

NEVADA HOUSING DIVISION



NHD Apartment Facts

Second Quarter

2008

COVERED AREAS:

Greater Las Vegas Valley

Greater Reno/Sparks Area

Rural Nevada

Blank Page

Final Report

2nd Quarter 2008

Point-In-Time Apartment Survey

Section I -- Greater Las Vegas Valley

Section II -- Greater Reno/Sparks Area

Section III -- Rural Nevada

NHD Apartment Facts

Prepared by:

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
Dianne Cornwall, 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
Tel. 1-888-486-8775
Fax. 702-486-7227
E-mail: lvpr@nvhousing.state.nv.us

Northern Nevada Office

1535 Old Hot Springs Road, Suite 50
Carson City, Nevada 89706
Tel. 775-687-2040
Tel. 1-800-227-4960
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

| Description | Contents | Page # |
|-------------|--|--------|
| | From The Administrator | i |
| | The Survey | ii |
| | SECTION I | |
| | GREATER LAS VEGAS VALLEY | 1 |
| | Greater Las Vegas Valley Apartment Survey Study — Key Points | 2 |
| Table 1 | Number of Apartments by Type of Unit | 3 |
| Table 1-A | Number of Apartments by Type of Unit (Database Breakdown) | 4 |
| Graph 1 | Distribution of Apartment Units by Size | 5 |
| Graph 2 | Average Apartment Project Size by 5-year Increments | 6 |
| Table 2 | Vacancy Rates | 7 |
| Table 3 | Reported Vacancies by Type of Unit for All Reporting Apartment Complexes | 8 |
| Table 4 | Total Number of Housing Units and Vacancy Rate by Zip Code | 9 |
| Table 5 | Total Number of Apartment Units by Zip Code | 11 |
| Map 1 | High Density Zip Code Areas of Multi-Family Housing | 13 |
| Graph 3 | Multi-Family Units by Year Built Since 1980 | 14 |
| Table 6 | New Construction of Multi-Family Housing | 15 |
| Map 2 | Highest Geographic Areas of New Construction for Multi-Family Housing | 16 |
| Graph 4 | Apartment Units Types by Year Built | 17 |
| Table 7 | Mean Rental Rates by Apartment Sizes | 18 |
| Table 8 | Market Rate, Affordable, and Special Needs Housing Rental Rate Comparison | 19 |
| Graph 5 | Distribution of Rental Rates for Studio Apartments | 20 |
| Graph 6 | Distribution of Rental Rates for 1-Bedroom Apartments | 21 |
| Graph 7 | Distribution of Rental Rates for 2-Bedroom Apartments | 22 |
| Graph 8 | Distribution of Rental Rates for 3-Bedroom Apartments | 23 |
| Table 9 | Number of Apartments by Type of Unit that House the 55+ Age Group | 24 |
| Graph 9 | Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group | 25 |
| Table 10 | Number of Apartments by Type of Unit and Year Built that House the 55+ Age Group | 26 |
| Graph 10 | Distribution by Years of Multi-Family Construction of Units that House the 55+ Age Group | 26 |
| Table 11 | Number of Apartments by Zip Code that House the 55+ Age Group | 27 |
| Map 3 | Multi-Family Density by Zip Code that House the 55+ Age Group | 28 |
| Table 12 | Vacancy and Vacancy Rates for Apartments that House the 55+ Age Group | 29 |
| Table 13 | Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group | 30 |
| Table 13-A | Mean Rental Rates (Market Rate and Affordable Housing Rental Rate Comparison) that House the 55+ Age Group | 30 |

TABLE OF CONTENTS

| Description | Contents | Page # |
|-------------|---|--------|
| | SECTION II | |
| | GREATER RENO/SPARKS AREA | 31 |
| | Greater Reno/Sparks Area Apartment Survey — Key Points | 32 |
| Table 14 | Number of Apartments by Type of Unit | 33 |
| Table 14-A | Number of Apartments by Type of Unit Database Breakdown | 33 |
| Graph 12 | Distribution of Apartment Units by Size | 34 |
| Graph 13 | Growth in Average Apartment Project Size by 5-year Increments | 35 |
| Table 15 | Vacancy Rates | 36 |
| Table 16 | Reported Vacancies by Type of Unit | 37 |
| Table 17 | Total Number of Housing Units and Vacancy Rate by Zip Code | 38 |
| Table 18 | Total Number of Apartment Units by Zip Code | 39 |
| Map 4 | High Density Zip Code Areas of Multi-Family Housing | 40 |
| Table 19 | New Construction of Multi-Family Housing | 41 |
| Map 5 | Highest Geographic Areas of New Construction for Multi-Family Housing | 42 |
| Graph 14 | Multi-Family Units by Year Built Since 1980 | 43 |
| Graph 15 | Apartment Unit Types by Year Built | 44 |
| Table 20 | Mean Rental Rates by Apartment Sizes | 45 |
| Table 21 | Market Rate, Affordable, Special Needs Rental Rate Comparison | 46 |
| Graph 16 | Distribution of Rental Rates for Studio Apartments | 47 |
| Graph 17 | Distribution of Rental Rates for 1-Bedroom Apartments | 48 |
| Graph 18 | Distribution of Rental Rates for 2-Bedroom Apartments | 49 |
| Graph 19 | Distribution of Rental Rates for 3-Bedroom Apartments | 50 |
| Table 22 | Number of Apartments by Type of Unit that House the 55+ Age Group | 51 |
| Graph 20 | Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group | 51 |
| Table 23 | Number of Apartments by Zip Code that House the 55+ Age Group | 52 |
| Map 6 | Multi-Family Density by Zip Code that House the 55+ Age Group | 53 |
| Table 24 | Mean Rental Rates by Zip Code and by Type of Unit for Apartments that House the 55+ Age Group (Market Rate and Affordable Units Rental Rates) | 54 |
| Table 24-A | Mean Rental Rates Market Rate and Affordable Housing Rental Rate Comparison that House the 55+ Age Group | 54 |

TABLE OF CONTENTS

| Description | Contents | Page # |
|-------------|--|--------|
| | SECTION III RURAL NEVADA | 55 |
| | Key Points | 56 |
| Table 24 | Mean Rental Rates by Apartment Sizes for all Areas in Nevada | 56 |
| Table 25 | Number of Apartments by Type of Unit | 57 |
| Table 25-A | Number of Apartments by Type of Unit Database Breakdown | 57 |
| Graph 22 | Distribution of Apartment Units by Size | 58 |
| Table 26 | Vacancy Rates | 59 |
| Table 27 | Reported Vacancies by Type of Unit | 59 |
| Table 28 | Mean Rental Rates by Apartment Sizes | 60 |
| Table 29 | Market Rate, Affordable and Special Needs Housing Rental Rate Comparison | 60 |
| Table 30 | Number of Apartments by Geographical Area that House the 55+ Age Group Throughout Rural Nevada | 61 |

From The Administrator

NHD's Annual Multi-Family Survey

It is with great pleasure that the Housing Division is presenting its findings for the second quarter 2008 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 the Rural Nevada communities,

Through these surveys, the Division is able to evaluate the effectiveness of its financings and to identify housing gaps for serving the housing needs in Nevada.

Of continued importance, for the Housing Division's is its commitment in providing housing that is safe, sanitary, decent and affordable for Nevada's low- to moderate-income individuals and families.

Nevada's increasing numbers of home foreclosures has resulted in many of Nevada's families seeking decent affordable rental residential housing.



Charles L. Horsey
Administrator

“Through these surveys, the Division is able to evaluate the effectiveness of its financings and to identify housing gaps for serving the housing needs in Nevada.”

Through the Division's Multi-Family Bond and Low-Income Housing Tax Credit Programs, hundreds of qualified families have become residents of affordable residential multi-family rental units. Since its inception, the Division has financed more than 32,000 multi-family units statewide.

Through creative financing by the Division's Multi-Family Programs¹ and with the assistance of supportive multi-family housing developers, the Division's financed rental residential units remain affordable and has been able to provide affordable housing for approximately 100,000 Nevada families.

Data from this year's study shows that statewide affordable rental rates range from 11% for studio-size units to 31% for three-bedroom size units that are below the unregulated market rates. This data indicates that the Division's efforts are helping to assist those most in need.

Charles L. Horsey

¹Bond, Low-Income Housing Tax Credit, HOME, and Low-Income Housing Trust Fund

The Survey

Goals and Objectives

The Division's goals for the *NHD Apartment Facts* report is to assist governmental planners and multi-family 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. location of new multi-family development, and
11. housing density of multi-family development.

An analysis of data collected through the mail survey and telephone interviews is prepared by NHD staff. A final report is prepared outlining in table and graph formats for the findings of the survey.

Data:

All data for the second quarter 2008 study is based upon primary data collection conducted by the Housing Division. From this data collection, 822 apartment complexes were identified in the Greater Las Vegas Valley representing 136,452 apartment units validated for the database.

In the Greater Reno/Sparks Area, 253 apartment complexes were identified representing 30,786 apartment units validated for the database.

For rural Nevada, 160 apartment complexes were included in the sample representing 7,778 apartment units validated for the database.

Survey data analysis is based upon a 87.76% response rate for the Greater Las Vegas Valley, a 91.73% response rate for the Greater Reno/Sparks Area, and a 86.05% response rate for rural Nevada.¹

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

¹Response 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

Greater Las Vegas Valley Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2008 survey reflect the following:

1. The two-bedroom size apartments continue to remain the most popular rental unit type.
2. The two-bedroom size apartments comprise nearly half (49%) of the identified multi-family housing units.
3. Demolition of units and conversions of apartments to condominiums represented less than 1% of the identified apartment units.
4. The average apartment size since 1980 shows an average of over 223 units per apartment complex.
5. Survey responses from condominium complexes' management indicate that a significant number of the complex's units are available for rental; rentals are advertised directly by private investors; therefore exact numbers are not available, property management however is estimating that 30% to 50% of those units are vacant for rental.
6. Data reflects, from the survey's reporting apartment managers, an overall vacancy rate of 7.6%, a +2.5% change in vacancy rate from the 2007 point-in-time survey data.
7. Studio-size apartment rental units reflect the highest vacancy rates.
8. Vacancy rates are higher in older developed areas of the Valley.
9. More than 30% of the Greater Las Vegas Valley's apartment complexes are located within six zip code areas, most of which are located in the centrally located part of the Greater Las Vegas Valley.
10. Since year 1996, data reflect a downward trend in the number of multi-family housing units being added to the residential rental housing inventory.
11. Most of 2008's multi-family construction has occurred or is under construction in outlying areas where there is likely more open land.
12. Since year 2000, the number of three-bedroom size units being constructed have shown a decline.
13. The second quarter 2008 mean rental rates show a mean increase in rental rates of +2.56% over 2007's data.
14. The greatest rental rate change since 2007 occurred in the three-bedroom size apartments with a 1.65% increase in rental rates.

“Affordable rents¹ for studio–one, and two-bedroom size units that house the 55+ population are an average of 32.29% lower than market rents for comparable configuration.”

15. Affordable rents¹ for studio, one, two and three-bedroom size units are an average of 24.64% lower than market rents for comparable configuration.
16. The one-bedroom size unit continues to be the most popular size unit for the 55+ age group, with 50% of this age group selecting this size unit.
17. More than 85% multi-family units produced to house the 55+ age group has been built since 1980.
18. Four zip code areas house more than one-third of the 55+ age group who reside in rental housing.
19. The zip codes that house most of the 55+ age group renters are areas close to shopping, medical services, public transportation, and gaming.
20. Vacancy rates for those apartments that house the 55+ age group averaged 6.70% in 2008, compared to a 4.28% vacancy rate in 2007.
21. The lowest monthly rental rates for senior housing (55+ population) are located in the older developed residential areas of the Valley.
22. Affordable rents¹ for studio, one, and two-bedroom size units that house the 55+ population are an average of 32.29% lower than market rents for comparable configuration.

Distribution of Apartments by Type of Unit

The split of unit types shows that the two-bedroom size residential rental units continue to be the most popular housing unit size in the rental market. Two-bedroom units comprise nearly one-half of NHD's identified apartment units in the Greater Las Vegas Valley. (See Graph 1.)

TABLE 1
Number of Apartments by Type of Unit
June 1997-2008

| | 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 | 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 |
| June 2006 | 135,696 ¹ | 579 | 6,684 | 48,447 | 66,518 | 13,069 | 399 |
| June 2007 | 131,767 ¹ | 924 | 7,168 | 45,734 | 64,624 | 12,987 | 330 |
| June 2008 | 136,452 | 854 | 7,352 | 47,836 | 66,755 | 13,333 | 322 |

¹ Due to demolitions, conversion to condominiums, refusal to participate, expressed non interest in taking the time to answer questions for the survey or telephone systems that serve as screening of telephone calls, has resulted in a lower number of total units in the survey's database.

² Single Room Occupancy.

Distribution of Apartments by Type of Unit

Of the total number of apartment complexes identified, nearly 12% of them had their mail returned; there was no response from management, or managers refused to participate. This year's survey had responses from 87.76% of apartment complexes who received questionnaires. Unlike previous years, demolition of units and conversions from apartment rental units to condominiums represented less than 1% of the identified apartment units. Survey responses from responding condominium conversion complexes' management indicated that a significant number of the condominium complex's units are available for rental from private investors. Data for those numbers are not available.

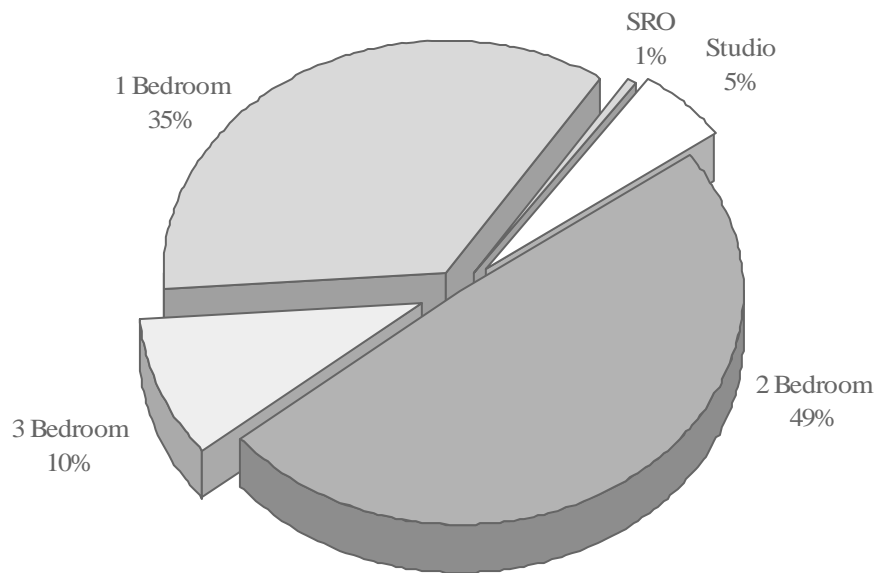
Table 1-A
Number of Apartments by Type of Unit
June 2004 through June 2008
Database Breakdown

| Description | June 2004 | June 2005 | June 2006 | June 2007 | June 2008 |
|---|-----------|-----------|-----------|-----------|-----------|
| Total # of apartment complexes identified | 866 | 869 | 855 | 811 | 822 |
| Total # of apartment units identified | 165,649 | 166,815 | 159,328 | 153,388 | 155,479 |
| # of units identified to be demolished | 346 | 2,414 | 1,820 | 405 | 137 |
| # of units identified converted from apartment rental units to condominiums | 3,800 | 11,780 | 10,288 | 1,107 | 88 |
| # of identified rental units where there was no response, or owners and/or managers refused to participate | 3,081 | 2,885 | 6,612 | 17,172 | 14,271 |
| # of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office | 404 | 768 | 3,057 | 2,591 | 4,345 |
| # of rental units identified as under construction with targeted completion dates later in the year | 1,244 | 452 | 638 | 346 | 186 |
| Total # of rental units validated for database | 156,404 | 147,689 | 135,696 | 131,767 | 136,452 |

Distribution of Apartments by Type of Unit

Graph 1 shows that residents of the multi-family residential rental market prefer larger-size units. Nearly one-half of the multi-family housing inventory is two bedroom in size. The four-bedroom size units continue to represent less than one percent of unit types demanded by the rental market.

GRAPH 1
Distribution of Apartment Units by Size
June 2008

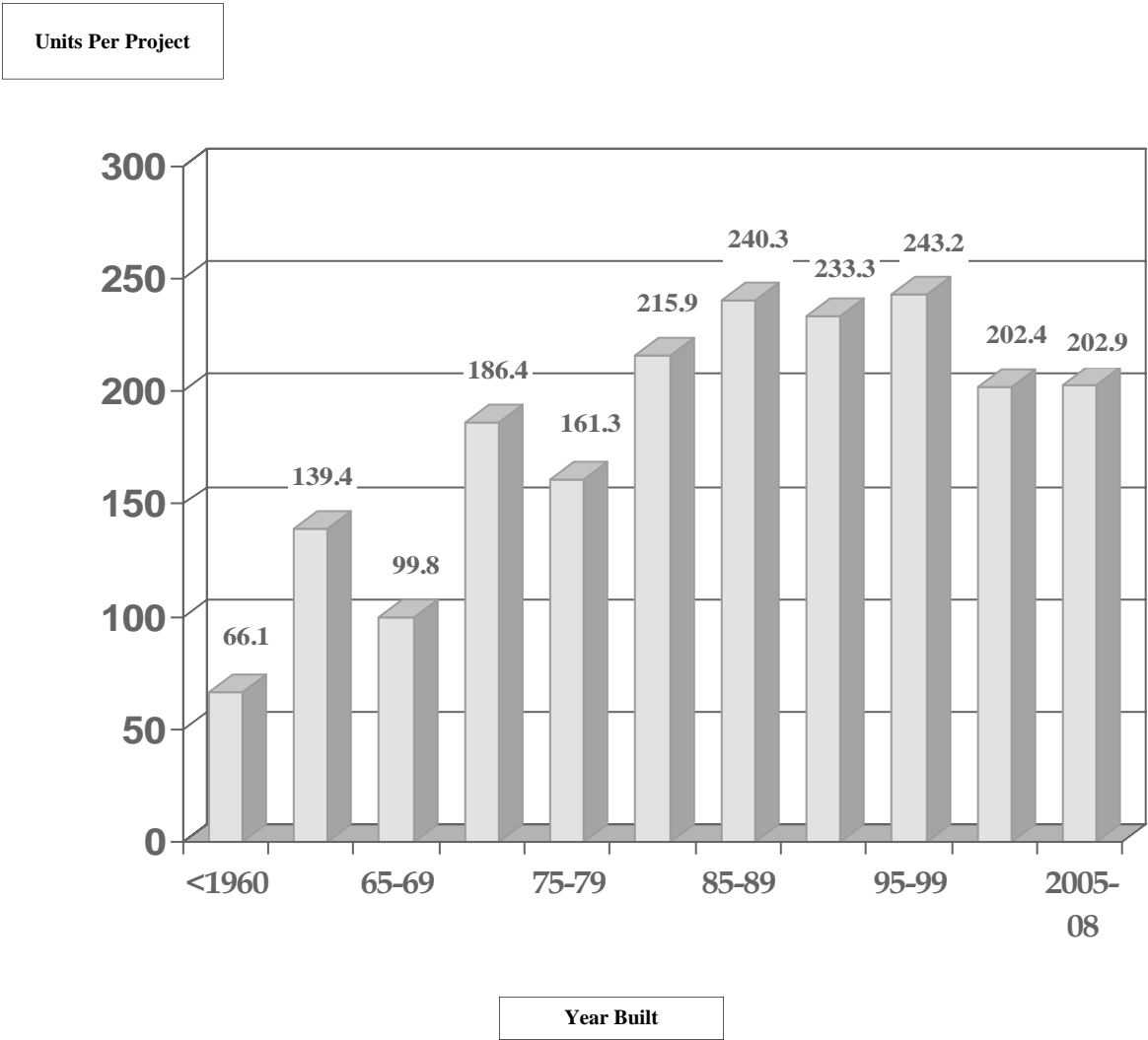


Note: Four-Bedroom size units represent less than 1% of the total number of apartment units in the Greater Las Vegas Valley; therefore, that number is not shown in Graph 1.

Growth in Average Apartment Project Size

The average apartment complex’s size by number of units provided started increasing in 1980. The trend since that time through the first six months of 2008 has been for the size of apartment buildings to provide 200+ units for residential rental.

GRAPH 2
Average Apartment Project Size by 5-year Increments
1960 to 2008



Vacancy Rates

The vacancy rates in the Division's second quarter 2008 survey reflects an increase in number of vacancies for the Greater Las Vegas Valley. The 2008 data shows a vacancy rate of 7.6%, a vacancy rate increase of 2.5% from the second quarter 2007 point-in-time survey data.

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

| Units Built by Year | 2nd Qtr. 2008 # Responding to vacancy question | | 2nd Qtr. 2008 # of Reported Vacant Units | Vacancy Rate 6/30/08 | Vacancy Rate 6/30/07 | Vacancy Rate 6/30/06 | Vacancy Rate 6/30/05 | Vacancy Rate 6/30/04 |
|--------------------------|---|----------------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Projects | Units | | | | | | |
| 2008 only | 4 | 1,098 | ** | ** | na | na | na | na |
| 2006 and 2007 | 21 | 3,781 | ** | ** | ** | ** | na | na |
| 2005 | 10 | 1,872 | 56 | 3.0% | ** | ** | ** | na |
| 2000-2004 | 90 | 18,369 | 1,241 | 6.7% | 3.4% | 3.1% | 3.7% | 7.1% |
| 1995-1999 | 113 | 27,376 | 2,216 | 8.1% | 4.5% | 2.7% | 2.4% | 4.7% |
| 1990-1994 | 64 | 14,199 | 1,112 | 7.8% | 4.2% | 3.0% | 2.8% | 3.4% |
| 1985-1989 | 109 | 25,773 | 1,970 | 7.6% | 5.6% | 4.1% | 3.3% | 5.0% |
| 1980-1984 | 57 | 11,032 | 794 | 7.2% | 5.3% | 3.6% | 3.4% | 5.4% |
| 1975-1979 | 61 | 9,826 | 720 | 7.3% | 4.2% | 3.0% | 3.3% | 4.7% |
| 1970-1974 | 39 | 7,112 | 541 | 7.6% | 7.9% | 3.3% | 4.9% | 7.2% |
| Pre-1970 | 52 | 5,358 | 495 | 9.2% | 10.2% | 5.1% | 5.0% | 8.3% |
| Date unknown | 12 | 809 | 89 | 11.0% | 8.9% | 2.0% | 10.2% | .06% |
| | 607 | 121,726 | 9,234 | 7.6% | 5.1% | 3.4% | 3.4% | 5.3% |

*Vacancy data is derived from a 95.3% survey response rate to the specific vacancy rate question.

** 2008 units are under construction or in first phase of renting. 2006, 2007, and 2008 data are not included in determining the Valley's overall vacancy rate as reasonable rent-up time is allowed prior to determining vacancy rates.
na - not applicable.

Note: Totals do not include assisted living, group homes, or subsidized housing units.

Vacancy Rates

Table 3 reflects that in the Greater Las Vegas Valley, the one-bedroom size apartments experienced the highest percentage change of vacancies. The one-bedroom size reflected a change of +3.0% vacancy rate from 2007 data whereas the larger sized four-bedroom size units reflect a decrease of 3.1% in vacancy rates.

TABLE 3
Reported Vacancies by Type of Unit
for All Reporting Apartment Complexes
2008

| Apartment Type | Number of Units in Sample ¹ | Vacancies by Unit Type | Vacancy Rate 2008 | Vacancy Rate 2007 | % Change (07-08) |
|-----------------------------|--|------------------------|-------------------|-------------------|------------------|
| Single Room Occupancy (SRO) | 854 | 28 | 3.3% | 1.2% | +2.1% |
| Studio Apartments | 5,758 | 488 | 8.5% | 7.0% | +1.5% |
| 1-Bedroom Size Apartments | 34,691 | 2,575 | 7.4% | 4.4% | +3.0% |
| 2-Bedroom Size Apartments | 49,590 | 3,724 | 7.5% | 5.4% | +2.1% |
| 3-Bedroom Size Apartments | 10,114 | 692 | 6.8% | 6.3% | +0.5% |
| 4-Bedroom Size Apartments | 263 | 17 | 6.5% | 9.6% | -3.1% |

¹Number 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 4
Total Number of Housing Units and Vacancy Rate by Zip Code

| Zip Code | Total Number of Apartment Units in Zip Code Area 6/30/08 | Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/08 | Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/07 | Vacancy Rate (%) by Zip Code Area for those Apartment Units Reporting Vacancies 6/30/06 | 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 |
|----------|--|--|--|---|---|---|
| 89002 | 213 | 70.9% | na | na | na | na |
| 89005 | 149 | 0.0% | 0.0% | 0.0% | 0.0% | 2.1% |
| 89011 | 754 | 10.6% | na | na | na | na |
| 89012 | 2,047 | 10.7% | 3.3% | 1.8% | 2.4% | 4.8% |
| 89014 | 5107 | 7.3% | 3.5% | 2.9% | 3.4% | 4.4% |
| 89015 | 2412 | 2.9% | 3.7% | 2.3% | 2.5% | 4.2% |
| 89030 | 2267 | 13.2% | 9.3% | 6.5% | 7.5% | 8.3% |
| 89031 | 1368 | 7.5% | 1.8% | 2.5% | 2.8% | 2.5% |
| 89032 | 1254 | 5.8% | 4.4% | 2.2% | 5.5% | 17.5% |
| 89036 | 248 | 8.9% | NA | .8% | 0.0% | 2.4% |
| 89052 | 1604 | 2.1% | 4.6% | 1.7% | 4.4% | 7.0% |
| 89074 | 2251 | 8.8% | 4.0% | 2.1% | 2.3% | 2.0% |
| 89081 | 653 | 19.6% | ** | ** | ** | ** |
| 89084 | 580 | na | ** | ** | ** | ** |
| 89086 | 272 | 5.5% | ** | ** | ** | ** |
| 89101 | 6023 | 8.4% | 4.3% | 2.1% | 3.4% | 6.2% |
| 89102 | 8850 | 8.2% | 5.9% | 4.2% | 3.4% | 4.7% |
| 89103 | 7778 | 4.8% | 4.2% | 2.5% | 2.6% | 5.1% |
| 89104 | 4726 | 11.6% | 7.5% | 7.2% | 3.1% | 6.6% |
| 89106 | 2712 | 11.9% | 5.6% | 4.7% | 7.3% | 5.6% |
| 89107 | 2112 | 8.7% | 2.0% | 5.4% | 3.2% | 5.3% |
| 89108 | 6328 | 7.4% | 7.3% | 4.3% | 2.6% | 4.9% |
| 89109 | 6709 | 7.9% | 7.6% | 3.2% | 4.1% | 5.8% |
| 89110 | 3438 | 10.3% | 4.4% | 4.5% | 2.5% | 2.6% |
| 89113 | 585 | 7.2% | 4.3% | .5% | 0.0% | 5.0% |
| 89115 | 5868 | 13.7% | 7.7% | 6.0% | 3.1% | 5.9% |
| 89117 | 8004 | 5.9% | 4.1% | 2.0% | 2.1% | 3.0% |

Table continued on following page.

Housing Units and Vacancy Rate by Zip Code

TABLE 4 (continued)
Total Number of Housing Units and Vacancy Rate by Zip Code

| Zip Code | Total Number of Apartment Units in Zip Code Area 6/30/08 | Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/08 | Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/07 | Vacancy Rate (%) by Zip Code Area for those Apartment Units Reporting Vacancies 6/30/06 | 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 |
|-------------|--|--|--|---|---|---|
| 89118 | 1785 | 3.4% | 4.7% | 1.6% | 2.2% | 5.0% |
| 89119 | 10959 | 5.5% | 4.8% | 2.7% | 2.0% | 5.3% |
| 89120 | 2344 | 3.3% | 1.5% | 2.1% | 2.0% | 1.4% |
| 89121 | 7140 | 8.8% | 6.6% | 2.9% | 3.8% | 5.1% |
| 89122 | 3470 | 12.7% | 3.9% | 3.5% | 4.4% | 4.0% |
| 89123 | 4596 | 4.1% | 3.3% | 4.9% | 2.4% | 6.3% |
| 89128 | 2342 | 8.5% | 8.2% | 4.9% | 3.8% | 6.6% |
| 89129 | 2316 | 13.0% | 3.6% | .8% | 2.9% | 6.8% |
| 89130 | 1040 | 6.7% | 4.9% | 1.6% | 2.4% | 2.0% |
| 89131 | 272 | 8.1% | 6.3% | .7% | 1.8% | 3.3% |
| 89135 | 485 | 7.2% | 5.5% | 3.8% | 3.1% | 5.2% |
| 89138 | 262 | 5.7% | na | na | na | na |
| 89139 | 1384 | 2.7% | 1.0% | 1.5% | 4.7% | 2.8% |
| 89141 | 340 | 0.0% | 3.5% | 0.0% | 7.6% | na |
| 89142 | 1744 | 7.5% | 6.5% | 4.7% | 3.6% | 2.1% |
| 89144 | 544 | 26.7% | 0.0% | 6.3% | 3.9% | 4.7% |
| 89145 | 686 | 12.4% | 2.6% | .7% | 4.2% | 7.5% |
| 89146 | 2583 | 8.4% | 4.6% | .9% | 3.5% | 5.4% |
| 89147 | 3122 | 3.9% | 4.4% | 3.9% | 3.2% | 6.3% |
| 89148 | 1885 | 14.0% | 2.8% | 2.1% | 5.5% | 5.6% |
| 89149 | 462 | 7.1% | 5.1% | NA | NA | NA |
| 89156 | 656 | 16.6% | 6.2% | 4.9% | 2.1% | 5.9% |
| 89166 | 336 | 8.6% | 44.6% ¹ | NA | NA | NA |
| 89169 | 567 | 8.5% | ** | ** | ** | ** |
| 89183 | 820 | 2.4% | ** | ** | ** | ** |
| Total Units | 136,452 | | | | | |

NA - New development area.

** Zip codes created in 2008.

Distribution of Rental Units by Zip Code

TABLE 5
Total Number of Apartment Units by Zip Code

June 2008

| Zip Code | Total # of Apartment Units by Zip Code | Percent | Cumulative |
|----------|--|---------|------------|
| 89119 | 10,959 | 8.03% | 8.03% |
| 89102 | 8,850 | 6.48% | 14.51% |
| 89117 | 8,004 | 5.86% | 20.37% |
| 89103 | 7,778 | 5.70% | 26.07% |
| 89121 | 7,140 | 5.23% | 31.30% |
| 89109 | 6,709 | 4.92% | 36.22% |
| 89108 | 6,328 | 4.64% | 40.86% |
| 89101 | 6,023 | 4.41% | 45.27% |
| 89115 | 5,868 | 4.30% | 49.57% |
| 89014 | 5,107 | 3.74% | 53.31% |
| 89104 | 4,726 | 3.46% | 56.77% |
| 89123 | 4,596 | 3.37% | 60.14% |
| 89122 | 3,470 | 2.54% | 62.68% |
| 89110 | 3,438 | 2.52% | 65.20% |
| 89147 | 3,122 | 2.29% | 67.49% |
| 89106 | 2,712 | 1.99% | 69.48% |
| 89146 | 2,583 | 1.89% | 71.37% |
| 89015 | 2,412 | 1.77% | 73.14% |
| 89120 | 2,344 | 1.72% | 74.86% |
| 89128 | 2,342 | 1.72% | 76.58% |
| 89129 | 2,316 | 1.70% | 78.28% |
| 89030 | 2,267 | 1.66% | 79.94% |
| 89074 | 2,251 | 1.65% | 81.59% |
| 89107 | 2,112 | 1.55% | 83.14% |
| 89012 | 2,047 | 1.50% | 84.64% |
| 89148 | 1,885 | 1.38% | 86.02% |
| 89118 | 1,785 | 1.31% | 87.33% |
| 89142 | 1,744 | 1.28% | 88.61% |
| 89052 | 1,604 | 1.17% | 89.78% |
| 89139 | 1,384 | 1.01% | 90.79% |
| 89031 | 1,368 | 1.00% | 91.79% |

More than 30% of the Greater Las Vegas Valley's Apartment Complexes are located within six zip code areas. (See Map 1)

Table continued on following page.

Distribution of Rental Units by Zip Code

TABLE 5 (continued)
Total Number of Apartment Units by Zip Code

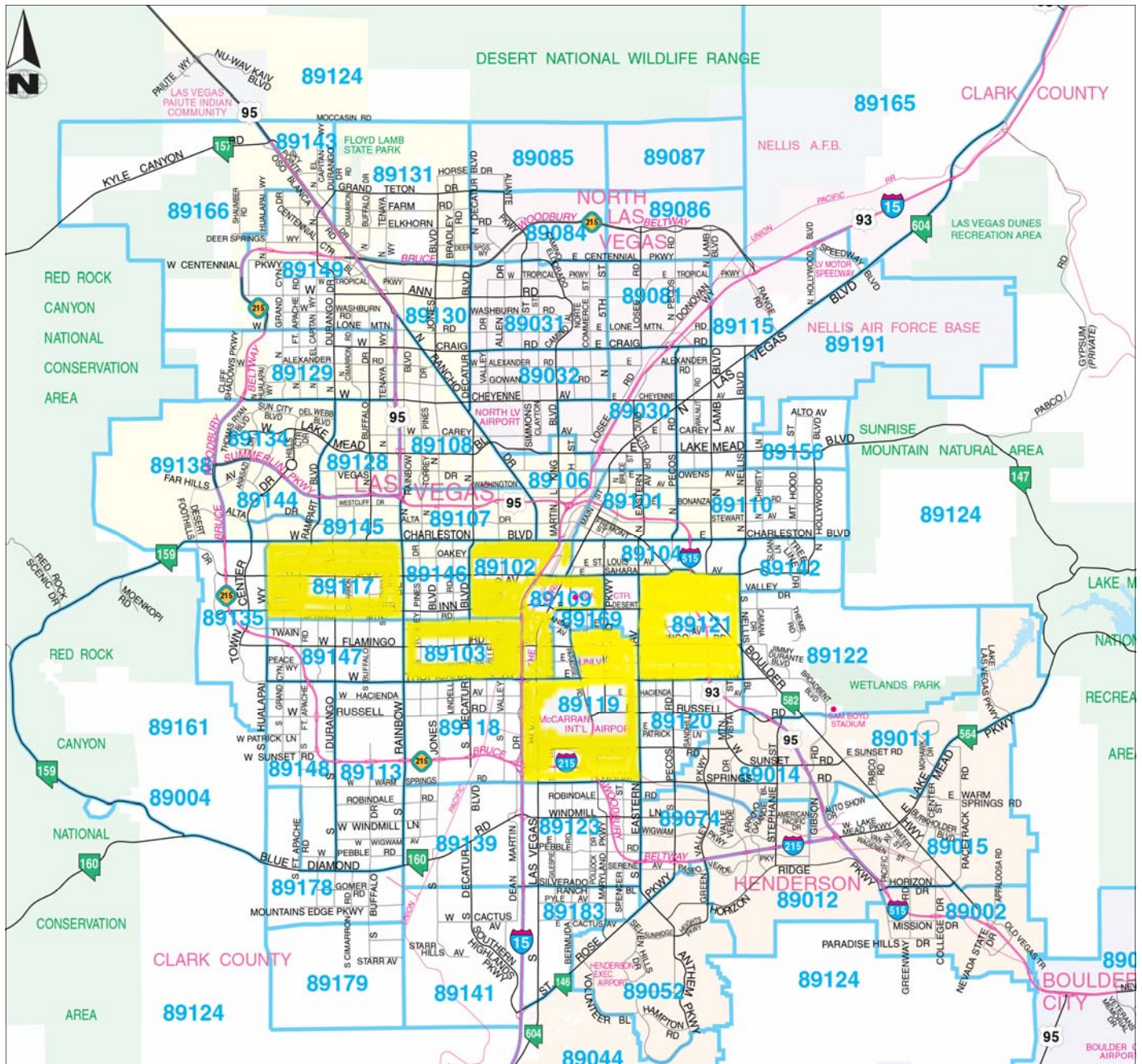
June 2008

| Zip Code | Total # of Apartment Units by Zip Code | Percent | Cumulative |
|----------|---|---------|------------|
| 89032 | 1,254 | .92% | 92.71% |
| 89130 | 1,040 | .76% | 93.47% |
| 89183 | 820 | .60% | 94.07% |
| 89011 | 754 | .55% | 94.62% |
| 89145 | 686 | .50% | 95.12% |
| 89156 | 656 | .48% | 95.60% |
| 89081 | 653 | .48% | 96.08% |
| 89113 | 585 | .43% | 96.51% |
| 89084 | 580 | .43% | 96.94% |
| 89169 | 567 | .42% | 97.36% |
| 89144 | 544 | .40% | 97.76% |
| 89135 | 485 | .36% | 98.12% |
| 89149 | 462 | .34% | 98.46% |
| 89141 | 340 | .25% | 98.71% |
| 89166 | 336 | .25% | 98.96% |
| 89131 | 272 | .20% | 99.16% |
| 89086 | 272 | .20% | 99.36% |
| 89138 | 262 | .19% | 99.55% |
| 89036 | 248 | .18% | 99.73% |
| 89002 | 213 | .16% | 99.89% |
| 89005 | 149 | .11% | 100.00% |
| Total | 136,452 | | |

Zip Code Map of the Greater Las Vegas Valley

Approximately one-third of all multi-family housing units are located within six zip codes, 89102, 89103, 89109, 89117, 89119, and 89121. These zip codes represent areas that are centrally located within the Greater Las Vegas Area and are near shopping, medical, education, and gaming facilities.

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



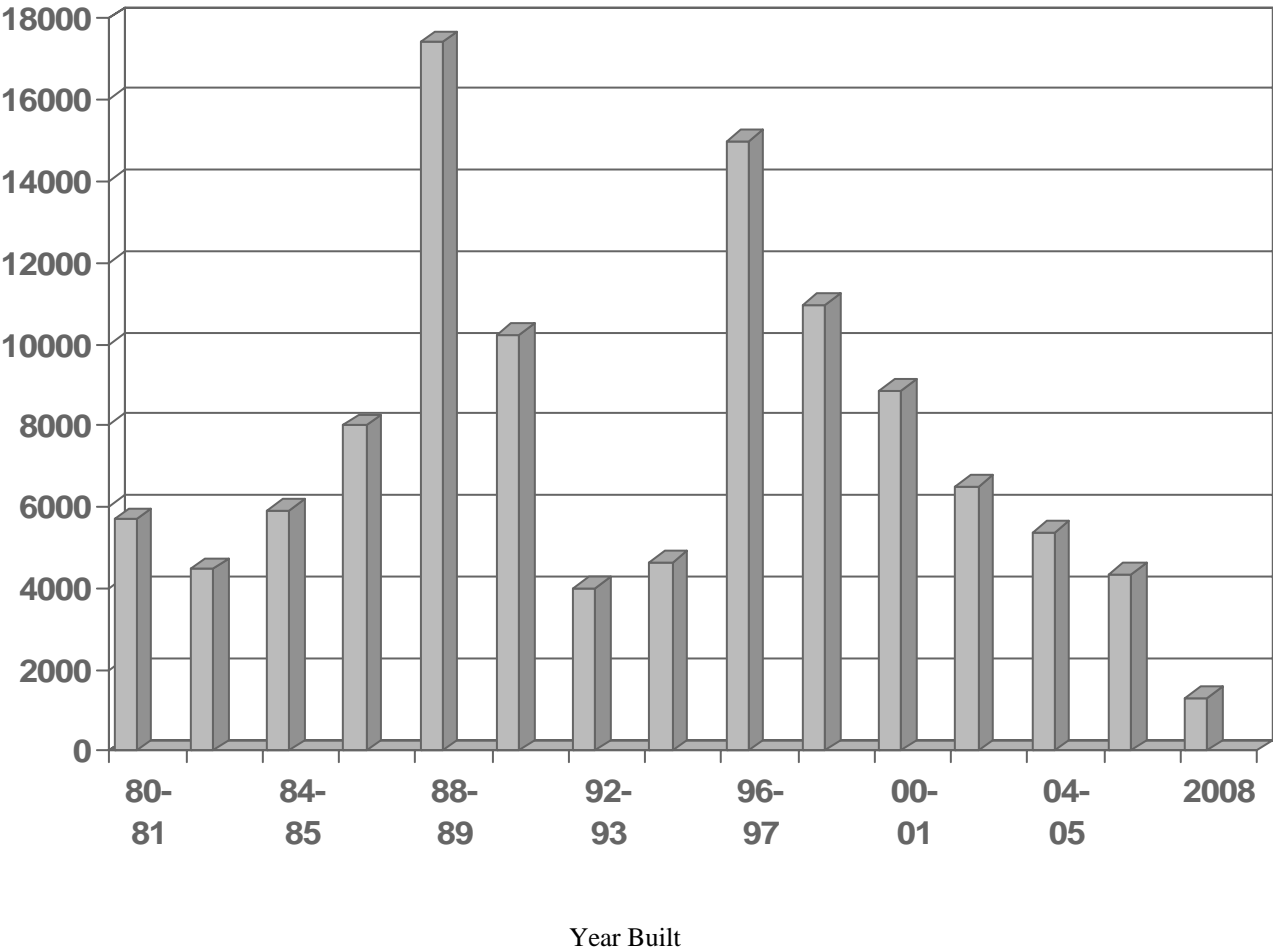
COPYRIGHT© 2008 WIDE WORLD OF MAPS, INC. All rights reserved. It is illegal to copy or reproduce this map by any method, in whole or in part, regardless of purpose, without the authorization of Wide World of Maps, Inc.

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 year 1996, data reflect a downward trend in number of multi-family housing units being added to the residential rental housing inventory.

GRAPH 3
Multi-Family Units by Year Built Since 1980
1980-2008

of Units



Note: Identified units by year built information represents data from those apartment complexes who responded to the 2nd quarter 2008 survey.

Growth Zip Codes

During the first part of 2008, over 90% of the Valley’s new multi-family construction was being developed in the outlying areas of the Valley zip codes 89138, 89081, and 89122. The other area showing new development includes the higher-end rental units being developed on or near the Las Vegas Strip within zip code 89109. (See Map 2.)

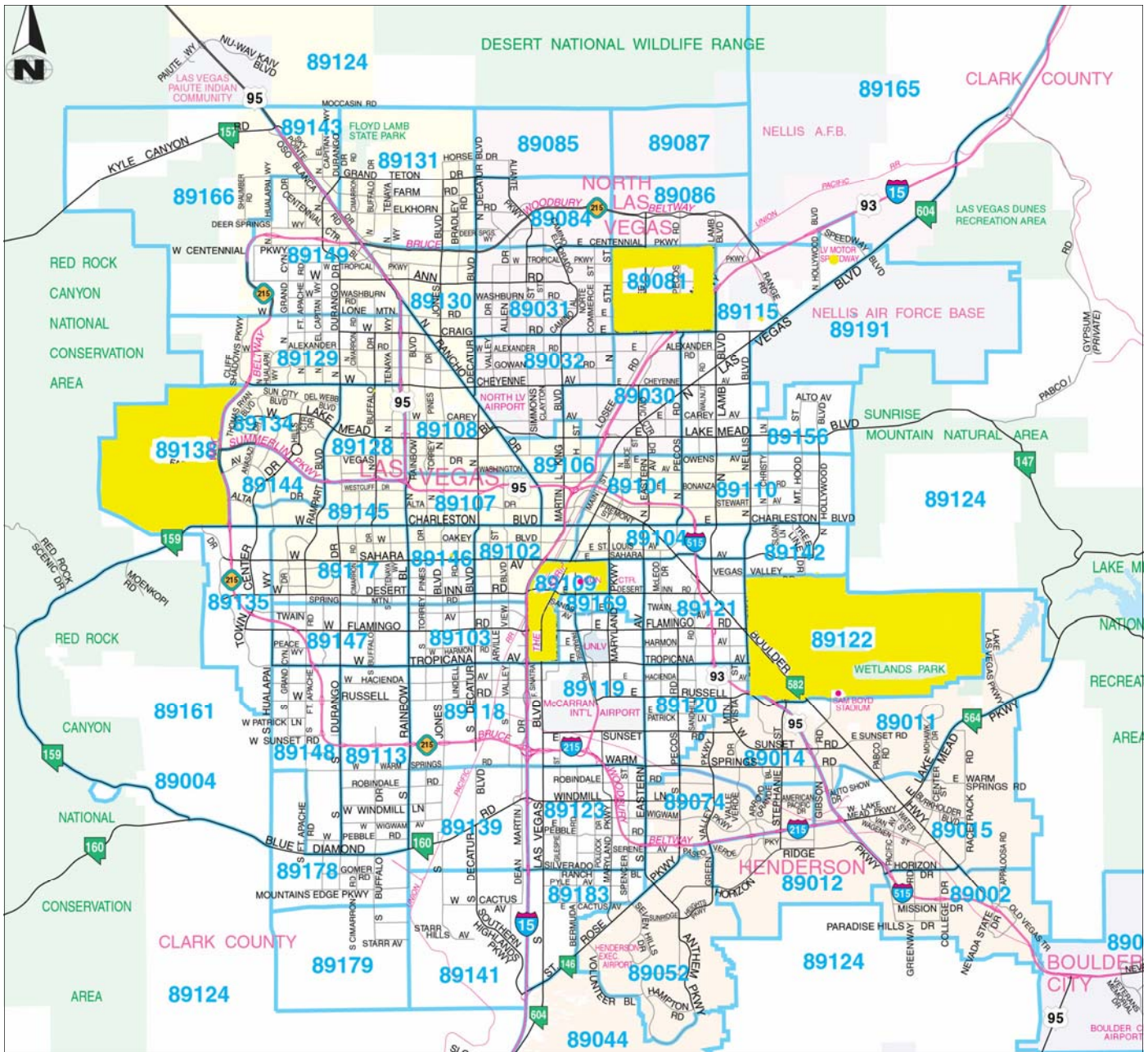
TABLE 6
New Construction and Under Construction
Multi-Family Housing
 During 2007 and First 6 Months of 2008

| 2007 | | | 2008 | | |
|----------|---|-----------------------|----------|-------------------------|-----------------------|
| Zip Code | New Units Recorded for Calendar Year 2007 | % of new construction | Zip Code | New Units as of 6/30/08 | % of new construction |
| 89015 | 326 | 18.9% | 89081 | 527 | 41.0% |
| 89101 | 273 | 15.8% | 89109 | 105 | 8.2% |
| 89108 | 655 | 37.9% | 89122 | 390 | 30.4% |
| 89110 | 122 | 7.1% | 89138 | 262 | 20.4% |
| 89148 | 350 | 20.3% | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | 1,726 | 100.0% | Total | 1,284 | 100.0% |

Zip Code Map of the Greater Las Vegas Valley

Map 2 shows the areas of the highest percentage of multi-family new construction. The map reflects areas where urban revitalization is underway or more cost efficient land costs are available.

MAP 2
Highest Geographic Areas of New Construction for Multi-Family Housing
First 6 Months of 2008

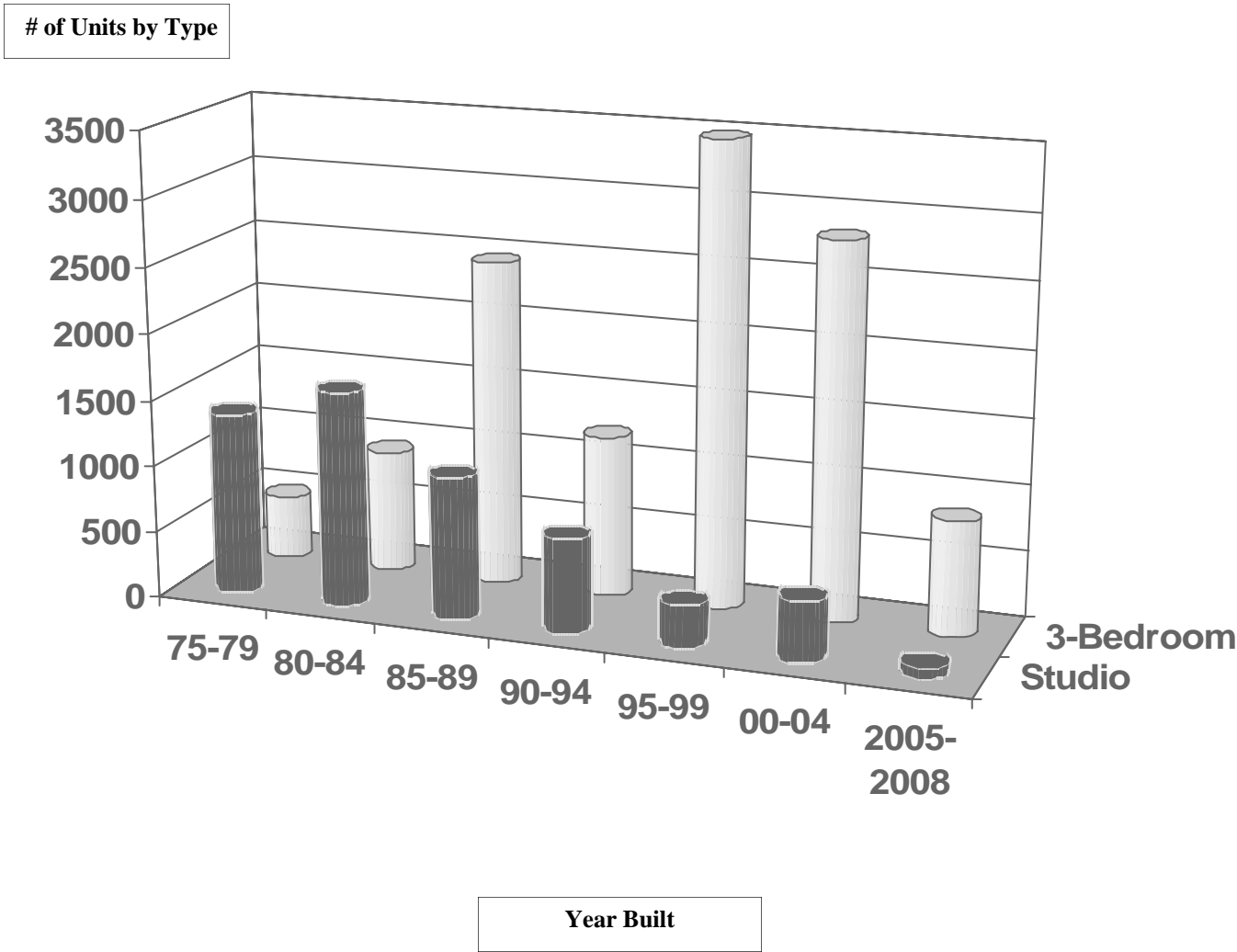


COPYRIGHT© 2008 WIDE WORLD OF MAPS, INC. All rights reserved. It is illegal to copy or reproduce this map by any method, in whole or in part, regardless of purpose, without the authorization of Wide World of Maps, Inc.

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 year 2000, the number of three-bedroom size units being constructed have shown a decline.

GRAPH 4
Apartment Unit Types by Year Built
1975-2008



Distribution of Rents by Apartment Size

TABLE 7
Mean Rental Rates by Apartment Sizes
Market Units Rental Rate
 June 1997 through June 2008

| 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% |
| June 2006 | \$570.46 | \$715.20 | \$855.01 | \$1,054.61 |
| % change 05-06 | +6.51% | +8.40% | +7.02% | +8.71% |
| June 2007 | \$597.93 | \$753.01 | \$899.03 | \$1,096.96 |
| % change 06-07 | +4.59% | +5.02% | +4.90% | +3.86% |
| June 2008 | \$596.68 | \$760.40 | \$900.30 | \$1,115.38 |
| % change 07-08 | -.20% | +.97% | +.14% | +1.65% |

Note: Rental rates for SRO (Single Room Occupancy) and four-bedroom size apartments mean monthly rental rates are not reflected in this table as both of these size units represent less than one percent of the Valley's total number of multi-family units.

Distribution of Rents by Apartment Size

Table 8 reflects the sizeable gap between affordable and market rate rental units in multi-family residential housing. Rental rates for affordable units show an average of a -24.64% difference between affordable rates versus market-rate multi-family residential unit rental rates. The three-bedroom size units show the highest difference in rental rates with affordable rates ranging nearly 30% less than market-rate rents.

TABLE 8
Mean Rental Rates
Market Rate, Affordable, and Special Needs Rental Rate Comparison
2007-2008

| Type of Units | Studio | | 1-Bedroom | | 2-Bedroom | | 3-Bedroom | |
|---|----------|----------|-----------|----------|-----------|----------|------------|------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Market Units Rental Rate | \$596.68 | \$597.93 | \$760.40 | \$753.01 | \$900.30 | \$899.03 | \$1,115.38 | \$1,096.96 |
| Affordable Units ¹ Rental Rate | \$531.17 | \$436.67 | \$537.88 | \$523.82 | \$643.48 | \$638.34 | \$782.87 | \$783.30 |
| Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates | -10.98% | -26.97% | -29.26% | -30.44% | -28.53% | -29.00% | -29.81% | -28.59% |
| Special Needs Housing ² | \$357.25 | \$302.20 | \$436.75 | \$345.78 | \$636.00 | \$359.50 | Na | \$399.00 |

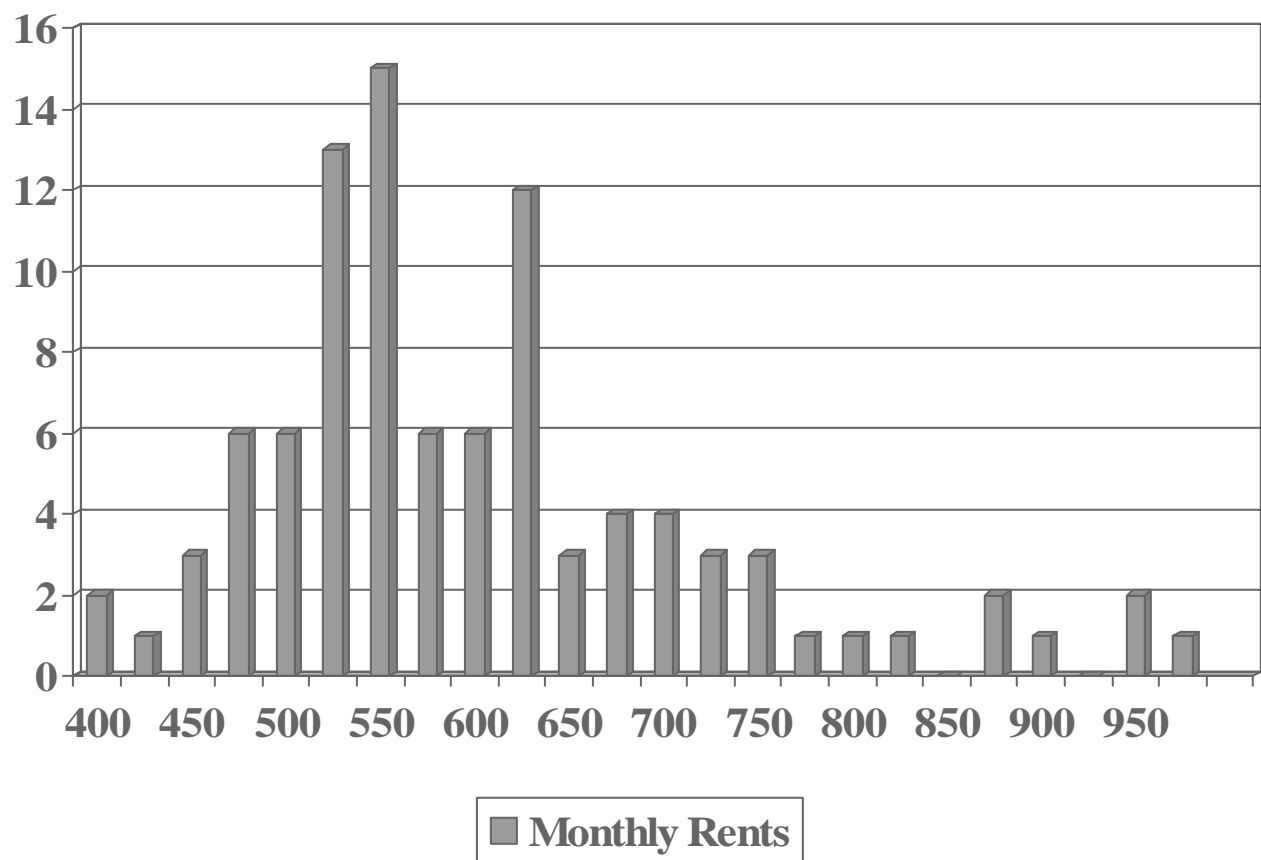
¹ Affordable units denote apartment complex units that are income restricted.

² Special needs housing denotes transitional rental housing and multi-family rental units for persons who are mobility impaired and are persons whose annual incomes are classified as very-low income. Data is based upon complexes who responded to the survey questionnaire.

Na--no response

Distribution of Rents by Apartment Size

GRAPH 5
Distribution of Rental Rates for Studio Apartments
Market Units Rental Rate
June 2008

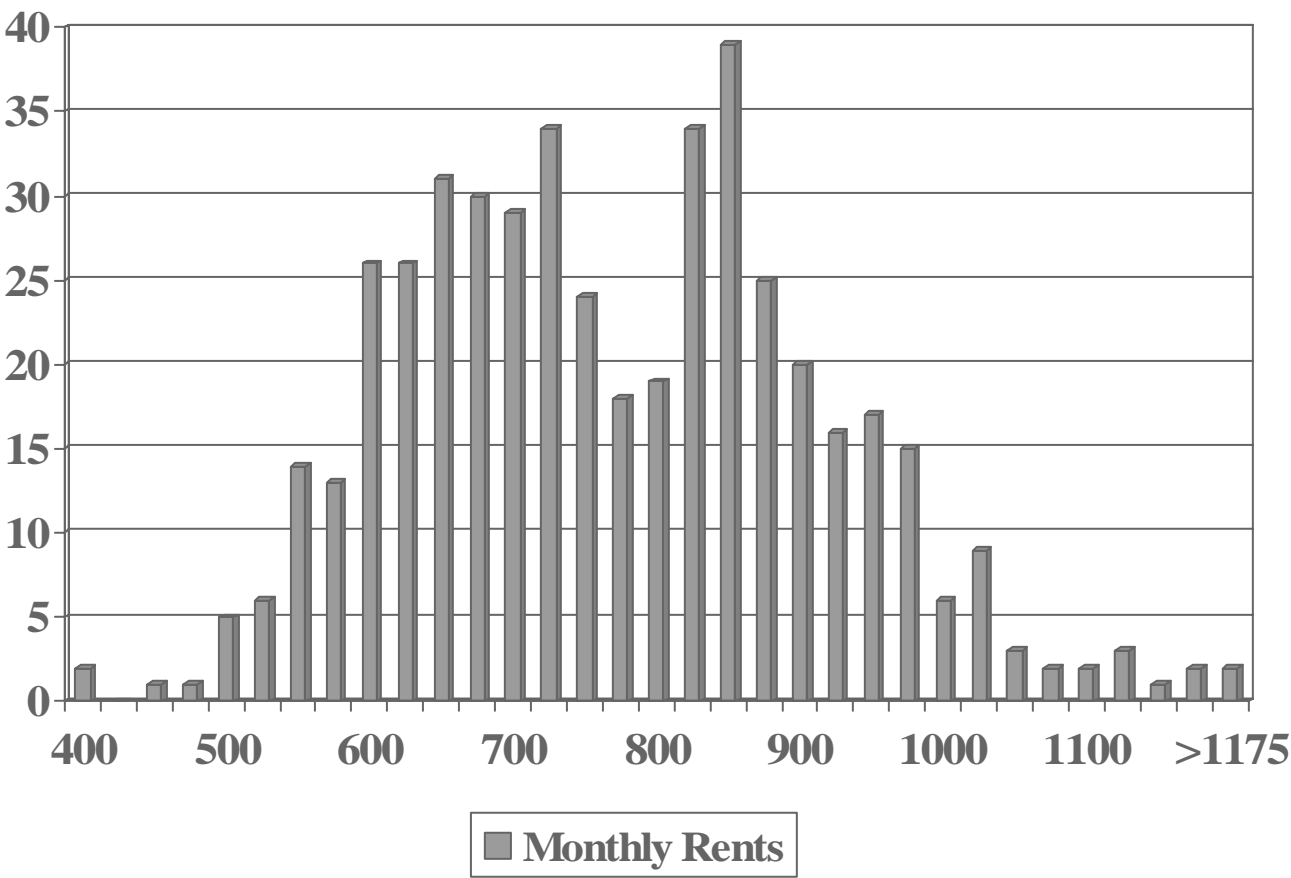


Average Low = \$580.89 down 1.20% since 2007
Average High = \$612.48 up .73% since 2007

Note: 96 apartment complexes reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 6
Distribution of Rental Rates for 1-Bedroom Apartments
Market Units Rental Rate
June 2008

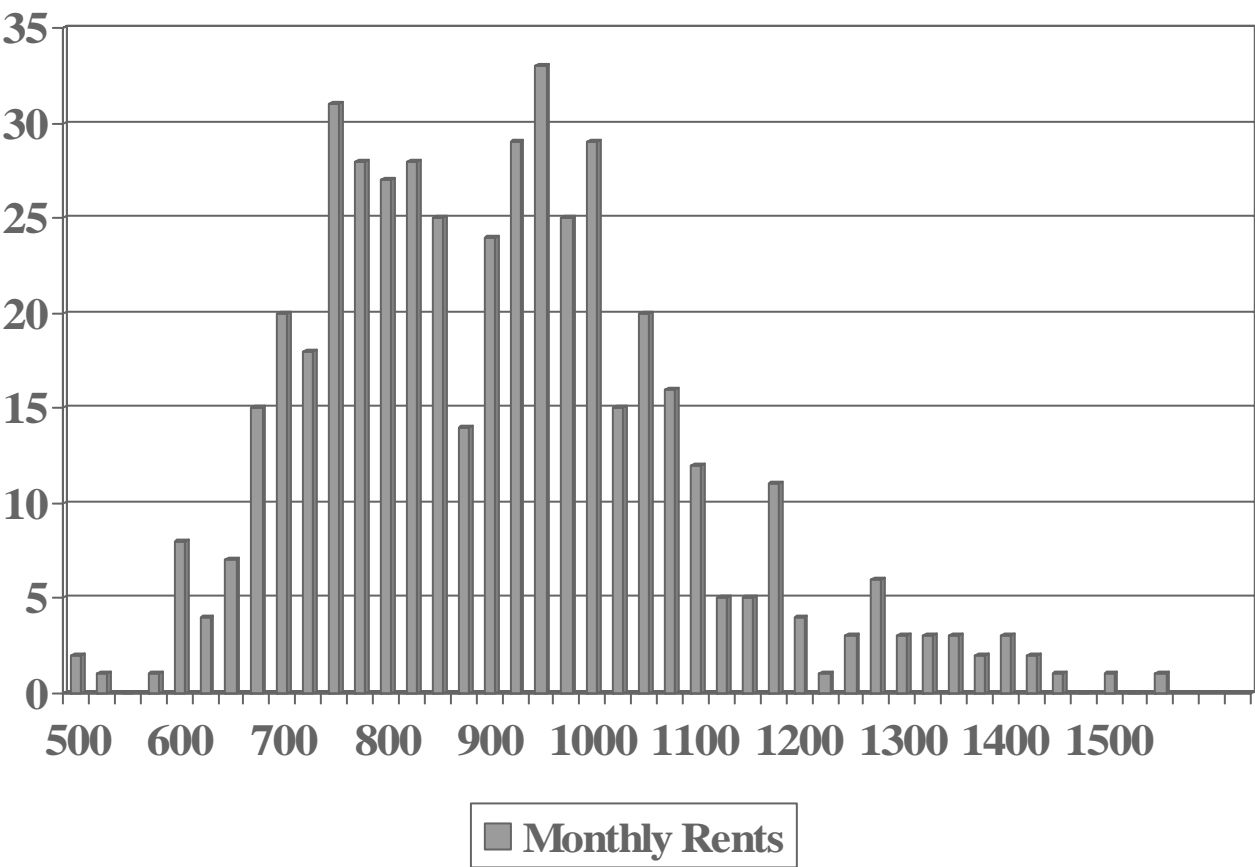


Average Low= \$735.56 up .50% since 2007
Average High= \$785.25 up 1.42% since 2007

Note: 475 apartment complexes reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 7
Distribution of Rental Rates for 2-Bedroom Apartments
Market Units Rental Rate
June 2008

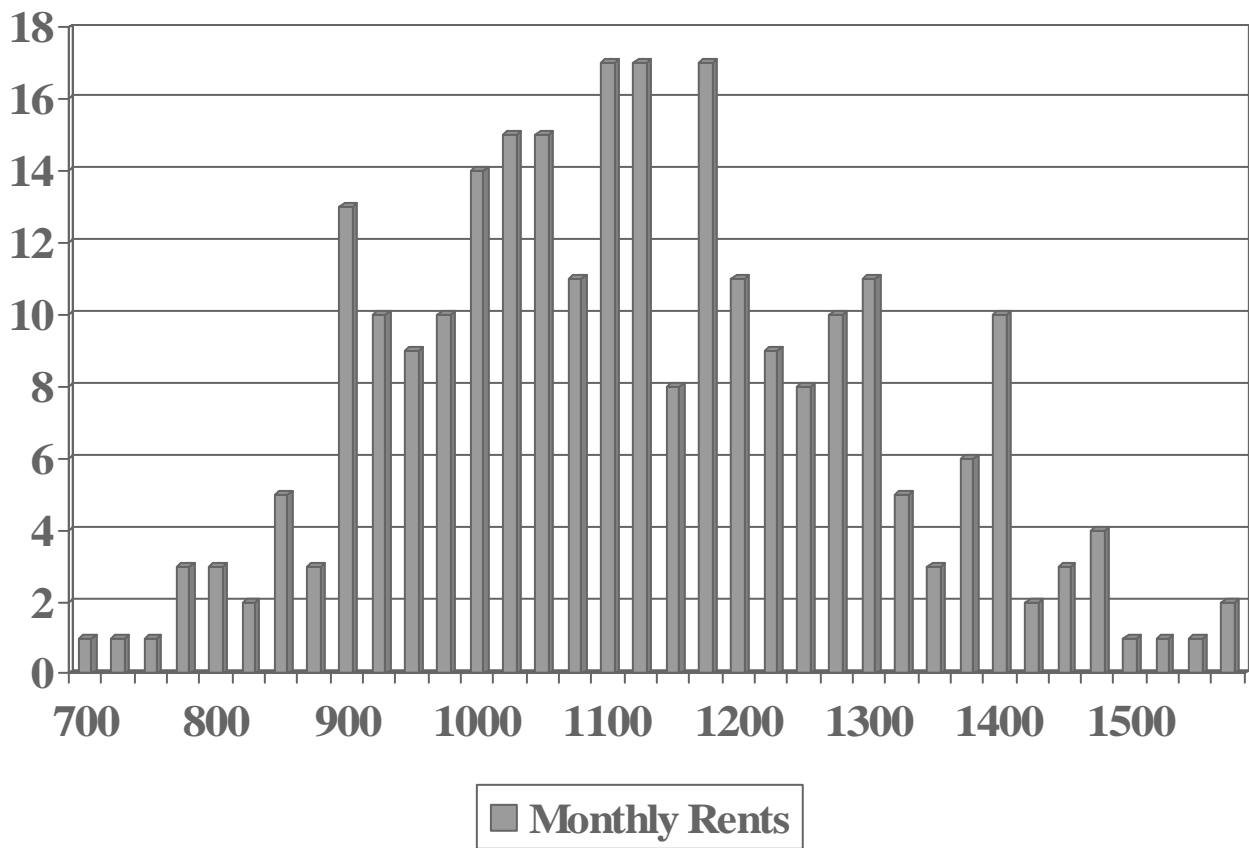


Average Low= \$863.31 down .36% since 2007
Average High= \$937.29 up .61% since 2007

Note: 489 apartment complexes reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 8
Distribution of Rental Rates for 3-Bedroom Apartments
Market Units Rental Rate
June 2008



Average Low= \$1,083.61 up 1.22% since 2007
Average High= \$1,147.15 up 2.06% since 2007

Note: 262 apartment complexes reporting.

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

Table 9 below shows that the one- and two-bedroom size unit size apartments are the most popular of the 55+ age group. More than 90% of units in which the 55+ age group live falls within one of these two sizes.

TABLE 9
Number of Apartments by Type of Unit that House the 55+ Age Group
1999-2008

| Apartments Targeting the 55+ Age Group | Total Units | SRO | Studios | 1-Bedroom | 2-Bedroom | 3-Bedroom |
|--|-------------|-----|---------|-----------|-----------|-----------|
| Apartments (6/99) | 5,421 | * | 605 | 3,168 | 1,642 | 2 |
| Apartments (6/00) | 7,633 | 11 | 861 | 4,534 | 2,203 | 24 |
| Apartments (6/01) | 8,836 | 290 | 585 | 5,135 | 2,810 | 16 |
| Apartments (6/02) | 12,547 | 290 | 1,582 | 6,059 | 4,573 | 43 |
| Apartments (6/03) | 14,662 | 555 | 1,555 | 7,202 | 5,230 | 112 |
| Apartments (6/04) | 13,383 | 276 | 1,816 | 6,210 | 4,975 | 106 |
| Apartments (6/05) | 11,284 | 248 | 944 | 5,521 | 4,501 | 70 |
| Apartments (6/06) | 9,828 | 0 | 469 | 5,131 | 4,228 | 0 |
| Apartments (6/07) | 11,431 | 248 | 939 | 5,670 | 4,518 | 56 |
| Apartments (6/08) | 10,422 | 248 | 607 | 5,230 | 4,297 | 40 |

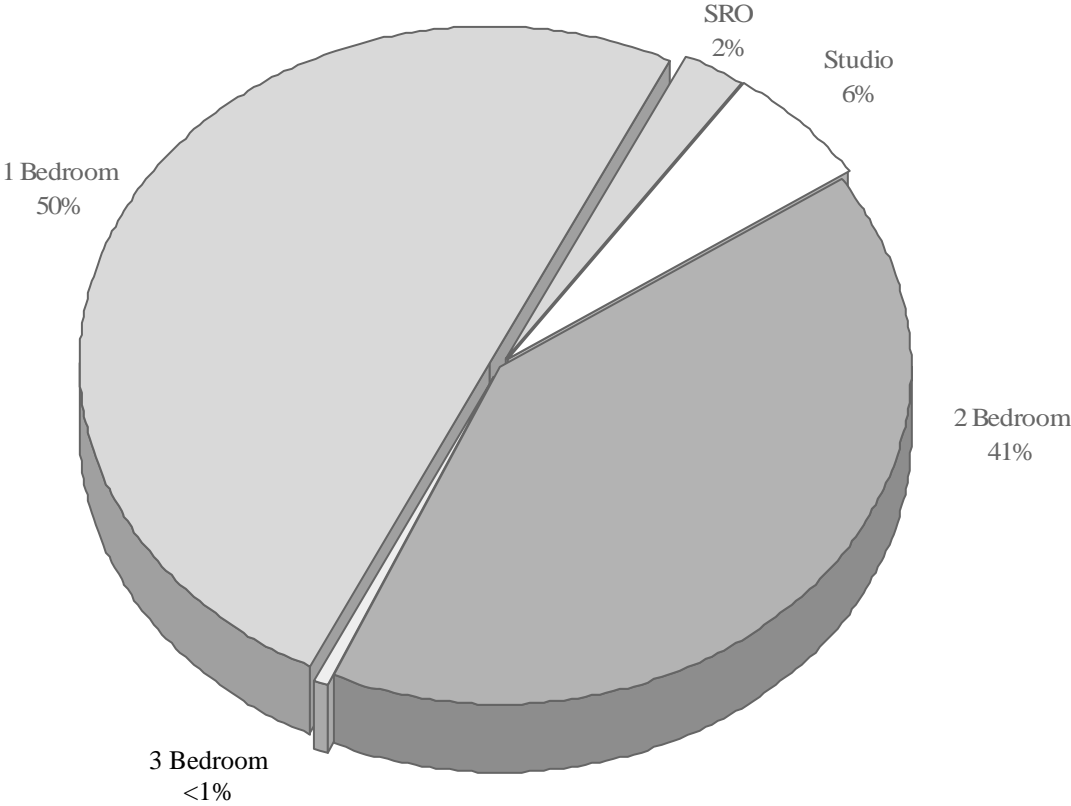
*SRO (Single Room Occupancy) data was included within studio count for 6/99 period.

Note: No four-bedroom size apartment units were reported as housing for the 55+ population.

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

Graph 9 demonstrates the 55+ age group’s living preference. The one-bedroom unit represents one-half of available rental residential housing where this age group resides. This percentage is followed closely by the two-bedroom size unit which represents 41% of the 55+ age group’s living preference. Together the one– and two-bedroom size units represents more than 90% of the 55+ age group’s preferred choice of apartment size.

GRAPH 9
Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group
June 2008

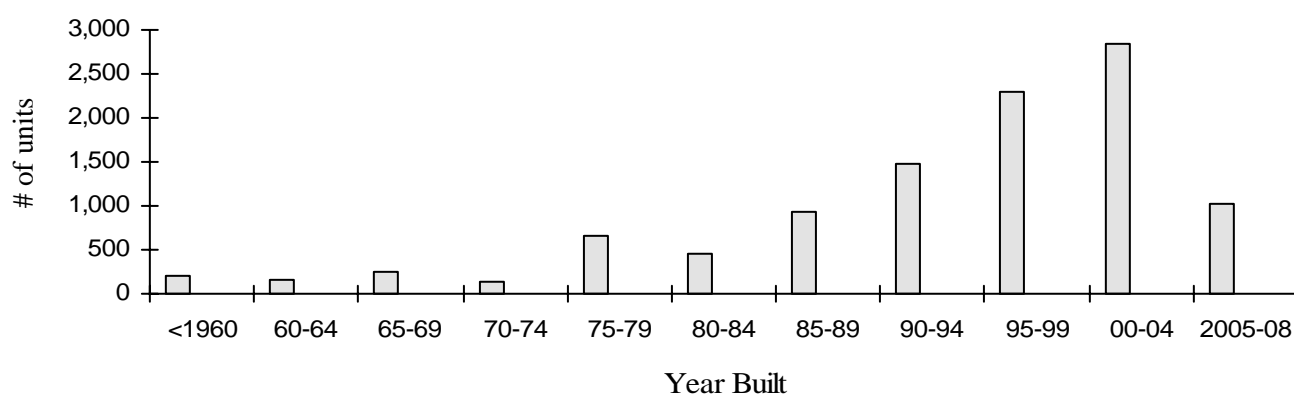


Distribution of Apartments by Type of Unit that House the 55+ Age Group

TABLE 10
Number of Apartments by Type of Unit and Year Built that House the 55+ Age Group
<1960-2008

| Year Apartment Complexes Built | Total Units | SRO | Studios | 1-BR | 2-BR | 3-BR | 4-BR |
|--------------------------------|-------------|-----|---------|-------|-------|------|------|
| 2005 to 2008 | 1,018 | 0 | 20 | 273 | 685 | 40 | 0 |
| 2000 to 2004 | 2,845 | 0 | 12 | 1,297 | 1,536 | 0 | 0 |
| 1995 to 1999 | 2,300 | 0 | 104 | 1,330 | 866 | 0 | 0 |
| 1990-1994 | 1,469 | 0 | 136 | 812 | 521 | 0 | 0 |
| 1985-1989 | 923 | 0 | 92 | 422 | 409 | 0 | 0 |
| 1980-1984 | 456 | 0 | 0 | 398 | 58 | 0 | 0 |
| 1975-1979 | 661 | 248 | 68 | 302 | 43 | 0 | 0 |
| 1970-1974 | 134 | 0 | 40 | 94 | 0 | 0 | 0 |
| 1965-1969 | 250 | 0 | 41 | 105 | 104 | 0 | 0 |
| 1960-1964 | 168 | 0 | 0 | 112 | 56 | 0 | 0 |
| <1960 | 198 | 0 | 94 | 85 | 19 | 0 | 0 |
| Total | 10,422 | 248 | 607 | 5,230 | 4,297 | 40 | 0 |

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

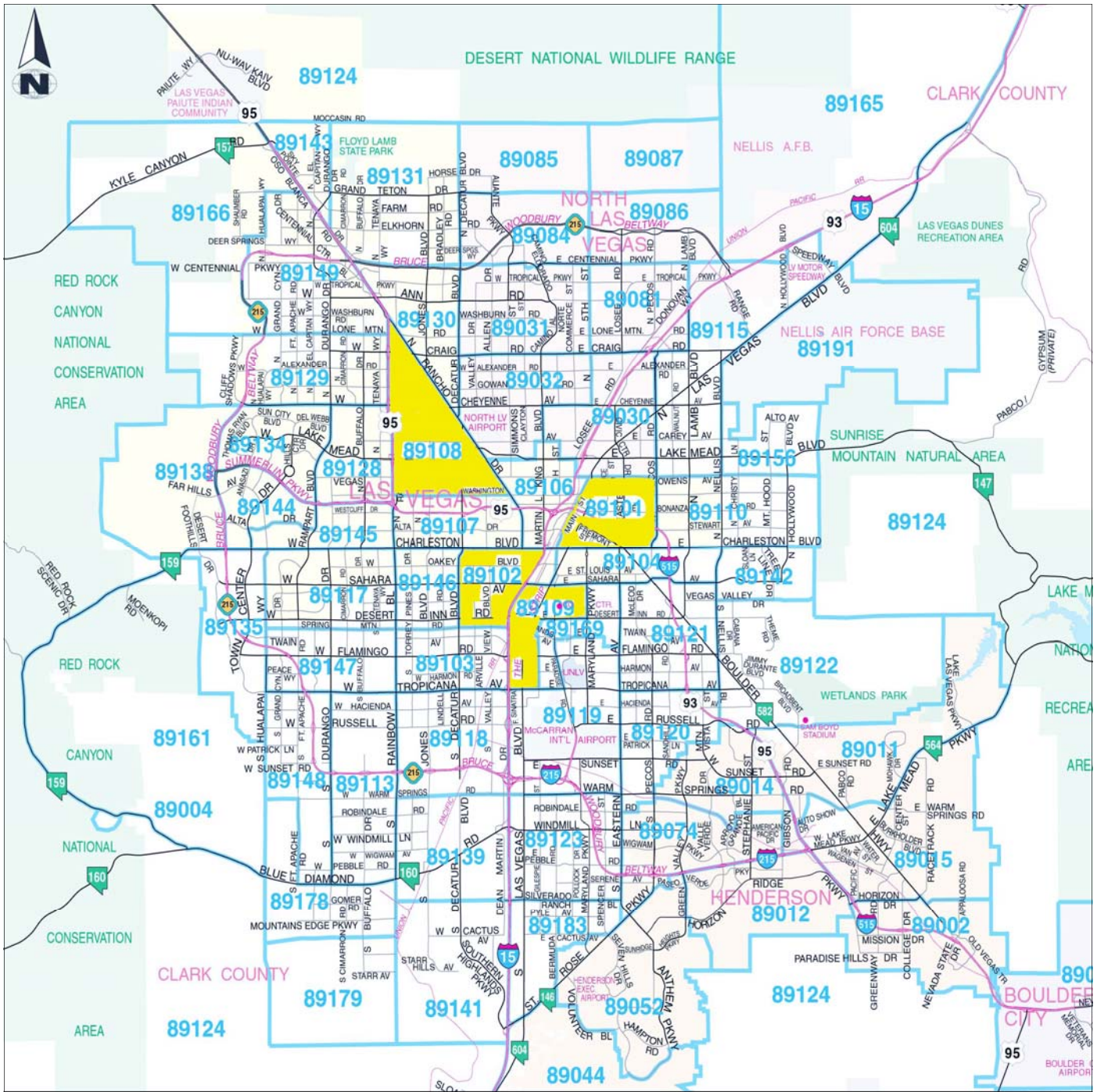
More than one-third of all apartment residential units who house residents that are in the 55+ age group are located within four zip code areas. These units are in the central part of the urbanized Greater Las Vegas Valley and are areas identified as older residential areas which are near gaming, medical facilities, and mass transportation. (See Map 3).

Table 11
Number of Apartments by Zip Code that House the 55+ Age Group
2008

| Zip Code | Number of Units | % of Total | Cumulative % |
|----------|-----------------|------------|--------------|
| 89102 | 1,161 | 11.13% | 11.13% |
| 89109 | 969 | 9.30% | 20.43% |
| 89101 | 772 | 7.41% | 27.84% |
| 89108 | 762 | 7.31% | 35.15% |
| 89015 | 718 | 6.89% | 42.04% |
| 89104 | 712 | 6.83% | 48.87% |
| 89103 | 682 | 6.54% | 55.41% |
| 89106 | 586 | 5.62% | 61.03% |
| 89121 | 453 | 4.35% | 65.38% |
| 89107 | 418 | 4.01% | 69.39% |
| 89120 | 417 | 4.00% | 73.39% |
| 89117 | 405 | 3.89% | 77.28% |
| 89052 | 400 | 3.84% | 81.12% |
| 89119 | 347 | 3.33% | 84.45% |
| 89110 | 296 | 2.84% | 87.29% |
| 89128 | 242 | 2.32% | 89.61% |
| 89032 | 208 | 2.00% | 91.61% |
| 89012 | 205 | 1.97% | 93.58% |
| 89030 | 200 | 1.92% | 95.50% |
| 89014 | 156 | 1.50% | 97.00% |
| 89142 | 122 | 1.17% | 98.17% |
| 89074 | 113 | 1.08% | 99.25% |
| 89005 | 59 | .57% | 99.82% |
| 89146 | 19 | .18% | 100.00% |
| Total | 10,422 | 100.00% | |

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
 2008



COPYRIGHT© 2008 WIDE WORLD OF MAPS, INC. All rights reserved. It is illegal to copy or reproduce this map by any method, in whole or in part, regardless of purpose, without the authorization of Wide World of Maps, Inc.

Vacancy Rates for Apartments that House the 55+ Age Group

Table 12 shows an increase in vacancies in complexes where a greater number of the apartment units' residents are in the 55+ age group. The 2008 point-in-time survey shows a 6.70% vacancy rate for the complexes who participated in the survey. Data reflect a 2.42% increase over 2007's point-in-time survey.

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 2008 Survey | Total Number of Apartment Units 2008 | Number of Reported Vacant Units 2008 | Vacancy Rate 6/30/08 | Vacancy Rate 6/30/07 | Vacancy Rate 6/30/06 | Vacancy Rate 6/30/05 | Vacancy Rate 6/30/04 |
|--------------------------------|---|--------------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2008 | 1 | 105 | na | na | na | na | na | na |
| 2005-2007 | 9 | 913 | 65 | 7.12% | na | 1.18% | 11.51% | na |
| 2000 –2004 | 24 | 2,845 | 163 | 5.73% | 3.76% | 4.10% | 4.33% | 16.8% |
| 1995-1999 | 14 | 2,300 | 214 | 9.30% | 6.11% | 4.39% | 2.42% | 5.5% |
| 1990-1994 | 6 | 1,469 | 100 | 6.81% | 3.80% | 2.93% | 3.63% | 4.6% |
| 1985-1989 | 5 | 923 | 42 | 4.55% | 3.72% | .66% | 1.28% | 2.1% |
| 1980-1984 | 2 | 456 | 33 | 7.24% | 1.96% | 2.13% | .43% | 2.1% |
| 1975-1979 | 5 | 661 | 32 | 4.84% | 2.87% | 1.87% | 4.05% | 7.8% |
| 1970-1974 | 1 | 134 | 10 | 7.46% | 0.00% | 3.13% | 37.5% | 8.5% |
| Pre-1970 | 7 | 616 | 39 | 6.33% | 4.07% | 1.43% | 2.71% | 6.5% |
| Date unknown | 0 | 0 | 0 | 0.0% | 16.67% | 6.89% | 12.50% | 8.9% |
| Totals | 74 | 10,422 | 698 | 6.70% | 4.28% | 3.06% | 3.74% | 7.12% |

Note: Totals includes counts from all types of complexes whose units are 75% to 100% occupied by the 55+ age group. Totals reflect findings from apartment complexes who responded to the vacancy question on the NHD Apartment Survey.

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 2008

Market Units Housing Rental Rates

| Zip Code | Rental Rates Studio Apartments | Rental Rates 1-BR Apartments | Rental Rates 2-BR Apartments |
|----------|--------------------------------------|------------------------------------|------------------------------------|
| 89074 | — | \$923.50 | \$1,085.00 |
| 89101 | \$482.50 | \$566.67 | \$725.00 |
| 89102 | \$742.50 | \$709.87 | \$827.87 |
| 89103 | \$833.25 | \$885.17 | \$1,039.00 |
| 89104 | \$635.00 | \$617.50 | \$727.50 |
| 89107 | \$735.00 | \$800.00 | \$940.00 |
| 89108 | \$645.00 | \$731.25 | \$825.00 |
| 89109 | \$570.00 | \$668.70 | \$846.25 |
| 89110 | — | \$595.00 | \$695.00 |
| 89117 | — | \$825.00 | \$915.00 |
| 89119 | \$689.00 | \$780.00 | \$889.50 |
| 89121 | \$861.50 | \$843.25 | \$954.50 |
| 89128 | — | \$1,004.00 | \$1,258.00 |

Affordable Units¹ Housing Rental Rates

| Zip Code | Rental Rates Studio Apartments | Rental Rates 1-BR Apartments | Rental Rates 2-BR Apartments |
|----------|--------------------------------------|------------------------------------|------------------------------------|
| 89012 | — | \$633.00 | \$760.00 |
| 89014 | — | \$458.50 | \$553.50 |
| 89015 | — | \$410.25 | \$445.12 |
| 89030 | — | \$372.00 | \$450.67 |
| 89032 | — | \$577.50 | \$695.50 |
| 89052 | — | \$536.25 | \$645.75 |
| 89101 | \$473.00 | \$438.42 | \$487.00 |
| 89104 | — | \$702.50 | \$807.50 |
| 89106 | — | \$537.00 | \$648.83 |
| 89108 | — | \$596.75 | \$759.75 |
| 89109 | — | \$440.50 | \$697.50 |
| 89110 | — | \$391.25 | \$458.50 |
| 89119 | — | — | \$379.50 |
| 89120 | — | \$638.00 | \$606.12 |
| 89121 | — | — | \$682.00 |
| 89142 | — | \$677.50 | \$815.50 |
| 89146 | — | \$467.00 | \$557.00 |

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

TABLE 13-A
Mean Rental Rates
Market Rate and Affordable Housing Rental Rate Comparison that House the 55+ Age Group

| Type of Units | Studio | 1-Bedroom | 2-Bedroom |
|--|----------|-----------|-----------|
| Market Units Rental Rate | \$651.39 | \$735.18 | \$892.84 |
| Affordable Units ¹ Rental Rate | \$473.00 | \$483.19 | \$578.47 |
| Percentage Difference between Affordable and Market-Rate Multi- Family Residential Unit Rental Rates | -27.39% | -34.27% | -35.21% |

Section II

Greater Reno/Sparks Area

Greater Reno/Sparks Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2008 survey reflect the following:

1. The two-bedroom size apartments continue to remain the most popular unit type.
2. The two-bedroom size apartments comprises 45% of the identified multi-family housing units.
3. The years 2000 through the first six months of 2008 show a comparable number of rental residential units in apartment complexes in the Greater Reno/Sparks Area, averaging a little over 160 units per complex.
4. Data reflects an overall vacancy rate of 7.9%, representing a +2.6% change in vacancy rate from the 2007 point-in-time survey data.
5. The studio-size unit reflects the highest vacancy rate, with the single room occupancy representing the lowest and the one-bedroom size experiencing the next lowest vacancy rate.
6. Two zip code areas (89502 and 89509) located in the south-central part of the City of Reno house nearly one-third (30.9%) of the Greater Reno/Sparks Area's multi-family units.
7. Two zip codes areas 89501 located in Reno and 89436 located in Sparks reflect the areas with the greatest number of multi-family units being constructed. Data for multi-family construction during 2007 reflect the same zip codes showing the highest rate of new construction.
8. Years 1998 through 1999 saw the greatest number of new apartment units produced in the Greater Reno/Sparks Area over the past 20 years.
9. Since 2000, there has been a steady decrease of number of multi-family residential units being constructed in the Greater Reno/Sparks Area.
10. Years 1995 through 2004 showed increased construction for both the three-bedroom and studio size units.
11. Years 2005 through the first six months of 2008 data show for the first time since the 1975 to 1984 period that studio size construction outpaced the three-bedroom size units constructed.
12. Rental rates for all size rental units have increased during 2008.
13. The greatest rental rate change occurred in the three-

“The most new construction of multi-family residential rental housing in the Greater Reno/Sparks Area during 2007 and the first six months of 2008 has been in the two zip code areas of 89436 and 89501.” (See map 5)

bedroom size unit with, experiencing a 10.84% rental rate increase.

14. Affordable rents¹ for the one, two and three-bedroom size units are an average of 22.17% lower than market rates for comparable configuration.
15. The three-bedroom size units show the highest rental rate percentage difference for affordable units, showing rents that are 31.27% less than market-rate rents.
16. The one-bedroom size unit remains the most popular size unit for the 55+ age group, representing 69% of the housing where seniors reside.
17. Zip code areas 89512 and 89503 house nearly 60% of the 55+ age group.
18. The mean market rental rate that house the 55+ age group ranges from \$702 a month for one-bedroom size units to \$816 a month for two-bedroom size units.
19. Affordable rents¹ for one-and two-bedroom size units that house the 55+ population are an average of 19% lower than market rents for comparable configuration.

¹Affordable rents are those rents provided to individuals or families in which one-third 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 remains the most popular type of residential rental housing unit in the Greater Reno/Sparks Area. The two-bedroom size makes up nearly one-half of all the area's multi-family housing inventory.

TABLE 14
Number of Apartments by Type of Unit
June 2000¹-2008

| | 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 |
| June 2006 | 28,278 | 249 | 2,236 | 9,616 | 13,331 | 2,514 | 332 |
| June 2007 | 27,050 | 414 | 2,667 | 9,047 | 12,290 | 2,276 | 356 |
| June 2008 | 30,786 | 537 | 3,486 | 10,144 | 13,782 | 2,446 | 391 |

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.

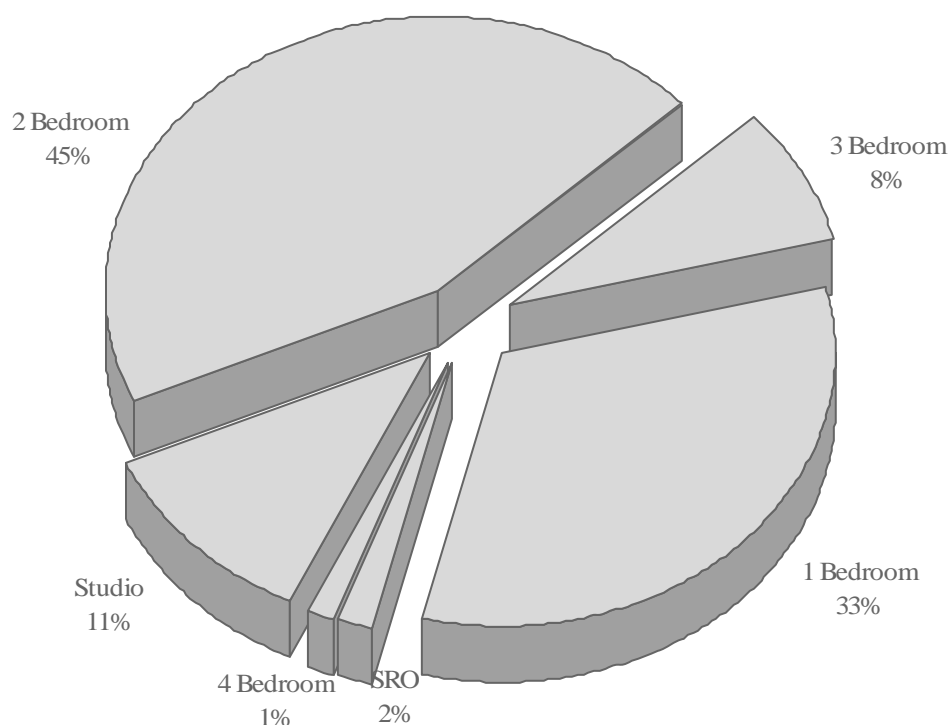
Table 14-A
Number of Apartments by Type of Unit, Database Breakdown

| Description | June 2005 | June 2006 | June 2007 | June 2008 |
|---|-----------|-----------|-----------|-----------|
| Total # of apartment complexes identified | 240 | 234 | 237 | 253 |
| Total # of apartment units identified | 33,132 | 33,901 | 32,380 | 33,562 |
| # of units identified converted from apartment rental units to condominiums | 315 | 2,051 | 191 | 0 |
| # of identified rental units where there was no response, phone systems allowed for screening calls, or owners and/or managers refused to participate | 1,299 | 1,587 | 4,113 | 1,279 |
| # of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office | 1,274 | 538 | 1,026 | 1,497 |
| Total # of apartment rental units validated for database | 28,497 | 28,278 | 27,050 | 30,786 |

Distribution of Apartments by Type of Unit

Graph 12 shows the highest percentage of apartment units are two-bedroom in size. More than three-fourths of all the area's multi-family housing inventory however consists of residential rental units that are one- and two-bedroom in size.

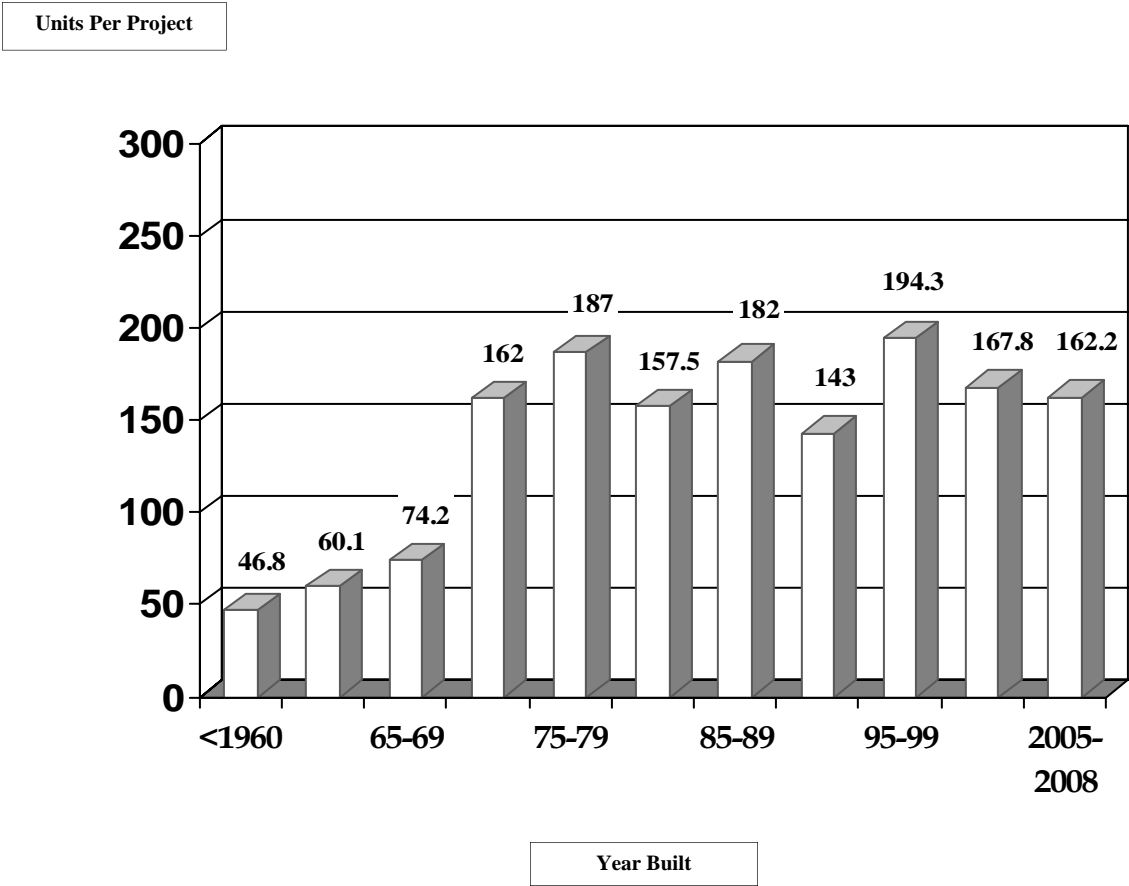
GRAPH 12
Distribution of Apartment Units by Size
June 2008



Growth in Average Apartment Project Size

Graph 13 shows a consistent trend since 1970 of greater numbers of residential units being built in apartment complexes located within the Greater Reno/Sparks Area.

GRAPH 13
Growth in Average Apartment Project Size by 5-year Increments
<1960 to 2008



Vacancy Rates

The Division's second quarter 2008 survey reflects a 7.9% vacancy rate for the Greater Reno/Sparks Area. This data shows an increase of 2.6% in units available to rent from the second quarter 2007 survey data.

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

| Date Units Built | 2nd Qtr. 2008# Responding to vacancy question Projects Units | 2nd Qtr. 2008 # of Reported Vacant | Vacancy Rate 6/30/08 | Vacancy Rate 6/30/07 | Vacancy Rate 6/30/06 | Vacancy Rate 6/30/05 | Vacancy Rate 6/30/04 |
|-------------------------|---|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2008 only | 2 200 | ** | ** | na | na | na | na |
| 2006 and 2007 | 6 1,056 | ** | ** | ** | ** | na | na |
| 2005 | 2 312 | 15 | 4.8% | 2.6% | ** | ** | na |
| 2000-2004 | 25 4,194 | 443 | 10.6% | 8.8% | 1.8% | 5.1% | 6.3% |
| 1995-1999 | 24 4,561 | 301 | 6.6% | 5.0% | 2.5% | 5.0% | 3.5% |
| 1990-1994 | 9 1,031 | 53 | 5.1% | 3.5% | 2.6% | 4.0% | 3.7% |
| 1985-1989 | 19 3,459 | 155 | 4.5% | 2.3% | 2.2% | 4.5% | 4.2% |
| 1980-1984 | 18 2,365 | 163 | 6.9% | 2.9% | 2.6% | 1.9% | 2.3% |
| 1975-1979 | 29 5,500 | 492 | 8.9% | 4.5% | 4.1% | 3.9% | 5.5% |
| 1970-1974 | 28 4,536 | 362 | 8.0% | 7.9% | 6.5% | 3.8% | 6.5% |
| Pre-1970 | 23 1,367 | 182 | 13.3% | 5.5% | 3.6% | 6.3% | 8.5% |
| Date unknown | 8 229 | 20 | 8.7% | 1.8% | 6.3 | 2.5% | 0.0% |
| Totals | 186 27,770 | 2,201 | 7.9% | 5.3% | 3.5% | 4.9% | 5.1% |

*Vacancy data is derived from a 96.5% survey response rate to the specific vacancy rate question.

** 2008 units are under construction or in first phase of renting. 2006, 2007, and 2008 data are not included in determining the overall vacancy rate of the Greater Reno/Sparks area as reasonable rent-up time is allowed prior to determining vacancy rates.

na - not applicable.

Note: Totals do not include assisted living, group homes, or subsidized housing units.

Vacancy Rates

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

TABLE 16
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2008

| Apartment Type | Number of Units in Sample ² | Vacancies by Unit Type | Vacancy Rate |
|-----------------------------|--|------------------------|--------------|
| Single Room Occupancy (SRO) | 537 | 12 | 2.2% |
| Studio Apartments | 3,194 | 452 | 14.2% |
| 1-Bedroom Size Apartments | 7,286 | 375 | 5.2% |
| 2-Bedroom Size Apartments | 10,615 | 1,002 | 9.4% |
| 3-Bedroom Size Apartments | 1,838 | 160 | 8.7% |
| 4-Bedroom Size Apartments | 389 | 45 | 11.6% |

²Number of units in sample and vacancy rate were 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 shows zip codes 89436 and 89501 experienced significantly higher vacancy rates than any area within the Greater Reno/Sparks Area. These areas are also identified as areas of highest number of new constructed multi-family units during 2007 and under construction or just opened apartments during the first six months of 2008.

TABLE 17
Total Number of Housing Units and Vacancy Rate by Zip Code
For all Reporting Apartment Complexes
 June 2006-2008

| Zip Code | Total Number of Apartment Units by Zip Code 2008 | Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting Vacancies 2008 | Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting Vacancies 2007 | Vacancy Rate (%) By Zip Code for those Apartment Complexes Reporting Vacancies 2006 |
|----------|--|---|---|---|
| 89406 | 82 | 6.1% | na | na |
| 89431 | 2,911 | 6.6% | 5.2% | 3.7% |
| 89433 | 397 | 7.5% | 10.3% | 4.5% |
| 89434 | 1,480 | 7.2% | 3.7% | 4.4% |
| 89436 | 1,315 | 20.0% | 7.8% | 1.3% |
| 89501 | 841 | 22.3% | 8.1% | 1.0% |
| 89502 | 5,086 | 8.3% | 4.9% | 4.9% |
| 89503 | 3,120 | 7.8% | 6.7% | 3.6% |
| 89506 | 948 | 9.0% | 3.4% | 2.7% |
| 89509 | 3,880 | 9.4% | 6.1% | 4.2% |
| 89511 | 1,452 | 2.2% | .6% | .1% |
| 89512 | 3,518 | 8.9% | 4.7% | 2.8% |
| 89521 | 1,000 | 7.3% | 7.4% | 2.4% |
| 89523 | 2,996 | 7.2% | 4.3% | 2.1% |
| Total | 29,026 | | | |

Distribution of Rental Units by Zip Code

TABLE 18
Total Number of Apartment Units by Zip Code
June 2008

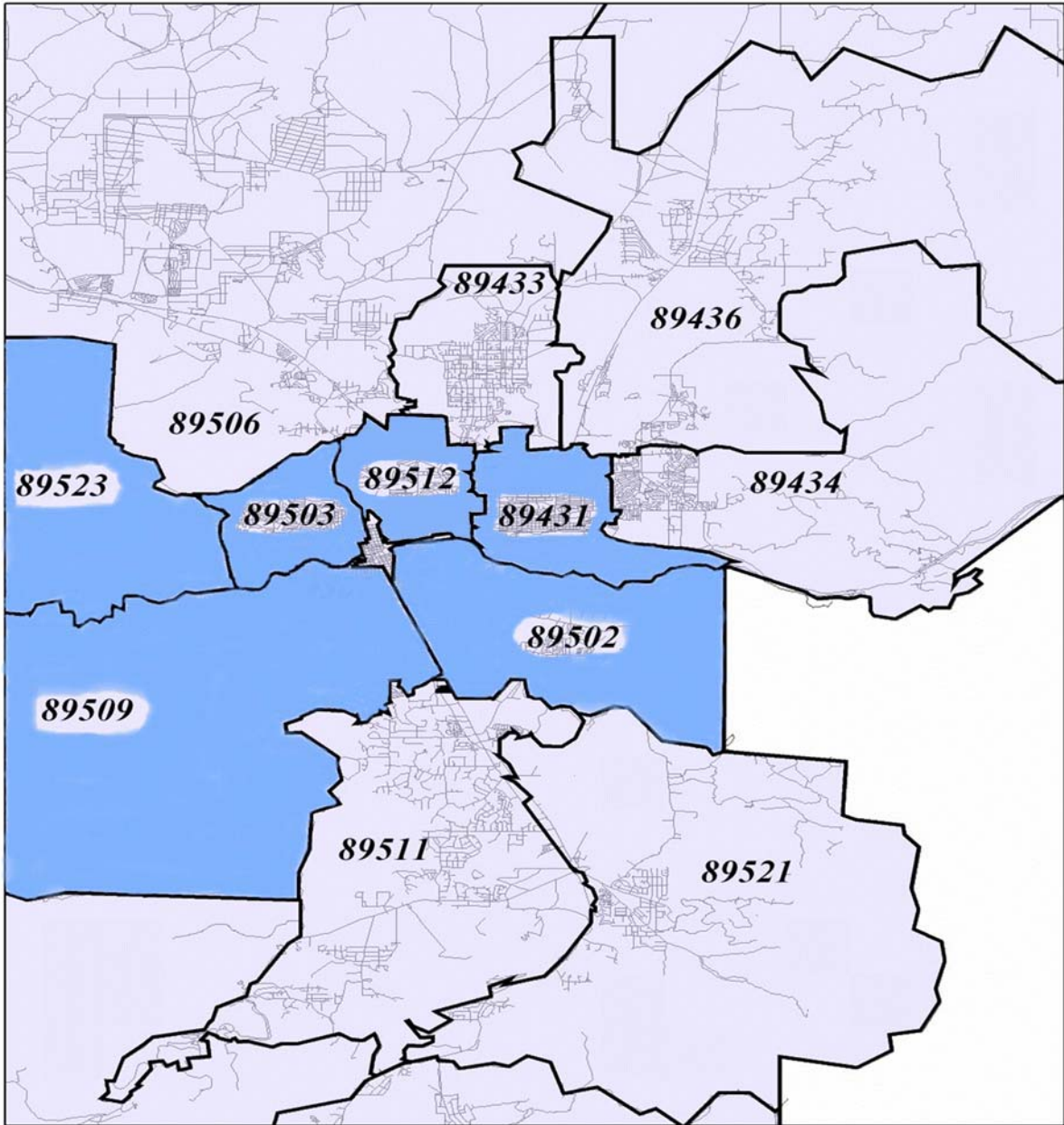
| Zip Code | Total Number of Apartment Units by Zip Code | Percent | Cumulative |
|----------|---|---------|------------|
| 89502 | 5,648 | 18.3% | 18.3% |
| 89509 | 3,880 | 12.6% | 30.9% |
| 89512 | 3,518 | 11.4% | 42.3% |
| 89431 | 3,469 | 11.3% | 53.6% |
| 89523 | 3,314 | 10.8% | 64.4% |
| 89503 | 3,146 | 10.2% | 74.6% |
| 89434 | 1,776 | 5.8% | 80.4% |
| 89511 | 1,452 | 4.7% | 85.1% |
| 89436 | 1,315 | 4.3% | 89.4% |
| 89521 | 1,000 | 3.2% | 92.6% |
| 89506 | 948 | 3.1% | 95.7% |
| 89501 | 841 | 2.7% | 98.4% |
| 89433 | 397 | 1.3% | 99.7% |
| 89406 | 82 | .3% | 100.0% |
| Total | 30,786 | | |

Six zip codes continue to be the area that houses nearly three-fourths of all multi-family units in the Greater Reno/Sparks Area. (See Map 4)

89502
89509
89512
89431
89523
89503

Zip Code Map of the Greater Reno/Sparks Area

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



Shady area denotes multi-family high density area.

New Construction of Multi-Family Housing — Growth Zip Codes

Table 19 reflects that most new construction of multi-family housing over the past year and a half has been in the two zip code areas of 89436 and 89501. (See map 5) Correspondingly, in comparison of data in table 17 these two areas experienced the area's highest vacancy rates. It can be assumed that this high vacancy rate could be due to the higher number of new units which are in rent-up phase.

TABLE 19
New Construction of Multi-Family Housing
 During 2007 and First 6 Months of 2008

| 2007 | | | 2008 | | |
|----------|--------------------------------------|-----------------------|----------|-------------------------|-----------------------|
| Zip Code | New Units Recorded for Calendar Year | % of new construction | Zip Code | New Units as of 6/30/07 | % of new construction |
| 89436 | 387 | 58.2% | 89436 | 184 | 92.0% |
| 89501 | 237 | 35.6% | 89501 | 16 | 8.0% |
| 89512 | 41 | 6.2% | | | |
| Total | 665 | 100.0% | Total | 200 | 100.0% |

Zip Code Map of the Greater Reno/Sparks Area

MAP 5
Highest Geographic Areas of New Construction for Multi-Family Housing
First 6 months of 2008

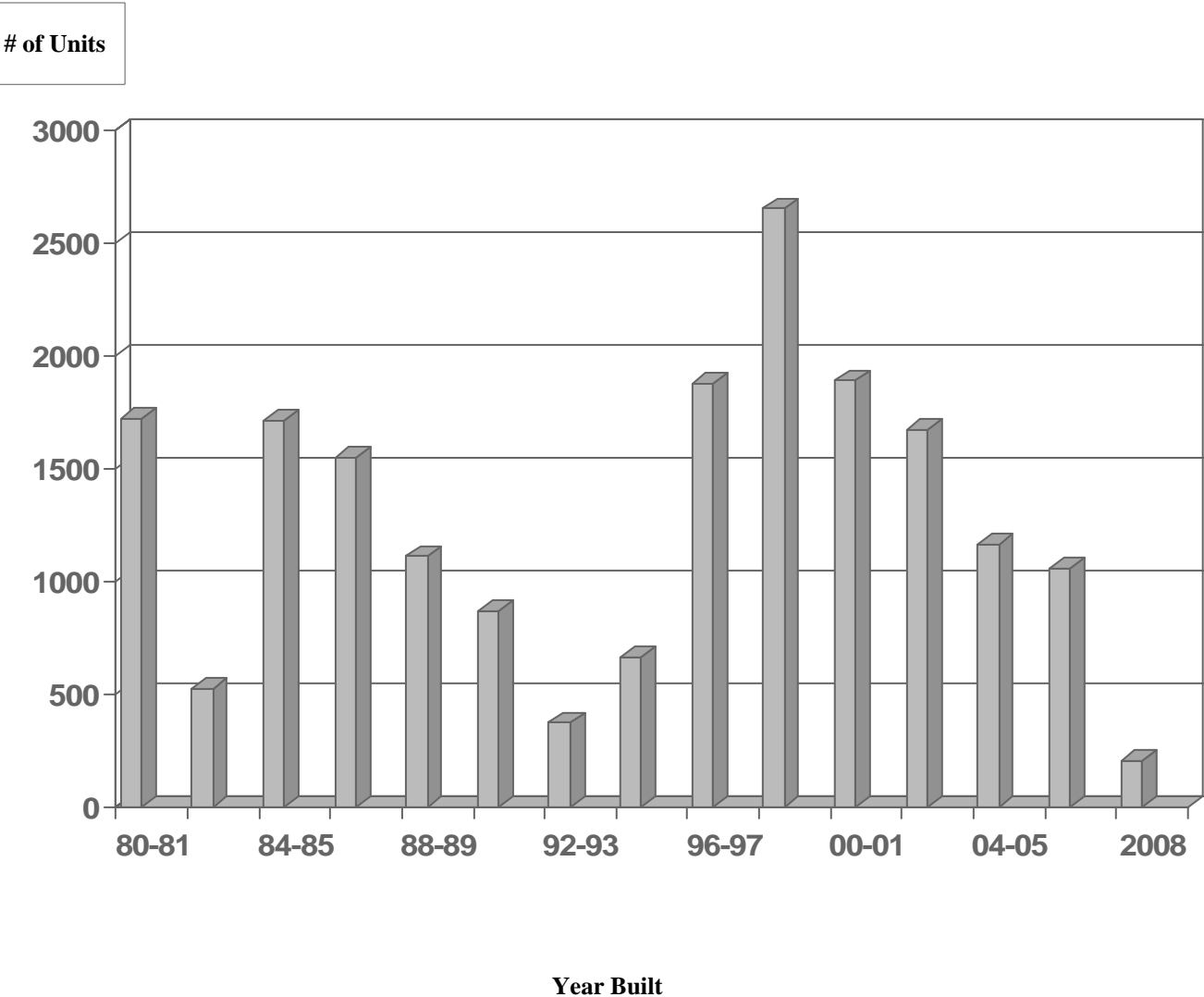


Zip code 89501 the downtown area of Reno and the outlying area of Sparks in zip code 89436 show the areas with highest new construction activity during 2007 and the first six months of 2008.

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 continues to show a steady decline.

GRAPH 14
Multi-Family Units by Year Built Since 1980
1980-2008

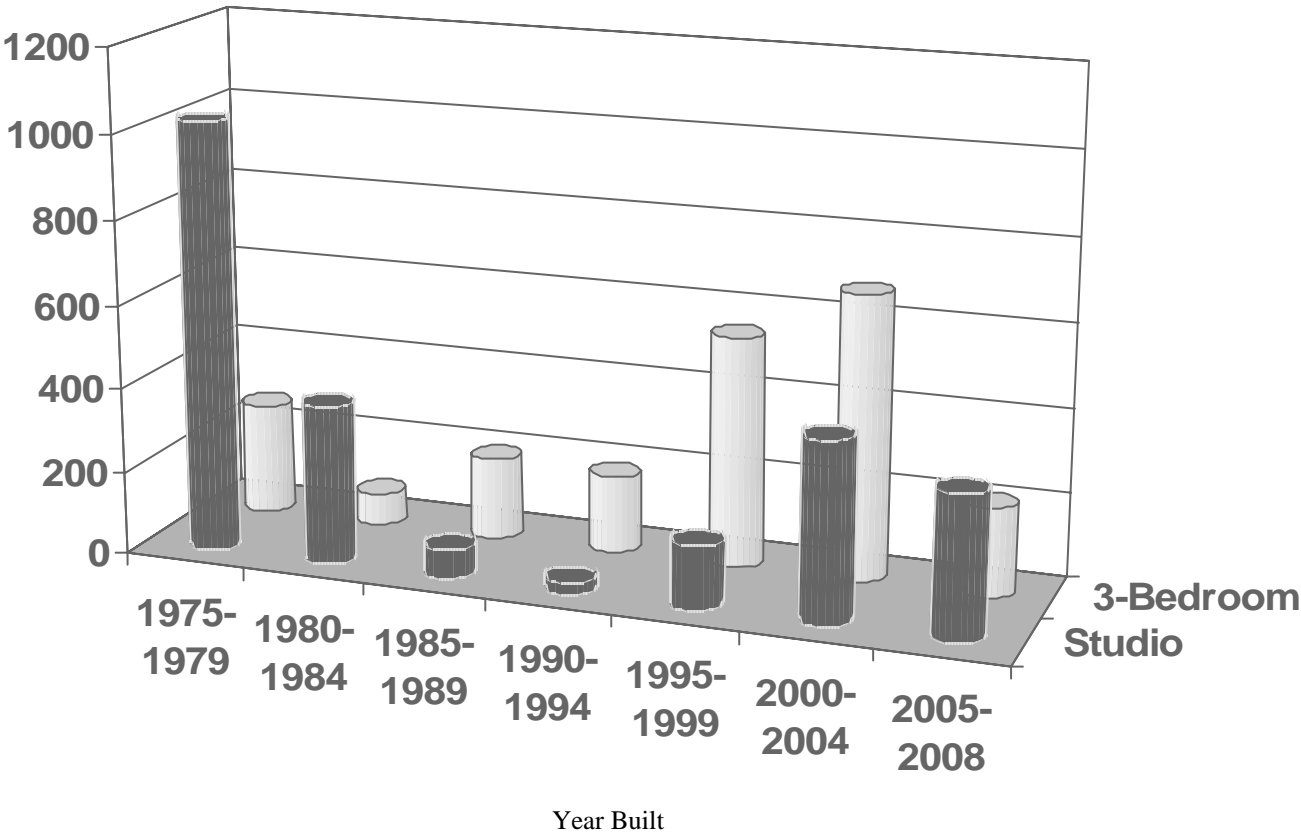


Mix of Apartment Unit Types By Year Built

The 1995 through 2004 time period reflects the highest number of three-bedroom size residential units added to the Greater Reno/Sparks Area’s housing inventory. However, since 1995, the studio-size units have shown an upward movement in development. Years 2005 to 2008 mark the first time since the early 1980s that studio-size units have outpaced the three-bedroom size units in development.

GRAPH 15
Apartment Unit Types by Year Built
1975-2008

of Units by Type



Distribution of Rents by Apartment Size

Rental rates, as of June 2008 shown in Table 20, reflect an increase in monthly rental rates for all size units. The greatest rental rate increase was in the three-bedroom size units.

TABLE 20
Mean Rental Rates by Apartment Sizes
Market Units Rental Rate
June 2008

| 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% |
| June 2006 | \$531.63 | \$663.41 | \$772.32 | \$992.22 |
| % change 05-06 | +5.63% | +5.61% | +2.91% | +3.16% |
| June 2007 | \$537.48 | \$688.31 | \$820.88 | \$1,071.86 |
| % change 06-07 | +1.09% | +3.62% | +5.92% | +7.43% |
| June 2008 | \$543.79 | \$706.24 | \$855.54 | \$1,202.22 |
| % change 07-08 | +1.16% | +2.54% | +4.05% | +10.84% |

Distribution of Rents by Type of Apartment

Table 21 reflects data from the 2008 multi-family housing survey that shows affordable rental rates are significantly lower in rents than the rental rates charged by market-rate rents. The differences between the two groups rang from -17.41% for two-bedroom size units to -31.27% for the three-bedroom size.

TABLE 21
Mean Rental Rates
Market Rate, Affordable, and Special Needs Rental Rate Comparison
 2007-2008

| Type of Units | Studio | | 1-Bedroom | | 2-Bedroom | | 3-Bedroom | |
|---|----------|----------|-----------|----------|-----------|----------|------------|------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Market Units Rental Rate | \$543.79 | \$537.48 | \$706.24 | \$688.31 | \$855.54 | \$820.88 | \$1,202.22 | \$1,071.86 |
| Affordable Units ¹ Rental Rate | \$579.86 | \$486.30 | \$580.22 | \$581.27 | \$706.54 | \$677.64 | \$826.27 | \$810.93 |
| Percentage Difference between Affordable and Market-Rate Multi-family Residential Unit Rental Rates | +6.63% | -9.52% | -17.84% | -15.55% | -17.41% | 17.45% | -31.27% | -24.34% |
| Special Needs Housing ² | \$530.50 | \$515.25 | \$606.53 | \$517.93 | \$689.96 | \$619.00 | \$818.12 | \$729.37 |

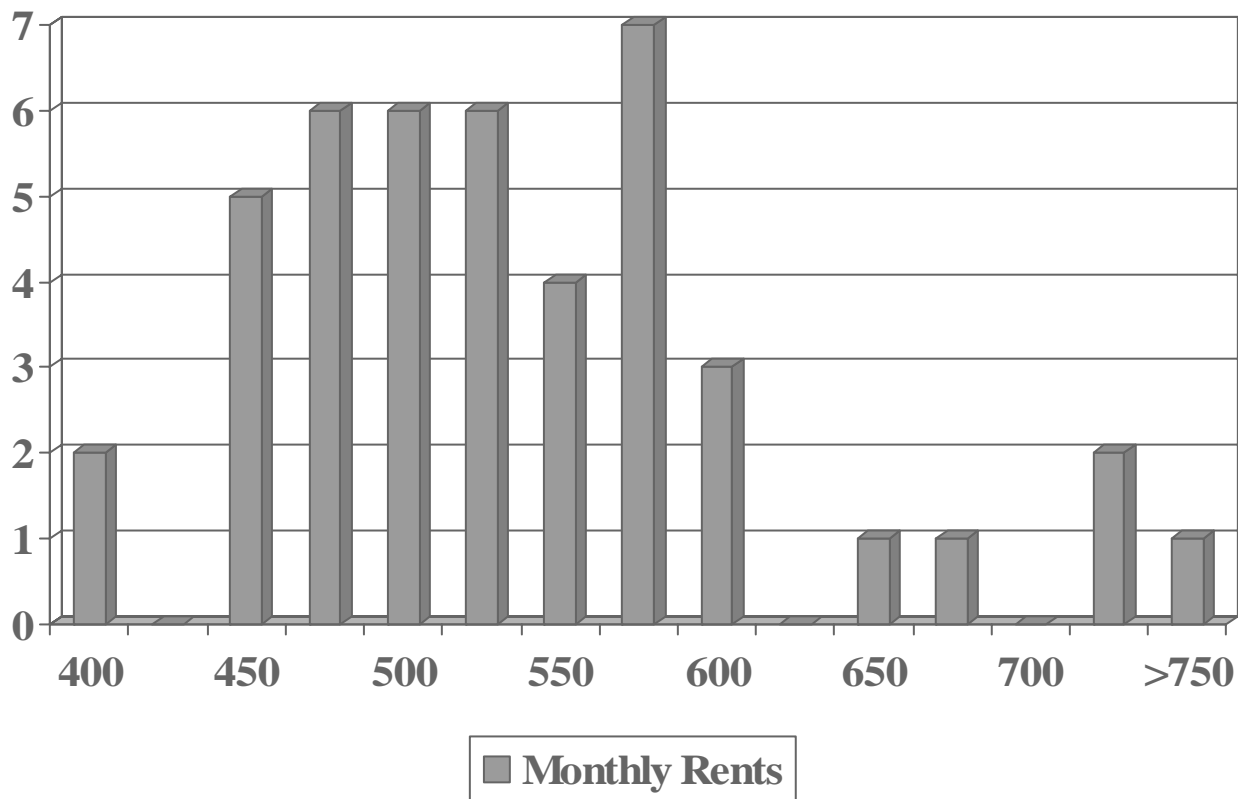
¹Affordable units denote apartment complex units that are income restricted.

na—not available

² Special needs housing denotes transitional housing and multi-family rental units for persons who are mobility impaired.

Distribution of Rents by Apartment Size

GRAPH 16
Distribution of Rental Rates for Studio Apartments
Market Units Rental Rate
June 2008

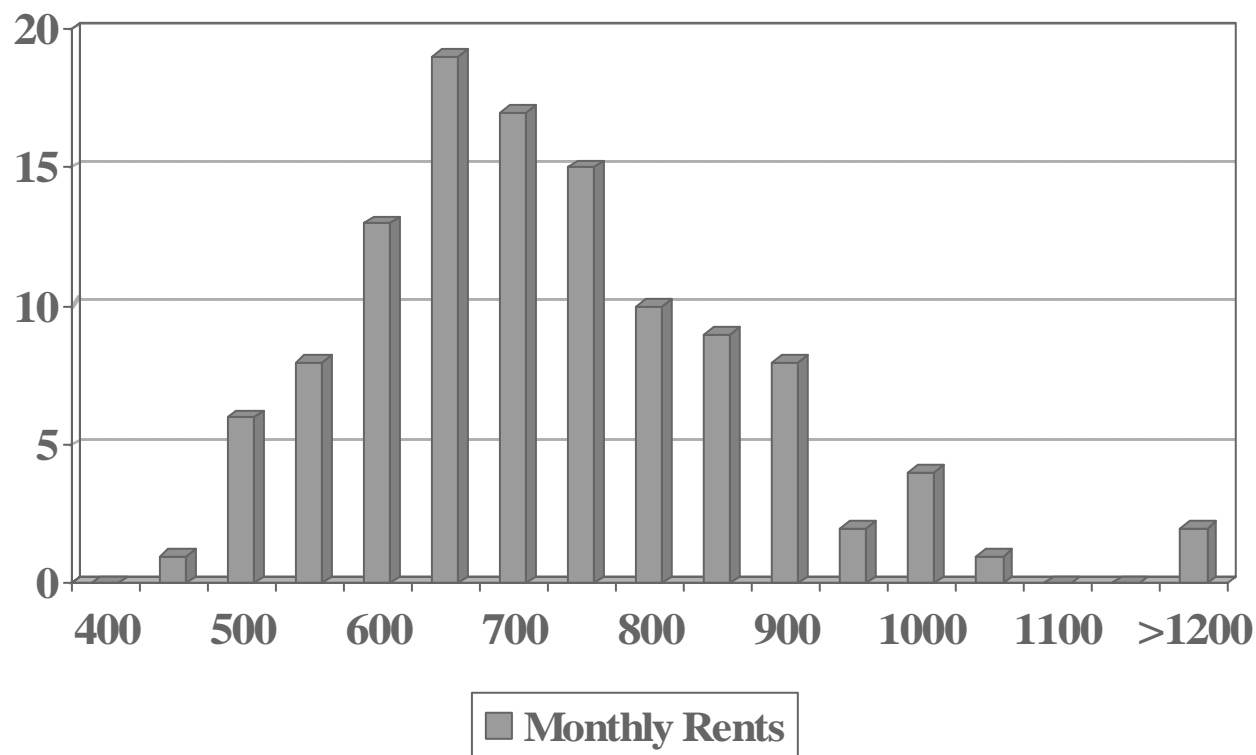


Average Low= \$524.02 down .24% since 2007
Average High= \$563.57 up 2.46% since 2007

Note: 44 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 17
Distribution of Rental Rates for 1-Bedroom Apartments
Market Units Rental Rate
June 2008

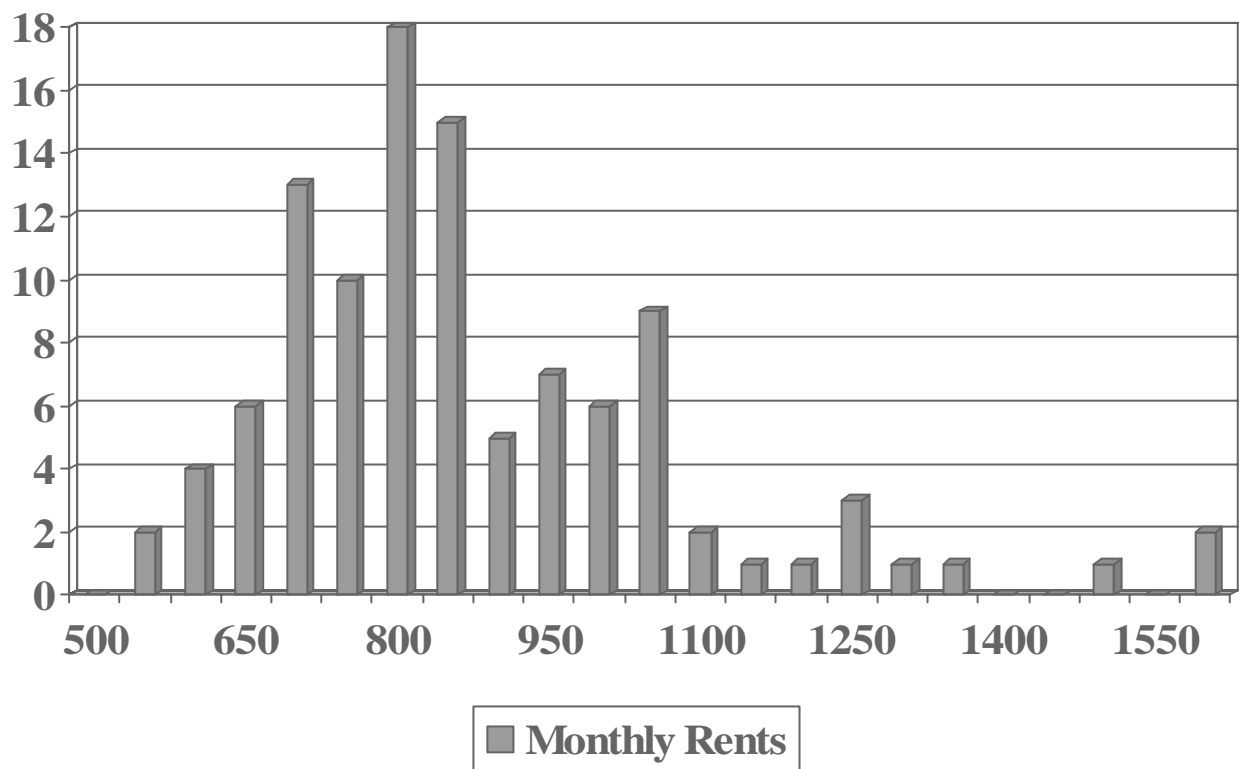


Average Low= \$679.65 up 1.48% since 2007
Average High= \$732.83 up 3.52% since 2007

Note: 115 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 18
Distribution of Rental Rates for 2-Bedroom Apartments
Market Units Rental Rate
June 2008

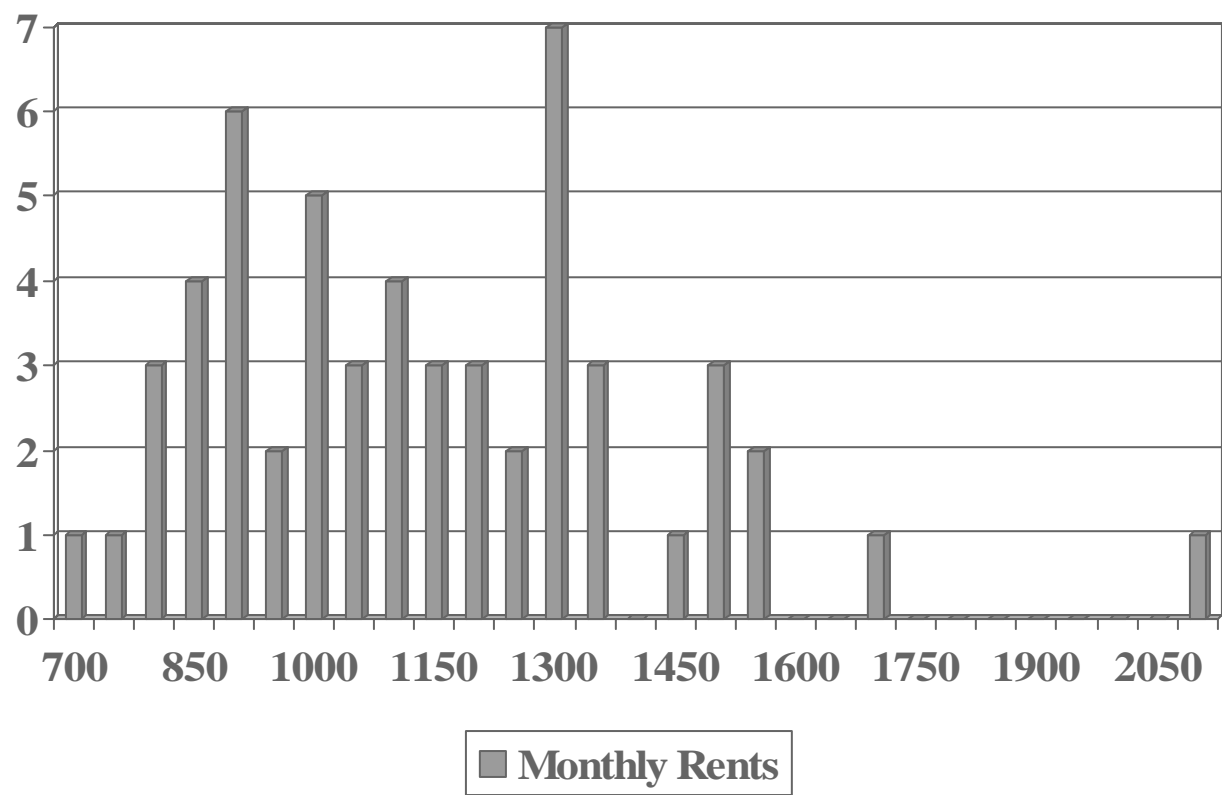


Average Low=\$804.87 up 2.94% since 2007
Average High= \$906.21 up 5.03% since 2007

Note: 107 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 19
Distribution of Rental Rates for 3-Bedroom Apartments
Market Units Rental Rate
June 2008



Average Low= \$1,082.69 up 3.45% since 2007
Average High= \$1,321.75 up 16.9% since 2007

Note: 55 projects reporting.

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

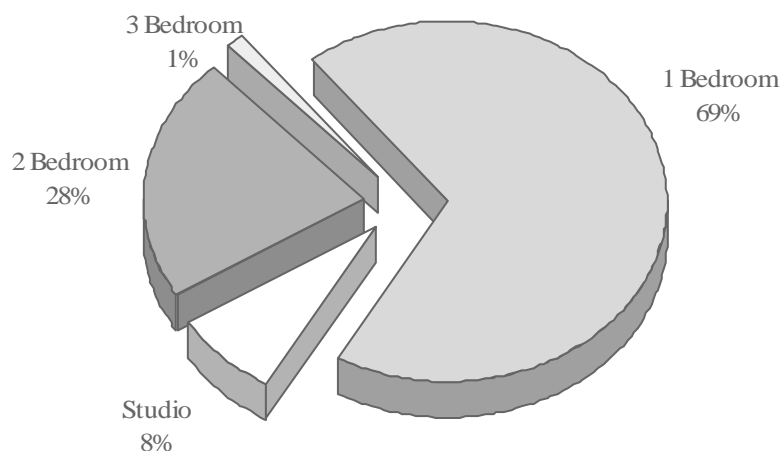
Table 22 and Graph 20 below show that the one-bedroom size apartment is apparently the most preferred residential rental size unit of the 55+ age group. Of this age group, more than two-thirds reside in one-bedroom size units.

TABLE 22
Number of Apartments by Type of Unit that House the 55+ Age Group
2002-2008

| 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 |
| Apartments (6/06) | 812 | 0 | 22 | 657 | 133 | 0 |
| Apartments (6/07) | 1,034 | 0 | 65 | 653 | 295 | 21 |
| Apartments (6/08) | 1,403 | 0 | 111 | 966 | 305 | 21 |

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

June



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

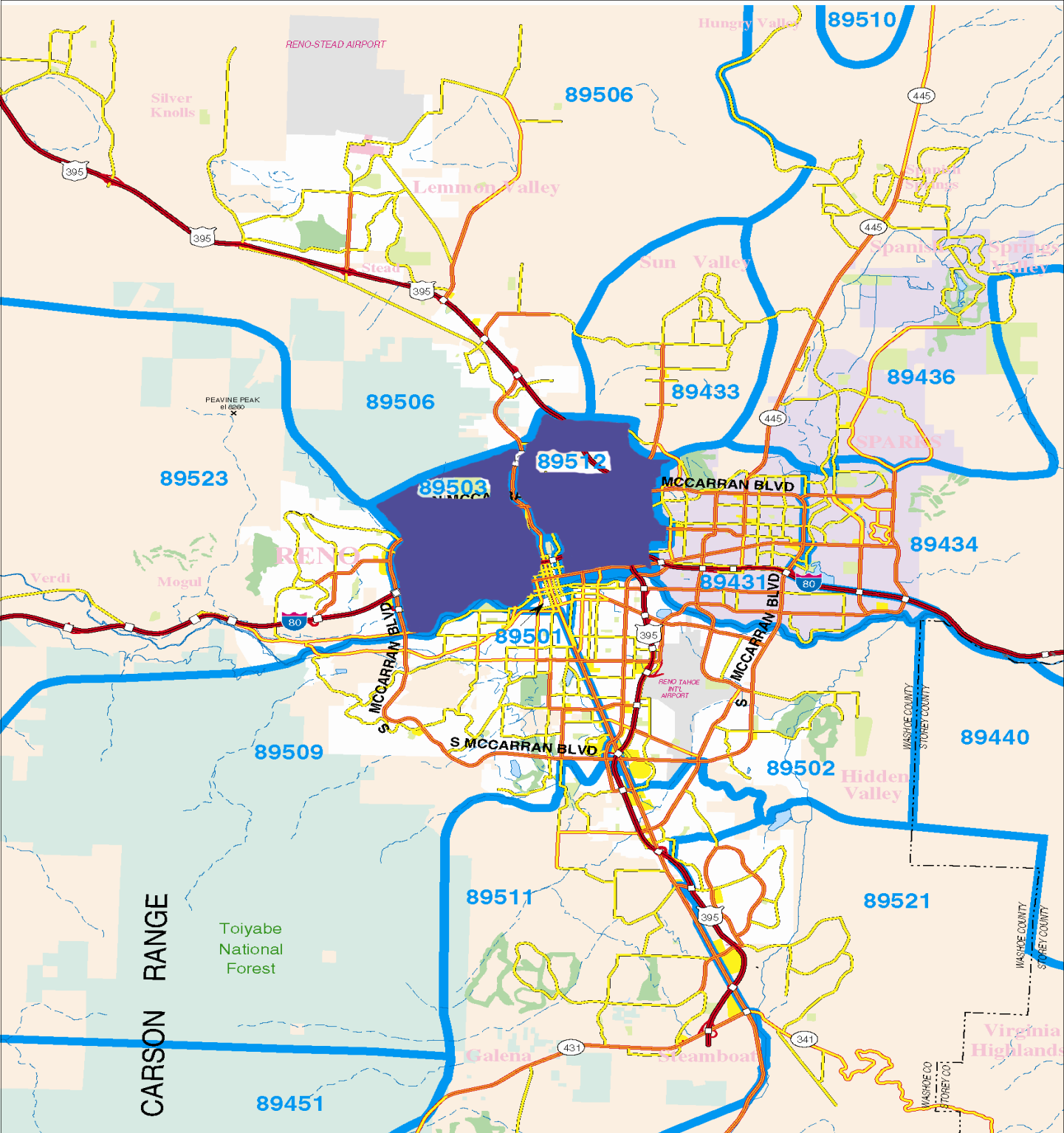
Table 23 data reflects the survey's inventory of apartments by zip code that house the 55+ age group. Over 50% of the units are located within two zip code areas. (See map 6) Those areas are the area's centrally located zip codes 89512 and 89503.

Table 23
Number of Apartments by Zip Code that House the 55+ Age Group
2008

| Zip Code | Number of Units | % of Total |
|----------|-----------------|------------|
| 89512 | 478 | 34.07% |
| 89503 | 326 | 23.24% |
| 89509 | 176 | 12.54% |
| 89431 | 171 | 12.19% |
| 89502 | 114 | 8.12% |
| 89406 | 82 | 5.84% |
| 89511 | 56 | 4.00% |
| Total | 1,403 | 100.00% |

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

MAP 6
Multi-Family Density by Zip Code that House the 55+ Age Group



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

TABLE 24
Mean Rental Rates by Zip Code and by Type of Unit for Apartments
that House the 55+ Age Group
 June 2008

Market Rate Rental Rates

| Zip Code | Rental Rates Studio Apartments | Rental Rates 1-BR Apartments | Rental Rates 2-BR Apartments |
|----------|--------------------------------------|------------------------------------|------------------------------------|
| 89406 | 0 | \$709.75 | \$718.00 |
| 89431 | 0 | \$458.00 | 0 |
| 089502 | \$712.00 | \$788.00 | 0 |
| 89503 | \$522.50 | \$634.16 | \$772.50 |
| 89509 | 0 | \$785.00 | \$975.00 |
| 89511 | 0 | \$700.00 | \$800.00 |
| 89512 | \$691.00 | \$836.50 | 0 |

Affordable Units¹ Rental Rates

| Zip Code | Rental Rates Studio Apartments | Rental Rates 1-BR Apartments | Rental Rates 2-BR Apartments |
|----------|--------------------------------------|------------------------------------|------------------------------------|
| 89431 | 0 | \$448.25 | \$655.75 |
| 89512 | 0 | \$566.25 | \$732.50 |
| 89503 | 0 | \$609.00 | \$801.00 |

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

TABLE 24-A
Mean Rental Rates
Market Rate and Affordable Housing Rental Rate Comparison that House the 55+ Age Group

| Type of Units | Studio | 1-Bedroom | 2-Bedroom |
|--|----------|-----------|-----------|
| Market Units Rental Rate | \$543.79 | \$706.24 | \$855.54 |
| Affordable Units ¹ Rental Rate | na | \$541.17 | \$729.75 |
| Percentage Difference between Affordable and Market-Rate Multi- Family Residential Unit Rental Rates | na | -23.37% | 14.70% |

na—no units reported.

Section III

Rural Nevada

Rural Nevada Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2008 survey reflect the following:

1. The two-bedroom size apartments are the most popular, representing 45% of the residential multi-family housing stock in rural Nevada.
2. The overall vacancy rate for the rural area is 6.45%, an increase of 1.84% over 2007 data.
3. The rural area’s data reflects a vacancy rate lower than that experienced in the Greater Las Vegas Area and in the Greater Reno/Sparks Area.
4. The highest vacancy rate in rural Nevada is for those units constructed in the early 1980’s, or in complexes undergoing rehabilitation.
5. The lowest vacancy rate is in the one-bedroom size unit.
6. The significantly highest vacancy rate is in the single room occupancy units at a 12% vacancy rate.
7. The two-bedroom size units show the second highest vacancy rate in Rural Nevada with a 7.54% vacancy rate.
8. Rental rates for affordable two-and three-bedroom housing units are 18.2% lower than market rate rents.
9. The studio and one-bedroom size rental rates are higher in affordable units than in market units.
10. 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.
11. The larger urban areas of Carson City, Fallon, and Pahrump in Rural Nevada experience having the highest number of multi-family residential rental units available to serve the 55+ age group.

“ The cities of Carson City, Fallon, and Pahrump provide 63% of residential rental housing in Rural Nevada targeted to house the 55+ age group.”

12. The cities of Carson City, Pahrump, and Fallon provide 63% of residential rental housing in Rural Nevada targeted to house the 55+ age group.

Table 24
Mean Rental Rates by Apartment Sizes for all Areas in Nevada
June 2008

| June 2006 | Studio | 1-Bedroom | 2-Bedroom | 3-Bedroom |
|--------------------------|----------|-----------|-----------|------------|
| Greater Las Vegas Valley | \$597.93 | \$753.01 | \$899.03 | \$1,096.96 |
| Greater Reno/Sparks Area | \$537.48 | \$688.31 | \$820.88 | \$1,071.86 |
| Rural Nevada | \$494.00 | \$635.94 | \$712.79 | \$894.89 |

Distribution of Apartments by Type of Unit

Table 25 and Graph 22 show that the two-bedroom size unit is clearly the most common size of rental housing 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 2008

| | Total Units | SRO | Studios | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4-Bedroom |
|-----------|-------------|-----------------|---------|-----------|-----------|-----------|-----------|
| June 2005 | 2,355 | 24 | 38 | 723 | 1,183 | 355 | 12 |
| June 2006 | 5,958 | 191 | 204 | 2,093 | 2,815 | 611 | 44 |
| June 2007 | 5,104 | 208 | 239 | 1,655 | 2,320 | 663 | 19 |
| June 2008 | 7,778 | 25 ¹ | 531 | 2,376 | 3,499 | 1287 | 60 |

¹Several SRO units were declassified from SRO to studio-size units in the 2008 survey.

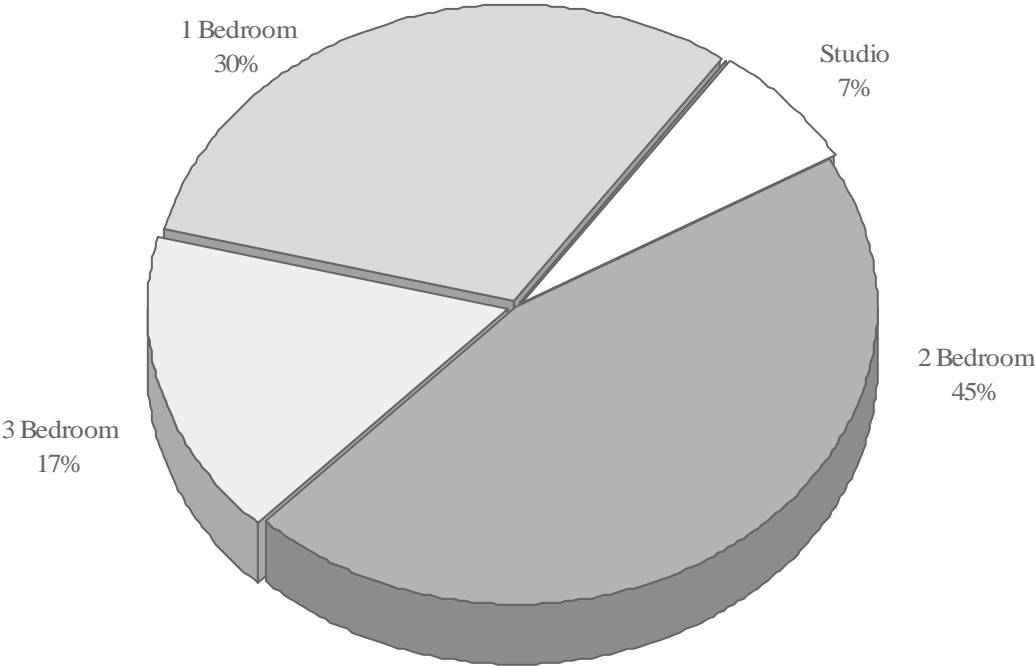
Table 25-A
Number of Apartments by Type of Unit
Database Breakdown

| Description | June 2007 | June 2008 |
|---|-----------|-----------|
| Total # of apartment complexes identified | 124 | 160 |
| Total # of apartment units identified | 6,391 | 9,039 |
| # of identified rental units where there was no response, or owners and/or managers refused to participate, or mail was returned ¹ | 1,287 | 1,213 |
| Condo conversions | 0 | 48 |
| *Total # of apartment rental units validated for database | 5,104 | 7,778 |

¹The rural areas of the state have apartment projects that provide fewer rental housing units. As a result of these smaller-size complexes, management is typically not on site which results in an inability for the apartment survey questionnaire to reach the building's owners or their management companies.

Distribution of Apartments by Type of Unit

GRAPH 22
Distribution of Apartment Units by Size
June 2008



Note: SRO and the four-bedroom size units are not shown in the graph as each group represents less than one percent of the data base Rural Nevada housing inventory.

Vacancy Rates

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

| Date Units Built | 2nd Qtr. 2008 # Responding to vacancy question Projects | 2nd Qtr. 2008 # of Reported Vacant Units* | Vacancy Rate 6/30/08 | Vacancy Rate 6/30/07 | Vacancy Rate 6/30/06 | Vacancy Rate 6/30/05 |
|------------------|--|---|----------------------------|----------------------------|----------------------------|----------------------------|
| 2008 | 1 | 39 | na | - | - | - |
| 2005-2007 | 9 | 696 | 32 | 4.60% | na | na |
| 2000-2004 | 17 | 809 | 60 | 7.42 | 2.04% | 4.81% |
| 1995-1999 | 19 | 794 | 64 | 8.06 | 6.40% | 4.84% |
| 1990-1994 | 13 | 450 | 21 | 4.67 | 5.22% | 1.15% |
| 1985-1989 | 10 | 822 | 35 | 4.26 | 4.28% | 3.94% |
| 1980-1984 | 7 | 99 | 60 | 60.61 | 7.00% | 4.05% |
| 1975-1979 | 10 | 1,051 | 84 | 7.99 | 4.18% | 17.47% |
| 1970-1974 | 4 | 298 | 14 | 4.70 | 5.20% | 9.76% |
| Pre-1970 | 2 | 58 | 2 | 3.45 | 0.00% | 0.0% |
| Date unknown | 24 | 1,625 | 89 | 5.48 | 3.92% | 4.23% |
| Totals | 115 | 7,102 | 461 | 6.45% | 4.61% | 6.2% |

na—projects are in rent-up phase

TABLE 27
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2008

| Apartment Type | Number of Units in Sample ² | Vacancies by Unit Type | Vacancy Rate |
|-----------------------------|--|---------------------------|-----------------|
| Single Room Occupancy (SRO) | 25 | 3 | 12.00 |
| Studio Apartments | 531 | 23 | 4.33 |
| 1-Bedroom Size Apartments | 2,250 | 92 | 4.09 |
| 2-Bedroom Size Apartments | 3,105 | 234 | 7.54 |
| 3-Bedroom Size Apartments | 1,179 | 70 | 5.94 |
| 4-Bedroom Size Apartments | 60 | 3 | 5.00 |

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
Market Units Rental Rates
June 2008

| Date | Studio | 1-Bedroom | 2-Bedroom | 3-Bedroom |
|----------------|----------|-----------|-----------|-----------|
| June 2005 | \$462.84 | \$623.38 | \$676.23 | \$828.73 |
| June 2006 | \$445.00 | \$657.75 | \$716.47 | \$820.21 |
| % change 05-06 | -4.01% | +5.22% | +5.62% | -1.04% |
| June 2007 | \$494.00 | \$635.94 | \$712.79 | \$894.89 |
| % change 06-07 | +.99% | -3.43% | -.52% | +8.34% |
| June 2008 | \$461.50 | \$616.94 | \$711.13 | \$884.21 |
| % change 07-08 | -7.04% | -3.08% | -.23% | -1.21% |

TABLE 29
Market Rate and Affordable Rental Rate Comparison
June 2008

| Type of Units | Studio | | 1-Bedroom | | 2-Bedroom | | 3-Bedroom | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Market Units Rental Rate | \$461.50 | \$494.00 | \$616.94 | \$635.94 | \$711.13 | \$712.79 | \$884.21 | \$894.89 |
| Affordable Units ¹ Rental Rate | \$487.50 | \$525.00 | \$624.29 | \$608.24 | \$631.16 | \$628.02 | \$714.57 | \$675.21 |
| Percentage Difference between Affordable and Market-Rate Multi-family Residential Unit Rental Rates | +5.33% | +5.90% | +1.18% | -4.55% | -12.67% | -13.50% | -23.74% | -32.53% |

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

Distribution of Apartments by Geographical Area that House the 55+ Age Group

Table 30 reflects data that shows the larger urban area in Rural Nevada experience having the highest number of multi-family residential rental units targeted to serve the 55+ age group. The cities of Carson City, Pahrump, and Fallon reflect data that show these three larger urbanized areas provide 63% of housing in rural Nevada that is targeted and occupied by residents who are within the 55+ age group.

Table 30
Number of Apartments by Geographical Area
that House the 55+ Age Group Throughout Rural Nevada
2008

| Area | Number of Units | % of Total |
|----------------|-----------------|------------|
| Beatty | 20 | 2.21% |
| Carson City | 239 | 26.38% |
| Elko | 82 | 9.05% |
| Ely | 24 | 2.65% |
| Eureka | 12 | 1.32% |
| Fallon | 146 | 16.11% |
| Fernley | 52 | 5.74% |
| Mesquite | 24 | 2.65% |
| Overton | 24 | 2.65% |
| Pahrump | 187 | 20.64% |
| Searchlight | 24 | 2.65% |
| Silver Springs | 24 | 2.65% |
| Winnemucca | 48 | 5.30% |
| Total | 906 | 100.00% |