NEVADA HOUSING DIVISION

NHD APARTMENT FACTS

Second Quarter 2005

Greater Las Vegas Valley
Greater Reno/Sparks Area
Rural Nevada

Final Report

2nd Quarter 2005
Point-In-Time Apartment Survey
Section I -- Greater Las Vegas Valley
Section II -- Greater Reno/Sparks Area
Section III -- Rural Nevada
Section IV -- Group Homes/Assisted Living Facilities in Nevada

NHD Apartment Facts

Prepared by:

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
Sydney H. Wickliffe, Director

HOUSING DIVISION
Charles L. Horsey, Administrator

Southern Nevada Office
1771 East Flamingo Road, Suite 103-B
Las Vegas, Nevada 89119
Tel. (702) 486-7220
Fax. (702) 486-7227
E-mail: lvdeputy@nvhousing.state.nv.us

Northern Nevada Office
1802 North Carson Street, Suite 154
Carson City, Nevada 89701
Tel. (775) 687-4258
Tel. (800) 227-4960
Fax. (775) 687-4040
E-mail: nhd@nvhousing.state.nv.us

Web Site:
www.nvhousing.state.nv.us

NHD Apartment Facts is an annual report published by the Nevada Housing Division, free of taxpayer expense, and as a service to our partners in providing affordable housing.

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

From The Administrator

Charles L. Horsey

NHD's Annual Multi-Family Survey

It is with great pleasure that the Housing Division is presenting its findings for the second quarter 2005 multi-family housing survey.

Research through mail questionnaires and telephone interviews help the Division each year to systematically identify and compare for analysis the multi-family housing market in the Greater Las Vegas Valley, the Greater Reno/Sparks Area, and, for our first year, a sampling of multi-family housing available in rural Nevada.

The survey information has proven to be invaluable in the Division's decision making process in the planning and financing of apartment complexes throughout the State.

Through the surveys, the Division is able to evaluate the effectiveness of its financings and to identify housing gaps for serving the housing needs of targeted and special-needs populations.

To date, the Division has financed more than 27,000 multi-family units statewide. Many of the Division's financed units are targeted for the 55+ age group and for those populations with special needs.

Of continued importance, however, is the Division's commitment in providing affordable housing to its low-to moderate-income citizenry. Southern Nevada has become one of the major condominium conversion markets in the country. More than 11,000 multi-family units included in the 2004 *NHD's Apartment Facts* database have now been converted to condominiums. This has resulted in the tightening of Southern Nevada's rental housing market; and, in many cases, rental housing is simply out of reach for many families seeking affordable rental housing.

"More than 11,000 multi-family units included in the 2004 NHD Apartment Facts database have now been converted to condominiums."

Through the Division's Multi-Family Programs (the bond, Low Income Housing Tax Credit, and HOME/Low Income Housing Trust Fund), and with the assistance of the Division's supportive multi-family housing developers, many affordable rental residential units are being made available annually, statewide. I'm proud to say that the Division is a major player in our State's multi-family development; the Division will strive to continuously meet Nevada's growing affordable housing challenge.

Charles L. Horsey

The Survey

Goals and Objectives

The Division's goals for the *NHD Apartment Facts* report is to assist governmental planners and multifamily market place participants in their short-term and long-range planning processes.

The Division, through this data collection, documents new multi-family units and tracks vacancies and rental rates for existing multi-family housing units in the Greater Las Vegas Valley, the Greater Reno/ Sparks Area, and for communities in rural Nevada.

The primary reasons the Housing Division continues this task are to:

1. Create a comprehensive database of rental properties;
2. Give interested parties planning tools to target funding; and
3. Create long-range, monitoring devices to identify emerging and changing trends in the rental property market.

Methodology

The scope of work used in this study consisted of the following tasks:

Design and administration of a mail survey to all identified apartment projects in the Greater Las Vegas Valley, the Greater Reno/Sparks Area, and rural Nevada.

Follow-up data collection by a telephone interview, for those apartment complexes that did not respond to the mail survey.

Implementation of the collection of primary housing data. Data collected was focused on specific housing related questions:

1. total number of housing units in the multi-family housing complex,
2. address of the property,
3. year property built,
4. number of vacancies,
5. number of vacancies by apartment type,
6. breakdown of total housing units by unit sizes,
7. rental rates (low to high range) for unit sizes,
8. percentage of apartment units rented to the 55+ age group,
9. location of housing for the 55+ age group,
10. special needs assessment of persons residing in group homes and assisted living complexes,
11. rental rates of group homes and assisted living housing,
12. location of new multi-family development,
13. housing density of multi-family development, and
14. assessment of housing for the special needs population.

Analysis of data collected through the mail survey and telephone interviews. A final report prepared outlining in table and graph formats findings of the survey.

Data:

All data is based upon primary data collection of the Housing Division. From this data collection, 869 apartment complexes were identified in the Greater Las Vegas Valley representing 147,689 apartment units validated for the database.

In the Greater Reno/Sparks Area, 240 apartment complexes were identified representing 28,497 apartment units validated for the database.

For rural Nevada, 26 apartment complexes were included in the sample representing 2,355 apartment units validated for the database.

Survey data analysis is based upon a 98% response rate for the Greater Las Vegas Valley, a 92% response rate for the Greater Reno/Sparks Area, and a 53% response rate for rural Nevada.[1]

All data for the multi-family analysis is based upon market rate rents; subsidized and public housing rental properties are not included.

[1]Response rate is based upon response rate of unit count and not response rate of apartment complexes. Typically, larger complexes, representing more apartment units, have a sophisticated management structure, have on-site management, and, therefore, are more likely to respond to questionnaires.

Section I

Greater Las Vegas Valley

Key Points

Key findings from the 2nd Quarter 2005 survey reflect the following:

1. The two-bedroom size apartments continue to remain the most popular unit type.
2. The two-bedroom size apartments comprise 48% of the identified multi-family housing units.
3. The average apartment complex shows an increase in size, averaging over 230 units per apartment since 1985.
4. Data reflects an overall vacancy rate of 3.4%, a –1.9% change in vacancy rate from the 2004 point-in-time survey data.
5. Four-bedroom size units reflect the highest vacancy rates.
6. Nearly 8% of the Greater Las Vegas Valley's multi-family housing inventory has been converted to condominiums.
7. Vacancy rates are higher in older areas of the Valley and in areas where newer projects are concentrated.
8. Five zip codes, located in the central part of the Valley, house nearly 1/3 of all multi-family units.
9. Most all of the 2005's multi-family construction has occurred in the outlying areas of the Valley.
10. Since 2000, data reflects a downward trend of multi-family construction.
11. Since 2000, construction rate of the three-bedroom size units has decreased.
12. The second quarter 2005 mean rental rates show higher increases than seen in 2004, for all size units.
13. The greatest rental rate change since 2004 occurred in the one– and two-bedroom size apartments with over a 5% increase in rental rates.
14. The Greater Las Vegas Valley shows the highest rental rates of all rental housing throughout the state, see Table 23 under rural Nevada.
15. Affordable rents[1] for studio, one, two and three-bedroom size units are 13% to 28% lower than market rents for comparable configuration.
16. Only one zip code in 45 surveyed showed more than a 10% vacancy rate.
17. The one-bedroom size unit continues to be the most popular size unit for the 55+ age group, with 49% of this age group selecting this size unit.
18. Nearly 60% percent of multi-family units produced house the 55+ age group has been built since 1990.
19. Five zip code areas house the majority (>50%) of the 55+ age group who rent.
20. The zip codes that house most of the 55+ age group who rent are areas close to shopping, medical services, public transportation, and gaming.
21. Vacancy rates for those apartments that house the 55+ age group total 3.74% in 2005, versus a 7.12% vacancy rate from the 2004 point-in-time survey data.
22. The lowest monthly rental rate for senior housing (55+ population) is located in the City of Las Vegas' downtown area and in the older sections in the City of North Las Vegas.
23. Basic minimum monthly ADL rental rates, excluding health-care assistance, for assisted-living apartment units range from $2,291 a month for studio units up to $3,742 a month for the two-bedroom size.
24. The mean monthly rental rate for beds located in assisted living facilities range from $1,602 a month for a base minimum charge up to an average of $3,177 for dementia/Alzheimer's clients. This is a base amount with each additional level of care increasing the cost $300 per month; facilities normally provide from one up to four levels of care before transferring the client to skilled nursing.
25. In assisted living facilities, the vacancy rate for facilities with 18+ beds is 9.44%; for group homes with three to 10 beds, the vacancy rate is 22.45%.

> "Nearly 8% of Southern Nevada's multi-family housing inventory has been converted to condominiums."

[1] Affordable rents are those rents provided to individuals or families in which 1/3 of those families' income is 60% or less of area median income.

Distribution of Apartments by Type of Unit

The split of unit types shows that the two-bedroom size remains the most popular type and reflects a consistent trend of comprising nearly half of NHD's identified apartment units in the Greater Las Vegas Valley.

TABLE 1
Number of Apartments byType of Unit
June 1997-2005

	Total Units	SRO[2]	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
June 1997	121,509	na	9,314	44,754	57,481	9,804	156
June 1998	131,754	na	8,837	49,180	62,515	11,044	156
June 1999	143,163	na	10,173	52,395	67,808	12,526	261
June 2000	148,904	989	8,625	54,063	71,197	13,772	258
June 2001	151,582	1,474	7,509	55,548	72,784	14,009	258
June 2002	160,083	1,459	8,804	56,920	76,996	15,633	271
June 2003	158,433	1,653	9,155	55,198	76,255	15,892	280
June 2004	156,404[1]	1,360	9,693	53,781	75,703	15,589	278
June 2005	147,689[1]	1,224	8,819	52,279	70,651	14,305	411

[1] Due to demolitions, conversion to condominiums, and refusal to participate in survey total units in database is less.
[2] Single Room Occupancy.

Database

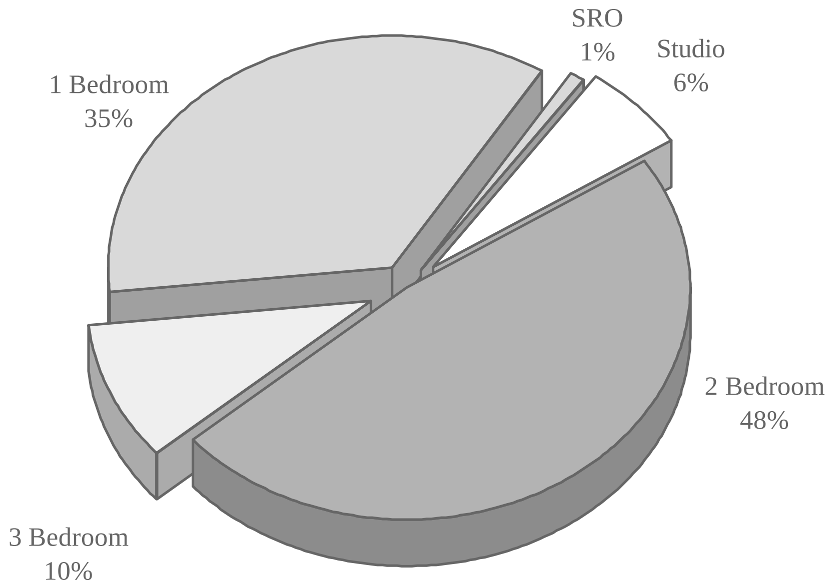
	June 2005	June 2004
Total # of apartment complexes identified	869	866
Total # of apartment units identified	166,815	165,649
# of units identified to be demolished	2,414	346
# of units identified converted from apartment rental units to condominiums	11,780	3,800
# of units identified as special needs	827	322
# of identified rental units where there was no response, or owners and/or managers refused to participate	2,885	3,081
# of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office	768	404
# of rental units identified as under construction with targeted completion dates later in year	452	1,244
Total # of rental units validated for database	147,689	156,404[3]

[3]Forty-eight units in 2004 were identified as sold or could not locate owner and/or manager. This category of sold or could not locate was not included in the 2005 database.

Distribution of Apartments by Type of Unit

Graph 1 shows nearly one-half of the multi-family housing inventory is two-bedroom in size. The single room occupancy (SRO) and the four-bedroom size units maintain the lowest percentage of unit type.

GRAPH 1
Distribution of Apartment Units by Size
June 2005

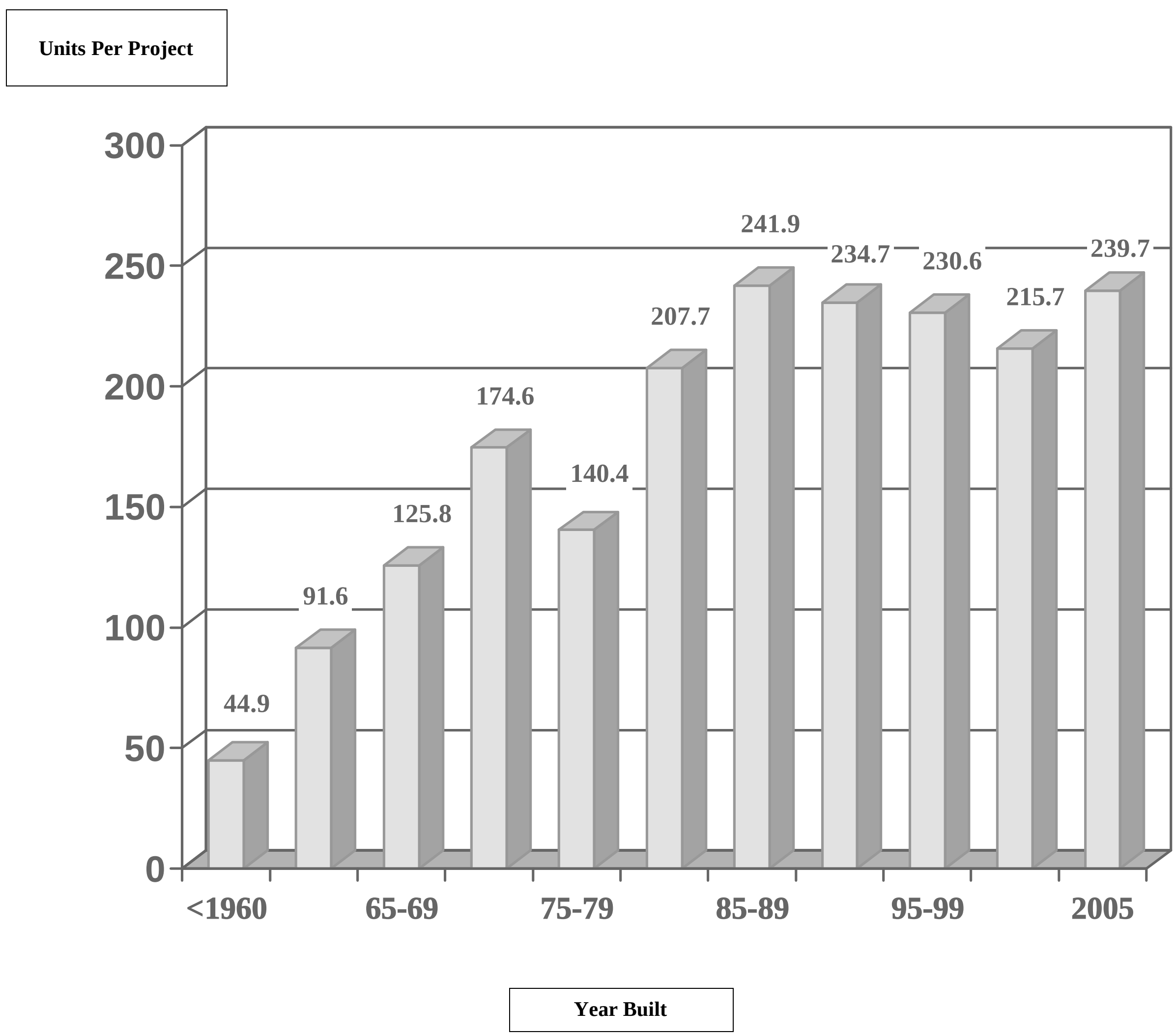


Note: Four-Bedroom size units represent less than 1% of the total number of apartment units in the Greater Las Vegas Valley; therefore, that number is not shown in Graph 1.

Growth in Average Apartment Project Size

The average apartment complex size has shown a continuous increase for the Greater Las Vegas Valley. Data reflects the development of apartment complexes that consists of more than 200 units per complex beginning in the early 1980's. The trend in apartment developments show projects being developed that average 230 to 240 residential units.

GRAPH 2
Average Apartment Project Size by 5-year Increments
<1960 to 2005



Vacancy Rates

The vacancy rates in the Division's second quarter 2005 survey reflect a decrease for the Greater Las Vegas Valley. The 2005 data shows a vacancy rate of 3.4%, a -1.9% change from the second quarter 2004 point-in-time survey data. (See Note 1 below.)

TABLE 2
Vacancy Rates
(Data by Year Project was Built)

Date Units Built	2nd Qtr. 2005 # Responding to vacancy question Projects	Units	2nd Qtr. 2005 # of Reported Vacant Units	Vacancy Rate 6/30/05	Vacancy Rate 6/30/04	Vacancy Rate 6/30/03	Vacancy Rate 6/30/02	Vacancy Rate* 6/30/01	Vacancy Rate 6/30/00	Vacancy Rate* 6/30/99	Vacancy Rate 6/30/98	Vacancy Rate 6/30/97
2005 only	**7**	**1,678**	**		**	**na**	**na**	**na**	**na**	**na**	**na**	**na**
2004 only	**19**	**3,510**	**		**	**	**	**na**	**na**	**na**	**na**	**na**
2000-2003	74	16,524	607	3.7%	7.1%	8.1%	na	na	na	na	na	na
1995-1999 16,360	126	28,883	693	2.4%	4.7%	6.6%	6.8%	5.0%	4.5%	5.7%	na	na
1990-1994	87	19,495	556	2.8%	3.4%	7.8%	5.7%	4.1%	4.6%	4.2%	5.6%	6.6%
1985-1989 38,95838,065	134	31,882	1,066	3.3%	5.0%	7.9%	6.5%	4.0%	4.6%	4.2%	6.0%	4.6%
1980-1984	77	16,029	553	3.4%	5.4%	7.0%	6.8%	5.8%	4.7%	5.0%	5.8%	4.7%
1975-1979 12,29512,455	82	11,443	381	3.3%	4.7%	8.6%	7.0%	5.3%	5.6%	4.6%	6.4%	5.0%
1970-1974	45	7,455	369	4.9%	7.2%	9.6%	7.2%	5.8%	5.4%	7.5%	6.2%	8.4%
Pre-1970	109	8,920	449	5.0%	8.3%	7.6%	7.3%	5.0%	4.6%	4.5%	5.3%	4.2%
Date unknown	32	1,238	127	10.2%	.06%	16.8%	12.0%	9.5%	7.4%	5.0%	5.9%	na
	766	141,869	4,801	3.4%	5.3%	7.6%	6.9%	4.9%	4.9%	4.8%	5.8%	5.9%

Note 1: The definition of natural turnover for apartments with more than 100 units is considered to be 3.5% to 4.0%. Market places average vacancies of less than 3.5% are susceptible to inflationary pressures on rental rates.
*Vacancy data is derived from a 93.1% survey response rate to the specific vacancy rate question.
** 2005 units are under construction or in first phase of renting. 2004 data is not included in determining the Valley's overall vacancy rate as rent-up time is allowed prior to determining vacancy rates of the Greater Las Vegas Valley.
na - not applicable.

Vacancy Rates

Table 3 reflects that in the Greater Las Vegas Valley, the four-bedroom size apartments experience the highest vacancy rate, with the single room occupancy and one-bedroom size units experiencing the lowest rates. The one- and two-bedroom size units provide the highest number of residential units available to rent.

TABLE 3
Reported Vacancies by Type of Unit
for All Reporting Apartment Complexes
2005

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	1,224	35	2.8%
Studio Apartments	6,317	213	3.4%
1-Bedroom Size Apartments	34,766	901	2.6%
2-Bedroom Size Apartments	46,004	1,389	3.0%
3-Bedroom Size Apartments	9,168	343	3.7%
4-Bedroom Size Apartments	381	30	7.9%

[1]Number of units in sample was derived from the responses of apartment complexes that provided a breakdown of number of vacancies by apartment type.

Housing Units and Vacancy Rate by Zip Code

Zip Code	Total Number of Apartment Units in Zip Code Area 6/30/05	Vacancy Rate (%) By Zip Code Area for those Apartment Units Reporting Vacancies 6/30/05	Vacancy Rate (%) By Zip Code Area for those Apartment Units Reporting Vacancies 6/30/04	Vacancy Rate (%) By Zip Code Area for those Apartment Units Reporting Vacancies 6/30/03
89005	151	0.0%	2.1%	5.2%
89012	3,188	2.4%	4.8%	7.7%
89014	7,421	3.4%	4.4%	7.9%
89015	2,666	2.5%	4.2%	6.1%
89030	2,212	7.5%	8.3%	9.1%
89031	1,083	2.8%	2.5%	4.3%
89032	1,390	5.5%	17.5%	16.9%
89036	248	0.0%	2.4%	38.3%
89052	1,924	4.4%	7.0%	11.9%
89074	1,102	2.3%	2.0%	4.8%
89086	272	na	na	na
89101	6,526	3.4%	6.2%	7.5%
89102	8,742	3.4%	4.7%	6.8%
89103	9,558	2.6%	5.1%	6.3%
89104	4,981	3.1%	6.6%	9.2%
89106	3,181	7.3%	5.6%	11.7%
89107	2,989	3.2%	5.3%	7.0%
89108	6,625	2.6%	4.9%	6.2%
89109	10,838	4.1%	5.8%	9.5%
89110	3,147	2.5%	2.6%	5.2%
89113	721	0.0%	5.0%	5.5%
89115	5,925	3.1%	5.9%	9.6%
89117	9,210	2.1%	3.0%	4.9%
89118	2,573	2.2%	5.0%	5.8%
89119	11,508	2.0%	5.3%	7.9%
89120	1,826	2.0%	1.4%	8.3%
89121	7,670	3.8%	5.1%	9.2%
89122	3,709	4.4%	4.0%	7.0%
89123	5,784	2.4%	6.3%	5.9%
89128	3,114	3.8%	6.6%	6.3%
89129	2,218	2.9%	6.8%	9.9%
89130	896	2.4%	2.0%	1.9%
89131	272	1.8%	3.3%	2.9%
89134	288	10.4%	na	na
89135	849	3.1%	5.2%	1.0%
89139	1,038	4.7%	2.8%	na
89141	340	7.6%	na	na
89142	1,646	3.6%	2.1%	5.1%
89144	448	3.9%	4.7%	5.5%
89145	548	4.2%	7.5%	10.9%
89146	2,972	3.5%	5.4%	6.5%
89147	3,344	3.2%	6.3%	10.1%
89148	1,616	5.5%	5.6%	na
89149	274	NA	na	na
89156	656	2.1%	5.9%	9.4%
Total Units	147,689			

TABLE 4

Total Number of Housing Units and Vacancy Rate by Zip Code

na-not applicable
Units reported for this area are new and are in a rent-up phase.

Distribution of Rental Units by Zip Code

Zip Code	Total Number of Apartment Units in Zip Code Area	Percent	Cumulative
89119	11,508	7.8%	7.8%
89109	10,838	7.3%	15.1%
89103	9,558	6.5%	21.6%
89117	9,210	6.2%	27.8%
89102	8,742	5.9%	33.7%
89121	7,670	5.2%	38.9%
89014	7,421	5.0%	43.9%
89108	6,625	4.5%	48.4%
89101	6,526	4.4%	52.8%
89115	5,925	4.0%	56.8%
89123	5,784	3.9%	60.7%
89104	4,981	3.4%	64.1%
89122	3,709	2.5%	66.6%
89147	3,344	2.3%	68.9%
89012	3,188	2.2%	71.1%
89106	3,181	2.2%	73.3%
89110	3,147	2.1%	75.4%
89128	3,114	2.1%	77.5%
89107	2,989	2.0%	79.5%
89146	2,972	2.0%	81.5%
89015	2,666	1.8%	83.3%
89118	2,573	1.7%	85.0%
89129	2,218	1.5%	86.5%
89030	2,212	1.5%	88.0%
89052	1,924	1.3%	89.3%
89120	1,826	1.2%	90.5%
89142	1,646	1.1%	91.6%
89148	1,616	1.1%	92.7%
89032	1,390	1.0%	93.7%
89074	1,102	.8%	94.5%
89031	1,083	.7%	95.2%
89139	1,038	.7%	95.9%
89130	896	.6%	96.5%
89135	849	.6%	97.1%
89113	721	.5%	97.6%
89156	656	.4%	98.0%
89145	548	.4%	98.4%
89144	448	.3%	98.7%
89141	340	.2%	98.9%
89134	288	.2%	99.1%
89149	274	.2%	99.3%
89086	272	.2%	99.5%
89131	272	.2%	99.7%
89036	248	.2%	99.9%
89005	151	.1%	100.0%
Total	147,689		

TABLE 5

Total Number of Apartment Units by Zip Code

June 2005

A constant trend for the Las Vegas Valley is five Zip Codes housing 1/3 of all multi-family units. (See Map 1)

89119

89109

89103

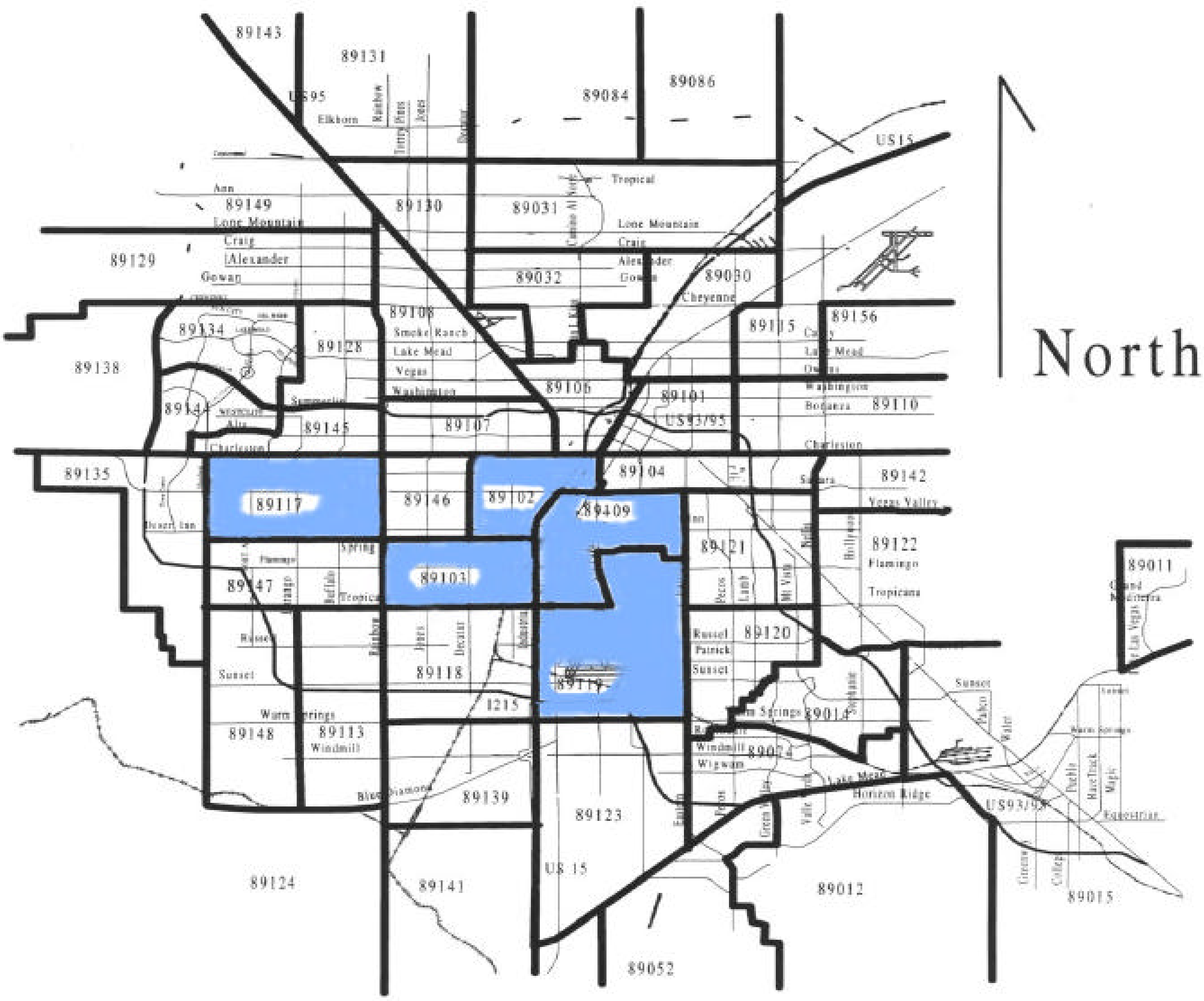
89117

89102

Zip Code Map of the Greater Las Vegas Valley

Nearly one-third of all multi-family housing units are located within five zip codes, 89102, 89103, 89109, 89117, and 89119; these areas of the Valley are centrally located to shopping, medical, education, and gaming facilities.

MAP 1
High Density Zip Code Areas of Multi-Family Housing

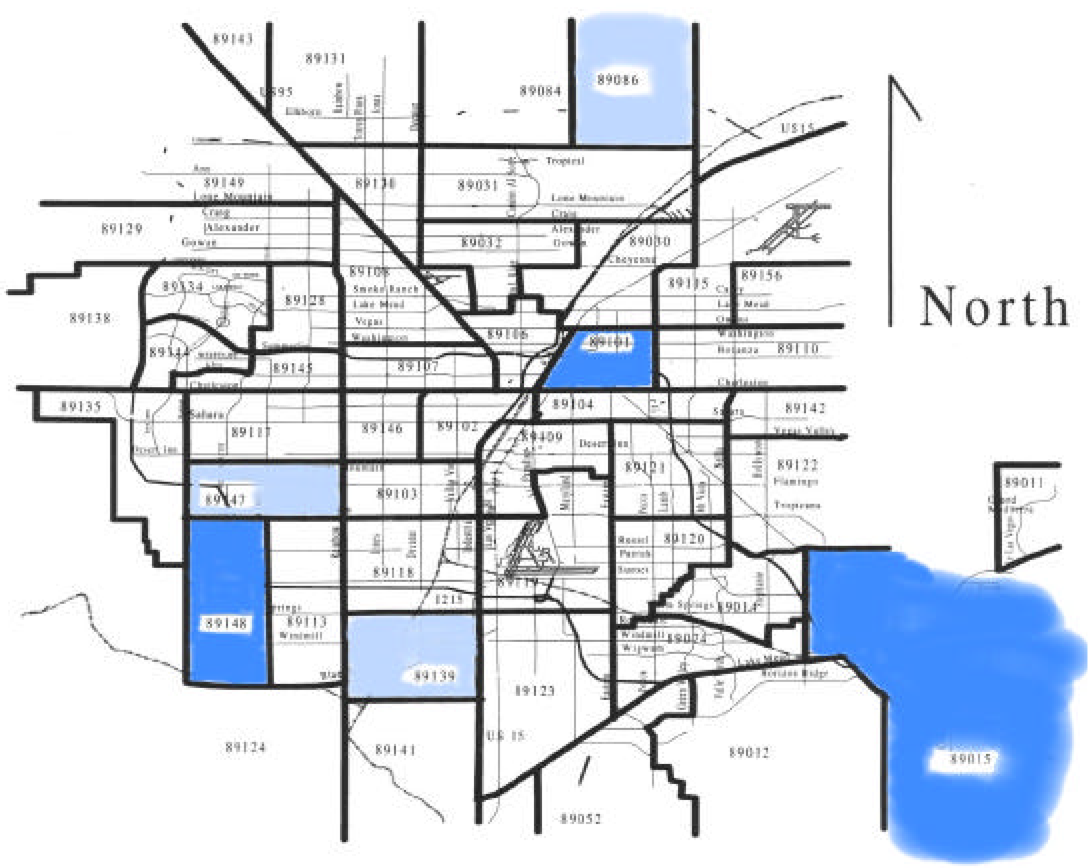


Shaded area denotes multi-family high density area.

Zip Code Map of the Greater Las Vegas Valley

Map 2 clearly shows that areas of new construction are targeted for the outlying areas of the Valley with exception to zip code 89101, the downtown area of Las Vegas, which is undergoing downtown redevelopment with targeted expansion of businesses and high-rise apartments and condominiums.

MAP 2
Highest Geographic Areas of New Construction for Multi-Family Housing
2004 and First 6 Months of 2005



Denotes area with highest new multi-family development during 2005.

Denotes area with highest new multi-family development during 2004.

Growth Zip Codes

In 2004, more than 42% of all new multi-family construction was located in the three zip code areas -- 89015 (the downtown Henderson area), 89101 (downtown Las Vegas), and 89148 (the outskirts of the urban area on the southwest part of the Valley). (See Map 2.) In 2005, two-thirds of all multi-family construction was located in three zip codes -- 89086, 89139, and 89147 (all located in the outlying areas of urbanized development).

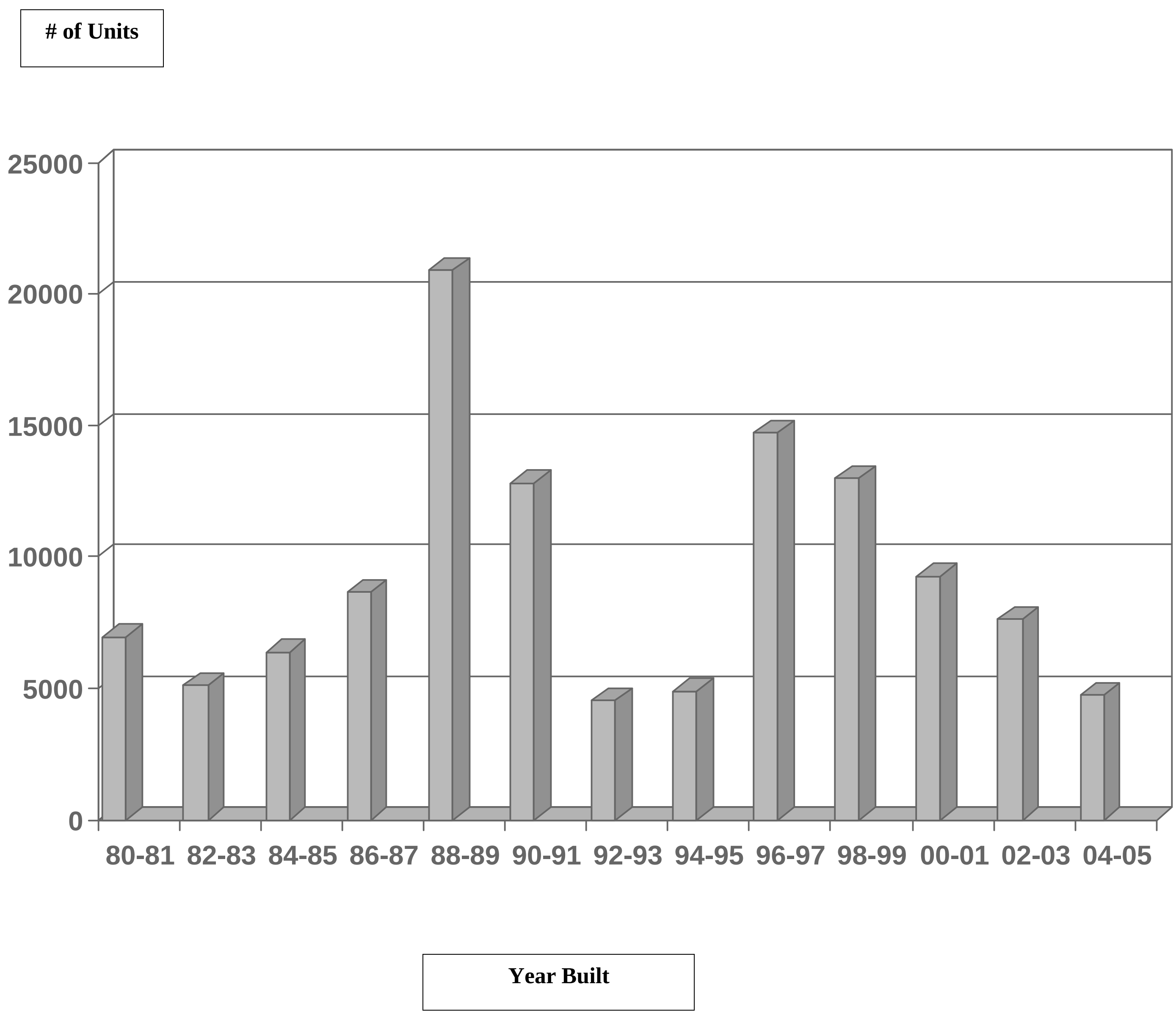
TABLE 6
New Construction of Multi-Family Housing
During 2004 and First 6 Months of 2005

2004			**2005**		
Zip Code	New Units Recorded for Calendar Year 2004	% of new construction	Zip Code	New Units as of 6/30/05	% of new construction
89014	234	7.5%	89014	106	7.9%
89015	546	17.5%	89086	272	20.3%
89032	193	6.2%	89120	115	8.6%
89052	244	7.8%	89139	346	25.8%
89101	400	12.9%	89147	269	20.1%
89106	200	6.4%	89148	231	17.3%
89107	96	3.1%			
89110	64	2.1%			
89115	196	6.3%			
89120	90	2.9%			
89135	195	6.3%			
89148	378	12.2%			
89149	274	8.8%			
Total	3,110	100.0%	Total	1,339	100.0%

Number of Apartment Units By Year Built Since 1980

Years 1988 and 1989 saw the greatest number of new apartment units produced in the Greater Las Vegas Valley. Since 1998, data reflects a continuous downward trend in number of rental multi-family housing units being added to the housing inventory. For the 2004-2005 time period, construction rates are equal to those lower rates of construction experienced from 1982-1983 and from 1992-1995.

GRAPH 3
Multi-Family Units by Year Built Since 1980
1980-2005



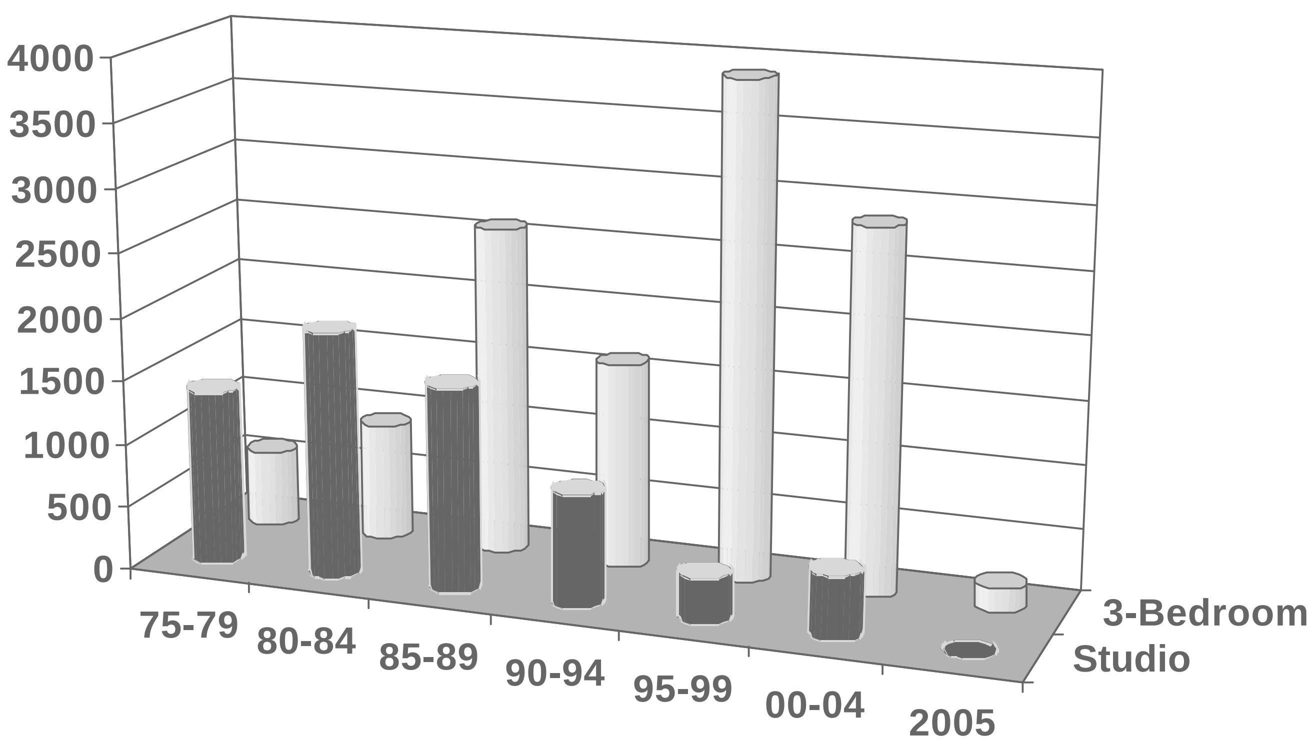
Note: 2004 data represents apartments coming on-line during the first 6 months of the year.

Mix of Apartment Unit Types By Year Built

Studio-size apartment construction equaled or outpaced the larger three-bedroom size from 1975 through 1984. Beginning in 1985, the three-bedroom size apartments gained in popularity, continuing to outpace the smaller-size studio units. Significant increases are reflected in the 1995 to 1999 data when the construction of the three-bedroom size unit far exceeded studio units developed. Since 2000, the number of three-bedroom size units being constructed have shown a continuous decline.

GRAPH 4
Apartment Unit Types by Year Built
1975-2005

# of Units by Type



Year Built

Distribution of Rents by Apartment Size

Rental rates, as of June 2005, reflect an overall increase for all size units. Table 7 shows that the greatest change occurred in the two-bedroom size apartments with a 5.97% increase in rental rates. Table 8 reflects much lower monthly rental rates for units that are offered income restricted residents.

TABLE 7
Mean Rental Rates by Apartment Sizes
June 1997-2005

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
June 1997	**$446.79**	**$540.10**	**$643.43**	**$783.22**
June 1998	**$460.75**	**$561.81**	**$675.67**	**$826.83**
% change 97-98	**+3.1%**	**+4.0%**	**+5.0%**	**+5.6%**
June 1999	**$ 444.97**	**$ 556.80**	**$673.19**	**$838.72**
% change 98-99	**-3.5%**	**-.9%**	**-.4%**	**+1.4%**
June 2000	**$454.00**	**$573.41**	**$692.24**	**$861.66**
% change 99-00	**+1.99%**	**+2.9%**	**+2.8%**	**+2.7%**
June 2001	**$459.38**	**$588.14**	**$714.05**	**$883.56**
%change 00-01	**+1.17%**	**+2.51%**	**+3.05%**	**+2.48%**
June 2002	**$489.00**	**$599.29**	**$726.48**	**$901.53**
% change 01-02	**+6.1%**	**+1.9%**	**+1.7%**	**+2.0%**
June 2003	**$498.55**	**$607.08**	**$732.55**	**$908.67**
%change 02-03	**+1.9%**	**+1.3%**	**+.8%**	**+.8%**
June 2004	**$515.48**	**$618.62**	**$747.04**	**$922.65**
% change 03-04	**+3.28%**	**+1.87%**	**+1.94%**	**+1.52%**
June 2005	**$533.32**	**$655.12**	**$794.95**	**$962.76**
% change 04-05	**+3.34%**	**+5.57%**	**+5.97%**	**+4.18%**

Note: Rental rates for SRO (Single Room Occupancy) and four-bedroom size apartments mean monthly rental rates are not reflected in this table as each of these size units represent no more than one percent of the Valley's total number of multi-family units.

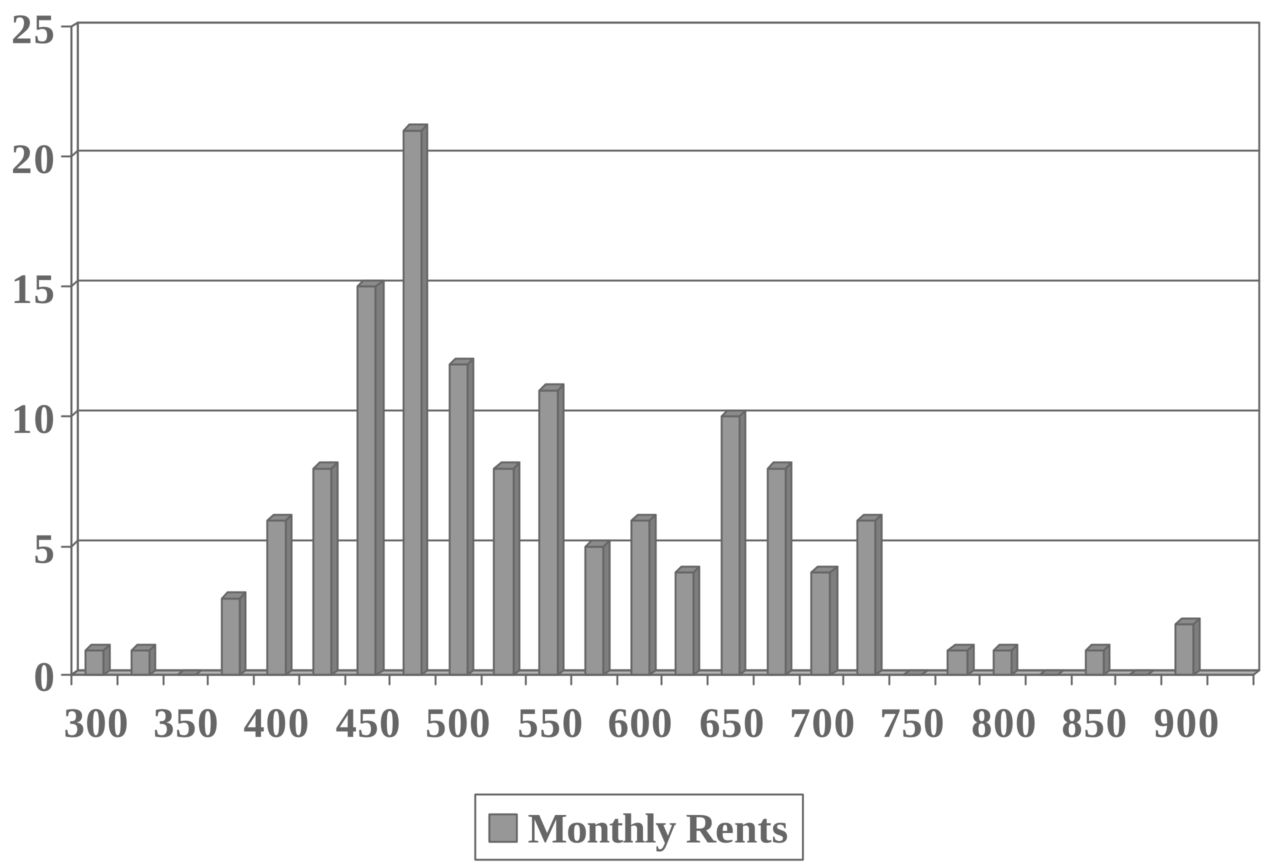
TABLE 8
Market Rate and Affordable Rental Rate Comparison
2005

Type of Units	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Market Units Rental Rate	$535.65	$669.07	$816.82	$994.78
Affordable Units[1] Rental Rate	$473.20	$523.68	$633.86	$777.65

[1] Affordable units denote apartment complex units that are income restricted.

Distribution of Rents by Apartment Size

GRAPH 5
Distribution of Rental Rates for Studio Apartments
June 2005

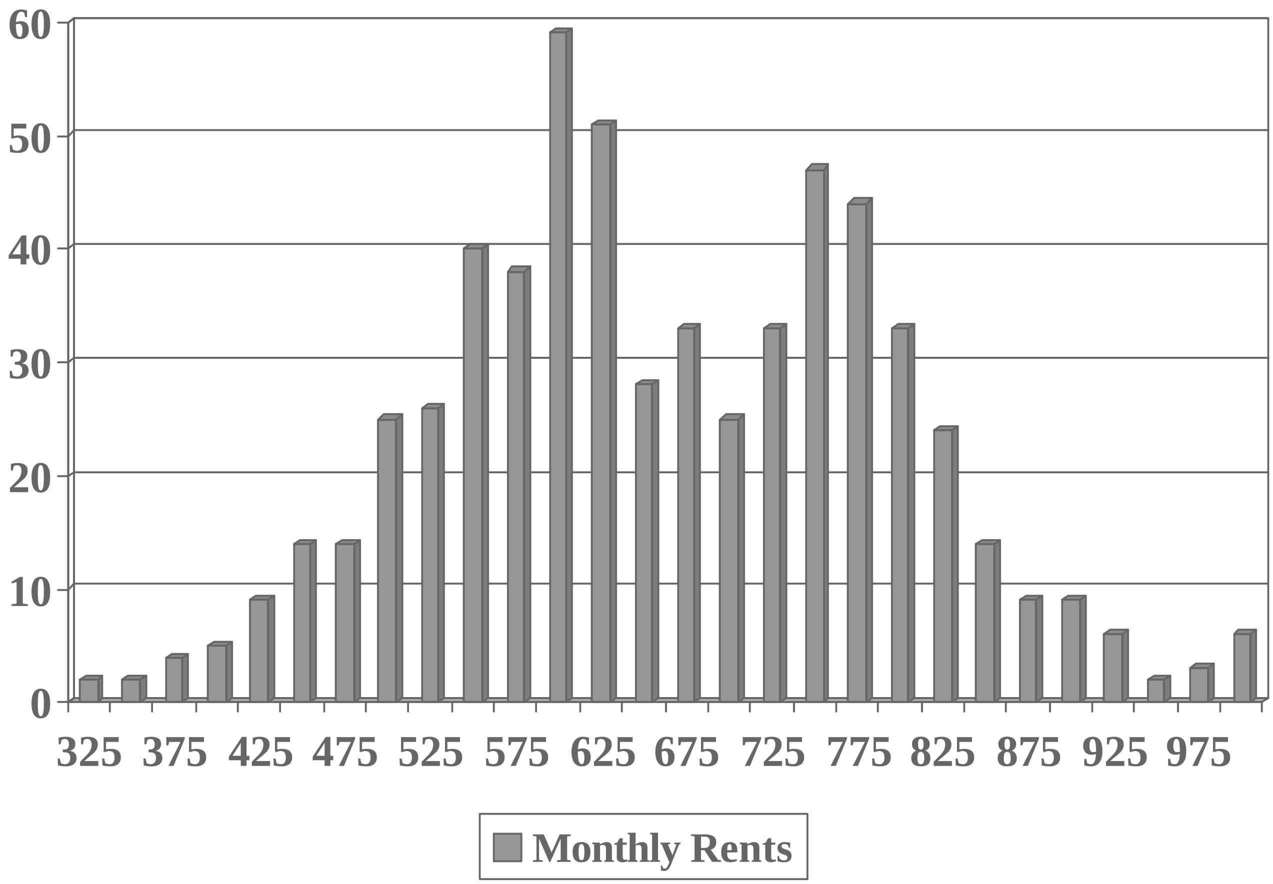


Average Low = $520.27 up 17.39% since 2004
Average High= $546.37 up 8.27% since 2004

Note: 134 apartment complexes reporting; down 8.8%

Distribution of Rents by Apartment Size (continued)

GRAPH 6
Distribution of Rental Rates for 1-Bedroom Apartments
June 2005

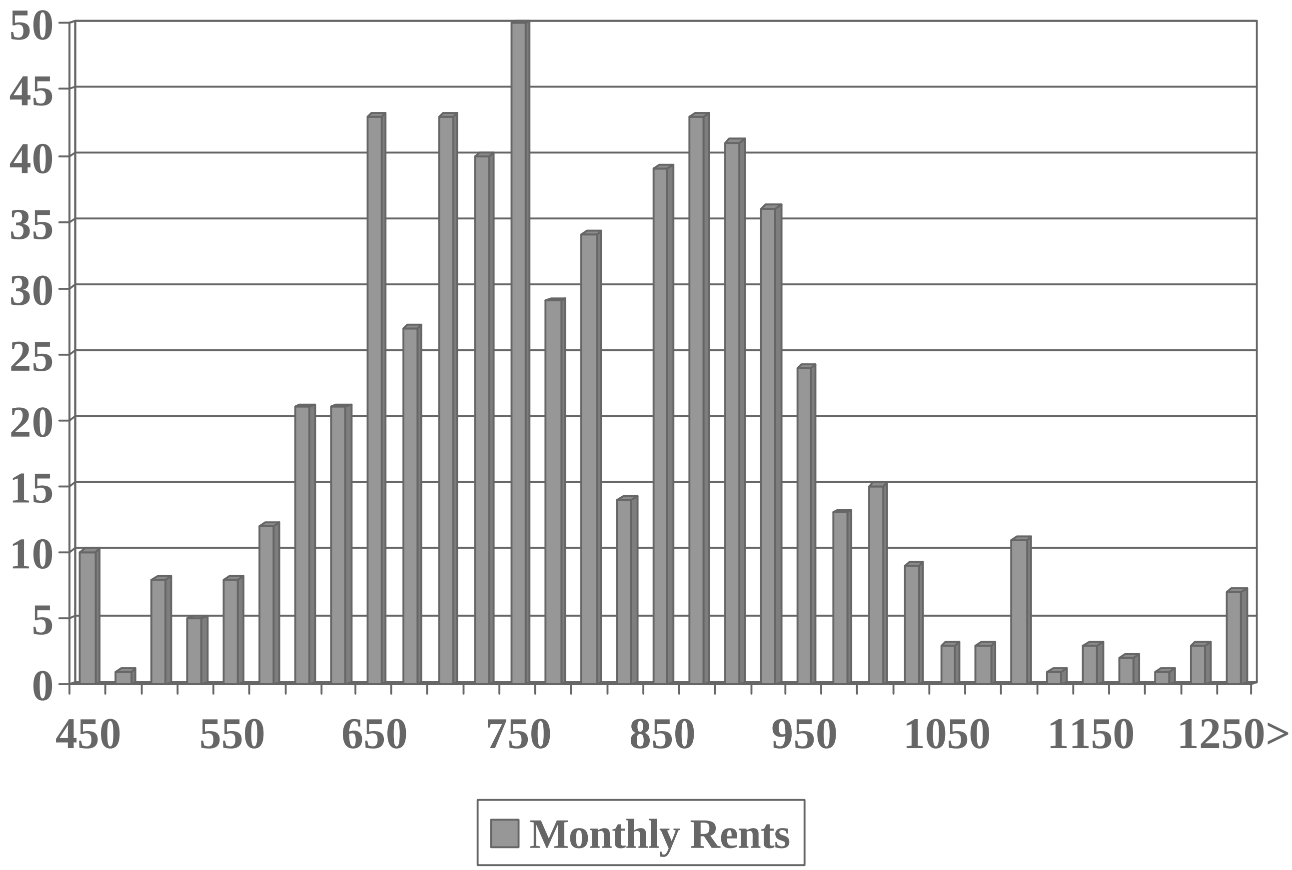


Average Low= $636.83 up 5.55% since 2004
Average High= $673.41 up 5.59% since 2004

Note: 592 apartment complexes reporting; down 5.6%

Distribution of Rents by Apartment Size (continued)

GRAPH 7
Distribution of Rental Rates for 2-Bedroom Apartments
June 2005

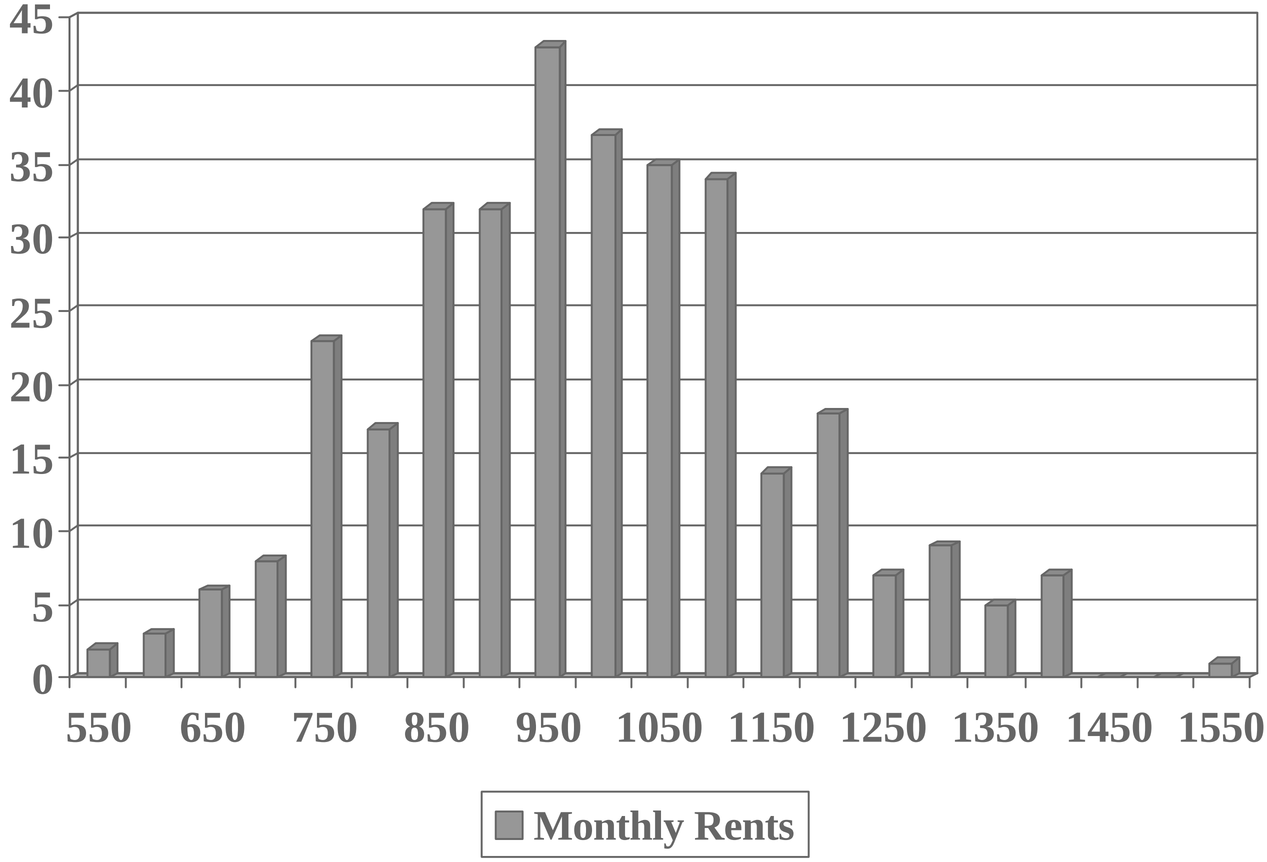


Average Low= $776.08 up 7.08% since 2004
Average High= $813.81 up 5.02% since 2004

Note: 619 apartment complexes reporting; down 4.5%

Distribution of Rents by Apartment Size (continued)

GRAPH 8
Distribution of Rental Rates for 3-Bedroom Apartments
June 2005



Average Low= $942.23 up 4.06% since 2004
Average High= $983.28 up 4.26% since 2004

Note: 333 apartment complexes reporting; down 4.3%

Distribution of Apartments by Type of Unit that House the 55+ Age Group

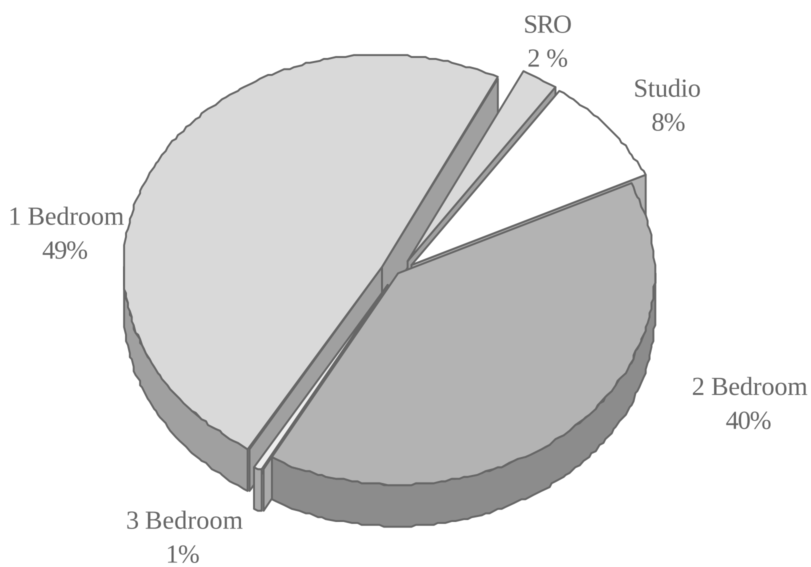
Table 9 and Graph 9 below show that the one-bedroom size apartment unit is the most popular size unit of the 55+ age group, representing almost half of residential housing for this age group.

TABLE 9
Number of Apartments by Type of Unit that House the 55+ Age Group
1999-2005

Apartments Targeting 55+ Age Group	Total Units	SRO	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Apartments (6/99)	5,421	*	605	3,168	1,642	2	na
Apartments (6/00)	7,633	11	861	4,534	2,203	24	na
Apartments (6/01)	8,836	290	585	5,135	2,810	16	na
Apartments (6/02)	12,547	290	1,582	6,059	4,573	43	na
Apartments (6/03)	14,662	555	1,555	7,202	5,230	112	8
Apartments (6/04)	13,383	276	1,816	6,210	4,975	106	na
Apartments (6/05)	11,284	248	944	5,521	4,501	70	na

*SRO (Single Room Occupancy) data was included within studio count for 6/99 period. na -- no four-bedroom size apartments reported.

GRAPH 9
Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group
June 2005



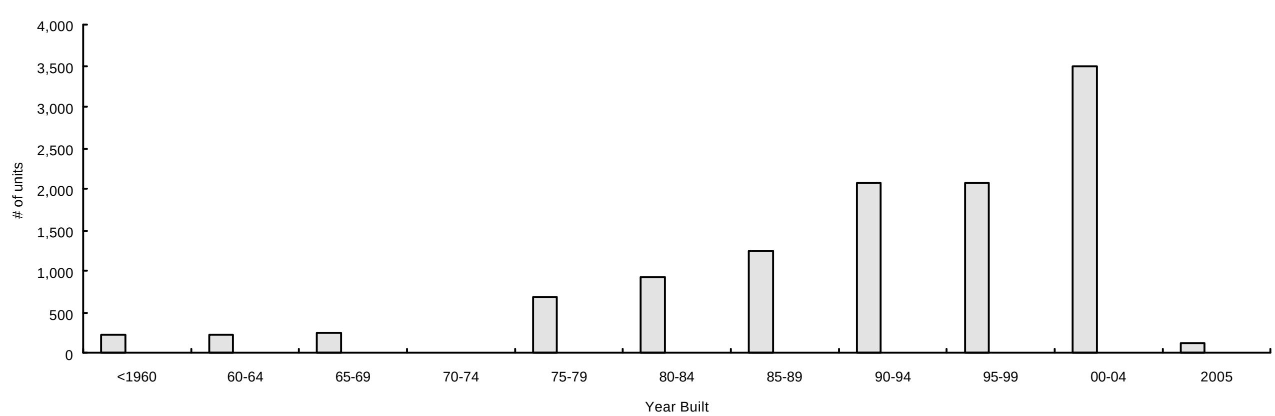
Distribution of Apartments by Type of Unit that House the 55+ Age Group

TABLE 10
Number of Apartments by Type of Unit and Year Built that House the 55+ Age Group
<1960-2005

Year Apartment Complexes Built	Total Units	SRO	Studios	1-BR	2-BR	3-BR	4-BR
2005	115	0	0	0	115	0	0
2000 to 2004	3,487	0	56	1,471	1,920	40	0
1995 to 1999	2,070	0	350	846	874	0	0
1990-1994	2,065	0	60	1,328	677	0	0
1985-1989	1,253	0	47	513	677	16	0
1980-1984	924	0	197	671	42	14	0
1975-1979	681	248	67	333	33	0	0
1970-1974	8	0	0	8	0	0	0
1965-1969	244	0	36	104	104	0	0
1960-1964	209	0	41	112	56	0	0
<1960	228	0	90	135	3	0	0
Total	11,284	248	944	5,521	4,501	70	0

70% of the Greater Las Vegas Valley's 55+ apartment complexes have been constructed since 1990.

GRAPH 10
Distribution by Years of Multi-Family Construction of Units that House the 55+ Age Group



Distribution of Apartments by Zip Code that House the 55+ Age Group

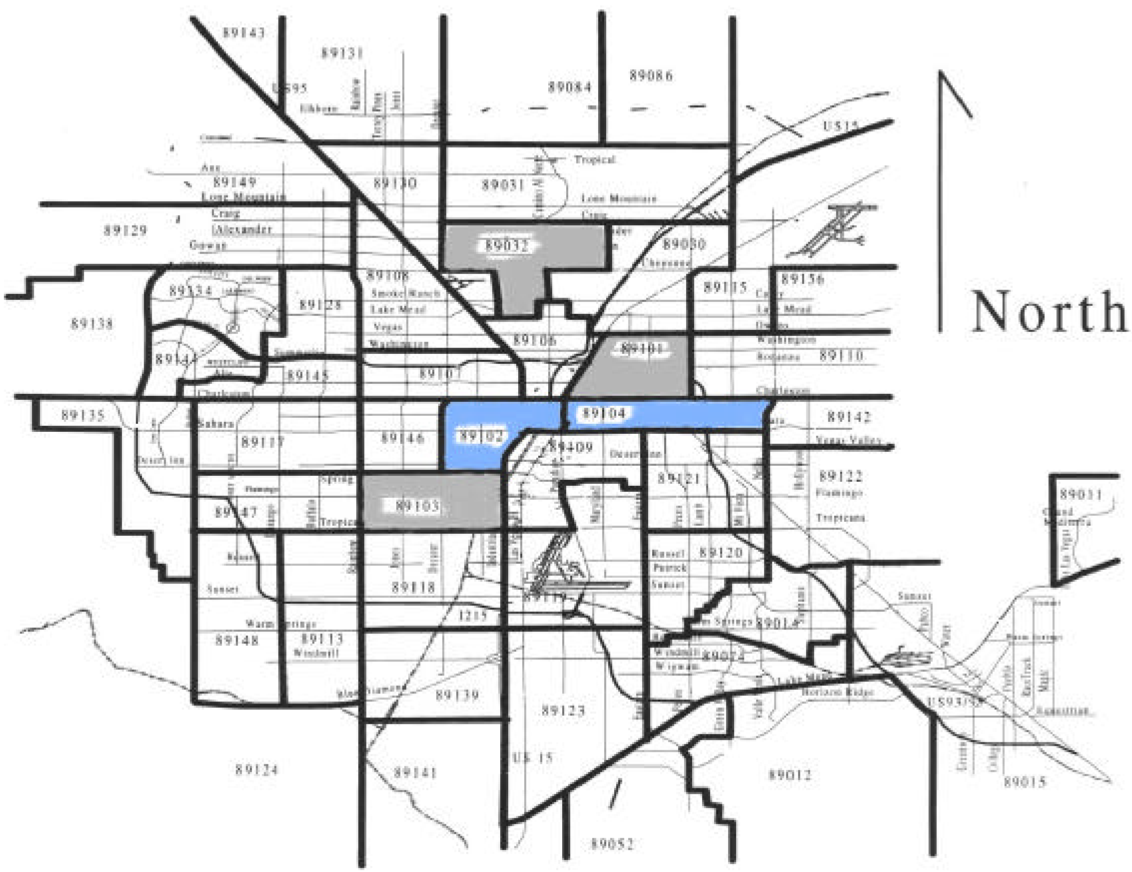
Forty percent of all apartments that provide housing for residents who are in the 55+ age group are centrally located in the Las Vegas Valley's 89104, 89102, 89103, 89101, and 89032 zip codes. (see Map 3). This geographic area is close to medical facilities, public transportation, gaming, and shopping.

Table 11
Number of Apartments by Zip Code that House the 55+ Age Group
2005

Zip Code	Number of Units	% of Total
89104	1,230	10.90%
89102	1,117	9.90%
89103	830	7.36%
89101	764	6.77%
89032	680	6.03%
89015	616	5.46%
89109	603	5.34%
89106	556	4.93%
89108	524	4.64%
89107	514	4.56%
89119	458	4.06%
89121	453	4.01%
89118	428	3.79%
89117	405	3.59%
89052	400	3.54%
89123	368	3.26%
89128	242	2.14%
89012	205	1.82%
89120	205	1.82%
89030	200	1.78%
89115	144	1.28%
89142	122	1.08%
89014	113	1.00%
89110	64	.57%
89005	24	.21%
89146	19	.17%
Total	11,284	

Multi-Family Units by Zip Code that House the 55+ Age Group

MAP 3
Multi-Family Density by Zip Code that House the 55+ Age Group
2005



Denotes zip code area ranked with highest percentage of housing targeted for the 55+ age group.

Denotes zip code area ranked second highest percentage of housing targeted for the 55+ age group.

Vacancy Rates for Apartments that House the 55+ Age Group

Table 12 below shows a decrease in vacancies for housing targeting the 55+ age group. The 2005 point-in-time survey shows a 3.74% vacancy rate, compared to a 7.12% vacancy rate during the same time period in 2004; a –3.38% change.

TABLE 12
Vacancy and Vacancy Rates for Apartments that House the 55+ Age Group
(Data by Year Project Built and By Unit Type)

Year Apartment Complexes Built	Total Number of Projects Responding to Vacancy Question	Total Number of Apartment Units	Number of Reported Vacant Units	Vacancy Rate 6/30/05	Vacancy Rate 6/30/04	Vacancy Rate 6/30/03	Vacancy Rate 6/30/02
2003-2005	9	999	115	11.51%	na	na	na
2000 –2002	15	2,539	110	4.33%	16.8%	15.6%	29.1%
1995-1999	14	2,070	50	2.42%	5.5%	6.0%	7.3%
1990-1994	8	2,065	75	3.63%	4.6%	6.4%	4.2%
1985-1989	7	1,253	16	1.28%	2.1%	4.4%	3.3%
1980-1984	5	924	4	.43%	2.1%	3.4%	5.6%
1975-1979	7	321	13	4.05%	7.8%	4.4%	3.0%
1970-1974	1	8	3	37.5%	8.5%	8.5%	4.0%
Pre-1970	9	665	18	2.71%	6.5%	5.9%	5.6%
Date unknown	2	16	2	12.50%	8.9%	16.2%	15.3%
Totals	77	10,860	406	3.74%	7.12%	7.43%	5.61%

Note: Totals do not include assisted group homes, special needs, or public housing complexes.

Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group

TABLE 13
Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group
June 2005

Zip Code	Rental Rates SROs	Rental Rates Studios	Rental Rates 1-BR	Rental Rates 2-BR	Rental Rates 3-BR
89005			$500.00	$600.00	
89012			$520.50	$636.00	
89014			$744.00	$874.00	
89015			$473.38	$651.00	
89030			$378.83	$426.50	
89032		$670.00	$716.50	$867.75	
89052			$489.00	$588.00	
89101		$476.50	$430.32	$469.00	
89102	$362.00	$676.50	$592.08	$707.50	
89103		$673.00	$667.25	$796.88	
89104		$430.00	$458.70	$592.75	
89106			$494.50	$615.17	$740.00
89107			$498.50	$691.50	
89108		$576.00	$600.67	$725.17	
89109			$511.50	$1,076.25	
89115			$545.00	$660.00	$795.00
89117			$795.00	$945.00	
89118			$718.33	$860.00	
89119		$637.50	$631.25	$707.50	$925.00
89120				$555.75	
89121		$701.25	$784.00	$800.00	
89123		$672.00	$884.50	$962.00	
89128			$878.50	$1,051.50	
89142			$604.00	$727.00	
89146			$467.00	$557.00	
All Areas	$362.00	$612.53	$599.30	$725.73	$820.00

Multi-Family Housing in the Greater Las Vegas Area

City Center apartments in downtown Las Vegas provides housing for seniors and families with retail space available on the first floor.

L'Octaine Apartments, located in downtown Las Vegas' redevelopment area, will offer 51 units of one, two, and three-bedroom size affordable rental housing, with the first floor reserved for commercial use.

Vintage at Seven Hills in Henderson was the first Nevada Housing Division financed affordable senior's apartment project to meet or exceed the Energy Star® efficiency levels.

Rochelle Pines is a 115-unit affordable seniors complex located in unincorporated Clark County. The Project is funded in part by the Division's Low Income Housing Tax Credit Program.

Rendering at left shows the future Silver Sky affordable assisted living complex which broke ground during the second quarter 2005. The Housing Division has been able to participate in this by allocating $800,000 from its Account for Low-Income Housing Trust Fund with an additional $819,656 in Low Income Housing Tax Credits.

Section II

Greater Reno/Sparks Area

Key Points

Key findings from the 2nd Quarter 2005 survey reflect the following:

> "The Greater Reno/Sparks Area rental market shows a 4.9% vacancy rate. Rental rates over the 2004 point-in-time survey show a decrease of .2%."

1. The two– bedroom size apartments continue to remain the most popular unit type.
2. The two-bedroom size apartments comprises 48% of the identified multi-family housing units.
3. Since 1995, data reflects a stabilization in size of units, with the area's multi-family development leaning towards larger unit complexes, averaging nearly 200 units per complex since 1995.
4. Data reflects an overall vacancy rate of 4.9%, a –.2% change in vacancy rate from the 2004 point-in-time survey data.
5. Studio-size unit reflect the highest vacancy rates.
6. Vacancy rates are significantly higher in the zip code area of 89434 in Sparks, and 89506 in Reno.
7. Two zip code areas (89502 and 89509) located in the south-central part of the City of Reno house nearly one-third (29.8%) of the Greater Reno/Sparks Area's multi-family units.
8. Two zip codes (89506 and 89512) reflect the area with highest multi-family construction during 2004 and; for the first six months of 2005, zip codes 89521 and 89503 showed the highest rate of new construction.
9. Years 1998 through 2001 saw the greatest number of new apartment units produced in the Greater Reno/ Sparks Area over the past 20 years.
10. Since 1999, there has been a steady decrease of number of multi-family residential units constructed in the Greater Reno/Sparks Area.
11. Since 1985, construction of studio– and three-bedroom size units has been showing an upward trend.
12. Rental rates for all size rental units have increased during 2005.
13. The greatest rental rate change occurred in the studio, one, and two-bedroom size units with each experiencing over 4% in rental rate increases.
14. Affordable rents[1] are 4.3% to 24.9% than market-rate rents.
15. The three-bedroom size units show the highest percentage difference for affordable units, showing rents that are 24.9% less than market-rate rents.
16. The one-bedroom size unit remains the most popular size unit for the 55+ age group, representing 52% of residential rental housing for seniors.
17. Zip code 89512 provides the greatest number of housing units targeted for the 55+ age group.
18. The mean rental rate for the 55+ age group housing ranges from $391 a month for studio units to $733 a month for two-bedroom size units.
19. Monthly rental rates for assisted-living units range from $2,898 a month for studio-size units up to $3,836 for a two-bedroom size.
20. The mean rental rate for beds in group homes and assisted living facilities range from $2,329 as a base minimum to a maximum base cost of $3,668 for dementia/Alzheimer's clients. Each level of service constitutes an added $300 cost to the base rent. Most facilities provide one to four levels of care before discharging the client to a 24-hour skilled nursing facility.
21. For the Greater Reno/Sparks Area's assisted living facilities, vacancies range from 7.81% in the larger facilities to 17.54% in the smaller group homes.

[1] Affordable rents are those rents provided to individuals or families in which 1/3 of those families' income is 60% or less of area median income.

Distribution of Apartments by Type of Unit

The split of unit types shows that the two-bedroom size apartment unit is the most popular type for the Greater Reno/ Sparks Area, making up nearly one-half of all the area's multi-family housing inventory.

TABLE 14
Number of Apartments by Type of Unit
June 2000[1]-2005

	Total Units	SRO[2]	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
June 2000	16,556	252	1,090	6,147	8,065	983	19
June 2001	24,046	335	1,700	8,562	11,757	1,600	92
June 2002	28,499	473	2,448	9,733	13,541	2,123	181
June 2003	30,346	802	2,922	10,116	13,913	2,364	229
June 2004	29,947	775	2,785	9,930	13,815	2,293	349
June 2005	28,497	316	1,976	10,053	13,537	2,401	214

[1] The first apartment survey for the Reno/Sparks Area was in 2000; the Greater Las Vegas Valley's first survey was in 1997.
[2] Single Room Occupancy.
NOTE: For June 2005, the following table outlines total database identified:

Database

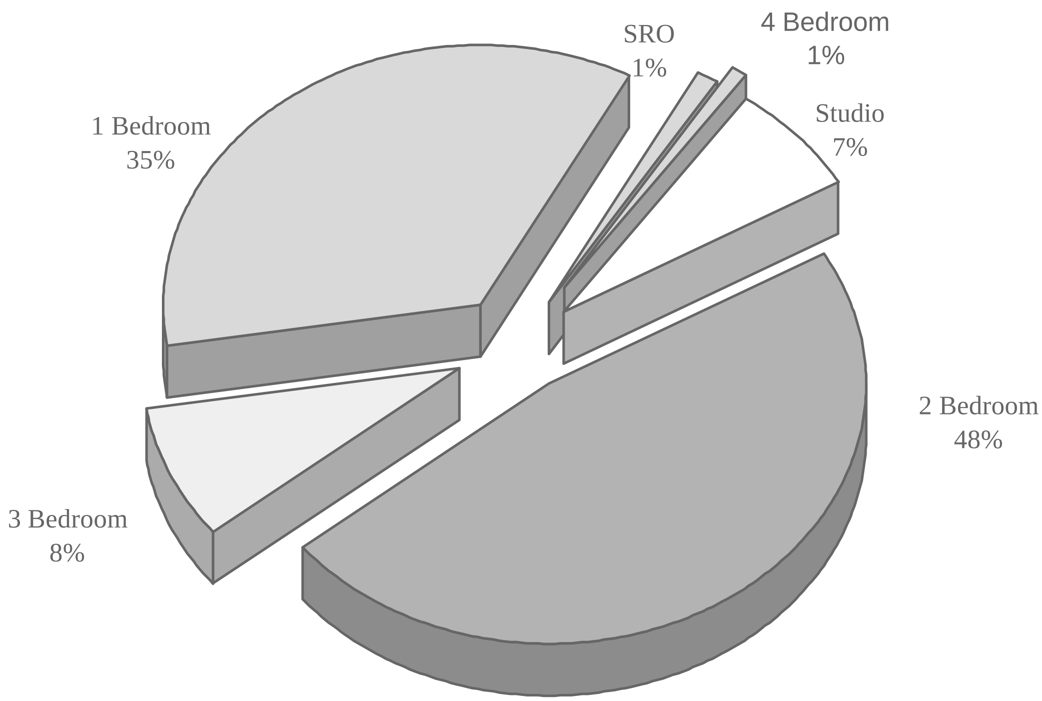
	June 2005	June 2004
Total # of apartment complexes identified	240	228
Total # of apartment units identified	33,132	31,558
# of units identified converted from apartment rental units to condominiums	315	191
# of units identified as special needs	1,747	162
# of identified rental units where there was no response, or owners and/or managers refused to participate	1,299	953
# of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office	1,274	281
*Total # of apartment rental units validated for database	28,497	29,947[3]

[3]Twenty-four units in 2004 were identified as sold or could not locate owner and/or manager. This category of sold or could not locate was not included in the 2005 database.

Distribution of Apartments by Type of Unit

Graph 12 shows the high percentage of apartment units that are two-bedroom in size, with the one-bedroom size gaining in popularity. Over the past year, the Greater Reno/Sparks Area showed a 2% increase in housing inventory for both the one–and two-bedroom size units. The four-bedroom size unit and the single room occupancy (SRO) unit continue to maintain the lowest percentage of unit type.

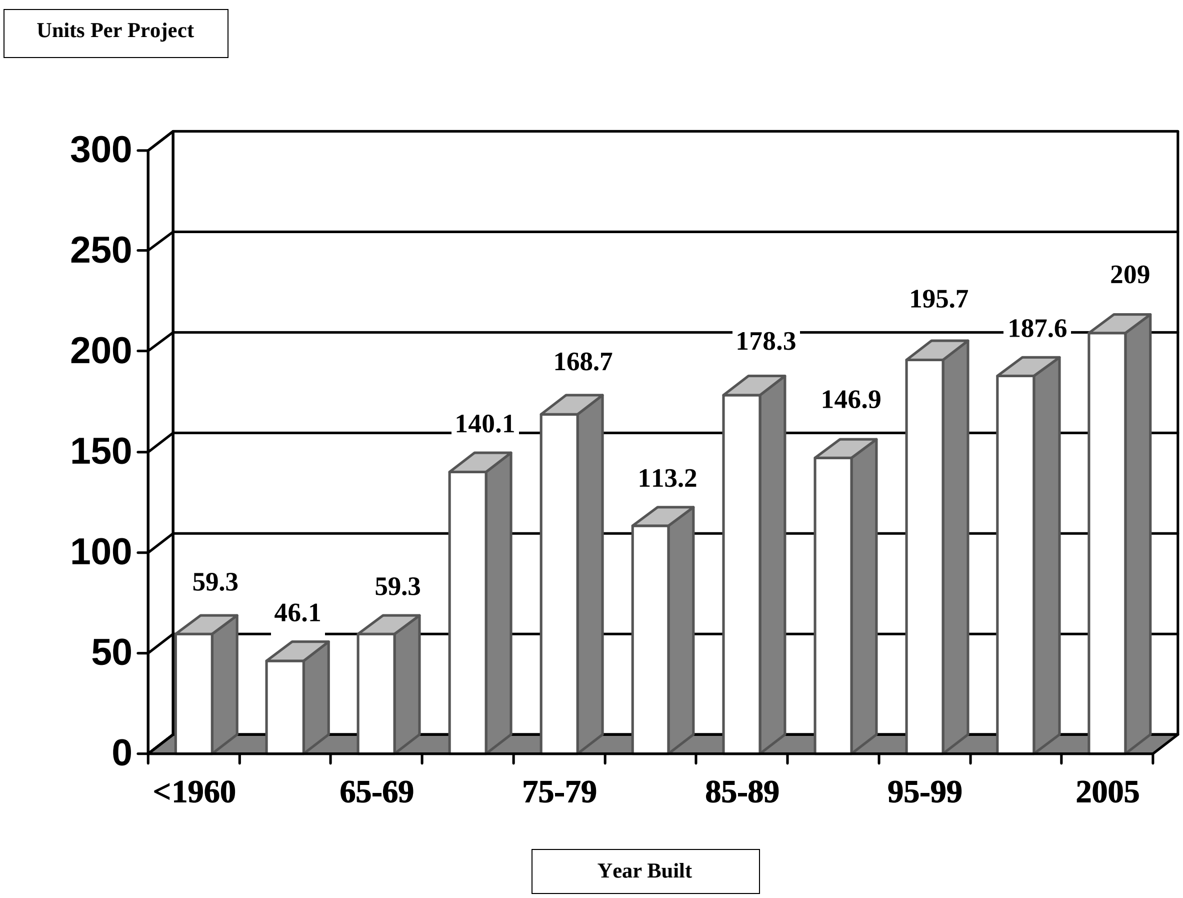
GRAPH 12
Distribution of Apartment Units by Size
June 2005



Growth in Average Apartment Project Size

Apartment complexes built since 1970 show a varied range of apartment unit size. Since 1995, data reflects a stabilization in size of units, with the area's multi-family development leaning towards larger unit complexes.

GRAPH 13
Growth in Average Apartment Project Size by 5-year Increments
<1960 to 2005



Vacancy Rates

The Division's second quarter 2005 survey reflects a 4.9% vacancy rate for the Greater Reno/Sparks Area. This data shows a –.2% change in vacancies from the second quarter 2004 survey data.

TABLE 15
Vacancy Rates
(Data by Year Project was Built**)**

Date Units Built	2nd Qtr. 2005 # Responding to vacancy question Projects	Units	2nd Qtr. 2005# of Reported Vacant Units*	Vacancy Rate 6/30/05	Vacancy Rate 6/30/04	Vacancy Rate 6/30/03	Vacancy Rate 6/30/02	Vacancy Rate* 6/30/01
2005 only	**3**	**627**	**	**	**	**	**	**na**
2004 only	**3**	**369**	**	**	**	**	**	**na**
2000-2003	21	4,148	211	5.1%	6.3%	13.6%	na	na
1995-1999	24	4,596	231	5.0%	3.5%	4.1%	6.4%	4.4%
1990-1994	12	1,763	70	4.0%	3.7%	3.4%	4.5%	3.9%
1985-1989	22	3,944	178	4.5%	4.2%	4.5%	3.1%	2.7%
1980-1984	28	2,945	57	1.9%	2.3%	4.6%	6.6%	1.0%
1975-1979	34	5,598	216	3.9%	5.5%	4.6%	6.2%	2.2%
1970-1974	35	4,905	187	3.8%	6.5%	6.2%	4.9%	2.7%
Pre-1970	39	2,101	133	6.3%	8.5%	4.8%	3.1%	3.3%
Date unknown	10	524	13	2.5%	0.0%	5.4%	5.5%	**
Totals	225	26,576	1,296	4.9%	5.1%	5.8%	5.8%	3.2%

*Vacancy data is derived from a 93% survey response rate to the specific vacancy rate question.
** 2004 and 2005 data are not included in determining the Valley's overall vacancy rate, as the properties are in their first phase of renting.
na - not applicable.
Note: Totals do not include assisted living or group homes, subsidized or public housing complexes.

Vacancy Rates

Table 16 reflects that in the Greater Reno/Sparks Area, the studio-and the two-bedroom size apartments show a higher vacancy rate than any other size multi-family unit.

TABLE 16
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2005

Apartment Type	Number of Units in Sample[2]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	501	19	3.8%
Studio Apartments	2,410	118	4.9%
1-Bedroom Size Apartments	7,368	259	3.5%
2-Bedroom Size Apartments	10,249	462	4.5%
3-Bedroom Size Apartments	1,630	64	3.9%
4-Bedroom Size Apartments	223	7	3.1%

[2]Number of units in sample was derived from the responses of apartment complexes that provided a breakdown of number of vacancies by apartment type.

Housing Units and Vacancy Rate by Zip Code

TABLE 17
Total Number of Housing Units and Vacancy Rate by Zip Code
June 2005

Zip Code	Total Number of Apartment Units by Zip Code	Vacancy Rate (%) By Zip Code Area for those Apartment Complexes Reporting Vacancies
89431	3,887	4.4%
89433	397	2.5%
89434	1,688	7.2%
89436	928	5.8%
89501	843	3.4%
89502	5,875	3.4%
89503	4,042	5.7%
89504	26	3.8%
89506	1,223	6.1%
89509	4,318	4.8%
89511	1,776	1.0%
89513	24	0.0%
89512	3,347	2.8%
89521	1,440	1.3%
89523	3,318	6.0%

Distribution of Rental Units by Zip Code

TABLE 18
Total Number of Apartment Units by Zip Code
June 2005

Zip Code	Total Number of Apartment Units in Zip Code Area	Percent	Cumulative
89502	5,009	17.6%	17.6%
89509	3,467	12.2%	29.8%
89503	3,347	11.7%	41.5%
89523	3,318	11.6%	53.1%
89431	3,310	11.6%	64.7%
89512	2,080	7.3%	72.0%
89511	1,776	6.2%	78.2%
89434	1,688	5.9%	84.1%
89521	1,440	5.1%	89.2%
89506	1,007	3.5%	92.7%
89436	928	3.3%	96.0%
89501	706	2.5%	98.5%
89433	397	1.4%	99.9%
89513	24	.1%	100.0%
Total	28,497		

Five Zip Codes house more than 60% of all multi-family units in the Greater Reno/ Sparks Area. (See Map 4)

89502

89509

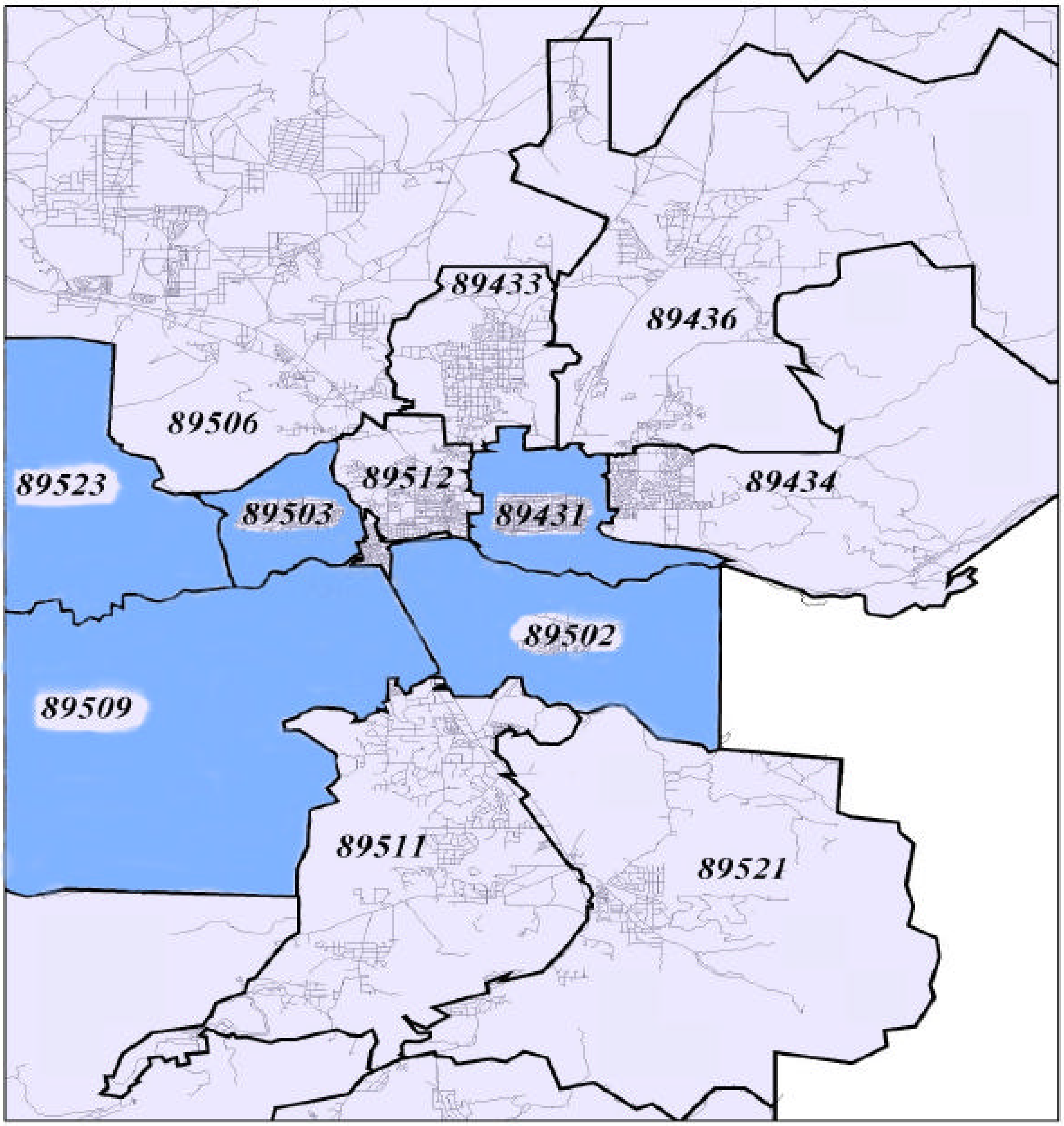
89503

89523

89431

Zip Code Map of the Greater Reno/Sparks Area

MAP 4
High Density Zip Code Areas of Multi-Family Housing



Denotes multi-family high density area.

New Construction of Multi-Family Housing — Growth Zip Codes

In 2004, nearly 60% of all new multi-family construction in the Greater Reno/Sparks Area was located in one zip code - - 89506. In 2005, all identified multi-family construction was located in the two zip codes of 89436 and 89512.

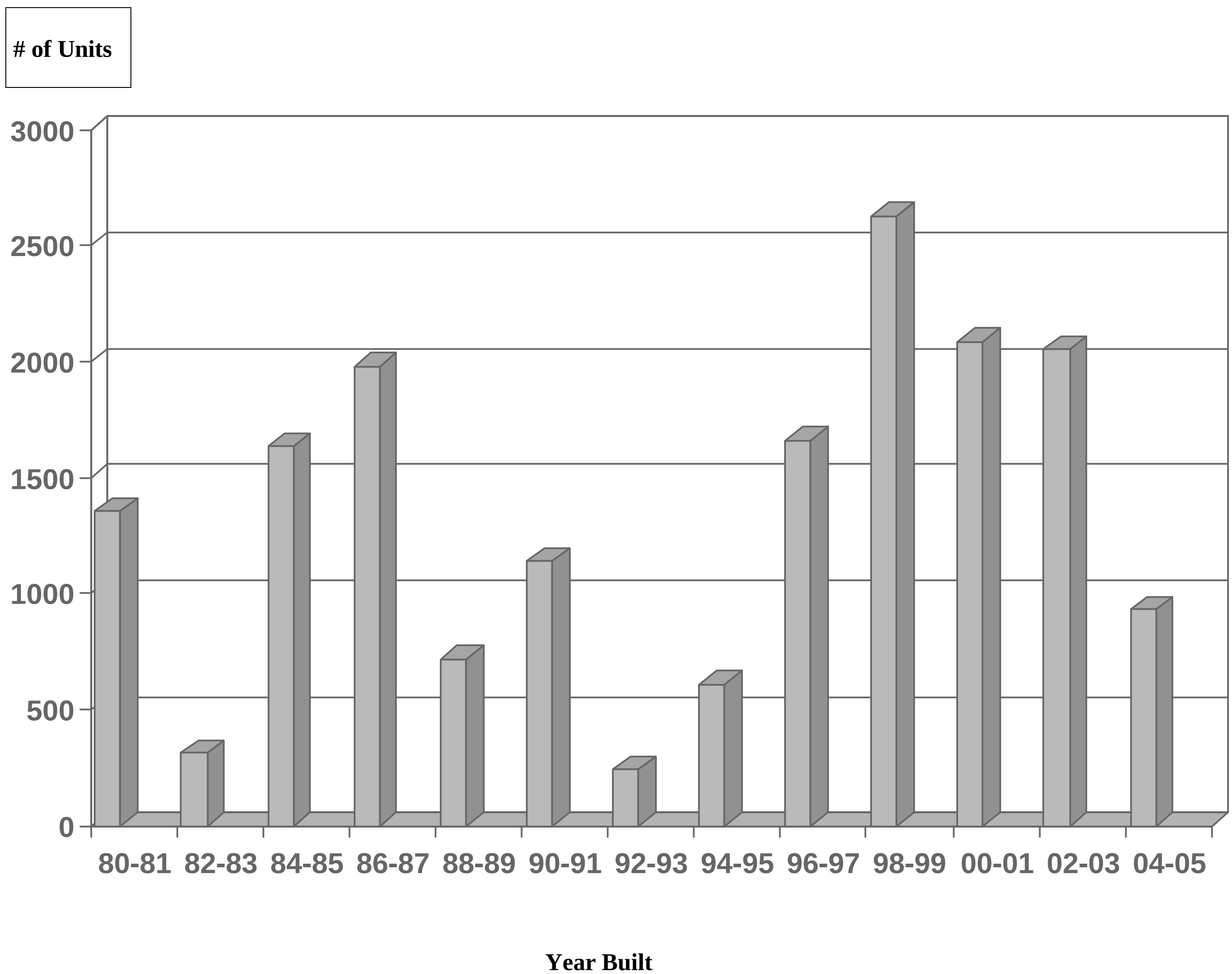
TABLE 19
New Construction of Multi-Family Housing
During 2004 and First 6 Months of 2005

2004			2005		
Zip Code	New Units Recorded for Calendar Year 2004	% of new construction	Zip Code	New Units as of 6/30/05	% of new con-struction
89506	216	58.5	89521	344	61.4
89512	120	32.5	89503	216	38.6
89503	33	9.0			
Totals	369	100.0%	Totals	560	100.0%

Number of Apartment Units By Year Built Since 1980

Years 1998 and 1999 saw the greatest number of new apartment units produced in the Greater Reno/Sparks Area. Since year 2000, new multi-family unit development has shown a down turn.

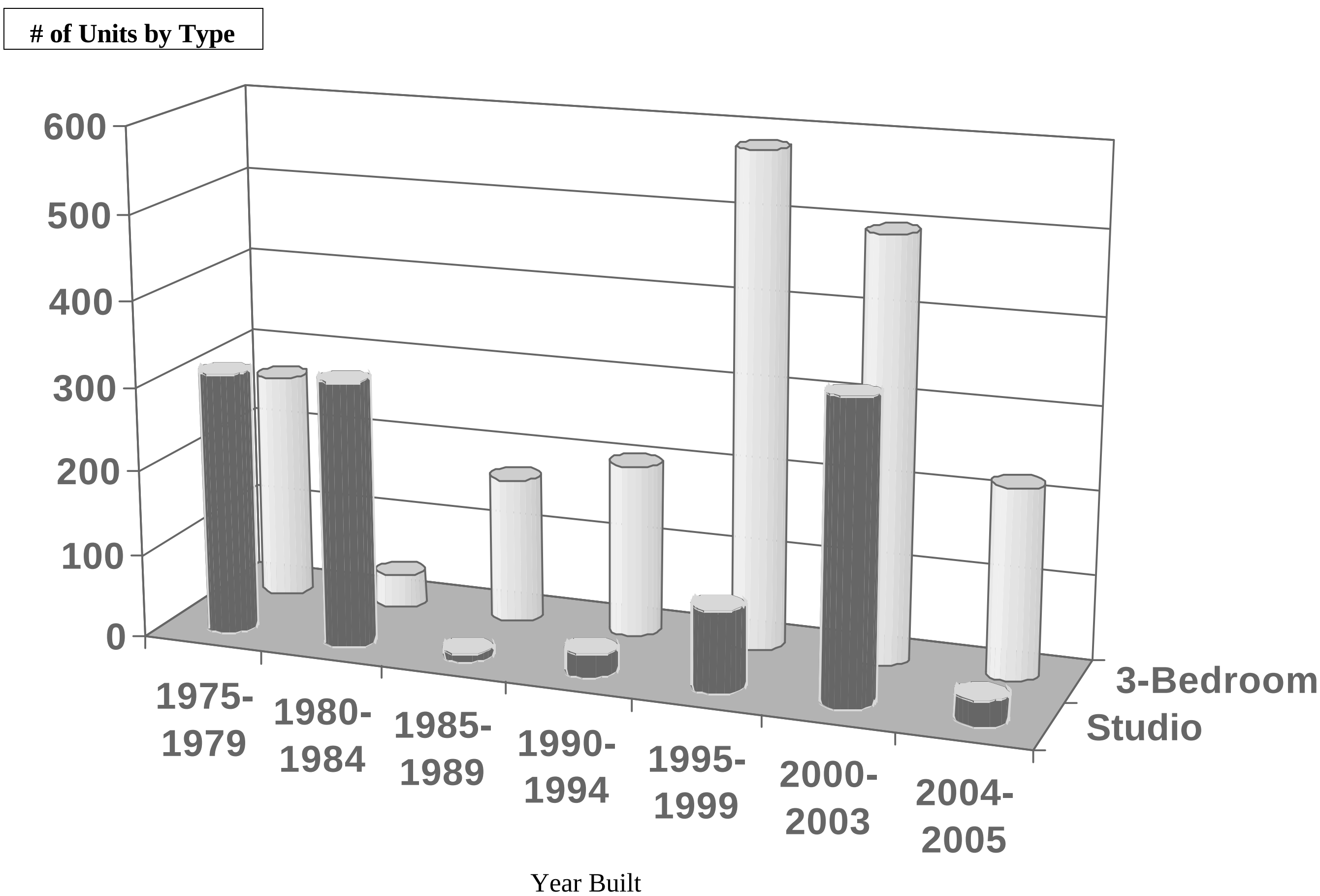
GRAPH 14
Multi-Family Units by Year Built Since 1980
1980-2005



Mix of Apartment Unit Types By Year Built

The 1995 through 2003 time period reflects the highest number of three-bedroom units added to the Greater Reno/Sparks Area's housing inventory. Since 1985, the three-bedroom size unit has been more popular than the smaller unit size. The years 2000 to 2003 reflect an increased interest in the construction for both the studio and three-bedroom size units.

GRAPH 15
Apartment Unit Types by Year Built
1975-2005



Note: The above data is based upon the reporting of market-rate apartment rentals.
For the special needs population , new multi-family construction breakdown is as follows:

Year	Studio	Year	3-BR
1999	84	1972	40
1980	208	1983	5
		1985	7
		2003	6
		2004	60

Distribution of Rents by Apartment Size

Rental rates, as of June 2005 shown in Table 20, reflect an increase in monthly rental rates for all size units. The greatest rental rate increase was in the studio-size units. Table 21 below shows that multi-family affordable rental rates are significantly lower in rents from market-rate rental rates, with differences ranging from -4.3% for studio size units to -24.9% for the three-bedroom size.

TABLE 20
Mean Rental Rates by Apartment Sizes
June 2005

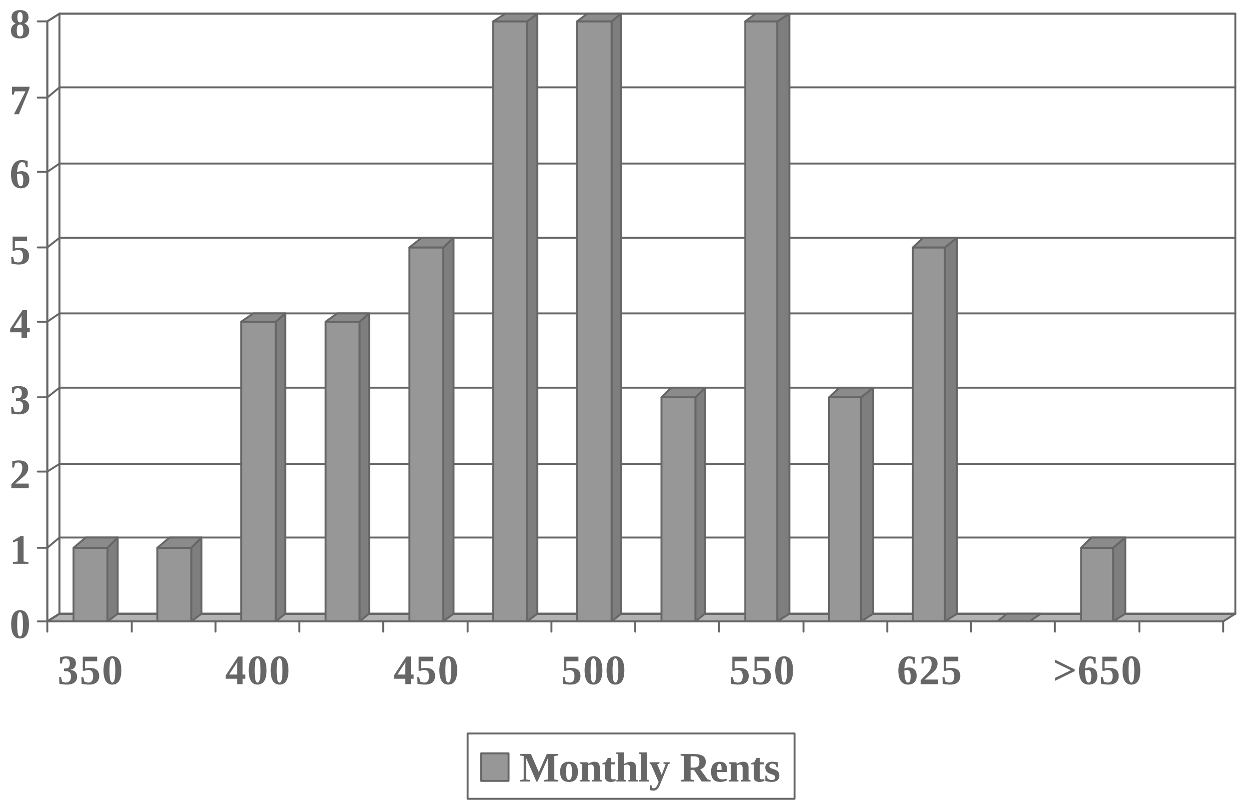
Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
June 2001	**$446.00**	**$574.00**	**$695.50**	**$923.50**
June 2002	**$464.99**	**$585.14**	**$707.06**	**$919.46**
% change 01-02	**+4.1%**	**+1.9%**	**+1.6%**	**-.44%**
June 2003	**$482.67**	**$595.87**	**$707.16**	**$908.55**
%change 02-03	**+3.7%**	**+1.8%**	**0.0%**	**-1.2%**
June 2004	**$478.06**	**$599.56**	**$719.18**	**$930.99**
% change 03-04	**-.96%**	**+.62%**	**+1.7%**	**+2.5%**
June 2005	**$501.71**	**$626.16**	**$749.86**	**$960.90**
% change 04-05	**+4.71%**	**+4.25%**	**+4.09%**	**+3.11%**

TABLE 21
Market Rate and Affordable Rental Rate Comparison
June 2005

Type of Units	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Market-Rate Rental Units	$507.32	$637.58	$774.37	$1,012.61
Affordable Units[1] Rental Rate	$486.30	$581.27	$677.64	$810.93

[1]Affordable units denote apartment complex units that are income restricted.

GRAPH 16
Distribution of Rental Rates for Studio Apartments
June 2005

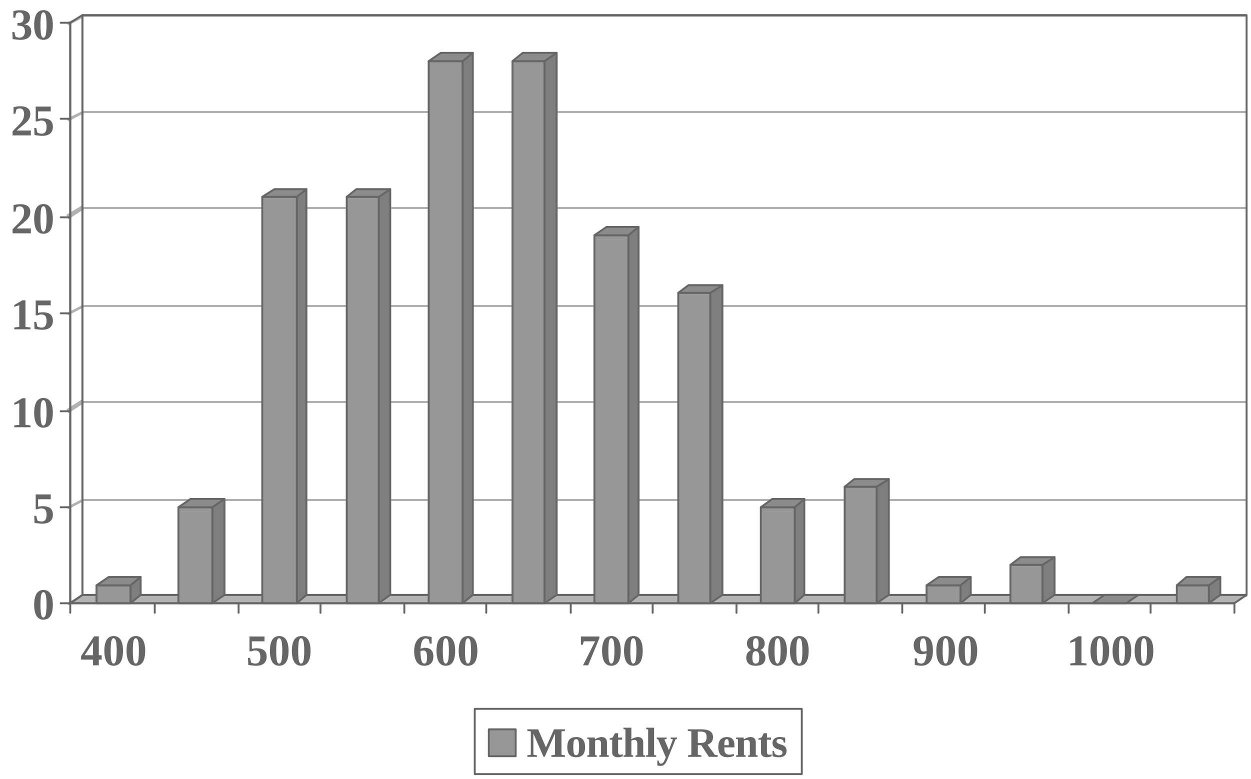


Average Low= $491.89 up 6.03% since 2004
Average High= $511.53 up 3.52% since 2004

Note: 45 projects reporting; down 11%

Distribution of Rents by Apartment Size (continued)

GRAPH 17
Distribution of Rental Rates for 1-Bedroom Apartments
June 2005

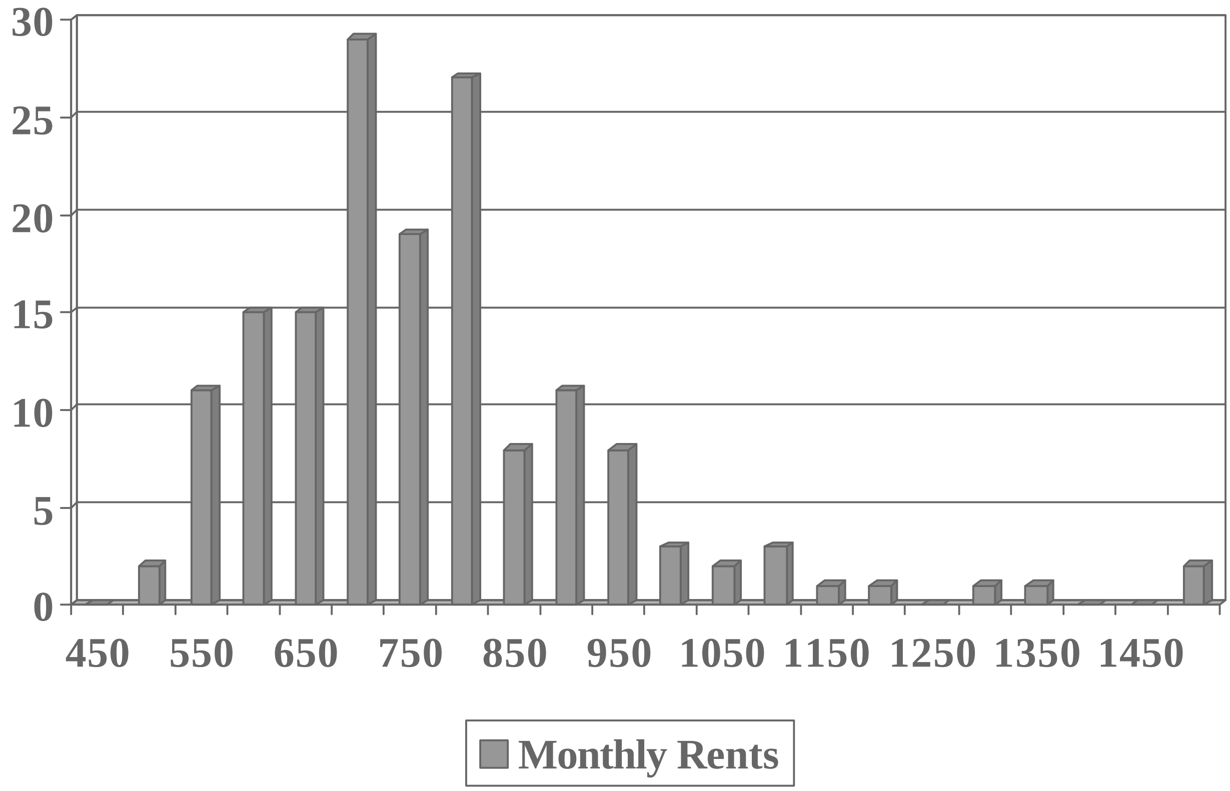


Average Low= $611.23 up 4.84% since 2004
Average High= $641.09 up 3.68% since 2004

Note: 148 projects reporting; down 3.4%

Distribution of Rents by Apartment Size (continued)

GRAPH 18
Distribution of Rental Rates for 2-Bedroom Apartments
June 2005



Average Low=$719.71 up 4.94% since 2004
Average High= $780.01 up 3.31% since 2004

Note: 150 projects reporting; down 5.3%

Distribution of Rents by Apartment Size (continued)

GRAPH 19
Distribution of Rental Rates for 3-Bedroom Apartments
June 2005

Average Low= $937.94 up 3.61% since 2004
Average High= $983.86 up 2.64% since 2004

Note: 78 projects reporting; down 3.8%

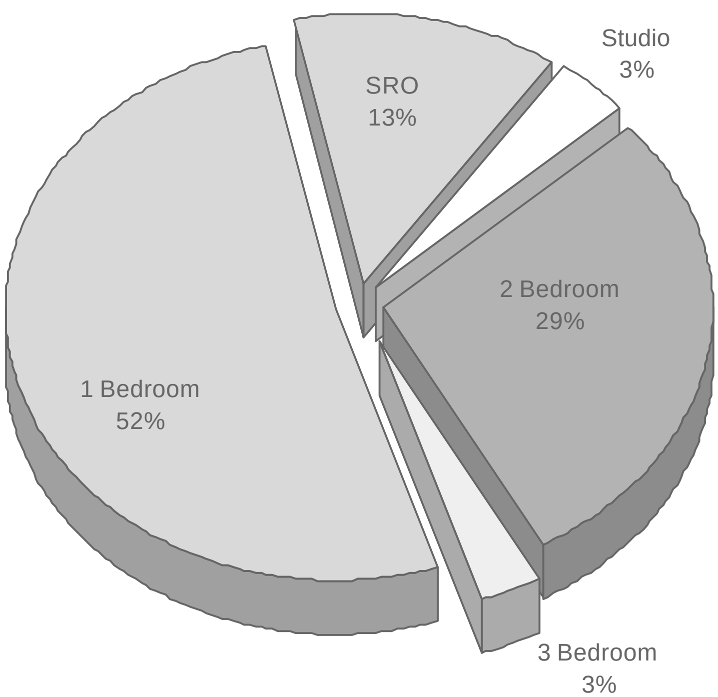
Distribution of Apartments by Type of Unit That House the 55+ Age Group

Table 22 and Graph 20 below show that the one-bedroom size apartment is the most popular size offered the 55+ age group. Of this age group, more than half (52%) reside in one-bedroom size units.

TABLE 22
Number of Apartments by Type of Unit that House the 55+ Age Group
2002-2005

Apartments Targeting 55+	Total Units	SRO	Studios	1-Bedroom	2-Bedroom	3-Bedroom
Apartments (6/02)	1,502	208	197	597	468	32
Apartments (6/03)	2,139	292	145	902	617	183
Apartments (6/04)	2,000	209	84	862	789	56
Apartments (6/05)	1,593	208	57	823	458	47

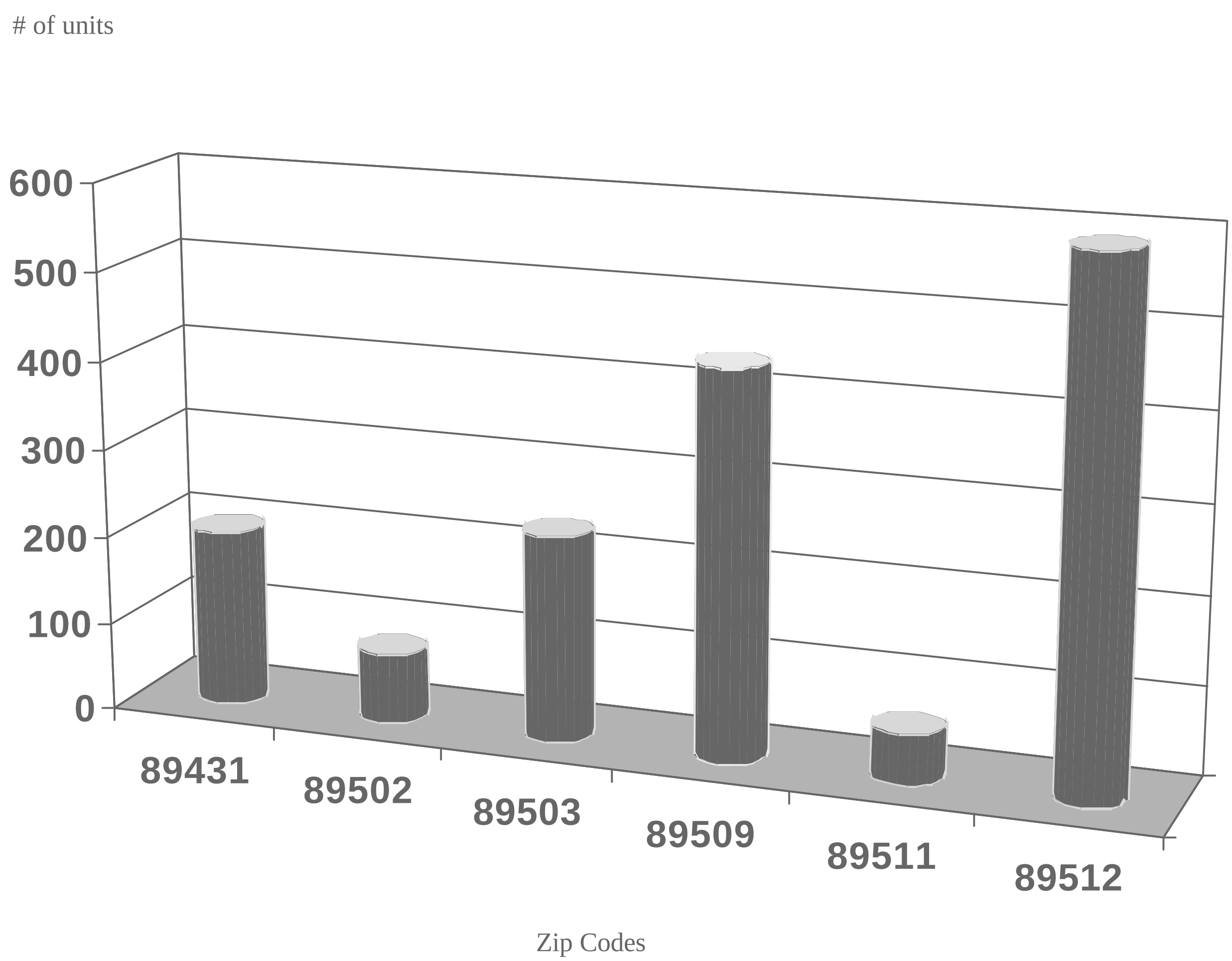
GRAPH 20
Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group
June 2005



Distribution of Apartments by Type of Unit That House the 55+ Age Group

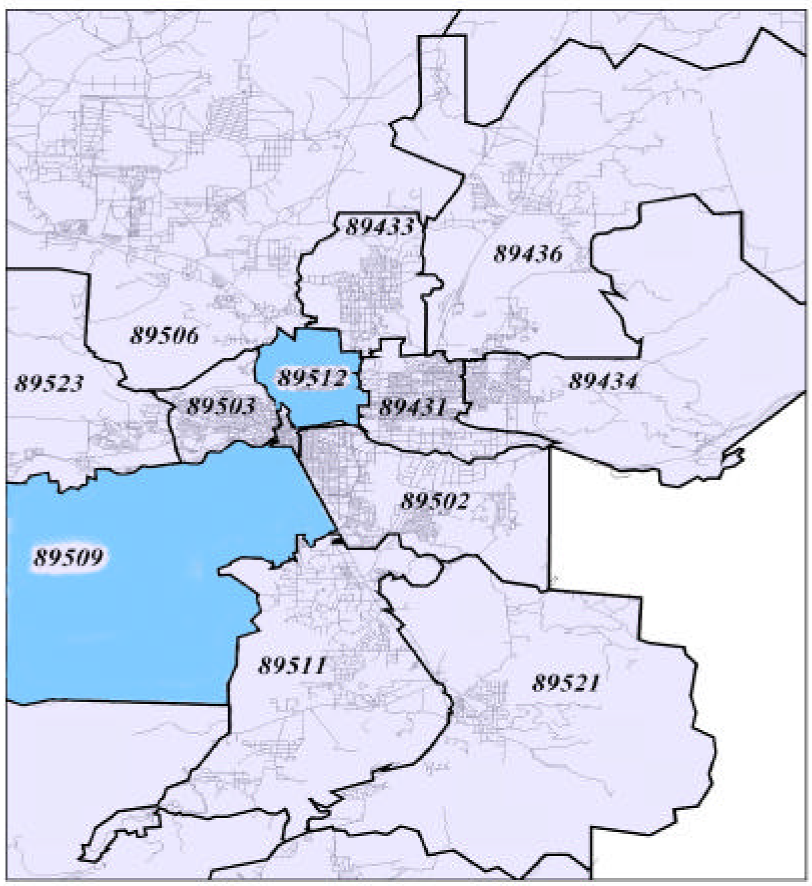
Two zip code areas represent the most prevalent location of multi-family units that house the 55+ age group. Of these areas, zip code 89512 has the highest number of multi-family units for seniors. (See Map 5.)

Graph 21
Number of Apartment Units by Zip Code that House the 55+ Age Group
June 2005



Distribution of Apartments by Type of Unit That House the 55+ Age Group

MAP 5
Multi-Family Density by Zip Code that House the 55+ Age Group



Denotes zip code area ranked with highest percentage of housing targeted for the 55+ age group.

Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group

For the 55+ age group, the mean rental rates for apartment living ranges from $391 a month for the studio size unit to $732.71 for the two-bedroom size. The average rent for one-bedroom units is $598.75 a month.

TABLE 23
Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group
June 2005

Zip Code	Rental Rates ($) for SROs	Rental Rates ($)for Studios	Rental Rates ($) for 1-BR	Rental Rates ($) for 2-BR	Rental Rates ($) for 3-BR
89431		$398.00	$492.00	$662.50	
89502			$495.00	$632.50	
89503		$405.00	$535.50	$657.50	
89509			$780.00	$913.75	$1,150.00
89511			$680.00	$785.00	$860.00
89512	$504.00	$370.00	$610.00	$745.00	

Multi-Family Housing in the Greater Reno/Sparks Area

Banbridge Apartments is a NHD multi-family financed project, providing 128 affordable units for families in Sparks.

Diamond Creek is a 288-unit NHD bond/tax credit family housing project located in Reno. Diamond Creek provides state-of-the art amenities for its residents and open space for family activities.

Cottonwood Place is a NHD Low-Income Housing Tax Credit Project providing 43-units of special needs housing. The project is located in Reno.

Section III

Rural Nevada

Rural Nevada Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2005 survey reflect the following:

1. The two-bedroom size apartments are the most popular, representing 50% of the residential multi-family housing stock in rural Nevada.
2. The overall vacancy rate for the rural area is 6.7%.
3. The highest vacancy rate is for those units constructed between 1975 and 1979.
4. The lowest vacancy rates are located in newer constructed units.
5. The highest vacancy rate is in the smaller size units, single room occupancy and studio size apartments.
6. The two, three, and four-bedroom size apartment units show the lowest vacancy rates.
7. Of the apartments who responded to the survey, zero vacancies were reported for the three– and four-bedroom size units.
8. Rental rates for affordable housing units are 10.4% to 19.2% lower than market rate rents.
9. Rural Nevada shows lower rental rates for all size units compared to rates experienced in the larger metropolitan areas of the Greater Las Vegas Valley and the Greater Reno/Sparks Area.
10. Rural Nevada's group homes and assisted living facilities experience lower costs and vacancy rates than those experienced in the state's larger urbanized areas.

Multi-Family Housing in Rural Nevada

Lovelock Gardens
Lovelock

Mountain Shadows
Elko

Mountainview
Winnemucca

Table 24
Mean Rental Rates by Apartment Sizes for all Areas in Nevada
June 2005

June 2005	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Greater Las Vegas Valley	$533.32	$655.12	$794.95	$962.76
Greater Reno/Sparks Area	$501.71	$626.16	$749.86	$960.90
Rural Nevada	$462.84	$623.38	$676.23	$828.73

Distribution of Apartments by Type of Unit

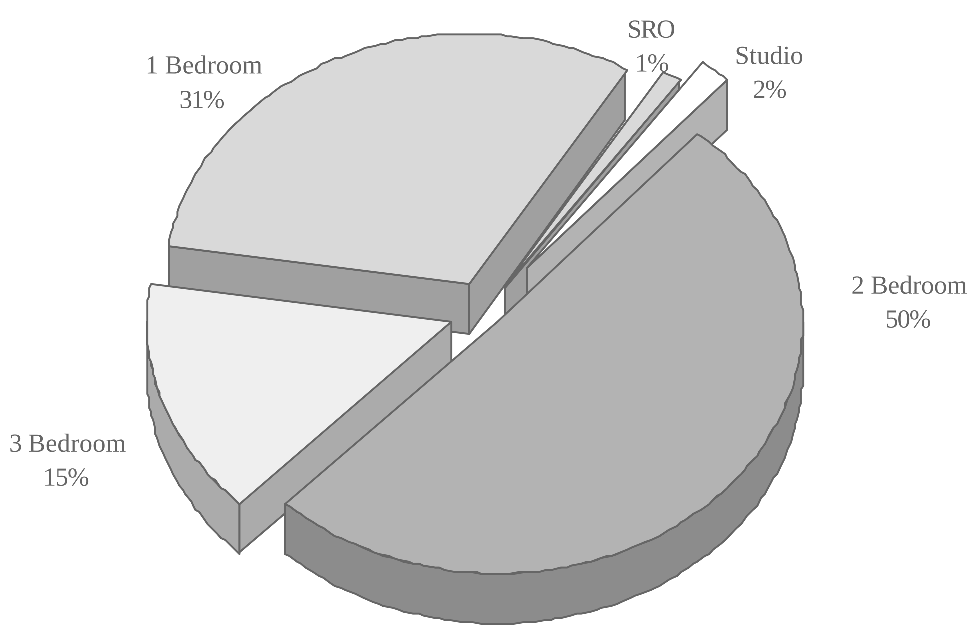
Table 25 and Graph 22 below show that the two-bedroom size unit is clearly the most common size for the rural part of Nevada with 50% of the multi-family housing inventory comprising this size housing.

TABLE 25
Number of Apartments by Type of Unit
June 2005

	Total Units	SRO	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
June 2005	2,355	24	38	723	1,183	355	12

Note: The findings listed above were from data collected from a 60% sample of 65 apartment complexes identified throughout the rural part of the state; 40% of those identified in the sample responded to the survey.

GRAPH 22
Distribution of Apartment Units by Size
June 2005



Note: Four bedroom size units are not shown in the graph as that group represents less one percent of the housing inventory.

Vacancy Rates

TABLE 26
Vacancy Rates
(Data by Year Project was Built**)**

Date Units Built	**2nd Qtr. 2005 # Responding to vacancy question Projects**	**Units**	**2nd Qtr. 2005 # of Reported Vacant Units***	**Vacancy Rate 6/30/05**
2005 only		**na**	**na**	-
2004 only		**na**	**na**	-
2000-2003	2	256	1	.39%
1995-1999	3	135	4	2.96%
1990-1994	1	28	1	3.57%
1985-1989	3	604	20	3.31%
1980-1984	5	329	13	3.95%
1975-1979	3	556	86	15.47%
1970-1974		na	na	-
Pre-1970	2	61	1	1.64%
Date unknown	7	386	32	8.29%
Totals	26	2,355	158	6.7%

TABLE 27
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2005

Apartment Type	Number of Units in Sample²	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	24	2	8.3%
Studio Apartments	28	1	3.6%
1-Bedroom Size Apartments	366	9	2.4%
2-Bedroom Size Apartments	803	13	1.6%
3-Bedroom Size Apartments	238	0	0.0%
4-Bedroom Size Apartments	12	0	0.0%

²Number of units in sample was derived from the responses of apartment complexes that provided a breakdown of number of vacancies by apartment type.

Distribution of Rents by Apartment Size

TABLE 28
Mean Rental Rates by Apartment Sizes
June 2005

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
June 2005	$462.84	$596.81	$667.09	$804.46

TABLE 29
Market Rate and Affordable Rental Rate Comparison
June 2005

Type of Units	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Market-Rate Rental Units	$462.84	$623.38	$676.23	$828.73
Affordable Units[1] Rental Rate	na	$543.49	$612.33	$695.25

[1]Affordable units denote apartment complex units that are income restricted.

Section IV

Group Homes/Assisted Living Facilities in Nevada

Group Homes/Assisted Living Facilities

Key Points

Group homes, as defined in this study, are single family residential structures in which bedrooms have been added or remodeled to accommodate 10 beds or less.

Assisted living facilities are multi-family designed structures for accommodating 18 beds or more.

Findings show that the group homes offer 1 to 2 levels of care while assisted living facilities normally provide up to 4 levels. Beyond a fourth level, administrators indicate it becomes cost prohibitive as each level results in a $300 base rental rate increase.

Each level of care requires more staff as more activities of daily living (ADLs) are required by the resident. By the time the resident is in need of a level 4 care, that client's care needs are oftentimes better served in a nursing home setting.

Administrators feel affordable housing for the elderly will become more acute with the growing aging population. Those individuals and/or families with money tend to have better nutrition and health care; therefore, longer healthier years for independent living. On the contrary, lower to moderate income individuals often have improper health care and nutrition, leading to more health-care needs in the aging years.

Findings from survey questionnaire:

1. For the group homes/assisted living facilities most of the clients are over age 65 with nearly half over age 80.
2. The activities of daily living (ADL) most provide for Level I care. Level I most usually consists of: preparing meals and snacks, assist with feeding, assist with dressing, provide transportation, provide laundry service, provide toiletries, provide assistance with personal grooming, provide 24/7 care giving, and provide medication supervision.
3. Level II, III, and IV (including dementia) care givers provide more time to client, and provide more than basic ADL, including nursing assistance, protective supervision, and medication management.
4. Larger facilities operate more efficiently due to lower vacancy rates and better economies of scale.

Determination of Pricing:

1. Room size, and, if room is a private or shared room, and whether or not client has private bath;
2. Level of care needed;
3. Determination of level of care if client has dementia/ Alzheimer's;
4. Depends on how independent the client is and his/her care needs;
5. The client's income level;
6. Kinds of service, i.e., if client is incontinent, needs assistance in walking, is ambulatory or non-ambulatory; and, amount and frequency of services.

Amenities Often Provided in Larger Facilities

Beauty salon;
Diapers;
Manicurist;
Cable TV;
Group current events session;
Private rooms;
Special diets;
Reading room/quiet room;
Chapel;
Flowers;
Mental Health counseling;
Entertainment/activities;
Scheduled outings to restaurants, shopping, and casinos;
TV watching; and
Board games.

Concerns of Administrators:

High cost of doing business;
High liability insurance and fees;
Clients need more financial support; more beds that accept Social Security as payment;
Market has more assisted living units than people who can afford to live in them;
Trying to stay occupied in a competitive business;
Educating the public on the difference of facilities;
Biggest challenge, especially in Alzheimer's care, most families wait until senior experiences a fall and is in need of medical assistance along with mental health care needs.

Major Need - - Educational/awareness classes

Families and individuals need to know "what is assisted living," services offered, facilities offered, difference in larger assisted living facilities and smaller group homes.

TIP: Encourage families to shop, go/see facilities. Do research, plan. Don't wait until an elderly loved one falls, has a stroke, or some other complication and needs assisted living. Facility operators say the adjustment works much better and smoother for the elderly when they are admitted before an "event" happens in their lives. Change under duress is not the best time for a change.

Group Homes/Assisted Living Facilities

The Assisted Living Federation of America defines an "Assisted Living" residence as "…..a special combination of housing, supportive services, personalized assistance and healthcare designed to respond to the individual needs of those who need help with activities of daily living and instrumental activities of daily living."

An assisted/independent living facility provides the following as basic services:

1. Three meals a day
2. Snacks
3. Transportation to shopping and doctor appointments
4. Housekeeping/linen service
5. Medication administration
6. Planned social and physical activities

The tables listed below outline the distribution of group homes/assisted living facilities throughout the state of Nevada. The beds identified are licensed by the Bureau of Licensure and Certification, Nevada Department of Human Resources.

TABLE 30
Number of Assisted Living and Dementia/Alzheimer's Beds Available in the State

Greater Las Vegas Valley

Facilities	# of licensed beds	Assisted Living	Dementia/Alzheimer
Facilities with 18 to 150 beds	1,296	983	313
Facilities with 3 to 10 beds	2,396	1,462	934
Total	3,692	2,445	1,247

Greater Reno/Sparks Area

Facilities	# of licensed beds	Assisted Living	Dementia/Alzheimer
Facilities with 18 to 109 beds	780	553	227
Facilities with 5 to 17 beds	233	233	0
Total	1,013	786	227

Rural Nevada[1]

Facilities	# of licensed beds	Assisted Living	Dementia/Alzheimer
Facilities with 38 to 76 beds	537	416	121
Facilities with 6 to 10 beds	108	98	10
Total	645	514	131

[1]Areas in Nevada that are located outside the Greater Las Vegas Valley and the Greater Reno/Sparks Area.

Group Homes/Assisted Living Facilities

Table 31
Reported Vacancies by Type of Facility
2005

Greater Las Vegas Valley

Facilities	Assisted Living: # of Units in Sample	Assisted Living: # of Vacancies by Facility	Assisted Living: Vacancy Rate	Dementia/Alzheimer's: # of Units in Sample	Dementia/Alzheimer's: # of Vacancies by Unit Type	Dementia/Alzheimer's: Vacancy Rate
Facilities with 18 to 150 beds	466	44	9.44%	163	36	22.09%
Facilities with 3 to 10 beds	147	33	22.45%	17	4	23.53%

Greater Reno Sparks Area

Facilities	Assisted Living: # of Units in Sample	Assisted Living: # of Vacancies by Facility	Assisted Living: Vacancy Rate	Dementia/Alzheimer's: # of Units in Sample	Dementia/Alzheimer's: # of Vacancies by Unit Type	Dementia/Alzheimer's: Vacancy Rate
Facilities with 18 to 109 beds	448	35	7.81%	90	14	15.56%
Facilities with 5 to 17 beds	57	10	17.54%	na	na	na

na -- sample too small of reporting facilities regarding vacancies

Rural Nevada

Facilities	Assisted Living: # of Units in Sample	Assisted Living: # of Vacancies by Facility	Assisted Living: Vacancy Rate	Dementia/Alzheimer's: # of Units in Sample	Dementia/Alzheimer's: # of Vacancies by Unit Type	Dementia/Alzheimer's: Vacancy Rate
Facilities with 38 to 76 beds	297	5	1.68%	11	1	9.09%
Facilities with 6 to 10 beds	27	4	14.81%	36	2	5.56%

Group Homes/Assisted Living Facilities' Survey Methodology

Data listed below reflects the findings for the Greater Las Vegas Valley, the Greater Reno/Sparks Area, and rural Nevada from a mail/telephone survey of group homes/assisted living facilities.

Facilities identified for the survey were:

1. licensed group homes by the Nevada Bureau of Licensure and Certification with 10 or less beds, or

2. larger facilities with more than 18 beds per facility, referred to in this survey as assisted living facilities.

In the state-wide survey, a mail questionnaire and a telephone survey resulted in a 90% response rate from the larger facilities, with a 25% response rate from the smaller group homes.

A total number of 290 facilities statewide were identified for the survey.

"Findings for *NHD Apartment Facts* includes research data from assisted living facilities and groups homes. Research was conducted for obtaining normal rental and vacancy rates experienced in the caring of the frail and elderly, and for those individuals diagnosed with dementia/ Alzheimer's."

Table 32
Mean Monthly Rental Rate for Apartment Units in Assisted Living Facilities
2005

Geographic Area	SRO	Studio	1-Bedroom	2-Bedroom
Greater Las Vegas Valley	na	$2,290.63	$2,908.13	$3,741.67
Greater Reno/Sparks Area	na	$2,898.33	$3,141.50	$3,835.75
Rural Areas	$1,895.00	$2,538.75	$2,740.00	$2,912.50

Note: Apartments are listed for assisted living (18+ unit) facilities; group homes with 3 to 10 beds do not provide apartments.
na — no reporting units

Group Homes/Assisted Living Facilities

TABLE 33
Mean Rental Rates of Beds in Group Homes and Assisted Living Facilities
(Assisted Living and Dementia/Alzheimer)
June 2005

Greater Las Vegas Valley

	Assisted Living		Dementia/Alzheimer	
Facilities	**Base Minimum Charge**	**Base Maximum Charge**	**Base Minimum Charge**	**Base Maximum Charge**
Facilities with 15 to 150 beds	$1,979	$3,451	$3,471	$4,521
Facilities with 3 to 10 beds	$1,226	$2,207	$1,433	$1,833
Mean rental rates all beds	$1,602	$2,829	$2,452	$3,177

Greater Reno/Sparks Area

	Assisted Living		Dementia/Alzheimer	
Facilities	**Base Minimum Charge**	**Base Maximum Charge**	**Base Minimum Charge**	**Base Maximum Charge**
Facilities with 18 to 109 beds	$2,932	$3,317	$3,572	$3,572
Facilities with 4 to 17 beds	$1,727	$3,326	$2,500	$3,765
Mean rental rates all beds	$2,329	$3,321	$3,036	$3,668

Rural Nevada

	Assisted Living		Dementia/Alzheimer	
Facilities	**Base Minimum Charge**	**Base Maximum Charge**	**Base Minimum Charge**	**Base Maximum Charge**
Facilities with 38 to 76 beds	$1,539	$2,335	$2,500	$2,850
Facilities with 6 to 10 beds	$2,100	$2,100	$3,537	$3,887
Mean rental rates all beds	1,819	$2,217	$3,018	$3,368

Note: All charges are based upon minimal quotes; facilities can provide up to four levels of care. Each level of care is equal to an additional $300 to the base charge.