NEVADA HOUSING DIVISION

NHD Apartment Facts

Second Quarter
2011

COVERED AREAS:
Greater Las Vegas Valley
Greater Reno/Sparks Area
Rural Nevada

Final Report

2nd Quarter 2011
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
Terry Johnson, Director

HOUSING DIVISION
Charles L. Horsey, Administrator

Southern Nevada Office
7220 Bermuda Road, Suite B
Las Vegas, Nevada 89119
Tel. 702-486-7220
Tel. 1-888-486-8775
Fax. 702-486-7227
E-mail: lvpr@housing.nv.gov

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@housing.nv.gov

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

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From The Administrator

Charles L. Horsey
Administrator

NHD's Annual Multi-Family Survey

It is with great pleasure that the Housing Division is presenting its findings for the second quarter 2011 multi-family housing survey.

Research through direct mail questionnaires help the Division each year to systematically identify and compare for analysis the multi-family housing market throughout the state.

Through these surveys, the Division is able to evaluate the effectiveness of its financings and to identify housing gaps in Nevada's residential multi-family housing market.

Of continued importance for the Housing Division is the commitment to provide housing that is not only safe, sanitary, and decent but affordable for low- to moderate-income individuals and families.

Through the Division's Multi-Family Bond and Low-Income Housing Tax Credit Programs, hundreds of qualified families have become residents of affordable multi-family rental units. Through innovative 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.

These public-private partnerships will continue to play an important role in providing affordable housing for our state's populations. Data from this year's study shows that affordable rental rates in comparison to unregulated market rates is a narrowing gap; however, the affordable rates continue to range from 3% to approximately 25% below unregulated market rates. During this economic downturn in the nation's housing market, the ARRA stimulus funds for TCAP, TCEP, and the Division's regular Low-Income Housing Tax Credit Program has gone a long way in serving the state's elderly and physically challenged populations.

Charles L. Horsey

Coronado Place, a TCEP financed project that serves the low-income frail elderly.

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

"Through the apartment surveys, the Division is able to evaluate the effectiveness of its financings and to identify housing gaps for serving the residential multi-family housing needs in Nevada."

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.

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. location by zip code 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) by apartment unit size,
8. percentage of apartment units rented to the 55+ age group,
9. location by zip code of housing for the 55+ age group,
10. location by zip code of new multi-family development, and
11. housing project size of multi-family development.

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

Data:

All data for the second quarter 2011 study is based upon primary data collection conducted by the Housing Division. From this data collection, 734 apartment complexes were identified in the Greater Las Vegas Valley representing 94,946 apartment units validated for the database.

In the Greater Reno/Sparks Area, 257 apartment complexes were identified representing 18,482 apartment units validated for the database.

For rural Nevada, 135 apartment complexes were included in the sample representing 6,248 apartment units validated for the database.

Survey data analysis is based upon a 62.8% response rate for the Greater Las Vegas Valley, a 53.4% response rate for the Greater Reno/Sparks Area, and a 71.4% response rate for rural Nevada.[1]

All data for the multi-family analysis is based upon market and affordable rental properties; assisted living, group homes, subsidized and public housing rental properties. Extended stay rental properties are not included.

[1]Response rate is based upon response rate of unit count and not response rate of apartment complexes.

Section I

Greater Las Vegas Valley

Greater Las Vegas Valley Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2011 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 one-half (50%) of the identified multi-family housing units.
3. The Single Room Occupancy (SRO) and four-bedroom size units continue to represent the smallest demand in the residential rental market.
4. The average apartment size from 1980 to 1999 reflected apartment complex sizes of over 200 residential units per complex.
5. Years 2000 to 2011 reflect a down turn in number of units for apartment complexes constructed.
6. Survey responses from condominium complexes' management indicate that a significant number of units are available for rental; some rentals are advertised directly by private investors; therefore exact numbers are not available, however property management who directly oversee the rental of units indicate that on average 50% to 60% of the complexes' units are available for rental.
7. Data reflects, from the survey's reporting apartment managers, an overall vacancy rate of 9.88%, a -1.15% change in vacancy rate from the 2010 point-in-time survey data.
8. The single room occupancy (SRO) size apartment rental units reflect the highest vacancy rate at 25.6%.
9. The SRO and studio size apartments for the 2011 vacancy rate reflected the highest percentage of vacancies at 25.6% and 15.2% respectively while the four-bedroom size reflected the smallest rate (4.3%).
10. Vacancy rates continue to be higher in older housing stock areas of the Valley.
11. More than one-half of the Greater Las Vegas Valley's apartment complexes are located within ten zip code areas, most of which are within the centrally located part of the Greater Las Vegas Valley, within the City Limits of Las Vegas proper and Paradise in incorporated Clark County.
12. Since 1998, data continues to reflect a downward trend in the number of multi-family housing units being added to the residential rental housing inventory.
13. New construction of multi-family units has stabilized between 2004 to 2011 showing a much lower trend of construction than that experienced in the mid 1990's.
14. Approximately 60% of the Greater Las Vegas Valley's new construction for the first six months of 2011 has been located within the central part of the Valley.
15. Since year 2005, the number of three-bedroom size units constructed have shown the most significant decline.
16. During 2010 and the first six months of 2011 the three-bedroom size units began to show some movement up in correlation to the studio size units.
17. The second quarter 2011 mean rental rates by apartment size for market units shows an increase in rents for the studio and one-bedroom size units and a decrease in rents for the two- and three-bedroom size units.
18. The 2011 data did not reflect major changes in market-rate rental rates from the 2010 data.
19. Affordable rents[1] for studio, one, two and three-bedroom size units continue to be 10% to 24% lower than unrestricted market rents for comparable configuration.
20. The one-bedroom and two-bedroom size units are equal at 43% each on representing the highest percentage of where the 55+ age group prefer to reside.
21. More than 40% of all apartment units which house residents age 55+ are located within the city limits of Las Vegas.
22. The older established area of downtown City of Henderson makes up 7% of the geographical area where the 55+ age group reside.
23. Vacancy rates for apartments that house the 55+ age group showed .16% decline in available housing.
24. Affordable rents[1] for studio, one, and two-bedroom size units that house the 55+ population are lower on the average than unrestricted market rents for comparable configuration.
25. Difference in rental rates for apartment units that house the 55+ age group reflected a narrowing in the rental rate gap for the one- and two-bedroom size units.

[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 predominant housing unit size in the Greater Las Vegas Valley's rental market. The two-bedroom units comprise one-half of NHD's sponsored apartment units in this market. (See Graph 1.)

TABLE 1
Number of Apartments by Type of Unit
June 1997-2011

	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	1,653	9,155	55,198	76,255	15,892	280
June 2004	156,404	1,360	9,693	53,781	75,703	15,589	278
June 2005	147,689	1,224	8,819	52,279	70,651	14,305	411
June 2006	135,696	579	6,684	48,447	66,518	13,069	399
June 2007	131,767	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	726	6,227	45,006	62,172	12,489	281
June 2010	106,459	696	5,004	37,566	51,769	10,976	448
June 2011	94,946[1]	496	3,818	32,947	47,437	9,878	370

[1] Refusal to participate and a lower return rate has resulted in a continuing lower number of total units in the survey's database.
[2] Single Room Occupancy.
N/A - not available.

Distribution of Apartments by Type of Unit

Of the total number of apartment complexes identified, approximately 35 percent provided no response from management. The 2011 survey had a 62.8% response rate which is lower than experienced in previous years. The remaining 2.2% represented returned mail or units under construction with targeted completion dates later in the year.

Table 1-A
Number of Apartments by Type of Unit
June 2006 through June 2011
Database Breakdown

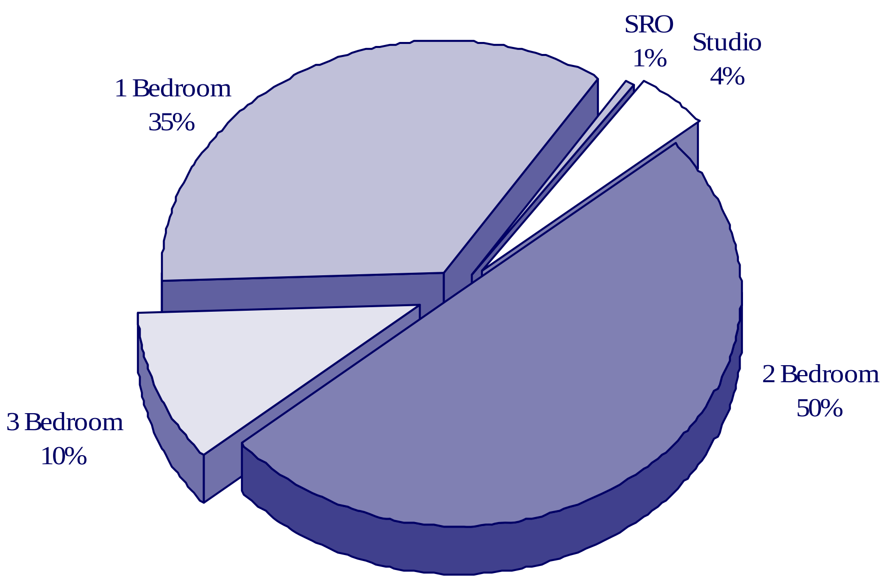
Description	June 2006	June 2007	June 2008	June 2009	June 2010	June 2011
Total # of apartment complexes identified	855	811	822	685	718	734
Total # of apartment units identified	159,328	153,388	155,479	140,757	148,268	151,096
# of units identified converted from apartment rental units to condominiums	10,288	1,107	88	1,407	2,071	673*
# of identified rental units where there was no response, or owners and/or managers refused to participate	6,612	17,172	14,271	10,910	38,280	52,631
# of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office	3,057	2,591	4,345	1,539	1,458	2,412
# of rental units identified as under construction with targeted completion dates later in the year	638	346	186	N/A	**	434***
Total # of rental units validated for database	135,696	131,767	136,452	126,901	106,459	94,946

* Of this total, all were converted in prior years with 62% of the units re-introduced into the rental market.
** Nine projects were identified, however, the number of units were not substantiated.
***Six projects were identified with 434 units under construction for completion later in 2011.

Distribution of Apartments by Type of Unit

Graph 1 shows that residents of the multi-family rental market continue to prefer either one-or two-bedroom size units with the two-bedroom size being the predominant favorite. One-half of the multi-family housing inventory is two bedroom in size. The four-bedroom size units continue to represent the smallest demand (.39%) in the residential multi-family rental market.

GRAPH 1
Distribution of Apartment Units by Size
June 2011

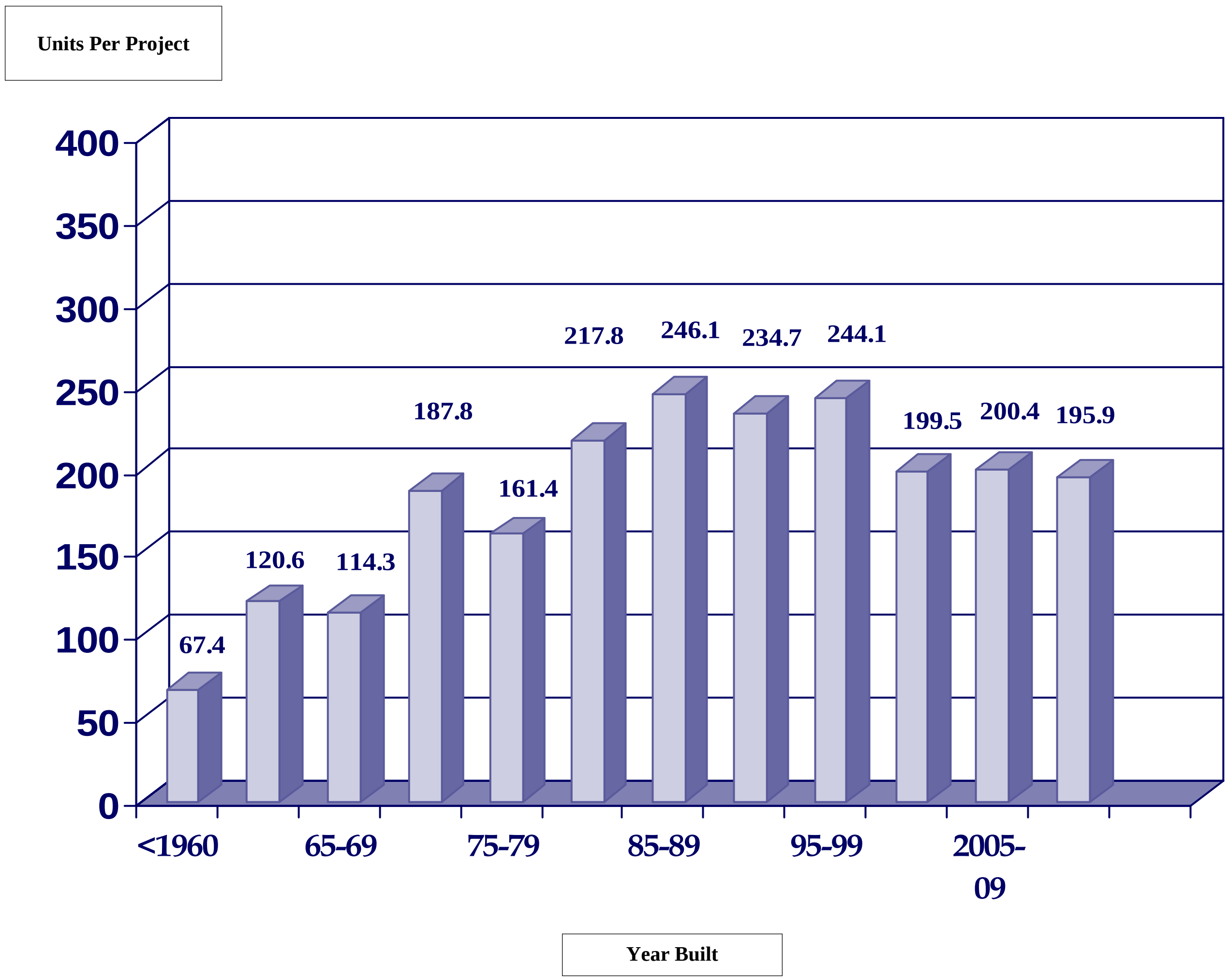


Note: Four-Bedroom size units represented .39% of the total number of apartment units in the Greater Las Vegas Valley; therefore, that number is not shown in Graph 1.

Growth in Average Apartment Project Size

Growth in the average apartment complex size was most prevalent during the 1980’s and 1990’s. Since year 2000, the average size of apartment projects decreased and stabilized at approximately 195 to 200 rental units per complex.

GRAPH 2
Average Apartment Complex Size by 5-year Increments
<1960 to 2011



Vacancy Rates

The vacancy rates in the Division's second quarter 2011 survey reflects a 1.15 percent decrease in number of vacancies for the Greater Las Vegas Valley. The 2010 data showed a vacancy rate increase of less than 1% from the second quarter 2009 point-in-time survey data.

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

Units Built by Year	2nd Qtr. 2011 # Responding to vacancy question Projects	Units	2nd Qtr. 2011 # of Reported Vacant Units	Vacancy Rate 6/30/11	Vacancy Rate 6/30/10	Vacancy Rate 6/30/09	Vacancy Rate 6/30/08	Vacancy Rate 6/30/07	Vacancy Rate 6/30/06
2011	**6**	**434**	**	**	**	**	**	**N/A**	**N/A**
2010	**14**	**3,483**	**	**	**	**	**	**	**
2005-2009	54	9,639	792	8.22%	9.60%	9.97%	3.0%	**	**
2000-2004	69	13,158	1,017	7.73%	7.99%	7.86%	6.7%	3.4%	3.1%
1995-1999	77	18,529	1,510	8.15%	9.94%	9.72%	8.1%	4.5%	2.7%
1990-1994	38	8,685	682	7.85%	11.51%	11.31%	7.8%	4.2%	3.0%
1985-1989	72	19,485	1,802	9.25%	11.31%	9.84%	7.6%	5.6%	4.1%
1980-1984	32	6,362	668	10.50%	9.08%	9.92%	7.2%	5.3%	3.6%
1975-1979	33	5,662	719	12.70%	12.51%	10.02%	7.3%	4.2%	3.0%
1970-1974	26	5,084	1,096	21.56%	16.63%	15.38%	7.6%	7.9%	3.3%
Pre-1970	22	2,682	526	19.61%	21.94%	15.62%	9.2%	10.2%	5.1%
Date unknown	15	1,425	150	10.53%	15.35%	16.09%	11.0%	8.9%	2.0%
Total	**438**	**90,711**	8,962	9.88%	11.03%	10.40%	7.6%	5.1%	3.4%

*Vacancy data is derived from a 95.5% survey response rate to the specific vacancy rate question.
** 2011 units are under construction or in first phase of renting. Data for years 2010 and 2011 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 housing authority Sec. 8 housing complexes.

Vacancy Rates

Table 3 reflects that in the Greater Las Vegas Valley, the Single Room Occupancy (SRO) units experienced the largest increase in vacancy rates. The one-two- and three-bedroom size units all reflect increases in vacancy rates; this factor could be in direct correlation to the area's high foreclosure rates, i.e., families moving from rental multi-family units to rentals becoming available in the single family market.

TABLE 3
Reported Vacancies by Type of Unit
for All Reporting Apartment Complexes
2011

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate 2011	Vacancy Rate 2010	% Change (10-11)
Single Room Occupancy (SRO)	496	127	25.6%	13.2%	+12.4%
Studio Apartments	485	39	8.0%	14.0%	-6%
1-Bedroom Size Apartments	4,552	564	12.4%	10.5%	+1.9%
2-Bedroom Size Apartments	7,900	992	12.6%	11.0%	+1.6%
3-Bedroom Size Apartments	2,955	434	14.7%	11.7%	+3.0%
4-Bedroom Size Apartments	223	10	4.5%	8.3%	-3.8%

[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 6/30/11	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/11	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/10	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
89002	228	7.9%	11.7%	2.3%	70.9%	N/A
89005	94	5.3%	7.4%	2.2%	0.0%	0.0%
89011	754	5.8%	7.4%	7.3%	10.6%	N/A
89012	1,229	4.2%	5.8%	9.0%	10.7%	3.3%
89014	4,842	6.1%	6.8%	7.7%	7.3%	3.5%
89015	1,758	5.8%	8.9%	7.5%	2.9%	3.7%
89030	1,280	18.9%	14.3%	16.3%	13.2%	9.3%
89031	1,069	7.8%	12.1%	12.0%	7.5%	1.8%
89032	852	8.6%	16.8%	15.1%	5.8%	4.4%
89036	248	17.3%	11.3%	8.1%	8.9%	NA
89046	532	12.0%	na	na	na	na
89052	1,948	4.4%	7.1%	6.2%	2.1%	4.6%
89074	1,965	6.0%	6.1%	8.0%	8.8%	4.0%
89081	576	9.4%	11.3%	18.6%	19.6%	**
89084	1,008	5.3%	3.4%	12.4%	N/A	**
89086	727	8.5%	9.9%	7.0%	5.5%	**
89101	4,057	17.2%	15.8%	12.8%	8.4%	4.3%
89102	5,024	16.4%	18.2%	14.3%	8.2%	5.9%
89103	5,305	5.7%	6.5%	8.1%	4.8%	4.2%
89104	3,473	13.6%	14.8%	13.0%	11.6%	7.5%
89106	1,628	22.0%	21.4%	12.0%	11.9%	5.6%
89107	1,589	6.2%	6.0%	9.0%	8.7%	2.0%
89108	4,871	10.4%	14.3%	8.8%	7.4%	7.3%
89109	4,222	16.9%	14.6%	10.9%	7.9%	7.6%
89110	1,813	9.4%	11.5%	10.7%	10.3%	4.4%
89113	578	5.4%	na	na	na	na
89115	3,197	14.9%	16.7%	18.2%	13.7%	7.7%
89117	5,335	5.9%	7.0%	9.1%	5.9%	4.1%

na - data not provided

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 who Reported Vacancies by Zip Code Area 6/30/11	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/11	Vacancy Rate (%) by Zip Code for those Apartment Units Reporting Vacancies 6/30/10	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
89118	436	2.3%	7.6%	6.3%	3.4%	4.7%
89119	6,226	9.9%	12.5%	11.0%	5.5%	4.8%
89120	1,401	7.2%	7.1%	6.9%	3.3%	1.5%
89121	4,559	11.5%	10.2%	10.8%	8.8%	6.6%
89122	1,476	7.4%	11.8%	11.8%	12.7%	3.9%
89123	2,586	6.1%	6.8%	7.1%	4.1%	3.3%
89128	1,456	4.7%	6.2%	4.1%	8.5%	8.2%
89129	979	10.9%	6.4%	6.2%	13.0%	3.6%
89130	896	7.1%	21.2%	16.9%	6.7%	4.9%
89135	195	6.1%	3.4%	16.3%	7.2%	5.5%
89139	736	3.1%	4.8%	4.4%	2.7%	1.0%
89142	1,476	8.7%	4.7%	10.1%	7.5%	6.5%
89145	548	5.1%	5.4%	9.5%	12.4%	2.6%
89146	1,603	5.9%	8.5%	7.5%	8.4%	4.6%
89147	2,006	4.8%	12.1%	9.8%	3.9%	4.4%
89148	1,138	4.6%	5.4%	13.9%	14.0%	2.8%
89149	594	17.2%	na	na	na	na
89156	680	16.8%	23.8%	22.4%	16.6%	6.2%
89166	218	22.8%	na	na	na	na
89169	480	15.2%	6.5%	10.6%	8.5%	**
89183	820	7.8%	5.0%	6.5%	2.4%	**
Total Units	90,711					

na - data not available.
Note: Vacancy data does not include those units in rent-up phase (2010-2011)

Distribution of Rental Units by Zip Code

TABLE 5
Total Number of Apartment Units by Zip Code

June 2011

Zip Code	Total # of Apartment Units by Zip Code	Percent	Cumulative
89119	6,375	6.71	6.71
89117	5,335	5.62	12.33
89103	5,305	5.59	17.92
89014	5,277	5.56	23.48
89108	5,123	5.39	28.87
89102	5,024	5.29	34.16
89121	4,559	4.80	38.96
89109	4,222	4.45	43.41
89101	4,057	4.27	47.68
89104	3,661	3.85	51.53
89115	3,197	3.37	54.90
89123	2,951	3.11	58.01
89052	2,378	2.50	60.51
89147	2,006	2.11	62.62
89074	1,965	2.07	64.69
89110	1,813	1.91	66.60
89015	1,783	1.88	68.48
89148	1,757	1.85	70.33
89106	1,710	1.80	72.13
89146	1,603	1.69	73.82
89107	1,589	1.67	75.49
89122	1,476	1.55	77.04
89142	1,476	1.55	78.59
89128	1,456	1.53	80.12
89120	1,401	1.47	81.59
89030	1,280	1.35	82.94
89012	1,224	1.29	84.23
89032	1,164	1.22	85.45
89031	1,069	1.12	86.57
89084	1,008	1.06	87.63
89129	979	1.03	88.66
89149	973	1.02	89.68

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

Distribution of Rental Units by Zip Code

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

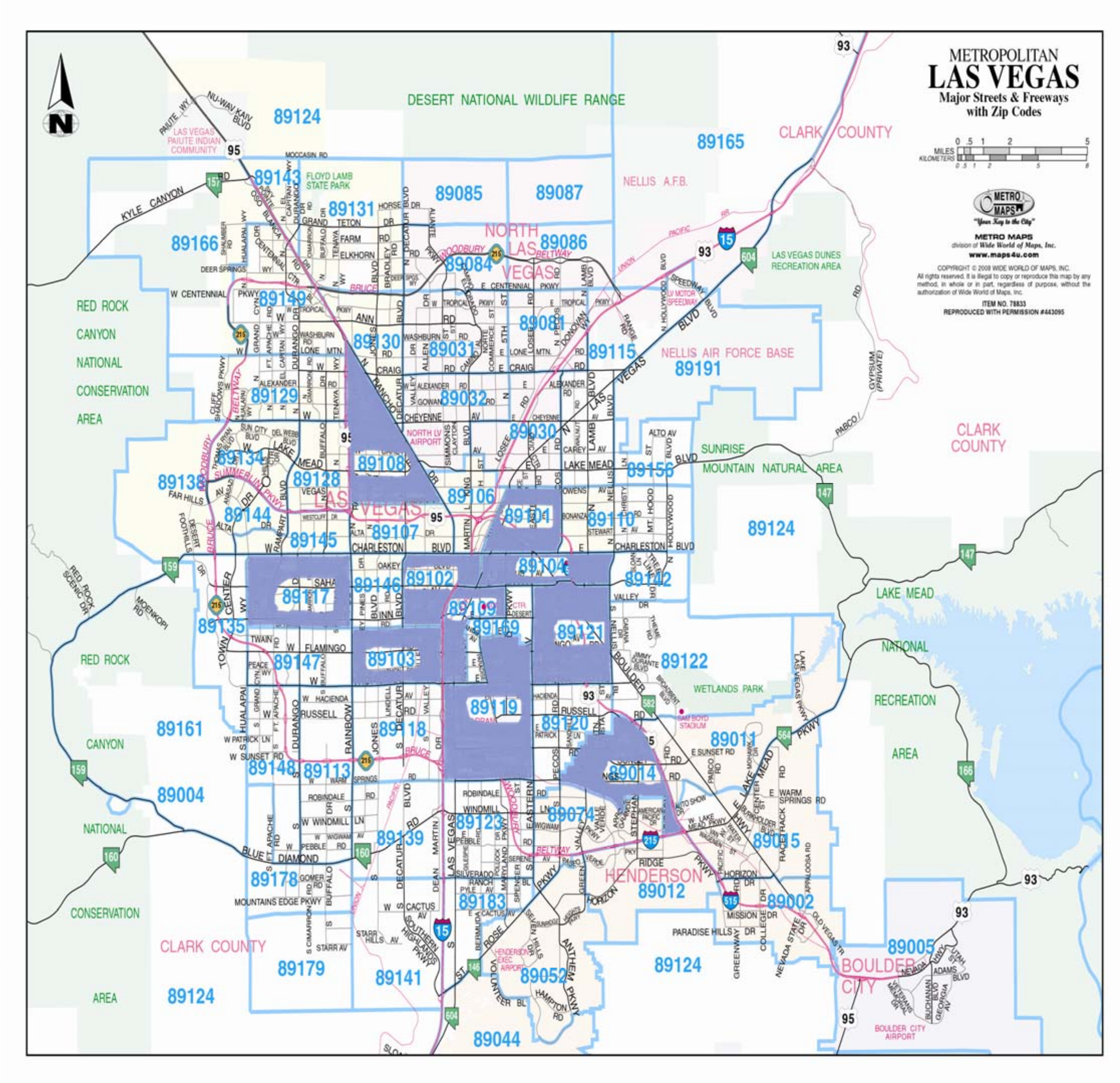
June 2011

Zip Code	Total # of Apartment Units by Zip Code	Percent	Cumulative
89130	896	.94	90.62
89183	820	.86	91.48
89011	754	.79	92.27
89139	736	.77	93.04
89086	727	.76	93.80
89156	680	.72	94.52
89081	582	.61	95.13
89113	578	.61	95.74
89002	572	.60	96.34
89178	539	.57	96.91
89046	532	.56	97.47
89169	480	.50	97.97
89118	436	.46	98.43
89036	248	.26	98.69
89166	218	.23	98.92
89135	195	.20	99.12
89005	94	.10	99.22
89131	75	.08	99.30
Total	94,946		

Zip Code Map of the Greater Las Vegas Valley

More than one-half of all multi-family housing units are located within ten zip codes (see map below). These zip codes represent areas that are centrally located within the Greater Las Vegas Area. All areas identified are near shopping, medical facilities, schools, and/or gaming activities in the nearby vicinity.

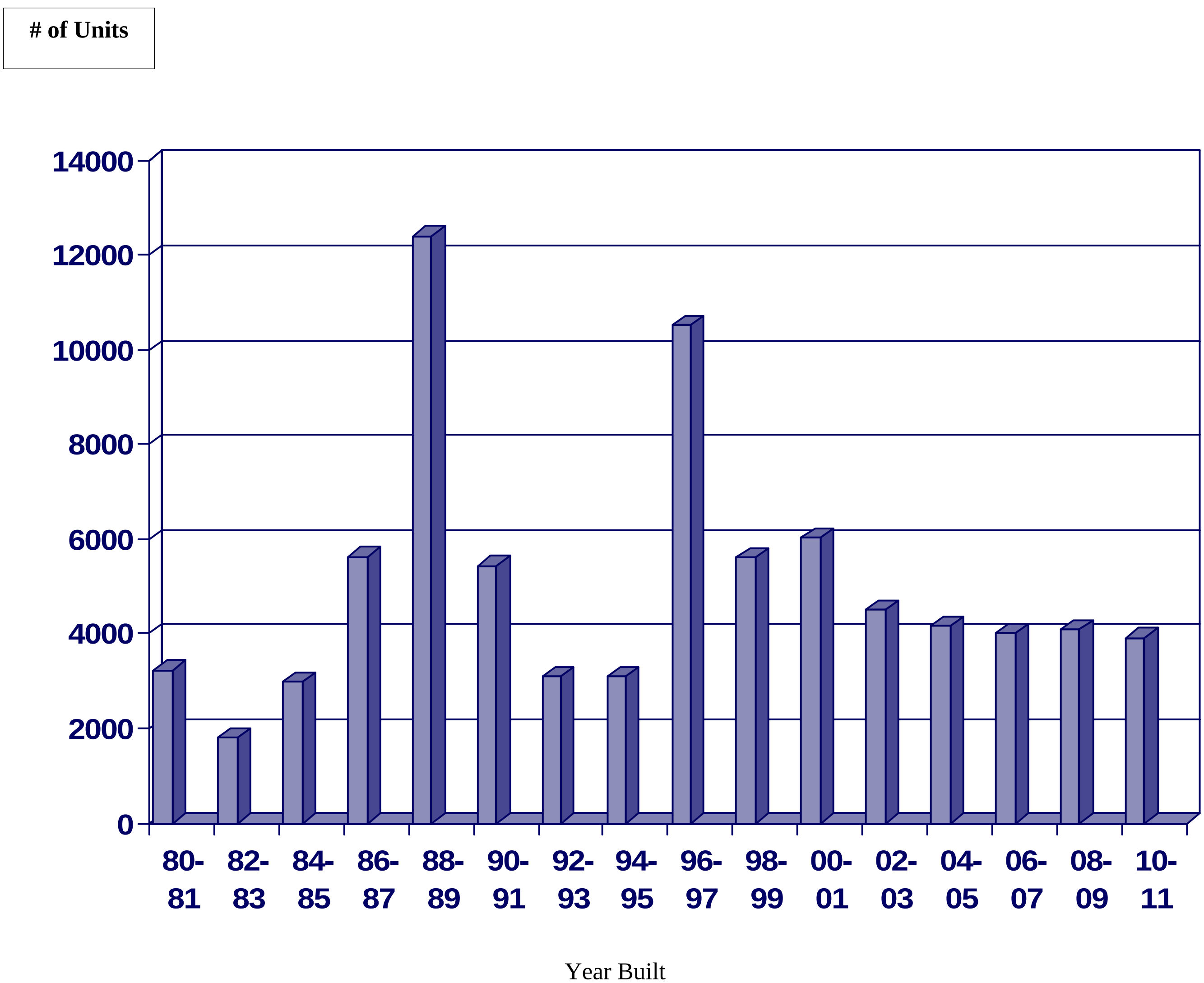
MAP 1
High Density Zip Code Areas of Multi-Family Housing
2011 Data



Number of Apartment Units By Year Built Since 1980

Years 1988 and 1989 experienced the greatest number of new apartment units produced in the Greater Las Vegas Valley. Years 1996 and 1997 had the second highest number of units produced. Data reflects a downward trend in development since 1998 with new construction stabilizing between 2004 until the present.

GRAPH 3
Multi-Family Units by Year Built Since 1980
1980-2011



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

Growth Zip Codes

During the first six months of 2011, data collected reflects that approximately 60% of the Greater Las Vegas Valley's new construction occurred within two zip codes, 89120 and 89121. In 2010, five zip codes reflected new construction rates of more than 10% (see map 2).

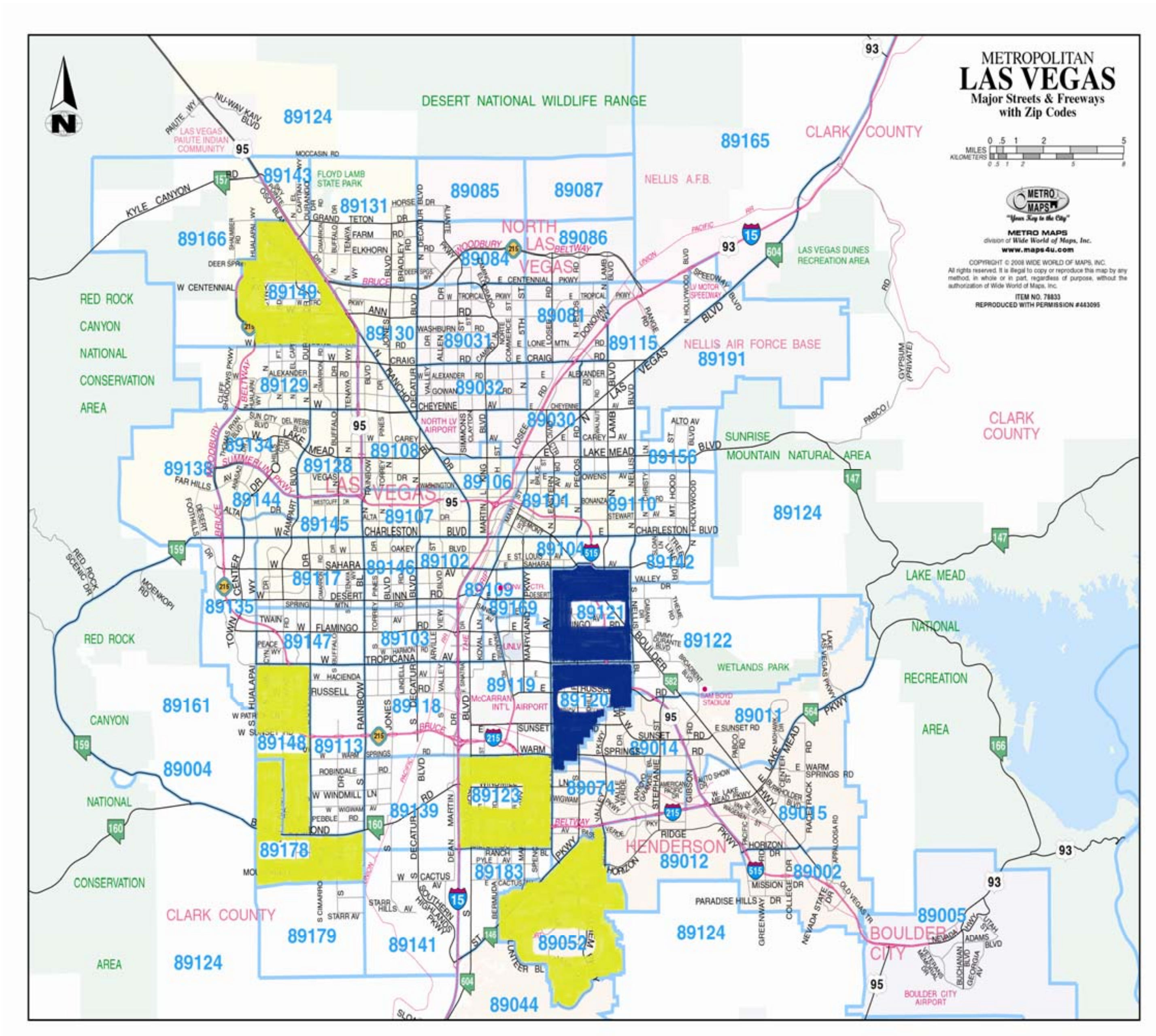
TABLE 6
New Construction of Multi-Family Housing
During 2010 and First 6 Months of 2011

2010			**2011**		
Zip Code	New Units Recorded for Calendar Year 2010	% of new construction	Zip Code	New Units as of 6/30/11	% of new construction
89002	344	9.88	89009	60	13.82
89015	25	.72	89015	80	18.43
89032	312	8.96	89106	38	8.76
89052	430	12.34	89120	142	32.72
89106	82	2.35	89121	114	26.27
89108	252	7.24			
89119	21	.60			
89123	365	10.48			
89131	75	2.15			
89145	40	1.15			
89148	619	17.77			
89149	379	10.88			
89178	539	15.48			
Total	3,483	100.00	Total	434	100.00

Zip Code Map of the Greater Las Vegas Valley

Map 2 shows the areas with the highest percentage of multi-family residential rental growth during 2010 and the first six months of 2011.

MAP 2
Highest Geographic Areas of New Construction for Multi-Family Housing
2010 and First 6 Months of 2011



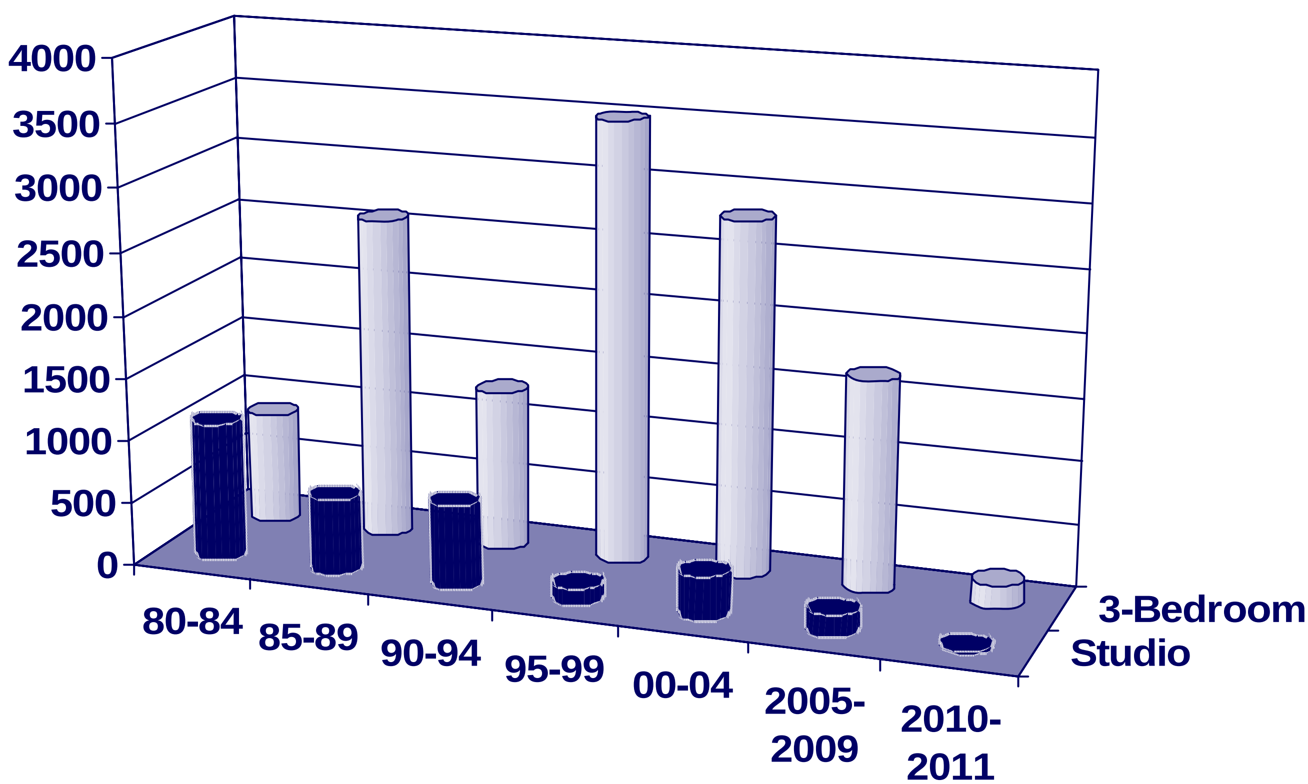
2010 2011

Mix of Apartment Unit Types By Year Built

Studio-size apartment construction outpaced the three-bedroom size units in the early 1980’s. Beginning in 1985 and continuing into 2010, the three-bedroom size units built have outpaced the studio-size units. Since year 2000, both the number of three-bedroom size and studio-size units being constructed has shown a steady decline.

GRAPH 4
Apartment Unit Types by Year Built
1980-2011

# of Units by Type



Year Built

Distribution of Rents by Apartment Size

TABLE 7
Mean Rental Rates by Apartment Sizes - Market Units Rental Rates
June 2000 through June 2011

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
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%
June 2010	$528.52	$662.47	$810.10	$1,021.19
% change 09-10	-8.89%	-8.87%	-6.82%	-5.64%
June 2011	$535.32	$669.16	$805.24	$1,014.02
% change 10-11	+1.29%	+1.01%	-.60%	-.70%

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 difference in mean rental rates between affordable and unrestricted market rate multi-family rental units. The affordable rental rates are lower for all size of apartment units versus the unrestricted market rental rates for the same bedroom-size units. The one-two- and three-bedroom size units all reflect rents that have rental rates which are 20% lower in the affordable housing market versus the unrestricted market for comparable size rental units.

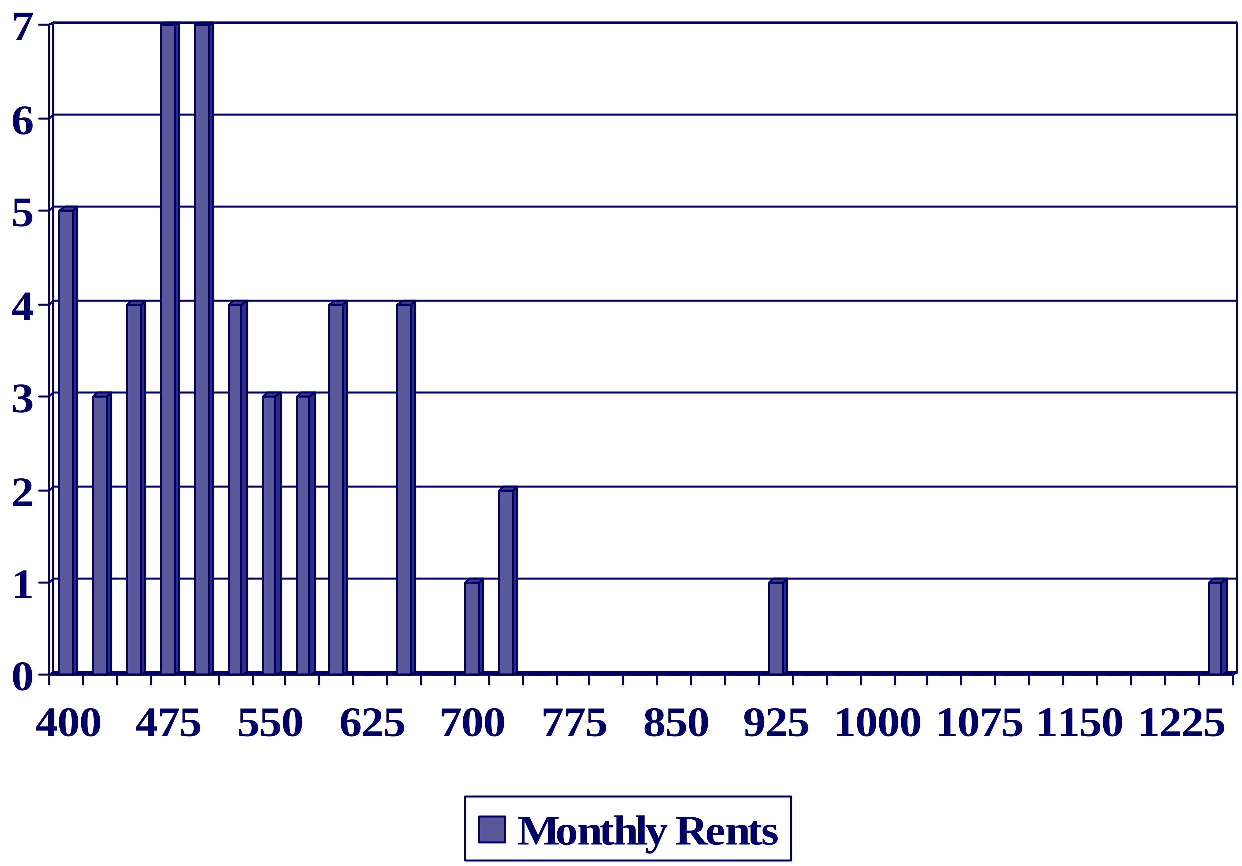
TABLE 8
Mean Rental Rates
Affordable and Market-Rate Multi-Family Rental Rate Comparison by Unit Size
2010-2011

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**
Market Units Rental Rate	$528.52	$535.32	$662.47	$669.16	$810.10	$805.24	$1,021.19	$1,014.02
Affordable Units[1] Rental Rate	$449.12	$480.40	$535.37	$525.59	$632.09	$626.71	$762.79	$769.78
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-15.02%	-10.26%	-19.19%	-21.46%	-21.97%	-22.17%	-25.3%	-24.09%

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

Distribution of Rents by Apartment Size

GRAPH 5
Distribution of Rental Rates for Studio Apartments
Market Units Rental Rate
June 2011

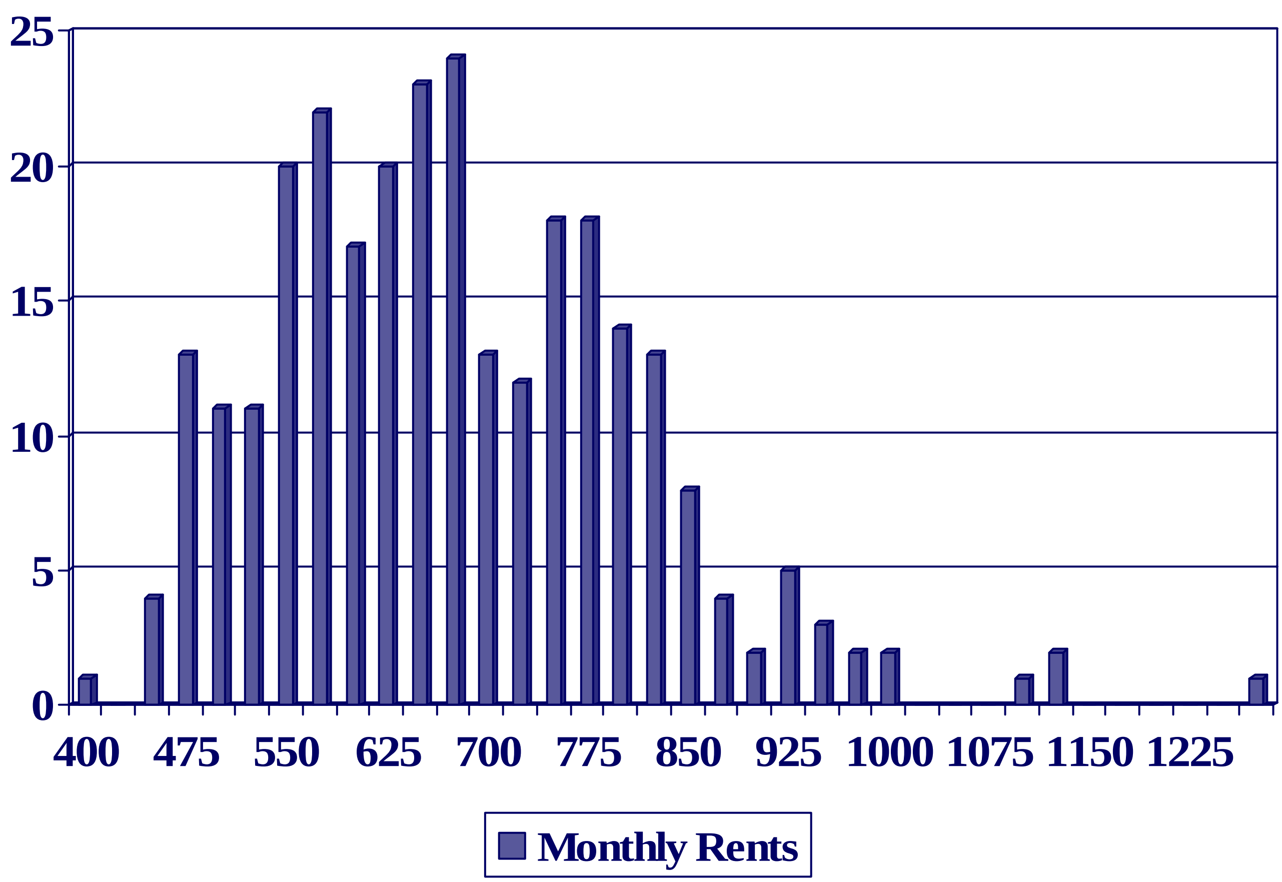


Average Low = $494.65 down .89% since 2010
Average High = $575.98 up 3.23% since 2010

Note: 49 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 2011

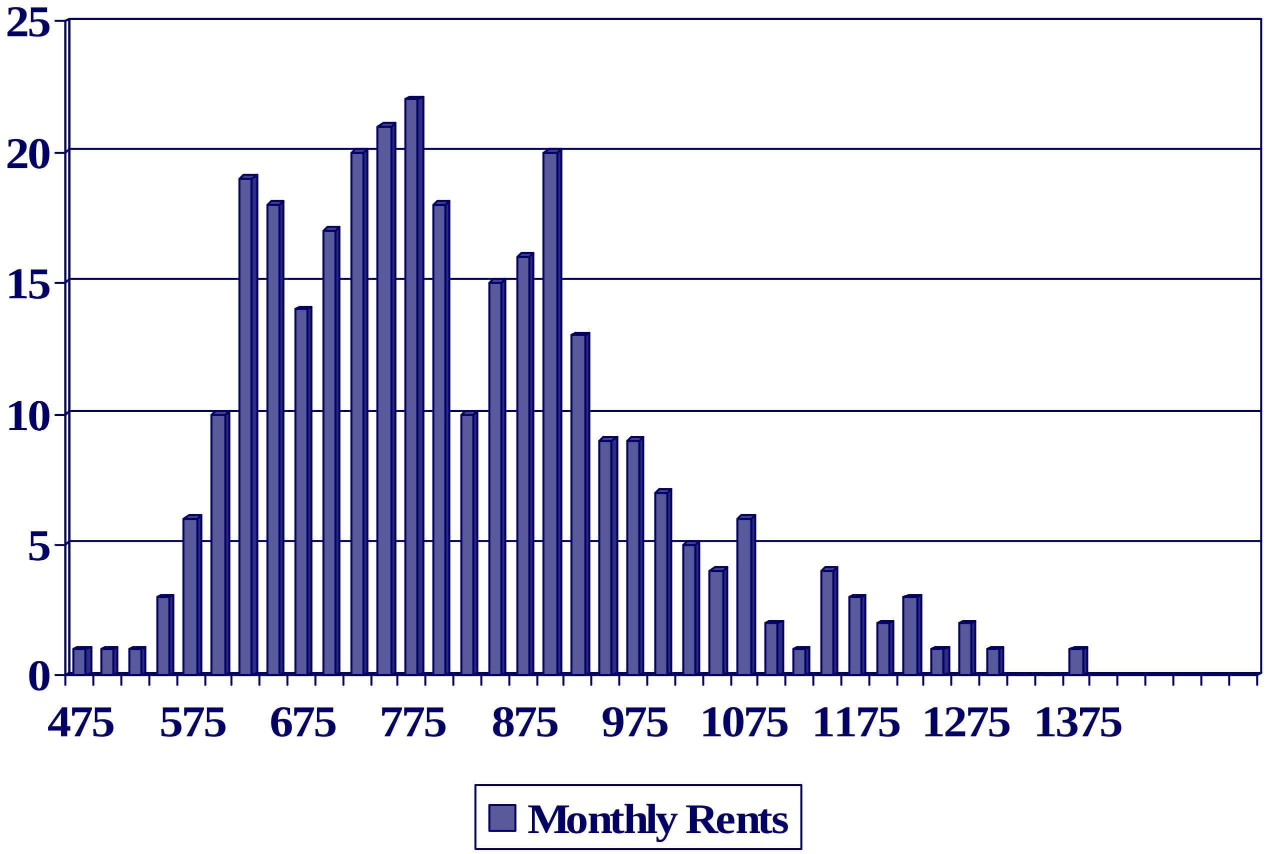


Average Low= $627.45 up 1.17% since 2010
Average High= $710.87 up .89% since 2010

Note: 284 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 2011

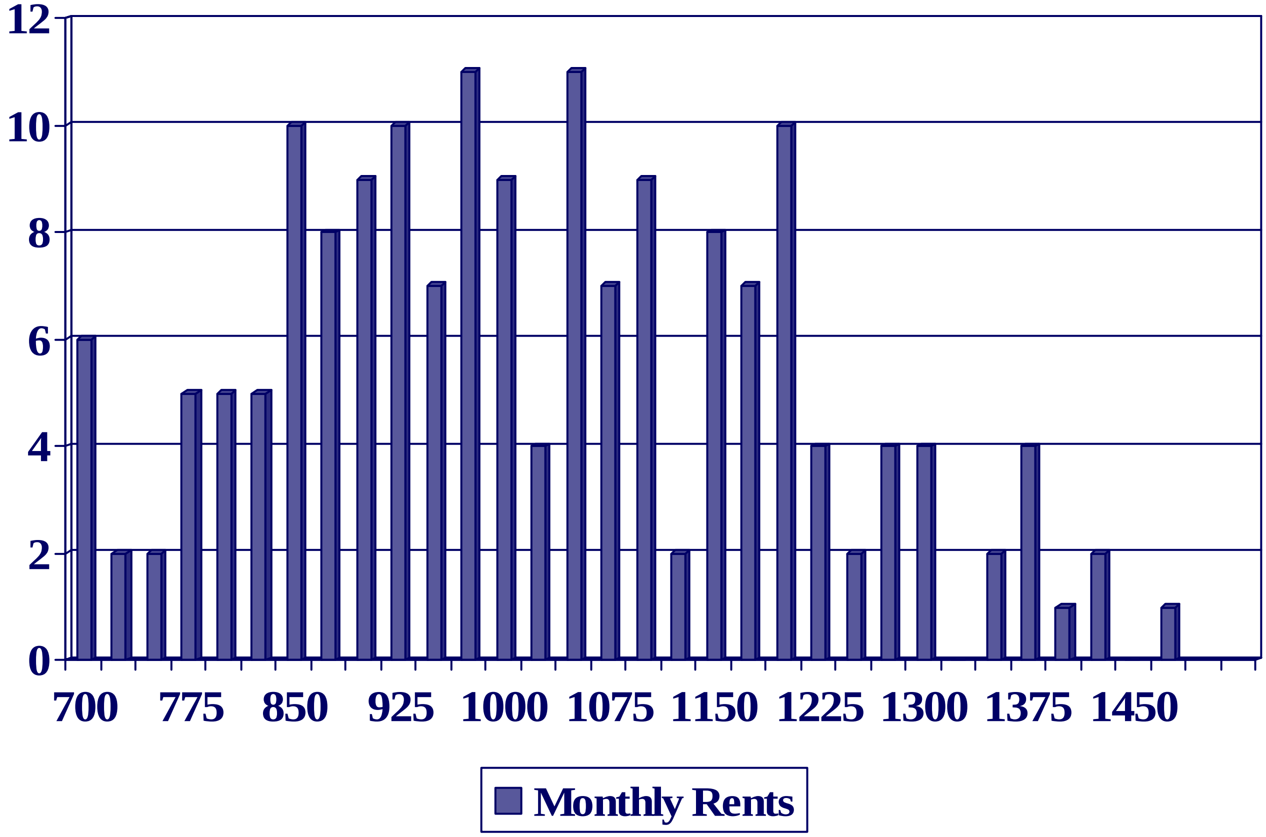


Average Low= $749.56 down .31% since 2010
Average High= $860.92 down .85% since 2010

Note: 305 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 2011



Average Low= $971.91 up .20% since 2010
Average High= $1,056.12 down 1.52% since 2010

Note: 171 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 predominant size of multi-family rental housing of the 55+ age group.

TABLE 9
Number of Apartments by Type of Unit that House the 55+ Age Group
1999-2011

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
Apartments (6/10)	9,897	0	660	4,695	4,286	256
Apartments (6/11)	9,313	0	1,046	4,089	4,035	143

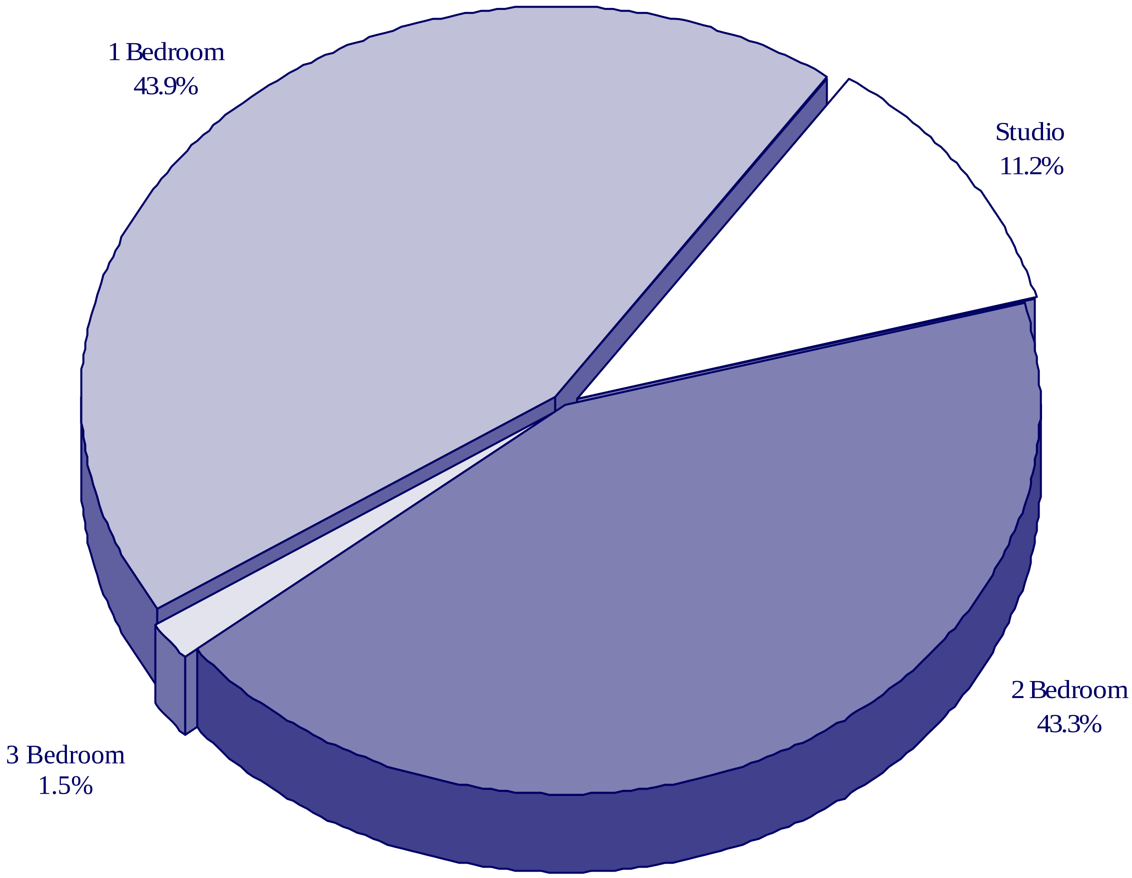
*SRO (Single Room Occupancy) data was included within studio count for 6/99 period.
Note: No four-bedroom size apartment units were reported as housing for the 55+ population.

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

Graph 9 demonstrates the 55+ age group's living preference based upon the availability of units. Within the existing market, the one- and two-bedroom size units reflect the highest percentage (87.2%) of where this age group resides. Of significant change over the 2010 period, was the increase of 4.5% who chose to live in studio size units, location or rental rates could be a determining factor for this age group.

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

June 2011

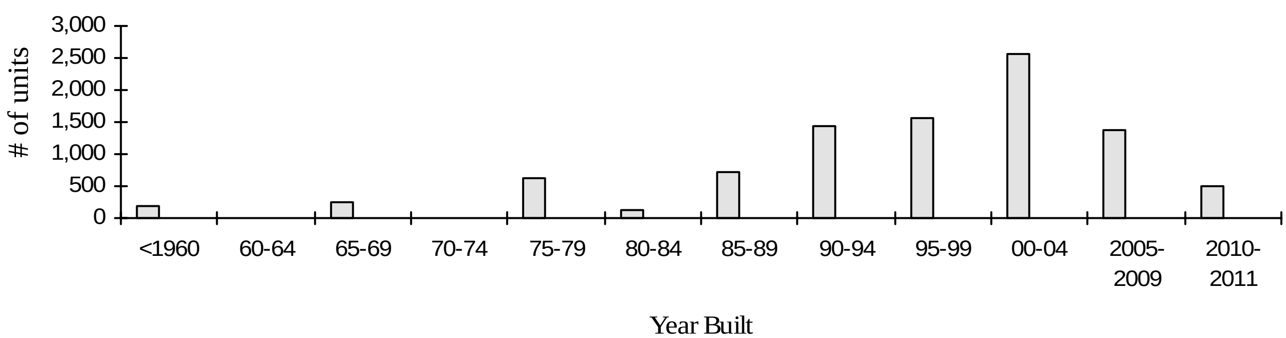


Distribution of Apartments by Type of Unit that House the 55+ Age Group

TABLE 10
Number of Apartments by Type of Unit and Year Built that House the 55+ Age Group
<1960-2011

Year Apartment Complexes Built	Total Units	SRO	Studios	1-BR	2-BR	3-BR	4-BR
2010-2011	489	0	0	237	252	0	0
2005 to 2009	1,360	0	111	557	692	0	0
2000 to 2004	2,557	0	12	1,078	1,428	39	0
1995 to 1999	1,561	0	26	680	831	24	0
1990-1994	1,437	0	96	808	453	80	0
1985-1989	713	0	147	345	221	0	0
1980-1984	115	0	0	113	2	0	0
1975-1979	628	0	501	111	16	0	0
1970-1974	0	0	0	0	0	0	0
1965-1969	250	0	41	105	104	0	0
1960-1964	0	0	0	0	0	0	0
<1960	203	0	112	55	36	0	0
Total	9,313	0	1,046	4,089	4,035	143	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

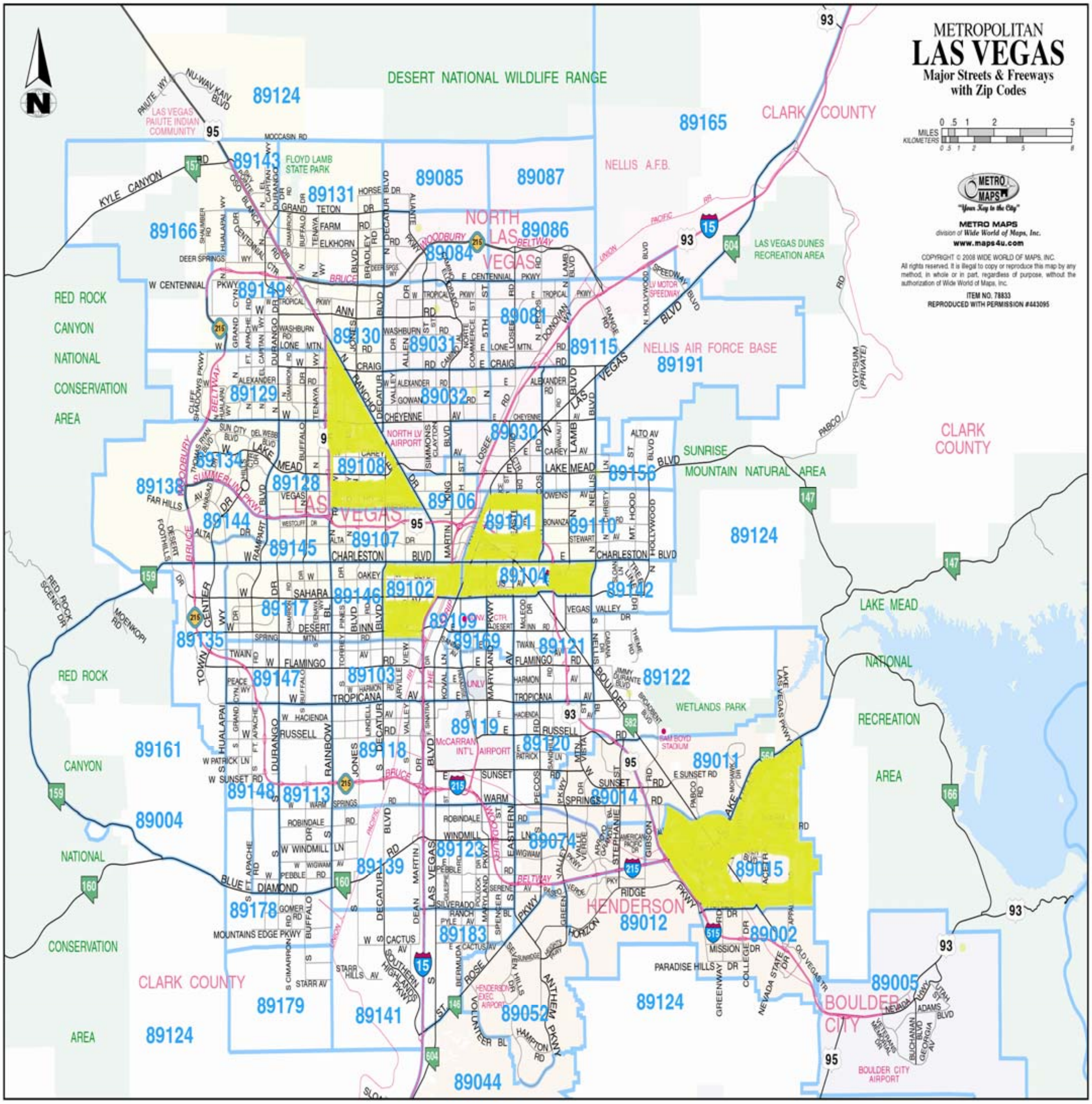
Just over fifty percent of all apartment units that house residents who are in the 55+ age group are located within five zip code areas. These units are located within the City of Las Vegas and City of Henderson's older residential neighborhoods. Housing in these areas are in mature neighborhoods which are typically near gaming, medical facilities, shopping and/or mass transportation. (See Map 3).

Table 11
Number of Apartments by Zip Code that House the 55+ Age Group
2011

Zip Code	Number of Units	% of Total	Cumulative %
89101	1,368	14.69	14.69
89102	1,057	11.35	26.04
89108	1,042	11.19	37.23
89104	712	7.65	44.88
89015	570	6.12	51.00
89106	524	5.63	56.63
89120	444	4.77	61.40
89014	428	4.60	66.00
89052	400	4.30	70.30
89119	348	3.74	74.04
89121	319	3.42	77.46
89032	266	2.86	80.32
89002	228	2.45	82.77
89103	222	2.38	85.15
89110	222	2.38	87.53
89012	205	2.20	89.73
89107	195	2.09	91.82
89030	142	1.52	93.34
89145	130	1.39	94.73
89142	120	1.29	96.02
89074	113	1.21	97.23
89109	105	1.13	98.36
89131	75	.81	99.17
89005	59	.63	99.80
89146	19	.20	100.00
Total	9,313		

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

MAP 3
Multi-Family Projects that House the 55+ Age Group by Zip Code
2011



Vacancy Rates for Apartments that House the 55+ Age Group

Table 12 shows a slight decrease in vacancies for the targeted 55+ age group rental housing. Data reflects a -.16% change over the past year in available rental units. This information is based upon those 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 2011 Survey	Total Number of Apartment Units 2011 Survey Responding to Vacancy Question	Number of Reported Vacant Units 2011 Survey	Vacancy Rate 6/30/11	Vacancy Rate 6/30/10	Vacancy Rate 6/30/09	Vacancy Rate 6/30/08	Vacancy Rate 6/30/07
2010-2011	2	115	NA	--	--	--	--	--
2005-2009	14	1,360	99	7.28%	6.58%	9.55%	7.12%	na
2000 –2004	22	2,557	198	7.74%	8.01%	5.93%	5.73%	3.76%
1995-1999	10	1,561	149	9.55%	10.62%	9.47%	9.30%	6.11%
1990-1994	6	1,437	92	6.40%	9.65%	9.53%	6.81%	3.80%
1985-1989	4	633	101	15.96%	5.95%	6.75%	4.55%	3.72%
1980-1984	1	115	9	7.83%	6.05%	1.84%	7.24%	1.96%
1975-1979	4	628	92	14.65%	7.71%	7.26%	4.84%	2.87%
1970-1974	0	--	--	--	--	--	7.46%	0.00%
Pre-1970	5	395	37	9.37%	25.73%	11.01%	6.33%	4.07%
Date unknown	2	138	3	2.17%	2.5%	.00%	0.0%	16.67%
Totals	68	8,824	780	8.84%	9.00%	8.00%	6.70%	4.28%

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.
NA - Units are in the rent-up stage.

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 2011

Market Units Housing Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89014	--	$700	$724
89074	--	$824	$955
89101	$528	$632	--
89102	$614	$645	$782
89103	$705	$774	$896
89104	$469	$532	$665
89108	$592	$679	$772
89110	--	$595	$695
89119	--	$612	$865

Affordable Units[1] Housing Rental Rates

Zip Code	Rental Rates Studio Apartments	Rental Rates 1-BR Apartments	Rental Rates 2-BR Apartments
89002	--	$494	$595
89012	--	$454	$696
89014	--	$579	$635
89015	--	$416	$471
89030	--	$415	$508
89032	--	$497	$567
89052	--	$606	$714
89074	--	$824	$955
89101	$496	$510	$537
89102	$614	$645	$782
89103	$705	$774	$896
89104	$469	$571	$689
89106	--	$530	$635
89108	$592	$641	$744
89109	--	$589	$619
89110	--	$479	$556
89119	--	--	$630
89120	--	$617	$608
89121	--	--	$661
89131	--	$555	$666
89142	--	$594	$710
89145	--	$585	$703
89146	--	$484	$580

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

Market Rate and Affordable Housing Rental Rate Comparison

The comparative data reflected in Tables 13-A and 13-B clearly shows the impact the recessionary economy has had on narrowing the gap of unrestricted market unit rental rates versus affordable units rental rates. However, affordable residential rental rates, for all size units, continues to offer significantly lower rental rates for the 55+ age group's preferred one- and two-bedroom size housing units (refer to Graph 9).

TABLE 13-A
Mean Rental Rates
Market Rate and Affordable Housing Rental Rate Comparison that House the 55+ Age Group
June 2011

Type of Units	Studio	1-Bedroom	2-Bedroom
Market Units Rental Rate	$581	$666	$794
Affordable Units[1] Rental Rate	$575	$565	$659
Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-1.03%	-15.16%	-17.00%

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

TABLE 13-B
Mean Rental Rates
Market Rate and Affordable Housing Rental Rate Percentage Differences that House the 55+ Age Group
June 2010 - June 2011

Type of Units	Studio	1-Bedroon	2-Bedroom
2010 Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-29.37%	-21.30%	-23.77%
2011 Percentage Difference between Affordable and Market-Rate Multi-Family Residential Unit Rental Rates	-1.03%	-15.16%	-17.00%
Percentage Change from 2010 to 2011	-28.34%	-6.14%	-6.77%

Section II

Greater Reno/Sparks Area

Key Points

Key findings from the 2nd Quarter 2011 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 nearly 42% of identified multi-family housing units.
3. Approximately 74% of the area's multi-family housing inventory consists of one-and two-bedroom size units.
4. Year 2010, and the first six months of 2011, showed fewer number of apartment complexes developed but those completed have a higher number of units from those complexes built from year 2000 to 2009.
5. Data reflects an overall vacancy rate of 8.47%, representing a decrease of 1.53% in units available in the rental market.
6. The studio size apartment units experienced a higher vacancy rate than any other size of residential multi-family units.
7. The four-bedroom size units show the lowest vacancy rate at 4.31%.
8. Two zip codes (89502 and 89512) experienced higher vacancy rates than any other area within the Greater Reno/Sparks Area.
9. Since 2010 the area that has shown the highest number of new multi-family residential housing units is in the zip code 89511 area. (Refer to map 5.)
10. Years 1998 through 1999 saw the greatest number of new apartment units produced in the Greater Reno/ Sparks Area.
11. Since 2000, there has been a steady decline in the 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. During 2009 and first six months of 2010 a number of motel units built during 1975 to 1979 were converted to studio apartments which shows a significant increase of this size unit from prior reporting years.
15. Year 2010 and the first six months of 2011 reflect equal numbers of studio- and three-bedroom size units. This activity falls well below construction of these size units constructed from 1995 to 2009.
16. Rental rates, as of June 2011, reflect a decrease in monthly rental rates for all size units.
17. The greatest rental rate change occurred in the studio- and two-bedroom size units with both size units showing a decrease of 4.95% and 4.46% respectively over the 2010 data.
18. Affordable rents[1] for the one, two and three-bedroom size units are an average of 12.05% lower than market rates for comparable configuration.
19. The three-bedroom size units show the highest rental rate percentage difference for affordable units, showing rents that are 15.77% less than market-rate rents.
20. The one-bedroom size unit remains the most dominant size unit for the 55+ age group, representing 64% of the housing where seniors reside.
21. Zip code areas 89503 and 89512 are identified as areas that provides approximately 60% of apartment units that house the 55+ age group. This is an area that is centrally located between the Cities of Reno and Sparks.
22. Zip code 89503 shows the highest vacancy rate at 12.38% that house the 55+ age group.
23. The mean market rental rate that house the 55+ age group ranges from $532 a month for a studio size unit up to $885 for two-bedroom size units.
24. Affordable rents[1] that house the 55+ population are an average of 13.67% lower than market rents for comparable configuration.

" Affordable rents[1] that house the 55+ population are an average of 13.67% lower than market rents for comparable configuration."

[1] Affordable rents 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 apartment unit remains the most common type of multi-family rental housing unit in the Greater Reno/Sparks Area.

TABLE 14
Number of Apartments by Type of Unit
June 2001-2011

	Total Units	SRO[1]	Studios	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
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
June 2010	24,299	534	3,086	7,654	10,829	1,995	201
June 2011	18,482	279	2,459	5,843	7,839	1,737	325

[1] Single Room Occupancy.

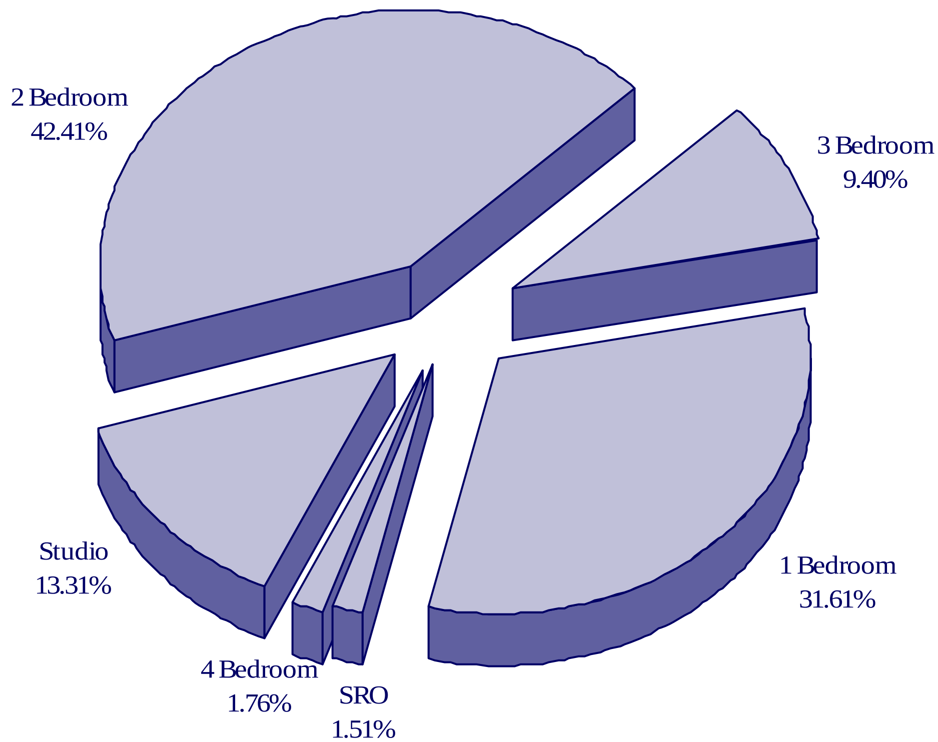
Table 14-A
Number of Apartments by Type of Unit, Database Breakdown

Description	June 2007	June 2008	June 2009	June 2010	June 2011
Total # of apartment complexes identified	237	253	217	249	257
Total # of apartment units identified	32,380	33,562	32,021	34,138	34,637
# of units identified converted from apartment rental units to condominiums	191	0	0	1,395	1,014
# of identified rental units where there was no response, phone systems allowed for screening calls, or owners and/or managers refused to participate	4,113	1,279	1,632	7,324	14,234
# of identified rental areas where mail was returned, in those cases rental complexes are too small to have on-site management office	1,026	1,497	332	1,120	907
Total # of apartment rental units validated for database	27,050	30,786	30,057	24,299	18,482

Distribution of Apartments by Type of Unit

Graph 11 shows the highest percentage of apartment units are two-bedroom in size. Nearly 75% of the area's multi-family rental housing inventory consists of residential rental units that are one- and two-bedroom in size.

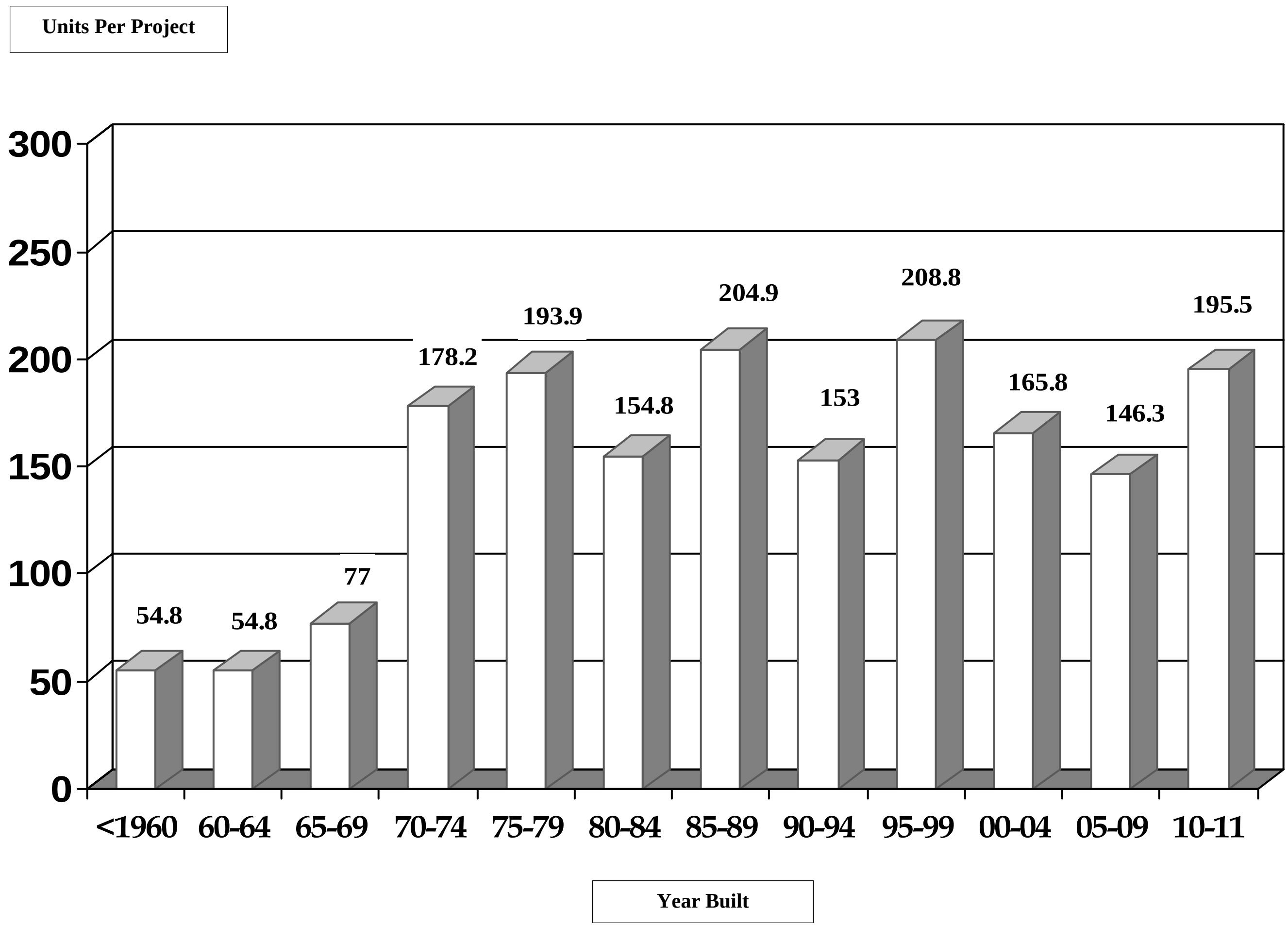
GRAPH 11
Distribution of Apartment Units by Size
June 2011



Growth in Average Apartment Project Size

Graph 12 reflects the trend for size of apartment complexes developed in the Greater Reno/Sparks Area since 1960. However, this trend appears to be reversing based upon data from years 2010 and the first six months of 2011.

GRAPH 12
Growth in Average Apartment Project Size by 5-year Increments
<1960 to 2011



Vacancy Rates

The Division's second quarter 2011 survey shows a 8.5% vacancy rate for the Greater Reno/Sparks Area. This data reflects a decrease of 1.5% in units available in the rental market.

TABLE 15
Vacancy Rates[1]
(Data by Year Project was Built)

Date Units Built	2nd Qtr. 2011 # Responding to vacancy question # Projects	# Units	2nd Qtr. 2011 # of Reported Vacant	Vacancy Rate 6/30/11	Vacancy Rate 6/30/10	Vacancy Rate 6/30/09	Vacancy Rate 6/30/08	Vacancy Rate 6/30/07	Vacancy Rate 6/30/06
2010-2011*	**2**	**391**	*	*	**NA**	**NA**	**NA**	**N/A**	**N/A**
2005-2009	8	1,148	73	6.36%	8.7%	14.5%	4.8%	2.6%	**
2000-2004	18	3,298	268	8.13%	9.5%	13.9%	10.6%	8.8%	1.8%
1995-1999	15	2,136	152	7.12%	8.3%	10.7%	6.6%	5.0%	2.5%
1990-1994	7	1,135	71	6.25%	11.5%	8.2%	5.1%	3.5%	2.6%
1985-1989	8	1,090	60	5.50%	7.5%	8.3%	4.5%	2.3%	2.2%
1980-1984	11	2,190	158	7.21%	8.0%	9.9%	6.9%	2.9%	2.6%
1975-1979	24	4,959	495	9.98%	11.4%	13.6%	8.9%	4.5%	4.1%
1970-1974	12	1,683	209	12.42%	12.4%	13.0%	8.0%	7.9%	6.5%
Pre-1970	9	367	41	11.17%	14.8%	16.4%	13.3%	5.5%	3.6%
Date unknown	3	85	5	5.88%	7.6%	16.6%	8.7%	1.8%	6.3%
Totals	115	18,091	1,532	8.47%	10.0%	12.1%	7.9%	5.3%	3.5%

[1]Vacancy data is derived from a 97.4% survey response rate to the specific vacancy rate question.
*2010-2011data 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 housing authority section 8 housing complexes.

Vacancy Rates

Table 16 reflects that in the Greater Reno/Sparks Area, the studio size apartment units, in this point-in-time survey, showed a higher vacancy rate than any other size residential multi-family rental units. The four-bedroom size units reflect the lowest vacancy rate at 4.31%.

TABLE 16
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2011

Apartment Type	Number of Units in Sample[1]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	279	20	7.17%
Studio Apartments	2,459	360	14.64%
1-Bedroom Size Apartments	5,525	358	6.48%
2-Bedroom Size Apartments	7,383	517	7.00%
3-Bedroom Size Apartments	1,641	101	6.15%
4-Bedroom Size Apartments	325	14	4.31%

[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 show that zip codes 89502 and 89512 experienced higher vacancy rates than any other 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 2007-2011

Zip Code	Total Number of Apartment Units by Zip Code 2011	Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting # of Vacancies 2011	Vacancy Rate (%) by Zip Code for those Apartment Complexes Reporting # of Vacancies 2010	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
89431	2,984	5.7%	6.4%	13.4%	6.6%
89433	397	5.5%	3.1%	6.5%	7.5%
89434	536	2.4%	5.9%	8.7%	7.2%
89436	672	6.4%	8.2%	11.9%	20.0%
89501	421	8.8%	11.2%	10.0%	22.3%
89502	3,334	13.1%	14.8%	14.8%	8.3%
89503	1,949	9.4%	11.2%	11.1%	7.8%
89506	866	6.2%	12.1%	15.0%	9.0%
89509	1,860	4.3%	6.6%	11.1%	9.4%
89511	404	6.4%	8.4%	10.2%	2.2%
89512	2,446	11.4%	17.0%	12.4%	8.9%
89521	632	8.1%	5.4%	17.9%	7.3%
89523	1,590	8.7%	7.2%	10.4%	7.2%
Total	18,091	8.5%	10.0%	12.1%	7.9%

*Zip codes that reflect 2010-2011data 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.

Distribution of Rental Units by Zip Code

TABLE 18
Total Number of Apartment Units by Zip Code
June 2011

Zip Code	Total Number of Apartment Units by Zip Code	Percent	Cumulative
89502	3,375	18.26	18.26
89431	2,984	16.14	34.40
89512	2,446	13.23	47.63
89503	1,949	10.54	58.17
89509	1,860	10.06	68.23
89523	1,590	8.60	76.83
89506	866	4.68	81.51
89511	754	4.08	85.59
89436	672	3.63	89.22
89521	632	3.42	92.64
89434	536	2.90	95.54
89501	421	2.28	97.82
89433	397	2.15	99.97
Total	18,482		

Based upon data from survey respondents, four zip code areas houses more than one half of multi-family units in the Greater Reno/Sparks Area. (See Map 4)

89502

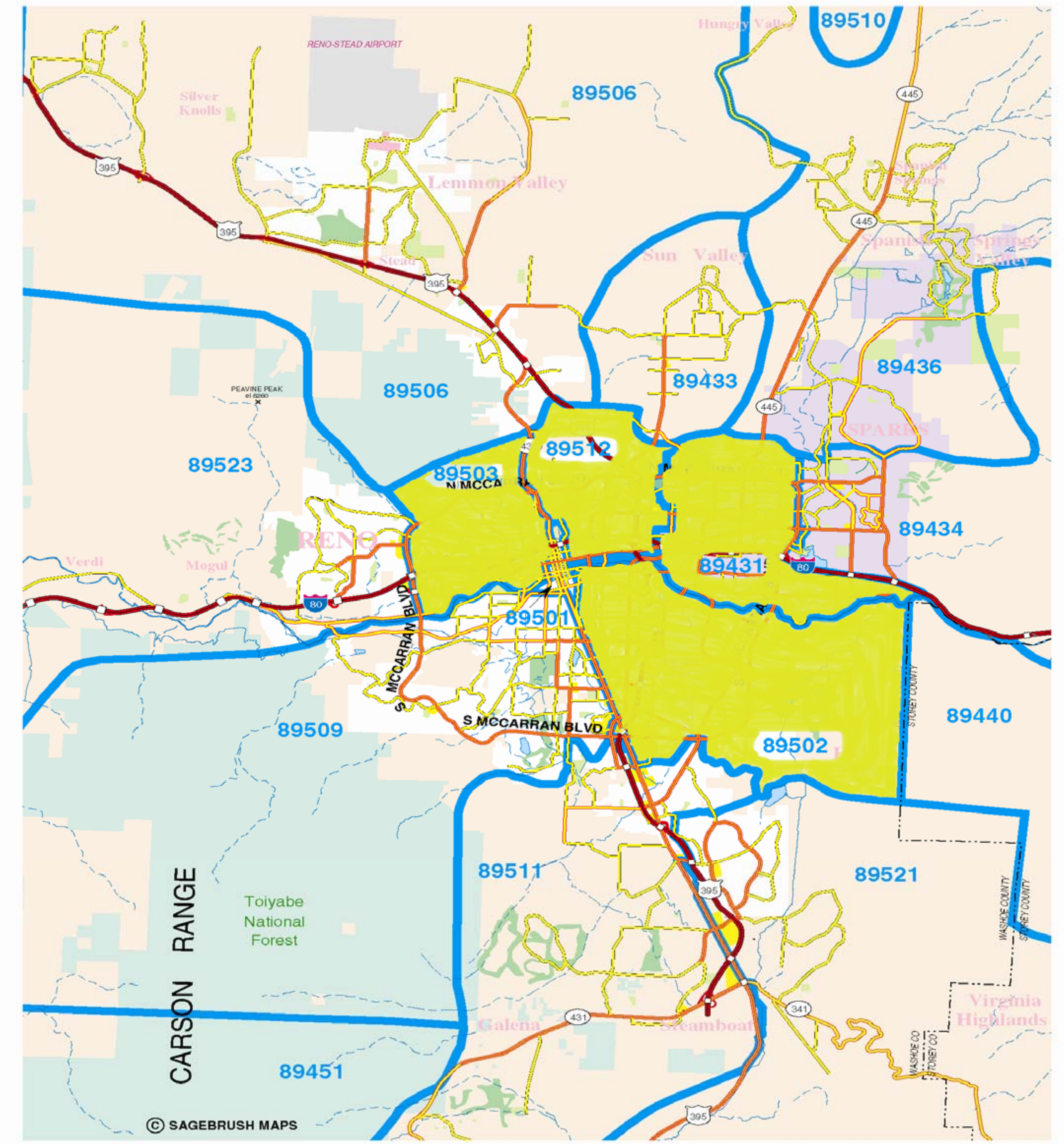
89431

89512

89503

Zip Code Map of the Greater Reno/Sparks Area

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



Yellow shaded area denotes multi-family high density area pursuant to the 2nd quarter 2011 survey responses.

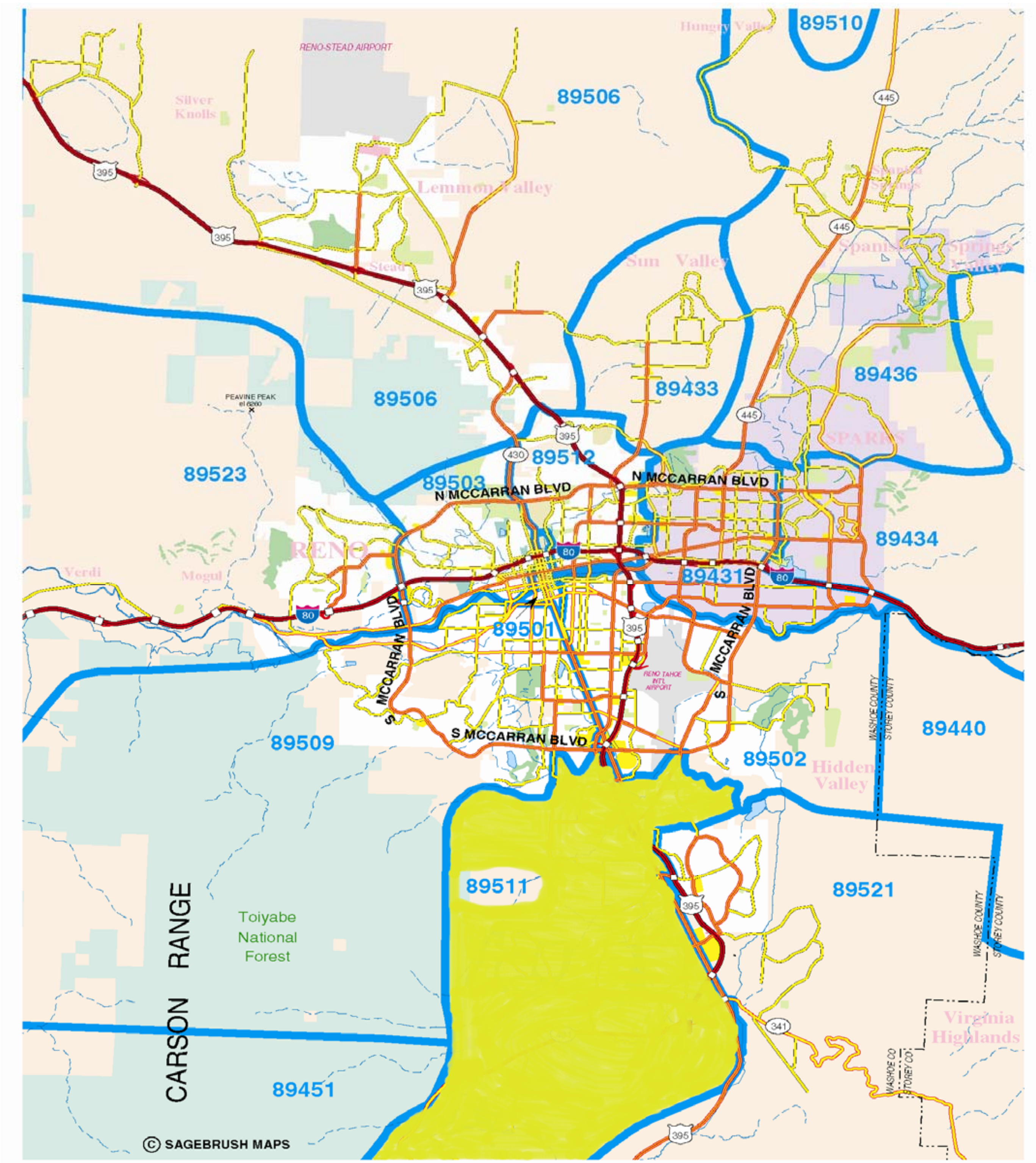
New Construction of Multi-Family Housing — Growth Zip Codes

TABLE 19
New Construction of Multi-Family Housing
During 2010 and First 6 Months of 2011

2010				**2011**		
Zip Code	New Units Recorded for Calendar Year	% of new construction		Zip Code	New Units as of 6/30/09	% of new construction
89501	48	9.96%		89502	41	100.0%
89503	84	17.43%				
89511	350	72.61%				
Total	482	100.00%		Total	41	100.0%

Zip Code Map of the Greater Reno/Sparks Area

MAP 5
Highest Geographic Area of New Construction for Multi-Family Housing
2010 and first 6 months of 2011

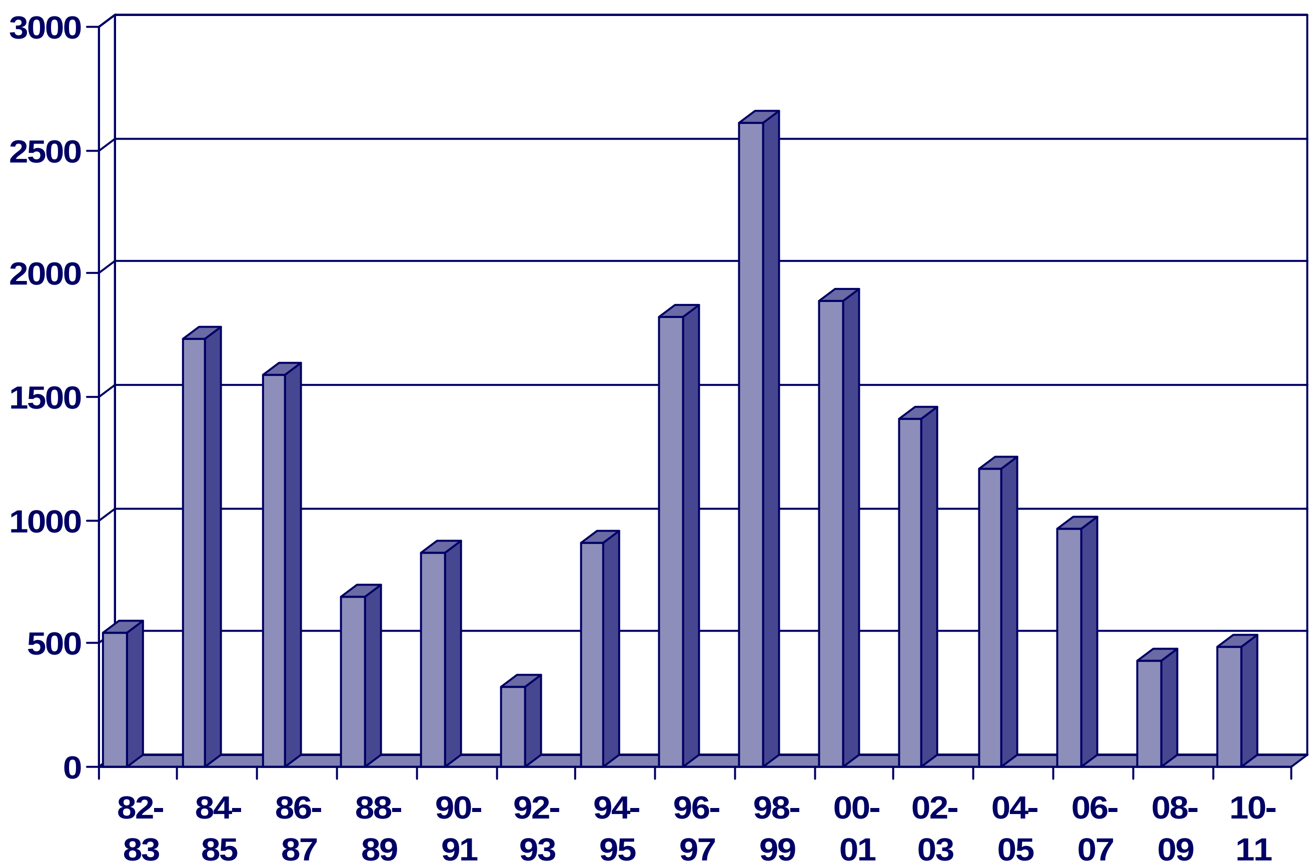


Number of Apartment Units By Year Built Since 1980

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 development has shown a steady decline. A trend observed for all geographical areas of the state.

GRAPH 13
Multi-Family Units by Year Built Since 1980
1982-2011

# of Units



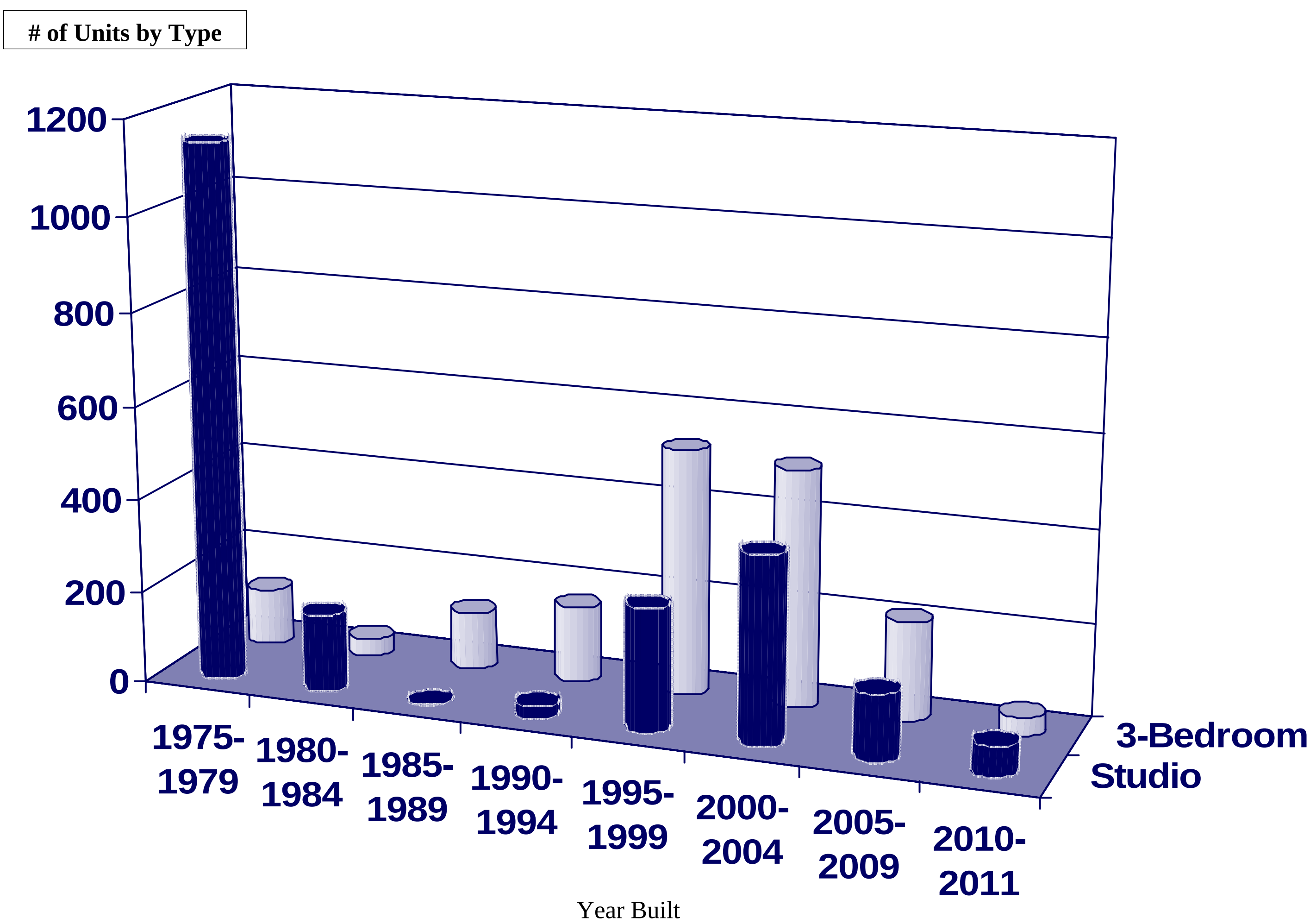
Year Built

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. The high number of studio size units built between 1975 and 1979 reflects the number of motel units built during that time period that have been converted to studio-size residential rental units.

The 2010-2011 time period reflected an unusual trend of almost equal numbers of studio- and three-bedroom size units being constructed.

GRAPH 14
Apartment Unit Types by Year Built
1975-2011



Distribution of Rents by Apartment Size

Rental rates, as of June 2011 shown in Table 20, reflect a decrease in monthly rental rates for all size units in the Greater Reno/Sparks Area.

TABLE 20
Mean Rental Rates by Apartment Sizes
Market Units Rental Rate
June 2010

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%
June 2010	$520.54	$650.18	$801.44	$1,041.33
% change 09-10	-5.01%	-4.08%	-1.82%	-3.11%
June 2011	$494.77	$647.81	$765.67	$1,015.65
% change 10-11	-4.95%	-.36%	-4.46%	-2.47%

Distribution of Rents by Type of Apartment

Table 21 shows data from the 2011 multi-family housing survey for the Greater Reno/Sparks Area. The one-two-and three bedroom size units reflect a significant difference between the affordable and unrestricted market units rental rates. The studio-size units show rental rates somewhat lower in the unrestricted market versus the income restricted (affordable) rental units.

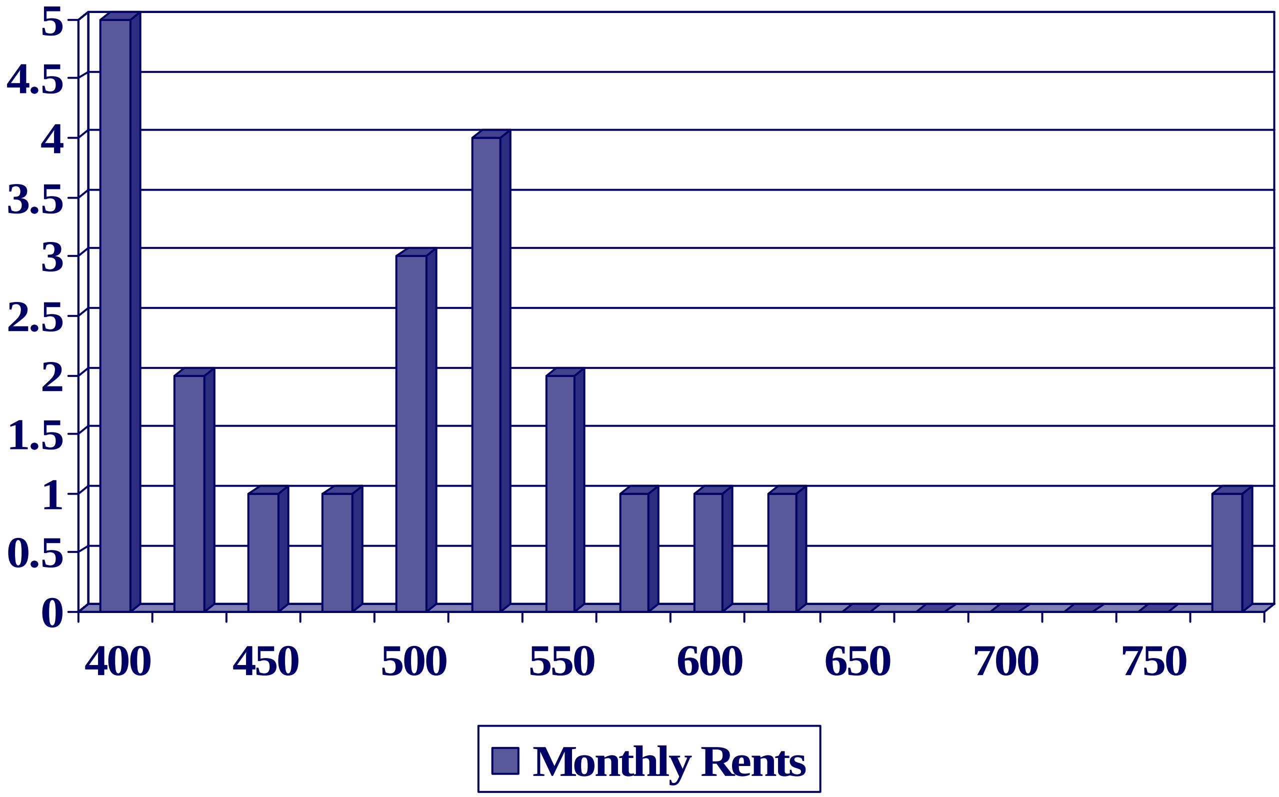
TABLE 21
Mean Rental Rates
Market Rate and Affordable Rental Rate Comparison
2009-2011

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**
Market Units Rental Rate	$520.54	$494.77	$650.18	$647.81	$801.44	$765.67	$1,041.33	$1,015.65
Affordable Units[1] Rental Rate	$487.05	$503.30	$585.23	$571.17	$706.55	$700.22	$885.57	$855.45
Percentage Difference between Market-Rate and Affordable Multi-family Residential Unit Rental Rates	-6.43%	+1.72%	-9.99%	-11.83%	-11.84%	-8.55%	-14.96%	-15.77%

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

Distribution of Rents by Apartment Size

GRAPH 15
Distribution of Rental Rates for Studio Apartments
Market Units Rental Rate
June 2011

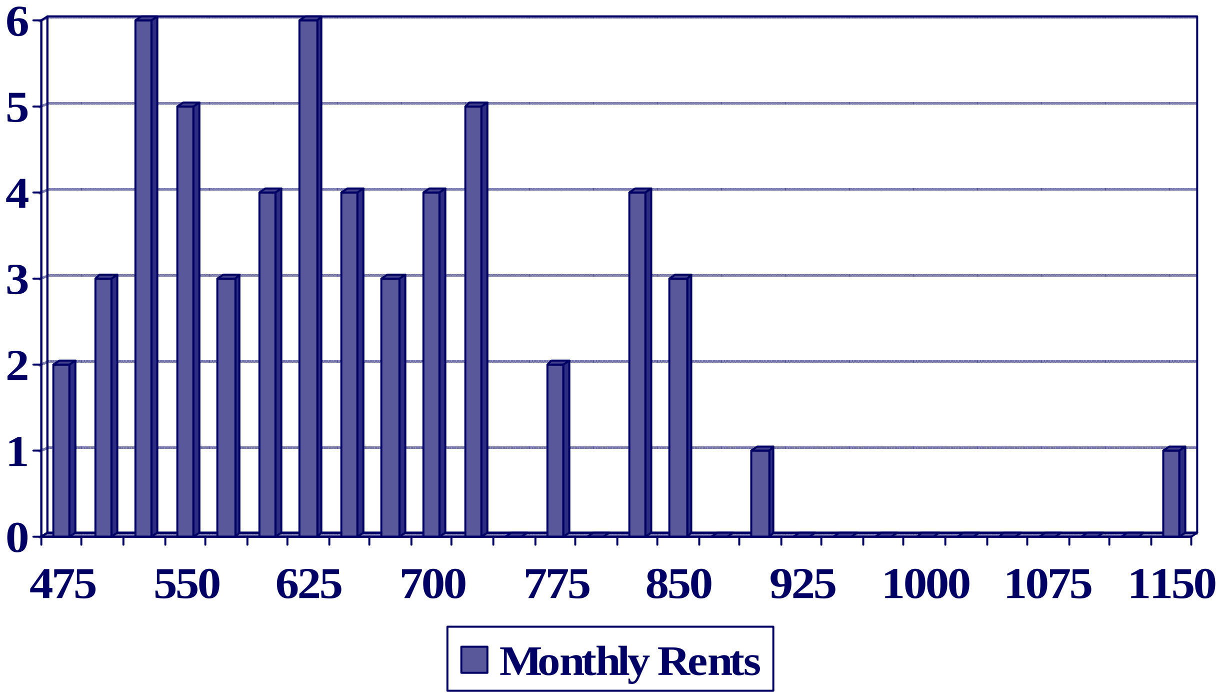


Average Low= $480.91 down .89% since 2010
Average High= $508.64 down 8.53% since 2010

Note: 22 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 16
Distribution of Rental Rates for 1-Bedroom Apartments
Market Units Rental Rate
June 2011

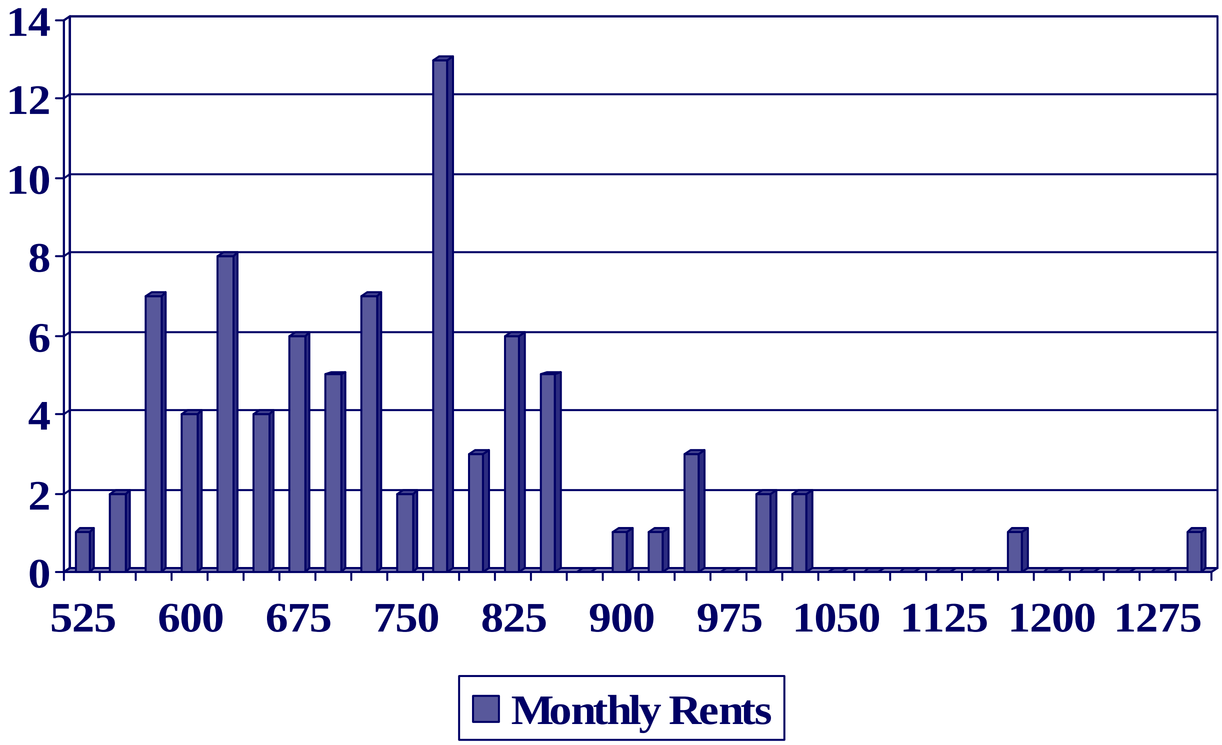


Average Low= $620.16 up 1.59% since 2010
Average High= $675.46 down 2.09% since 2010

Note: 56 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 17
Distribution of Rental Rates for 2-Bedroom Apartments
Market Units Rental Rate
June 2011

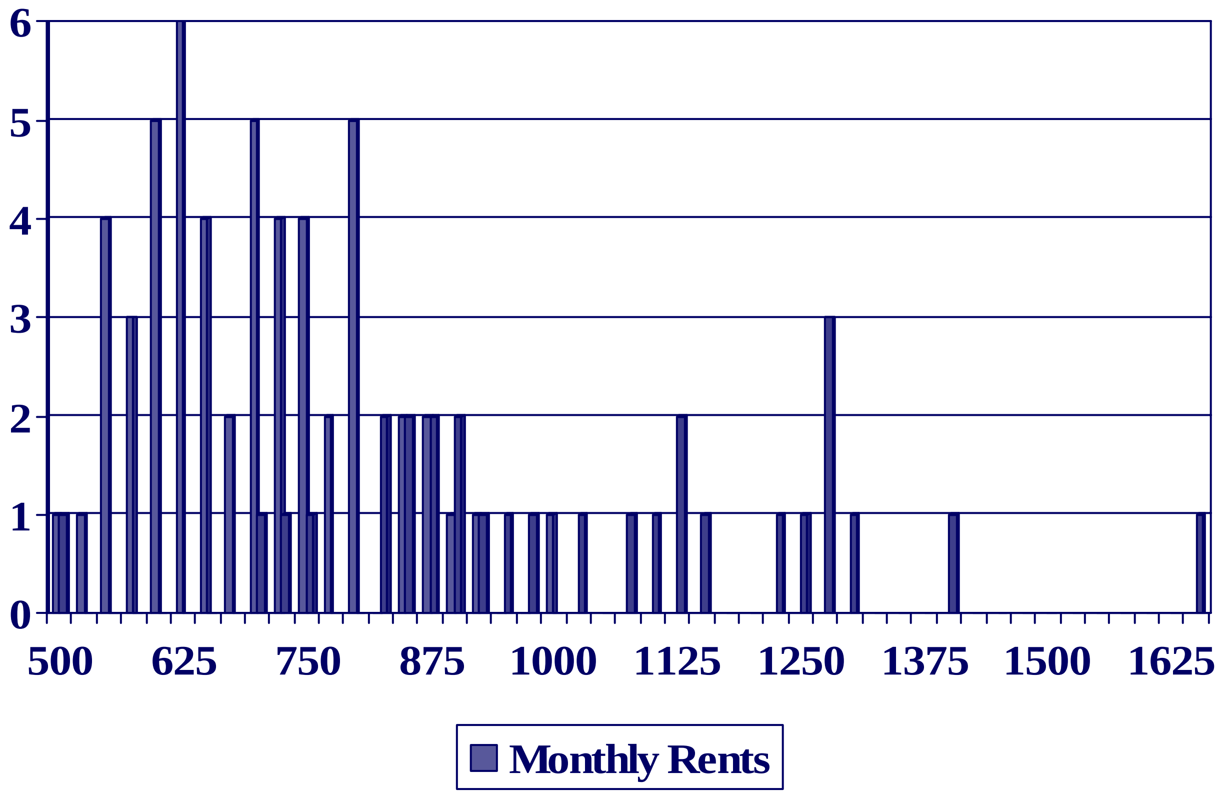


Average Low= $724.07 down 1.48% since 2010
Average High= $807.28 down 6.99% since 2010

Note: 53 projects reporting.

Distribution of Rents by Apartment Size (continued)

GRAPH 18
Distribution of Rental Rates for 3-Bedroom Apartments
Market Units Rental Rate
June 2011



Average Low= $972.75 down 1.25% since 2010
Average High= $1,058.55 down 3.55% since 2010

Note: 29 projects reporting.

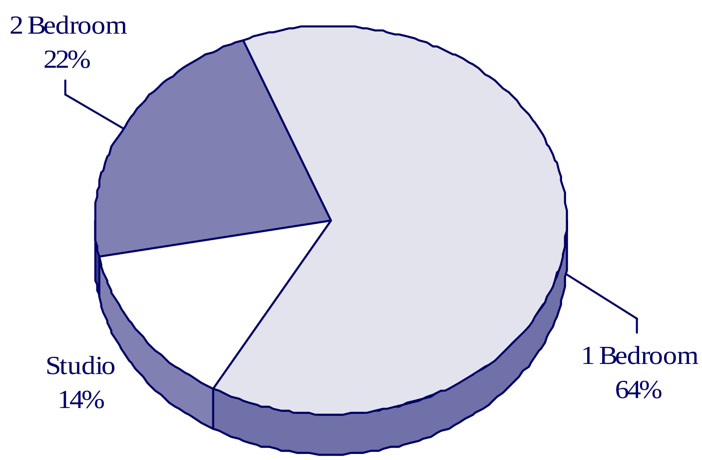
Distribution of Apartments by Type of Unit That House the 55+ Age Group

Table 22 and Graph 19 below reflect that the one-bedroom size apartment is the most preferred residential rental size unit of the 55+ age group.

TABLE 22
Number of Apartments by Type of Unit that House the 55+ Age Group
2002-2011

Apartments Targeting 55+	Total Units	SRO	Studios	1-Bedroom	2-Bedroom	3-Bedroom
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
Apartments (6/10)	1,044	208	58	556	222	0
Apartments (6/11)	1,009	0*	137	649	222	1

GRAPH 19
Percentage Distribution of Apartments by Type of Unit that House the 55+ Age Group (June 2011)



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 target housing for the 55+ age group. Approximately 60 percent of this housing inventory is located within zip codes 89503 and 89512 (Refer to map 6). This is an area centrally located between the cities of Reno and Sparks.

Table 23
Number of Apartment Units by Zip Code that House the 55+ Age Group
2011

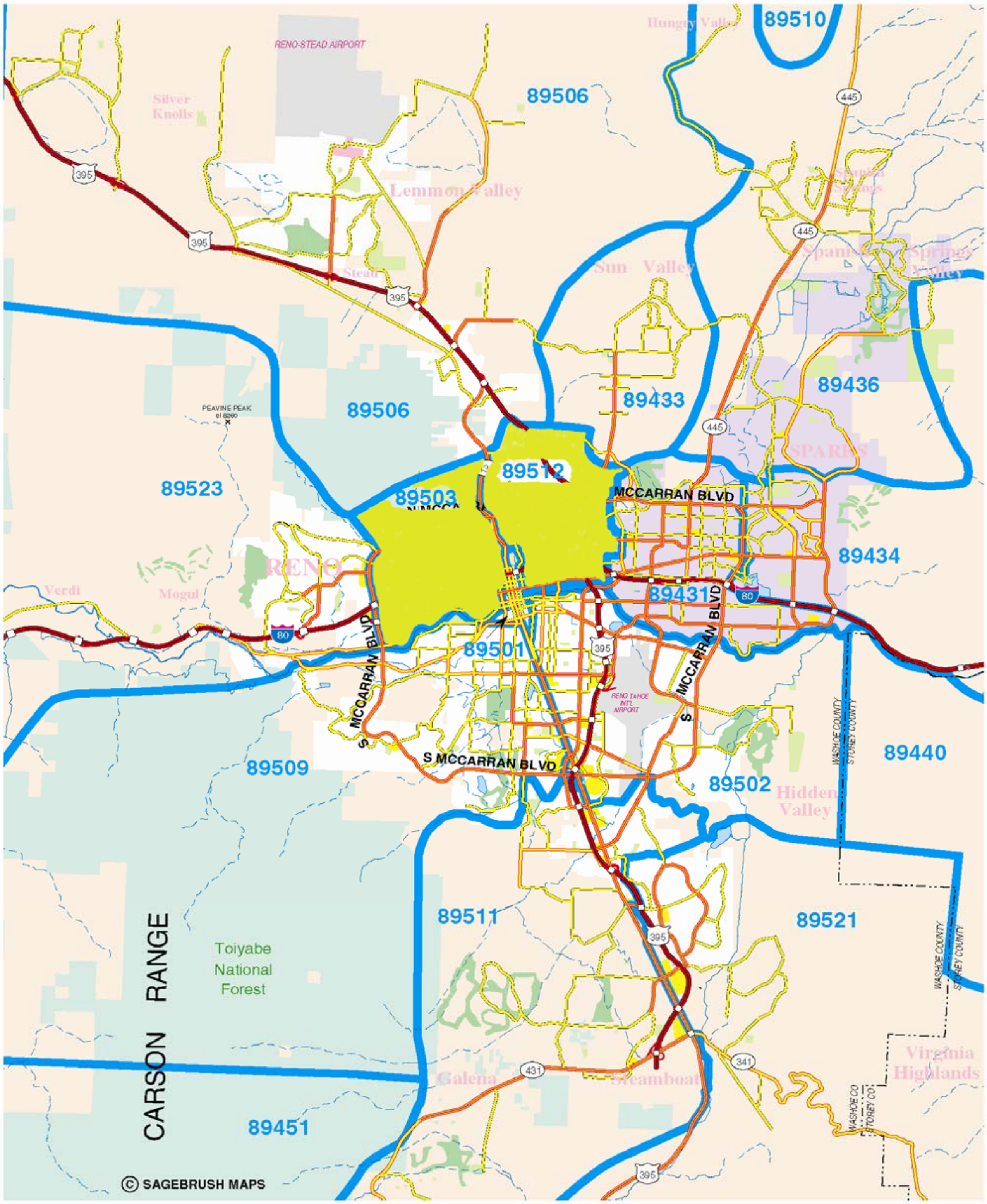
Zip Code	Number of Units	% of Total	Cumulative
89503	323	32.01%	32.01%
89512	276	27.35%	59.36%
89502	213	21.11%	80.47%
89431	197	19.52%	99.99%
Total	1,009		

Table 24
Vacancy Rates Percentage by Zip Code that House the 55+ Age Group
2011

Zip Code	Number of Units	# of Vacancies	Vacancy Rate
89503	323	40	12.38%
89512	276	19	6.88%
89502	213	14	6.57%
89431	197	7	3.55%
Total	1,009	80	7.93%

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 25
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	Studio Apartments	1-BR Apartments	2-BR Apartments
89431	$450.00	$720.00	--
89502	$614.75	$657.33	$954.00
89503	--	$588.75	$817.50

Affordable Units[1] Rental Rates

Zip Code	Studio Apartments	1-BR Apartments	2-BR Apartments
89431	--	$505.50	$671.50
89502	--	$578.50	$691.00
89503	--	$577.50	$747.50
89512	$543.00	$748.25	$712.50

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

TABLE 25-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	$532.37	$655.36	$885.75
Affordable Units[1] Rental Rate	$543.00	$602.44	$705.62
Percentage Difference between Affordable and Market Rate Multi-Family Residential Unit Rental Rates	+2.00%	-8.07%	-20.34%

Section III

Rural Nevada

Rural Nevada Apartment Survey Study

Key Points

Key findings from the 2nd Quarter 2011 survey reflect the following:

1. The two-bedroom size unit is clearly the most common size of rental housing for the rural part of Nevada with 42.56% of the multi-family housing inventory comprising this size housing.
2. The overall vacancy rate for the rural area is 9.35%, a decrease of 2.35% over 2010 data.
3. The rural area's data reflected vacancy rate of 9.35% compares to the Greater Las Vegas Area's rate of 9.88% and the Greater Reno/Sparks Area's rate of 8.5%.
4. Based upon 2nd quarter 2011's data, the average vacancy rate for the overall rental market is 9.24%, a decrease of 1.67% from 2010's data.
5. The highest vacancy rate in rural Nevada is for those units constructed pre-1970.
6. The lowest vacancy rate is in the one- and four-bedroom size units, 6.70% and 6.67% respectively.
7. The significantly highest vacancy rate is for the single room occupancy (SRO) size rental units with a reported 20% vacancy rate.
8. Mean rental rates for market-rate multi-family housing units are lower in Rural Nevada averaging $642.46 compared to $755.93 for the Greater Las Vegas Valley and $730.97 for the Greater Reno/Sparks Area.
9. For Rural Nevada, all size residential unit's rental rates have significantly lower rates in affordable units than in unrestricted market rate units.

" The cities of Carson City, Fallon, Laughlin and Pahrump provide nearly 60% of all identified multi-family residential rental housing in Rural Nevada."

10. The cities of Carson City, Fallon, Laughlin, and Pahrump in Rural Nevada show the highest number of multi-family residential rental units available to house the 55+ age group, providing nearly 60% of all identified multi-family residential rental housing in Rural Nevada.
11. Rental housing for the 55+ shows 79% of this age group reside in one-bedroom size units.
12. The vacancy rate for the 55+ age group's housing in the rural areas is 7.32%, compared to a 9% vacancy rate in the Greater Las Vegas Valley and 6.70% for the Greater Reno/Sparks Area.

Table 26
Market Rate Mean Rental Rates by Apartment Sizes for all Areas in Nevada
June 2011

Area	Studio	1-Bedroom	2-Bedroom	3-Bedroom
Greater Las Vegas Valley	$535.32	$669.16	$805.24	$1,014.01
Greater Reno/Sparks Area	$494.77	$647.81	$765.67	$1,015.65
Rural Nevada	$451.12	$600.15	$683.30	$ 835.27

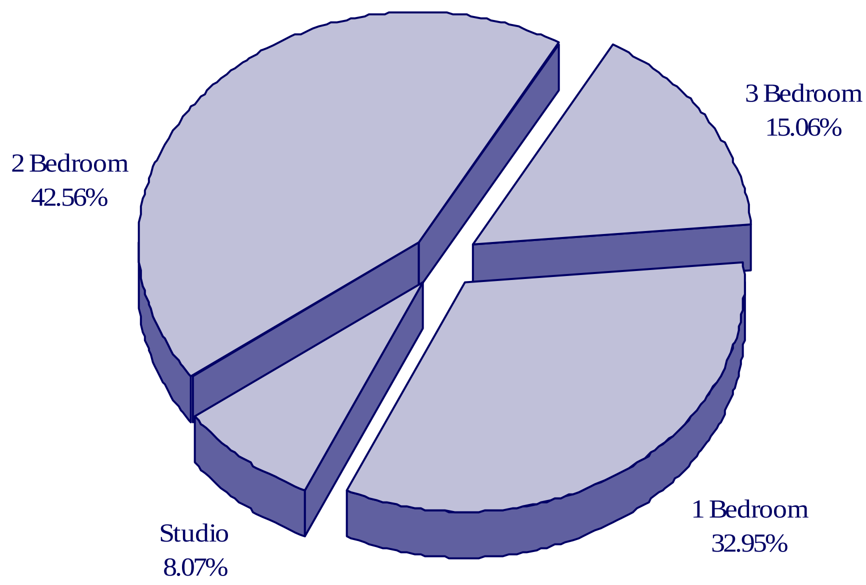
Distribution of Apartments by Type of Unit

TABLE 27
Number of Apartments in Rural Nevada by Type of Unit
June 2011

	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
June 2010	6,745	193	504	1,904	3,002	1,086	56
June 2011	6,248	25[1]	504	2,059	2,659	941	60

[1]Several SRO units were reclassified as studio units.

GRAPH 20
Distribution of Apartment Units in Rural Nevada by Size
June 2011



Note: The SRO and the four-bedroom size units are not shown in the graph as these housing-size groups represent less than one percent of the Rural Nevada housing inventory.

Distribution of Apartments by Type of Unit

The rural areas of the state have apartment complexes that provide fewer rental housing units. As a result, 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 the management company.

Table 27-A
Number of Apartments by Type of Unit
Database Breakdown

Description	June 2008	June 2009	June 2010	June 2011
Total # of apartment complexes identified	160	119	119	135
Total # of apartment units identified	9,039	7,804	7,869	8,749
# of identified rental units where there was no response, or owners and/or managers refused to participate, or mail was returned	1,213	1,540	1,124	2,501
Condo conversions	48	0	0	0
Total # of apartment rental units validated for database	7,778	6,264	6,745	6,248

Vacancy Rates

TABLE 28
Vacancy Rates
(Data by Year Project was Built)

Date Units Built	2nd Qtr. 2011 # Responding to vacancy question Projects	Units	2nd Qtr. 2011 # of Reported Vacant Units	Vacancy Rate 6/30/11	Vacancy Rate 6/30/10	Vacancy Rate 6/30/09	Vacancy Rate 6/30/08	Vacancy Rate 6/30/07
2010-2011	**3**	**492**	--	--	--	--	--	--
2005-2009	12	609	11	1.81%	3.02%	4.42%	4.60%	--
2000-2004	16	704	38	5.40%	4.15%	7.32%	7.42%	2.04%
1995-1999	16	702	125	17.81%	19.63%	19.26%	8.06%	6.40%
1990-1994	13	640	27	4.22%	4.14%	4.73%	4.67%	5.22%
1985-1989	12	991	107	10.80%	15.16%	10.63%	4.26%	4.28%
1980-1984	6	439	54	12.30%	15.88%	19.12%	60.61%	7.00%
1975-1979	6	660	71	10.76%	11.42%	12.46%	7.99%	4.18%
1970-1974	4	312	33	10.58%	14.52%	10.77%	4.70%	5.20%
Pre-1970	1	36	5	13.89%	18.96%	--	3.45%	0.00%
Date unknown	19	663	67	10.10%	15.13%	13.97%	5.48%	3.92%
Totals	105	5,756	538	9.35%	11.70%	11.97%	6.45%	4.61%

TABLE 29
Reported Vacancies By Type of Unit
for All Reporting Apartment Complexes
June 2011

Apartment Type	Number of Units in Sample[2]	Vacancies by Unit Type	Vacancy Rate
Single Room Occupancy (SRO)	25	5	20.00%
Studio Apartments	504	76	15.08%
1-Bedroom Size Apartments	2,059	138	6.70%
2-Bedroom Size Apartments	2,659	338	12.71%
3-Bedroom Size Apartments	941	74	7.86%
4-Bedroom Size Apartments	60	4	6.67%

[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 30
Mean Rental Rates by Apartment Sizes
Market Units Rental Rates
June 2011

Date	Studio	1-Bedroom	2-Bedroom	3-Bedroom
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%
June 2010	$491.50	$593.25	$698.41	$832.95
% change 09-10	+6.38%	+1.22%	+5.38%	+5.09%
June 2011	$451.12	$600.15	$683.30	$835.27
% change 10-11	-8.21%	+1.16%	-2.16%	+.28%

TABLE 31
Market Rate and Affordable Rental Rate Comparison
June 2011

Type of Units	Studio		1-Bedroom		2-Bedroom		3-Bedroom	
	2010	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**
Market Units Rental Rate	$491.50	$451.12	$593.25	$600.15	$698.41	$683.30	$832.95	$835.27
Affordable Units[1] Rental Rate	$374.50	$350.00	$618.34	$581.47	$627.53	$610.24	$710.83	$705.57
Percentage Difference between Affordable and Market-Rate Multi-family Residential Unit Rental Rates	-23.80%	-22.41%	+4.23%	-3.11%	-10.15%	-10.69%	-14.66%	-15.53%

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

Distribution of Apartments by Geographical Area

Table 32
Number of Multi-Family Rental Residential Units by Geographical Area
Rural Nevada 2011

Area	Total Number of Units	# of Units Identified for Housing the 55+ Age Group
Battle Mountain	52	--
Beatty	20	20
Carson City	2,281	279
Dayton	70	--
Elko	503	88
Ely	185	24
Eureka	12	12
Fallon	306	146
Fernley	191	90
Gardnerville	116	--
Jackpot	60	--
Laughlin	1,065	150
Lovelock	113	24
Mesquite	299	24
Minden	56	--
Overton	48	24
Pahrump	176	116
Searchlight	24	24
Silver Springs	24	24
Stateline	70	--
Tonopah	23	--
Wendover	93	30
West Wendover	142	--
Winnemucca	214	48
Yerington	105	52
Total	6,248	1,175

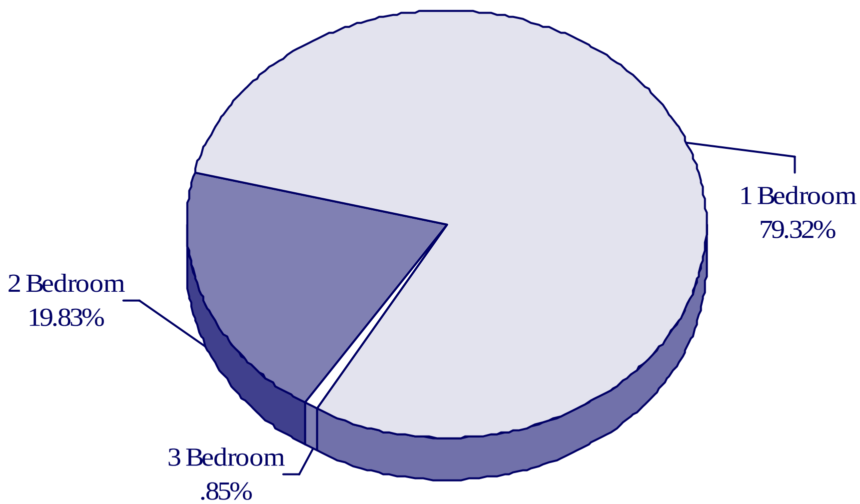
Distribution of Apartments by Type of Unit that House the 55+ Age Group

The following tables and graphs clearly show that nearly 80 percent of the preferred rental housing in rural Nevada's 55+ age group is one-bedroom in size.

Table 33
Number of Apartments by Type of Unit
55+ Age Group
2011

Total # of Units	1-Bedroom	2-Bedroom	3-Bedroom
1,175	932	233	10

GRAPH 21
Distribution of Apartment Units by Size
June 2011



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

Vacancy data in this report reflects the highest vacancy rate in residential multi-family units being in Las Vegas where substantially more units are available for the 55+ age group. By comparison the Greater Reno/Sparks Area and Rural Nevada show comparable number of residential units available for the senior population with the Greater Reno/Sparks reflecting the lowest vacancy rate.

Table 34
Vacancy Rate of Apartment Rental Units
55+ Age Group
2011

Geographical Area	Number of Units	#of Units Reported to be Vacant	Vacancy Rate
Rural Nevada	1,175	86	7.32%
Greater Las Vegas Valley	8,939	784	9.00%
Greater Reno/Sparks Area	1,044	70	6.70%