



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY

1ST QUARTER 2016 DATA

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON PERKINS GRIFFIN, LLC

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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

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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 20,658 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 was taken out of the current survey as they were extensively renovating units, and therefore vacancies were significantly impacted in the project. The total apartment projects participating in the survey remained the same at 81 projects, and the total units remained the same at 20,658 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	4 th Quarter 2015	1 st Quarter 2016	Change
Total Projects	81	81	No Change
Total Units	20,658	20,658	No Change



ECONOMIC OUTLOOK

Nevada's unemployment rate decreased over the month of February, to a seasonally adjusted 5.9 percent, the first time in eight years that the rate has fallen below 6 percent. The U.S. rate is unchanged from January, at 4.9 percent – one point lower than the Nevada rate. This is the smallest differential in eight years.

“I'm extremely encouraged by the labor market news this month,” said Governor Brian Sandoval. “The unemployment rate fell below 6 percent for the first time since April 2008. The long-term jobless rate, for those without a job for at least a half-year, has tumbled from 7 percent, at the height of the recession, to less than 2 percent. The number of Nevadans unemployed because they involuntarily lost their jobs has tumbled from nearly 120,000 when the recession was at its worst, to less than 40,000 over the past year. We will continue our efforts in improving our economy so that even more Nevadans can get back to work and provide for their families.”

The number of unemployed decreased to 85,000 in February, down from last month's total of 89,400, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation. Over-the-year, the number unemployed persons is down 14.7 percent.

In terms of employment growth, for the 62nd month in a row, employment in Nevada has increased on a year-over-year basis.

“February brought more good news for Nevada's employment growth,” Anderson said. “In February, there was a seasonally adjusted increase of 1,700 jobs relative to January. The Silver State experienced a 2.3 percent growth rate over the year, up 28,700 jobs. Construction, the hardest hit sector during the recession, continued to lead the state in terms of percentage growth. Year-to-date, it is up 8.3 percent relative to the first two months of last year, which equates to an additional 5,400 construction jobs in the state. Trade, transportation, and utilities employment experienced the largest nominal growth this month, adding 9,900 jobs to payrolls year-to-date, for a growth rate of 4.2 percent.”



Economic Indicators

(Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary January 2016)

Economic Indicators	
UNEMPLOYMENT RATES January 2016	
Nevada*	6.2%
Las Vegas MSA	6.5%
Reno-Sparks MSA	6.2%
Carson City MSA	7.7%
Elko Metropolitan Area	5.6%
United States*	4.9%
JOB GROWTH (YOY) January 2016	
Nevada*	2.7%
Las Vegas MSA*	2.9%
Reno-Sparks MSA*	4.5%
Carson City MSA*	-2.1%
United States*	1.9%
GAMING WIN (YOY) December 2015	
Nevada	3.3%
Clark County	3.7%
Washoe County	0.1%
TAXABLE SALES (YOY) November 2015	
Nevada	6.2%
Clark County	6.0%
Washoe County	9.7%

*Seasonally Adjusted



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	\$639	\$875	\$885	\$1,119	\$1,316	\$1,248	\$990
Average Rent/SF-By Unit Type	\$1.57	\$1.21	\$1.03	\$1.07	\$1.03	\$0.96	\$1.11
Indicated Vacancy Rate-By Unit Type	1.80%	2.32%	1.96%	2.46%	2.30%	2.59%	2.30%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER

	4 th Quarter 2015	1 st Quarter 2016	Change
Average Vacancy	2.90%	2.30%	-60 Basis Points
Average Rent	\$946	\$990	+\$44 or +4.65%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER

UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	4 th Qtr. 2015	1 st Qtr. 2016	Result	4 th Qtr. 2015	1 st Qtr. 2016	Result
Studio	\$580	\$639	+\$59	2.54%	1.80%	-0.74%
1 Bedroom/1 Bath	\$840	\$875	+\$35	2.85%	2.32%	-0.53%
2 Bedroom/1 Bath	\$854	\$885	+\$31	2.83%	1.96%	-0.87%
2 Bedroom/2 Bath	\$1,066	\$1,119	+\$53	3.01%	2.46%	-0.55%
3 Bedroom/2 Bath	\$1,263	\$1,316	+\$53	2.56%	2.30%	-0.26%
Townhouse	\$1,159	\$1,248	+\$89	4.81%	2.59%	-2.22%
TOTALS	\$946	\$990	+\$44	2.90%	2.30%	-0.60%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA

Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		4 th Qtr. 2015	1 st Qtr. 2016	Result	4 th Qtr. 2015	1 st Qtr. 2016	Result
1	Northwest Reno	\$1,015	\$1,083	+\$68	1.96%	1.66%	-0.30%
2	Northeast Reno	\$865	\$895	+\$30	1.60%	2.13%	+0.53%
3	W. Sparks/N. Valley	\$842	\$866	+\$24	2.35%	1.24%	-1.11%
4	East Sparks	\$1,047	\$1,135	+\$88	2.65%	2.84%	+0.19%
5	West Reno	\$825	\$856	+\$31	1.33%	0.00%	-1.33%
6	Southwest Reno	\$785	\$818	+\$33	7.86%	6.62%	-1.24%
7	Brinkby/Grove	\$723	\$722	-\$1	7.76%	5.55%	-2.21%
8	Airport	\$799	\$825	+\$26	2.32%	1.25%	-1.07%
9	Lakeridge	\$1,021	\$1,055	+\$34	3.59%	1.68%	-1.91%
10	Southeast Reno	\$988	\$1,010	+\$22	2.49%	1.98%	-0.51%
Overall Reno-Sparks		\$946	\$990	+\$44	2.90%	2.30%	-0.60%



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%
AVERAGE	\$522	5.74%	\$731	4.63%	\$783	5.97%	\$940	5.82%	\$1,128	6.43%	\$1,094	6.72%	\$865	5.45%
MEDIAN	\$524	5.62%	\$731	4.03%	\$785	5.54%	\$928	5.85%	\$1,115	6.24%	\$1,100	6.83%	\$859	5.13%
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	\$639	10.96%	\$875	10.08%	\$885	12.20%	\$1,119	11.43%	\$1,316	13.18%	\$1,248	13.65%	\$990	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased 4.65%, with all unit types experiencing an increase in average rental rates. Nine of the ten sub-markets experienced an increase in average rental rates.

The overall vacancy rate for all units surveyed decreased by 60 basis points, with eight of the ten submarkets showing decreases in vacancies and two submarkets experiencing increases in average vacancy rates. Additionally, each of the unit types experienced 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 continues, with several major new projects in the planning stages.



GUIDELINES

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

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

Apartment Unit Classifications

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

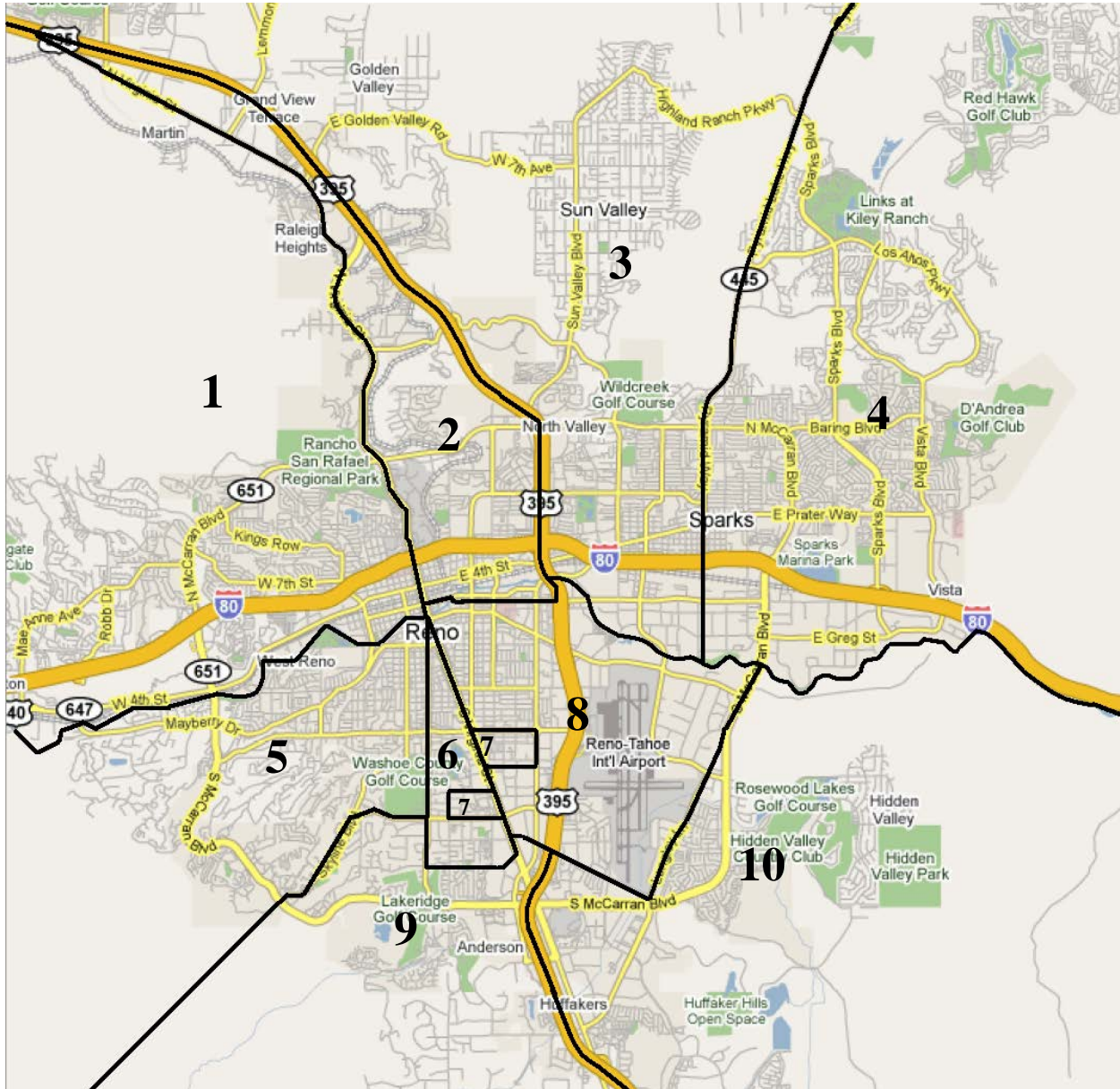


MARKET AREAS

Area	Sub-Market	Location
1	Northwest Reno	North of Truckee River & West of N. Virginia St.
2	Northeast Reno	North of 2 nd St.; West of US-395 & Northtowne Lane; East of N. Virginia St.
3	West Sparks/North Valleys	North of the Truckee River; West of Pyramid Way; East of US-395
4	East Sparks	North of the Truckee River & East of Pyramid Way
5	West Reno	North of Moana Lane; West of Plumas St.; South of Truckee River
6	Southwest Reno	South of Truckee River; West of S. Virginia St.; East of Plumas St.; North of Redfield Parkway
7	Brinkby/Grove	North of Moana Lane; West of S. Virginia St.; South of Brinkby Ave.; East of Lakeside Dr. & North of Linden St.; West of Kietzke Lane; South of Plumb Lane; East of S. Virginia St.
8	Airport	North of Peckham Lane; West of Longley Lane; East of S. Virginia St.; South of 2 nd St. & Truckee River
9	Lakeridge	South of Moana Lane and Redfield Parkway; West of S. Virginia St.
10	Southeast Reno	South of Truckee River; East of S. Virginia St. & Longley Lane



MARKET AREA MAP





PROJECTS APPROVED AND/OR UNDER CONSTRUCTION

Ryder Homes has completed The Village at Arrow Creek Parkway. The 208-unit apartment complex in south Reno is located at the intersection of Arrowcreek Parkway and Wedge Parkway. According to representatives of Ryder Homes, the 252-unit Phase II project is currently under construction.

According to the City of Reno Planning Department, Silver Peak Apartments received a three year extension on their special use permit which was set to expire March 2016. The special use permit is for the development of a 420 unit apartment complex and is now set to expire March 2019.

The Harvest is a 578-unit apartment complex in Damonte Ranch. Tanamera Construction broke ground on Phase I, which will include 278 units, in the 1st Quarter of 2016. Phase II of this project, which is still in the planning stages, will include 300 units. The project is located at the intersection of Steamboat Parkway and Veterans Parkway.

Beginning the first week of April 2016, Tanamera Construction will broke ground on The Vineyards, a 210-unit apartment complex located near the Sparks Galleria along Disc Drive.

Silverwing Development began construction in July 2014 on The Edgewater at Virginia Lake, a 288 unit apartment project which will replace the 108 unit Virginia Lake Apartments. This one and two bedroom project is scheduled to be completed by May of 2016. 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 1st Quarter of 2016, 8 buildings and 204 units had been completed and 66% of the completed units were occupied. Overall, 53% of the project has been pre-leased. Completion of the entire project is anticipated to occur in May 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)

Projects Under Construction				
Project Name	Units	Location	Area	Status
3 rd Street Flats	94	West 3 rd Street at North Arlington Avenue	1	Under Construction
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
Vineyard at the Galleria	210	Sparks Galleria	4	Under Construction
Edgewater at Virginia Lake	288	Virginia Lake-Demolition of Portion of Existing Project	6	Under Construction
The Harvest-Phase I	278	Damonte Ranch	10	Under Construction
The Village at Arrow Creek Parkway-II	252	Intersection of Arrowcreek Parkway & Wedge Parkway	10	Under Construction
Total Units:	1,458			

Projects Planned				
Project Name	Units	Location	Area	Status
The Villas at Keystone Canyon-Phase II	96	Keystone Avenue & North McCarran Boulevard	1	Planning Stages
Confidential	305	Directly West of The Villas at Keystone Canyon	1	Planning Stages
Proposed LandCap Project	312	Southeast Corner Sharlands & Mae Anne	1	Beginning Construction 2016
Silver Peak Apartments	420	Intersection of Military Road & Lemmon Drive	3	Special Use Permit will expire March 2019
Vista Rafael Apartments	416	North Virginia Street & Vista Rafael Parkway	3	Planning Stages
Confidential	280	Sparks Market	4	Planning Stages
LandCap Project	300±	Prater Way & Vista Boulevard	4	Planning Stages
Lumina-Phase I	312	Wingfield Springs	4	Planning Stages
Lumina-Phase II	240	Wingfield Springs	4	Planning Stages
The Point at the Marina	920	LandCap Project, East of Sparks Marina	4	Entitled for up to 920 Units
Waterfront at the Marina	209	Around Existing Parking Garage @ Sparks Marina	4	Beginning Construction 2016
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 II	300	Damonte Ranch	10	Planning Stages
Total Units:	5,902			

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 rates 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 1st Quarter of 2016 12.35% of the apartment projects in our Survey offered rent concessions, in comparison to 14.81% in the 4th 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%
Q1-2016	12.35%	2.30%



SURVEY RESULTS

This section of the report covers survey findings pertaining to the total survey area for the 1st Quarter of 2016.

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

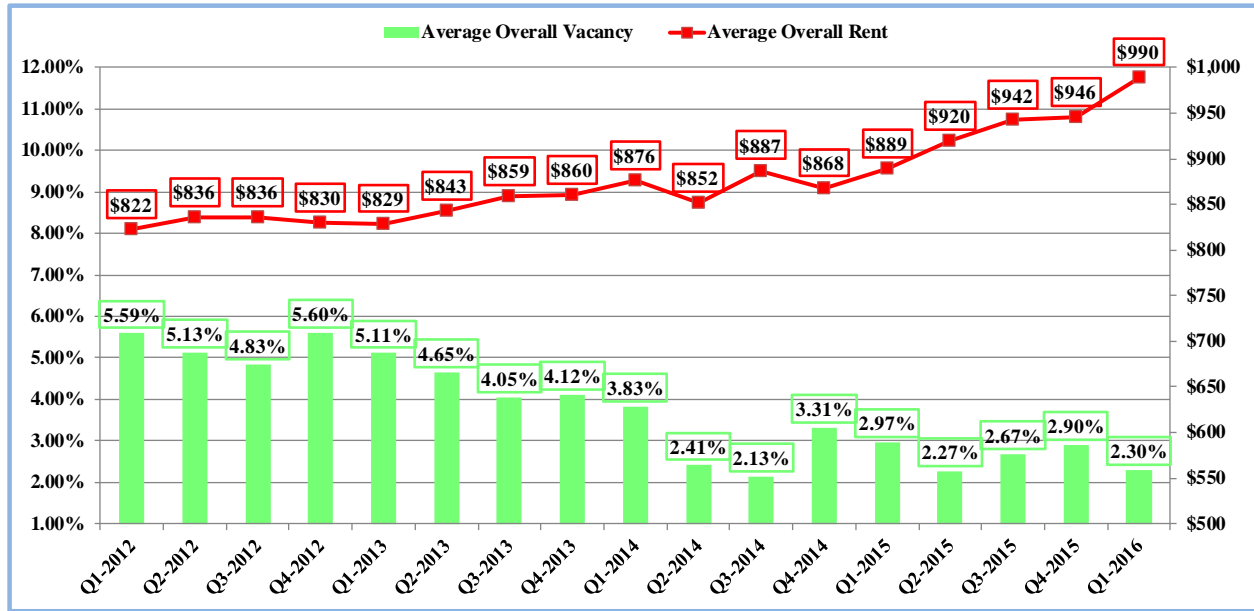
CURRENT SURVEY COMPARISONS:

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

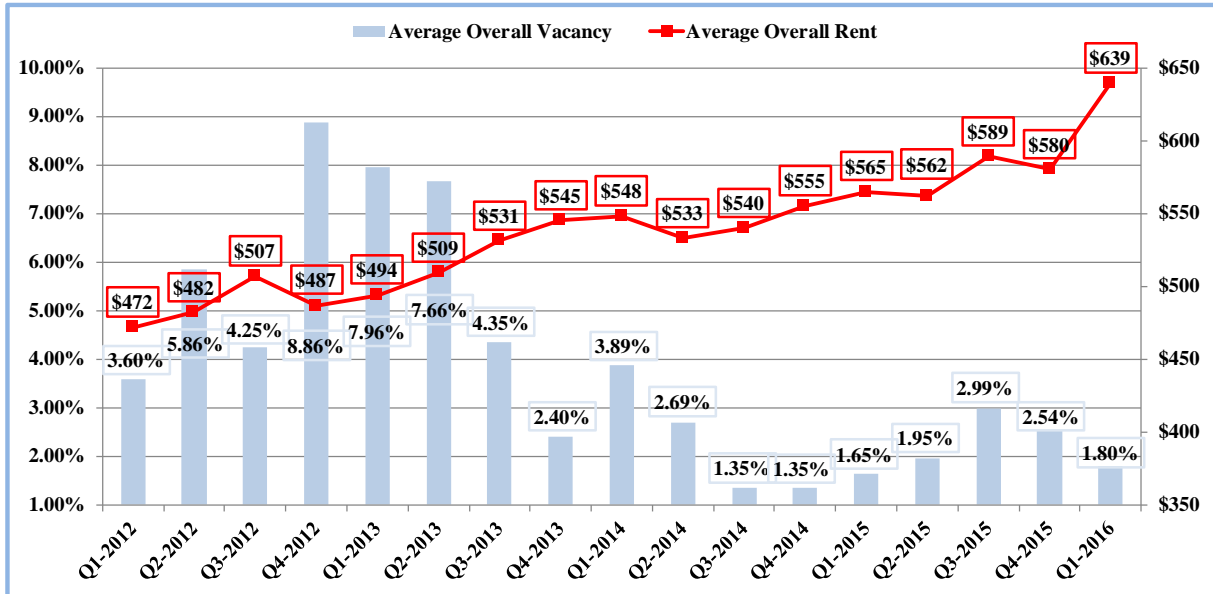


**Overall Reno-Sparks Market Averages-All Unit Types
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	893± Square Feet
Average Rent For Units Surveyed	\$990 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.11 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.30%



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

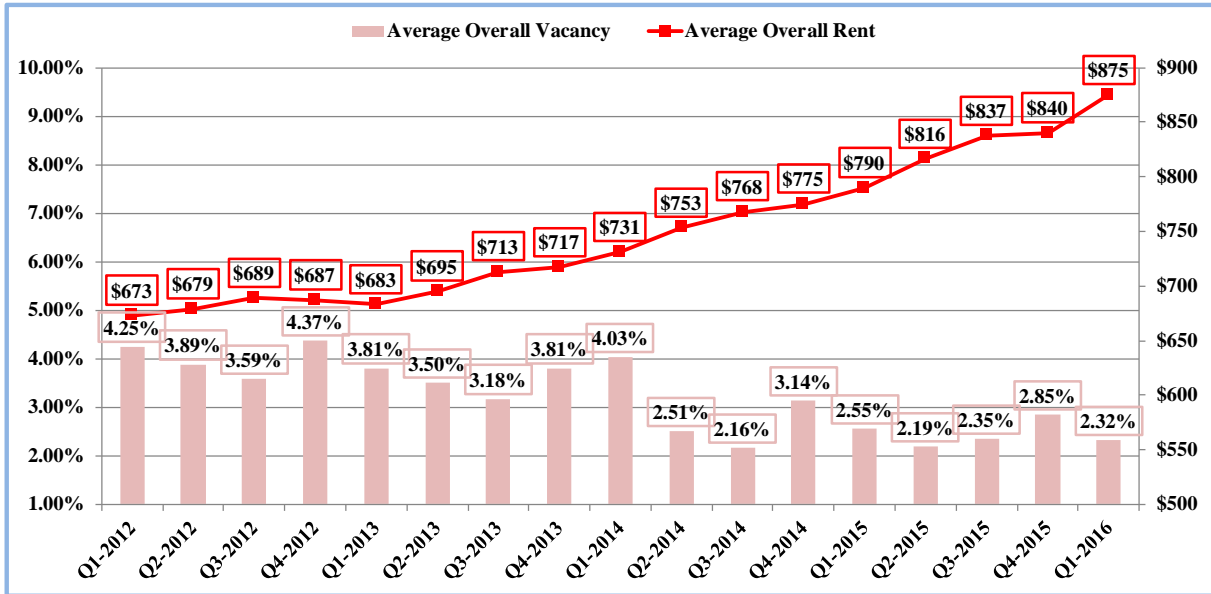


**Overall Reno-Sparks Market Averages-Studio Units
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	406± Square Feet
Average Rent For Units Surveyed	\$639 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.57 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.80%



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

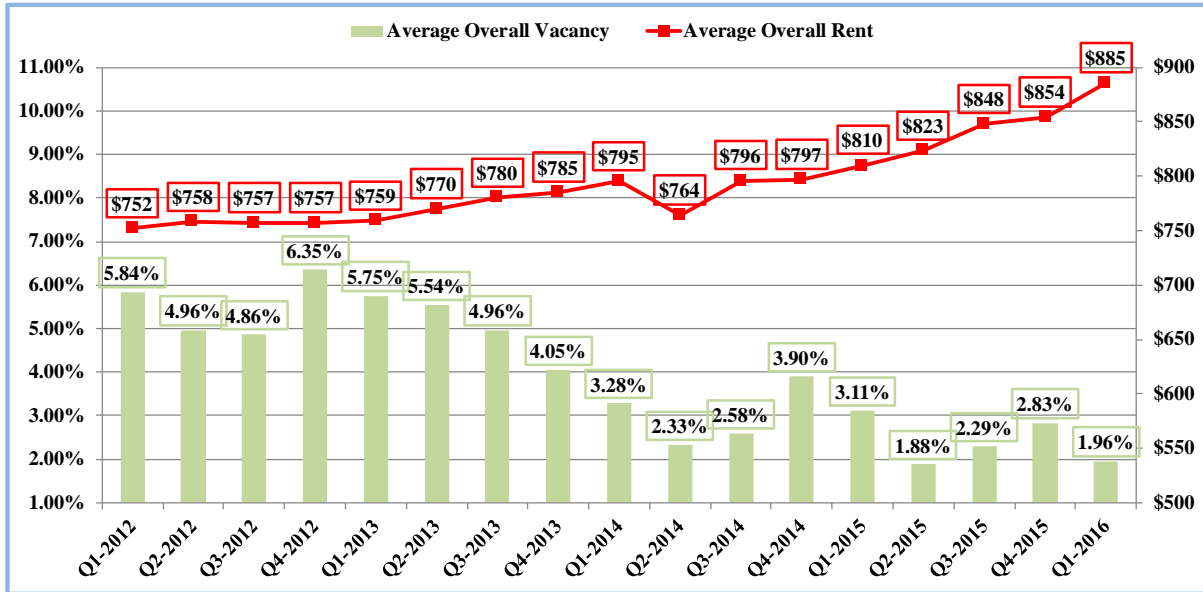


**Overall Reno-Sparks Market Averages-One Bedroom/One Bathroom Units
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	724± Square Feet
Average Rent For Units Surveyed	\$875 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.21 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.32%



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

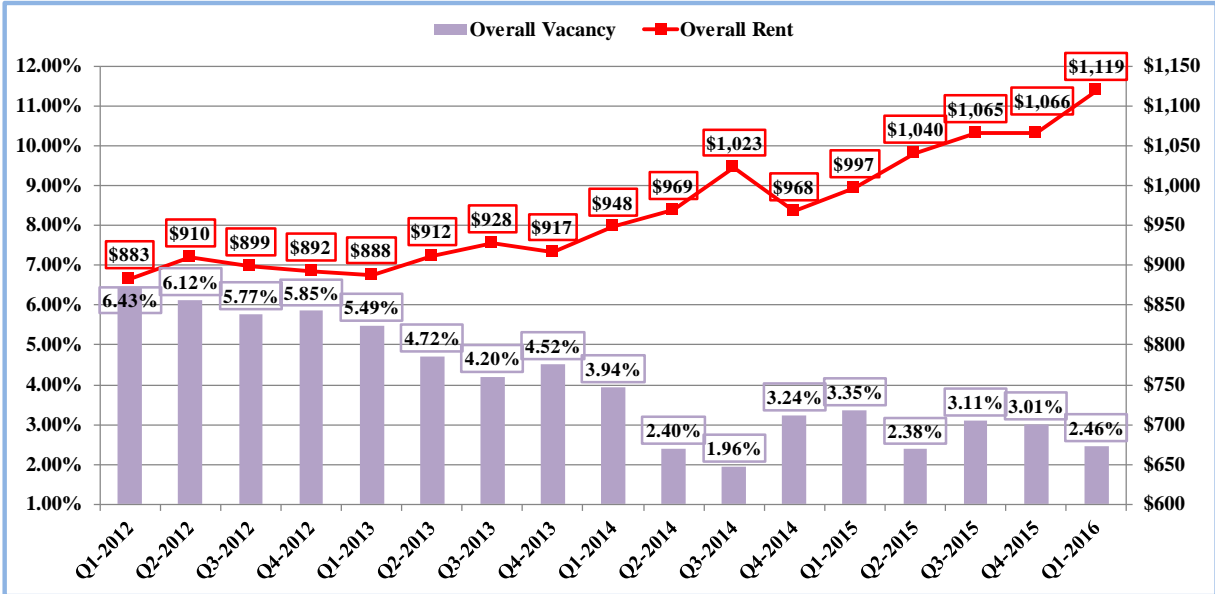


**Overall Reno-Sparks Market Averages-Two Bedroom/One Bathroom Units
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	862± Square Feet
Average Rent For Units Surveyed	\$885 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.03 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.96%



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

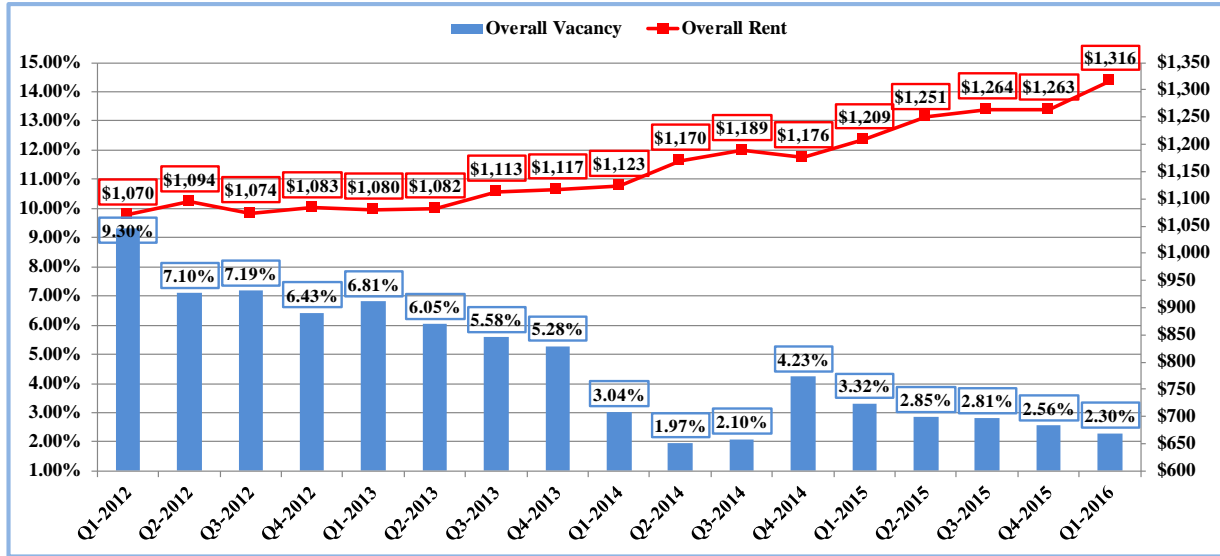


**Overall Reno-Sparks Market Averages-Two Bedroom/Two Bathroom Units
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,044± Square Feet
Average Rent For Units Surveyed	\$1,119 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.07 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.46%



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

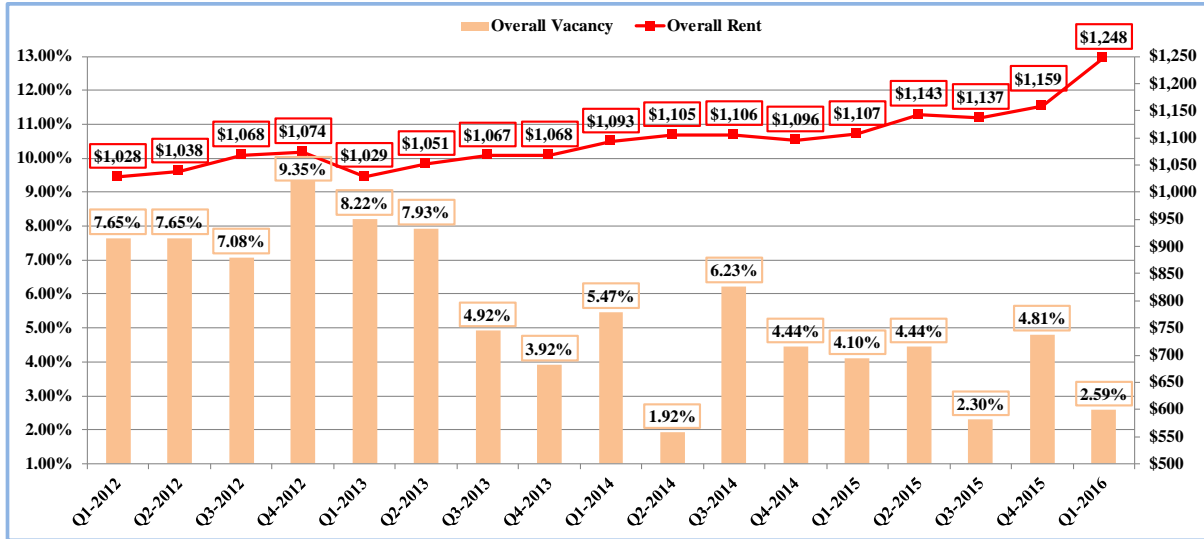


**Overall Reno-Sparks Market Averages-Three Bedroom/Two Bathroom Units
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,273± Square Feet
Average Rent For Units Surveyed	\$1,316 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.03 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.30%



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

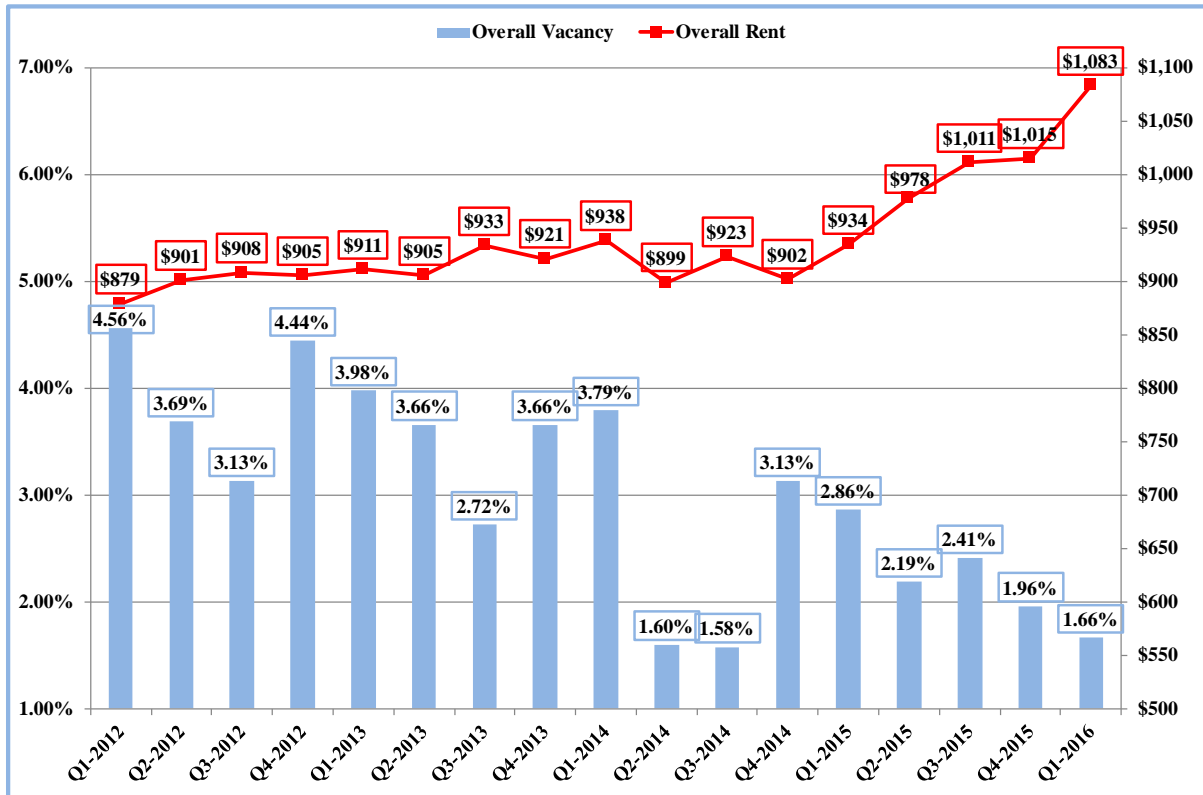


**Overall Reno-Sparks Market Averages-Townhouse Units
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,298± Square Feet
Average Rent For Units Surveyed	\$1,248 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.96 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.59%



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

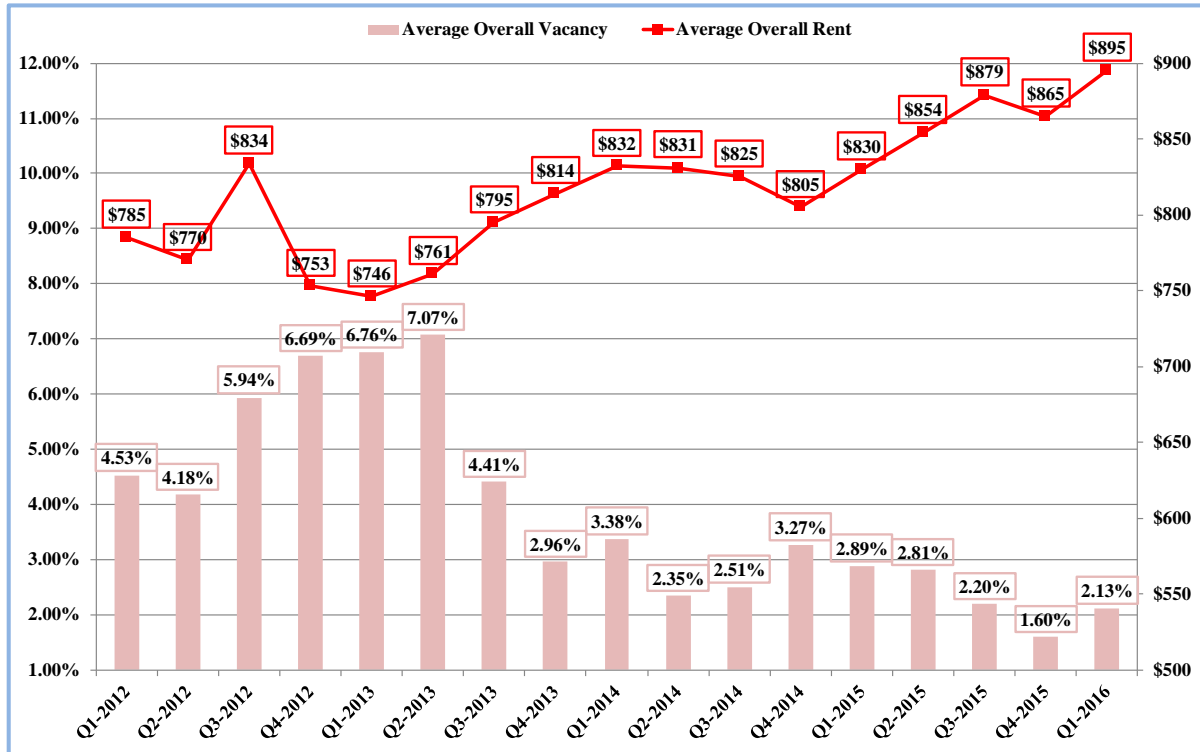


**Northwest Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Data
Total Projects Surveyed	15 Projects
Total Units Surveyed	4,030 Units
Average Square Feet Per Unit Surveyed	906± Square Feet
Average Rent For Units Surveyed	\$1,083 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.20 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.66%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



**AREA 2-NORTHEAST RENO
 AVERAGE RENT & VACANCY DATA**

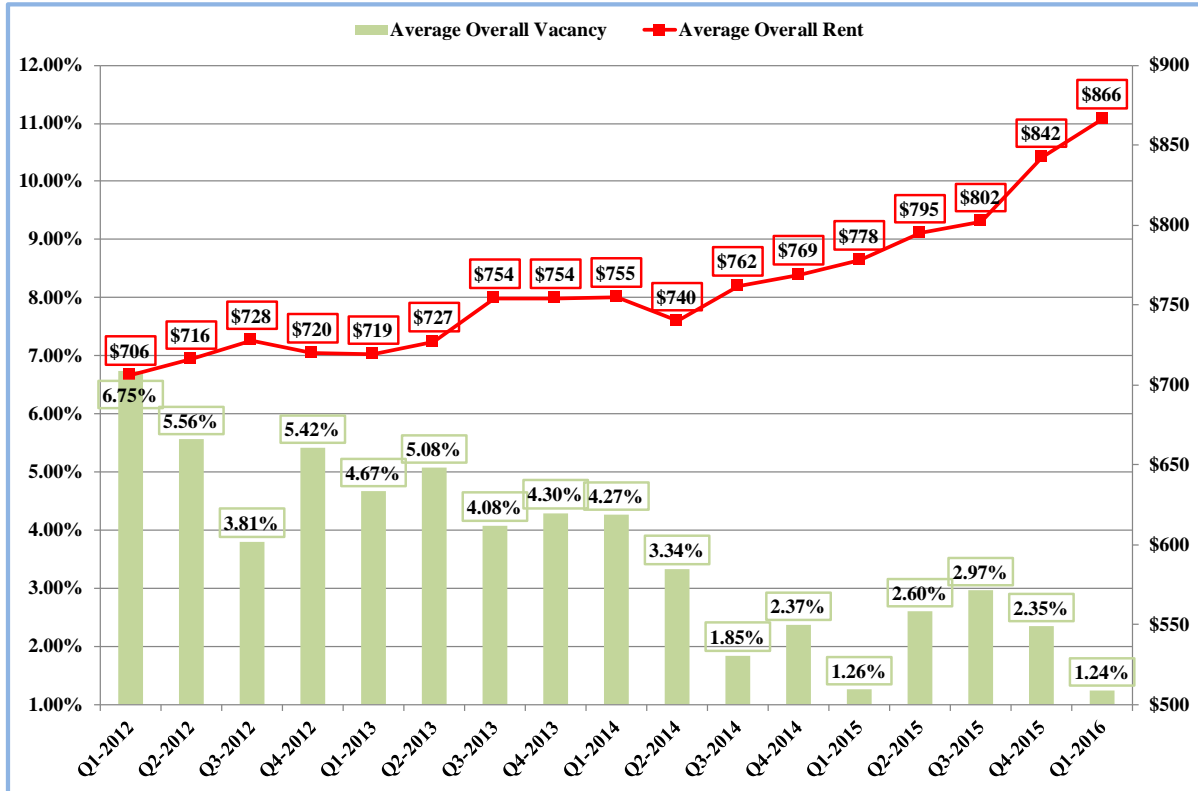


**Northeast Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$895 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.05 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.13%
Number of Projects Offering Concessions As Of Date Surveyed	1 Project



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

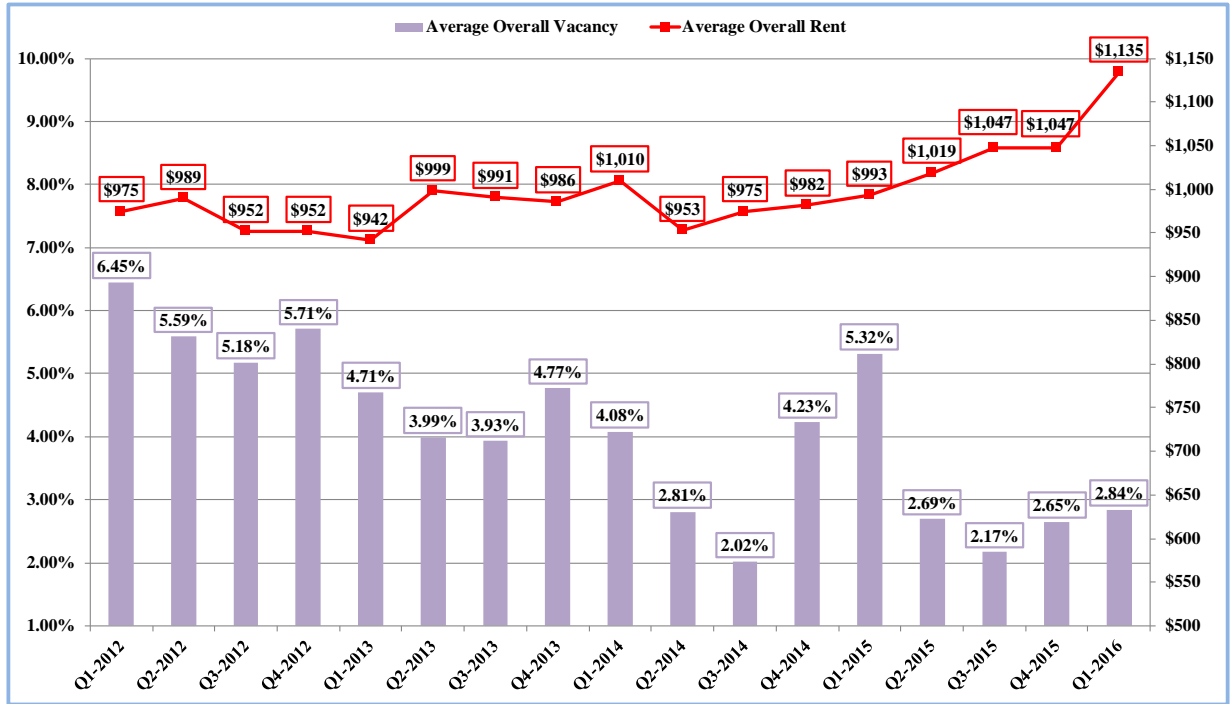


**West Sparks/North Valleys Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$866 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.01 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.24%
Number of Projects Offering Concessions As Of Date Surveyed	3 Projects



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

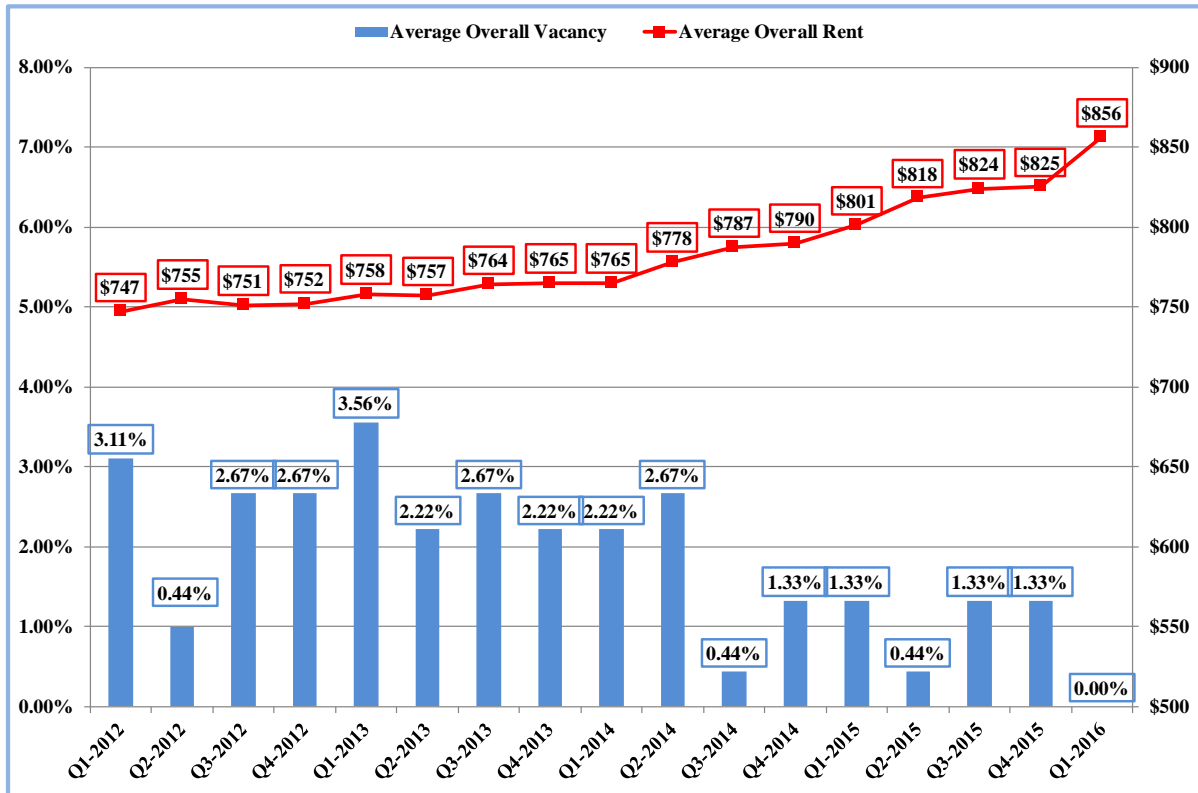


**East Sparks Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$1,135 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.18 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.84%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects



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

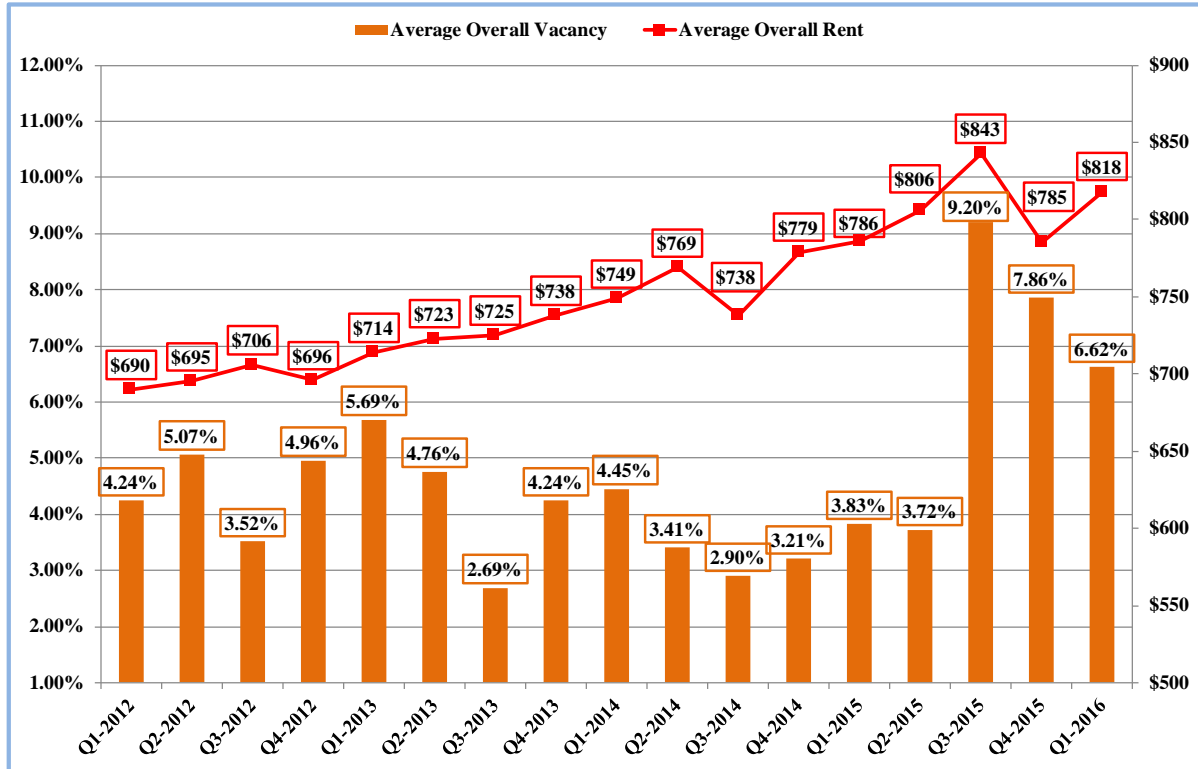


**West Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$856 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.98 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.00%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



**AREA 6-SOUTHWEST RENO
 AVERAGE RENT & VACANCY DATA**

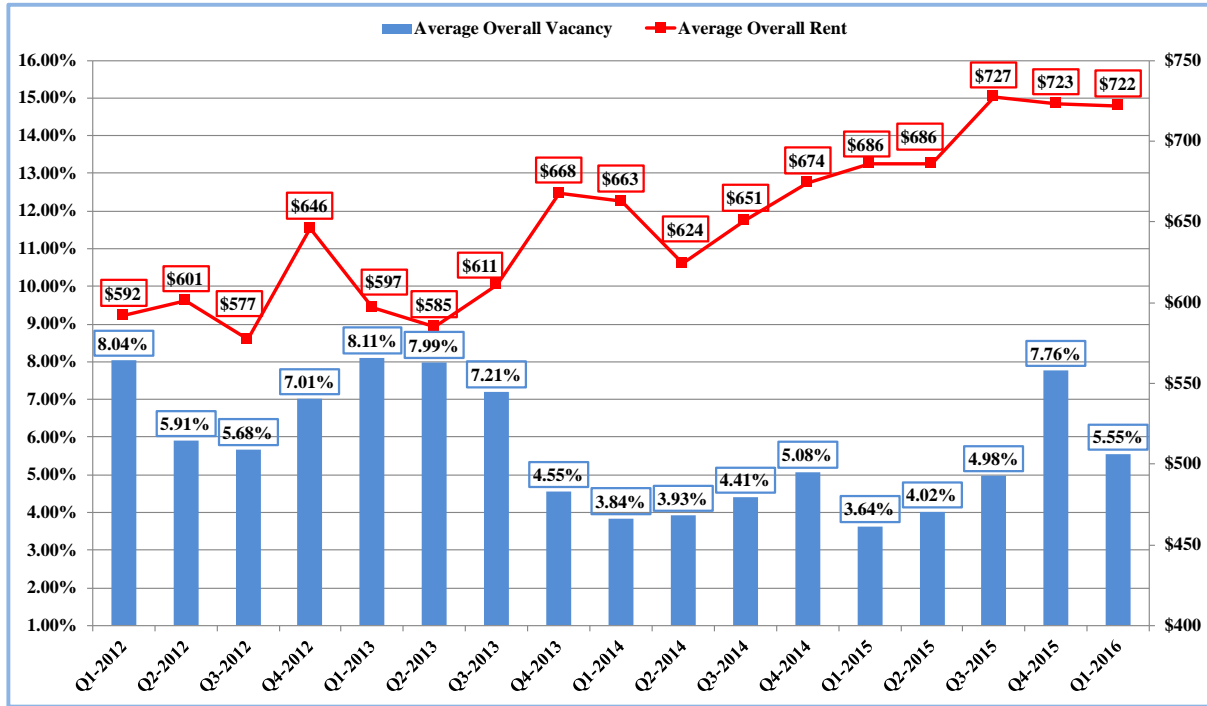


**Southwest Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$818 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.99 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	6.62%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



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

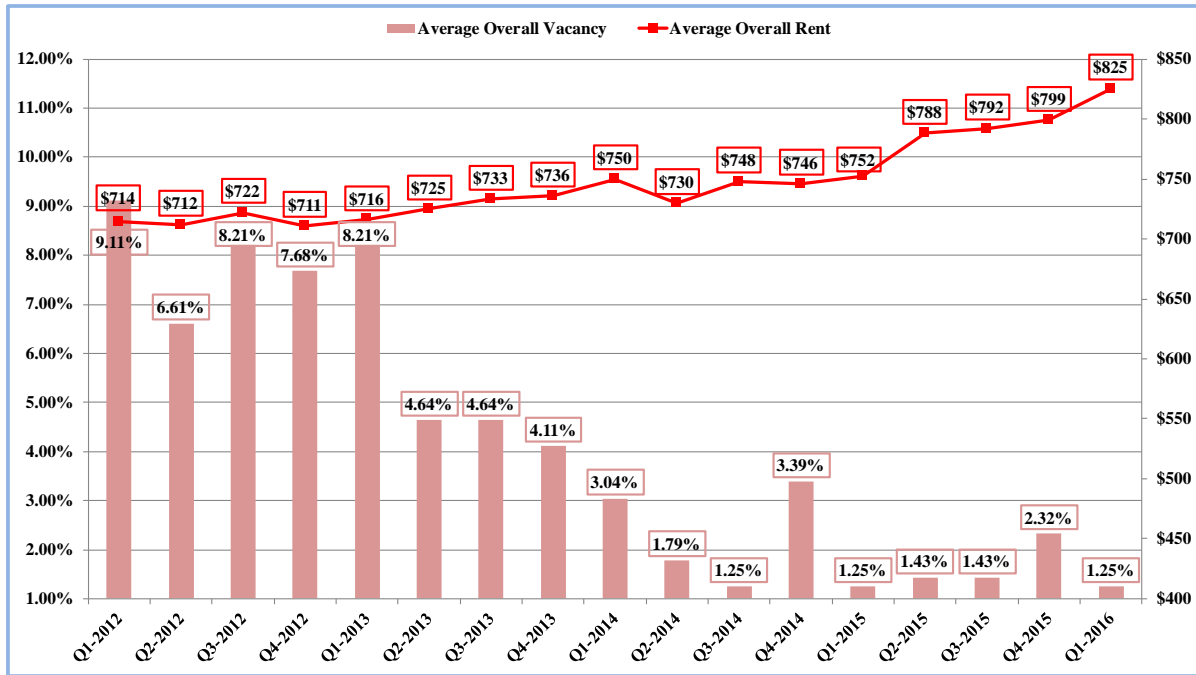


**Brinkby/Grove Area Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 Data
Total Projects Surveyed	6 Projects
Total Units Surveyed	1,045 Units
Average Square Feet Per Unit Surveyed	844± Square Feet
Average Rent For Units Surveyed	\$722 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.86 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	5.55%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects



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

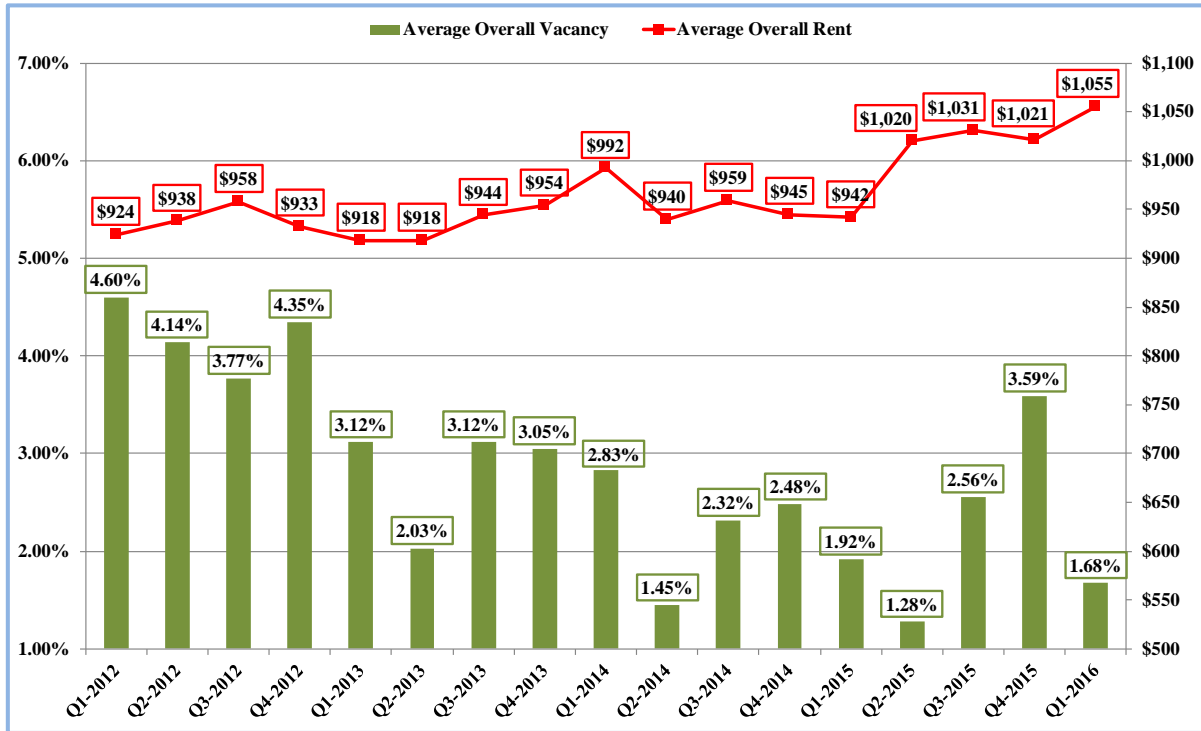


**Airport Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$825 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.95 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.25%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



**AREA 9-LAKERIDGE
 AVERAGE RENT & VACANCY DATA**

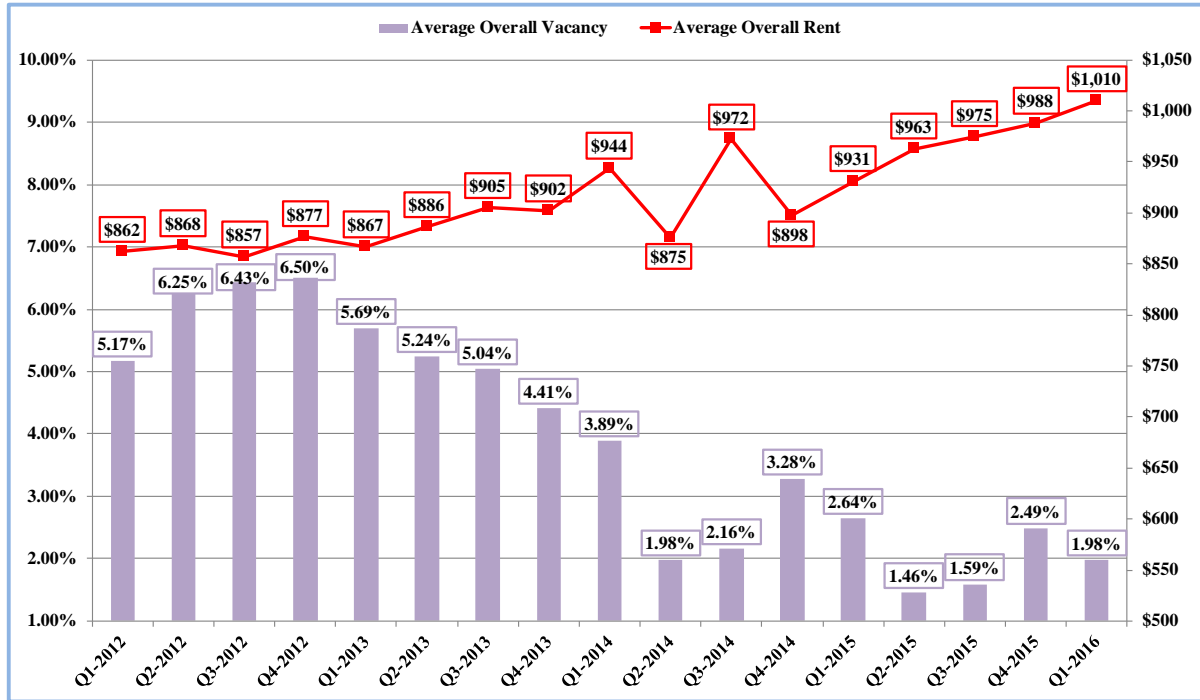


**Lakeridge Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$1,055 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.14 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.68%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



**AREA 10-SOUTHEAST RENO
 AVERAGE RENT & VACANCY DATA**

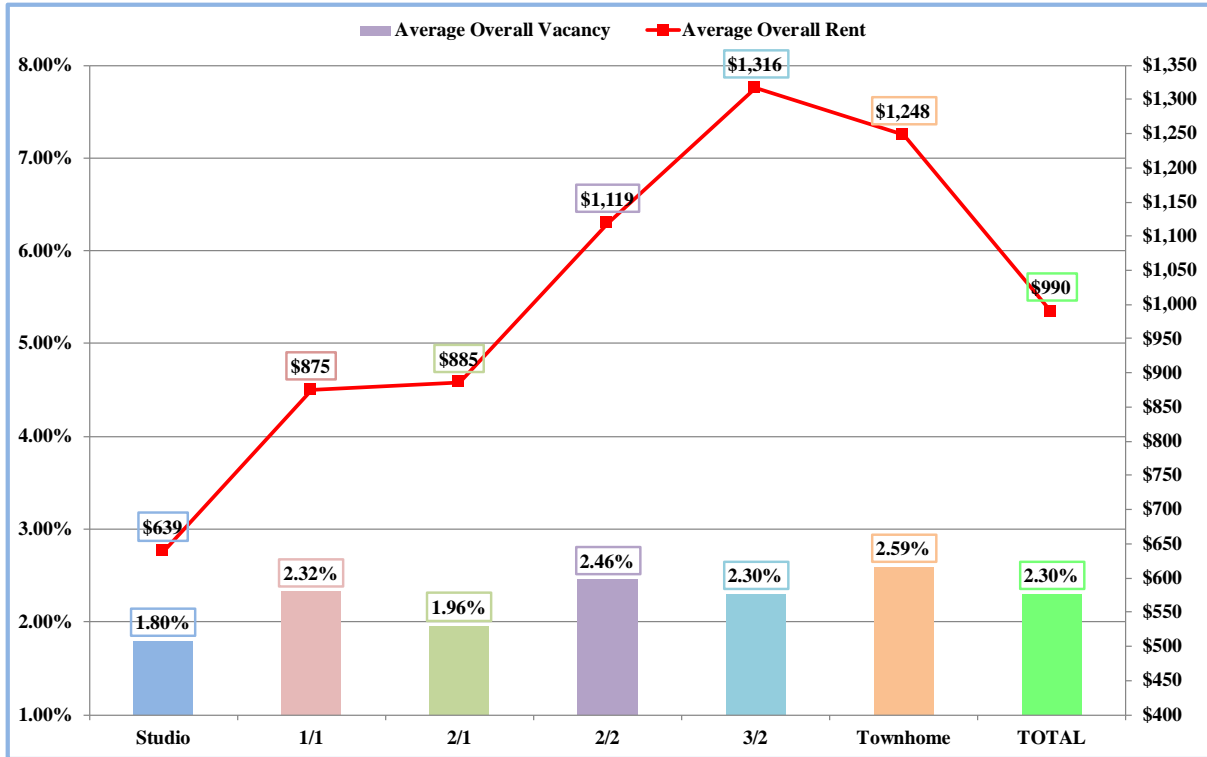


**Southeast Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	1 st Quarter 2016 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	\$1,010 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.15 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.98%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects



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

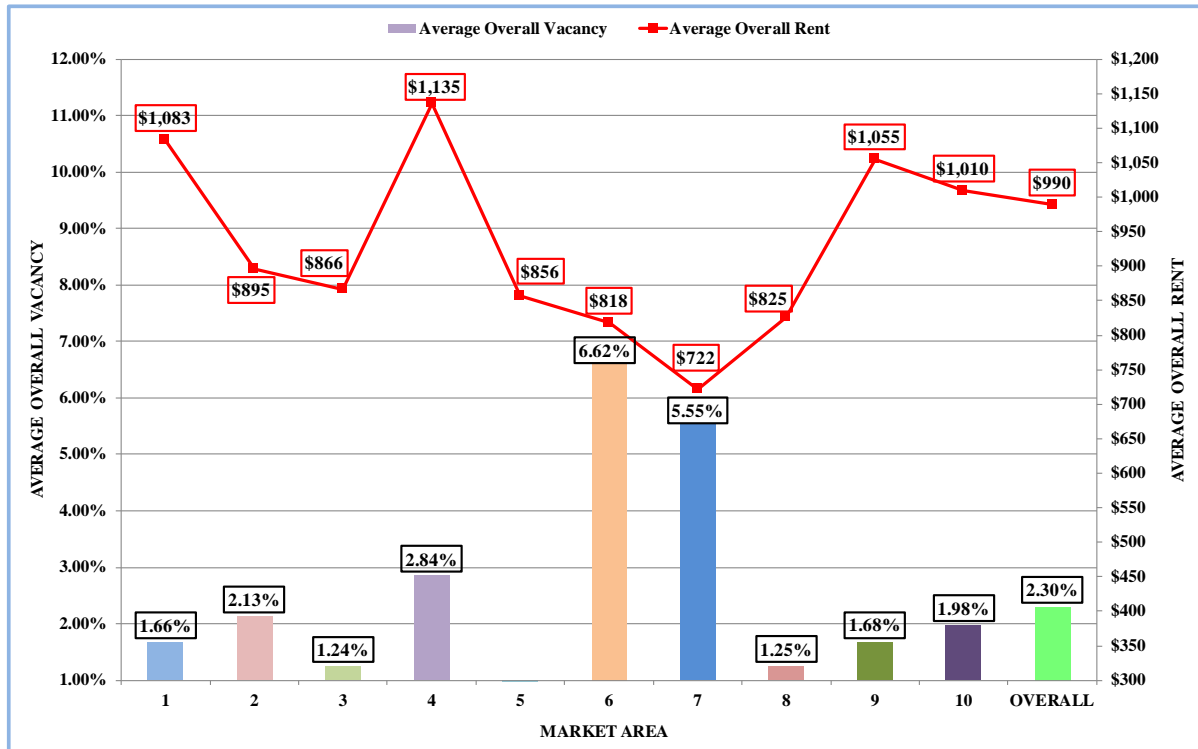


**Data By Unit Type
 (Based Upon Units Surveyed)**

	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	\$639	\$875	\$885	\$1,119	\$1,316	\$1,248	\$990
Average Rent/SF-By Unit Type	\$1.57	\$1.21	\$1.03	\$1.07	\$1.03	\$0.96	\$1.11
Indicated Vacancy Rate-By Unit Type	1.80%	2.32%	1.96%	2.46%	2.30%	2.59%	2.30%



SUMMARY BY MARKET AREA AVERAGE RENT & VACANCY DATA



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

Area	Sub-Market	Average Rent 1 st Qtr. 2016	Average Vacancy 1 st Qtr. 2016
1	Northwest Reno	\$1,083	1.66%
2	Northeast Reno	\$895	2.13%
3	W. Sparks/N. Valley	\$866	1.24%
4	East Sparks	\$1,135	2.84%
5	West Reno	\$856	0.00%
6	Southwest Reno	\$818	6.62%
7	Brinkby/Grove	\$722	5.55%
8	Airport	\$825	1.25%
9	Lakeridge	\$1,055	1.68%
10	Southeast Reno	\$1,010	1.98%
Overall Reno-Sparks		\$990	2.30%

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
1100 Place Apartments	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	