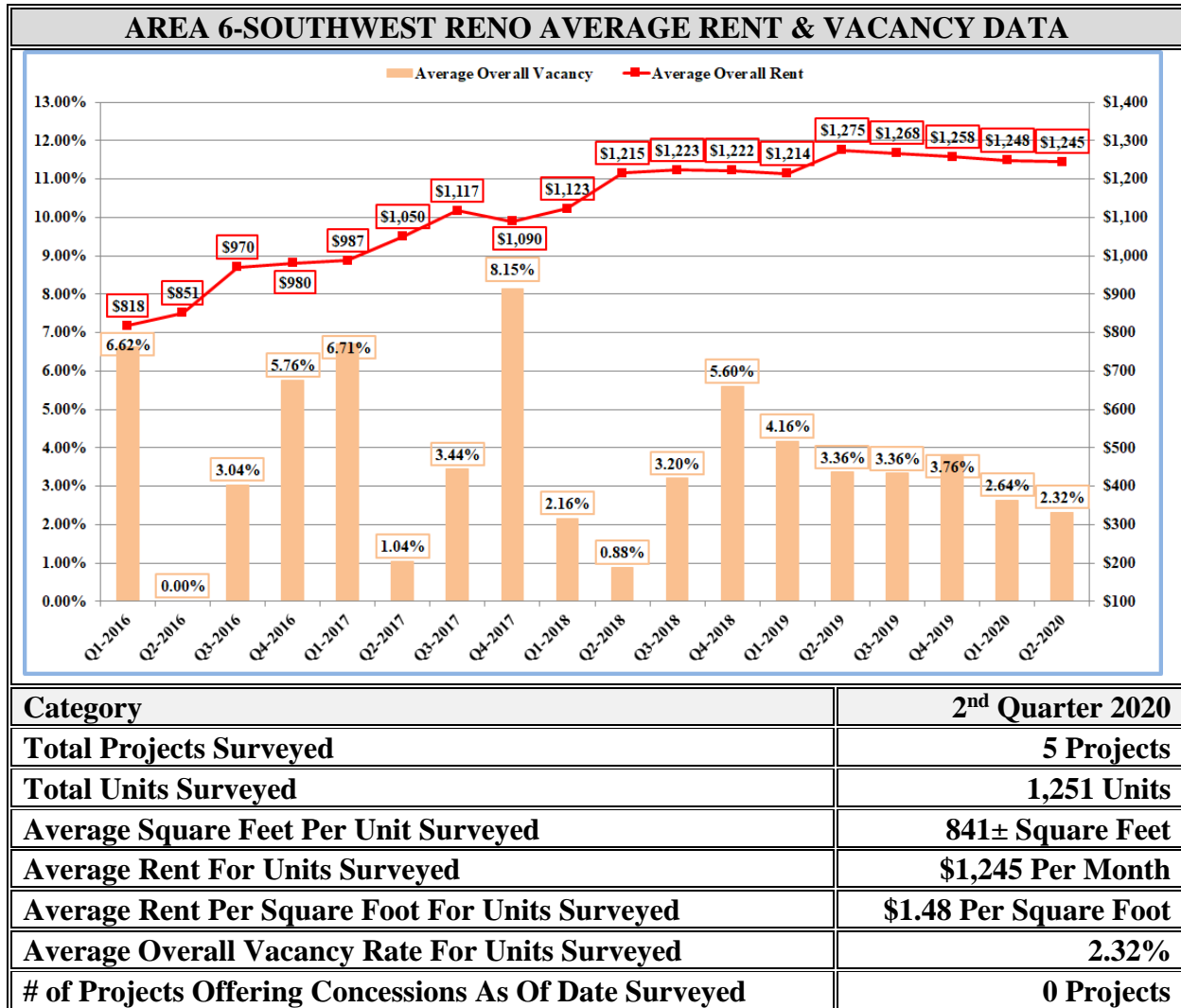
Category	2 nd Quarter 2020
Total Projects Surveyed	17 Projects
Total Units Surveyed	4,346 Units
Average Square Feet Per Unit Surveyed	969± Square Feet
Average Rent For Units Surveyed	\$1,510 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.56 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.24%
# of Projects Offering Concessions As Of Date Surveyed	8 Projects

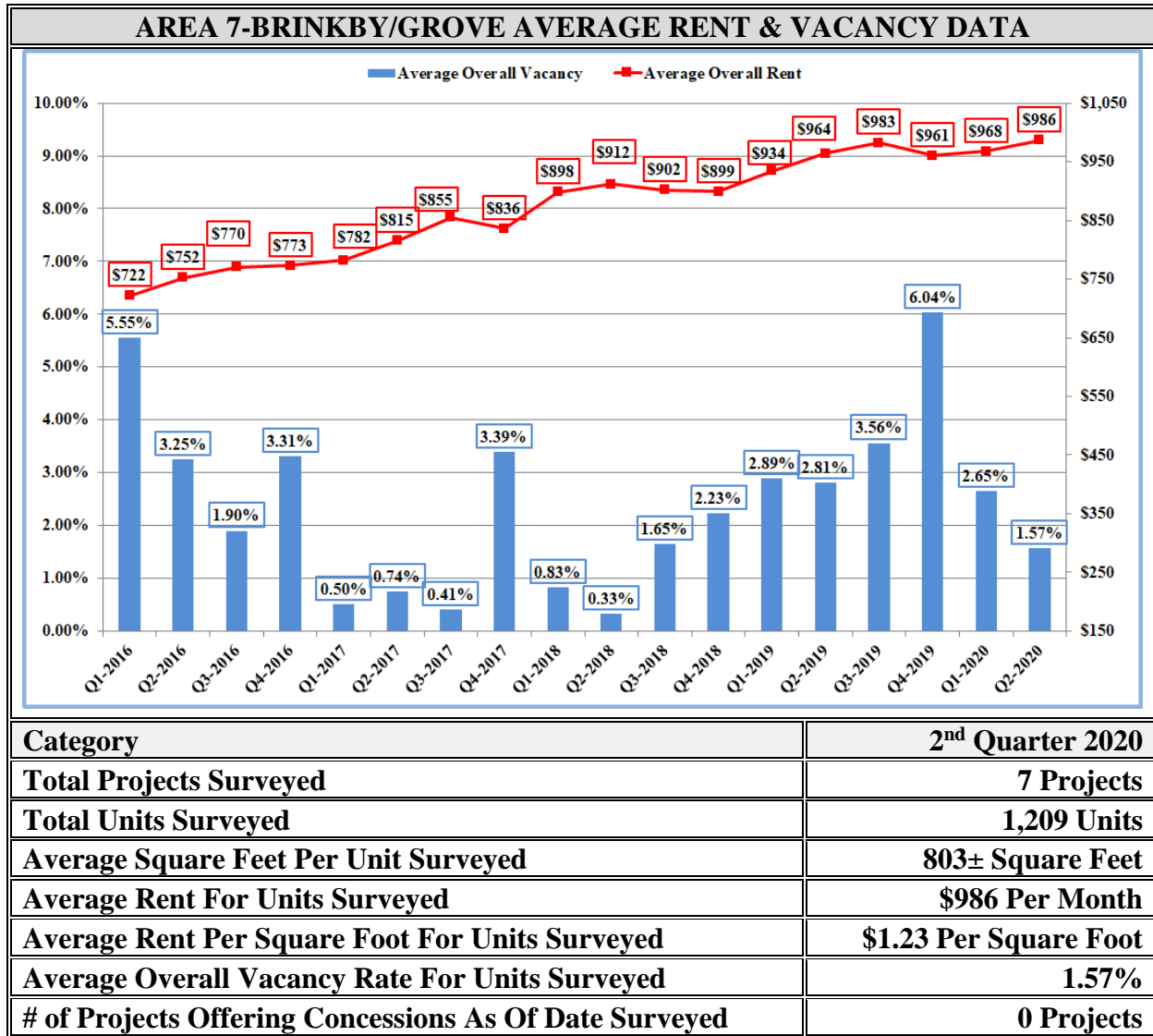


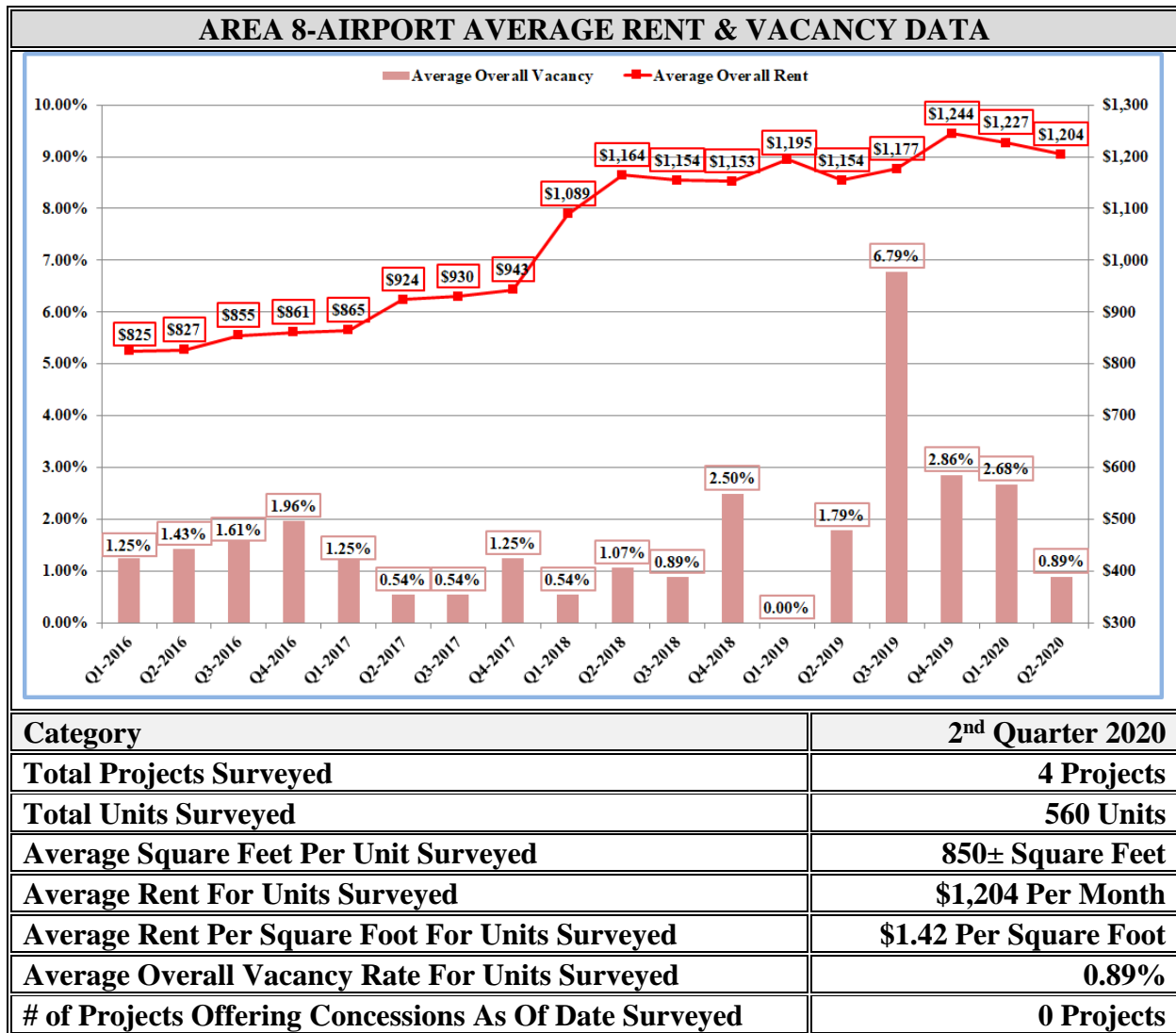
AREA 5-WEST RENO AVERAGE RENT & VACANCY DATA

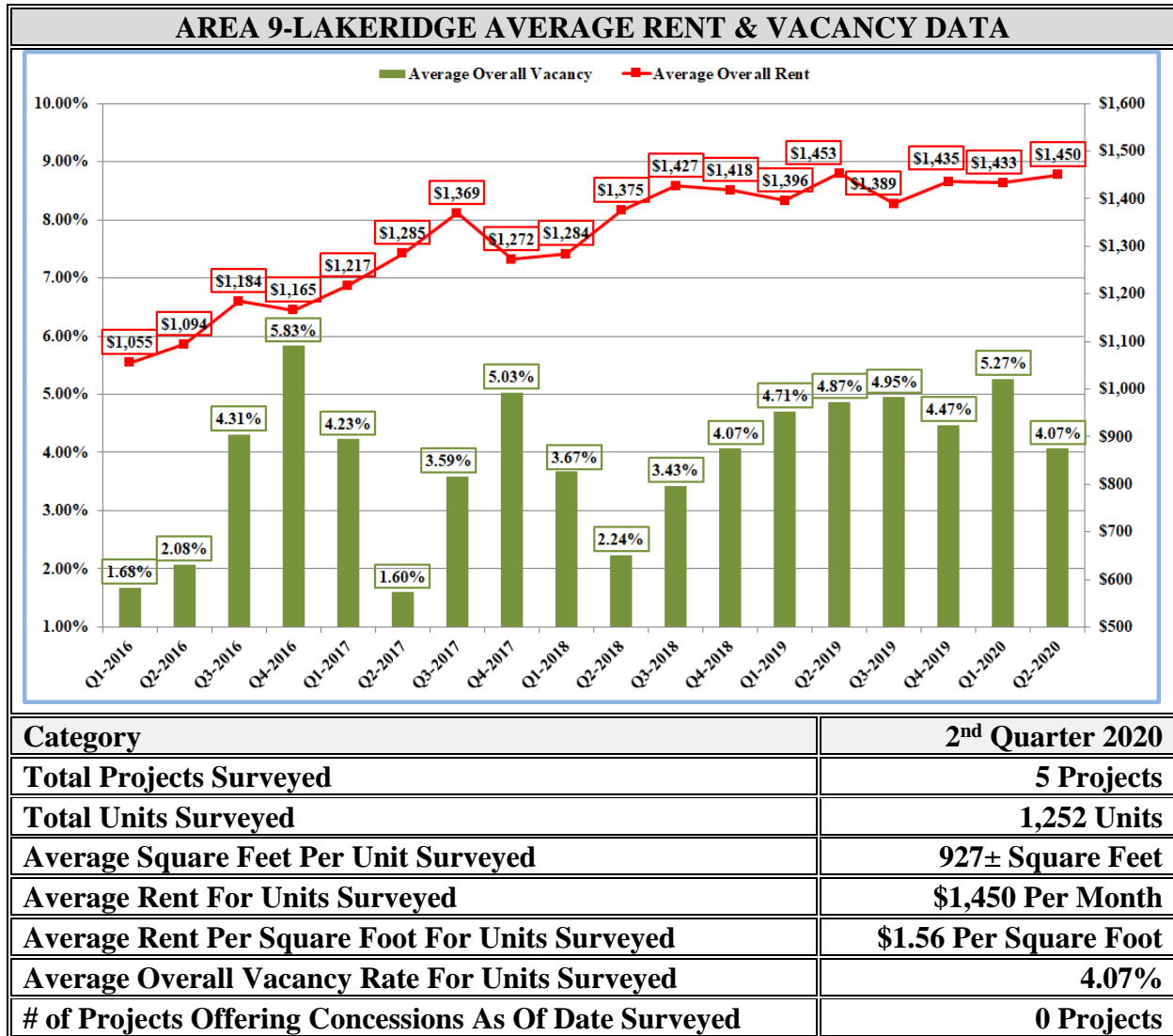


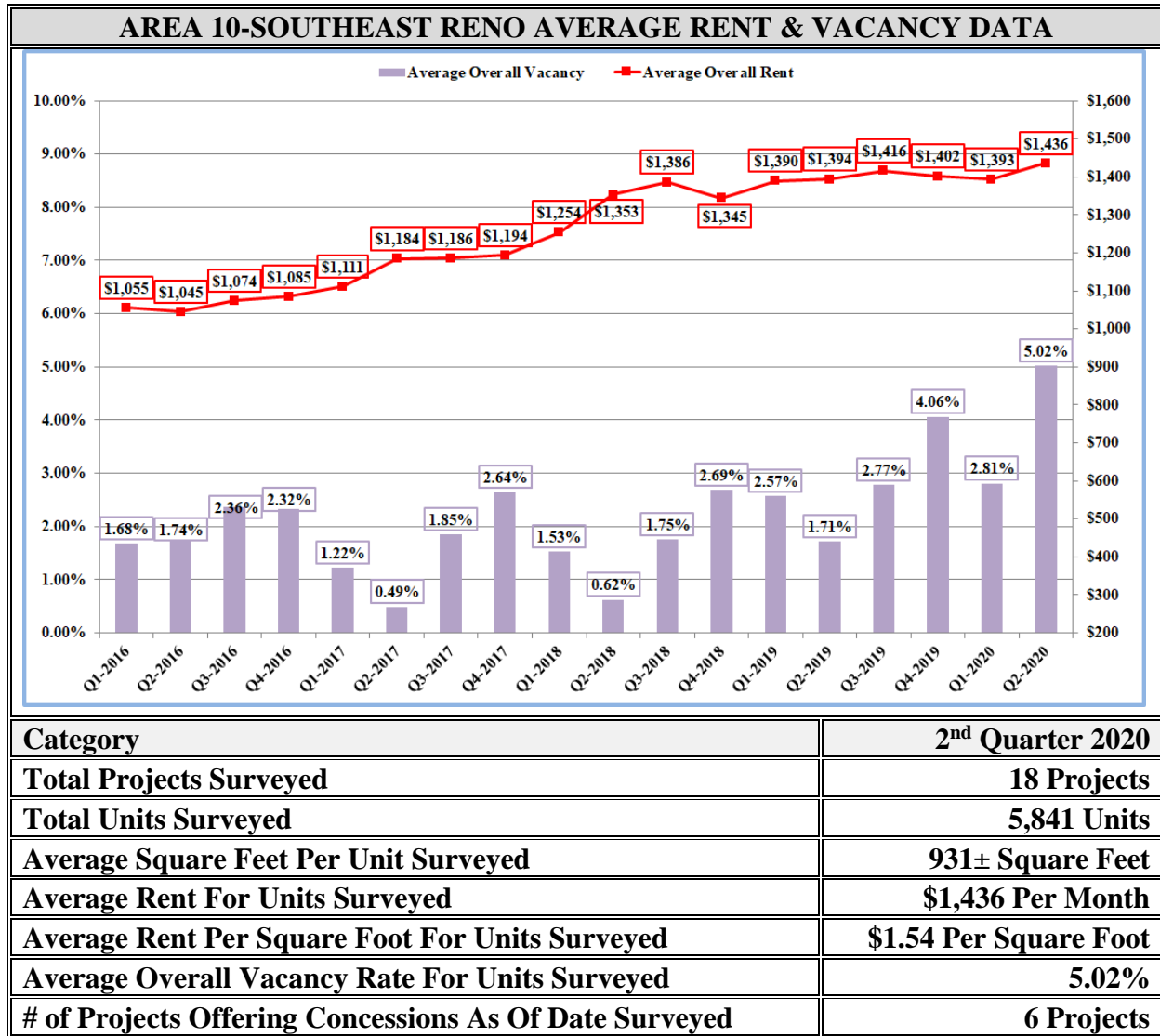
Category	2 nd Quarter 2020
Total Projects Surveyed	2 Projects
Total Units Surveyed	225 Units
Average Square Feet Per Unit Surveyed	870± Square Feet
Average Rent For Units Surveyed	\$1,214 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.40 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.44%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects

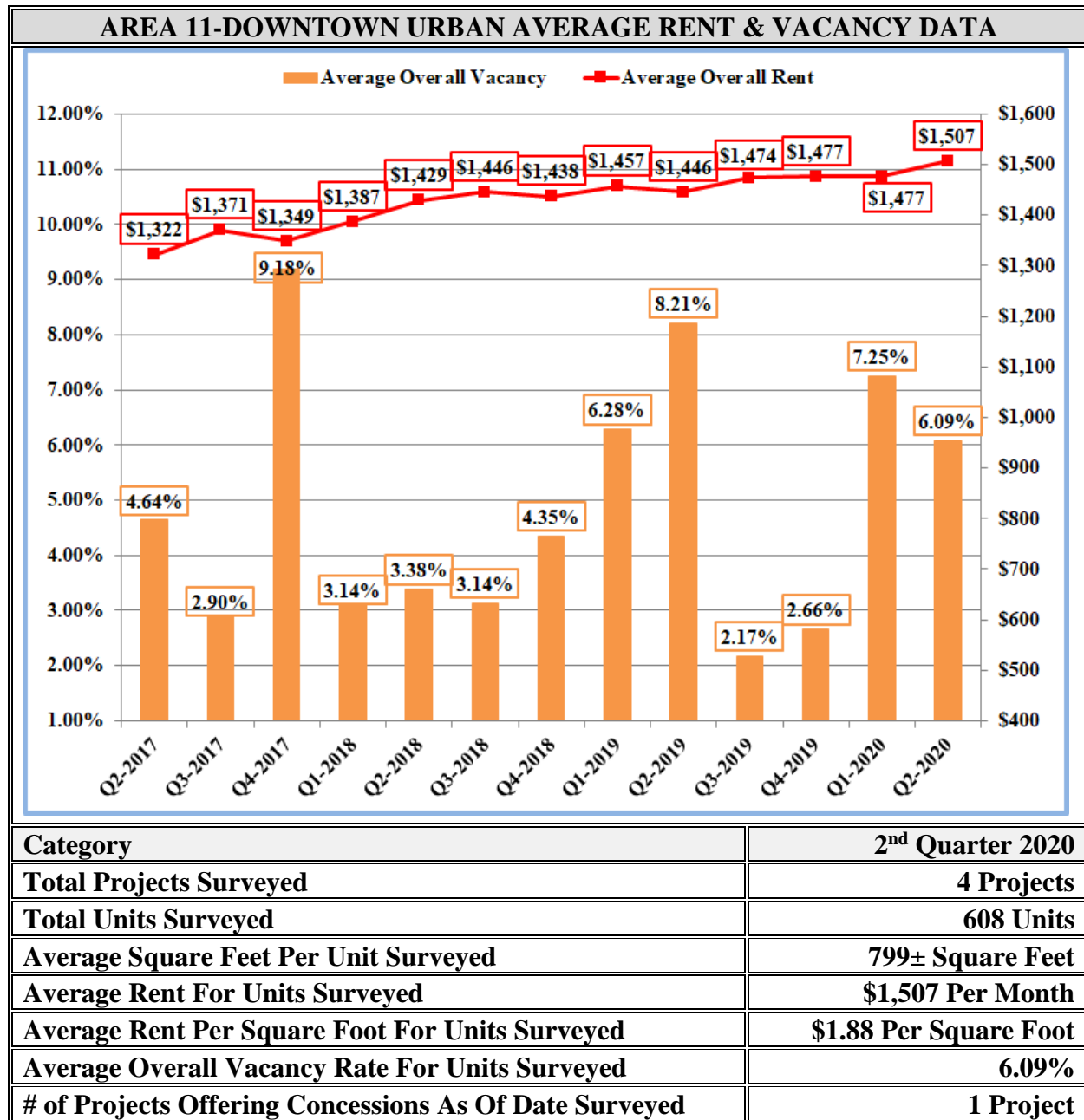


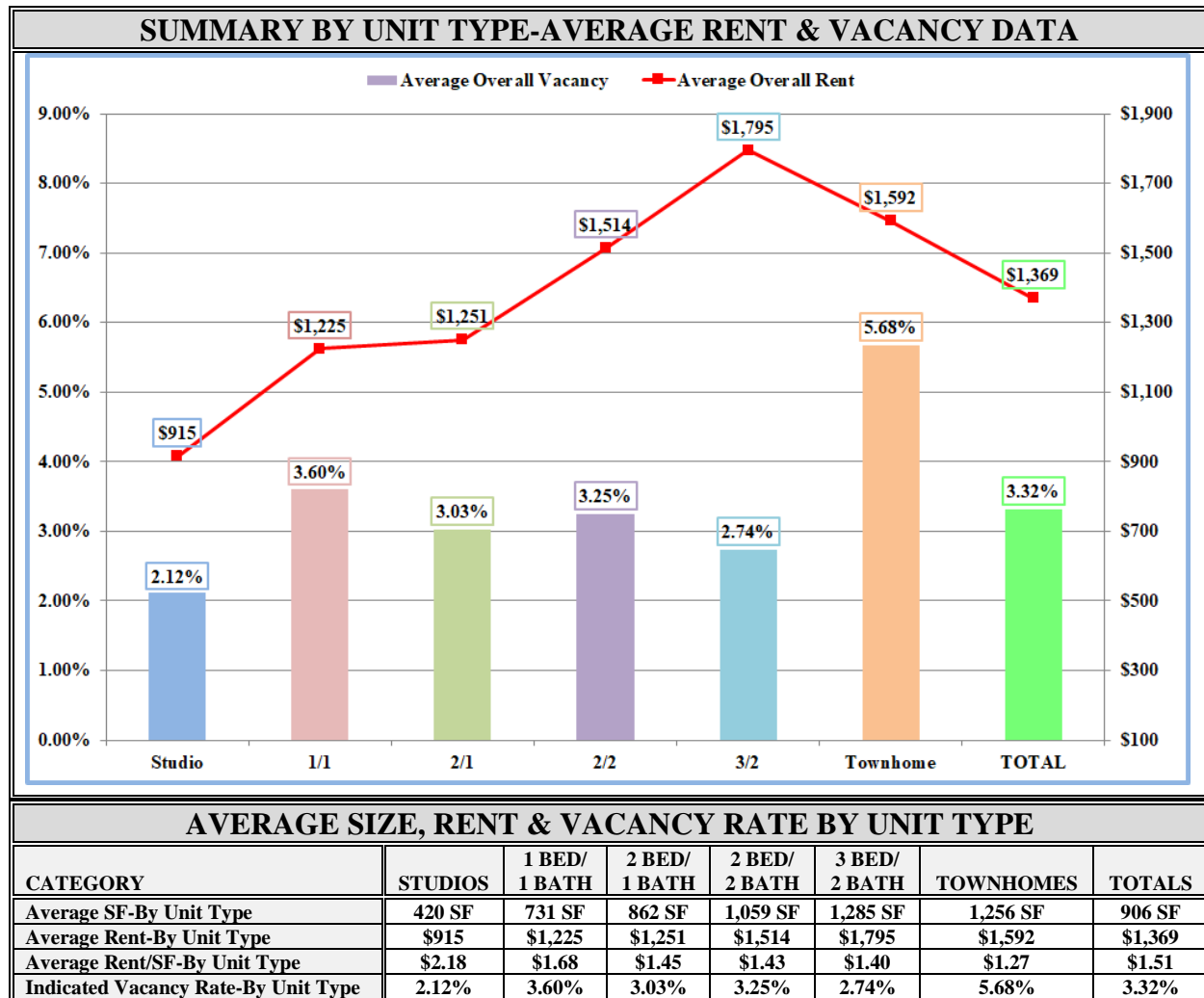


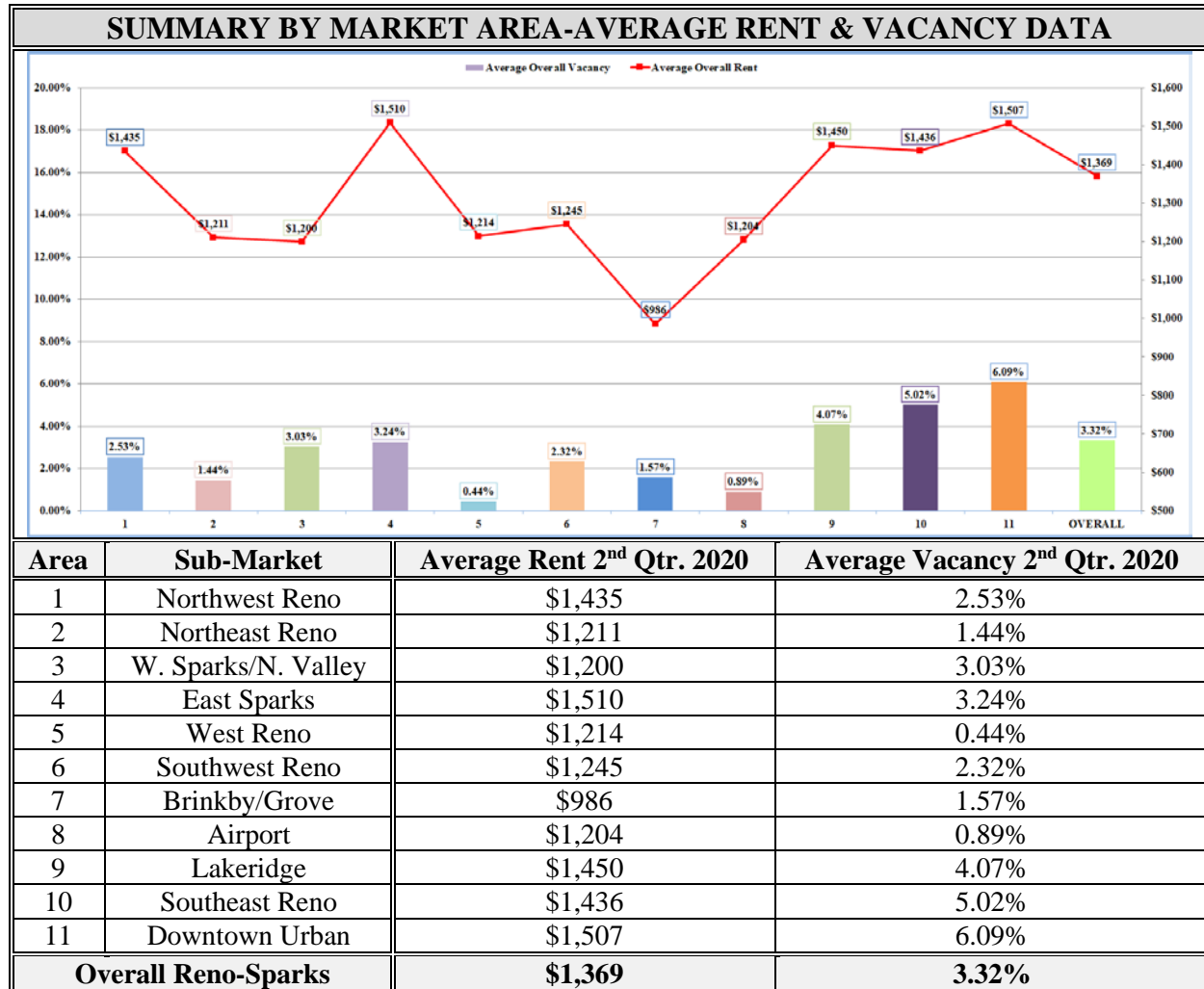






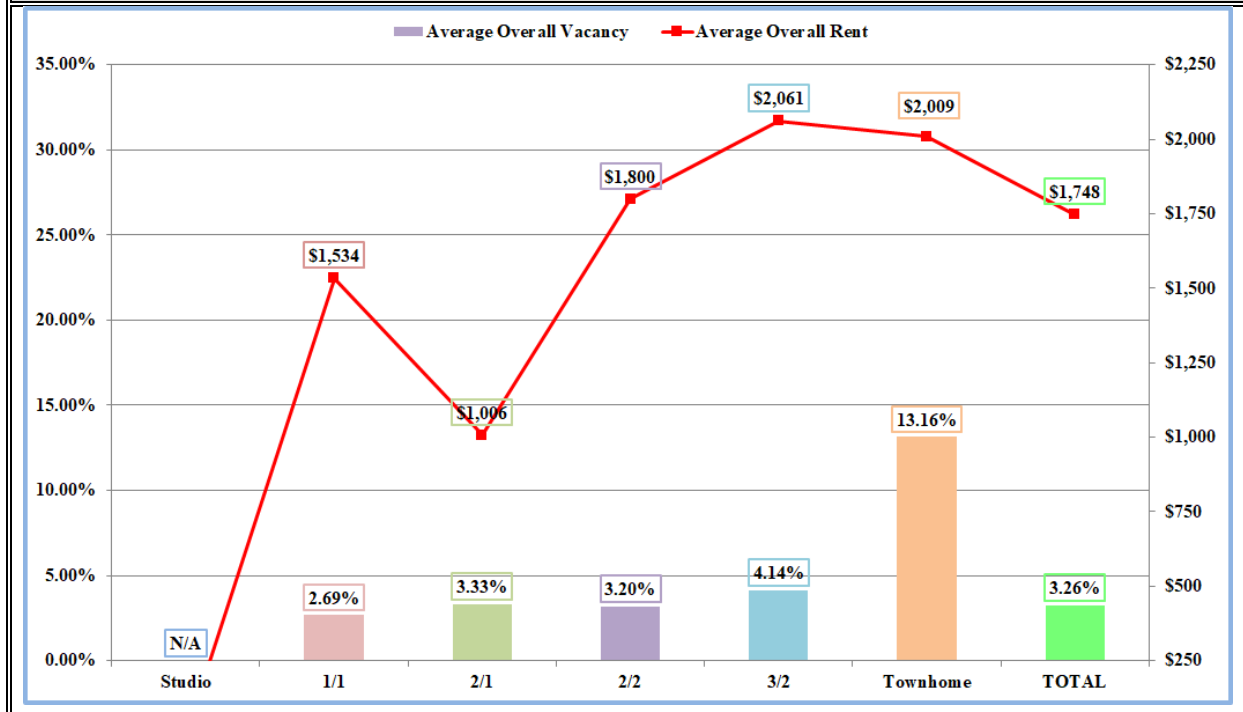








15 PROPERTIES WITH HIGHEST AVERAGE RENTS AVERAGE RENT & VACANCY DATA



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	1,264 Units	120 Units	1,969 Units	531 Units	38 Units	3,922 Units
Average SF-By Unit Type	N/A	870 SF	535 SF	1,191 SF	1,409 SF	1,264 SF	1,108 SF
Average Rent-By Unit Type	N/A	\$1,534	\$1,006	\$1,800	\$2,061	\$2,009	\$1,748
Average Rent/SF-By Unit Type	N/A	\$1.76	\$1.88	\$1.51	\$1.46	\$1.59	\$1.58
Indicated Vacancy Rate-By Unit Type	N/A	2.69%	3.33%	3.20%	4.14%	13.16%	3.26%



SURVEY PARTICIPANTS	
Special thanks to the following apartment complexes for their continued and reliable support:	
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
Silverado	Vintage at South Meadows
Spring Villas Townhomes	3rd Street Flats
The Trails at Pioneer Meadows	Fountainhouse
The Villas at D'Andrea	The Bridges
Vineyards at Galleria	SquareOne