NEVADA HOUSING DIVISION

NHD Apartment Facts

Second Quarter 2009

COVERED AREAS:

Greater Las Vegas Valley
Greater Reno/Sparks Area
Rural Nevada

Final Report

2nd Quarter 2009
Point-In-Time Apartment Survey
Section I -- Greater Las Vegas Valley
Section II -- Greater Reno/Sparks Area
Section III -- Rural Nevada

NHD Apartment Facts

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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.

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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 2009 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 is the commitment to provide housing that is safe, sanitary, decent and affordable for Nevada's low- to moderate-income individuals and families.

"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."

Charles L. Horsey
Administrator

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.

Through creative financing by the Division's Multi-Family Programs[1] and with the assistance of supportive multi-family housing developers, the Division's financed rental residential units remain affordable.

Data from this year's study shows that affordable rental rates in the Greater Las Vegas Valley and the Greater Reno/Sparks Area range from 5% for studio-size units to 27% for three-bedroom size units that are below the unregulated market rates. This data reflects the Division's impact on providing affordable housing in the State's two largest housing markets.

Charles L. Horsey

[1]Bond, Low-Income Housing Tax Credit, HOME, and Low-Income Housing Trust Fund Programs.

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 2009 study is based upon primary data collection conducted by the Housing Division. From this data collection, 685 apartment complexes were identified in the Greater Las Vegas Valley representing 126,901 apartment units validated for the database.

In the Greater Reno/Sparks Area, 217 apartment complexes were identified representing 30,057 apartment units validated for the database.

For rural Nevada, 119 apartment complexes were included in the sample representing 6,264 apartment units validated for the database.

Survey data analysis is based upon a 90.16% response rate for the Greater Las Vegas Valley, a 93.87% response rate for the Greater Reno/Sparks Area, and a 80.27% 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.

[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

"Affordable rents[1] for studio–one, and two-bedroom size units that house the 55+ population are an average of 31.76% lower than market rents for comparable configuration."

Key findings from the 2nd Quarter 2009 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 1% of the identified apartment units.
4. The Single Room Occupancy (SRO) and four-bedroom size units continue to represent the smallest demand in the residential rental market.
5. The average apartment size since 1980 shows an average of over 225 units per apartment complex.
6. 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 60% of those units are vacant for rental.
7. Data reflects, from the survey's reporting apartment managers, an overall vacancy rate of 10.4%, a +2.8% change in vacancy rate from the 2008 point-in-time survey data.
8. The four-bedroom size apartment rental units reflect the highest vacancy rates with rates ranging from +4% to +6% higher over all other size units.
9. Vacancy rates are higher in older developed areas of the Valley.
10. More than one-third 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.
11. Since year 1998, data reflect a downward trend in the number of multi-family housing units being added to the residential rental housing inventory.
12. At least 80% of 2009's multi-family construction has occurred or is under construction in the north and northwest part of the Valley.
13. Since year 2000, the number of three-bedroom size units being constructed have shown a decline.
14. The second quarter 2009 mean rental rates show a mean decrease in rental rates of –3.38% over 2008's data.
15. The greatest rental rate change since 2008 occurred in the one-bedroom size units with a 4.40% decrease in rental rates.
16. Affordable rents[1] for studio, one, two and three-bedroom size units are an average of 21.18% lower than unrestricted market rents for comparable configuration.
17. The one-bedroom size unit represents the highest percentage of where the 55+ age group resides followed closely by the two-bedroom size unit. Nearly 87% of units in which the 55+ age group live falls within one of these two sizes.
18. Ninety percent of multi-family units produced to house the 55+ age group has been built since 1980.
19. Nearly one-third of all apartment residential units who house residents that are in the 55+ age group are located within three zip code areas. These units are in the central part of the urbanized Greater Las Vegas Valley and are areas identified as older residential neighborhoods that are near gaming, medical facilities, and mass transportation.
20. Vacancy rates for those apartments that house the 55+ age group averaged 8.00% in 2009, compared to a 6.70% vacancy rate in 2008.
21. Affordable rents[1] for studio, one, and two-bedroom size units that house the 55+ population are an average of 31.76% lower than unrestricted market rents for comparable configuration.

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

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 Greater Las Vegas Valley's rental market. The two-bedroom units comprise nearly one-half of NHD's identified apartment units in this market. (See Graph 1.)

TABLE 1
Number of Apartments by Type of Unit
June 1997-2009

	Total Units	SRO[2]	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
June 1997	121,509	N/A	9,314	44,754	57,481	9,804	156
June 1998	131,754	N/A	8,837	49,180	62,515	11,044	156
June 1999	143,163	N/A	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
June 2009	126,901[3]	726	6,227	45,006	62,172	12,489	281

[1] Due to 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, resulted in a lower number of total units in the survey's database.
[2] Single Room Occupancy.
[3] A database update resulted in deletions from inventory the complexes with repeated returned mail questionnaires. This update resulted in a 7% reduction of total units in the validated database.
N/A - not available.

Distribution of Apartments by Type of Unit

Of the total number of apartment complexes identified, 1% had mail returned; 7.75% had no response from management, or managers refused to participate in the survey. The 2009 survey, however, had responses from 90.16% of apartment complexes who received questionnaires, a response increase of 2.4% over last year's survey. 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 is not available as to exact numbers.

Table 1-A
Number of Apartments by Type of Unit
June 2004 through June 2009
Database Breakdown

Description	June 2004	June 2005	June 2006	June 2007	June 2008	June 2009
Total # of apartment complexes identified	866	869	855	811	822	685
Total # of apartment units identified	165,649	166,815	159,328	153,388	155,479	140,757
# of units identified to be demolished	346	2,414	1,820	405	137	0
# of units identified converted from apartment rental units to condominiums	3,800	11,780	10,288	1,107	88	1,407*
# 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	10,910
# 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	1,539
# of rental units identified as under construction with targeted completion dates later in the year	1,244	452	638	346	186	N/A
Total # of rental units validated for database	156,404	147,689	135,696	131,767	136,452	126,901

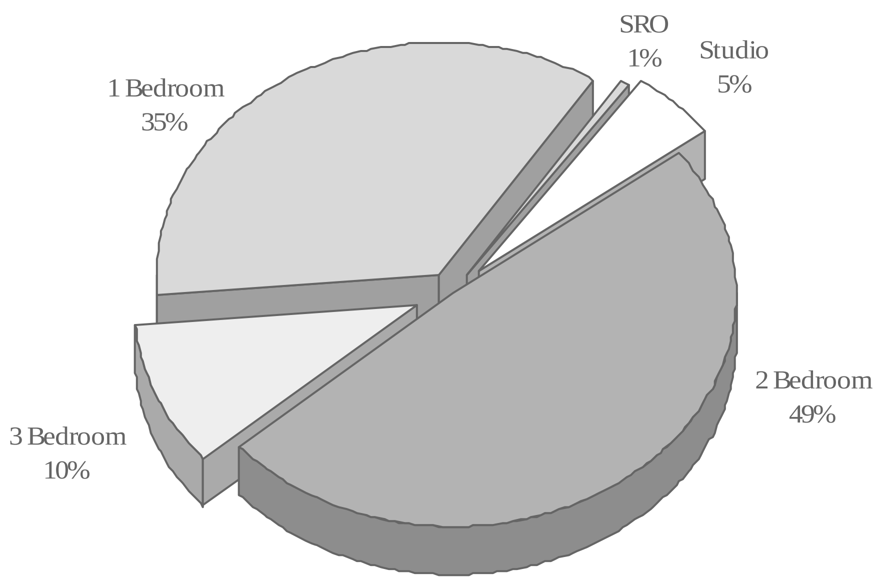
* Currently these condominium complexes have rentals that number from 30% to 60% of total units within a complex. Specific data is unavailable for most as units are rented by individual owners.

N/A — non responses or incomplete information from identified units under construction does not allow for data compilation.

Distribution of Apartments by Type of Unit

Graph 1 shows that residents of the multi-family residential rental market prefer either one-or two-bedroom size units. Nearly one-half of the multi-family housing inventory is two bedroom in size. The four-bedroom size units continue to represent the smallest demand (.22%) in the residential rental market.

GRAPH 1
Distribution of Apartment Units by Size
June 2009

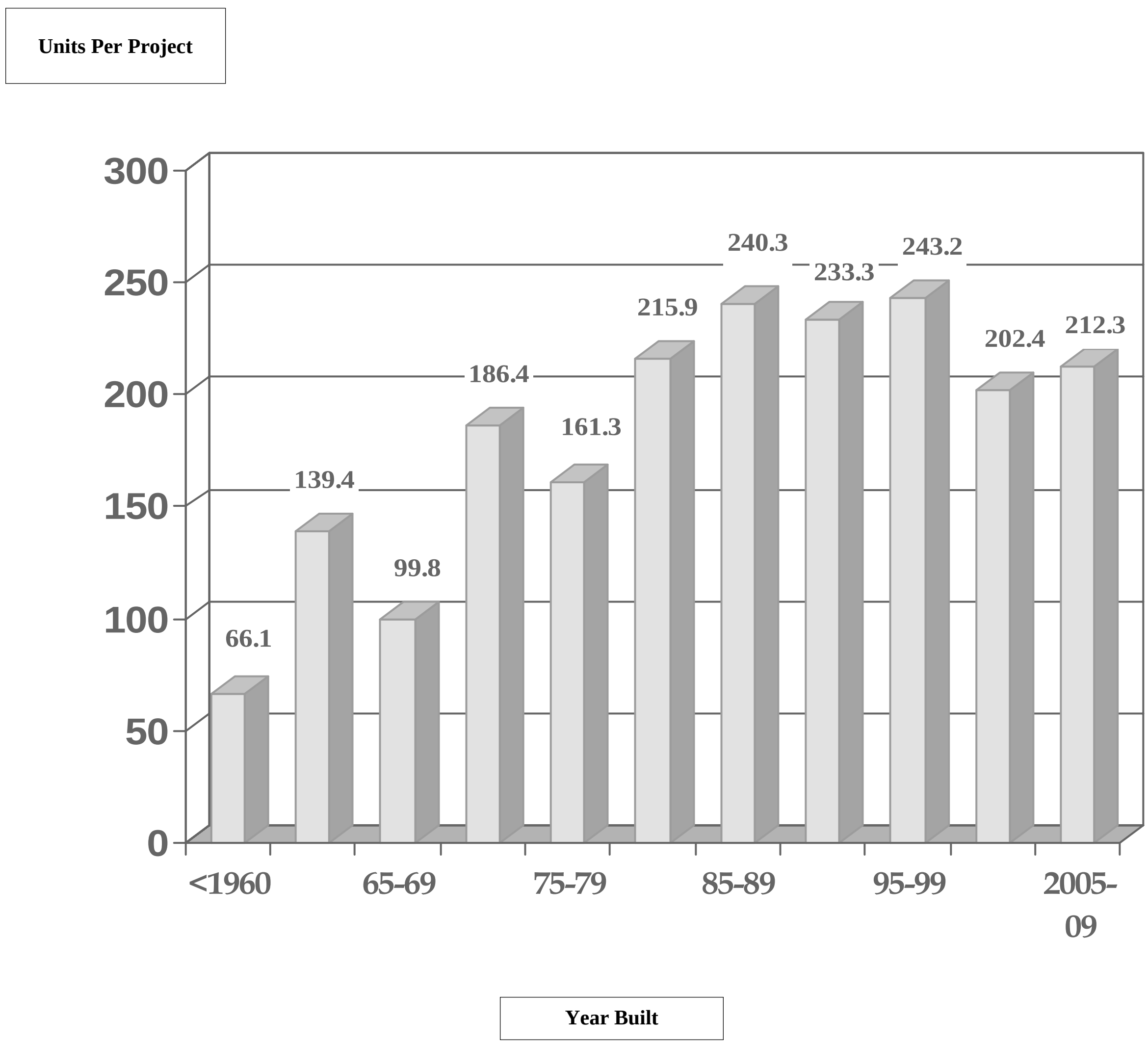


Note: Four-Bedroom size units represented .22% of the total number of apartment units in the Greater Las Vegas Valley; therefore, that number is not shown in Graph 1.

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 2009 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 2009



Vacancy Rates

The vacancy rates in the Division's second quarter 2009 survey reflects an increase in number of vacancies for the Greater Las Vegas Valley. The 2009 data shows a vacancy rate of 10.4%, a vacancy rate increase of 2.8% from the second quarter 2008 point-in-time survey data.

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

Units Built by Year	2nd Qtr. 2009 # Responding to vacancy question Projects	Units	2nd Qtr. 2009 # of Reported Vacant Units	Vacancy Rate 6/30/09	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
2009	**6**	**1,643**	**	**	**	**N/A**	**N/A**	**N/A**	**N/A**
2007-2008	**24**	**4,994**	**	**	**	**	**	**N/A**	**N/A**
2005-2006	16	3,020	301	9.97%	3.0%	**	**	**	**N/A**
2000-2004	82	16,405	1,289	7.86%	6.7%	3.4%	3.1%	3.7%	7.1%
1995-1999	107	25,132	2,442	9.72%	8.1%	4.5%	2.7%	2.4%	4.7%
1990-1994	62	14,886	1,684	11.31%	7.8%	4.2%	3.0%	2.8%	3.4%
1985-1989	100	23,900	2,352	9.84%	7.6%	5.6%	4.1%	3.3%	5.0%
1980-1984	51	9,593	952	9.92%	7.2%	5.3%	3.6%	3.4%	5.4%
1975-1979	52	8,611	863	10.02%	7.3%	4.2%	3.0%	3.3%	4.7%
1970-1974	38	7,639	1,175	15.38%	7.6%	7.9%	3.3%	4.9%	7.2%
Pre-1970	43	5,101	797	15.62%	9.2%	10.2%	5.1%	5.0%	8.3%
Date unknown	9	640	103	16.09%	11.0%	8.9%	2.0%	10.2%	.06%
Total	**560**	**114,927**	11,958	10.40%	7.6%	5.1%	3.4%	3.4%	5.3%

*Vacancy data is derived from a 95.6% survey response rate to the specific vacancy rate question.
** 2009 units are under construction or in first phase of renting. Data for years 2007, 2008, and 2009 are not included in determining the Valley's overall vacancy rate as reasonable rent-up time is allowed prior to determining vacancy rates.
N/A - 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 four-bedroom and studio-size units experienced the highest percentage of number of vacancies, +8.2% and +4.3% respectively.

TABLE 3
Reported Vacancies by Type of Unit
for All Reporting Apartment Complexes
2009

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate 2009	Vacancy Rate 2008	% Change (08-09)
Single Room Occupancy (SRO)	606	39	6.4%	3.3%	+3.1%
Studio Apartments	4,118	529	12.8%	8.5%	+4.3%
1-Bedroom Size Apartments	24,312	2,245	9.2%	7.4%	+1.8%
2-Bedroom Size Apartments	34,755	3,514	10.1%	7.5%	+2.6%
3-Bedroom Size Apartments	7,344	652	8.9%	6.8%	+2.1%
4-Bedroom Size Apartments	102	15	14.7%	6.5%	+8.2%

[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

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

Zip Code	Total Number of Apartment Units in Zip Code Area 6/30/09	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/09	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
89002	213	2.3%	70.9%	N/A	N/A	N/A
89005	93	2.2%	0.0%	0.0%	0.0%	0.0%
89011	754	7.3%	10.6%	N/A	N/A	N/A
89012	1,815	9.0%	10.7%	3.3%	1.8%	2.4%
89014	4,745	7.7%	7.3%	3.5%	2.9%	3.4%
89015	2,337	7.5%	2.9%	3.7%	2.3%	2.5%
89030	2,227	16.3%	13.2%	9.3%	6.5%	7.5%
89031	1,068	12.0%	7.5%	1.8%	2.5%	2.8%
89032	1,106	15.1%	5.8%	4.4%	2.2%	5.5%
89036	248	8.1%	8.9%	NA	.8%	0.0%
89052	1,604	6.2%	2.1%	4.6%	1.7%	4.4%
89074	2,251	8.0%	8.8%	4.0%	2.1%	2.3%
89081	1,265	18.6%	19.6%	**	**	**
89084	580	12.4%	N/A	**	**	**
89086	272	7.0%	5.5%	**	**	**
89101	5,589	12.8%	8.4%	4.3%	2.1%	3.4%
89102	7,232	14.3%	8.2%	5.9%	4.2%	3.4%
89103	5,997	8.1%	4.8%	4.2%	2.5%	2.6%
89104	4,503	13.0%	11.6%	7.5%	7.2%	3.1%
89106	2,318	12.0%	11.9%	5.6%	4.7%	7.3%
89107	1,538	9.0%	8.7%	2.0%	5.4%	3.2%
89108	5,734	8.8%	7.4%	7.3%	4.3%	2.6%
89109	6,202	10.9%	7.9%	7.6%	3.2%	4.1%
89110	3,179	10.7%	10.3%	4.4%	4.5%	2.5%
89113	578	10.2%	7.2%	4.3%	.5%	0.0%
89115	5,097	18.2%	13.7%	7.7%	6.0%	3.1%
89117	5,423	9.1%	5.9%	4.1%	2.0%	2.1%

Table continued on following page.

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

Zip Code	Total Number of Apartment Units who Reported Vacancies by Zip Code Area 6/30/09	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/09	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
89118	1,405	6.3%	3.4%	4.7%	1.6%	2.2%
89119	10,727	11.0%	5.5%	4.8%	2.7%	2.0%
89120	2,344	6.9%	3.3%	1.5%	2.1%	2.0%
89121	6,219	10.8%	8.8%	6.6%	2.9%	3.8%
89122	2,801	11.8%	12.7%	3.9%	3.5%	4.4%
89123	3,528	7.1%	4.1%	3.3%	4.9%	2.4%
89128	1,848	4.1%	8.5%	8.2%	4.9%	3.8%
89129	2,064	6.2%	13.0%	3.6%	.8%	2.9%
89130	272	16.9%	6.7%	4.9%	1.6%	2.4%
89131	272	8.4%	8.1%	6.3%	.7%	1.8%
89135	485	16.3%	7.2%	5.5%	3.8%	3.1%
89138	262	1.1%	5.7%	N/A	N/A	N/A
89139	1,385	4.4%	2.7%	1.0%	1.5%	4.7%
89141	340	6.2%	0.0%	3.5%	0.0%	7.6%
89142	1,576	10.1%	7.5%	6.5%	4.7%	3.6%
89144	288	19.4%	26.7%	0.0%	6.3%	3.9%
89145	686	9.5%	12.4%	2.6%	.7%	4.2%
89146	2,168	7.5%	8.4%	4.6%	.9%	3.5%
89147	3,122	9.8%	3.9%	4.4%	3.9%	3.2%
89148	1,782	13.9%	14.0%	2.8%	2.1%	5.5%
89156	656	22.4%	16.6%	6.2%	4.9%	2.1%
89166	336	8.6%	8.6%	44.6%[1]	N/A	N/A
89169	567	10.6%	8.5%	**	**	**
89183	820	6.5%	2.4%	**	**	**
Total Units	119,182					

N/A - New development area.
** Zip codes created in 2008.

TABLE 5
Total Number of Apartment Units by Zip Code

June 2009

Zip Code	Total # of Apartment Units by Zip Code	Percent	Cumulative
89119	10,883	8.58%	8.58%
89102	7,880	6.21%	14.79%
89103	6,627	5.22%	20.01%
89109	6,574	5.18%	25.19%
89121	6,347	5.00%	30.19%
89101	5,933	4.68%	34.87%
89108	5,932	4.67%	39.54%
89117	5,423	4.27%	43.81%
89115	5,097	4.02%	47.83%
89014	4,745	3.74%	51.57%
89104	4,629	3.65%	55.22%
89122	3,687	2.91%	58.13%
89123	3,528	2.78%	60.91%
89110	3,179	2.51%	63.42%
89147	3,122	2.46%	65.88%
89106	2,400	1.89%	67.77%
89120	2,344	1.85%	69.62%
89015	2,337	1.84%	71.46%
89129	2,316	1.83%	73.29%
89074	2,251	1.77%	75.06%
89030	2,227	1.75%	76.81%
89146	2,168	1.71%	78.52%
89107	2,078	1.64%	80.16%
89012	2,047	1.61%	81.77%
89128	1,848	1.46%	83.23%
89148	1,782	1.40%	84.63%
89142	1,744	1.37%	86.00%
89052	1,692	1.33%	87.33%
89118	1,585	1.25%	88.58%
89139	1,385	1.09%	89.67%
89081	1,265	1.00%	90.67%

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

Table continued on following page.

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

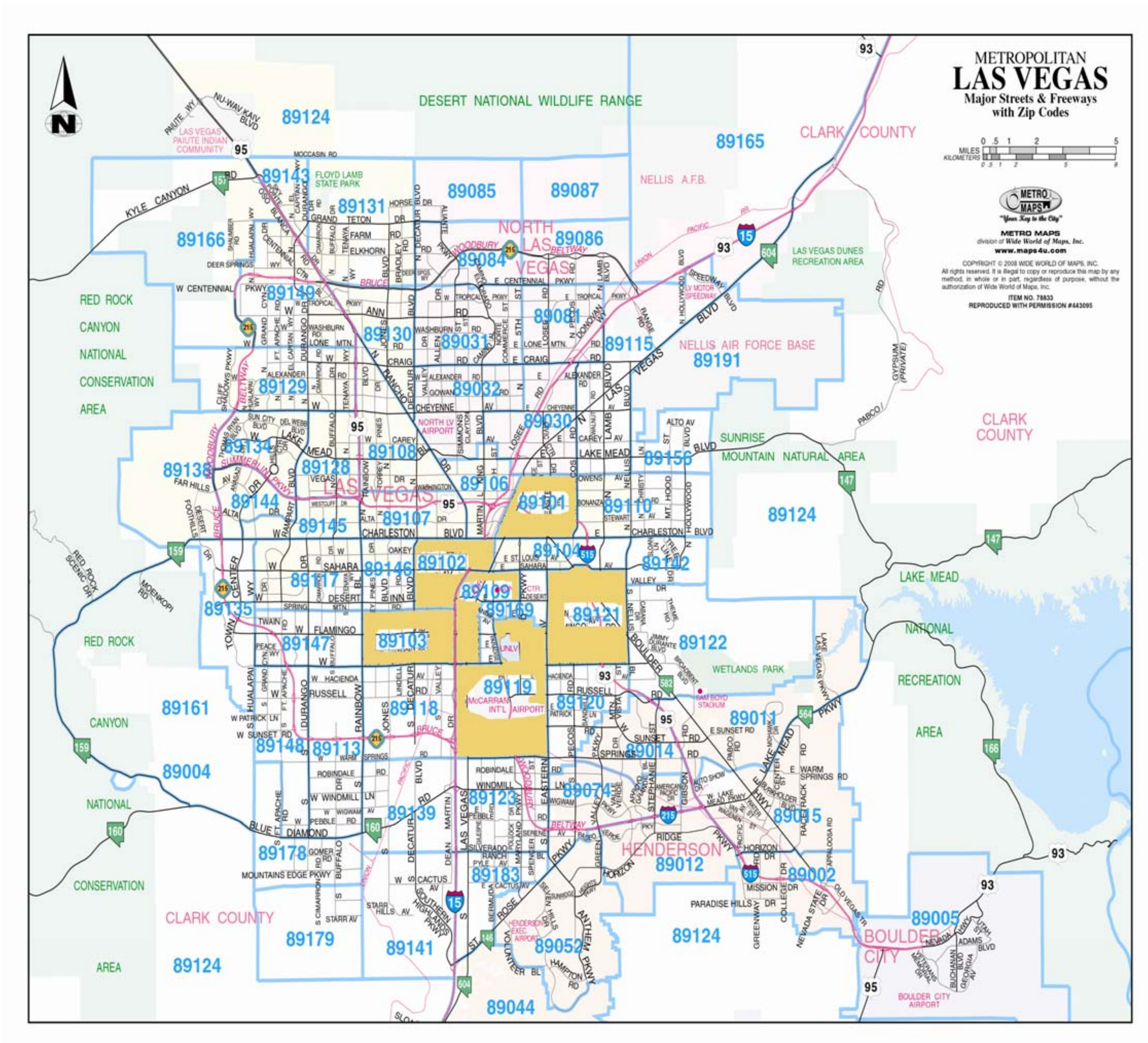
June 2009

Zip Code	Total # of Apartment Units by Zip Code	Percent	Cumulative
89032	1,183	.93%	91.60%
89086	1,107	.87%	92.47%
89031	1,068	.84%	93.31%
89113	827	.65%	93.96%
89183	820	.65%	94.61%
89011	754	.59%	95.20%
89149	739	.58%	95.78%
89145	686	.54%	96.32%
89156	656	.52%	96.84%
89084	580	.46%	97.30%
89169	567	.45%	97.75%
89135	485	.38%	98.13%
89141	340	.27%	98.40%
89166	336	.26%	98.66%
89144	288	.23%	98.89%
89131	272	.21%	99.10%
89130	272	.21%	99.31%
89138	262	.21%	99.52%
89036	248	.19%	99.71%
89002	213	.17%	99.88%
89005	143	.11%	99.99%
Total	126,901		

Zip Code Map of the Greater Las Vegas Valley

More than one-third of all multi-family housing units are located within six zip codes, 89101, 89102, 89103, 89109, 89119, and 89121. These zip codes represent areas that are centrally located within the Greater Las Vegas Area. All areas identified are near shopping, medical, education, and gaming facilities.

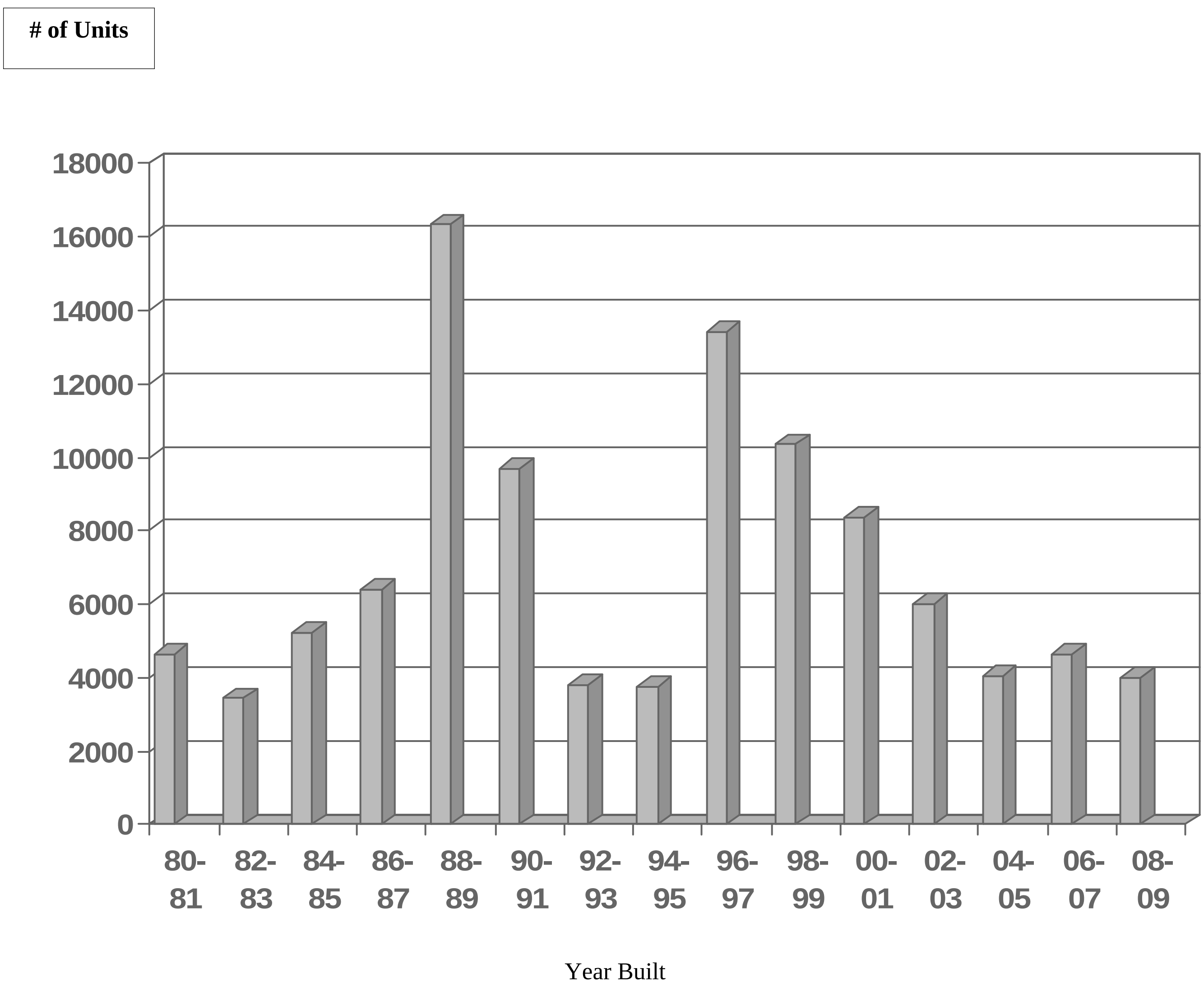
MAP 1
High Density Zip Code Areas of Multi-Family Housing



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 continuous downward trend in number of multi-family housing units being added to the rental housing inventory.

GRAPH 3
Multi-Family Units by Year Built Since 1980
1980-2009



Note: Identified units by year built information represents data from those apartment complexes who responded to the 2nd quarter 2009 survey.

Growth Zip Codes

During the first six months of 2009, data collected reflects that more than 80% of the Greater Las Vegas Valley's new construction occurred within three zip code areas. These areas are located within the City of North Las Vegas (zip code 89086) and the urbanized northwest corridor of the Valley (zip codes 89108 and 89149).

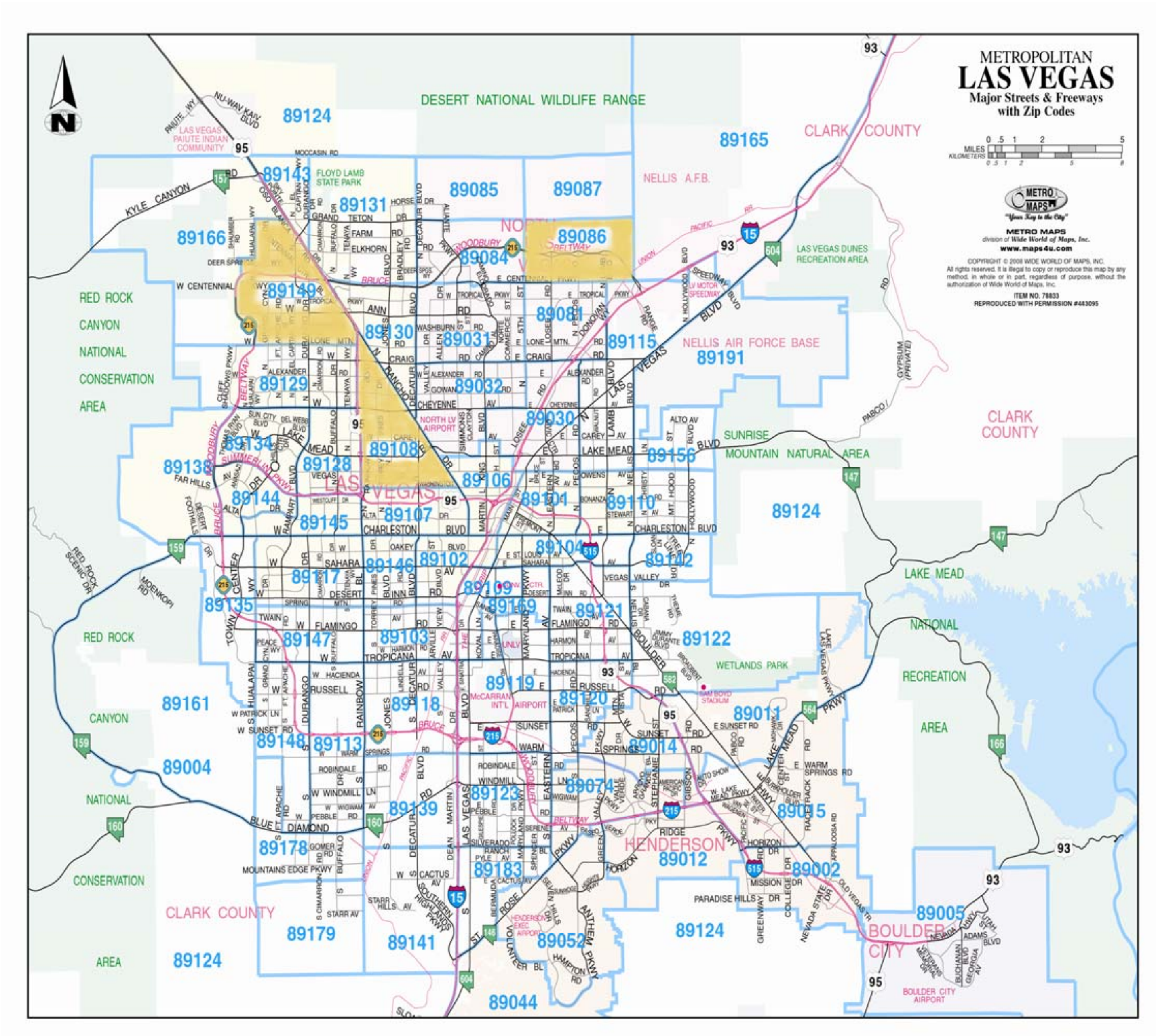
TABLE 6
New Construction of Multi-Family Housing
During 2008 and First 6 Months of 2009

2008			2009		
Zip Code	New Units Recorded for Calendar Year 2008	% of new construction	Zip Code	New Units as of 6/30/09	% of new construction
89014	181	7.7%	89052	88	5.4%
89032	77	3.3%	89086	380	23.1%
89081	186	7.9%	89106	82	5.0%
89086	455	19.4%	89108	198	12.0%
89101	57	2.4%	89119	156	9.5%
89109	105	4.5%	89149	739	45.0%
89113	242	10.3%			
89122	606	25.8%			
89138	262	11.1%			
89148	180	7.6%			
Total	2,351	100.0%	Total	1,643	100.0%

Zip Code Map of the Greater Las Vegas Valley

Map 2 shows the areas with the highest percentage of multi-family residential rental growth. The high-lighted areas represent more than 80% of new construction documented from the 2nd quarter 2009 survey.

MAP 2
Highest Geographic Areas of New Construction for Multi-Family Housing
First 6 Months of 2009

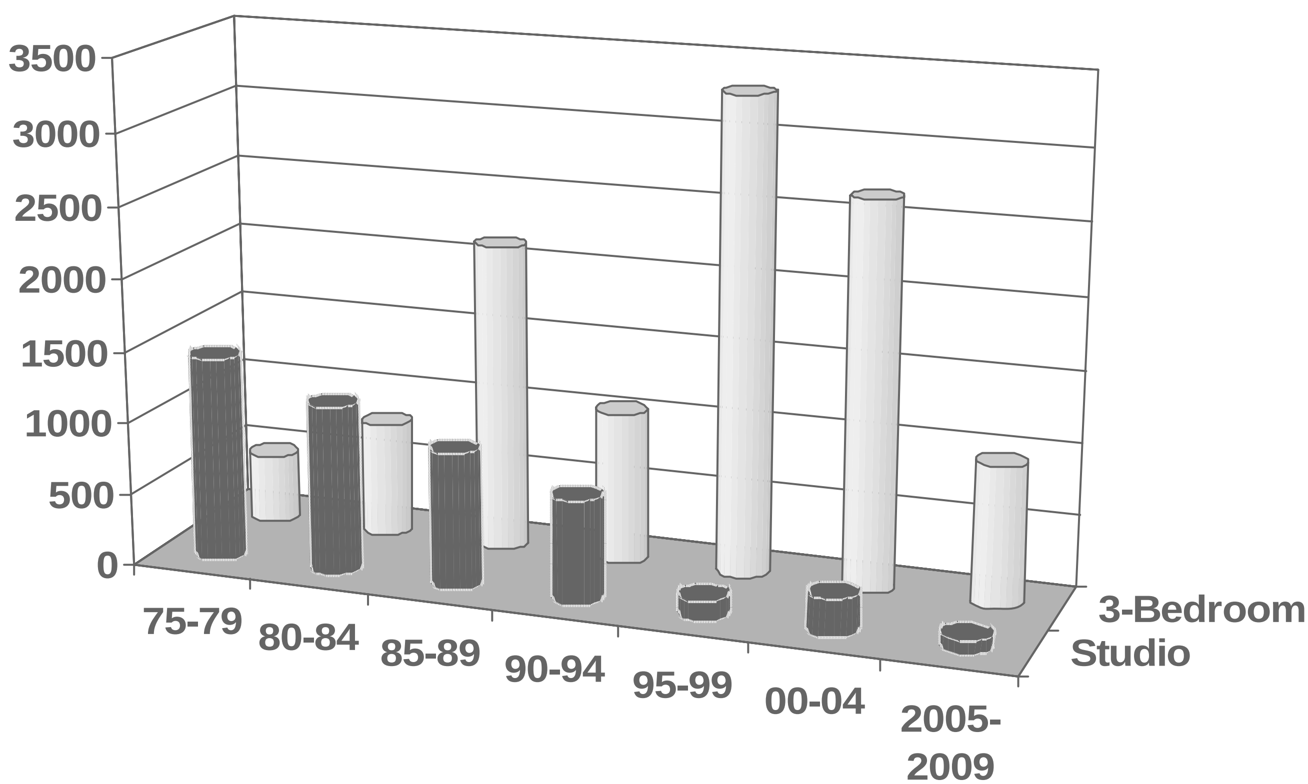


Mix of Apartment Unit Types By Year Built

Studio-size apartment construction outpaced the three-bedroom size units from 1975 through 1984. Beginning in 1985 and continuing into 2009, the three-bedroom size units built have outpaced the studio-size units; however, since year 2000, the number of three-bedroom size units being constructed has shown a steady decline.

GRAPH 4
Apartment Unit Types by Year Built
1975-2009

# of Units by Type



Year Built

Distribution of Rents by Apartment Size

TABLE 7
Mean Rental Rates by Apartment Sizes - Market Units Rental Rate
June 1997 through June 2009

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%
June 2009	$580.08	$726.95	$869.41	$1,082.27
%change 08-09	-2.78%	-4.40%	-3.43%	-2.97%

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 residential units.

Distribution of Rents by Apartment Size

Table 8 reflects the sizeable gap between affordable and unrestricted market rate multi-family residential rental units. The affordable rental rates are lower for all size units versus the unrestricted market rental rates. Data below, however, reflects that the overall recessionary economy has affected the unrestricted market rental rates, with a lowering of rents for all size of residential units.

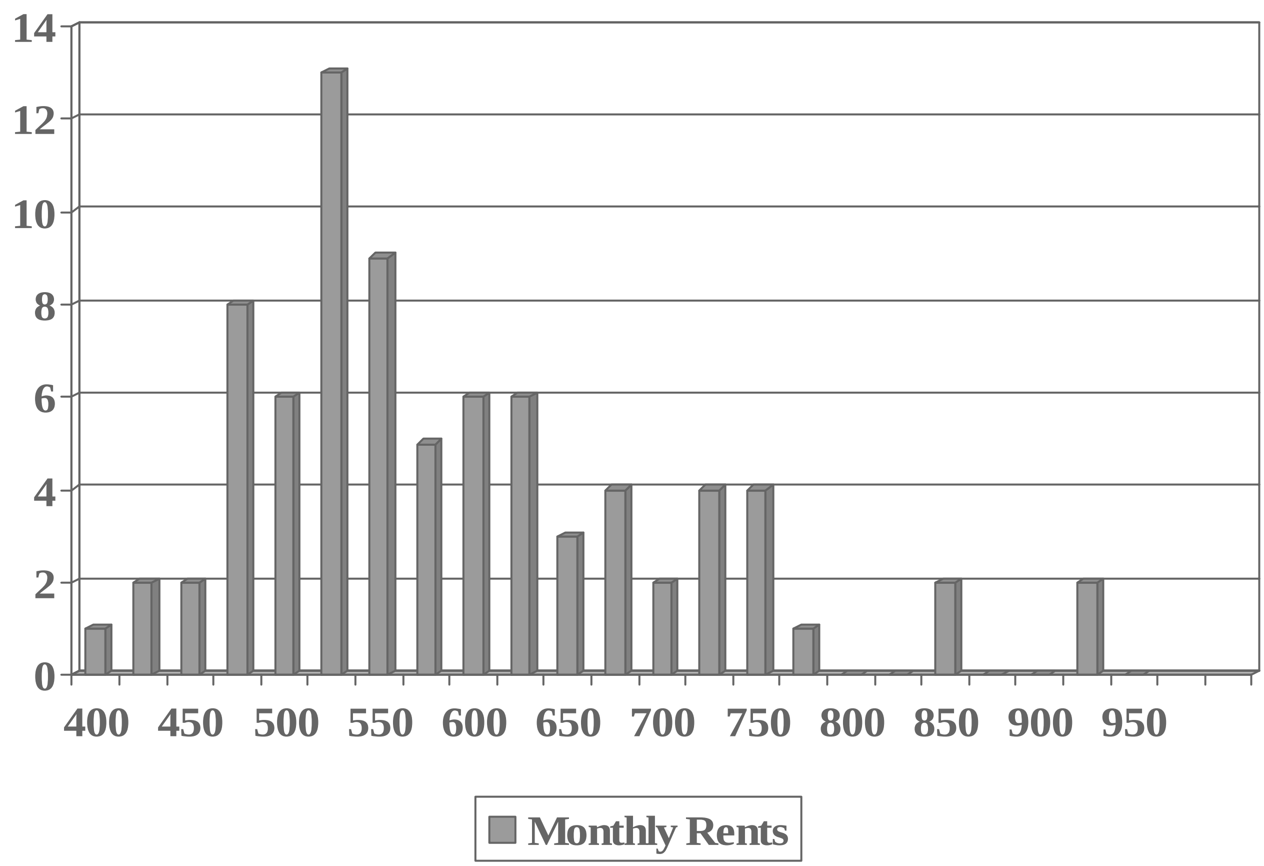
TABLE 8
Mean Rental Rates
Market Rate, Affordable, and Special Needs Rental Rate Comparison
2008-2009

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2008	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**
Market Units Rental Rate	$596.68	$580.08	$760.40	$726.95	$900.30	$869.41	$1,115.38	$1,082.27
Affordable Units[1] Rental Rate	$531.17	$549.50	$537.88	$538.53	$643.48	$640.53	$782.87	$788.09
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-10.98%	-5.27%	-29.26%	-25.92%	-28.53%	-26.33%	-29.81%	-27.18%
Special Needs Housing[2]	$357.25	$342.43	$436.75	$468.45	$636.00	$581.20	N/A	$685.20

[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.
N/A--no response

Distribution of Rents by Apartment Size

GRAPH 5
Distribution of Rental Rates for Studio Apartments
Market Units Rental Rate
June 2009

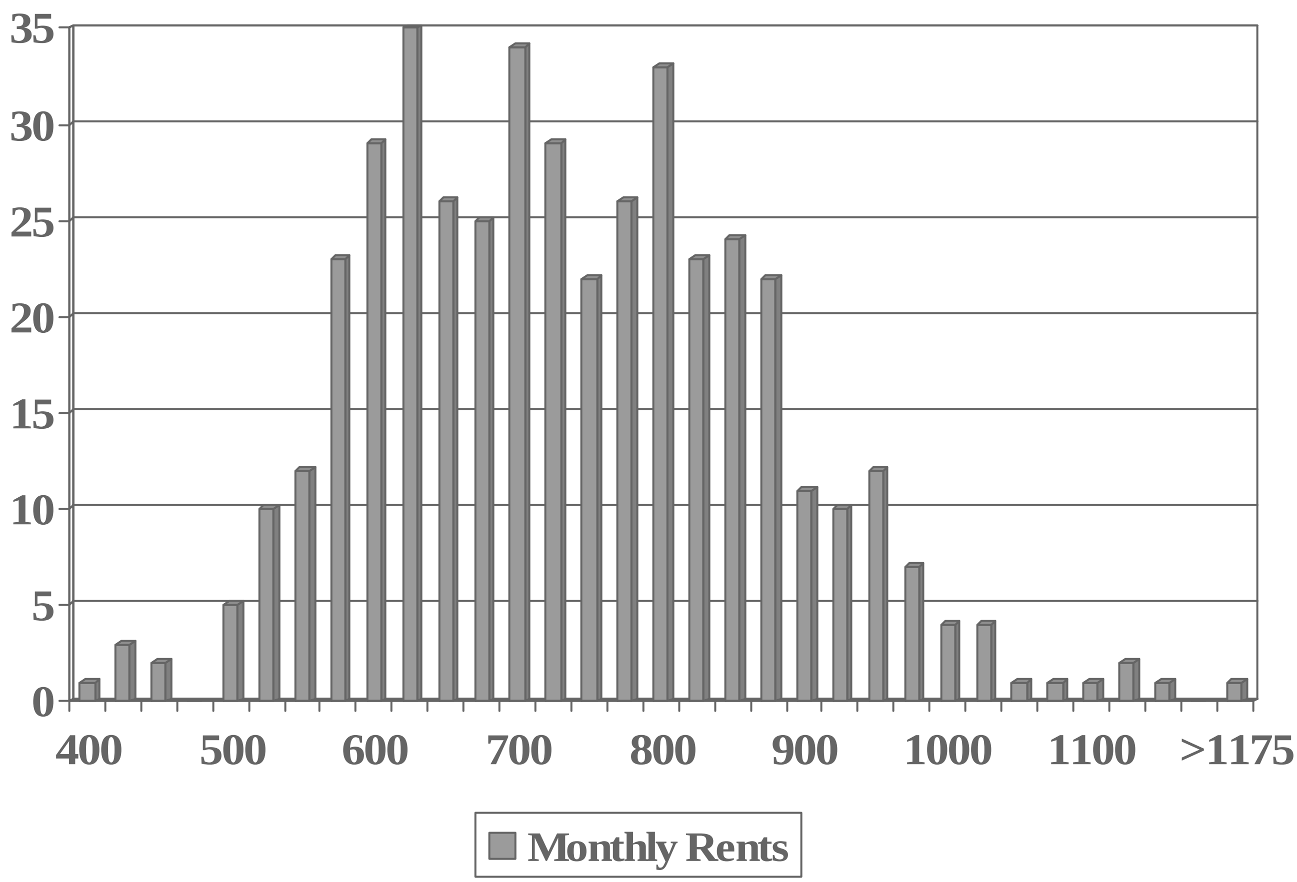


Average Low = $558.41 down 3.87% since 2008
Average High = $601.75 down 1.75% since 2008

Note: 80 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 2009

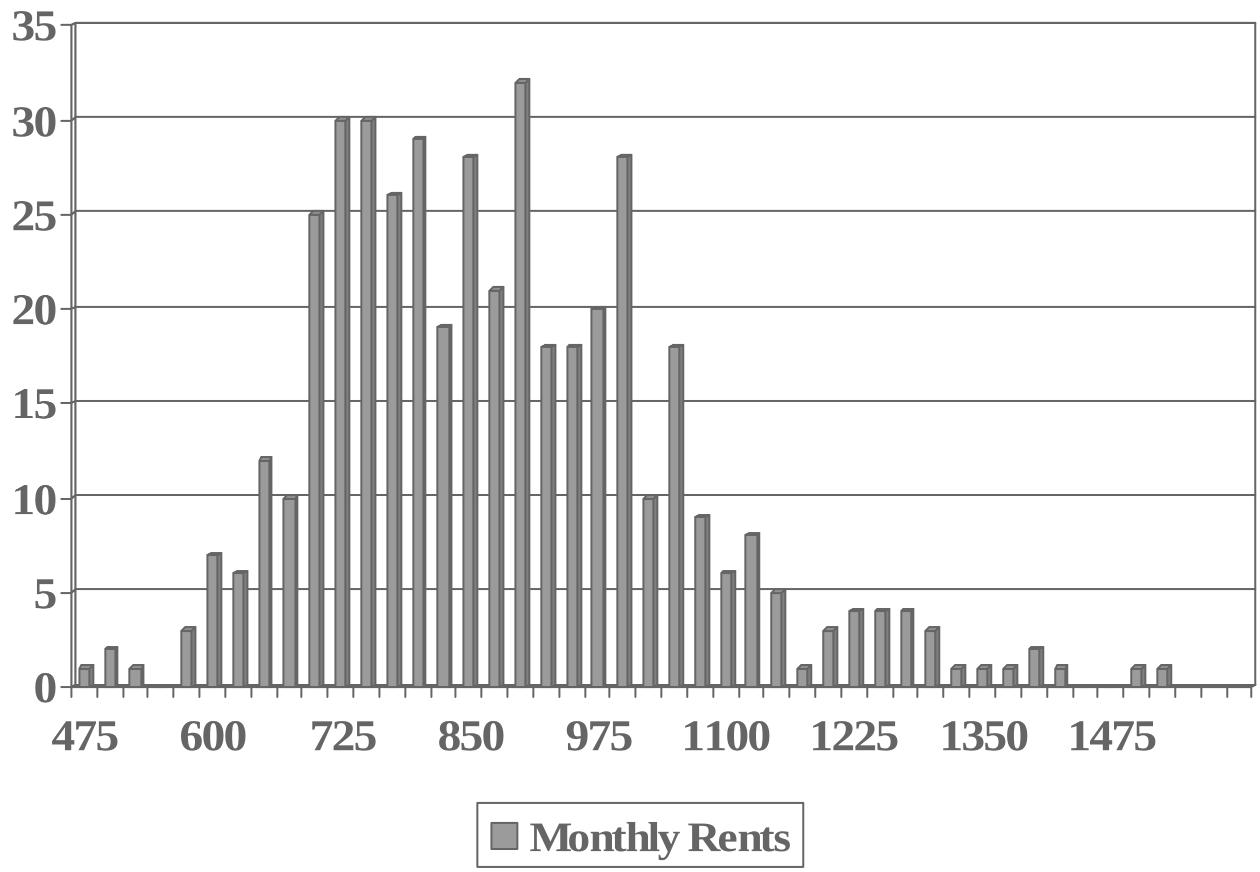


Average Low= $693.85 down 5.7% since 2008
Average High= $760.04 down 3.2% since 2008

Note: 439 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 2009

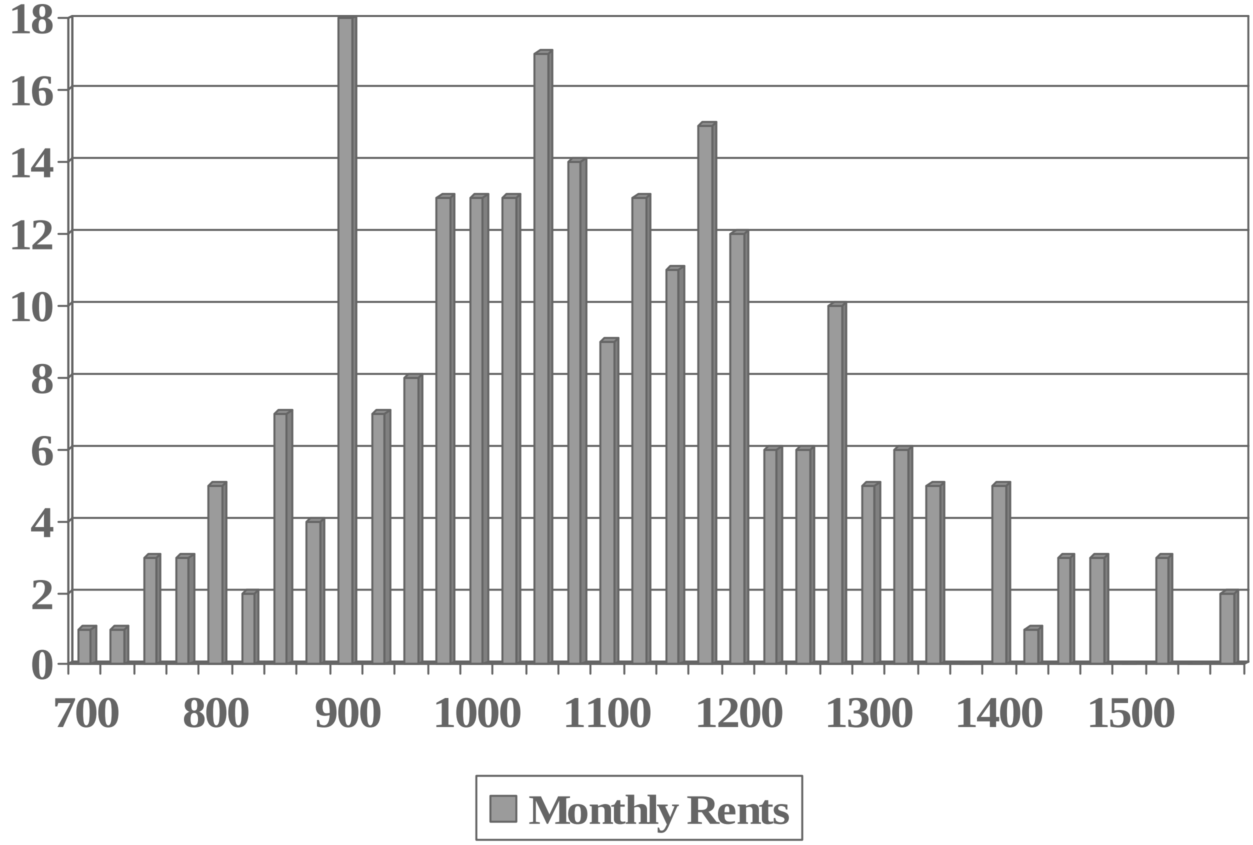


Average Low= $821.03 down 4.9% since 2008
Average High= $917.78 down 2.1% since 2008

Note: 449 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 2009



Average Low= $1,047.19 down 3.4% since 2008
Average High= $1,117.35 down 2.6% since 2008

Note: 244 apartment complexes reporting.

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

Table 9 shows that the one-and two-bedroom size apartments are the most popular of the 55+ age group. Compared to 2008 data, as to size of rental unit preference, major gains are shown for the single room occupancy and three-bedroom size units.

TABLE 9
Number of Apartments by Type of Unit that House the 55+ Age Group
1999-2009

Apartments that House the 55+ Age Group by year of Development	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
Apartments (6/09)	11,797	439	780	5,510	4,746	322

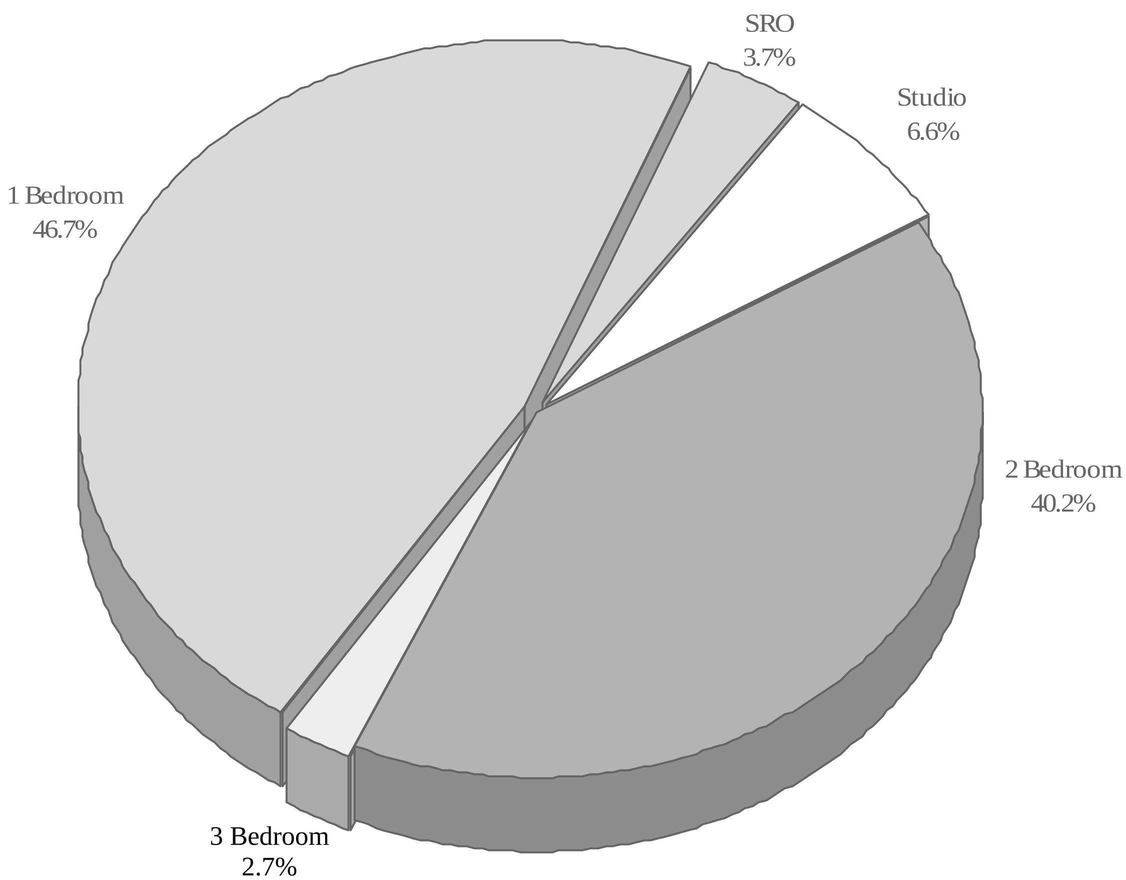
*SRO (Single Room Occupancy) data was included within studio count for 6/99 period.
Note: No four-bedroom size apartment units were reported as housing for the 55+ population.

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 size unit represents the highest percentage of where this age group resides followed closely by the two-bedroom size unit. Nearly 87% of units in which the 55+ age group live falls within one of these two sizes.

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

June 2009

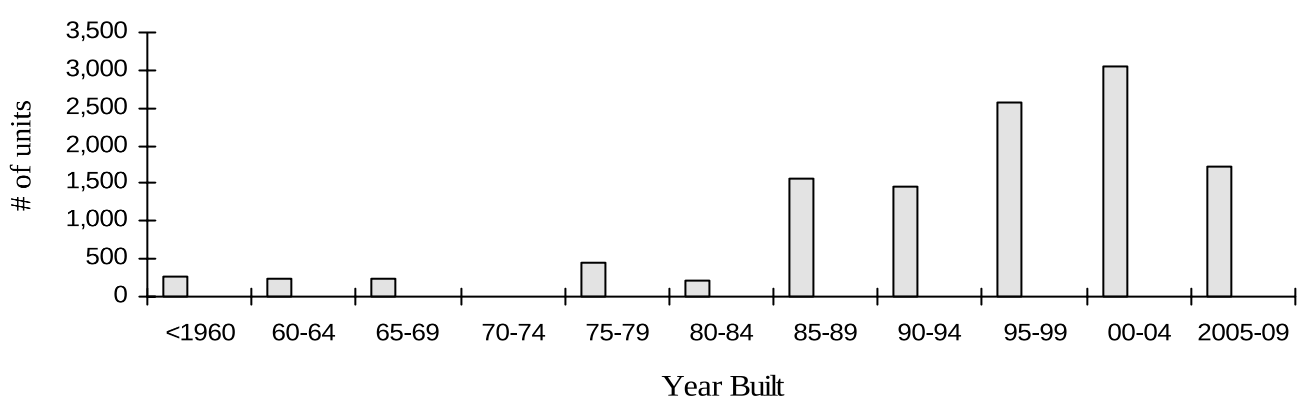


Distribution of Apartments by Type of Unit that House the 55+ Age Group

TABLE 10
Number of Apartments by Type of Unit and Year Built that House the 55+ Age Group
<1960-2009

Year Apartment Complexes Built	Total Units	SRO	Studios	1-BR	2-BR	3-BR	4-BR
2005 to 2009	1,717	0	36	578	1,035	68	0
2000 to 2004	3,037	319	12	1,208	1,460	38	0
1995 to 1999	2,571	120	38	1,547	866	0	0
1990-1994	1,469	0	136	812	521	0	0
1985-1989	1,575	0	92	591	676	216	0
1980-1984	217	0	0	217	0	0	0
1975-1979	441	0	316	117	8	0	0
1970-1974	0	0	0	0	0	0	0
1965-1969	244	0	36	104	104	0	0
1960-1964	248	0	0	191	57	0	0
<1960	278	0	114	145	19	0	0
Total	11,797	439	780	5,510	4,746	322	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

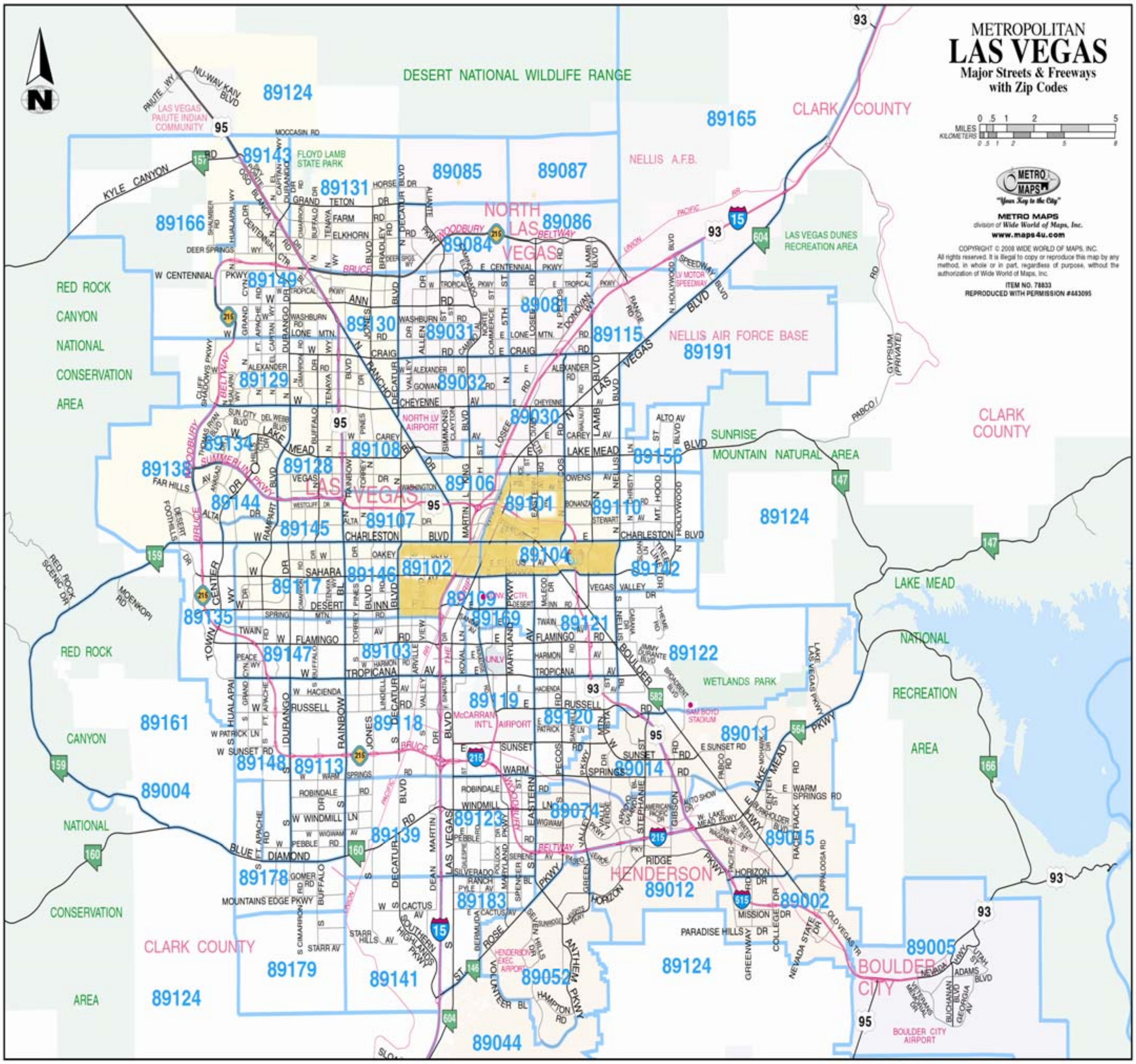
Nearly one-third of all apartment residential units that house residents who are in the 55+ age group are located within three zip code areas. These units are in the central part of the urbanized Greater Las Vegas Valley and are areas identified as older residential neighborhoods that are near gaming,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

Table 11
Number of Apartments by Zip Code that House the 55+ Age Group
2009

Zip Code	Number of Units	% of Total	Cumulative %
89101	1596	13.5	13.5
89102	1241	10.5	24.0
89104	842	7.1	31.1
89103	818	6.9	38.0
89108	762	6.5	44.5
89015	718	6.1	50.6
89107	596	5.1	55.7
89106	586	5.0	60.7
89117	576	4.9	65.6
89121	453	3.8	69.4
89119	450	3.8	73.2
89120	417	3.5	76.7
89052	400	3.4	80.1
89081	341	2.9	83.0
89014	337	2.9	85.9
89110	297	2.5	88.4
89142	290	2.5	90.9
89109	273	2.3	93.2
89032	208	1.8	95.0
89012	205	1.7	96.7
89030	200	1.7	98.4
89074	113	.9	99.3
89005	59	.5	99.8
89146	19	.2	100.0
Total	11,797		

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
2009



Vacancy Rates for Apartments that House the 55+ Age Group

Table 12 shows an increase in vacancies for the targeted 55+ age group rental housing. Data reflects a 1.3% increase in available rental units based upon data submitted by apartment complexes who participated in the 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 2009 Survey	Total Number of Apartment Units 2009 Survey	Number of Reported Vacant Units 2009 Survey	Vacancy Rate 6/30/09	Vacancy Rate 6/30/08	Vacancy Rate 6/30/07	Vacancy Rate 6/30/06	Vacancy Rate 6/30/05
2005-2009	13	1,717	164	9.55%	7.12%	na	1.18%	11.51%
2000 –2004	25	3,037	180	5.93%	5.73%	3.76%	4.10%	4.33%
1995-1999	16	2,227	211	9.47%	9.30%	6.11%	4.39%	2.42%
1990-1994	6	1,469	140	9.53%	6.81%	3.80%	2.93%	3.63%
1985-1989	7	1,407	95	6.75%	4.55%	3.72%	.66%	1.28%
1980-1984	2	217	4	1.84%	7.24%	1.96%	2.13%	.43%
1975-1979	3	441	32	7.26%	4.84%	2.87%	1.87%	4.05%
1970-1974	0	—	—	—	7.46%	0.00%	3.13%	37.5%
Pre-1970	7	690	76	11.01%	6.33%	4.07%	1.43%	2.71%
Date unknown	1	1	0	.00%	0.0%	16.67%	6.89%	12.50%
Totals	80	11,285	903	8.00%	6.70%	4.28%	3.06%	3.74%

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 2009

Market Units Housing Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89014	—	$990	$1,352
89074	—	$759	$1,621
89081	—	$778	$1,042
89101	$527	$618	$632
89102	$612	$683	$810
89103	$790	$779	$931
89104	$647	$622	$729
89107	$735	$685	$820
89108	$652	$707	$790
89109	—	$610	$727
89110	—	$595	$695
89117	—	$795	$950
89119	$622	$644	$828
89121	—	$769	$871
89142	—	$800	$900

Affordable Units[1] Housing Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89005	—	$378	—
89012	—	$570	$657
89014	—	$459	$543
89015	—	$435	$513
89030	—	$400	$474
89032	—	$623	$750
89052	—	$623	$740
89101	$429	$443	$507
89104	—	$629	$739
89106	—	$535	$642
89108	—	$542	$682
89110	—	$430	$509
89119	—	—	$392
89120	—	$624	$632
89121	—	—	$699
89142	—	$677	$815
89146	—	$467	$557

[1]Affordable 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	$626	$701	$882
Affordable Units[1] Rental Rate	$429	$489	$586
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-31.47%	-30.24%	-33.56%

Section II

Greater Reno/Sparks Area

Key Points

Key findings from the 2nd Quarter 2009 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 identified multi-family housing units.
3. More than three-fourths of the area's multi-family housing inventory consists of one-and two-bedroom size apartments.
4. Since year 2000, there has been a downward trend for apartment project's size.
5. Data reflects an overall vacancy rate of 12.1%, representing a +4.2% change in vacancy rate from the 2008 point-in-time survey data.
6. The studio-and four-bedroom size continue to experience a higher vacancy rate than any other size residential multi-family units, 15.29% and 18.67% respectively.
7. The one-bedroom size units show the lowest vacancy rate at 9.37%.
8. Two zip code areas (89521 and 89506) located in the urbanized areas of the outlying areas of the Greater Reno/Sparks Area.
9. Over half of all new construction of multi-family housing for 2008 and the first six months of 2009 occurred within the City of Sparks (zip code 89436). (See map 5.)
10. Years 1998 through 1999 saw the greatest number of new apartment units produced in the Greater Reno/ Sparks Area over the past 20 years.
11. Since 2000, there has been a steady decline of number of multi-family residential units being constructed in the Greater Reno/Sparks Area.
12. Years 1995 through 2004 showed increased construction for both the three-bedroom and studio size units.
13. 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.
14. Years 2005 to 2009 mark the first time since the early 1980's that studio-size units have outpaced the three-bedroom size units in development.

" Affordable rents[1] for one-and two-bedroom size units that house the 55+ population are an average of 25.28% lower than market rents for comparable configuration."

15. Rental rates, as of June 2009, reflect a decrease in monthly rental rates for all size units, with exception to the studio-size units which experienced a less than 1% increase.
16. The greatest rental rate change occurred in the three-bedroom size unit with, experiencing a -10.61% rental rate decrease.
17. Affordable rents[1] for the one, two and three-bedroom size units are an average of 13.9% lower than market rates for comparable configuration.
18. The three-bedroom size units show the highest rental rate percentage difference for affordable units, showing rents that are 25.92% less than market-rate rents.
19. The one-bedroom size unit remains the most popular size unit for the 55+ age group, representing 49% of the housing where seniors reside.
20. Zip code area 89512 is identified as an area that provides more than one-third of apartment units that house the 55+ age group. This is an area that is centrally located between the Cities of Reno and Sparks.
21. The mean market rental rate that house the 55+ age group ranges from $730 a month for one-bedroom size units to $855 a month for two-bedroom size units.
22. Affordable rents[1] for one-and two-bedroom size units that house the 55+ population are an average of 25.28% lower than market rents for comparable configuration.

[1] Affordable 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 45% of the area's multi-family housing inventory.

TABLE 14
Number of Apartments by Type of Unit
June 2000[1]-2009

	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
June 2009	30,057	1,045	2,570	10,280	13,558	2,390	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.

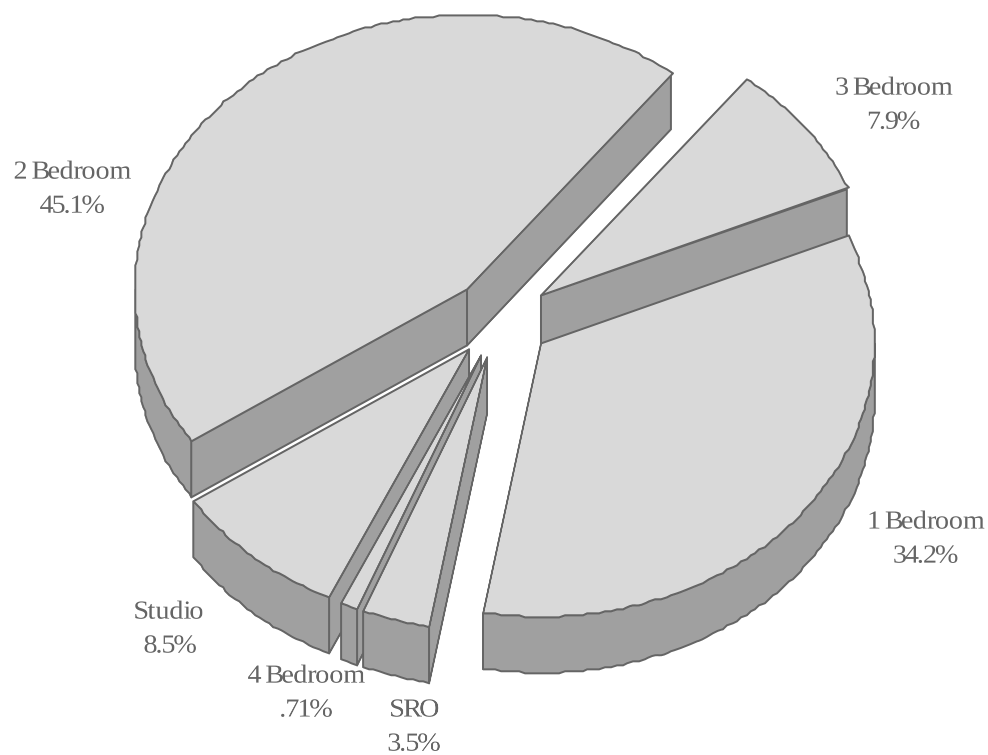
Table 14-A
Number of Apartments by Type of Unit, Database Breakdown

Description	June 2005	June 2006	June 2007	June 2008	June 2009
Total # of apartment complexes identified	240	234	237	253	217
Total # of apartment units identified	33,132	33,901	32,380	33,562	32,021
# of units identified converted from apartment rental units to condominiums	315	2,051	191	0	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	1,632
# 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	332
Total # of apartment rental units validated for database	28,497	28,278	27,050	30,786	30,057

Distribution of Apartments by Type of Unit

Graph 11 shows the highest percentage of apartment units are two-bedroom in size. More than three-fourths of the area's multi-family housing inventory consists of residential rental units that are one-and two-bedroom in size.

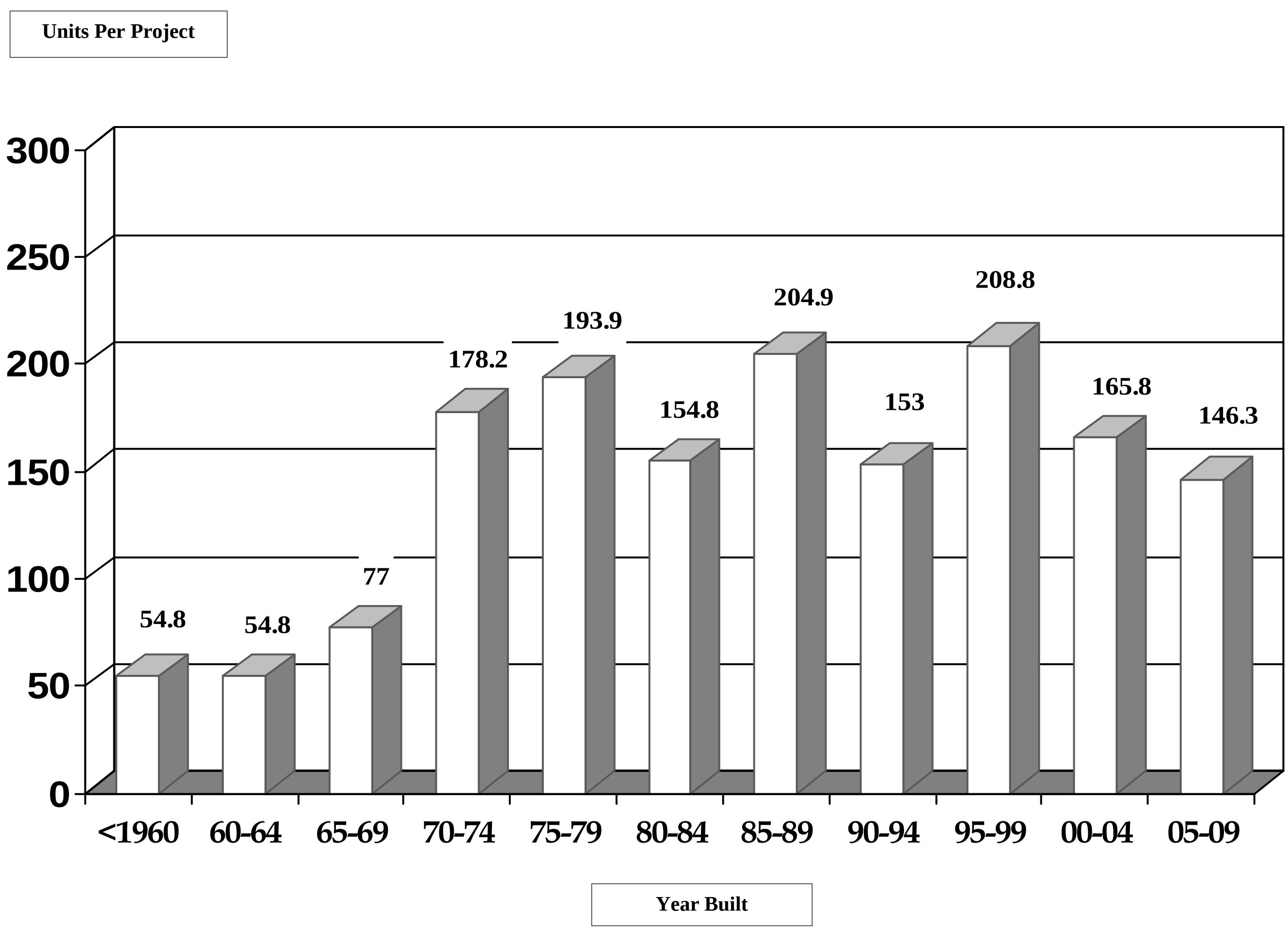
GRAPH 11
Distribution of Apartment Units by Size
June 2009



Growth in Average Apartment Project Size

Graph 12 shows the trend of increased number of rental units in each apartment complex developed. Since year 2000, however, there has been a downward trend of fewer residential rental units being built within the multi-family complex.

GRAPH 12
Growth in Average Apartment Project Size by 5-year Increments
<1960 to 2009



Vacancy Rates

The Division's second quarter 2009 survey shows a 12.1% vacancy rate for the Greater Reno/Sparks Area. This data reflects an increase of 4.2% in units available in the rental market.

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

Date Units Built	2nd Qtr. 2009 # Responding to vacancy question # Projects	# Units	2nd Qtr. 2009 # of Reported Vacant	Vacancy Rate 6/30/09	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
2009 only	**1**	**42**	**	**	**	**N/A**	**N/A**	**N/A**	**N/A**
2007 and 2008	**4**	**317**	**	**	**	**	**	**N/A**	**N/A**
2005-2006	6	1,159	168	14.5%	4.8%	2.6%	**	**	**N/A**
2000-2004	24	3,979	554	13.9%	10.6%	8.8%	1.8%	5.1%	6.3%
1995-1999	23	4,715	507	10.7%	6.6%	5.0%	2.5%	5.0%	3.5%
1990-1994	10	1,530	126	8.2%	5.1%	3.5%	2.6%	4.0%	3.7%
1985-1989	15	3,074	254	8.3%	4.5%	2.3%	2.2%	4.5%	4.2%
1980-1984	19	2,649	263	9.9%	6.9%	2.9%	2.6%	1.9%	2.3%
1975-1979	29	5,624	766	13.6%	8.9%	4.5%	4.1%	3.9%	5.5%
1970-1974	24	4,277	556	13.0%	8.0%	7.9%	6.5%	3.8%	6.5%
Pre-1970	24	1,427	234	16.4%	13.3%	5.5%	3.6%	6.3%	8.5%
Date unknown	3	283	47	16.6%	8.7%	1.8%	6.3	2.5%	0.0%
Totals	177	28,717	3,475	12.1%	7.9%	5.3%	3.5%	4.9%	5.1%

*Vacancy data is derived from a 95.5% survey response rate to the specific vacancy rate question.
** 2009 units are under construction or in first phase of renting. 2007, 2008, and 2009 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.
N/A - 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 apartment units continue to experience a higher vacancy rate than any other size residential multi-family units, 15.29% and 18.67% respectively. The one-bedroom size units show the lowest vacancy rate at 9.37%.

TABLE 16
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2009

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	1,045	102	9.76%
Studio Apartments	1,831	280	15.29%
1-Bedroom Size Apartments	6,959	652	9.37%
2-Bedroom Size Apartments	8,652	1,060	12.25%
3-Bedroom Size Apartments	1,530	212	13.86%
4-Bedroom Size Apartments	166	31	18.67%

[1]Number 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 89521 and 89506 experiencing higher vacancy rates than any area within the Greater Reno/Sparks Area.

TABLE 17
Total Number of Housing Units and Vacancy Rate by Zip Code
For all Reporting Apartment Complexes
June 2006-2009

Zip Code	Total Number of Apartment Units by Zip Code 2009	Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting # of Vacancies 2009	Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting # of Vacancies 2008	Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting # of Vacancies 2007	Vacancy Rate (%) By Zip Code for those Apartment Complexes Reporting # of Vacancies 2006
89431	2,898	13.4%	6.6%	5.2%	3.7%
89433	397	6.5%	7.5%	10.3%	4.5%
89434	1,632	8.7%	7.2%	3.7%	4.4%
89436	1,112	11.9%	20.0%	7.8%	1.3%
89501	689	10.0%	22.3%	8.1%	1.0%
89502	5,469	14.8%	8.3%	4.9%	4.9%
89503	3,110	11.1%	7.8%	6.7%	3.6%
89506	858	15.0%	9.0%	3.4%	2.7%
89509	4,016	11.1%	9.4%	6.1%	4.2%
89511	1,452	10.2%	2.2%	.6%	.1%
89512	3,177	12.4%	8.9%	4.7%	2.8%
89521	1,000	17.9%	7.3%	7.4%	2.4%
89523	3,266	10.4%	7.2%	4.3%	2.1%
Total	29,076				

Distribution of Rental Units by Zip Code

TABLE 18
Total Number of Apartment Units by Zip Code
June 2009

Zip Code	Total Number of Apartment Units by Zip Code	Percent	Cumulative
89502	5,469	18.2	18.2
89509	4,016	13.4	31.6
89431	3,346	11.1	42.7
89523	3,266	10.9	53.6
89512	3,177	10.6	64.2
89503	3,110	10.3	74.5
89434	1,928	6.4	80.9
89511	1,452	4.8	85.7
89436	1,112	3.7	89.4
89521	1,000	3.3	92.7
89501	926	3.1	95.8
89506	858	2.9	98.7
89433	397	1.3	100.0
Total	30,057		

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

89431

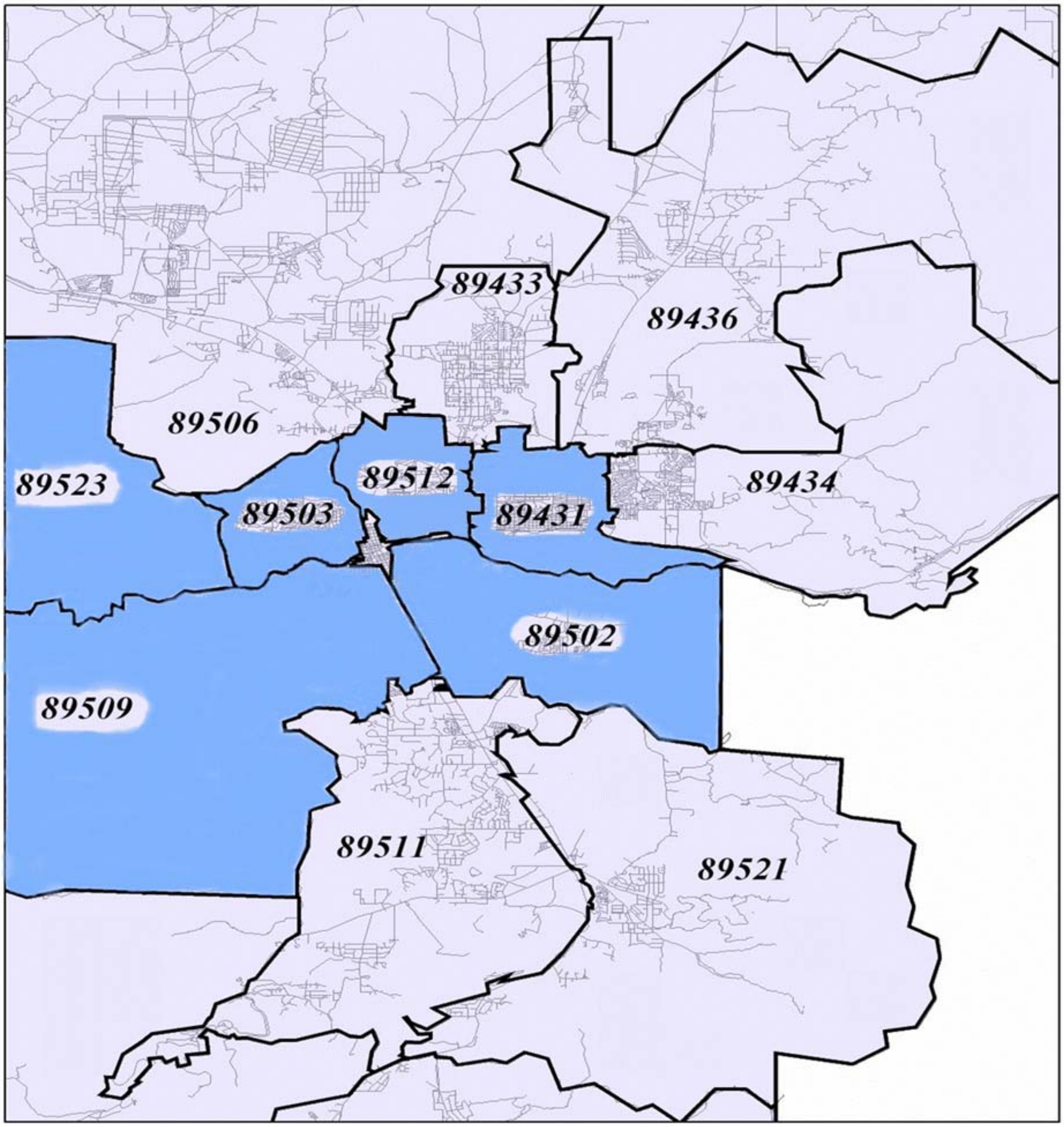
89523

89512

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

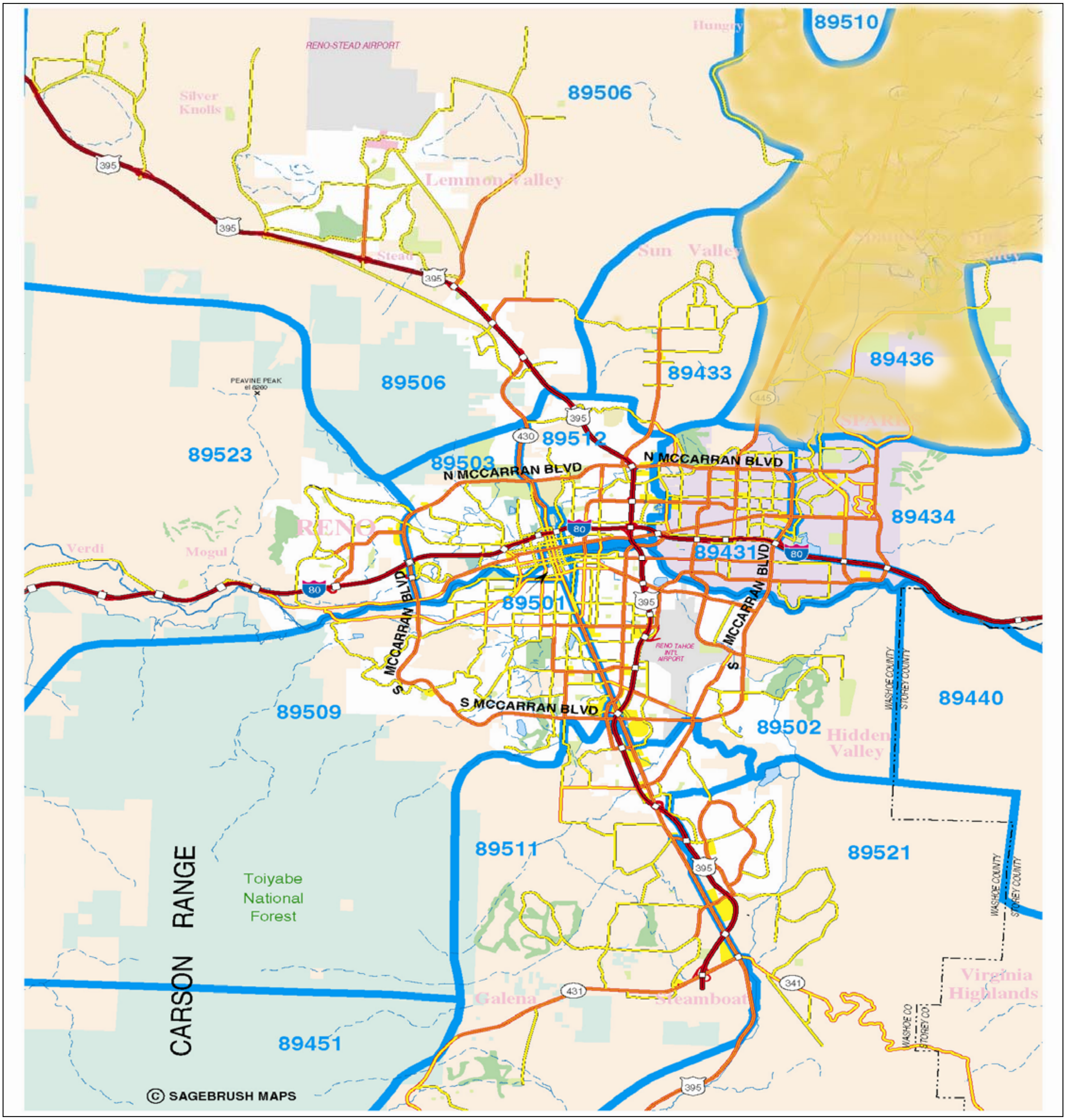
Table 19 reflects that over one-half of new construction for multi-family housing in 2008 and for the first six months of 2009 occurred in Sparks (zip code 89436). This area represented 69.43% of all identified new construction over the past 18 months. (See Map 5.)

TABLE 19
New Construction of Multi-Family Housing
During 2008 and First 6 Months of 2009

2008			2009		
Zip Code	New Units Recorded for Calendar Year	% of new construction	Zip Code	New Units as of 6/30/09	% of new construction
89436	184	82.5%	89502	42	100.0%
89501	39	17.5%			
Total	223	100.0%	Total	42	100.0%

Zip Code Map of the Greater Reno/Sparks Area

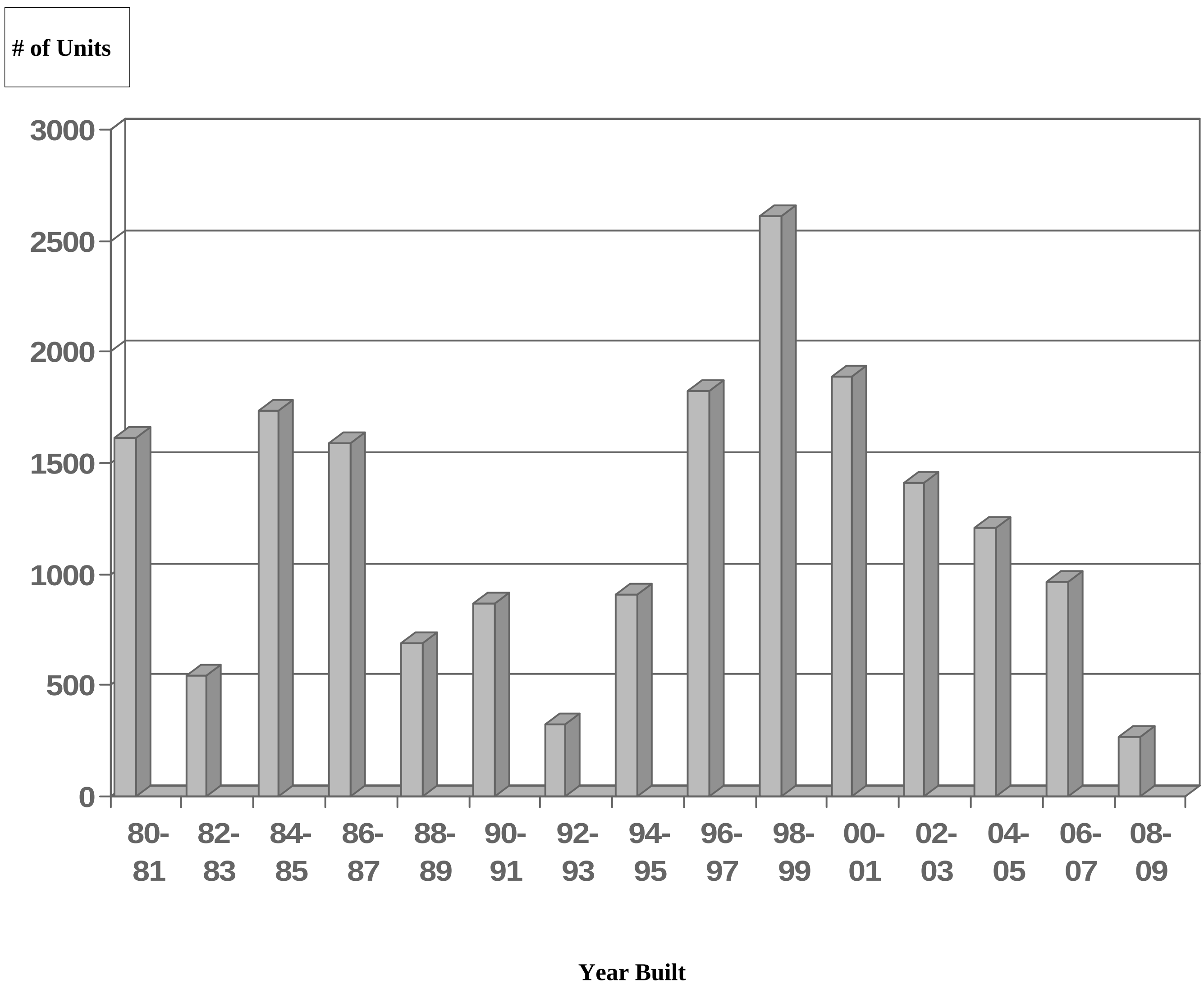
MAP 5
Highest Geographic Area of New Construction for Multi-Family Housing
2008 and first 6 months of 2009



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. Starting with year 2000, new multi-family unit development has shown a steady decline.

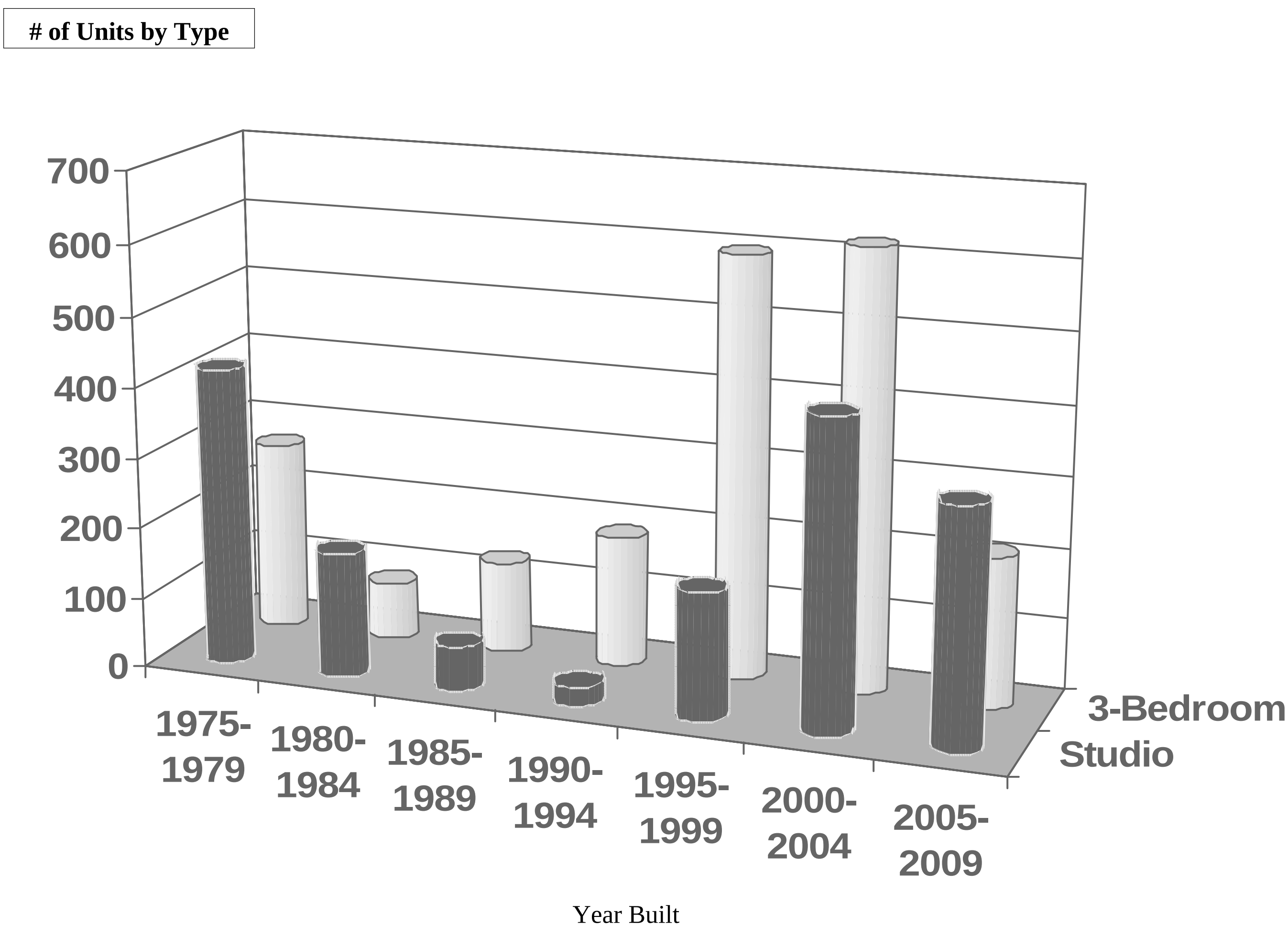
GRAPH 13
Multi-Family Units by Year Built Since 1980
1980-2009



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. Year 1995, reflects the increase of studio-size units being developed. Years 2005 to 2009 mark the first time since the early 1980s that studio-size units have outpaced the three-bedroom size units in development.

GRAPH 14
Apartment Unit Types by Year Built
1975-2009



Distribution of Rents by Apartment Size

Rental rates, as of June 2009 shown in Table 20, reflect a decrease in monthly rental rates for all size units, with exception to the studio-size units which experienced a less than 1% rent increase.

TABLE 20
Mean Rental Rates by Apartment Sizes
Market Units Rental Rate
June 2009

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%
June 2009	$548.02	$677.81	$816.28	$1,074.71
% change 08-09	+.78%	-4.02%	-4.59%	-10.61%

Distribution of Rents by Type of Apartment

Table 21 reflects data from the 2009 multi-family housing survey that shows affordable rental rates are lower in rents than the rental rates charged by market-rate rents. The differences between the two groups range from –5.77% for the studio-size units to –25.92% for the three-bedroom size. In the Greater Reno/Sparks Area, overall rental rates in both the market-rate and affordable-rate units have decreased when compared to the 2008 point-in-time survey data.

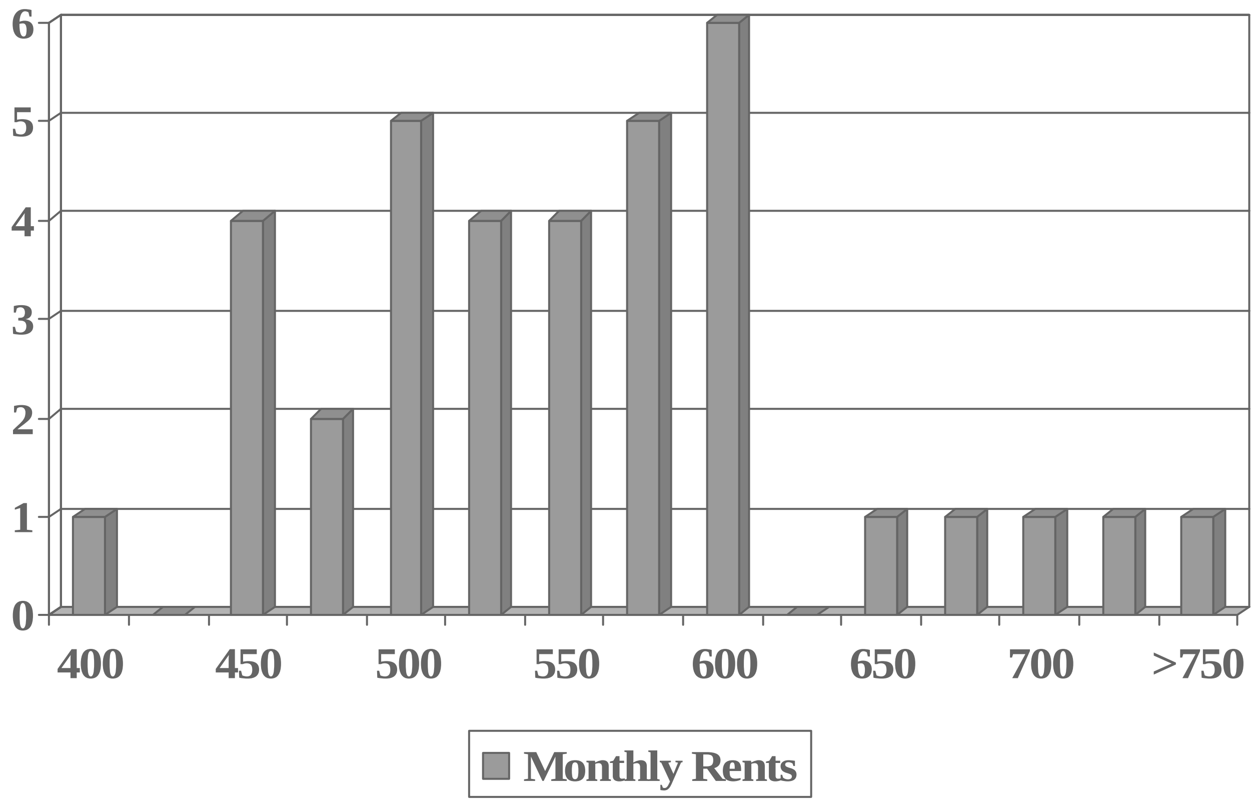
TABLE 21
Mean Rental Rates
Market Rate, Affordable, and Special Needs Rental Rate Comparison
2008-2009

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2008	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**
Market Units Rental Rate	$543.79	$548.02	$706.24	$677.81	$855.54	$816.28	$1,202.22	$1,074.71
Affordable Units[1] Rental Rate	$579.86	$516.39	$580.22	$576.33	$706.54	$687.09	$826.27	$796.18
Percentage Difference between Affordable and Market-Rate Multi-family Residential Unit Rental Rates	+6.63%	-5.77%	-17.84%	-14.97%	-17.41%	-15.83%	-31.27%	-25.92%
Special Needs Housing[2]	$530.50	$488.40	$606.53	$570.43	$689.96	$682.08	$818.12	$780.20

[1] Affordable units denote apartment complex units that are income restricted.
[2] Special needs housing denotes transitional housing, multi-family rental units for persons who are mobility impaired, and the homeless who are placed in transitional housing.

Distribution of Rents by Apartment Size

GRAPH 15
Distribution of Rental Rates for Studio Apartments
Market Units Rental Rate
June 2009

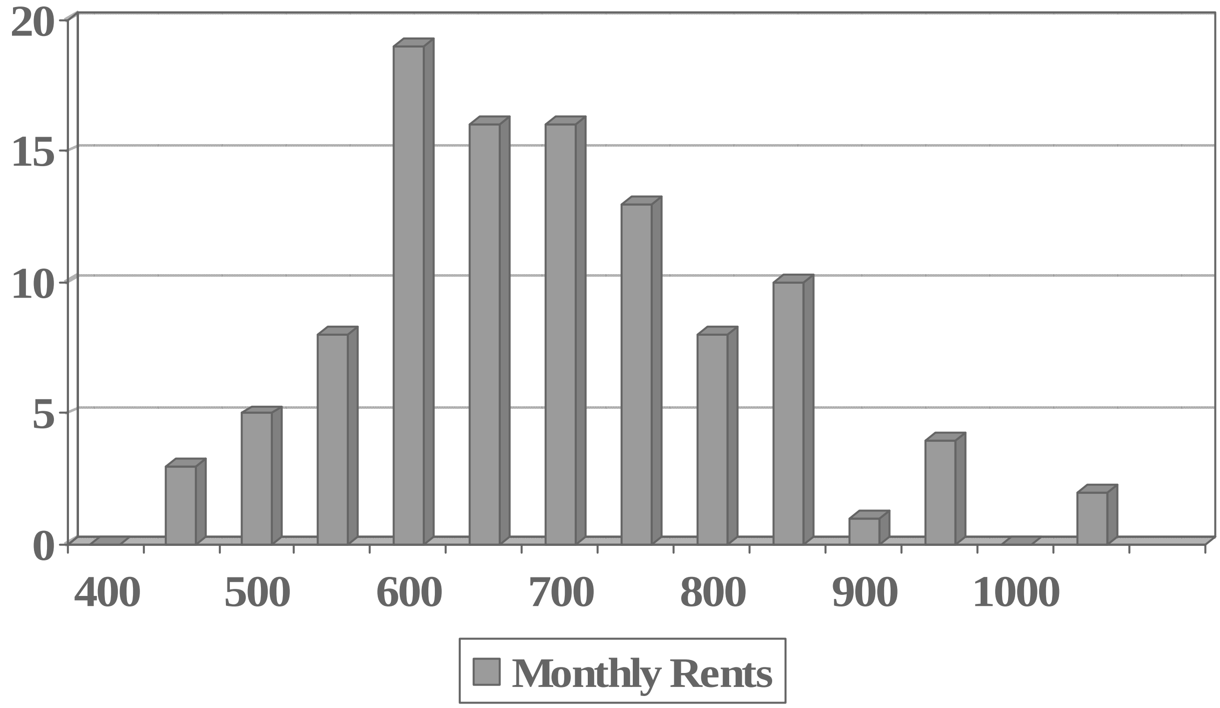


Average Low= $527.16 up .60% since 2008
Average High= $568.89 up .94% since 2008

Note: 36 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 16
Distribution of Rental Rates for 1-Bedroom Apartments
Market Units Rental Rate
June 2009

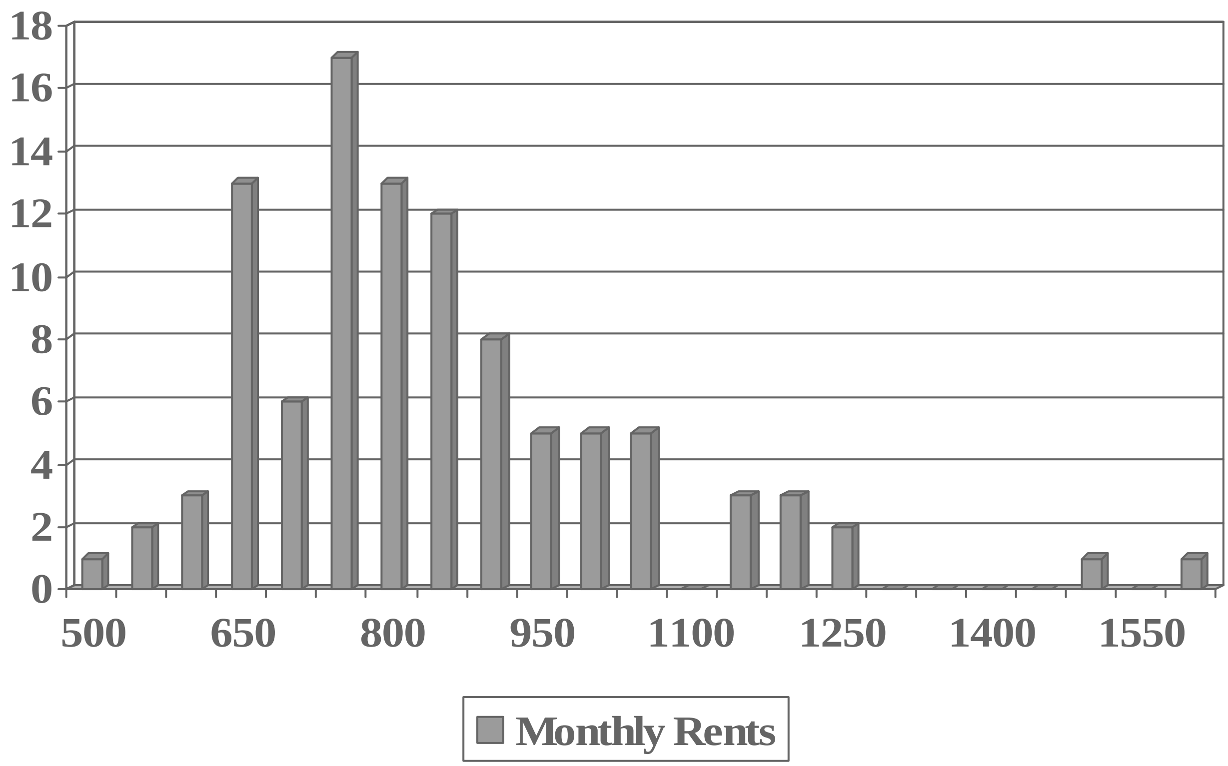


Average Low= $645.22 down 5.06% since 2008
Average High= $710.40 down 3.06% since 2008

Note: 107 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 17
Distribution of Rental Rates for 2-Bedroom Apartments
Market Units Rental Rate
June 2009

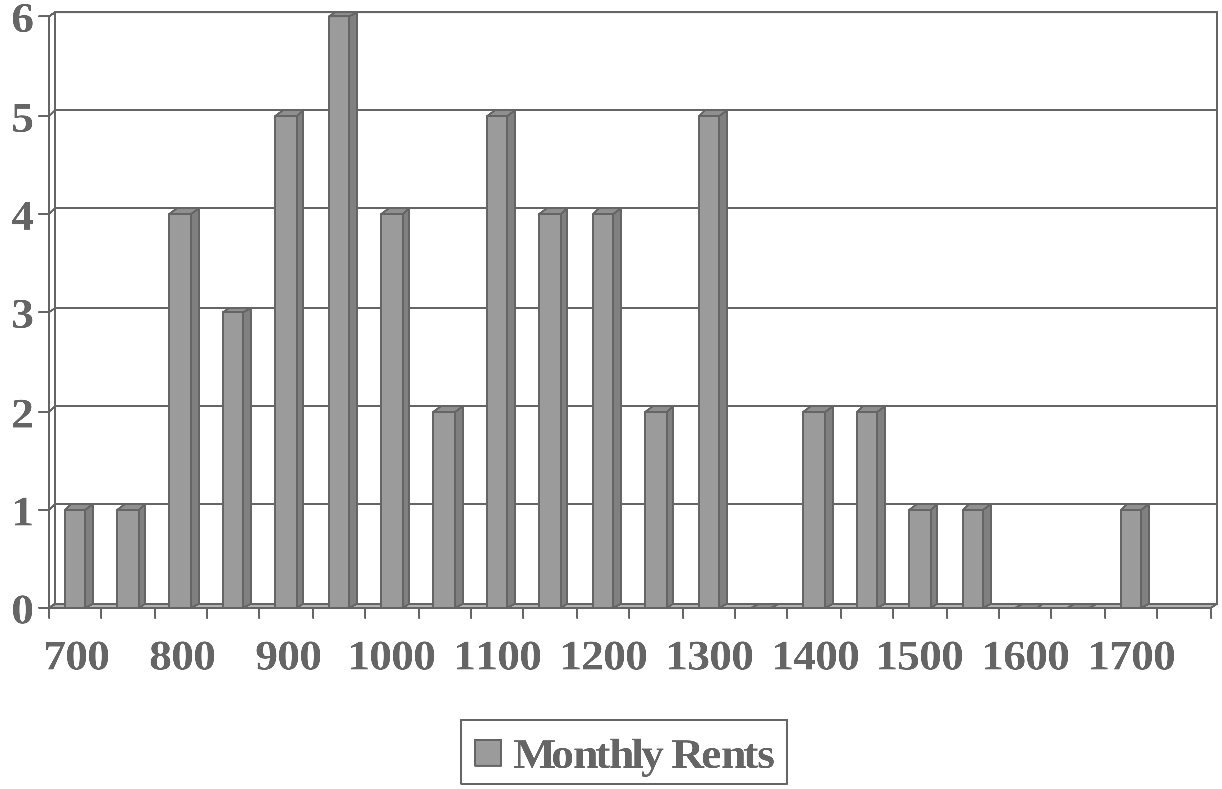


Average Low= $754.44 down 6.27% since 2008
Average High= $878.13 down 3.10% since 2008

Note: 99 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 18
Distribution of Rental Rates for 3-Bedroom Apartments
Market Units Rental Rate
June 2009



Average Low= $1,019.64 down 5.82% since 2008
Average High= $1,129.79 down 14.52% since 2008

Note: 53 projects reporting.

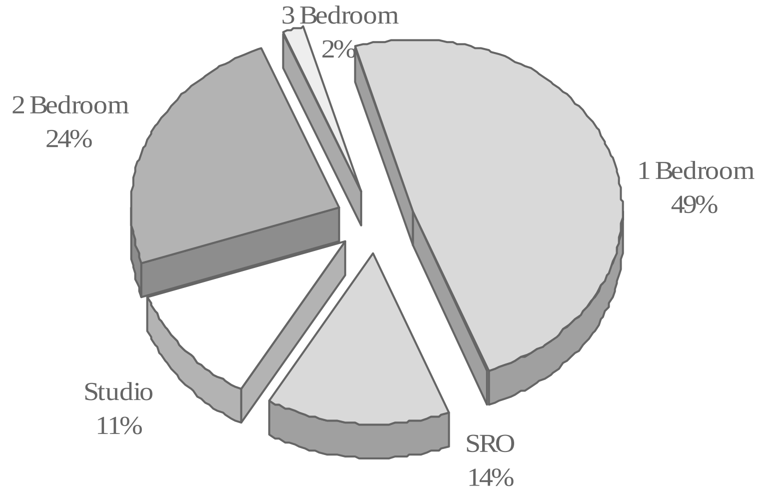
Distribution of Apartments by Type of Unit That House the 55+ Age Group

Table 22 and Graph 19 below show that the one-bedroom size apartment is the most preferred residential rental size unit of the 55+ age group. Within this age group, nearly one-half reside in the one-bedroom size units.

TABLE 22
Number of Apartments by Type of Unit that House the 55+ Age Group
2002-2009

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
Apartments (6/09)	1,908	268	217	928	464	31

GRAPH 19
Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group (June 2009)



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

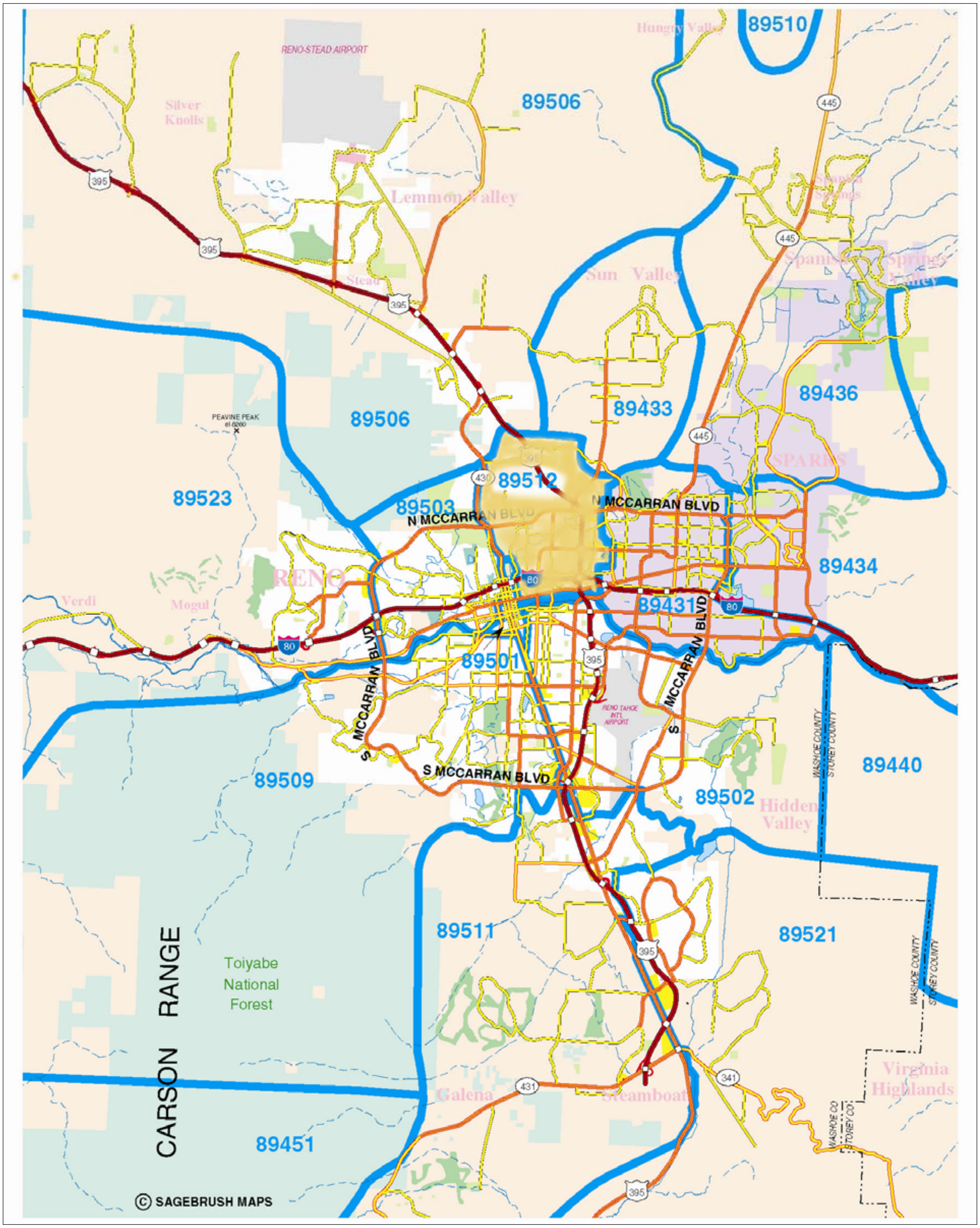
Table 23 data reflects the survey's inventory of apartments by zip code that house the 55+ age group. Over one-third of the units are located within one zip code. (See map 6) This is an area that is centrally located between the Cities of Reno and Sparks.

Table 23
Number of Apartment Units by Zip Code that House the 55+ Age Group
2009

Zip Code	Number of Units	% of Total	Cumulative
89512	686	35.95%	35.95%
89509	360	18.87%	54.82%
89503	352	18.45%	73.27%
89431	197	10.32%	83.59%
89502	115	6.03%	89.62%
89501	111	5.82%	95.44%
89511	56	2.94%	98.38%
89523	31	1.62%	100.00%
Total	1,908		

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

Market Rate Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89431	0	$742.50	0
89502	$725.00	$802.00	$920.00
89503	$525.83	$644.17	$768.75
89509	0	$752.50	$912.50
89511	0	$710.00	$820.00

Affordable Units[1] Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89431	0	$448.25	$655.75
89501	0	$332.00	$713.00
89503	0	$645.00	$844.50
89512	$369.00	$523.25	$617.50

[1]Affordable 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	$625.41	$730.23	$855.31
Affordable Units[1] Rental Rate	$369.00	$487.13	$707.69
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-41.00%	-33.29%	-17.26%

Section III

Rural Nevada

Rural Nevada Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2009 survey reflect the following:

“ The cities of Carson City, Elko, Ely, Fallon, Fernley, Laughlin and Mesquite provide more than 80% of all identified multi-family residential rental housing in Rural Nevada.”

1. The two-bedroom size unit is clearly the most common size of rental housing for the rural part of Nevada with 44% of the multi-family housing inventory comprising this size housing.
2. The overall vacancy rate for the rural area is 11.97%, an increase of +5.52% over 2008 data.
3. The rural area’s data reflected vacancy rate of 11.97% compares to the Greater Las Vegas Area’s rate of 10.40% and the Greater Reno/Sparks Area’s rate of 12.1%.
4. Based upon 2nd quarter 2009’s data, the average vacancy rate for the State of Nevada’s rental market is 11.49%.
5. The highest vacancy rate in rural Nevada is for those units constructed prior to 1985.
6. The lowest vacancy rate is in the four-bedroom size unit.
7. The significantly highest vacancy rate is for the single room occupancy units with a reported 21.74% vacancy rate.
8. Rental rates for multi-family housing units are lower in Rural Nevada averaging $625.86 compared to $814.68 for the Greater Las Vegas Valley and $779.21 for the Greater Reno/Sparks Area.
9. For Rural Nevada, the studio and one-bedroom size rental rates are higher in affordable units than in market units.
10. The cities of Carson City, Elko, Fallon, and Pahrump in Rural Nevada show having the highest number of multi-family residential rental units available to serve the 55+ age group, providing 70% of all identified 55+ age group housing.
11. The cities of Carson City, Elko, Ely, Fallon, Fernley, Laughlin, and Mesquite provide more than 80% of all identified multi-family residential rental housing in Rural Nevada.
12. Rental housing for the 55+ age group shows their preference for residential units is the one-bedroom size, with 85% of the 55+ housing inventory representing this size.
13. The vacancy rate for the 55+ age group’s housing is 5.19%.

Table 25
Mean Rental Rates by Apartment Sizes for all Areas in Nevada
June 2009

June 2006	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Greater Las Vegas Valley	$580.08	$726.95	$869.41	$1,082.27
Greater Reno/Sparks Area	$548.02	$677.81	$816.28	$1,074.71
Rural Nevada	$462.00	$586.11	$662.77	$792.57

Distribution of Apartments by Type of Unit

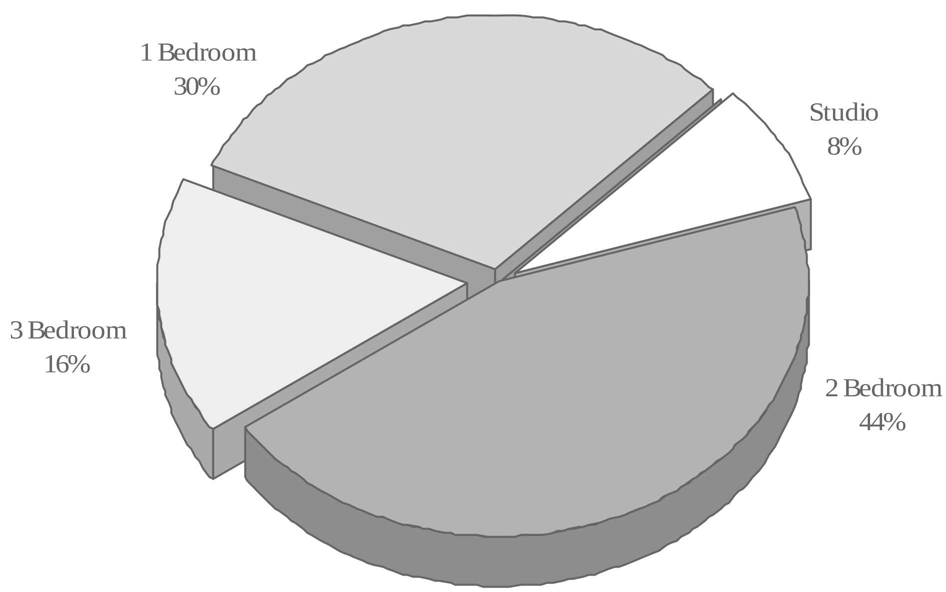
Table 25 and Graph 22 show that the two-bedroom size unit is clearly the most common size of rental housing for the rural part of Nevada with 50% of the multi-family housing inventory comprising this size housing.

TABLE 26
Number of Apartments by Type of Unit
June 2009

	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
June 2009	6,264	23	489	1,906	2,769	1,021	56

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

GRAPH 20
Distribution of Apartment Units by Size
June 2009



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

Distribution of Apartments by Type of Unit

Of the total number of apartment complexes identified, nearly 20% of the questionnaires were returned, or there was no response to the survey. The 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 either the building's owners or their management.

Table 26-A
Number of Apartments by Type of Unit
Database Breakdown

Description	June 2007	June 2008	June 2009
Total # of apartment complexes identified	124	160	119
Total # of apartment units identified	6,391	9,039	7,804
# 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	1,540
Condo conversions	0	48	0
Total # of apartment rental units validated for database	5,104	7,778	6,264

Vacancy Rates

TABLE 27
Vacancy Rates
(Data by Year Project was Built**)**

Date Units Built	**2nd Qtr. 2009 # Responding to vacancy question Projects**	**Units**	**2nd Qtr. 2009 # of Reported Vacant Units***	**Vacancy Rate 6/30/09**	**Vacancy Rate 6/30/08**	**Vacancy Rate 6/30/07**	**Vacancy Rate 6/30/06**	**Vacancy Rate 6/30/05**
2009	**0**	**0**	**N/A**	**N/A**	**N/A**	**-**	**-**	**-**
2005-2008	4	226	10	4.42%	4.60%	N/A	N/A	-
2000-2004	12	615	45	7.32%	7.42%	2.04%	4.81%	.39%
1995-1999	16	701	135	19.26%	8.06%	6.40%	4.84%	2..96%
1990-1994	12	486	23	4.73%	4.67%	5.22%	1.15%	3..57%
1985-1989	15	1,571	167	10.63%	4.26%	4.28%	3.94%	3..31%
1980-1984	7	523	100	19.12%	60.61%	7.00%	4.05%	3..95%
1975-1979	10	1,051	131	12.46%	7.99%	4.18%	17.47%	15.47%
1970-1974	4	297	32	10.77%	4.70%	5.20%	9.76%	-
Pre-1970	-	-	-	-	3.45%	0.00%	0.00%	1.64%
Date unknown	13	587	82	13.97%	5.48%	3.92%	4.23%	8.29%
Totals	93	6,057	725	11.97%	6.45%	4.61%	6.2%	6.7%

N/A - projects are in rent-up phase
* Vacancy data is based upon a 96.7% response rate.

TABLE 28
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2009

Apartment Type	Number of Units in Sample[2]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	23	5	21.74%
Studio Apartments	467	61	13.06%
1-Bedroom Size Apartments	1,260	149	11.83%
2-Bedroom Size Apartments	2,196	300	13.66%
3-Bedroom Size Apartments	888	110	12.39%
4-Bedroom Size Apartments	56	3	5.36%

[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.

Distribution of Rents by Apartment Size

TABLE 29
Mean Rental Rates by Apartment Sizes
Market Units Rental Rates
June 2009

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%
June 2009	$462.00	$586.11	$662.77	$792.57
% change 08-09	+.11%	-5.00%	-6.80%	-10.36%

TABLE 30
Market Rate and Affordable Rental Rate Comparison
June 2009

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2008	2009	2008	2009	2008	2009	2008	2009
Market Units Rental Rate	$461.50	$462.00	$616.94	$586.11	$711.13	$662.77	$884.21	$792.57
Affordable Units[1] Rental Rate	$487.50	$474.50	$624.29	$620.71	$631.16	$634.50	$714.57	$732.70
Percentage Difference between Affordable and Market-Rate Multi-family Residential Unit Rental Rates	+5.33%	+2.71%	+1.18%	+5.90%	-12.67%	-4.27%	-23.74%	-7.55%

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

Distribution of Apartments by Geographical Area

Table 30 shows that the highest number of multi-family residential rental units are located in the rural area's largest urban or growth areas. Carson City represents an area that has the highest number of multi-family units and units targeted to house the 55+ age group.

Table 31
Number of Multi-Family Rental Residential Units by Geographical Area
Rural Nevada
2009

Area	Total Number of Units	% of Total	# of Units Identified for Housing the 55+ Age Group
Battle Mountain	52	.83%	-
Beatty	65	1.04%	20
Carson City	2,609	41.65%	275
Dayton	46	.73%	-
Elko	725	11.57%	112
Ely	183	2.92%	24
Eureka	12	.19%	12
Fallon	318	5.08%	106
Fernley	220	3.51%	52
Gardnerville	142	2.27%	-
Laughlin	743	11.86%	-
Mesquite	423	6.75%	24
Minden	36	.57%	-
Overton	58	.93%	24
Pahrump	144	2.30%	84
Searchlight	24	.38%	24
Silver Springs	24	.38%	24
Wendover	148	2.36%	-
West Wendover	112	1.79%	-
Winnemucca	126	2.01%	48
Yerington	54	.86%	-
Total	6,264	99.98%	829

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

The following tables and graphs clearly show that most of the rental housing is one-bedroom in size. Data also shows that rural Nevada has substantially less vacant available rental housing than either the Greater Las Vegas Valley or the Greater Reno/Sparks Area.

Table 32
Number of Apartments by Type of Unit
55+ Age Group 2009

Total # of Units	Studio	1-Bedroom	2-Bedroom
829	35	702	92

GRAPH 21
Distribution of Apartment Units by Size
June 2009

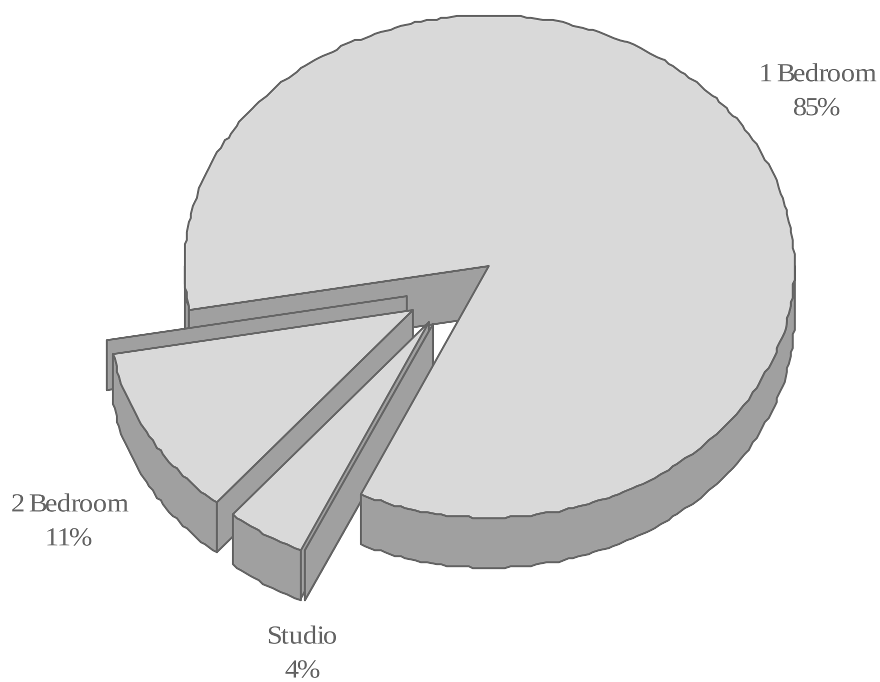


Table 33
Vacancy Rate of Apartment Rental Units
55+ Age Group 2009

Number of Units	#of Units Reported to be Vacant	Vacancy Rate
829	43	5.19%