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REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY

1st QUARTER 2015 DATA

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON PERKINS GRIFFIN, LLC



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STATEMENT OF METHODOLOGY

The information presented in this report was collected and assembled from a combination of original research and secondary sources. This section summarizes the methods used in gathering the data.

Sources

The survey data is collected on a quarterly basis from participating apartment managers, management companies and owners. All information collected from individual complexes is completely confidential and only aggregate statistics are reported. The information furnished by the survey participants is considered reliable. However, the Survey Committee makes no warranty as to the reliability of the data and assumes no legal responsibility for the use of the data from the survey.

Survey Criteria

The projects have 80 units or more in the Reno/Sparks service area;

- Projects reflect market rents. **Affordable housing, Student & Senior Housing Projects are excluded;**
- New projects have reached a stabilized occupancy of at least 90%;
- The projects have a competitive on-site management program; and
- A willingness of the on-site manager to participate in the survey.

The results of this survey depict the operating conditions of the average of 19,685 units reported. A total of 78 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 vacancies are significantly impacted in the project. Another project, The Village at Arrowcreek, has been added to the survey, as it has reached the required occupancy rate to be included in the survey. The total apartment projects participating in the survey increased from 77 projects to 78 projects, and total units increased from 19,559 units to 19,713 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	4 th Quarter 2014	1 st Quarter 2015	Change
Total Projects	77	78	1 More Project
Total Units	19,559	19,713	154 More Units

ECONOMIC OUTLOOK

Nevada's unemployment rate remained at a seasonally adjusted 7.1 percent in February, but is down 1.3 percentage points year-over-year. The Reno/Sparks area is down three tenths over the month, to 7.1 percent, but is down 1.5 percentage points over the year. "I'm pleased the labor market conditions in February remained stable and underlying trends demonstrate consistent, steady growth," said Governor Brian Sandoval. "Employment has increased on a year-over-year basis for the 50th month in a row. Additionally, this is the 31st month in a row that Nevada has outpaced the nation in job growth. I remain committed to ensuring that Nevada's workforce is prepared to succeed in our diversifying economy."

Bill Anderson, chief economist for Nevada's Department of Employment, Training and Rehabilitation (DETR), noted that job levels are up 36,900 relative to a year ago for a 3.1 percent gain. In total, February job levels were down a very slight 500, seasonally adjusted, relative to January. However, Anderson pointed out that private sector employment actually grew by 2,100 over the month, a gain which was offset by a decline in the public sector. "The overall trend in the state's recovery is positive," Anderson said. "All three metropolitan statistical areas gained employment on a year over year basis." The construction sector continued to lead the state in terms of percentage growth in February, up 5.3 percent relative to last year. This equates to an additional 3,200 construction jobs in the state. Leisure and hospitality employment experienced the largest nominal growth this month, adding 13,400 jobs to payrolls for a growth rate of 4.1 percent.

Economic Indicators

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

Latest Numbers	FEB-2015
Unemployment Rates	
Nevada *	7.1%
Las Vegas-Paradise MSA	7.2%
Reno-Sparks MSA	7.1%
Carson City MSA	8.1%
Elko Micro Area	5.6%
United States*	5.5%
Job Growth (YOY)	
Nevada *	3.1%
Las Vegas-Paradise MSA	3.1%
Reno-Sparks MSA	2.3%
Carson City MSA	1.8%
United States*	2.4%
UI Activity (YOY)	
Initial Claims	-14.1%
Continued Claims	-12%
Final Payments	-22%
Exhaustion Rate	0.2%
Average Duration	1.0%
Gaming Win (YOY)	
Nevada	7.8%
Clark County	7.8%
Washoe County	12.4%
Taxable Sales (YOY)	
Nevada	10.2%
Clark County	10.9%
Washoe County	8.2%
*Seasonally Adjusted **Data currently unavailable.	



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	721 SF	849 SF	1,040 SF	1,265 SF	1,288 SF	886 SF
Average Rent-By Unit Type	\$565	\$790	\$810	\$997	\$1,209	\$1,107	\$889
Average Rent/SF-By Unit Type	\$1.39	\$1.10	\$0.95	\$0.96	\$0.96	\$0.86	\$1.00
Indicated Vacancy Rate-By Unit Type	1.65%	2.55%	3.11%	3.35%	3.32%	4.10%	2.97%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER

	4 th Quarter 2014	1 st Quarter 2015	Change
Average Vacancy	3.31%	2.97%	-34 Basis Points
Average Rent	\$868	\$889	+\$21 or +2.42%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER

UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	4 th Qtr. 2014	1 st Qtr. 2015	Result	4 th Qtr. 2014	1 st Qtr. 2015	Result
Studio	\$555	\$565	↑	1.35%	1.65%	↑
1 Bedroom/1 Bath	\$775	\$790	↑	3.14%	2.55%	↓
2 Bedroom/1 Bath	\$797	\$810	↑	3.90%	3.11%	↓
2 Bedroom/2 Bath	\$968	\$997	↑	3.24%	3.35%	↑
3 Bedroom/2 Bath	\$1,176	\$1,209	↑	4.23%	3.32%	↓
Townhouse	\$1,096	\$1,107	↑	4.44%	4.10%	↓
TOTALS	\$868	\$889	↑	3.31%	2.97%	↓

RENTAL AND VACANCY RATES BY SUB-MARKET AREA

Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		4 th Qtr. 2014	1 st Qtr. 2015	Result	4 th Qtr. 2014	1 st Qtr. 2015	Result
1	Northwest Reno	\$902	\$934	↑	3.13%	2.86%	↓
2	Northeast Reno	\$805	\$830	↑	3.27%	2.89%	↓
3	W. Sparks/N. Valley	\$769	\$778	↑	2.37%	1.26%	↓
4	East Sparks	\$982	\$993	↑	4.23%	5.32%	↑
5	West Reno	\$790	\$801	↑	1.33%	1.33%	=
6	Southwest Reno	\$779	\$786	↑	3.21%	3.83%	↑
7	Brinkby/Grove	\$674	\$686	↑	5.08%	3.64%	↓
8	Airport	\$746	\$752	↑	3.39%	1.25%	↓
9	Lakeridge	\$945	\$942	↓	2.48%	1.92%	↓
10	Southeast Reno	\$898	\$931	↑	3.28%	2.64%	↓
Overall Reno-Sparks		\$868	\$889	↑	3.31%	2.97%	↓



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%
AVERAGE	\$514	6.11%	\$719	4.87%	\$775	6.38%	\$926	6.15%	\$1,112	6.85%	\$1,086	7.06%	\$856	5.76%
MEDIAN	\$523	6.33%	\$715	4.40%	\$773	6.07%	\$921	6.11%	\$1,111	6.62%	\$1,092	7.33%	\$857	5.55%
LOW	\$463	1.35%	\$673	2.16%	\$711	2.33%	\$875	1.96%	\$1,070	1.97%	\$1,009	1.92%	\$821	2.13%
HIGH	\$555	10.96%	\$775	10.08%	\$822	12.20%	\$1,023	11.43%	\$1,189	13.18%	\$1,156	13.65%	\$887	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased 2.42%, with every unit type experiencing an increase in average rental rates. Only one of the ten sub-markets, Lakeridge, experienced a decrease in average rental rates, and that decrease was by only \$3 per month.

The overall vacancy rate for all units surveyed decreased by 34 basis points, with seven of the ten submarkets showing decreases in vacancies, one remained unchanged, and two submarkets experiencing increase in average vacancy rates. Four of the six unit types experienced decreases in average vacancies, with only studio units and 2 bed/2 bath units showing slight increases in average vacancy rates.

The inclusion of The Village at Arrowcreek into the survey likely impacted the increase in average rental rates for Area 10; this area showed a decrease of 64 basis points in the average vacancy rate. 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.

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

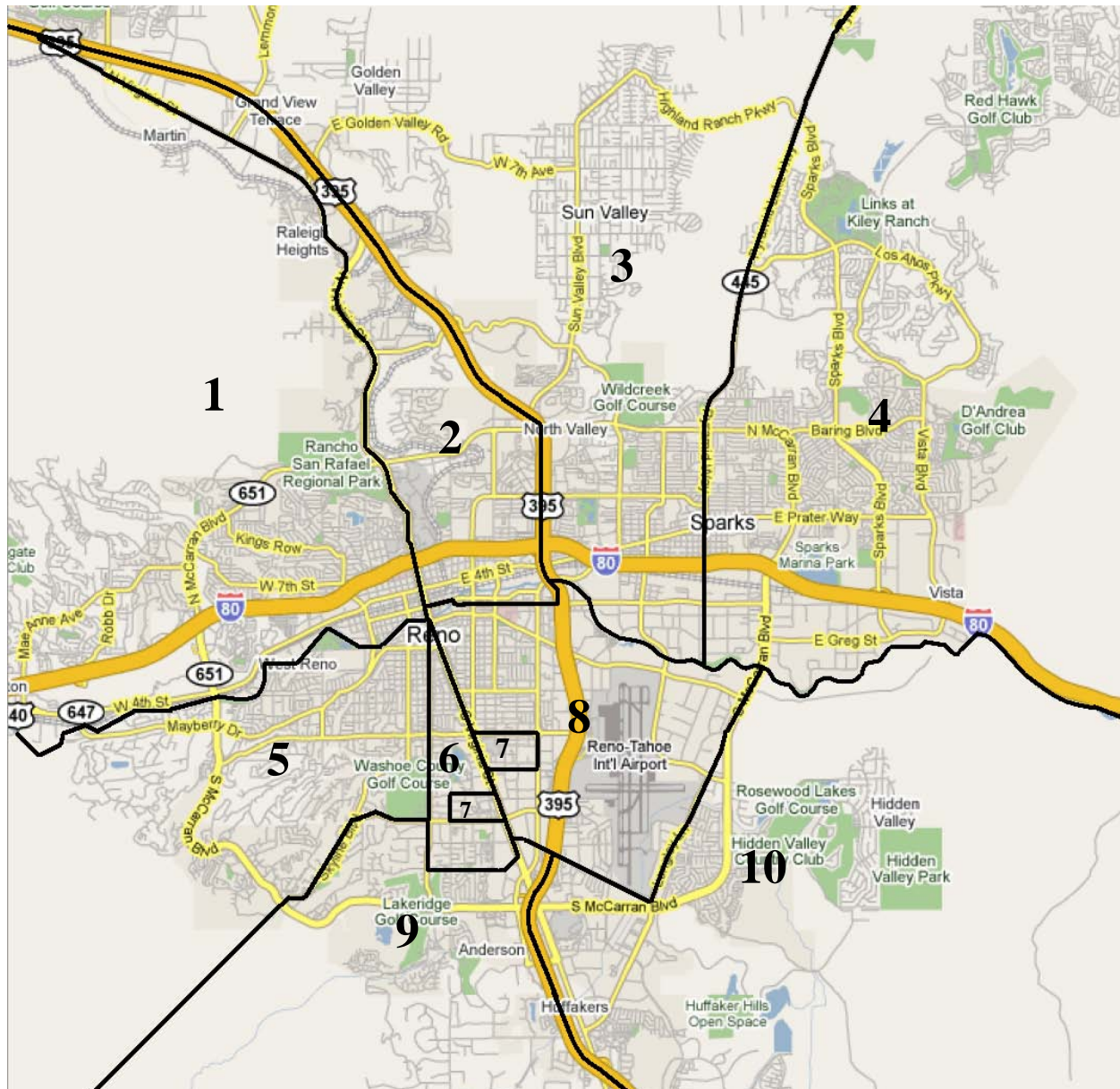


MARKET AREAS

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 2nd 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 will begin construction adjacent to this project once it has been completed.

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.

The Bungalows at Sky Vista is a 338 unit apartment complex in the North Valley's. Phase I of this project includes 180 units, which has been completed. Groundbreaking began on Phase II in the 3rd Quarter of 2014, which will include 158 units. As of the date of our survey in the 1st Quarter 2015, 188 units were completed, with 178 of these units leased. Phase II is expected to be completed by the end of 2015. The Bungalows at Sky Vista is located on the northwest side of Silver Sky Parkway in the North Valley's area of Reno.

The Villas at Keystone Canyon is currently under construction, and began pre-leasing in September 2014, according to owner-manager Kromer Investments. Apartments in the 288-unit development will have from one to three bedrooms. The first units were available for occupancy in December 2014, with completion occurring in late 2015. At the end of the 1st Quarter of 2015, this project had 114 units preleased, 7 buildings completed, and 53 units occupied. A second phase of this project, which would include 120 additional units, is in the planning stages.

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 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
The Villas at Keystone Canyon	288	Keystone Avenue & North McCarran Boulevard	Area 1	Under Construction
The Villas at Keystone Canyon-Phase II	120	Keystone Avenue & North McCarran Boulevard	Area 1	Planning Stages
Silver Peak Apartments	420	Intersection of Military Road & Lemmon Drive	Area 3	Special Use Permit will expire March 2016
Vista Rafael Apartments	416	North Virginia Street & Vista Rafael Parkway	Area 3	Planning Stages
The Bungalows At Sky Vista	338	Northwest Side of Silver Sky Parkway, Just South of Lear Blvd.	Area 3	Under Construction
Edgewater at Virginia Lake	336	Virginia Lake-Demolition of Portion of Existing Project	Area 6	Under Construction
The Village at Arrow Creek Parkway-II	252	Intersection of Arrowcreek Parkway & Wedge Parkway	Area 9	Beginning Construction 2015
Total Units:	2,170			

In addition to the above projects, there are other projects in the area which are in the initial planning stages, including several proposed projects in Sparks (both in-town and in the Spanish Springs market), and several projects in the South Reno market. Finally, a number of smaller apartment projects, including market rate and tax credit projects, are in the planning stages.

ABSORPTION

Due to a lack of new construction, limited current data is available with respect to absorption within the market.

The chart below summarizes the absorption rates of several market apartment projects in the Reno-Sparks area between 2001 and a current date, and includes the recent absorption rate of The Village at Arrowcreek and the current absorption rate of the Bungalows at Sky Vista-Phase I.

Historical & Current Absorption Rates

Project Name	# of Units	Lease up Dates		Absorption Per Month
		Start	Stabilized	
Silver Creek	376	January 2001	August 2003	11.75
Villas at D'Andrea	256	April 2002	December 2003	12.19
Sharlands Terrace	304	March 2000	January 2002	13.22
Aviana at Tuscany	311	July 2001	April 2003	14.14
Canyon Hills Phase I	256	June 2001	July 2002	18.29
The Village at Wildcreek	240	July 2001	September 2002	16.00
Marina Village	240	October 2004	October 2006	10.00
Horizons at South Meadows	344	November 2005	January 2007	22.93
Caviata at Kiley Ranch	184	June 2007	October 2009	6.10
Waterstone at Kiley Ranch	203	July 2007	October 2009	7.00
The View Apartments	308	April 2009	January 2011	13.33
The Trails at Pioneer Meadows	300	August 2009	July 2011	11.78
The Alexander at South Virginia	350	August 2009	July 2011	13.87
The Village at Arrowcreek	208	October 2013	February 2015	13±
The Bungalows at Sky Vista-Phase I	180	March 2014	Phase I Stabilized-March 2015	14±



RENT CONCESSIONS

During the 1st Quarter of 2015 36% of the apartment projects in our Survey offered rent concessions, in comparison to 35% in the 4th Quarter of 2014. 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

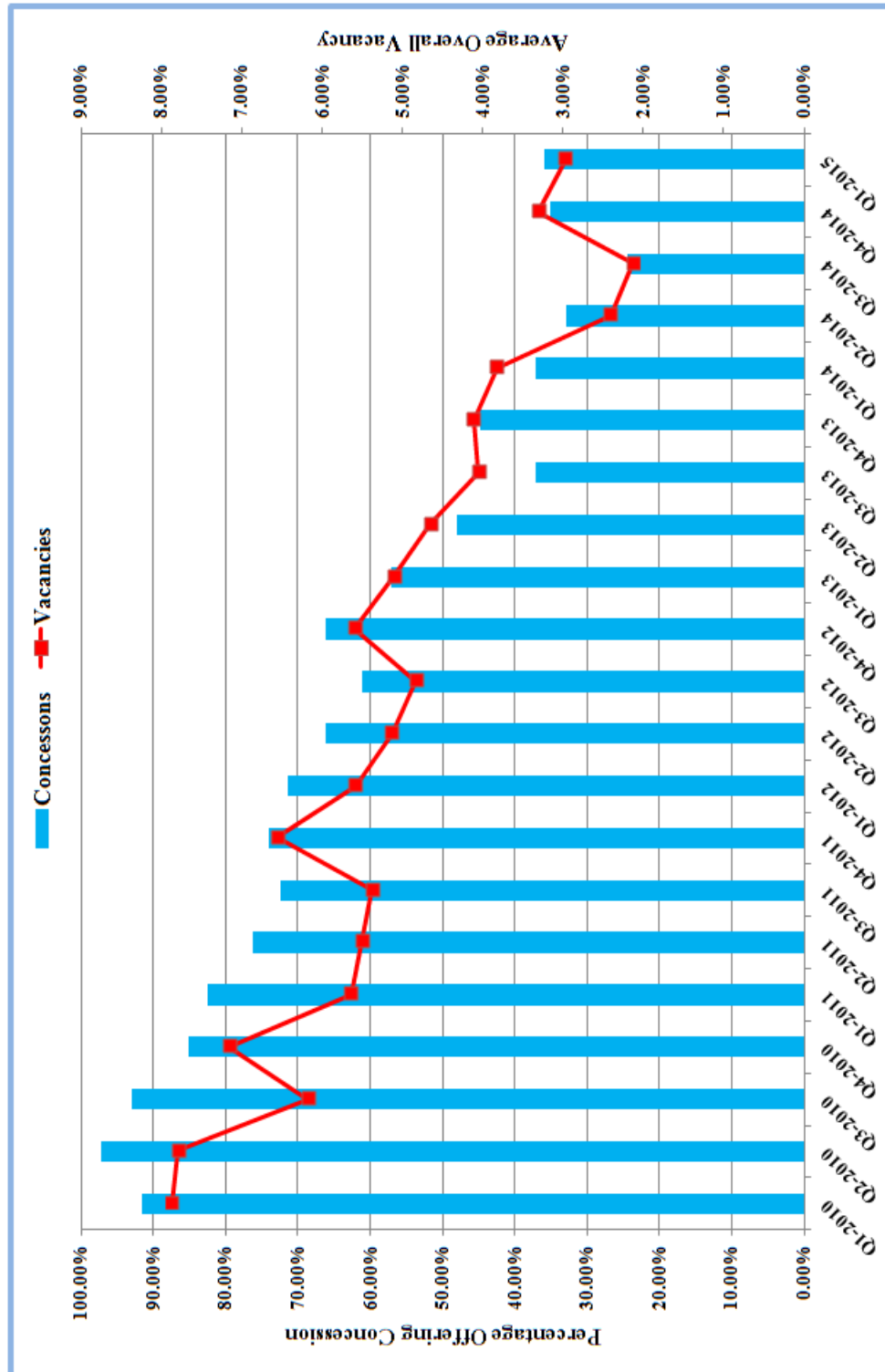
The chart below and the graph on the following page summarize the percentage of projects which have offered concessions, and the overall vacancy rate, between 2010 and a current date.

Regional Concession History

Month/ Year	% Offering Concessions	Overall Vacancy %
Q1-2010	91.55%	7.87%
Q2-2010	97.22%	7.79%
Q3-2010	93.06%	6.18%
Q4-2010	85.14%	7.16%
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%



CONCESSIONS VERSUS VACANCIES CHART





SURVEY RESULTS

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

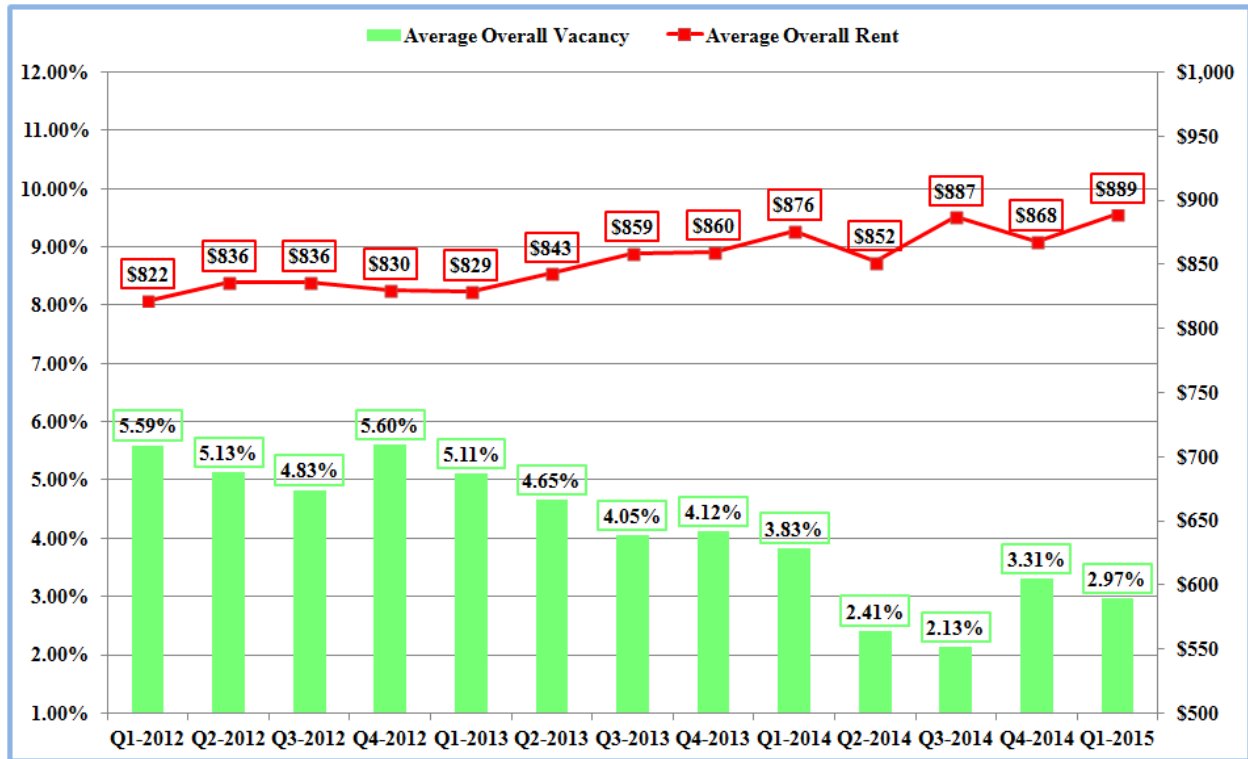
CURRENT SURVEY COMPARISONS:

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

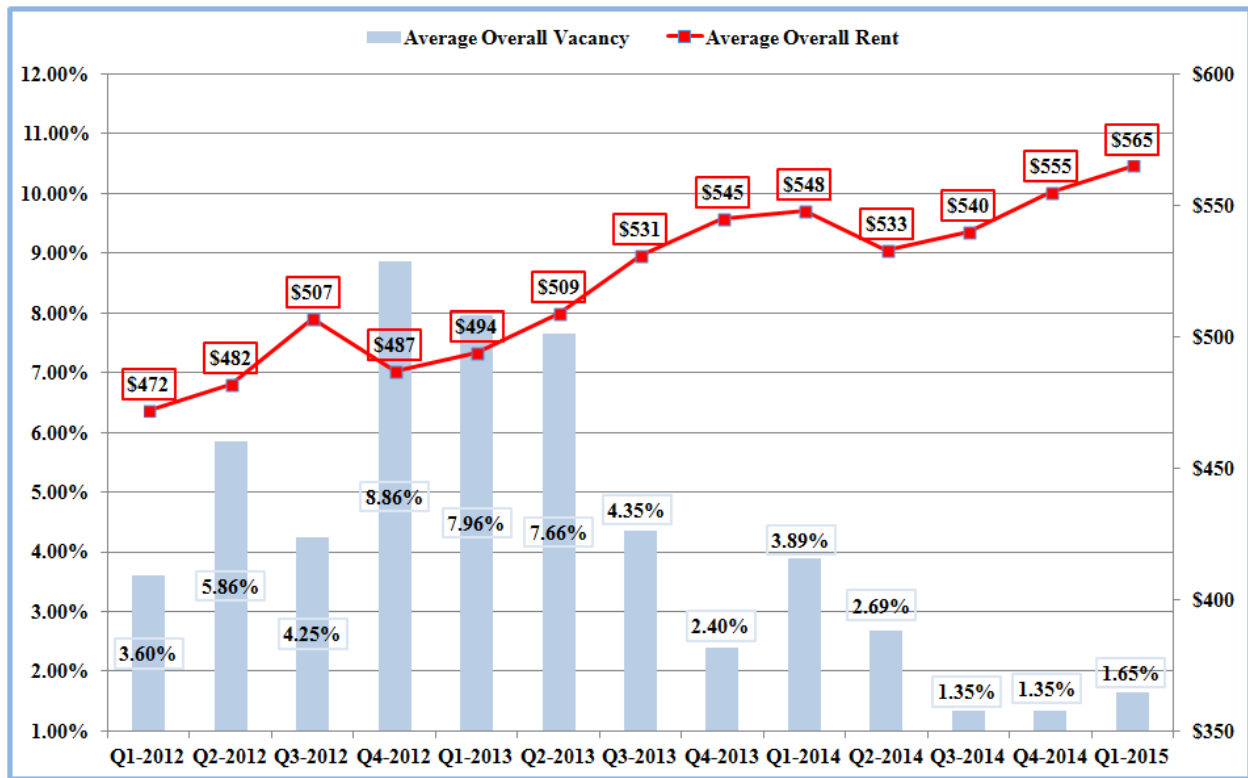


Overall Reno-Sparks Market Averages-All Unit Types (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	886± Square Feet
Average Rent For Units Surveyed	\$889 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.00 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.97%



STUDIO UNITS OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA

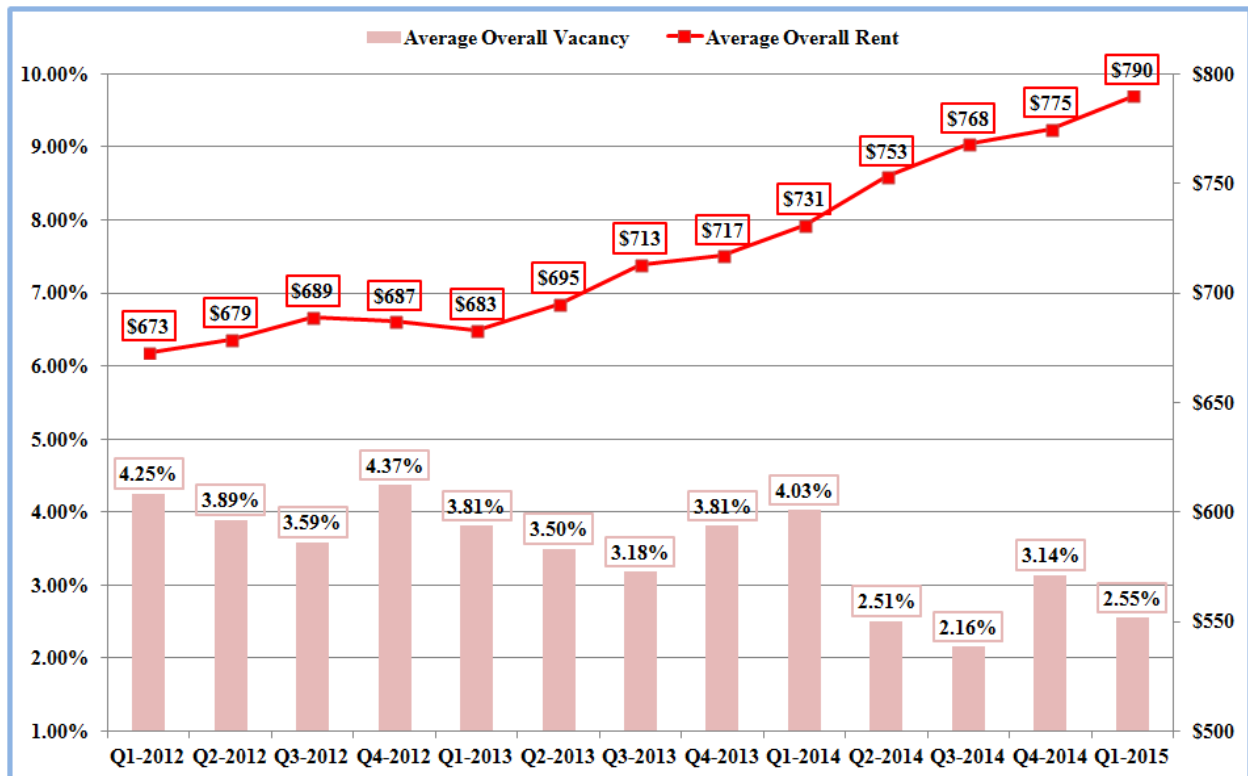


Overall Reno-Sparks Market Averages-Studio Units (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	406± Square Feet
Average Rent For Units Surveyed	\$565 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.39 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.65%



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

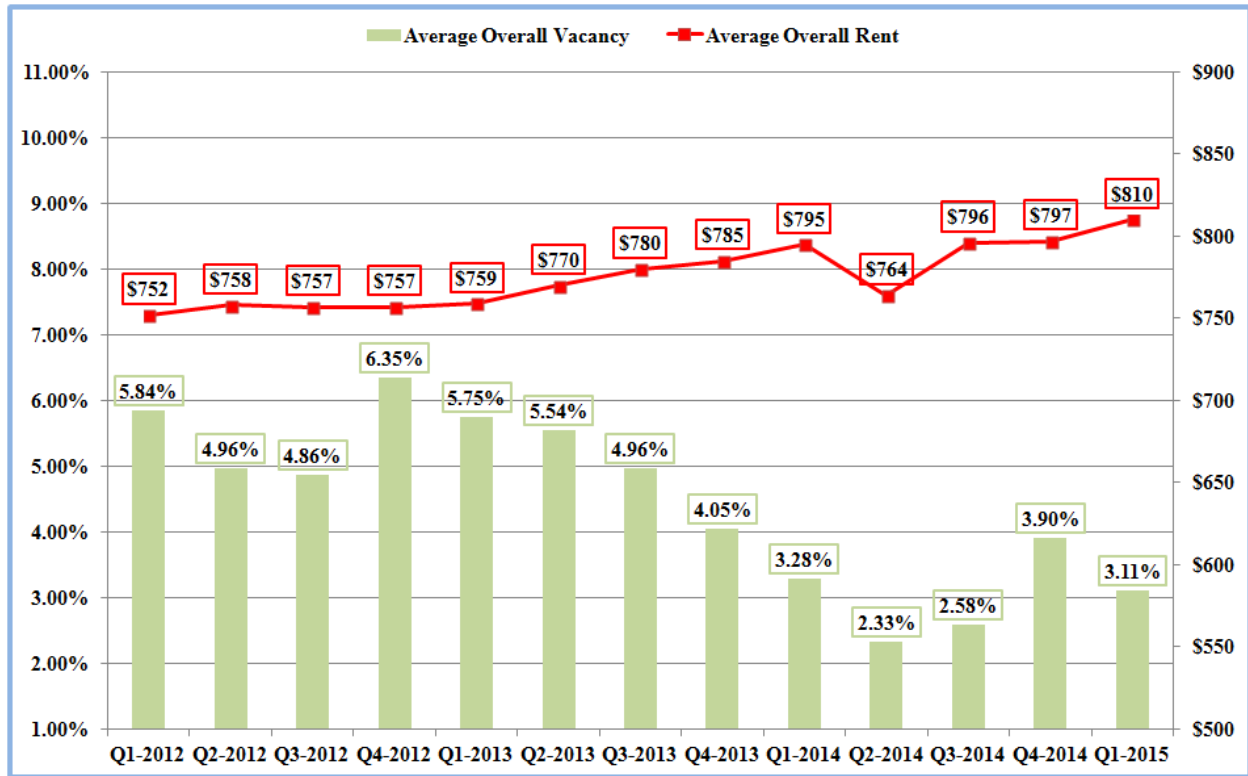


Overall Reno-Sparks Market Averages-One Bedroom/One Bathroom Units (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	721± Square Feet
Average Rent For Units Surveyed	\$790 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.10 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.55%



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

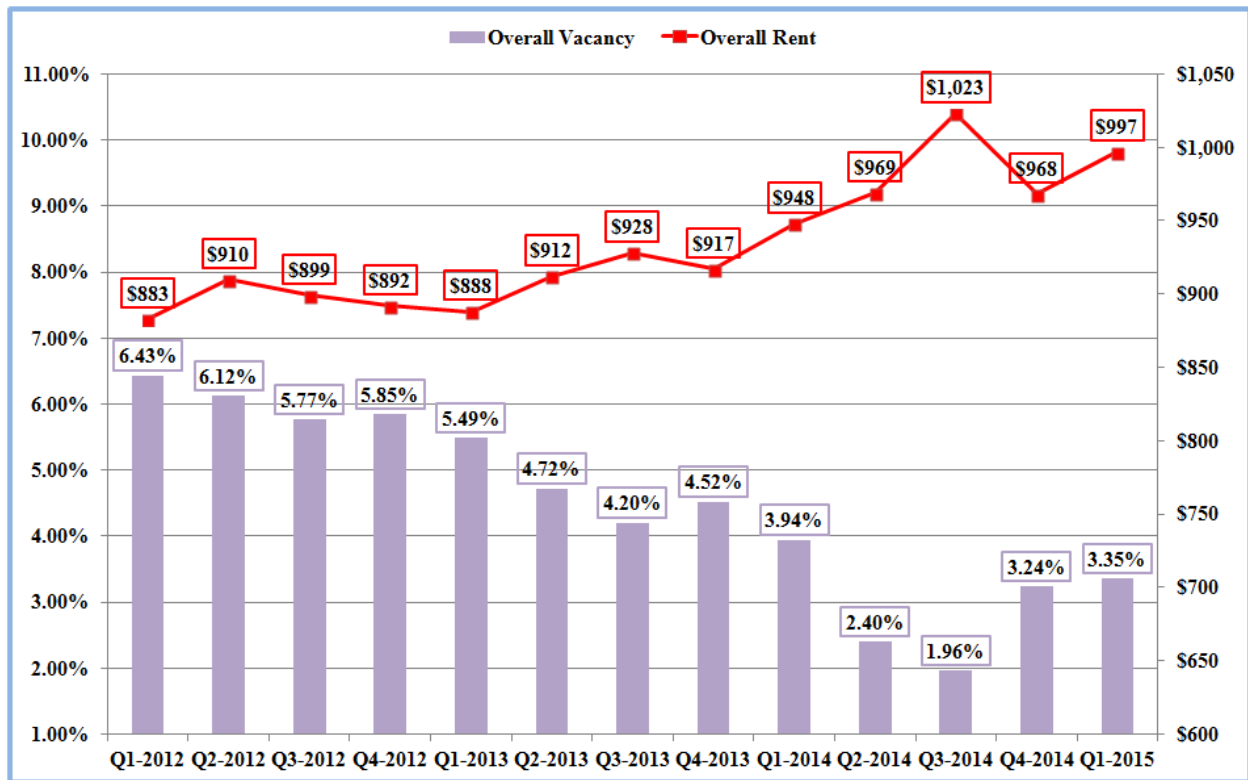


Overall Reno-Sparks Market Averages-Two Bedroom/One Bathroom Units (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	849± Square Feet
Average Rent For Units Surveyed	\$810 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.95 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.11%



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

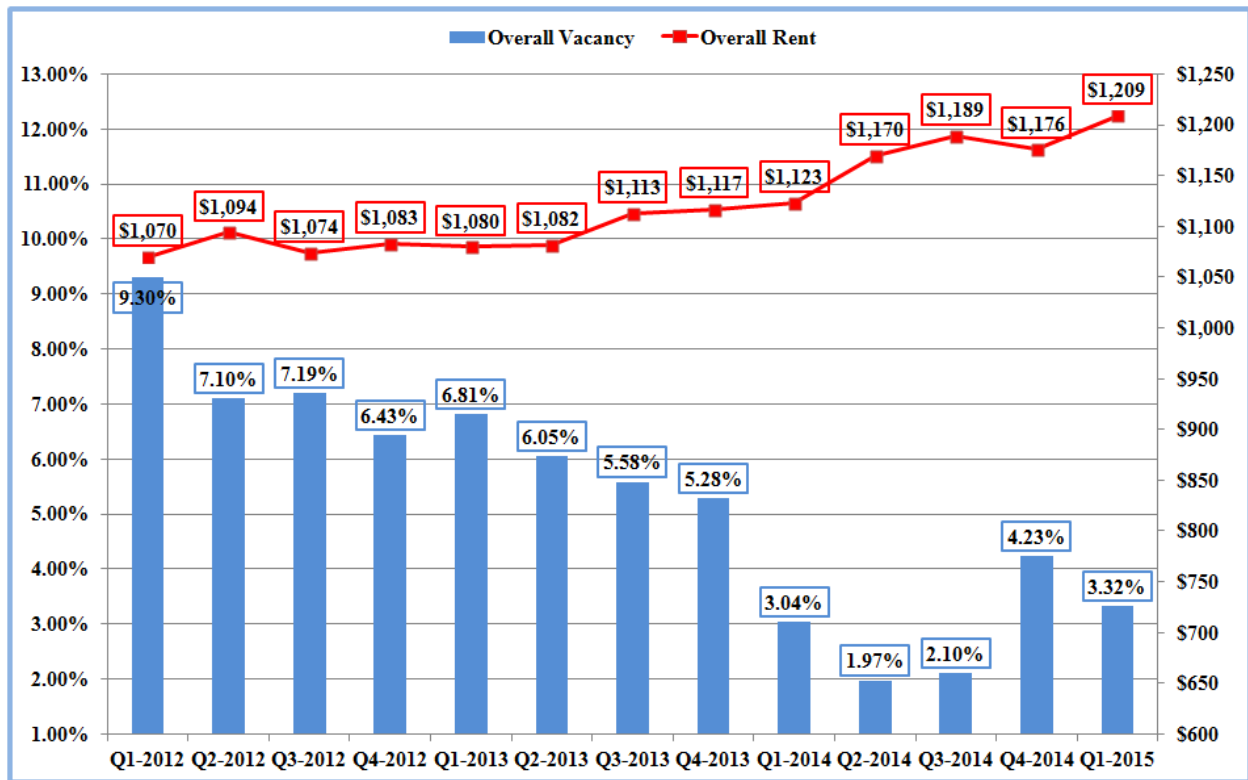


Overall Reno-Sparks Market Averages-Two Bedroom/Two Bathroom Units (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,040± Square Feet
Average Rent For Units Surveyed	\$997 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.96 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.35%



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

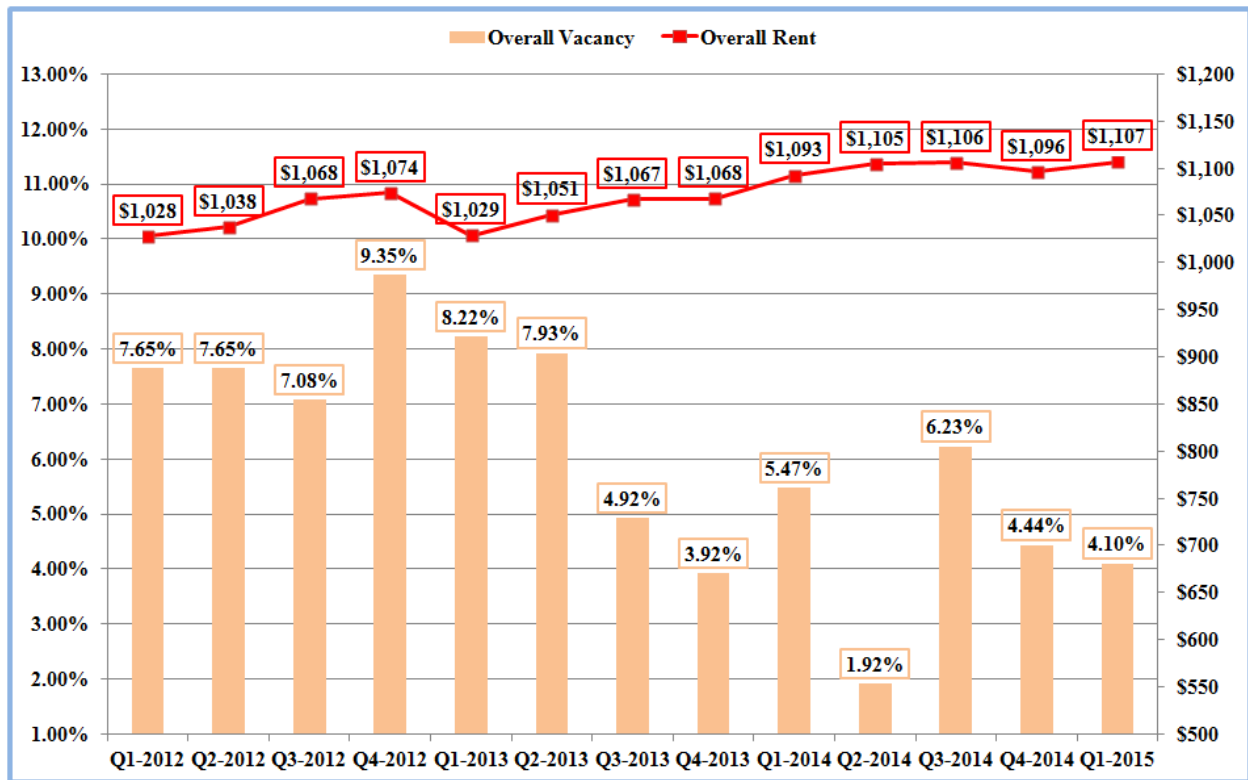


Overall Reno-Sparks Market Averages-Three Bedroom/Two Bathroom Units (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,265± Square Feet
Average Rent For Units Surveyed	\$1,209 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.96 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.32%



TOWNHOUSE UNITS OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA

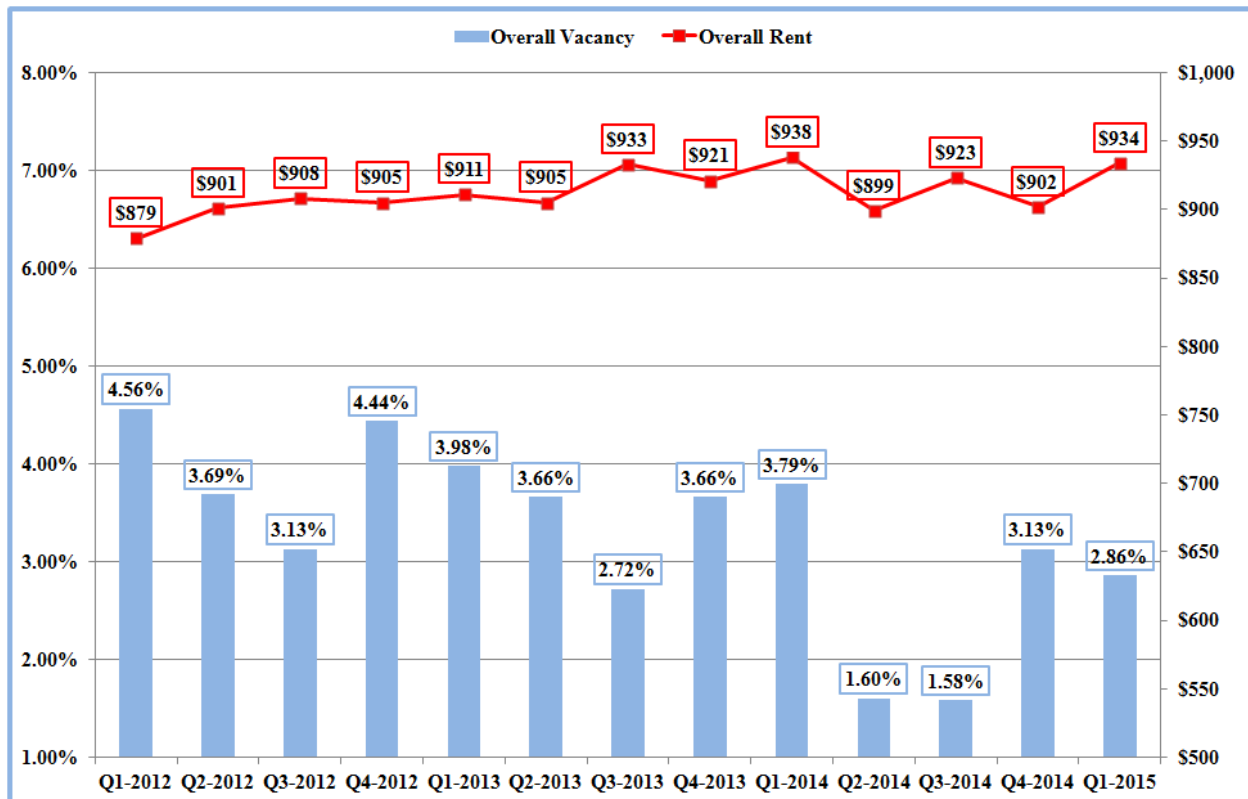


Overall Reno-Sparks Market Averages-Townhouse Units (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,288± Square Feet
Average Rent For Units Surveyed	\$1,107 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.86 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	4.10%



AREA 1-NORTHWEST RENO AVERAGE RENT & VACANCY DATA

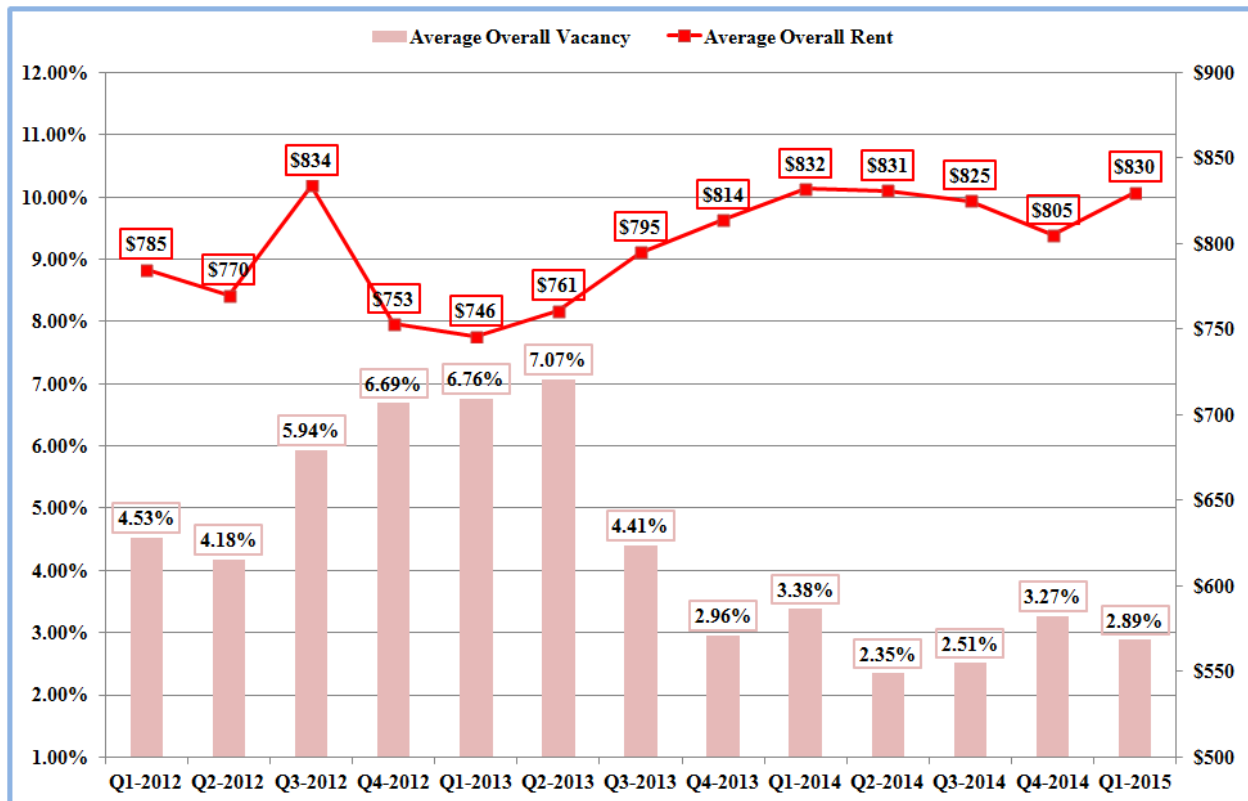


Northwest Reno Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	14 Projects
Total Units Surveyed	3,742 Units
Average Square Feet Per Unit Surveyed	883± Square Feet
Average Rent For Units Surveyed	\$934 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.06 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.86%
Number of Projects Offering Concessions As Of Date Surveyed	6 Projects



AREA 2-NORTHEAST RENO AVERAGE RENT & VACANCY DATA

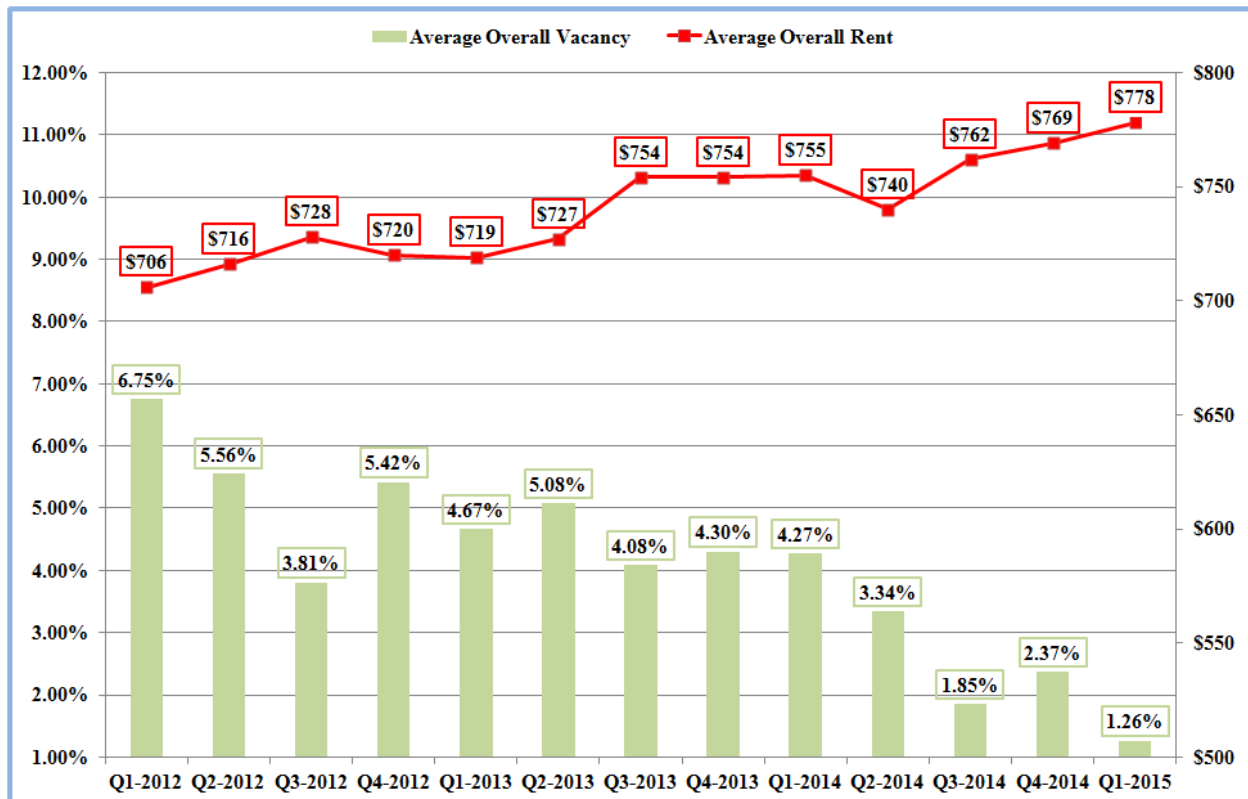


Northeast Reno Submarket Averages (Based Upon Units Surveyed)

Category	1 st 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	\$830 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.97 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.89%
Number of Projects Offering Concessions As Of Date Surveyed	1 Project



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

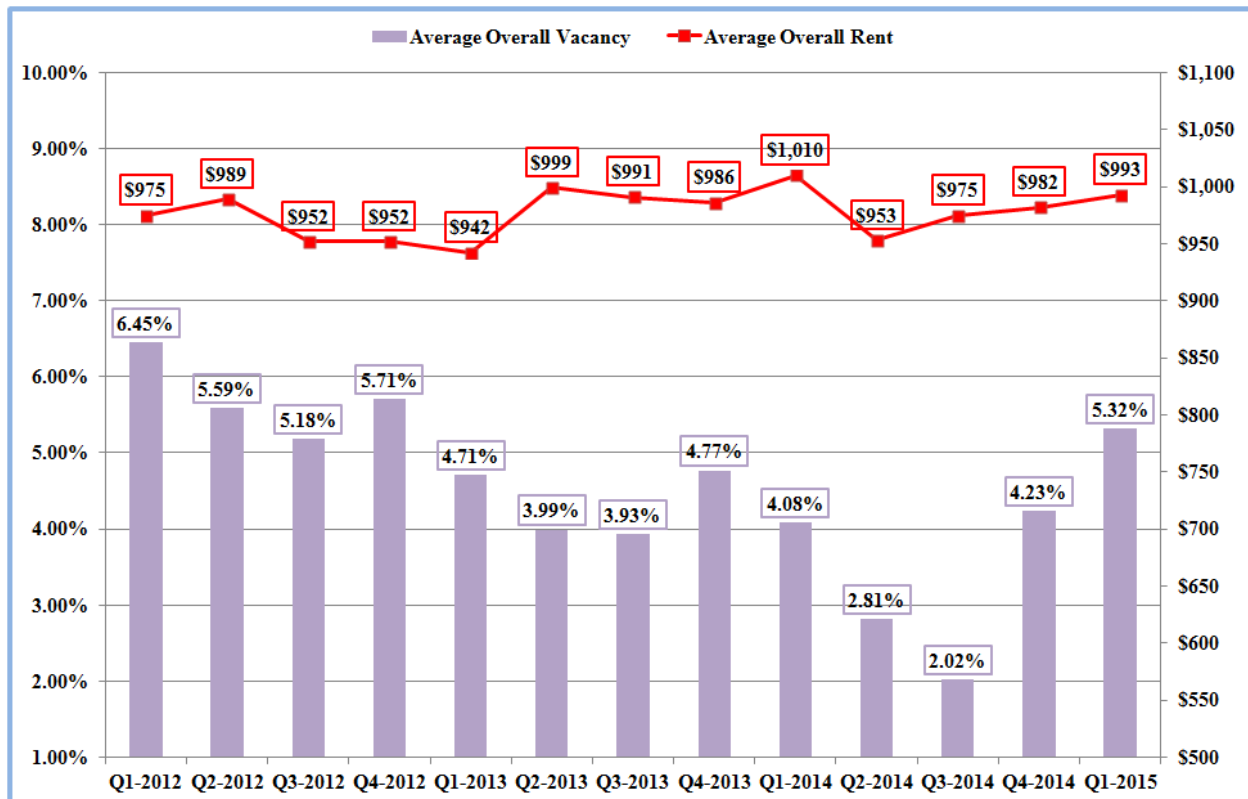


West Sparks/North Valleys Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	12 Projects
Total Units Surveyed	2,696 Units
Average Square Feet Per Unit Surveyed	831± Square Feet
Average Rent For Units Surveyed	\$778 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.94 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.26%
Number of Projects Offering Concessions As Of Date Surveyed	5 Projects



AREA 4-EAST SPARKS AVERAGE RENT & VACANCY DATA

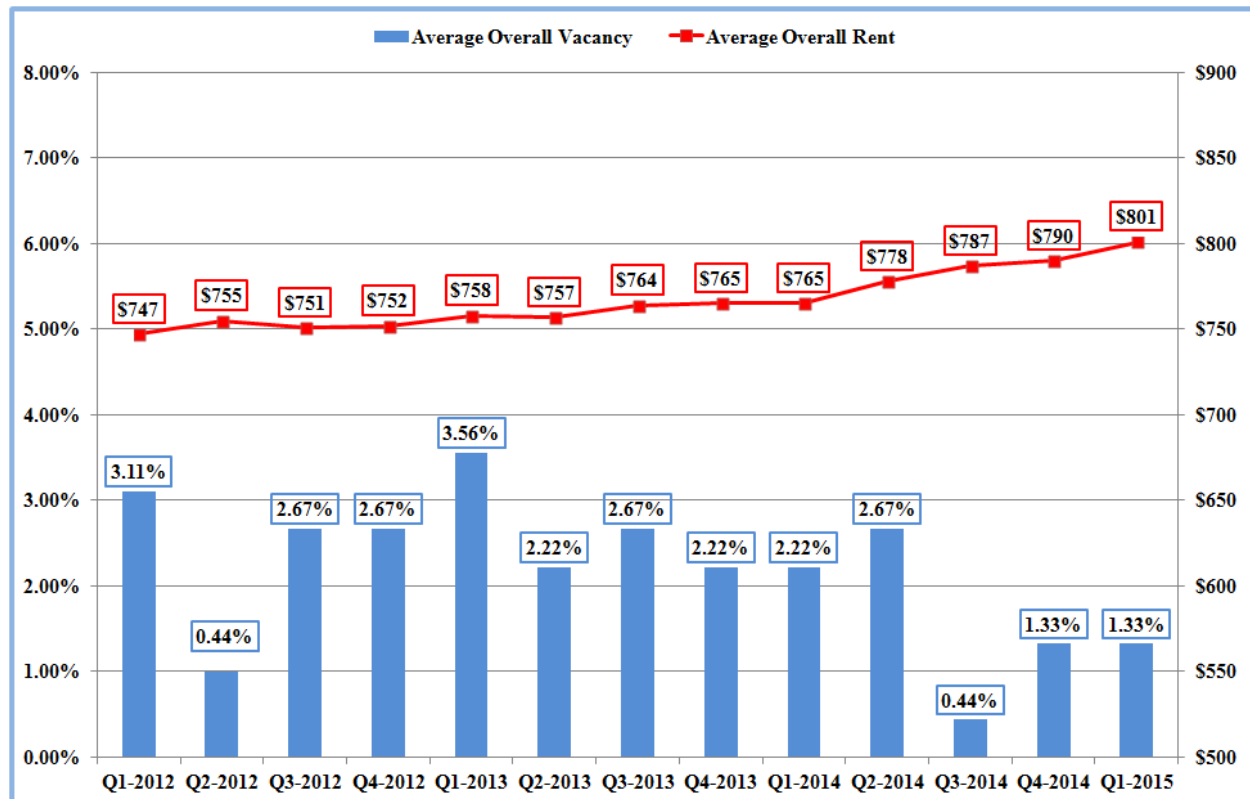


East Sparks Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	12 Projects
Total Units Surveyed	3,311 Units
Average Square Feet Per Unit Surveyed	972± Square Feet
Average Rent For Units Surveyed	\$993 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.02 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	4.32%
Number of Projects Offering Concessions As Of Date Surveyed	4 Projects



AREA 5-WEST RENO AVERAGE RENT & VACANCY DATA

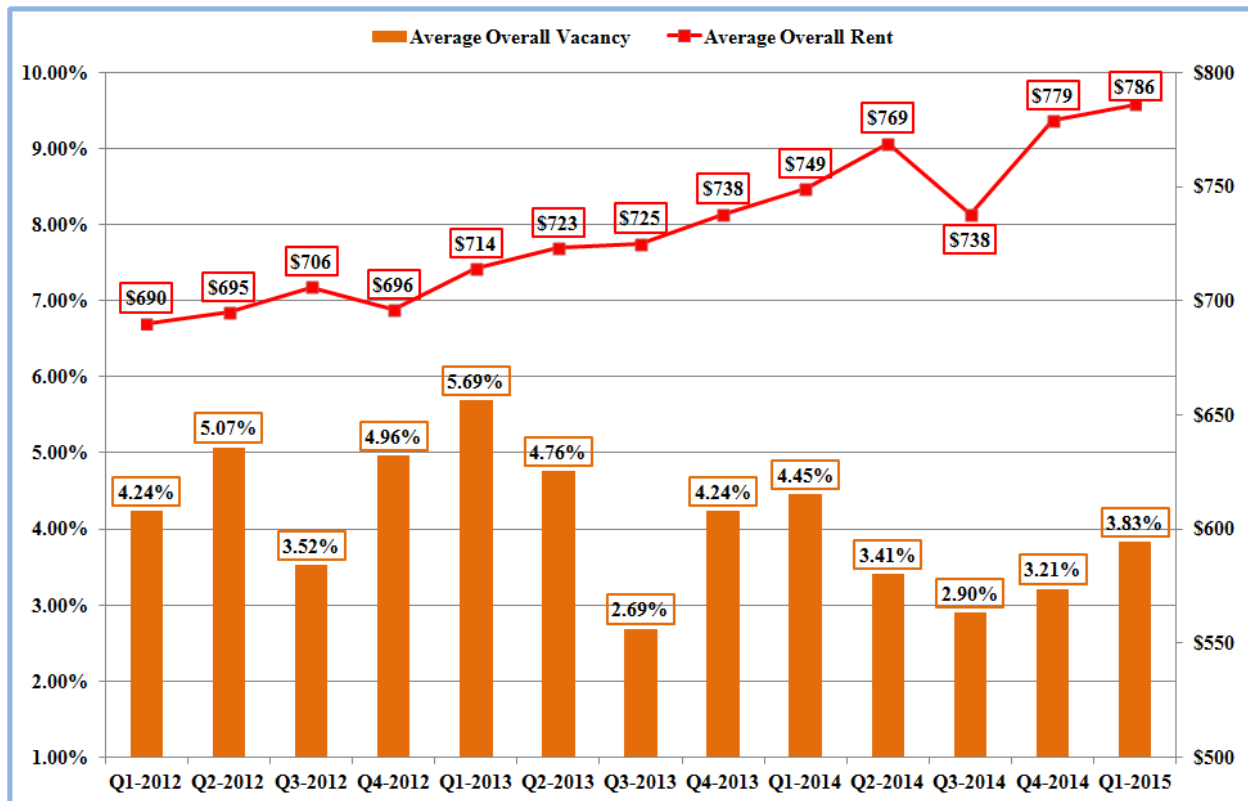


West Reno Submarket Averages (Based Upon Units Surveyed)

Category	1 st 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	\$801 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.92 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

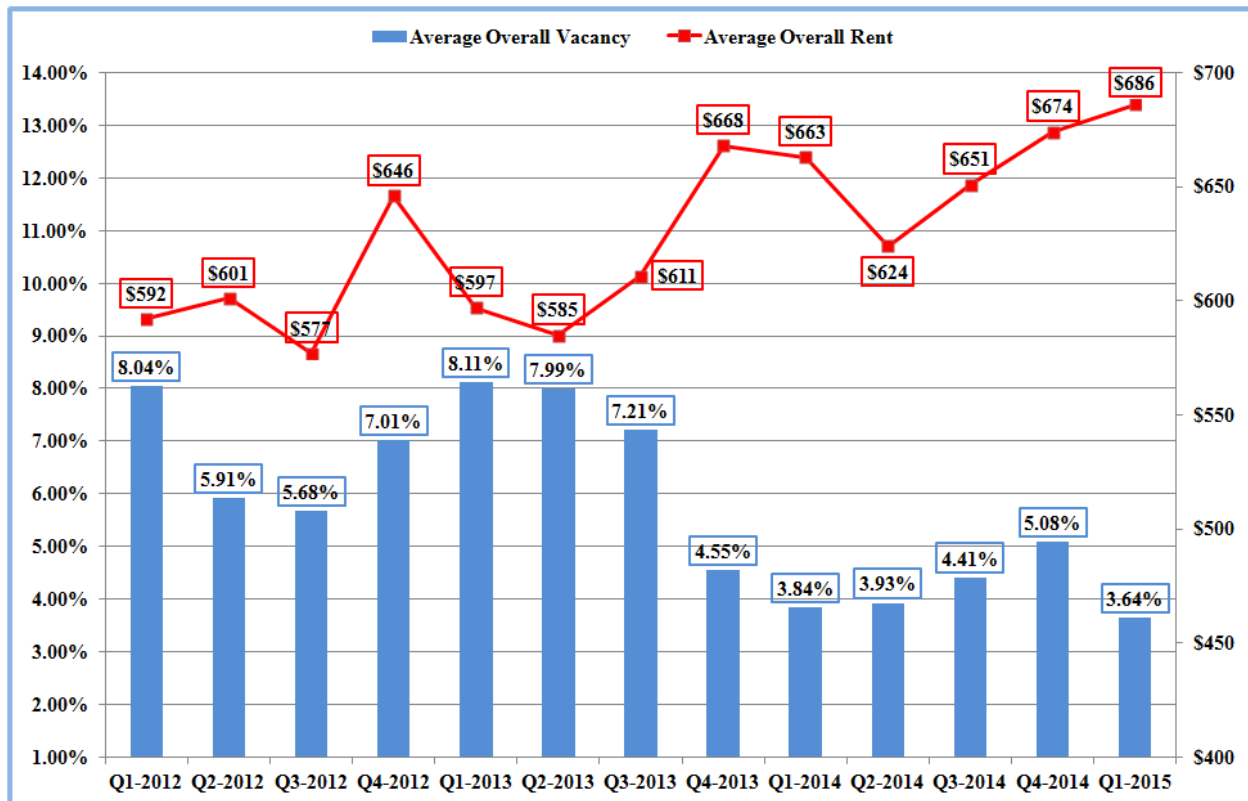


Southwest Reno Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	4 Projects
Total Units Surveyed	967 Units
Average Square Feet Per Unit Surveyed	827± Square Feet
Average Rent For Units Surveyed	\$786 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.95 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.83%
Number of Projects Offering Concessions As Of Date Surveyed	3 Projects



AREA 7-BRINKBY/GROVE AVERAGE RENT & VACANCY DATA

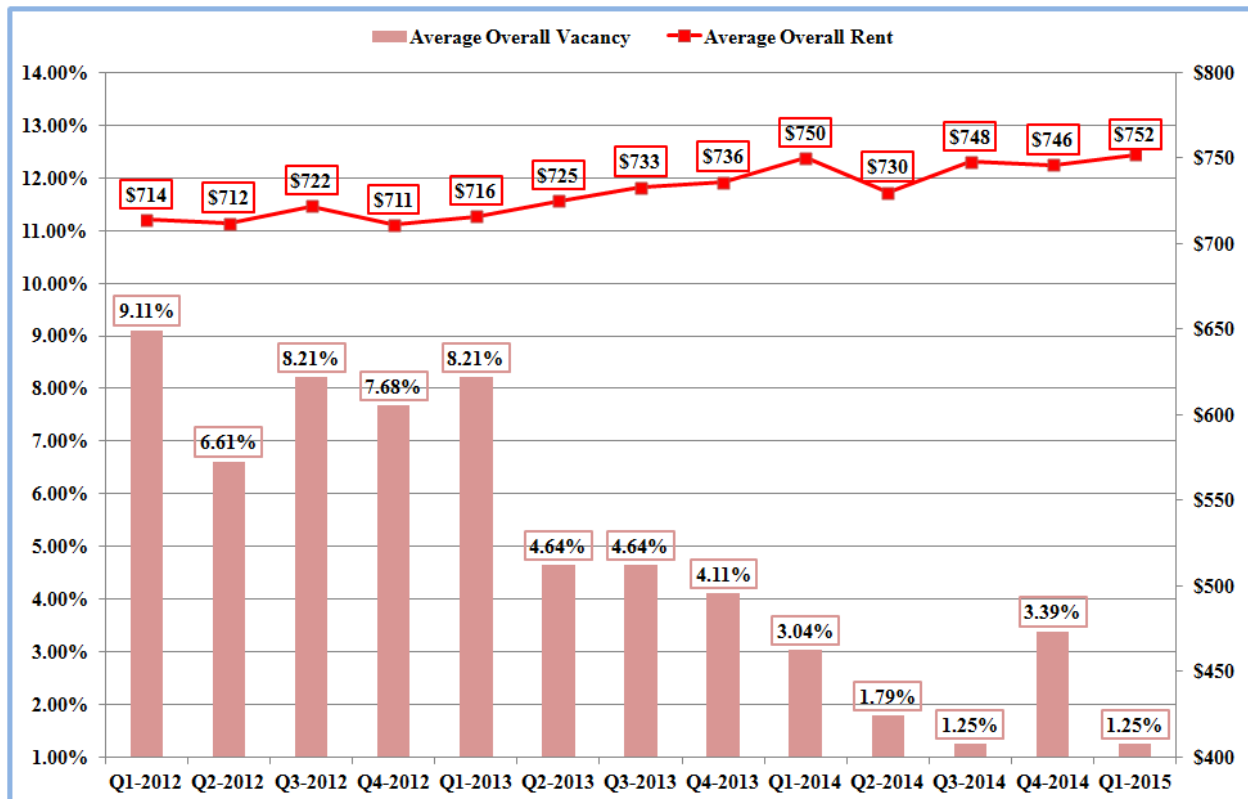


Brinkby/Grove Area Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	6 Projects
Total Units Surveyed	990 Units
Average Square Feet Per Unit Surveyed	841± Square Feet
Average Rent For Units Surveyed	\$686 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.82 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.64%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects



AREA 8-AIRPORT AVERAGE RENT & VACANCY DATA

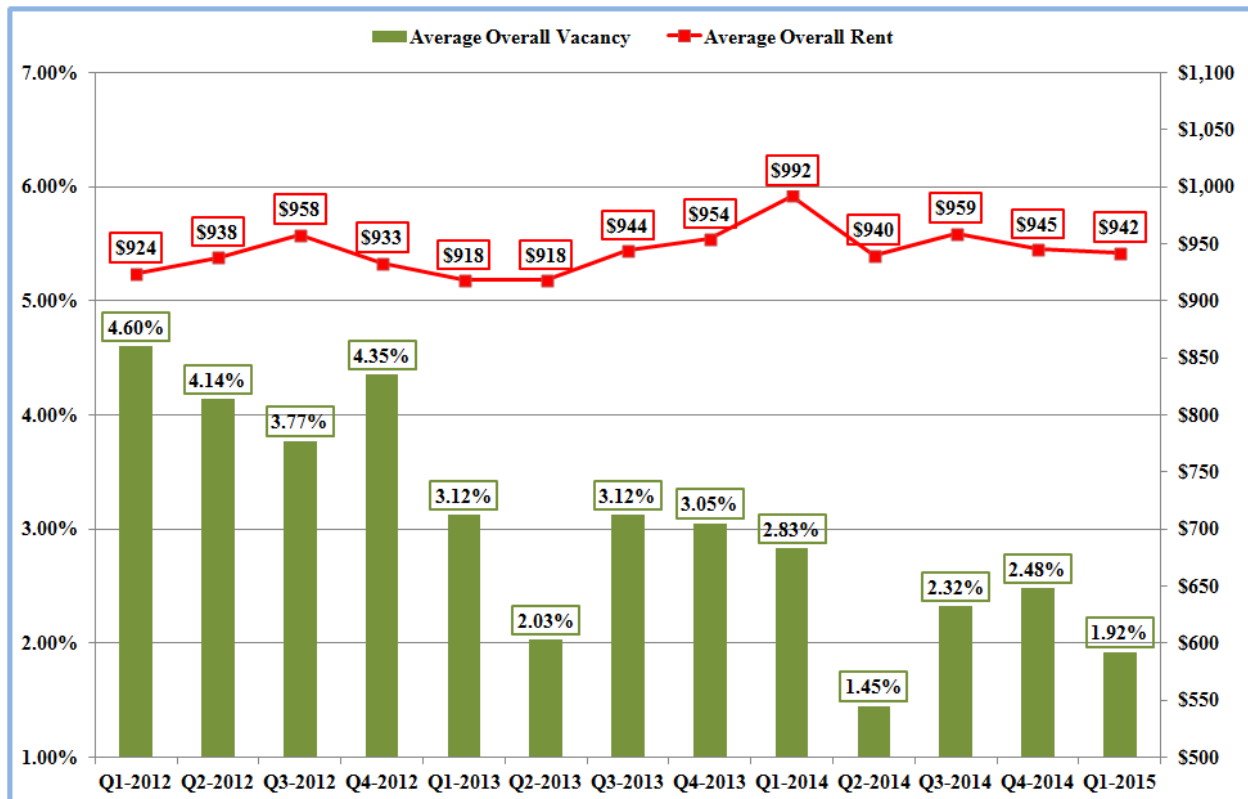


Airport Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 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	\$752 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.87 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.25%
Number of Projects Offering Concessions As Of Date Surveyed	1 Projects



AREA 9-LAKERIDGE AVERAGE RENT & VACANCY DATA

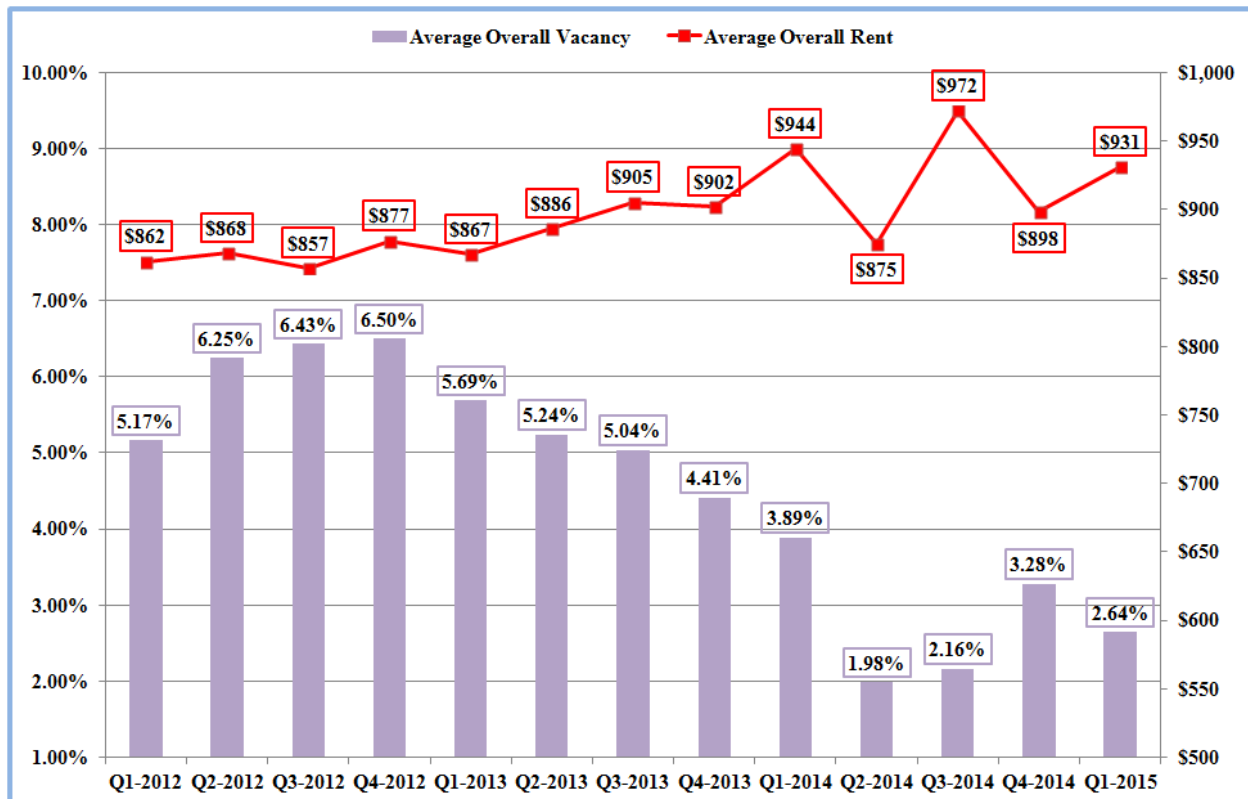


Lakeridge Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	5 Projects
Total Units Surveyed	1,252 Units
Average Square Feet Per Unit Surveyed	919± Square Feet
Average Rent For Units Surveyed	\$942 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.03 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.92%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



AREA 10-SOUTHEAST RENO AVERAGE RENT & VACANCY DATA

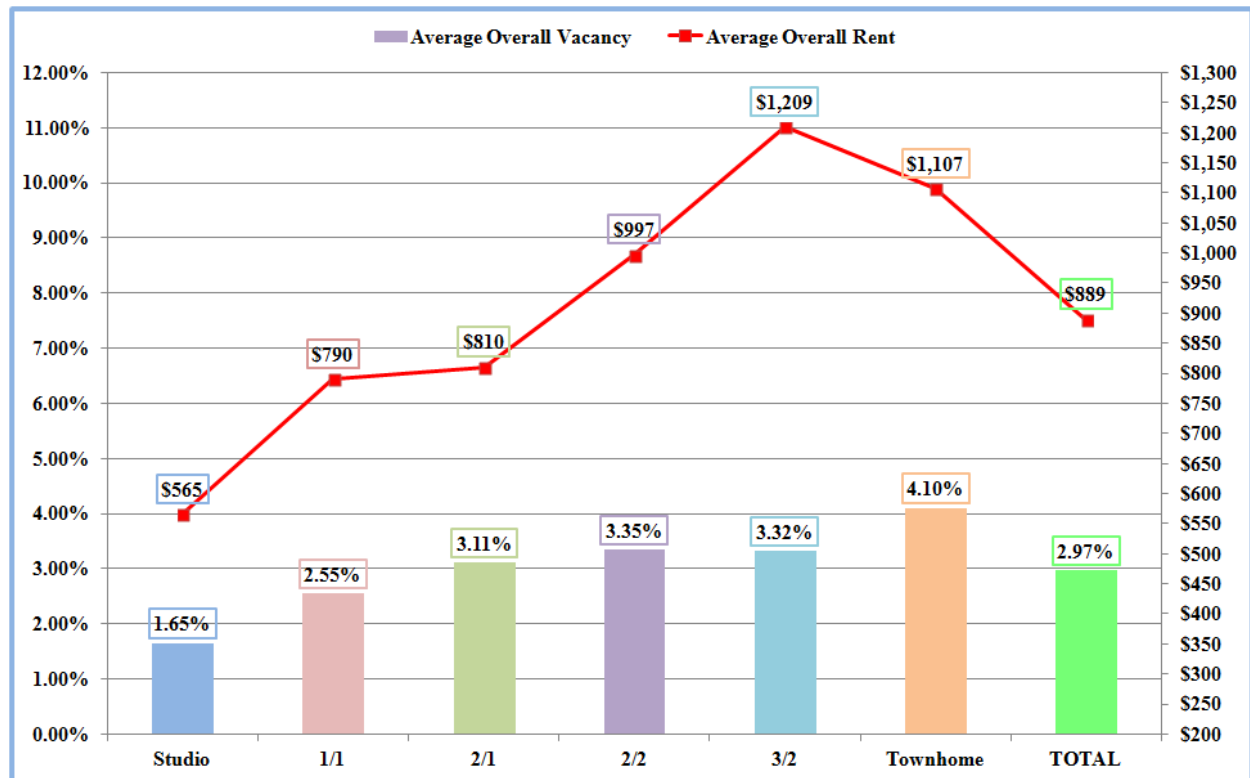


Southeast Reno Submarket Averages (Based Upon Units Surveyed)

Category	1 st Quarter 2015 Data
Total Projects Surveyed	13 Projects
Total Units Surveyed	4,654 Units
Average Square Feet Per Unit Surveyed	883± Square Feet
Average Rent For Units Surveyed	\$931 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.05 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.64%
Number of Projects Offering Concessions As Of Date Surveyed	6 Projects



SUMMARY BY UNIT TYPE AVERAGE RENT & VACANCY DATA

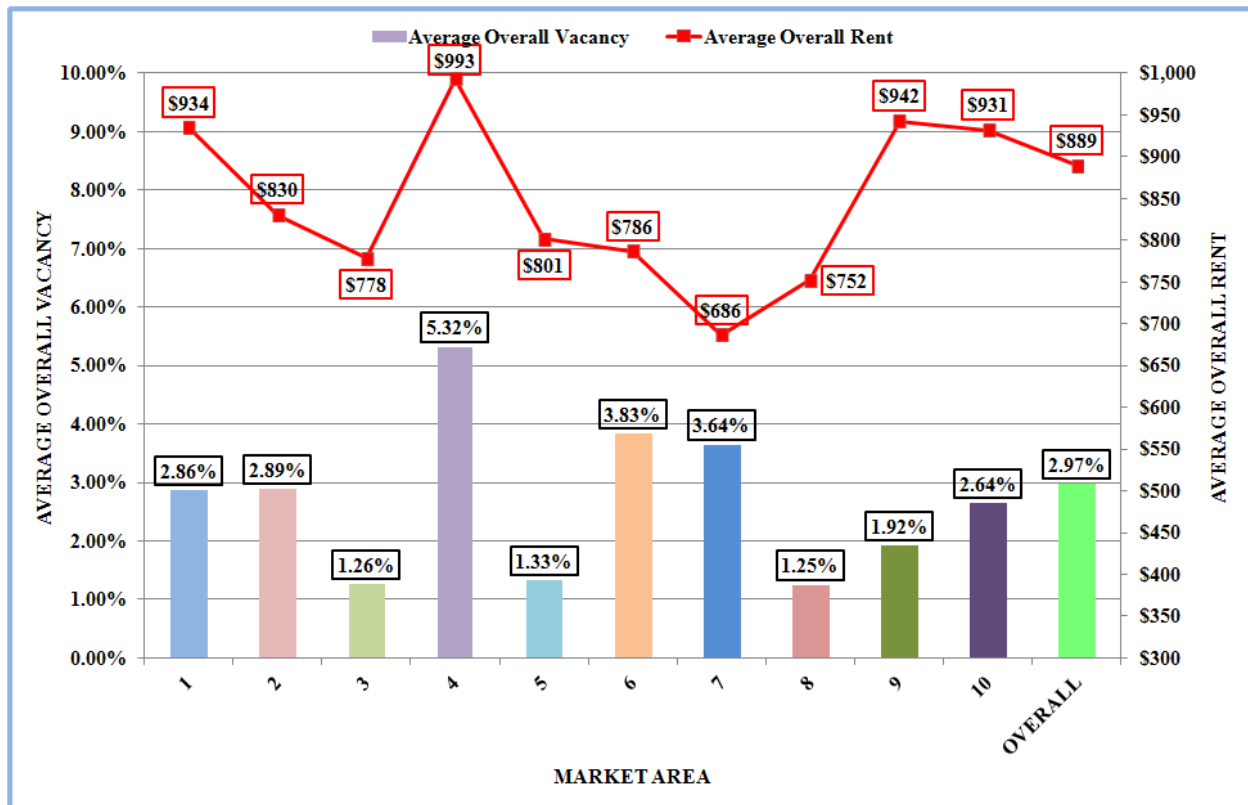


Data By Unit Type (Based Upon Units Surveyed)

	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	721 SF	849 SF	1,040 SF	1,265 SF	1,288 SF	886 SF
Average Rent-By Unit Type	\$565	\$790	\$810	\$997	\$1,209	\$1,107	\$889
Average Rent/SF-By Unit Type	\$1.39	\$1.10	\$0.95	\$0.96	\$0.96	\$0.86	\$1.00
Indicated Vacancy Rate-By Unit Type	1.65%	2.55%	3.11%	3.35%	3.32%	4.10%	2.97%



SUMMARY BY MARKET AREA AVERAGE RENT & VACANCY DATA



Data By Market Area (Based Upon Units Surveyed)

Area	Sub-Market	Average Rent 1 st Qtr. 2015	Average Vacancy 1 st Qtr. 2015
1	Northwest Reno	\$934	2.86%
2	Northeast Reno	\$830	2.89%
3	W. Sparks/N. Valley	\$778	1.26%
4	East Sparks	\$993	5.32%
5	West Reno	\$801	1.33%
6	Southwest Reno	\$786	3.83%
7	Brinkby/Grove	\$686	3.64%
8	Airport	\$752	1.25%
9	Lakeridge	\$942	1.92%
10	Southeast Reno	\$931	2.64%
Overall Reno-Sparks		\$889	2.97%

SURVEY PARTICIPANTS

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

Project Name	
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	Lakeview Apartments
The Boulders	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 Village at Wildcreek	The Alexander at South Virginia
Bristol Bay Apartments	The Element
Canyon Vista Apartments	The Enclave
Caviata at Kiley Ranch	The Village at Arrowcreek
Eastland Hills	The Village at Iron Blossom
Marina Garden Apartments	Village of the Pines
Marina Village	Vintage at South Meadows
Park Vista	Woodside Village