



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APARTMENT SURVEY[®]

4TH QUARTER 2016 DATA

RENO/SPARKS METRO AREA

PRESENTED BY

JOHNSON PERKINS GRIFFIN, LLC

Copyright © 2016 by Johnson Perkins Griffin, LLC

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of Johnson Perkins Griffin, LLC.



TABLE OF CONTENTS

STATEMENT OF METHODOLOGY.....	1
ECONOMIC OUTLOOK.....	2
SUMMARY OF FINDINGS	4
HISTORICAL RENTAL AND VACANCY RATES BY UNIT TYPE.....	5
COMMENTARY.....	6
GUIDELINES.....	7
MARKET AREAS.....	8
MARKET AREA MAP	9
PROJECTS APPROVED AND/OR UNDER CONSTRUCTION	10
ABSORPTION	12
RENT CONCESSIONS.....	13
SURVEY RESULTS	14
OVERALL RENO/SPARKS RENT & VACANCY DATA-ALL UNIT TYPES	15
STUDIO UNITS	16
ONE BEDROOM/ONE BATHROOM	17
TWO BEDROOM/ONE BATHROOM	18
TWO BEDROOM/TWO BATHROOM	19
THREE BEDROOM/TWO BATHROOM.....	20
TOWNHOUSE UNITS	21
AREA 1-NORTHWEST RENO.....	22
AREA 2-NORTHEAST RENO.....	23
AREA 3-WEST SPARKS/NORTH VALLEYS	24
AREA 4-EAST SPARKS	25
AREA 5-WEST RENO.....	26
AREA 6-SOUTHWEST RENO	27
AREA 7-BRINKBY/GROVE	28
AREA 8-AIRPORT	29
AREA 9-LAKERIDGE	30
AREA 10-SOUTHEAST RENO	31
SUMMARY BY UNIT TYPE.....	32
SUMMARY BY MARKET AREA.....	33
15 PROPERTIES WITH THE HIGHEST AVERAGE RENTS.....	34
SUMMARY OF MAJOR APARTMENT PROJECT SALES IN 2016	35
SURVEY PARTICIPANTS	36



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

ACKNOWLEDGEMENTS

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

SURVEY SPONSORS

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



STATEMENT OF METHODOLOGY

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

Sources

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

Survey Criteria

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

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

The results of this survey depict the operating conditions of the average of 21,082 units reported. A total of 83 projects were surveyed. We believe the statistics presented here are representative of the overall conditions of the Reno-Sparks Survey Area.

Survey Modifications

The total apartment projects participating in the survey remained the same at 83 projects, and the total units remained the same at 21,082 units.

TOTAL NUMBER OF PROJECTS & UNITS-PRIOR TO CURRENT QUARTER			
	3rd Quarter 2016	4th Quarter 2016	Change
Total Projects	83	83	No Change
Total Units	21,082	21,082	No Change



ECONOMIC OUTLOOK

Statewide, the unemployment rate fell to a seasonally-adjusted 5.1 percent in December, down 0.1 of a percentage point from November, the lowest it has been in nine years. Additionally, the Silver State added a seasonally-adjusted 3,400 jobs relative to November.

“I’m pleased with the manner in which Nevada’s labor markets closed out the year in 2016,” said Governor Brian Sandoval. “Job growth continued for the 72nd consecutive month. We’ve established a new employment record. The unemployment rate fell from a year ago for the 70th straight month. Wages, small business employment, and the number of employers all stand at record highs. I’m committed to our continued momentum of supporting job growth so that every Nevadan is able to find employment.”

On a year-over-year basis, the unemployment rate in the Silver State is down 1.2 percentage points over December 2015, said Bill Anderson, chief economist for the Research and Analysis Bureau of Nevada’s Department of Employment, Training and Rehabilitation. For all of 2016, preliminary estimates suggest that the unemployment rate averaged 5.8 percent. This equates to a decrease of nearly 1 percentage point from 2015’s rate of 6.7 percent.

“All things considered, Nevada’s performance on the jobs front, not just in 2016, but stretching over the entire recovery period, has been impressive,” Anderson said. “After losing 186,000 jobs off of the pre-recessionary peak during the downturn, the Silver State has added 195,000 jobs since September 2010.”

Relative to 2015, Nevada gained an additional 32,500 jobs, an increase of 2.6 percent, according to initial estimates. The trade/transportation/utilities sector realized the largest increase in terms of nominal growth during 2016, up 9,000 jobs, an increase of 3.8 percent relative to 2015. Construction was the fastest growing of all the industrial supersectors in terms of percentage growth, up 10.4 percent over 2015, which equates to a gain of 7,200 jobs.

“Seasonal holiday-related hiring is notable during the final months of every year. This year, initial estimates suggest that those industries in which the bulk of holiday hiring occurs added about 8,000 jobs from September to December,” Anderson said.



Economic Indicators

Economic Indicators

UNEMPLOYMENT RATES October 2016

Nevada*	5.5%
Las Vegas MSA	5.5%
Reno-Sparks MSA	4.5%
Carson City MSA	5.5%
United States*	4.9%

JOB GROWTH (YOY) October 2016

Nevada*	2.3%
Las Vegas MSA*	1.8%
Reno-Sparks MSA*	3.4%
Carson City MSA*	0.7%
United States*	1.7%

GAMING WIN (YOY) September 2016

Nevada	3.5%
Clark County	3.6%
Washoe County	3.6%

TAXABLE SALES (YOY) August 2016

Nevada	10.6%
Clark County	6.1%
Washoe County	7.5%

*Seasonally Adjusted

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



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	TOWNHOMES	TOTALS
Average SF-By Unit Type	405 SF	722 SF	862 SF	1,043 SF	1,273 SF	1,298 SF	890 SF
Average Rent-By Unit Type	\$673	\$939	\$984	\$1,207	\$1,382	\$1,287	\$1,066
Average Rent/SF-By Unit Type	\$1.66	\$1.30	\$1.14	\$1.16	\$1.09	\$0.99	\$1.20
Indicated Vacancy Rate-By Unit Type	1.92%	2.95%	2.75%	3.02%	3.26%	2.96%	2.93%

OVERALL AVERAGE RENT & VACANCY-PRIOR & CURRENT QUARTER

	3 rd Quarter 2016	4 th Quarter 2016	Change
Average Vacancy	2.24%	2.93%	+69 Basis Points
Average Rent	\$1,054	\$1,066	+\$12 or +1.14%

COMPARISON OF RENTAL RATES & VACANCY RATES TO PRIOR QUARTER

UNIT TYPE	AVERAGE RENT			AVERAGE VACANCY		
	3rd Qtr. 2016	4th Qtr. 2016	Result	3rd Qtr. 2016	4th Qtr. 2016	Result
Studio	\$662	\$673	+\$11	1.48%	1.92%	+0.44%
1 Bedroom/1 Bath	\$923	\$939	+\$16	2.00%	2.95%	+0.95%
2 Bedroom/1 Bath	\$973	\$984	+\$11	1.41%	2.75%	+1.34%
2 Bedroom/2 Bath	\$1,192	\$1,207	+\$15	2.79%	3.02%	+0.23%
3 Bedroom/2 Bath	\$1,420	\$1,382	-\$38	2.75%	3.26%	+0.51%
Townhouse	\$1,258	\$1,287	+\$29	3.33%	2.96%	-0.37%
TOTALS	\$1,054	\$1,066	+\$12	2.24%	2.93%	+0.69%

RENTAL AND VACANCY RATES BY SUB-MARKET AREA

Area	Sub-Market	AVERAGE RENT			AVERAGE VACANCY		
		3rd Qtr. 2016	4th Qtr. 2016	Result	3rd Qtr. 2016	4th Qtr. 2016	Result
1	Northwest Reno	\$1,150	\$1,173	+\$23	2.08%	2.33%	+0.25%
2	Northeast Reno	\$969	\$986	+\$17	0.53%	1.75%	+1.22%
3	W. Sparks/N. Valley	\$932	\$941	+\$9	1.32%	2.01%	+0.69%
4	East Sparks	\$1,172	\$1,190	+\$18	2.96%	3.72%	+0.76%
5	West Reno	\$924	\$937	+\$13	1.33%	1.78%	+0.45%
6	Southwest Reno	\$970	\$980	+\$10	3.04%	5.76%	+2.72%
7	Brinkby/Grove	\$770	\$773	+\$3	1.90%	3.31%	+1.41%
8	Airport	\$855	\$861	+\$6	1.61%	1.96%	+0.35%
9	Lakeridge	\$1,184	\$1,165	-\$19	4.31%	5.83%	+1.52%
10	Southeast Reno	\$1,074	\$1,085	+\$11	2.36%	2.32%	-0.04%
	Overall Reno-Sparks	\$1,054	\$1,066	+\$12	2.24%	2.93%	+0.69%



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%
AVERAGE	\$531	5.47%	\$744	4.47%	\$795	5.69%	\$957	5.60%	\$1,147	6.18%	\$1,106	6.46%	\$877	5.24%
MEDIAN	\$525	5.24%	\$733	3.85%	\$795	5.20%	\$930	5.75%	\$1,117	6.08%	\$1,101	6.38%	\$862	5.00%
LOW	\$463	1.35%	\$673	1.84%	\$711	1.41%	\$875	1.96%	\$1,070	1.96%	\$1,009	1.92%	\$821	1.98%
HIGH	\$673	10.96%	\$939	10.08%	\$984	12.20%	\$1,207	11.43%	\$1,420	13.18%	\$1,287	13.65%	\$1,066	10.93%



COMMENTARY

The overall average rental rate for all units surveyed increased by 1.14%, with all unit types, except three bedroom units, experiencing an increase in average rental rates. Nine of the ten sub-markets experienced an increase in average rental rates, while one sub-market experienced a decrease in average rental rates.

The overall vacancy rate for all units surveyed increased by 69 basis points, with nine of the ten submarkets showing increases in vacancies and one submarket experiencing a slight decrease in average vacancy. Five of the six unit types experienced slight increases in average vacancies, with townhome units showing a slight decrease in average vacancy.

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. 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

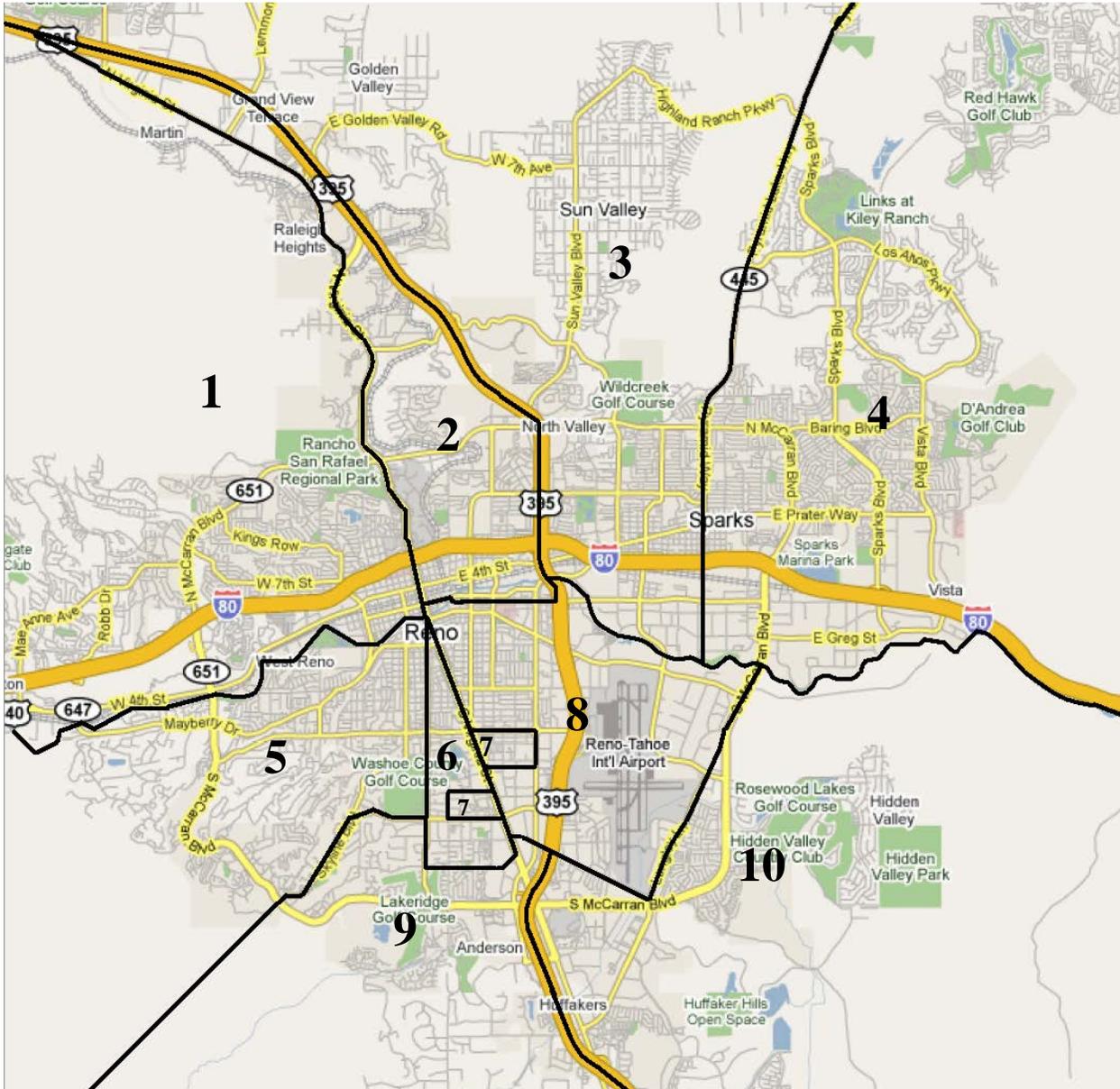


MARKET AREAS

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

According to representatives of Ryder Homes, The Village at Arrow Creek Parkway, a 252-unit Phase II project, is currently under construction. The first building is scheduled to be complete by February 2017. At the end of the 4th Quarter 2016, approximately 6% of the project had been pre-leased.

In the 4th Quarter of 2016, Tanamera Construction broke ground on Sierra Vista, a 336-unit apartment complex located just north of The Village at Arrowcreek along Arrowcreek Parkway.

Square One is a 100-unit apartment project located in downtown Sparks. LandCap Investment Partners and GreenStreet Communities began the renovation of the former Silver Club Hotel in September of 2015. The project involves loft style studio, one and two bedroom units. At the end of the 4th Quarter of 2016, the project was complete and approximately 66% of the project had been pre-leased.

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 4th Quarter of 2016 five buildings were complete, 28% of the project had been pre-leased and 26% of the property was occupied.

The 3rd Street Flats is a 94-unit apartment project located in downtown Reno. Bentar Development and Basin Street Properties began the renovation of the former Kings Inn in the 4th Quarter of 2015. The project involves one and two bedroom units. At the end of the 4th Quarter of 2016, the project was complete, approximately 28% of the project had been pre-leased and 13% of the property was occupied.

The chart below summarizes the market rate projects within the Reno-Sparks market with approvals, in planning stages, or under construction.



Proposed & Under Construction (Major Apartment Projects Over 80 Units)

Projects Under Construction				
Project Name	Units	Location	Area	Status
Fountain House Apartments	236	Victorian Plaza Circle at C Street	3	Under Construction
Vineyard at the Galleria	210	Sparks Galleria	4	Under Construction
Sierra Vista	336	Arrowcreek Parkway	10	Beginning Construction 2016
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:	1,312			

Projects Planned				
Project Name	Units	Location	Area	Status
The Villas at Keystone Canyon-Phase II	96	Keystone Avenue & North McCarran Boulevard	1	Planning Stages
Sharlands Apartments	312	Southeast Corner Sharlands & Mae Anne	1	Construction Planned for 2017
Confidential	305	Directly West of The Villas at Keystone Canyon	1	Planning Stages
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	Pioneer Meadows	4	Planning Stages
Lumina-Phase II	240	Pioneer Meadows	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 2017
The Bridges	198	Victorian Square	4	Beginning Construction 2017
Silverado Development	96	Wingfield Springs	4	Planning Stages
Park Lane-Reno Urban Development	1,200	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
Summit Club	584	Mt. Rose Highway	10	Planning Stages
The Harvest-Phase II	300	Damonte Ranch	10	Planning Stages
Total Units:	7,056			

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, The Villas at Keystone Canyon and Edge Water at Virginia Lake.

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



RENT CONCESSIONS

During the 4th Quarter of 2016 10.84% of the apartment projects in our Survey offered rent concessions, in comparison to 4.82% in the 3rd Quarter of 2016. 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%
Q2-2016	6.17%	1.98%
Q3-2016	4.82%	2.24%
Q4-2016	10.84%	2.93%



SURVEY RESULTS

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

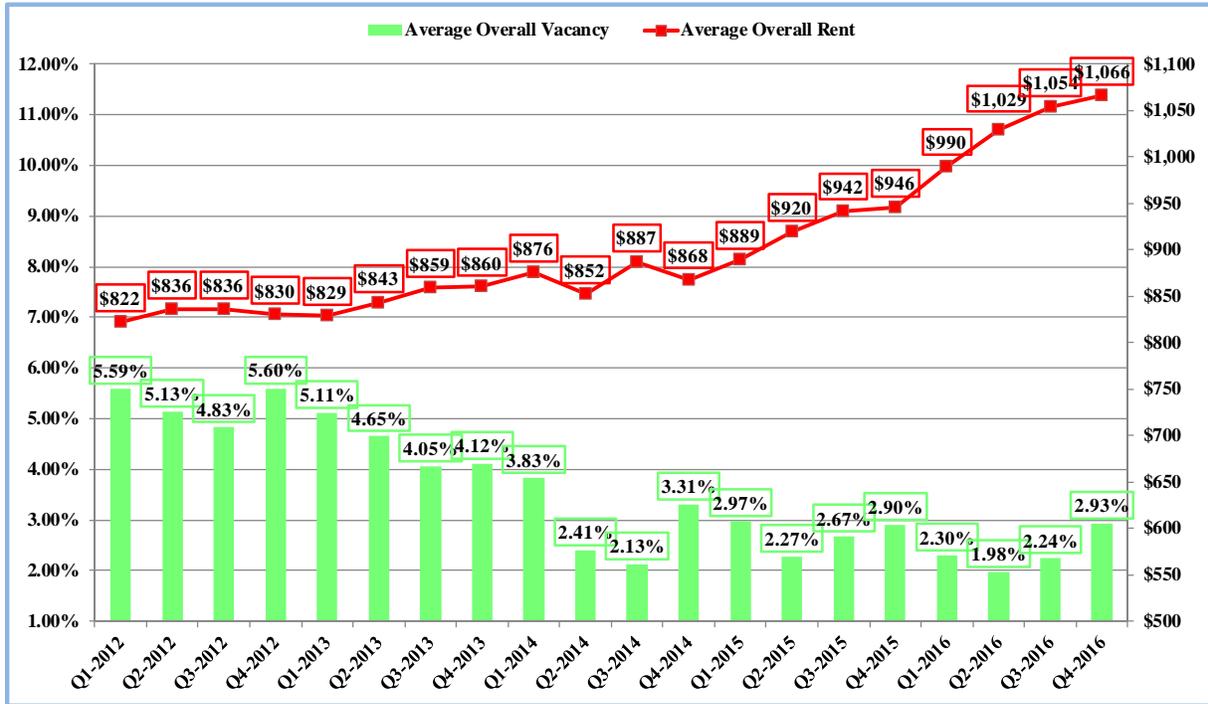
CURRENT SURVEY COMPARISONS:

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

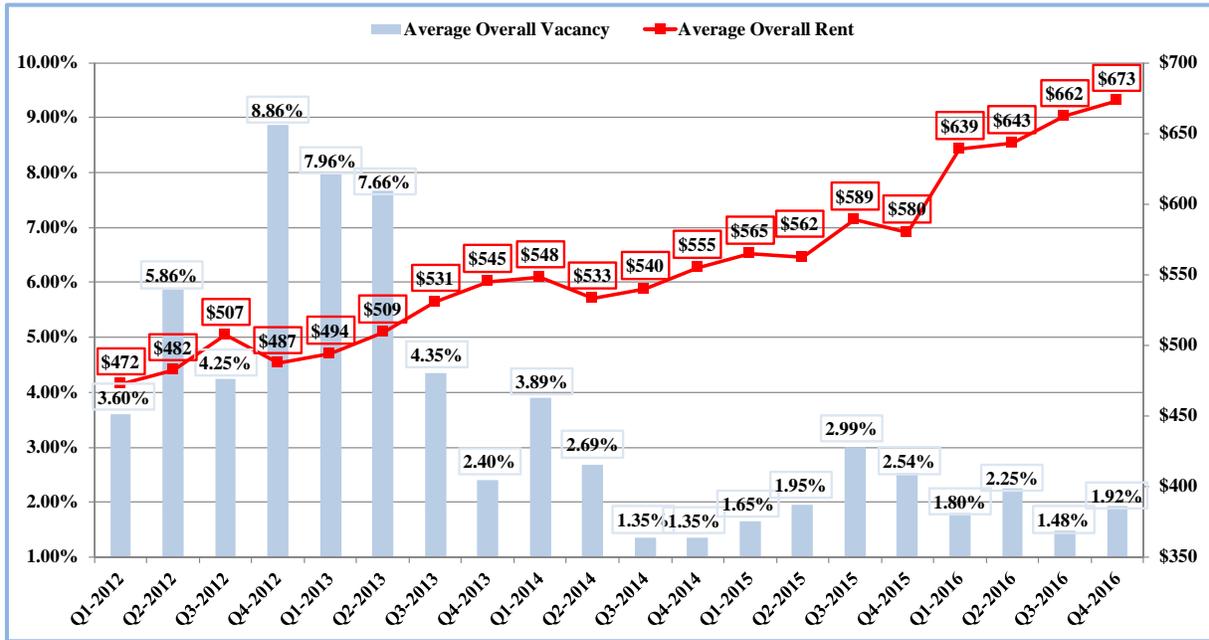


**Overall Reno-Sparks Market Averages-All Unit Types
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	890± Square Feet
Average Rent For Units Surveyed	\$1,066 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.20 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.93%



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

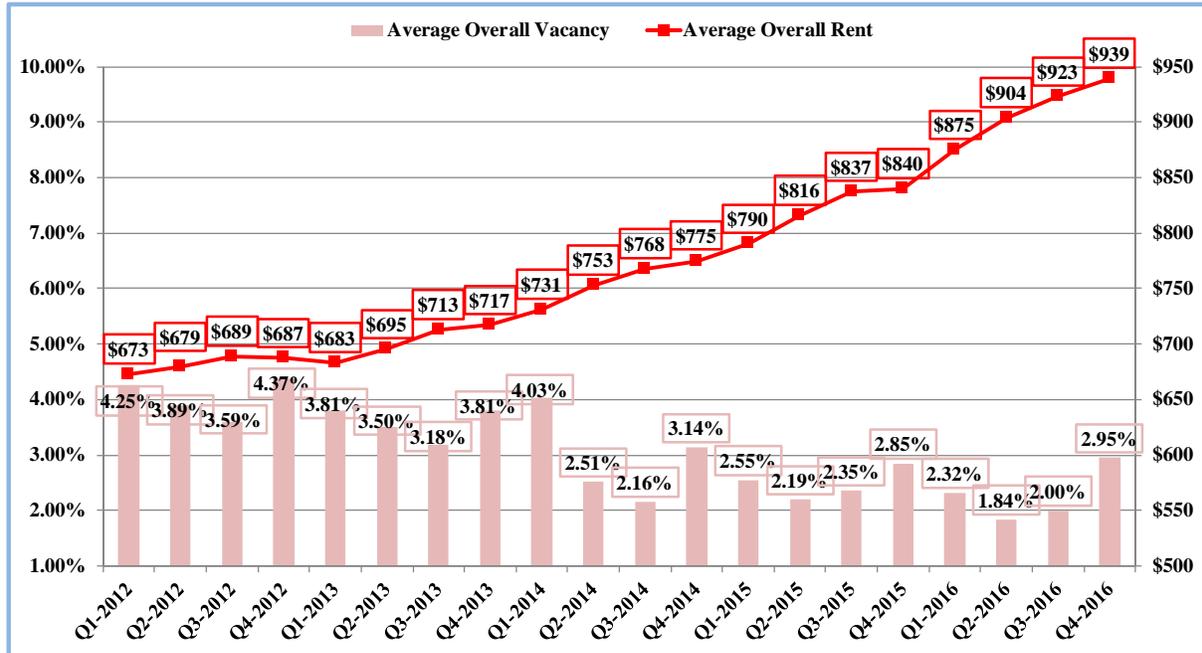


**Overall Reno-Sparks Market Averages-Studio Units
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	405± Square Feet
Average Rent For Units Surveyed	\$673 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.66 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.92%



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

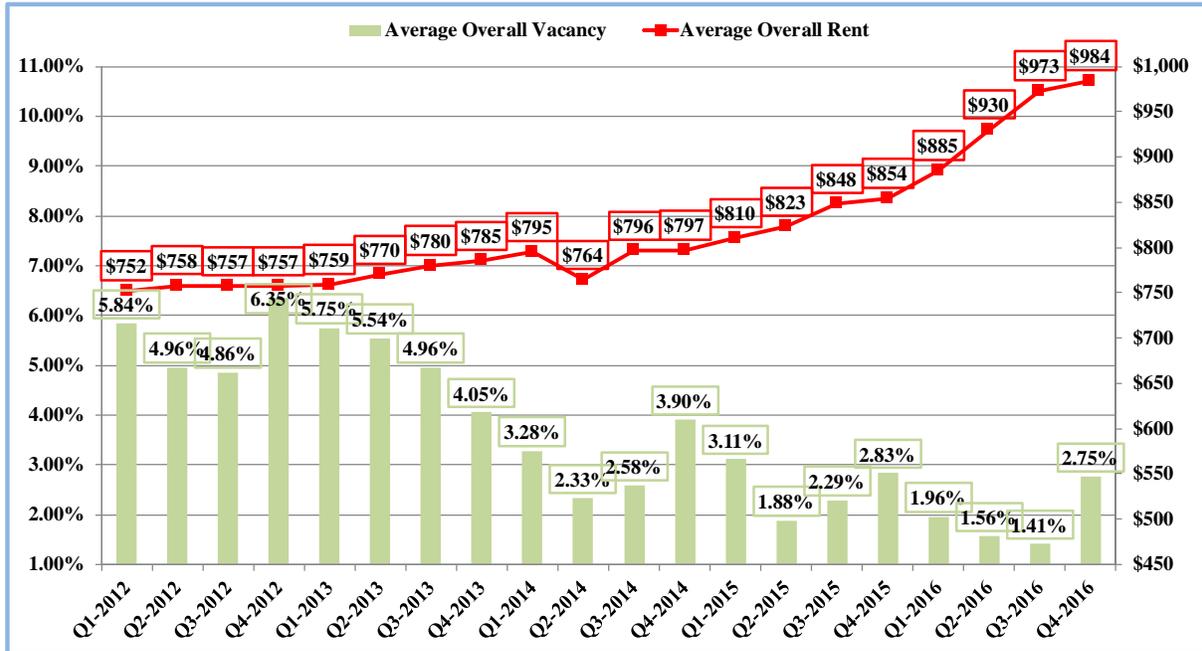


**Overall Reno-Sparks Market Averages-One Bedroom/One Bathroom Units
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	722± Square Feet
Average Rent For Units Surveyed	\$939 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.30 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.95%



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

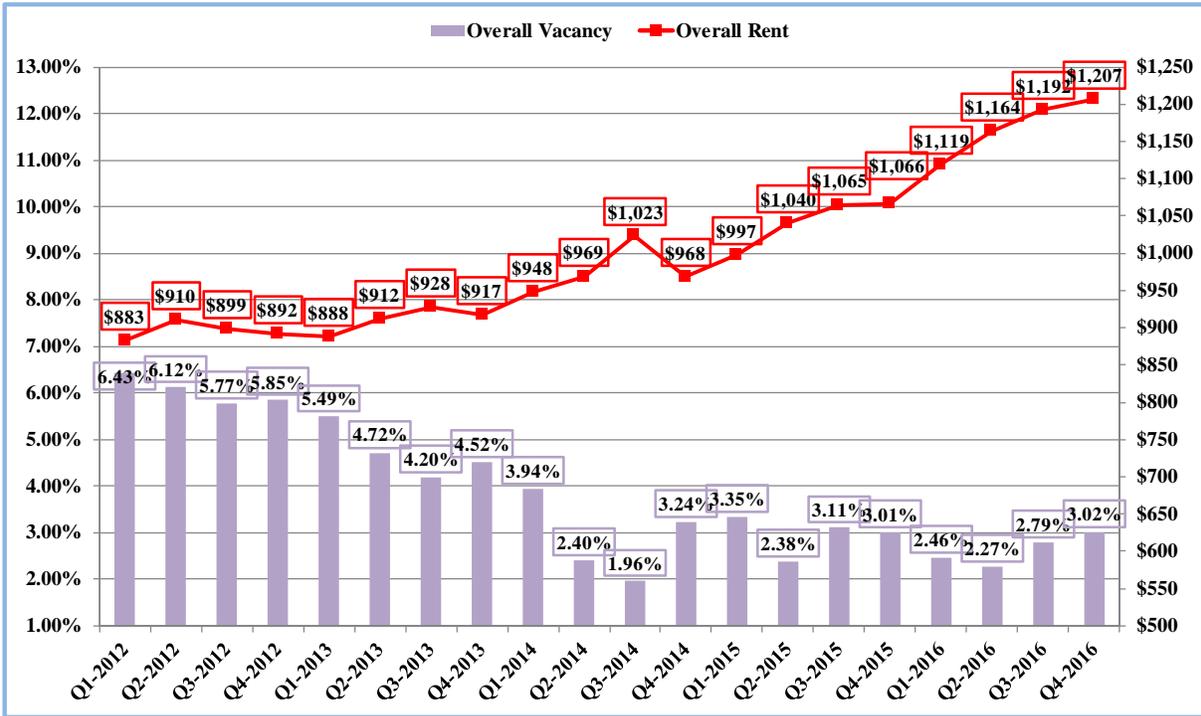


**Overall Reno-Sparks Market Averages-Two Bedroom/One Bathroom Units
(Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	862± Square Feet
Average Rent For Units Surveyed	\$984 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.14 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.75%



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

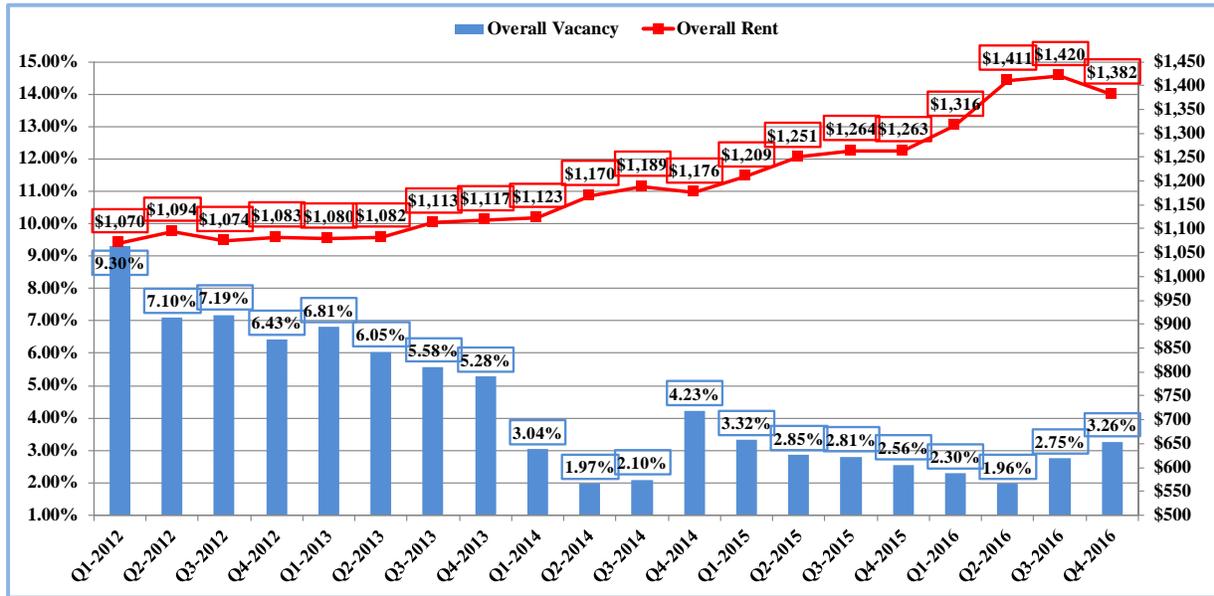


**Overall Reno-Sparks Market Averages-Two Bedroom/Two Bathroom Units
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,043± Square Feet
Average Rent For Units Surveyed	\$1,207 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.16 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.02%



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

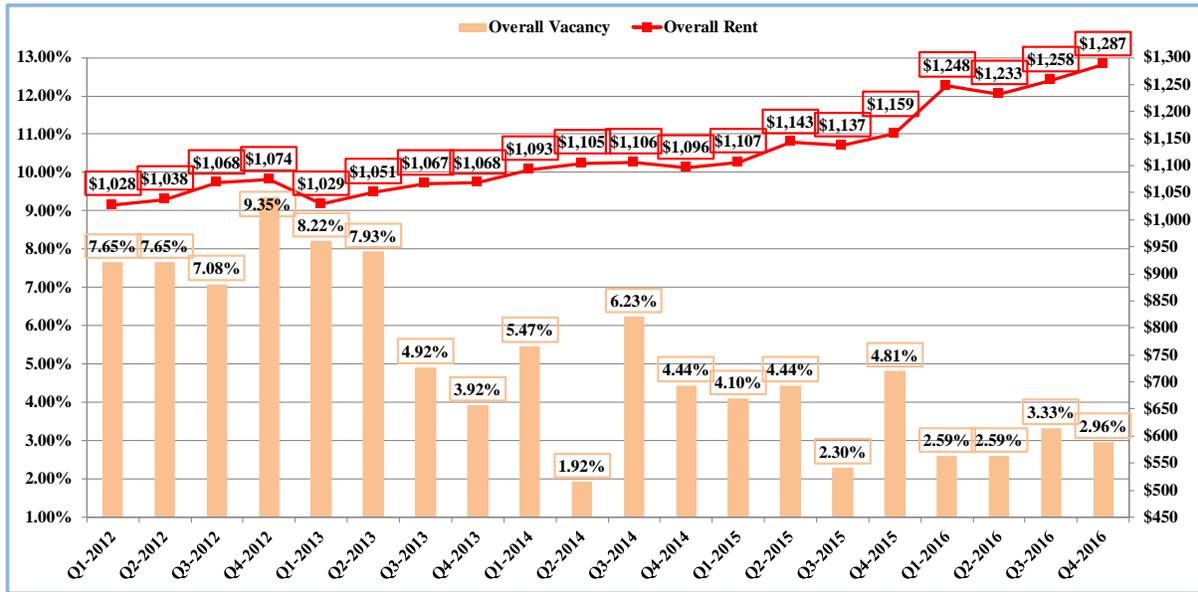


**Overall Reno-Sparks Market Averages-Three Bedroom/Two Bathroom Units
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,273± Square Feet
Average Rent For Units Surveyed	\$1,382 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.09 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.26%



TOWNHOUSE UNITS OVERALL RENO/SPARKS AVERAGE RENT & VACANCY DATA

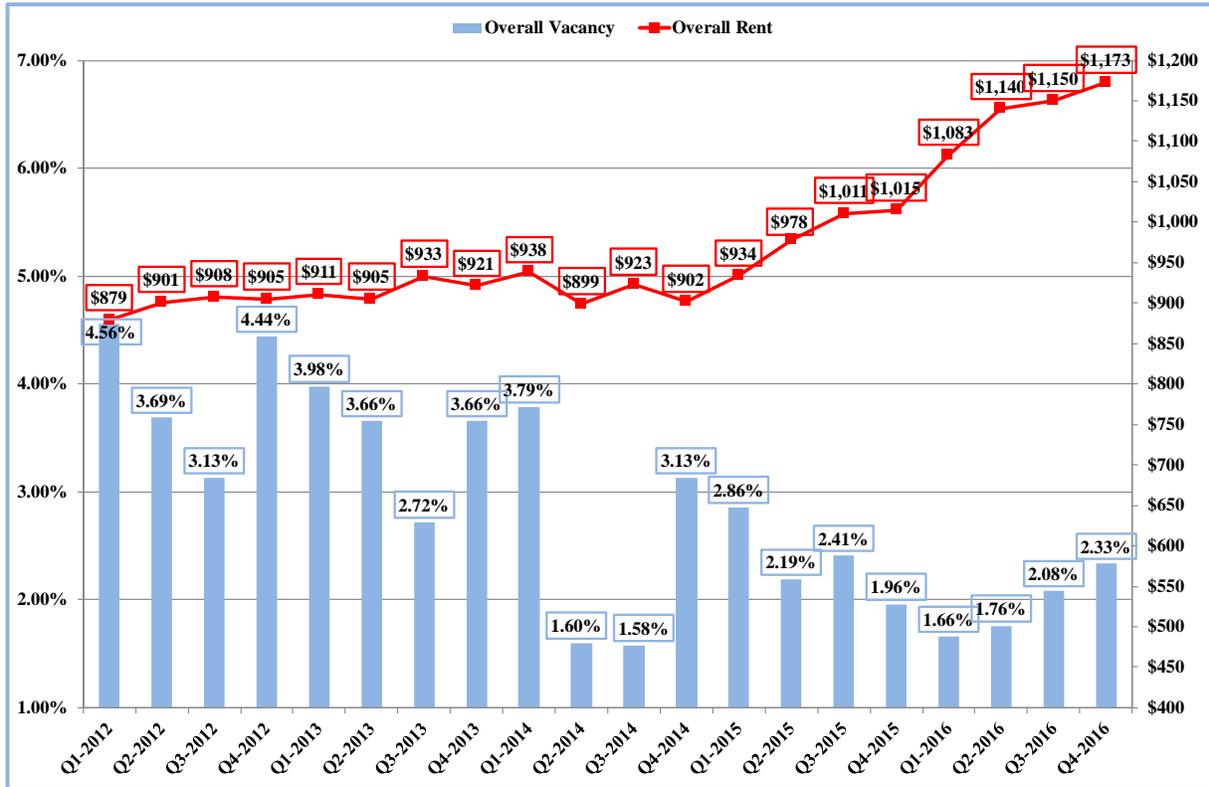


Overall Reno-Sparks Market Averages-Townhouse Units (Based Upon Units Surveyed)

Category	4 th Quarter 2016 Overall Reno-Sparks Averages
Average Square Feet Per Unit Surveyed	1,298± Square Feet
Average Rent For Units Surveyed	\$1,287 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.99 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.96%



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

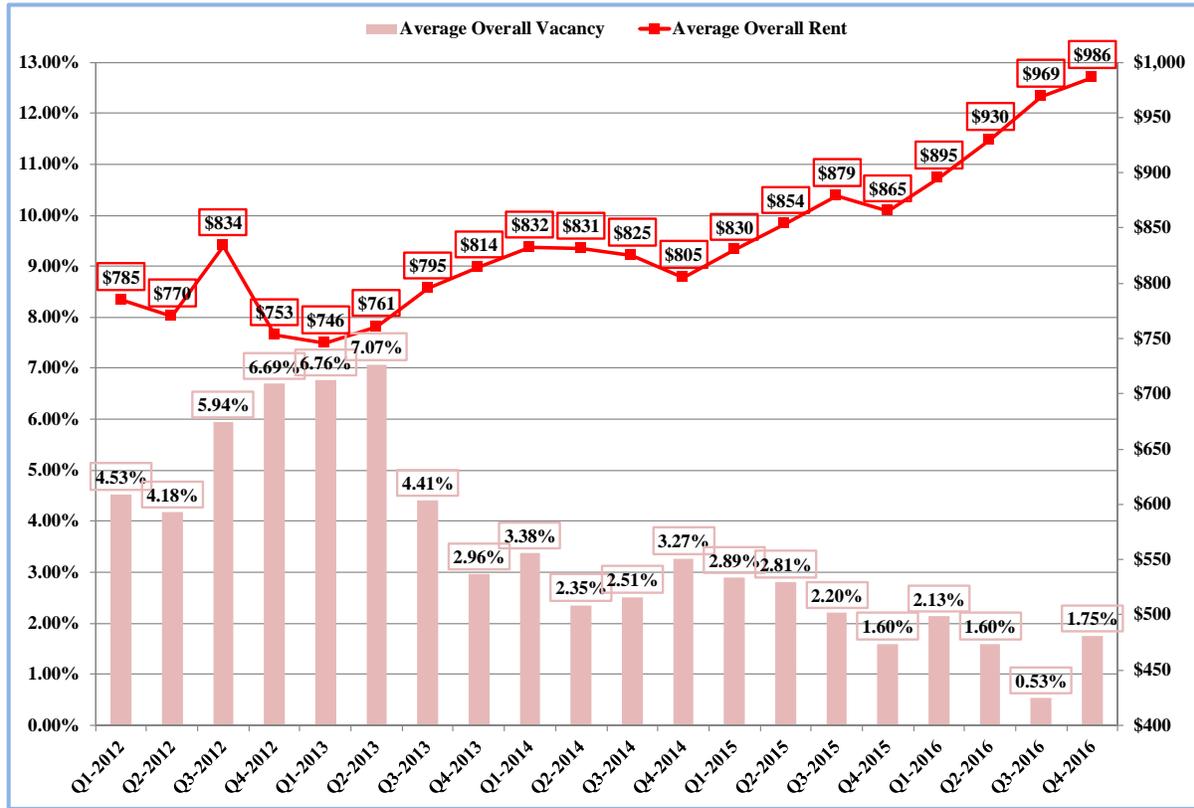


**Northwest Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th 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	\$1,173 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.29 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.33%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



AREA 2-NORTHEAST RENO AVERAGE RENT & VACANCY DATA

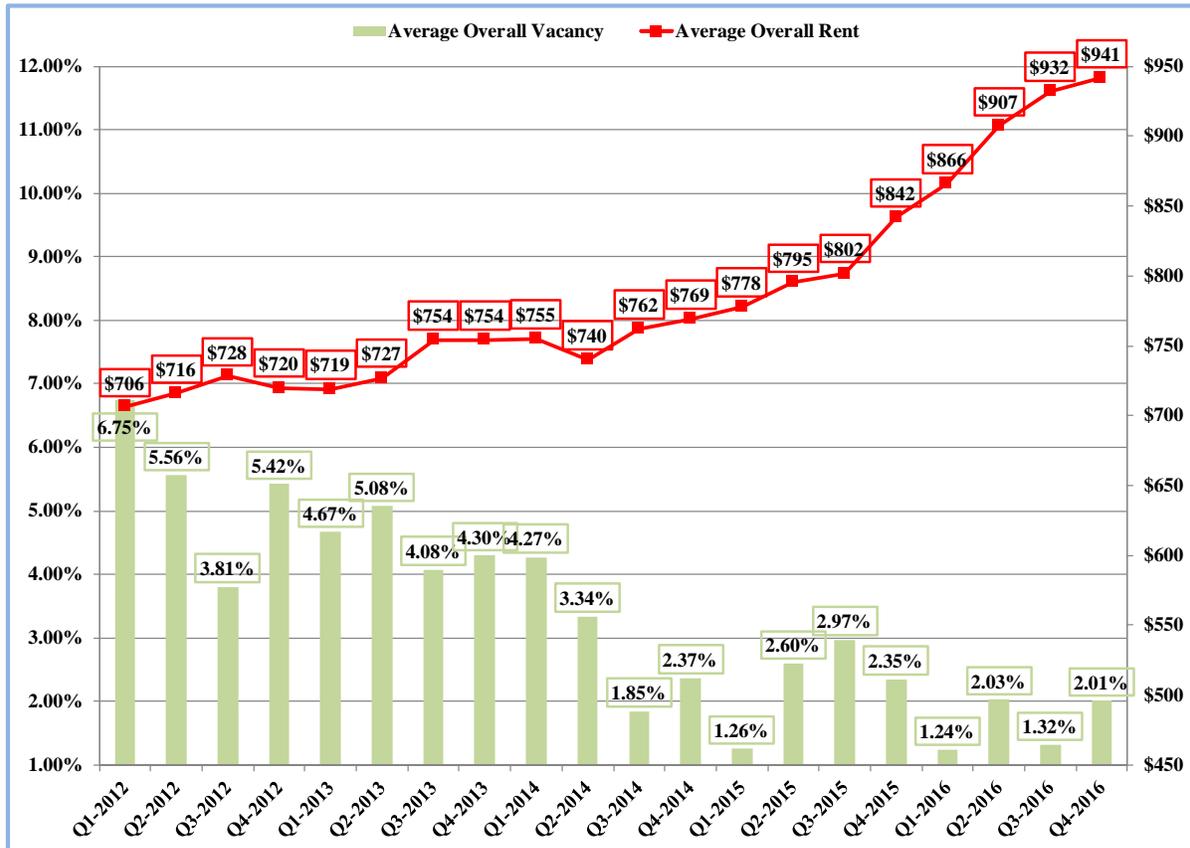


Northeast Reno Submarket Averages (Based Upon Units Surveyed)

Category	4 th 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	\$986 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.16 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.75%
Number of Projects Offering Concessions As Of Date Surveyed	1 Project



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

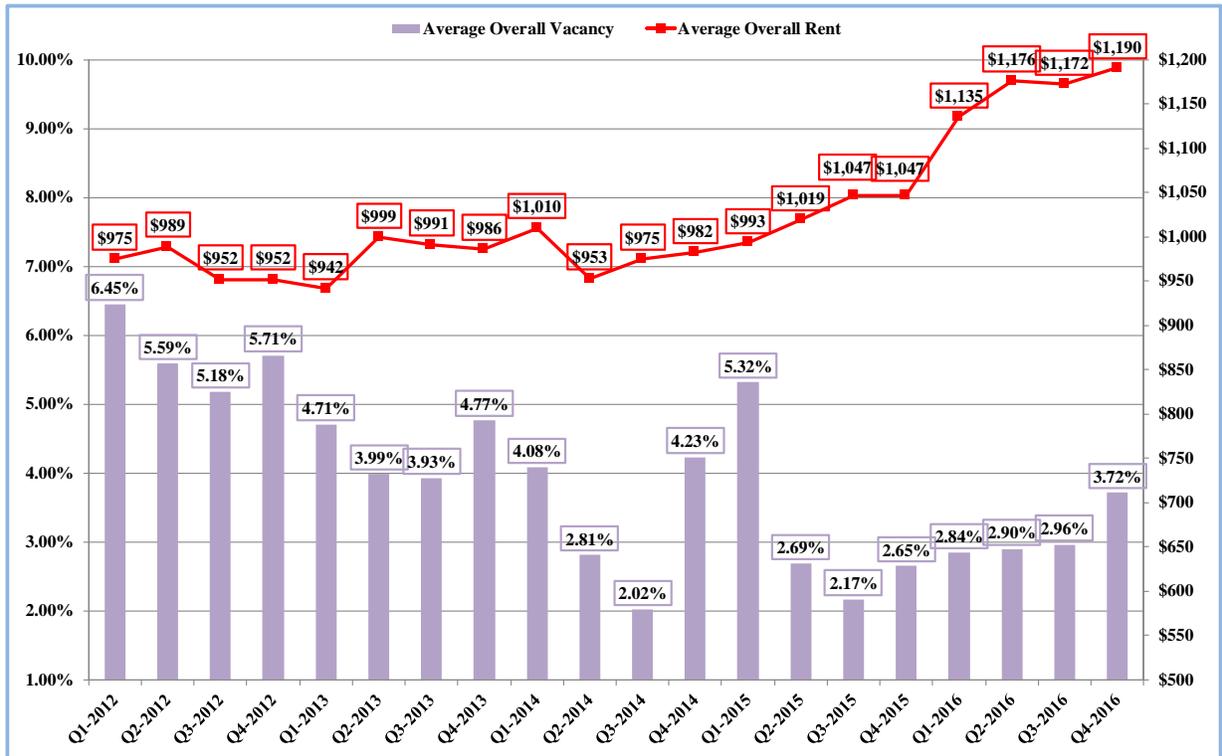


**West Sparks/North Valleys Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Data
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	\$941 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.09 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.01%
Number of Projects Offering Concessions As Of Date Surveyed	5 Projects



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

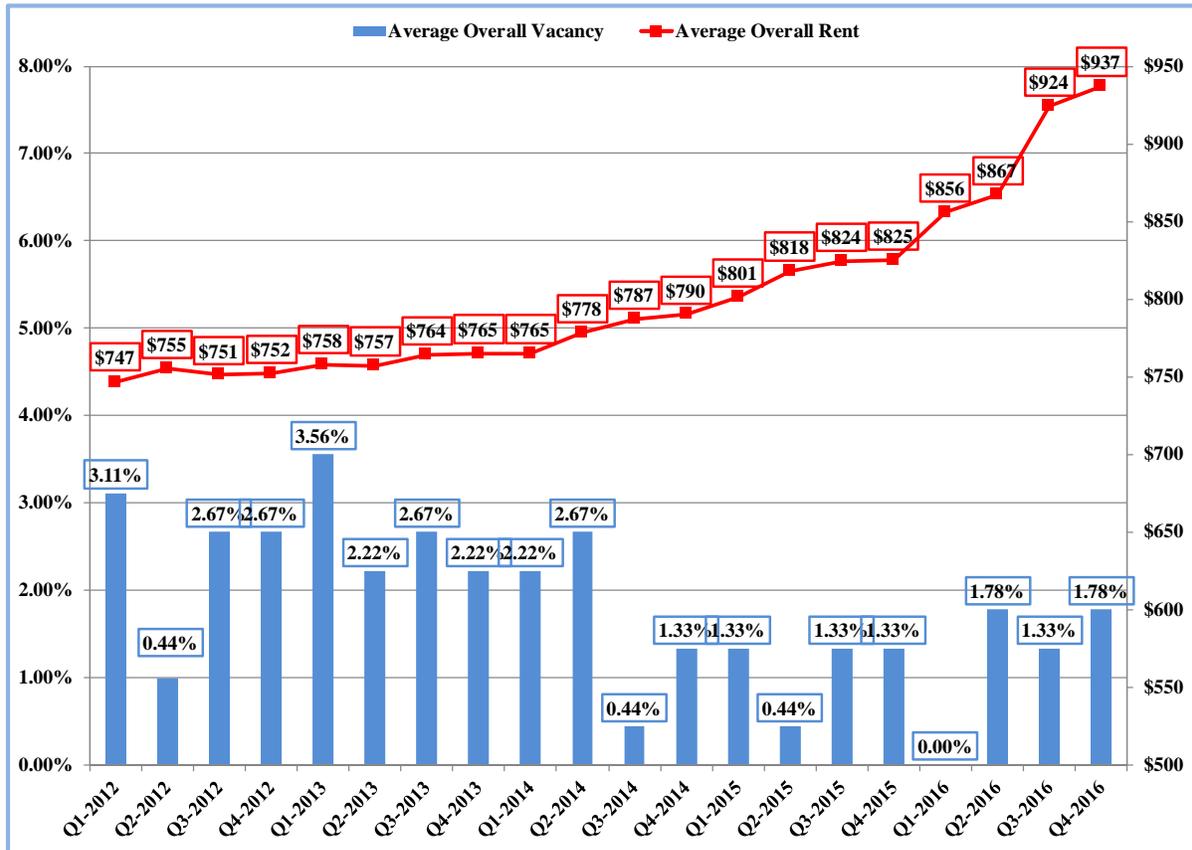


**East Sparks Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th 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	\$1,190 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.24 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.72%
Number of Projects Offering Concessions As Of Date Surveyed	1 Project



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

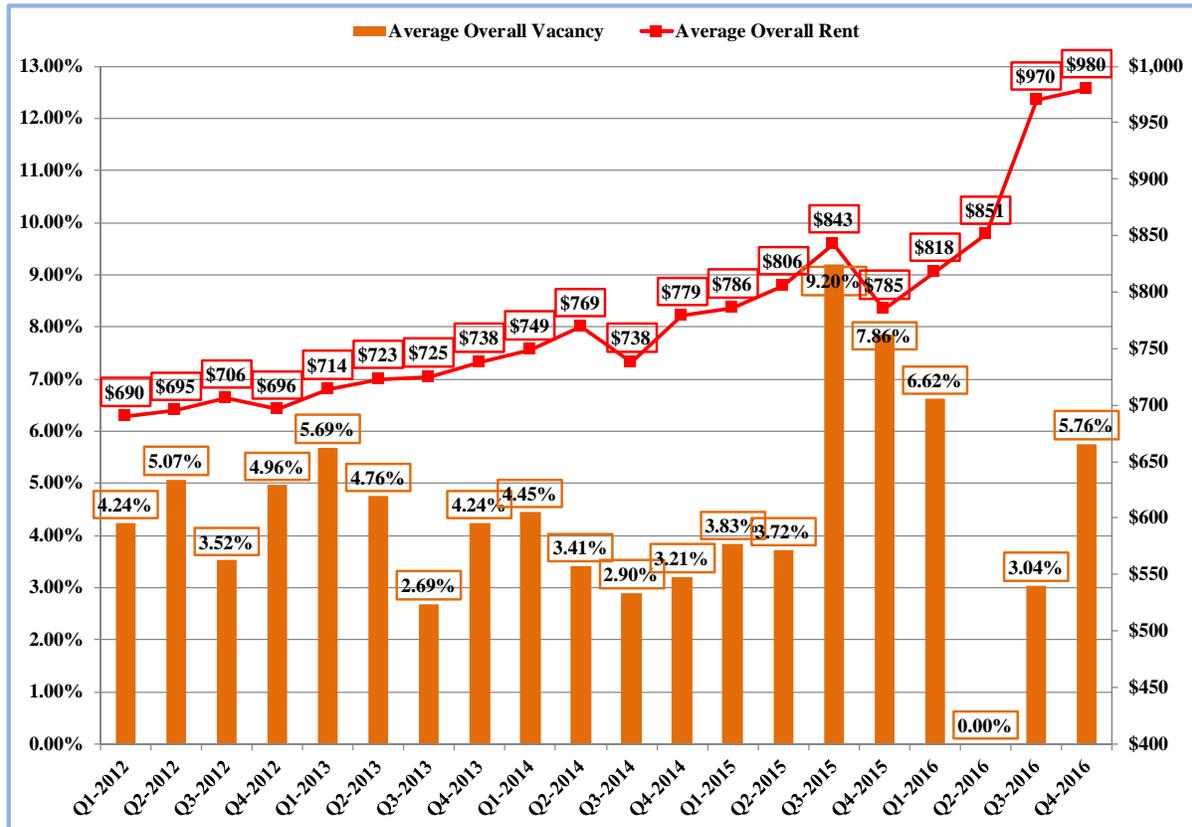


**West Reno Submarket Averages
(Based Upon Units Surveyed)**

Category	4 th Quarter 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	\$937 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.08 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.78%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



AREA 6-SOUTHWEST RENO AVERAGE RENT & VACANCY DATA

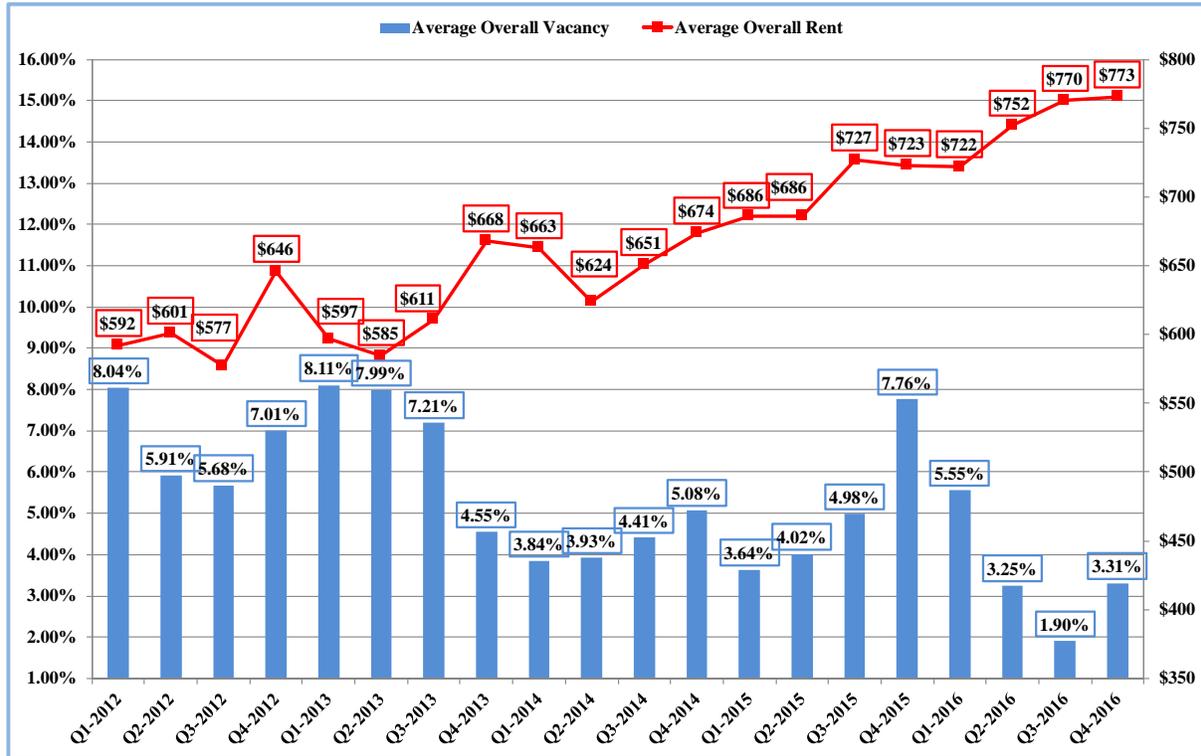


Southwest Reno Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 2016 Data
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	\$980 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.17 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	5.76%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



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

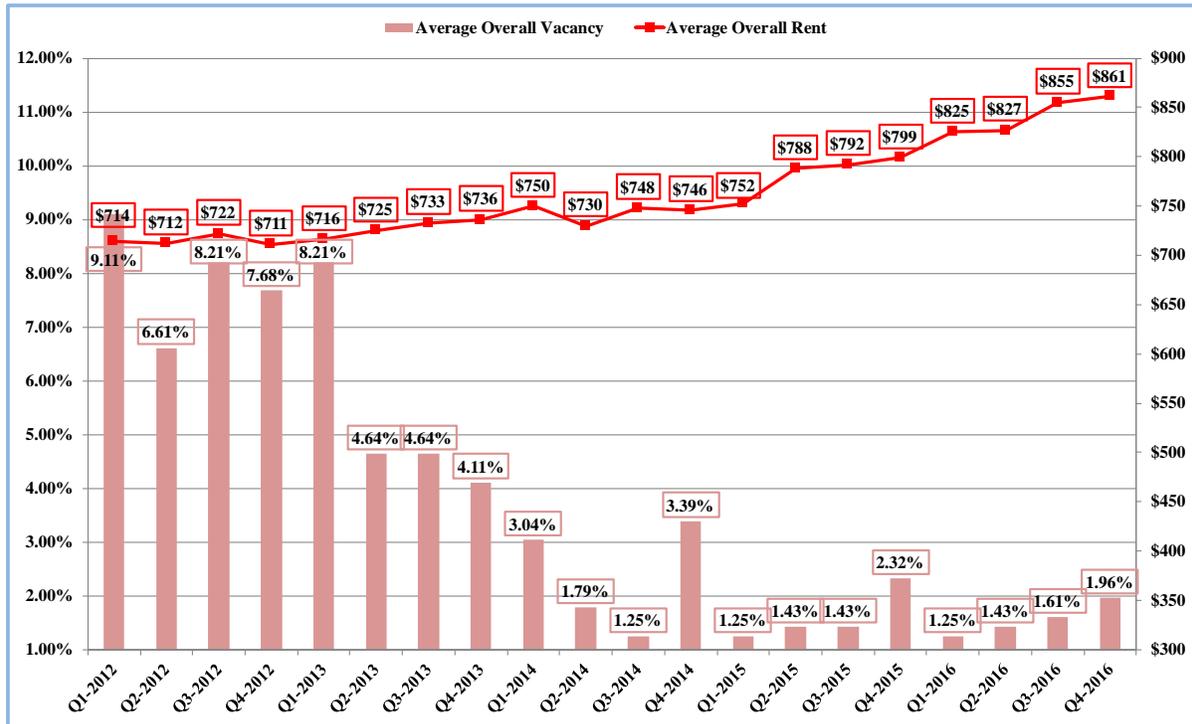


**Brinkby/Grove Area Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Data
Total Projects Surveyed	7 Projects
Total Units Surveyed	1,209 Units
Average Square Feet Per Unit Surveyed	803± Square Feet
Average Rent For Units Surveyed	\$773 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.96 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	3.31%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



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

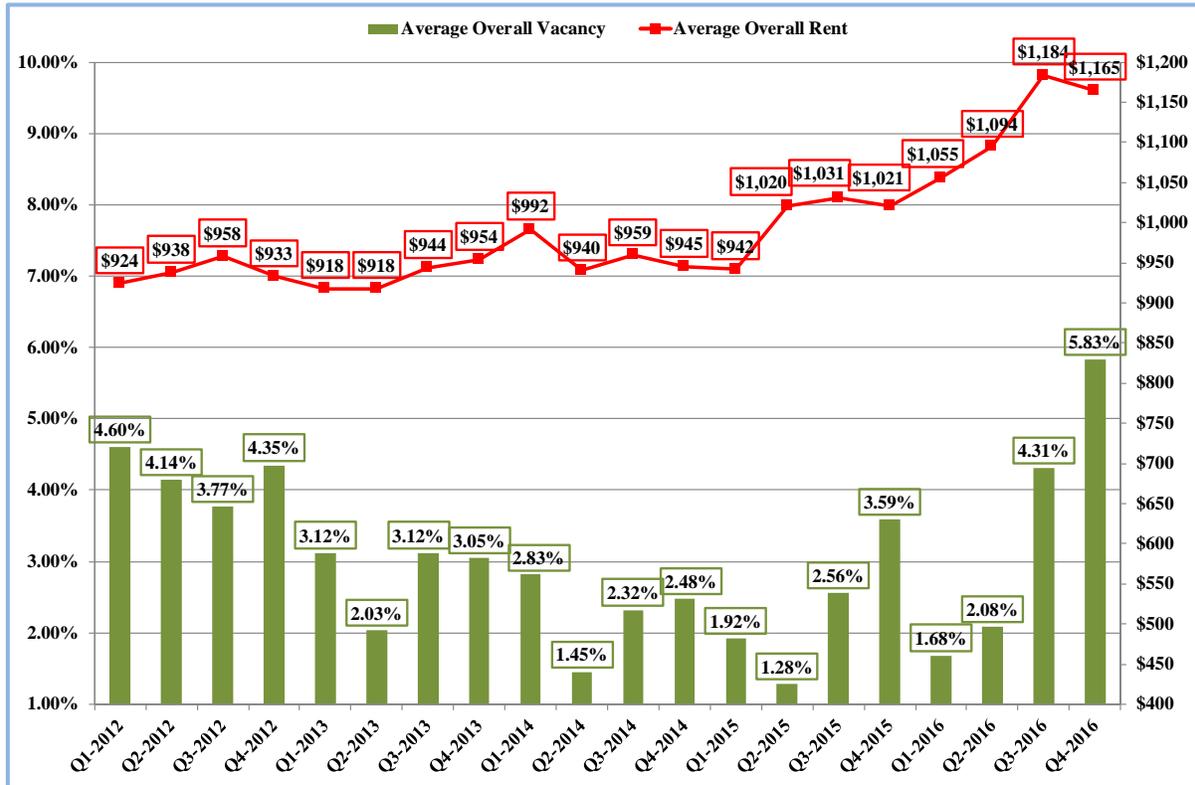


**Airport Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th 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	\$861 Per Month
Average Rent Per Square Foot For Units Surveyed	\$0.99 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	1.96%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



AREA 9-LAKERIDGE AVERAGE RENT & VACANCY DATA

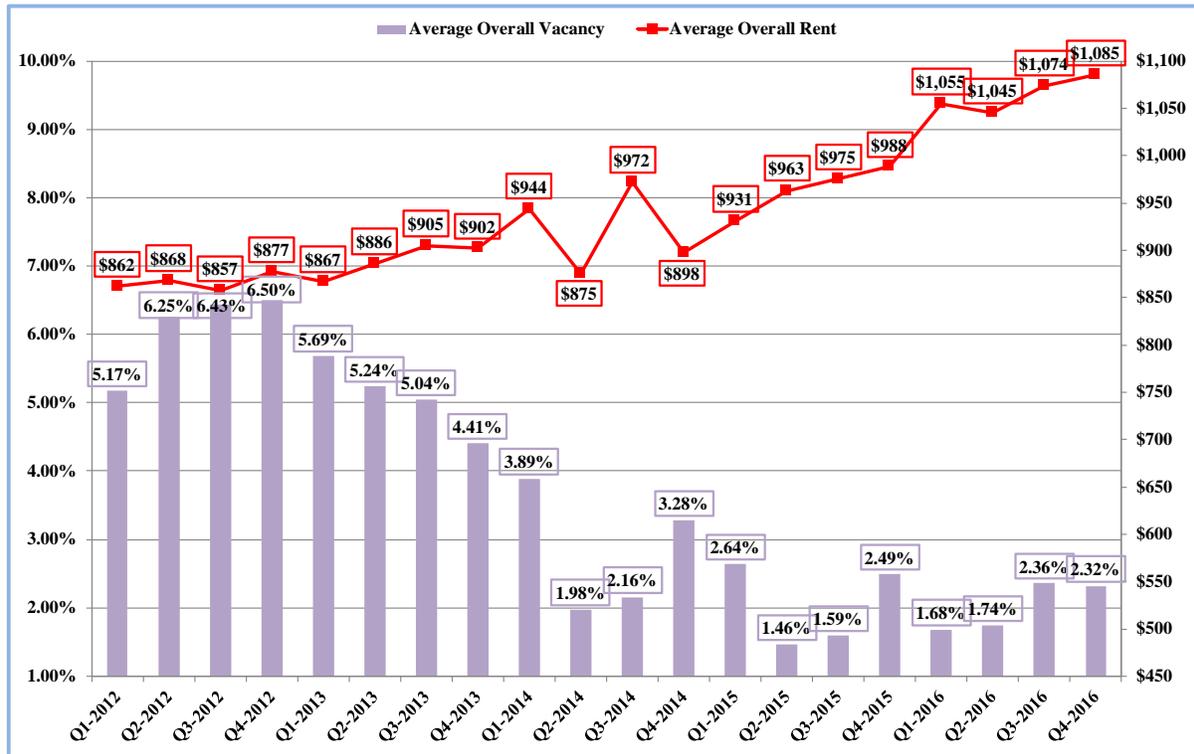


Lakeridge Submarket Averages (Based Upon Units Surveyed)

Category	4 th Quarter 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	\$1,165 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.26 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	5.83%
Number of Projects Offering Concessions As Of Date Surveyed	0 Projects



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

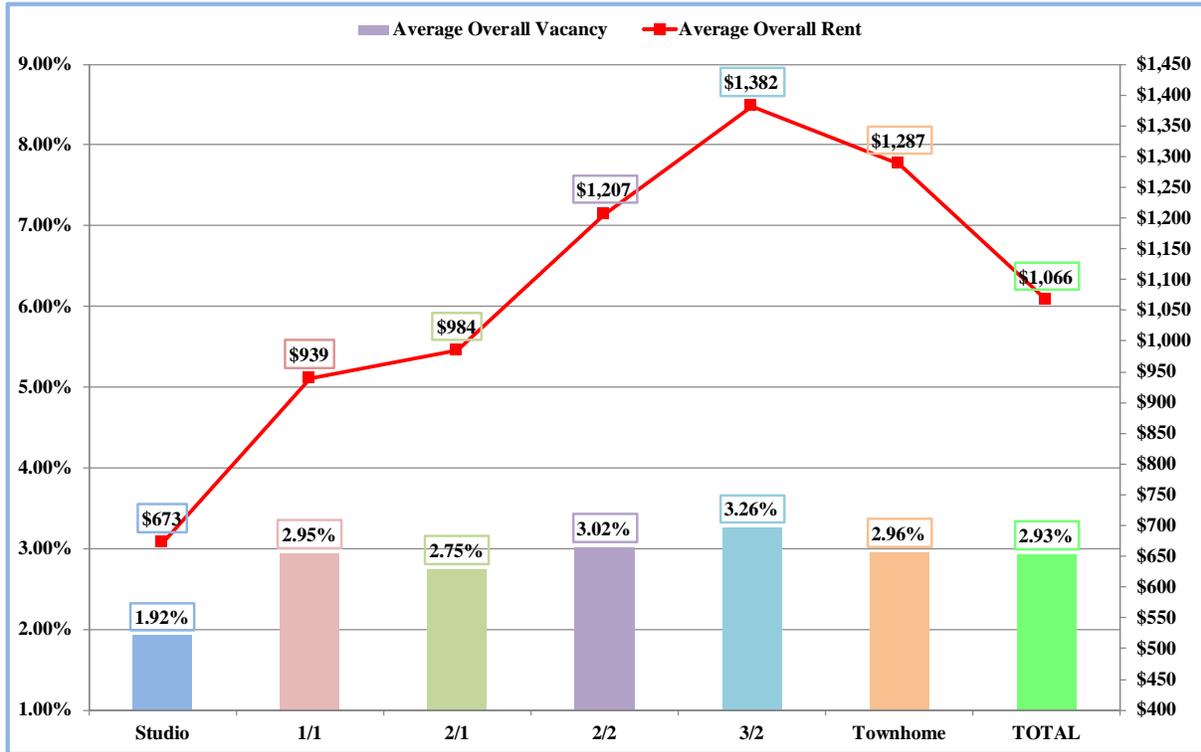


**Southeast Reno Submarket Averages
 (Based Upon Units Surveyed)**

Category	4 th Quarter 2016 Data
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	\$1,085 Per Month
Average Rent Per Square Foot For Units Surveyed	\$1.23 Per Square Foot
Average Overall Vacancy Rate For Units Surveyed	2.32%
Number of Projects Offering Concessions As Of Date Surveyed	2 Projects



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

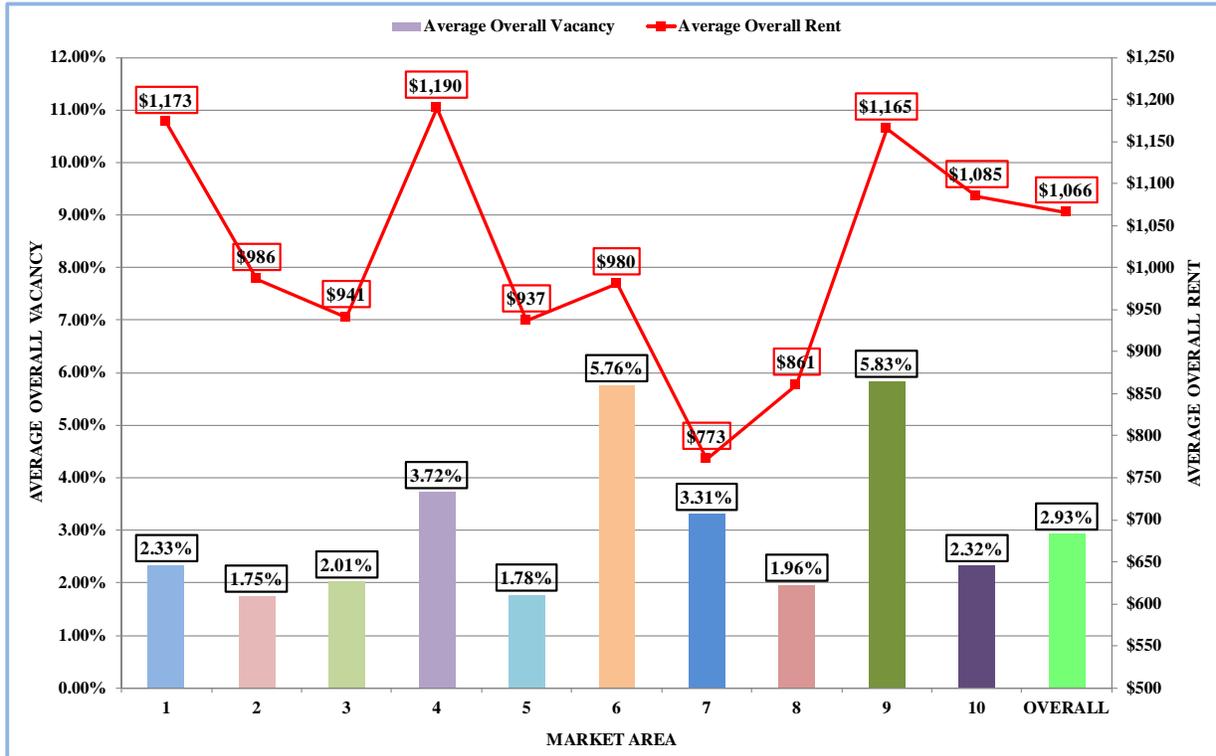


**Data By Unit Type
 (Based Upon Units Surveyed)**

	STUDIOS	1 BED/ 1 BATH	2 BED/ 1 BATH	2 BED/ 2 BATH	3 BED/ 2 BATH	TOWNHOMES	TOTALS
Average SF-By Unit Type	405 SF	722 SF	862 SF	1,043 SF	1,273 SF	1,298 SF	890 SF
Average Rent-By Unit Type	\$673	\$939	\$984	\$1,207	\$1,382	\$1,287	\$1,066
Average Rent/SF-By Unit Type	\$1.66	\$1.30	\$1.14	\$1.16	\$1.09	\$0.99	\$1.20
Indicated Vacancy Rate-By Unit Type	1.92%	2.95%	2.75%	3.02%	3.26%	2.96%	2.93%



SUMMARY BY MARKET AREA AVERAGE RENT & VACANCY DATA

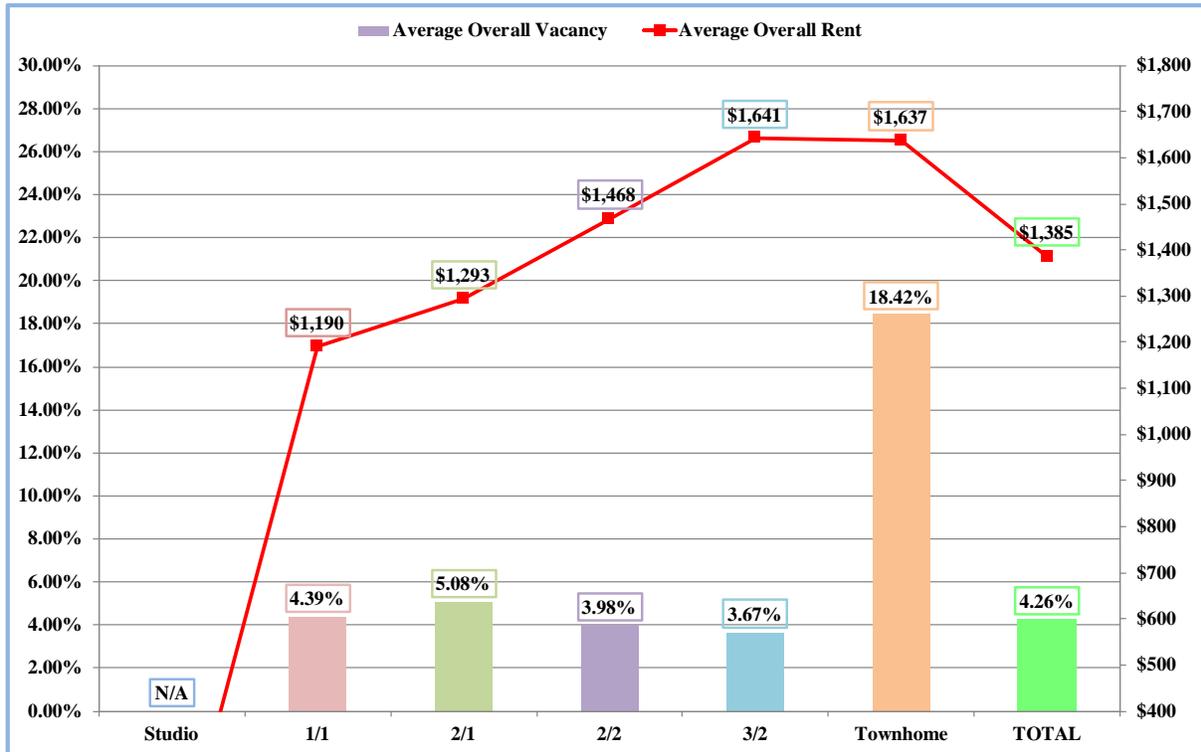


**Data By Market Area
(Based Upon Units Surveyed)**

Area	Sub-Market	Average Rent 4 th Qtr. 2016	Average Vacancy 4 th Qtr. 2016
1	Northwest Reno	\$1,173	2.33%
2	Northeast Reno	\$986	1.75%
3	W. Sparks/N. Valley	\$941	2.01%
4	East Sparks	\$1,190	3.72%
5	West Reno	\$937	1.78%
6	Southwest Reno	\$980	5.76%
7	Brinkby/Grove	\$773	3.31%
8	Airport	\$861	1.96%
9	Lakeridge	\$1,165	5.83%
10	Southeast Reno	\$1,085	2.32%
Overall Reno-Sparks		\$1,066	2.93%



15 PROPERTIES WITH THE HIGHEST AVERAGE RENTS
AVERAGE RENT & VACANCY DATA—SUMMARY BY UNIT TYPE



Data By Unit Type
(Based Upon 15 Properties With The Highest Average Rents)

	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	1,481 Units	197 Units	2,360 Units	409 Units	38 Units	4,485 Units
Average SF-By Unit Type	N/A	799 SF	886 SF	1,146 SF	1,429 SF	1,264 SF	1,047 SF
Average Rent-By Unit Type	N/A	\$1,190	\$1,293	\$1,468	\$1,641	\$1,637	\$1,385
Average Rent/SF-By Unit Type	N/A	\$1.49	\$1.46	\$1.28	\$1.15	\$1.30	\$1.32
Indicated Vacancy Rate-By Unit Type	N/A	4.39%	5.08%	3.98%	3.67%	18.42%	4.26%



SUMMARY OF MAJOR APARTMENT PROJECT SALES IN 2016

2016 Sales of Market Rate Projects Over 100 Units					
Project Name	Submarket	Recording Date	Sale Price	# of Units	Sale Price Per Unit
Bristol Bay	East Sparks (Area 4)	2/4/2016	\$35,450,000	264	\$134,280
Willowbrook	Southwest Reno (Area 6)	6/14/2016	\$14,748,000	184	\$80,152
Resort at Tanamera	Southeast Reno (Area 10)	6/17/2016	\$18,000,000	103	\$174,757
Lakeridge East*	Lakeridge (Area 9)	7/15/2016	\$42,562,000	310	\$137,297
Alder Creek Villas	Airport (Area 8)	7/20/2016	\$12,500,000	213	\$58,685
Reflections at the Marina	East Sparks (Area 4)	8/31/2016	\$25,350,000	240	\$105,625
Marina Gardens	East Sparks (Area 4)	9/26/2016	\$14,250,000	200	\$71,250
The Park at Idlewild	West Reno (Area 5)	10/13/2016	\$10,250,000	113	\$90,708
Hidden Oaks Village**	West Sparks (Area 3)	11/2/2016	\$9,150,000	112	\$81,696
The Lodge at McCarran Ranch	Lakeridge (Area 9)	11/18/2016	\$21,500,000	176	\$122,159
Marina Village	East Sparks (Area 4)	12/15/2016	\$35,000,000	240	\$145,833
Skyline Canyon	Lakeridge (Area 9)	12/15/2016	\$28,500,000	204	\$139,706
1100 Place Apartments	West Sparks (Area 3)	12/22/2016	\$15,500,000	230	\$67,391

*Lakeridge East was an REO Sale to Private Party.
 **Hidden Oaks was an affordable project at the time of sale, but the new owners are converting it to a market rate project.

The chart above depicts the major market rate apartment project sales in the Reno-Sparks Market (over 100 units) in 2016.



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	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 Leaf 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
Stonegate Apartments	Meadowood Apartments
The Bungalows at Sky Vista	Rosewood Park
The Village at Wildcreek	The Alexander at South Virginia
Canyon Vista Apartments	The Element
Caviata at Kiley Ranch	The Enclave
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	Woodside Village
Reflections at the Marina	