

APARTMENT SURVEY

4TH QUARTER 2015 DATA

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON PERKINS GRIFFIN, LLC

TABLE OF CONTENTS

STATEMENT OF METHODOLOGY.....	1
ECONOMIC OUTLOOK.....	2
SUMMARY OF FINDINGS	3
HISTORICAL RENTAL AND VACANCY RATES BY UNIT TYPE.....	4
COMMENTARY.....	5
GUIDELINES.....	6
MARKET AREAS.....	7
MARKET AREA MAP	8
PROJECTS APPROVED AND/OR UNDER CONSTRUCTION	9
ABSORPTION	11
RENT CONCESSIONS.....	12
SURVEY RESULTS	13
OVERALL RENO/SPARKS RENT & VACANCY DATA-ALL UNIT TYPES	14
STUDIO UNITS	15
ONE BEDROOM/ONE BATHROOM	16
TWO BEDROOM/ONE BATHROOM	17
TWO BEDROOM/TWO BATHROOM	18
THREE BEDROOM/TWO BATHROOM.....	19
TOWNHOUSE UNITS	20
AREA 1-NORTHWEST RENO.....	21
AREA 2-NORTHEAST RENO.....	22
AREA 3-WEST SPARKS/NORTH VALLEYS	23
AREA 4-EAST SPARKS	24
AREA 5-WEST RENO.....	25
AREA 6-SOUTHWEST RENO	26
AREA 7-BRINKBY/GROVE	27
AREA 8-AIRPORT	28
AREA 9-LAKERIDGE	29
AREA 10-SOUTHEAST RENO	30
SUMMARY BY UNIT TYPE.....	31
SUMMARY BY MARKET AREA.....	32
SUMMARY OF MAJOR APARTMENT PROJECT SALES IN 2015	33
SURVEY PARTICIPANTS	34

SURVEY COMMITTEE

Stephen R. Johnson MAI, SREA
Reese Perkins, MAI, SRA
Scott Q. Griffin, MAI
Sarah K. Fye, MBA

DATA ACCUMULATION AND ANALYSIS
COMPLETED BY

Johnson Perkins Griffin, LLC

ACKNOWLEDGEMENTS

We would like to thank all participating management companies, municipalities, and the Survey Committee for their invaluable contributions to the design and content of this report.

SURVEY SPONSORS

Johnson Perkins Griffin, LLC
Real Estate Appraisers and Consultants
245 East Liberty, Suite 100
Reno, Nevada 89501
(775) 322-1155 FAX (775) 322-1156

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 20,657 units reported. A total of 81 projects were surveyed. We believe the statistics presented here are representative of the overall conditions of the Reno-Sparks Survey Area.

Survey Modifications

One apartment project remains out of the current survey as they were extensively renovating units, and therefore significantly impacting vacancies. Two new projects reached stabilization during the 4th Quarter 2015 and agreed to become survey participants. The total apartment projects participating in the survey increased to 81 projects, and the total units increased from 20,007 units to 20,657 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	3 rd Quarter 2015	4 th Quarter 2015	Change
Total Projects	79	81	2 More Projects
Total Units	20,007	20,657	650 More Units

ECONOMIC OUTLOOK

“I am encouraged that we continue to experience more good news for the labor market. November represents the 57th consecutive month in which the Silver State’s unemployment rate has been lower than the previous year,” said Governor Brian Sandoval. “Nevada continues to make great strides as our economic recovery sustains this positive momentum, but we know there is still work to be done to ensure all Nevadans have the opportunity to obtain employment.”

The state added 30,900 jobs over last year, for a growth rate of 2.5 percent, said Bill Anderson, chief economist for Nevada’s Department of Employment, Training and Rehabilitation.

“While month over month, employment fell by 4,800, leading to a seasonally adjusted decline of 6,700 jobs, November is the 59th consecutive month of year-over-year employment increases,” Anderson said.

Leisure and hospitality experienced the greatest employment growth for the year, adding 13,200 jobs, while the construction sector showed the greatest percentage growth at 12.3 percent, adding 7,800 jobs. Indicative of the seasonal hiring activity, retail trade employment is up 6,800 over the month.

Economic Indicators

(Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary November 2015)

Economic Indicators	
UNEMPLOYMENT RATES November 2015	
Nevada*	6.5%
Las Vegas MSA	6.3%
Reno-Sparks MSA	5.7%
Carson City MSA	6.8%
Elko Micropolitan Area	4.9%
United States*	5.0%
JOB GROWTH (YOY) November 2015	
Nevada*	2.5%
Las Vegas MSA*	2.6%
Reno-Sparks MSA*	2.6%
Carson City MSA*	0.0%
United States*	1.9%
GAMING WIN (YOY) October 2015	
Nevada	-2.9%
Clark County	-4.0%
Washoe County	6.4%
TAXABLE SALES (YOY) September 2015	
Nevada	5.1%
Clark County	4.8%
Washoe County	12.3%
<small>*Seasonally Adjusted</small>	

SUMMARY OF FINDINGS

AVERAGE SIZE, AVERAGE RENT & AVERAGE VACANCY RATE BY UNIT TYPE

	STUDIOS	1 BED/ 1 BATH	2 BED/ 1 BATH	2 BED/ 2 BATH	3 BED/ 2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	406 SF	724 SF	862 SF	1,044 SF	1,273 SF	1,298 SF	893 SF
Average Rent-By Unit Type	\$580	\$840	\$854	\$1,066	\$1,263	\$1,159	\$946
Average Rent/SF-By Unit Type	\$1.43	\$1.16	\$0.99	\$1.02	\$0.99	\$0.89	\$1.06
Indicated Vacancy Rate-By Unit Type	2.54%	2.85%	2.83%	3.01%	2.56%	4.81%	2.90%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER

	3 rd Quarter 2015	4 th Quarter 2015	Change
Average Vacancy	2.67%	2.90%	+23 Basis Points
Average Rent	\$942	\$946	+\$4 or +0.42%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER

UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	3rd Qtr. 2015	4th Qtr. 2015	Result	3rd Qtr. 2015	4th Qtr. 2015	Result
Studio	\$589	\$580	-\$9	2.99%	2.54%	-0.45%
1 Bedroom/1 Bath	\$837	\$840	+\$3	2.35%	2.85%	+0.50%
2 Bedroom/1 Bath	\$848	\$854	+\$6	2.29%	2.83%	+0.54%
2 Bedroom/2 Bath	\$1,065	\$1,066	+\$1	3.11%	3.01%	-0.10%
3 Bedroom/2 Bath	\$1,264	\$1,263	-\$1	2.81%	2.56%	-0.25%
Townhouse	\$1,137	\$1,159	+\$22	2.30%	4.81%	+2.51%
TOTALS	\$942	\$946	+\$4	2.67%	2.90%	+0.23%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA

Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		3rd Qtr. 2015	4th Qtr. 2015	Result	3rd Qtr. 2015	4th Qtr. 2015	Result
1	Northwest Reno	\$1,011	\$1,015	+\$4	2.41%	1.96%	-0.45%
2	Northeast Reno	\$879	\$865	-\$14	2.20%	1.60%	-0.60%
3	W. Sparks/N. Valley	\$802	\$842	+\$40	2.97%	2.35%	-0.62%
4	East Sparks	\$1,047	\$1,047	+\$0	2.17%	2.65%	+0.48%
5	West Reno	\$824	\$825	+\$1	1.33%	1.33%	0.00%
6	Southwest Reno	\$843	\$785	-\$58	9.20%	7.86%	-1.34%
7	Brinkby/Grove	\$727	\$723	-\$4	4.98%	7.76%	+2.78%
8	Airport	\$792	\$799	+\$7	1.43%	2.32%	+0.89%
9	Lakeridge	\$1,031	\$1,021	-\$10	2.56%	3.59%	+1.03%
10	Southeast Reno	\$975	\$988	+\$13	1.59%	2.49%	+0.90%
Overall Reno-Sparks		\$942	\$946	+\$4	2.67%	2.90%	+0.23%

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%
AVERAGE	\$519	5.84%	\$728	4.69%	\$780	6.07%	\$935	5.90%	\$1,123	6.54%	\$1,091	6.82%	\$862	5.53%
MEDIAN	\$524	5.74%	\$729	4.14%	\$783	5.65%	\$927	5.88%	\$1,114	6.27%	\$1,098	6.96%	\$859	5.26%
LOW	\$463	1.35%	\$673	2.16%	\$711	1.88%	\$875	1.96%	\$1,070	1.97%	\$1,009	1.92%	\$821	2.13%
HIGH	\$589	10.96%	\$840	10.08%	\$854	12.20%	\$1,066	11.43%	\$1,264	13.18%	\$1,159	13.65%	\$946	10.93%

COMMENTARY

The overall average rental rate for all units surveyed increased 0.42%, with all unit types except studio and three bedroom/two bathroom units experiencing an increase in average rental rates. Six of the ten sub-markets experienced an increase in average rental rates.

The overall vacancy rate for all units surveyed increased by 23 basis points, with four of the ten submarkets showing decreases in vacancies, five submarkets experiencing increases in average vacancy rates and one submarket showing no change in vacancy. Three of the six unit types experienced slight increases in average vacancies, with studio, two bedroom/two bathroom and three bedroom/two bathroom units showing slight decreases in average vacancy rates.

Although several projects are under construction, supply within the major apartment projects in the region is expected to remain extremely tight over the coming year. Vacancies are expected to remain extremely low over the next year, and rental rates should continue to show increases. A rush to construct new units is underway.

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).

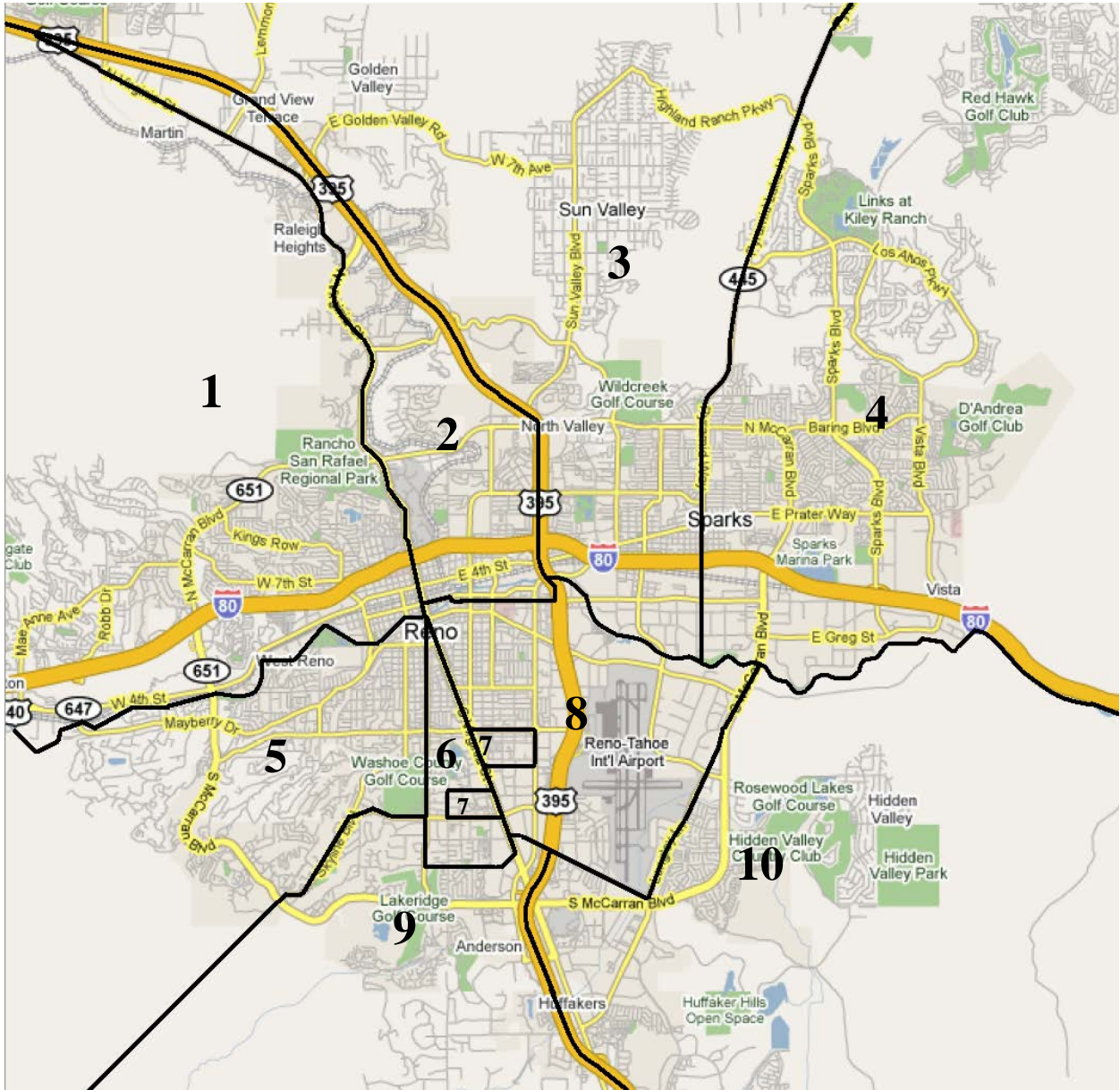
Apartment Unit Classifications

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

MARKET AREA MAP



PROJECTS APPROVED AND/OR UNDER CONSTRUCTION

Ryder Homes has completed a 208 unit apartment complex in south Reno. The Village at Arrow Creek Parkway is located at the intersection of Arrowcreek Parkway and Wedge Parkway. According to representatives of Ryder Homes, a 252-unit project is planned to be constructed in the coming year.

According to the City of Reno Planning Department, Silver Peak Apartments received a five year extension on their special use permit which was set to expire April 2011. The special use permit is for the development of a 420 unit apartment complex and is now set to expire March 2016.

New owners of a 21.017± acre parcel located on the southwest corner of North Virginia Street and Vista Rafael Parkway in north Reno have submitted a Special Use Permit to develop a 416-unit apartment project which had previously been approved by the Reno Planning Commission in February 2008. This project is known as the Vista Rafael Apartments.

Silverwing Development began construction in July 2014 on The Edgewater at Virginia Lake, a 336 unit condo/apartment project which will replace the 108 unit Virginia Lake Apartments. When completed in 2015, 48 three-story two and three-bedroom condominiums with garages will all face Virginia Lake along Eastshore Drive. Behind them will be 288 one and two-bedroom apartment units. The main leasing office for this project opened in May 2015, and move-ins within the first building beginning in August 2015. At the end of the 4th Quarter of 2015, 6 buildings and 156 units had been completed and 87% of the completed units were occupied. Overall, 30% of the project has been pre-leased. Completion of the entire project is anticipated to occur in April 2016.

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)

Project Name	Units	Location	Area	Status
3 rd Street Flats	94	West 3 rd Street at North Arlington Avenue	1	Under Construction
The Villas at Keystone Canyon-Phase II	120	Keystone Avenue & North McCarran Boulevard	1	Planning Stages
Proposed LandCap Project	308	Southeast Corner Sharlands & Mae Anne	1	Planning Stages
C Street Lofts	100	Victorian Avenue at 10 th Street	3	Under Construction
Fountain House Apartments	236	Victorian Plaza Circle at C Street	3	Under Construction
Silver Peak Apartments	420	Intersection of Military Road & Lemmon Drive	3	Special Use Permit will expire March 2016
Vista Rafael Apartments	416	North Virginia Street & Vista Rafael Parkway	3	Planning Stages
LandCap Project	300±	Prater Way & Vista Boulevard	4	Planning Stages
Pioneer Meadows	300±	Wingfield Springs	4	Planning Stages
The Point at the Marina	920	LandCap Project, East of Sparks Marina	4	Entitled for up to 920 Units
Vineyard at the Galleria	210	Sparks Galleria	4	Beginning Construction 2016
Waterfront at the Marina	209	Around Existing Parking Garage @ Sparks Marina	4	Beginning Construction 2016
Edgewater at Virginia Lake	336	Virginia Lake-Demolition of Portion of Existing Project	6	Under Construction
Confidential	400±	South Reno Market	10	Planning Stages
Sierra Vista	340	Arrowcreek Parkway	10	Beginning Construction 2016
Steamboat Creek	468	Geiger Grade & South Virginia Street	10	Planning Stages
Summit Club	584	Mt. Rose Highway	10	Planning Stages
The Harvest-Phase I	278	Damonte Ranch	10	Beginning Construction 2016
The Harvest-Phase II	300±	Damonte Ranch	10	Planning Stages
The Village at Arrow Creek Parkway-II	252	Intersection of Arrowcreek Parkway & Wedge Parkway	10	Under Construction
Total Units:	6,591			

In addition to the above projects, a number of smaller apartment projects, including 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 the Bungalows at Sky Vista-Phase I and The Villas at Keystone Canyon.

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

RENT CONCESSIONS

During the 4th Quarter of 2015 15% of the apartment projects in our Survey offered rent concessions, in comparison to 20% in the 3rd Quarter of 2015. Concessions range from discounted deposits to one month free rent with a six or twelve-month lease. The most commonly found rent concessions consist of:

- One month free rent
- Discounted deposit
- Reduced Rent with 6 or 12 month lease

The chart below and the graph on the following page summarize the percentage of projects which have offered concessions, and the overall vacancy rate, between 2011 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

Month/ Year	% Offering Concessions	Overall Vacancy %
Q1-2011	82.43%	5.64%
Q2-2011	76.32%	5.51%
Q3-2011	72.37%	5.38%
Q4-2011	74.03%	6.56%
Q1-2012	71.43%	5.59%
Q2-2012	66.23%	5.13%
Q3-2012	61.04%	4.83%
Q4-2012	66.23%	5.60%
Q1-2013	57.14%	5.11%
Q2-2013	48.05%	4.65%
Q3-2013	37.18%	4.05%
Q4-2013	44.87%	4.12%
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%

SURVEY RESULTS

This section of the report covers survey findings pertaining to the total survey area for the 4th Quarter of 2015.

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 Townhouse Units
- Overall Trends For 3 Bedroom/2 Bath 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:

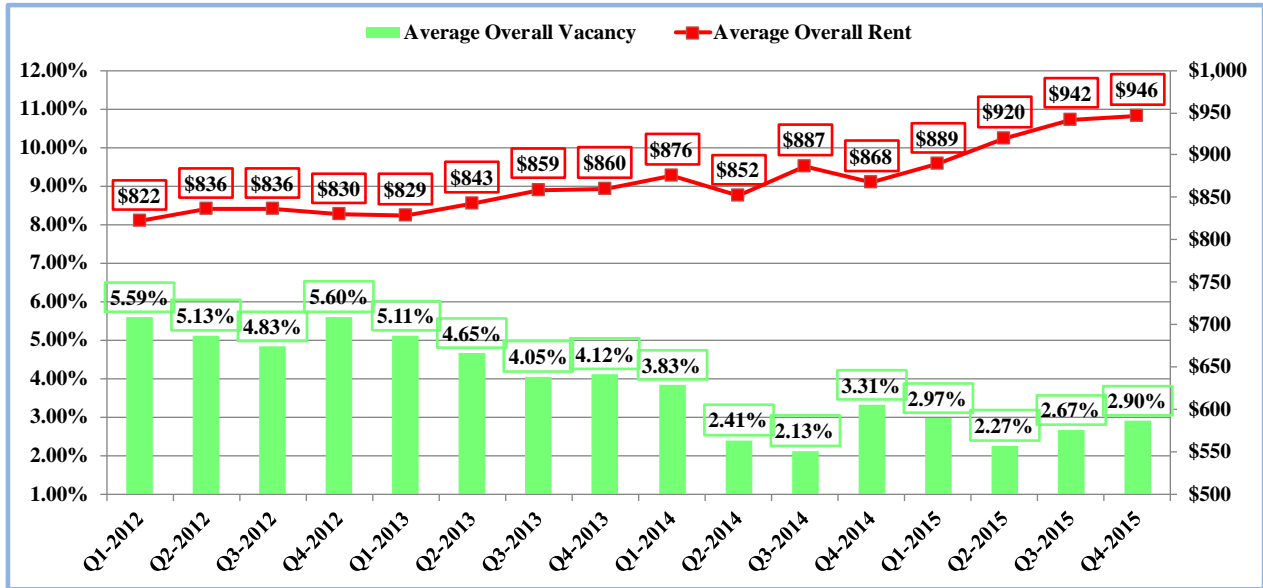
- Area 1-Northwest Reno
- Area 2-Northeast Reno
- Area 3-West Sparks/North Valleys
- Area 4-East Sparks
- Area 5-West Reno
- Area 6-Southwest Reno
- Area 7-Brinkby/Grove
- Area 8-Airport
- Area 9-Lakeridge
- Area 10-Southeast Reno

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

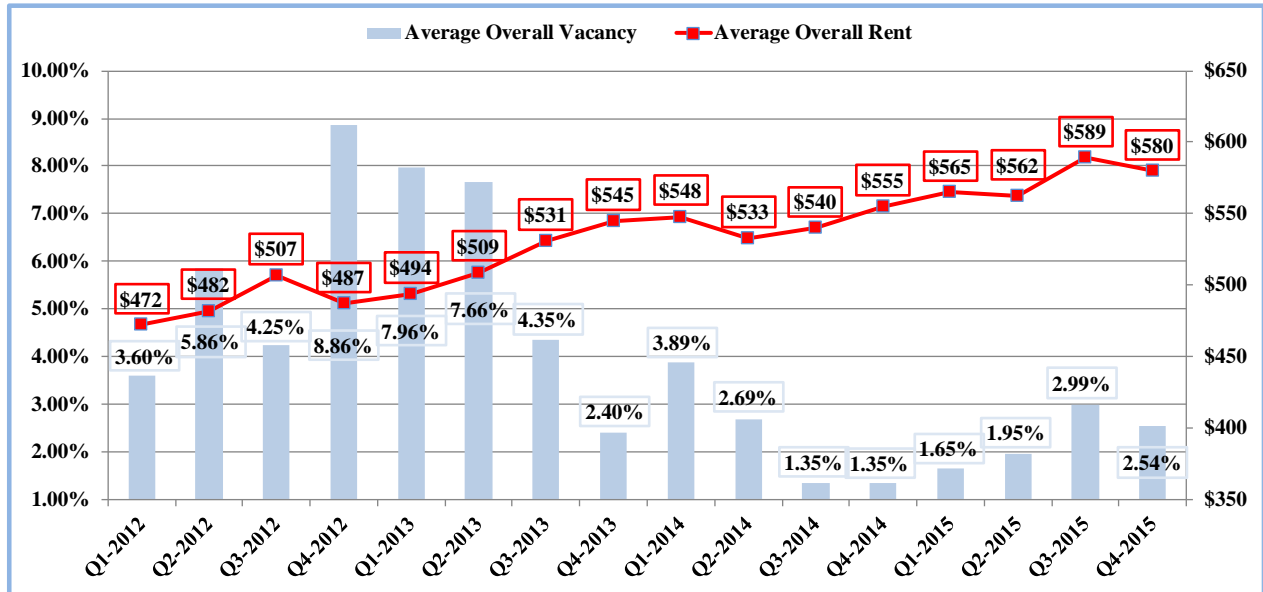
OVERALL RENO/SPARKS RENT & VACANCY DATA-ALL UNIT TYPES



Overall Reno-Sparks Market Averages-All Unit Types (Based Upon Units Surveyed)

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	893± Square Feet
Average Rent For Units Surveyed	\$946 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.06 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.90%

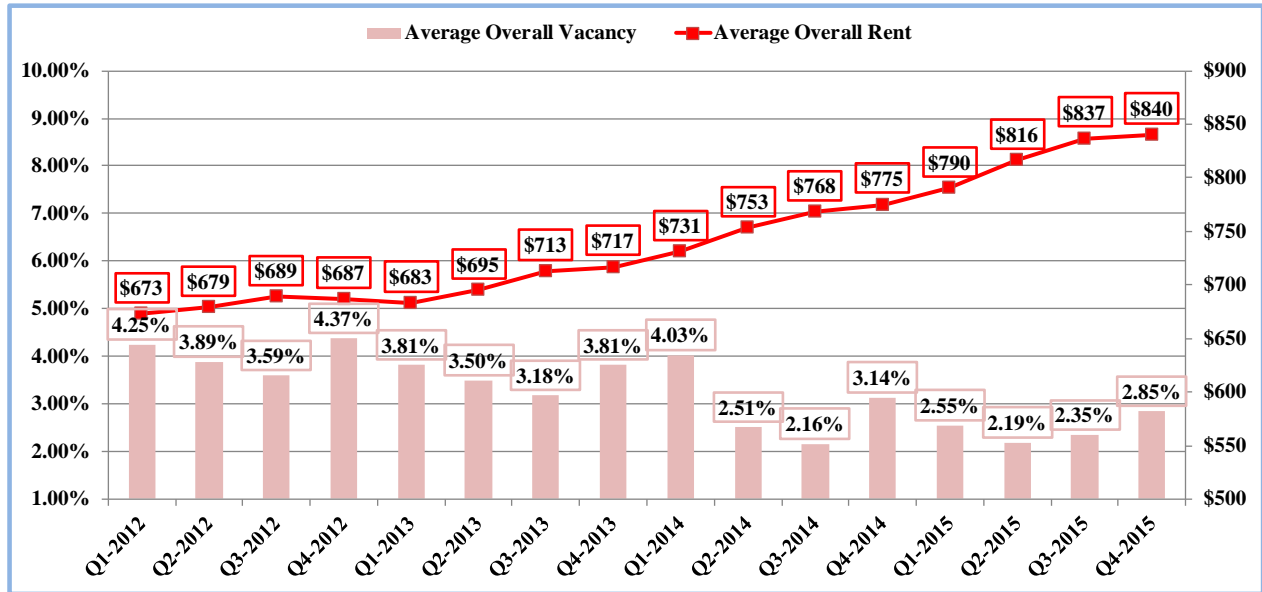
**STUDIO UNITS
OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA**



**Overall Reno-Sparks Market Averages-Studio Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	406± Square Feet
Average Rent For Units Surveyed	\$580 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.43 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.54%

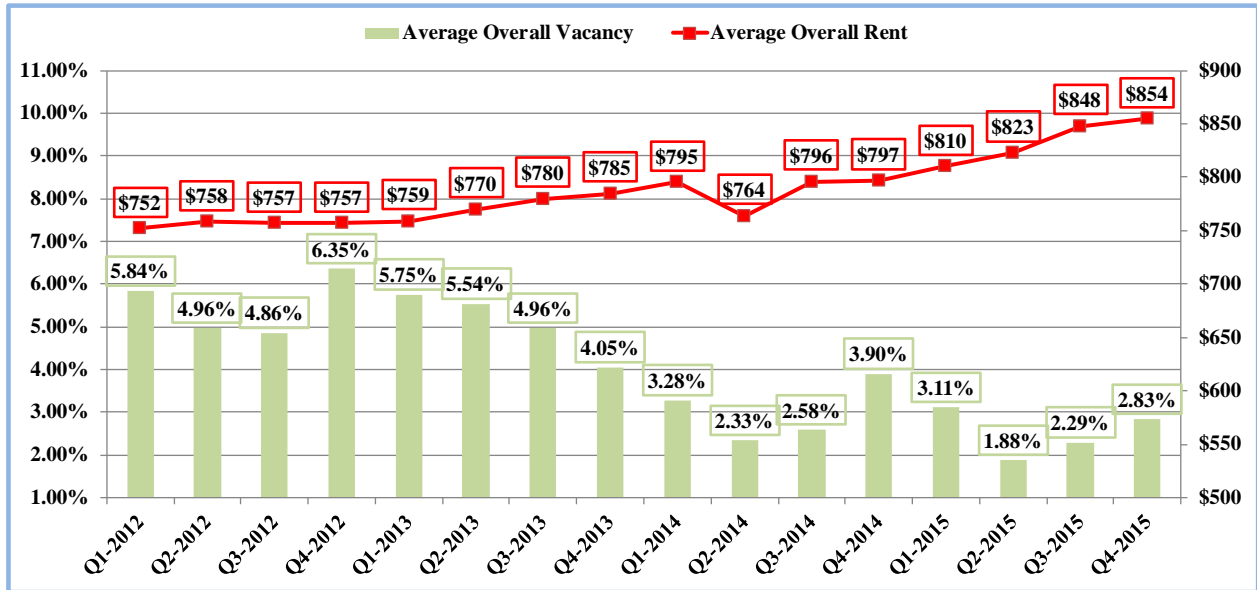
**ONE BEDROOM/ONE BATHROOM
OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA**



**Overall Reno-Sparks Market Averages-One Bedroom/One Bathroom Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	724± Square Feet
Average Rent For Units Surveyed	\$840 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.16 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.85%

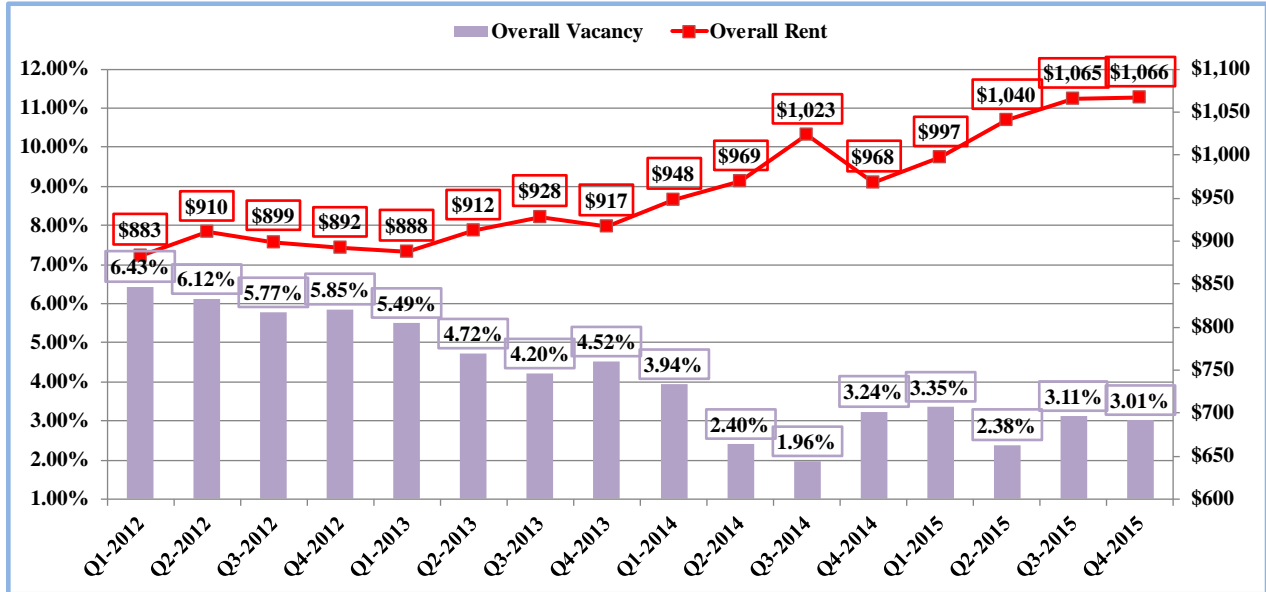
**TWO BEDROOM/ONE BATHROOM
OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA**



**Overall Reno-Sparks Market Averages-Two Bedroom/One Bathroom Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	862± Square Feet
Average Rent For Units Surveyed	\$854 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.99 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.83%

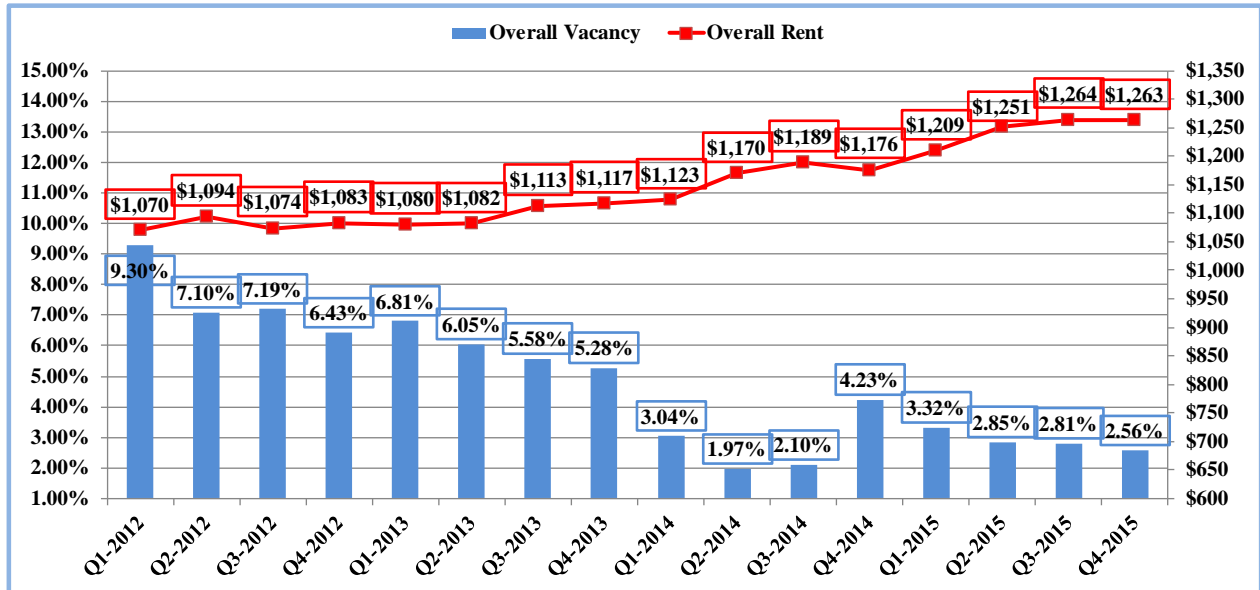
**TWO BEDROOM/TWO BATHROOM
OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA**



**Overall Reno-Sparks Market Averages-Two Bedroom/Two Bathroom Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,044± Square Feet
Average Rent For Units Surveyed	\$1,066 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.02 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.01%

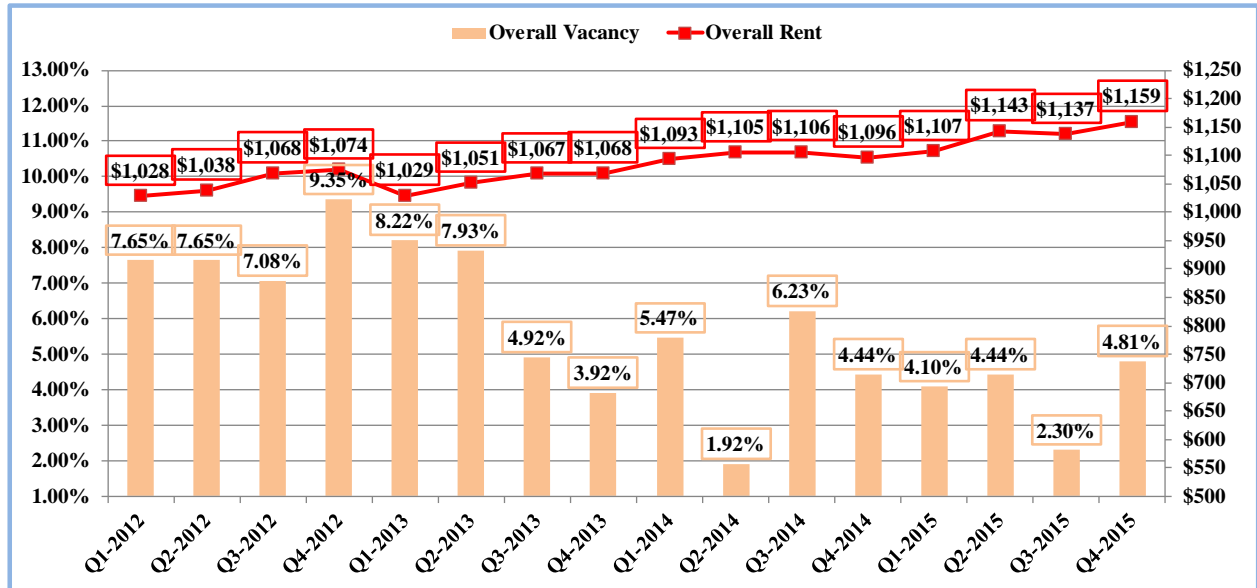
**THREE BEDROOM/TWO BATHROOM
OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA**



**Overall Reno-Sparks Market Averages-Three Bedroom/Two Bathroom Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,273± Square Feet
Average Rent For Units Surveyed	\$1,263 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.99 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.56%

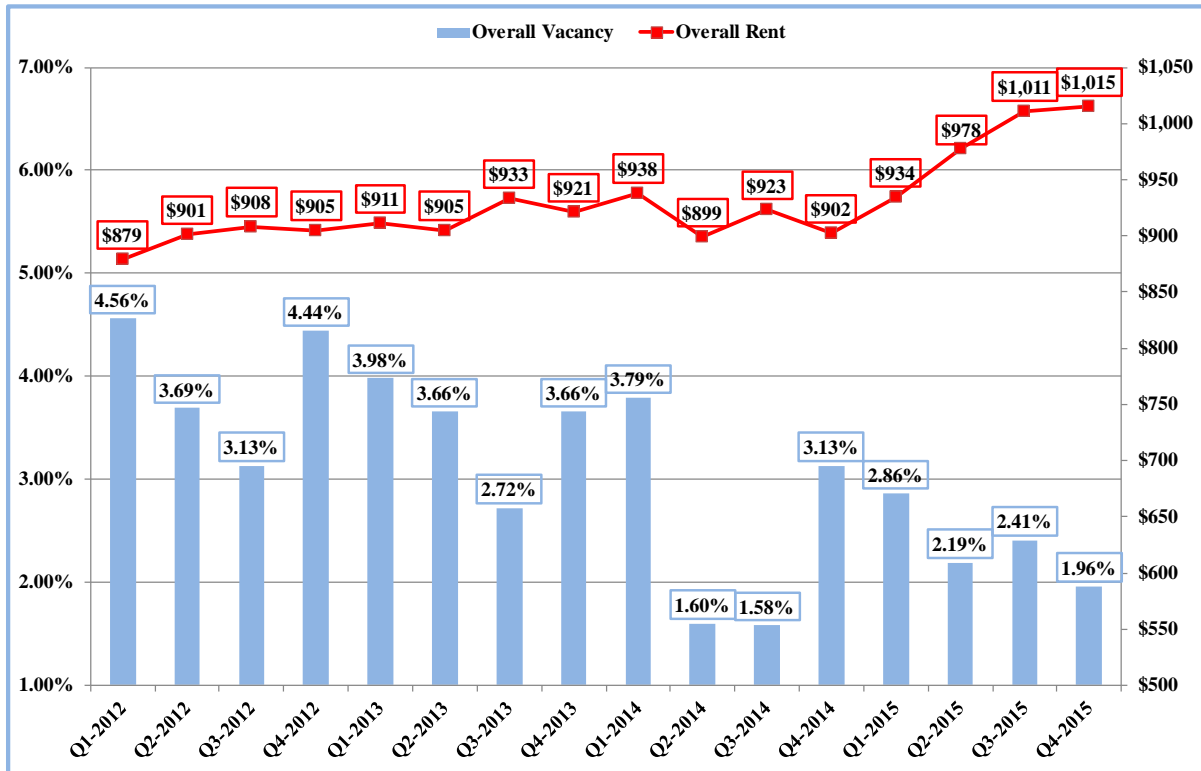
**TOWNHOUSE UNITS
OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA**



**Overall Reno-Sparks Market Averages-Townhouse Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,298± Square Feet
Average Rent For Units Surveyed	\$1,159 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.89 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	4.81%

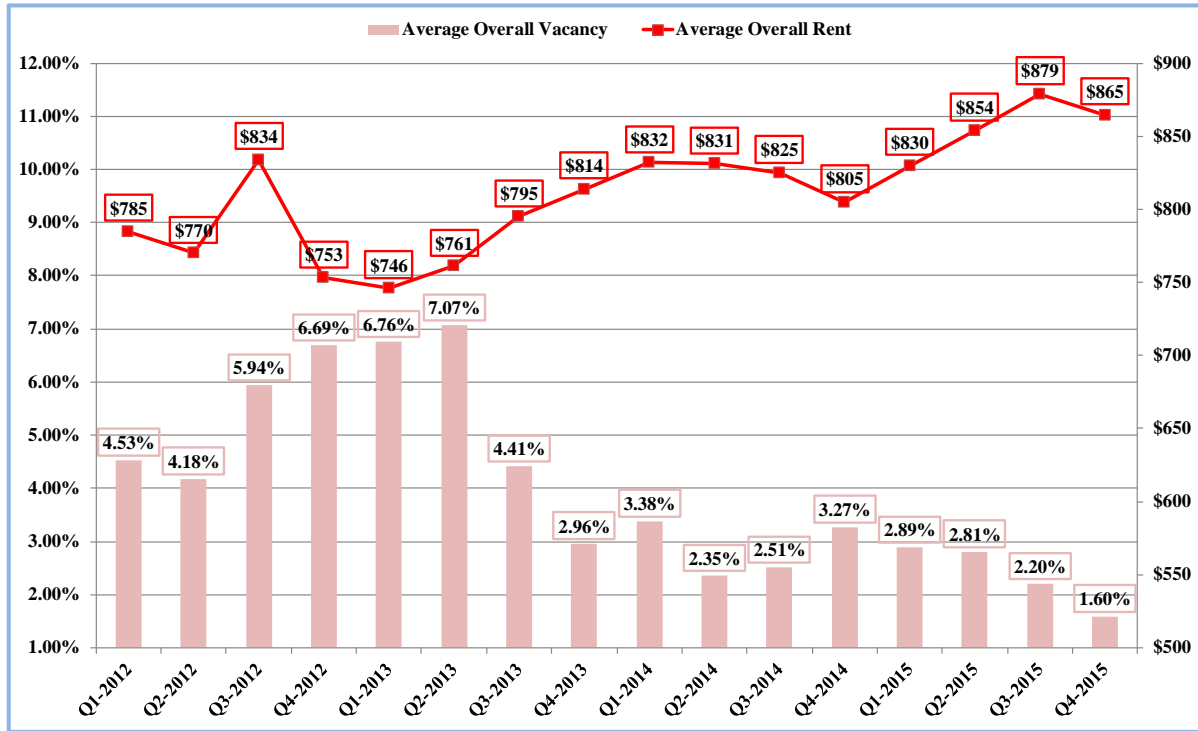
**AREA 1-NORTHWEST RENO
AVERAGE RENT & VACANCY DATA**



**Northwest Reno Submarket Averages
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Data
Total Projects Surveyed	15 Projects
Total Units Surveyed	4,030 Units
Average Square Feet Per Unit Surveyed	905± Square Feet
Average Rent For Units Surveyed	\$1,015 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.12 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.96%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects

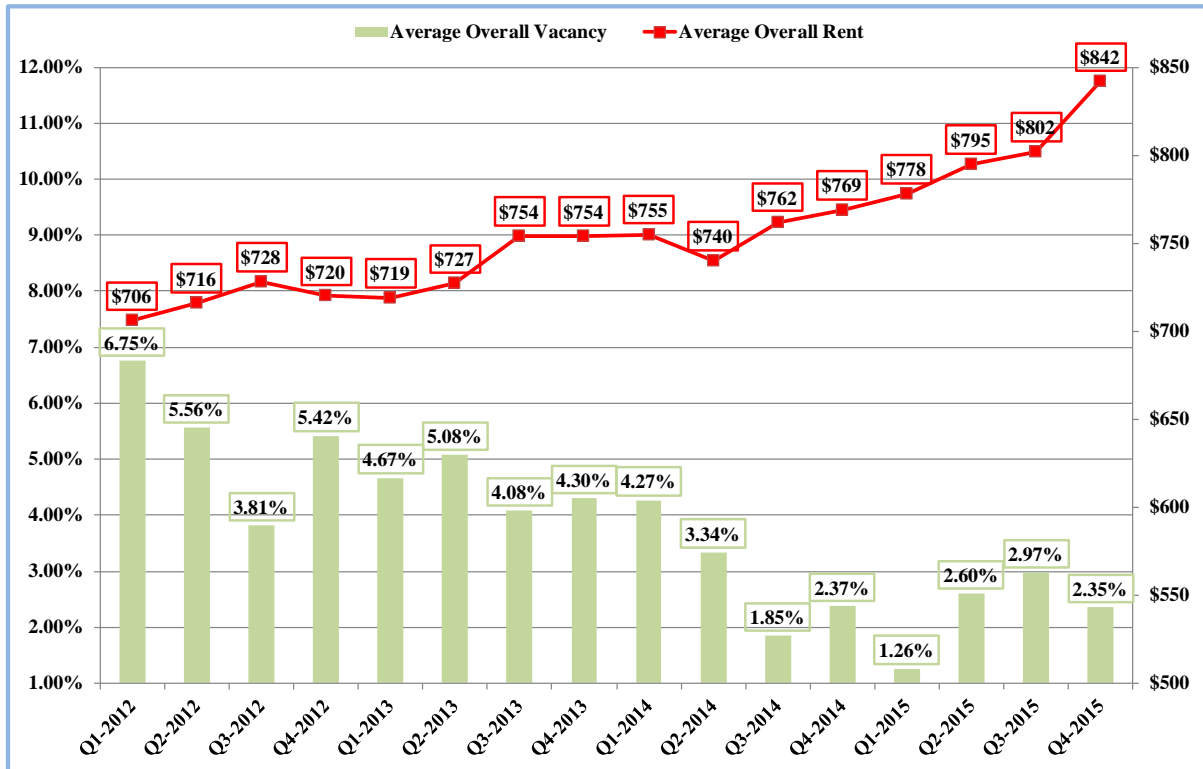
AREA 2-NORTHEAST RENO AVERAGE RENT & VACANCY DATA



Northeast Reno Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 2015 Data
Total Projects Surveyed	6 Projects
Total Units Surveyed	1,316 Units
Average Square Feet Per Unit Surveyed	853± Square Feet
Average Rent For Units Surveyed	\$865 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.01 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.60%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects

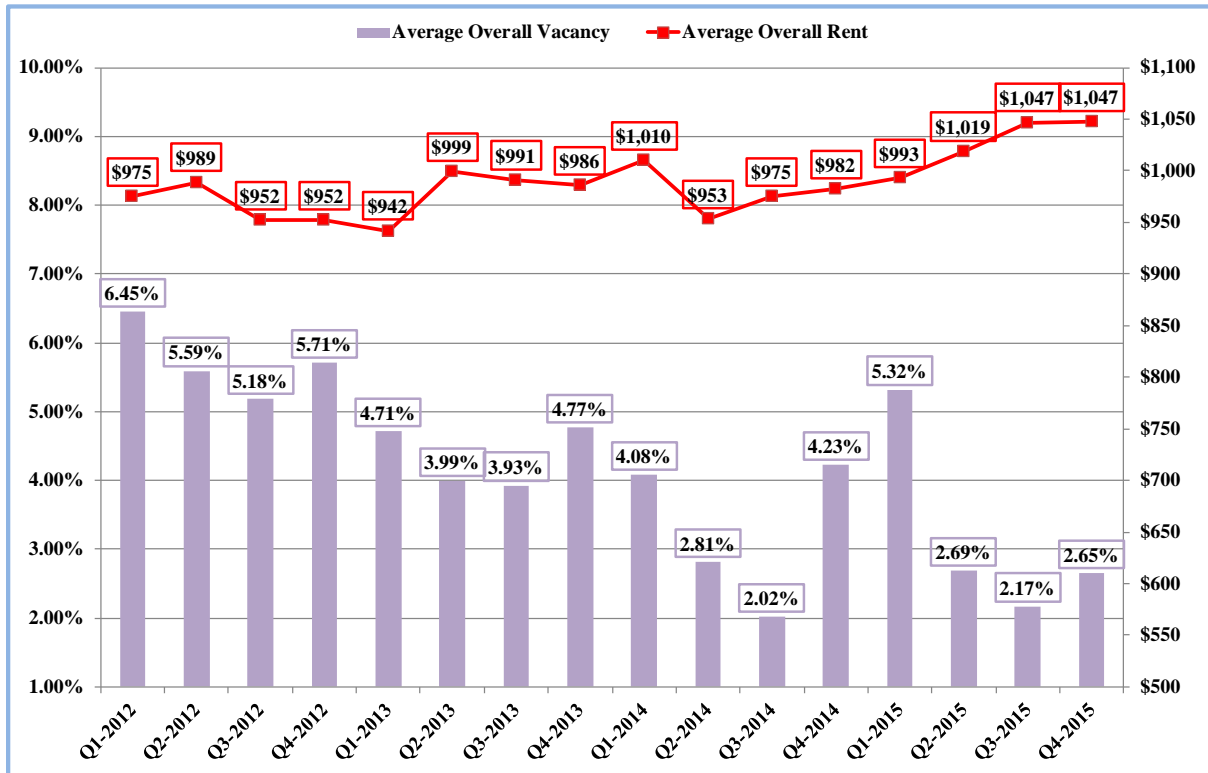
**AREA 3-WEST SPARKS/NORTH VALLEYS
AVERAGE RENT & VACANCY DATA**



**West Sparks/North Valleys Submarket Averages
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Data
Total Projects Surveyed	13 Projects
Total Units Surveyed	3,058 Units
Average Square Feet Per Unit Surveyed	862± Square Feet
Average Rent For Units Surveyed	\$842 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.98 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.35%
Number of Projects Offering Concessions As Of Date Surveyed	3 Projects

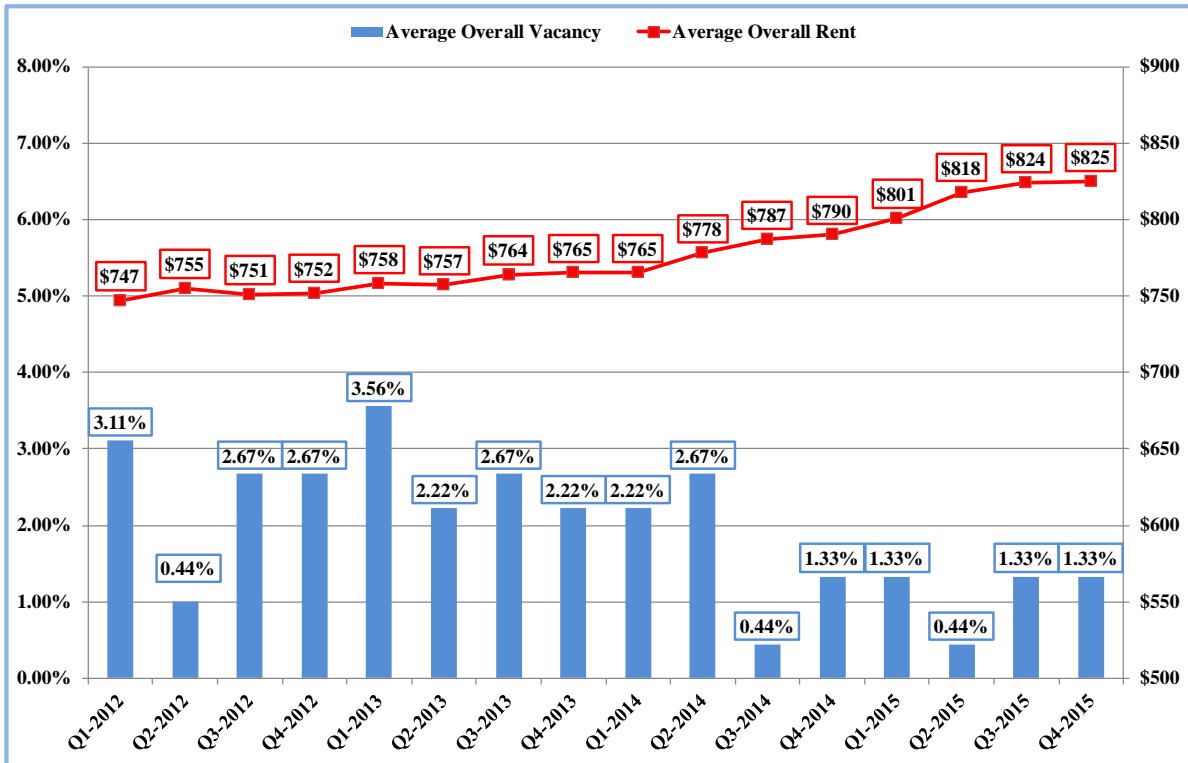
**AREA 4-EAST SPARKS
AVERAGE RENT & VACANCY DATA**



**East Sparks Submarket Averages
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Data
Total Projects Surveyed	13 Projects
Total Units Surveyed	3,551 Units
Average Square Feet Per Unit Surveyed	963± Square Feet
Average Rent For Units Surveyed	\$1,047 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.09 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.65%
Number of Projects Offering Concessions As Of Date Surveyed	1 Project

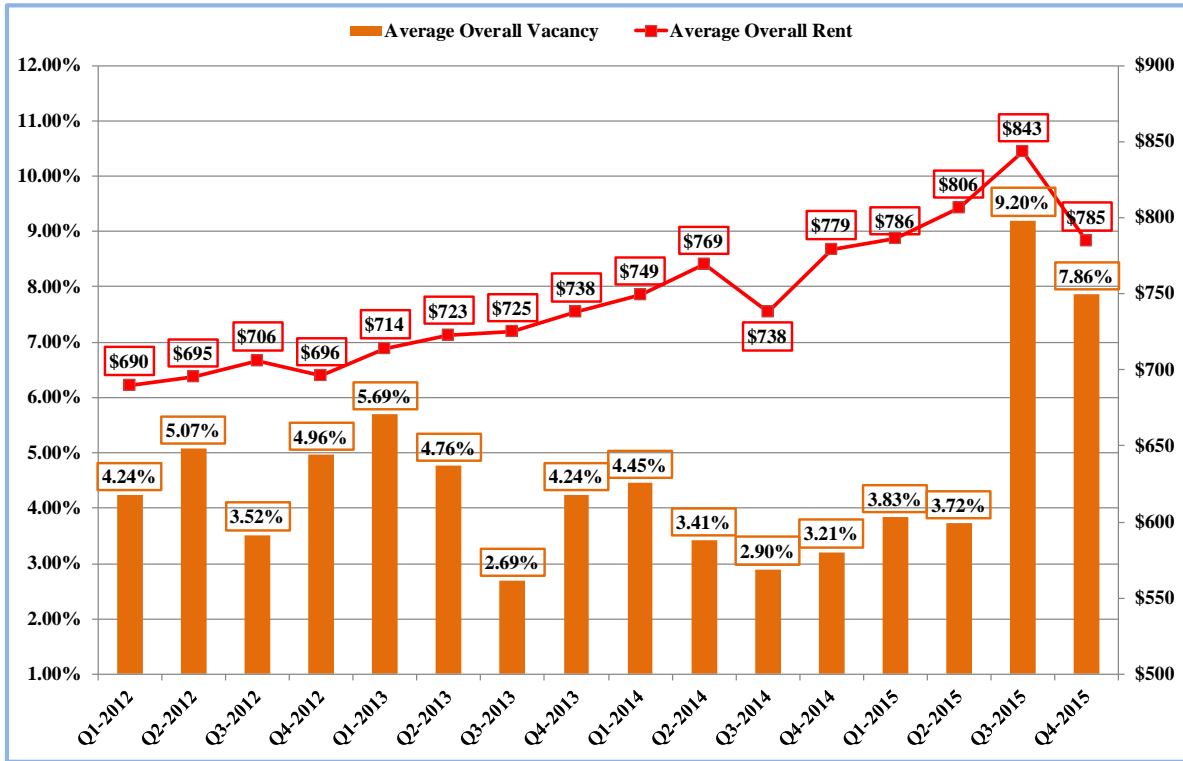
AREA 5-WEST RENO AVERAGE RENT & VACANCY DATA



West Reno Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 2015 Data
Total Projects Surveyed	2 Projects
Total Units Surveyed	225 Units
Average Square Feet Per Unit Surveyed	870± Square Feet
Average Rent For Units Surveyed	\$825 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.95 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.33%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects

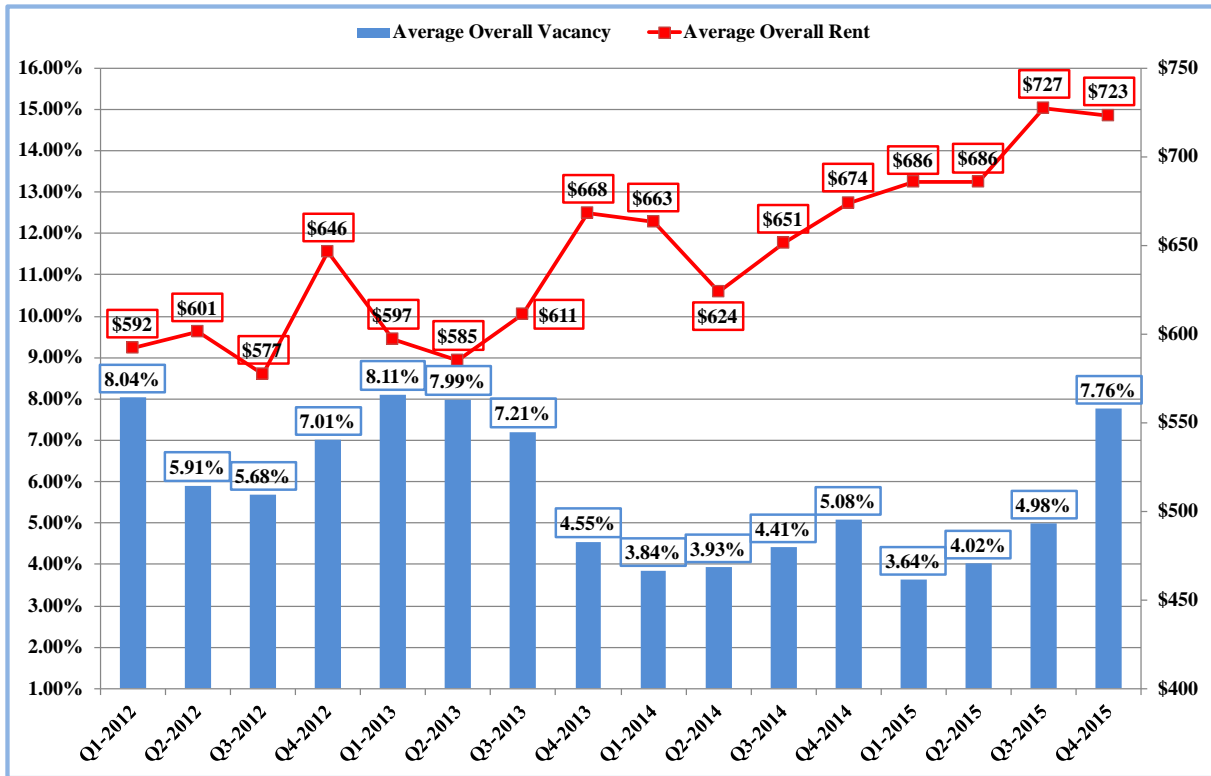
AREA 6-SOUTHWEST RENO AVERAGE RENT & VACANCY DATA



Southwest Reno Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 2015 Data
Total Projects Surveyed	4 Projects
Total Units Surveyed	967 Units
Average Square Feet Per Unit Surveyed	828± Square Feet
Average Rent For Units Surveyed	\$785 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.95 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	7.86%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects

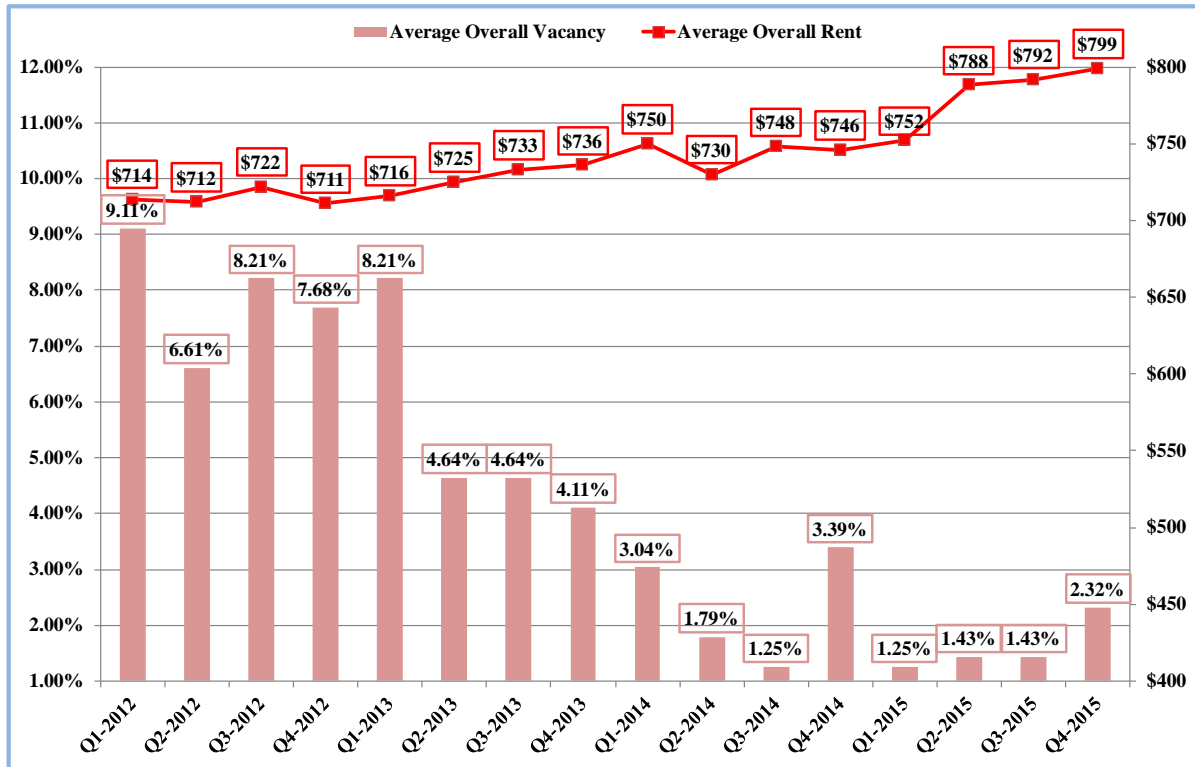
**AREA 7-BRINKBY/GROVE
AVERAGE RENT & VACANCY DATA**



**Brinkby/Grove Area Submarket Averages
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Data
Total Projects Surveyed	6 Projects
Total Units Surveyed	1,044 Units
Average Square Feet Per Unit Surveyed	844± Square Feet
Average Rent For Units Surveyed	\$723 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.86 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	7.76%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects

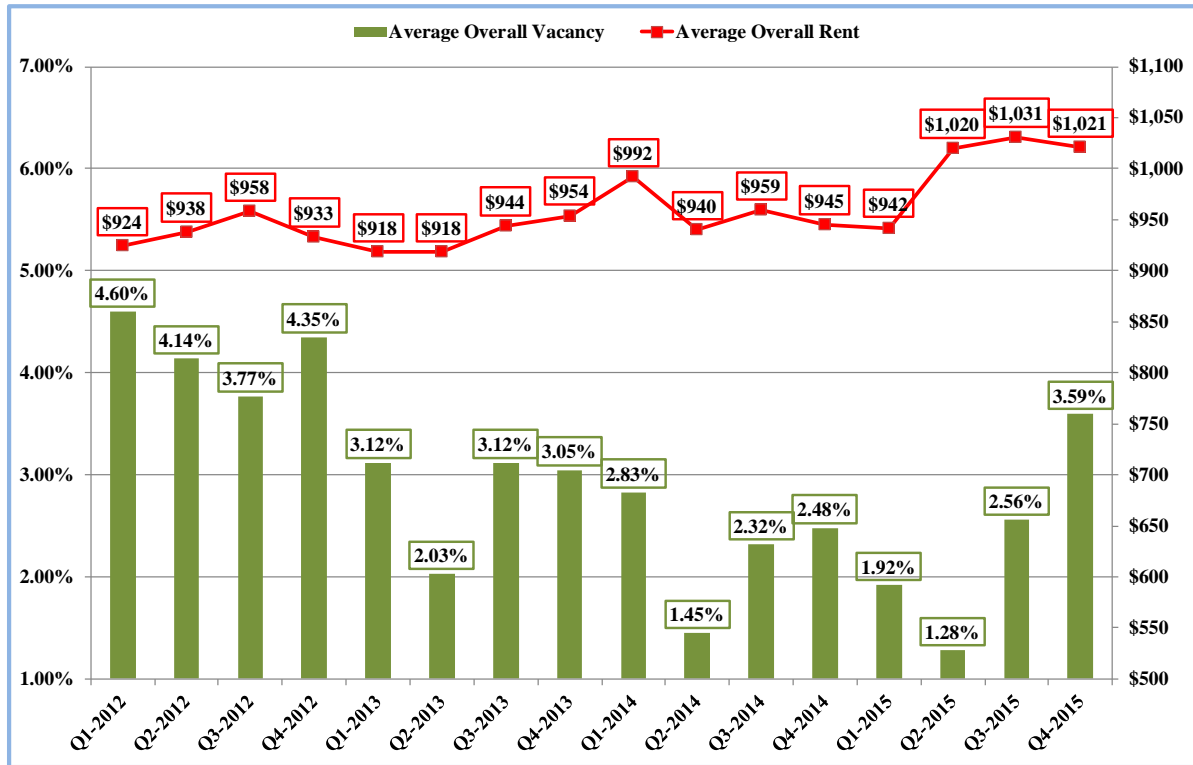
**AREA 8-AIRPORT
AVERAGE RENT & VACANCY DATA**



**Airport Submarket Averages
(Based Upon Units Surveyed)**

Category	4 th Quarter 2015 Data
Total Projects Surveyed	4 Projects
Total Units Surveyed	560 Units
Average Square Feet Per Unit Surveyed	869± Square Feet
Average Rent For Units Surveyed	\$799 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.92 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.32%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects

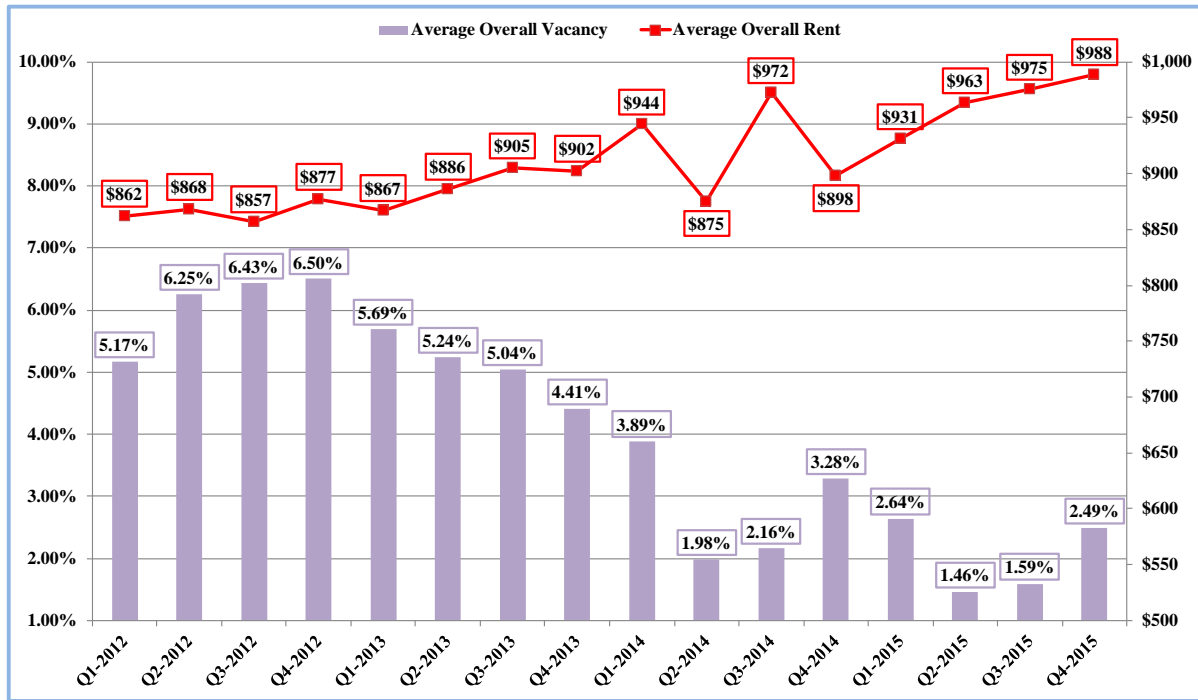
AREA 9-LAKERIDGE AVERAGE RENT & VACANCY DATA



Lakeridge Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 2015 Data
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	\$1,021 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.10 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.59%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects

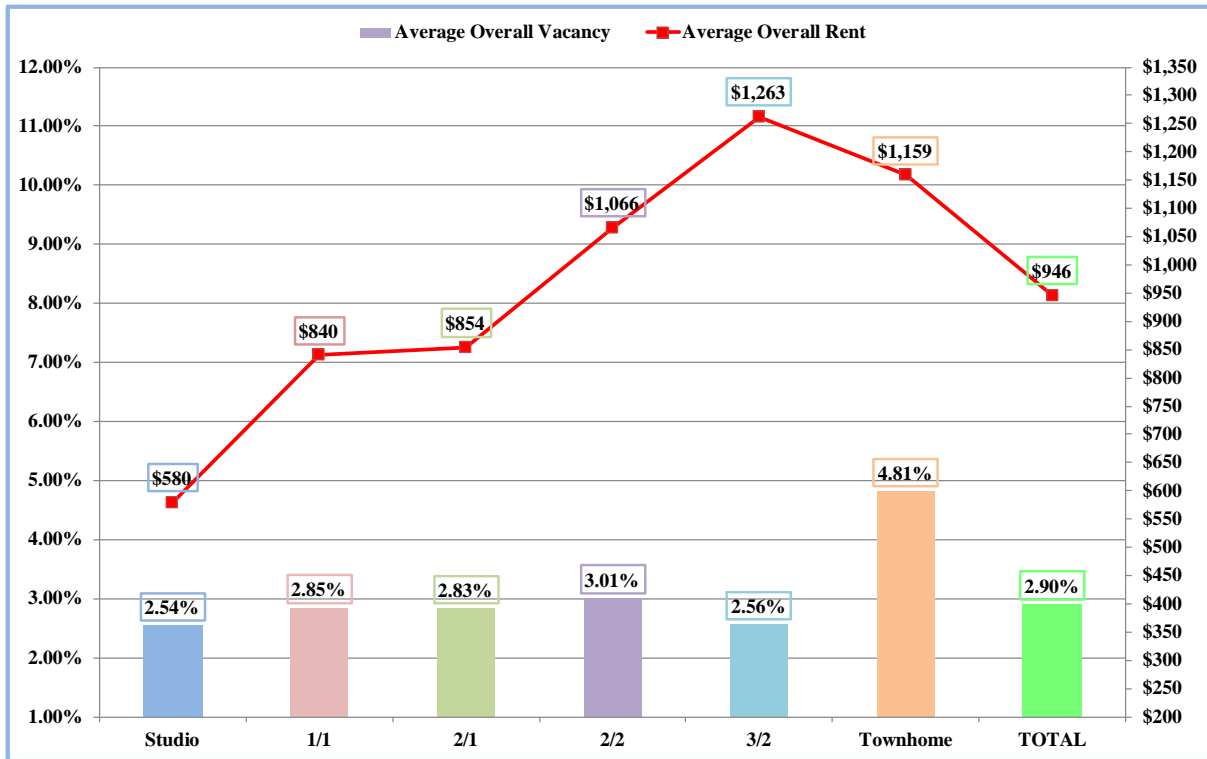
AREA 10-SOUTHEAST RENO AVERAGE RENT & VACANCY DATA



Southeast Reno Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 2015 Data
Total Projects Surveyed	13 Projects
Total Units Surveyed	4,654 Units
Average Square Feet Per Unit Surveyed	880± Square Feet
Average Rent For Units Surveyed	\$988 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.12 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.49%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects

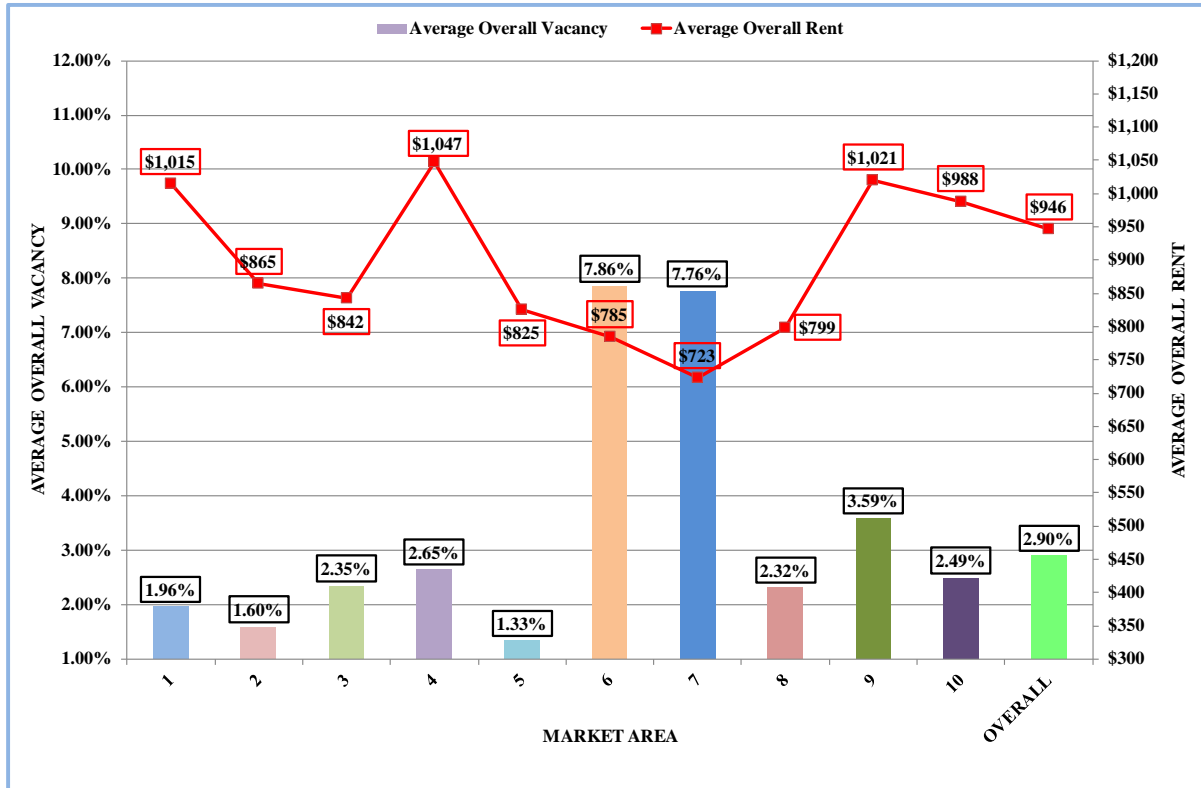
**SUMMARY BY UNIT TYPE
AVERAGE RENT & VACANCY DATA**



**Data By Unit Type
(Based Upon Units Surveyed)**

	STUDIOS	1 BED/ 1 BATH	2 BED/ 1 BATH	2 BED/ 2 BATH	3 BED/ 2 BATH	TOWNHOME	TOTALS
Average SF-By Unit Type	406 SF	724 SF	862 SF	1,044 SF	1,273 SF	1,298 SF	893 SF
Average Rent-By Unit Type	\$580	\$840	\$854	\$1,066	\$1,263	\$1,159	\$946
Average Rent/SF-By Unit Type	\$1.43	\$1.16	\$0.99	\$1.02	\$0.99	\$0.89	\$1.06
Indicated Vacancy Rate-By Unit Type	2.54%	2.85%	2.83%	3.01%	2.56%	4.81%	2.90%

SUMMARY BY MARKET AREA AVERAGE RENT & VACANCY DATA



**Data By Market Area
(Based Upon Units Surveyed)**

Area	Sub-Market	Average Rent 4th Qtr. 2015	Average Vacancy 4th Qtr. 2015
1	Northwest Reno	\$1,015	1.96%
2	Northeast Reno	\$865	1.60%
3	W. Sparks/N. Valley	\$842	2.35%
4	East Sparks	\$1,047	2.65%
5	West Reno	\$825	1.33%
6	Southwest Reno	\$785	7.86%
7	Brinkby/Grove	\$723	7.76%
8	Airport	\$799	2.32%
9	Lakeridge	\$1,021	3.59%
10	Southeast Reno	\$988	2.49%
Overall Reno-Sparks		\$946	2.90%

SUMMARY OF MAJOR APARTMENT PROJECT SALES IN 2015

Summary of 2015 Sales of Market Rate Projects Over 100 Units

Project Name	Submarket	Recording Date	Sale Price	# of Units	Sale Price Per Unit
The Element	Southeast Reno (Area 10)	2/20/2015	\$15,000,000	206	\$72,816
Spring Villas Townhomes	East Sparks (Area 4)	2/27/2015	\$18,700,000	160	\$116,875
Caviata at Kiley Ranch	East Sparks (Area 4)	5/19/2015	\$33,840,000	184	\$183,913
Sundance West	Southwest Reno (Area 6)	6/16/2015	\$23,450,000	350	\$67,000
The Trails at Pioneer Meadows	East Sparks (Area 4)	8/20/2015	\$44,000,000	303	\$145,215
Village at Iron Blossom	Southeast Reno (Area 10)	9/4/2015	\$35,575,875	404	\$88,059
Vizcaya Hilltop Apartments	Northwest Reno (Area 1)	9/4/2015	\$36,208,335	318	\$113,863
Courtside Garden	West Sparks (Area 3)	11/2/2015	\$10,000,000	229	\$43,668
Canyon Vista	East Sparks (Area 4)	11/20/2015	\$31,750,000	256	\$124,023

The chart above depicts the major apartment project sales in the Reno-Sparks Market (over 100 units) in 2015.

SURVEY PARTICIPANTS

Special thanks to the following apartment complexes for their continued and reliable support:

Project Name	
Aviana at Tuscany	Park Vista
Club Ambassador	Spring Villas Townhomes
Manzanita Gate	The Trails at Pioneer Meadows
Montebello at Summit Ridge	The Villas at D'Andrea
Northwind Apartments	Waterstone at Kiley Ranch
Sharlands Terrace	Willow Creek Villas
Shoreline Plaza	The Park at Idlewild
Silver Ridge Apartments	Waters Edge Apartments
The Boulders	Lakeview Apartments
The Villas at Keystone Canyon	Plumas Gardens
Truckee River Terrace	Sundance West
Vista Ridge Apartments	Willowbrook Apartments
Vizcaya Hilltop Apartments	Ala Moana Apartments
Westcreek Apartments	Century Park Apartments
Westridge Apartments	Regency Park Apartments
El Chaparral	Roselake Apartments
Green Leaf Pines	Sherwood Forest
Northtowne Summit	Southwest Village
Reno Vista Apartments	Balfour Place
Riverwood Apartments	Brooktree Apartments
The View Apartments	Kirman Gardens
Courtside Gardens	The Meadows II
Lansdowne House	Aspen Ridge
Sandpebble	Lakeridge East Apartments
Sierra Point Apartments	Redfield Ridge
Sierra Sage Apartments	Skyline Canyon
Sierra View Apartments	The Lodge at McCarran Ranch
Sierra Woods	Bristle Pointe
Silver Lake Apartments	Creekside Apartments
Sky Vista Commons	Horizons at South Meadows
Spanish Oaks	Meadowood Apartments
Stonegate Apartments	Rosewood Park
The Bungalows at Sky Vista	The Alexander at South Virginia
The Village at Wildcreek	The Element
Bristol Bay Apartments	The Enclave
Canyon Vista Apartments	The Village at Arrowcreek
Caviata at Kiley Ranch	The Village at Iron Blossom
Eastland Hills	Village of the Pines
Green Leaf At The Marina	Vintage at South Meadows
Marina Garden Apartments	Woodside Village
Marina Village	