



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY[©]

2ND QUARTER 2017 DATA

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON PERKINS GRIFFIN, LLC

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JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

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 21,182 units reported. A total of 84 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, 3rd Street Flats, reached stabilization during the 2nd Quarter 2017 and agreed to become a survey participant. The total apartment projects participating in the survey increased from 84 projects to 85 projects, and the total units increased from 21,182 units to 21,277 units.

Additionally, we have added a new market area for Downtown Urban living, which includes the urban developments in downtown Reno and downtown Sparks. Currently, this market area includes the recently stabilized 3rd Street Flats and Square One. One additional Downtown Urban project, Fountainhouse Apartments, is nearing stabilization and several others are currently being developed. These projects will be added to the survey accordingly.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	1 st Quarter 2017	2 nd Quarter 2017	Change
Total Projects	84	85	1 Additional Project
Total Units	21,182	21,277	95 Additional Units



ECONOMIC OUTLOOK

Nevada's unemployment rate remained steady in May at 4.7 percent, just 0.4 of a percentage point higher than the national rate. This is the second month in a row that the unemployment rate in the Silver State has remained 9 percentage points below the recessionary peak of 13.7 percent. Further, May's reading represents an over-the-year decline of 1.1 percentage points, and the 68th consecutive month of year-over-year declines of one point or more. Based upon recent trends, we expect this month's over-the-year decline to be amongst the strongest in the nation.

"During the recession, Nevada lost a staggering 185,700 jobs. In the past six years, Nevada businesses have added back 215,600 jobs. Currently, our rate of growth is settling in at around 40,000 new jobs per year, which indicates a vibrant and healthy economy," said Governor Brian Sandoval. "Our private sector job growth is fourth-strongest in the nation, an incredible improvement from when the Silver State's job losses were the most pronounced in the nation."

In May, employment in the Silver State increased on a year-over-year basis for the 77th month in a row, said Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation. Nevada has added 35,000 jobs since this time last year, a growth rate of 2.7 percent. Nationally, employment increased by 1.6 percent over the year. May marks the 58th consecutive month that year-over-year job growth in the Silver State has outpaced the nation. Through the first five months of the year, jobs are up 39,300 on average relative to a year ago.

"This is perhaps the best barometer of underlying employment trends," Anderson said. "The State lost 14.3 percent of its employment during the recession. As of May employment has increased 19.4 percent since the recession."

Key Points:

- Seasonally-adjusted employment is down 6,500 over the month, but up 39,000 year-to-date
- Employment has increased 19.4 percent, or 215,600 jobs, since the recession
- 76.1 percent of total employment is in full-time jobs, vs. 23.9 percent for part-time
- Nevada had the 4th-fastest growing private sector in the nation in 2016
- Small business employment averaged 603,000 in 2016, compared to 587,000 in 2015
- Weekly wages averaged \$906 in 2016, a 3 percent gain from 2015



ECONOMIC INDICATORS

UNEMPLOYMENT RATES May 2017

Nevada*	4.7%
Las Vegas MSA	4.8%
Reno-Sparks MSA	3.9%
Carson City MSA	4.7%
United States*	4.3%

JOB GROWTH (YOY) May 2017

Nevada*	2.7%
Las Vegas MSA*	2.9%
Reno-Sparks MSA*	2.7%
Carson City MSA*	1.8%
United States*	1.6%

GAMING WIN (YOY) April 2017

Nevada	1.2%
Clark County	1.4%
Washoe County	-3.1%

TAXABLE SALES (YOY) March 2017

Nevada	15.0%
Clark County	9.8%
Washoe County	7.2%

*Seasonally Adjusted

(Source: Nevada Department of Employment, Training and Rehabilitation Economic Summary May 2017)



SUMMARY OF FINDINGS

AVERAGE SIZE, AVERAGE RENT & AVERAGE VACANCY RATE BY UNIT TYPE							
CATEGORY	STUDIOS	1 BED/ 1 BATH	2 BED/ 1 BATH	2 BED/ 2 BATH	3 BED/ 2 BATH	TOWNHOMES	TOTALS
Average SF-By Unit Type	404 SF	720 SF	862 SF	1,041 SF	1,266 SF	1,298 SF	888 SF
Average Rent-By Unit Type	\$715	\$1,060	\$1,081	\$1,353	\$1,595	\$1,338	\$1,194
Average Rent/SF-By Unit Type	\$1.77	\$1.47	\$1.25	\$1.30	\$1.26	\$1.03	\$1.34
Indicated Vacancy Rate-By Unit Type	1.17%	1.28%	0.95%	1.15%	1.05%	1.85%	1.17%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER			
Category	1 st Quarter 2017	2 nd Quarter 2017	Change
Average Vacancy	2.23%	1.17%	-106 Basis Points
Average Rent	\$1,111	\$1,194	+\$83 or +7.47%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER						
UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	1st Qtr. 2017	2nd Qtr. 2017	Result	1st Qtr. 2017	2nd Qtr. 2017	Result
Studio	\$669	\$715	+\$46	1.47%	1.17%	-0.30%
1 Bedroom/1 Bath	\$992	\$1,060	+\$68	2.42%	1.28%	-1.14%
2 Bedroom/1 Bath	\$1,019	\$1,081	+\$62	1.32%	0.95%	-0.37%
2 Bedroom/2 Bath	\$1,244	\$1,353	+\$109	2.63%	1.15%	-1.48%
3 Bedroom/2 Bath	\$1,468	\$1,595	+\$127	1.54%	1.05%	-0.49%
Townhouse	\$1,362	\$1,338	-\$24	1.11%	1.85%	+0.74%
TOTALS	\$1,111	\$1,194	+\$83	2.23%	1.17%	-1.06%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA							
Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		1st Qtr. 2017	2nd Qtr. 2017	Result	1st Qtr. 2017	2nd Qtr. 2017	Result
1	Northwest Reno	\$1,189	\$1,301	+\$112	2.93%	1.02%	-1.91%
2	Northeast Reno	\$1,005	\$1,081	+\$76	1.22%	0.84%	-0.38%
3	W. Sparks/N. Valley	\$977	\$1,013	+\$36	1.40%	1.62%	+0.22%
4	East Sparks	\$1,345	\$1,475	+\$130	2.42%	1.86%	-0.56%
5	West Reno	\$961	\$1,007	+\$46	0.44%	2.22%	+1.78%
6	Southwest Reno	\$987	\$1,050	+\$63	6.71%	1.04%	-5.67%
7	Brinkby/Grove	\$782	\$815	+\$33	0.50%	0.74%	+0.24%
8	Airport	\$865	\$924	+\$59	1.25%	0.54%	-0.71%
9	Lakeridge	\$1,217	\$1,285	+\$68	4.23%	1.60%	-2.63%
10	Southeast Reno	\$1,111	\$1,184	+\$73	1.22%	0.49%	-0.73%
11	Downtown Urban	N/A	\$1,322	N/A	N/A	4.64%	N/A
Overall Reno-Sparks		\$1,111	\$1,194	+\$83	2.23%	1.17%	-1.06%



HISTORICAL RENTAL AND VACANCY RATES BY UNIT TYPE

Quarter/ Year	UNIT TYPE													
	Studio		1/1		2/1		2/2		3/2		Townhouse		TOTAL	
	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %	Avg. Rent	Vacancy %
Q1-2006	\$524	3.47%	\$733	3.01%	\$795	3.93%	\$914	4.40%	\$1,080	5.20%	\$1,044	5.70%	\$848	3.83%
Q2-2006	\$545	3.47%	\$732	2.56%	\$814	3.80%	\$915	4.26%	\$1,081	4.58%	\$1,055	3.42%	\$857	3.50%
Q3-2006	\$548	5.04%	\$739	2.19%	\$821	3.63%	\$924	3.55%	\$1,093	3.76%	\$1,052	3.13%	\$863	3.07%
Q4-2006	\$549	4.68%	\$743	3.31%	\$815	4.67%	\$930	5.90%	\$1,103	6.10%	\$1,100	7.41%	\$873	4.70%
Q1-2007	\$527	4.32%	\$745	5.00%	\$813	7.02%	\$934	6.99%	\$1,111	8.36%	\$1,102	5.98%	\$872	6.24%
Q2-2007	\$527	8.99%	\$750	3.24%	\$817	6.29%	\$940	5.38%	\$1,118	7.46%	\$1,106	4.27%	\$876	4.88%
Q3-2007	\$526	7.19%	\$754	3.18%	\$818	6.39%	\$946	4.72%	\$1,124	5.45%	\$1,115	4.84%	\$881	4.54%
Q4-2007	\$527	7.14%	\$754	4.43%	\$822	7.24%	\$949	8.02%	\$1,130	8.06%	\$1,127	8.12%	\$885	6.50%
Q1-2008	\$527	8.58%	\$756	5.37%	\$820	8.22%	\$950	7.73%	\$1,130	5.79%	\$1,132	7.28%	\$886	6.85%
Q2-2008	\$524	6.34%	\$752	6.00%	\$814	8.46%	\$949	6.59%	\$1,132	6.24%	\$1,132	13.37%	\$884	6.83%
Q3-2008	\$524	5.62%	\$755	6.93%	\$813	8.82%	\$953	7.10%	\$1,132	7.72%	\$1,134	7.52%	\$885	7.35%
Q4-2008	\$523	5.43%	\$744	8.70%	\$798	11.83%	\$933	9.72%	\$1,130	10.44%	\$1,122	10.03%	\$875	9.63%
Q1-2009	\$523	7.90%	\$727	10.08%	\$776	11.97%	\$914	11.43%	\$1,119	11.45%	\$1,118	10.14%	\$863	10.87%
Q2-2009	\$515	8.64%	\$696	9.76%	\$753	12.20%	\$886	11.29%	\$1,088	13.18%	\$1,122	13.65%	\$844	10.93%
Q3-2009	\$501	9.57%	\$699	8.15%	\$741	11.46%	\$930	9.02%	\$1,117	7.23%	\$1,156	8.96%	\$857	9.08%
Q4-2009	\$500	8.97%	\$693	7.74%	\$728	9.48%	\$925	8.46%	\$1,111	10.32%	\$1,141	9.52%	\$848	8.54%
Q1-2010	\$490	10.96%	\$701	7.40%	\$734	6.70%	\$936	8.11%	\$1,128	10.16%	\$1,090	10.48%	\$858	7.87%
Q2-2010	\$489	10.96%	\$687	6.70%	\$725	10.03%	\$909	7.43%	\$1,102	8.58%	\$1,068	9.35%	\$837	7.79%
Q3-2010	\$483	7.06%	\$687	5.68%	\$721	7.27%	\$905	6.10%	\$1,091	6.04%	\$1,100	6.23%	\$834	6.18%
Q4-2010	\$480	7.66%	\$677	5.57%	\$711	7.40%	\$895	8.37%	\$1,085	9.40%	\$1,073	7.65%	\$824	7.16%
Q1-2011	\$487	10.36%	\$675	4.86%	\$716	5.06%	\$887	6.25%	\$1,086	6.30%	\$1,056	4.53%	\$821	5.64%
Q2-2011	\$476	7.21%	\$686	5.22%	\$738	5.33%	\$902	5.73%	\$1,115	5.06%	\$1,009	6.52%	\$837	5.51%
Q3-2011	\$484	4.20%	\$691	4.76%	\$744	3.87%	\$913	6.31%	\$1,098	9.06%	\$1,027	6.83%	\$840	5.38%
Q4-2011	\$463	6.31%	\$680	5.61%	\$756	7.30%	\$875	6.67%	\$1,070	8.96%	\$1,074	7.37%	\$822	6.56%
Q1-2012	\$472	3.60%	\$673	4.25%	\$752	5.84%	\$883	6.43%	\$1,070	9.30%	\$1,028	7.65%	\$822	5.59%
Q2-2012	\$482	5.86%	\$679	3.89%	\$758	4.96%	\$910	6.12%	\$1,094	7.10%	\$1,038	7.65%	\$836	5.13%
Q3-2012	\$507	4.25%	\$689	3.59%	\$757	4.86%	\$899	5.77%	\$1,074	7.19%	\$1,068	7.08%	\$836	4.83%
Q4-2012	\$487	8.86%	\$687	4.37%	\$757	6.35%	\$892	5.85%	\$1,083	6.43%	\$1,074	9.35%	\$830	5.60%
Q1-2013	\$494	7.96%	\$683	3.81%	\$759	5.75%	\$888	5.49%	\$1,080	6.81%	\$1,029	8.22%	\$829	5.11%
Q2-2013	\$509	7.66%	\$695	3.50%	\$770	5.54%	\$912	4.72%	\$1,082	6.05%	\$1,051	7.93%	\$843	4.65%
Q3-2013	\$531	4.35%	\$713	3.18%	\$780	4.96%	\$928	4.20%	\$1,113	5.58%	\$1,067	4.92%	\$859	4.05%
Q4-2013	\$545	2.40%	\$717	3.81%	\$785	4.05%	\$917	4.52%	\$1,117	5.28%	\$1,068	3.92%	\$860	4.12%
Q1-2014	\$548	3.89%	\$731	4.03%	\$795	3.28%	\$948	3.94%	\$1,123	3.04%	\$1,093	5.47%	\$876	3.83%
Q2-2014	\$533	2.69%	\$753	2.51%	\$764	2.33%	\$969	2.40%	\$1,170	1.97%	\$1,105	1.92%	\$852	2.41%
Q3-2014	\$540	1.35%	\$768	2.16%	\$796	2.58%	\$1,023	1.96%	\$1,189	2.10%	\$1,106	6.23%	\$887	2.13%
Q4-2014	\$555	1.35%	\$775	3.14%	\$797	3.90%	\$968	3.24%	\$1,176	4.23%	\$1,096	4.44%	\$868	3.31%
Q1-2015	\$565	1.65%	\$790	2.55%	\$810	3.11%	\$997	3.35%	\$1,209	3.32%	\$1,107	4.10%	\$889	2.97%
Q2-2015	\$562	1.95%	\$816	2.19%	\$823	1.88%	\$1,040	2.38%	\$1,251	2.85%	\$1,143	4.44%	\$920	2.27%
Q3-2015	\$589	2.99%	\$837	2.35%	\$848	2.29%	\$1,065	3.11%	\$1,264	2.81%	\$1,137	2.30%	\$942	2.67%
Q4-2015	\$580	2.54%	\$840	2.85%	\$854	2.83%	\$1,066	3.01%	\$1,263	2.56%	\$1,159	4.81%	\$946	2.90%
Q1-2016	\$639	1.80%	\$875	2.32%	\$885	1.96%	\$1,119	2.46%	\$1,316	2.30%	\$1,248	2.59%	\$990	2.30%
Q2-2016	\$643	2.25%	\$904	1.84%	\$930	1.56%	\$1,164	2.27%	\$1,411	1.96%	\$1,233	2.59%	\$1,029	1.98%
Q3-2016	\$662	1.48%	\$923	2.00%	\$973	1.41%	\$1,192	2.79%	\$1,420	2.75%	\$1,258	3.33%	\$1,054	2.24%
Q4-2016	\$673	1.92%	\$939	2.95%	\$984	2.75%	\$1,207	3.02%	\$1,382	3.26%	\$1,287	2.96%	\$1,066	2.93%
Q1-2017	\$669	1.47%	\$992	2.42%	\$1,019	1.32%	\$1,244	2.63%	\$1,468	1.54%	\$1,362	1.11%	\$1,111	2.23%
Q2-2017	\$715	1.17%	\$1,060	1.28%	\$1,081	0.95%	\$1,353	1.15%	\$1,595	1.05%	\$1,338	1.85%	\$1,194	1.17%
AVERAGE	\$538	5.29%	\$756	4.36%	\$806	5.50%	\$972	5.44%	\$1,164	5.96%	\$1,116	6.24%	\$889	5.08%
MEDIAN	\$527	4.86%	\$736	3.81%	\$796	5.01%	\$932	5.61%	\$1,118	6.05%	\$1,104	6.23%	\$863	4.86%
LOW	\$463	1.17%	\$673	1.28%	\$711	0.95%	\$875	1.15%	\$1,070	1.05%	\$1,009	1.11%	\$821	1.17%
HIGH	\$715	10.96%	\$1,060	10.08%	\$1,081	12.20%	\$1,353	11.43%	\$1,595	13.18%	\$1,362	13.65%	\$1,194	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased by 7.47%, with all unit types, except townhouse units, experiencing an increase in average rental rates. Each of the ten original sub-markets experienced an increase in average rental rates.

The overall vacancy rate for all units surveyed decreased by 106 basis points, with seven of the original ten submarkets showing decreases in vacancies and the three remaining original submarkets experiencing a slight increase in average vacancy. All unit types, except townhouse units, experienced slight decreases in average vacancies. Average vacancy for all unit types is now at an all-time low of 1.17%.

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, and rental rates should continue to show increases. Over 3,400± units within major apartment projects (over 80 units) are now under construction in the region, with many more projects in the planning and entitlement stages.



GUIDELINES

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

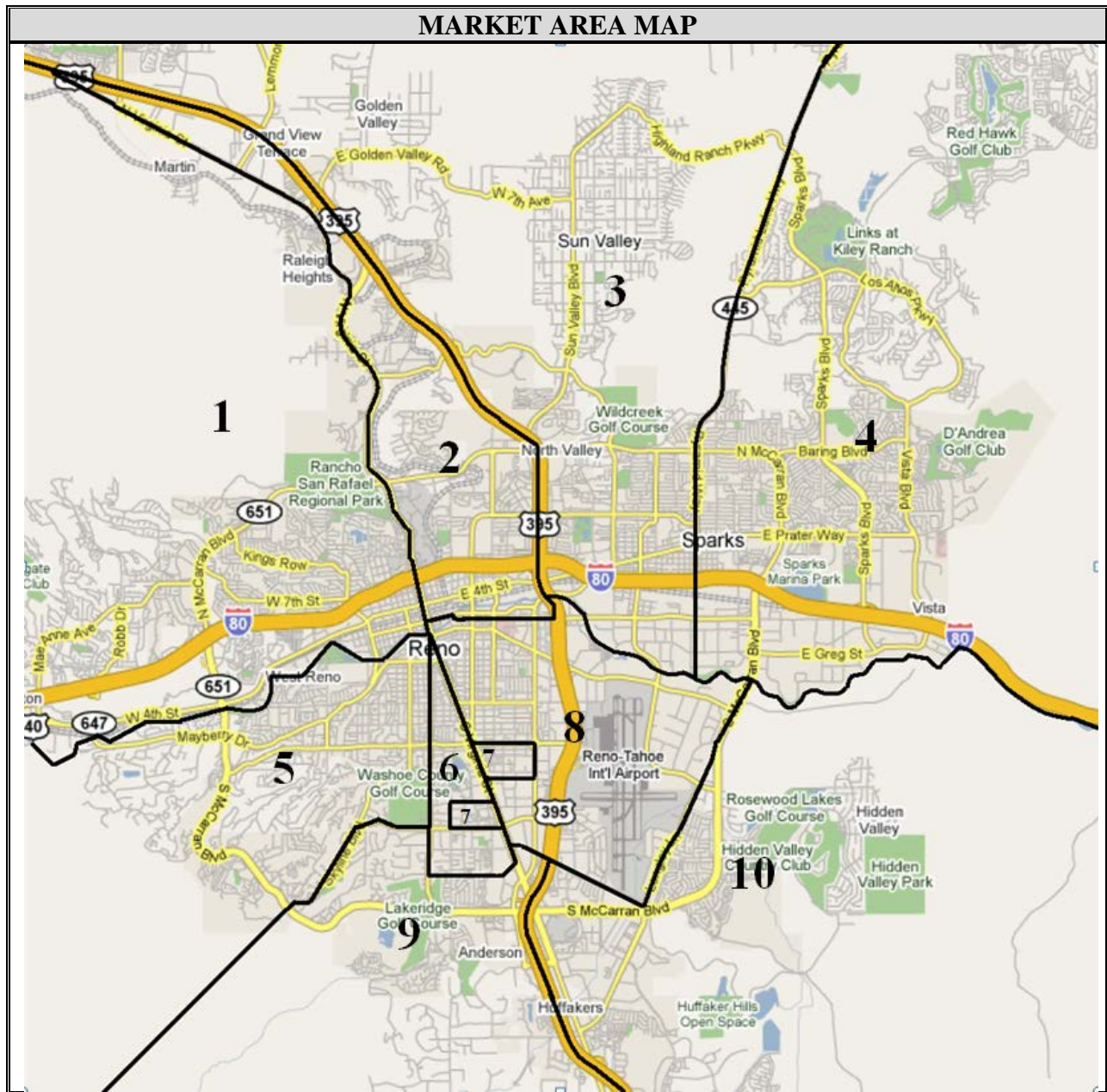
- Occupancy rates represent conditions as of the date of survey;
- Rents utilized in the report represent the base price of an unfurnished apartment;
- Units with more than one size per unit type were calculated on a weighted average for each unit type
- Weighted averages were used in all charts to give 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
11	Downtown Urban	Downtown Reno; Downtown Sparks
*Sub-Market Area 11 is not depicted on the following Market Area Map, as it contains portions of Downtown Reno and Downtown Sparks, which are contained within previously existing Sub-Market Areas.		





PROJECTS APPROVED AND/OR UNDER CONSTRUCTION

The Village South, the 252-unit Phase II project for The Village at Arrow Creek, broke ground in 2016. At the end of the 2nd Quarter of 2017 four buildings were complete, 52% of the project had been pre-leased and 24% of the property was occupied.

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. At the end of the 2nd Quarter of 2017 four apartment buildings were complete and eighteen townhouse buildings were complete, 49% of the project had been pre-leased and 16% of the property was occupied.

In September 2015, Silverwing Development broke ground on the Fountainhouse Apartments in downtown Sparks. The project includes 236 one and two-bedroom apartments within 10 four-story buildings. The leasing office and clubhouse opened in May 2016. Move-ins within the first building began in August 2016. At the end of the 2nd Quarter of 2017 the project was complete, 85% of the project had been pre-leased and 79% of the property was occupied.

San Diego-based Guardian Capital broke ground on the Vida Apartments, a 312-unit apartment complex located at the intersection of Sharlands Avenue and Mae Anne Avenue in northwest Reno near Somersett in the 2nd Quarter of 2017.

The Summit Club, a 574-unit apartment project located west of the Summit Mall in South Reno, has broken ground.

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
Vida	312	Southeast Corner Sharlands & Mae Anne	1	Under Construction
Fountainhouse Apartments	236	Victorian Plaza Circle at C Street	3	Under Construction
The Bridges	198	Victorian Square	3	Under Construction
North Peak Apartments	328	Intersection of Military Road & Lemmon Drive	3	Under Construction
Vineyard at the Galleria	210	Sparks Galleria	4	Under Construction
The Waterfront at Sparks Marina	209	Around Existing Parking Garage @ Sparks Marina	4	Under Construction
Lyfe at the Marina	280	Sparks Market	4	Under Construction
Sierra Vista	336	Arrowcreek Parkway	10	Under Construction
The Harvest-Phase I	278	Damonte Ranch	10	Under Construction
The Village South	252	Intersection of Arrowcreek Parkway & Wedge Parkway	10	Under Construction
Double R Apartments	148	East Side Double R Boulevard	10	Under Construction
Summit Club	574	Mt. Rose Highway	10	Under Construction
Total Units:	3,361			
PROJECTS PLANNED				
Project Name	Units	Location	Area	Status
4th Street Apartments	164	West 4th Street, East of South McCarran Boulevard	1	Planning Stages
The Villas at Keystone Canyon-Phase II	96	Keystone Avenue & North McCarran Boulevard	1	Planning Stages
The Overlook at Keystone Canyon	305	Directly West of The Villas at Keystone Canyon	1	Planning Stages
West 2nd Street District	500	Downtown Reno	1	Planning Stages
Vista Rafael Apartments	416	North Virginia Street & Vista Rafael Parkway	3	Planning Stages
Silverwing Development	200	Victorian Square	3	Planning Stages
Silverwing Development	200	Victorian Square	3	Planning Stages
Silverwing Development	100	Victorian Square	3	Planning Stages
Spectrum-Dandini Development	420	Northeast Corner of US Highway 395 & Dandini Boulevard	3	Planning Stages
The Lakes at Sky Vista	768	Sky Vista Parkway, West of Lemmon Valley Road	3	Planning Stages
LandCap Project	300±	Prater Way & Vista Boulevard	4	Planning Stages
Lumina-Phase I	330	Pioneer Meadows	4	Beginning Construction 2017
Lumina-Phase II	220	Pioneer Meadows	4	Beginning Construction 2018
The Point at the Marina	920	LandCap Project, East of Sparks Marina	4	Entitled for up to 920 Units
Silverado Development	96	Wingfield Springs	4	Planning Stages
Park Lane-Reno Urban Development	1,619	Previous Park Lane Mall Site	7	Planning Stages
Confidential	400±	South Reno Market	10	Planning Stages
Steamboat Creek	468	Geiger Grade & South Virginia Street	10	Planning Stages
The Harvest-Phase II	300	Damonte Ranch	10	Planning Stages
Total Units:	7,822			

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 Square One and the 3rd Street Flats.

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



RENT CONCESSIONS

During the 2nd Quarter of 2017 2.35% of the apartment projects in our Survey offered rent concessions, in comparison to 7.14% in the 1st Quarter of 2017. 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

Quarter/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%
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%



SURVEY RESULTS

This section of the report covers survey findings pertaining to the total survey area for the 2nd Quarter of 2017.

OVERALL QUARTERLY TRENDS:

The graphs in this section illustrate percentage vacant, percentage of rent increases or decreases and average monthly rent per quarter. The following graphs are included in overall trends:

- Overall Reno/Sparks Averages
- Overall Trends For Studio Units
- Overall Trends For 1 Bedroom/1 Bath Units
- Overall Trends For 2 Bedroom/1 Bath Units
- Overall Trends For 2 Bedroom/2 Bath Units
- Overall Trends For 3 Bedroom/2 Bath Units
- Overall Trends For Townhouse Units
- Average Rent Per Unit Type

TRENDS PER MARKET AREA:

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

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

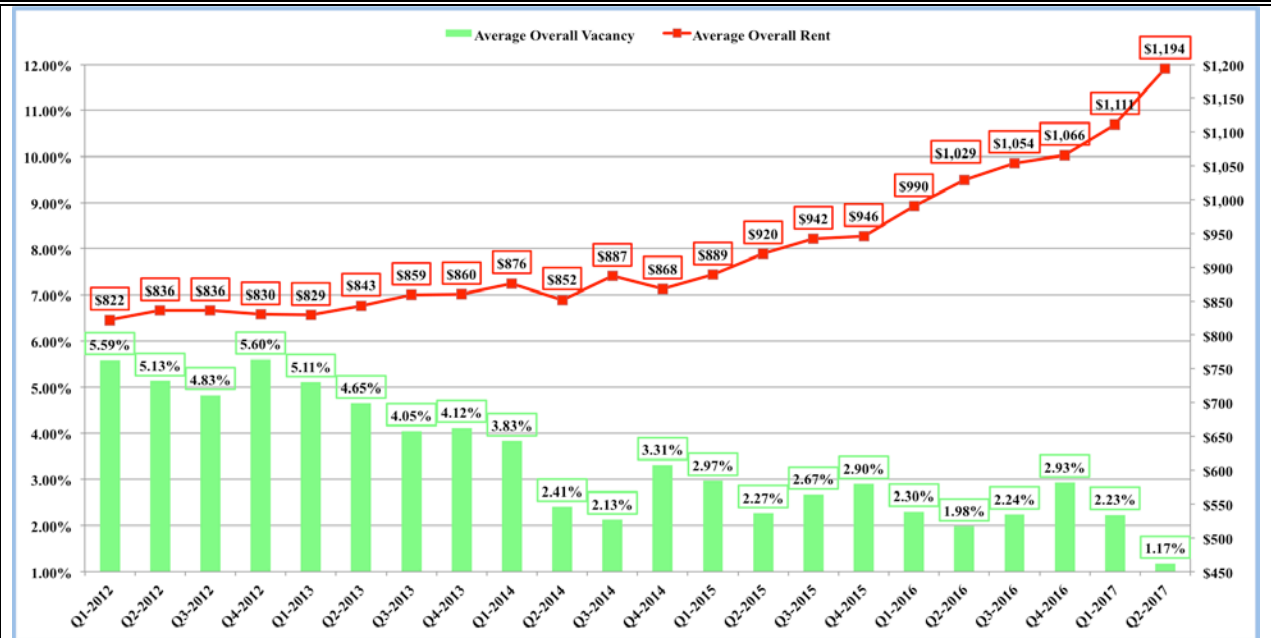
CURRENT SURVEY COMPARISONS:

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

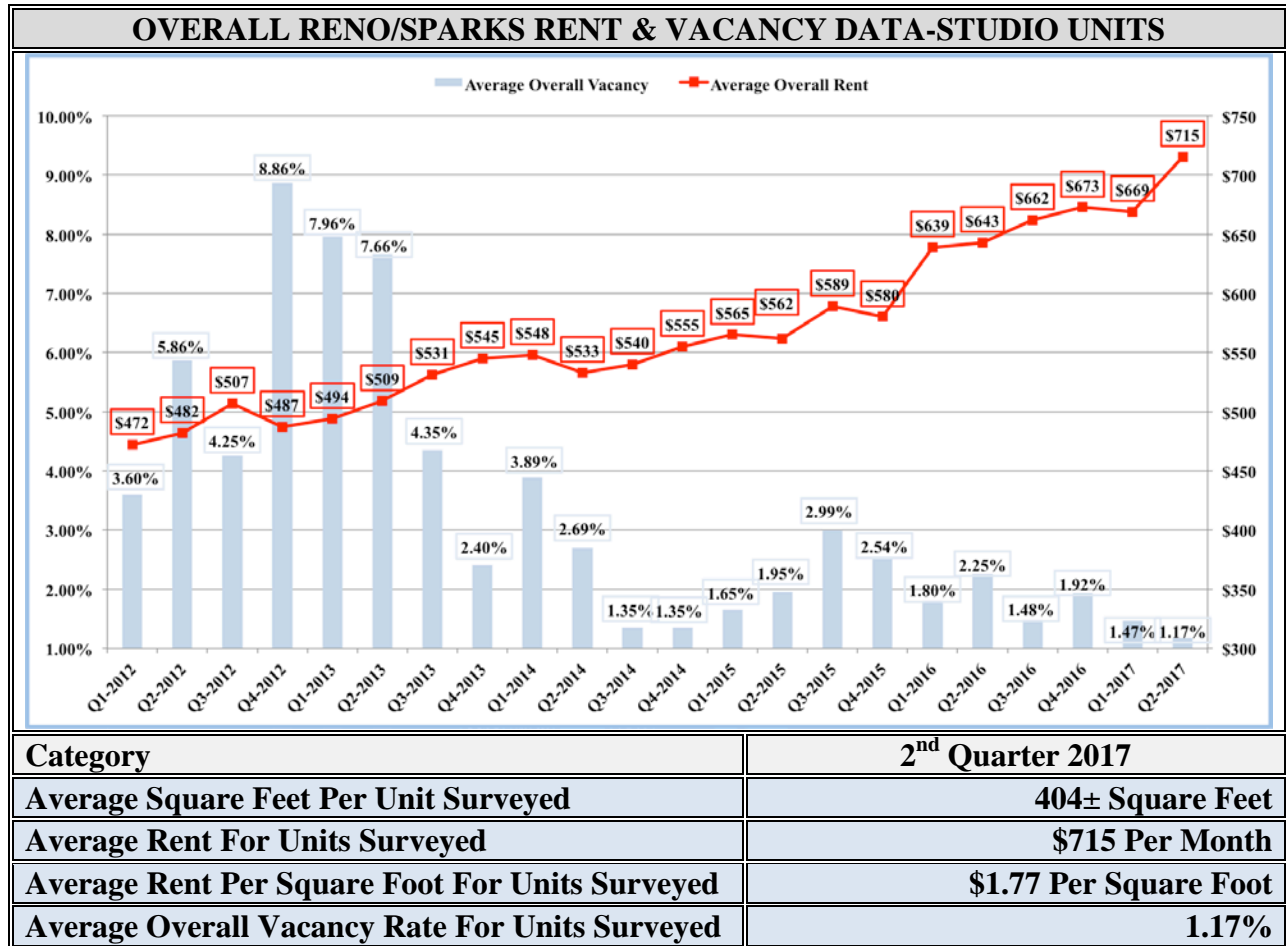
- Summary By Unit Type
- Summary By Area
- 15 Properties With The Highest Average Rents



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

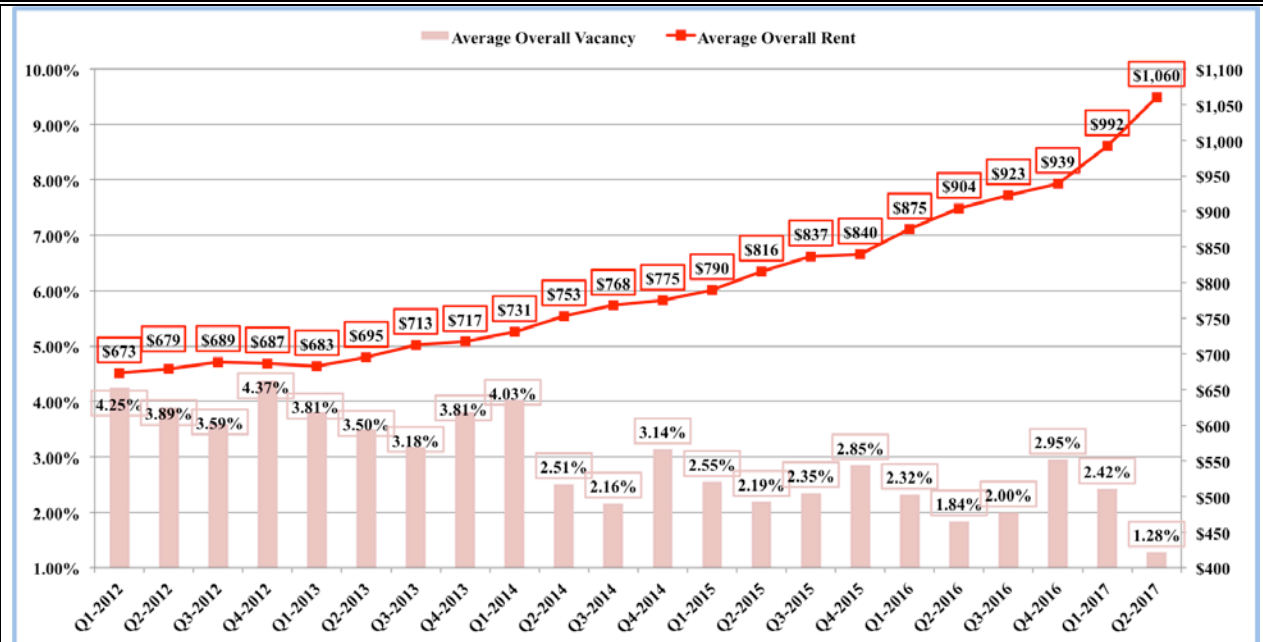


Category	2 nd Quarter 2017
Average Square Feet Per Unit Surveyed	888± Square Feet
Average Rent For Units Surveyed	\$1,194 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.34 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.17%





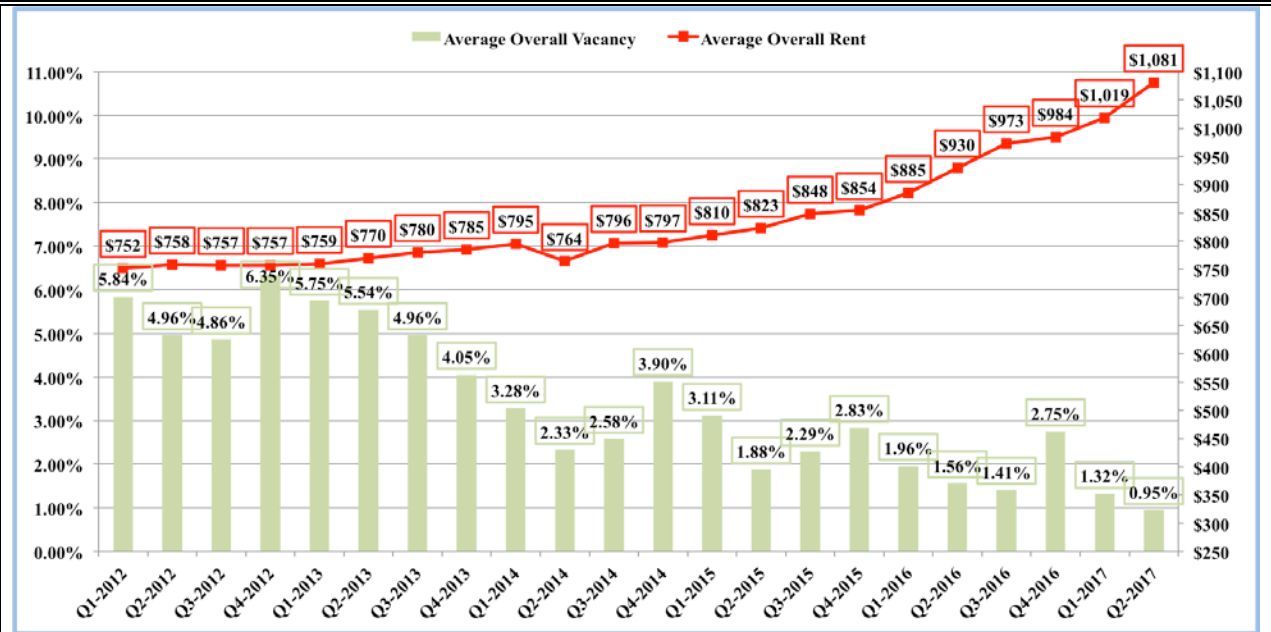
OVERALL RENO/SPARKS RENT & VACANCY DATA-1 BED/1 BATH UNITS



Category	2 nd Quarter 2017
Average Square Feet Per Unit Surveyed	720± Square Feet
Average Rent For Units Surveyed	\$1,060 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.47 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.28%



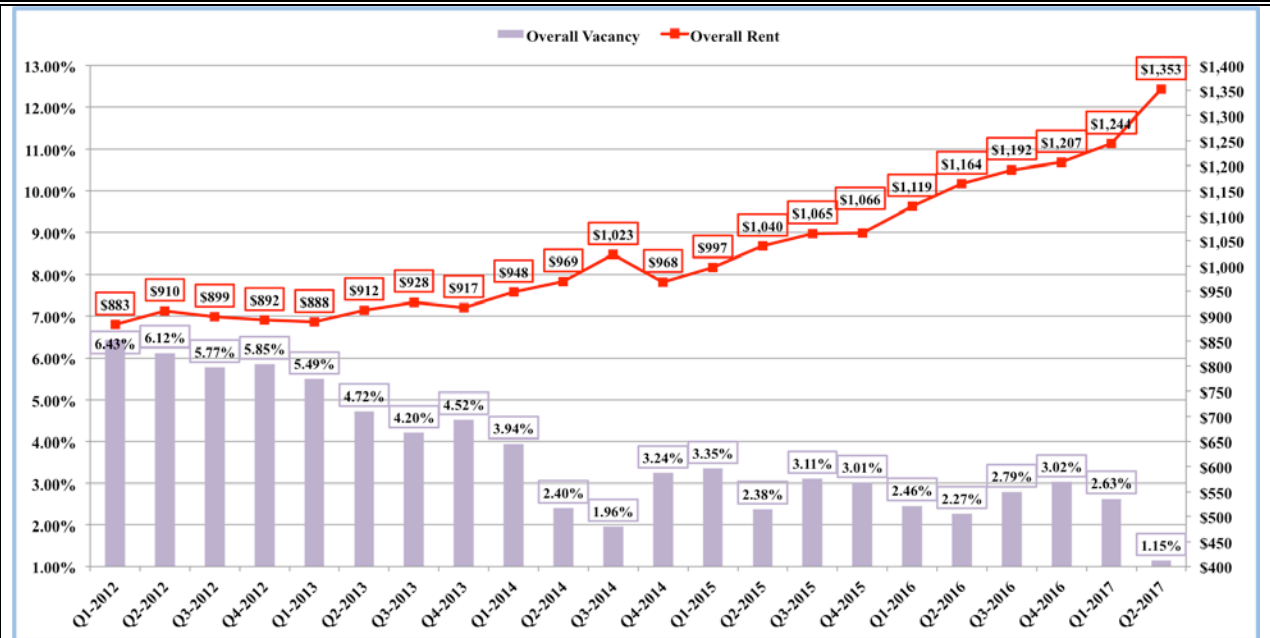
OVERALL RENO/SPARKS RENT & VACANCY DATA-2 BED/1 BATH UNITS



Category	2 nd Quarter 2017
Average Square Feet Per Unit Surveyed	862± Square Feet
Average Rent For Units Surveyed	\$1,081 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.25 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.95%



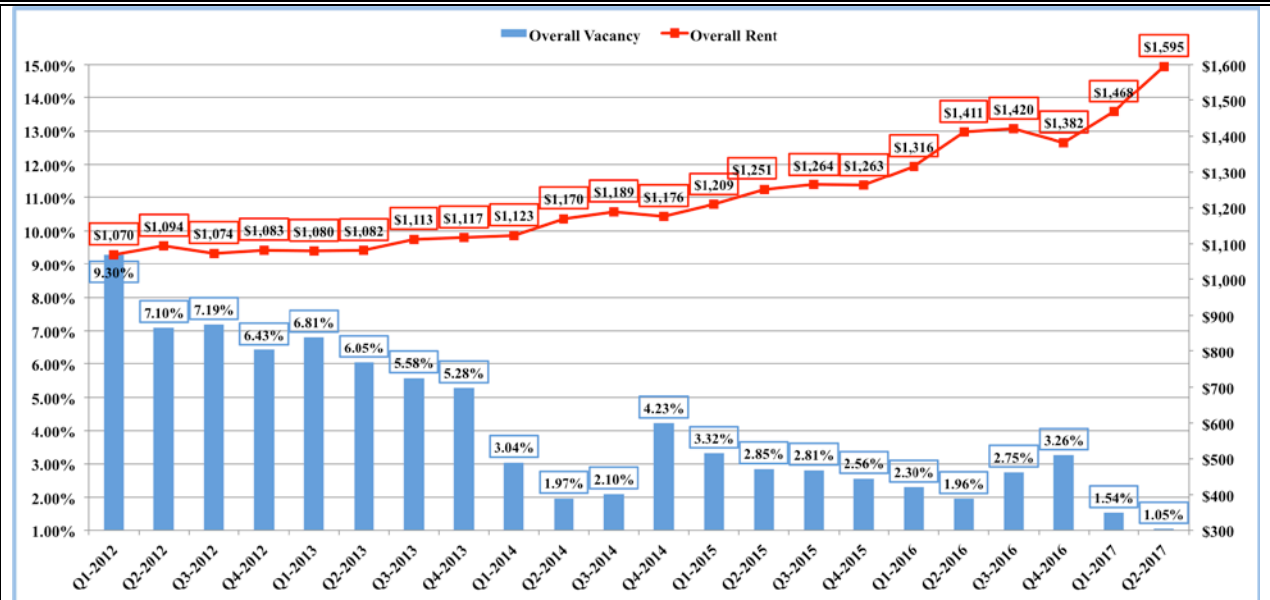
OVERALL RENO/SPARKS RENT & VACANCY DATA-2 BED/2 BATH UNITS



Category	2 nd Quarter 2017
Average Square Feet Per Unit Surveyed	1,041± Square Feet
Average Rent For Units Surveyed	\$1,353 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.30 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.15%



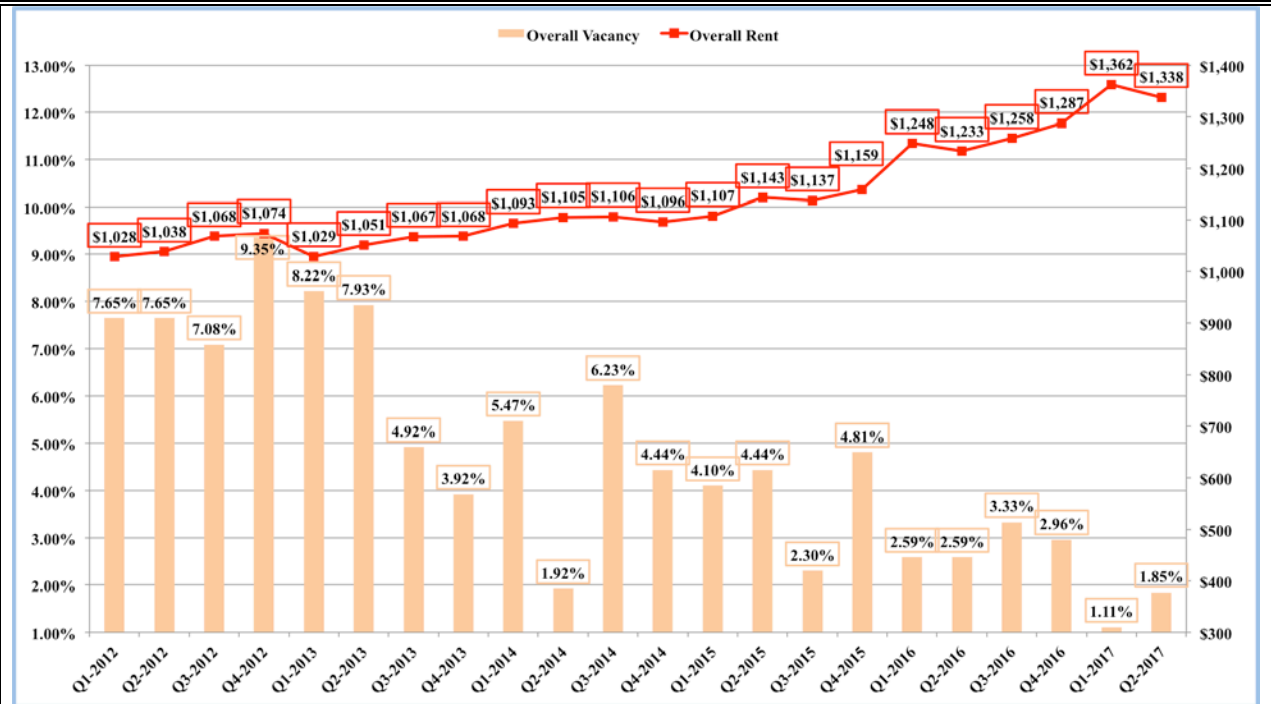
OVERALL RENO/SPARKS RENT & VACANCY DATA-3 BED/2 BATH UNITS



Category	2 nd Quarter 2017
Average Square Feet Per Unit Surveyed	1,266± Square Feet
Average Rent For Units Surveyed	\$1,595 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.26 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.05%



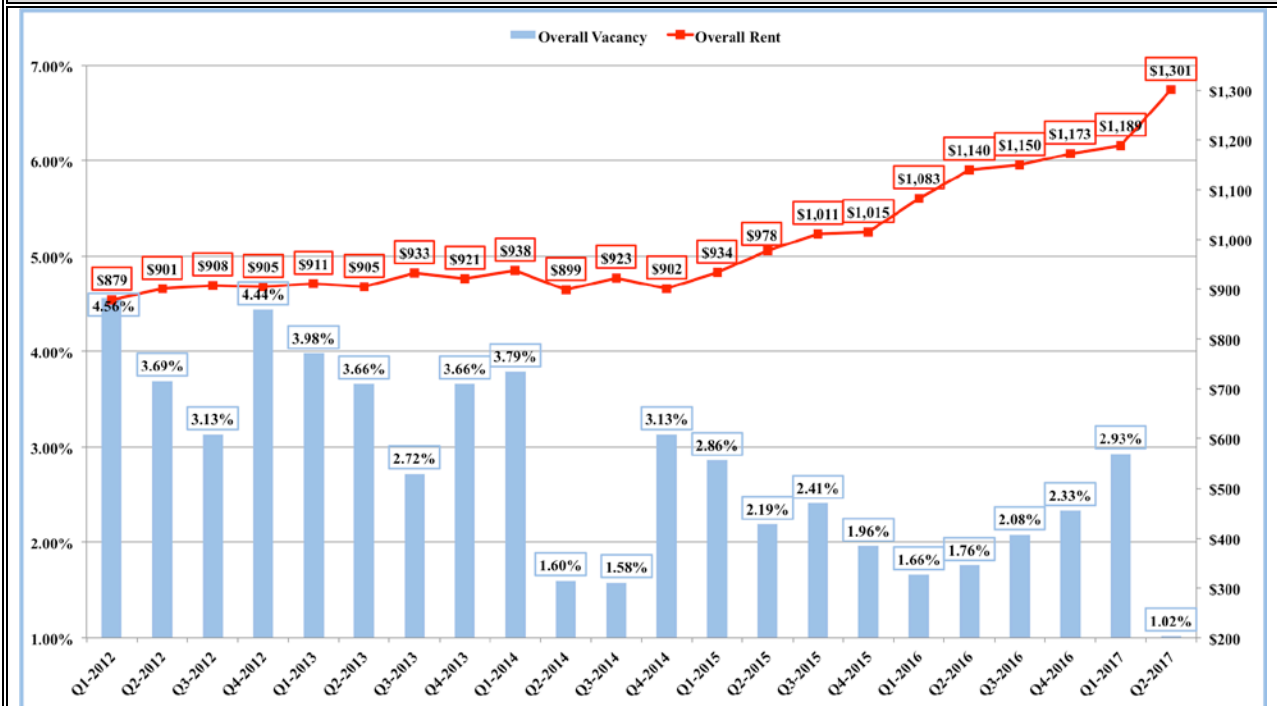
OVERALL RENO/SPARKS RENT & VACANCY DATA-TOWNHOUSE UNITS



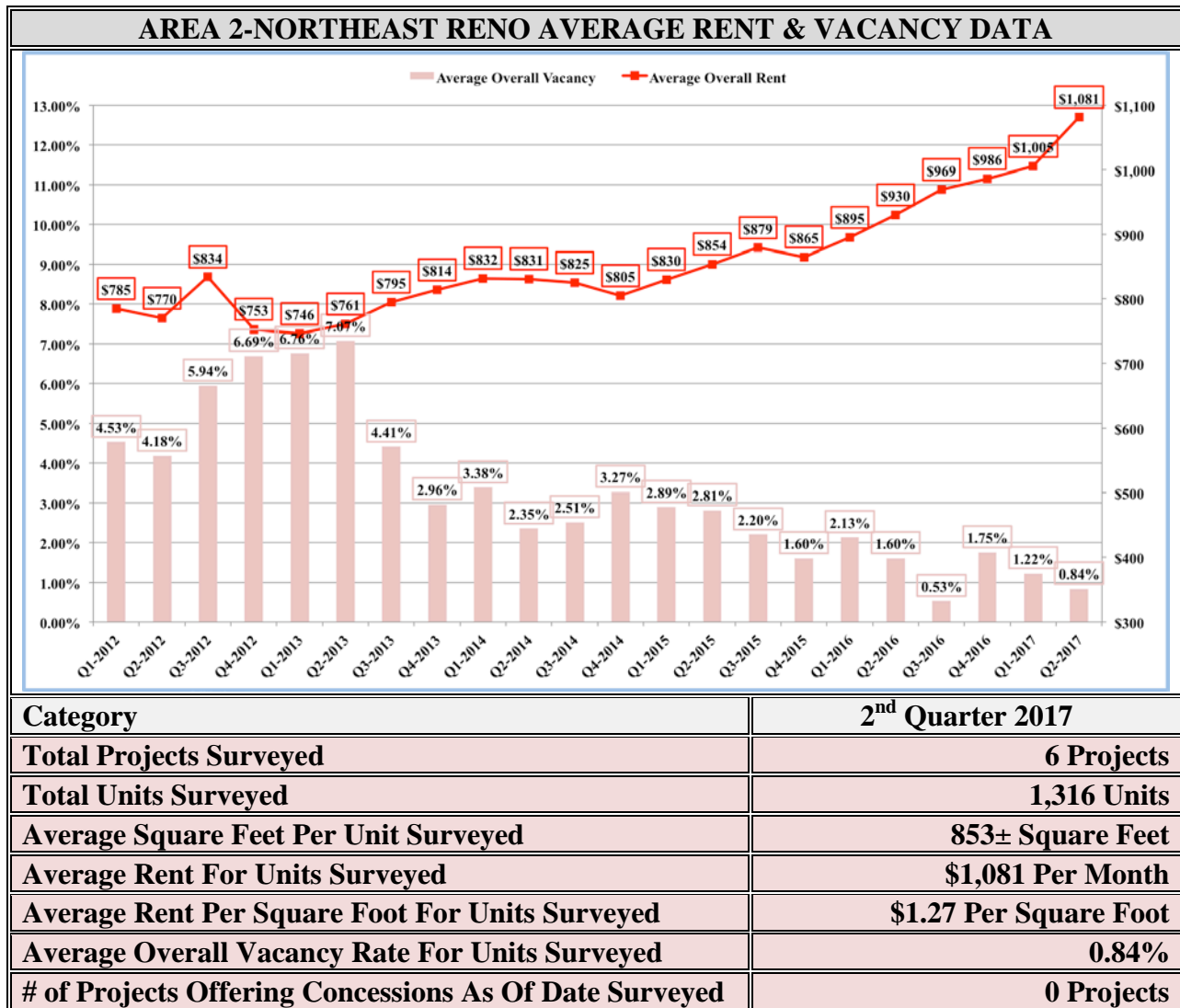
Category	2 nd Quarter 2017
Average Square Feet Per Unit Surveyed	1,298± Square Feet
Average Rent For Units Surveyed	\$1,338 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.03 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.85 %



AREA 1-NORTHWEST RENO AVERAGE RENT & VACANCY DATA

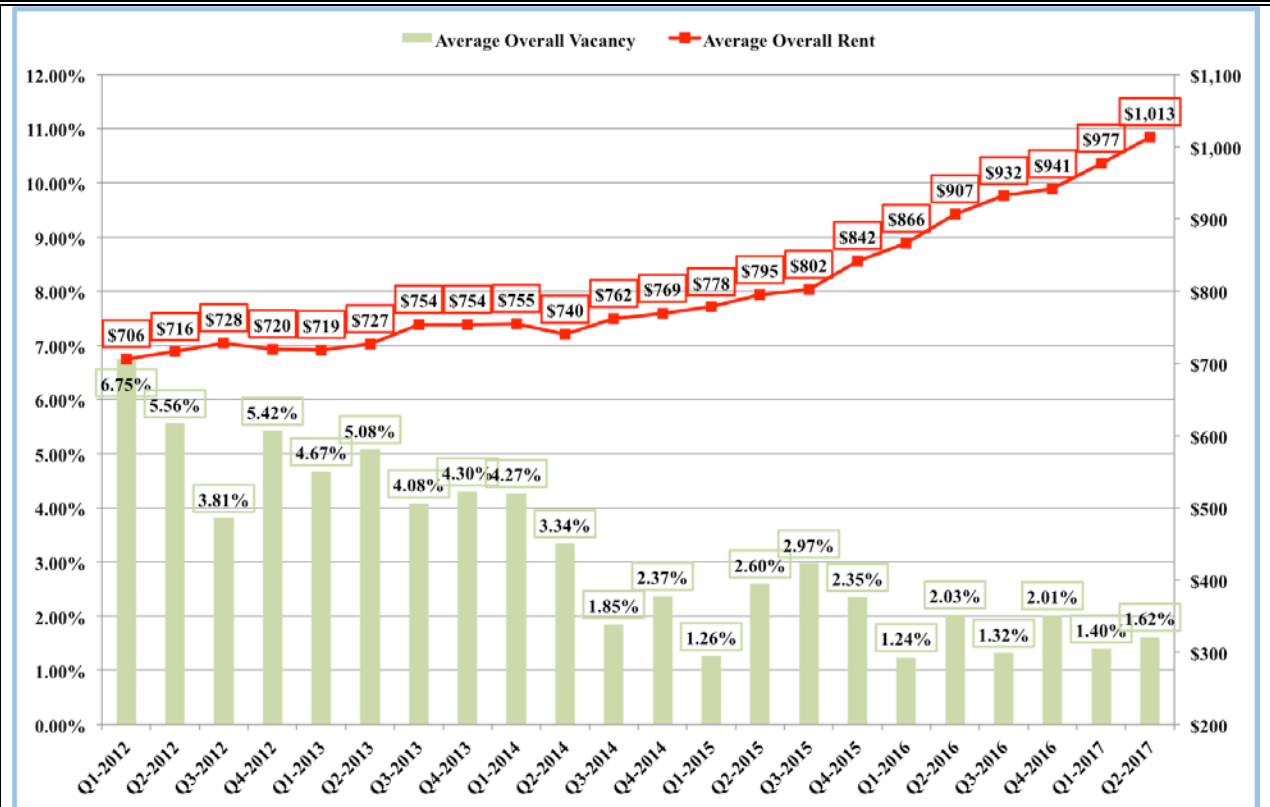


Category	2 nd Quarter 2017
Total Projects Surveyed	15 Projects
Total Units Surveyed	4,030 Units
Average Square Feet Per Unit Surveyed	905± Square Feet
Average Rent For Units Surveyed	\$1,301 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.44 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.02%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects





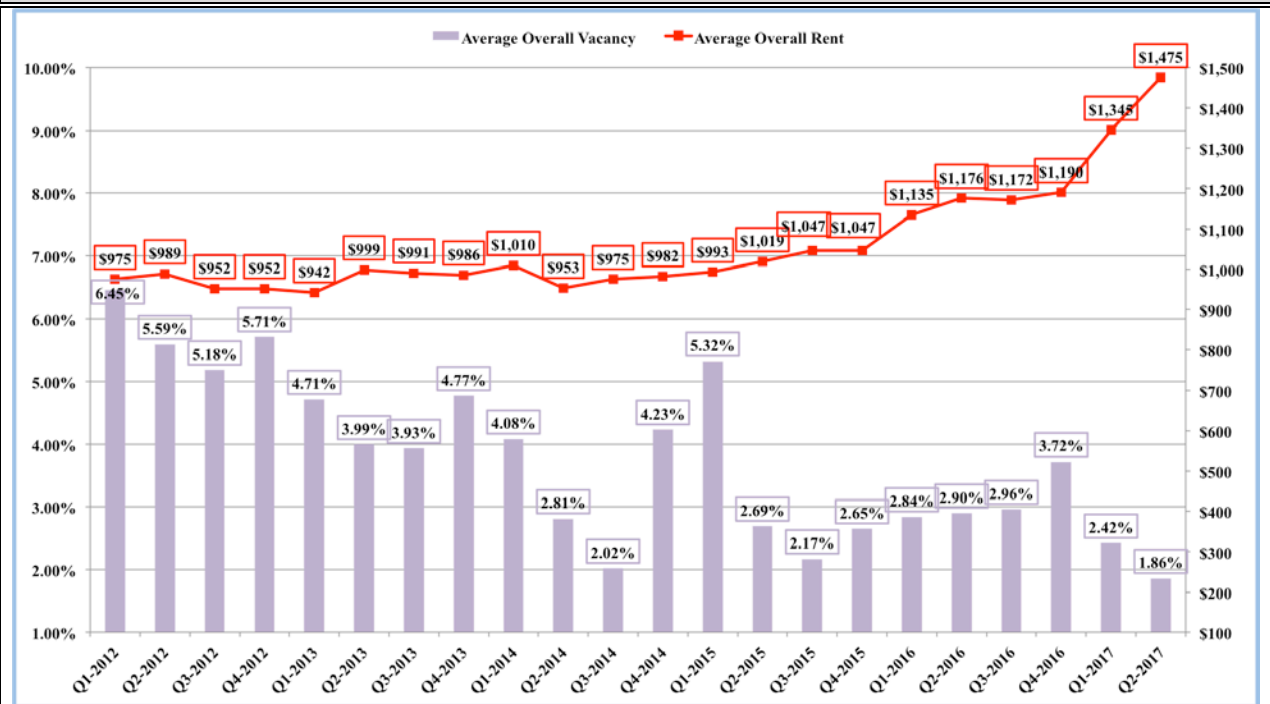
AREA 3-WEST SPARKS/NORTH VALLEYS AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
Total Projects Surveyed	13 Projects
Total Units Surveyed	3,034 Units
Average Square Feet Per Unit Surveyed	861± Square Feet
Average Rent For Units Surveyed	\$1,013 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.18 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.62%
# of Projects Offering Concessions As Of Date Surveyed	1 Project



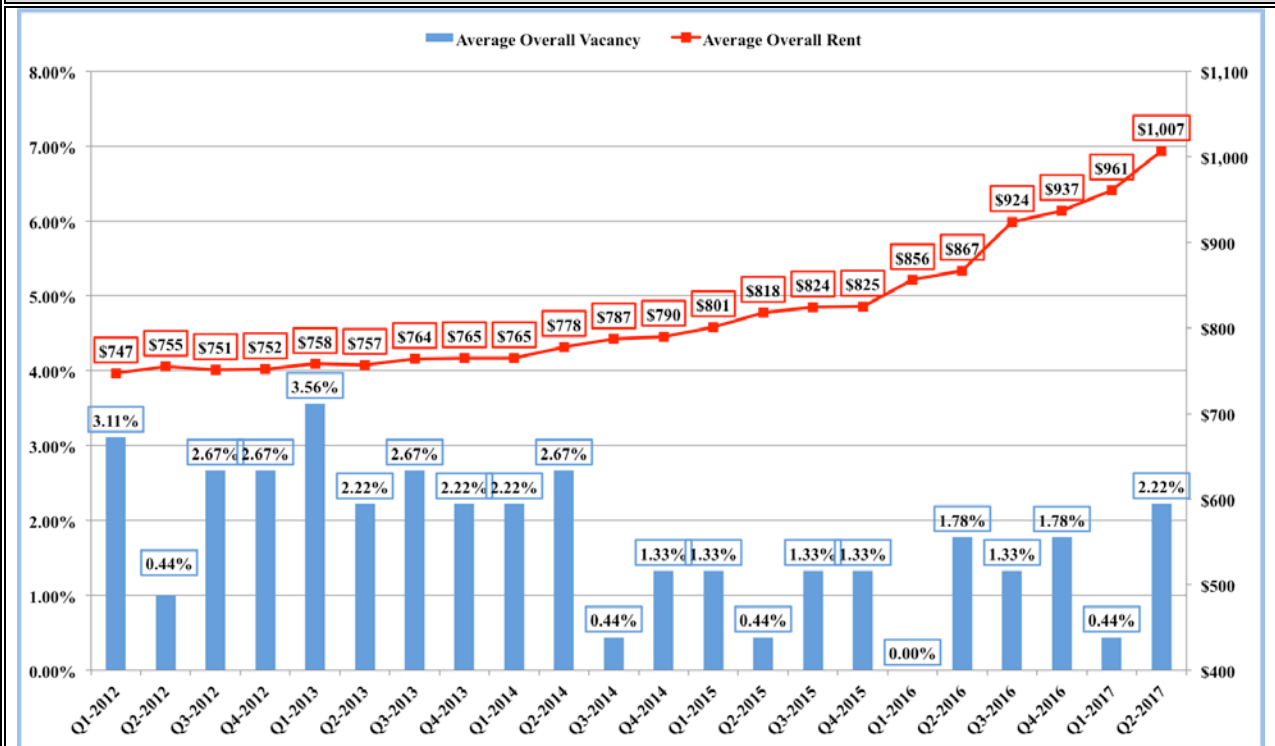
AREA 4-EAST SPARKS AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
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	\$1,475 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.53 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.86%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



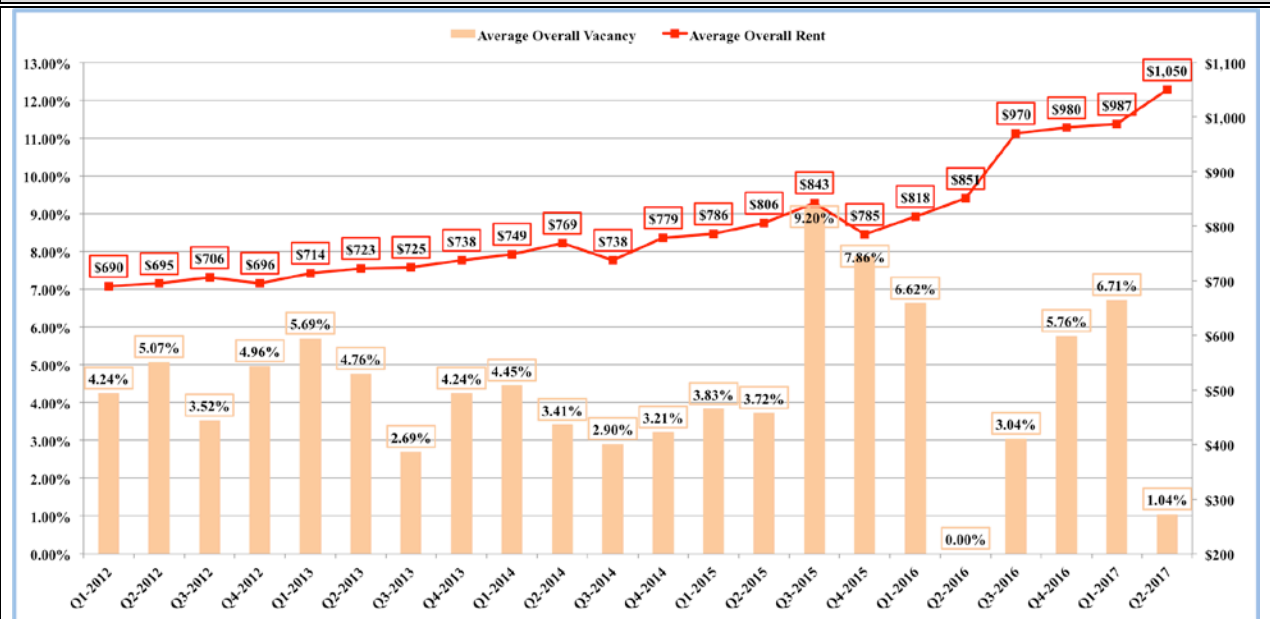
AREA 5-WEST RENO AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
Total Projects Surveyed	2 Projects
Total Units Surveyed	225 Units
Average Square Feet Per Unit Surveyed	870± Square Feet
Average Rent For Units Surveyed	\$1,007 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.16 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.22%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



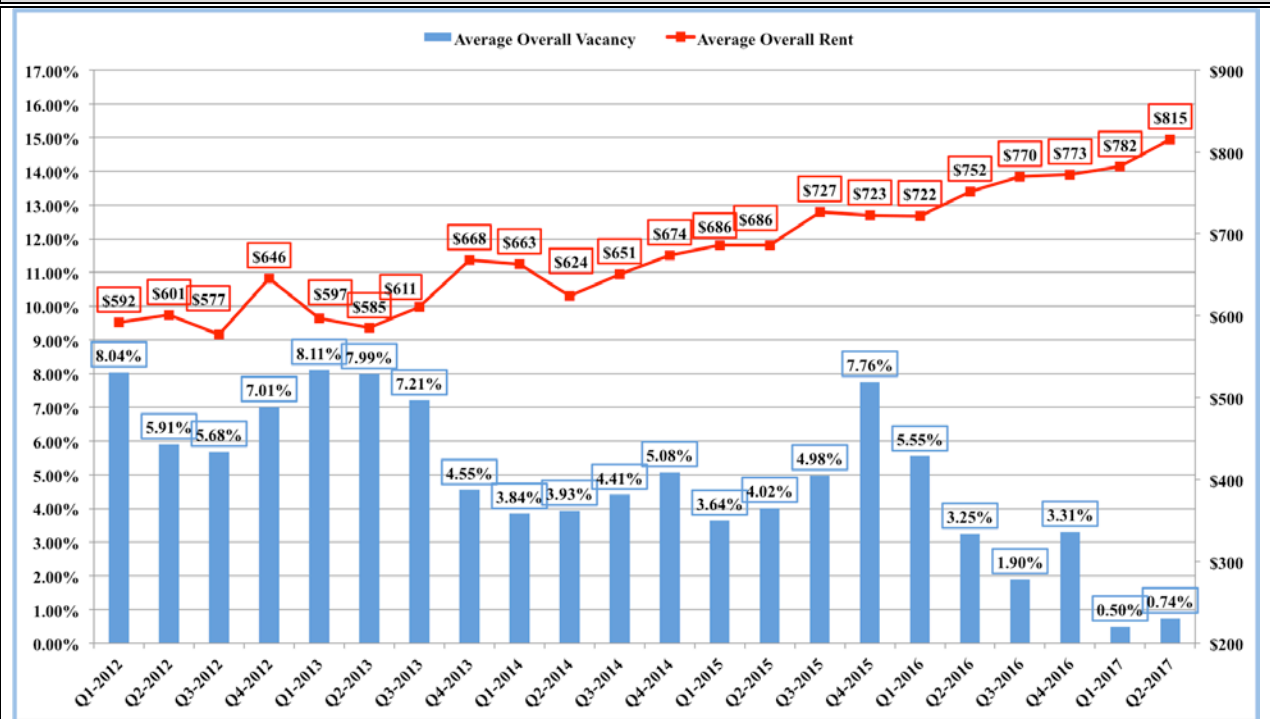
AREA 6-SOUTHWEST RENO AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
Total Projects Surveyed	5 Projects
Total Units Surveyed	1,251 Units
Average Square Feet Per Unit Surveyed	841± Square Feet
Average Rent For Units Surveyed	\$1,050 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.25 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.04%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



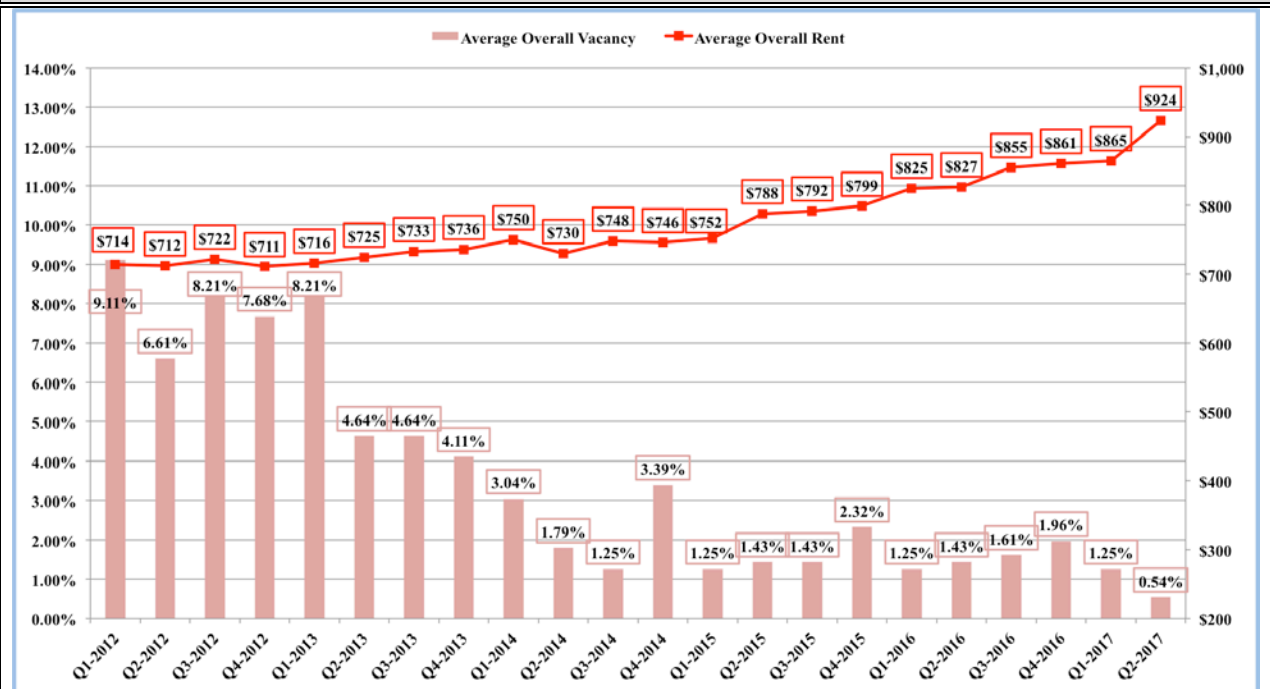
AREA 7-BRINKBY/GROVE AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
Total Projects Surveyed	7 Projects
Total Units Surveyed	1,210 Units
Average Square Feet Per Unit Surveyed	803± Square Feet
Average Rent For Units Surveyed	\$815 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.02 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.74%
# of Projects Offering Concessions As Of Date Surveyed	7 Projects



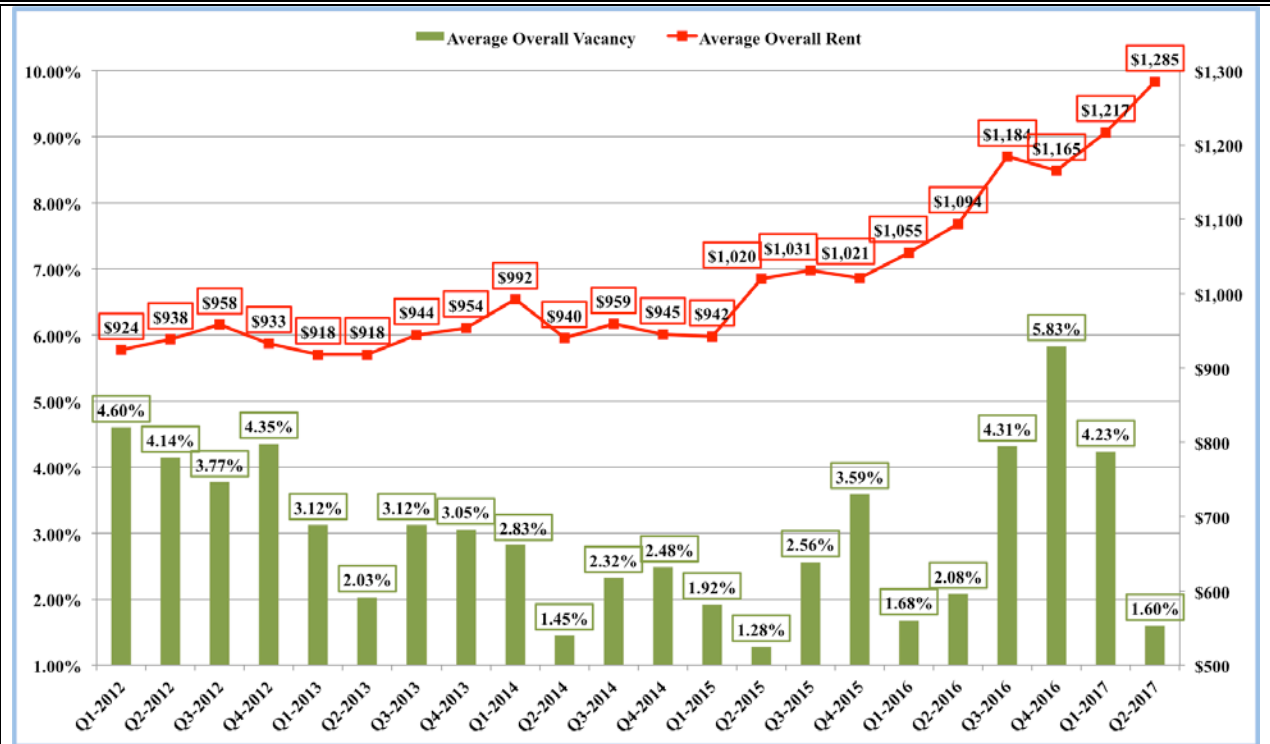
AREA 8-AIRPORT AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
Total Projects Surveyed	4 Projects
Total Units Surveyed	560 Units
Average Square Feet Per Unit Surveyed	869± Square Feet
Average Rent For Units Surveyed	\$924 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.06 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.54%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



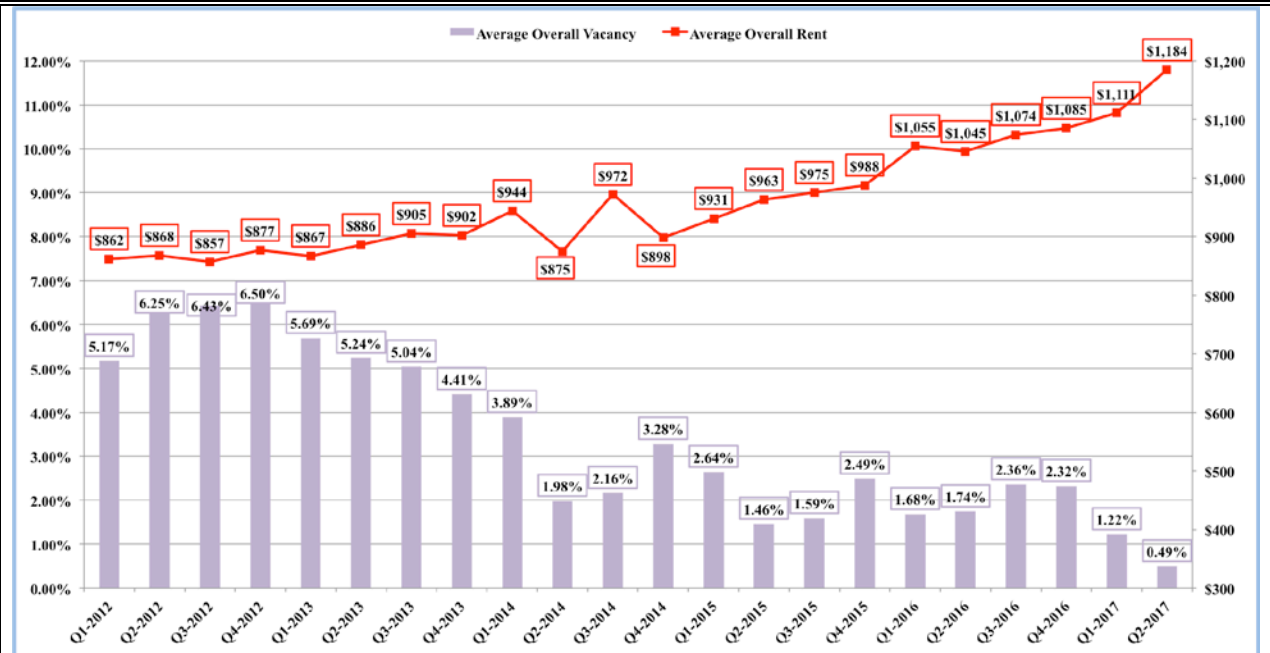
AREA 9-LAKERIDGE AVERAGE RENT & VACANCY DATA



Category	2 nd Quarter 2017
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	\$1,285 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.39 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.60%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



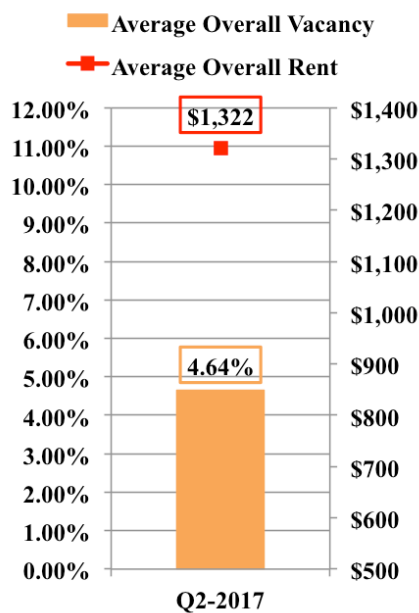
AREA 10-SOUTHEAST RENO AVERAGE RENT & VACANCY DATA



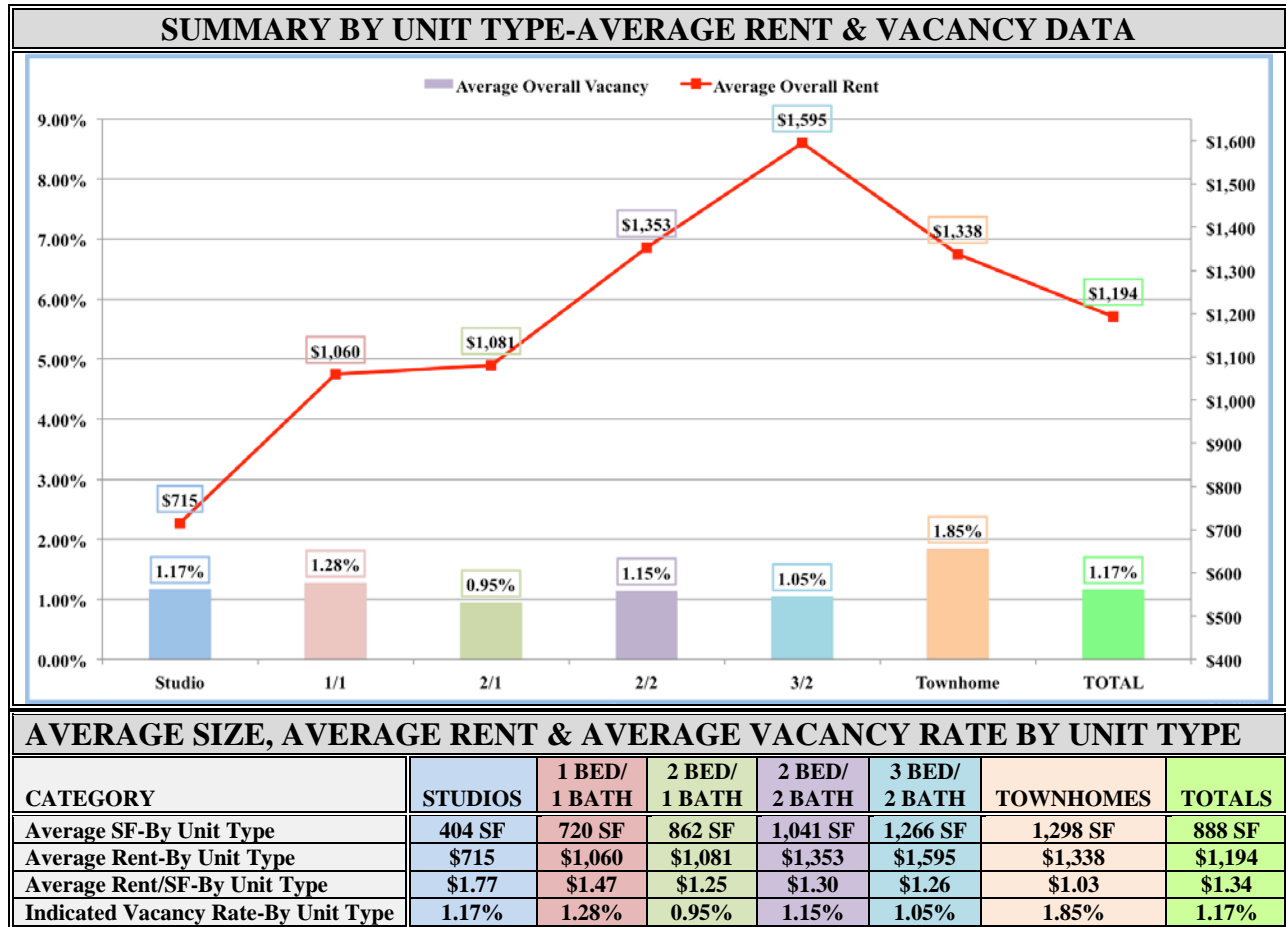
Category	2 nd Quarter 2017
Total Projects Surveyed	13 Projects
Total Units Surveyed	4,654 Units
Average Square Feet Per Unit Surveyed	879± Square Feet
Average Rent For Units Surveyed	\$1,184 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.35 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	0.49%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects



AREA 11-DOWNTOWN URBAN AVERAGE RENT & VACANCY DATA

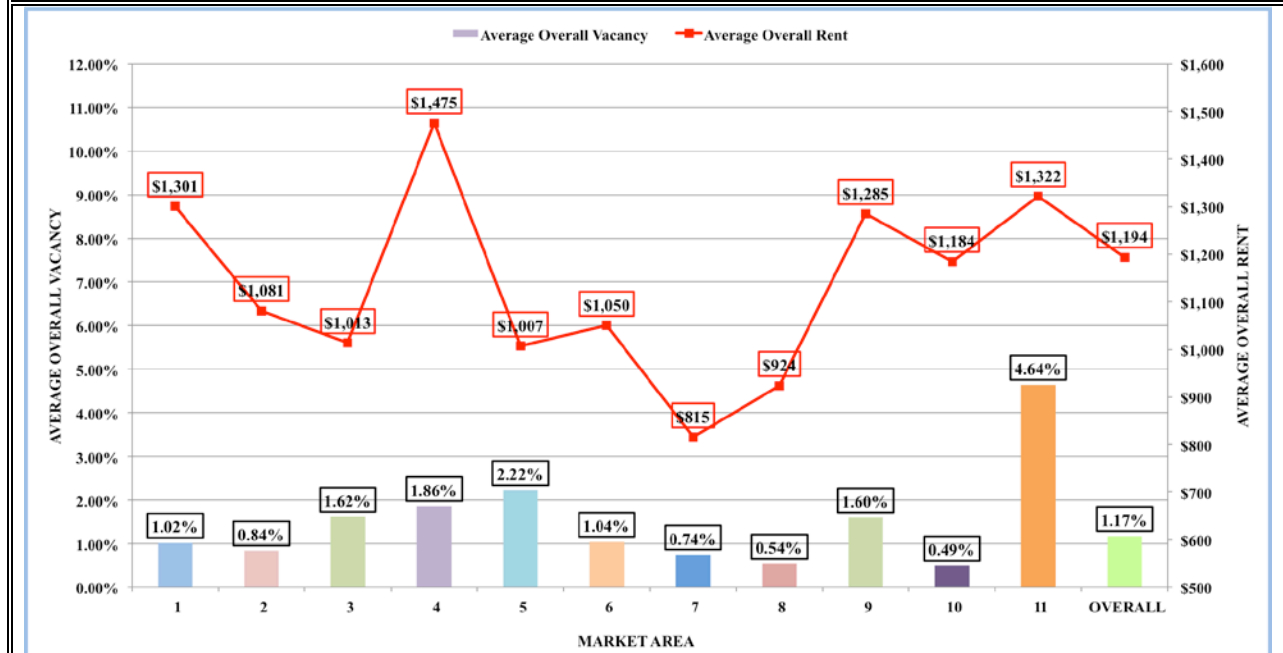


Category	2 nd Quarter 2017
Total Projects Surveyed	2 Projects
Total Units Surveyed	194 Units
Average Square Feet Per Unit Surveyed	692± Square Feet
Average Rent For Units Surveyed	\$1,322 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.91 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	4.64%
# of Projects Offering Concessions As Of Date Surveyed	0 Projects





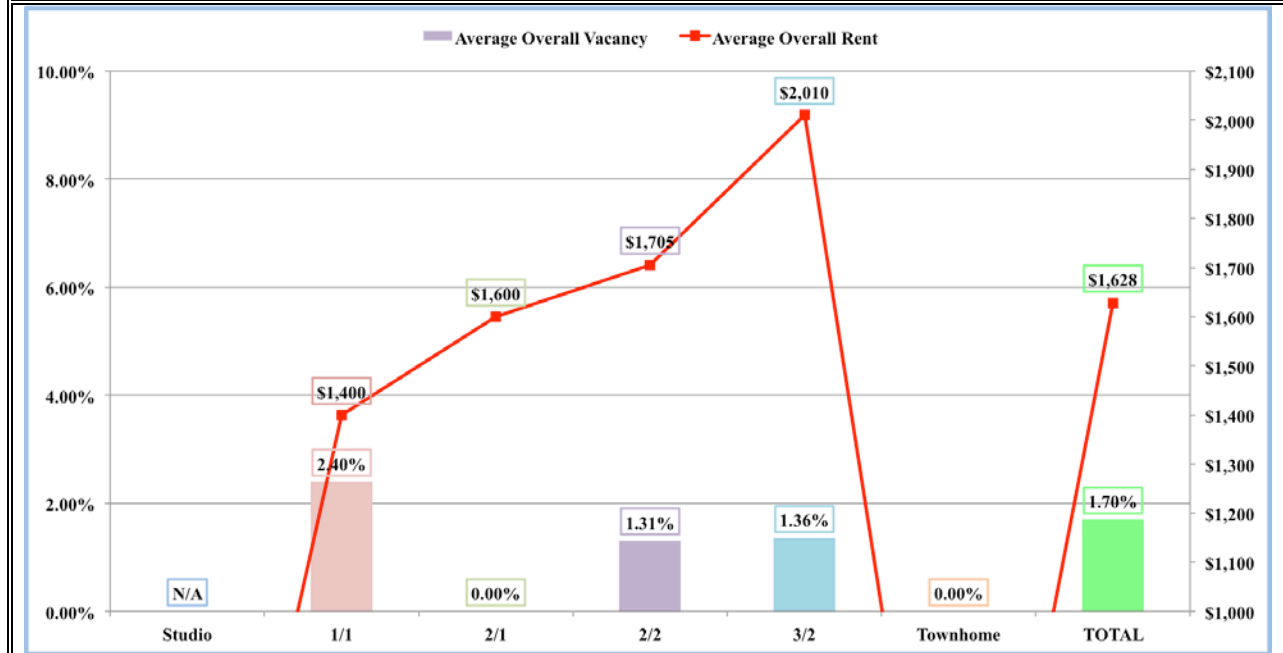
SUMMARY BY MARKET AREA-AVERAGE RENT & VACANCY DATA



Area	Sub-Market	Average Rent 2 nd Qtr. 2017	Average Vacancy 2 nd Qtr. 2017
1	Northwest Reno	\$1,301	1.02%
2	Northeast Reno	\$1,081	0.84%
3	W. Sparks/N. Valley	\$1,013	1.62%
4	East Sparks	\$1,475	1.86%
5	West Reno	\$1,007	2.22%
6	Southwest Reno	\$1,050	1.04%
7	Brinkby/Grove	\$815	0.74%
8	Airport	\$924	0.54%
9	Lakeridge	\$1,285	1.60%
10	Southeast Reno	\$1,184	0.49%
11	Downtown Urban	\$1,322	4.64%
Overall Reno-Sparks		\$1,194	1.17%



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	1,457 Units	24 Units	2,132 Units	442 Units	N/A	4,055 Units
Average SF-By Unit Type	N/A	818 SF	993 SF	1,162 SF	1,376 SF	N/A	1,061 SF
Average Rent-By Unit Type	N/A	\$1,400	\$1,600	\$1,705	\$2,010	N/A	\$1,628
Average Rent/SF-By Unit Type	N/A	\$1.71	\$1.61	\$1.47	\$1.46	N/A	\$1.53
Indicated Vacancy Rate-By Unit Type	N/A	2.40%	0.00%	1.31%	1.36%	N/A	1.70%



SURVEY PARTICIPANTS	
Special thanks to the following apartment complexes for their continued and reliable support:	
3rd Street Flats	Reflections at the Marina
Aviana at Tuscany	Spring Villas Townhomes
Club Ambassador	The Trails at Pioneer Meadows
Manzanita Gate	The Villas at D'Andrea
Montebello at Summit Ridge	Waterstone at Kiley Ranch
Northwind Apartments	Willow Creek Villas
Sharlands Terrace	The Park at Idlewild
Shoreline Plaza	Waters Edge Apartments
Silver Ridge Apartments	Edge Water at Virginia Lake
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	Palace Apartments
El Chaparral	Regency Park Apartments
Green Pines	Roselake Apartments
Northtowne Summit	Sherwood Forest
Reno Vista Apartments	Southwest Village
Riverwood Apartments	Balfour Place
The View Apartments	Brooktree Apartments
1100 Place	Kirman Gardens
Lansdowne House	The Meadows II
Sandpebble	Aspen Ridge
Sierra Point Apartments	Lakeridge East Apartments
Sierra Sage Apartments	Redfield Ridge
Sierra View Apartments	Skyline Canyon
Sierra Woods	The Lodge at McCarran Ranch
Silver Lake Apartments	Bristle Pointe
Sky Vista Commons	Creekside Apartments
Spanish Oaks	Horizons at South Meadows
Square One	Meadowood Apartments
Stonegate Apartments	Rosewood Park
The Bungalows at Sky Vista	The Alexander at South Virginia
The Village at Wildcreek	The Element
Canyon Vista Apartments	The Enclave
Caviata at Kiley Ranch	The Phoenix Reno
Eastland Hills	The Village at Arrowcreek
High Rock 5300	The Village at Iron Blossom
Marina Garden Apartments	Village of the Pines
Marina Village	Vintage at South Meadows
Park Vista	