



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY[©]

1ST QUARTER 2021 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 24,929 units reported. A total of 98 projects were surveyed. We believe the statistics presented here are representative of the overall conditions of the Reno-Sparks Survey Area.

Survey Modifications

One new project, North Peak Apartments, reached stabilization during the 1st Quarter of 2021 and agreed to become survey participants. The total apartment projects participating in the survey increased from 97 projects to 98 projects, and the total units increased from 24,575 units to 24,929 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	4 th Quarter 2020	1 st Quarter 2021	Change
Total Projects	97	98	1 Additional Project
Total Units	24,575	24,929	354 Additional Units



COVID-19 IMPACT

At the present time, the full impact of the Covid-19 Pandemic on the real estate market is still unknown. 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 which provided some 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 March 30, 2021, Nevada Governor Steve Sisolak announced a final statewide moratorium on evictions. The most recent order blocks evictions for many people through May 30, 2021. However, the moratorium is not automatic and only protects certain tenants. To be eligible, the tenant must be unable to pay rent due to some COVID related reason, must have made less than \$99,000 per year in 2020 if single (\$198,000 if filing a joint tax return) and they have to be at risk of homelessness, or forced into a group living situation, if they are evicted. Nevada tenants are also required to fill out the Centers for Disease Control (CDC) declaration attesting they are eligible for the moratorium and then give the signed declaration to their landlord. The federal CDC issued moratorium will remain in effect until June 30, 2021.

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 1st Quarter 2021 survey. Approximately 52 survey participants provided us with delinquency information. Of those who participated, we had properties report no delinquency up to 12.50%. Overall, the weighted average delinquency was 2.56% for the participating properties, which is down from 6.96% in the 4th Quarter of 2020.



ECONOMIC OUTLOOK

Employment in Nevada added back 2,400 jobs over the month as the state continues to recover. Jobs remain below typical levels, down 153,500 jobs since February 2020, for an annual decline of 10.6% according to the Nevada Department of Employment, Training and Rehabilitation's (DETR) February 2021 economic report. The total employment level in the State is 1,289,300. The state's unemployment rate in February is 8.3%, down from 8.5% in January and up 4.6 percentage points when compared to February 2020.

Metropolitan Statistical Area (MSA) Employment (Seasonally Adjusted):

- Las Vegas employment increased by 1,300 jobs (0.1%) since January, a decrease of 145,600 jobs (-13.8%) since February 2020.
- Reno employment had an increase of 3,300 jobs (1.4%) since January, a decrease of 6,700 jobs (-2.7%) since February 2020.
- Carson City employment had an increase of 600 jobs (2.0%) since January, a decrease of 600 jobs (-1.9%) since February 2020.

“For the state as a whole, employment increased over the month, resulting in ten consecutive months of employment growth. Accommodation and food services added back the most jobs over the month, with the unadjusted gains concentrated in food services, which rose by 2,700 compared to 400 in accommodation. Construction employment rose sharply as well, particularly in the Las Vegas area, which is not uncommon given that construction has added employment in February for the past nine years. Nevada's unemployment rate declined slightly from January's revised level, but remains above eight percent. Broadly, the trend in February remains largely flat, and is similar to what we saw in January, with ongoing significant disruption highly concentrated in the Las Vegas area. Recent news that vaccine eligibility is expanding to the general population is encouraging, as is news that a large trade show has received approval for an in-person convention in early June.” said David Schmidt, Chief Economist.

(Source: Nevada Department of Employment, Training and Rehabilitation Labor Market Summary March 25, 2021)



ECONOMIC INDICATORS	
Economic Indicators	
UNEMPLOYMENT RATES December 2020	
Nevada*	9.2%
Las Vegas MSA	10.4%
Reno-Sparks MSA	5.0%
Carson City MSA	5.7%
United States*	6.5%
JOB GROWTH (YOY) December 2020	
Nevada*	-6.8%
Las Vegas MSA*	-9.5%
Reno-Sparks MSA*	-3.7%
Carson City MSA*	-6.5%
GAMING WIN (YOY) December 2020	
Nevada	-35.5%
Clark County	-39.0%
Washoe County	-16.8%
TAXABLE SALES (YOY) November 2020	
Nevada	-4.6%
Clark County	-7.1%
Washoe County	2.2%
* Seasonally Adjusted	
(Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary December 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	729 SF	862 SF	1,063 SF	1,291 SF	1,256 SF	910 SF
Average Rent-By Unit Type	\$944	\$1,306	\$1,327	\$1,625	\$1,961	\$1,656	\$1,469
Average Rent/SF-By Unit Type	\$2.25	\$1.79	\$1.54	\$1.53	\$1.52	\$1.32	\$1.61
Indicated Vacancy Rate-By Unit Type	2.65%	1.94%	1.62%	1.88%	2.71%	1.89%	1.95%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	4 th Quarter 2020	1 st Quarter 2021	Change
Average Vacancy	2.82%	1.95%	-87 Basis Points
Average Rent	\$1,424	\$1,469	+\$45 or +3.16%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	4 th Qtr. 2020	1 st Qtr. 2021	Result	4 th Qtr. 2020	1 st Qtr. 2021	Result
Studio	\$927	\$944	+\$17	3.18%	2.65%	-0.53%
1 Bedroom/1 Bath	\$1,279	\$1,306	+\$28	2.72%	1.94%	-0.78%
2 Bedroom/1 Bath	\$1,301	\$1,327	+\$26	2.63%	1.62%	-1.01%
2 Bedroom/2 Bath	\$1,565	\$1,625	+\$60	2.87%	1.88%	-0.99%
3 Bedroom/2 Bath	\$1,887	\$1,961	+\$74	3.54%	2.71%	-0.83%
Townhouse	\$1,612	\$1,656	+\$45	1.89%	1.89%	0.00%
TOTALS	\$1,424	\$1,469	+\$45	2.82%	1.95%	-0.87%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		4 th Qtr. 2020	1 st Qtr. 2021	Result	4 th Qtr. 2020	1 st Qtr. 2021	Result
1	Northwest Reno	\$1,471	\$1,530	+\$59	2.83%	2.49%	-0.35%
2	Northeast Reno	\$1,251	\$1,298	+\$47	2.58%	0.15%	-2.43%
3	W. Sparks/N. Valley	\$1,240	\$1,317	+\$77	3.30%	2.45%	-0.85%
4	East Sparks	\$1,621	\$1,686	+\$65	2.40%	2.16%	-0.24%
5	West Reno	\$1,175	\$1,277	+\$102	0.00%	2.22%	+2.22%
6	Southwest Reno	\$1,293	\$1,288	-\$4	5.76%	0.80%	-4.96%
7	Brinkby/Grove	\$994	\$1,053	+\$59	2.31%	0.91%	-1.40%
8	Airport	\$1,297	\$1,289	-\$7	1.07%	0.89%	-0.18%
9	Lakeridge	\$1,460	\$1,576	+\$117	3.27%	0.80%	-2.48%
10	Southeast Reno	\$1,489	\$1,500	+\$11	2.31%	1.97%	-0.34%
11	Downtown Urban	\$1,496	\$1,484	-\$12	5.92%	4.93%	-0.99%
Overall Reno-Sparks		\$1,424	\$1,469	+\$45	2.82%	1.95%	-0.87%



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 %
Q1-2008	\$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%
Q3-2020	\$923	2.52%	\$1,271	2.11%	\$1,299	1.44%	\$1,567	2.58%	\$1,870	2.47%	\$1,594	2.43%	\$1,421	2.24%
Q4-2020	\$927	3.18%	\$1,279	2.72%	\$1,301	2.63%	\$1,565	2.87%	\$1,887	3.54%	\$1,612	1.89%	\$1,424	2.82%
Q1-2021	\$944	2.65%	\$1,306	1.94%	\$1,327	1.62%	\$1,625	1.88%	\$1,961	2.71%	\$1,656	1.89%	\$1,469	1.95%
AVERAGE	\$623	4.56%	\$879	4.07%	\$921	4.66%	\$1,119	4.75%	\$1,345	5.21%	\$1,238	5.55%	\$1,016	4.52%
MEDIAN	\$548	3.52%	\$768	3.50%	\$813	3.49%	\$969	3.81%	\$1,176	5.06%	\$1,134	4.81%	\$886	3.80%
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	\$944	10.96%	\$1,306	10.08%	\$1,327	12.20%	\$1,625	11.43%	\$1,961	13.18%	\$1,656	13.65%	\$1,469	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased by 3.16%, with all unit types experiencing an increase in average rental rates. Additionally, eight of the eleven sub-markets experienced an increase in average rental rates, while the Southwest Reno, Airport and Downtown Urban sub-markets experienced slight decreases.

The overall vacancy rate for all units surveyed decreased by 87 basis points, with ten of the eleven submarkets showing decreases in vacancies. All unit types except townhomes, which experienced no change, experienced decreases in average vacancies. Average vacancy for all unit types is now at 1.95%.

Just under 5,200 apartment units are currently under construction in the Reno-Sparks market, with over 5,900 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 all eviction moratoriums are lifted. 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:

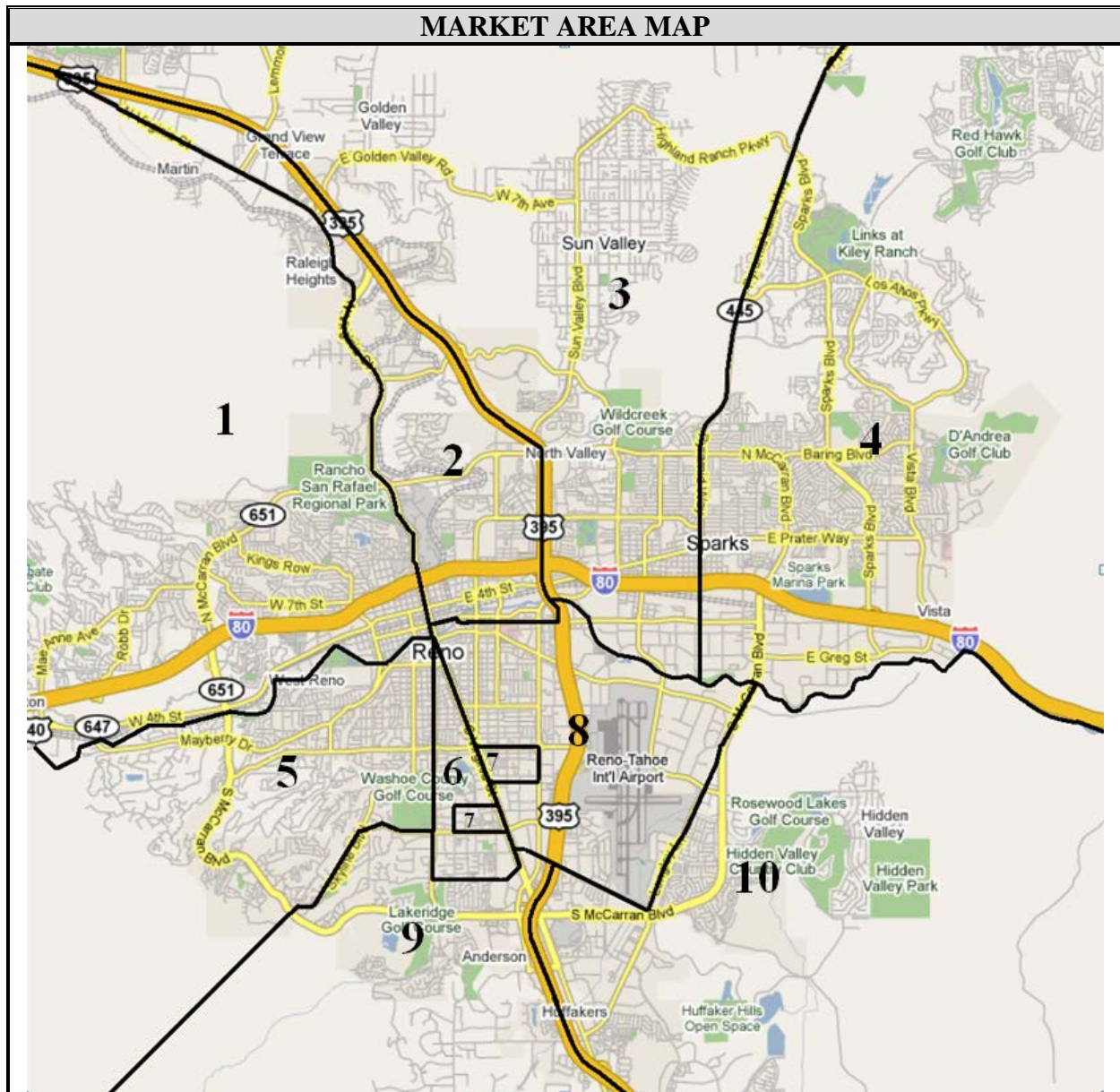
- Occupancy rates represent conditions as of the date of survey;
- Rents utilized in the report represent the base price of an unfurnished apartment;
- Units with more than one size per unit type were calculated on a weighted average for each unit type
- Weighted averages were used in all charts to give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

ERGS Properties broke ground on the North Peak Apartments, a 352-unit project, which is located in North Valleys, in 2017. At the end of the 1st Quarter of 2020, 41 buildings were complete, 94% of the project had been pre-leased and 91% of the property was occupied. Although construction is still being completed on this project, it has reached stabilized occupancy and has been added to our list of survey participants

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 1st Quarter of 2021, 20 buildings were complete, approximately 76% of the project had been pre-leased and 67% 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 1st Quarter of 2021, six buildings were complete, approximately 71% of the project had been pre-leased and 61% of the project was occupied.

Bluth Development broke ground on The Lakes at Lemmon Valley 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 1st Quarter of 2021, 42 buildings were complete and approximately 44% of the project had been pre-leased and 38% 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 1st Quarter of 2021, 12 buildings were complete, approximately 76% of the project was pre-leased and 66% of the project was occupied.

Lewis Apartment Communities broke ground on Esprit Townhomes in the 2nd Quarter of 2019. Esprit is a 126-unit townhome apartment project located at the southeast corner of Veterans Parkway and Geiger Grade Road. At the end of the 1st Quarter of 2021, four buildings were complete, approximately 39% of the project was pre-leased and 32% of the project was occupied.

In the 3rd Quarter of 2018, Silverwing Development broke ground on The Deco, a high-rise 209-unit apartment complex located at Victorian Square in Sparks. Certificate of Occupancy on the project was received in the 1st Quarter of 2021. As of the date of this survey, 1% of the project had been leased and 0% of the project was occupied.

Mountain West Builders and Oakmont Properties broke ground on Double R Apartments in the 3rd Quarter of 2019. Double R Apartments is a 440-unit apartment complex located at the southeast corner of Double R Boulevard and Technology Way in Reno. At the end of the 1st Quarter of 2021, one building was complete, approximately 13% of the project was pre-leased and 4% of the project was occupied.

Lyon Living and Reno Land Inc. broke ground on the Reno Experience District (RED) at the beginning of the 3rd Quarter of 2019. When complete, RED will involve 1,300± multi-family units. The Emory is currently the only complex within RED leasing units. The Emory is a 282-unit luxury apartment project. At the end of the 1st Quarter of 2021, approximately 6.80% of the project had been pre-leased and 0.00% 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
The Retreat	283	West 4th Street and Summit Ridge Drive	1	Under Construction
The Villas at Keystone Canyon-Phase II	115	Keystone Avenue & North McCarran Boulevard	1	Under Construction
Westlook	192	West 4th Street, East of South McCarran Boulevard	1	Under Construction
North Peak	352	Intersection of Military Road & Lemmon Drive	3	Under Construction
Parq Crossing	288	Northeast Corner of Oddie Boulevard & El Rancho Drive	3	Under Construction
The Lakes at Lemmon Valley	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
Reno Experience District	980	Previous Park Lane Mall Site	7	Under Construction
Esprit Townhomes	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
Integra Peaks	300	Northside of Damonte Ranch Parkway, East of Double R Boulevard	10	Under Construction
SyRes	330	Northeast Corner of Longley Lane and South Virginia Street	10	Under Construction
The Atrium	132	Victorian Square	11	Under Construction
Total Units:	5,195			
Projects Planned				
Project Name	Units	Location	Area	Status
290 Keystone	268	Southeast Corner of Keystone Avenue & West 4th Street	1	Planning Stages
5th & Vine Apartments	302	Northeast Corner of Keystone Avenue & 5th Street	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
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	441	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	232	Pioneer Meadows	4	Planning Stages
The Apex at Vista	360	East Side of Vista Boulevard Between Los Altos Parkway & Wingfield Hills Road	4	Planning Stages
Reno Experience District	269	Previous Park Lane Mall Site	7	Planning Stages
Indigo	260	West Side of Veterans Parkway @ West Terminus of Trieste Road	10	Planning Stages
The Wolff Company (Damonte Ranch)	328	South Reno Market	10	Planning Stages
214 Lake Street	752	Northeast Corner of Lake Street and East 2nd Street	11	Planning Stages
CAI Investments (Former Harrah's)	530	Northeast Corner of North Virginia Street and East 2nd Street	11	Planning Stages
Promenade-Phase I & II	288	Victorian Square	11	Planning Stages
PromWest	168	East of Fountainhouse	11	Planning Stages
Ryland Apartments	90	North Side of Ryland Street, Between Park Street & High Street	11	Planning Stages
Total Units:	5,933			

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 rate of North Peak Apartments.

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
Lumina	330	Dec-18	Jul-20	16.50
Harvest at Damonte Ranch Phase III	260	May-19	Aug-20	16.25
North Peak	352	Mar-18	Mar-21	9.51



RENT CONCESSIONS

During the 1st Quarter of 2021 9.18% of the apartment projects in our Survey offered rent concessions, which decreased from 13.40% in the 4th 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%
Q3-2020	10.10%	2.24%
Q4-2020	13.40%	2.82%
Q1-2021	9.18%	1.95%



SURVEY RESULTS

This section of the report covers survey findings pertaining to the total survey area for the 1st Quarter of 2021.

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:

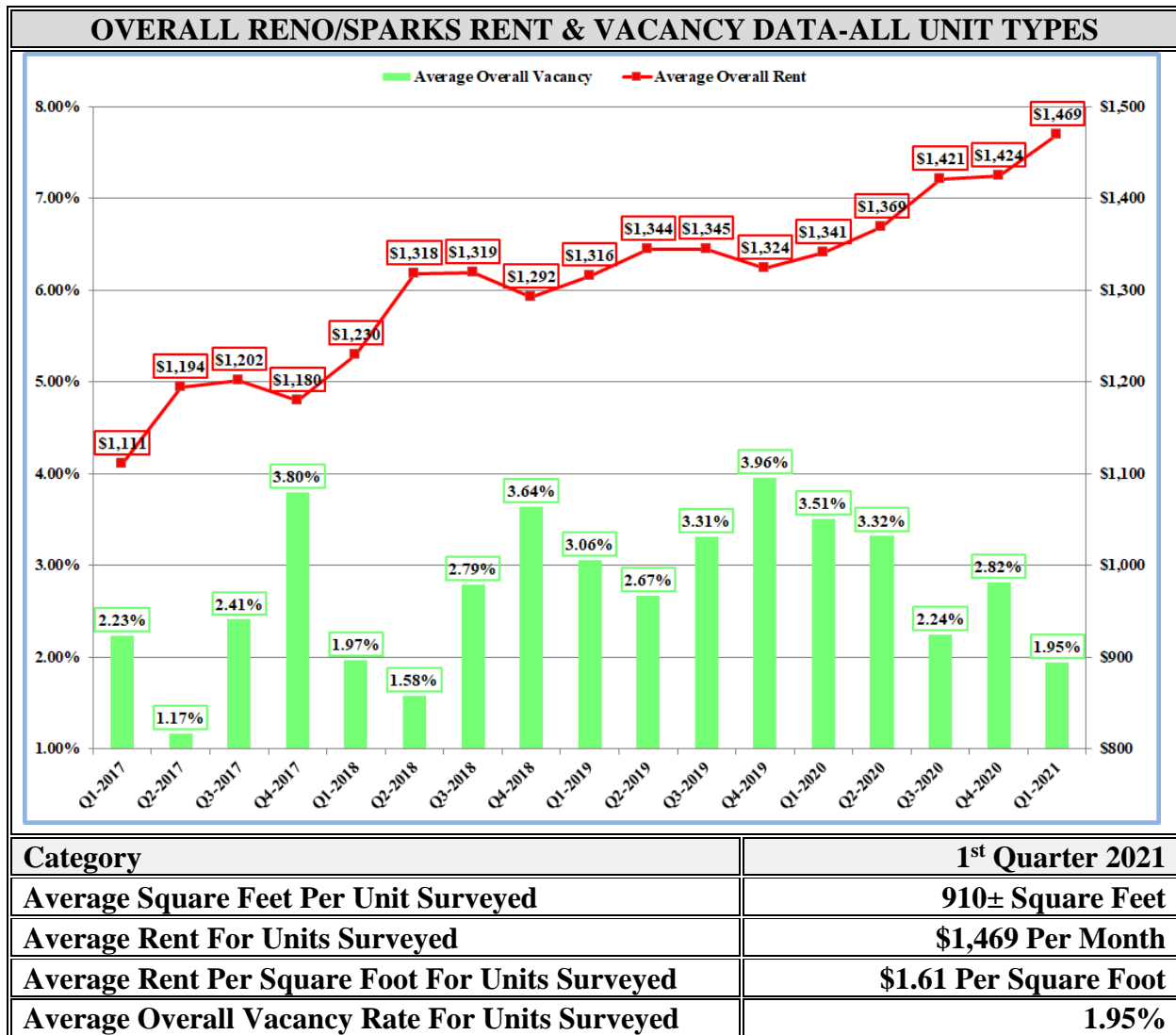
These graphs illustrate quarterly vacancy percentage and average monthly rent. The sub-market categories are as follows:

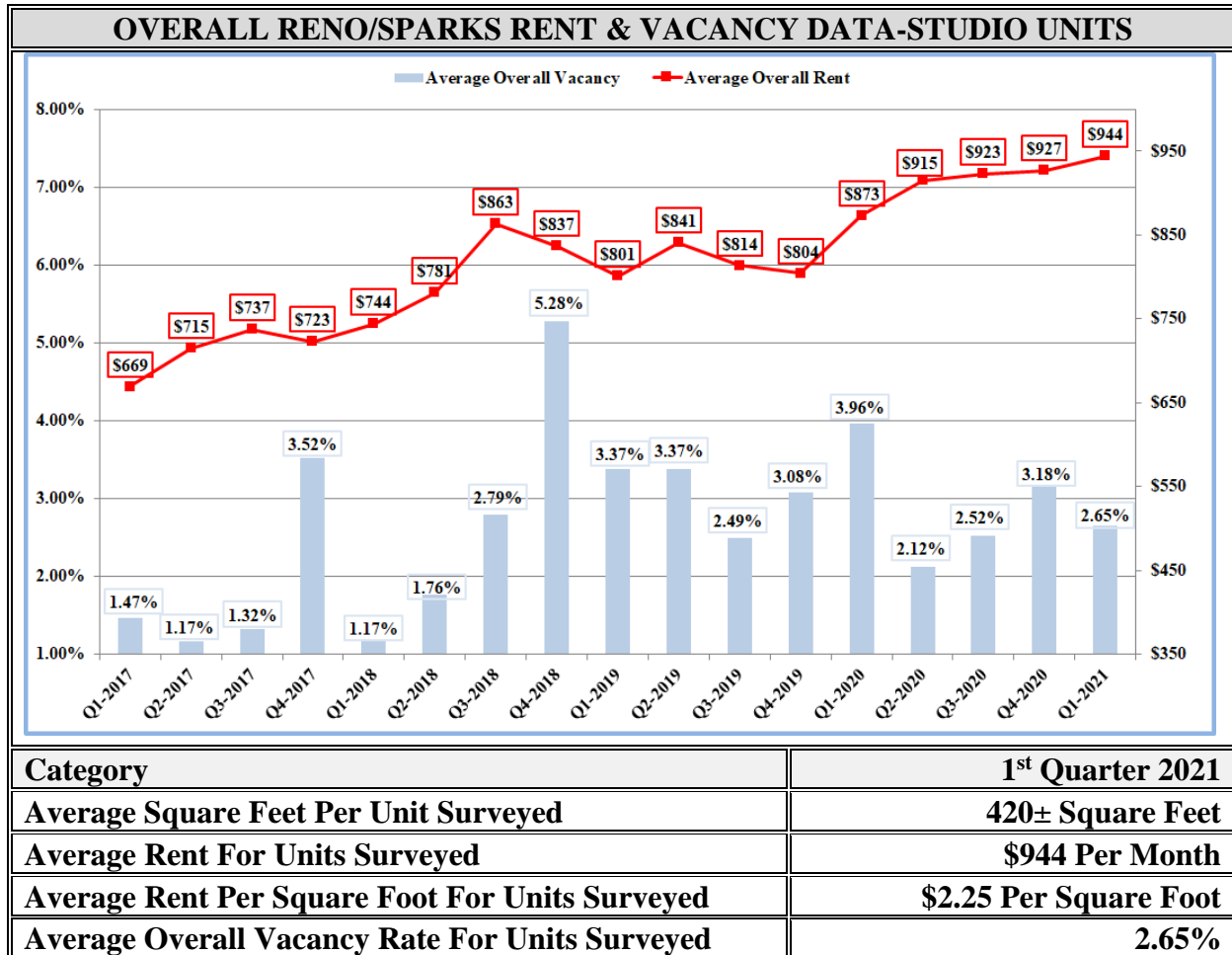
- Area 1-Northwest Reno
- Area 2-Northeast Reno
- Area 3-West Sparks/North Valleys
- Area 4-East Sparks
- Area 5-West Reno
- Area 6-Southwest Reno
- Area 7-Brinkby/Grove
- Area 8-Airport
- Area 9-Lakeridge
- Area 10-Southeast Reno
- Area 11-Downtown Urban

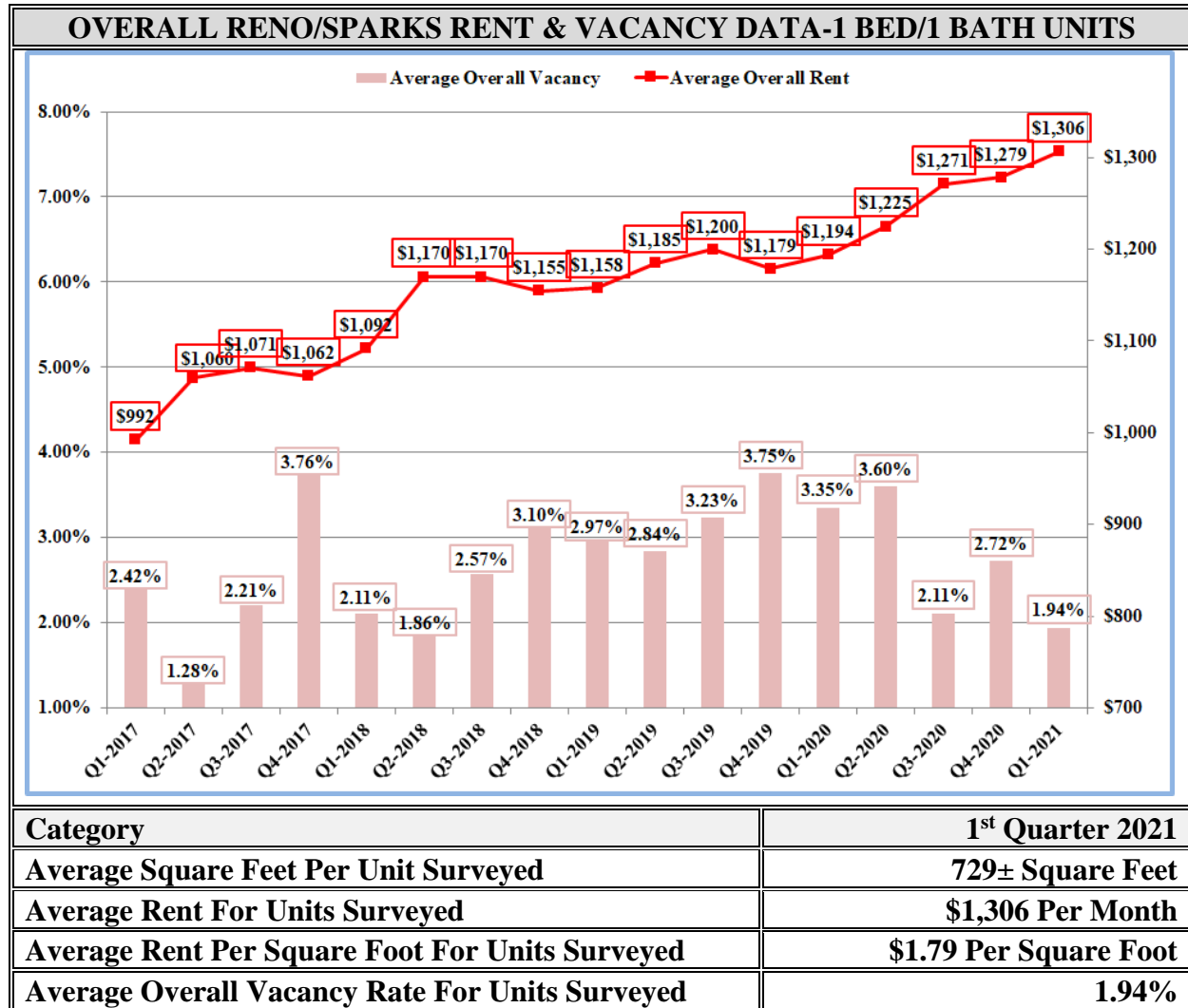
CURRENT SURVEY COMPARISONS:

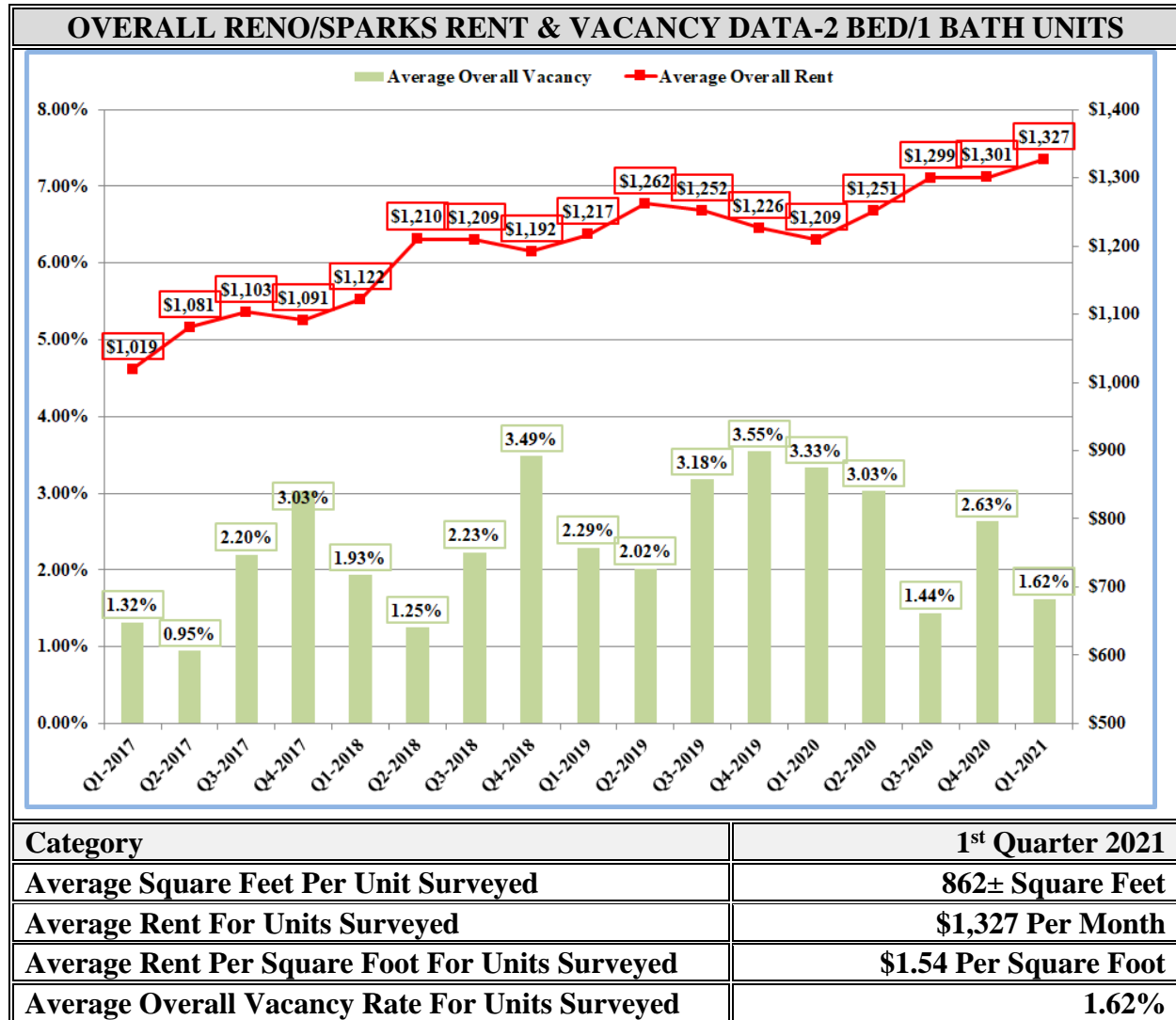
This section of graphs illustrates overall comparisons based on unit type and sub-market categories. These graphs include:

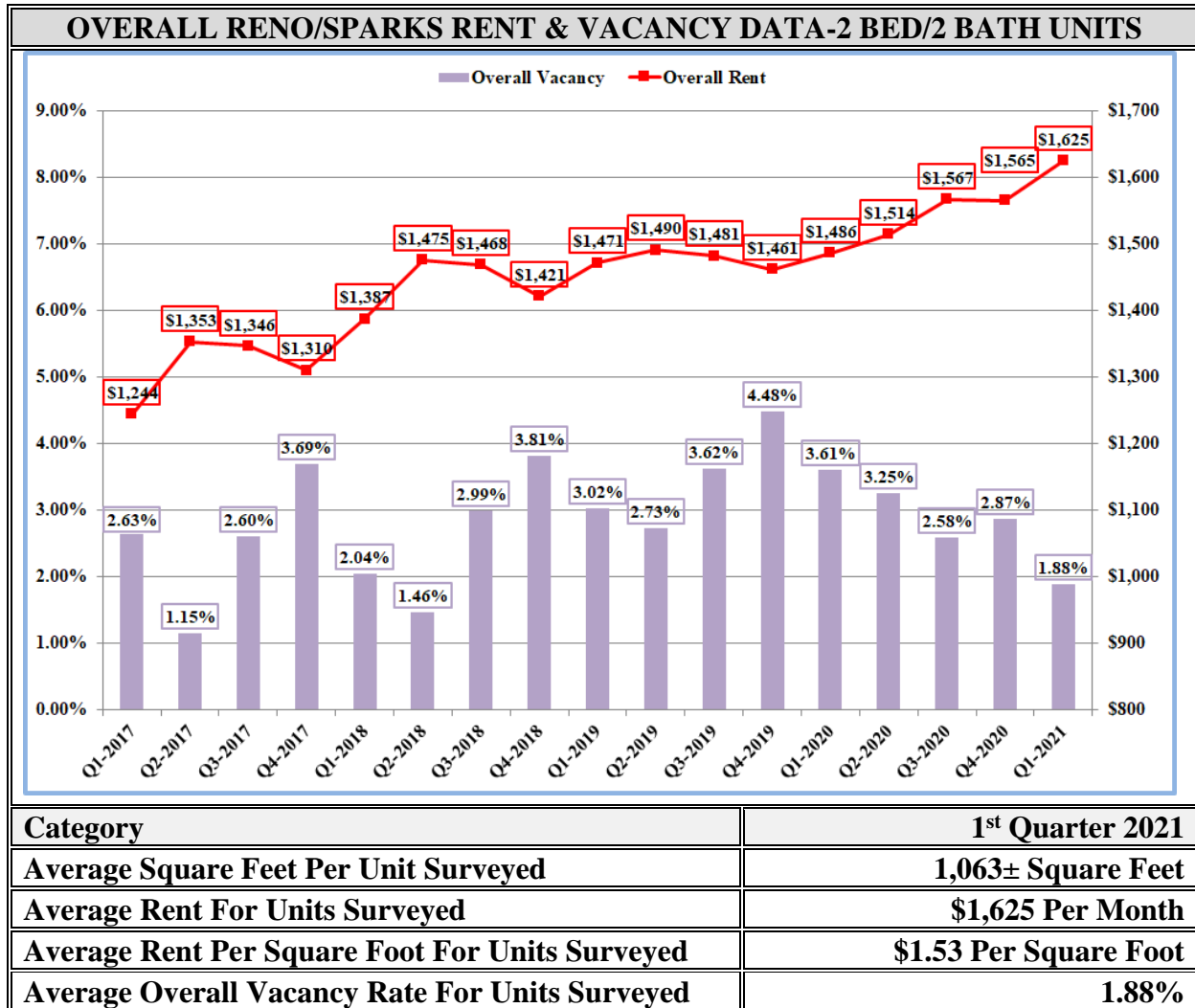
- Summary By Unit Type
- Summary By Area
- 15 Properties With The Highest Average Rents

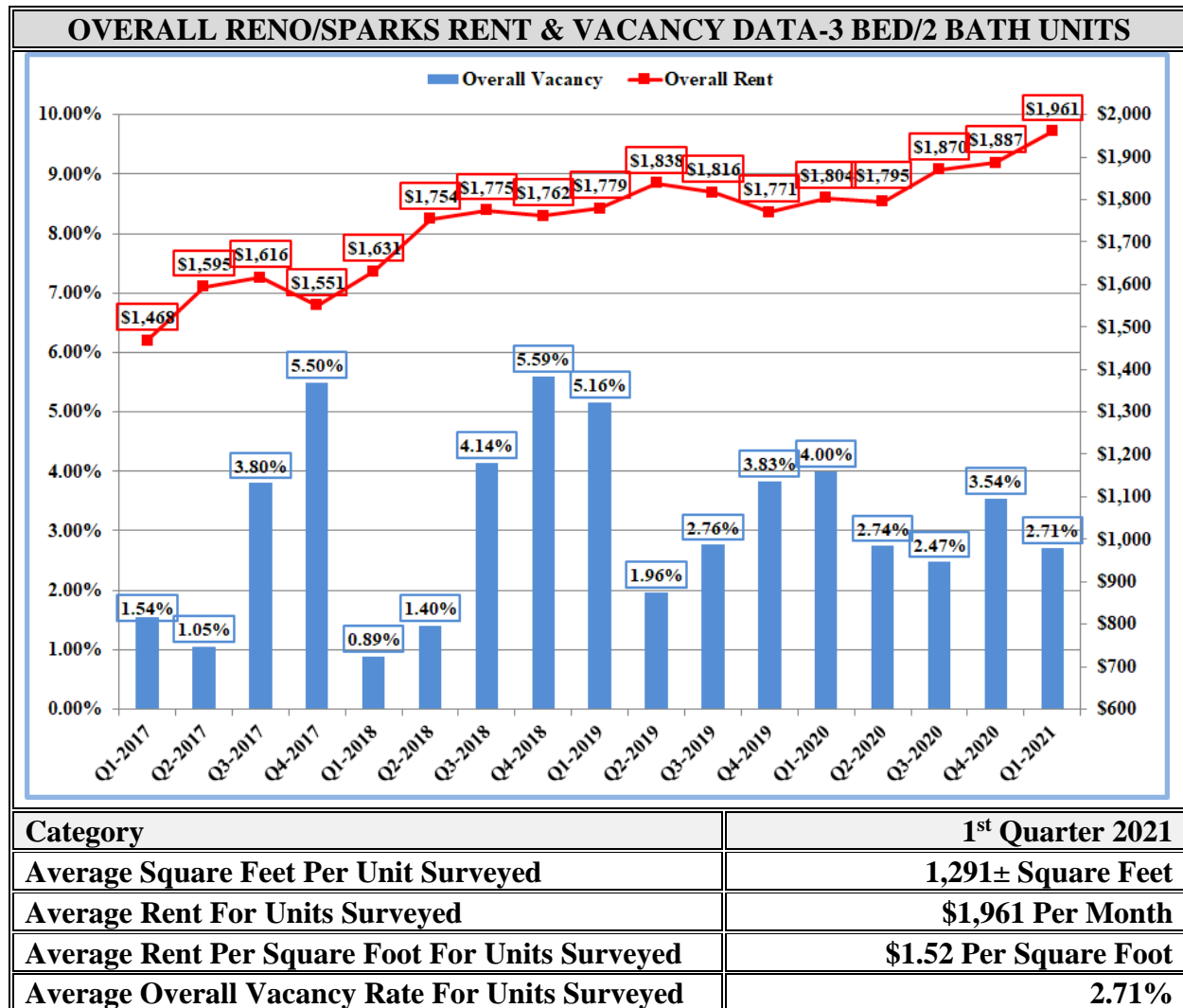


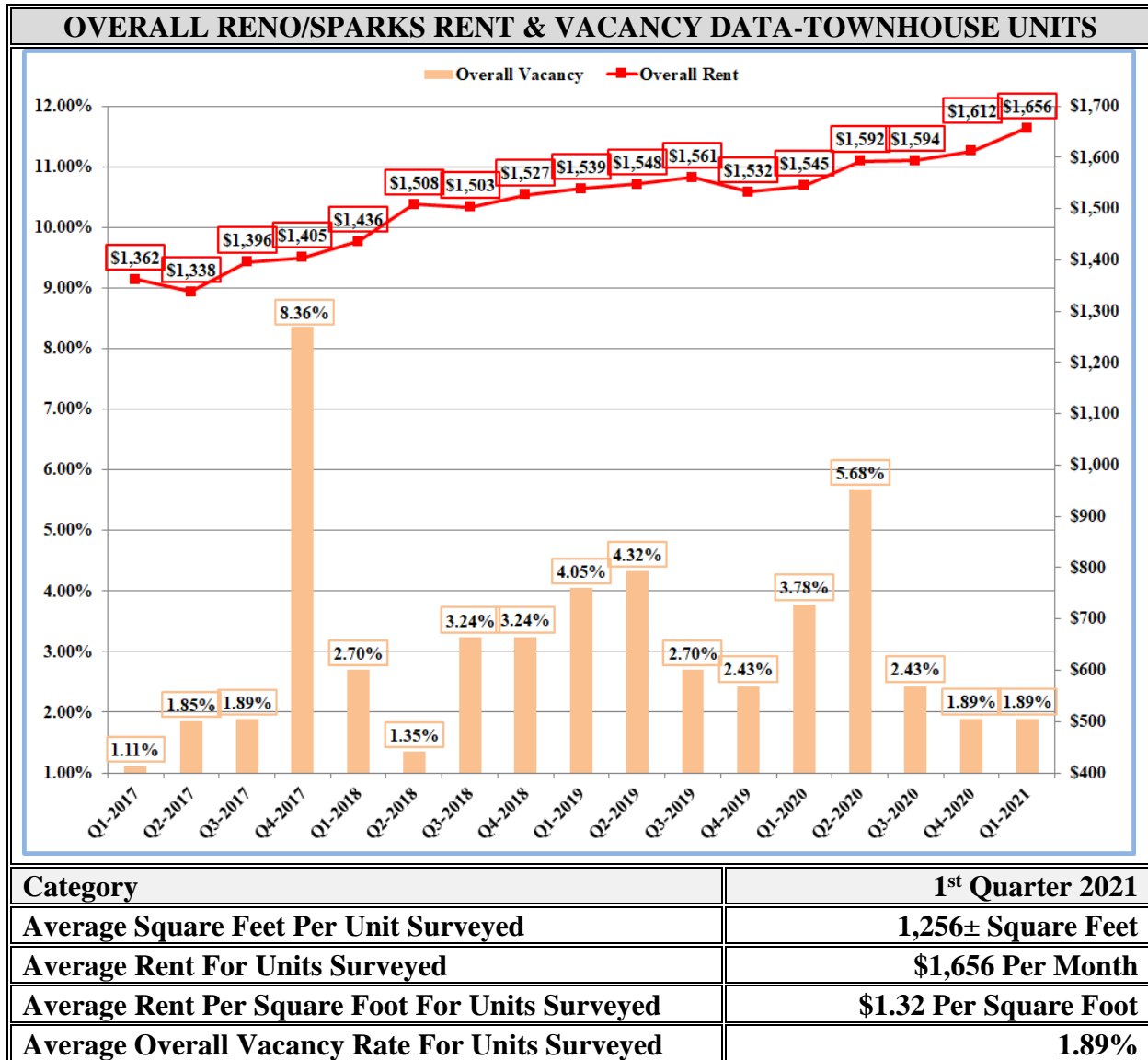


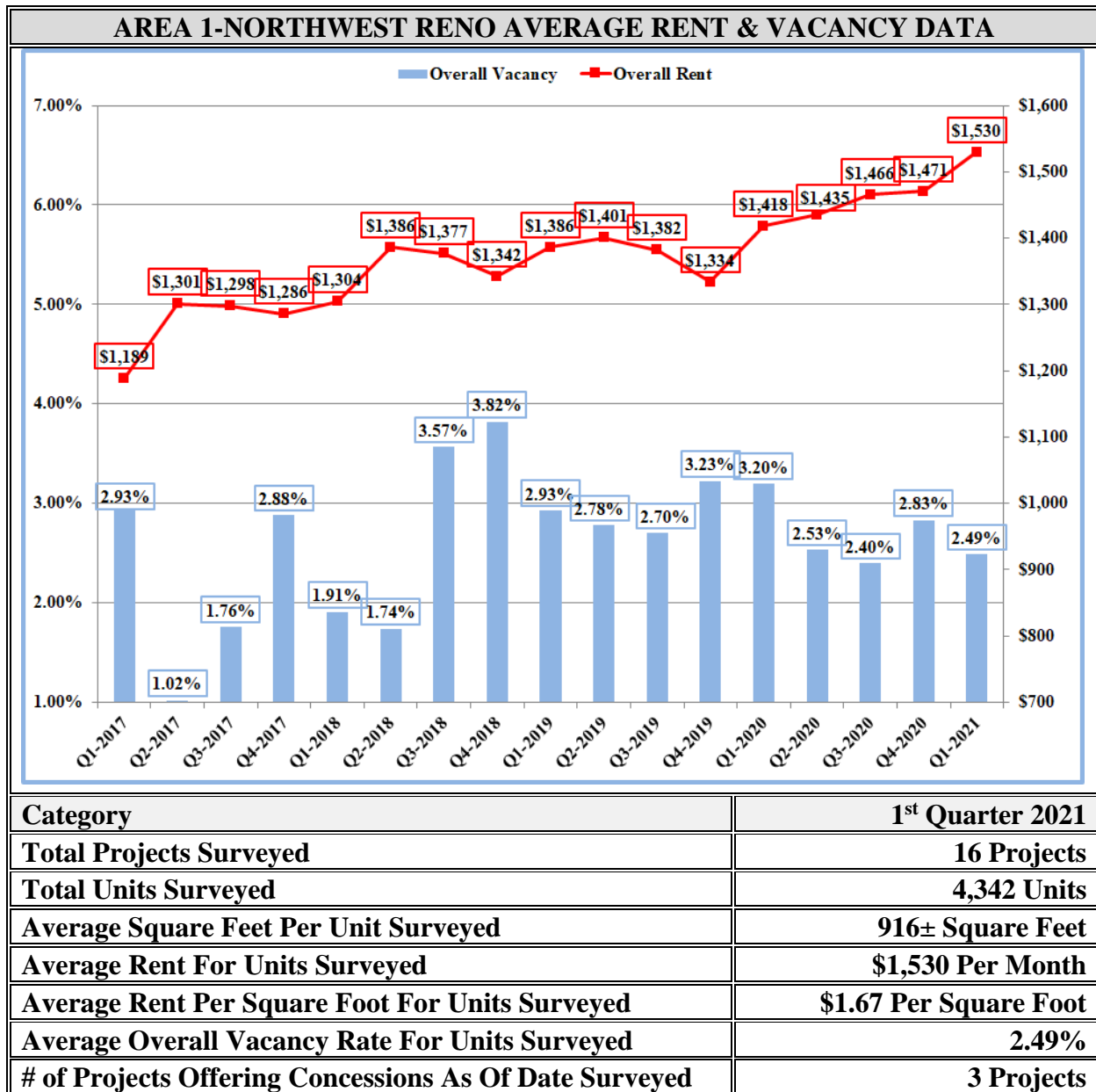


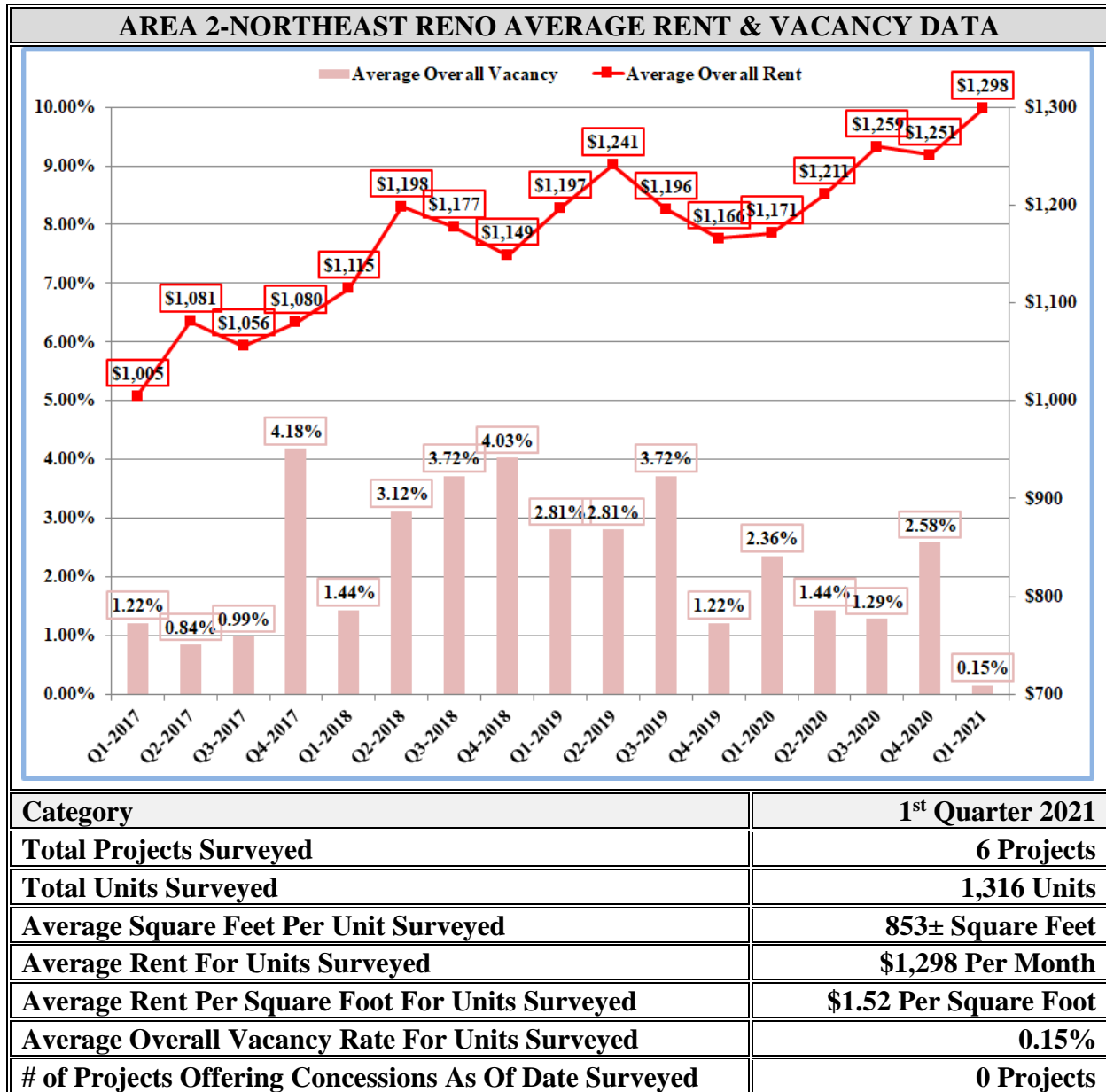






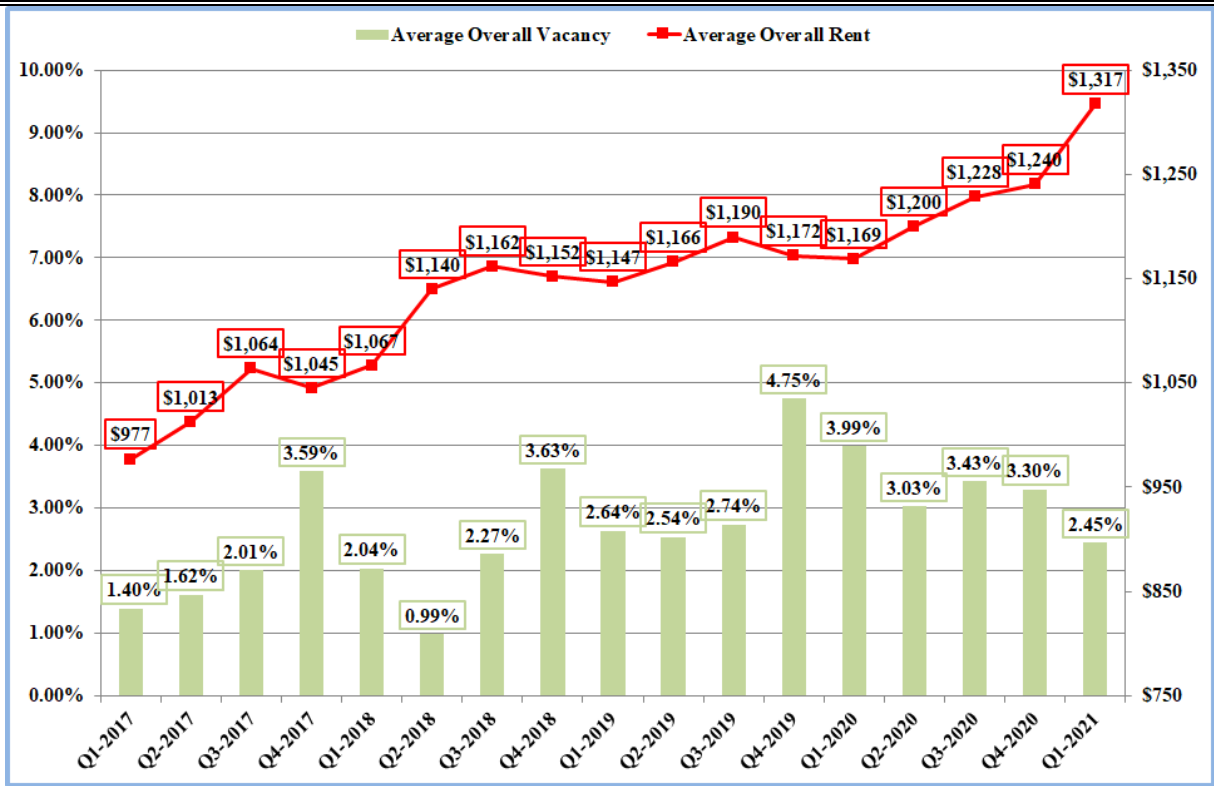




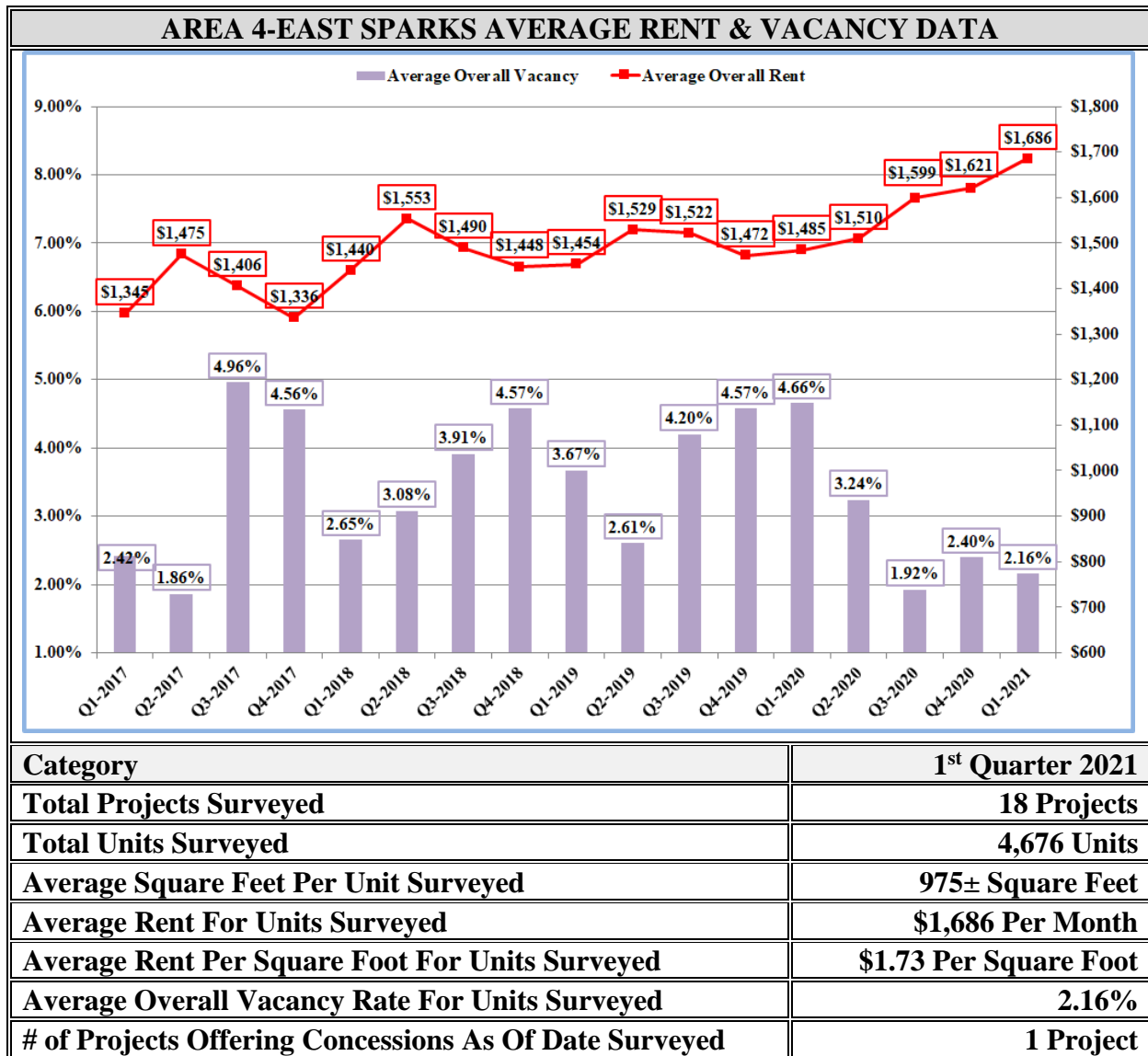


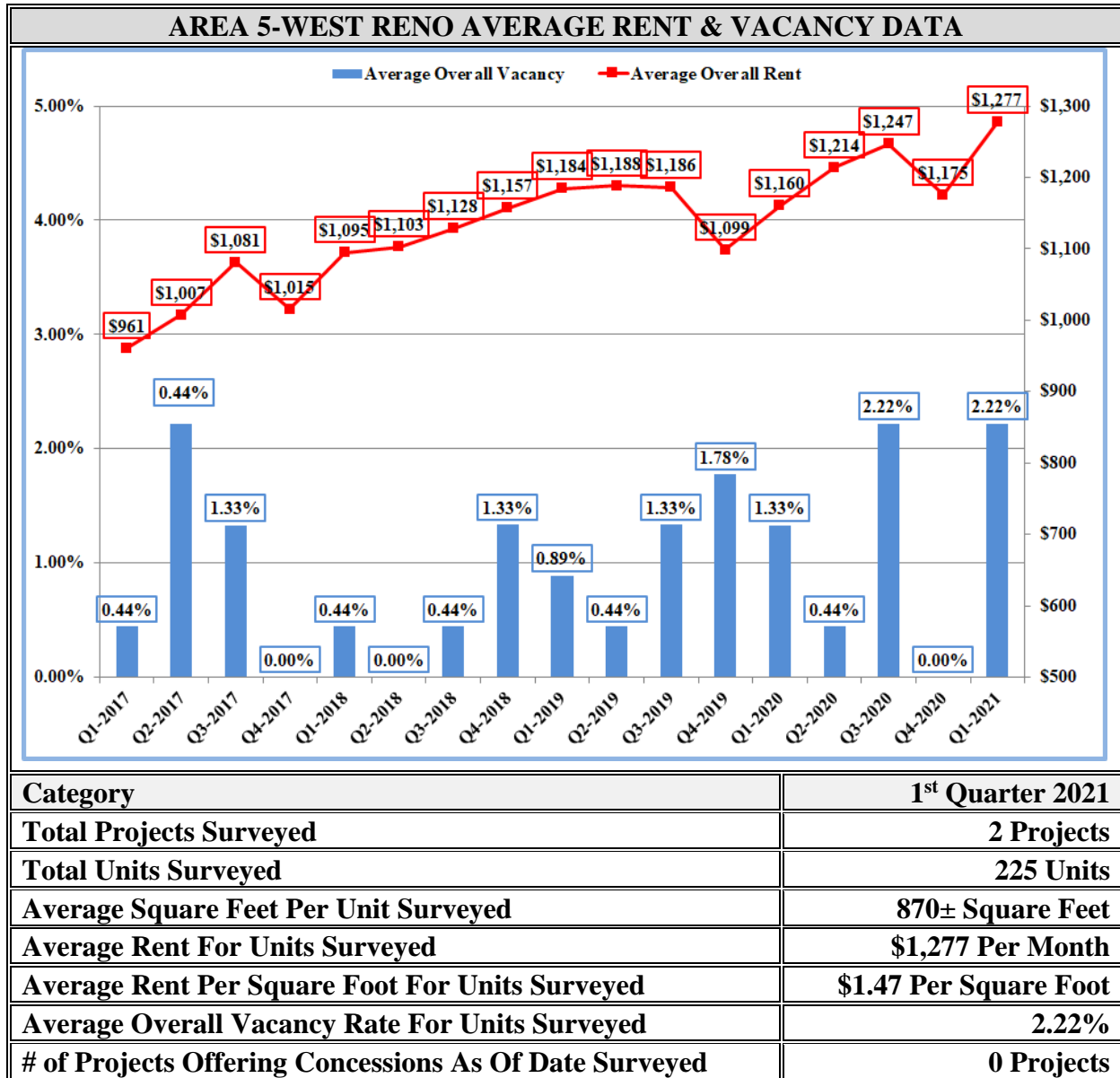


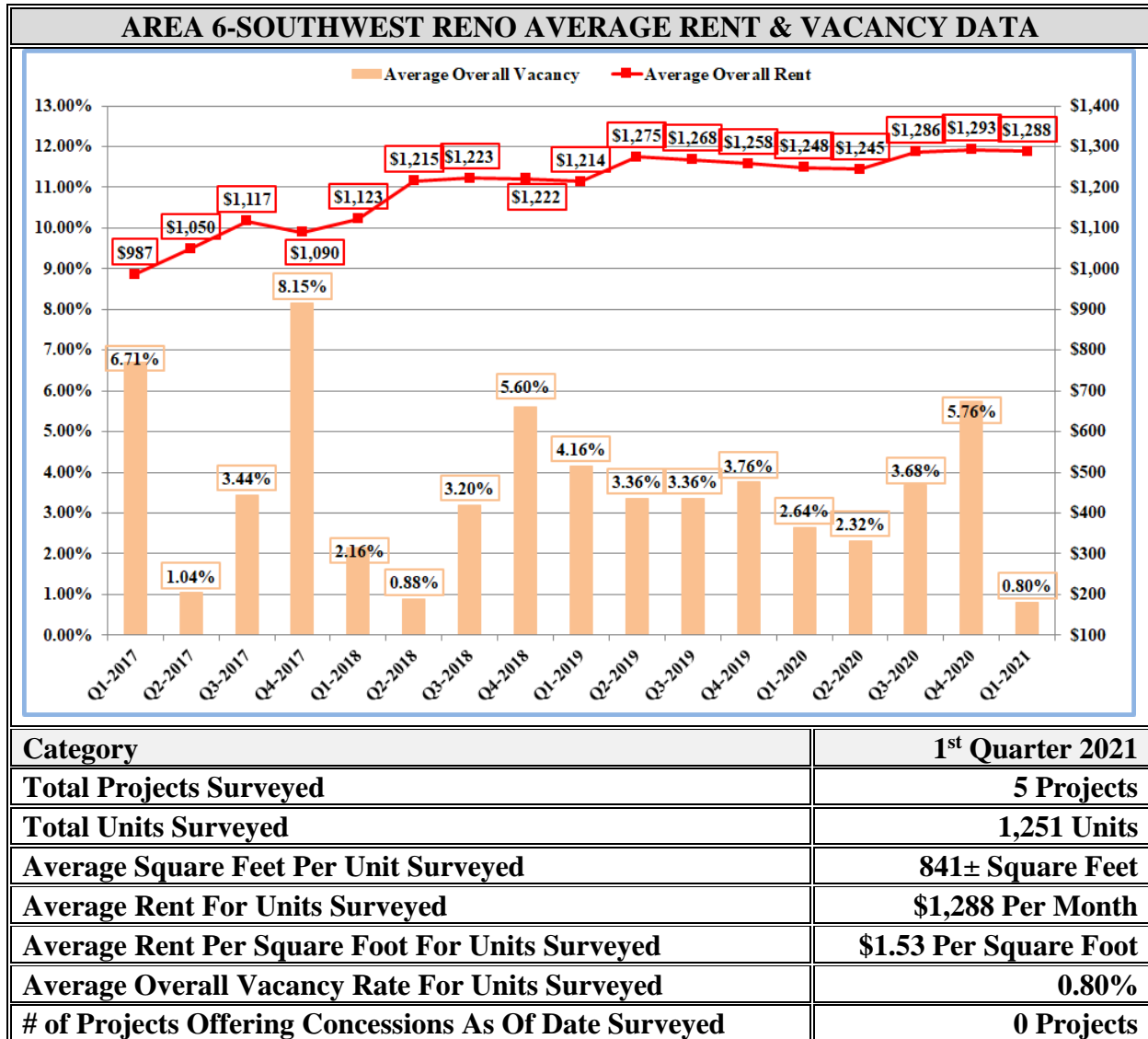
AREA 3-WEST SPARKS/NORTH VALLEYS AVERAGE RENT & VACANCY DATA

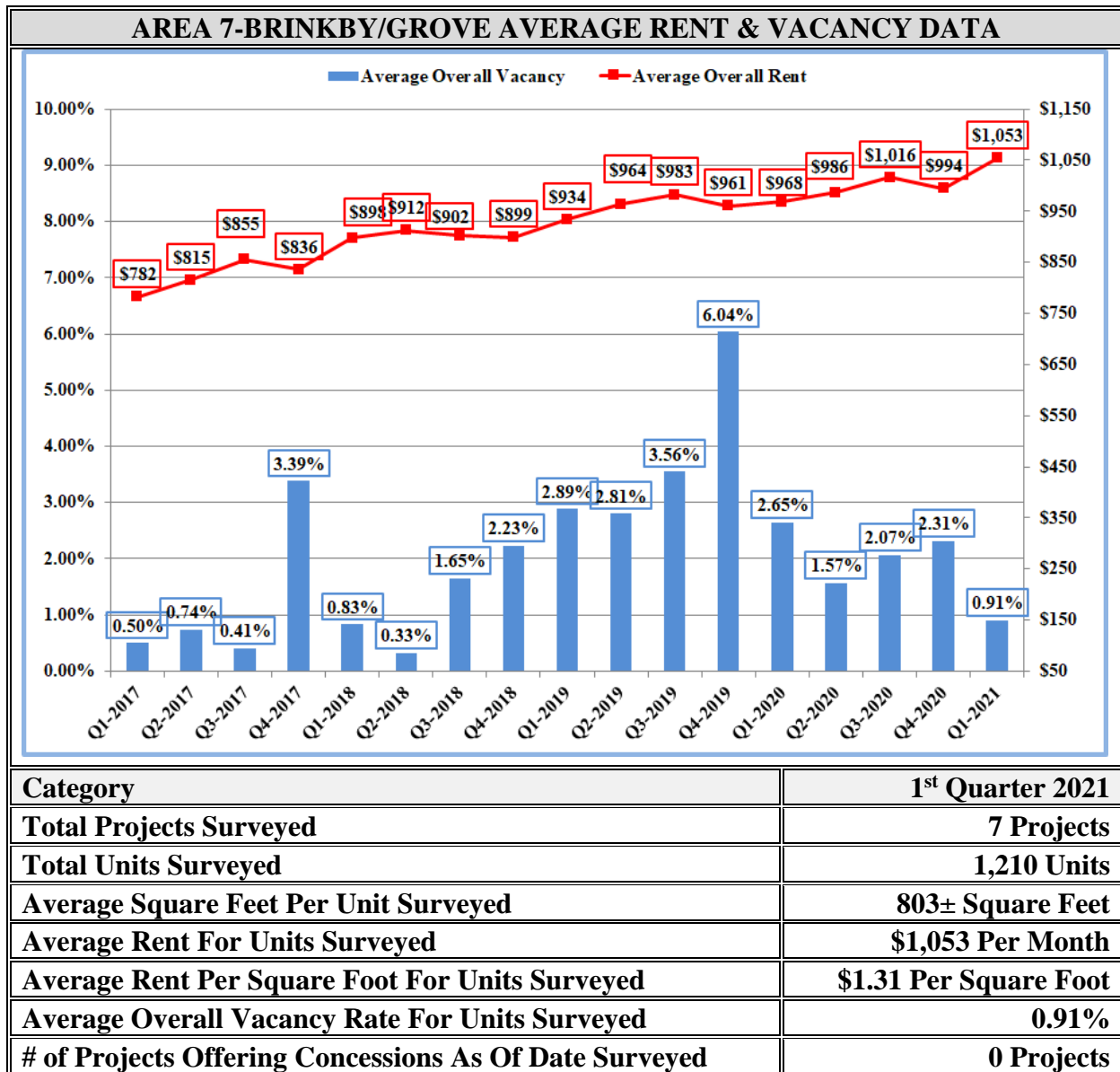


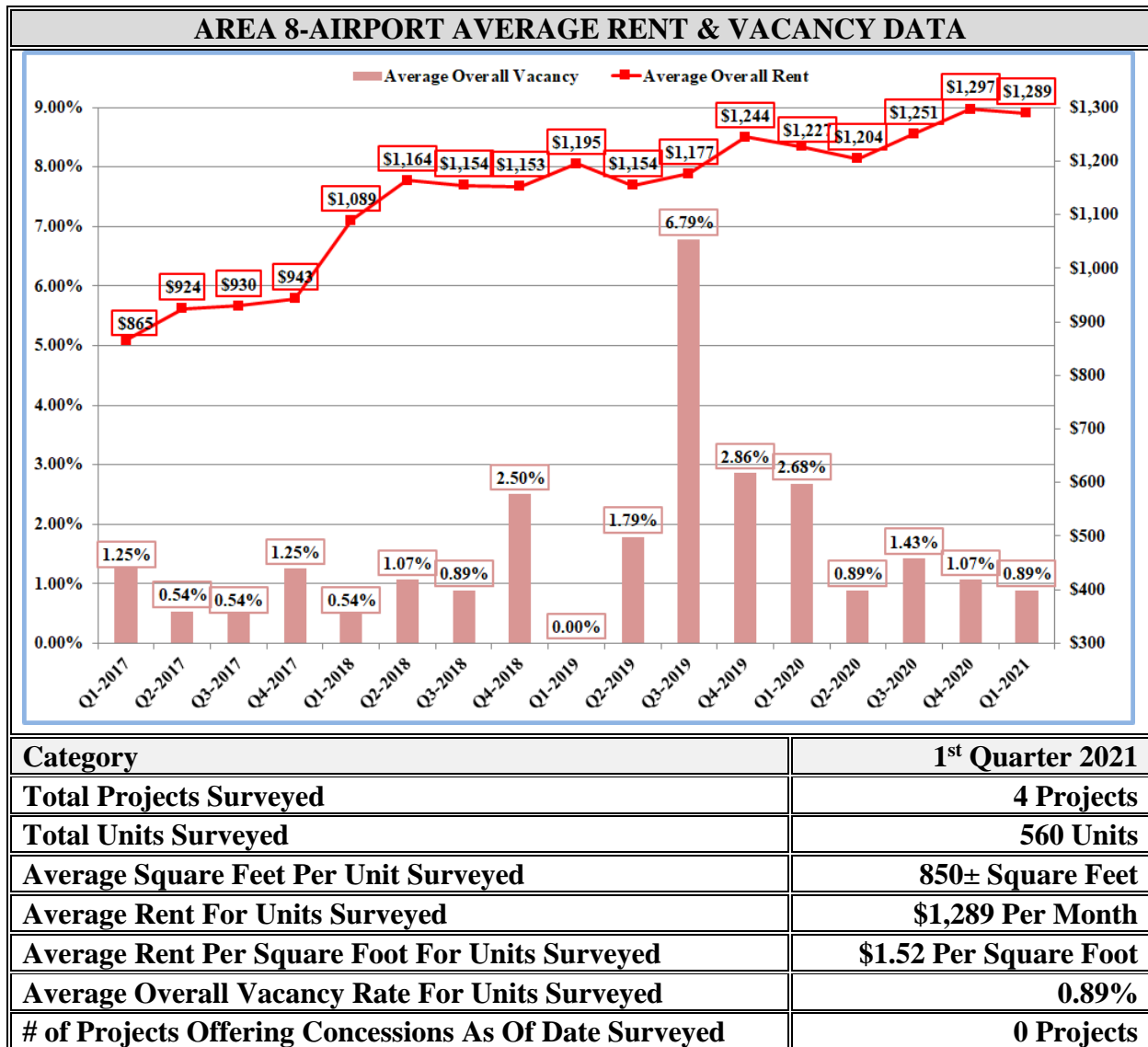
Category	1 st Quarter 2021
Total Projects Surveyed	14 Projects
Total Units Surveyed	3,388 Units
Average Square Feet Per Unit Surveyed	897± Square Feet
Average Rent For Units Surveyed	\$1,317 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.47 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.45%
# of Projects Offering Concessions As Of Date Surveyed	2 Projects





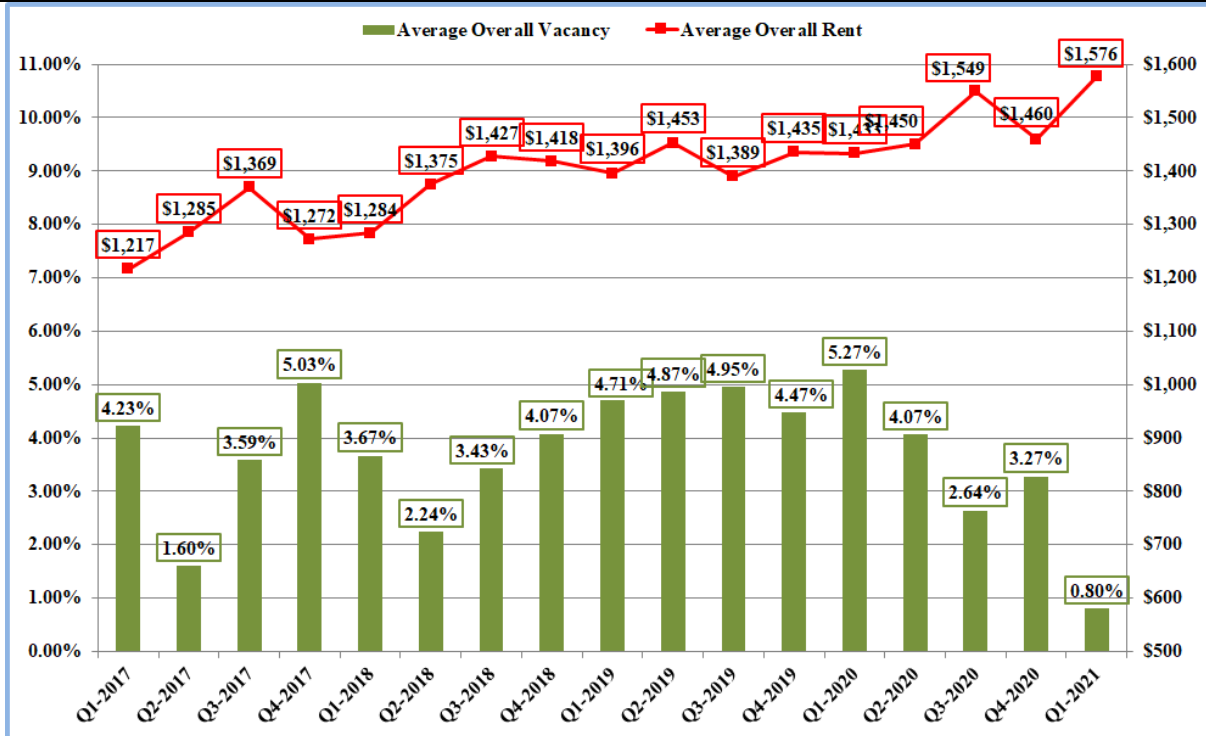




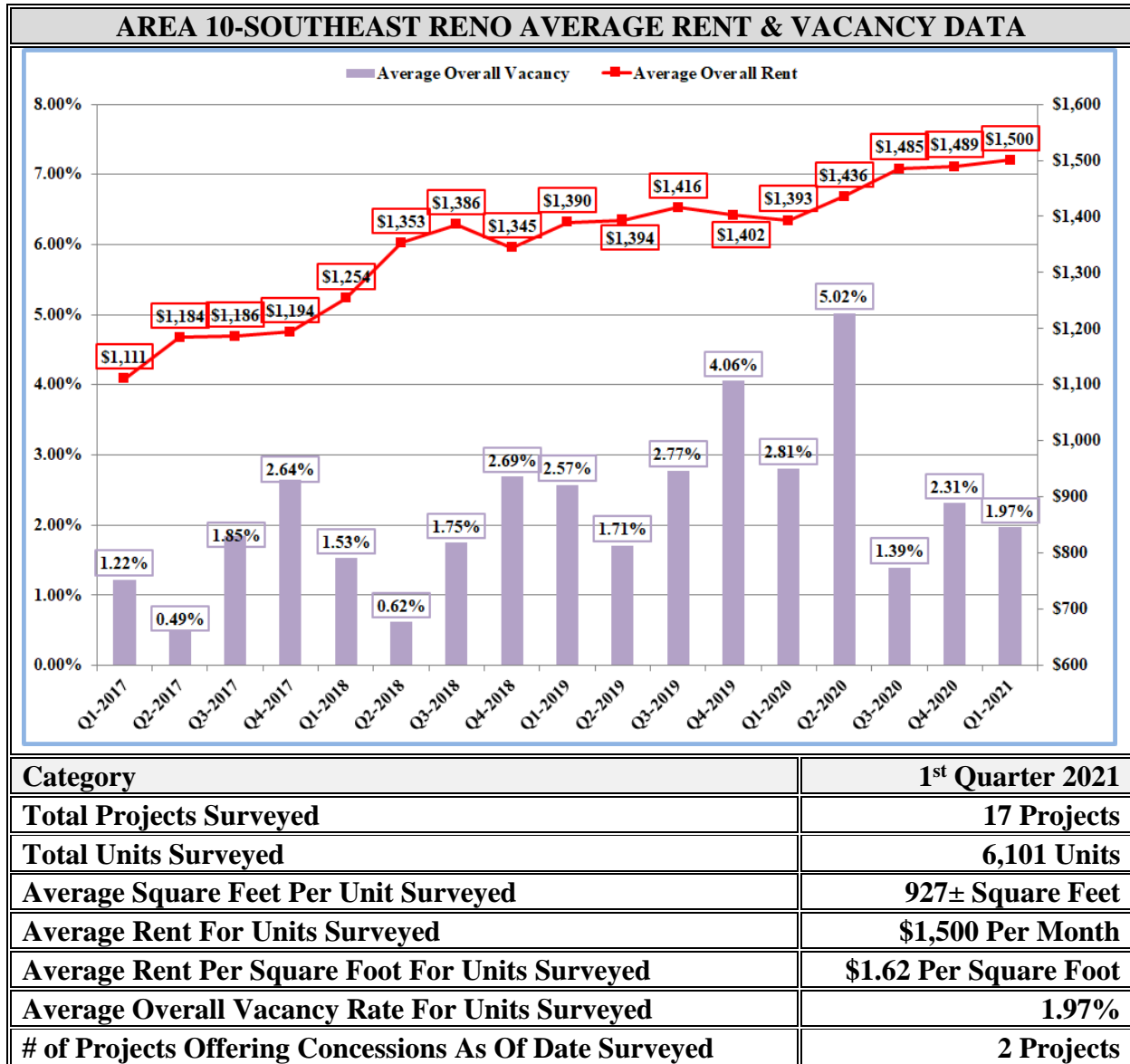


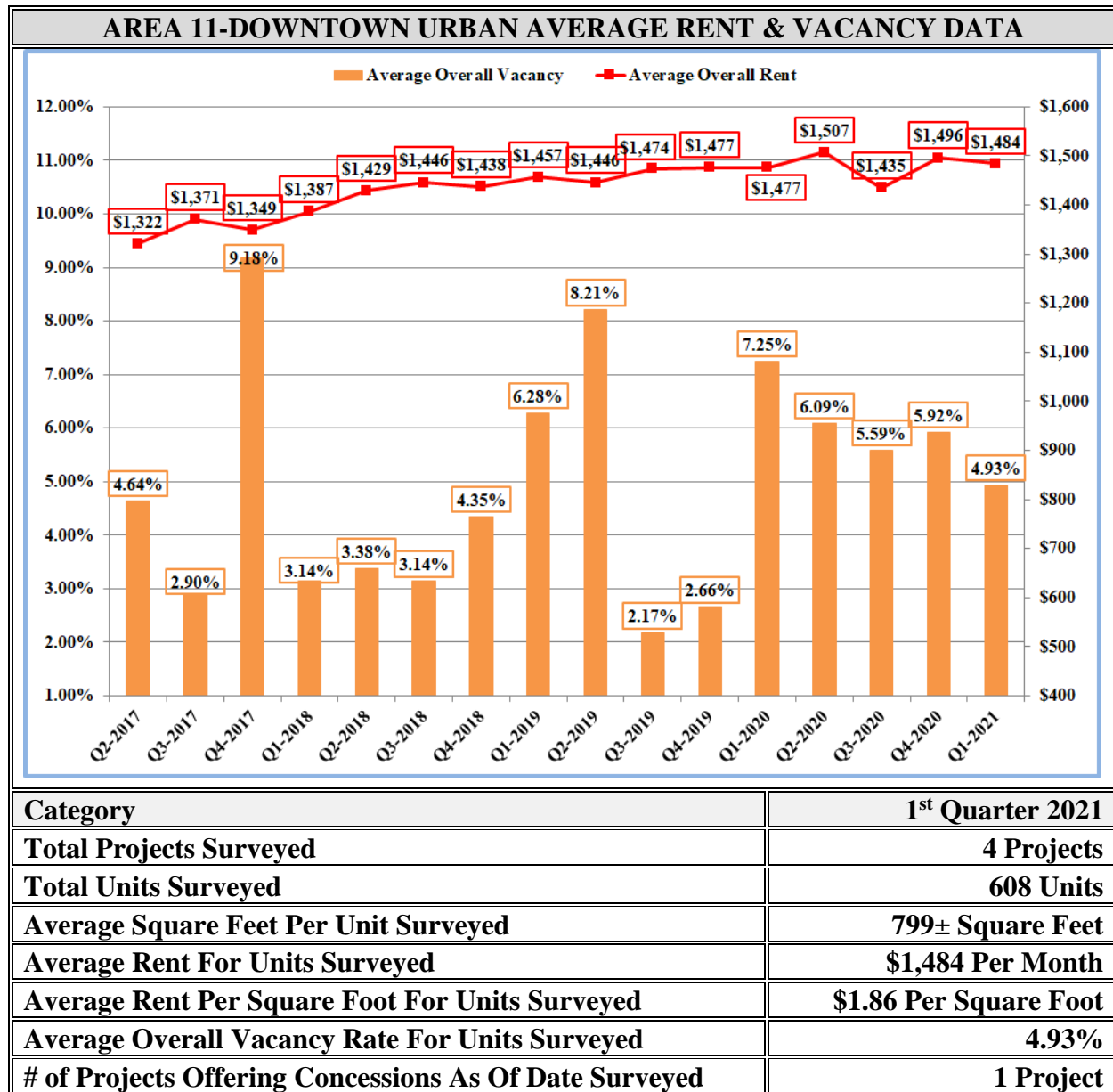


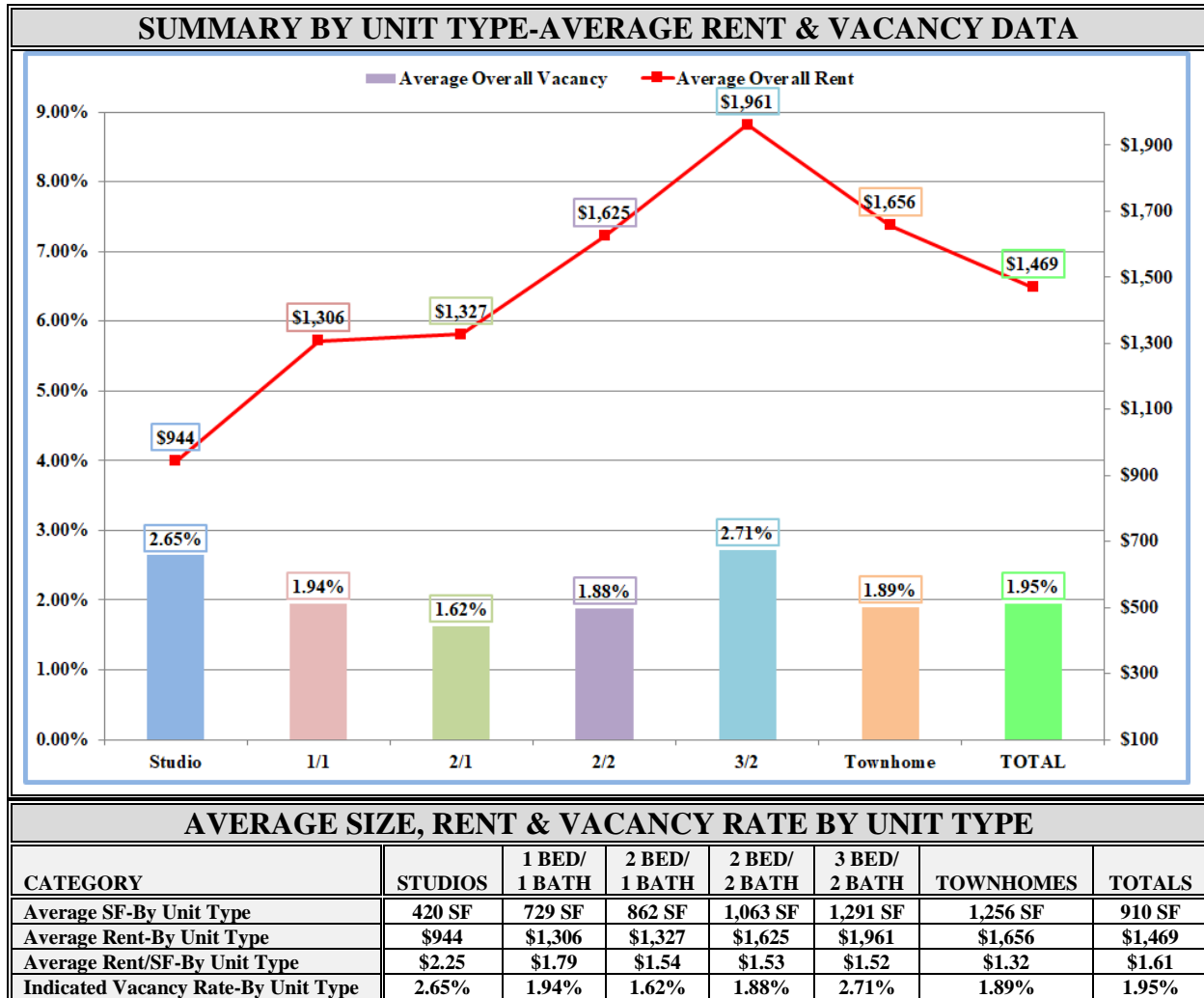
AREA 9-LAKERIDGE AVERAGE RENT & VACANCY DATA

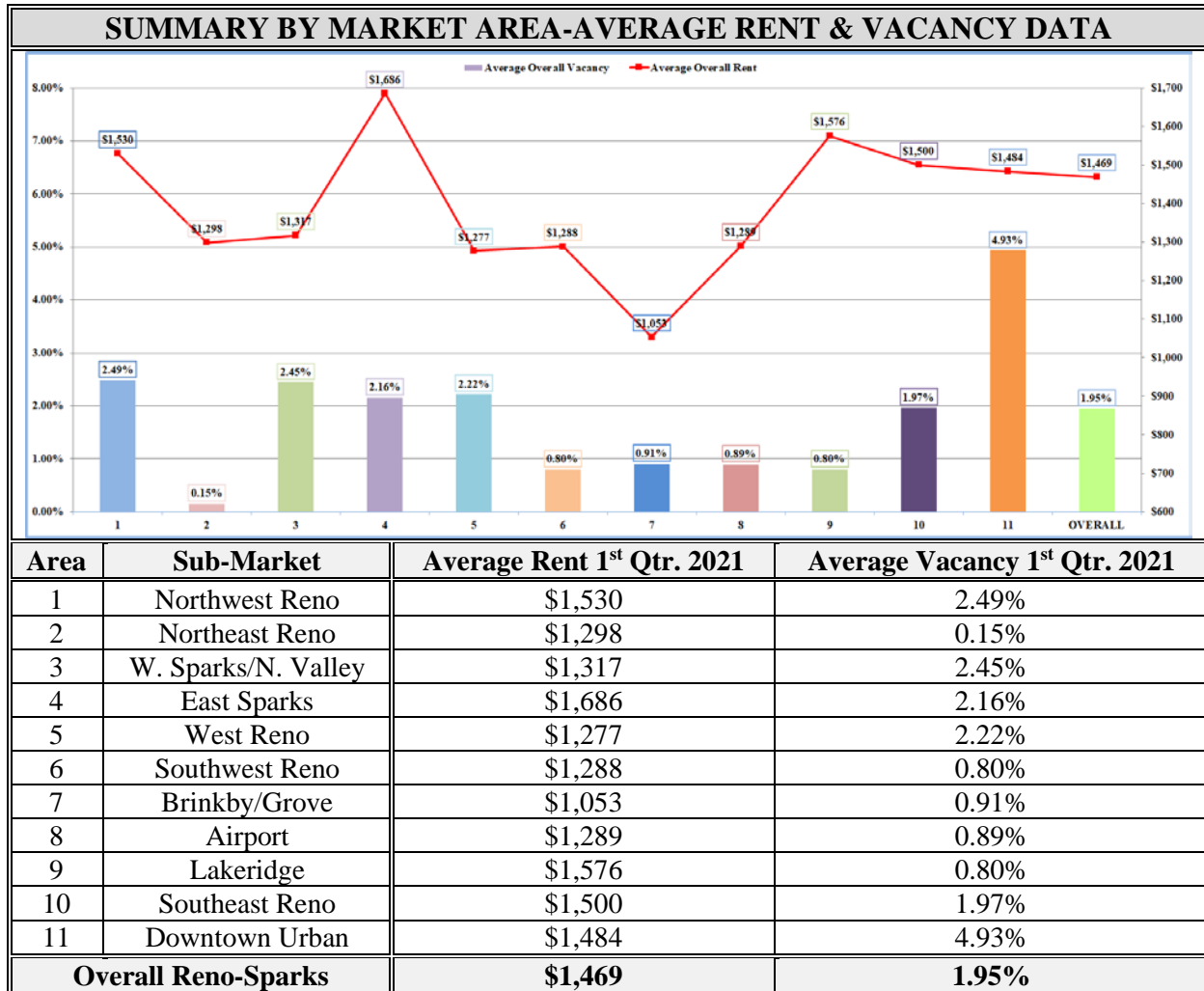


Category	1 st Quarter 2021
Total Projects Surveyed	5 Projects
Total Units Surveyed	1,252 Units
Average Square Feet Per Unit Surveyed	927± Square Feet
Average Rent For Units Surveyed	\$1,576 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.70 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.80%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



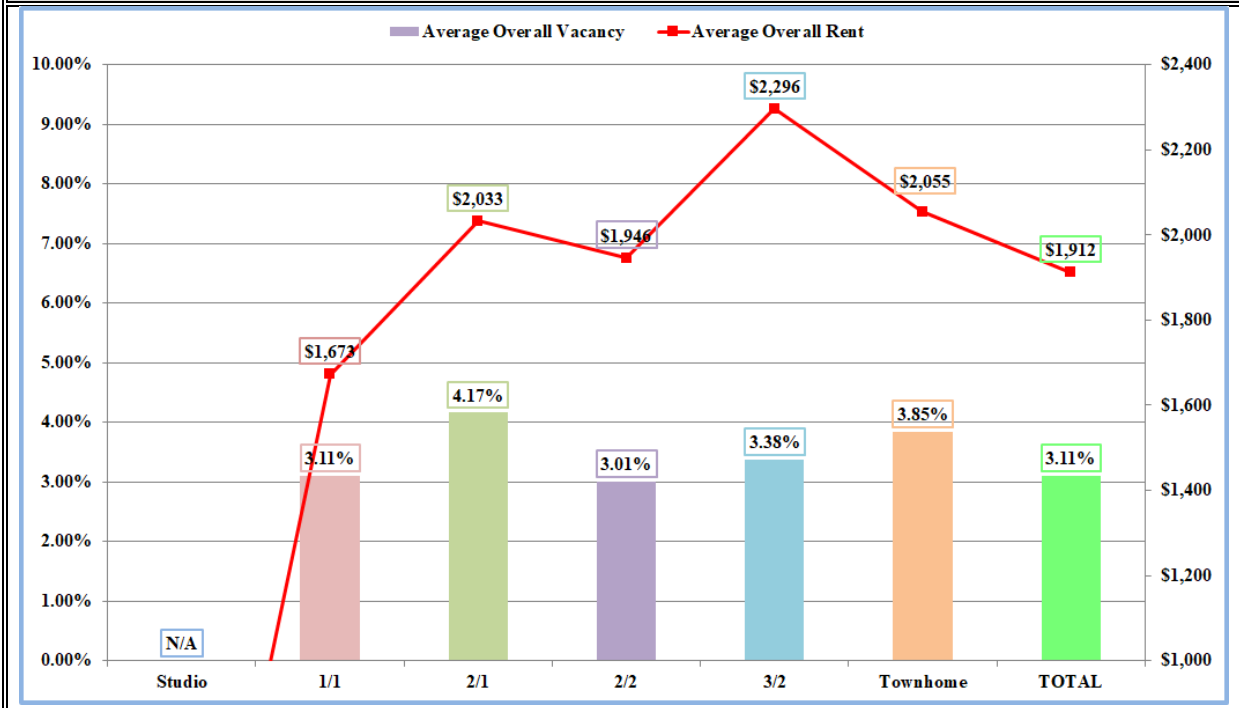








15 PROPERTIES WITH HIGHEST AVERAGE RENTS AVERAGE RENT & VACANCY DATA



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	1,416 Units	24 Units	2,391 Units	651 Units	26 Units	4,508 Units
Average SF-By Unit Type	N/A	842 SF	993 SF	1,182 SF	1,388 SF	1,154 SF	1,104 SF
Average Rent-By Unit Type	N/A	\$1,673	\$2,033	\$1,946	\$2,296	\$2,055	\$1,912
Average Rent/SF-By Unit Type	N/A	\$1.99	\$2.05	\$1.65	\$1.65	\$1.78	\$1.73
Indicated Vacancy Rate-By Unit Type	N/A	3.11%	4.17%	3.01%	3.38%	3.85%	3.11%



SURVEY PARTICIPANTS	
Special thanks to the following apartment complexes for their continued and reliable support:	
Aviana at Tuscany	Vineyards at Galleria
Club Ambassador	Waterfront at the Marina
Manzanita Gate	Waterstone at Kiley Ranch
Montebello at Summit Ridge	Willow Creek Villas
Northwind Apartments	The Park at Idlewild
Sharlands Terrace	Waters Edge Apartments
Shoreline Plaza	Edge Water at Virginia Lake
Silver Ridge Apartments	Lakeview Apartments
The Boulders	Plumas Gardens
The Villas at Keystone Canyon	Sundance West
Truckee River Terrace	Willowbrook Apartments
Vista Ridge Apartments	Ala Moana Apartments
Vida	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	Balfour Place
Reno Vista Apartments	Brooktree Apartments
Riverwood Apartments	Kirman Gardens
The View Apartments	The Meadows II
Keyway Apartments	Aspen Ridge
Lansdowne House	Lakeridge East Apartments
North Peak Apartments	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
Silver Lake Apartments	Horizons at South Meadows
Sky Vista Commons	Latitude 39
Spanish Oaks	Meadowood Apartments
Stonegate Apartments	Rosewood Park
The Bungalows at Sky Vista	Sierra Vista
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
Lumina	The Village at Iron Blossom
Lyfe at the Marina	The Village South
Marina Garden Apartments	Vida
Marina Village	Village of the Pines
Park Vista	Vintage at South Meadows
Reflections at the Marina	3rd Street Flats
Silverado	Fountainhouse
Spring Villas Townhomes	The Bridges
The Trails at Pioneer Meadows	SquareOne
The Villas at D'Andrea	